

Mercado Libre users in Brazil can now pay for purchases with Mercado Coin

Article

The news: Argentina-based ecommerce company **Mercado Libre** launched its own digital currency in Brazil, with plans for it to extend throughout Latin America, [per](#) CoinDesk.

More on this: The digital currency, **Mercado Coin**, will be available to Mercado Libre's 80 million users in Brazil by the end of August. Mercado Libre plans to extend the currency to other Latin American countries soon, but provided no timeline.

- Users can make purchases on Mercado Libre with the coin, and can receive the coin as cash back rewards on purchases.
- The currency will at first be tradable only on Mercado Libre's digital wallet, **Mercado Pago**. The initial price of the coin is \$0.10.
- Digital payments company **Ripio** will provide custody and trading services for the currency.

Late last year, Mercado Libre introduced a crypto trading platform in Brazil, which reached one million users in just two months. The company plans to offer this feature in addition to Mercado Coin across Latin America.

Taking on financial services: Dubbed the "Amazon of Latin America," Mercado Libre is making a push into financial services to maintain market share in the region and further boost market penetration. And its backing and partnerships are setting it up for success.

- **Goldman Sachs** last month loaned it \$233 million, with Mercado Libre planning to use \$106 million of that toward its credit arm in Brazil and the remaining \$127 million for new Mexican operations.
- Also last month, it joined **Western Union** to provide remittance services between the US and Mexico.
- Last November, it received a \$375 million loan from **Citi** to expand credit services in Brazil and Mexico.

Competition looms: Despite Mercado Libre's ecommerce dominance in Latin America, it still faces a handful of challengers in the financial services space that shouldn't be taken lightly.

- Brazilian digital bank **Nubank** boasts roughly 54 million users and has recently set its sights on growth in 2022. It's planning acquisitions of fintechs with depressed valuations, as well as geographic expansion and new products.
- Brazil-based lender **Creditas** raised \$200 million and purchased a bank in early July as part of its push to increase its profitability.

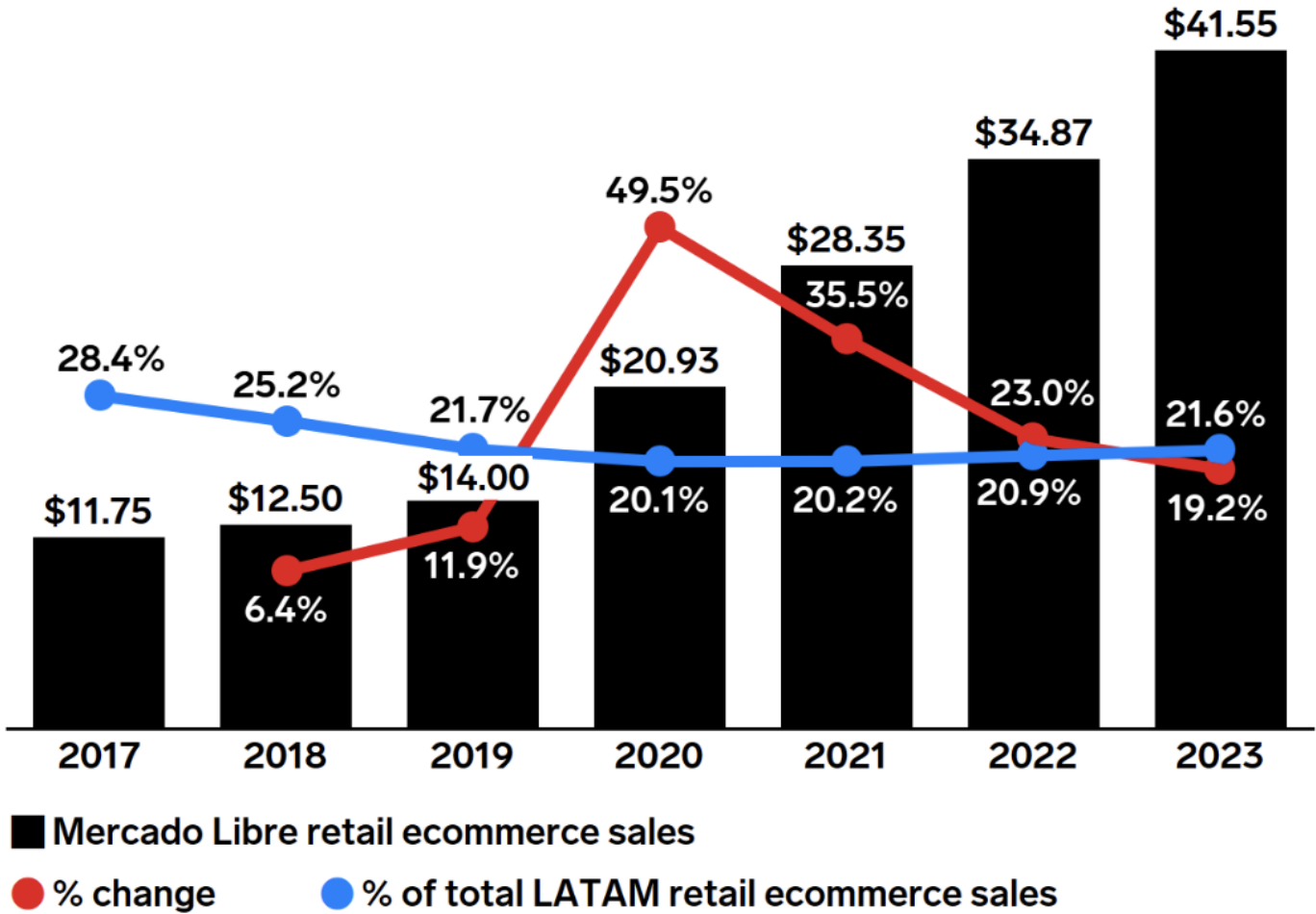
- Brazil super app **Inter** is also emphasizing geographic expansion, announcing in June that it would begin offering services in the US geared toward [immigrants](#).
- Late last year UK-based **Revolut** made moves into Mexico and Latin America by naming a [new CEO](#) to head the entry into the market and by launching remittance services between the US and Mexico. Notably, Revolut was spotted recruiting for a technical crypto role that was charged with building a Revolut [crypto exchange](#), which, if successful, could shake things up for Mercado Libre's new cryptocurrency offer.

The big takeaway: Although Mercado Libre will run up against competitors in its expansion into the financial services sector, its hold over ecommerce in the region will likely boost its products and services that make shopping easier.

- We [predict](#) that its retail ecommerce business will account for more than one-fifth of total online consumer spending in the region this year.
- Its coupling of an ecommerce platform, a digital wallet, and a new digital currency gives Mercado Libre growing characteristics of a [super app](#), or at the very least, something that many consumers crave—a bundling of experiences all into one place.

Mercado Libre Retail Ecommerce Sales in Latin America, 2017-2023

billions, % change, and % of total LATAM retail ecommerce sales



Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets

Source: eMarketer, June 2022

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Go deeper: Check out our [spotlight on Mercado Libre](#) to learn more about what we expect for its future in Latin American ecommerce and the region's competitive market.

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