



Global e-commerce market analysis



\$1.3 trillion



2014

\$6.5 trillion



2023

\$8.1 trillion



2026

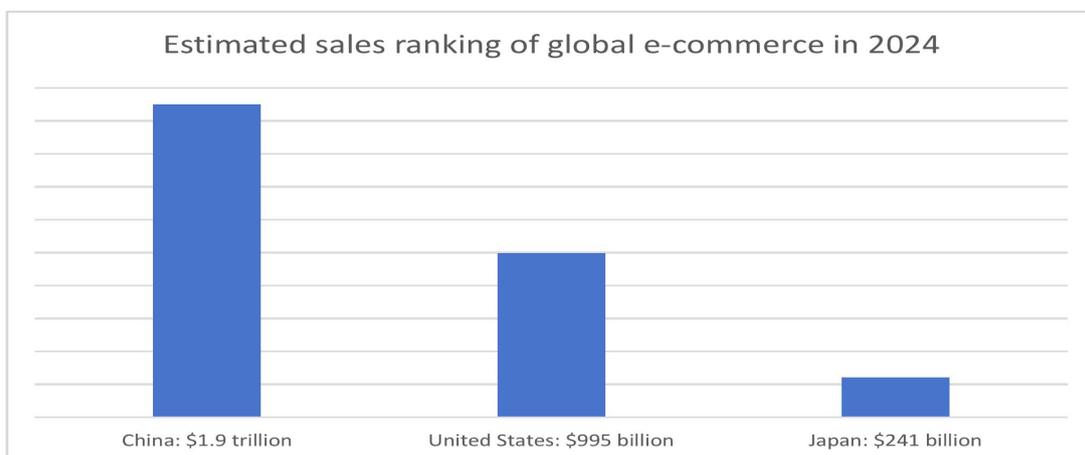
Market size:

- In recent years, online shopping has become more and more popular due to the rapid development of information technology and the Internet economy. After the novel coronavirus epidemic, the closure of offline physical stores and the increase in people's online consumption demand have driven more and more companies, brands, and new retail platforms to enter the e-commerce market, and the scale has continued to expand. The scale of e-commerce continues to expand. The global retail e-commerce market will grow fivefold between 2014 and 2023. According to a report from a market research institution, global retail e-commerce sales will be approximately US\$6.5 trillion in 2023. eMarketer expects this number to grow 25% over the next few years, reaching approximately \$8.1 trillion by 2026.
- Over the past decade or so, the number of Internet users around the world has grown rapidly. Coupled with the impact of travel restrictions and store closures during the epidemic, more consumers have become accustomed to online shopping, and many merchants have also shifted their business online. In 2020, the growth rate of the global retail e-commerce market reached 25.7%, and fell again to 17.1% in 2021. The growth rate will slow down after 2022, but it will still maintain a growth trend. Rapid growth was achieved in 2023.



Market characteristics:

- The proportion of e-commerce in total retail sales is increasing year by year. The retail industry is one of the industries that has been almost disrupted by the Internet, and online sales are playing an increasingly important role in the retail industry. The COVID-19 epidemic in 2020 has seriously affected offline consumption, while online consumption has promoted the rapid development of the e-commerce industry to a certain extent. The proportion of e-commerce in total retail sales of consumer goods rose rapidly to 17.8%, and has maintained relatively stable growth since then. By 2023, e-commerce sales will account for 27% of global retail sales. eMarketer predicts that e-commerce sales will account for nearly two-fifths of global retail sales by 2026.



- Asia leads the way in e-commerce sales. As of December 2023, e-commerce sales in Asian economies account for half of the world's major economies. Among them, China, Japan, South Korea, India and Indonesia ranked first, third, sixth, seventh and ninth respectively. Statista Digital Market Outlook predicts that China's e-commerce market will generate approximately US\$1.9 trillion in revenue in 2024. The United States ranks second in the world, with a scale of approximately US\$995 billion; followed by Japan, with a scale of approximately US\$241 billion.
- Asian markets are leading the way in terms of growth. eMarketer's report shows that in 2023, among the global e-commerce markets, the e-commerce markets in Asia, Australia and the Americas will see the most significant growth. The four countries with the fastest growing retail e-commerce in the world are all in Asia. By country, growth rates were highest in Singapore and Indonesia, with online sales increasing by 36% and 34% respectively. Latin America's digital economy has boomed during the COVID-19 pandemic, with economies across the region showing unprecedented growth in e-commerce. Among them, Argentina's online retail market is expected to grow by more than 28%, with a growth rate higher than that of any country in the Americas.

Market performance:

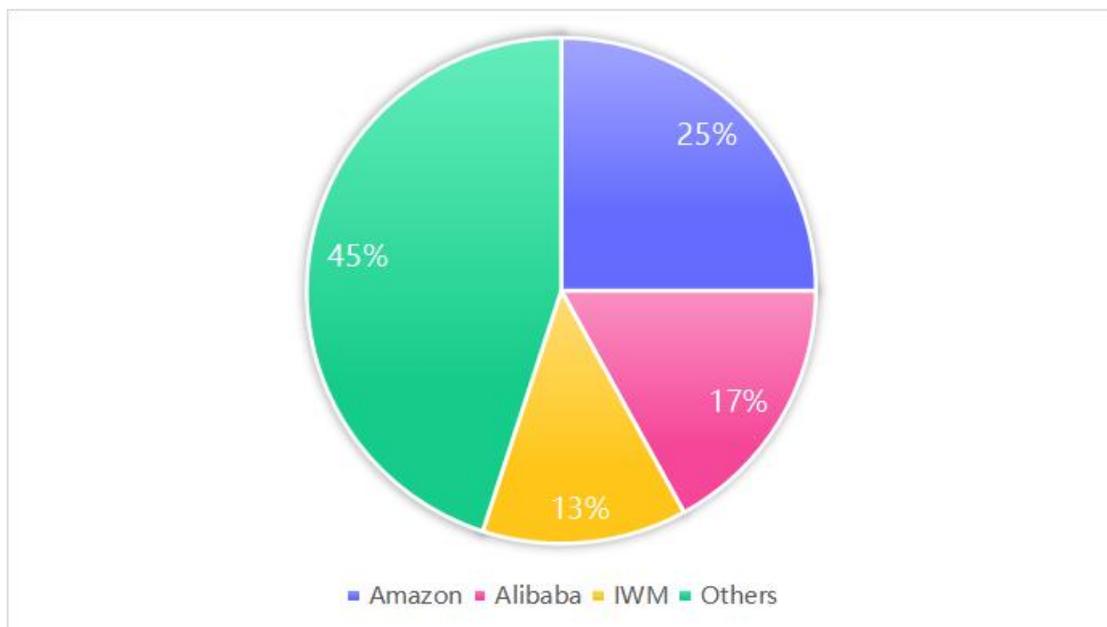
- China is the most popular online cross-border shopping market. According to Dynata's survey of cross-border shoppers in 39 countries around the world, China is the most popular online cross-border shopping market, with 30% of respondents saying they shop through Chinese e-commerce platforms. Germany is second with 14%, followed by the UK and the US, both at 10%.





- The major contributors to the e-commerce market size are the top-ranked platforms. The world's leading e-commerce sales platforms (in terms of sales) include: Alibaba, Amazon, IWM, JD.com, Pinduoduo, Apple, eBay, Samsung, Xiaomi, Coupang, Walmart, etc. As of December 2023, Alibaba is the world's largest e-commerce retailer, with annual online sales of US\$933 billion. Amazon is the second-largest e-commerce retailer, with approximately \$750 billion in online sales.

The market share of global e-commerce platform in 2027:



- However, Edge by Ascential predicts that by 2027, Amazon will surpass Alibaba, with annual online sales expected to exceed US\$1.2 trillion, and IWM will surpass JD.com and Pinduoduo. Dynata survey data shows that more than a quarter of cross-border shoppers shop through Amazon. The number of people who use Alibaba/AliExpress for shopping ranks second (accounting for about 17%), and the number of people who use IWM for shopping ranks third (accounting for about 13%).



1. Asia:

- The "Technology Empowers Asia-Pacific Digital Trade" report released by Deloitte shows that as of 2021, in terms of cross-border e-commerce development, due to the large scale of e-commerce, China's overall advantages in digitalization are particularly prominent. The business development score was 71.4. In Asia, South Korea, Singapore and Japan are also relatively mature markets for cross-border e-commerce. Although Singapore's overall market size is small, its cross-border e-commerce accounts for a high proportion of the overall e-commerce scale. High logistics costs are the most pressing challenge for the development of cross-border e-commerce. The e-commerce markets in Japan and South Korea are relatively mature, but currently cross-border e-commerce accounts for a small proportion of the overall scale of e-commerce. In the future, as the e-commerce market reaches a greater degree of openness, people's purchasing power and developed e-commerce supply chains will be able to effectively promote the continued growth of the cross-border e-commerce market.
- The "2022 Southeast Asia Digital Economy Report" jointly released by Google, Temasek and Bain & Company predicts that the Indonesian e-commerce market will generate US\$95 billion in online retail sales in 2025, significantly exceeding the US\$25 billion in 2019. By 2025, it will account for more than 45% of the Southeast Asian e-commerce market and become one of the largest e-commerce markets in Southeast Asian countries. This may be due to the growth of the middle class and increasing internet penetration. Other emerging markets include Malaysia, the Philippines, Thailand and Vietnam.



2. Europe

- In recent years, the scale of online shopping in Europe has continued to grow. After experiencing the COVID-19 epidemic, Brexit and the Ukraine crisis, European e-commerce sales have gradually normalized and stabilized. Statista expects revenue in the European e-commerce market to continue growing from 2023 to 2027 after experiencing a decline in 2022.
- In 2023, German e-commerce sales revenue will be approximately 93.7 billion euros, and is expected to reach 103.9 billion euros in 2024.
- In 2023, French e-commerce sales revenue will be approximately 164.2 billion euros, a year-on-year increase of 25.2 billion euros and 139 billion euros in the previous year.
- Spanish e-commerce revenue declined in the first half of 2020, but began to recover rapidly in the second half of 2020, and is expected to maintain sustained growth for many years.



3. Northern America:

- In recent years, the U.S. e-commerce market has continued to grow in revenue. According to statistics: U.S. e-commerce retail sales have completely exceeded US\$1 trillion in 2023.
- However, e-commerce accounts for less than one-fifth of total U.S. retail sales. It is expected that the US e-commerce market revenue will continue to grow from 2023 to 2027, and revenue will increase to US\$1.6 trillion for four consecutive years in 2027. As industry revenue continues to grow, so does the number of businesses. Some growth is expected, but profit growth will be weaker.
- According to IBISWorld statistics, the profit margin of the U.S. e-commerce industry will account for 5.9% of industry revenue in 2022, which is slower than the 5.6% growth in 2017.
- In 2022, Canadian retail e-commerce generated more than CAD\$52 billion in revenue. This number is expected to grow to CAD\$94 billion by 2027, Statista predicts. Two segments, Canadian fashion and electronics, will account for 27% and 25%, respectively, of all e-commerce retail sales in Canada.
- Due to the rise of the e-commerce market, cross-border purchasing behavior has become increasingly common in North America.
- A survey by Dynata shows that US consumers' recent cross-border online shopping behavior occurred in China, accounting for 41% of US consumers; the UK ranked second with 15%; Canada followed with 9%.



4. Latin America:

- In recent years, online shopping has become increasingly popular in Latin American markets. Latin America's digital economy has boomed during the COVID-19 pandemic, with economies across the region showing unprecedented growth in e-commerce. In 2021, Latin America's e-commerce retail sales will expand to US\$85 billion. Morgan Stanley expects that number to grow to about \$160 billion by 2025.
- In 2020, affected by the COVID-19 epidemic, online sales revenue in South American countries increased by 40% annually. According to Statista, Brazil and Mexico will together account for around 60% of the Latin American e-commerce market in 2020 alone. Retail e-commerce accounts for approximately 5.5% of total retail sales in Mexico and approximately 4.5% of total retail sales in Brazil. In 2023, Brazilian e-commerce revenue will be approximately 179 billion Brazilian reais, an increase of 26 billion Brazilian reais from 153 billion Brazilian reais in the previous year.
- Brazil and Argentina are among the fastest growing online retail markets in the world. In 2022, Argentina's online sales revenue has completely exceeded 2.8 trillion Argentine pesos, but it is worth noting that in 2022, Argentina's inflation rate will exceed 72%.



5. Africa:

- African e-commerce has developed rapidly in recent years, driven by international cross-border e-commerce platforms and hundreds of local cross-border e-commerce platforms.
- Especially in more developed countries such as Mauritius, Tunisia, Morocco, Nigeria, South Africa and Ghana, the number of online shoppers in Africa has increased by 19%. Furthermore, this compares to a global average annual growth rate of 16%.
- Early forecasts put the African e-commerce market at a reasonable size of around \$30 billion in 2020, up 42% from 2019, although final figures were impacted by COVID-19 and industry forecasts predicted a similar growth trajectory. For example, Statista predicts that African e-commerce will grow at a compound annual growth rate of 19% between 2020 and 2025. By 2030, the total African market size will reach US\$84 billion.
- Africa's Internet economy is one of the largest investment opportunities that has been overlooked over the past five years, with a profound impact on development. The International Finance Corporation and Kugel predict that the African Internet economy will add US\$180 billion to Africa's GDP by 2025 (IFC). The growth rate of online shopping using Google searches in 2020 is very high, but the industry is still in its infancy in most African countries. Only a few of the above-mentioned developed countries have experienced significant market growth. This growth rate has quickly allowed neighboring countries on the African continent to catch up, and many e-commerce platforms have also deployed in Africa, a huge blue ocean market.