



# Payments and E-commerce Report

## Western and Central Europe

### WE/CE



## Dear reader,

Welcome to the PPRO Regional Payments and E-commerce report for Western and Central Europe. This year, we've changed how the reports are organised. Instead of reports based on geographical regions, we've broken our new reports down by geopolitical boundaries; the EU and the CIS.

E-commerce is one of the big business success stories of the last decade. It has created jobs, injected new dynamism into our economies, and given people, who wouldn't otherwise have had it, access to goods and services that improve their lives.

At PPRO, we're proud to help make possible the payments revolution that underpins the explosive growth of the e-commerce industry. But we're even prouder to have helped our partners and their merchants grow and succeed in more markets every year.

And that's what this report and its companions are really about. They are tools designed to give you the knowledge you need to open new markets. We hope you find them useful and we wish you every success.

Yours sincerely,

**Simon Black**  
CEO, PPRO

# Western & Central Europe: prosperity amid rising trade tensions

After years of low inflation making the exports of some euro members uncompetitive, inflation in the eurozone finally hit the ECB's (European Central Bank) 2% target in 2018. Despite some tense times, for instance, when the new Italian government looked as if it might nominate a finance minister who wanted Italy to leave the eurozone, there have been no serious populist upsets to the economic system.

In his state of union address to the European Parliament, on 12 September 2018, President of the European Commission Jean-Claude Juncker promised to use the remainder of his time in office to prove to the people of Europe that the EU could deliver on the promises it had made for them: of greater prosperity, security, and freedom.

Economic indicators are mixed. The political emphasis on optimism notwithstanding, consumer confidence in the eurozone fell in the four months leading up to September.<sup>1</sup> In September, the Economic Sentiment Indicator measuring business and consumer confidence – hit by fears over global trade disagreements – fell from 111.6 points to 110.9 points.<sup>2</sup> However, unemployment fell to 8.1% in August, the lowest rate since the financial crisis.<sup>3</sup>

## An optimistic retail environment

Between January and August 2018, the volume of retail and wholesale trade in the European Union rose from 105.9 to 107.5 points (the baseline of 100 represents trade volumes in 2015).<sup>4</sup>

According to the Ecommerce Foundation, the value of goods sold online in Europe in 2017 was €534 billion and was expected to reach €602 billion by the end of 2018.<sup>5</sup>

Analysts expect more and more Western Europeans to start looking online for bargains, rather than on the high street. PPRO's latest research shows that e-commerce accounts for 13.4% of all retail in Western and Central Europe.<sup>6</sup>

The EU is currently in the process of finalising its Revised Payment Services Directive (PSD2). This will make it easier for bank customers to shop around for financial services, including payment services for e-commerce. PSD2 was finalised and incorporated into national law on 18 January 2018. What the final draft will look like and how it's implemented will have a profound impact on how payment service providers and e-commerce companies do their business.

## The outlook outside the Eurozone

The Western and Central European nations outside the Eurozone are the Czech Republic, Denmark, Hungary, Norway, Poland, Sweden, Switzerland, and the UK.

The Nordic economies are ticking along nicely, albeit not quite at their previous pace. The OECD predicts growth of up to 1.7% for Denmark in 2018 rising to 1.9% in 2019.<sup>7</sup> The Swedish economy was projected to grow at 2.8% in 2018 and 2.2% in 2019, with the end of fiscal stimulus, labour

shortages and a potential fall in house prices acting as brakes on growth.<sup>8</sup> The Norwegian economy grew by 1.8% in 2018 and will grow by 1.6% in 2019.<sup>9</sup>

The Czech Republic was projected to grow by 3% in 2018 and 2.9% in 2019.<sup>10</sup> According to the OECD, labour shortages are the main bottleneck to continued high growth (the country's economy has grown by 4.6% between 2013 and 2017).<sup>10</sup>

Hungary's economy is projected to grow by 4.4% this year.<sup>11</sup> This is despite the Orban government's continuing tense relationship with Brussels. In September, analysts at FTSE Russell announced that they would now class Poland as a mature rather than an emerging market.<sup>12</sup> The country's economy was projected to grow by 4.6% in 2018.<sup>13</sup>

The exit negotiations with the United Kingdom drag on, frequently bogged down by what

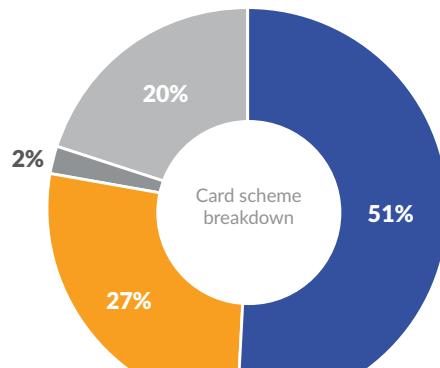
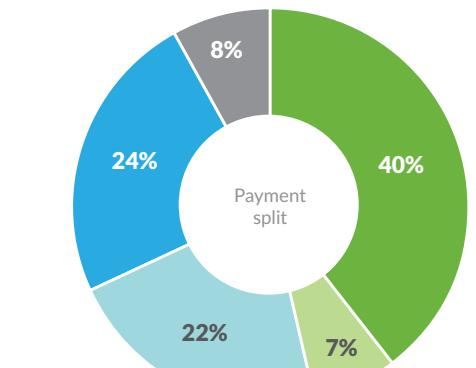
appears to be, miscommunication and mismatched expectations on both sides. Continuing uncertainty over the future of the UK's relationship with the EU is acting as a drag on the British economy.

A 2018 study by the KOF Swiss Economic Institute predicted that the number of full-time jobs would expand by 2% in 2019 while the relatively weak franc gives a boost to exporters.<sup>14</sup>

Overall, the economic outlook in Western Europe is healthy. And according to Eurocommerce Europe, 38% of all online shoppers in Europe are already shopping cross-border, indicating a high level of acceptance for new, innovative, and high-value online retailers and retail experiences.<sup>15</sup>

1. Eurozone Consumer Confidence Disappoints Again. 21 September 2018, Seeking Alpha.
2. Eurozone Manufacturing, Consumer Sentiment Dims in September. 27 September 2018, Paul Hannon, The Wall Street Journal.
3. Euro Area Unemployment Rate. 1 October 2018, Trading Economics.
4. Turnover and volume of sales in wholesale and retail trade - monthly data. 3 October 2018, Eurostat.
5. Ecommerce in Europe was worth €534 billion in 2017. 2 July 2018, Ecommerce News.
6. Edgar Dunn Company research 2018.
7. Denmark - Economic forecast summary (May 2018), OECD.
8. Sweden - Economic forecast summary (May 2018), OECD.
9. Norway - Economic forecast summary (May 2018), OECD.
10. The Czech economy is thriving but labour shortages will limit growth. Falilou Fall, 16 July 2018, OECD.
11. Hungary - Economic forecast summary (May 2018), OECD.
12. Poland to Switch from Emerging to Developed Market by September 2018, 16 October 2018, Emerging Europe.
13. Poland - Economic forecast summary (May 2018), OECD.
14. Weak investment for entire year as UK firms show pre-Brexit jitters. 28 September 2018, Richard Partington, The Guardian.
15. Toyota says no-deal Brexit would affect investment. 2 October 2018, BBC News.
16. Study finds Swiss economy is looking up, but risks abound. 3 October 2018, SwissInfo.ch.
17. European Ecommerce Report 2018, Eurocommerce.

# 2018/19 payment trends

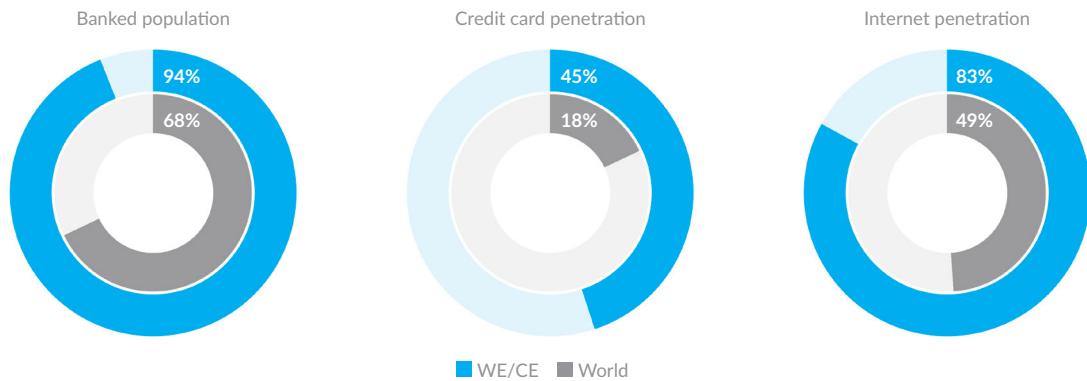


■ Card ■ Cash ■ Bank transfer ■ E-wallet ■ Other

■ VISA ■ Mastercard ■ AMEX ■ Local

	WE/CE	World
Population	480,212,711	7,422,222,507
Population (15+)	406,302,990	5,506,480,751
GDP (millions)	17,449,484.71	79,211,592.36
GDP per capita	40,886.08	10,741.26
Online population	396,474,245	3,629,320,279
B2C e-commerce (billions)	618.44	2,932.87
Average online spend	2,673.64	2,335.02
E-commerce % of total retail	13%	16%

Currencies are always depicted in \$USD



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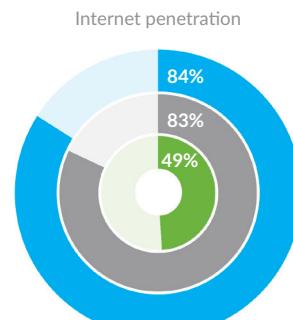
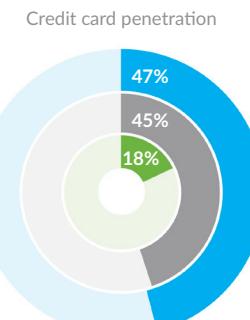
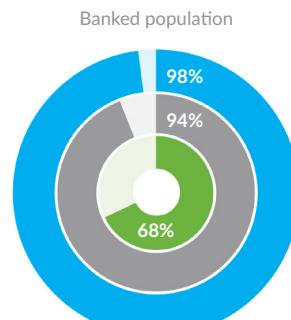


# Austria

Bordering Switzerland and Germany, Austria is one of Europe's three German-speaking countries. Like most of Western Europe, Austria is increasingly diverse with a growing minority population. Following suit, the economy is also diverse and robust. In June 2016, unemployment peaked at 6.3%, its highest rate since 1945. But by July 2018, this had fallen to just 4.9% (well below the EU average of 6.8%). From 2012 to 2015, when the Eurozone economy was at its most sluggish, Austrian growth rates were at or below 1%. Since then, the country's economic outlook has improved, with the growth rate rising to 1.4% in 2016 and 3% in 2017. According to the Austrian Institute for Economics, the drivers behind rising growth are an increase in exports which has spurred firms to invest in new technology and to hire more workers. Due to a tight labour market. Unemployment is down and wages are up, increasing consumer confidence.

	Austria	WE/CE	World
Population	8,809,212	480,212,711	7,422,222,507
Population (15+)	7,567,852	406,302,990	5,506,480,751
GDP (millions)	416,595.67	17,449,484.71	79,211,592.36
GDP per capita	47,290.91	40,886.08	10,741.26
Online population	7,428,221	396,474,245	3,629,320,279
B2C e-commerce (billions)	10.92	618.44	2,932.87
Average online spend	1,998.58	2,673.64	2,335.02
E-commerce % of total retail	7%	13%	16%

Currencies are always depicted in \$USD



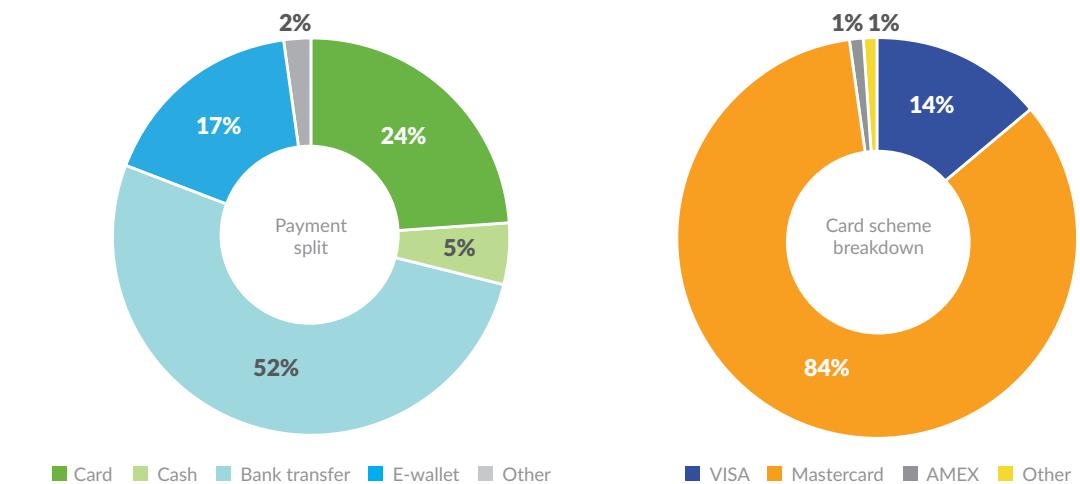
■ Austria ■ WE/CE ■ World

15%  
World

10%  
WE/CE

9%  
B2C e-commerce growth

	Austria	WE/CE	World
Smartphone penetration	94%	72%	53%
E-commerce completed on a mobile device	15%	43%	45%



76% have shopped cross-border



77%



10%



3%

Top e-commerce segments

Airlines & Hotels

Clothing & Footwear

Media & Entertainment

Popular LPMs in Austria

Billpay

Entercash

eps

Klarna Pay later

Klarna Slice it

SafetyPay

SEPA Credit Transfer

SEPA Direct Debit

Sofort

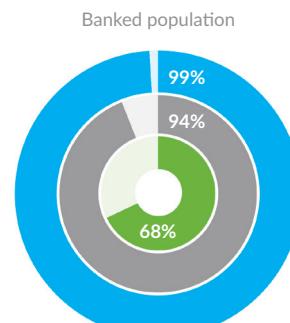


# Belgium

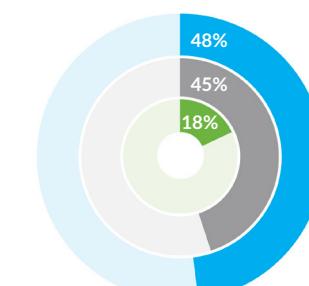
Belgium was created in 1830, merging the southern French-speaking provinces of Wallonia with the northern Dutch-speaking Flemish provinces. The two merged communities struggled to find balance and in 2011, they found themselves unable to agree on a coalition deal. As a result, Belgium went 589 days without an elected government. Despite this, the country has an enviable reputation for stability and good governance. In 2017, the economy grew at a rate of 1.73%, up from the previous year. The debt-to-GDP ratio is 103%, higher than most other EU countries (only Portugal, Italy, and Greece have higher ratios). The government is committed to market reforms, including the liberalisation of the labour market.

	Belgium	WE/CE	World
Population	11,372,068	480,212,711	7,422,222,507
Population (15+)	9,428,019	406,302,990	5,506,480,751
GDP (millions)	492,681.28	17,449,484.71	79,211,592.36
GDP per capita	43,323.81	40,886.08	10,741.26
Online population	9,838,715	396,474,245	3,629,320,279
B2C e-commerce (billions)	12.06	618.44	2,932.87
Average online spend	1,767.49	2,673.64	2,335.02
E-commerce % of total retail	14%	13%	16%

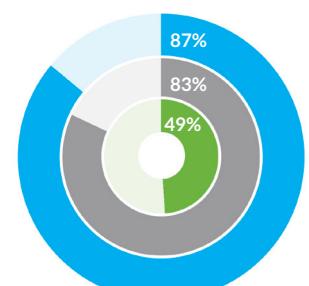
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Credit card penetration

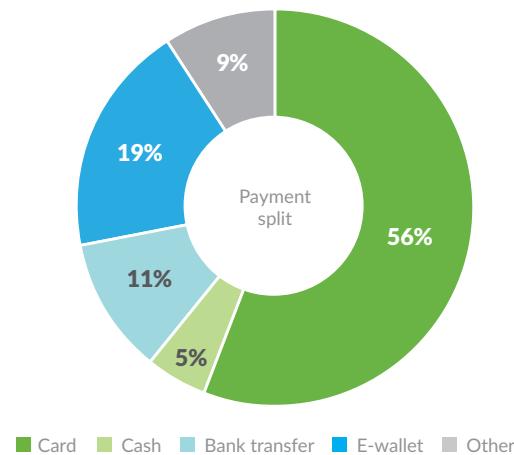


Internet penetration

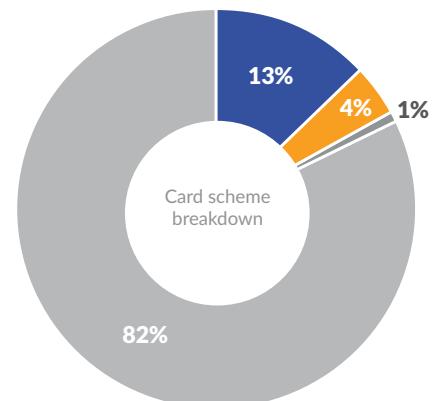


■ Belgium ■ WE/CE ■ World

	Belgium	WE/CE	World
Smartphone penetration	70%	72%	53%
E-commerce completed on a mobile device	15%	43%	45%



■ Card ■ Cash ■ Bank transfer ■ E-wallet ■ Other



■ VISA ■ Mastercard ■ AMEX ■ Local

68% have shopped cross-border



Top e-commerce segments

Airlines & Hotels  
Clothing & Footwear  
Electrical Goods

## Popular LPMs in Belgium

AfterPay

Bancontact

ING Home'Pay

Klarna Pay now

Klarna Slice it

Payconiq

SEPA Direct Debit

Trustly

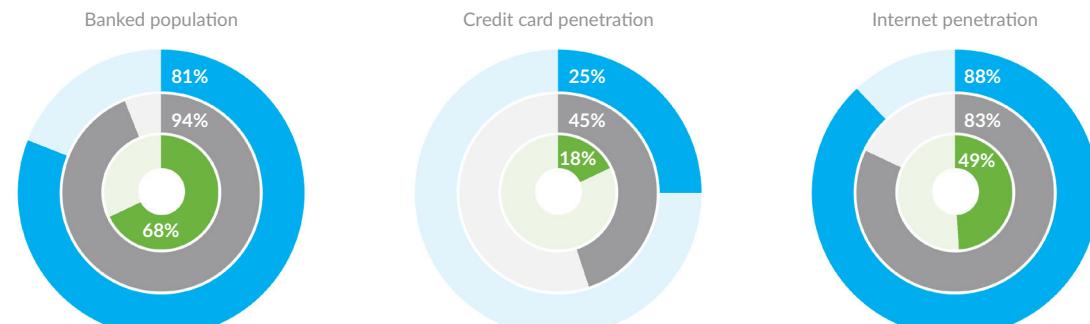


# Czech Republic

Consisting of the historical provinces of Bohemia and Moravia, the Czech Republic has managed the transition from planned economy to a free market with success. Average consumer incomes continue to trend upward. Over 80% of Czech exports in physical products are manufactured goods, as opposed to raw or partially processed materials. Germany is the country's single biggest export destination, absorbing 32% of the Czech Republic's exported goods. The country is a key part of what's known as the German-Central European Supply Chain-Cluster. Largely in part due to a positive business environment created by successive Czech administrations. According to a 2017 report by KPMG, the country is the regional leader in factors such as the quality of local suppliers, the banking environment, the quality of transport infrastructure, and the amount companies are willing to spend on research and development.

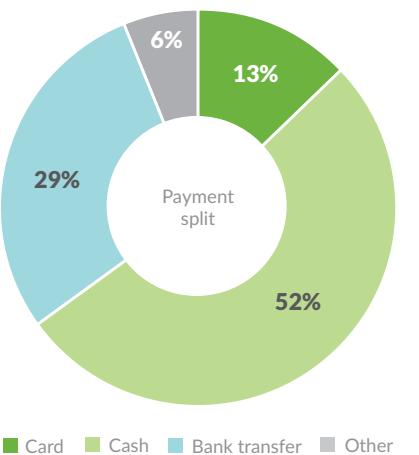
	Czech Rep.	WE/CE	World
Population	10,591,323	480,212,711	7,422,222,507
Population (15+)	8,963,004	406,302,990	5,506,480,751
GDP (millions)	215,725.53	17,449,484.71	79,211,592.36
GDP per capita	20,368.14	40,886.08	10,741.26
Online population	8,100,371	396,474,245	3,629,320,279
B2C e-commerce (billions)	4.75	618.44	2,932.87
Average online spend	743.38	2,673.64	2,335.02
E-commerce % of total retail	10%	13%	16%

Currencies are always depicted in \$USD

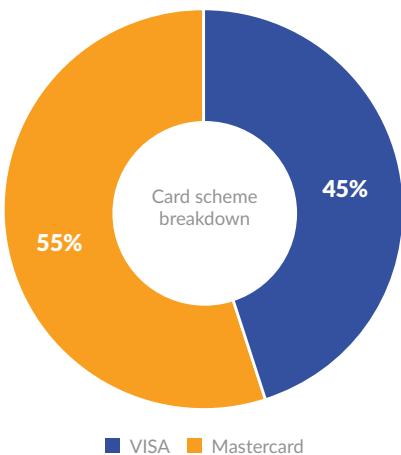


■ Czech Rep. ■ WE/CE ■ World

	Czech Rep.	WE/CE	World
Smartphone penetration	66%	72%	53%
E-commerce completed on a mobile device	46%	43%	45%



■ Card ■ Cash ■ Bank transfer ■ Other



■ VISA ■ Mastercard

19% have shopped cross-border



1st



2nd

Top e-commerce segments

- Airlines & Hotels
- Media & Entertainment
- Electrical Goods

Popular LPMs in the Czech Republic

Entercash

GoPay

Paysafe:cash

PayU

TrustPay

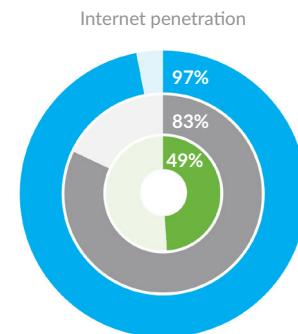
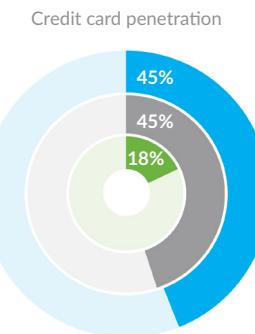
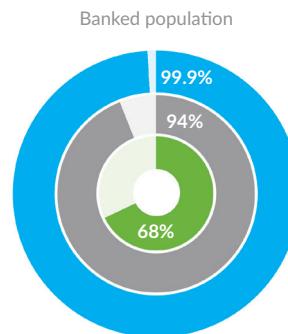


# Denmark

Denmark is one of only three EU members in Western Europe to not adopt the Euro and keep its own currency. Regardless, the country's economic growth has closely tracked those of similar North European economies within the Eurozone. According to World Bank figures, economic growth in 2017 was 2.24%. In 2017, the country became foreign debt-free for the first time since 1834. The country faces a growing labour shortage, with employment levels at a record high. There are signs the economy may be suffering. Direct foreign investment in Denmark fell in 2016 and 2017. The latest OECD forecast predicts that both a tightening labour market and growing fiscal deficits will dampen growth. A poor 2018 growing season is also expected to hurt agricultural exports while weaker international markets have hurt companies such as Lego, Novo Nordisk, and Vestas.

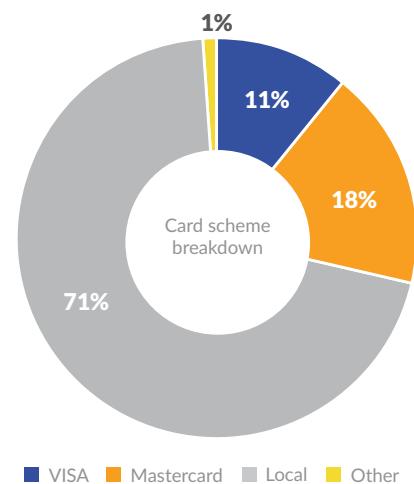
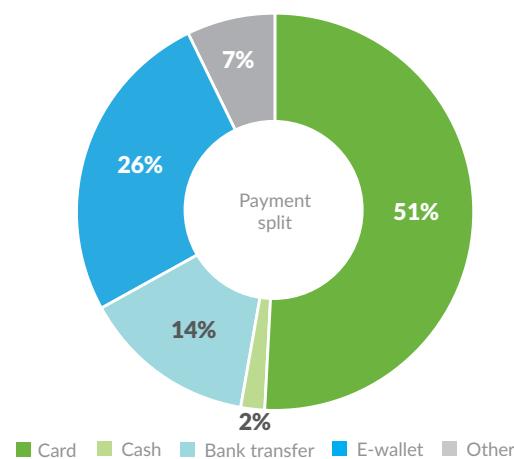
	Denmark	WE/CE	World
Population	5,769,603	480,212,711	7,422,222,507
Population (15+)	4,818,473	406,302,990	5,506,480,751
GDP (millions)	324,871.97	17,449,484.71	79,211,592.36
GDP per capita	56,307.51	40,886.08	10,741.26
Online population	5,594,656	396,474,245	3,629,320,279
B2C e-commerce (billions)	17.63	618.44	2,932.87
Average online spend	3,819.59	2,673.64	2,335.02
E-commerce % of total retail	13%	13%	16%

Currencies are always depicted in \$USD



■ Denmark ■ WE/CE ■ World

	Denmark	WE/CE	World
Smartphone penetration	84%	72%	53%
E-commerce completed on a mobile device	33%	43%	45%



46% have shopped cross-border



28%



21%



18%

## Top e-commerce segments

Airlines & Hotels (22%)

Electrical Goods (11%)

Clothing & Footwear (10%)

## Popular LPMs in Denmark



Dankort



Klarna Pay later



Klarna Pay now



Klarna Slice it



Trustly

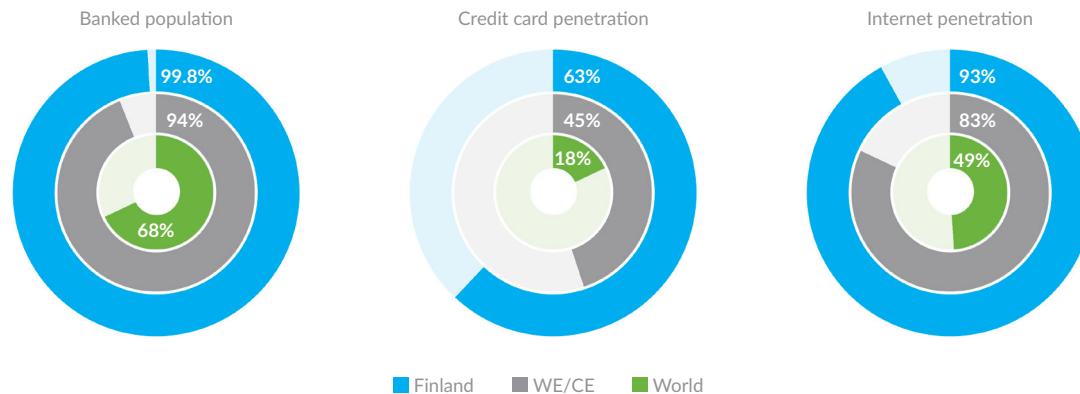


# Finland

Finland seems determined to stand out in all things. It's one of only three countries in Europe to speak a Finno-Ugric language, as opposed to Indo-European. For the last forty years, Finland's economy has been a Western European success story, with growth rates of 5% or higher. The economy took a hit with the financial crash of 2009, causing GDP to fall by 8.3%. During the Eurozone crisis, growth stalled at under 1%, finally rising to 1.4% in 2016, as the ECB's inflationary policies finally bore fruit. In 2017, this continued to expand, with the growth rate up to 2.6% and an expected 2.8% in 2018. According to the Bank of Finland, the return to growth is driven mostly by domestic rather than export demand. Household consumption, it says, has risen faster than incomes, leading savings rates to fall but also stimulating the economy. The bank forecasts growth of 2.2% for 2019.

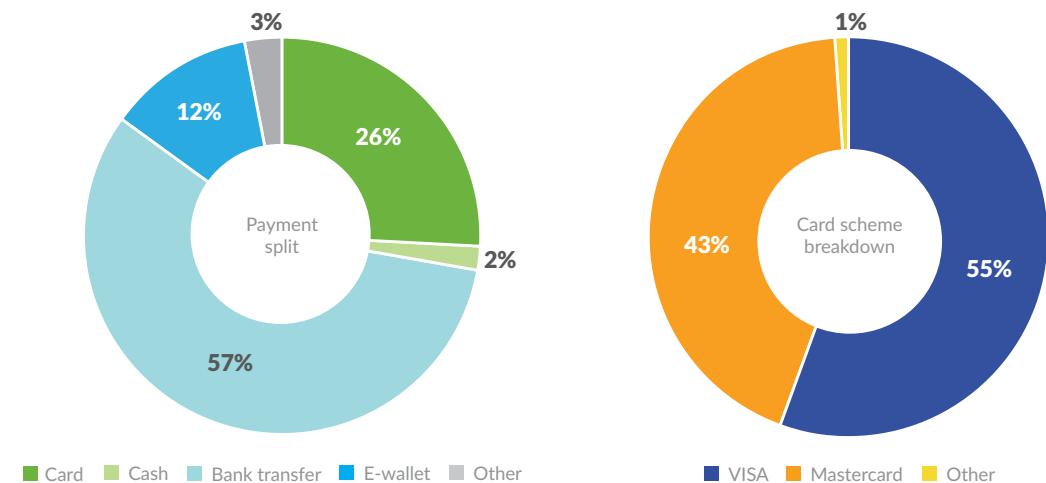
	Finland	WE/CE	World
Population	5,511,303	480,212,711	7,422,222,507
Population (15+)	4,607,088	406,302,990	5,506,480,751
GDP (millions)	251,884.89	17,449,484.71	79,211,592.36
GDP per capita	45,703.33	40,886.08	10,741.26
Online population	4,833,614	396,474,245	3,629,320,279
B2C e-commerce (billions)	11.07	618.44	2,932.87
Average online spend	2,829.01	2,673.64	2,335.02
E-commerce % of total retail	11%	13%	16%

Currencies are always depicted in \$USD



■ Finland ■ WE/CE ■ World

	Finland	WE/CE	World
Smartphone penetration	75%	72%	53%
E-commerce completed on a mobile device	25%	43%	45%



■ Card ■ Cash ■ Bank transfer ■ E-wallet ■ Other

■ VISA ■ Mastercard ■ Other

62% have shopped cross-border



## Top e-commerce segments

- Airlines & Hotels
- Clothing & Footwear
- Media & Entertainment

## Popular LPMs in Finland

Klarna Pay later

Klarna Pay now

Klarna Slice it

Siru Mobile

SEQR

Verkkopankki

Zimpler

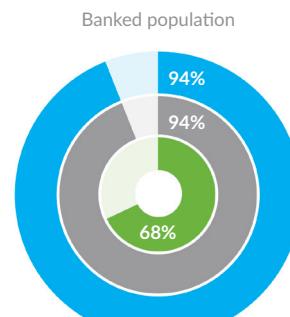


# France

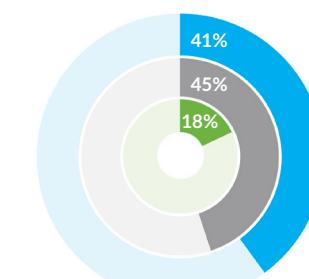
Over the last decade, France has fared both better and worse than its European partners. In 2009 – the year of Europe's big crunch – the French economy fell by just 2.9%, compared to 4% in the UK, 5% in Italy, and almost 6% in Germany. Since then, France's recovery has been, in the words of the IMF, 'tepid'. French unemployment remains high, over 9%. In 2017, France elected reformist candidate Emmanuel Macron to the presidency. Macron has promised to reform the French economy and labour market to make it more competitive and dynamic. As well as reinvigorating the French economy, he has also set his sights on reforming the EU and re-energising its Franco-German axis. His plans include a European finance minister, greater powers for the ECB, and common EU bonds.

	France	WE/CE	World
Population	67,118,648	480,212,711	7,422,222,507
Population (15+)	54,981,170	406,302,990	5,506,480,751
GDP (millions)	2,582,501.31	17,449,484.71	79,211,592.36
GDP per capita	38,476.66	40,886.08	10,741.26
Online population	57,468,463	396,474,245	3,629,320,279
B2C e-commerce (billions)	85.00	618.44	2,932.87
Average online spend	1,890.17	2,673.64	2,335.02
E-commerce % of total retail	10%	13%	16%

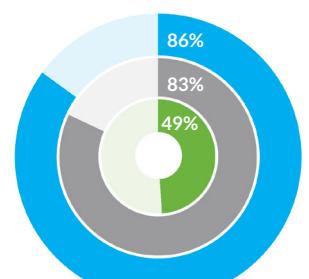
Currencies are always depicted in \$USD



Credit card penetration

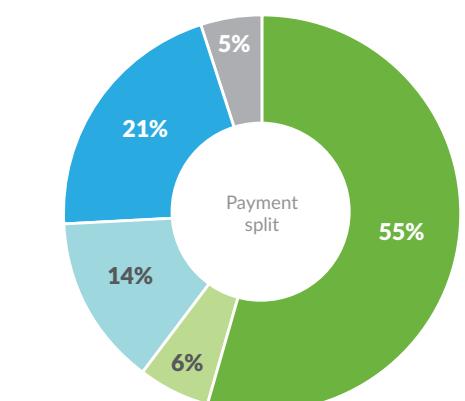


Internet penetration

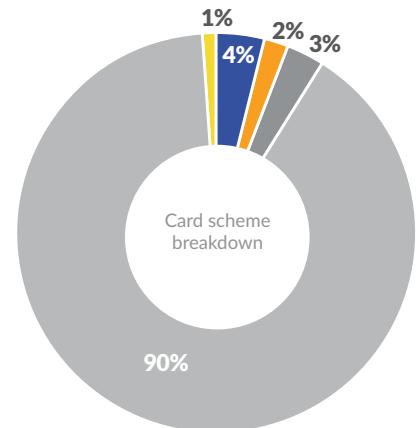


France WE/CE World

	France	WE/CE	World
Smartphone penetration	68%	72%	53%
E-commerce completed on a mobile device	36%	43%	45%



Card Cash Bank transfer E-wallet Other



VISA Mastercard AMEX Local Other

42% have shopped cross-border



31%



19%



15%

Top e-commerce segments

Airlines & Hotels (18%)

Clothing & Footwear (12%)

Food & Drink (11%)

Popular LPMs in France



Cartes Bancaires



Cashway



Lydia



Paylib



SEQR



Trustly

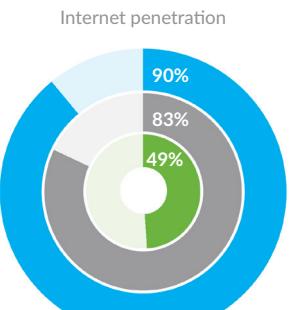
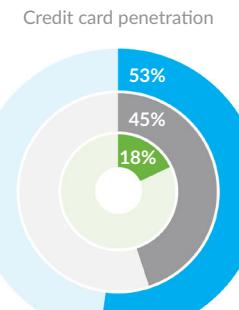
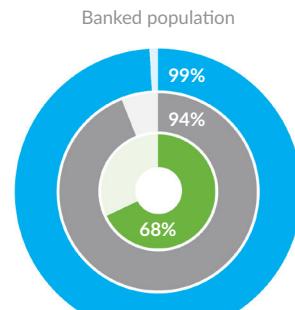


# Germany

Since the 1970s, Germany has been Europe's undisputed economic powerhouse. Almost a quarter of its GDP is generated by its manufacturing industry, something uncontested among other major European partners. The unemployment rate is 5.1%, coming close to the accepted definition of full employment (something Merkel's coalition has promised by 2025). Of course, not everything has been as positive for Germany in recent years. The migration crisis has involved the country in disputes with its Eastern European neighbours. Germany's search for energy security – in the shape of the Nord Stream 2 pipeline to Russia – has been a cause of tension with some of its NATO and EU partners, particularly the US. But these are good times to be German and to do business in Germany.

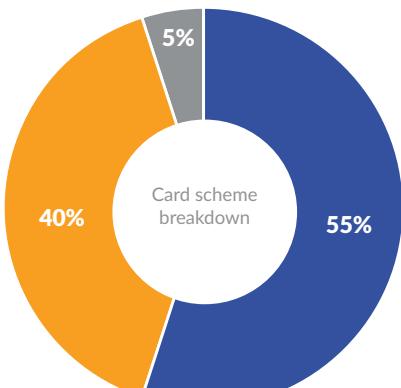
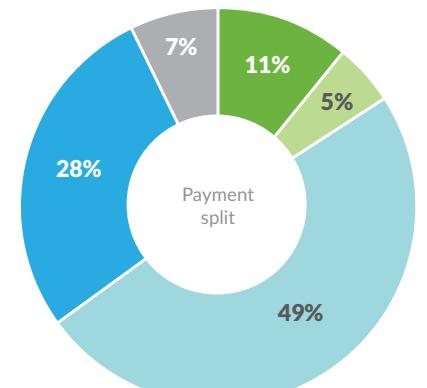
	Germany	WE/CE	World
Population	82,695,000	480,212,711	7,422,222,507
Population (15+)	71,882,674	406,302,990	5,506,480,751
GDP (millions)	3,677,439.13	17,449,484.71	79,211,592.36
GDP per capita	44,469.91	40,886.08	10,741.26
Online population	74,133,670	396,474,245	3,629,320,279
B2C e-commerce (billions)	105.09	618.44	2,932.87
Average online spend	1,650.41	2,673.64	2,335.02
E-commerce % of total retail	15%	13%	16%

Currencies are always depicted in \$USD



■ Germany ■ WE/CE ■ World

	Germany	WE/CE	World
Smartphone penetration	69%	72%	53%
E-commerce completed on a mobile device	40%	43%	45%



■ Card ■ Cash ■ Bank transfer ■ E-wallet ■ Other

**33%** have shopped cross-border



33%



17%



13%

## Top e-commerce segments

Airlines & Hotels (18%)

Electrical Goods (14%)

Clothing & Footwear (13%)

## Popular LPMs in Germany

Entercash

giropay

Klarna Pay later

Klarna Slice it

paydirekt

SEPA Direct Debit

Sofort

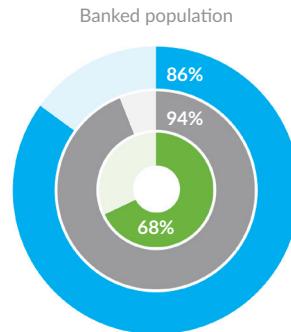


# Greece

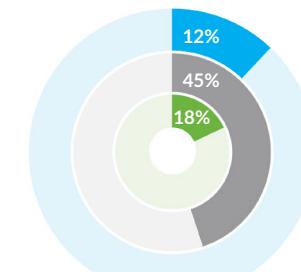
In August 2018, Greece received the last tranche of its EU and IMF bailout: a €15 billion payment from the European Stability Mechanism (ESM). This means that, for the first time in eight years, the country can again borrow at market rates. Manufacturing output expanded for the 14th consecutive month in July 2018. And as if to cap the run of good news, on June 26th S&P Global Ratings raised the rating of Greek long-term bonds from a B to a B+. For the longest time, it seemed that Greece was trapped in low growth, unable to use devaluation as way to quickly boost its competitiveness and increase aggregate demand. Now, it has to be hoped, the combination of the ECB's inflationary policies and the renewed confidence of the markets can help prosperity return to the home of Western civilization.

	Greece	WE/CE	World
Population	10,760,421	480,212,711	7,422,222,507
Population (15+)	9,230,877	406,302,990	5,506,480,751
GDP (millions)	200,288.28	17,449,484.71	79,211,592.36
GDP per capita	18,613.42	40,886.08	10,741.26
Online population	7,434,151	396,474,245	3,629,320,279
B2C e-commerce (billions)	4.97	618.44	2,932.87
Average online spend	1,443.37	2,673.64	2,335.02
E-commerce % of total retail	N/A	13%	16%

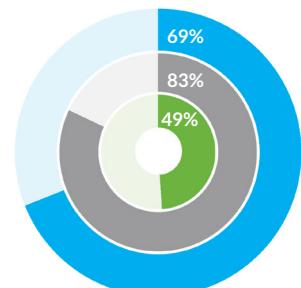
Currencies are always depicted in \$USD



Credit card penetration

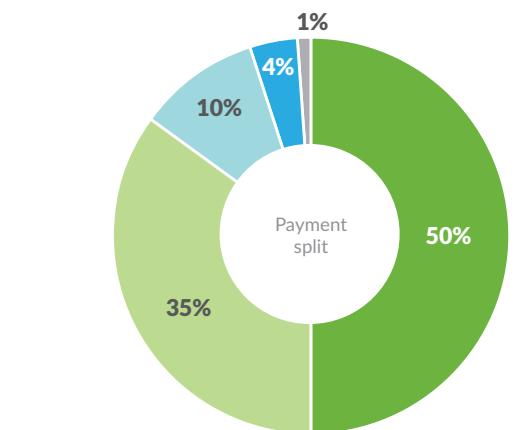


Internet penetration

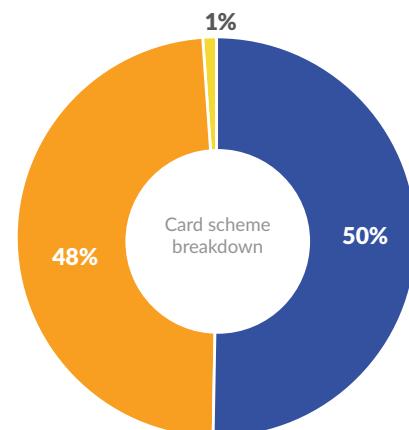


■ Greece ■ WE/CE ■ World

	Greece	WE/CE	World
Smartphone penetration	63%	72%	53%
E-commerce completed on a mobile device	25%	43%	45%



■ Card ■ Cash ■ Bank transfer ■ E-wallet ■ Other



■ VISA ■ Mastercard ■ Other

**36%** have shopped cross-border



Top e-commerce segments

Airlines & Hotels

Electrical Goods

Media & Entertainment

Popular LPMs in Greece

Entercash

Cashcloud

SEPA Credit Transfer

SEPA Direct Debit

Trustly

WebMoney

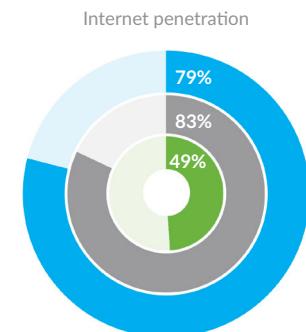
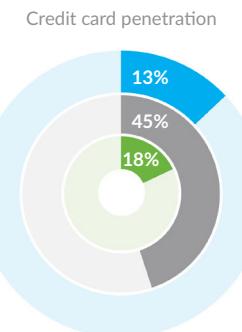
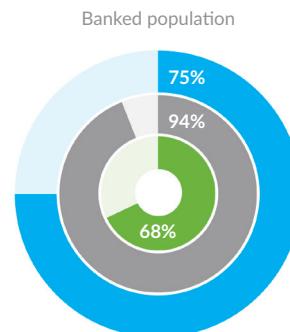


# Hungary

Hungary's economy is one of Central and Eastern Europe's star performers. In 2017, the economy grew by 4%. For 2018, Eurostat forecast growth of 4%, falling to 3.2% in 2019. In part, this performance can be attributed to Hungary's unorthodox economic policies – a combination of windfall taxes on banks and utilities, the nationalisation of pension funds, labour law reforms, and the promotion of domestic investment. To a large extent however, the growth has been powered by EU structural funds. A recent study by KPMG found that, without EU funds, Hungary's economy would only have grown by 1.8% in the years between 2006 and 2015, when it actually grew by 4.6%. In September 2018, business confidence fell by 2.9 points but consumer confidence rose by 3.9 points. Like most of Central Europe, Hungary is experiencing a labour shortage, which has driven wage growth into double figures.

	Hungary	WE/CE	World
Population	9,781,127	480,212,711	7,422,222,507
Population (15+)	8,380,766	406,302,990	5,506,480,751
GDP (millions)	139,135.03	17,449,484.71	79,211,592.36
GDP per capita	14,224.85	40,886.08	10,741.26
Online population	7,752,463	396,474,245	3,629,320,279
B2C e-commerce (billions)	1.81	618.44	2,932.87
Average online spend	451.34	2,673.64	2,335.02
E-commerce % of total retail	6%	13%	16%

Currencies are always depicted in \$USD



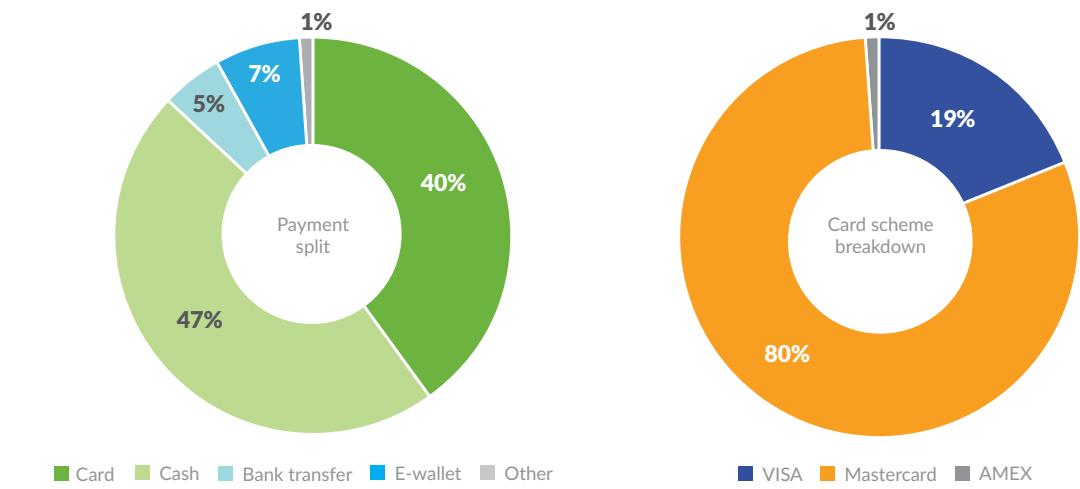
■ Hungary ■ WE/CE ■ World

15%  
World

10%  
WE/CE

13%  
B2C e-commerce growth

	Hungary	WE/CE	World
Smartphone penetration	55%	72%	53%
E-commerce completed on a mobile device	13%	43%	45%



■ Card ■ Cash ■ Bank transfer ■ E-wallet ■ Other

■ VISA ■ Mastercard ■ AMEX

39% have shopped cross-border



Top e-commerce segments

Airlines & Hotels  
Clothing & Footwear  
Media & Entertainment

Popular LPMs in Hungary

Abaqoos



OTPay

Paysafe:cash



SEPA Direct Debit



SEPA

SEPA Credit Transfer



Trustly

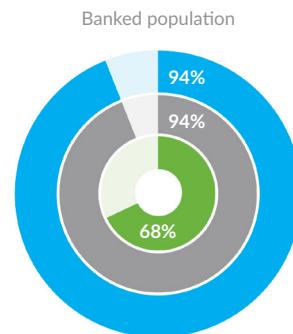


# Italy

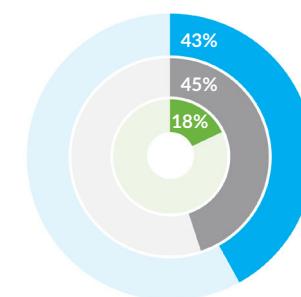
In March 2018 the Italian general election produced a hung parliament. The right-wing Lega Nord and the populist Five-Star Movement eventually formed a coalition. The two young parties, are avowedly Eurosceptic and initial fears of a referendum on euro membership, which would undoubtedly have prompted another euro-crisis, came to nothing. Since then, however, Italian borrowing costs have been rising in response to market nerves over the new government's uneasy relationship with Brussels and its ambitious borrowing plans, with the deficit expected to hit 2.4% of GDP for the next three years. In October 2018, borrowing costs hit their highest level since 2014. Nervous relationship with the EU aside, other economic indicators are positive. By the summer of 2018, unemployment was down to 10.7%.

	Italy	WE/CE	World
Population	60,551,416	480,212,711	7,422,222,507
Population (15+)	52,366,363	406,302,990	5,506,480,751
GDP (millions)	1,934,797.94	17,449,484.71	79,211,592.36
GDP per capita	31,952.98	40,886.08	10,741.26
Online population	37,132,703	396,474,245	3,629,320,279
B2C e-commerce (billions)	28.36	618.44	2,932.87
Average online spend	1,377.54	2,673.64	2,335.02
E-commerce % of total retail	3%	13%	16%

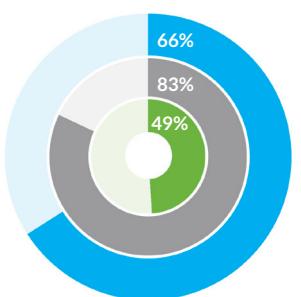
Currencies are always depicted in \$USD



Credit card penetration



Internet penetration



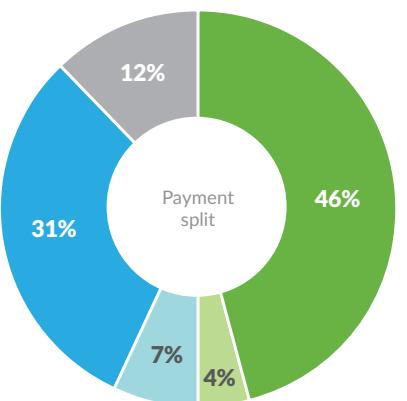
■ Italy ■ WE/CE ■ World

15%  
World

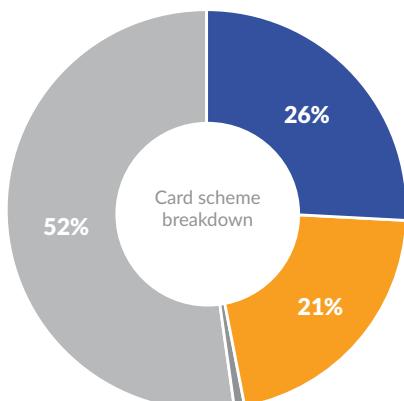
10%  
WE/CE

17%  
B2C e-commerce growth

	Italy	WE/CE	World
Smartphone penetration	66%	72%	53%
E-commerce completed on a mobile device	34%	43%	45%



■ Card ■ Cash ■ Bank transfer ■ E-wallet ■ Other



■ VISA ■ Mastercard ■ AMEX ■ Local

46% have shopped cross-border



25%



23%



20%

## Top e-commerce segments

Airlines & Hotels (19%)

Clothing & Footwear (13%)

Electrical Goods (12%)

## Popular LPMs in Italy



Klarna Pay now



SEPA Credit Transfer



SEQR



MyBank



SEPA Direct Debit



Trustly

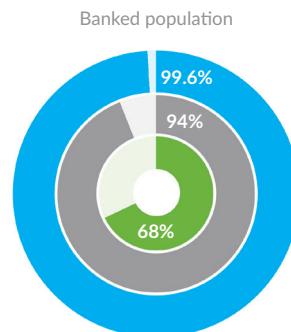


# The Netherlands

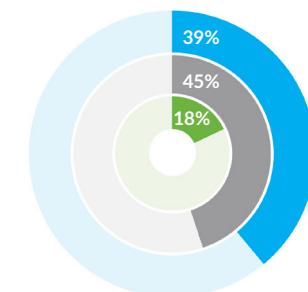
Last year, Statistics Netherlands released figures showing that tourism is becoming increasingly important to the Dutch economy. Since 2010, the sector's contribution to the country's economy has grown by 43% to almost €25 billion. Last year, the number of visitors rose again to 42 million, up 9% on the previous year. The Dutch economy is the sixth largest in the EU, with industry accounting for around 17% of its GDP. Services make up the bulk of economic activity, at 82% of GDP. Since 2014, the Netherlands have enjoyed three years of solid economic expansion. In 2017, the economy grew by 3.1%, its strongest showing since the financial crash. The markets were unsettled in 2017 by the prospect of the Netherlands electing a Eurosceptic government. Dutch voters backed the sitting prime minister Mark Rutte of the centre-right, and pro-EU, VVD party.

	Netherlands	WE/CE	World
Population	17,132,854	480,212,711	7,422,222,507
Population (15+)	14,320,746	406,302,990	5,506,480,751
GDP (millions)	826,200.28	17,449,484.71	79,211,592.36
GDP per capita	48,223.16	40,886.08	10,741.26
Online population	15,489,978	396,474,245	3,629,320,279
B2C e-commerce (billions)	27.07	618.44	2,932.87
Average online spend	1,880.96	2,673.64	2,335.02
E-commerce % of total retail	10%	13%	16%

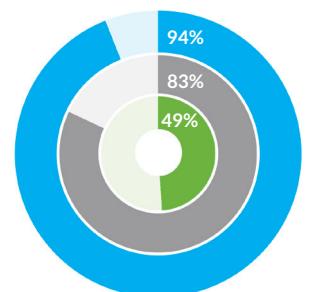
Currencies are always depicted in \$USD



Credit card penetration



Internet penetration



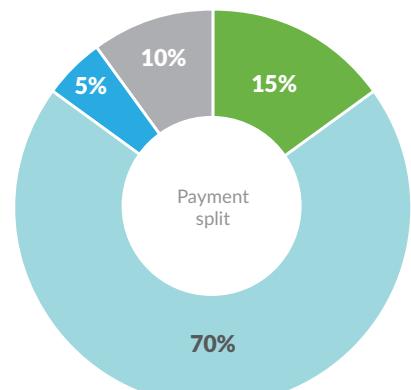
■ Netherlands ■ WE/CE ■ World

15%  
World

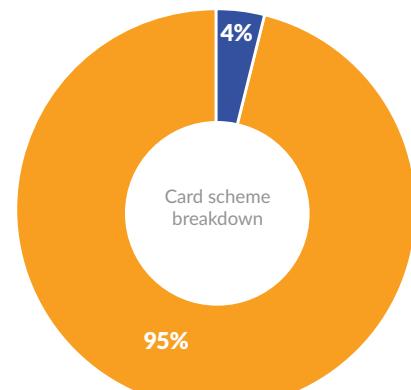
10%  
WE/CE

13%  
B2C e-commerce growth

	Netherlands	WE/CE	World
Smartphone penetration	88%	72%	53%
E-commerce completed on a mobile device	39%	43%	45%



■ Card ■ Bank transfer ■ E-wallet ■ Other



■ VISA ■ Mastercard

46% have shopped cross-border



47%



17%



9%

Top e-commerce segments

Airlines & Hotels (20%)

Clothing & Footwear (15%)

Electrical Goods (14%)

Popular LPMs in the Netherlands

Billink

iDEAL

Payconiq

SEPA Credit Transfer

SEPA Direct Debit

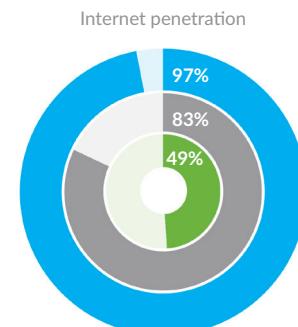
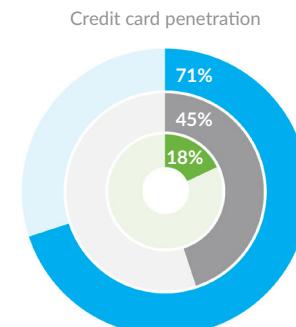
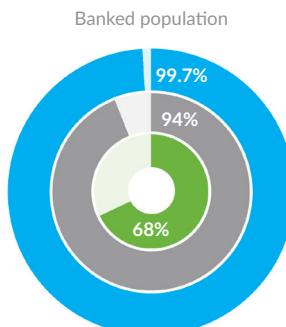


# Norway

Norway is not a member of the EU, it is part of the European Free Trade Association (EFTA). Meaning the country is outside the customs union and can negotiate its own trade deals. However, it's inside the Single Market which means it must implement most EU laws and standards. Norway has the second highest GDP per capita of all the countries in this report. A large part of the reason for its high productivity is that this small country sits on top of reserves of 1.3 billion barrels of oil. The oil and petroleum industry contributes 22% of the country's GDP and 67% of Norway's exports. In recent years, Norway has increased efforts to diversify its economy, showing some success. The country's 'mainland GDP' grew at 2% while its offshore GDP grew at 1.7%. Economic uncertainty does not seem to concern the Norwegians.

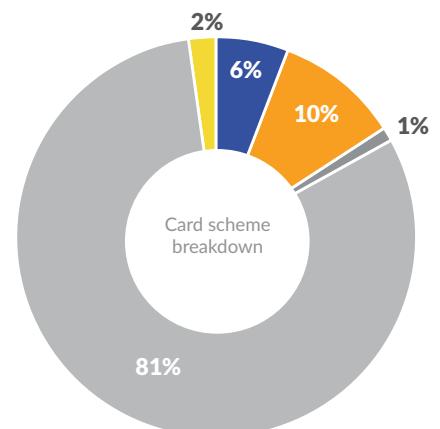
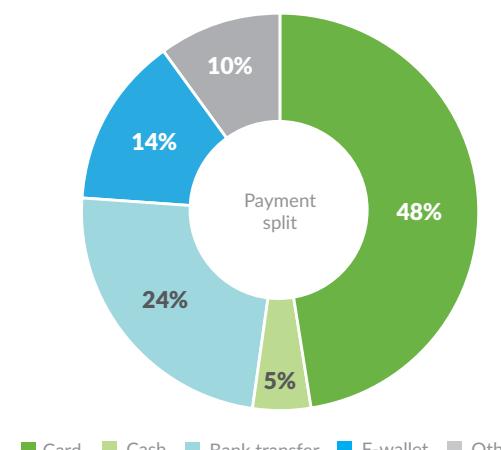
	Norway	WE/CE	World
Population	5,282,223	480,212,711	7,422,222,507
Population (15+)	4,343,375	406,302,990	5,506,480,751
GDP (millions)	398,831.96	17,449,484.71	79,211,592.36
GDP per capita	75,504.57	40,886.08	10,741.26
Online population	5,139,508	396,474,245	3,629,320,279
B2C e-commerce (billions)	12.44	618.44	2,932.87
Average online spend	3,140.09	2,673.64	2,335.02
E-commerce % of total retail	12%	13%	16%

Currencies are always depicted in \$USD



■ Norway ■ WE/CE ■ World

	Norway	WE/CE	World
Smartphone penetration	83%	72%	53%
E-commerce completed on a mobile device	36%	43%	45%



■ VISA ■ Mastercard ■ AMEX ■ Local ■ Other

56% have shopped cross-border



34%



20%



14%

Top e-commerce segments

Airlines & Hotels (25%)

Clothing & Footwear (13%)

Electrical Goods (9%)

Popular LPMs in Norway



Klarna Pay later



Klarna Slice it



Trustly



Paylevo



Vipps

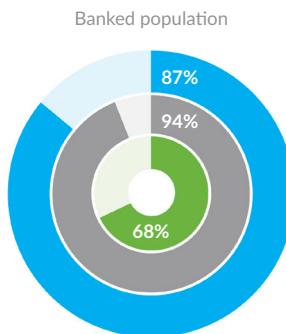


# Poland

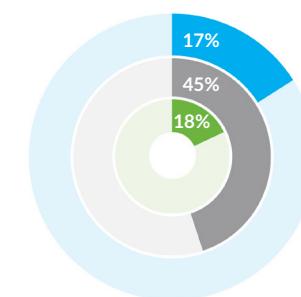
In September 2018, analysts at FTSE Russell upgraded Poland's status from an emerging to a developed market. Referencing the size of Poland's economy, the quality of its market and corporate government, and the range of investment opportunities available as contributing factors. Poland was the only EU country to avoid recession after the financial crisis. Since 2009, its growth rates have trended between 1.3% and 5%. During the recession, Poland was able to increase spending on public infrastructure by using EU development funds, keeping growth rates high. According to the OECD, the main driver of growth is domestic demand, with record low unemployment and a recent increase in child benefit helping to boost consumption. The European Commission analysis states that rising wages and high consumer confidence will power growth for the rest of the year.

	Poland	WE/CE	World
Population	37,975,841	480,212,711	7,422,222,507
Population (15+)	32,348,751	406,302,990	5,506,480,751
GDP (millions)	524,509.57	17,449,484.71	79,211,592.36
GDP per capita	13,811.66	40,886.08	10,741.26
Online population	27,836,557	396,474,245	3,629,320,279
B2C e-commerce (billions)	10.62	618.44	2,932.87
Average online spend	621.45	2,673.64	2,335.02
E-commerce % of total retail	4%	13%	16%

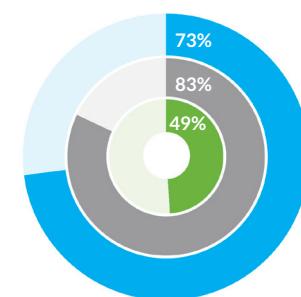
Currencies are always depicted in \$USD



Credit card penetration

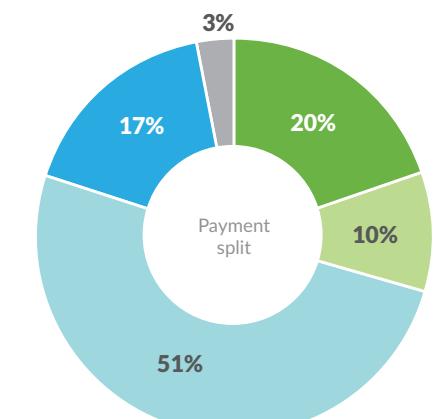


Internet penetration

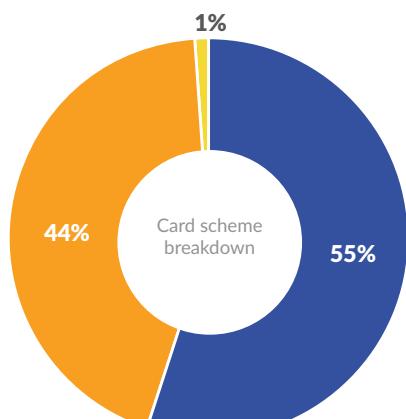


■ Poland ■ WE/CE ■ World

	Poland	WE/CE	World
Smartphone penetration	63%	72%	53%
E-commerce completed on a mobile device	15%	43%	45%



■ Card ■ Cash ■ Bank transfer ■ E-wallet ■ Other



■ VISA ■ Mastercard ■ Other

**12%** have shopped cross-border



## Top e-commerce segments

Airlines & Hotels (14%)

Clothing & Footwear (13%)

Electrical Goods (12%)

## Popular LPMs in Poland



BLIK



PayU



YetiPay



KIR Paybynet



Przelewy24

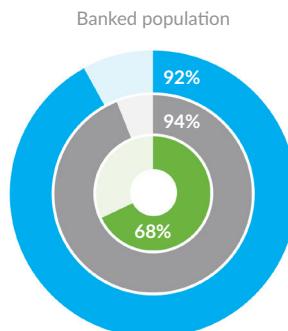


# Portugal

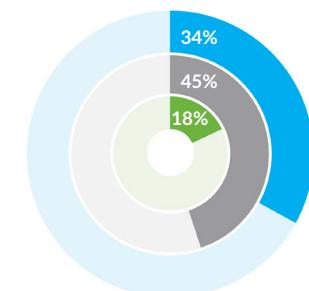
Portugal practically invented much of modernity. Portuguese navigators such as Vasco da Gama pioneered the trade routes that now bind the world together and carry its trade. For centuries, the country was the centre of a world-spanning empire, before falling behind economically in the nineteenth and twentieth centuries. In 1932, Portugal fell under the rule of fascist dictator António de Oliveira Salazar. The country was finally freed by the heroic and largely bloodless 'Carnation Revolution', staged by young army officers in 1974. In 1986, it joined the then European Community. Today, Portugal is a member of the EU and the Eurozone. On May 22 2017, Portugal announced that it was no longer in breach of EU budgetary rules, that required it to have a deficit of less than 3% GDP. In summer 2018, unemployment fell to 6.8%, below the Eurozone average of 8.2%.

	Portugal	WE/CE	World
Population	10,293,718	480,212,711	7,422,222,507
Population (15+)	8,890,189	406,302,990	5,506,480,751
GDP (millions)	217,571.08	17,449,484.71	79,211,592.36
GDP per capita	21,136.30	40,886.08	10,741.26
Online population	7,249,203	396,474,245	3,629,320,279
B2C e-commerce (billions)	5.31	618.44	2,932.87
Average online spend	1,432.91	2,673.64	2,335.02
E-commerce % of total retail	4%	13%	16%

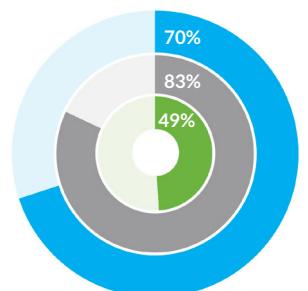
Currencies are always depicted in \$USD



Credit card penetration



Internet penetration

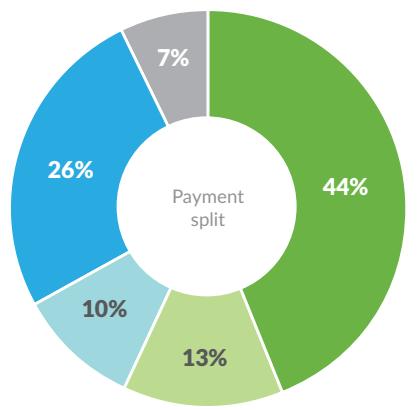


■ Portugal ■ WE/CE ■ World

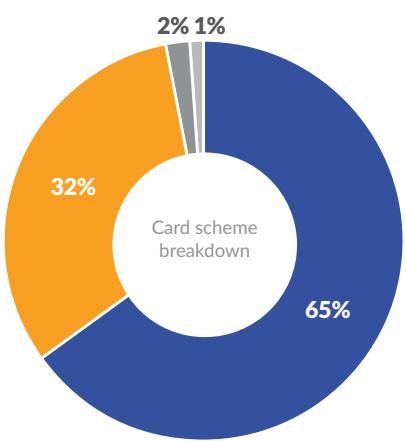


Smartphone penetration  
E-commerce completed on a mobile device

	Portugal	WE/CE	World
Smartphone penetration	68%	72%	53%
E-commerce completed on a mobile device	10%	43%	45%



■ Card ■ Cash ■ Bank transfer ■ E-wallet ■ Other



■ VISA ■ Mastercard ■ AMEX ■ Local

60% have shopped cross-border



## Top e-commerce segments

Electrical Goods (26%)  
Airlines & Hotels (25%)  
Clothing & Footwear

## Popular LPMs in Portugal

MB Way

Multibanco

SEPA Credit Transfer

MEO Wallet

Paysafe:cash

SEPA Direct Debit

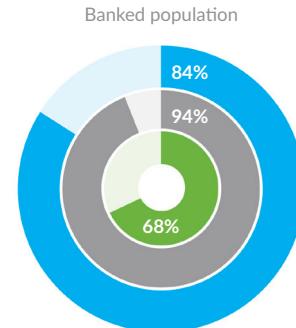


# Slovakia

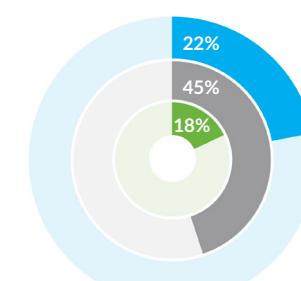
Slovakia is a Central European republic of just over five million people. With an annual growth rate of 3.4%, Slovakia is growing at roughly the same rate as last year and has been overtaken by the other members of the Visegrád Group of Central European nations. According to European Commission forecasts, the country's economy is expected to grow by 3.9% in 2018, driven mainly by domestic consumer demand. Slovakia has a thriving industrial sector, with finished consumer and capital goods accounting for over 80% of its physical exports. The country has significant aerospace, light engineering, wood processing, electrical engineering, and chemical engineering sectors. It produces the most cars per capita of any nation in the world.

	Slovakia	WE/CE	World
Population	5,439,892	480,212,711	7,422,222,507
Population (15+)	4,603,847	406,302,990	5,506,480,751
GDP (millions)	95,769.03	17,449,484.71	79,211,592.36
GDP per capita	17,604.95	40,886.08	10,741.26
Online population	4,377,802	396,474,245	3,629,320,279
B2C e-commerce (billions)	1.21	618.44	2,932.87
Average online spend	377.00	2,673.64	2,335.02
E-commerce % of total retail	8%	13%	16%

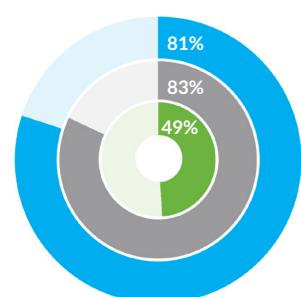
Currencies are always depicted in \$USD



Credit card penetration

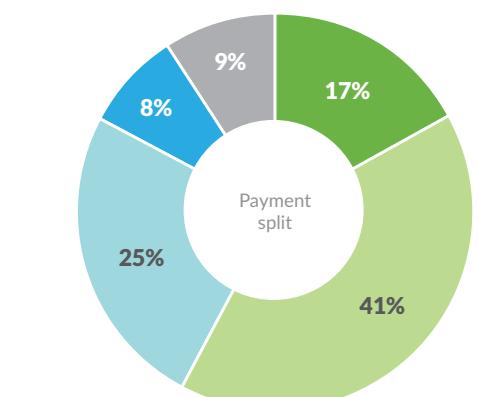


Internet penetration

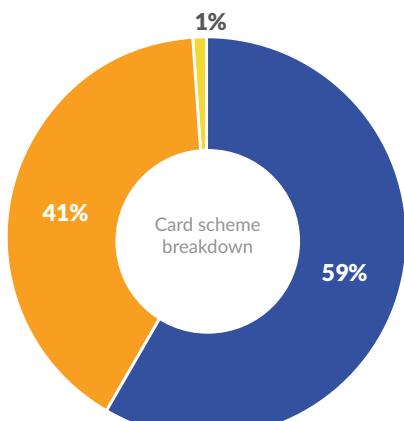


■ Slovakia ■ WE/CE ■ World

	Slovakia	WE/CE	World
Smartphone penetration	65%	72%	53%
E-commerce completed on a mobile device	10%	43%	45%



■ Card ■ Cash ■ Bank transfer ■ E-wallet ■ Other



■ VISA ■ Mastercard ■ Other

44% have shopped cross-border



Top e-commerce segments

Airlines & Hotels

Clothing & Footwear

Electrical Goods

Popular LPMs in Slovakia

Entercash

GoPay

Trustly

TrustPay

VIAMO

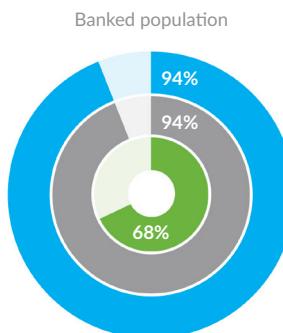


# Spain

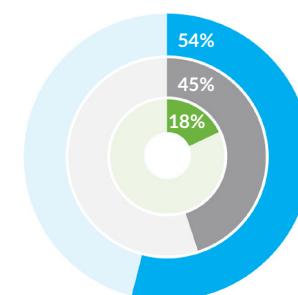
At 200m high, Intempo in Benidorm was to have been Europe's tallest residential building. But no residents ever moved in. It was financed in 2005 by a €93 million loan, given on the strength of just €3,100 collateral. In the end, the tower almost bankrupted the lending bank and was never finished. Intempo has become a symbol for Spain's building boom of the mid-2000s and the subsequent financial crash. For a time, the country had the highest unemployment rate in Europe. By mid-2017, Spain had experienced three consecutive years of economic growth at 3% or higher. This time growth is underpinned by exports, which have now reached 33% of GDP. By July 2017, Spain's GDP finally returned to nearly pre-crisis levels. Also by 2017, the Spanish economy was growing at a rate of 3.1% a year forecasted by the European Commission, it's expected to grow by 2.8% in 2018.

	Spain	WE/CE	World
Population	46,572,028	480,212,711	7,422,222,507
Population (15+)	39,731,770	406,302,990	5,506,480,751
GDP (millions)	1,311,320.02	17,449,484.71	79,211,592.36
GDP per capita	28,156.82	40,886.08	10,741.26
Online population	37,519,047	396,474,245	3,629,320,279
B2C e-commerce (billions)	30.00	618.44	2,932.87
Average online spend	1,288.33	2,673.64	2,335.02
E-commerce % of total retail	5%	13%	16%

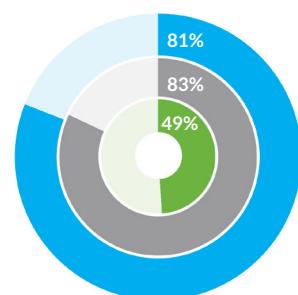
Currencies are always depicted in \$USD



Credit card penetration

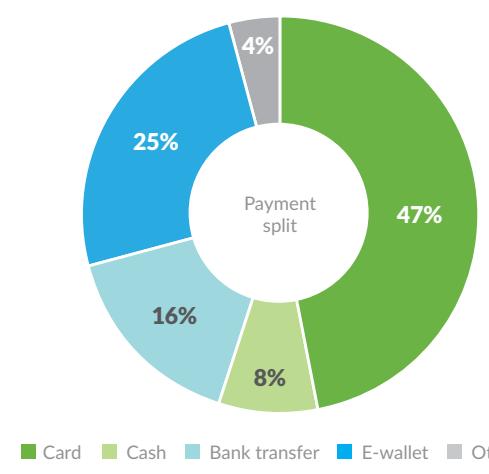


Internet penetration

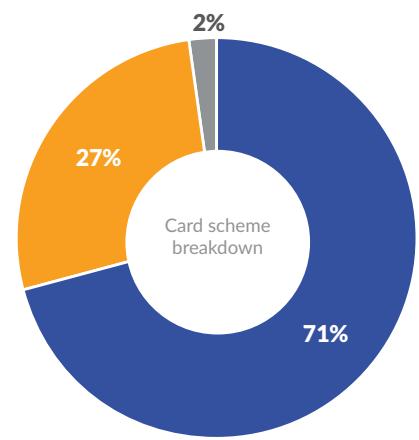


■ Spain ■ WE/CE ■ World

	Spain	WE/CE	World
Smartphone penetration	70%	72%	53%
E-commerce completed on a mobile device	53%	43%	45%



■ Card ■ Cash ■ Bank transfer ■ E-wallet ■ Other



■ VISA ■ Mastercard ■ AMEX

55% have shopped cross-border



39%



15%



13%

## Top e-commerce segments

Airlines & Hotels (20%)

Electrical Goods (11%)

Clothing & Footwear (10%)

## Popular LPMs in Spain



iupay

SEPA SEPA Credit Transfer



Teleingreso



Klarna Pay now

SEPA SEPA Direct Debit



TrustPay

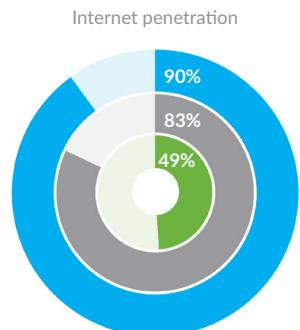
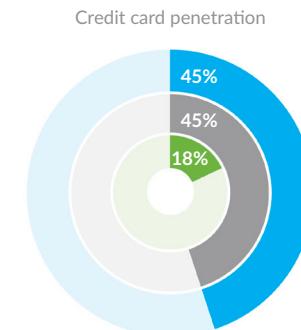
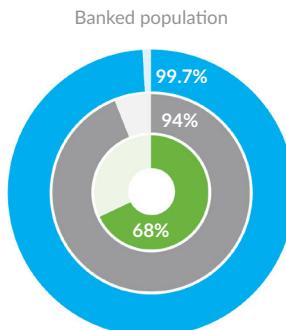


# Sweden

Sweden is part of the EU but not part of the Eurozone. It retains its own currency, the krona, enjoys unparalleled prosperity, and ranks number four on Forbes' list of best countries to do business in. In 2017, the economy grew overall by around 2.3%. Unemployment was down to around 6.7% by the end of 2017 and 6.6% by Autumn 2018. The European Commission was predicting economic growth of 2.4% in 2018. At the height of the migrant crisis in 2015, Sweden accepted 160,000 newcomers. That it could take so many destitute people and continue to grow, is a credit both to Sweden's prosperity and the strength of its civic society.

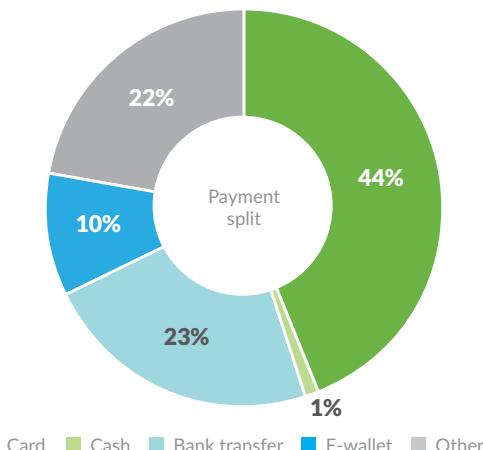
	Sweden	WE/CE	World
Population	10,067,744	480,212,711	7,422,222,507
Population (15+)	8,302,371	406,302,990	5,506,480,751
GDP (millions)	538,040.46	17,449,484.71	79,211,592.36
GDP per capita	53,442.01	40,886.08	10,741.26
Online population	9,025,828	396,474,245	3,629,320,279
B2C e-commerce (billions)	13.56	618.44	2,932.87
Average online spend	1,662.81	2,673.64	2,335.02
E-commerce % of total retail	10%	13%	16%

Currencies are always depicted in \$USD

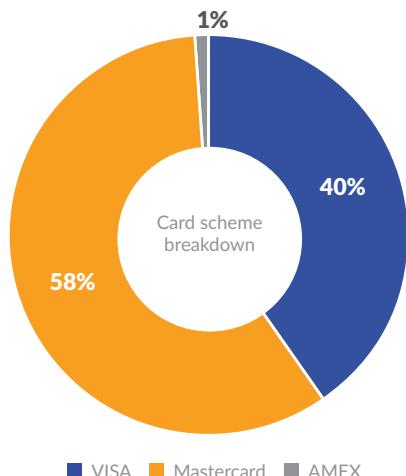


■ Sweden ■ WE/CE ■ World

	Sweden	WE/CE	World
Smartphone penetration	85%	72%	53%
E-commerce completed on a mobile device	29%	43%	45%



■ Card ■ Cash ■ Bank transfer ■ E-wallet ■ Other



■ VISA ■ Mastercard ■ AMEX

40% have shopped cross-border



42%



16%



13%

Top e-commerce segments

Airlines & Hotels (22%)

Electrical Goods (13%)

Clothing & Footwear (11%)

Popular LPMs in Sweden

Entercash

Klarna Pay later

Klarna Pay now

Klarna Slice it

Swish

Zimpler

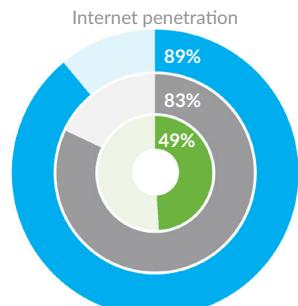
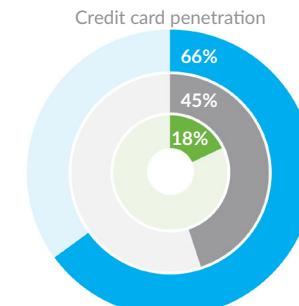
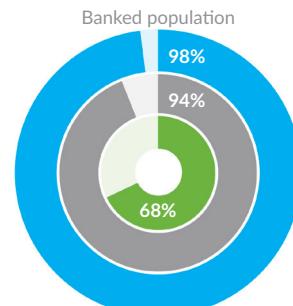


# Switzerland

Switzerland's economy has managed to ride out the rising turbulence in global trade. The economy grew by just 1% last year but registered an annualised growth rate of 3.4% in the second quarter of 2018. Switzerland's financial sector contributes around 9.6% of the country's GDP. Overall, Switzerland has the second-highest per capita GDP in the world. The EU is the country's main trading partner: taking 43% of the country's exports and providing 78% of its imports. In 2018, the Swiss franc fell to historic lows against the euro. This reflects growing confidence in the Euro, which makes the Swiss franc less attractive as a perceived safe currency. This is good news for Switzerland, making its exports more competitive.

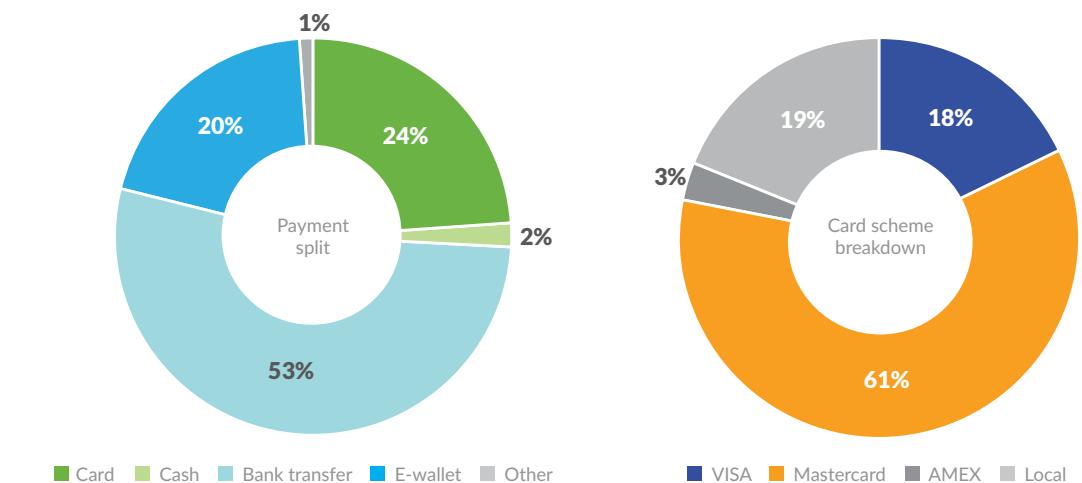
	Switzerland	WE/CE	World
Population	8,466,017	480,212,711	7,422,222,507
Population (15+)	7,206,723	406,302,990	5,506,480,751
GDP (millions)	678,887.34	17,449,484.71	79,211,592.36
GDP per capita	80,189.70	40,886.08	10,741.26
Online population	7,546,158	396,474,245	3,629,320,279
B2C e-commerce (billions)	12.87	618.44	2,932.87
Average online spend	1,974.28	2,673.64	2,335.02
E-commerce % of total retail	8%	13%	16%

Currencies are always depicted in \$USD



■ Switzerland ■ WE/CE ■ World

	Switzerland	WE/CE	World
Smartphone penetration	80%	72%	53%
E-commerce completed on a mobile device	27%	43%	45%



64% have shopped cross-border



Top e-commerce segments

Airlines & Hotels  
Clothing & Footwear  
Electrical Goods

Popular LPMs in Switzerland

Billpay

MyOne

PowerPay

Twint

PostFinance

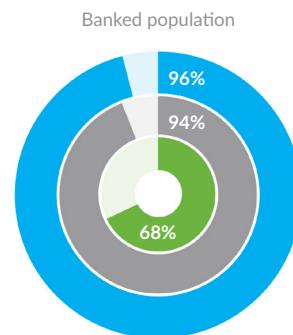


# United Kingdom

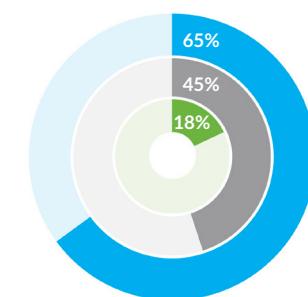
On the night of 22 June 2016, the Palace of Culture and Science in Warsaw was lit up in the colours of the Union Jack. Many other European cities followed suit, staging similar displays in a show of solidarity with British voters: stay with us, they were saying. With a turnout of 72%, 52% of voters opted to leave the EU. The economic impact of Brexit has been mixed. The Stay campaign's worst predictions of an instant loss of confidence and punishment by the markets have not come true. But the economy is showing signs of slowing down. In the second quarter of 2018, the UK economy grew by a healthier than expected 0.4%. But manufacturing output fell by 0.9% during the same period and the growth of domestic investment has fallen from 1.8% in 2017 to 1.4% in 2018. Despite this period of uncertainty, the UK remains the world's third-largest e-commerce market, with only the US and China being larger.

	UK	WE/CE	World
Population	66,022,273	480,212,711	7,422,222,507
Population (15+)	54,328,933	406,302,990	5,506,480,751
GDP (millions)	2,622,433.96	17,449,484.71	79,211,592.36
GDP per capita	39,720.44	40,886.08	10,741.26
Online population	62,573,138	396,474,245	3,629,320,279
B2C e-commerce (billions)	223.70	618.44	2,932.87
Average online spend	4,183.03	2,673.64	2,335.02
E-commerce % of total retail	19%	13%	16%

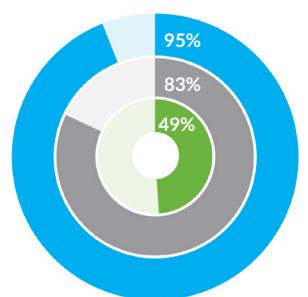
Currencies are always depicted in \$USD



Credit card penetration



Internet penetration



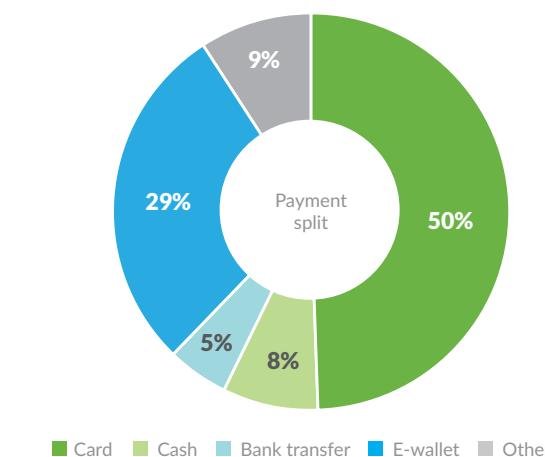
■ UK ■ WE/CE ■ World

15%  
World

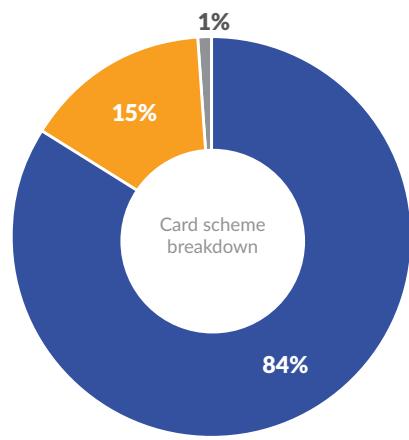
10%  
WE/CE

8%  
B2C e-commerce growth

	UK	WE/CE	World
Smartphone penetration	85%	72%	53%
E-commerce completed on a mobile device	57%	43%	45%



■ Card ■ Cash ■ Bank transfer ■ E-wallet ■ Other



■ VISA ■ Mastercard ■ AMEX

43% have shopped cross-border



40%



24%



10%

Top e-commerce segments

Airlines & Hotels (19%)

Food & Drink (13%)

Clothing & Footwear (12%)

Popular LPMs in the UK



Faster Payments Service



Klarna Pay now



Klarna Pay later



Klarna Slice it



Pay by Bank app



UK Direct Debit

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PPRO Financial Ltd  
20 Balderton Street  
London  
W1K 6TL  
UK

[relationship@ppro.com](mailto:relationship@ppro.com)  
[sales@ppro.com](mailto:sales@ppro.com)

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