



mercado  
libre

# IMPACT THAT MATTERS 2023

Mercado Libre continues to drive progress in economies in all corners of Latin America

Through the democratization of trade, the commitment to financial inclusion and the ongoing support for the economies of Latin America, we have contributed to generating a positive impact in the region for the past 24 years. From Mexico City to the southern tip of Chile, the transformative power of our ecosystem makes life easier for millions of people in the region to buy, sell, develop businesses and improve their financial health.

We are convinced that this transformative power lies not only in our solutions, but in the increasingly broad and deep connection we have with users, entrepreneurs, small merchants and SMEs to overcome the challenges of the present and, above all, those of the future.

We do not only continue to evolve in order to be increasingly efficient and sustainable along the entire value chain; we also provide access to the most innovative technological tools of the century, such as blockchain and artificial intelligence, and we forge new emotional bonds in entertainment and sports. Every day, we take risks to be more creative and disruptive, thereby scaling up by leveraging all the possibilities offered by our ecosystem.

To understand and **measure how we generate value and promote the development** of Latin American countries, we worked with Euromonitor International to prepare a new installment of **Impact that Matters**, the study that reflects how our positive socioeconomic **impact** is channeled through digital **transformation, employment** generation, financial **inclusion** and economic **growth**.

The main findings of the last two years show that Mercado Libre has consolidated its position as the main source of income for **1,858,528 families** in the region. With 11% more new SMEs that joined our digital platform (**+574,000 in total**), we contributed to generating **more than 234 thousand new jobs**; we provided technological capabilities so that **1 in every 3 businesses were able to maintain or strengthen their teams**; and we created the conditions so that **more than half of these small and medium-sized companies could have access to credit** through Mercado Pago for the first time.

Even in a complex regional and global scenario, we feel that the potential of Latin America is only beginning to be discovered. We are proud to see how digital tools can become the best allies for planning and development, as they encourage entrepreneurs, businesses and companies to aspire for more. This motivates us to continue innovating to improve the experience, reduce gaps, build bridges and multiply opportunities. We are proud to be a Latin American company that continues to grow as a global benchmark and drives progress for millions of Latin Americans in all corners of the region.

Mercado Libre

**The solution designed to analyze the impact of Mercado Libre in Argentina, Brazil, Chile, Colombia and Mexico included various methodologies and sources:**

**ALIGNMENT SESSION.**

Alignment and knowledge transfer sessions with internal Mercado Libre teams.

**SECONDARY RESEARCH AND IN-HOUSE RESOURCES.**

Use of secondary sources to measure the micro and macroeconomic impact of Mercado Libre.

**INTERVIEWS WITH SHIPMENT SYSTEM AND LOGISTICS OPERATORS.**

In-depth interviews with Mercado Libre logistics operators and distribution chain to understand the growth of the industry.

**SURVEYS IN THE MERCADO LIBRE ECOSYSTEM.**

+4,000 surveys with Mercado Libre merchants, consultancy agencies that provide services to these merchants, and Mercado Pago resellers.

**DATA ANALYSIS AND TRIANGULATION**

Results, +170 statements that consolidate the impact of Mercado Libre on the economic development of the countries in question.

**The joint Socio-Economic Impact Analysis 2022/23 study carried out by Euromonitor International and Mercado Libre aims to measure the positive impact generated by our ecosystem, in the form of transformation, employment generation, financial inclusion and economic growth, four vectors that boost our purpose with collective meaning.**

A woman with dark hair tied back, wearing a brown t-shirt, is smiling and looking down at her work in a workshop. The background shows a wooden cabinet with drawers and various tools and materials on a workbench.

# THE 5 DIMENSIONS OF OUR ECONOMIC AND SOCIAL IMPACT

## 01 Impact

The Mercado Libre ecosystem transforms the lives of millions of people in Latin America through the democratization of commerce and financial services.

MERCADO LIBRE IS THE MAIN SOURCE OF INCOME

**+1.8 million families**

in the region and facilitates trade for **more than 574 thousand small- and medium-sized enterprises (SMEs)**.



In the last two years, **57 thousand companies** joined the Mercado Libre ecosystem, representing an increase of **11%**, and **40%** of these businesses generate more than half of their income through the platform.

More than **73%** of the SMEs that sell on the platform are **family businesses**.



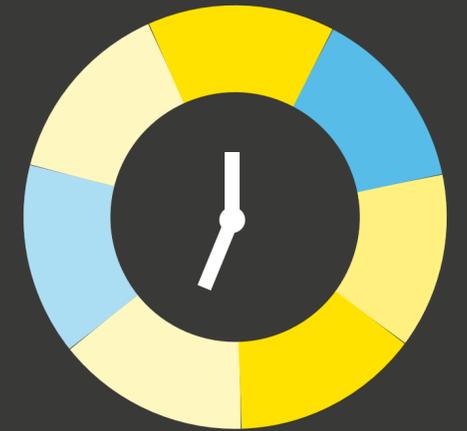


## 02 Employment

The evolution of Mercado Libre as a leader in regional e-commerce generates benefits from new direct and indirect jobs, with a virtuous effect of job stability in times of uncertainty.

**27 NEW DIRECT-INDIRECT JOBS WERE GENERATED PER HOUR**

**A TOTAL OF +640 JOBS EVERY DAY**



The **logistics** ecosystem that serves Mercado Libre's operations generated **more than 12 thousand jobs** throughout the distribution chain.

In the last two years, **direct-indirect** employment linked to Mercado Libre grew by **8.4%**.

## 02 Employment



SMEs THAT SELL THROUGH MERCADO LIBRE EMPLOY AN AVERAGE OF

**+2.3 MILLION PEOPLE.**

IN 2022 ALONE, MORE THAN **234 THOUSAND NEW WORKERS** WERE ADDED.

Mercado Libre hired **+4,000 collaborators** in its **shipping** system to meet the growing demand for e-commerce in the region.

### LOCAL EXAMPLES

-  In **Mexico**, operations linked to Mercado Libre added 19 jobs every day.
-  In **Brazil**, 25 new jobs were generated per hour thanks to the growth of Mercado Libre operations.
-  In **Argentina**, SMEs in the Mercado Libre ecosystem increased their work force by more than 4,000 workers in 2022.
-  In **Colombia**, SMEs in the Mercado Libre ecosystem increased their employment by more than 13,000 workers in 2022 alone.



## 03 Growth

The **stimulating effect** of Mercado Libre is overwhelming: when an entrepreneur or an SME joins our ecosystem, their digital transformation accelerates and a universe of possibilities and new development opportunities open up for them.

# 9 OUT OF 10 SMES

were able to **expand outside their city of origin** thanks to e-commerce, adding clients and increasing their sales. Likewise, **8 out of every 100 SMEs have operations in more than one country.**



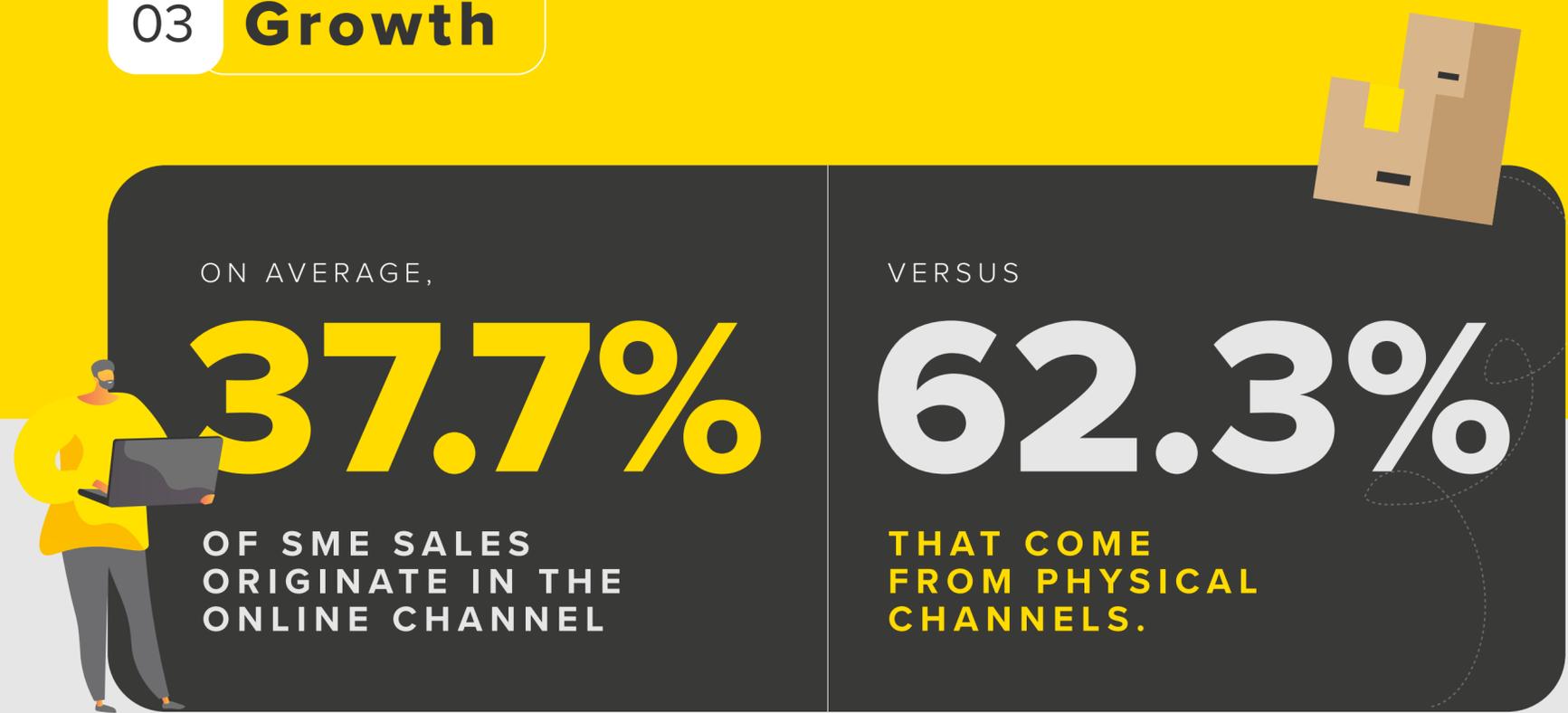
More than **60% of SMEs** in Mercado Libre **only sell through electronic commerce.**

More than **1 in 4 SMEs** that sell on Mercado Libre **generate between 51% and 99% of their income on the platform**, and more than 7% of them generate their total income through the platform.





### 03 Growth

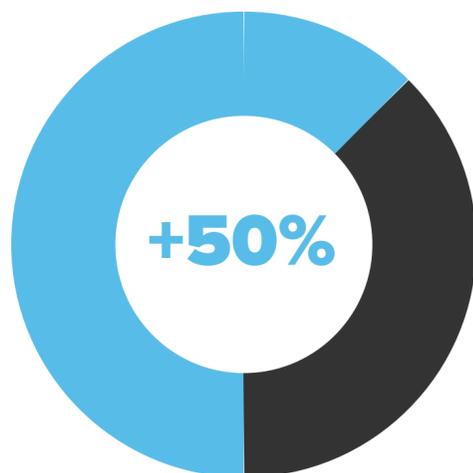


#### LOCAL EXAMPLES

-  **Brazil** has the best expansion record of all the companies that participate in the ecosystem: 93.2% of SMEs managed to expand outside the city where they sell and 7% of SMEs have operations in more than one country.
-  In **Mexico**, 60% of SMEs in Mercado Libre only sell through electronic commerce and, on average, 34.9% of SMEs' sales originate in the online channel versus 65.1% that come from physical channels.

## 04 Financial inclusion

Access to digital payment methods and new financial services from Mercado Pago reduces the levels of informality and introduces innovative tools for control, planning and sales growth.



One in two SMEs received their first

# CREDIT OFFER

through Mercado Pago.

**For 54.4% of users** in the region, **Mercado Pago was the first digital payment method available to them.**

The main reason to join Mercado Pago is the increase in sales associated with its implementation. On average, **79% of merchants** experience **a drop in the use of cash** after incorporating digital payment methods.





04

## Financial inclusion



MERCADO PAGO IS THE PAYMENT TOOL FOR

# +95,000 SMEs IN THE ECOSYSTEM.

**35% of the financing** requested by sellers was used to purchase inventory and **18%** to maintain business liquidity.

LOCAL  
EXAMPLES



In **Argentina**, Mercado Pago is the tool for +49 thousand of SMEs in the physical channel, and the main digital payment method for 64.7% of users.



In **Mexico**, 59.7% of SMEs received their first credit offer through Mercado Pago.



In **Brazil**, 48% of users claim that Mercado Pago was their first digital payment method.

## 05 Transformation

Digital acceleration gives way to a new paradigm in all industries. At Mercado Libre we promote new business models supported by the multiplier effect and inclusive potential of technology.

DURING 2022,

# 1 IN 3 SMEs



ADDED TECHNOLOGICAL CAPABILITIES, SUCH AS DIGITAL PAYMENT METHODS AND/OR MANAGEMENT SOFTWARE, WHICH ALLOWED THEM TO MAINTAIN AND/OR INCREASE THE NUMBER OF EMPLOYEES.

More than **18%** stated that they had advertised their products through Mercado Libre (Mercado Ads) obtaining positive results.

Through ads on the platform, **26.6% of SMEs** made investments to strengthen their place in the community of merchants.





## 05 Transformation

Of the SMEs surveyed,

# 1 IN 5 IS LED

BY A WOMAN.



### LOCAL EXAMPLES

-  With 33.2%, **Chile** is the country with the highest participation of women as leaders of family businesses.
-  Through ads on the platform, 27.8% of SMEs in **Brazil** made investments to strengthen their position in the community of merchants, and more than 25.7% said they had advertised their products through Mercado Ads obtaining positive results.
-  In **Mexico**, more than 7 out of 10 SMEs identify themselves as family organizations.

We firmly believe that in order to amplify and further expand our **positive impact**, we must open new pathways, raise the bar and multiply opportunities. **Our story is the story of thousands of companies and entrepreneurs committed to the future of Latin America.**



**SMEs:** Small- and medium-sized enterprises. For this study, the following annual income ranges in USD were considered:

**2022 Study:**

Country	Annual sales (GMV, USD) 2022	
	Lower limit	Upper limit
MLA	\$1,656	\$2,873,903
MLB	\$922	\$4,607,330
MLC	\$763	\$308,035
MLM	\$868	\$1,032,654
MCO	\$818	\$1,749,083

**2021 Study:**

Country	Local currency (min – max)	USD (min – max)
MLA	97,500—169,165,100	1,380—2,394,919
MLB	3,960—19,800,000	768—3,839,442
MLC	504,000—203,490,000	636—256,696
MCO	2,520,00—5,385,503,203	682—1,457,569
MLM	15,540—18,500,000	723—860,545

**Family.** A family is considered a group of people who live or coexist under the same roof (including single-person households).

**Ecosystem.** The Mercado Libre ecosystem is the activity generated by the Mercado Libre Marketplace, its logistics operation, the consultants that serve Mercado Libre merchants and the Mercado Pago resellers.

**Merchants.** Companies dedicated to retail trade, who may or may not have physical stores.

**Marketplace.** A site where merchants offer products to be purchased by consumers, that is, a market in the online world. In relation to the study, when we refer to Marketplace this is in relation to Mercado Libre.

**Mercado Pago.** Mercado Libre's fintech business unit that provides the most complete ecosystem of financial solutions in the region for companies, ventures and individuals who want to manage their money in a safe, simple and practical way.

**Total Direct Employment.** Employment that MeLi has generated through direct contracting and permanent employees.

**Total Direct Employment - shipping.** Employment that MeLi has generated through direct contracting and permanent employees only in the Shipping department.

**Direct-Indirect Employment generated by the increase in total shipments.** Employment related to the shipping logistics system and number of people hired to face the general increase in demand.

**Direct-Indirect Employment generated by the increase in shipments through the Mercado Libre Marketplace.** Increase in employment related to the shipping logistics system of companies that handle products sold through the Mercado Libre Marketplace and the number of people hired to face the general increase in demand.

**Technological services.** Set of services that make use of technology to facilitate the operation of companies. In the case of companies that sell through Mercado Libre, these include digital payment methods, new software for operation or management, provision of services by consulting and/or integration companies, among others.



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