



Chile

**A Dynamic and
Attractive Economy
for Business**

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The Chilean market

Chile, with its stable and thriving economy, is one of the best places to do business globally. It ranks 59 among 190 economies, for ease of doing business.¹ Chile has the highest number of Free Trade Agreements among other countries, except Singapore.

It consistently ranks high on international indices for transparency, openness to foreign trade, and economic freedom. The country bounced back strongly from the pandemic-related economic downturn due to strong vaccine rollouts, stimulus programmes, high commodity prices, and consumer spending.

The Chilean economy is expected to grow by:

3.5% in 2022
2% in 2023



19.16 million
population



73%
highest banked
population in LATAM



CLP
currency:
Chilean Peso



132.1%
mobile connections



82.3%
internet penetration



23.3% of GDP
digital economy

Chile's GDP grew 17.2% in Q3 2021, the second-fastest pace of expansion in its history.² Consumer spending in different categories grew, while retail sales increased over 24.2% in December 2021.

Latin America's fastest growing digital economy

Chile's digital economy accounted for 3.7% of the nation's GDP in 2020. This number is forecasted to increase in the future due to the rapid adoption of ecommerce. B2C ecommerce sales are expected to have grown 23% in 2021 to reach \$11.6 billion.⁴ This is double the sales recorded pre-pandemic in 2019. This growth is being boosted by government efforts, such as Matriz Digital 2018-2022. It is the Chilean government's roadmap to minimizing the nation's telecommunications and digital gaps and positioning Chile at the forefront of technology in LATAM.

Cyber events like Cyber Day have become extremely popular, as consumers postpone purchases to take advantage of deals and discounts

Matriz Digital 2018–2022 has 3 focus areas



Local exporters use ecommerce as a strategic tool to enter the international markets with attractive bilingual websites and collaborations with logistic companies. Covid-19 has increased consumer demand for online purchases. High-end consumers now increasingly buy from local entrepreneurs via online stores.

E-commerce users in Chile projected to grow by 0.6 million between 2023 and 2027

Chile's growing digital economy

1% of GDP

Economic Impact
of 5G by 2035

\$640 million

Cyber Day
2021 sales

23%

Payments & remittances
for fintech

60,000 jobs

Expected via investment
in digital transformation

62%

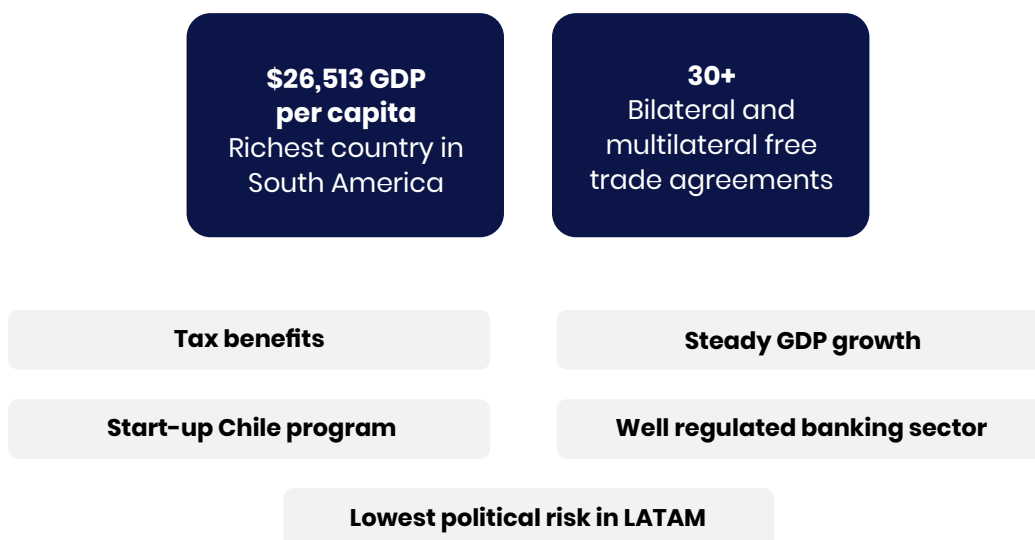
Chileans avoid stores
that only accept cash

Why do business in Chile?

World Bank rankings for Chile in 2020

	Score	Ranking
Starting a business	91.4	57
Getting electricity	85.7	39
Trading across borders	80.6	73
Paying taxes	75.3	86

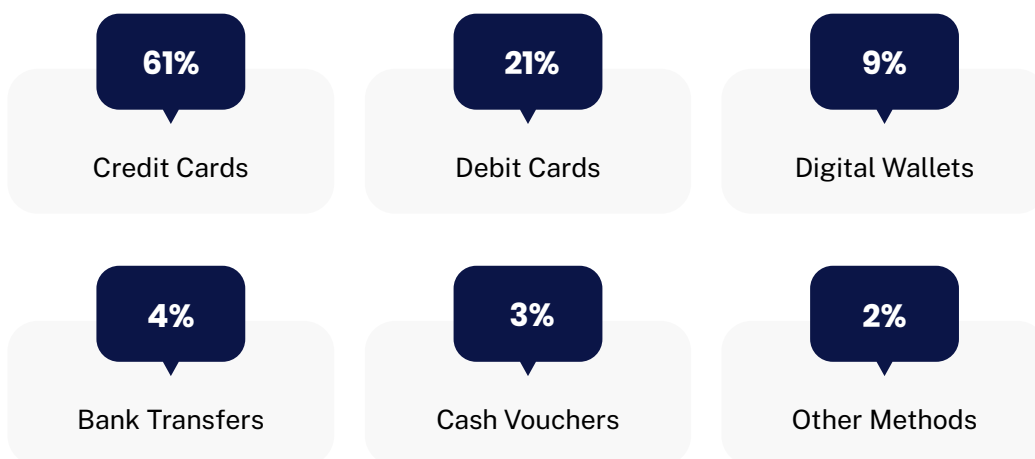
Benefits of doing business in Chile



The strengthening payment ecosystem in Chile

Chile's payment rails are gradually shifting towards the global model of merchant, acquirer, network and issuer. Local companies are including a range of payment options to reduce friction, improve conversion rates, and improve competitiveness. Cash has taken a backseat amid the pandemic, and digital payments have become prominent. Online payments are made in the local currency (CLP), via credit cards and local bank transfers. Foreign-issued credit cards are generally not accepted on Chilean websites.

Payment methods used for ecommerce transactions in 2021



Economic expansion

Sectors that traditionally led the growth of the Chilean economy were:

Agriculture

Mining

Power

Forestry



Ecommerce

31th

31st largest ecommerce market in 2021

13,72m

By 2027, users are projected to increase for the fourth straight year



Travel and Tourism

Growth sector in Chile

Contributed over 10% of GDP

6% expansion in 2021, driven by digital platforms



Online Casino

On the way to legalisation

Government bill in process to modernise online gambling



Technology

N° 1

LATAM's innovation hub

5.5%

IT expenditure growth estimated at 6.3% in 2020 and 5.5% in 2021

N° 53

Chile ranked 53 among 132 economies in the 2021 Global Innovation Index

Thriving sectors with exceptional growth potential

Sectors that traditionally led the growth of the Chilean economy were:



Fintech



Renewable energy

Fintech

Chile's proposed "Fintech Bill," submitted to Congress in September 2021, is expected to contribute significantly to growth in the sector, and boost access to start-up capital.

Around 85% of companies say that open finance will contribute to the growth of the industry at scale.⁹ The new bill is expected to boost the competitiveness of the Chilean financial system.

New fintech bill to spur:

- Peer-to-peer lending
- Cryptocurrency regulations
- Digital banking & neo banks
- Open banking
- Online investment brokers



179

Number of fintech startups in Chile

4/mn

Fintech density in Chile: 4 fintechs per million population

12,7m

Digital Commerce has the largest number of users

Renewable energy

Solar and wind have the lion's share of investments in the renewable energy sector. Chile has developed a national electromobility strategy, with the goal of transitioning to 100% zero-emission sales of new vehicles by 2035.

The Climatescope report, published by the Bloomberg New Energy Finance (BNEF) in report, ranks Chile as the best country in the Americas for investing in renewables, surpassing Brazil, Canada and the US.¹⁰

\$4.6 billion

Investment in clean energy investment in 2020

Ranks #2

Among emerging markets for renewable energy investments

Facilitating payments in Chile



Growth in digital payments

Projected CAGR of 10.45%
between 2022-25



Digital commerce largest segment

Projected transaction value of
US\$1, 229m in 2022



Women pay more digitally

50% of users are
female



27.1% users

Aged 25-34 years

Payment innovations disrupting the market

The pandemic accelerated the adoption of emerging and innovative payment methods. Consumers are continuously looking for flexibility, convenience and new ways to make payments. According to the 2021 MasterCard New Payments Index report, 92% of Chilean consumers had access to more types of payments during the year. Over 66% said they had tried a new form of payment, which they wouldn't have tried under normal circumstances.

60%

feel more confident with
biometric payments

8 in 10

consumers used
contactless methods in
2022

32%

digital sales were done
through QR codes in
2020

Local payment methods in Chile

The Chile is one of the prime examples of the growing popularity of digital payments in LATAM. It has the highest banking and smartphone penetration in the continent, and the pandemic only accelerated the trend of online payments.

The country is home to various ecommerce giants like Falabella, Ripley and Cencosud.

However, credit and debit cards remain the most popular method of payment for local shoppers. Credit cards especially account for a large percentage of online shopping, while international cards account for 30% of the spending.

A unique aspect about Chile is that Transbank was the only card acquirer in the country till 2016. In 2019, EVO Payments entered the market, and ACI Worldwide entered the merchant acquiring space by partnering with Transbank. This is why Chilean shoppers are accustomed to Transbank's online payment portal, WebPay.

Contrary to other LATAM nations, cash and non-Transbank transfers occupy a small portion of local payments. This means that with a single integration with Transbank, merchants can service a huge portion of the market. The acquiring market is slowly expanding, which means more competitive pricing and terms for merchants.

56%

of online transactions in 2020 paid through local payment methods available through local card acquirers and partners

66%

consumers adopted a new payment method in 2020

58%

online payments done through cards, as of Jan 2021





Top 5 payment methods in Chile



1. WebPay

Developed by Transbank, WebPay is an online platform that allows consumers to securely pay through debit and credit cards. It is highly favoured by online shoppers as it allows them to pay in instalments as well.



2. Fintoc

Through its API, Fintoc generates a payment bridge between the user and the merchant. It connects with the consumer's bank to initiate the transfer, and with the merchant's bank for reconciliation. Users can make transfers without entering data manually and without leaving the website nor the app.



3. Multicaja

Multicaja is a Chilean company created in 2007 that operates as a business network throughout Chile, connecting large and small businesses with bank issuers and service providers through its terminals and technologies.



4. Banco de Crédito e Inversiones (BCI)

BCI is one of the most important banks in Chile, with numerous subsidiaries and more than 300 contact points in the country and offices abroad. It aims to meet the financial needs of individuals and companies, offering a wide range of banking products and services, such as current accounts, multiline BCI credit (short-term credit), mortgage and consumer credit, insurance, demand accounts, factoring, among others.



5. Khipu

A Modern Payment Solution. Khipu provides a convenient and secure way for individuals and businesses to manage transactions. As a trusted option in the realm of digital payments, Khipu is swiftly gaining popularity for its efficiency and reliability.

Expand your business in Chile with PayRetailers

PayRetailers takes your business to Chile with more payment alternatives for your customers, all in a single platform.

Being able to offer flexibility in payments can empower your business to grow. With PayRetailers, you get to achieve just that from anywhere in the world to drive business growth in Latin America. We offer a fully localised solution for payment processing in the region. With a single API integration, you gain access to over 250 local payment methods.

Our payment gateway supports multi-channel and multi-currency payments, enabling you to provide unparalleled customer check-out experiences to maximise sales. With our always-available, robust and scalable payment infrastructure, you can start processing transactions within 48 hours.

Fraud prevention & risk management

PayRetailers ensures a completely compliant solution with a focus on the highest standards of security as part of our fraud prevention solutions.

Local collection, global settlements

Make sales in Chilean pesos and receive US dollars, anywhere in the world. We offer unified settlement across all currencies through a 24-hour fixed forex rate in USD and EUR.

Turnkey merchant services

With our highly scalable cloud-based solutions, you can access data quickly and easily, at any time and from anywhere.

Localised solutions

Maximise your market reach by offering the most popular local payments methods without needing to set up a local entity.

Online Payments



Cash Payments



Card Payments



eWallet Payments





Fintech associations



Our commitment to financial inclusion & financial education

We foster business growth for your company to drive innovation in financial solutions with an aim to building financial inclusion. We believe that we can further ensure inclusion by providing knowledge and skills for people to better manage their personal finances and improve their well-being. We use our collective knowledge and industry best practices to improve financial services for everyone.

Are you interested in the Chilean market?

Our team of experts can help you:

- Understand your Chilean customer and their preferences.
- Get local expertise and assistance.
- Find the reliable payment methods trusted by Chilean consumers in your industry to form a local payment strategy.

50+ leading companies trust us.
Operate via a local partner, so that there is no need to set up a local entity.

PayRetailers bridges the access gap between Latin Americans and international companies. Contact our sales expert team and discover our solutions for yourself.



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