

Global Ecommerce Revenue Sank \$250B in 2022, Worse than Earlier Forecast

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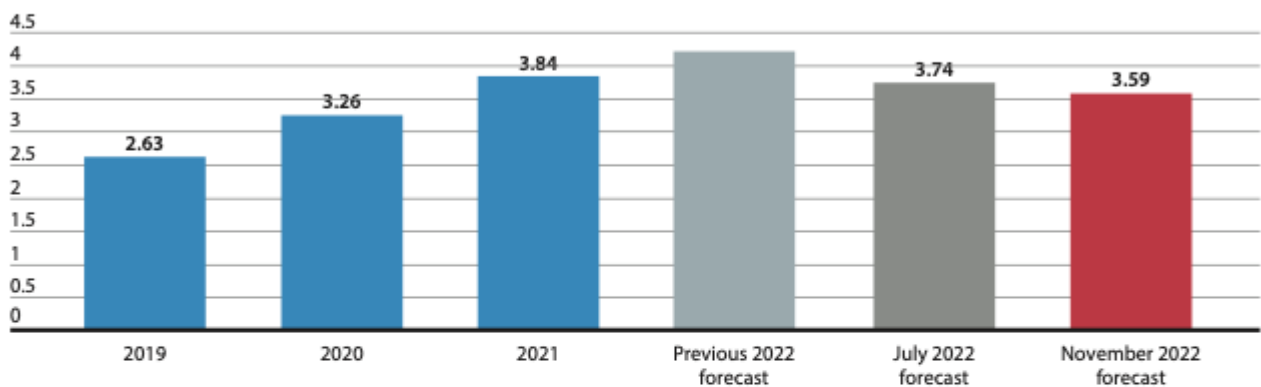
December 19, 2022. Jastra Kranjec

Global e-Commerce industry

Global e-Commerce revenue from 2019 to 2021, and forecasts for 2022 (in trillion U.S. Dollars)

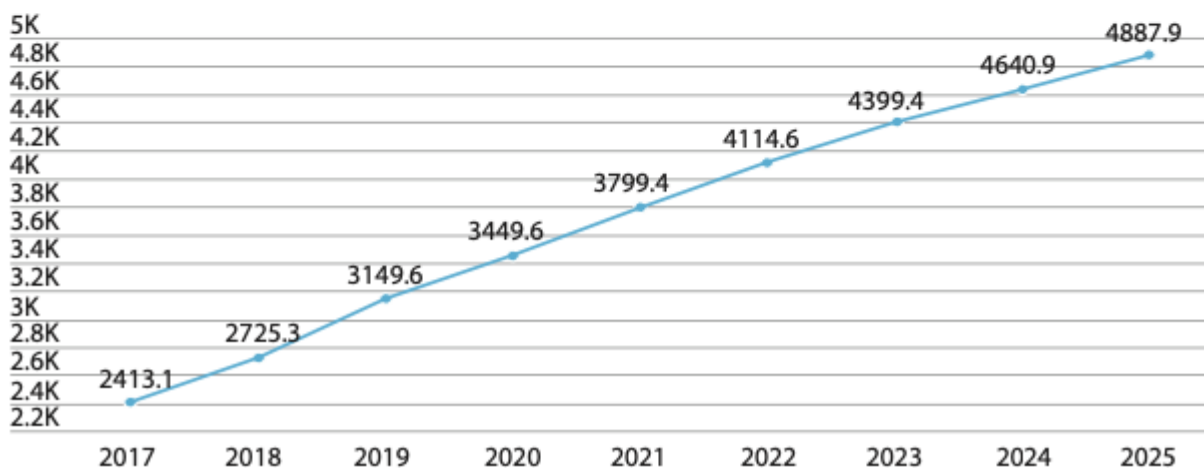
Source: Statista survey

Notes: Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war



The number of assets in the e-Commerce market from 2017 to 2025 (in millions)

Source: Statista, June 2022



After years of impressive growth, the e-Commerce industry is ending 2022 with a revenue drop, the first in the market's history. According to data presented by Augusta Free Press, global e-Commerce revenue sank \$250bn year-over-year, falling from \$3.84trn in 2021 to \$3.59 in 2022.

Revenue Drop Double than Expected

Only a few industries have seen such impressive growth as the e-Commerce sector. In just four years, global revenues spiked 70%, jumping to over \$3.84trn in 2021, according to Statista Digital Market Outlook. However, that changed in 2022, as the entire market faced global challenges. Supply chain issues, inflation, rising digital advertising costs, and changed consumer behavior have all had their share in the first-ever e-Commerce revenue drop.

The initial forecast from the Statista Digital Market Outlook projected \$380bn more revenue in 2022 than a year ago. However, as of July, the global eCommerce revenue projection slipped from \$4.22trn to \$3.74trn.

The latest Statista forecast shows that the global e-Commerce industry is ending a year with a double than expected \$250bn revenue drop, most of which comes from the Chinese market.

Although China generated nearly one-third of total eCommerce revenue in 2022, the world's largest e-Commerce market is ending a year with a massive \$212bn revenue drop. Other leading e-Commerce markets, Japan, the United Kingdom, and Germany, also saw their revenues plunge.

On the other hand, the United States is the only one among the top five markets whose e-Commerce revenue increased this year. According to Statista, the US e-Commerce industry generated nearly \$905bn in revenue this year, 5% more than in 2021.

More than 4 billion People Shop Online, Global E-commerce Penetration rate at 54%

Although there is a headwind at the moment, Statista expects revenue growth to get back on track eventually. In 2023, the entire market is expected to generate \$4.48trn in revenue and then hit a \$5trn benchmark in 2024.

One of the significant drivers for recovery will be the swelling e-Commerce user base. Last year, the global e-Commerce market had a massive 50.4% penetration rate, with nearly 3.8 billion people who shopped online. Statistics show online shoppers are expected to grow by 315 million YoY to 4.1 billion in 2022. Also, the market's penetration rate is set to reach 54.1% this year. Statista expects more than 4.8 billion people to shop online by 2025.