

Latin American Economies Poised to Reap Economic Benefits of Real-Time Payments as Adoption Gathers Pace – ACI Worldwide Report

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- *Brazil leads Latin America's real-time ambitions with economic benefits spotlighted in the newly released Prime Time for Real-Time report*
- *118.3 billion real-time payment transactions were made globally in 2021 – a YoY growth of 64.5 percent – set to rise to 427.7 billion in 2026, according to GlobalData*
- *Real-time payments are forecast to help generate additional GDP of US\$173 billion by 2026, up from US\$78.4 billion in 2021 – according to a Cebr economic impact study of 30 of the world's largest economies, including both industrialized and developing nations*
- *Cebr study outlines wide-ranging policy recommendations to maximize the economic impact of real-time payments*

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BRASILIA, Brazil--([BUSINESS WIRE](#))--Latin America is poised to reap significant economic growth accelerated by the adoption of real-time payments, despite the region's fractured financial infrastructure and continued appetite for paper-based transactions, according to the third edition of [Prime Time for Real Time 2022](#), published by [ACI Worldwide](#), (NASDAQ: ACIW), in partnership with [GlobalData](#), a leading data and analytics company, and [the Centre for Economics and Business Research](#) (Cebr).

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The report – tracking real-time payments volumes and growth across 53 countries – includes an economic impact study for the first time, providing a comprehensive view of the economic benefits of real-time payments for consumers, businesses and the broader economy across 30 countries. The report covers all G20 nations, excluding Russia. *

The research shows that governments that advance the real-time modernization of their national payments infrastructure create a win-win situation for all stakeholders in the payments ecosystem: consumers and businesses benefit from fast, frictionless and hyper-connected payments services, financial institutions future-proof their business in a highly competitive environment by speeding up cloud-first and data-centric modernization, and national governments boost economic growth, reduce the size of their shadow economy and create a fairer financial system for all.

[Latin America Highlights:](#)

- The top three economies – Brazil, Argentina and Mexico – are set to see huge economic gains over next five years, with Argentina and Brazil projected to deliver seven and tenfold increases, respectively, in economic benefits and savings driven by real-time payments

Brazil:

- Brazil leads and drives the region's real-time payments volumes and growth: In 2021, the country recorded 8.7 billion real-time transactions, mainly due to the rapid growth in popularity of the PIX instant payments system.
- The widespread adoption of real-time payments resulted in estimated cost savings of \$US5.7 billion for businesses and consumers in 2021, which helped unlock \$US5.5 billion of additional economic output (0.34% of the country's GDP).
- With real-time payments transaction numbers expected to rise to 82.4 billion annually by 2026, net savings for consumers and businesses are forecast to climb to \$US37.9 billion in the same timeframe. This is expected to help generate an additional \$US37.6 billion of economic output (equivalent to 2.08% of the country's forecasted GDP).
- Of all 30 countries covered in the Cebr economic impact study, Brazil has the largest 5-year forecast GDP facilitated by real-time payments in percentage terms – 2.08 % by 2026.

Mexico:

- Despite being LATAM's real-time payments pioneer, Mexico has seen slower adoption than its neighbors, primarily due to a large unbanked population and a fundamental lack of electronic payment awareness.
- In 2021, real-time payments transaction volumes reached 1.6 billion, with estimated cost savings for businesses and consumers of \$US1 billion. This helped unlock \$US1.9 billion of additional economic output, equivalent to 0.15 % of GDP.
- With real-time payments transactions set to peak at 2.6 billion in 2026, net savings for businesses and consumers are forecast to reach \$US1.3 billion, helping to generate an additional \$US2.8 billion of economic output, equivalent to 0.19 % of the country's forecasted GDP.

Argentina:

- Real-time payments supported \$US15 billion of additional economic output, equivalent to 0.003% of formal GDP in 2021, forecast to rise to \$US183 billion and 0.03 % in 2026, respectively.
- For South America's second-largest economy, the economic benefits of real-time payments remain largely untapped. According to the Cebr, the theoretical impact of all payments being real-time could add 4 % to formal GDP by 2026 – though this figure does not suggest that there is no longer place for non-instant electronic payments or paper-based payments in the future.

"LATAM has an incredible opportunity and the momentum to drive economic growth and financial inclusion with real-time payments," said **Leonardo Escobar, Head of LATAM, ACI Worldwide**. "Given the potential savings and economic benefits currently being left on the table, even a moderate shift to real-time will significantly impact our economic future. It is time for governments and corporate champions to play their part in our efforts to lead the world in real-time payments."

"Without government mandates, many financial institutions have little incentive to transform their technology. Many success stories worldwide, including in Asia, serve as a blueprint for LATAM to successfully drive real-time payments further," Escobar added.

"By allowing for the transfer of money between parties within seconds rather than days, real-time payments improve overall market efficiencies in the economy," commented **Owen Good, Head of Advisory, Centre for Economic and Business Research**. "Real-time payments improve liquidity in the financial system and therefore function as a catalyst for economic growth. This is especially important for our fast-paced and digital-led gig economies. Workers are paid quickly, allowing them to better plan their finances. Businesses have more flexibility and reduce the need for burdensome cashflow management."

"One of the big themes in this year's report is the cloud as the great enabler of real-time success and new, differentiated payments experiences," added **Jeremy Wilmot, Chief Product Officer, ACI Worldwide**. "Within the financial services industry, we are still only scratching the surface of the cloud's potential. As other industries have already shown, and as this report confirms, it is increasingly clear that banks and financial institutions with designs on winning with payments in the real-time digital economy need to be cloud-first and data-centric."

"Developing nations continue to drive the majority of real-time volume gains, confirming the industry trend of the strongest growth coming from economies with minimal existing electronic payments infrastructure, and therefore heavier reliance on cash," said **Sam Murrant, Lead Analyst, GlobalData**. "Amid all this activity, mobile in its multiple forms will shape the trajectory of real-time payments for developing markets. India provides the template for mobile wallet integration with underlying real-time payment systems. Mobile will still be the leading form factor in developed markets. However, we may see banks' involvement sitting more behind wallets."

Prime Time Real Time Report 2022 - All Global Figures-at-a-Glance

GlobalData - Real-Time Payments Growth:

	2021	2026			
Real-time transactions made globally	118.3 billion	427.7 billion	YoY growth	64.5%	
2021					
Five countries with the highest volume of real-time payment transactions	India 48.6 billion	China 18.5 billion	Thailand 9.7 billion	Brazil 8.7 billion	South Korea 7.4 billion
CAGR 2021 – 2026					
Top 5 fastest growing real-time markets (where instant payments share of all electronic payments was 10% in 2021)	Brazil 56.8%	Oman 41.0%	India 33.5%	Philippines 31.7%	Malaysia 26.9%
Top fastest growth of real-time transactions by regions	South & Central America 51.3%	Middle East, Africa & South Asia 32.6%	North America 30.2%	Europe 23.0%	Asia-Pacific 15.0%

Cebr Real-Time Economic Impact:

	2021	2026
Aggregated net savings for consumers and businesses facilitated by real-time payments across the 30 countries observed	US\$46.6 billion	US\$184.0 billion

Formal GDP facilitated by real-time payments	US\$78.4 billion <i>(equivalent to 0.10% of the combined GDP of the 30 countries)</i>	US\$173.0 billion <i>(equivalent to 0.19% of the combined forecasted GDP of the 30 countries)</i>
Global number of jobs required to produce an equivalent level of output	4.9 million jobs	10.3 million jobs
India, Brazil, China, Thailand, South Korea – business and consumer level benefits	US\$37.0 billion combined	US\$164.6 billion combined
India, Brazil, China, Thailand, South Korea – formal GDP supported by real-time:	US\$54.6 billion <i>(Equivalent to 0.23% of the combined GDP of the five countries, or the equivalent output of 4.2 million workers)</i>	US\$131.7 billion <i>(Equivalent to 0.43% of the combined forecasted GDP of the five countries, or the equivalent output of 9.0 million workers)</i>
U.S., Canada, U.K., France, Germany – business and consumer level benefits	US\$2.1 billion combined	US\$5.5 billion combined
U.S., Canada, U.K., France, Germany – formal GDP supported by real-time:	7.3 billion <i>(Equivalent to 0.02% of the combined GDP of the five countries, or the equivalent output of 70.4 million workers)</i>	13.9 billion <i>(Equivalent to 0.04% of the combined forecasted GDP of the five countries, or the equivalent output of 118.9 million workers)</i>

GlobalData - Consumer Payments Modernization:

2021

Over half of consumers worldwide now own and use a mobile wallet: 52.7 1%
up 12.1% in the two years since 2019 (Covid-19 impact), and up 33.8% since 2018

GlobalData - Fraud Trends

	2020	2021
Cases of card details being stolen online are falling – 2021 saw a slight decrease in cases	17.5%	16.9%
Cases of card details being stolen or skimmed in person are also falling – 2021 saw a decrease in cases	15.5%	0.5%
Digital wallet account hacks, identity theft and social engineering cases are rising. Percentage of total fraud cases:	2020	2021
Digital wallet account hacks	6.2%	7.3%
Identity theft	11.6%	12.0%
Social engineering	13.7%	14.4%

*Note to editors: Because of the absence of a robust data set, Russia is not included in the economic impact study/absence of a robust data set.

About ACI Worldwide

[ACI Worldwide](#) is a global leader in mission-critical, [real-time payments software](#). Our proven, secure and scalable software solutions enable leading corporations, fintechs, financial disruptors and merchants to process and manage [digital payments](#), power [omni-commerce payments](#), present and process [bill payments](#), and manage [fraud and risk](#). We combine our global footprint with a local presence to drive the [real-time digital transformation](#) of payments and commerce.

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