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About This Report

In 2019, Shopify engaged Deloitte to develop its first Global Economic Impact Report that explores Shopify's impact across the global economic and social landscape. Since that time, the Report has been updated on an annual basis.

Shopify aims to continue quantifying its economic footprint and exploring how it catalyzes positive changes to the global economy. Aligned to this goal, Deloitte undertook a refresh of the Global Economic Impact Report using 2021 data. This 2021 Refresh report includes three components:

1. Key Metrics
2. Country-Level Metrics
3. US State-Level Metrics

US State-Level metrics is an additional component analyzed in this report that was not part of previous studies.

The report is supplemented with the "Global Economic Impact Study of Shopify – 2021 Refresh Data Book." It is an MS Excel file that provides all underlying information and sources. In addition to the 2021 figures, this report and the Data Book compare findings from 2021 data analysis to those from the previous report, where applicable. State-Level Metrics are included in the Data Book, but not in this document.

This year's report uses a similar overall approach, technical methodology and data sources as the previous reports. Data on merchants and partners was provided by Shopify for 2021, which was supplemented with OECD and World Bank data for the purposes of economic modelling.



Approach

To model Shopify's economic footprint, we assess the economic impacts of Shopify merchant and partner business activities. Our approach includes three analytical steps:

1. Estimation of economic impacts of Shopify merchants sales at the global-, country- and US state-level. Economic impacts are broken down at the direct, indirect and induced levels and are measured in terms of Business Activity, Gross Domestic Product, and Jobs.
2. Estimation of economic impacts of Shopify partner business activity at the global level.
3. Statistical analysis of Shopify merchant and partner data to assess a wide range of performance metrics.

Key Economic Impact Model Details

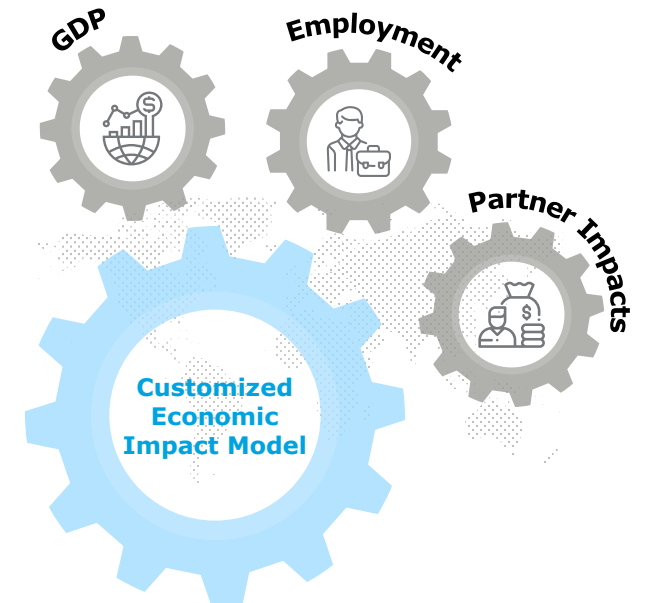
In this study, "business activity impact", Gross Domestic Product, and Employment modelling of Shopify merchants and partners is based on an Input-Output framework, a standard approach in economic impact analysis that enables a clear distinction between direct, indirect, and induced impacts. To capture the impacts of global supply-chain activity, we added detailed bi-lateral trade data to our model. The key data sources for our model is Organization for Economic Co-Operation and Development (OECD), including Input Output database and Trade in Value Added (TiVA) database, World Bank and Haver. Our model estimates the gross impacts (as opposed to incremental impacts) of Shopify merchants and partners business activity.

Key Economic Impact Definitions

- **Direct impacts** result from the first round of spending.
- **Indirect impacts** result from the second and subsequent rounds of spending by businesses providing intermediate goods and services.
- **Induced impacts** result from households spending the wages earned through direct and indirect impacts.
- **Gross Merchandise Volume ("GMV")** is the dollar value of orders facilitated through the Shopify platform.
- **Business Activity** represents the impact on the gross output and is interpreted as the value of economic transactions throughout supply chains associated with production of goods and services.
- **Gross Domestic Product ("GDP")** is the total unduplicated value of goods and services produced in a jurisdiction during a given period.
- **Employment** represents the number of persons engaged in producing output for final goods and services. In the case of the six countries (Argentina, Brazil, Canada, Israel, Mexico and the United States) employment represents the number of jobs.

Note on Currency

All dollar values presented in this study are in USD unless noted otherwise.



Summary of the 2021 Refresh

Key Metrics

Summary of the 2021 Refresh – Key Metrics (1/2)

All \$ values presented in USD unless otherwise noted. PP denotes Percentage Point changes. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
1. Global economic activity from merchant businesses on Shopify	\$444.7 billion
2. Merchant Business Activity impact results by country (for countries with over \$100 million in Business Activity Impact)	35 jurisdictions with \$1 billion in impact
3. Jobs supported by merchants on Shopify	5.0 million
4. Jobs supported by partner businesses on Shopify	656,000
5. Revenue generated by Shopify partner ecosystem ¹	\$32.1 billion
6. Sales generated by European merchants to consumers outside of Europe	\$4.0 billion
7. International sales generated by small merchants on Shopify ²	\$11.0 billion
8. Share of international sales generated by small merchants on Shopify ²	42.3%
9. Export growth from merchants on Shopify	29.0% (2020-2021)
10. Revenue generated by merchants in developing countries	\$6.5 billion
11. Exports from merchants in developing countries	\$2.6 billion

¹ Partner revenue calculation has been expanded to include merchant spend paid to Shopify Shipping Partners in 2021 data.

² In this study, small businesses are defined as Shopify merchants with less than \$2.5 million in annual GMV.

Summary of the 2021 Refresh – Key Metrics (2/2)

All \$ values presented in USD unless otherwise noted. PP denotes Percentage Point changes. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
12A. Number of countries with partners that work internationally in respective year (i.e., referred merchants from a foreign jurisdiction)	183
12B. Number of countries with new partners that work internationally in respective year (i.e., referred merchants from a foreign jurisdiction)	162
13. Revenues from Canadian merchants outside of 6 largest urban centres	\$6.4 billion
14. Revenues from Canadian merchants inside the 6 largest urban centres	\$4.1 billion
15. Shopify R&D expenditure and Shopify's share of total R&D expenditure in Canada's professional, scientific, and technical services sector	\$854.4 million, 20.3%
16. Shopify merchant revenue per one dollar of Shopify revenue	\$37.9

Summary of the 2021 Refresh

Country-Level Metrics

Country-Level Metrics 2021 Refresh

Americas | Canada

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$23.8 billion (29.8 billion CAD)
GDP impact (local currency)	\$11.0 billion (13.8 billion CAD)
Job impact	142,000
Merchant exports	\$2.4 billion
Number of partners	4,500

Country-Level Metrics 2021 Refresh

Americas | Mexico

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$4.9 billion (99.9 billion MXN)
GDP impact (local currency)	\$2.6 billion (53.2 billion MXN)
Job impact	104,000
Merchant exports	\$27 million
Number of partners	1,100

Country-Level Metrics 2021 Refresh

Americas | United States

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact	\$239.4 billion
GDP impact	\$113.5 billion
Job impact	981,000
Merchant exports	\$6.9 billion
Number of partners	20,400

Country-Level Metrics 2021 Refresh

Asia | China

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$15.0 billion (96.8 billion CNY)
GDP impact (local currency)	\$6.3 billion (40.5 billion CNY)
Job impact	221,000
Merchant exports	\$1.9 billion
Number of partners	800

Country-Level Metrics 2021 Refresh

Asia | Hong Kong SAR

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$3.1 billion (24.3 billion HKD)
GDP impact (local currency)	\$1.4 billion (10.5 billion HKD)
Job impact	62,000
Merchant exports	\$1.5 billion
Number of partners	400

Country-Level Metrics 2021 Refresh

Asia | India

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$3.4 billion (251.6 billion INR)
GDP impact (local currency)	\$1.6 billion (118.2 billion INR)
Job impact	199,600
Merchant exports	\$86 million
Number of partners	3,300

Country-Level Metrics 2021 Refresh

Asia | Japan

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$6.6 billion (¥721.5 billion)
GDP impact (local currency)	\$3.2 billion (¥349.2 billion)
Job impact	57,800
Merchant exports	\$183 million
Number of partners	2,100

Country-Level Metrics 2021 Refresh

Asia | Singapore

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$3.3 billion (4.4 billion SGD)
GDP impact (local currency)	\$1.5 billion (2.0 billion SGD)
Job impact	55,700
Merchant exports	\$698 million
Number of partners	580

Country-Level Metrics 2021 Refresh

Europe | European Union

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$47.6 billion (N/A)
GDP impact (local currency)	\$21.8 billion (N/A)
Job impact	298,000
Merchant exports	\$5 billion
Number of partners	12,700

Country-Level Metrics 2021 Refresh

Europe | France

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$6.8 billion (€ 5.8 billion)
GDP impact (local currency)	\$3.0 billion (€ 2.6 billion)
Job impact	30,600
Merchant exports	\$572 million
Number of partners	3,200

Country-Level Metrics 2021 Refresh

Europe | Germany

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$13.1 billion (€ 11.2 billion)
GDP impact (local currency)	\$6.1 billion (€ 5.2 billion)
Job impact	65,100
Merchant exports	\$1 billion
Number of partners	2,000

Country-Level Metrics 2021 Refresh

Europe | Italy

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$3.4 billion (€ 2.9 billion)
GDP impact (local currency)	\$1.6 billion (€ 1.3 billion)
Job impact	16,000
Merchant exports	\$241 million
Number of partners	1,400

Country-Level Metrics 2021 Refresh

Europe | Netherlands

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$4.5 billion (€ 3.8 billion)
GDP impact (local currency)	\$1.9 billion (€ 1.6 billion)
Job impact	15,800
Merchant exports	\$756 million
Number of partners	900

Country-Level Metrics 2021 Refresh

Europe | Spain

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$3.0 billion (€ 2.5 billion)
GDP impact (local currency)	\$1.4 billion (€ 1.2 billion)
Job impact	16,300
Merchant exports	\$394 million
Number of partners	1,000

Country-Level Metrics 2021 Refresh

Europe | Sweden

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$1.6 billion (13.6 billion SEK)
GDP impact (local currency)	\$0.8 billion (6.7 billion SEK)
Job impact	6,800
Merchant exports	\$214 million
Number of partners	300

Country-Level Metrics 2021 Refresh

Europe | United Kingdom

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$35.1 billion (25.6 billion GBP)
GDP impact (local currency)	\$17.3 billion (12.6 billion GBP)
Job impact	197,100
Merchant exports	\$3.7 billion
Number of partners	5,400

Country-Level Metrics 2021 Refresh

Oceania | Australia

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$29.6 billion (39.4 billion AUD)
GDP impact (local currency)	\$12.6 billion (16.7 billion AUD)
Job impact	154,200
Merchant exports	\$2 billion
Number of partners	3,500

Country-Level Metrics 2021 Refresh

Oceania | New Zealand

All \$ values presented in USD unless otherwise noted. Figures are rounded.

Key Metrics	2021 Data Point (Refresh)
Business activity impact (local currency)	\$3.4 billion (4.8 billion NZD)
GDP impact (local currency)	\$1.4 billion (2.0 billion NZD)
Job impact	19,600
Merchant exports	\$286 million
Number of partners	900

Note to Reader

The results presented within this document have been provided to Shopify Inc (“Shopify”) for the purpose of assessing Shopify’s impact across global economic and social landscape.

This study does not represent a cost-benefit analysis for Shopify or any other stakeholder and does not represent a comparison of the potential economic impact of Shopify to the potential impact of an alternative use of resources.

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The full extent of the ongoing COVID-19 pandemic’s impact on the economic outlook remains uncertain. It is, therefore, important for readers to consider that the analysis is based on third-party data (e.g., economic and industry data) up to April 2022 and does not include any consideration of the likely economic impact of either COVID events or the related fiscal stimulus measures.

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