

Africa, LATAM

Where to Next for Forex Brokers?

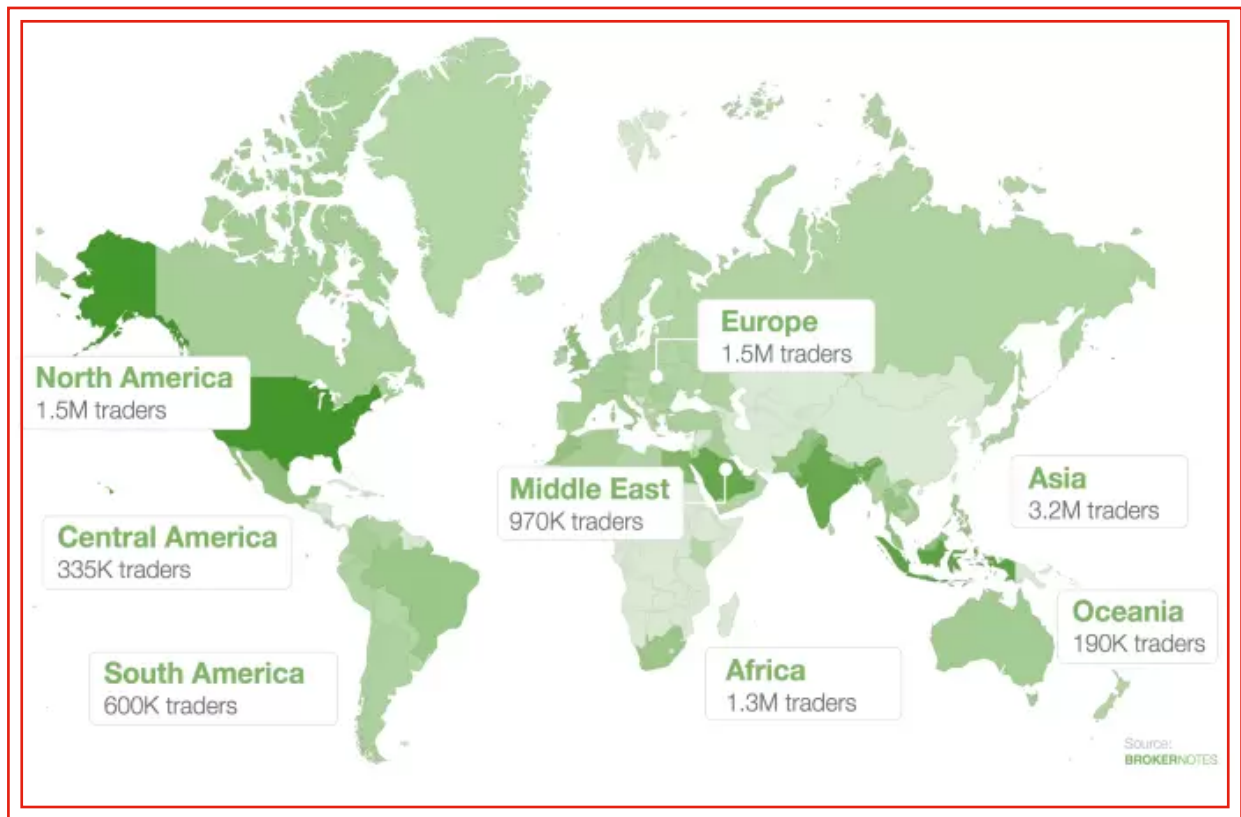


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North America and Europe account for a substantial number of forex traders, at 1.5 million each in 2023, Africa comes in a close second with 1.3 million forex traders. Latin America (LATAM) is also seeing a rapid increase in interest in the forex markets, recording 600,000 active traders in 2023.



But what's on the horizon for forex brokers? Contentworks is the leading marketing agency for the financial services space. We work closely with forex brokers around the world, and our experience with helping brokers enter emerging markets has given us unique insights into what works and what doesn't.

So, we thought we'd put our insights together in this eBook, and share the most important factors that brokers should know about regarding the most promising regions in the world.

Let us know what you think on our social media channels and reach out to us for expert financial services marketing.

Let's get the map out!

The Contentworks Agency Team



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Chapter 1: The Rise of Forex Trading in Africa and LATAM

The State of Forex Trading in Africa

A continent that covers 30 million sq. km. and is home to 54 countries, Africa offers great potential. Of the 1.3 million forex traders already active here, South Africa and Nigeria, the two largest economies, account for about 390,000 traders.¹ Egypt, Kenya and Ghana follow closely, accounting for a total of 120,000 traders.²

The newest country to join the list of potential destinations for forex brokers is Rwanda, which brought leveraged forex trading under the regulatory control of its Capital Market Authority for the very first time in February 2024.³

Interest in the forex market is only likely to grow in Africa, given that its economy is expanding rapidly, as is internet penetration and the use of digital tools. The growing economy has resulted in an expanding middle class that has more disposal income to invest.

The South African Rand is the most traded currency in Africa and the 18th most traded currency in the world.



Plus, there is huge growth potential in the continent, with the IMF listing 9 African countries on its list of the top 20 economies that will experience the fastest growth rates in 2024.⁴



Why Africa is Attractive for Forex Brokers

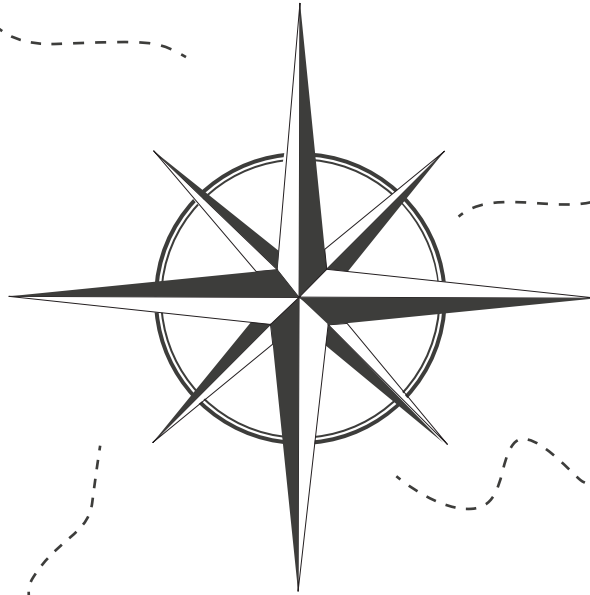


Large Market

Nigeria alone has a population of over 200 million.



High growth potential Rwanda, Côte d'Ivoire and Benin are among the top 20 economies expected to grow the fastest in 2024.



Well-developed infrastructure

to provide advanced trading solutions.



Strategic location and stable political environment to establish an office such as Egypt, Kenya and Ghana.



The State of Forex Trading in LATAM

Spanning 20 countries and 14 dependent territories, and a population of over 670 million,⁵ Brazil, Mexico, Colombia, Peru and Chile lead in terms of active forex traders in LATAM. Regulations are also evolving in the region, and each country presents unique expansion opportunities for forex brokers.

According to the IMF, ***“The Latin America and the Caribbean region has shown remarkable resilience in the face of recent global challenges, rebounding more strongly than expected from the pandemic.”***⁶ The UN’s financial agency project 2% GDP growth for the region in 2024 and 2.7% in 2025. The GDP of Mexico (expected at \$2 trillion in 2024) and Brazil (expected at \$3.3 trillion) alone total \$4.3 trillion, higher than the GDP of the third largest economy in the world.⁷



Like Africa, the growing middle class, large young population and rising digitalisation are driving interest in the forex markets. Plus, people are increasingly looking for ways to diversify their portfolios and supplement their income due to persisting global economic uncertainties and geopolitical tensions. The increasing penetration of the internet and smartphones have made online trading easily accessible, making forex trading an attractive option.

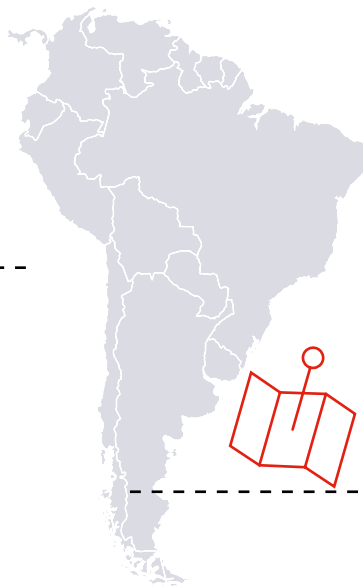
Factors Driving the Growth of Forex Trading in LATAM



Rising awareness of FX trading



Growth of international trade



Rapid digitalisation



The growing middle class



Economic growth



Chapter 2: What Brokers Should Know Before Expanding to Africa and LATAM

What You Should Know About Africa

Most African countries have a high unemployment rate, including South Africa. Plus, discretionary spending is much lower on the continent, compared to Europe and Asia. Yet, brokers that have already expanded to nations like Kenya, Nigeria and South Africa, have a sense of optimism, stating that their African operations were the fastest growing.⁸

A lot has to do with the demographics of the continent, with nearly 70% of the population being under the age of 30.⁹ In fact, it is projected that more than one-third of the world's youth will be African by 2050.¹⁰ This digital-first demographic looks for means of income, entertainment and information online.

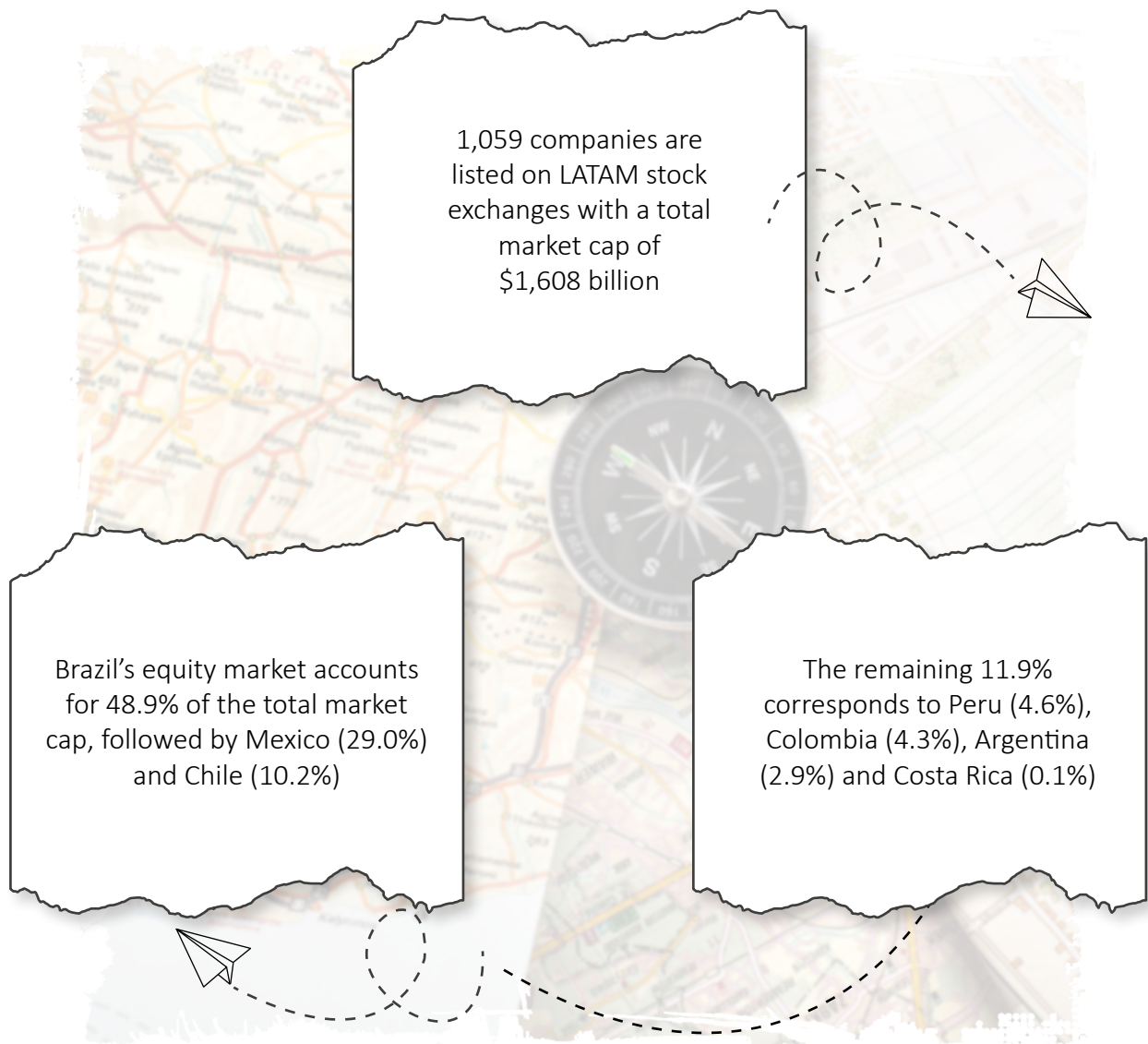
Plus, governments across Africa are working to attract foreign investment. They recognise the potential of the forex industry and are working to strengthen regulations and make their countries attractive destinations for FX businesses.

“In the coming era, sub-Saharan Africa is expected to account for 90% of the growth in the world's working-age population... larger than that of both India and China... As a result, Africa is set to play a bigger role in shaping contemporary geopolitical and economic affairs.”

~ World Economic Forum

What You Should Know About LATAM

With its diversity of demographics and regulations, LATAM is different from the EU and Africa. For instance, although Spanish is widely spoken in the region, each country has its own tone and style of speaking the language. Spanish being spoken across the region is a huge advantage in saving translation costs and multilingual support however. The two most promising economies in the region are Brazil, the largest LATAM market, and Mexico, an economy that is expected to grow 2.4% in 2024.¹¹



While the region offers lucrative opportunities, it also comes with its own set of challenges.

For instance, many LATAM countries prefer to connect with businesses through known contacts or country managers. Such contacts take time to establish. Also, even well-established global brokers sometimes find it difficult to establish a footprint in the LATAM. This is why partnering with the right intermediary and marketing agency can be invaluable.



Chapter 3: Marketing Your Broker in Africa

Social media is an important marketing channel in Africa. Facebook is the most popular platform with 170 million users and an active user rate of 82%. TikTok and Instagram follow with 60% and 54% active user rates, respectively. Influencer marketing is another effective strategy for Africa. Partner with local influencers to build a regional presence.

WhatsApp is the most popular messaging app in Africa. This is the platform most African countries use to reach out to businesses and to access customer support.

Did You Know?

Telegram is gaining popularity both as a marketing and a communication channel for forex brokers in Africa. Consider building a trader community on Telegram, where your clients can access trading analysis, real-time data and signals, while also interacting with other traders in the region.

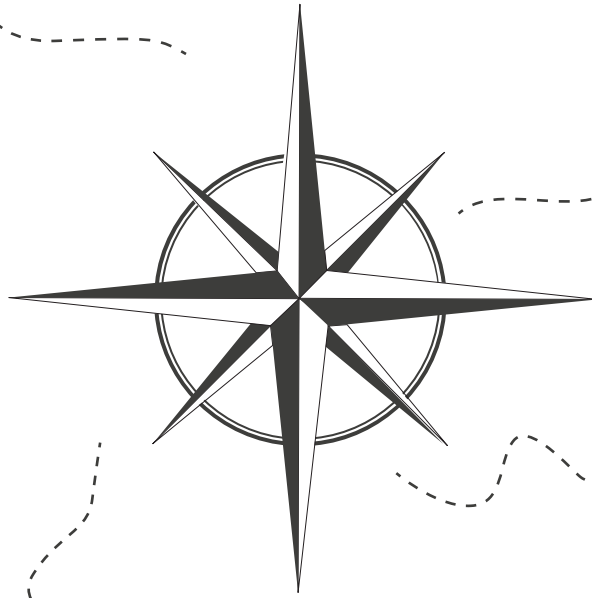




97% of internet users in Kenya use WhatsApp



96% of internet users in South Africa use this app



95% of internet users in Nigeria are active on WhatsApp



44% of all mobile internet use in Zimbabwe is accounted for by WhatsApp¹²



Affiliate marketing and introducing brokers work well to spread awareness about broker services in Africa. Firstly, partnering with IBs means brokers have local contacts across African countries, who understand the culture and can communicate effectively with your target audience. Plus, they can be a huge support if you want to organise in-person events in key cities in the region. Workshops and seminars are popular in Africa too. Not only do they provide educational opportunities, but they also provide a platform for networking.



Marketing Dos

- Get licenses, such as from the FSCA in South Africa, and put your license number on your website.
- Know the regulations for advertising, such as the Financial and Intermediary Services Act.
- Ease trading with online tools, educational resources, multilingual customer support.
- Offer and advertise minimal fees and low minimum deposits.



Marketing Don'ts

- Guarantee specific returns.
- Overlook the importance of local operations, such as a local customer service number.
- Neglect popular media outlets, billboards, radio stations and local social media channels.



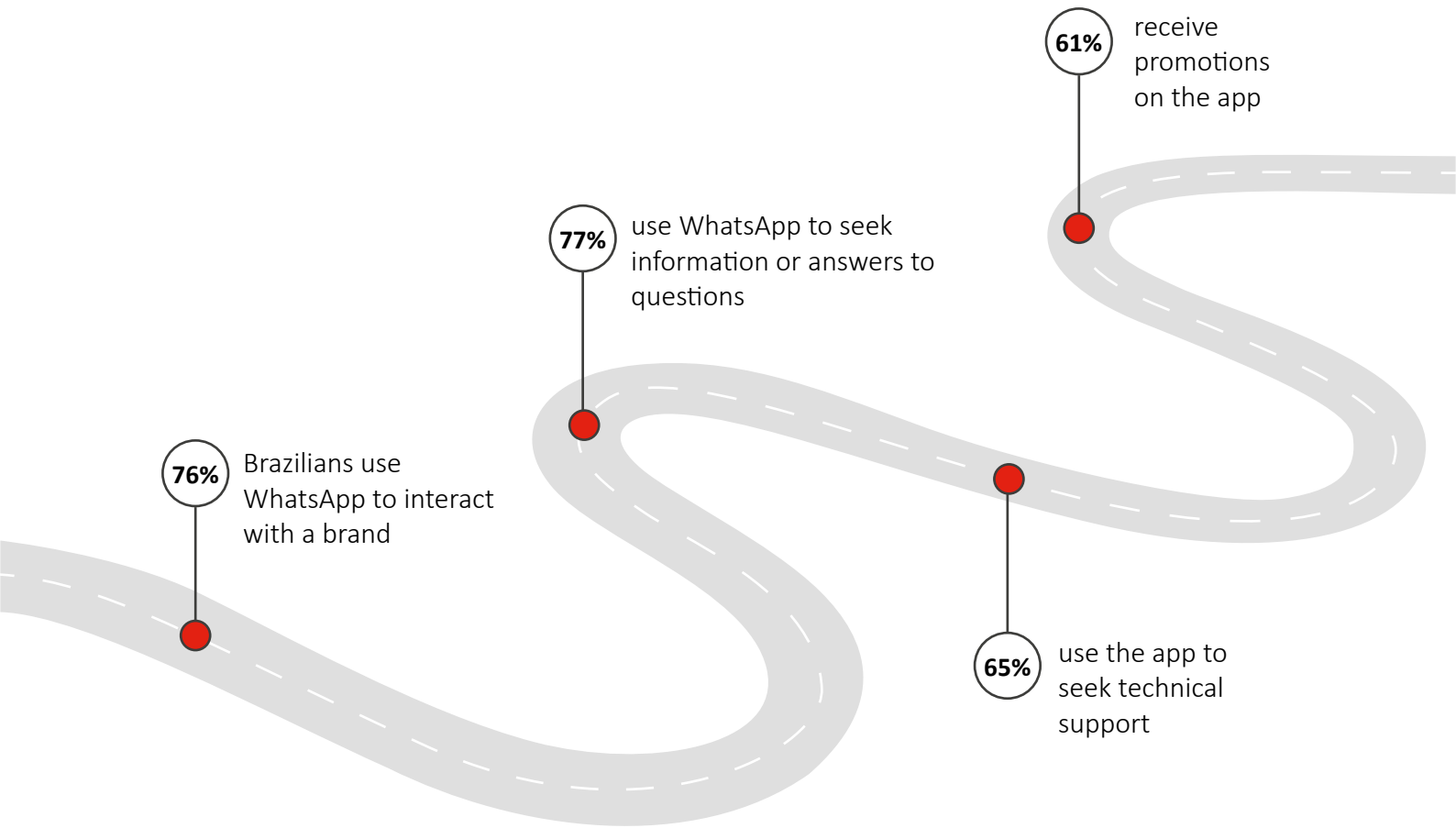
Chapter 4: Getting Marketing Right in LATAM

Each LATAM nation speaks Spanish in its own way, with its own nuances and cultural twists. So, achieving success in this market depends on your ability to speak to traders on their own terms. This is where IBs can be incredibly useful. However, a common misconception is that LATAM has a formal IB market with experienced introducing brokers.¹³

The reality is the affiliates and IBs are likely to be beginners and require training. So, while choosing local IBs is a great idea, they might need both infrastructural and marketing support both online and in person.

Of course, content marketing is key. Just like Africa, there will be many beginner traders in LATAM, who will need educational resources, including tutorials, articles, guides and how-to videos. Timely market news and analysis is no longer a differentiator. Your competitors are already providing it. So, partner with a content marketing agency that specialises in financial content across mediums like TikTok, YouTube and Google Adwords.

Social media platforms are an important outreach channel with over 306.76 million users in LATAM.¹⁴ Facebook dominates with 77.8% share of social media users, followed by Instagram, Messenger and WhatsApp. The popularity of social media is evident from the fact that Latin Americans spend an average of 214 minutes on these platforms each day.



Did You Know?

TikTok is rapidly gaining popularity in the region, with approximately 70% of internet users in Mexico, Brazil and Colombia using the app. TikTok is also a favourite in the Latin American influencer market, competing directly with Facebook, Instagram and YouTube.





Chapter 5: Leveraging Untapped Markets in Africa and LATAM

While forex brokers are flocking to South Africa, Nigeria, Brazil and Mexico, there still are untapped markets in Africa and LATAM that hold huge potential.

Egypt and North Africa

With a well-developed finance sector and a young, tech-savvy population, Egypt boasts over 50,000 active traders. The government is also supportive, having introduced reforms to encourage foreign investment. The most popular trading instruments in North Africa include the G10 currencies and commodities, such as oil, gold and silver.¹⁶

Did You Know?

Argentina is home to a healthy and growing forex market. Uruguay and Paraguay also hold promise for retail brokers, despite higher entry barriers than many of the other LATAM countries.



Kenya

Another country with a large population of young, tech-savvy individuals, increasingly looking at FX trading to supplement their income. Forex trading has been gaining popularity since the mid-2000s, when the government removed restrictions on forex transactions.



Ghana

Economic liberalisation in the mid-2000s led to a rise in forex trading in Ghana. It is one of the fastest growing economies in Africa, with a stable political environment.



Chile

Chile is an attractive destination for forex brokers in LATAM due to stable financial, economic and political conditions. The Securities and Insurance Superintendence (SVS) regulates the forex market in the country.



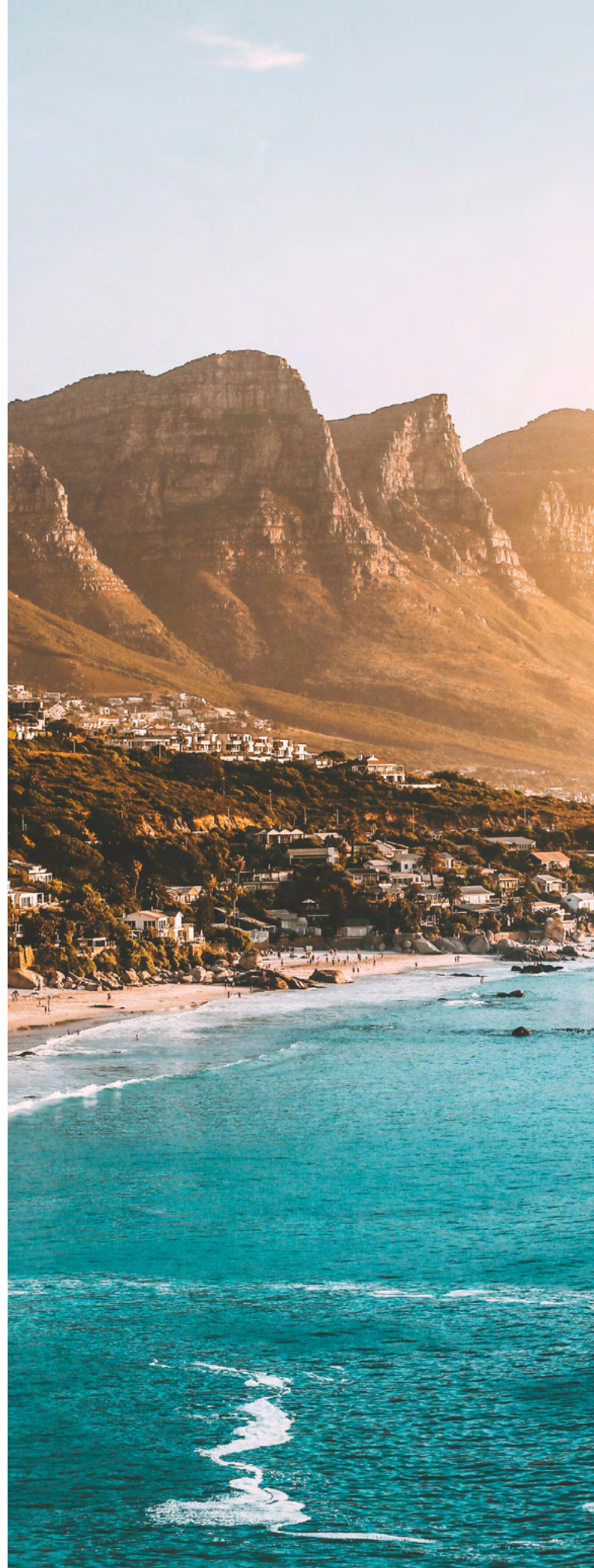
Colombia

The rise of forex trading in this country, as in many others, is being driven by its young, digital-native populations.



Peru

The growing middle class in Peru and rising internet penetration are among the key reasons for the increasing interest in forex trading in the country.





Chapter 6: Other Markets with Potential

With 3.2 million forex traders recorded in 2023, Asia has more active traders than the US and Europe combined. The rapid growth of FX trading in Asia is being driven by rising awareness, economic growth across the continent, and technological advancements. Japan has been a major hub for the FX market, with the Tokyo session being one of the 4 key trading sessions. But Singapore has now risen to being another leading finance and forex hub in the continent. The island nation is home to the fastest growing finance sector in the continent, with leading global and regional banks and forex brokers.¹⁷

Other promising markets on the continent include:

Indonesia

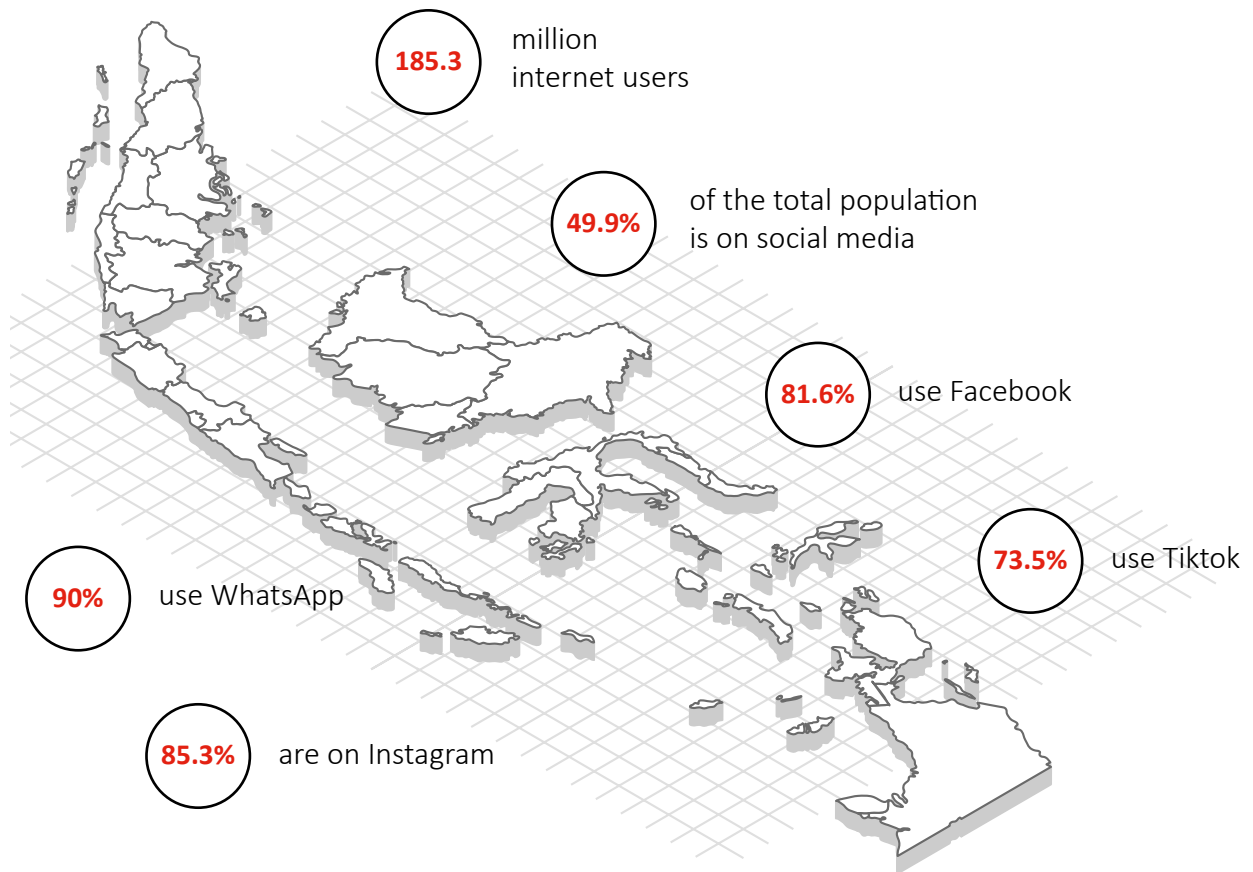
An archipelago consisting of more than 17,000 islands, Indonesia is home to over 270 million people. It also boasts the fourth-largest population in the world, which means more potential traders! Most Indonesians live in urban areas and their average age is around 30. Plus, it has a rapidly expanding middle class. All this is propelling the popularity of forex trading in the country.

Indonesia is also home to the largest stock market in Southeast Asia, with ASEAN's largest market cap, at \$744 billion as of December 2023.¹⁸ However, being an Islamic nation, forex brokers need to offer Shariah compliant trading accounts and services.

The Otoritas Jasa Keuangan (OJK) or the Financial Services Authority (FSA) of Indonesia oversees financial services sector in the country. But domestic forex and futures brokers are regulated by the Commodity Futures Trading Regulatory Agency, commonly known as BAPPEBTI (Badan Pengawas Perdagangan Berjangka Komoditi).



As of 2024, Indonesia has:



What Works in Indonesia



India

India's National Stock Exchange (NSE) is the world's third largest stock exchange in terms of number of trades. Its market cap is expected to reach \$10 trillion by 2030. The Indian forex market size is expected to grow at a CAGR of 9.2% during 2024-2032.¹⁹

With a total population of over 1.44 billion in 2024, India is seeing a rapid change in its socioeconomic landscape. The middle class is expected to account for 38% of the massive Indian population by 2031, a figure that is likely to rise to 60% by 2047.²⁰ Termed "powerhouse of Indian aspirations" by Prime Minister Narendra Modi, the middle class offers huge potential for brokers. What's even better is that English is the most widely spoken language in this socioeconomic segment, which saves brokers the costs of having to translate and localise content.

Legal restrictions imposed by the country's central bank, the Reserve Bank of India (RBI) and its financial watchdog, the Securities and Exchange Board of India (SEBI) allow trading on limited currency pairs. Also, the fees and spreads are higher in the Indian forex market than the rest of the world. To offer forex trading services in the country, brokers need to register with SEBI and comply with the RBI guidelines.

What Works in India

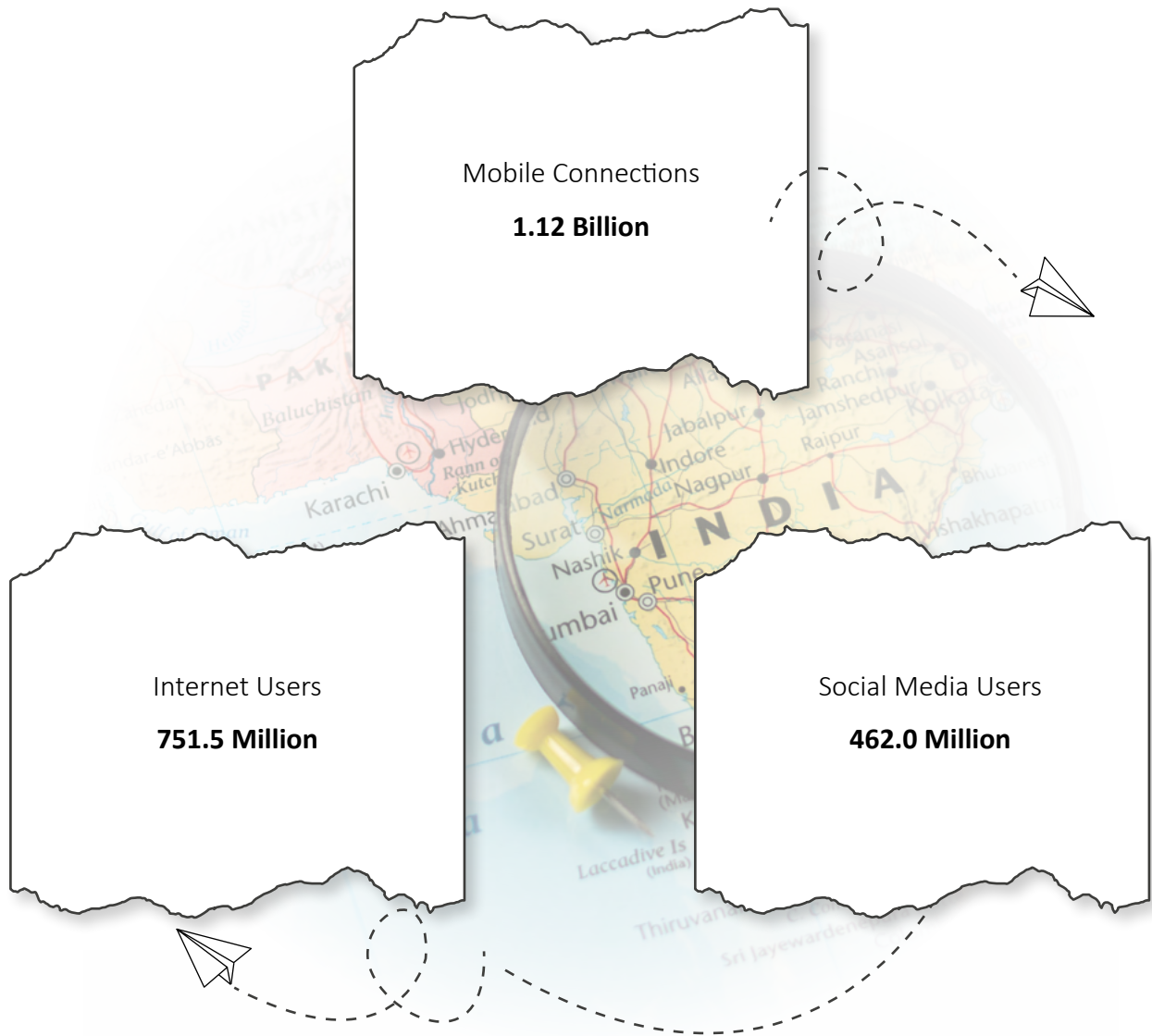
Appealing to consumers who are notoriously "price conscious."



Leveraging social media (WhatsApp, Instagram, Facebook, YouTube, X and Telegram are the most popular).

Adoption & Use Of Digital Services

Overview of the adoption and use of connected devices and services



Taiwan

The nation's financial sector, comprising banks, insurance firms and securities and futures brokers, recorded a 190% YoY increase in January 2024 to NT\$106 billion from NT\$36.55 billion in January 2023.²¹ Technological advancements, a stable domestic economy and rising interest in the forex market has been driving the expansion of FX trading in Taiwan, making the nation one of the prominent players in the international forex market. The New Taiwan dollar has also acquired a reputation as a stable currency, with around \$24 billion worth of Taiwanese dollars being exchanged in the forex market daily.²²

The Taiwanese government has established a strong regulatory structure for participation in the retail forex market. But these regulations do not apply to international brokers. This means that Taiwanese traders can access a wide range of global trading platforms.

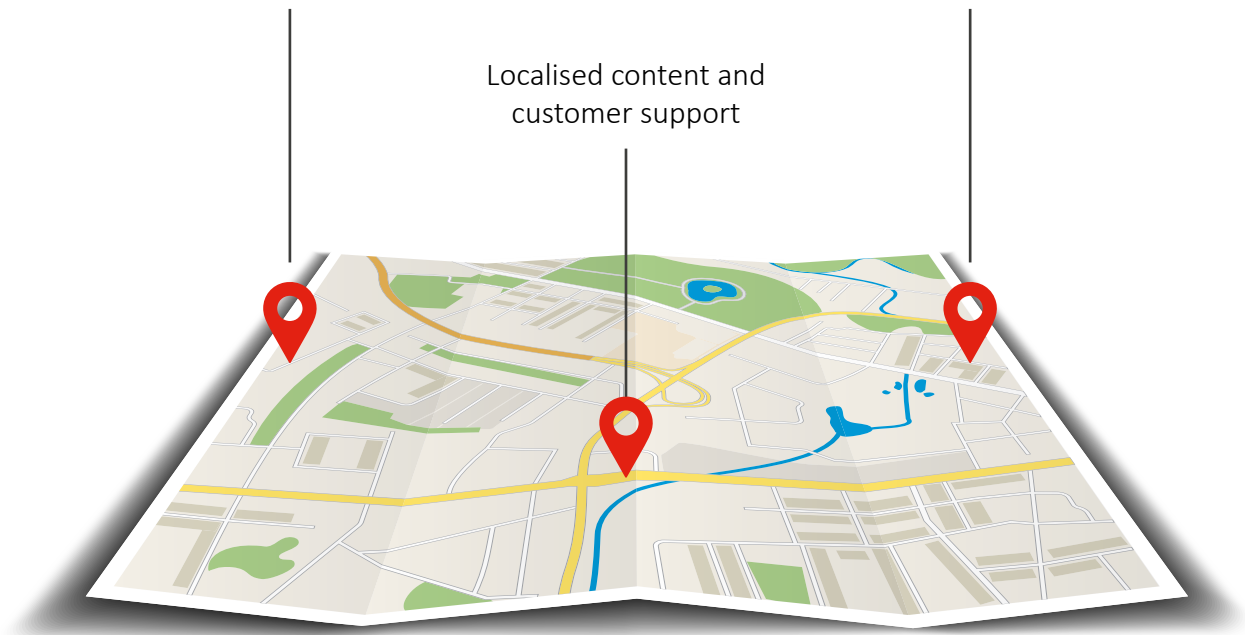
Some of the popular forex pairs in Taiwan include the USD/JPY, EUR/USD, GBP/USD and AUD/USD.²³ The high liquidity and volatility of these currency pairs make them appealing to both beginners and seasoned traders.

What Works in Taiwan

The 4 "P"s of marketing- Product, Price, Place and Promotion (in other words, make everything more visual and noticeable)

Online reviews and word-of-mouth (encourage referrals)

Localised content and customer support



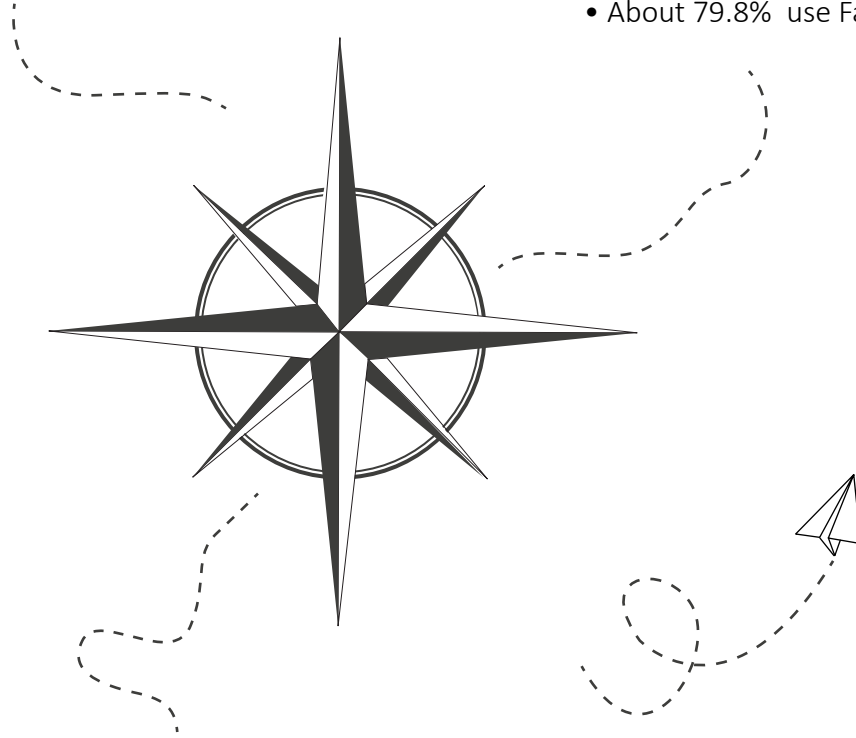


90% of the Taiwanese population is active on social media.



YouTube, Facebook and Instagram were the most popular social media platforms in Taiwan.

- 83% of internet users are on YouTube
- About 79.8% use Facebook



Surveys indicate that social media could soon replace TV as the major news source in Taiwan.

Major Forex Trading Hubs in Asia



Hong Kong

Regulated by the Securities and Futures Commission (SFC)



South Korea

Regulated by the Financial Supervisory Service (FSS)



China

Regulated by the People's Bank of China (PBOC)



Malaysia

Regulated by the Securities Commission Malaysia (SC)

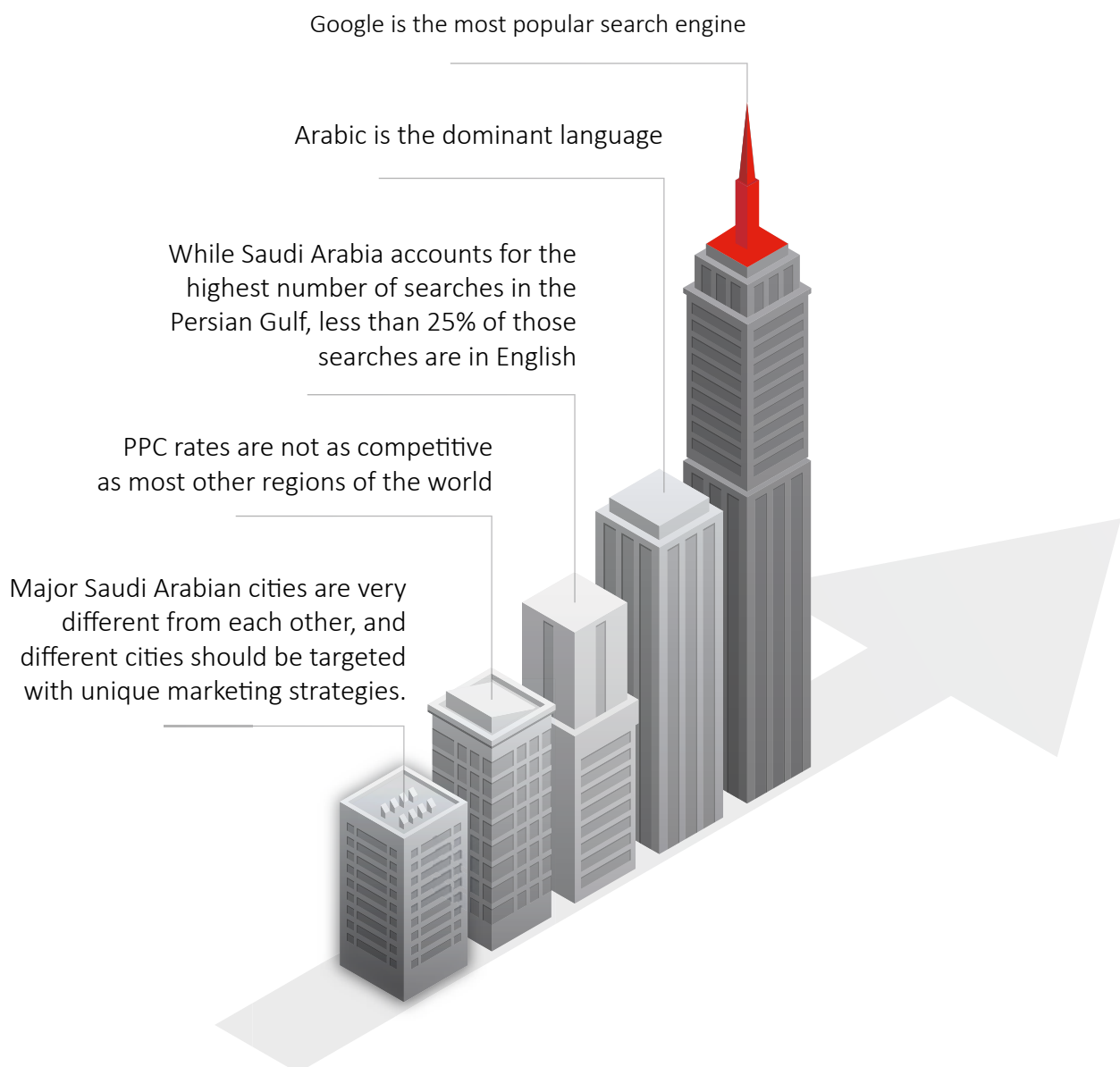


Saudi Arabia

Known for its strong and stable economy and a dynamic financial sector, the GCC nation has emerged as a promising destination for forex brokers, with the FX market in the country projected to grow at a CAGR of 10.41% during 2024-2032.²⁴ Saudi Arabia has recently opened its forex market and allows regulated brokers to trade FX on behalf of customers.²⁵ The country is rapidly growing into a major global financial hub, which is resulting in increasing interest in forex trading among its citizens. Forex trading is also gaining ground because 98% of the population are internet users, the relatively high GDP rate is accompanied by a very low tax rate, and over 50% of the population under the age of 25 years.²⁶

The Saudi Arabian Monetary Authority (SAMA) oversees and regulates forex trading in the country. Being an Islamic nation, Riba or interest is prohibited. Therefore, brokers must consider offering Sharia compliant trading services and accounts.

What Works in Saudi Arabia



Instagram is the second most popular social media platform



Social media commerce is on the rise



87% of social media users are on WhatsApp

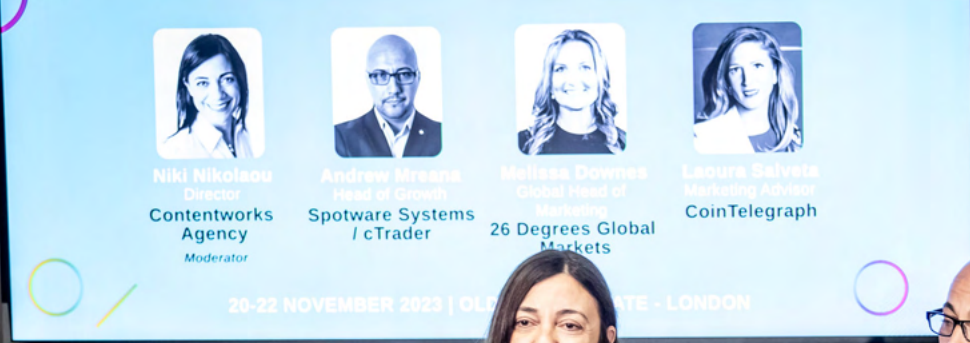


94.3% of the total population of Saudi Arabia is active on social media



YouTube has the highest potential ad reach at about 91%





That's It From Us

Expanding to new markets is both exciting and challenging. The biggest challenge for brokers wanting to establish a footprint in the emerging markets is the evolving regulatory environment. However, this is closely followed by establishing a good understanding of local marketing methods, advertising rules and localisation of seminars and courses.

It also requires expert financial marketing and a strategic focus on regions and KPIs.

Contentworks Agency is a leading provider of compliant financial services content marketing worldwide. We work with top brokers to strategise on new regions and create workable content and social media marketing plans. Our team of writers, editors, analysts, and social media managers work in a strategic way to ensure tailored content that delivers on KPIs.

- ✓ Marketing Communications Strategy
- ✓ SEO
- ✓ Social Media Marketing
- ✓ Brand Awareness
- ✓ Content Creation
- ✓ Video & Infographics
- ✓ PR & Media
- ✓ Performance Marketing



Book a Free Zoom to talk about your international expansion.



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