

Corona Barometer: Stabilisation in card payment activity

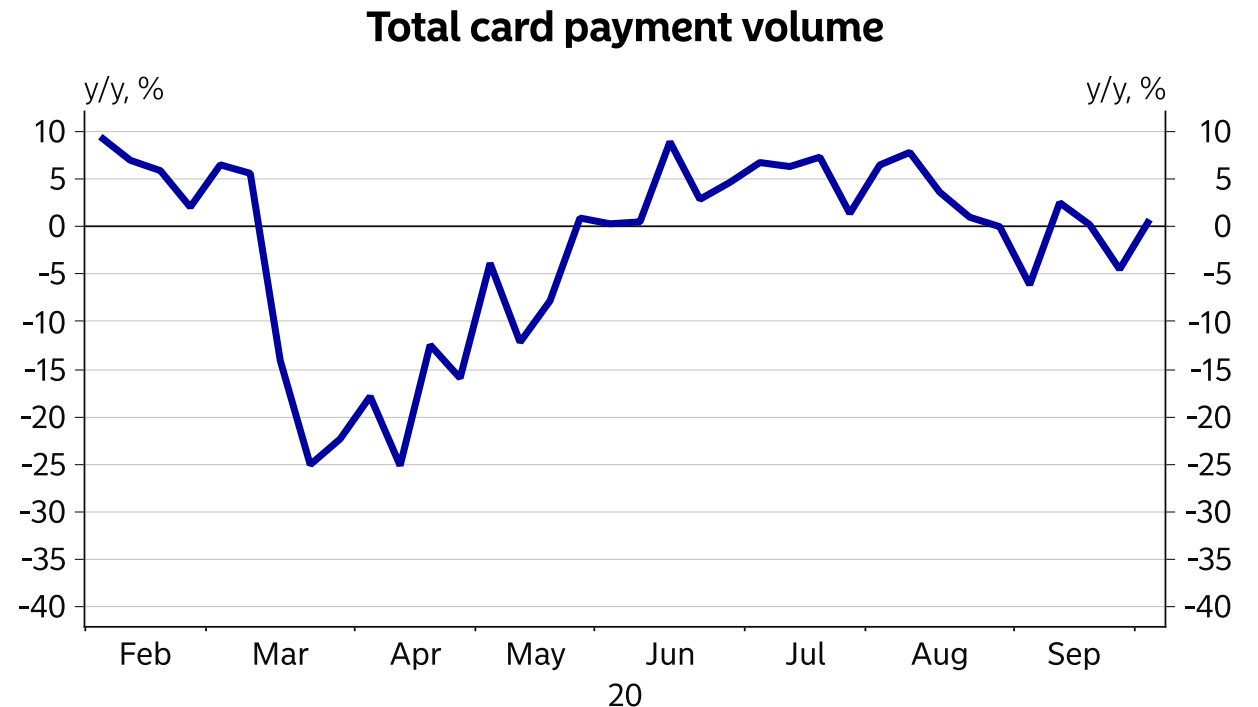
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21.10.2020



Stabilisation in card payment activity

- Card payment data are available until week 41, which is the week ending on 11.10.2020.
- Total card payment volumes are approximately around last year's levels.
- Goods sector activity remained robust, whereas service sector activity continued trending downwards. The increases in new corona cases and corona related restrictions continue to add to the downside consumption risks going forward.
- Ecommerce activity has grown markedly throughout the crisis, although there are some signs of slowing down.
- The transportation, travel and culture sectors remain as some of the hardest hit sectors from the crisis.
- **Note! As of 8.7. this publication series uses data showing year-on-year changes, where card payments made abroad have been omitted**

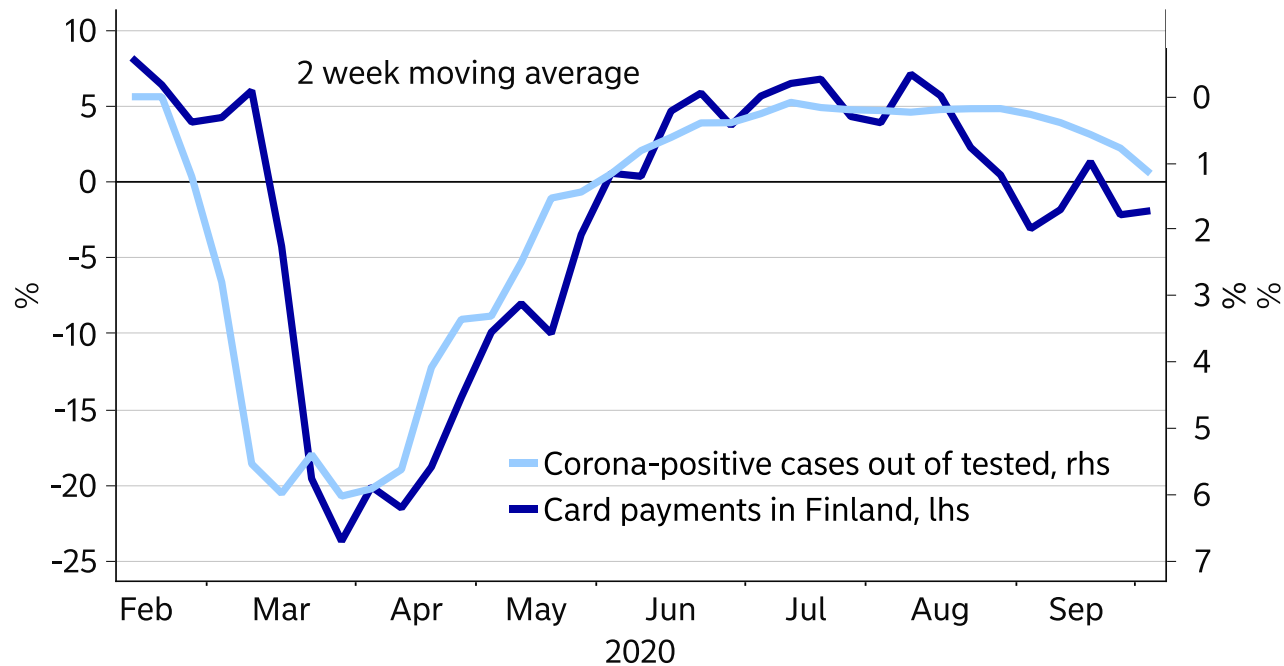
Total card payment volumes are approximately around last year's levels.



Source: Nordea and Macrobond

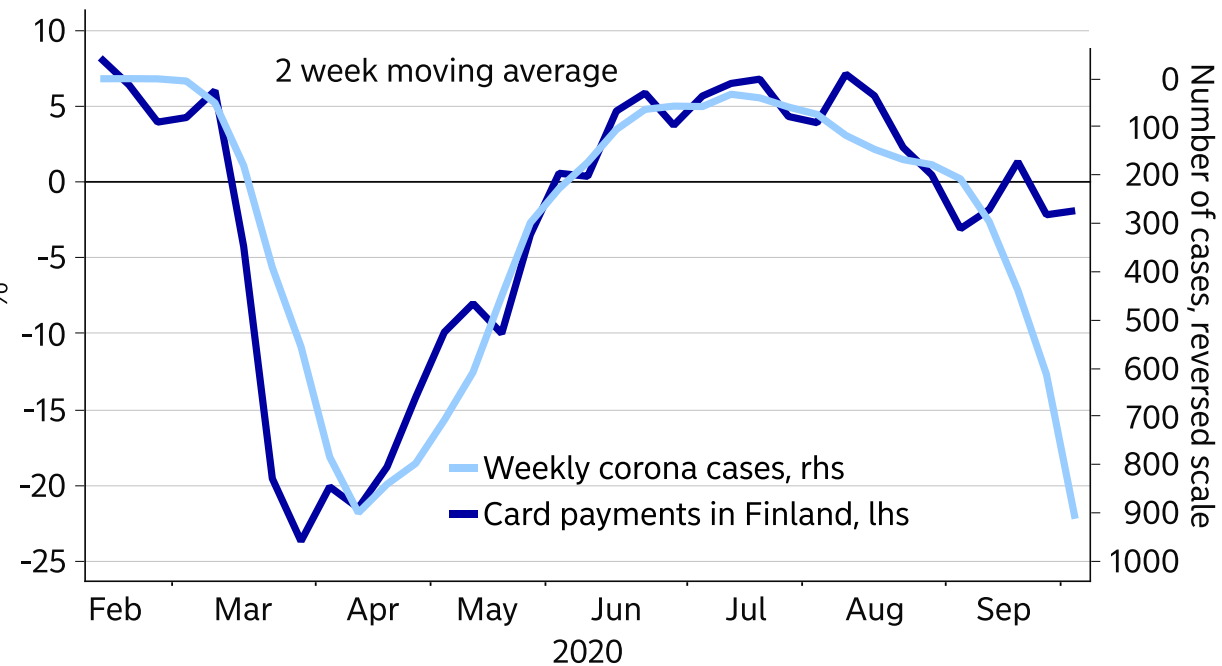
The number of new corona cases has increased rapidly. Card payment volumes have remained stable, however, and the proportion of corona-positive cases from testing is still relatively low compared to spring.

Proportion of corona-positive cases and card payments



Source: Nordea and Macrobond

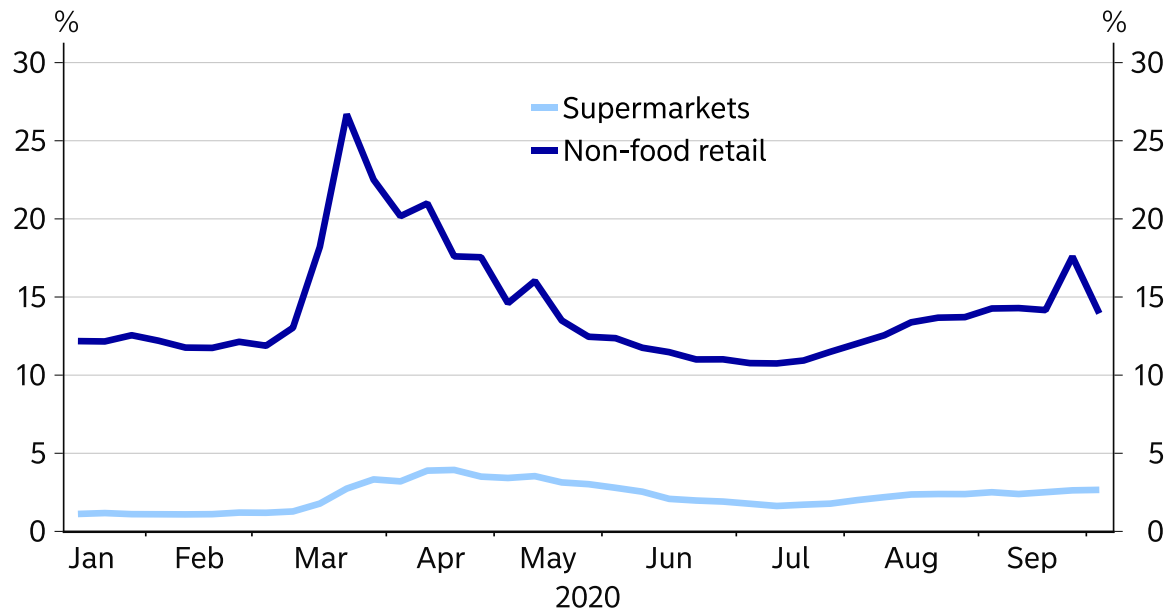
Corona cases and card payments



Source: Nordea and Macrobond

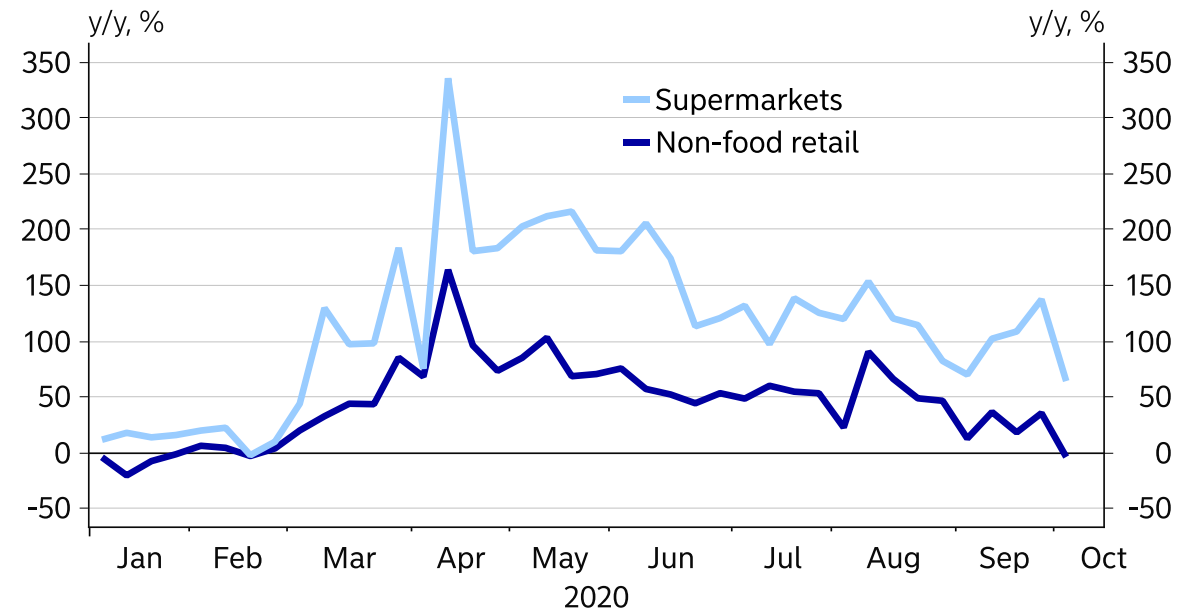
The number of card payments made online increased rapidly at the onset of the crisis, although recently there have been some signs of slowing down.

Proportion of payments made online



Source: Nordea and Macrobond

Growth in payments made online

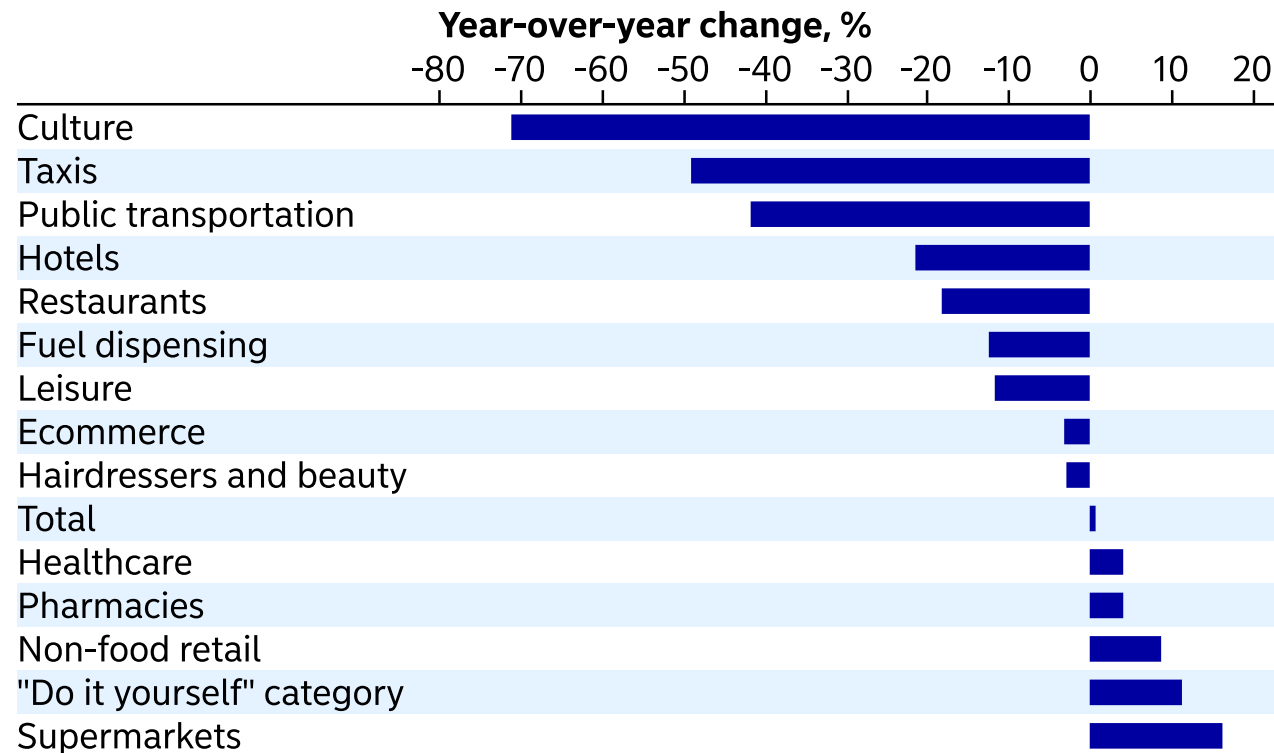


Source: Nordea and Macrobond

* In contrast to other categories, the ecommerce category includes card payments made both at home and abroad.

Supermarket, non-food retail and DIY categories have fared comparatively well throughout the crisis based on card payment data. The recovery remains rocky for services.

2020 vs 2019: Week 41 (5.-11.10.)

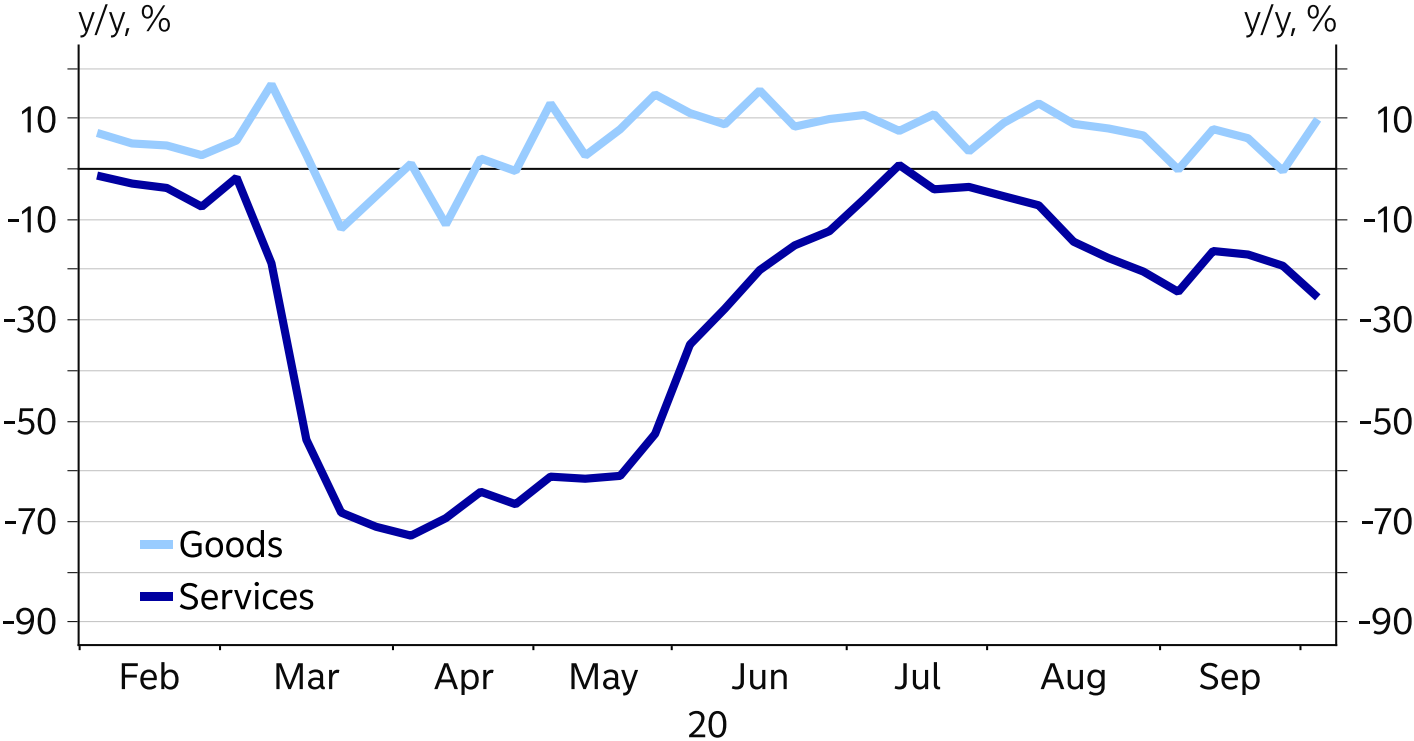


- The “do it yourself” category includes hardware stores, home supply warehouses etc.

Source: Nordea and Macrobond

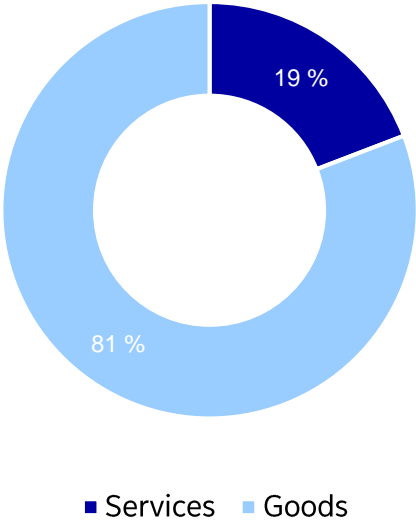
Goods sector activity continues to trend higher than the year before, while service sector activity remains depressed.

Goods and services



Source: Nordea and Macrobond

Proportion of goods and services

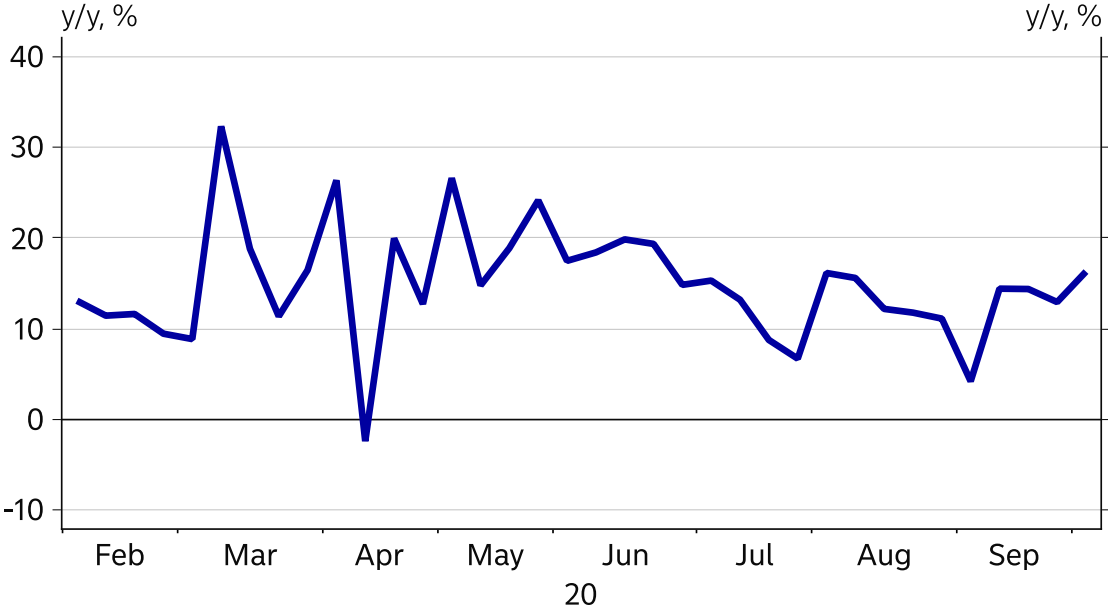


Week 40 (28.9.-4.10.)

- Services include the following categories: airlines, hotels, hairdressers and beauty, culture, healthcare, leisure, public transportation, restaurants and taxis.
- Goods include the following categories: supermarkets, non-food retail, fuel dispensing and pharmacies.

The supermarket sector has been doing strong throughout the crisis.

Supermarkets



Source: Nordea and Macrobond

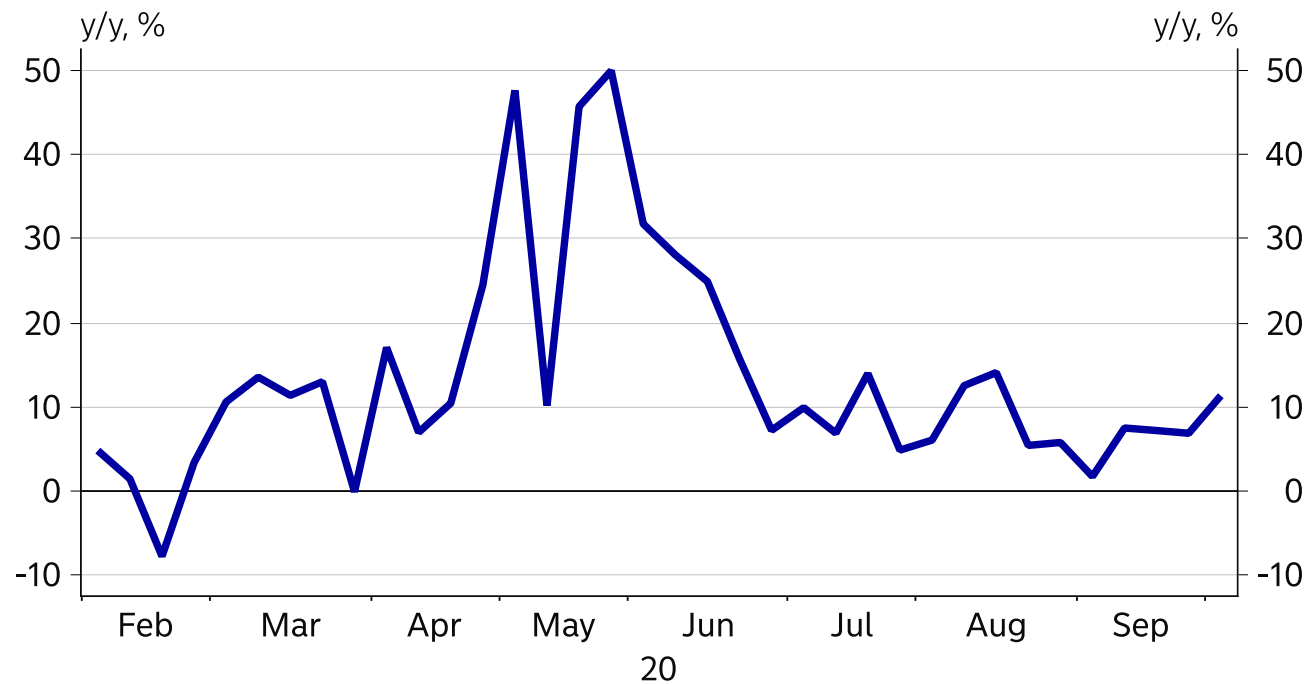
Non-food retail



Source: Nordea and Macrobond

The "do it yourself" category fared well during summer and so far has maintained its traction in autumn.

"Do it yourself" category



- The "do it yourself" category includes hardware stores, home supply warehouses etc.

Source: Nordea and Macrobond

Card payment volumes for the hairdressers and beauty sector, as well as healthcare sector are approximately around last year's levels.

Hairdressers and beauty



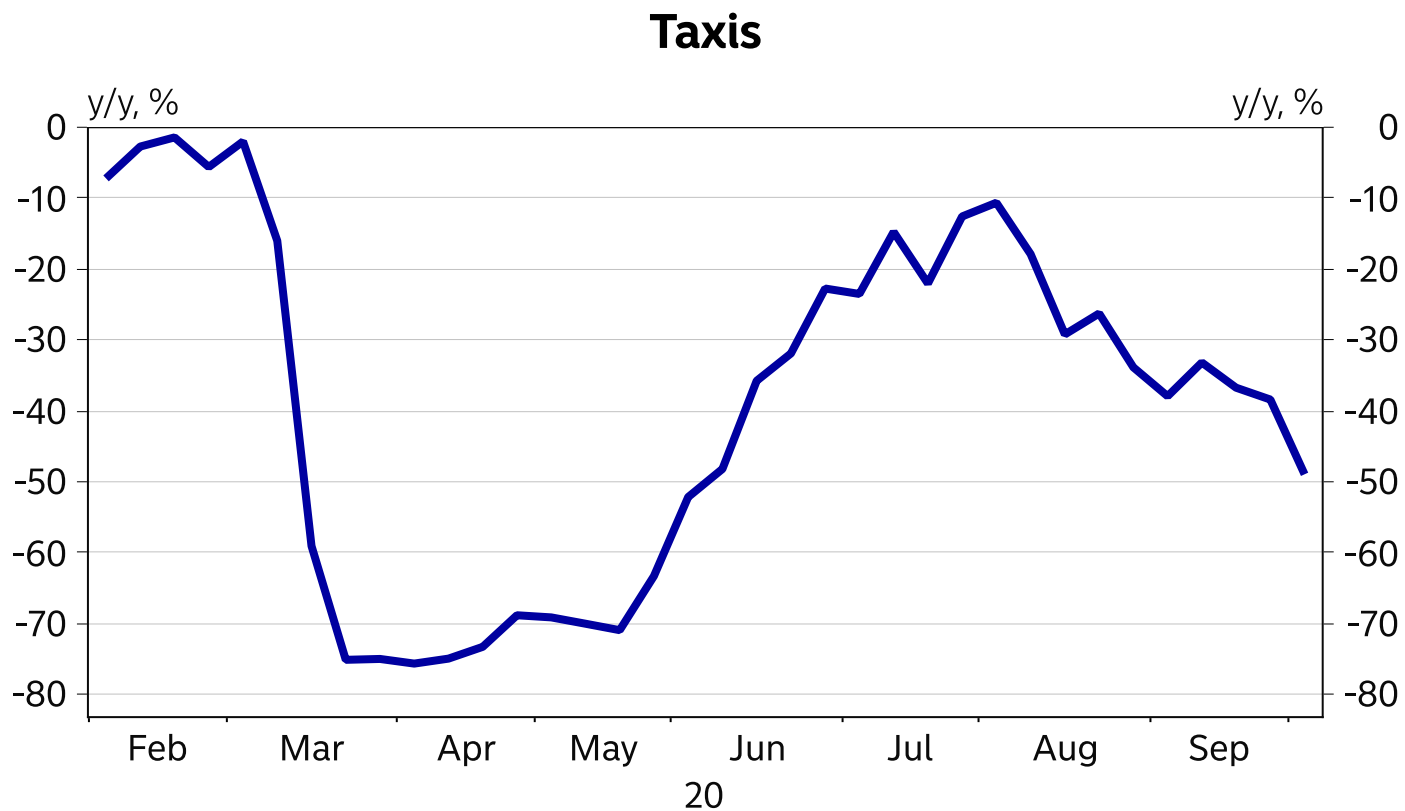
Source: Nordea and Macrobond

Healthcare



Source: Nordea and Macrobond

Activity within the taxi sector was trending upwards during summer. With the turn of the season, card payments have started trending downwards.



Source: Nordea and Macrobond

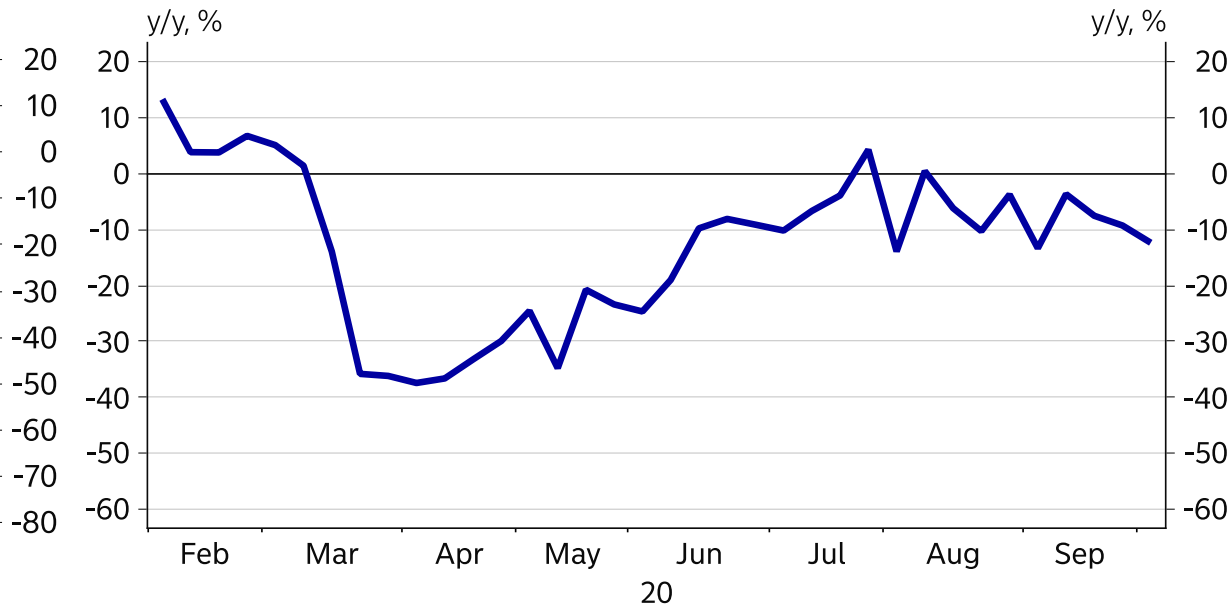
The public transportation sector has been one of the hardest hit sectors during the crisis.

Public transportation



Source: Nordea and Macrobond

Fuel dispensing

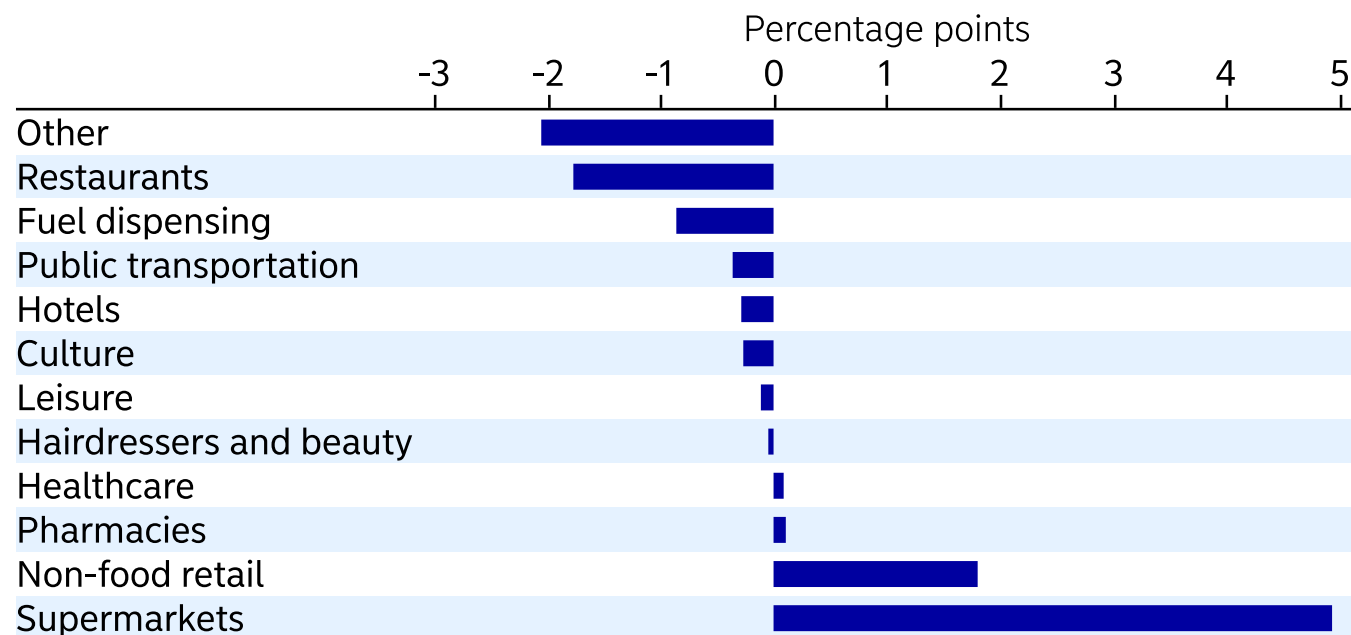


Source: Nordea and Macrobond

Positive changes in card payment volumes are supported by the supermarket and non-food retail sectors.

- The table shows how different sectors contribute to total consumption growth.

Contribution to total payments 2020 vs 2019: Week 41 (5.-11.10.)



Source: Nordea and Macrobond

The use of card data to support economic analysis during the corona crisis

- In contrast to previous crises, consumers are at the forefront of the corona crisis. The negative shocks emanating from the virus have spread quickest to the service sector and consumption side and not to investments and manufacturing.
- Therefore, in order to support policy makers and effectively analyse the real-time effects of the coronavirus on economic activity, it is essential to have on-demand data that gives an accurate representation of the consumption side of economic developments. Nordea's card statistics are exceptional in allowing for this.
- We are closely monitoring the latest economic developments in Finland and have launched a new publication series to provide you with the latest updates on a weekly basis. With this new data, it is now possible to get a robust overview of the developments within different sectors and areas of the economy, such as dining, retail sales and leisure.
- When analysing card data, it is important to ensure that changes in payment methods do not obscure the real picture. For example, methods other than the use of cards in areas such as ecommerce have become increasingly popular. We are currently unable to say whether there has been a shift in payment methods during the crisis. If consumers are increasingly using the internet for shopping activities, it may very well be possible that a greater amount of payments are being made through other payment methods, such as online banking. For this reason, it is possible that card usage statistics may somewhat overestimate the true volume declines in certain sectors.
- The data classification methodology used seeks to follow general payment code definitions wherever possible
- **Data from purchases made abroad have been omitted from this publication. While this gives a more accurate picture of Finns' consumption in Finland, it is important to note that we do not have data on foreign card payments made in Finland. This somewhat complicates the real picture and possibly skews the figures to slightly too positive direction, as cross border travel remains low.**

Thank you!

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The barometer only uses anonymous data on transaction volumes in different types of stores. Individual cards or cardholders are not monitored tracked and cannot be identified from the statistics. If a cardholder does not wish to have their transactions included in the statistical study, it is possible to exclude them. Instructions for this are available at nordea.fi/henkilotiedot

Card payment transactions are classified by payment systems as activity codes defined by the ISO 18245 standard. The classifications used by the report have been compiled using definition standards based on underlying codes that correspond to general definitions, but cannot be directly used in comparison to other standardised classification systems.

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