

November



DUBLIN
ECONOMIC
MONITOR

DUBLIN

Mastercard SpendingPulse™

Dublin Mastercard SpendingPulse Delivering Unique Insights for Consumer and Tourism Spend.

KEY HIGHLIGHTS YEAR-ON-YEAR Q3 2020*



+6.8%
OVERALL SALES



-53.1%
OVERSEAS TOURISM SPEND



+10.6%

NECESSITIES



-3.0%

DISCRETIONARY



+23.4%

HOUSEHOLD GOODS



-44.8%

ENTERTAINMENT



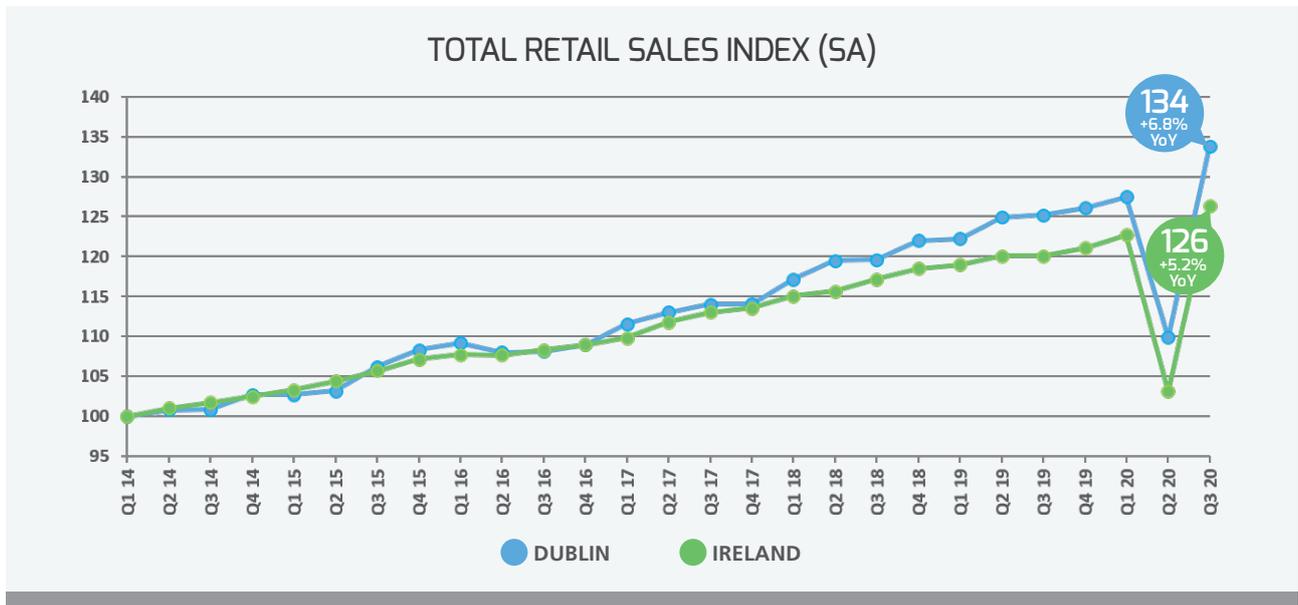
+37.3%

ECOMMERCE

*RETAIL SALES VALUE (SA)



RETAIL SPENDING RECOVERS TO REACH NEW PEAKS, THOUGH SECTORAL IMBALANCES REMAIN



Retail spending in the Dublin economy rebounded strongly to reach a new peak in Q3 2020. Sales increased by almost 22% QoQ (SA*) as the easing of restrictions related to the Covid-19 pandemic drove improved trading for bricks-and-mortar retailers in particular. Household goods sales returned to exceed pre-pandemic records, in what is likely a reflection of rising consumer confidence coupled with considerable savings built up earlier in the year. Discretionary spending in the Capital almost fully recovered in Q3 and may be linked to a minor QoQ decline in eCommerce expenditure. Spending on necessities also recorded a reduction QoQ while a nascent recovery in entertainment expenditure emerged.

Similar trends were recorded nationally where most bricks-and-mortar spending increased QoQ, and likely contributed to a reduction of 2.4% in eCommerce expenditure.

The recovery in consumer spending in Dublin is also reflected on a YoY basis. Sales increased by 6.8% compared to Q3 2019, though the composition of expenditure has shifted dramatically. Spending

on entertainment was down 44.8% YoY but was countered by significant expenditure growth on household goods, necessities and eCommerce. This was broadly reflected nationally, and indicates a pent up demand that consumers are willing to release in the domestic economy, when possible.

Retail activity across both Dublin and Ireland showed better results in Q3 with an overall positive YoY growth rate. The divergence in sector performance remained extreme with increases in spending on household goods while discretionary goods and entertainment showed significant declines. Online sales growth continues to post strong results.

Michael McNamara
GLOBAL HEAD OF SPENDING PULSE, MASTERCARD

DUBLIN RETAIL SALES VALUE INDEX (SA)



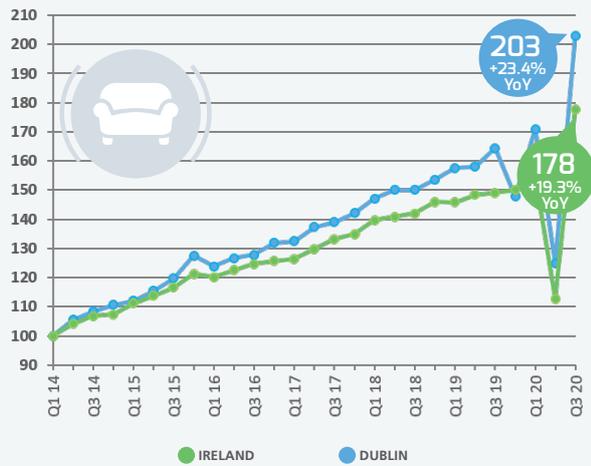
METHODOLOGY

A macro-economic indicator, SpendingPulse™ reports on national and Dublin retail sales and is based on aggregate sales activity in the MasterCard payments network, coupled with estimates for all other payment forms, including cash and cheque. This information has been grossed up to present an estimate of the total retail sales of retail businesses in Ireland and Dublin to both residents and tourists. Data is seasonally adjusted but is not adjusted for inflation. MasterCard SpendingPulse™ does not represent MasterCard financial performance. SpendingPulse™ is provided by MasterCard Advisors, the professional services arm of MasterCard International Incorporated. See www.dublineconomy.ie for more info on methodology.

HOUSEHOLD GOODS LEAD RECOVERY IN CONSUMER SPENDING

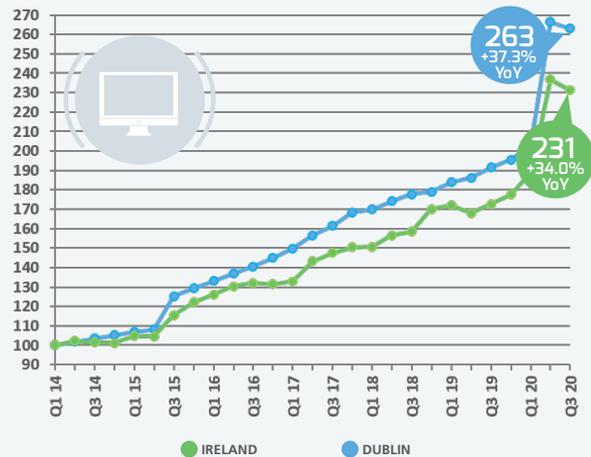
Following a deep and painful contraction in retail spending in Q2 2020, consumers in Dublin have since shown a willingness to spend savings which were built up in the first half of the year. In the absence of 'regular' spending on holidays and entertainment in 2020, consumers have turned to necessities (+10.6% YoY) and eCommerce (+37.3% YoY). Household goods have also outperformed in the most recent quarter, as a radical decline in Q2 has been succeeded by a greater than proportionate response in Q3 (+23.4% YoY). This underlines the substitution which has occurred with consumers choosing to spend on 'big ticket' items for their households, as opportunities to spend in department and clothing stores (Discretionary, -3.0% YoY) and hotels, bars and restaurants (Entertainment, -44.8% YoY) have been limited. At the national level, the substitution effect is marginally less pronounced as weaker growth in spending on necessities (+7.4% YoY), household goods (+19.3% YoY) and eCommerce (+34.0% YoY) is coupled with reductions in entertainment (-43.8% YoY) and discretionary (-3.6% YoY) expenditure.

RETAIL CATEGORY: HOUSEHOLD GOODS



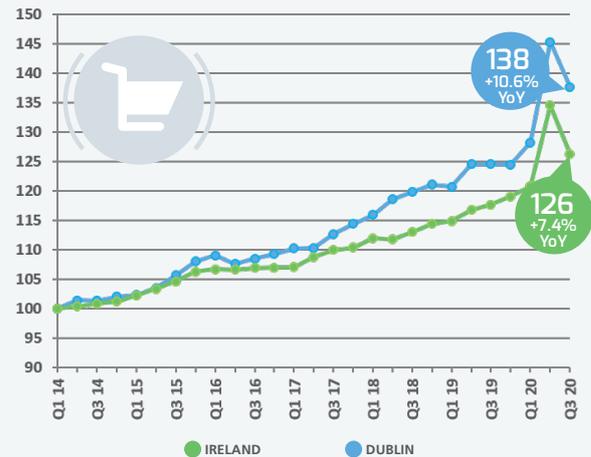
Household furniture, electronics and hardware.

METHOD: ECOMMERCE



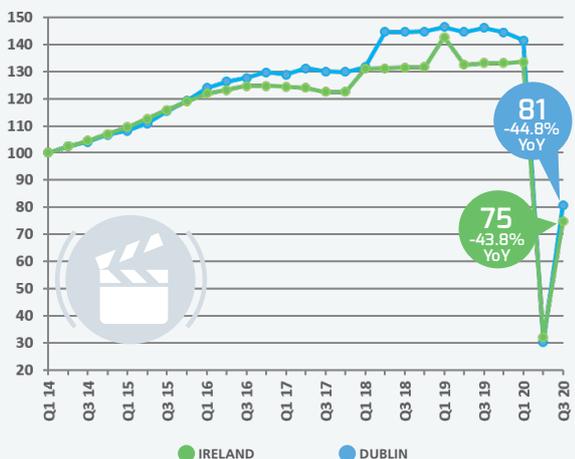
Non store Retailers including Electronic Shopping and Mail-Order Houses, Direct Selling Establishments.

RETAIL CATEGORY: NECESSITIES



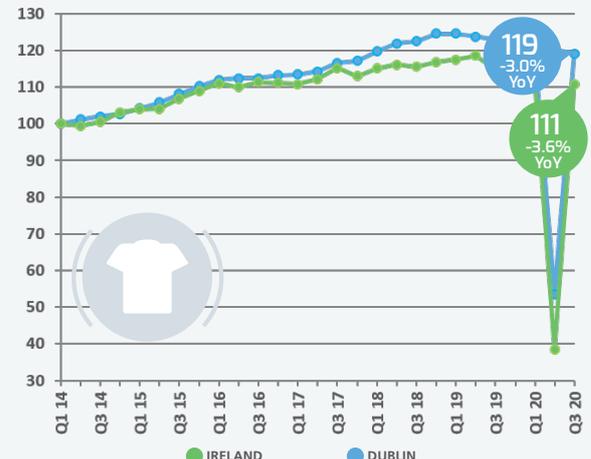
Grocery: all food and beverage stores.

RETAIL CATEGORY: ENTERTAINMENT



Hotels, restaurants and bars.

RETAIL CATEGORY: DISCRETIONARY



Discretionary Retail: Department Stores and Clothing Stores.

TOURIST SPENDING REMAINS DEPRESSED THROUGH TRADITIONAL BUSY SEASON

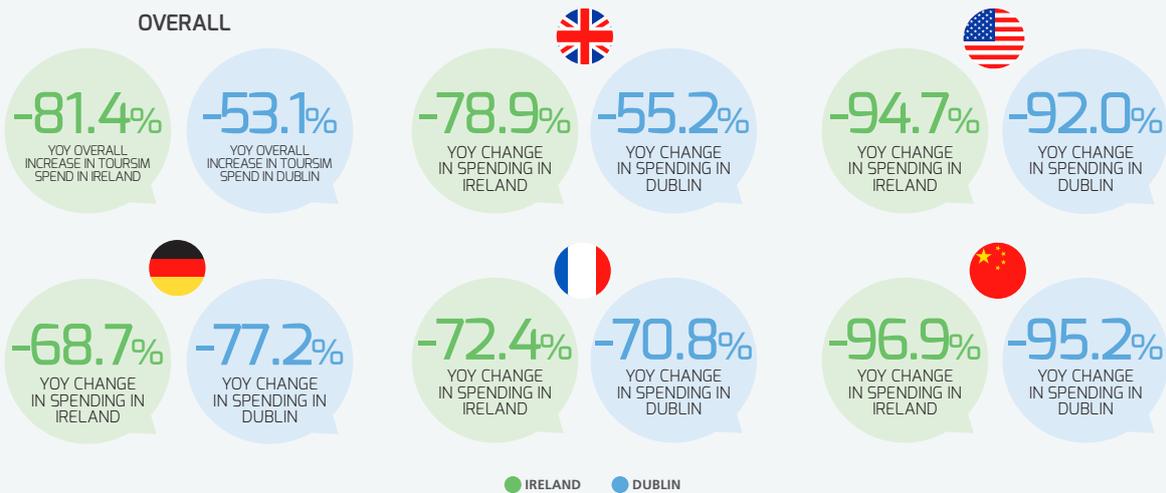
Spending by overseas tourists in the Dublin economy remained severely depressed in Q3 2020. Overall expenditure was down by over 53% compared to the same quarter in 2019 and will have caused considerable damage to hospitality, retail and tourist businesses in the Capital over what is typically the busiest season of the year.

The most damaging fall off in tourist spending was from the US market where a 92% YoY decline was recorded, and this drastic reduction may be even deeper in reality given that citizens of overseas countries residing in Ireland are categorised as 'tourists' by MasterCard. American visitors have traditionally been the largest source of holidaymaker revenue in Ireland; staying longer, spending more, and purchasing greater amounts of premium products. Such declines in trans-Atlantic tourism will hence have deeply impacted commerce in the Capital. The situation was even more pronounced nationally where US tourist spending fell by close to 95% YoY.

Tourist spending in Dublin by Chinese visitors remained at negligible levels in Q3, while spending by tourists from the Continent recorded mixed results. There was a moderate improvement in spending by French visitors to Ireland, though this remained 70.8% below the same quarter in 2019, while expenditure by German tourists declined further to stand almost 77% below the levels seen in Q3 2019.

There was some revival in spending by UK tourists in Q3 as cross-border tourism from Northern Ireland undoubtedly held sway. Despite improving over the quarter, spending by visitors from our largest tourist market remained down 55.2% YoY. The situation was considerably worse for the country as a whole as spending by UK tourists was almost 79% lower YoY. This suggests that Dublin acted as magnet for cross-border tourists in the quarter.

DUBLIN AND IRELAND TOURIST SPEND BY ORIGIN - Q3 2020 (SA)



IRELAND TOURISM SPEND SALES INDEX (SA)



DUBLIN TOURISM SPEND SALES INDEX (SA)

