

May 2021



DUBLIN
ECONOMIC
MONITOR

DUBLIN

Mastercard SpendingPulse™

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

KEY HIGHLIGHTS YEAR-ON-YEAR Q1 2021*



-4.0%
OVERALL SALES



-61.1%
OVERSEAS TOURISM SPEND



+8.0%

NECESSITIES



-57.0%

DISCRETIONARY



+7.6%

HOUSEHOLD GOODS



-69.1%

ENTERTAINMENT



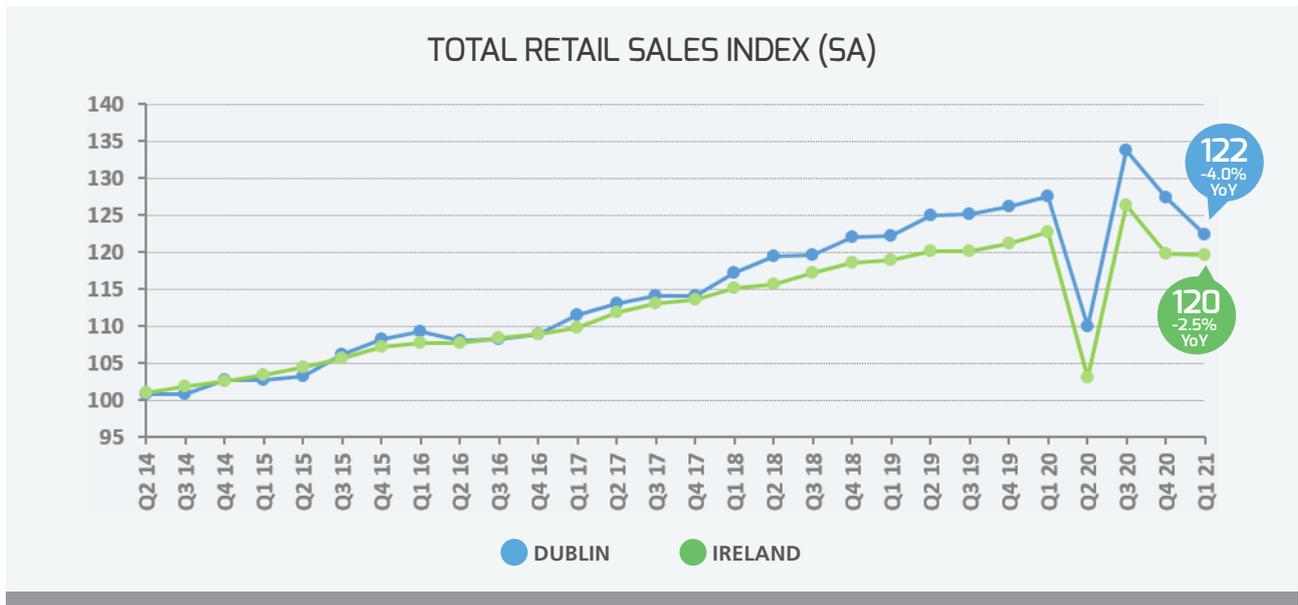
+45.1%

ECOMMERCE

*RETAIL SALES VALUE (SA)



DUBLIN CONSUMER SPENDING DECLINES AS COVID-19 RESTRICTIONS TAKE HOLD



Retail spending in the Dublin economy continued to decline in the first quarter of 2021 as Covid-19 restrictions limited access to most bricks-and-mortar outlets. The traditional ‘January sales’ were curtailed as non-essential retail was shuttered for the duration of the quarter. Consumer spending consequently fell by 3.9% QoQ. Expenditure on both Necessities and Entertainment remained stable in Q1 – albeit with polar opposite index readings of 138.5 and 43.7 (100 = Q1 2014) respectively. Discretionary spending, which more than doubled with the reopening of retail units in Q3 2020, contracted by over 20% QoQ in Q1 2021. Household Goods spending was the strongest performer in the quarter, rising by 8.5% QoQ. eCommerce – which may have benefitted from the lack of post-Christmas sales – maintained an upward trajectory with QoQ growth of 4.4%.

Consumer spending in the Capital also fell YoY in the first quarter of 2021. An overall contraction of 4% was mainly driven by two retail segments: Discretionary (-57.0%) and Entertainment (-69.1%). Necessities expenditure remained up by 8% YoY, though this will be expected to decline as hospitality re-opens in

Q2. Big ticket spending on Household Goods remained ahead by 7.6% YoY. The performance of eCommerce was most remarkable – increasing by 45.1% YoY as the pandemic sustained a ‘perfect storm’ for online sales.

It is likely that we are seeing the light at the end of the tunnel. Recent news of restrictions easing in Q2 is a very welcome sign. This should help boost domestic spending and there is also hope that there is pent up demand for tourism to resume in the second half of the year.

Michael McNamara
GLOBAL HEAD OF SPENDING PULSE, MASTERCARD

DUBLIN RETAIL SALES VALUE INDEX (SA)

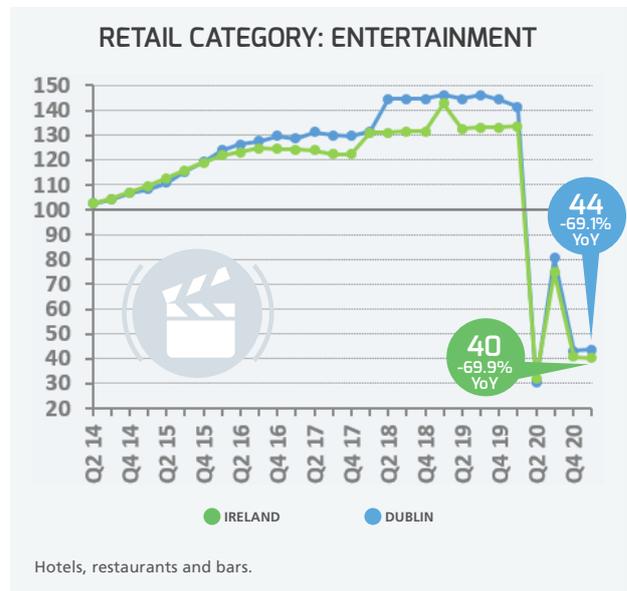
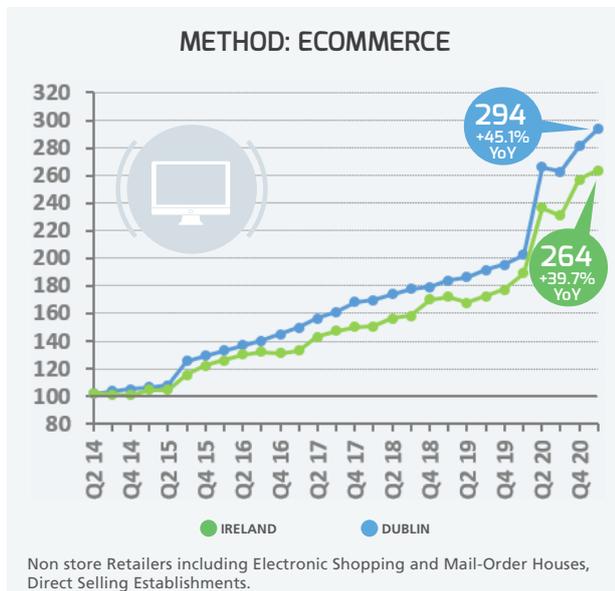
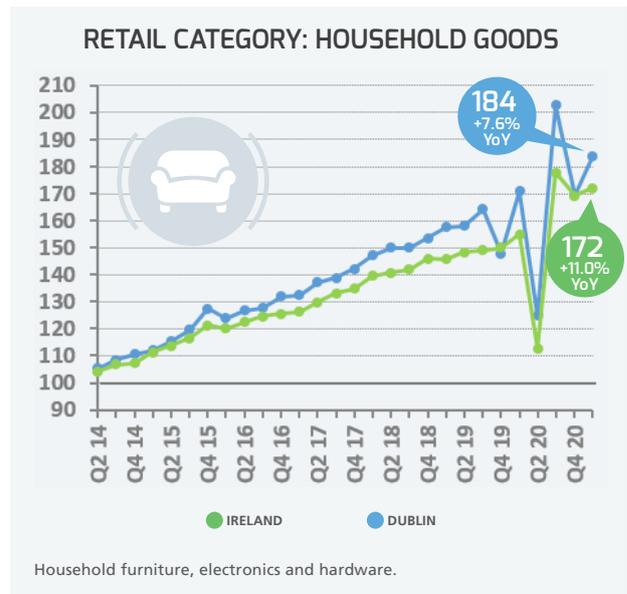
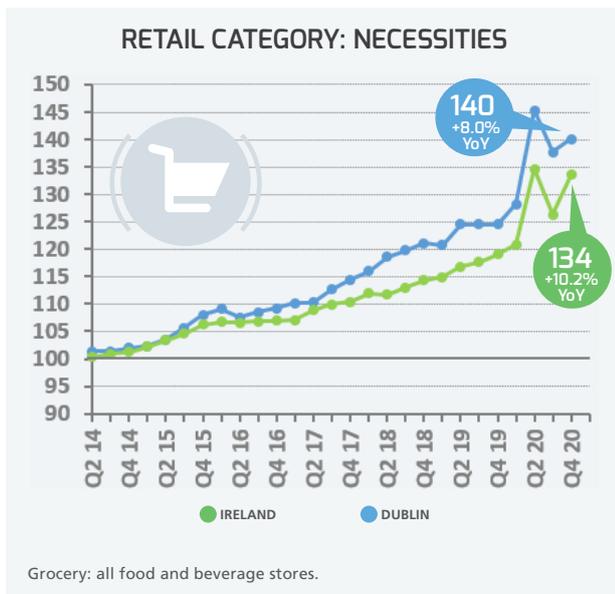
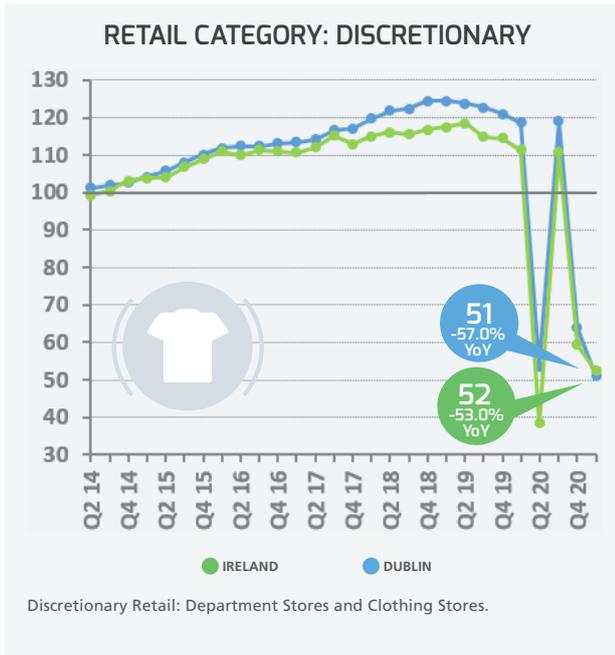


METHODOLOGY

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.

CAPITAL'S RETAIL SECTOR BEARS BRUNT OF Q1 COVID-19 RESTRICTIONS

In a reversal of recent trends, retail spending in Dublin weakened relative to spending at the national level in Q1 2021. The 3.9% QoQ reduction in retail sales in the Capital was at odds with the national picture where, quite surprisingly, sales remained constant QoQ. In Dublin, the more than 20% fall in Discretionary expenditure QoQ was – by far – the most damaging issue in Q1. Necessities (-1.1% QoQ) was the only other retail segment which recorded a contraction in the quarter. National retail spending, meanwhile, was influenced by a less severe but still damaging QoQ contraction of 11.6% in Discretionary consumer expenditure. Further declines in Entertainment (-1.3% QoQ) and Necessities (-0.3%) spending were offset by reasonably strong growth in Household Goods (+1.6% QoQ) expenditure in the quarter. eCommerce rose by +2.6% QoQ. On a YoY basis, retail spending was down by 4% and 2.5% in Dublin and Ireland respectively. Household Goods and Necessities recorded YoY growth but this has been more than overshadowed by the deep reductions in Entertainment and Discretionary spending since Q1 2020.



Q1 2021 BRINGS LITTLE RESPIRE FOR TOURISM SPENDING

Tourism spending in the Dublin economy remained at a very low ebb in Q1 2021 – as was expected given the limited international travel opportunities which arose in the quarter. Spending levels in the Capital by overseas tourists were down by 61.1% YoY. This was the fourth consecutive quarter in which spending fell YoY, and rounded out a miserable 12 months for tourism both in Dublin and across the country.

On a QoQ basis, spending increased in Dublin (+15.3%) but this needs to be caveated by the low base from which the increase occurred, and the fact that MasterCard includes spending by overseas residents in Dublin (and Ireland) as ‘tourism’ spending.

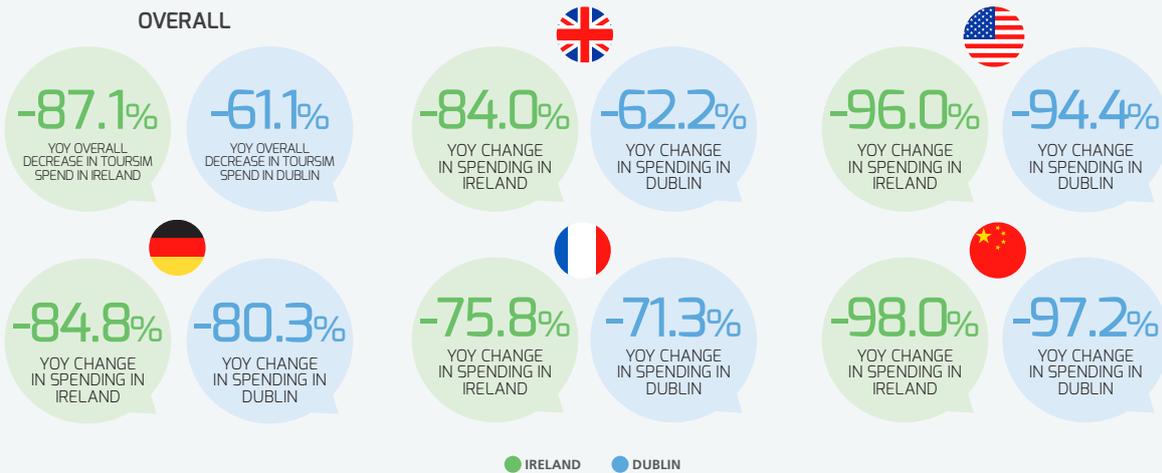
The Chinese and US markets, unsurprisingly, remained most severely affected in terms of tourist spend in Q1. Total expenditure in Dublin by visitors from these countries was down by 97.2% and 94.4% respectively. The decline in US

tourist revenues is particularly troublesome, as the market is a key source of business for Irish tourism.

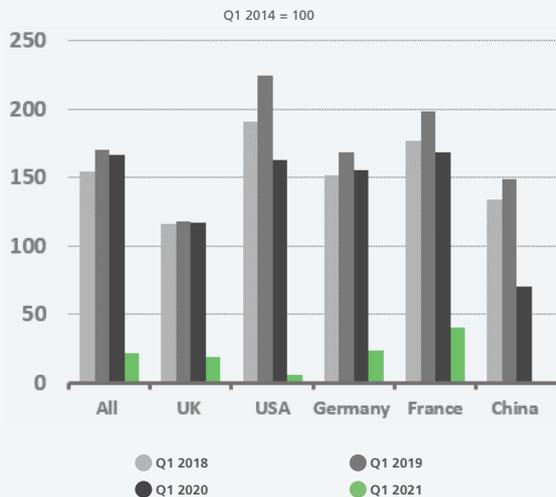
Within Europe, German tourist spending declined to the greatest extent (-80.3% YoY). The UK, which is critical to Ireland’s tourism market alongside the US, also continued to be drastically affected. Spending by tourists from our nearest neighbour in Q1 was 62.2% below the same quarter in 2020. Spending by French tourists was also deeply impacted, dropping by over 71% YoY.

The introduction in April of mandatory hotel quarantining for individuals travelling from or via a collection of over 70 countries – including the US and France – will have done little to improve the situation in Q2 of this year. However, it will be hoped that once international travel recommences, tourists from European markets will be the first to provide an external stimulus to the Dublin and Irish retail sectors.

DUBLIN AND IRELAND TOURIST SPEND BY ORIGIN - Q1 2021 (SA)



IRELAND TOURISM SPEND SALES INDEX (SA)



DUBLIN TOURISM SPEND SALES INDEX (SA)

