

August 2021



DUBLIN
ECONOMIC
MONITOR

DUBLIN

Mastercard SpendingPulse™

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

KEY HIGHLIGHTS YEAR-ON-YEAR Q2 2021*



+17.1%

OVERALL SALES



+184.4%

OVERSEAS TOURISM SPEND



+0.4%

NECESSITIES



+53.4%

DISCRETIONARY



+77.6%

HOUSEHOLD GOODS



+75.2%

ENTERTAINMENT



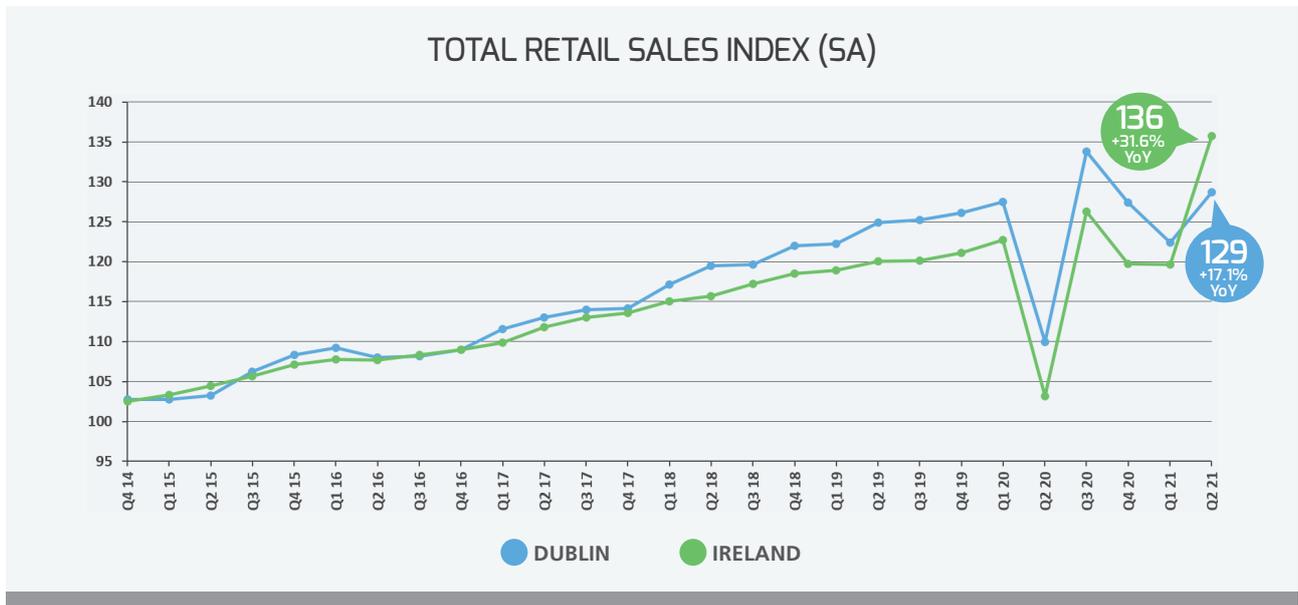
+7.5%

ECOMMERCE

*RETAIL SALES VALUE (SA)



DUBLIN RETAIL SPENDING STAGES MODEST FIGHTBACK IN SECOND QUARTER OF 2021



Dublin’s retail sector experienced a modest recovery in Q2 2021, following an exceptionally difficult start to the year. Retail spending rose by 5.1% QoQ (SA) and was no doubt aided by the lifting of restrictions on domestic travel and commercial activity. The main trends were towards bricks-and-mortar outlets with expenditure in the Discretionary and Entertainment categories expanding QoQ by 61% and 21.3% respectively – albeit from historically low bases. Such increases underline the willingness of Dublin consumers to return to physical outlets, hotels, bars and restaurants post-pandemic, and these trends will be expected to strengthen as vaccination numbers rise and tourism gathers momentum.

Growth in Household Goods expenditure was also exceptionally strong, rising by 20.6% QoQ. This is, in ways, the most significant shift in Q2 as it underlines the continued confidence of Dublin consumers to spend on ‘big ticket’ items – in spite of increased opportunities to spend elsewhere in the economy.

Necessities spending increased by 5.3% QoQ, yet a notable QoQ decline of 2.6% was recorded in eCommerce.

The YoY uptick in retail spending in Dublin was more marked as growth of 17.1% was recorded, though the same quarter in 2020 was the lowest ebb for the domestic economy. The substantial YoY expansion was mainly driven by Household Goods (+77.6%), Entertainment (+75.2%) and Discretionary (+53.4%) spending.

The extreme positive growth rates for overall retail sales were expected as we compare with the Covid-19 related restrictions in 2020. From a sector perspective we are seeing spending rebalance as spending returns to the discretionary sectors that were largely shut down over the past year.

Michael McNamara
GLOBAL HEAD OF SPENDING PULSE, MASTERCARD

DUBLIN RETAIL SALES VALUE INDEX (SA)

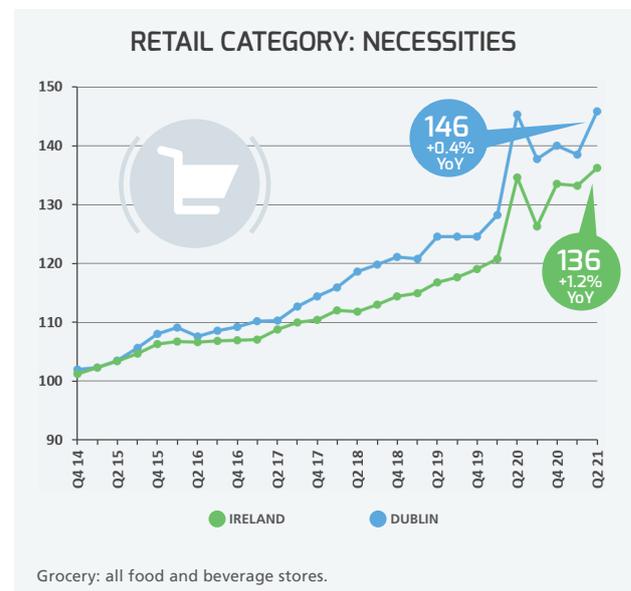
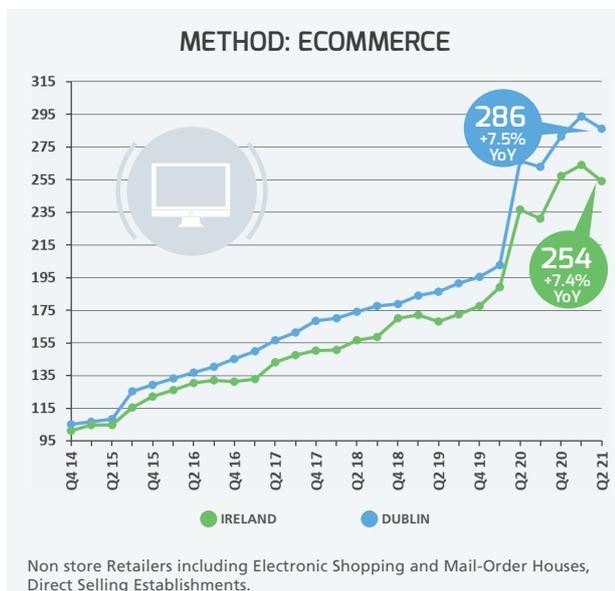
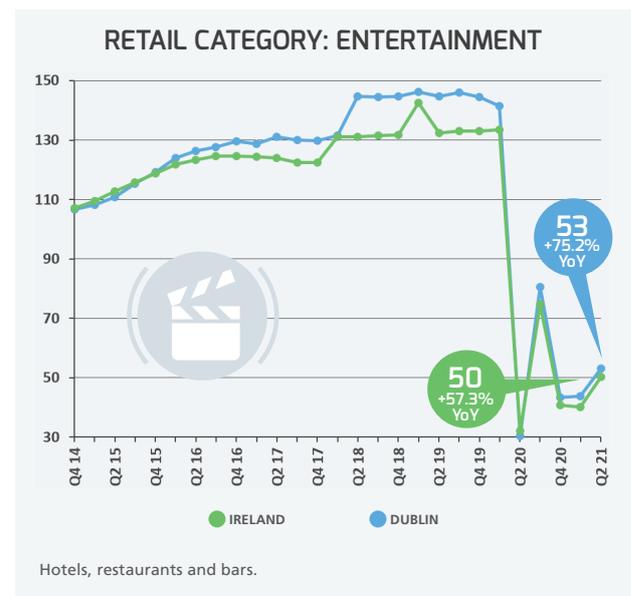
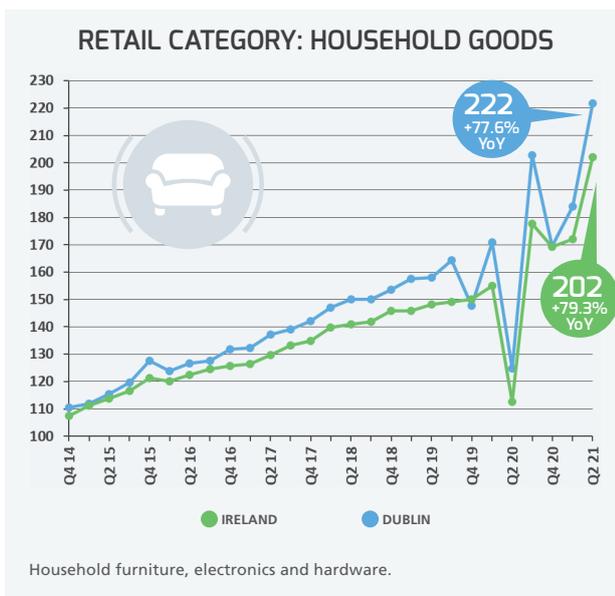
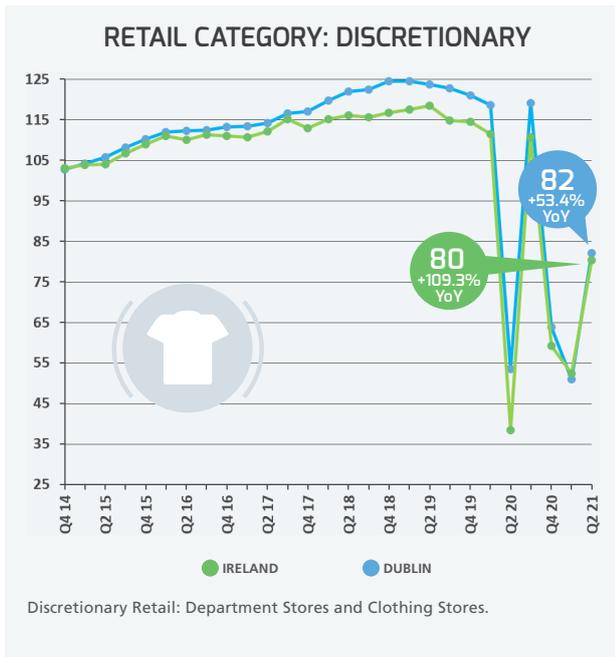


METHODOLOGY

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.

DUBLIN RETAIL RECOVERY LAGS REST OF IRELAND

A striking differential in spending patterns between consumers in Dublin and at the national level emerged in Q2. Irish retail spending increased by an exceptional 13.4% QoQ and 31.6% YoY, far outstripping the growth rates recorded in the Capital (+5.1% QoQ, + 17.1% YoY). Discretionary spending was the key driver at the national level, more than doubling YoY while also rising by 53.2% QoQ. This was supplemented by extremely strong expansions in spending on Household Goods (+17.5% QoQ, 79.3% YoY) and Entertainment (+25.3% QoQ, + 57.3% YoY). Discretionary and Entertainment spending remained far below pre-pandemic levels in the Capital and across Ireland in the quarter. Meanwhile, Household Goods expenditure was at record highs, suggesting that consumer savings were being directed towards larger purchases in Q2. A common theme in Dublin and nationally was the contraction in online sales. eCommerce spending fell back by 2.6% QoQ in Dublin and by 3.6% across the country. The pandemic caused a monumental shift towards eCommerce in the middle of last year, yet the latest decline likely signals a modest migration back towards bricks-and-mortar retail.



DUBLIN TOURIST SPENDING SHOWS FIRST SIGNS OF REVIVAL

Spending by overseas tourists in the Dublin economy showed signs of revival in Q2 2021. International air travel has been decimated since early 2020 but the easing of travel restrictions and quarantining requirements will have boosted overseas access to Ireland as the summer approached.

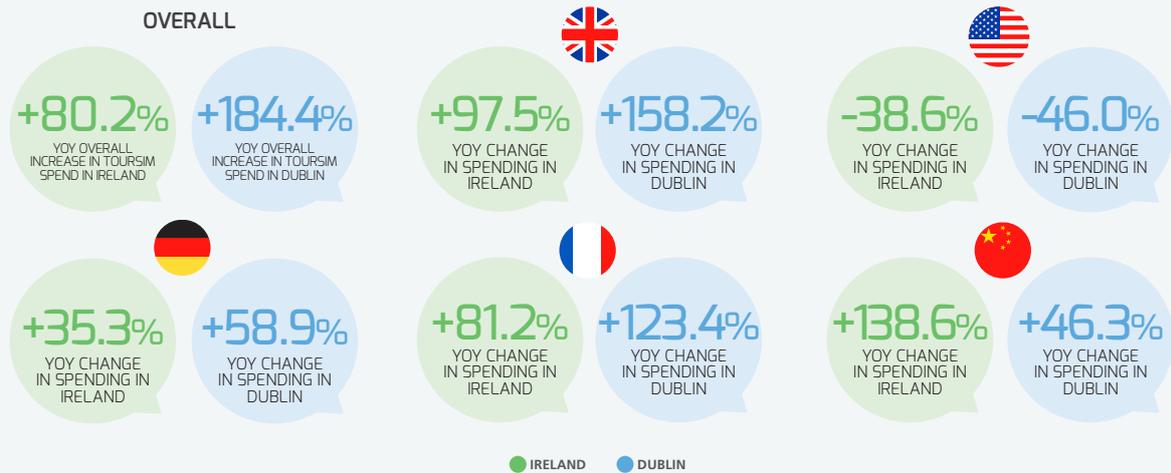
Expenditure by all overseas tourists in Dublin increased by 25.6% QoQ in Q2 – with growth recorded in spending by tourists from each of the main markets. The YoY recovery in overseas spending in Q2 2021 was, unsurprisingly, very strong when compared to the low point of 2020 with an expansion of 184.4%. European markets were the key drivers for this with strong rebounds recorded in spending by tourists from the UK (+158.2% YoY), France (+123.4%) and Germany (+58.9%). The US market, which is so crucial for tourism in Ireland, showed initial signs of spending recovery but remained down by 46% YoY. This market will be one of the last to

recover given the passing summer season is the focal point for American visits. Spending by Chinese tourists, as expected, remained at a low level in Q2.

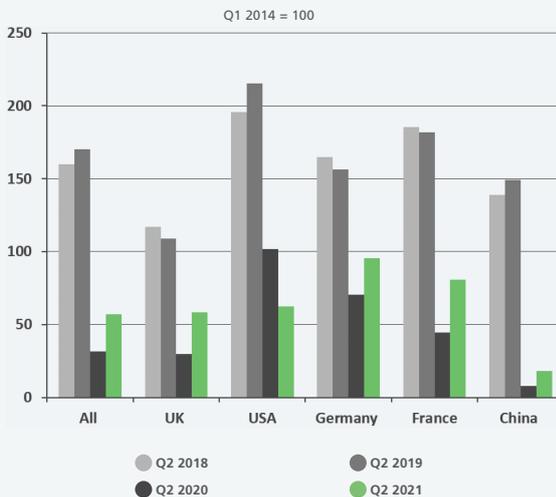
A similar picture emerged across Ireland, though the recovery in tourist spending was less pronounced. Total expenditure increased by 166% QoQ and 80.2% YoY. This was primarily driven by visitors from Europe. Spending by tourists from the US was down but to a lesser extent than in Dublin at -38.6% YoY.

The EU Digital Covid Certificate will facilitate additional international travel over the remainder of the year and beyond. This should provide further stimulus for tourist visits to Dublin from within the EU, and will be expected to be borne out in the expenditure figures within future issues of SpendingPulse.

DUBLIN AND IRELAND TOURIST SPEND BY ORIGIN - Q2 2021 (SA)



IRELAND TOURISM SPEND SALES INDEX (SA)



DUBLIN TOURISM SPEND SALES INDEX (SA)

