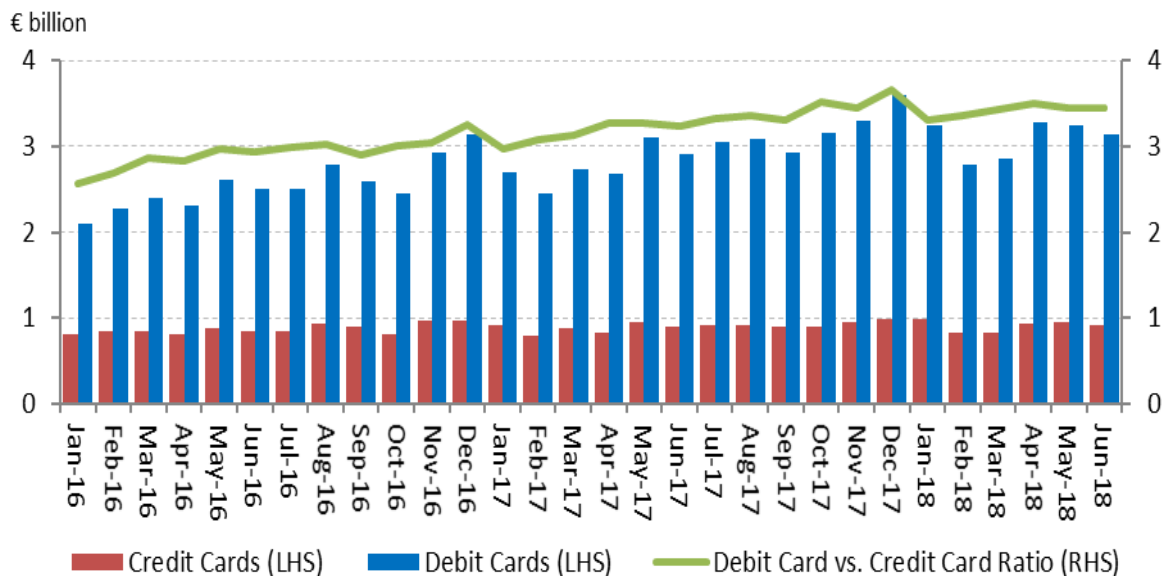




The total number of debit cards in issue rose to over 5 million in June 2018, the highest number since the series began in January 2015, although approximately 685,000 of these debit cards are not in active use<sup>1</sup>. The total monthly value of new card transactions (including ATM transactions) increased by 6 per cent on an annual basis to €5.8 billion in June. The total value of debit card transactions (including ATM transactions) were 5.4 times the value of credit card expenditure.

**Chart 1: Gross PoS Card Expenditure**



Debit card Point of Sale (PoS) transactions in June 2018 equated to €3.1 billion, an increase of 8 per cent on the same month in 2017 (Chart 1). Debit card PoS transactions accounted for 54 per cent of gross new transactions on all cards in June. Credit card spending also increased year-on-year in June, albeit by a lower extent, rising by €13.5 million.

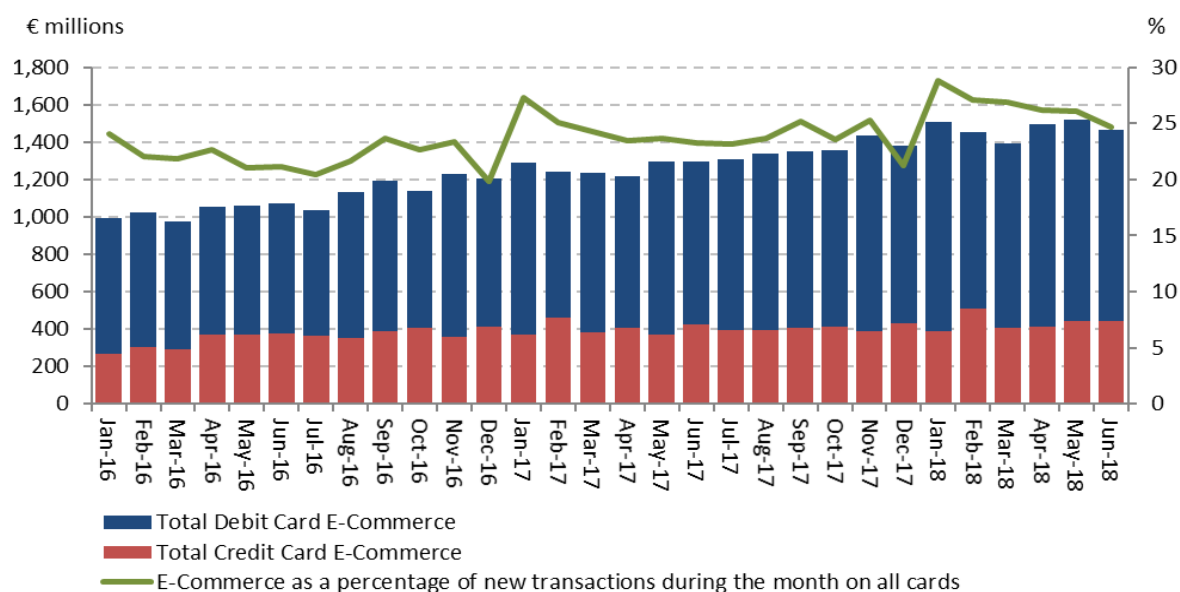
Debit card PoS expenditure equated to roughly three and a half times the value of credit card spending in June 2018. Significant growth in debit card expenditure was recorded across all main categories, with retail spending increasing by €253 million (or 18 per cent) on an annual basis in June (Table 1). Expenditure in the services sector rose by 15 per cent, with the social sector increasing by 20 per cent. Within the social sector, restaurant/ dining recorded the highest annual growth rate of any sub-category, rising by 23 per cent.

<sup>1</sup> The total number of debit cards in issue where there has been no customer-generated transactions in the previous six months.

**Table 1: PoS Sectoral Card Expenditure (€000's)**

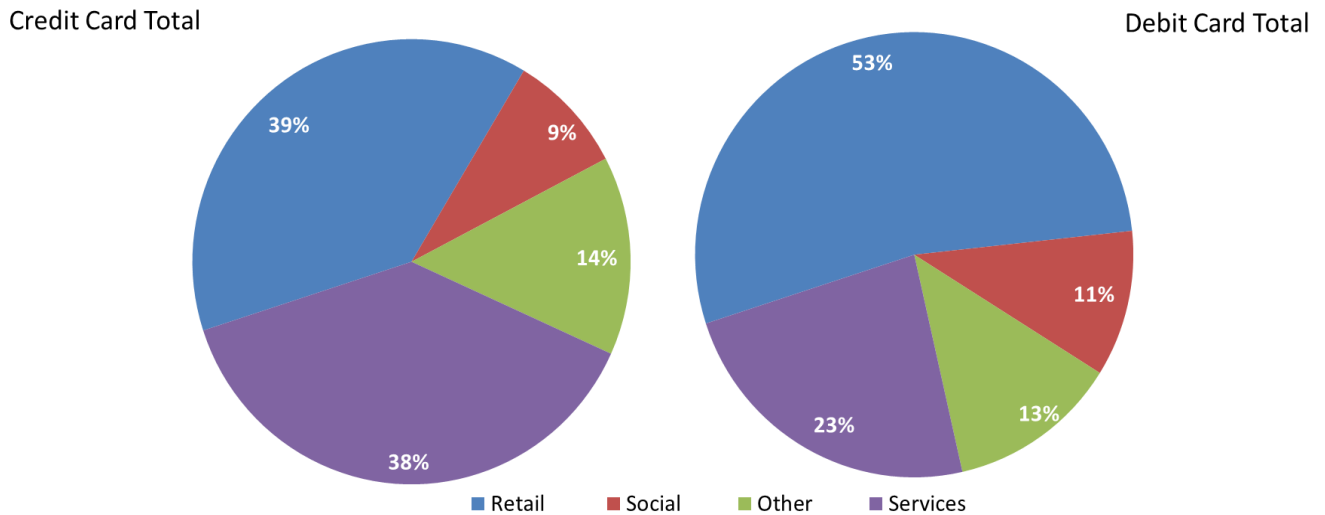
	Debit Cards			Credit Cards		
	Jun-17	Jun-18	% change	Jun-17	Jun-18	% change
<b>Total Card PoS Spending</b>	2,904,976	3,141,509	8%	896,455	909,944	2%
of which:						
<b>Total Retail</b>	1,420,688	1,673,974	18%	333,277	350,946	5%
Groceries/Perishables	663,242	738,972	11%	80,461	84,876	5%
Clothing	172,047	190,391	11%	53,851	54,271	1%
Electrical Goods	62,301	70,450	13%	26,421	27,236	3%
Hardware	188,580	220,171	17%	47,984	50,360	5%
<b>Total Services</b>	644,827	739,232	15%	329,998	347,772	5%
Transport	205,781	224,395	9%	130,763	139,683	7%
Accommodation	105,583	124,745	18%	88,447	93,334	6%
Education	18,530	22,040	19%	6,442	7,061	10%
Health	66,374	72,985	10%	22,146	22,520	2%
Utilities	108,000	129,906	20%	15,846	17,706	12%
Professional Services	137,015	161,319	18%	56,057	57,732	3%
<b>Total Social</b>	278,180	333,886	20%	75,480	79,791	6%
Restaurants/Dining	173,756	214,002	23%	42,608	45,284	6%
Entertainment	93,133	105,419	13%	27,166	28,490	5%

In contrast, credit card expenditure rose at a notably slower pace than debit cards in June 2018, increasing by 2 per cent on a year-on-year basis. Spending in the retail, services and social sectors rose by circa 5 per cent on the year. The utilities sub-category recorded the highest growth in credit card expenditure, increasing by 12 per cent. Other notable increases included the education, transport and restaurants/dining sub-categories.

**Chart 2: E-Commerce Card Expenditure**


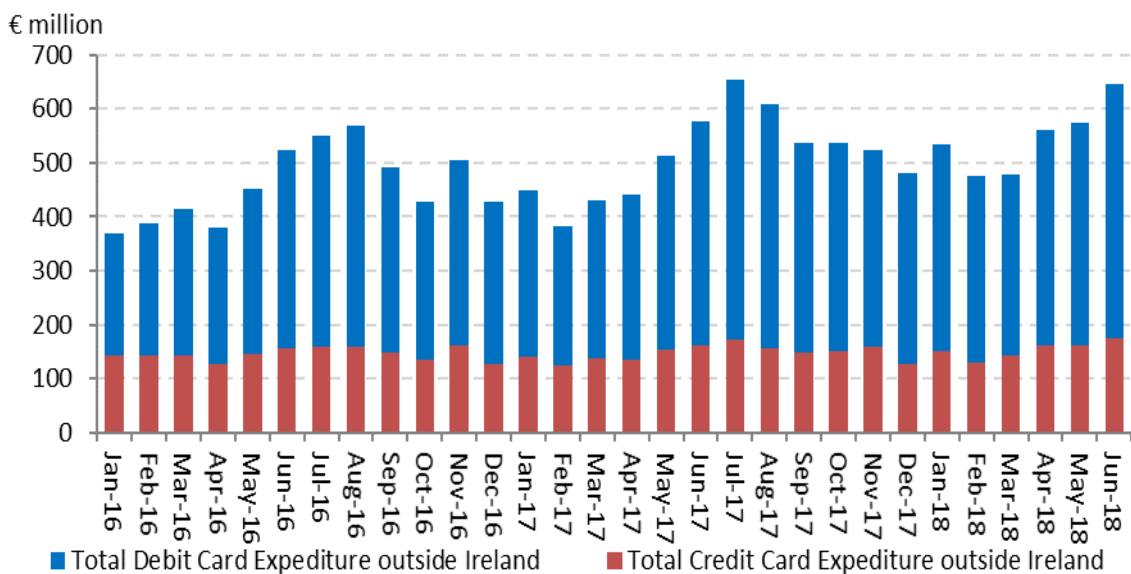
Total e-commerce<sup>2</sup> expenditure continued to grow on an annual basis in June, rising by 13 per cent to just over €1.4 billion. Of this, €1 billion and €412 million is attributable to debit cards and credit cards respectively (Chart 2). As a share of total new transactions, e-commerce expenditure has fallen from a peak of 29 per cent in January 2018 to 25 per cent in June. E-commerce now accounts for 21 per cent of all debit card expenditure and 45 per cent of all credit card purchases.

**Chart 3: PoS Card Expenditure - Sectoral Breakdown (June 2018)**



In total, 77 per cent of credit card spending was split between the retail (39 per cent) and services (38 per cent) sectors in June 2018 (Chart 3). In comparison, expenditure in the retail sector accounted for over half (53 per cent) of all debit card PoS spending.

**Chart 4: Card Expenditure outside of Ireland**



<sup>2</sup> Expenditure where the physical card is not present during the transaction provides a proxy for e-commerce. It includes instances where card details are communicated online, or by other communication means, such as telephone orders.

Credit and debit card expenditure outside Ireland (when the physical card is present) provides an indication of spending abroad by Irish tourists<sup>3</sup>. Significant seasonal effect can be seen in the data, particularly for debit cards, with higher expenditures outside Ireland recorded in the summer months compared to the winter months.

Total debit and credit card expenditure outside Ireland averaged €594 million in the three months to end-June 2018 (Chart 4), up 16 per cent on the same period the previous year. Debit card expenditure abroad rose to almost €1.3 billion in the second quarter of 2018, an increase of 19 per cent on the same quarter a year earlier. The total value of debit card expenditure outside Ireland (including ATM transactions) accounts for 73 per cent of total card expenditure abroad. The pace of growth in credit card expenditure abroad also increased in Q2 2018, rising by 10 per cent year-on-year to €497 million.

**Note:**

The primary aim of the data collected in the Credit/Debit Card Return is to inform national and euro-area policy making, and to enhance understanding of the role of credit/debit cards in the domestic financial system. Only euro-denominated credit/debit cards issued to Irish residents are included in the compilation of the data. Monthly data is derived from a sample of reporting entities heavily engaged in the provision of credit/debit services to Irish residents.

The sectoral breakdown is compiled referencing the MCC code system for credit/debit card transactions. A merchant category code (MCC) is generally a four-digit number assigned to a business by credit card companies (e.g. American Express, MasterCard or Visa) when an entity first begins to accept one of these cards as a form of payment. The MCC is used to classify the business by the type of goods or services it typically provides.

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<sup>3</sup> Only total figures are available for expenditure outside of Ireland.