

Corona Barometer: Overall activity higher than the year before

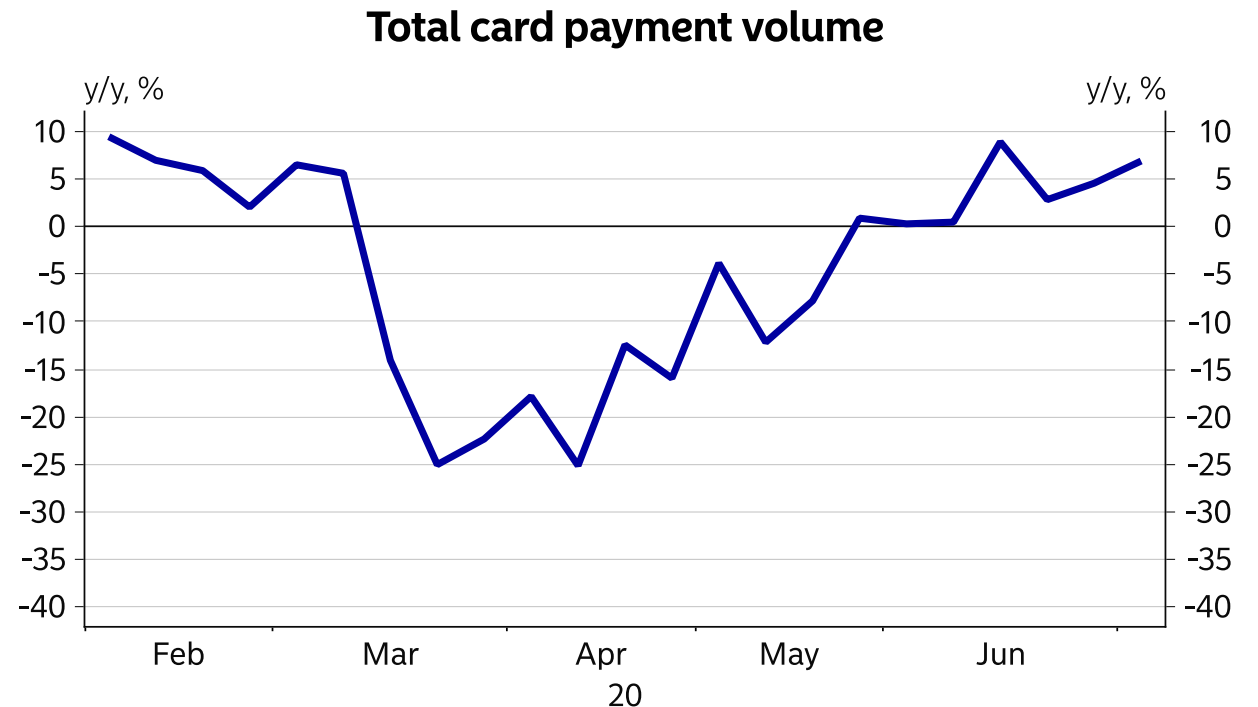
Robert Suomi, Kristian Nummelin and Tuuli Koivu
22.7.2020



Overall activity higher than the year before.

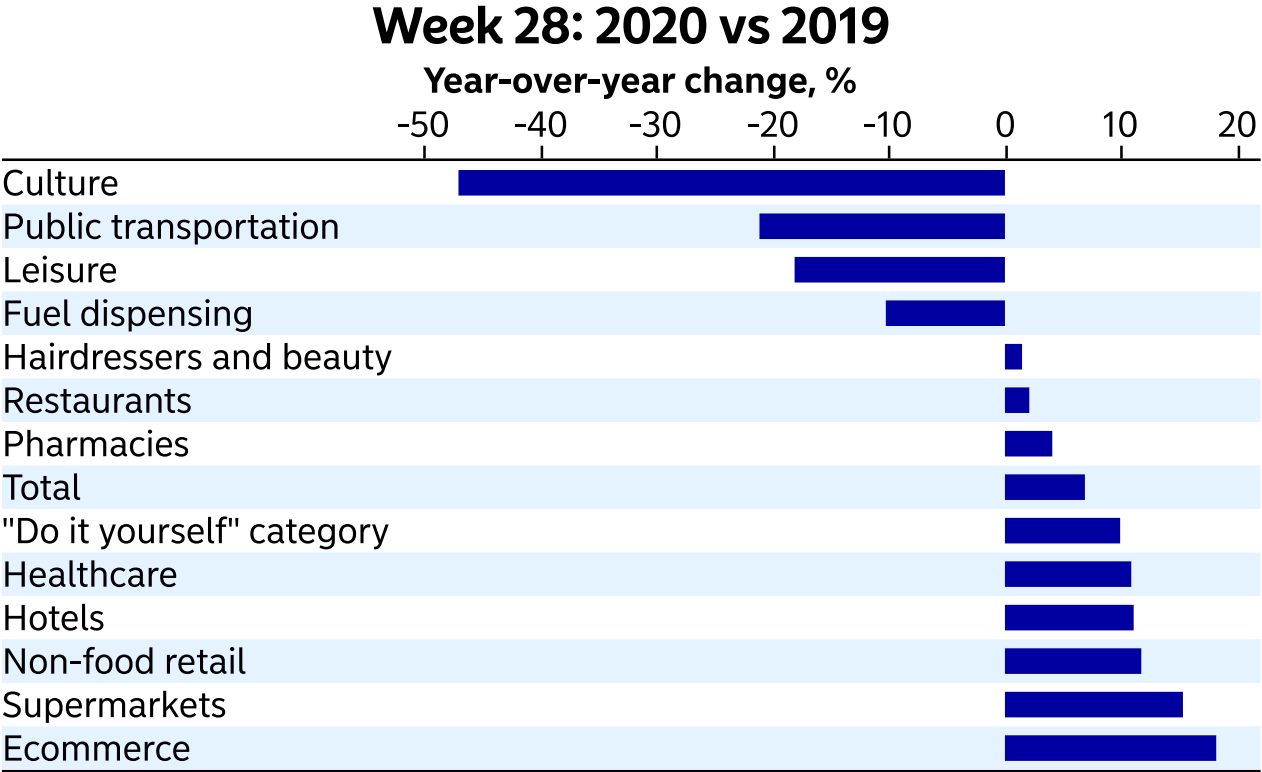
- Note! As of 8.7. this publication series uses data showing year-on-year changes, where card payments made abroad have been omitted. While the latter change provides a more accurate picture of Finnish consumer activity in Finland, it is important to note, however, that just as Finnish card payment volumes abroad have recovered slowly, the same can be argued for foreign card payments made in Finland.
- Card payment data are available until week 28, which is the week ending on 12.7.2020.
- Activity in several different sectors is higher compared to the year before – possibly driven by pent-up demand and increased confidence in the economic recovery. The service sector is experiencing a solid recovery, as card payment volumes are very close to those recorded last year.

Total card payment volumes are comfortably above levels recorded last year.



Source: Nordea and Macrobond

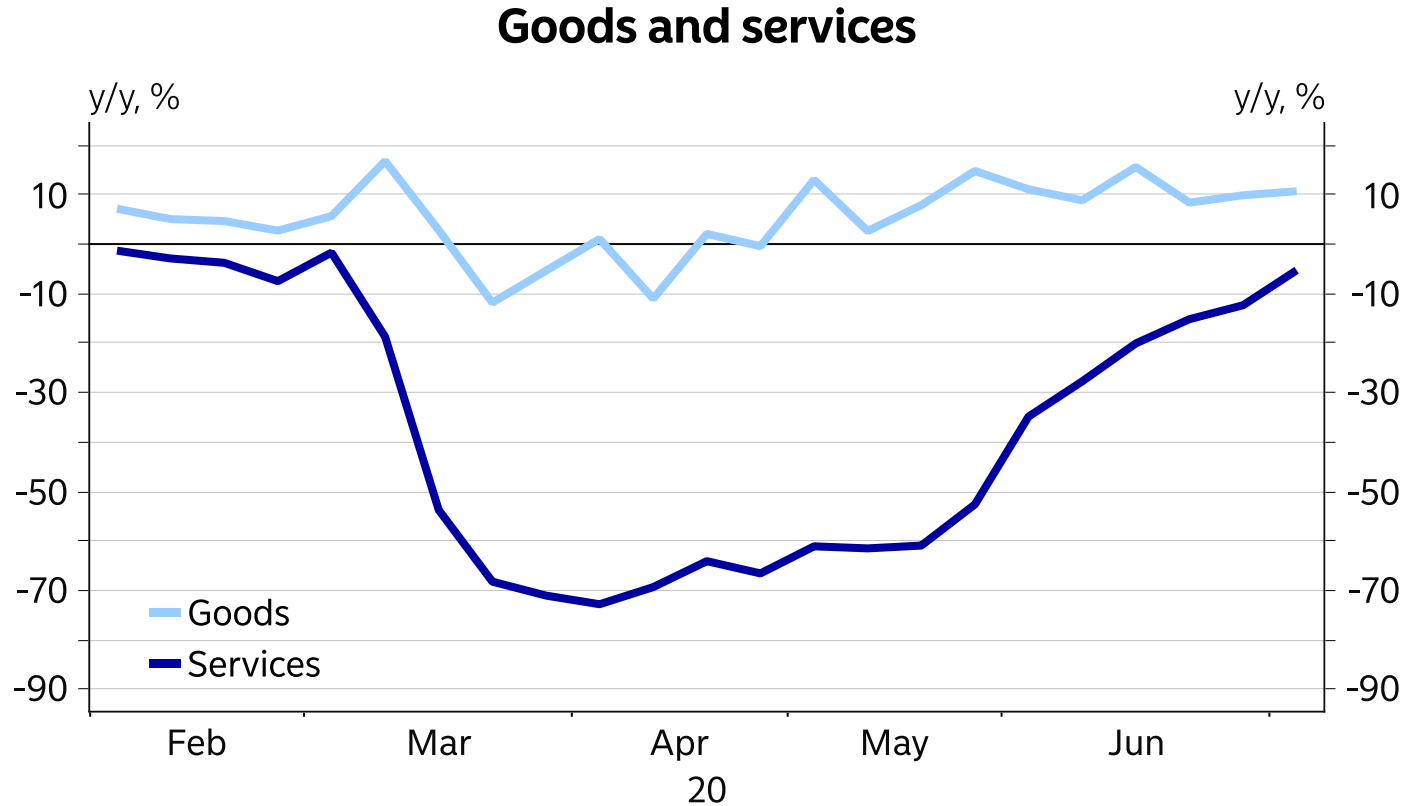
While sectoral differences remain large, many sectors are experiencing a significant pickup in activity.



Source: Nordea and Macrobond

- The “do it yourself” category includes hardware stores, home supply warehouses etc.
- The taxi-category has been omitted due to technical issues regarding the recording of card payment data.

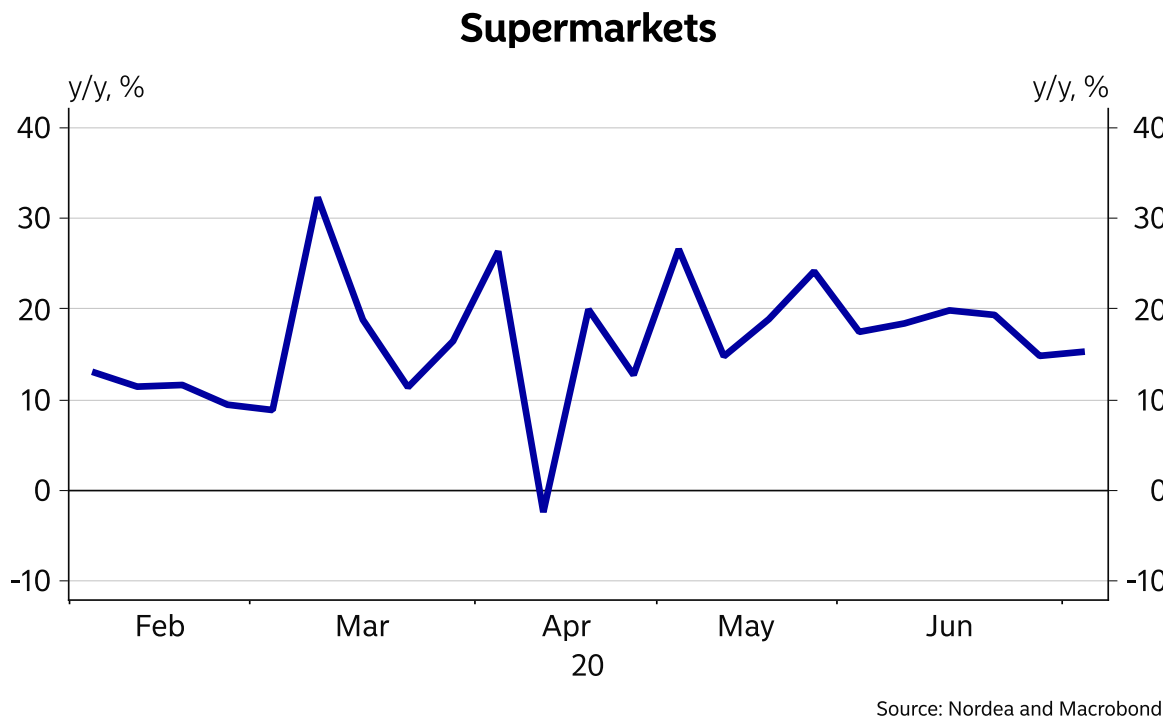
Service sector activity nearing levels recorded last year.



Source: Nordea and Macrobond

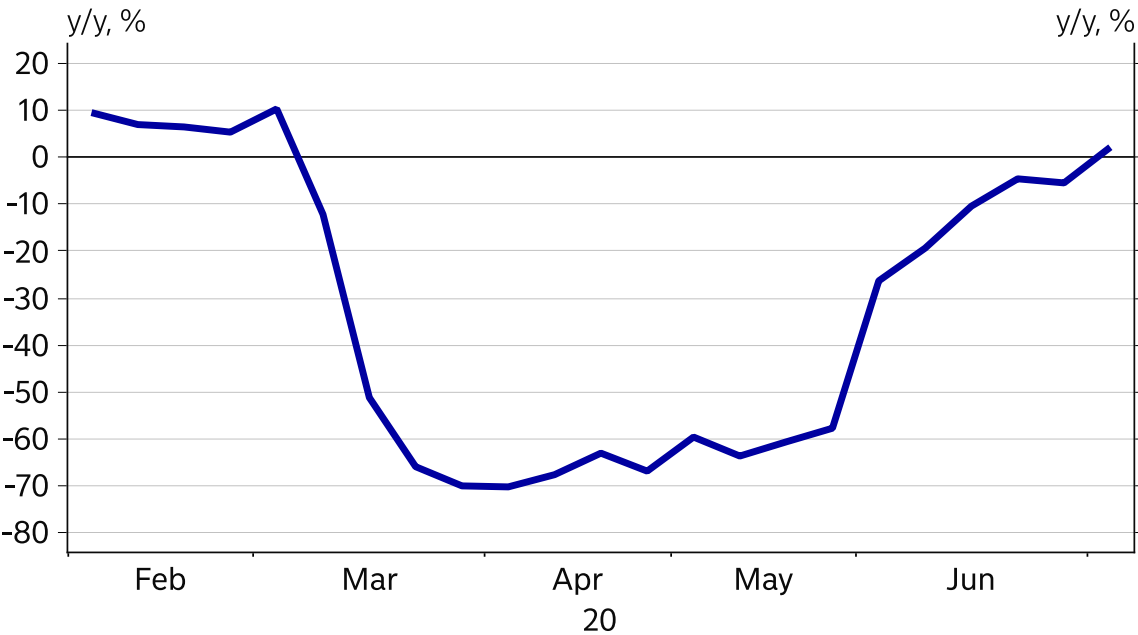
- Services include the following categories: airlines, hotels, hairdressers and beauty, culture, healthcare, leisure, public transportation, restaurants and taxis.
- Goods include the following categories: supermarkets, non-food retail, fuel dispensing and pharmacies.

Trade in goods activity remains high.



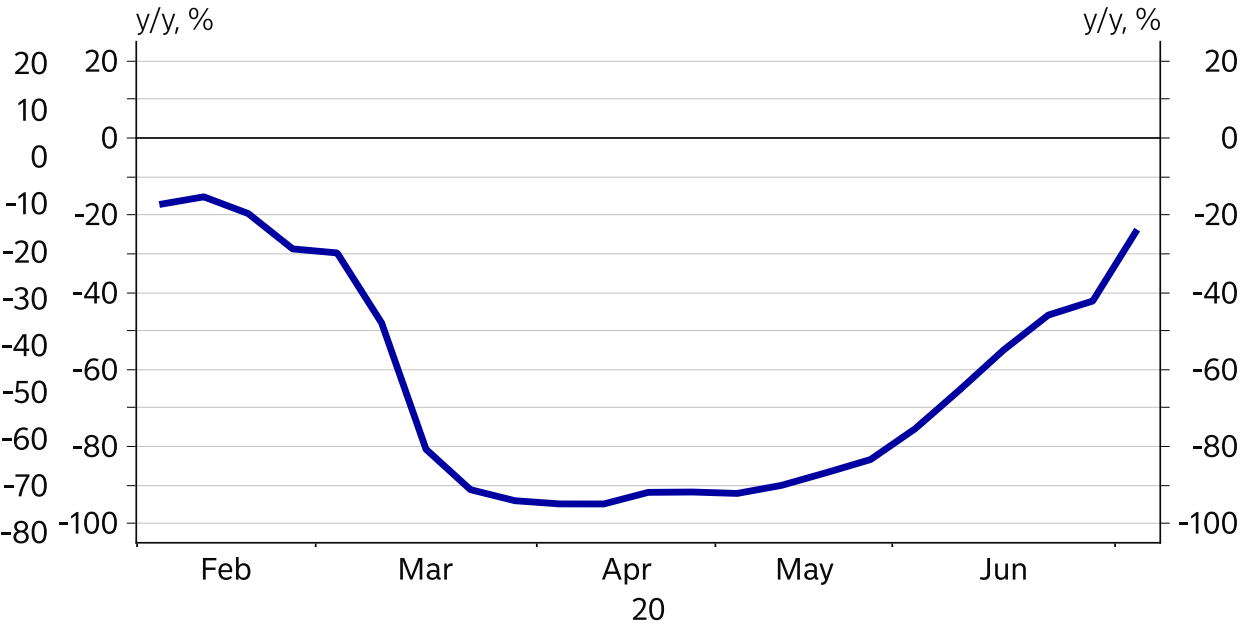
The summer holidays and warm weather have encouraged activities, such as going out and dining.

Restaurants



Source: Nordea and Macrobond

Airlines and hotels



Source: Nordea and Macrobond

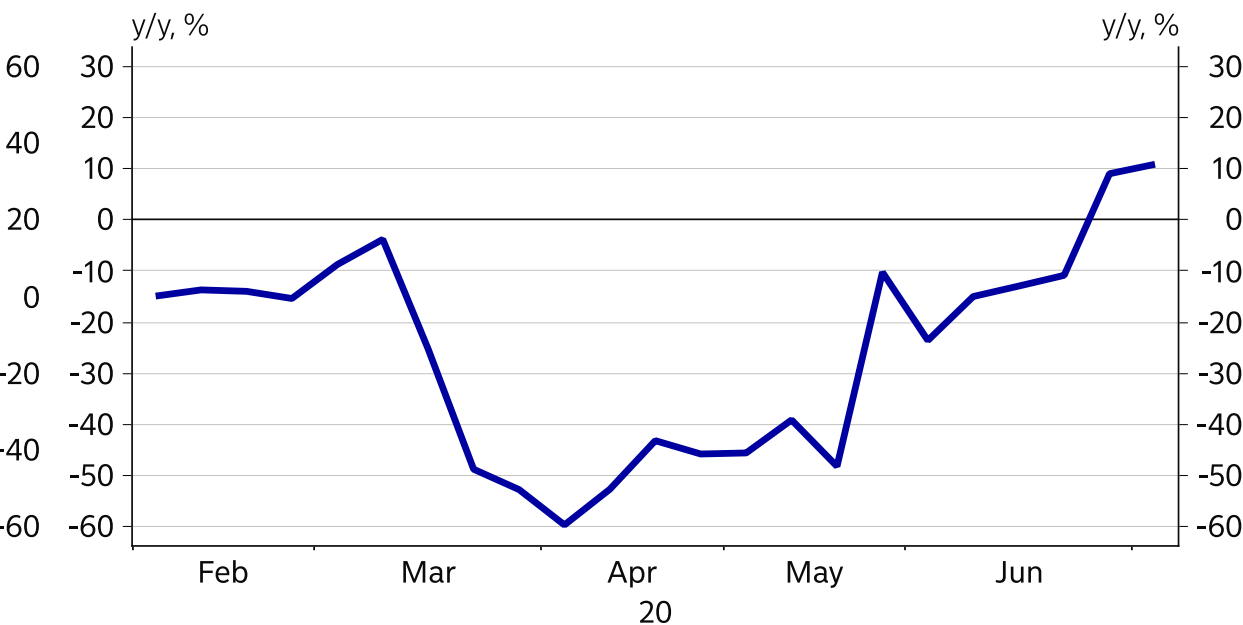
Pent up demand boosting the healthcare sector?

Hairdressers and beauty



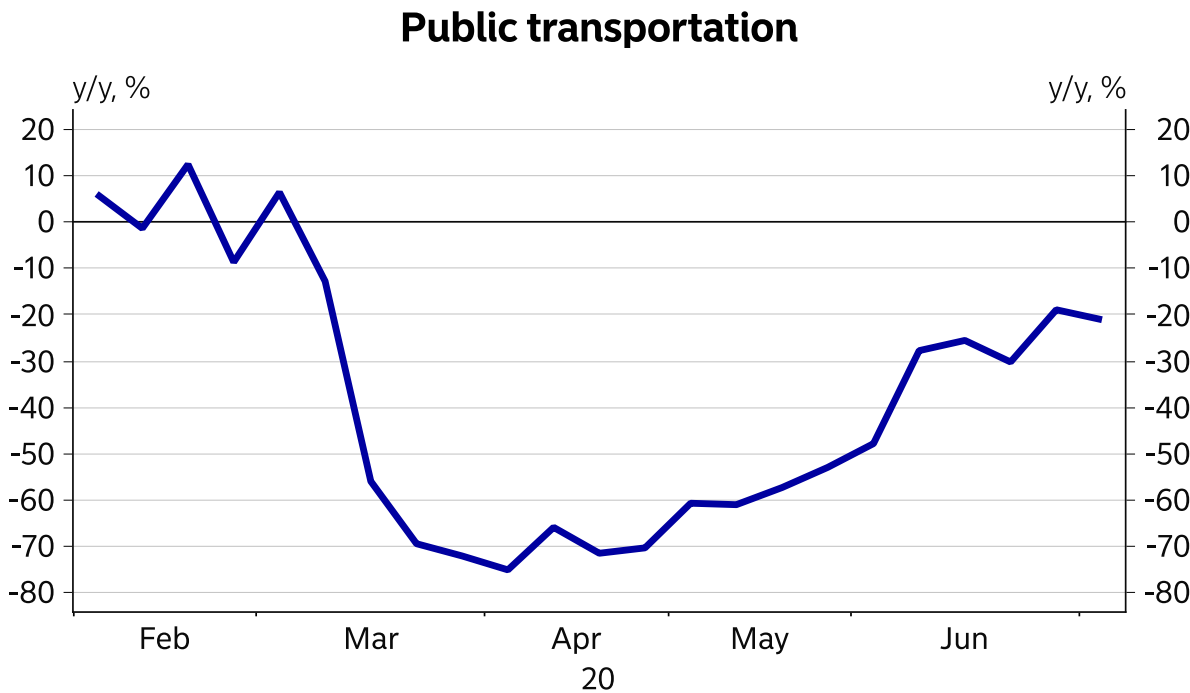
Source: Nordea and Macrobond

Healthcare

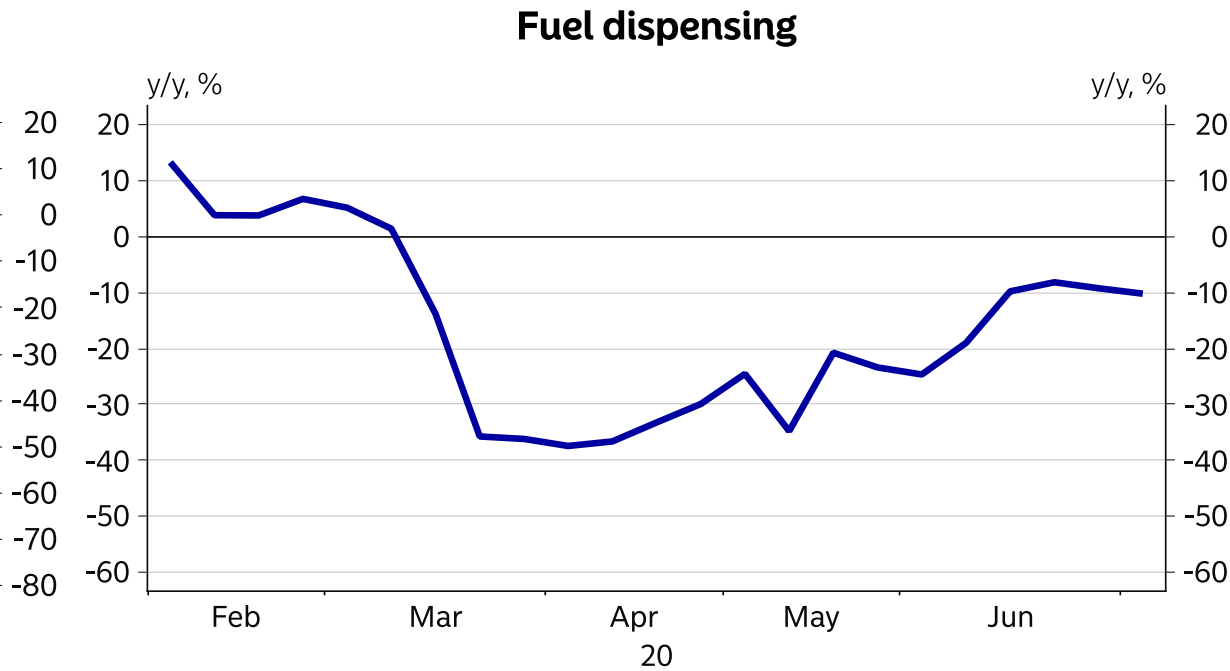


Source: Nordea and Macrobond

Public transportation took a slight downturn.



Source: Nordea and Macrobond

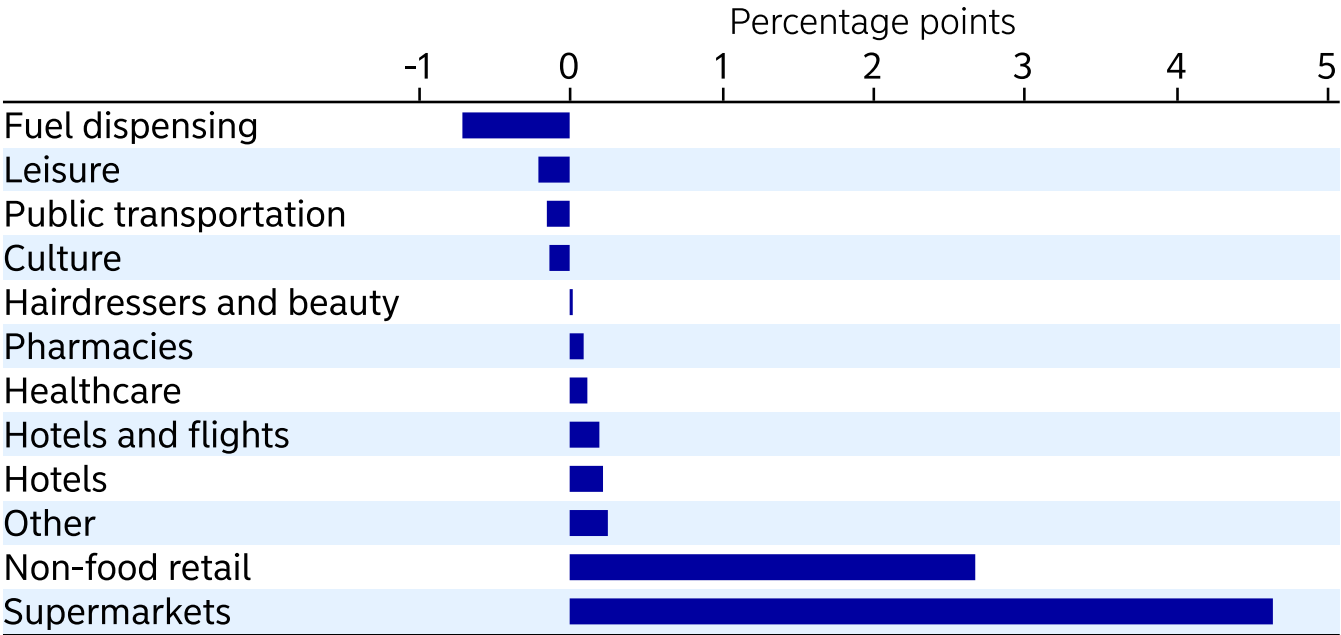


Source: Nordea and Macrobond

Supermarket and non-food retail sales are driving up overall consumption levels.

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

Contribution to total payments: 2020 vs 2019, week 28



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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