



Card spending in May up 6.5% on the year

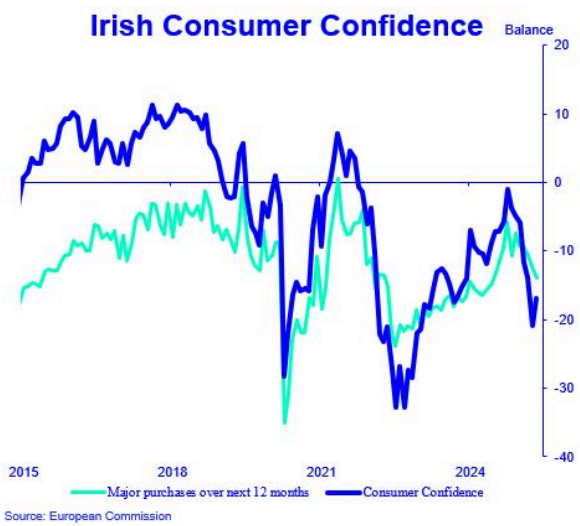
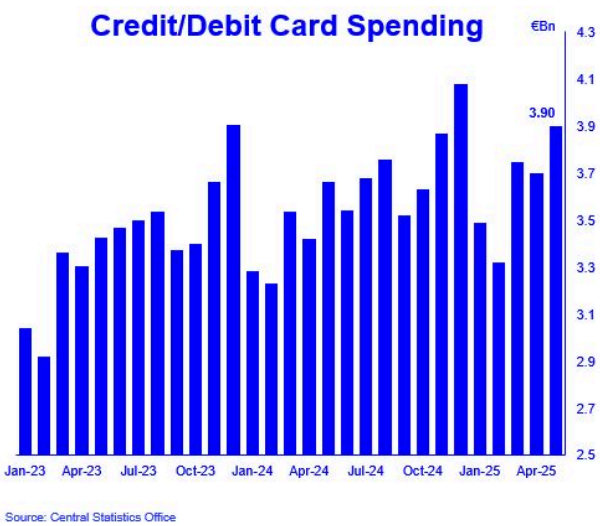
This morning’s Bank of Ireland credit/debit card data shows consumer spending still growing at a robust 6.5% pace in May, to €3.9bn, still well above the 2% rate of CPI inflation and exhibiting no signs of faltering due to uncertainty related to US President Donald Trump’s tariff announcements. There was broad based growth across retail (3.6%), services (3.7%) and social (6.4%) spending, with no evidence of any marked decline in expenditure on 'big-ticket' items such as furniture, electrical goods, airline fares or holidays. This isn’t surprising. The recent softening of Irish measures of consumer confidence was concentrated in questions on the broad economic outlook, but households’ own plans for major purchases were more resilient. The message is that Irish consumers are understandably nervous about global trade tensions but not sufficiently so to alter their actual key spending decisions.

Bank of Ireland credit/debit card spending €3.9bn in May, up 6.5% on the year : May saw another robust 6.5% rise in Bank of Ireland credit/debit card spending to €3.9bn (see chart below). Clearly any uncertainty for Irish households caused by global trade tensions and US tariffs has not been sufficient to dent actual spending. The 6.5% pace of spending growth remains well above CPI inflation (2.2% in April), implying substantial real gains for consumer spending. There was robust growth across the range of sectors; retail (3.6%), services (3.7%) and social (6.4%).

Broad based spending growth across sectors: Across the range of sectors in May; retail (3.6%), services (3.7%) and social (6.4%) spending was up markedly. Restaurant spending was up 6.3% to €243m, well above the 3.4% rate of CPI inflation for this category. Similarly, spending on accommodation was up 5.6% to €119m, prices broadly flat in this category. There was no evidence of any marked decline in expenditure on 'big-ticket' items such as furniture, or electrical goods, that might have been vulnerable to households becoming more nervous on economic or employment prospects.

Consumer confidence bounced back a little in May: The Irish League of Credit Unions' and European Commission measures of Irish consumer confidence fell to two-year lows in April, bouncing back somewhat in May (see chart below). However, this deterioration was concentrated in expectations for the broad economic outlook. Surveys questions on the likelihood of major purchases, or to buy/renovate a home, were far more resilient. The message is that consumers are understandably nervous about US tariffs, but not sufficiently so, to actually affect their key spending decisions.

Other indicators point to robust consumption growth: The Central Statistics Office's (CSO) first estimate of Irish GDP for Q1 2025 showed real consumer spending up 0.6% on the quarter and by 2.5% year-on-year. There is little evidence in other indicators that household spending slowed in April and May. There were 13,000 new private cars licensed in April, up 5% on the year. Retail sales volumes rose by 1.1% in April, up 3% on the year. So the official data on household spending also suggest Trump/tariff related uncertainty had little material impact on spending in Q2 2025.



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