

Consumer Spending Observer in the Baltics

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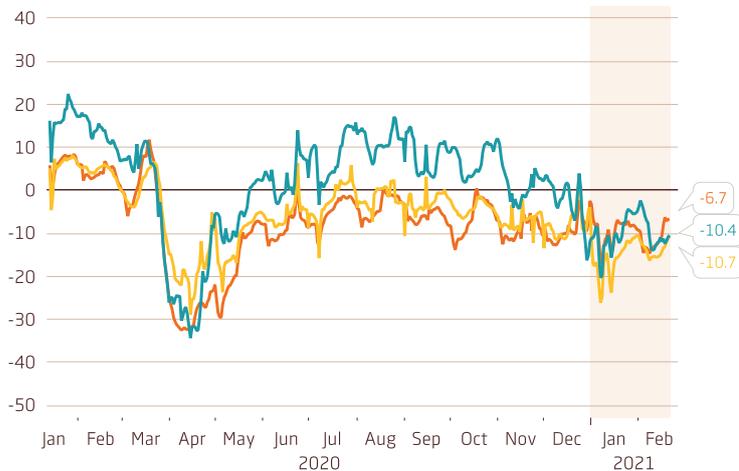
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2nd wave of Covid-19 – bad, but better than last spring

Consumers and businesses learn to adapt to strict measures (and often – circumvent them)

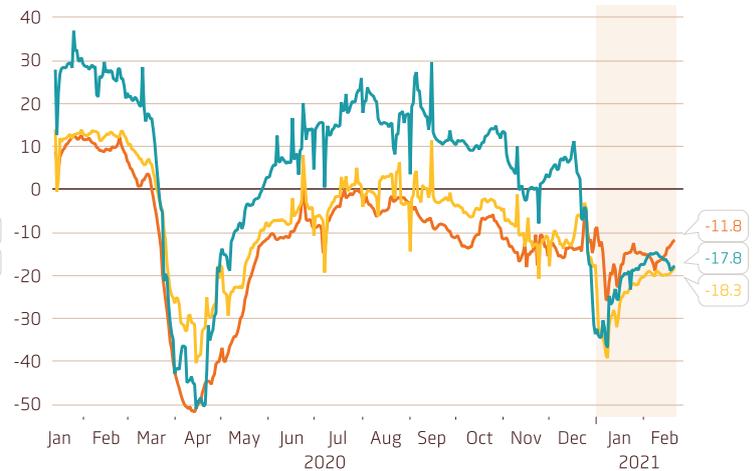
Daily card spending and cash withdrawal

y/y%, 2 week m.a.



Daily spending without food and miscellaneous sectors

y/y%, 2 week m.a.



— Estonia — Latvia — Lithuania

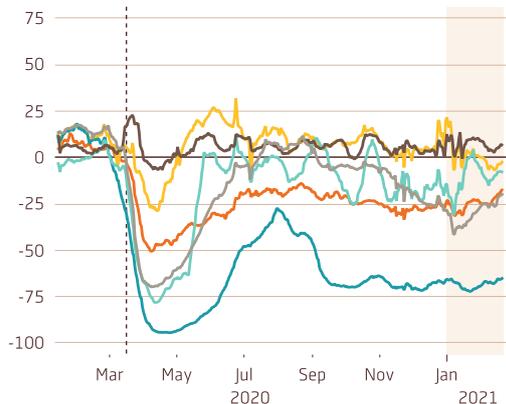
- The dire epidemiological situation in Baltics and ensuing restrictions caused a steep fall in card spending at the start of 2021. However, the fall overall is less pronounced than in spring. **Total transactions** are down 10% in Lithuania and Estonia, and dropped 15% in Latvia.
- Cash out continues to underperform. Since the start of the year **cash out** is 18% below 2020 levels in Estonia, 19% in Lithuania and 21% in Latvia. While **card payments** are up by 1% in Lithuania, and down 6% and 9% in Estonia and Latvia respectively.
- Spending on **non-food items** was deeply negative, with Latvia and Lithuania seeing a steep fall in early January. Consumers and businesses are adapting to (and circumventing) restrictions so there is an upward move since the trough. Despite less severe measures, Estonian spending on non-food products is similarly impacted as that in other Baltic states.
- The changing nature of restrictions will be reflected in card data going forward. In Lithuania and Latvia, for better or worse, an easing of restrictions, has started. The situation in Estonia is worsening, which can result in a further fall of card spending going forward.

Strict measures take their toll – low activity in many sectors

Estonia, where restrictions are milder, is looking better on many counts

Card transactions, Estonia

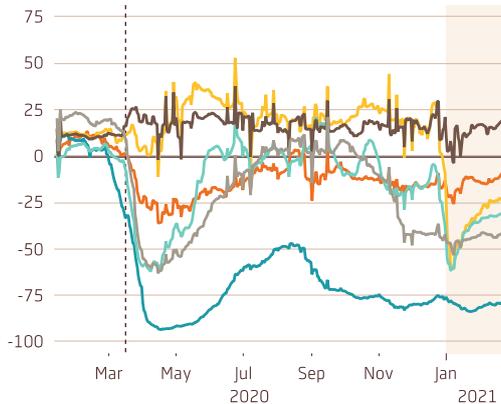
y/y%, 2 week m.a.



Hotels & airlines Fuel & travelling Clothing, sports & accessories Restaurants Food & miscellaneous Home & gardening

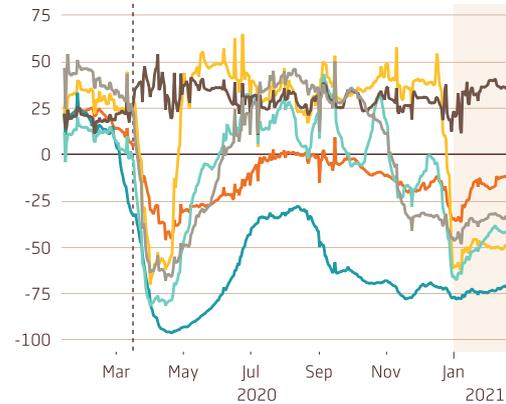
Card transactions, Latvia

y/y%, 2 week m.a.



Card transactions, Lithuania

y/y%, 2 week m.a.



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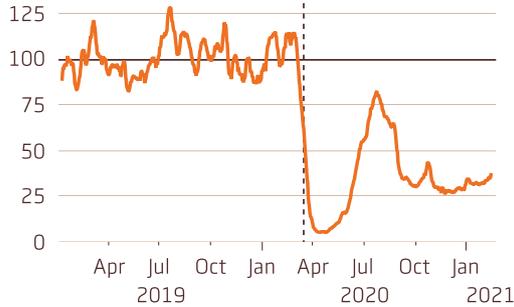
- Airlines and airports as well as accommodation services are well below pre-crisis levels, and are likely to remain so until a sustained improvement is seen in the epidemiological situation in Baltics and Europe.
- Travelling (incl. public transportation across borders – ferries and bus lines) is also seeing a steady decline, while spending on fuel is close to last year's levels already, in part – due to rising fuel prices.
- Catering is down in Latvia and Lithuania (43% and 34% year-on-year since start of 2021). With restaurants still open, activity in Estonia has fallen less (27%).
- As restrictions were tightened at the end of 2020, spending on clothing, sports and accessories as well as on home refurbishment plummeted in Latvia and Lithuania. In Estonia these sectors have been much less affected during the 2nd wave than in spring.
- Spending on clothing and home refurbishment are sectors where an upward trend can be observed after the initial drop. It is only in recent weeks that we have seen easing of restrictions. Therefore part of improvement is likely thanks to consumers and businesses learning to adapt.
- Food as well as spending on health continue to outperform all other categories.



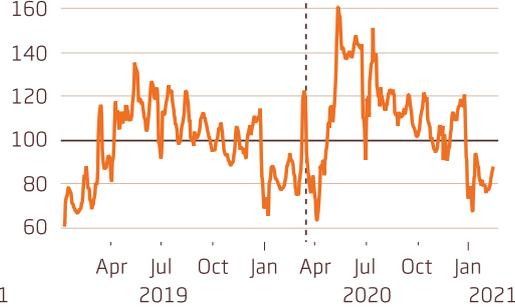
Estonia

7 days moving average, index (2019 = 100)

Hotels & airlines



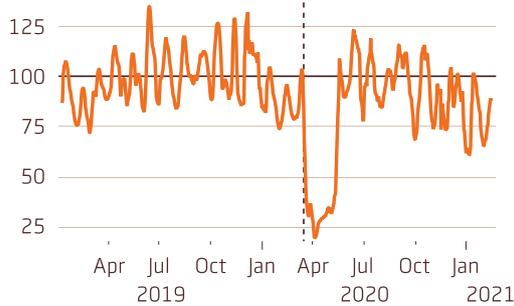
Home & gardening



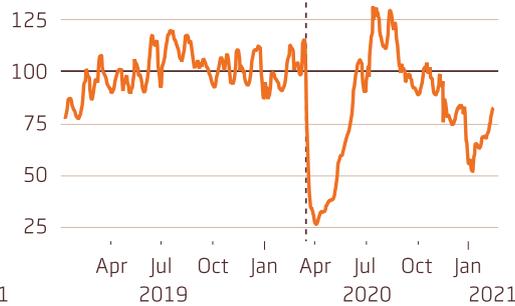
Fuel & travelling



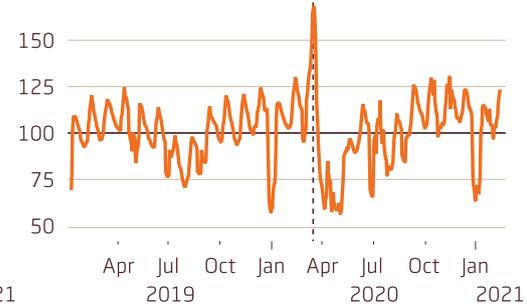
Clothing, sports & accessories



Restaurants



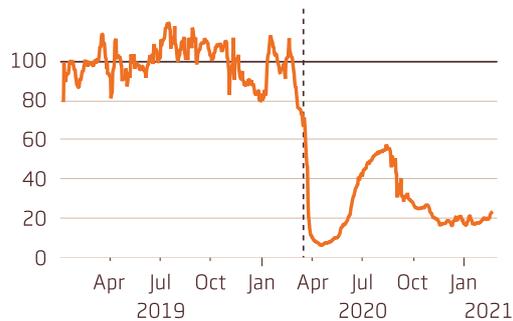
Health services



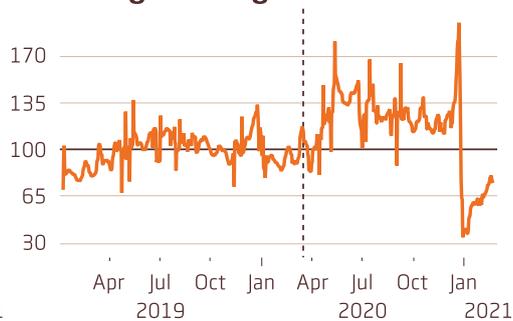
Latvia

7 days moving average, index (2019 = 100)

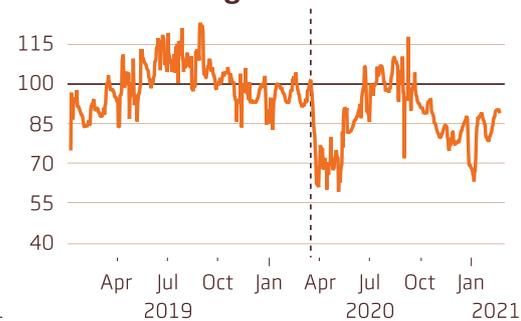
Hotels & airlines



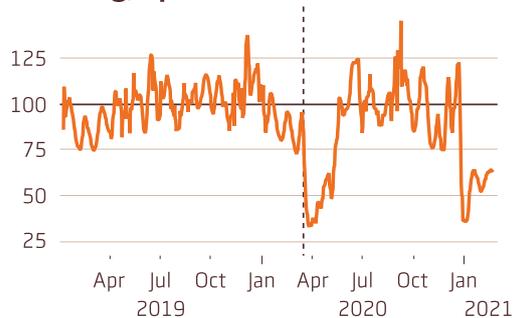
Home & gardening



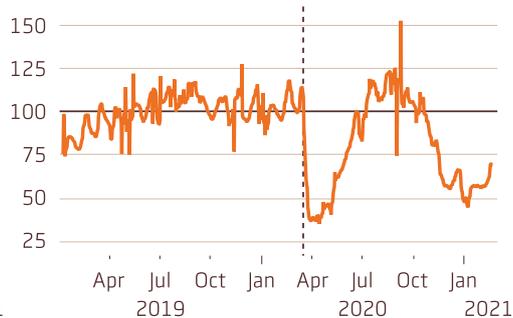
Fuel & travelling



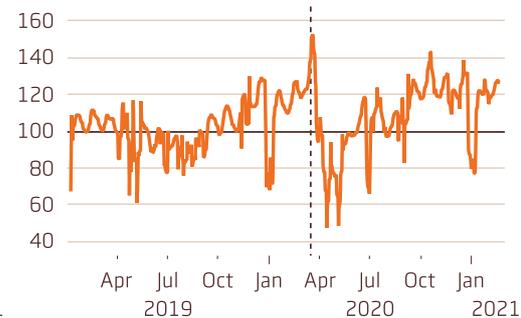
Clothing, sports & accessories



Restaurants



Health services



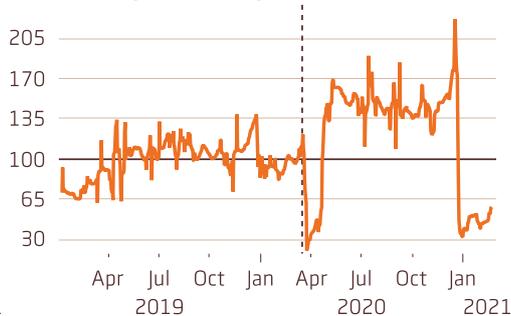
Lithuania

7 days moving average, index (2019 = 100)

Hotels & airlines



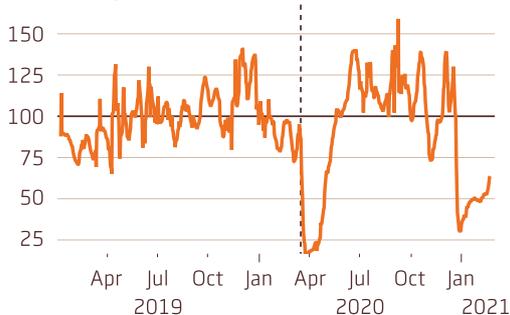
Home & gardening



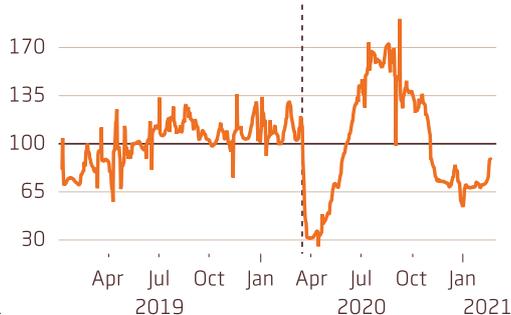
Fuel & travelling



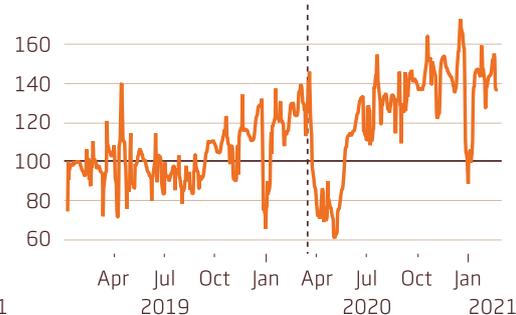
Clothing, sports & accessories



Restaurants



Health services

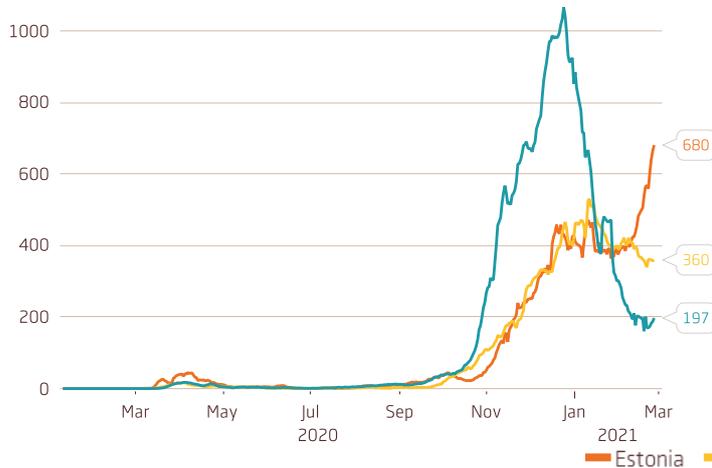


Background: much larger second wave, diverging paths

Vaccination is under way, yet still too slow

Covid-19 confirmed cases

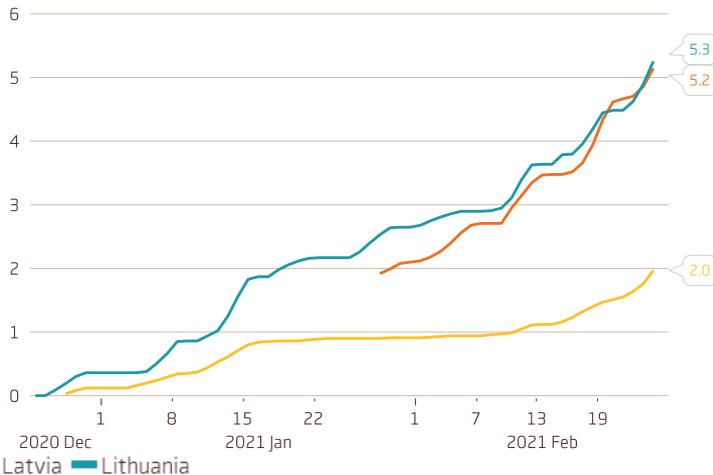
New confirmed cases per 1 million people in one day, 1 week m.a.



- After a surge at the end of last year, case frequency in Lithuania has decreased, highlighting the effectiveness of imposed containment measures. Cases in Latvia have also somewhat declined, but some uptick registered recently. Unfortunately, Estonia is now recording one of the highest case frequencies in Europe.
- Lithuania and Latvia are moving towards easing of restrictions. With the case count still very high, especially in Latvia, this move entails significant risks. In light of the worsening situation, Estonia has introduced new restrictions.

COVID-19 vaccination

% of people that received at least one dose



- Vaccine rollouts in Lithuania and Estonia are largely outpacing those in Latvia. Currently 5.3 and 5.2 % of total population has received at least one dose of COVID-19 vaccine in Lithuania and Estonia, respectively.
- Meanwhile, mainly due to mishaps in vaccination orders, the share of people vaccinated is quite low in Latvia. Only 2% of people has received at least one dose so far.

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