

Press release
PaySys Consultancy GmbH
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2018: Record growth in card business

Card sales in Germany rose by almost € 29 billion to € 379 billion in 2018. Historically, this increase is an unprecedented record in the German card business. Compared to the previous year, this increase corresponds to growth of 8.5% (previous year: 6.8%). These figures are related to the card sales volume generated in Germany with predominantly debit and credit cards in all sectors (not only retail) at physical terminals and in distance selling (acquiring perspective).

Almost 40% of the consumer spending that is potentially suitable for card payments in Germany¹ is now made by card. 10 years ago, this share was still about 27%.

These are the findings of the annual card market statistics for Germany made by the consultancy PaySys.

Despite this rapid growth, German card sales are still below average in European comparison measured by gross domestic product (GDP). On average, card sales in the euro zone (excluding Germany) amount to 18.4% of GDP, compared to only 11.1% in Germany. Due to the high card sales in Great Britain, the share in the EU (excluding Germany) is even twice as high (22%) as in Germany. When using this indicator (card turnover/GDP), however, it should be borne in mind that in Germany many transactions that are carried out abroad with a card are carried out here efficiently by direct debit.²

The two growth drivers for 2018 were card sales transactions generated by the international card brands (Mastercard, Visa, American Express, etc.) (+19.7%) and transactions from the German national debit card scheme "girocard" (+15.1%).

The growth in the girocard scheme came mainly from the substitution of competing signature-based ELV³ transactions, also triggered by the girocard. In 2018, ELV lost around €15 billion in volume to the girocard scheme. This abruptly stopped the decades of continuous growth of the ELV system in 2018. The reason for the shift between the schemes is price competition. Due to targeted price reductions for the acceptance of the girocard, ELV, whose costs remained relatively stable, lost attractiveness for many merchants. Overall, the growth of transactions triggered by girocard (girocard + ELV) for 2018 showed only moderate growth (+3.9%). The compound annual growth rate (CAGR) for card sales volumes generated with the girocard is slightly higher for the period 2013-2018

¹ Excluding expenditure on housing, utilities, health, education, car purchase, telecommunications and financial services, which is usually paid by bank transfer and direct debit.

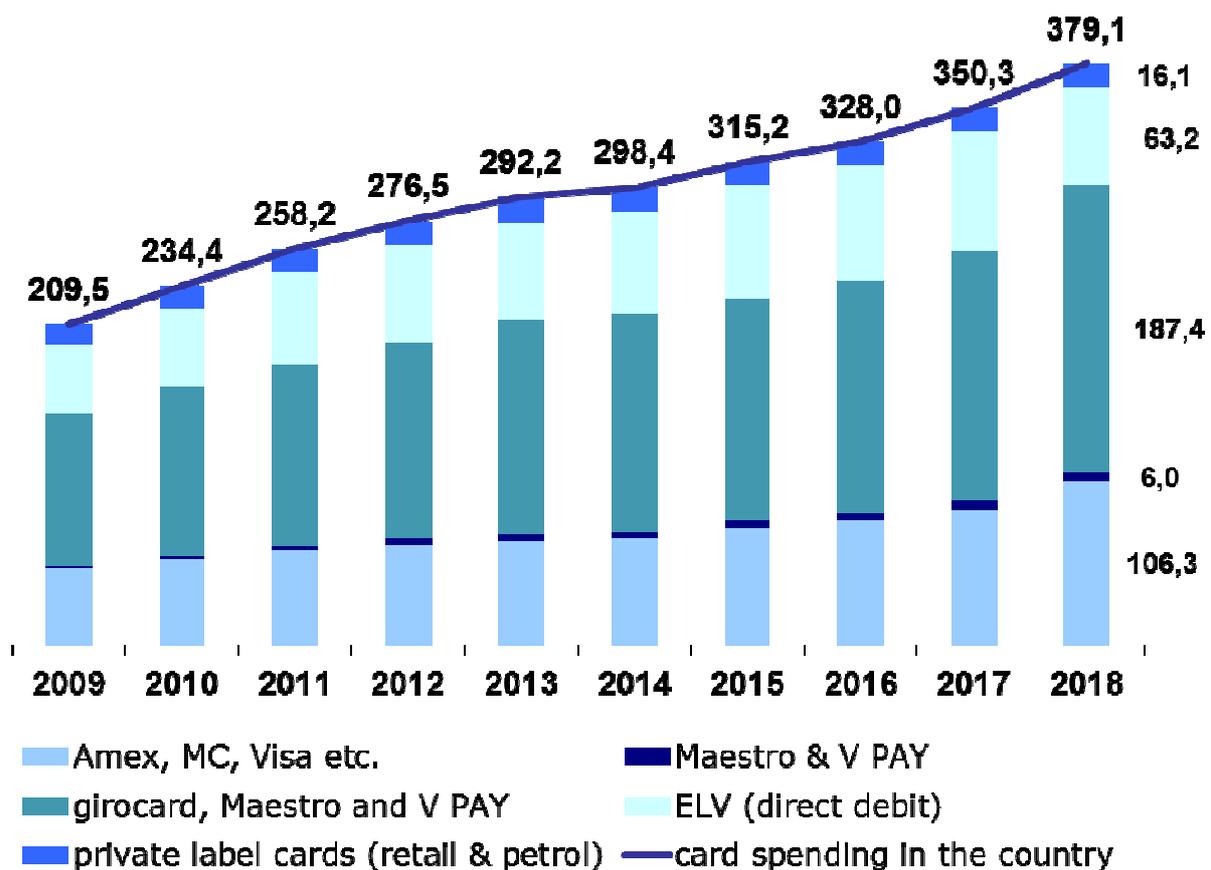
² The composition of the respective GDP (e.g. share of the export economy and the service sector) also plays a not inconsiderable role.

³ ELV: Elektronisches Lastschrift-Verfahren: non-guaranteed direct debits, initiated by the girocard (signature instead of PIN)

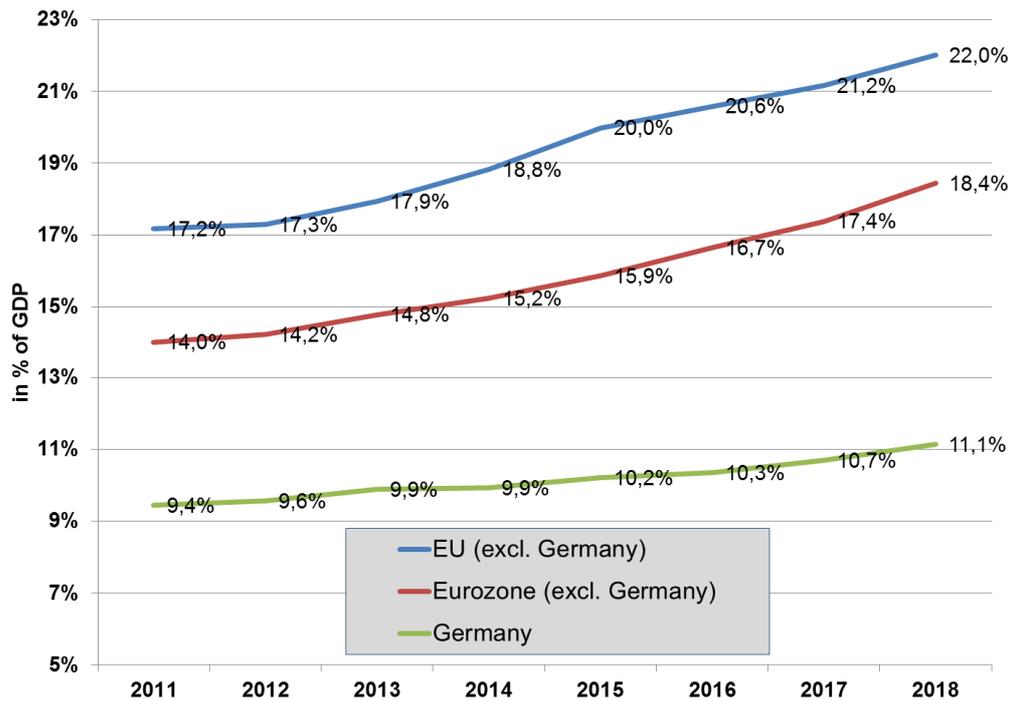
(4.6%). The card volumes with the cards of the international schemes (Mastercard, Visa, etc.) shows a significantly higher CAGR (8.5%) for the past five years.

This statistical development reflects a significant intensification of competition between the card systems, triggered in particular by the EU Interchange Fee Regulation (IFR 2015). The domestic debit card scheme "girocard" is not only in traditional competition with ELV, but recently also with the international card schemes Mastercard and Visa. Credit institutions are increasingly issuing debit cards that are exclusively equipped with the brands of the international systems. About 10% of the 110 million debit cards in total are already equipped with the Mastercard or Visa brand and are in direct competition with traditional girocards (co-badged with Maestro or V PAY). On the issuing side, the market share (measured in terms of card sales excl. ATM) has developed continuously since 2013 in favour of the international brands (2013: 25.5%; 2018: 31.3%).

Graphics:



Card sales volume (excl. ATM) in Germany 2009 - 2018 (billion €)
(domestic and foreign cardholder)



Card sales volume (excl. ATM) by domestic cardholder in- and outside the country 2011 - 2018⁴

The above figures result from the card market statistics 2009 - 2018 published by PaySys Consultancy in December 2019.

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⁴ Source: ECB Data Warehouse with corrections of the erroneous figures for Great Britain. For Germany, the figures of the PaySys card market statistics are used (incl. ELV).