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# Press Release

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## Consumer Credit Card Spending: January–August, 2005

An analysis of consumer credit card spending by the FSS for the first eight months of the year showed that credit card spending—purchase of goods and services and cash advances—came to KRW184 trillion, down KRW10.7 trillion or 5.5% from KRW194.7 trillion during the same period a year earlier. Credit purchase of goods and services totaled KRW111.1 trillion, up KRW9.5 trillion or 9.3% from a year earlier, while cash advances fell KRW16.8 trillion or 19.6% to KRW68.9 trillion as credit card issuers cut back on cash services and canceled card members with poor payment history. Since the first quarter of 2004, the amount of credit card purchase of goods and services has been greater than that for cash advances.

### Credit Purchases and Cash Advances

	2002 Year	2003 Year	2004		2005	
			Jan.–Aug.	Year	Jan.–Aug.	Year*
Credit Card Spending	542.5	416.6	194.7	290.6	184.0	274.7
<i>Credit purchases</i>	<i>159.3</i>	<i>154.0</i>	<i>101.6</i>	<i>156.4</i>	<i>111.1</i>	<i>165.0</i>
<i>Cash advances</i>	<i>344.6</i>	<i>232.8</i>	<i>85.7</i>	<i>123.4</i>	<i>68.9</i>	<i>103.0</i>

\*Projections for the year;

### Purchase of Goods and Services

During the Jan.–Aug. period, the amount of goods and services purchased totaled KRW111.1 trillion, compared with KRW101.6 trillion during the same period a year earlier. Consumer purchase of goods and services has increased for four consecutive quarters since the third quarter of 2004.

### Quarterly Credit Purchase of Goods & Services

								(In KRW, trillions, percent)	
2003				2004				2005	
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
40.3	38.2	36.8	38.7	37.5	38.2	38.7	42.1	40.0	42.2
10.4*	-2.0	-9.1	-10.5	-7.1	-0.2	5.1	8.9	6.7	10.7

\*Percent change from the same quarter a year earlier;

In May and August, credit purchases totaled KRW14.93 trillion and KRW14.88 trillion, respectively, close to the December 2004 record of KRW14.94 trillion.



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### Monthly Credit Purchase of Goods & Services

(In KRW, trillions, percent)

2004							(in KRW, millions, percent)								2005						
6	7	8	9	10	11	12	1	2	3	4	5	6	7	8							
12.7	13.2	12.9	12.7	12.8	14.3	14.9	13.2	12.3	14.5	13.5	14.9	13.8	14.0	14.9							
4.8*	3.6	12.0	0.4	3.8	20.8	3.4	7.7	5.6	6.8	7.2	16.4	8.3	6.4	15.7							

\*Percent change from the same month a year earlier;

### Full-Payment & Installment Payment Purchases

Credit purchases paid in full upon the due date have steadily increased since 2002. During the Jan.–Aug. period, purchases paid in full jumped 10.9% from a year earlier. Installment purchases, typically used for durable consumer goods and other high-price goods and services, showed a modest increase of 4.5% during the Jan.–Aug. period.

### Full-Payment & Installment Payment Purchases

(In KRW, trillions, percent)

2002 Year	2003 Year	2004						2005			
		Q1	Q2	Q3	Q4	J.–A.	Year	Q1	Q2	J.–A.	Year <sup>4</sup>
89.9 <sup>1</sup>	106.6	27.6	28.7	29.5	31.7	76.0	117.4	30.3	32.0	84.4	124.7
	18.6 <sup>3</sup>	6.5	10.1	11.3	12.4	9.7	10.1	9.8	11.7	10.9	6.2
69.3 <sup>2</sup>	47.4	9.9	9.5	9.2	10.4	25.6	39.0	9.7	10.2	26.7	40.3
	-31.6 <sup>3</sup>	-31.5	-22.3	-10.7	-0.8	-23.5	-17.9	-1.9	7.7	4.5	3.5

1: Full-payment purchases; 2: Installment payment purchases; 3: Percent change from a year earlier; 4: Projections for the year;

### Credit Purchases by Age Group

By age group, the share of credit card purchases by consumers older than 40 years has risen steadily, while the share of purchases by consumers younger than 30 years has fallen, suggesting that the increase in credit card purchases is being led by older consumers with relatively stable and higher income.

### Share of Credit Purchases by Age Group

(In percent)

Consumer Age Group	2002	2003	2004	2005 Jan.–Aug.
Young than 30	18.9	15.4	13.3	11.0
In the 30's	38.2	38.0	36.6	35.1
In the 40's	29.3	31.7	33.3	34.1
In the 50's	9.8	11.0	12.4	14.0
60 and older	3.8	3.9	4.3	5.8



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### Major Purchases

Figures from 15 of the 178 merchant groups that made up approximately 56.4% of the total credit card sales during the Jan.–Aug. period showed an average increase of 16.5% during the period from a year earlier.

#### **January–August Credit Card Sales: Percent Change of 15 Major Merchants from a Year Earlier**

Business	% Change	Business	% Change	Business	% Change
Restaurants	17.3	Hospitals	15.7	Household appliances	11.5
Gas stations	22.3	Drinking bars	4.3	Private institutes	26.4
Department stores	10.1	Clothing stores	8.9	Computers	-2.5
Supermarkets	11.3	Insurance	17.5	Auto repairs	19.5
Large retail discount stores	44.7	Air tickets	12.8	Telecom & Internet	8.3

### **Contact Persons:**

Chang Hyun Gi  
Team Head  
Loan Business Supervision Office  
Financial Supervisory Service  
(02) 3786-8162

Douglas Kim  
FSC/FSS Foreign Spokesperson  
(02) 3786-7915