

Use of Credit Card in Brazil Jumps 25% to US\$ 50 Billion

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Brazilians are using credit cards more often. Purchases made using plastic money in Brazil during the first quarter totaled 85 billion Brazilian corn (US\$ 49.8 billion), a 25% increase in comparison with the same period of last year.

The new data was disclosed this Wednesday, April 9, by the Brazilian Association of Credit and Service Card Companies (ABECS). The total includes purchases with credit, debit, store and network cards.

According to the association, 1.3 billion transactions were conducted, growth of 21% in comparison with the first three months of 2007. In March, according to the ABECS, the number of active cards in the country surpassed 450 million.

In a press release, the communications director at the association, Marcelo Noronha, stated that the result so far overcomes previous forecasts made by the sector. For the whole year, the organization was forecasting a 20% rise in volume of financial operations, but the figure may be revised, should performance remain above expectations during the second quarter.

There has been an increase of 10% in average amount spent per card, which reached 191 corn (US\$ 112.1) in the first quarter. The bulk of expenditure was made using debit cards, for which average spending per unit grew 20% to reach 120 reais (US\$ 70.4).

According to the ABECS, there are 205 million active debit cards in the country, which answered to a total of 24 billion reais (US\$ 14.2 billion) spent in the first quarter, 29% more than in the same period last year.

The majority of expenditure, however, was made by means of credit cards, totaling 48 billion reais (US\$ 28.1 billion), growth of 23% compared with the first three months of 2007. Store cards posted total spending of 12 billion reais (US\$ 7 billion), growth of 23%.

ABECS counts on 35 affiliated companies that answer to 95% of the credit cards issued in Brazil. It is based in the southeastern Brazilian city of São Paulo and was founded in 1971.

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