

Consumer spending spikes up and down as extreme weather impacts NZ in February

AUCKLAND, 6 March 2023 – The extreme weather events that hit New Zealand in February had a major influence on consumer spending in affected regions across the month, according to figures released today by Worldline NZ.

Consumer spending in February 2023 through Core Retail merchants (excluding Hospitality) in Worldline NZ’s payments network reached \$2.808B, which is up 7.7% on February 2022 and up 17.1% on the pre-COVID month of February 2019.

Worldline NZ’s Chief Sales Office, Bruce Proffit, says that while this is a notable rise, the high annual growth rate alone does not provide a clear picture of what happened in February.

“The most noticeable impact on consumer spending in February was the effect of Cyclone Gabrielle around the middle of the month,” says Proffit.

“Spending was down sharply on Monday 13 February and/or Tuesday 14 February for six of the regions in Worldline NZ’s network: Auckland/Northland, Waikato, BOP, Gisborne, Hawke’s Bay, and Taranaki. However, this decline was offset to a large extent – in aggregate and not for all merchants and all regions – by extra spending in the days ahead of the cyclone.”

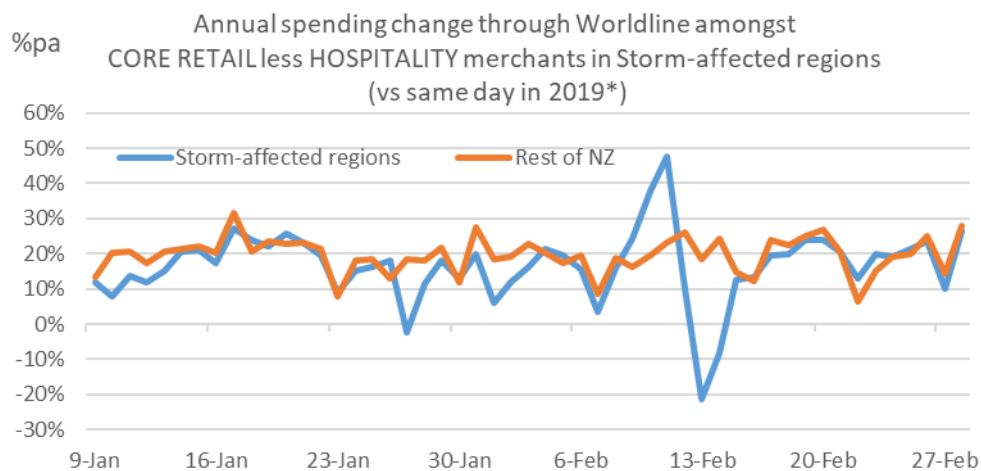


Figure 1: All Cards NZ annual underlying* spending growth through Worldline during January and February for regions experiencing sharp spending declines 13th and/or 14th Feb (Auckland/Northland, Waikato, BOP, Gisborne, Hawke’s Bay, Taranaki) and the rest of NZ, for Core Retail excluding hospitality merchants (* Underlying excludes large clients moving to or from Worldline)

Proffit says that the relative February growth patterns for the regions vary depending on the base year chosen, but that there are some consistent patterns.

“West Coast consumer spending is up 20.6% on last year and 22.5% on 2019, while the large regions of Auckland/Northland and Wellington remain below the national average growth rate on both measures,” says Proffit.

“In the Gisborne region, consumer spending is weakest, down 3.8% since last year and up only 8.2% since 2019,” he says.

“Conversely, consumer spending growth is stronger in the South Island, both relative to 2022 and to 2019. This, in part, reflects the storm effects of February 2023 but also shows the effects of a return to higher numbers of international tourists.”

Proffitt continues: “At this time last year, New Zealand was still in high-alert mode around COVID meaning consumer spending was significantly curtailed, so it is not surprising to see a sharp rise on last year. The growth rate since 2019 gives a better indication of the broader growth pattern.”

Proffitt says the growth rate increased slightly January to February but overall remains low, especially relative to the 17.3% inflation rate between early 2019 and late 2022.

WORLDLINE All Cards underlying* spending for CORE RETAIL less HOSPITALITY merchants for February 2023			
Region	Value transactions \$millions	Underlying* Annual % change on 2022	Underlying* Annual % change on 2019
Auckland/Northland	1,020	7.4%	13.4%
Waikato	222	6.8%	21.9%
BOP	186	4.6%	18.1%
Gisborne	23	-3.8%	8.2%
Taranaki	64	5.7%	28.5%
Hawke's Bay	100	6.8%	22.2%
Whanganui	35	6.6%	31.4%
Palmerston North	85	6.8%	27.5%
Wairarapa	36	8.6%	32.7%
Wellington	267	5.6%	15.1%
Nelson	58	11.7%	16.9%
Marlborough	36	15.3%	17.3%
West Coast	21	20.6%	22.5%
Canterbury	333	8.3%	22.2%
South Canterbury	48	9.9%	24.8%
Otago	160	17.3%	14.5%
Southland	69	10.7%	19.0%
New Zealand	2,808	7.7%	17.1%

Figure 2: All Cards NZ underlying* spending through Worldline in February 2023 for core retail excluding hospitality merchants around (* Underlying excludes large clients moving to or from Worldline)

Meanwhile, looking specifically at the Hospitality sector, Gisborne (-16.7%), as well as Hawke's Bay (-3.1%) experienced a decline amongst Hospitality merchants for the month, compared to February 2022.

Elsewhere, the post-Covid lockdown hospitality recovery continued, with the highest annual growth rate being recorded in West Coast (+80.1%).

WORLDLINE All Cards underlying* spending for HOSPITALITY merchants for February 2023			
Region	Value transactions \$millions	Underlying* Annual % change on 2022	Underlying* Annual % change on 2019
Auckland/Northland	335	27.8%	1%
Waikato	64	20.3%	7.4%
BOP	77	26.1%	15.9%
Gisborne	6	-16.7%	-10.7%
Taranaki	22	24.6%	34.9%
Hawke's Bay	21	-3.1%	-13.5%
Whanganui	10	26.8%	17.0%
Palmerston North	24	21.1%	25.2%
Wairarapa	7	11.0%	18.2%
Wellington	87	29.7%	1.4%
Nelson	22	44.4%	15.0%
Marlborough	18	34.2%	6.3%
West Coast	10	80.1%	0.1%
Canterbury	101	26.9%	3.4%
South Canterbury	13	25.1%	11.3%
Otago	72	62.4%	-8.6%
Southland	33	61.0%	8.8%
New Zealand	923	29.2%	3.7%

Figure 3: All Cards NZ underlying* spending through Worldline in February 2023 for Hospitality merchants around (* Underlying excludes large clients moving to or from Worldline)

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Note to editors:

These figures reflect general market trends and should not be taken as a proxy for Worldline's market share or company earnings. The figures primarily reflect transactions undertaken within stores but also include some ecommerce transactions. The figures exclude transactions through Worldline undertaken by merchants outside the Core Retail sector (as defined by Statistics NZ).

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