

Retail spending growth slides in September

AUCKLAND, 4 October 2023 – Consumer spending data released by Worldline today shows annual spending growth was relatively slow at the start of September, most noticeably in Auckland, but weakened across the country by the end of the month.

Consumer spending processed through all Core Retail merchants (excluding Hospitality) in Worldline NZ’s payments network in September 2023 reached \$2.958B, which is up 2.8% on September 2022, and up 21.0% on the same month in 2019.

“Dare I say it? It was a month of two halves, at least outside of Auckland,” says Worldline NZ’s Chief Sales Officer, Bruce Proffit. “In New Zealand’s largest region, retail spending growth was meagre all month. In the rest of the country, growth was moderate for the first half of the month, then also slid to a lower rate for the second half,” he says.

“It is possible that a combination of continuing bad weather and the timing of school holidays were factors. There is also the possibility of a pre-election lull. More worrying for merchants, though, is that consumer confidence remains low, petrol prices and interest rates continue to rise, and the economy is still coming to grips with a lower dairy farm payout this season.”

Proffit says the annual growth rate declined within the month, noting spending was running at around 6% per annum outside of Auckland/Northland in the first two weeks of the month but slipped noticeably in the last two weeks to 2%.

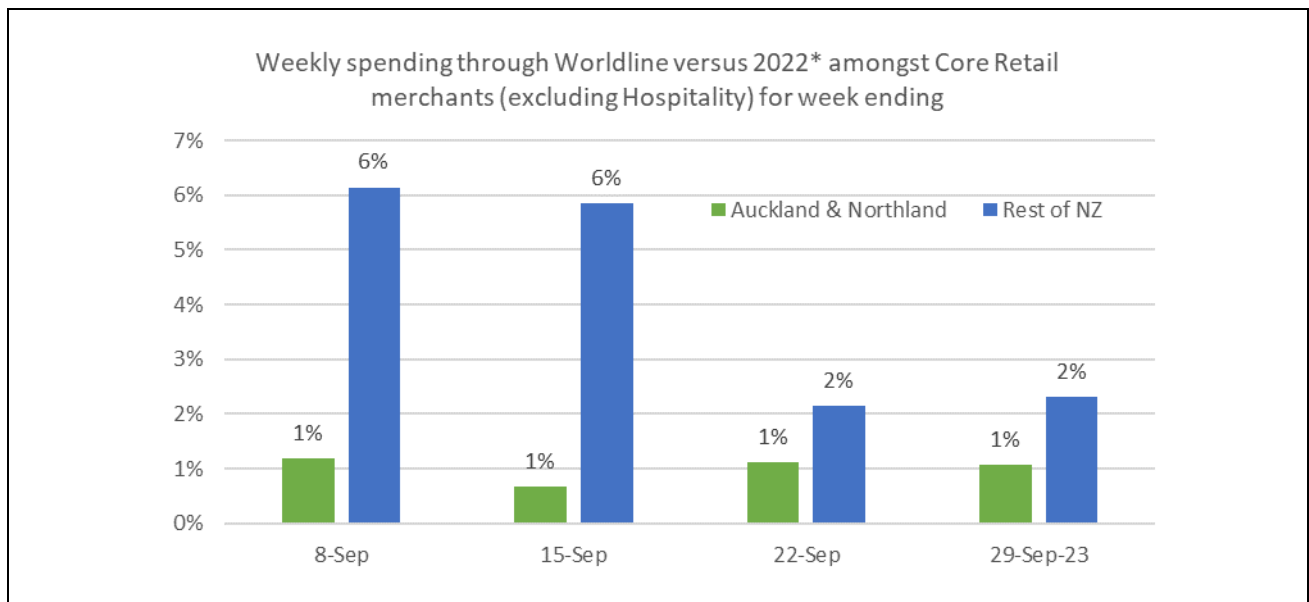


Figure 1: Annual growth in All Cards NZ underlying* spending through Worldline for weeks ending Friday in September 2023 (versus same week 2022 for Core Retail (excluding Hospitality) merchants (* Underlying excludes large clients moving to or from Worldline)

Annual spending growth was near 1% in each week of September for Auckland/Northland and averaged 1.1% for the month, the lowest annual growth rate for Auckland/Northland since the start of this year and the lowest growth rate in September amongst the regions. The highest annual growth in September was recorded in Whanganui (10.3%).

WORLDLINE All Cards underlying* spending for CORE RETAIL less HOSPITALITY merchants for September 2023			
Region	Value transactions \$millions	Underlying* Annual % change on 2022	Underlying* Annual % change on 2019
Auckland/Northland	1,090	1.1%	15.5%
Waikato	243	4.2%	30.8%
BOP	198	2.0%	22.8%
Gisborne	26	5.2%	17.4%
Taranaki	69	2.0%	33.9%
Hawke's Bay	107	4.9%	29.0%
Whanganui	41	10.3%	37.0%
Palmerston North	91	3.9%	29.8%
Wairarapa	37	4.0%	30.3%
Wellington	283	3.1%	12.5%
Nelson	58	3.0%	18.5%
Marlborough	37	3.2%	23.6%
West Coast	21	6.3%	30.0%
Canterbury	363	2.9%	27.8%
South Canterbury	54	8.3%	29.3%
Otago	169	6.1%	22.4%
Southland	71	3.0%	22.9%
New Zealand	2,958	2.8%	21.0%

Figure 2: All Cards NZ underlying* spending through Worldline in September 2023 for Core Retail (excluding Hospitality) merchants
 (* 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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