

## COVID's uneven effects on regional spending

### ***COVID-19 dampened spending across New Zealand in February, but less so outside of the major North Island centres and Canterbury***

**AUCKLAND, 3 March 2022 – According to data released by Worldline NZ today, consumer spending across New Zealand weakened in February as the Omicron variant of COVID-19 surged and spread across the nation, but regional effects were mixed.**

The consumer spending recorded through core retail merchants (excluding Hospitality) in Worldline NZ's network was \$2.6B in February, up 3% on the same month last year. However, the company's Head of Data, George Putnam, says while this does show overall annual growth, the longer view of the data is more complex.

"February last year saw spending patterns altered by some short-term COVID Alert Level restrictions, so it is not a good comparator. We have to go back a full two years to February 2020, to the time just before the first case of COVID-19 arrived in New Zealand and before restrictions took effect, to gauge how well – or not so well – merchants are faring at present."

Putnam says a comparative two-year look at the spending data paints a mixed picture.

"Times are clearly tough for the Hospitality sector. This has been the case for 24 months now and has continued to track below year-ago and two-year ago levels in January and February," he says.

"Spending through Hospitality merchants in February this year (\$0.7B) is down 21% on the first 28 days of February 2020. The rest of the core retail sector is experiencing trading above pre-COVID levels, at least in total, but this margin over pre-COVID times narrowed in February."

Putnam says core retail spending (excluding Hospitality) through Worldline NZ's network was 5% above the first 28 days of February 2020, whereas the two-year growth rate had been 13% in January.

"The regional pattern is clearly mixed, which can be seen in the table below," he says.

"Core retail spending, excluding Hospitality, was below pre-COVID levels in parts of the South Island for February and (although not shown in the table) spending was only barely above two-year ago levels in Auckland / Northland and Wellington by the last week of the month."

The regions recording the highest two-year growth rates in February were Whanganui (+19% vs 1-28<sup>th</sup> February 2020) and Taranaki (+18%). They also recorded the highest growth rates on February last year. Regions showing declines since 2020 were West Coast (-3%), Marlborough (-4%) and Otago (-6%).

"The direct and indirect effects of COVID are clearly having an influence on spending in the various regions of New Zealand. We will continue to keep an eye on how this is impacting consumer spending as we all grapple with the ongoing surge of Omicron in the community," says Putnam.

<b>WORLDLINE All Cards underlying* spending for CORE RETAIL less HOSPITALITY merchants for February 2022</b>			
Region	Value transactions \$millions	Underlying* Annual % change on 2021	Underlying* Annual % change on 2020 (1-28 <sup>th</sup> only)
Auckland/Northland	961.8	3%	3%
Waikato	210.4	3%	10%
BOP	180.5	4%	9%
Gisborne	26.4	1%	10%
Taranaki	60.6	8%	18%
Hawke's Bay	93.6	4%	7%
Whanganui	34.6	7%	19%
Palmerston North	81.7	6%	16%
Wairarapa	33.5	2%	13%
Wellington	256.7	-4%	4%
Nelson	52.0	-1%	0%
Marlborough	31.7	-3%	-4%
West Coast	17.8	0%	-3%
Canterbury	311.5	5%	9%
South Canterbury	44.0	4%	8%
Otago	137.7	1%	-6%
Southland	62.6	4%	4%
<b>New Zealand</b>	<b>2,639.6</b>	<b>3%</b>	<b>5%</b>

Figure 1: All Cards NZ annual underlying\* spending growth through Worldline February for regional 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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#### ABOUT WORLDLINE IN NEW ZEALAND

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Worldline [Euronext: WLN] is the European leader in the payments and transactional services industry and #4 player worldwide. With its global reach and its commitment to innovation, Worldline is the technology partner of

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