

Consumer spending growth in October was weak, both before and after the election

AUCKLAND, 3 November 2023 – Consumer spending data released by Worldline today shows annual spending growth continued to be weak in the first two weeks of October and remained so in the last two weeks of the month following the 14 October general election.

Consumer spending processed through all Core Retail merchants (excluding Hospitality) in Worldline NZ’s payments network in October 2023 reached \$3.103B, which is up just 0.5% on October 2022, and up 17.0% on the same month in 2019.

Worldline NZ’s Chief Sales Officer, Bruce Proffit, says the slower spending growth reported by Worldline in the last weeks of September extended into the first two weeks of October and persisted after the 14 October general election.

“The overall slowness includes a decline in spending since the same period last year across a wide range of merchants, including hardware, furniture, appliances, clothing and, even in recent weeks, amongst cafes and restaurants within the Hospitality sector. In contrast, spending continues to increase across merchant groups such as supermarkets and fast foods,” says Proffit.

“The annual growth rate for the whole month was lower than shown for the four weeks within the month as the ‘extra’ days in October this year of Sunday, Monday, Tuesday are the three slowest days of the week for spending, which creates a downward bias in any year-on-year comparison.

“However, this should not detract from the big picture which is that both merchants and consumers are to continuing to face challenges around the cost of living and its effect on spending,” he says.

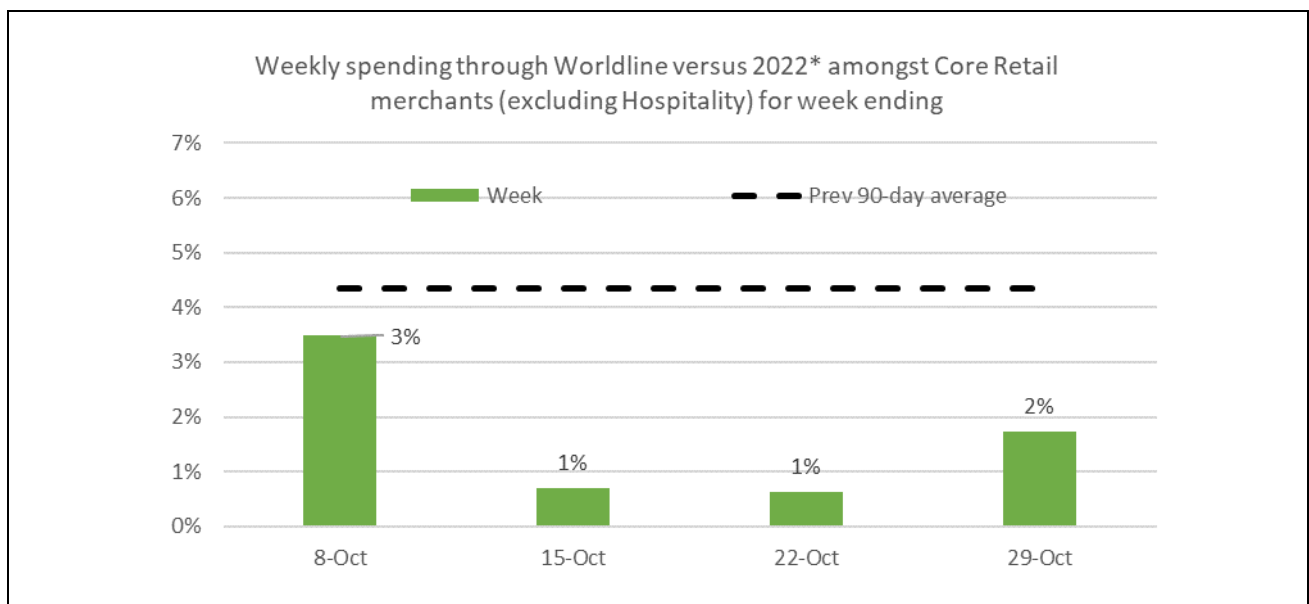


Figure 1: Annual growth in All Cards NZ underlying* spending through Worldline for weeks ending Sunday in October 2023 (versus same week 2022 for Core Retail (excluding Hospitality) merchants (* Underlying excludes large clients moving to or from Worldline)

Looking at the regions, the highest annual growth in October was recorded in Whanganui (7.6%), followed by West Coast (4.9%) and South Canterbury (3.7%). Declines in spending between October 2022 and October 2023 occurred in Southland (-1.0%), Auckland/Northland (-0.5%), Wellington (-0.4%) and Bay of Plenty (-0.2%).

WORLDLINE All Cards underlying* spending for CORE RETAIL less HOSPITALITY merchants for October 2023			
Region	Value transactions \$millions	Underlying* Annual % change on 2022	Underlying* Annual % change on 2019
Auckland/Northland	1,142	-0.5%	12.8%
Waikato	257	1.1%	25.1%
BOP	212	-0.2%	17.6%
Gisborne	28	2.8%	11.3%
Taranaki	73	1.2%	30.3%
Hawke's Bay	114	2.5%	24.7%
Whanganui	42	7.6%	29.2%
Palmerston North	95	0.1%	22.5%
Wairarapa	40	0.3%	23.5%
Wellington	300	-0.4%	11.0%
Nelson	63	2.1%	13.5%
Marlborough	38	0.2%	15.9%
West Coast	23	4.9%	24.9%
Canterbury	379	1.2%	22.4%
South Canterbury	55	3.7%	25.2%
Otago	170	2.8%	17.1%
Southland	73	-1.0%	16.8%
New Zealand	3,103	0.5%	17.0%

Figure 2: All Cards NZ underlying* spending through Worldline in October 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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