

## One year on from the Delta lockdown, consumer spending is up, but long-term growth is slow

**AUCKLAND, 7 September 2022 – One year on from the Delta outbreak that locked down New Zealand, data shows that Kiwi merchants are continuing to adjust to the legacy of COVID-19 and its impacts, while the Government’s Cost of Living Payment coincides with a small bump in consumer spending.**

Consumer spending through Worldline NZ’s payments network amongst Core Retail merchants (excluding Hospitality) was \$2.83B in August 2022, up 14% on August 2021 when all New Zealand moved to a Level 4 lockdown mid-month.

Worldline’s Head of Data, George Putnam says that several retail business sectors have seen significant lifts in consumer spending in August 2022 over the same month last year, including a 66% lift in spending through Hardware and Furniture stores, and an 80% lift in spending at Clothing and Footwear shops.

“Any year-on-year comparisons for August spending must obviously be looked at through the lens of COVID-19 and the restrictions that came about following the Delta outbreak in that month last year,” says Putnam.

“While the August bounce-back of 14% is positive, the overall picture is still one of slow growth over the long term as merchants and consumers continue to adjust to the massive changes that have occurred in the last two to three years.

“When compared to pre-Covid 2019, the growth rate in 2022 dropped from 15.1% in July to 11.6% in August, a drop exaggerated by the fall of days in August this year.”

Putnam also notes that consumer spending over the first few days of August 2022 saw a small bump at the same time as the first installment of the Government’s Cost of Living Payment began to be deposited with eligible New Zealanders.

“The data shows there was a \$14m lift in spending in the first three days of August through Worldline’s payments network, relative to the same three days one week earlier.

“However, at just 4% of total spending, we cannot definitively say that this change is due to the Government’s Cost of Living Payment, which was much larger, or is simply a common day-to-day variation.”

Regionally, spending through Core Retail merchants (excluding Hospitality) remains above 2019 levels in all regions. The 2019-2022 growth rate was highest in Taranaki (23.2%), Hawke’s Bay (21.8%) and Wairarapa (21.1%) and lowest in Gisborne (2.2%) and Wellington (6.6%).

Beyond August, the early days of September have also seen a small increase in consumer spending, most likely due to Father’s Day, with spending up in the three days ending Sunday 4<sup>th</sup> September (relative to the same days a week earlier) amongst Bookshops (+\$0.6m, +21%), Sports shops (+\$1.4m, +21%), Hardware stores (+\$2.4m, +8%) and Restaurants / Cafés (+\$3.3m, +6%).

<b>WORLDLINE All Cards underlying* spending for CORE RETAIL less HOSPITALITY merchants for August 2022</b>			
Region	Value transactions \$millions	Underlying* Annual % change on 2021	Underlying* Annual % change on 2019
Auckland/Northland	1,040	13.8%	7.9%
Waikato	225	17.3%	18.8%
BOP	189	19.8%	16.4%
Gisborne	25	2.4%	2.2%
Taranaki	65	18.8%	23.2%
Hawke's Bay	101	14.6%	21.8%
Wanganui	37	10.8%	19.3%
Palmerston North	85	15.5%	17.3%
Wairarapa	35	8.2%	21.1%
Wellington	270	6.6%	6.6%
Nelson	54	14.3%	7.8%
Marlborough	33	13.1%	9.9%
West Coast	18	11.8%	17.4%
Canterbury	338	19.5%	15.9%
South Canterbury	48	11.7%	16.1%
Otago	159	19.8%	10.8%
Southland	67	19.6%	15.2%
<b>New Zealand</b>	<b>2,832</b>	<b>14.1%</b>	<b>11.6%</b>

Figure 2: All Cards NZ annual underlying\* spending growth through Worldline August 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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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 choice for merchants, banks and third-party acquirers as well as public transport operators, government agencies and industrial companies in all sectors. Powered by over 20,000 employees in more than 50 countries, Worldline provides its clients with sustainable, trusted and secure solutions across the payment value chain, fostering their business growth wherever they are. Services offered by Worldline in the areas of Merchant Services; Terminals, Solutions & Services; Financial Services and Mobility & e-Transactional Services include domestic and cross-border commercial acquiring, both in-store and online, highly-secure payment transaction processing, a broad portfolio of payment terminals as well as e-ticketing and digital services in the industrial environment. In 2020 Worldline generated a proforma revenue of 4.8 billion euros. [worldline.com](https://www.worldline.com)

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