QUARTERLY ELECTRONIC CARD RETAIL SPENDING

INCLUDING TOURISM RELATED SECTORS //
SEPTEMBER 2024 QUARTER

CEDA
CENTRAL ECONOMIC DEVELOPMENT AGENCY

MANAWATU DISTRICT COUNCIL

PALMY
PAPAIOEA PALMERSTON NORTH CITY

TE MAURI O
MANAWATŪ

MANAWATŪ REGION QUARTERLY ELECTRONIC CARD RETAIL SPENDING

This report presents analysis of electronic card retail spending (i.e., total value of electronic card transactions made in person) in the Manawatū region. The data is obtained from Marketview and is based on information from Worldline (formerly known as Paymark) the largest electronic card payment network in New Zealand. Analysis covers eight retail sectors consisting of:

- **accommodation**
- **apparel & personal**
- **arts, recreation & visitor transport**
- **cafes, restaurants, bars & takeaways**
- **fuel & automotive**
- **groceries & liquor**
- **home & recreational retail**
- **other consumer spending**

See retail sector classification on page 11.

This Retail Report captures data from the Manawatū region, which consists of Palmerston North city and Manawatū district.

FOR MORE DATA AND INSIGHTS VISIT
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TE MAURI O MANAWATŪ

OVERVIEW

Retail card spending declined by 2.7% in the September quarter 2024 compared with the previous September quarter. This is lower than the New Zealand average quarterly decline of 2.8% over the same period.

Annual electronic card retail spending decreased by 0.6% over the year to September 2024, which is slightly below the national growth rate of 0.5%. This compares with an annual inflation rate of 2.2% over the same period, indicating a real decline in the value of retail spending over the year.

Annual retail spending was primarily supported by an increase in spending on groceries and liquor which rose 3%, and fuel and automation which increased by 2%.

For more details, refer to the table in the section on Retail sectors on **page 10.**

ELECTRONIC CARD RETAIL SPENDING

$426M

in the region September quarter 2024

2.7%

Decrease in the region compared to the September 2023 quarter.

2.8%

Decrease nationally over the same period.

SEPTEMBER 2024 QUARTER

Electronic Card Retail Spending was $426 million in the region for the September 2024 quarter, a decline of 2.7% from the September 2023 quarter. Retail spending in New Zealand was $18,367 million, in the same quarter, with a 2.8% decrease nationally compared to the same quarter in 2023.

The breakdown is as follows:

>> Palmerston North city: $358 million
2.6% decrease

>> Manawatū district: $68 million
2.9% decrease

YEAR ENDING SEPTEMBER 2024

Annual electronic card retail spending in the region was $1,781 million, a decrease of 0.6% compared to the year ended September 2023. Nationally, retail spending increased by 0.5% in the same period to reach a total of $77,967 million. The rate of annual inflation in September 2024 was 2.2%, indicating negative real growth in retail spending in the region and across the New Zealand economy over the year.

The breakdown of annual spending for the region is as follows:

>> Palmerston North city: $1,492 million
0.7% decrease

>> Manawatū district: $288 million
0.2% increase

ANNUAL ELECTRONIC CARD RETAIL SPENDING

$1,781M

in the region YE September 2024

0.6%

Decrease in the region compared to the same period last year.

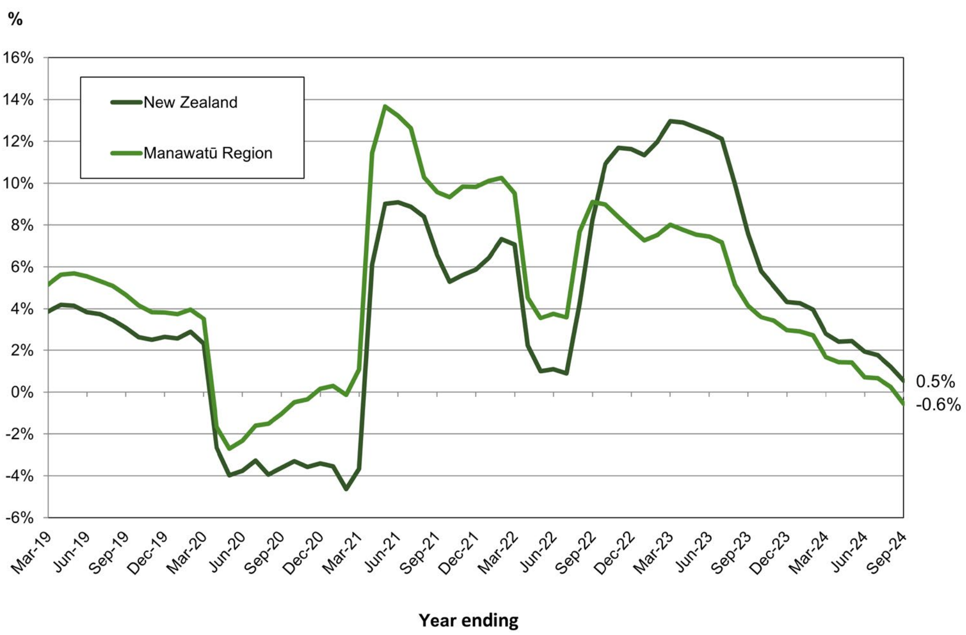
0.5%

Increase nationally compared to the same period last year.

The following chart shows the annual percentage change (i.e., rolling 12 months) in spending compared with the year before. Prior to October 2022, our region's retail spending experienced strong growth relative to national spending. This stronger performance was predominantly due to the structure of the regional economy, and less exposure to the impacts of border closures and reduced international tourism from pandemic restrictions, in comparison to other parts of the country.

As international tourism has resumed, the average New Zealand growth rate has caught up and is now exceeding the rate of growth in the region. Additionally, challenging economic conditions has put downward pressure on spending growth for both New Zealand and the region declining since April 2023. This general slowing of economic activity across the country has narrowed the gap between the region's annual growth rate and the national annual growth rate. However, falling inflation and easing interest rates are expected to stimulate retail spending in 2025.

ELECTRONIC CARD RETAIL SPENDING ANNUAL CHANGE (%)



MANAWATŪ

CUSTOMER ORIGIN

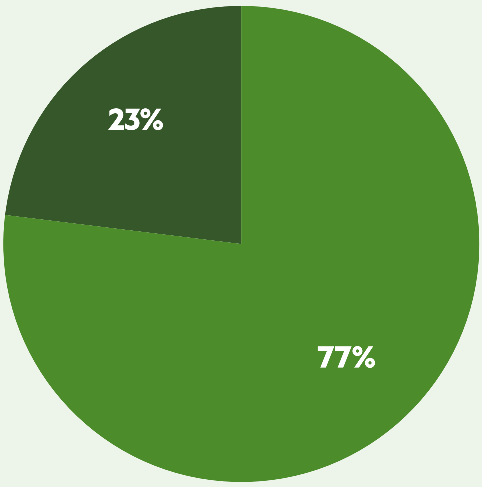
For the year ending September 2024, 77% of retail spending in the Manawatū region was from locals, totalling $1,364 million. This spending from locals is a slight increase of 0.1% compared to the previous year. The visitor share (i.e. consisting of domestic and international visitors) of Manawatū region's spending was 23% of total spending. Although spending by international visitors for the year ending September 2024 increased by 11%, international spending accounts for just $29 million of total spending which represents about 2% of total spending in the region.

The top five spenders in our region contributed 15% of total annual spending for the year ending September 2024, and were made from:

>> Horowhenua district
>> Tararua district
>> Rangitīkei district
>> Wellington region
>> Auckland region

	SEPTEMBER QUARTER 2024		YEAR ENDING SEPTEMBER 2024		
Cardholder origin	**Spending ($m)**	**Change from last year (%)**	**Spending ($m)**	**Change from last year (%)**	**% share of spending**
Local	329.5	-0.6	1,363.9	0.1	76.6
Horowhenua district	17.2	-1.6	72.7	0.2	4.1
Tararua district	14.7	0.9	61.7	0.3	3.5
Rangitīkei district	13.7	-11.1	56.2	-2.3	3.2
Wellington region	12	-1.8	52.9	-3.7	3
Auckland region	6	-10.3	27.1	-8.1	1.5
Whanganui district	5.8	-15.8	25	-6.7	1.4
Ruapehu district	1.1	-7.2	4.8	-5.9	0.3
Rest of New Zealand	20.1	-9.3	87.5	-6.6	4.9
International	6.4	7.4	29	11	1.6
Total	**426.5**	**-2.7**	**1,780.8**	**-0.6**	**100.0**
Total New Zealand	18,367	-2.8	77,967	0.5	

AT A GLANCE //



>> 77% of total spending in the region was from locals

>> 23% of total spending in the region was from visitors

RETAIL PRECINCTS

The breakdown of annual spending for the region by Palmerston North city and the Manawatū district over this period, is as follows:

>> Palmerston North city: $1,492 million, a decrease of 0.7%
Among the four city precincts, the highest annual growth rate was seen in the Terrace End precinct, increasing by 0.8%, followed by the inner CBD precinct at an increase of 0.5%. Both of these precincts saw growth that was on par with the national average growth rate of 0.5%.

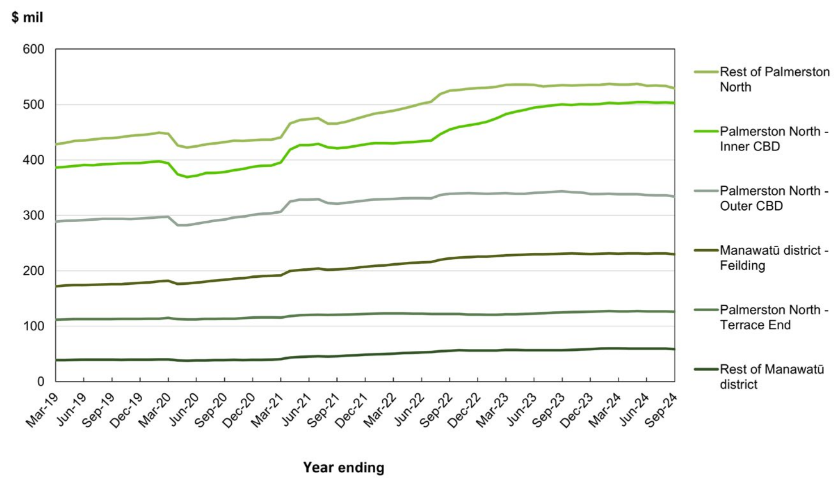
>> Manawatū district: $288 million, an increase of 0.2%.
Retail spending in the rest of Manawatū district (i.e., excluding Feilding) had the highest growth over the year, increasing by 3.1%, which was higher than the annual inflation rate of 2.2% and the national annual growth rate of 0.5%. Annual electronic card spending contracted by 0.5% in Feilding.

	SEPTEMBER QUARTER 2024		YEAR ENDING SEPTEMBER 2024		
Merchant Location	**Spending ($m)**	**Change from last year (%)**	**Spending ($m)**	**Change from last year (%)**	**Precinct share (%)**
Palmerston North Inner CBD	121	-1.3	503	0.5	28.2
Palmerston North Outer CBD	79	-3.3	334	-2.6	18.8
Palmerton North Terrace End	31	-2.6	126	0.8	7.1
Rest of Palmerston North	127	-3.5	530	-1	29.7
Palmerston North	**358**	**-2.6**	**1,492**	**-0.7**	**83.8**
Feilding	55	-2	230	-0.5	12.9
Rest of Manawatū district	13	-6.4	59	3.1	3.3
Manawatū district	**68**	**-2.9**	**288**	**0.2**	**16.2**
Total Manawatū region	**426**	**-2.7**	**1,781**	**-0.6**	**100.0**
Total New Zealand	18,367	-2.8	77,967	0.5	

For the September 2024 quarter, we have noticed negative quarter on quarter growth for all six retail precincts with declines of up to 6%. The last time we observed all precincts registering negative growth was during the pandemic over the quarter to June 2020, albeit with higher decline of up to 29%.

These current declines are due to the continuation of elevated interest rates and a pullback in discretionary spending. As households and businesses start to cycle through onto lower interest rates, we can expect consumer spending to start to rebound.

MANAWATŪ REGION: RETAIL PRECINCTS ANNUAL ELECTRONIC CARD SPENDING ($ MILLION)



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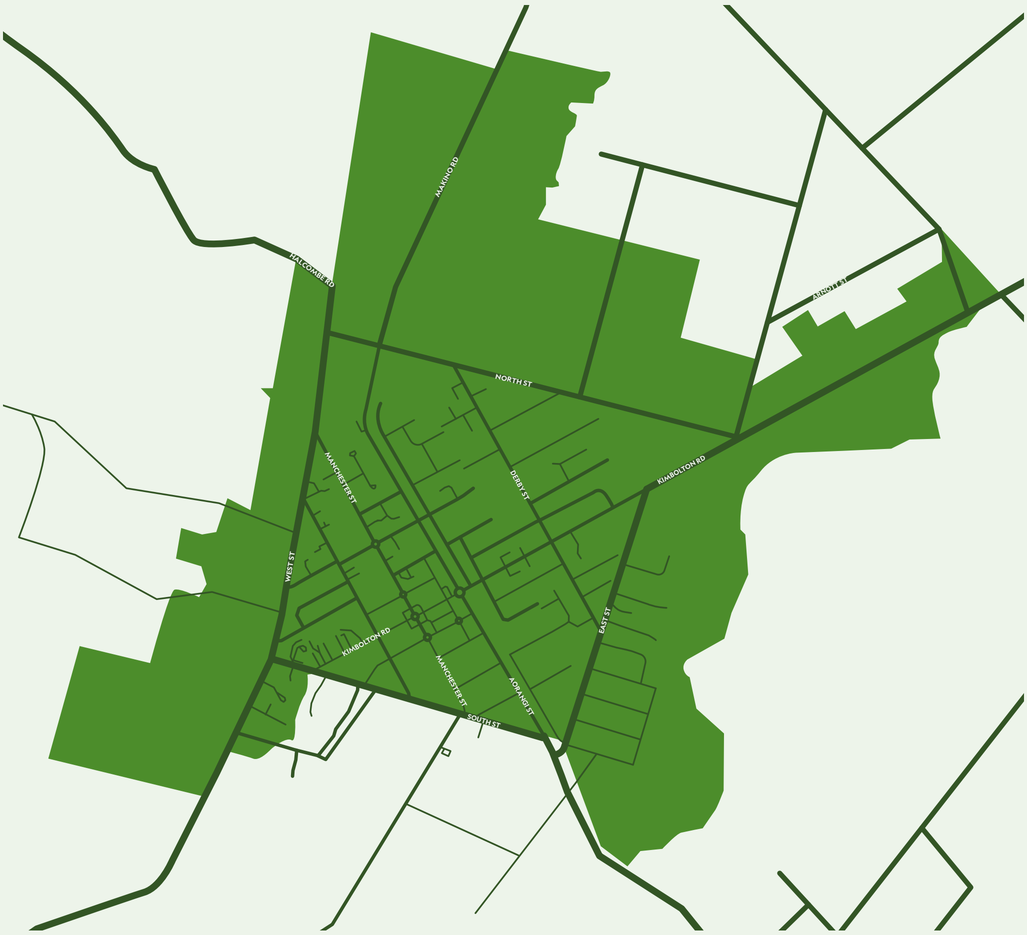
PALMERSTON NORTH RETAIL PRECINCTS

FEILDING RETAIL PRECINCT



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RETAIL FLOW

For the year ending September 2024, total annual residents spending in New Zealand was $1,364 million, increasing by 0.1% compared to the year ending September 2023. Annual visitor spending was $417 million, down 2.5% compared to the same period the previous year. The net gain in spending for the region in the year ending September 2024 was $137 million, a 3.8% decline compared to the previous year. Our region's loyalty rate, i.e., the percentage of the Manawatū region's resident spending at Manawatū retailers, was 83%. This is a slight improvement on the five-year average of 82.8%.

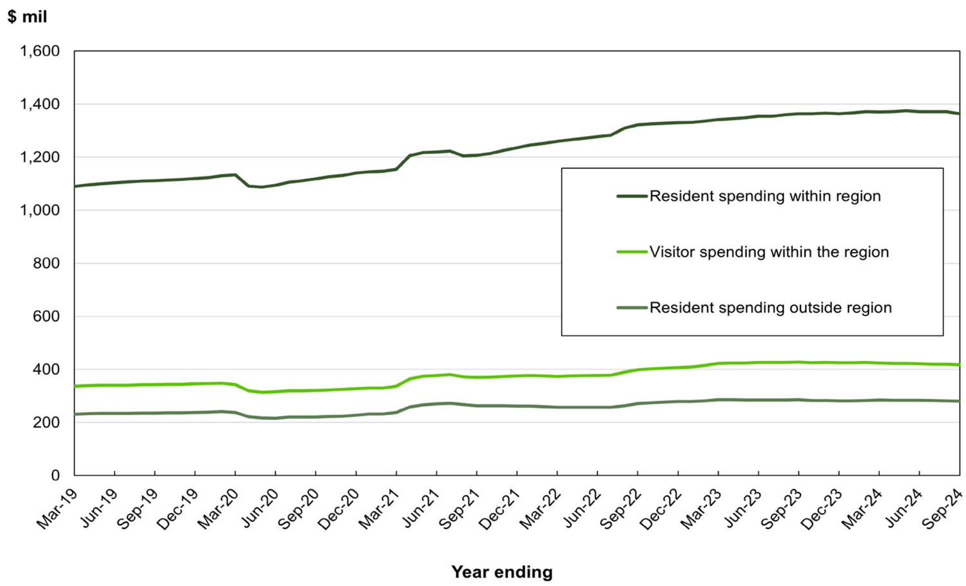
	SEPTEMBER QUARTER 2024		YEAR ENDING SEPTEMBER 2024	
Cardholer origin	**Spending ($m)**	**Change from last year (%)**	**Spending ($m)**	**Change from last year (%)**
Resident spending locally [a]	329	-2.1	1,364	0.1
Visitor spending [b]	97	-2.6	417	-2.5
Total spending at Manawatū region merchants [c]	**426**	**-2.7**	**1,781**	**-0.6**
Resident spending outside* region [d]	61	-6.1	280	-1.9
Total resident spending [e] = [a]+[d]	391	-2.7	1,644	-0.3
Net gain in spending for region [b]-[d]	36	-2.1	137	-3.8
**Manawatū region loyalty rate ** **	**84.3%**		**83%**	

* There is no information available on resident spending overseas

**Percentage of Manawatū region resident spending at Manawatū retailers (i.e., [a]/[e])

MANAWATŪ REGION: RETAIL FLOWS FROM ELECTRONIC CARD RETAIL SPENDING

($mil)



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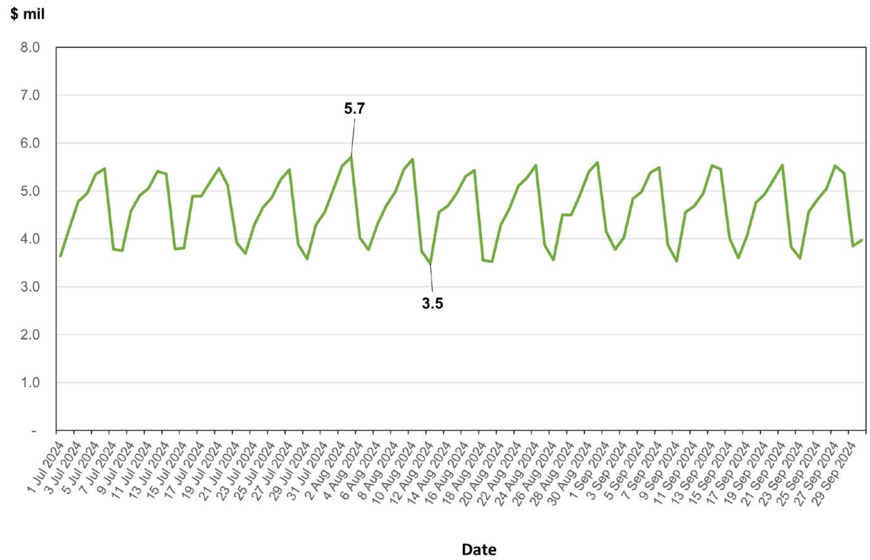
DAILY & WEEKLY SPENDING

The busiest day of the week for spending in the region is usually on a Friday or Saturday. This quarter, the highest daily spend of $5.7 million was observed on Saturday 3rd August 2024. Multiple large events were held on this date, including Armageddon Expo at CET Arena, Hot Rod Club Swap Meet at Manfeild, and the Cycling NZ Premier Novice Tour. The lowest daily spending occurred on Monday, 12th August 2024, with $3.5 million spent across the region on this day.

The average weekly spending for the September 2024 was $32.5 million with the highest weekly spend of $33.3 million observed over the week ending 21st July 2024 and the lowest weekly spend of $32 million was observed over the week ending 22nd September 2024.

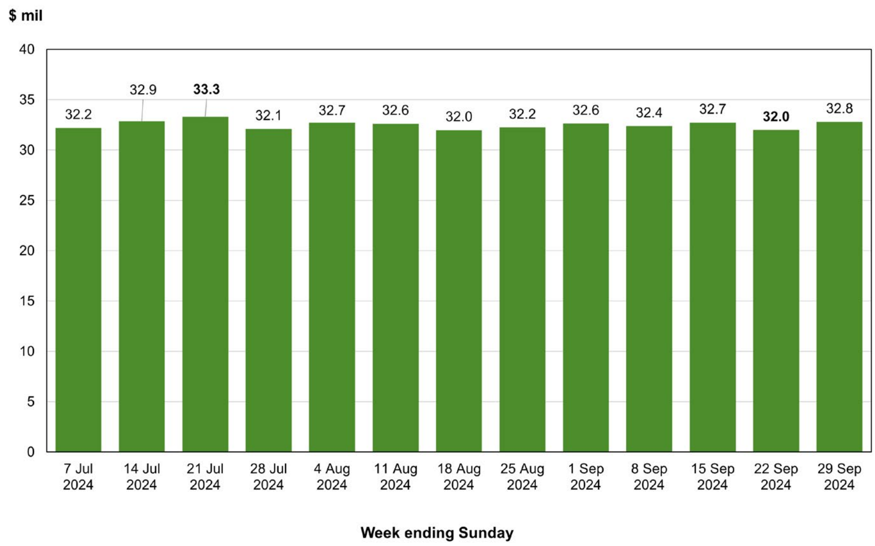
MANAWATŪ REGION: DAILY ELECTRONIC CARD RETAIL SPENDING

September Quarter 2024 ($ million)



MANAWATŪ REGION: WEEKLY ELECTRONIC CARD RETAIL SPENDING

September Quarter 2024 ($ million)



RETAIL SECTORS

	MANAWATŪ REGION YEAR ENDING SEPTEMBER 2024		NEW ZEALAND YEAR ENDING SEPTEMBER 2024		
Retail Sectors	**Spending ($m)**	**Change from last year (%)**	**Spending ($m)**	**Change from last year (%)**	Manawatū region share of New Zealand
Accommodation	29	-6	1,755	-6.3	1.6
Apparel & personal	109	-1.5	4,464	-2.9	2.5
Arts, recreation & visitor transport	32	-5.1	2,213	-5.9	1.4
Cafes, restaurants, bars & takeaways	234	-0.3	11,490	0.2	2
Fuel & automotive	325	2.3	13,260	3.5	2.5
Groceries & liquor	643	3.2	28,226	4.4	2.3
Home & recreational retail	404	-7.3	16,181	-5	2.5
Other consumer spending	5	21.9	378	3.5	1.2
Total	**1,781**	**-0.6**	**77,967**	**0.5**	**2.3**

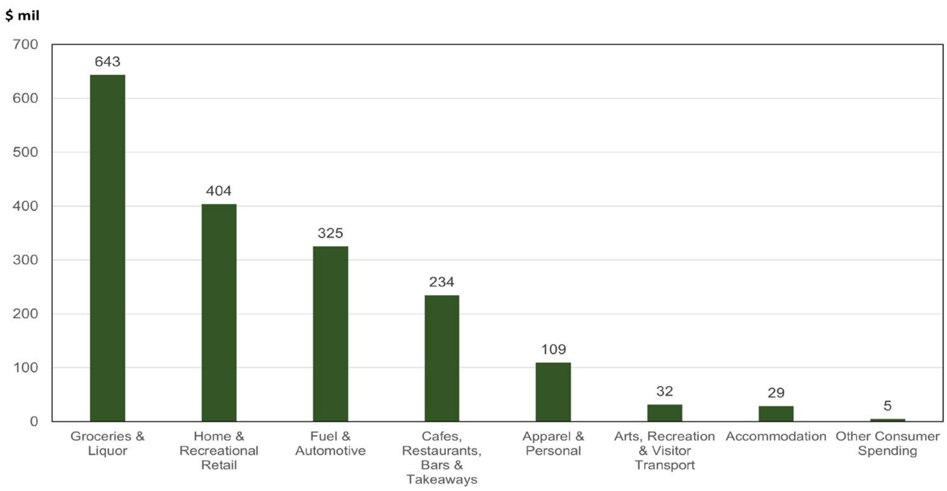
The region's annual spending was supported mainly by increased spending growth in the following categories

>> groceries and liquor up 3.2%, a $20 million increase
>> fuel and automotive up 2.3%, a $7 million increase
>> other consumer spending up 21.19%, a $1 million increase

In the region, spending on home and recreational goods declined by 7.3% over the year, with arts, recreation and visitor transport down 5.1% compared with the year ending September 2023, and accommodation down 6%. This is consistent with the contraction of spending as household budgets come under pressure due to the continuation of higher borrowing and living costs. At the national level, spending on home and recreational retail fell by 5%, followed by spending on accommodation, arts, recreation and visitor transport which was down 6%.

MANAWATŪ REGION: ELECTRONIC CARD SPENDING BY RETAIL SECTOR

Year ending September 2024 ($ mil)



In terms of the share of annual spending for year ending September 2024, the top three categories were the same as reported in the June quarter, which were:

>> groceries and liquor $643m
>> home and recreational retail $404m
>> fuel and automotive $325m

Together these three categories add up to about 77% of total electronic card retail spending.

RETAIL SECTOR CLASSIFICATION

Accommodation
- >> Accommodation

Apparel & personal
- >> Clothing retailing
- >> Footwear retailing
- >> Watch & jewellery retailing
- >> Other personal accessory retailing
- >> Hairdressing & beauty services

Arts, recreation & visitor transport
- >> Interurban & rural bus transport
- >> Urban bus transport (including tramway)
- >> Taxi & other road transport
- >> Rail passenger transport
- >> Water passenger transport
- >> Air & space transport
- >> Scenic & sightseeing transport
- >> Passenger car rental & hiring
- >> Other motor vehicle & transport equipment rental & hire
- >> Travel agency & tour arrangement services
- >> Museum operation
- >> Zoological & botanical gardens operation
- >> Nature reserves & conservation parks operation
- >> Performing arts operation
- >> Creative artists, musicians, writers & performers
- >> Performing arts venue operation
- >> Health & fitness centres & gymnasia operation
- >> Sport & physical recreation clubs & sports professionals
- >> Sports & physical recreation venues, grounds & facilities
- >> Sport & physical recreation admin & track operation
- >> Horse & dog racing administration & track operation
- >> Other horse & dog racing activities
- >> Amusement parks & centres operation
- >> Amusement & other recreation activities n.e.c
- >> Casino operation
- >> Lottery operation
- >> Other gambling activities

Cafes, restaurants, bars & takeaways
- >> Cafes & restaurants
- >> Takeaway food services
- >> Catering services
- >> Pubs, taverns & bars
- >> Clubs (hospitality)

Fuel & automotive
- >> Motor vehicle parts retailing
- >> Tyre retailing
- >> Fuel retailing
- >> Other automotive repair & maintenance

Groceries & liquor
- >> Supermarket & grocery stores
- >> Fresh meat, fish & poultry retailing
- >> Fruit & vegetable retailing
- >> Liquor retailing
- >> Other specialised food retailing

Home & recreational retail
- >> Sport & camping equipment
- >> Entertainment media retailing
- >> Toy & game retailing
- >> Newspaper & book retailing
- >> Marine equipment retailing
- >> Department stores
- >> Pharmaceutical, cosmetic & toiletry goods
- >> Stationery goods retailing
- >> Antique & used goods retailing
- >> Flower retailing
- >> Other store-based retailing n.e.c.
- >> Furniture retailing
- >> Floor coverings retailing
- >> Houseware retailing
- >> Manchester & other textile goods retailing
- >> Electrical, electronic & gas appliance retailing
- >> Computer & computer peripheral retailing
- >> Other electrical & electronic goods retailing
- >> Hardware & building supplies retailing
- >> Garden supplies retailing

Other consumer spending
- >> Car retailing
- >> Motorcycle retailing
- >> Trailer & other motor vehicle retailing
- >> Retail commission-based buying & selling

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