QUARTERLY ELECTRONIC CARD RETAIL SPENDING

INCLUDING TOURISM RELATED SECTORS // DECEMBER 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.

Manawatū comprises the two councils of Palmerston North City and Manawatū District

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OVERVIEW

Retail card spending in the region declined by 1.3% in the December quarter 2024 compared with the previous December quarter. This is slightly greater than the New Zealand average quarterly decline of 0.7% over the same period.

Annual electronic card retail spending in the region declined by 0.8% over the year to December 2024, which is slightly greater than the national growth rate of 0.1%. Considering that the annual inflation rate in December 2024 was 2.2%, this indicates that there was a real decline in the value of retail spending both in the region and at a national level.

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

ELECTRONIC CARD RETAIL SPENDING

$480M

in the region December quarter 2024

1.3%

Decrease in the region compared to the December 2023 quarter.

0.7%

Decrease nationally over the same period.

DECEMBER 2024 QUARTER

Electronic Card Retail Spending was $480 million in the region for the December 2024 quarter, a decline of 1.3% from the December 2023 quarter. Retail spending in New Zealand was $21,152 million in the same quarter, with a 0.7% decrease nationally over the same quarter in the year prior.

The breakdown is as follows:

>> Palmerston North city: $403 million
1.1% decrease

>> Manawatū district: $77 million
2.3% decrease

MANAWATŪ

YEAR ENDING DECEMBER 2024

Annual electronic card retail spending in the region was $1,775 million, a decrease of 0.8% compared to the year ended December 2023. Overall retail spending in New Zealand was $77,833 million, an increase of 0.1% compared with the same period in the previous year.

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

>> Palmerston North city: $1,488 million
0.8% decrease

>> Manawatū district: $287 million
0.8% increase

ANNUAL ELECTRONIC CARD RETAIL SPENDING

$1,775M

in the region YE December 2024

0.8%

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

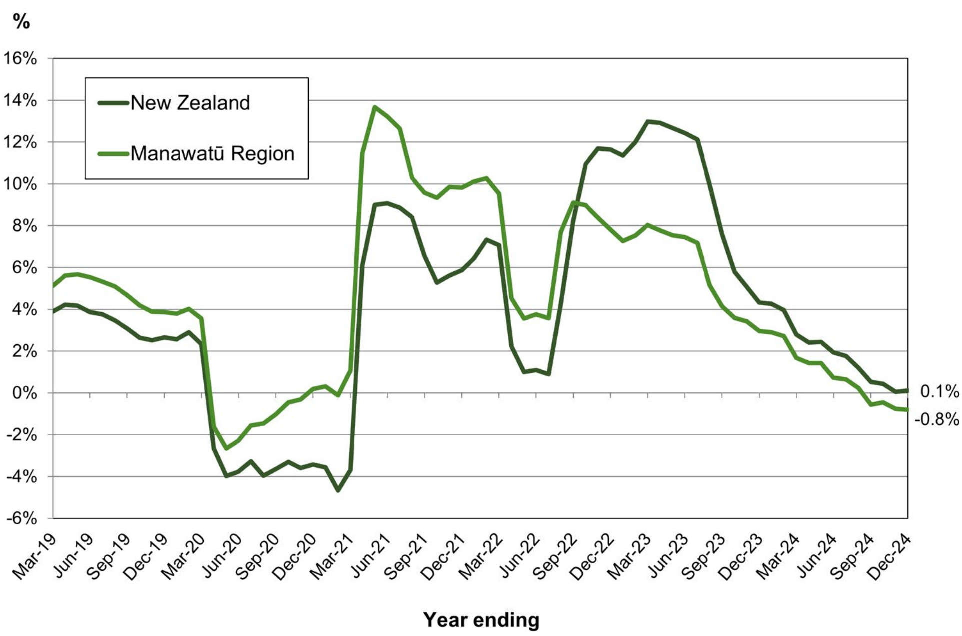
0.1%

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 to the same period the previous year. Prior to October 2022, our region's retail spending outperformed the national average, largely due to other parts of the country being more affected by reduced tourism and supply chain disruptions.

From October 2022 onward, national spending growth caught up and eventually surpassed the region's growth rate as a result of the pandemic. Since April 2023, annual spending growth has steadily declined for both New Zealand and our region. Between September and December 2024, we saw consecutive months of negative annual growth in the region - albeit less than 1%. This level of decline has not occurred since the early stages of the pandemic. For comparison, during the lockdown period (April to October 2020), our region experienced seven consecutive months of spending declines ranging from 1.0% to 2.7%.

ELECTRONIC CARD RETAIL SPENDING ANNUAL CHANGE (%)



MANAWATŪ

CUSTOMER ORIGIN

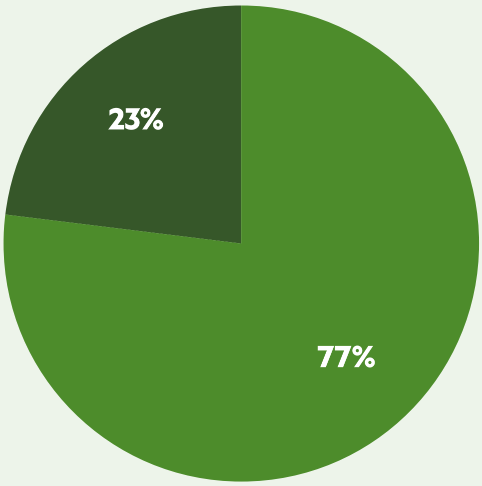
For the year ending December 2024, 77% of retail spending in the Manawatū region was from locals, totalling $1,359 million. This spending from locals decreased 0.4% compared to the previous year. The visitor share (i.e. consisting of domestic and international visitors) of Manawatū region's spending was 23% of total spending. Although spending by international visitors for the year ending December 2023 increased 9%, international spending accounts for just $30 million which represents only 2% of total spending in the region.

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

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

	DECEMBER QUARTER 2024		YEAR ENDING DECEMBER 2024		
Cardholder origin	Spending ($m)	Change from last year (%)	Spending ($m)	Change from last year (%)	% share of spending
Local	366	-1.4	1,359	-0.4	76.6
Horowhenua district	19	-4.1	72	-0.4	4
Tararua district	17	0.7	62	-0.3	3.5
Rangitīkei district	15	1.1	56	-0.2	3.2
Wellington region	14	-8.4	52	-4.9	2.9
Auckland region	8	1.2	27	-6.5	1.5
Whanganui district	7	-6.4	24	-8.9	1.4
Ruapehu district	1	-1.3	5	-5.5	0.3
Rest of New Zealand	23	0.6	88	-4.5	4.9
International	9	12.9	30	9	1.7
Total	**480**	**-1.3**	**1,775**	**-0.8**	**100.0**
Total New Zealand	21,152	-0.7	77,833	0.1	

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

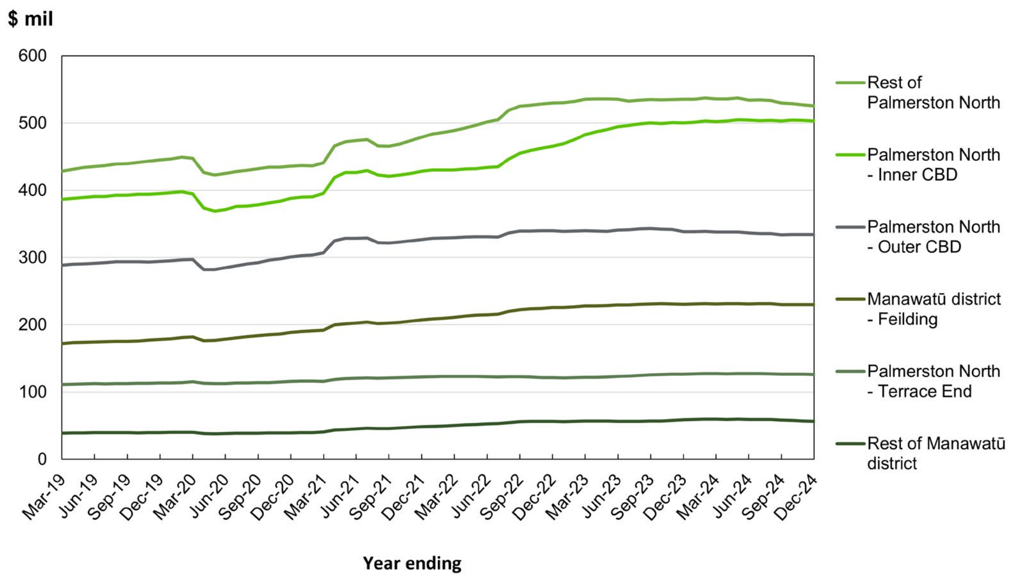
The breakdown of annual spending for the region by Palmerston North city and the Manawatū district over this period, is as follows:

>> Palmerston North city: $1,488 million, a decrease of 0.8%
Among the four city precincts, the highest annual growth rate was seen in the Inner CBD precinct, increasing by 0.6%. This was also the only precinct to have experienced positive growth. This increase is higher than the average annual growth rate of 0.1%, but lower than the annual inflation rate of 2.2%.

>> Manawatū district: $287 million, a decrease of 0.8%
The Manawatū district, including Feilding, saw a slight decline in annual spending, impacted by the recession throughout 2024. However, early 2025 indicators suggest a rebound, driven by higher agricultural prices and strong demand for New Zealand products. As revenue from agriculture rises, the district and wider Manawatū region is poised for increased incomes and spending.

	DECEMBER QUARTER 2024		YEAR ENDING DECEMBER 2024		
Merchant Location	**Spending ($m)**	**Change from last year (%)**	**Spending ($m)**	**Change from last year (%)**	**Precinct share (%)**
Palmerston North Inner CBD	138	0	500	0.6	28.3
Palmerston North Outer CBD	93	0.5	334	-1.3	18.8
Palmerton North Terrace End	34	-2	126	-0.7	7.1
Rest of Palmerston North	139	-2.8	536	-1.8	29.6
Palmerston North	**403**	**-1.1**	**1,488**	**-0.8**	**83.9**
Feilding	62	0.2	230	-0.2	13
Rest of Manawatū district	14	-12	57	-3.5	3.2
Manawatū district	**77**	**-2.3**	**287**	**-0.8**	**16.1**
Total Manawatū region	**480**	**-1.3**	**1,775**	**-0.8**	**100.0**
Total New Zealand	21,152	-0.7	77,833	0.1	

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

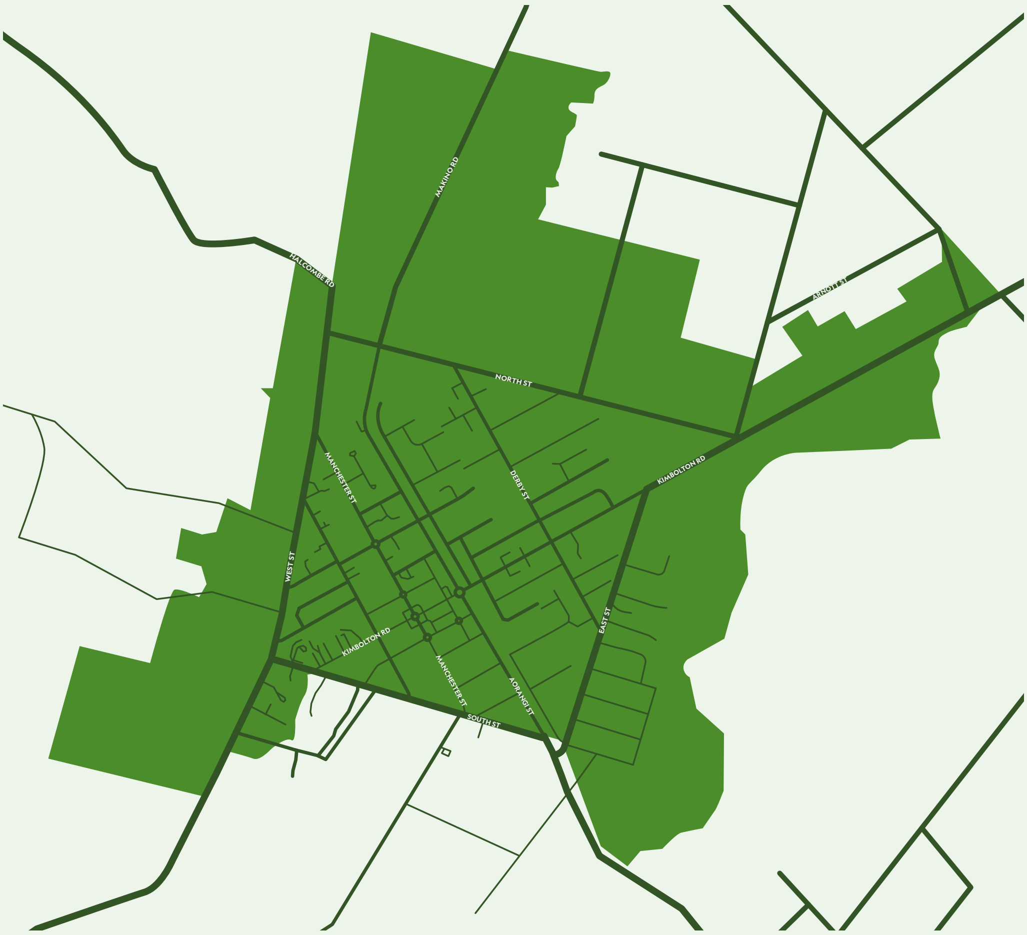


MANAWATŪ

PALMERSTON NORTH RETAIL PRECINCTS

PNCC Inner CBD PNCC Outer CBD PNCC Terrace End

FEILDING RETAIL PRECINCT



MANAWATŪ

RETAIL FLOW

For the year ending December 2024, total annual residents spending in Manawatū was $1,641 million, decreasing by 0.3% compared to the year ending December 2023. Annual visitor spending was $415 million, down 2.2% compared to the same period the previous year. Our region's loyalty rate, i.e., percentage of Manawatū region's resident spending at Manawatū retailers is stable at 82.9%, which is slightly higher than the five-year annual average 82.8%.

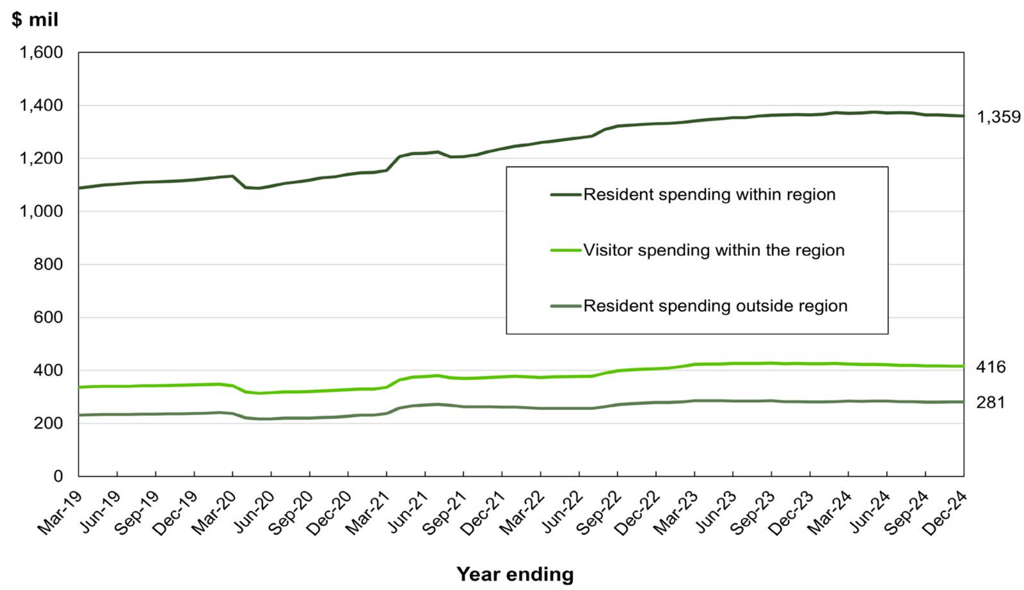
	DECEMBER QUARTER 2024		YEAR ENDING DECEMBER 2024	
Retail Flow	**Spending ($m)**	**Change from last year (%)**	**Spending ($m)**	**Change from last year (%)**
Resident spending locally [a]	366	-1.4	1,359	-0.4
Visitor spending [b]	114	-0.9	416	-2.2
Total spending at Manawatū region merchants [c]	**480**	**-1.3**	**1,775**	**-0.8**
Resident spending outside* region [d]	75	-1.7	281	0.2
Total resident spending [e] = [a]+[d]	441	-0.8	1,641	-0.3
Net gain in spending for region [b]-[d]	39	-5.7	134	-7
Manawatū region loyalty rate **	**82.9%**		**82.9%**	

* 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)



MANAWATŪ

DAILY & WEEKLY SPENDING

The busiest shopping days in the region typically fall on Fridays or Saturdays, as these are popular times for consumers to visit retail stores, dine out, and engage in entertainment activities. This pattern aligns with national trends, where weekends often see increased foot traffic and discretionary spending.

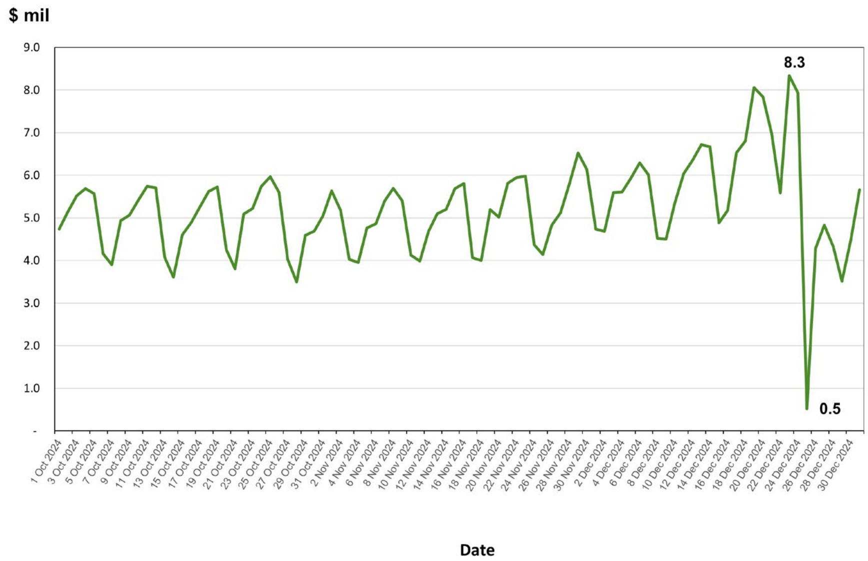
However, during the December 2024 quarter, the highest single-day spending occurred on Monday 23rd December, just before Christmas Eve, reaching $8.3 million. This spike in spending is largely driven by last-minute holiday shopping, as consumers rush to purchase gifts, groceries, and other festive necessities ahead of Christmas.

In contrast, the lowest spending day was Christmas Day, with only $0.5 million in transactions. This is expected, as the majority of businesses, including retail stores and hospitality venues, are closed for the holiday.

The average weekly spending for the December 2024 quarter was $37 million with the highest weekly spend of $47 million observed over the week ending 22nd December 2024 and the lowest weekly spend of $33 million was observed over the week ending 3rd November 2024.

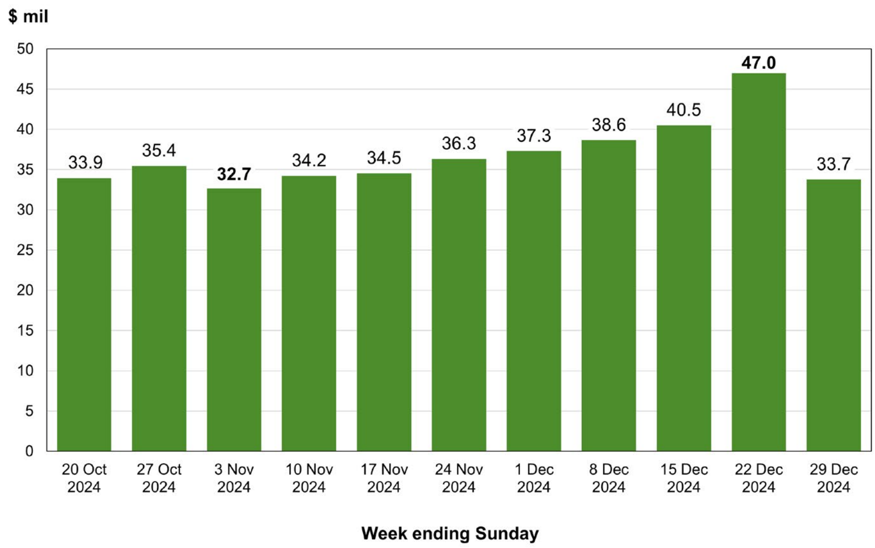
MANAWATŪ REGION: DAILY ELECTRONIC CARD RETAIL SPENDING

December quarter 2024 ($ million)



MANAWATŪ REGION: WEEKLY ELECTRONIC CARD RETAIL SPENDING

December quarter 2024 ($ million)



RETAIL SECTORS

Retail Sectors	MANAWATŪ REGION YEAR ENDING DECEMBER 2024 Spending ($m)	Change from last year (%)	NEW ZEALAND YEAR ENDING DECEMBER 2024 Spending ($m)	Change from last year (%)	Manawatū region share of New Zealand
Accommodation	28	-5.6	1,740	-5	1.6
Apparel & personal	109	-2.2	4,491	-1.1	2.4
Arts, recreation & visitor transport	31	-3.1	2,218	-4.2	1.4
Cafes, restaurants, bars & takeaways	235	-0.8	11,523	-0.2	2
Fuel & automotive	318	-1.3	13,022	0.5	2.4
Groceries & liquor	646	1.9	28,335	2.7	2.3
Home & recreational retail	402	-3.8	16,127	-2.8	2.5
Other consumer spending	5	15	377	1.7	1.2
Total	**1,775**	**-0.8**	**77,833**	**0.1**	**2.3**

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

>> groceries and liquor up 1.9%, a $12 million increase
>> other consumer spending up 15%, a $1 million increase

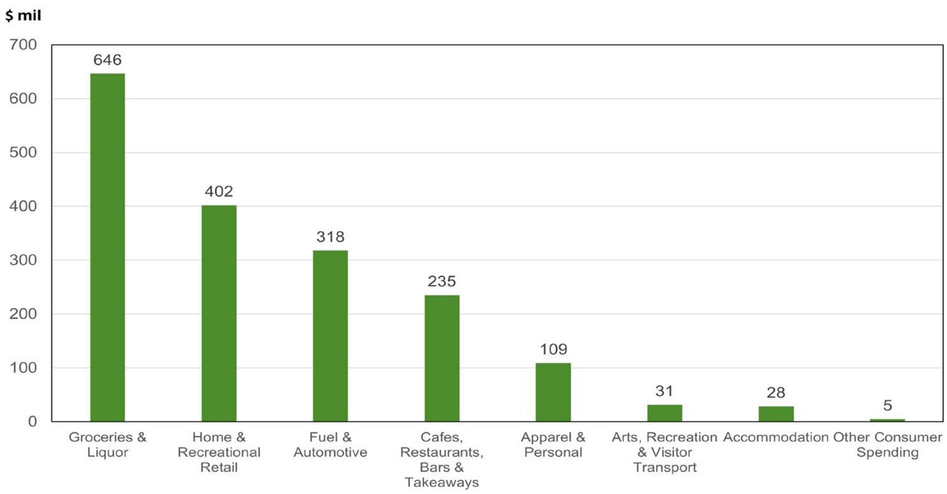
Nationally, groceries and liquor (2.7%), other consumer spending (1.7%) and fuel and automotive (0.5%) were the only retail categories that experienced positive growth.

In the region, spending on home and recreational goods declined by 3.8%, with arts, recreation and visitor transport down 3.1%, and accomodation down 5.6% compared with the year ending December 2023. 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 2.8%, followed by spending on accommodation which was down 5% and, arts, recreation and visitor transport down 6%.

MANAWATŪ REGION: ELECTRONIC CARD SPENDING BY RETAIL SECTOR

Year ending December 2024 ($ mil)



The top three retail categories in annual spending for year ending December 2024, were:

>> groceries and liquor $646m
>> home and recreational retail $402m
>> fuel and automotive $318m.

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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@MANAWATU_NZ
#THISISMANAWATU

EMAIL //
INFO@CEDA.NZ

PHONE //
+64 6 350 1830