QUARTERLY ELECTRONIC CARD RETAIL SPENDING

INCLUDING TOURISM RELATED SECTORS // MARCH 2025 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 12.

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

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OVERVIEW

Retail card spending in the region decreased by 2% in the March quarter 2025 compared with the previous March quarter. This is lower than the New Zealand average quarterly growth of -1.8% over the same period.

Annual electronic card retail spending decreased by 1.5% over the year to March 2025 which is behind the national growth rate of -1.3%. This compares with an annual inflation rate of 2.5% over the same period, indicating a real decline in the value of retail spending over the year. Annual retail spending experienced declines in most of the categories, except for groceries and liquor which rose by 1%, and other spending which increased by 1%. For more details, refer to the table in the section on Retail sectors on **page 11.**

ELECTRONIC CARD RETAIL SPENDING

$426M

in the region March quarter 2025

2%

Decrease in the region compared to the March 2024 quarter.

1.8%

Decrease nationally over the same period.

MARCH 2025 QUARTER

For the quarter ending March 2025, total electronic card retail spending in the region was $426 million, which is a 2% decrease from the March 2024 quarter. Retail spending in New Zealand was $19,384 million, a decrease of 1.8% over the same period.

The breakdown is as follows:

>> Palmerston North city: $356 million
2.1% decrease

>> Manawatū district: $70 million
1.5% decrease

YEAR ENDING MARCH 2025

Annual electronic card retail spending in the region was $1,777 million, a decrease of 1.5% compared to the year ended March 2024. National retail spending decreased by 1.3%, to reach a total of $77,605 million in the March 2025 year. This continues to indicate negative real growth in retail spending in the region and nationally, as the fall in retail spending is over and above the 2.5% increase in consumer prices (CPI) over the year.

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

>> Palmerston North city: $1,492 million
1.5% decrease

>> Manawatū district: $286 million
1.7% decrease

ANNUAL ELECTRONIC CARD RETAIL SPENDING

$1,777M

in the region YE March 2025

1.5%

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

1.3%

Decrease nationally compared to the same period last year.

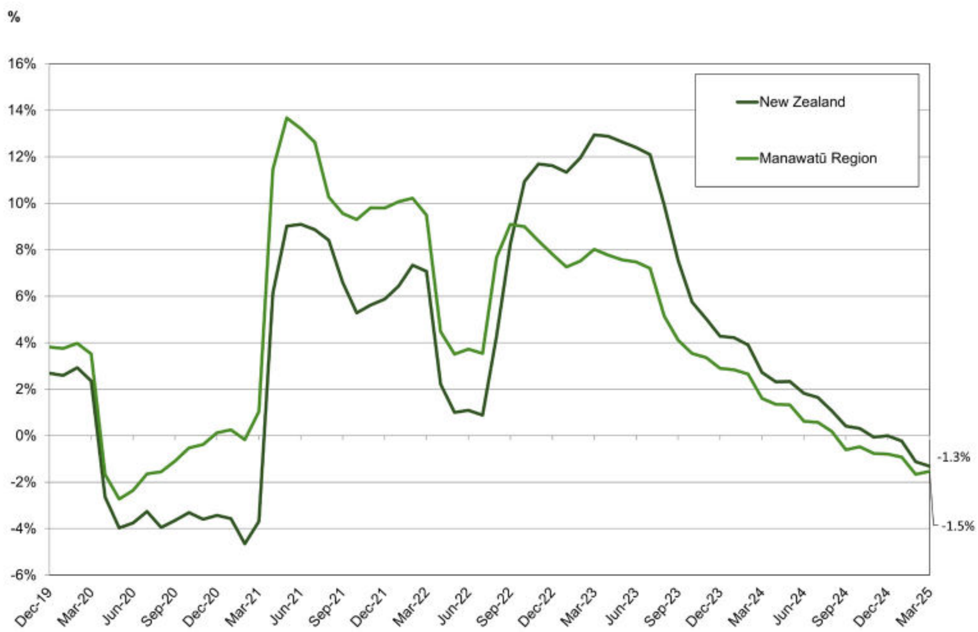
MANAWATŪ

The following chart shows the annual percentage change (i.e., rolling 12 months) in spending compared with the year before. Prior to October 2023, 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 the pandemic restrictions, relative to other parts of the country. As international tourism has begun to recover, the average New Zealand growth rate has caught up and is now exceeding the rate of growth in the region.

Challenging economic conditions more recently, has again put downward pressure on spending growth, with overall annual growth rates in spending for New Zealand and the region declining since April 2023 with our region experiencing consecutive negative annual growth rates since September 2024. In comparison, during the pandemic, the region experienced seven consecutive months (from April to October 2020) of declining annual spend, ranging 1% to 2.7%.

This general slowing of economic activity across the country has narrowed the gap between the region's annual growth rate and the New Zealand annual growth rate. The easing of interest rates is expected to stimulate retail spending in 2025.

ELECTRONIC CARD RETAIL SPENDING ANNUAL CHANGE (%)



MANAWATŪ

CUSTOMER ORIGIN

For the year ending March 2025, 77% of retail spending in the Manawatū region was from locals, totalling $1,362 million. Spending from locals decreased 1.2% 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. Over the past 12 months, the highest increase in spending was from international visitors, increasing by 11.6%. With annual spending of $31 million, international visitors represented just 2% of total spending in our region.

The top five spenders into our region from across New Zealand for the year ending March 2025 contributed 15% of total annual spending, and were:

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

	MARCH 2025 QUARTER		YEAR ENDING MARCH 2025		
Cardholder origin	Spending ($m)	Change from last year (%)	Spending ($m)	Change from last year (%)	% share of spending
Local	325	-1.8	1362	-1.2	76.6
Horowhenua district	16	-8.2	71	-2.5	4
Tararua district	14	-6.8	61	-1.7	3.4
Rangitīkei district	13	-4.3	56	-0.9	3.2
Wellington region	13	0.4	52	-4.7	2.9
Auckland region	7	-1.1	27	-5.7	1.5
Whanganui district	6	-6.2	24	-9.2	1.4
Ruapehu district	1	-0.4	5	-4.2	0.3
Rest of New Zealand	22	-3.7	87	4.5	4.9
International	9	15.7	31	11.6	1.8
Total	**426**	**-2**	**1,777**	**-1.5**	**100**
Total New Zealand	19,384	-1.7	77,643	-1.3	

RETAIL PRECINCTS

In the March 2025 quarter, a contraction in consumer spending affected all parts of our region with declines in annual spending ranging from 0.2% to 6.9% for year ending March 2025.

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

>> Palmerston North city $1,492 million, a decrease of 1.5%
Among the city's four retail precincts, the largest decrease in annual spend was experienced in the 'Rest of Palmerston North' precinct with a decline of 2.5% and a total spend of $523 million.

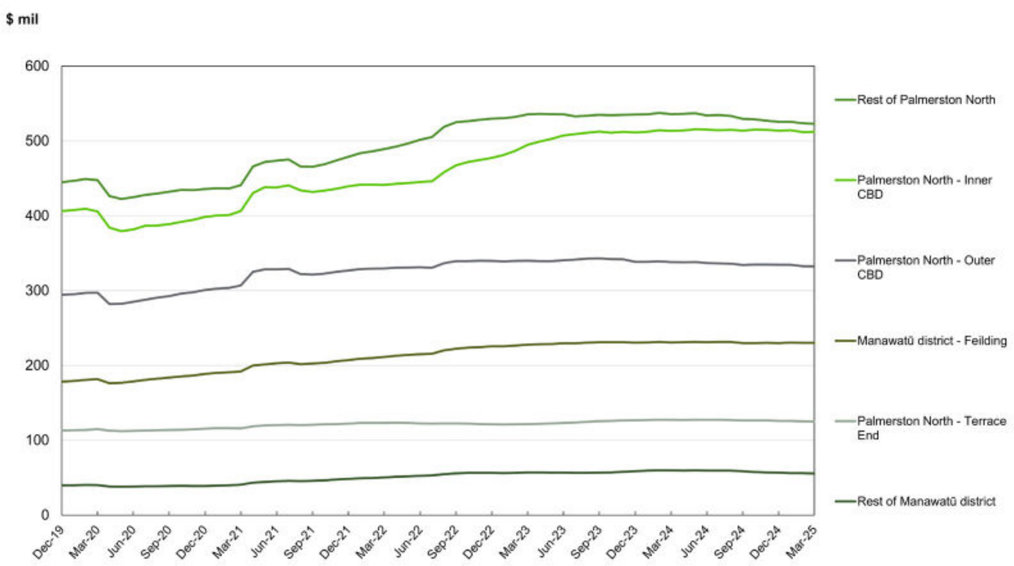
This is slightly more than the overall decrease in spending across Palmerston North overall which saw a year-on-year drop of 1.5%. The smallest decline for the year was seen in the inner CBD of the city which sat at 0.2%

>> Manawatū district $286 million, a decrease of 1.7%
The rest of Manawatū district saw a bigger decrease of 6.9% for the year, with a total spend of $56 million. In Feilding, a marginal decrease of 0.4% was seen with a total spend of $230 million in the year to March 2025.

The following table shows the quarter and annual spending by precincts.

	MARCH QUARTER 2025		YEAR ENDING MARCH 2025		
Merchant Location	**Spending ($m)**	**Change from last year (%)**	**Spending ($m)**	**Change from last year (%)**	**Precinct share (%)**
Palmerston North Inner CBD	121	-1.2	512	-0.2	28.8
Palmerston North Outer CBD	78	-2.9	332	-1.8	18.7
Palmerton North Terrace End	29	-3.5	125	-1.9	7
Rest of Palmerston North	127	-2.2	523	-2.5	29.4
Palmerston North	**356**	**-2.1**	**1,492**	**-1.5**	**83.9**
Feilding	56	0	230	-0.4	12.9
Rest of Manawatū district	14	-7	56	-6.9	3.1
Manawatū district	**70**	**-1.5**	**286**	**-1.7**	**16.1**
Total Manawatū region	**426**	**-2**	**1,777**	**-1.5**	**100.0**
Total New Zealand	19,384	-1.7	77,643	-1.3	

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



MANAWATŪ

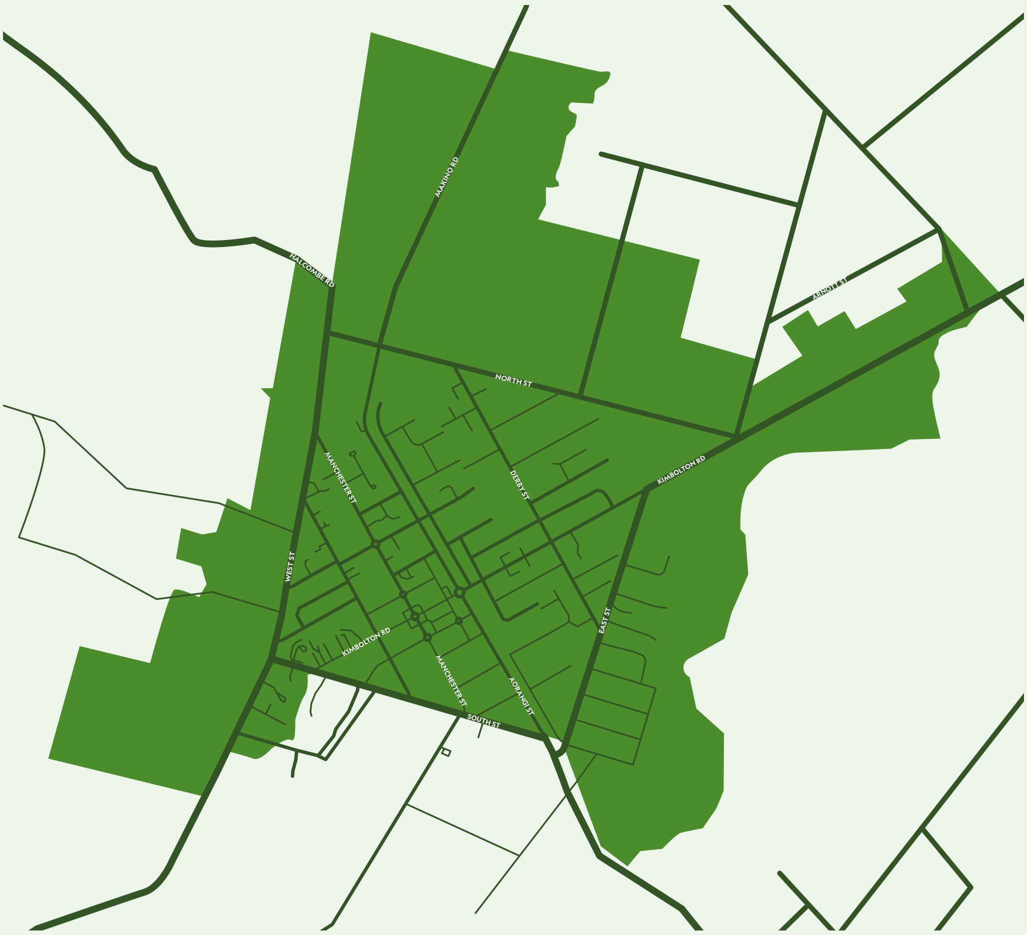
PALMERSTON NORTH RETAIL PRECINCTS

PNCC Inner CBD

PNCC Outer CBD

PNCC Terrace End

FEILDING RETAIL PRECINCT



MANAWATŪ

RETAIL FLOW

For the year ending March 2025, resident spending outside of the region was $275 million, decreasing by 3.6% compared to the year ending March 2024. In total, annual residents spending in New Zealand was $1,637 million, a decrease of 1.6% compared to the same period in the previous year.

Annual visitor spending was $416 million, down 2.5% compared to the same period in the previous year. The net gain in spending for the region was down 0.3% for the year ending March 2025.

Our region's loyalty rate, i.e., the percentage of Manawatū region's resident spending at Manawatū retailers has increased slightly to 83.2%. This is slightly higher than the five-year annual average of 82.9%.

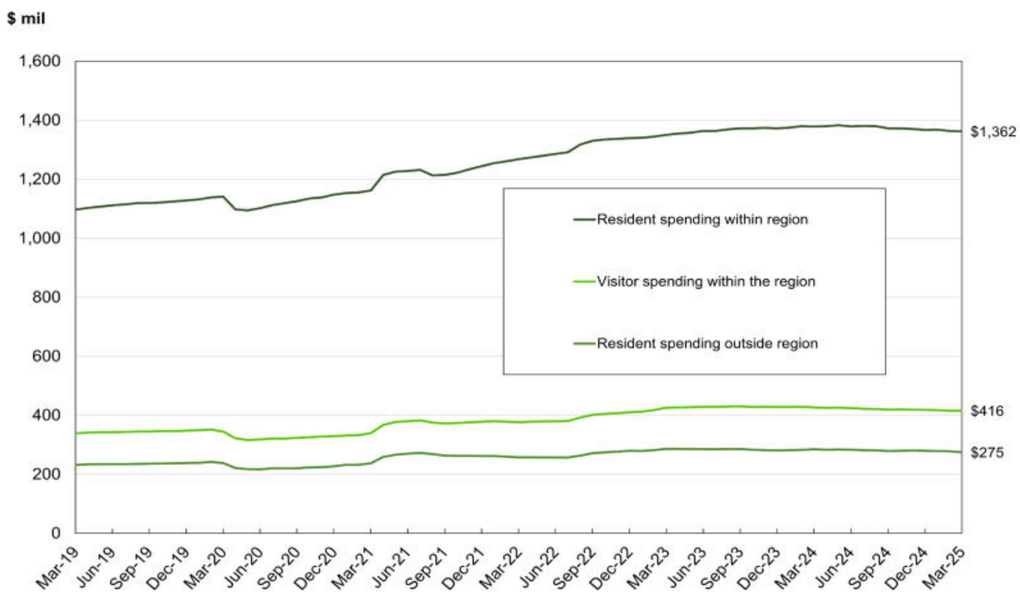
	MARCH QUARTER 2025		YEAR ENDING MARCH 2025	
Retail Flow	**Spending ($m)**	**Change from last year (%)**	**Spending ($m)**	**Change from last year (%)**
Resident spending locally [a]	325	-1.8	1,362	-1.2
Visitor spending [b]	101	-2.4	416	-2.5
Total spending at Manawatū region merchants [c]	**426**	**-1.9**	**1,777**	**-1.5**
Resident spending outside* region [d]	74	-6.8	275	-3.6
Total resident spending [e] = [a]+[d]	399	-2.8	1,637	-1.6
Net gain in spending for region [b]-[d]	27	12.3	141	-0.3
**Manawatū region loyalty rate ** **	**80.5%**		**83.2%**	

* 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

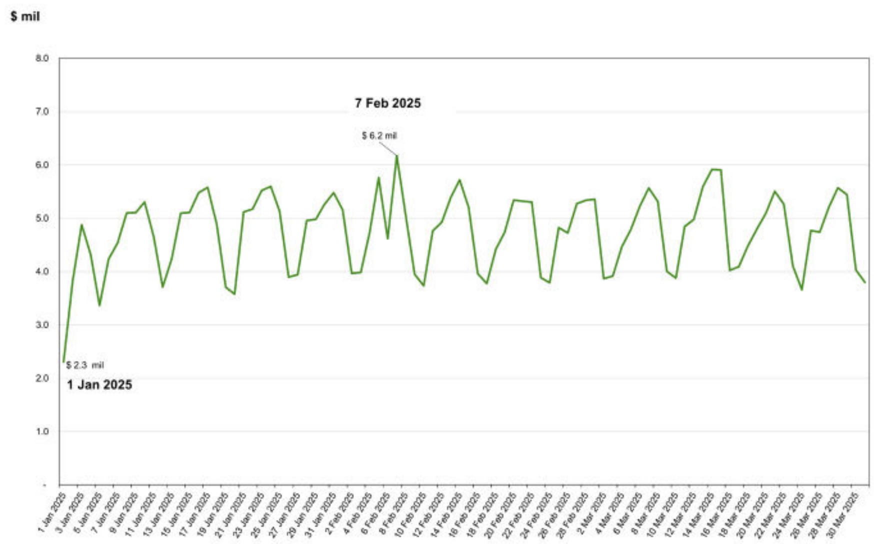
The busiest shopping days in the region typically fall on Fridays or Saturdays, as these are popular times for consumers to visit retail stores, dine out, and engage in entertainment activities. This pattern aligns with national trends, where weekends often see increased foot traffic and discretionary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

In the March 2025 quarter, the highest spending was on Friday the 7th February, which was the day after Waitangi Day. On this day, the region saw a total spend of $6.2 million. The lowest spending occurred on New Year's Day with $2.3 million, which could be attributed to the number of businesses that closed for the public holiday.

Over this quarter, the average weekly spending was $33 million with the highest weekly spend of $35 million for the week ending 16 March 2025. This week saw a number of key events in the region including Central District Field Days, Golf Super 6s Charles Tour Event and the Manawatū Walking Festival. This busy events calendar for the week ending 16th March 2025 is likely to have contributed to the higher period of spend.

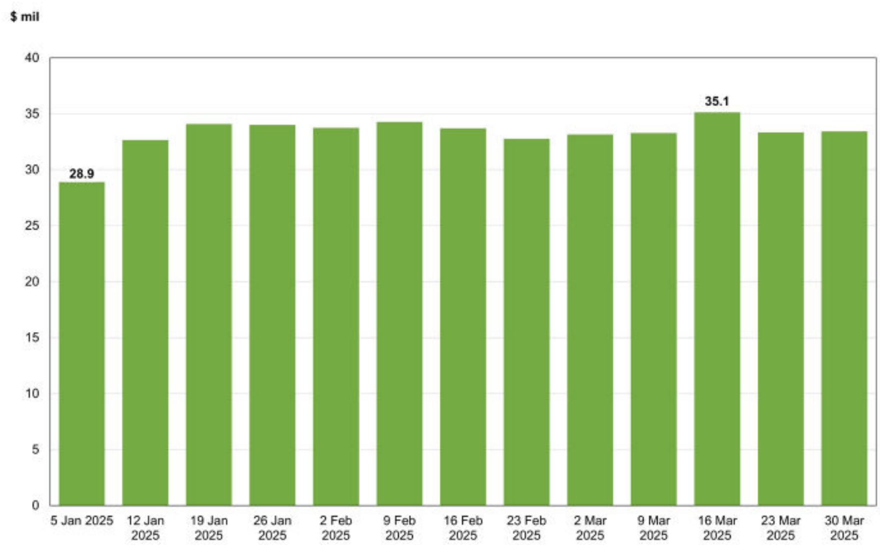
MANAWATŪ REGION: DAILY ELECTRONIC CARD RETAIL SPENDING

March quarter 2025 ($ million)



MANAWATŪ REGION: WEEKLY ELECTRONIC CARD RETAIL SPENDING

March quarter 2025 ($ million)

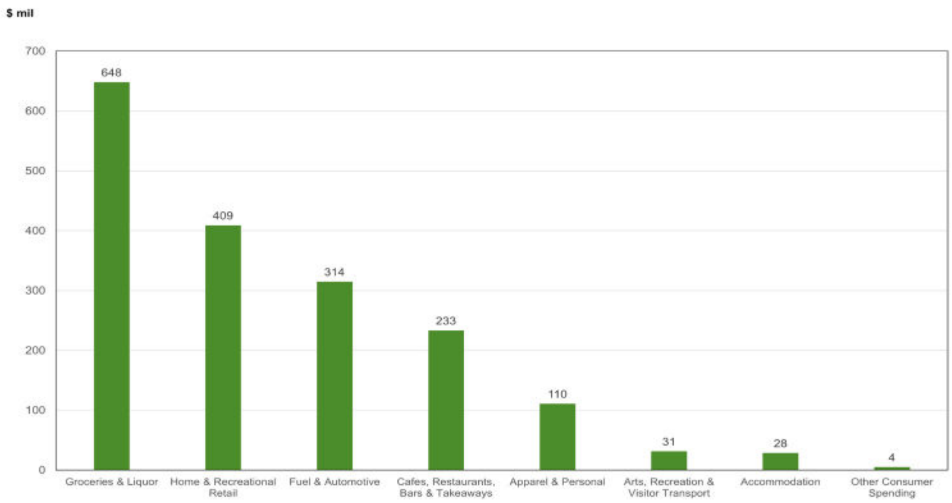


RETAIL SECTORS

	MANAWATŪ REGION YEAR ENDING MARCH 2025		NEW ZEALAND YEAR ENDING MARCH 2025		
Retail Sectors	**Spending ($m)**	**Change from last year (%)**	**Spending ($m)**	**Change from last year (%)**	Manawatū region share of New Zealand
Accommodation	28	-6	1,697	-7.8	1.6
Apparel & personal	110	-2.2	4,602	-1.2	2.4
Arts, recreation & visitor transport	31	-4.6	2,202	-4.5	1.4
Cafes, restaurants, bars & takeaways	233	-1.7	11,463	-1.4	2
Fuel & automotive	314	-3.7	12,908	-2.2	2.4
Groceries & liquor	648	1.1	28,334	1	2.3
Home & recreational retail	409	-3	16,060	-3.4	2.5
Other consumer spending	4	0.6	376	0.6	1.2
Total	**1,777**	**-1.5**	**77,643**	**-1.3**	**2.3**

MANAWATŪ REGION: ELECTRONIC CARD SPENDING BY RETAIL SECTOR

Year ending March 2025 ($ mil)



Only two retail categories experienced positive annual growth in the year to March 2025:

>> groceries and liquor up 1.1%, to a total of $648 million
>> other consumer spending up 0.6%, to a total of $4 million

All other categories experienced declines which is consistent with the contraction of spending seen at the national level for the same period.

In the region, the following three categories experienced the highest annual declines for the year ending March 2025:

>> accommodation down 6%
>> arts, recreation and visitor transport down 4.6%
>> fuel and automotive down 3.7%

The top three retail categories in annual spending for year ending March 2025, were:

>> groceries and liquor $648m
>> home and recreational retail $409m
>> fuel and automotive $314m

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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