

WESTPAC NZ RETAIL SPENDING PULSE

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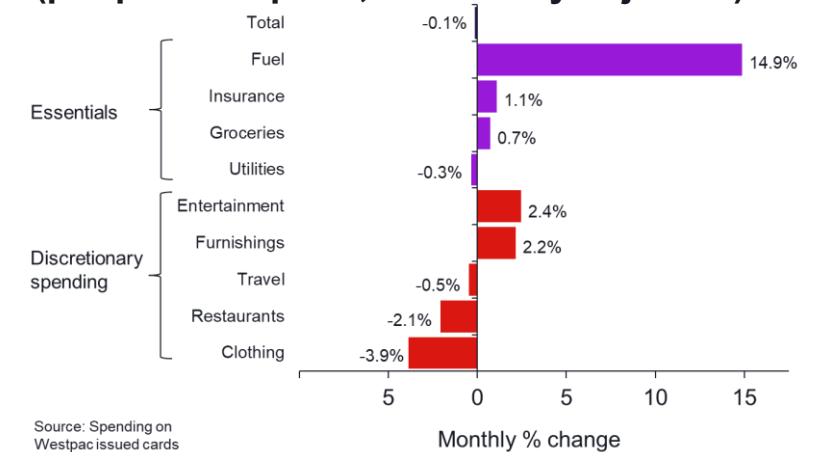
March 2026



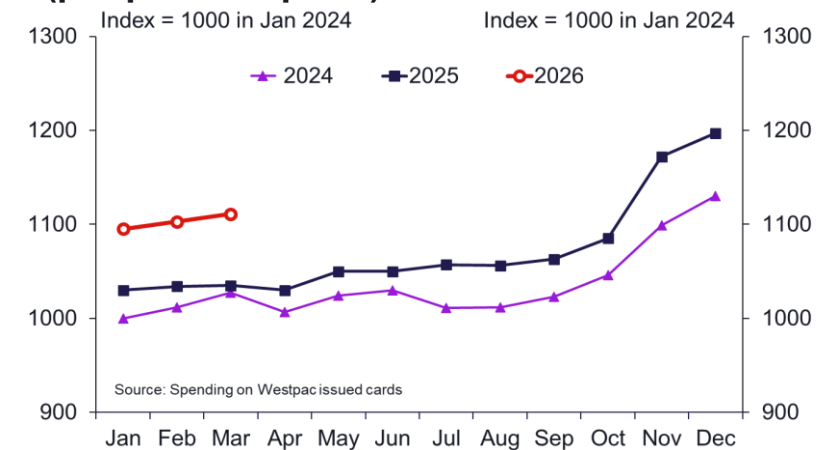
FILLING UP THE TANK, BUT PUMPING THE BREAKS ON OTHER SPENDING.

- Our March card spending report provides our first detailed look at how household spending has been tracking in the wake of the Middle East war, with the drag from rising living costs clearly evident.
- Adjusting for normal seasonal variations, per-person spending on Westpac issued debit and credit cards was essentially flat in March. And with prices pushing higher, that means many of us are getting less in our shopping baskets each time we go through the check out.
- Looking under the hood, there have been some big changes across spending categories.
- Spending on fuel rose a massive 15% over the past month as many of us rushed to top up (we take a closer look at what's happened to fuel spending over the page). We also saw a 0.7% rise in grocery purchases, with many households stocking up on essentials as the Middle East conflict stoked concerns about shortages and cost increases.
- But while spending on essentials has lifted, higher fuel prices have syphoned a large amount of cash out of New Zealander's wallets. Those cost of living pressures combined with nervousness about the economic outlook have seen many households winding back their discretionary spending. Notably, we saw a sizeable 2% drop in spending on takeaways and in restaurants. Dining out is often the first area where households cut back their spending when fuel or other living costs rise, and it could be a tough few months for the hospitality sector.
- Spending levels are still holding above the levels that we saw this time last year. However, we expect that spending growth will remain muted over the coming months. While there's been a tentative pause in the Middle East conflict, global fuel prices remain elevated. And there is a long way to go before the resulting disruptions to fuel supply and global supply chains will dissipate. Here in New Zealand, ongoing costs of living pressures and economic uncertainty will be a drag on spending and employment growth over the next few months.

Monthly spending growth by category (per person spend, seasonally adjusted)



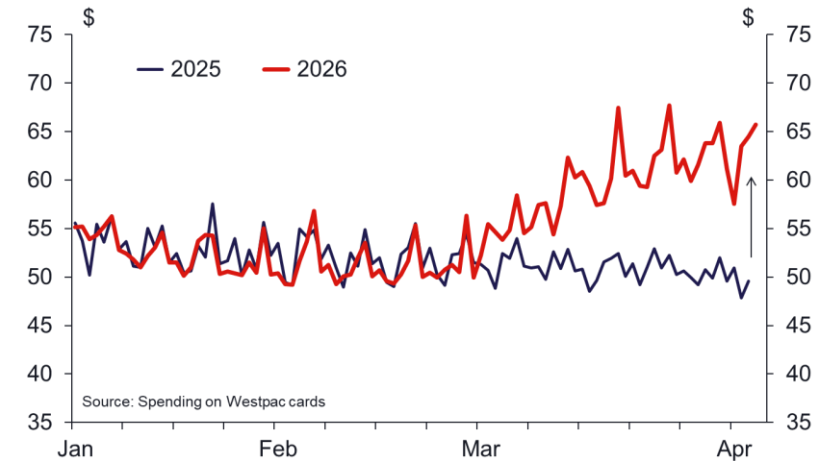
Monthly spending growth by category (per person spend)



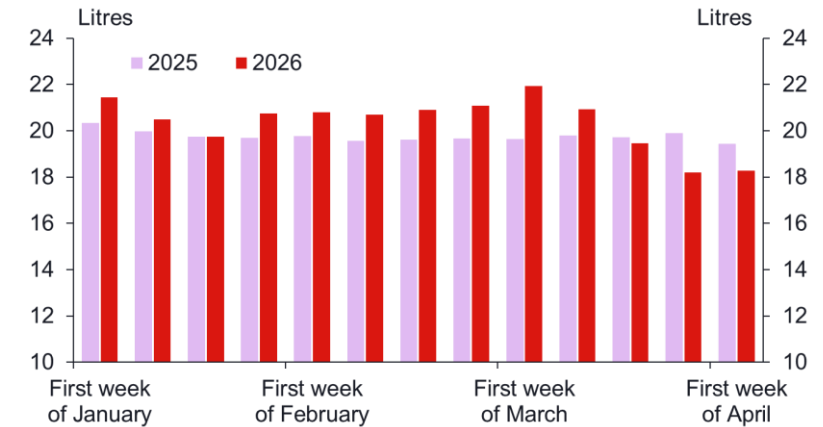
WE'RE SPENDING A LOT MORE ON FUEL, BUT GETTING LESS IN THE TANK.

- Data on Westpac issued cards shows that per-person spending on fuel in March was up 15% compared to the same time last year, and that lift has continued into the early part of April.
- But while we're spending more on fuel, the actual amount we're getting in the tank each time we top up is down around 6% to 8%.
- Since the start of the Middle East war, the average price of 91 unleaded around the country has risen by \$1.04/ltr, an increase of 40%. Over the same period, diesel prices have effectively doubled, rising by \$1.90/ltr. Global oil prices have fallen over the past few days, but are still at levels that are consistent with 91 unleaded pump prices that are well over \$3 / ltr.
- Those higher fuel costs are squeezing households' disposable incomes. Many of us are driving less. We're also seeing people cutting back their spending in other areas, like takeaways and dining out. There's also been a sharp lift in the sale of EVs over the past month.
- However, cost pressures aren't limited to fuel prices. Higher transport costs and other related disruptions are adding to the upward pressure on prices for a range of goods and services. That's going to push inflation sharply higher over the next few months. In fact, we're expecting that inflation will rise to around 4.1% in the June quarter. And the related pressure on households' budgets is going to be a drag on spending.

Average fuel spend per transaction



Average fuel top up amount (litres)

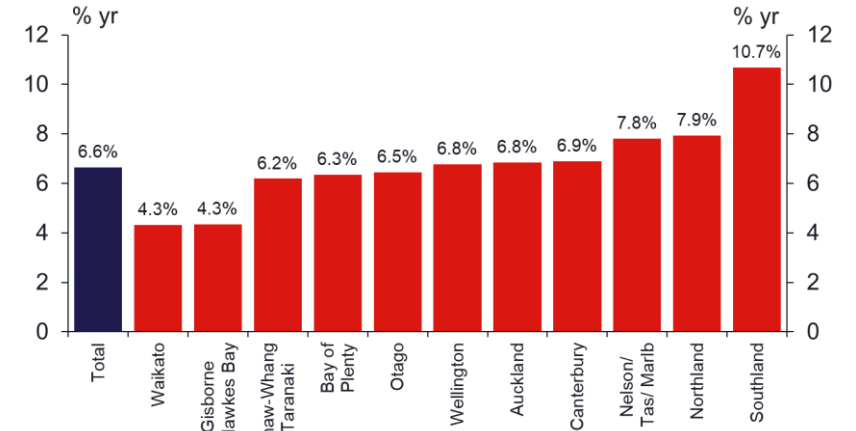


Source: Westpac estimates

REGIONAL BREAKDOWN

- While mounting cost of living pressures put the breaks on spending over the past month, across the country retails spending remains well up on the levels we saw this time last year.
- Spending growth remains strongest in areas with strong rural backbones, like Southland, Northland and Canterbury. Firmness in commodity prices has boosted incomes and spending appetites both on and off the farm.
- Auckland and Wellington have also seen a lift in spending over the past year, likely supported by earlier falls in interest rates. However, in the case of the Capital, while spending may be picking up, it remains low with businesses still reporting a lack of discretionary purchases.
- Spending growth remains more modest in Gisborne and the Bay of Plenty. Businesses in those regions have reported tough trading conditions. Feedback from our recent discussions with businesses included comments that households have been delaying spending, buying and replacing less, and instead repairing or making do with what they have. Similarly, businesses in the Waikato have reported softness in discretionary spending.

Annual spending growth by region (year to March)



Source: Spending on Westpac issued cards

Annual spending growth

	Feb-26	Mar-26
Total	6.4	6.6
Northland	8.4	7.9
Auckland	6.1	6.8
Bay of Plenty	5.1	6.3
Waikato	5.8	4.3
Gisborne / Hawkes Bay	5.4	4.3
Manaw-Whang / Taranaki	6.4	6.2
Wellington	7.6	6.8
Nelson/ Tas/ Marlborough	5.9	7.8
Canterbury	6.8	6.9
Otago	6.1	6.5
Southland	6.3	10.7

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