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Tamsyn

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Tēnā koe Tamsyn

Official Information Act (OIA) request: Mapping of merchant category codes

On 13 December 2023, you contacted Stats NZ requesting, under the Official Information Act 1982 (the Act), the following information:

- *We are interested in understanding how Statistics New Zealand group retail spend categories as defined by Visa (Merchant category codes) into the higher level industry categories shown within the Retail Trade Survey available publicly on your website (<https://www.stats.govt.nz/information-releases/retail-trade-survey-september-2023-quarter/>). This information will help us to better understand what type of spend each reported industry includes.*

Could we please receive the mapping used by Statistics New Zealand to map the merchant category codes to the industries?

In order to address your request, I would first like to provide some background information about the Retail Trade Survey, Electronic Card Transactions, and some differences between the two.

Retail Trade Survey

The Retail Trade Survey (RTS) measures the sales turnover and stock levels of business that provide household and personal goods. The RTS provides information on the level of consumer spending, which is an important indication of confidence in the New Zealand economy.

RTS data includes the full economic data from all New Zealand businesses, classified as 'Retail trade' (G) and 'Accommodation and food services' (H), under the [Australian and New Zealand Standard Industrial Classification 2006](#) (ANZSIC06). These businesses are captured on the Statistical Business Register (SBR) which is a list of all economically significant businesses registered for GST and operating in New Zealand. The RTS population each quarter comes from the SBR. Financial data from the RTS population is then collected via:

- a survey (for very large businesses).
- GST data acquired from Inland Revenue (for remaining medium to smaller businesses).

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Businesses are classified into industry (ANZSIC06) categories based on their predominant activity, not Merchant Category Codes (MCC).

More information about the RTS is best referenced from our website, with a link to the page here: [Stats NZ DataInfo+ Retail Trade Survey](#)

Electronic Card Transactions

The Electronic Card Transactions (ECT) series covers debit, credit, and charge card transactions with New Zealand-based merchants and uses MCC.

ECT data is supplied to Stats NZ monthly and aggregated into industry by providers (supplier defined). The industry classification used is the MCC and is specific to the bank card industry. It has similarities with the classification industry codes used for RTS and many MCC codes can be directly concorded to the ANZSIC06 used to complete the RTS.

More information about ECT is best referenced from our website, with a link to the page here: [Stats NZ DataInfo+ Electronic Card Transactions](#)

Differences between RTS and ECT data

A significant proportion of spending using debit and credit cards takes place in the retail sector. Given the similarities and coverage of the RTS and ECT series, it is expected they may be comparable. However, it should be noted that there are a number of differences between the two series that affect comparison between them.

RTS data includes:

- all sales within a quarter and stocks on hand values as at the end of every quarter.
- the full population of approximately 58,000 businesses (classified as ANZSIC06 G or H) operating in New Zealand.
- all financial transactions, regardless of the payment mode (e.g. from card or cash) in stores and online.
- This information is processed and published, at 15 aggregated RTS industry groups based on ANZSIC06. It also has measures of sales deflated for price effects and includes values for the 16 New Zealand regional councils.

RTS data excludes:

- all non-New Zealand-based merchants, for example overseas online companies that customers obtain goods from via the internet, telephone, or mail-order.
- Out of scope ANZSIC06 industry classified businesses (those classified other than G or H).
- Business units that are classified as ANZSIC06 G or H but have no GST data.

ECT data includes:

- debit, credit, and charge card transactions with New Zealand-based merchants
- card-present transactions at the point of sale, whether authorised by PIN or signature.
- card-not-present transactions (for example, payments of invoices, mail order, telephone and internet sales via credit card, and direct debit from credit cards) where the card is not presented directly at a point-of-sale terminal.
- Goods and services tax (GST).

ECT data excludes:

- all credit card transactions with non-New Zealand-based merchants, for example via the internet, telephone, mail-order.
- transactions by New Zealand card holders while overseas
- cash, cheque, or hire purchase transactions.
- automatic payments or direct debits from bank accounts.
- internet bank account payments.
- withdrawals from ATMS.

The conceptual area of difference between RTS and ECT data is that ECT is a measure of how a consumer pays for goods whereas the RTS is a measure of sales made by a merchant or retailing business in the retailing industry as defined in ANZSIC06.

The ECT release includes an estimate of the comparison of ECT and RTS sales. ECT retail is typically around 55-60 percent of total RTS sales.

For clarity, I will now address your question:

1. *Could we please receive the mapping used by Statistics New Zealand to map the merchant category codes to the industries?*

As explained in the background information above, businesses in the RTS are classified into industry categories based on their predominant activity, not MCC. We do not have a concordance between MCC and ANZSIC06, and what is measured in the RTS is not comparable in coverage to what the MCC covers. As such, your request for the mapping used to map the MCC to the industry categories within the RTS is refused under section 18(e) of the Act, as the information requested does not exist.

If you have further questions or would like to discuss the information provided with someone, Stats NZ's Business Financial Statistics team would be more than happy to help. You could get in touch with them via email at business.financial.statistics@stats.govt.nz.

You may be interested to know that we are seeking feedback to help shape the future of the industrial classification used in Aotearoa New Zealand. To continue to maintain

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international comparability and ensure statistics remain reflective of the real world and meet customer needs, we will be evaluating Aotearoa New Zealand's industrial classifications and assessing what updates may be required. We are seeking feedback from everyone with an interest in the industrial classifications, with a link to the consultation page here: [Help shape the future of industrial classifications in Aotearoa New Zealand | Stats NZ](#).

Should you wish to discuss this response with us, please feel free to contact Stats NZ at: OfficeoftheGSCE@stats.govt.nz.

If you are not satisfied with this response, you could contact us via the email address above and have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

It is Stats NZ's policy to proactively release its responses to official information requests where possible. This letter, with your personal details removed, will be published on the Stats NZ website. Publishing responses creates greater openness and transparency of government decision-making and helps better inform public understanding of the reasons for decisions.

Ngā mihi nui, nā



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Stats NZ