CANTERBURY ECONOMIC ACTIVITY INDEX: March 2022

Summary:

• Economic activity in Canterbury during March 2022 was down -0.8 percent compared to March 2021.

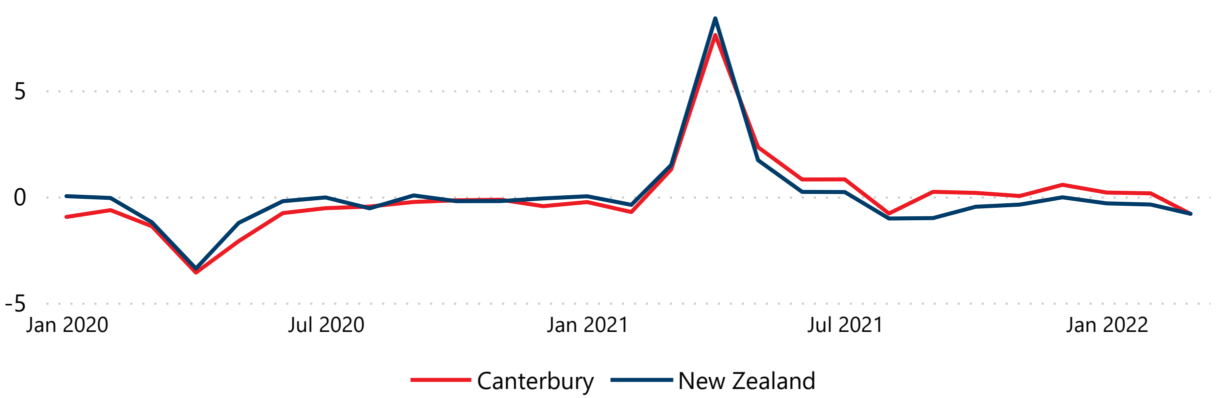
• In March 2022, both the Canterbury Economic Activity Index (CEAI) and the national figure were -0.8. This means that in March 2022, economic activity in both Canterbury and New Zealand was -0.8 percent lower than during the same month in 2021. The CEAI for March 2022 reflected the impact of Omicron on economic activity in Canterbury. The region experienced a drop in performance across three out of five key indicators (the Performance of Manufacturing Index, heavy traffic flows, and the value of exports from Canterbury ports) compared to March last year.

• In the week ending 22 April 2022, the number of Jobseeker support recipients in Canterbury was 24.9 percent higher than the number of recipients registered in the first week of January 2020 (16,554 recipients vs. 13,256 recipients).

• March 2022 was another record-setting month for building consent issuance, with consents for new buildings hitting new highs in Christchurch, Canterbury and New Zealand. Compared to March 2021, consent issuance for new homes increased by 84.2 percent in Christchurch, 34.8 percent in Canterbury and 25.7 percent across New Zealand.

• Retail spending in Canterbury reached $725.2 million during March 2022, an increase of 0.8 percent compared to March 2021. However, the number of retail transactions in Canterbury fell by -10.8 percent over the same period. This indicates that the recorded increase in retail spending in March 2022 was driven by price inflation, rather than an uplift in the volume of spending.

Figure 1. Economic Activity Index – New Zealand and Canterbury, January 2020 – March 2022 (in %)



Source: ChristchurchNZ

In Detail:

In March 2022, both the Canterbury Economic Activity Index (CEAI) and the national figure were -0.8. This means that in March 2022, economic activity in both Canterbury and New Zealand was -0.8 percent lower than during the same month in 2021. Due to the impact of Omicron on economic activity, Canterbury saw a drop in performance across the Performance of Manufacturing Index (PMI), heavy traffic flows, and the value of exports compared to March 2021. Of the five indicators, the number of jobs advertised online in Canterbury experienced the strongest growth compared to March 2021 at 21.3 percent.

During March 2022, the PMI (unadjusted) for Canterbury was 55.9. This was an increase from the previous two months (51.5 in January 2022 and 51.0 in February 2022) but a decrease from the same time last year (66.1 in March 2021) . The PMI for New Zealand during March 2022 was 53.6. This was also an increase from the previous two months (48.4 in January 2022 and 51.1 in February 2022) and a decrease from the same time in 2021 (63.4 in March 2021). The PMI's for Canterbury and New Zealand were both indicative of an expansive manufacturing sector.

The components of this index do not sufficiently account for the subdued conditions in tourism-related activities.
**The Canterbury Economic Activity Index is a regional version of The Treasury's New Zealand Economic Activity Indicator that uses a similar set of indicators that are available at the regional level.*

Activity Index Components:

Canterbury

Indicator	March 2022/ March 2021	March 2022	YE March 2022/ YE March 2021	Year to March 2022
Retail Spend	0.8%	725,238,157.9	8.9%	8,745,049,555.8
PMI	-15.4%	55.9	5.1%	57.0
Jobs Online	21.3%	271.8	65.5%	234.9
Heavy Traffic Flows	-9.1%			
Exports	-9.1%	935,446,000.0	20.8%	11,088,924,158.0

New Zealand

Indicator	March 2022/ March 2021	March 2022	YE March 2022/ YE March 2021	Year to March 2022
Retail Spend	2.4%	5,624,560,253.0	6.1%	66,266,705,112.7
PMI	-15.5%	53.6	5.2%	54.2
Jobs Online	13.0%	210.6	55.8%	183.9
Heavy Traffic Flows	-11.0%			
Exports	18.9%	7,049,196,000.0	12.6%	69,827,905,022.0

**Note: Jobs online is indexed to May 2007. A PMI value of above 50 indicates expansion and a value below 50 indicates contraction.*

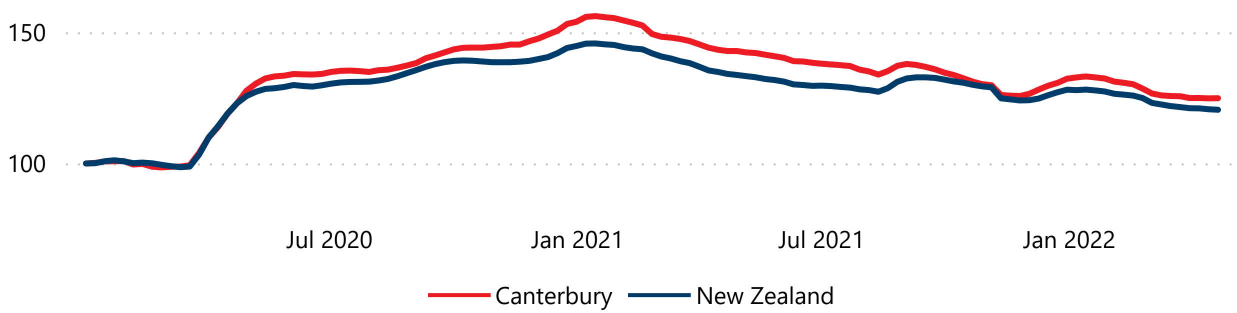
Job Seeker Support Recipients:

In the week ending 22 April 2022, the number of Jobseeker support recipients in Canterbury was 24.9 percent higher than the number of recipients registered in the first week of January 2020 (16,554 recipients vs. 13,256 recipients). This was a larger increase than that of New Zealand as a whole, with the number of Jobseeker recipients across the country increasing by 20.5 percent compared to the same pre-COVID period.

The number of Jobseeker support recipients increased slightly in the week ending 22 April 2022 from the previous week. This was one of four weeks since the beginning of 2022 where the the number of Jobseeker recipients increased compared to the previous week. So far in 2022, the average weekly change in Jobseeker support in Canterbury has reflected a reduction in the number of recipients, with an average of 62 people coming off Jobseeker support each week. The largest weekly decline in recipient numbers took place in the week ending 4 March 2022, with 249 people in Canterbury coming off Jobseeker support.

During the week ending 22 April 2022, the percentage of the estimated working-age population receiving Jobseeker support in Canterbury was 4.4 percent, down from 5.1 percent during the same week last year. This was also below that of both the Auckland and Wellington regions (5.4 percent and 4.8 percent, respectively). The percentage of the estimated working-age population in Canterbury receiving Jobseeker support peaked in the first half of January 2021 at 5.7 percent.

Figure 2. Jobseeker Support Recipients for the weeks ending on Friday, January 2020 – April 2022 (indexed to the first week of January 2020)



Percentage change in the number of Jobseeker support recipients between the week of 22 April 2022 and and the first week of January 2020

Auckland Metro	Bay of Plenty	Canterbury	Central	East Coast	Nelson	New Zealand	Northland	Southern	Taranaki	Waikato	Wellington
32.6%	21.6%	24.9%	1.8%	1.4%	19.3%	20.5%	16.1%	10.2%	8.3%	18.9%	14.3%

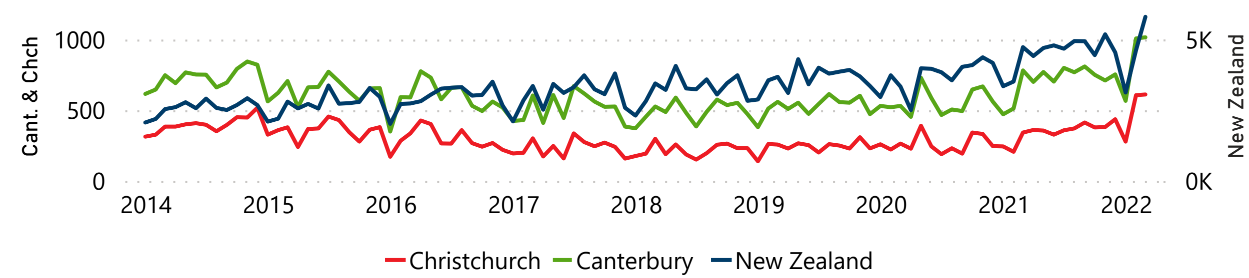
Source: MSD, ChristchurchNZ

Building Consents:

March 2022 was another record-setting month for building consent issuance, with consents for new buildings hitting new highs in Christchurch, Canterbury and New Zealand. A record 612 new buildings were consented in Christchurch during March 2022, of which 595 were for new homes. This was the second highest number of new residential consents issued in a single month in Christchurch, following the existing record of 601 new homes consented in the previous month of February 2022. The number of consents issued for new homes in Canterbury was also the second highest monthly figure ever recorded for the region. Compared to March 2021, consent issuance for new homes increased by 84.2 percent in Christchurch, 34.8 percent in Canterbury and 25.7 percent across New Zealand.

Nationally, a total of 5804 consents for new buildings were issued during March 2022, of which 5,303 were for new homes (a record high). In the year to March 2022, a record 50,858 new homes were consented across the country. This is the first time that over 50,000 new homes have been consented in a 12-month period, and reflected a 24.0 percent increase from the year to March 2021. Over the year to March 2022, the Canterbury region had the highest number of new homes consented per 1,000 residents at 13.2, followed by Auckland at 12.5.

Figure 3. Total Building Consents



Source: Statistics New Zealand, ChristchurchNZ

Period	CHCH Residential	CHCH Non-Residential	CHCH Total	Canterbury Residential	Canterbury Non-Residential	Canterbury Total	NZ Residential	NZ Non-Residential	NZ Total
Mar 22/ Feb 2022	-1.0%	216.7%	0.8%	-2.9%	-88.0%	0.8%	26.4%	16.5%	25.5%
Mar 2022/ Mar 2021	84.2%	-5.0%	78.4%	34.8%	-93.5%	29.9%	25.7%	-2.7%	22.6%
YE Mar 2022/ YE Mar 2021	55.6%	3.0%	52.8%	40.7%	-9.6%	36.0%	24.0%	4.8%	21.8%
Quarterly change 2022/ 2021	94.2%	-15.0%	88.4%	53.6%	-51.0%	46.6%	18.9%	-0.2%	16.9%

Retail Sales:
Retail spending in Canterbury reached $725.2 million during March 2022.

Canterbury registered a 0.8 percent increase in spending during March 2022 compared to March 2021, equivalent to a $5.7 million increase in the value of retail spending. However, the number of retail transactions in Canterbury fell by -10.8 percent over the same period. This indicates that the recorded increase in retail spending in March 2022 was driven by price inflation, rather than an uplift in the volume of spending.

Positive spending growth took place across just two of the six store types, with fuel and automotive and groceries and liquor experiencing growth rates of 20.6 percent and 4.6 percent, respectively. The value of spending at cafes, restaurants, bars and cafes experienced the largest decline compared to March 2021, falling by -17.6 percent. Meanwhile, the number of transactions fell across all store types compared to the same time last year. Other consumer spending registered the largest decline in the volume of spending, with transactions dropping -26.0 percent from March 2021.

Retail spending in Canterbury over the year to March 2022 reached approximately $8.7 billion, an increase of 8.9 percent or $715.7 million compared to the previous 12-month period. The largest increase in spending over the year to March 2022 compared to the previous year took place in the fuel and automotive category (up 25.6%), followed by spending on apparel and personal (up 9.9%).

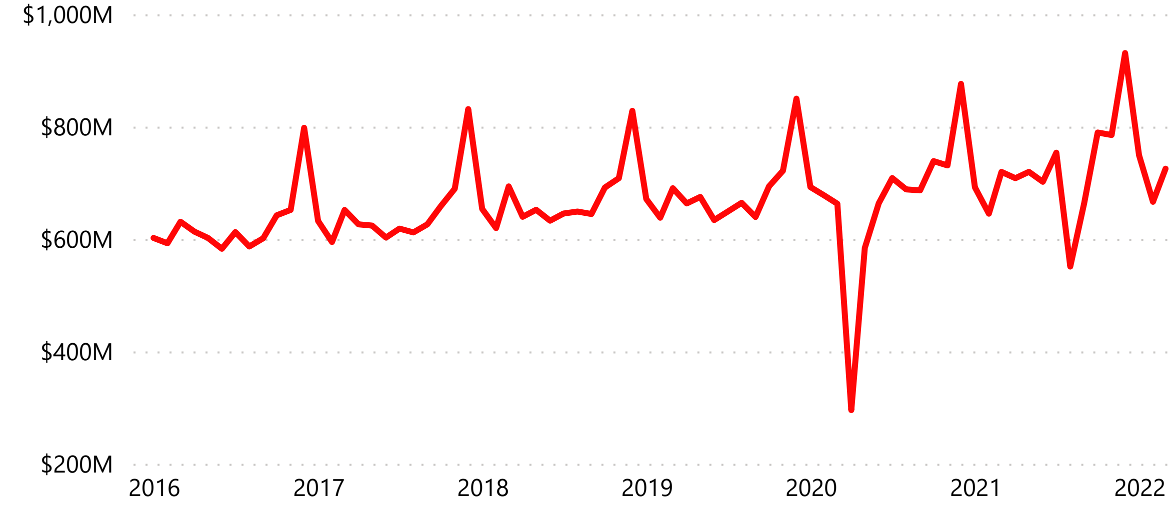
- *Retail spending figures are sourced from Marketview, and refer to spending made instore via electronic card transactions on the Paymark network.*

Growth in retail spending in the Canterbury region (March 2022 vs March 2021)

Category	Spending	Transactions
Apparel & Personal	-9.0%	-10.2%
Cafes, Restaurants, bars & takeaways	-17.6%	-21.9%
Fuel & Automotive	20.6%	-2.2%
Groceries & liquor	4.6%	-6.8%
Home & Recreation Retail	-0.4%	-3.6%
Other Consumer Spending	-16.7%	-26.0%
Total	0.8%	-10.8%

Source: Marketview, ChristchurchNZ

Figure 4. Canterbury Total Retail Spending, January 2015 – March 2022



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