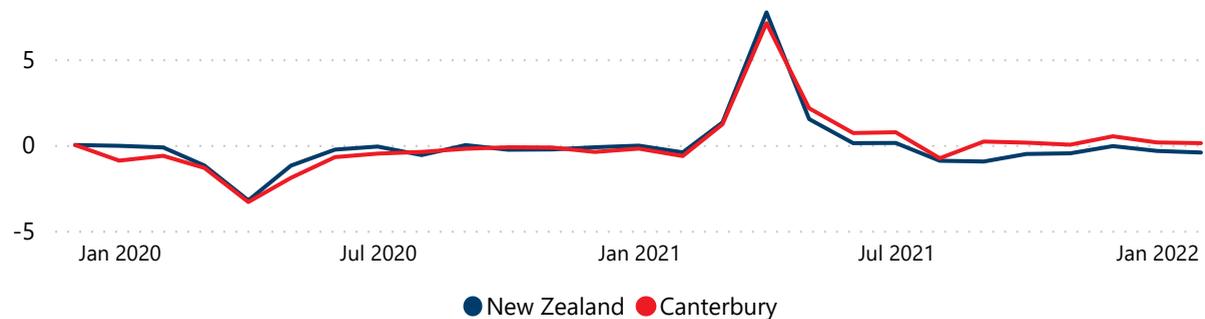


COVID-19 MONITOR: CANTERBURY ECONOMIC ACTIVITY INDEX: February 2022

Summary:

- Economic activity in Canterbury during February 2022 was up 0.1 percent compared to February 2021.
- In February 2022, the Canterbury Economic Activity Index (CEAI) was 0.1, while the national figure was -0.4. This means that New Zealand experienced a -0.4 percent decline in economic activity compared to February 2021, while economic activity in Canterbury increased by 0.1 percent over the same period. Economic performance in Canterbury during February 2022 was supported by strong growth in the number of jobs advertised online, heavy traffic flows and the value of net exports (compared to the same month in 2021).
- In the week ending 18 March 2022, the number of Jobseeker support recipients in Canterbury was 25.7 percent higher than the number of recipients registered in the first week of January 2020 (16,662 recipients vs. 13,256 recipients).
- February was a record-setting month for building consents. Consent issuance for new buildings in Christchurch hit a new monthly record of 607 in February 2022, almost tripling compared to February 2021. In Canterbury, consents for new buildings also hit a new monthly record in February 2022, increasing by 96.5 percent from the same month last year. Meanwhile, a new annual record was set in the year to February 2022 with 49,773 new residential buildings consented across the country, up 25.3 percent compared to the year to February 2021.
- Retail spending in Canterbury reached approximately \$666.3 million during February 2022, an increase of 3.3 percent compared to February 2021. However, the number of retail transactions in Canterbury fell by -7.6 percent over the same period. This indicates that the recorded increase in retail spending in February 2022 was driven by price inflation, as opposed to an uplift in the volume of spending.

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



Source: ChristchurchNZ

In Detail:

In February 2022, the Canterbury Economic Activity Index (CEAI) was 0.1, while the national figure was -0.4. This means that New Zealand as a whole experienced a -0.4 percent decline in economic activity compared to February 2021, while economic activity in Canterbury was up 0.1 percent over the same period. Canterbury saw strong performance across three of the five key indicators compared to February last year. The value of net exports from Canterbury ports were up 45.2 percent, the number of jobs advertised online (indexed) up 40.8 percent, and heavy traffic flows up 22.8 percent.

During February 2022, the PMI (unadjusted) for Canterbury was 51.0, down from the previous two months (60.8 in December and 51.5 in January). The PMI for New Zealand was 51.1, a decrease from December (56.0) and an increase from January (48.4). The increase in the PMI for New Zealand indicated that on a national level, the manufacturing sector shifted into expansive territory in February after falling into contraction in January 2022. While the PMI for Canterbury declined slightly, it remained above 50, indicating that the sector was still expansive.

Please note that 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				
Indicators	Year-on-year	Month	YE/YE	Year ended
Retail spend	3.3%	666,269,766.8	9.6%	8,739,325,783
PMI	-0.4%	51.0	11.1%	58
Jobs online	40.8%	250.0	73.8%	231
Heavy traffic flows	22.8%			
Exports	45.2%	1,011,611,000.0	20.9%	11,262,773,574

New Zealand				
Indicators	Year-on-year	Month	YE/YE	Year ended
Retail spend	2.7%	5,144,666,659.0	6.4%	66,132,674,191.3
PMI	-2.7%	51.1	11.4%	55.0
Jobs online	30.4%	189.1	63.6%	181.8
Heavy traffic flows	3.3%			
Exports	28.0%	5,910,052,000.0	10.9%	69,131,745,738.0

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

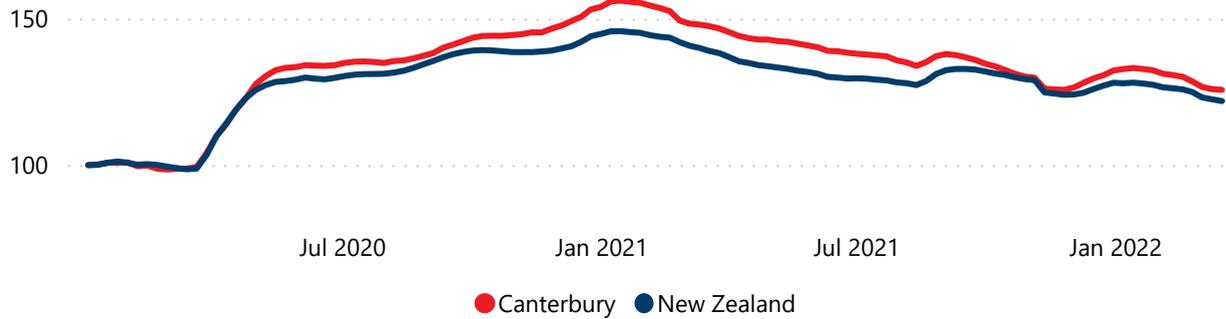
Job Seeker Support Recipients:

In the week ending 18 March 2022, the number of Jobseeker support recipients in Canterbury was 25.7 percent higher than the number of recipients registered in the first week of January 2020 (16,662 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 21.9 percent compared to the same pre-COVID period.

This was the ninth consecutive week of a decline in the number of people receiving Jobseeker support in Canterbury. The largest weekly decline seen over this period took place over the week ending 4 March 2022, with just under 250 people coming off Jobseeker support in Canterbury in that week. This fall in the number of Jobseeker recipients follows a nine-week period from mid-November in which the number of recipients was trending upwards over time. A seasonal increase in the number of Jobseeker support recipients is typically seen over the summer months, as a large cohort of the working age population moves from full-time education into the workforce.

During the week ending 18 March 2022, the percentage of the estimated working-age population receiving Jobseeker support in Canterbury was 4.5 percent, down from 5.2 percent during the same week last year. This was also below that of both the Auckland and Wellington regions (5.5 percent and 4.8 percent, respectively).

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



Percentage change in the number of Jobseeker support recipients between the week of 18 March 2022 and the first week of January 2020

Auckland Metro	Bay of Plenty	Canterbury	Central	East Coast	Nelson	New Zealand	Northland	Southern	Taranaki	Waikato	Wellington
34.4%	24.1%	25.7%	1.9%	1.9%	21.7%	21.9%	19.3%	10.5%	8.7%	20.0%	15.3%

Source: MSD, ChristchurchNZ

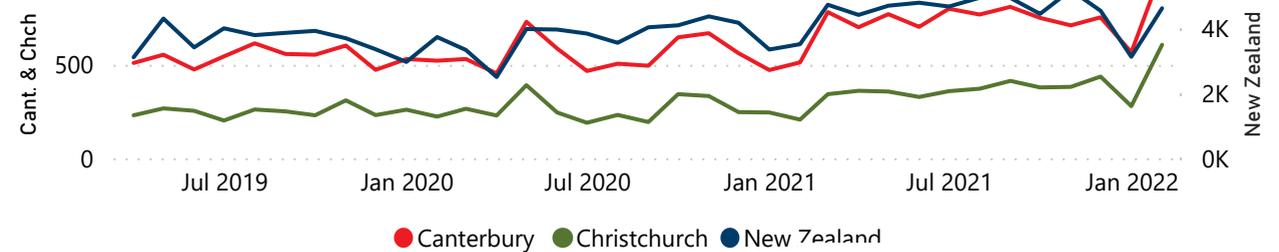
Building Consents:

Building consent issuance jumped in February 2022 after slowing in January, both locally and nationally. Consent issuance for new buildings in Christchurch hit a new monthly record of 607 in February 2022, clearly surpassing the previous record of 518 consents issued in December 2014. The number of consents issued for new buildings in Christchurch in February 2022 almost tripled compared to February 2021, increasing by 193.2 percent. In Canterbury, consents for new buildings also hit a new monthly record in February 2022, increasing by 96.5 percent from the same month last year.

Nationally, a total of 4195 consents for new residential buildings were issued during February 2022, up 34.1 percent from February 2021. In Christchurch, a record 601 new homes were consented in February 2022. This was up 208.2 percent from February 2021 and far outstripped the previous record of 424. The number of new homes consented in Canterbury increased by 109.2 percent from February 2021.

A new annual record was set in the year to February 2022 with 49,773 new residential buildings consented across the country, up 25.3 percent compared to the year to February 2021. For the year to February 2022, residential consent issuance was up 50.1 percent in Christchurch and up 42.0 percent in Canterbury, compared to the previous 12-month period.

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
Feb 2022/ Feb 2021	208.2%	-50.0%	193.2%	109.2%	-9.1%	96.5%	34.1%	10.8%	31.5%
Feb 2022/ Jan 2022	122.6%	-33.3%	117.6%	81.4%	28.2%	77.8%	48.1%	45.3%	47.8%
Quarterly change 2022/2021	94.4%	-15.2%	89.3%	57.2%	-5.5%	50.5%	12.6%	0.4%	11.4%
YE Feb 2022/ YE Feb 2021	50.1%	8.1%	48.0%	42.0%	4.7%	37.6%	25.3%	6.9%	23.2%

Retail Sales:

Retail spending in Canterbury reached approximately \$666.3 million during February 2022.

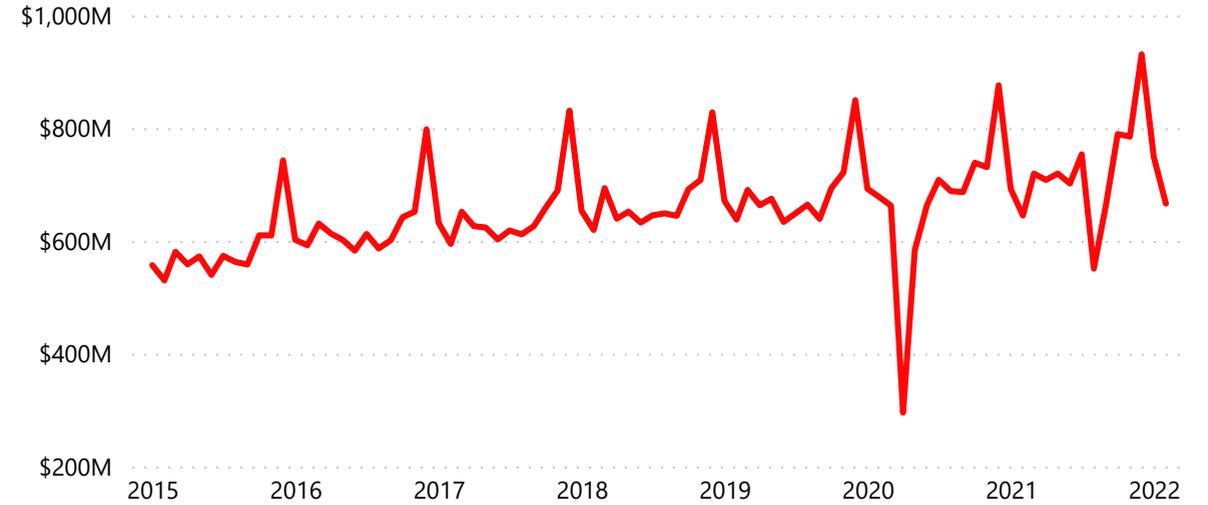
Canterbury registered a 3.3 percent increase in spending during February 2022 compared to February 2021. This was equivalent to a \$21.1 million increase in the value of retail spending. However, the number of retail transactions in Canterbury fell by -7.6 percent over the same period. This indicates that the recorded increase in retail spending in February 2022 was driven by price inflation, as opposed to an uplift in the volume of spending.

Positive spending growth took place across three of the six store types, with fuel and automotive experiencing the highest growth in spending compared to February 2021 at 21.5 percent. Fuel and automotive was the only category to also experience an increase in the number of transactions (up 1.3%). Other consumer spending registered the largest decline in both the value and volume of spending, with spending falling by -13.3 percent and transactions by -16.9 percent (compared to the same month last year).

Retail spending in Canterbury over the year to February 2022 reached approximately \$8.7 billion, an increase of 9.6 percent or \$767 million compared to the previous 12-month period. The largest increase in spending over the year to February 2022 compared to the year to February 2021 took place in the fuel and automotive category (up 25.9%), followed by spending on apparel and personal (up 14.0%).

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

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



Growth in retail spending in the Canterbury region (February 2022 vs February 2021)		
Category	Spending	Transactions
Apparel & Personal	-1.8%	-5.7%
Cafes, Restaurants, bars & takeaways	-10.3%	-16.3%
Fuel & Automotive	21.5%	1.3%
Groceries & liquor	5.0%	-5.5%
Home & Recreation Retail	2.5%	-1.4%
Other Consumer Spending	-13.3%	-16.9%
Total	3.3%	-7.6%

Source: Marketview, ChristchurchNZ



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