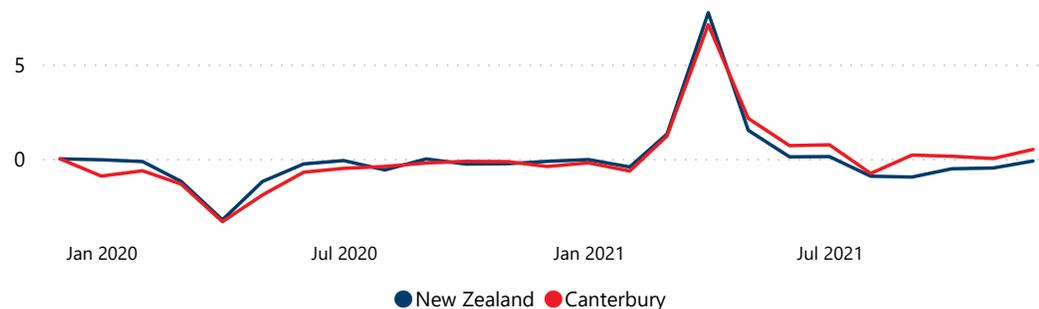


COVID-19 MONITOR: CANTERBURY ECONOMIC ACTIVITY INDEX: DECEMBER 2021

Summary:

- Economic activity in Canterbury during December 2021 was up 0.5 percent compared to the same time in 2020.
- In December 2021, the Canterbury Economic Activity Index (CEAI) was 0.5, while the national figure was -0.1. This means that New Zealand as a whole experienced a -0.1 percent decline in economic activity compared to December 2020, while economic activity in Canterbury was up 0.5 percent over the same period.
- In the week ending 21 January 2022, the number of Jobseeker support recipients in Canterbury was 32.8 percent higher than the number of recipients registered in the first week of January 2020 (17,604 recipients vs. 13,256 recipients).
- The total number of building consents (residential and non-residential) issued in Christchurch in December 2021 was the highest number of consents issued in a single month since 2015. This reflected a significant increase in consent issuance of 76.9 percent when compared to December 2020. During the same period, consent numbers across Canterbury and New Zealand increased by 34.2 percent and 8.9 percent, respectively.
- Retail spending in Canterbury reached \$931 million during December 2021, a 6.3 percent increase compared to December 2020.

Figure 1. Economic Activity Index – New Zealand and Canterbury, January 2020 – December 2021 (in %)



Source: ChristchurchNZ

In Detail:

In December 2021, the Canterbury Economic Activity Index (CEAI) was 0.5, while the national figure was -0.1. This means that New Zealand as a whole experienced a -0.1 percent decline in economic activity compared to December 2020, while economic activity in Canterbury was up 0.5 percent over the same period. Canterbury saw strong performance across all indicators compared to the same month in 2020. Notably, exports were up by 55.3 percent while retail spending in Canterbury was at a record-high. The CEAI for Canterbury was up 0.5 percentage points compared to the previous month of November 2021, while the national figure was up 0.4 percent from the previous month.

During December 2021, the Performance of Manufacturing Index (PMI) for Canterbury was 60.8, an increase from the previous two months (58.0 in October and 56.6 in November). The PMI for New Zealand (unadjusted) was 56.0, a decrease from the previous two months (59.2 in October and 58.3 in November). The PMI's for both Canterbury and New Zealand continued to be in expansionary territory following a sharp contraction during August due to the national lockdown.

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	6.3%	931,030,889.0	8.2%	8,660,943,805.3
PMI	18.1%	60.8	13.4%	58.2
Jobs online	39.6%	179.0	65.7%	217.7
Heavy traffic flows	28.0%			
Exports	55.3%	1,179,238,194.0	10.6%	10,726,548,684.0

New Zealand				
Indicators	Year-on-year	Month	YE/YE	Year ended
Retail spend	5.1%	7,317,144,633.0	5.0%	65,641,781,833.5
PMI	13.1%	56.0	14.2%	55.6
Jobs online	36.4%	140.4	56.4%	173.7
Heavy traffic flows	0.2%			
Exports	16.9%	6,570,631,533.0	5.7%	67,357,321,995.0

**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.*

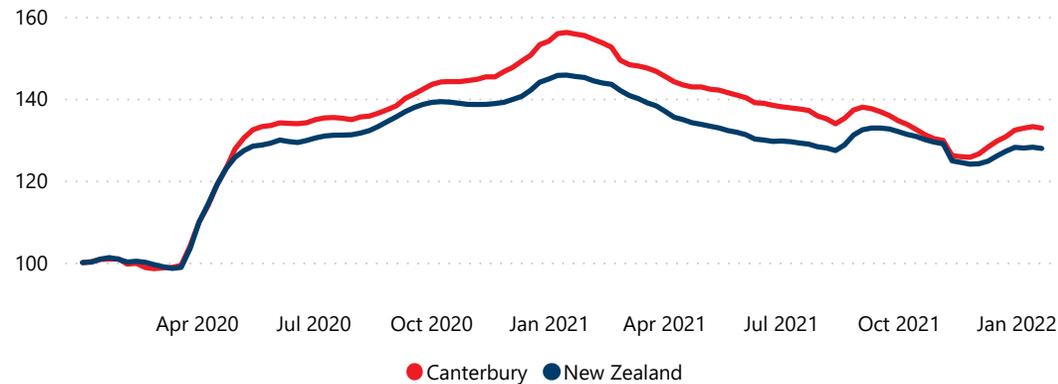
Job Seeker Support Recipients:

In the week ending 21 January 2022, the number of Jobseeker support recipients in Canterbury was 32.8 percent higher than the number of recipients registered in the first week of January 2020 (17,604 recipients vs. 13,256 recipients).

This marked the first week of decline in the number of Jobseeker support recipients in Canterbury following a seven-week period from the beginning of December 2021 when Jobseeker numbers were rising week-on-week. In a divergence away from this trend, the number of Jobseeker support recipients in Canterbury in the week ending 21 January dropped slightly compared to the previous week.

During the week ending 21 January 2022, the percentage of the estimated working-age population receiving Jobseeker support in Canterbury was 4.7 percent, down from 5.5 percent during the same week last year. This was also below that of both the Auckland and Wellington regions (5.7 percent and 5.1 percent, respectively).

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



Percentage change in number of Jobseeker support recipients between the week of 21 January 2022 and the first week of January 2020.

Auckland Metro	Bay of Plenty	Canterbury	Central	East Coast	Nelson	NZ	Northland	Southern	Taranaki	Waikato	Wellington
40.3%	28.9%	32.8%	8.2%	14.7%	26.3%	27.8%	21.9%	19.4%	12.4%	24.8%	21.7%

Source: MSD, ChristchurchNZ

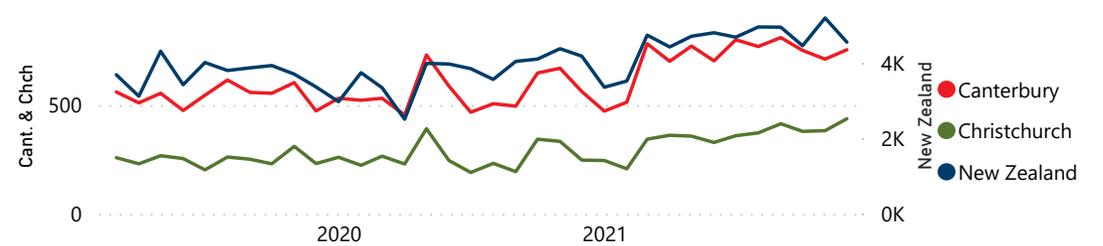
Building Consents:

Building consent issuance in December 2021 increased substantially, both locally and nationally. A total of 48,899 new homes were consented across the country in the year ended December 2021, up 24.0 percent compared to the year ended December 2020. This was a new annual record. Nationally, a total of 4,128 consents for residential buildings were issued during December 2021.

This increase continues to be driven by historically low interest rates, significant growth in house prices, and an upswing in consents for townhouses, flats, and units. Almost 70 percent of consents for new residential buildings in Christchurch in December 2021 were for buildings of this type.

The total number of building consents (residential and non-residential) issued in Christchurch during December 2021 was the highest number of consents issued in a single month since 2015. This reflected a significant increase in consent issuance of 76.9 percent when compared to December 2020. During the same period, consent numbers across Canterbury and New Zealand increased by 34.2 percent and 8.9 percent, respectively. For the year ending December 2021, total consent issuance was up 32.7 percent in Christchurch, 27.4 percent in Canterbury and 21.7 percent across New Zealand (compared to the year ending December 2020).

Figure 3. Total Building Consents



Period	CHCH Residential	CHCH Non-Residential	CHCH Total	Canterbury Residential	Canterbury Non-Residential	Canterbury Total	NZ Residential	NZ Non-Residential	NZ Total
YE Dec 2021/ YE Dec 2020	34.3%	5.3%	32.7%	30.8%	2.2%	27.4%	24.0%	3.8%	21.7%
Quarterly change 2021/2020	32.8%	-21.2%	29.8%	20.0%	1.5%	18.0%	13.9%	-2.4%	12.1%
Dec 2021/ Dec 2020	81.2%	0.0%	76.9%	37.6%	6.5%	34.2%	10.1%	-1.4%	8.9%
Dec 2021/ Nov 2021	15.5%	-13.3%	14.4%	10.6%	-25.8%	6.0%	-11.9%	-15.9%	-12.3%

Source: Statistics New Zealand, ChristchurchNZ

Retail Sales:

Retail spending in Canterbury reached a record high of \$931 million during December 2021.

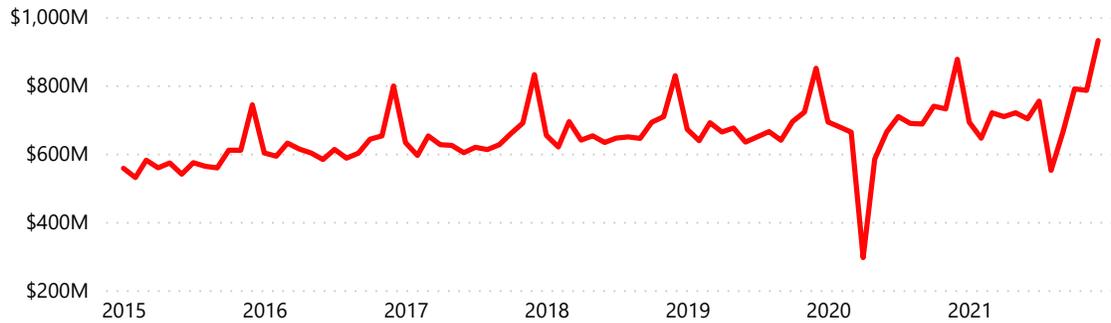
Canterbury registered a 6.3 percent or \$54.9 million increase in retail spending during December 2021 compared to December 2020.

Positive spending growth took place across four of the six store types, with fuel and automotive experiencing the highest growth in spending compared to December 2020 at 22.6 percent. This was followed by spending on groceries and liquor, with a growth rate of 6.6 percent. Cafes, restaurants, bars and takeaways, and other consumer spending saw a decrease in spending during December 2021 compared to the same period in 2020, with negative growth rates of -2.9 percent and -11.2 percent, respectively.

Retail spending in Canterbury over the year ended December 2021 reached \$8.7 billion, an increase of 8.2 percent or \$655.3 million compared to the previous 12-month period.

• Note that the Consumer Price Index (CPI) annual inflation rate for the December 2021 quarter was 5.9 percent (compared to the December 2020 quarter).

Figure 4. Canterbury Total Retail Spending, January 2015 – December 2021



Percentage Change	Fuel & Automotive	Groceries & liquor	Home & Recreation Retail	Apparel & Personal	Cafes, Restaurants, bars & takeaways	Other Consumer Spending
Dec 2021/ Dec 2020	22.6%	6.6%	6.2%	3.8%	-2.9%	-11.2%

Source: Marketview, ChristchurchNZ



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Queries?

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