

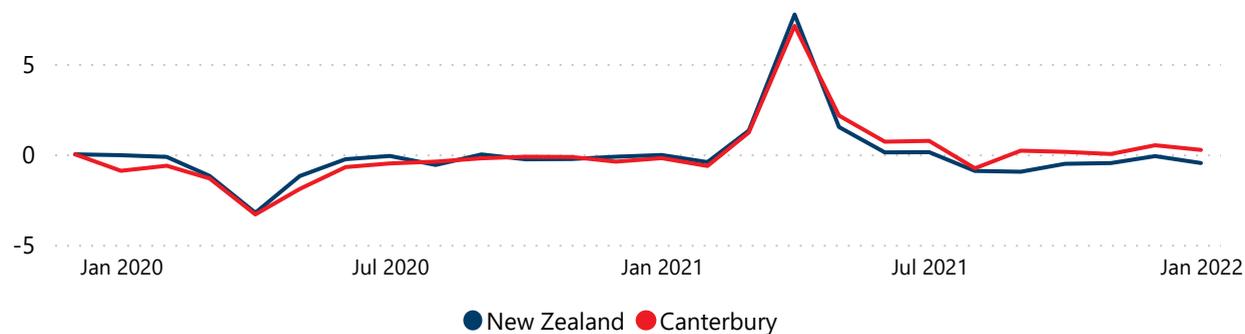
COVID-19 MONITOR: CANTERBURY ECONOMIC ACTIVITY INDEX: January 2022

Summary:

- Economic activity in Canterbury during January 2022 was up 0.2 percent compared to the same month last year.
- In January 2022, the Canterbury Economic Activity Index (CEAI) was 0.2, while the national figure was -0.5. This means that New Zealand as a whole experienced a -0.5 percent decline in economic activity compared to January 2021, while economic activity in Canterbury increased by 0.2 percent over the same period. Economic performance in Canterbury during January 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 11 February 2022, the number of Jobseeker support recipients in Canterbury was 30.7 percent higher than the number of recipients registered in the first week of January 2020 (17,331 recipients vs. 13,256 recipients).
- Building consent issuance slowed in January 2022 compared to previous months, both locally and nationally. Consent issuance for new buildings in Christchurch fell by -36.2 percent in January 2022 from December 2021, and by -31.2 percent across New Zealand as a whole. However, the number of consents issued for new buildings in Christchurch during January 2022 was still 13.9 percent higher than in January 2021. During the same period, consent numbers in Canterbury increased by 20.1 percent, while across New Zealand they declined by -6.7 percent.

- Retail spending in Canterbury reached approximately \$749.2 million during January 2022. Canterbury registered an 8.3 percent increase in spending during January 2022 compared to January 2021. This increase was equivalent to an additional \$57.2 million of retail spending.

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



Source: ChristchurchNZ

In Detail:

In January 2022, the Canterbury Economic Activity Index (CEAI) was 0.2, while the national figure was -0.5. This means that New Zealand as a whole experienced a -0.5 percent decline in economic activity compared to January 2021, while economic activity in Canterbury was up 0.2 percent over the same period. With the exception of the Performance of Manufacturing Index (PMI), Canterbury saw strong performance across all indicators compared to January last year. The number of jobs advertised online (indexed) was up 48.4 percent, the value of net exports from Canterbury ports up 34 percent, heavy traffic flows up 30.5 percent and retail spending up 8.3 percent.

During January 2022, the PMI (unadjusted) for Canterbury was 51.5, down from the previous two months (56.6 in November and 60.8 in December). The PMI for New Zealand was 48.4, also reflecting a decrease from the previous two months (58.3 in November and 56.0 in December). The decline in the PMI for New Zealand indicated that on a national level, the manufacturing sector shifted into contractionary territory in January 2022. While the PMI for Canterbury also declined, 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	8.3%	749,221,450.0	8.9%	8,718,185,713
PMI	-7.5%	51.5	10.5%	58
Jobs online	48.4%	265.7	71.6%	225
Heavy traffic flows	30.5%			
Exports	34.0%	778,319,000.0	14.8%	10,940,704,566

New Zealand				
Indicators	Year-on-year	Month	YE/YE	Year ended
Retail spend	6.3%	5,977,808,044.0	5.5%	65,998,040,532.9
PMI	-10.0%	48.4	11.4%	55.2
Jobs online	36.5%	201.5	61.3%	178.2
Heavy traffic flows	-6.9%			
Exports	17.0%	5,080,100,000.0	7.7%	67,910,484,441.0

*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.

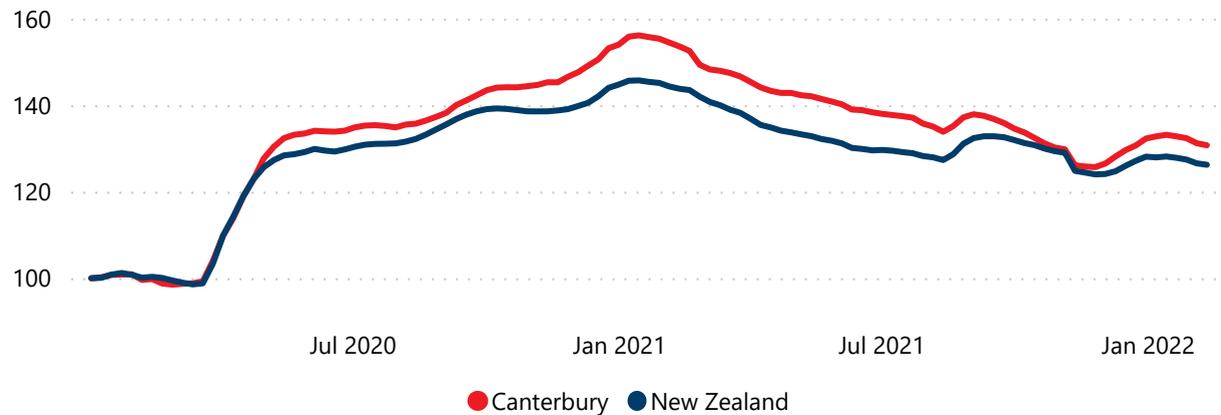
Job Seeker Support Recipients:

In the week ending 11 February 2022, the number of Jobseeker support recipients in Canterbury was 30.7 percent higher than the number of recipients registered in the first week of January 2020 (17,331 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 26.2 percent compared to the same pre-COVID period.

This was the fourth consecutive week of a decline in the number of people receiving Jobseeker support in Canterbury. This follows a nine-week period from mid-November in which the number of Jobseeker recipients was trending upwards over time.

During the week ending 11 February 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 (5.6 percent and 5.0 percent, respectively).

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



Percentage change in the number of Jobseeker support recipients between the week of 11 February 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
38.5%	27.6%	30.7%	5.7%	12.1%	26.8%	26.2%	21.6%	16.9%	11.3%	23.4%	20.3%

Source: MSD, ChristchurchNZ

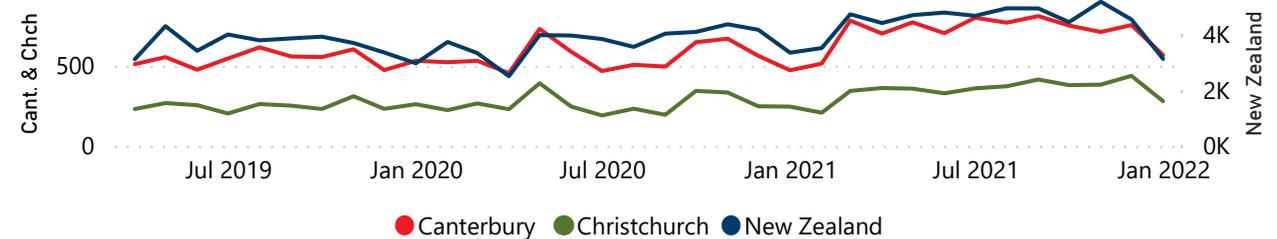
Building Consents:

Building consent issuance slowed in January 2022 compared to previous months, both locally and nationally. Consent issuance for new buildings in Christchurch fell by -36.2 percent in January 2022 from December 2021, and by -31.2 percent across New Zealand as a whole.

A total of 48,707 new homes were consented across the country in the year ended January 2022, up 22.1 percent compared to the year ended January 2021. Nationally, a total of 2,833 consents for residential buildings were issued during January 2022, down -6.3 percent from January 2021.

There was a drop-off in the total number of building consents (residential and non-residential) issued in Christchurch during January 2022 following the high volume of consents issued in the previous ten months. However, the number of consents issued for new buildings in Christchurch during January 2022 was still 13.9 percent higher than in January 2021. During the same period, consent numbers in Canterbury increased by 20.1 percent, while across New Zealand they declined by -6.7 percent. For the year to January 2022, total consent issuance was up 34.5 percent in Christchurch, 30 percent in Canterbury and 20.2 percent across New Zealand (compared to the year to January 2021).

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
YE Jan 2022/ YE Jan 2021	35.8%	10.4%	34.5%	33.6%	3.2%	30.0%	22.1%	4.8%	20.2%
Jan 2022/ Jan 2021	13.9%	12.5%	13.9%	24.2%	-17.0%	20.1%	-6.3%	-9.5%	-6.7%
Quarterly change 2022/2021	34.6%	0.0%	33.1%	20.8%	6.6%	19.3%	9.3%	-2.6%	8.1%
Jan 2022/ Dec 2021	-36.3%	-30.8%	-36.2%	-23.3%	-40.9%	-24.8%	-31.4%	-29.4%	-31.2%

Retail Sales:

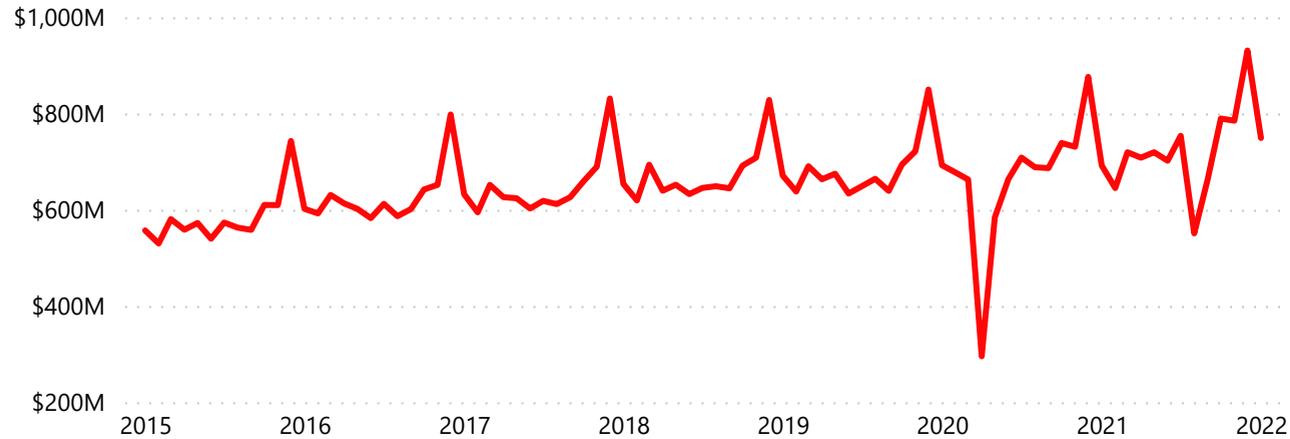
Retail spending in Canterbury reached approximately \$749.2 million during January 2022.

Canterbury registered an 8.3 percent increase in spending during January 2022 compared to January 2021. This increase was equivalent to an additional \$57.2 million of retail spending.

Positive spending growth took place across four of the six store types, with fuel and automotive experiencing the highest growth in spending compared to January 2021 at 26.2 percent. This reflects the upward pressure on petrol prices that has occurred in recent months. This was followed by spending on groceries and liquor, with a growth rate of 10.6 percent. Cafes, restaurants, bars and takeaways, and other consumer spending saw a decrease in spending during January 2022 compared to the same period in 2021, with negative growth rates of -3.4 percent and -9.7 percent, respectively.

Retail spending in Canterbury over the year to January 2022 reached approximately \$8.7 billion, an increase of 8.9 percent or \$713 million compared to the previous 12-month period.

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



Percentage Change	Fuel & Automotive	Groceries & Liquor	Apparel & Personal	Home & Recreation Retail	Cafes, Restaurants, Bars & Takeaways	Other Consumer Spending
Jan 2022/ Jan 2021	26.2%	10.6%	7.6%	6.0%	-3.4%	-9.7%

Source: Marketview, ChristchurchNZ



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