

COVID-19 MONITOR: CANTERBURY ECONOMIC ACTIVITY INDEX

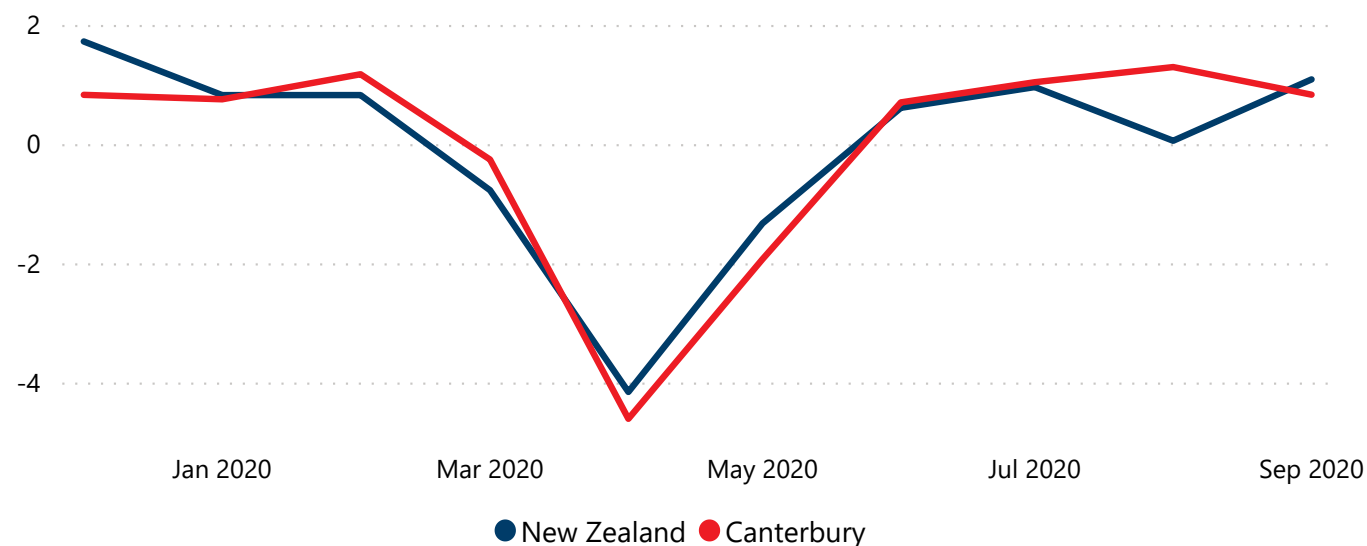
Month: September 2020

Summary:

- The Canterbury Economic Activity Indicator measures regional economic activity as being 0.8% higher than in September 2019.
- Job seeker support recipients in Canterbury increased 44 percent from 13,256, in first week of January 2020 (Pre COVID), to 19,110 in the week ending 16 October 2020.
- Monthly consent issuance was down for Canterbury and Christchurch. Total consents decreased 23 percent and 11 percent respectively for Christchurch and Canterbury when comparing September 2020 with the same month last year.
- For the year ending September total building consents increased by 5 percent and 3 percent for Christchurch and Canterbury.
- Retail spend in Canterbury reached \$672m in September 2020, up 8 percent on the same month last year. The pick up in retail spend was likely due to the school holidays that began in September.

Note: Recently released official household labour force survey data shows that the unemployment rate for Canterbury increased from 3.8 percent to 4.5 percent in Quarter 3. These figures are released quarterly and don't adjust for government COVID related support measures.

Economic Activity Indicator - NZ & Canterbury



Source: ChristchurchNZ

In Detail:

In September 2020 the Canterbury Economic Activity Indicator reached 0.8 compared to 1.1 for New Zealand. These figures express that the weighted economic activity in Canterbury for September 2020 was 0.8 percent higher than in September 2019. This is down 0.5 percentage points on last month (August) for Canterbury compared to a 0.9 percentage point increase for New Zealand (from 0.1 to 1).

Despite a slight drop in performance, economic activity remains positive for the region. As for the spike in activity nationally, its clear that following the Auckland lockdown 2.0, economic performance in New Zealand has bounced back quickly.

Please note that the components of this indicator do not sufficiently account for the subdued conditions in tourism related activities. We are working on including additional components aimed to address this in future releases of this indicator.

**The Canterbury Economic Activity Indicator 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:

Indicators	New Zealand			
	September Month	m/m	y/y	YE September
Jobs Online	133	-9%	-22%	112
PMI	55	11%	-6%	48
Retail Spend	5248388315	5%	-3%	61581770846
Heavy Traffic Flow	498000	13%		5258134
Exports	4227491925	-12%	1%	64777972068

Indicators	Canterbury			
	September Month	m/m	y/y	YE September
Exports	639,755,284	-13%	5%	10,151,509,210
Heavy Traffic Flows	250,386	-27%	-22%	3,913,580
Jobs Online	164	-7%	-25%	132
PMI	57	15%	-3%	593
Retail Spend	672,043,740	8%	-3%	7,756,398,628

**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.*

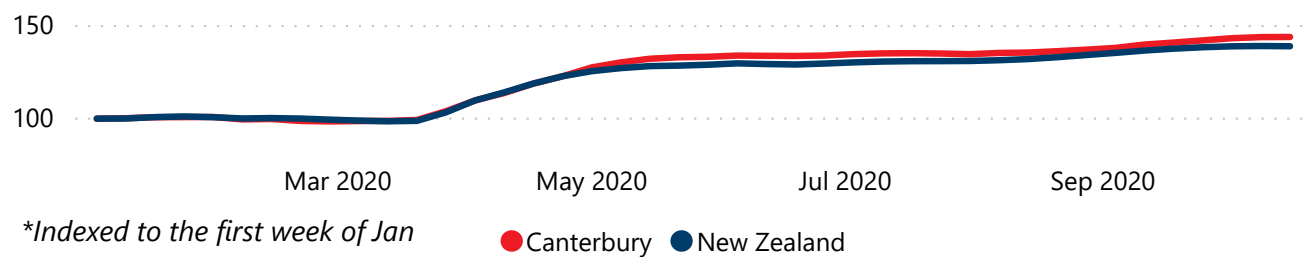
Job Seeker Support Recipients:

Job seeker support recipients in Canterbury increased 44 percent from 13,256, in first week of January 2020 (Pre COVID), to 19,110 in the week ending 16 October 2020 compared to a 39 percent increase nationwide for the same period. Between mid-April and August, unemployment numbers have remained stable in part due to government subsidies. A slight uptick in numbers can be seen from September as people move from COVID related unemployment support to the standard job seeker support.

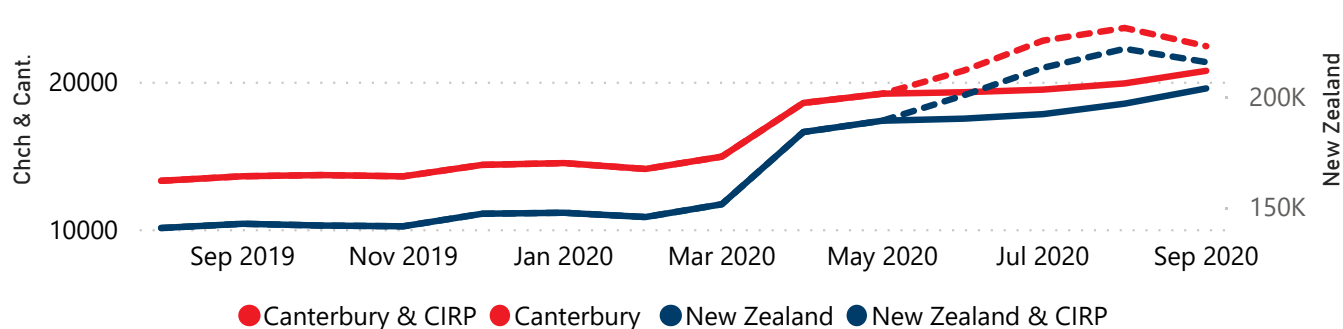
In Canterbury, between January and August 2020, the number of those who received the CIRP and job seeker support increased 54 percent compared to 46 percent for New Zealand.

National job seeker support recipient numbers were forecast to reach 317,000 in January 2021 according to the Treasury.

Job Seeker Support Recipients for the weeks ending on Friday



Job Seeker Support Recipients and COVID Income Relief Payments - Monthly



Job Seekers % change comparing week of September 4, 2020 to first week of January 2020

Auckland Metro	Bay of Plenty	Canterbury	Central	East Coast	Nelson	New Zealand	Southern	Northland	Taranaki	Wellington	Waikato
49%	34%	44%	24%	34%	43%	39%	42%	28%	27%	31%	34%

Source: MSD, ChristchurchNZ

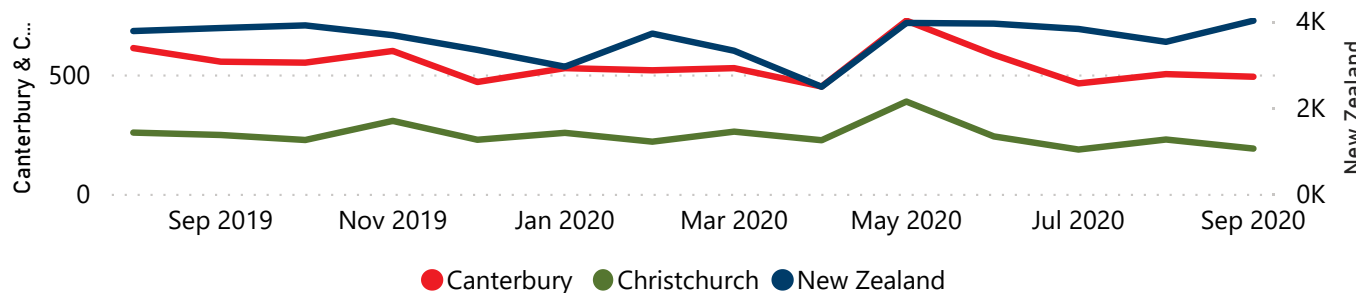
Building Consents:

New Zealand wide consent issuance continues to show resilience in the wake of COVID-19. Despite a brief drop during the lockdown level four period, consent numbers have held up to the robust levels that prevailed prior to the pandemic. Unfortunately, the same cant be said for Canterbury and Christchurch.

When comparing September 2020 with September 2019, total building consents decreased by 23 percent, 11 percent for Christchurch, Canterbury and increased by 4 percent for New Zealand. The non-residential sector saw the greatest declines this month. Persistently high vacancies and weakness in the economy due to COVID-19 has meant that activity in the non-residential sector will remain subdued for some time.

Annual total building consents for the year ending September continue to trend positively, despite a weaker overall economy. This points to a solid pipeline of residential building work as we head into the new year and bodes well for employment in the sector. For the year ending September total building consents were up 5 percent, 3 percent and 1 percent respectively for Christchurch, Canterbury and New Zealand.

Total Building Consents



Date	CANT Non-Residential	CANT Residential	CANT Total	CHCH Non-Residential	CHCH Residential	CHCH Total	NZ Non-Residential	NZ Residential	NZ Total
YE Sep 2020/ YE Sep 2019	-23%	8%	3%	-28%	8%	5%	-15%	6%	1%
Quarterly change 2020/2019	-32%	-11%	-15%	-43%	-11%	-14%	-22%	1%	-2%
Sep 2020/ Aug 2020	-18%	0%	-2%	-31%	-15%	-16%	8%	15%	14%
Sep 2020/ Sep 2019	-33%	-7%	-11%	-48%	-20%	-23%	-17%	8%	4%

Source: Statistics New Zealand, ChristchurchNZ

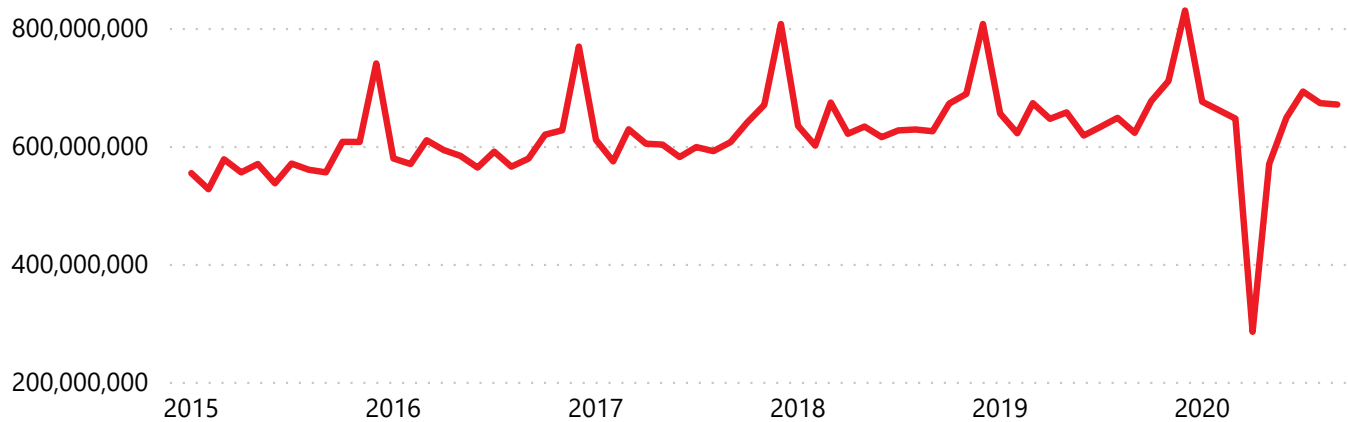
Retail Sales:

The dampening effects of the Auckland COVID cluster that brought the city into lockdown 2.0, in August, rippled throughout the country and as such retail growth was weaker than it would have been otherwise. Retail spending in Canterbury reached \$672m in September 2020, a solid 8 percent up on the same month last year.

The lifting of lockdown measures in Auckland resulted in an up tick in domestic visitor spend for the region in September 2020. Domestic visitor spending reached \$70m in September 2020, up 26 percent on the same month last year. Conversely, international spend reached \$6.5m in September, down 68 percent on the same month last year.

Spending on home, hardware and electrical continues to see exception growth in September 2020, up 29% to \$74m.

Canterbury Total Retail Spend



Date	Accommodation	Apparel and Personal	Cafes, Restaurants, Bars & Takeaways	Department Stores and Leisure	Fuel & Automotive	Groceries & Liquor	Home, Hardware & Electrical	Other Consumer Spending	Total
Year	-22%	-5%	-10%	-4%	-16%	-0%	5%	-24%	-3%
Quarter	-9%	14%	7%	10%	-6%	10%	28%	-20%	7%
Month	-12%	16%	7%	12%	-4%	9%	29%	-19%	8%

Source: MarketView, ChristchurchNZ

*Note: due to confidentiality issues there was no categorical data provided for the month of April. As a result, the 2020 annual figures will be understated by one months' worth of data.