COVID-19 MONITOR: CANTERBURY ECONOMIC ACTIVITY INDEX

Month: December 2020

Summary:

- The Canterbury Economic Activity Indicator measures regional economic activity as being 1.3% higher than in December 2019.

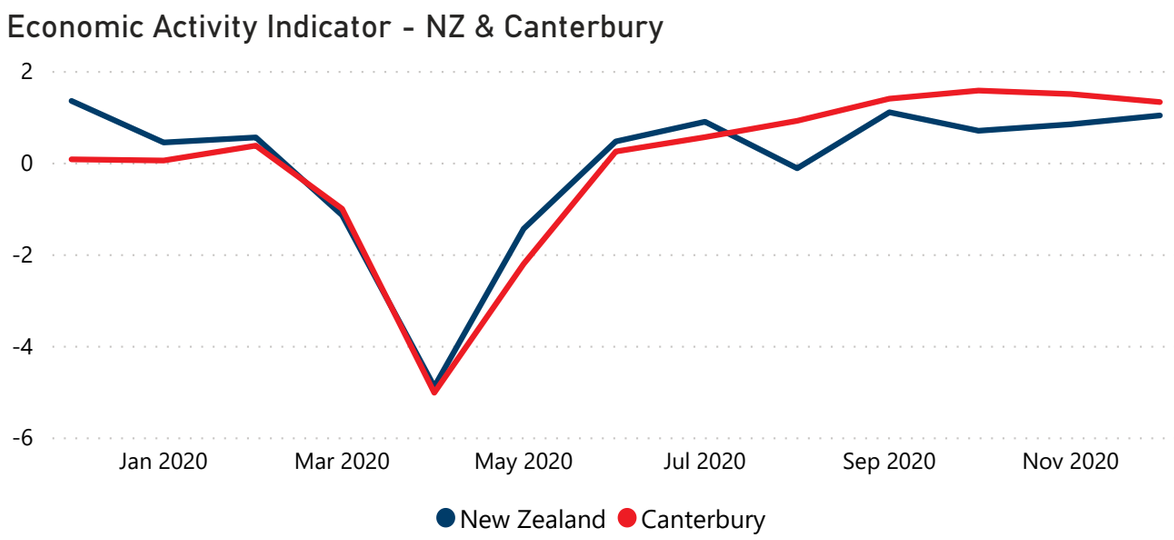
- Job seeker support recipients in Canterbury increased 56 percent from 13,256, in first week of January 2020 (Pre COVID), to 20,700 in the week ending 15 January 2021.

- December 2020 compared with December 2019 saw total building consents increase by 6.9 percent, 18.8 percent and 24.3 percent for Christchurch, Canterbury and New Zealand.

- For the year ending December total building consents were up 8.8 percent and 5.7 percent respectively for Christchurch and Canterbury.

- Retail spend in Canterbury reached $853m in December 2020, up 2 percent on the same month last year.

Note: Recently released official household labour force survey data shows that the unemployment rate for Canterbury decreased from 5.2 percent to 5 percent in Quarter 4, 2020.



Source: ChristchurchNZ

In Detail:

In December 2020 the Canterbury Economic Activity Indicator reached 1.34 compared to 1.05 for New Zealand. These figures express that the weighted economic activity in Canterbury for December 2020 was 1.34 percent higher than in December 2019. This is down 0.17 percentage points on last month (November) for Canterbury compared to a 0.19 percentage point increase for New Zealand (from 0.86 to 1.05).

For both New Zealand and Canterbury the recovery in economic activity appears to been driven by heavy traffic flows, up 13 percent and 2.9 percent respectively, and increases in job advertisements, up 10.5 percent and 15.9 percent respectively, which is suggestive of recovery in the labour market.

Please note that the components of this indicator do not sufficiently account for the subdued conditions in tourism related activities. We are will include additional components aimed to address this in future releases of this indicator as they become available.

**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:

Canterbury

Indicators	m/m	Month	y/y	YE
Exports	-28.6%	757636696	-4.5%	9700771152
Heavy Traffic Flows	2.9%			
Jobs Online	15.9%	130	-22.9%	133
PMI	0.4%	52	1.6%	51
Retail Spend	2.5%	853093181	-2.4%	7827241977

New Zealand

Indicators	m/m	Month	y/y	YE
Exports	-6.0%	5586864560	-1.9%	63626298147
Heavy Traffic Flow	13.0%			
Jobs Online	10.5%	105	-21.2%	112
PMI	-0.4%	50	-4.4%	49
Retail Spend	2.0%	6801038777	-3.8%	61878269309

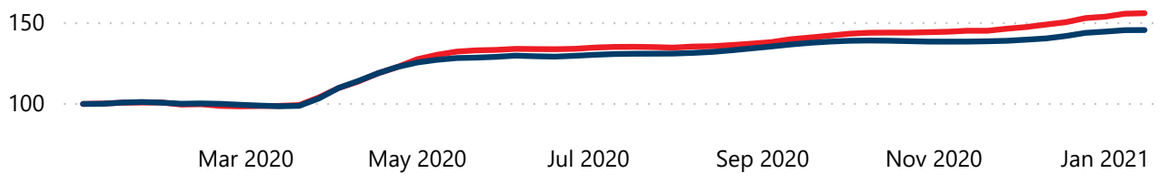
**Note: Jobs online is indexed to May 2007. A performance manufacturing index (PMI) value of above 50 indicates expansion and a value below 50 indicates contraction.*

Job Seeker Support Recipients:

Job seeker support recipients in Canterbury increased 56 percent from 13,256, in first week of January 2020 (Pre COVID), to 20,700 in the week ending 15 January 2021 compared to a 46 percent increase nationwide for the same period.

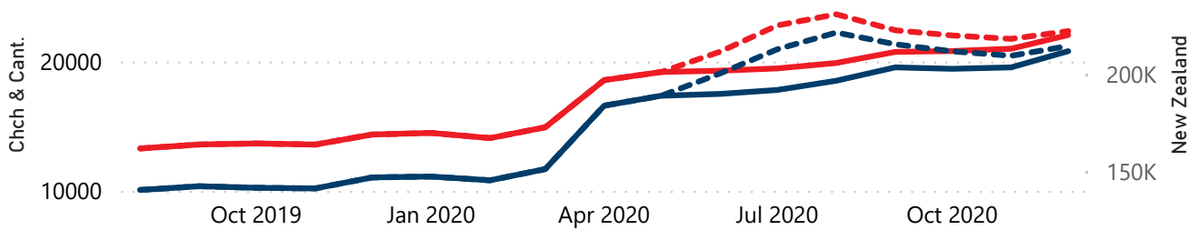
Further evidence of labour market recovery can be seen when considering the continual fall in the number of those receiving the COVID income relief payments in December 2020. When compared to November 2020, CIRP recipients fell 60 percent to 301. In Canterbury, between January and December 2020, the number of those who received the CIRP and job seeker support increased 54 percent compared to 45 percent for New Zealand. Like the previous month, this is driven almost entirely by job seeker support recipients.

Job Seeker Support Recipients for the weeks ending on Friday



Indexed to the first week of Jan 2020 Canterbury New Zealand

Job Seeker Support Recipients and COVID Income Relief Payments - Monthly



Canterbury & CIRP Canterbury New Zealand New Zealand & CIRP

Job Seekers % change comparing week of January 15, 2020 to first week of January 2020

Auckland Metro	Bay of Plenty	Canterbury	Central	East Coast	Nelson	New Zealand	Southern	Northland	Taranaki	Wellington	Waikato
60%	41%	56%	27%	33%	40%	46%	36%	33%	30%	43%	41%

Source: MSD, ChristchurchNZ

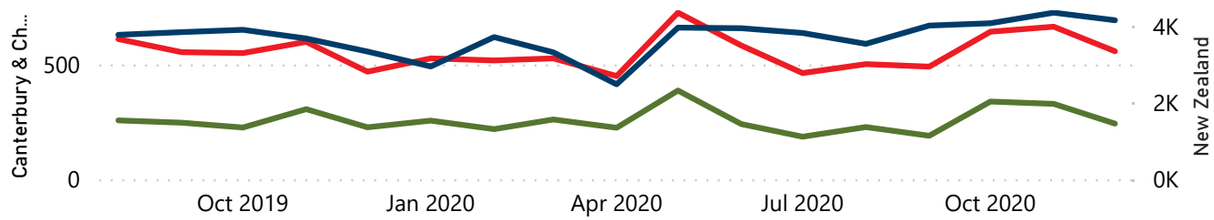
Building Consents:

Consent issuance in residential buildings in the city, region and nation continues to see exceptional growth driven by a bullish housing market and a shortage in real estate listings. This combination of factors has worked to incentivise investors.

December 2020 compared with December 2019 saw total building consents increase by 6.9 percent, 18.8 percent and 24.3 percent for Christchurch, Canterbury and New Zealand. The non-residential sector continues to see negative growth with declines this month in Christchurch, Canterbury and New Zealand of 23.5 percent, 18.4 percent and 5.6 percent.

Strength in the residential housing market has meant that annual total building consents for the year ending December have remained positive despite the impact of COVID related uncertainties on the economy. For the year ending December total building consents were up 8.8 percent and 5.7 percent respectively for Christchurch and Canterbury. Year end building consents for New Zealand were also up 2.2 percent when compared to the same period last year.

Total Building Consents



Canterbury Christchurch New Zealand

Date	CANT Non-Residential	CANT Residential	CANT Total	CHCH Non-Residential	CHCH Residential	CHCH Total	NZ Non-Residential	NZ Residential	NZ Total
Dec 2020/ Dec 2019	-18%	26%	19%	-24%	9%	7%	-6%	29%	24%
Quarterly change 2020/2019	-13%	20%	15%	11%	20%	20%	-7%	19%	15%
YE Dec 2020/ YE Dec 2019	-22%	11%	6%	-19%	11%	9%	-15%	7%	2%
Dec 2020/ Nov 2020	-15%	-16%	-16%	-19%	-26%	-26%	-14%	-3%	-5%

Source: Statistics New Zealand, ChristchurchNZ

Retail Sales:

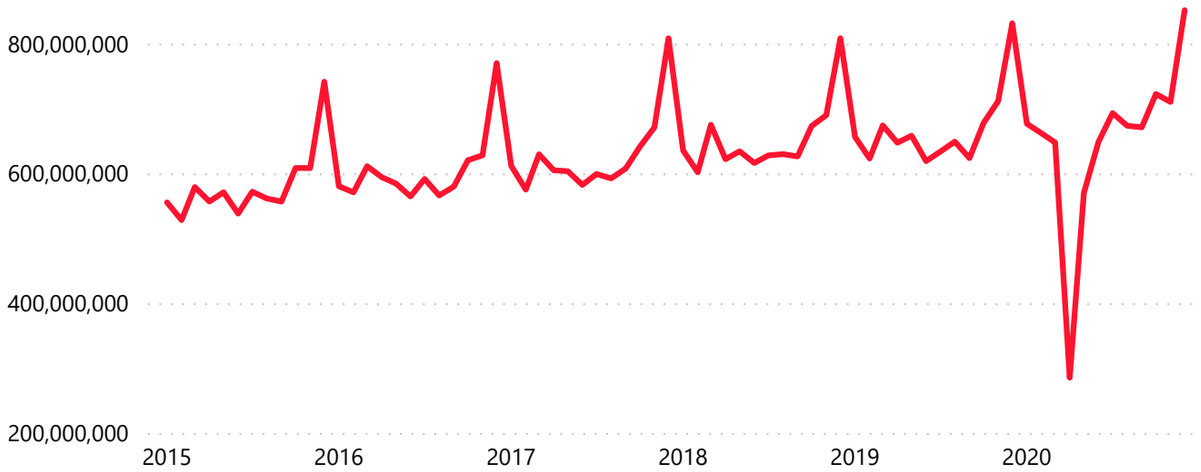
Retail spend in Canterbury reached $853m in December 2020, up 2 percent on the same month last year.

December card spending has stabilized following months of exceptional growth and continues to trend positively. As with previous months, apparel and personal and home and recreational retailers, up 10 percent and 9 percent respectively, were the categories that drove growth in the region this month.

Despite continued restrictions on borders and its impact on tourism related industries spending on cafes, restaurants bars and takeaways finally entered positive territory seeing growth of 3 percent when compared to December 2019.

Domestic visitor spending reached $86m in December 2020, up 18 percent on the same month last year. Conversely, international spend reached $9.5m in December, down 81 percent on the same month last year.

Canterbury Total Retail Spend



Indicators	Apparel & Personal	Cafes, Restaurants, bars & takeaways	Fuel & Automotive	Groceries & liquor	Home & Recreation Retail	Other Consumer Spending	Grand Total
Month	10%	3%	-8%	4%	9%	-25%	2%
Quarter	12%	4%	-9%	5%	11%	-24%	3%
Year	-3%	-10%	-16%	9%	2%	-29%	-2%

Source: MarketView, ChristchurchNZ

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