

## COVID-19 MONITOR: CANTERBURY ECONOMIC ACTIVITY INDEX

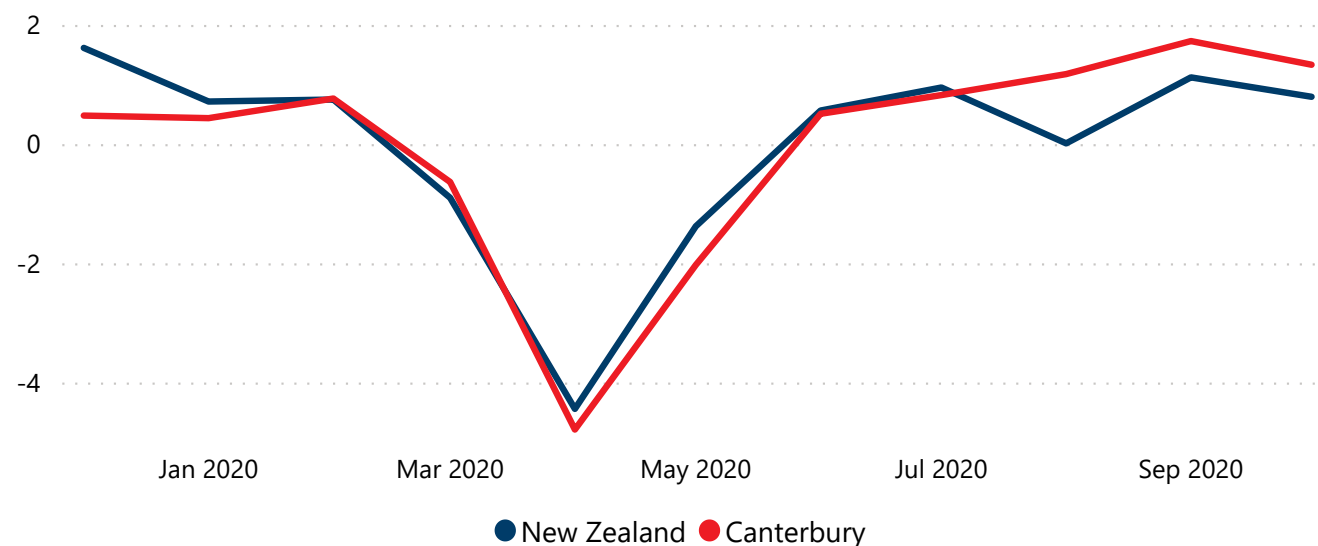
Month: October 2020

### Summary:

- The Canterbury Economic Activity Indicator measures regional economic activity as being 1.4% higher than in October 2019.
- Job seeker support recipients in Canterbury increased 45 percent from 13,256, in first week of January 2020 (Pre COVID), to 19,263 in the week ending 13 November 2020.
- Monthly consent issuance was up for Canterbury and Christchurch. Total consents increased 49 percent and 22 percent respectively for Christchurch and Canterbury when comparing October 2020 with the same month last year.
- For the year ending October total building consents increased by 10 percent and 4 percent for Christchurch and Canterbury.
- Retail spend in Canterbury reached \$723m in October 2020, up 7 percent on the same month last year.

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 October 2020 the Canterbury Economic Activity Indicator reached 1.4 compared to 0.8 for New Zealand. These figures express that the weighted economic activity in Canterbury for October 2020 was 1.4 percent higher than in October 2019. This is down 0.4 percentage points on last month (September) for Canterbury compared to a 0.3 percentage point decrease for New Zealand (from 1.1 to 0.8).

Despite a slight drop in performance, economic activity is relatively positive for the region driven by strong activity in the manufacturing sector. Economic performance New Zealand wide has stabilized following a spike in the period directly following the Auckland lockdown 2.0.

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	138	-7%	-22%	111
PMI	56	0%	-6%	48
Retail Spend	5723851474	5%	-3%	61881899854
Heavy Traffic Flow	501530	0%		5259670
Exports	4976197865	-9%	0%	64281979267

Indicators	Canterbury			
	September Month	m/m	y/y	YE September
Exports	690,448,664	-24%	2%	9,939,142,230
Heavy Traffic Flows	333,660	-10%		3,983,270
Jobs Online	169	-6%	-25%	131
PMI	62	19%	-1%	50
Retail Spend	723,359,290	7%	-2%	7,807,127,573

\*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:

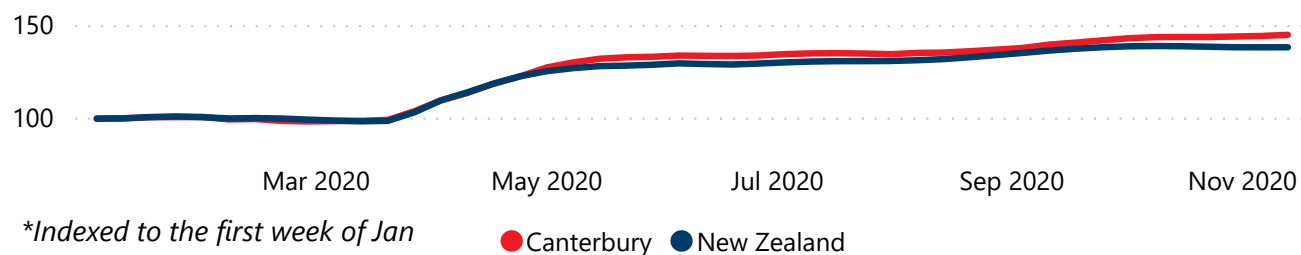
Job seeker support recipients in Canterbury increased 45 percent from 13,256, in first week of January 2020 (Pre COVID), to 19,263 in the week ending 13 November 2020 compared to a 39 percent increase nationwide for the same period.

Fewer people are receiving the COVID income relief payments in October 2020 as the labour market begins to stabilize.

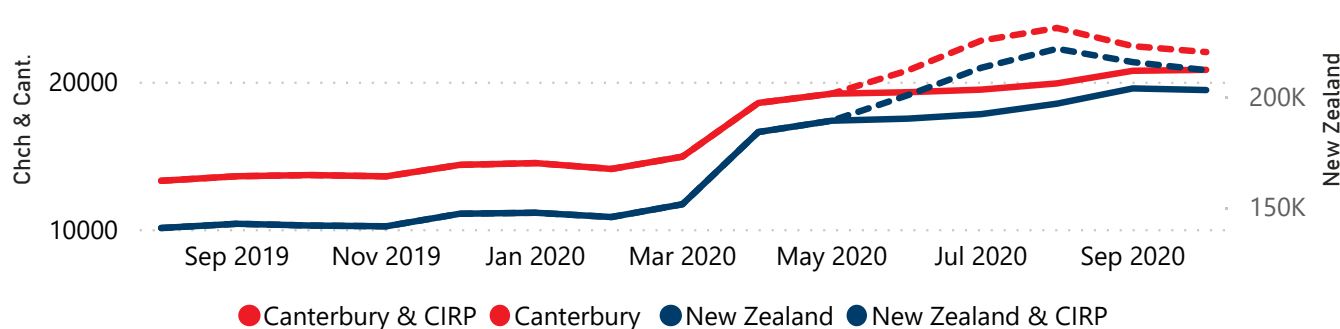
In Canterbury, between January and October 2020, the number of those who received the CIRP and job seeker support increased 52 percent compared to 44 percent for New Zealand.

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
50%	33%	45%	22%	30%	39%	39%	38%	27%	26%	32%	34%

Source: MSD, ChristchurchNZ

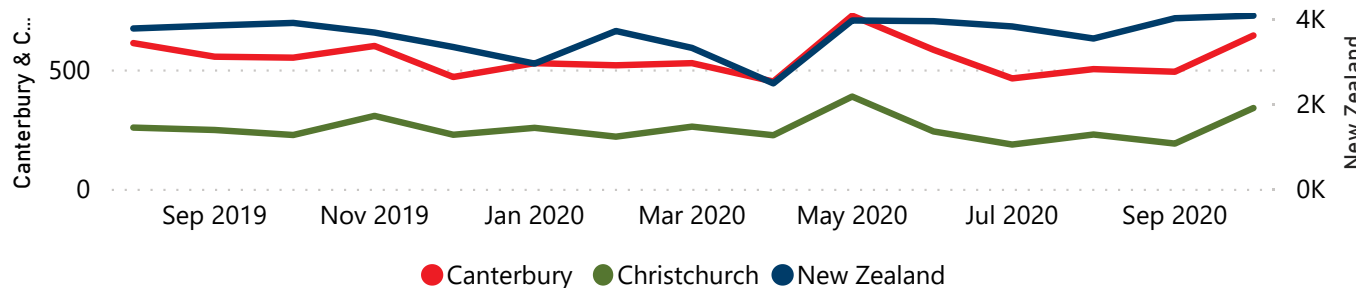
### Building Consents:

Christchurch consent issuance saw exceptional growth in October in both the residential and, surprisingly, the non residential sector as well. The currently booming housing market may be the driver of this activity as property developers see a strong return on housing in the city. With the median house price in the city having increased by 12 percent since the beginning of the year, there is a strong incentive to build.

When comparing October 2020 with October 2019, total building consents increased by 49 percent, 17 percent and 4 percent for Christchurch, Canterbury and New Zealand. The non-residential sector saw the significant declines this month in Canterbury and New Zealand (-14% and -16%) but exceptional growth for Christchurch of 64%.

Annual total building consents for the year ending October are robust for the region and city despite the current climate of recession and pandemic. For the year ending October total building consents were up 10 percent and 4 percent respectively for Christchurch and Canterbury. Year end building consents for New Zealand were however down 0.1 percent when compared to the same month last year.

### 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
Oct 2020/Oct 2019	-14%	22%	17%	64%	48%	49%	-16%	7%	4%
Oct 2020/Sep 2020	22%	32%	31%	109%	75%	77%	2%	1%	2%
Quarterly change 2020/2019	-27%	-0%	-5%	-18%	6%	4%	-19%	4%	1%
YE Oct 2020/ YE Oct 2019	-22%	9%	4%	-21%	13%	10%	-16%	5%	-0%

Source: Statistics New Zealand, ChristchurchNZ

## Retail Sales:

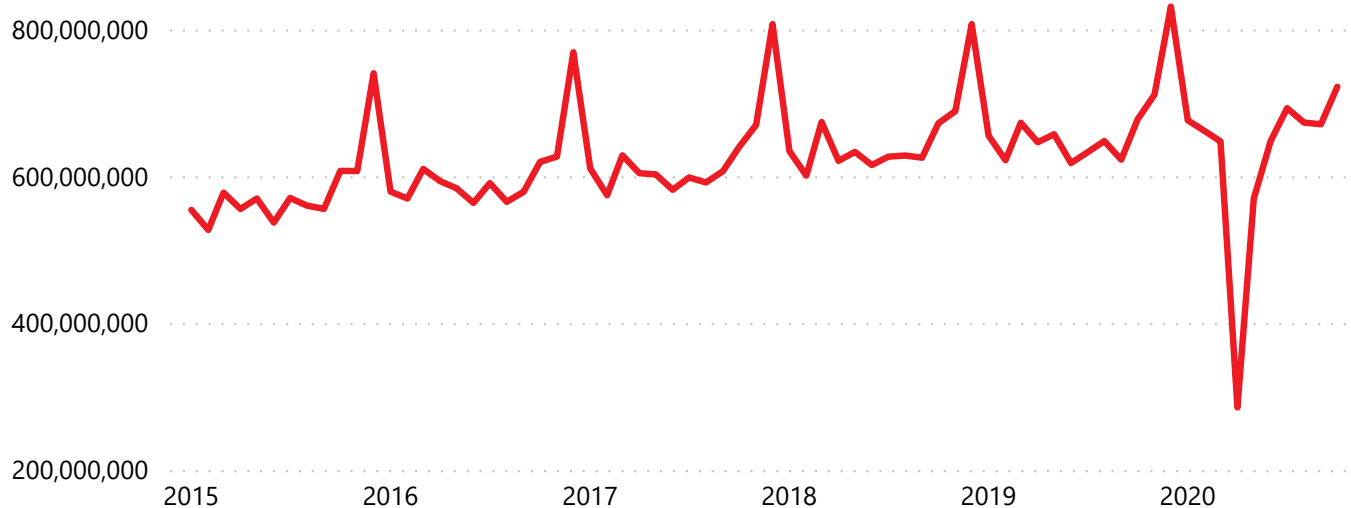
Retail spend in Canterbury reached \$723m in October 2020, up 7 percent on the same month last year.

Retail spending continues to defy expectations in October 2020 and was driven largely by spending on home and hardware and apparel and personal. This extended rebound in activity can be attributed to continued pent up demand, government subsidies, a resilient domestic economy and a robust domestic visitor market.

Domestic visitor spending reached \$84m in October 2020, up 36 percent on the same month last year. Conversely, international spend reached \$7.5m in October, down 73 percent on the same month last year.

Spending on home, hardware and electrical continues to see exceptional growth in September 2020, up 21% to \$80m.

## 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%	-4%	-9%	-3%	-14%	10%	7%	-25%	-2%
Quarter	-11%	12%	6%	9%	-6%	9%	26%	-22%	6%
Month	-5%	18%	9%	9%	-4%	8%	21%	-24%	7%

Source: MarketView, ChristchurchNZ

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