

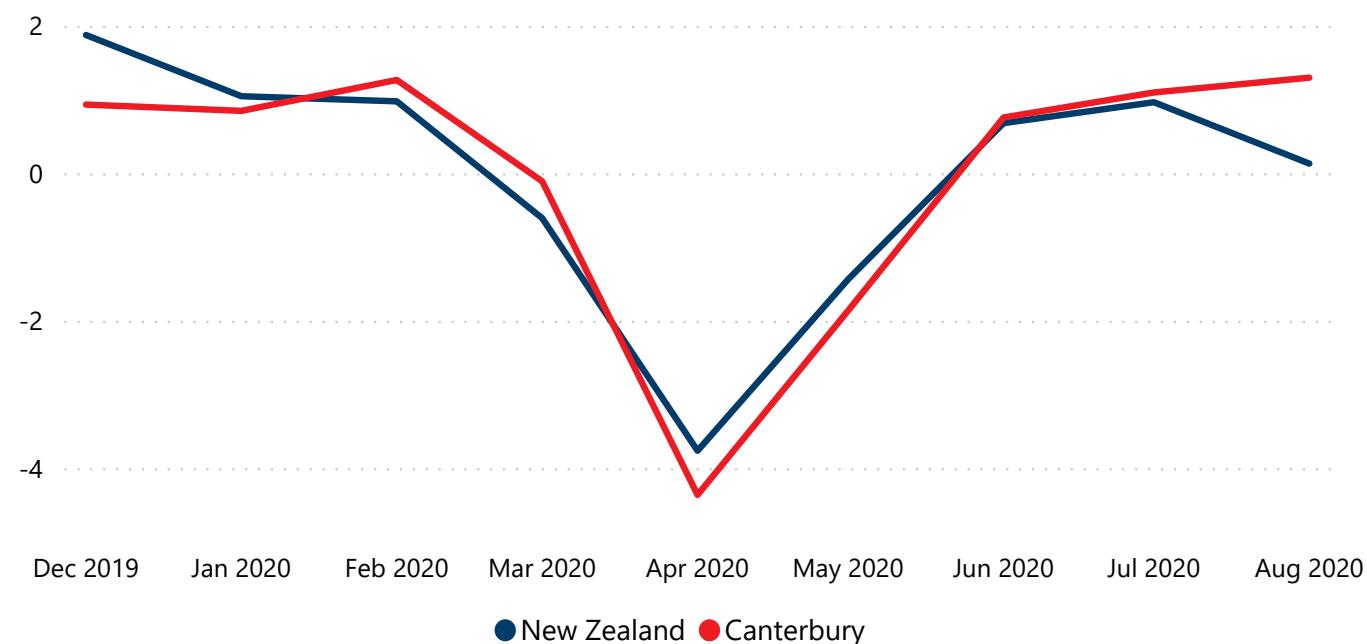
COVID-19 MONITOR: CANTERBURY ECONOMIC ACTIVITY INDEX

Month: August 2020

Summary:

- The Canterbury Economic Activity Indicator measures regional economic activity as being 1.3% higher than in August 2019.
- Job seeker support recipients in Canterbury increased 41 percent from 13,256, in first week of January 2020 (Pre COVID), to 18,710 in the week ending 18 September 2020.
- Consent issuance has shown continued resilience in the wake of COVID-19. In fact, except for a brief drop during the Level 4 lockdown, monthly consent issuance has held up at the very strong levels for Canterbury and Christchurch. Total consents increased 22 percent and 8 percent respectively for Christchurch and Canterbury when comparing July and August 2020.
- August 2020 compared to the same month last year saw decreases in total building consents of 18 percent for Canterbury.
- Retail spend in Canterbury reached \$674m in August 2020, up 4 percent on the same month last year. Retail spending in August 2020 is the third full month of post lockdown activity and growth rates are beginning to ease when compared to the robust figures seen last month.

Economic Activity Indicator - NZ & Canterbury



Source: ChristchurchNZ

In Detail:

In August 2020 the Canterbury Economic Activity Indicator reached 1.3 compared to 0.1 for New Zealand. These figures express that the weighted economic activity in Canterbury for August 2020 was about 1.3 percent higher than in August 2019. This is up 0.2 percentage points up on last month (July) for Canterbury compared to a 0.9 percentage point fall for New Zealand (from 1 to 0.1).

It is evident that Canterbury economy is recovering at an above average rate in the post lockdown period. Positive movements in August were driven predominantly by manufacturing activity which was up 19 percent for Canterbury in August 2020. The New Zealand average may have been dragged down by the Auckland lockdown 2.0 that began in early August.

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			
	August Month	m/m	y/y	YE August
Jobs Online	112	-25%	-21%	113
PMI	50	4%	-8%	48
Retail Spend	4893557378	-6%	-4%	61352594176
Heavy Traffic Flow	426450	-3%		5199302
Exports	4397878380	-1%	3%	65390718770

Indicators	Canterbury			
	August Month	m/m	y/y	YE August
Exports	515,411,784	-25%	7%	10,244,398,764
Heavy Traffic Flows	324,301	-3%	-21%	4,060,652
Jobs Online	143	-20%	-25%	133
PMI	56	19%	-5%	586
Retail Spend	469,231,202	4%	-4%	5,326,866,243

**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.*

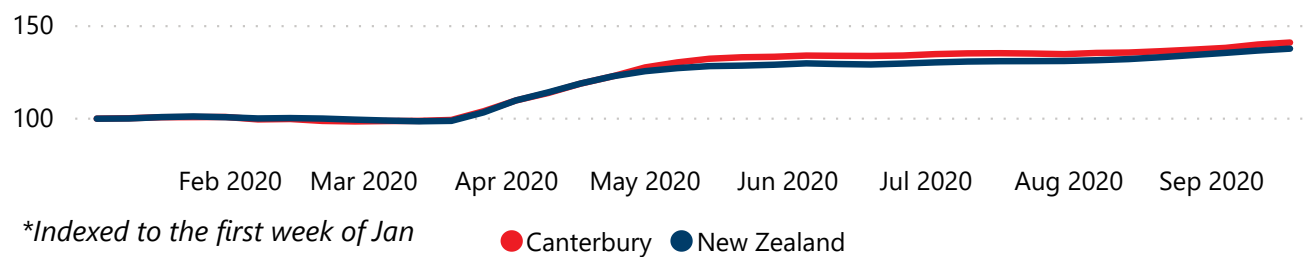
Job Seeker Support Recipients:

Job seeker support recipients in Canterbury increased 41 percent from 13,256, in first week of January 2020 (Pre COVID), to 18,710 in the week ending 18 September 2020 compared to a 38 percent increase nationwide for the same period. Since mid-April unemployment numbers have remained stable in part due to government subsidies.

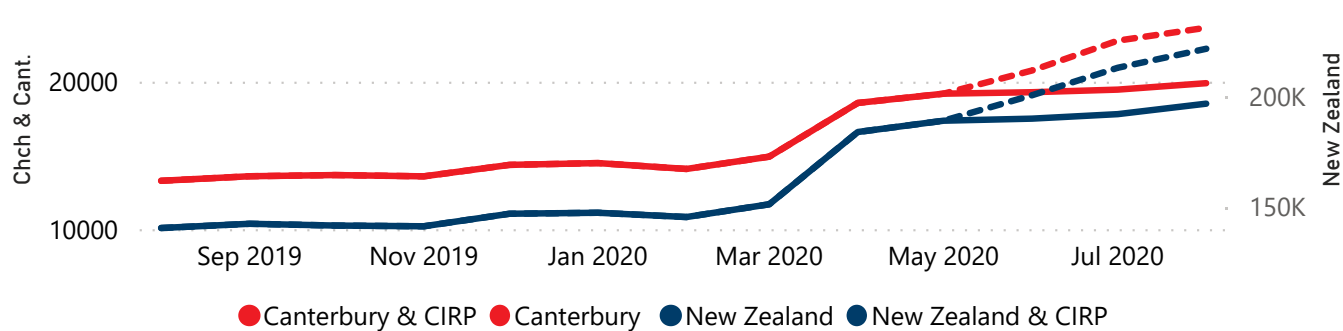
COVID income relief payments have somewhat masked the true number of those receiving income support since the beginning of the pandemic crisis. In Canterbury, between January and August 2020, the number of those who received the CIRP and job seeker support increased 63 percent compared to 50 percent for New Zealand.

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
47%	34%	41%	24%	34%	44%	38%	42%	28%	25%	30%	33%

Source: MSD, ChristchurchNZ

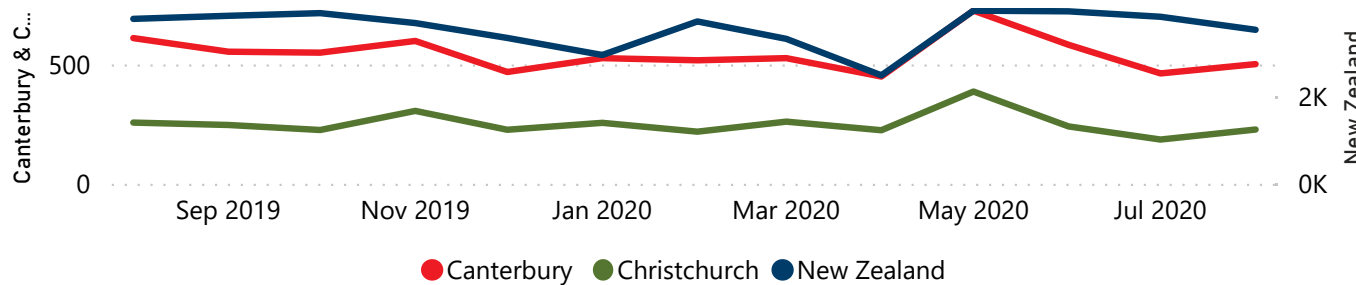
Building Consents:

Christchurch and Canterbury building consents, when considering activity between July and August, are showing above average resilience in the wake of COVID-19. Total consents increased 22 percent, 8 percent and decreased by 8 percent respectively for Christchurch, Canterbury and New Zealand when comparing July and August 2020.

Comparing August 2020 with August 2019 saw total building consents decreased by 11 percent, 18 percent and 7 percent respectively for Christchurch, Canterbury and New Zealand. These declines continue to be driven by the non-residential sector. COVID-19 related weakness in the economy combined with persistently high vacancies has meant that activity in the non residential sector has remained weak.

Despite a weaker overall economy total building consents for the year ending August continue to trend positively. This points to a strong pipeline of building work as we head into the new year and bodes well for employment in the sector. For the year ending July total building consents were up 7 percent, 4 percent and 2 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
Aug 2020/ Jun 2020	-9%	12%	8%	33%	21%	22%	-12%	-7%	-8%
YE Aug 2020/ YE Aug 2019	-21%	9%	4%	-25%	10%	7%	-13%	7%	2%
Quarterly change 2020/2019	-25%	-0%	-5%	-32%	-4%	-7%	-19%	5%	1%
Aug 2020/ Aug 2019	-32%	-15%	-18%	-38%	-8%	-11%	-25%	-3%	-7%

Source: Statistics New Zealand, ChristchurchNZ

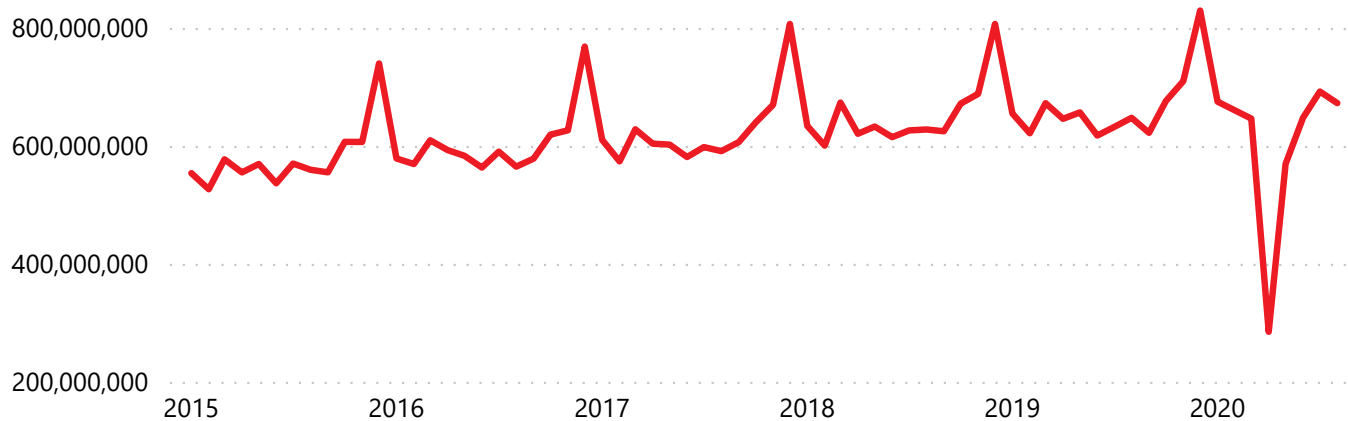
Retail Sales:

Retail spending in August 2020 is the third full month of post lockdown activity and growth rates are beginning to ease when compared to the robust figures seen last month. Retail spend in Canterbury reached \$674m in August 2020, up 4 percent on the same month last year.

The rate of growth of domestic visitor spend in Canterbury in August 2020, while still strong, is increasing at a lesser rate than last month. This may be in part due to the Auckland lockdown, that began early August. International spending saw a 71 percent decrease on the same month last year to \$6m compared to a 16 percent increase to \$64m for domestic spending (Figure 7). Total visitor spend in Christchurch for August 2020 was down 8 percent.

Spending on home, hardware and electrical and groceries and liquor saw the most growth in August 2020 or 28 percent and 10 percent respectively.

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%	-7%	-10%	-5%	-17%	-1%	3%	-22%	-3%
Month	-19%	2%	1%	6%	-10%	10%	28%	-23%	4%
Quarter	-14%	14%	3%	12%	-8%	10%	27%	-25%	6%

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.