

COVID-19 MONITOR: CANTERBURY ECONOMIC ACTIVITY INDEX

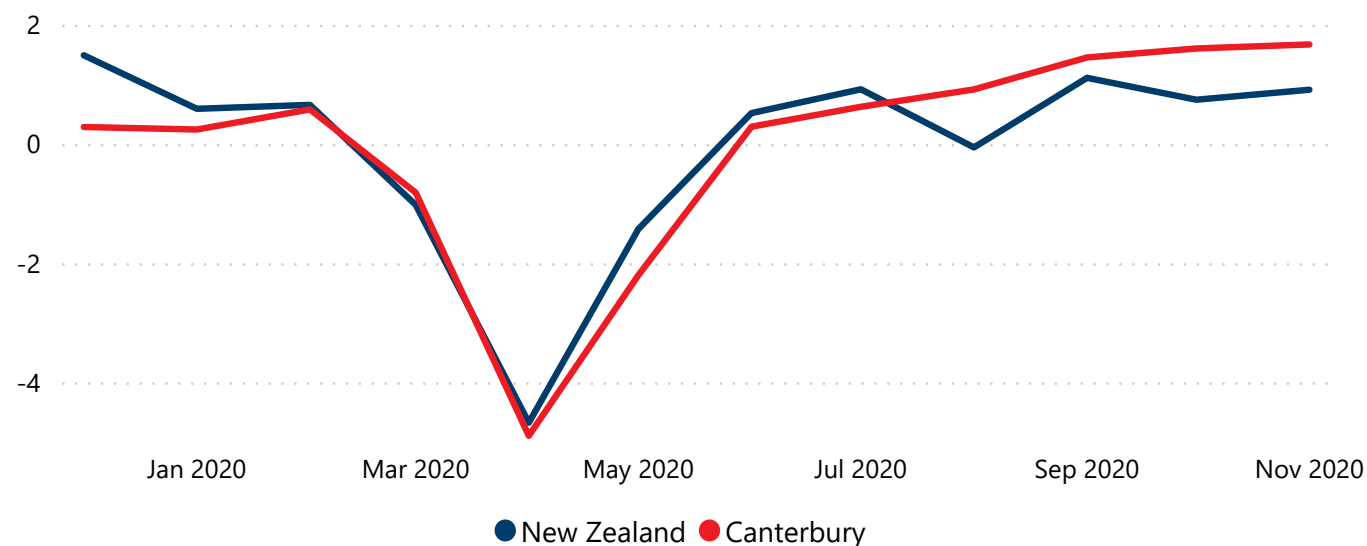
Month: November 2020

Summary:

- The Canterbury Economic Activity Indicator measures regional economic activity as being 1.7% higher than in November 2019.
- Job seeker support recipients in Canterbury increased 49 percent from 13,256, in first week of January 2020 (Pre COVID), to 19,773 in the week ending 11 December 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 \$717m in November 2020, up 1 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, 2020. 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 November 2020 the Canterbury Economic Activity Indicator reached 1.69 compared to 0.93 for New Zealand. These figures express that the weighted economic activity in Canterbury for October 2020 was 1.69 percent higher than in November 2019. This is up 0.07 percentage points on last month (October) for Canterbury compared to a 0.17 percentage point increase for New Zealand (from 0.76 to 0.93).

A faster than expected recovery in economic activity is impressive considering that the country is still experiencing the negative impacts of closed borders on industries such as tourism. Some of this continued strength may be due to post lockdown catch up and as such we might see some softer activity in the months to come.

Please note that the components of this indicator do not sufficiently account for the subdued conditions in tourism related activities. We 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	10.9%	979272535	0.6%	10003382996
Heavy Traffic Flows	3.2%			
Jobs Online	1.8%	160	-24.0%	131
PMI	24.4%	66	0.8%	51
Retail Spend	0.7%	717741209	-2.3%	7812249098

New Zealand				
Indicators	m/m	Month	y/y	YE
Exports	-4.5%	5317732793	-0.9%	63977280683
Heavy Traffic Flow	1.4%			
Jobs Online	2.3%	136	-21.7%	112
PMI	9.5%	62	-5.2%	49
Retail Spend	-1.9%	5596314233	-3.7%	61769086752

*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.

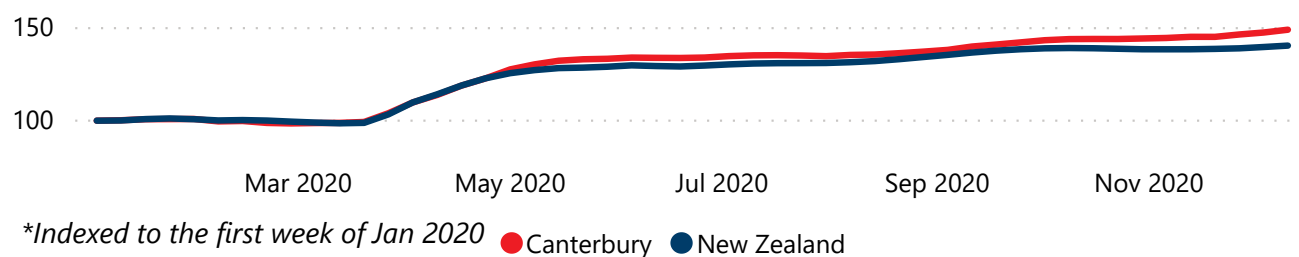
Job Seeker Support Recipients:

Job seeker support recipients in Canterbury increased 49 percent from 13,256, in first week of January 2020 (Pre COVID), to 19,773 in the week ending 11 December 2020 compared to a 41 percent increase nationwide for the same period.

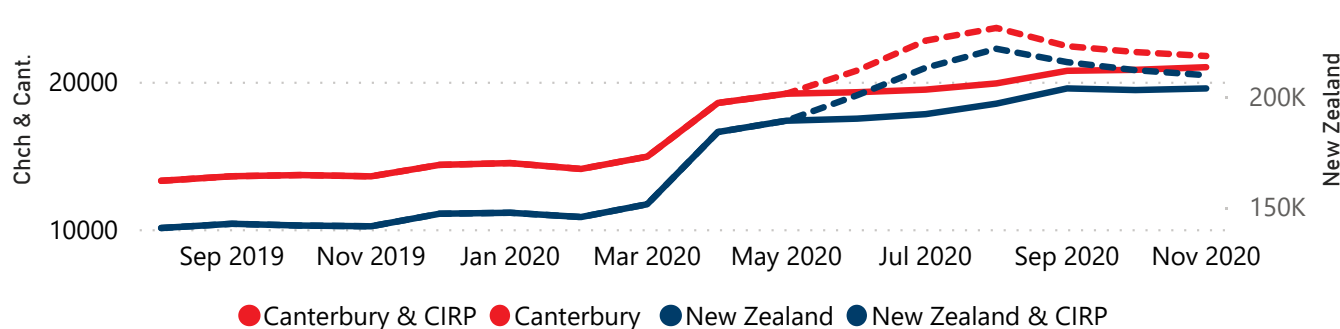
The number of people receiving the COVID income relief payments in November 2020 continues to fall as the labour market stabilizes. When compared to October 2020, CIRP recipients fell 37 percent to 759. In Canterbury, between January and November 2020, the number of those who received the CIRP and job seeker support increased 50 percent compared to 42 percent for New Zealand. This is driven almost entirely by job seeker support recipients.

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
53%	36%	49%	23%	30%	37%	41%	35%	29%	26%	36%	37%

Source: MSD, ChristchurchNZ

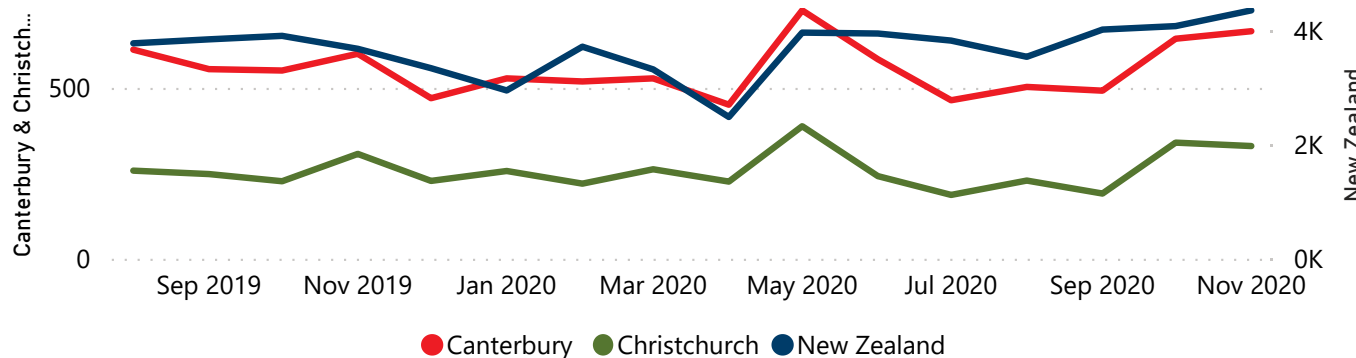
Building Consents:

Consent issuance in residential buildings in the city, region and nation continues to see positive growth through November 2020. A hot housing market combined with a structural shortage of real estate listings has incentivised property developers and as such driven this positive activity.

November 2020 compared with November 2019 saw total building consents increase by 7 percent, 11 percent and 18 percent for Christchurch, Canterbury and New Zealand. The non-residential sector continues to see negative growth with declines this month in Canterbury and New Zealand (-5% and -1%) and flat growth for Christchurch of 0%.

Annual total building consents for the year ending November maintain their positive status despite COVID related headwinds in the economy. For the year ending November total building consents were up 8 percent and 4 percent respectively for Christchurch and Canterbury. Year end building consents for New Zealand were also up 2 percent when compared to the same period 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
Nov 2020/ Nov 2019	-5%	13%	11%	0%	8%	7%	-1%	21%	18%
Nov 2020/ Oct 2020	3%	3%	3%	-30%	-1%	-3%	12%	6%	7%
Quarterly change 2020/2019	-18%	10%	6%	-2%	11%	10%	-11%	12%	9%
YE Nov 2020/ YE Nov 2019	-21%	9%	4%	-18%	10%	8%	-15%	7%	2%

Source: Statistics New Zealand, ChristchurchNZ

Retail Sales:

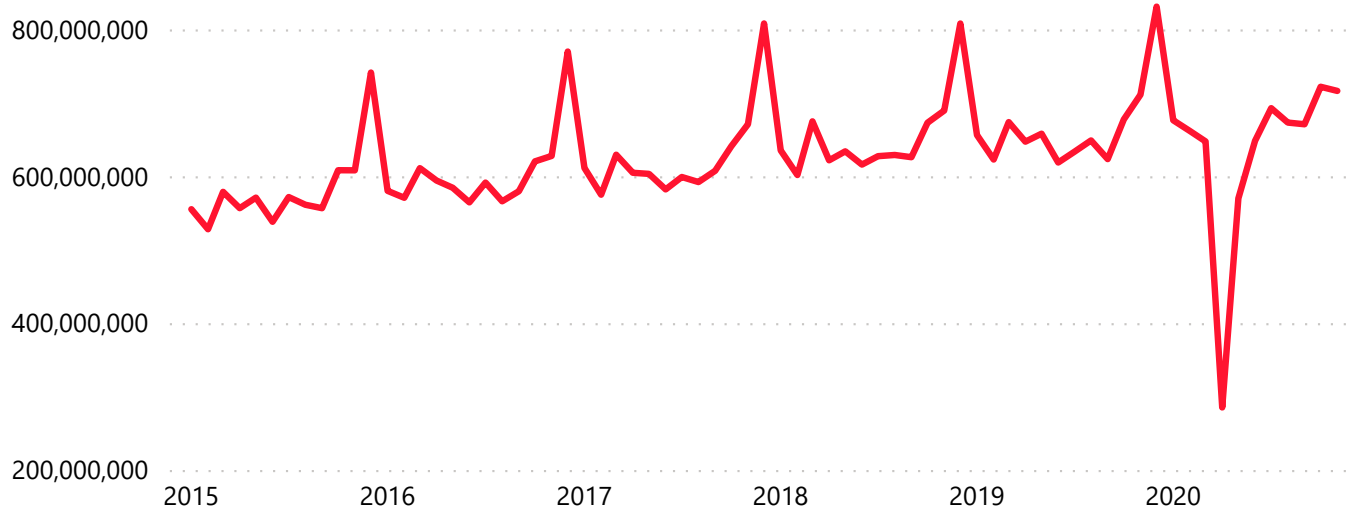
Retail spend in Canterbury reached \$717m in November 2020, up 1 percent on the same month last year.

November card spending, while softer than previous months, continues to trend positively. The rise in spending in the apparel and personal and home and recreational retail categories, up 12 percent and 13 percent respectively, was likely influenced by "Black Friday" promotions which were strong in November.

Despite growth in these industries, activity in tourism related sectors remains soft due continued restrictions on border. Spending on cafes, restaurants bars and takeaways saw negative growth of 2 percent when compared to November 2019.

Domestic visitor spending reached \$67m in November 2020, up 11 percent on the same month last year. Conversely, international spend reached \$8m in November, down 78 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	12%	-2%	-10%	2%	13%	-22%	3%
Quarter	16%	3%	-5%	6%	16%	-20%	6%
Year	-3%	-12%	-14%	8%	2%	-29%	-3%

Source: MarketView, ChristchurchNZ

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