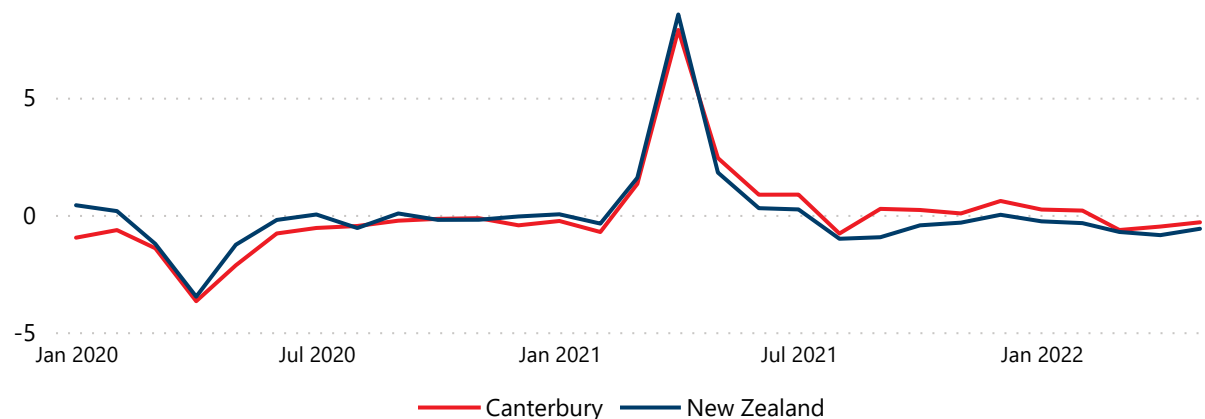


CANTERBURY ECONOMIC ACTIVITY INDEX: May 2022

Summary:

- In May 2022, the Canterbury Economic Activity Index (CEAI) was -0.3, meaning that economic activity in Canterbury fell by -0.3 percent compared to May 2021. Economic activity across New Zealand fell by -0.6 percent over the same period. May 2022 marks the twelfth consecutive month in which Canterbury has outperformed New Zealand as a whole in the economic activity index. Of the five indicators, the number of Jobs Online in Canterbury experienced the strongest growth compared to May 2021. Canterbury's Performance of Manufacturing Index was the only indicator to decline over the same period.
- In the week ending 10 June 2022, the number of Jobseeker support recipients in Canterbury was 22.6 percent higher than the number of recipients registered in the first week of January 2020 (16,251 recipients vs. 13,256 recipients).
- Building consent issuance lifted during May 2022 after a dip in the previous month of April. A total of 432 new buildings were consented in Christchurch during May 2022, of which 408 were for new homes. Also, 63 percent of these consents for new homes in Christchurch were for townhouses, flats or units.
- Canterbury registered a 5.6 percent or \$40.1 million increase in the value of retail spending during May 2022 compared to May 2021. However, the number of retail transactions in Canterbury fell by -4.8 percent over the same period. This indicates that the observed increase in retail spending in May 2022 was driven by price inflation, rather than an uplift in the volume of spending.

Figure 1. Economic Activity Index – New Zealand and Canterbury, January 2020 – May 2022 (in %)



Source: ChristchurchNZ

In Detail:

In May 2022, the Canterbury Economic Activity Index (CEAI) was -0.3, while the national figure was -0.6. This means that economic activity in Canterbury during May 2022 was -0.3 percent lower than during the same month in 2021, while economic activity across New Zealand fell by -0.6 percent over the same period. May 2022 marks the twelfth consecutive month in which Canterbury's index has outperformed New Zealand. Of the five indicators, the number of Jobs Online in Canterbury experienced the strongest growth compared to May 2021 at 28.5 percent. Growth was negative for one indicator, with Canterbury experiencing a -10.7 percent drop in the Performance of Manufacturing Index (PMI) from May 2021.

During May 2022, the (unadjusted) PMI for Canterbury was 53.2. This was an increase from the previous month of April (45.5), moving the PMI back into expansive territory. However, Canterbury's PMI remained below that of May 2021 (59.6). The (unadjusted) PMI for New Zealand during May 2022 was 53.0. This was also an increase from the previous month of April (47.3) but a decrease from May last year (58.7). Like Canterbury, the PMI for New Zealand in May 2022 was indicative of an expansive manufacturing sector, following contraction in the previous month.

The components of this index do not sufficiently account for the subdued conditions in tourism-related activities. **The Canterbury Economic Activity Index 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				
Indicator	May 2022/ May 2021	May 2022	YE May 2022/ YE May 2021	Year to May 2022
Retail Spend	5.6%	759,695,175.2	2.8%	8,813,677,703.8
PMI	-10.7%	53.2	-5.6%	55.4
Jobs Online	28.5%	282.9	46.2%	242.4
Heavy Traffic Flows	13.3%			
Exports	8.6%	1,068,868,000.0	21.2%	11,211,665,363.0

New Zealand				
Indicator	May 2022/ May 2021	May 2022	YE May 2022/ YE May 2021	Year to May 2022
Retail Spend	4.0%	5,872,891,596.0	-0.0%	66,729,991,713.8
PMI	-9.7%	53.0	-4.5%	53.1
Jobs Online	13.1%	213.0	35.1%	186.7
Heavy Traffic Flows	-4.5%			
Exports	16.0%	7,288,833,000.0	15.1%	71,282,813,632.0

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

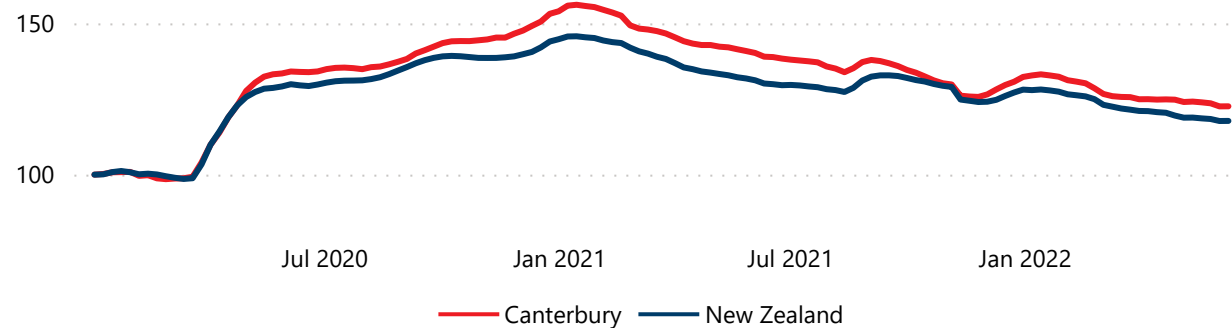
Job Seeker Support Recipients:

In the week ending 10 June 2022, the number of Jobseeker support recipients in Canterbury was 22.6 percent higher than the number of recipients registered in the first week of January 2020 (16,251 recipients vs. 13,256 recipients). This was a larger increase than that of New Zealand as a whole, with the number of Jobseeker recipients across the country increasing by 17.8 percent compared to the same pre-COVID period.

The number of Jobseeker support recipients in Canterbury decreased over the four weeks to 10 June 2022. So far in 2022, the average four-week change in Jobseeker support in Canterbury has reflected a reduction in recipient numbers, with an average of 180 people coming off Jobseeker support every four weeks. The largest monthly decline in recipient numbers took place in the four weeks to 18 March 2022, with just under 600 people in Canterbury coming off Jobseeker support over this period.

During the week ending 10 June 2022, the percentage of the estimated working-age population receiving Jobseeker support in Canterbury was 4.4 percent, down from 5.0 percent during the same week last year. This was also below that of both the Auckland and Wellington regions (5.3 percent and 4.7 percent, respectively). The percentage of the estimated working-age population in Canterbury receiving Jobseeker support peaked in the first half of January 2021 at 5.7 percent.

Figure 2. Jobseeker Support Recipients for the weeks ending on Friday, January 2020 – June 2022 (indexed to the first week of January 2020)



Percentage change in the number of Jobseeker support recipients between the week of 10 June 2022 and the first week of January 2020

Auckland Metro	Bay of Plenty	Canterbury	Central	East Coast	Nelson	New Zealand	Northland	Southern	Taranaki	Waikato	Wellington
29.7%	18.6%	22.6%	0.1%	-1.2%	17.4%	17.8%	16.6%	9.6%	3.3%	15.7%	10.9%

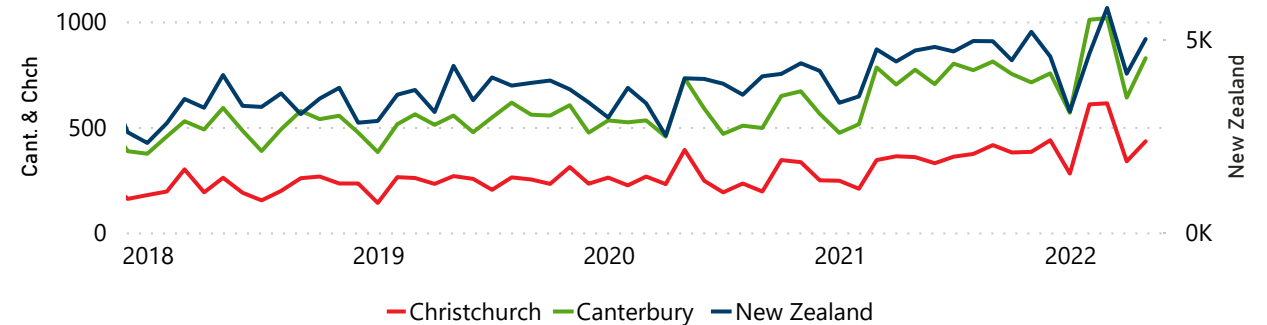
Source: MSD, ChristchurchNZ

Building Consents:

Building consent issuance lifted during May 2022 after a dip in the previous month of April. A total of 432 new buildings were consented in Christchurch during May 2022, of which 408 were for new homes. Also, 63 percent of these consents for new homes in Christchurch were for townhouses, flats or units. The number of consents for new homes in Christchurch increased by 20.4 percent compared to May 2021, while the value of new homes consented increased by 37.7 percent over the same period. The number of new homes consented across Canterbury and New Zealand also rose compared to May last year, by rates of 5.7 percent and 8.3 percent, respectively.

A total of 5,000 consents for new buildings were issued across New Zealand during May 2022, of which 4,528 were for new homes. Also, a total of 51,015 new homes were consented across the country over the year to May 2022, a new annual record. This was a 17.4 percent increase from the previous 12-month period. Over the year to May 2022, the Canterbury region had the highest number of new homes consented per 1,000 residents of any New Zealand region, with 13.1 new homes consented per 1000 residents. This was up from 9.8 per 1000 residents in Canterbury in the year to May 2021. The national average over the year to May 2022 was 10 new homes consented per 1000 residents.

Figure 3. Total Building Consents, January 2018 - May 2022



Source: Statistics New Zealand, ChristchurchNZ

Period	CHCH Residential	CHCH Non-Residential	CHCH Total	Canterbury Residential	Canterbury Non-Residential	Canterbury Total	NZ Residential	NZ Non-Residential	NZ Total
May 2022/ Apr 2022	25.2%	118.2%	28.2%	27.2%	49.2%	29.3%	21.8%	22.6%	21.8%
May 2022/ May 2021	20.4%	33.3%	21.0%	5.7%	20.5%	7.1%	8.3%	-9.8%	6.3%
Quarterly change 2022/ 2021	32.1%	-1.8%	30.2%	10.4%	6.9%	10.1%	9.3%	-7.2%	7.6%
YE May 2022/ YE May 2021	53.1%	-5.5%	49.8%	34.0%	2.2%	30.4%	17.4%	-0.7%	15.2%

Retail Sales:

Retail spending in Canterbury increased to \$759.7 million during May 2022. Canterbury registered a 5.6 percent or \$40.1 million increase in the value of retail spending compared to May 2021. However, the number of retail transactions in Canterbury fell by -4.8 percent over the same period. This indicates that the observed increase in retail spending in May 2022 was driven by price inflation, rather than an uplift in the volume of spending.

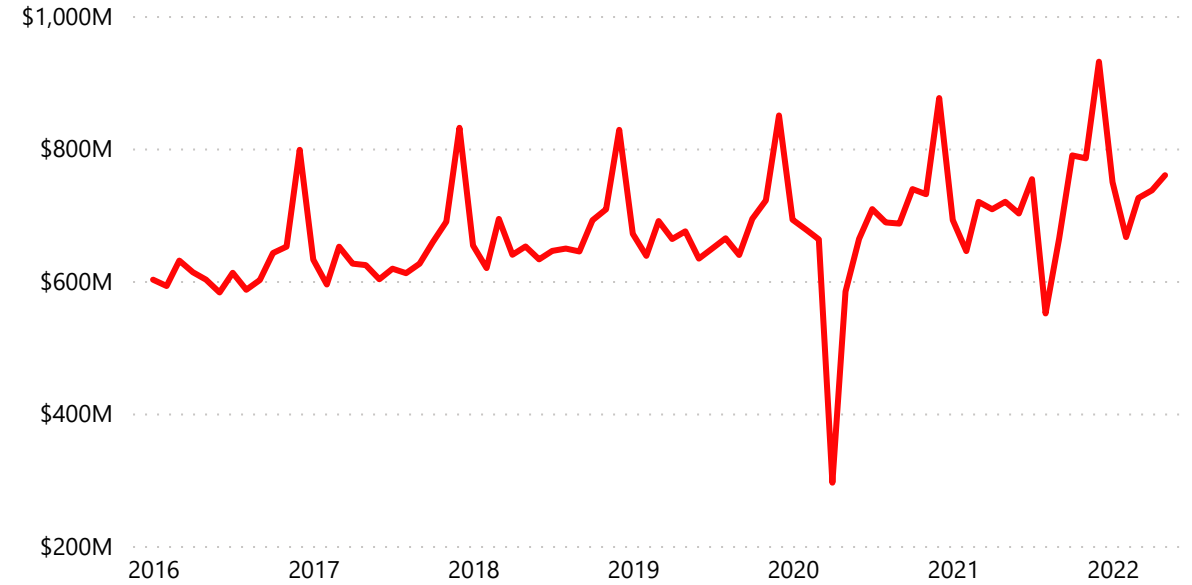
Positive growth in the value of spending took place across four of the six store types, with fuel & automotive and groceries & liquor experiencing the largest increases in spending compared to the same time last year (up 35.2% and 4.2%, respectively). The value of spending at cafes, restaurants, bars and cafes experienced the largest decline compared to May 2021, falling by -6.1 percent.

Meanwhile, the number of transactions fell across almost all store types compared to the same time in 2021. The two store types to experience a lift in the volume of spending were apparel & personal (up 0.7%) and fuel & automotive (up 4.8%). Other consumer spending registered the largest drop in transactions compared to May 2021, falling by -10.9 percent. This closely followed by a decline in spending at cafes, restaurants, bars and takeaways (-10.8%).

Retail spending in Canterbury over the year to May 2022 reached approximately \$8.8 billion, an increase of 2.8 percent or \$236.1 million compared to the previous 12-month period. The largest increase in the value of spending over the year to May 2022 (compared to the previous year) took place in the fuel & automotive category (up 19.1%), followed by spending on groceries & liquor (up 5.4%).

• Retail spending figures are sourced from Marketview, and refer to spending made instore via electronic card transactions on the Paymark network.

Figure 4. Canterbury Total Retail Spending, January 2016 – May 2022



Growth in retail spending in the Canterbury region (May 2022 vs May 2021)		
Category	Spending	Transactions
Apparel & Personal	2.8%	0.7%
Cafes, Restaurants, bars & takeaways	-6.1%	-10.8%
Fuel & Automotive	35.2%	4.8%
Groceries & liquor	4.2%	-4.3%
Home & Recreation Retail	-2.1%	-1.8%
Other Consumer Spending	3.1%	-10.9%
Total	5.6%	-4.8%



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