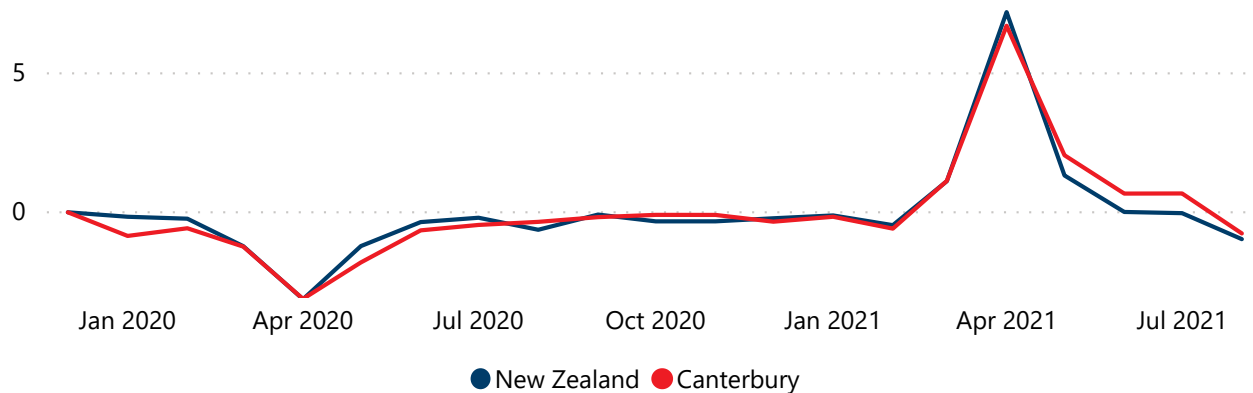


COVID-19 MONITOR: CANTERBURY ECONOMIC ACTIVITY INDEX: AUGUST 2021

Summary:

- Canterbury experienced a decline in economic activity during August 2021 that reflected the significant restrictions that took place across New Zealand between 18-31 August under the COVID-19 Alert Response Level 4 lockdown.
- In August 2021, the Canterbury Economic Activity Index (CEAI) recorded regional economic activity at -0.8 percent lower than in August 2020. Nationally, economic activity was -1.0 percent lower than the same period last year. This means that the decline in economic activity in Canterbury during August 2021 was slightly less than the decline in economic activity that occurred across New Zealand as a whole.
- In the week ending 17 September 2021, the number of Jobseeker support recipients in Canterbury was 36.8 percent higher than the number of recipients registered in the first week of January 2020 (18,135 recipients vs. 13,256 recipients).
- During August 2021, total building consents in Christchurch increased by 60.3 percent compared to August 2020, while across Canterbury and New Zealand consent numbers increased by 52 percent and 39 percent, respectively. For the year ending August 2021, total consent issuance was up 21 percent in both Christchurch and Canterbury compared to the previous 12-month period, and up 21.2 percent across New Zealand.
- Retail spending in Canterbury reached approximately \$551 million during August 2021, a -20 percent decline from that of August 2020.

Figure 1. Economic Activity Index – New Zealand and Canterbury, January 2020 – August 2021 (in %)



Source: ChristchurchNZ

In Detail:

In August 2021, the CEAI for Canterbury was -0.8 percent, while the national figure was -1.0. This means that weighted economic activity in August 2021 was down -0.8 percent in Canterbury and down -1.0 percent across New Zealand as a whole compared to the same month in 2020.

The CEAI for Canterbury was down 1.5 percentage points compared to the previous month of July 2021, while the national figure was down 1 percentage point from the previous month.

During August 2021, the Performance of Manufacturing Index (PMI) for Canterbury was 42.9, a decrease on that of both June and July (65.9 in June and 63 in July). This was the lowest PMI for Canterbury since May 2020. The PMI for New Zealand (unadjusted) was 38.9, also reflecting a decrease from the two previous months (59.1 in June and 59.5 in July). This was the lowest PMI for New Zealand since April 2020. These PMI values reflect the COVID-19 related restrictions that took place under lockdown during August 2021, with a PMI reading below 50 indicating that the manufacturing sector is contracting.

Please note that 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				
Indicators	m/m	Month	y/y	Year ended
Retail spend	-20.0%	550,985,895	8.2%	8,523,621,141
PMI	-23.4%	43	19.5%	58
Jobs online	50.6%	215	46.5%	195
Heavy traffic flows	2.9%			
Exports	34.8%	696,920,061	-2.4%	9,951,693,388

New Zealand				
Indicators	m/m	Month	y/y	Year ended
Retail spend	-12.9%	4,291,469,360.1	7.9%	66,618,788,032.5
PMI	-22.7%	38.9	15.7%	55.3
Jobs online	54.0%	172.2	43.6%	162.8
Heavy traffic flows	-20.3%			
Exports	6.2%	4,651,370,526.0	-2.2%	63,905,194,757.0

**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.*

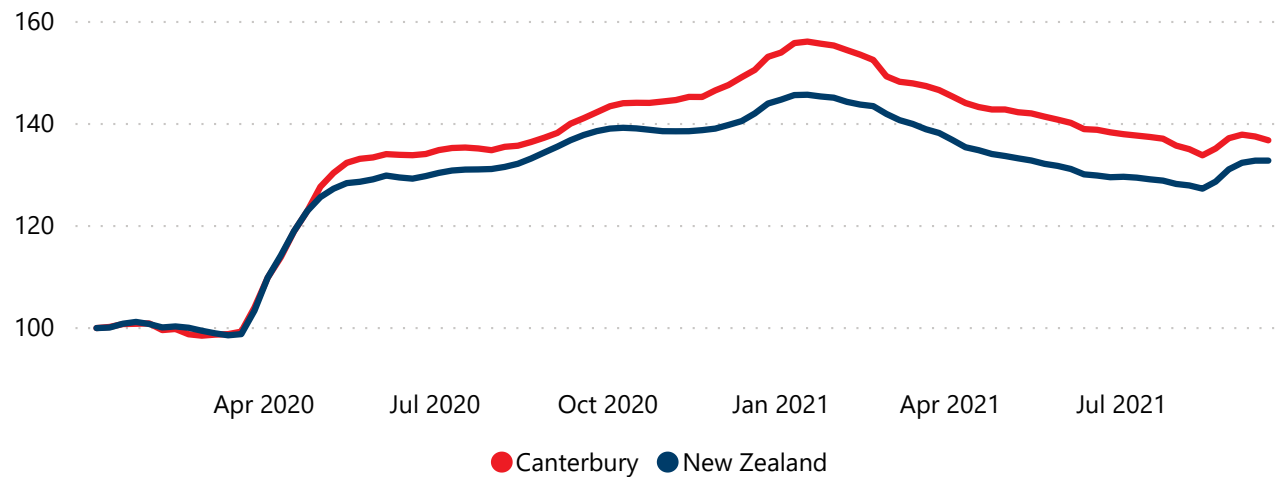
Job Seeker Support Recipients:

In the week ending 17 September 2021, the number of Jobseeker support recipients in Canterbury was 36.8 percent higher than the number of recipients registered in the first week of January 2020 (18,135 recipients vs. 13,256 recipients). During the same period, the New Zealand average was 32.8 percent higher.

The number of people receiving Jobseeker support payments began to rise from the week ending 13 August 2021. This corresponded with the start of the Level 4 lockdown on 18 August. This upward trend in the number of Jobseeker support recipients continued until the week ending 3 September 2021, before beginning to decline over the following two weeks.

During the week ending 17 September 2021, the percentage of the estimated working-age population receiving Jobseeker support in Canterbury was 4.9 percent, below that of both the Auckland and Wellington regions (5.9 percent and 5.3 percent, respectively).

Figure 2. Jobseeker Support Recipients for the weeks ending on Friday, January 2020 – September 2021 (indexed to the first week of January 2020)



Percentage change in number of Jobseeker support recipients between week of 17 September 2021 and the first week of January 2020.

Auckland Metro	Bay of Plenty	Canterbury	Central	East Coast	Nelson	New Zealand	Northland	Southern	Taranaki	Waikato	Wellington
45.3%	29.8%	36.8%	12.8%	25.8%	34.4%	32.8%	25.8%	29.6%	18.3%	29.8%	23.9%

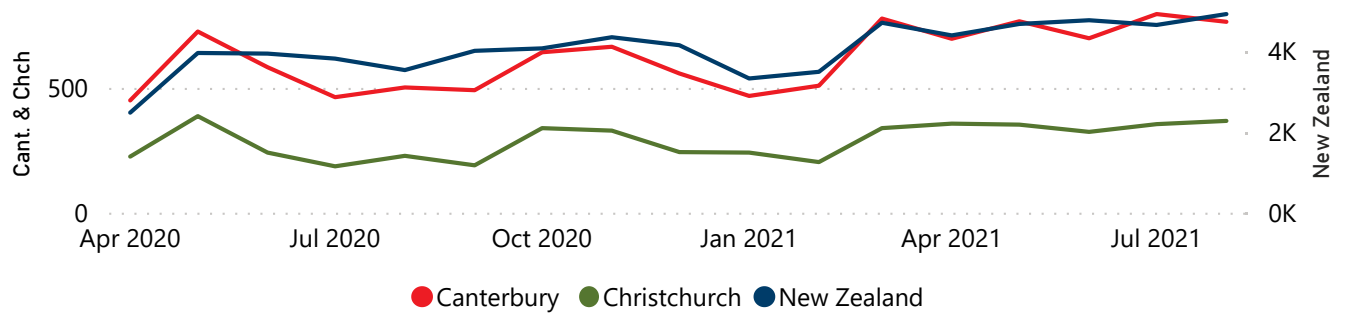
Source: MSD, ChristchurchNZ

Building Consents:

Building consent issuance continued to be robust during August 2021, despite the dialling up of the alert level. Nationally, a total of 46,453 consents for residential buildings were issued in the year ending August 2021, an increase of 24 percent from the previous 12-month period. This was a new annual record. This increase continues to be driven by low interest rates, significant hikes in house prices, and strong growth in the number of consents for townhouses, flats, and units. Around 61 percent of consents for new residential buildings in Christchurch in August 2021 were for buildings of this type.

The total number of building consents (residential and non-residential) issued in Christchurch in August 2021 was 60.3 percent above that of August 2020 while across Canterbury and New Zealand consent numbers increased by 52 percent and 39 percent, respectively. For the year ending August 2021, total consent issuance was up 21 percent in both Christchurch and Canterbury compared to the previous 12-month period, and up 21.2 percent across New Zealand.

Figure 3. Total Building Consents



Date	CHCH Non-Residential	CHCH Residential	CHCH Total	Canterbury Non-Residential	Canterbury Residential	Canterbury Total	NZ Non-Residential	NZ Residential	NZ Total
YE August 2021/ YE August 2020	5.7%	21.6%	20.7%	-6.5%	25.2%	21.0%	0.0%	24.0%	21.2%
Quarterly change 2021/2020	4.4%	62.7%	58.8%	0.0%	53.3%	45.6%	4.6%	29.8%	26.8%
August 2021/ July 2021	-36.8%	5.9%	3.6%	-25.3%	-1.1%	-3.9%	-1.9%	6.6%	5.8%
August 2021/ August 2020	-25.0%	66.7%	60.3%	-4.2%	61.1%	52.0%	13.4%	42.3%	39.0%

Source: Statistics New Zealand, ChristchurchNZ

Retail Sales:

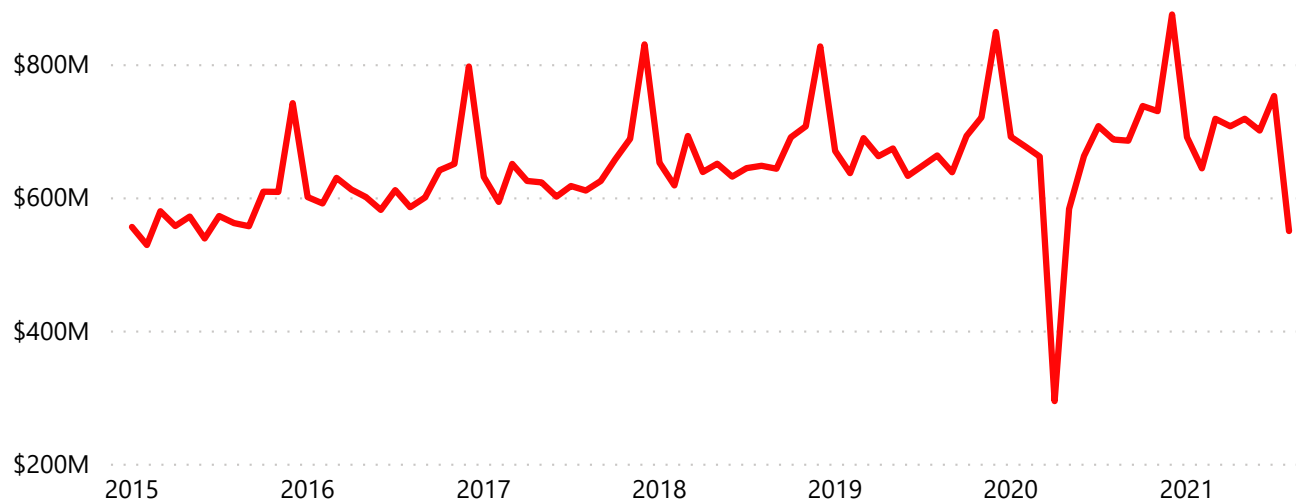
Retail spending in Canterbury reached approximately \$551 million during August 2021.

Canterbury registered a -20 percent decline in spending during August 2021 compared to August 2020. This is unsurprising given the significant restrictions on consumer activity that were in place between 18-31 August.

Negative spending growth took place across all store types except for groceries and liquor when comparing spending in August 2021 to August 2020. Spending on groceries and liquor increased by 6.9 percent. The largest declines in spending occurred in spending on apparel and personal (down -41.2 percent) and at cafes, restaurants, bars and takeaways (down -43.7 percent).

Retail spending in Canterbury over the year ended August 2021 reached approximately \$8.5 billion, an increase of 8.2 percent or \$646 million compared to the previous 12-month period.

Figure 4. Canterbury Total Retail Spending, January 2015 – August 2021



Percentage Change	Groceries & liquor	Fuel & Automotive	Other Consumer Spending	Home & Recreation Retail	Apparel & Personal	Cafes, Restaurants, bars & takeaways
Month	6.9%	-16.6%	-30.1%	-40.9%	-41.2%	-43.7%

Source: Marketview, ChristchurchNZ



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