Te Waka
Anga Whakamua Waikato

Helping the Waikato through COVID-19

Economic Radar

As at 6 May 2020

As we experience our second week at Alert Level 3 with new rules and responsibilities for Health and Safety and eagerly await announcements for a return to Alert Level 2, Te Waka, with the support of Waikato Regional Council Economists Blair Keenan and Sarah Mackay, continues to collate data to gauge what is happening in the Waikato economy.

Charts in this week's Radar show continued small movements in some of our data. As we progress our journey, we will continue to expand our monitoring and measures as we scan for signs of trouble, stabilisation, or sparks of life.

Note:

The following report has been compiled to share the Waikato region's COVID-19 recovery progress. In all instances, sources are listed to ensure access to data can be found. Information in this report will be updated weekly, with new measures added either by request or as additional information comes to hand.

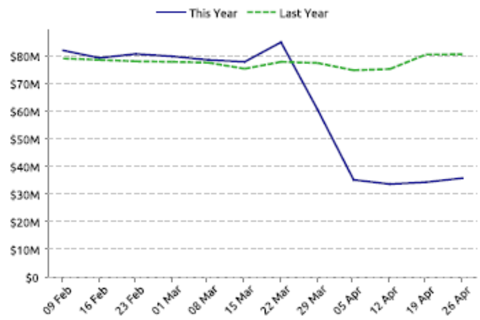
District level data can be obtained for some of the information contained in this report, please connect with us directly to learn more on this. Te Waka wishes to continue to progress conversations on the streamlining of obtaining this data with our ED community and business.

To provide feedback or find out more on the below information please contact:

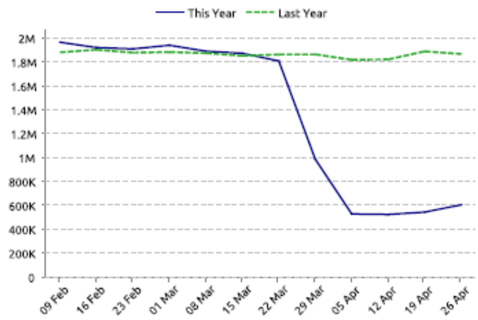
Michelle Hollands michelle.hollands@tewaka.nz

Waikato Weekly Card Transactions

1. WEEKLY VALUE OF SPENDING



2. WEEKLY NUMBER OF TRANSACTIONS



3. Change in value of spending

SWLY	CUMULATIVE
-55.6%	-18.3%

4. Change in number of transactions

SWLY	CUMULATIVE
-67.7%	-26.4%

SWLY = % change in spending (or transactions) relative to the Same Week Last Year
Cumulative = % change in spending made since 3 February 2020 compared to the same period in 2019

5. WEEKLY SPENDING CHANGE BY CATEGORY

	SWLY		Cumulative	
	$	#	$	#
Food, liquor & pharmacies	+7.5%	-33.2%	+13.4%	-10.4%
Hospitality & Accommodation	-98.9%	-99.3%	-41.2%	-41.9%
Fuel & Automotive	-68.4%	-61.4%	-28.1%	-26.2%
Clothing, Footwear & Dept. Stores	-99.2%	-99.8%	-47.9%	-47.7%
Home & Recreational Retailing	-93.9%	-99.2%	-30.9%	-33.4%
All other	-96.4%	-96.7%	-42.4%	-41.8%
TOTAL	**-55.6%**	**-67.7%**	**-18.3%**	**-26.4%**

6. WEEKLY SPEND AND TRANSACTION CHANGES

	SWLY		Cumulative	
Week Ending	$	#	$	#
09-Feb	+3.7%	+4.5%	+3.7%	+4.5%
16-Feb	+0.9%	+0.9%	+2.3%	+2.7%
23-Feb	+3.4%	+1.7%	+2.7%	+2.4%
01-Mar	+2.6%	+3.1%	+2.6%	+2.5%
08-Mar	+1.3%	+0.8%	+2.4%	+2.2%
15-Mar	+3.3%	+1.1%	+2.5%	+2.0%
22-Mar	+9.1%	-2.9%	+3.5%	+1.3%
29-Mar	-21.6%	-47.1%	+0.3%	-4.7%
05-Apr	-53.1%	-71.0%	-5.4%	-11.9%
12-Apr	-55.4%	-71.3%	-10.3%	-17.7%
19-Apr	-57.5%	-71.3%	-14.7%	-22.6%
26-Apr	-55.6%	-67.7%	-18.3%	-26.4%

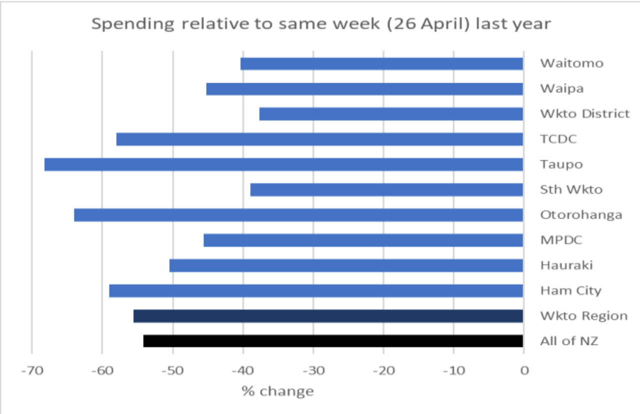
7. CHANGE BY ORIGIN OF CARDHOLDER

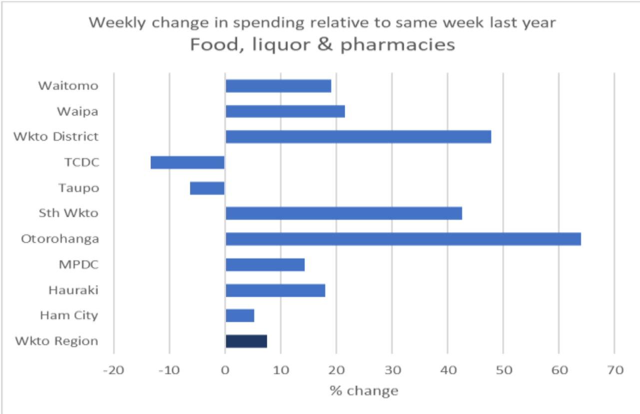
	SWLY		Cumulative	
	$	#	$	#
INTERNATIONAL	-84.4%	-87.7%	-21.7%	-22.1%
NZ CARDS	-54.5%	-67.2%	-18.1%	-26.5%

8. WEEKLY VALUE OF SPENDING - ALL OF NZ

	SWLY		Cumulative	
	$	#	$	#
New Zealand	-54.2%	-67.9%	-18.2%	-27.2%

Notes:
Charts 1 and 2 – value of spending/volume of transactions at merchants in the Waiakto Region for the 7 days ending on the date shown
Tables 3 and 4 – highligh the percentage change in total spending/transactions compared to the same week last year and the cumulative total spending/transactions since 3 February 2020
Table 5 – change spendign/transactions breakdown by key category within the Waikato region
Table 7 – change in spending/transactions within the Waikato region, by origin of cardholders
Table 8 – change in spending/transactions for Marketview's national sample





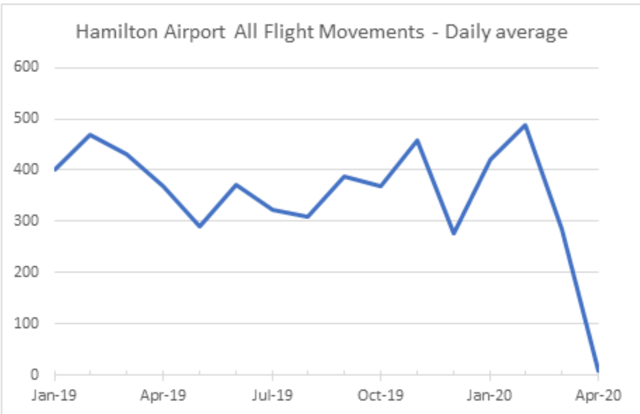
We continue to see increased spending in most districts, compared with last year, in just one category – food, liquor and pharmacies. The tourism districts of Taupo and Thames Coromandel experienced decreases in all categories of spending.

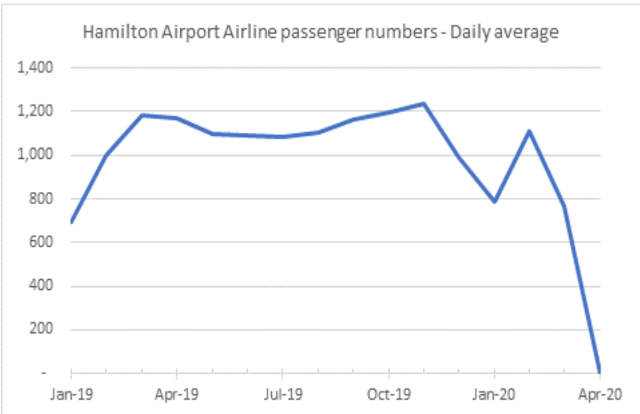
Source: Marketview using Paymark data

Waikato Travel Indicators

Flight Data

With Hamilton Airport closed, the skies above our main city are very quiet. The last commercial passenger flight was on 2 April. Level 3 has seen more activity on the airfield, but still a significant drop on previous activity. Our major operators Air NZ and the L3Harris flying school both expect resumption of services under Level 2. Air NZ will be limited based on the forecasted demand, the likelihood of travel restrictions still being imposed under Level 2 and the anticipated need to apply social distancing on board aircraft. The L3Harris flying school and other flight training and general aviation operators expect to resume largely normal operations

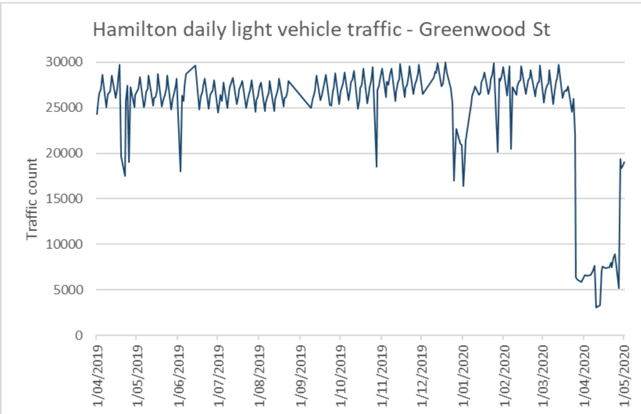


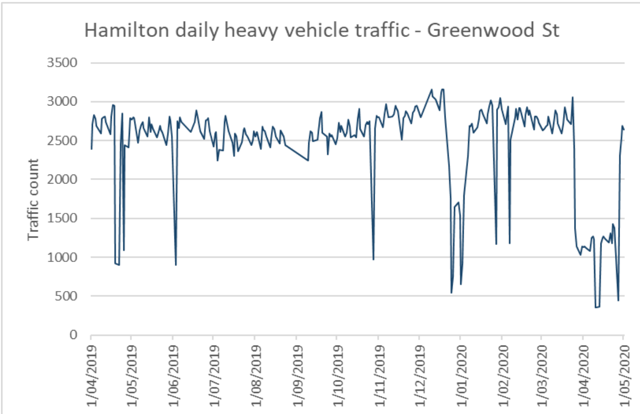


Source: Hamilton Airport

Traffic Data

The traffic data reported this week incorporates the observed Anzac Day on the Monday, and then the easing of restrictions to Level 3 from the Tuesday. Hamilton had a 99.8 percent increase in light traffic and a 63.9 percent increase for heavy traffic, when compared with the previous week.
Compared with last year, Hamilton traffic was down 38.1 percent. This is the smallest decrease of the five main cities, with the others experiencing between 51.2 and 73.5 percent decrease.

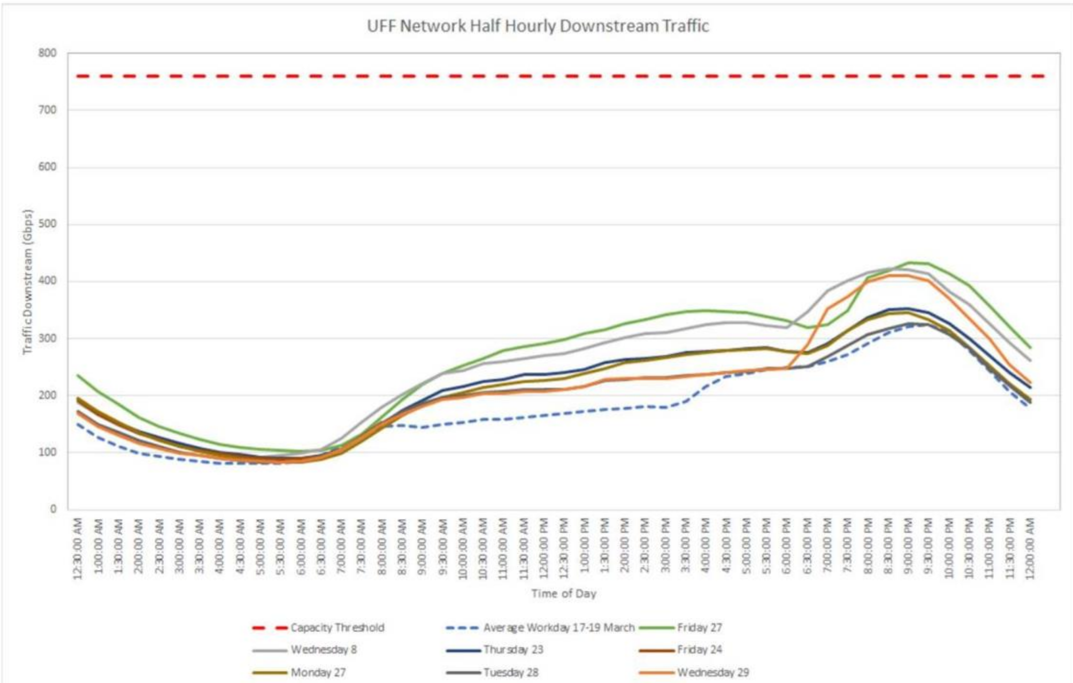




Source: https://www.nzta.govt.nz/about-us/coronavirus-disease-covid-19-services-update/weekly-traffic-count-information/

Data Usage

As a one-off snapshot of data use, the below shows comparative data on Ultra Fast Fibre's gigabit use. The network experienced a significant spike in data usage under Alert Level 4. Generally, a 35% average lift in demand (measured in gigabits per second or Gbps). This was consistent with expectations, given people's dependence on broadband connectivity in this digital age, exacerbated by being at home 24/7. Customers soon discovered the true value of fibre broadband as an essential service as they began to work, learn, play, be entertained and stay connected with others from home. The usage impact chart below demonstrates the usage:



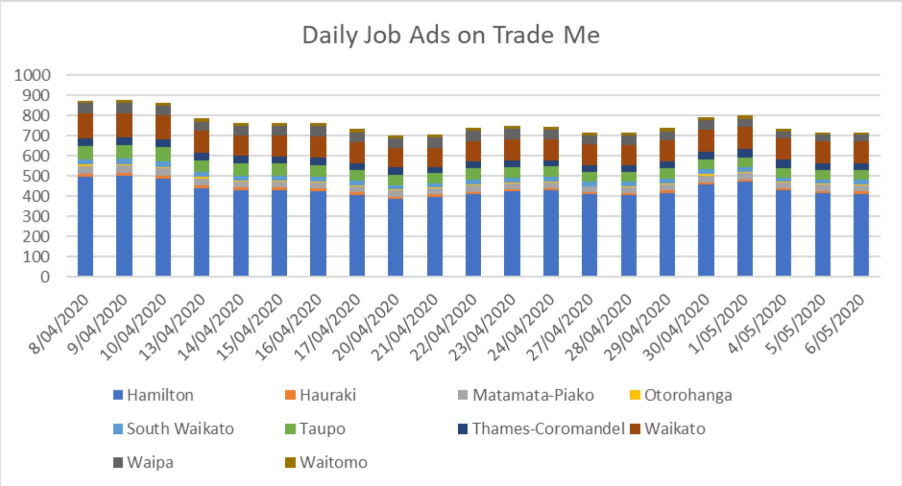
If you consider the hashed blue line in the chart – this is the "normal usage", which reflects the week before lockdown. The normal daily trend dips below 100Gbps in the pre-dawn hours when even the gamers are grabbing some sleep and sharply rises 7-8am as people wake up and check e-mail or browse for overnight news, steadily increasing through the day before reaching its peak (330Gbps) between 8-10pm at night when everyone is either streaming TV/movies or gaming online. Compare that to, for example, the grey or the green lines representing a Friday and a Wednesday during Level 4 lockdown, and you can see the material increase throughout the day. At the peak on the Friday we hit 430Gbps.

If you then look to the top of the chart you can see the red hatched line, which is the theoretical capacity at around 770Gbps throughput – this indicates that there is almost double the capacity available should we ever need it. Ultra Fast Fibre will invest in the network to increase that again if we ever get within 30% of that. We note that Ultra Fast Fibre is not a regional indicator, and that for many communities in the Waikato access to Fibre and online capability is a barrier to business and community activity.

Employment

Job Ads

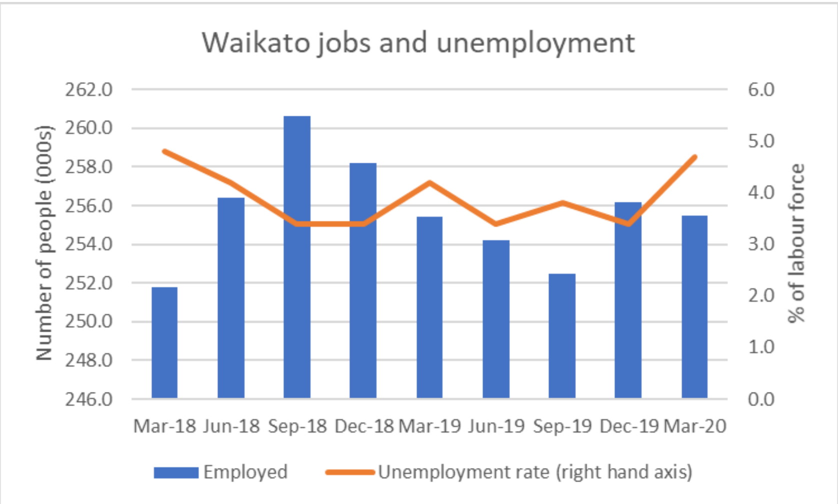
In the first week of Alert Level 3, the number of jobs advertised in the region increased from 715 to 799, before falling back again this week.



Source: www.trademe.co.nz

Household Labour Force Survey

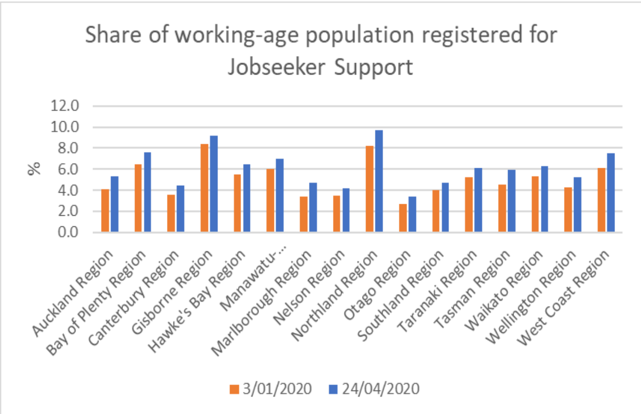
Official labour market statistics for the March quarter out this week show a slight fall in the number of jobs, and a significant tick up in the unemployment rate. Considering the lockdown only began at the very end of this quarter, it is likely that this weakening will get much worse in the next quarter.

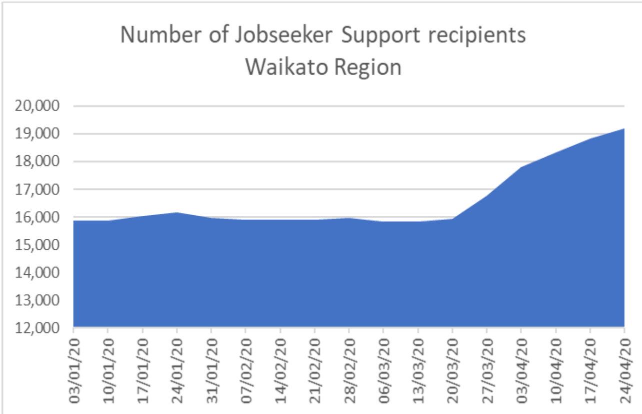


Source: https://www.stats.govt.nz/

Jobseeker Support

The number of recipients of the Jobseeker Support has risen by 3,300, or 21 percent since the start of 2020, slightly less than the 23 percent increase for New Zealand as a whole. This means that 6.3 percent of the working age population is now receiving Jobseeker support (compared with 5.3 percent at the start of the year). This is higher than the 5.7 percent of the national working age population now in receipt of Jobseeker Support.





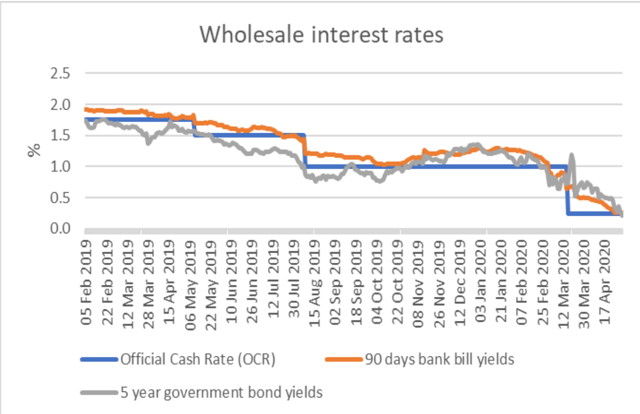
Note: The MSD Waikato region includes Thames-Coromandel, Matamata-Piako, Hauraki, Waikato District, Hamilton City and Waipa. Waitomo and Otorohanga are part of the MSD Taranaki region, and Taupo and South Waikato are part of MSD Bay of Plenty region.

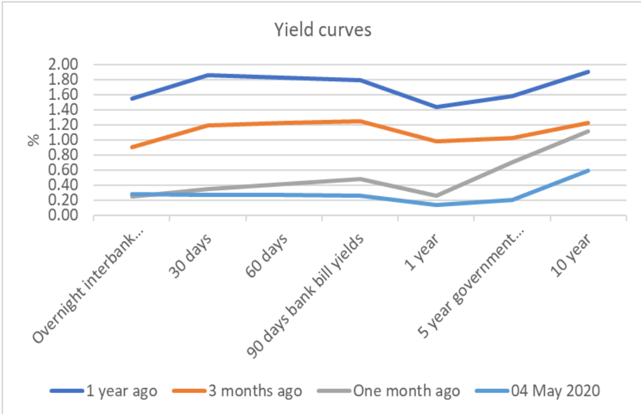
Source: www.msd.govt.nz

Financial Indicators

Interest Rates

The yield curve continues to flatten as yields for longer-dated maturities continue to ease downwards. In fact, yields for 1 and 5 year bonds are now below those for bank bills, resulting in a downward-sloping yield curve out to 5 years. A downward sloping yield curve is usually considered to be a reliable indicator of a forthcoming recession.

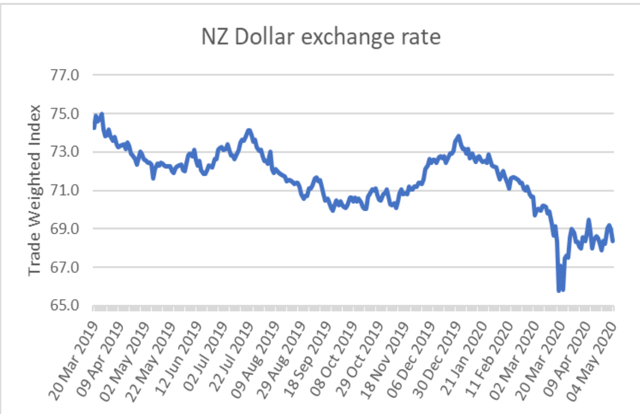


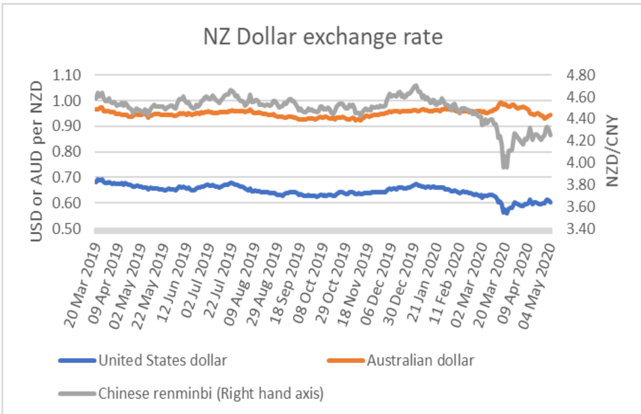


Source: https://www.rbnz.govt.nz/

Exchange Rates

The New Zealand dollar continues to trade in a range against its main trading partners currencies.

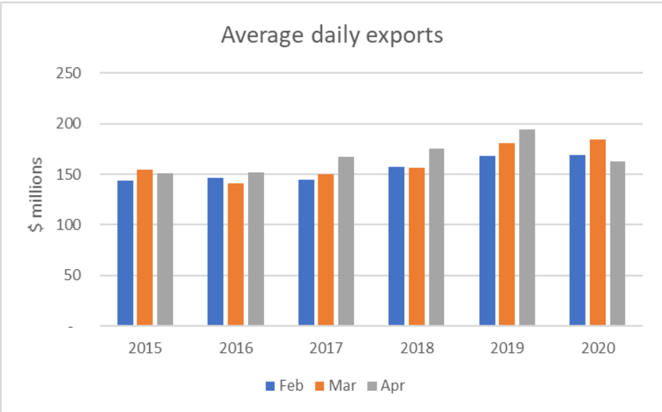


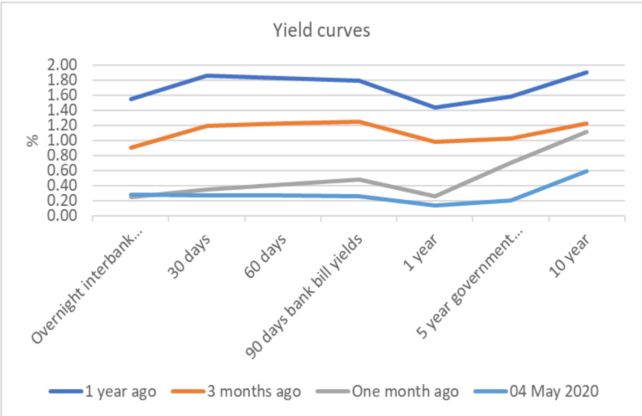


Source: https://www.rbnz.govt.nz/

Trade

New Zealand's exports remained strong through February and March, but have dropped away somewhat in April. Average daily export values were $162 million in April (up to the 29th), compared with $194 million for the same period in 2019.

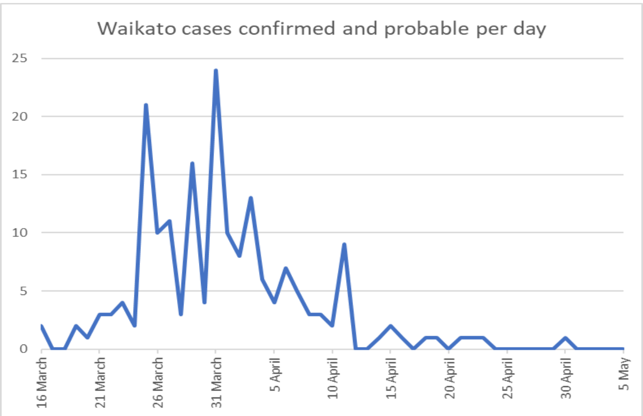


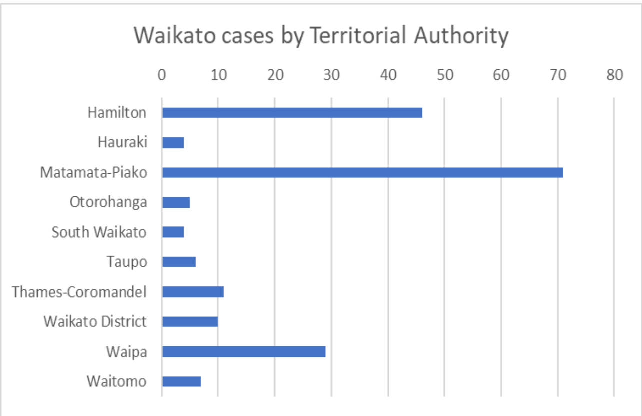


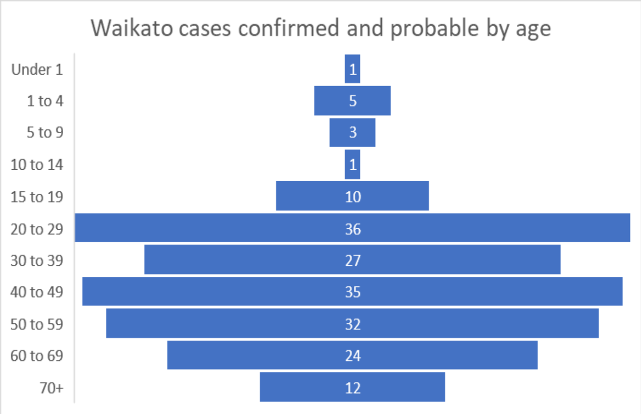
Source: https://www.stats.govt.nz/

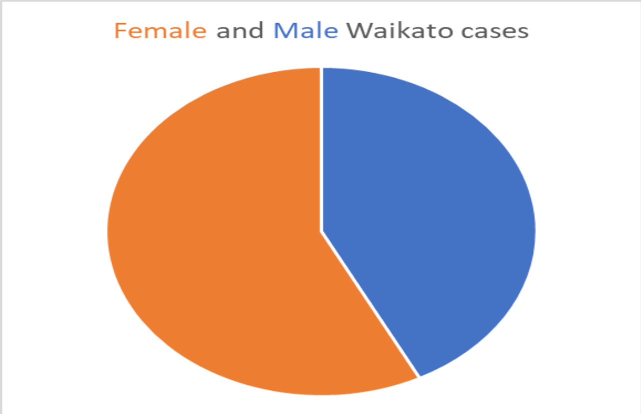
COVID-19 in the Waikato as at 5 May 2020

The Waikato DHB has had 186 confirmed and probable cases – 21 active cases, 164 recovered, and one deceased.









Source: https://www.health.govt.nz/ and https://waikatodhb.health.nz and https://covid19.bopdhb.govt.nz/