

# Helping the Waikato through COVID-19

## Economic Radar

As at 4 September 2020

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 Economic Radar summarise statistics and data released over the last four weeks.

Due to COVID-19's relatively controlled nature in NZ and to account for various data sources' schedules of releasing data, we will continue to publish Economic Radars on a monthly basis. Reports are to be released on the first Friday of each month, our next report due 2 October.

While noting general stabilisation of trends, there remains uncertainty surrounding:

1. How New Zealand and the Waikato region will respond to the end of the wage subsidy scheme, closed 1 September 2020.
2. International Markets – many countries' health and economic challenges relating to COVID-19 are still developing / at a relatively early stage.
3. COVID-19 Free NZ – Over the past four weeks, NZ has had community transmission in Auckland, which resulted in a second phase of Level 3 lockdown in the Auckland region with the remainder of New Zealand in Level 2. The latest update indicates 115 active cases of COVID-19. All cases are currently linked to the Auckland cluster or in managed quarantine, however the risk of nationwide, uncontrolled community transmission remains.
4. Post Government Survival Investment Stability – Central Government has invested in a number of initiatives to support business survival. Uncertainty remains around the long-term impact / effectiveness of these initiatives.

### Note:

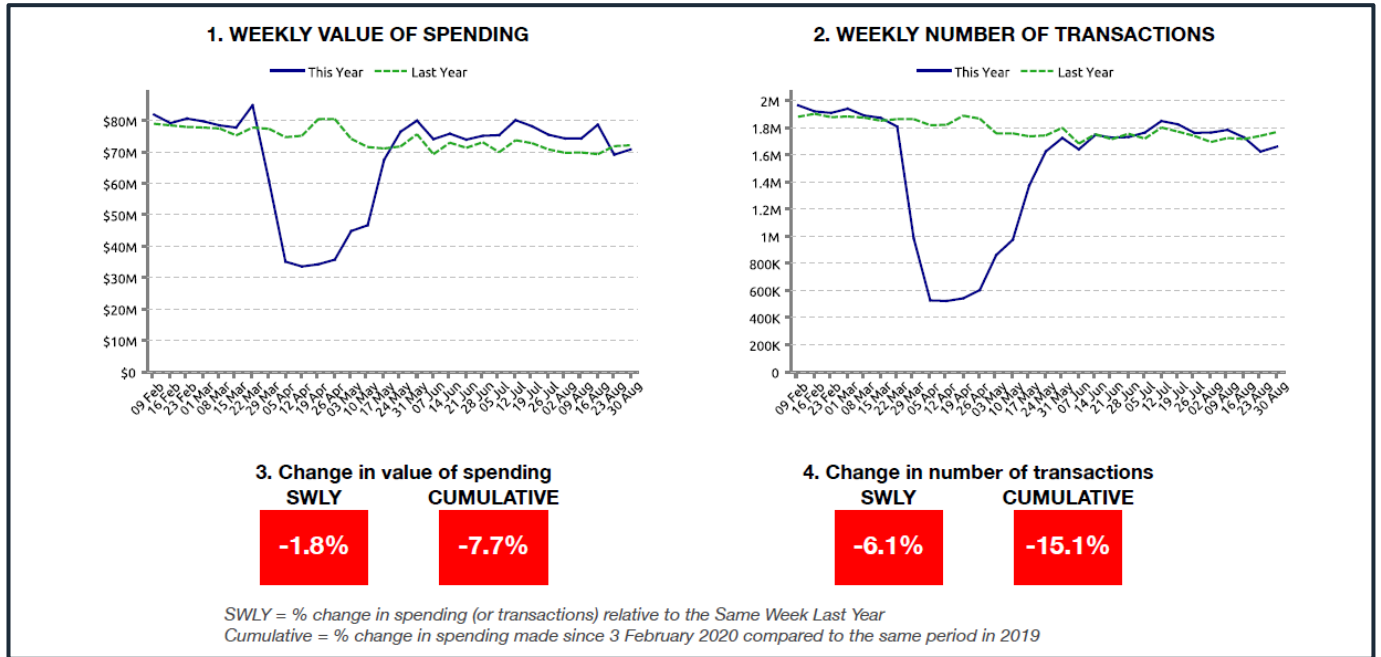
The following report has been compiled to share the Waikato region's COVID-19 recovery progress. In all instances, sources are listed to ensure access to data can be found.

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:

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### Waikato Weekly Card Transactions – Week Ending August 30



#### 5. WEEKLY SPENDING CHANGE BY CATEGORY

|                                   | SWLY         |              | Cumulative   |               |
|-----------------------------------|--------------|--------------|--------------|---------------|
|                                   | \$           | #            | \$           | #             |
| Food, liquor & pharmacies         | +8.8%        | -1.2%        | +14.0%       | -4.8%         |
| Hospitality & Accommodation       | -13.2%       | -12.0%       | -22.8%       | -25.2%        |
| Fuel & Automotive                 | -17.0%       | -12.2%       | -21.4%       | -17.1%        |
| Clothing, Footwear & Dept. Stores | +0.5%        | +0.3%        | -20.7%       | -24.6%        |
| Home & Recreational Retailing     | +12.5%       | +8.8%        | -2.6%        | -8.6%         |
| All other                         | -10.1%       | -9.0%        | -31.0%       | -29.6%        |
| <b>TOTAL</b>                      | <b>-1.8%</b> | <b>-6.1%</b> | <b>-7.7%</b> | <b>-15.1%</b> |

#### 7. CHANGE BY ORIGIN OF CARDHOLDER

|               | SWLY   |        | Cumulative |        |
|---------------|--------|--------|------------|--------|
|               | \$     | #      | \$         | #      |
| INTERNATIONAL | -50.6% | -47.2% | -36.8%     | -36.1% |
| NZ CARDS      | -0.9%  | -5.6%  | -6.7%      | -14.6% |

#### 8. WEEKLY VALUE OF SPENDING - ALL OF NZ

|             | SWLY   |        | Cumulative |        |
|-------------|--------|--------|------------|--------|
|             | \$     | #      | \$         | #      |
| New Zealand | -15.9% | -18.6% | -10.7%     | -19.0% |

#### 6. WEEKLY SPEND AND TRANSACTION CHANGES

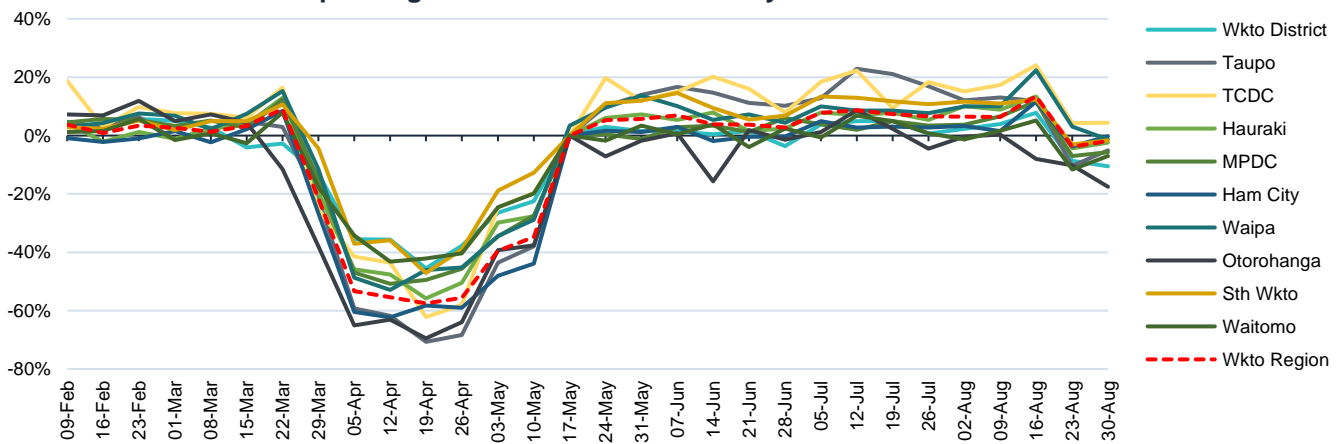
| Week Ending | SWLY   |        | Cumulative |        |
|-------------|--------|--------|------------|--------|
|             | \$     | #      | \$         | #      |
| 17-May      | -5.1%  | -20.8% | -19.8%     | -28.8% |
| 24-May      | +6.5%  | -6.8%  | -18.3%     | -27.5% |
| 31-May      | +5.7%  | -4.2%  | -16.9%     | -26.1% |
| 07-Jun      | +6.9%  | -2.5%  | -15.7%     | -24.9% |
| 14-Jun      | +3.9%  | -0.3%  | -14.7%     | -23.7% |
| 21-Jun      | +3.7%  | +0.7%  | -13.8%     | -22.5% |
| 28-Jun      | +2.8%  | -1.4%  | -13.1%     | -21.5% |
| 05-Jul      | +7.8%  | +2.6%  | -12.2%     | -20.5% |
| 12-Jul      | +8.7%  | +2.6%  | -11.3%     | -19.5% |
| 19-Jul      | +7.4%  | +3.0%  | -10.5%     | -18.6% |
| 26-Jul      | +6.6%  | +1.3%  | -9.9%      | -17.8% |
| 02-Aug      | +6.5%  | +4.1%  | -9.3%      | -17.0% |
| 09-Aug      | +6.4%  | +3.5%  | -8.7%      | -16.3% |
| 16-Aug      | +13.5% | +0.7%  | -8.0%      | -15.7% |
| 23-Aug      | -3.8%  | -6.7%  | -7.9%      | -15.4% |
| 30-Aug      | -1.8%  | -6.1%  | -7.7%      | -15.1% |

Notes to graphics on the previous page:

- “Cumulative” measures represent change in spending / volume of transactions since 9 February, relative to the same period last year.
- “SWLY” measures represent change in spending / volume of transactions relative to the same week last year.

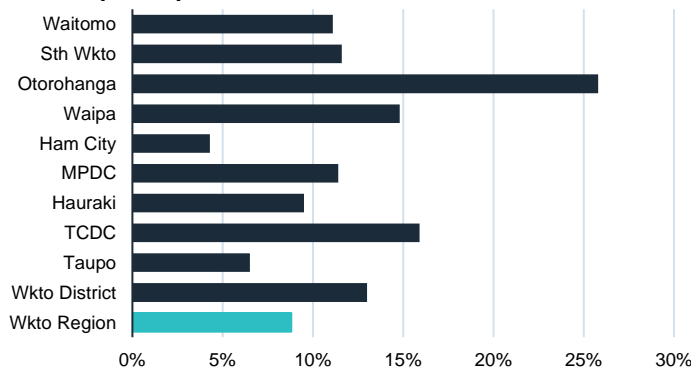
The chart below summarises the change in level of spending for the weeks ended 9 February to 30 August, relative to the corresponding weeks last year. While weekly spending under Alert Level 3 remained below last year’s levels, the move into Alert Level 2 saw spending return to more ‘normal’ levels in May. The last couple of weeks in August hint a downward trend when compared to the same time last year. While the range between territorial authorities is significantly wider, spending in the Waikato region is broadly in line with February. At 30 August spending levels were -1.8% on the corresponding week last year, respectively.

**Time series - consumer spending relative to same week last year**

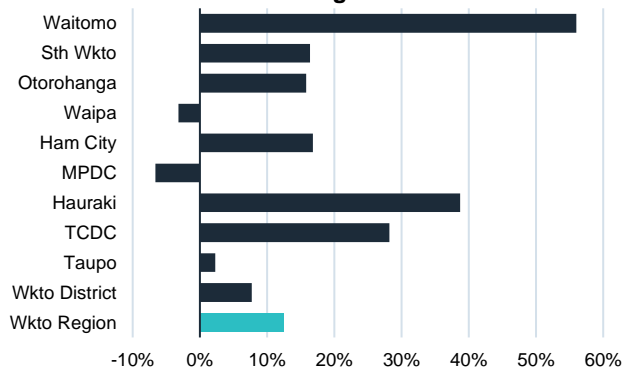


The chart below summarises the level of spending relative to the corresponding week last year under the Food, Liquor & Pharmacies (FLPP) and Home & Recreational Retailing (HRR) categories. FLP spending has consistently exceeded the spend in the same period last year in the last week of August. HRR spend was less than the spend last year in Waipa and Matamata-Piako districts.

**Food, liquor & pharmacies**



**Home & recreational retailing**

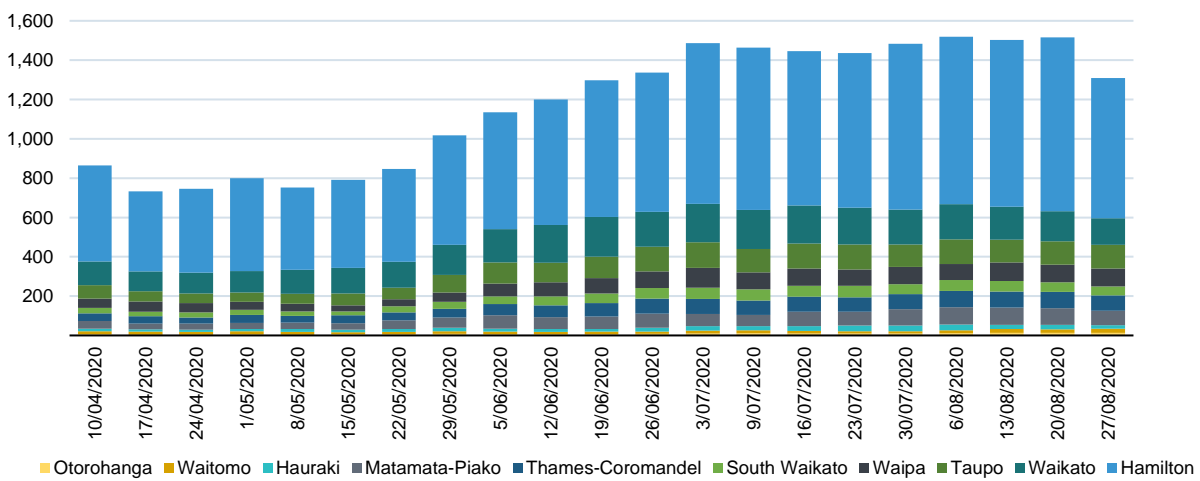


Source: Marketview using Paymark data.

### Job Ads

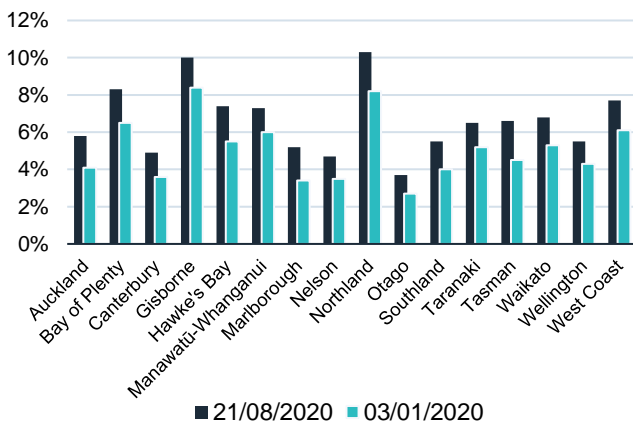
The chart below summarises number of Trade Me jobs advertised as at Thursday of each week since mid-April 2020. The number of jobs advertised in the Waikato region on the 27<sup>th</sup> August represents an 14% decrease on last month.

#### Jobs advertised by district

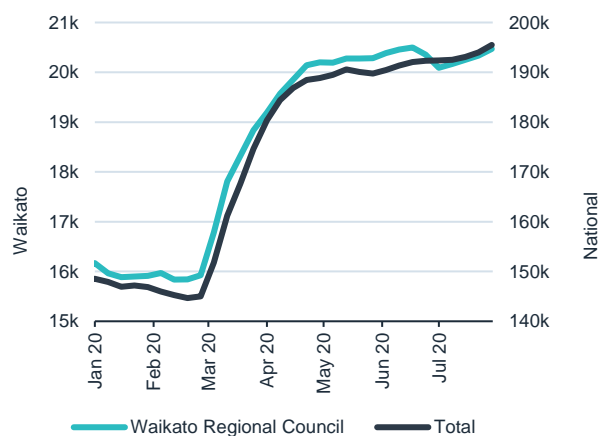


### Support

#### Share of working-age population on Jobseeker support



#### Jobseeker support recipients



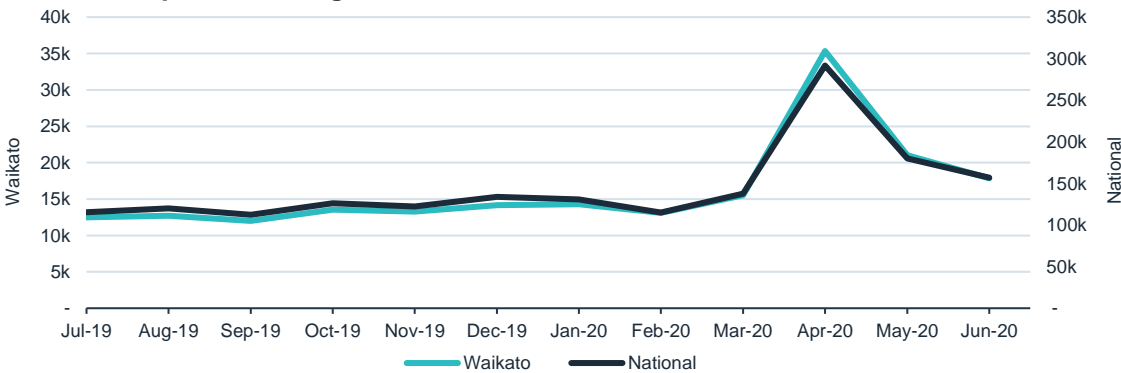
### Jobseeker Support

As at 21 August 2020 the number of recipients of the Jobseeker Support has risen by 4,600, or 29% since the start of 2020, just behind the 33% increase for New Zealand as a whole. This means that 6.8% of the Waikato working age population is receiving Jobseeker support (compared with 5.3% at the start of the year), slightly higher than the 6.0% of the national working age population now in receipt of Jobseeker Support.

### Hardship Support

The chart below compares number of special need’s grants for food in the Waikato and nationally.

**Number of special needs grants for food**



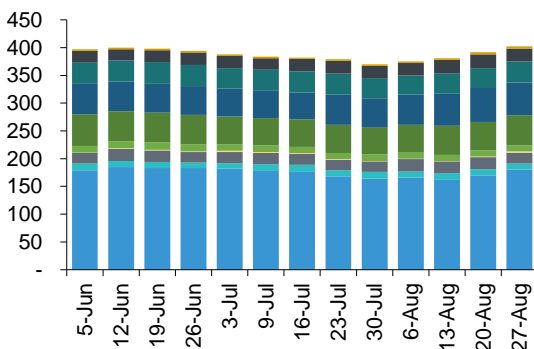
The graph above indicates that the Waikato is moving in line with the national trends. The next set of quarterly data is released in time for the next report.

### Businesses

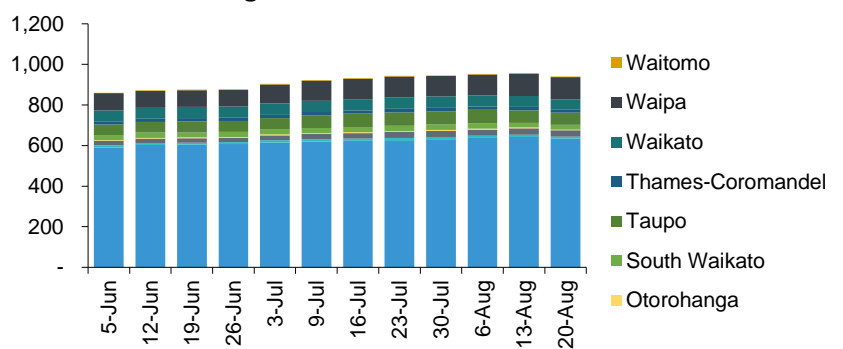
#### Commercial leasing and business for sale

The charts below summarise the number of businesses for sale and number of commercial leases advertised on Trade Me as at the end of each Thursday.

**Businesses for sale**



**Commercial leasing**



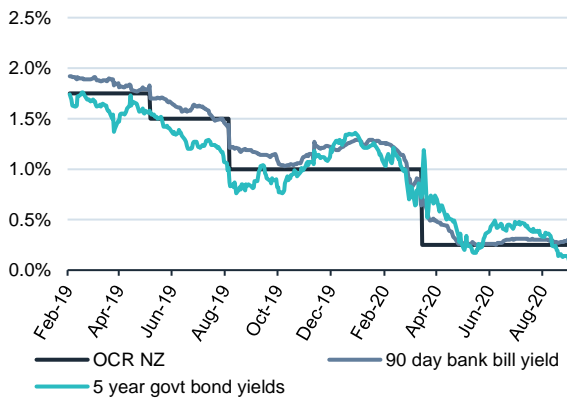
Source: [www.trademe.co.nz](http://www.trademe.co.nz)

**Financial Indicators**

**Interest Rates**

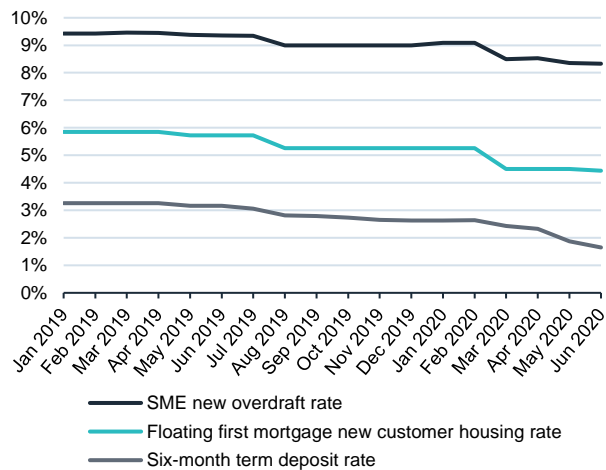
The charts below summarise wholesale and retail interest rates in New Zealand. Retail interest rates have declined moderately, with term deposit rates falling by slightly more than floating mortgage rates. New retail interest rate data is released in September and will be included in next month's report.

**NZ wholesale interest rates**



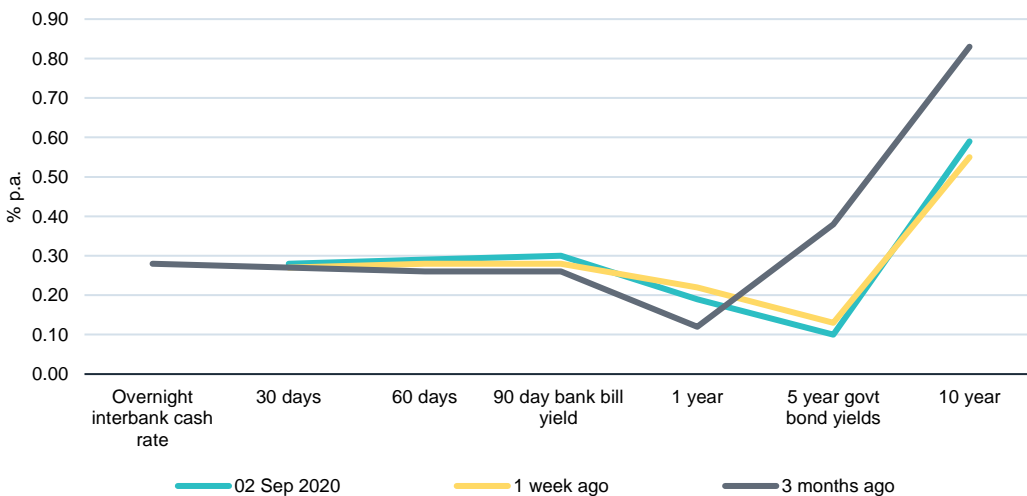
Source: [www.stats.govt.nz](http://www.stats.govt.nz)

**Retail interest rates**



The chart below summarises NZ's yield curve as at 3 August, 1 week ago, and 3 months ago. Notably the longer end of the curve has fallen slightly compared to 3 months ago, indicating future economic weakness.

**Yield curves**

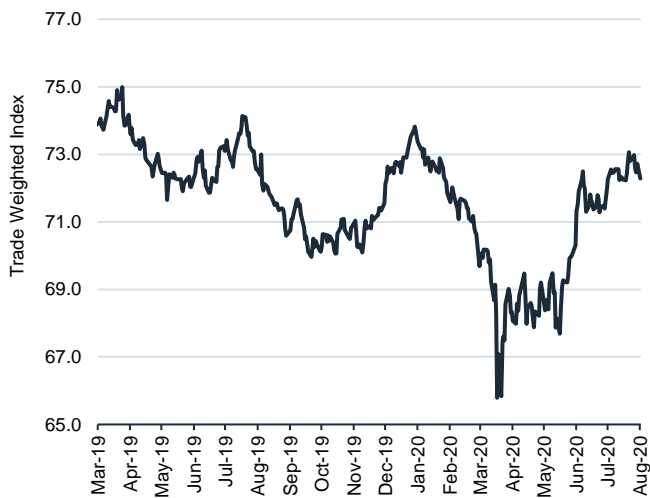


Source: [www.rbnz.govt.nz](http://www.rbnz.govt.nz)

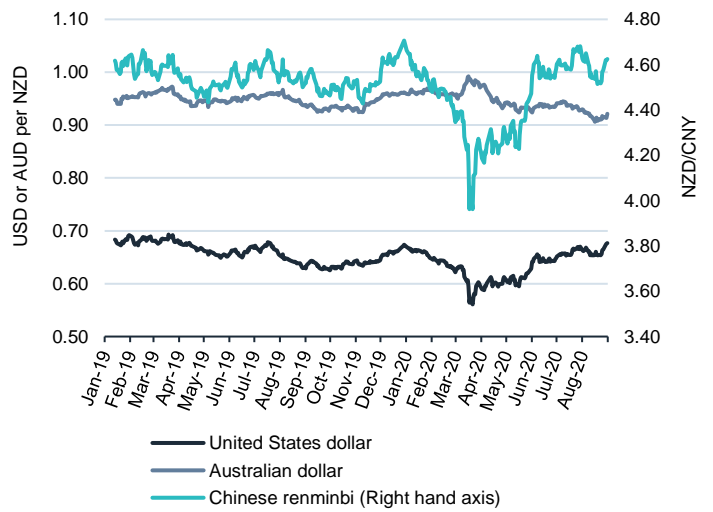
Exchange Rates

The New Zealand dollar appears to have traded in a fairly narrow range over the last month, having appreciated significantly since recent lows in March when the country was under Level 4 lockdown.

NZD exchange rate



NZD exchange rate

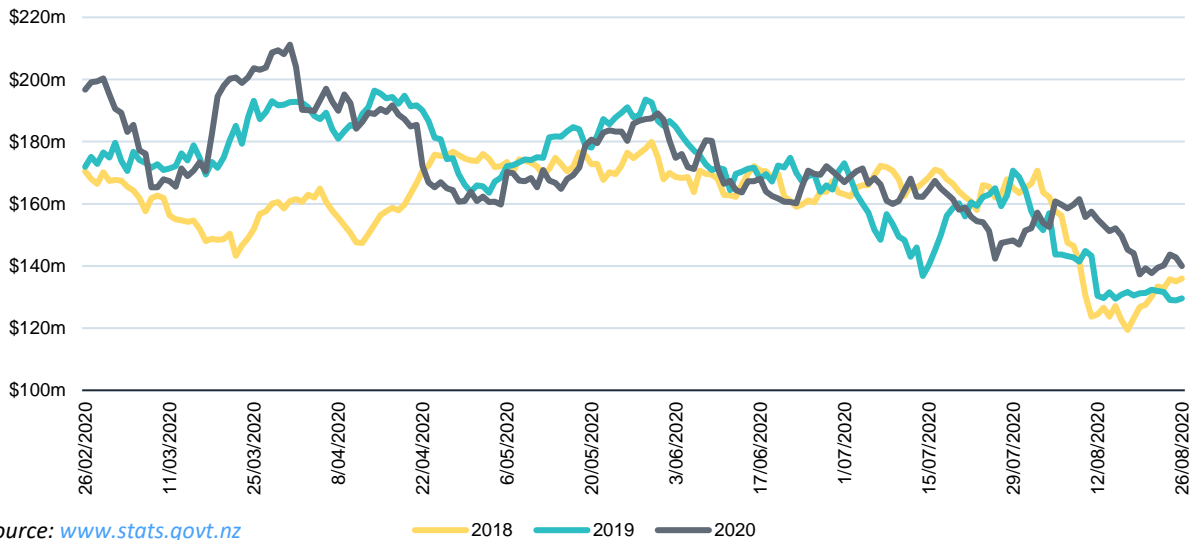


Financial Indicators, sources: <https://www.rbnz.govt.nz>

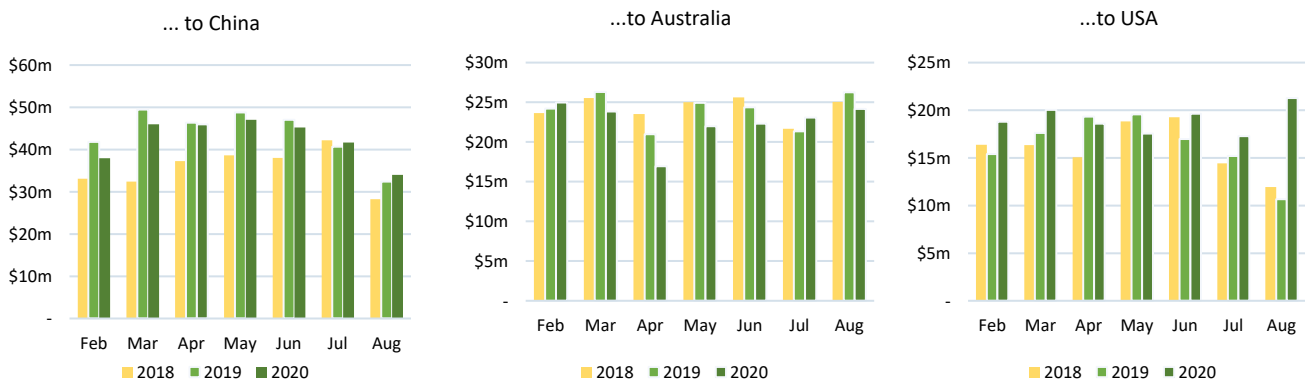
Trade

One of the rare good news stories for the economy over the first half of 2020 has been the way that, despite the stronger NZ dollar, our merchandise exports have held up remarkably well, in spite of lockdowns, border restrictions and disrupted supply chains. The export price index rose 2.4% in the June quarter compared to the 0.2% decrease in the March 2020 quarter.

Daily merchandise exports - two week rolling average



Average daily exports to our largest trading partners (China, Australia and USA) are constant overall with \$79m average daily exports in August compared to \$82m in July. When compared to previous years, August exports to the USA and China have increased by 100% and 5% respectively whereas exports to Australia were the lowest in the last three years, a 8% decrease on 2019.

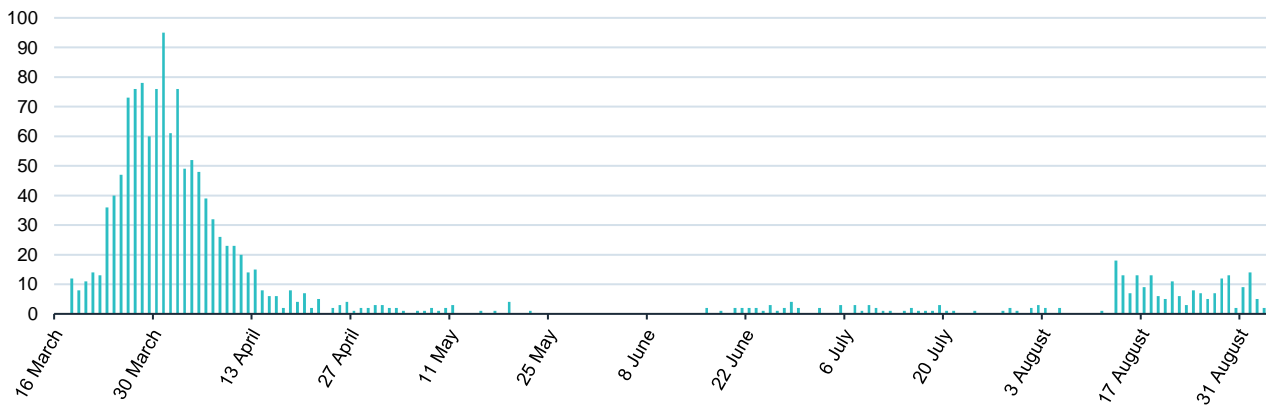




**COVID-19 as at 3 September 2020**

The Waikato DHB has 189 confirmed and probable cases as at 4 September 2020: 2 active cases, 186 recovered, and one deceased. The chart below illustrates the daily new cases per day New Zealand. During August the national 102 day streak of ‘no new COVID-19’ cases was broken (excluding ‘imported cases / people just returned to NZ from overseas and in managed isolation’). In the last month the number of new cases per day has ranged between 0 and 18, averaging at 6 new cases per day.

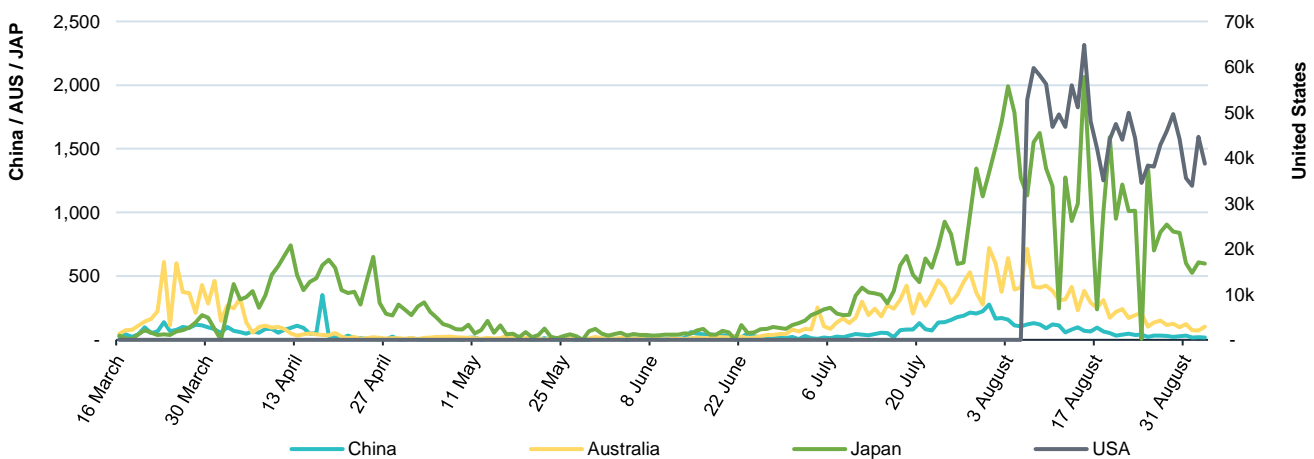
**Cases confirmed and probable per day**



Source: [www.health.govt.nz](http://www.health.govt.nz)

The chart below summarises the COVID-19 situation for NZ’s key trading partners, by number of new cases per day. China appears to be in a relatively stable position with cases per day averaging 72 over the last four weeks. Japan seems to be in the second wave of infection with average daily cases double the new cases per day last month. Australia is starting to come out of the second wave of infection, with the average new cases per day in line with last month. While volatility in the US remains, new cases per day appears to exhibit a declining trend, with cases yesterday coming in 2% lower than average new cases per day over the last four weeks.

**Number of new cases per day - NZ’s key trading partners**



Source: [www.health.govt.nz](http://www.health.govt.nz), [www.ourworldindata.org](http://www.ourworldindata.org) and [www.ecdc.europa.eu](http://www.ecdc.europa.eu)