

14 August 2020

## Slowing Gains

Job ad recovery slows in July

The three major cities are dragging the chain in general

Business surveys still negative on staffing outlook

New COVID-19 cases in community add to uncertainty

## OVERVIEW

### SEEK NEW JOB ADS

|                        | Jul-18 | Jul-19 | May-20 | Jun-20 | Jul-20 |
|------------------------|--------|--------|--------|--------|--------|
| m/m % change           | 0.7    | -0.3   | 70.0   | 47.0   | 9.8    |
| m/m % change (trend)   | 0.3    | -0.2   | -10.4  | -5.1   | -0.9   |
| 3m/3m                  | 1.7    | -0.7   | -54.0  | -52.8  | -11.3  |
| Ann % change (m/m)     | 7.3    | 1.3    | -58.4  | -38.7  | -32.5  |
| Ann % change (3m/3m)   | 7.1    | 1.9    | -54.6  | -57.5  | -43.2  |
| Ann % change (12m/12m) | 8.5    | 5.5    | -13.9  | -17.2  | -20.0  |

Seasonally adjusted unless otherwise indicated

It was good to see the further gains in job advertising during July. However, their increase of 9.8%, strong as it appeared, marked a much slower rate of recovery than June's +47% and May's +70%. This left a sense of petering impetus, and a level of advertising 32.5% shy of where it was in July last year.

### Biggest cities continue to trail behind

On annual comparisons, the three major cities continued to drag behind the most. Auckland's job advertising, was down 43% on July last year (based off seasonally adjusted data). Wellington's was 39% lower and Canterbury's annual rate of fall was 42%. Conversely, Hawke's Bay, Northland and Manawatu were back up very close to their year-prior levels, while Gisborne's job advertising numbers were up 25% y/y.

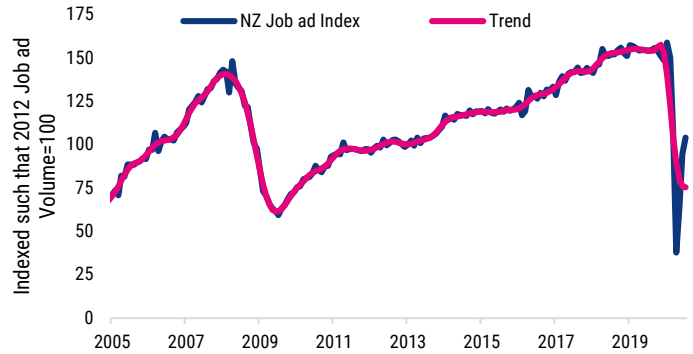
### A cautious approach to hiring

More generally, NZ firms remain cautious in their hiring plans. In fact, and in spite of some encouraging business activity indicators of late, business surveys have continued to express an intention to reduce staff. This is looking out beyond the current wage subsidy, which is due to largely expire in September. This scheme, of course, was one of the reasons New Zealand's Q2 labour market data looked okay (with the jobless rate actually falling to 4.0%, from 4.2% in Q1). That, and the fact many people could not be classed by Statistics NZ as unemployed because lockdown prevented them from "actively seeking work".

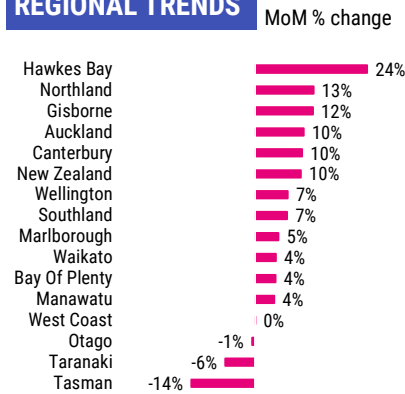
### COVID-19 cases add to frustrations

Further clouds around the hiring outlook have arisen from the confirmation (on 11 August) of COVID-19 cases in the Auckland community. This initially provoked a Level 3 lockdown for that region and Level 2 restrictions for the rest of the country, to last three days. However, this needs to be treated as a best-case outcome, with the possibility of further cases leading to tighter and/or longer social and economic restrictions.

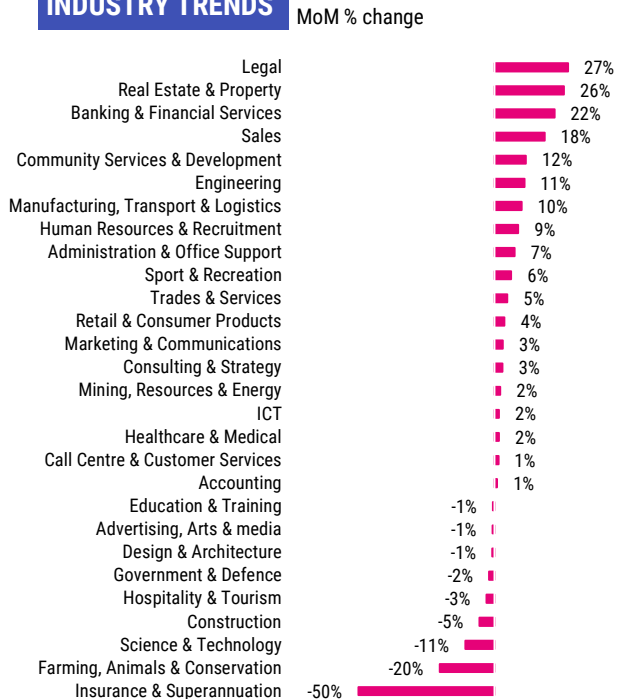
## NZ JOB ADS



## REGIONAL TRENDS



## INDUSTRY TRENDS





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