



11 June 2020

A bounce in perspective

- Job ads jump in May from very low base in April
- Level still not half of pre-COVID-19 reference
- NZ's move to level 1 restrictions cause for optimism
- Expiring wage subsidies a negative force for staffing

OVERVIEW

SEEK NEW JOB ADS

	May-18	May-19	Mar-20	Apr-20	May-20
m/m % change	-1.9	1.5	-28.4	-64.7	72.3
m/m % change (trend)	0.9	-0.3	-16.5	-20.0	-22.7
3m/3m	5.3	-0.3	-8.4	-35.9	-54.1
Ann % change (m/m)	8.2	2.7	-30.6	-75.4	-58.2
Ann % change (3m/3m)	8.7	2.6	-11.2	-36.5	-54.7
Ann % change (12m/12m)	9.3	6.3	-2.6	-8.8	-13.9

Seasonally adjusted unless otherwise indicated

With economic statistics being shaken by COVID-19 it is important to look at them in levels terms, not just rates of change. Job advertising on SEEK.co.nz provides a good example. It posted an encouraging jump of 72.3% in May. However, this was from the extreme low point it plumed to in April. So, even with its bounce May's advertising was still far shy of what it was before the virus. Its level compared to May 2019 was down 58.2%, which puts things in perspective.

Variations at the margin

While no region or industry has been immune to the broad lurches in advertising over recent months, there have been some aspects worth mentioning at the margin. Based on monthly and annual rates of change at least, the main cities were lagging most other areas of the country. While Hospitality & Tourism was one of a number of industries that clearly bounced, many others struggled to do so and some even sagged further. Overall, however, things were definitely starting to move in the right direction in May.

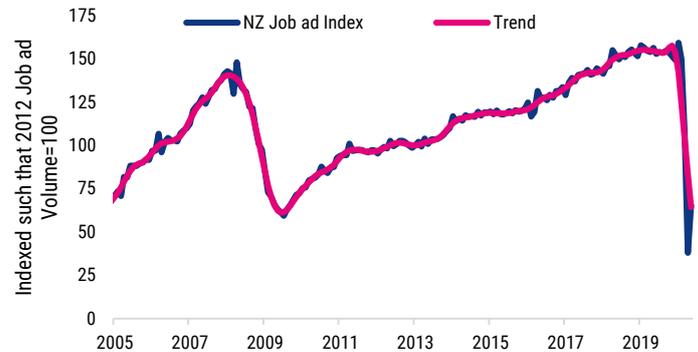
Level 1 welcomed

We hope the recovery continues into June, especially with New Zealand having moved down to a level 1 grade of restrictions on 8 June. This effectively means no virus-related restrictions to social and economic behaviour, but with the border still very tightly managed in terms of people movements.

Government wage subsidy scaling back

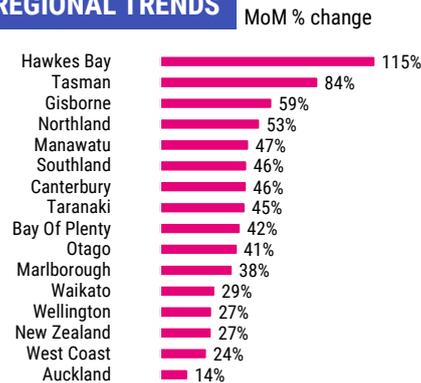
However, with the highly-expensive government wage subsidy scheme being scaled back already, business' broad focus for the next while will likely be on right-sizing staffing levels with a view to the new future, rather than embarking on a hiring surge now that COVID-19 appears to have been eliminated locally.

NZ JOB ADS



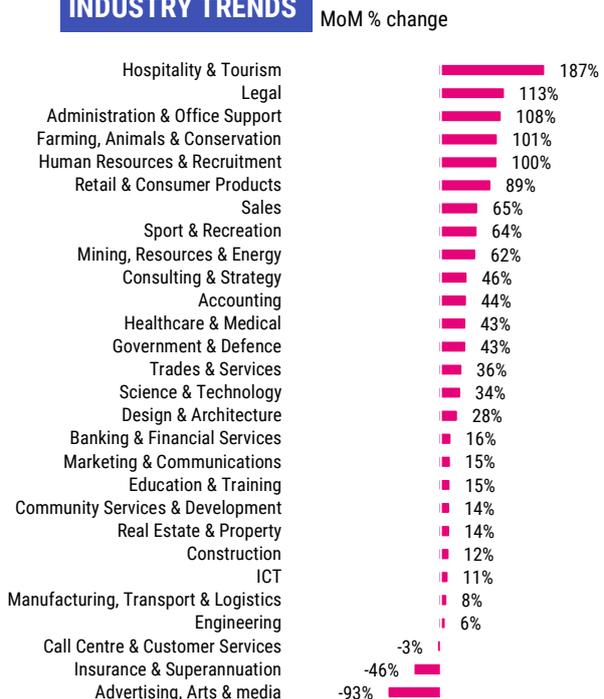
Source: SEEK, BNZ

REGIONAL TRENDS



Source: SEEK, BNZ

INDUSTRY TRENDS



Source: SEEK, BNZ



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