

11 March 2020

An inkling to weakness

- Job ad drop in February reverses January's jump
- Too early to define COVID-19 impacts
- Detail patchy rather than commonly weak
- March job ads will better reveal economic responses

OVERVIEW

SEEK NEW JOB ADS

	Feb-18	Feb-19	Dec-19	Jan-20	Feb-20
m/m % change	1.4	-1.9	-1.0	7.1	-8.4
m/m % change (trend)	0.7	-0.4	0.1	0.0	-0.1
3m/3m	1.3	1.1	-0.6	1.3	0.3
Ann % change (m/m)	7.0	7.7	-1.0	2.1	-4.6
Ann % change (3m/3m)	8.4	8.3	-1.1	0.1	-1.2
Ann % change (12m/12m)	9.7	7.9	2.3	1.6	0.6

Seasonally adjusted unless otherwise indicated

It's tempting to view February's 8.4% drop in job advertising as clear evidence of COVID-19 virus fears and uncertainties. However, there are reasons to believe it's too early for such a conclusion (with March data arguably the first real test). February's advertising was always going to struggle to hold up, after it posted such a big lift in January (+7.1%). February's drop has, so far at least, mainly flattened the trend, after it was looking strong in January.

Mixed details

The other reason February's drop is probably too early to be proof of virus impacts is that it was not particularly widespread. Nor was it obvious in all the areas most prone. Yes, there was some softness coming through Hospitality & Tourism. However, it was mild in comparison to the fall we've seen in tourist arrivals or anecdote from eateries. Advertising for Education & Training positions, meanwhile, was relatively robust, when there have clearly been troubles in foreign students getting to New Zealand in time to start their courses.

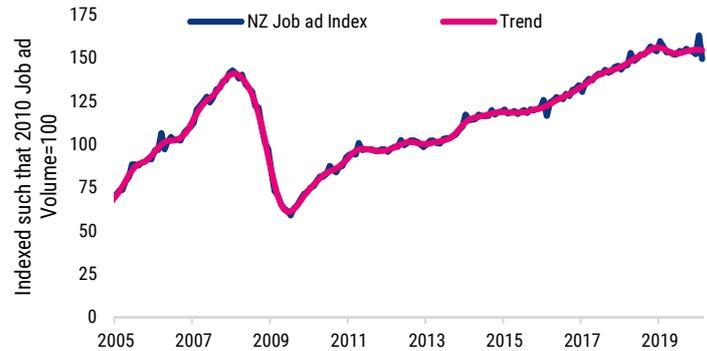
Regional curiosities

Neither was there a common weakness in the regional detail. We are conscious of the degree to which Gisborne's economy is suffering, for example, given its leverage to the hard-hit forestry sector. Yet job advertising in this region was amongst the most positive in February. In contrast, there was a clear correction in Northland's job ads, where forestry is also important.

March data better to judge

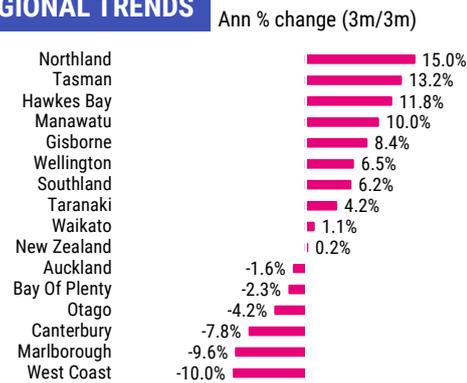
This is not to deny the coronavirus will impact on job advertising, potentially quite noticeably. But we would argue the March figures will be the first proper test of this, rather than today's figures for February.

NZ JOB ADS



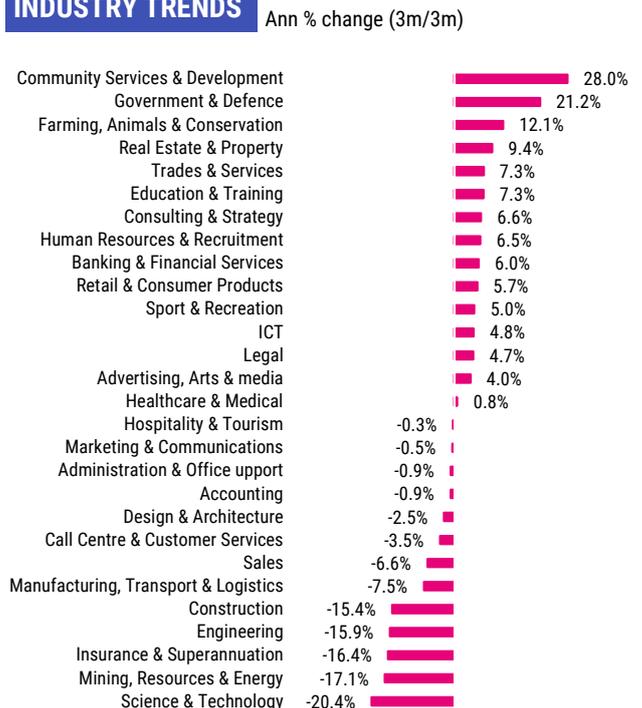
Source: SEEK, BNZ

REGIONAL TRENDS



Source: SEEK, BNZ

INDUSTRY TRENDS



Source: SEEK, BNZ



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