

Monthly Insights Brief

June 2026

On-the-pulse analysis delivered monthly, providing insight into the Christchurch & Canterbury economies.





Key economic highlights from the past month's data releases

- 1. Christchurch and Canterbury entered the recent oil price shock from a position of relative strength**, with GDP growth improving and the local economy comparing favourably with the national economy.
- 2. International tourism activity remained elevated**, with international visitor arrivals, accommodation activity, and international visitor in-store card spending all higher than a year earlier.
- 3. Local labour market conditions continued to improve**, with Canterbury recording the highest annual growth in filled jobs of any region, alongside elevated hiring activity.
- 4. Higher fuel prices appeared to be increasingly influencing household spending patterns**, with in-store card spending growth concentrated mainly in Fuel & Automotive while some discretionary spending weakened.
- 5. Business confidence in Canterbury partially recovered in May 2026 following April's sharp decline**, although confidence remained negative and substantially weaker than earlier in the year.
- 6. Other economic indicators presented a mixed picture**, with a solid construction pipeline contrasting with weaker manufacturing, services, and export indicators.

Overall, the local economic recovery appeared to continue through early 2026, although elevated fuel prices and ongoing uncertainty have made the sustainability of recent economic momentum more uncertain.

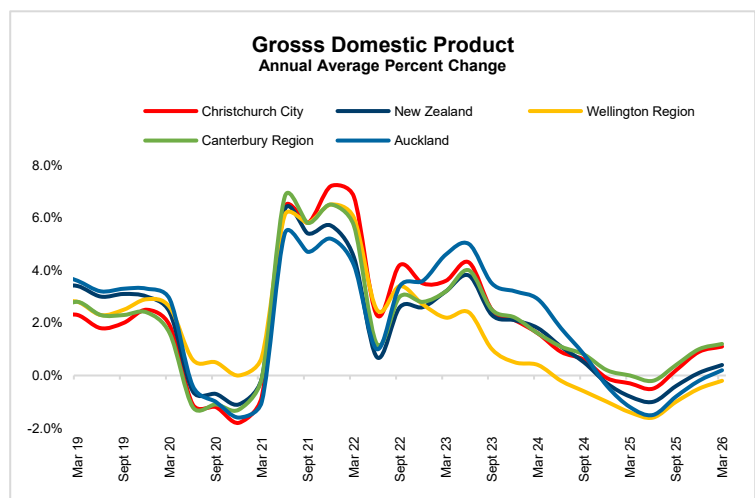


Local economic momentum strengthened prior to the recent oil price shock

Provisional GDP figures from Infometrics suggest that the Christchurch and Canterbury economies continued to recover in early 2026. Over the year to March 2026, GDP increased by 1.1% in Christchurch and 1.2% across Canterbury, compared with the year to March 2025. This represented the third consecutive quarter of annual average growth for both Christchurch and the wider Canterbury region.

While annual average growth in Christchurch and Canterbury remained modest, economic momentum strengthened through early 2026. Annual average GDP growth in Christchurch and Canterbury reached its strongest pace in two years in the March 2026 quarter, indicating the local economic recovery was gaining traction. The persistence and gradual improvement in GDP growth also suggest underlying activity was beginning to stabilise prior to the recent escalation of conflict in the Middle East and the associated oil price shock.

This strengthening momentum meant Christchurch and Canterbury compared favourably with the national economy and New Zealand's other major metropolitan areas. Over the year to March 2026, the national economy grew by 0.4% on an annual average basis, while Auckland recorded more subdued growth of 0.2% and Wellington experienced a contraction of 0.2%. This relative outperformance suggests that the Christchurch and Canterbury economies entered this period of heightened global uncertainty from a position of relative strength.



Data Source: Infometrics

For further detail on Christchurch and Canterbury's economic performance in the March 2026 quarter, refer to [ChristchurchNZ's Quarterly Economic Dashboard and Report](#).

Escalating conflict and rising oil prices do not yet appear to have slowed international tourism activity

International tourism activity remained strong through early 2026 and continued to support the local economy. Statistics NZ data showed that international visitor arrivals through Christchurch Airport were 22% higher in the three months to March 2026 than in the same period a year earlier, equating to nearly 33,000 additional visitors. This growth was double the national increase of 11% over the same period.

International visitor arrival data for the three months to March 2026 covered both the period prior to and the early stages of the escalation in tensions in the Middle East and the associated oil price shock. Monthly data showed that international visitor arrivals through Christchurch Airport were 24% higher in March 2026 than in March 2025, suggesting that the early effects of rising global uncertainty and fuel prices had not yet materially slowed travel demand. However, because international travel is typically booked well in advance, any impacts from higher travel costs may take time to emerge.



Accommodation indicators also remained strong. ADP data showed that Christchurch's average commercial accommodation occupancy rate was 79% in the three months to April 2026, well above the national average of 63% in the same period and up from 74% a year earlier.

Higher international visitor numbers supported in-store card spending across the local economy. Marketview data indicated that international visitor in-store card spending in Christchurch increased by 14% in the three months to April 2026 compared with the same period in 2025, injecting an additional \$14.9 million into the local economy. This continued to support activity across retail, hospitality, accommodation, and tourism-related sectors.

Nor does the oil price shock yet appear to have had a major impact on the local labour market

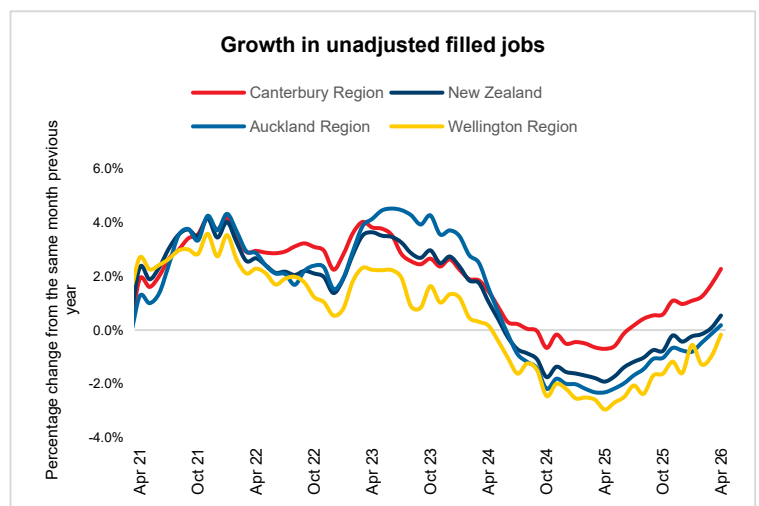
Recent labour market indicators point to continued improvement in local labour market conditions, supported by ongoing growth in filled jobs and elevated hiring activity.

Statistics NZ data showed growth in unadjusted filled jobs in Canterbury continued to strengthen through early 2026. April 2026 marked the tenth consecutive month of annual growth in Canterbury, with filled jobs increasing by 2.3% over the year. This was the strongest growth rate of any region in New Zealand and the fastest annual increase locally since late 2023.

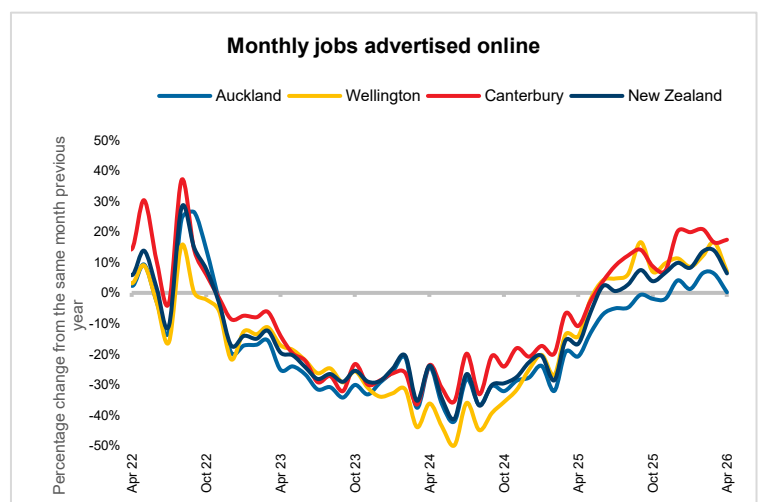
Labour market conditions elsewhere in New Zealand remained comparatively subdued. Over the year to April 2026, filled jobs increased by 0.5% nationally, compared with growth of 0.2% in Auckland and a decline of 0.2% in Wellington. This suggests labour market momentum outside Canterbury remained relatively subdued.

Hiring activity in Canterbury also continued to strengthen through April 2026. MBIE data showed online job advertisements in Canterbury were 17% higher than a year earlier, marking the eleventh consecutive month of annual growth.

Hiring momentum also strengthened slightly, with annual growth increasing from 16% in the year to March 2026 to 17% in the year to April 2026.



Data Source: Statistics NZ



Data Source: MBIE



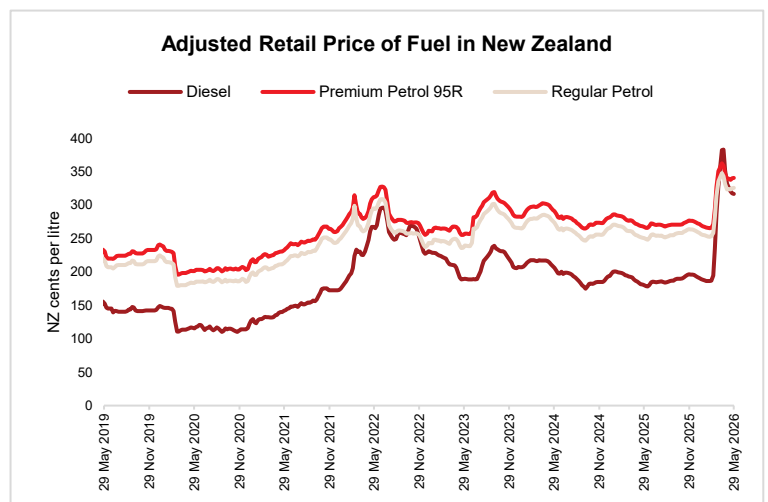
This contrasted with a clear moderation in hiring activity across much of the rest of New Zealand. National annual growth in online job advertisements eased from 14% in the year to March 2026 to 6% in the year to April 2026. Auckland moved from 6% growth to flat growth, while Wellington's annual growth slowed from 17% to 7%.

There is little evidence to date that the recent oil price shock has materially affected Canterbury's labour market. However, labour market conditions typically respond with a lag to broader changes in economic activity. As a result, it remains unclear whether the moderation observed elsewhere in New Zealand reflects the effects of higher fuel prices, broader underlying trends, or short-term volatility.

But elevated fuel prices do appear to be influencing household spending patterns

Fuel prices rose sharply following the escalation of tensions in the Middle East in late February 2026. The near-complete closure of shipping through the Strait of Hormuz from early March 2026 significantly disrupted global oil supply chains and placed substantial upward pressure on fuel prices. Prices declined moderately following ceasefire agreements reached in late April 2026, although they remained elevated through May 2026 as geopolitical tensions and shipping constraints persisted.

In line with these developments, MBIE weekly fuel price monitoring data showed New Zealand's adjusted retail fuel prices increased rapidly from mid-March 2026. Diesel prices experienced the largest increase, more than doubling between late February and mid-April 2026, while regular petrol prices increased by around 35% over the same period.



Data Source: MBIE

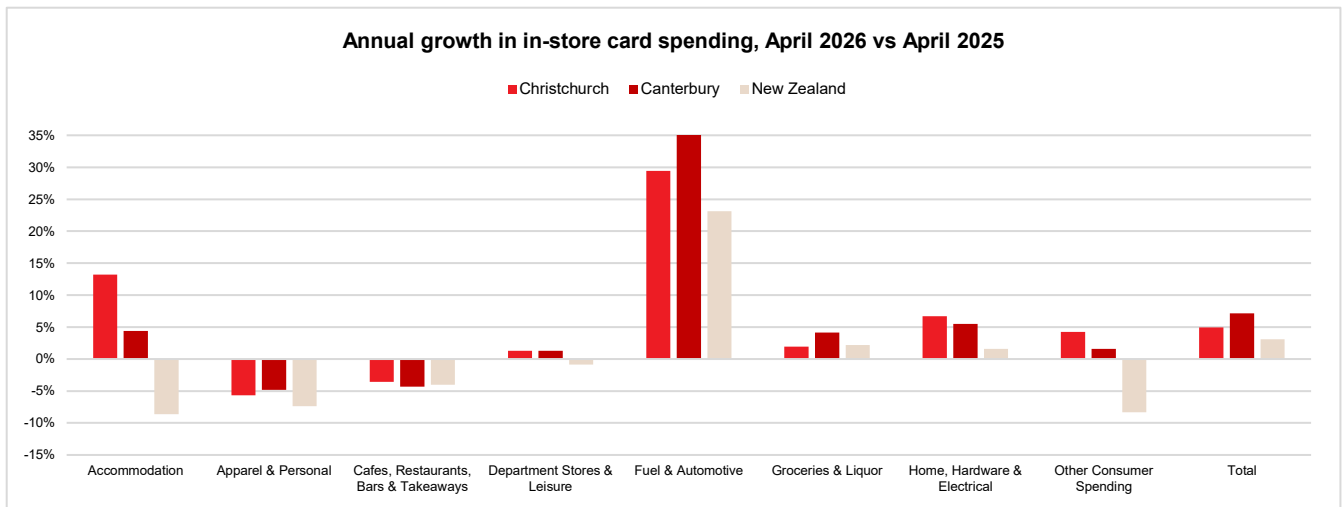
Despite easing from their April peaks, both diesel and petrol prices in late May 2026 remained substantially higher than pre-shock levels. Diesel prices were around 70% higher than in late February 2026, while both diesel and petrol prices were above the peaks recorded following the outbreak of the Russia-Ukraine war in 2022.

Higher fuel prices appeared to be having a growing influence on household spending patterns. Marketview data showed the value of in-store card spending in Christchurch increased by 2.6% in the three months to April 2026 compared with the same period a year earlier. This exceeded the national increase of 1.9% but was below the 4.3% increase recorded across Canterbury.

Monthly data showed headline in-store card spending values were substantially higher in April 2026 as fuel prices peaked. In April 2026, the value of in-store card spending in Christchurch increased by 5.0% compared with April 2025, driven largely by a 29.4% increase in Fuel & Automotive spending. Similar patterns occurred across Canterbury and nationally, although



headline spending growth was higher in Canterbury. More moderate increases were recorded in categories such as Groceries & Liquor, Accommodation, and Home, Hardware & Electrical.



Data Source: Marketview

By contrast, some discretionary categories weakened. In Christchurch, in-store card spending in Apparel and Personal declined 5.6% and spending across Cafes, Restaurants, Bars & Takeaways fell by 3.5%. Similar declines were recorded across Canterbury, suggesting households may have been more cautious in discretionary spending as fuel costs increased.

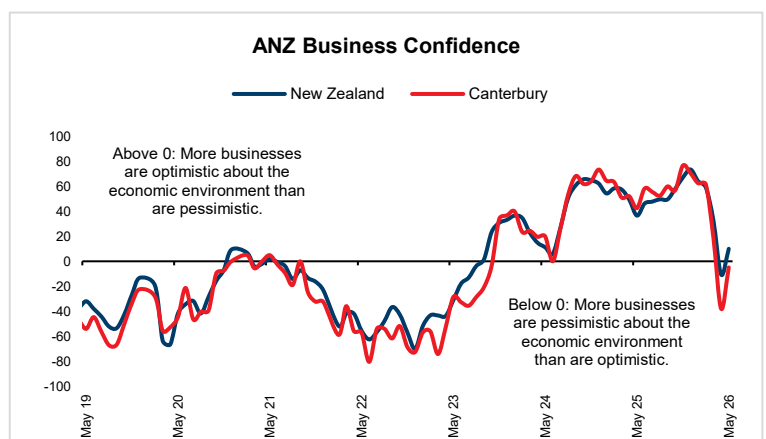
A softer picture of underlying household demand was also evident in transaction volumes. In April 2026, the total number of in-store card transactions in Christchurch was 0.3% higher than a year earlier, while transaction volumes across Canterbury rose by 0.2%. This divergence between higher total spending values and broadly unchanged transaction volumes suggests headline spending growth was driven more by higher prices, particularly fuel prices, than by materially stronger household demand.

Overall, household spending patterns suggest consumers may have been adjusting to higher fuel costs and increased uncertainty, with spending growth increasingly concentrated in fuel and other more essential categories while some discretionary spending weakened.

And elevated fuel prices continued to weigh on business confidence

Business sentiment deteriorated sharply in April 2026 following the escalation in geopolitical tensions and the associated rise in fuel costs. The ANZ Business Confidence survey showed that Canterbury business confidence fell by 56 points, marking the largest single-month decline since March 2011 following the Christchurch earthquake.

However, sentiment partially recovered in May 2026 alongside easing fuel prices.

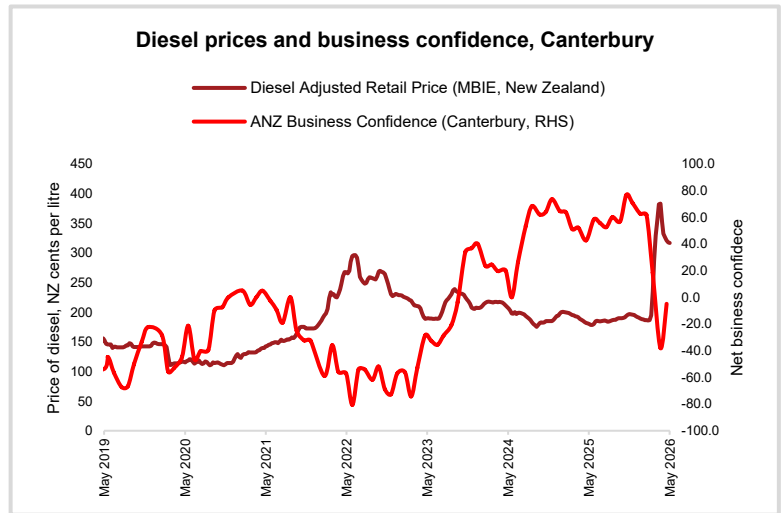


Data Source: ANZ Business Confidence Survey



Canterbury business confidence improved by 33 points to a net 5% of firms expecting economic conditions to worsen, suggesting some of the extreme pessimism evident in April had begun to ease. Despite the rebound, business confidence remained considerably weaker than earlier in the year and continued to indicate a cautious business environment.

Canterbury also experienced a larger swing in confidence than the national measure. While some volatility may reflect sample size effects, Canterbury's geographically dispersed economy and relatively high exposure to diesel-intensive industries such as agriculture, construction, manufacturing, and freight may also have made business sentiment more sensitive to changes in fuel costs. This relationship is reflected in the graph to the right, which shows periods of sharply higher diesel prices coinciding with a marked deterioration in business confidence in Canterbury.



Data Sources: MBIE, ANZ Business Confidence Survey

Business confidence can influence firms' willingness to invest, hire, and take on risk. While weaker sentiment has not yet clearly flowed through to most labour and capacity utilisation indicators, continued uncertainty and elevated fuel costs may weigh on investment and hiring activity if sustained.

Other economic indicators presented a mixed picture

A range of other economic indicators pointed to mixed conditions across the local economy, with some indicators remaining relatively firm while others began to soften following the increase in fuel prices and uncertainty.

Construction activity presented a mixed picture. Statistics NZ data showed the unadjusted value of total building activity in Canterbury was 2.5% lower in the March 2026 quarter than a year earlier, broadly in line with total building activity across New Zealand, which was 3.3% lower over the same period. However, future activity indicators remained comparatively positive. The total number of building consents issued in Christchurch increased by 53% in the three months to April 2026 compared with the same period in 2025, below Canterbury's increase of 67% but well above the national increase of 25%. Together, these indicators suggest current construction activity remained subdued, although consent issuance pointed to a solid construction pipeline.

Manufacturing conditions weakened through April 2026. BNZ – BusinessNZ Performance of Manufacturing Index (PMI) data showed Canterbury's unadjusted index fell 11.4 points to 45.1 in April 2026, moving into contraction territory for the first time since August 2025. The national unadjusted PMI fell 5.6 points in April 2026, also moving into contraction with a score of 48.4.



The services sector also continued to weaken. The unadjusted Canterbury / Westland BNZ – BusinessNZ Performance of Services Index (PSI) fell to 40.2 in April 2026, its lowest level since August 2021. The national PSI was also in contraction territory at 46.0.

External trade indicators remained relatively soft. Statistics NZ data showed the value of goods exported through Canterbury ports was 4% lower in the three months to April 2026 than in the same period a year earlier. This occurred despite export volumes increasing by 3% over the same period. Within the three months to April 2026, export activity was weakest in February 2026, when export values were 17% lower than a year earlier. Annual growth in export values improved to 6% in March 2026 before easing by 1% in April 2026.

Housing market conditions in Christchurch and Canterbury were mixed but remained more resilient than the national market. REINZ data showed that residential property sales fell by 1.4% in April 2026 compared with a year earlier, while the median house price increased by 4.1% over the year. Across Canterbury, sales declined by 0.4% while the median house price rose by 2.1%. By contrast, national sales fell by 7.9%, while the median house price fell by 0.6%.

The sustainability of the local recovery has become more uncertain

Christchurch and Canterbury entered the recent period of heightened global uncertainty and higher fuel prices from a position of relative strength. GDP growth strengthened over the year to March 2026, international tourism activity remained strong, and local labour market conditions continued to compare favourably with most other parts of New Zealand. Building consent issuance and hiring activity also pointed to continued underlying momentum through early 2026.

However, some indicators suggest higher fuel prices and elevated uncertainty have started to affect parts of the local economy. In-store card spending growth became increasingly concentrated in fuel and other more essential categories, while some discretionary spending weakened. Canterbury business confidence also deteriorated sharply following the fuel price shock before partially recovering as fuel prices eased from recent highs. Despite this rebound, business confidence in Canterbury remained negative and fuel prices remained well above pre-shock levels.

Overall, the economic recovery in Christchurch and Canterbury continued through early 2026. However, several lower-frequency indicators still largely reflect conditions prior to, or only in the early stages of, the recent fuel shock. As a result, the full effects of elevated fuel prices and ongoing global uncertainty may take time to emerge.

On balance, current indicators suggest Christchurch and Canterbury remain comparatively well placed to navigate the period ahead, particularly relative to many other parts of New Zealand. However, the persistence of current pressures will play an important role in determining whether the recent recovery in local economic momentum can be sustained.



For queries related to ChristchurchNZ's economic insights, please contact:
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This report was based on data available as of 10 June 2026. Any subsequent revisions or updates to the underlying data will not be reflected in this report.