Monthly Insights Brief

July 2026

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

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Key economic highlights from the past month's data releases

1. **Tourism momentum remained strong, with the Middle East conflict having only a modest impact to date,** as international visitor arrivals, accommodation activity, and international visitor in-store card spending all remained higher than a year earlier.
2. **Local labour market conditions remained relatively strong,** with Canterbury continuing to record some of the strongest growth in filled jobs and hiring activity in New Zealand.
3. **Fuel prices remained elevated but eased from their April highs** following ceasefire agreements in the Middle East and improving shipping conditions through the Strait of Hormuz, reducing pressure on households and businesses.
4. **Elevated fuel costs continued to influence household spending patterns**, although the impact appeared to be easing as fuel prices declined, with annual growth in in-store card spending across most categories.
5. **Consumer confidence weakened further, while business confidence returned to positive territory,** highlighting a clear divergence between household and business sentiment.
6. **Other economic indicators continued to present a mixed picture,** with export growth resuming, building consent activity pointing to a sound construction pipeline, and manufacturing conditions improving. These gains were partially offset by mixed housing market conditions and weaker services activity.

Data released over the past month suggest that overall economic momentum in Christchurch and Canterbury may have moderated following the recent oil price shock. However, this momentum has not disappeared, with many indicators pointing to underlying resilience in the local economy.

Momentum in the tourism sector has continued, with the Middle East conflict having only a modest impact to date

Recent tourism indicators suggest the strong momentum seen over summer has continued.

Statistics NZ data show international visitor arrivals through Christchurch Airport continued to grow strongly. The number of international visitor arrivals through Christchurch Airport was 27% higher in the three months to April 2026 compared with the same period a year earlier, well above the national growth rate of 13%.

There were almost 35,100 additional international visitor arrivals through Christchurch Airport in the three months to April 2026 than in the same period in 2025. China accounted for over half of this increase, with visitor arrivals increasing from almost 7,200 to more than 26,200 (32% higher than in the corresponding period of 2019). Australia was the second-largest contributor to growth, with arrivals increasing by nearly 9,500 visitors (+16%). Visitor arrivals also increased across most other major international markets, although arrivals from South Korea (-4%) and the United States (-2%) declined.

Despite concerns that the Middle East conflict and higher oil prices could affect international travel demand, there is little evidence to date of a significant impact on overall visitor arrivals. Visitor arrivals through Christchurch Airport from the United Kingdom and Germany were 26% and 22% lower respectively in April 2026 than a year earlier. However, these declines were more than offset by growth from other markets, leaving total international visitor arrivals through Christchurch Airport 18% higher than a year earlier.

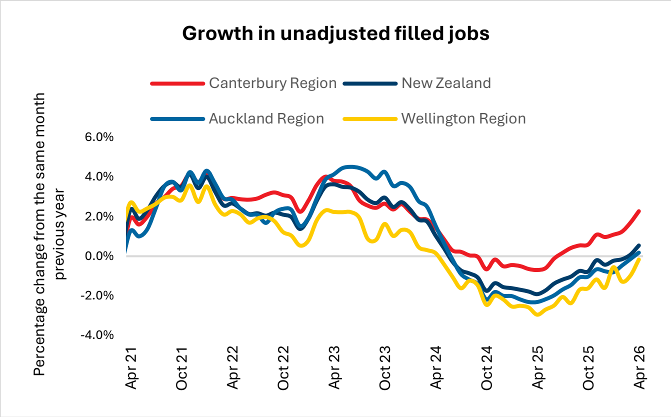
Accommodation indicators also remained sound. ADP data showed that Christchurch's average commercial accommodation occupancy rate was 69% in the three months to May 2026, well above the national average of 54% in the same period and up from 65% a year earlier.

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 17% in the three months to May 2026 compared with the same period in 2025, injecting an additional $14.4 million into the local economy. This continued to support activity across retail, hospitality, accommodation, and tourism-related sectors.

Labour market conditions have remained strong despite hiring activity easing from recent highs

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

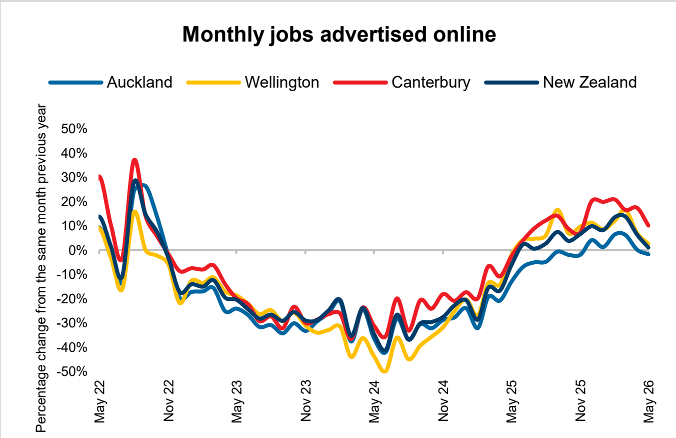
Statistics NZ data showed growth in unadjusted filled jobs in Canterbury continued to strengthen through early 2026. May 2026 marked the eleventh consecutive month of annual growth in Canterbury, with filled jobs increasing by 2.4% over the year. This was the second-fastest rate of growth in filled jobs of any region in New Zealand, behind only the West Coast (2.7%), and the fastest annual increase locally since late 2023.



Data Source: Statistics NZ

By comparison, over the year to May 2026, filled jobs increased by 0.7% nationally. Growth was 0.4% in Auckland, while Wellington recorded a 0.2% decline. This suggests labour market conditions in most other parts of New Zealand remained comparatively subdued.

Hiring activity in Canterbury was also sound in May 2026. MBIE data showed online job advertisements in Canterbury were 10% higher than a year earlier, marking the twelfth consecutive month of annual growth.



Data Source: MBIE

However, hiring momentum eased, with annual growth slowing from 17% in the year to April 2026 to 10% in the year to May 2026. Despite this moderation, Canterbury continued to record the strongest annual growth in online job advertisements of any region in New Zealand.

Labour market conditions typically respond with a lag to broader changes in economic activity. As a result, it remains unclear whether the easing in hiring activity reflects the effects of higher fuel prices, broader underlying trends, or short-term volatility.

But elevated fuel prices continued to influence household spending patterns

Marketview data, which measures in-store card spending activity, showed that the value of in-store card spending in Christchurch increased by 3.6% in the three months to May 2026 compared with the same period a year earlier. This was stronger than the national increase of 2.9%, although it remained below the 6.0% increase recorded across Canterbury.

Growth in in-store card spending values continued to be driven primarily by the Fuel and Automotive sector. In Christchurch, spending values in this category were 23.6% higher in the three months to May 2026 than in the same period of 2025. Across Canterbury, Fuel and

Automotive spending increased by 28.9% over the same period, contributing to the region's larger overall increase in spending values.

However, the influence of the Fuel and Automotive category appears to be easing. Annual growth in spending values in this category in Christchurch peaked at 29.6% in April 2026 before slowing to 18.7% in May 2026, likely reflecting fuel prices easing from their recent highs. A similar trend was evident across Canterbury.

Beyond Fuel and Automotive, spending values showed signs of resilience across most other categories. Most categories recorded higher spending values in the three months to May 2026 than in the same period a year earlier. The only exceptions were Apparel and Personal (-5.8%) and Cafes, Restaurants, Bars, and Takeaways (-6.1%), where spending values declined. These were also the weakest-performing categories across Canterbury, where spending values fell by 4.7% and 5.9% respectively over the same period.

The increase in spending values was accompanied by a modest decline in transaction numbers. In Christchurch, the number of in-store card transactions was 1.4% lower in the three months to May 2026 than in the same period a year earlier. This compares with declines of 0.8% across Canterbury and 2.2% nationally. Within Christchurch, the largest reductions in transaction numbers were recorded in Cafes, Restaurants, Bars, and Takeaways (-7.5%) and Apparel and Personal (-6.7%). Notably, these were the same two categories that recorded declines in spending values. Most other categories recorded increases in transaction numbers.

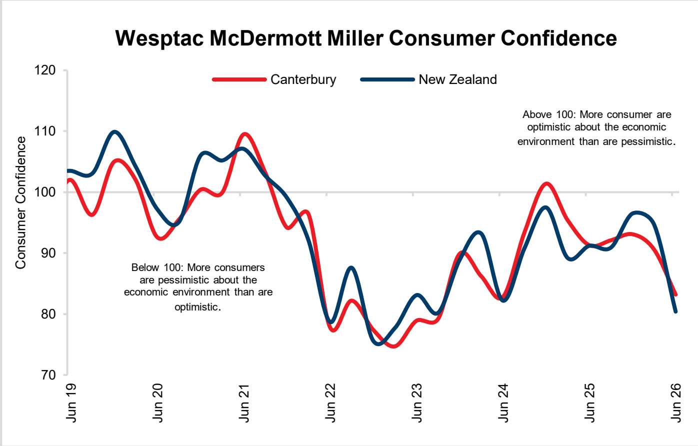
Overall, the in-store card spending data suggest that higher fuel prices continue to influence household spending patterns, although this effect appears to be moderating as fuel prices ease. More broadly, the data point to greater resilience in consumer demand than consumer confidence measures would suggest, with both in-store card spending values and transaction numbers increasing across most categories. However, discretionary sectors such as Cafes, Restaurants, Bars, and Takeaways and Apparel and Personal continue to show signs of weakness.

Confidence took a hit, but business sentiment is recovering while households remain cautious

Recent survey results point to a divergence between household and business sentiment.

After improving steadily during the second half of 2025, consumer confidence in Canterbury weakened during the first half of 2026. The Westpac McDermott Miller Consumer confidence survey showed consumer confidence in Canterbury fell 2.5 points to 90.6 in March 2026, compared with a 1.8-point decline nationally. Consumer confidence deteriorated further in June 2026, falling 7.4 points to 83.2, its lowest level in two years. Although Canterbury consumers remained slightly more confident than the national average (80.4), confidence levels remained well below 100, indicating that pessimistic consumers continued to outnumber optimistic consumers.

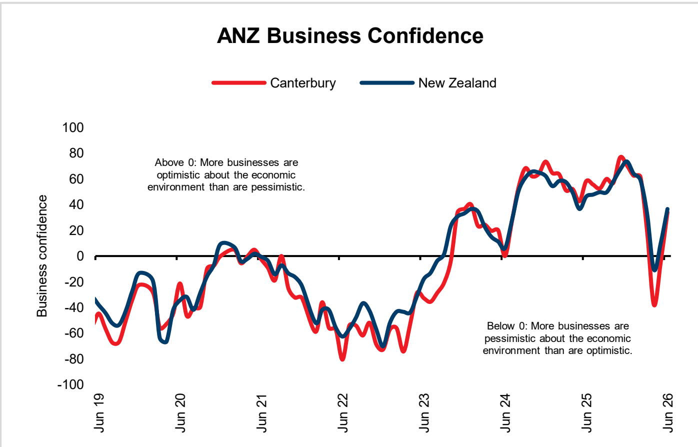
According to Westpac, the decline in consumer confidence was driven largely by increased uncertainty associated with the Middle East conflict and its implications on household finances. The March survey was conducted shortly after the conflict began, and many households had not yet fully experienced the associated increase in fuel prices. By June, higher fuel and living costs, upward pressure on borrowing costs, and concerns about the broader economic outlook appeared to be weighing more heavily on household confidence.



Data Source: Westpac McDermott Miller Consumer Confidence Survey

However, the June survey was conducted before the announcement of the latest ceasefire agreement and before the subsequent large decline in oil and fuel prices. Westpac noted that if sustained, lower fuel prices could support a recovery in consumer confidence and economic activity later in the year.

In contrast to consumer confidence, business sentiment improved during June 2026. The ANZ Business Outlook survey showed business confidence in Canterbury increased by 39 points to a net 34% of firms expecting economic conditions to improve. This returned Canterbury's business confidence to net positive territory for the first time since the recent oil price shock and left it only slightly below the national reading of net 37%.



Data Source: ANZ Business Confidence Survey

The improvement follows a sharp deterioration in sentiment in April 2026, when business confidence in Canterbury fell by 56 points amid heightened concerns about rising fuel costs and economic uncertainty. Since April, fuel prices have eased from their highs following ceasefire agreements and the tentative reopening of shipping routes through the Strait of Hormuz, and business confidence has recovered steadily. However, business confidence remained below the levels recorded earlier in the year, suggesting that uncertainty has eased but has not disappeared.

Overall, the surveys point to a divergence between households and businesses. While households appear to remain concerned about living costs and the economic outlook, businesses appear to be responding more quickly to the recent improvement in fuel prices and supply-chain conditions. Part of this difference may reflect the timing of the surveys, with the monthly ANZ Business Outlook able to capture recent improvements in sentiment more quickly than the quarterly consumer confidence survey. Irrespective of any timing differences between the surveys, the direction of both consumer and business confidence over the coming months will depend in part on whether ceasefire agreements hold and shipping activity through the Strait of Hormuz continues to normalise.

Export growth has resumed, adding to signs of economic resilience

Recent export data suggest Canterbury's export sector remained resilient, with the value of goods exported through Canterbury ports returning to annual growth despite the region accounting for a smaller share of New Zealand's exports.

Statistics NZ Overseas Cargo Statistics data showed goods exported through Canterbury ports were valued at just over $3 billion in the three months to May 2026, up 2.4% from the same period in 2025 and 13.9% higher than two years earlier. Export volumes, measured by gross weight, increased by a more modest 0.3% over the year.

Lyttelton Port remained Canterbury's primary export gateway, accounting for 70% of the region's export value in the three months to May 2026, followed by Timaru Port (15%) and Christchurch Airport (14%).

The value of goods exported through Canterbury's seaports grew, but Canterbury's share declined

Lyttelton Port accounted for 9.6% of the total value of goods exported through New Zealand's seaports in the three months to May 2026, with export values increasing by 3.4% compared with the same period a year earlier. In contrast, export volumes declined by 6.7% over the same period.

Timaru Port accounted for 2.1% of the total value of goods exported through New Zealand's seaports in the three months to May 2026, with export values increasing by 3.7% compared with the same period a year earlier. Export volumes increased by 46.6% over the period, substantially outpacing growth in export values. While annual growth in export values was relatively modest, export values remained well above levels recorded in 2024.

Combined, the value of goods exported through Lyttelton and Timaru ports increased by 3.4% in the three months to May 2026 compared with a year earlier. Despite this growth, Canterbury's share of the total value of goods exported through New Zealand's seaports declined from 13.0% in the three months to May 2024 to 11.7% in the latest period as several other ports recorded stronger growth. One notable example was Wellington, where export values were 275.6% higher in the three months to May 2026 than a year earlier. CentrePort attributed part of this growth to the addition of new container shipping services and its emergence as a key hub for Mediterranean Shipping Company.

Christchurch Airport's share of goods exported through New Zealand airports declined

New Zealand's air freight export market remains highly concentrated, with Auckland and Christchurch airports accounting for most of the total value of goods exported through New Zealand's airports. However, recent data suggest Auckland has accounted for a greater share of growth.

In the three months to May 2026, the value of goods exported through Christchurch Airport was 3.0% lower than in the same period a year earlier, although it remained 1.8% higher than in the same period of 2024. By comparison, the value of goods exported through Auckland Airport in the three months to May 2026 was 61.8% higher than in the corresponding period of 2024. Consequently, Christchurch's share of the total value of goods exported through New Zealand's airports declined as Auckland recorded stronger growth.

Data Source: Statistics NZ

Looking ahead, Christchurch Airport's new $40 million freight apron, opened in June 2026, is expected to expand the airport's freight handling capacity and flexibility. According to Christchurch Airport, the investment has been designed to accommodate growing freight demand and support stronger connections to international markets.

Canterbury Export Snapshot – May 2026

The following analysis uses monthly Overseas Merchandise Trade data and is intended to provide additional insight into Canterbury export commodities and destination markets. It is not directly comparable with the three-month Overseas Cargo Statistics measures discussed above.

Commodities

- Largest export commodity: Dairy ($553 million, 56% of export value)
- Largest contributor to export growth: Dairy (+$127 million compared with May 2025)

Destination markets

- Largest export destination: China ($430 million, 44% of export value)
- Top three export destinations: China, Australia, and Japan (combined 58% of export value)
- Largest destination contributor to export growth: China (+$63 million compared with May 2025)

Monthly merchandise data from Statistics NZ suggest export growth through Canterbury's export gateways was broad-based in May 2026. Strong annual growth was recorded across several of Canterbury's key export commodities, including dairy, meat, seafood, and wool. Growth was also recorded across a range of destination markets, with exports to China, Australia, Japan, and several other Asian and Middle Eastern markets increasing over the year. Together, these results suggest export growth was supported by a diverse range of commodities and destination markets rather than a single export driver.

While Canterbury's share of exports measured through national port statistics declined over the year, merchandise trade data for May pointed to more resilient underlying conditions, with demand remaining strong across several of Canterbury's key export products and major overseas markets despite ongoing uncertainty in the global trading environment.

Other indicators pointed to mixed conditions across the local economy

A range of other economic indicators pointed to mixed conditions across the local economy, with some indicators showing resilience while others were comparatively weak.

The total number of building consents issued in Christchurch was 26% higher in the three months to May 2026 than in the same period of 2025. While this was below Canterbury's increase of 45%, it was slightly ahead of the national increase of 24%. Although the number of building consents issued in Christchurch was lower in May 2026 than a year earlier, the three-month trend suggests the construction pipeline remains sound.

Manufacturing conditions bounced back in May 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. However, Canterbury's PMI rose 6.5 points in May 2026 to 51.6, returning to expansionary territory. The national unadjusted PMI also returned to expansion rising a more modest 2.9 points in May 2026 to 51.3.

The services sector remained weak. The unadjusted Canterbury / Westland BNZ – BusinessNZ Performance of Services Index (PSI) increased slightly in May 2026 rising 0.1 points to 40.3, still firmly in contraction territory. The national unadjusted PSI fell 0.2 points in May 2026 to 45.8.

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 7.0% in May 2026 compared with a year earlier, while the median house price increased by 6.7% over the year. Across Canterbury, sales declined by 4.3% while the median house price rose by 6.6%. By contrast, national sales fell by 12.6%, while the median house price rose by 1.3%.

Economic momentum may have moderated, but it has not disappeared

Data released over the past month indicate that Christchurch and Canterbury's economic recovery has continued, although the pace of recovery may have moderated following the recent Middle East conflict and associated oil price shock.

Several indicators pointed to underlying strength in the local economy. International tourism activity remained strong, goods exports returned to annual growth, and labour market conditions continued to compare favourably with most other parts of New Zealand. Business confidence also recovered strongly during June, returning to net positive territory following the sharp deterioration recorded after the Middle East conflict escalated.

At the same time, some indicators suggest momentum may have moderated from the pace seen earlier in the year. Hiring activity remained sound but growth eased from recent highs. In addition, consumer confidence weakened further, discretionary spending remained soft in some categories, and the services sector continued to face challenging conditions.

Fuel prices have eased from their recent highs, reducing some of the pressure facing households and businesses. However, fuel prices remain elevated relative to pre-shock levels. Uncertainty also remains around whether recent ceasefire agreements will hold and whether shipping activity through the Strait of Hormuz will fully normalise. These developments will play an important role in shaping economic conditions over the months ahead.

Overall, the data suggest the Christchurch and Canterbury economies have remained relatively resilient despite recent headwinds, reflecting in part that the region entered the oil price shock from a position of relative strength. While economic momentum may have moderated from the pace seen earlier in the year, the data released over the past month suggest it has not disappeared.

For queries related to ChristchurchNZ's economic insights, please contact:
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This report was based on data available as of 2 July 2026. Any subsequent revisions or updates to the underlying data will not be reflected in this report.