

# Monthly Insights Brief

May 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. Local labour market conditions remained relatively strong**, with unemployment rates in Christchurch and Canterbury below the national average.
- 2. Hiring activity stayed elevated through March**, although there were some indications that momentum may have been easing.
- 3. Strong visitor arrivals and high accommodation occupancy** supported regional activity ahead of the oil price shock.
- 4. Higher fuel prices coincided with shifts in household spending**, as fuel-related in-store card spending rose while some discretionary spending and overall transaction volumes declined.
- 5. Business confidence in Canterbury fell sharply in April**, recording its largest monthly decline since 2011.

Together, these developments suggest the local economy entered the oil price shock from a position of relative strength and is now in a period of adjustment, with uncertainty remaining elevated and the outlook finely balanced.



## Local labour market conditions improved over the year

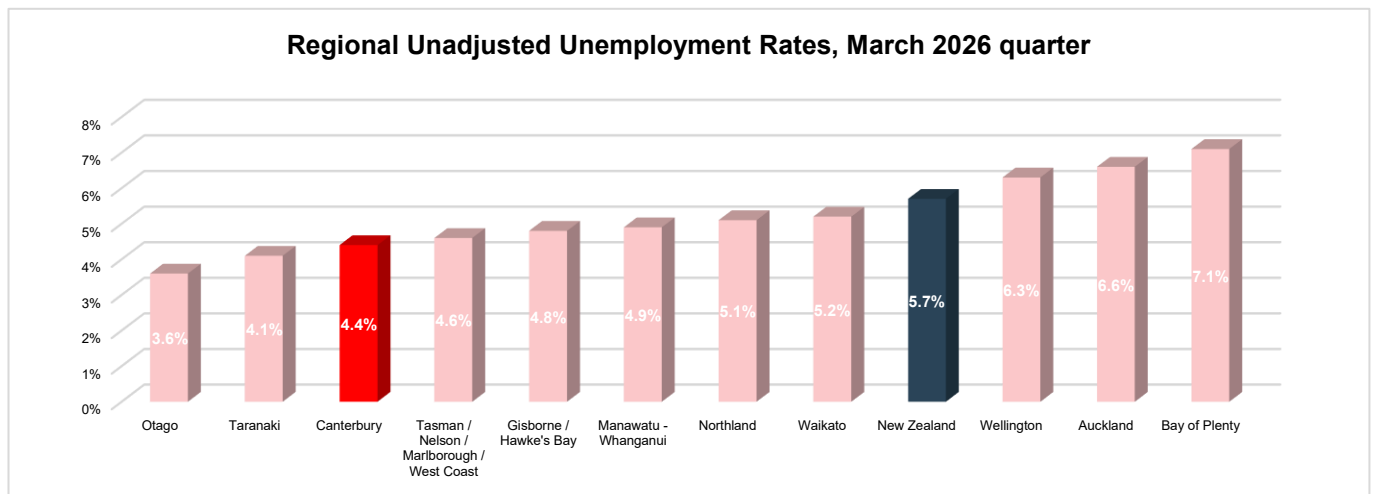
Statistics NZ data showed that local labour market conditions improved over the year to March 2026, although these data largely reflected conditions prior to, or only at the very early stages, of the recent oil price shock.

Household Labour Force Survey data showed that Canterbury's unadjusted unemployment rate declined from 4.9% in the March 2025 quarter to 4.4% in the March 2026 quarter. Over the year, the number of people employed increased by 4,100. Employment growth outpaced the increase in the labour force, resulting in 1,800 fewer people being unemployed.

Christchurch also recorded an improvement over the year. The city's unadjusted unemployment rate fell from 5.4% to 4.4%, its lowest level in more than two years. Employment increased by 3,900 over the year, exceeding labour force growth and resulting in 2,800 fewer people being unemployed.

At a national level, labour market conditions appeared to soften over the same period. New Zealand's unadjusted unemployment rate increased from 5.5% to 5.7% as labour force growth exceeded employment growth.

In the March 2026 quarter, Canterbury recorded the third-lowest regional unemployment rate, behind Otago and Taranaki, while materially higher rates were observed in the Bay of Plenty, Auckland, and Wellington. This indicates that local labour market conditions were relatively strong compared with other regions.



Data Source: Statistics NZ

## And monthly labour market indicators pointed to continued momentum

Monthly labour market indicators also pointed to favourable conditions in early 2026, although these measures largely reflected conditions prior to the recent oil price shock. Unlike the quarterly Household Labour Force Survey, these indicators provide higher-frequency insights into filled positions and hiring activity.

Statistics NZ data showed that unadjusted filled jobs in Canterbury increased by 1.8% in March 2026 compared with a year earlier. This was the third-highest rate of growth across regions and represented the largest nominal increase nationwide, with more than 5,800 additional filled jobs.



Nationally, unadjusted filled jobs increased by just 0.3%, while filled jobs were flat in Auckland and declined in Wellington. March 2026 marked the ninth consecutive month of annual growth in filled jobs in Canterbury, indicating that momentum was building over the period.

Hiring indicators also remained supportive. MBIE data showed that online jobs advertisements in Canterbury were 16% higher in March 2026 than a year earlier, marking the tenth consecutive month of annual growth. While this increase remained stronger than the national growth rate of 14%, the pace of growth in Canterbury was slightly slower than in preceding months, when annual increases consistently exceeded 20%. This easing may have indicated the early emergence of more cautious hiring behaviour; however, the level of job advertisements remained elevated, and more data will be needed to confirm whether this shift will be sustained.

## **International tourism provided a strong pre-shock boost to regional activity**

Tourism indicators reinforced the picture of solid economic activity at the start of 2026. However, the following tourism data largely reflect pre-escalation conditions and therefore do not capture subsequent impacts from higher fuel prices or rising travel costs.

Statistics NZ data showed that international visitor arrivals through Christchurch Airport were 21% higher in the three months to February 2026 than in the same period a year earlier. This compares with national growth of 9% over the same period. Almost 67,000 international visitors arrived at Christchurch Airport in February 2026 alone, the highest February total on record. February 2026 also marked the ninth consecutive month of annual growth in international visitor arrivals, highlighting the strength of the recovery in international travel to the region.

This strength was reflected in accommodation activity. ADP data showed that Christchurch's average commercial accommodation occupancy rate was 81% in the three months to March 2026, well above the national average of 68% over the same period and up from 76% a year earlier. Elevated occupancy rates indicate strong utilisation across the accommodation sector during the peak summer and early autumn period.

Higher international visitor numbers also translated into increased in-store card spending. Marketview data showed international visitor in-store card spending in Christchurch increased by 11% in the three months to March 2026 compared with the same period last year, adding an additional \$12.9 million to the local economy. This provided a lift to retail, hospitality, and accommodation-related activity.

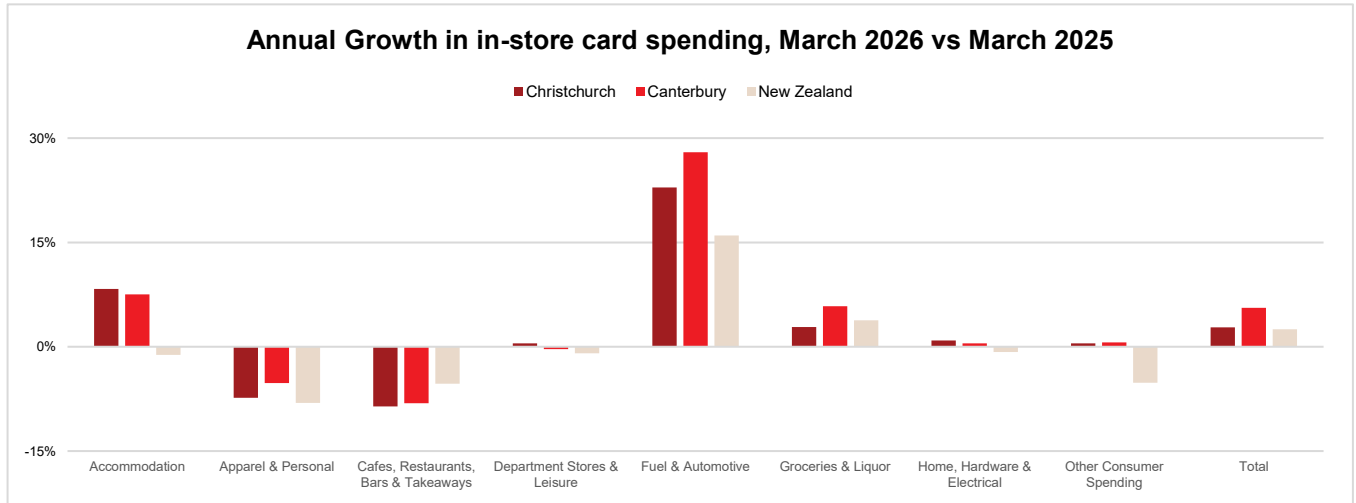
## **But global uncertainty remained high, and impacts of the oil price shock began to show in consumer spending**

As global uncertainty intensified toward the end of the March 2026 quarter, early impacts of the oil price shock began to emerge in consumer spending data. While headline in-store card spending values increased, the underlying composition of spending suggested households were responding to higher fuel costs and elevated uncertainty rather than increasing underlying consumption.



Marketview data showed that the value of in-store card spending in Christchurch increased by 0.4% in the three months to March 2026 compared with the same period a year earlier. This was in line with the national increase of 0.4%, but below the 1.4% increase recorded across Canterbury.

Monthly data indicated stronger growth toward the end of the quarter. In March 2026, the value of in-store card spending in Christchurch was 2.8% higher than in March 2025, while spending across Canterbury rose by 5.6%. However, most of the increase was narrowly concentrated in the Fuel & Automotive category.



Data Source: Marketview

Fuel & Automotive in-store card spending rose sharply in March 2026, consistent with higher fuel prices and what appeared to be an initial surge in fuel-related demand amid concerns about future cost pressures and potential supply disruptions. In Christchurch, the value of Fuel & Automotive in-store card spending increased by 22.9%, equivalent to an additional \$19.1 million compared with March 2025. More moderate increases were recorded in Groceries and Liquor, which rose by 2.8% or \$5.8 million, and Accommodation, which increased by 8.3% or \$0.9 million.

By contrast, the value of in-store card spending declined across several discretionary categories. Spending at Cafes, Restaurants, Bars, & Takeaways fell by 8.6%, a reduction of \$7.3 million, while Apparel & Personal declined by 7.3% or \$3.1 million. These outcomes pointed to caution in discretionary consumption despite higher total spending values.

Looking beyond headline in-store card spending values, transaction volumes told a more cautious story about underlying household demand. The total number of in-store card transactions in Christchurch was 2.9% lower in March 2026 than a year earlier, while transactions across Canterbury declined by 1.5%. This divergence between higher spending values and falling transaction volumes indicated that price effects, rather than stronger underlying demand, were driving headline growth.

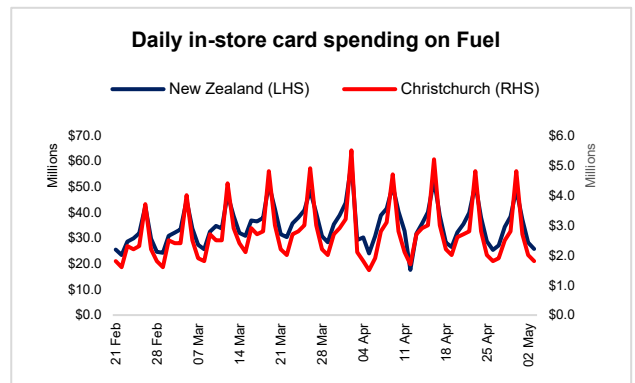


Daily data provided further insight into how households responded as fuel prices became more volatile. Daily Marketview data for the narrower Fuel sub-category showed pronounced volatility following the escalation in global tensions. This volatility was consistent with elevated and fluctuating fuel prices amid ongoing developments in the Middle East.

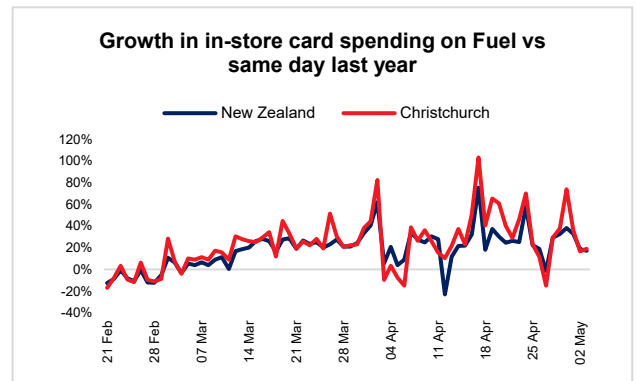
Across the period between mid-February 2026 and the start of May 2026, fuel in-store card spending values spiked in early April 2026. Regular weekly peaks, typically occurring on Thursdays, continued over the period; however, the overall daily trend in fuel in-store card spending appeared to moderate.

Comparisons with equivalent days a year earlier highlight the scale of the adjustment. In mid-April 2026, daily fuel in-store card spending values in Christchurch were 103% higher than the level recorded on the same day in 2025. At a national level, spending was around 75% higher. Subsequently, year-on-year growth fluctuated but appeared to ease, consistent with households adjusting to higher and more volatile fuel prices.

Overall, the combination of rising spending values, lower overall transaction volumes, and elevated day-to-day volatility in fuel spending suggested households were adjusting spending behaviours in response to the oil price shock and increased uncertainty, rather than experiencing a broad-based strengthening in underlying consumer demand. In-store card spending growth was mainly concentrated in fuel-related categories, while most discretionary areas weakened, indicating pressure on household budgets. Recent fuel-related spending increases may therefore prove temporary if fuel prices stabilise, or if sustained cost pressures continue to weigh on discretionary consumption in coming months.



Data Source: Marketview

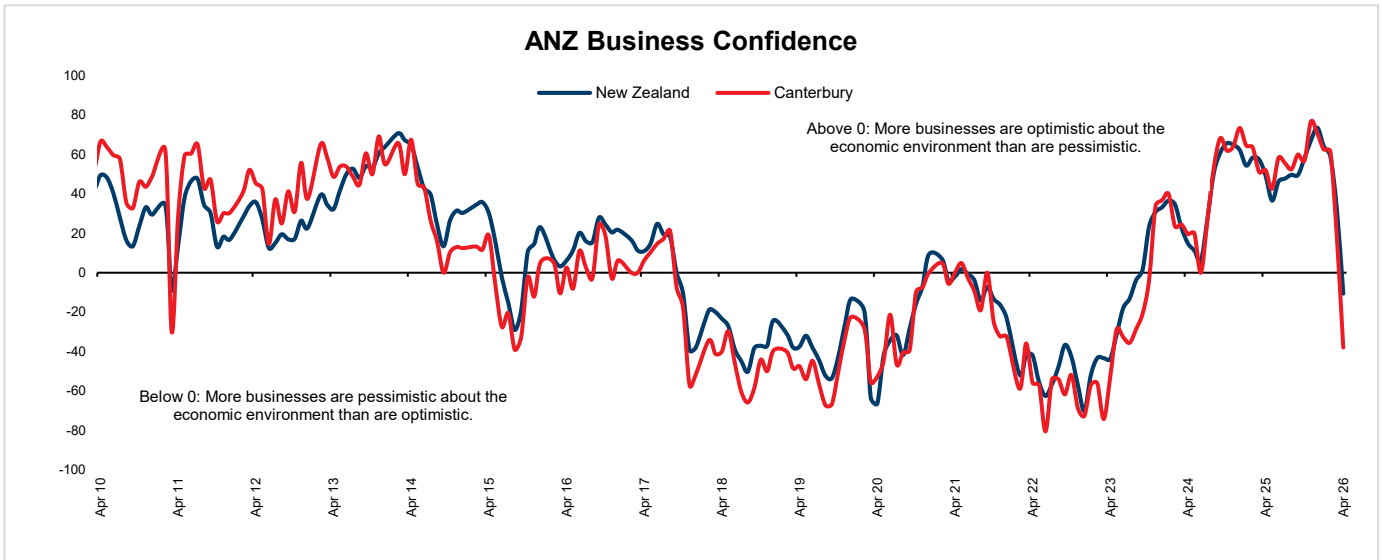


Data Source: Marketview

## And business confidence in Canterbury recorded its sharpest fall since 2011

Business sentiment deteriorated markedly following the escalation of global tensions and the oil price shock. The ANZ Business Confidence survey showed that business confidence in Canterbury fell by 56 points in April 2026 to a net 38% of firms expecting economic conditions to worsen over the coming year. This was the largest single-month decline in business confidence in Canterbury since March 2011, which followed the February 2011 Christchurch earthquake and reflected a sudden and widespread rise in uncertainty.

## ANZ Business Confidence



Data Source: ANZ Business Confidence Survey

The decline in Canterbury's business confidence in April 2026 was larger than at the national level, where confidence fell by 43 points to a net 11% of firms expecting conditions to worsen. While business confidence remains a measure of expectations rather than current activity, the scale and speed of the decline signalled a sharp shift in sentiment following the oil price shock and elevated geopolitical risk.

Business confidence typically influences businesses' willingness to invest, hire, and take on risk. As such, a sharp deterioration in sentiment may weigh on future capital spending and recruitment intentions, particularly if uncertainty around fuel costs, supply chains, and demand persists. At this stage, the decline in business confidence has not yet been reflected in most hard activity indicators linked to hiring and capacity utilisation, many of which still largely capture pre-shock conditions.

Overall, the business confidence data suggest that firms in Canterbury entered this period of heightened uncertainty from a relatively strong starting point, but that expectations have deteriorated rapidly. The extent to which this weakness in sentiment persists will play an important role in shaping economic momentum over the remainder of 2026.

## Other economic indicators presented a mixed picture

A range of other economic indicators pointed to mixed conditions across the regional economy. In most cases, these measures largely reflected activity prior to the oil price shock, although some indicators began to show early signs of softening as uncertainty increased.

Construction activity remained sound. Statistics NZ data showed that the total number of building consents (residential and commercial) issued in Christchurch increased by 39% in the three months to March 2026 compared with the same period a year earlier. Across Canterbury, consent numbers increased by 47%, while nationally, consents rose by 15%. This elevated building consent issuance indicates a solid pipeline of construction activity.



Canterbury's manufacturing sector softened but remained in expansion. BNZ – BusinessNZ Performance of Manufacturing Index (PMI) data showed Canterbury recorded an unadjusted reading of 56.5 in March 2026, signalling continued expansion despite some easing from February.

By contrast, the services sector weakened more noticeably. The unadjusted Canterbury / Westland BNZ – BusinessNZ Performance of Services Index (PSI) fell to 41.6 in March 2026, its lowest level since mid-2024, indicating that more demand-sensitive sectors may be starting to feel the effects of higher costs and increased uncertainty.

External trade indicators softened at the start of 2026. Statistics NZ data showed that goods exported through Canterbury ports were valued at \$2.8 billion in the March 2026 quarter, down 7% from the same period a year earlier. The gross weight of goods exported over this period fell by 9%. However, momentum appeared to have improved toward the end of the quarter, with export values in the month of March 2026 increasing by 10% compared with March 2025.

Housing market conditions in Christchurch were mixed. REINZ data showed that residential property sales fell 1.0% in March 2026 compared with a year earlier, while the median house price increased by 1.4% over the year to \$710,000. Nationally, sales edged lower over the year to March 2026, reducing 0.1%, while the median house price fell 0.3% over the period.

## **The outlook remains uncertain**

Backward-looking indicators suggested Christchurch and Canterbury entered the oil price shock from a position of relative strength. Labour market conditions improved over the year, tourism activity was strong over the summer period, the manufacturing sector remained in expansion, and elevated building consent issuance pointed to a solid pipeline of construction activity.

However, more timely indicators pointed to early signs of adjustment. Household spending patterns appeared to have begun to shift in response to higher fuel prices and increased uncertainty, with in-store card spending increasingly concentrated in fuel and essential categories, while some discretionary spending has softened. Business confidence has also deteriorated sharply, indicating firms are reassessing expectations for the year ahead.

A key risk to regional momentum lies in whether elevated fuel prices and heightened uncertainty persist long enough to translate into sustained weakness in investment, hiring, and discretionary spending.

Overall, the outlook remains finely balanced. Recent data indicated Christchurch and Canterbury entered the oil price shock from a position of relative strength, leaving the local economy comparatively well placed to navigate the period ahead despite elevated uncertainty. The persistence of current cost pressures and the speed at which confidence stabilises will be important in determining whether the adjustment remains contained or develops into a more prolonged slowdown.



For queries related to ChristchurchNZ's economic insights, please contact:  
Charlotte Lascelles (Economist): [enquiries@christchurchnz.com](mailto:enquiries@christchurchnz.com)

This report was based on data available as of 12 May 2026. Any subsequent revisions or updates to the underlying data will not be reflected in this report. This work includes Stats NZ's data which are licenced by Stats NZ for reuse under the Creative Commons Attribution 4.0 International licence.