

Enterprise Dunedin

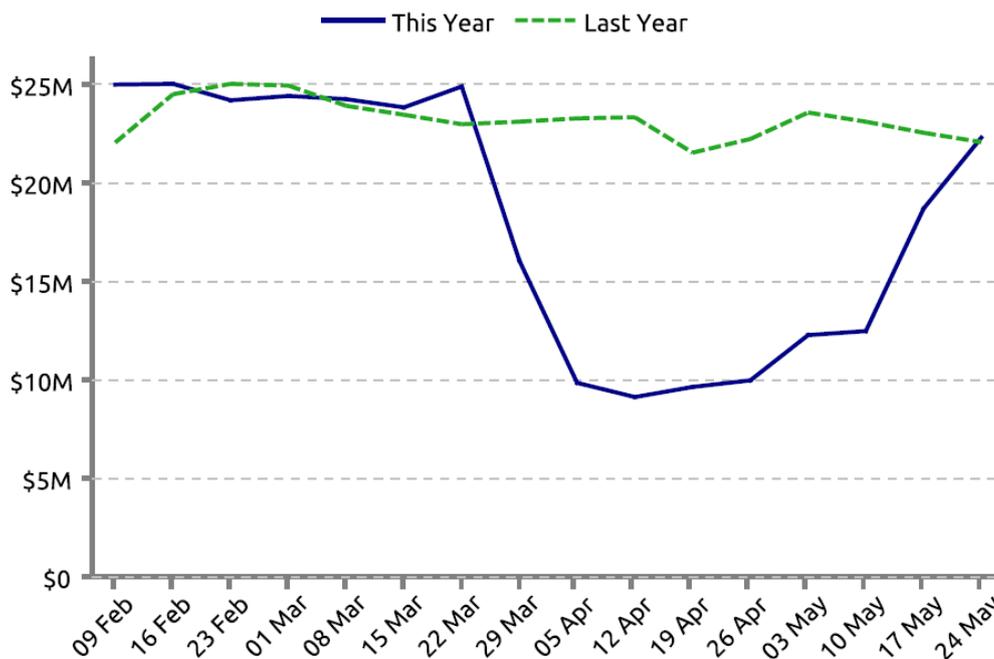
DUNEDIN CITY COVID-19 29 MAY ECONOMIC UPDATE

This document gives context for economic and social wellbeing within Dunedin City during the Covid-19 pandemic. The measures have been chosen because they are available in a timely fashion. Availability of up-to-date indicators is limited, so these measures should be taken as an overview of activity, rather than an exhaustive list of all aspects of the economy.

Spending

Retail spending in Dunedin City over the seven days to 24 May 2020 was \$22.3 million, compared to \$22.1 million across the same week a year ago, according to data provided by Verisk

1. WEEKLY VALUE OF SPENDING



Weekly retail spending in Dunedin during lockdown fell to 39% of its usually level, but by 24 May, at the end of the first full week of Level 2, spending had recovered to 1.0% above its level from the same week last year.

Some of the increase will be due to pent-up demand, as spending concentrated on homeware and clothing, rather than hospitality. A sustained recovery will be contingent on a number of factors, including households' financial positions and the speed at which domestic tourism recovers. Fuel spending declines reflect lower petrol prices.

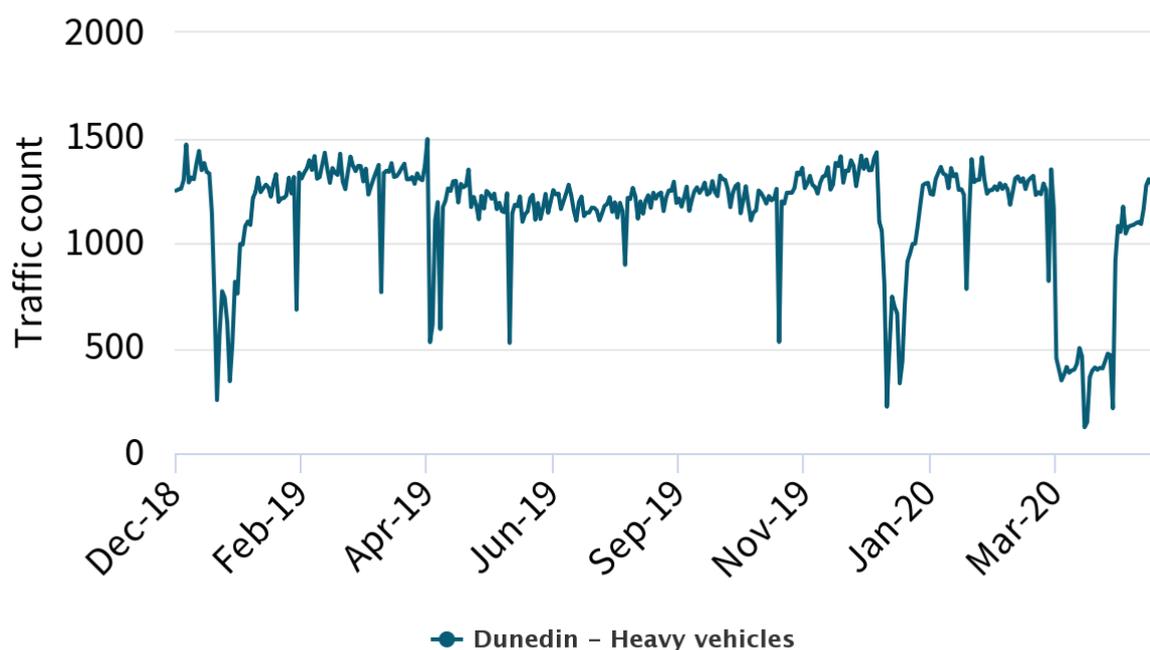
Week ending 24 May 2020	2020 Spend	2019 Spend
Food, liquor & pharmacies	\$9,260,634	\$8,402,643
Hospitality & Accommodation	\$2,667,975	\$4,096,342
Fuel & Automotive	\$1,893,445	\$2,686,058
Clothing, Footwear & Departmen	\$1,622,513	\$1,276,951
Home & Recreational Retailing	\$4,485,517	\$2,837,853
All other	\$2,366,220	\$2,771,713
Total	\$22,296,304	\$22,071,560

Traffic flows

Traffic flows can also be used as a barometer of activity. Light vehicle flows are a mixture of people moving about for personal reasons, as well as for work or other business. Heavy vehicle flows, on the other hand, correlate strongly with business activity.

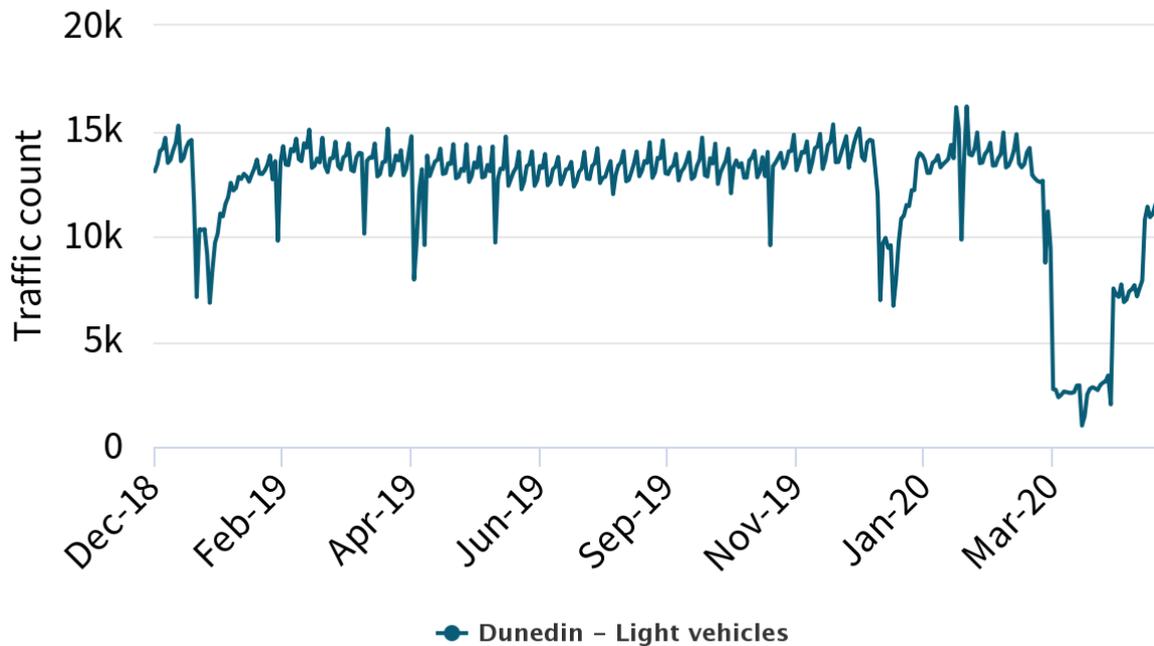
Heavy vehicle traffic count data for Dunedin City from NZTA showed that heavy traffic flows in late April were about a third of their level from a year earlier. However, by May 22 heavy traffic flows had recovered back to their level from the same week in 2019.

Dunedin weekly traffic – selected site 5 day average (excluding weekends)



Light vehicle flows in Dunedin during April were running at about a quarter of their usual level. However, by May 22 light traffic flows had recovered to within 15% of their level from the same week in 2019.

Dunedin weekly traffic – selected site 5 day average (excluding weekends)



Beneficiary numbers

Wage subsidies from central government have ensured that most employees continue to be paid, but the subsidy cannot save all jobs.

MSD data shows that the number of work ready recipients of Jobseeker Support in Dunedin rose by 660 people to reach a total of 2,713 in April. In percentage terms, this was a 32% increase, which was just below the 35% increase experienced nationally.

Trade data

Export conditions, particularly within the agricultural sector in Otago and Southland, are important for Dunedin City. Not only do large volumes of export freight pass through Port Otago, but many Dunedin businesses derive activity from servicing and supplying the agricultural sector.

Data released by Statistics New Zealand shows that the value of New Zealand's exports from 1 February to 13 May was within 1.1% of its 2019 level. Over the past three and a bit months, exporters have earned \$18.1 billion.

Digging deeper beneath the numbers shows that a 31% rise in fruit exports, 13% increase in dairy exports and 0.4% lift in meat exports, offset steep declines in forestry (-45%) and seafood exports (-21%). Forestry exports are likely to begin recovering in the weeks ahead as prices have since rebounded strongly and shipments are beginning to move again.

The prognosis for food exporters remains strong. The good thing for provincial New Zealand is that the world still has to eat. There may be some softness to export prices for some higher value add food items that emerge as a result of reduced restaurant trade, but prices of the staples for consumption at home will perform better over the months ahead.

Cumulative total export values (\$), 1 February-13 May, 2018-20

