



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Quarterly Labour Market Report

June 2020





**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Ministry of Business, Innovation and Employment (MBIE)

Hikina Whakatutuki - Lifting to make successful

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

MBIE combines the former Ministries of Economic Development, Science + Innovation, and the Departments of Labour, and Building and Housing.

More information

www.mbie.govt.nz

0800 20 90 20

Information, examples and answers to your questions about the topics covered here can be found on our website www.mbie.govt.nz or by calling us free on 0800 20 90 20.

Disclaimer

This document is a guide only. It should not be used as a substitute for legislation or legal advice. The Ministry of Business, Innovation and Employment is not responsible for the results of any actions taken on the basis of information in this document, or for any errors or omissions.

ISSN 2253-5721

June 2020

©Crown Copyright 2019

The material contained in this report is subject to Crown copyright protection unless otherwise indicated. The Crown copyright protected material may be reproduced free of charge in any format or media without requiring specific permission. This is subject to the material being reproduced accurately and not being used in a derogatory manner or in a misleading context. Where the material is being published or issued to others, the source and copyright status should be acknowledged. The permission to reproduce Crown copyright protected material does not extend to any material in this report that is identified as being the copyright of a third party. Authorisation to reproduce such material should be obtained from the copyright holders.

Purpose

The *Quarterly Labour Market Report* presents MBIE's assessment of the overall state of the labour market in the March 2020 quarter. The main focus is on understanding the implications of the potential future impacts of COVID-19.

It brings together the latest findings from MBIE's labour market monitoring, labour market assessments of Stats NZ and other key agencies and related research. The main data source for this report is Stats NZ's Labour Market Statistics release, which includes the Household Labour Force Survey (HLFS), the Quarterly Employment Survey (QES) and the Labour Cost Index (LCI).

The report includes the following:

- Analysis of New Zealand business sentiment, business outlook, consumer confidence and activity levels leading up to Alert Level 4 lockdown.
- Reflections on a range of macro and cohort specific labour market indicators to understand how the workforce, firms and industries performed following the Global Financial Crisis (GFC) more than ten years ago in order to assess the likely impacts of COVID-19.
- Insights from the impacts on some leading indicators of employment demand, such as online advertised vacancies, that indicate that the early impacts of COVID-19 are already much sharper than those experienced as a result of the GFC.

New Zealand's labour market

- The labour market was robust in the March 2020 quarter going into the COVID-19 lockdown and was strong against most headline indicators. However, forward looking indicators suggest the situation could be serious and concerning, at least in the short-term.
- The March quarter showed strong growth in labour market participation, with increases in both the number of people employed and unemployed.
- The unemployment rate rose slightly to 4.2 per cent, from 4.0 per cent last quarter. For men, the unemployment rate rose to 4.1 per cent, up from 3.8 per cent last quarter. For women, the unemployment rate remained unchanged at 4.3 per cent.
- Employment rose over the quarter, rising by 18,000 people to a total of 2.66 million employed.
- The underutilisation rate rose to 10.4 per cent, up from 10.0 per cent last quarter. The underutilisation rate in the previous quarter was the lowest since June 2008. For women, the underutilisation rate rose to 12.7 per cent, while the underutilisation rate for men remained unchanged at 8.3 per cent.
 - Over the quarter the number of:
 - Unemployed people rose by 5,000 to 116,000
 - Underemployed people rose by 2,000 to 91,000
 - People in the potential labour force rose by 8,000 to 92,000
 - Underutilisation provides a better measure of spare capacity in the labour market than unemployment. This is because it also takes account of people who are underemployed or in the potential labour force.
- Key indicators for Māori and Pacific Peoples tell an improving story.
 - The Māori unemployment rate was 8.7 per cent. This showed no change from last year and a strong decrease from a peak of 13.9 per cent in March 2011.
 - The Pacific Peoples unemployment rate fell to 7.9 per cent. This is down from 9.0 per cent this time last year, and down from a peak of 15.0 per cent in March 2012.
- Salary and wage rates increased 2.5 per cent over the year. This is slightly lower than the 2.6 percent seen in the last quarter and the largest annual increase since June 2009, when it increased 2.8 per cent (from the Labour Cost Index). Average hourly earnings were \$33.14, an increase of \$1.14 from last year (from the Quarterly Employment Survey ordinary-time earnings for FTEs).
- The labour market results for the June 2020 quarter are expected to show the impact of the COVID-19 lockdown. This report foreshadows some likely adverse dimensions of the impact.

1. What was business opinion, outlook and consumer confidence?

■ HIGHLIGHTS

- Business opinion deteriorated with rising uncertainty related to COVID-19.
- Business outlook declined sharply in the second half of the month of March.
- Consumer confidence was down in the month of March.

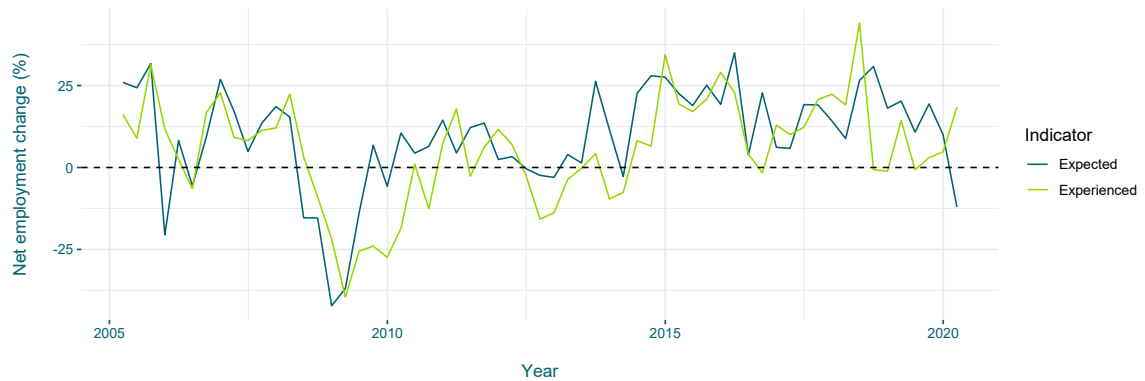
The New Zealand economy and the labour market were robust going into the COVID-19 lockdown. The economy experienced annual growth of 2.3 per cent during the December 2019 quarter and the labour market grew 1.6 per cent in the March 2020 quarter.

Most headline indicators were strong, but forward looking business opinion, business outlook, consumer confidence and activity indicators during the March 2020 quarter and the month of March 2020 signalled the extent of the economic and labour market downturn in the period ahead. These are expected to be more adverse than those seen following the Global Financial Crisis (GFC).

Business sentiment deteriorated with respect to expected hiring intentions post COVID-19 lockdown

Business sentiment expressed in the March 2020 quarter of NZIER's Quarterly Survey of Business Opinion (QSBO) deteriorated strongly, reflecting the uncertainty businesses faced in relation to the COVID-19 crisis. This was, however, at a very early stage of lockdown restrictions for business operations.

Figure 1: Employment versus employment intentions

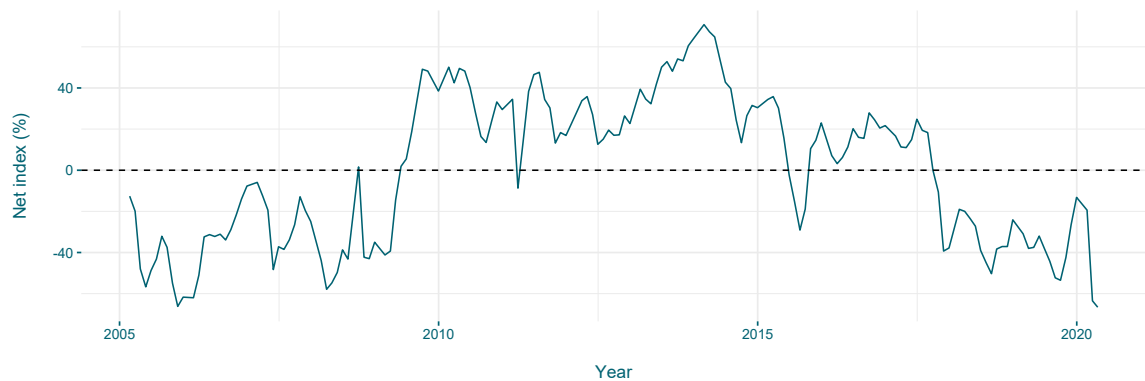


Source: NZIER Quarterly Survey of Business Opinion

Business confidence around own activity lowest ever, driven by the retail sector and other services

The ANZ business confidence measure for the second half of the month of March 2020 declined sharply, including with respect to the more relevant assessment of 'Own activity', especially in retail.

Figure 2: ANZ business confidence – Own activity

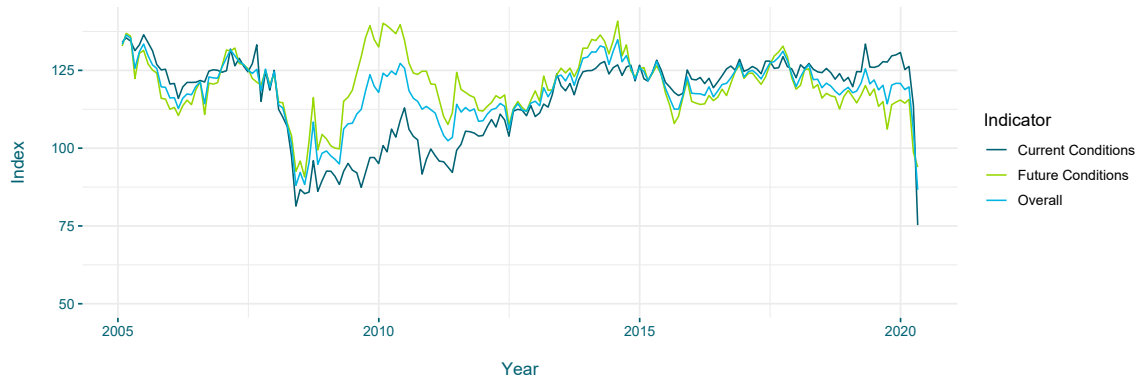


Source: ANZ Business Outlook

Consumer confidence in current and future conditions plummeted at an early COVID-19 stage

Consumer confidence in current conditions was higher than for future conditions before March 2020 but both dropped dramatically during March 2020 even before New Zealand entered the COVID-19 lockdown.

Figure 3: ANZ Roy Morgan Consumer confidence – Current and future conditions



2. How is the workforce faring?

■ HIGHLIGHTS

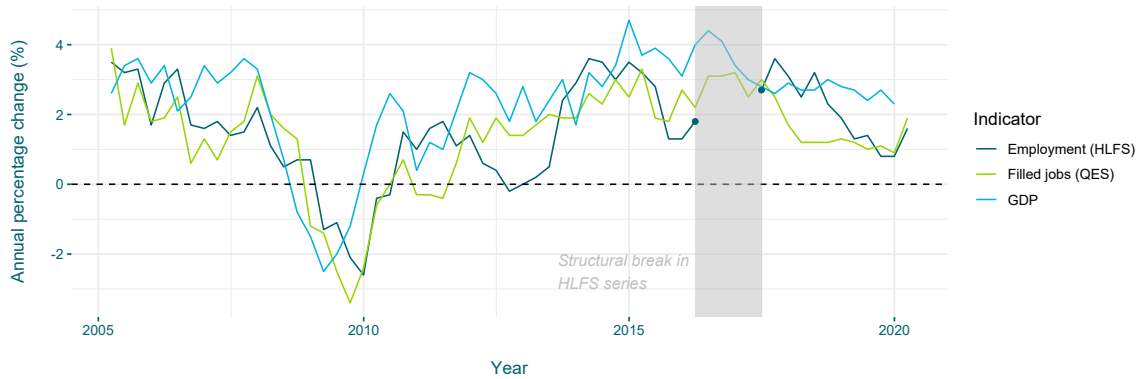
- Employment counts held up, with the COVID-19 impacts yet to be seen.
- The unemployment rate and underemployment rose only slightly despite the participation rate rising.
- Wages continued to rise, both in the private and public sectors.
- The Monthly Employment Indicator (MEI), a new frequent measure of employment will provide more timely data of changes in the number of jobs in the economy.
- Labour supply from migration assisted by New Zealand citizens returning and staying back.

The labour market was robust and strong against most indicators going into the COVID-19 lockdown

In the March 2020 quarter, the number of people who were employed rose by 18,000 (0.7 per cent) to reach 2,661,000. There were 9,000 more women and 10,000 more men employed than last quarter. The seasonally adjusted number of filled jobs, as measured by the Quarterly Employment Survey (QES), exceeded 2,000,000 for the first time in the March 2020 quarter, reaching 2,001,800. The two main industries contributing to this growth were: Public administration & safety (for example, Police) – up 10,400 (9.4 per cent) and Education & training – up 8,800 (6.4 per cent).

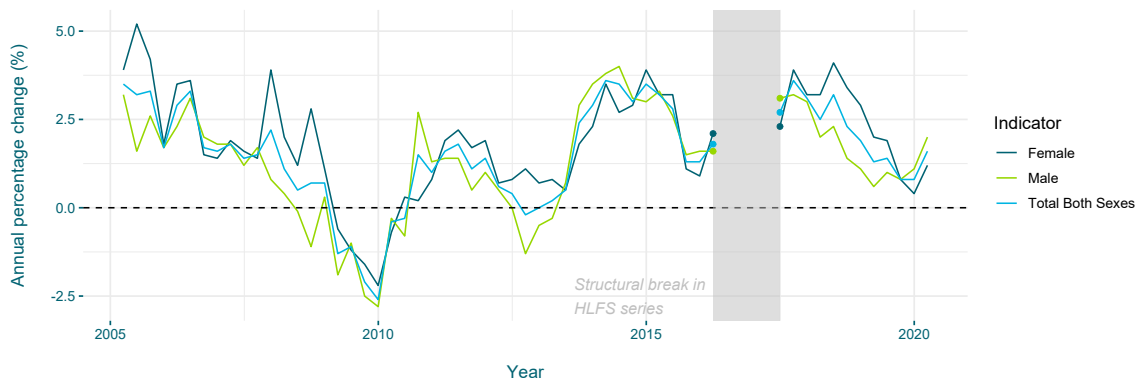
A caution must be attached to this positive view, in that after the start of the GFC in 2008 there was a sharp drop in both HLFs employment and QES filled jobs along with the GDP. These effects continued over the next two years, before recovering over the following few years.

Figure 4: Growth in employment demand, jobs filled and GDP before the COVID-19 and the GFC impacts during 2008-10 likely early indicator



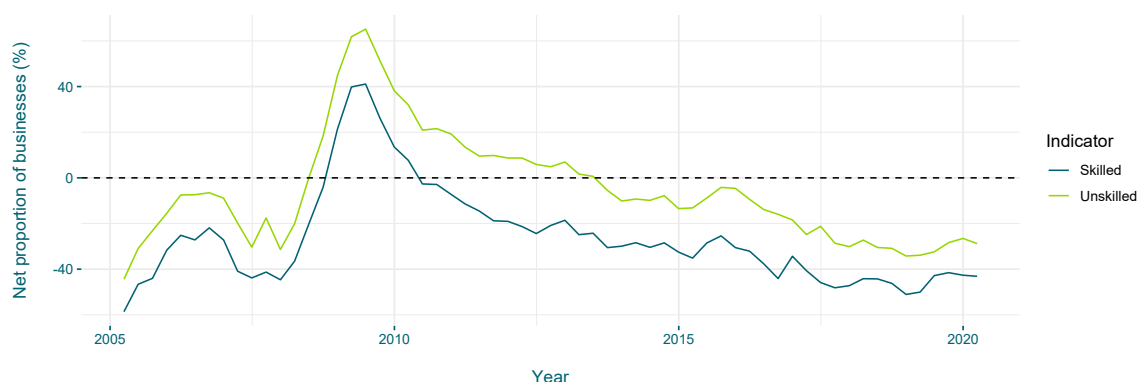
Source: Household Labour Force Survey (HLFS), Quarterly Employment Survey (QES), National Accounts (GDP)

Figure 5: Employment of both male and female workers at high levels but rising at very modest rates recently after growing strongly in 2017-18



Source: Household Labour Force Survey (HLFS)

Figure 6: Ease of finding skilled and unskilled workers below pre-GFC levels going into COVID-19



More frequent measure of employment – Monthly Employment Indicator (MEI) is timely

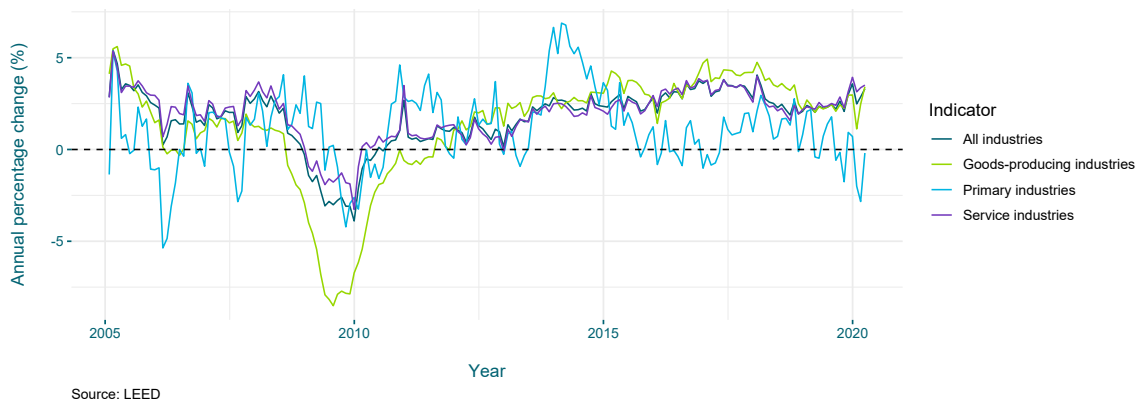
Since November 2019, Stats NZ have been producing a monthly indicator of filled jobs, based on employer payroll data. This uses the same data source as the Quarterly Linked Employer-Employee Dataset (LEED), but using much simpler data processing to enable the total number of filled jobs to be produced within a few weeks of the end of the reference month. The series is backdated to 1999.

When looking at the longer term trend in this series, the number of filled jobs nationally has risen consistently since 2010, with accelerating growth from 2013. Filled jobs in goods producing industries suffered the largest proportional fall between 2008 and 2010 and took longer to recover after the GFC.

There were over 2.2 million filled jobs in March 2020, the highest number on record. This is an increase of six thousand jobs since December 2019, and an increase of over 70,000 jobs since March 2019. By industry group, filled jobs increased from February to March for both primary and goods-producing industries, although fell for service industries.

Monthly employment indicators to March 2020 from before the lockdown show that filled jobs were still increasing, and were up 3.3 per cent on a year earlier. Services, which make up the bulk of jobs, were up 3.5 per cent over the year while primary industry jobs fell 0.2 per cent. During the GFC, goods producing industries saw jobs fall 8 per cent year-on-year in NZ, though the size of the services industry meant it lost the most jobs (down 41,000 in 2009). The impact of COVID-19 is expected to have a greater negative impact on the services industry compared to the goods producing industry, with hospitality and tourism being impacted the most.

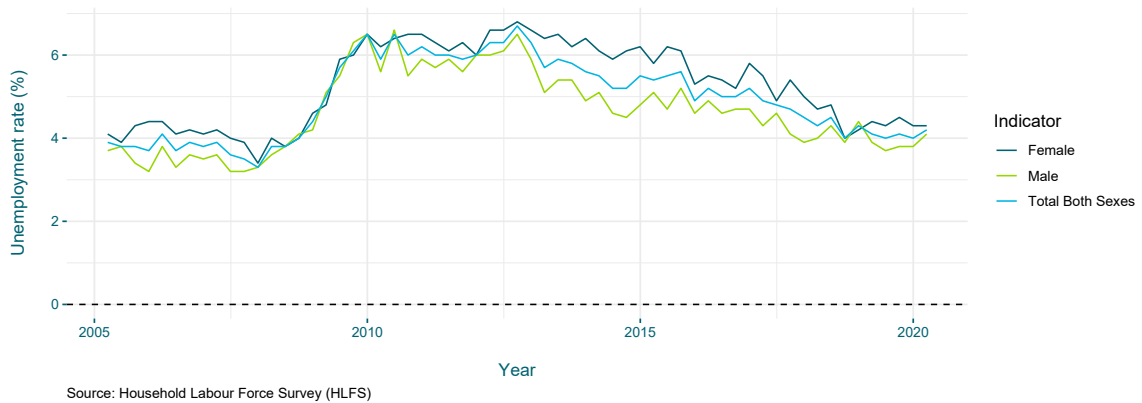
Figure 7: Monthly filled jobs: different patterns of impacts on 3 broad segments of the economy



The unemployment rate for men rose to 4.1 per cent in the March 2020 quarter, up from 3.8 per cent last quarter. The unemployment rate for women was unchanged over the quarter, at 4.3 per cent. Using seasonally adjusted figures, 116,000 people were unemployed in the March 2020 quarter. This included 59,000 men and 57,000 women. This was an increase of 5,000 people from the previous quarter, which consisted of 5,000 more unemployed men.

Following the GFC, the unemployment rate, which was even lower at 3.8 per cent, rose to over 6 per cent and remained high for a number of years.

Figure 8: Male and female unemployment rates were low before COVID-19, but not as low as pre-GFC levels

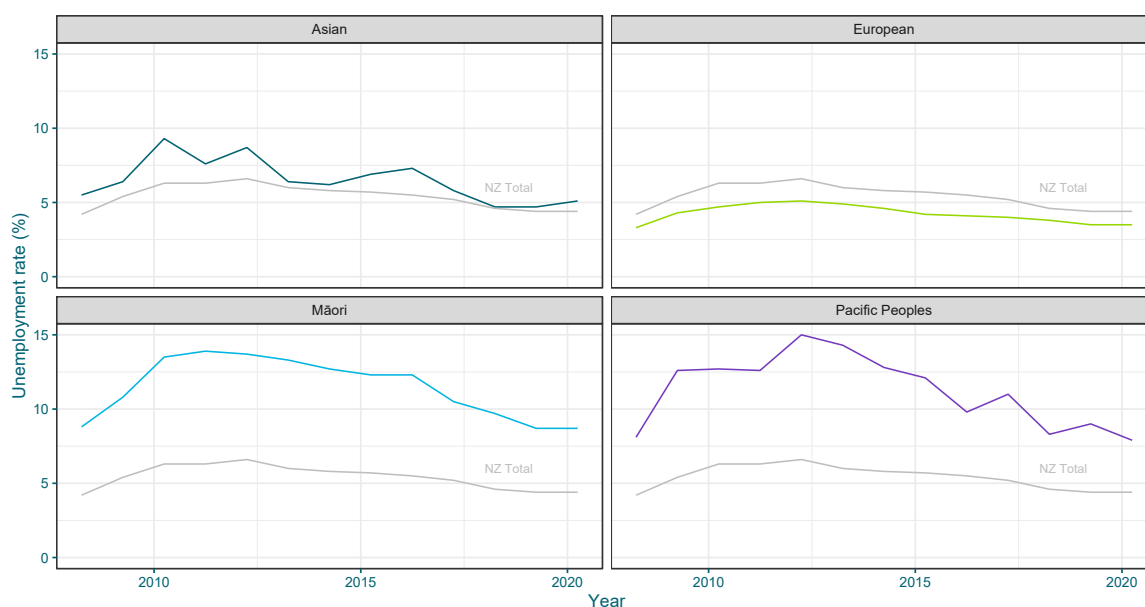


Labour market outcomes for Māori and the Pacific Peoples were improving before the COVID-19 lockdown

The Māori unemployment rate was 8.7 per cent for the March 2020 quarter. This was unchanged from last year and a strong decrease from a peak of 13.9 per cent in March 2011. The Pacific Peoples' unemployment rate fell to 7.9 per cent. This is down from 9.0 per cent this time last year, and down from a peak of 15.0 per cent in March 2012.

The March 2011 (Māori) and March 2012 (Pacific Peoples) peaks in unemployment rates were related to the proportionately higher adverse impacts on these two groups following the GFC in 2009-10. The impacts of COVID-19 on Māori and the Pacific Peoples' labour market performance is also expected to be larger than on the overall labour market and some of this is likely to be seen in the June 2020 quarter labour market data and beyond.

Figure 9: Māori and Pacific Peoples unemployment rates rose at faster rate post-GFC



Source: Household Labour Force Survey (HLFS)

New labour market entrants and younger workers were the most adversely impacted post-GFC

There was relatively higher adverse impact of the GFC on younger age cohorts compared to the overall labour market, as well as older age groups who were near retirement, who also saw impacts which lasted for longer periods. The impact was very pronounced on the newer entrants to the labour market (aged 20-24 years) a few years after the advent of the GFC with unemployment rates for this group reaching levels closer to 15 per cent. The impact of COVID-19 on the younger age cohorts is therefore expected to be seen much sooner and also to be more

serious. It is also unlikely to be limited to the 20-24 age cohort and is also anticipated to impact on the younger (15-19) age group with hours worked and the older (25-29) age group with implications for their career progression.

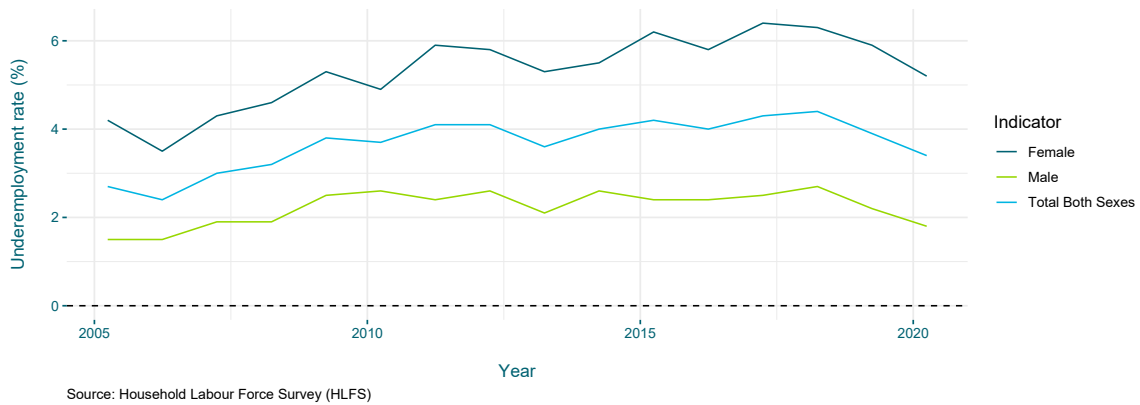
Figure 10: Younger age cohorts unemployment rates rose at faster rate post-GFC



A newer measure of wider labour market performance is underemployment

Underemployment is a new measure introduced following the major review of the HLFS in 2016. Back data is available for a longer historical period, including prior to the GFC. The underemployment measure for both females and males was lower and declining before the advent of the GFC but rose sharply and continued to rise until about 2018, with some volatility. Since then it has been declining. The negative impact of COVID-19 is likely to arrest this overall decline and also reverse it in a significant way, at least in the short term. This along with the anticipated rise in unemployment is likely to lead to a rise in underutilisation.

Figure 11: Underemployment rate rise post-GFC imply decline in recent years likely to be reversed

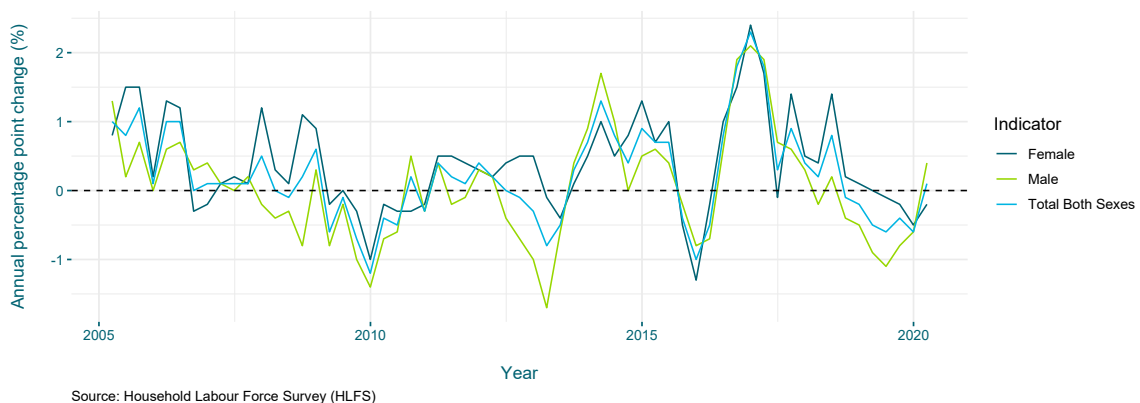


Improvement in participation and closing of the gender gap, but the impact of COVID-19 is yet to be seen

The seasonally adjusted labour force participation rate rose to 70.4 per cent in the March 2020 quarter, up from 70.1 per cent last quarter. For men, the labour force participation rate rose to 75.5 per cent, up from 75.1 per cent last quarter. For women, the labour force participation rate rose to 65.6 per cent, up from 65.4 per cent last quarter.

In the March 2020 quarter, there were 24,000 more people in the labour force than in the previous quarter, up to 2,777,000 – 9,000 more women and 14,000 more men. The number of people who were not in the labour force (NILF) fell by 7,000 in the March 2020 quarter to 1,167,000. This was down from 1,173,000 people in the December 2019 quarter, which was the highest level seen since the survey began. This reflected 5,000 fewer men and 1,000 fewer women who were NILF.

Figure 12: Participation rate risen steadily post-GFC decline and the COVID-19 impact yet to be seen

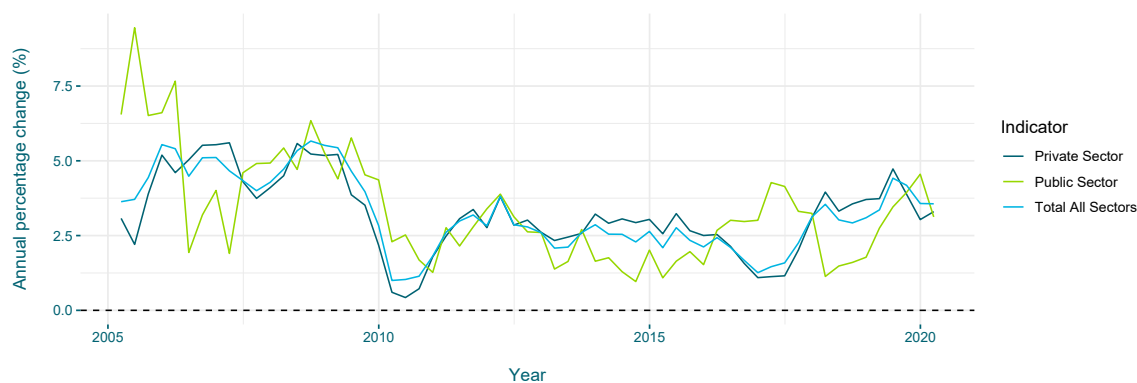


Positive wage movements following the GFC are likely to be muted going forward

The Labour Cost Index (LCI) salary and wage rates measure movements in wages for a fixed quantity and quality of labour. This means that changes in pay rates due to the performance of employees or promotions are not shown in the index. The unadjusted LCI, on the other hand, also reflects the change in wages because of a change in quality of work (for example, more experience). This series is more comparable with the earnings measures in the QES.

In the year to the March 2020 quarter, wages as measured by the QES also grew. Average ordinary time hourly earnings increased to \$33.14 (up 3.6 per cent): Private sector average ordinary time hourly earnings increased 3.3 per cent, to \$30.99. Public sector average ordinary time hourly earnings increased 3.1 per cent, to \$41.59. The biggest contributors to the annual increase in average ordinary time hourly earnings were the healthcare and social assistance, public administration and safety, wholesale trade, and retail trade industries.

Figure 13: Lagged post GFC private and public sector wage increases also likely to be muted post COVID-19



Source: Quarterly Employment Survey (QES)

Returning New Zealanders will make up a larger proportion of labour supply from migration

New Zealand citizens are returning to New Zealand in record numbers, as the COVID-19 pandemic spreads. Annual migrant arrivals of New Zealand citizens are provisionally estimated at 42,800 for the year ended March 2020, with almost half of these arriving between December 2019 and March 2020.¹ This is the highest annual number on record.

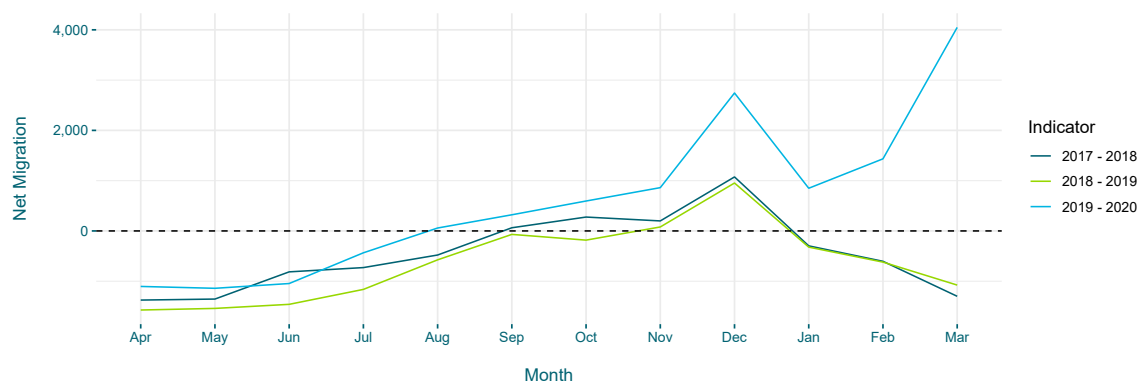
Annual migrant departures of New Zealand citizens are provisionally estimated at 35,700 for the year ended March 2020. This is well below the annual average of 52,800 since 2001. As a result, net migration of New Zealand citizens for the year ended March 2020 is provisionally estimated

¹Stats NZ noted that provisional estimates of migration for recent months may be subject to larger revisions than usual and are considered less reliable due to effects of COVID-19 on recent border movements, including travel restrictions in New Zealand and other countries. Therefore the most recent data should be interpreted with caution.

at an inflow of 7,200. Historical fluctuations in the net migration of New Zealand citizens have largely been driven by trans-Tasman departures.

The net migration loss of New Zealand citizens was significant in 1998–2001, 2007–09, and 2011–13. The net loss has been relatively low since 2014. In recent months, more New Zealand citizens than usual have migrated home, for a number of reasons, including possibly seeing New Zealand as a safe haven. At the same time, New Zealand citizens may have been unable or reluctant to head offshore.

Figure 14: Net New Zealand migration positive and rising in 2020 following COVID-19



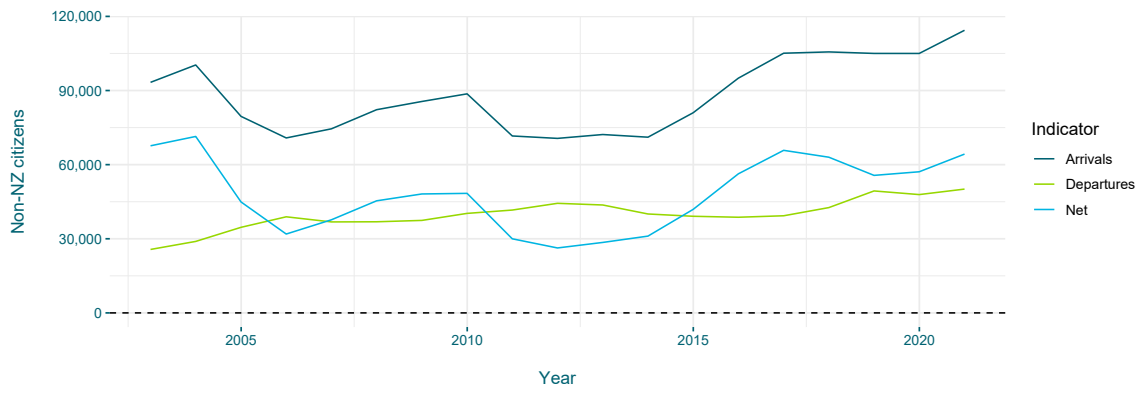
Source: International Travel and Migration (ITM)

There was an estimated net gain of 64,300 non-New Zealand citizens in the year ended March 2020. The annual net gain of non-New Zealand citizens has fluctuated around 60,000 since mid-2015. These levels are relatively high historically but below the peak of 75,600 in the year ended October 2002.

Thousands of people who arrived in New Zealand in recent months have not been able to return home yet, or are staying longer, potentially inflating the estimated number of migrant arrivals. The latest migration estimates are less certain than the estimate from six months ago. Estimated net migration for the year ended September 2019 is 53,600.

Migration estimates for the year ended November 2018 have now been finalised with a net migration of 49,100.

Figure 15: Migration of non-New Zealand citizens still high but could decline sharply after COVID-19



3. How are firms faring?

HIGHLIGHTS

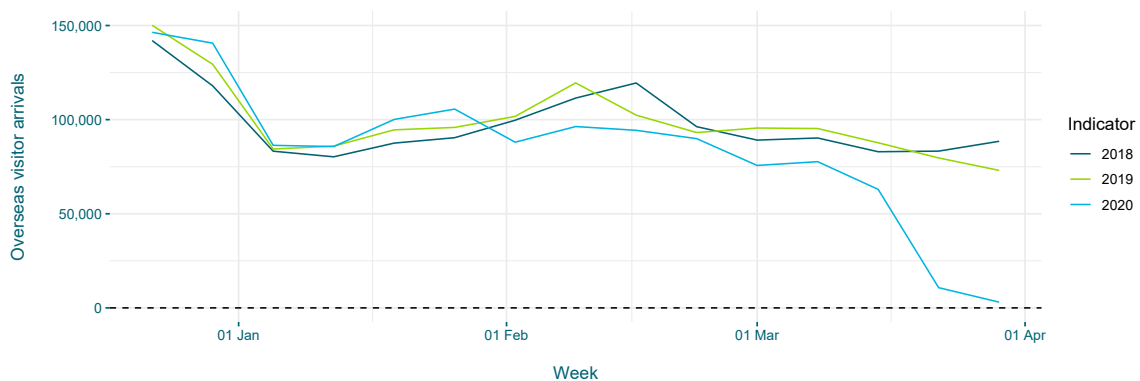
- Firms in industries such as tourism and hospitality more vulnerable to the adverse impacts of COVID-19.
- Regional differences in COVID-19 impacts are based on concentration of tourism and hospitality compared to those considered as essential industries.
- Firms in industries with external supply chains are more exposed to the impacts of COVID-19 compared to those with internal supply chains.

The tourism industry is vulnerable after a major drop in visitor arrivals due to border restrictions

March 2020 saw the largest-ever drop in monthly visitor arrival numbers, ahead of the COVID-19 lockdown. There were 175,500 visitor arrivals in March 2020, down 202,700 (54 per cent) compared with March 2019.

During the second half of March the government imposed border restrictions for international visitors as part of the broader response to COVID-19. Visitor arrivals since then have been near zero. While this release is for March 2020, it includes provisional data for part of April, being the most up-to-date figures currently available.

Figure 16: Overseas visitor arrivals decline sharply following border restrictions



Source: Stats NZ provisional international travel statistics

■ HOW MANY VISITORS ARE STILL HERE?

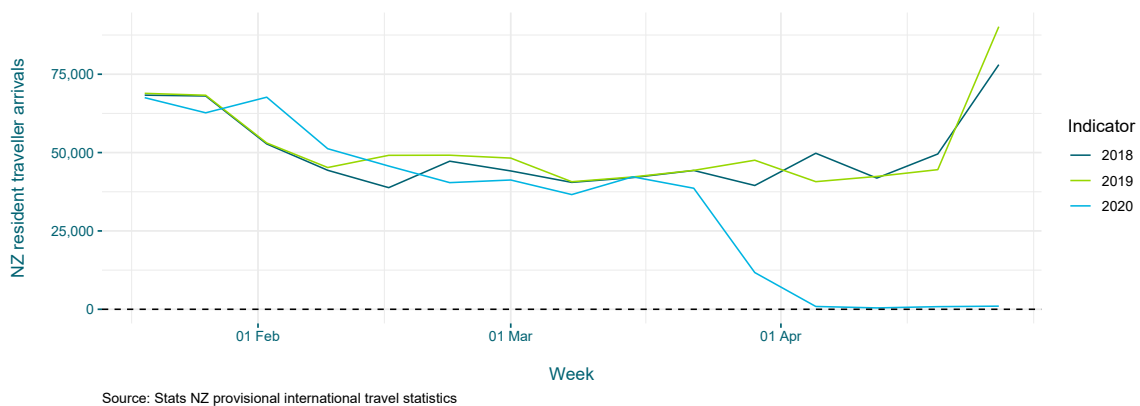
There are 135,000–155,000 visitors from overseas currently in New Zealand. These are people who normally live overseas, including Australian and New Zealand citizens, and those on work, student, visitor, and other visas.

Just before the lockdown in mid-March it was estimated that there were 240,000–260,000 visitors in New Zealand. There have been relatively few departures from New Zealand in recent weeks.

■ LOW NUMBERS OF RESIDENTS RETURNING

In March 2020, 136,700 New Zealand resident travellers returned from overseas, down 58,300 from March 2019. New Zealand residents are still returning home, despite travel restrictions here and in other countries, although these numbers are now very low.

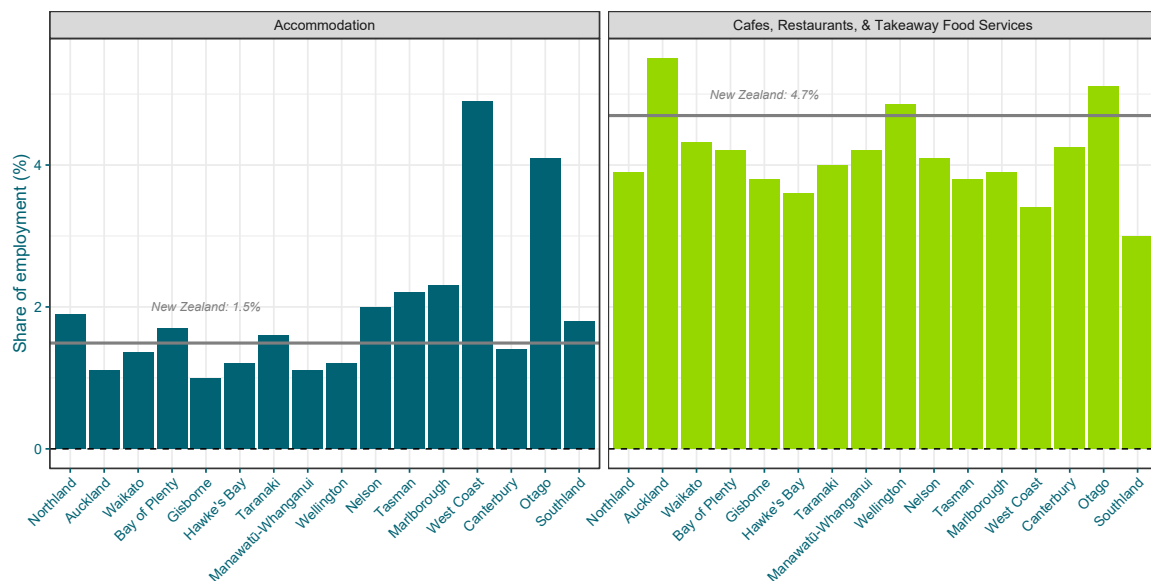
Figure 17: New Zealand resident traveller arrivals also drop due to COVID-19



Reliance on employment in industries related to tourism and hospitality varies across regions in New Zealand

The two major industries related to tourism and hospitality, Accommodation and Cafes, Restaurants & Takeaway Food Services, have an employment share of 1.5 per cent and 4.7 per cent respectively across New Zealand. This covers both the domestic and international demand for tourism and hospitality.

Figure 18: Regional importance of key tourism and hospitality industries



Source: Linked Employer-Employee Data (LEED)

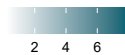
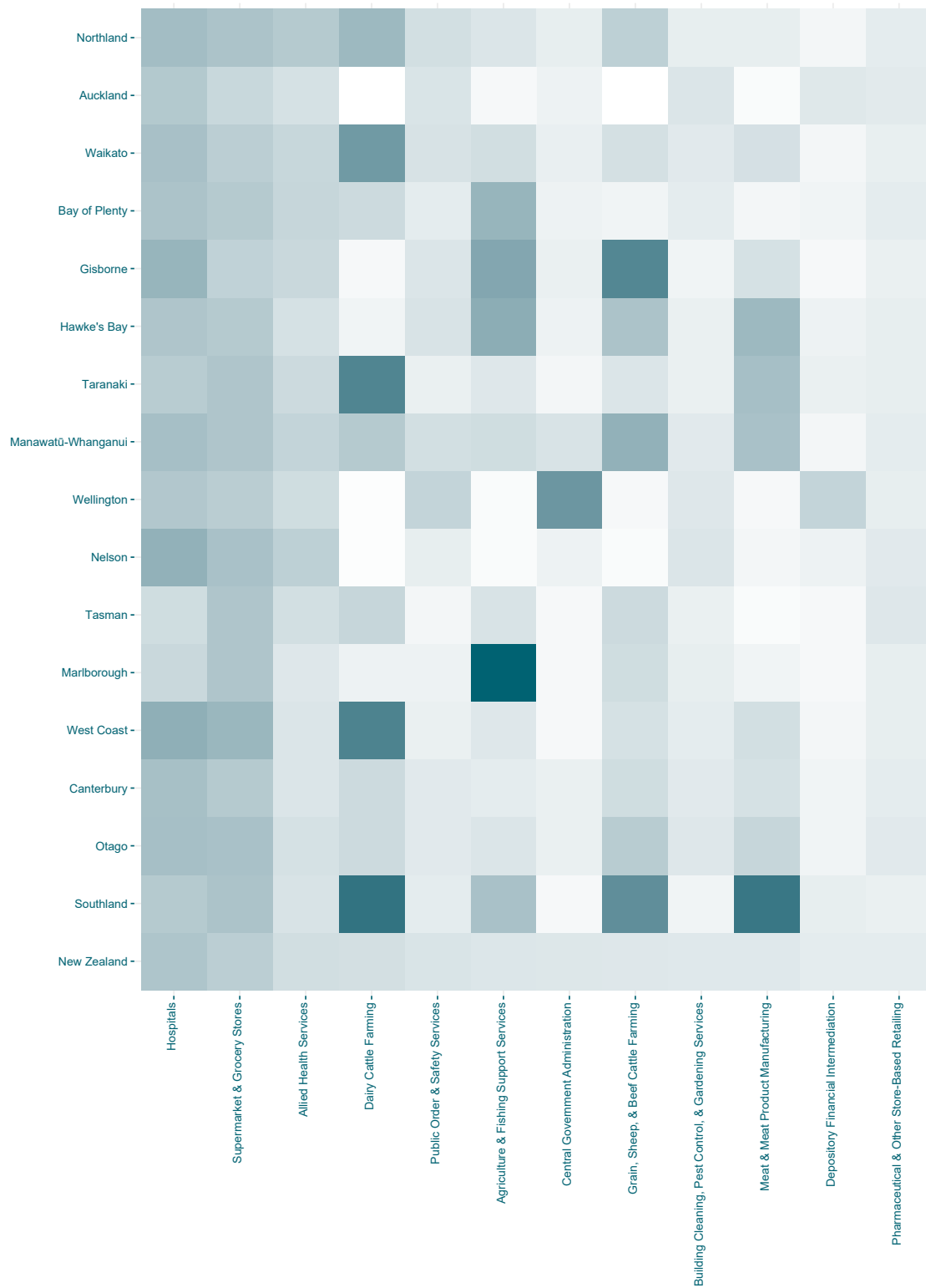
Many regions in the South Island have a high share of employment in the Accommodation industry, with the West Coast (4.9 per cent) and Otago (4.1 per cent) having the greatest share. Regions both in the North Island (Auckland, 5.5 per cent) and the South Island (Otago, 5.1 per cent) have a greater share of the Cafes, Restaurants & Takeaway Food Services sector than for New Zealand overall.

Reliance on employment in most essential industries does not vary much across regions in New Zealand

The essential industries with the greatest employment share across New Zealand are Hospitals (2.9 per cent) and Supermarket & Grocery stores (2.5 per cent). Sectors such as Central Government Administration (1.3 per cent) and Pharmaceutical & Other Store-based Retailing (1.1 per cent) have a lower employment share, but are still critical essential service sectors.

There are more regional similarities in the employment share of essential industries compared to the tourism and hospitality related industries, with some notable exceptions such as Wellington (Central Government) and Waikato, Taranaki, West Coast and Southland (Dairy farming) for example.

Figure 19: Regional importance of essential industries with large employment shares



A number of industries are vulnerable due to external trade and impacts on domestic and global value chains

The wide range of possibilities for the predicted decline in exports is explained by the unprecedented nature of this health crisis and the uncertainty around its precise economic impact. World Trade Organisation economists² believe, however, the decline will likely exceed the trade slump brought on by the GFC.

World merchandise trade is predicted to plummet by between 13 and 32 per cent in 2020 due to the COVID-19 pandemic. A 2021 recovery in trade is expected, but dependent on the duration of the outbreak and the effectiveness of the policy responses. Nearly all regions are expected to suffer double-digit declines in trade volumes in 2020, with exports from North America and Asia hit hardest. Trade will likely fall steeper in sectors with complex value chains.

The Institute of Supply Management has reported the first round results of an international survey focused on COVID-19 business and supply chain impacts.³ Notably, nearly 75 per cent of companies report supply chain disruptions in some capacity due to COVID-19 related transportation restrictions, and more than 80 per cent believe that their organisation will experience some impact because of COVID-19 disruptions. Of those, one in six (16 per cent) companies report adjusting revenue targets downward an average of 5.6 per cent due to COVID-19.

²https://www.wto.org/english/news_e/pres20_e/pr855_e.htm

³<https://www.instituteforsupplymanagement.org/news/NewsRoomDetail.cfm?ItemNumber=31171&SSO=1>

4. Leading indicators and lessons from previous shocks

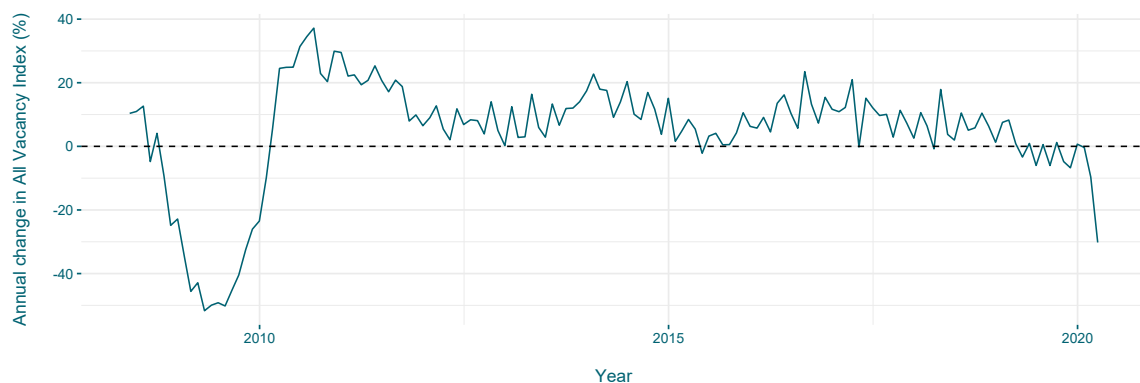
HIGHLIGHTS

- Early impacts of COVID-19 on online advertised vacancies have been much sharper than those experienced as a result of the GFC.
- There has been a decline in online vacancies across all industries but this has been greatest in the retail and hospitality sectors.
- The decline in online vacancies has been across all skill levels, but was slightly higher for lower skilled jobs.

The very early impact of COVID-19 on advertised vacancies shows a sharper decline than at the start of the GFC

Online vacancies fell by 30.2 per cent in the year to March 2020 (by comparison vacancies fell by 9.7 per cent in the year to February 2020).

Figure 20: Annual changes in All Vacancies Index (AVI) sharper than post-GFC



Source: Jobs Online

The analysis included here uses monthly data from May 2007 to March 2020. This allows for the comparison of online advertising of the early impact of the COVID-19 outbreak to March 2020 with the full impact of the GFC, during the 2008-09 period.

At the advent of the GFC there was a higher level of online advertising, which was then growing

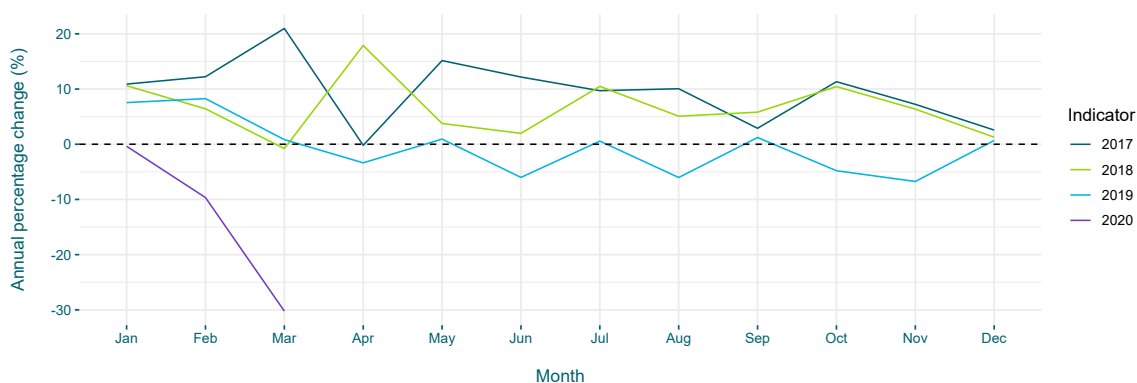
at an annual rate of about 10 per cent. At the commencement of the COVID-19 outbreak, advertising was declining slightly. The GFC reduced the annual change in monthly All Vacancies Index (AVI) from an increase of 10 per cent to a decrease of 52 per cent over a twelve month period (May 2008 to April 2009). COVID-19 has reduced the annual change in AVI from about an increase of 0.8 per cent to a decrease of 30 per cent over the eleven months between March 2019 to March 2020.

It is too early to project the full extent of the decline in the AVI and over what period, but the rate of decline accelerated between March 2019 and March 2020, compared to over the year to February 2020.

The recovery from the GFC was V-shaped (sharp decline and sharp recovery) with a strong recovery in online vacancy numbers (up 31 per cent) over a 15 month period (April 2009 to June 2010). The shape of the recovery in advertising following the COVID-19, could be V-shaped but also could be U-shaped (sharp decline and gradual recovery) because of the uncertainty of when the border restrictions will be removed.

While movement in the AVI has some correlation with employment growth, it is not strong enough for it to be used as a sole leading indicator.

Figure 21: Annual percentage changes in All Vacancies Index (AVI) in 2019 weaker than in 2018 and 2017 but the decline in 2020 even sharper

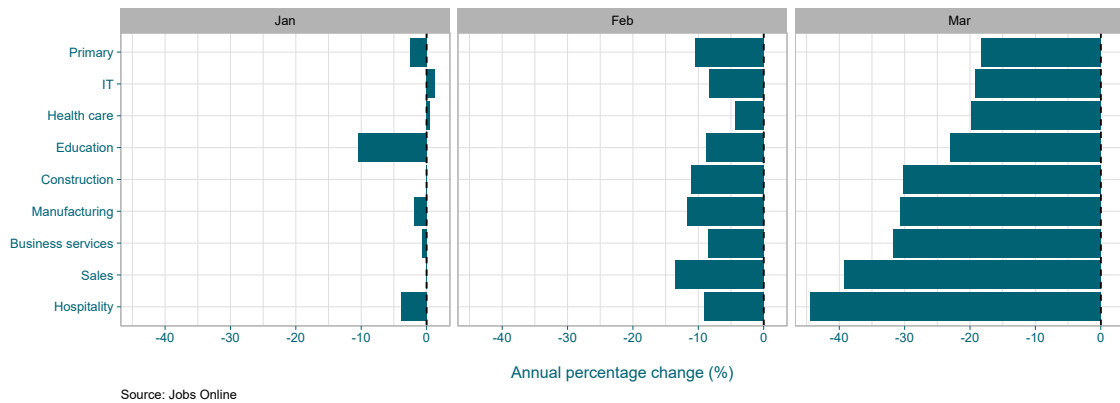


Source: Jobs Online

■ SOME INDUSTRIES SHOW LARGER DECLINES IN JOB ADVERTISING THAN OTHERS

The annual changes in AVI by industry for the month of January 2020 (compared to January 2019) were very small. February saw annual drops in job vacancy advertising of approximately 10 per cent for most industries, while March saw decreases of between 20 per cent (Primary sector) to over 40 per cent (Hospitality).

Figure 22: All Vacancies Index (AVI) annual changes by Industry, unadjusted, January to March 2020



■ THE DECLINES IN JOB ADVERTISING ACROSS DIFFERENT SKILL LEVELS ARE FAIRLY EVEN

February saw annual decreases of around 7-10 per cent in online job advertising across all skill levels, while March saw decreases of around 30 per cent. There was no clear pattern of some skill levels being more affected than others.

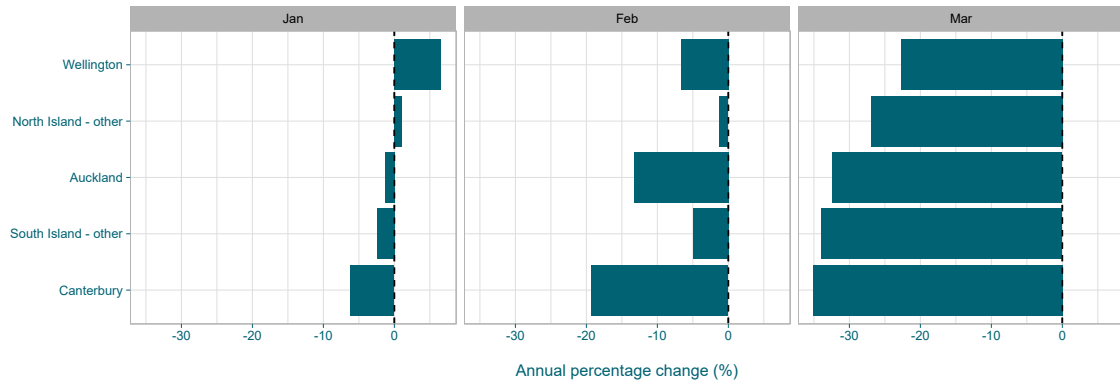
Figure 23: All Vacancies Index (AVI) annual changes by Skill levels, unadjusted, January to March 2020



■ IMPACTS ON JOB ADVERTISING WERE FELT FIRST IN THE LARGER CITIES

The regional annual changes in online job advertising show a changing story. In February, decreases in advertising were much stronger in cities than in more rural areas, however by March decreases were more even. Wellington was least affected in March, probably due to its unique industry and occupational composition being most open to remote working.

Figure 24: All Vacancies Index (AVI) annual changes by regions, unadjusted, January to March 2020



5. Conclusions

The labour market was robust in the March 2020 quarter going into the COVID-19 lockdown and was strong against most headline indicators, but forward looking indicators suggest the situation could be serious and concerning in the short-term.

Employment rose over the quarter, by 18,000 people to a total of 2.66 million employed. The key indicators for Māori and Pacific Peoples also tell an improving story. The March quarter also showed strong growth in labour market participation, with increases in both the number of people employed and unemployed. The unemployment rate rose slightly to 4.2 per cent, from 4.0 per cent in the previous quarter. However, this is prior to the full extent of the impact of COVID-19 being experienced.

The labour market results for the June 2020 quarter are expected to start showing the impact of the COVID-19 lockdown. This report covers many likely adverse dimensions of this impact with respect to the various groups in the labour market.

Links

If you have any feedback, suggestions for future topics or questions, please contact us at:
LabourMarketInsights@mbie.govt.nz

MBIE's COVID-19 data resources can be found here:

<https://www.mbie.govt.nz/business-and-employment/economic-development/sector-reports-series/>

Other products that we produce are:

Labour Market Dashboard:

https://mbienz.shinyapps.io/labour-market-dashboard_prod/

Jobs Online:

<https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/jobs-online/>

National Survey of Employers:

<https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/national-survey-of-employers/>

Occupation Outlook:

<https://occupationoutlook.mbie.govt.nz/>

Other MBIE analysis is available at:

<https://www.mbie.govt.nz/data-and-analysis/>

