



<https://www.treasury.govt.nz/publications/weu/weekly-economic-update-24-july-2020>

Weekly economic update

Weekly Economic Update - 24 July 2020

Publication type:

Weekly economic update (/publication-type/weekly-economic-update)

Status:

Superseded

Document (signed) date:

Friday, 24 July 2020

Issue date:

Friday, 24 July 2020

Part of:

COVID-19 economic commentary (/information-and-services/new-zealand-economy/covid-19-economic-response/commentary)

Corporate author:

The Treasury (/author-corporate/treasury)

VIEWPOINT: THE TREASURY (/VIEWPOINT/TREASURY)

▼ Additional details

Publication category:

Research and commentary (/taxonomy/term/2709)

Copyright:

© Crown Copyright, Attribution 4.0 International (CC BY 4.0) (/copyright-and-licensing)

Last updated:

Friday, 24 July 2020

Formats and related files

**Weekly Economic Update - 24 July
2020 (/sites/default/files/2020-07/weu-
24jul20_1_2.pdf)**

(PDF 431.71 KB)

Weekly Economic Update - 24 July 2020

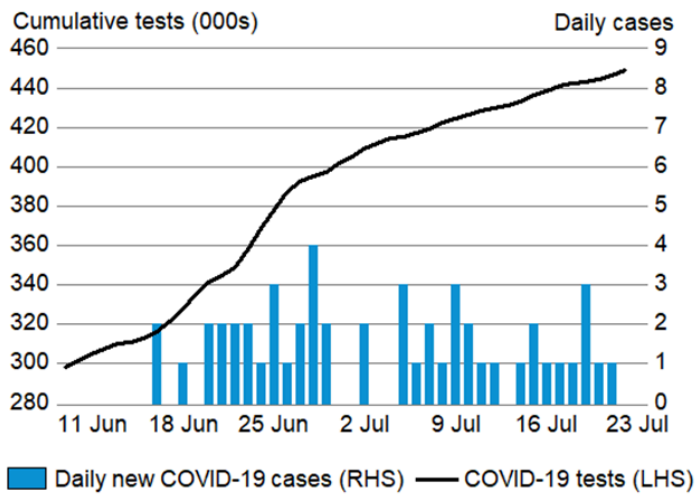
Activity indicators from the BNZ-BusinessNZ Performance of Manufacturing and Services Indexes rebounded into expansionary territory in the June month results, although employment indicators remain in contractionary territory, signalling a continued softness in the labour market. Credit card spending data supports the view that household spending has been more resilient than expected in the Budget Update, and dairy prices remain elevated prompting Fonterra to lift their milk price forecast for the 2021 dairy season.

European Council members agreed details of a financial package for the European Union that includes a recovery fund equivalent to 4.5% of GDP. Continuing COVID infections in the United States may result in a slower recovery as some states move to reverse or delay re-opening plans, and jobless claims remain elevated and consumer sentiment falls. Australia's Government will extend the duration of its labour market support programmes beyond the September 2020 quarter.

Still no cases of community transmission...

More cases of COVID-19 have been reported in managed isolation facilities this week, though there remains no evidence of community transmission. The Head of Managed Isolation and Quarantine has warned that NZ's facilities are nearing full capacity. There are now 22 active cases in the country, all of which recently returned from overseas and are in managed isolation. Around 450,000 COVID-19 tests have been conducted since January (Figure 1).

Figure 1: COVID-19 cases and testing at Alert Level 1



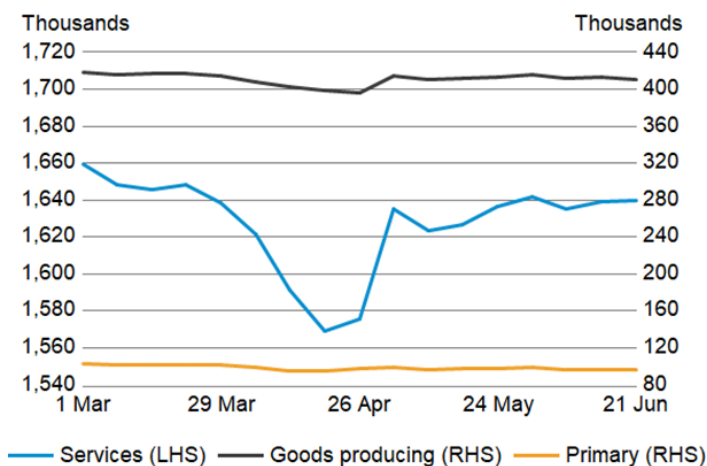
Source: Ministry of Health

...and paid jobs held up in June...

The experimental weekly paid jobs series from Stats NZ suggests employment continued to hold up in June (Figure 2). For the week ended 21 June, the most accurate measure (which lags by 27 days) showed the total number of paid jobs up 4.5% on the same week in 2019. At the industry level, paid jobs in the primary industries were up 10.1% on last year, goods-producing jobs were up 2.5%, and services jobs were up 3.1% on 2019 after falling by around 80,000 between March and April 2020.

This experimental series counts the number of unique employer-employee relationships present in payday filing. The data are not subject to the usual adjustments for seasonality and data flow issues, so caution should be exercised when interpreting them. The official unemployment rate for the June quarter will be published on 5 August.

Figure 2: Weekly paid jobs



Source: Stats NZ

High-frequency activity indicators continued to hold steady during the third week of July. In the week ending 19 July, electricity demand was 3% above 2019 levels and weekly card spending was up 1.5% on last year.

...though income support continues to rise

Around 18,600 people were receiving the COVID-19 Income Relief Payment (CIRP) as of 17 July, up 2,100 on the previous week. The number of Jobseeker Support recipients increased by nearly 300, even as more recipients transferred onto the CIRP. The total number of people receiving income support (Jobseeker and CIRP) was 211,000 - up 2,300 on the week prior.

Related content

Related information:

[COVID-19 economic commentary \(/information-and-services/new-zealand-economy/covid-19-economic-response/commentary\)](#)

[COVID-19 economic response \(/information-and-services/nz-economy/covid-19-economic-response\)](#)

Related external links:

[Unite Against COVID-19 \(https://covid19.govt.nz/\)](https://covid19.govt.nz/)

Treasury research / commentary series

Weekly/fortnightly economic updates
(/publications/research-and-commentary/fortnightly-economic-updates)

Monthly economic indicators (/publications/research-and-commentary/monthly-economic-indicators)

Rangitaki blog (/publications/research-and-commentary/other-paper-series-and-details/treasury-staff-insights-rangitaki)

Analytical notes (/publications/research-and-commentary/analytical-notes)

Discussion papers (/publications/research-and-commentary/discussion-papers)

Working papers (/publications/research-and-commentary/working-papers)

Analytical papers (/publications/research-and-commentary/analytical-papers)

Guest lectures (/news-and-events/our-events/guest-lectures)

Speeches (/news-and-events/speeches)

Finding aids for research and commentary material

Find research / commentary (/node/1522)

A - Z by type of publication (/a-z?type=resource_types)

A - Z by subject (/a-z?type=tsy_az_subject)

A - Z by Budget vote (/a-z?type=tsy_vote)

Search publications (/publications/search)