

BNZ/SEEK Employment Report



seek



12 February 2024

Still easing

Pace of job ad deterioration may be slowing

But job applications to job ads continue to surge

Weakness in construction sector is telling

Unemployment rate headed higher

OVERVIEW

SEEK NEW JOB ADS

	Jan-22	Jan-23	Nov-23	Dec-23	Jan-24
m/m % change	4.9	0.6	-4.7	-1.7	0.8
m/m % change (trend)	3.5	-2.5	-2.5	-2.0	-1.3
3m/3m	16.2	-12.0	-7.9	-10.3	-10.0
Ann % change (m/m)	41.5	-12.9	-27.7	-24.4	-24.2
Ann % change (3m/3m)	39.7	-7.8	-27.5	-27.3	-25.5
Ann % change (12m/12m)	62.5	11.4	-20.1	-21.3	-22.2

Seasonally adjusted unless otherwise indicated

On a trend basis New Zealand job ads continue to decline. Indeed, excluding the COVID lockdown period the trend level is now at its lowest since March 2017. But there are signs of life. The 1.3% monthly drop is the lowest since August 2022 and, on a seasonally adjusted basis a modest 0.8% increase was reported.

Labour market still easing

While there is some indication the recent slump in ads might be moderating there is no indication of a tightening in overall labour market conditions. Applications per job ad surged to another record high as the migration-driven supply in labour continued to outpace the increase in demand. According to Stats NZ's latest Household Labour Force Survey the size of the pool of available labour grew 92,000 in the year ended December 2023. Over the same period the number of people employed increased by 70,000.

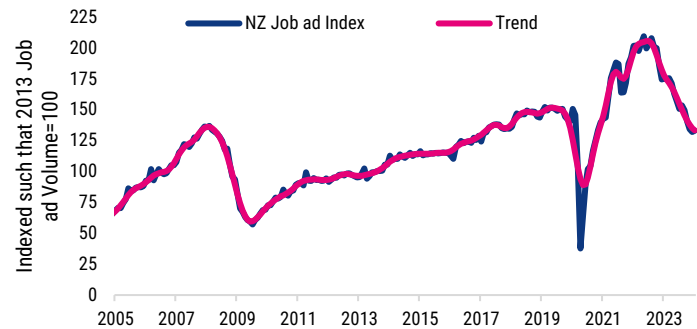
Construction under pressure

January job ads reveal that the biggest increase occurred in the banking and financial services sector., albeit off a low base. The worst performing industry was legal but what caught our eye was the ongoing slowdown in the broader construction sector. In a levels sense, design and architecture was particularly weak while construction and engineering continue to underperform.

Data suggest rising unemployment rate

Recent official labour market data turned out to be stronger than expected. However, there is strong evidence in this month's SEEK numbers that expectations for further increases in the unemployment rate will be met.

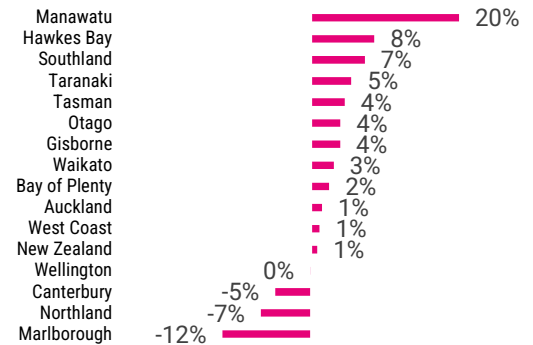
NZ JOB ADS



Source: SEEK, BNZ

REGIONAL TRENDS

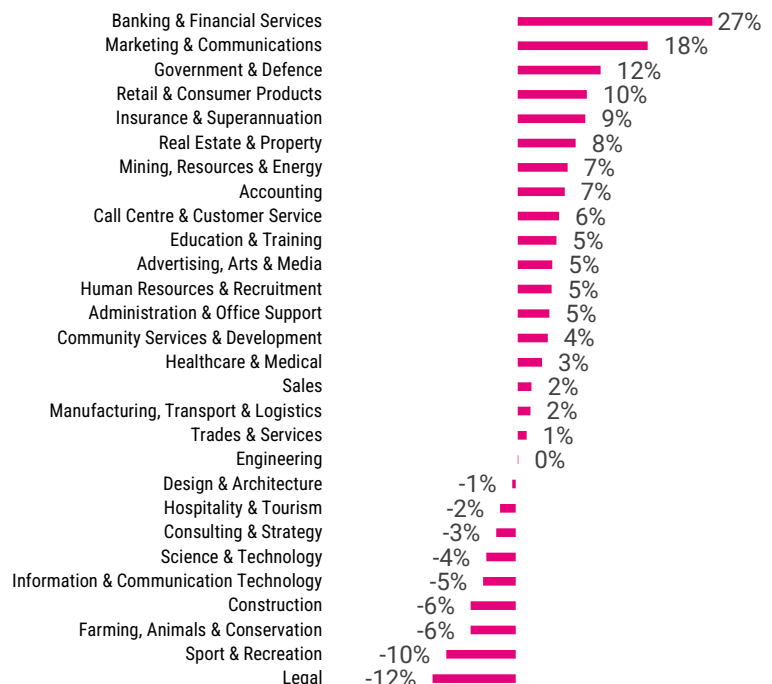
MoM Change



Source: SEEK, BNZ

INDUSTRY TRENDS

MoM Change



Source: SEEK, BNZ

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The Covid-19 pandemic led to a high level of volatility in labour market data between April 2020 and March 2022. As a result, caution is recommended when interpreting trend estimates during this period as large month-to-month changes in variables generated multiple trend breaks.

The applications per ad index contains a series break at Jan 2016 when the calculation of this series changed from using gross variables (inclusive of all SEEK job listings) to net variables (removing duplicate job listings). This change has a negligible impact on recent data points, but caution is recommended when interpreting data immediately following the series break, and particularly in 2016 where growth rates have not been adjusted for the series break.