Research

Economy Watch

20 February 2026

Bending upwards

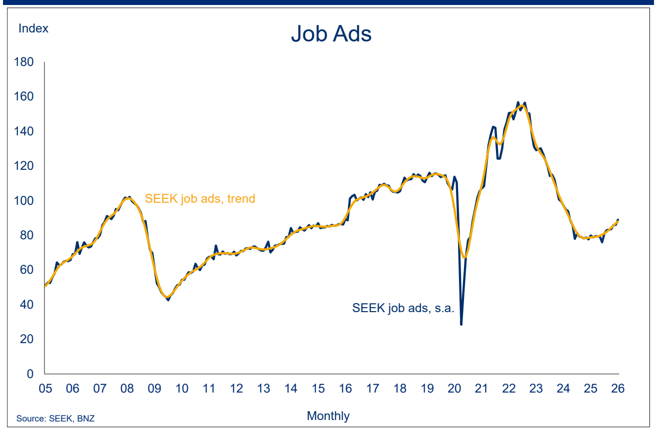
- **Job ad recovery continues in early 2026**
- **Some signs of skills mismatch**
- **Manufacturing job ads lift**
- **Less so in the services sector**

	Jan-24	Jan-25	Nov-25	Dec-25	Jan-26
m/m % change	-2.9	0.3	1.5	1.5	1.3
m/m % change (s.a.)	-2.4	2.9	2.8	0.2	3.4
3m/3m	-9.0	-0.5	4.0	4.3	4.4
Ann % change (m/m)	-26.3	-18.8	9.3	10.7	11.7
Ann % change (3m/3m)	-26.4	-21.5	7.5	9.2	10.6

All data is the trend unless otherwise indicated

Job ads continued to trend higher in January. Combined with the upward revision to December, it is encouraging to see consecutive months of improvement in the number of roles advertised on SEEK. Total ads for the last three months (Nov – Jan) are up 4.4% on the previous three months (Aug- Oct).

Trending up

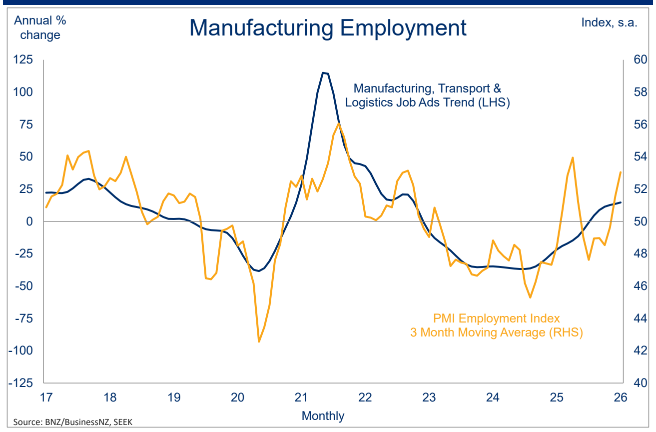


Official labour market data for Q4 painted a mixed picture. Employment growth was positive for the first time in 18 months, alongside a lift in the participation rate, which saw the unemployment rate tick up to 5.4%. There was the usual lag between an increase in vacancies and employment growth, reflecting the time it takes for roles to be filled and work to commence.

The contrast between more job ads and a lifting unemployment rate suggests some skills mismatch in the labour force. We are wary of the growing proportion of firms reporting they are already finding it harder to source workers. This was particularly prevalent for skilled labour in the December Quarterly Survey of Business Opinion (QSBO). Although New Zealand's labour market is only just starting to turn, this is worth keeping a close eye on.

Overall, the solid improvement in job ads in recent months supports our forecasts for further employment growth ahead. Coincident indicators such as the Performance of Manufacturing Index (PMI) also point to improving labour market conditions. The PMI employment index has been back above the breakeven 50 mark for the last three months and suggests net labour hiring in the sector. This is backed up by ads in Manufacturing, Transport & Logistics, which were 13.6% above year earlier levels over the same period.

Hiring



The lift in ads has not been uniformly felt across industries. The service sector has lagged behind, with job ads for Nov - Jan in Hospitality & Tourism (+0.3% y/y) and Call Centre & Customer Service (-0.1% y/y) around the same level as a year ago. This is consistent with the employment component of the Performance of Services Index (PSI), which is hovering just below the breakeven mark at 49.1. Offering some hope, the PSI employment appears to be trending higher and QSBO service sector employment intentions have lifted further to be well above their long-term average.

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