



27 Jan 2025

## Labour market likely to lag

Job ads return to trend-decline

Construction records largest annual decline

Retail hiring intentions soft

Manufacturing employment still struggling

## OVERVIEW

### SEEK NEW JOB ADS

	Dec-22	Dec-23	Oct-24	Nov-24	Dec-24
m/m % change	-5.9	-1.5	-1.6	1.0	-2.1
m/m % change (trend)	-3.3	-2.7	-0.8	-1.0	-1.3
3m/3m	-8.9	-10.7	-3.2	-1.3	-2.7
Ann % change (m/m)	-9.2	-24.2	-26.2	-21.4	-21.9
Ann % change (3m/3m)	1.7	-27.3	-28.8	-25.7	-23.2
Ann % change (12m/12m)	15.8	-21.2	-28.3	-27.9	-27.8

Seasonally adjusted unless otherwise indicated

Job ads declined a further 2.1% m/m in December. The latest outturn is a return to declines after the 1.0% lift in November, as the labour market continues its trend deterioration. December rounds out a difficult 2024 for job seekers, with ads down 21.9% on a year earlier. With interest rates falling, we take a brief look at employment in three key interest-rate sensitive sectors below.

### Construction and Property

Stepping back from month-to-month volatility, Construction recorded the largest pullback in job ads over the last 12 months (-35.3%). Headwinds for the sector include elevated build costs, sluggish house prices, and an easing population tailwind. Proving some hope, building consents appear to be stabilising and hiring intentions improved in the latest NZIER Quarterly Survey of Business Opinion (QSBO). Likewise, this is welcome news for Real Estate & Property, where job ads are also weak.

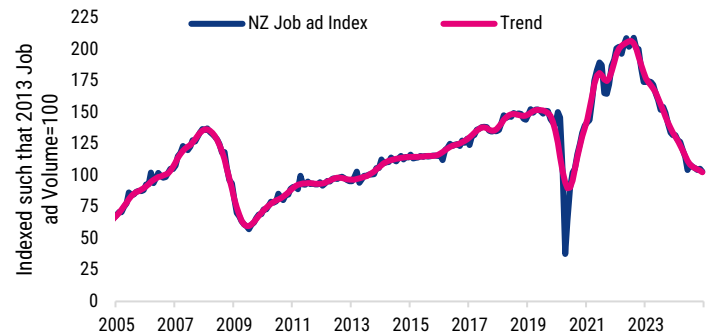
### Retail Trade

Official figures show that retail sales volumes decreased in 10 out of the last 11 quarters through to Q3 2024. In this environment, it is no surprise that hiring has slumped with job ads in Retail & Consumer Products down 30.2% on a year ago. A lift in retail electronic card transactions in December was encouraging. However, merchant hiring intentions in the QSBO suggest further net labour shedding in the near-term.

### Manufacturing

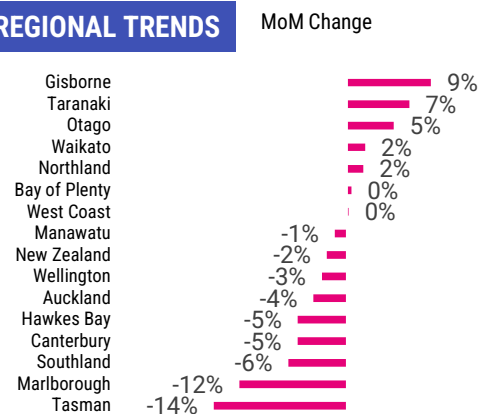
While ads in Manufacturing, Transport & Logistics increased 5% m/m in December, they still trail year earlier levels by 21.4%. The latest Performance of Manufacturing Index (PMI) at 45.9 reflects a very miserable here and now. In the detail, the PMI employment index is consistent with net job reduction. We forecast the sector to grow by a touch over 1% in 2025, but expect the labour market to lag the broader economic recovery.

## NZ JOB ADS



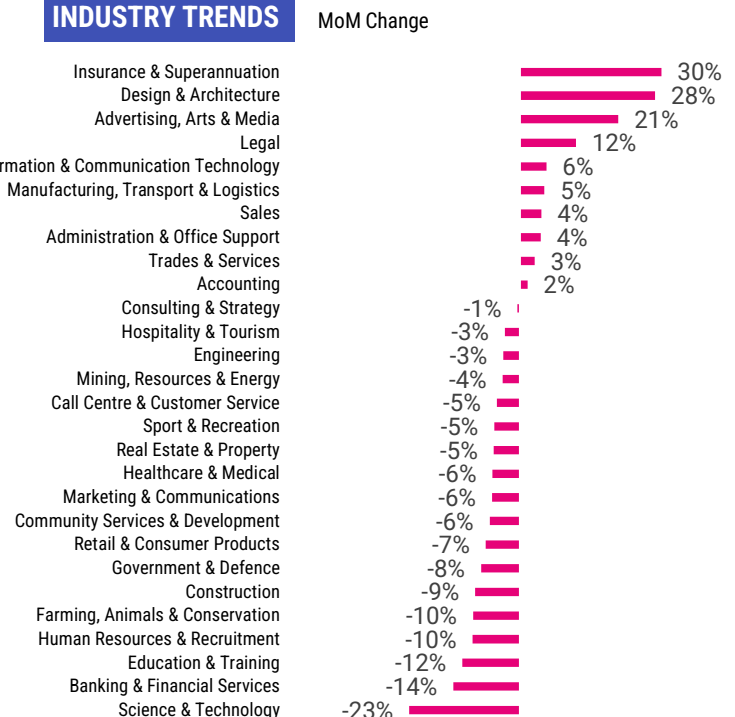
Source: SEEK, BNZ

## REGIONAL TRENDS



Source: SEEK, BNZ

## INDUSTRY TRENDS



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.