

Regional Economic Update and Discussion

Lower North Island

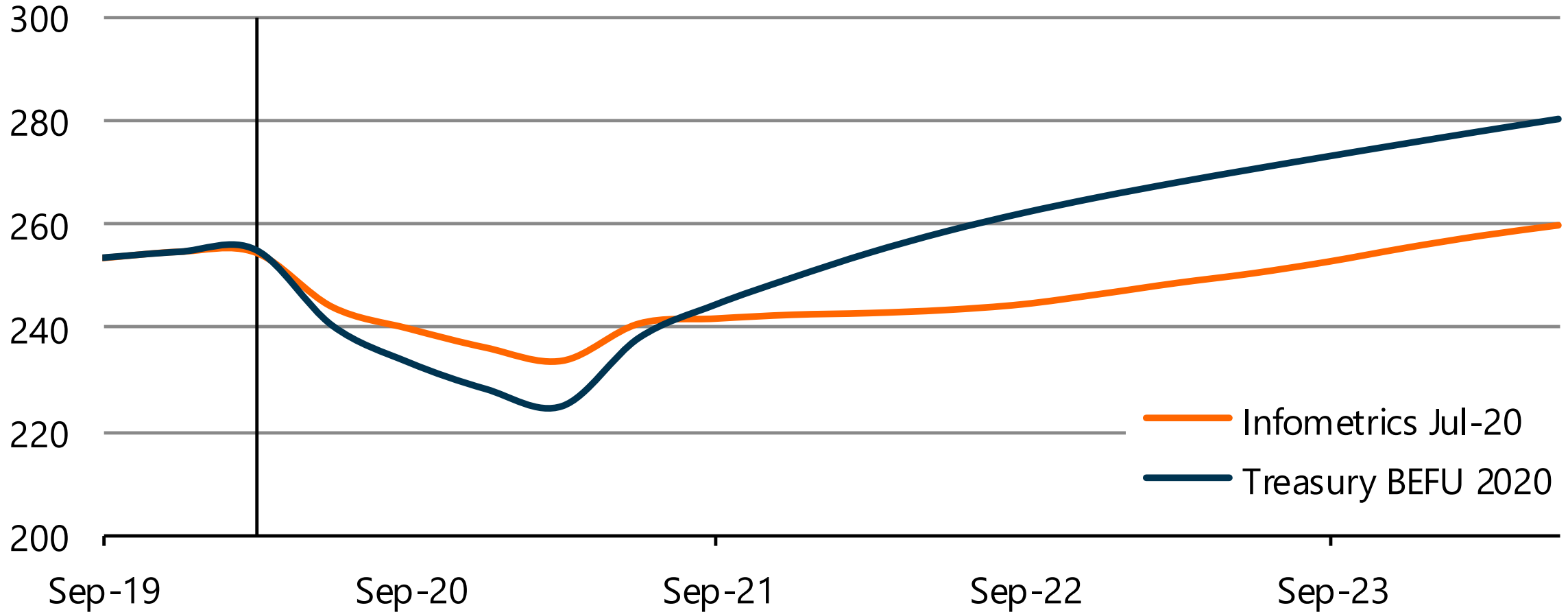
Alistair Schorn and Rob Heyes – Senior Economists

1 September 2020

A U-shaped recovery

This recovery will take time

GDP forecast comparison, annual running totals, 2009/10 \$b

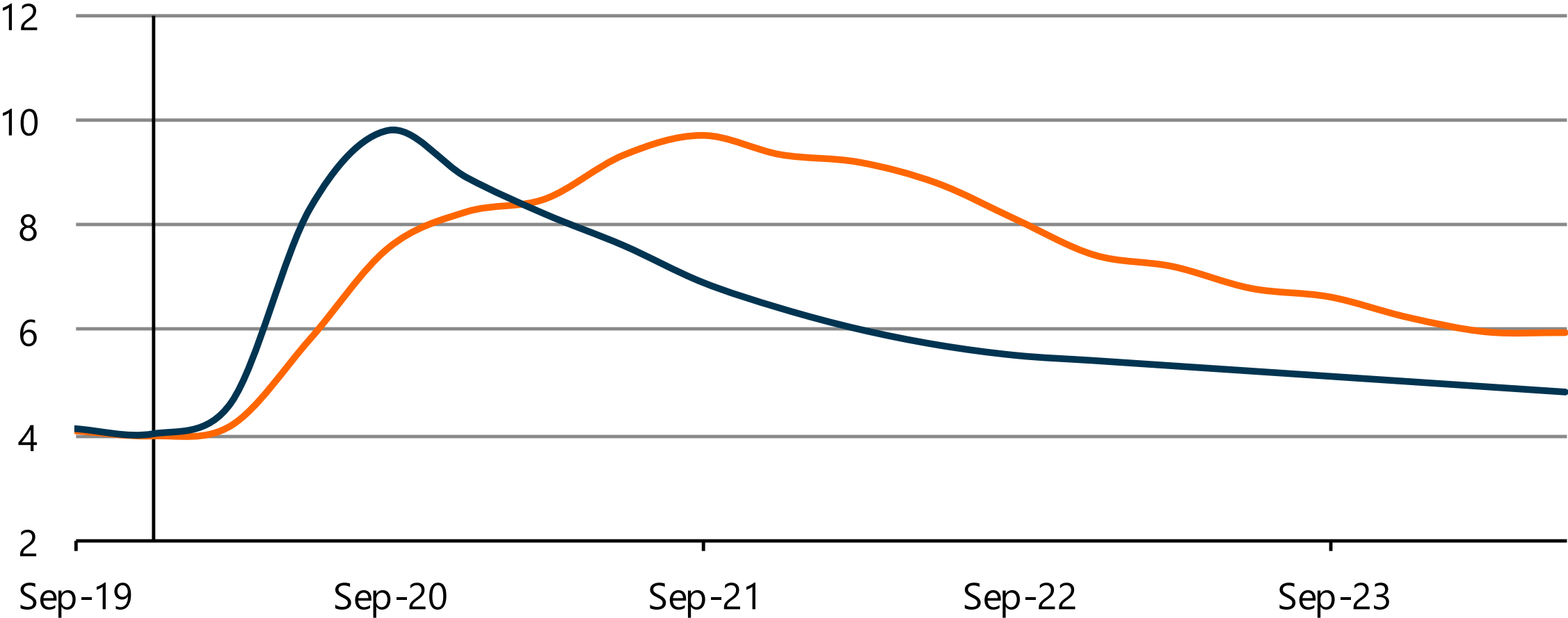


Job losses will rise

How big is the labour market hit?

Unemployment rate forecasts, %, seasonally adjusted

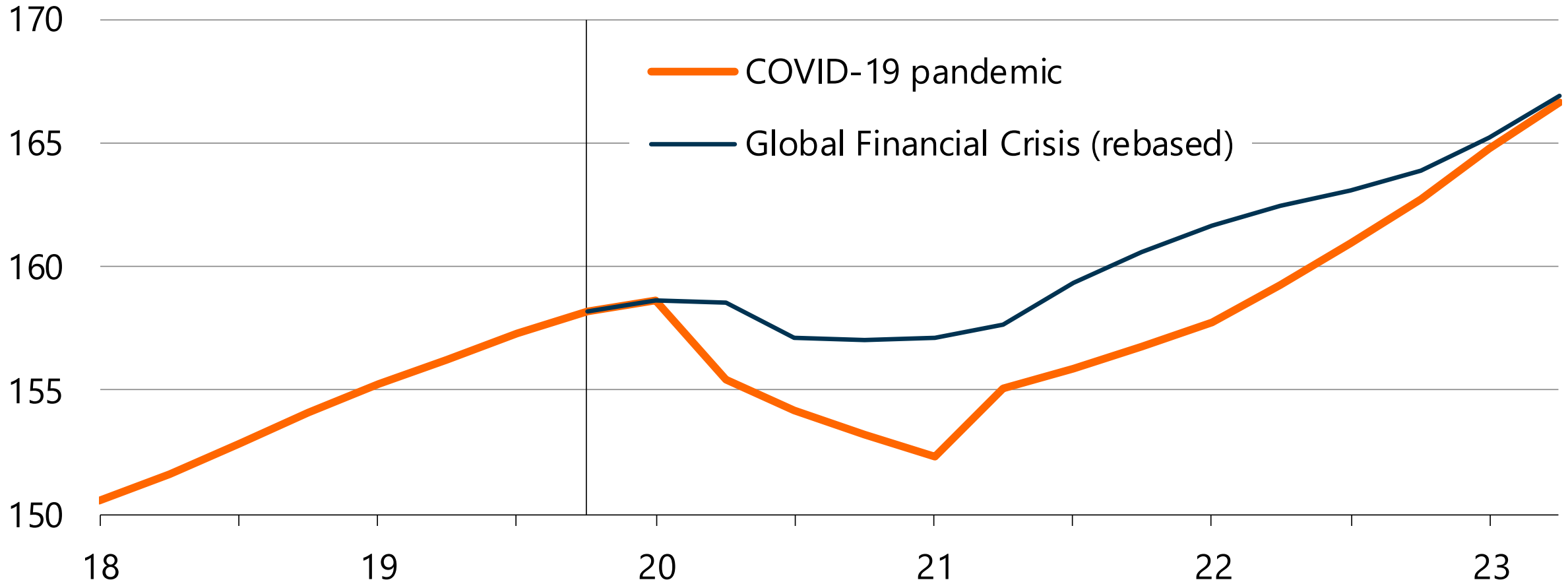
— Infometrics Jul-20
— Treasury BEFU 2020



• Spending will decline •

Cutting back on discretionary spending

Private consumption, annual running totals, 2009/10 \$b



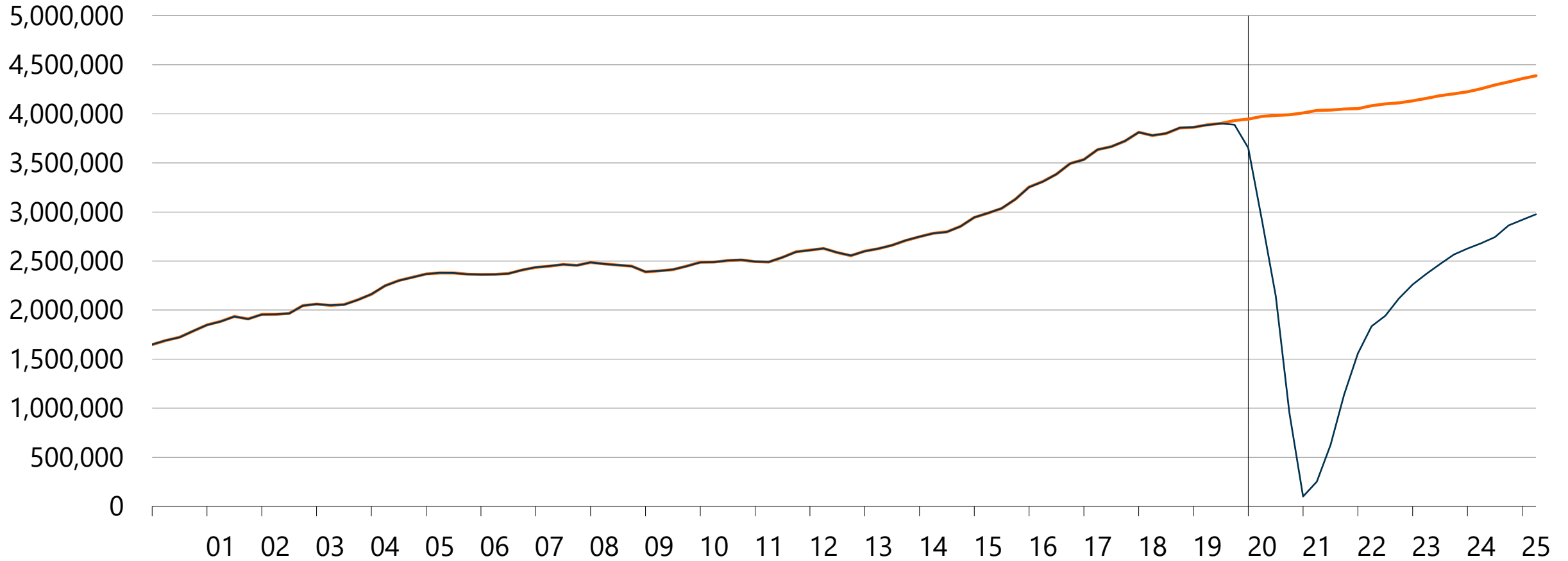
Tourism

Tourism might never be the same

Annual visitor arrivals

— Total arrivals, Jan 20 fcast

— Total arrivals, Jul 20 fcast

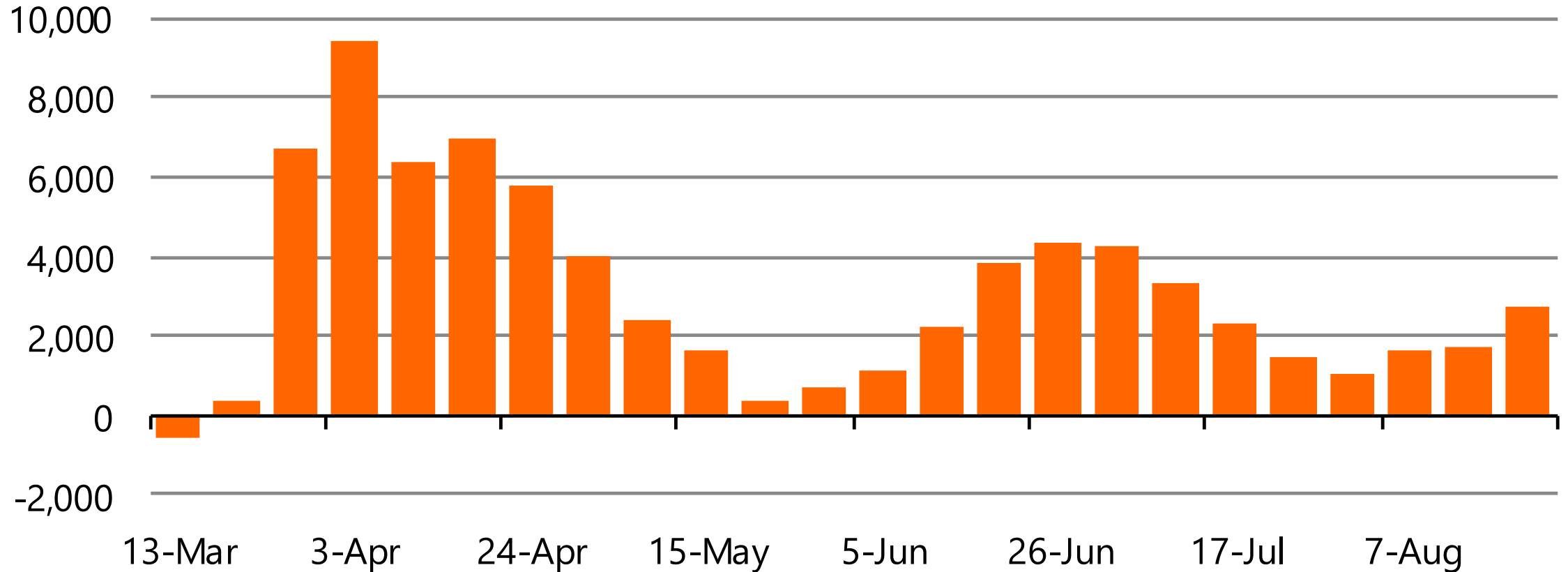


Job losses are rising

Government support claims continue to mount

Weekly additions to Jobseeker Support or CIRP (combined)

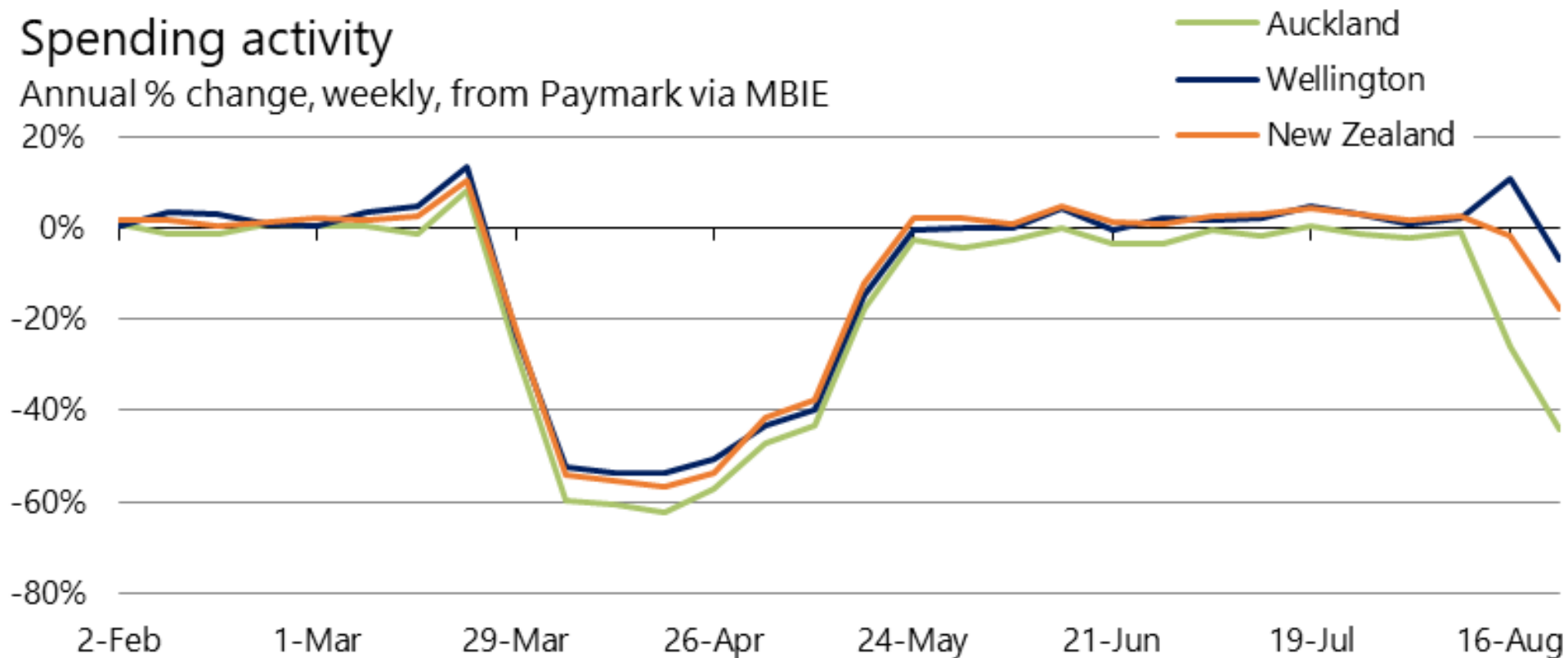
Weekly additions



Spending dips

Spending activity

Annual % change, weekly, from Paymark via MBIE

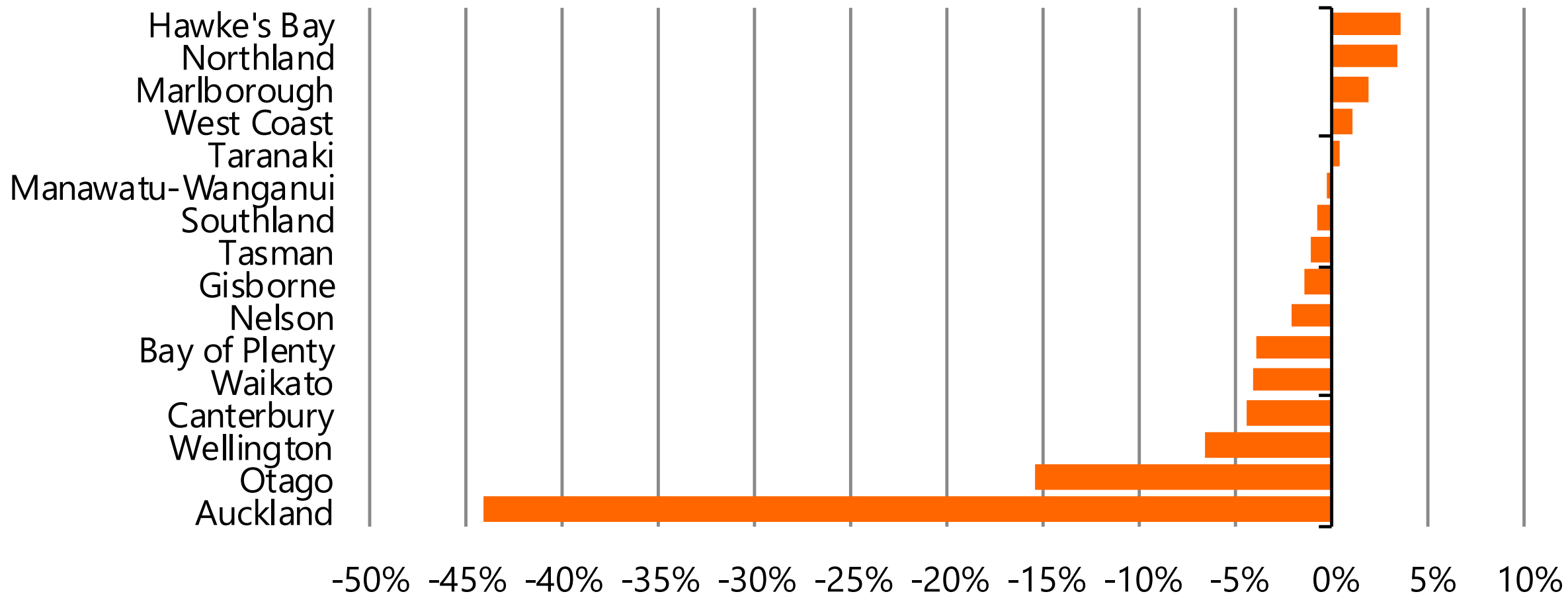


Spending dips

Spending activity

Annual % change, weekly. Source: Paymark

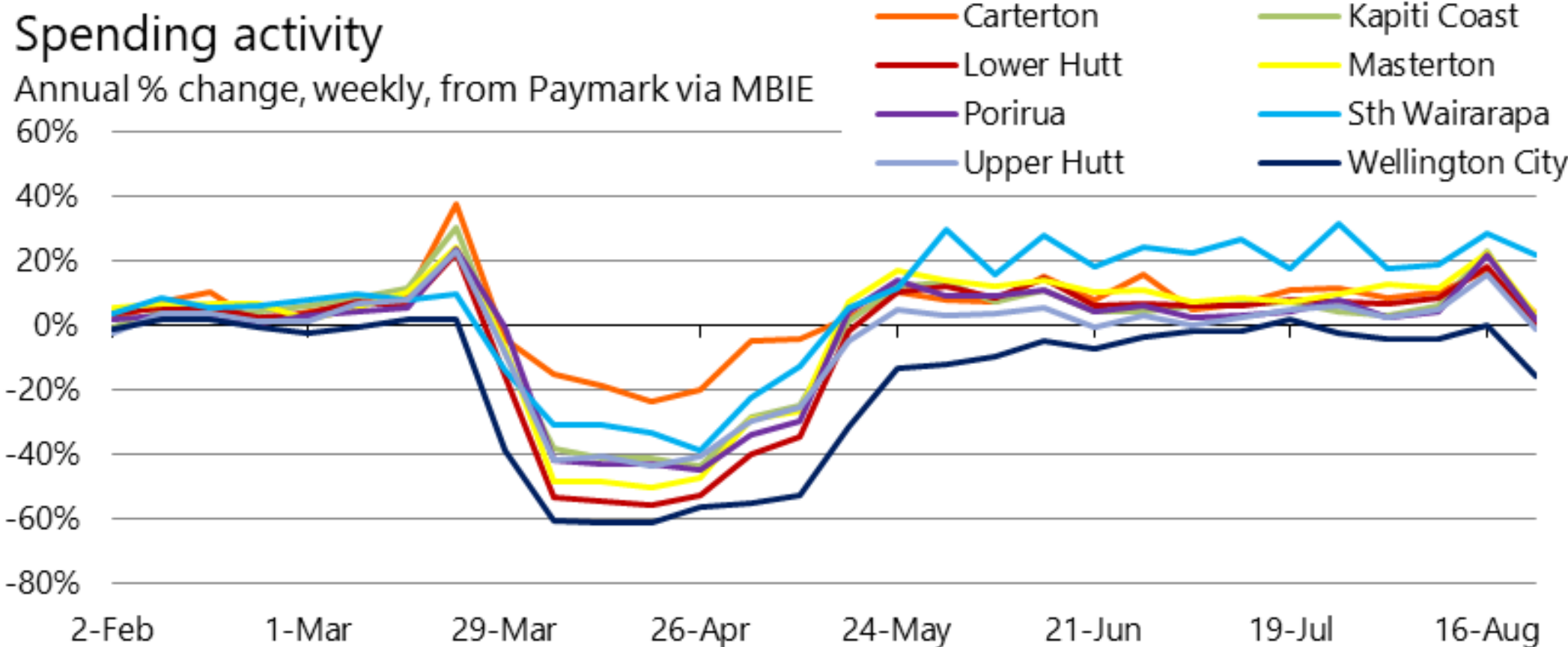
Week ending 23 Aug



Cities hit hardest

Spending activity

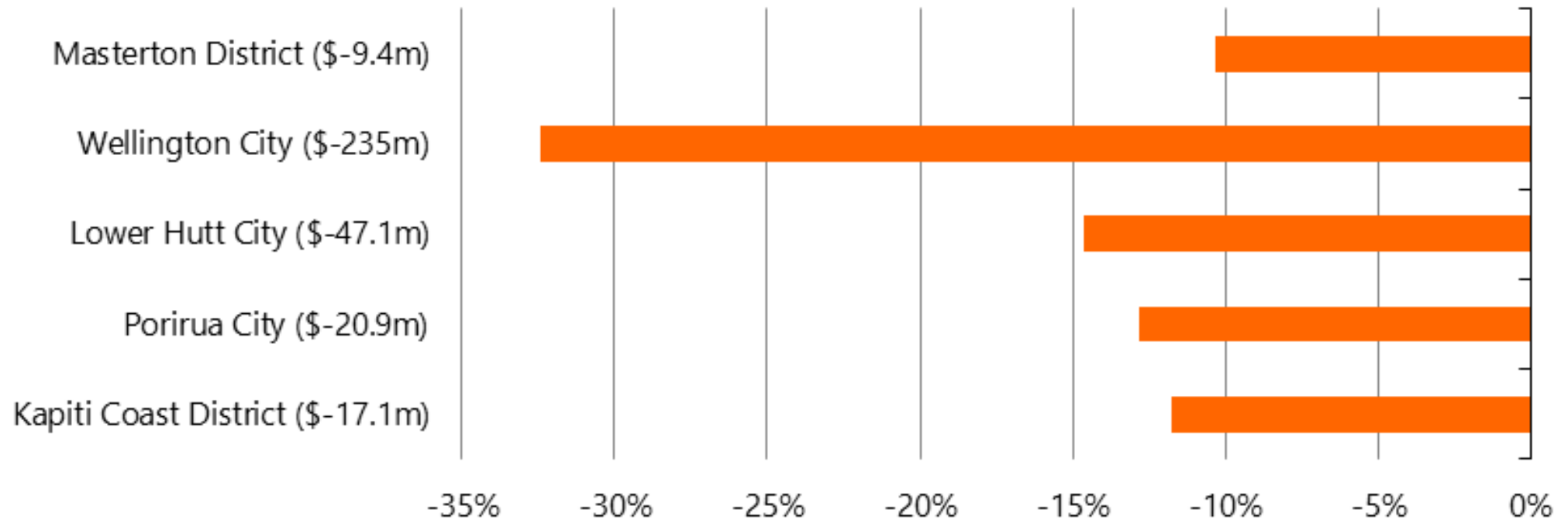
Annual % change, weekly, from Paymark via MBIE



Still a spending hole

Spending activity

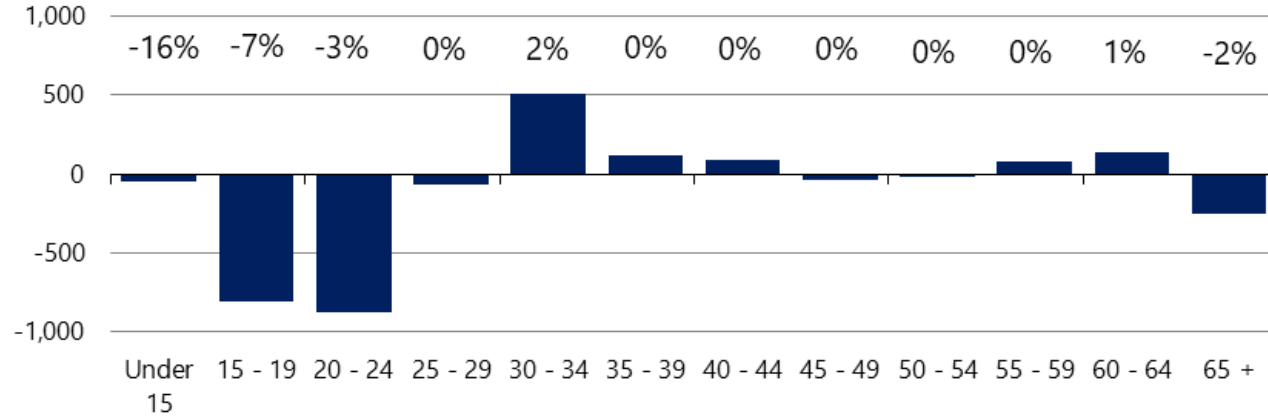
Annual % change, June 2020 quarter, Source: Infometrics/Marketview



Labour market dynamics

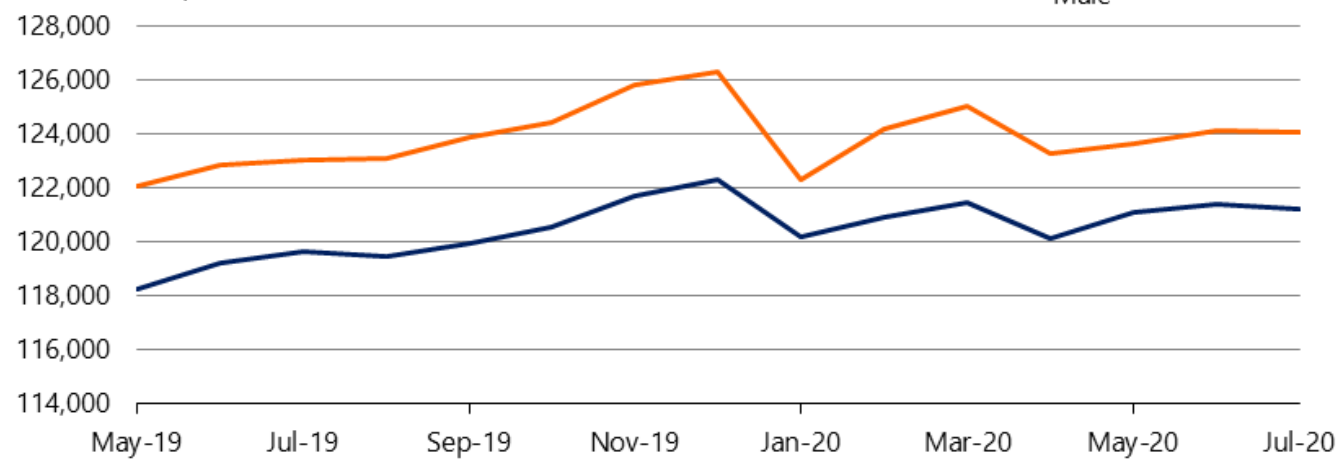
Wellington Region job losses by age group

MEI, March - July months 2020



Wellington Region employment by gender

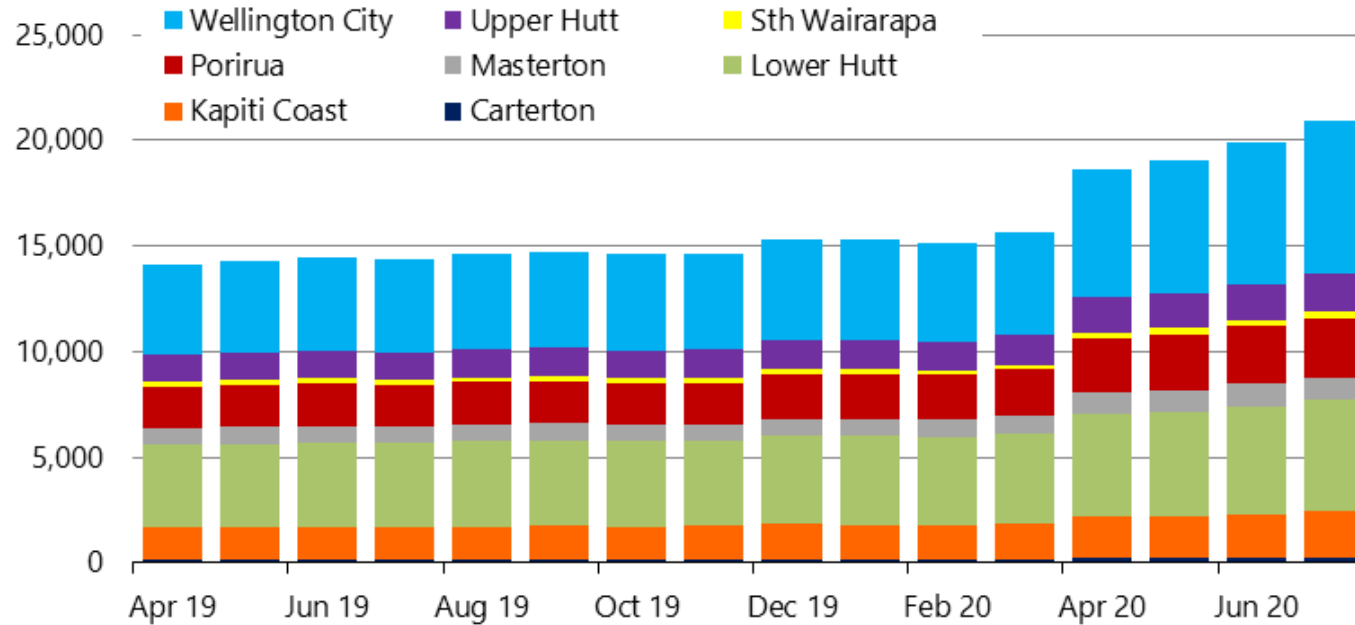
Source: MEI, StatsNZ



Jobseekers

Rising job losses pushes support up 45%

Jobseeker Support and CIRP recipients

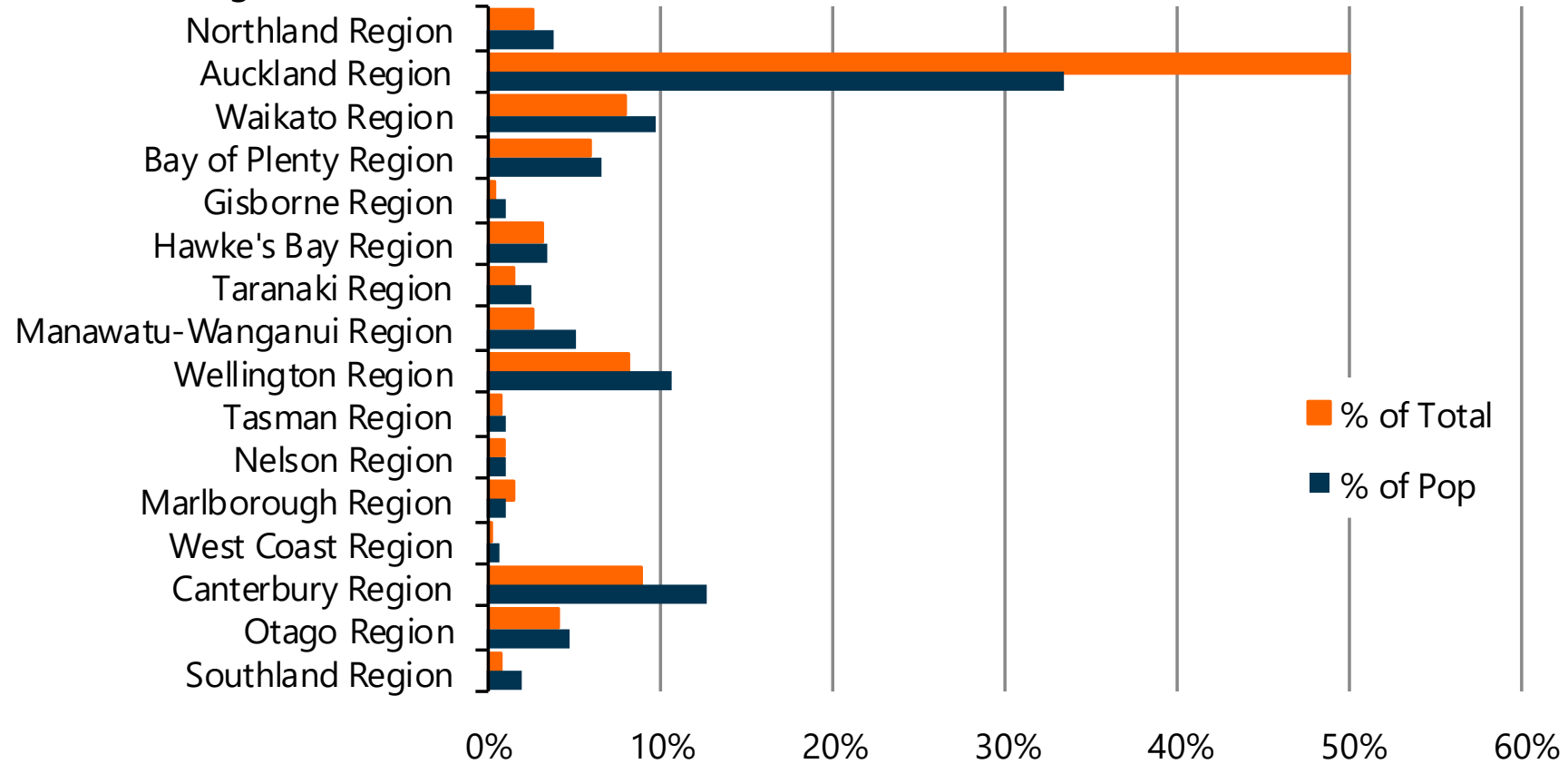


Annual change Jul 20	Number	% change
Carterton	99	57%
Kapiti Coast	604	39%
Lower Hutt	1,349	34%
Masterton	249	31%
Porirua	866	44%
Sth Wairarapa	72	29%
Upper Hutt	511	40%
Wellington City	2,778	63%

Remaining travelers

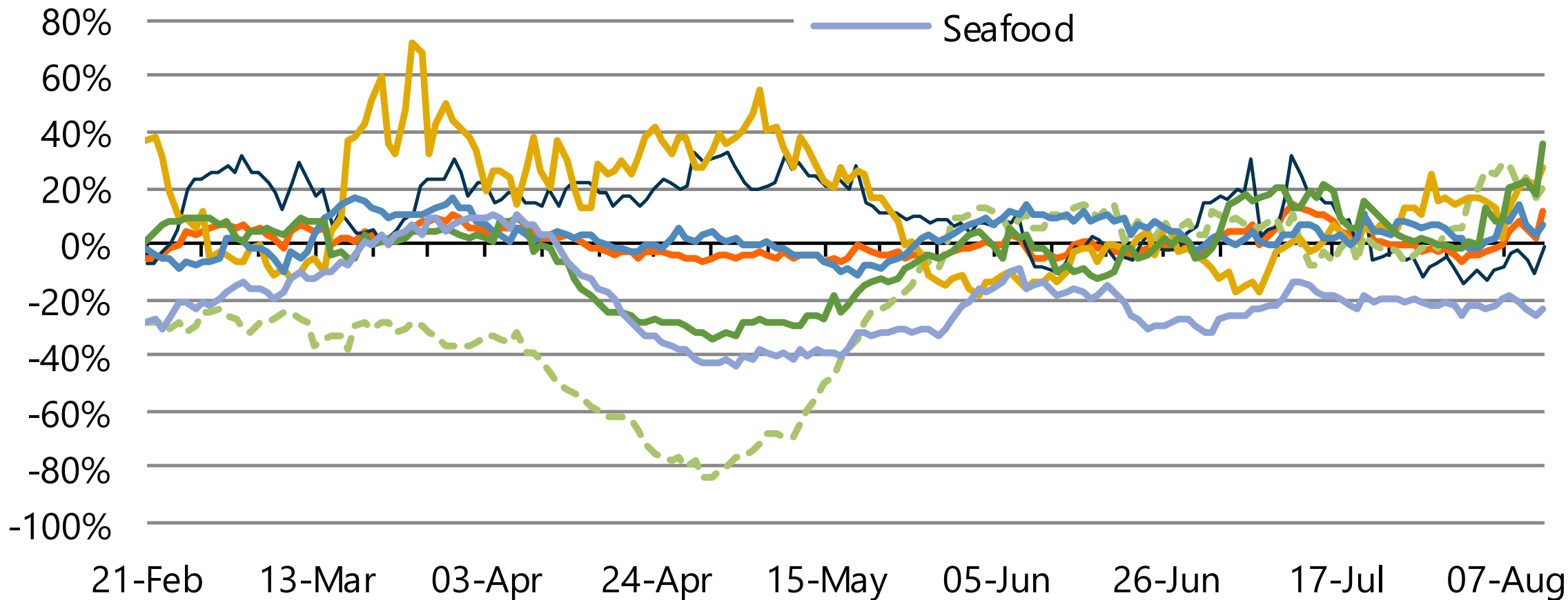
Travellers are sticking around Auckland

Estimated regional distribution of the stock of travellers in New Zealand



Food exports holding

Annual % change, 3-week moving average
Goods trade to the world

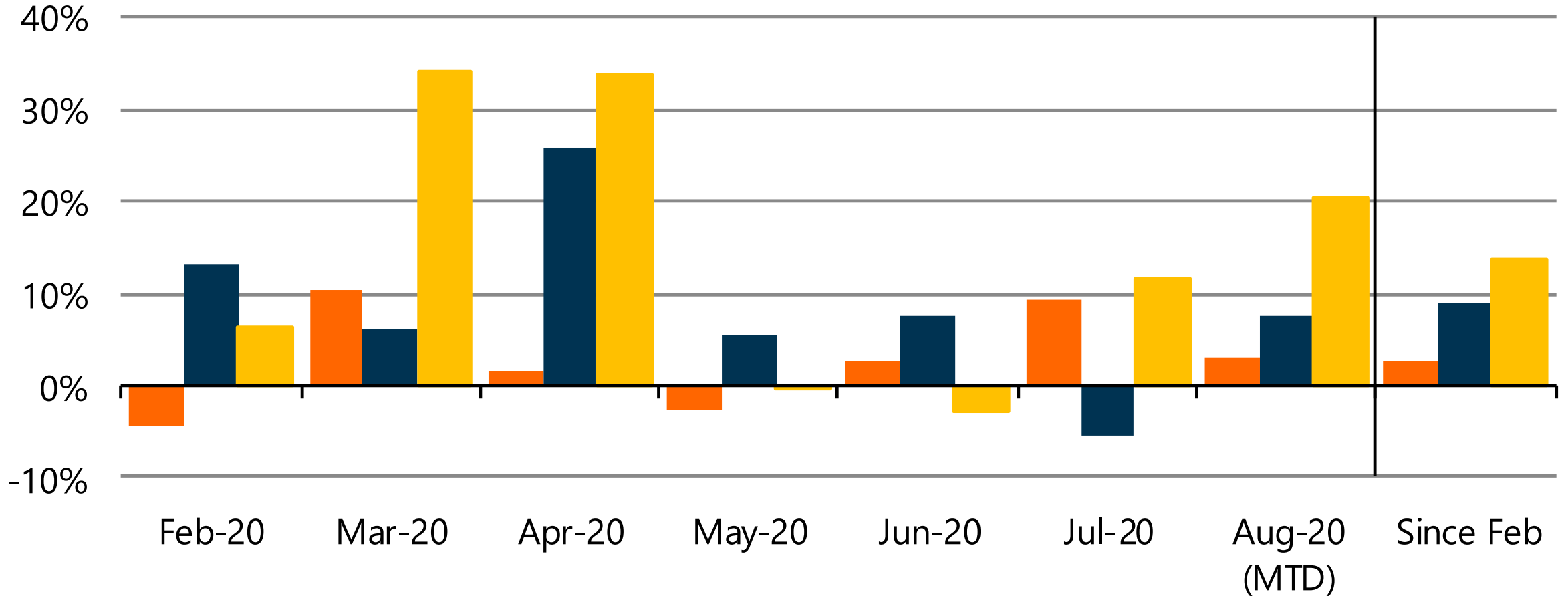


Food exports holding

Food exports performing well

Export values, annual % changes

Meat Dairy Fruit





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