

Economic effects of COVID-19

ServiceIQ

Brad Olsen – Senior Economist

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Overview

Macroeconomic trends

ServiceIQ sector focus

Regional impacts

Discussion

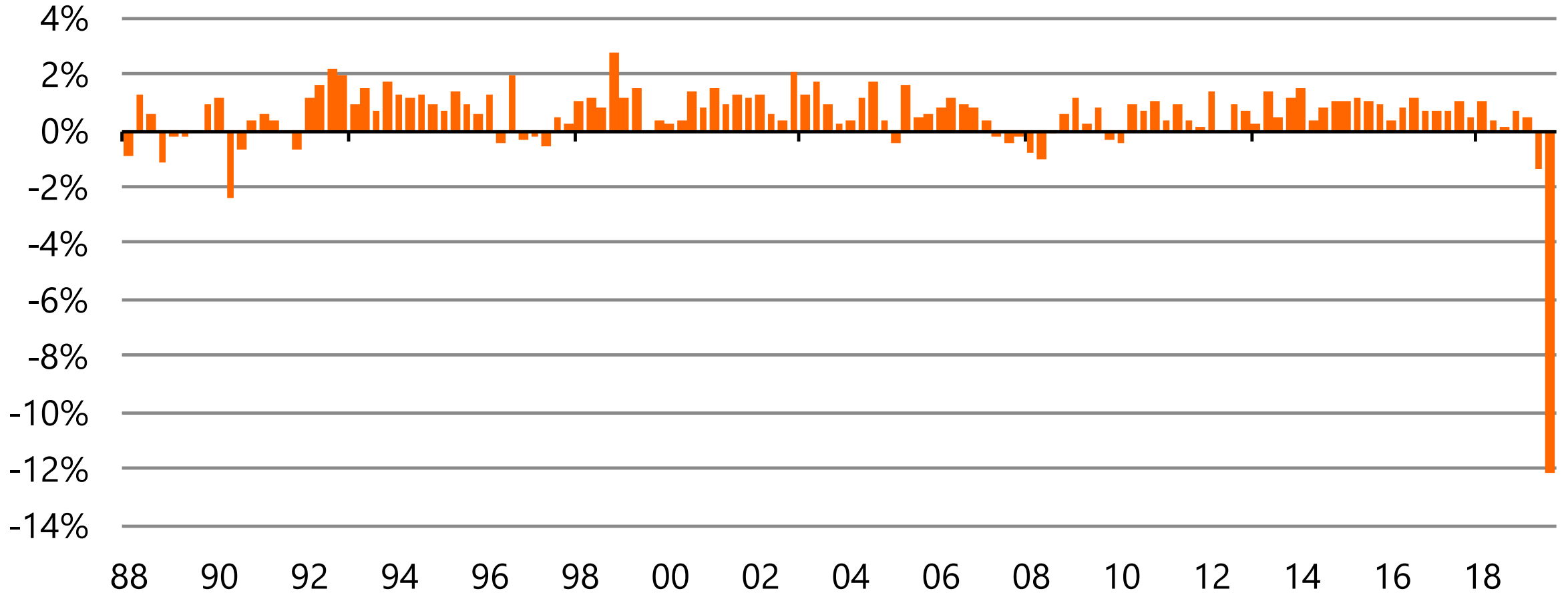
Macroeconomic trends

Macro overview

The sharpest fall in GDP on record

Quarterly % change, seasonally adjusted

■ GDP



• A shock to the system •

Key influences



Food-based primary sector

- Positive contributor
- Exports still flowing
- World needs to eat



Construction

- Mixed contributor
- Falling res & commercial activity
- Shovel-ready projects?



Tourism

- Negative contributor
- ~4m overseas visitors to zero
- Domestic critical (Great Kiwi Roadie), but still a spending hole

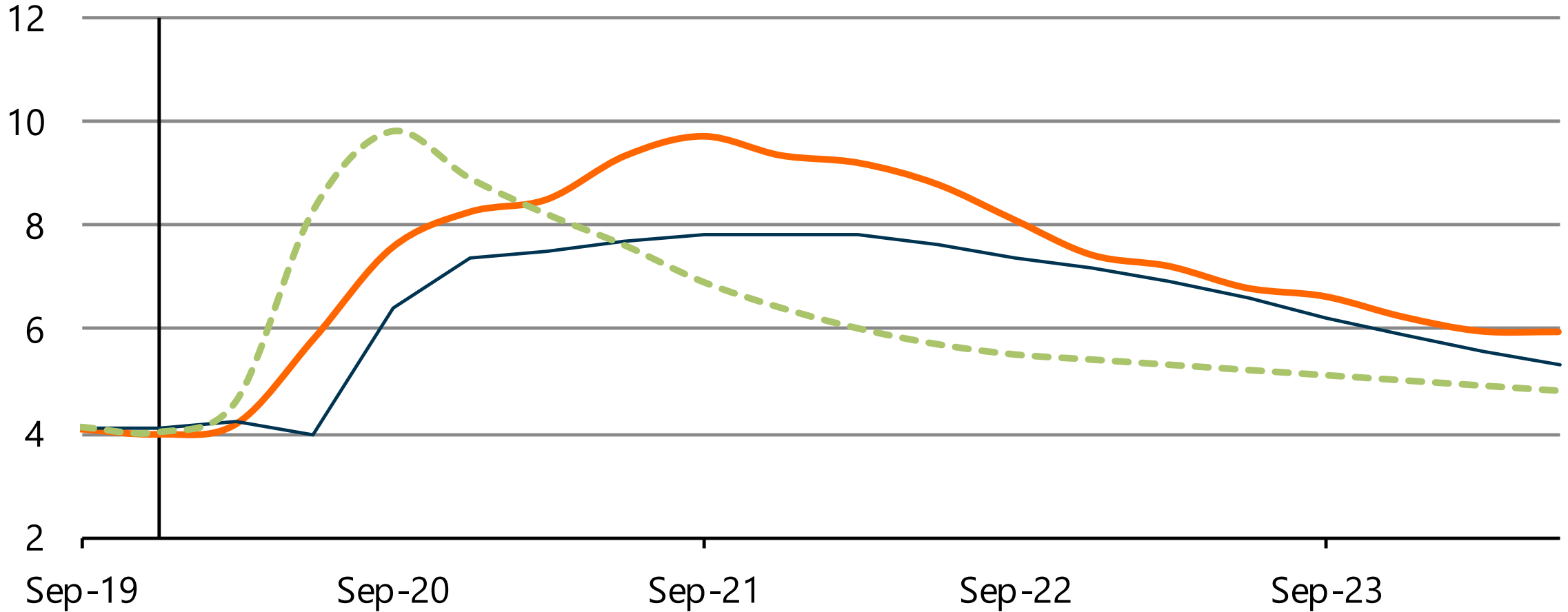
Key regional employers

Job losses will rise

How big is the labour market hit?

Unemployment rate forecasts, %, seasonally adjusted

- Infometrics Jul-20
- Treasury PREFU 2020
- Treasury BEFU 2020

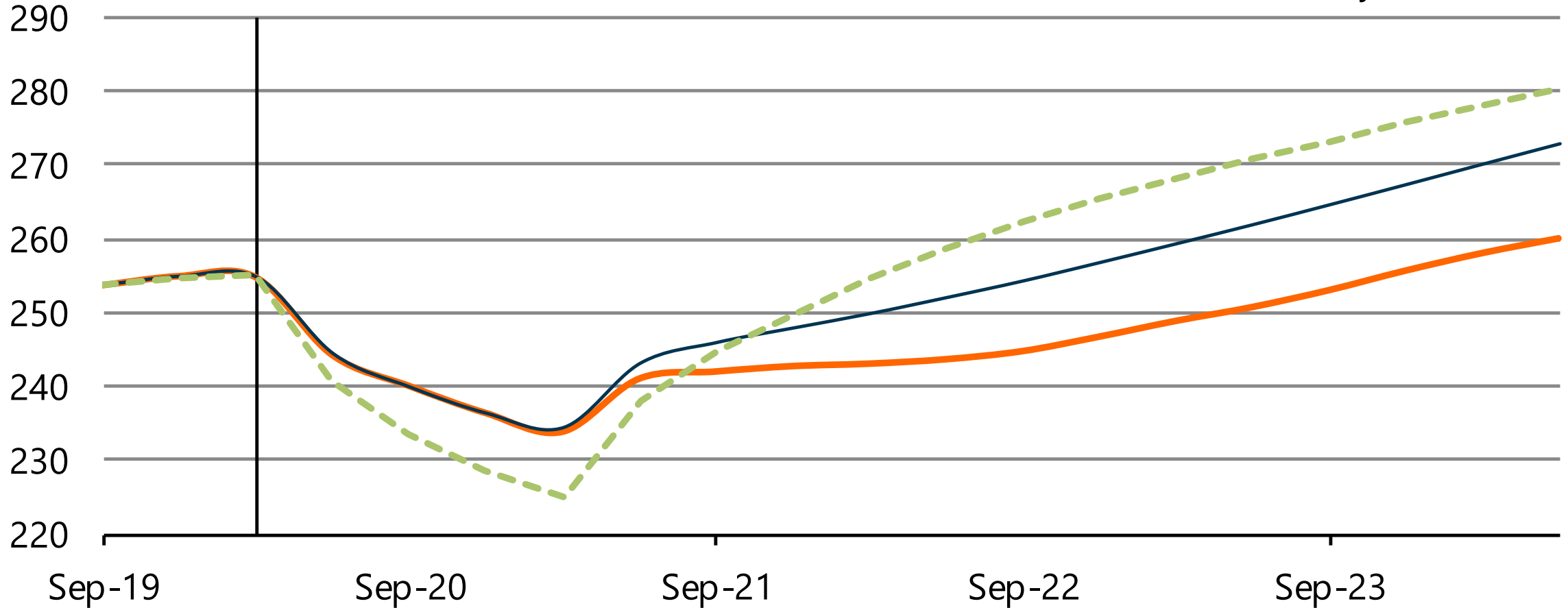


A U-shaped recovery

This recovery will take time

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

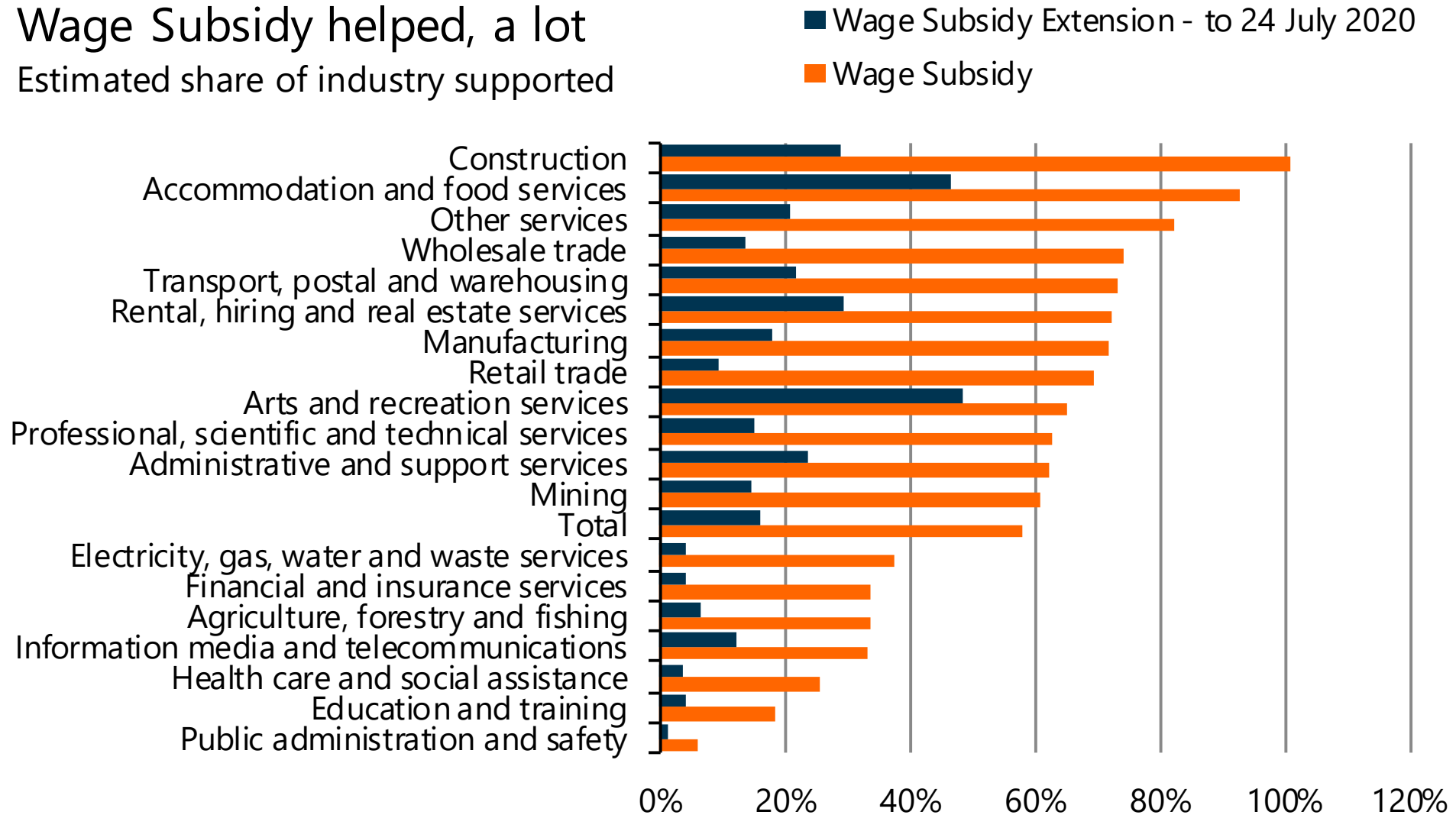
- Infometrics Jul-20
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Wage Subsidy

Wage Subsidy helped, a lot

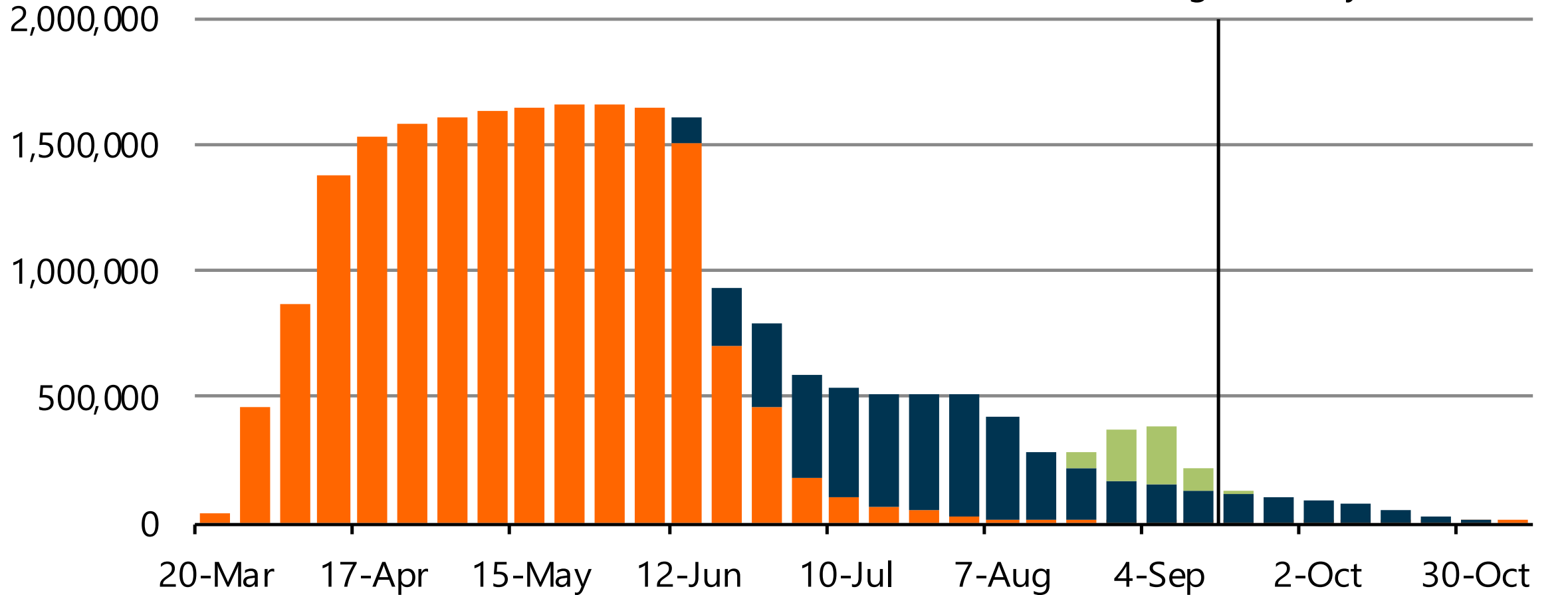
Estimated share of industry supported



Wage Subsidy

Wage subsidy has ended for most roles

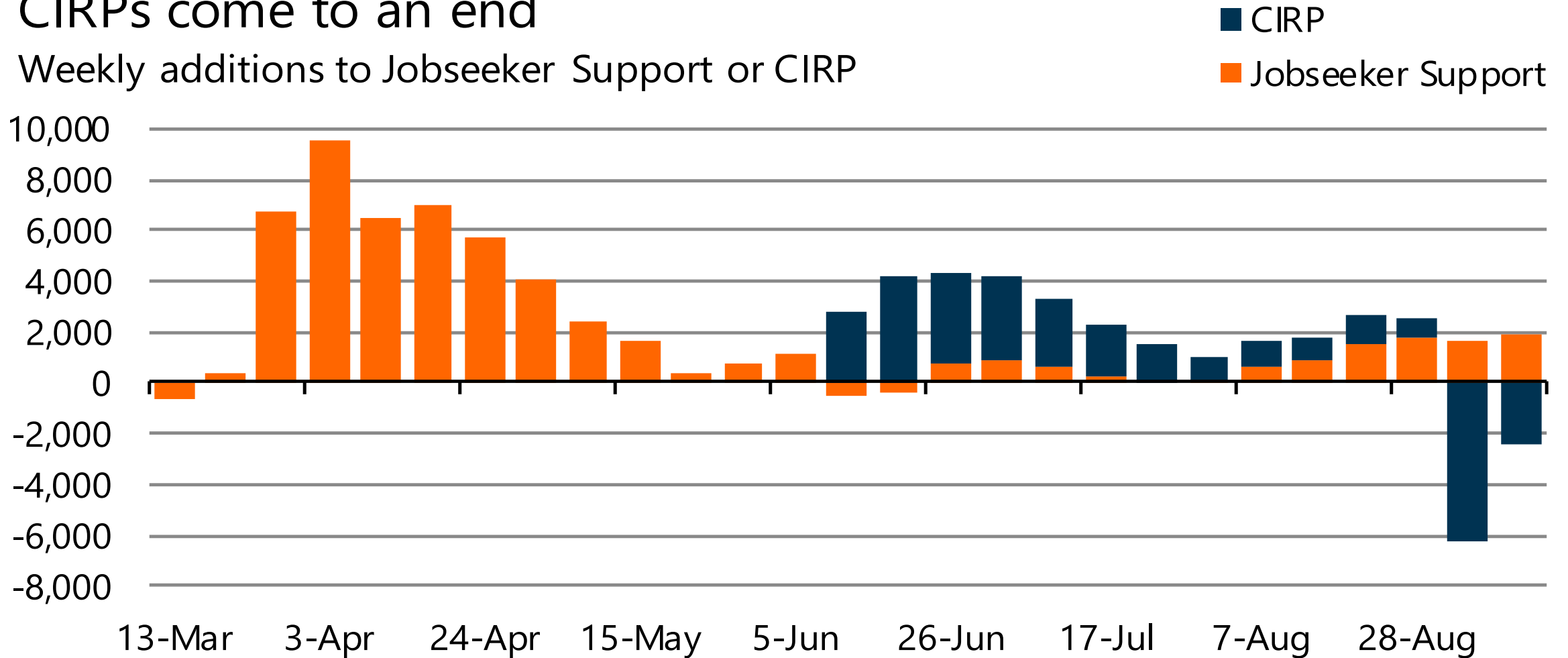
Jobs currently supported by the wage subsidy, by subsidy



• People losing support •

CIRPs come to an end

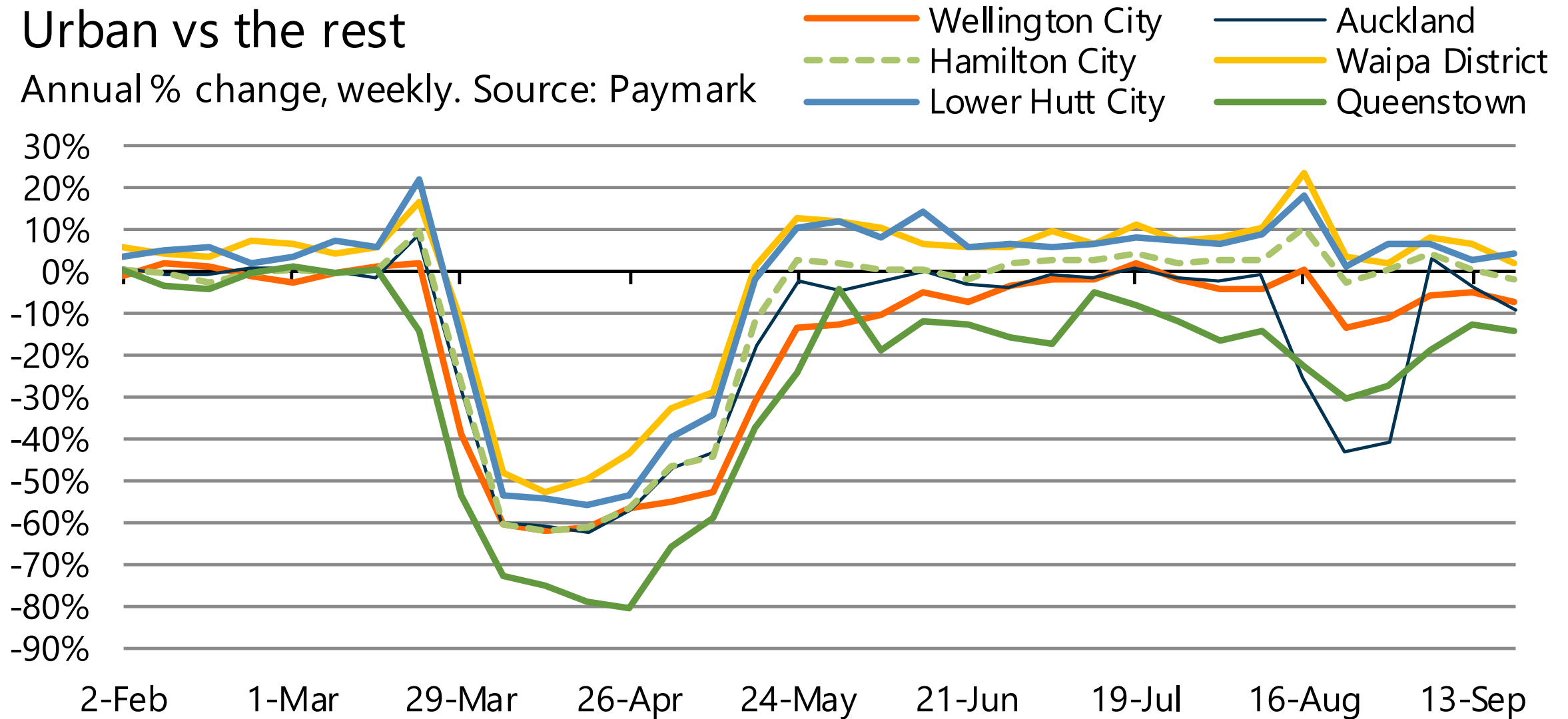
Weekly additions to Jobseeker Support or CIRP



Working from home will change NZ

Urban vs the rest

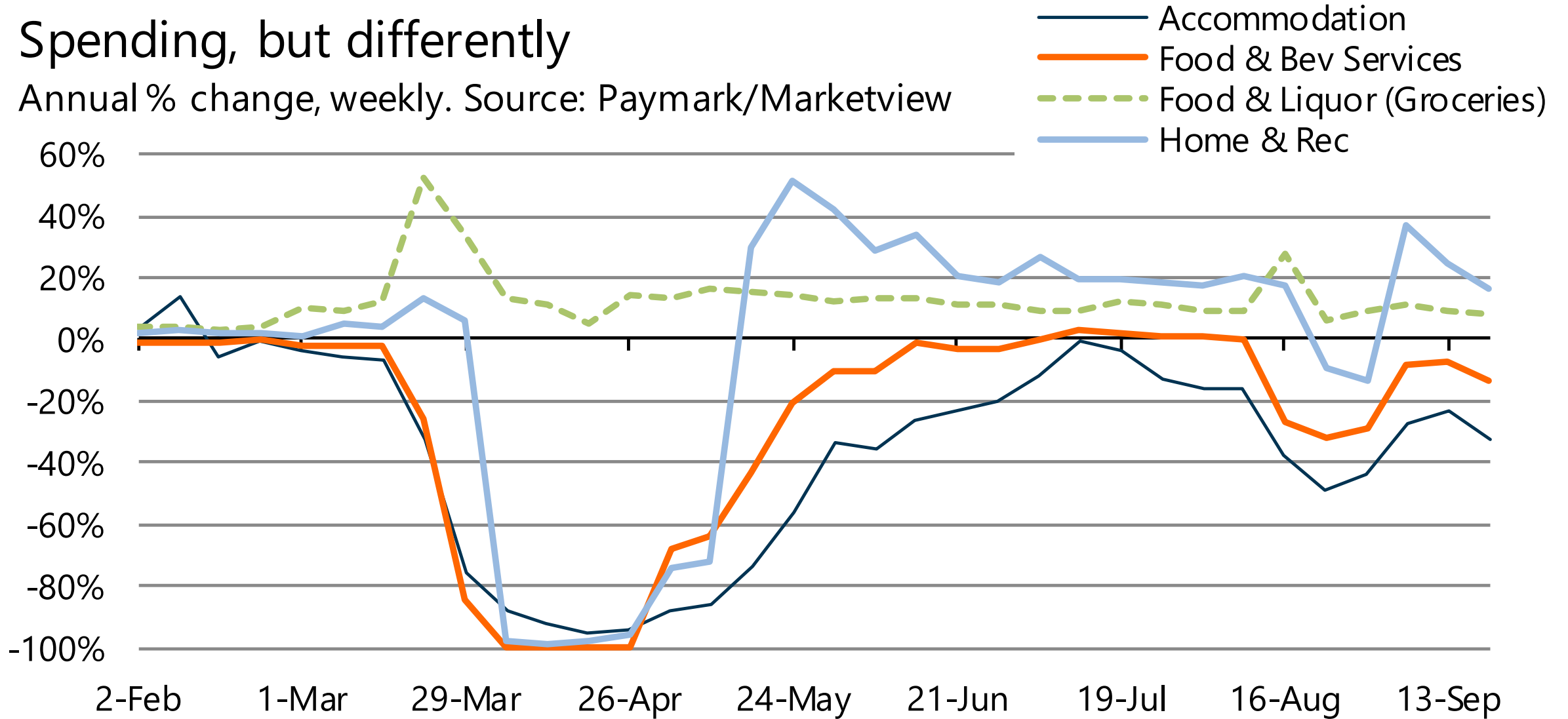
Annual % change, weekly. Source: Paymark



Cooking and DIY in focus

Spending, but differently

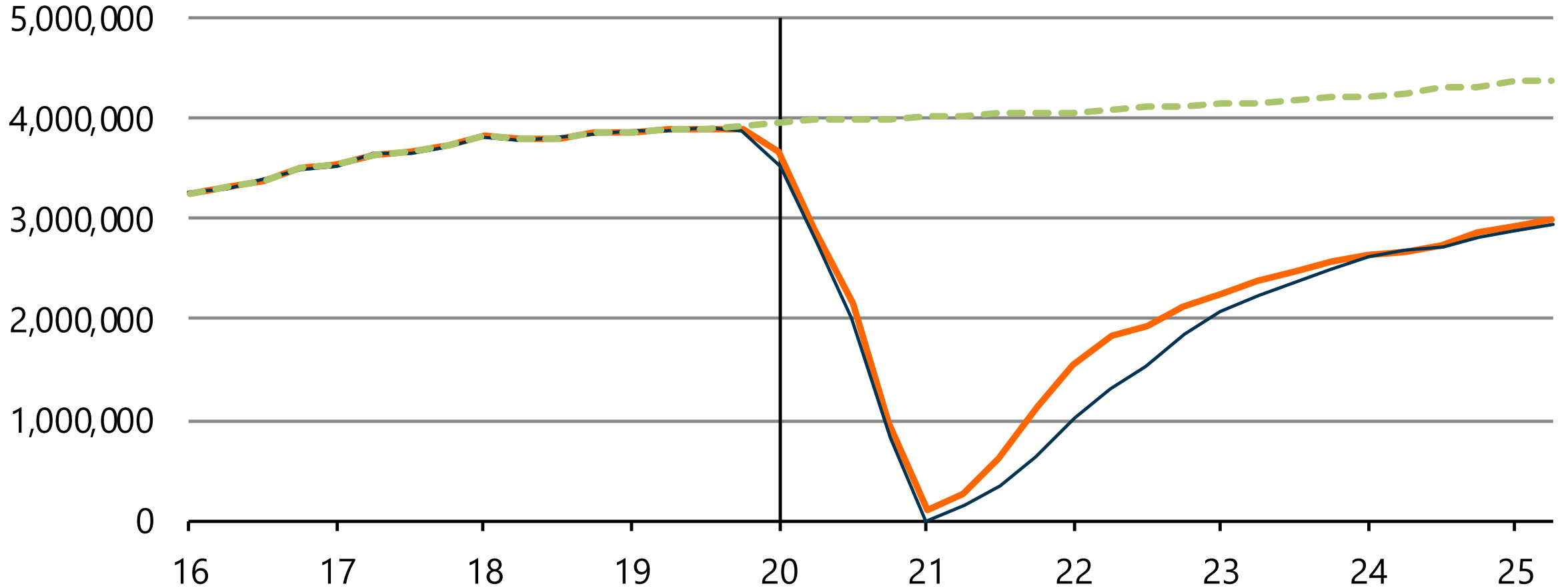
Annual % change, weekly. Source: Paymark/Marketview



Tourism

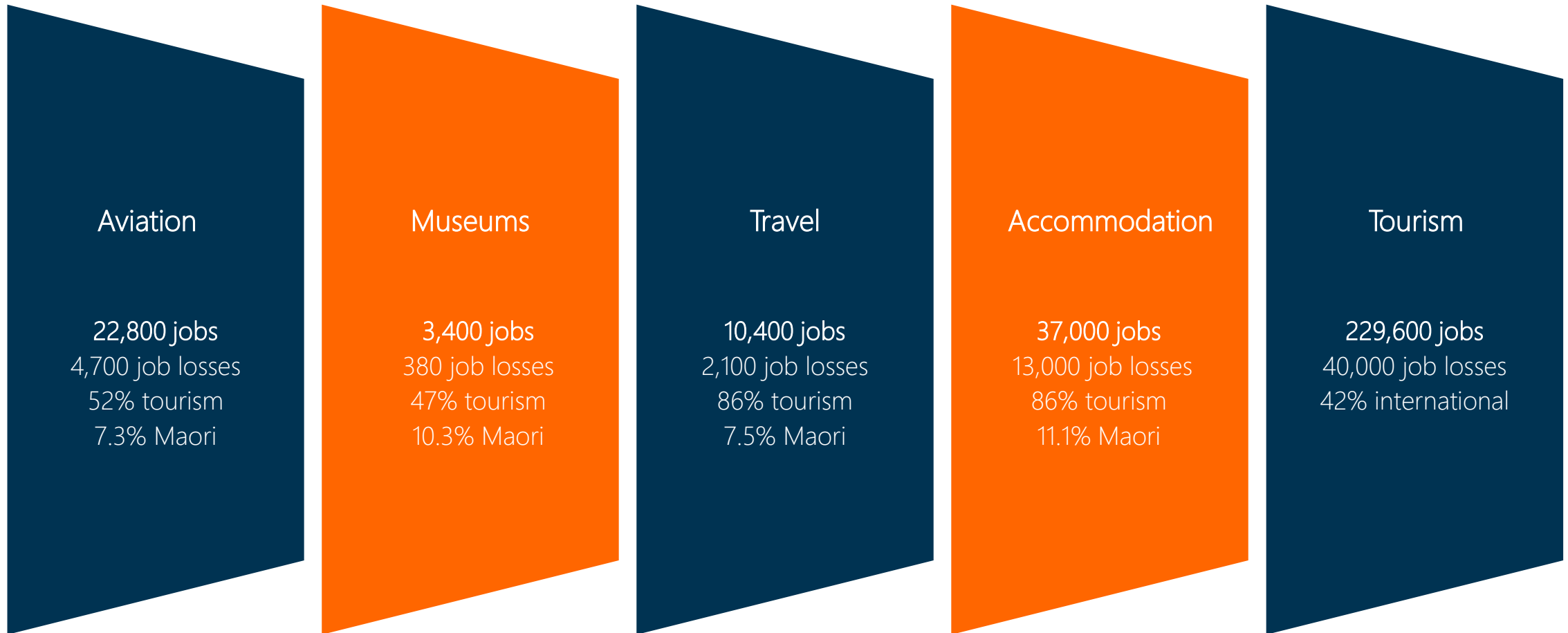
Tourism might never be the same

Annual visitor arrivals

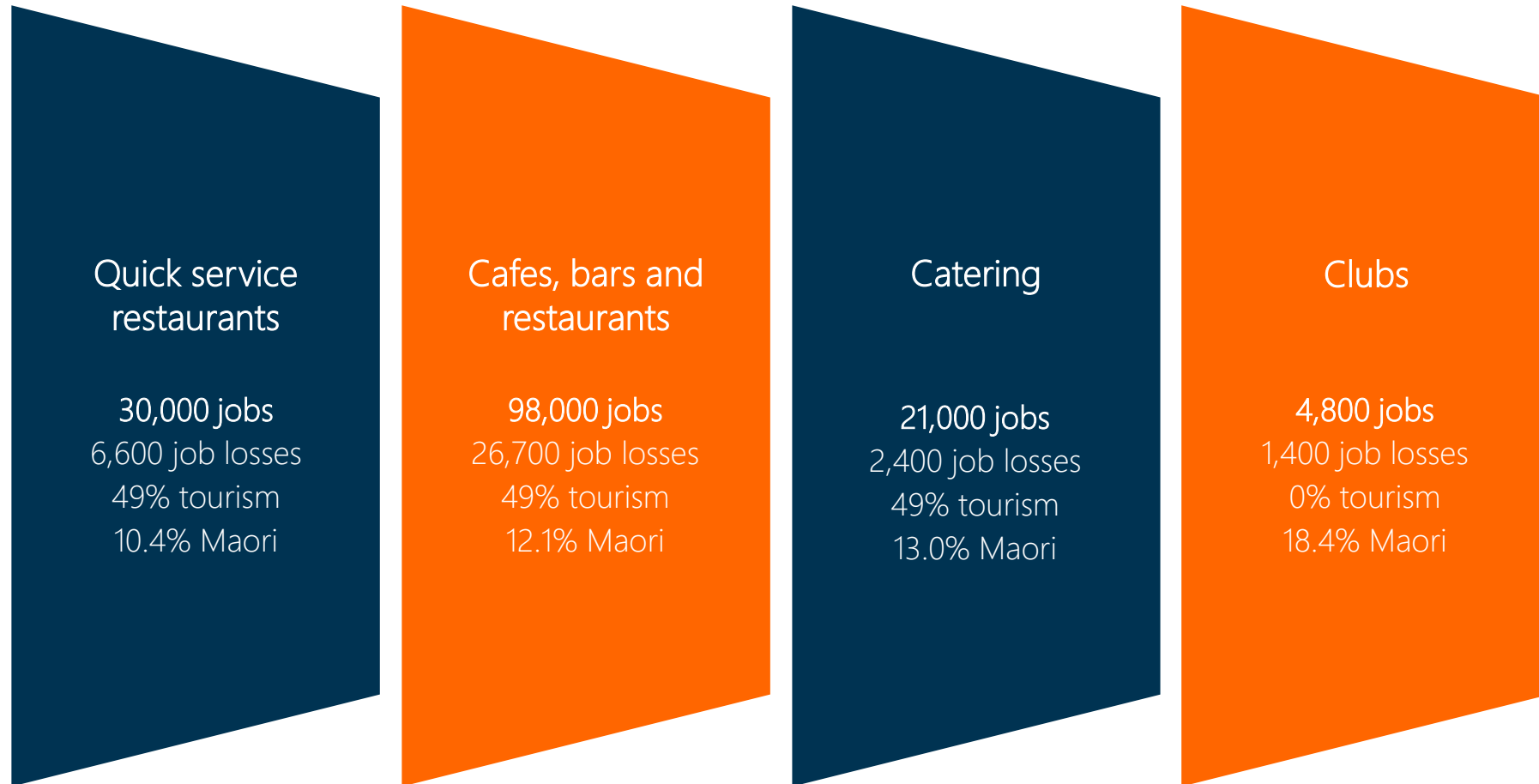


ServiceIQ sector focus

Travel and tourism



Hospitality



Retail

Retail and Retail Supply Chain

423,600 jobs
50,600 job losses
(over 2 years)
8.1% tourism
9.6% Maori

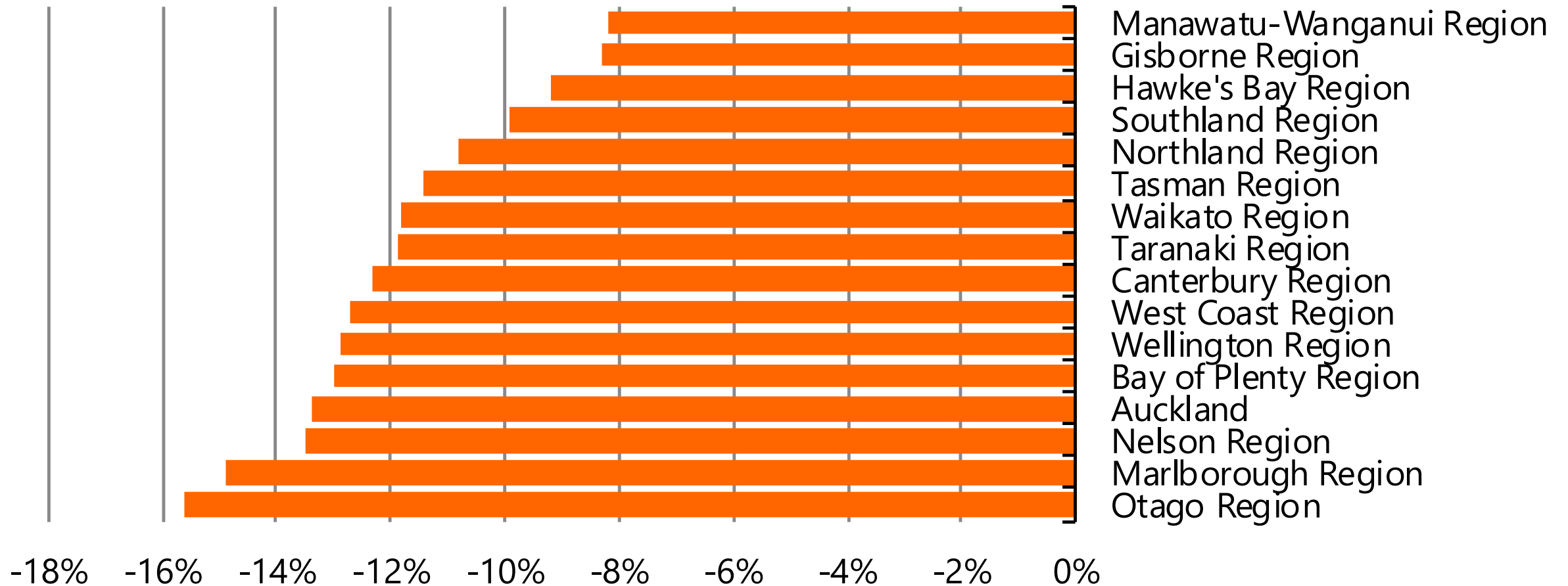
Regional impacts

• A shock to the system •

Feeling the economic hit differently

GDP, June 2020 quarter, annual % change

■ Infometrics provisional estimate





Brad Olsen – Senior Economist

Brad.Olsen@Infometrics.co.nz

021 253 5646