

New year, same issues: The economy in 2021

Hutt City Council

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11 February 2021

• 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

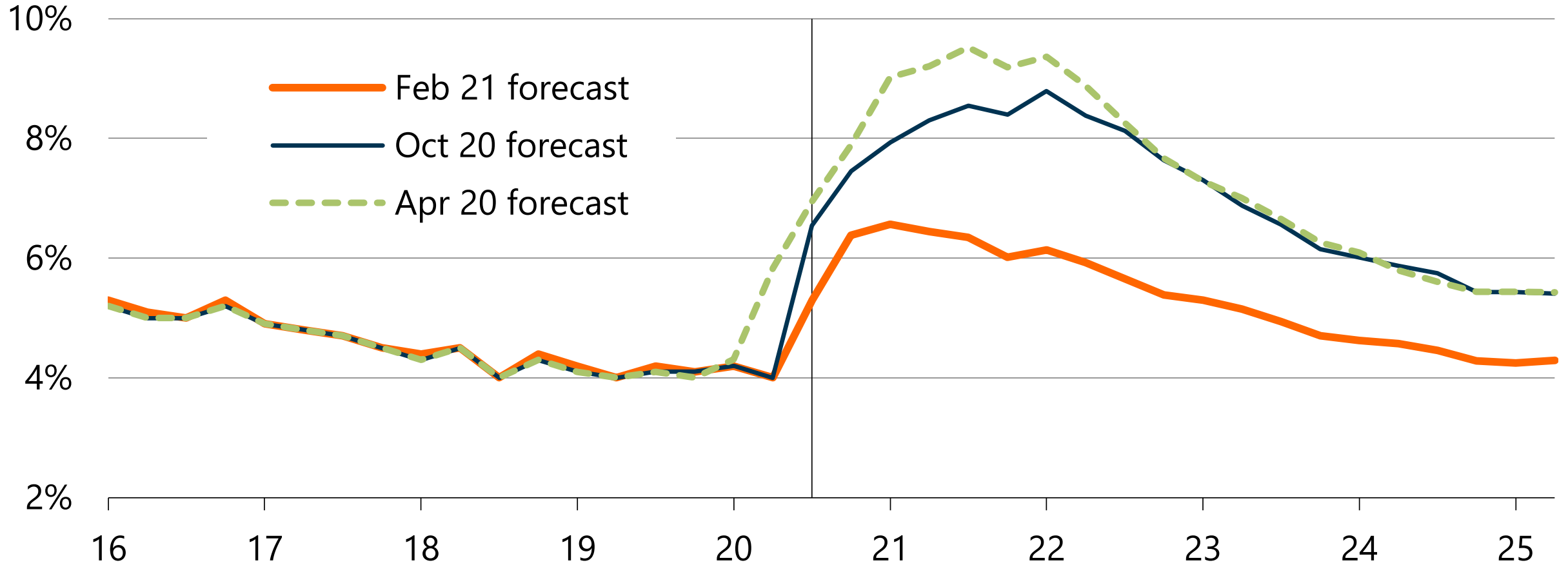
- Negative contributor
- ~4m overseas visitors to zero
- Domestic critical (Great Kiwi Roadie), but still a spending hole

Key regional employers

Not as bad of a hit

Fears of mass unemployment disappear

Unemployment rate forecast comparison, seasonally adjusted

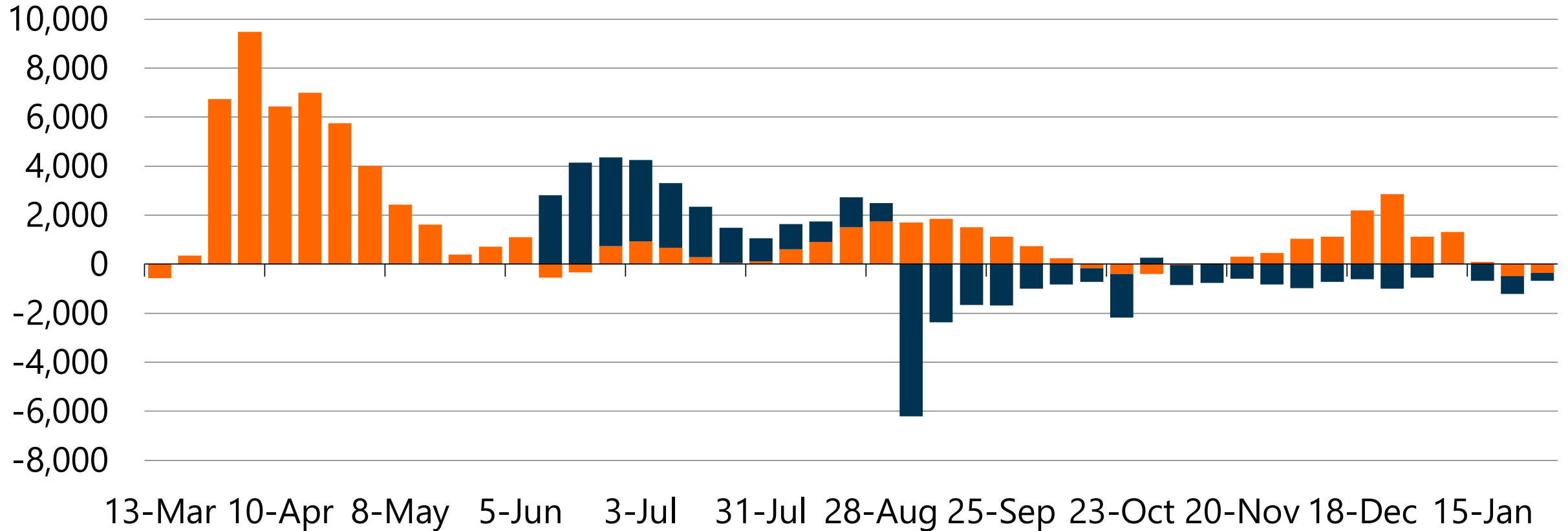


Changes in jobless support

Less of a blow to employment so far

Weekly change in Jobseeker Support or CIRP recipients

■ CIRP
■ Jobseeker Support

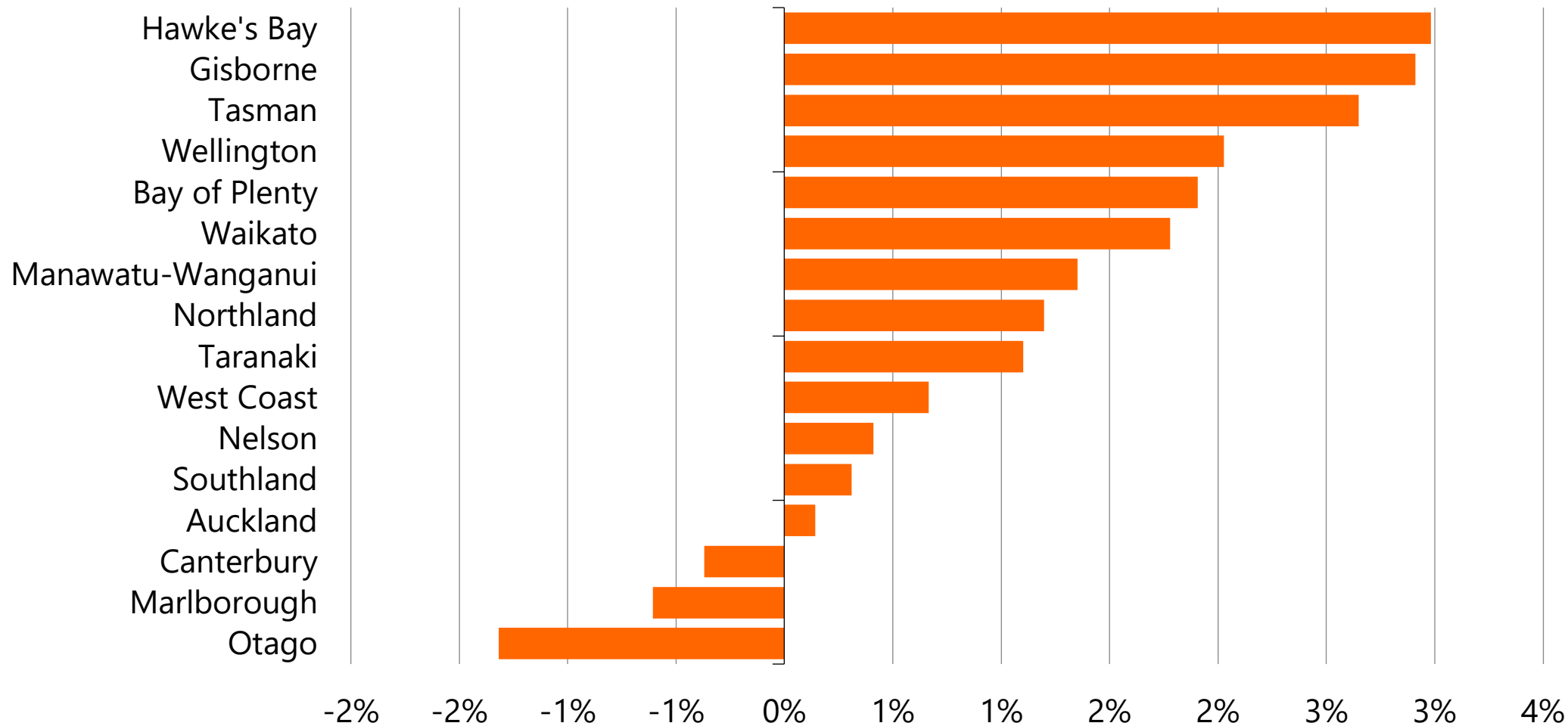


Jobs: the rise and fall

Examining job changes by region

Filled jobs by region, all industries, December 2020

■ Annual % change

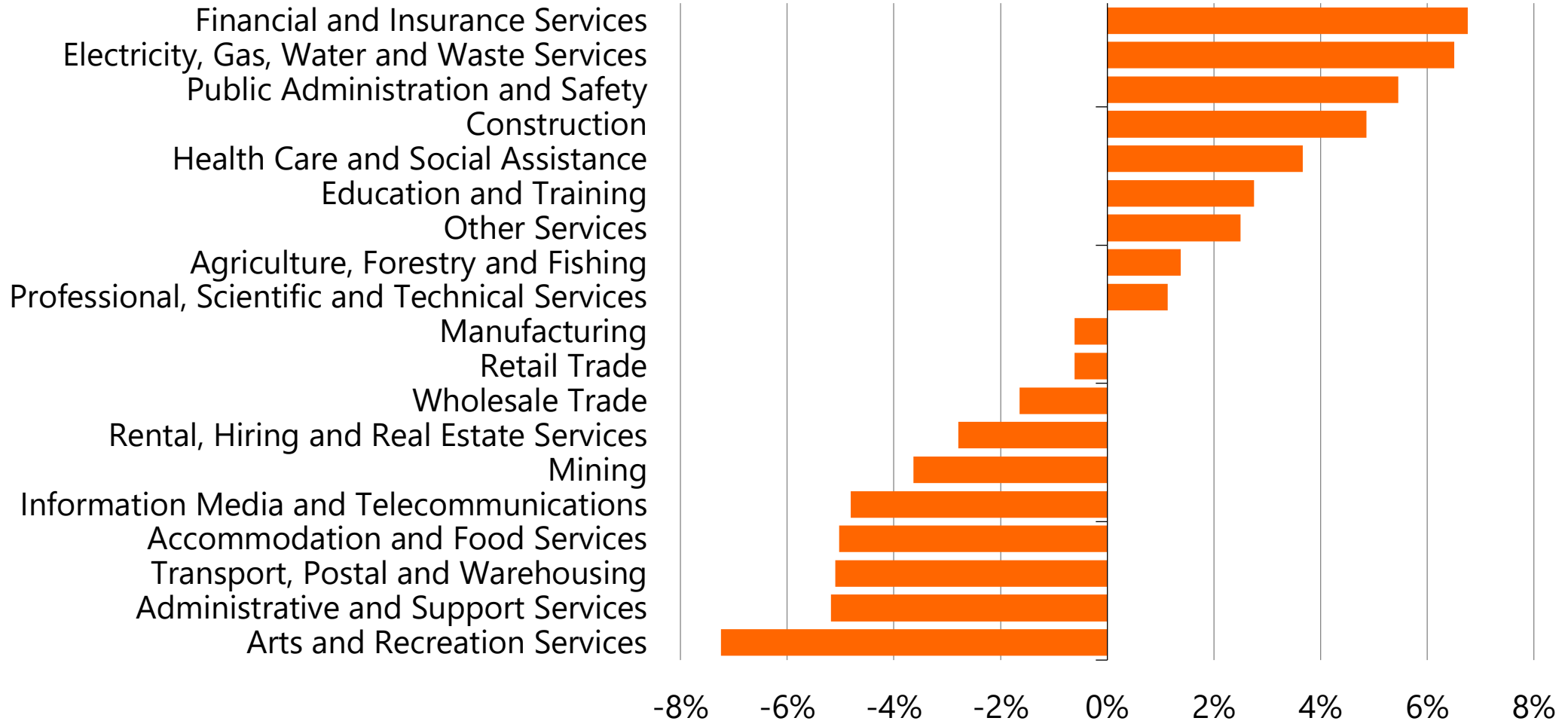


Jobs are down, and up

Examining job changes by industry

Filled jobs by industry, national, December 2020

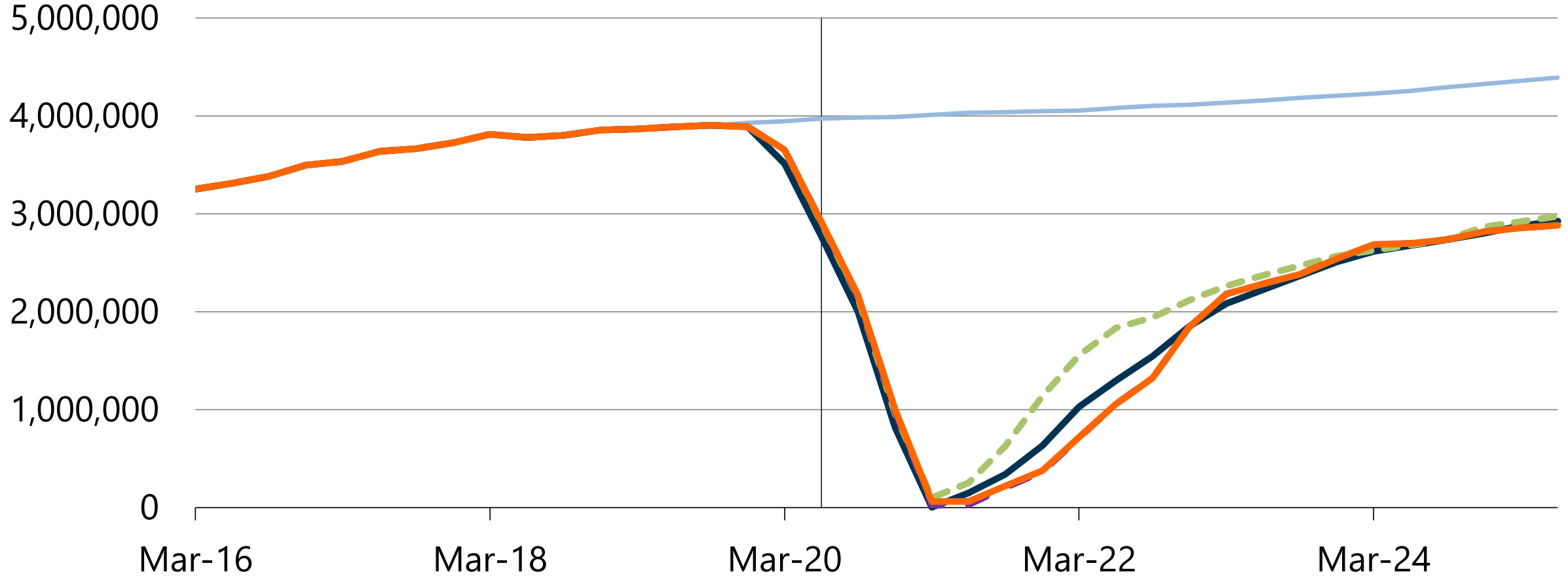
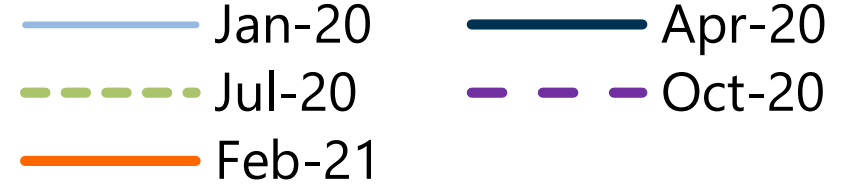
■ Annual % change



Tourism battered

Tourism might never be the same again

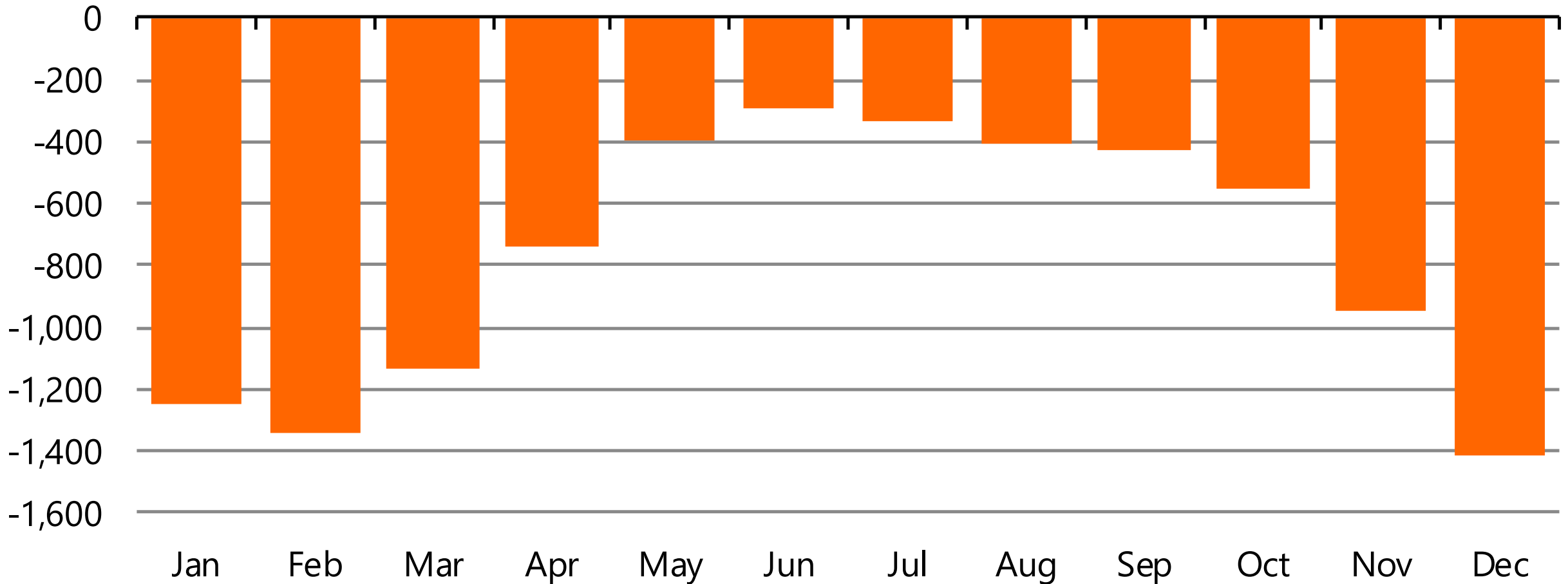
Annual tourist arrivals, forecasts



• Tourism hit still to come •

Lack of tourists will be most apparent over summer

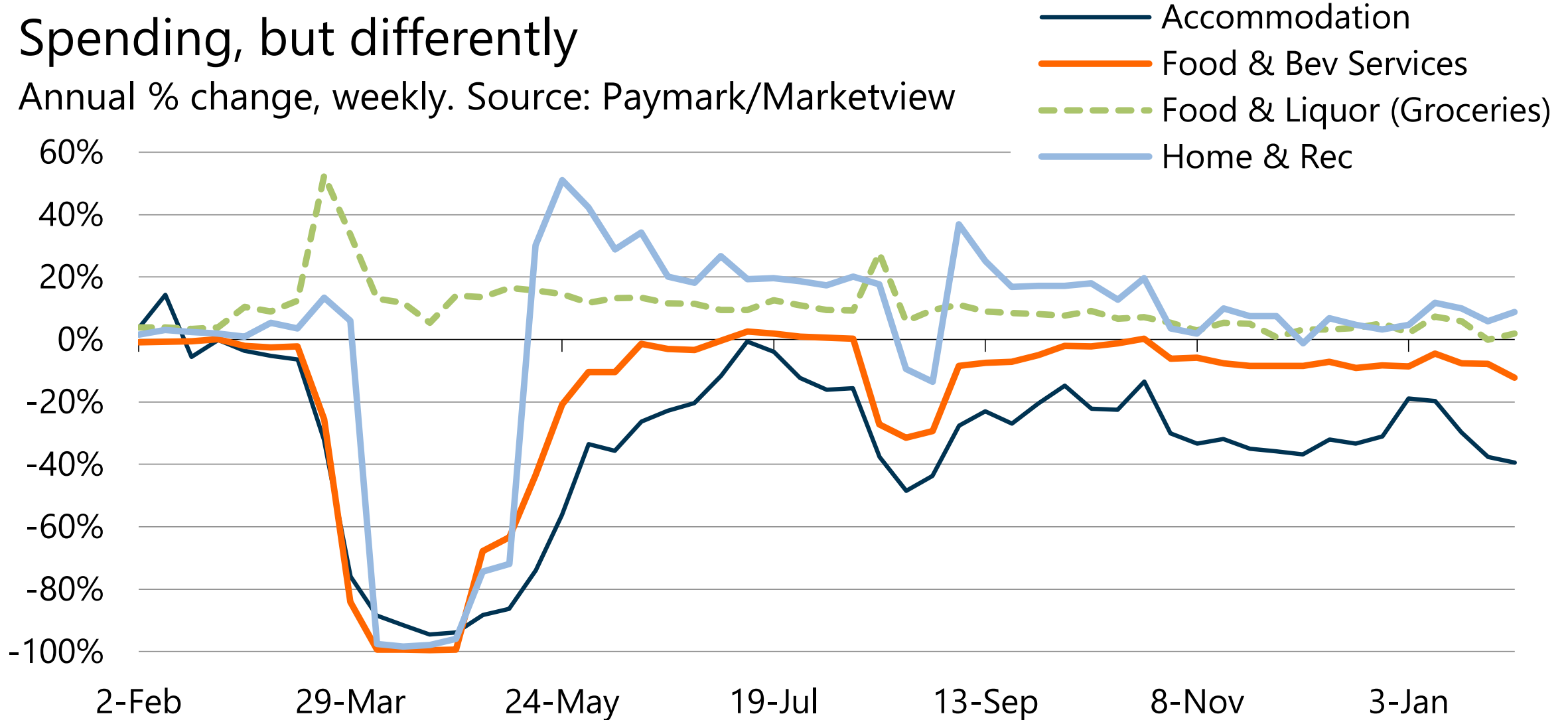
Monthly tourist spending, \$m, Kiwis overseas less foreigners in NZ



Cooking and DIY in focus

Spending, but differently

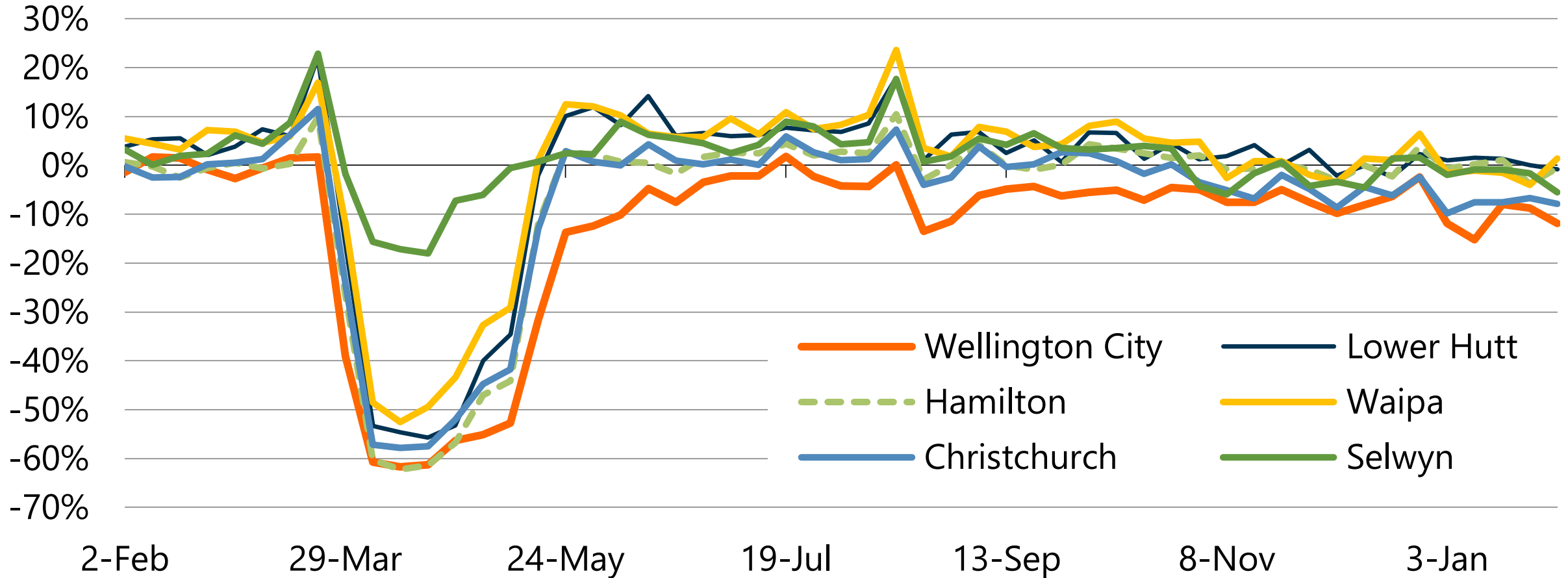
Annual % change, weekly. Source: Paymark/Marketview



Working from home will change NZ

Metro areas lose a bit of heat

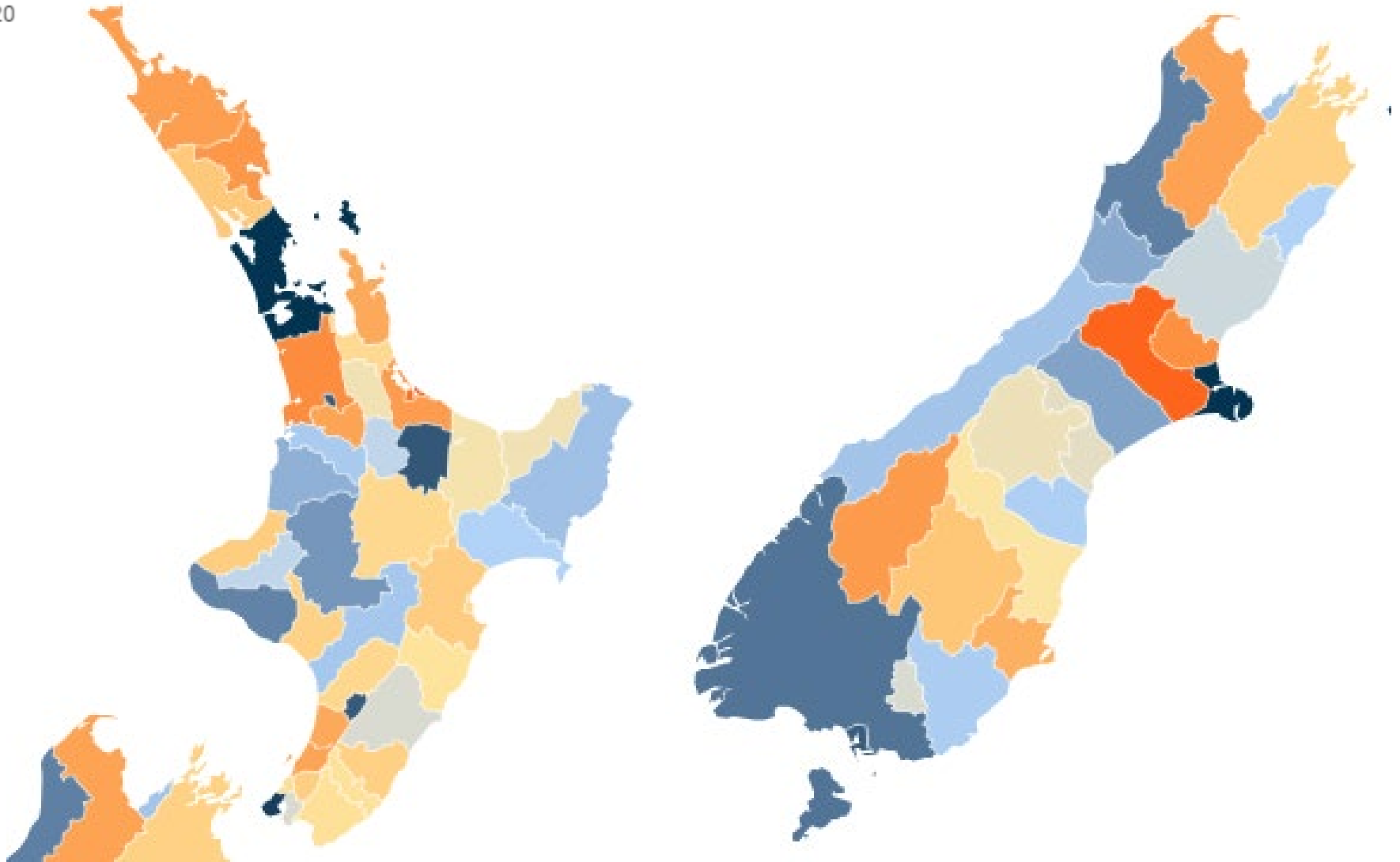
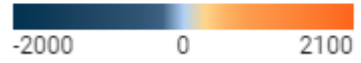
Annual % change, weekly. Source: Paymark



Moving to the regions

Net internal migration flows, 2020

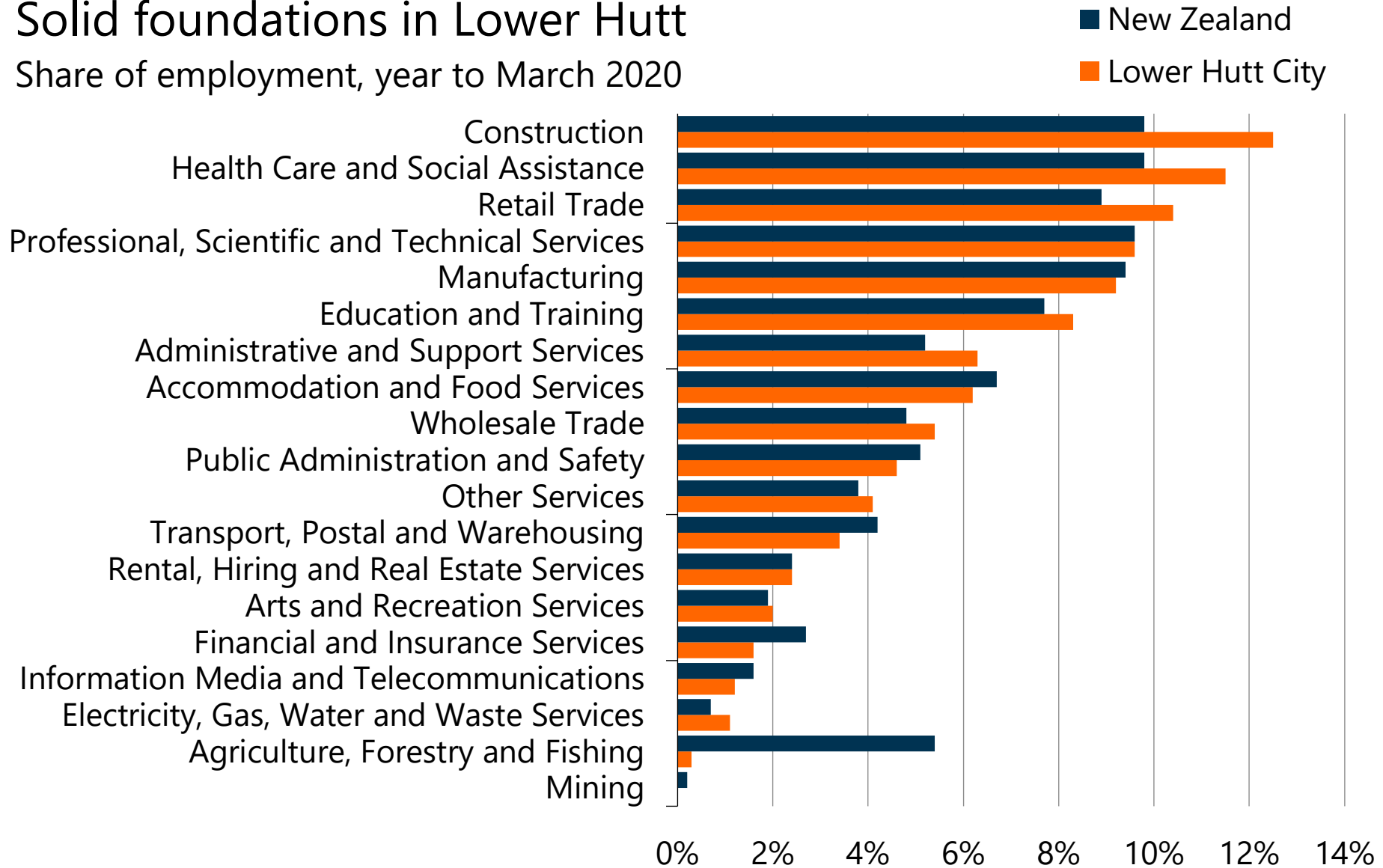
Net number of people



Solid economic foundations

Solid foundations in Lower Hutt

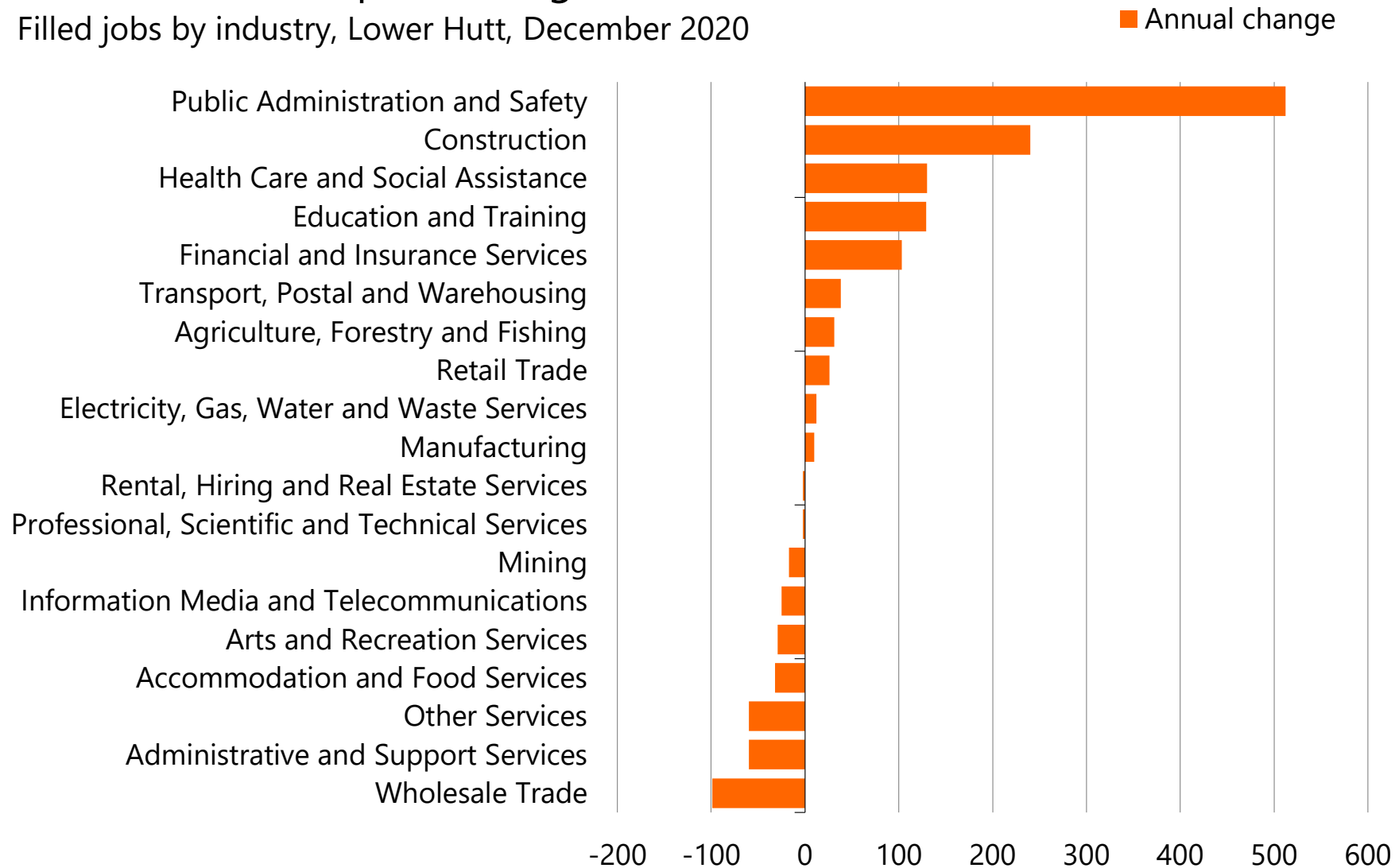
Share of employment, year to March 2020



Different hits to jobs

Some sectors are performing better than others

Filled jobs by industry, Lower Hutt, December 2020

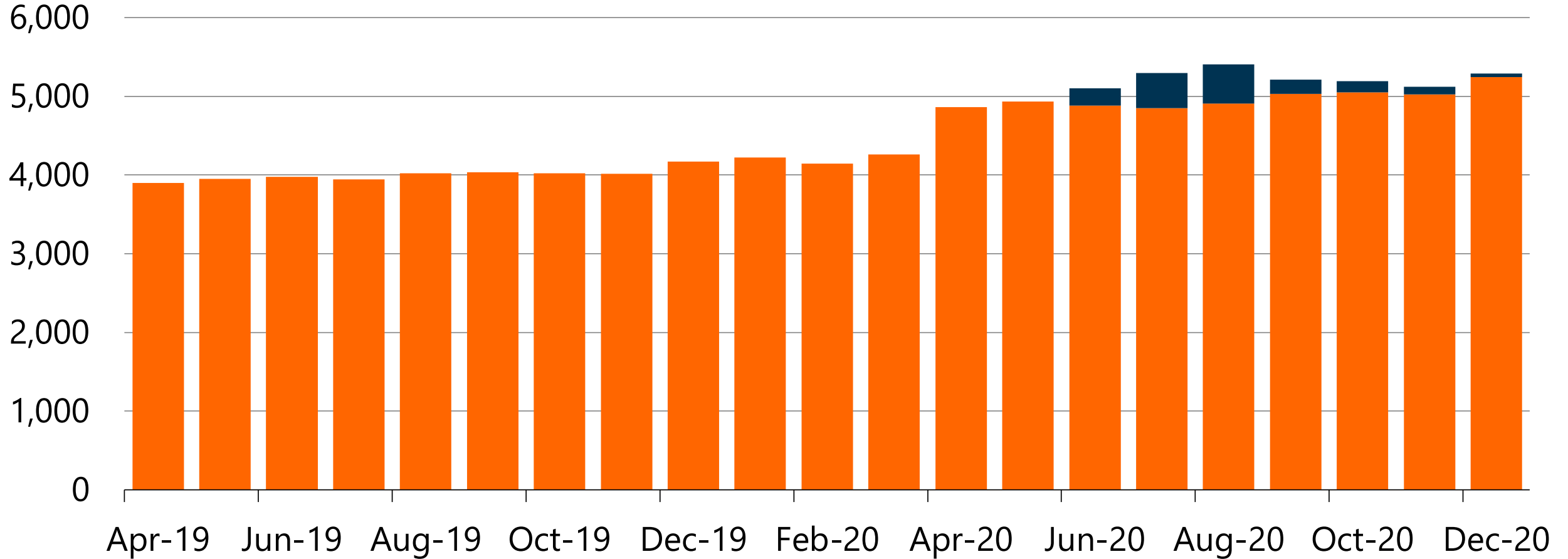


Sharp rise in jobless support

Jobless support up 27%pa, 1.1k added in a year

Jobseeker Support and CIRP recipients, Lower Hutt Zealand

CIRP
Jobseeker Support

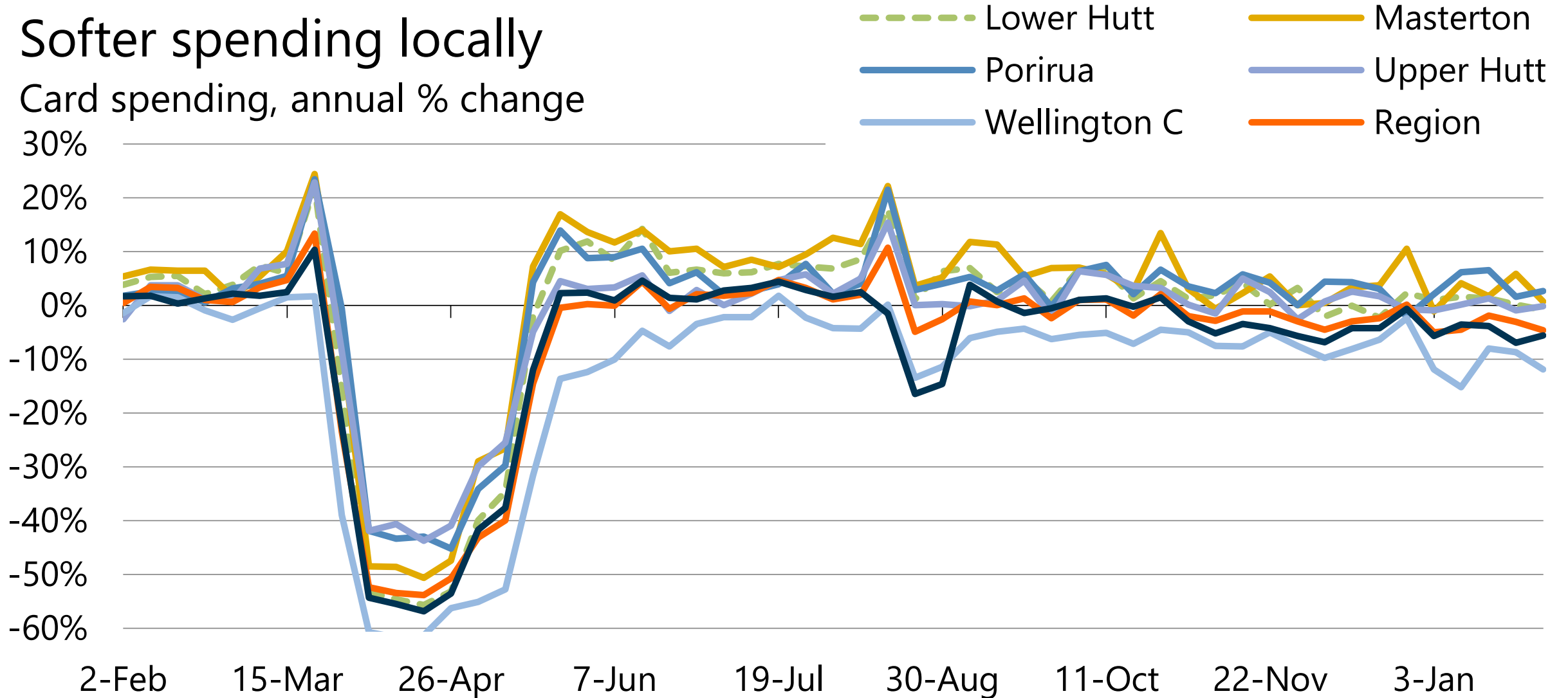


NZ average = 49%pa

Still spending, but slowing

Softer spending locally

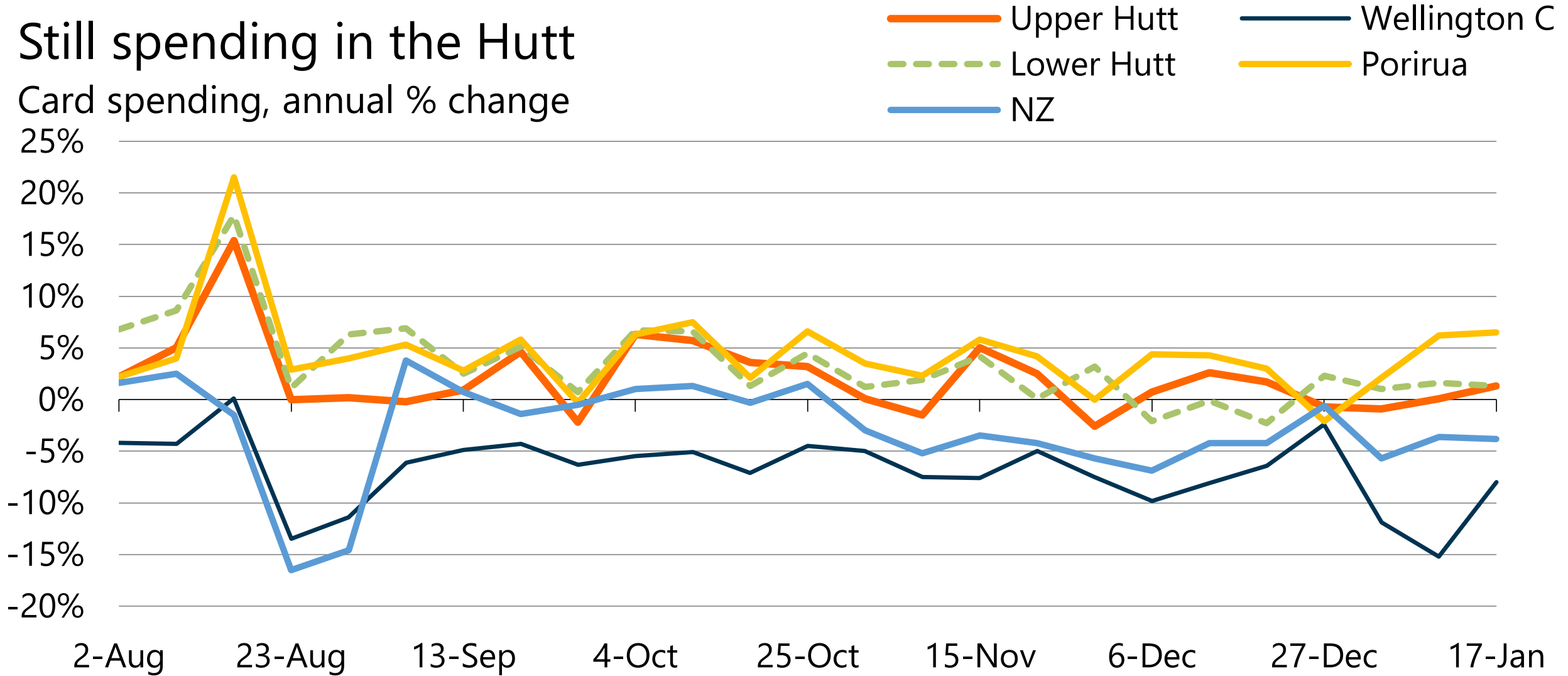
Card spending, annual % change



Not as much change locally

Still spending in the Hutt

Card spending, annual % change

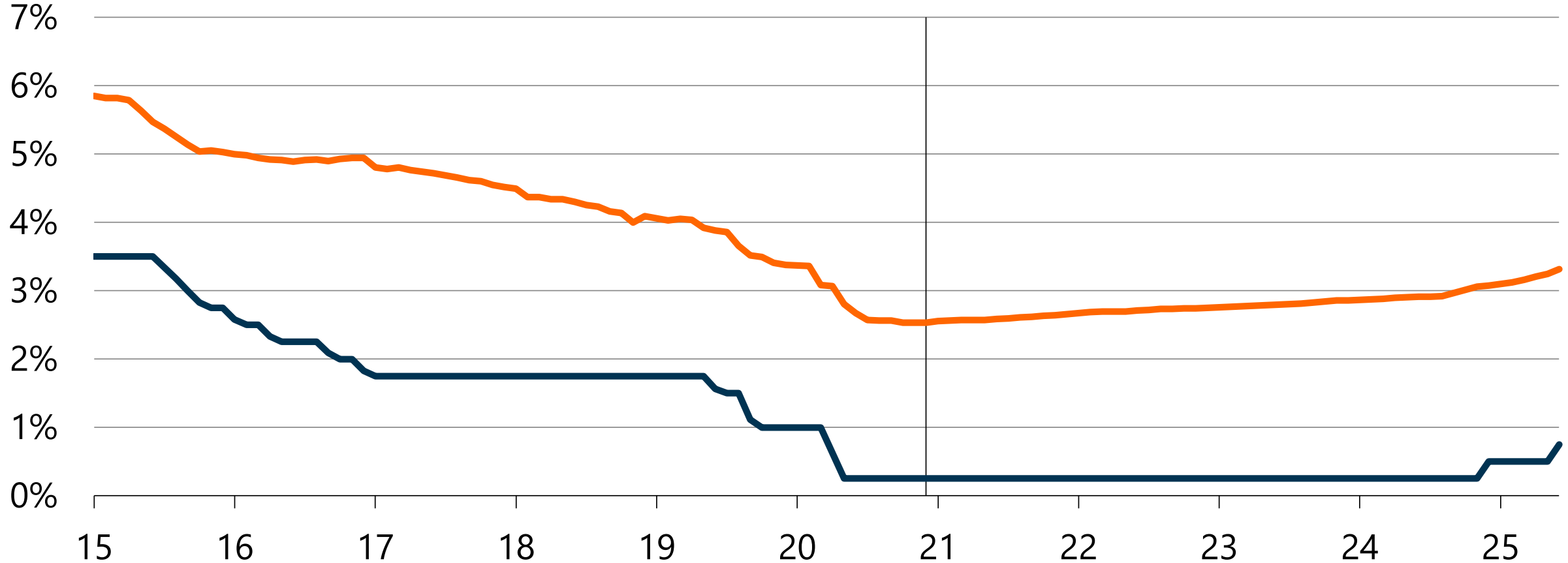


Where next for interest rates?

Interest rates to hold lower - but what's next?

Interest rates, %, monthly averages

— OCR
— 1 year fixed

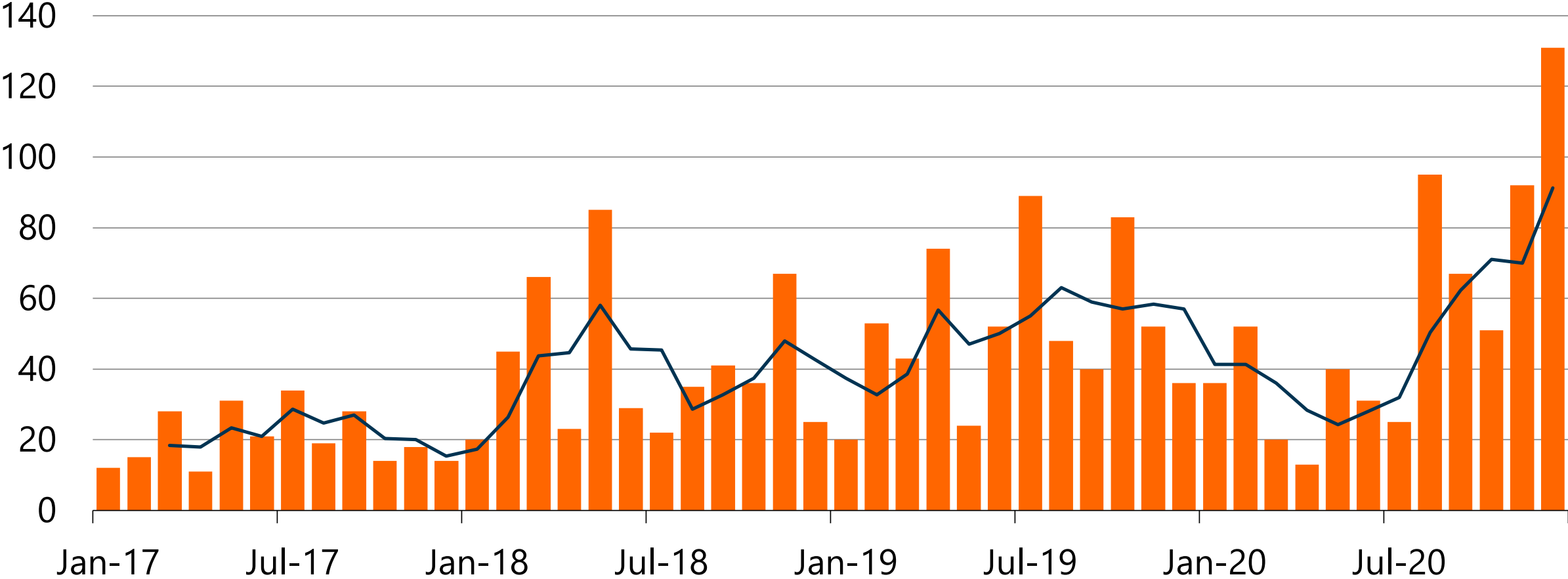


Construction: mix bag

Building activity shifts higher

Monthly number of residential consents

Lower Hutt
3-month average

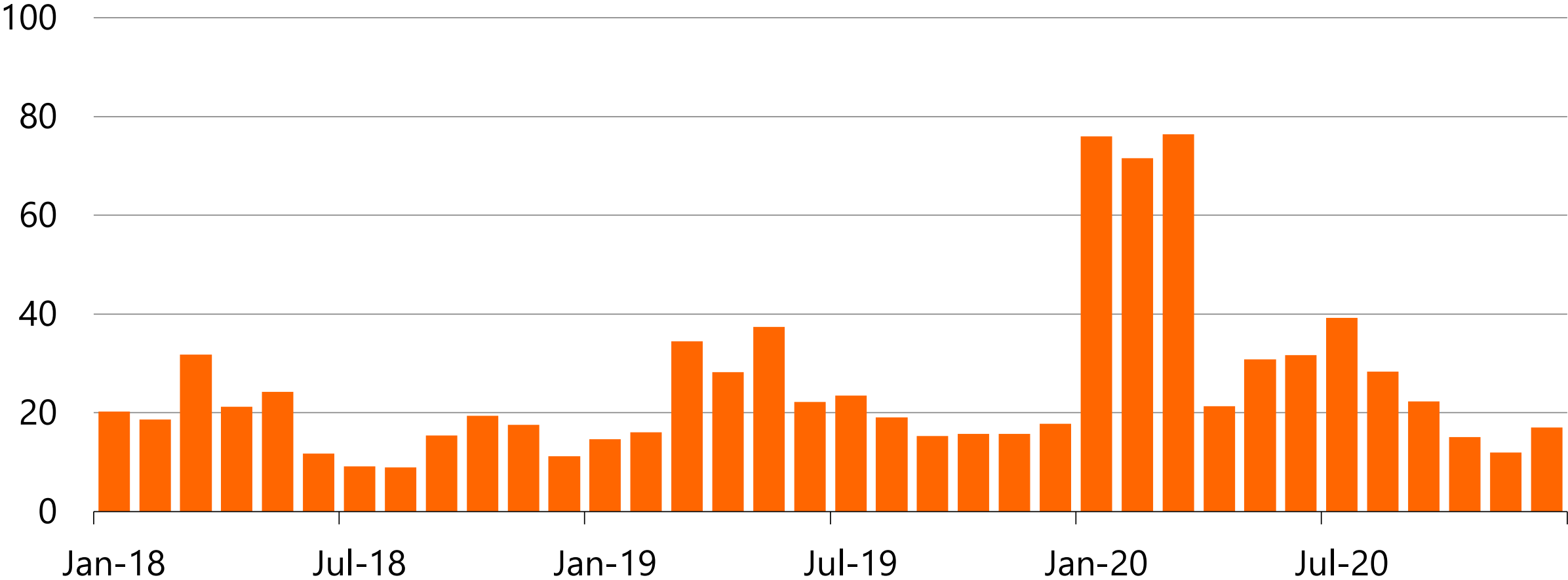


Construction: mix bag

Commercial activity slows

\$m, 3-monthly running totals, non-res consent values

Lower Hutt

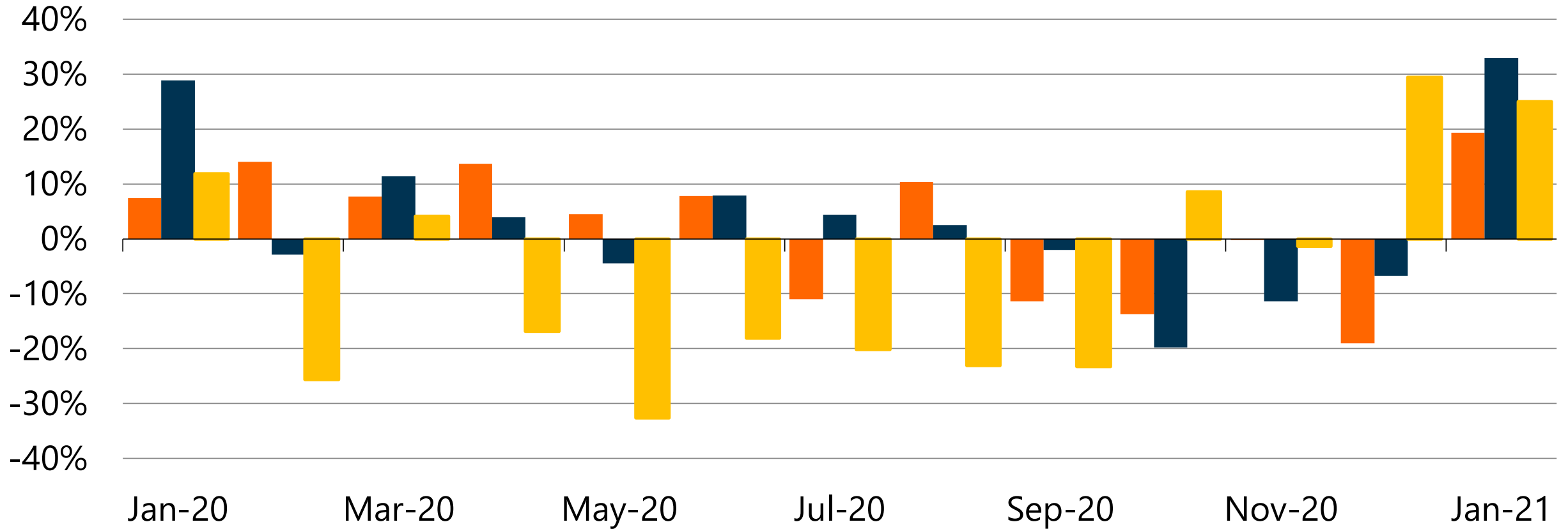


Exports holding up in the face of global headwinds

Still trading

Dairy Meat Seafood

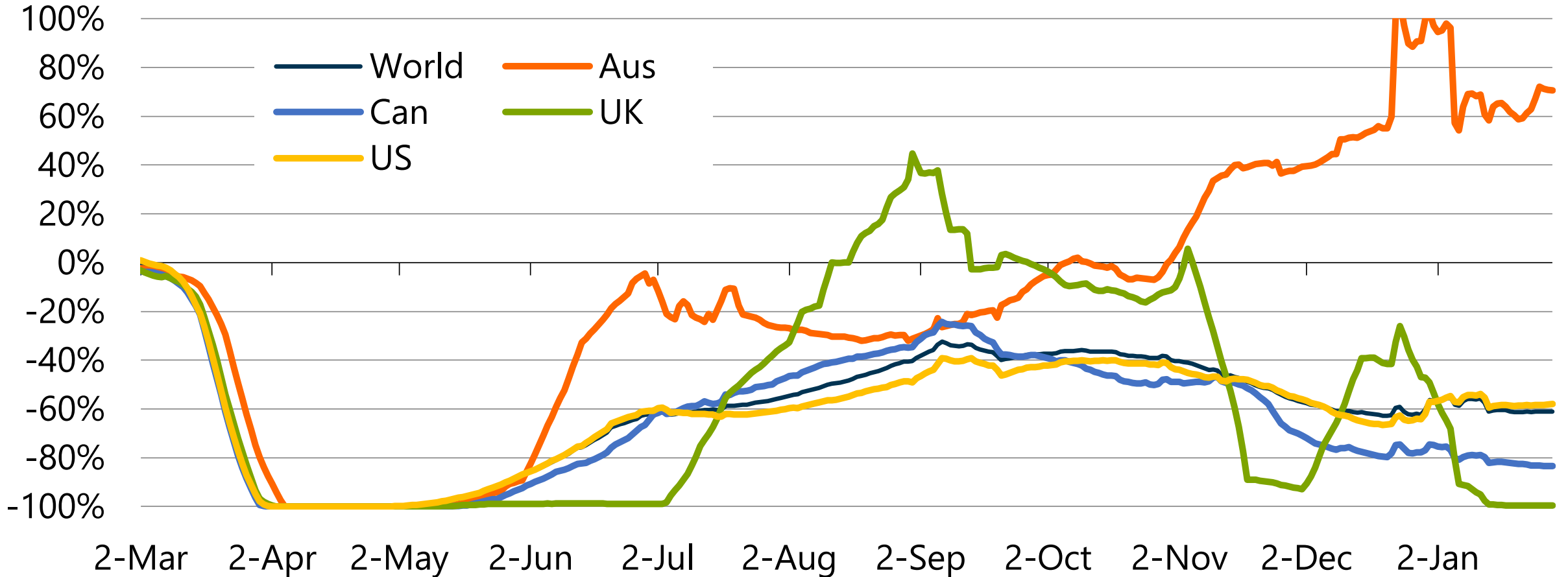
Export values, annual % changes, by month



Globe still reeling

Not as many people heading to restaurants

Annual % change, seated diners at restaurants, 2-week moving average





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