

# New year, same issues: The economy in 2021

Institute of Directors Wellington Branch AGM

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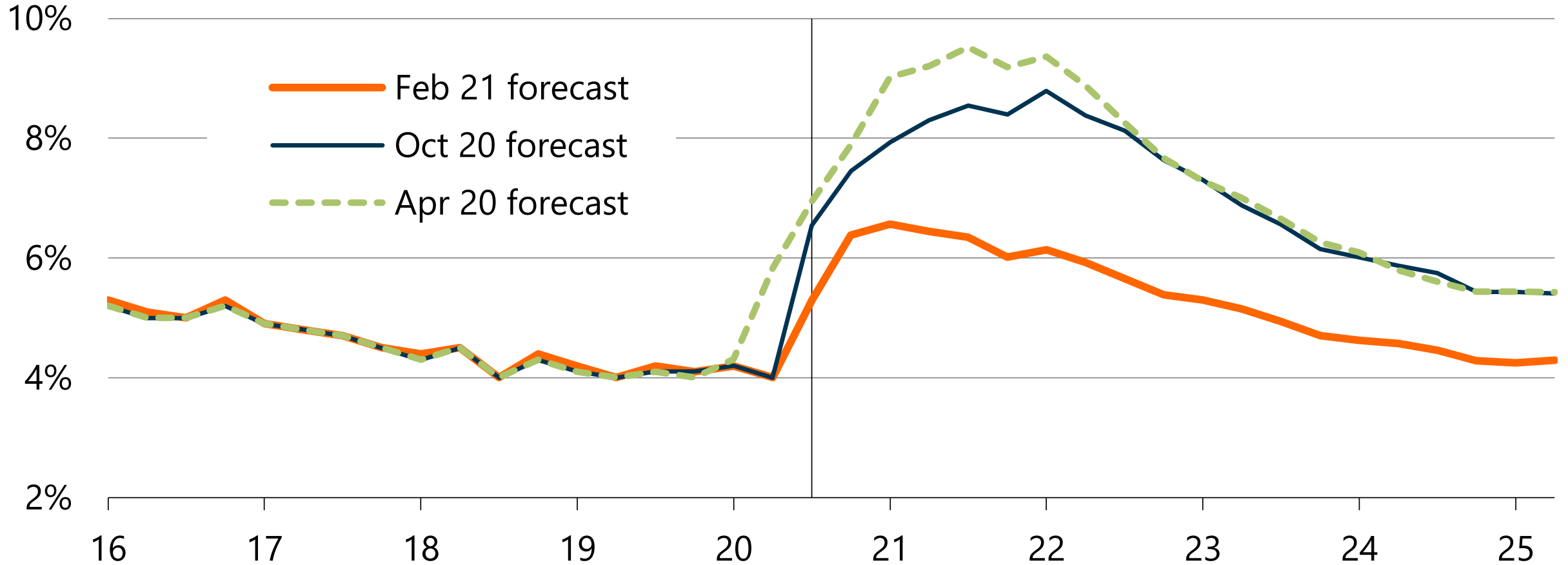
19 February 2021

- Overview
- Key Trends
  - Fast pace of change
  - A new way of working
  - Old issues, new solutions?
  - Not everyone's going well

# Not as bad of a hit

## Fears of mass unemployment disappear

Unemployment rate forecast comparison, seasonally adjusted



# Fast pace of change

# Fast pace of change

- **Move fast, or lose momentum**
- **Businesses have adapted**
- **Risks are changing –**
  - for some, costs of trying something new are different

# A new way of working

# Home comforts

So, who can and is working from home?

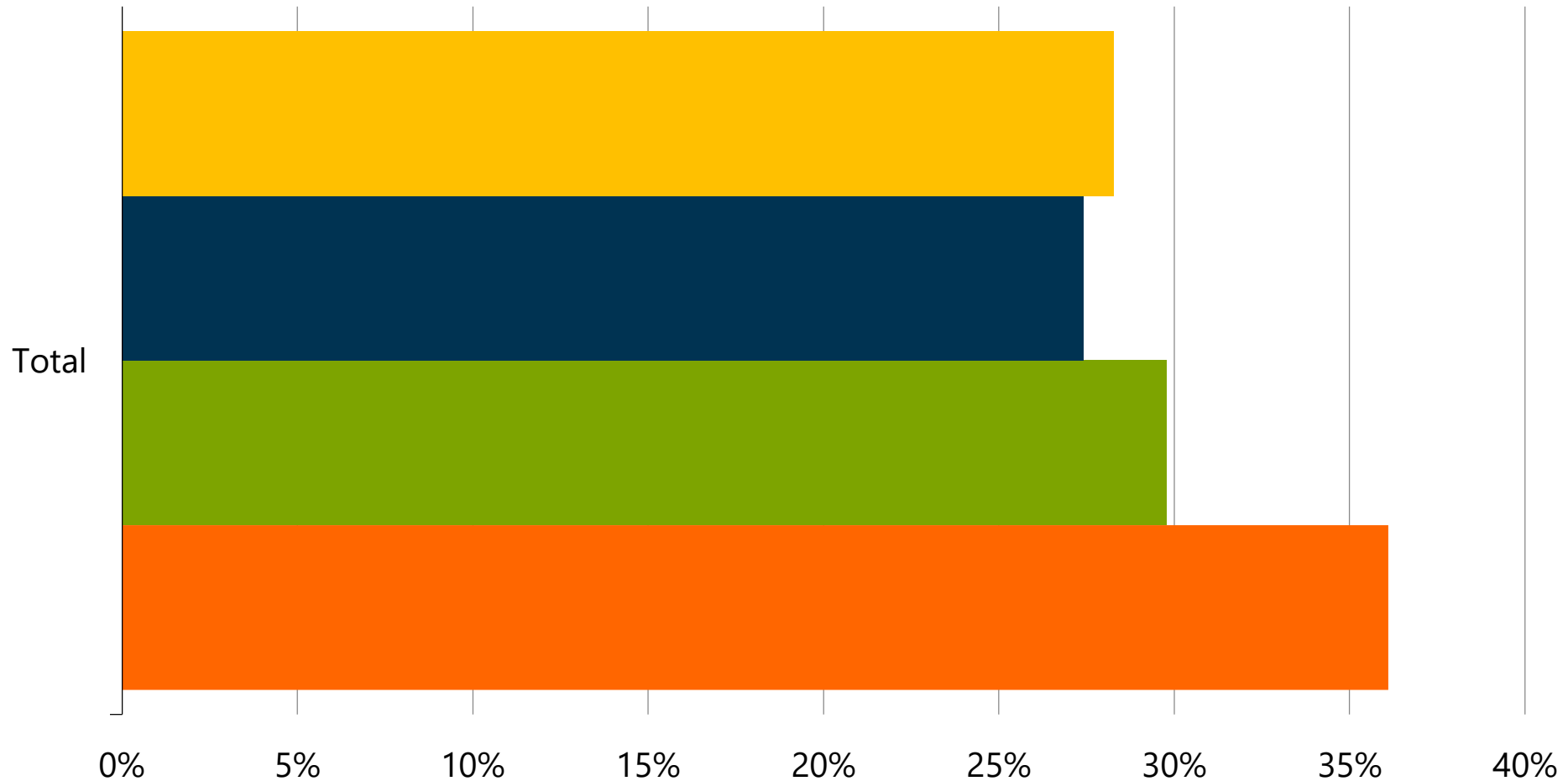
% working at home, average over the quarter, HLFS

■ Infometrics estimate, WFH

■ Dec-20

■ Sep-20

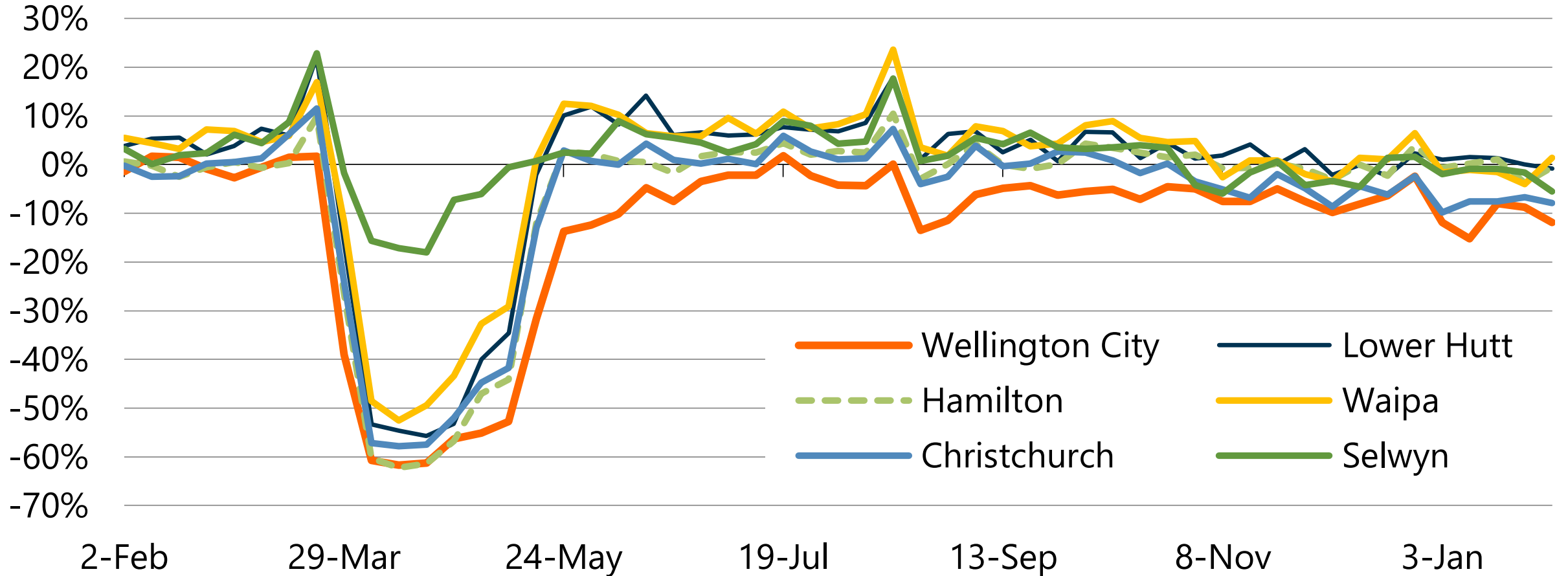
■ Jun-20



# Working from home will change NZ

## Metro areas lose a bit of heat

Annual % change, weekly. Source: Paymark

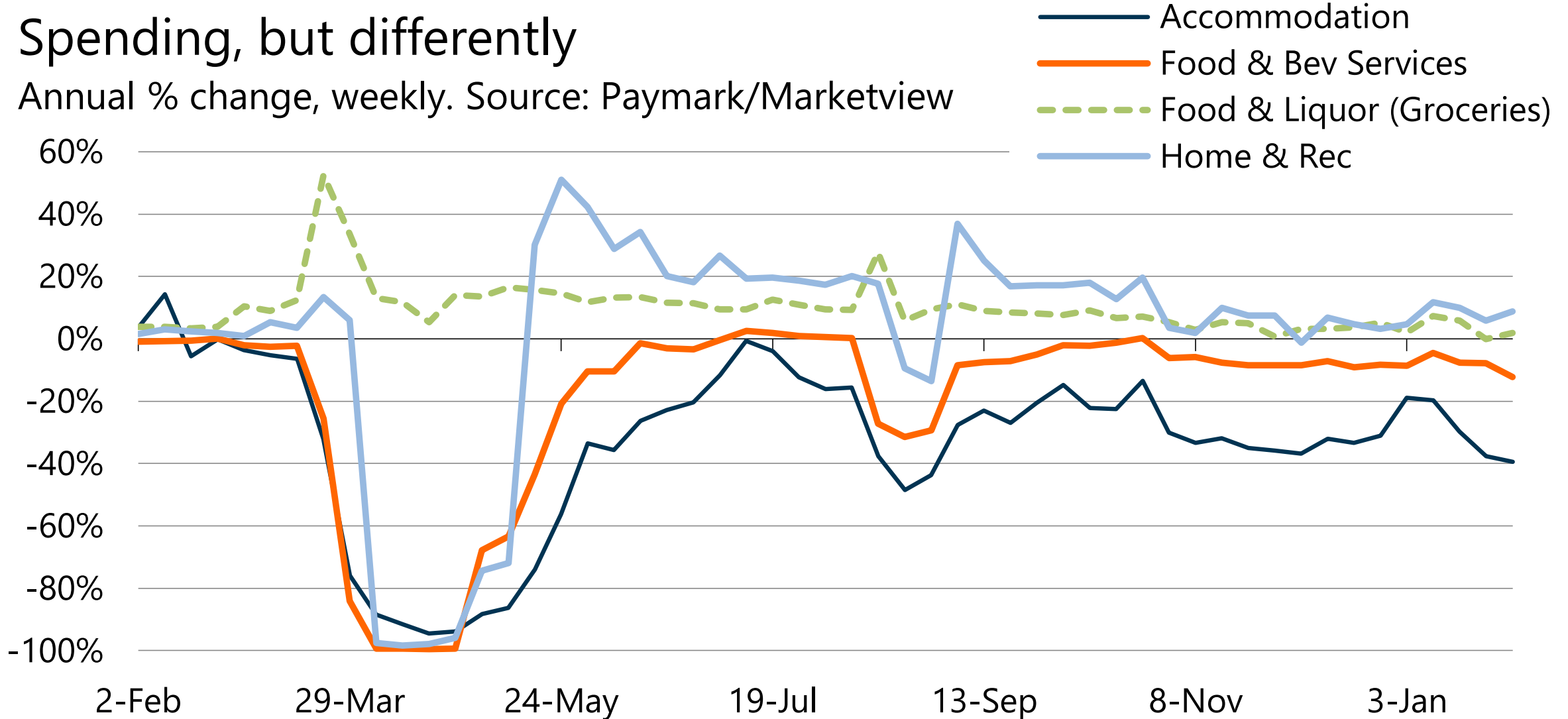




# Cooking and DIY in focus

## Spending, but differently

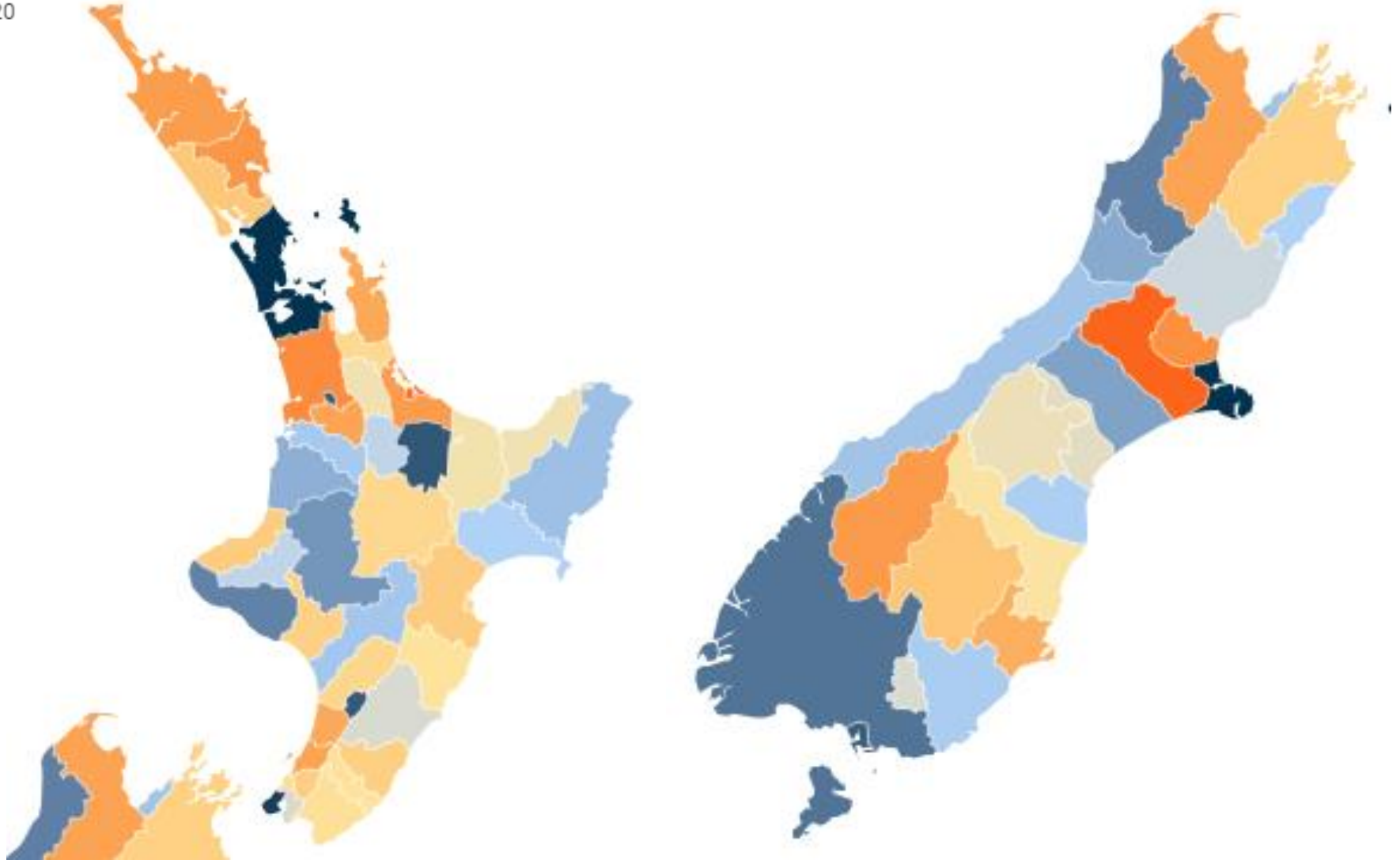
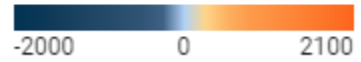
Annual % change, weekly. Source: Paymark/Marketview



# Moving to the regions

Net internal migration flows, 2020

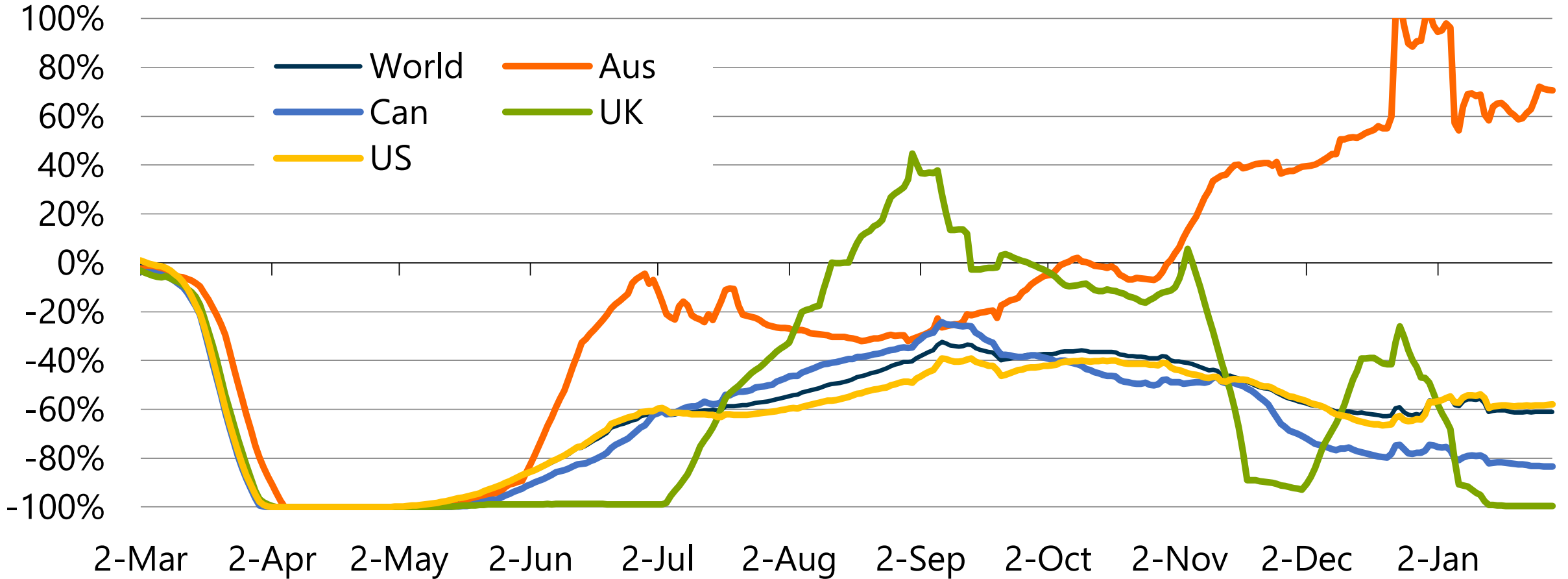
Net number of people



# Globe still reeling

## Not as many people heading to restaurants

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



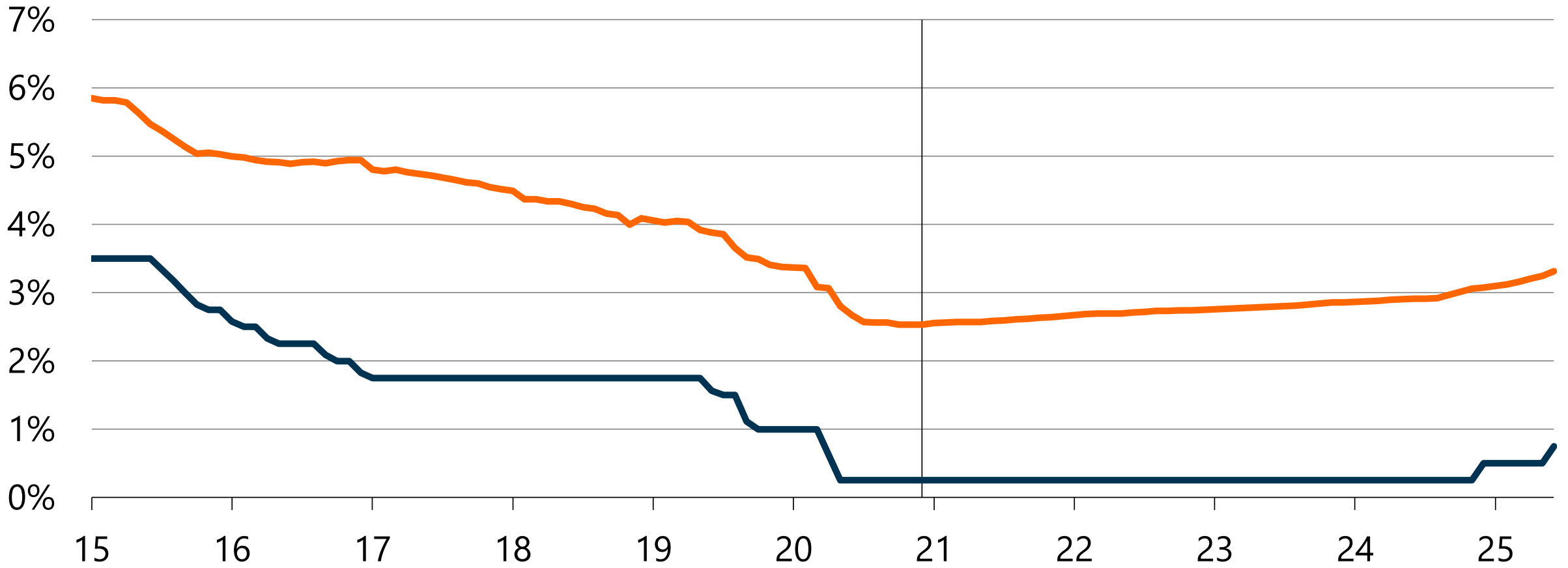
# Old issues, new solutions?

# Housing set to get worse before it gets better

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

Interest rates, %, monthly averages

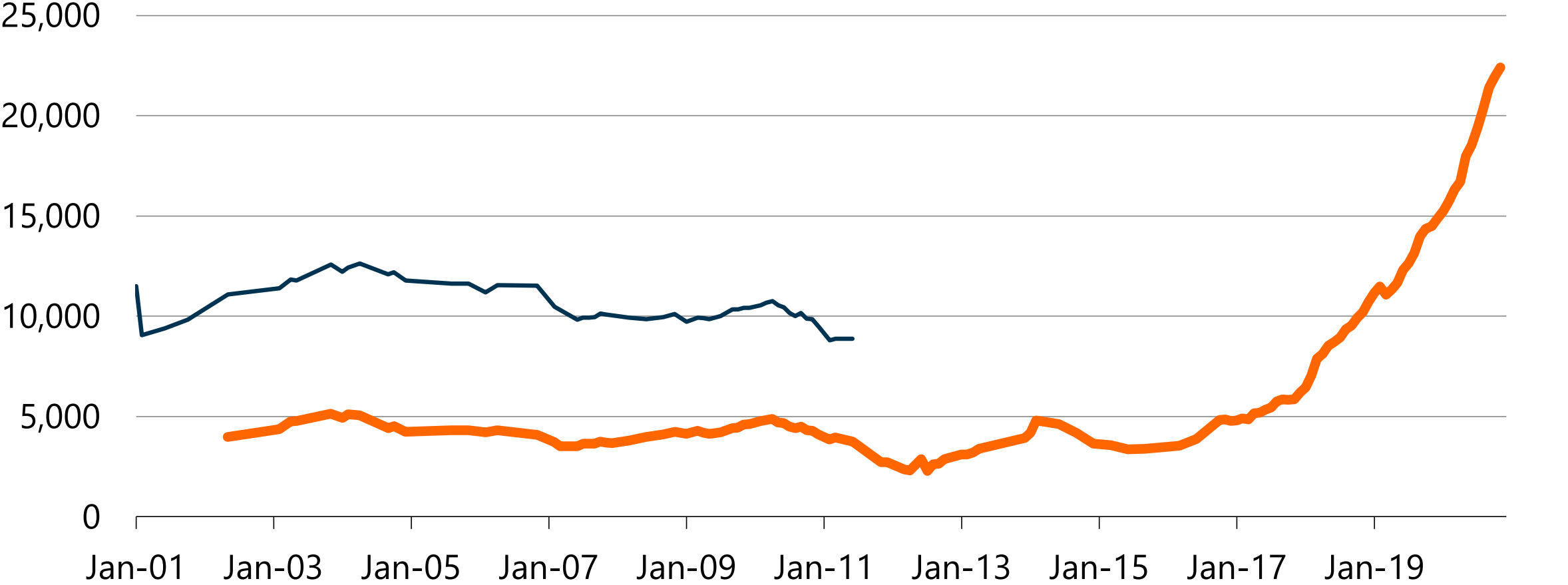
— OCR  
— 1 year fixed



# Some Kiwis are still struggling

## The critical shortage of state houses

State house waiting list



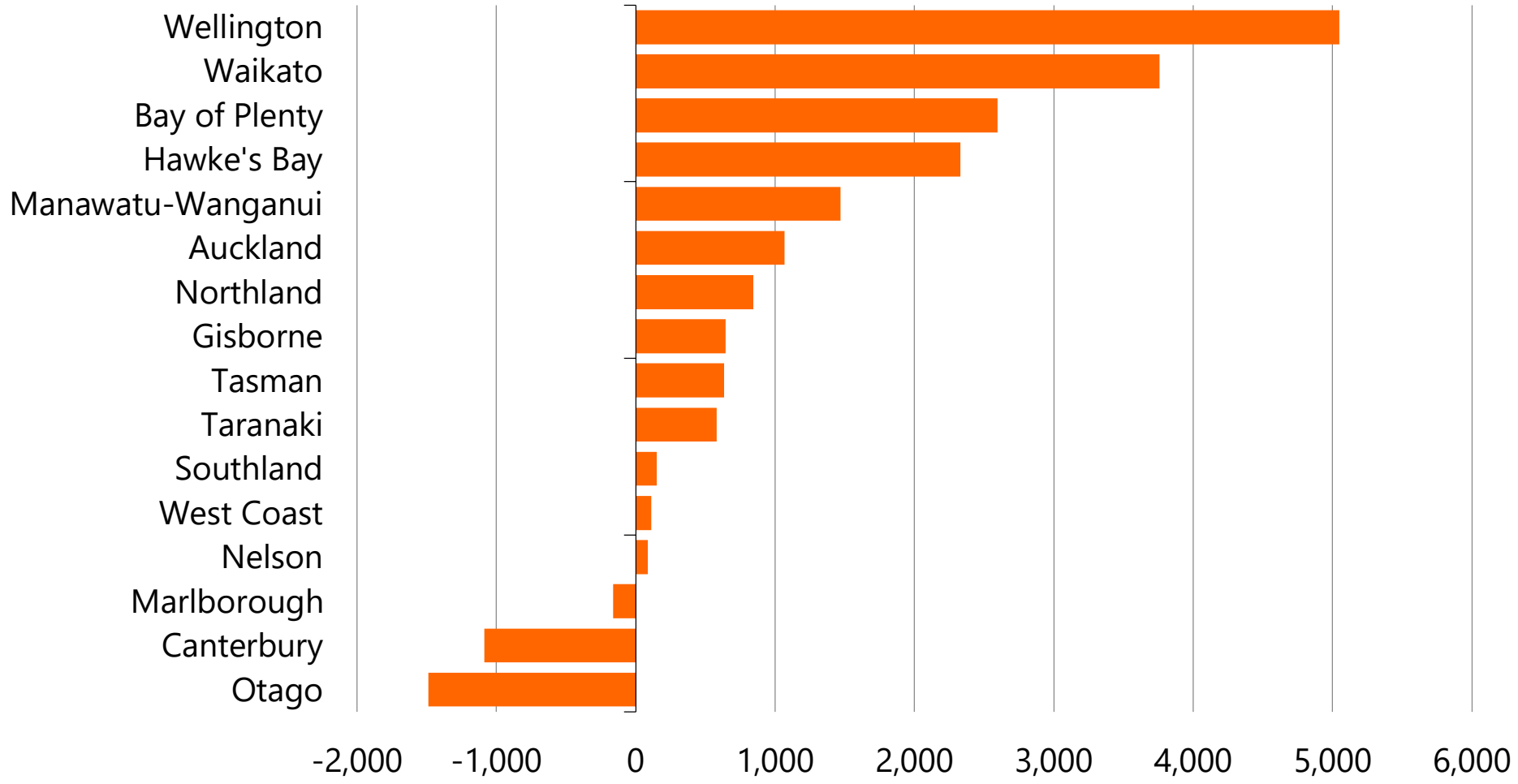
**Not everyone's doing well**

# • Not everyone is humming •

## Examining job changes by region

Filled jobs by region, all industries, December 2020

■ Annual change



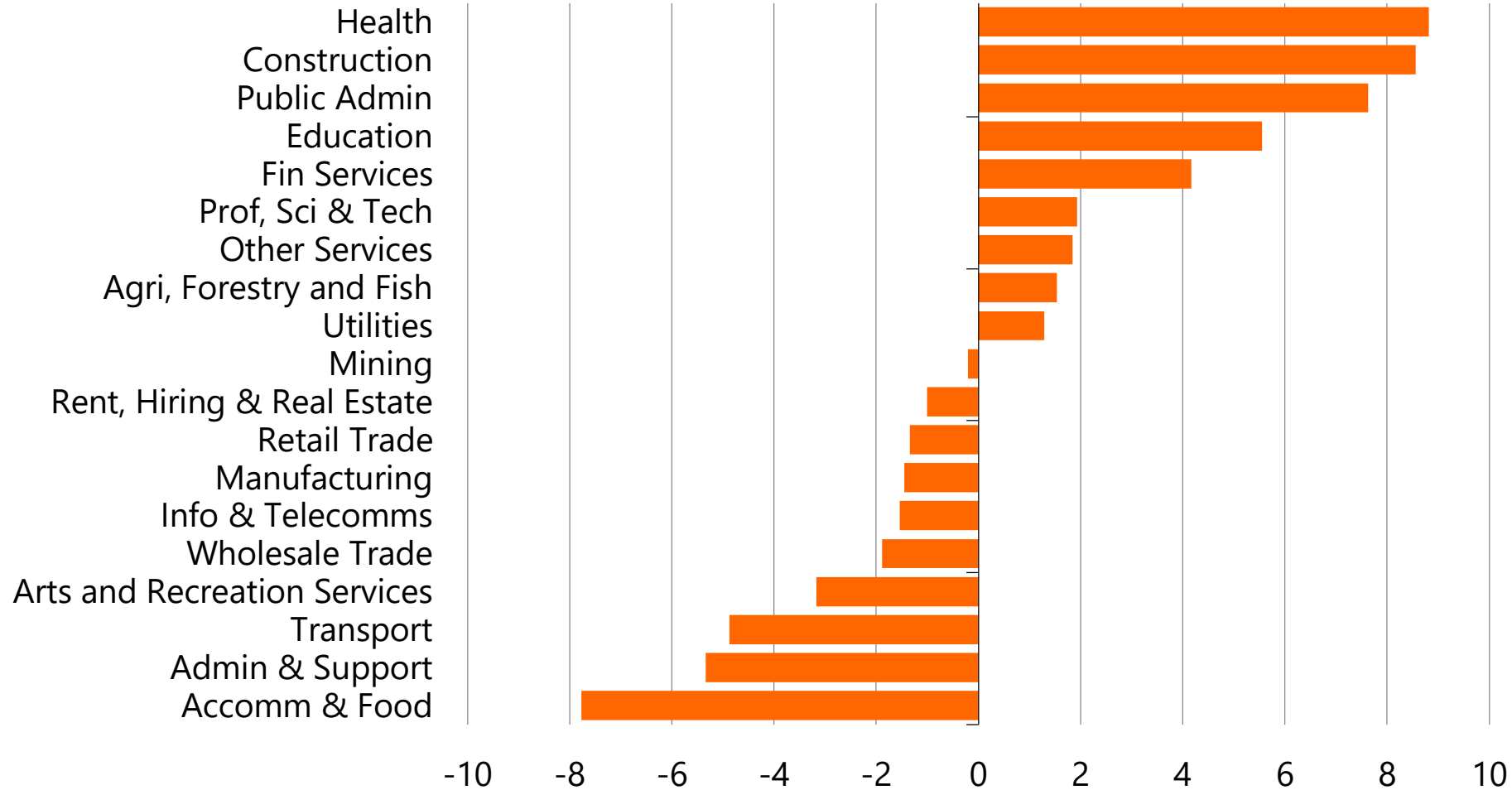


# Health & hammers rise

## Examining job changes by industry

Filled jobs by industry, 000s, national, December 2020

■ Annual % change

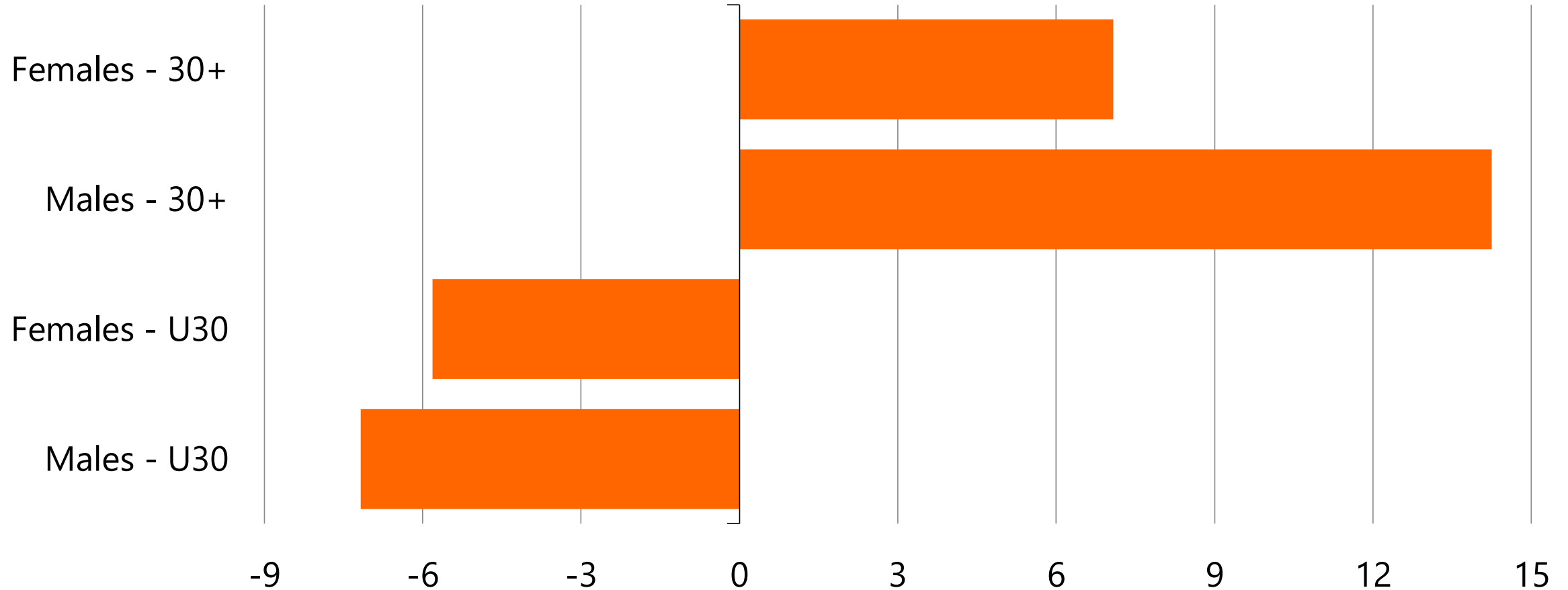


# Not all groups doing well

## Females and young people hit hardest

Filled jobs, 000s, December 2020, national

Annual change

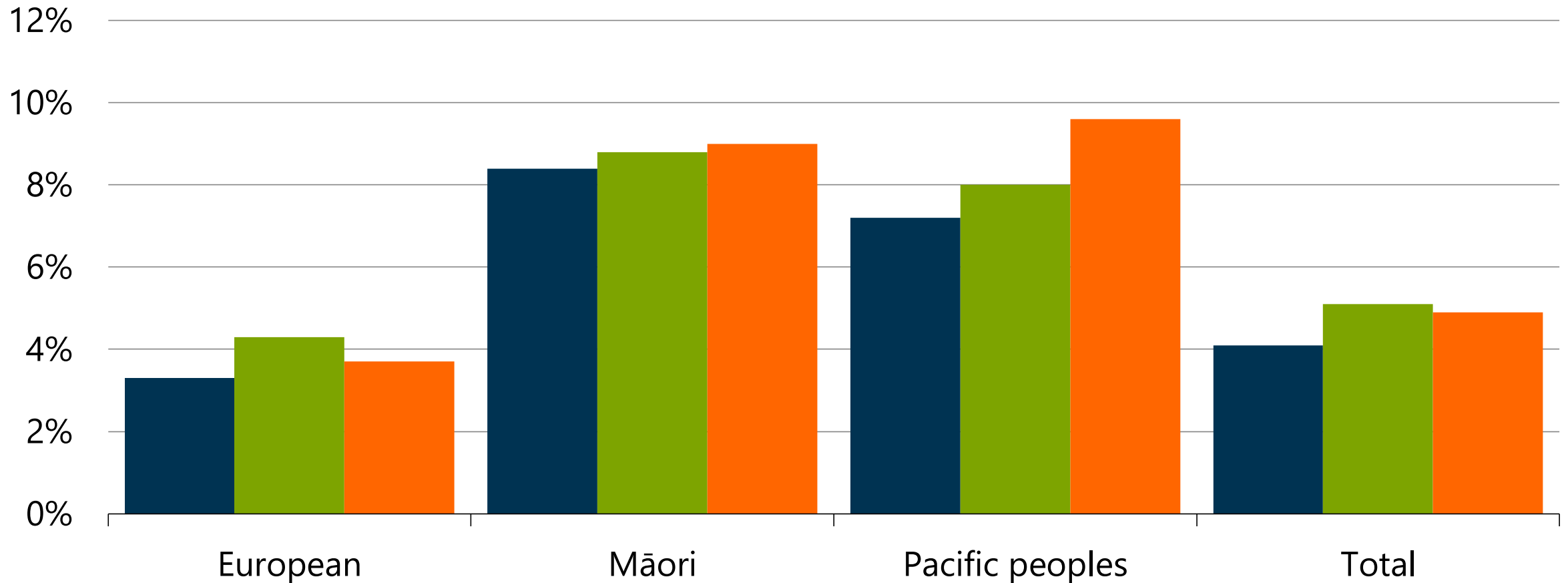


## • Not all groups doing well •

### Worrying rise in Pasifika unemployment

Unemployment rate, for selected quarters & ethnicities

■ Dec-19 ■ Sep-20 ■ Dec-20





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