

COVID-19: implications for Māori

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Overview

Our macro economic forecast: recovery will take time

Working under Level 4 and Level 3

Sectors: Maori job losses and job creation

Regions: Maori job losses and job creation

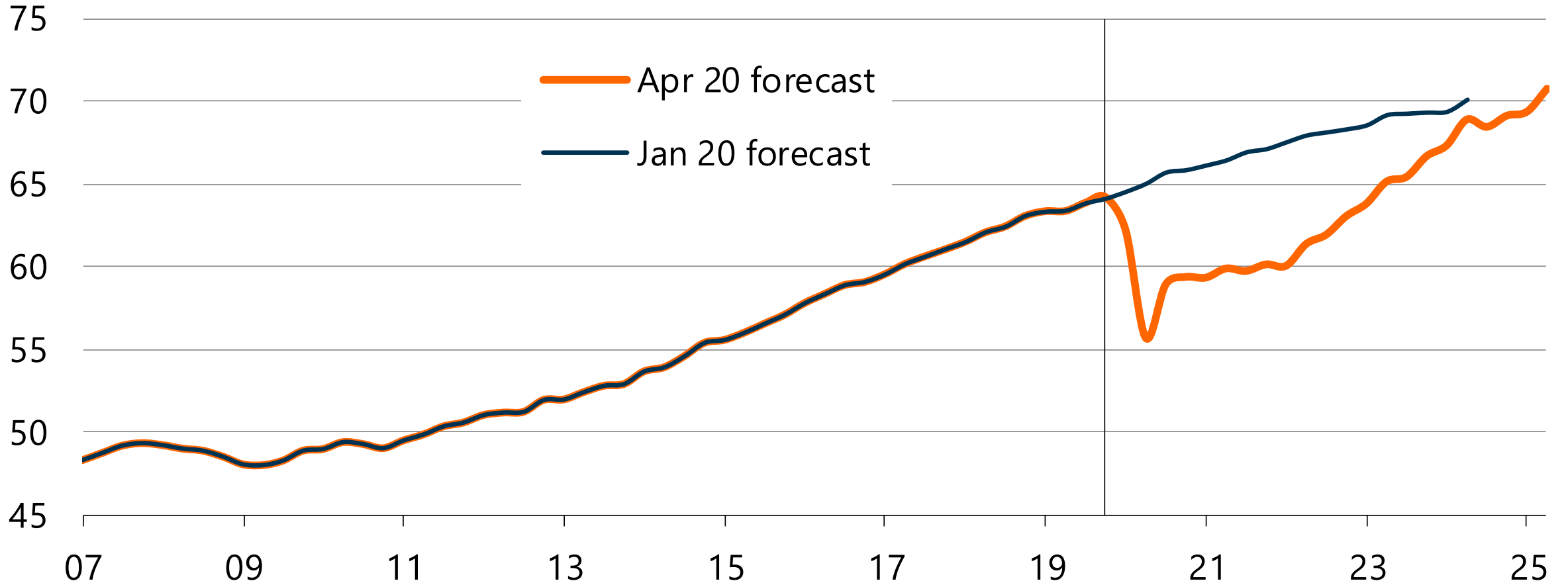
Unemployment

Health warning: this unprecedented economic shock makes accurate forecasting even harder than usual

Economic outlook

This recovery will take time

GDP forecast comparison, quarterly seasonally adjusted, 2009/10 \$b

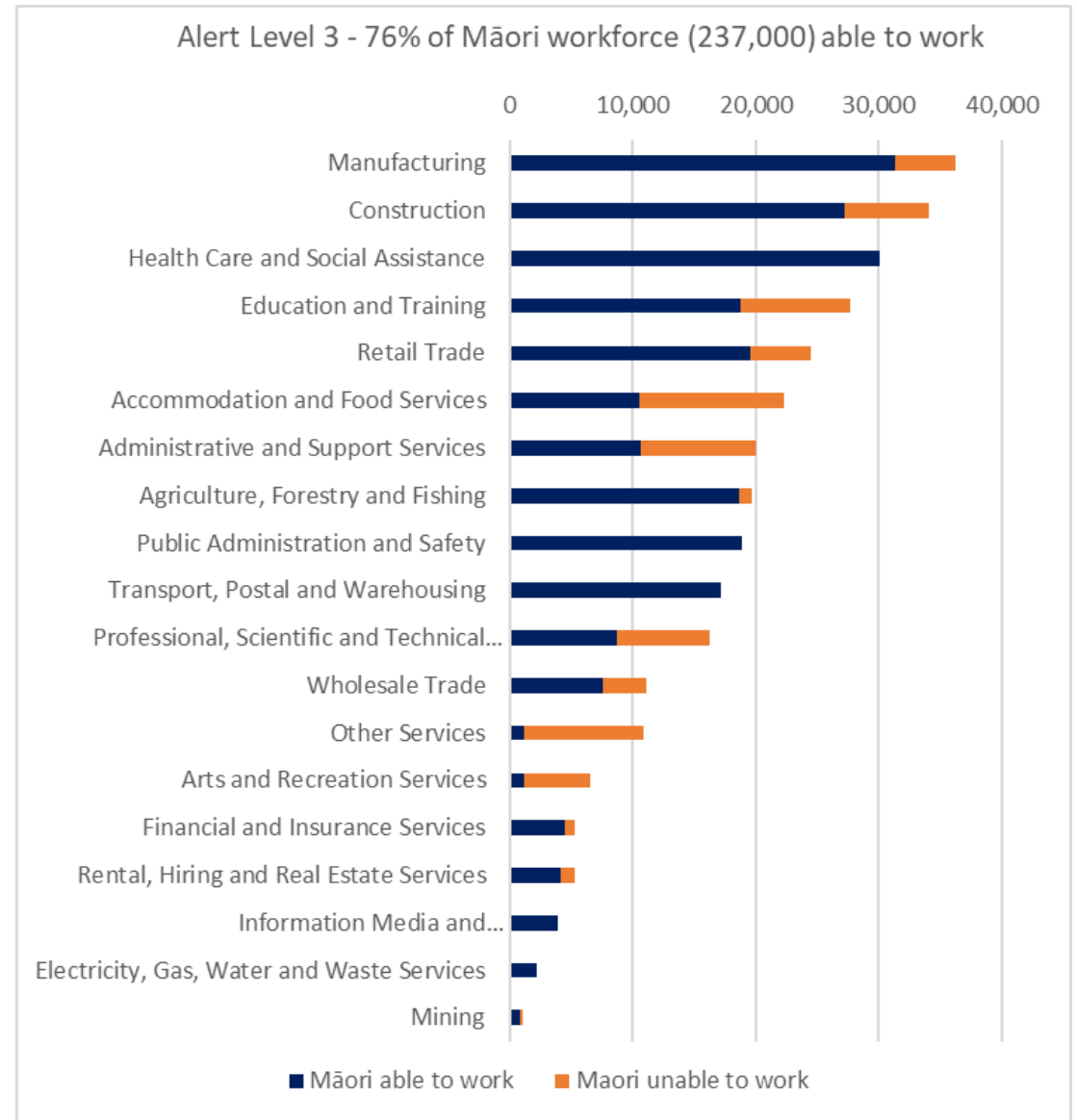
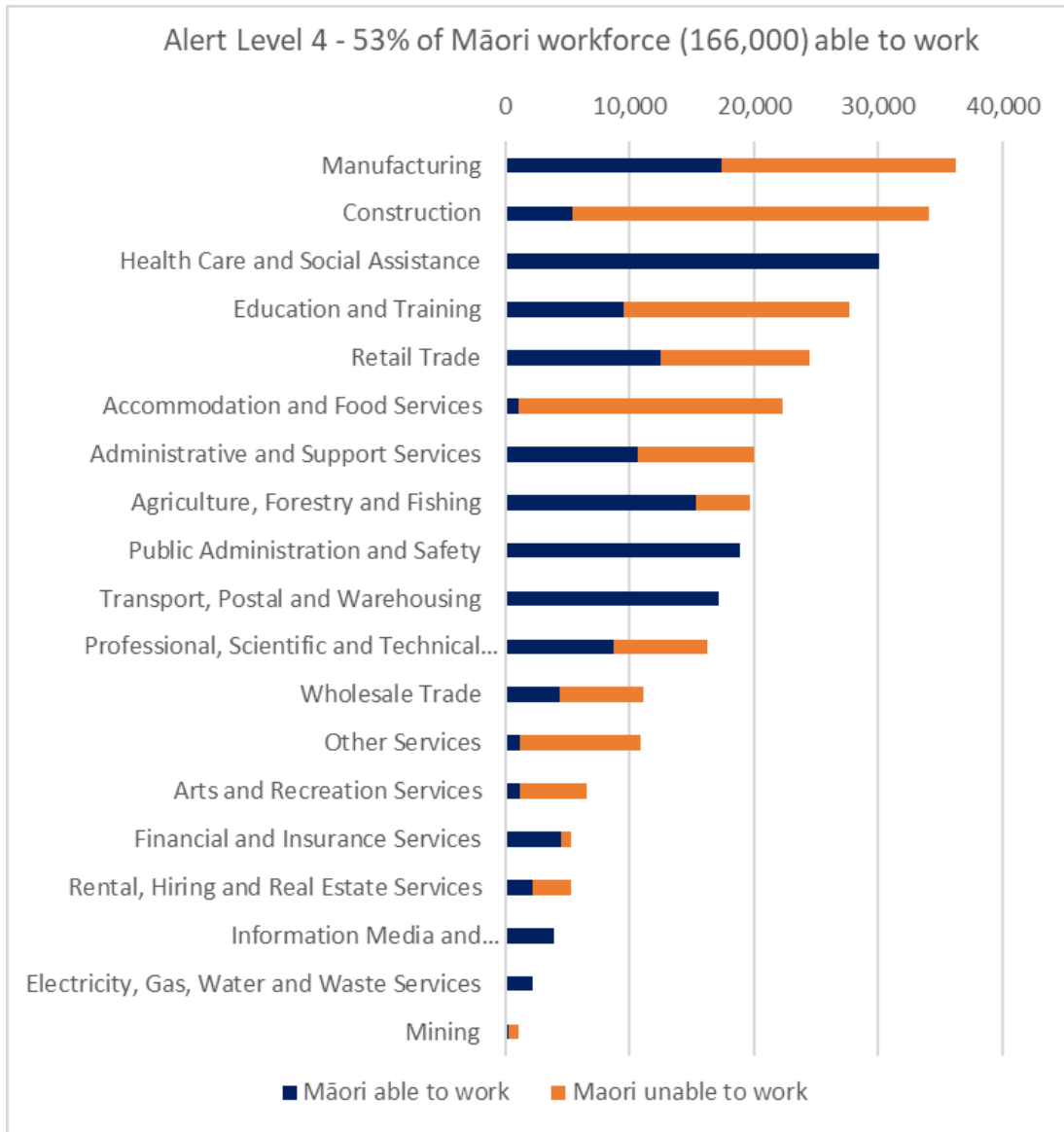


Economic outlook

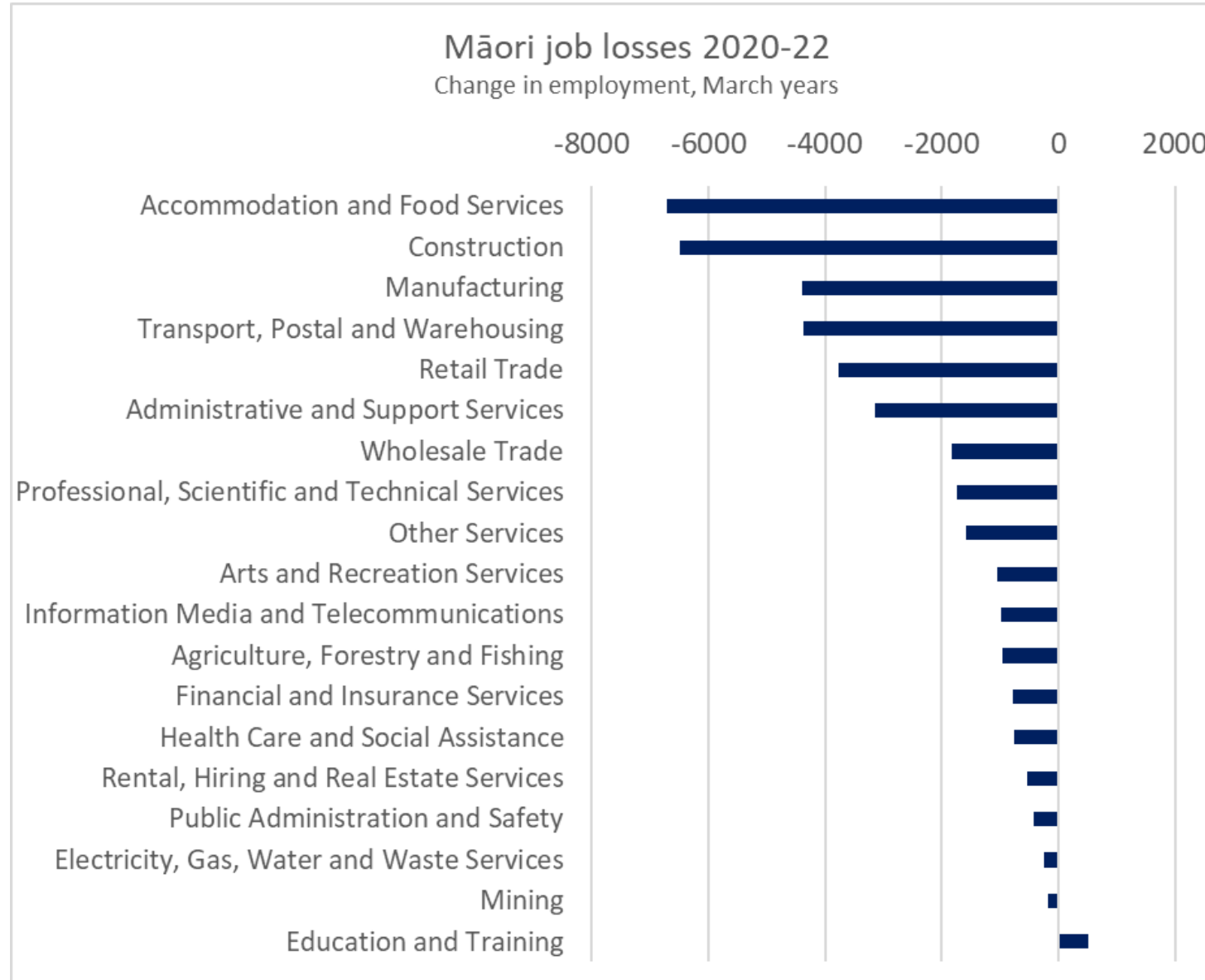
Our assumptions

- **Lockdown:** is **4½ weeks** at Level 4 and **2 weeks** at Level 3
- **Economic activity:** **65%** under Level 4, **82%** under level 3
- **Exports:** global demand for food OK but non-food exports will take a hit
- **Tourism:** **91%** fall in foreign tourism this year, **21%** decline in domestic tourism
- **International education:** revenue **halves** this year
- **Domestic education:** **8%** increase this year
- **House prices:** **11%** drop by the end of 2021
- Construction: residential and non-residential construction work down **20%** this year, prospects for civil construction are positive
- **Government:** **\$10b** wage subsidy scheme and **\$2.5b** increase in social welfare benefits of \$25 per week.

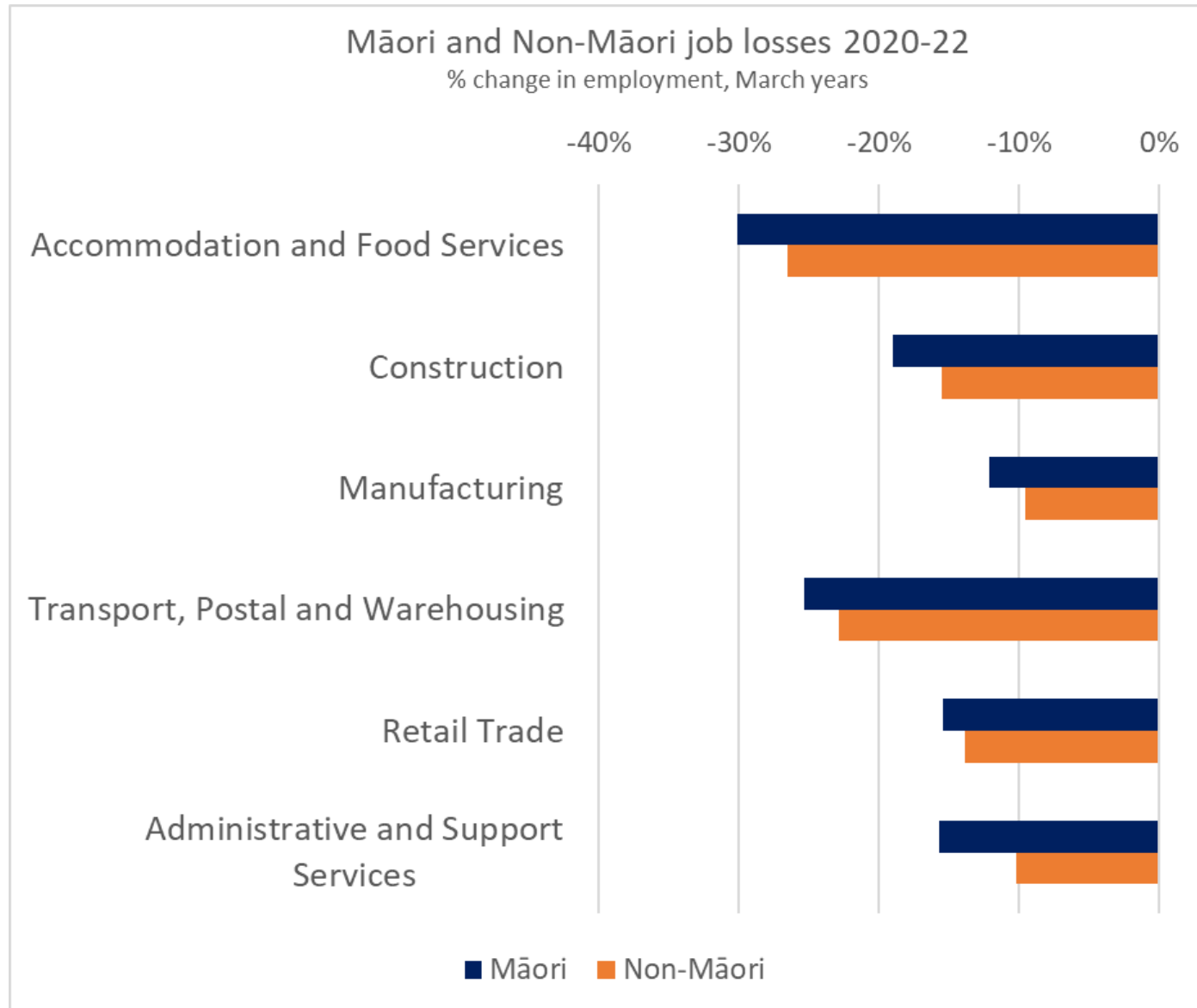
• Sector overview – working under lockdown •



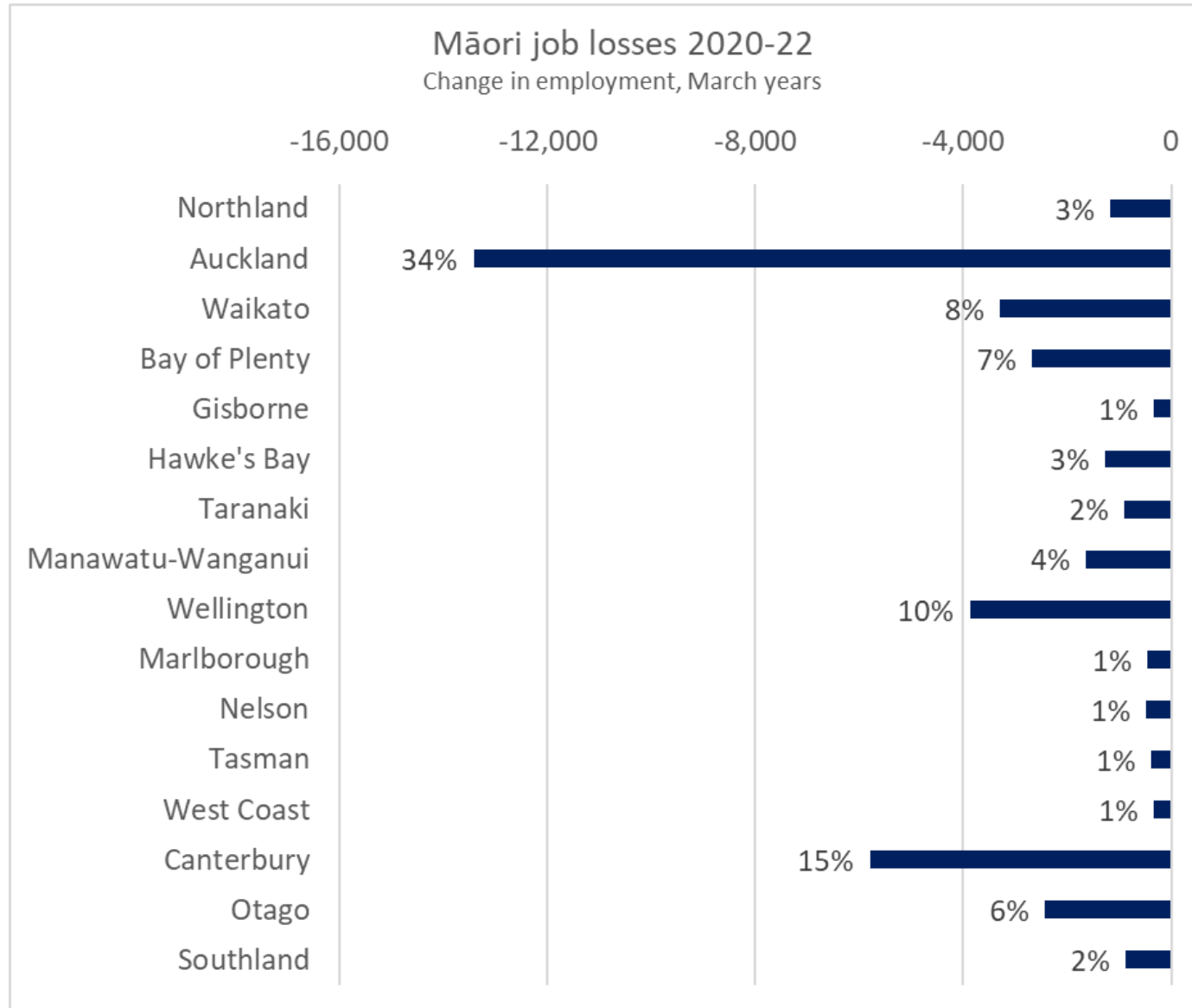
Sector overview – job losses



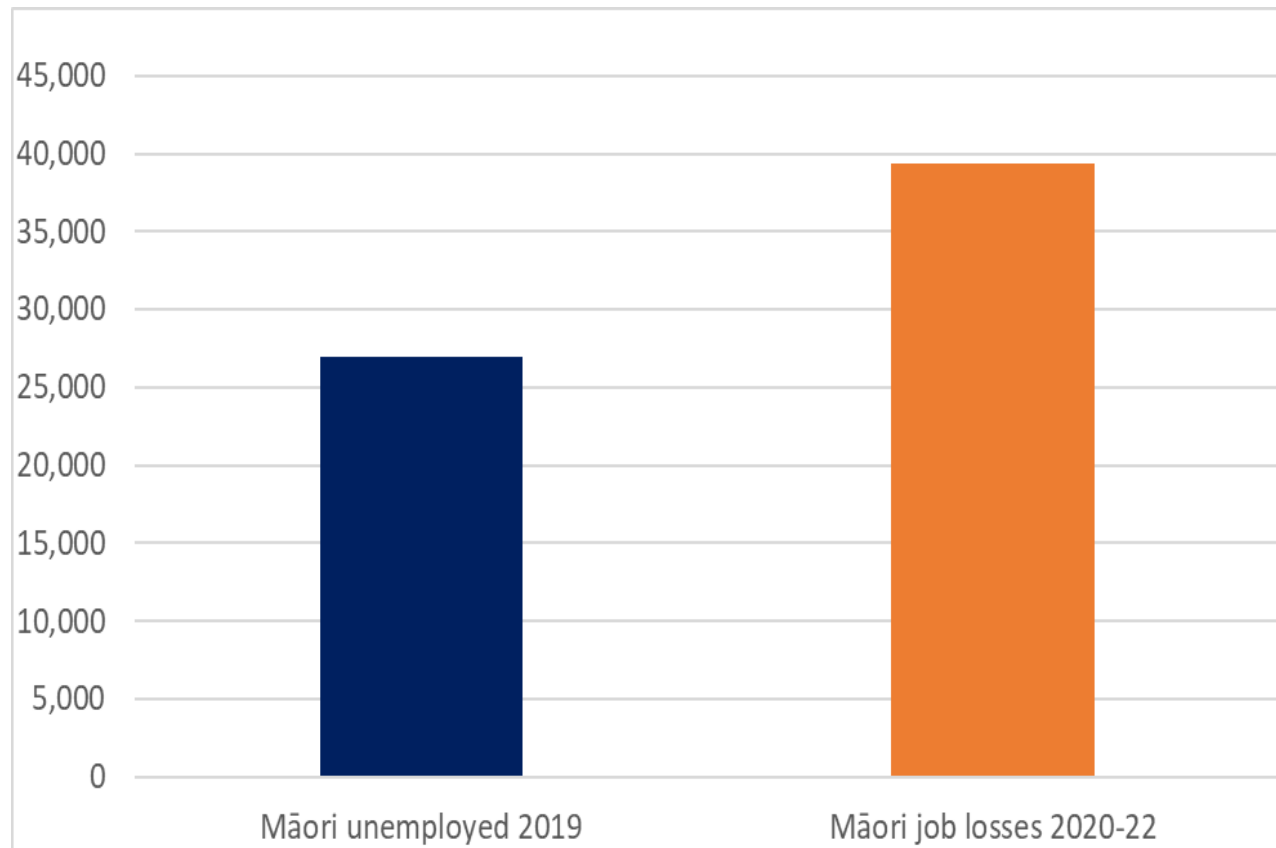
Sector overview – job losses



Regional overview – job losses



Job losses in perspective

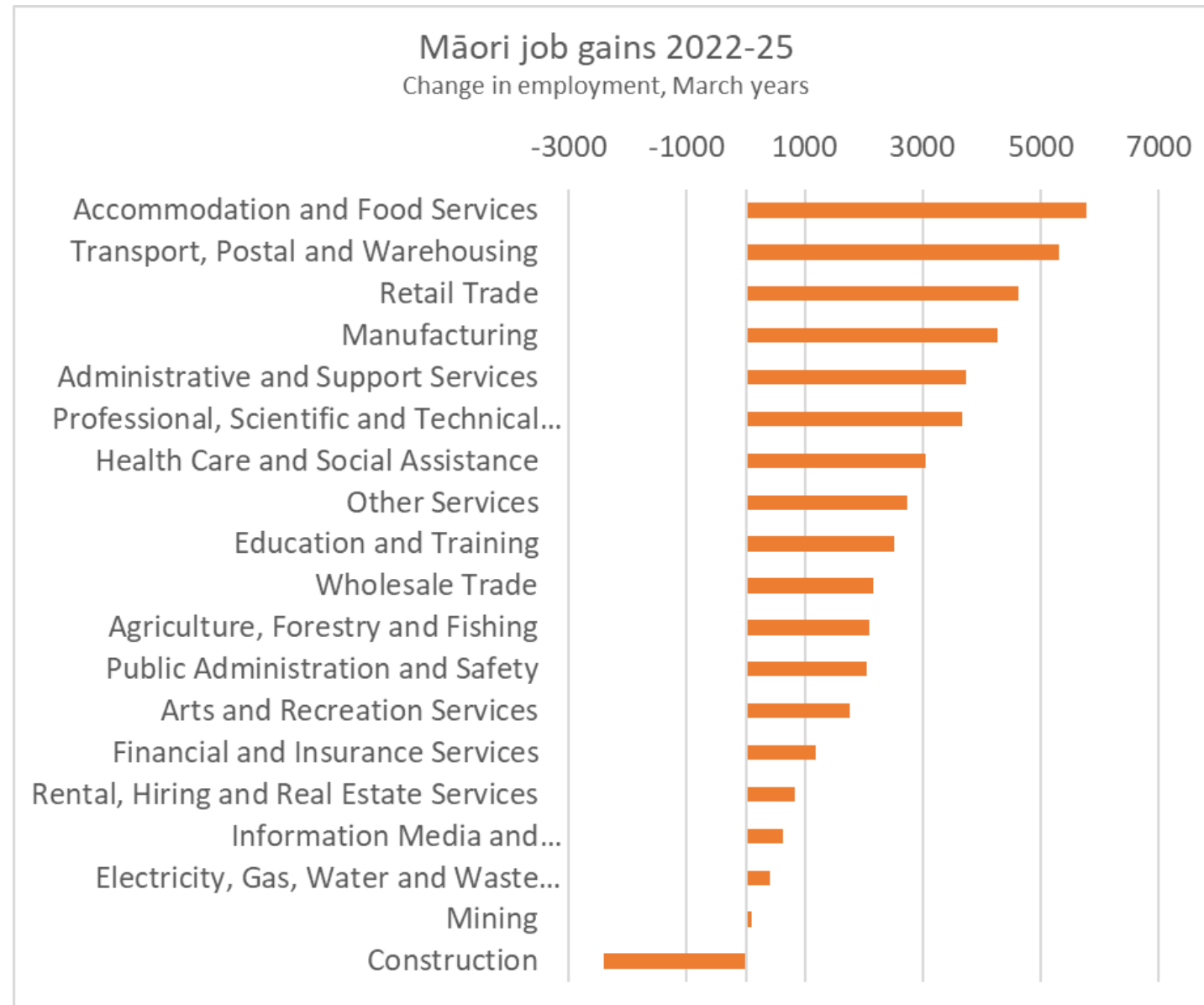


Māori employment rate:

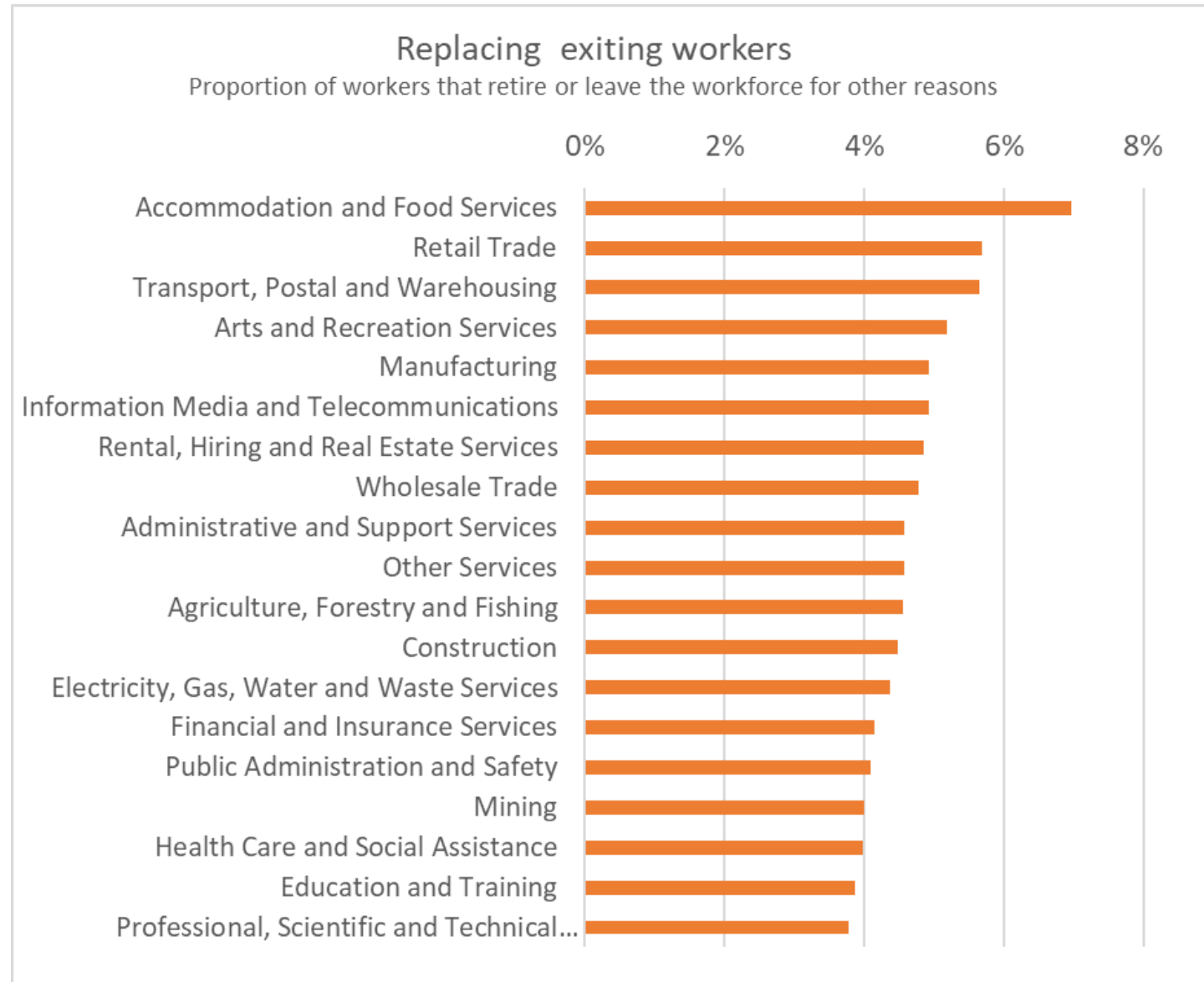
- 63% in 2020
- 53% in 2022

Māori unemployment rate could rise above 16%

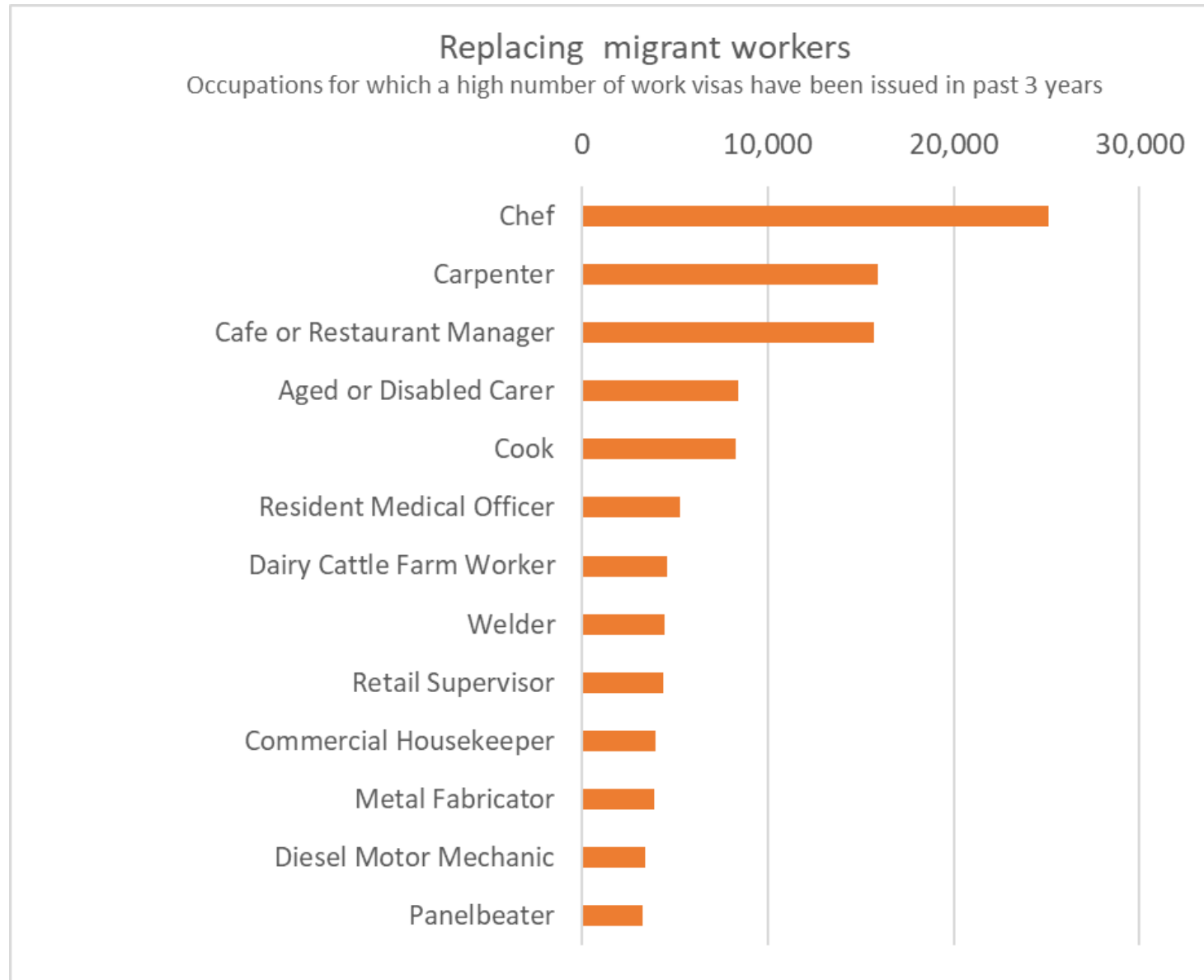
Sector overview – job gains



Sector overview – replacing exits



Sector overview – replacing migrants



Summary

- It's going to be a tough couple of years
- We conservatively estimate that close to 40,000 Māori could be put out of work in the next 2 years
- Unemployment could rise above 16%
- Hospitality and construction jobs most at risk
- Hospitality should bounce back, construction might not



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