



Media Release  
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## **Selwyn well placed to recover from COVID-19 – report**

Selwyn's diverse economy and strong agricultural base are likely to reduce the impact of COVID-19 on the district's economy.

That's according to an initial analysis of the pandemic's effects on the Selwyn economy, prepared by economic analysts Infometrics.

The report, prepared in April, projects that the district's economy, which has been one of the strongest in the country for several years, will contract by about 5.4 percent over the year to March 2021.

Hardest hit is likely to be the construction sector, which could see a reduction of 27 percent, while accommodation and food services could reduce by 22 percent.

Lesser reductions could be seen in transport, postal and warehousing activity (-16%), professional, scientific and technical Services (-8%) and retail and wholesale trade (-6%).

Data showed that consumer spending and traffic volumes were down substantially during lockdown. Around 56 percent of the workforce was able to work under the Level 4 lockdown, and the analysts expected 78% of Selwyn's workforce was able to work during Level 3.

Employment in Selwyn is expected to decline by 2,100 jobs in the year to March 2021, a drop of 8.6 percent – but lower than the forecast national decline of 9.8%. Job losses are expected at all skill levels.

The loss of jobs means the overall unemployment rate in Selwyn is forecast to rise from 2.3 percent in the March 2020 quarter, to 7.1 percent in March 2021. This compares to the forecast national unemployment rate of 9 percent.

Selwyn's house prices are also expected to follow the national trend, and decline 10.8 percent between December 2019 and December 2021, before gradually recovering.

Looking ahead, the report suggests that primary sector exports are expected to hold up and food product manufacturing will expand slightly, supporting the district's longer-term recovery.

Selwyn Mayor Sam Broughton says the report provides a mix of good and bad news.

"We can't ignore the fact that many households and businesses in Selwyn have been hard hit by this pandemic," he says. "Many people have lost jobs, businesses have been forced to close, and our overall economic activity has declined steeply.

"It will take time for us to recover from this. It's not a great position to be in but because we are less exposed to the international tourism market we're certainly better off than many other parts of the country.

"It's clear that the construction boom we've been experiencing for the past several years will take a hit – but at the same time we know Selwyn offers a great lifestyle and affordable housing options that will remain attractive to many families.

“Another real strength in Selwyn is our agricultural sector – and it’s encouraging to see that primary exports and food production are forecast to remain stable. I hope we’ll see employment opportunities open up in those sectors too.”

Mayor Broughton says the Council has a central part to play in the district’s recovery. “One of the key things we can do is maintain a steady programme of infrastructure projects that support local communities, along with the essential services that our residents rely on every day.

“We’re also talking with community and business leaders about what the future looks like, and how we can work together to build a stronger Selwyn. That will include things like making the most of our rural character and strong local networks, finding ways to support local businesses and encouraging locals and visitors to explore our outstanding natural environment.”

The full Infometrics report, Economic Impacts of COVID-19 on the Selwyn Economy, is available on the Selwyn District Council website at:

[www.selwyn.govt.nz/services/business/our-economy](http://www.selwyn.govt.nz/services/business/our-economy)

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Selwyn District Council media

027 556 8298

[media@selwyn.govt.nz](mailto:media@selwyn.govt.nz)