

# TONY'S VIEW COVID-19 #8 SUPPLEMENT

## Input to your Strategy for Adapting to Challenges

Feel free to pass on to friends and clients wanting independent economic commentary

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### My Aim

To help Kiwis make better decisions for their businesses, investments, home purchases, and people by writing about the economy in an easy to understand manner.

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### A Few Good Things

Our thoughts naturally are with those who are losing their jobs and businesses as a result of this crisis. But we also need to acknowledge that not everything or everybody will come out of this worse off. So, in the email containing my Tony's View of last Thursday I invited people to give me their thoughts on what they think might get better, what they are thankful for, or what they are simply looking forward to.

Nothing in the following list offsets the clear negatives, and our world would have been better off without the virus from China. But I figured finishing this Supplement series on a positive note would be nice.

### Working from Home

This was the most commonly suggested positive, with benefits including

- reduced commuting time, stress and expense
- reduced pollution and contribution to climate change
- reduced need for investment in the roading network
- improved family life, seeing children off to school and during daylight hours on winter evenings
- reduced after-school childcare costs
- better communication with people not habitually in centralised workplaces
- better business for neighbourhood cafes

### Health

- Improved access to healthcare from online consultations.
- Likely improved investment in the public health sector and systems.
- Greater levels of preparedness for the next health crisis.
- Better personal and public hygiene, less hand shaking long-term, and eventually more informal social distancing bringing reduced incidence of flu and colds.
- Better health from more regular exercise patterns which may have become established, including online yoga and fitness classes.
- Fewer people with the usual flu and colds.

### Business

- A greater range of eager people for employers to choose from following years of worsening difficulties finding suitable people.
- Forced to innovate some small businesses are finding they do not in fact need any premises beyond their home and a desk to work from, thus saving travelling and leasing costs.
- Greater sales for hardware stores are expected as people look to make their home work-friendly.
- People learning and embracing new IT skills, driving improved efficiency, improved communications and cost reductions.
- Greater update of productivity-boosting technology.
- Businesses protecting themselves against disruption by being disrupted now and responding.
- Vets report that because farmers have to phone in orders, they are more organised.

- Some businesses have discovered that delivering to order is actually more profitable than maintaining a physical storefront hosting people.
- Lower borrowing costs long-term than would otherwise have been the case.\*
- Reduced fuel prices.\*
- A slightly lower exchange rate facing exporters.\*
- Better attitudes toward our farmers and perhaps reduced regulatory pressures in the near term.\*
- A potential accelerating of upgrading New Zealand's infrastructure.\*
- Reduced commuter congestion on roads making transporting business inputs and outputs easier.\*

### Social

- Increased value being placed on contact with other people and an increased sense of community.
- Getting to know neighbours with evening drinks at the end of respective driveways most nights.
- People likely to embrace their small local shops.

### Tourism

- Cheaper campervans for Kiwis to hire.
- Less congested roads, tramping tracks and less pollution from foreign tourists long-term.
- More affordable domestic tourism with operators having to price to Kiwi budgets, not the deeper pockets of people from wealthier countries.

### General

- Improved housing availability with Airbnb properties back in the long-term rental pool and maybe offered for sale.
- Improved housing affordability with lower interest rates and lower prices.
- Fewer lives lost and accidents in workplaces and on the roads.
- It is safer walking footpaths without electric scooters for hire zooming past.
- A mental health break for those who have over-worked for years.
- Learning that families do not need to go to the mall to have enjoyable family time together.
- Removal of the "froth" from sharemarkets.
- Improved budgeting skills and precautionary savings in readiness for any future income shocks.
- Garages have been cleaned out and houses painted. Spousal occupants who have been demanding this for some time are reported to be very happy.
- Greater diversity in supplies of critical goods is likely to be pursued, making us more resilient to the next health shock.
- Reduced travel costs and time from having groceries and other items ordered online and delivered.
- Fewer road accidents.\*
- A potential reorientation of our universities back to providing high quality education to Kiwis rather than running a business serving foreign families.\*
- Clear evidence to young people of how rapidly a deposit for a house can be saved if one does not spend on eating away from home, cafes, bars, overseas travel, frequent new clothing etc.\*
- Investors have gained a better understanding of their risk tolerance – especially young people in KiwiSaver.\*
- Young people are now developing resilience.\*

\* My thoughts not already mentioned by respondents.

Supplements 1 - 7 can be found here

<http://tonyalexander.nz/publications.php>

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