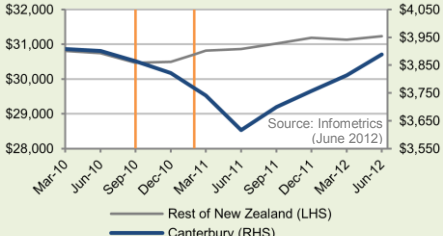


## Output and Trading Activity

### OUTPUT

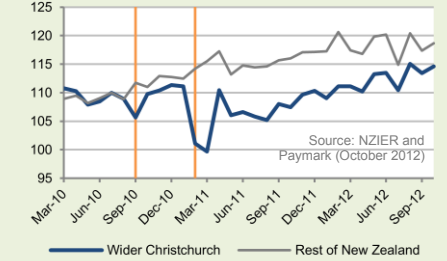
Infometrics estimate of real gross domestic product seasonally adjusted in 1995/96 prices, \$ millions



There has been no change in the strong total output growth of 4.4% through to June, reported in October. However, the latest NZIER Quarterly Survey of Business Opinion suggests that there was a slight dip in the domestic trading activity of Canterbury firms. This should reverse in future quarters as the recovery continues to pick up pace.

### CONSUMER SPENDING

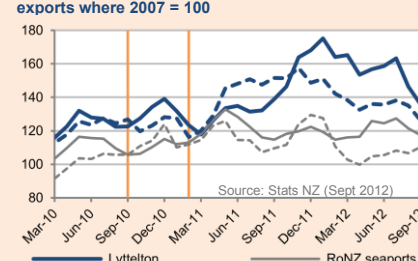
Electronic card transactions on the Paymark network - seasonally adjusted and indexed where 2007 = 100



The recovery-driven growth is not limited to construction. As one example, the growth of consumer spending in Canterbury in the last year is the highest of any region in New Zealand. The value of spending in the region has increased 6.5% year on year according to Paymark data in October.

### INTERNATIONAL TRADE

Trade index - three month rolling averages of free on board values for merchandise trade of imports and exports where 2007 = 100

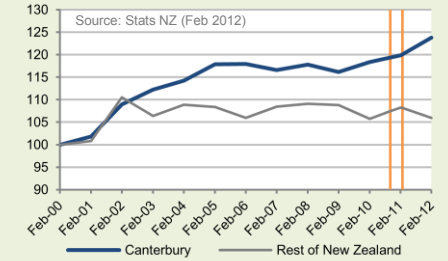


Exports remain relatively subdued compared to the high levels earlier in the year. Nonetheless, the Lyttelton Port Company announced an operating revenue of \$105 million for the year to June 2012, up nearly 15% from the previous year.

## Key Sectors

### AGRICULTURE

Employee count of agriculture, forestry and fishing business units, indexed where 2000 = 100

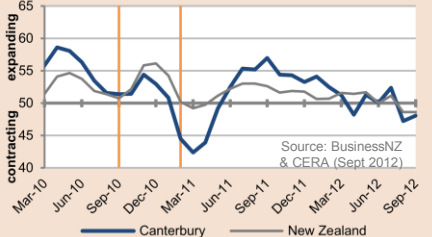


Statistics NZ's annual business demographic survey has just been released and it shows consistent growth in employment in the Canterbury agricultural sector. In addition, the Infometrics estimates reported in October showed regional growth in this sector outpacing national growth to June this year.

## Key Sectors

### MANUFACTURING

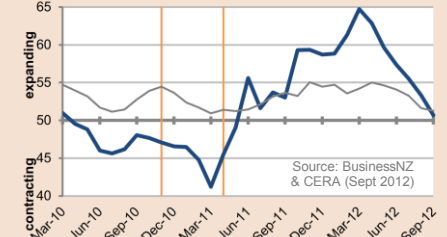
Performance of Manufacturing Index - three month rolling averages



Manufacturing performance remains muted, which is consistent with similarly average performance across the rest of the country. Statistics NZ's annual business demographic survey found that employment in the manufacturing industry has declined in Canterbury at a similar rate to the rest of the country (about 10% since February 2000).

### SERVICES

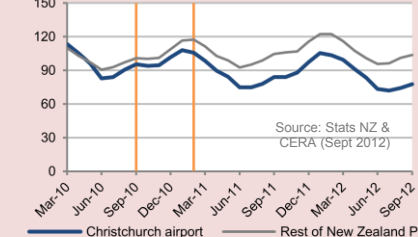
Performance of Service Index - three month rolling averages



The number of Christchurch cafes and restaurants fell nearly 20% in the year following February 2011, according to recent Statistics NZ figures. Despite this, the whole services sector remains robust and has expanded in the last year.

### TOURISM

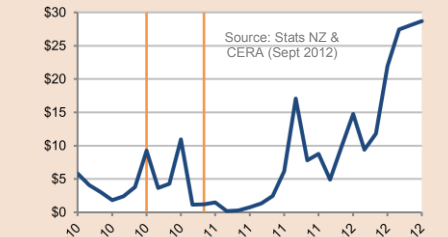
International passenger movements - three month rolling averages and indexed where 2007 = 100



International guest nights in Christchurch City were 114,000 in September 2009. They fell to 96,000 in September 2010 and then to 55,000 in September 2011. Since then they have fallen a further 8% to 51,000. Despite this, there are positive signs, including Christchurch's inclusion in Lonely Planet's top 10 cities in the world to visit during 2013.

### CHRISTCHURCH CENTRAL

Total building consents within the four avenues - millions

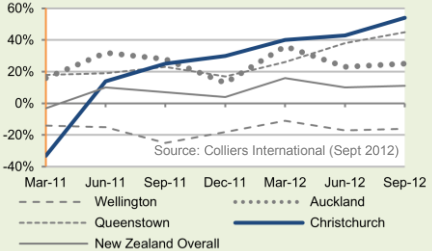


Building consents within the centre of Christchurch City are accelerating. Meanwhile, the first major central city development since the release of the Central City Recovery Plan has been approved. The development is a six storey office and retail block on Gloucester street, next to the COCA Gallery.

## Rebuilding and Confidence

### INVESTMENT

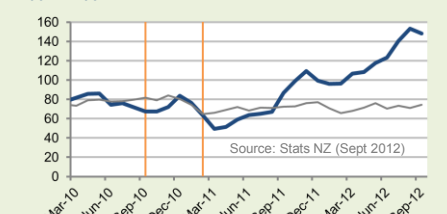
Commercial property investor confidence



Greater Christchurch continues to present attractive investment opportunities for firms and households. The latest Westpac McDermott Miller Economic Confidence Survey found Canterbury to be the only unambiguously optimistic region in the country, with a net 36% of households expecting mainly good economic times during the year ahead.

### CONSTRUCTION

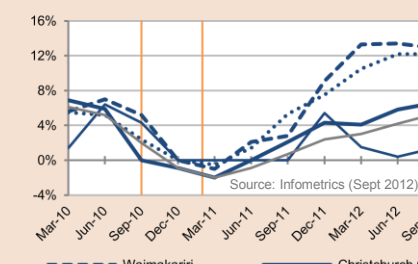
CERA's Index of Building Consents - three month rolling averages of residential and non-residential building consents for new buildings and alterations, indexed where 2007 = 100



Construction activity continues to accelerate. The number of building consents for new residential dwellings in Canterbury increased 80% in the twelve months to September 2012. The value of non-residential building consents also grew by 81% in the same period.

### HOUSING

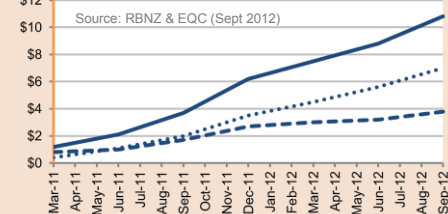
House prices - annual percentage change



Pressures in the housing market are driving up section prices, house prices and rent. There is also a high demand for temporary workers accommodation. Officials at CERA and the Ministry of Business Innovation and Employment (MBIE) are monitoring the situation closely.

### INSURANCE

Estimated cumulative insurance settlements made by the Earthquake Commission (EQC) and other property insurers - \$ billions, excluding GST



Increasing numbers of claims are being settled. The Insurance Council of New Zealand reported that 45% of all Canterbury commercial property claims were settled by June this year.

## Rebuilding and Confidence

### TOTAL SPEND

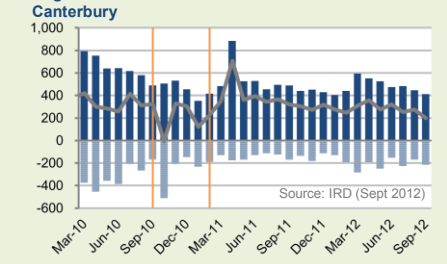
Fletcher Earthquake Recovery (EQR) - total spend to date - millions



Recovery-related expenditure is ramping up as the recovery gets into full swing. Fletcher EQR is the agent appointed by EQC to perform house repairs under \$100,000.

### BUSINESS ENVIRONMENT

Registrations and cessations of businesses in Canterbury

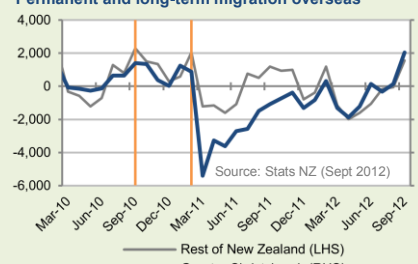


The business environment remains positive. Deloitte's index of 30 South Island publicly listed companies saw growth of 17% in the last quarter to September, with strong performance in the manufacturing and distribution and property sectors in particular.

## Labour Market

### POPULATION

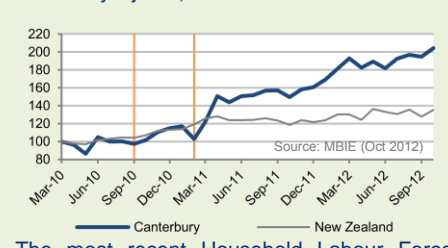
Permanent and long-term migration overseas



The population indicator moves to green this month as Canterbury records positive inward migration. Official population estimates found that the population of greater Christchurch has fallen by less than 2% since the earthquakes. The population of Selwyn has grown by 6.9%, Waimakariri has grown by 3.3% and Christchurch City declined by 3.6%.

### EMPLOYMENT

Skilled vacancies index of jobs advertised online - seasonally adjusted, March 2010 = 100s



The most recent Household Labour Force Survey found that the Canterbury unemployment rate fell to 5.2%, from 5.5% a year earlier and well below the national rate of 7.3%. The total labour force also rose while jobless numbers declined. Meanwhile, MBIE's index of skilled vacancies continues to demonstrate that the Canterbury rebuild is a major source of new jobs for the country.