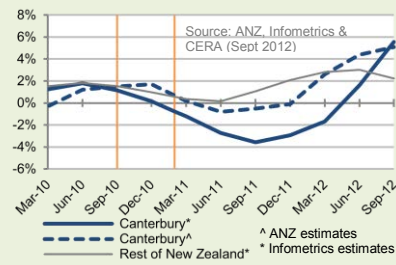


Output and Trading Activity

OUTPUT

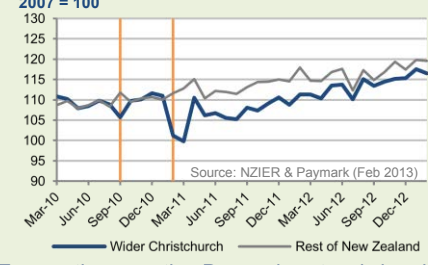
Estimates of regional economic activity, annual average percentage change



Canterbury economic activity continues to accelerate and lead national growth. The latest Reserve Bank Monetary Policy Statement forecasts national GDP growth of between 2% and 3% over the next few years with post-earthquake reconstruction and repairs being a significant factor in this growth.

CONSUMER SPENDING

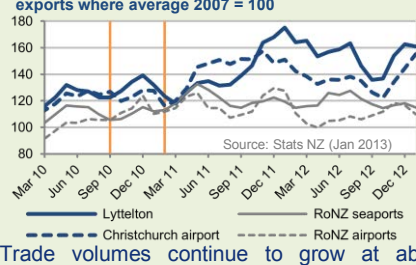
Electronic card transactions on the Paymark network – seasonally adjusted and indexed where average 2007 = 100



Transactions on the Paymark network in wider Christchurch continue to increase. The volume of Paymark transactions in wider Christchurch was 4.9% greater in February 2013 than in February 2012 compared with increases of 1.8% in New Zealand and 1.7% in Auckland/Northland.

INTERNATIONAL TRADE

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

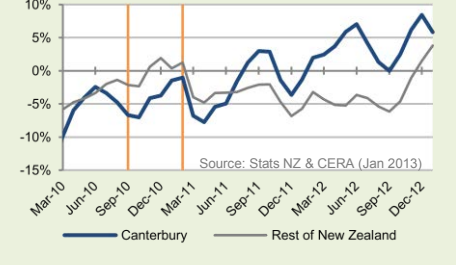


Trade volumes continue to grow at above national averages. In addition, Lyttelton Port Company recently reported a 4.5% increase in revenue for the first six months of the 2012/13 financial year, compared with the same period in the previous year. Key factors were increases in container and bulk fuel volumes and dry bulk imports.

Key Sectors

AGRICULTURE

Slaughter of livestock graded for export, excluding game - annual average percentage change of livestock weight

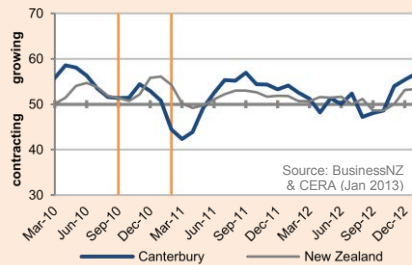


Dry conditions are presenting challenges in the rural sector across New Zealand, including Canterbury. Nonetheless, the volume of slaughtered livestock graded for export continues to rise both in Canterbury and the rest of New Zealand.

Key Sectors

MANUFACTURING

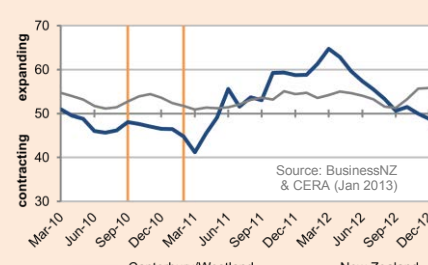
Performance of Manufacturing Index – three-month rolling averages



The Performance of Manufacturing Index (PMI) suggests that manufacturers in Canterbury and the rest of New Zealand are doing relatively well despite challenges such as the high New Zealand dollar. Many PMIs overseas are less than 50 (contracting) such as in France, Germany, Italy and Spain.

SERVICES

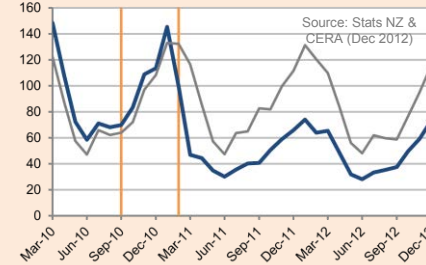
Performance of Service Index – seasonally adjusted three-month rolling averages



The Performance of Service Index suggests that the services industry in Canterbury/Westland is contracting while the services industry in the rest of New Zealand is growing. This may be related to the considerable expansion between June 2011 and September 2012.

TOURISM

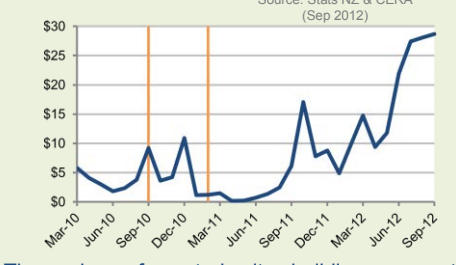
International guest nights, indexed where average 2007 = 100



International guest nights are improving modestly. In addition, Christchurch recently hosted 200 delegates from 15 countries for the Council of Australasian University Tourism and Hospitality Educators in one of the largest conferences since the earthquakes.

CHRISTCHURCH CENTRAL

Building consents within the CBD area – millions, measured monthly

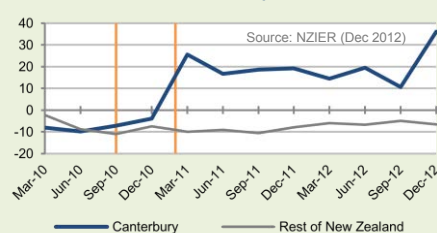


The value of central city building consents continues to rise. The cordon around the CBD Rebuild Zone is due to be removed in June 2013. The four finalists in the urban residential design competition (Breathe) have been announced. They have three months to take their initial concepts to a more developed design.

Rebuilding and Confidence

INVESTMENT

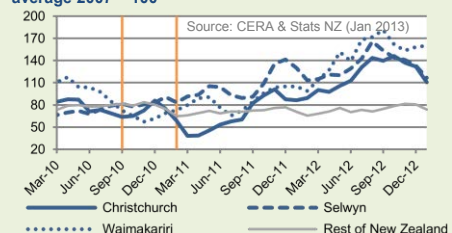
Building investment intentions - net percentage of firms that expect that new investment approvals will be greater over the next twelve months compared with the last



Investment sentiment remains positive with Canterbury firms' investment intentions for new buildings and plant and machinery being well above national trends. The Reserve Bank is forecasting significant further increases in residential and non-residential earthquake-related investment and reconstruction.

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 average 2007 = 100



Consents issued in Christchurch City, Selwyn District and Waimakariri District are all well above national trends as at January 2013. As at December 2012, there was \$334 million of residential building activity under way in Canterbury. This represents an increase of 72% over one year.

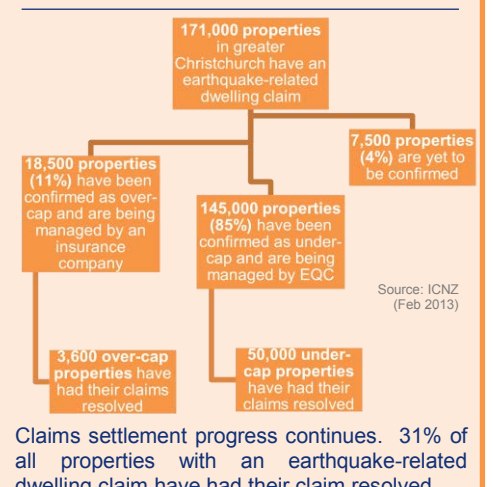
HOUSING

Residential property sale prices – seasonally adjusted



Residential property prices have risen in Canterbury. However, within Canterbury, there is considerable variation. For example, REINZ estimates that median prices increased 9.4% and 27% in Christchurch and Mid-Canterbury respectively in the year to February 2013, but decreased 9.1% in Rangiora.

INSURANCE

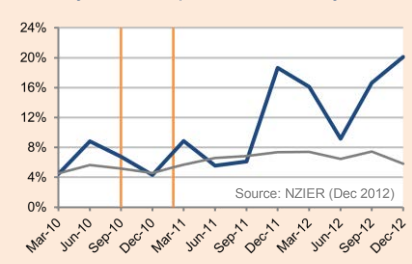


Claims settlement progress continues. 31% of all properties with an earthquake-related dwelling claim have had their claim resolved.

Rebuilding and Confidence

SPENDING AND PRICES

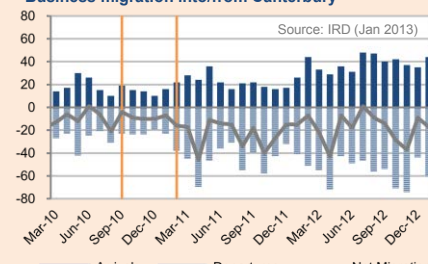
Capacity as a constraint – percentage of firms that reported that capacity was the single factor most limiting their ability to increase production or activity



The percentage of firms in Canterbury that reported capacity constraints is well above the rest of New Zealand. The latest Reserve Bank Monetary Policy Statement notes that resource constraints will likely result in reconstruction being spread over a longer period.

BUSINESS ENVIRONMENT

Business migration into/from Canterbury

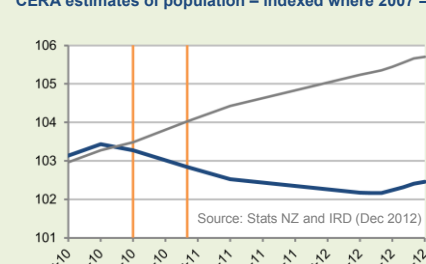


Net outward migration of businesses to other parts of New Zealand has averaged 18 per month since September 2010 (as at January 2013). Meanwhile, approximately 300 more businesses have registered than ceased on average each month in the Canterbury area over the same period.

Labour Market

POPULATION

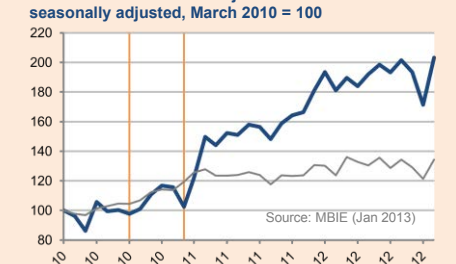
CERA estimates of population – indexed where 2007 = 100



The population of Canterbury is rising. Since June 2012, more people have moved into Canterbury from overseas than left every month. Internal migration is also picking up and natural population growth (more births than deaths) has continued.

EMPLOYMENT

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



Growth continues for skilled vacancies advertised online, with Canterbury increasing faster than the New Zealand-wide rate. This is related to the fact that firms are finding it increasingly difficult to source skilled labour in the area.