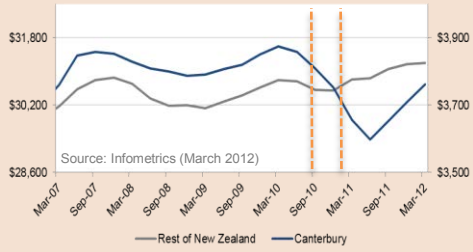


Output and Trading Activity

OUTPUT

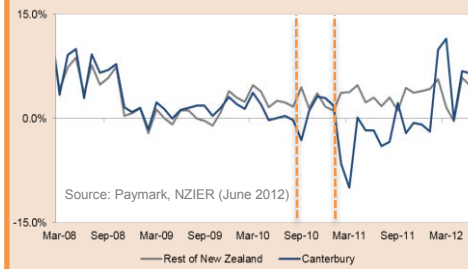
Infometrics estimate of real gross domestic product (seasonally adjusted in 1995/96 prices, \$millions)



The earthquakes knocked economic output in Canterbury. Nonetheless, there are now signs that recovery related activity is driving a positive economic outlook and vibrant production levels that are in contrast to the sluggish form of the rest of the country.

CONSUMER SPENDING

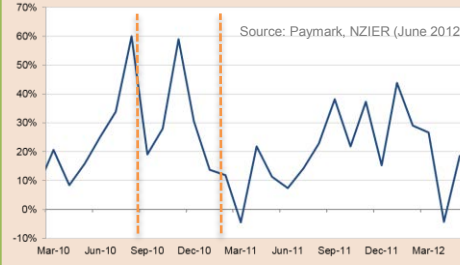
Paymark transactions (seasonally adjusted – percent change of transactions in a given month compared to the same month of the previous year)



Consumer spending was hit particularly hard by the earthquakes, as shown in the Paymark data. At the same time though, there are promising signs, including growth in the retail trade sector.

INTERNATIONAL TRADE

Lyttelton Port export values (change from the same month of the previous year)

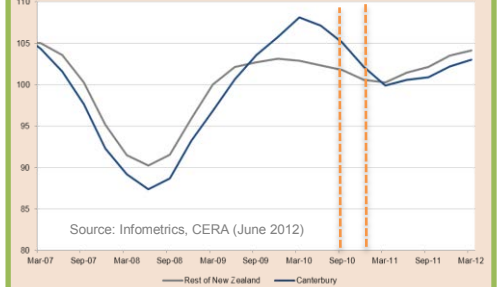


Export production volumes passing through the Lyttelton Port and Christchurch Airport have been remarkably resilient in the face of the earthquakes.

Key Sectors

AGRICULTURE

Gross domestic production in the agricultural sector (in real terms, indexed using annual averages where June 2004 = 100, measured quarterly)

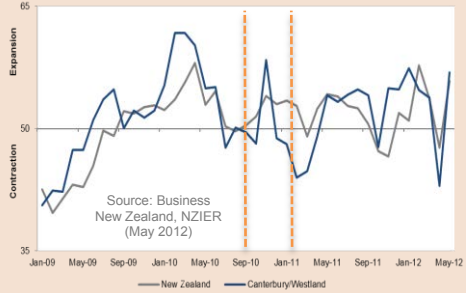


The agricultural sector has not suffered any major setbacks from the earthquakes and continues to be an important source of growth for the region.

Key Sectors

MANUFACTURING

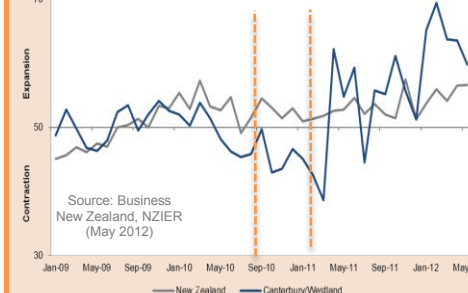
Performance of Manufacturing Index



While the manufacturing sector was affected by the earthquakes, it is showing strong signs of resilience. Despite considerable building damage to many factories, production and sales have continued positively.

SERVICES

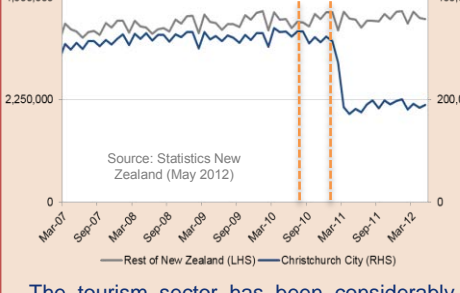
Performance of Service Index



There are significant positive signals in the services sector. However, international education institutions have been particularly affected by the earthquakes and recovery in this segment will take some time.

TOURISM

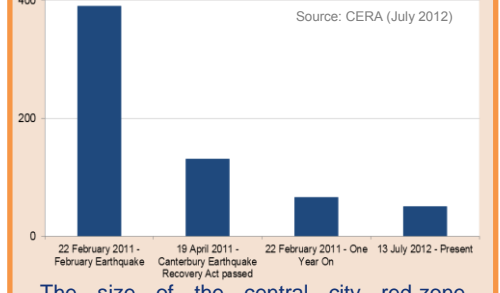
Accommodation capacity (stay units)



The tourism sector has been considerably affected by the earthquakes. In particular, there has been a significant reduction in accommodation capacity and international guest nights.

CENTRAL BUSINESS DISTRICT

Central city red-zone cordoned area (hectares)

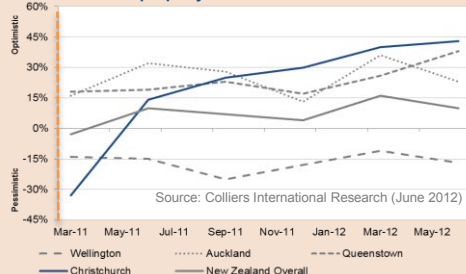


The size of the central city red-zone cordoned area is rapidly reducing and numerous employers have made at least a verbal commitment that they will return to the area. CERA is in the process of developing further metrics in this area.

Rebuilding and Confidence

INVESTMENT

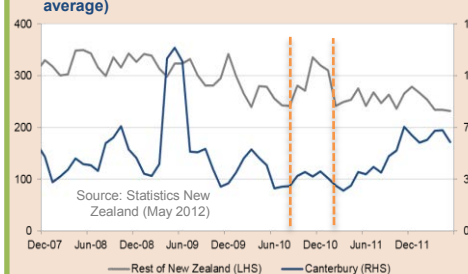
Commercial property investor confidence



Firms and commercial property investors are exhibiting very positive investment confidence sentiments, some of which are at levels not seen in the last five years.

CONSTRUCTION

Non-residential building consents (three month rolling average)



There is evidence that construction activity is beginning to ramp up and gain momentum. In particular, building consents are lifting above national trends.

HOUSING

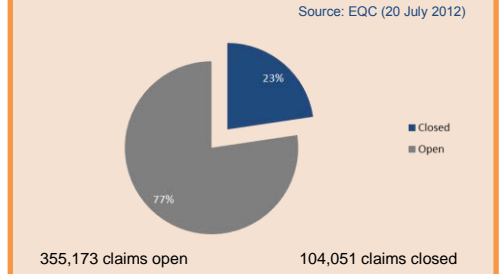
Residential building consents (three month rolling average)



The housing sector is very active and residential building consents are gathering pace. At the same time, house prices and weekly rent are changing at levels that are diverging from national trends and are being actively monitored.

INSURANCE

Earthquake Commission claims settlement progress



355,173 claims open 104,051 claims closed

Considerable funds are flowing in from offshore to settle overseas reinsurance claims. Meanwhile, insurance availability and the progress of claim settlement remain two priority areas that are being actively monitored by Treasury and CERA.

Rebuilding and Confidence

TOTAL SPEND

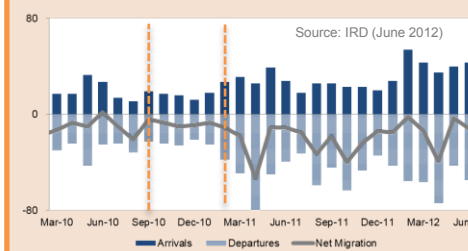
Estimated cash profile of earthquake direct expenses

	2010/11	2011/12
Local infrastructure	64.0	347.0
State-owned assets	46.0	30.0
Welfare support	220.0	13.0
AMI insurance	0.0	100.0
Land zoning	0.0	694.0
Other costs	179.0	256.0
Yet to be allocated	0.0	72.0
Cant. Earthquake Recovery Fund	509.0	1512.0
EQC	1178.0	2374.0
Other SOEs and CEs	23.0	0.0
Total Crown	1710.0	3886.0

The government total spend is largely tracking as expected by the Treasury. CERA is in the process of developing further metrics in this area.

BUSINESS ENVIRONMENT

Migration of registered business

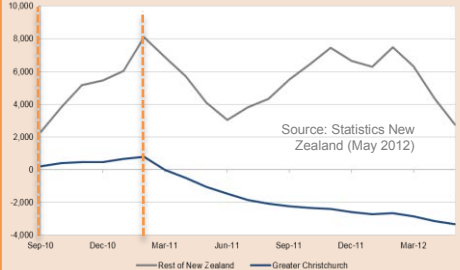


Business registration and cessation shows a healthy positive net business creation environment has continued despite the earthquakes. There has been some business migration out of the city although the numbers have been slight.

Labour Market

POPULATION

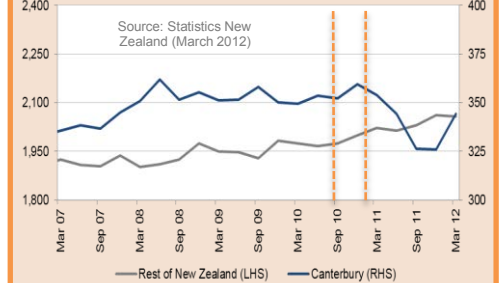
Cumulative international permanent and long-term migration since September 2010



There has been a small loss of population overseas (about 0.6%). However, further data from Inland Revenue suggests that the rate of outward migration is decreasing. CERA is in the process of developing further metrics in this area.

EMPLOYMENT

Total labour force - thousands



The labour market is showing signs of improvement with total labour force on the increase and unemployment below national trends. At the same time, however, sourcing skilled and unskilled labour is becoming more difficult and requires monitoring.