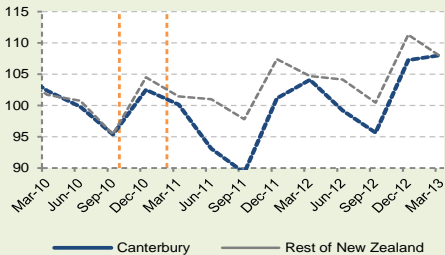


Output and trading activity

OUTPUT

Estimate of real gross regional domestic product - indexed where average 2007 = 100 and in 1995/96 prices

Source: Infometrics and CERA (March 2013)

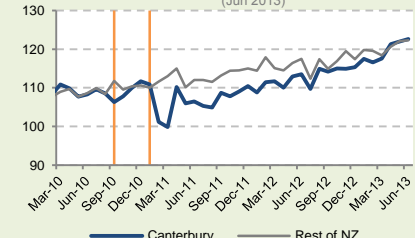


Economic growth in Canterbury continues at a high pace. The Canterbury Development Corporation expects that annual growth in regional GDP will exceed 6% from late 2013 and will continue at high levels for a further one to two years.

CONSUMER SPENDING

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

Source: NZIER and Paymark (Jun 2013)



Canterbury's volume on the Paymark network continues to increase and is now aligned with the rest of New Zealand.

INTERNATIONAL TRADE

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

Source: Stats NZ (May 2013)



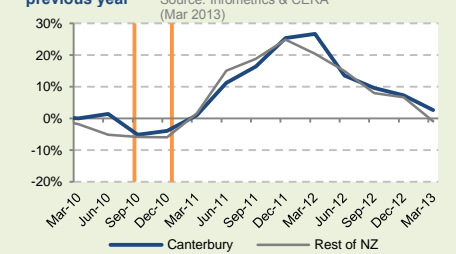
Lyttelton Port trading volumes continue to rise and Christchurch Airport volumes remain above those of airports in the rest of the country.

Key sectors

AGRICULTURE

Production of agriculture, forestry and fishing - percentage change compared with same month of the previous year

Source: Infometrics & CERA (Mar 2013)



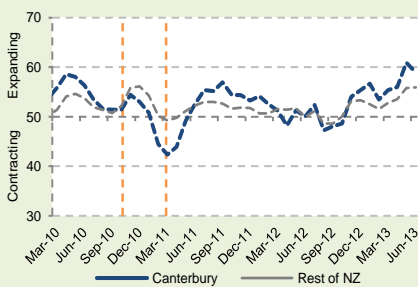
Regional agriculture production continues to follow a New Zealand-wide trend of growth at reducing rates.

Key sectors

MANUFACTURING

Performance of manufacturing index - three-month rolling averages

Source: BusinessNZ & CERA (Jun 2013)

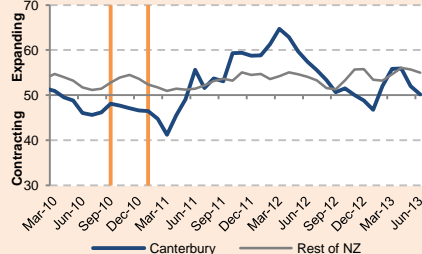


The manufacturing sector in Canterbury has expanded every month for nearly a year according to the latest Business NZ Performance of Manufacturing Index.

SERVICES

Performance of services index - three-month rolling averages

Source: BusinessNZ & CERA (Jun 2013)

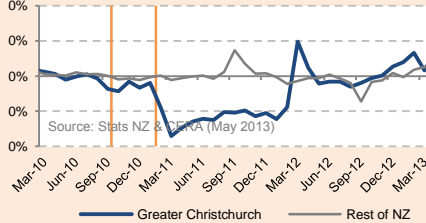


The Business NZ Performance of Services Index suggests that the rate of expansion of the Canterbury services industry has been decreasing over the first quarter of 2013.

TOURISM

International guest nights - percentage change from the same month of the previous year

Source: Stats NZ & CERA (May 2013)

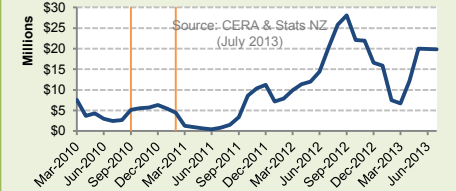


International guest nights continue to increase as more accommodation options become available. Chinese visitors remain Canterbury's fastest-growing market; however, all measured markets have begun to increase over the past 12 months. The Australian market in particular is expected to rally once Christchurch Airport's twice-weekly direct flights to Perth start in December 2013.

CENTRAL CHRISTCHURCH

Residential and non-residential building consents within the Christchurch CBD - \$ million and three-month rolling averages

Source: CERA & Stats NZ (July 2013)



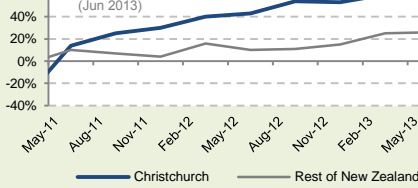
The number of residential and non-residential building consents within Christchurch's central city remains high compared to pre-earthquake levels. This demonstrates not only a desire of residents and businesses to return to the central city but a strong commitment to the rebuild of central Christchurch. It is expected that there will be a boost of business confidence with the release of the timeframes for the expected delivery of the Convention Centre and other anchor projects.

Rebuilding and confidence

INVESTMENT

Commercial property investor confidence - net percentage of respondents who are optimistic about the relevant commercial market

Source: Colliers International (Jun 2013)

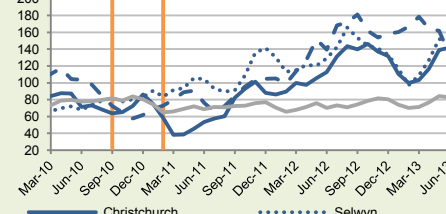


Commercial property investors remain significantly more optimistic about Christchurch than they are about the rest of New Zealand. In fact, Christchurch has been the most confident area every quarter since 2011.

CONSTRUCTION

CERA's Index of Building Consents - three-month rolling averages of residential and non-residential building

Source: CERA & Stats NZ (Jul 2013)

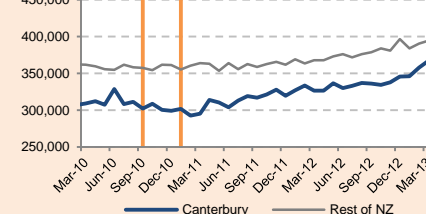


Building consents for Christchurch City and Selwyn District remain high over the last quarter. Building activity is still growing. SCIRT work continues to progress.

HOUSING

House prices - median sale prices seasonally adjusted, measured monthly

Source: REINZ and NZIER (Jun 2013)

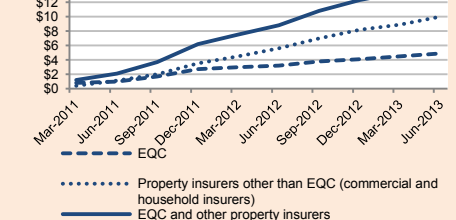


House prices have risen while house sales and the length of time to sell a house in Canterbury have dropped in the last quarter.

INSURANCE

Cumulative insurance payments paid out by the Earthquake Commission (EQC) and other property insurers - \$ billion, excluding GST

Source: RBNZ & EQC (Jun 2013)



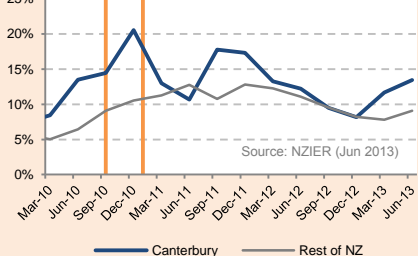
EQC and other property insurers had paid out \$14.9 billion of insurance claims as at 30 June 2013. In addition, Statistics New Zealand estimates that international reinsurance claims from all Canterbury earthquakes are now \$18.6 billion, an upwards revision of \$0.7 billion from previous estimates. At 31 March 2013, a total of \$9.2 billion of these claims had been settled with overseas reinsurers, leaving \$9.5 billion of claims outstanding.

Rebuilding and confidence

SPENDING AND PRICES

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

Source: NZIER (Jun 2013)

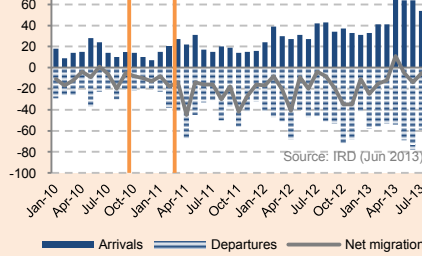


The rate of growth in construction prices may have fallen slightly, although Canterbury firms generally, and Canterbury manufacturing and building firms in particular, continue to face capacity constraints.

BUSINESS ENVIRONMENT

Business migration to Canterbury

Source: IRD (Jun 2013)



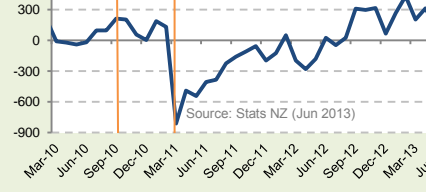
The steady improvement in net internal business migration rates has slowed recently. That said, around 15,000 new companies have registered in Canterbury since September 2010.

Labour market

POPULATION

Net permanent and long-term international migration into greater Christchurch

Source: Stats NZ (Jun 2013)

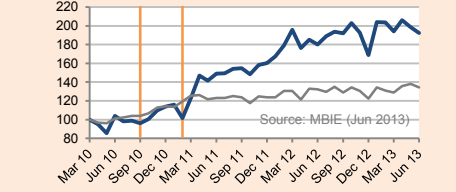


Permanent and long-term international migration into greater Christchurch has increased over the last 12 months. At the same time, net internal migration levels continue to improve with more taxpayers entering Canterbury from elsewhere in New Zealand than leaving the region in July.

EMPLOYMENT

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

Source: MBIE (Jun 2013)



Vacancies for skilled jobs advertised online in Canterbury remain significantly higher than the rest of New Zealand. Firms are still reporting difficulties in finding skilled and unskilled labour for employment. The Canterbury Development Corporation reports that Collaborate Canterbury has had more than 750 companies registered on its website and more than 220 matches have been made between companies and employees.