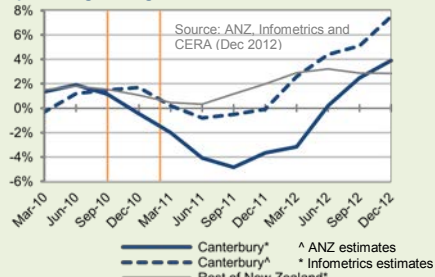


Output and trading activity

OUTPUT

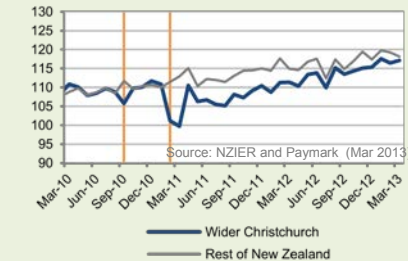
Estimates of regional economic activity, annual average percentage change



Economic activity and production in Canterbury continue to accelerate. ANZ estimates that economic activity in the region grew by 7.5% during 2012 compared with 2.5% nationally. Firms in Canterbury are still reporting larger increases in trading activity than firms in the rest of New Zealand, as CERA's May Quarterly Report shows.

CONSUMER SPENDING

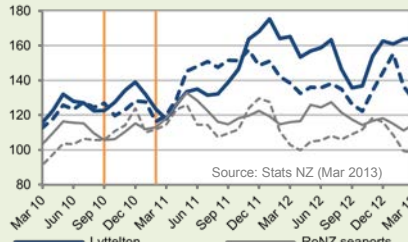
Electronic card transactions on the Paymark network – indexed where 2007 = 100



The volume and value of spending on the Paymark network in Canterbury increased by 10% in the year to April 2013, compared with an increase of around 6% for all of New Zealand. Combined with an ongoing rise in consumer confidence, this has led ASB to conclude in the most recent Cantometer that the Canterbury recovery has broadened beyond construction.

INTERNATIONAL TRADE

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

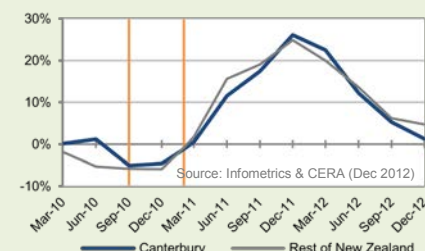


Lyttelton trade volumes have risen from a dip in late 2012 while Christchurch Airport volumes have struggled to pick up in recent periods but remain above airports in the rest of New Zealand. The new \$237 million domestic terminal at Christchurch Airport has been completed within budget.

Key sectors

AGRICULTURE

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

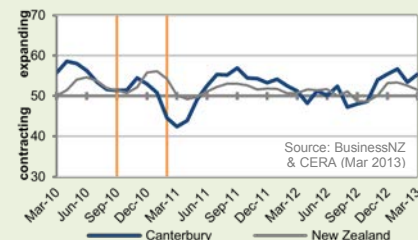


Regional agricultural production continues to grow. Synlait Milk has announced that it will spend \$15 million on upgrading its milk drier at Dunsandel to meet strong demand. The construction of an agricultural research and education facility at Lincoln will begin in 2014.

Key sectors

MANUFACTURING

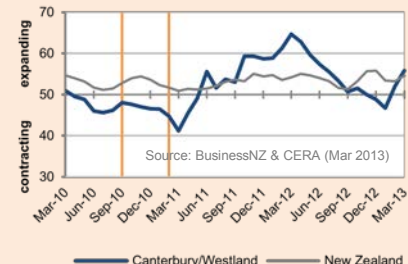
Performance of manufacturing index – three-month rolling averages



The Canterbury manufacturing industry is expanding at a faster rate than the rest of the country. The increases in domestic trading activity reported over the last three months are higher for Canterbury manufacturing and building firms than for those in the rest of the country, as CERA's May Quarterly Report shows.

SERVICES

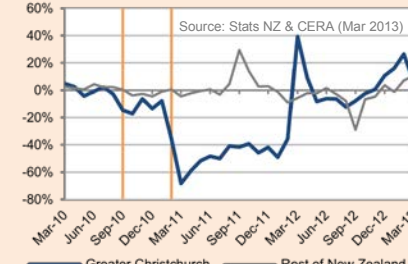
Performance of services index – three-month rolling averages



The Canterbury services industry is expanding. Canterbury service firms also reported higher levels of growth in trading activity over the first quarter of 2013 compared with service firms in the rest of the country. Nonetheless, challenges in the sector, particularly within hospitality and international education, remain.

TOURISM

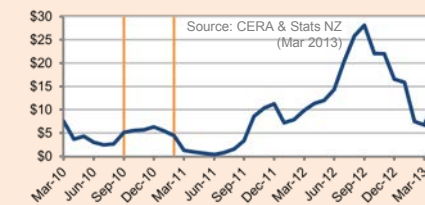
International guest nights – percentage change from the same month of the previous year



International guest nights are picking up after a substantial dip in 2011. The \$14 million extension to the Wigram Air Force Museum of New Zealand was opened by the Governor-General in February.

CENTRAL CHRISTCHURCH

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

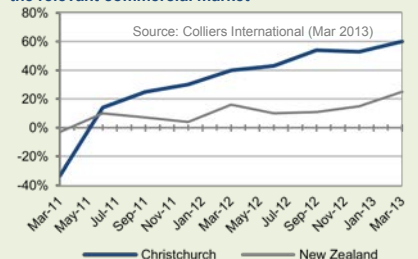


The value of building consents issued within the Christchurch CBD has reduced from a peak in late 2012 but remains above the pre-earthquake average. Additional to this is demolition activity, with work completed on 94% of the CBD buildings that have been assessed as too dangerous to occupy. The transitional cathedral being built on the edge of Latimer Square is on target to open in June.

Rebuilding and confidence

INVESTMENT

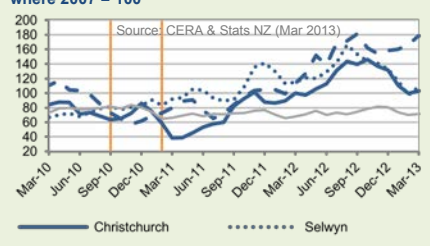
Commercial property investor confidence – net percentage of respondents who are optimistic about the relevant commercial market



Commercial property investors are significantly more optimistic about the Christchurch market than they are about the market in the rest of New Zealand. A higher proportion of Canterbury firms intends to invest in buildings and plant and machinery than the proportion of firms in the rest of the country, as CERA's May Quarterly Report shows.

CONSTRUCTION

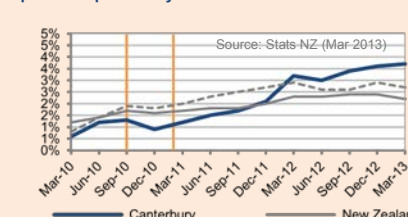
CERA's Index of Building Consents – three-month rolling averages of residential and non-residential building consents for new buildings and alterations, indexed where 2007 = 100



Building consent activity has taken a dip in recent quarters in Selwyn and Christchurch but continues to grow in Waimakariri. However, actual building activity in place in Canterbury continues to accelerate, as CERA's May Quarterly Report shows.

HOUSING

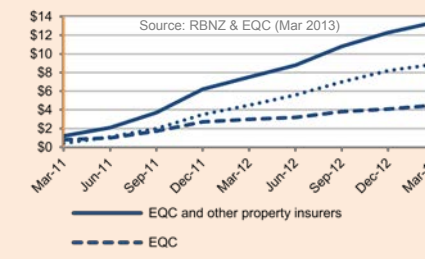
CPI rentals for housing – percentage change on same quarter of previous year



The price of renting a house in Canterbury is increasing at a rate faster than for the rest of the country, including Auckland. The construction of residential buildings in Canterbury has increased markedly in recent quarters even though the supply of new properties for sale has been decreasing.

INSURANCE

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

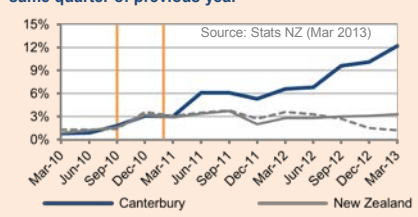


EQC and other property insurers had paid out \$13.4 billion of insurance claims by 31 March 2013. In addition, total international re-insurance recoveries are estimated at \$17.9 billion. Of these, \$8.0 billion had been settled, leaving \$9.9 billion outstanding as at 31 December 2012.

Rebuilding and confidence

SPENDING AND PRICES

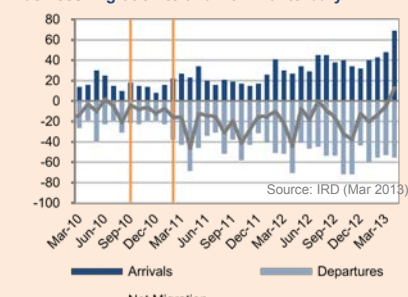
CPI purchase of housing – percentage change on same quarter of previous year



The high volume of activity is putting pressure on the capacity of firms and prices. Statistics New Zealand estimates that the price of building a new house has increased 12.2% over the year to March 2013. The CERA Quarterly Report also shows that Canterbury firms generally, and Canterbury manufacturing and building firms in particular, are experiencing capacity constraints.

BUSINESS ENVIRONMENT

Business migration to and from Canterbury

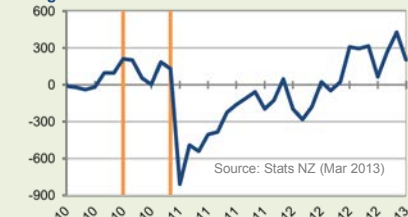


In April, there was a positive net internal migration of businesses for the first time since June 2010. In other words, more businesses migrated into Canterbury from elsewhere in New Zealand than left the region, which had not happened since before the earthquakes.

Labour market

POPULATION

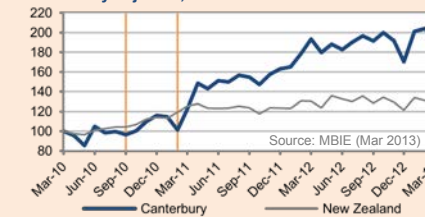
Net permanent and long-term international migration into greater Christchurch



The population in Canterbury is increasing again. There has been net positive international permanent and long-term migration into greater Christchurch and Canterbury nearly every month since June last year. April 2013 was the first month since before 2010 that more taxpayers moved into Canterbury from somewhere else in New Zealand than left.

EMPLOYMENT

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



The number of advertisements for skilled vacancies in Canterbury continues to rise. The unemployment rate in Canterbury has fallen to 4.3%, the lowest that it has been since 2008. It compares with the national unemployment rate of 6.2%. The number of filled jobs in Canterbury rose 6.8% in the year to March 2013, which is the largest annual increase in the region since 2005. Nonetheless, employers are finding it increasingly difficult to source labour as CERA's May Quarterly Report shows.