

CANTERBURY ECONOMIC INDICATORS MAY 2011

BUSINESS ACTIVITY

The Canterbury Economic Indicators are intended to track activity of the Canterbury economy following the 22 February earthquake in Christchurch. The indicators should be seen as a benchmark of the initial impact from which progress can be measured.

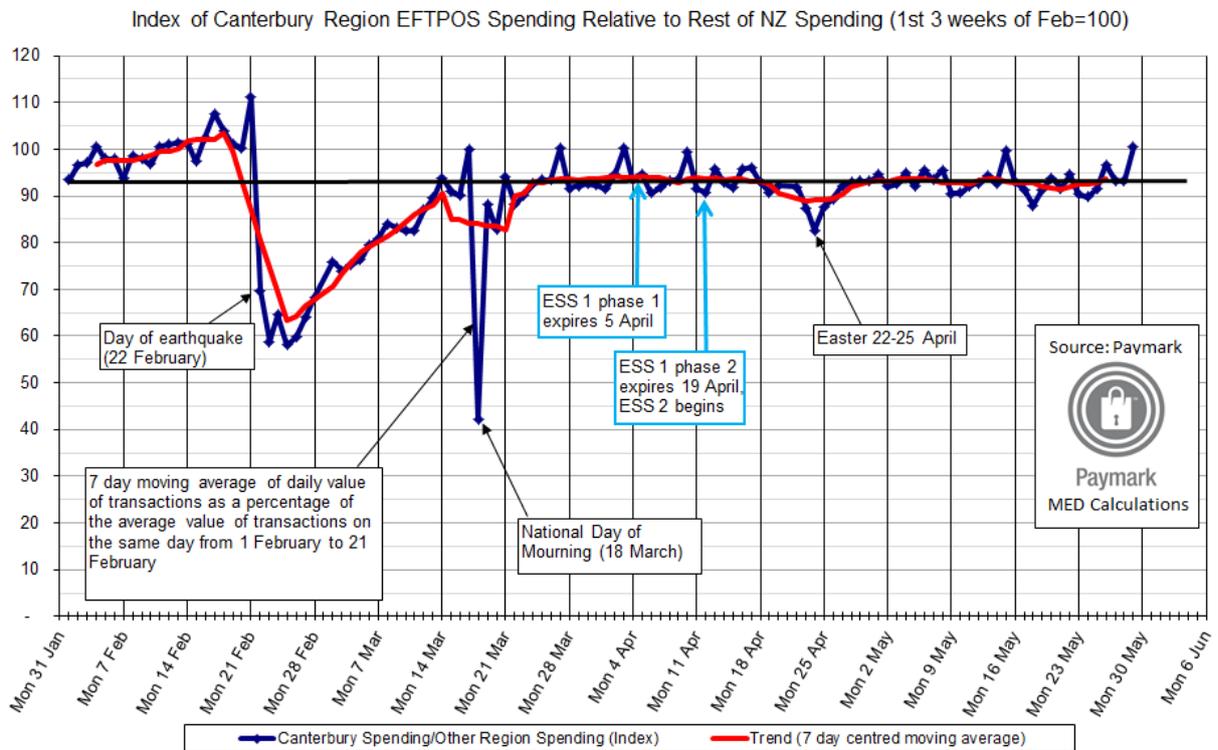
Key Observations

- Overall our tentative interpretation is that most businesses are either doing well or coping and there are signs of an economic recovery.
- Activity indicates that most businesses and households intend to remain in Canterbury, although there has been a significant increase in the number of entities leaving.
- There have been signs of significant stress in the short term within the household sector.
- Some businesses are currently experiencing significant difficulties and may not survive.
- Particular sectors of the economy have been impacted much more (e.g. tourism, retail, export education) than others.

March Quarter	Canterbury	NZ	Ranking (1 high 14 low)
Business Confidence	16.2	12.9	5
Activity Outlook	15.2	4.4	2
Consumer Confidence Index	90.4	97.9	14
Motor Vehicle Reg			
Commercial	13.4	11	11
Private Car	-15.4	-1.1	14
HLFS Employment	-1.1	1.4	13

Source: ANZ

Index of Canterbury EFTPOS Spending Relative to Rest of NZ Spending (1st 3 weeks of Feb=100)

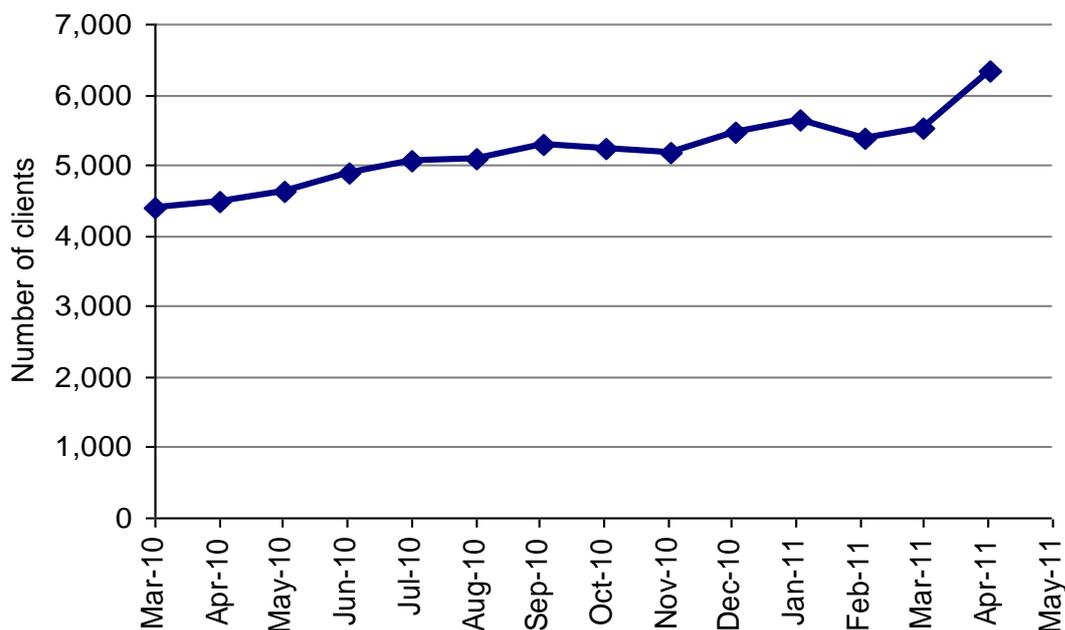


Source: Paymark

- The Paymark index indicates that spending in Canterbury fell to 60 percent of normal immediately after the earthquake, but has since recovered and has stabilised at approximately 95% of normal levels.
- Business registrations have continued to increase from January (419) to April (674). The rate of business cessations has had a consistent trend downwards since January (236) to April (92). This is inconsistent with the trend seen in 2010.
- There has been a significant increase in the number of entities leaving the Canterbury region following the earthquake – moving from 535 in Feb to 1808 in April.
- Exports and imports from the three ports in the Canterbury region have increased over 2009 to 2011, including the period after the earthquake.

WELFARE STATISTICS

Unemployment Benefit (UB) - Canterbury



Source: Ministry of Social Development

- Numbers of UB recipients paid through Canterbury Service Centres are up approximately 18% (946) since the February Earthquake, whereas UB numbers nationally have been declining since the seasonal high in January.
- The number of unemployed is likely to be higher as a number of individuals may not meet the qualification criteria for UB.

Earthquake Subsidy Support

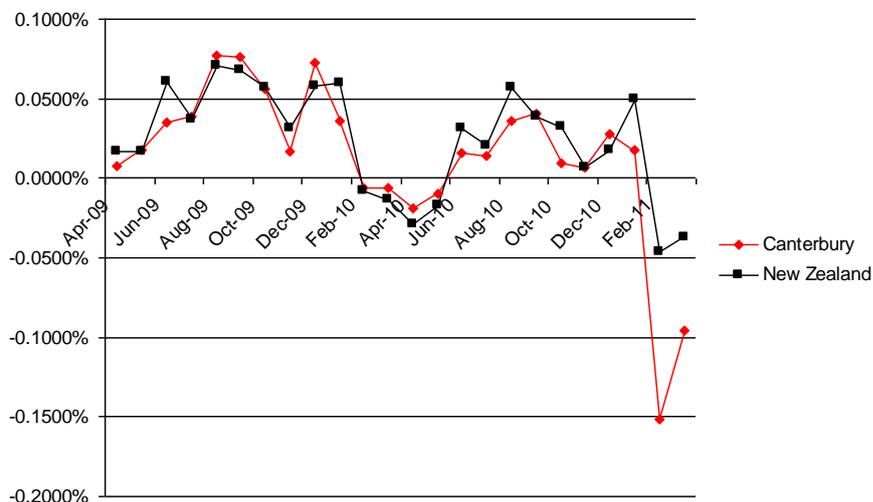
	Employers paid ESS	Employees of Employers paid ESS	Sole traders paid ESS	Job Loss Cover or Individual Support Payment
22 Feb to 15 March	7447	40350	8685	7234
16 March to 5 April	7744	43866	10374	12701
6 April to 19 April	4180	21395	6188	8170

Source: Ministry of Social Development

The number of employers and employees receiving the ESS has dropped significantly since its introduction immediately following the earthquake.

POPULATION FLOWS

Net Migration as % of Population



Source: Statistics New Zealand

- Canterbury experienced a net international migration loss of 1400 people in March and April.

School Re-enrolments

- 13.4% of the total school population (10,206) of Christchurch city, Selwyn district, and Waimakariri district re-enrolled in other schools around the country.
- 68.9 per cent (7,035) of re-enrolments remained within the South Island.
- As at 10 May, 3,660 students had returned to their original school, leaving 6,546 students still away (8.6 per cent).

PROPERTY MARKET

- Market rents have increased in each of the first four months of 2011, resulting in a 10.9% (\$32) rise over that period.
- Following an initial drop in house sales during March house sales in Canterbury increased to 626 accounting for 10% of all New Zealand sales in April.

LABOUR MARKET

- There was a clear and very sharp fall in vacancy numbers immediately in Canterbury after 22 Feb, but recovered to pre-quake levels by second week of March. By April vacancies for all industry groups had increased.