# CANTERBURY ECONOMIC INDICATORS – AUGUST 2011

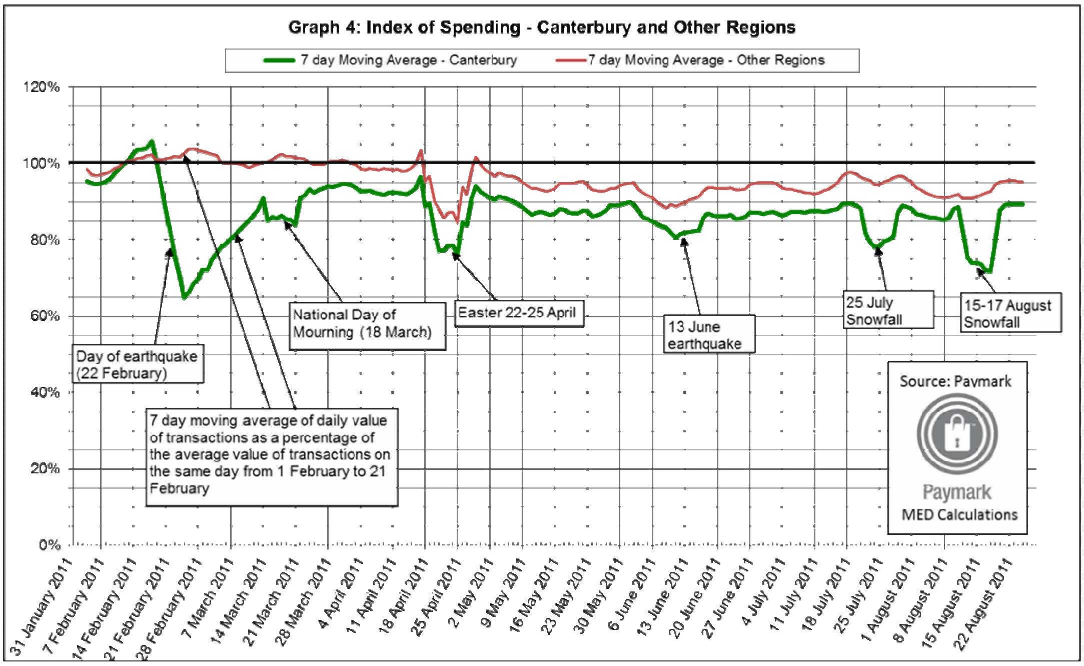
The intention of the Canterbury Economic Indicators is to track economic activity in Canterbury following the earthquakes. This is the fourth time the indicators have been collected, following earlier releases in May, June and July 2011.

## Key Observations

- Economic activity within the Canterbury region has been consistent in this period with previous periods. This is seen where parts of the economy have continued to show resilience. For example the performance of manufacturing and exports/imports continues to be strong. However, some specific sectors have been impacted significantly.
- The movement of individual taxpayers out of Canterbury has continued.
- The index of Canterbury EFTPOS transactions continue to sit below the rest of the country by between 5 to 10%.

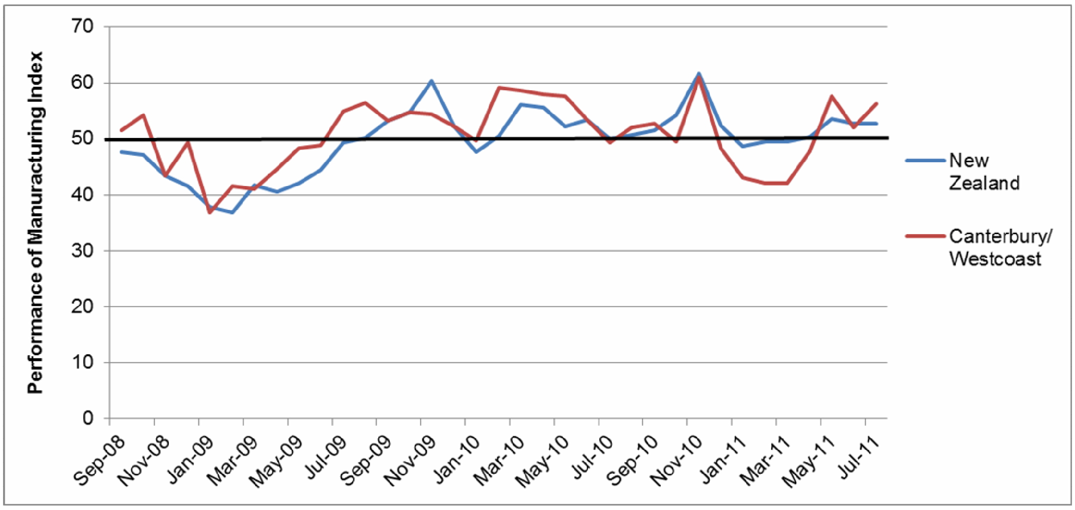
## BUSINESS ACTIVITY

*Index of Canterbury Region EFTPOS Spending relative to rest of NZ Spending (1st 3 weeks of Feb = 1000)*




- The index indicates that spending in Canterbury fell to about 75% of pre-earthquake activity immediately after the February earthquake. Subsequently it has recovered to approximately 5 to 10% below the level of the rest of New Zealand.
- The recent snowfalls on July 25 and August 15-17 show the volatility of spending data, although these events are not expected to have the on-going implications of the February earthquake.
- The cumulative effect of the 5 to 10% reduction in spending over time is significant for the Canterbury economy.
- Data cover 70% of EFTPOS terminals. There is no evidence that there has been a drop in other forms of spending.

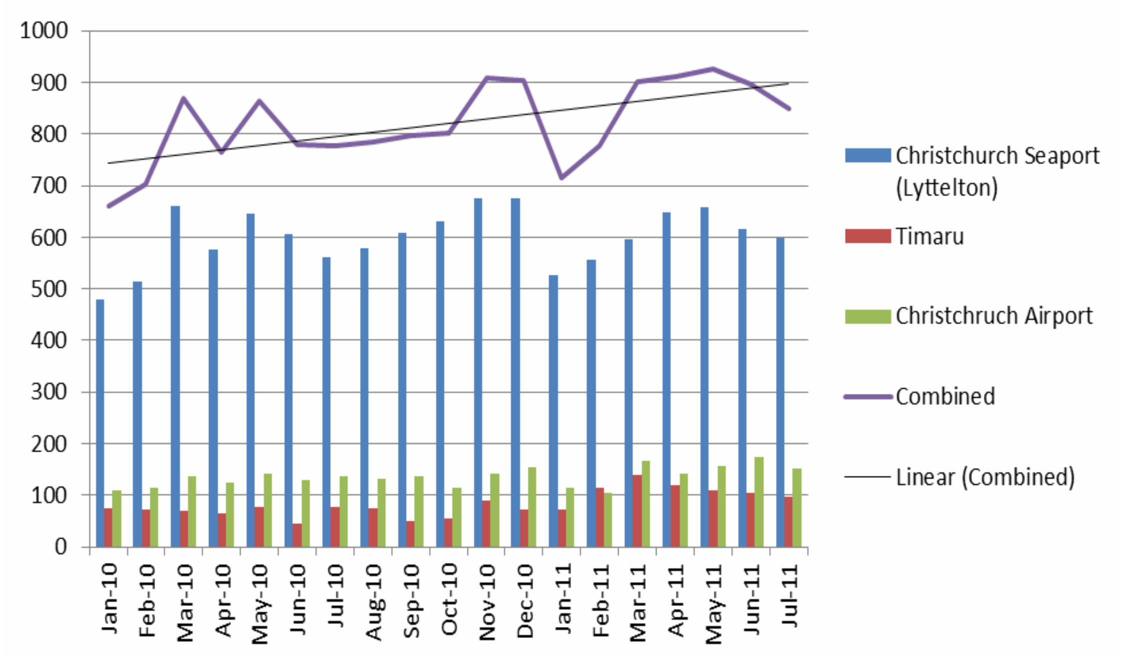
**BNZ-Business New Zealand: Performance of Manufacturing Index**




*Source: BNZ & Business New Zealand*

- The BNZ - BusinessNZ Performance of Manufacturing Index (PMI) is a monthly survey providing an early indicator of levels of activity in the New Zealand manufacturing sector. In July the Canterbury/Westland region (56.3) increased 4.2 points from June, and encouragingly remained in expansion. The data is from the unadjusted series.

**Volume of Exports/Imports from Ports ($NZ)**

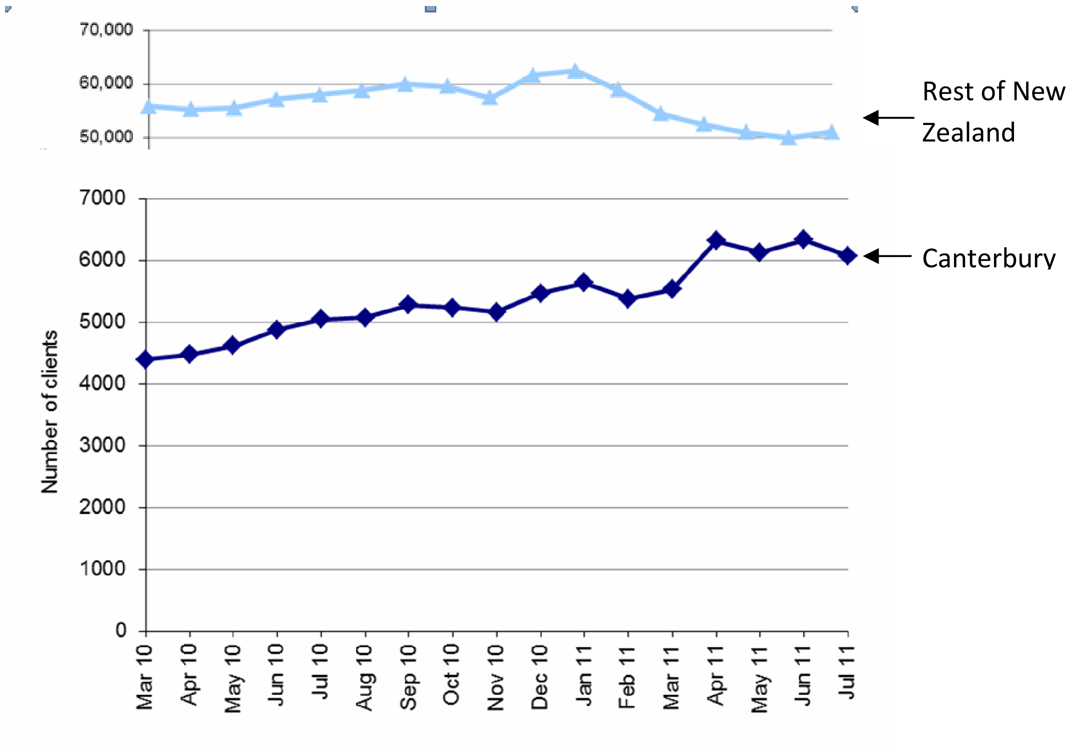



*Source: Statistics New Zealand*

- Exports and imports from the two ports and airport in the Canterbury region have increased over 2010 to 2011, including the period after the earthquake. Seasonal fluctuations appear to have had a larger impact on combined exports and imports than the earthquake.

## WELFARE STATISTICS

*Unemployment Benefit Recipients in Canterbury and Rest of New Zealand*




*Source: Ministry of Social Development*

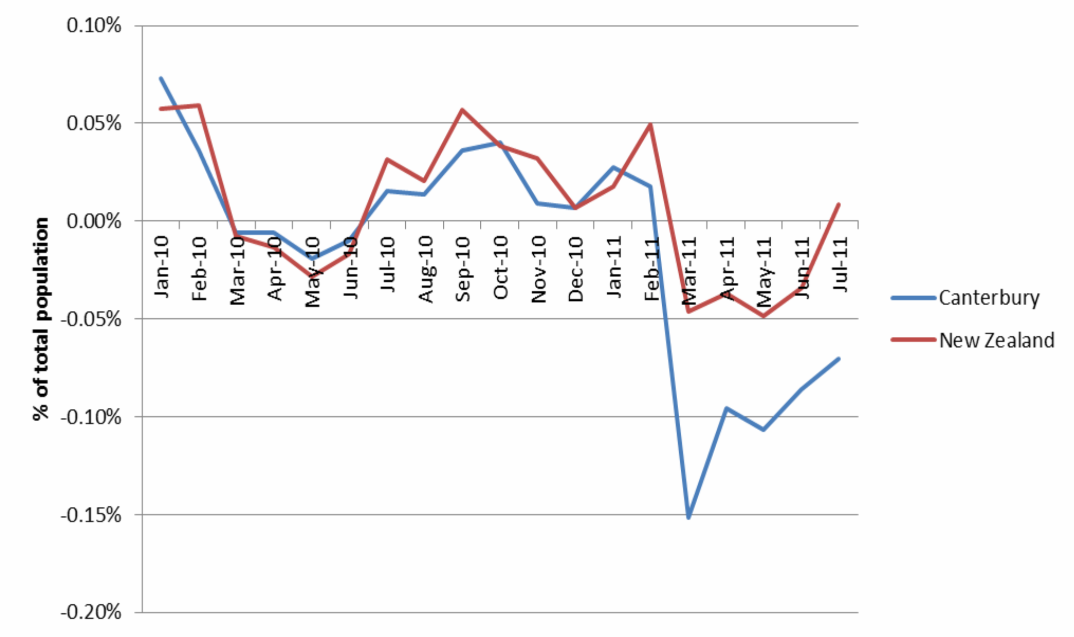
- Numbers of unemployment benefit (UB) recipients paid through Canterbury Service Centres are up approximately 13% (to 6,080) since the February Earthquake; rising through March, then remaining above 6,000 since. UB numbers in Canterbury remain lower than forecast.
- Since February the unemployment numbers in Canterbury have increased by 544, compared to a reduction of 3,365 for the rest of New Zealand.

## LABOUR MARKET

- There was a sharp increase in jobs advertised online immediately following the February earthquake. This level has been maintained since April.
- Construction has driven the increase in jobs advertised online since February 2011.
- There was an increase in the online job advertisements for Education in July 2011, returning to their pre-earthquake levels.
- Advertisements for hospitality jobs dropped back after a spike in June.

**POPULATION IMPACT**

*Net Migration as % of Population*




*Source: Statistics New Zealand*

- Between March and July 2011, the number of people moving overseas from Christchurch (4,000) increased significantly compared with the same months of last year (2,400). Since the earthquake on 22 February, 1,600 more Christchurch residents have moved overseas than in the same period of 2010.
- There have also been 750 fewer arrivals into Christchurch compared with the same period last year.
- As at 10 August, 6,666 students had returned to their original school, leaving 5,037 students still away from their original school (6.6 % of the students enrolled in the three areas in July 2010).