

# Our economy today



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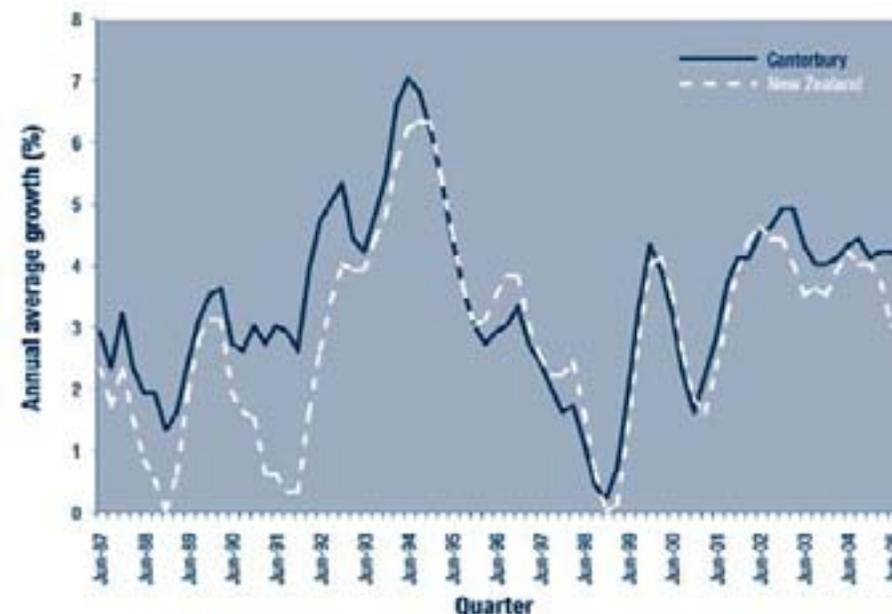
### Introduction

Sealers and then flax traders were the first Europeans to exploit the resources of Christchurch, on Banks Peninsula in 1815. The first significant trading links were established between Europeans and Maori from 1836 when American, French, English and Australian whaling ships began to use the bays and harbours for bay whaling and for shore whaling stations. However, Canterbury's regional economy was built on the production of primary goods and it was recognised for a long time as living "off the sheep's back". Although its economic beginnings were in refrigerated sheep and dairy products, Canterbury now has a diversified regional economy, with growth across a range of "new economy" sectors such as tourism, software development, electronics and education.

### Our Economy Today

- The strength of Christchurch's economy is built on a long association with the large rural economy of the Canterbury Region, and the city's export-oriented manufacturing.
- The Canterbury Region's Gross Domestic Product (GDP) was estimated to be almost \$16 billion in 2005. This equates to just under 13% of national GDP<sup>x</sup>.

Economic Growth June 1990 - June 2005  
Average annual growth by quarter



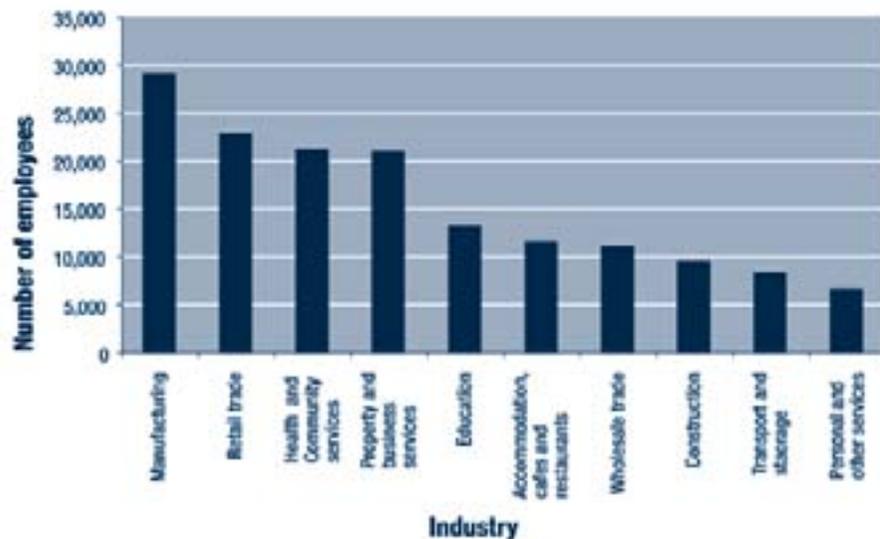
- In the five years to March 2005, total employment in Canterbury increased by almost 24% to 233,350 workers. Construction, property and business, agriculture, and forestry and fishing, all had significant increases in employment during this period<sup>x</sup>.
- In September 2005, the unemployment rate in Canterbury was 2.7%. For Christchurch (excluding Banks Peninsula), the unemployment rate was 3.5%, slightly higher than the national average of 3.2%<sup>xi</sup>.
- For the March 2005 quarter, the average annual income of wage and salary earners in Christchurch (excluding Banks Peninsula) was \$38,200, compared with \$40,000 for all of New Zealand, \$44,600 for Auckland and \$50,800 for Wellington<sup>xii</sup>.



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- Canterbury's average annual household income was \$59,600 in 2003, compared with \$60,900 for the whole country<sup>xiii</sup>.
- During the year ended June 2001, each household in Christchurch (excluding Banks Peninsula) spent an average of \$779 per week, 7.3% lower than the national average of \$840 per week<sup>xiv</sup>.
- Manufacturing and retail trade are the two industry sectors that employ the most workers in Christchurch and Canterbury<sup>x</sup>.

Employment by Industry Chart

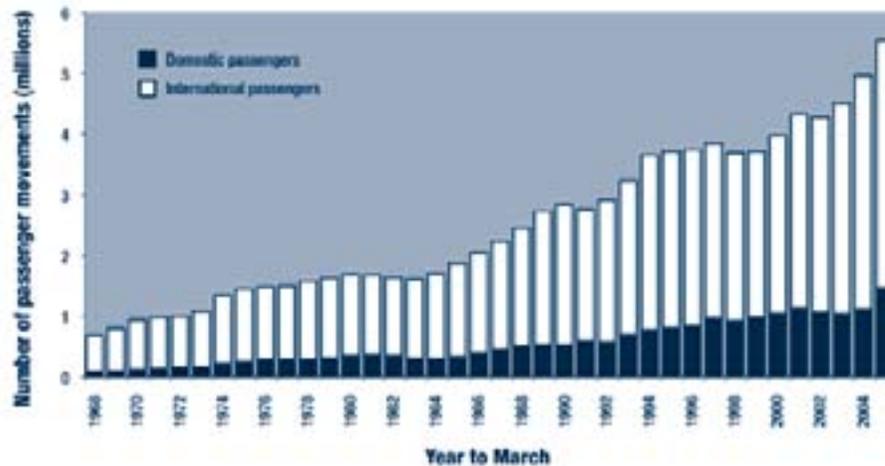


- Christchurch's central city continues to have the greatest concentration of workers in the city, with 29% of the city's employees working within the four avenues<sup>x</sup>.
- Banks Peninsula had an employee count of 4,029 people in 2001<sup>ii</sup> with Lyttelton's employee count making up a large proportion of this figure (1,680 people in 2004<sup>3</sup>).
- The central city is the largest retail centre in Christchurch, employing 25% of people who work in retail. This is almost four times the size of the city's largest suburban centre at Northlands. However, retailing in suburban centres is growing at a much higher rate than in the central city.
- Christchurch is the main distribution centre for the South Island, with its international airport, main roads, rail links and nearby sea port at Lyttelton, which exports \$2,034 million of goods per year.
- Tourism continues to be a significant component of the city's economy. The number of nights spent in the city's accommodation in March 2005 was almost 1.2 million, 60% higher than in March 1997<sup>xv</sup>. Christchurch's position as the "Gateway to the Antarctic" has contributed significantly to the city's reputation and tourism earnings.

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- Christchurch International Airport has seen a continual increase in the number of domestic and international passenger movements from 1968 to 2005. Since 2000, passenger movements have increased by 28% at Christchurch International Airport.

Airport Passenger Movements, Christchurch International Airport



- Ngai Tahu is the Maori tribe of the southern islands of New Zealand. Te Runanga o Ngai Tahu is the governing body of the Ngai Tahu tribe, within which Ngai Tahu Holdings Corporation holds significant land and sea-based assets, and operates businesses in tourism, property, equities and seafood sectors.



<sup>ix</sup> Infometrics New Zealand, Christchurch City GDP Estimates, February 2006.

<sup>x</sup> Statistics New Zealand, Annual Business Frame Update, February 2004 by 1-digit ANZSIC Industry Code, 1997 Survey Coverage (excludes ANZSIC 01 Agriculture).

<sup>xi</sup> Statistics New Zealand, Household Labour Force Survey, June 2004

<sup>xii</sup> Statistics New Zealand, Quarterly Economic Survey, March 2005. Figures are calculated by multiplying the average weekly earnings for each city by 52 to produce an average annual income. These figures are indicative only due to a limited sample size.

<sup>xiii</sup> Statistics New Zealand, New Zealand Income Survey, 2003. This data is based on the three months prior to June 2003. It is calculated by multiplying the average weekly household income by 52 weeks.

<sup>xiv</sup> Statistics New Zealand, Household Economic Survey, 2001.

<sup>xv</sup> Statistics New Zealand, Accommodation Survey, March 2005.