



## Introduction

The strength of the Christchurch City's economy is built on its association with the large rural economy of Canterbury, its export-oriented manufacturing and substantial involvement in tourism. These factors combine to provide Christchurch with a robust commercial sector which is strongly influenced by international trading conditions. Consequently, the local economy appears to decline or recover ahead of many other parts of the country.

By the end of the decade Christchurch's economy appeared to be moving out of the short-term recession experienced during the late 1990s. This mirrored changes in the national economy which, after a few false starts, had finally swung into full recovery mode.

Positive signs that the local economy was growing included an increase in business activity in the Canterbury region, of which Christchurch forms a major part. During 1999, annual growth increased at a rate not seen since the mid-1990s and outpaced many other regions.

Increased business activity was accompanied by greater optimism among local business that trading conditions would improve during 1999/2000. However, growing confidence was somewhat dented towards the end of 1999 by uncertainty surrounding the general election.

The value of retail sales also picked up in 1999, reflecting strong consumer confidence and the number of house sales increased during the six months to June after a period of pronounced decline. However, recent rises in mortgage interest rates may foreshadow a fall in house sale volumes.

Despite annual fluctuations, the number of businesses in the City and the total work force have grown in recent years. In line with national trends this growth has been accompanied by shifts in the type of employment offered within the economy, with increases in part-time and self employment.

The third and final part of this report The City's Economy presents information relating to a range of key local economic indicators. It is divided into six sections. The first two sections look at measures of business activity and confidence and business and employment growth. Subsequent sections focus on earnings and expenditure, residential and commercial property, the Central City and tourism.

Note: Information on trends in the Canterbury region has been used in this section when data has not been available for Christchurch City.