

# BNZ – BUSINESSNZ PERFORMANCE OF MANUFACTURING INDEX

## Still in the red

11 Jul, 2025

**48.8**

June

**+1.4**

Monthly Change

**Contracting**

Slower Rate

New Zealand's manufacturing sector continued to show contraction during June, according to the latest BNZ – BusinessNZ Performance of Manufacturing Index (PMI).

The seasonally adjusted PMI for June was 48.8 (a PMI reading above 50.0 indicates that manufacturing is generally expanding; below 50.0 that it is declining). While this was up from 47.4 in May, it was not enough to see the sector climb out of contraction. The survey was also well below the average of 52.5 since it began.

BusinessNZ's Director, Advocacy Catherine Beard said that the positive start to the year is now being undone somewhat by manufacturers that are currently struggling to see expansion in most elements of their business.

"Four of the five main sub-index values were in decline. New Orders (51.2) improved the most from May to June to show some optimism for the months ahead, while Production (48.6) inched closer to the no-change mark of 50. However, Finished Stocks (46.9) dipped to its lowest value since December 2024 after five consecutive months of expansion, while Employment (47.9) remains in contraction after a sizeable drop in activity the month before."

The proportion of negative comments from respondents for June (65.5%) was almost identical to May (64.5%). Comments indicate that manufacturers report a major slowdown due to weak consumer demand, high living costs, and economic uncertainty. Falling construction activity, rising input costs, and global instability are reducing orders and cashflow, while supply chain issues add further pressure.

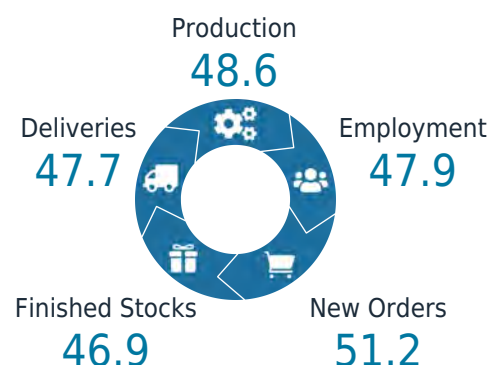
BNZ's Senior Economist Doug Steel said that "looking across the PMI sub-indices, they all remain well below their historical averages. Despite talk of an economic recovery, conditions are still very tough".

[VIEW THE TIME SERIES DATA](#)

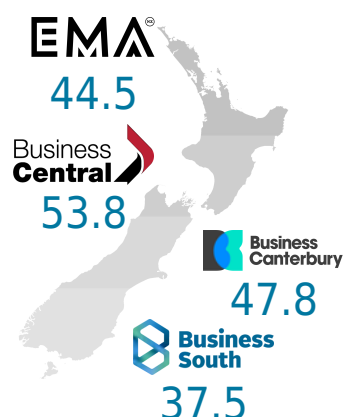


**Catherine Beard**  
Director, Advocacy  
BusinessNZ

### Main Indices



### Regional Results





## Manufacturing Snapshot

### Still in the red

This month's PMI adds to the swathe of data that is suggesting the New Zealand economy stalled in Q2. Sure, there was a small improvement in the headline index from 47.4 to 48.8, but it still sits firmly below its breakeven level.

[Read more](#)

### Signs of destocking?

Looking across the PMI sub-indices, they all remain well below their historical averages. Despite talk of an economic recovery, conditions are still very tough.

[Read more](#)

### QSBO mixed

The latest Quarterly Survey of Business Opinion (QSBO) showed a variable outlook for the manufacturing sector. A net 20% of manufacturers expected better economic conditions in the next three months.

[Read more](#)

### Not all doom and gloom

Ending on a more positive note, hydro lake levels have nudged back above average for this time of year. They had been below 80% of their usual level only two months ago.

[Read more](#)



Doug Steel  
Senior Economist, BNZ

[VIEW FULL BNZ MANUFACTURING SNAPSHOT](#)

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### Sponsor Statement

BNZ is delighted to be associated with the Performance of Manufacturing Index (PMI) and BusinessNZ. This association brings together the significant experience of leading business advocacy body BusinessNZ, and business finance specialist BNZ. We look forward to continuing our association with BusinessNZ and associated regional organisations, and to playing our part in the ongoing development of the New Zealand manufacturing sector.

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# PMI Time Series Table

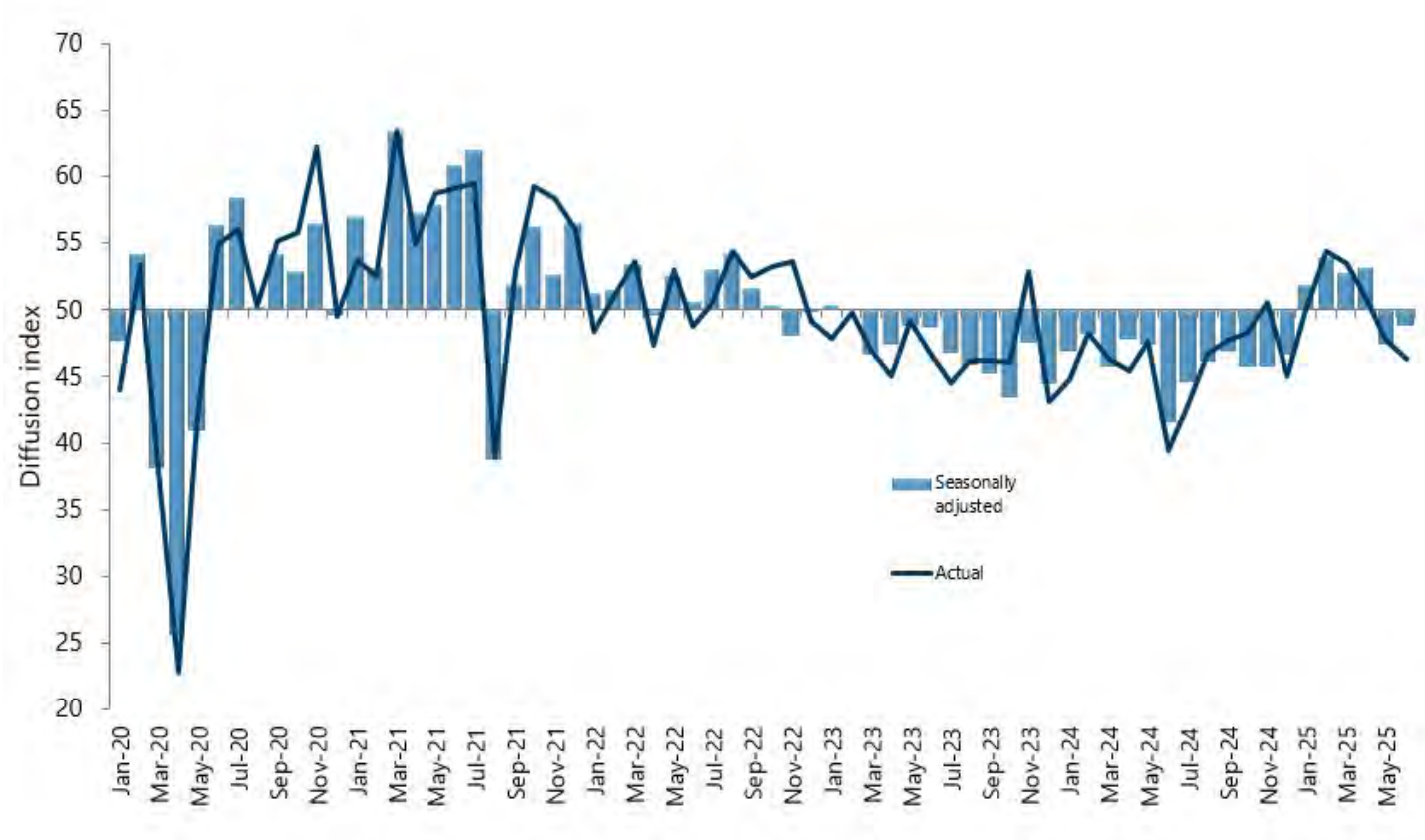
The results are seasonally adjusted.

National Indices	Jun 2024	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025
BNZ - BusinessNZ PMI	41.6	54.0	52.8	53.1	47.4	48.8
Production	36.4	52.6	53.3	52.4	47.9	48.6
Employment	45.0	54.1	54.4	54.2	45.5	47.9
New Orders	39.9	51.5	49.5	50.8	45.4	51.2
Finished Stocks	48.7	54.2	55.8	52.6	50.8	46.9
Deliveries	45.6	56.0	55.0	55.1	48.7	47.7

VIEW THE TIME SERIES DATA

## BNZ - BusinessNZ PMI Time Series

January 2020 - June 2025

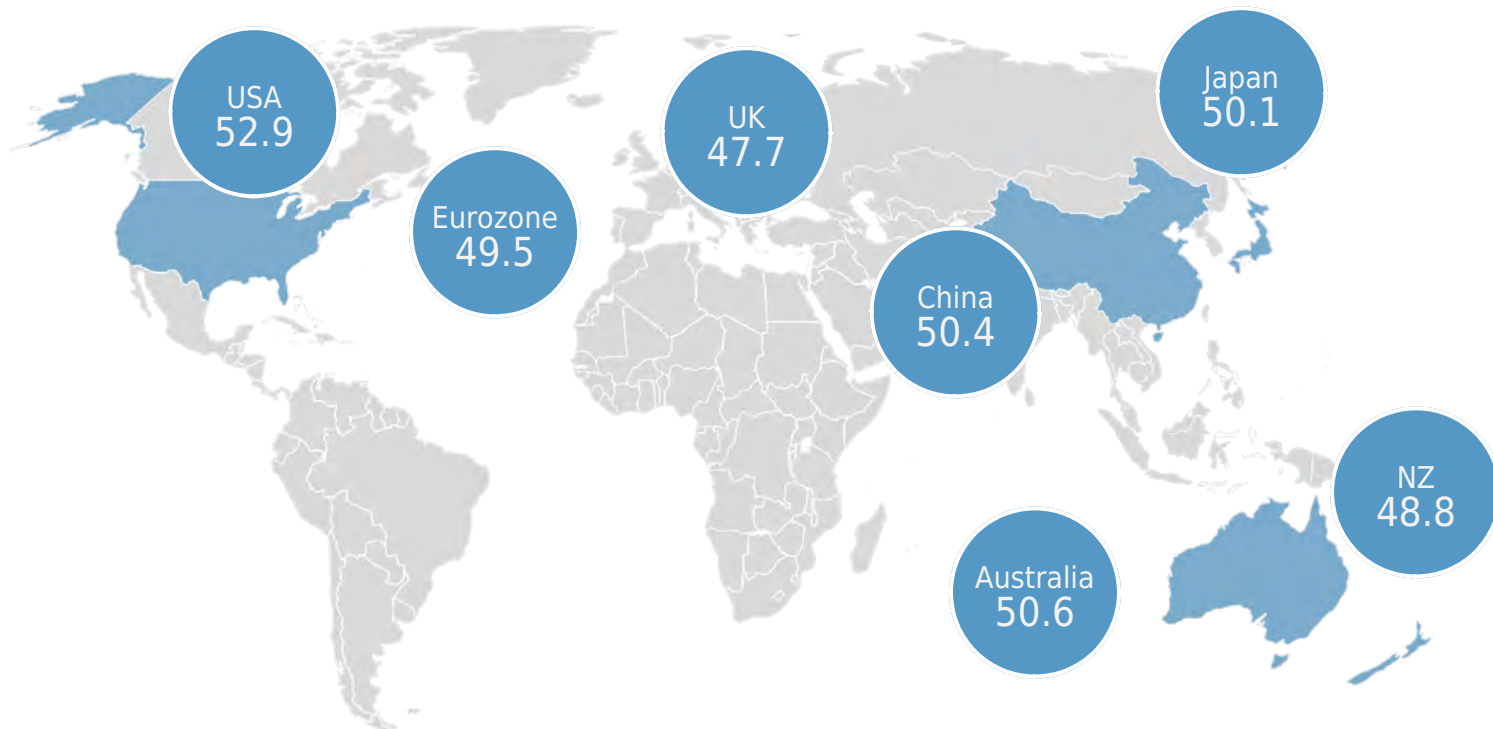


## International Results

J.P. Morgan Global Manufacturing PMI™

01 Jul 2025

# 50.3



### About the PMI

The BNZ – BusinessNZ Performance of Manufacturing Index is a monthly survey of the manufacturing sector providing an early indicator of activity levels. A PMI reading above 50 points indicates manufacturing activity is expanding; below 50 indicates it is contracting. The main PMI and sub-index results are seasonally adjusted.

### Media Comment

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### Our Contributors

The BNZ – BusinessNZ PMI contains data obtained through BusinessNZ's regional organisations



# Research

# Manufacturing Snapshot

11 July 2025

## Still in the red

This month's PMI adds to the swathe of data that is suggesting the New Zealand economy stalled in Q2. Sure, there was a small improvement in the headline index from 47.4 to 48.8, but it still sits firmly below its breakeven level. We are currently forecasting zero growth in June quarter GDP, with downside risk. The RBNZ's Kiwi-GDP calculations suggest -0.2% q/q. These manufacturing data will do nothing to assuage these views, nor do they temper our view that further rate cuts are necessary.

## Signs of destocking?

Looking across the PMI sub-indices, they all remain well below their historical averages. Despite talk of an economic recovery, conditions are still very tough. The PMI stocks of finished products index fell from 50.8 to 46.9 and suggests some destocking is taking place. The PMI new orders index increased from 45.4 to 51.2. That is a move in the right direction. However, the lift in June only just does enough to offset its decline in May. This volatility highlights just how difficult it is for manufacturers to forecast their order book at present.

## QSBO mixed

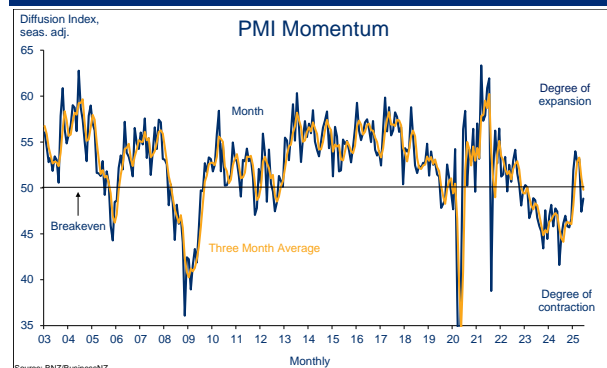
The latest Quarterly Survey of Business Opinion (QSBO) showed a variable outlook for the manufacturing sector. A net 20% of manufacturers expected better economic conditions in the next three months. However, hiring intentions remain subdued and are broadly consistent with the PMI employment index at 47.9. The latter indicates manufacturers shed labour, on net, in June. Lastly, the QSBO revealed a sudden deterioration in export demand, with a net 33% of manufacturers expecting export sales to worsen. PMI and QSBO respondents both noted that concerns around geopolitical conflict and trade tensions are weighing on demand.

## Not all doom and gloom

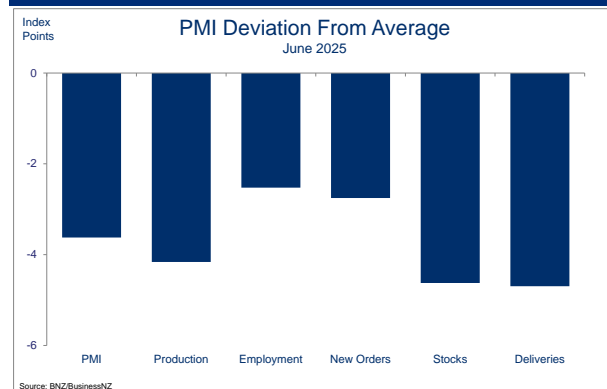
Ending on a more positive note, hydro lake levels have nudged back above average for this time of year. They had been below 80% of their usual level only two months ago. This has seen a significant decline in wholesale spot power prices and allowed some major energy users to restart production. Lower energy input costs should be supportive of manufacturing activity and GDP more generally in the second half of 2025.

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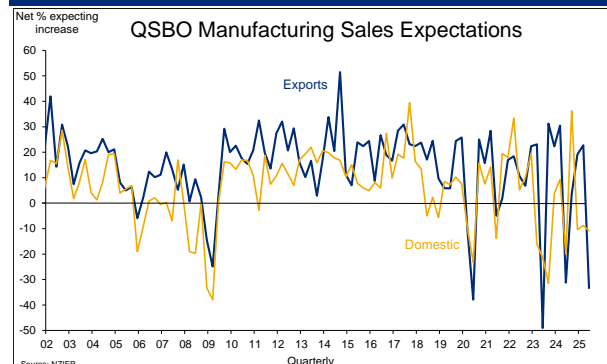
## In contraction



## Soft across the board



## Weaker exports expected



## More like normal



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