BNZ – BUSINESSNZ PERFORMANCE OF MANUFACTURING INDEX

Expansion endures

11 Sep, 2026

53.1	-1.2	Expanding
August	Monthly Change	Slower Rate

According to the latest BNZ - BusinessNZ Performance of Manufacturing Index (PMI), New Zealand's manufacturing sector continued to expand in August, though at a slower rate than the previous month.

The seasonally adjusted PMI for August was 53.1 (where a reading above 50.0 indicates that the manufacturing sector as a whole is expanding, and a reading below 50.0 indicates a contraction). This was down 1.2 points from 54.3 in July, but still above the survey's long-term average of 52.5.

BusinessNZ’s Director of Advocacy, Catherine Beard said: "It's pleasing to see manufacturing hold onto expansion, now well over a year running, even as the pace eases back. Employment is the area we're watching most closely, sitting right on the breakeven mark at 50.0. Respondents continue to point to cost of living pressures and the ongoing conflict in the Middle East as reasons for holding back, but New Orders and Finished Stocks remaining comfortably in expansion suggests there's still genuine underlying demand."

Sentiment softened again this month, with 55.7% of comments negative, though a good number of respondents pointed to steady or improving order books as a more positive note.

Employment was the weakest sub-index at 50.0, essentially flat after easing from 52.2 in July, while *New Orders* (54.9) and *Finished Stocks* (56.4) held up best. *Production* (54.2) and *Deliveries* (52.6) also softened from last month but remained comfortably in expansion.

BNZ Senior Economist, Doug Steel, said "Although weaker than July’s 54.3 print, the 3-month moving average of the PMI continues to rise, indicating the industry is performing well through monthly volatility."

VIEW THE TIME SERIES DATA

Catherine Beard
Director, Advocacy
BusinessNZ

Main Indices

Production
54.2

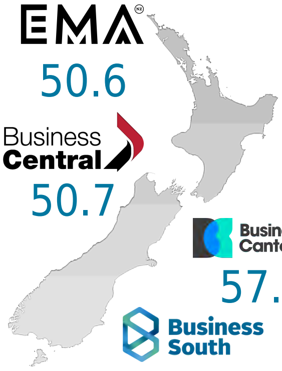
Deliveries
52.6

Employment
50.0

Finished Stocks
56.4

New Orders
54.9

Regional Results



EMA
50.6

Business Central
50.7

Business Canterbury
57.8

Business South
62.9

Manufacturing Snapshot

Doug Steel
Senior Economist, BNZ

Manufacturing continues to expand

The Performance of Manufacturing Index (PMI) softened in August but remains in expansionary territory at 53.1 on a seasonally adjusted basis.

Read more

A softer number but a broadening expansion

Digging into the details, expansion in the manufacturing industry appears to be broadening despite the lower headline number.

Read more

Some cautionary notes remain

Stocks of finished products was the highest subindex in August at 56.4. While this could be due to recent strength in orders and production, it could become problematic if demand falters.

Read more

Growth supportive

August’s PMI data paints a positive picture for economic momentum in Q3. While we are still waiting for Q2 GDP results, this result provides support for our forecast that annual GDP growth will be around 2% into the second half of 2026.

Read more

VIEW FULL BNZ MANUFACTURING SNAPSHOT

PMI Time Series Table

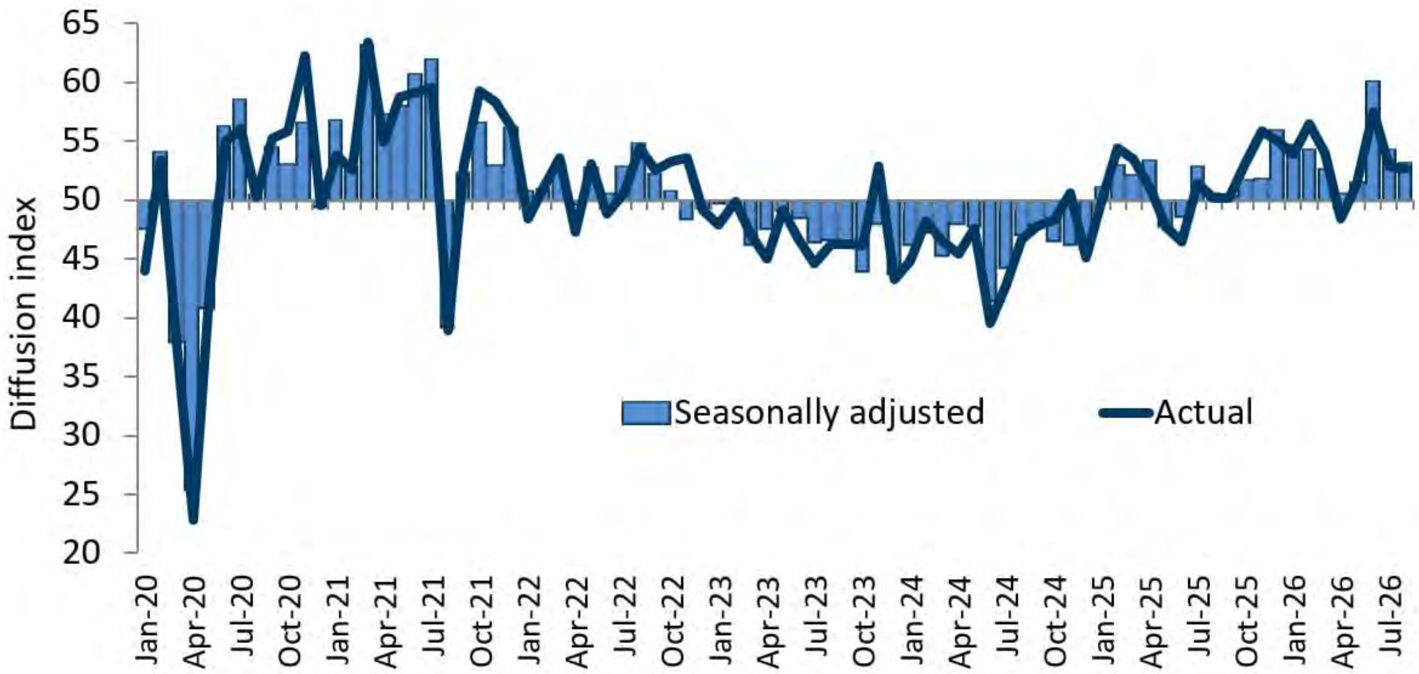
The results are seasonally adjusted.

National Indicies	Aug 2025	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026
BNZ – BusinessNZ PMI	50.6	50.5	51.5	60.1	54.3	53.1
Production	48.8	51.8	51.1	59.1	57.1	54.2
Employment	50.0	53.3	51.0	55.7	52.2	50.0
New Orders	54.5	46.6	52.9	64.3	53.6	54.9
Finished Stocks	47.4	51.0	54.3	56.8	53.4	56.4
Deliveries	52.2	47.3	52.9	57.1	55.5	52.6

VIEW THE TIME SERIES DATA

BNZ – BusinessNZ PMI Time Series

January 2020 – August 2026

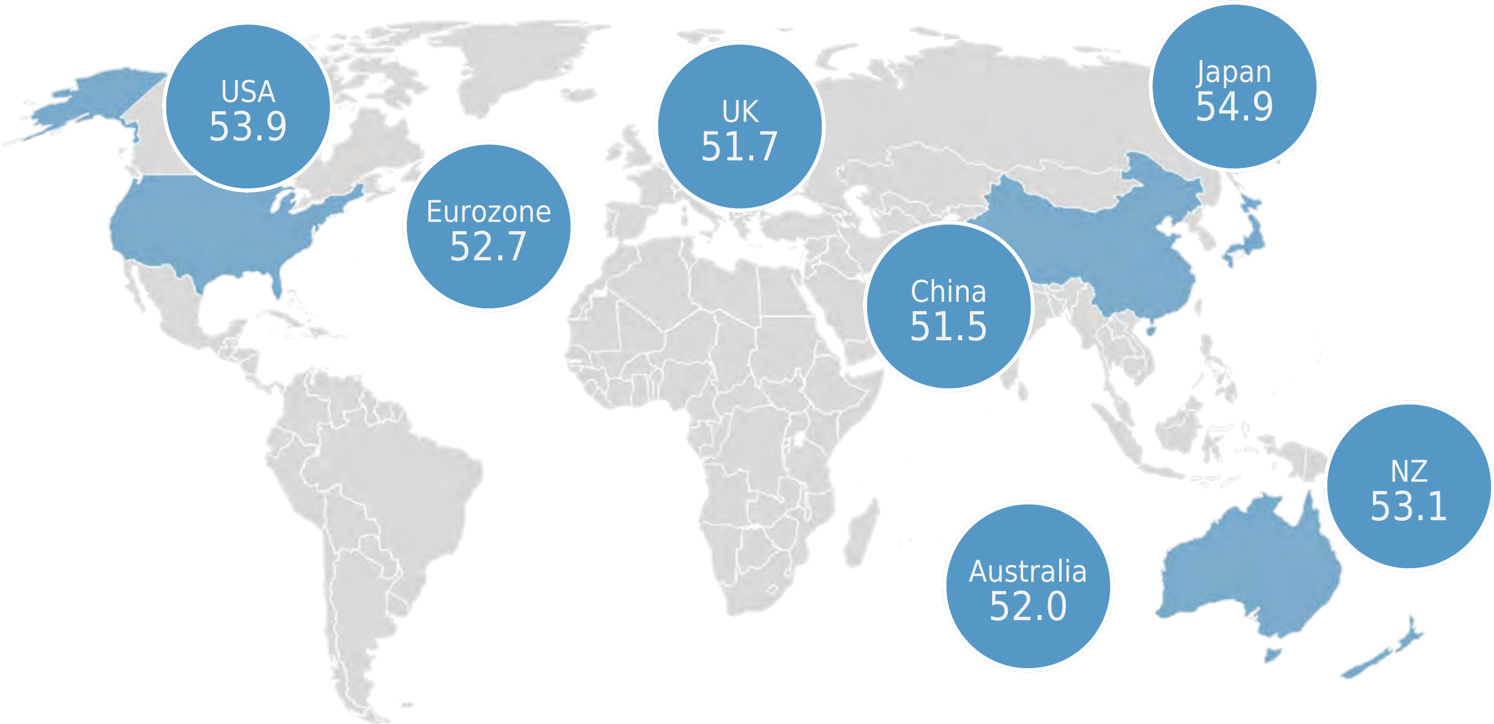


International Results

J.P. Morgan Global Manufacturing PMI™

01 Sep 2026

52.3



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**

For media comment, contact:

Catherine Beard: 04 496 6560

Technical **Comment**

For more information or assistance with data interpretation, contact:

Max Doyle:
mdoyle@businessnz.org.nz

Our Contributors

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

Research

Manufacturing Snapshot

11 September 2026

Manufacturing continues to expand

The Performance of Manufacturing Index (PMI) softened in August but remains in expansionary territory at 53.1 on a seasonally adjusted basis. Although weaker than July's 54.3 print, the 3-month moving average of the PMI continues to rise, indicating the industry is performing well through monthly volatility.

A softer number but a broadening expansion

Digging into the details, expansion in the manufacturing industry appears to be broadening despite the lower headline number. All subindustries (except 'Other') expanded over August with food and beverage, textiles, and non-metal manufacturing moving from contraction to expansion over the month. Consequently, August's decline in the PMI was driven by lower prints for previously stronger industries (including metal manufacturing, and printing and publishing), rather than a generalised weakening.

Four of the five subindices remained above 50 and greater than their long-term average. Employment was the exception which printed at exactly 50.0, a flat reading indicating neither expansion nor contraction over the month. Although this brings employment slightly below its long-term average, this component has been expanding for the past 5 months.

Some cautionary notes remain

Stocks of finished products was the highest subindex in August at 56.4. While this could be due to recent strength in orders and production, it could become problematic if demand falters. This is worth keeping an eye on.

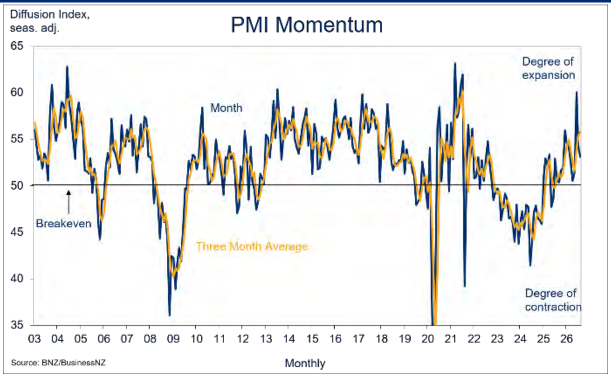
Further, despite an expansionary PMI result, most businesses (55.7%) returned negative commentary. Increased freight and material costs alongside uncertainty stemming from the Middle East conflict and the general election were noted as areas of concern.

Growth supportive

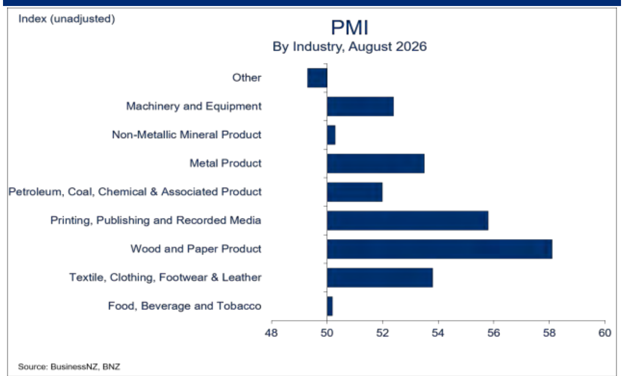
August's PMI data paints a positive picture for economic momentum in Q3. While we are still waiting for Q2 GDP results (to be released on 17 September), this result provides support for our forecast that annual GDP growth will be around 2% into the second half of 2026.

doug_steel@bnz.co.nz/india_power@bnz.co.nz

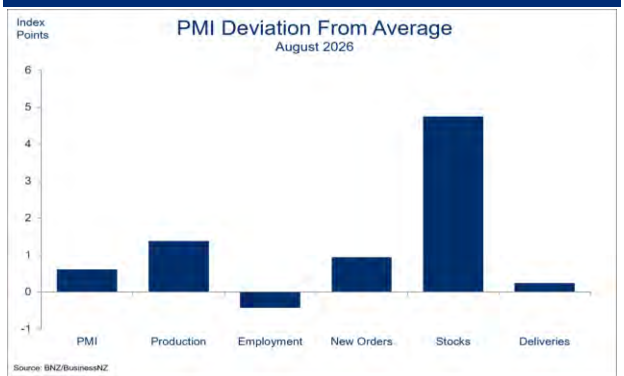
Softer but still solid



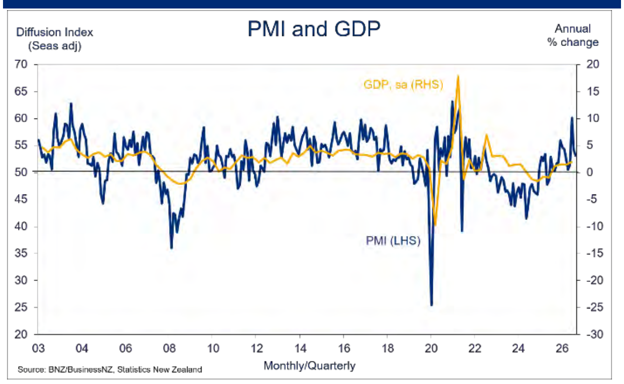
Broadening momentum



Above average



Positive news for Q3



Contact Details

BNZ Research

Stephen Toplis
Head of Research

Doug Steel
Senior Economist

Jason Wong
Senior Markets Strategist

Stuart Ritson
Senior Interest Rate Strategist

India Power
Economist

Mike Jones
BNZ Chief Economist

Main Offices

Wellington
Level 2, BNZ Place
1 Whitmore St
Private Bag 39806
Wellington Mail Centre
Lower Hutt 5045
New Zealand
Toll Free: 0800 283 269

Auckland
80 Queen Street
Private Bag 92208
Auckland 1142
New Zealand
Toll Free: 0800 283 269

Christchurch
111 Cashel Street
Christchurch 8011
New Zealand
Toll Free: 0800 854 854