

BNZ – BUSINESSNZ PERFORMANCE OF MANUFACTURING INDEX

Manufacturing ends year on high

16 Jan, 2026

56.1

December

+4.4

Monthly Change

Expanding

Faster Rate

December's activity for New Zealand's manufacturing sector showed its highest level of activity since December 2021, according to the latest BNZ – BusinessNZ Performance of Manufacturing Index (PMI).

The seasonally adjusted PMI for December was 56.1 (a PMI reading above 50.0 indicates that manufacturing is generally expanding; below 50.0 that it is declining). This was 4.4 points higher than November, and above the average of 52.5 since the survey began.

BusinessNZ's Director of Advocacy, Catherine Beard, said that the December result was a very welcome way to end the year, with 8 of the 12 months showing some level of expansion.

"All five sub-index values were in expansion during December. This was led by *New Orders* (59.8), which was at its highest level of activity since July 2021. *Production* (57.4) also showed a significant lift in activity, while *Employment* (53.8) continued to recover after a number of months exhibiting declines during 2025.

The proportion of positive comments from respondents stood at 57.1% for December, which was up from 54.4% for November and 45.9% in October. Manufacturers saw improved activity, mainly due to seasonal Christmas demand, which lifted domestic sales, orders, and short-term workloads. This was supported by firmer business and consumer confidence, increased export and forward orders, and some gains from new customers, products, and infrastructure-related work.

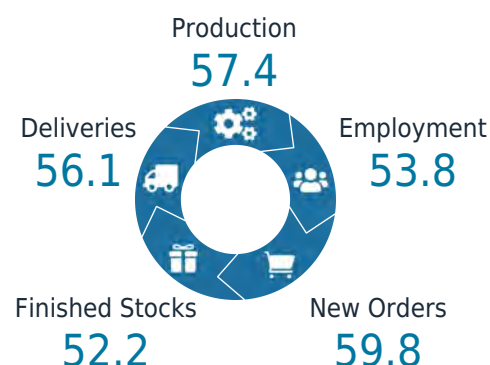
BNZ's Senior Economist Doug Steel said that "the PMI is positive for Q4 GDP calculations and points to good momentum heading into the New Year. At face value, it suggests upside risk to the positive view we already have for manufacturing and near-term GDP growth forecasts".

[VIEW THE TIME SERIES DATA](#)

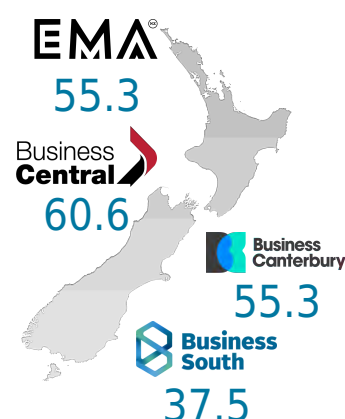


Catherine Beard
Director, Advocacy
BusinessNZ

Main Indices



Regional Results





Manufacturing Snapshot

Daylight

We have been noting for some months that the likes of the Performance of Manufacturing Index (PMI) needed to show more upbeat outturns, and relatively soon, to be consistent with our economic forecasts.

[Read more](#)

Compelling

One always wonders how much a material monthly movement in one direction or the other can be believed as an indicator of trend. Only time will tell if December's PMI strength can be maintained.

[Read more](#)

GDP, the world, and a soft spot

The PMI is positive for Q4 GDP calculations and points to good momentum heading into the New Year. At face value, it suggests upside risk to the positive view we already have for manufacturing and near-term GDP growth forecasts.

[Read more](#)



Doug Steel
Senior Economist, BNZ

[VIEW FULL BNZ MANUFACTURING SNAPSHOT](#)

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.

[View Website](#)

PMI Time Series Table

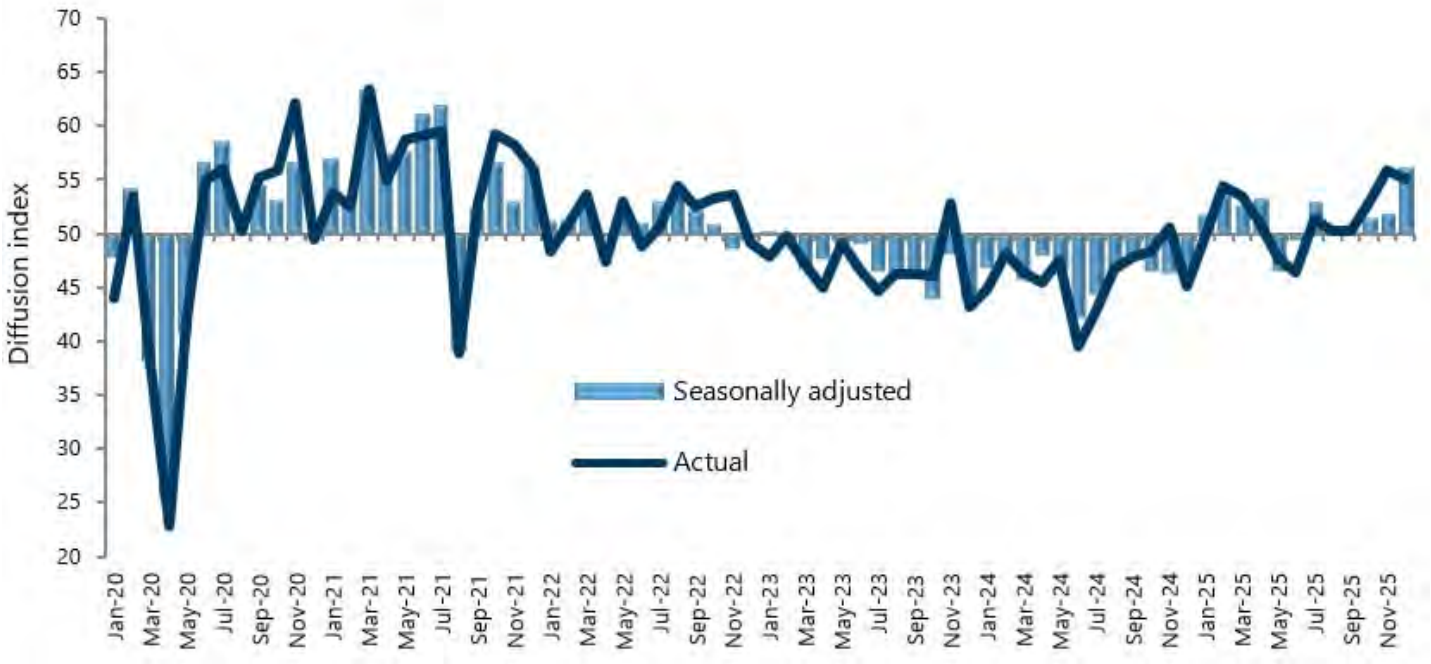
The results are seasonally adjusted.

National Indices	Dec 2024	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025
BNZ - BusinessNZ PMI	46.0	50.0	50.0	51.4	51.7	56.1
Production	43.6	47.2	50.6	52.2	53.2	57.4
Employment	47.8	49.2	47.9	48.4	52.6	53.8
New Orders	46.1	54.8	50.4	54.8	52.5	59.8
Finished Stocks	48.3	47.2	50.4	50.7	50.1	52.2
Deliveries	49.5	50.7	51.2	50.5	49.4	56.1

VIEW THE TIME SERIES DATA

BNZ - BusinessNZ PMI Time Series

January 2020 - December 2025

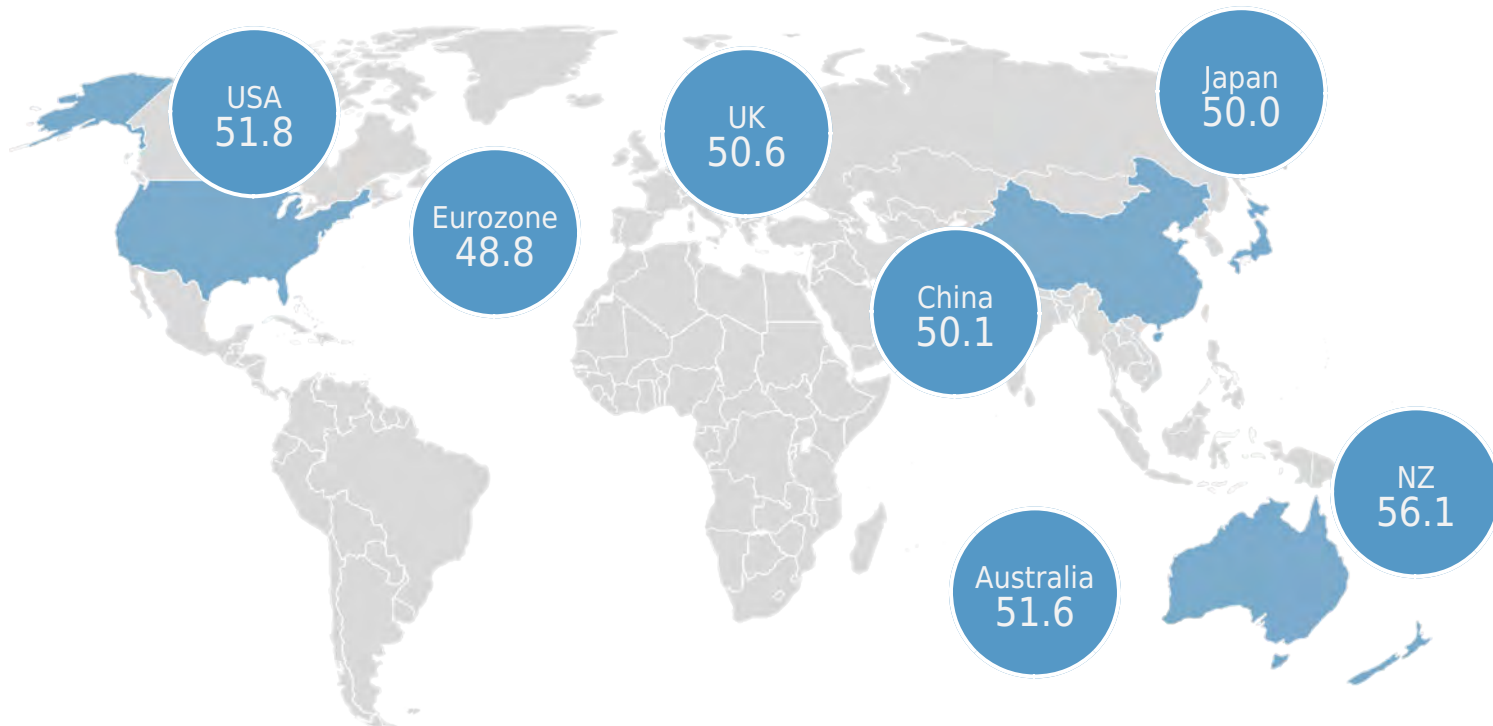


International Results

J.P. Morgan Global Manufacturing PMI™

03 Jan 2026

50.4



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:

Stephen Summers:
ssummers@businessnz.org.nz

Our Contributors

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



Research

Manufacturing Snapshot

16 January 2026

Daylight

We have been noting for some months that the likes of the Performance of Manufacturing Index (PMI) needed to show more upbeat outturns, and relatively soon, to be consistent with our economic forecasts. And if the PMI did pick up, it would help give us some comfort that a lift in Q3 GDP last year, confirmed just before Christmas, can be sustained. In this context, it is encouraging to see a material PMI improvement in December. It rose to 56.1 from November's 51.7. December's outcome was easily the best monthly result of 2025 and exceeded the long-term average of 52.5. Indeed, it is the strongest PMI result in four years.

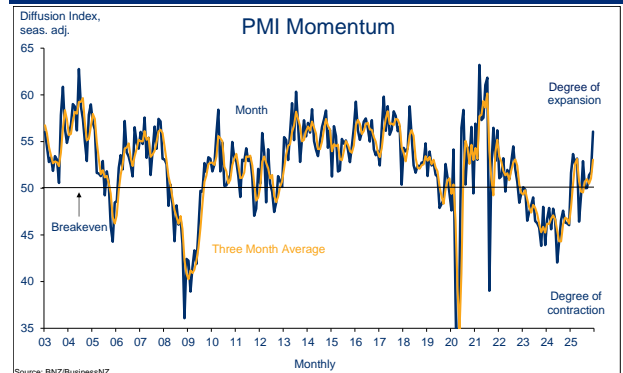
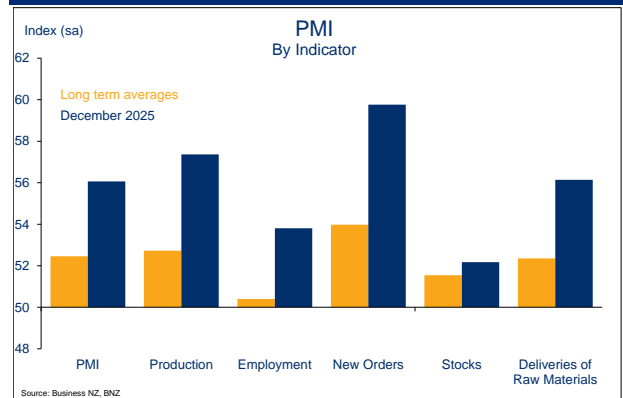
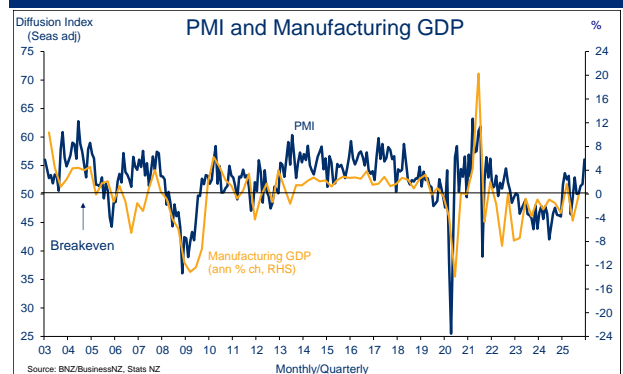
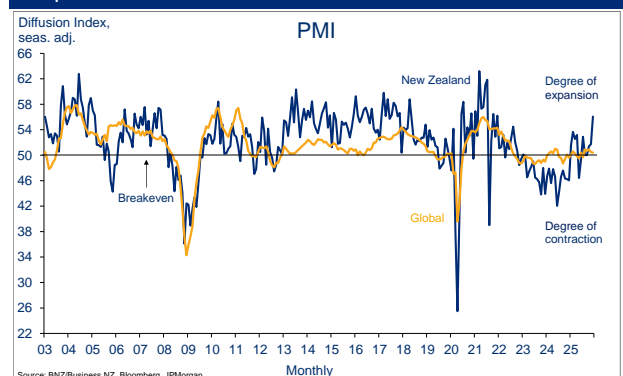
Compelling

One always wonders how much a material monthly movement in one direction or the other can be believed as an indicator of trend. Only time will tell if December's PMI strength can be maintained. But we see compelling reasons to believe there is at least some underlying improvement occurring. First, the PMI lift isn't out of the blue. New orders over recent months have been promising board improvement. Second, December saw gains across all the major components to above-average levels, with production and employment now following new orders higher. And new orders themselves strengthened further to a very strong 59.8. Third, the PMI is now being supported by other surveys showing improvement. The latest QSBO also recorded better indicators for the manufacturing sector including confidence, output, and employment. And fourth, drivers like rising residential building activity and strong primary sector exports suggest some fundamental underpinnings to the stronger PMI. Indeed, PMI improvement was strongest in industries aligned with the construction cycle and primary sectors like non-metallic mineral and metal product manufacturing, and food processing sectors. All up, the PMI could ease back a bit over coming months and still signal trend improvement.

GDP, the world, and a soft spot

The PMI is positive for Q4 GDP calculations and points to good momentum heading into the New Year. At face value, it suggests upside risk to the positive view we already have for manufacturing and near-term GDP growth forecasts. Looking around the world, NZ's PMI has punched above the global average, which sat at 50.4 in December. Indeed, NZ's PMI was higher than each of the major comparator jurisdictions we look at, including Australia's 51.6. Finally, and at the risk of taking the gloss off an otherwise strong report, we note micro manufacturing firms (1-10 employees) remain an area of weakness in the PMI, with December's 46.4 result seeing this segment entering its third year being persistently below the breakeven 50 mark.

doug_steel@bnz.co.nz

Breakout**Higher order****GDP positive****Outperformer**

Contact Details

BNZ Research

Stephen Toplis
Head of Research

Doug Steel
Senior Economist

Matt Brunt
Economist

Jason Wong
Senior Markets Strategist

Stuart Ritson
Senior Interest Rate Strategist

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

This document has been produced by Bank of New Zealand (BNZ). BNZ is a registered bank in New Zealand and is only authorised to offer products and services to customers in New Zealand.

Analyst Disclaimer: The Information accurately reflects the personal views of the author(s) about the securities, issuers and other subject matters discussed, and is based upon sources reasonably believed to be reliable and accurate. The views of the author(s) do not necessarily reflect the views of the NAB Group. No part of the compensation of the author(s) was, is, or will be, directly or indirectly, related to any specific recommendations or views expressed.

BNZ maintains an effective information barrier between the research analysts and its private side operations. Private side functions are physically segregated from the research analysts and have no control over their remuneration or budget. The research functions do not report directly or indirectly to any private side function. The Research analyst might have received help from the issuer subject in the research report.

New Zealand: The information in this publication is provided for general information purposes only, and is a summary based on selective information which may not be complete for your purposes. This publication does not constitute any advice or recommendation with respect to any matter discussed in it, and its contents should not be relied on or used as a basis for entering into any products described in it. Bank of New Zealand recommends recipients seek independent advice prior to acting in relation to any of the matters discussed in this publication.

Any statements as to past performance do not represent future performance, and no statements as to future matters are guaranteed to be accurate or reliable.

Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.

USA: If this document is distributed in the United States, such distribution is by nabSecurities, LLC. This document is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of nabSecurities to create legal relations on the basis of information provided herein.