BNZ – BUSINESSNZ PERFORMANCE OF MANUFACTURING INDEX

Signs of life

14 Nov, 2025

51.4	+1.3	Expanding
October	Monthly Change	Faster Rate

New Zealand's manufacturing sector showed increased expansion during October, according to the latest BNZ – BusinessNZ Performance of Manufacturing Index (PMI).

The seasonally adjusted PMI for October was 51.4 (a PMI reading above 50.0 indicates that manufacturing is generally expanding; below 50.0 that it is declining). This was 1.3 points higher than September, but still below the average of 52.4 since the survey began.

BusinessNZ's Director of Advocacy, Catherine Beard, said that after two months of flatlining activity in the sector, at least October showed more signs of life.

"Four of the five sub-index values were in expansion during October, lead by *New Orders* (54.9), which showed its highest level of expansion since August 2022. This was followed by *Production* (52.0) and *Finished Stocks* (51.3). In contrast, *Employment* (48.1) remained in contraction, which has now been the case for six consecutive months".

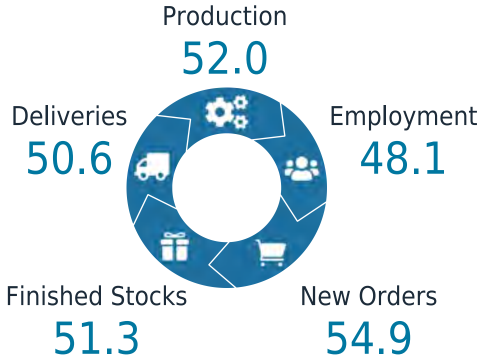
The proportion of negative comments from respondents stood at 54.1% for October, down from 60.2% in September and 58.1% in August. Manufacturers reported a lift in orders and improved demand, helped by seasonal activity, new customers/products, and signs of economic confidence returning. Many also noted better efficiency and productivity, with process improvements and automation supporting stronger sales and output.

BNZ's Senior Economist Doug Steel said that "the lift to 51.4 from September's 50.1 isn't large, but it has moved the right way. The October result sees the PMI now boasting four consecutive months above the breakeven 50 mark for the second time in three years".

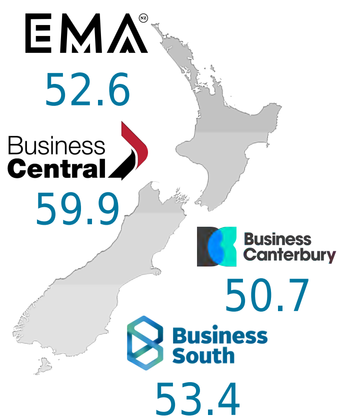
VIEW THE TIME SERIES DATA

Catherine Beard
Director, Advocacy
BusinessNZ

Main Indices



Regional Results



Manufacturing Snapshot

Doug Steel
Senior Economist, BNZ

PMI encouraging

We have previously discussed that the PMI needs to start lifting soon to be consistent with the shape of economic recovery that we (and the RBNZ) are forecasting.

Read more

Details add to the positive hue

The PMI details added to the sense of improvement. The biggest gains were in the areas one would expect to see first in a cyclical recovery – namely new orders and production.

Read more

GDP supportive

Manufacturing is expected to make a positive contribution to Q3 GDP thanks, in part, to restarts of some major plants and a bounce in meat processing.

Read more

Employment lagging

For all the encouraging signs in new orders and production, the PMI employment index remained weak at 48.1 in October.

Read more

VIEW FULL BNZ MANUFACTURING SNAPSHOT

PMI Time Series Table

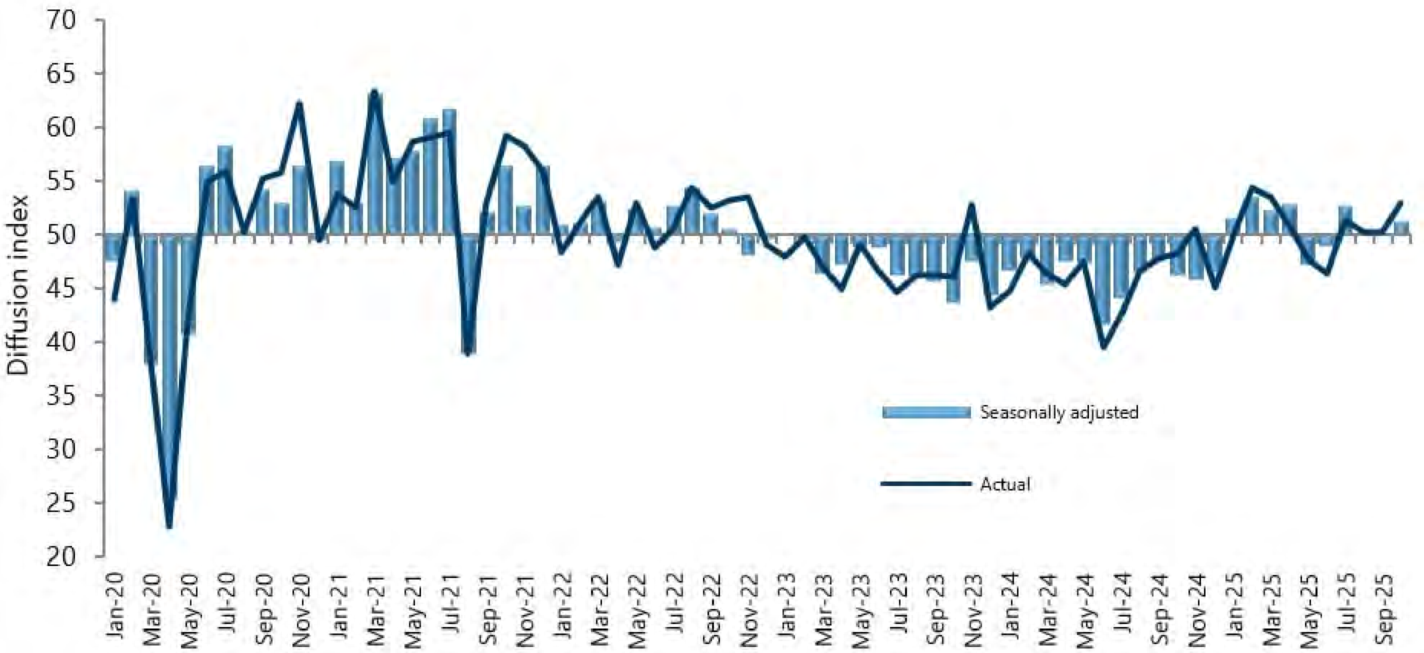
The results are seasonally adjusted.

National Indicies	Oct 2024	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025
BNZ – BusinessNZ PMI	46.3	49.1	52.8	50.0	50.1	51.4
Production	44.9	48.7	53.6	47.2	50.5	52.0
Employment	46.8	47.8	49.9	49.2	47.7	48.1
New Orders	48.4	51.9	54.3	54.8	50.5	54.9
Finished Stocks	47.7	46.8	51.5	47.3	50.7	51.3
Deliveries	46.5	47.9	52.2	50.7	51.2	50.6

VIEW THE TIME SERIES DATA

BNZ – BusinessNZ PMI Time Series

January 2020 – October 2025

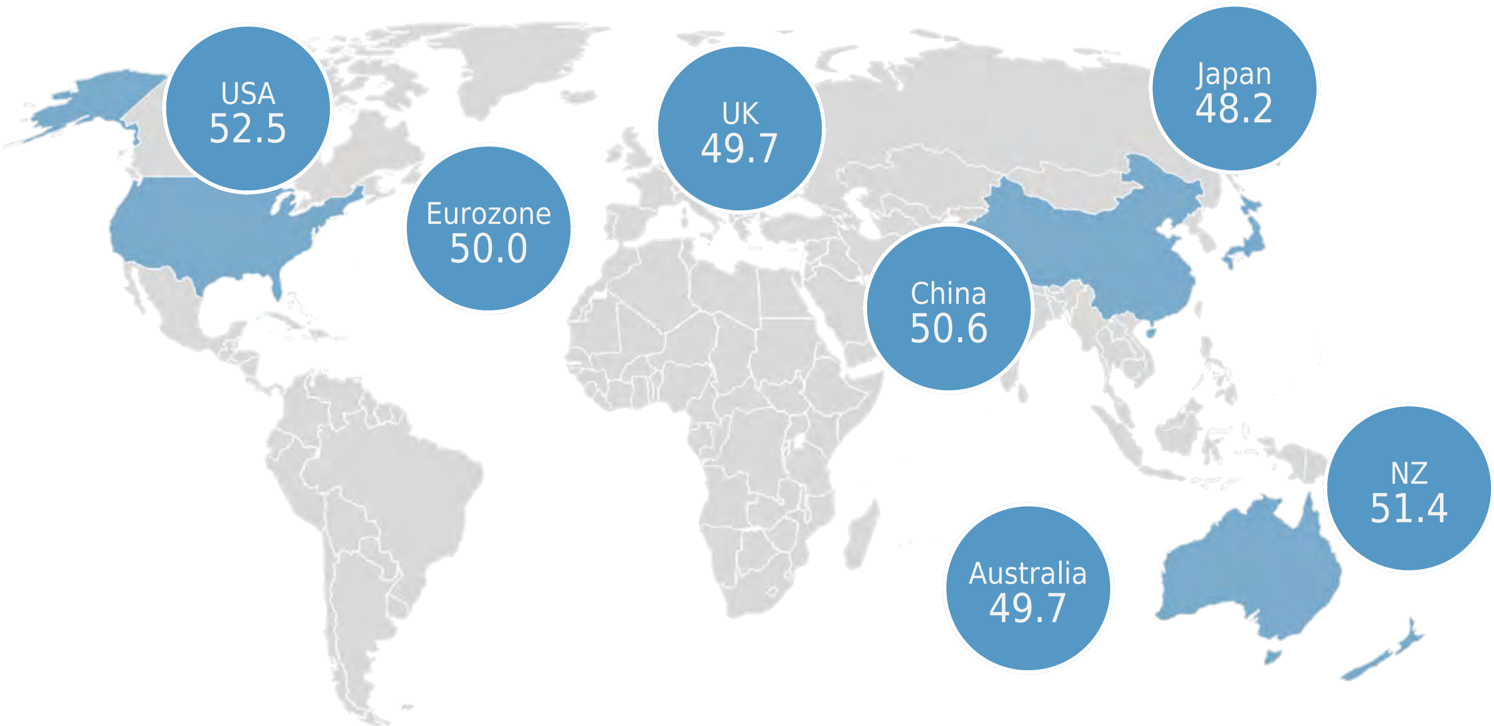


International Results

J.P. Morgan Global Manufacturing PMI™

04 Nov 2025

50.8



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.

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

Research
Manufacturing Snapshot

14 November 2025

PMI encouraging

We have previously discussed that the PMI needs to start lifting soon to be consistent with the shape of economic recovery that we (and the RBNZ) are forecasting. So, it is encouraging to see the PMI nudge higher in October. The lift to 51.4 from September's 50.1 isn't large but it has moved the right way. The October result sees the PMI now boasting four consecutive months above the breakeven 50 mark for the second time in three years.

Details add to the positive hue

The PMI details added to the sense of improvement. The biggest gains were in the areas one would expect to see first in a cyclical recovery – namely new orders and production. The PMI production index pushed up to 52.0 from 50.5 in September. This indicates output expanded in the month and at a quickening pace. The index is not that far below its long-term average of 52.7. Further output growth looks likely with the PMI new orders index rising to 54.9 in October. Not only does this represent a decent bounce from September's dip to 50.5 but it makes for three out of the past four months where the new orders index has been above its long-term average. To cap things off, October's new orders reading puts the index at its highest level since August 2022. Demand is rising.

GDP supportive

Manufacturing is expected to make a positive contribution to Q3 GDP thanks, in part, to restarts of some major plants and a bounce in meat processing. But the PMI supports our view of a broader pickup in manufacturing GDP in the second half of 2025. It is always difficult to know exactly what is generally driving stronger demand but recent increases in residential building consents, monetary policy easing, and a lower NZD/AUD exchange rate are all likely part of the mix. While performance remains varied across the sector, the net balance is definitely improving.

Employment lagging

For all the encouraging signs in new orders and production, the PMI employment index remained weak at 48.1 in October. It was marginally up on September's 47.7, but it is the sixth consecutive month indicating labour shedding in the sector. It is another reminder that the labour market tends to lag changes in activity.

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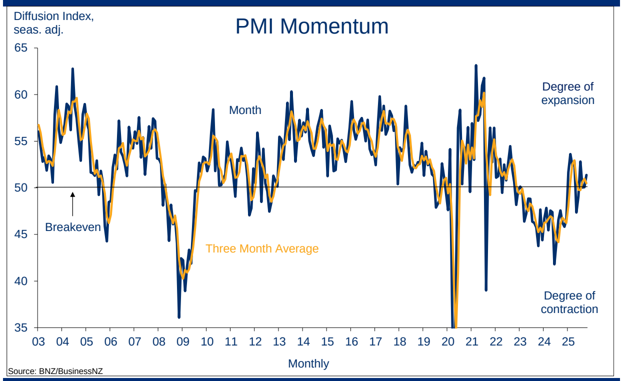
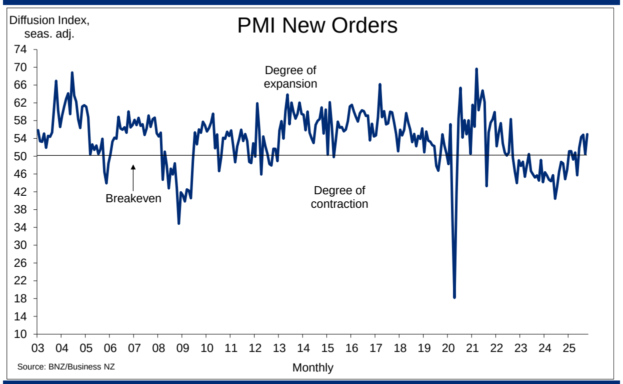
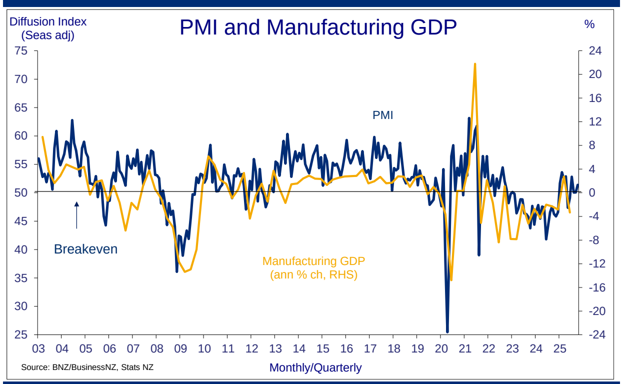
Above the line



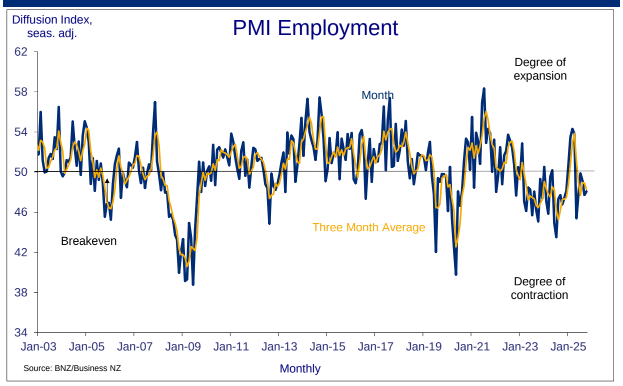
New orders index highest since August 2022



Manufacturing growing again?



Employment weak



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