BNZ – BUSINESSNZ PERFORMANCE OF MANUFACTURING INDEX

What war?

09 Jul, 2026

59.7	+8.4	Expanding
June	Monthly Change	Faster Rate

According to the latest BNZ - BusinessNZ Performance of Manufacturing Index (PMI), New Zealand's manufacturing sector expanded significantly in June.

The seasonally adjusted PMI for June was 59.7 (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 sharply up from 51.3 in May and 50.6 in April and sits well above the survey's long-term average of 52.5.

BusinessNZ's Director of Advocacy, Catherine Beard said: "It is hugely encouraging to see the PMI jump to 59.7, its strongest reading since July 2021. Just as pleasing is the shift in mood with positive comments outweighing negative ones for the first time in recent months, at 52%. There are still real headwinds with the conflict in the Middle East and high fuel prices continuing to be a factor for many respondents, but this months result reflects a huge positive shift after a long stretch of soft results, which is a very welcome turn."

The respondent comments showed that, while the conflict in the Middle East and cost-of-living pressures remain an aspect for many, they were outweighed this month by respondents reporting stronger sales, fuller order books and a renewed sense of confidence.

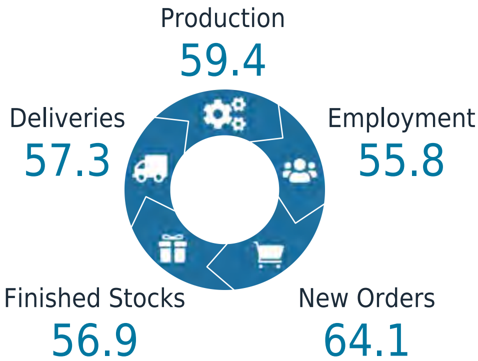
Every sub-index was firmly in expansion. New Orders was the standout, at 64.1, pointing to a healthy forecast of work ahead, while Production surged to 59.4 and Deliveries to 57.3. Stocks of Finished Products (56.9) and Employment (55.8) were also well clear of 50.0, an encouraging sign for manufacturing hiring.

BNZ Head of Research, Stephen Toplis, said "Frankly, we are staggered by the extent the Index has jumped. From a war afflicted seasonally adjusted low of 50.6 in April the index has surged to 59.7 in June to its highest level since July 2021, which was during the COVID economic bounce-back. Exclude this and you need to go back to May 2017 to get a better reading."

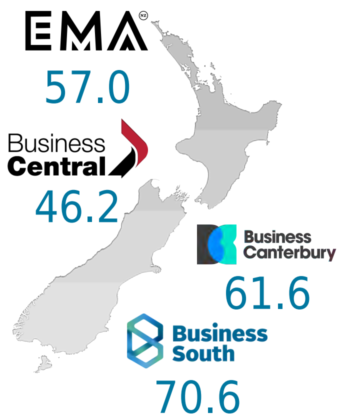
VIEW THE TIME SERIES DATA

Catherine Beard
Director, Advocacy
BusinessNZ

Main Indices



Regional Results



Manufacturing Snapshot

Stephen Toplis
Head of Research, BNZ

Building momentum

Leading indicators have been suggesting economic momentum is building in New Zealand. But we feared the enthusiasm expressed in those indicators might be fragile and take some time to feed through into actual activity.

Read more

Almost too good to be true

So good was the result we have been going through the detail with a fine-tooth comb in search of a reporting error but we can't find one.

Read more

South Island leads again

Not only was the jump in the PMI experienced by all its components but, on a non-seasonally adjusted basis, every region, every business size and the clear majority of industry groups reported improvement. Not surprisingly, the South Island again outperforms the North.

Read more

Cheaper fuel, cheaper power

We are convinced falling fuel prices will have played a big part in the overall rise in activity but the impact of falling wholesale electricity prices on an energy intensive sector should not be overlooked.

Read more

VIEW FULL BNZ MANUFACTURING SNAPSHOT

PMI Time Series Table

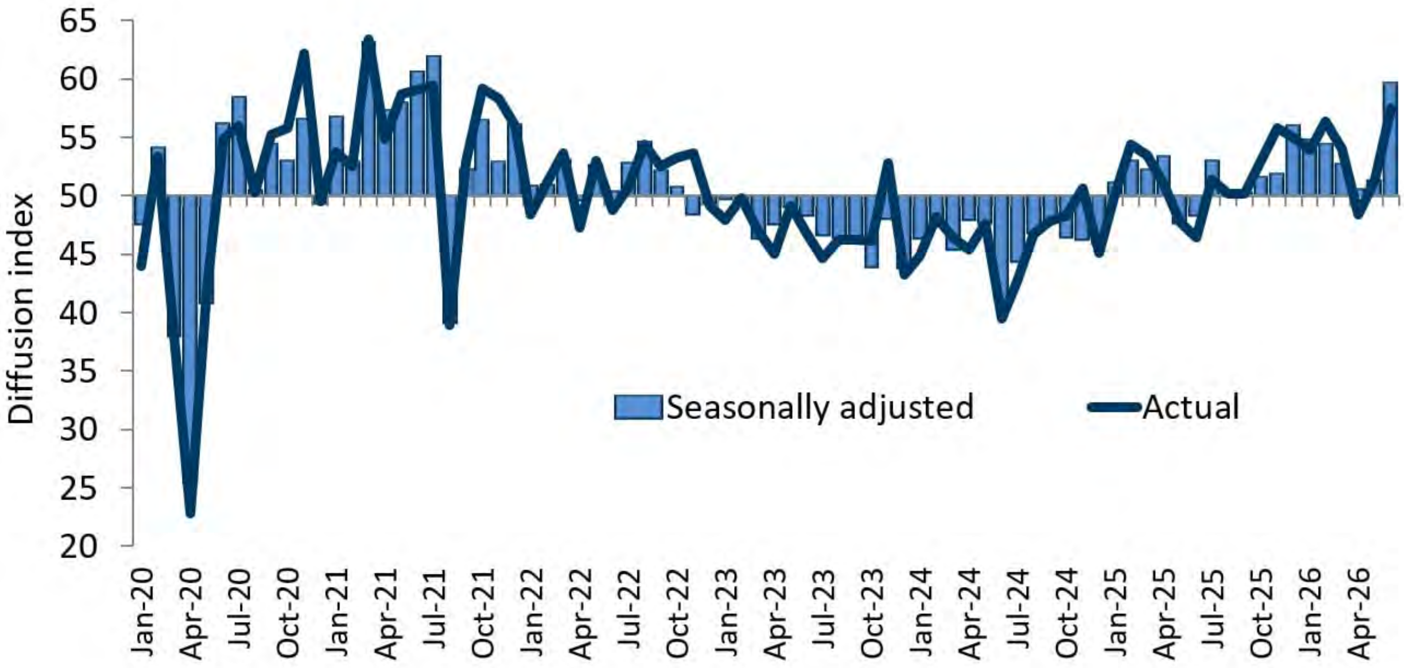
The results are seasonally adjusted.

National Indicies	June 2025	Feb 2026	Mar 2026	Apr 2026	May 2026	June 2026
BNZ – BusinessNZ PMI	48.4	54.5	52.8	50.6	51.3	59.7
Production	46.7	56.0	53.3	51.7	50.6	59.4
Employment	47.5	49.9	51.4	53.4	51.4	55.8
New Orders	51.6	56.8	55.1	46.5	53.2	64.1
Finished Stocks	45.3	51.5	54.3	51.0	54.3	56.9
Deliveries	47.3	50.4	49.8	47.3	52.9	57.3

VIEW THE TIME SERIES DATA

BNZ – BusinessNZ PMI Time Series

January 2020 – June 2026

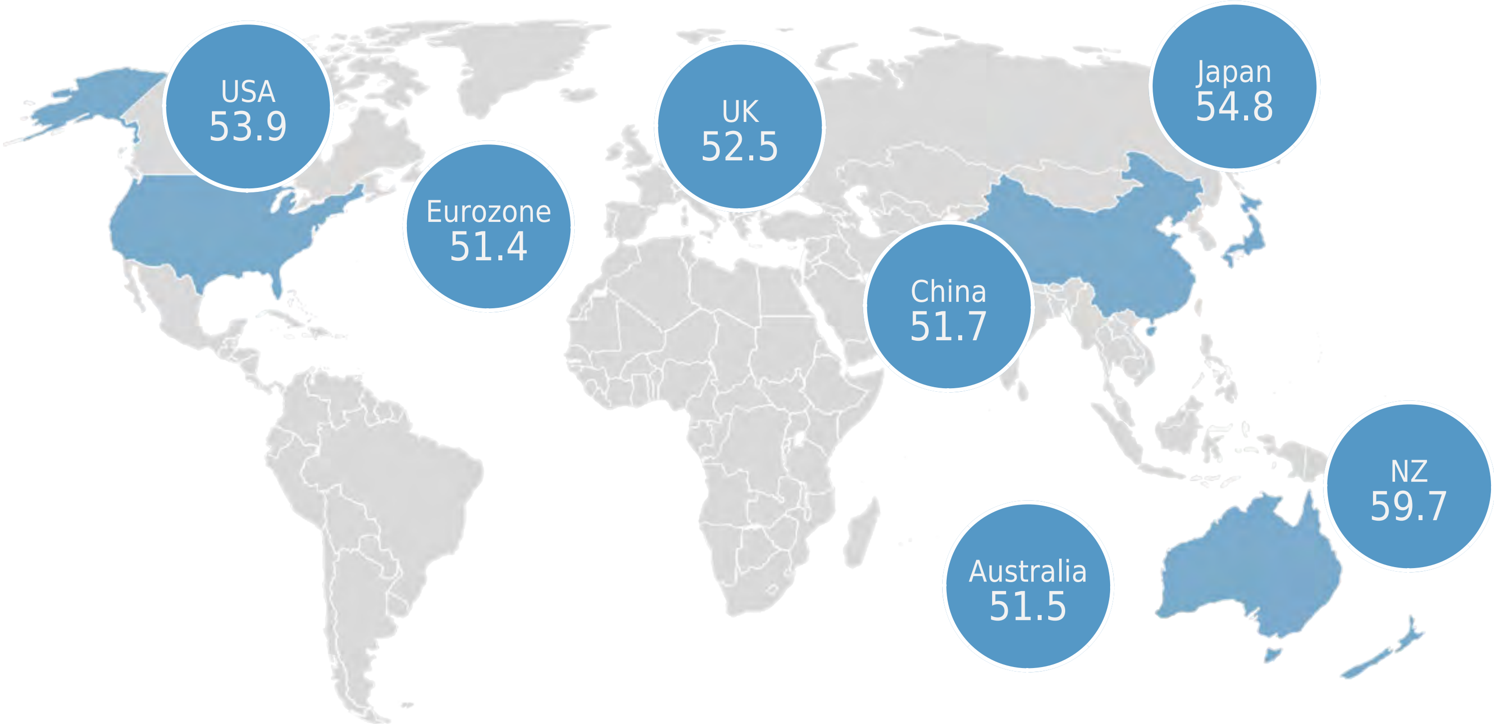


International Results

J.P. Morgan Global Manufacturing PMI™

01 Jul 2026

52.2



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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Technical **Comment**

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

Manufacturing Snapshot

9 July 2026

Manufacturing leap astounding

Leading indicators have been suggesting economic momentum is building in New Zealand. But we feared the enthusiasm expressed in those indicators might be fragile and take some time to feed through into actual activity. Indeed, there has been very little in the reported actual economic outcomes to suggest a genuine sense of economic improvement. Today's PMI reading may well be the kick start of that more positive data flow. And, frankly, we are staggered by the extent the Index has jumped. From a war afflicted seasonally adjusted low of 50.6 in April the index has surged to 59.7 in June to its highest level since July 2021, which was during the COVID economic bounce-back. Exclude this and you need to go back to May 2017 to get a better reading.

So good was the result we have been going through the detail with a fine-tooth comb in search of a reporting error but we can't find one. Every component that makes up the main index is now well above the 50 mark that represents the dividing line between contraction and expansion. New orders climbed the most between April and June and the critical production measure is also rising strongly.

The pick-up in employment is more modest but still represents genuine employment growth. Furthermore, the gap between production and employment may mean that existing employees are being more fully utilised not only improving manufacturing productivity but also reducing the fear of job loss.

Not only was the jump in the PMI experienced by all its components but, on a non-seasonally adjusted basis, every region, every business size and the clear majority of industry groups reported improvement. Not surprisingly, the South Island again outperforms the North. At the other extreme, the weakest industry was non-metallic mineral product manufacturing which provides the inputs to a languishing construction sector.

We are convinced falling fuel prices will have played a big part in the overall rise in activity but the impact of falling wholesale electricity prices on an energy intensive sector should not be overlooked.

While we are overjoyed with today's reading, we will need to see a repetition next month to be convinced of its veracity. Also, we are now waiting with baited-breath to see if the data for Monday's Performance of Services Index is supportive of a wider improvement in economic activity.

For now, though, we can add the June PMI to the increasing pile of data that suggests the economy is on the mend. It also provides some justification for the RBNZ's decision to begin moving the cash rate towards neutral.

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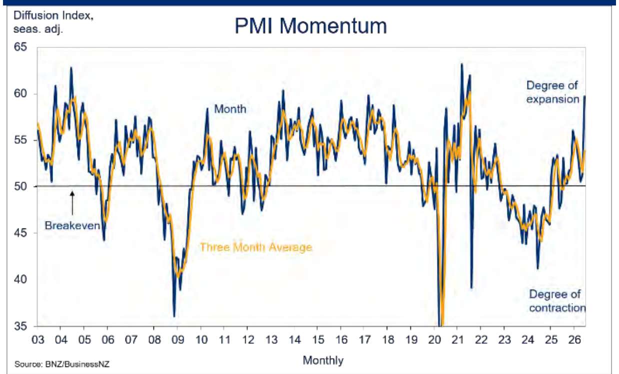
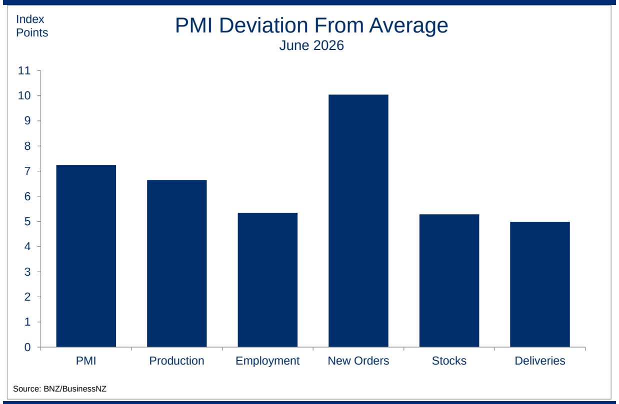
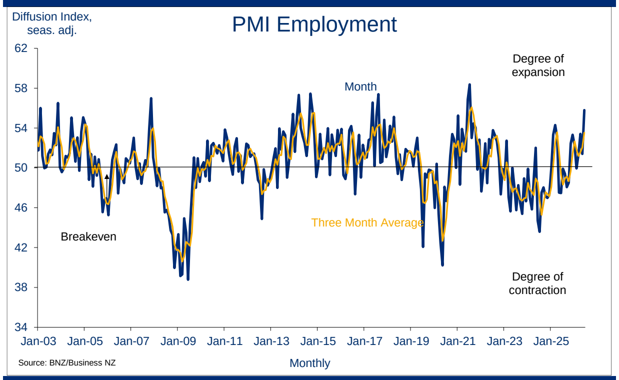
Really?!



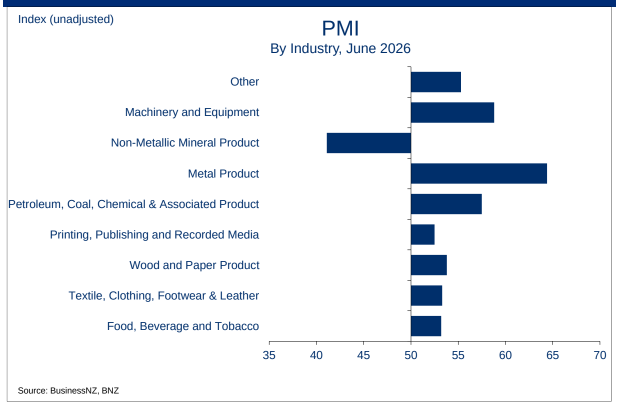
Widespread optimism



Job creation returns?



Mainly positive



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