

BNZ - BUSINESSNZ PERFORMANCE OF SERVICES INDEX



Expansion

20 Jan 2026

51.5

December

+4.3

Monthly Change

Expanding

Previously Contracting

The services sector in New Zealand experienced expansion for the first time since February 2024, according to the BNZ - BusinessNZ Performance of Services Index (PSI).

The PSI for December was 51.5 (A PSI reading above 50.0 indicates that the service sector is generally expanding; below 50.0 that it is declining). This was 4.3 points higher than November, but still below the average of 52.8 over the history of the survey.

BusinessNZ's CEO, Katherine Rich said that the December result ended the longest run of contraction for the sector since the survey began, stretching to 21 months. Three of the five sub-index values were in expansion, with *New Orders/Business* (52.5) leading the way after four months of consecutive contraction. This was followed by *Activity/Sales* (52.2) and *Stocks/Inventories* (51.9). Despite the return to overall expansion, *Employment* (49.6) still remained in slight contraction.

The proportion of negative comments for December stood at 50.4%, but this was still below November (52.9%) and October (54.1%). Negative comments received showed the services sector constrained by weak demand and confidence, high living and operating costs and Christmas-related shutdowns. On the flip side, positive comments saw the services sector supported by seasonal Christmas and summer demand, improving consumer confidence driven by lower interest rates, stronger tourism, new contracts and bookings, and early signs of broader economic recovery and investment activity.

BNZ's Senior Economist Doug Steel said that "the PSI is not strong, but the positive direction of travel is important to acknowledge. Especially when the PSI is joined with the large jump in last week's PMI, the combined index (PCI) signals firmly positive GDP growth into the end of 2025 and establishes forward momentum heading into the New Year".



Katherine Rich
CEO, BusinessNZ

Main Indices

Activity/Sales

52.2

Supplier Deliveries

49.7

Employment

49.6



New Orders/
Business

52.5

Stocks/Inventories
51.9

Regional Results

EMA

51.7

Business Central

54.4

Business Canterbury

49.6

Business South

55.0

[VIEW THE TIME SERIES DATA](#)



Services Landscape

A long time coming

It has been a long dark tunnel for many in the service sector over the past couple of years. But light has appeared.

[Read more](#)



Doug Steel
Senior Economist, BNZ

Growth

The PSI is not strong, but the positive direction of travel is important to acknowledge. Especially when the PSI is joined with the large jump in last week's PMI, the combined index (PCI) signals firmly positive GDP growth into the end of 2025 and establishes forward momentum heading into the New Year.

[Read more](#)

Employment lags

The PSI employment index edged up to 49.6 in December, equalling its best outcome since March 2025. It is difficult to get too excited when there has been 25 consecutive months printed below 50.

[Read more](#)

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Sponsor Statement

BNZ is delighted to be associated with the Performance of Services Index (PSI) 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 service sector.

[View Website](#)

PSI Time Series Table

The results are seasonally adjusted.

National Indicies	Dec 2024	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025
BNZ - BusinessNZ PSI	47.1	47.7	48.2	48.6	47.2	51.5
Activity/Sales	45.1	46.3	47.8	48.6	46.2	52.2
Employment	47.2	48.4	47.8	48.6	46.5	49.6
New Orders/Business	48.4	48.1	49.7	49.4	49.6	52.5
Stocks/Inventories	47.8	47.2	50.3	47.7	47.6	51.9
Supplier Deliveries	46.8	47.7	46.5	49.4	48.8	49.7

[VIEW THE TIME SERIES DATA](#)

BNZ - BusinessNZ PSI Time Series

January 2019 - December 2025

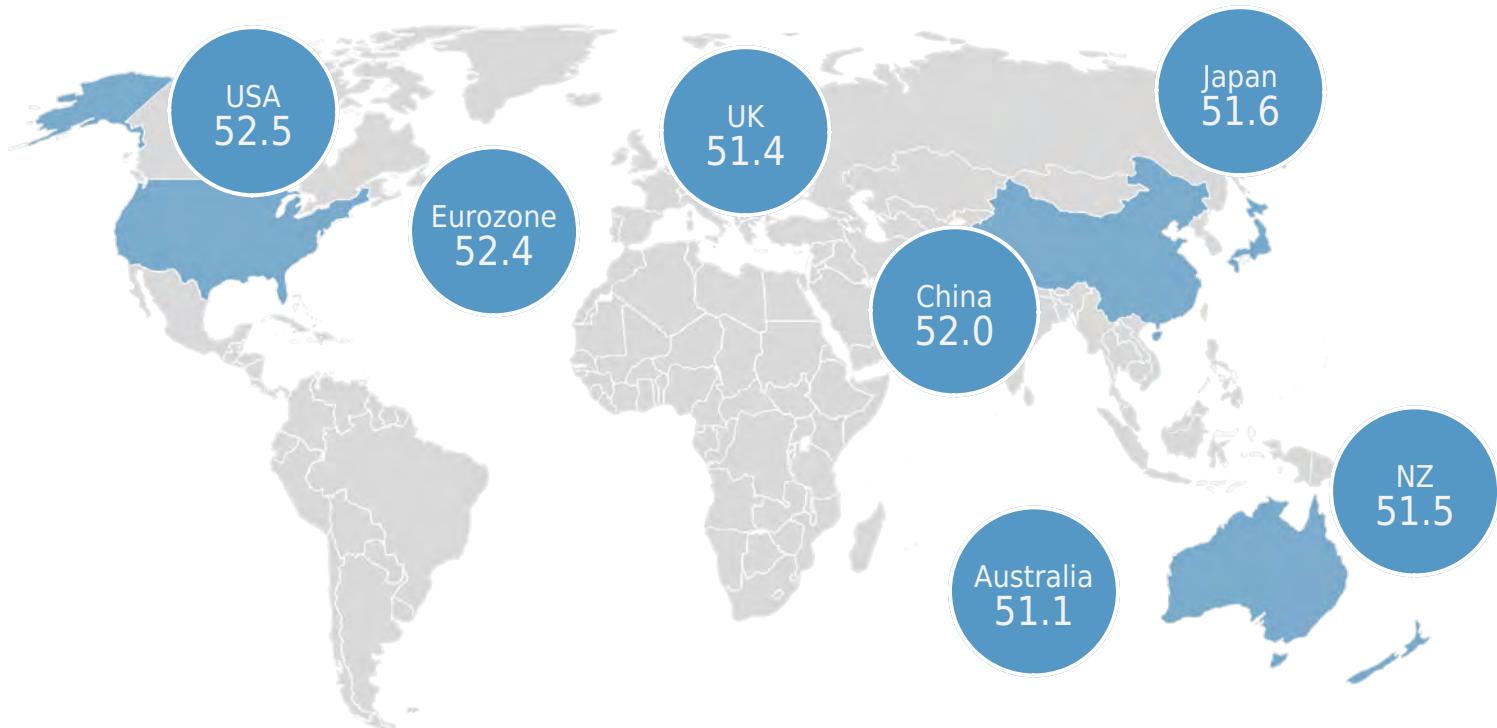


International Results

J.P. Morgan Global Manufacturing PSI™

07 Jan 2026

52.4



BNZ - BUSINESSNZ PERFORMANCE OF COMPOSITE INDEX

52.1

GDP-Weighted Index

53.7

Free-Weighted Index

The seasonally adjusted BNZ - BusinessNZ Performance of Composite Index or PCI (which combines the PMI and PSI) showed both indices in expansion for the first time since January 2025.

The December GDP-Weighted Index stood at 52.1, while the Free-Weighted Index was 53.7.

BNZ - BusinessNZ PCI Time Series

The results are seasonally adjusted.

National Indices	Dec 2024	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025
GDP-Weighted Index	47.1	48.0	48.5	49.0	47.8	52.1
Free-Weighted Index	47.0	48.6	49.1	50.2	49.2	53.7

[VIEW THE TIME SERIES DATA](#)

BNZ - BusinessNZ PCI Time Series

January 2020 - December 2025



About the PSI

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

About the PCI

The BNZ - BusinessNZ Performance of Composite Index (PCI) takes into account results from both the Performance of Manufacturing Index (PMI) and the Performance of Services Index (PSI). Combined results are shown in two ways:

- **GDP-Weighted Index:** Apportions the weight of the manufacturing and services index within the economy to produce an overall result.
- **Free-Weighted Index:** Combines data from both indexes to produce an overall result. Both time series for the PCI are then seasonally adjusted.

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The BNZ - BusinessNZ psi contains data obtained through BusinessNZ's regional organisations



Research

Services Landscape

20 January 2026

A long time coming

It has been a long dark tunnel for many in the service sector over the past couple of years. But light has appeared. The Performance of Services Index (PSI) rose to 51.5 in December. After 21 consecutive months below the breakeven 50 mark anything indicating forward momentum is warmly welcomed. The index remains below its long-term average of 52.8 and so too does most of its major components, including new orders. However, it is the strongest result since June 2023.

Growth

The PSI is not strong, but the positive direction of travel is important to acknowledge. Especially when the PSI is joined with the large jump in last week's PMI, the combined index (PCI) signals firmly positive GDP growth into the end of 2025 and establishes forward momentum heading into the New Year. Notwithstanding that it is only one month's strength, the PCI activity indicator suggests upside risk to our near-term GDP growth forecasts. It may not look like much judging by the long-term relationship between the two variables, but momentum is in that direction and GDP has again started to track ahead of the indicator recently. Of course, GDP could also get revised closer to the indicator in due course, as has happened before. Regardless of the technicalities, it is a welcome change to be considering how fast activity is growing rather than whether there will be any growth at all! Strong growth signals from the PMI and construction sector via more residential building consents have now been joined by the much bigger services sector. Even if the latter's growth is only mild at this point, it represents a broadening economic recovery.

Employment lags

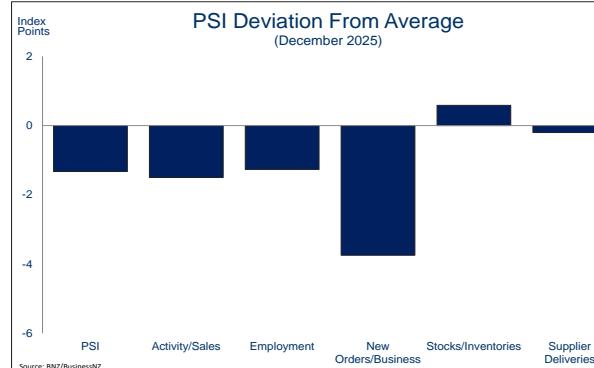
The PSI employment index edged up to 49.6 in December, equalling its best outcome since March 2025. It is difficult to get too excited when there has been 25 consecutive months printed below 50. Service sector employment still looks subdued, which is not surprising as the labour market often lags economic activity. But the index is moving in the right direction and could be expected to continue trending that way. In NZIER's recent Quarterly Survey of Business Opinion, service sector firms' employment intentions rose strongly, and further into positive territory. It is all positive signals for service sector employment growth in 2026.

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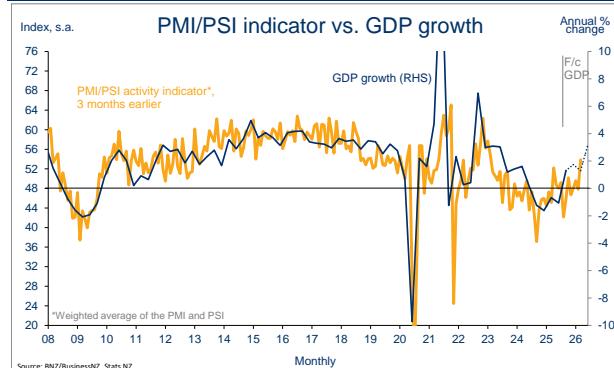
Hello growth!



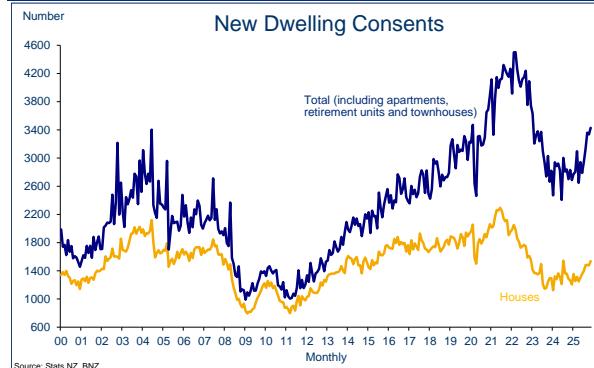
Still generally below average



Composite upswing



Now a growth tailwind



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