

BNZ – BUSINESSNZ PERFORMANCE OF SERVICES INDEX

Services sector struggling

13 Apr 2026

46.0

March

-1.6

Monthly Change

Contracting

Faster

The services sector in New Zealand contracted in March, according to the BNZ – BusinessNZ Performance of Services Index (PSI).

The PSI for March was 46.0 (A PSI reading above 50.0 indicates that the service sector is generally expanding; below 50.0 that it is declining). This was 1.6 points lower than in February and 6.6 points lower than the average of 52.8 over the history of the survey.

BusinessNZ's CEO, Katherine Rich said "The services sector in New Zealand is clearly feeling the effects of the conflict in Iran. The industries that deal mainly in discretionary spending (Accommodation, cafes & restaurants; and Cultural, recreational & personal services) have been especially impacted, and this is likely to reflect a lack of consumer confidence."

All five of the sub-indexes had readings below 50.0, and the weakest was the Activities/Sales sub-index at 44.6.

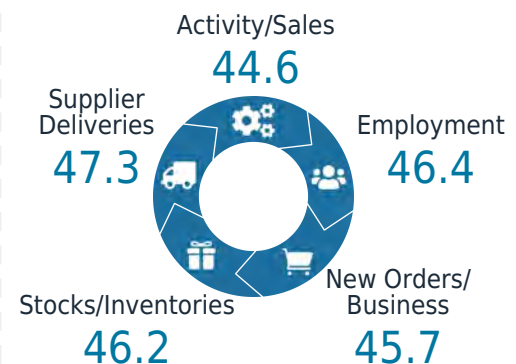
The generally downbeat mood of the sector was further evident in the proportion of negative comments from respondents. 69.1% of the comments were negative (compared to 56.4% in February). Unsurprisingly, many of the comments cited the effects of the conflict.

BNZ's Head of Research, Stephen Toplis said that "So poor was the PSI reading that our combined PMI/PSI indicator is suggesting the economy could soon be contracting. While we are not forecasting a recession, these data support our recent decision to significantly downgrade our growth expectations for 2026."

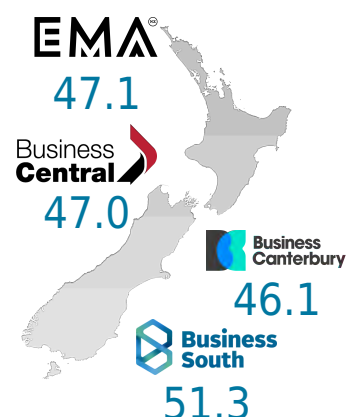


Katherine Rich
CEO, BusinessNZ

Main Indices



Regional Results



[VIEW THE TIME SERIES DATA](#)



Services Landscape

Services outturn a dose of reality

We were pleasantly surprised by the strength in the March Performance of Manufacturing Index (PMI). Alas, the same cannot be said for the Performance Services Index (PSI).

[Read more](#)

New orders and activity under pressure

As much as the PMI supported our view that Q1 GDP will prove reasonably robust, the PSI says quite the opposite.

[Read more](#)

Labour market fragility exposed

The weak PSI report is also consistent with our view that there is unlikely to be any real improvement in the labour market in the year ahead.

[Read more](#)

Immediate outlook not great

Looking forward it's hard to imagine things improving quickly for many of the industries within the services sector.

[Read more](#)



Stephen Toplis
Head of Research, BNZ

[VIEW FULL BNZ SERVICES SNAPSHOT](#)

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

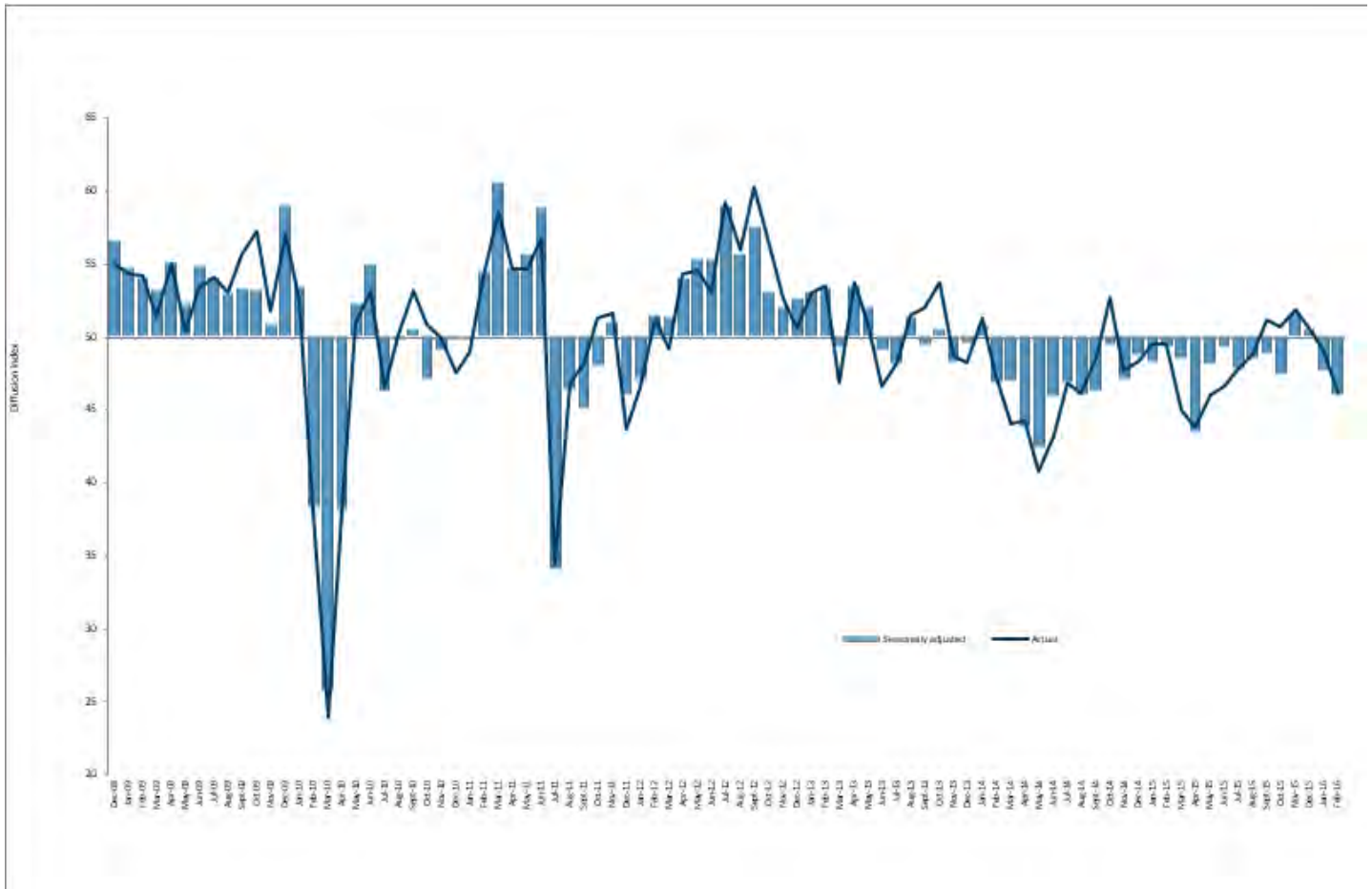
The results are seasonally adjusted.

National Indices	Mar 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026
BNZ - BusinessNZ PSI	49.3	47.4	51.6	50.5	47.6	46.0
Activity/Sales	47.5	46.5	52.3	53.7	47.5	44.6
Employment	49.5	46.6	49.6	48.9	47.0	46.4
New Orders/Business	51.3	49.8	52.5	51.3	48.8	45.7
Stocks/Inventories	49.5	47.4	52.2	49.2	46.5	46.2
Supplier Deliveries	48.3	48.9	49.7	49.3	48.5	47.3

[VIEW THE TIME SERIES DATA](#)

BNZ - BusinessNZ PSI Time Series

January 2019 - March 2026

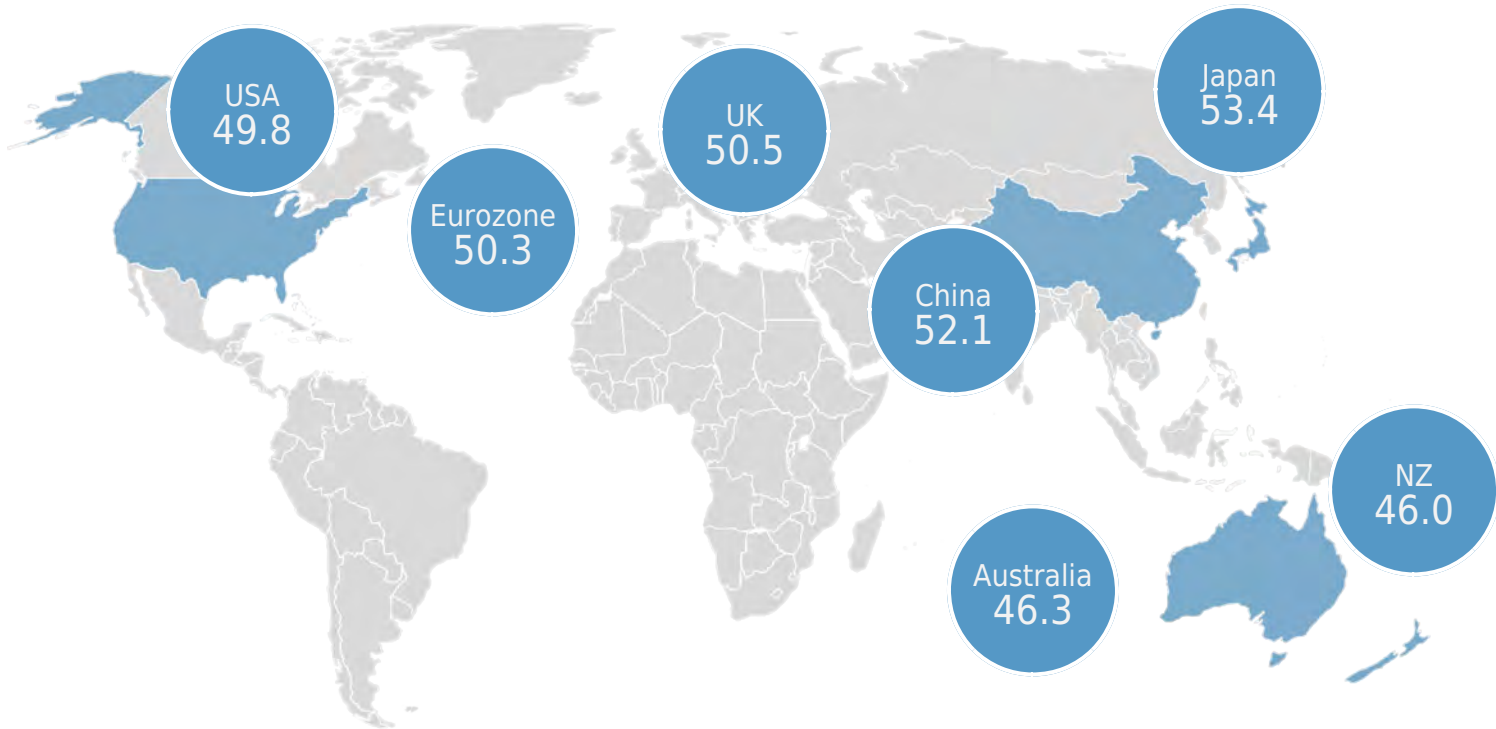


International Results

J.P. Morgan Global Manufacturing PSI™

07 Apr 2026

50.8



BNZ – BUSINESSNZ PERFORMANCE OF COMPOSITE INDEX

46.8

GDP-Weighted Index

48.8

Free-Weighted Index

The seasonally adjusted BNZ – BusinessNZ Performance of Composite Index or PCI (which combines the PMI and PSI) showed a decline, despite the continued strength of the PMI.

The March GDP-Weighted Index fell to 46.8, because the services sector fell further into contraction. The Free-Weighted Index was 48.8, bolstered slightly by a positive Performance of Manufacturing Index result.

BNZ - BusinessNZ PCI Time Series

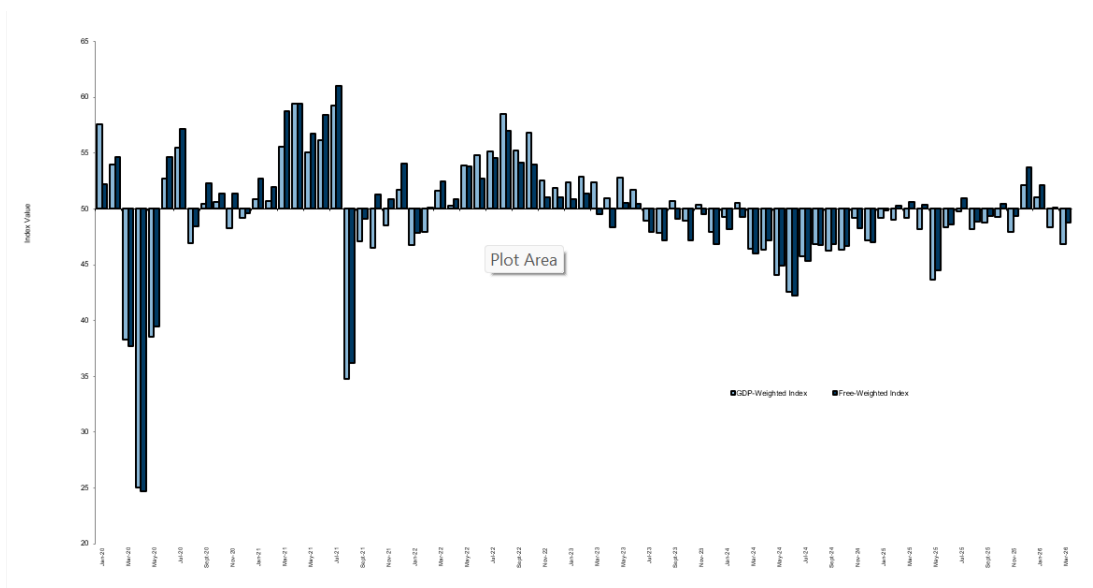
The results are seasonally adjusted.

National Indices	Mar 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026
GDP-Weighted Index	49.2	48.0	52.1	51.0	48.4	46.8
Free-Weighted Index	50.6	49.4	53.7	52.2	50.1	48.8

[VIEW THE TIME SERIES DATA](#)

BNZ - BusinessNZ PCI Time Series

January 2020 – March 2026



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

13 April 2026

Services outturn a dose of reality

We were pleasantly surprised by the strength in last Friday's Performance of Manufacturing Index (PMI). Alas, the same cannot be said for its Services (PSI) sibling which reported its third consecutive monthly decline to languish at a sub-standard 46.0 level. Some of this undoubtedly represents some initial fall out from the energy price shock which we fear will grow in impact through April.

New orders and activity under pressure

Particularly worrisome was the slump in new orders to 45.7 (from 48.8) and in activity to 44.6 (from 47.5). As much as the PMI supported our view that Q1 GDP will prove reasonably robust, the PSI says quite the opposite. Indeed, so poor was the PSI reading that our combined PMI/PSI indicator is suggesting the economy could soon be contracting. While we are not forecasting a recession, these data support our recent decision to significantly downgrade our growth expectations for 2026.

Labour market fragility exposed

The weak PSI report is also consistent with our view that there is unlikely to be any real improvement in the labour market in the year ahead. The employment indicator fell from 47.0 to 46.4. The frailty of the services sector has been a major headwind to employment growth for some time now. The last time the PSI employment indicator hit the magical 50 breakeven level was November 2023 and it is now languishing at levels the worst, ex COVID, since the GFC.

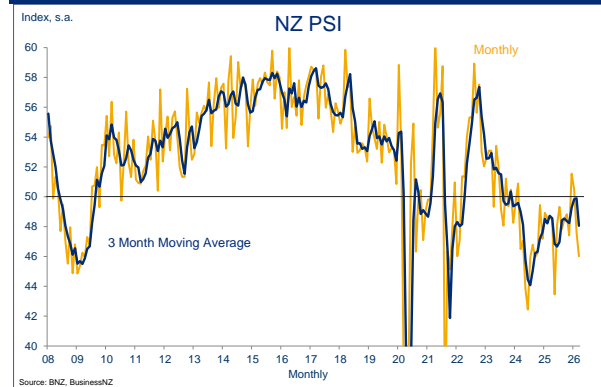
Immediate outlook not great

Looking forward it's hard to imagine things improving quickly for many of the industries within the services sector. This month transport and storage was one of the better performing industries. But it's most likely to be directly affected by rising fuel costs and the ensuing drop in demand for services. That said, the storage component may be bolstered by inventory building which will also be a significant contributor to Q1 GDP.

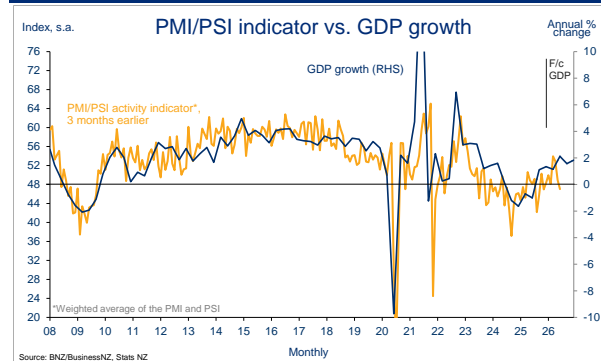
Retail trade and accommodation, cafes and restaurants will take a hit from the inflation driven drop in real disposable incomes. Further sub-50 outcomes can thus be anticipated.

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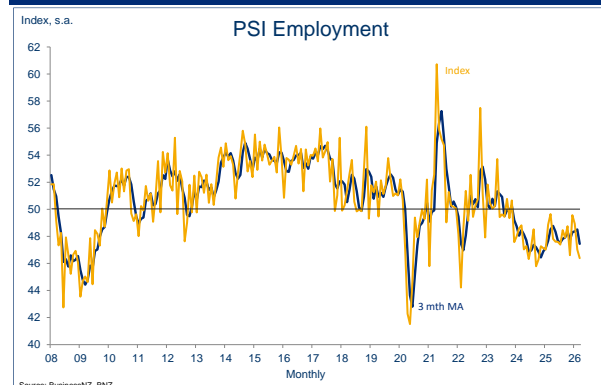
PSI in retreat



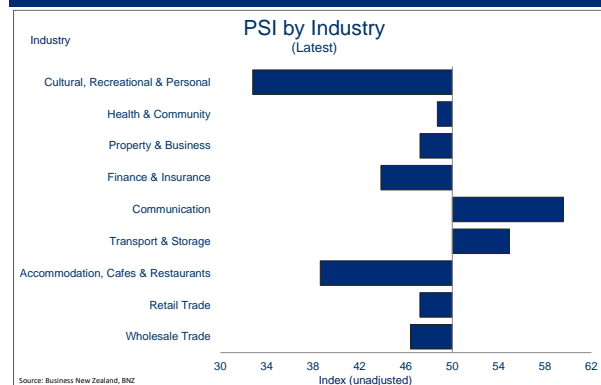
GDP under threat



Job growth missing



Widespread pressure



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