

BNZ – BUSINESSNZ PERFORMANCE OF SERVICES INDEX

Fragile four

19 Oct 2026

50.9

September

-0.1

Monthly Change

Expanding

Slower Rate

According to the BNZ – BusinessNZ Performance of Services Index (PSI), New Zealand's services sector continued to expand in September, extending its run of growth to four consecutive months.

The PSI for September was 50.9 (where a reading above 50.0 indicates the sector is generally expanding, and a reading below 50.0 indicates the sector is in contraction). This was down a touch from 51.0 in August, but above 50.5 in July.

BusinessNZ's CEO, Katherine Rich said "Four months in a row above breakeven is a genuinely positive run for services, even with September's slight easing. What stands out to me is how much caution is still baked into the sector, as businesses are clearly in 'wait and see' mode with the election approaching and that's likely to keep a lid on any stronger lift until there's more certainty."

The respondent comments showed that cost of living pressures, fuel prices, interest rates and election uncertainty remain front of mind. Sentiment remained around similar levels as August, with 59.9% of comments being negative.

New Orders/Business and *Stocks/Inventories* were the joint strongest sub-indices, at 52.6 and 52.3 respectively. *Supplier Deliveries* was the weakest at 49.4, with *Employment* also soft at 49.8, reminding us the recovery is still narrow.

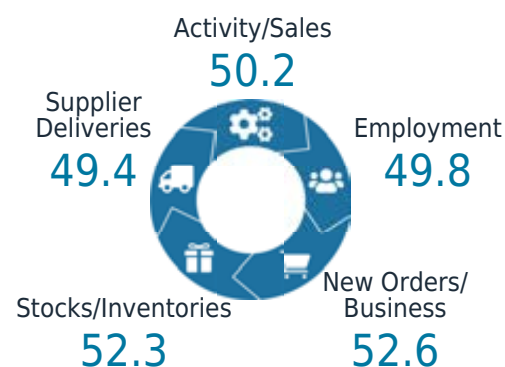
BNZ Senior Economist, Doug Steel said "This marks a fourth month of expansion, a notable feat after two years of contraction. But growth in the services sector remains weak, particularly compared to manufacturing as indicated by the Performance of Manufacturing Index (PMI), which has sat well above 50 for some time."

[VIEW THE TIME SERIES DATA](#)

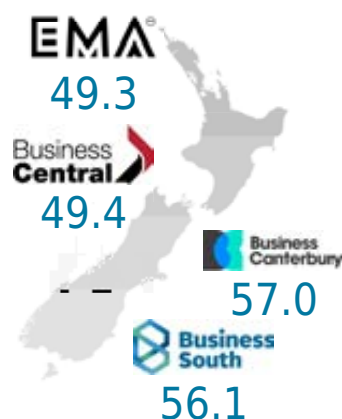


Katherine Rich
CEO, BusinessNZ

Main Indices



Regional Results





Services Landscape

Head above water

September's Performance of Services Index (PSI) tells the story of an industry (gradually) moving in the right direction. The PSI remained in expansionary territory at 50.9 in September, a tick below August's revised 51.0 read.

[Read more](#)

Mixed strength in subindexes

New Orders has been the strongest subindex since June, an encouraging sign for the outlook. Disappointingly, the employment subindex remains soft, having indicated contraction since mid-2023.

[Read more](#)

Fuel, spending and election uncertainty constraining

Elevated fuel prices and constrained household spending is having a material impact on the wider sector. This is particularly evident for retail which had the lowest index of all service industries at 47.4.

[Read more](#)

On net, growth supportive

Putting the latest PSI and PMI together, the composite index lifted to 51.6 over September. This is supportive of GDP growth and is in line with other indicators and our view of moderate economic growth through to the end of the year.

[Read more](#)



Doug Steel
Senior Economist, 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

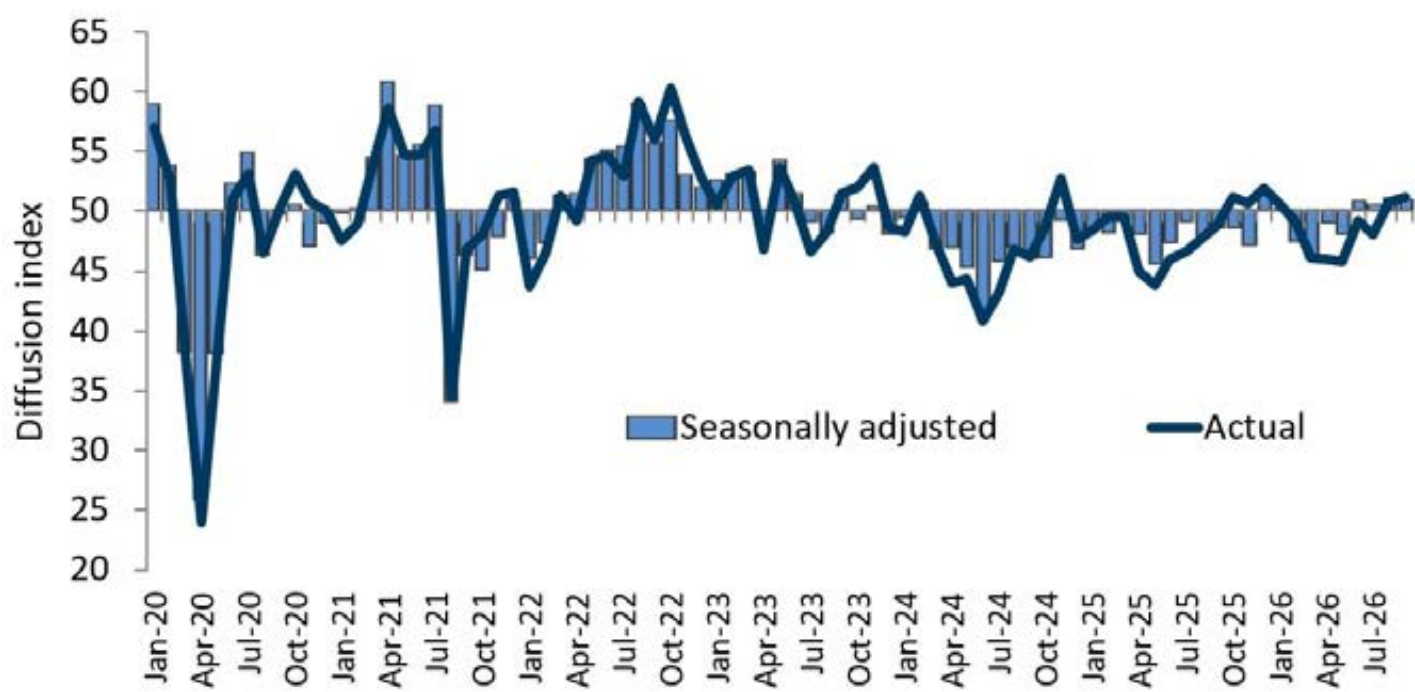
The results are seasonally adjusted.

National Indices	Sep 2025	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026
BNZ - BusinessNZ PSI	48.6	48.1	50.8	50.5	51.0	50.9
Activity/Sales	48.2	45.2	49.6	50.2	49.2	50.2
Employment	47.9	48.8	48.8	48.5	49.4	49.8
New Orders/Business	50.3	48.4	53.3	52.6	54.8	52.6
Stocks/Inventories	49.5	48.2	50.4	51.8	50.9	52.3
Supplier Deliveries	46.7	49.7	51.1	48.3	48.9	49.4

VIEW THE TIME SERIES DATA

BNZ - BusinessNZ PSI Time Series

January 2020 - September 2026

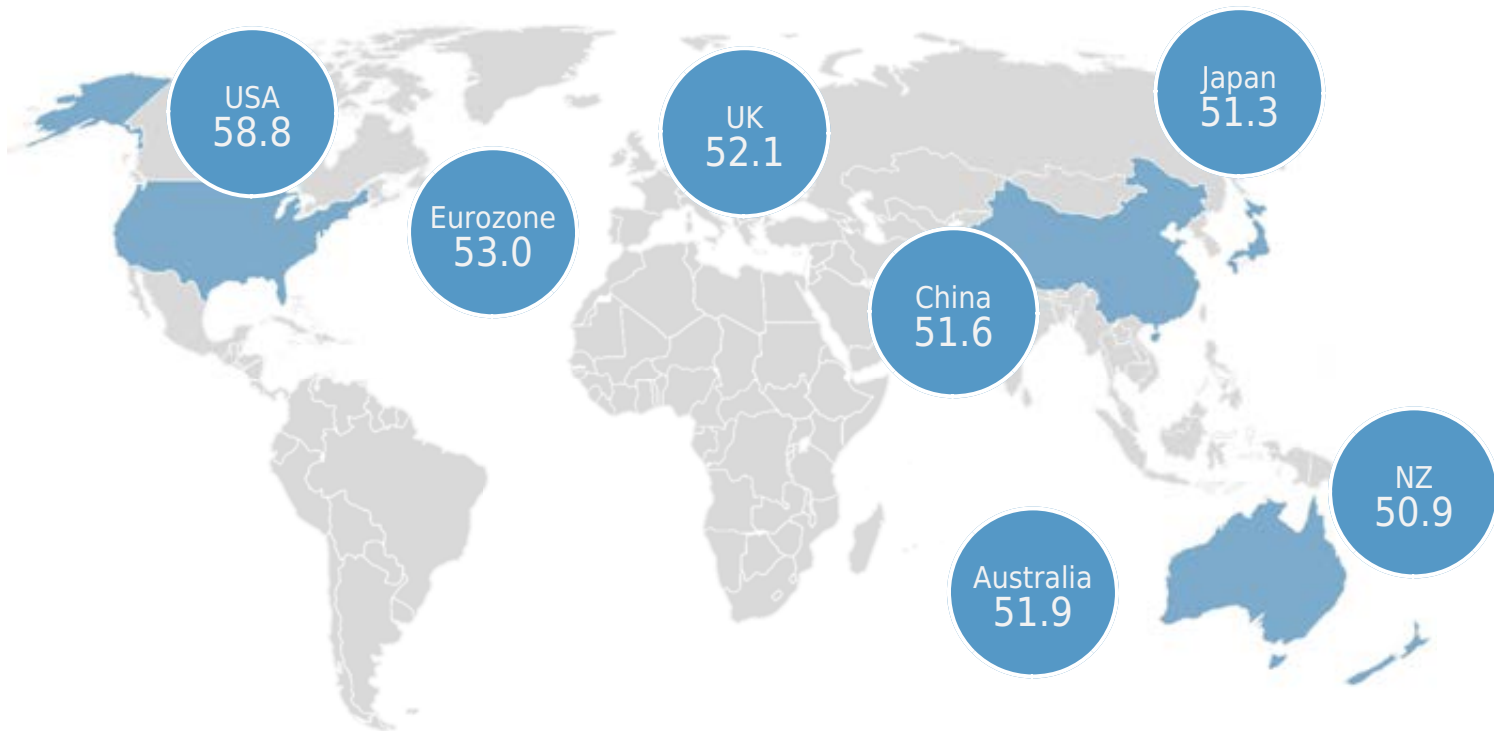


International Results

J.P. Morgan Global Manufacturing PSI™

05 Oct 2026

54.5



BNZ – BUSINESSNZ PERFORMANCE OF COMPOSITE INDEX

51.6

GDP-Weighted Index

53.4

Free-Weighted Index

Reflecting the continued expansion in both the PMI and the PSI, the seasonally adjusted BNZ – BusinessNZ Performance of Composite Index or PCI (which combines the PMI and PSI) held onto its expansion in September, extending its run of growth. Both the Manufacturing component of the PCI and the Services component remained in expansion.

The GDP-weighted index edged up slightly to 51.6 in September, from 51.4 in August, while the Free-weighted index also took a step up at 53.4.

BNZ – BusinessNZ PCI Time Series

The results are seasonally adjusted.

National Indices	Sep 2025	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026
GDP-Weighted Index	48.9	48.5	51.5	51.0	51.4	51.6
Free-Weighted Index	49.4	50.0	53.7	52.5	52.4	53.4

[VIEW THE TIME SERIES DATA](#)

BNZ – BusinessNZ PCI Time Series

January 2020 – September 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

19 October 2026

Head above water

September's Performance of Services Index (PSI) tells the story of an industry (gradually) moving in the right direction. The PSI remained in expansionary territory at 50.9 in September, a tick below August's revised 51.0 read. This marks a fourth month of expansion, a notable feat after two years of contraction. But growth in the services sector remains weak, particularly compared to manufacturing as indicated by the Performance of Manufacturing Index (PMI), which has sat well above 50 for some time.

Mixed strength in subindexes

New Orders has been the strongest subindex since June, an encouraging sign for the outlook. Meanwhile, the activity/sales subindex has been recovering from low levels but remains soft relative to the strength in orders. Elevated inventories may help explain this gap, as they build before new orders are filled. Although higher inventories could instead signal that demand is softer than expected. This dynamic will be worth keeping an eye on.

Disappointingly, the employment subindex remains soft, having indicated contraction since mid-2023. Given the size of the services sector in New Zealand's economy, a sustained improvement in the unemployment rate looks unlikely until hiring here picks up. That said, the PSI employment subindex rose to its highest level since November 2023 and was close to breakeven in September, suggesting employment growth may not be far away as activity and broader economic momentum strengthen.

Fuel, spending and election uncertainty constraining

Elevated fuel prices and constrained household spending is having a material impact on the wider sector. This is particularly evident for retail which had the lowest index of all service industries at 47.4. Unsurprisingly, transport and storage took the biggest knock (but kept expanding) last month, following the latest surge in fuel prices. Businesses also noted upcoming election-related uncertainty as a key factor impacting their business.

On net, growth supportive

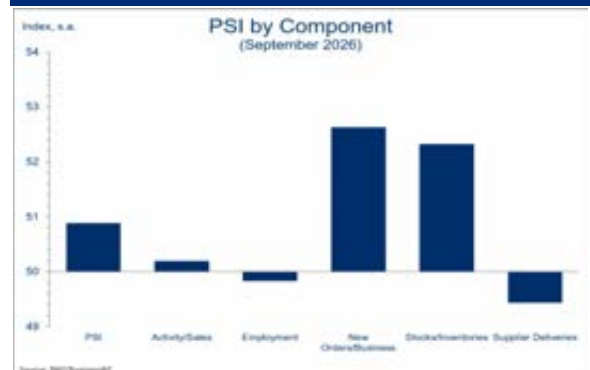
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On the right side



New order and inventories out in front



A missing link



Growth ahead



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