BNZ – BUSINESSNZ PERFORMANCE OF SERVICES INDEX

Three on the trot

14 Sep 2026

51.2	+0.6	Expanding
August	Monthly Change	Faster Rate

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

The PSI for August was 51.2 (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 up slightly from 50.6 in July, and above 50.9 in June. August's reading matches December 2025, and is the highest the PSI has been since September 2023.

BusinessNZ's CEO, Katherine Rich said "It's encouraging to see the PSI post its strongest reading since returning to growth, though at 51.2 this remains a fragile recovery. With three of the five sub-indices still below 50, there's clearly more ground to make up before we can call this a solid turnaround."

The respondent comments showed that cost of living pressures, interest rates, and election uncertainty remain front of mind for many. Sentiment softened compared to July, with 60.8% of comments negative.

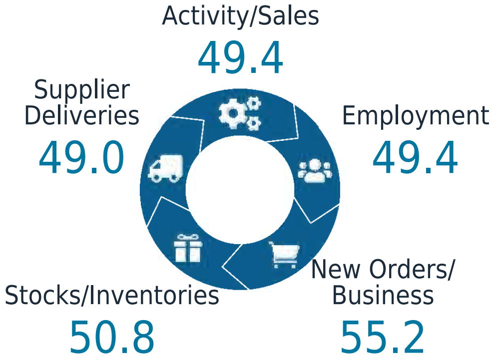
New Orders/Business was the strongest sub-index, at 55.2, followed by *Stocks/Inventories* at 50.8. *Supplier Deliveries* was the weakest at 49.0, with *Employment* and *Activity/Sales* also soft at 49.4 apiece, a reminder that the recovery remains narrowly based.

BNZ Senior Economist, Doug Steel said "The PSI’s three-month moving average keeps rising and, at 50.9, is at its highest level since July 2023. This gives some confidence that the sector is trending upwards, even if the recovery remains fragile."

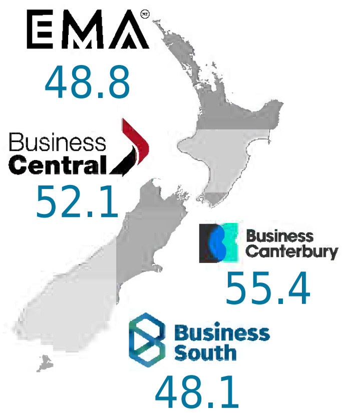
VIEW THE TIME SERIES DATA

Katherine Rich
CEO, BusinessNZ

Main Indices



Regional Results



Services Landscape

Doug Steel
Senior Economist, BNZ

Fragile but improving

The services sector continues to move forward, albeit at a slow pace. The Performance of Services Index (PSI) reached 51.2 in August, above last month's 50.6 print but below its long-term average of 52.7.

Read more

New orders lead the way

New orders, at 55.2, continues to hold up the PSI and offers hope for broader improvement ahead. However, all subindexes remain below their long-term averages.

Read more

Most industries expanding

On an unadjusted basis, most industries expanded over August, albeit at varying paces. Transport and storage had the strongest read of 64.1, unsurprising given its association with the strong external sector.

Read more

A positive outlook for GDP remains

The PMI and PSI together gives a composite activity indicator consistent with annual GDP growth of around 2% y/y. This is broadly in line with our GDP growth forecasts for the second half of the year.

Read more

VIEW FULL BNZ SERVICES SNAPSHOT

PSI Time Series Table

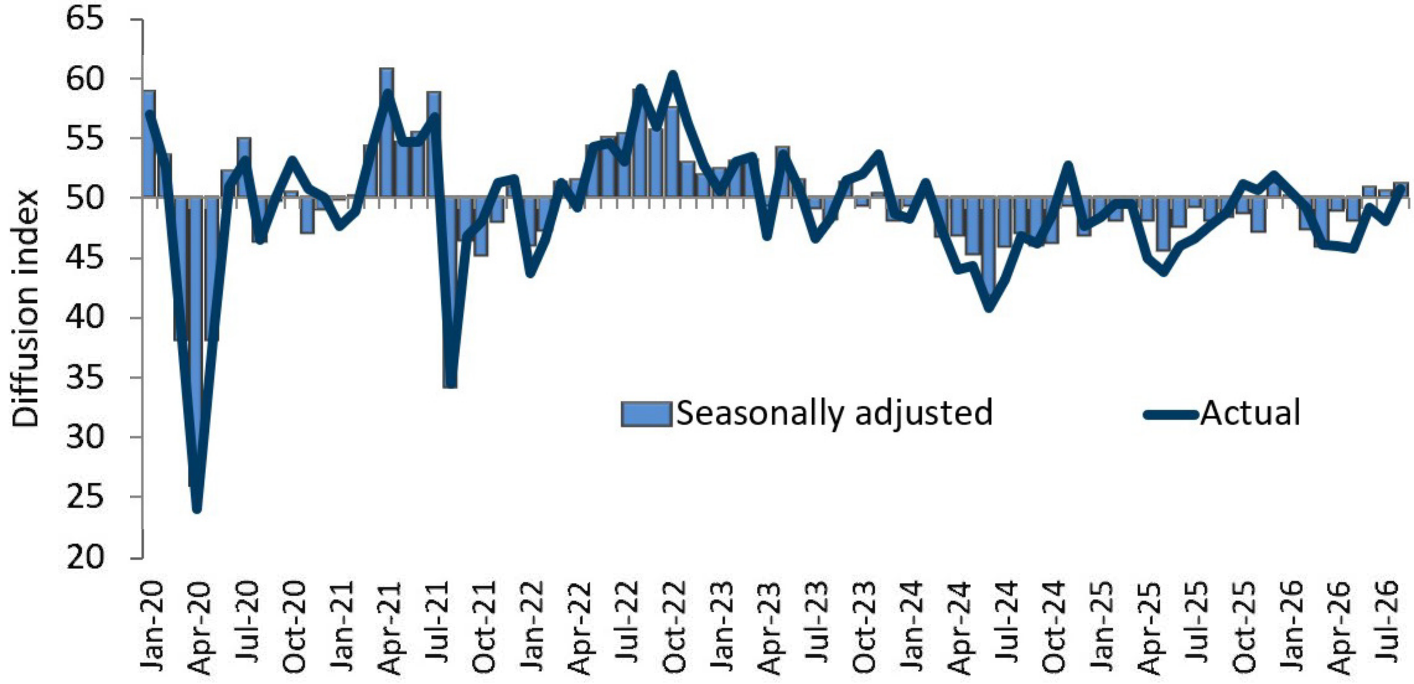
The results are seasonally adjusted.

National Indicies	Aug 2025	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026
BNZ – BusinessNZ PSI	48.1	48.9	48.0	50.9	50.6	51.2
Activity/Sales	47.0	48.7	45.2	49.6	50.4	49.4
Employment	48.2	48.6	48.7	48.8	48.5	49.4
New Orders/Business	48.4	51.1	48.4	53.5	52.8	55.2
Stocks/Inventories	47.4	48.0	48.1	50.3	51.7	50.8
Supplier Deliveries	48.0	46.8	49.7	51.1	48.4	49.0

VIEW THE TIME SERIES DATA

BNZ – BusinessNZ PSI Time Series

January 2020 – August 2026

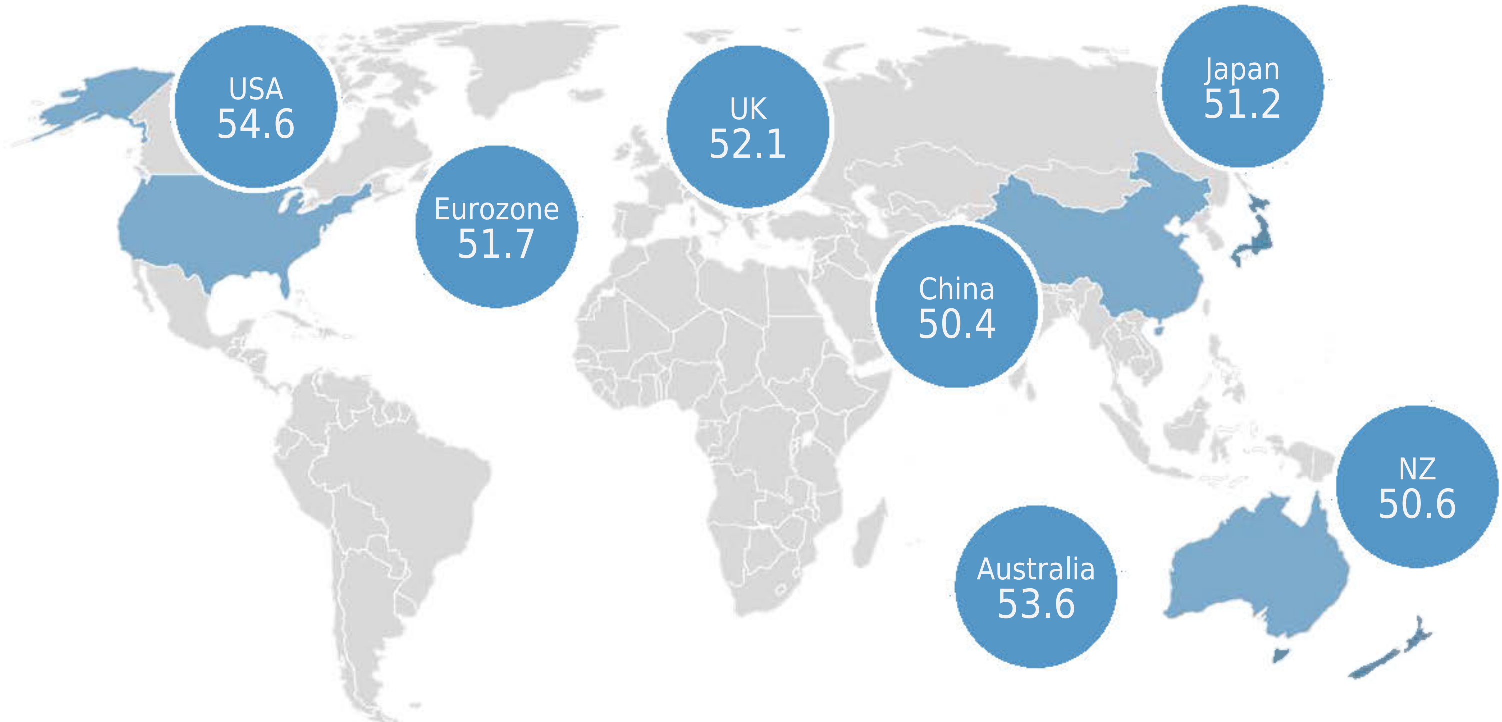


International Results

J.P. Morgan Global Manufacturing PSI™

05 Aug 2026

52.5



BNZ – BUSINESSNZ PERFORMANCE OF COMPOSITE INDEX

51.6	**52.5**
GDP-Weighted Index	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 August, 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 August, from 51.1 in July, while the Free-weighted index held steady at 52.5.

BNZ – BusinessNZ PCI Time Series

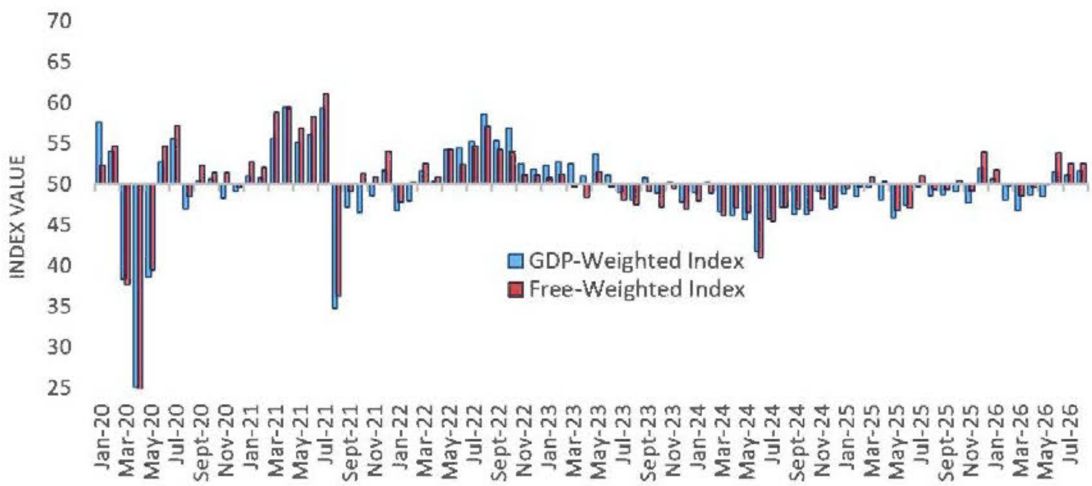
The results are seasonally adjusted.

National Indicies	Aug 2025	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026
GDP-Weighted Index	48.5	46.7	48.7	48.5	51.5	51.1	51.6
Free-Weighted Index	49.3	48.5	49.5	50.0	53.8	52.5	52.5

VIEW THE TIME SERIES DATA

BNZ – BusinessNZ PCI Time Series

January 2020 – August 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

14 September 2026

Fragile but improving

The services sector continues to move forward, albeit at a slow pace. The Performance of Services Index (PSI) reached 51.2 in August, above last month's 50.6 print but below its long-term average of 52.7. That said, the PSI's three-month moving average keeps rising and, at 50.9, is at its highest level since July 2023. This gives some confidence that the sector is trending upwards, even if the recovery remains fragile.

New orders lead the way

Last Friday's Performance of Manufacturing Index (PMI) indicated broadening improvement in the manufacturing industry. Unfortunately, this is not the story for services. New orders, at 55.2, continues to hold up the PSI and offers hope for broader improvement ahead. However, all subindexes remain below their long-term averages. Activity/sales dipped back below the breakeven 50 mark over the month and while the employment index improved (to 49.4 from 48.5 in July), it continues to suggest employment is declining, as it has done since late 2023.

Most industries expanding

On an unadjusted basis, most industries expanded over August, albeit at varying paces. Transport and storage had the strongest read of 64.1, unsurprising given its association with the strong external sector. Industries most sensitive to consumers' disposable incomes were uninspiring, but their PSI readings improved. Retail (only just) creeped above 50 for the first time since January. Meanwhile, accommodation, cafes and restaurants failed to expand but rose 12.5 points to 49.2. Some better readings, but these indexes could easily slip back especially with oil prices rising as they are, again weighing on disposable incomes.

A positive outlook for GDP remains

The PMI and PSI together gives a composite activity indicator consistent with annual GDP growth of around 2% y/y. This is broadly in line with our GDP growth forecasts for the second half of the year. While this is positive news, given the relative size of services in the economy, the rate of GDP growth will be constrained until the expansion in this industry gathers pace.

Q2 GDP data released on Thursday will set the starting point for GDP into the second half of this year.

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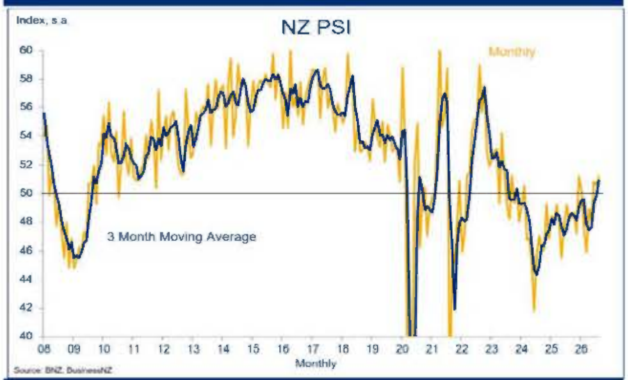
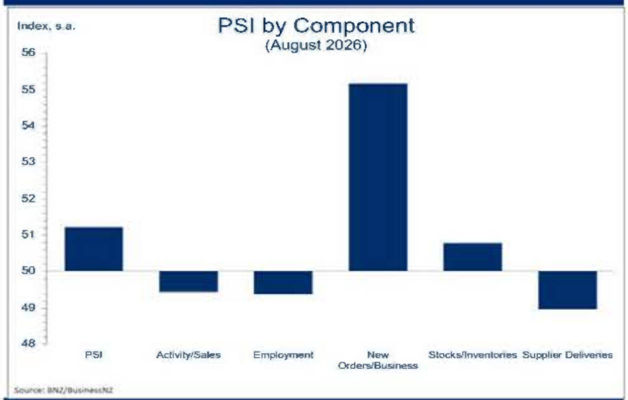
Moving upward...slowly

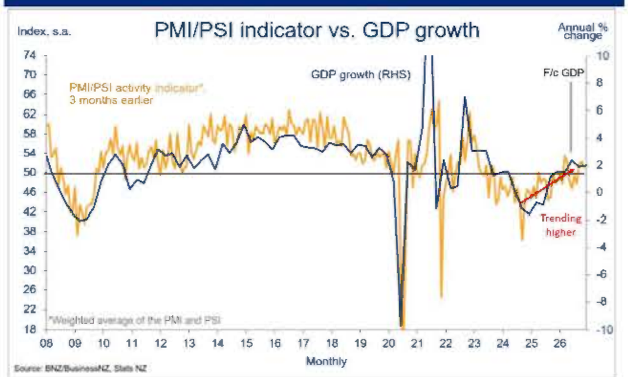


New orders ahead of the game



Mixed

Moving in the right direction



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