

Pre-election drinks

16 Nov 2026

51.7	+0.8	Expanding
October	Monthly Change	Faster Rate

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

The PSI for October was 51.7 (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 0.8 points from 50.9 in September, and the highest reading in more than three and a half years.

BusinessNZ's CEO, Katherine Rich said "A fifth month in a row above breakeven, and a result that stands out against the last few years, is a very welcome sign for services. It's encouraging to see activity and new business lifting together heading into summer. Many businesses were clearly holding off decisions in the lead-up to the election and with a new government hopefully being formed soon, there's a chance some of that deferred spending and investment starts to come through as we reach the end of the year."

The respondent comments showed that fuel prices, cost of living, interest rates and election uncertainty remained front of mind, though the lead-in to summer, Christmas bookings and returning tourists were also cited as positives. Sentiment improved slightly, with 57.9% of comments being negative, compared to 59.9% in September.

New Orders/Business and *Activity/Sales* were the strongest sub-indices, at 53.0 and 52.6 respectively, followed by *Supplier Deliveries* (52.1). *Employment* was the only sub-index below 50, at 49.9, though only just, with *Stocks/Inventories* (50.1) also easing back.

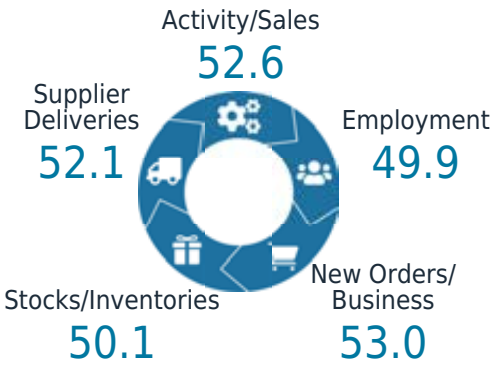
BNZ Senior Economist, Doug Steel said "Signs of firmer services activity are particularly welcome given the sector's importance to New Zealand's economy and, therefore, the broader outlook for GDP. If sustained, this move would provide further evidence that the economic recovery is broadening and becoming more established."

VIEW THE TIME SERIES DATA

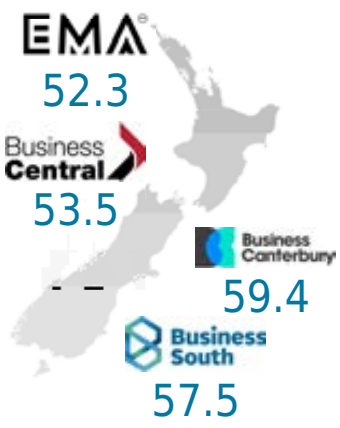


Katherine Rich
CEO, BusinessNZ

Main Indices



Regional Results



Services Landscape



Doug Steel
Senior Economist, BNZ

Moving in the right direction

The Performance of Services Index (PSI) extended its move higher in October, emerging from a prolonged period of weakness. The PSI rose to 51.7, above the breakeven 50 mark and its highest reading since 2023.

Read more

Activity gaining traction...

Encouragingly, the activity/sales subindex rose solidly in October after spending the past few months hovering around the breakeven mark. It appears earlier strength in new orders is now feeding through to activity.

Read more

...but employment lags

Signs of subdued services employment lingered in October. At 49.9, the subindex was just shy of breakeven, pointing to little change in services employment over the month.

Read more

Recreational sector lagging

The discretionary parts of the services sector remained under pressure in October. The cultural, recreational and personal subindex fell sharply, and retail trade remained subdued despite the 11 days of school holidays in October.

Read more

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

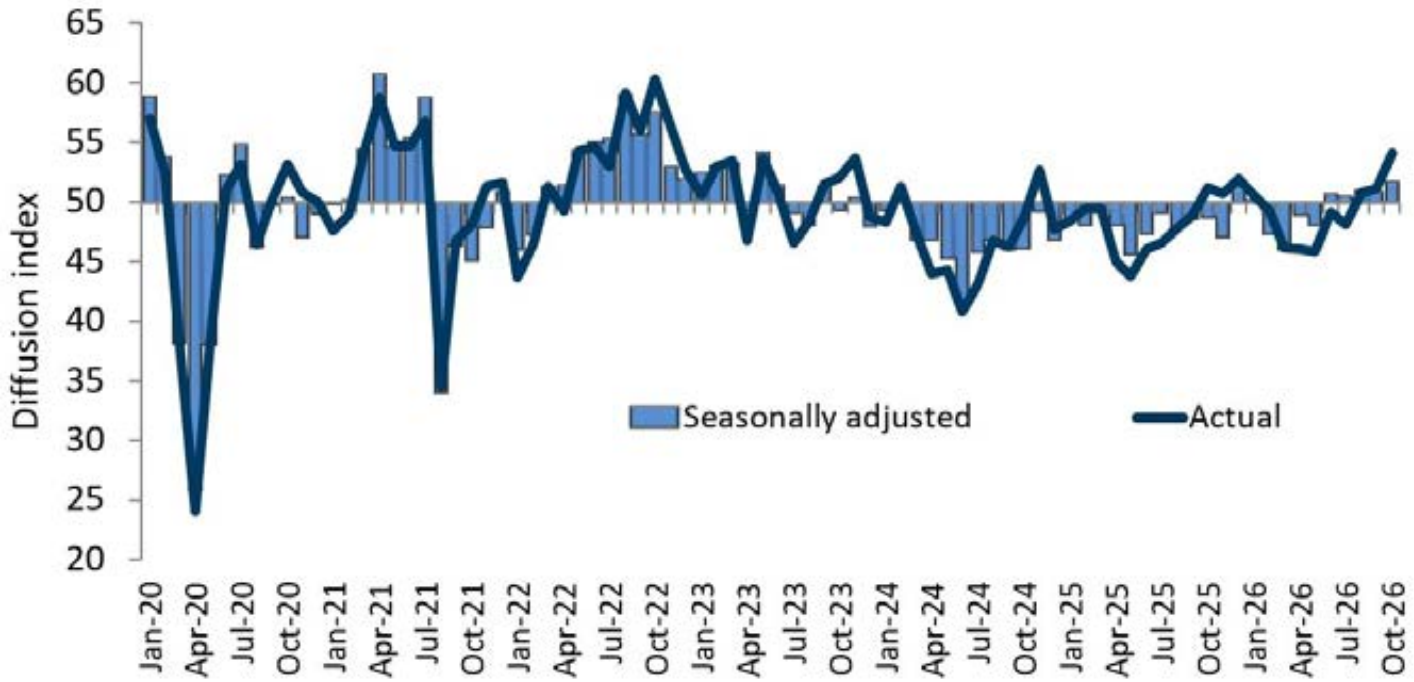
The results are seasonally adjusted.

National Indicies	Oct 2025	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026
BNZ – BusinessNZ PSI	48.8	50.7	50.5	51.0	50.9	51.7
Activity/Sales	48.5	49.5	50.3	49.3	50.4	52.6
Employment	48.7	48.8	48.5	49.4	49.8	49.9
New Orders/Business	49.6	53.3	52.5	54.7	52.5	53.0
Stocks/Inventories	48.0	50.4	51.7	50.8	52.1	50.1
Supplier Deliveries	49.0	51.2	48.4	49.0	49.5	52.1

VIEW THE TIME SERIES DATA

BNZ – BusinessNZ PSI Time Series

January 2020 – October 2026

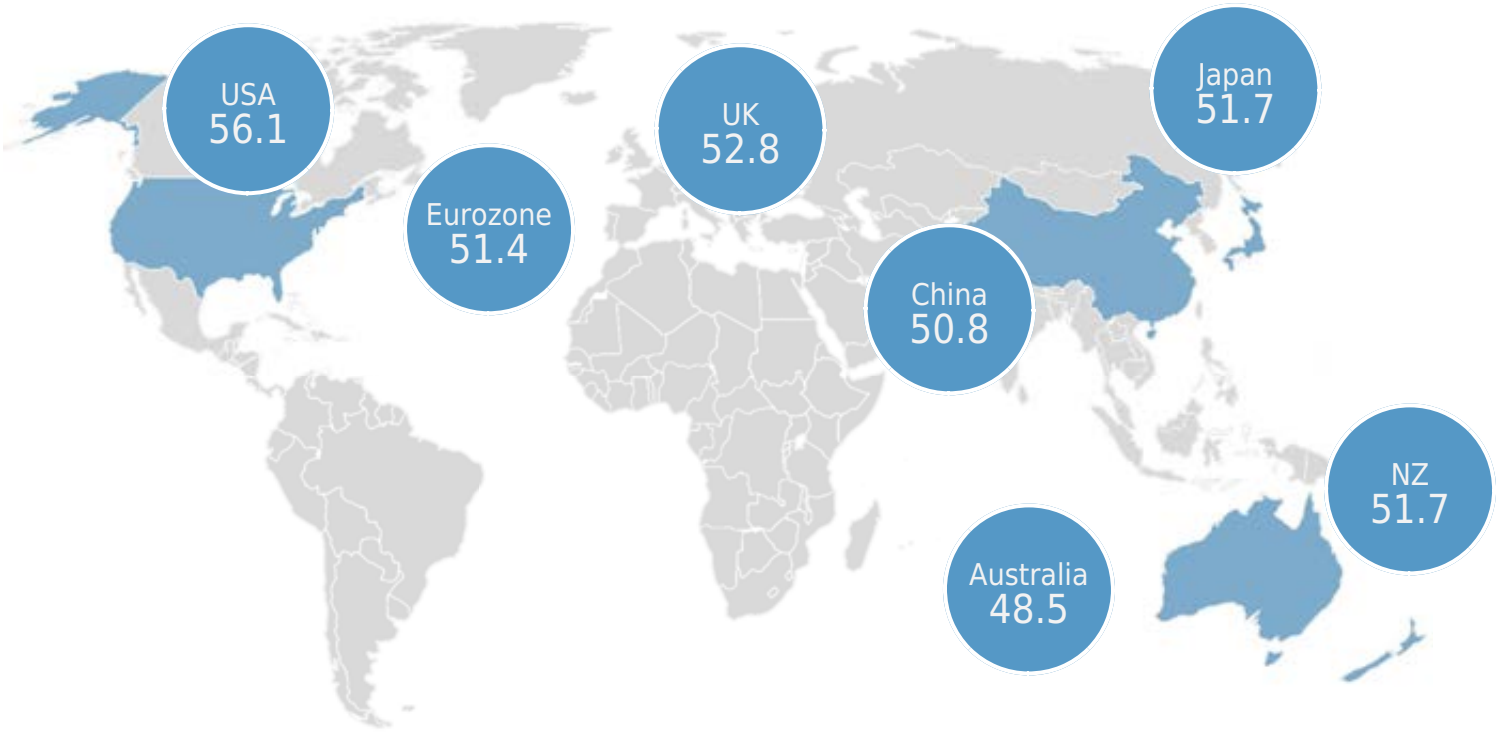


International Results

J.P. Morgan Global Manufacturing PSI™

04 Nov 2026

53.2





BNZ – BUSINESSNZ PERFORMANCE OF COMPOSITE INDEX

52.2
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 October, 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 to 52.2 in October, from 51.5 in September, while the Free-weighted index also took an incremental step up at 53.4 from 53.3.

BNZ – BusinessNZ PCI Time Series

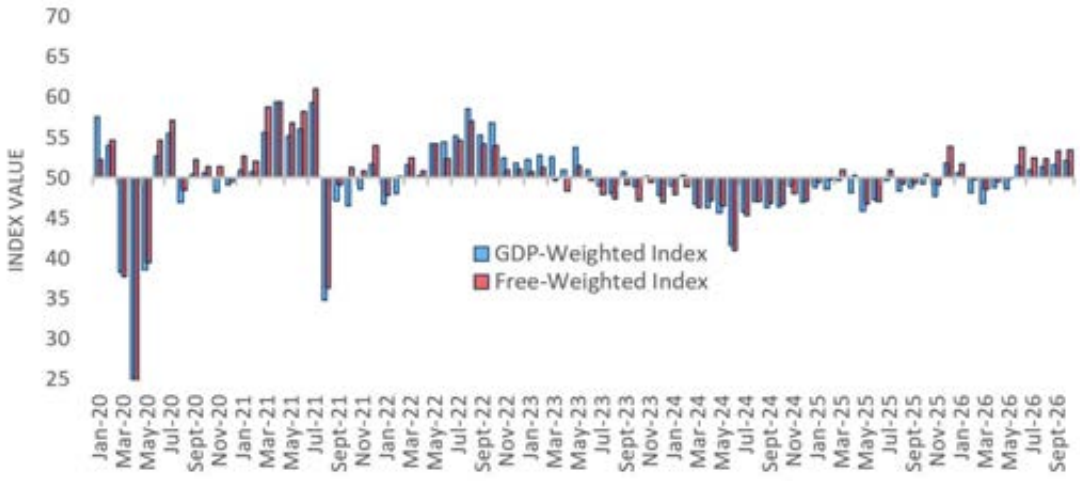
The results are seasonally adjusted.

National Indicies	Oct 2025	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026
GDP-Weighted Index	49.2	51.4	51.0	51.4	51.5	52.2
Free-Weighted Index	49.4	53.7	52.4	52.3	53.3	53.4

VIEW THE TIME SERIES DATA

BNZ – BusinessNZ PCI Time Series

January 2020 – October 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

16 November 2026

Moving in the right direction

The Performance of Services Index (PSI) extended its move higher in October, emerging from a prolonged period of weakness. The PSI rose to 51.7, above the breakeven 50 mark and its highest reading since 2023, before the sector entered a prolonged period of contraction. Together, with last week's Performance of Manufacturing Index, the result supports our forecast of just over 2% GDP growth through to the end of 2026.

Activity gaining traction…

Encouragingly, the activity/sales subindex rose solidly in October after spending the past few months hovering around the breakeven mark. It appears earlier strength in new orders is now feeding through to activity, and with the new orders/business subindex remaining in expansionary territory, there is scope for activity to improve further.

Signs of firmer services activity are particularly welcome given the sector's importance to New Zealand's economy and, therefore, the broader outlook for GDP. If sustained, this move would provide further evidence that the economic recovery is broadening and becoming more established.

…but employment lags

Signs of subdued services employment lingered in October. At 49.9, the subindex was just shy of breakeven, pointing to little change in services employment over the month. This follows weaker-than-expected Q3 labour market data which revealed a small drop in employment and a tick higher in unemployment. While we forecast a gradual decline in the unemployment rate from Q4, sustained improvement will likely require services employment to strengthen.

Recreational sector lagging

The discretionary parts of the services sector remained under pressure in October. The cultural, recreational and personal subindex fell sharply, and retail trade remained subdued despite the 11 days of school holidays in October. The accommodation, cafés and restaurants subindex provided a brighter spot, but this follows a sharp contraction earlier in the year after fuel prices surged. Overall, discretionary services continue to show the effects of squeezed household budgets. In contrast, export associated sectors like transport and wholesale trade saw solid expansion.

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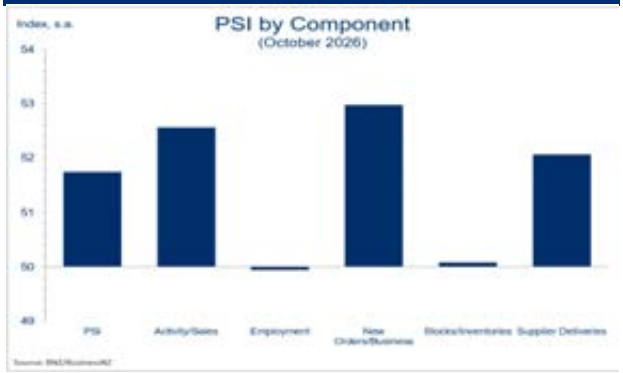
Moving higher



Growth supportive



Positive news for activity and new orders



Discretionary sectors weaker



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