

# BNZ – BUSINESSNZ PERFORMANCE OF MANUFACTURING INDEX

## Holding on to expansion

15 May, 2026

**50.5**

April

**-2.3**

Monthly Change

**Expanding**

Slower Rate

According to the latest BNZ - BusinessNZ Performance of Manufacturing Index (PMI), New Zealand's manufacturing sector was expanding in April, but the expansion was only marginal.

The seasonally adjusted PMI for April was 50.5 (where a reading above 50.0 indicates that the manufacturing sector as a whole is expanding, and a reading below 50.0 indicates a contraction). This was down from 52.8 in March and 54.6 in February. The long-term average for the index is 52.5.

BusinessNZ's Director of Advocacy, Catherine Beard said: "The proportion of respondents highlighting negative influences on their business performance was 63.6%, compared to 62.0% in March. And many of the comments focused on the effect of the war against Iran on freight and fuel costs, as well as its impact on deliveries of raw materials."

The strongest sub-index was Employment, at 53.4. The Production levels sub-index was 51.7, while the Stocks of Finished Products sub-index was 50.5. Of concern for future results, the other two sub-indexes were in contraction, with New Orders at 48.2 and Deliveries of Raw Materials sub-index was 46.5.

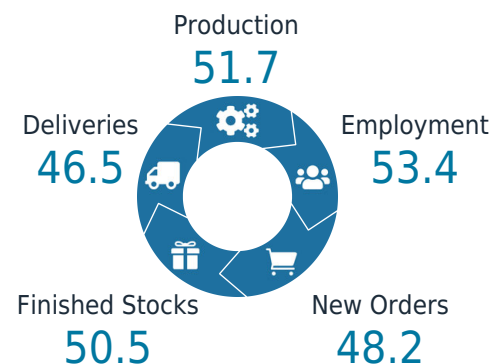
Micro-firms (i.e. those with 1-10 employees) are clearly finding it hard going, with a sub-index level of only 39.2. However, the sub-indexes for respondents in each of the other size groups were all above 50.0, with Medium-Large firms (51-100 employees) strongest, at 56.8.

BNZ Head of Research, Stephen Toplis, said "The Performance of Manufacturing Index had been remarkably robust with the headline reading for March down on previous months but still solidly above the breakeven line. However, we feared it was only a matter of time before the wheels started to fall off and, alas, the April survey indicates that time may now have arrived."

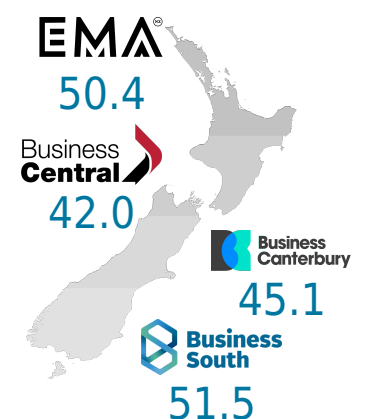


**Catherine Beard**  
Director, Advocacy  
BusinessNZ

### Main Indices



### Regional Results



[VIEW THE TIME SERIES DATA](#)



## Manufacturing Snapshot

### **Strait of Hormuz closure continues to weigh heavily on business confidence**

There are clear signs fuel price increases are resulting in reduced consumption of goods and services, and business margins are under obvious pressure.

[Read more](#)

### **The headline PMI and production index still both have their heads above water but they are also both seeing an accelerated decline**

Even more disconcerting are the indicators that could loosely be described as foretelling future production. While the production index sat at 51.7 new orders slumped from 55.0 to just 48.2 suggesting that new orders are in outright decline.

[Read more](#)

### **Perhaps even worse is that deliveries of raw materials slumped to 46.5, the lowest since July 2024**

If the inputs required to produce outputs are not in the factory, then future output will be impeded.

[Read more](#)

### **Employment is often a lagging indicator so the apparent strength may reflect decisions made to hire preceding the Middle Eastern conflict**

We have recently revised upward our expectations for the unemployment rate on the back of downgrades to our growth forecasts. It will be interesting to see whether this decision is supported by future PMI readings.

[Read more](#)



Stephen Toplis  
Head of Research, BNZ

[VIEW FULL BNZ MANUFACTURING SNAPSHOT](#)

## Sponsor Statement

BNZ is delighted to be associated with the Performance of Manufacturing Index (PMI) 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 manufacturing sector.

[View Website](#)

# PMI Time Series Table

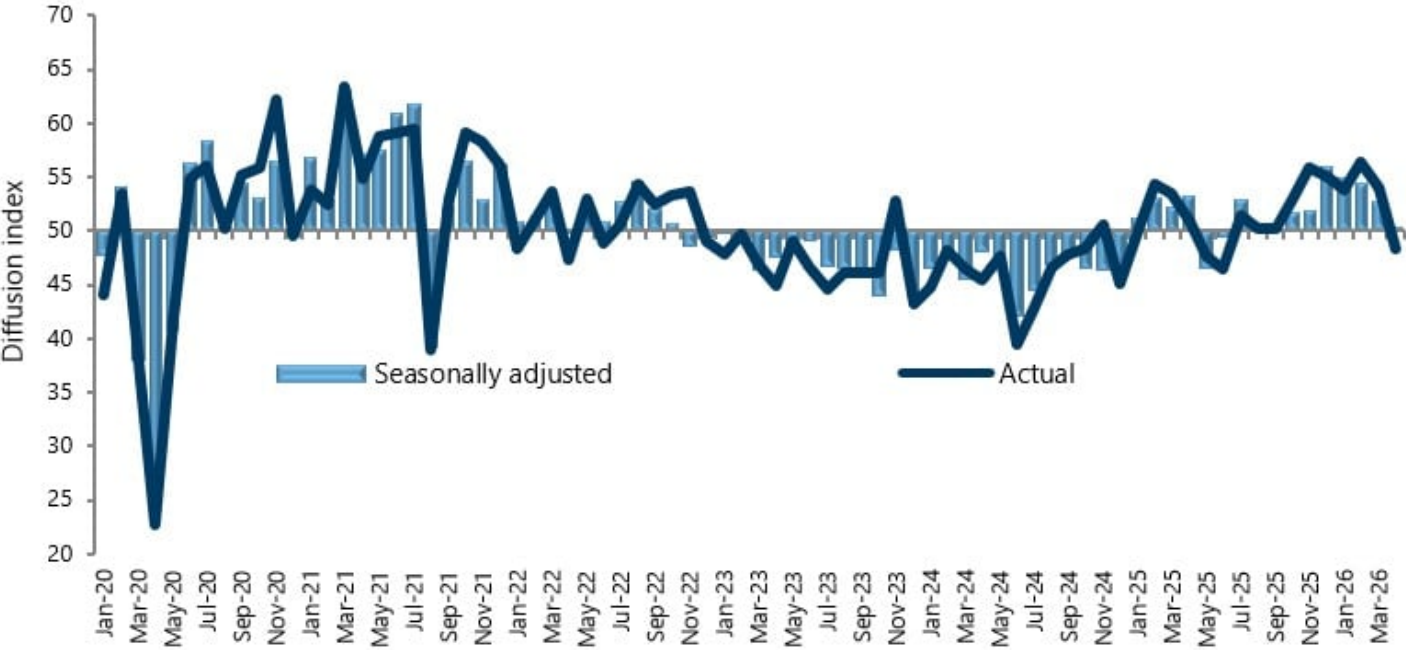
The results are seasonally adjusted.

National Indicies	Apr 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026
BNZ - BusinessNZ PMI	53.3	56.1	55.0	54.6	52.8	50.5
Production	51.9	57.5	56.3	56.1	53.4	51.7
Employment	53.1	53.6	52.5	50.4	51.8	53.4
New Orders	52.6	59.9	56.3	56.8	55.0	48.2
Finished Stocks	52.7	51.1	51.1	51.2	53.8	50.5
Deliveries	54.9	56.2	53.0	50.6	49.6	46.5

[VIEW THE TIME SERIES DATA](#)

## BNZ - BusinessNZ PMI Time Series

January 2020 - April 2026

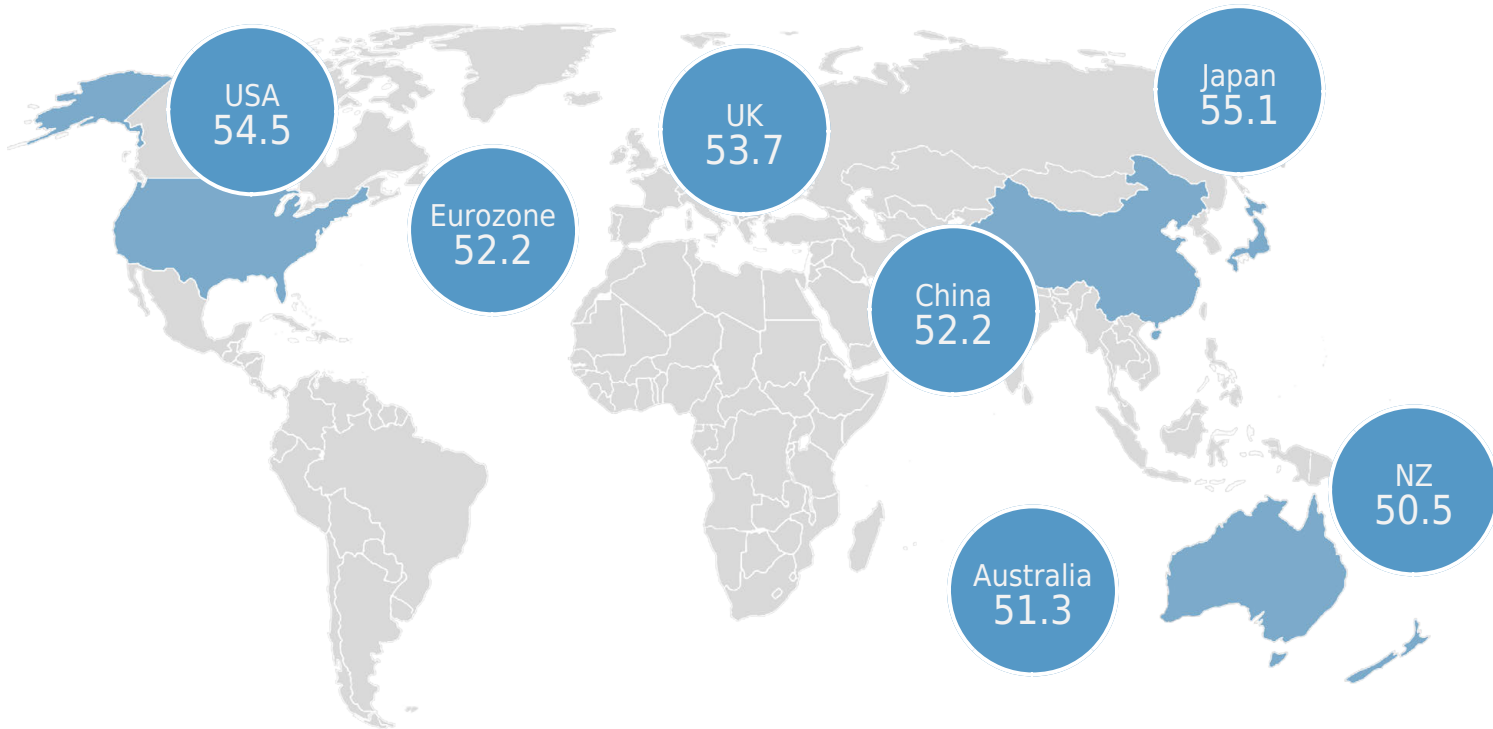


# International Results

J.P. Morgan Global Manufacturing PMI™

04 May 2026

# 52.6



## About the PMI

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

## Media Comment

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## Our Contributors

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



# Manufacturing Snapshot

15 May 2026

## Manufacturers starting to feel the pain

Fears of major fall out from the closure of the Strait of Hormuz continue to weigh heavily on business confidence. And forecasters are rushing to lower their growth expectations on the understanding that the real income shock will reduce household spending volumes and defer investment activity. As things stand there are clear signs fuel price increases are resulting in reduced consumption of goods and services and business margins are under obvious pressure. But, so far, the data show little sign that economic production is being hampered in any meaningful fashion. We have put this down to the fact that most measures of real activity are yet to fully capture the expected downshift and/or the data continue to reflect projects (particularly in construction) that were already under way.

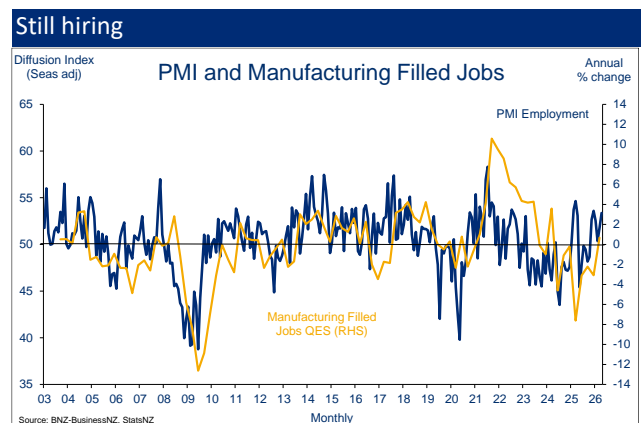
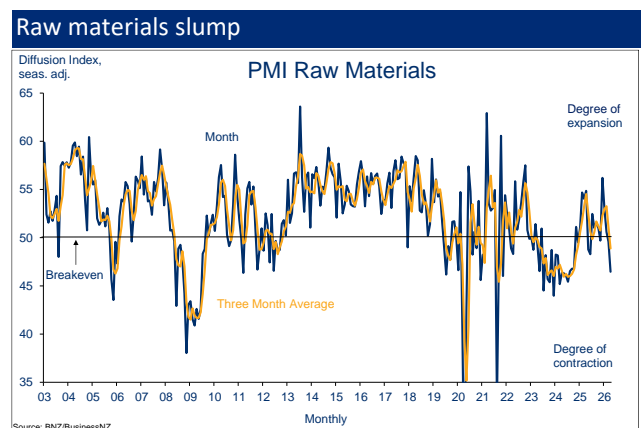
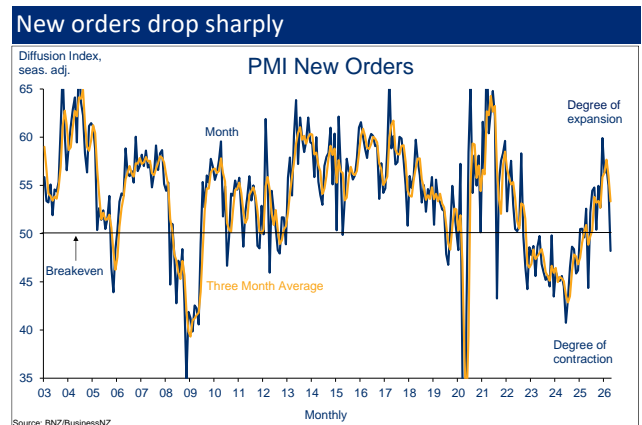
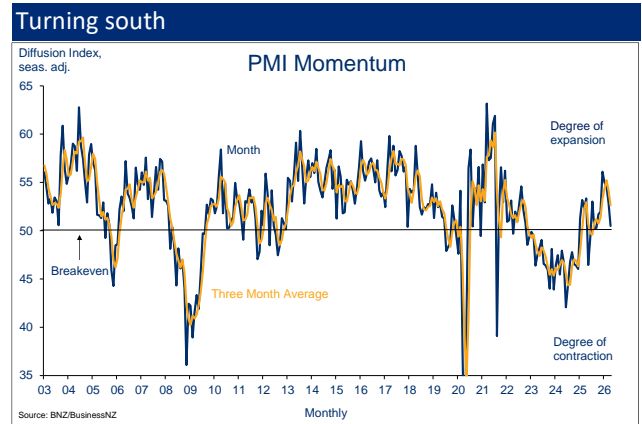
The Performance of Manufacturing Index had similarly been remarkably robust with the headline reading for March down on previous months but still solidly above the breakeven line. However, we feared it was only a matter of time before the wheels started to fall off and, alas, the April survey indicates that time may now have arrived.

The headline PMI and production index still both have their heads above water but they are also both seeing an accelerated decline. Both indices fell for the fourth consecutive month in April and the pace of decline is, alas, accelerating. Even more disconcerting are the indicators that could loosely be described as foretelling future production. While the production index sat at 51.7 new orders slumped from 55.0 to just 48.2 suggesting that new orders are in outright decline. New orders are at their lowest since May 2025.

Perhaps even worse is that deliveries of raw materials slumped to 46.5, the lowest since July 2024. If the inputs required to produce outputs are not in the factory then future output will be impeded. What we don't know is whether the deliveries weakened because the products were not available (i.e. there were supply issues) or businesses didn't demand the raw materials as they foresaw an impending drop in demand. Whatever the case, the data are not great news for future activity.

Against this backdrop it was surprising to see the employment index strengthened to a very solid 53.4 from 51.8, albeit consistent with a number of other labour market indicators we have been watching. But employment is often a lagging indicator so the apparent strength may reflect decisions made to hire preceding the Middle Eastern conflict at a time when business optimism for the future was in the ascendancy. We have recently revised upward our expectations for the unemployment rate on the back of downgrades to our growth forecasts. It will be interesting to see whether this decision is supported by future PMI readings.

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# Manufacturing Snapshot

15 May 2026

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