

BNZ – BUSINESSNZ PERFORMANCE OF MANUFACTURING INDEX

Slipping under water

12 Jun, 2026

49.9

May

-0.5

Monthly Change

Contracting

Previously expanding

According to the latest BNZ - BusinessNZ Performance of Manufacturing Index (PMI), New Zealand's manufacturing sector contracted slightly in May.

The seasonally adjusted PMI for May was 49.9 (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 50.4 in April and 52.8 in March. The long-term average for the index is 52.5.

BusinessNZ's Director of Advocacy, Catherine Beard said: "It is disappointing to see the PMI slip back into negative territory, even though the reading was only just under 50.0. Manufacturers are obviously struggling in the face of a combination of adverse influences, including lack of customers demand, high fuel prices and the conflict in the Middle East".

The sub-indexes of the PMI suggest that firms are adding to their stocks of finished goods (53.8) and getting deliveries out of the door (51.9), but the production, employment and new orders sub-indexes were all flat, at around 50.0.

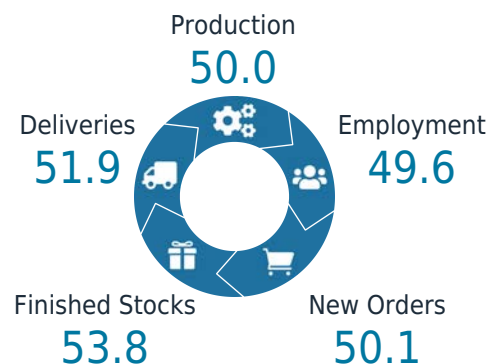
The results also showed that micro-firms (0-10 employees) were struggling the most, with a sub-index reading of just 46.0. However, at the other end of the scale, large firms (101+ employees) were performing strongly, with a sub-index reading of 57.6.

BNZ Head of Research, Stephen Toplis, said "We believe the sector is likely to go through a flat patch during winter but, Middle East willing, we still think the broader economy can pick up some momentum at the tail end of this year so there is no reason to believe manufacturing will be an exception."

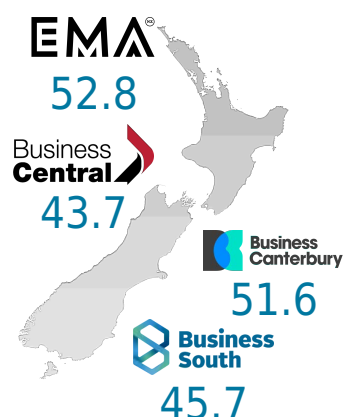


Catherine Beard
Director, Advocacy
BusinessNZ

Main Indices



Regional Results



[VIEW THE TIME SERIES DATA](#)



Manufacturing Snapshot

Hangin' in there!

Somehow, battered by a combination of a broken construction sector, wilting consumer confidence, surging energy costs and the rising cost of fuel-impacted inputs, the manufacturing sector is continuing to fight on.

[Read more](#)

Solid sales volumes in Q1

We suspect a lot of the relative optimism stems from what appears to have been a solid first quarter for the New Zealand economy.

[Read more](#)

But deterioration is now clear

Potentially particularly disconcerting is the fact that, when compared to long term averages, new orders are the weakest component but stocks are the strongest.

[Read more](#)

No growth in jobs

No growth in manufacturing employment and supports our view that there is further upward pressure on the country's unemployment rate.

[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

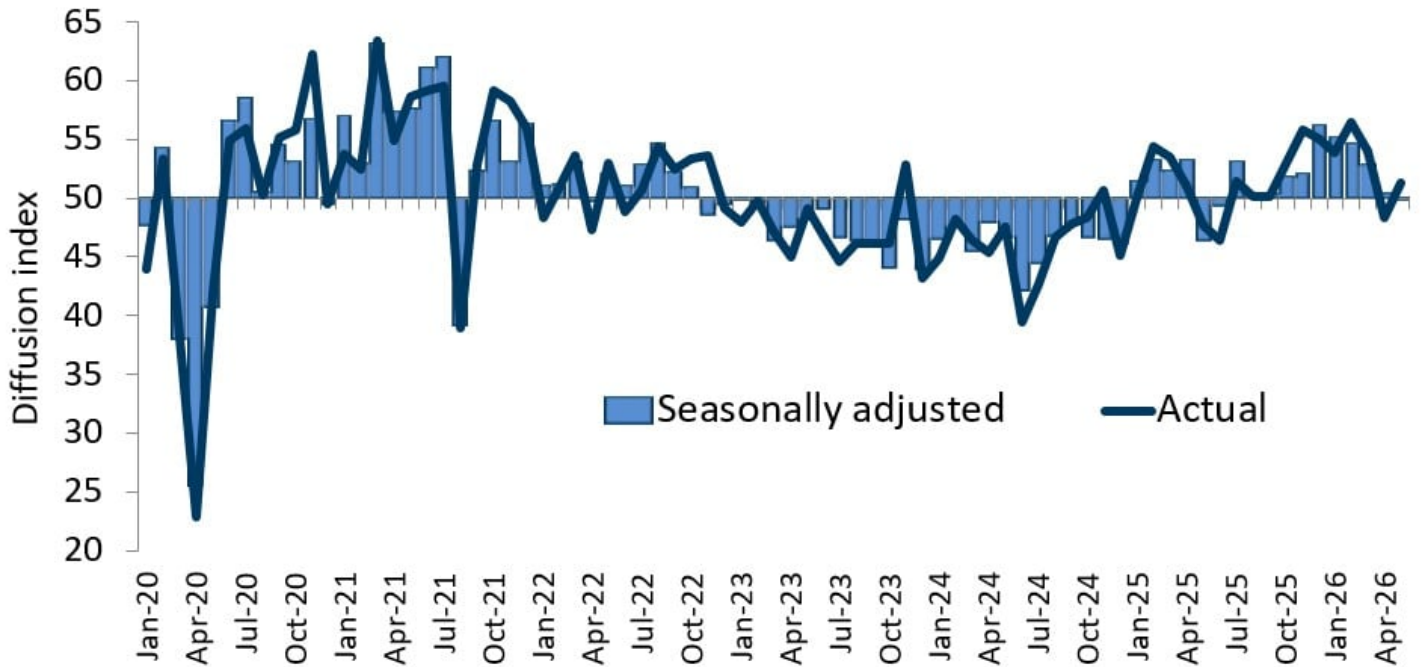
The results are seasonally adjusted.

National Indices	May 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026
BNZ - BusinessNZ PMI	46.4	55.0	54.6	52.8	50.4	49.9
Production	48.6	56.3	56.0	53.2	51.4	50.0
Employment	45.9	52.6	50.3	51.4	53.2	49.6
New Orders	44.4	56.3	56.8	54.8	48.0	50.1
Finished Stocks	50.2	51.2	51.3	54.0	50.7	53.8
Deliveries	48.3	53.0	50.6	49.7	46.8	51.9

[VIEW THE TIME SERIES DATA](#)

BNZ - BusinessNZ PMI Time Series

January 2020 - May 2026

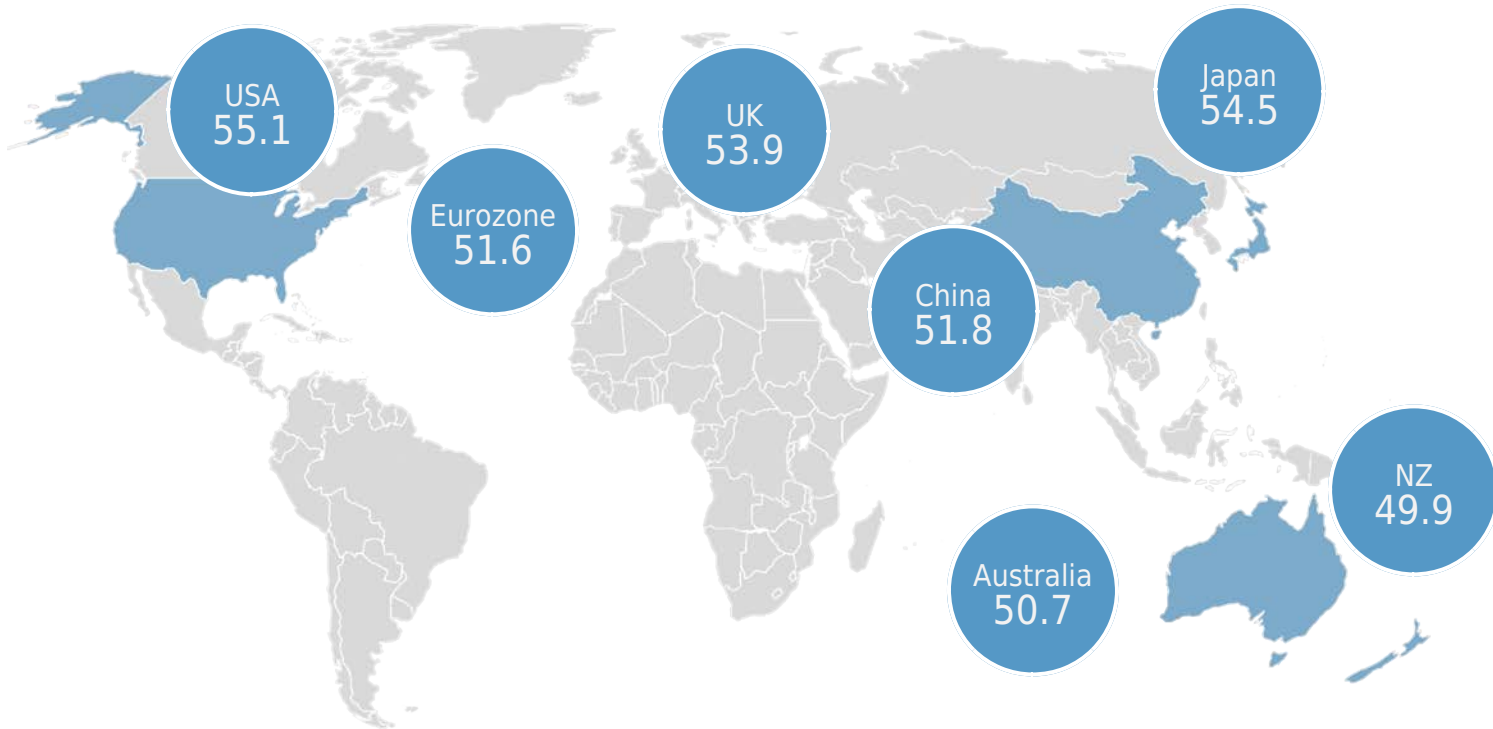


International Results

J.P. Morgan Global Manufacturing PMI™

01 Jun 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.

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Our Contributors

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



Manufacturing Snapshot

12 June 2026

Hanging in there!

New Zealand's manufacturing sector refuses to turn turtle. Somehow, battered by a combination of a broken construction sector, wilting consumer confidence, surging energy costs and the rising cost of fuel-impacted inputs, the manufacturing sector is continuing to fight on. Sure, the headline PMI was a smidgen below the magical 50 mark at 49.9 but it remains well above the depths recorded in 2023/24, and four of the five components that make up the PMI are actually in the black.

Solid sales volumes in Q1

We suspect a lot of the relative optimism stems from what appears to have been a solid first quarter for the New Zealand economy. Indicative of this, Tuesday's business financial data revealed that manufacturing sales volumes rose 3.6% over the period. The question is how much of this increase can be sustained as the year wears on.

But deterioration is now clear

The PMI does not provide significant information about the way ahead but it tells us a lot about the here and now. Unfortunately, the only conclusion one can reach about this is that conditions are getting tougher by the month. We note that the headline PMI is at its lowest level since June 2025. Moreover, the average level for the three months ended May was 4.2 points down on the previous three-month period. This was the sharpest drop in this series since the COVID turmoil. Potentially particularly disconcerting is the fact that, when compared to long term averages, new orders are the weakest component but stocks are the strongest. This is bad news for future production.

No growth in jobs

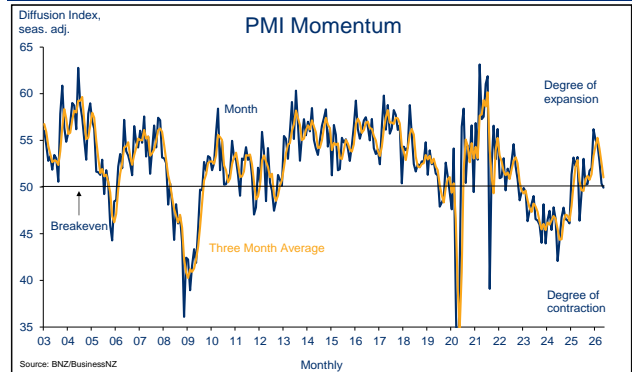
Also worrying is that the employment indicator sat at just 49.6. This is consistent with no growth in manufacturing employment and supports our view that there is further upward pressure on the country's unemployment rate.

Still hope

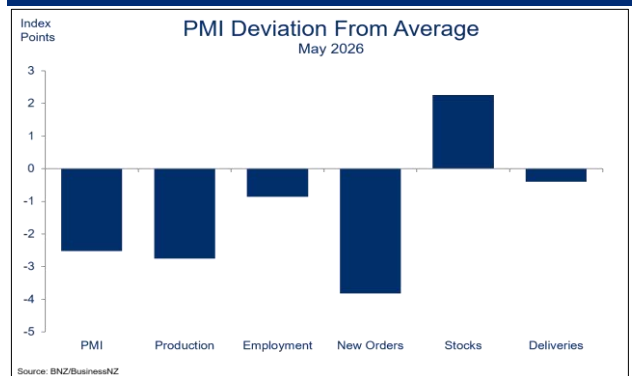
Inevitably the manufacturing sector performs very much in line with the broader economy. This being so we believe the sector is likely to go through a flat patch during winter but Middle East-willing, we still think the broader economy can pick up some momentum at the tail end of this year so there is no reason to believe manufacturing will be an exception.

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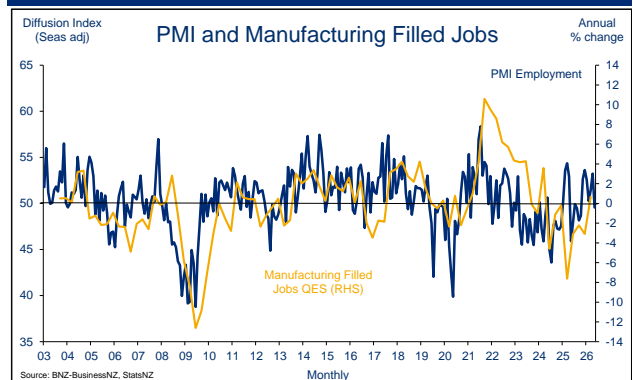
Still alive and kicking



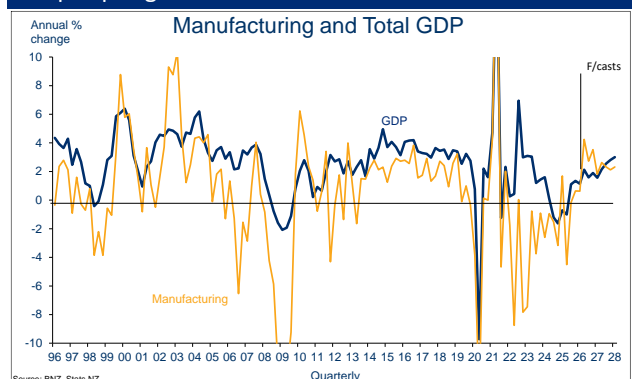
Excess inventories?



Job growth stalled



Hope springs eternal



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