

# BNZ – BUSINESSNZ PERFORMANCE OF SERVICES INDEX

## Fuel prices impacting service sector performance

18 May 2026

**48.9**

April

**+2.7**

Monthly Change

**Contracting**

Slower rate

According to the BNZ – BusinessNZ Performance of Services Index (PSI) the services sector in New Zealand contracted in April, albeit more slowly than in March.

The PSI for April was 48.9 (where a reading above 50.0 indicates the sector is generally expanding, and a reading below 50.0 indicates the sector is in contraction). The PSI reading for March was 46.2.

BusinessNZ's CEO, Katherine Rich said "More than two-thirds of the respondents commented that the factors influencing their business during the past month were negative, and many of the comments focused on fuel prices. With the continuing conflict affecting shipping through the Strait of Hormuz, it is difficult to foresee a quick return to expansion in the sector."

Despite the generally weak performance of the sector, the New Order sub-index was in expansion, at 51.2. However, all four of the other sub-indices were showing contraction, with the weakest being Supplier Deliveries at 46.6.

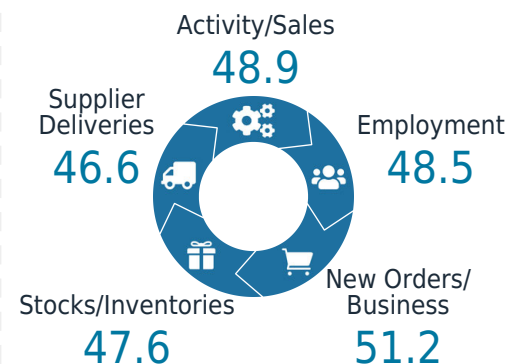
Micro-businesses (those with 1-10 employees) were finding it particularly tough in April, with their sub-index reading at 44.4, but Medium-Large firms (with 51-100 employees) seem to be in healthy expansion at a sub-index level of 55.5.

BNZ's Head of Research, Stephen Toplis said that "At first glance the jump in the headline index from 46.2 in March to 48.9 in April might be read as hope the New Zealand economy is proving to be remarkably resilient to the war in the Middle East. On the other hand, it could be interpreted as further evidence the economy is struggling to get its head above water."

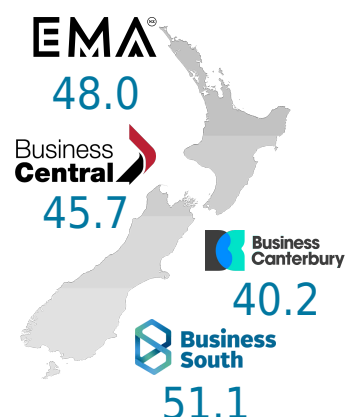


**Katherine Rich**  
CEO, BusinessNZ

### Main Indices



### Regional Results



[VIEW THE TIME SERIES DATA](#)



## Services Landscape

### Services struggling

We tend toward the interpretation that the PSI provides further evidence the economy is struggling to get its head above water, especially when the detail is investigated.

[Read more](#)

### Little hope for the unemployed

Of particular concern to us is that the employment indicator remained below the “breakeven” 50 mark for the 29th consecutive month.

[Read more](#)

### Economy stalls in Q2

The combined employment index for manufacturing and services indicates that there is no current employment growth.

[Read more](#)

### Discretionary spending the fall guy

With household real disposable income under pressure the first spending to feel the pinch is the discretionary sort.

[Read more](#)



Stephen Toplis  
Head of Research, BNZ

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### 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

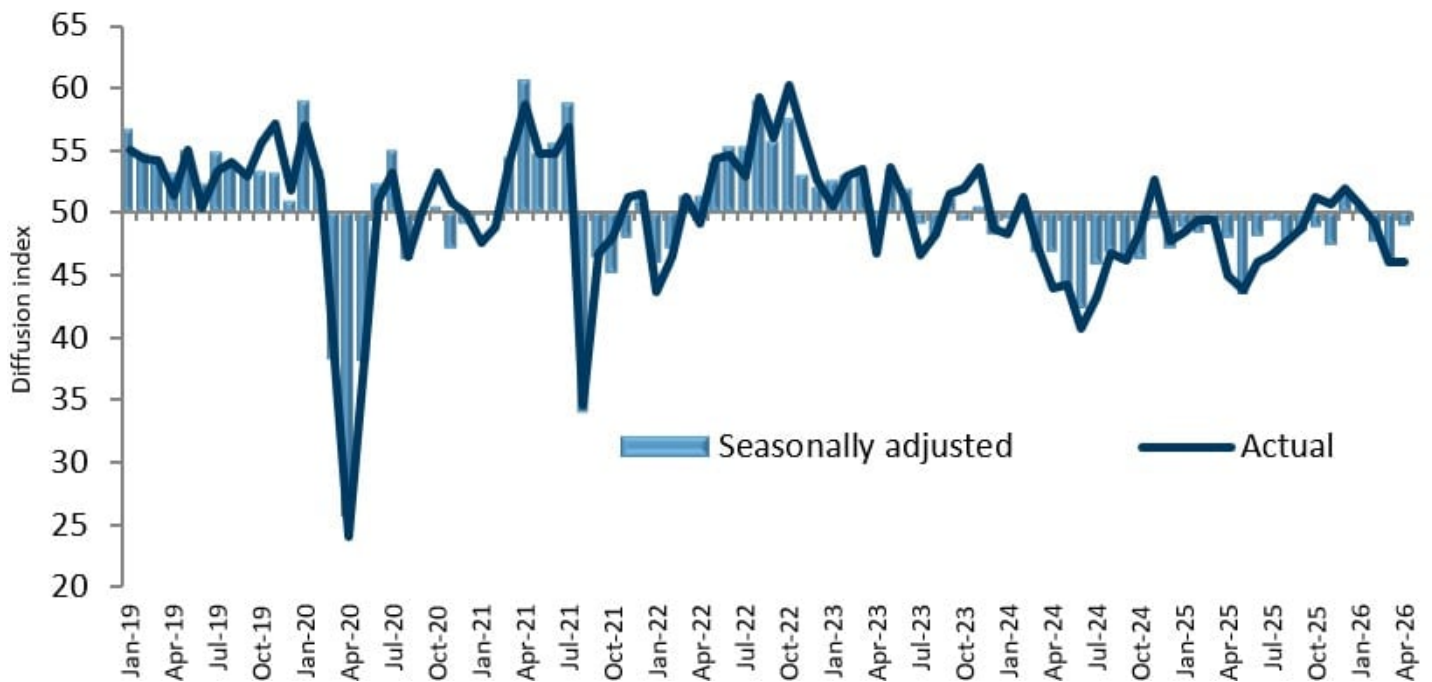
The results are seasonally adjusted.

National Indicies	Apr 2025	Dec 2026	Jan 2026	Feb 2026	Mar 2026	Apr 2026
BNZ - BusinessNZ PSI	48.0	51.6	50.6	47.7	46.2	48.9
Activity/Sales	46.8	52.3	53.7	47.6	44.7	48.9
Employment	47.7	49.6	49.0	47.1	46.6	48.5
New Orders/Business	49.7	52.5	51.4	49.0	46.0	51.2
Stocks/Inventories	48.5	52.2	49.2	46.5	46.2	47.6
Supplier Deliveries	45.9	49.7	49.2	48.4	47.2	46.6

[VIEW THE TIME SERIES DATA](#)

### BNZ - BusinessNZ PSI Time Series

January 2019 - April 2026

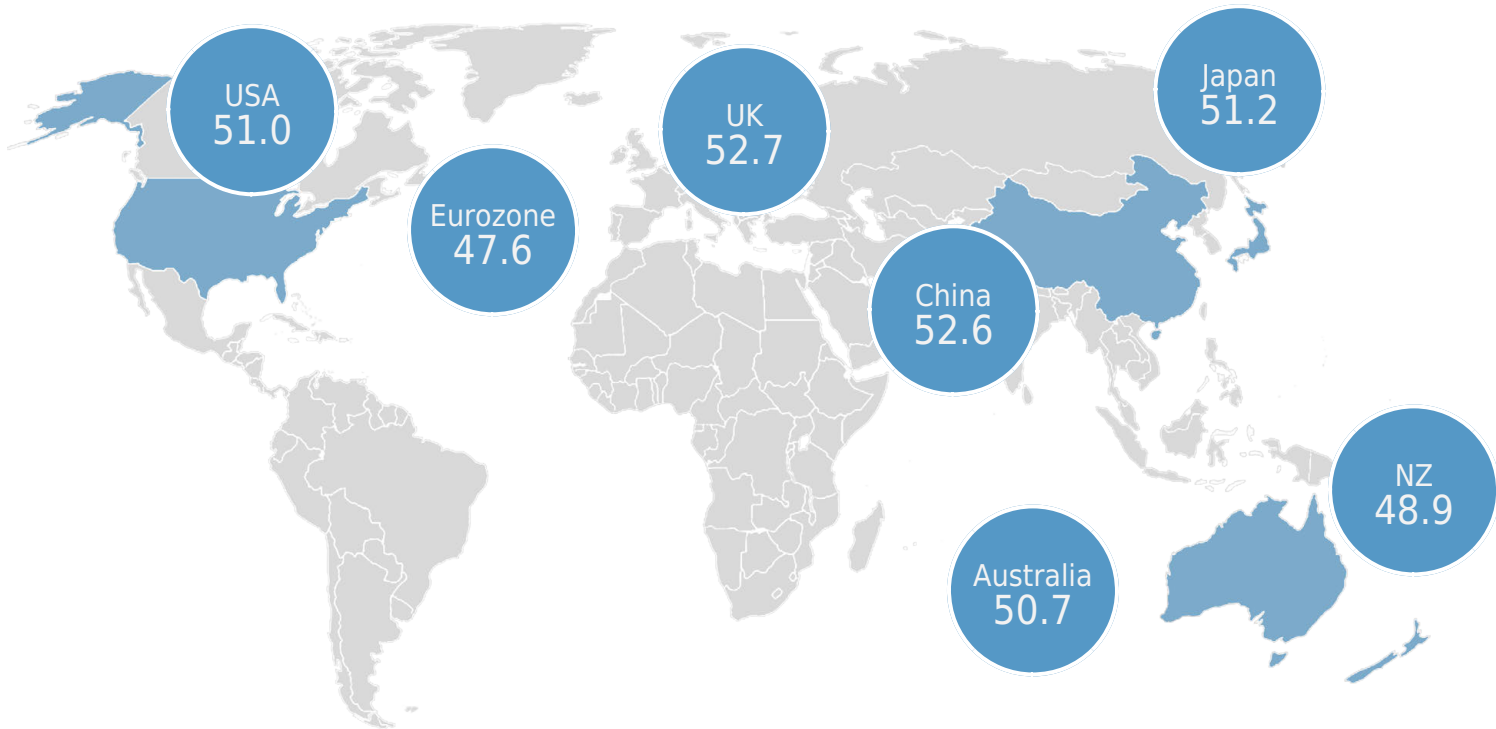


# International Results

J.P. Morgan Global Manufacturing PSI™

06 May 2026

# 51.2



# BNZ – BUSINESSNZ PERFORMANCE OF COMPOSITE INDEX

**48.6**

GDP-Weighted Index

**49.4**

Free-Weighted Index

Reflecting the ongoing weakness of the PSI, the seasonally adjusted BNZ – BusinessNZ Performance of Composite Index or PCI (which combines the PMI and PSI) showed a decline. The Manufacturing component of the PCI was slightly in expansion in April, but the much larger Services component kept the overall PCI below 50.0.

Nonetheless, both the GDP-weighted index and the Free-weighted index contracted less in April than they did in March.

## BNZ - BusinessNZ PCI Time Series

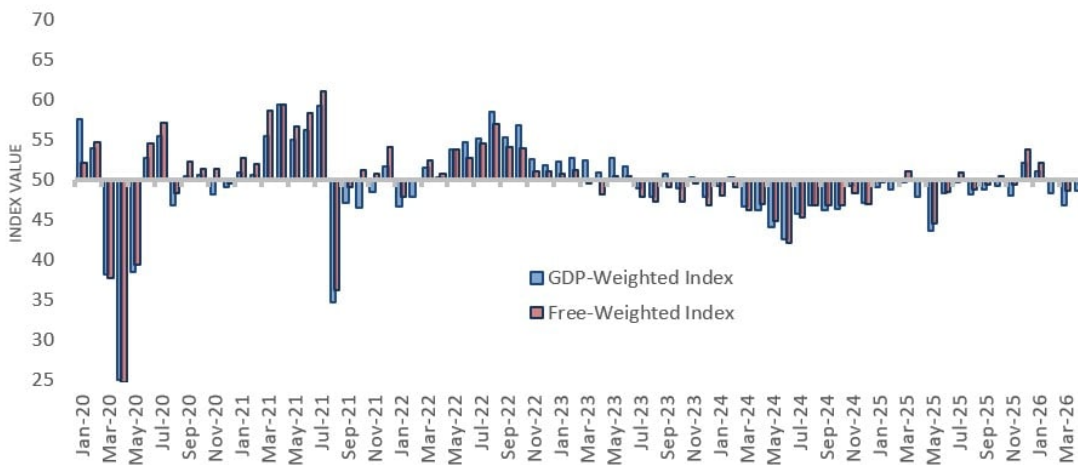
The results are seasonally adjusted.

National Indices	Apr 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026
GDP-Weighted Index	48.0	52.2	51.0	48.4	46.9	48.6
Free-Weighted Index	50.1	53.8	52.2	50.1	48.7	49.4

[VIEW THE TIME SERIES DATA](#)

## BNZ - BusinessNZ PCI Time Series

January 2020 – April 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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## Our Contributors

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



# Research Services Landscape

18 May 2026

## Services struggling

So much these days can be interpreted in so many different ways. In this regard the latest Performance of Services Index is no exception. At first glance the jump in the headline index from 46.2 in March to 48.9 in April might be read as hope the New Zealand economy is proving to be remarkably resilient to the war in the Middle East. On the other hand, it could be interpreted as further evidence the economy is struggling to get its head above water. Alas, we tend toward the latter interpretation especially when the detail is investigated.

## Little hope for the unemployed

Of particular concern to us is that the employment indicator remained below the “breakeven” 50 mark for the 29<sup>th</sup> consecutive month. With this being so it should be of no surprise that over the last two years the unemployment rate has climbed from 4.4% to 5.3% and is likely to rise further. Moreover, the length of time that reported hiring has been weak will help explain why the unemployed are remaining unemployed for an increasing length of time. As a benchmark note the duration of this employment downturn relative to that which occurred during the GFC.

## Economy stalls in Q2

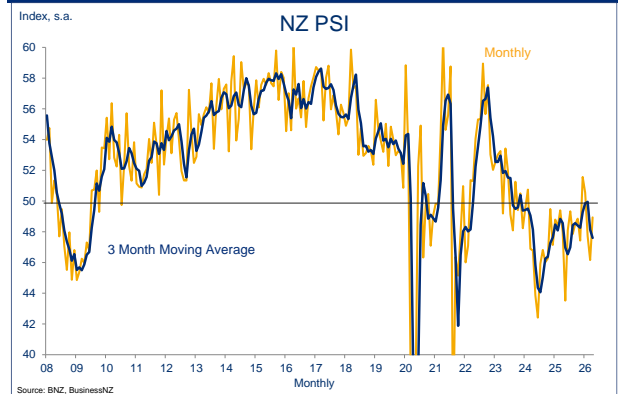
The combined employment index for manufacturing and services indicates that there is no current employment growth. Similarly, the combined headline indicator suggests the economy is stalling in the current quarter. This is consistent with our view that Q2 GDP growth will struggle to climb above zero as not only the war directly impacts activity but also the inventory building that likely occurred towards the end of the first quarter will not be repeated.

## Discretionary spending the fall guy

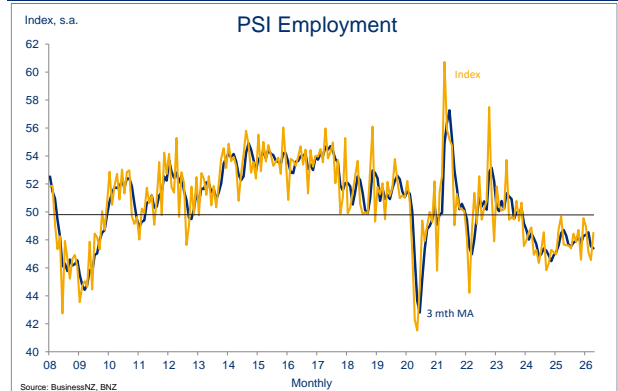
We are a bit reluctant to highlight the results of the PSI’s industry breakdown as there is a lot of volatility in the series in part because the sample sizes are relatively small. However, smoothing across the last quarter the data do paint a picture of the economy that fits with our perceptions of what is happening. Of particular note is the sharp drop in accommodation, cafes and restaurant activity. This also fits with our internal card data which reveals a very sharp drop in spending in these categories in the month of April. With household real disposable income under pressure the first spending to feel the pinch is the discretionary sort.

[stephen\\_toplis@bnz.co.nz](mailto:stephen_toplis@bnz.co.nz)

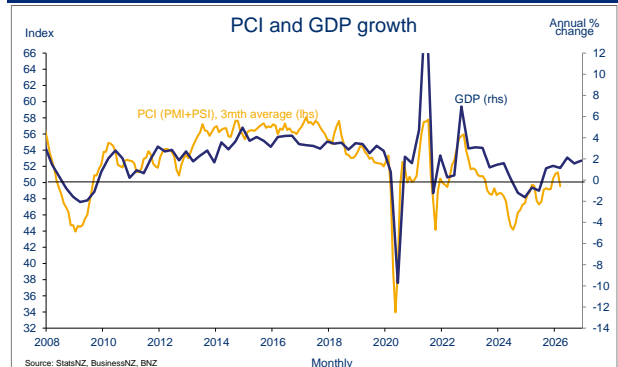
### Trend decline in activity



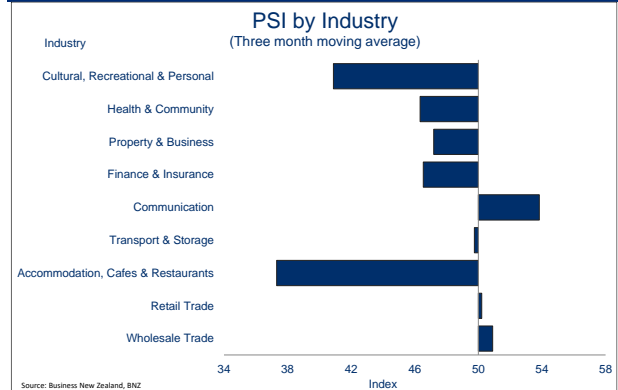
### A long time in the doldrums



### Going nowhere fast



### No cash for fun



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