

# BNZ – BUSINESSNZ PERFORMANCE OF MANUFACTURING INDEX

## Uptick in expansion

16 May, 2025

**53.9**

April

**+0.7**

Monthly Change

**Expanding**

Faster Rate

New Zealand's manufacturing sector showed an uptick in expansion during April, according to the latest BNZ – BusinessNZ Performance of Manufacturing Index (PMI).

The seasonally adjusted PMI for April was 53.9 (a PMI reading above 50.0 indicates that manufacturing is generally expanding; below 50.0 that it is declining). This was up from 53.2 in March and the fourth month in a row showing expansion. The survey was also above the average of 52.5 since it began.

BusinessNZ's Director, Advocacy Catherine Beard said that the April result continued a consistent run of expansion for the sector during last three months.

"All of the sub-index values were in expansion during April. The key sub-index results for Production (53.8) and New Orders (51.4) were both in positive territory, while Employment (55.0) displayed its highest level of expansion since July 2021".

Despite the improvement in expansion during April, the proportion of negative comments from respondents increased slightly to 58% in April, compared with 57.5% in March, but still down from 59.5% in February.

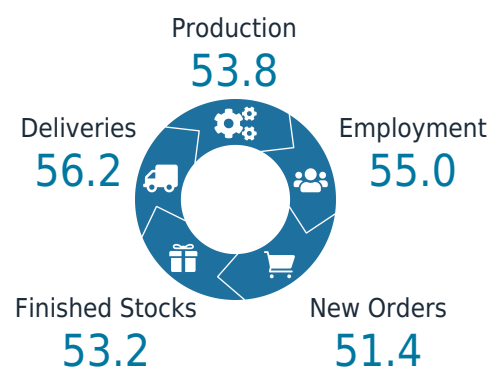
Negative comments during April saw some manufacturers facing a slowdown driven by high costs, global and local economic uncertainty. In terms of positive comments, other manufacturers reported modest growth, driven by rising demand, infrastructure projects, and strong niche markets, despite lingering caution from inflation and supply challenges.

BNZ's Senior Economist Doug Steel said that "activity is not surging, but a manufacturing recovery seems to be underway with the PMI having improved substantially from its low of 41.4 last June. That said, there remain questions around how sustainable it is given uncertainty stemming from offshore".

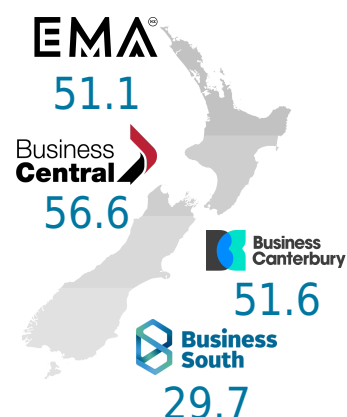


**Catherine Beard**  
Director, Advocacy  
BusinessNZ

### Main Indices



### Regional Results



[VIEW THE TIME SERIES DATA](#)



## Manufacturing Snapshot

### PMI trending higher

The Performance of Manufacturing Index (PMI) continues to trend upwards, lifting from 53.2 to 53.9 in April. This is the fourth consecutive month above 50 and is further evidence the sector has turned the corner.

[Read more](#)

### Recovery expected

In April, the PMI new orders index lifted to 51.4, back above the breakeven 50 mark. While new orders are no longer going backwards, they also haven't picked up in a meaningful way.

[Read more](#)

### Reduced labour costs

The PMI employment index nudged up to 55.0 in April, consistent with a rapidly expanding workforce. This strength is yet to materialise in official labour market statistics, where the number of jobs in manufacturing is still 2.5% below year earlier levels.

[Read more](#)

### Falling interest rates

Since August, the Reserve Bank has cut the Official Cash Rate (OCR) by 200 basis points from 5.50% to 3.50%. Both the reductions to date, and the expectation for further cuts, will be providing support to the sector.

[Read more](#)



Doug Steel  
Senior Economist, BNZ

[VIEW FULL BNZ MANUFACTURING SNAPSHOT](#)

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### 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

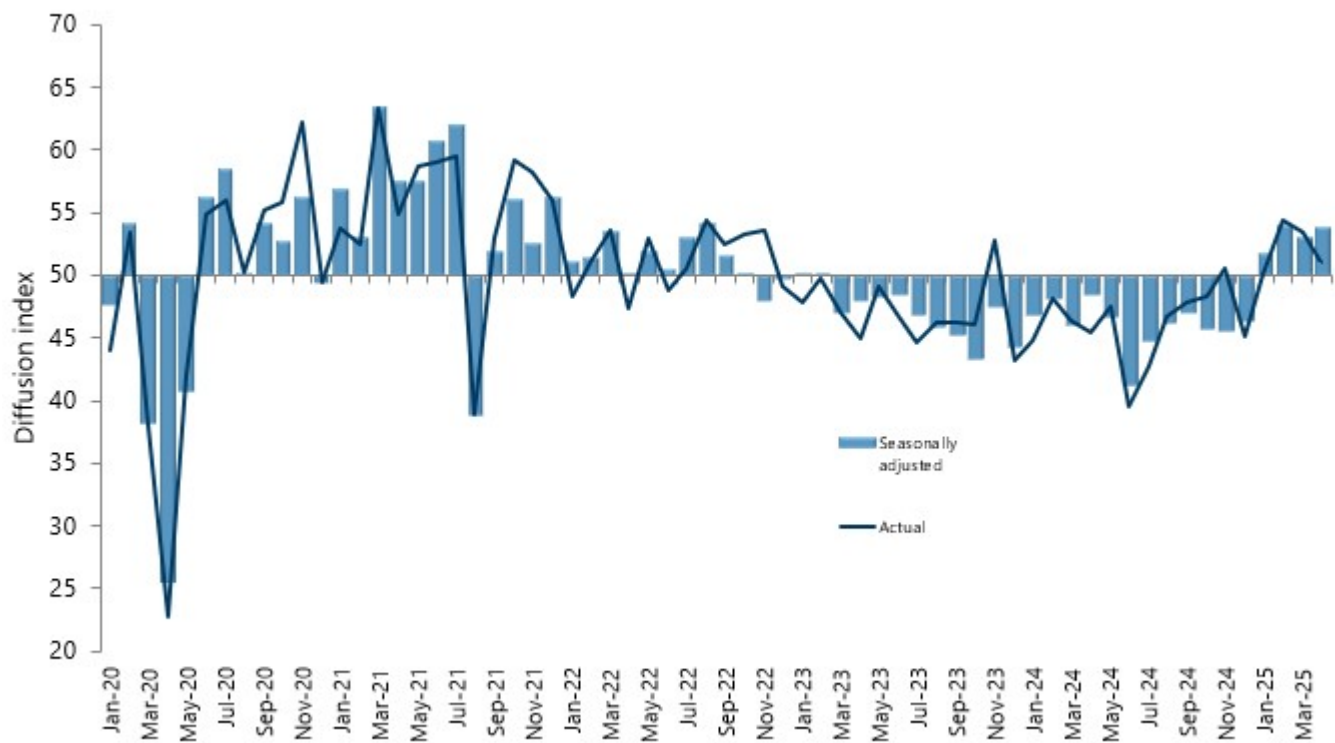
The results are seasonally adjusted.

National Indices	Apr 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025
BNZ - BusinessNZ PMI	48.4	46.5	51.8	54.0	53.2	53.9
Production	49.8	43.1	51.7	52.7	54.1	53.8
Employment	50.6	48.0	50.9	54.3	54.7	55.0
New Orders	44.9	47.0	51.3	51.6	49.8	51.4
Finished Stocks	50.5	46.8	52.6	54.5	56.2	53.2
Deliveries	47.5	50.4	52.2	56.2	55.6	56.2

VIEW THE TIME SERIES DATA

## BNZ - BusinessNZ PMI Time Series

January 2020 - April 2025

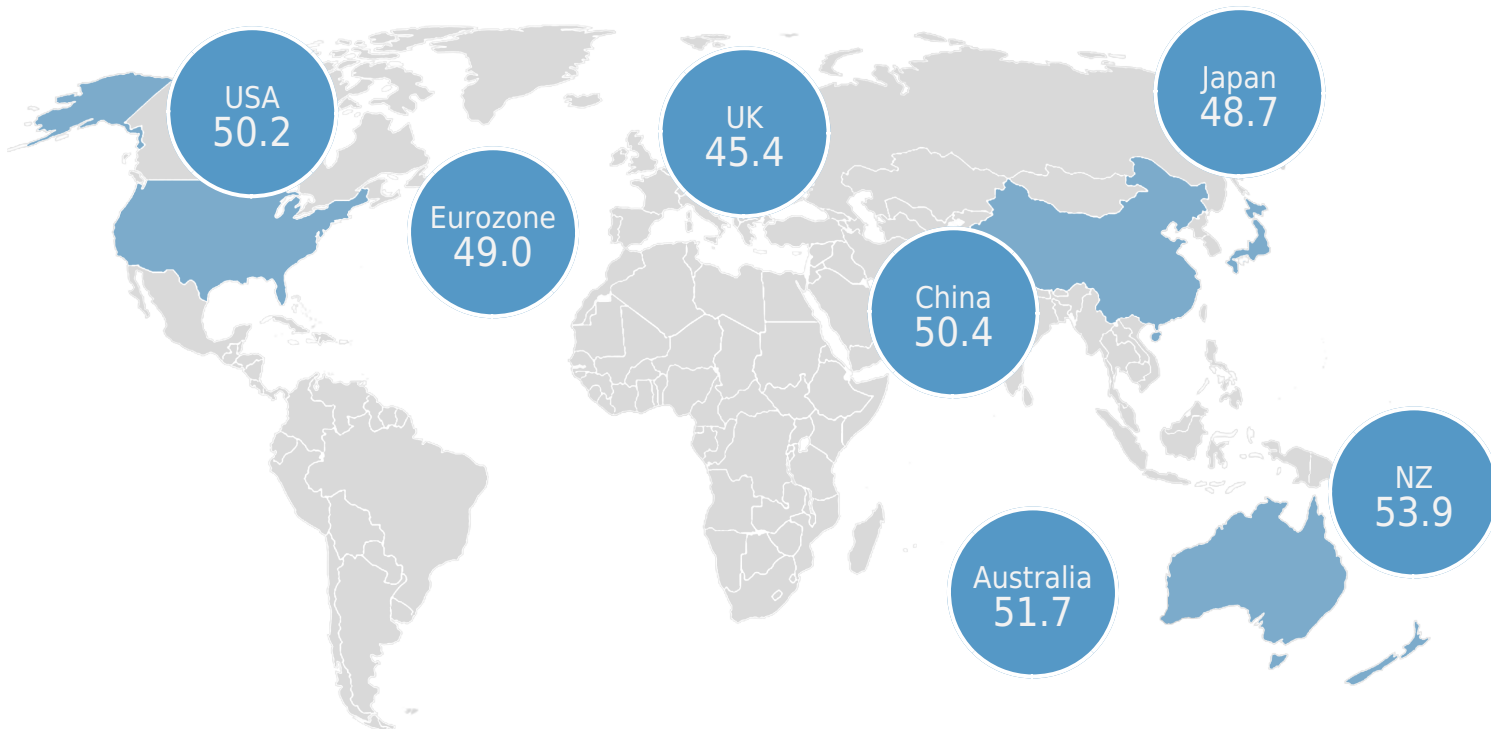


## International Results

J.P. Morgan Global Manufacturing PMI™

02 May 2025

# 49.8



### 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



# Research

# Manufacturing Snapshot

16 May 2025

## PMI trending higher

The Performance of Manufacturing Index (PMI) continues to trend upwards, lifting from 53.2 to 53.9 in April. This is the fourth consecutive month above 50 and is further evidence the sector has turned the corner. Activity is not surging, but a manufacturing recovery seems to be underway with the PMI having improved substantially from its low of 41.4 last June. That said, there remain questions around how sustainable it is given uncertainty stemming from offshore.

## Recovery expected

In April, the PMI new orders index lifted to 51.4, back above the breakeven 50 mark. While new orders are no longer going backwards, they also haven't picked up in a meaningful way. Relatively weak production and new orders suggest the sector has been buoyed by an expectation of more activity ahead, rather than demand and output to date. Admittedly, the bar for an improvement is low but there is a risk these expectations are not met. New orders will need to continue to pick up to be consistent with elevated activity.

## Reduced labour costs

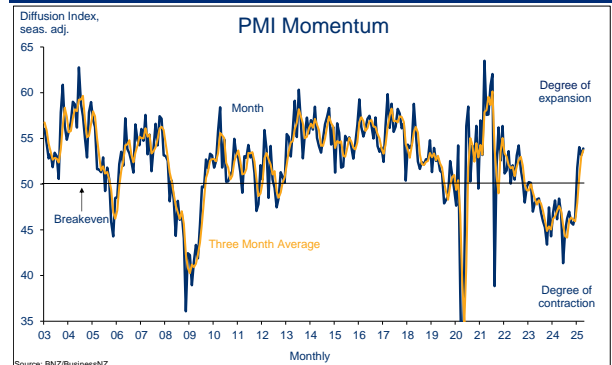
The PMI employment index nudged up to 55.0 in April, consistent with a rapidly expanding workforce. This strength is yet to materialise in official labour market statistics, where the number of jobs in manufacturing is still 2.5% below year earlier levels. For many firms, a reduction in labour costs to date has been an effort to return the business back to profitability. By the same token, relatively low labour costs may now be encouraging some to lift employment levels.

## Falling interest rates

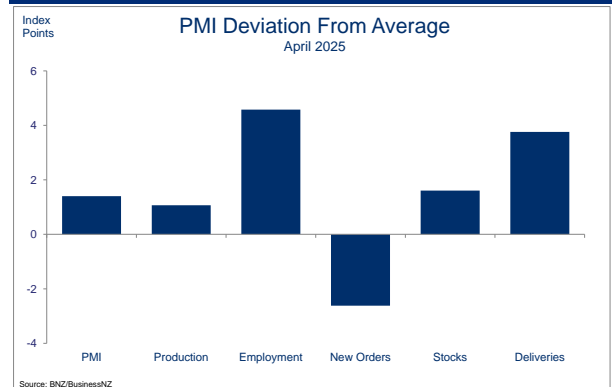
Since August, the Reserve Bank has cut the Official Cash Rate (OCR) by 200 basis points from 5.50% to 3.50%. Both the reductions to date, and the expectation for further cuts, will be providing support to the sector. However, future OCR reductions are already baked into current fixed lending rates so their impact will now be limited. That said, interest rates are simply no longer acting as the handbrake they once were. For the record, we expect the Reserve Bank to lower the OCR by another 25 basis points at its May decision with two more 25-point rate cuts, taking the cash rate to 2.75%, thereafter.

[doug\\_steel@bnz.co.nz](mailto:doug_steel@bnz.co.nz)

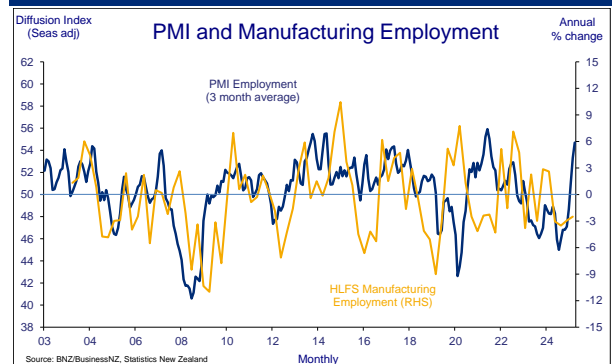
## Moving up



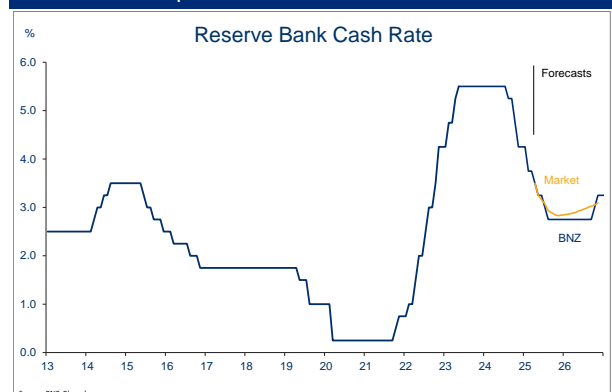
## New orders lagging



## Variable employment picture



## Further cuts expected



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