

BNZ – BUSINESSNZ PERFORMANCE OF MANUFACTURING INDEX

Return to expansion

15 Aug, 2025

52.8

July

+3.6

Monthly Change

Expanding

Previously Contracting

New Zealand's manufacturing sector moved back into expansion during July, according to the latest BNZ – BusinessNZ Performance of Manufacturing Index (PMI).

The seasonally adjusted PMI for July was 52.8 (a PMI reading above 50.0 indicates that manufacturing is generally expanding; below 50.0 that it is declining). This was up from 49.2 in June and above the average of 52.5 since the survey began.

BusinessNZ's Director, Advocacy Catherine Beard said that after a couple of challenging months for the sector, the upswing in activity for July saw a return to levels of expansion seen during the start of 2025.

"All five main sub-index values were in expansion during July. This was led by New Orders (54.2), which reached its highest level of activity since March 2022. Similarly, Production (53.6) was at its highest level since August 2022. Finished Stocks (51.8) and Deliveries of Raw Materials (51.9) recorded similar levels of expansion, while Employment (50.1) managed to get just above the no change mark after two previous months in contraction."

Despite the return to expansion, the proportion of negative comments from respondents stood at 58.6% in July. However, this was down from June (65.5%) and May (64.5%). Negative comments indicate that manufacturers report weak demand, falling orders, rising costs, inflation, and ongoing economic uncertainty, which has been worsened by tariffs, slow construction, and low consumer spending. Many cite a lack of confidence, delayed projects, and customers ordering only what is immediately needed, creating stagnant market conditions.

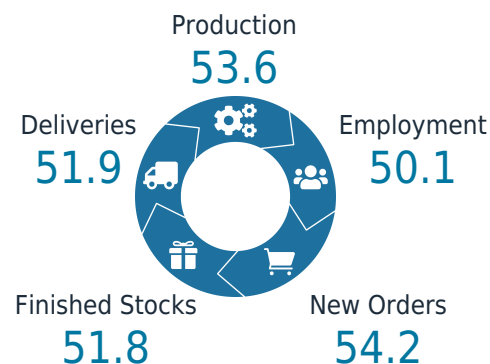
BNZ's Senior Economist Doug Steel said that "given the prevailing headwinds it is, perhaps, even more encouraging that the PMI has moved back into expansion. It will need to be sustained or nudge a bit higher to be consistent with our economic forecasts, but it is good to see a move for the better".



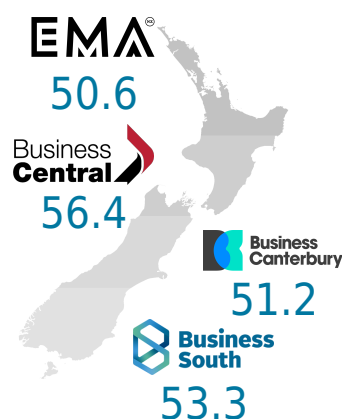
Catherine Beard

Director, Advocacy
BusinessNZ

Main Indices



Regional Results



[VIEW THE TIME SERIES DATA](#)



Manufacturing Snapshot

Back above 50

NZ's Performance of Manufacturing Index (PMI) simply had to lift to provide us with any confidence that the recovery we are forecasting will happen.

[Read more](#)

Higher across the board

Looking across the PMI sub-indices, they all moved in the right direction. The PMI new orders index (54.2) nudged above its historical average (54.0) for the first time since August 2022.

[Read more](#)

Tariffs and gas prices unhelpful

The latest headwind for manufacturers in NZ is the 15% tariff on goods exports to the US, up from 10% previously. Importantly, our exporters now are at a 5% disadvantage relative to some other countries (e.g. Australia at 10%).

[Read more](#)

At a turning point?

Given the prevailing headwinds it is, perhaps, even more encouraging that the PMI has moved back into expansion.

[Read more](#)



Doug Steel
Senior Economist, 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

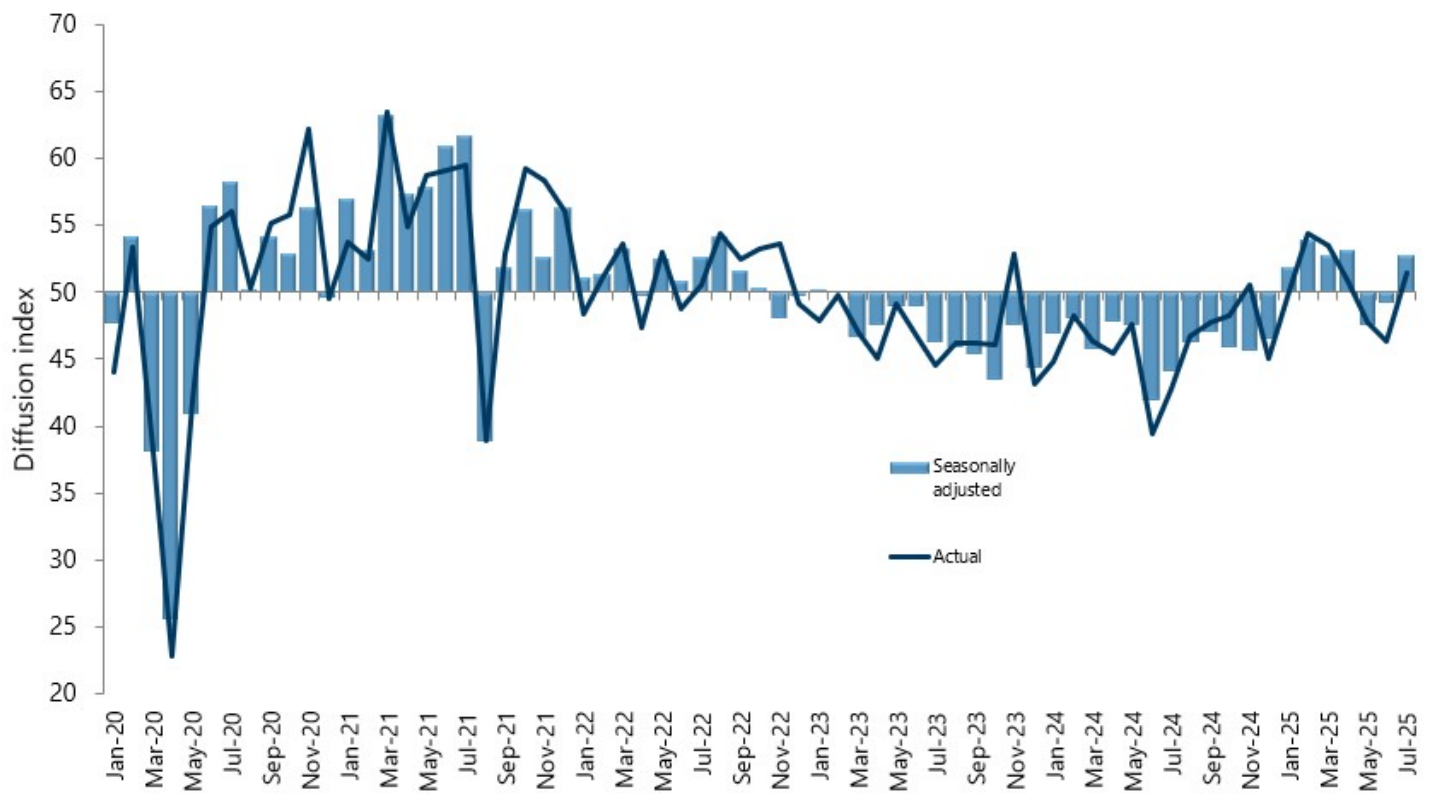
The results are seasonally adjusted.

National Indices	Jul 2024	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025
BNZ - BusinessNZ PMI	44.1	52.7	53.2	47.5	49.2	52.8
Production	42.9	53.3	52.5	48.1	49.6	53.6
Employment	43.6	54.4	54.2	45.4	48.0	50.1
New Orders	43.0	49.3	50.9	45.7	51.8	54.2
Finished Stocks	46.2	55.8	52.6	50.7	46.9	51.8
Deliveries	44.9	55.0	55.1	48.8	47.9	51.9

VIEW THE TIME SERIES DATA

BNZ - BusinessNZ PMI Time Series

January 2020 - July 2025

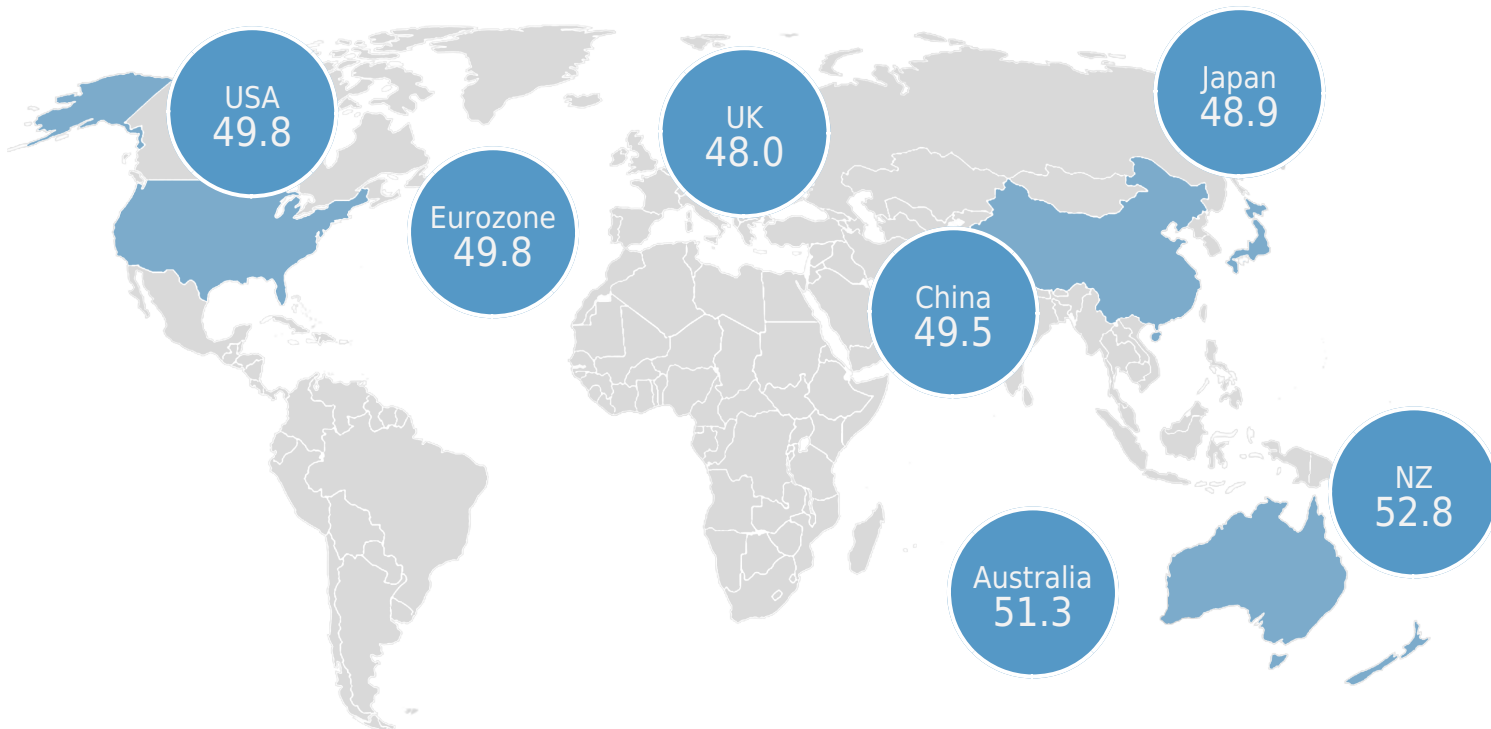


International Results

J.P. Morgan Global Manufacturing PMI™

01 Aug 2025

49.7



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



Research

Manufacturing Snapshot

15 August 2025

Back above 50

NZ's Performance of Manufacturing Index (PMI) simply had to lift to provide us with any confidence that the recovery we are forecasting will happen. So, it was a great relief to see July's lift in the PMI from 49.2 to 52.8. Indicators (including the PMI and electronic card transactions) suggest that economic activity contracted in Q2. As we move through Q3, the July jump in these indicators offers some hope. But early signs of improvement will need to be sustained if they are to be consistent with our forecasts for modest growth. And we'll be looking for more of the same in the Performance of Services Index (PSI) on Monday.

Higher across the board

Looking across the PMI sub-indices, they all moved in the right direction. The PMI new orders index (54.2) nudged above its historical average (54.0) for the first time since August 2022. New orders are not soaring, but they are finally back on more solid ground. Similarly, the PMI employment index lifted to 50.1 and suggests net labour shedding in manufacturing has paused. This would be a welcome change, following confirmation of weak manufacturing employment in the official Q2 statistics.

Tariffs and gas prices unhelpful

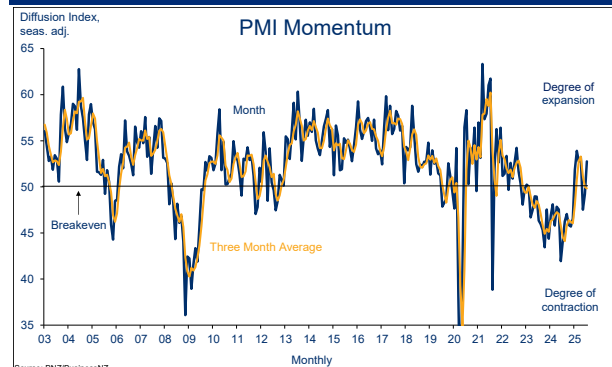
The latest headwind for manufacturers in NZ is the 15% tariff on goods exports to the US, up from 10% previously. Importantly, our exporters now are at a 5% disadvantage relative to some other countries (e.g. Australia at 10%). At an economy-wide level, the increased US tariff on NZ goods exports will have a negative impact at the margin. However, the impact of the tariff changes will vary by product. For example, even NZ facing the same tariff as the EU has exporting into the US market at a disadvantage relative to the prospect of the EU facing a higher tariff, with wine a particular concern. Manufacturers are also navigating higher gas prices. In Q1, commercial gas prices were 20.7% above year earlier levels as demand bumps up against limited domestic supply. In response, some industrial gas users have been forced to cut staff, increase prices or reduce production.

At a turning point?

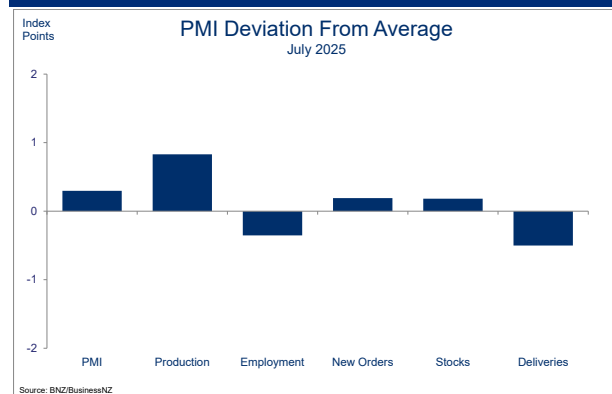
Given the prevailing headwinds it is, perhaps, even more encouraging that the PMI has moved back into expansion. It will need to be sustained or nudge a bit higher to be consistent with our economic forecasts, but it is good to see a move for the better.

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Some signs of life



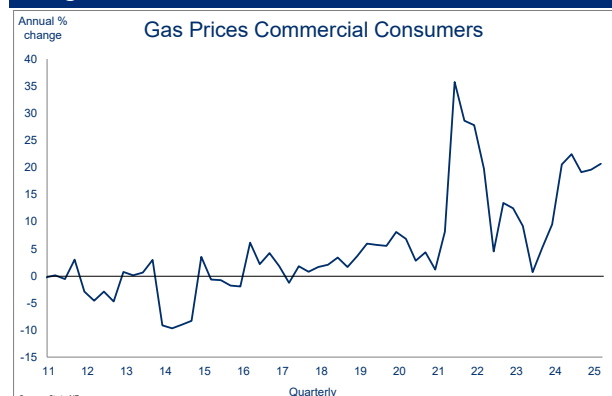
Close to average



NZ's largest export destination for wine



Rising cost



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