

BNZ – BUSINESSNZ PERFORMANCE OF MANUFACTURING INDEX

Small steps

10 Mar 2023

52.0

February

+0.8

Monthly Change

Expanding

Faster Rate

New Zealand's manufacturing sector experienced a further increase in expansion, according to the latest BNZ – BusinessNZ Performance of Manufacturing Index (PMI).

The seasonally adjusted PMI for February was 52.0 (a PMI reading above 50.0 indicates that manufacturing is generally expanding; below 50.0 that it is declining). This was 0.8 points up from January, although still below the long-term average activity rate of 53.0.

BusinessNZ's Director, Advocacy Catherine Beard said that the February result managed to show an incremental step towards higher levels of activity, which at the very least starts the year off with two months of consecutive expansion.

"The key sub-index of New Orders (52.0) returned to expansion after five consecutive months of contraction, while Finished Stocks (55.8) and Employment (54.0) both experienced ongoing growth. However, Production (49.4) did fall back into contraction to its lowest level since June 2022, while Deliveries (51.8) showed the same level of expansion as the previous month.

With a further lift in activity for February, the proportion of negative comments from manufacturers dipped to 60.2%, compared with 69.9% for January, 63.5% for December and 58.4% for November. Manufacturers were somewhat split with some noticing a slowdown in sales and enquiries, while others noted a bump in activity, including new customers both domestically and offshore.

BNZ Senior Economist, Craig Ebert stated that "it's been a New Year gearshift, out of reverse. However, these are not what you'd call strong results – in total, and especially when delving into the details. That said, February's PMI, like January's, did denote expansion, overall, and is not all that far shy of its long-term average of 53.0".

[VIEW THE TIME SERIES DATA](#)

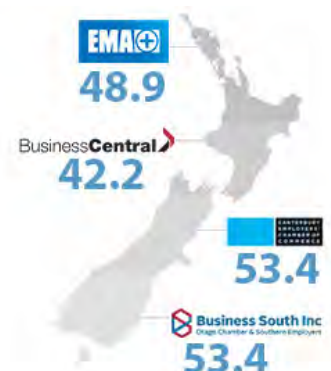


Catherine Beard
Director, Advocacy
BusinessNZ

Main Indices



Regional Results





Manufacturing Snapshot

PMI

New Zealand's Performance of Manufacturing Index (PMI) continues to dust off the negativity it displayed over the closing months of 2022.

[Read more](#)

Principal detail

As mentioned, however, the composition of the latest PMI continued to temper the positive headline result. For example, across the principal components, production, at 49.4, stumbled back into contraction territory, after a decent 52.0 for January.

[Read more](#)

Mixed from other angles too

There were also mixed messages in the industry detail of the latest PMI. Four of the nine sub-groups were running below the 50-breakeven mark in February.

[Read more](#)

Regionally important reports

Of course, we need to be particularly mindful of the regional breakdown of the PMI now, given the disastrous weather that hit the upper and eastern parts of the North Island over the last couple of months.

[Read more](#)



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[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

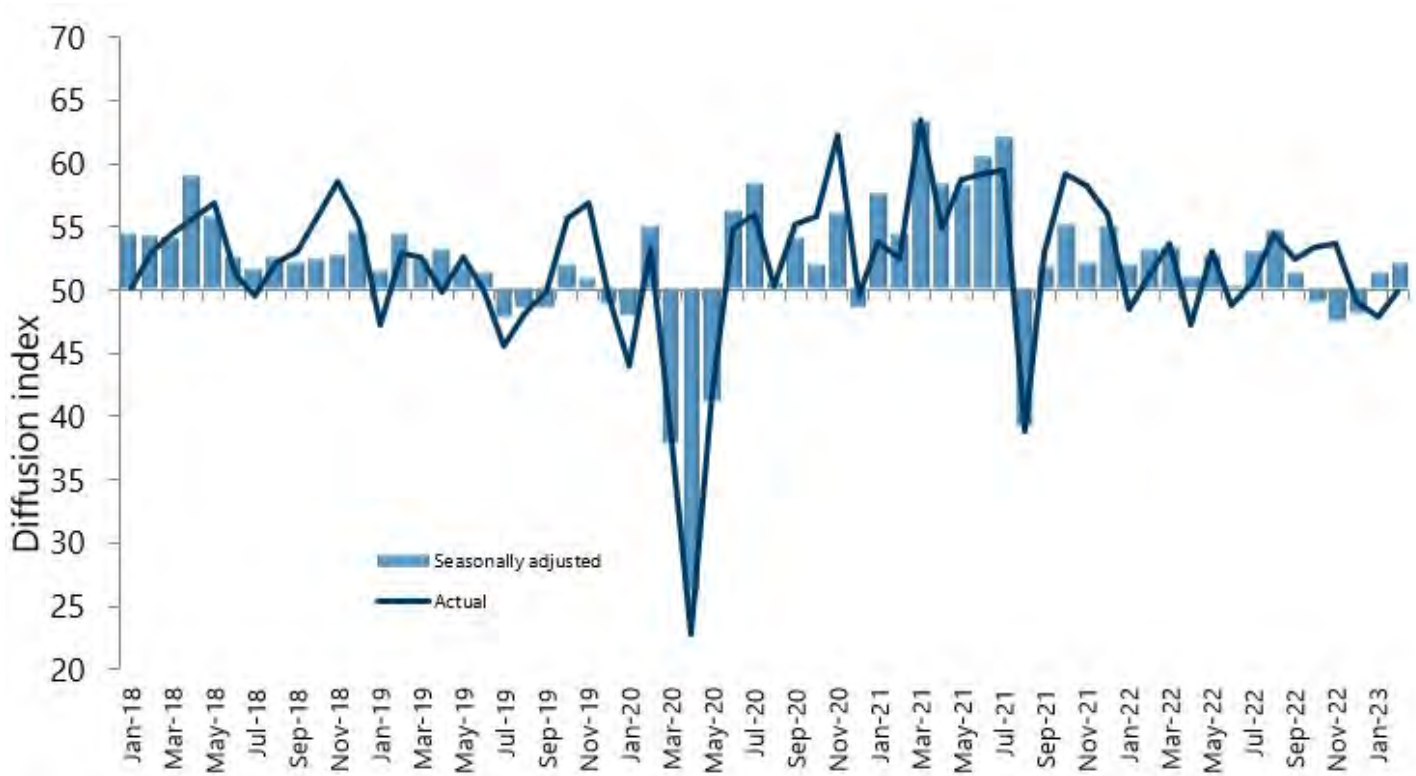
The results are seasonally adjusted.

National Indices	Feb 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
BNZ - BusinessNZ PMI	53.1	48.9	47.4	48.1	51.2	52.0
Production	52.2	49.8	49.5	49.8	52.0	49.4
Employment	50.6	48.9	47.2	49.9	51.6	54.0
New Orders	57.3	44.7	42.5	48.6	49.2	52.0
Finished Stocks	49.4	54.6	55.6	50.0	52.7	55.8
Deliveries	52.6	55.1	49.7	48.5	51.8	51.8

[VIEW THE TIME SERIES DATA](#)

BNZ - BusinessNZ PMI Time Series

January 2018 - February 2023

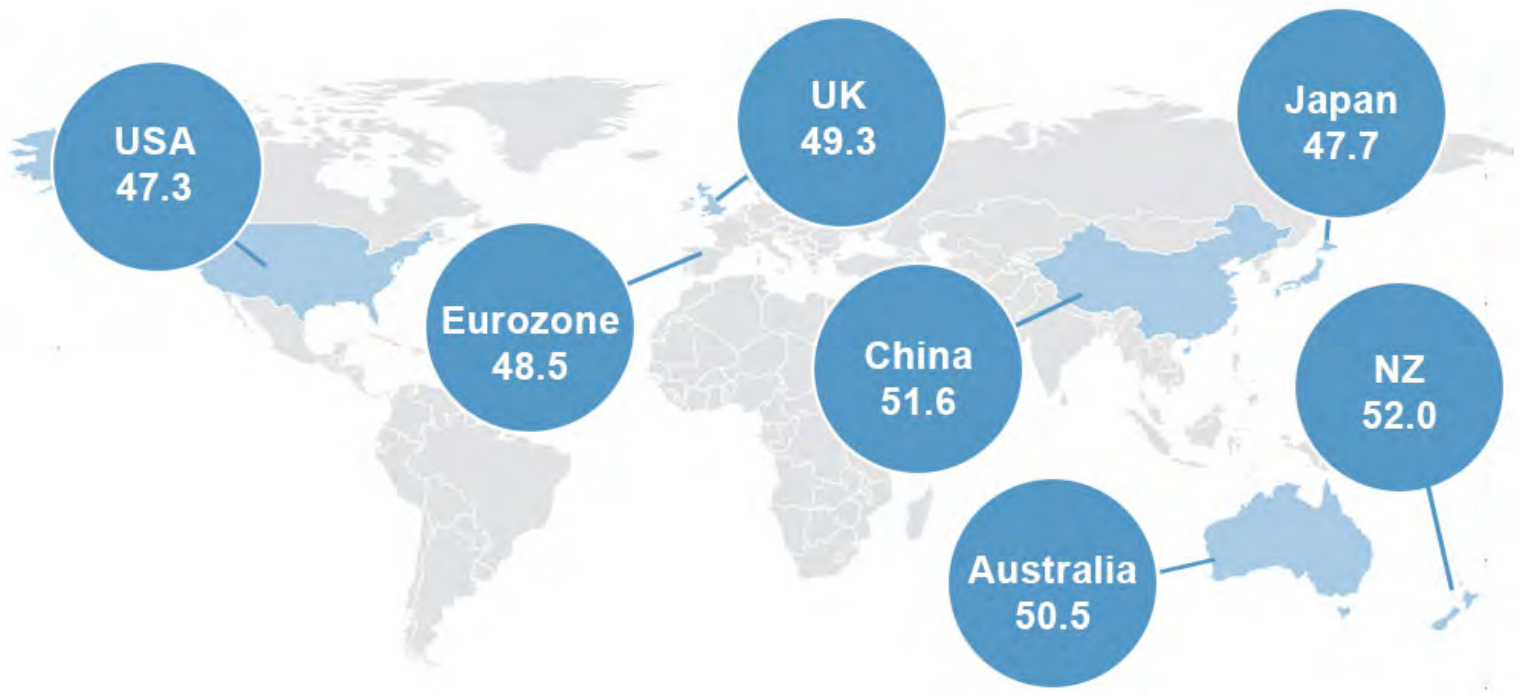


International Results

J.P. Morgan Global Manufacturing PMI™

01 Feb 2023

50.0



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



Manufacturing Snapshot

10 March 2023

PMI

New Zealand’s Performance of Manufacturing Index (PMI) continues to dust off the negativity it displayed over the closing months of 2022. It nudged up to a seasonally adjusted 52.0 in February, from an upwardly revised reading of 51.2 for January. It’s been a New Year gearshift, out of reverse. To be sure, these are not what you’d call strong results – in total, and especially when delving into the details (see below). That said, February’s PMI, like January’s, did denote expansion, overall, and is not all that far shy of its long-term average, of 53.0.

Principal detail

As mentioned, however, the composition of the latest PMI continued to temper the positive headline result. For example, across the principal components, production, at 49.4, stumbled back into contraction territory, after a decent 52.0 for January. And while new orders did almost exactly the opposite – rebounding to 52.0, from 49.2 in January – it was well below its historical norm of 54.8. February’s reading on employment, namely 54.0, was significantly above its trend level of 50.7. As was the case for stocks (55.8) too, although it’s difficult to presume that as a positive thing, with production seemingly struggling.

Mixed from other angles too

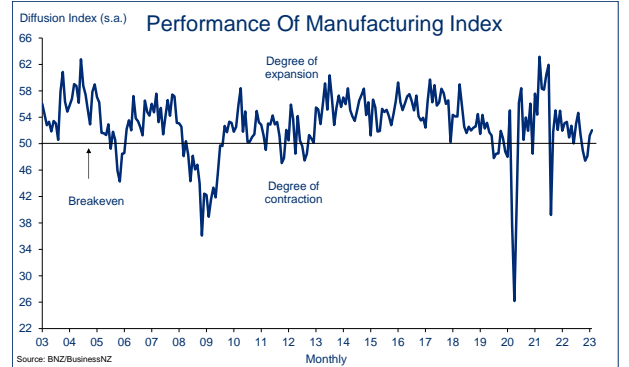
There were also mixed messages in the industry detail of the latest PMI. Four of the nine sub-groups were running below the 50-breakeven mark in February. While these measures are not seasonally adjusted, we note all were lower than they were in February of 2022. And of the industry improvers, printing, publishing & recorded media stood out by a mile, reaching 75.8, having been languishing at 22.5 February last year.

Regionally important reports

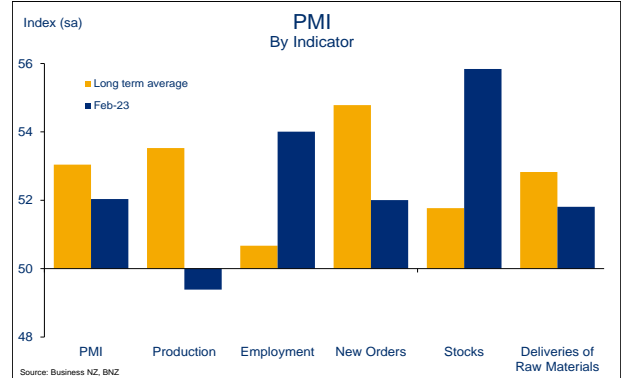
Of course, we need to be particularly mindful of the regional breakdown of the PMI now, given the disastrous weather that hit the upper and eastern parts of the North Island over the last couple of months. Referencing back to the late-January floods, which hit Auckland especially hard, it was interesting that the Northern category of the PMI was relatively flat for February, with 48.6. The Central region was distinctly weak, however, recording an unadjusted index of 42.2. This category includes Hawke’s Bay and Gisborne, which were most terribly impacted by the mid-February landfall of Cyclone Gabrielle. The PMI’s South Island representatives were positive for February.

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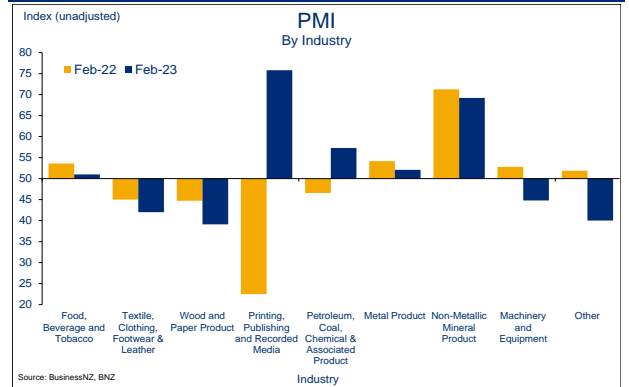
Gearshift Out of Reverse



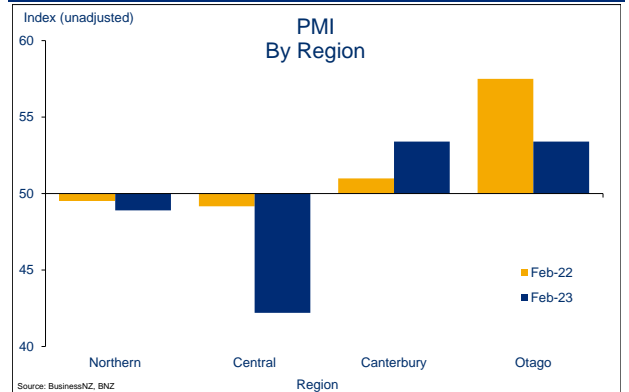
Unders and Overs



Industrial Evolution



Centrally Concerned



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