

# BNZ – BUSINESSNZ PERFORMANCE OF MANUFACTURING INDEX

## Lift off

14 Mar, 2025

**53.9**

February

**+2.2**

Monthly Change

**Expanding**

Faster Rate

New Zealand’s manufacturing sector displayed its highest value for expansion since August 2022, according to the latest BNZ – BusinessNZ Performance of Manufacturing Index (PMI).

The seasonally adjusted PMI for February 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 51.7 in January and the highest level of expansion since August 2022. The February result is also above the average of 52.5 for the survey since the survey began.

BusinessNZ’s Director, Advocacy Catherine Beard said that the February result was a welcome sight to see with the result building on the return to expansion in January.

“All sub-index values were again in expansion during February. The key sub-index results for both Production (52.4) and New Orders (51.5) were both the highest values recorded since August 2022. Employment (54.0) rose a further 3.2 points from January and at its highest value since September 2021. In addition, both Finished Stocks (54.1) and Deliveries (56.2) experienced notable improvements in expansion, with the latter displaying the strongest level of expansion of the sub-index values for February”.

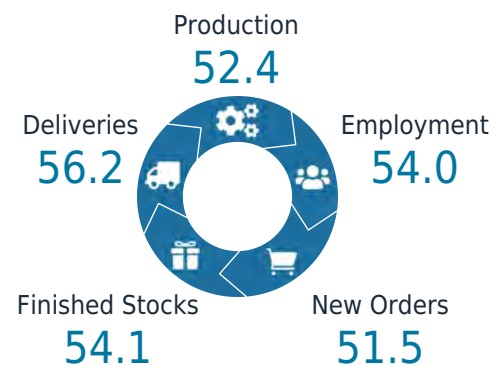
Despite the lift in expansion, the proportion of negative comments from respondents stood at 59.5% in February, compared with 57.7% in January. It was also up from 59% in December and 56% in November. Negative comments during February focused on an ongoing issue around a lack of orders for some manufacturers, as well as sluggish sales.

BNZ’s Senior Economist Doug Steel said that “the sustained improvement is a welcome change. It is one of several indicators that suggests the broader economy is turning for the better. Indeed, it indicates the pickup may be a bit faster than we are currently forecasting”.

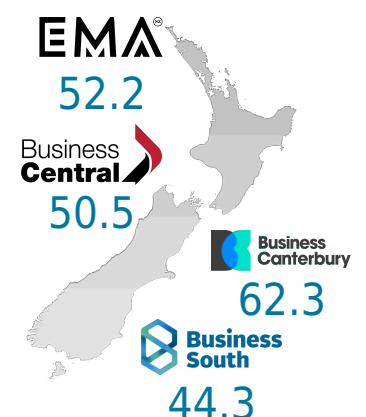


**Catherine Beard**  
Director, Advocacy  
BusinessNZ

### Main Indices



### Regional Results



[VIEW THE TIME SERIES DATA](#)



## Manufacturing Snapshot

### Lifting further above 50

In February, the Performance of Manufacturing Index (PMI) lifted to 53.9 to strengthen its footing above the breakeven 50 mark.

[Read more](#)

### Activity improving from a weak base

It is important to remember that any improvement in activity is coming from a weak base. Recent official data confirmed weak manufacturing sales in Q4 last year.

[Read more](#)

### Labour market showing signs of stabilising

New Zealand labour market conditions remain weak, with the unemployment rate relatively elevated.

[Read more](#)

### Profitability likely to lag

In the latest Quarterly Survey of Business Opinion (QSBO), only a net 1% of manufacturing firms expected profitability to improve in the first quarter of 2025.

[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

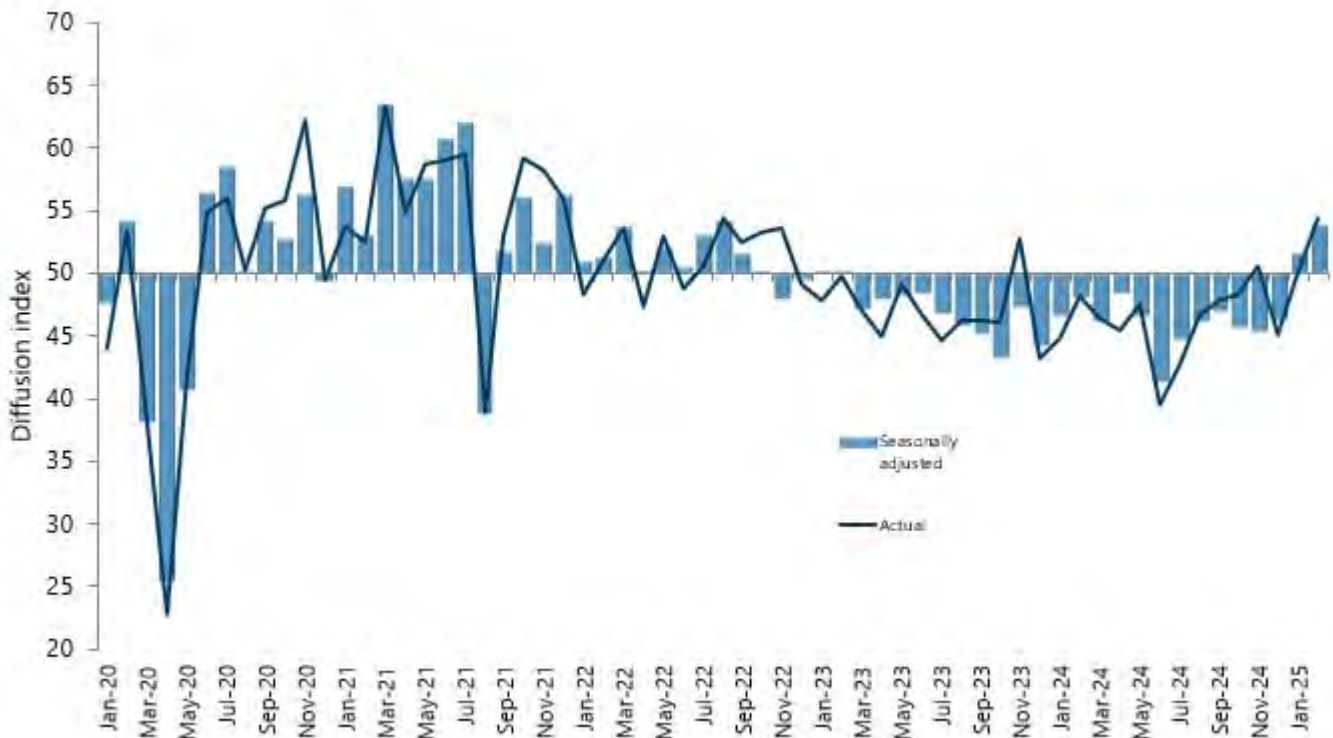
The results are seasonally adjusted.

National Indices	Feb 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2024	Feb 2025
BNZ - BusinessNZ PMI	48.1	45.7	45.5	46.4	51.7	53.9
Production	47.7	44.2	42.9	43.0	51.5	52.4
Employment	47.6	46.1	47.1	47.9	50.8	54.0
New Orders	46.0	48.5	44.8	47.0	51.3	51.5
Finished Stocks	48.1	48.0	49.7	46.5	52.3	54.1
Deliveries	49.2	45.1	50.3	50.2	52.2	56.2

[VIEW THE TIME SERIES DATA](#)

## BNZ - BusinessNZ PMI Time Series

January 2020 - February 2025

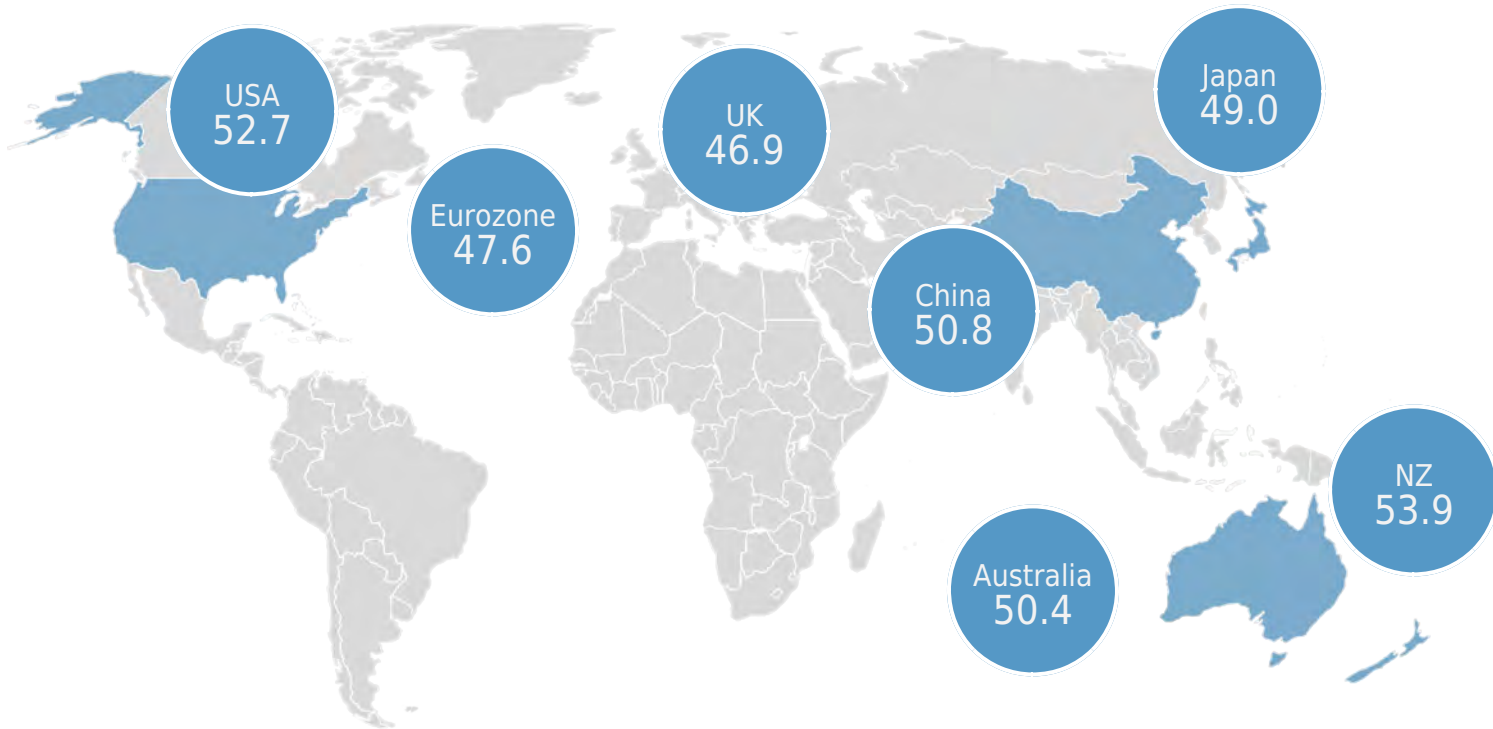


# International Results

J.P. Morgan Global Manufacturing PMI™

03 Mar 2025

# 50.6



## 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.

## Media Comment

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## Our Contributors

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



# Manufacturing Snapshot

14 March 2025

## Lifting further above 50

In February, the Performance of Manufacturing Index (PMI) lifted to 53.9 to strengthen its footing above the breakeven 50 mark. This is a further gain on the sharp jump up from 46.4 to 51.7 in January. After 22 prior months in contraction, the sustained improvement is a welcome change. It is one of several indicators that suggests the broader economy is turning for the better. Indeed, it indicates the pickup may be a bit faster than we are currently forecasting.

## Activity improving from a weak base

It is important to remember that any improvement in activity is coming from a weak base. Recent official data confirmed weak manufacturing sales in Q4 last year. Core sales volumes (excluding meat and dairy) were flat in the quarter and still 2.4% below year earlier levels. Looking at the PMI sub-indices, the new orders index nudged up to 51.5, but still well below its historical average of 54. A new orders index above 50 is positive, but being below average and trailing the inventory index questions to what extent the pace of lift in production can be maintained without further improvement in demand.

## Labour market showing signs of stabilising

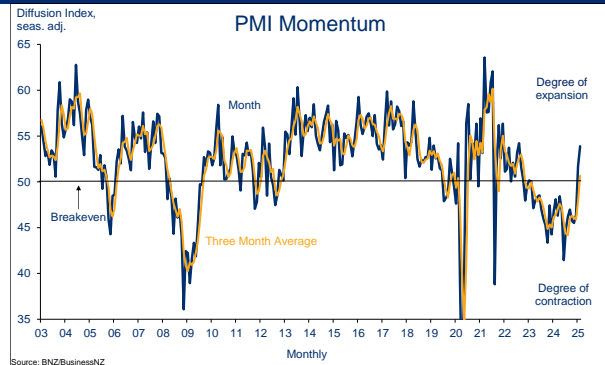
New Zealand labour market conditions remain weak, with the unemployment rate relatively elevated. However, some employment indicators have recently started to stabilise and increase the chance that the unemployment rate might not reach the peak of 5.5% we have pencilled in. The PMI employment index has lifted further to 54.0 in February. That is its strongest reading since July 2021. It suggests some reversal of recent falls in manufacturing employment is underway.

## Profitability likely to lag

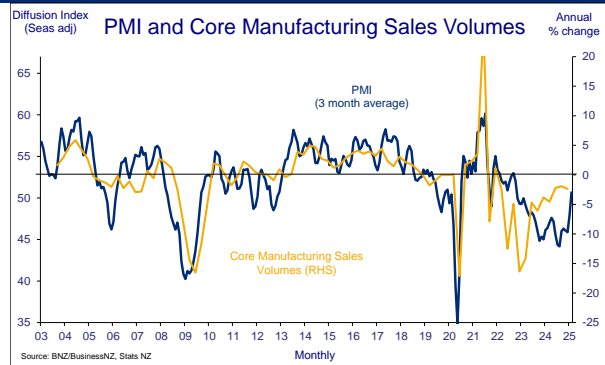
In the latest Quarterly Survey of Business Opinion (QSBO), only a net 1% of manufacturing firms expected profitability to improve in the first quarter of 2025. This is not unexpected, as any return to profitability usually lags the pickup in activity. Costs remain elevated, particularly for any inputs exposed to the weaker New Zealand dollar. The recent lift in wholesale electricity prices is another headwind for manufacturers exposed to that market to navigate. This is an area to watch, as hydro-lake levels currently sit around 74% of their usual level for this time of year.

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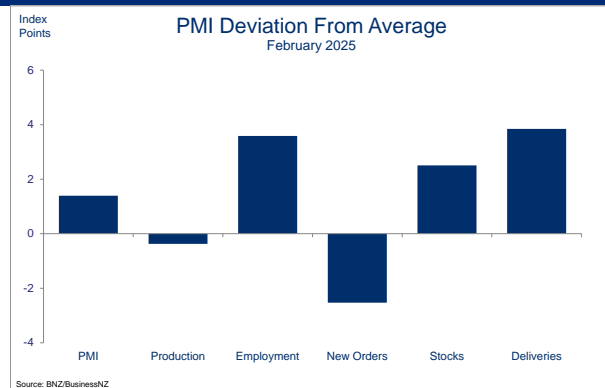
### Expanding



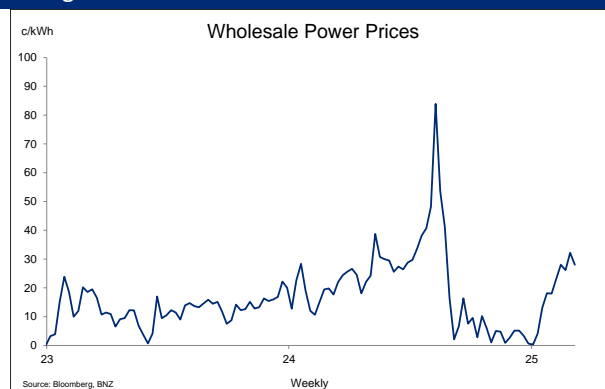
### Weak starting point



### New orders trailing



### Taking off



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