

BNZ – BUSINESSNZ PERFORMANCE OF MANUFACTURING INDEX

Holding its own

11 Apr, 2025

53.2

March

-0.9

Monthly Change

Expanding

Slower Rate

New Zealand's manufacturing sector continued to show expansion for a third consecutive month, according to the latest BNZ – BusinessNZ Performance of Manufacturing Index (PMI).

The seasonally adjusted PMI for March was 53.2 (a PMI reading above 50.0 indicates that manufacturing is generally expanding; below 50.0 that it is declining). This was down from 54.1 in February, although still above the average of 52.5 for the survey since the survey began.

BusinessNZ's Director, Advocacy Catherine Beard said that the March result represented a full quarter of expansion for a sector that has experienced tough times over 2023 and 2024.

"The sub-index values were mostly in expansion during March. The key sub-index result for Production (54.2) was at its highest result since December 2021, although New Orders (49.6) returned to slight contraction. Employment (54.7) continued to lift with expansion levels at its highest since July 2021, while Finished Stocks (56.3) was at its highest since December 2021".

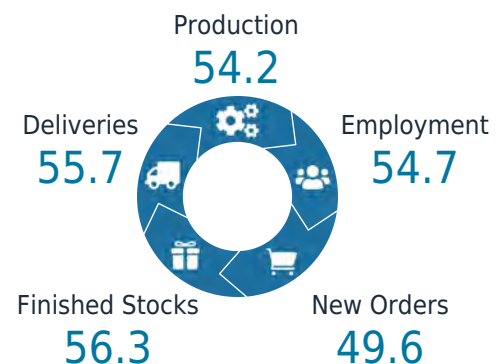
The proportion of negative comments from respondents stood at 57.5% in March, compared with 59.5% in February and 57.7% in January. Negative comments during March continued to see a number of manufacturers face a tough economic environment, with persistent weak demand, fewer new orders, and ongoing uncertainty across domestic and export markets.

BNZ's Senior Economist Doug Steel said that "the PMI supports the notion that manufacturing GDP has increased in early 2025. The open question is what lies ahead given recent extreme volatility on global markets following rapidly evolving US-driven trade policy changes. Risks to the global and NZ growth outlook are downward".

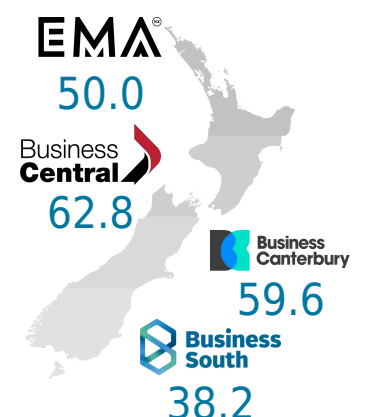


Catherine Beard
Director, Advocacy
BusinessNZ

Main Indices



Regional Results



[VIEW THE TIME SERIES DATA](#)



Manufacturing Snapshot

Holding above 50

The Performance of Manufacturing Index (PMI), at 53.2 in March, has now been above the breakeven 50 mark for three consecutive months.

[Read more](#)

New orders the laggard

Historically, manufacturing sector output has been closely tied to the state of the broader economy. Across the economy, higher business confidence has been largely due to expectations of stronger future demand, rather than current conditions.

[Read more](#)

Inventories building

At times last year, our commentary on the PMI noted a destocking trend. This suggested more scope for manufacturing production to pick up upon an eventual turn in demand.

[Read more](#)

QSBO reality check

The PMI employment index edged up to 54.7, its highest level since July 2021. This level, well above 50, is consistent with a rapidly expanding workforce.

[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

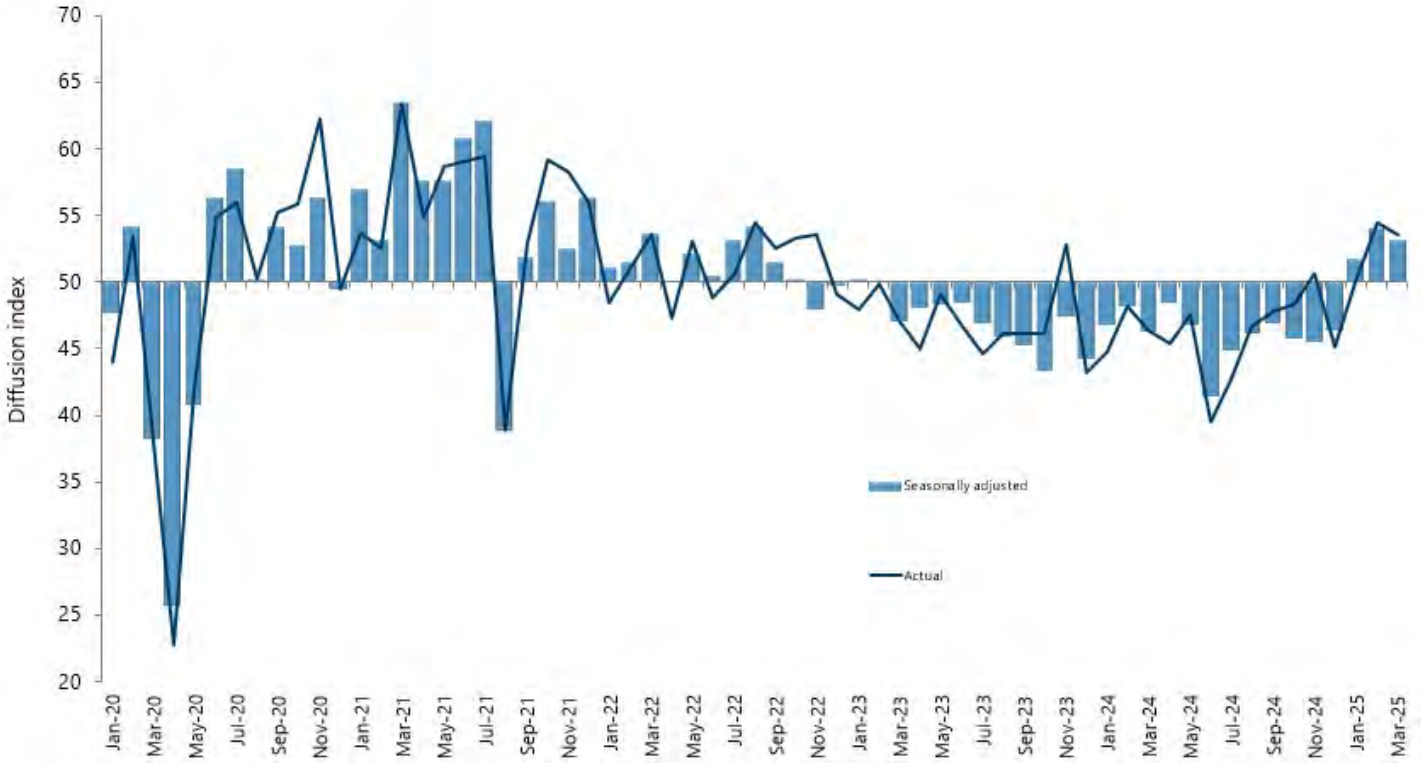
The results are seasonally adjusted.

National Indices	Mar 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025
BNZ - BusinessNZ PMI	46.2	45.5	46.4	51.8	54.1	53.2
Production	46.0	42.8	43.0	51.7	52.8	54.2
Employment	46.2	47.1	48.0	50.9	54.3	54.7
New Orders	45.1	44.8	47.0	51.3	51.5	49.6
Finished Stocks	48.5	49.9	46.7	52.6	54.5	56.3
Deliveries	46.6	50.3	50.3	52.2	56.3	55.7

[VIEW THE TIME SERIES DATA](#)

BNZ - BusinessNZ PMI Time Series

January 2020 - March 2025

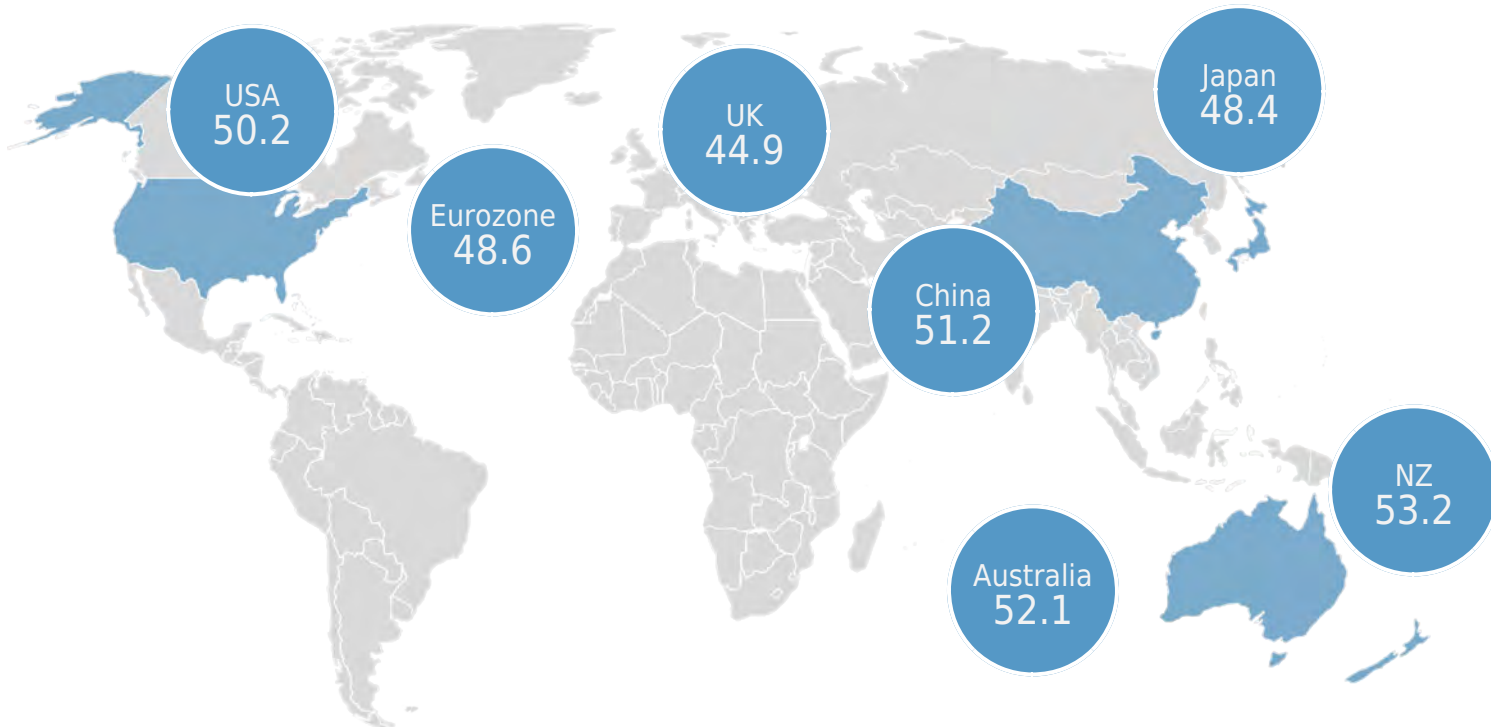


International Results

J.P. Morgan Global Manufacturing PMI™

01 Apr 2025

50.3



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

11 April 2025

Holding above 50

The Performance of Manufacturing Index (PMI), at 53.2 in March, has now been above the breakeven 50 mark for three consecutive months. Although the PMI eased slightly from 54.1 in February, its three-month moving average (53.0) has reached its highest level since January 2022. Frail demand and cost pressures remain challenging, but any improvement is welcome on dire conditions over the last two years. The PMI supports the notion that manufacturing GDP has increased in early 2025. The open question is what lies ahead given recent extreme volatility on global markets following rapidly evolving US-driven trade policy changes. Risks to the global and NZ growth outlook are downward.

New orders the laggard

Historically, manufacturing sector output has been closely tied to the state of the broader economy. Across the economy, higher business confidence has been largely due to expectations of stronger future demand, rather than current conditions. Of some concern for manufacturing specifically, the PMI new orders index fell from 51.5 to 49.6 in March. This remains well below its long-run average of 54.0. New orders will need to improve substantially to meet expectations of firmer demand and be consistent with our economic forecasts.

Inventories building

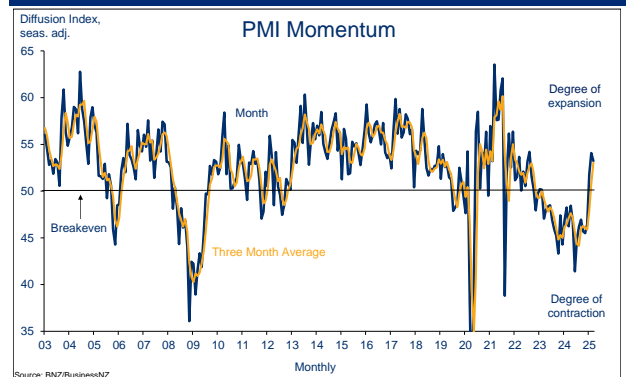
At times last year, our commentary on the PMI noted a destocking trend. This suggested more scope for manufacturing production to pick up upon an eventual turn in demand. Since then, manufacturing stocks and production have both lifted significantly. The PMI finished stocks index (56.3), and PMI production index (54.2) are each at their highest levels since December 2021. There is a risk demand takes longer than expected to improve, such that rising inventory could dampen further expansion in production.

QSBO reality check

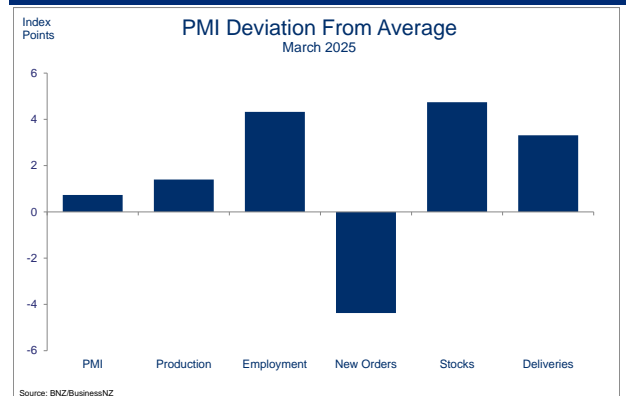
The PMI employment index edged up to 54.7, its highest level since July 2021. This level, well above 50, is consistent with a rapidly expanding workforce. The PMI employment index contrasts with the latest NZIER Quarterly Survey of Business Opinion (QSBO), where a net 6% of manufacturers reported fewer numbers employed in the past three months. If nothing else, this points to a highly variable employment picture across the manufacturing sector at present. We continue to expect the labour market to lag the broader economic recovery. Uncertainty remains elevated and it would not surprise if firms held back on hiring plans until some of the dust from recent global events settles.

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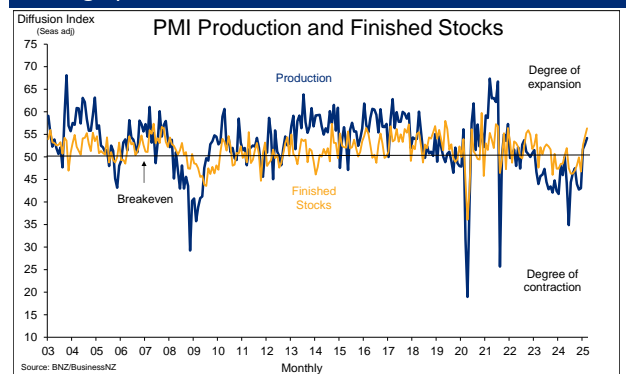
Expanding



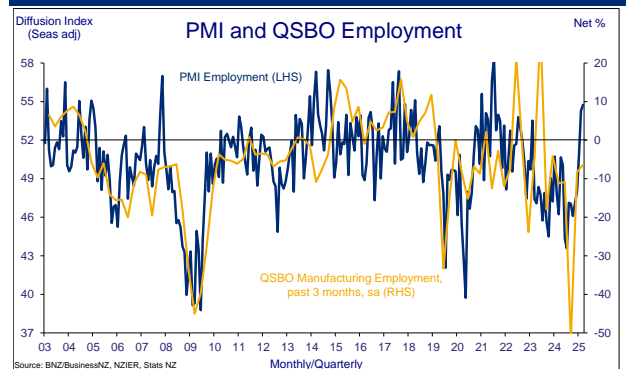
All above average, except new orders



Moving up



Big Gap



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