

Quarterly Canterbury Business Survey

Manufacturing Sector Report

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Manufacturing Sector Report Introduction

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It is pleasing to see that Business Canterbury received a large number of responses to our latest quarterly survey for November capturing the period from September – November, and more importantly there was a good number of responses again from our large manufacturing sector. This has given us good insights into the current state of this important sector in the Canterbury economy.

In past quarterly surveys we have highlighted a clear 3-speed economy within our large manufacturing sector; (i) a group of businesses thriving in their niche markets and experiencing strong demand, (ii) a group of businesses that have made deep operational cuts and are cautiously optimistic for the future, and (iii) a group of businesses under significant financial strain, relying on reserves or external funding while they wait for the market to rebound.

This latest Quarterly Business Survey shows strengthening economic signs and growing confidence in the Canterbury economy for all, and more importantly growing confidence across Canterbury manufacturers. Highlighting (i) that 82% of manufacturing respondents expect a stronger financial performance over the next 12 months (+7% on last survey), (ii) 77% expect to invest in property, plant & equipment within the next 12 months (+13% on last survey), (iii) 85% are confident in their ability to deal with disruption, and (iv) 68% expect to hire new staff within the next 12 months (+ 10% on last survey).

Notable feedback and comments include: “Export markets are picking up after major disruption from Trump’s tariffs”, “Export demand is pretty stable”, “Strong overseas orders and sufficient investment for the near future”. “Improving agricultural outlook, with some flow-on to manufacturing”, “Farmers are making money and investing in new equipment”, “Building consents are starting to increase”, Interest rates coming down will start having a positive impact soon”, “Local population growth is driving economic growth. Canterbury is an attractive place to live and work and more people are realising these benefits”.

With a strong agriculture sector, strong commodity exports, home to New Zealand’s 2nd largest centre of manufacturing and home to numerous hi-tech manufacturers, growing tourism numbers, and net migration inflows to Canterbury and the wider South Island, Canterbury remains among the top performing regions, and the fundamentals remain strong. However, for a good number in our large manufacturing sector, they remain cautious and are waiting to see whether this confidence carries through well into the 2026 year and is not end-of-year optimism.

If you are a Canterbury manufacturer and would like to talk through upcoming challenges or opportunities in front of you, reach out if you would like to connect with me. If you are not yet a Manufacturing Member with Business Canterbury, now’s a great time to get started. From tailored advice to valuable networks, we’re here to back your business and help you make things happen.

[Find out more](#) and join us.

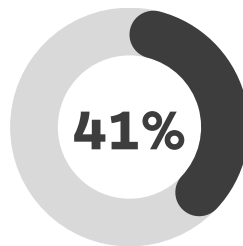
Manufacturing Snapshot



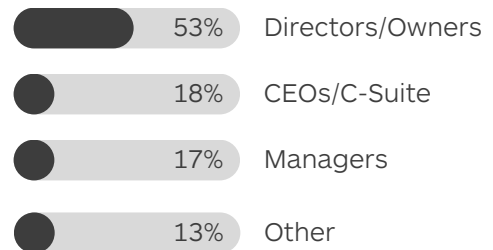
Respondents



SMEs



Large Businesses



Top issues

1. Consumer confidence and demand ↑
2. International trade and geopolitical risks ↑
3. Inflationary pressure and interest rates ↑
4. Productivity and growth ↓
5. Compliance Costs ↑

↓ 1%

69%

Expect the Canterbury economy to be stronger in 12 months.

82%

Expect stronger financial performance over the next 12 months.

↑ 12%

68%

Expect to hire new staff within the next 12 months.

↓ 17%

45%

Think the Government is managing the economy better than 12 months ago

↑ 13%

77%

Expect to invest in property, plant, and equipment within the next 12 months.

↑ 10%

85%

Are confident in their ability to deal with disruption.

What Manufacturers' are telling us

What do you think is going well for the local economy?

Events & Tourism

- "The city is back up and running and attracting some great events."
- "Events like the Super Round and Supercars"
- "Tourists are heading through which is helpful. Relatively positive"
- "more events going on across Canterbury"
- "New buildings, new commercial enterprises....things like the Stadium, Te Pae etc add to the 'destination economy'."

Population & Migration

- "Population growth, vibrancy in general, more stability with employment than other regions."
- "internal migration and infrastructure development"
- "Local population growth is driving economic growth. Canterbury is an attractive place to live & work and more people are realising these benefits."
- "People see Christchurch and a great place to live and visit thus are moving here or visiting"
- "people attracted to ChCh, compared with Auckland or Wellington"

Agriculture & Export

- "Agri and export business only"
- "Focus on high quality export products"
- "Improving agriculture outlook, with some on-flow to manufacturing."
- "Canterbury is driven by export led agriculture. This and a lower exchange rate has cushioned us against the rising costs of wages, suppliers, compliance, importation of durable goods."
- "Farmers are making money and investing in new equipment"

Construction & Infrastructure

- "Building consents are starting to increase."
- "Improved road network, flagship development projects"
- "We seem to have some spend happening now with customers, building looks like it will start getting better."

Economic Conditions

- "Interest rates coming down will start having a positive impact soon."
- "Lower interest rates help"
- "Interest rates are heading in the right direction and inflation is reducing."
- "Low unemployment."
- "Property values are still increasing."
- "Spending is up in Canterbury."

Confidence & Outlook

- "there is a sense of optimism in the South Island in general"
- "Currently we are seeing more optimism in general."
- "Business confidence becoming more positive"
- "perception of good progress, feel good factor"
- "growth in Canterbury appears to be doing well compared to other areas of the country."
- "Canterbury is a great place to be compared to most of the country, we are building industry related, it's been a tough couple of years"

Manufacturing & Innovation

- "Manufacturing is continuing to grow"
- "Manufacturing seems to be doing well."
- "Strong support from local Government"
- "Local innovation driving positive results for local businesses"
- "Stable, progressive local Govt."

What Manufacturers' are telling us

What is going well for your business right now?

Exports & Global Markets

- "Export demand is pretty stable."
- "Export markets are picking up after major disruption from Trump's Tariffs. Hurt our sales by -40% but are recovering. Korea and China still down. We were doing 1 container per month to Korea and have only sent 1 this year. So it wasn't just the US market that was affected. We are almost back to previous year sales and have improved productivity as you do during a crisis."
- "Strong overseas orders and sufficient investment for the near future."
- "We're largely export and in a niche area (prosthetics) which has sustained well even with the economic downturn."
- "Overseas investment in our business growth; growing staff numbers to cope with extra work."
- "Overseas interest and orders"
- "Orders coming through from NZ - loosening of govt spending"

Sales & Orders

- "Improved demand"
- "Steady sales"
- "Slightly improved order book."
- "Order levels and demand are good - prospects are also good."
- "Order quantities and frequency improving"
- "Slight increase in orders"

Innovation & New Opportunities

- "New business in a new category"
- "New products will be transformational. Subsidiary recently established in China. Asia Pacific sales up over 100% yoy."
- "Lots of collaboration, connection and as I travel the country uncovering literally dozens of new sources as leads and translation into orders....investment, increased positivity. Also increased recognition of people who believe in the value of supporting New Zealand Made businesses."
- "We diversified years ago and we are seeing that pay off now as different parts of our work become more popular (budget dependant)"

Financial & Operational Stability

- "Staff stability"
- "Passed Recertification of Watermark and WELs through to 2030. as a small family business with handmade products which is a great boost to our standing in the plumbing industry."
- "Productivity Improvements"
- "Continuing to invest in the business preparing for the future."
- "Maintaining a good level of sales considering the general state of the economy."
- "Controlling of costs and driving top line sales."
- "The fact we are still treading water, just."

Market Conditions

- "Weak NZD relative to USD and EUR"
- "Exchange rate"
- "The low dollar assists"
- "The reduction in interest rates has been very helpful."

Customer Base & Relationships

- "Loyal customer base"
- "People are looking to spend money and upgrade plant and equipment"