Quarterly Canterbury Business Survey

Manufacturing Sector Report

August 2026 | In field: 20 August - 4 September

Manufacturing Sector Report Introduction

John Hamilton
Manufacturing Business Advisor, Business Canterbury

Confidence has returned to Canterbury's manufacturing sector, and it's returned emphatically. This quarter's results show a sharp rebound across almost every measure: 74% of manufacturers now expect a stronger Canterbury economy over the next 12 months, up 16%, while 77% expect stronger financial performance for their own business, up 19% on last quarter. Investment intentions are particularly strong, with 83% planning to invest in property, plant and equipment, and 74% expecting to hire additional staff.

The qualitative feedback tells a consistent story: businesses are busy. Strong forward pipelines, sustained orders, and rising customer demand came through repeatedly, with several manufacturers noting they're completing larger contracts and building genuinely strong financial positions off the back of it. Export markets are playing their part too, a weaker dollar and rising overseas demand are helping manufacturers selling into Australia and beyond, while others report growing interest in their technology from international customers.

Despite this confidence, the top concern for manufacturers this quarter is international trade and geopolitical risk, a reminder that even as local conditions strengthen, exporters remain exposed to a genuinely uncertain global environment. Compliance costs have also risen up the agenda, while supply chain constraints and consumer confidence concerns have eased slightly compared to last quarter.

Manufacturers are also crediting the wider Canterbury story for their optimism. The stadium, city events, population growth, and a renewed sense of momentum in Christchurch were mentioned repeatedly as reasons for confidence, alongside continued strength in agriculture and dairy, with several manufacturers noting that farmer spending is directly flowing through to their own order books.

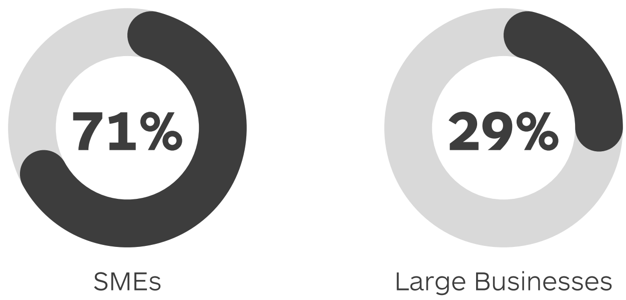
On the ground, this confidence is also showing up in how businesses are operating, several are investing in automation and productivity gains, others in stable, experienced teams, and a number are actively pursuing new opportunities as larger organisations reconsider their supply chains. It's a sector clearly backing itself heading into the final quarter of 2026.

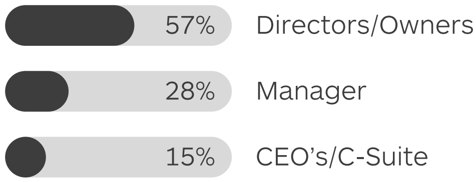
If you'd like to talk through what any of this means for your business, don't hesitate to reach out. And if you're not yet a Manufacturing Member with Business Canterbury, and want to find out more, click here.

Manufacturing Snapshot

Business Canterbury
Our Chamber of Commerce

Respondents





Top issues

1. **International trade and geopolitical risks**
2. **Compliance Costs** ↑
3. **Consumer confidence and demand** ↓
4. **Supply chain constraints** ↓
5. **Inflationary pressure and interest rates**

↑16%
74%
Expect the Canterbury economy to be stronger in 12 months.

↑19%
77%
Expect stronger financial performance over the next 12 months.

↑7%
74%
Expect to hire new staff within the next 12 months.

↑4%
51%
Think the Government is managing the economy better than 12 months ago

↑1%
83%
Expect to invest in property, plant, and equipment within the next 12 months.

↓5%
74%
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?

City Momentum & Population Growth

- "Post earthquake, our city is feeling really good, the stadium completed the key factor. Our city is safe compared to most North Island cities and we are central to the beautiful South Island"
- "The stadium has brought a new buoyancy to the local economy"
- "Visitors increase due to completion of stadium and other attractions are town, increasing cash into the region"
- "The new city is attracting a lot of interest and the numbers of people moving here is great"
- "Migration gain to Canterbury"
- "Canterbury is attracting some good people who want to join a successful community"
- "Transfer of human capital from the North"
- "Residential growth; profitable small businesses; investment in infrastructure"
- "Seems to be good growth and opportunities for inwards migrants from NZ and overseas"

Business Confidence & Resilience

- "Diverse and broad economic base. Solid primary economy activity"
- "Conditions are stabilising"
- "Business confidence seems higher"
- "Businesses are supporting each other, being willing to share their struggles"
- "A little better than last year"
- "Relatively strong base"

Agriculture & Dairy Strength

- "Farmers producing food for the nation"
- "Growth in Agriculture"
- "The Dairy industry"
- "Dairy Farmers are making money and spending it"
- "Based round agriculture"
- "Agriculture drivers are financially adding to the attractiveness of Christchurch/Canterbury as a lifestyle betterment location"
- "Farmers are making money and it's flowing through to us"

Manufacturing, Exports & Diversification

- "Great manufacturing base"
- "Most Primary Sectors, Tourism Industry, Aerospace Sector"
- "There are some large contracts happening around the South Island and local businesses are adapting to be able to cater for these"
- "There are a number of manufacturers that are performing well"
- "Exporting and domestic tourism"
- "Communication & coordination. Agri & manufacturing"

Construction & Infrastructure Investment

- "Building"
- "Construction"
- "Still being carried by reconstruction and residential building for relocating workers"
- "Building and expansion"

Employment & Rising Service Demand

- "Employment"
- "Businesses are starting to see increased demand for services"

What Manufacturers' are telling us

What is going well for your business right now?

Customer Demand & Investment Appetite
- "Customer demand"
- "High work volumes, growing customer demand"
- "Our customers are wanting to invest and upgrade equipment and plant"
- "People are wanting to upgrade and spend money"
- "We are seeing continued demand growth"
- "Sales are up"
- "Local demand is buttressing export activity"

Orders, Pipeline & Forward Work
- "Contract work"
- "New large contracts, substantial sales pipeline"
- "More forward ordering, which allows us to plan ahead with some certainty"
- "Orders coming in"
- "Future pipeline, product development"
- "Sustained orders"
- "We have successfully completed several larger contracts this year and have a strong financial base for growth opportunities going forward"

Export Markets
- "Export markets"
- "The weak dollar is helping our export side of the business"
- "Rising export demand"
- "Good FX rates for exports"
- "Australian market"
- "Overseas interest in our technology"

Primary Sector Tailwinds
- "The Agriculture sector is going extremely well at present"
- "Dairy farmers are spending a bit more than last year"
- "Farming in general is going well"

Efficiency, Productivity & Cost Control
- "Cost control. Moderate sales growth"
- "Efficient production through automation. Growing client base"
- "Recent investments in productivity are paying dividends"
- "Cost efficiencies"
- "Productivity"

Team, Stability & Growth Investment
- "We have a stable workforce. Our guys are really great"
- "Good people working with enthusiasm"
- "Getting busy, just hiring a marketing person to continue to grow the business"
- "Stability"
- "Growing confidence in the growth of key customers"

Adapting to Change & New Opportunities
- "Growth in an area we were not in"
- "Tighter times are resulting in larger organisations questioning their current supply options and opening up opportunities for us that have not occurred in the past"
- "People are not wanting to buy new and are trying to save money by getting things repaired or sourcing local manufacturers to save on freight costs"