Quarterly Canterbury Business Survey

Manufacturing Sector Report

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Manufacturing Sector Report Introduction

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Canterbury's manufacturing sector enters the middle of 2026 in a more cautious mood than we saw at the start of the year, but the underlying picture remains one of resilience and forward intent. Headline confidence has eased, fewer businesses expect a stronger Canterbury economy over the next twelve months, yet investment and hiring intentions have held firm or improved, suggesting manufacturers are continuing to back themselves even as the external environment becomes more uncertain.

This quarter, international trade and geopolitical risks have risen to the top concern for Canterbury Manufacturers, reflecting the real and ongoing disruption that global uncertainty is creating for Canterbury exporters. Supply chain constraints and compliance costs have also moved up the agenda. These are not new pressures, but they are intensifying, and businesses are having to work harder to protect margins and maintain momentum.

What stands out in the qualitative responses this quarter is the breadth of international activity from Canterbury manufacturers. Businesses are building export customers across Asia Pacific, breaking into new markets including Vietnam and Europe, and finding growth in sectors from industrial EV charging to medical devices and aerospace. This export diversification is a genuine strength for the sector and provides important insulation against the volatility of any single market.

Closer to home, agricultural tailwinds continue to flow through to manufacturers, with dairy sector confidence supporting spending on maintenance and equipment purchases for their operations, along with strong exports of red meat and wool globally. The energy and vibrancy of Christchurch, the stadium, events, population growth, and city confidence, is also showing up in business sentiment, with several respondents noting that Canterbury feels like a different place compared to the rest of the country right now.

With a strong agriculture sector, commodity exports, New Zealand’s 2nd largest manufacturing centre 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.

That said, the picture within manufacturing is mixed - some businesses are carrying very strong orderbooks, particularly in hi-tech manufacturing, while others are moving more slowly and navigating ongoing cost pressures. However, for a good number in our large manufacturing sector, they remain cautious and are waiting to see whether this confidence is sustained through the second half of 2026. The challenge for the months ahead will be maintaining momentum in the face of global headwinds while continuing to invest in the innovation and efficiency gains that will define the next phase of growth.

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

77% SMEs

23% Large Businesses

50%	Directors/Owners
26%	Manager
20%	CEO's/C-Suite
5%	Other

Top issues

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

↓ 9%
58%
Expect the Canterbury economy to be stronger in 12 months.

↓ 24%
58%
Expect stronger financial performance over the next 12 months.

↓ 1%
67%
Expect to hire new staff within the next 12 months.

↑ 2%
47%
Think the Government is managing the economy better than 12 months ago

↑ 5%
82%
Expect to invest in property, plant, and equipment within the next 12 months.

↓ 6%
79%
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?

Stadium, Events & City Vibrancy
- "The new stadium has provided a huge confidence boost for our city which is all getting better and better"
- "All the events, it's the place to be"
- "The new stadium is attracting more visits to the city increasing business confidence with more cash in the market"
- "Positive mood with business activity, the delivery of large anchor projects has promoted the region nationally and other major events were well organised and raised profile internationally"
- "Stadium, events, morale, strategic focus"
- "The revival of the city centre and opening of the stadium"

Agriculture & Dairy
- "Farming businesses cash flow is very good, farmers are spending more on equipment they've wanted to purchase for years"
- "The success of the dairy industry meaning wealth flows into other areas of the local economy"
- "The dairy farming and increase in livestock prices"
- "Farming has its headwinds, but it is certainly driving our business in a positive way"

Population Growth & Regional Attractiveness
- "Christchurch has become the place to be in NZ"
- "Canterbury and Christchurch in particular is riding on a buzz of 'we've finally rebuilt after the earthquakes', consumer sentiment seems better and Christchurch is a great place to live"
- "Population growth providing stimulus, export focus, innovation levels seem good, attitude seems good"
- "Local demand seems strong, good numbers of visitors and permanent arrivals"
- "Attracting skilled people"

Confidence & Business Sentiment
- "Consumer confidence is a lot more positive"
- "B2B is more confident"
- "Attitude is generally positive, specifically in manufacturing businesses"
- "There seems to be some confidence around clients and other businesses"
- "Business not as influenced by economic impacts in the North Island"

Infrastructure & Construction
- "Canterbury has seen some good wins in terms of infrastructure, overall the mood seems optimistic"
- "Ongoing construction of office space, housing, and of course the stadium is a huge boost"
- "Rebuilding Canterbury keeps people in jobs as it links to many industries"

Exports & Manufacturing
- "Focused on exporting our products which drives our economy"
- "Tourism, agricultural exports"
- "Good manufacturing base"
- "Increasing realisation of climate change impacts and energy cost rise"
- "Population growth providing stimulus, export focus, innovation levels seem good"

Employment & Labour Market
- "Low unemployment"
- "Workforce and employment options"
- "People seem to be busy in the industry which is feeding down to the small fish"

What Manufacturers’ are telling us

What is going well for your business right now?

Exports & Global Markets
- "There is still untapped potential with new markets opening up, one of these is Vietnam which we have been lucky enough to break into allowing us to increase production year on year"
- "Our work is all globally focused, growth in Asia Pacific is particularly strong, the India FTA should be helpful, Middle East has also been a growth area"
- "Building export customers consistently in Asia Pacific region"
- "We have started exporting into Europe which massively helps spread risk against dependency on local fluctuations"
- "Increased export demand"

Sales, Orders & Demand
- "Work picking up and orders continue to come in, seems to be more opportunities out there to explore as well"
- "Plenty of work coming in at a steady rate"
- "Continued interest and demand from consumers locally and internationally"
- "Sales are up"
- "The top end is starting to spend again"
- "People are wanting to invest in new equipment"

Primary Sector & Agricultural Tailwinds
- "Farmers are spending but not excessive, looking at what's required only, dairy conversions are helping"
- "Having contract work from other grain companies to process"
- "We are busy keeping up with orders because of farming conferences so our cash flow is going well for the first time in years"
- "Tourism is helping with lots of hotel bookings, new stadium helping generate visitors, manufacturing seems to be doing well which helps us"

Innovation, R&D & New Markets
- "We have several new R&D projects coming to fruition in the next twelve months"
- "Currently restructuring to be more efficient, use of AI is significant"
- "New markets opening up"
- "Plenty of opportunities for growth"

Financial & Operational Stability
- "Export sales and improved margins in local projects"
- "Growth and increase in GP"
- "Market conditions have improved and our inventory levels have decreased"
- "Retaining business, improving systems"
- "Implementing good systems, efficiencies and bulk purchasing of materials to beat cost increases"

Staffing & Labour Market
- "Hiring people is relatively easy, good people are easier to find in the tight labour market, customer acquisition is still reasonably promising"

Construction & Local Market Activity
- "Construction sector activity"
- "Commercial projects only keeping us afloat, being only a 5 year old business we need the housing market renewed back to after-Covid levels"
- "The Canterbury market and housing is one of the best areas in NZ, we are in a great location"
- "We are still growing locally and export to Australia"