NZ Institute of Economic Research (Inc)
14 September 2026

Consensus Forecasts

NZIER *Consensus Forecasts* suggest a gradual economic recovery over the coming year

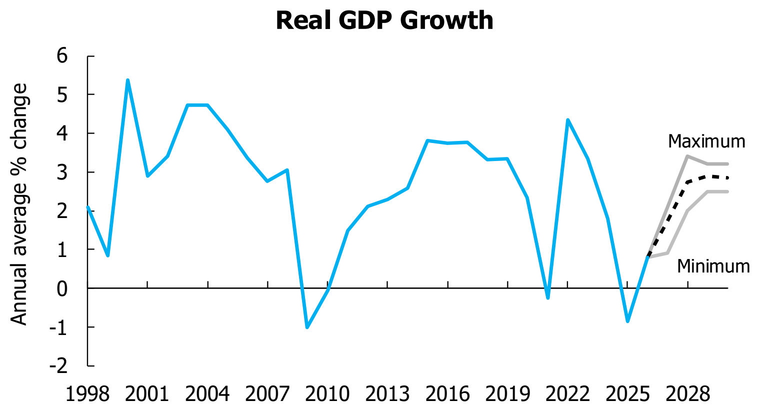
The latest NZIER *Consensus Forecasts* point to a broadly unchanged GDP growth outlook, with a forecast annual average GDP growth of 1.7 percent for the year ending March 2027, before it picks up to 2.8 percent in 2028 and 2.9 percent in 2029. Recent Performance of Manufacturing and Performance of Services indicators and the NZIER *Quarterly Survey of Business Opinion* (QSBO) suggest that New Zealand's economic recovery is resuming after being disrupted by the fuel price shock earlier this year. Business and consumer confidence have picked up as fuel prices have recently eased from their peaks. However, the recovery is expected to remain gradual and fragile, with households and businesses still cautious about spending and investment.

The household spending outlook remains subdued, with modest growth expected over the coming year. Retail spending declined in the June quarter as higher fuel and energy costs squeezed household budgets, while households remain cautious about big-ticket purchases despite improved consumer confidence. Higher mortgage rates and continued softness in the labour market are expected to weigh on discretionary spending over the coming year. The residential investment outlook points to a delayed recovery, with growth revised lower for 2027 but higher for 2028 from the previous *Consensus Forecasts*. Although dwelling consent issuance has increased, this has yet to flow through to construction activity, with the NZIER QSBO continuing to suggest weakness across residential and non-residential construction.

Continued strength in export returns, particularly for dairy and meat, supports a solid export outlook over the coming years, with forecast export growth revised higher for the coming year. However, ongoing geopolitical uncertainty and the weaker global growth outlook remain downside risks to demand for New Zealand exports.

Annual CPI inflation is expected to remain above 3 percent in the near term before easing towards 2 percent in the year ending March 2028. Fuel prices have fallen from their peaks, while continued spare capacity is limiting broader price pressures. These developments support expectations that inflation will remain around 2 percent over the longer term.

Figure 1 A gradual recovery in GDP growth is expected for the coming year

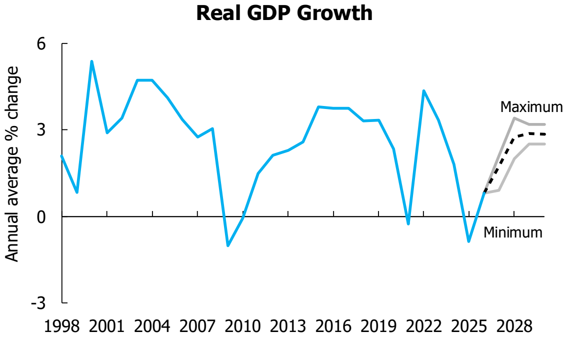


Source: Stats NZ, NZIER

GDP growth outlook is broadly unchanged

Consensus Forecasts point to a similar GDP growth outlook to the previous *Consensus Forecasts.*

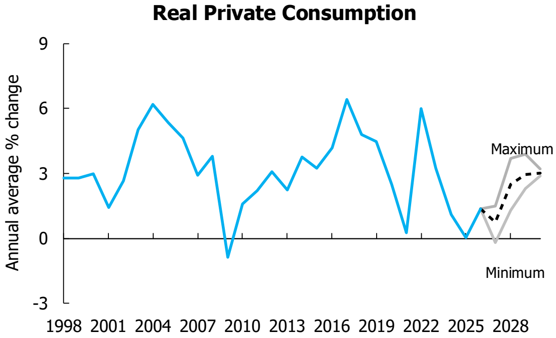
Recent activity indicators suggest that New Zealand's economic recovery is resuming after fuel prices eased from peak levels. However, this recovery will likely remain fragile, given ongoing geopolitical uncertainty in the Middle East and continued caution among households and businesses.



Source: Statistics NZ, NZIER

Household spending outlook revised lower

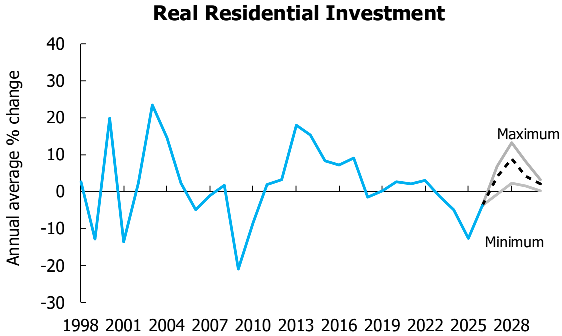
Forecasts suggest a modest recovery in household spending over the coming year, while the longer-term outlook has been revised lower. Consumer confidence has picked up recently, but households remain cautious about big-ticket purchases. Higher mortgage rates and continued softness in the labour market are expected to weigh on discretionary spending over the coming year.



Source: Statistics NZ, NZIER

Forecast residential investment growth revised lower for the coming year

The residential investment outlook has been revised lower for 2027 but higher for 2028, reflecting expectations of a delayed recovery in residential construction activity over the coming year. Although the recent increase in dwelling consent issuance suggests an improving consent pipeline, this will take time to flow through to construction activity. The NZIER QSBO continues to show weakness across residential and non-residential construction activity.

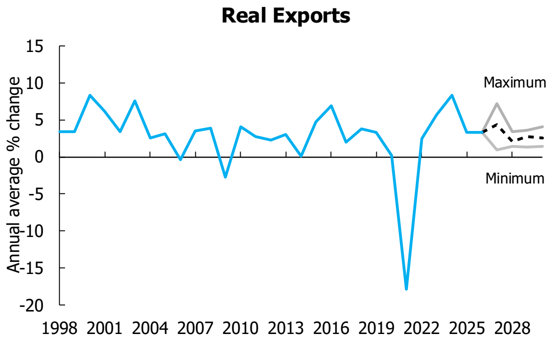


Source: Statistics NZ, NZIER

Near-term export growth outlook revised higher

Forecast export growth has been revised higher for 2027 but lower for 2028. Nonetheless, the overall export outlook remains solid, supported by strong export returns, particularly from dairy and meat. However, uncertainty over geopolitical conditions and the global growth outlook remains a downside risk to the export outlook over the coming years.

The import growth outlook has been revised higher for 2027, reflecting the recent strong rise in imports.

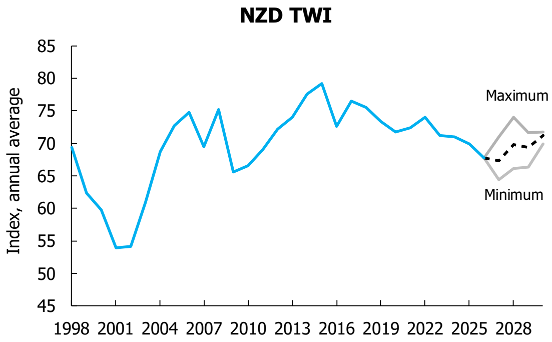


Source: Statistics NZ, NZIER

Softer NZD outlook for 2027 and 2028

Forecasts of NZD TWI have been revised lower for 2027 and 2028 but higher for 2029. Although recent increases in the OCR have provided some support to the NZD, the NZD/USD exchange rate remains volatile as geopolitical uncertainty persists. Expectations for only limited further OCR increases are also weighing on the NZD outlook.

The NZD TWI is expected to track between 67.3 and 71.2 across the forecast period.

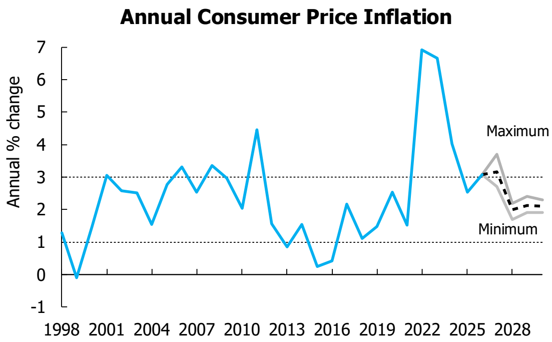


Source: RBNZ, NZIER

Little change in the inflation outlook

The inflation outlook is little changed, with annual CPI inflation forecast to remain above the RBNZ's 1–3 percent inflation target band in the year ending March 2027 before settling at around 2 percent in the subsequent years.

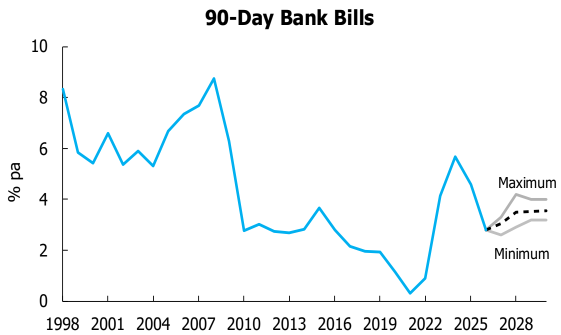
Inflation rose further in the June quarter on the back of a surge in fuel prices, but fuel prices have since fallen from their peaks. So far, there is limited evidence of a broad-based increase in underlying inflation. Both medium-term and longer-term inflation expectations in the latest RBNZ *Survey of Expectations* remain near 2 percent.



Source: Statistics NZ, NZIER

Interest rate outlook is broadly unchanged

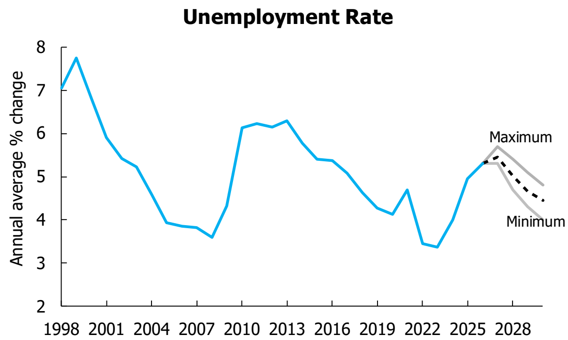
The short-term interest rate outlook is broadly unchanged. The RBNZ commenced a tightening cycle of monetary policy in its July meeting, with a 25 basis-point increase in the OCR, followed by another 25 basis-point OCR increase in September. In the September *Monetary Policy Statement*, the RBNZ indicated a mild tightening bias, with expectations that any further OCR increases will likely be gradual. *Consensus Forecasts* of short-term interest rates are consistent with this outlook.



Source: RBNZ, NZIER

A gradual labour market recovery

The forecast unemployment rate is broadly unchanged from the previous *Consensus Forecasts,* but forecast wage growth has been revised lower for 2028. Recent labour market indicators show improved hiring demand, but considerable capacity persists in the labour market. These developments support expectations of a gradual labour market recovery over the coming years.



Source: Statistics NZ, NZIER

Table 1 Latest *Consensus Forecasts* compared to previous

aapc, March years	Sept-2026 survey 2026/27	2027/28	2028/29	2029/30	Jun-2026 survey 2026/27	2027/28	2028/29
GDP	1.7 ↑	2.8 ↓	2.9 ↓	2.9	1.6	2.9	3.0
Private consumption	0.7 ↓	2.5 ↓	3.0 ↓	3.0	0.8	2.9	3.2
Public consumption	1.6 ↑	0.8 →	1.1 ↑	1.2	0.6	0.8	1.0
Fixed investment:							
Residential	3.9 ↓	8.8 ↑	4.2 ↓	2.1	5.1	7.2	5.0
Other	2.5 ↑	4.7 ↓	4.9 →	4.5	1.4	5.2	4.9
Total	2.9 ↑	5.7 ↑	4.9 →	4.0	2.1	5.6	4.9
Exports, goods & services	4.4 ↑	2.1 ↓	2.7 ↓	2.6	2.4	2.5	2.8
Imports, goods & services	2.9 ↑	2.9 ↓	3.2 ↓	3.0	1.2	3.4	3.4
Consumer price index (apc)	3.2 ↓	2.0 ↑	2.1 ↓	2.1	3.3	1.9	2.2
New Zealand TWI (avg yr to Mar)	67.3 ↓	69.8 ↓	69.3 ↑	71.2	67.6	70.0	68.8
90-day bank bill (avg yr to Mar)	3.1 →	3.5 →	3.5 ↓	3.6	3.1	3.5	3.6
10-year govt bond (avg yr to Mar)	4.6 →	4.6 →	4.6 →	4.5	4.6	4.6	4.6
Current account balance (NZ$b; Mar yr)	-18.9 ↓	-17.6 ↓	-19.4 ↑	-19.6	-16.4	-16.6	-20.0
Employment	1.7 ↑	2.4 ↓	2.1 ↓	2.0	1.3	2.5	2.2
Unemployment (% of labour force)	5.5 →	5.0 ↓	4.7 ↓	4.5	5.5	5.1	4.8
Wages (private sector avg hourly earnings)	2.8 →	2.6 ↓	3.2 ↑	3.4	2.8	2.8	3.1
Government operating balance (NZ$b, September yr)	-11.6 ↑	-5.1 ↑	1.5 ↑	5.4	-14.9	-9.0	-2.2

Source: NZIER

Table 2 Breakdown of the forecasts

qpc, quarters	Jun-26 f			Sept-26 f			Dec-26 f		
	Low	Mean	High	Low	Mean	High	Low	Mean	High
GDP (seasonally adjusted, qpc)	-0.2	0.1	0.5	0.1	0.4	0.6	0.4	0.6	0.8
	Sept-26			Dec-26 f			Mar-27 f		
CPI (qpc)	0.7	0.8	0.9	0.1	0.4	0.7	0.3	0.5	0.7

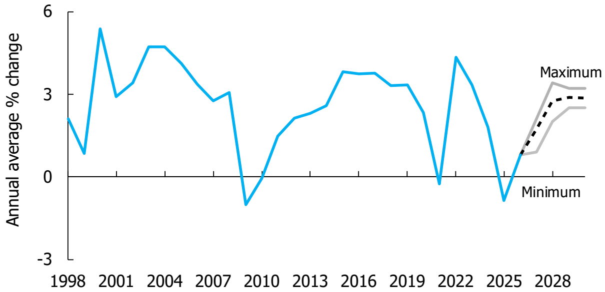
aapc, March years	2026/2027 f			2027/2028 f			2028/2029 f			2029/2030 f		
	Low	Mean	High	Low	Mean	High	Low	Mean	High	Low	Mean	High
GDP	0.9	1.7	2.1	2.0	2.8	3.4	2.5	2.9	3.2	2.5	2.9	3.2
Private consumption	-0.2	0.7	1.5	1.3	2.5	3.7	2.3	3.0	3.9	2.9	3.0	3.2
Public consumption	-1.4	1.6	4.2	-0.6	0.8	1.6	0.1	1.1	2.2	0.0	1.2	2.4
Fixed investment												
- Residential	-0.7	3.9	6.8	2.2	8.8	13.2	1.6	4.2	8.2	0.2	2.1	3.3
- Other	0.4	2.5	4.6	3.7	4.7	6.3	4.0	4.9	6.0	3.9	4.5	5.5
- Total	0.2	2.9	5.0	3.7	5.7	7.5	3.7	4.9	6.1	3.6	4.0	5.1
Exports, goods and services	1.0	4.4	7.2	1.4	2.1	3.4	1.3	2.7	3.6	1.4	2.6	4.1
Imports, goods and services	-1.0	2.9	5.0	0.8	2.9	6.4	1.5	3.2	4.0	1.8	3.0	4.7
Consumer price index (apc)	2.7	3.2	3.7	1.7	2.0	2.2	1.9	2.1	2.4	1.9	2.1	2.3
New Zealand TWI (avg yr to Mar)	64.4	67.3	71.0	66.1	69.8	74.0	66.4	69.3	71.7	69.9	71.2	71.8
90-day bank bill (avg yr to Mar)	2.6	3.1	3.3	2.9	3.5	4.2	3.2	3.5	4.0	3.2	3.6	4.0
10-year government stock (avg yr to Mar)	4.3	4.6	4.8	4.3	4.6	4.9	4.3	4.6	4.9	4.4	4.5	4.6
Current account balance (NZ$b; Mar yr)	-25.1	-18.9	-4.2	-22.9	-17.6	-4.9	-22.6	-19.4	-14.1	-23.5	-19.6	-14.1
Employment	1.1	1.7	2.3	2.2	2.4	2.8	1.7	2.1	2.3	1.4	2.0	2.4
Unemployment rate (% of labour force)	5.3	5.5	5.7	4.7	5.0	5.4	4.3	4.7	5.1	4.0	4.5	4.8
Wages (private sector avg hourly earnings)	1.9	2.8	3.8	1.7	2.6	3.8	2.7	3.2	3.8	3.1	3.4	3.8
Government operating balance (NZ$bn, December yr)	-15.1	-11.6	-8.1	-9.7	-5.1	-0.6	-3.7	1.5	6.7	-0.1	5.4	11.0

Notes: aapc = annual average percent change, apc = annual percent change, qpc = quarterly percent change
These results show only means; standard deviations are available on request

Source: NZIER

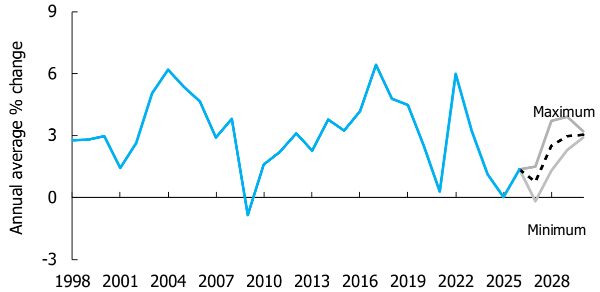
Summary charts

Real GDP Growth



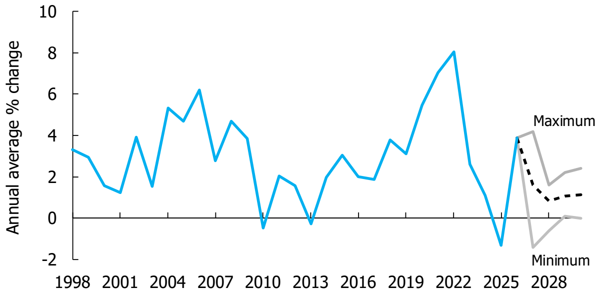
Source: Statistics NZ, NZIER

Real Private Consumption



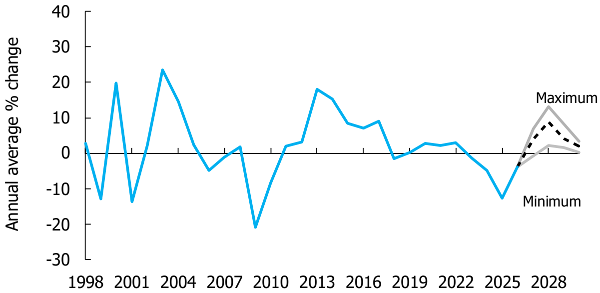
Source: Statistics NZ, NZIER

Real Public Consumption



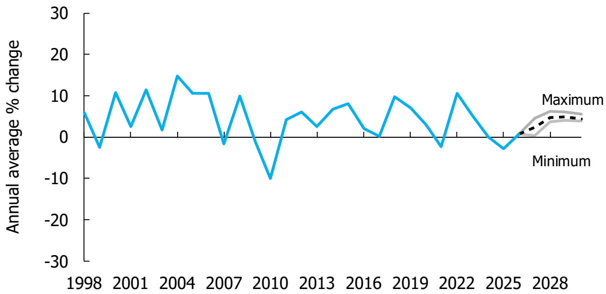
Source: Statistics NZ, NZIER

Real Residential Investment



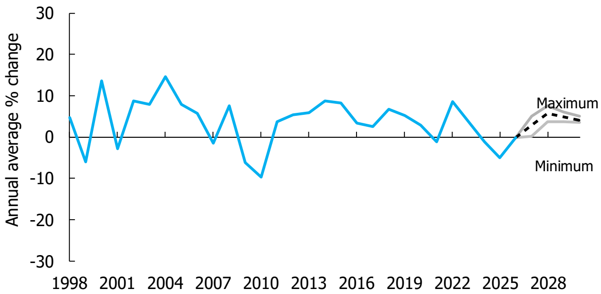
Source: Statistics NZ, NZIER

Real Other Investment



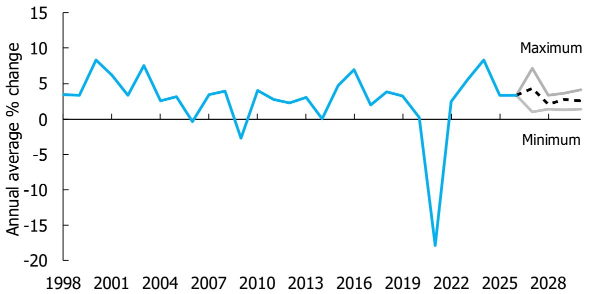
Source: Statistics NZ, NZIER

Real Total Investment



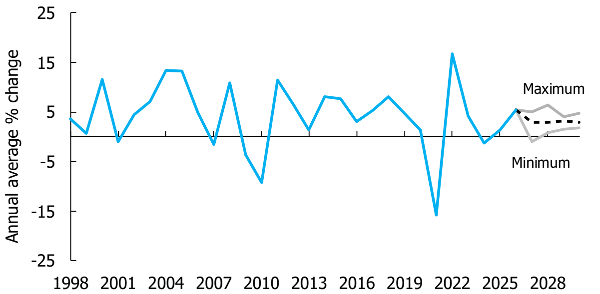
Source: Statistics NZ, NZIER

Real Exports



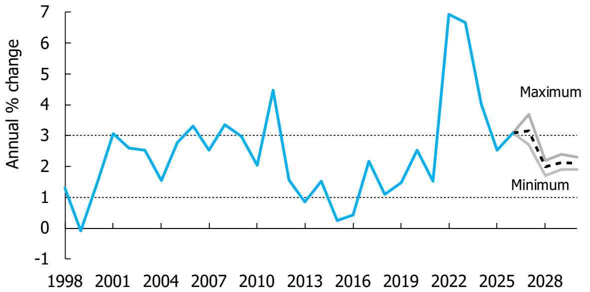
Source: Statistics NZ, NZIER

Real Imports



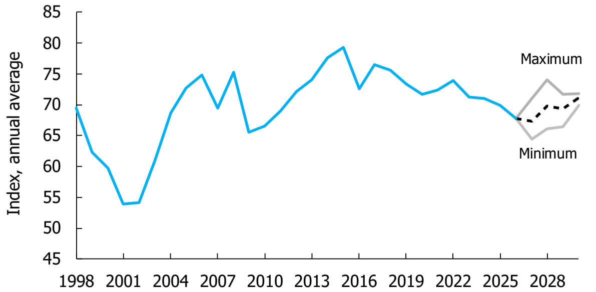
Source: Statistics NZ, NZIER

Annual Consumer Price Inflation



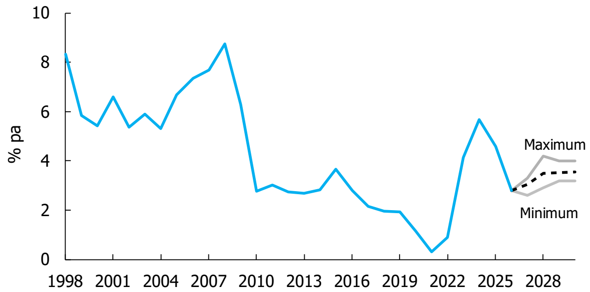
Source: Statistics NZ, NZIER

NZD TWI



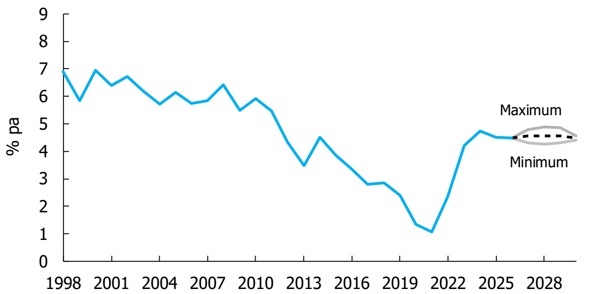
Source: RBNZ, NZIER

90-Day Bank Bills



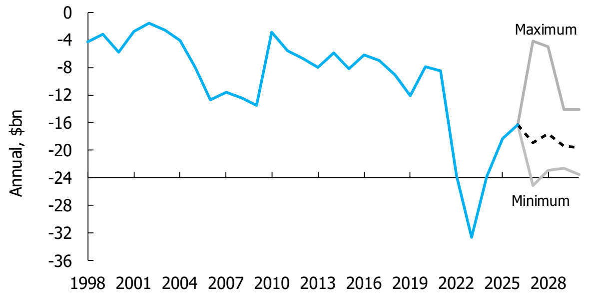
Source: RBNZ, NZIER

10-Year Government Bond Yield



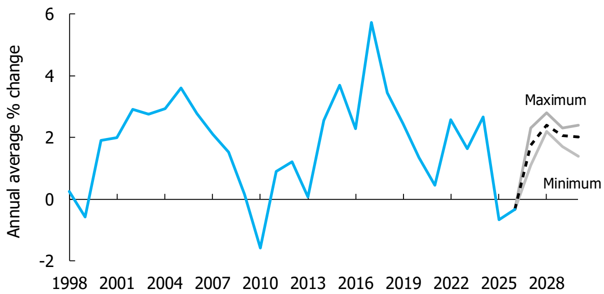
Source: RBNZ, NZIER

Current Account Balance



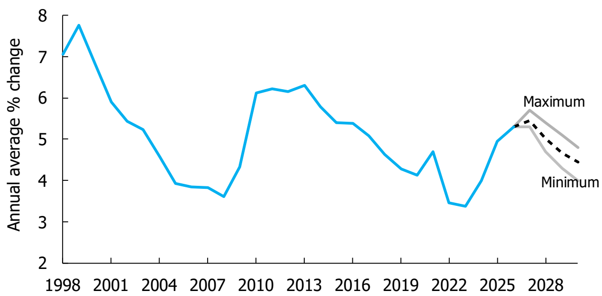
Source: RBNZ, NZIER

Employment Growth



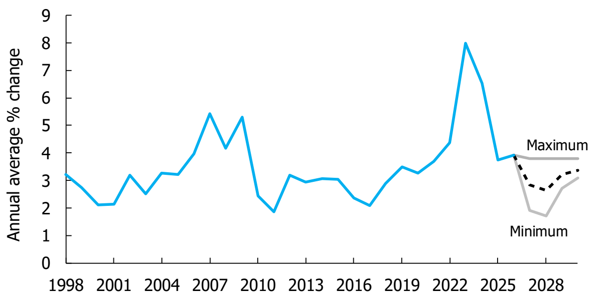
Source: Statistics NZ, NZIER

Unemployment Rate

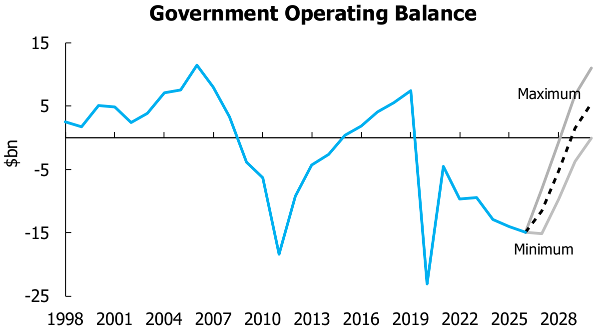


Source: Statistics NZ, NZIER

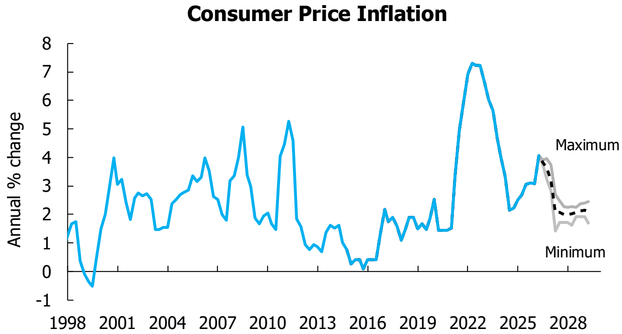
Private Sector Wage Inflation



Source: Statistics NZ, NZIER



Source: Treasury, NZIER



Source: Statistics NZ, NZIER

The NZIER Consensus Forecasts are an average of New Zealand economic forecasts compiled from a survey of financial and economic agencies. These are not NZIER's forecasts. The average forecasts do not necessarily represent the views of individual participants. Forecasts are for March years, e.g. 2026 refers to the year ended March 2026.

Respondents

ANZ Bank
ASB Bank
Bank of New Zealand
Kiwibank
New Zealand Institute of Economic Research
Reserve Bank of New Zealand
The Treasury
Westpac

For further information, please contact:

Ting Huang
Senior Economist
027 266 0969
ting.huang@nzier.org.nz