



Week beginning 8 June 2026

AUSTRALIA & NEW ZEALAND WEEKLY

Analysis and forecasts for this week's key releases.

In this week's edition:

Economic Insight: Lumps, bumps and technology waves.

The Week That Was: Downside risks to persist.

Focus on New Zealand: New Zealand's economy is slouching, not stalling.

For the week ahead:

Australia: Westpac-MI Consumer Sentiment, business survey.

New Zealand: manufacturing PMI, net migration.

Japan: industrial production, current account.

China: CPI, PPI, trade balance.

Euro area: ECB policy decision.

United States: CPI, PPI, UoM consumer sentiment, trade balance, existing home sales.

Canada: BoC policy decision.

Information contained in this report current as at 5 June 2026.

Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.

Lumps, bumps and technology waves



Luci Ellis
Chief Economist, Westpac Group

- This week's national accounts highlight that top-line data should not be taken at face value. Many outcomes are just the lumps and bumps of special factors, not an underlying trend. Weather events and other abnormal seasonal movements are good examples of these bumps. The combination of bumps we saw this quarter imply that GDP was a reasonable read of the underlying trend, but exports and productivity growth were not.
- Sometimes, though, a special factor is more than just a bump. Sectoral shocks and the investment booms that typically flow from them cannot be simply subsumed into a top-down view of the economy.
- Fundamental investment booms centred on a particular sector, including the mining boom and the current data centre boom, resemble each other in some ways. They contend with other sectors for resources, which can be quite disruptive. They are largely impervious to the level of interest rates, but less so to policy settings and political backlash. And their downswing phase can be just as consequential as the boom phase. For all these reasons, the current boom in data centre construction bears close watching.

The Q1 national accounts released this week highlight two key principles for analysing macroeconomic data. First, never take top-line data, or shifts in those data, at face value. Second, macro aggregates are never just one thing. There is more than one good or service in the economy. Sectoral shocks matter, partly because they spread unevenly across the economy.

On the first principle, we see data fluctuations – mostly in exports but also in domestic transport and wholesale sectors – that have nothing to do with the underlying trend and everything to do with weather.

Cyclones are normal for the Pilbara in the first quarter of the year, but if the resulting disruption is abnormal, seasonal adjustment will not mop it up completely. This year, ports were disrupted but production was not. Mining output was accumulated as inventories instead of flowing overseas, leaving GDP largely unaffected. Exports should bounce back in coming quarters, as port infrastructure has mostly returned to full operation already. It was just a bump.

Another example of a bump that should not be construed as a trend can be seen in the national accounts' labour market detail. As Westpac Economics' colleague Pat Bustamante flagged in the [preview note](#), strong hours worked in the quarter, coupled with weak GDP growth, induced a quarterly

Forecast changes

- We are currently in the process of updating our forecasts. We have not included any changes in this edition of the Australia & NZ Weekly.
- A full update to our forecasts will be published in our Market Outlook publication on June 12. This will include GDP component detail, inflation, wages and commodity price updates, alongside a refresh of our Middle East baseline scenario.

fall in measured labour productivity. (Cue the usual hand-wringing.) A funny thing happened on the way to the Temple of Productivity Gloom, though: average earnings per hour was also weak, leaving the outcome for unit labour costs reasonably benign.

The bump here relates to the seasonal pattern of leave-taking. Shifts in this pattern affect the relationship between hours worked and hours paid. If a worker on a salary takes less leave than usual for this time of year, their hours worked is higher, but their hours paid do not change. Dividing a fixed salary by a higher number of hours mechanically reduces average earnings per hour. Labour accounts data released today confirm this shift in hours worked versus hours paid. Indeed, in the quarter this effect went beyond the residual season pattern that emerged after the pandemic and is yet to be absorbed by standard adjustment methods.

“Lumps, bumps and other noise mean top-line data cannot always be taken at face value.”

Both are examples of “bumps” that need to be recognised, and in most cases looked through.

Some special factors are more than just a bump, though. They are also examples of when a purely top-down macro level view fails. Sometimes it is reasonable to treat millions of individual decisions as a single “thing”: “the” level of output, “the” price level, “the” labour market. Other times a purely macro, one-good, “representative agent” lens is misleading. The trick is to know which moment you are in. AI will not help with that judgement.

As we highlighted in the lead-up to this week's national accounts, Q1 really was the quarter of the data centre in Australia. Around ¾ppts of the growth in the quarter look to be from a big increase in data centre construction and fit-out. While much of this involves imported inputs that do not add to local production (i.e. GDP) in net terms, nearly 40% was local value-add. After all, the buildings and chips do not (yet) build and install themselves.

There is an element of “bump” to this lump of investment, too. Local labour and other resources were expended in the quarter to build something that is not yet itself producing output (GDP). So there is an initial drop in measured labour productivity. Investment does rise, of course, but the build phase is more labour intensive than the output that the data centres produce once online. Short-term productivity pain, longer-term gain – and that is aside from whatever productivity boost the additional computing capacity affords to end users.

In this respect, the current [data centre boom](#) is more of a wave than a bump, bearing a considerable resemblance to the mining investment boom of the first decade and a half of the century. In this case, it is a technology wave as well as a sectoral investment boom. Waves cannot be ignored or subsumed into a top-down, homogenised view of the economy. They are fundamental drivers of outcomes for multiple years and must be analysed on their own terms. At the same time, they resemble each other in specific ways.

First, the initial build phase competes with the rest of the economy for resources, especially construction resources, and can feel quite disruptive as resources shift.

Second, a fundamental investment boom in a single sector will be largely impervious to the level of interest rates. To the extent that capacity pressures emerge in the overall economy, it will be other sectors that get squeezed by the monetary policy response. We are already seeing signs of that in household consumption and consumer-facing sectors. Indeed, household consumption is running at around 52% of the nominal economy – almost 5ppts below its pre-pandemic historical average.

Third, policy and politics matter for the shape of a wave. We are already seeing this in the backlash against data centres in the United States. While the build-out here faces challenges of ensuring enough power supply in the right places, so far, we have seen a significant build-out without material backlash or new regulatory roadblocks. Unlike the US, Australia actively tries to portray itself as an attractive destination for investment, given the tyranny of distance and the difference in local market size.

Finally, as the build phase peaks, different challenges will emerge. The downswing of the mining investment boom was an enormous drag on Australia's economic performance, even when the level of investment was still high. Australia is still in the early stages of the data centre ramp-up, and so it might seem premature to talk about the downswing. But since it takes a lot less time to build an individual data centre than an

enormous iron ore or gas project, the ramp-up and unwind could be steeper and shorter this time around.

This is all separate from AI as a technology. At some level, the data centres and the AI services are geographically separable. There are regulatory (e.g. privacy) and network latency reasons for the compute capacity to be near the users, and thus in Australia. This does not quite explain why the scale of the pipeline of projects here seems so large relative to some other non-US countries, however. Some of the outsized contribution stems from Australia's natural endowments – abundant solar radiation and thus renewable energy. A welcoming regulatory environment and fast-growing domestic IT industry might also be part of the story. Whatever the drivers, the data centre investment boom is an aspect of the current technology wave that bears watching.

Cliff Notes: downside risks to persist

Elliot Clarke, Head of International Economics
Ryan Wells, Economist

In Australia, [GDP](#) rose 0.3% (2.5%yr) in Q1, in line with our expectations. Our analysis suggests the data centre build-out was responsible for all of the growth in the quarter. This manifested as the largest jump in new business investment since the early 2010s mining investment boom – up 5.7% to be 10.4% higher over the year. A large portion of the relevant inputs are imported, hence net exports 0.6ppt subtraction from GDP and a widening in the [current account deficit](#) to -\$27.1bn, but there is still material value-add in the construction of this infrastructure. To the extent that April's [goods trade](#) data showed imports of data centre-related components still running at pace, this trend will continue to have a significant bearing over activity and productivity for the foreseeable future.

“Elsewhere across the economy, activity was soft.”

Spending by the public sector was little changed as infrastructure projects drew closer to completion and energy bill rebates rolled off. Household consumption growth across discretionary categories was also sluggish – a risk flagged well in advance by our [card tracker](#). This is not a surprise given the cost of living, restrictive interest rates and bracket creep. Having declined 0.2% in Q1, real household disposable income will face additional pressure in coming quarters as the full impact of these forces transmits through.

This tension between inflation and incomes was at the heart of the [Fair Work Commission's](#) decision to raise award wages by 4.75% from 1 July 2026. While this will go some way towards protecting more vulnerable workers' wages, it won't fully offset the impact of inflation. As firms face rising costs of production and, at the margin, labour market slack builds, workers' bargaining power is likely to remain limited outside of jobs where the Fair Work Commission's decision dictates terms.

For housing, the initial impact of 2026's rate increases and the uncertainty created by the proposed Federal tax changes saw the [Cotality](#) house price index dip another 0.1% in May after a 0.2% fall in April (revised down from a 0.1% gain). This weakness was concentrated in Sydney and Melbourne, though price gains across the smaller capitals are expected to moderate in the months ahead. Higher building costs and tighter financing terms are adding pressure to supply, evinced by the 3.4% decline in [dwelling approvals](#) in April.

Data received from offshore was secondary in nature and had little market impact. Participants' focus instead remained on the outlook for US tech firms and developments in the Middle East. On the latter, terms agreeable to both sides are yet to be found; but both sides continue to signal an intent to resolve their differences, with hostilities limited to small skirmishes and 'defensive' actions. The market also remains hopeful, Brent Oil this week trading a circa USD93-97 per barrel range versus the recent peak of USD110 despite the ongoing depletion of global inventories.

On the data front, the Federal Reserve's latest Beige Book was arguably the key release for the week. It highlighted the disparate conditions faced by households of different income and wealth levels and that, as more were squeezed by the cost of living, "residential mortgages, consumer, and agricultural loan delinquencies were noted as rising in several of the Districts". The labour market was characterised as stagnant, and aggregate wages growth in line with inflation. For businesses, "Non-labor input costs continued to rise faster than selling prices, contributing to broader concerns about margin compression." Without relief from the current conflict, the US economy is likely to come under growing pressure and uncertainty, particularly as the FOMC and market recognise the bind the economy is in vis a vis capacity outside of technology.

Over in the Euro Area, while this week's inflation print justifies the ECB hiking next week, as we and the market expected, this decision is likely to be one of only two increases in 2026, in effect a minor recalibration of the stance of policy to fend off inflation risks without material impact on economic growth or the labour market. Businesses and households across Europe should therefore remain confident in the outlook, allowing growth to re-accelerate through 2027 and 2028.

New Zealand's economy is slouching, not stalling



Satish Ranchhod
Senior Economist

New Zealand's economy has continued to slouch along over the past couple of months. The rise in oil prices has dented household and business confidence, and that is weighing on spending. We're also seeing continued softness in the labour market. However, at the same time, there's been ongoing firmness in some of our key export sectors, including dairy. That combination is leaving us with a soggy outlook for overall growth. We expect the economy will grow by just 1.5% this year – similar to the sub-par rate seen over the past year, but far from catastrophic.

Household caution

Looking first at the household sector, spending growth has shifted down several gears in recent months. Spending on Westpac-issued cards was up just 0.7% in the three months to May. That's a sharp slowdown from the start of this year when we were seeing quarterly gains of 2% to 3%.

Under the surface, the impacts of Middle East conflict are clear to see. With a sharp rise in oil prices, spending on fuel is up around 19% (and while we're spending more, chances are you're getting less in the tank each time you top up). Spending on travel has also dropped back by around 10% as higher airfares and increased uncertainty about the global backdrop have prompted many of us to put out holiday plans on hold.

Spending in other areas has also taken a knock in recent months. However, rather than keeping their cards in their wallets, New Zealanders have become more cautious about their spending. For instance, when it comes to the weekly grocery shop, many of us are now spending more on 'basics' and less on nice to haves. Similarly, excluding travel, spending on discretionary items has continued to rise, but at a more gradual pace. And there's been notable firmness in spending on takeaways and in restaurants.

Looking to the back part of the year, we think spending growth is going to remain modest. A key reason for that it is the changing interest rate environment. Over the past year, many borrowers have been rolling off the high fixed-term mortgage rates that were on offer in recent years and on to much lower ones. That process will continue for a few more months. However, compared to last year, the average drop in interest costs as borrowers re-fix their mortgage is now much smaller. Carded mortgage rates have been moving higher in recent months as inflation pressures have mounted and expectations for interest rate hikes from the RBNZ have been pulled forward.

Businesses squeezed

It's a similarly soggy picture in the business sector. After falling sharply when the conflict in the Middle East, business confidence has picked up again, but only modestly. Notably, gauges of forward orders and expected trading activity remain at subdued levels, consistent with soft economic growth through the middle part of the year.

Businesses are also continuing to report pressure on fuel, materials and other operating costs. However, in many cases, softness in demand means it's difficult to pass this through to output prices. Some operators have introduced temporary fuel-related cost adjustments. But in many cases, cost increases are resulting in renewed pressure on margins.

With ongoing nervousness about the global backdrop and soft trading conditions onshore, business have scaled back plans for capital spending. They're also reluctant to take on new staff. Filled job levels are up just 0.5% on this time last year, with several of the businesses we've spoken recently to noting that they're in a 'no hire, no fire' phase. And with unemployment already at above-average levels, that limited demand for staff means that wage growth is also likely to remain subdued this year despite cost-of-living pressures.

Export sector resilience

Although the economy is grappling with significant challenges, it is a mixed picture across sectors. Notably, we're continuing to see firmer conditions in export sectors with merchandise export volumes up 1.6% in the year to March, and it looks like that strength has continued into the middle part of the year.

Much of the strength in export earnings has been related to [firm demand for dairy exports](#), and last month we revised up our forecast payout for the 2026/27 season to \$9.50/kg (up \$0.30/kg on our previous forecast). That would be the third year in a row of very strong payouts. And it's not just the dairy sector that is seeing good returns. Robust global demand is also supporting prices for meat and horticulture products. The resulting strength in export earnings has been flowing through to increased spending on and off the farm. That's providing a sizeable boost to sentiment and spending in regions with strong rural backbones, including Canterbury, Otago and Southland.

One concern for our exporters is a potential lift in tariffs on exports to the US. Earlier this week, Washington proposed a 12.5% tariff on 54 nations including NZ, Australia and China, along with a 10% tariff on six other nations. That was

in response to suggestions that we have failed to enforce prohibitions on goods produced with forced labour – a suggestion that was strongly rejected by the New Zealand Government. If confirmed, the proposed tariff would replace the current 10% tariff that has been in place since the 15% “Liberation Day” tariff was ruled unconstitutional. There would still be some exemptions for products like beef.

Tourism has also been a strong performer for the economy, with strength in arrivals from key markets like Australia, the US and China. However, the sector is likely to face some headwinds over the coming year, with rising fuel and travel costs, as well as nervousness about geopolitical tensions. That’s likely to weigh on visitor arrivals over the coming months, with operators already reporting the cancellation of some bookings.

The resilience in export markets, particularly for commodities, is providing a welcome respite, helping offset the dampening impacts of the Middle East conflict on domestic activity. As a result, we expect the New Zealand economy will continue to muddle along this year, with economic growth remaining below average and unemployment expected to peak at 5.6%. Under the surface, the economy is set to remain very two-speed, with the south continuing to outperform.

Mixed activity, but firmness in inflation

Against this backdrop, many clients have asked us about how persistent inflation will be and how aggressive the RBNZ needs to be.

Coming into the current oil shock, inflation was already above target, with consumer prices rising 3.1% in the year to March. And while soft demand might be limiting the rise in consumer prices, we’re still looking at a significant and widespread increase in operating costs. As a result, inflation excluding fuel costs is likely to linger at firm levels for some time.

A further concern is that the current lift in operating costs comes after several years where we’ve seen large increases in operating costs and pressures on margins. With another spike in operating costs now in train, there is a real risk that business start to bake in larger cost increases when they adjust their prices. That could extend the recent uplift in inflation even when oil prices eventually drop back.

Given those concerns, we expect the RBNZ will hike the Official Cash Rate three times by the end of this year. We’ve pencilled in the first hike for September, but there is a risk of an earlier start in July depending on the evolution of economic data.

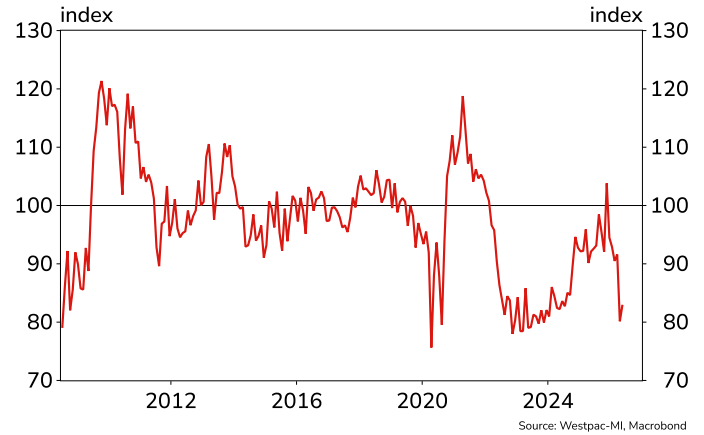
AUS: May Westpac-MI Consumer Sentiment (index)

Jun 9, Last: 83.0

Consumer sentiment posted a 3.5% rise in May but was coming off a very sharp fall in April as a spike in fuel prices combined with another interest rate rise. Sentiment remained deeply pessimistic despite the small gain with Index reads in the low 80s. The Federal budget, released mid-way through the survey week, appeared to have minimal impact.

The June survey is in the field over the week ending June 6. Since the last survey, there has been little change in the global energy supply situation, local fuel prices holding about steady and down on their highs due to the temporary halving in fuel excise tax in April. A soft March quarter GDP and updates showing house prices dipping lower may add to the downbeat mood. Housing-related sentiment will also be of more interest in general given the major tax changes announced in the May budget.

Consumer Sentiment Index



EUR: ECB Policy Decision (%)

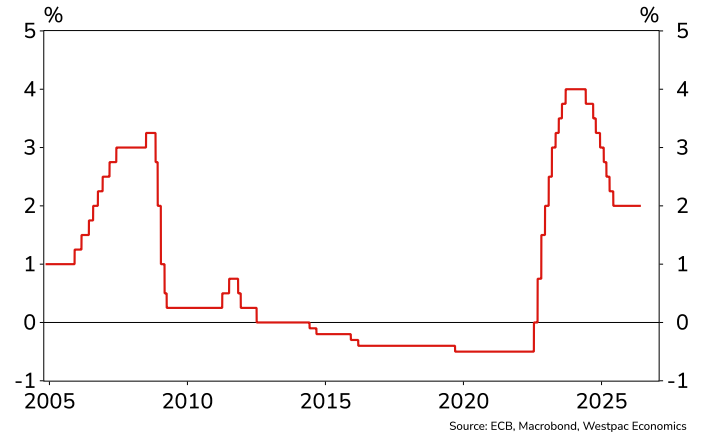
Jun 11, Deposit Rate, Last: 2.00
Market f/c: 2.25, Westpac f/c: 2.25

In the previous meeting, President Lagarde signalled openness to interest rate hikes, suggesting that the period before this meeting “will be the right time” to assess the economy.

Since then, headline inflation has been broadly consistent with the ECB’s baseline projections. In contrast, core inflation appears to be veering away from that path towards the severe scenario. At the same time, a number of Governing Council members have adopted a more hawkish tone, suggesting that policy action may be needed sooner rather than later.

Against this backdrop, a 25bp hike now appears close to a done deal. The updated ECB forecasts, including scenarios for the impact of the energy price shock, will be important in shaping the policy outlook going forward.

ECB Deposit Rate



What to watch

	For	Data/Event	Unit	Last	Market f/c	Westpac f/c	Risk/Comment
Mon 08							
Aus		King's Birthday	–	–	–	–	Markets closed.
Jpn	Q1	GDP	%qtr	0.5	–	–	Final estimate.
	Apr	Current Account Balance	¥bn	4681.5	3136.7	–	Rose to the highest level on record in March.
Eur	Jun	Sentix Investor Confidence	index	–16.4	–	–	Confidence improving although unlikely to recoup recent losses.
Tue 09							
Aus	Jun	Westpac–MI Consumer Sentiment	index	83	–	–	Holding at deeply pessimistic levels.
	May	NAB Business Conditions	index	3	–	–	Will conditions start to follow confidence lower?
NZ	Q1	Business Financial Data	\$bn	–	–	–	Final inputs for March quarter GDP.
Kor	Q1	GDP	%qtr	1.7	1.7	–	Supported by semiconductor exports and facilities investment.
Chn	May	Trade Balance	US\$bn	84.8	86.2	–	Demand for AI hardware likely masking softness elsewhere.
Ger	Apr	Industrial Production	%mth	–0.7	–	–	Has seen a slowdown in recent months.
US	May	NFIB Small Business Optimism	index	95.9	96.0	–	Struggling to regain recent losses.
	Apr	Trade Balance	US\$bn	–60.3	–55.5	–	Expected to narrow helped by oil and petroleum product exports.
	May	Existing Home Sales	%mth	0.2	0.9	–	Likely to see some improvement.
	Apr	Wholesale Inventories	%mth	0.5	–	–	Final estimate.
Wed 10							
Chn	May	CPI	%ann	1.2	1.4	–	Softening travel demand post early-May to drag on the headline.
	May	PPI	%ann	2.8	3.8	–	Energy shock and demand for AI hardware pushing prices higher.
US	May	CPI	%mth	0.6	0.5	–	Higher gasoline prices to drive headline inflation.
Can	Jun	BoC Policy Decision	%	2.25	2.25	–	A weaker labour market and inflation print to keep the BoC on hold.
Thu 11							
Aus	Jun	MI Inflation Expectations	%ann	5.6	–	–	Saw some easing in May.
Eur	Jun	ECB Policy Decision (Deposit Rate)	%	2.00	2.25	2.25	Rising core inflation and hawkish rhetoric suggest a hike is likely.
US		Initial Jobless Claims	000s	225	–	–	Has been trending upwards.
	May	PPI	%mth	1.4	0.7	–	Pressure building from material and transportation costs.
Fri 12							
NZ	May	Manufacturing PMI	index	50.5	–	–	Softened in April, likely in response to the Iran conflict.
	Apr	Net Migration	no.	3370	–	–	Balance turning more positive as outflows of Kiwis slow.
Jpn	Apr	Industrial Production	%mth	0.8	–	–	Final estimate.
UK	Apr	Monthly GDP	%mth	0.3	–	–	Surprised materially to the upside in March.
US	Jun	Uni. Of Michigan Sentiment	index	44.8	46.0	–	Expected to bounce back from a historic low.

Economic & financial forecasts

Interest rate forecasts

Australia	Latest (5 Jun)	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
Cash	4.35	4.35	4.85	4.85	4.85	4.85	4.85	4.85	4.60	4.35
90 Day BBSW	4.49	4.55	4.90	4.90	4.95	4.95	4.95	4.80	4.55	4.30
3 Year Swap	4.56	4.75	4.75	4.70	4.65	4.60	4.50	4.40	4.30	4.20
3 Year Bond	4.56	4.75	4.75	4.70	4.65	4.60	4.50	4.40	4.30	4.20
10 Year Bond	4.92	5.00	5.05	5.05	5.05	5.05	5.00	4.95	4.90	4.90
10 Year Spread to US (bps)	45	65	65	60	55	50	40	30	20	15
United States										
Fed Funds	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625
US 10 Year Bond	4.47	4.35	4.40	4.45	4.50	4.55	4.60	4.65	4.70	4.75
New Zealand										
Cash	2.25	2.25	2.50	3.00	3.50	3.75	4.00	4.25	4.25	4.25
90 Day Bill	2.66	2.50	2.95	3.40	3.75	4.00	4.25	4.45	4.45	4.45
2 Year Swap	3.47	3.75	4.05	4.30	4.40	4.40	4.40	4.35	4.30	4.25
10 Year Bond	4.53	4.85	4.95	5.00	5.05	5.10	5.10	5.10	5.10	5.10
10 Year Spread to US (bps)	6	50	55	55	55	55	50	45	40	35

Exchange rate forecasts

	Latest (5 Jun)	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
AUD/USD	0.7121	0.72	0.72	0.73	0.73	0.74	0.74	0.74	0.73	0.73
NZD/USD	0.5865	0.59	0.59	0.62	0.64	0.66	0.67	0.67	0.67	0.67
USD/JPY	159.97	157	156	154	152	150	148	146	144	142
EUR/USD	1.1615	1.18	1.18	1.19	1.20	1.21	1.22	1.22	1.22	1.22
GBP/USD	1.3426	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.41	1.41
USD/CNY	6.7754	6.80	6.75	6.70	6.60	6.50	6.45	6.40	6.35	6.35
AUD/NZD	1.2151	1.22	1.22	1.18	1.14	1.12	1.11	1.10	1.10	1.10

Australian economic forecasts *

	2025		2026		2027				Calendar years			
% change	Q3	Q4	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	2025	2026f	2027f	2028f
GDP %qtr	0.5	0.8	0.5	0.2	0.1	0.2	0.3	0.4	-	-	-	-
%yr end	2.1	2.6	2.6	1.9	1.6	1.0	0.9	1.1	2.6	1.0	1.6	2.8
Unemployment rate %	4.3	4.3	4.2	4.4	4.6	4.9	5.0	4.9	4.3	4.9	4.9	4.5
Wages (WPI) (sa) %qtr	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	-	-	-	-
%yr end	3.3	3.4	3.3	3.2	3.2	3.2	3.2	3.2	3.4	3.2	3.0	3.4
Headline CPI %qtr	1.3	0.6	1.4	1.4	1.6	0.5	0.6	0.6	-	-	-	-
%yr end	3.2	3.6	4.1	4.8	5.0	4.9	4.2	3.4	3.6	4.9	2.6	2.2
Trimmed Mean CPI %qtr	1.0	0.9	0.8	1.1	1.1	1.0	0.8	0.7	-	-	-	-
%yr end	3.0	3.4	3.4	3.8	3.9	4.0	4.0	3.7	3.4	4.0	3.0	2.4

* Forecasts and history are not up to date. Full forecast update will be released with our Market Outlook publication on June 12.

New Zealand economic forecasts

	2025		2026		2027				Calendar years			
% Change	Q3	Q4	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	2025	2026f	2027f	2028f
GDP %qtr	0.9	0.2	0.8	-0.3	0.4	0.6	1.1	0.6	-	-	-	-
Annual avg change	-0.6	0.2	0.6	1.2	1.3	1.3	1.6	1.8	0.2	1.3	2.7	3.4
Unemployment rate %	5.3	5.4	5.3	5.4	5.5	5.6	5.5	5.3	5.4	5.6	4.9	4.4
CPI %qtr	1.0	0.6	0.9	1.8	1.2	0.4	0.5	0.0	-	-	-	-
Annual change	3.0	3.1	3.1	4.4	4.5	4.4	4.0	2.1	3.1	4.4	1.6	2.1

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