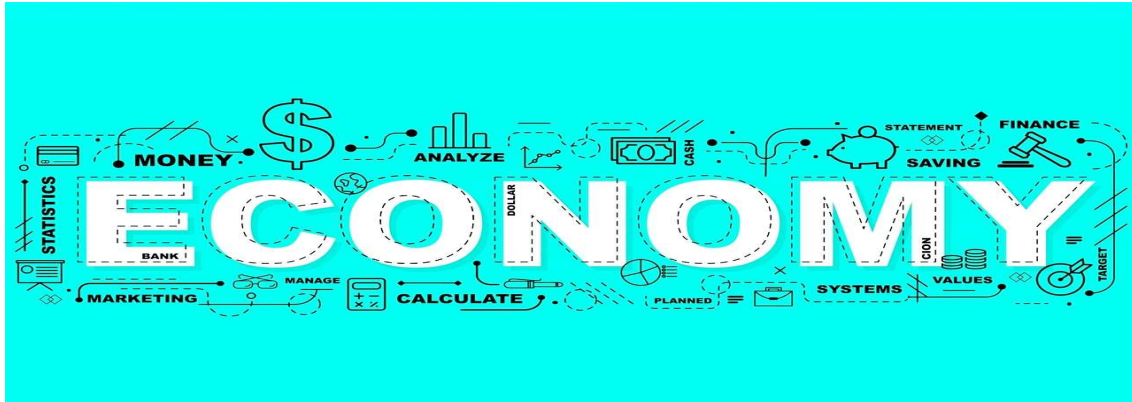


## **NZIER's latest quarterly consensus forecasts see higher household spending on the back of interest rate falls, but GDP growth forecasts are virtually unchanged from the previous quarter**

17th Dec 24, 12:01pm by [David Hargreaves](#)



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Economists are now forecasting higher household spending on the back of interest rate falls, but they have left their GDP forecasts virtually unchanged.

According to the [NZ Institute of Economic Research's latest quarterly 'consensus' forecasts](#), there will be zero GDP growth in the year to March 2025 - and that's an unchanged forecast from the previous consensus release in September.

The economists' consensus forecasts come from the big five banks, the Reserve Bank (RBNZ), The Treasury and NZIER.

With much of the year already finished, it's perhaps not surprising the GDP forecast for the current year is unchanged. But also largely unchanged are the GDP picks for subsequent March years.

The pick for GDP growth in the March 2026 year is 2.2%, unchanged from the forecast made in September, the pick for March 2027 is unchanged at 2.8%, while the March 2028 consensus pick is actually slightly reduced at 2.7%, from 2.8% picked in September.

While the rapid-fire interest rate reductions that have been seen in the latter months of this year haven't convinced economists that GDP will fare any better - they do see household spending levels rising now.

Private consumption growth for the March 2025 year has been bumped up from an anaemic September forecast of just 0.2% to 0.9%.

For the March 2026 year private consumption growth is now forecast to be 2.2% versus 1.9% previously, while for March 2027 the forecast is 2.9% (2.5% previously) and for March 2028 it's 3.1% (2.2%).

NZIER senior economist Ting Huang said more households in recent months have been fixing their mortgages at shorter fixed terms in anticipation that interest rates will decrease.