

STATS INSIGHT

Tara-ā-Umanga Business Expectations Survey
May 2026

21 May 2026



Summary

- Mean business expectations for annual Consumers Price Index (CPI) inflation one and two years ahead increased, while five-year-ahead and ten-year-ahead expectations declined. Mean one-year-ahead annual inflation expectations increased from 2.60% to 3.68%. Mean two-year-ahead annual inflation expectations increased from 2.59% to 2.87%. Mean five-year-ahead annual inflation expectations decreased from 2.73%* to 2.72%. Mean ten-year-ahead annual inflation expectations decreased from 3.21%* to 2.94%.
- Mean business expectations for one-year-ahead annual wage inflation increased from 2.71% to 2.81%. Mean two-year-ahead annual wage inflation expectations decreased from 3.19% to 3.10%.
- Mean business expectations for the unemployment rate increased across all time horizons. Mean one-year-ahead unemployment rate expectations increased from 5.18% to 5.50%. Mean two-year-ahead unemployment rate expectations increased from 4.92% to 5.25%.

Short- and medium-term annual CPI inflation expectations increase

This quarter, Tara-ā-Umanga Business Expectations Survey went into the field on 22 April 2026, following Stats NZ's CPI release on 21 April 2026. Annual CPI inflation for the March 2026 quarter was 3.1%, unchanged from the December 2025 quarter.

Businesses' expectations for annual CPI inflation, as measured by the weighted mean, increased at the short- and medium-term horizons, while declining at the long-term horizons. Mean one-year-ahead annual inflation expectations increased 1.08 percentage points, from 2.60% last quarter to 3.68% this quarter. Mean two-year-ahead annual inflation expectations increased 28 basis points, from 2.59% to 2.87%. Mean five-year-ahead annual inflation expectations declined by 1 basis point, from 2.73%* to 2.72%. Mean ten-year-ahead annual inflation expectations declined from 3.21%* to 2.94% (see Figure 1.1). Weighted median one-year-ahead annual inflation expectations increased from 3.00% to 3.60%. Median two-year-ahead annual inflation expectations increased from 2.50% to 3.00%. Median five-year-ahead and ten-year-ahead expectations remained unchanged at 2.50% (see Figure 1.2).

* *Moderate Uncertainty: use the statistic with caution due to relative standard error (RSE) greater than or equal to 20% but less than 50%.*

Figure 1.1. Business Expectations for Annual CPI Inflation

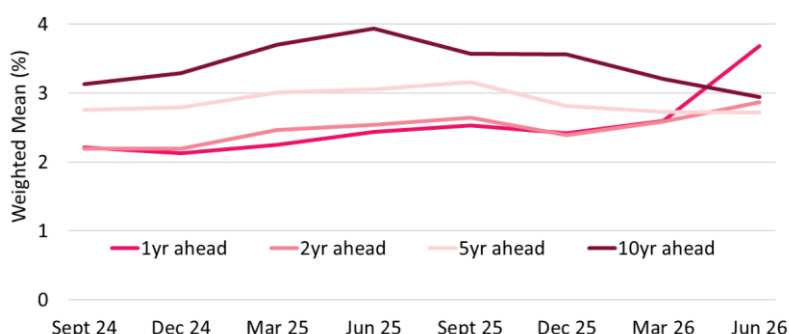
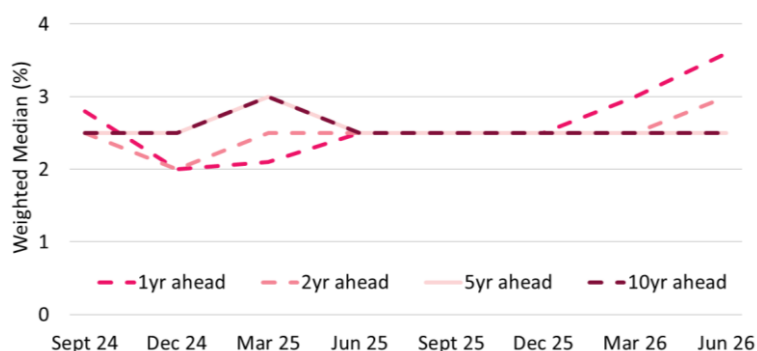


Figure 1.2. Business Expectations for Annual CPI Inflation



About the Tara-ā-Umanga Business Expectations Survey:

The Tara-ā-Umanga Business Expectations Survey was first officially released in the June 2025 quarter. This release includes the results for the June 2026 quarter, along with a short time series that incorporates data from earlier pilot surveys (September 2024 to March 2025 quarters). The official survey methodology and design remain consistent with those of the pilot phase, so comparisons over time remain valid. The parameter of interest for the core questions of the Tara-ā-Umanga Business Expectations Survey is an economic-size-weighted mean of outlier treated responses. An economic-size weighted median without outlier treatment is also published with this release.

One-year-ahead CPI inflation expectations increased across all industries and business sizes

Expectations by Business Size. Mean one-year-ahead annual inflation expectations increased across all business sizes (see Figure 2.1).

- Large size: increased from 2.64% to 3.57%
- Medium size: increased from 2.62% to 3.74%
- Small size: increased from 2.44% to 3.93%

Expectations by Industry. Mean one-year-ahead annual inflation expectations increased across all industries (See Figure 2.2).

- Construction: increased from 2.39% to 3.71%
- Manufacturing: increased from 2.73% to 3.79%
- Other: increased from 2.62% to 3.69%
- Primary: increased from 2.57% to 4.01%
- Retail: increased from 2.43% to 3.37%*

Figure 2.1. One-year-ahead annual CPI inflation expectations by size

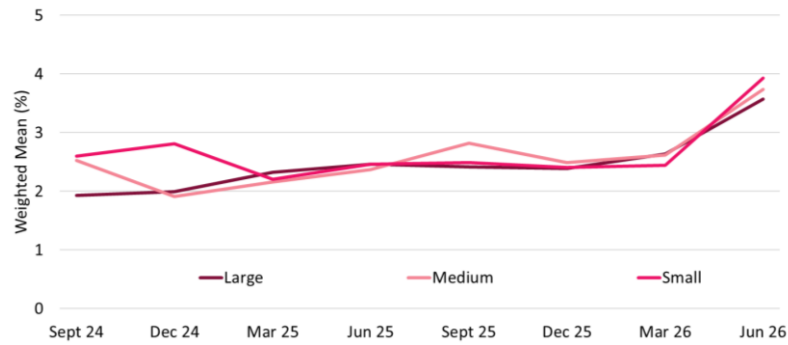
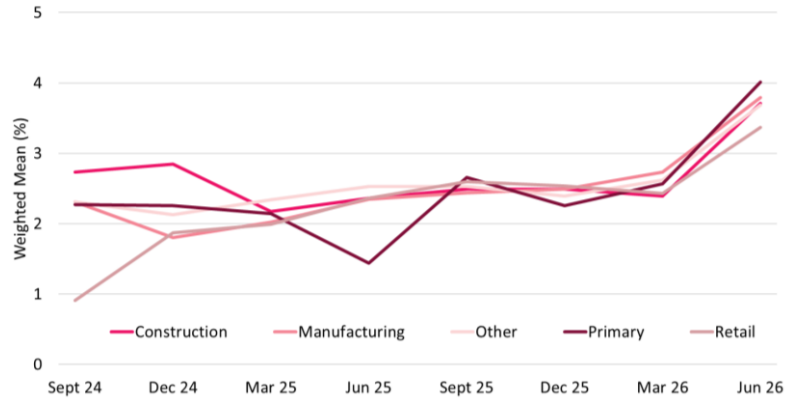


Figure 2.2. One-year-ahead annual CPI inflation expectations by Industry



Two-year-ahead CPI inflation expectations increased across all industries and business sizes

Expectations by Business Size. Mean two-year-ahead annual inflation expectations increased across all business sizes (see Figure 3.1).

- Large size: increased from 2.55% to 2.75%
- Medium size: increased from 2.70% to 2.95%
- Small size: increased from 2.56% to 3.12%

Expectations by Industry. Mean two-year-ahead annual inflation expectations increased across all industries (see Figure 3.2).

- Construction: increased from 2.56% to 3.16%
- Manufacturing: increased from 2.54% to 3.05%
- Other: increased from 2.62% to 2.81%
- Primary: increased from 2.70% to 2.91%
- Retail: increased from 2.40% to 2.90%*

Figure 3.1. Two-year-ahead annual CPI inflation expectations by size

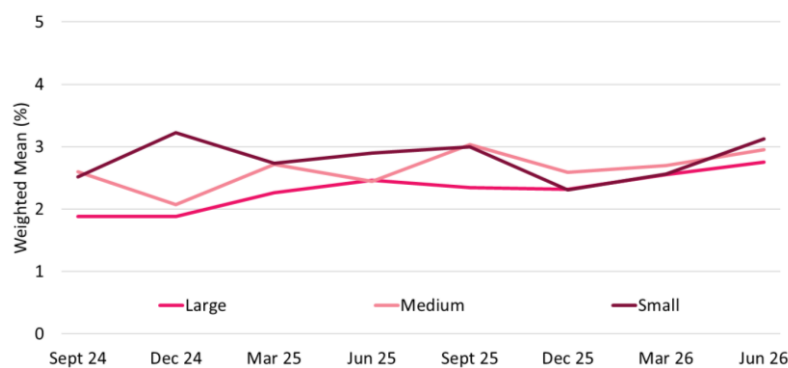
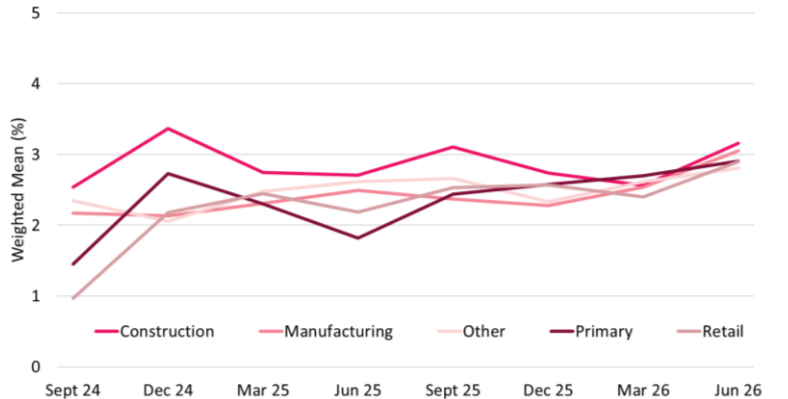


Figure 3.2. Two-year-ahead annual CPI inflation expectations by Industry



* Moderate Uncertainty: use the statistic with caution due to relative standard error (RSE) greater than or equal to 20% but less than 50%.

Businesses' expectations for one-year-ahead annual wage inflation increased while two-year-ahead expectations decreased

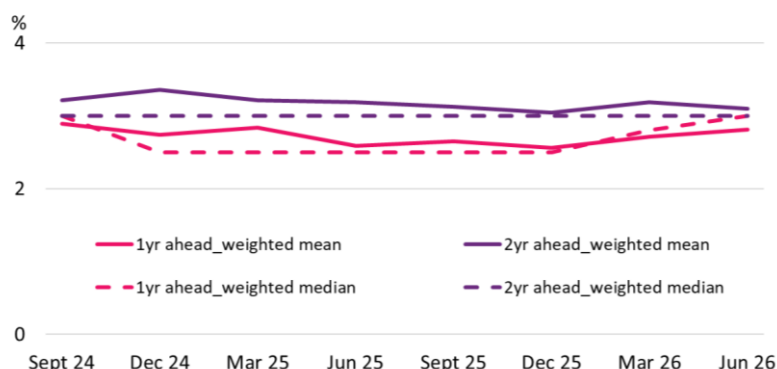
The weighted mean one-year-ahead annual wage inflation expectation increased by 10 basis points from 2.71% last quarter to 2.81%, while the mean two-year-ahead annual wage inflation expectation decreased by 9 basis points from 3.19% to 3.10% this quarter. The weighted median one-year-ahead annual wage inflation expectation increased from 2.80% to 3.00%, while remaining unchanged for the two-year-ahead horizon at 3.00% (see Figure 6).

By industry, the mean one-year-ahead annual wage inflation expectations increased across all industries. The decrease in mean two-year-ahead annual wage inflation expectations was mainly driven by the Construction industry, which decreased from 3.88%* to 3.58%* this quarter.

By business size, the mean one-year-ahead annual wage inflation expectations increased across all business sizes. The decrease in mean two-year-ahead annual wage inflation expectations was mainly driven by the large- and small-sized businesses.

Note: Please refer to the data file published with this release for weighted mean and weighted median annual wage growth expectations by industry and business size across both one- and two-year horizons.

Figure 6. Business Expectations for Wage Growth



Businesses' expectations for the unemployment rate increased across all time horizons

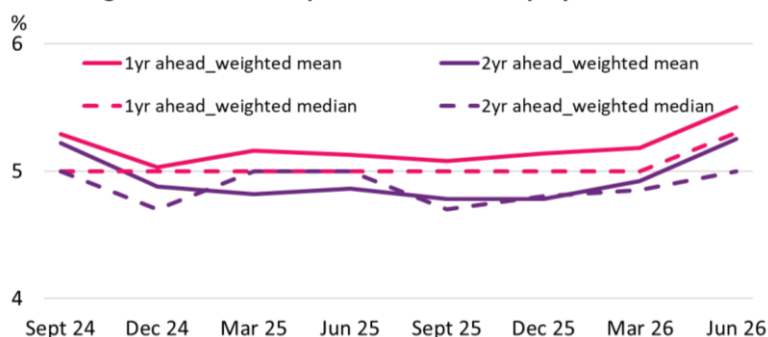
The weighted mean one-year-ahead unemployment rate expectation increased by 32 basis points from 5.18% last quarter to 5.50% this quarter, and the mean two-year-ahead expectation increased by 33 basis points from 4.92% to 5.25%. The weighted median one-year-ahead unemployment rate expectation increased from 5.00% to 5.30%, and the median two-year-ahead expectation increased from 4.85% to 5.00% (see Figure 7).

By industry, the mean unemployment rate expectations increased across all time horizons for all industries.

By business size, the mean unemployment rate expectations increased across all time horizons for all business sizes.

Note: Please refer to the data file published with this release for weighted mean and weighted median unemployment rate expectations by industry and business size across both one- and two-year horizons.

Figure 7. Business Expectations for Unemployment Rate



* *Moderate Uncertainty:* use the statistic with caution due to relative standard error (RSE) greater than or equal to 20% but less than 50%.

** *High Uncertainty:* use the statistic with caution due to relative standard error (RSE) greater than or equal to 50%.

About the Tara-ā-Umanga Business Expectations Survey:

Tara-ā-Umanga Business Expectations Survey is a representative sample survey of New Zealand businesses. The survey enhances our understanding of inflation and other macroeconomic expectations, to inform policy making and support research. It is our third expectations survey, alongside our Household Survey of Expectations and Survey of Expectations (professional forecasters, economists and industry leaders). Survey development commenced in 2023, and we ran pilot surveys in 2024. As a result of a successful development phase, we commenced the regular quarterly publication of this survey in May 2025. The results are available prior to the quarterly *Monetary Policy Statement*, in line with our other expectations surveys.

The data for this quarter were obtained from **796** businesses by Research New Zealand – Rangahau Aotearoa on behalf of RBNZ. Field work for the March quarter survey was run between **22 and 30 April 2026**.

For more information refer to the RBNZ website: Tara-ā-Umanga Business Expectations Survey (M15) - Reserve Bank of New Zealand - Te Pūtea Matua (rbnz.govt.nz) or contact: stats-info@rbnz.govt.nz