

# DNB Spring Projections

June 2026

DeNederlandscheBank

EUROSYSTEM

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A full overview of the projections for the 2026-2028 period and the international assumptions used can be found in the [Key projection data for the Dutch economy](#).

These projections are part of the euro area projections made by the European Central Bank (ECB) and the national central banks (NCBs), making up the Eurosystem.

We carry out our projections in part using the DELFI macroeconomic model. These projections are based on information available on 21 May 2026. The assumptions for relevant world trade, exchange rates, international commodity prices and interest rates were adopted by ECB and euro area NCB experts as part of the Eurosystem projections. These international assumptions are also used for our own projections for the Dutch economy. All central banks use the same international assumptions for their national projections. More background can be found at [Current economic issues](#).

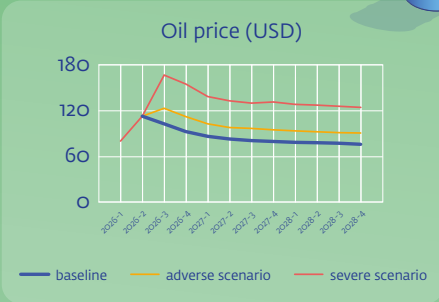
# Growth slows amid high energy prices

Geopolitical tensions determine the risks

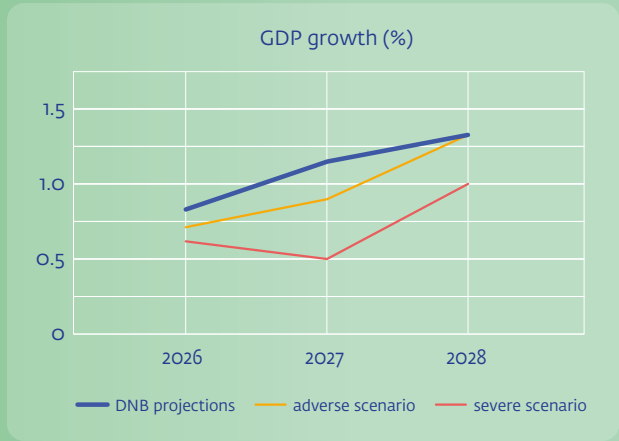
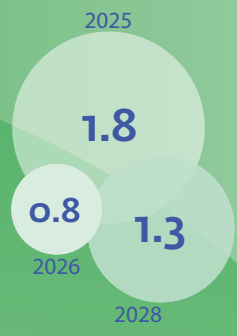
Higher energy prices dampen growth and raise inflation. Persistent tensions create uncertainty. As an open economy, the Netherlands is particularly vulnerable to such shocks.

## Alternative scenarios

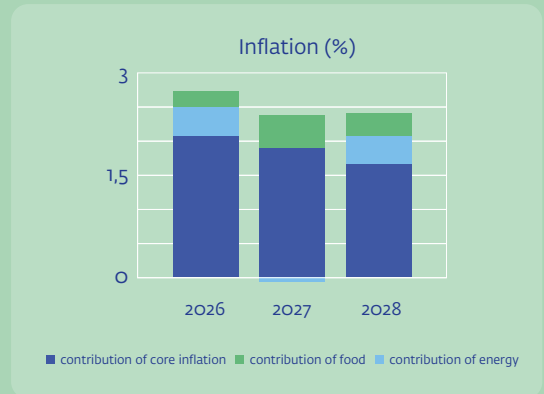
If energy prices remain persistently high, growth will be lower and inflation higher.



Economic growth slows in 2026



Inflation rises due to higher energy prices

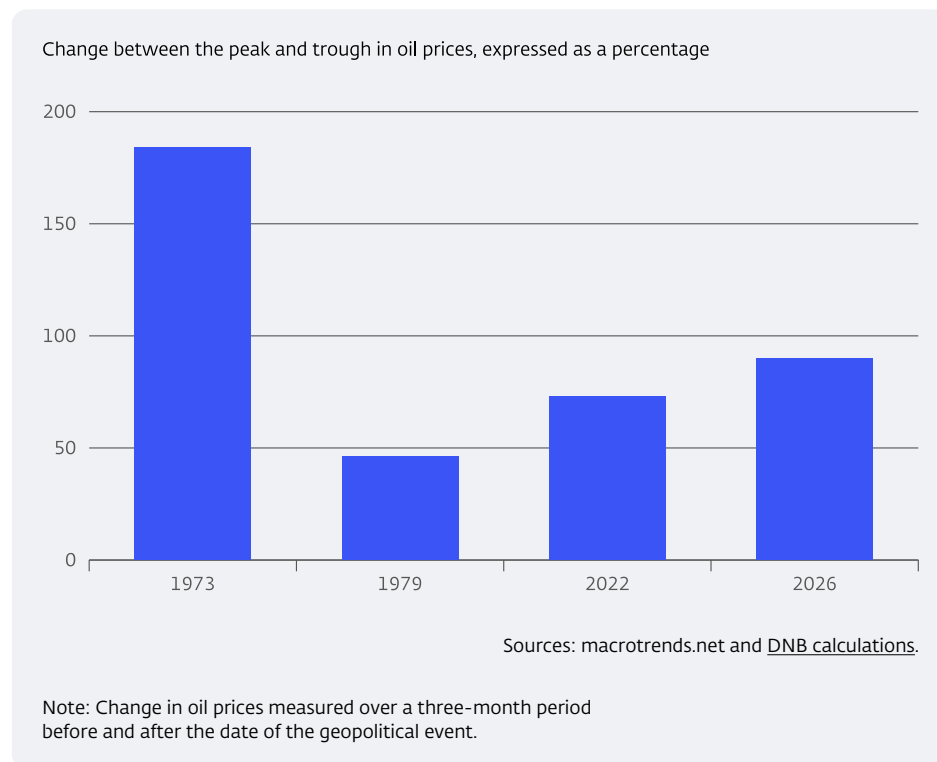


- ### Strengthen resilience and growth potential
- Phase out tax provisions that weaken business dynamics and hinder innovation.
  - Pursue a prudent fiscal policy.
  - Reduce dependence on fossil energy and vulnerable supply chains.

# Summary

**The war in the Middle East is also having an impact on the Dutch economy.** Energy prices have risen sharply this year due to the closure of the Strait of Hormuz and damage inflicted on energy production facilities in the region. For example, oil prices have surged by around 90% in a few months time, comparable to previous major oil price rises, although the rise in 1973 was greater (Figure 1). The current oil price shock is fuelling inflation and dampening growth in gross domestic product (GDP).

**Figure 1 Oil price shocks**



**At 0.8%, this year's expected economic growth is 1 percentage point lower than actual growth in 2025.** It is 0.4 percentage points lower than the growth figure we projected for 2026 in [December](#). Inflation will also be lower in 2026 than in 2025, despite the rise in energy prices, which does push inflation slightly higher than we projected in December, however. But with inflation at 2.7% in 2026, the situation is markedly different from that in 2022. At that time, inflation was very high due to soaring energy prices – particularly for gas – and the overheated economy. Today's environment is different: gas prices have risen far less than they did four years ago, and the economy and the labour market were already cooling down. This situation helps to keep inflation in check, despite the rise in energy prices. Furthermore, the economic impact of the rise in oil prices is less severe than it was in the 1970s, as our economy has since become less dependent on oil as an energy source.

**Geopolitical tensions are holding back world trade growth this year.** As a result, growth in Dutch exports is slowing down. Exports of domestically produced goods are losing market share due to comparatively higher labour and energy costs in the Netherlands. Rising energy prices are also pushing up import prices, which means a larger proportion of inflation originates abroad this year. Strong global demand for AI-related products and services provides a boost to world trade growth, and Dutch exports are also benefiting.

**Growth in business investment and consumption is being dampened.** Firms are cautious to invest due to uncertainty about market conditions, mounting energy costs and rising interest rates. These interest rate rises over the projection horizon reflect current market expectations, on which we base our projections as usual. Uncertainty about economic conditions is also dampening consumer sentiment. Over the projection horizon, consumers will save a larger proportion of their income than in 2025, partly as a precaution. At the same time, growth in real household income will be

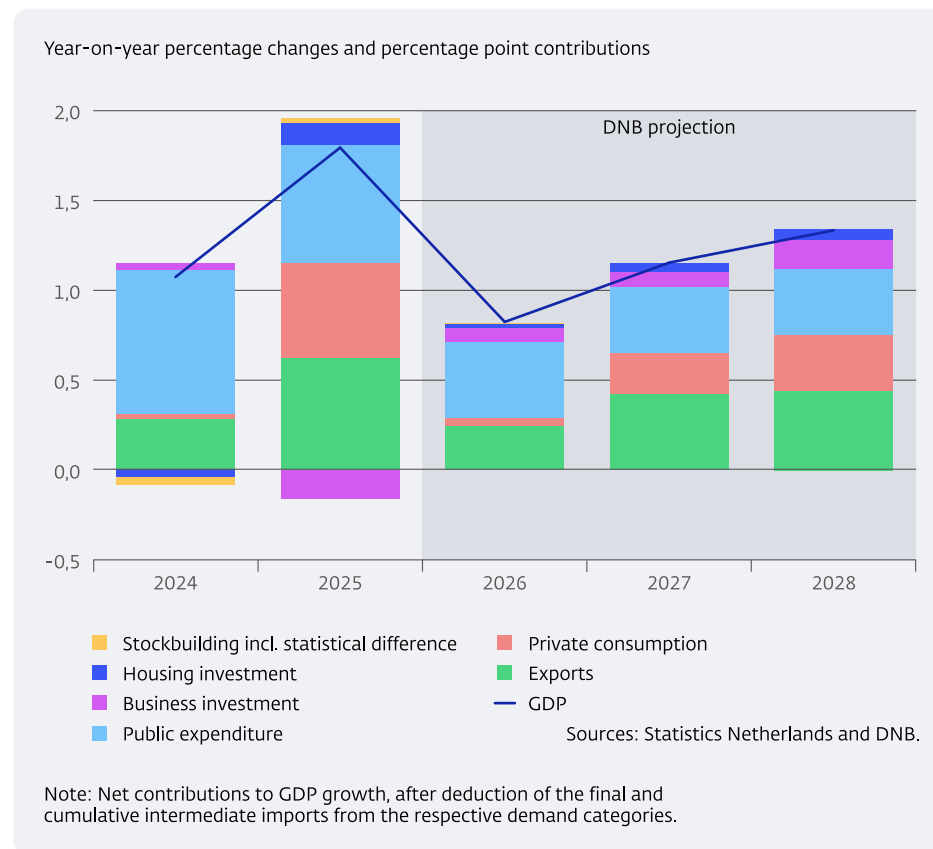
lower, as growth in employment and real wages is slowing down. As a result, consumption will stagnate this year.

**In 2026, government spending will be the main driver of GDP growth** (Figure 2). Partly for this reason, the projected public deficit is relatively high. The rise in government spending is linked, among other things, to an increase in jobs in the healthcare and defence sectors. This goes some way towards offsetting the slower growth in private-sector employment, which is set to lag behind the growth in labour supply over the projection horizon. As a result, unemployment will edge up, and the tightness of the labour market will ease somewhat.

**Economic growth will pick up from next year onwards.** GDP growth is projected to be 1.2% in 2027 and 1.3% in 2028, with inflation remaining somewhat above 2% in both years. Our projections are based on inputs that include market expectations regarding oil and gas prices, which is in line with the European Central Bank (ECB) and the other central banks in the Eurosystem. According to market expectations at the projections cut-off date, energy prices should fall back to the levels seen in the first quarter of this year by mid-2027 (Figure 11). This reflects the expectation that the energy market will remain tense for the time being, for example because the Strait of Hormuz remains closed for now. In the alternative scenarios set out below in these Spring Projections, we take into account the risk that oil and gas prices will remain high for a longer period. Under those scenarios, GDP growth in the Netherlands falls more sharply and inflation significantly exceeds our baseline projections.

**Economic growth is more broadly based in 2027 and 2028.** In addition to government spending, exports and consumption will contribute more to growth than they have this year (Figure 2). Export growth is picking up as world trade growth gains momentum. In the Netherlands, firms and consumers are set to spend more as energy prices decline and uncertainty recedes. Demand for goods and services will lag behind the production capacity, thereby keeping a lid on inflation in 2027 and 2028, together with slowing wage growth.

**Figure 2 Economic growth is slowing**



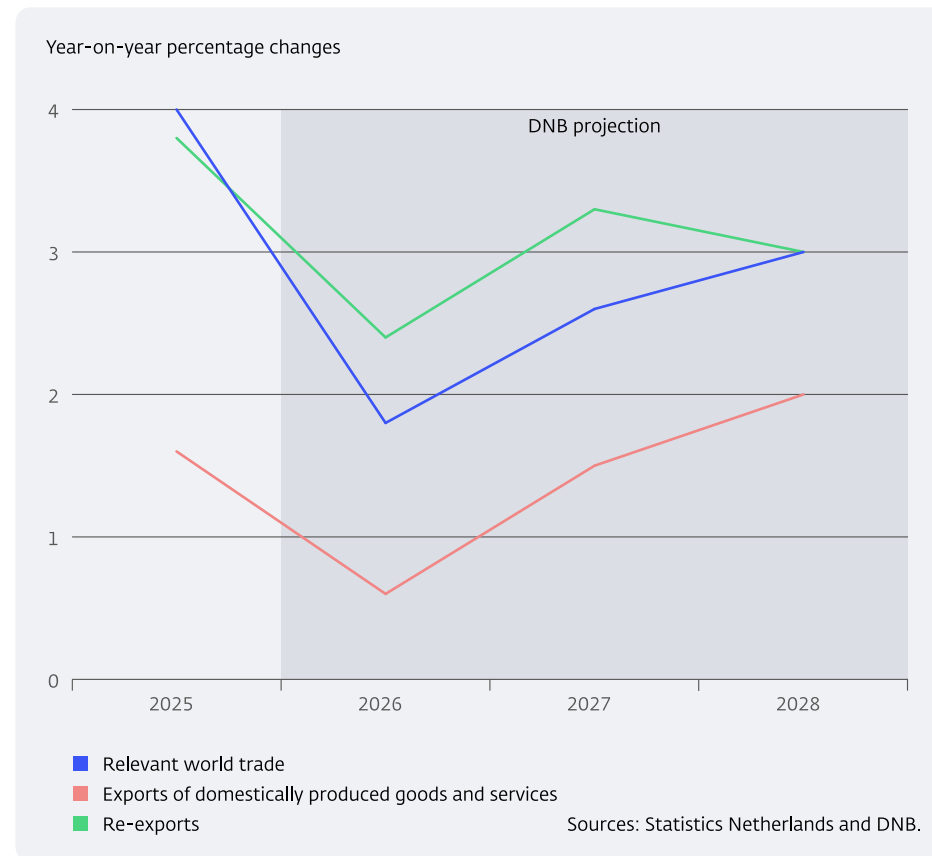
# Exports will rebound quickly; investment growth to remain sluggish

**Dutch export growth is set to slow in 2026.** At just over 1%, exports are growing considerably more slowly this year than in 2025 (see the [Key projection data for the Dutch economy](#)). For example, exports of machinery grew significantly in 2025, despite the trade tensions. The first quarter of 2026 saw Dutch exports decline, in line with the deceleration in world trade growth amid geopolitical tensions and higher energy prices caused by the war in the Middle East.

**Export growth will rebound after a brief dip.** Growth will pick up in the course of 2026 and continue over subsequent years (see the [Key projection data for the Dutch economy](#)). This is linked to world trade growth, which is set to speed up in 2027 and 2028 as energy prices recede. Re-exports in particular will benefit from the upturn in world trade growth (Figure 3), as re-exports are more sensitive to international trade flows than exports of domestically produced goods. Likewise, world trade growth will be driven by global demand for AI-related products and services. As an open economy and a supplier in the AI supply chain, this will benefit the Netherlands.

**At the same time, the Dutch market share will remain under pressure.** This is because export growth lags behind growth in relevant world trade (Figure 3). This causes the Netherlands' market share to decline, in line with the trend seen in recent years. The loss of market share is linked to the comparatively high energy and labour costs faced by Dutch exporters. In 2026, their competitive position in terms of price will improve, as competitors' costs on the world market will rise more in relative terms, before slightly deteriorating in 2027 and 2028.

**Figure 3 Export growth will recover after a dip in 2026**



**Uncertainty is holding back investment growth.** Following a decline in business investment in 2025, this year and next should see moderate growth (see the [Key projection data for the Dutch economy](#)). Firms are reluctant to invest due to elevated uncertainty regarding the economic outlook. Rising energy prices and increasing interest rates are contributing factors, as are policy uncertainty in the Netherlands and bottlenecks such as the power grid congestion. Investment growth is set to pick up slightly in 2027, but at 1.5% it remains subdued.

**A catch-up effect will be seen in 2028.** Firms are expected to make the investment they had previously postponed once international uncertainty recedes. This catch-up effect will contribute to the comparatively strong growth in business investment in 2028, from 2.5% to 3%. However, if uncertainty persists, this effect will fail to materialise.



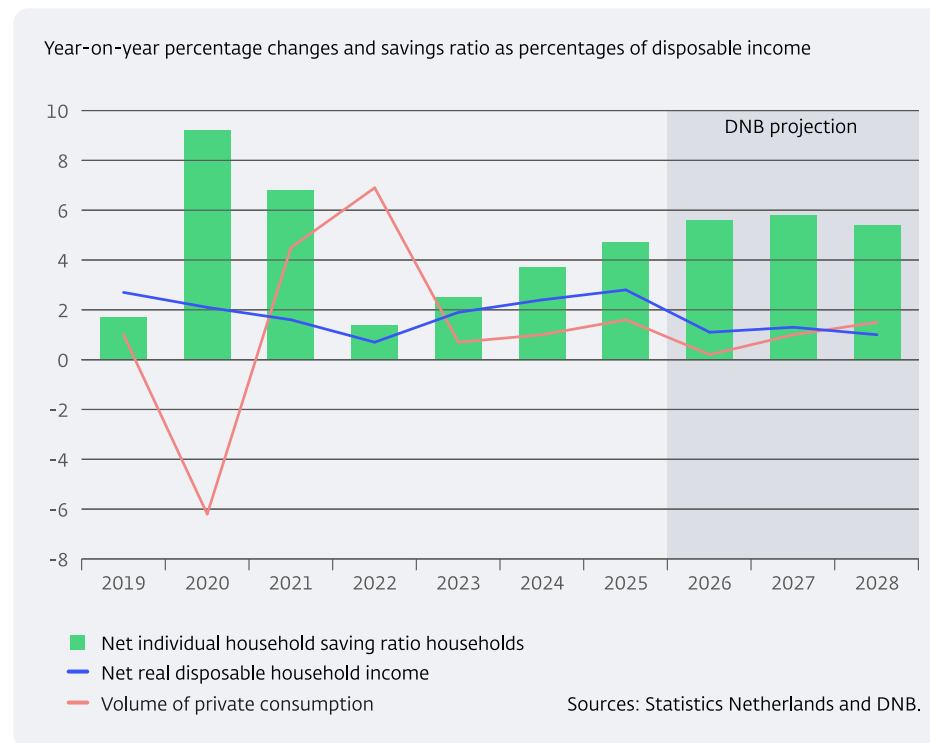
# Consumption growth is limited; rise in house prices is moderating

**Private consumption stagnates this year** (Figure 4). A key factor is the sharp fall in consumer confidence to a level last seen in 2022, when energy prices rose sharply following Russia’s invasion of Ukraine. The war in the Middle East and the renewed rise in energy prices have contributed to the decline in consumer confidence this year. The rise of energy prices is dampening growth in real disposable household income. Consumption growth is set to recover in 2027 and 2028 amid an expected fall in energy prices and easing uncertainty (see the [Key projection data for the Dutch economy](#)).

**Income growth is slower than in previous years.** At just over 1% per year, the real disposable income of households is set to grow at a slower rate in the coming years (Figure 4). This is because the labour market is gradually easing, which is causing wage growth to slow down. In addition, rising income burdens, including higher wage tax, cause net incomes to increase modestly.

**Households are saving more.** The greater uncertainty means that households will be putting a larger proportion of their income aside in 2026 and 2027.<sup>1</sup> This is reflected in a higher household saving ratio (voluntary savings as a percentage of disposable income). In 2028, it will ease somewhat but remain significantly higher than in 2019, before the COVID-19 pandemic (Figure 4). This indicates that households continue to save relatively large amounts, partly in order to pay off more of their mortgage debt.<sup>2</sup> This is a beneficial development from a financial stability perspective.

**Figure 4 Consumption shows limited growth, while saving ratio rises**



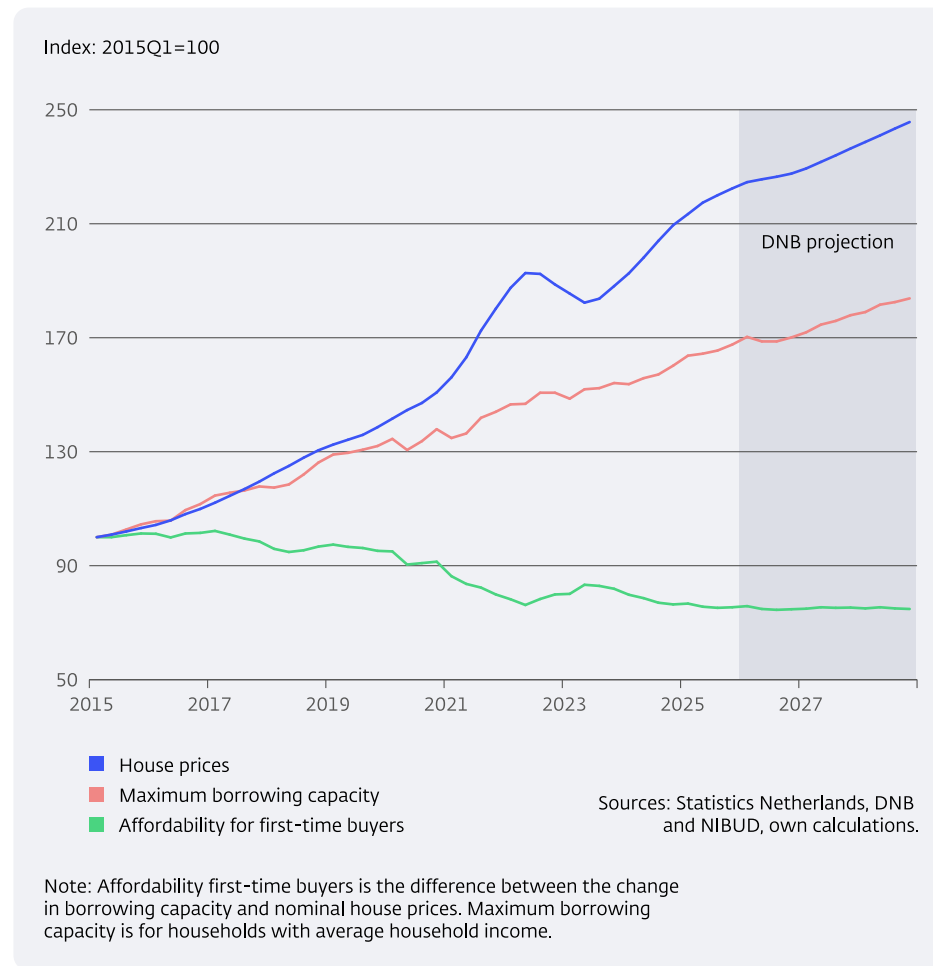
1 See, for example, Goosen, De Vette and Van den End (2026), [The impact of uncertainty on economic tail risk: bank capital as a mitigating factor](#), *Economic Analysis and Policy*, 91, 1469–1485.  
 2 CPB Netherlands Bureau for Economic Policy Analysis (2024), [Besparingen van Nederlandse huishoudens](#).

**House prices are rising at a slower pace.** The expected 3-4% annual rise in prices of existing owner-occupied homes between 2026 and 2028 is markedly lower than last year. This is due to the lower consumer confidence and the higher mortgage rates. Rising interest rates are acting as a drag on growth in the borrowing capacity of households. However, that capacity does increase as wages are also rising. House prices are rising at roughly the same rate as borrowing capacity, meaning that the affordability of owner-occupied homes remains unchanged at a relatively low level (Figure 5).

**Growth in housing investment is also moderating.** Spending on new builds and renovations is expected to grow at a slower rate in the coming years than in 2025 (see the [Key projection data for the Dutch economy](#)). Fewer new-build homes are being built due to declining issuance of planning permits, elevated uncertainty and rising interest rates. The supply of existing owner-occupied homes is somewhat greater, as investors are selling off ex-rental properties. If the wave of such property sales continues for longer than expected – for example, because institutional investors also sell off more properties – the rise in house prices may turn out to be slightly lower than projected. One drawback of selling off rental properties is that it puts further pressure on the rental market, particularly in the private sector.

More on the housing market can be found on [our theme page](#).

**Figure 5 Affordability owner-occupied homes remains stable**

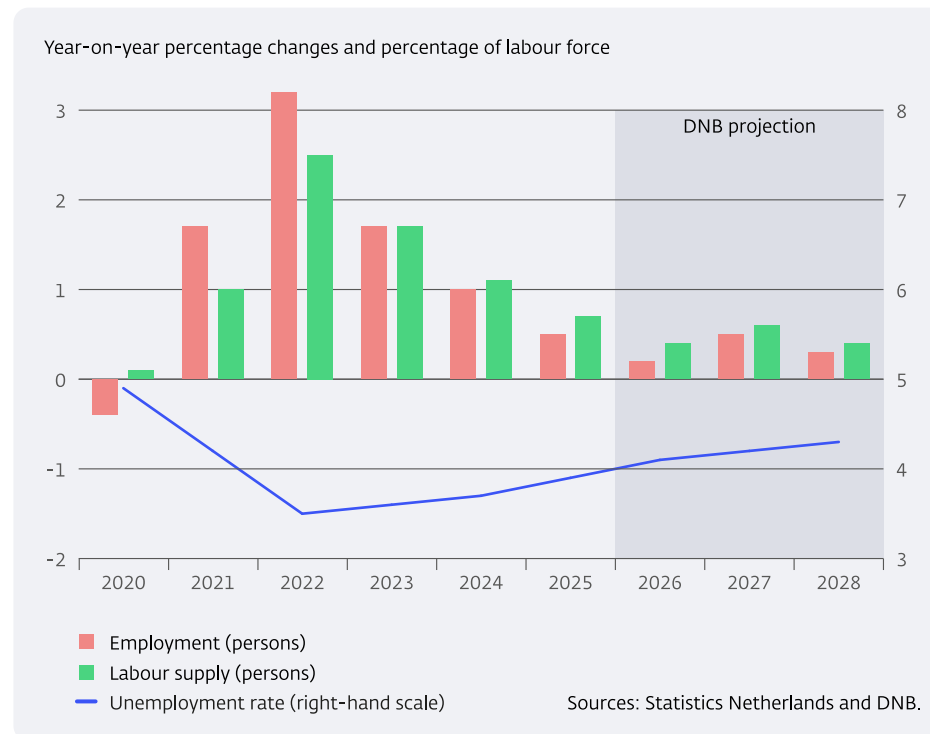


# Rebalancing in the labour market continues

**Tightness in the labour market has eased somewhat.** Following the COVID-19 pandemic, the unemployment rate fell to a historic low of 3.5% in 2022, but has since risen slightly (Figure 6). For 2028, the unemployment rate is projected to be 4.3%, close to what economists consider the equilibrium unemployment for the Netherlands. The rise in unemployment is not due to large-scale job losses. Self-employed people who give up their business – the number of self-employed people is falling this year, as it did in 2025 – often find a job in regular employment. However, compared with job growth, the labour supply is increasing at a slightly faster rate. This is easing pressure on the labour market, with a falling number of job vacancies per unemployed person.



**Figure 6 Supply and demand in the labour market**



**Wage growth is gradually moderating.** Following very sharp wage increases in recent years, wage growth regulated in collective labour agreements is set to average 4.0% this year, slowing down further in 2027 and 2028 (Figure 7). This slowdown is less pronounced than we had projected in [December](#), due to higher energy prices and inflation remaining somewhat higher. These factors are putting upward pressure on wage agreements. For this year and next we do not expect new collective labour agreements to spark the high wage growth seen in recent years. Economic conditions are now less favourable and the labour market is less tight.

**Growth in labour productivity is levelling off.** In 2025, private-sector labour productivity growth per FTE stood at 1.7%. This sharp increase is linked to the labour market’s usual lag in responding to GDP growth, which was relatively high last year. The decline in the number of self-employed people and the associated reduction in hours worked may also be a factor.<sup>3</sup> This is expected to be a temporary effect that will fade over the coming years. In our projections, productivity growth therefore averages around 0.9% over the period 2026–2028.

More on the labour market can be found on [our theme page](#).

**Figure 7 Wage growth is easing**



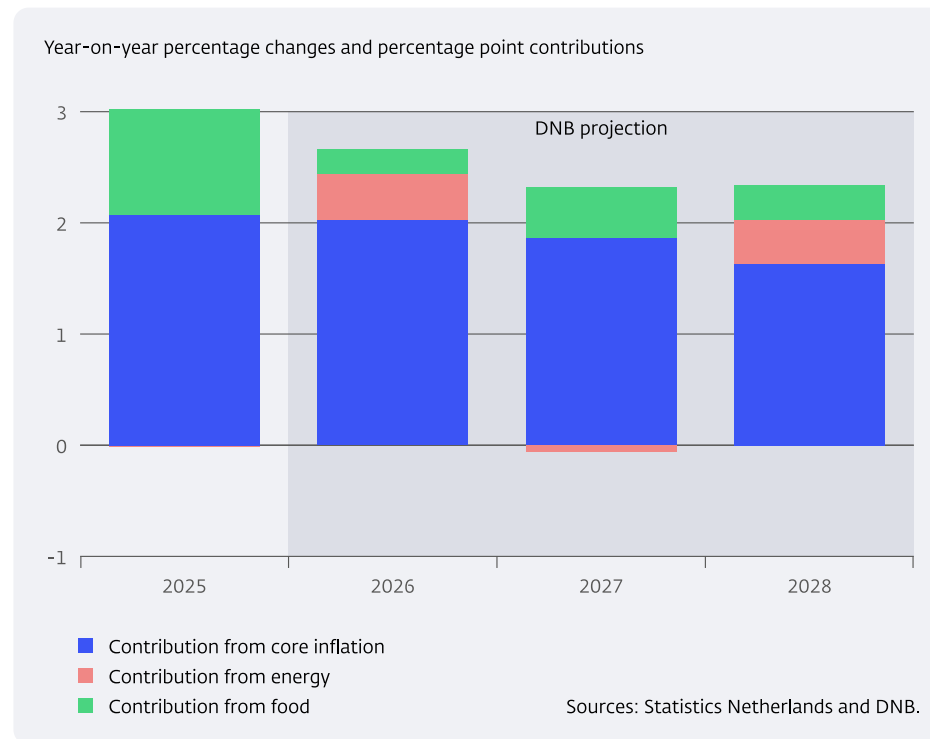
<sup>3</sup> A study by Statistics Netherlands (CBS) maps out the distribution of revenues per hour worked among self-employed people, as a proxy of labour productivity levels. In particular, median hourly revenues (around €27) are comparatively low. Where these low-productivity self-employed people give up their business, this will have an upward effect on labour productivity growth in the Netherlands.

# Inflation declines but remains above 2%

**The war in the Middle East is putting upward pressure on inflation in 2026.** The sharp rise in energy prices on the world market, particularly for oil, is driving up energy inflation (see the [Key projection data for the Dutch economy](#)). This means a larger proportion of inflation originates abroad. Rising energy prices are contributing to headline inflation (European harmonised, HICP) reaching 2.7% this year, which is higher than the 2.4% we projected in December, but lower than the actual 2025 figure. The impact of energy on headline inflation remains limited (Figure 8). This is because, although the oil fuel retail prices are rising sharply this year, the price of gas is rising less steeply, and electricity prices are falling. Expenditure on oil fuels accounts for 3% of headline inflation, which is less than electricity and gas combined.

**Inflation should fall in 2027 and 2028, but is set to remain above 2%.** Next year, inflation will fall to 2.3%, partly due to the expected fall in energy prices (Figure 8). In 2028, the contribution of energy costs to inflation will go up again. This is due to the planned introduction of the ETS2 emissions trading scheme and the reversal of the previous reduction in fuel excise duties. These measures contribute 0.3 and 0.2 percentage points to inflation, respectively. Changes in energy prices are reflected in the prices of other products, such as food, with a time lag. Food prices are also influenced by volatile price movements on the world market for agricultural commodities. This causes food inflation's contribution to headline inflation to fluctuate (Figure 8).

**Figure 8 Inflation declines slightly, but remains above 2%**

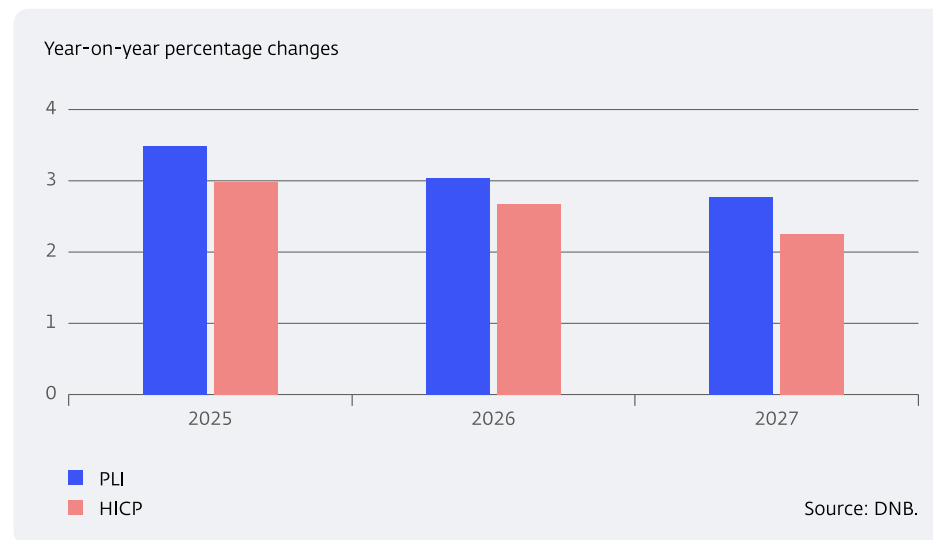


**The higher gas prices are having a delayed impact on household energy bills.** Households are spending an average of 4.4% of their disposable income on gas and electricity in 2026.<sup>4</sup> Despite higher gas prices due to the war in the Middle East, this figure is slightly lower than last year. This is because the impact of higher gas prices is tempered by lower electricity prices (due, among other things, to lower taxes and lower variable rates at the start of the year) and by income growth. In 2027 and 2028, energy costs as a proportion of income will rise slightly, to 4.6% in both years. This is partly because higher gas prices only gradually start to affect household energy bills once fixed-term energy contracts expire. In 2028, ETS2 will also contribute to the increasing proportion of income spent on energy. That proportion will rise relatively more among low-income households, as they spend a larger share of their disposable income on energy.

**Core inflation also decreases, but remains above 2%.** Inflation excluding food and energy is expected to gradually decrease from 2.7% in 2026 to 2.1% in 2028. Core inflation is impacted by a combination of factors. For one, high energy prices are having a delayed impact on the prices of other industrial goods. Also, wage growth is a key factor in service sector inflation. In addition, government measures also influence core inflation, such as the increase in VAT on accommodation, which will contribute approximately 0.2 percentage points to inflation in 2026. Furthermore, rents continue to rise sharply (by 4.6% this year), contributing an average of 0.3 percentage points per year to inflation. Offsetting the upward pressures on core inflation is the dampening effect on inflation exerted by aggregate demand in the economy, which is lower than production capacity over the projection horizon. As a result, firms find it harder to pass on their rising costs to consumer prices than they would when demand is strong.

**Prices of basic necessities are rising faster than headline inflation.** This is due to the fact that rents are rising relatively sharply. Housing costs are, in fact, a significant part of expenditure on basic necessities. These expenditures are measured using the Primary Livelihood Index (PLI).<sup>5</sup> Households on lower incomes spend a larger proportion of their income on basic necessities. Partly due to the relatively sharp rise in rents, the PLI will therefore remain higher than headline inflation in 2026 and 2027 (Figure 9).

**Figure 9 The Primary Livelihood Index (PLI) remains above headline inflation**



More on inflation can be found at [our theme page](#).

<sup>4</sup> Sources: DNB calculation based on Statistics Netherlands microdata (energy consumption, disposable household income) and CBS StatLine (historical energy prices).

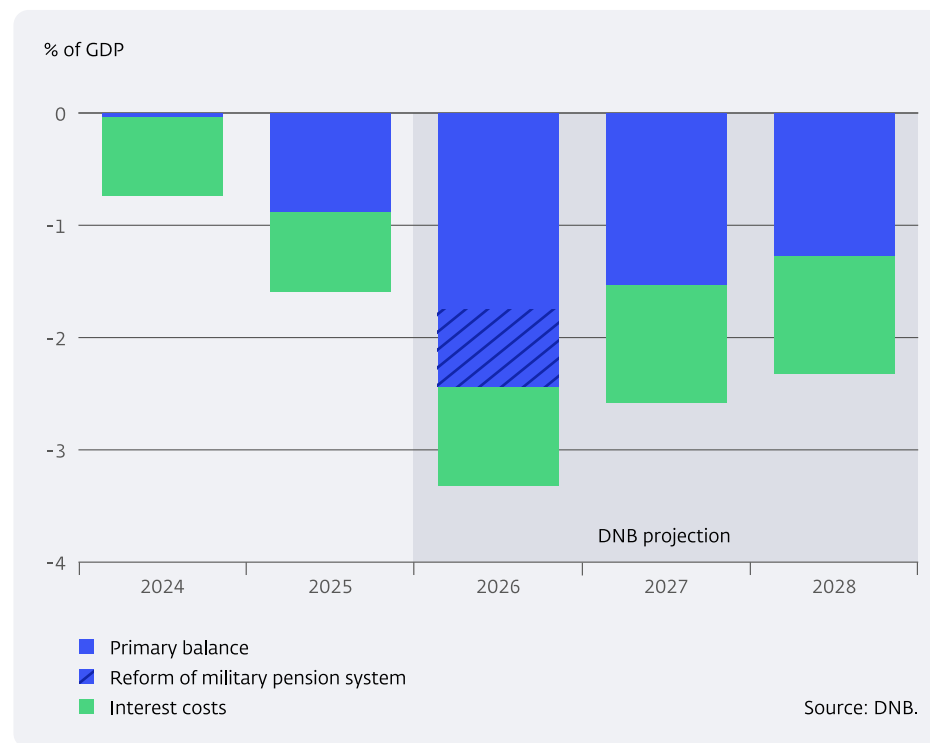
<sup>5</sup> The Primary Livelihood Index (PLI) comprises essential goods and services and thus differs from the HICP consumption basket (Eijssink and Pruijt, 2026). For example, energy bills carry greater weight in the PLI, whereas car-related expenditure (including fuel) carries greater weight in the HICP. Due to the different composition, price trends also differ: between 2011 and 2024, the PLI averaged 0.27 percentage points below the HICP. In 2025 and 2026, it is expected to be approximately 0.5 and 0.4 percentage points above the HICP, respectively. The PLI's consumption basket is based on sample budgets for households living on the social minimum, provided by the National Institute for Family Finance Information (Nibud). These sample budgets give an idea of the minimum monthly expenses needed to make ends meet.

# Public finances continue to deteriorate

**The government’s budget deficit widened in 2025, but not to the extent previously expected.** Compared to 2024, the budget deficit doubled to reach 1.6% of GDP, meaning that the government spent €19 billion more than it received. Public debt rose from 43.8% to 44.4% of GDP. This deterioration in public finances is mainly due to higher spending on social security, healthcare and staff. At the same time, revenues from taxation and contributions, including corporate income tax, grew more strongly than previously anticipated, but this growth was not sufficient to offset the rise in expenditure.

**The budget deficit remains relatively high.** In 2026, the deficit will rise to 3.3% of GDP, temporarily exceeding the European 3% limit (Figure 10). This is partly due to a one-off expenditure of around €8.2 billion (approximately 0.7% of GDP) on the reform of the military pension system. Underlying trends show that the primary balance (the budget deficit excluding interest expenditure) is deteriorating, including due to higher public spending, as reflected in the Statistics Netherlands data for the first quarter of 2026. As was the case last year, this is due to rising expenditure on healthcare, social security and staff. Staff costs are rising due to both an increase in the number of employees (particularly in the military) and higher wages, partly as a result of the decision to abandon the pay freeze for civil servants. In the years that follow, the budget deficit should edge down to around 2.6% of GDP in 2027 and 2.3% in 2028. Tax increases and planned spending cuts that curb expenditure growth will improve the deficit, but interest costs will rise further to over 1% of GDP in 2028, putting the deficit under pressure for the long term.

**Figure 10 Relatively high budget deficit, driven in part by mounting interest costs**



**These Spring Projections take into account the Jetten government's coalition agreement.** Given that this is a minority coalition, full implementation of all policy intentions is less certain than before. In principle, we have factored all plans set out in the coalition agreement into the projections, unless they encountered demonstrable opposition in Parliament, such as adoption of a motion in the House of Representatives, before 21 May 2026 (cut-off date for these projections). This means that the proposed increase in the state pension age has not been included, as it was rejected by a motion in the Senate. In addition to the coalition agreement, the recent energy support package has also been incorporated in the projections.

**In the longer term, public finances are set to deteriorate further, in part given the plans as set out in the coalition agreement.** Over the projection horizon, the budgetary impact of the coalition agreement and the energy support package will be limited. However, the costs of the planned additional expenditure on areas such as housing construction, climate action and nitrogen pollution beyond the current government's term of office are not fully covered. In the long term, the ageing population will lead to drive up costs for healthcare and social security, and interest expenditure will increase. Given the substantial challenges associated with rising defence expenditure, the Working Group on Fiscal Space recommended that future governments should be responsible for covering part of the costs of these commitments<sup>6</sup>. Accordingly public debt should remain well below the European limit of 60% during the government's term of office, but is expected to rise sharply thereafter. Given the permanent challenges involved in bolstering the economy's growth potential, decisions must be taken to strike a balance between the necessary public investment and the financial sustainability of public spending.

More on public finances can be found on [this theme page](#).

<sup>6</sup> See the 18<sup>th</sup> [Working Group on Fiscal Space](#), 2025.

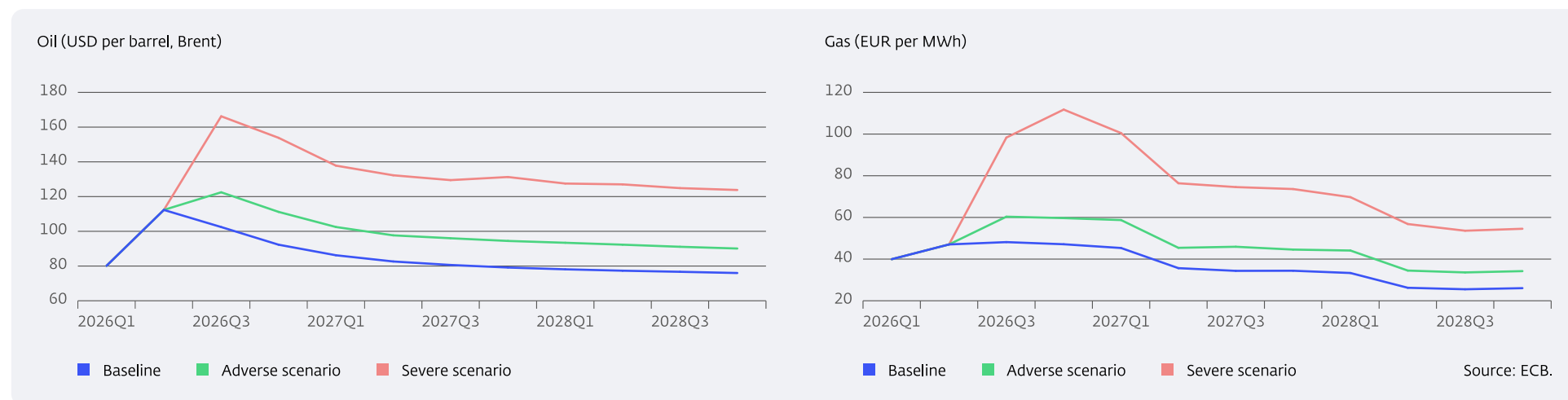


# Alternative scenarios with higher energy prices and heightened uncertainty

**In two scenarios involving higher energy prices and greater uncertainty, the Dutch economy is hit harder than in our baseline projections.** In both scenarios, oil and gas prices rise more sharply and remain high for longer than projected (Figure 11). This assumes that the energy market will remain under strain for longer than projected, for example because the Strait of Hormuz remains closed for a longer period. In the scenarios, oil and gas prices trend towards the more extreme levels currently being priced into energy markets.<sup>7</sup> The combination of higher energy prices and heightened uncertainty also has an impact on food prices. In addition, more uncertainty in financial markets translates into higher risk premiums on loans.

**The two scenarios differ in terms of the extent and duration of the energy price shocks and the degree of uncertainty.** In the severe scenario, the rise in energy prices is more pronounced and oil and gas prices remain high for longer than in the adverse scenario (Figure 11). Higher energy and food prices are accompanied by slower growth in world trade and higher import prices. In the severe scenario, the rise in risk premiums is more pronounced than in the adverse scenario, due to greater financial market uncertainty. In both scenarios, monetary and fiscal policies remain unchanged from the baseline projections.

**Figure 11 Oil and gas prices strongly rise in the scenarios**



<sup>7</sup> The assumptions regarding energy prices in the scenarios are based on the percentiles of the market-implied probability distribution, in line with the ECB's methodology. In the adverse scenario, energy prices follow the 75<sup>th</sup> percentile, while in the severe scenario they follow the 95<sup>th</sup> percentile of this distribution, based on market expectations for energy prices as at 21 May 2026.

**The adverse scenario would lead to a minor slowdown in GDP growth.**

Growth in 2026 and 2027 is between 0.1 and 0.3 percentage points lower than projected (Figure 12) as higher energy and food prices erode households' purchasing power. In addition, consumer confidence in the economy declines. As a result, growth in private consumption slows down. Firms face higher costs and greater uncertainty, leading them to postpone investment in 2026 and 2027. World trade also grows at a slower rate, holding back Dutch exports, which grow more slowly than projected. By 2028, GDP growth recovers to the growth level in the projections.

**In the adverse scenario, inflation rises due to the direct and indirect effects of higher energy prices.**

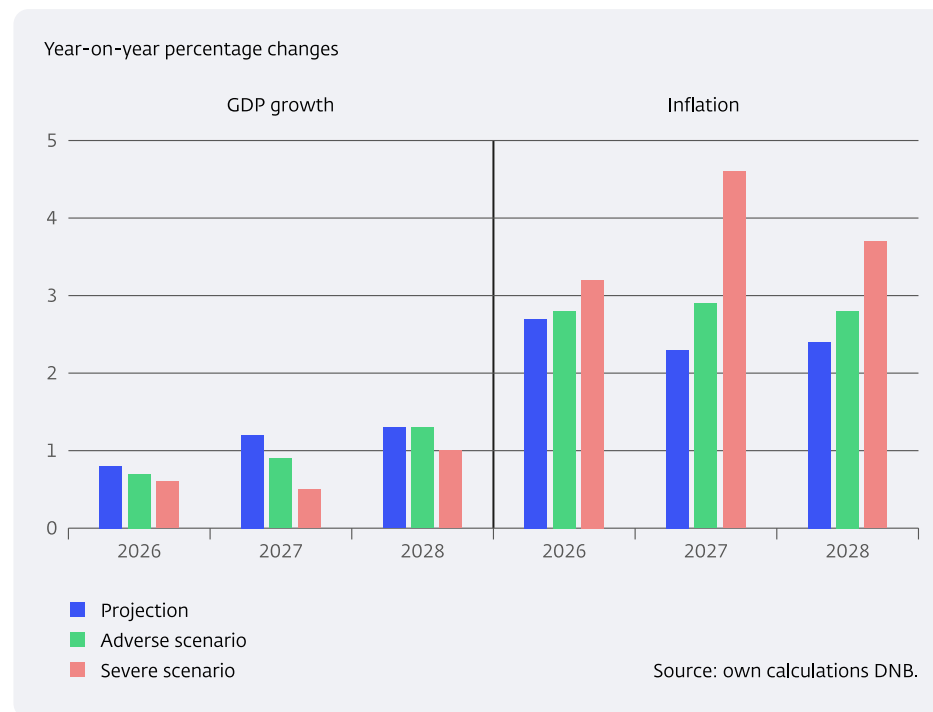
In 2027, HICP inflation is around 2.9%, which is slightly higher than projected. Rising energy prices feed through to the prices of food and other goods, causing a slight increase in core inflation. This points to broader, but still moderate, price pressures in the economy. Inflation remains higher than projected in 2028 as well, as the earlier rises in energy prices have a delayed impact.

**The severe scenario would lead to a sharp decline in economic growth.**

GDP growth is slightly lower than projected in 2026, but significantly lower at 0.5% in 2027 (Figure 12). This is due to weak domestic demand, greater uncertainty in the financial markets and a sharp slowdown in world trade growth. Private consumption takes a hit due to higher inflation and lower consumer confidence. As a result, consumption growth in 2027 is markedly lower than projected. Furthermore, firms postpone investment due to higher costs, lower demand for their goods and less favourable financing conditions. The slowdown in world trade growth also holds back Dutch exports, which grow significantly less in 2027 than projected. This puts pressure on both firms and employment. In 2028, GDP growth recovers gradually, but at 1.0% it still remains below the projected figure. Meanwhile, unemployment rises to more than 5%, which is significantly higher than projected.

**Inflation rises sharply in the severe scenario in 2027.** HICP inflation peaks at 4.6%, which is considerably higher than in the projections (Figure 12). This is mainly due to persistently higher energy prices feeding through to the prices of food and other products. As a result, core inflation also goes up. Higher inflation could lead to second-round effects, for example through higher wage demands, keeping inflation high. 2028 sees a downtick in inflation caused by the slight drop in energy prices, but inflation remains considerably higher than projected (Figure 12). Underlying price pressures therefore ease only slightly, as second-round effects continue to have an impact for some time to come. In practice, a monetary policy response will endeavour to ensure price stability, which is likely to result in inflation being lower than simulated in the scenarios.

**Figure 12 Scenario outcomes for GDP growth and inflation**



# Policy recommendations

The structural challenges facing the Dutch economy have been known for some time, yet policy measures to boost our economy’s growth potential and bolster its resilience are still taking too long to get off the ground. These challenges include vulnerable supply chains and energy infrastructure, insufficient business dynamics and the distorting effects of the tax system. These bottlenecks are holding back the Dutch economy’s growth potential, and to address them we need stable and predictable policies, as well as concrete steps in at least three areas:

1. **Reduce vulnerability to supply chain disruptions.** Systematically reduce reliance on fossil fuels and strengthen energy infrastructure, such as the congested electricity grid, and do so at European level. In this context, it is helpful that the government’s targeted measures to compensate for high energy prices do not unduly boost demand for fossil fuels and are designed to be timely, temporary and conducive to the energy transition. Avoiding hasty action is also consistent with the pursuit of a prudent fiscal policy. Targeted policies are also needed in areas other than energy to bolster the resilience of critical supply chains, so that supply shocks have a shorter-lasting impact on inflation. Targeted policy is not only economically sensible in this regard, but also feasible: a recent DNB study shows that around 4% of goods traded globally are classified as ‘vulnerable’, meaning that broad sector-wide measures typically lack effectiveness.<sup>8</sup> Vulnerabilities in the supply of specific commodities and products are often cross-border in nature, which is why coordination at European level is needed to reduce them.

2. **Boost business dynamics.** In a healthy and resilient economy, productive firms with growth potential enjoy the easiest access to labour and capital. In the Netherlands, however, reallocation of these resources is deficient, and firms’ market entry and exit is limited, according to a recent DNB study.<sup>9</sup> Furthermore, market entry and exit are dominated by small firms that show little growth. Targeted measures should therefore be aimed at removing barriers that restrict business dynamics. Several obvious policy challenges remain in this respect. One example is phasing out inefficient tax breaks that stifle dynamism and keep low-productivity firms afloat for too long. The phasing out of the self-employed tax relief is a step in the right direction, but further measures are conceivable, such as phasing out the SME profit exemption and the low corporate income tax rate.<sup>10</sup>

3. **Pursue a prudent fiscal policy.** We expect the budget deficit to exceed 3% of GDP this year due to the slowdown in economic growth. While caused in part by a substantial one-off expenditure, the deficit has clearly grown in recent years. In the coming years, too, the distance to the European public deficit limit of 3% of GDP will be small. Keeping sufficient distance from that limit is necessary to absorb future shocks. Geopolitical tensions and their impact on the economy underscore the importance of such prudent fiscal policy. An important building block in achieving this is the phasing out of inefficient tax schemes, as mentioned above. This will free up funds in the national budget, which will contribute to easing the tax burden on labour. Shifting the comparatively distorting tax burden from labour to other tax bases also boosts economic dynamism, as the IMF recently pointed out.<sup>11</sup>

8 DNB (2026) [How supply chain disruptions are driving up inflation and how we can deal with this.](#)

9 DNB (2026) [Capital and labour still too often tied up in less productive firms.](#)

10 [Evaluation of the SME profit exemption by the SEO \(2024\)](#) and [Evaluation of the low corporate income tax rate by the CPB Netherlands Bureau for Economic Policy Analysis \(2024\).](#)

11 IMF (2026) [Staff Concluding Statement for the 2026 Article IV Consultation Mission.](#)

# Key projection data for the Dutch economy

Percentage changes, unless stated otherwise<sup>1</sup>

	2025	2026	2027	2028		2025	2026	2027	2028
<b>Volume of expenditure and output</b>					<b>Government finances</b>				
Gross domestic product	1.8	0.8	1.2	1.3	Public expenditure (% GDP)	44.9	46.7	46.6	46.9
Private consumption	1.6	0.2	1.0	1.5	Collective burden (% GDP)	38.8	39.0	39.8	40.3
Public expenditure	2.8	1.8	1.8	1.9	Primary balance (% GDP)	-0.9	-2.4	-1.5	-1.3
Business investment	-2.4	1.3	1.5	2.7	EMU balance (% GDP)	-1.6	-3.3	-2.6	-2.3
Housing investment	3.7	0.8	1.7	2.1	EMU debt (% GDP, based on end-of-period)	44.4	47.4	48.4	49.2
Exports of goods and services	2.5	1.3	2.2	2.4	<b>Financial</b>				
domestically produced	1.6	0.6	1.5	2.0	Bank lending tot NFCs (based on end-of-period) <sup>2</sup>	3.5	3.0	1.8	3.4
re-exports	3.8	2.4	3.3	3.0	House prices, existing own homes	8.8	8.5	4.3	4.0
Imports of goods and services	2.5	1.5	2.6	3.2	Residential mortgage (based on end-of-period)	4.2	4.8	3.5	3.0
domestically used	1.7	1.0	2.2	3.3	<b>International assumptions</b>				
<b>Prices and wages</b>					Volume of relevant world trade	4.0	1.8	2.6	3.0
Harmonised index of consumer goods (HICP)	3.0	2.7	2.3	2.4	Volume of GDP world, excluding euro area	3.6	3.0	3.2	3.3
Harmonised index of consumer goods energy	-0.2	5.8	-0.9	5.5	Short-term interest rate euro area (%)	2.2	2.4	2.8	2.7
Core inflation (HICP, excl. energy and food)	2.8	2.7	2.4	2.1	Long-term interest rate Netherlands (%)	2.8	3.2	3.4	3.5
Negotiated wages, private sector	5.6	4.0	3.2	2.9	Euro exchange rate (USD)	1.13	1.17	1.17	1.17
Compensation per employee, private sector	4.9	3.7	3.8	3.2	Competitor prices	-1.1	2.9	2.4	1.6
Unit labour costs, private sector	3.1	2.7	3.1	2.0	Oil price (UK Brent, USD per barrel)	68.3	96.3	82.2	77.1
<b>Labour market</b>					<b>Dutch exports and competitiveness</b>				
Employment (persons, growth)	0.5	0.2	0.5	0.3	Price exports of goods and services, dom. prod., excl. energy	2.1	0.0	2.4	2.0
Labour supply (persons, growth)	0.7	0.4	0.6	0.4	Price competitiveness <sup>3</sup>	-3.1	2.9	0.0	-0.4
Unemployment (persons, x 1000)	397	417	433	448	Volume exports of goods and services, dom. prod., excl. energy	1.5	1.2	1.7	2.2
Unemployment (% of labour force)	3.9	4.1	4.2	4.3	Market performance <sup>4</sup>	-2.4	-0.6	-0.9	-0.8
					Current account (% GDP)	7.5	7.0	7.3	7.0

<sup>1</sup> Annual figures have been calculated on seasonally adjusted quarterly figures and may therefore deviate marginally from the most recent National Accounts.

<sup>2</sup> Excluding *cash pooling*, adjusted for securitisations and breaks.

<sup>3</sup> Price competitiveness is Competitor prices minus Price exports of goods and services, domestically produced, excluding energy.

<sup>4</sup> Market performance is Volume exports of goods and services, domestically produced, excluding energy, minus Volume of relevant world trade.

Sources: Statistics Netherlands, DNB and ECB.

# Figures

Figure 1 Oil price shocks

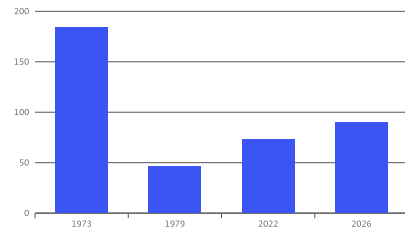


Figure 4 Consumption shows limited growth, while saving ratio rises

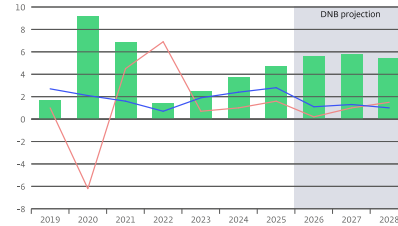


Figure 7 Wage growth is easing

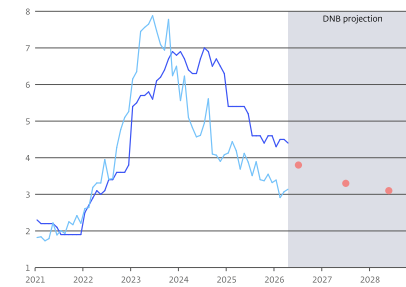


Figure 2 Economic growth is slowing

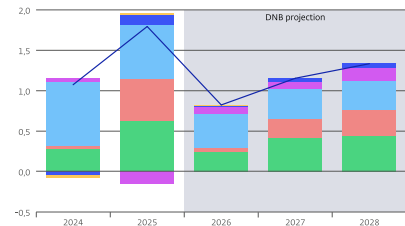


Figure 5 Affordability owner-occupied homes remains stable

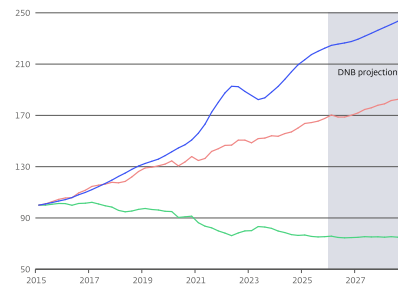


Figure 8 Inflation declines slightly, but remains above 2%

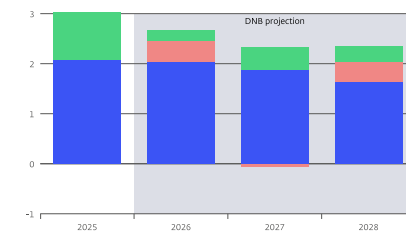


Figure 3 Export growth will recover after a dip in 2026

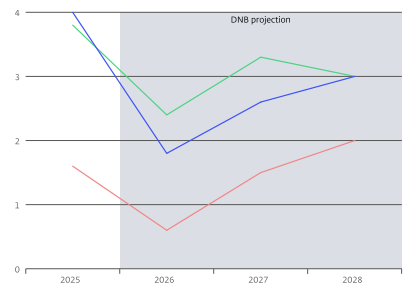


Figure 6 Supply and demand in the labour market

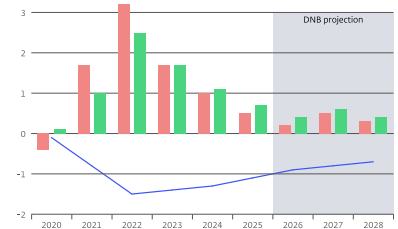


Figure 9 The Primary Livelihood Index (PLI) remains above headline inflation

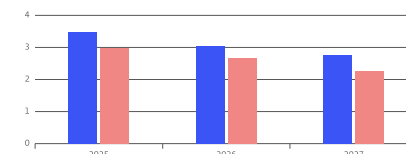


Figure 10 Relatively high budget deficit, driven in part by mounting interest costs

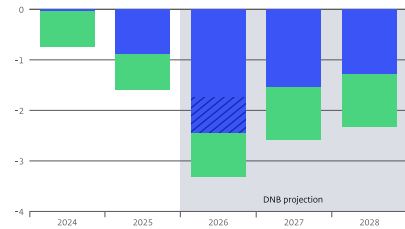


Figure 11 Oil and gas prices strongly rise in the scenarios

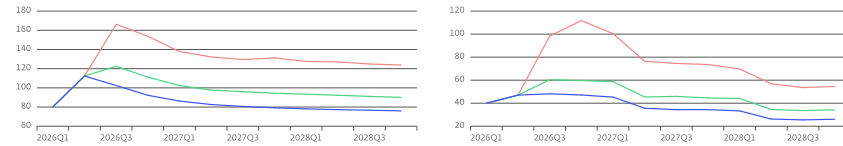
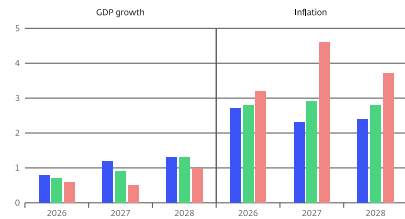



Figure 12 Scenario outcomes for GDP growth and inflation



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