DNB Autumn Projections

December 2025

DeNederlandscheBank

EUROSYSTEEM

Contents

A full overview of the projections for the 2025-2027 period and the international assumptions used can be found in the Key Data Table.

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 2 December 2025. 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 The state of the Dutch economy.

Remarkably higher growth of the Dutch economy

In an uncertain environment, our economy shows resilience. As a trading nation, we benefit from world trade growth. Government spending is also increasing, and households are spending more.

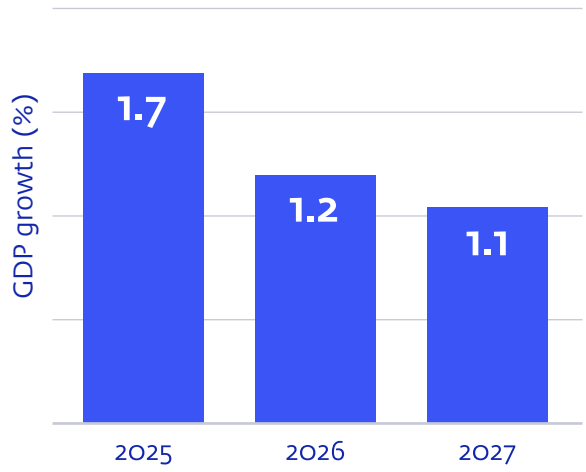
World trade continues to grow

Despite trade tensions, global trade has not declined but has actually picked up, benefiting our economy.

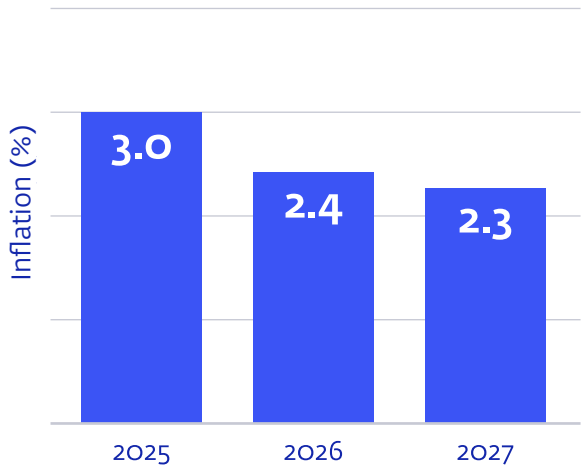
Households and government spend more

Due to higher wages, households are spending more. Government spending is also rising. At the same time, uncertain policies and bottlenecks around nitrogen and the power grid are weighing on growth.

After 2025, growth is limited



Inflation gradually declines further



Advice

Address bottlenecks around nitrogen and the power grid.

Strengthen European competitiveness.

Keep public finances in order.

Summary

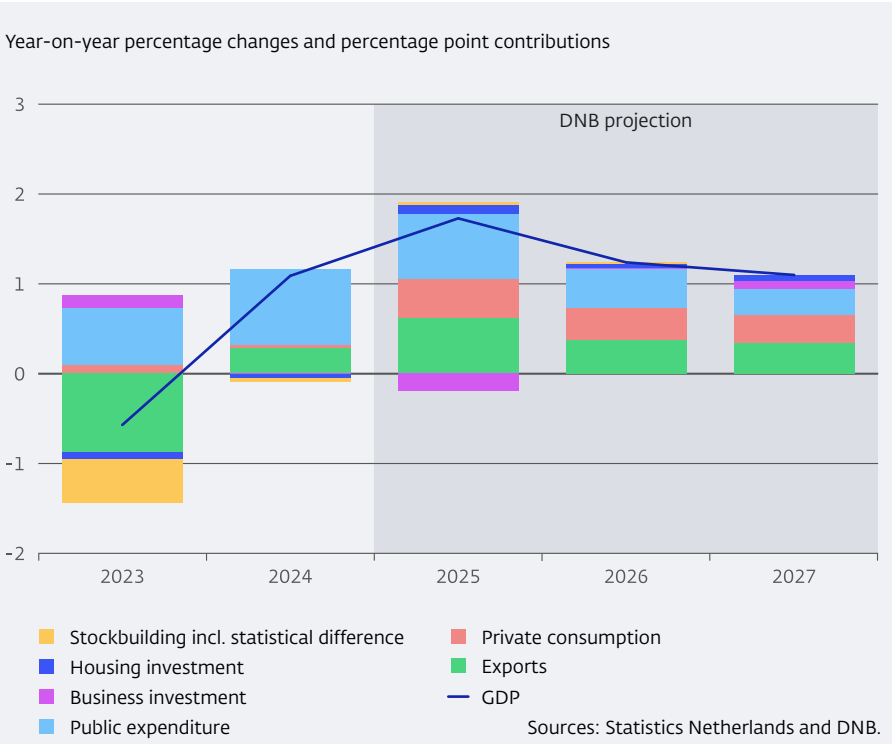
The Dutch economy is showing remarkable growth in an uncertain world. Trade agreements, such as between the European Union (EU) and the United States (US) in July 2025, have eased international trade tensions somewhat, but trade policy uncertainty remains high. Geopolitical tensions are another source of uncertainty. The Dutch economy is performing remarkably well in this environment. This year, gross domestic product (GDP) is projected to grow by 1.7%, which is 0.6 percentage points higher than our projection in June. After this year, GDP growth is projected to be lower. Uncertainty may have a delayed effect on the economy, with the full impact not yet visible.

GDP growth can be explained predominantly by public spending and world trade. Both are growing more than expected. The volume of Dutch government spending is increasing more due to higher-than-expected growth in public sector employment. World trade growth is projected to increase in 2025, despite higher US trade tariffs. This is partly because some firms anticipated these tariffs by frontloading foreign trade, which has benefited the open Dutch economy, as evidenced by increasing trade in goods imported and re-exported by the Netherlands. Trade flows are also exhibiting more structural shifts. For instance, part of China's exports are moving from the United States to other world regions. This shift keeps global trade growth afloat, but at the same time intensifies global competition.

The uncertain economic environment at home and abroad is causing difficulties for businesses. They face higher trade tariffs and changing competitive conditions, which put pressure on market shares and increase costs. Dutch firms have been struggling with relatively high energy and labour costs for some time already. They also face policy uncertainty and constraints in the Netherlands due to unresolved nitrogen emissions challenges, grid congestion and labour market tightness, all of which inhibit business investment. Following contraction in 2025, business investment growth is projected to be low next year too. In the projections, we take into account the negative impact of uncertainty on business investment. In an alternative scenario, we show that addressing investment bottlenecks decreases uncertainty and leads to higher investment and GDP growth.

Economic growth is limited in 2026 and 2027. At 1.2% and 1.1% in these years, GDP growth is set to be comparatively weak. Growth will mainly be driven by private consumption and public spending, which will make a smaller contribution to growth compared to this year (Figure 1). Exports will also contribute to GDP growth. However, as imports grow faster, foreign trade will have a net negative impact on GDP growth in 2026-2027. The relatively strong import growth fits the overall picture of the Dutch economy, where demand for products and services is reaching the limits of production capacity.

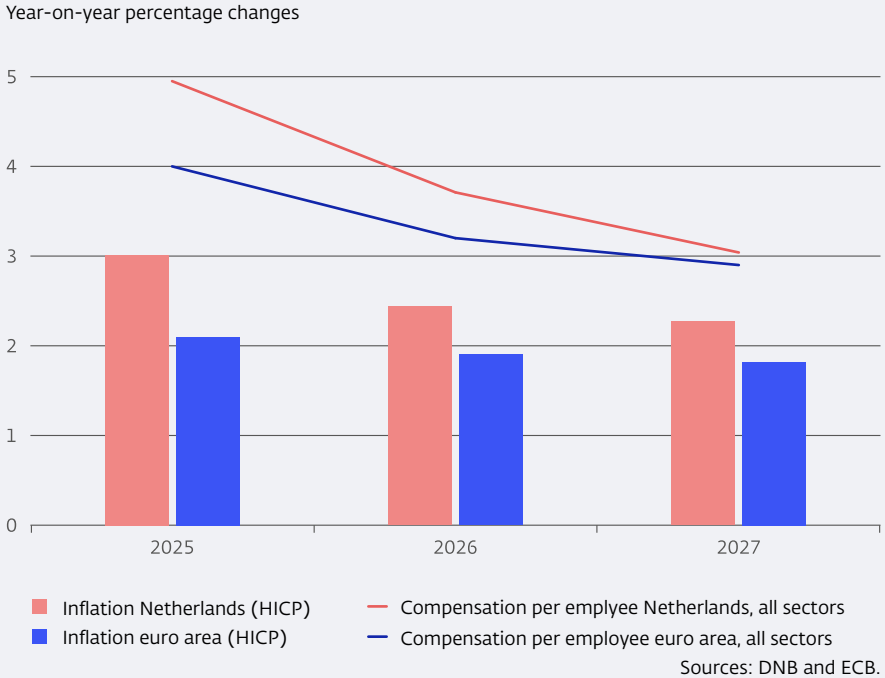
Figure 1 Economic growth is limited after 2025



Note: Net contributions to GDP growth. The final and cumulative intermediate imports have been deducted from the resepective demand categories.

Inflation is set to fall but will remain relatively high because of the economic tightness. Inflation is projected to decrease from 3.0% this year to 2.4% in 2026 and 2.3% in 2027. This means inflation in the Netherlands will remain higher than the euro area average in the coming years, although the differential is narrowing (Figure 2). Inflation in the Netherlands can mainly be attributed to domestic factors. Excess demand in the Dutch economy, for instance, creates upward pressure on the prices of goods and services. In addition, labour market tightness is showing no signs of easing. As a result, wages are also rising more strongly here than in the euro area as a whole. Unemployment is set to rise in the coming years, meaning that labour supply and demand will become more balanced. As a result, wage growth will gradually ease. Inflation caused by foreign factors is limited in 2025 and 2026 due to lower energy prices on the world market, a stronger euro and – partly as a result – moderate price increases of imported goods.

Figure 2 Inflation and wage growth in the Netherlands relatively high



Households see wage growth reflected in the growth of their real income. This increases as wages rise more than inflation on average. This income growth supports growth in private consumption. At the same time, households will continue to save considerably in the coming years, and many will use their savings to pay off their mortgage or to purchase a home. While house prices will rise less quickly in 2026-2027, they will still outpace household income growth over the projection horizon.

Fiscal policy is too expansionary given the state of the economy. Current fiscal policy contributes to the excess demand in the economy and thus to the relatively high inflation rate in the Netherlands. It is also important to ensure that public finances are kept sound in order to withstand future shocks. The deficit is set to remain below 3% of GDP over the projection horizon, but the margin is narrow, especially in 2026. An important caveat to these Autumn Projections is that we have obviously not taken into account the formation of a new government and new policy intentions.

Exports surprise on the upside, business investment lags

Dutch exports are up remarkably in 2025. This owes to the mild impact of trade uncertainty and import tariffs on world trade this year. The world trade on which the Netherlands depends increases by almost 3.5% in 2025. The Netherlands has an open economy, meaning our exports move with world trade (Figure 3). This applies to both exports of Dutch-made products and re-exports. The remarkable export figures are partly due to frontloading: firms shipped more products to the US before the higher import tariffs took effect in April 2025. Such anticipatory adjustments limit the negative effects of the higher tariffs on the economy this year.

World trade continues to grow, but uncertainty remains high. After a slight slowdown in 2026, world trade relevant to the Netherlands will grow faster again in 2027. Domestic exports are set to show a similar pattern. However, despite this favourable outlook, uncertainty surrounding foreign trade remains high. Geopolitical tensions, possible escalation of trade disputes and fluctuations in exchange rates could affect trade flows in the coming years. In a world without trade tariffs and geo-economic fragmentation, world trade growth, exports and hence economic growth would have been higher.

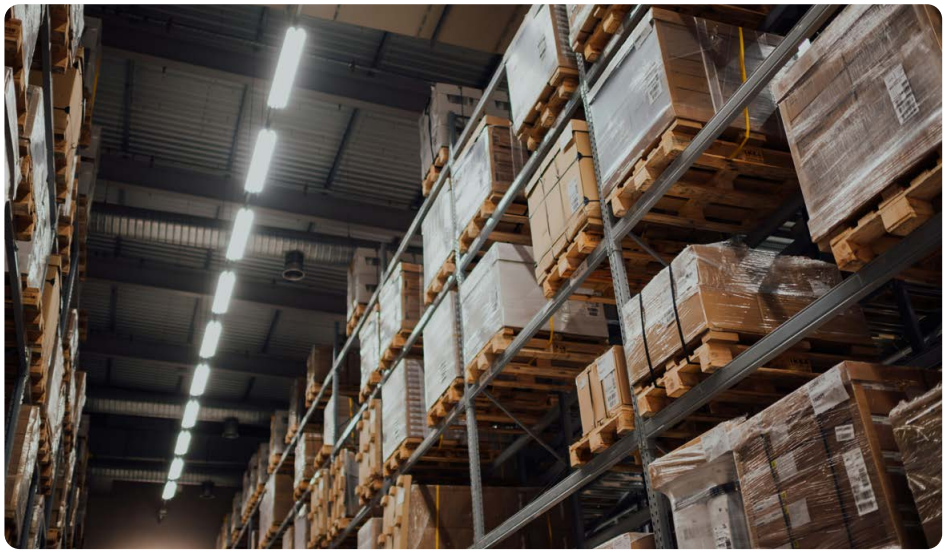
Dutch exports are struggling with worsening price competitiveness. Export growth is lower than relevant world trade growth over the projection horizon (see Figure 3). This means that the Dutch share of international trade is declining. This has been the case for some time and is due to deteriorating price competitiveness caused by relatively high wage and energy costs in the Netherlands. In addition, the appreciation of the euro makes Dutch products in non-euro area countries more expensive. This also puts pressure on competitiveness. It should be noted that other euro area countries are also experiencing losses in foreign trade market share. This underlines the importance of taking action to strengthen Europe's competitiveness (see policy recommendations later in these Autumn Projections).

Figure 3 Dutch exports ride the wave of world trade

High uncertainty depresses business investment growth. The contraction in business investment this year is partly a correction resulting from prior, hefty investment in transport equipment. Many firms frontloaded such investments in 2024 due to impending changes in vehicle taxation. But international trade tensions and policy uncertainty in the Netherlands are also making firms reluctant to invest. The outlook for business investment

has been revised downwards since the Spring Projections, taking into account the delayed effect of uncertainty on investment.

Moreover, industrial capacity utilisation is low. This seems incongruous with the tightness of the Dutch economy. However, sales of industrial products tend to be dependent on foreign markets where competition can be fierce, depressing demand for Dutch products. This contributes to an underutilisation of production capacity. Low capacity utilisation means firms will have less demand for expansion investments.. This, combined with policy uncertainty, means recovery in investment growth will be limited in the coming years.



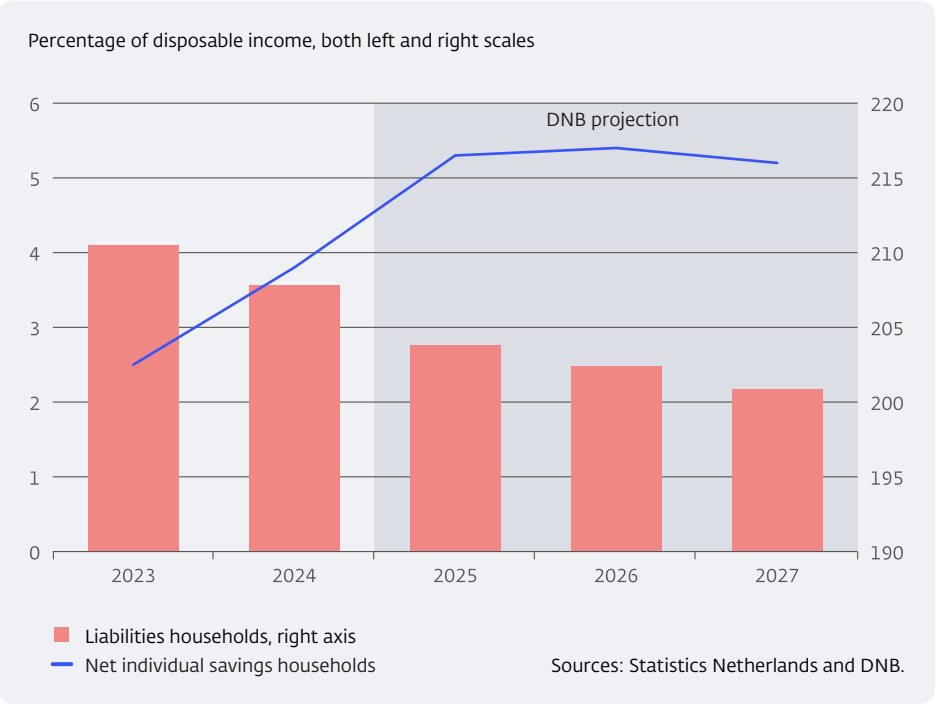
Consumption growth steady, house prices to rise more slowly

Private consumption is a stable driver of economic growth. Household spending is projected to increase by around 1.5% each year in the 2025-2027 period, supporting GDP growth. Rising household incomes are driving this spending growth. Adjusted for inflation, disposable income is to rise by almost 3.5% in 2025, and 1% to 1.5% per year in 2026-2027. This is due to rising employment and higher real wages, although the labour supply is rising faster, pushing up unemployment somewhat.

Households save part of their higher income. The individual savings rate (private savings as a percentage of disposable income) is set to rise sharply in 2025 and will remain above 5% in the ensuing years (Figure 4). This is substantially higher than previously; ten years ago, the savings rate was around 0%. The higher savings rate is linked to developments in the housing market. Homeowners are saving to pay off their mortgage loans, which is reflected in a continued decline in interest-only mortgages. First-time buyers in the housing market are saving to finance the purchase of a home. This translates into a steady decline in the household debt ratio, a trend that continues over the projection horizon (Figure 4). This is a positive development, especially from the perspective of financial stability.

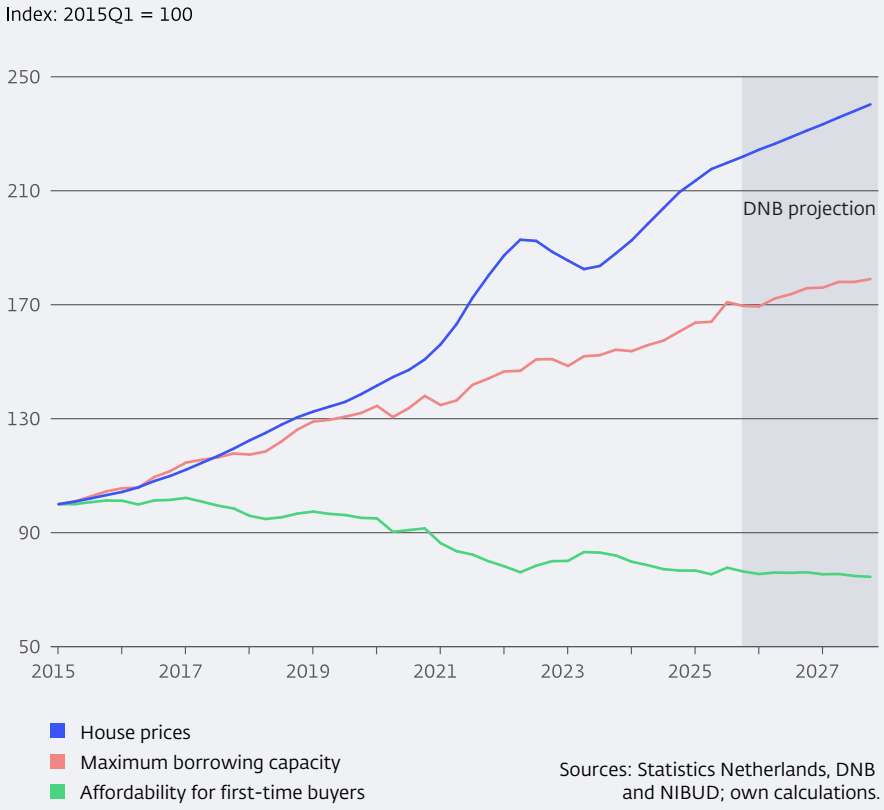
House prices continue to rise, but not as fast as previously. We expect house prices to increase by around 4% in both 2026 and 2027. This is less than in recent years, when house price growth was more than 8% per year. This is because wages are rising more slowly than in recent years and mortgage interest rates are rising slightly. As a result, households' will see a slower rise in their borrowing capacity while house prices will also rise less steeply. However, the tightness in the housing market due to stagnant supply means house prices will still rise somewhat more than the borrowing capacity of households. The affordability of owner-occupied housing will thus deteriorate (Figure 5).[1]

Figure 4 Households save more also to pay off their mortgage debt



1 Borrowing capacity is defined as the maximum mortgage loan for a household with a median income and with no own money paid up front, based on Nibud (National Institute for Family Finance Information) standards. We use the 2025 Nibud standards for the 2026 and 2027 projections.

Figure 5 Affordability of owner-occupied houses to fall slightly



Sources: Statistics Netherlands, DNB and NIBUD; own calculations.

Note: Affordability first-time buyers is the difference between the change in borrowing capacity and nominal house prices. Maximum borrowing capacity is for households with average household income.

More and more people need other means besides a mortgage loan to buy a house. A median-priced house is projected to cost around €575,000 in 2027. To fully finance this amount with a mortgage loan, a gross household income of at least €120,000 would be needed (taking into account own money needed for purchase costs). It is estimated that only one in three households will have such an income or higher in 2027.[2] By comparison, in 2019, almost half of households earned the income needed to afford a median-priced owner-occupied home. More often than before, households therefore need extra savings, home equity or financial support from family.[3]

Housing investment continues to recover. Spending on new construction and renovations is up more than 3% this year, after declining in 2023 and 2024. The increase is linked to the higher number of housing transactions, partly due to investors selling rental properties in response to government measures such as the Affordable Rent Act (*Wet betaalbare huur*), among other reasons. Also, more new building permits were issued in 2024, boosting housing investment this year. We expect growth in housing investment to be somewhat more subdued in 2026 and 2027 (see Key Data Table), as the number of new permits seems to flatten and loan interest rates rise slightly. Sales of rental housing are expected to continue.[4]

More on the housing market can be found on our theme page.

2 Calculations and estimates of median household income and median house price (calculated based on housing stock value) were made with Statistics Netherlands Microdata and Calcasa WOX 2025Q3.
3 The proportion of first-time buyers benefiting from a financial gift from parents or in-laws increased from 22% to 34% between 2021 and 2024 (WoOn 2024 core publication).
4 See SEO (2025) Investeringsklimaat Middenhuur. It is expected that about 30% of the mid-market rental housing stock will be sold on the private market in the next 10 years. This figure is 40% for the four major cities in the Netherlands.

Labour market and wage growth move towards equilibrium

The labour market is easing. This is reflected in the slowly rising unemployment rate, which is projected to climb from 3.9% this year to 4.4% by 2027. We do not see this as a fundamental reversal in the labour market, but as rebalancing. After the COVID-19 crisis, labour demand grew exceptionally fast, bringing unemployment down to a historically low 3.5% in 2022. The economy cooled in the ensuing years. Employment growth is now also slowing down, and is set to lag behind labour supply growth in the coming years (see Key Data Table).

Labour supply and demand will thus become more balanced. An unemployment rate of 4.4% in 2027 is close to what economists consider equilibrium unemployment for the Netherlands. Other indicators also suggest that labour supply and demand are becoming more balanced. For instance, there were more jobseekers than vacancies in the third quarter of 2025 for the first time in four years, although labour market tightness remains much higher (97 vacancies for every 100 unemployed people) than before the COVID-19 pandemic (32 vacancies for every 100 unemployed people on average in 2003-2019). The unemployment rate is rising mainly because more people are entering the labour market. Currently, 76.4% of the Dutch population aged between 15 and 75 are either in paid employment or actively seeking employment. In Europe, only Sweden and Iceland have higher employment rates; the European average is 10 percentage points lower.

The number of self-employed people is decreasing, as the number of jobs in regular employment rises. In the first three quarters of 2025, the number of self-employed people fell by 98,000 compared to the end of 2024. The number of jobs in regular employment actually increased. Never before has the number of self-employed people declined so sharply. The cessation of the enforcement moratorium on false self-employment legislation from 1 January 2025 was a contributing factor in this decline. It does not appear that formerly self-employed people are becoming unemployed or leaving the labour market on a large scale. More seem to be making the switch to regular paid employment than previously (Figure 6). From 2026, enforcement efforts against false self-employment will be stepped up, which will lead to a further contraction in the number of self-employed people.

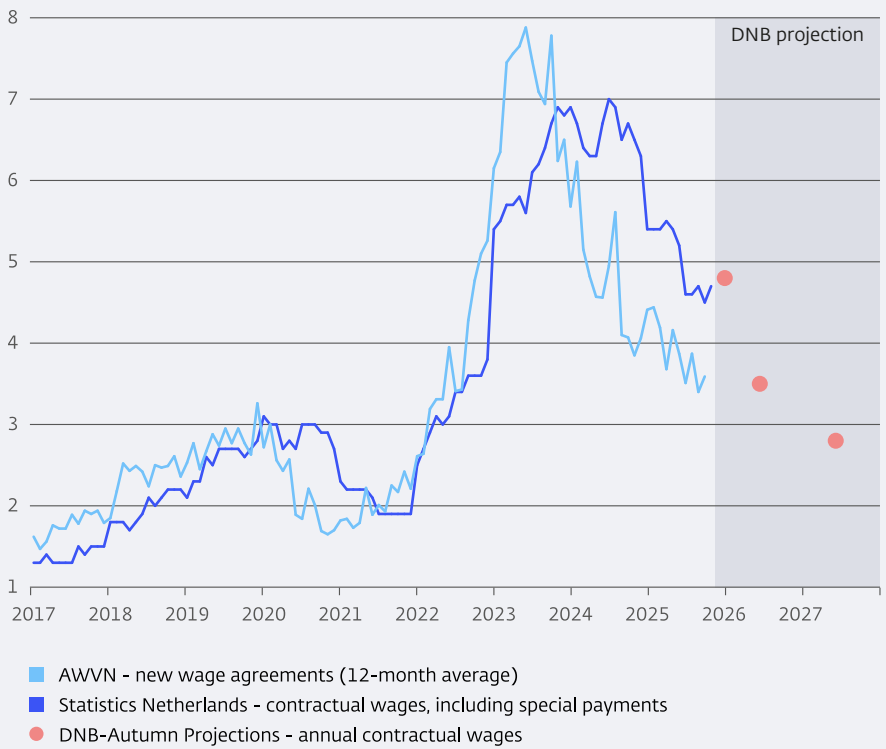
Figure 6 Change in labour position of self-employed people

Note: Change in labour position of self-employed people in a quarter compared to their labour position in the previous quarter.

Wage growth is also moving towards a new equilibrium. After peaking at almost 7% in 2024, the highest growth in 40 years, wage growth regulated in collective labour agreements is expected to reach 5.3% this year. This is higher than expected in the Spring Projections. Wage growth will be tempered further in 2026-2027 (Figure 7). Newly negotiated collective labour agreements confirm this trend, with a declining dispersion in negotiated wage growth across new agreements. This development indicates that the inflation peak of 2022-2023 has now been compensated for in nearly all collective agreements. The steady decline in wage growth indicates normalisation after an exceptional period. Normal wage growth is roughly equal to inflation plus productivity growth.

Labour productivity growth is trending towards the long-term average. Labour productivity growth has been around 0.5% per year for the past decade and we project similar growth for the 2026-2027 period as well. For 2025, labour productivity growth will still be considerably higher, mainly an effect of remarkably higher GDP growth. Such effects are linked to the usual delayed response of the labour market to economic developments. For instance, firms tend to retain staff when their output decreases. Productivity growth then falls, as it did during the 2023 recession. Conversely, productivity growth picks up when staff growth fails to keep up with output growth, as it has this year.

Figure 7 Wage growth is easing



Sources: AWVN, Statistics Netherlands and DNB Autumn Projection, December 2025.

More on the labour market can be found on our theme page.

Inflation falls; domestic price pressures dominate

Inflation in the Netherlands is gradually falling further. Inflation (European harmonised, HICP) is projected to fall from 3.0% in 2025 to 2.3% in 2027 (Figure 8). This is particularly due to international developments. For instance, global energy prices have fallen this year and are projected to decline further in 2026, pushing down energy inflation (see Key Data Table). Food inflation is also partly influenced by price fluctuations in the world market. The consumer price of food is projected to rise by over 5% this year, but by only 2% in 2027. The stronger euro also contributes to lower inflation with some delay, as imports of goods and services become cheaper. Inflation excluding food and energy (core inflation) is projected to be 2.8% in 2025 and 2026, but will fall to 2.1% in 2027.

Figure 8 Inflation falls gradually

Year-on-year percentage changes and percentage point contributions

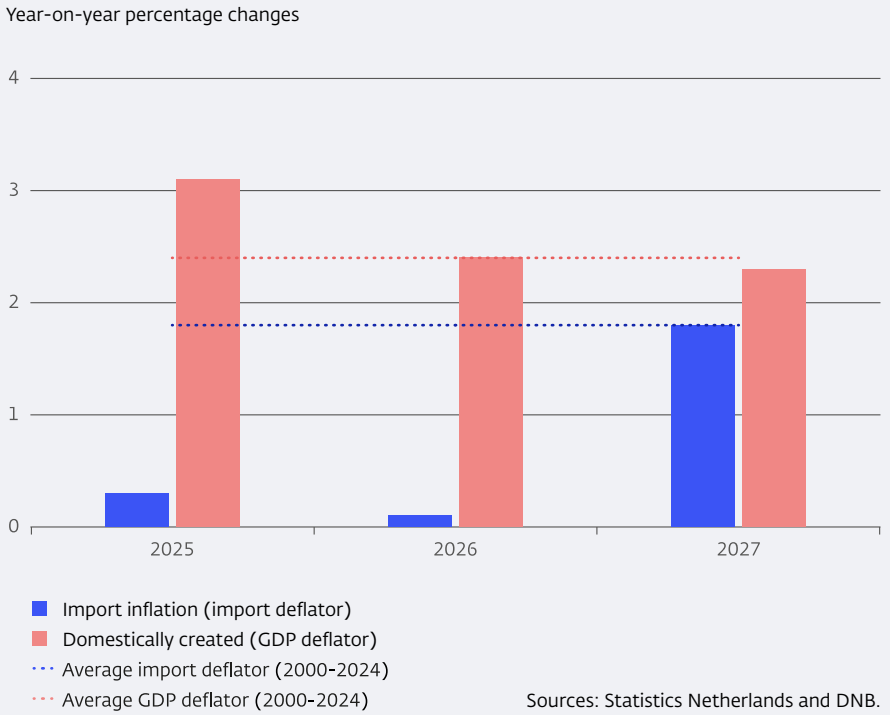
Sources: Statistics Netherlands and DNB.

Inflation is mainly driven by domestic factors. This is indicated by the GDP deflator, which measures inflation of domestically produced goods and services (Figure 9). The GDP deflator is set to be substantially higher than import inflation in 2025 and 2026. Excess demand is the main domestic source of inflation in the Dutch economy, putting upward pressure on goods and services prices across the board. Services inflation is closely linked to wage growth and is set to remain higher than HICP inflation over the projection horizon due to labour market tightness.

Tax and rent increases also contribute to inflation. In June this year, a bill to freeze rents in the social housing sector was withdrawn, raising inflation by about one to two tenths of a percentage point in 2025-2027. The partial rollback of a previous fuel excise duty reduction and higher VAT on lodging from 2026 also contribute to higher inflation. Overall, higher indirect taxes are projected to contribute to inflation by 0.3 percentage points in 2026 and 0.4 percentage points in 2027. Once the new Dutch cabinet has taken office, tax measures may change, thereby altering their effect on inflation.

Energy affordability remains stable. Households will spend an average of 4.5% of their disposable income on gas and electricity in 2026.[5] This share will remain almost the same in 2027, despite rising taxes, grid charges and fixed and variable supply costs. Sustained household income growth will cushion the impact of these increases. Households in lower income brackets will see a slight increase in the share of their income that they spend on gas and electricity.

Figure 9 Inflation mainly has domestic causes



More on inflation can be found on our theme page.

5 Source: DNB calculation based on Statistics Netherlands microdata (energy consumption, household income) and CBS StatLine (historical energy prices).

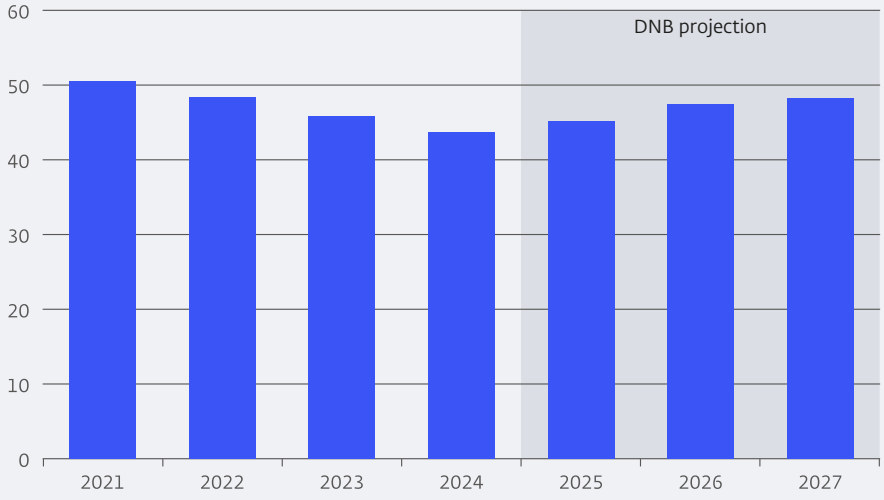
Public finances offer little room for manoeuvre

Budget deficit to increase less than projected in 2025. Compared to 2024, the budget deficit will increase by 1 percentage point to 1.9% of GDP this year. This increase can be attributed to lower dividend tax revenues and tax cuts enacted by the current government. The deficit is rising less sharply than anticipated in the Spring Projections, in which we projected a deficit of 2.8% of GDP. This is mainly due to greater revenues from taxation and contributions stemming from higher economic growth.

The deficit is projected to increase further in 2026 and 2027. In 2026, the deficit will be 2.9% of GDP and 2.1% of GDP in 2027. These projected figures incorporate the adopted amendments from the tax plan (including the decrease in Box 3 tax and the decreased reduction of the fuel excise duty). The sharp increase in 2026 is partly due to the reform of the military pension system, which will cost the government a one-off amount of €8.5 billion (0.7% of GDP) in that year. Also, spending on social security, healthcare and debt service payments is set to rise as a percentage of GDP in 2026 and 2027. Although the budget deficit will remain below the norm of 3% of GDP in the coming years, fiscal policy is too expansionary given the state of the economy. Indeed, current fiscal policy contributes to excess demand in the economy (see also the policy recommendations later in these Autumn Projections). Moreover, current deficit levels provide little room for absorbing future economic shocks.

After years of decline, public debt is rising again. Public debt is still well below the norm of 60% of GDP, but it will rise in the coming years due to ongoing budget deficits and lower nominal GDP growth (Figure 10). European institutions have also seen their debts rise sharply in recent years, reaching around €875 billion in 2024. This is mainly due to European Commission's economic recovery package to support EU Member States in their recovery from the COVID-19 pandemic (NGEU). Formally, this is EU debt, which does not weigh on the Dutch national accounts. However, EU Member States share responsibility for this debt. In a background article, we show that if this EU debt were allocated to Member States on the basis of their GDP, the Netherlands' share would be €17.6 billion. If this is factored into Dutch national debt, the debt-to-GDP ratio would rise from 43.7% to 45.3% in 2024. This broad debt ratio gives a more complete picture of the Dutch debt position.

Figure 10 Public debt rising again



Sources: Statistics Netherlands and DNB.

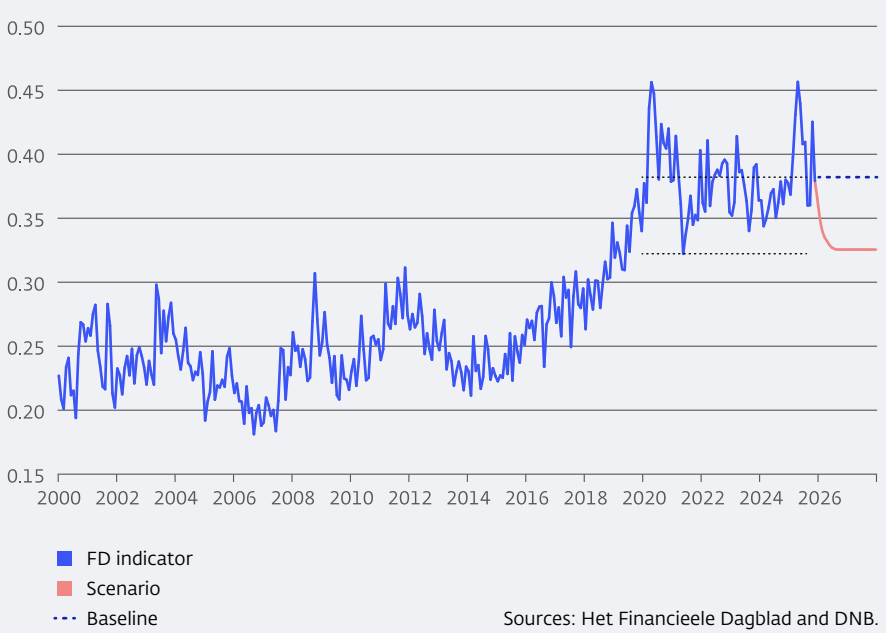
More on public finances can be found on this theme page.

Alternative scenario: decreasing domestic uncertainty gives positive impetus

In an alternative scenario, domestic uncertainty decreases. We have calculated the effects of this scenario and present them below. The scenario involves the government making targeted decisions and addressing structural bottlenecks, such as nitrogen restrictions and energy grid congestion. Uncertainty in the Netherlands then falls more sharply than expected. This is revealed in Figure 11: uncertainty in the scenario (red line) falls rapidly in 2026 to the lowest level since 2020, while the uncertainty in the baseline projection (dotted bold line) continues to hover around the average level since 2020.

In the scenario, investment and consumption get a boost. Decreasing uncertainty means households and businesses become more confident in the economy, reflected in additional investment demand from firms. They have room to expand and make decisions on new investments thanks to greater clarity on longer-term costs and benefits. For example, they then invest in new machinery and equipment to boost the efficiency of their production processes. They also invest in new construction projects, such as new factories and housing. As consumer confidence rises, households also spend more, drawing on some of their savings to do so. The positive sentiment also has a favourable impact on equity prices in the Dutch stock market (Box 1 describes the impulses in the scenario).[6]

Figure 11 Uncertainty in the Netherlands declines



Sources: Het Financieele Dagblad and DNB.

Note: the figure shows the proportion of uncertainty-related newspaper articles in the Dutch financial daily *Het Financieele Dagblad* as a percentage of the total number of articles, based on extensive text analysis. For more information, see page 11 of this DNB Analysis (2025) Uncertainty and climate policy in the Netherlands.

6 The impact of decreasing uncertainty on the economy is based on ECB calculations for the euro area (Eurosystem staff macroeconomic projections for the euro area, June 2025). Furthermore, Dutch equity prices are assumed to be 10% higher than in the baseline projection.

Box 1 Impulses and effects in the scenario

Decreasing uncertainty: with direct impact on business investment and household consumption. Consumer confidence and equity prices rise.

Increasing productivity growth: with upward effect on potential GDP growth in the Netherlands. Higher productivity growth induces additional business and housing investment.

Addressing structural bottlenecks would also promote productivity growth. It would rise as production factors (i.e. people and machines) can be deployed more efficiently. This will improve the conditions for investment and prompt firms to invest more in new technologies and innovations. Productivity growth then increases and unit labour costs fall. For the economy as a whole, stronger productivity growth means higher potential GDP growth – the earning capacity of the Netherlands. This means that demand for products and services can increase more without putting upward pressure on inflation.[7] The positive impact on potential growth occurs gradually and does not yet fully manifest itself until after 2027.

Growth picks up and inflation remains almost unchanged. GDP growth would then be 1.6% in 2026 and 2027, which is about 0.4 percentage points higher on average than in the baseline projection (see Figure 12, left panel). Reduced uncertainty, higher productivity growth and restored confidence are driving this higher growth. Business investment growth in 2027 would be more than 3.5 percentage points higher than in the baseline projection (Figure 12, right panel). However, inflation remains almost unchanged from the baseline projection. This is because the upward pressure on prices due to higher demand is offset by lower production costs in the scenario, driven by stronger productivity gains.

Households are also better off in the scenario. Higher equity prices result in an increase in household financial assets. Growth in households' disposable income is also higher in the scenario than in the baseline projection: about +0.3 percentage points per year on average in 2026 and 2027. This, together with greater financial assets, gives private consumption an additional boost. Unemployment would stand at 4.2% in 2027, which is slightly lower than in the baseline projection.

Figure 12 The economy and business investment grow more in the scenario

Sources: DNB and ECB.

7 The increase in productivity raises potential GDP growth by about 0.2 percentage points per year on average in 2026 and 2027.

Increasing housing investment expands the housing supply. This reduces tightness in the housing market and limits the rise in house prices. These increase due to rising household incomes, lower unemployment and positive economic sentiment. The greater housing supply has a dampening effect on house prices. On balance, therefore, the increase in house prices in the scenario is almost equal to that in the baseline projection.

Scenario: What if bottlenecks are resolved?

The government addresses bottlenecks. This boosts confidence among businesses and households. It leads to higher investment and consumption, and a stronger economy.

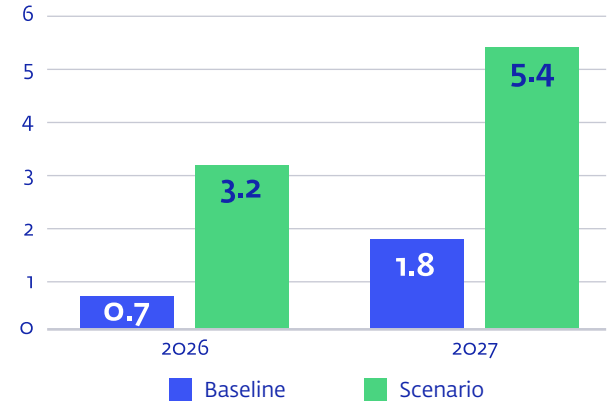
Scenario assumptions

- Bottlenecks around nitrogen and the power grid resolved
- Uncertainty decreases
- Household confidence increases

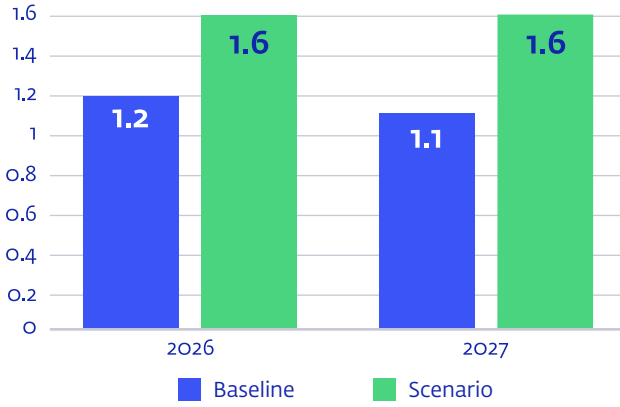
Economic consequences

- Room for investment
- Higher productivity growth and earning capacity
- Higher GDP growth through more consumption

Business investment



GDP growth



Policy recommendations

Decisively tackle constraints on the Dutch growth potential. Firms that want to invest in the Netherlands face uncertain government policies, unresolved nitrogen emissions challenges and energy grid congestion. The new cabinet should take swift action to resolve these bottlenecks to growth. Predictable and reliable government policies are an important prerequisite for boosting the economy's growth potential. The recently published report by Peter Wennink provides the new cabinet with clear guidance on how to improve the business climate, which will be essential for the Netherlands' earning power in the long term.

Prioritise European competitiveness. More than a year after publication of the recommendations to strengthen the competitiveness of the European economy as put forward by the Draghi and Letta Commissions, progress has been disappointing.[8] The recommendations are clear and practicable, but their implementation has been slow, both in Brussels and among Member States. Policymakers need to investigate why this process is stalling. Strengthening European competitiveness and deepening and harmonising capital markets will serve the common interest.[9] This calls for a decisive approach that goes beyond national interests. The Netherlands can take the lead, together with a group of reform-minded countries, in further developing the European single market and the savings and investment union. Through efforts like these, we must seize the opportunities in Europe to strengthen our competitiveness. If we fail to seize the opportunities for greater European economic cooperation, we will miss out on potential prosperity gains.[10] Moreover, in an uncertain world marked by geo-economic fragmentation, the Netherlands benefits from a strong Europe.

Keep public finances sound. Expansionary fiscal policies encourage spending. However, in an economy already operating at full capacity, this increases upward price pressures.[11] Public investment can help boost the earning capacity of the Dutch economy. This involves making choices, as not everything can be realised at the same time. Indeed, it is also important to keep sufficient distance from the 3% public deficit limit.[12] Structural spending must therefore be covered structurally. Public finances also need to remain sound in the long term. The ageing population will mean greater spending on healthcare and state pensions, while revenues from payroll taxes will fall due to fewer people working. The new government must therefore take serious steps towards creating a future-proof tax system and reforming social security and healthcare programmes that are bound to expand due the ageing population.

8 See EPIC (2025), Draghi Observatory & Implementation Index: Only 1 in 10 Measures Implemented.
9 See also DNB Financial Stability Report, Autumn 2025.
10 It is increasingly clear from research on Brexit that the economic damage of reduced European cooperation could be substantial (see the study by Bloom et al. (2025)).
11 See this DNB Analysis (2025) on the effect of fiscal policy on inflation (in Dutch).
12 18th Working Group on Fiscal Space (2025), The future starts now.

Key data in projections for the Dutch economy

Percentage changes, unless stated otherwise[1]

	2024[1]	2025	2026	2027
Volume of expenditure and output				
Gross domestic product	1.1	1.7	1.2	1.1
Private consumption	1.0	1.5	1.6	1.5
Public expenditure	3.4	3.2	2.2	1.7
Business investment	-0.6	-2.6	0.7	1.8
Housing investment	-1.3	3.3	1.6	2.4
Exports of goods and services	-0.2	2.1	1.6	1.8
domestically produced	-0.4	2.2	1.4	1.5
re-exports	0.1	1.9	1.9	2.3
Imports of goods and services	0.0	2.3	2.3	2.6
domestically used	0.1	2.6	2.6	2.8
Prices and wages				
Harmonised index of consumer goods (HICP)	3.2	3.0	2.4	2.3
Harmonised index of consumer goods energy	0.1	-0.1	-0.3	5.4
Core inflation (HICP, excl. energy and food)	3.2	2.8	2.8	2.1
Negotiated wages, private sector	6.6	5.3	3.7	2.7
Compensation per employee, private sector	6.5	5.2	3.8	2.9
Unit labour costs, private sector	6.1	3.3	3.1	2.4
Labour market				
Employment (persons, growth)	1.0	0.5	0.6	0.4
Labour supply (persons, growth)	1.1	0.6	0.9	0.6
Unemployment (persons, x 1000)	373	395	432	456
Unemployment (% of labour force)	3.7	3.9	4.2	4.4

	2024[1]	2025	2026	2027
Government finances				
Public expenditure (% GDP)	44.4	45.0	46.6	46.4
Collective burden (% GDP)	38.8	38.8	39.4	40.0
Primary balance (% GDP)	-0.2	-1.1	-2.1	-1.1
EMU balance (% GDP)	-0.9	-1.9	-2.9	-2.1
EMU debt (% GDP, based on end-of-period)	43.7	45.2	47.4	48.2
Financial				
Bank lending tot NFCs (based on end-of-period)[2]	3.5	3.0	1.8	3.4
House prices, existing own homes	8.8	8.5	4.3	4.0
Residential mortgage (based on end-of-period)	4.2	4.8	3.5	3.0
International assumptions				
Volume of relevant world trade	1.4	3.4	2.0	2.8
Volume of GDP world, excluding euro area	3.6	3.5	3.3	3.3
Short-term interest rate euro area (%)	3.6	2.2	2.0	2.1
Long-term interest rate Netherlands (%)	2.6	2.8	3.0	3.2
Euro exchange rate (USD)	1.08	1.13	1.16	1.16
Competitor prices	0.6	-0.8	0.2	1.8
Oil price (UK Brent, USD per barrel)	79.9	68.5	62.5	62.6
Dutch exports and competitiveness				
Price exports of goods and services, dom. prod., excl. energy	2.4	1.7	1.7	1.9
Price competitiveness[3]	-1.8	-2.5	-1.5	-0.1
Volume exports of goods and services, dom. prod., excl. energy	-0.4	2.2	1.5	1.6
Market performance[4]	-1.8	-1.2	-0.4	-1.2
Current account (% GDP)	8.8	7.4	7.7	7.4

[1] Annual figures have been calculated on seasonally adjusted quarterly figures ad may therefore deviate marginally from the most recent National Accounts.
[2] Excluding *cash pooling*, adjusted for securitisations and breaks.
[3] Price competitiveness is Competitor prices minus Price exports of goods and services, domestically produced, excluding energy.
[4] 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 10 Public debt rising again

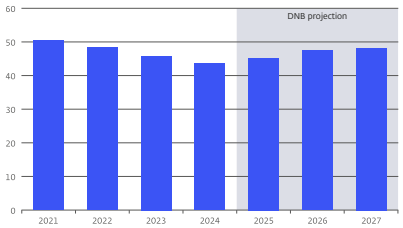


Figure 11 Uncertainty in the Netherlands declines

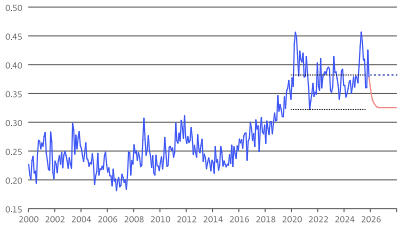
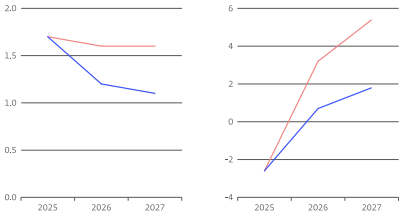


Figure 12 The economy and business investment grow more in the scenario



De Nederlandsche Bank N.V.
PO Box 98, 1000 AB Amsterdam
+31 (0) 20 524 91 11
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