



Macro Economic Outlook 2025

- Concise explanation of differences compared to draft MEV due to August decision-making
 - Purchasing power and poverty
 - Public finances and economic growth
- Main data for 2024-2025 and 2025-2028



Update of the economic and budgetary picture

CPB has updated its draft Macro Economic Outlook for 2025 (draft MEV 2025) to take account of the new government decisions taken last month and to bring it into line with the 2025 Budget Memorandum. The underlying economic projections have not been updated, so the differences between the draft MEV 2025 and this Macro Economic Outlook for 2025 (MEV 2025) are due solely to the inclusion of the adjustments in the budget. This publication details those differences. A commentary on the macroeconomic picture and the international environment, plus a more detailed description of the developments in public finances, purchasing power and poverty, can be found in the draft MEV 2025¹ and the accountability document released at the same time as this publication.²

The government is deferring expenditure to later years, so the budget deficit is more favourable this year. Partly due to the tight labour market, the government has assumed that it will be unable to realise all budgeted expenditure in the short term. Some spending has therefore been deferred to later years (budgetary shifts). Not all budgetary shifts improve the budget deficit in the CPB projections, because CPB had already taken part of this underinvestment into account. Overall, the budgetary shifts improve the government deficit by €3.6 billion in 2024. The government balance amounts to -1.8% of GDP.

Some of the measures in the outline coalition agreement aimed at reducing the financial burden on Dutch citizens will be delayed. This means funding will be available from 2025 to cover the budgetary loss following the Supreme Court ruling on Box 3 tax. Since this loss had already been included in the draft MEV 2025, the funding improves the 2025 government balance slightly to -2.5% of GDP. The government has chosen to leave the impact of the Supreme Court judgement unfunded in 2024.

EMU debt turns out higher, mainly due to a one-off charge. EMU debt amounts to 51.1% of GDP in 2028. That is still very low in historical and international terms, but it is 1.3 percentage points higher than in the draft MEV. The main cause is an additional private loan to Tennet. This deterioration has a knock-on effect on the long-term debt projection, which is now 71% of GDP in 2038.

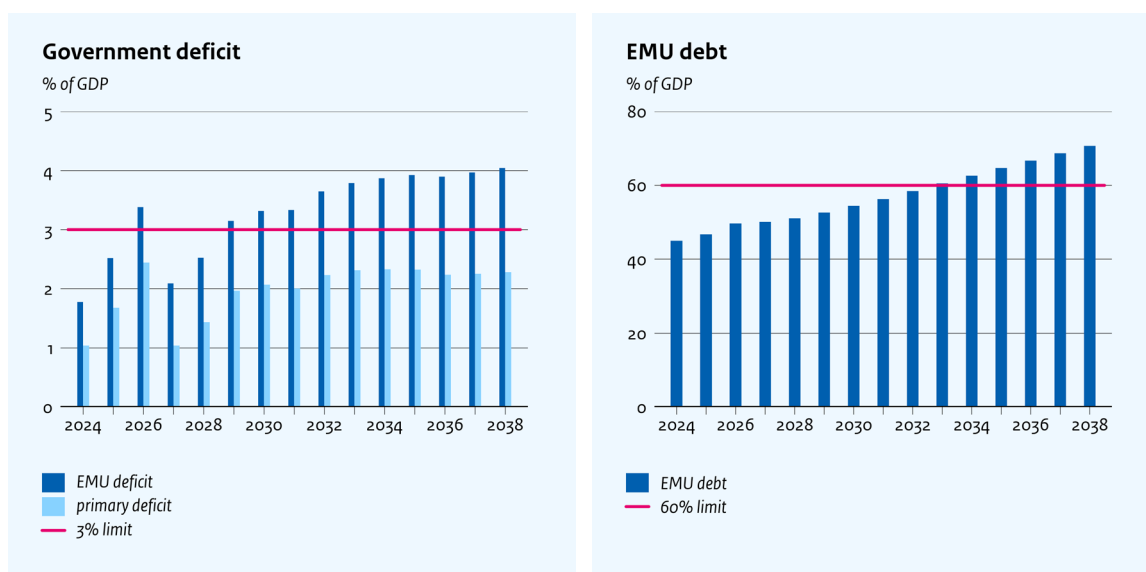
Although in the near term the public finances are somewhat more favourable than previously projected, the longer-term picture is unchanged. The budgetary shifts in 2024 and the closing of the revenue framework in 2025 mean that in 2024 and 2025 the government will have a slightly wider budgetary safety margin than that included in the outline coalition agreement. The medium-term picture is unchanged, with the deficit continuing to widen and exceeding 3% of GDP from 2029 (Figure 1.1, left). Government debt also enters a rising trajectory and exceeds the EU limit of 60% from 2033 (Figure 1.1, right) The implemented policy therefore does not comply with new EU rules.³

¹ See CPB (2024), Draft Macro Economic Outlook 2025 ([link](#)).

² See CPB (2024), MEV 2025 Accountability Document ([link](#)).

³ See CPB (2024), MEV 2025 Accountability Document ([link](#)) for details of the operation of the new EU budgetary rules.

Figure 1.1 Deficit and debt set to breach European limits after government term.



Source: CPB ([link](#))

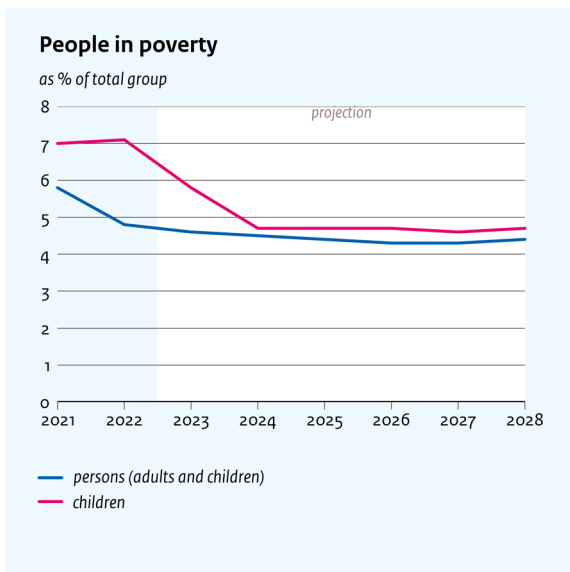
The increase in purchasing power is somewhat smaller than previously projected, due to the smaller reduction in the financial burden in 2025. The Box 1 rates decrease less than in the draft MEV, and the maximum general tax credit is also lower. Purchasing power rises by an average of 0.7% in 2025. That is 0.4 of a percentage point less than before the delay to the financial relief. Since purchasing power is presented year on year, it accordingly rises more sharply in subsequent years. The rise in purchasing power still averages 0.8% per year over the government term as a whole.

The government has taken targeted measures to achieve the poverty objective. In the outline coalition agreement, the cabinet parties agreed that poverty rates should not increase from the 2024 levels during their term of office. Various measures enabled this objective to be met in the draft MEV, except in the case of child poverty. This has now been rectified by a gradual increase in the child-related budget (Figure 1.2).⁴ Choosing this kind of targeted measure is nevertheless at odds with the desire to eventually abolish the allowances system.

The macroeconomic impact of the government’s decisions is very limited. GDP growth is 1.5% in 2025, 0.1% lower than previously projected. The delay in the reduction of the financial burden leads to somewhat lower consumption. Housing investments are also somewhat lower in 2025 due to anticipation of the cut in transfer tax in 2026. These effects are made up for in subsequent years, with average GDP growth over the government term remaining unchanged.

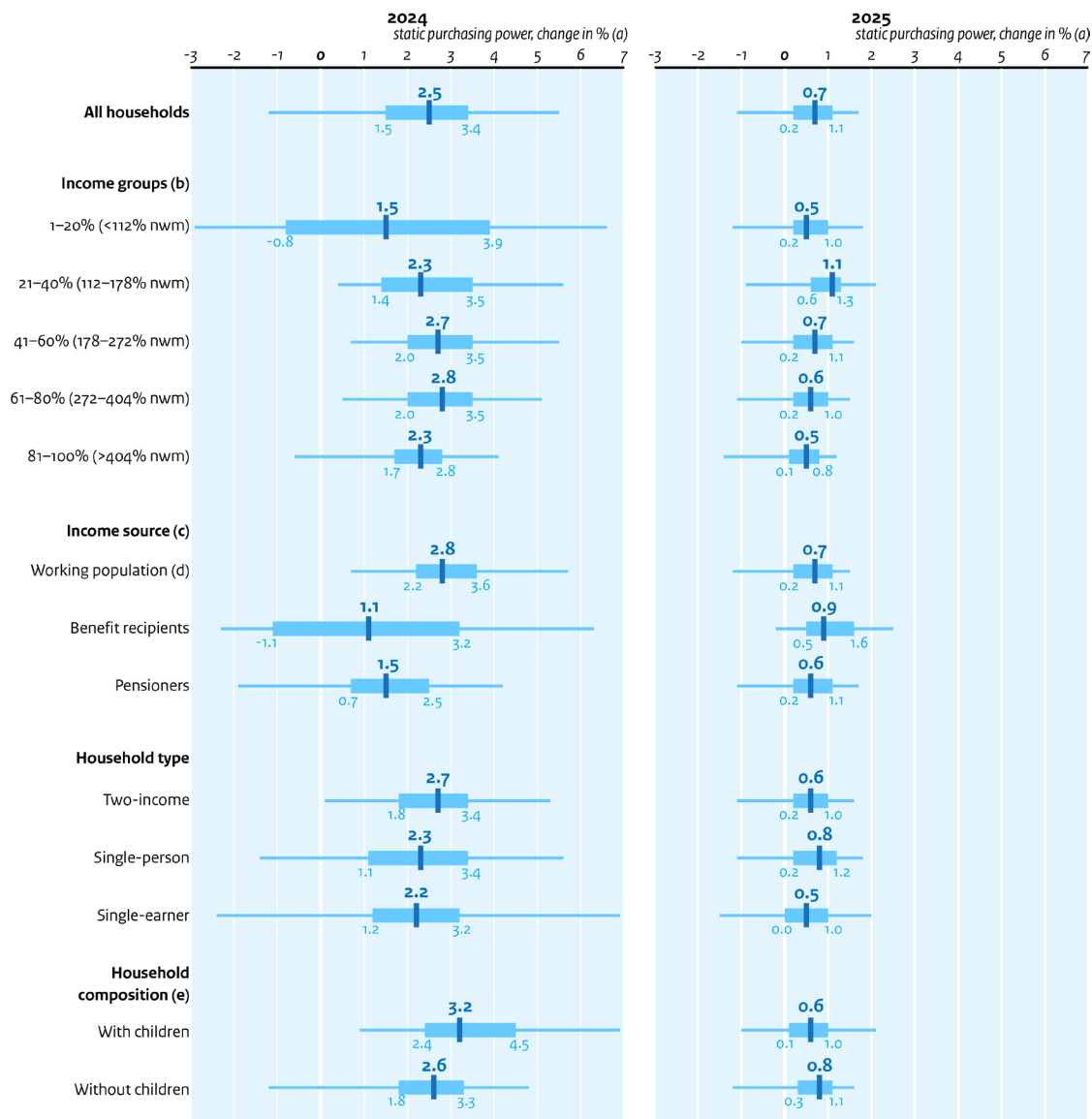
⁴ It should be noted that the value for the 2024 base year is also a projection and is therefore subject to uncertainty. After the current projection, CPB will switch to using the new poverty definition developed by Statistics Netherlands (CBS), the Netherlands Institute for Social Research (SCP) and Nibud. It is not yet clear what impact this will have on the poverty projection.

Figure 1.2 Poverty among persons and children remains virtually flat during the government term.

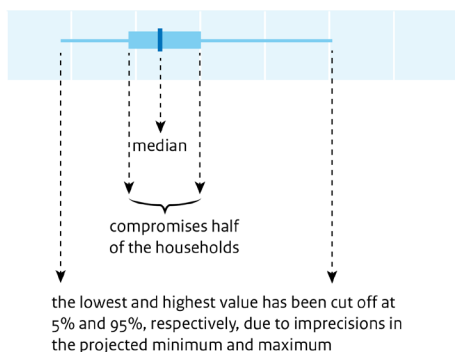


Source: SCP and CPB based on Statistics Netherlands microdata ([link](#))

Figure 1.3 Purchasing power rises for all income groups in 2025



How to read the table?



The 'median' is the middle value of a series of figures, ordered from low to high. A median purchasing power development of 1.3% for all households means that, for half of them, purchasing power development will be 1.3% or less, while, for the other half, it will be 1.3% or more. For half of the households, purchasing power development will be within the blue bar, with one quarter below and one quarter above the median. For the other half, purchasing power development will be outside this range. The box plot's whiskers show the lowest and highest development in purchasing power.

- (a) Not including incidental changes in income.
- (b) Gross labour income or welfare benefits on household level; the national minimum wage (nwm) in 2021 is around 27,235 euros. Income groups have been divided into five groups of equal size in ascending order of income, each containing 20% of all households.
- (c) The categorisation according to source of income is based on the highest income source per household, with households of which the main income is derived from investments or products having been categorised under the employed. Households on early retirement income or student grants as their main source of income have been excluded.
- (d) Changes in purchasing power for the employed do not include incidental wage changes, such as bonuses received or lost.
- (e) The categorisation according to household composition is based on the presence of children of up to eighteen years and excludes pensioner households.

Source: CPB based on Statistics Netherlands microdata ([link](#))

Table 1.1 Main data for the Netherlands, 2020-2025

	2020	2021	2022	2023	2024	2025
	changes per year in %					
International economy						
Relevant world trade volume, goods and services	-8.8	9.0	7.8	-0.4	1.1	2.8
Competitor prices (a)	-1.2	6.8	15.2	-1.9	1.1	1.6
Oil price (in USD per barrel)	41.8	70.7	100.8	82.5	83.0	77.2
Euro exchange rate (in USD per euro)	1.14	1.18	1.05	1.08	1.08	1.10
Long-term interest rate, the Netherlands (level in %)	-0.3	-0.2	1.5	2.8	2.7	2.7
Volume of GDP and spending						
Gross domestic product (GDP, economic growth)	-3.9	6.3	5.0	0.1	0.6	1.5
Household consumption	-6.1	4.5	6.9	0.8	0.7	2.7
Public consumption	1.6	4.7	1.3	2.9	2.5	1.3
Investments (including inventories)	-6.5	10.5	5.6	-9.1	-3.2	3.7
Exports of goods and services	-3.8	6.9	4.4	-0.5	-0.4	2.4
Imports of goods and services	-4.1	6.5	4.4	-1.8	-0.7	3.7
Prices, wages, purchasing power and poverty						
Price level, gross domestic product	2.4	2.7	6.2	7.3	5.1	2.7
Export prices of goods and services	-2.6	8.7	19.1	-0.9	1.0	1.7
Import prices of goods and services	-3.3	10.7	22.1	-3.4	-0.7	1.4
Inflation, national consumer price index (CPI)	1.3	2.7	10.0	3.8	3.6	3.2
Alternative CPI (purchasing power and poverty data) (b)	1.3	2.1	6.8	7.8	3.4	3.2
Inflation, harmonised index of consumer prices (HICP)	1.1	2.8	11.6	4.1	3.5	2.8
Wage rate, business sector (per hour) (c)	7.7	0.2	3.2	6.6	7.0	5.2
Collectively negotiated wages, business sector	2.8	2.1	3.1	5.9	6.6	4.3
Purchasing power, static, median all households (d)	2.6	0.8	-2.5	-0.6	2.5	0.7
People in poverty (in %) (d, e)	5.6	5.8	4.8	4.6	4.5	4.4
Labour market						
Labour force	0.4	0.9	2.4	2.0	1.0	0.6
Working population	0.0	1.5	3.2	2.0	0.9	0.4
Unemployed labour force (x thousand persons)	465	408	350	359	375	390
Unemployed labour force (in % of labour force)	4.9	4.2	3.5	3.6	3.7	3.8
Employment (in hours)	-4.2	4.7	3.9	1.4	0.7	0.2
Other items						
Labour income share, business sector (in %)	73.6	70.7	67.8	67.6	68.8	68.8
Labour productivity, business sector (per hour)	0.1	2.7	1.8	-1.2	-0.3	1.3
Private savings (in % of disposable income) (f)	9.3	6.9	1.3	1.9	5.5	6.2
Current account balance (in % of GDP)	5.6	10.0	6.6	9.9	10.8	10.0
	in % of GDP					
Public sector						
EMU balance	-3.6	-2.2	-0.1	-0.4	-1.8	-2.5
EMU debt (year-end)	53.3	50.4	48.3	45.1	45.0	46.7
Public financial burden	39.7	39.2	38.1	38.6	38.1	38.0
Gross public expenditure	48.1	46.2	43.6	43.4	44.1	44.8
<p>(a) Goods and services, excluding natural resources and fuels.</p> <p>(b) See subsection 1.4 of <i>CEP-2023-Verdieping</i> (link) for further details of the alternative CPI series and see Statistics Netherlands (link).</p> <p>(c) The NOW wage cost subsidy and the continuity contribution in health care have an upward impact on wage rate changes in the private sector of 3.4 percentage points in 2020 and a downward impact of 2 percentage points in 2021 and 1.3 percentage points in 2022.</p> <p>(d) The figures for median purchasing power and people in poverty are based on the alternative CPI.</p> <p>(e) Ratio of the number of persons in households below the poverty line to the total number of persons. The modest-but-adequate criterion used by the Netherlands Institute for Social Research (SCP) has been adopted as the poverty line.</p> <p>(f) Level; disposable household income includes public savings.</p>						

Table 1.2 Main data for the Netherlands, 2005-2028

	2005- 2008	2009- 2012	2013- 2016	2017- 2020	2021- 2024	2025- 2028
	changes per year in %					
International economy						
Relevant world trade volume, goods and services	6.2	1.4	3.9	1.1	4.3	2.5
Competitor prices (a)	0.0	2.4	1.0	0.2	5.1	1.4
Oil price (in USD per barrel, level in final year)	96.3	111.1	43.6	41.8	83.0	70.4
Euro exchange rate (USD per euro, level in final year)	1.47	1.29	1.11	1.14	1.08	1.16
Long-term interest rate, the Netherlands (in % in final year)	4.2	1.9	0.3	-0.3	2.7	2.7
Volume of GDP and spending						
Gross domestic product (GDP, economic growth)	2.9	-0.4	1.5	0.8	2.9	1.4
Household consumption	0.8	-0.6	0.9	-0.2	3.2	1.9
Public consumption	3.9	1.1	0.5	1.9	2.8	1.6
Investments (including inventories)	5.5	-4.5	3.8	2.8	0.7	3.3
Exports of goods and services	5.0	2.4	4.6	2.6	2.5	2.2
Imports of goods and services	5.0	1.8	4.8	3.2	2.0	3.2
Prices, wages, purchasing power and poverty						
Price level, gross domestic product	2.3	0.7	0.7	2.3	5.3	2.6
Export prices of goods and services	2.9	1.3	-1.8	0.7	6.7	1.0
Import prices of goods and services	3.0	2.0	-2.3	0.4	6.7	0.7
Inflation, national consumer price index (CPI)	1.7	1.8	1.1	1.7	5.0	2.7
Alternative CPI (purchasing power and poverty data) (b)					5.0	2.7
Inflation, harmonised index of consumer prices (HICP)	1.7	1.8	0.8	1.7	5.4	2.5
Wage rate, business sector (per hour) (c)	2.8	2.1	1.0	3.3	4.2	4.3
Collectively negotiated wages, business sector	2.0	1.7	1.3	2.2	4.4	3.8
Purchasing power, static, median all households (d, g)	0.5	-0.5	0.8	1.0	0.2	0.8
People in poverty (in % in final year) (d, e)		7.2	5.7	5.6	4.5	4.4
Labour market						
Labour force	1.3	0.5	0.3	1.0	1.6	0.4
Working population	1.8	-0.1	0.2	1.6	1.9	0.2
Unemployed labour force (x thousand persons, level in final year)	427	622	645	465	375	460
Unemployed labour force (% of labour force in final year)	4.8	6.8	7.0	4.9	3.7	4.5
Employment (in hours)	1.5	-0.6	0.7	0.8	2.7	0.1
Other items						
Labour income share, business sector (in % in final year)	69.2	72.6	72.3	73.6	68.8	69.9
Labour productivity, business sector (per hour)	1.6	0.3	0.9	0.0	0.7	1.2
Private savings (in % of disposable income in final year) (f)	-3.0	-1.2	1.4	9.3	5.5	4.7
Current account balance (in % of GDP in final year)	2.7	7.8	7.3	5.6	10.8	8.5
	in % of GDP in final year					
Public sector						
EMU balance	0.0	-3.8	0.2	-3.6	-1.8	-2.5
EMU debt	54.3	65.7	60.8	53.3	45.0	51.1
Public financial burden	36.4	36.1	38.6	39.7	38.1	39.1
Gross public expenditure	44.3	47.6	44.2	48.1	44.1	45.5

(a) Goods and services, excluding natural resources and fuels.

(b) See subsection 1.4 of *CEP-2023-Verdieping* ([link](#)) for further details of the alternative CPI series and see Statistics Netherlands ([link](#)).

(c) The NOW wage cost subsidy and the continuity contribution in health care have an upward impact on wage rate changes in the private sector of 3.4 percentage points in 2020 and a downward impact of 2 percentage points in 2021 and 1.3 percentage points in 2022.

(d) The figures for median purchasing power and people in poverty are based on the alternative CPI.

(e) Ratio of the number of persons in households below the poverty line to the total number of persons. The modest-but-adequate criterion used by the Netherlands Institute for Social Research (SCP) has been adopted as the poverty line.

(f) Level; disposable household income includes public savings.

(g) Up to the end of the 2017-2020 period, the arithmetic mean was used instead of the average purchasing power development per year.

Appendices

The appendices to the Macro Economic Outlook for 2025 (MEV 2025) are available digitally on the CPB website ([link](#)).

The figures in the following tables correspond to the 2023 National Accounts of Statistics Netherlands. The figures take account of the 2021 revision to the National Accounts (for more information on this revision, see Statistics Netherlands ([link](#))). The figures for the years 1995/96 to 2023 are based on Statistics Netherlands information after revision as published on Statline in June 2024, supplemented with CPB interpolations and estimates made by CPB based on developments prior to the 2021 revision. All figures from before 1995 predate the 2021 revision, so there is a revision break in the time series. This break has been made visible by including the year 1995 in the time series both before and after revision.

The following appendices are available:

- 1 Main economic indicators for the Netherlands, 1970-2028
- 2 Additional economic indicators for the Netherlands, 1970-2028
- 3 Key data for the world economy and external data for the Netherlands, 1970-2028
- 4.1 - 4.6 Means and expenditures 2023 to 2028 (€ billions, annual percentage changes)
- 5 Means and expenditures, changes, 1970-2028
- 6 Means and expenditures, in current prices, 1970-2028
- 7 Consumption, income and savings of households and gross fixed investment, 1970-2028
- 8 Dutch foreign trade, 1970-2028
- 9 Prices, wages and the linking of social security to the minimum wage, 1970-2028
- 10 Main indicators for the labour market, 1970-2028
- 11 Main indicators for public sector finances, by function, 1970-2028
- 12 Main indicators for public sector, expenditure and income, 1970-2028
- 13 Tax and premium receipts, 2000-2028
- 14 Policy-induced development of the financial burden, 2018-2028
- 15 Social security, 1970-2028
- 16 Rates of income tax and social security, 2001-2028
- 17 Nominal disposable incomes, 2024 and 2025
- 18 Purchasing power, wedge, wages and social security contributions, 1970-2028
- 19A Static purchasing power growth per year, 2024 and 2025
- 19B Static purchasing power growth, average per year, 2025-2028