

# CPB data Prinsjesdag 2020

After the historical decline in trade and production, Dutch economic growth will pick up again from the third quarter onwards, but the economic blow continues to reverberate

## Economic development



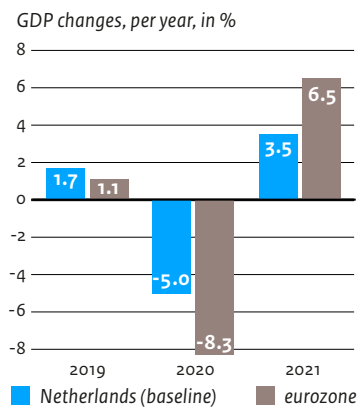
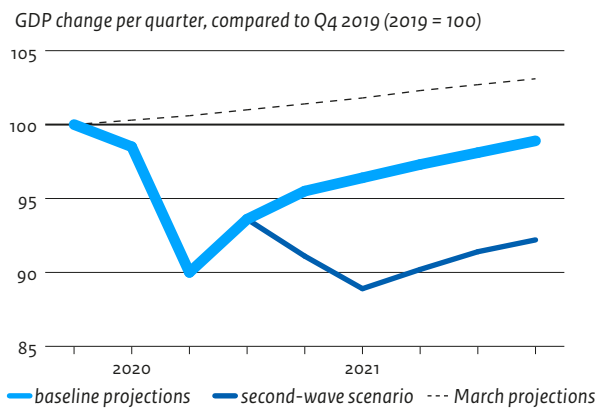
Baseline projections: economy is growing again, but remains below 2019 level



Scenario: GDP decreases further due to new major lockdowns



Economic downturn in the Netherlands less severe than elsewhere in the eurozone



To do justice to the large degree of uncertainty, CPB presents another scenario in addition to the basic projections

## Corona-related uncertainties



duration of restrictions



arrival of vaccine



developments abroad

## Other uncertainties



geopolitical tensions

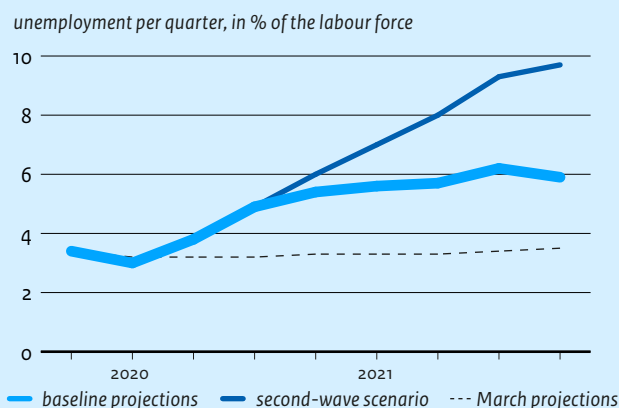


Brexit trade agreement



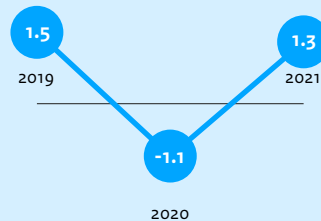
## Labour market

Labour market developments very turbulent, due to social distancing measures, largest increase in unemployment yet to come



Discouraged by the crisis, fewer people are actively in search of employment

change in labour supply, in %



Wage increases in the market sector decline due to higher unemployment and uncertain prospects

change in CAO wages businesses, in %

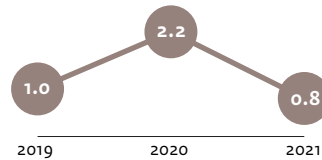




Individual purchasing power may turn out very differently; for example, in case of loss of income. This type of personal impact is not included in static purchasing power

### Static purchasing power

median all households, change in %



Static purchasing power will increase this year because of already agreed wage increases and a decrease in financial burden. In 2021, wage increases will be smaller.

### Analysis: Corona hits weak spot

Young people, the self-employed, flex workers and vulnerable groups are carrying a disproportionately large share of the economic blow. The challenge is to address underlying inequality, so that society will be more resilient if and when the next crisis hits



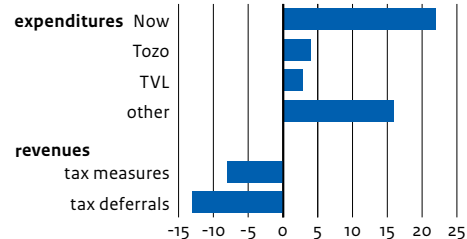
### Public finances

Public finances severely affected by financial support measures and lower tax revenues, but are not in jeopardy



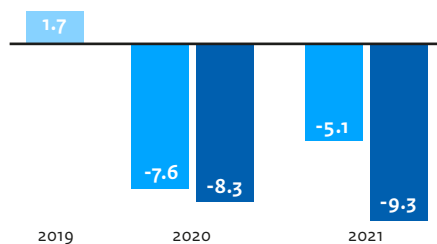
### Support packages

billion euros



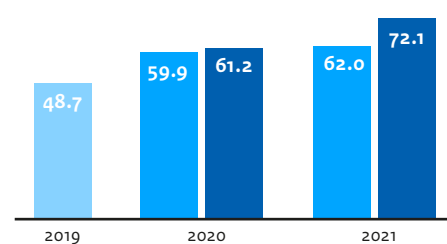
### EMU balance

% GDP baseline second-wave scenario



### Government debt

% GDP baseline second-wave scenario



### Update medium-term outlook (MLT) — 2022–2025

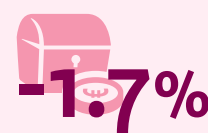
This update includes the coronavirus consequences, over the 2022–2025 period. It aims to provide food for thought for policy in the coming Cabinet term



GDP growth between 2022 and 2025, on average, will be 1.6% per year, in case there is no second lockdown



Unemployment is projected to peak in 2021, after which it will decline to 4.5% by 2025



The budget deficit will decrease to 1.7% of GDP and government debt will increase to 66.8% by 2025

The MLT is a separate publication (only in Dutch), published on [www.cpb.nl](http://www.cpb.nl)



Despite the GDP growth projected for the 2022–2025 period, part of the corona-related missed growth cannot be recovered