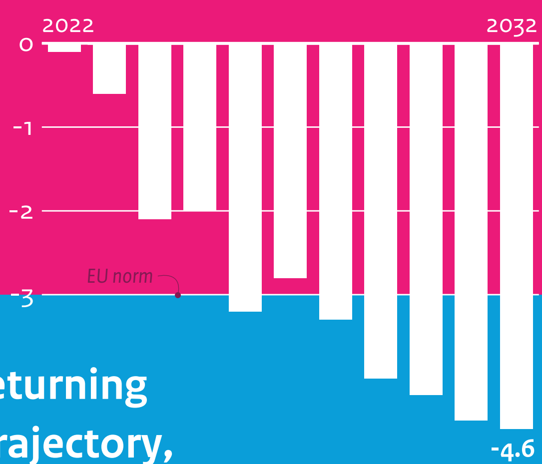
CPB Netherlands Bureau for
Economic Policy Analysis

Central Economic Plan 2024

A course correction is needed in public finances



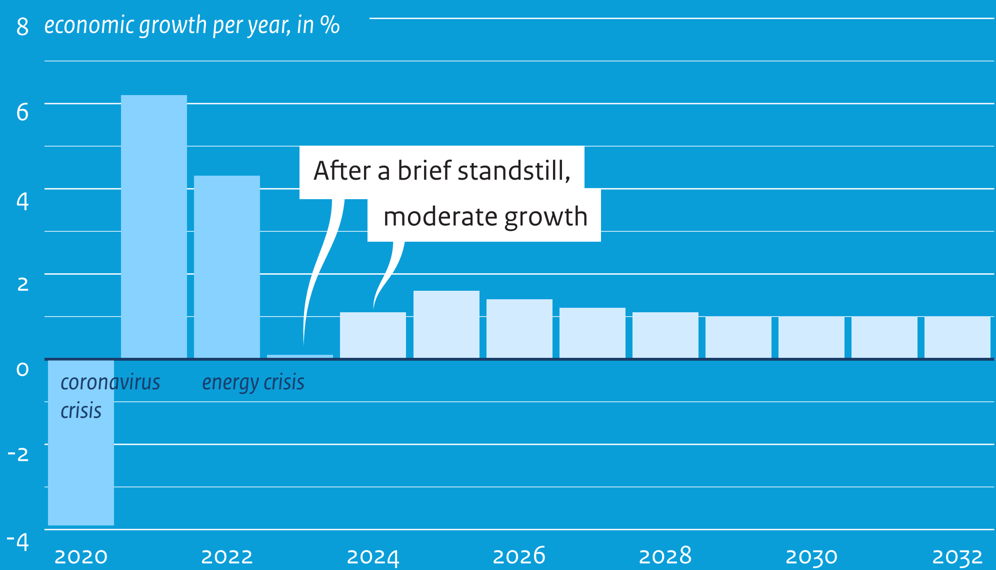
Purchasing power recovers strongly in 2024 due to rising wages and failing inflation

Purchasing power will stop growing in 2025

2024
+2.7%

2025
0.0%

The Dutch economy is returning to a moderate growth trajectory, after a turbulent period

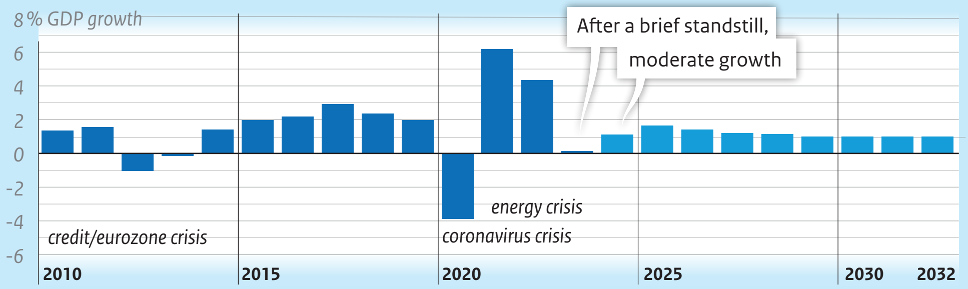


CPB Projections

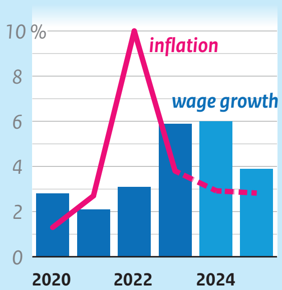
February 2024

Central Economic Plan 2024

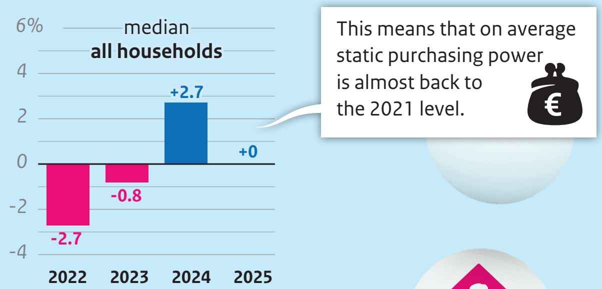
1 After some turbulent years, we are returning to a moderate growth trajectory



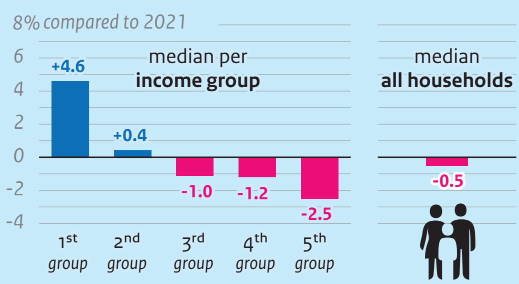
2 Due to rising wages, falling inflation...



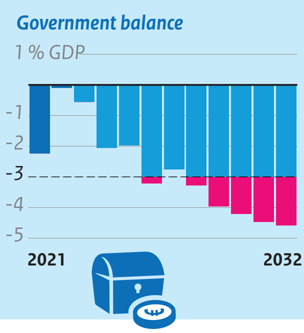
3 ... and policy, purchasing power rises in 2024 after two years of falls

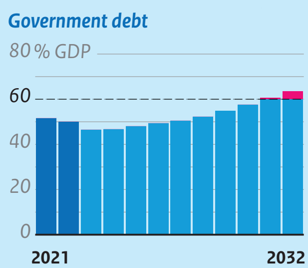


4 Compared to 2021, the purchasing power picture is positive for lower income groups in 2025. For higher income groups, we see a decrease

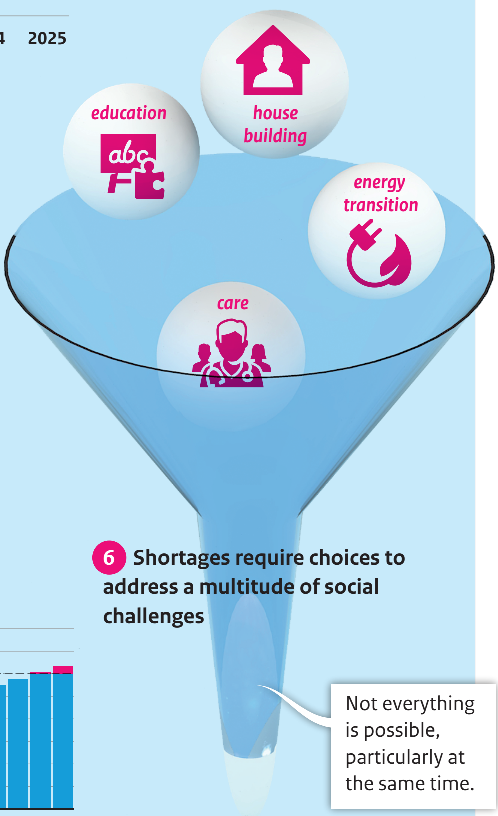


5 A course correction is needed in public finances





6 Shortages require choices to address a multitude of social challenges



Main points of CEP 2024

The Dutch economy is returning to a moderate growth trajectory. After a turbulent period, economic growth is set to normalise in the years ahead. The economy grew rapidly after the coronavirus crisis, leading not only to overheating in supply chains that were already disrupted but also to historical tightness in the labour market. The war in Ukraine unleashed an energy crisis and sharp rises in food prices. Under pressure from rising global inflation and the response by central banks, the economy cooled somewhat in 2023, but the labour market remained very tight. On the back of rising real wages and the government's continued expansionary policy, GDP growth is expected to pick up again in 2024 and 2025, reaching 1.1% and 1.6% respectively.

Purchasing power is recovering strongly due to rising wages and falling inflation. Inflation (CPI) is expected to fall to 2.9% in 2024, with wages continuing to rise by 6%. Median purchasing power is consequently set to rise by 2.7%. Purchasing power will stop growing in 2025. This means that purchasing power in 2025 will return almost to the 2021 level, recorded before the inflation shocks of 2022 and 2023. This does not apply to all income groups: for lower income groups the picture is positive on average over that period, whereas for higher income groups we see a decline. Personal circumstances, such as a poorly insulated home, may cause the purchasing power development to differ from that of the average household in an income group.

Targeted policies have achieved a structural reduction in poverty. The percentage of people in poverty will decrease to 4.7% in 2024, compared to 4.8% in 2023. In 2021, the percentage was still 6.1%. Poverty will rise slightly again in 2025 and subsequent years, because income at social welfare benefit level will not keep pace with the growth in prosperity. The lasting reduction in poverty has been achieved through various structural poverty-reduction measures adopted by the cabinet. These include the increase in the minimum wage and the associated welfare benefits, as well as the child-related budget and the rental allowance.

A change of course is needed in public finances. Despite the expansionary policies of recent years, the EMU balance has shown a moderate deficit in the past two years. The fact that public finances have not gone further out of balance is due to the economic boom, underinvestment and incidental revenue windfalls. The expansionary policy that is still being pursued by the outgoing cabinet will cause the deficit to deteriorate sharply in the short term. For example, expenditure is increasing in the budget funds (climate, transition and growth fund), but expenditure on social security and healthcare, asylum and defence is also rising. Furthermore, interest expenditure is rising while underinvestment is projected to decrease in the medium term, causing the balance to deteriorate further. We expect the deficit to breach the 3% limit set by EU budgetary rules from 2028 onwards. The advice of the official advisory group on budgetary options to maintain a safe margin up to the 3% limit with a €17 billion balance improvement to avoid ad hoc spending cuts therefore remains entirely appropriate.

It should be borne in mind that not everything is possible, particularly at the same time. Economic growth is set to remain moderate in the medium term, with clear constraints in the labour market, in public finances and with regard to space and the environment. The various medium-term challenges mean that stark choices lie ahead in areas such as education quality, housebuilding, the energy transition and rising care demand. By targeting financial resources and switching funding or raising taxes in other areas, it will be possible to effect the redistribution that is necessary to achieve social goals. It should be kept in mind that social goals can be achieved not only through the deployment of financial resources but also through price incentives and regulation.

1 Economic developments 2024-2025

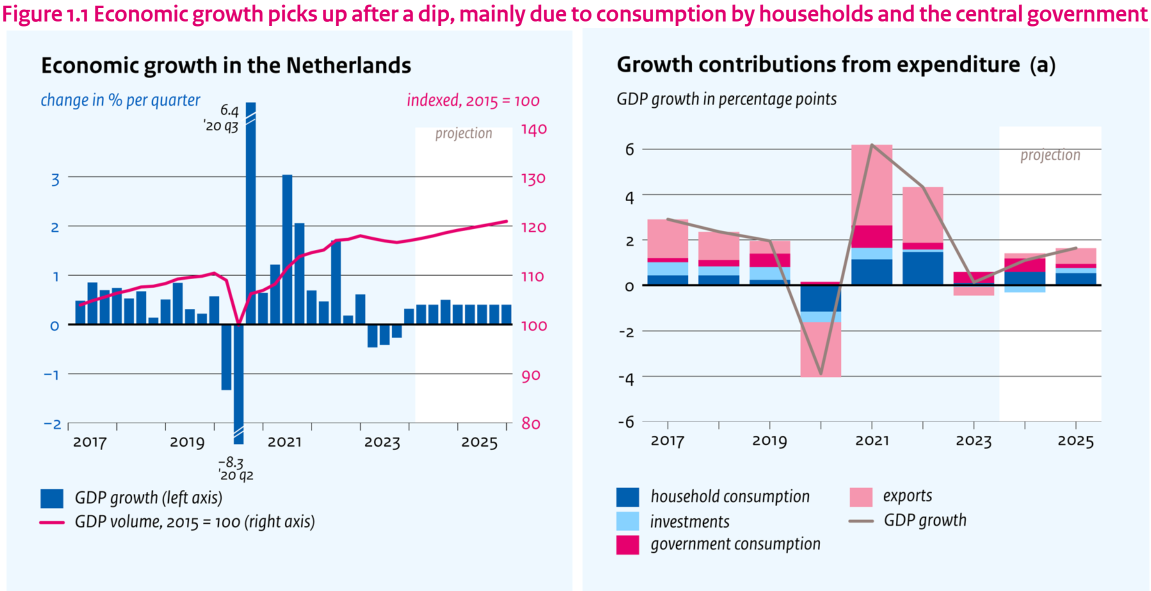
Macroeconomic picture

The economy has cooled somewhat after emerging overheated from the coronavirus pandemic. The past few years have been turbulent for the economy. The Corona pandemic threw the economy out of balance: when the economy reopened, supply could not meet pent-up demand, resulting in long waiting times, shortages, a tight labour market and inflation. Russia's war in Ukraine then triggered an explosion in energy prices, driving inflation to exceptionally high levels. This inflation wave, coupled with a restrictive monetary policy, has cooled the overheated economy. In particular, consumption and exports fell because households in the Netherlands and abroad had less to spend. The economy therefore contracted slightly for three quarters in succession in 2023. The position can nevertheless be described as a soft landing, with low unemployment and minor contractions, and some cooling of the overheated economy was inevitable.

The recovery of real incomes will cause growth to pick up again in 2024 and 2025. Inflation will decline further in 2024, with wages continuing to catch up. Combined with the government's purchasing power measures, this means households will have more to spend in 2024. The resulting higher consumption will fuel economic growth. Government spending will also boost the economy, particularly through increased spending on healthcare, defence and asylum.

Foreign demand is growing only moderately, with investments following after a time lag. The recovery is slowly gathering pace in all European economies, so foreign demand is set to increase over the year. As a result, Dutch exports will slowly get back on track. Corporate investment fell in the second half of 2023 due to the deteriorated outlook and higher interest rates. A degree of recovery will only be evident in 2025, when private-sector output picks up again.

Figure 1.1 Economic growth picks up after a dip, mainly due to consumption by households and the central government



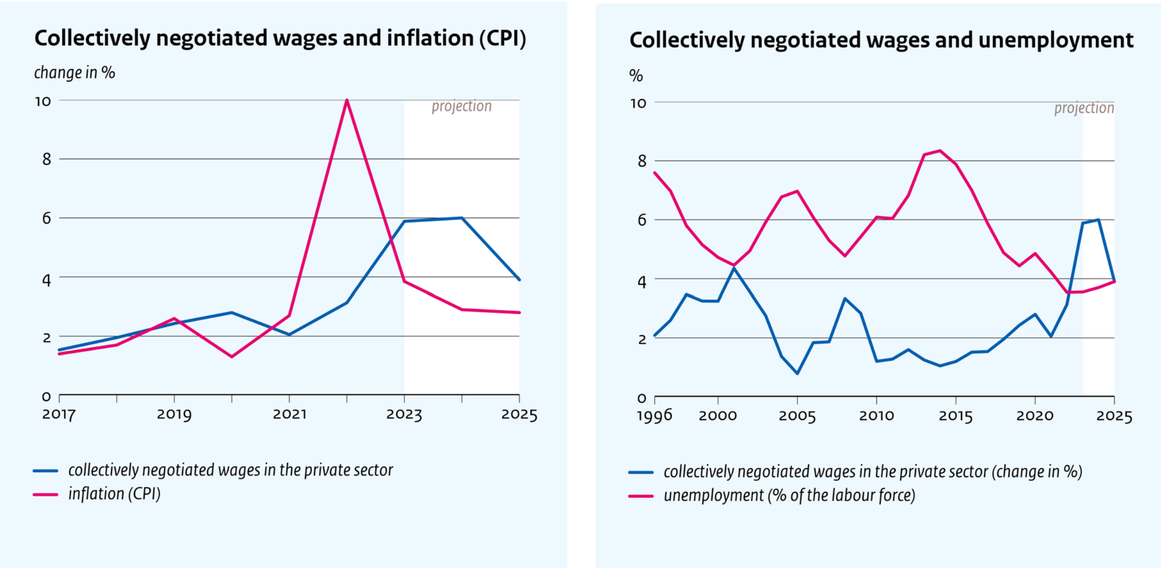
(a) The final and accumulated intermediate imports have been deducted from the expenditure categories
Source: Statistics Netherlands and CPB (link)

Inflation is set to fall with continued lower energy prices and a decline in core inflation. Despite the ending of the price cap, consumers will pay lower energy prices in 2024 than in 2023: market prices have fallen to such an extent that they are below the price cap. Core inflation is also declining now that businesses have passed on the higher energy costs. Wages are still putting upward pressure on inflation, however, particularly in services. Rents are also outpacing average inflation, after several years of limited rises. All in all, we expect inflation of 2.9% in 2024 and 2.8% in 2025.

Wage growth will remain high at 6% in 2024. In some sectors, the growth of collectively negotiated wages has been relatively limited since the inflation shock. We expect high wage growth in those sectors in 2024 because employees are still demanding compensation for the high inflation in past years. Recently concluded collective labour agreements still show significant wage increases of 5-7% for 2024. Wage growth will ease to 3.9% in 2025, as most employees will have been compensated for the wave of inflation, although 3.9% is still well above inflation. Employees will have an advantage at the bargaining table for some time to come, as the labour market remains tight.

Unemployment will rise slightly to 3.9% in 2025. The labour market remained tight in 2023; employment continued to grow despite the slight contraction of the economy. We will see the economic downturn of recent quarters reflected in the labour market, partly because wages are rising sharply. Bankruptcies and layoffs will increase, albeit remaining at historically low levels. With many vacancies still unfilled in the economy as a whole, however, unemployment will only rise to a limited extent.

Figure 1.2 Real wages recover, partly due to continued labour market tightness



Source: Statistics Netherlands and CPB (link)

Public finances

The estimated EMU balance for the past year is a moderate deficit. The EMU balance for 2023 is negative, but with a smaller deficit than initially expected (0.6% of GDP). On the expenditure side, this is due in particular to underinvestment and a more positive local government balance. The estimated costs of the energy price cap are also lower, because energy prices have fallen further than was expected during the summer. On the tax side, we saw incidental windfalls, for example in dividend tax, payroll and income tax and corporation tax.

Public finances are set to deteriorate in the short term, particularly due to rising expenditure. This is mainly due to the expansionary budget policy pursued by the outgoing cabinet. Compared to 2023, expenditure on various budget funds will increase in 2024 and 2025. These include the Climate Fund, the Transition Fund, the National Growth Fund and the Defence Equipment Fund. Expenditure will also increase in 2024 due to military support for Ukraine and costs for the reception of Ukrainian refugees. Some of this expenditure is also projected for 2025. Social security expenditure is rising, mainly due to higher wages, an ageing population and a slight increase in the unemployed labour force. Healthcare expenditure is also growing due to population ageing and higher wages and prices. Total public expenditure is set to rise, even taking into account underinvestment in budgeted funds. From 2025 onwards, we assume that underinvestment will decrease, causing the EMU balance to deteriorate.

The balance will also deteriorate in 2024 as a result of a decrease in the collective tax burden. This is due to an expected decrease in corporation and dividend tax revenues compared to 2023. Corporation tax revenues are set to fall because 2023 revenues were unusually high and included one-off items that will not be repeated in 2024. We also project a decline since business income lags behind GDP growth. The projected corporation tax revenues are very uncertain due to their high volatility. Dividend tax revenues will decrease in 2024 because income in 2023 was unusually high with taxpayers anticipating the introduction of a second tax bracket in box 2 of the income tax. In 2025, the collective tax burden will increase again slightly, mainly as a result of the increase in wage tax revenues. This is partly due to higher wages and an increase in the rate in the first tax bracket.

Purchasing power and poverty

The recovery in purchasing power will be stronger in 2024 than previously expected, due to a faster fall in inflation. Lower inflation at 2.9% in 2024, combined with wages continuing to rise by 6%, is the main reason for the strong recovery in purchasing power in 2024. Median purchasing power is set to rise by 2.7% this year.

Upper middle income groups in particular are seeing their purchasing power increase (Figure 1.3). This segment includes mostly the working population, who benefit most from higher wages. The highest and lowest income groups are most affected by the policy measures. Some temporary measures benefiting lower income groups, such as increases in the health insurance subsidy and the energy allowance, are being withdrawn. At the same time, the measures in last year's budget (including structural increases in the child-related budget and the rental allowance) provide support particularly for the purchasing power of lower income groups.[1] In the budgetary decision-making, this higher expenditure is funded through measures affecting the highest income group (lowering of the threshold for top-rate tax and rate increases in box 2 and box 3). This results in a smaller improvement in purchasing power among higher income groups than would have been the case without these measures.

A more limited rise in real wages is expected in 2025, so purchasing power will not increase further. Continued labour market tightness means that wage growth will remain above the 2.8% inflation rate in 2025, at 3.9%. Purchasing power will not increase, however, because the table correction factor (TCF) in 2025 is very low due to the fact that it lags behind inflation. The TCF is used among other things to index tax credits and wage and income tax bands: a low TCF therefore temporarily causes the tax rate to grow faster than wages.

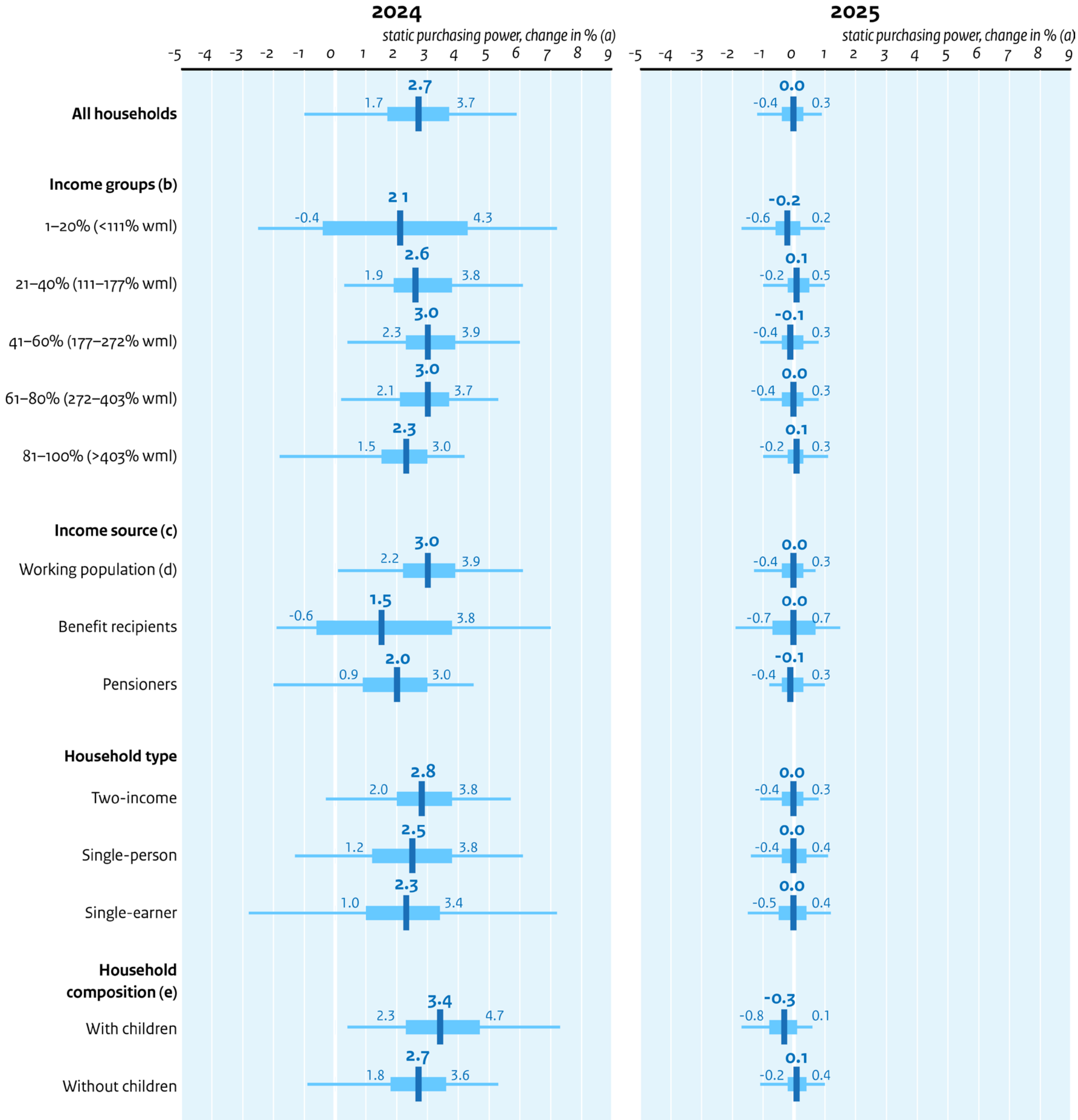
Purchasing power almost recovers from the hit it took in 2022 and 2023 (Figure 1.4). Purchasing power in 2025 will still be 0.5% below the level recorded in 2021, before inflation began to surge. Major differences can be seen between income groups, however: low incomes have improved due to a number of structural policy measures such as a higher minimum wage, a higher rental allowance and a larger child-related budget. This is without taking account of inflation inequality, the extent of which we cannot accurately assess at present. The

[1] The same applies to the related amendments in the General Political Considerations and General Financial Considerations, such as an earlier increase in the statutory minimum wage.

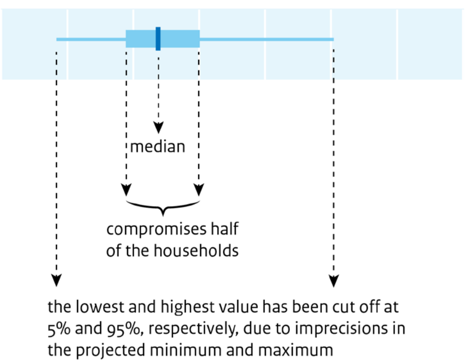
higher energy prices weigh more heavily on lower income groups, because energy makes up a larger share of their spending. Energy prices are still higher than before the inflation wave, although they are much lower than at the end of 2022. On the other hand, rents, on which lower income groups also spend relatively more, have actually risen less than inflation, so many factors can be cited on both sides. Individual purchasing power outcomes may differ due to personal circumstances. Households living in poorly insulated homes, for example, will suffer a greater loss of purchasing power due to high energy prices than is indicated by the average figure.

Poverty is also lower due to lower inflation, higher wage growth and targeted policies. The number of people and the number of children living in poverty will decrease this year due to policies aimed at supporting the purchasing power of lower income groups. Lower inflation and higher wages and welfare benefits also have a positive impact. The MEV projection (September 2023) was flat. In 2025, poverty will increase again slightly to 4.9% of people as a whole and 5.3% of children, because the rental allowance, the child-related budget and social welfare benefits will be reduced again (Figure 1.5).

Figure 1.3 Purchasing power rises for all groups in 2024, but barely any growth is expected in 2025



How to read the table?

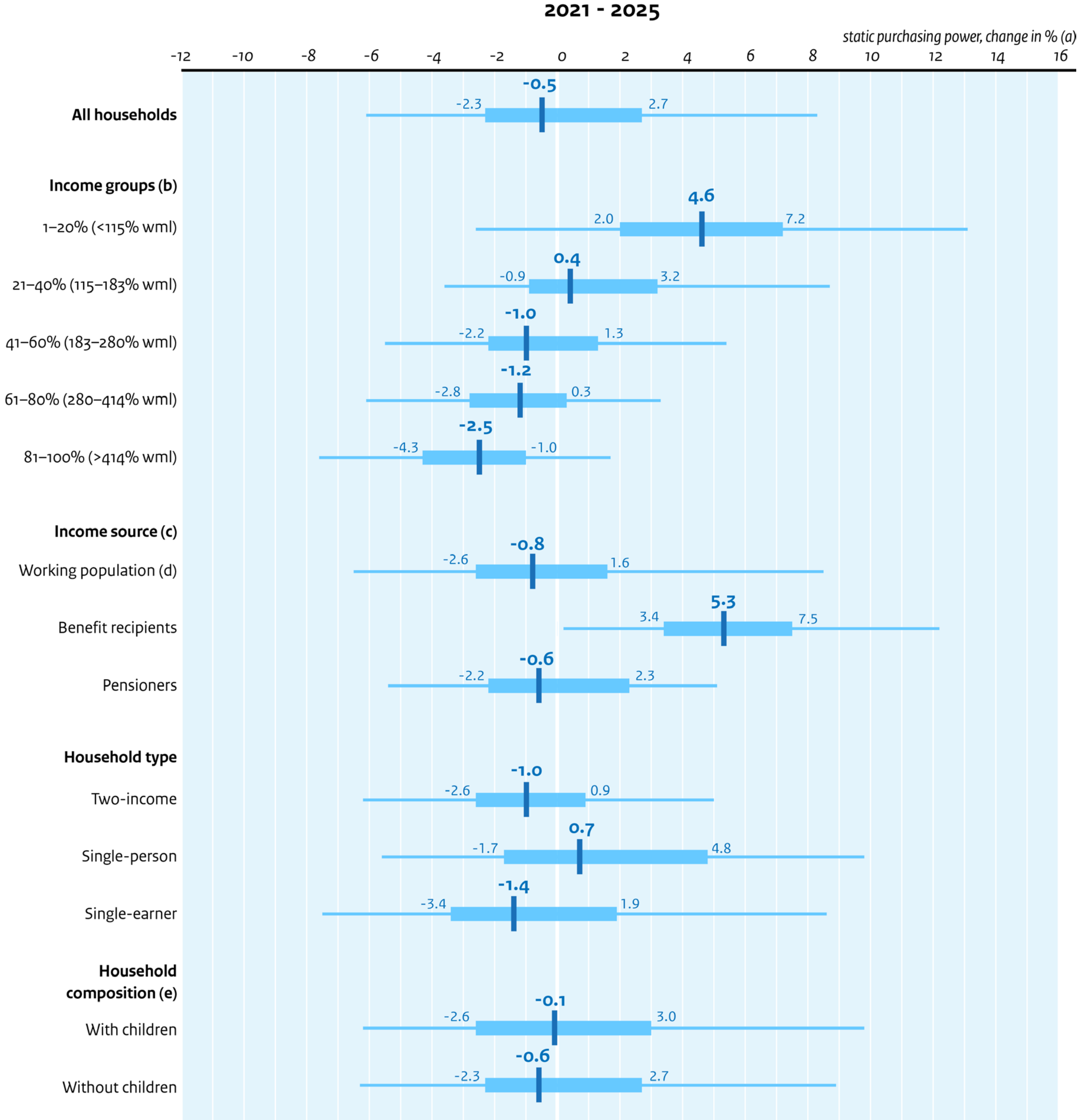


The 'median' is the middle value of a series of figures, ordered from low to high. A median purchasing power development of 1.3% for all households means that, for half of them, purchasing power development will be 1.3% or less, while, for the other half, it will be 1.3% or more. For half of the households, 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 en highest development in purchasing power.

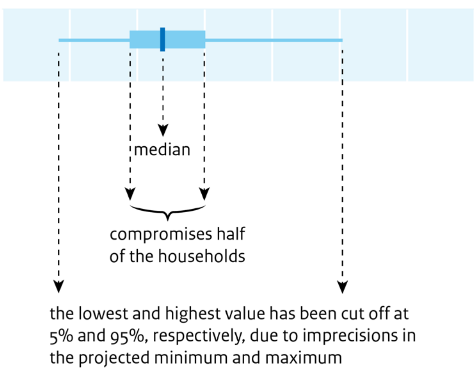
(a) Not including indicental changes in income.
(b) Gross labour income or welfare benefits on household level; the national minimum wage (nwm) in 2023 is around 25,463 euros. Income groups have been divided into five groups of equal size in ascending order of income, each containing 20% of all households.
(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 (link)

Figure 1.4 Only the purchasing power of lower income groups increases over the 2021-2025 period



How to read the table?

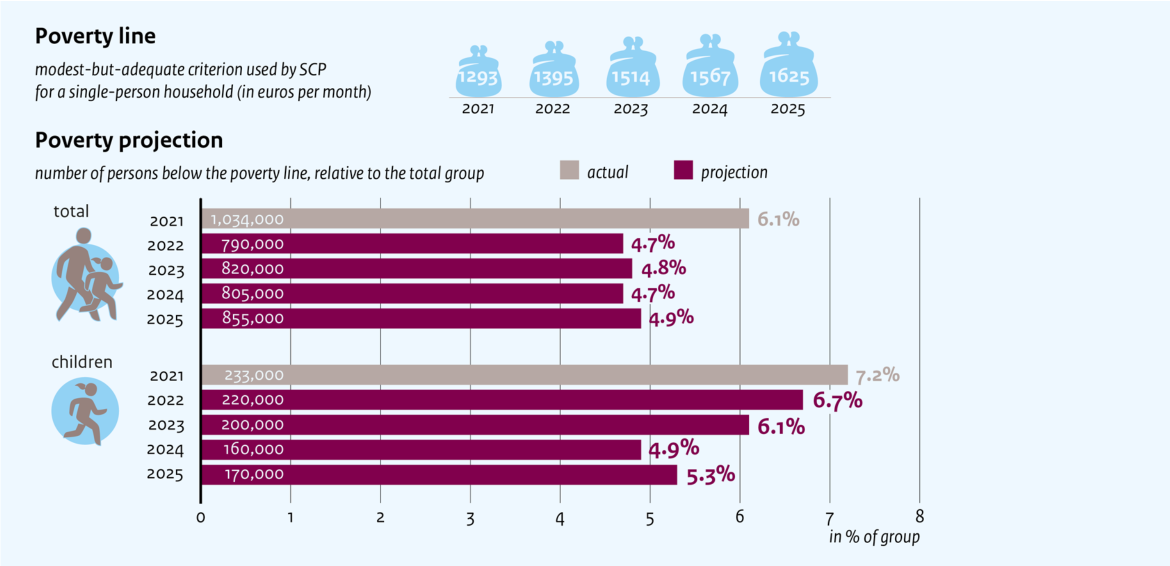


The 'median' is the middle value of a series of figures, ordered from low to high. A median purchasing power development of 1.3% for all households means that, for half of them, purchasing power development will be 1.3% or less, while, for the other half, it will be 1.3% or more. For half of the households, 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 en highest development in purchasing power.

(a) Not including indicental changes in income.
(b) Gross labour income or welfare benefits on household level; the national minimum wage (nwm) in 2021 is around 21,940 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 (link)

Figure 1.5 Poverty among households remains at more or less the same level, while decreasing among children



Source: SCP and CPB (link)

Risks

A further resurgence of geopolitical tensions could lead to lower economic growth, bringing greater global uncertainty. The world is in the grip of various geopolitical conflicts, such the ongoing wars in Ukraine and Gaza and the attacks by Yemen-based Houthi rebels on shipping in the Red Sea. Further escalations or new conflicts could increase the uncertainty and lead to lower growth in international trade and higher prices of energy and other commodities, leading to lower economic growth.

Table 1.1 Main data for the Netherlands, 2020-2025

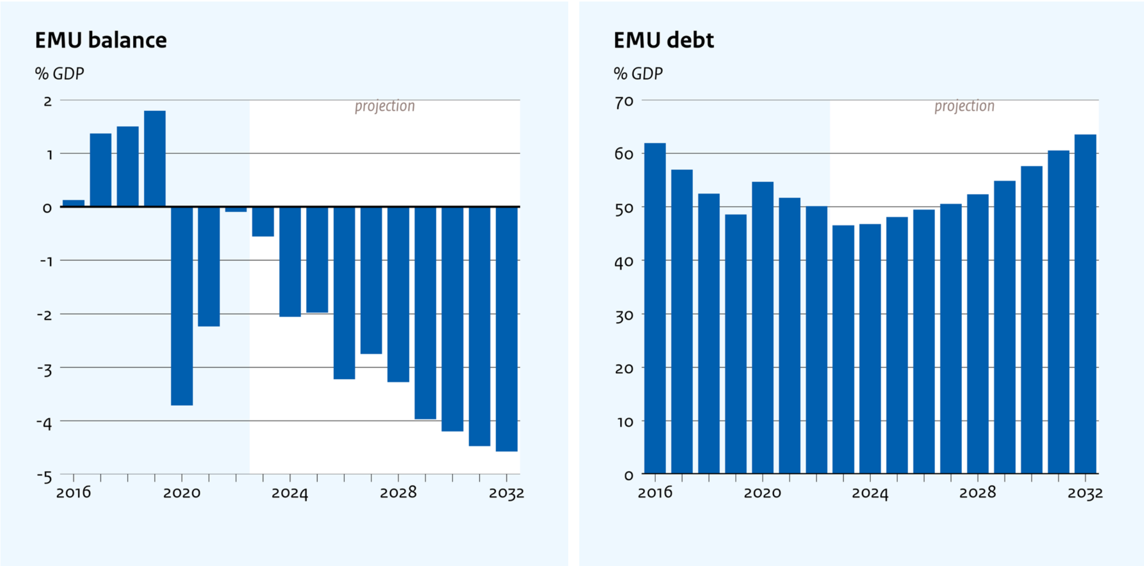
	2020	2021	2022	2023	2024	2025
	changes per year in %					
International economy						
Relevant world trade volume, goods and services	-8.7	8.9	7.8	-0.1	1.7	2.8
Competitor prices (a)	-0.8	7.1	15.7	-2.4	3.6	2.0
Oil price (in USD per barrel)	41.8	70.7	100.9	82.6	76.4	73.2
Euro exchange rate (in USD per euro)	1.14	1.18	1.05	1.08	1.10	1.11
Long-term interest rate, the Netherlands (level in %)	-0.4	-0.3	1.4	2.8	2.4	2.4
Volume of GDP and spending						
Gross domestic product (GDP, economic growth)	-3.9	6.2	4.3	0.1	1.1	1.6
Household consumption	-6.4	4.3	6.6	0.4	2.7	2.4
Government consumption	1.6	5.0	1.6	2.6	3.2	0.9
Investments (including stocks)	-6.3	4.7	1.0	-0.7	-3.1	2.3
Exports of goods and services	-4.3	8.0	4.5	-1.2	0.6	2.5
Imports of goods and services	-4.8	6.2	3.8	-0.7	1.1	3.0
Prices, wages, purchasing power and poverty						
Price level, gross domestic product	1.9	2.9	5.5	7.7	4.0	2.3
Export prices of goods and services	-2.9	8.8	17.4	-0.7	1.1	1.5
Import prices of goods and services	-3.6	10.0	20.7	-3.2	-0.1	1.4
Inflation, national consumer price index (CPI)	1.3	2.7	10.0	3.8	2.9	2.8
Alternative CPI (purchasing power and poverty data) (b)	1.3	2.1	6.8	7.8	2.7	2.8
Inflation, harmonised index of consumer prices (HICP)	1.1	2.8	11.6	4.1	2.7	2.5
Wage rate, business sector (per hour) (c)	7.9	0.0	3.7	6.9	6.3	4.2
Collectively negotiated wages, business sector	2.8	2.1	3.1	5.9	6.0	3.9
Purchasing power, static, median all households (d)	2.5	0.9	-2.7	-0.8	2.7	0.0
People in poverty (in %) (d, e)	5.6	6.1	4.7	4.8	4.7	4.9
Labour market						
Labour force	0.4	0.9	2.4	2.0	1.0	0.7
Working population	0.0	1.5	3.2	2.0	0.9	0.5
Unemployed labour force (x thousand persons)	465	408	350	358	380	405
Unemployed labour force (in % of labour force)	4.9	4.2	3.5	3.5	3.7	3.9
Employment (in hours)	-4.0	3.3	3.9	0.5	0.6	0.6
Other items						
Labour income share, business sector (in %)	76.3	72.9	71.5	70.0	70.8	71.3
Labour productivity, business sector (per hour)	-0.1	4.0	1.0	-0.4	0.4	1.0
Private savings (in % of disposable income) (f)	12.8	11.2	7.6	6.4	8.1	8.1
Current account balance (in % of GDP)	5.1	12.1	9.3	10.1	10.3	10.1
	in % of GDP					
Public sector						
EMU balance	-3.7	-2.2	-0.1	-0.6	-2.1	-2.0
EMU debt (year-end)	54.7	51.7	50.1	46.5	46.8	48.1
Public financial burden	39.9	39.2	38.6	39.2	38.7	38.9
Gross public expenditure	48.2	46.5	43.7	43.5	44.4	44.6

(a) Goods and services, excluding natural resources and fuels.
(b) The alternative CPI takes account of prices of both new and existing energy contracts. See subsection 1.4 of 'Centraal-Economisch-Plan-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 a 3.3 percentage point upward impact on businesses' wage rate changes in 2020 and a downward impact of 1.6 percentage points in 2021 and 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.

2 Outlook to 2032

In the medium term, the public finances are expected to deteriorate according to the outlook up to the end of 2032. These projections map economic and budgetary developments up to the end of 2032. The current proposed policy are taken as the basis. If policy remains unchanged, the government deficit will rise to 3.3% of GDP in 2028 and 4.6% of GDP in 2032 (see Figure 2.1, left), substantially exceeding the EU's 3% limit. Government debt as a percentage of GDP will also rise, to 63.5% in 2032 (see Figure 2.1, right).

Figure 2.1 The government deficit and government debt will both increase under the current policy



Source: Statistics Netherlands and CPB (link)

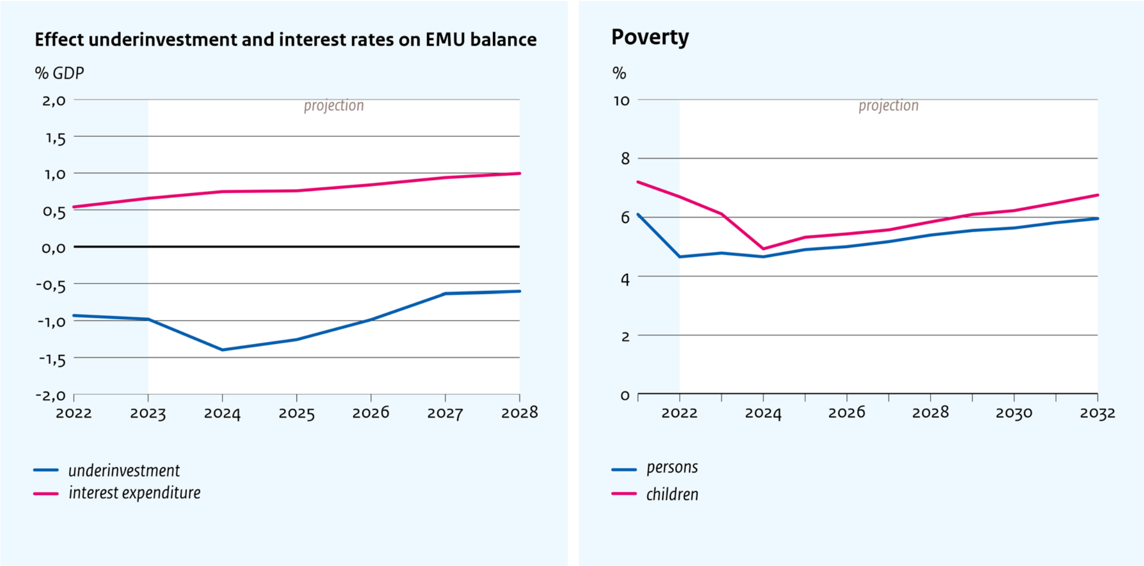
The rise in the government deficit is partly due to planned additional expenditure and rising interest expenditure. The years ahead will see significant increases in expenditure, for example on social security and healthcare, climate and nitrogen, additional defence spending and asylum costs. This will lead to a deterioration of the EMU balance. Furthermore, underinvestment is set to decrease after 2024; it is assumed that personnel shortages and other implementation bottlenecks will gradually ease, making it easier for the government to complete its planned expenditure (see Figure 2.2, left). Expenditure on state pensions will also continue to rise due to the increase in the number of pension recipients. Finally, interest expenditure is also higher, because interest rates have risen in recent years. Since Dutch government bonds are generally long-dated, this interest rate rise will only gradually lead to higher interest expenditure: in 2028, interest expenditure is expected to reach €12.6 billion (€5.8 billion more than in 2023).

Health care expenditure will also rise faster than GDP in the period up to 2032. Real growth in health care expenditure is expected to average 3.1% per year over the 2026-2032 period.[2] Just under half of this growth is due to demographic trends. Health care expenditure in this period will also grow in particular because wages and prices in health care rise faster than general inflation.

[2] For an explanation of the underlying projection system and the individual growth components within it, see Annette Zijlstra, Adri den Ouden and Wouter Vermeulen, November 2019, Middellangetermijnverkenning zorg 2022-2025 (Medium-term outlook for health care 2022-2025), CPB Communication (link).

If there is no supplementary policy, poverty among Dutch households will rise slightly. The number of people and children in poverty is now projected to be 6.0% and 6.8% respectively in 2032 (see Figure 2.2, right). That is much lower than in previous projections, particularly in the case of children, because part of the policy results in a structurally lower level in 2024. The increase from 2025 is due to the fact that the poverty line rises slightly more than disposable income. Real incomes rise, but the poverty line is to some extent relative and therefore also takes into account changes in consumption (as an indicator of the level of prosperity in a country).[3]

Figure 2.2 Less underinvestment and higher interest rates contribute to government deficit. Poverty rises from 2025.



Source: Statistics Netherlands and CPB (link)

Purchasing power increases over the medium term by an average of 0.8% per year. This is because real wages continue to catch up for a number of years in these projections. Policy overall has a negative impact on purchasing power; the particular contributing factors are the phasing out of the income-dependent combination of tax credits, the rental allowance and the double general tax credit in the reference minimum pay for social welfare benefit. The differences between income groups are limited during this period.

The developments in public finances, purchasing power and poverty are based on assumptions about developments in the Dutch economy over the medium term. In addition to policy principles, the outlook for the period to 2032 requires assumptions on how the economy will develop. These assumptions are explained in more detail in the draft Macro Economic Outlook 2024 (link). The projections for labour supply, structural productivity and employment in the public and private sectors are virtually unchanged. The final GDP growth figures differ slightly, since the projection starts with a less positive output gap due to downward adjustments to GDP growth in 2023 and 2024.

[3] For this the poverty line is indexed by the rise in the five-year average expenditure per household on energy, water, food, clothing, living and housekeeping; the real growth in consumption is used for this in the projections (see Ika Deinum and Elian Griffoen, December 2022, Ramingsmethodiek armoederaming (Poverty Projection Methodology), CPB publication (link)).

Table 2.1 Main data for the Netherlands, 2009-2032

	2009-2013	2014-2017	2018-2021	2022-2024	2025-2028	2029-2032
	changes per year in %					
International economy						
Relevant world trade volume, goods and services	1.6	4.7	1.9	3.1	2.5	2.2
Competitor prices (a)	1.2	1.8	2.0	5.4	1.5	1.2
Oil price (in USD per barrel, level in final year)	107.8	54.3	70.7	76.4	68.7	67.4
Euro exchange rate (USD per euro, level in final year)	1.33	1.13	1.18	1.10	1.16	1.25
Long-term interest rate, the Netherlands (in % in final year)	2.0	0.5	-0.3	2.4	2.6	2.6
Volume of GDP and spending						
Gross domestic product (GDP, economic growth)	-0.4	2.1	1.6	1.8	1.3	1.0
Household consumption	-0.8	1.4	0.2	3.2	2.0	1.6
Government consumption	0.8	0.7	2.8	2.4	1.5	1.7
Investments (including stocks)	-3.7	5.5	2.3	-1.0	1.7	1.2
Exports of goods and services	2.2	5.0	2.4	1.3	2.2	2.0
Imports of goods and services	1.7	5.3	2.2	1.4	2.9	2.8
Prices, wages, purchasing power and poverty						
Price level, gross domestic product	0.8	0.7	2.6	5.7	2.5	2.3
Export prices of goods and services	0.9	-1.0	2.0	5.7	1.1	1.1
Import prices of goods and services	1.3	-1.4	2.0	5.3	0.9	1.0
Inflation, national consumer price index (CPI)	2.0	0.8	2.1	5.5	2.4	2.1
Alternative CPI (purchasing power and poverty data) (b)			1.9	5.7	2.4	2.1
Inflation, harmonised index of consumer prices (HICP)	2.0	0.5	2.0	6.1	2.3	2.1
Wage rate, business sector (per hour) (c)	1.9	0.6	3.1	5.6	4.1	3.9
Collectively negotiated wages, business sector	1.6	1.3	2.3	5.0	3.7	3.5
Purchasing power, static, median all households (d)	-0.7	1.3	1.1	-0.2	0.6	0.8
People in poverty (in % in final year) (d, e)	7.6	5.4	6.1	4.7	5.4	6.0
Labour market						
Labour force	0.5	0.3	1.0	1.8	0.4	-0.1
Working population	-0.2	0.9	1.4	2.0	0.1	-0.3
Unemployed labour force (x thousand persons, level in final year)	754	546	408	380	475	540
Unemployed labour force (% of labour force in final year)	8.2	5.9	4.2	3.7	4.6	5.3
Employment (in hours)	-0.6	1.6	1.1	1.7	0.3	0.0
Other items						
Labour income share, business sector (in % in final year)	74.1	73.3	72.9	70.8	72.2	73.9
Labour productivity, business sector (per hour)	0.4	0.5	0.8	0.3	1.0	1.0
Private savings (in % of disposable income in final year) (f)	2.4	3.5	11.2	8.1	9.2	8.4
Current account balance (in final year in % of GDP)	8.0	8.9	12.1	10.3	8.9	6.8
	in final year in % of GDP					
Public sector						
EMU balance	-3.0	1.4	-2.2	-2.1	-3.3	-4.6
EMU debt	67.7	57.0	51.7	46.8	52.3	63.5
Public financial burden	36.1	38.7	39.2	38.7	39.1	39.7
Gross public expenditure	46.9	42.9	46.5	44.4	46.0	47.6

(a) Goods and services, excluding natural resources and fuels.
(b) The alternative CPI takes account of prices of both new and existing energy contracts. See subsection 1.4 of 'Centraal-Economisch-Plan-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 a 3.3 percentage point upward impact on businesses' wage rate changes in 2020 and a downward impact of 1.6 percentage points in 2021 and 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.

Appendices

The appendices to the Central Economic Plan 2024 (CEP 2024) are available digitally on the CPB website (link).

The figures in the following tables correspond to the National Accounts of Statistics Netherlands. The figures for the years 1995/96 to 2022 are based on 2022 National Accounts Table Sets as published on Statline in June 2023. These figures include the 2015 National Accounts revision This has been supplemented with CPB interpolations and estimates made by CPB based on developments and series prior to the 2015 revision. All figures from before 1995 are based on Statistics Netherlands data from before the 2015 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 - 4.7	Means and expenditures 2022 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, 2022-2025