

## Questions and answers for the cMEV 2017-projection (9 August 2016)

*What are the uncertainties in the calculations of the Brexit's economic consequences, for the short term?*

- Uncertain is the effect of the increased uncertainty on economic growth.
- Uncertain is the political situation in the United Kingdom following the Brexit.
- There are only few figures available on the Brexit's economic consequences for the Netherlands.

*If the impact of the Brexit is still uncertain, then how has CPB included it?*

The figures are an estimation, as accurate as possible, of the Brexit's consequences at this moment in time. The calculated effects result from scientific research into the consequences of economic uncertainty for the Dutch economy. The effects on the global economy were calculated using the global model (Nigem), which includes a downturn for the UK economy and an increasing uncertainty in Europe.

*How do these CPB projections relate to those by other institutes?*

In %	GDP growth eurozone		GDP growth the Netherlands	
	2016	2017	2016	2017
European Commission (25 July)	1.5–1.6	1.3–1.5		
IMF (19 July)	1.6	1.4		
NIESR (3 August)	1.4	1.3	1.2	1.7
CF (Consensus Forecast) (July)	1.5	1.3	1.6	1.6 <sup>a</sup>
ING (28 June)			1.8	1.3
ABN Amro (7 July)			1.5	1.2
Rabobank (3 August)	1.5	1.25	1.75	1.75
CPB (9 August)	1.6	1.5	1.7	1.6

<sup>a</sup> This also includes projections from before the Brexit.

*Why is the impact larger for the Netherlands than for other north-western European countries?*

- The Netherlands has a small open economy. If our trading partners suffer a negative shock, it also affects the Dutch economy. The deterioration of the UK economy has a direct impact on that part of world trade that is relevant to the Netherlands, as well as on the exchange rate.
- The Netherlands has closer trading ties to the United Kingdom than do Germany and France.
- The impact of economic uncertainty around the Brexit will only be temporary. In subsequent years, this impact will be counterbalanced. The consequences of possible trade barriers due to the actual withdrawal of the United Kingdom from the European Union are expected to be more structural.