

**NOVEMBER 2011 ECONOMIC OUTLOOK FOR THE NETHERLANDS: ANSWERS FROM VNO-NCW**
**MAIN FORECAST**

	2011	2012
<i>Annual % change</i>		
Real GDP growth	1,5	1,0
Consumer price inflation	2,5	2,0
Unemployment rate	4,3	4,3
Employment growth	-0,3	0,0
government net lending (% of GDP)	-4,2	-2,9
gross public debt (% of GDP)	64,6	65,6
current account balance (% of GDP)	0,0	0,0

**Components of aggregate demand - in real terms**

<i>Annual % change</i>		
Private consumption	0,0	0,3
Public consumption	0,0	-1,3
Investment (Gross Fixed Capital Formation)	9,3	3,3
Private non-residential investment	3,5	4,3
Exports	6,5	3,8
Imports	6,3	2,8

**ECONOMIC SENTIMENT**

	<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i>
<i>Trend in business climate over the next 6 months</i>		Industry	
		Services	

	<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i>
<i>Trend in profitability over the next 6 months</i>		Industry	
		Services	

	<i>Increase (faster pace)</i>	<i>Increase (slower pace)</i>	<i>Unchanged</i>	<i>Decrease (slower pace)</i>	<i>Decrease (faster pace)</i>
<i>Investment intentions over the next 6 months</i>		Industry			
		Services			

	<i>Global demand</i>	<i>Domestic demand</i>	<i>Cost of finance</i>	<i>Availability of finance</i>	<i>Company Profitability</i>	<i>Capacity Utilisation</i>
<i>Influence on companies' investment decisions</i>	negative	negative	neutral	neutral	negative	negative

	<i>Replacement</i>	<i>Extension</i>	<i>Rationalisation</i>	<i>Innovation</i>
<i>Driving force behind investment decisions in the next 6 months</i>	positive	negative	positive	positive

	<i>Industry: past 6 months</i>	<i>Industry: next 6 months</i>	<i>Services: past 6 months</i>	<i>Services: next 6 months</i>
<i>Overall trend in employment</i>	Up	Down	Up	Down



**ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH**

<i>Compared to 6 months ago, cost/access to finance has been... for SMEs</i>	<b>sharply up / restrained</b>	<b>up / more difficult</b>	<b>same</b>	<b>down / easier</b>
			Cost Access	
<i>for larger companies (&gt;250 employees)</i>			Access	Cost
<b>Over the next 6 months, cost /access to finance will be... for SMEs</b>	<b>sharply up / restrained</b>	<b>up / more difficult</b>	<b>same</b>	<b>down / easier</b>
		Access	Cost	
<i>for larger companies (&gt;250 employees)</i>			Access	Cost

	<b>Consolidation of banking sector balance sheets</b>	<b>Access to capital markets</b>	<b>Encouraging equity financing through tax reforms</b>	<b>Better use of existing EU instruments (including EIB)</b>	<b>Greater potential for Public-Private-Partnerships</b>
<b>Measures to alleviate current financial difficulties for SMEs</b>	Moderate effect	Moderate effect	Very limited effect	Very limited effect	Moderate effect
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<b>Measures to alleviate current financial difficulties for SMEs</b>	Moderate effect	Moderate effect	Very limited effect	Very limited effect	Moderate effect

**POLICY MIX**

	<i>Tight, appropriate for the euro area</i>	<i>Tight</i>	<i>Appropriate</i> yes	<i>Loose</i>	<i>Loose, appropriate for the euro area</i>
<b>Monetary policy is...</b>					
	<i>adequate</i> yes	<i>inadequate</i>			
<b>Consistency between fiscal and monetary policies</b>					
	excellent committment	satisfactory committment yes	neither satisfactory nor unsatisfactory	unsatisfactory committment	no clear committment creating an extremely
<b>Regarding the sustainability of public</b>					
<b>Exit Strategies</b>	excessive focus	sufficient focus	satisfactory nor unsufficier	unsufficient focus	so far ignored
<b>Tight fiscal rules and more effective institutions</b>		yes			
<b>Greater efficiency of public</b>		yes			
<b>Credible cost-cutting measures</b>		yes			
<b>Increased scope of public-private</b>		yes			
<b>Reform of pension systems</b>		yes			
<b>Improved efficiency of healthcare sector</b>		yes			
<b>Entry Strategies</b>	excessive focus	sufficient focus	satisfactory nor unsufficier	unsufficient focus	so far ignored
<b>More and better-targeted education and training</b>		yes			
<b>More and better targeted R&amp;D and Prioritisation of infrastructure investments</b>		yes			
<b>Growth enhancing tax reforms</b>				yes	
<b>In 2015, the government deficit will...</b>	respect the 3% limit yes	be in balance no			

