



No ambition

CDA leader Sybrand Buma said the cabinet is not showing enough ambition in creating jobs. The 600,000 jobless people in the Netherlands 'don't care about spending power estimates,' he said.

Lost gloss

Alexander Pechtold, leader of the Liberal democratic party D66, said the cabinet has lost its gloss. 'The better the economy, the worse the cabinet's performance,' he said. Jobs need to be created urgently but cabinet prefers to spend its time on agreeing one unworkable compromise after another.

Refugee tsunami

The government had totally failed to deal with the 'tsunami of refugees', said PVV leader Geert Wilders. Referring to claims by a Lebanese minister that two in every 100 Syrian refugees is a terrorist, Wilders said the Netherlands has no choice but to close its borders. Ministers who do not take this step will have 'blood on their hands', Wilders said.

Employers pleased

The three big Dutch employers organisations welcomed the cabinet's continued commitment to cutting taxes and the cost of labour but said the decision to increase the asset tax on high earners was unfair on independent entrepreneurs.

Forgotten folk

ChristenUnie leader Arie Slob said the cabinet had forgotten some groups. 'Everyone is set to benefit... apart from families with little children in which both parents don't work full time, carers, the chronically sick and handicapped and police officers.'

Dutch economy is at a crucial phase: minister

The Dutch economy is now growing more quickly than expected, finance minister Jeroen Dijsselbloem told parliament, as he handed the government's 2016 spending plans to MPs. 'The Netherlands has wrestled itself out of the crisis,' Dijsselbloem said. It has been a difficult period, he continued, adding that the budget deficit and national debt are now falling.

'The recovery has expanded from exports to consumer spending and "pay rise" has now outstripped "redundancy pay" as an internet search term,' the minister said.

Dijsselbloem outlined the government's broad plans to boost spending on nursing homes, on defence and on childcare and to cut the second and third tax bands and reduce the cost of labour. Nevertheless, there are still too many people at home not working, the minister said. The tax cuts will boost job creation, he said. 'We cannot be content with average growth of just 1.5%... We are at the crucial phase of implementing the reforms which have been put in place,' Dijsselbloem said.

Read the speech



King's speech deals with refugee crisis and EU ambitions

King Willem-Alexander focused on economic recovery in his speech to parliament, but also spoke of the 'integrated approach' needed to tackle the refugee crisis which is 'creating tensions within Europe.' He referred to 'people in overloaded boats heading for Europe to request asylum', which, he said, was due to military conflicts, political instability and poverty. The king also focused on the Netherlands' role as rotating EU president in the first six months of next year. Public

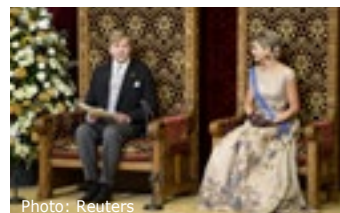


Photo: Reuters

safety and migration policy will be key to this, the king said, 'in order to protect our shared values'. The situation in Greece and the British referendum on EU membership would also be important aspects of the Dutch presidency, he said. The Netherlands, he concluded, is a stable and attractive land to live in, but it requires the effort of everyone to ensure this situation continues.'

MAIN POINTS

- 2% economic growth in 2015, 2.4% in 2016
- Budget deficit to hit 2.2% this year, 1.5% in 2016
- National debt to fall to 66.2% in 2016
- €5bn to fund tax cuts and lower employment costs which the government hopes will create 35,000 jobs
- 52% tax rate to start at €66,421. Middle tax rate cut from 42% to 40.15%.
- Childcare subsidies to rise, costing €290m a year
- €60m to ensure all toddlers have daycare
- Paternity leave to be increased to five days
- Spending power to rise for 84% of people, no boost for those on minimum incomes
- Double income families will have 3.7% more to spend
- Asset tax to be overhauled and increased for those with over €100,000
- Tax-free gift limit to rise to €100,000
- Cuts in housing benefit to be delayed
- €100m for local councils to realise sheltered work schemes
- €5.8bn for infrastructure
- €210m to improve nursing home care, boost staff numbers
- €150m for research and start-ups
- €220m more for defence spending
- €649m for refugee settlement of which €110m for camps abroad
- The king to get a pay rise of €43,000, his mother €24,000 and wife Máxima €17,000

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Budget boredom

Dare I say it? This year it was hard not to be somewhat underwhelmed by the presentation of the Dutch government's annual spending plans. From a lacklustre king's speech to the finance minister's attempt to jolly up the proceedings by using a briefcase from 1947 to carry his crucial papers, it all felt a little forced. This year, like most recent budgets, the main points had already been leaked. Even the government's communications strategy - stress the economy is doing well but we need to do better - was in the public arena. Little wonder then, that this year's budget was a hollow occasion. Even the comments from opposition party leaders were predictable - D66's Alexander Pechtold spoke yet again about the cabinet's lack of ambition and PVD leader Geert Wilders did his usual 'tsunami of asylum seekers' bit, with a dash of 'blood on their hands' thrown in for good measure.

Yes, the refugee crisis is the dominant issue at the moment, but this is a European issue, not a Dutch one. At a local level, we've got the endless calculations about the impact of the budget on spending power instead. Does anyone really notice an alleged 1.4% increase in the amount of disposable cash they have, as the government would have us believe?

It is no secret in The Hague that the two ruling parties - the right-wing VVD and the social democratic PvdA - disagree about many things. In 2017, there is a general election and support for both the ruling parties is well down in the polls. So, this is a wait-and-see budget. A cut in income tax here, a bit of extra money for defence there... nothing controversial. Everyone is waiting for the next big thing to come along. As it will when the general election campaign kicks off.

Not just a good news budget: papers

The Financieele Dagblad says in its editorial the cabinet has been slow in executing the reforms it agreed upon in such haste and has underestimated the difficulties that are now being encountered in their implementation.

The paper calls it 'illusion politics'. 'It's painful to conclude that the feasibility of the reforms has turned out to be an afterthought,' the paper writes.

The Telegraaf writes that the king's speech started out with the good news and saved the themes of terrorism and refugees until last. 'That shows what the real concern of the coalition parties Labour and VVD is. They want to curry favour with the voters as the elections of

2017 are getting nearer. That is why, after years of cutbacks and reform, the cabinet is doling out presents even though it means increased borrowing,' the paper states. Elsevier's political correspondent Syp Wynia warns that although the budget deficit is now less than 3% the economic upturn is so fragile that it doesn't need much to send it soaring again. 'Moreover, the European deal is that the budget deficit should go down to zero.' The government's spending spree in the sight of lower gas revenues is not 'keeping the ship on course' but making it 'zig zag', Wynia writes.

NRCNext writes that the cabinet went a long way to avoid appearing 'triumphalist', pointing out that the finance minister came up with dire warnings about the implosion of the Chinese economy and its impact on Europe, the expected interest rise in the United States and the geo-political dangers that are threatening the economy.



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DICTIONARY

Prinsjesdag

Always the third Tuesday of September, *Prinsjesdag* is the day the government presents its spending plans for the next year. The event is as famous for its hats as the financial implications.

MEV

The annual *Macro Economische Verkenning* or macro-economic outlook is published by the government's economic policy advisor CPB to coincide with the budget - however, this year much of it was again leaked by broadcaster RTL.

Algemene Beschouwingen

These are the 'debates' in parliament which always follow the budget. First comes a two-day general debate, then the financial debate and over subsequent weeks, debates on individual ministry plans. This is when the opposition get to call for changes to budget policy.