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From: Johan Barnard, Financial Counsellor, Permanent Representation of The Kingdom of The Netherlands to the EU

date of receipt: 8 May 2014

To: Carsten Pillath, Director-General, DGG-Economic Affairs and Competitiveness General Secretariat of the Council of the European Union

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Subject: Stability Programme of the Netherlands - 2014

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Delegations will find attached the third part of Stability Programme of the Netherlands - 2014

	municipalities.			
Miscellaneous	Several measures: cross-border health care, academic component, tariff instrument for medical devices, MEE-budget, transition reform of long-term care and more effective procurement of care in EMEA.	D.63p		Completed
<b>Social security</b>				
Phased introduction of household benefit <sup>19</sup>	The government is going to streamline current benefits and simplify them by introducing the household benefit.	D.62p		In preparation
Incapacity allowance	In 2014 the disabled persons allowance has been reduced.	D.62p		In preparation
General child benefit (differentiation of benefits by child's age is maintained)	The measure that would abolish age differentiation in the child benefits is fully reversed.	D.62p		Completed
Miscellaneous	Several measures, eg the planned increase in the child budget for first and second child is halved and regional employment.	Several		Completed, except child budget

	-155	-551	-582	-615	-608
	<b>194</b>	<b>-829</b>	<b>-</b>	<b>-</b>	<b>-984</b>
	279	-639	1,171	1,019	-
			1,148	1,155	1,166
	-114	-165	-158	-150	-145
	47	236	422	560	560
	-18	-261	-287	-274	-233

<sup>19</sup> As announced in a letter to Parliament on 14 April 2014, the government may specify alternative measures with the same budgetary scope.

Central government budget					-	-	-	-991	-
					1,880	1,161	1,123		1,185
Reduction in scope for salary increases in public sector in 2014, excl. health care (increasing salaries at expense of fringe benefits)	Besides the wage moderation agreed in the Healthcare Agreement for 2014 up to and including 2017, the wage adjustment or government and education sectors (excluding healthcare) is to be deducted insofar as negotiated wage development is concerned in 2014.	D.1p		Completed	-750	-750	-750	-750	-750
Price adjustment 2013 (adjusted for net general changes)	The long-term effect of the 2013 tranche of the price adjustment is to be deducted. This is adjusted for net general changes.	Several		Completed	-579	-709	-566	-444	-638
Price adjustment 2014	Reduction of the public sector services price development correction in 2014.	Several		Completed	-480	-480	-480	-480	-480
Education quality (and innovation)	An investment in the quality of education.	Several		Completed		650	600	600	600
Contribution from ministerial budgets (excl. Min. of Soc. Affairs & Empl. and Health, Welfare & Sport)	Contribution from ministerial budgets of 156 million euro.	D.1p		Completed	-156	-156	-156	-156	-156
Miscellaneous	Several measures, eg Reversal of the coalition agreement measure "abolishment of free schoolbooks", investment in Defense, and redistribution of subsidies.	Several		Completed, except redistribution of subsidies	85	284	229	239	239
<b>Taxes and contributions</b>					-	-	-	-	-
					<b>2219</b>	<b>1809</b>	<b>1815</b>	<b>1916</b>	<b>1469</b>

Taxation of annuities	As from 1 January 2014, it is going to be possible for existing annuity rights to withdraw, in one go, the full entitlement from banks, insurers or an annuity right company. This entitlement is going to be partially, that is for just 80 percent, subject to income tax. The annuity right exemption for new severance pay is to be abolished as of 1 January 2014.	D.5r		Completed	-2,065	-840	-840	-840	-420
Taxation box 2	The tax rate for income from shares forming a substantial shareholding (Box 2 income) will be in 2014 incidentally reduced from 25% to 22% resulting in extra cash revenue on the short term and in lower tax yields on the longer run. Furthermore, under conditions, the deemed salary may deviate by up to 30% from what is considered a "normal salary".	D.5r (households)		Decrease in tax rate is completed, adjustment of deemed salary is in preparation	-1018	-446	-45	19	-150
Freezing tax brackets and tax credits	The tax brackets and tax credits are to be frozen by not implementing the adjustment for inflation in the income tax and wage tax for the year 2014.	D.5r (households)		Completed	-981	-981	-981	-981	-981
Retention of business-related revenue envelopes	The envelopes available to ease the tax and premium burden faced by companies are not going to be implemented.	Several		Completed	-640	-640	-640	-640	-640

Extension of employer's levy on high incomes (crisis levy)	The pseudo final levy for high incomes (also referred to as the crisis levy) is an employer levy of 16 percent on an employee's income insofar as this exceeds an amount of 150,000 euro. This levy is going to be introduced for 2013. The pseudo final levy for high incomes is to be extended on a one-off basis.	D.29r (corporations)		Completed	-500				
Earlier increase in employed person's tax credit	In 2014 the employed person's tax credit for lower incomes is to be increased by 127 euro.	D.5r (households)		Completed	785				
Reduction of the tax rate of the first bracket	The income tax rate of the first bracket will be reduced in 2014.	D.5r (households)		Completed	1517				
Cancelling cutbacks on the self-employed person's tax reduction	In the amendment on the Budget the planned reduction of the self-employed person's tax reduction will be canceled.	D.5r (households)		Completed		500	500	500	500
The Chronically Ill and Disabled Persons Allowances (including the 'Compensation of specific health care expenses Act')	The disabled persons allowance based on the Chronically Ill and Disabled Persons Allowances Act will be maintained in adapted form for the years 2014 and further.	D.5r (households)		Completed		438	438	438	438
Tax reduction businesses	The contributions due by the employer for the unemployment insurance and the disability fund will be reduced resulting in lower burden on labour.	D.611r		Completed	368	857	670	518	653

Miscellaneous	Several measures eg decreasing the CO2-threshold motor vehicle tax, increasing tap water tax, the working bonus will be abolished for new cases, abolition of VAT integration levy, Combating artificial arrangements and easing of gift tax.	Several		Completed, except Combating artificial arrangements	315	-697	-917	-930	-869
<b>Other</b>					<b>-628</b>	<b>-637</b>	<b>+36</b>	<b>56</b>	<b>-390</b>
Spending shifts involving development cooperation revolving fund, nature management and security	Spending shifts involving development cooperation revolving fund, nature management and security	Several		Completed	-290	-290	240	340	0
Ex ante impact of Municipalities Fund/Provinces Fund	Adjustment of the Municipalities Fund and the Provinces Fund resulting from the methodology that relates the development of both funds to the development of net central government expenditure.	Several		Completed	-338	-347	-276	-284	-390
				<b>TOTAL</b>	<b>-6008</b>	<b>-6020</b>	<b>-6010</b>	<b>-6018</b>	<b>-6008</b>

**Table 3b: Quarterly report on the budgetary impact of the measures from Table 3a**

List of measures	Report on measures affecting the 2014 budget				Expected budgetary effect in 2014
	Budgetary effect per quarter in 2014*				
<b>Health care*</b>	-369	-369	-369	-369	<b>-1475</b>
Health agreement	-63	-63	-63	-63	-250
Healthcare benefit based on average healthcare contributions, including group contracts	-80	-80	-80	-80	-320
Medicines	-188	-188	-188	-188	-750
Miscellaneous	-39	-39	-39	-39	-155
<b>Social security</b>	49	49	49	49	<b>194</b>
Phased introduction of household benefit	70	70	70	70	279
Incapacity allowance	-29	-29	-29	-29	-114
General child benefit (differentiation of benefits by child's age is maintained)	12	12	12	12	47
Miscellaneous	-5	-5	-5	-5	-18
<b>Central government budget</b>	-470	-470	-470	-470	<b>-1880</b>
Reduction in scope for salary increases in public sector in 2014, excl. health care (increasing salaries at expense of fringe benefits)	-188	-188	-188	-188	-750
Price adjustment 2013 (adjusted for net general changes)	-145	-145	-145	-145	-579
Price adjustment 2014	-120	-120	-120	-120	-480
Contribution from ministerial budgets (excl. Min. of Soc. Affairs & Empl. and Health, Welfare & Sport)	-39	-39	-39	-39	-156
Miscellaneous	21	21	21	21	85
<b>Taxes and contributions</b>	-555	-555	-555	-555	<b>-2219</b>
Taxation of annuities	-516	-516	-516	-516	-2065
Taxation box 2	-255	-255	-255	-255	-1018
Freezing tax brackets and tax credits	-245	-245	-245	-245	-981
Retention of business-related revenue envelopes	-160	-160	-160	-160	-640
Extension of employer's levy on high incomes (crisis levy)	-125	-125	-125	-125	-500
Earlier increase in employed person's tax credit	196	196	196	196	785
Reduction of the tax rate of the first bracket	379	379	379	379	1517
Tax reduction businesses	92	92	92	92	368
Miscellaneous	79	79	79	79	315
<b>Other</b>	-157	-157	-157	-157	<b>-628</b>
Spending shifts involving development cooperation revolving fund, nature management and security	-73	-73	-73	-73	-290

Ex ante impact of Municipalities Fund/Provinces Fund	-85	-85	-85	-85		-338
<b>TOTAL</b>	<b>-1502</b>	<b>-1502</b>	<b>-1502</b>	<b>-1502</b>		<b>-6008</b>

\*The figures provided are largely based on the 2014 Central Economic Plan (CPB). These figures are only available on an annual basis. Breakdown into quarterly figures is the result of straight-line interpolation.



**Table 4: Developments in the debt position of the entire government**

		2013	2014	2015
	ESA Code	% GDP	% GDP	% GDP
<b>1. Gross debt</b>		73.5	74.6	74.7
<b>2. Change in gross debt ratio</b>		2.3	0.3	0.1
<b>Contributions to changes in gross debt</b>				
<b>3. Primary balance</b>		-0.7	-1.1	-0.4
<b>4. Interest payments</b>	D.41	1.8	1.8	1.8
<b>5. Stock/flow adjustment</b>		-0.2	-2.6	-2.2
<i>of which:</i>				
- Differences between cash and accruals		-0.1	0.0	-0.2
- Net accumulation of financial assets		1.1	-0.7	-0.2
<i>of which:</i>				
- Privatisation revenues		n/a	n/a	n/a
- Valuation effects and other		-1.2	-1.9	-1.8
<b>Implicit interest on debt (%)</b>		2	2.3	2.5
Other relevant variables				
6. Liquid financial assets		n./a.	n./a.	n./a.
7. Net debt (7=1-6)		n./a.	n./a.	n./a.
8. Debt amortization (existing debt) since the end of last year (billions of euros)		28.7	32.0	45.6
9. Percentage of debt in foreign currency		2	n./a.	n./a.
10. Average maturity		7	n./a.	n./a.
<b>11. Real GDP growth (%)</b>		-0.8	0.8	1.2

## ANNEX 2: Tables relating to the Stability Programme

Table 1a. Macro-economic prospects

	ESA code	2013	2013	2014	2015	2016	2017
		Level (in billions of euros)	rate of change	rate of change	rate of change	rate of change	rate of change
Real GDP	B1*g	n/a	-0.8	¾	1¼	1.6	1.6
Nominal GDP (€ billion)	B1*g	605.5	1.0	0	0	2.5	2.5
<b>Components of real GDP</b>							
Private consumption expenditure	P.3	273.9	-2.1	-¼	½	0.1	0.1
Government consumption expenditure	P.3	171.5	-0.5	½	-¼	0.1	0.1
Gross investments in fixed assets	P.51	97.2	-4.8	3¾	3¼	2.6	2.6
Changes in inventories (Δ)	P.52+P.53	0.6	-0.4	¼	0	0.0	0.0
Exports of goods and services	P.6	532.6	1.3	2¼	4¼	5.1	5.1
Imports of goods and services	P.7	470.3	-0.5	2½	4	4.5	4.5
<b>Contributions to real GDP growth</b>							
Final domestic demand		542.7	-1.9	¾	¾	0.5	0.5
Changes in inventories (Δ)	P.52+P.53	0.6	-0.4	¼	0	0.0	0.0
External balance of goods and services	B.11	62.2	1.5	0	½	1.1	1.1

**Table 1b. Pricing developments**

	2013	2013	2014	2015	2016	2017
	level	rate of change	rate of change	rate of change	rate of change	rate of change
<b>1. GDP deflator</b>	100	1.8	$\frac{3}{4}$	$1\frac{1}{4}$	0.9	0.9
<b>2. Private consumption deflator</b>	100	2.3	$1\frac{1}{2}$	$1\frac{1}{2}$	1.8	1.8
<b>3. HICP</b>	100	2.6	1	$1\frac{1}{4}$	1.5	1.5
<b>4. Government consumption deflator</b>	100	1.1	$\frac{1}{2}$	$1\frac{3}{4}$	1.5	1.5
<b>5. Investment deflator</b>	100	0.1	$1\frac{1}{4}$	$1\frac{1}{4}$	0.7	0.7
<b>6. Export price deflator</b>	100	-0.3	$-\frac{1}{2}$	$\frac{3}{4}$	0.2	0.2
<b>7. Import price deflator</b>	100	-1.0	$-\frac{1}{2}$	1	0.7	0.7

**Table 1c. Employment market developments**

	ESA code	2013	2013	2014	2015	2016	2017
		level	rate of change	rate of change	rate of change	rate of change	rate of change
<b>1. Employment, people (x 1,000)</b>		8,591.2	-1.0	-½	½	0.5	0.5
<b>2. Employment, number of hours worked (x 1,000,000)</b>		6,654.7	-1.2	-¾	½	0.2	0.2
<b>3. Unemployment (% of the working population)</b>		602.5	6.7	7¼	7	6.6	6.1
<b>4. Labour productivity per person</b>		70,479	0.3	1½	¾	1.1	1.1
<b>5. Labour productivity per hour worked</b>		91.0	0.4	1½	¾	1.4	1.4
<b>6. Total wage of employees</b>	D.1	309.8	0.2	2	2	1.6	1.6
<b>7. Total wage per employee (€)</b>		36.1	2.1	3	2	1.3	1.3

**Table 1d. Sectoral balances**

as percentage of GDP	ESA code	2013	2014	2015	2016	2017
<b>1. Net lending/borrowing vis-à-vis the rest of the world</b>	B.9	9.7	9½	9¾	11.1	11.5
<i>of which:</i>						
- Balance of goods and services		10.3	10	10	11.0	11.3
- Balance of primary income and transfers		1.1	1¼	1¼	1.6	1.6
- Capital account		-1.7	-1½	-1½	-1.5	-1.4
<b>2. Net lending/borrowing of the private sector</b>	B.9	12.9	12¾	12	12.9	13.0
<b>3. Net lending/borrowing of general government</b>	EDP B.9	-2.9	-2.9	-2.1	-1.8	-1.6
<b>4. Statistical discrepancy</b>		0	0	0	0	0

Table 2a Budgetary prospects for the general government

	ESA Code	2013	2013	2014	2015	2016	2017
		Level (billion €)	% GDP	% GDP	% GDP	% GDP	% GDP
<b>Net lending (EDP B.9) by subsector</b>							
1. General government	S.13	-15.1*	-2.5*	-2.9	-2.1	-1.9	-1.4
2. Central government	S.1311	-5.4	-0.9	-1.7	-2.6	-0.4	0.0
3. State government	S.1312	-5.4	-0.9	-1.7	-2.6	-0.4	0.0
4. Local government	S.1313	-1.8	-0.3	-0.4	-0.3	-0.2	-0.2
5. Social security funds	S.1314	-7.9	-1.3	-0.8	0.8	-1.2	-1.2
<b>General government (S13)</b>							
6. Total revenue	TR	286.4	47.3	47.4	47.7	46.7	46.5
7. Total expenditure	TE <sup>1</sup>	301.5	49.8	50.3	50.0	48.7	48
8. Net lending/borrowing	EDP B.9	-15.1	-2.5	-2.9	-2.1	-1.9	-1.4
9. Interest expenditure	EDP D.41	11.1	1.8	1.8	1.8	2.1	2.1
10. Primary balance		-4.1	-0.7	-1.1	-0.4	0.1	0.6
11. One-off and other temporary measures		3.8	0.6	0.0	0.0	0.0	0.0
<b>Selected components of revenue</b>							
12. Total taxes (12=12a+12b+12c)		138.4	22.9	23.7	24.0	24.8	24.9
12a. Taxes on production and imports	D.2	70.7	11.7	12.0	11.8	11.9	12.0
12b. Current taxes on income, wealth, etc	D.5	66.0	10.9	11.4	11.9	12.6	12.8
12c. Capital taxes	D.91	1.7	0.3	0.3	0.3	0.2	0.2
13. Social contributions	D.61	102.5	16.9	17.1	17.3	15.7	15.6
14. Property income	D.4	19.3	3.2	2.6	2.5	2.1	2.0
15. Other		24.8	4.1	4.0	3.9	4.0	3.9
16=6. Total revenue	TR	286.4	47.3	47.4	47.7	46.7	46.5
p.m.: Tax burden (D.2+D.5+D.61+D.91-D.995)		239.9	39.6	40.7	41.3	40.4	40.5
<b>Selected components of expenditure</b>							
17. Compensation of employees + intermediate consumption	D.1+P.2	103.4	17.1	16.5	16.3	15.8	15.5
17a. Compensation of employees	D.1	58.5	9.7	9.5	9.4	8.9	8.7
17b. Intermediate consumption	P.2	44.9	7.4	7.0	7.0	6.9	6.7
18. Social payments (18=18a+18b)		149.2	24.6	24.9	25.2	24.2	24.0
of which Unemployment benefits			2.2	2.4	2.3	2.3	2.3
19=9. Interest expenditure	EDP D.41	11.1	1.8	1.8	1.8	2.1	2.1
20. Subsidies	D.3	7.9	1.3	1.3	1.2	1.0	1.1
21. Gross fixed capital formation	P.51	19.7	3.2	3.3	3.2	2.9	2.8
22. Capital transfers		1.9	0.3	0.3	0.3	0.3	0.3
23. Other		9.1	1.5	2.3	2.1	2.7	2.5
24=7. Total expenditure	TE <sup>1</sup>	301.5	49.8	50.3	50.0	48.7	48.0
Government consumption (nominal)	P.3						

\* This number does not take any account of effects on the government balance sheet of the nationalisation of the SNS Bank. As a result, based upon currently available information, there is an upward risk of at most 0.3 percentage points.

**Table 2b. No-policy change projections**

	<b>Year 2013</b>	<b>Year 2013</b>	<b>Year 2014</b>	<b>Year 2015</b>	<b>Year 2016</b>	<b>Year 2017</b>
	Level (billion €)	% GDP	% GDP	% GDP	% GDP	% GDP
<b>1. Total revenue at unchanged policies</b>	286.4	47.3	47.4	47.7	46.7	46.5
<b>2. Total expenditure at unchanged policies</b>	301.5	49.8	50.3	50.0	48.7	48.0

**Table 2c. Amounts to be excluded from the expenditure benchmark**

	<b>Year 2013</b>	<b>Year 2013</b>	<b>Year 2014</b>	<b>Year 2015</b>	<b>Year 2016</b>	<b>Year 2017</b>
	Level (billion €)	% GDP	% GDP	% GDP	% GDP	% GDP
<b>1. Expenditure on EU programmes that is fully compensated for by income from EU funds</b>	2.0	0.3	0.3	0.3	0.3	0.3
<b>2. Cyclical unemployment expenditure</b>	13.4	2.2	2.4	2.3	2.3	2.3
<b>3. Effect of discretionary income measures</b>	9.4	1.6	1.5	0.6	0.4	0.2
<b>4. Increase in income mandated by law</b>	1.8	0.3	-0.2	0.2	0.2	0.2



**Table 3. General government expenditure by function**

as percentages of GDP	COFOG Code	2012	2015	2017
<b>1. General public services</b>	1	10.8	9.8	9.0
<b>2. Defence</b>	2	1.1	1.0	1.0
<b>3. Public order and safety</b>	3	1.9	1.8	1.7
<b>4. Economic affairs</b>	4	4.4	4.3	4.2
<b>5. Environmental protection</b>	5	0.8	0.9	0.9
<b>6. Housing and community amenities</b>	6	0.9	0.9	0.9
<b>7. Health care</b>	7	10.7	10.8	10.8
<b>8. Recreation, culture and religion</b>	8	1.0	1.0	1.0
<b>9. Education</b>	9	5.5	5.4	5.2
<b>10. Social security</b>	10	12.9	13.9	13.3
<b>11. Total expenditure (=item 7=23 in Table 2)</b>	TE <sup>1</sup>	50.0	50.0	48.0

**Table 4. Developments in the debt position of the entire government**

as percentages of GDP	ESA Code	2013	2014	2015	2016	2017
<b>1. Gross debt</b>		73.5	74.6	74.7	74.1	73.2
<b>2. Change in gross debt ratio</b>		2.3	1.1	0.0	-0.6	-0.9
<b>3. Primary balance</b>		-0.7	-1.1	-0.4	0.1	0.6
<b>4. Interest payments</b>	EDP D.41	1.8	1.8	1.8	2.1	2.1
<b>5. Stock/flow adjustment</b>		-0.2	-1.8	-2.2	-2.6	-2.4
of which:						
- Differences between cash and accruals		-0.1	0.0	-0.2	-0.1	0.0
- Net accumulation of financial assets		1.1	0.1	-0.2	-0.6	-0.5
of which:						
- privatisation revenues		n/a	n/a	n/a	n/a	n/a
- Valuation effects and other		-1.2	-1.9	-1.8	-1.9	-1.9
Implicit interest on debt		2.0	2.3	2.5	3.3	3.5
<b>6. Liquid financial assets</b>		n./a..	n./a.	n./a.	n./a.	n./a.
<b>7. Net debt (7=1-6)</b>		n./a..	n./a.	n./a.	n./a.	n./a.
<b>8. Debt amortization (existing debt) since the end of last year (billion euros)</b>		28.7	32.0	45.6	28.5	30.3
<b>9. Percentage of debt in foreign currency</b>		2.0	n./a.	n./a.	n./a.	n./a.
<b>10. Average maturity</b>		7.0	n./a.	n./a.	n./a.	n./a.

**Table 5: Economic developments  
as percentages of GDP**

	<b>ESA Code</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>1. Real GDP growth</b>		-0.8	$\frac{3}{4}$	$1\frac{1}{4}$	1.6	1.6
<b>2. Net lending of general government</b>	EDP B.9	-2.5*	-2.9	-2.1	-1.9	-1.4
<b>3. Interest expenditure</b>	EDP D.41	1.8	$1\frac{3}{4}$	$1\frac{3}{4}$	2.1	2.1
<b>4. One-off and other temporary measures</b>		0.6	0	0	0	0
<b>5. Potential GDP growth</b>		0.3	$\frac{1}{4}$	$\frac{1}{4}$	0.8	0.9
Contributions to growth:						
- Employment		0.0	$-\frac{1}{4}$	$-\frac{1}{4}$	0	0
- Capital		0.2	$\frac{1}{4}$	$\frac{1}{4}$	0.3	0.3
- Total factor productivity		0.1	$\frac{1}{4}$	$\frac{1}{4}$	0.5	0.6
<b>6. Output gap (EC method)</b>		-3.6	-3	$-2\frac{1}{4}$	-1.4	-0.7
<b>7. Cyclical budgetary component</b>		-2.1	-1.7	-1.3	-0.8	-0.4
<b>8. Cyclically-adjusted balance (2-7)</b>		-0.5	-1.2	-0.8	-1.1	-1.0
9. Cyclically-adjusted primary balance (8+3)		1.3	-0.9	-0.5	1.0	1.1
<b>10. Structural balance (8 - 4)</b>		-1.1	-1.2	-0.8	-1.1	-1.0

\* This number does not take any account of effects on the government balance sheet of the nationalisation of the SNS Bank. As a result, based upon currently available information, there is an upward risk of at most 0.3 percentage points.

**Table 6. Difference compared to previous update**

as percentage of GDP	ESA Code	2013	2014	2015	2016	2017
<b>Real GDP growth (%)</b>						
Update April '13		-0.5	1.0	1.6	1.6	1.6
Current update		-0.8	0.8	1.2	1.6	1.6
Difference		-0.3	-0.2	-0.4	0.0	0.0
<b>Budget deficit</b>	EDP B.9					
Update April '13		3.4	3.0	1.8	1.8	1.6
Current update		2.5*	2.9	2.1	1.9	1.4
Difference		-0.9	-0.1	0.3	0.1	-0.2
<b>Public debt</b>						
Update April '13		74.0	75.0	71.4	71.4	70.8
Current update		73.5	74.6	74.7	74.1	73.2
Difference		-0.5	-0.4	3.3	2.7	2.4

\* This number does not take any account of effects on the government balance sheet of the nationalisation of the SNS Bank. As a result, based upon currently available information, there is an upward risk of at most 0.3 percentage points.

**Table 7. Sustainability of public finances**

<b>as percentage of GDP</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2060</b>
<b>Total expenditure</b>	51.0	47.2	48.5	50.3	49.9	49.4
of which: age-dependent expenditure	20.5	21.8	23.7	26.0	25.9	25.5
Pension expenditure	6.9	7.4	8.0	8.9	8.7	8.5
Social security expenditure	12.6	13.1	13.8	14.6	14.4	14.2
Old age and early retirement pensions	4.9	5.7	6.3	7.2	7.0	6.8
Other pension benefits (invalidity, orphan's)	2.0	1.7	1.7	1.7	1.7	1.7
Occupational pensions (government)						
Health care (cure)	6.3	7.5	8.2	8.6	8.5	8.4
Long-term health care (care)	3.8	3.5	4.3	5.1	5.4	5.4
Education	5.5	5.1	5.0	5.1	5.1	5.0
Other age-dependent expenditure	0	0	0	0	0	0
Interest expenditure	1.9	2.1	1.6	1.1	0.8	0.5
<b>Total income</b>	<b>45.9</b>	<b>47.8</b>	<b>49.3</b>	<b>50.4</b>	<b>50.2</b>	<b>49.8</b>
of which: income from property	3.1	2.5	1.5	1.2	1.0	0.9
of which: pension contributions (or social security premiums)	3.5	3.5	3.5	3.5	3.5	3.5
Pension fund reserves	157	162	189	200	198	199
of which: consolidated public pension fund reserves	157	162	189	200	198	199
<b>Systematic pension reforms</b>						
Social security premiums reformed in line with the obligatory private system	0	0	0	0	0	0
Pension expenditure paid by the obligatory private system	5.0	5.2	5.7	6.6	6.9	6.9
<b>Assumptions</b>						
Growth in labour productivity	2.0	1.5	1.5	1.5	1.5	1.5
Real GDP growth	1.6	1.5	1.0	1.6	1.6	1.5
Participation rate men (15-64)	80.5	81.4	81.4	81.6	81.7	81.7
Participation rate women (15-64)	61.4	64.4	65.4	67.1	68.1	68.1
Total participation rate (15-64)	71.0	72.9	73.4	74.3	75.0	75.0
Unemployment	5.5	3.4	3.4	3.4	3.4	3.4
Population aged 65+ compared to total population	15.7	19.1	20.5	22.2	22.0	21.3

**Table 7a. Contingent liabilities**

<b>in billions of euros</b>	<b>2013</b>
<b>Total guarantees</b>	<b>217.5</b>
<i>of which:</i>	
European Financial Stability Facility (EFSF)	49.6
DNB participation in IMF capital	46.5
European Stability Mechanism (ESM)	35.4
Interbank loans guarantee	14.1
European Investment Bank (EIB)	9.9
De Nederlandsche Bank guarantee	5.7
SNS Reaal guarantee	5.0
European Financial Stability Mechanism (EFSM)	2.8

**Table 8. External assumptions**

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Short-term interest rate (annual average)	0.2	0.3	0.3	1.7	2.2
Long-term interest rate (annual average)	2.0	2.3	2.6	3.3	3.5
USD/€ exchange rate (annual average)	1.33	1.36	1.36	1.25	1.25
Nominal effective exchange rate	n./a.	n./a.	n./a.	n./a.	n./a.
World GDP growth	2.9	3½	3¾	n./a.	n./a.
Global GDP growth excl. the EU	3.4	4	4	n./a.	n./a.
GDP growth in the EU	-0.4	1	1½	1.6	1.6
Growth of relevant foreign markets	1.9	4¼	5	6.2	6.2
World import volume, excl. the EU	3.4	5¾	6	n./a.	n./a.
Oil price (Brent, USD per barrel)	108.72	108	108	101	103