Snap | 30 October 2025

THE NETHERLANDS

Dutch GDP growth outperforms in the third quarter

Dutch growth of 0.4% quarter-on-quarter beat expectations, with public consumption and exports picking up and consumer purchases also gaining momentum. Expect growth to be more muted for the remainder of the year, with some reversal of trade war-related front-loading, before an acceleration back towards a more normal pace in the course of 2026

The pick-up in third-quarter growth in the Netherlands was driven largely by public spending, exports, and consumer demand

0.4%

GDP growth rate

3Q25 (QonQ)

Better than expected

The Dutch economy expanded at a stronger pace in the third quarter than in the second quarter, for which the growth rate was revised upwards to 0.3%. Net exports (exports minus imports) saw the largest contribution (0.5ppt) to economic growth in the third quarter. While volatility in monthly data on exports to the US could be observed in Dutch merchandise trade, the trade war did not prevent Dutch total exports from expanding (0.8%) in the third quarter. In fact, total merchandise trade expanded by a strong 1.7%, while goods imports rose only 0.9. Service exports fell by -1.1%, however.

Government consumption provided a surprisingly strong contribution to economic growth in the third quarter, expanding by 1.1%. Both public administration and healthcare remained on the path to growing their respective shares in the economy.

Consumption by households accelerated in the third quarter, rising by a decent 0.3% on the back of continuing gains in purchasing power. While still at a low level due to price perception and uncertainty, consumer confidence has been improving in recent months, too.

Investment dragged down the headline figure, declining by -1.6%. This expected weakness in capital expenditures seems, at least to some extent, related to volatility in the delivery of military equipment, while again, low capacity utilisation rates in manufacturing are not yet incentivising investment. Purchases in the transportation equipment and machinery categories also fell. This was not a surprise, given that expectations for transport equipment had already been low this year as tax changes caused many businesses to buy vans or trucks in 2024 rather than in 2025.

Inventories also fell, causing a drag on growth in the third quarter. Businesses in manufacturing, in particular, consider the stock of finished products to be too large.

All in all, the results were better than we had expected for the third quarter. Looking ahead, we expect economic growth to be muted for the remainder of the year, before accelerating back towards a more normal pace in the course of 2026.

While front-loading of exports to the US has generally been smaller in the Netherlands than in the eurozone on average, it was visible in Dutch exports. Now that we see a reversal of this front-loading, we expect developments here to be considerably weaker in the fourth quarter than what we've seen today. For the Netherlands, this could materialise in weaker exports to European trading partners as well as those to the US.

Consumer purchases could gain some more traction, though – especially going into 2026, as confidence improves further, wages continue to outpace inflation, and some pensioners see support from higher benefits as major pension funds transition to the new defined contribution system.

Investment should also benefit from large public efforts next year, while Dutch exports should gain momentum as growth in the eurozone picks up. Even though GDP growth dynamics should improve gradually going forward, we don't see much room for a real growth surge;

there are too many supply-side restrictions, such as a lack of personnel, emission space, land, building permits and capacity on the electricity grid.

Author

Marcel Klok
Senior Economist, Netherlands
marcel.klok@ing.com

Disclaimer