



Tuesday September 19, 2006

CDA: 'good news'

The budget shows how much the government has achieved, said Maxime Verhagen, leader of the Christian Democrats (CDA). 'We have the lowest unemployment rate in Europe and we lead the way in terms of economic growth,' Verhagen said. 'We have a budget surplus, while all around countries are wrestling with deficits.'

Liberals: 'historic'

Liberal (VVD) leader Mark Rutte said the budget was historic. It was, he said, the first time since WWII that hundreds of thousands of people had stopped claiming benefits and started working.

PvdA dismissive

The Queen's speech was often little more than a promo, Labour (PvdA) leader Wouter Bos told RTL4 Nieuws. "The Queen is the Queen of all the Dutch and could have paid more attention to those with little money or who have lost their jobs.

SP: 'propaganda'

Budget day is propaganda day for this cabinet's policies, said Socialist Party leader Jan Marijnissen. He said the growth in the Dutch economy was due to world economic growth, rather than the cabinet.

GroenLinks cynical

Femke Halsema, leader of the green party GroenLinks, told BNR Nieuwsradio she welcomed the emphasis on international issues in the Queen's speech, but said it was short on substance. 'It was only good news, there were no policies. There was nothing said you could actually disagree with.'

Government pledges better times next year

The Netherlands is set to achieve a budget surplus of 0.2% in 2007 while the economy will grow 3%, showing that years of tough economic policies have paid off, said finance minister Gerrit Zalm at today's budget presentation. The budget - generally seen as a 'good news' show - comes just nine weeks ahead of the general election.

The economy is on target to grow 3% next year and the national debt is set to fall to below 50% of GDP, said Zalm during the presentation of his 12th - and what many commentators believe will be his last - budget. Government spending, Zalm said, would go up by 1.5%.

Extra spending totalling €1 bn would come from tax windfalls and renegotiated payments to Brussels. This money is being equally divided between citizens and industry, he said.

The cabinet is striving to prepare the country for the future, said prime minister Jan Peter Balkenende in his speech earlier in the afternoon. To achieve this, government policy will focus on four areas: helping more people to find jobs, making people feel safer, increasing people's respect for each other and reducing state regulations. Balkenende said the Netherlands was already in good shape, thanks not only to government policy, but also to the effort of people themselves.



Queen: Holland has international role

Queen Beatrix began her 27th speech from the throne introducing the budget this afternoon by expressing support for Dutch troops stationed in Afghanistan. She stressed that as a 'strong, wealthy and free country' the Netherlands

has a role to play in fighting conflicts, poverty and sickness and protecting the environment around the world.

Moving on to domestic affairs, she outlined the importance of education, jobs, social welfare and culture and the need to work with the European Union to combat 'the shadow' of terrorism.

Debate or electioneering?

The budget will be debated in parliament next week giving opposition parties the opportunity to amend - or reject - many of the policies. But with a general election planned for 22 November, there is the possibility that MPs will use the occasion for electioneering rather than debate.

BUDGET MAIN POINTS

- Economy to grow 3% in 2007
- Budget surplus to reach 0.2% of GDP
- National debt to go down to 48% of GDP
- Total government spending €215 bn
- Total package of tax and premium cuts worth €1 bn
- Corporation tax down to 25.5% from 29.1%
- Tax cuts equivalent to €115 per family a year
- Spending power to rise 1% on average. Spending power for well-off (€60,000 a year) to rise 0.75%
- State pension (AOW) to go up €50 per year plus inflation
- Crèches to become cheaper, child benefit to go up €35 a year
- Employer contribution unemployment benefit (WW) reduced
- Employee WW premiums reduced by €120 mln a year
- Compensation for increase in health insurance premiums
- Number of benefit claimants to fall to 1.3 million, down 230,000 on 2003
- More money for residential homes, home helps, psychiatric care and addiction help services
- School leaving age raised to 18 for those without qualifications
- National history museum to be set up
- Introduction of nationalisation ceremonies