DBP-Report

Business borrowing conditions and the ECB's monetary policy decisions

October 10, 2026

Firm expectations at a glance

DBP June 2026 survey: expectations for the next 12 months

4.9% Inflation — Average forecast	**0.5%** GDP growth — Average forecast	**59%** Selling prices — Plan an increase
41% Investment — Expect an increase	**49%** New orders — Expect an increase	**13%** Total debt — Expect an increase

High inflation, modest growth. On average, firms expect Dutch consumer prices to rise by 4.9% over the next year, alongside real economic growth of 0.5%.

Price increases remain widespread. Almost six in ten firms plan to raise selling prices. About 36% expect prices to stay broadly unchanged and 5% expect to reduce them.

Many firms still plan to expand. 41% expect higher investment and 49% anticipate more orders. Only 13% expect total debt to rise, whereas 25% expect it to fall.

Summary

The Dutch Business Panel firms expect high inflation and modest growth, though many firms plan to invest. Firms monitor the ECB decisions, even before the ECB officially changes its policy stance.

1 The Dutch Business Panel

The Dutch Business Panel is a new initiative to understand the expectations and plans of firms in the Netherlands. We interview firms around monetary-policy decisions to document their outlook on the economy and their own businesses. This brief uses the first survey to examine financing expectations around the ECB's June 2026 interest rate increase.

2 The ECB decision amid geopolitical turmoil

On 11 June 2026, the ECB raised its three key interest rates by 0.25 percentage points, citing war-related inflation pressures. This increase in interest rates was clearly related to the Iran war and the associated increase in geopolitical risk and oil prices, as shown in Figure 1.

Because these geopolitical events were well understood, the increase in June was widely anticipated by financial markets and analysts. For example, in an interview published on 26 May, ECB Executive Board member Isabel Schnabel judged that a hike in June would be necessary, based on the information available then (Schnabel, 2026a). Similarly, the account of the April meeting, published on 28 May, also reported that financial markets already priced in a 0.25-percentage-point increase by June (European Central Bank, 2026a). Lastly, according to the prediction market Polymarket, historical prices implied a 99.50% likelihood of a June deposit-rate increase of 0.25 percentage points on 10 June (Polymarket, 2026).

3 Borrowing rate expectations around the decision

3.1 Borrowing expectations relative to the policy increase

A novel feature of our survey is that we interview the same firm twice in a narrow window around ECB announcements. This allows us to isolate more credibly how each firm revise their expectations about future monetary policy decisions.

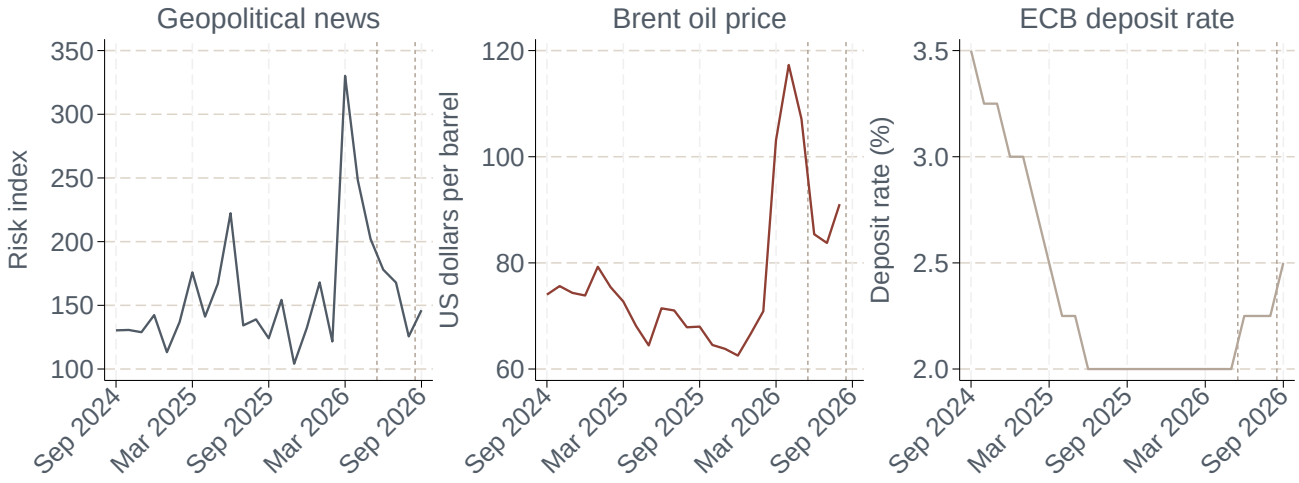


Figure 1. Geopolitical and monetary developments. Monthly time series observations. Left: global geopolitical risk news index (Caldara and Iacoviello, 2022). Centre: Brent crude oil price, US dollars per barrel. Right: ECB deposit rate at end-of-month values. Dashed vertical lines bracket the June–August response period.

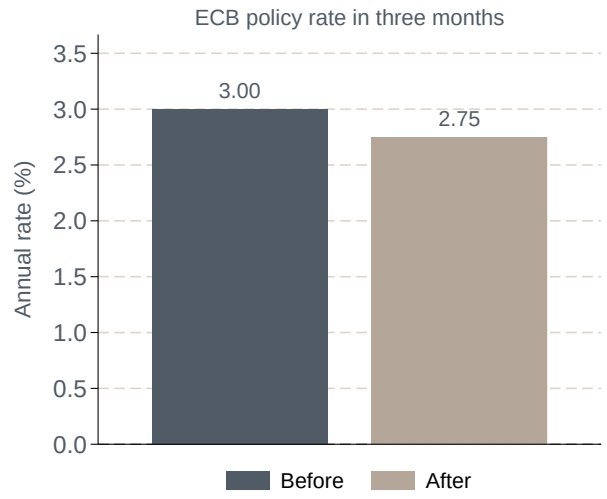


Figure 2. Borrowing forecasts and the June policy-rate increase. Median expected ECB policy rate in three months for the same 153 firms interviewed before and after the 11 June 2026 announcement.

The median firm answering before the ECB decision expects an ECB interest rate of 3.0% three months later (Figure 2). Put differently, this firm anticipates further interest rate increases over the course of the following months.

Interestingly, however, this number falls to 2.75% when asking firms after the ECB interest rate increase. Thus, firms view that an interest rate hike in June allows the ECB to control inflation such that later interest rate hikes will be of smaller magnitude. These patterns suggest that firms are quite optimistic and belief that interest rate increases contain inflationary pressure rapidly.

3.2 More forecasts above 6%

Does the ECB rate increase raises firms' borrowing costs? We compare firms responding before and after the ECB announcement. Among the 637 respondents who responded afterwards, 33.9% expect an annual borrowing rate greater than 6%, compared to 29.5% of the 397 respondents who responded beforehand (Figure 3). The higher share expecting rates above 6% is consistent with higher policy rates set by the ECB. However, other rate bands show differences in both directions, so that there is no uniform pattern.

Interestingly, we find that the median firm in both groups expects a borrowing rate of 5.0%. This pattern is consistent with the idea that the median firm anticipates the monetary policy decision, such that the expected borrowing rate remains unaffected.

3.3 How the forecasts compare with bank lending rates

To obtain the borrowing rate expectations, we ask firms what annual interest rate they expect if they were to take out a loan in three months. This forward-looking interest rate measure is substantially higher than backward-looking measures. For example, the ECB's Dutch corporate cost-of-borrowing indicator was 3.3% in June (European Central Bank, 2026b). This is consistent with firms understanding that interest rates are likely to increase as a result of geopolitical turmoil and associated ECB interest rate hikes.

4 Larger firms borrow and invest more often

Higher borrowing costs can lead firms to postpone investment, slowing demand and easing price pressures.

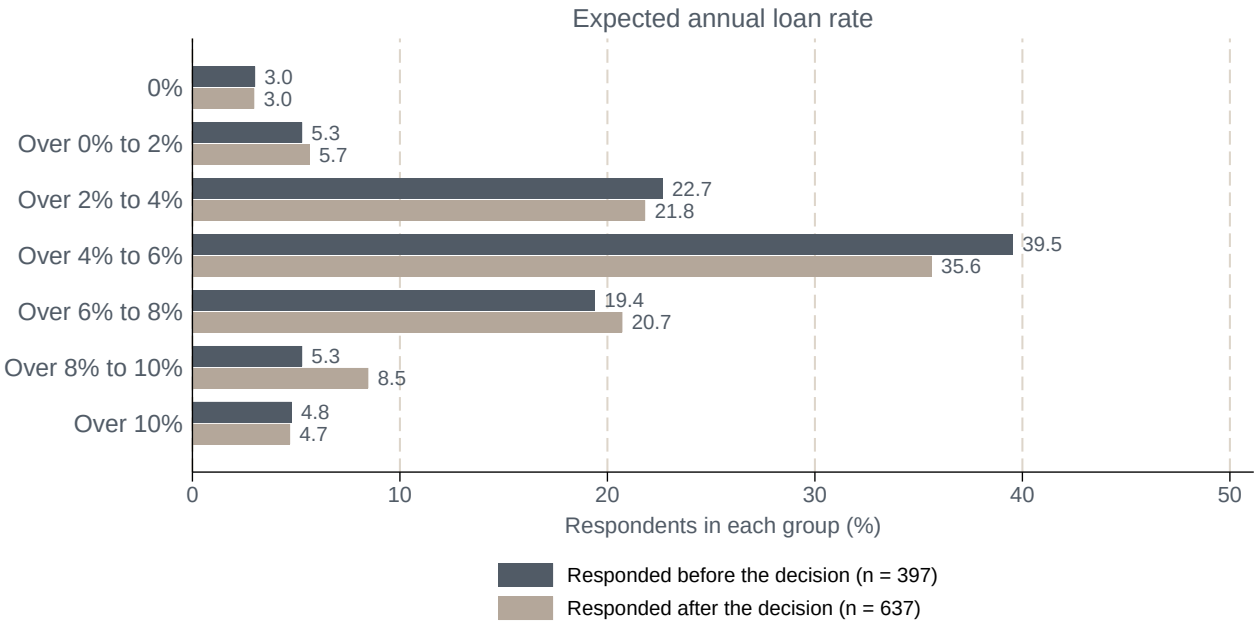


Figure 3. Borrowing-rate expectations before and after the announcement. Expected annual interest rate on a hypothetical new bank loan requested in three months. Shares are calculated separately for respondents answering before (397 responses) and after the ECB announcement (637 responses).

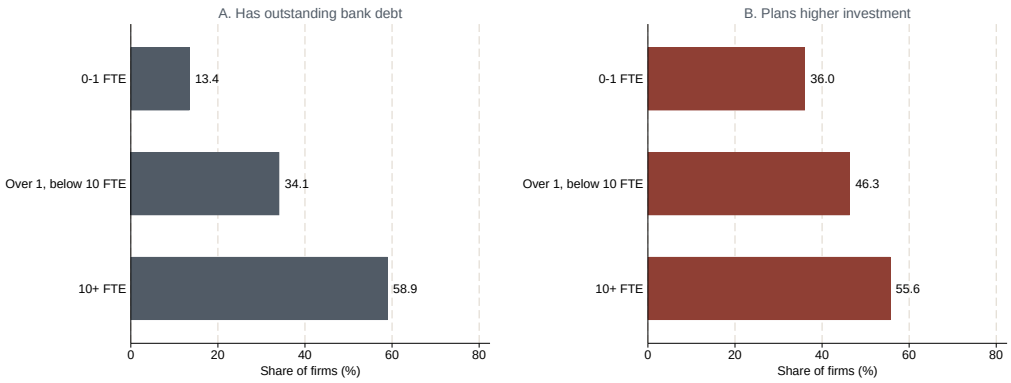


Figure 4. Bank debt is rare among the smallest firms. 1,337 firms; group sizes 819, 367 and 151. FTE means full-time-equivalent employment and may include the owner. Unknown or refused debt-status answers are excluded.

For which types of firms does the ECB decision matter most? Figure 4 shows that bank borrowing is more prevalent among larger firms. Bank loans or credit lines are reported by 13.4% of the smallest firms, compared with 34.1% and 58.9% in the larger groups. The shares planning higher investment are 36.0%, 46.3% and 55.6%, respectively.

Larger firms thus combine more widespread bank borrowing with stronger investment ambitions. Whether higher rates hold back those ambitions depends partly on the need for additional financing.

5 Expansion without more debt

Will the contractionary monetary policy lead to a contraction of economic activity? Many firms plan to expand while keeping debt in check. Among 1,358 firms, 49.1% expect more orders and 40.9% plan higher investment, but only 12.8% expect higher total debt (Figure 5). Of the 555 firms planning higher investment, 77.1% expect debt to remain unchanged or decline. Profits, cash reserves or equity can fund expansion; new loans can also be offset by repayments.

This matters for the ECB. Schnabel recently highlighted robust credit growth as suggesting that financing conditions might not yet be restrictive, or that some lending had become less sensitive to interest rates (Schnabel, 2026b). While this is observable for some firms, most firms planning higher investment do not expect their total debt to rise. Expansion can therefore coexist with stable debt, making orders and investment important indicators alongside credit growth.

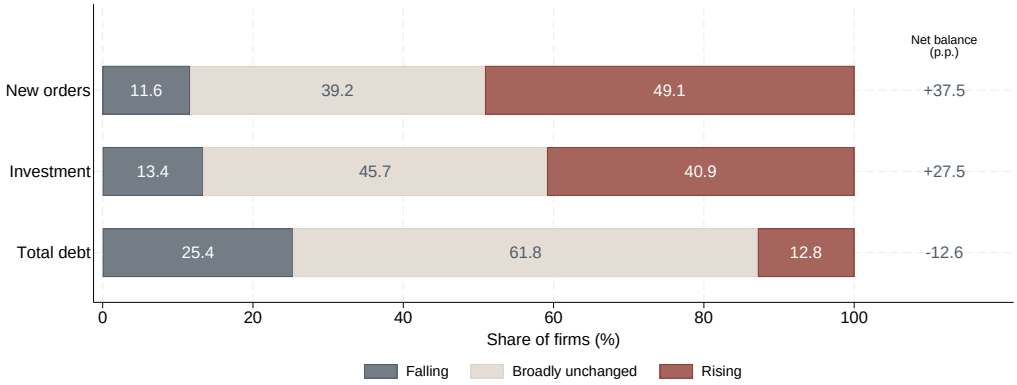


Figure 5. Expansion plans outpace plans for more debt. Twelve-month plans for the same 1,358 firms. Net balance means the share expecting an increase minus the share expecting a decrease, in percentage points.

If expectations of more orders materialise, resilient demand may give firms room to pass higher costs on to customers, sustaining inflationary pressure (Schnabel, 2026b). The evidence from the Dutch Business Panel suggests that, despite the ECB interest rate hike, there is still substantial inflation risk.

6 The bottom line

For Dutch businesses, the outlook combines persistent price pressures with opportunities to expand. Respondent firms expect 4.9% inflation, yet 41% plan higher investment despite modest economic growth. Higher financing costs may weigh on those plans, particularly where expansion requires new borrowing.

Among firms planning higher investment, 77% do not expect debt to rise, suggesting that much of the current expansion is not sensitive to borrowing costs. If the expected increase in orders materialises, stronger sales may help firms absorb or pass on higher costs. Financing needs and customer demand will therefore shape how businesses navigate tighter monetary conditions.

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Firm insights

"de rentes stijgen hard en de banken zijn meer dan voorheen sterk risicomijdend, dat is een probleem en maakt onzeker om te investeren"

"Interest rates are rising sharply, and banks are much more risk-averse than before. That is a problem and creates uncertainty about investing."

Business in real estate.

"Het wordt ook steeds ingewikkelder om een financiering te krijgen wat niet bijdraagt aan een goed ondernemersklimaat."

"It is also becoming increasingly complicated to obtain financing, which does not contribute to a favourable business climate."

Business in civil engineering.

The Dutch Business Panel

The Dutch Business Panel is a long-term survey panel that systematically examines how businesses of different sizes in the Netherlands perceive the economic outlook and economic policies.

As a comprehensive, long-term survey panel, we provide high-quality data for research on corporate decision-making and contribute to improving regulation and business practices.

Data for this report

This report uses the survey round in June–August 2026.

The charts draw on replies from 1,568 firms. Borrowing-rate comparisons use separate samples, including 153 firms interviewed before and after the June ECB decision.

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