



# Press release

Statistics Netherlands

PR99-  
25 February 1999  
9.30 hrs

## **1998: economic growth at 3.7%**

With economic growth at 3.7%, the Dutch economy had another good year in 1998. Gross domestic product (GDP) volume growth was comparable with the 1997 figure (3.6%). In the course of the year growth slowed down, to 3.1% in the fourth quarter, especially in the manufacturing industry. The GDP value in 1998 ended up at 750.4 billion guilders. These figures are based on the first estimates of the Quarterly National Accounts of Statistics Netherlands.

### ***Consumer spending important factor***

The prolonged strong growth in household consumption was a major force underlying the economic growth in 1998. The volume increase in consumer spending (4.4%) was higher than the growth rate in the last business cycle peak (4.0% in 1990).

The increase in fixed capital formation in the private sector slowed down from 7.8% in 1997 to 3.6% in 1998. This was partly caused by the fact that 1998 saw less investments in large projects than 1997.

### ***Export growth diminishes***

Export growth also played a role in 1998. The volume increase in exports was almost 6% and exceeded the domestic demand growth rates. However, export growth rates were lower than in 1997 and decreased in the course of 1998. Growth was particularly lower for exports of natural gas, refined petroleum products, rubber and plastic products, machinery and equipment. Import increases remained high (almost 7%), partly because of imports of consumption goods and services.

### ***Producers of goods in a fix***

Manufacturers saw a 1% rise in the volume of value added, against 3% in the previous year. In agriculture and mining value added was lower than in 1997. Manufacturing growth rates decreased in each successive quarter in 1998; value added in the fourth quarter was even lower than in the same quarter of 1997. In part this is caused by increasing sales problems on foreign markets.

### ***Strong growth in commercial services continues***

Value added volume growth was highest for businesses in commercial services (5%), with communications companies, temporary employment agencies and software houses doing particularly well. Temporary employment agencies, however, saw their growth rates fall in the course of the year.

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**Note**

These figures constitute the second economic growth estimate for 1998 by Statistics Netherlands. The GDP growth estimate (3.7%) is fractionally lower than the previous estimate of December 1998 (3.8%). The fourth quarter growth estimate is provisional. The final figures and details for the fourth quarter will appear on 23 April 1999. The figures for the first three quarters may then also be adjusted, because the 1998 estimates comprise some adjustments that have not yet been allocated to quarters.

For further information on the Quarterly National Accounts, please contact Nico van Stokrom, tel. (070) 337 47 95, e-mail nskm@cbs.nl.

**Table 1: Gross Domestic Product**

	<i>Changes on:</i>	
	same period previous year	previous quarter
	<i>Volume changes in %</i>	
<b>1997</b>	3.6	.
<b>1998</b>	3.7	.
<b>1997-I</b>	3.4	0.8
<b>II</b>	3.5	1.1
<b>III</b>	3.4	1.4
<b>IV</b>	4.3	1.0
<b>1998-I</b>	4.9	0.9
<b>II</b>	3.7	0.6
<b>III</b>	3.2	0.6
<b>IV</b>	3.1	1.2

**Table 2: Supply and disposition of goods and services**

	1995	1996	1997	1998
<i>Volume changes in %</i>				
Household consumption	2.0	2.7	3.0	4.4
Government consumption	0.8	1.2	1.5	2.5
Gross fixed capital formation				
by enterprises	5.1	6.1	7.8	3.6
by government	2.9	1.0	0.1	5.8
Increase in stocks	.	.	.	.
National final expenditure	2.4	3.0	3.6	4.0
Exports of goods and services	6.7	5.2	6.7	5.9
Imports of goods and services	7.5	5.3	7.1	6.8
Gross Domestic Product (m.p.)	2.3	3.1	3.6	3.7

**Table 3: Value added (gross, factor costs) by economic activity**

	1995	1996	1997	1998
<i>Volume changes in %</i>				
Gross Domestic Product (f.c.)	2.3	2.7	3.8	3.3
Of which:				
Agriculture, forestry and fishing	0.9	0.4	3.7	-2.7
Mining and quarrying	0.7	12.2	-9.9	-5.3
Manufacturing	3.5	2.6	5.0	2.3
Electricity, gas and water supply	2.3	3.2	0.3	4.2
Construction	-1.2	-0.5	4.6	2.7
Trade and repair	2.9	3.6	4.8	5.0
Hotels and restaurants	-1.7	0.4	5.4	4.4
Transport, storage and communication	2.6	2.4	4.7	6.6
Financial intermediation	-0.5	3.9	7.3	1.6
Business services	5.2	5.4	5.8	5.2
Government and subsidized education	-0.6	0.4	1.3	1.6
Health and other services	1.5	0.4	1.2	2.6