



Press release

Statistics Netherlands

PR99-97
22 April 1999
9.30 hrs

Economic growth fourth quarter 3.3%

Compared with the same period in the previous year the Dutch economy grew by 3.3% in the fourth quarter of 1998, bringing the gross domestic product for the whole of 1998 to 3.8%. This is slightly higher (0.1%) than the estimate of February. The rate of economic growth decreased in the course of the year, according to Statistics Netherlands' quarterly national accounts.

Peak year for household spending

The trend in household consumption through the year differs from that of other macro-economic indicators. The growth in the second half of 1998 is clearly higher than in the first half, while the GDP shows an opposite trend. For the whole of 1998 the volume of consumption was 4.5% higher, in the third and fourth quarter of 1998 the increase was 5.0%, the highest growth rate since 1978. As in previous quarters spending on durable consumer goods increased by most. The volume increase in the fourth quarter was 8.8%, a sharp contrast with the 0.6% rise in spending on food, beverages and tobacco.

Strong growth investments in road transport equipment continues

Investment in fixed capital in the fourth quarter of 1998 was 3.4% higher than in 1997. The growth figures vary strongly between the different types of assets. Investment in road transport equipment was 24% higher in volume, investment in cars, which forms a part of this, rose by as much as 31.8%. This category also shows the strongest growth for the whole year. Investment in houses on the other hand was down by 2.8% in this quarter, which has to do with the fact that there were less workable hours in the construction industry. Indeed a stagnation can be observed in housing construction for the whole year. The growth in investments in machinery (1.6%) in the fourth quarter lagged behind the overall average growth, al-

Statistics Netherlands
Press Office

P.O. Box 4000
2270 JM Voorburg
The Netherlands
tel. +31 70 337 58 16
fax +31 70 337 59 71
e-mail:
persdienst@cbs.nl

Statistics Netherlands
is a department of
the Ministry of
Economic Affairs

though it was influenced by the completion of a number of major projects; excluding the effect of these projects the volume increase of the total investments for the fourth quarter is 3.9%.

Growth in foreign trade decreases

In the course of 1998 the volume of international trade of goods and services shows a decrease in the growth figures. This was accompanied by a trend of falling prices which pushed down growth (in terms of guilders) even faster. The effect on the exchange rate is marginal because, seen over the whole year, the decrease of import and export prices is about the same. The volume of exports of goods and services in this quarter was 3.5% higher, compared with 6.1% for the whole of 1998. The slower growth was particularly caused by a lower foreign demand for products from the metal and chemical industry, which account for 50% of the total Dutch exports of goods. The volume of total imports was 5.0% higher in the fourth quarter compared with a growth of 7.3% for the whole of 1998.

For further information, please contact Ronald Jansen tel. 070 337 5804; e-mail: rjnn@cbs.nl.