



Press release

Statistics Netherlands

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Economic growth first quarter 3.0%

In line with the estimate published in May, the volume of the gross domestic product (GDP) was 3.0% higher in the first quarter of 1999 than in the first quarter of 1998. Relatively high domestic expenditure formed the basis for this economic growth. Transport and communication businesses and trade were the fastest growing branches of industry. Slow foreign sales remained a problem for manufacturing industry.

Consumption and investment carry growth

The fastest growing expenditure categories were household consumption (4.4%) and investment (6.9%). Consumer electronics and cars were particular household favourites. Investment growth was highest for transport equipment and machinery. Part of this growth was caused by the completion of several large projects; if these projects are left out of account, investments would have risen by about 5.6%.

No further deceleration of export growth

The deceleration of export growth seems to have come to a halt. The first quarter growth of 3.6% practically equals the increase in the previous quarter. In the course of last year, export growth slowed down from 8.9% in the first quarter to 3.5% in the fourth quarter. The stabilisation indicates that the aftermath of the Asian crisis posed no new problems for Dutch exports.

Manufacturing industry still in a deadlock

Transport and communication businesses and trade were the fastest growing branches of industry. Telecommunication companies in particular had a good quarter, partly because of the growing number of users of mobile phones.

The manufacturing industry did not grow but shrank (-1%) in the first quarter, just as in the fourth quarter of 1998. Again, especially the chemical and the metal industry faced a difficult export market. The food, tobacco and beverages industry recovered slightly: the fall in the fourth quarter was followed by a modest growth (1%) in the first three months of 1999.

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Note

The first quarter GDP volume growth is in line with the first estimate published last May.

These quarterly figures have not yet been adapted to the new annual figures that were released earlier this week. On October 29 adjusted quarterly data will be released. These will also be adjusted to the new international guidelines (ESA 95).

In order to exclude seasonal effects, the changes compared to the previous quarter (see table 1) have been processed using a calculating procedure. For the first quarter of 1999 this produces a growth compared to the fourth quarter of 1998 of 0.7%. This implies an annual growth figure of 2 ³/₄%.

For further information on the Quarterly National Accounts, please contact Gert Buiten, tel. (070) 337 47 95, e-mail gbtn@cbs.nl. Other information can be obtained from the Press Office, tel. (070) 337 58 16.

Table 1: Gross Domestic Product

	<u>changes compared to:</u> same period previous year	previous quarter
<i>Volume changes in %</i>		
1997-I	3.4	0.9
II	3.5	1.0
III	3.4	1.4
IV	4.3	1.0
1998-I	4.9	0.9
II	3,7	0,7
III	3.2	0.5
IV	3.3	1.1
1999-I	3.0	0.7

Table 2: Supply and disposition of goods and services

	1998				1999
	I	II	III	IV	I
<i>Volume changes in % on previous year</i>					
Consumption by households	3.8	4.2	5.0	5.0	4.4
Consumption by government	3.1	2.2	2.4	2.3	2.8
Investment by enterprises	8.2	-0.3	4.2	3.6	6.8
Investment by government	15.6	5.0	2.4	2.2	7.4
Changes in inventories	pm	pm	pm	pm	pm
National final expenditure	6.0	2.8	4.3	4.1	3.2
Exports of goods and services	8.9	7.3	4.7	3.5	3.6
Imports of goods and services	11.6	6.0	7.1	5.0	4.0
Gross domestic product	4.9	3.7	3.2	3.3	3.0

Table 3: Fixed capital formation

	1998				1999
	I	II	III	IV	I
<i>Volume changes in % on previous year</i>					
Fixed capital formation	9.1	0.4	4.0	3.4	6.9
o.w.: Dwellings	10.5	-5.6	-3.5	-2.8	0.8
Non-residential buildings	17.1	2.9	8.0	0.6	5.9
Civil engineering works	11.6	1.4	-0.9	0.3	5.8
Transport equipment	7.2	-2.1	22.4	19.1	17.4
Machinery equipment	4.7	3.7	4.8	1.6	8.6