



Press release

Statistics Netherlands

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Economic growth second quarter 3.2%

The volume of Gross Domestic Product (GDP) was 3.2% higher in the second quarter of 1999 than one year earlier. Economic growth is thus slightly higher than in the first quarter (3.0%). The first Quarterly National Accounts estimates put economic growth at 3.1% in the first half of 1999.

Goods producers recovering

On the supply side of the economy, producers of goods are recovering. In the second quarter the volume of value added of companies producing goods was 2.2% higher than a year earlier. In the previous four quarters average growth was less than half percent.

The growth rate was highest in the commercial services (4.0%), which include telecommunication firms and computer service businesses. Non-commercial services growth came to 1.6% in the second quarter. Both figures imply a stable growth.

Consumption and exports support demand side growth

On the demand side, consumption (+3.7%) and exports (+3.5%) are the fastest growing categories. For exports this means a stabilisation: growth rates were similar in the previous two quarters. The consumption growth is largely based on increased household consumption (+4.1%). Government consumption growth in the second quarter amounted to slightly over 2%.

Investment growth slowed down by fewer large projects

Investment volume growth in the second quarter amounted to 1.2%, after a 6.9% increase in the first quarter. These figures are strongly affected by fluctuations in the completion of incidental, large investment projects. If these are disregarded, second quarter investment growth is around 6.5%, against approximately 5.6% in the first quarter.

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

Note

This press release presents the first estimate of economic growth in the second quarter of 1999. This "flash estimate" has a preliminary character: figures may be adjusted because of forthcoming statistical data. For the first time preliminary quarterly estimates on final demand and foreign trade are also published.

The definite figures on the second quarter will be published on October 28, including more detailed information. At that moment the quarterly data will also be adjusted to the annual figures of the *National accounts of the Netherlands 1998* and also to the new international guidelines of ESA 1995.

The changes on the previous quarter (see table 1) are derived using a calculating procedure that excludes seasonal effects and some calendar effects. These changes give a sharper view of a possible change in the economy's course than growth figures compared to one year earlier.

Goods producers include companies in agriculture, construction, mining and quarrying, manufacturing industry, and energy plants and water companies. Commercial services include trade, hotels, restaurants and cafes, postal and telecommunications services, and financial and business services. Non-commercial services are those provided by the government (including education) and the care sector.

Today, Statistics Netherlands also published a separate press release on the development of consumer spending by households.

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 (market prices)

	same period last year	Changes on: previous quarter 1)
<i>% volume changes</i>		
1997-I	3.4	1.0
II	3.5	1.2
III	3.4	1.2
IV	4.3	1.1
1998-I	4.9	1.0
II	3.7	0.6
III	3.2	0.5
IV	3.3	1.2
1999-I	3.0	0.7
II	3.2	0.8
I-II	3.1	-

1) adjusted for seasonal effects and a number of calendar effects.

Table 2: Value added of three groups of producers (gross, factor costs)

	Producers of:		
	Goods	commercial services	non-commercial services
<i>% volume changes on previous year</i>			
1997-I	1.7	5.1	0.9
II	3.4	5.8	1.2
III	3.6	5.3	1.5
IV	3.6	5.8	1.5
1998-I	4.4	6.1	2.1
II	0.4	5.1	2.2
III	-0.8	4.4	2.0
IV	1.0	4.2	1.8
1999-I	1.0	4.1	1.8
II	2.2	4.0	1.6

Table 3: Supply and disposition of goods and services

	1998				1999	
	I	II	III	IV	I	II
	% volume changes on previous year					
Consumption	3.7	3.8	4.5	4.5	4.1	3.7
o.w. by households	3.8	4.2	5.0	5.0	4.4	4.1
by government	3.1	2.2	2.4	2.3	2.8	2.2
Investment in fixed assets	9.1	0.4	4.0	3.4	6.9	1.2
Changes in inventories	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
	
National final expenditure	6.0	2.8	4.3	4.1	3.2	3.0
Exports of goods and services	8.9	7.3	4.7	3.5	3.6	3.5
Imports of goods and services	11.6	6.0	7.1	5.0	4.0	3.1
Gross domestic product	4.9	3.7	3.2	3.3	3.0	3.2

Table 4: GDP value and price changes (market prices)

	Value	Value changes	Price changes
	bln gld	in % of a year earlier	
1998-I	182.0	7.6	2.5
II	192.5	6.0	2.1
III	182.5	5.5	2.2
IV	193.3	4.4	1.0
1999-I	190.3	4.6	1.5
II	201.4	4.6	1.4