



Press release

Statistics Netherlands

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Economic growth second quarter 3.1%

The Dutch economy in the second quarter of 1999 has grown 3.1% compared to the same period last year. This corresponds with the preliminary estimate published last August. It is the thirteenth consecutive quarter with an economic growth of 3% or more. For the first half year of 1999 growth arrives at 3.1%, according to the Dutch Quarterly National Accounts.

Modest recovery in manufacturing industry

After two quarters of negative growth, manufacturing industry shows a slight recovery. Especially the food industry and parts of the chemical industry are doing better. The textile and leather industry, the manufacturers of basic chemicals and the metal and machinery industries however, show no signs of recovery in the second quarter.

The highest growth rate was recorded in transport and communication, and in construction.

Consumption and exports support demand side growth

On the expenditure side of the economy, individual consumption and investment are the fastest growing categories. Consumers are especially keen on vehicles, and on transport and communication services. Consumption growth seems to be slowing down somewhat, but remains high in comparison with previous years.

Investment growth is highest in transport equipment and in non-residential buildings. Fixed capital formation growth is lower than in the previous quarter, but that is mainly caused by differences in the realisation of large investment projects. Disregarding these incidental projects, the investment growth rate would have been approximately 6.9%, against about 6.1% in the first quarter.

Imports again grow faster than exports

For the fourth consecutive quarter imports have grown faster than exports. This expresses the fact that national expenditure is growing faster than the domestic product.

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Note

GDP volume growth for the second quarter is adjusted from 3.2% (preliminary estimate from August) to 3.1% (current estimate). The new quarterly figures are adapted to the yearly figures of the *National Accounts of the Netherlands 1998*. In this process, some data on previous quarters have also been revised.

With this adaptation the quarterly data are now also in line with the new international guidelines (ESA 1995). Because of the introduction of the ESA 1995, the tables in this press release differ in certain respects from those in previous press releases.

The ESA 1995 distinguishes two alternative ways to breakdown consumption: a) into households and government and b) into individual and collective consumption. In table 2, both approaches are presented. In the text however, individual and collective consumption are used as the central concepts. Statistics Netherlands' monthly Consumer Index will also be based on the individual consumption. This comprises all consumption that directly benefits individual households and persons, regardless of who pays for it: the households themselves or for instance government or insurance companies. With this, individual consumption is in line with the consumption by households in the old guidelines. Household Consumption according to the new guidelines comprises practically only products for which households pay themselves. Following the *National Accounts of the Netherlands 1998*, computers are presented as a separate investment category.

The changes on the previous quarter (see table 1) are derived using a calculation procedure that eliminates seasonal effects and part of the calendar effects. Compared to the changes on the same period a year earlier, these changes give a clearer insight in changes in economic development.

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)

	Changes on:	
	same period last year	previous quarter 1)
<i>% volume changes</i>		
1997-I	3.7	1.1
II	3.6	1.3
III	3.4	1.2
IV	4.4	1.0
1998-I	4.9	0.9
II	3.6	0.6
III	3.0	0.4
IV	3.3	1.2
1999-I	3.0	0.7
II	3.1	0.7
I-II	3.1	-

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

Source: Statistics Netherlands

Table 2: GDP value and price changes (market prices)

	Value	Value changes	Price changes
	<i>bln gld</i>	<i>in % of a year earlier</i>	
1998-I	188.4	7.5	2.5
II	198.2	5.6	1.9
III	188.6	5.2	2.1
IV	200.9	4.4	1.1
1999-I	196.1	4.1	1.1
II	207.2	4.5	1.3

Source: Statistics Netherlands

Table 3: Supply and disposition of goods and services

	1998				1999	
	I	II	III	IV	I	II
<i>% volume changes on previous year</i>						
Consumption	3.1	3.8	4.2	4.4	4.1	3.8
o.w. by households 1)	3.1	4.0	4.6	4.9	4.8	4.5
by government	3.1	3.2	3.5	3.4	2.5	2.4
o.w. individual	3.0	4.0	4.5	4.7	4.4	4.1
collective	3.6	2.7	2.9	2.8	2.3	2.2
Investment in fixed assets	8.4	0.8	7.4	5.1	7.2	4.0
o.w. by enterprises	8.4	1.1	9.0	6.1	7.5	3.9
by government	8.3	-1.2	-1.8	-0.7	5.3	5.1
Changes in stocks	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
National final expenditure	5.7	3.3	4.4	3.7	3.0	3.5
Exports of goods and services	8.2	6.3	4.6	6.5	3.5	3.8
Imports of goods and services	10.1	6.1	7.2	7.5	3.7	4.4
Gross domestic product	4.9	3.6	3.0	3.3	3.0	3.1

1) Including Non-profit institutions serving households (NPISH's).

Source: Statistics Netherlands

Table 4: Investments in fixed assets

	1998				1999	
	I	II	III	IV	I	II
<i>% volume changes on previous year</i>						
Investment in fixed assets	8.4	0.8	7.4	5.1	7.2	4.0
o.w. dwellings	9.8	-5.7	-3.8	-3.1	1.3	5.3
non-residential buildings	13.4	1.1	8.3	9.3	9.0	13.5
civil engineering works	20.2	5.3	2.0	1.5	5.7	3.7
transport equipment	7.3	13.5	19.2	24.6	17.9	19.7
machinery	-5.0	-8.1	13.5	1.2	3.0	-12.5
computers	36.3	32.3	25.1	12.3	22.1	7.2

Source: Statistics Netherlands