



Press release

Statistics Netherlands

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Economic growth first quarter 4.7%

The Dutch economic growth rate in the first quarter of 2000 amounted to 4.7% compared to the first quarter of 1999. It is the second consecutive quarter with a growth rate over 4%. The growth rate figure has been upwardly adjusted with respect to the first Quarterly National Accounts estimate that Statistics Netherlands published in May (4.2%).

Growth rate of manufacturing and construction again tops 5%

Just as in the previous quarter, the manufacturing industry and construction showed a particularly high growth rate. These branches of industry are sensitive to the economic fluctuation and account for a fifth of Dutch Gross Domestic Product (GDP). In manufacturing industry, the volume of value added was up 5.5% on a year ago, after a 6.8% growth rate in the previous quarter. The Dutch manufacturing industry has clearly recovered from the aftermath of the Asia crisis. Growth in construction reached 7.7%, after 8.7% in the fourth quarter of 1999. Winter weather conditions have been favourable for construction.

Transport and communication services fastest growing industries

Growth remains highest in the business services, prolonging the trend in recent years. With a 9.6% growth rate in the first quarter, transport and communications services are the fastest growing industries. Telecommunications in particular is flourishing.

Slowdown household consumption reverses

First quarter household consumption increased by 4.6%. This means the end of a series of diminishing growth figures that started in the first quarter of 1999. Expenditure growth increased in all major categories. The growth of the consumption of goods (+5.1%) tops that of services (+4.2%). The consumption figures are pushed up because of an extra shopping day in the first quarter of 2000.

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Structural investment growth accelerating

Investment growth came to 6.8%, which is lower than the 7.9% in the previous quarters. Investment figures, however, can be volatile because of the completion of large, incidental projects. Disregarding such projects, structural investment growth would have been 8% in the first quarter, against 6% in the last quarter of 1999.

Exports growth increases

With a volume increase of 7.7%, exports growth further accelerated. In the course of 1999, the exports growth rate increased each quarter, due to the fact that the world trade was picking up.

The growth rate of imports accelerated from 6.5% in the fourth quarter of 1999 to 8.0% in the first quarter of 2000. About half of all imports is used in the Dutch production process, one fifth is for domestic consumption or investment. Some 30% of imports is re-exported, mainly by Dutch distribution centers.

Note

Economic growth is measured as the volume growth of the Gross Domestic Product (GDP). GDP is the sum of the income generated in the production process: the 'value added'. The growth figure is positively influenced by the fact that the first quarter of 2000 had two working days more than that of 1999.

This press release contains the second estimate for economic growth in the first quarter of 2000. GDP growth is adjusted upwards from 4.2% to 4.7%. This is because more statistical data that became available in the meantime.

The data in this press release have not yet been adjusted to the annual figures of the National Accounts 1999 that were released yesterday. This adjustment will be made with the press release of the second estimate for the second quarter, that will be published October 26.

The changes on the previous quarter (see table 1) are derived using a calculation procedure that excludes seasonal effects and some calendar effects. They give a faster, more accurate indication of a change in the economy than the year-on-year figures.

For further information

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Table 1: Gross Domestic Product (market prices)

	Changes on:	
	same period last year	previous year 1)
% volume changes		
1998-I	4.9	0.9
II	3.6	0.7
III	3.0	0.6
IV	3.3	1.0
1999-I	3.0	0.7
II	3.1	0.9
III	3.6	1.0
IV	4.6	1.4
2000-I	4.7	1.0

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	Value change	Price change
	<i>bln gld</i>	<i>bln euro</i>	<i>in % of a year earlier</i>	
1998-I	188.4	85.5	7.5	2.5
II	198.2	90.0	5.6	1.9
III	188.6	85.6	5.2	2.1
IV	200.9	91.2	4.4	1.1
1999-I	196.1	89.0	4.1	1.1
II	207.2	94.0	4.5	1.3
III	197.6	89.7	4.8	1.2
IV	213.4	96.8	6.2	1.6
2000-I	209.8	95.2	7.0	2.2

Source: Statistics Netherlands

Supply and disposition of goods and services

	1999				2000
	I	II	III	IV	I
<i>volume changes in %</i>					
Consumption	4.1	3.8	3.6	3.3	4.3
o.w. individual	4.4	4.1	3.8	3.3	4.6
collective	2.3	2.2	2.7	3.4	2.3
o.w. by households	4.8	4.5	4.1	3.5	5.0
by government	2.5	2.4	2.6	2.9	2.5
Investment in fixed assets	6.3	3.9	4.3	7.9	6.8
Changes in stocks 1)	-0.3	-1.1	1.1	-0.2	-0.5
National final expenditure	3.0	3.5	4.4	4.2	4.7
Exports of goods and services	3.5	3.8	4.4	6.9	7.7
Imports of goods and services	3.7	4.4	6.0	6.5	8.0
Gross domestic product	3.0	3.1	3.6	4.6	4.7

1) As a percentage of GDP at constant prices.

Source: Statistics Netherlands

Tabel 4: Investment in fixed assets

	1999				2000
	I	II	III	IV	I
<i>volume changes in %</i>					
Investment in fixed assets	6.3	3.9	4.3	7.9	6.8
o.w. dwellings	1.3	5.3	0.4	5.8	4.6
non-residential					
buildings	9.0	13.5	10.7	16.6	12.0
civil engineering works	5.7	3.7	7.4	7.3	16.2
transport equipment	17.9	19.7	5.0	-6.9	3.0
machinery and equipment	3.0	-12.5	-1.6	17.8	3.9
computers	9.1	7.2	14.8	10.9	13.1

Source: Statistics Netherlands