



Press release

Statistics Netherlands

PR00-265
23 November 2000
9.30 hrs

Economic growth first nine months 4.1%

The volume growth of gross domestic product (GDP) in the third quarter of 2000 on one year earlier was 3.4%. Economic growth in the first nine months of 2000 amounted to 4.1%, practically the same as in 1999. According to the latest Quarterly National Accounts estimates, the price increase of GDP is slowing down slightly.

GDP price increase levelling off

The GDP price increase levelled off, from 3.1% in the second to 2.9% in the third quarter. In the two previous quarters it accelerated strongly, mainly because of the effects of higher oil and import prices.

Growth of goods producers slowing down

On the production side of the economy, growth slowed down most for the producers of goods. These include manufacturing and construction. The increase was also slightly lower for suppliers of commercial services. The slowing down of production growth rates can partly be explained by the fact that the third quarter of 2000 had one working day fewer than the same quarter last year.

Investment growth lower

On the expenditure side, investment growth dropped particularly sharply, from 7.1% in the second to 2.7% in the third quarter. Investment spending is affected by the incidental completion of large investment projects. If such projects are disregarded, structural investment growth slowed down from 5.1% in the second quarter to 2.8% in the third.

Export growth decelerating

The volume increase of exports in the third quarter was 7.7%, slightly lower than in the second quarter (8.4%). This is the second consecutive quarter that export growth was down. Because of the smaller increases in expenditure and production, import growth also slowed down, from 9.2% in the second quarter to 7.1% in the third 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

Consumption growth stable

The volume increase in consumer spending in the third quarter (3.4%) was practically the same as in the previous three months. Not all consumption categories contributed equally to the increase in the third quarter. Spending on food, drink and tobacco was a fraction lower than a year earlier. The increase of expenditure on consumer durables is larger than in the previous quarter. Growth in this category suffered from the sharp decline in the number of new car sales. Volume growth of spending on services - by far the most important consumption category - fell from 4.5% in the second quarter to 4.0% in the third quarter.

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'.

This press release contains the first estimate for economic growth in the third quarter of 2000. This 'flash estimate' has a preliminary character: figures may be adjusted when new statistical data become available. On January 25 new estimates on the third quarter will be published, including more detailed data.

The growth rates 'compared with one year earlier' in this press release are not completely comparable with the 'annualised' quarterly growth rates ('annual rates') published by for instance the US. Both methods are discussed extensively in issue 3 of Statistics Netherlands' publication *De Nederlandse conjunctuur, 2000*. An English translation of this article is available. The main differences are as follows.

An 'annual rate' is the seasonally adjusted growth on the previous quarter (see the right-hand column of table 1), that is annualised by raising it to the fourth power in a certain way (for instance by 0.8%: 1.008^4). The figure thus shows what the annual growth would have been if this growth rate applied in all four quarters. 'Annual rates' usually result in larger fluctuations between consecutive quarters and between consecutive estimates of the same quarter. Because of the seasonal adjustment the 'annual rates' are less objective and less comparable between countries.

Like most other European countries, Statistics Netherlands presents quarterly growth on the corresponding period one year previously. The occurrence of incidental factors and working day effects is specified in press releases. An indication of the ultimate growth in a calendar year is provided in the form of cumulative changes of several quarters in respect to the corresponding period one year previously. In order to assess changes in direction or speed of growth, seasonally adjusted changes on the previous quarter are calculated (see the right-hand column of table 1).

For further information on the Quarterly National Accounts, please contact Gert Buiten, tel. +31 70 337 47 78, e-mail gbtn@cbs.nl. For more information on consumer expenditure, please contact Karin van

der Ven, tel. +31 70 337 48 66. Other information can be obtained from the Press Office, tel. (070) 337 58 16.

Table 1: Gross Domestic Product (market prices)

	<u>Changes on:</u>	
	same period previous year	Previous quarter 1)
<i>volume changes in %</i>		
1998	4.1	--
1999	3.9	--
2000 I-III	4.1	--
1998-I	5.2	1.1
II	3.6	0.7
III	3.7	0.9
IV	3.8	1.0
1999-I	3.2	0.6
II	3.4	1.1
III	3.9	1.3
IV	4.9	1.4
2000-I	4.9	0.8
II	4.1	0.7
III	3.4	0.8

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 euros</i>	<i>in % of one year previously</i>	
1998	780.5	354.2	6.1	2.0
1999	824.0	373.9	5.6	1.7
1998-I	188.7	85.6	7.8	2.5
II	198.2	90.0	5.7	2.0
III	190.4	86.4	5.9	2.1
IV	203.2	92.2	5.3	1.4
1999-I	197.7	89.7	4.8	1.5
II	208.6	94.6	5.2	1.7
III	200.8	91.1	5.5	1.5
IV	216.9	98.4	6.7	1.8
2000-I	213.1	96.7	7.7	2.7
II	223.8	101.5	7.3	3.1
III	213.8	97.0	6.5	2.9

Source: Statistics Netherlands

Table 3: Supply and disposition of goods and services

	1999				2000		
	I	II	III	IV	I	II	III
	<i>volume changes in %</i>						
Consumption	4.2	4.0	3.6	3.4	4.3	3.2	3.3
o.w. individual	4.5	4.3	3.7	3.4	4.6	3.3	3.4
collective	2.6	2.5	3.0	3.7	2.8	2.9	2.4
o.w. by households	5.1	4.8	4.2	3.7	5.1	3.4	3.4
By government	2.4	2.4	2.3	2.7	2.8	2.9	2.9
Investment in fixed assets	6.3	6.0	5.4	8.0	5.3	7.1	2.7
Changes in stocks 1)	0.0	-1.2	1.6	0.2	0.1	-1.0	1.3
National final expenditure	3.3	3.6	5.2	4.7	4.8	4.4	2.9
Exports of goods and services	4.3	5.1	4.4	8.3	8.8	8.4	7.7
Imports of goods and services	4.6	5.6	6.6	8.4	8.9	9.2	7.1
Gross Domestic Product	3.2	3.4	3.9	4.9	4.9	4.1	3.4

1) As a percentage of GDP at constant prices.

Source: Statistics Netherlands

Table 4: Value added of three groups of producers (gross, at basic prices)

	Producers of:		
	goods	commercial services	non-commercial services
<i>volume changes in % of one year previously</i>			
1998	3.1	5.4	1.9
1999	3.3	5.2	1.6
1998-I	5.5	6.4	2.0
II	2.8	5.2	2.2
III	1.3	5.4	1.8
IV	2.9	4.7	1.7
1999-I	1.3	5.0	1.5
II	2.0	4.9	1.4
III	4.6	4.7	2.0
IV	5.5	6.2	1.8
2000-I	4.9	5.8	2.5
II	4.0	5.2	2.4
III	2.4	4.4	2.6

Source: Statistics Netherlands

Table 5: Individual consumption by households, 2000

	II	III	Jul.	Aug.	Sep.	Jan-sep
<i>volume changes in % of a year earlier</i>						
Food, beverages and tobacco	2.0	-0.2	-9.3	5.8	4.1	1.6
Durable consumer goods	1.1	3.6	-2.0	8.6	5.4	3.7
Other goods	2.7	4.4	2.1	6.1	5.1	3.6
Services	4.5	4.0	3.5	4.4	4.2	4.3
Domestic Individual Consumption <i>(consumption in the Netherlands)</i>	3.4	3.4	0.6	5.5	4.5	3.8
National Individual consumption <i>(consumption by the Dutch)</i>	3.3	3.4	0.7	5.4	4.5	3.8

Source: Statistics Netherlands