



Press release

Statistics Netherlands

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Since the published figures on institutional investors were incorrect, this press release is incorrect.

The figures covering the period 2000-2002 have been revised recently.

Institutional investors buying at record level

Dutch institutional investors keep their faith in the stock market despite the negative results during the first quarter of 2001. During this first quarter institutional investors bought 40 billion guilders (18 billion euro) worth of shares, and absolute record. The figures by Statistics Netherlands further show that bonds are increasingly important in the investment portfolios of pension funds and insurance companies. Investment abroad is also on the increase.

Slipping share price, buying investors

The first quarter of 2001 and the fourth quarter of 2000 are characterised by a substantial fall in share prices and losses at the stock market. The losses were as high as 46 billion guilders (28.9 billion euro) during the first quarter of this year, and 73 billion guilders (33.1 billion euro) in the fourth quarter last year.

Despite these losses institutional investors kept their share portfolios in shape during the first quarter of 2001 by buying shares for the record amount of 18 billion euros. According to the figures by Statistics Netherlands this is even more than the entire amount spent on buying shares in 1999, the year in which the greatest amount in five years was spent.

The value of bonds and of real estate saw limited growth during the first quarter (less than 1%). In total the gains at the stock market amounted to 5.4 billion guilders (2.45 billion euros), not at all sufficient to compensate for the losses in shares.

Bonds gaining

The share in the total investment portfolio of institutional investors that is invested in bonds went up by almost 3% to a total of 34% during the fourth and first quarters. Despite the enormous purchases, especially in the first quarter, the importance of shares fell by 3% to 41%. After years of increasing importance it is the second quarter in a row that the importance of shares has been diminishing. This trend is less pronounced for insurance companies and more pronounced for pension funds.

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Continuous growth in foreign investments

Together the institutional investors put more than half of their investments into foreign investments. The pension funds crossed this line as early as 1999. At the end of the first quarter of 2001 the pension funds had 65% invested abroad. The insurance companies diversified by increasing their interest abroad by 3% to 26%.

Given the vast amount of means that have to be invested, investments abroad provide much greater possibilities of spreading risks. The introduction of the euro has created even greater opportunities without the added risks posed by the exchange rates.

Total investment level stable

Total investments by the institutional investors are still at the same level despite falling stock market prices. At the end of this year's first quarter the investments stood at 1564 billion guilders (709.7 billion euro) against 1558 billion guilders (706.9 billion euro) at the end of last year. The drop (-4%) that took place during the fourth quarter of 2000, ending years of investment growth, does not seem to be turning into a trend.

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