



Press release

Statistics Netherlands

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Second quarter economic growth rate 1.4%

In the second quarter of 2001 the economic growth rate was 1.4% compared to the same quarter last year. This means the preliminary estimate in August, which was 1.5%, had to be adjusted downward a little. The growth rate for the first six months is 1.4%, less than half of last year's (3.5%) growth rate. The growth rate did not only slow down in domestic expenditure but also in exports. The price rise in GDP during the second quarter was nearly 5%, according to the quarterly accounts by Statistics Netherlands

Quarter on quarter growth slightly positive

In the second quarter of 2001 The Dutch economy saw a 0.5% growth rate on the first quarter. This figure is corrected for calendar and seasonal effects. In the first quarter GDP volume growth was still slightly negative (-0.1%).

Growth rate down in commercial services and manufacturing

The growth rate in commercial services during the second quarter of 2001 was not even half of last year's average growth rate. This is true for trade and transport as well as for financial and business services. There was hardly any growth at all in industry, stagnation in production growth in construction, and a clear drop in agriculture. Agriculture is suffering the consequences of the outbreaks of foot and mouth disease and BSE.

Non-commercial services, such as the care sector and the public sector show a completely different picture, with growth rates twice as high as last year.

Imports and exports slowing down

The volume increase in the exports of goods and services fell from 9.5% in 2000 via 5.2% in the first quarter to 4.0% in the second quarter of 2001. Dutch exporters felt the slowdown in the international economic growth. Furthermore exports suffered the consequences of the outbreaks of contagious cattle diseases.

The volume increase in imports fell even more than in exports: from an average of 9.4% in 2000 to 3.1% in the second quarter.

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Consumption not growing as fast as last year

The growth rate in household consumption during the second quarter was 1.7%, considerably lower than the average 3.8% growth rate in 2000. The biggest slowdown in the second quarter of 2001 was observed in the expenditure on durable consumer goods: from a growth rate of more than 5% in 2000 to less than 1% in the second quarter of 2001. Also the consumption of services saw a substantial slowdown, caused by a diminishing demand for banking and insurance services and in hotels, restaurants etc.

Investments no longer growing

After a period of abundant growth, the investment in fixed capital formation started falling during the first quarter, reaching -2.2% in the second quarter. The investments in housing are also decreasing, in line with the decrease in building permits issued. There is modest growth in the investments in commercial buildings and infrastructure. Investments in machinery and equipment fell sharply, which can be attributed to the fact that no large new projects were completed. Investments in computers also fell. The fall in investments in means of transport concerns both private and commercial vehicles.

Price in GDP not rising further

There was a 4.9% price rise in GDP in the second quarter of 2001, a significant increase on the 3.7% average of last year, but less than the 5.7% top in the first quarter. The price rise in domestic expenditure (consumption and investments) sped up in the second quarter to 4.6%. The GDP price increase is further stimulated by positive developments in the terms of exchange: export prices went up by 0.6% more than import prices. The contribution made by the more positive terms of exchange to GDP is less than during the first quarter.

For further information on the quarterly accounts please contact M.M.J. Vergeer, tel. (070) 337 40 77.

Table 1: GDP (at market prices)

Changes on:		
	Same period year on year	Preceding period 1)
<i>Volume changes in %</i>		
1999	3.7	--
2000	3.5	--
1999-I	3.1	0.9
II	3.3	1.0
III	3.7	1.1
IV	4.8	1.2
2000-I	4.7	0.9
II	4.0	0.7
III	3.1	0.4
IV	2.2	0.6
2001-I	1.4	-0.1
II	1.4	0.5
2001 I-II	1.4	--

1) corrected for seasonal and some calendar effects

Source: CBS

Table 2: Value and price developments GDP (at market prices)

	Value	Value	Value change	Price change
	<i>billion euro</i>	<i>billion guilders</i>	<i>in % year on year</i>	
1999	373.7	823.4	5.5	1.7
2000	401.1	883.9	7.3	3.7
1999-I	89.7	197.7	4.6	1.5
II	94.8	208.9	5.1	1.8
III	90.7	199.9	5.4	1.7
IV	98.5	217.0	6.7	1.9
2000-I	97.0	213.8	8.1	3.3
II	102.1	225.0	7.7	3.6
III	97.0	213.7	6.9	3.7
IV	105.0	231.4	6.6	4.4
2001-I	103.9	229.0	7.1	5.7
II	108.7	239.5	6.5	4.9

Source: CBS