



Press release

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Less employment in commercial sector

For the first time since 1994 the number of jobs of employees in commercial enterprises has fallen, according to the latest labour data by Statistics Netherlands. Still the total number of jobs in the Netherlands in the second quarter of 2002 was 78 thousand higher than a year ago. Care and government contributed to this increase. The wage costs increased by 5% in the second quarter.

Fewer jobs in industry and business services

Among the commercial enterprises (all enterprises minus government and care) the number of jobs in the second quarter was down by 9 thousand on the second quarter 2001. There were 17 thousand fewer jobs in industry than a year ago, a drop of 1.6%. In 2001 the growth rate was slightly positive.

The number of jobs also went down in the financial and business services. In the other commercial branches of industry such as trade, hotels, restaurants etc., construction, transport, and communication the growth rate stayed between 0 and 1%. However, it was clearly lower than in previous quarters for all commercial branches of industry.

Jobs in government and care continued to grow

The growth rate of jobs in the Netherlands during the second quarter of 2002 was realised in care and government. Within one year there were 57 thousand new jobs in care and other non-commercial services, and 30 thousand in government (including education). The growth rate in employment actually even picked up speed in the second quarter. Care saw a growth rate of 4.4%, government saw 3.2%.

Growth rate in fulltime jobs more than halved

The growth rate in employment, as measured in full time equivalents (labour years) has really been slowing down this year. In 2000 and 2001 the number of fulltime jobs of employees kept increasing by 2.1%. In the first quarter of 2002 the growth rate was down to 1.4%. In the second quarter, with a growth rate of 0.8%, unemployment grew even less. It turns out to be less than half of

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the growth rate in 2001. The slowdown occurs among both men's and women's jobs although employment for women continues to grow faster than employment for men, 1.6% versus 0.3%.

Wage costs up 5%

The wage costs per labour year increased by an average of 5% in the second quarter, keeping it at the 2001 level. The collective wages increased by an average of 4.8% in 2001 but only by 3.4% in the second quarter of 2002. The spread of the wage cost increase is relatively wide ranging among the branches of industry. The highest average wage sum increase is found in the financial and business services. This might be because the reduction in employment is hitting hardest among the lower paid jobs. The change in the composition of the work force raises the average. The wage increase is lowest in government. The new workers get paid less than the existing employees.

Reversal in job market continues

Since early 2001 the quarter-on-quarter growth rate of the Dutch economy has been close to zero. Employment initially continued to grow at the usual high speed, but now it has started to react to the economic slowdown. Enterprises initially continued to fill the huge number of vacancies they had, but in the second half of 2001 the number of unfilled vacancies started to fall. The latest figures on vacancies, also published today, show that this development gathered speed in the first six months of 2002.

The reversal in the job market is also demonstrated by the developments in unemployment. After seven years in which unemployment fell, it has now started to increase. The number of registered unemployed is about 30 thousand higher than a year ago.

The growth rate in employment still exceeds the growth rate of the Dutch economy. This means that during the first half of 2002 labour productivity in the market sector was down by an estimated 0.5% on 2001.