



# Press release

PB03-010  
16 January 2003  
9:30 AM

## ***Economic growth 0.5% in third quarter***

Statistics Netherlands' second estimate puts the volume of gross domestic product (GDP) at 0.5 percent higher in the third quarter of 2002 than in the third quarter of 2001. This 0.2 of a percent point more than according to the first estimate in November. Economic growth in the third quarter is a modest improvement compared with the zero growth in the first two quarters. It was mainly the result of an upturn in output by goods producers. Average economic growth for the first three quarters of 2002 was minimal, at 0.1 percent.

Consumption by households and the government had a positive effect on growth. Exports were no longer lower than twelve months previously. Investment spending, on the other hand, was clearly lower than in the same quarter in 2001. GDP prices rose by 3.5 percent, slightly more than in the first half of 2002.

## ***Quarter-on-quarter growth slightly up***

The third quarter of 2002 had one working day more than the same quarter in 2001. After correction for this effect, and for other calendar and seasonal effects, quarter-on-quarter growth was 0.3 percent. This figure, too, was 0.2 of a percent point higher than the November estimate.

## ***Exports stable***

Following three quarter of decrease, the volume of exports of goods and services remained stable in the third quarter of 2002. The volume of imports fell by 1.4 percent. The decrease in imports has slowed down strongly compared with the two preceding quarters.

In the third quarter, too, developments in exports and imports were strongly influenced by re-exports. These are products imported into the Netherlands which leave the country after very little or no processing at all (for examples computers and computer components). The volume of re-exports fell by much less than in the first two quarters of 2002. The exports of goods produced in the Netherlands grew in the third quarter, while a slight fall was measured in the first half of the year.

## ***Positive effect of consumption***

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Household consumption rose by 1.1 percent in the third quarter of 2002. This is modest and similar to the increase in the first two quarters. Consumption of food, drink and tobacco rose by most: 2.1 percent. The increase in the consumption of services, durables and other goods was just under 1 percent.

The volume growth of government consumption was 3.1 percent, the highest growth rate of all spending categories. Spending on health care and on education and public administration contributed to this.

### ***Sharp fall in investment***

The volume of fixed capital formation was 3.6 percent down in the third quarter than on the same quarter twelve months previously. This is the largest fall in a series of seven successive quarters in which less was invested than in the previous quarter. Investment in computers, company cars, aircraft and dwellings, in particular was down. Investors put just as much into buildings and infrastructure projects as in the third quarter of 2001, but most of this investment was in projects that were already underway.

### ***Goods production starting to recover***

Total production volume was 0.6 percent higher in the third quarter. In the first half of the year the development was around zero. The underlying branches of industry show very deviant developments. Production volume by goods producers grew only very marginally by 0.1 percent, but in the first two quarters the production volume fell by nearly 2 percent. The manufacturing industry was mainly to blame for this. Production in the sector fell slightly in the third quarter, but the decrease is much smaller than in the two preceding quarters.

Non-commercial services such as care and government also had a positive effect on the Dutch economy in the third quarter, with an increase of 2.6 percent. In this sector, growth was even higher than in 2001. Commercial services as a whole experienced zero growth. Within this sector, trade and hotels and restaurants, and financial and business services produced slightly less, while transport and communications showed a modest growth.

### ***Slightly larger prices increase for GDP***

The GDP price increase was 3.5 percent in the third quarter, 0.3 percent more than in the second quarter of 2002. Price increases of government consumption and household consumption of 4.4 and 3.2 percent were the main causes of the higher GDP prices. The terms of trade had a slightly upward effect on the GDP deflator: the price decrease for exports was slightly smaller than that for imports.

The price increase for national spending was also 3.5 percent in the third quarter. This price index is used as a deflator for collective expenditure.