



Press release

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Dutch economy grew by 0.3 percent in 2002

The Dutch economy in 2002 grew by 0.3 percent. This is the lowest increase in the Dutch gross domestic product (BBP) in 20 years. In the course of 2002 there were virtually no signs of economic recovery. In the fourth quarter of 2002 there was a very modest 0.3 percent growth rate, according to the first estimates of the quarterly accounts by Statistics Netherlands.

The main contributor to growth in 2002 was the great increase in government consumption. Household consumption also provided a modest, positive contribution. Investments and exports, on the other hand, fell.

Minimal quarter-on-quarter growth

The fourth quarter of 2002 had more working days cancelled due to frost than normally. When this and other calendar and seasonal effects are taken into account, the quarter-on-quarter growth rate in the fourth quarter was 0.1 percent. This means that the series of quarters in which the economic growth was zero or close to zero continues.

Exports recovering slowly in the fourth quarter

The volume of both exports and imports of goods and services in 2002 fell in comparison to 2001. The last time exports fell was in 1982. However, there were some signs of recovery in the course of 2002. Exports increased by 1.3 percent in the fourth quarter. This was the first increase since the third quarter of 2001. Imports also grew slightly in the fourth quarter.

Developments in exports and imports in 2002 were strongly influenced by the significant drop in re-exports. Re-exports are products imported by the Netherlands that leave the country after only a modest modification at most (for instance computers and peripherals). The level of exports of goods produced in the Netherlands in 2002 was about the same as in 2001.

Consumption growth by households modest and stable

Household consumption in 2002 increased by 1.0 percent. This is a fraction below the growth rate of 2001. The consumption of durable consumer goods increased strongly by 1.5 percent. This includes the great number of car sales at the end of 2002. Drivers anticipated the abolition of subsidies on fuel-efficient cars on 1 January 2003. The growth rate for food, beverages and tobacco, services and other goods are all close to 1 percent.

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Government consumption the motor of economic growth

The volume growth of government consumption in 2002 was 3.8 percent. Government consumption was the fastest growing of all consumption categories again, as was the case in 2001. In both years it was the motor of the Dutch economy. The main contributors were the collectively financed expenditure on health care, and also education and public government.

Substantial drop in investments

The strongest decrease was observed in fixed capital formation. In 2002 investments in this were down by 3.7 percent on 2001. There was a drop in investments in computers, machinery and installations, company cars and airplanes. Investments were also down in buildings and dwellings. Investments in infrastructure were about the same as in 2001. The latter involved mainly production in major projects that were started in previous years, such as the Betuwelijn (east-west railway link) and the high-speed railway link.

Modest production decrease in the market sectors

Most branches of industry faced a drop in production in 2002. The exception to this is found in non-commercial services such as care and government. Here production was 3.1 percent higher than in 2001. There was a more than 1 percent drop in the manufacturing industry and in energy. The production in construction is also slowing down. The drop is concentrated in the fourth quarter, where more working days were lost to frost than in previous years. Agriculture has been unable to recover in 2002 from the outbreak of foot and mouth disease in 2001. The most important branch of industry in the Netherlands, commercial services, faced zero growth in 2002. This had been the fastest growing branch of industry of the Dutch economy for years, and accounts for nearly half of all production in the Netherlands. Decreases were observed in hotels, restaurants etc. banks and temporary employment agencies.

Price increase GDP fell

The price increase of GDP in 2002 was 3.3 percent. This is considerably lower than the high 5.3 percent of 2001. The main contributor to the GDP-price increase was household consumption, where prices increased by 3.4 percent. The exchange rate hardly influenced the GDP deflator in 2002: the price decreases of exports equal that of imports.

The price increase of national expenditure is 3.6 percent. This price index number is used as the deflator for collective expenditure.