



Press release

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Economic growth in 2002 adjusted to 0.2 percent

The Dutch economy grew by 0.2 percent in 2002. This is the lowest annual increase for the gross domestic product (GDP) in the last twenty years. In the fourth quarter of 2002, too, growth was low compared with one year previously: 0.1 percent according to the second quarterly estimate of Statistics Netherlands. The growth in the fourth quarter was 0.2 of a percent point lower than the first estimate released on 13 February 2003. Annual growth has been adjusted downwards by 0.1 of a percent point.

The most important contributor to growth in 2002 was government consumption, which was much higher than in 2001. The effect of household consumption was more modest. Fixed capital formation fell by most. Exports were down in 2002, although they did show a slight recovery in the course of the year.

Quarter-on-quarter growth slightly negative

After adjustment for loss of working hours because of frost, and calendar and seasonal effects, growth in the fourth quarter compared with the third was -0.1 percent. This is in line with quarter-on-quarter growth rates since 2001, which have hovered around the zero line.

Exports recover slightly in fourth quarter

The volume of exports of goods and services fell by 1.4 percent in 2002. The last time exports were down was in 1982. In the course of 2002 they did recover slightly: they rose by 0.7 percent in the fourth quarter. Exports to countries outside the EU developed more favourably than those to countries inside the Union. Imports fell by 2.1 percent, but also grew slightly again in the fourth quarter.

Exports and imports were strongly influenced by the strong decrease in re-exports (-4 percent). These are products which are imported into the Netherlands and exported again having undergone little or no further processing (for example computers and accessories). Exports of goods produced in the Netherlands in 2002 were at the same level in 2002 as in the previous year.

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Household consumption growth modest and stable

Consumption by households rose by 0.9 percent in 2002. This growth is a fraction lower than in 2001. The consumption of durable goods showed the largest increase: by 1.4 percent. Car sales increased in the fourth quarter as consumers had their last chance to take advantage of the premium for buying an low-energy cars, which was abolished on 1 January 2003. The growth rates for spending on food, drink and smoking, services and other goods hardly differed and were around 1 percent.

Government consumption carries economic growth

The volume growth of consumption by the government was 3.7 percent in 2002. It is quite a time since such a large increase was measured. Just as in 2001, government consumption is the fastest growing of the spending categories and has been the main driving force of the economy in both years. Collectively funded spending on health care played a part in this. But spending on education, security and public administration were also important factors.

Sharp drop in investment

The strongest fall on the spending side of the economy was for fixed capital formation: down by 3.7 percent from 2001. The decrease in investment was mostly in the area of computers, company cars and aircraft. Less was also invested in buildings and homes. Lower production through hours lost because of frost was partly to blame for this. This also had an effect on investment in infrastructure: after four years of hefty increases, infrastructure investment stagnated in 2002.

Modest fall in market sector production

Most sectors of industry showed a slight fall in production in 2002. The exceptions were non-commercial services such as care and government, where production was 3.2 percent higher than in 2001. In manufacturing and the energy industry production was lower for the first time since 1993, falling by 1.5 percent. Construction output also fell. This decrease was measured in the fourth quarter when more working hours were lost because of frost than in previous years. Agriculture produced slightly more than in 2001 which was dominated by the foot-and-mouth crisis. Commercial services did not climb above zero growth. This sector had been the fastest growing for a number of years and now accounts for nearly half of production in the Netherlands. Within commercial services, production by hotels and restaurants, banking and temp agencies fell.

Lower GDP price increase

The GDP price increase was 3.2 percent in 2002. This is clearly lower than the high 5.3 percent in 2001. The main contributor to the GDP price increase was consumption by households, where prices rose by 3.4 percent. Imports and exports had nearly the same price decreases at 0.6 and 0.7 percent respectively. The price rise of total national spending was 3.5 percent. This price index is used as a deflator for collective spending.