



# Press release

PB03-230  
23 December 2003  
9:30 AM

## ***Negative growth of Dutch economy 1.2 percent***

The Dutch economy saw a negative growth of 1.2 percent in the third quarter of 2003, as it had in the second quarter, in comparison to the same quarters in 2002. During the first three quarters there was a 0.9 percent decrease compared to the same period of 2002. This is shown in the second estimate of Dutch economic growth by Statistics Netherlands.

In the third quarter of 2003 Dutch households consumed less than in the same quarter of last year. The import and export volume was also down. The greatest dip came in investments. Government consumption, however, continued to grow.

### ***Zero quarter-on-quarter growth***

The GDP volume in the third quarter, corrected for seasonal and calendar effects, is about the same as in the second quarter of 2003. The stabilisation follows three quarters of negative growth.

### ***Household consumption down***

The volume of household consumption in the third quarter was 1.7 percent lower than the previous year. It is even slightly greater than in the second quarter. In the third quarter of 2003 expenditure on durable goods saw the greatest dip, especially furniture and clothing.

### ***Government consumption continues to grow***

The volume increase of government consumption in the third quarter of 2003 reached 2.4 percent, the same as during the first six months. Expenditure on care increased by most, as was the case in the previous quarters. Expenditure on public government and education also increased further. Government consumption is still the only expenditure category to make a positive contribution to economic growth.

### ***Greatest dip in investments***

Dutch investments in fixed capital formation during the third quarter fell by 3.5 percent on the same quarter of 2002. The decrease is at the same level as in the second quarter. In the third quarter investments were down most in commercial property and machinery. Investments in computers and commercial vehicles did increase.

### ***Imports and exports down again***

The volume of the exports of goods and services in the third quarter is down 1.0 percent on a year before. Dutch imports decreased just about as much with 0.9 percent. These decreases are close to the ones of the previous quarters.

### ***Private sector produces less***

Dutch private sector production was lower in virtually all branches of industry during the third quarter of this year than last. It is true for agriculture, construction and virtually all branches of manufacturing and commercial services. The biggest dip is in mining and quarrying. Branches where production actually increased were chemicals, telecommunication and financial institutions.

Production in care and government increased in the third quarter of 2003, together by 2.4 percent on the previous year. The increase is slightly less though than for 2002 as a whole.

### ***GDP price increase drops***

The GDP price increase in the third quarter of 2003 was 2.5 percent. This is considerably less than during the first six months of 2003 and in the year 2002 when the GDP deflator reached 3.5 and 3.4 percent respectively. The consumer price increase fell by most. Moreover the exchange rate improved less in the third quarter of 2003 than during the first six months.

### ***Slight downward adjustment of economic growth***

The 1.2 percent negative growth of the Dutch economy means a slight downward adjustment of the earlier 1.1 percent estimate. The quarter-on-quarter growth rate was also adjusted downward from 0.1 percent positive to 0.0 percent. The adjustment is the balance of slightly lower figures for consumption and invests and slightly higher ones for exports.