



Press release

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First quarter economic growth 3.1 percent

- Growth slightly lower than 2007 average
- Slower growth for spending on durables
- Natural gas, construction and transport power economic growth

Statistics Netherlands' first estimate puts economic growth at 3.1 percent in the first quarter of 2008 on the same quarter last year. This growth was realised with one working day fewer than in the first quarter of 2007.

The growth is slightly lower than the overall average for 2007. Both consumption and exports rose by less. Natural gas, construction and transport had the highest production growth. The number of jobs was nearly 160 thousand up on twelve months previously. This 2.1 percent increase is a fraction smaller than in preceding quarters.

Quarter-on-quarter growth only 0.2 percent

After adjustment for seasonal and working day effects, economic growth compared with the previous quarter was 0.2 percent in the first quarter of 2008. This is the lowest quarter-on-quarter growth rate for three years.

Exports grow more slowly

In the first quarter of 2008, the volume of exports of goods and services was 5.8 percent higher than in the first quarter of 2007. This growth rate is slightly lower than the 6.4 percent for all of 2007. Exports of Dutch products grew by slightly more than 6 percent. Among other factors, this higher growth rate was caused by the substantial increase in exports of natural gas. The growth in re-exports slowed down slightly to 8 percent. Imports rose by more than exports, at 6.4 percent.

Growth in spending on durables coming to a halt

Households spent 2.2 percent more in the first quarter of 2008. This was mainly the result of the higher consumption of natural gas. Compared with the extremely mild first quarter of 2007, households spent more on heating this year. The newly introduced compulsory contribution to medical insurance and the noticeably high spending on food pushed up consumer expenditure. Households spent hardly more on durable goods, however. They even spent less on clothes and shoes. The increase in spending on durable goods, the category most sensitive to economic fluctuations, was by far the smallest for

nearly three years. The volume of government consumption was 1.2 percent larger. Real expenditure on care rose in particular.

Companies invest more in buildings and computers

Investment spending was 5.9 percent higher in the first quarter of this year. This is slightly higher than the 5.1 percent growth in 2007. Investment in company buildings picked up substantially. Businesses also spent a lot more on computers. Investment in transport equipment and machines was strongly influenced by incidental factors such as the completion of aircraft this quarter and the completion of a large installation last year.

Gas extraction, construction and transport drive economic growth

Mineral extraction contributed importantly to economic growth in the first quarter of 2008. More gas was sold both at home and abroad. Construction output increased by a hefty 6.1 percent. This sector benefited from the increased investment in company buildings. Within commercial services, growth slowed down considerably for temp agencies. The highest growth rates were reported for the transport and wholesale sectors. The increase in manufacturing output fell to 0.2 percent.

Nearly 160 thousand new jobs

In the wake of the continuous economic growth there were 157 thousand more jobs for employees in the first quarter than twelve months previously. This 2.1 percent growth is slightly lower than the quarterly growth rates in 2007.