



Press release

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Second quarter economic growth adjusted to 3.0 percent

- Growth adjusted upwards by 0.2 of a percent point
- Substantially higher production for construction and natural gas
- Slower growth in other sectors
- Exports and government consumption growing more slowly, fixed capital formation growing faster

Figures from Statistics Netherlands put Dutch economic growth at 3.0 percent in the second quarter of 2008 compared with the same period last year. This second estimate of economic growth is 0.2 of a percent point higher than the first estimate published on 14 August. The growth was realised with one working day more than in the second quarter of 2007.

Economic growth in the second quarter of 2008 was lower than the average for all 2007. Both exports and government consumption grew more slowly. The increase in fixed capital formation picked up substantially, however. Production growth in all sectors of industry was down on 2007, except natural gas and construction.

Upwards adjustment

The increase in fixed capital formation in the second quarter of 2008 was larger than in the first estimate, for both buildings and machines. Production was higher in construction in particular. In addition, mineral extraction and business services were higher than previously estimated.

Quarter-on-quarter growth 0.1 of a percent point

Dutch economic growth in the second quarter was 0.1 percent on the first quarter of 2008, after correction for working day and seasonal effects. The quarter-on-quarter growth was 0.1 of a percent point higher than in the first estimate. It is the lowest quarter-on-quarter growth rate for more than three years.

Exports growing more slowly, fixed capital formation faster

The volume of goods exports was 4.1 percent larger in the second quarter of 2008 than twelve months previously. This is clearly a smaller growth than the

6.5 percent reported for all of 2007. The decrease was for re-exports in particular. Imports rose faster than exports, with an increase of 5.1 percent.

Fixed capital formation was no less than 9.8 percent higher than twelve months previously. More money was invested in company buildings and computers in particular.

Household consumption rose by 2.3 percent. This continues the level of 2007, but was largely a result of higher natural gas consumption and the new household-paid component in health care. Spending on durable consumer goods rose more much slowly than last year. Consumers even spent less on food and in hotels and restaurants. Consumption by the government was only 0.4 percent higher than in the same quarter last year. The increase was mainly accounted for by higher real spending on care.

Construction and natural gas driving force

Production by the construction industry was 7.4 percent higher than twelve months previously. More money was invested in company buildings, but also in homes and civil engineering. In mineral extraction, production was more than one quarter higher as a result of higher sales of natural gas at home and abroad. In all other sectors of industry, growth in production was down on the 2007 average. In commercial services the slowdown was strongest for temp agencies, in retail and wholesale, and in hotels and restaurants. The manufacturing industry saw slower growth across the board.