



Press release

PB08-077
14 November 2008
15:00 hrs

Economic growth third quarter 2008 slows down to 1.8 percent

- Economic growth almost reduced by half relative to the first six months of 2008
- Output growth down in entire private sector
- Slackening growth investments and consumer spending
- No quarter-on-quarter growth Dutch economy
- Job growth 110 thousand

Dutch economic growth was 1.8 percent in the third quarter of 2008 relative to the same period last year. According to the first estimate conducted by Statistics Netherlands, this result was achieved with one extra working day compared to the third quarter of 2007.

Economic growth in the third quarter of this year was almost reduced by half relative to the first six months of 2008 and the lowest growth rate since early 2005. The growth rate of consumer spending and investments slackened. The growth of Dutch goods exports also slowed down considerably. Declining growth was observed across the entire private sector.

The number of jobs increased by 110 thousand (1.4 percent). The increase is far less than in the preceding two years.

Quarter-on-quarter growth 0.0 percent

The Dutch economy showed no quarter-onquarter growth in the third quarter of 2008. If the effects of seasonal variation and the number of working days is taken into account, the volume of the gross domestic product (GDP) was the same as in the second quarter. For the second quarter in a row, there was no economic growth.

Dutch exports growth slows down

In the third quarter of 2008, the volume exports of goods and services was 4.3 percent up on the third quarter of 2007. The growth of exports was more or less the same as in the second quarter. Growth of re-exports and exports of services increased, whereas the growth rate of Dutch goods exports slowed down. The growth rate of imports (4.6 percent) was marginally higher than the growth rate of exports.

Consumer spending stagnating

Household spending rose by 1.3 percent in the third quarter. Growth is distinctly down on the first six months of 2008. Slackening growth was particularly obvious in the sector hotels and restaurants. Spending on durable goods improved marginally. The volume of government consumption rose by 1.2 percent mainly due to higher real expenditure in the care sector.

Obvious downturn investment growth

Investments were 3.8 percent higher in the third quarter of 2008 than in the same period last year. Growth was considerably down on the first half of this year when the growth rate was 8.5 percent. The growth rate of investments in residential and non-residential property, civil engineering and computers declined considerably.

Growth slowdown across the private sector

Output growth realised by manufacturers of goods and providers of commercial services in the third quarter was substantially down on the preceding quarters. Growth in manufacturing industry was practically zero. In the sector hotels and restaurants, output was considerably down for the second quarter running. The production of natural gas was higher, but this was partly due to declining natural gas imports. Output realised by the construction sector again rose notably. Agriculture and health care were the only sectors to realise a higher production than in the previous two quarters.

Employment growth 110 thousand

There were over 8 million jobs of employees in the Netherlands in the third quarter, i.e. 113 thousand more than a year ago. The 1.4 percent growth is distinctly down on the past year. Quarter-on-quarter growth indeed dropped back to a meagre 0.1 percent.