Statistics Netherlands

Announcement

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The Dutch economy 2011

Statistics Netherlands publishes its annual book on the Dutch economy today: *De Nederlandse economie 2011 (*available in Dutch only*)*. This publication gives the most complete possible picture of the economic developments in the Netherlands in 2011. Six theme-based articles provide more background for these developments.

The book was presented to Henk Kamp, Minister of Social Affairs and Employment by Gosse van der Veen, director-general of Statistics Netherlands.

Consumption curbs growth

Dutch economic growth was 1.0 percent in 2011. The decrease in consumption by households of 1.0 percent tempered this growth. Exports did increase, but only in the first half of the year. Investment spending grew throughout the year, but at a decreasing rate. The economy fell into recession again in the second half of 2011, and unemployment started to rise.

Growth in national wealth levels as a result of economic crisis

Compared with 1996, the national wealth of the Netherlands has doubled. This increase is mainly a consequence of the increase in the value of dwellings and accompanying land. Although wealth has continued to grow since the start of the credit crisis, the growth rate has slowed down. The financial position of the government, in particular, has deteriorated. The value of owner-occupied homes has also fallen slightly. In an opposing development, however, pension reserves rose.

Relatively low growth for human capital

For the first time, Statistics Netherlands includes an estimation of the value of human capital in the book, i.e. knowledge and skills needed to perform paid work. In 2009 the total value of this capital was 6.7 trillion euro. Between 1999 and 2009 human capital in the Netherlands rose slightly. Compared with other countries, however, the increase was small. This was the result of relatively low population growth and a decreasing per capita human capital. The per capita decrease was caused by the ageing of the labour force not being compensated by investment in education.

Dutch mortgage debt rises much faster than German debt

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In relative terms, the Dutch mortgage debt is the highest in Europe, while that in Germany is one of the lowest. In the Netherlands, the demand for own homes rose fast from the mid-1990s to the credit crisis in 2008, as a result of population growth, changes in household composition and a rising disposable income. In addition, new mortgage forms were introduced and terms for mortgage lending became less strict. The supply of new houses could not meet the fast increase in demand, however. In Germany, disposable income rose more slowly from the mid-1990s. The tax climate for mortgages in Germany is also essentially different from that in the Netherlands. Both average house prices and the relative debt fell in Germany.

Dutch economy 'unbalanced' on four points

The outbreak of the credit crisis in 2008 and the subsequent European debt crisis has made it clear that there are macro-economic imbalances within Europe. This prompted the European Union to introduce it Macroeconomic Imbalance Procedure. In accordance with this procedure, the European Commission assesses members states on the basis of ten indicators. The Netherlands exceeds the limits set by the Commission on four of the ten indicators: current account balance, private debt and government debt are all too high, and the Dutch share of world exports is decreasing by too much. The Dutch scores on these four indicators have not led the Commission to institute an investigation, however.

Unused labour force relatively small in the Netherlands

The unutilised labour supply in the Netherlands is relatively small. Only 6 percent of 15-74 year-olds are in this group, while the average for the European Union is 9 percent. The unused labour supply consists of people who are available to start work in the short term or who have looked for a job recently. In the Netherlands, half of these people are considered as unemployed. They are available and actively seeking work.

Market share of south European countries down since introduction of euro

Since the euro was introduced, the market share of southern eurozone countries in European trade has decreased. The north-western countries of the eurozone gained ground in this period. With the introduction of the common currency, exchange rate fluctuations within Europe have decreased substantially, including those between euro and non-euro countries. As a result, national developments in wage costs and productivity have become even more important for the international competitive position.