



Press release

PB13-034
15 mei 2013
15:00 hrs

Modest economic contraction

- **Economy contracts 0.1 percent in first quarter relative to previous quarter**
- **Compared to one year previously:**
 - **economic downturn 1.7 percent;**
 - **household consumption 2.1 percent down;**
 - **investments plummet 11.6 percent;**
 - **exports 2.3 percent up;**
 - **number of jobs down by nearly 100 thousand**

According to the first estimate conducted by Statistics Netherlands, the Dutch economy contracted 0.1 percent in the first quarter of 2013 relative to the fourth quarter of 2012. For the third consecutive quarter, the economy is in decline. In the preceding quarters the economy shrank by 1.0 and 0.4 percent respectively. The contraction relative to the first quarter of 2012 was 1.7 percent. The first quarter of 2013 had two more working days than the first quarter of 2012.

Consumption further in decline

Household spending was 2.1 percent down in the first quarter from one year previously. Household consumption has shown a downward trend for two years now. Consumers are very reluctant when it comes to purchasing durable articles. In the first quarter, they also bought far fewer cars, articles of clothing and furniture than one year previously. Spending on food, drinks, tobacco and services also declined further, but due to the cold weather conditions, the consumption of natural gas was much higher.

Government consumption contracted 0.9 percent. Spending on public administration has fallen over the past three years, but public spending on care did rise in the first quarter.

Fixed capital formation considerably down

Fixed capital formation plummeted by 11.6 percent in the first quarter compared to the first quarter of 2012. Investments have dropped for five quarters in a row. The decline in the first quarter was more substantial than in the preceding quarters and occurred across nearly all categories. Car sales dropped dramatically as the tax on new motor vehicles was raised. Investments in the construction sector also slumped further in non-residential

building and civil engineering works. Investments in machinery, equipment and computers also fell in the first quarter.

Marginal exports growth

Exports grew by 2.3 percent in the first quarter from last year's first quarter. Exports of goods manufactured in the Netherlands declined marginally. In 2012 exports still grew somewhat. The reason for the decline in the first quarter is the reduced foreign demand for manufactured products, in particular metal products and transport vehicles. Re-exports grew 4.4 percent in the first quarter. The growth was less substantial than in the preceding quarters. As consumption and investments fell and re-exports grew only modestly, imports hardly improved.

Sustained downturn in construction and manufacturing industry

Many sectors suffer the effects of the lasting economic recession. The construction sector took the biggest blow. In the first quarter, output generated by the construction sector slumped 11.6 percent compared to one year previously. Manufacturing output fell by 4.5 percent in the first quarter. In the preceding quarters, the decline had been much smaller. The slump in the trade sector was also more serious in the first quarter of 2013 than in the preceding quarters. The sector mineral extraction, on the other hand, showed substantial growth due to higher domestic consumption of natural gas and higher exports.

Largest employment decline since first quarter 2010

In the first quarter of this year, the number of jobs of employees was 99 thousand (1.3 percent) down from the same quarter in 2012. This is the largest drop since the first quarter of 2010. The number of jobs fell across all sectors in the first quarter. For the first time in many years, the number of employee jobs in the sector health care and welfare was below the level of one year previously. The largest loss of employee jobs was recorded in the construction sector (26 thousand).

Adjusted for seasonal variation, the number of jobs is 34 thousand lower than in previous quarter, a decrease by 0.4 percent. In terms of percentage, the decline has never been so high within the same quarter.