Statistics Netherlands

Press release

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Economic contraction 0.2 percent

- **Economic contraction 0.2 percent in second quarter relative to first quarter**
- **Relative to one year previously:**
  - **economy shrinks by 1.8 percent,**
  - **household consumption 2.4 percent down,**
  - **investments fall by 9.4 percent,**
  - **exports 0.3 percent down and**
  - **147 thousand jobs lost**

According to the first estimate conducted by Statistics Netherlands, the Dutch economy shrank 0.2 percent in the second quarter of 2013 compared to the first quarter. This is the fourth quarter in a row showing economic decline, although with each quarter the decline became less severe. The economy contracted 1.8 percent relative to the second quarter of 2012. The second quarter of this year had the same amount of working days as the second quarter of 2012.

Household consumption declines considerably

In the second quarter, household consumption on goods and services was 2.4 percent below the level of one year previously. Household consumption has been in a downward spiral for more than two years now. Dutch consumers spend less money on durable goods like cars, clothes and furniture, but also cut down on food, drinks and tobacco. Consumers spent more on natural gas than last year due to the relatively cold weather conditions in spring.

Government consumption fell by 0.5 percent as a result of a spending cut on public administration Government spending on care was higher than last year

Investments dramatically down

Fixed capital formation in the second quarter was 9.4 percent below the level of one year previously. This is the sixth consecutive quarter showing a downward trend, although the decline is smaller than in the first quarter. In the construction sector, investments were still declining, but less rapidly. The same applies to investments in machinery and computers. Car sales were dramatically down, partly because last year more cars were sold as companies anticipated the introduction of the higher tax rate on passenger cars and motorcycles (BPM), effective from 1 July 2012.

Exports also marginally down

Exports of goods and services decreased by 0.3 percent in the second quarter relative to twelve months previously. Exports of petroleum derivatives dropped dramatically, whereas last year the foreign demand for these products was exceptionally high. Imports were 1.7 percent below the level of one year previously.

Exports of goods manufactured in the Netherlands fell significantly in the second quarter compared to the first quarter; the growth of re-exports was smaller than in the preceding quarter.

Output slumps in sectors construction and manufacturing industry

Although most sectors still faced output decline, the decline was less substantial in many sectors. Just as in the first quarter, the sectors care and mineral extraction realised growth.

Output generated by the construction sector was 5.9 percent down from one year previously. Manufacturing output was 1.7 percent down, but with 8.6 and 4.5 percent respectively, the corresponding figures for the preceding quarter were more unfavourable. Output realised by the sector commercial services also declined less rapidly than in the first quarter. Output by the sector mineral extraction grew 7.5 percent due to higher domestic and foreign natural gas consumption. The growth was smaller than in the first quarter.

Dramatic loss of jobs

In the second quarter of this year, the number of employee jobs was 147 thousand down from one year previously. With 1.9 percent, this is the biggest drop since the start of the quarterly series in 1995. Employment was down across all sectors. Most jobs were lost in the sectors construction and business services (28 thousand jobs in both sectors). In trade, transport and hotels and restaurants 24 thousand jobs were lost.

Adjusted for seasonal variation, the number of jobs fell by 41 thousand compared to the first quarter.