

NETHERLANDS

By Gavin Bowyer

The Netherlands' real GDP had fallen to 0.4% for the third quarter of 2001 compared with 3.5% in the whole of 2000. During 2001, unemployment fell to 2.2% of the working population but it is expected to rise to 3.0% in 2002. On April 16, 2002, the Prime Minister Wim Kok's 'purple' coalition of Labour (PvdA), Liberal (VD) and D66 parties which had been in power since 1994, resigned in response to the Netherlands Institute of War Documentation report into the Srebrenica massacre in Bosnia, which highlighted the ill preparedness of the Dutch peacekeeping force.

There is now a caretaker government until the already planned elections in May 2002. However, in August 2001, Wim Kok announced his intention to stand down as leader at the next elections, which are due in early May 2002. His likely successor as party leader is Ad Melkert. With the elections looming, the relations between the coalition parties are becoming strained. The main area of difference is over how to use the surplus in the budget for 2002, with planned spending increases totalling some €3.8 billion more than for 2001.

The raw materials extraction sector is dominated by gas and oil. Mining is confined to quarrying and the extraction of salt in the east and north. In contrast, the Netherlands' downstream activities include several major metallurgical and chemical industries, which are largely based on imported ores and industrial minerals. These metallurgical and chemical industries have to cope with stringent environmental impact criteria.

In 2001, natural gas production totalled some 72.9 billion m³ compared with production of some 67.8 billion m³ in 2000. At this level of production the current reserves are expected to last until 2015. Approximately 40% of the

production is from offshore. Nederlandse Aardolie Maatschappij (NAM; owned equally by Shell and Esso) produces some 75% of the total, including over 95% of the onshore production. Other major producers included Total/Final/Elf with some 12% and BP Nederland with some 4% of the total respectively.

Crude oil production continued the downward trend of recent years from a total of 1.71 million m³ in 2000 to a total of 1.63 million m³ in 2001. NAM was the main producer, with the major production from the Continental Shelf oilfields.

Since 1999, Hoogovens, the Dutch steel-maker with plants in Belgium and France, has been merged with British Steel to form the Corus Group. The steel industry has been suffering in the current economic downturn and Corus has been making substantial losses. In order to ameliorate the situation it has closed some plant and elsewhere implemented productivity and efficiency improvements. It is also commissioning the new the IJmuiden Direct Sheet Plant, which it aims to be operating at an annual rate of around 1 Mt by early-2002.

In late 1999, the Budel Zink smelter of Pasminco converted to treating low iron concentrates from Pasminco's Century zinc mine in northern Queensland. In July 2001, with the sharp fall in base metal prices, Pasminco decided to sell off its mining interests and to concentrate on smelting. However, it has continued to own and operate the Century mine. In 2001, Budel Zink produced 215,850 t of zinc compared with some 215,500 t of zinc in 2000. The smelter also produces annually some 315,000 t of sulphuric acid plus 700 t of cadmium and in residues some 750 t of copper and 25 t of cobalt. The smelter has an environmental

programme, including effluent purification to eliminate gypsum waste, and is ISO 9002 quality accredited for production of its products, and ISO 9001 certificated for permanent residue storage.

In 2001, two companies, Akzo Nobel Salt and Frisia produced by solution mining a total of 5.72 Mt of salt. Akzo Nobel produces some 80% of the total and Frisia the remaining 20%. In 2001, Nedmag Industries mined 228,000 t of magnesium salts for the production of dead-burned magnesia.