

## NETHERLANDS

*By Gavin Bowyer*

**T**he Netherlands' real GDP growth rate contracted to 0.7% in 2003, and it is expected to grow by 1.1% in 2004 and by 2% in 2005. During 2002, unemployment rose to 2.5% of the working population and it continued to rise in 2003, reaching 5.5% by October 2003.

At the parliamentary elections of May 15, 2002, the anger against the ruling coalition of the social democrats (PvdA), resulted in right- and left-wing liberals (VVD, D66) losing some half of its support (the PvdA going from 45 to 23 seats, the VVD from 38 to 24, and the D66 from 14 to 7). The gains went to the opposition Christian Democrats (CDA) - from 29 to 43 seats, the new right-populist LPF, 0 to 26 seats, and, on the left, the SP, 5 to 9. The opposition Green Left party, which was originally riding high in the opinion polls, lost one seat, slipping from 11 to 10. The election was intensified by the murder on May 6, 2002, of the right-wing populist Pim Fortuyn.

On July 22, 2002, after a period of negotiation, a new coalition government was formed of the CDA, the LPF and the VVD. It was led by the CDA Prime Minister, Jan Peter Balkende, and lasted only 87 days before internal tension, essentially due to conflict between the different members of the PFL, became insurmountable, with the Prime Minister being forced to present his government's resignation and to call early general elections. These were held on January 22, 2003, at which the CDA maintained its position with 44 seats and the PvdA regained some ground to 42 seats while the LPF fell to eight seats and the rest made minor gains or losses of one or two seats.

In the Netherlands, 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 2003, natural gas production totalled some 68,400 million m<sup>3</sup> compared with production of some 71,240 million m<sup>3</sup> in 2002. At this level of production the current reserves are expected to last until 2015. Some 40% of 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, Gaz de France, BP and Wintershall.

Crude oil production continued to increase. Total output was up from 2.68 million m<sup>3</sup> in 2002 to 2.72 million m<sup>3</sup> in 2002. The main producers are NAM, Wintershall and Unocal.

In 1999, Hoogovens, the Dutch steelmaker with plants in Belgium and France, 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 plants and elsewhere implemented productivity and efficiency improvements. The Ijmuiden plant was one of the few in the group to make a profit in 2002. In 2003, a division has opened up between the Dutch Supervisory Board and the company's chairman Sir Brian Moffat over a proposed sale of Corus' aluminium interests, mainly in Germany, Belgium and Canada, to Pechiney of France. The Dutch board was opposed to the deal and effectively torpedoed it.

In late 1999, Pasminco's Budel Zink smelter 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 the year to June 30, 2003, Budel Zink produced 212,134 t of zinc compared with 193,566 t of zinc in the year to June 30, 2002. In the six months to December 31, 2003, the production of zinc was 114,718 t - over 10,000 t up on the similar period to December 31, 2002. This production increase was the result of expansion of cooling capacity in the roasters, expansion of diode capacity in the cellhouse and availability of suitable oxidic raw materials. The smelter also produces 315,000 t/y 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 its products, and ISO 9001 certificated for permanent residue storage.

Two companies, Akzo Nobel Salt and Frisia, produce 5.70 Mt/y of salt by solution mining, the former producing 80% of the total and Frisia the remaining 20%. Akzo Nobel produced 4.69 Mt in 2002 and 4.85 Mt in 2003, with Frisia producing in the same years respectively 1.08 Mt and 1.13 Mt.

In 2003, Nedmag Industries mined 242,000 t of magnesium salts for the production of deadburned magnesia, compared with 210,000 t in 2002.