

NETHERLANDS

By Gavin Bowyer

The Netherlands' GDP was 1.3% in 2001 and fell further to 0.3% in 2002. The GDP is estimated to rise to 0.7% in 2003 and to be close to 2.0% in 2004. During 2002, unemployment rose to 2.5% of the working population and it is expected to rise to 4.0% in 2003.

At the parliamentary elections of May 15, 2002, anger against the ruling coalition of the social democrats (PvdA), comprising right- and left-wing liberals (VVD, D66) saw the coalition lose around half of its support. The number of PvdA seats educed from 45 to 23, those for the VVD from 38 to 24, and the D66 from 14 to seven. The gains went to the opposition Christian Democrats (CDA) who went from 29 to 43 seats, the new right-populist LPF, increasing from zero to 26 seats, and, on the left, the SP, from five to nine. The opposition party Green Left, which was originally riding high in the opinion polls, lost one seat 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, after a period of negotiation, a new coalition government was formed, represented by members of the CDA, the LPF and the VVD, and led by the CDA Prime Minister, Jan Peter Balkende. It only lasted 87 days before internal tension, essentially due to internal conflict between the different members of the LPF, 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; the CDA maintained its position with 44 seats and the PvdA regained some ground to 42 seats. The LPF retained just eight seats and the smaller parties made minor gains or losses of one or two seats. Jan Peter Balkende continued as caretaker Prime Minister, while talks were conducted between the CDA and the PvdA on forming a coalition government.

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 2002, natural gas production totalled some 71,240 million m³ compared with production of some 72,860 million m³ in 2001. At this level of production, 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 and BP Nederland with some 12% and 4% of the total, respectively.

Crude oil production increased significantly with the major production coming from the Petro-Canada group. Total production was up from 1.63 million m³ in 2001 to 2.675 million m³ in 2002.

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 plants and 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 Corus chairman, Sir Brian Moffat, concerning the proposed sale of Corus' aluminium interests, mainly in Germany, Belgium and Canada, to Pechiney of France. The Dutch board were opposed to the deal and effectively torpedoed it.

In late 1999, the Budel Zink smelter owned by Pasminco converted to treating low-iron zinc 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 Century, and in the year to June 30, 2002, Budel Zink produced some 193,570 t of zinc compared with some 215,850 t in the same period to June 30, 2001. In the nine months to March 31, 2003, production reached 188,670 t, some 4,500 t higher than in the equivalent prior period. 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. It is ISO 9002 quality accredited for production of its products, and ISO 9001 certificated for permanent residue storage.

Two companies, Akzo Nobel Salt and Frisia, produce some 5.70 Mt/y of salt by solution mining. Akzo Nobel produces about 80% of the total and Frisia 20%.

In 2001, Nedmag Industries mined 228,000 t of magnesium salts for the production of dead-burned magnesia.