



Press release

Statistics Netherlands

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Manufacturing capacity utilisation slightly down

The degree of capacity utilisation in the manufacturing industry was slightly down in March. Statistics Netherlands' business cycle survey further shows that manufacturing companies still consider their stocks of products to be too large. For the next three months companies expect activity to increase and foresee a slight rise in prices of their products. Producers' confidence, the sentiment indicator for the manufacturing industry, was slightly higher in March than in February, at 0.5.

Production installations used less intensively

Capacity utilisation in the manufacturing industry was 84.1% in March, 0.4 of a per cent point higher than in December 1998. However, the increase should have been larger according to the usual seasonal pattern: after correction for seasonal effects, capacity utilisation is 0.5 of a percent point lower than in December 1998.

Statistics Netherlands also reports that the seasonally adjusted index figure for the order books, which reflects the work to be done, fell by 0.4 points to 98.4 (March 1996=100). In spite of this manufacturers, especially those in the oil and chemical industries, expect a slight rise in activity in the next three months and also a rise in product prices.

Producers' confidence, the sentiment indicator of manufacturing companies was 0.5 in March, about the same level as in January this year. In February it fell to -1.1.

Stocks too large

About eight per cent of manufacturing companies considered their stocks of finished product to be too large. This a significantly more companies than in March 1998 when an average two per cent of companies thought they had too many products in stock.

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One in ten companies reported that insufficient demand for their products was standing in the way of production. In March 1998 one in five companies reported this. Competitiveness had not improved in the previous three months according to manufacturers.

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