



# Press release

Statistics Netherlands

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## ***Producer confidence at a record high, business services less happy***

Producer confidence, the mood indicator among industrial entrepreneurs, reached a record high in September. Manufacturers were positive about their order portfolios. The increased demand for products led to a greater use of production capacity in September. An increasing number of enterprises is hampered in their production by a shortage of labour.

Entrepreneurs in business services on the other hand were a lot less happy than their colleagues in manufacturing. They are less satisfied about the orders they received for the third quarter and the volume of their order portfolio.

### ***Producer confidence again up substantially***

After the strong increase in August, producer confidence maintained its impetus in September. The mood indicator went up 3.4 points bringing producer confidence to 7.5 for September 1999. This is the highest value ever recorded by Statistics Netherlands. All aspects of the indicator contributed to the growth rate in producer confidence.

An increase in new orders received in September led to a better filled order portfolio and more productivity. The expectations for the next few months are positive: increasing industrial production and higher selling prices.

### ***Production capacity and labour shortage***

The increase in production in September means that the degree of production capacity utilisation increased slightly to 84.3%. This greater use made of the machinery and equipment did not lead to any production problems due to shortages in capacity. However, labour shortages are becoming a problem for a growing number of producers.

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Some 8% of entrepreneurs report that their production is hampered by the labour shortage.

***Business services less happy***

In contrast to the producers, the entrepreneurs in business services are less happy with the number of new orders received and with their order position. The increase in turnover slowed down, as predicted by the entrepreneurs. Some 40% however expect turnover in business services to pick up in the fourth quarter.

The number of employees also continues to increase substantially. In the third quarter 30% of the enterprises hired. The expectation is that a similar number will hire new people in the last quarter of the year.

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