



Press release

Statistics Netherlands

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Consumer confidence falls further

Consumer confidence has fallen in March for the third month in a row. It is now just as low as at the end of 1998, the low point in the Asian crisis. The decrease is caused entirely by less favourable consumer opinions on the economic climate. Willingness to buy has been stable in the first months of 2001, but lower than in 2000. The newest figures from Statistics Netherlands' consumer confidence survey do not show a clear positive effect of the new tax system on the financial position of households.

Sombre views on economic climate

The decline of consumer confidence in March is caused entirely by a more pessimistic view on the economic climate. Consumers view future economic developments in particular less favourably. The proportion of consumers who expect the economy to deteriorate has risen from 31% in February to 41% in March, while the number of optimists has fallen from 13% to 9%. On balance, 32% of consumers expect the economy to do less well in the coming months.

Willingness to buy stable

In spite of their less positive attitude towards the economic climate, consumers are just as willing to spend their money in March as they were in February. Willingness to buy has been stable in the first three months of 2001, but at a lower level than in 2000.

The number of households who think now is the right time to buy large durable items has risen slightly in March. On the other hand, consumers have become slightly less positive about their own financial situation.

Consumers less optimistic about their own finances

Consumers' more negative judgement on their own personal finances is connected to their more pessimistic feelings about the coming twelve months. In February and March the number of consumers who expect an improvement in their financial situation has been smaller than in the preceding months. The group that expects a deterioration, on the other hand, has become larger.

The results of the consumer confidence survey therefore do not show a clear positive effect of the revised tax system introduced on 1 January

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this year. This might be related to the fact that consumers expect inflation to rise. In the first months of 2001 some 40% of Dutch households expect prices to increase more quickly in the coming months than they have done until now. In June last year this was around 20%.

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