



Statistics Netherlands

# Press release

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is a department of  
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## ***Consumer confidence down again***

According to Statistics Netherlands' monthly survey, consumer confidence has fallen again in June. The index is -21, four points lower than in May. This is the fifth fall in a row. Pessimism about the economy in general was the main factor in the decline. Willingness to buy is hardly lower than in May, mainly because consumers' opinions on their own financial situation are unchanged. More consumers think it is not a good time to buy large items. This is quite remarkable as in June consumers are usually more positive than in May on this point.

### ***Confidence still above low of 1993***

Consumer confidence has fallen by twenty point since January, to -21 in June. The indicator is still seven points above the low point of the last period of economic recession (March 1993). Willingness to buy, one of the two components of the confidence index, is now at the level of March 1993. Opinions on the economic situation in general, the second component of the index are more positive than in March 1993.

### ***Consumers more negative about economic climate***

Consumers' opinions on the economic situation are more negative in June than in May. Last month there seemed to be a stabilisation following increased pessimism in March and April. However, consumers are more sombre about both economic developments in the last twelve months and expectations for the coming period. One factor in these expectations is that many more consumers expect unemployment to rise. In June 55 percent of respondents said they expected unemployment to rise, compared with 34 percent in May.

### ***Willingness to buy hardly changed***

Consumers' willingness to buy was about the same in June as in May. In the last five months this component has constantly been lower than in the previous month. This may be connected with consumers' perception of the level of price rises. Statistics Netherlands published an article on this earlier in the month. The percentage of consumers who think that prices have increased very strongly in the last twelve months rose from 28 percent in December last year to 68 percent in May. In June it was about the same (67 percent).

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### ***Not a good time to buy large items***

Willingness to buy is based on consumer opinions on whether it is a good time to buy expensive durable items and on the financial situation of their own household. Consumers' opinions on their own finances are about the same as in May. However, again more consumers than last month do not think it is a good time to spend money on large items. This is unusual as consumers have always been significantly more positive in June than in May about large purchases such as TV sets, fridges and computers. In June 11 percent of respondents thought it was a good time to buy such items while 34 percent thought it was not. The difference between optimists and pessimists is thus -23, the lowest value since 1985 and 48 points lower than June last year.

### ***Willingness to buy drops sharply for low income families and young people***

Further analysis of the results shows that willingness to buy has dropped most sharply in the last months for low income groups and people in the age group 18-24. This may be a sign that in addition to the perception of price rises, the less favourable circumstances on the labour market have an effect on willingness to buy. Young people are extra vulnerable on the labour market. More detailed results of this analysis will be published in the June edition of Dutch Economic Indicators to be published on Friday (Thursday in Dutch).