



Press release

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Consumer confidence falls further

Consumer confidence has fallen for the sixth month running in July. The index is now -24, three points down on June. Confidence has dropped by 23 points in the last six months and is now only four points above the lowest score in the last period of economic decline (March 1993). The fall in confidence in July was caused by more pessimism about the economic climate, and to a lesser extent less willingness to buy. The latter component is now at its lowest level since the end of 1985, according to Statistics Netherlands' consumer confidence survey.

Willingness to buy at lowest level since 1985

Willingness to buy has fallen by 21 points since the end of January this year; it is now -11, the lowest value since the end of 1985. This component is thus lower than its lowest level in the last period of economic decline in 1993. Willingness to buy is based on consumers' opinions on their own financial situation and on whether it is a good time to buy large durable items.

Consumers have become increasingly sombre about their own financial situation in the course of this year. The percentage of households who have money to spare at the end of the month has decreased since January. Initially this went hand in hand with a larger share of households who could just make ends meet. In July, however, for the first time there was a slight rise in the share of households who had to dig into their savings.

Consumers slightly less inclined to buy expensive items

In July again fewer consumers think it is a good time to buy large expensive consumer goods such as TV sets, refrigerators and computers. Ten percent of respondents think it is a good time, 37 percent think it is not. The difference is -27, the lowest since April 1985 and 50 points lower than in the same month last year.

Consumers more negative about economic climate

Consumer opinions on the economic situation in the Netherlands were more negative in July than in June. Following decreases in March and April of this year, their opinions appeared to stabilise in May. In June and July, however, they were even more pessimistic, both on economic developments in the last twelve months and expectations for the coming period. This is partly based on

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the fact that more consumers' expect unemployment to rise in the coming months. In July 58 percent of respondents said they expected unemployment to rise, up from 55 percent in June and 34 percent in May.