



Statistics Netherlands

Press release

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Consumer confidence down further

Consumer confidence fell for the seventh month in a row in August, and is now -27, three points lower than in July. This puts confidence at the level of the low point in March 1993 in the last period of economic recession. The fall in confidence in August is connected with more negative opinions on the economic climate, and to a slightly lesser extent with lower willingness to buy. For the first time this year consumers were not more pessimistic about their own financial situation. Statistics Netherlands' consumer confidence survey further shows that consumers economise most on durable goods, holidays and going out in times of economic downturn.

Opinions on own finances stable

Willingness to buy has dropped by 22 points since January, to -12 in August, the lowest level since 1985. Willingness to buy is based on what households think of their own financial position and whether they think it is a good time to buy expensive items. In August willingness to buy is lower because consumers do not think it is a good time to buy things like a new TV, computer or refrigerator.

Consumers are not more negative about their own finances in August, though. In the last few months consumers have become more and more pessimistic about their own situation. The percentage of households having to break into their savings was the same in August as in July, when it was slightly higher than in previous months. The number of households that have money to spare at the end of the month was slightly higher in August after having fallen in the course of this year.

Consumers more negative about economic climate

Consumers are more negative about the economic situation in the Netherlands in August than in July. They are more pessimistic both with regard to economic developments in the past twelve months and expectations for the coming period. The fact that more consumers expect unemployment to rise contributes to these feelings. In August 64 percent of respondents said they expect unemployment to increase in the next few months, up from 58 percent in July and only 34 percent in May.

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Consumers economise on durable items and going out

The consumer confidence survey also ask where consumers would economise if their income were to be reduced substantially. In August just over a quarter of them said that they would cut back on durable items. Just over one fifth would spend less on holidays and going out. Just under than ten percent would economise on driving, ten percent on food, drink and smoking, and again ten percent on clothes and shoes. More consumers consider cars as a necessary spending category than a number of years ago, while holidays and going out, and durable goods have become more of a luxury.