



Press release

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Manufacturers less confident

Producers' confidence, the sentiment indicator for the manufacturing industry, fell further in September 2002. Statistics Netherlands business sentiment survey further shows that the amount of work in hand has dropped. Companies reported that their competitive position has deteriorated and that there is insufficient demand for their products. They expect this to have a negative on employment in the fourth quarter. Employment is under pressure for companies in business services, too: they expect to have to reduce staff numbers further in the fourth quarter.

Manufacturers more negative about production and order position

Following the increase in producers' confidence in July, it fell back again in August (-2.1) and further in September (-2.4). Manufacturers' expectations for production in the period October-December and their more negative judgement of the order position in particular contributed to this fall in confidence.

Order position slightly worse, capacity utilisation unchanged

The index of the order position deteriorated by 0.8 of a percent point to 92.1 (June 2000=100). Orders received were at nearly the same level as in August in all sectors. Capacity utilisation of installations in the Dutch manufacturing industry was the same in the third quarter as in the second quarter of this year. Opposite a fall in the consumer goods and investment goods sectors, there was an increase in capacity utilisation for the sector producing semi-manufactured products.

Competitive position under pressure

According to manufacturing companies, their competitive position is deteriorating. This is most apparent on the EU market for consumer goods. The position of the investment goods sector on the EU market seems to be improving. This sector expects foreign orders to increase in the fourth quarter.

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Sharp drop in employment for business services

Companies in the business services sector received fewer orders in the third quarter, for the fifth successive quarter. Turnover in this sector is also under pressure. Just as manufacturing companies, business services expect a further decrease in staff in the fourth quarter. Since the fourth quarter of last year, more and more companies are indicating that employment has fallen. In the computer services and IT sector staff numbers have been falling since the third quarter of 2001. More than half of companies in this sector report that staff numbers were reduced in the third quarter of 2002, and on balance 35 percent expect a further decrease in the fourth quarter.