



Press release

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Manufacturers more sombre

Producers' confidence, the sentiment indicator for the manufacturing industry has dropped 2.5 points to -4.4 in January. Statistics Netherlands' business sentiment survey further shows that orders received and production were slightly down in December. Production in this sector is again expected to decrease slightly in the first quarter of 2003, and manufacturers also foresee a further fall in employment in this period. In business services companies have seen turnover and orders decline in the fourth quarter of 2002. Here too employment is expected to come under pressure in the first quarter of 2003.

Fewer orders and lower production

Manufacturing companies received fewer orders in December last year than in November. They also reported lower production in December than in November. The order position remained at the same level, although opinions on this have become more pessimistic. Together with more sombre expectations for production in the first quarter of 2003, this is the main reason for the fall in producers' confidence.

Lower capacity utilisation

The utilisation of the machine capacity in the Dutch manufacturing industry fell by 0.6 of a percent point in the fourth quarter of 2002. Manufacturers have been reporting that insufficient demand for their products is the greatest obstacle in production for quite a time now. The results of the production index, published earlier this month, indeed show lower production rates in 2002. In the first eleven months of 2002, 2.4 percent less was produced than in the corresponding period in 2001. The competitive position hardly changed in the fourth quarter, according to manufacturers.

Fewer orders and lower turnover for business services

Business services received fewer commissions in the last quarter of last year. In the third quarter, too, commissions were down. This sector has only been able to compensate this partly by increasing their prices. Stagnating commissions have also meant substantial staff cutbacks. Companies in this sector expect this trend to continue in the first three months of this year, too. The ICT sector in particular expects to have to reduce employment. As far as turnover and orders are concerned, these companies are more optimistic.

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