



# Press release

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## ***Producer confidence deflating further***

Dutch producer confidence, the mood indicator of the entrepreneurs in the manufacturing industry, fell again in June. It reached -10.1, the lowest level since the indicator was introduced in 1985.

The economic survey of the manufacturing industry shows that the entrepreneurs expected a slight decrease in production for the period June through August. In May they still expected production to stabilise. The entrepreneurs were also slightly more negative about their order position and stocks of finished products, according to the latest figures by Statistics Netherlands.

### ***Confidence at record low***

Dutch producer confidence in June fell to -10.1. This is the lowest level the indicator ever reached since the survey started in 1985. Until last month the lowest level of producer confidence ever observed was -9.2 in April 1993. The decrease in producer confidence is caused among other things by the negative expectations of production in consumer goods. The entrepreneurs in sectors semi-manufactured goods and in investment goods hardly expect a change in production for the period June through August.

In the sector consumer goods the entrepreneurs were also unhappy with the stock of finished products. They were also more negative about the order position, especially in sectors semi-manufactured goods. This also constitutes part of the decrease in producer confidence.

### ***Order position to record low***

The index for the order position in the manufacturing industry fell by 0.6 points to 91.5. This is the lowest level since the indicator started in 1989. The order position is doing especially poorly in the consumer goods sector.

The entrepreneurs expect a slight price drop in the selling prices of raw materials and semi-manufactured and investment goods over the next few months.

The entrepreneurs in the manufacturing industry again expect they have to cut the number of employees. This has been the case since August 2001. In June over one in five entrepreneurs in the manufacturing industry expected a drop in employee numbers over the period June through August.

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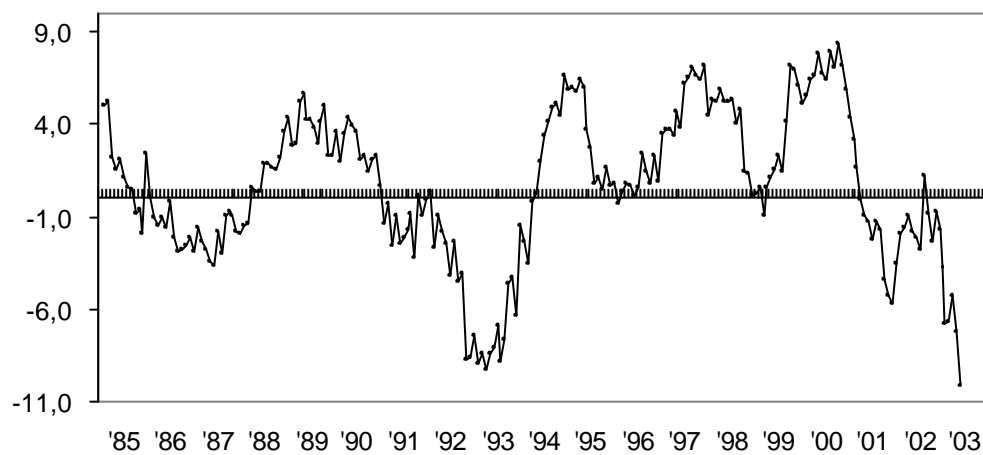
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***Producer confidence in the Dutch manufacturing industry (seasonally corrected figures)***

	Jan	Feb	Mar	Apr	Ma	June	July	Aug	Sep	Oct	Nov	Dec	year
2000	5.2	5.6	6.4	6.6	7.8	6.7	6.4	7.9	7.1	8.4	7.2	5.9	6.8
2001	4.3	3.2	1.7	0.0	-1.0	-1.3	-2.2	-1.3	-1.7	-4.4	-5.2	-5.6	-1.1
2002	-3.5	-1.9	-1.6	-0.9	-1.8	-2.1	-2.8	1.3	-0.8	-2.4	-0.7	-1.7	-1.6
2003	-3.8	-6.8	-6.6	-5.3	-7.2	-10.1							

**Source: CBS**

**Producer confidence in the Dutch manufacturing industry**



**Source: CBS**