



Press release

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Manufacturers slightly less pessimistic

In 2003, producer confidence, the mood indicator for the Dutch manufacturing industry, rose from -10.1 in June to -7.4 in July. The index has fluctuated around -7 since February. The economic survey for the manufacturing industry conducted by Statistics Netherlands further shows that entrepreneurs expect the production to stabilise in the period July-September. They report a flagging competitive position in the second quarter. The economic survey shows that orders and sales in the commercial services sector again suffered a setback in the second quarter.

Confidence on the way up, but still low

Producer confidence slightly improved to reach -7.4 in July. The improvement was caused among other things by manufacturers' expectations that the production will pick up a bit, whereas in June production was anticipated to fall slightly and they are less negative about the order position. Notably the consumer goods sector is less pessimistic about the production in the third quarter.

Entrepreneurs in the sector investment goods think the order position is slightly better in June compared to May. In the sector consumer goods the order position deteriorated in June, whereas the sector semi-manufactured goods saw the order position worsen dramatically.

Competitive position and exports under pressure

Manufacturers think the competitive position of the Dutch manufacturing industry slightly deteriorated in the second quarter of 2003 on both the domestic and the foreign markets. This opinion is corroborated by the fact that fewer orders were received in the second quarter. Manufacturers' expectations are especially negative with respect to the developments on the foreign market. They expect foreign sales to drop in the third quarter.

Employment in manufacturing industry further down

Insufficient demand is increasingly becoming a problem. As a consequence, employment in the manufacturing industry is continually under pressure. On balance, one in every seven manufacturers anticipate further staff reductions in the third quarter. They have reported a reduction in employment for two years now.

Pessimism prevails in the business services sector

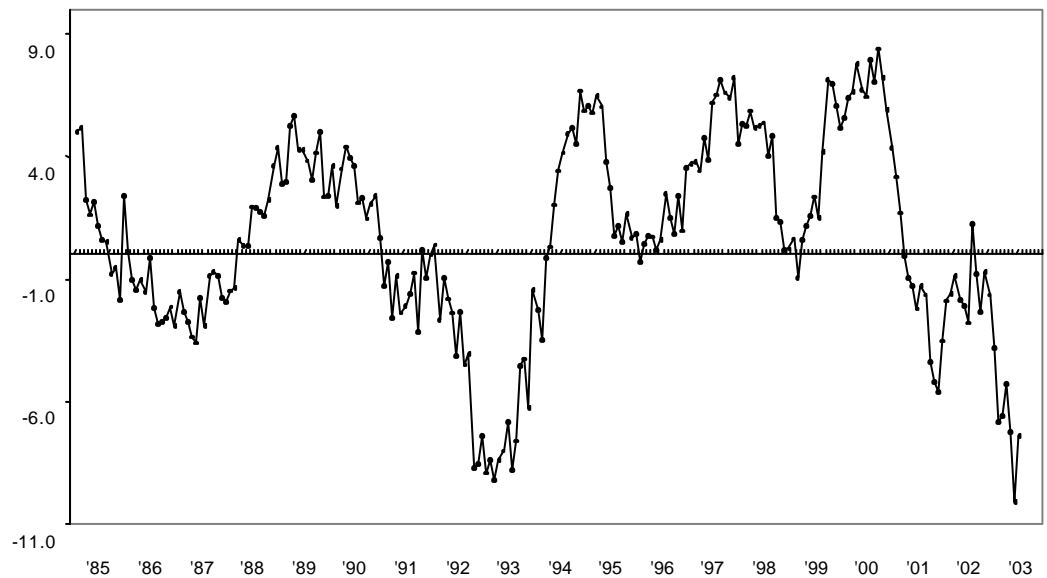
For the fourth consecutive quarter the business services sector has to cope with a decline in received orders and a lower turnover, though less serious than in the first quarter of 2003. Business services companies nevertheless remain pessimistic about the third quarter as staff reductions continue in this sector. On balance, one in every three providers of business services expect a further reduction in employment in the third quarter.

Producer confidence in manufacturing industry (after elimination of seasonal effects)

	Jan	Feb	Mar	Apr	May	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	-7.4						

Source: Statistics Netherlands

Producer confidence manufacturing industry



Source: Statistics Netherlands