



# Press release

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## ***Producers' confidence increases further***

Producers' confidence, the sentiment indicator for the manufacturing industry, has risen to -3.0 in October. Since the lowest point in June (-10.1), October is now the fourth month in succession in which the indicator has increased. Statistics Netherlands' business sentiment survey further showed that for the first time since April slightly more orders were received, although companies in corporate services again received fewer orders. This sector is more optimistic with regard to the fourth quarter, however: there are more companies which foresee an increase in orders and turnover than companies which foresee a decrease.

### ***Producers' confidence at highest level this year***

Producers' confidence is -3.0 in October 2003, 1.8 points higher than in September and the highest level measured so far this year. The improvement is a consequence of a more favourable opinions of companies on stocks of finished products and the size of their order books. In September they received slightly more orders than in August. Manufacturing companies are slightly less optimistic with regard to production than in September.

### ***Higher capacity utilisation***

The utilisation of machines and installations in the Dutch manufacturing industry is slightly higher and was 81.4 percent at the beginning of October. The Dutch manufacturing industry has become less competitive in the third quarter according to manufacturers, especially on markets within the European Union.

One in four manufacturing companies faced production impediments, mainly because of the lack of demand for manufactured products according to most companies. Data released by Statistics Netherlands earlier this month revealed that the Dutch manufacturing industry had lower turnover and production rates in the first eight months of this year than in the same period last year. Declining production has forced companies to cut back further on staff, and one in five companies expect staff to decrease further in the fourth quarter.

### ***Corporate services pessimistic about economic climate***

Half of companies in the corporate services sector have negative opinions on the present economic climate for their business. Their turnover and orders decreased further in the third quarter. The fall in turnover was partly caused by lower prices. Companies in this sector are more optimistic about the fourth

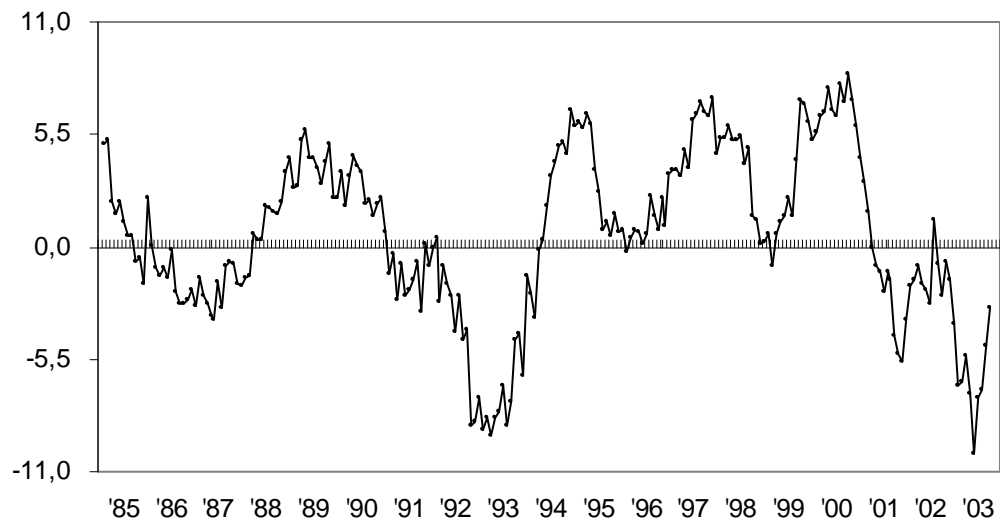
quarter. Just as in manufacturing jobs are under pressure: on balance one in three companies in this sector reported staff reductions in the third quarter. They also expect this development to continue in the fourth quarter.

**Producers' confidence (manufacturing industry)- after adjustment for 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	-7.0	-4.8	-3.0			

**Source: CBS**

**Producers' confidence (manufacturing industry)**



**Source: CBS**