



Press release

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Manufacturers' confidence fractionally higher

Producers' confidence in the manufacturing industry is 1.3 in October 2004. This is a fraction higher than in September. Producers' confidence has been stable for a number of months now and well above the low point in June 2003. Producers in the manufacturing sector are more optimistic about future production than last month.

According to figures from Statistics Netherlands at the beginning of the fourth quarter, companies in businesses services were more optimistic about orders and turnover in the coming months than in the previous quarter.

Companies expect production to rise

Producers' confidence is a sentiment indicator for the manufacturing industry. The figure consists of three components: expected production in the next three months, opinions on stocks of finished product and the opinion on the order books. Compared with September, manufacturers are slightly more optimistic in October about expected production in the coming three months. Opinions on stocks of finished products have also improved slightly. On the other hand, the opinions on order books are more negative than one month previously.

Bigger backlog

Manufacturing companies received more orders from both foreign and domestic customers in September than in August. The work backlog in the Dutch manufacturing industry was larger than one month previously. This is certainly the case for producers on consumer goods and investment goods.

One in five companies expect to cut back on staff in the next few months, while one in twenty plan to recruit new staff.

Lower capacity utilisation

The capacity utilisation of machinery in the Dutch manufacturing industry fell to 82.4 percent at the beginning of the fourth quarter, around the same level as in the beginning of the year.

One in five manufacturers are still hampered by obstacles in production. Just as in the preceding quarters, low demand is still the main bottleneck. Manufacturers do report that their competitive position on the foreign market has improved, especially within the EU.

Business services more optimistic

Companies in the business services sector – ICT services, temp agencies, cleaners, accountants and administrative services - expect a higher turnover and more orders for the fourth quarter of 2004. They also report higher turnover and more orders in the last quarter. Turnover and orders in the lease sector are still under pressure, and companies in this sector do not foresee an improvement in the fourth quarter.

No further fall in jobs in business services

A net one in six companies reduced staff in the third quarter of 2004. For the fourth quarter companies do not expect to cut back further in employment. Again for lease companies jobs are under pressure. On the other hand, ICT services expect to expand employment.