



# Press release

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## ***Manufacturers more pessimistic, providers of business services optimistic***

Producer confidence in Dutch manufacturing industry deteriorated further and equalled -3.7 in July. In June it was still at -1.7. It has now reached the lowest level since November 2003. The anticipated output in particular is a main point of concern to manufacturers, according to figures released by Statistics Netherlands.

Providers of business services, on the other hand, anticipate a rise in turnover and orders in the third quarter of 2005. Nearly one-third of business service providers expect to recruit new staff.

### ***More negative about manufacturing output***

Producer confidence is a mood indicator for the manufacturing industry. It consists of three subindicators: expected output in the next three months, producers' opinions on stocks of finished products and their opinions on the order position.

In July producer confidence in the manufacturing industry was 2.0 points below June's level, when it also dropped (2.5 points). Dutch manufacturers, most notably producers of consumer goods, are negative about the anticipated output in the third quarter. Their opinions on order position and stocks of finished products have hardly changed in this period.

### ***More layoffs anticipated in manufacturing industry***

One in six manufacturers expect to have to reduce the size of their workforce in the months to come, whereas one in seventeen intend to recruit new staff. This is a decrease compared to the preceding months.

### ***Business service providers expect orders and turnover to rise***

Nearly four in ten providers of business services expect more orders and a higher turnover in the third quarter of 2005. This rate is, however, slightly below the level of the previous quarter.

### ***Business service providers intend to recruit staff***

Nearly one in three business service providers intend to recruit staff in the third quarter of 2005, whereas only one in fourteen anticipate staff reductions. Business service providers have not been this positive about employment

growth in four years. Property leasers are not so positive. They anticipate staff cuts will be inevitable in the near future.