



Press release

PB05-099
24 August 2005
9:30 AM

Entrepreneurs in manufacturing industry much more confident

Producer confidence in Dutch manufacturing improved greatly in August, reaching -0.3. In July confidence was -3.7. Producer confidence is clearly recovering from the decline in June and July. Dutch entrepreneurs are much more positive about expected production. However, they have no plans to hire more people, according to the latest figures by Statistics Netherlands.

More positive about future production

Producer confidence is a mood indicator for the manufacturing industry. It consists of three components: expected production in the coming three months, opinions on stocks of finished product and opinion on the order position.

In August producer confidence in the manufacturing industry is 3.4 points higher than in July. This is the largest monthly increase since August 2002, compensating almost entirely the dips of June and July when producer confidence fell by 2.0 and 2.5 points respectively. Despite the improvement producer confidence is still below the average for the first six months of 2005.

Producers are more positive about expected production in the coming three months than in July. The improvement is greatest among producers of consumer goods and smallest among producers of semi-manufactured goods.

Dutch industrial entrepreneurs did not change their opinions on their order position or on their stocks of finished product.

No price changes expected

One in fourteen entrepreneurs in Dutch manufacturing expects to raise selling prices, while one in fourteen expects to lower them. Among producers of semi-manufactured goods the number who expect a price rise is slightly higher than the number expecting lower prices. The reverse is true among producers of consumer goods.

One in seven entrepreneurs in Dutch manufacturing expects to cut their workforce over the coming months, only one in seventeen expects to expand their workforce.

Producer confidence in Dutch manufacturing (seasonally corrected)

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Year
2002	-4.0	-1.6	-1.6	-0.8	-1.6	-1.5	-2.4	1.5	-1.1	-2.8	-0.8	-1.9	-1.6
2003	-4.3	-6.6	-6.6	-5.1	-7.0	-9.4	-7.0	-6.9	-5.1	-3.5	-3.9	-1.8	-5.6
2004	-1.6	-2.9	-1.9	-1.1	1.7	1.9	0.7	0.8	0.5	1.1	0.1	-0.4	-0.1
2005	-0.6	-0.1	1.4	-0.1	0.8	-1.7	-3.7	-0.3					

Source: CBS

Producer confidence in Dutch manufacturing



Source: CBS