

Indicators in Dutch economy: Doing more with less

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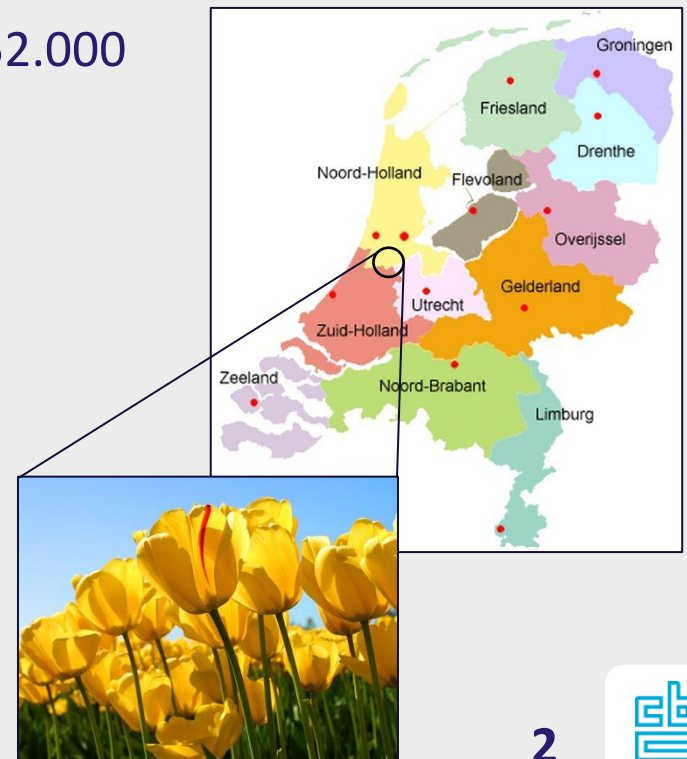
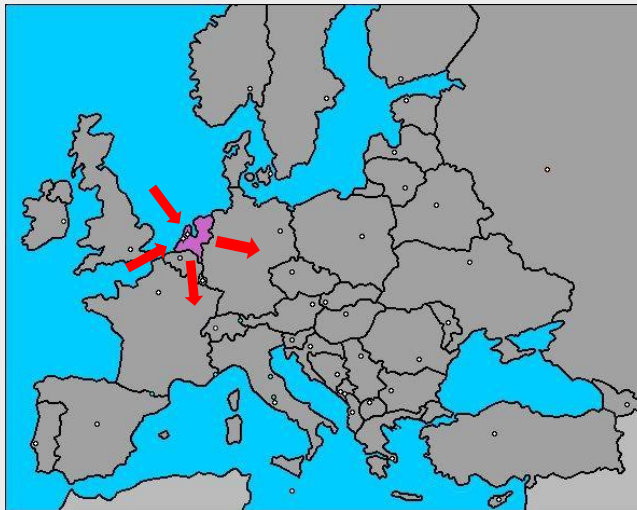
Seminar on the Role of National Statistical Offices
in the production of Leading, Composite and Sentiment Indicators
8 - 10 December 2015 Geneva



Statistics
Netherlands

Dutch economy

- Gateway to Europe
- Technology (electronic, bio, chemical)
- After USA largest exporting country of agriculture products (flowers)
- GDP: \$800 billion
- 17 million inhabitants, GDP per capita: \$52.000



Probing economic climate

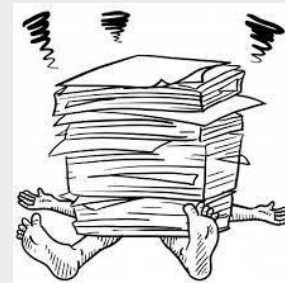
Questionnaires with business related questions

Q. How do you expect your production to develop over the next 3 months?

Until 2008:

- 5 different organizations
- Similar questions in different questionnaires
- Varying quality
- No standard measures, hard to compare data

High administrative burden
(annoyance at companies)



Since 2008: Integration

Cooperation of 5 organizations

One main executor: Statistics Netherlands

Stratified sample survey:

- One questionnaire for all branches
- adapted to DG ECFIN¹ requirements where necessary



Direct results

- Comparable
- Consistency
- Reduction sample size
- Reduction administrative burden

Automation

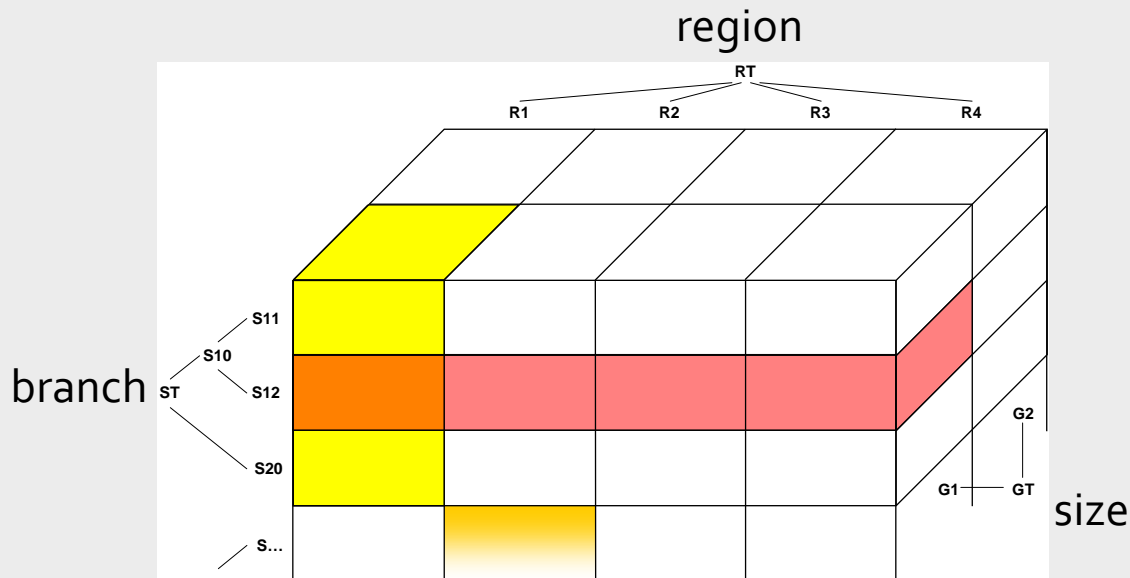
- Reduction of working hours
- Reduction of error sensitivity

News center



Dutch business survey

- Monthly, quarterly, annually questionnaires
- Stratification: company size, region, business branch (NACE)
- Weighted by number of employees



Indirect results

Economic Indicators

- Confidence indicators
 - Manufacturing industry
 - Construction
 - Retail trade
 - Service sector
 - Mining and quarrying
 - Wholesale
- Job vacancy indicator
- Index order position



Composite Indicator:
producer confidence

Comparison with European indicators

Netherlands

Economic Indicators

- Confidence indicators
 - Manufacturing industry
 - Construction
 - Retail trade
 - Service sector
 - Mining and quarrying
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- Job vacancy indicator
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Europe

DG ECFIN indicator:

Economic Sentiment Indicator

- Manufacturing industry
- Construction
- Retail trade
- Service sector
- Consumers

Business climate indicator
(Industry: 5 questions)

Example: confidence indicator

Monthly survey for manufacturing industry: 11 questions in total

3 questions used for confidence indicator:

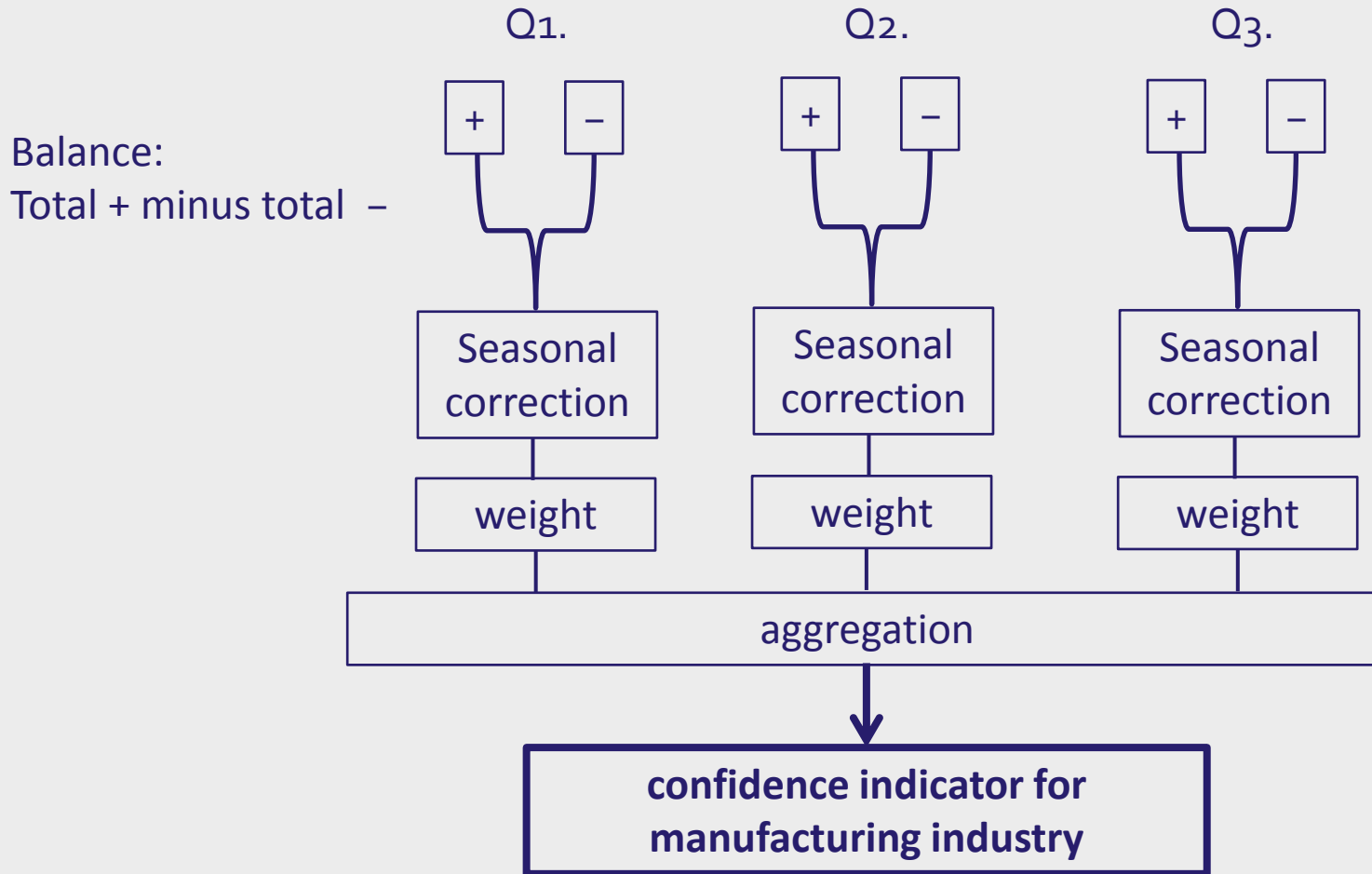
Q1. How do you expect your production to develop over the next 3 months? It will...

Q2. Do you consider the current overall book order to be...

Q3. Do you consider your current stock of finished products to be...?

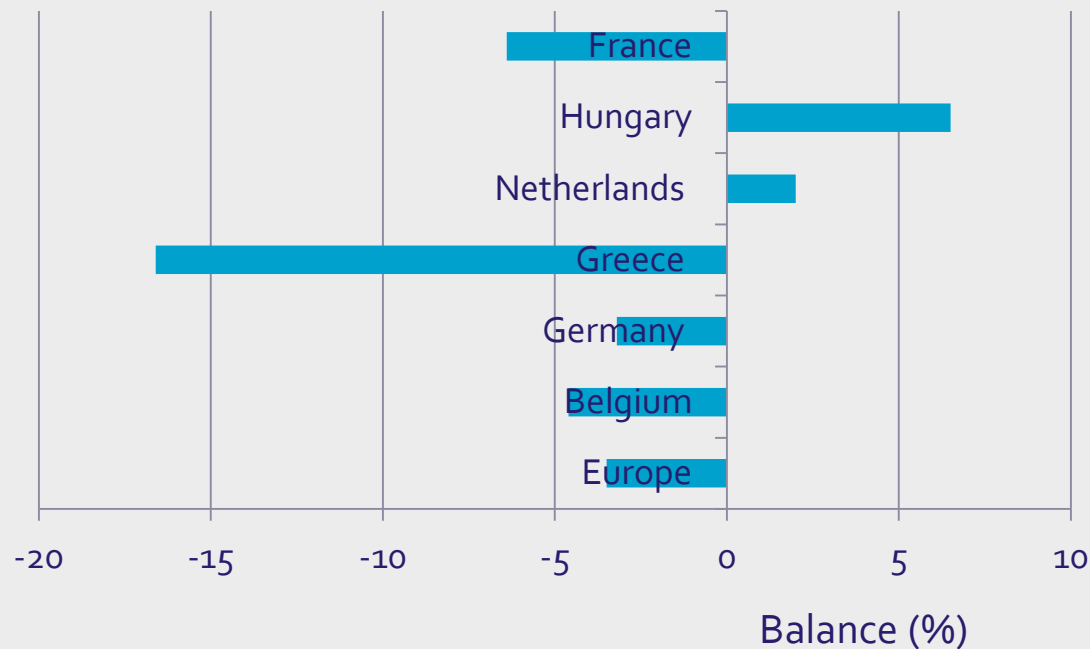
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Example: confidence indicator



International comparison

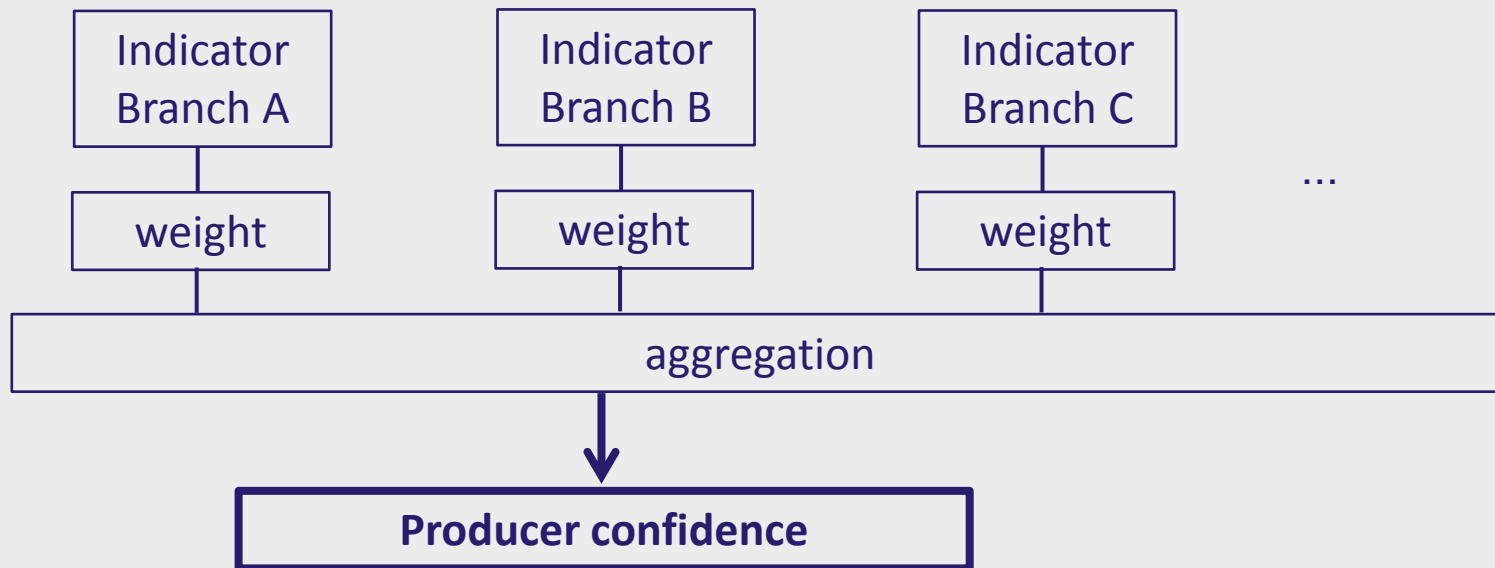
Confidence indicator manufacturing industry November 2015*



*Large majority of data was taken before
Paris terror attacks at 2015-11-13

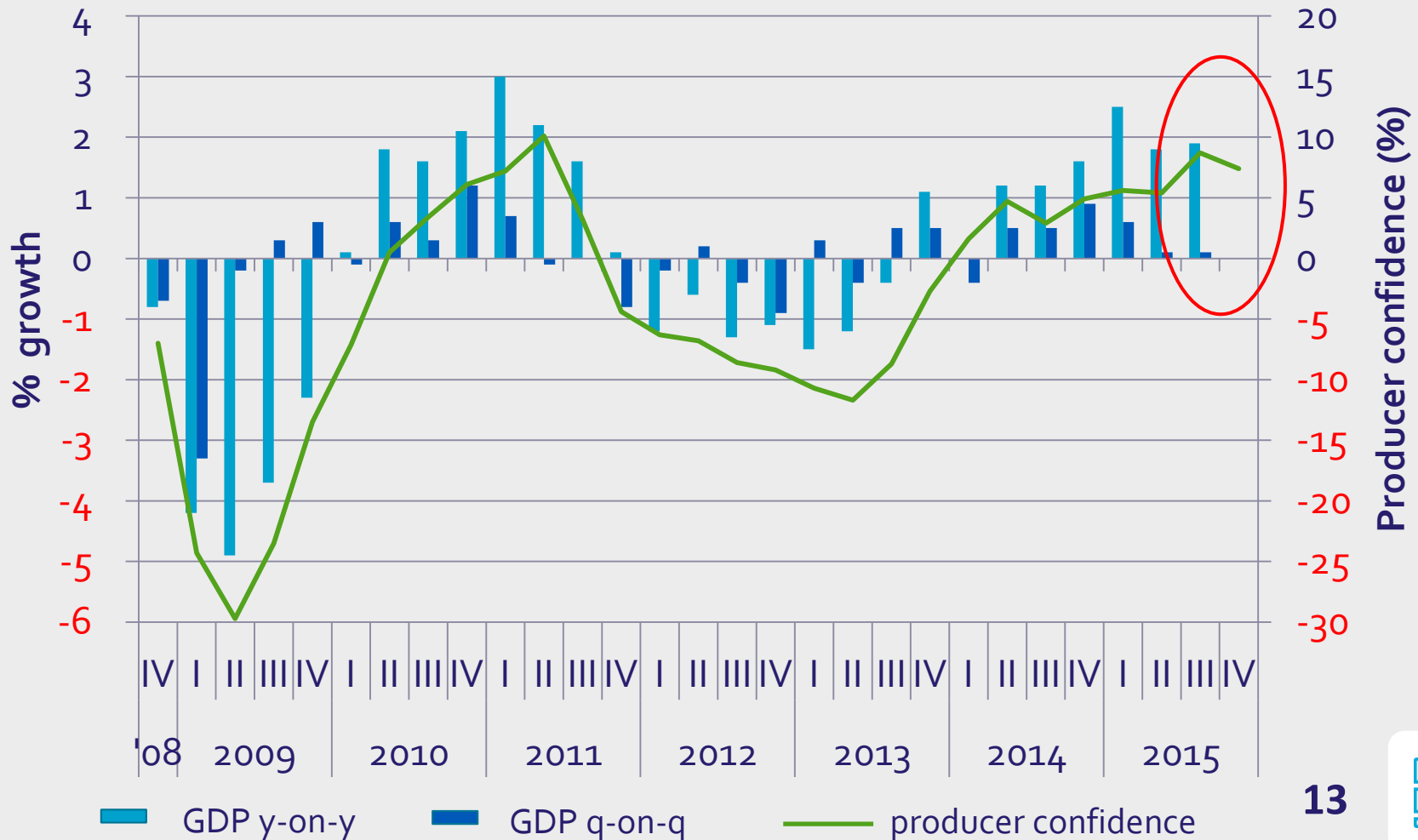
Example: composite indicator

Producer confidence



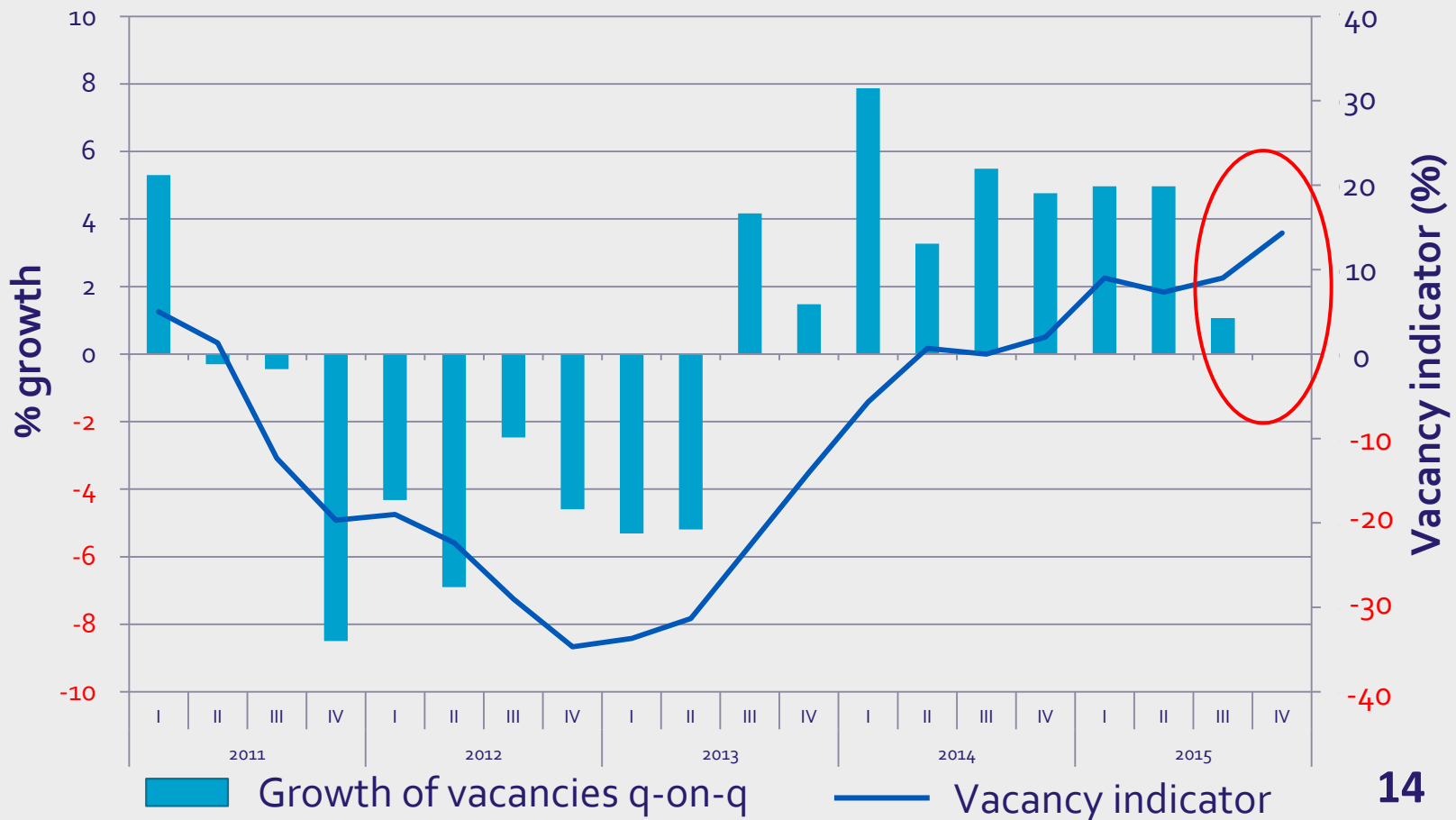
Producer confidence as leading indicator

– Producer Confidence vs GDP



Leading indicator: Vacancies

Q. How do you expect your firm's total employment to change over the next 3 months?



Future planning

- New temporal questions
 - R&D
 - innovation
- Adjust derived indicators completely to DG ECFIN definitions
 - Economic sentiment indicator = producer confidence
 - Business climate indicator
- Further refinement aggregation (district level)
- Publish statistical uncertainties
 - include uncertainty seasonal correction \Rightarrow bootstrapping

Conclusions

- Statistics Netherlands is the main executor of producing statistics of the Dutch economic climate.
- Confidence and vacancy indicators can be used as leading indicators.
- Future: further harmonization

Dutch business survey

Panel	Observation period	branch	Number of strata	Sample size
Month panel	First 3 weeks of month	Industry Services Manufacturing	191	4.500
Quarter panel	First 6 weeks of quarter	All commercial business companies	235	6.000
Year panel	First 6 weeks of 4th quarter	All commercial business companies	132	20.000