

Short economic review of the shopfitting industry in the Netherlands

Dutch economic situation

In common with other European economies contracted the Dutch economy at a record pace. The GDP was down with 4 percent in 2009. Especially the purchases of durable goods dropped hard. For 2010 we expect a slight GDP increase of 0,5 percent. But this "recovery" is very, very fragile. The cuts in government spending which the Dutch political parties are preparing might kill the recovery early. Effects of the rising unemployment rate could also be bigger than expected.

The unemployment rate is 5,7 percent at the moment and will increase to 7 percent in 2010. For 2011 we expect the unemployment rate to remain stable.

Shopfitting industry

The year 2009 was very difficult for the Dutch shopfitting industry. The total turnover dropped 15 percent. Entrepreneurs in the shopfitting industry started to compete on price, causing a big rise in the number of companies that are not profitable. A little over 45 percent of the companies doesn't make any profit. For the near future we don't expect an improvement. This prediction is based on two things:

- Building activity: in 2009 the building activity for the retail decreased with 17 percent. For 2010 we expect a decrease of 30 percent. This means that in 2011 the total production for the retail is 57 (!) percent of the total production in 2008.
- Consumer confidence is still negative. This means that there are more pessimistic than optimistic consumers.