

News Release
Purchasing Managers' Index[®]
MARKET SENSITIVE INFORMATION
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NEVI Netherlands Manufacturing PMI[®]

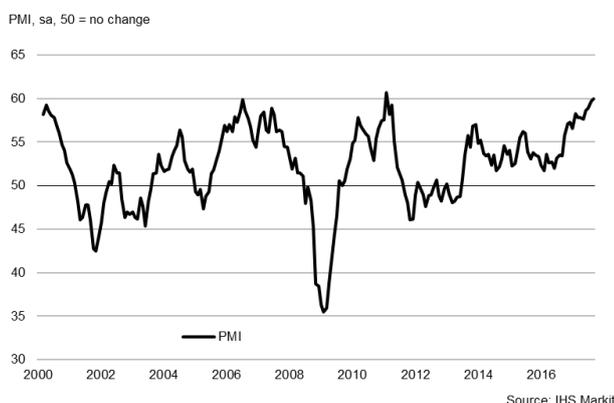
Dutch manufacturing growth nears survey-record high

Key points:

- PMI hits 60.0, second-highest on record
- Output increases at fastest rate since April 2000
- Rate of employment growth almost matches survey record

Data collected September 12-21

NEVI Netherlands Manufacturing PMI



Dutch manufacturing business conditions improved at a near-record pace in September, according to the latest PMI[®] survey data from NEVI and IHS Markit. Output and employment both increased at the second-fastest rates since the survey began in March 2000, resulting in the headline PMI rising to its second-highest level on record. Growth of new work remained marked and new export orders increased at the fastest rate since the end of 2013. The latest survey data also signalled a sharp acceleration in purchase price inflation at manufacturers, who responded by increasing their own prices at a strong pace.

The headline NEVI Netherlands Manufacturing PMI is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement of the sector.

The PMI rose to 60.0 in September, up from 59.7 in August. The latest figure was the strongest recorded since February 2011 and the second-highest in the survey's 17-year history. Furthermore, it extended the current record sequence of improving business conditions at manufacturers to 51 months.

The PMI was driven higher by near-record increases in both output and employment. Production increased at the fastest rate since April 2000, and the second-strongest on record. By sub-sector, makers of investment goods registered the sharpest expansion, followed by intermediate goods producers. Meanwhile, manufacturers added workers at the sharpest pace since February 2011, and one that was also the second-fastest on record. All three sub-sectors registered marked growth of employment.

Strong demand for Dutch manufactured goods was sustained in September. New orders increased at one of the fastest rates in the past six years, while growth of new export business hit a 45-month high.

Manufacturing capacity remained under pressure in September. Backlogs of work increased at the strongest rate since December 2013, and suppliers' delivery times lengthened to the greatest extent since March 2011. Meanwhile, stocks of purchases increased at the third-fastest rate on record.

Cost pressures faced by Dutch manufacturers intensified in September, linked to steel, paper, oil, plastics and foodstuffs. The overall rate of input price inflation accelerated to a five-month high and was well above the long-run survey average. This

contributed to a sharp increase in manufacturing output prices.

Sentiment regarding future output improved further in September, reaching its highest since the series was first compiled in July 2012.

Comment:

Trevor Balchin, Director at IHS Markit, which compiles the Netherlands Manufacturing PMI survey, commented:

“The Dutch manufacturing sector turned out another impressive performance in September. Overall business conditions improved at the second-strongest pace on record, with the current level of the PMI bettered only in February 2011.”

“Output and employment both rose at the second-fastest rates on record, supported by further elevated growth of new orders. This was accompanied by stronger cost pressures, with purchase price inflation accelerating sharply. That said, the rate of inflation remained below those seen in the first four months of 2017.”

“The latest available official growth rate for manufacturing output eased in July, but remained strong at 3.0% year-on-year. The recent PMI results suggest that momentum in the official data will begin to pick up again in the coming months. More widely, IHS Markit is expecting economic growth of 3.0% in 2017, the strongest expansion since 2007.”

-Ends-

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Notes to Editors:

The NEVI Netherlands Manufacturing PMI[®] (Purchasing Managers' Index[®]) is produced by IHS Markit. The report features original survey data collected from a representative panel of more than 350 companies based in the Dutch manufacturing sector. The panel is stratified by GDP and company workforce size.

Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

IHS Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from IHS Markit. Please contact economics@ihsmarkit.com.

The Manufacturing *Purchasing Managers' Index (PMI)* is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times Index inverted so that it moves in a comparable direction.

The *Purchasing Managers' Index (PMI)* survey methodology has developed an outstanding reputation for providing the most up-to-date possible indication of what is really happening in the private sector economy by tracking variables such as sales, employment, inventories and prices. The indices are widely used by businesses, governments and economic analysts in financial institutions to help better understand business conditions and guide corporate and investment strategy. In particular, central banks in many countries (including the European Central Bank) use the data to help make interest rate decisions. PMI surveys are the first indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

About NEVI

With over 8000 purchasing professionals, NEVI[®] is the 3rd largest purchasing association in the world and has been the knowledge network for purchasing and supply management since 1956. NEVI makes purchasing knowhow accessible for everyone involved in the purchasing process by organising (inter)national conventions, networking events, certificated professional educational programmes and national and international customized (in-house) training. NEVI is the first purchasing association to have received the Global Standard for its educational programmes in purchasing. It has a research foundation and supports university professors, lecturers and doctoral students. The NEVI code of conduct is ground-breaking in its field. For more information about NEVI activities and membership, please visit our website: www.nevi.nl

About IHS Markit (www.ihsmarkit.com)

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

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About PMI

Purchasing Managers' Index[®] (PMI[®]) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. To learn more go to www.markit.com/product/pmi

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