News Release

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Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
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NEVI Netherlands Manufacturing PMI®

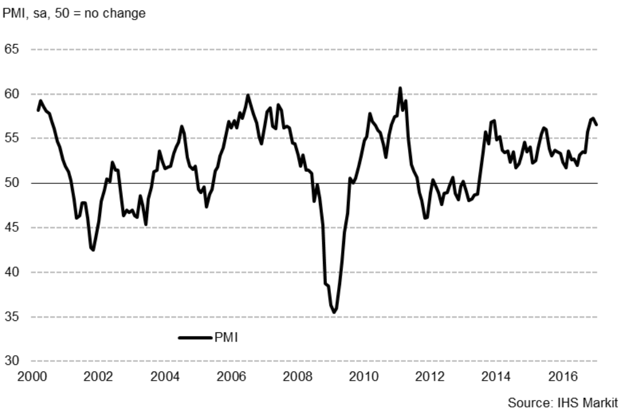
Further strong growth in Dutch manufacturing sector

Key points:

- Output and new orders continue to increase at marked rates
- Staff numbers rise at fastest pace in 71 months
- Inflationary pressures intensify

Data collected January 12-23

NEVI Netherlands Manufacturing PMI



The Dutch manufacturing sector registered a further improvement in overall operating conditions during January. The rate of improvement remained marked despite easing slightly from the previous month, driven by a slowdown in output and new order growth. That said, manufacturers continued to add to their payrolls while purchasing activity also increased. At the same time, input costs and output prices continued to rise to signal strong inflationary pressures.

The seasonally adjusted headline NEVI ***Purchasing Managers' Index® (PMI®)*** – a composite indicator designed to provide a single-figure snapshot of the performance of the manufacturing economy – posted 56.5 in January. Although down from 57.3 in December, the latest index reading remained above the long-term average for the series and pointed to another sharp improvement in the overall health of the Dutch manufacturing sector.

The improvement was partly driven by a rise in total **new orders**, the eleventh in as many months. The rate of growth eased from December, but remained marked overall, with a number of panel members commenting on stronger client demand. Data indicated that the increase was broad-based across both domestic and foreign markets, as highlighted by a further rise in new **export orders** amid reports of an uptick in demand from China.

In line with the trend for new business, firms raised **output** at a slower pace during January. That said, the rate of growth was marked overall. This, in turn, contributed to a rise in **post-production inventories**.

Firms continued to hire additional **staff members** in January as they looked to enhance their operating capacity. However, this did not prevent a third consecutive month-on-month rise in the level of **outstanding business**.

Meanwhile, **purchasing activity** rose for the fifth consecutive month. The rate of expansion eased slightly from December's 36-month high, but remained marked overall. The amount of **pre-production inventories** held by Dutch manufacturers also rose at a weaker pace in January.

Input prices increased at the fastest rate in 69 months in January, as higher oil and steel prices continued to put upward pressure on production costs. Some firms passed these costs on to their clients by increasing their average **selling prices**. Moreover, the rate of charge inflation was the most marked in five-and-a-half years.

Finally, average **lead times** for inputs lengthened for the forty-third consecutive month in January.

Moreover, the rate of deterioration in vendor performance was the joint-sharpest in this sequence, and sharper than the average for the series.

Comment:

Alex Gill, Economist at **IHS Markit**, which compiles the Netherlands Manufacturing PMI® survey, commented:

"Dutch manufacturing companies recorded a further marked improvement in operating conditions during January, buoyed by further sharp expansions in both output and new orders. A strong economic environment continued to translate into more jobs, with the latest data highlighting the sharpest rise in staff numbers for almost six years.

"Meanwhile, input prices continued to increase at a faster rate than average selling prices, suggesting a further squeeze on company margins in the sector. Going forward, signs of a strengthening euro against the US dollar may provide some respite to companies importing dollar-denominated inputs. However, the subsequent downward pressure on client demand as Dutch goods become more expensive to foreign clients, combined with another potential rise in oil prices amid OPEC's supply cut, could result in a further slowdown in the sector's overall growth rate in the months ahead."

-Ends-

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Notes to Editors:

The NEVI Netherlands Manufacturing PMI (Purchasing Managers' Index) is produced by Markit. The report features original survey data collected from a representative panel of around 400 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.

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 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.

About PMI

Purchasing Managers' Index® (PMI®) surveys are now available for over 30 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