

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

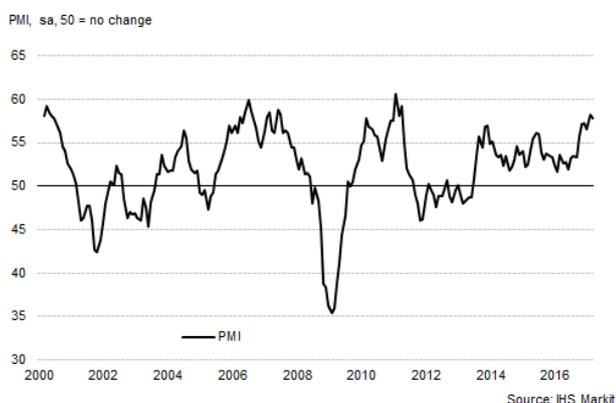
### Strong growth continues in Dutch manufacturing sector

#### Key points:

- Headline PMI remains strong despite a marginal fall to 57.8
- Output and new orders see sharp rates of growth
- Inflationary pressure continues

Data collected March 13-23

#### NEVI Netherlands Manufacturing PMI



The health of the Dutch manufacturing sector continued to improve at the end of the first quarter. March data highlighted sharp increases in output, new orders and employment. Meanwhile input price inflation remained high, underpinned by a rise in commodity prices. Increased costs were often passed on to customers resulting in the steepest rise in output prices seen since June 2011.

The seasonally adjusted headline **NEVI Purchasing Managers' Index® (PMI®)** posted 57.8 in March, down from February's score of 58.3. Despite dipping slightly, the Index was still markedly above the survey average and indicated improving business conditions.

March saw the steepest growth in **new orders** since December 2013. Firms reported new product lines, increased investment and greater market activity as causes for the rise in demand for Dutch-produced goods. **Output** rose sharply in response to increased new orders, continuing the trend of expansion seen for the past 47 months. That said, the rate of growth was marginally slower than that seen in February.

An expansion of **workforce numbers** was seen in March, albeit at a slower rate than the 72-month high seen in February. Anecdotal evidence suggested that panellists reacted to high order numbers by hiring more people to increase output. Despite increased capacity, there was an expansion in **backlogs of work** during the month. The increase in outstanding business was centred on the consumer and intermediate goods sub-sectors. That said, the rate of growth in work outstanding was slight overall.

Higher **input prices** were seen across the goods-producing sector. Despite dipping slightly from the level seen in February, the rate of inflation was still well above the survey average. Intermediate goods producers faced the highest cost pressures. Companies linked this to shortages and a rise in prices across most commodities. Increased pressure on suppliers contributed to the greatest lengthening in **delivery times** seen since May 2011.

For the third month running, over half of respondents were optimistic towards future growth prospects. The degree of **optimism** was in fact the highest recorded since the series began in July 2012. Firms attributed positive sentiment to expected growth in exports to markets such as North America, Europe and Asia.

Companies in the Dutch manufacturing sector increased **buying activity** in response to rising output. Higher **stocks of purchases** have been

recorded in each of the past seven months, the longest sequence for almost six years.

**Comment:**

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

*“March survey data rounded off a strong first quarter performance in the Dutch manufacturing sector, with growth being the sharpest since Q1 2011. This indicates that manufacturing is likely to make a positive contribution to GDP growth. Rising volumes of new orders and output contributed to the high PMI score, although strong cost inflation marred the March results. Manufacturers’ confidence in the future was at a record high with the Dutch economy appearing to be on track to see sustained economic growth in 2017.”*

-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](mailto: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](http://www.nevi.nl)

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**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](http://www.markit.com/product/pmi)

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