

## News Release

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

## Dutch manufacturing sector continues to expand at moderate pace in September

#### Key points:

- PMI rises slightly from August's 13-month low
- New export order growth at seven-month high
- Input and output prices both decline

#### Historical Overview:



#### Summary:

Expansion of the Dutch manufacturing sector was maintained in September. At 52.2, up slightly from August's 13-month low of 51.7, 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 – pointed to a moderate improvement in business conditions.

Production at Dutch manufacturers continued to rise at a solid pace in September, albeit the slowest since July 2013. Output growth was supported by increased inflows of new orders, which expanded at a faster pace than in the previous month. Notably, new export orders rose at the strongest rate in seven months, with panellists commenting on new contracts having been secured with clients based in the US and Germany in particular.

Dutch manufacturers continued to run down their backlogs of work during September, despite higher

new orders. The rate at which outstanding business declined was solid, albeit slower than in August.

Although higher employment was signalled for the sixth month in succession during September, the rate of growth eased to a fractional pace that was the weakest in this sequence.

Stocks of finished goods held by Dutch manufacturers declined moderately, reversing a rise one month previously. Panellists commented on a combination of stronger-than-expected sales and efforts to streamline inventories as contributing factors.

September data pointed to another rise in purchasing activity by Dutch manufacturers. The latest increase in input buying was the fourteenth in consecutive months, albeit modest overall. However, this did not prevent a further reduction in stocks of purchases held by manufacturers, which contracted for the fifth month running. That said, the rate of decline eased since August.

Suppliers' delivery times faced by Dutch manufacturers continued to lengthen in September. The rate of deterioration in vendor performance was solid, despite easing to the weakest in just over a year.

Average purchasing costs faced by manufacturers in the Netherlands fell for the first time in four months during September. Panel members commented on lower prices paid for raw materials such as plastics and foodstuffs. The rate of decline in input costs was solid and the sharpest since April.

Output prices also decreased in the latest survey period. The reduction in charges was the most marked since July 2013, but remained moderate overall. Survey respondents commented on strong competitive pressures as the main factor weighing on selling prices.

**Comment:**

**Jack Kennedy, Senior Economist at Markit**, which compiles the Netherlands Manufacturing PMI® survey, commented:

*“The Dutch manufacturing sector recovered a little growth momentum in September, having seen its*

*PMI hit a 13-month low in August. A solid rise in new orders aided companies, with exports showing particular sprightliness. Output prices were cut at a sharper rate amid strong competitive pressures, with discounting facilitated in part by falling input costs.”*

Ends-

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**Notes to Editors:**

The NEVI Netherlands Manufacturing PMI (Purchasing Managers' Index) is produced by Markit Economics. 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 Standard Industrial Classification (SIC) group, based on the industry contribution to GDP.

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@markit.com](mailto:economics@markit.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.

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**About PMI**

*Purchasing Managers' Index*® (PMI®) surveys are now available for 32 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/economics](http://www.markit.com/economics).

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