

NEVI Netherlands Manufacturing PMI®

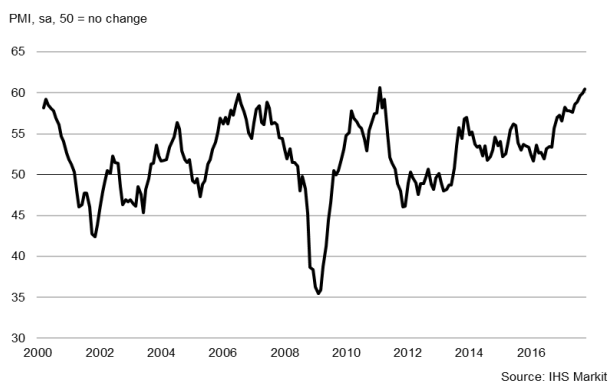
Near-record Dutch manufacturing growth signalled in October

Key points:

- PMI hits 60.4, second-highest on record
- Record increase in manufacturing employment
- Strongest price pressures since March

Data collected October 12-23

NEVI Netherlands Manufacturing PMI



Dutch manufacturing business conditions strengthened at a near-record pace in October, according to the latest PMI® survey data from NEVI and IHS Markit. Output, new orders and exports all continued to grow markedly, while the rate of job creation in the sector hit a new survey record high. Price pressures were the sharpest in seven months. The latest survey also signalled further supply chain difficulties, with input delivery times lengthening the most since June 2007.

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 60.4 in October, up from 60.0 in September. 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 52 months.

The upward movement in the PMI was driven by the employment, suppliers' delivery times and stocks of purchases components. Jobs grew at a record pace, times lengthened by the most in over ten years and input stocks expanded at a joint-record pace.

The two other components of the PMI, output and new orders, both continued to expand sharply in October. Output growth was the joint-fourth sharpest on record, while new business growth was only fractionally slower than August's 44-month high. New export order growth remained historically strong. Sub-sector data signalled that investment goods producers achieved the fastest growth rates for output, new orders and exports.

Manufacturers in the Netherlands expanded employment at the strongest pace in the survey history in October. Despite this job creation, backlogs increased at the fastest rate since May 2010.

To support workloads, purchasing activity by manufacturers rose strongly in October, and input stocks increased at a joint-survey record pace. This imparted further pressure on suppliers, whose delivery times lengthened to the greatest extent since June 2007.

Inflation of both manufacturing input and output prices accelerated to the strongest since March. Firms widely commented on higher steel and paper prices.

Dutch manufacturers' output expectations for the next 12 months strengthened to a new series high in October, driven by pipeline projects and an improving European growth outlook.

Comment:

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

"The Dutch manufacturing PMI edged further towards an all-time high in October. The headline figure signalled that overall business conditions improved at the second-strongest pace on record, with the current level of the PMI bettered only in February 2011.

"Employment rose at a record pace in October, while growth of output, new orders and exports all remained sharp. Moreover, stocks of purchases grew at the joint-strongest rate in the survey history as firms' output expectations hit a new series high. The survey also signalled greater price pressures and further supply chain delays.

"The latest available official growth rate for manufacturing output quickened in August to 3.9% year-on-year. The recent PMI results suggest that momentum in the official data will remain strong in the coming months. More widely, IHS Markit is expecting economic growth of 3.2% 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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