

News Release

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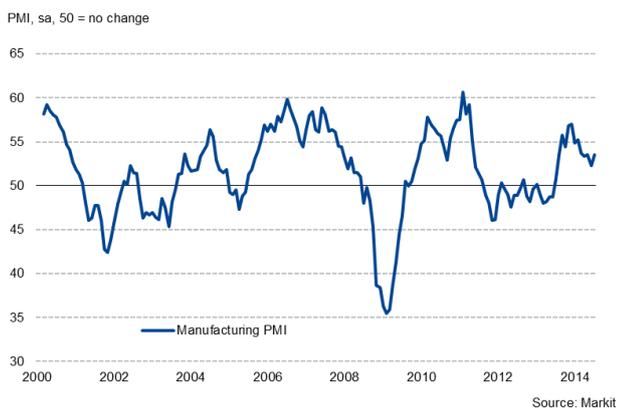
NEVI Netherlands Manufacturing PMI®

Expansion of Dutch manufacturing sector quickens in July

Key points:

- Faster growth of output and new orders
- Backlogs fall again despite slight rise in employment
- Stocks of finished goods contract further

Historical Overview:



Summary:

Dutch manufacturing sector business conditions strengthened in July. The headline NEVI *Purchasing Managers' Index*® (PMI®) – a composite indicator designed to provide a single-figure snapshot of the performance of the manufacturing economy – posted 53.5, up from 52.3 in June. The latest reading was indicative of a solid rate of improvement.

Production at Dutch manufacturers rose for a fifteenth consecutive month in July. Moreover, the rate of expansion accelerated to a marked pace. Market group data signalled that capital goods producers led the expansion in output, with consumer goods producers registering the slowest increase.

Supporting the rise in output was a further increase in the level of new orders placed with Dutch manufacturers during July. Growth of new work was solid, having accelerated to a five-month high.

Panellists commented on improved market demand and the launch of new products as factors contributing to higher new business. New export orders rose solidly, albeit at the slowest pace in three months.

Dutch manufacturers made further inroads into their backlogs of work during July. Outstanding business fell for the seventh month running, although the latest decline was modest and the weakest in three months.

Backlogs fell despite another increase in staffing levels at Dutch manufacturers. Employment rose for a fourth month in succession, albeit marginally overall.

Stocks of finished goods held by manufacturers in the Netherlands decreased further in July, extending the current period of contraction to 28 months. Although moderate, the rate of decline was the sharpest since February.

Purchasing activity in the Dutch manufacturing sector increased for a twelfth consecutive month in July, as firms responded to higher production requirements. Furthermore, the latest rise in input buying was solid and the strongest since February. Stocks of purchases nevertheless fell slightly on the month.

Suppliers' delivery times continued to lengthen, amid reports from panellists of capacity constraints and low stock levels at vendors' units. That said, the rate at which supplier performance deteriorated was the least marked since August 2013.

Input prices rose for the second month running in July. Although accelerating to the fastest since January, the rate of cost inflation remained below the historical average for the survey.

Prices charged by Dutch manufacturers for finished goods increased for the fifth month in succession during July, although the rate of inflation remained marginal.

Comment:

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

“The Dutch manufacturing sector started the second half of the year on a positive note, with output expanding at a strong clip on the back of a solid rise in new orders. July’s PMI figures allay

concerns that the Netherlands economy may have been losing steam following June’s weaker performance. Instead, the expansion looks to be on solid foundations with domestic demand showing signs of firming and export growth remaining solid.”

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 500 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.

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 Markit

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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.

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