

## News Release

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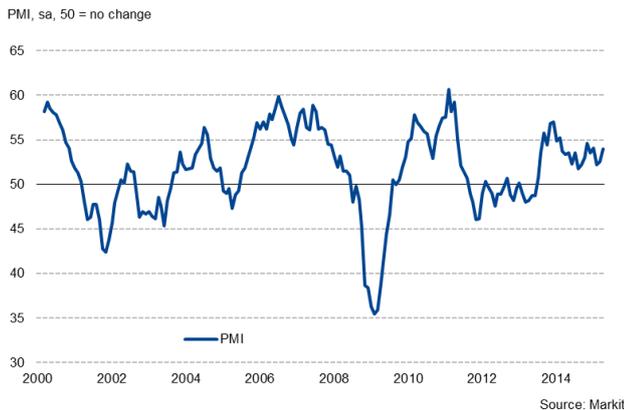
### NEVI Netherlands Manufacturing PMI®

#### Output growth accelerates to five-month high in April

##### Key points:

- Stronger rise in production as new order growth accelerates
- Robust expansion of new export orders
- Input prices increase for first time in eight months

##### Historical Overview:



##### Summary:

Business conditions in the Dutch manufacturing sector improved further in April. 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 54.0, up from 52.5 in March. The latest reading was the highest in three months and pointed to a solid improvement in overall operating conditions.

**Production** at Dutch manufacturers continued to rise in April. The rate of output growth was robust, having accelerated to the fastest since last November. The latest increase extended the current period of expansion to two years.

Underpinning higher output was a further rise in the level of **new orders** placed with Dutch manufacturers. The latest increase in new work was the twenty-second in consecutive months and

the sharpest since January. Panellists commented on an improving demand environment. **New export orders** continued to rise at a marked pace, with the latest increase the fastest in three months.

Stronger-than-expected sales contributed to a drop in **stocks of finished goods** held by Dutch manufacturers during April. This followed unchanged inventories in the previous survey period.

April data signalled a further decrease in **backlogs of work** at manufacturers in the Netherlands. The current period of contraction now extends to sixteen months, with the rate of decline little-changed from the moderate pace seen one month previously. Anecdotal evidence suggested that a number of firms were running with spare operating capacity, allowing them to run down backlogs.

**Employment** in the Dutch manufacturing sector increased for a second successive month in April. The rate of job creation quickened since March, although remained moderate overall.

The **quantity of items purchased** by Dutch manufacturers for use in production increased further in April. The latest rise in purchasing activity was the twenty-first in consecutive months and the fastest since last November. In contrast, **stocks of purchases** declined, albeit only marginally.

**Suppliers' delivery times** were reported to have lengthened again in April. The rate of deterioration in vendor performance was the most marked in three months. Panellists frequently commented on low stock levels at vendors' units.

**Input prices** faced by Dutch manufacturers rose for the first time in eight months during April, with many panellists linking this to the weakness of the euro against the dollar. The rate of cost inflation was solid overall.

Conversely, **output charges** fell marginally in April, as strong competitive pressures weighed on companies' pricing power.

**Comment:**

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

*“The performance of the Dutch manufacturing sector improved further in April, as strengthening demand drove output growth up to a five-month high. The weakness of the euro versus the dollar*

*helped support robust new export order growth, although also contributed to a first rise in input costs for eight months. Overall, the latest data point to a manufacturing sector picking up speed at the start of the second quarter.”*

-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*<sup>®</sup> (PMI<sup>®</sup>) 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*<sup>®</sup> (PMI<sup>®</sup>) 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*<sup>®</sup> (PMI<sup>®</sup>) 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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