

**News Release**  
**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
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## NEVI Netherlands Manufacturing PMI<sup>®</sup>

### Manufacturing PMI eases to eight-month low

#### Key points:

- PMI mainly influenced by slower employment growth
- Growth rates of output and new orders both strengthen slightly
- Input price inflation eases to eight-month low

Data collected May 11-22

#### NEVI Netherlands Manufacturing PMI



Dutch manufacturing business conditions continued to improve strongly in May, according to the latest PMI<sup>®</sup> survey data from NEVI and IHS Markit. The headline PMI eased further from February's record high, but remained among the highest levels ever recorded since the survey began in March 2000. Growth rates for new orders and output picked up slightly, though this was more than offset by weaker job creation and less pressure on supply chains. Backlogs continued to grow solidly. Inflationary pressures remained sharp, but eased further since the start of 2018.

The 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 fell to an eight-month low of 60.3 in May, from 60.7 in April. The latest figure nevertheless signalled that Dutch manufacturers continued to experience rapidly improving business conditions, and was the ninth-highest since the series started in March 2000. Business conditions have improved continuously since July 2013.

New orders rose further in May, extending the current sequence of growth to 27 months. The pace of expansion was strong and picked up slightly since April, but was weaker than those registered between August 2017 and March 2018. New export orders also increased at a faster rate.

Dutch manufacturing output continued to expand sharply in May. Production has risen continuously for over five years, a survey-record sequence. Moreover, the rate of expansion accelerated to the fastest since it hit a survey record in February. Growth remained strongest in the investment goods sub-sector.

The rate of manufacturing employment growth eased for the third month running from the record pace shown in the first two months of 2018, to a nine-month low. That said, it was still the tenth-strongest seen over the entire survey history.

Pressure on manufacturing capacity remained strong in May, as backlogs of work increased at a solid rate and for the tenth successive month – the longest sequence in 11 years. Meanwhile, suppliers' delivery times lengthened markedly, albeit less so than in March and April.

Inflationary pressures remained strong in May. Input price inflation slowed to an eight-month low, but remained among the strongest registered over

the past seven years. Similarly, output prices rose at the weakest rate in five months, but one that was strong overall.

Output expectations among Dutch manufacturers remained strongly positive in May, but eased to a 13-month low.

**Comment:**

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

*“The Dutch manufacturing PMI eased for the third month running in May to its lowest since September 2017. This signalled a cooling of the recent record phase of expansion in the goods-producing sector. That said, at 60.3 the latest figure was still at an elevated level and the ninth-highest since the survey began over 18 years ago. Dutch manufacturers are also still outperforming their counterparts in [Germany](#), [France](#) and the rest of the [eurozone](#) (on average), based on the latest flash numbers for May.*

*“Looking at the detailed survey data, the dip in the PMI in May reflected a slower (but still strong) rate of job creation, and less pressure on supply chains compared with March and April. That said, suppliers’ delivery times still lengthened to the third-greatest extent on record. The other main components of the PMI – output and new orders – both registered slightly stronger rates of expansion than in April.”*

-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](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)

#### About IHS Markit ([www.ihsmarkit.com](http://www.ihsmarkit.com))

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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 <https://ihsmarkit.com/products/pmi.html>.

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