

## News Release

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 09:00 (CET) / 08:00 (UTC), March 1<sup>st</sup> 2016**

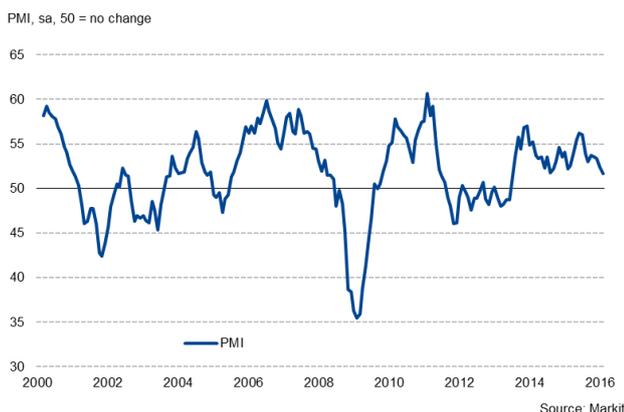
### NEVI Netherlands Manufacturing PMI®

#### Dutch manufacturing PMI slips to 18-month low in February

##### Key points:

- Output rises at slowest pace since July 2013
- New orders stagnate
- Input costs and output prices fall at sharper rates

##### Historical Overview:



##### Summary:

The slowdown in the Dutch manufacturing sector continued in February. Production increased at the weakest rate since last summer, reflecting stagnant new orders. Purchasing activity was lowered, contributing to a decline in pre-production stock levels. Input prices fell at a sharper rate, leading to a steeper reduction in prices charged.

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 51.7 in February. Down from 52.4 in January, the latest reading was the lowest since August 2014.

**Output** in the Dutch manufacturing sector continued to rise during February. However, the latest increase was modest and the slowest in over two-and-a-half years. Weighing on production growth was a stalling of **new orders**, ending a 31-

month run of expansion. Some panellists commented that clients had postponed or cancelled projects. **New export orders** continued to rise, albeit at the slowest pace in three months.

**Backlogs of work** in the Dutch manufacturing sector increased for the second time in the past three months during February. However, the rate of growth was marginal overall.

February data pointed to a further increase in Dutch manufacturers' **staffing levels** – the twelfth in as many months. The rate of jobs growth accelerated slightly since January, although remained moderate.

The **quantity of items purchased** by Dutch manufacturers for use in production decreased for the first time in over two-and-a-half years during February. That said, the rate of contraction was marginal overall. Subsequently, **stocks of purchases** fell. Although moderate, the rate of contraction was the sharpest since September 2015.

**Suppliers' delivery times** continued to lengthen, which panellists linked to low stocks at vendors' units. That said, the rate of deterioration was the least marked in 17 months.

Lower prices for raw materials such as oil and steel contributed to a further reduction of **input costs** during February. The rate of decline in purchase prices was the sharpest since January 2015. Correspondingly, **output prices** fell at the fastest pace in just over a year.

Finally, **stocks of finished goods** rose at the fastest rate since March 2008, albeit moderately overall.

##### Comment:

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

*“Softer demand conditions weighed on the Dutch manufacturing sector in February, with new order growth petering out. Having enjoyed a sustained*

*spell of decent growth, the sector has begun 2016 on an uncertain footing. Low commodity prices were reflected in sharper falls in input costs and*

*factory gate prices, pointing to persistent downward pressures on inflation.”*

-Ends-

### For further information, please contact:

#### Markit

Jack Kennedy, Senior Economist  
Telephone +44-1491-461-087  
Email [jack.kennedy@markit.com](mailto:jack.kennedy@markit.com)

Joanna Vickers, Corporate Communications  
Telephone +44-207-260-2234  
Email [joanna.vickers@markit.com](mailto:joanna.vickers@markit.com)

### 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 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.

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.

#### About Markit

Markit is a leading global diversified provider of financial information services. We provide products that enhance transparency, reduce risk and improve operational efficiency. Our customers include banks, hedge funds, asset managers, central banks, regulators, auditors, fund administrators and insurance companies. Founded in 2003, we employ approximately 4,000 people in 11 countries. Markit shares are listed on Nasdaq under the symbol MRKT. For more information, please see [www.markit.com](http://www.markit.com).

#### About PMI

*Purchasing Managers' Index*<sup>®</sup> (*PMI*<sup>®</sup>) surveys are now available for over 30 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).

The intellectual property rights to the NEVI Netherlands Manufacturing PMI provided herein are owned by or licensed to Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. *Purchasing Managers' Index*<sup>®</sup> and *PMI*<sup>®</sup> are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. Markit is a registered trade mark of Markit Group Limited.