

## News Release

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

#### PMI rises to 17-month high as Dutch manufacturing sector strengthens further

##### Key points:

- Output growth accelerates amid faster increase in new orders
- Employment rises at sharpest rate since November 2013
- Input price inflation strongest in 17 months

##### Historical Overview:



##### Summary:

Business conditions in the Dutch manufacturing sector continued to improve in May. At 55.5, up from 54.0 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 – was at its highest level since December 2013.

The PMI was boosted by stronger contributions from four of its five components during the latest survey period. Output, new orders and employment all increased at sharper rates, while suppliers' delivery times lengthened to a greater extent. Only a faster drop in stocks of purchases acted to dampen the upward movement in the headline index.

**Production** at Dutch manufacturers was raised for a twenty-fifth consecutive month in May. Furthermore, the rate of expansion accelerated to the strongest since last November.

Higher output was underpinned by a further rise in **new orders**. Growth of new work picked up to the strongest since December 2013, with panellists commenting on improving demand conditions and new product launches as contributory factors. **New export orders** also rose at a faster pace, with the latest increase the most marked in five months.

**Employment** rose for the third consecutive survey period. Although quickening to the sharpest since November 2013, the rate of jobs growth remained moderate overall. Increased staffing levels helped manufacturers stay on top of workloads, with **backlogs** unchanged on the month. This followed a 16-month period of contraction.

The **quantity of inputs purchased** by Dutch manufacturers continued to rise in May. The latest increase in buying activity was the twenty-second in successive months and the sharpest since November 2014. **Inventories of purchases** fell further in the latest survey period. The latest decrease in input stocks was the thirteenth in consecutive months and the sharpest since February.

**Suppliers' delivery times** continued to lengthen in May. Moreover, the rate of deterioration in vendor performance accelerated to the most marked in four years. A number of panellists attributed slower deliveries to low stock levels at vendors.

Average **purchasing costs** increased for the second month running during May. The rate of input price inflation was marked, having quickened to a 17-month high. Adverse exchange rate factors were reported to have contributed to the increase in input costs.

In contrast, **output prices** fell for the second month in succession. Survey respondents frequently commented that competitive pressures had eroded

their pricing power. That said, the rate of decline in selling prices remained marginal overall.

**Comment:**

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

*“The acceleration in Dutch manufacturing sector growth momentum signalled by May’s PMI data*

*raises the likelihood of a positive GDP outturn following the 0.4% expansion registered in Q1. Increasingly robust demand conditions supported the latest growth, with demand strong both domestically and abroad. Manufacturers were sufficiently encouraged to raise employment at the sharpest rate for 18 months.”*

-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 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).

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