News Release

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Nevi Netherlands Manufacturing PMI®

Output growth hits 15-month high in August

Key findings

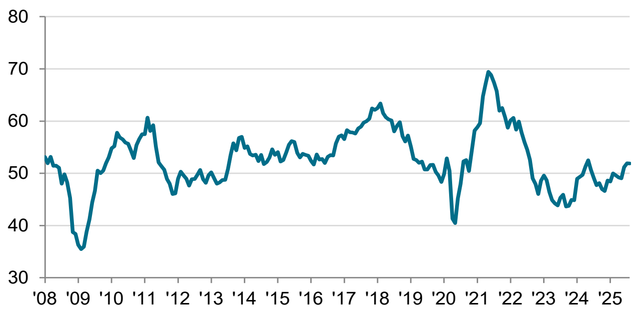
Sustained growth in output and new orders

Employment rises the most in over two-and-a-half years

Business expectations lowest in four months

Nevi Netherlands Manufacturing PMI

sa, >50 = improvement since previous month



Sources: Nevi, ABN AMRO, S&P Global PMI.

Data were collected 12-20 August 2025.

The Dutch manufacturing sector maintained a steady pace of overall growth in August, supported by sustained rises in output and new orders. While production growth accelerated, new orders increased more slowly, in part due to a near-stalling of export sales. Workforce levels meanwhile expanded at the fastest rate seen since late 2022, but procurement activity and subsequently input stocks were lowered.

Nevertheless, shortages of inputs placed pressure on supply chains, resulting in longer lead times and greater cost burdens. Charges were raised at a sharper rate on the month. Looking ahead, confidence in future output, although positive, dropped below the long-run trend.

The headline Nevi Netherlands Manufacturing PMI® is a composite single-figure indicator of manufacturing performance derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases.

At 51.9, the headline PMI remained unchanged on the month and signalled a third consecutive monthly improvement in operating conditions across the sector. The positive directional influences that came from output, delivery times and employment, offset a softer rise in new orders and a renewed decline in stocks of purchases.

Total new order volumes rose for a third month in a row in August, as firms reported having secured new projects. However, the rate of growth was the softest recorded in the aforementioned period and only modest overall. A loss of momentum in export business was a contributing factor. New work from abroad rose only fractionally, contrasting noticeably with July's marked increased.

Nevertheless, latest data showed a solid and accelerated rise in production volumes across the Dutch manufacturing sector, following five straight months of just marginal improvement. The rate of expansion reached a 15-month high in August.

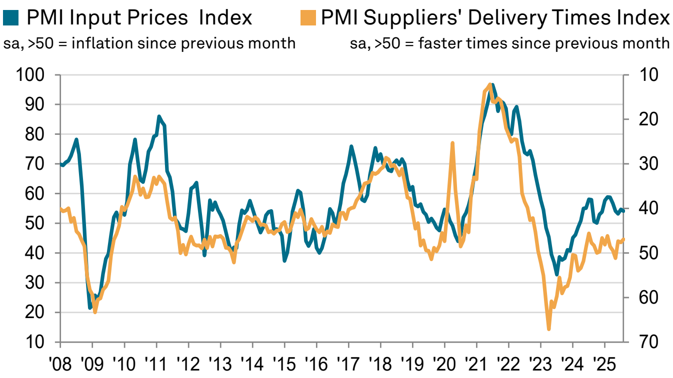
Manufacturers were encouraged to recruit new staff, often on temporary contracts, in August. In line with output, the pace of job creation was solid. Moreover, it was the strongest recorded since December 2022. Continuing the trend of backlog depletion seen since early 2023, firms had sufficient capacity to reduce outstanding orders. The rate of decline was the sharpest since March and solid overall.

Firms scaled back their buying activity in August following a month of growth in July. The volume of input purchases fell only marginally, however. As a result, there was also a renewed decrease in pre-production inventories, with some companies noting attempts to optimise stock levels. The rate of reduction was only modest, however.

On the supply side, delivery times were reported to have lengthened for the third month running in August. This was mainly due to stock shortages at suppliers, according to anecdotal evidence. The extent to which vendor performance declined was the most marked in six months.

Input shortages also played a part in driving operating expenses higher. The latest rise in purchasing costs extended the trend of increase to nearly one-and-a-half years. Although slightly softer than in July, the rate of inflation was still solid overall. Firms were more aggressive in their price setting in August, reflecting greater attempts to pass through increased cost burdens to clients. Posting a four-month high, the rate of charge inflation was likewise robust.

Looking ahead to the next 12 months, companies remained confident that output would rise from present levels in August. New customer wins, capacity expansion plans and general growth ambitions underpinned positive sentiment. However, confidence levels deteriorated to their lowest in four months and were subdued when put into a historical context.



Sources: Nevi, ABN AMRO, S&P Global PMI.

Comment

Albert Jan Swart, Manufacturing Sector Economist at ABN AMRO, commented:

"The Nevi Dutch Manufacturing PMI for August came in at 51.9, the same score as the previous month. There are underlying shifts. The component index for output rose sharply, while the index for new orders fell.

"The volume of new orders is still growing, but at a slower pace than in the previous month. New export orders have virtually come to a standstill. This may be related to the American import duties, which are set at 15 percent for many products. For steel and aluminium, a rate of 50 percent even applies.

"Fortunately, the European Commission and the White House announced on Thursday, August 22, that the 50 percent tariff on steel and aluminium will only apply from a certain quota. Nevertheless, the tariffs may put pressure on the export to the United States of steel and, for example, machinery. The export to Germany of car parts, for example, is also likely to be under pressure. Chip machines and pharmaceuticals are exempt for the time being, but it is possible that President Donald Trump will come up with separate tariffs for these sectors. However, it has been agreed with the European Union that these rates will not exceed 15 percent.

"The uncertain geopolitical situation and import tariffs are likely to weigh on investment. Nevertheless, the Nevi Purchasing Managers' Index indicates growth in activity. Employment is also increasing at a decent pace, which has not happened since the end of 2022.

"Activity may grow thanks to growth in the chip market, although some of ASML's suppliers beg to differ. Some suppliers say they are struggling with a considerable drop in orders from the chip machine manufacturer from Veldhoven. The demand for older machines in particular is disappointing, according to one of ASML's suppliers. Presumably, ASML's latest machines benefit more from the growing demand for advanced chips for use in data centres for AI applications. Older chip machines are used, for example, to produce chips for the automotive industry, which is suffering from trade tensions. The market could improve in the fourth quarter or next year, according to a purchasing manager. On the other hand, it is also not inconceivable that the demand for older machines is not too bad, but that ASML is limiting its own stocks in order to increase profitability. In the past, it has happened more often that suppliers complained about declining orders, and afterwards it turned out that ASML had delivered more machines to customers.

"Suppliers may also be affected by ASML's ambitious cost reduction targets in the coming years. Many suppliers are redesigning parts of ASML machines in order to be able to produce them at a significantly lower cost. Attempts are also being made to design the chip machines in a more modular way, so that parts of existing machines can easily be replaced.

"Overcapacity has arisen at a number of companies, which is at least partly filled by investments in production capacity for the defence industry. These are mostly empty factory halls in which new production lines are set up. For example, VDL is building lines for defence in the old Nedcar factory in Born. Some high-tech companies are also investing. The machinery industry and service providers involved in installation, among others, can benefit from this. The defence industry is therefore growing under the radar.

"In the short term, the recovery of the manufacturing industry remains uncertain. President Trump's import tariffs are depressing European exports, including in the chemical industry. In addition, the chemical industry, for example, is suffering from increasing competition from China, which has a harder time selling products on the American market. The uncertain geopolitical situation may also put pressure on investments. On the other hand, government investment in defence and infrastructure could boost industry in the coming years."

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Survey methodology

The Nevi Netherlands Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 350 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in March 2000.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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.

www.spglobal.com/marketintelligence/en/mi/products/pmi

About Nevi

With over 6500 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 commission 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.

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