



The Netherlands  
2018

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## Doing Business in the Netherlands

### Market Overview

- The United States' partnership with the Netherlands is our oldest bilateral continuous relationship and dates back to the American Revolution.
- The Netherlands is a geographically small (approximately the size of the state of Maryland), densely populated (17 million people) country occupying a highly strategic commercial location, with Europe's largest port (by volume) in Rotterdam.
- Over 170 million consumers (roughly one-third of the population of the expanded European Union of 28 Member States) reside within a 300-mile radius of Rotterdam.
- More than 60 percent of the Netherlands' GDP is generated by foreign trade in goods and services.
- The Netherlands is a key center within the global business network with an advanced infrastructure geared towards the transportation of goods, people, and electronic data.
- Its core distribution points include Rotterdam, Europe's largest port, and Amsterdam's Schiphol Airport, the fourth largest airport in Europe.
- The Netherlands has capitalized on its location and advanced economy to become one of the top dozen trading countries in the world.
- The Netherlands is the seventeenth largest economy in the world and the fifth largest in the European Monetary Union (the Eurozone), with a gross domestic product (GDP) of \$955 billion in 2017.
- The United States is the largest foreign investor in the Netherlands and has its largest bilateral trade surplus in the world with this country (\$23.7 billion in 2017).

Various international surveys rank the Netherlands among the top countries in the industrialized world with the most favorable business and investment climates. The 2017 World Economic Forum (WEF) Global Competitiveness Index ranks the Netherlands as fourth among the world's most competitive economies. The Economist Intelligence Unit (EIU) ranks the Netherlands tenth in its 2016 global business environment ranking for the period 2016-2020.

Top five reasons why U.S. companies should consider exporting to the Netherlands:

1. The ideal European starting point for new-to-export companies looking for their first European distributor.
2. An affluent, U.S.-friendly population with a high regard for U.S. products and the highest level of English-language fluency on the continent.
3. An innovative business community hungry for new, high quality products.
4. A country with the best logistics and distribution networks in Europe.
5. A country with the strong links to the rest of Europe and beyond.

The Netherlands recorded a 1.1 percent surplus in the 2017 general government budget, the second consecutive surplus, due to increased revenue from the economic recovery and fiscal consolidation measures following the 2008 crisis.

The Dutch economy is currently experiencing stable growth, and the Dutch Government projects further growth of 3.2 percent of GDP in 2018 and an additional 2.7 percent in 2019. Projected drivers of growth include increased exports and business investments as well as newly invigorated domestic consumption.

### Market Challenges

- Except for EU-wide impediments, there are few significant trade barriers.

- Because of the size, accessibility, and competitive nature of the Dutch market, local importers usually insist on an exclusive distributorship.
- U.S. exporters may need to adapt their products and documentation for the Dutch market.

### **Market Opportunities**

- European Union public procurement is technically open to U.S. firms, and there are opportunities for U.S. companies to participate in the renewal of the Dutch transport infrastructure.
- The section on Leading Sectors lists best-prospect sectors for U.S. exporters. The rule of thumb is that products selling well in the U.S. market will generally have market potential in the Netherlands.

### **Market Entry Strategy**

- Dutch buyers appreciate quality and service, but price is the most important element for market entry. Assure that delivery dates are met and that after-sales service is available.
- Launching products requires vigorous and sustained promotion, as it takes time for consumers to change their buying habits. Products must be adapted to both technical requirements and consumer preferences. It is not sufficient to label merely a product in conformity with national requirements in order to realize full market potential.
- The Dutch market is highly competitive; the "golden key" to doing business is courtesy, especially in regard to replying promptly to requests for price quotations and orders.
- Dutch business executives are generally more conservative than their U.S. counterparts.
- Friendship and mutual trust are highly valued, and once trust has been earned a productive working relationship will follow.
- U.S. exporters should maintain close liaison with their Dutch distributors and customers to exchange information. Periodic visits to the market are the best way to keep distributors apprised of new developments and to resolve problems quickly.
- U.S. exporters should consider warehousing in the Netherlands for speedy supply and service to their Dutch and European customers.
- Most Dutch people speak their minds and will not waste your time if they are not interested in your product.

## **Political and Economic Environment**

For background information on the political and economic environment of the country, please see the [U.S. Department of State Background Notes](#).

## Selling U.S. Products & Services

### Using an Agent to Sell U.S. Products and Services

The Netherlands has a variety of experienced importers, sales agents, and distributors who are well-versed in international trade. More than 7,000 U.S. companies from a wide range of sectors have appointed Dutch agents and distributors in the Netherlands. A large portion of the goods are handled by distributors who purchase for their own account and distribute throughout the country and Europe. Due to the size, accessibility, and competitive nature of the Dutch market, distributors usually insist on an exclusive distributorship. If the distributor is a well-qualified and experienced firm, an exclusive distributorship often yields the best results.

Since the Netherlands is a compact market, foreign firms usually have one exclusive representative for the entire country. However, it is common for the representative to appoint subagents to cover certain market sectors, if sales volumes and profit margins warrant it.

In some cases, Dutch representatives can provide an excellent starting point to export to other European markets. Dutch firms are adept at handling logistics, language adaptations, and inventory on behalf of U.S. exporters.

The Commercial Service can assist U.S. exporters in locating an agent, distributor, or partner in the Netherlands through its International Partner Search or Gold Key Service programs. In addition, we can provide valuable background information on Dutch firms through our International Company Profile (ICP) service. Further information can be obtained by visiting our [website](#) or by contacting our office in The Hague (see contact information at the end of this guide). You can also contact your local Export Assistance Center.

Companies wanting to use distribution, franchising, and agency options should ensure the agreements they put into place are in accordance with EU national laws. [Council Directive 86/653/EEC](#) establishes certain minimum standards of protection for self-employed European commercial agents who sell or purchase goods on behalf of their principals. The Directive establishes the rights and obligations of the principal and its agents, the agent's remuneration, and the conclusion and termination of an agency contract. It also establishes the notice to give, and indemnity or compensation to be paid, to the agent. U.S. companies should be particularly aware that according to the Directive parties may not derogate from certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

The EU has also tried to minimize payment delays. [Directive 2011/7/EU](#), covers all commercial transactions within the EU, whether in the public or private sector, and primarily deals with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of eight percent above the European Central Bank rate), as well as €40 compensation for recovery of costs. For business-to-business transactions, a 60-day period may be negotiated subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Companies' agents and distributors can complain to the [European Ombudsman](#) when they feel they are a victim of inefficient management by an EU institution or body, provided they have a registered office within the EU. The Ombudsman can investigate complaints in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. Furthermore, [SOLVIT](#), a network of national centers, offers online assistance to citizens and businesses who encounter problems with transactions within the single market.

## **Establishing an Office**

The Netherlands' legal environment allows non-resident companies and individuals to open an office. There is no legal differentiation between local- and foreign-owned companies. An office can be set up with or without a legal personality. If the office has a legal personality, the entrepreneur cannot be held liable for more than the sum he or she contributed to the company's capital.

Most U.S. investors in the Netherlands set up a private company with limited liability (BV). The BV is used for all types of business ventures. However, a public limited liability company (NV) is the usual form of business enterprise adopted when capital is to be acquired through public offerings. When incorporating a BV or an NV, the foreign investor must submit a notarial deed of incorporation, which must contain articles of association. The incorporators of a BV must provide a minimum of €18,000 of the share capital. For the incorporation of an NV, the amount is €45,000.

To complete the incorporation procedure, the founders must register the new company in the Commercial Register at the Chamber of Commerce in the district where its main business will be located.

Sole traders, partnerships, and limited partnerships are examples of legal forms without legal personality, wherein the guiding principle is that the entrepreneur remains personally liable for the company's debts. A partnership format can be used when two or more partners wish to do business jointly and under a joint name without having to meet all the legal requirements that a BV or NV would entail.

If a foreign investor prefers not to set up a legal entity in the Netherlands, a branch office might be a better option. A branch office is easier and less expensive to establish than a subsidiary. However, it is not a separate legal entity, so the foreign parent is fully liable for all of its obligations.

## **Franchising**

Franchising is a popular and well-established business form in the Netherlands. There are no limitations restricting access to the market for U.S. firms. Franchise systems are subject to national competition regulations and fair-trading laws. Companies looking to enter the Dutch market can benefit from a mature network of experienced bankers, lawyers, accountants, consultants, and other advisors specialized in franchising.

## **Direct Marketing**

Companies in the Netherlands spend more than \$1.5 billion annually on direct marketing, making it the third largest marketing medium after television and daily newspapers. Digital marketing continues to grow rapidly. Online advertising will soon account for a market share greater than all other mediums combined.

Printing, handling, and distribution costs are higher in the Netherlands compared to the United States. Distribution costs compose one-third of total costs.

The most active sectors using direct marketing are retail and financial services. Three-quarters of direct marketing mailings are aimed at consumers in these two sectors.

A wide range of EU legislation impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus on providing consumers clear and

complete information prior to a purchase, and they need to comply with privacy regulations protecting customer data.

#### Processing Customer Data

The EU has strict laws governing the protection of personal data, including the use of such data in the context of direct marketing activities.

### **Joint Ventures/Licensing**

Joint venture and licensing agreements are common in the Netherlands. The privatization of state-owned enterprises, including telecommunication and public transport, has further stimulated the potential for U.S. firms to enter into joint venture partnerships with Dutch companies. A joint venture can take the form of a partnership or a BV. The structuring of a joint venture is a complicated process and normally requires a specialized advisor.

### **Selling to the Government**

Local representation is a *de facto* requirement to sell to the Dutch Government.

Three EU directives currently regulate the public procurement market. Two of these apply to the general and utilities sectors, and one applies to concession contracts:

- [Directive 2004/18](#) on Coordination of Procedures for the Award of Public Works, Services/and Supplies Contracts
- [Directive 2004/17](#) on Coordination of Procedures of Entities Operating in the Utilities Sector, which covers water, energy, transport, and postal services
- [Directive 2009/81](#) on Coordination of Procedures for the Award of Certain Works, Supply and Service Contracts by contracting authorities in the fields of defense and security.

Remedy directives cover legal means for companies who face discriminatory public procurement practices.

Many governments finance public works projects through borrowing from the multilateral development banks. Please refer to “Project Financing” Section in “Trade and Project Financing” for more information.

The United States and the European Union are signatories to the World Trade Organization’s (WTO’s) Government Procurement Agreement (GPA). The GPA grants access to most public supplies, public services, and some work contracts published by national procurement authorities of countries that are parties to the GPA. In practice, this means that U.S.-based companies are eligible to bid on supplies and services contracts from European public contracting authorities above the [agreed thresholds](#).

The EU Utilities Directive and EU coverage of the GPA both present some restrictions for U.S. suppliers. Pursuant to the Utilities Directive, contracting authorities can: 1) reject non-EU bids where more than 50 percent of the total value of goods constituting the tender originates in non-EU countries; or 2) apply a three percent markup to non-EU bids to give preference to the EU bid. These restrictions are applied when EU companies feel that they do not have reciprocal access to the U.S. market. Those restrictions, however, do not apply to the electricity sector.

For more information, please visit the U.S. Commercial Service at the U.S. Mission to the European Union [website](#) dedicated to EU public procurement.

## **Distribution & Sales Channels**

Contributing eight percent to national GDP, the transportation and distribution sector is a key sector in the Dutch economy. This sector employs over 400,000 people and takes advantage of the Netherlands' strategic geographical position. The Netherlands is the gateway to Europe as illustrated by the following facts: Rotterdam, the largest port in Europe, handles about 41 percent of all sea cargo in Europe; Amsterdam's Schiphol Airport is Europe's fourth largest airport; and the Dutch carry out 27 percent of all international road transport and 50 percent of all European inland shipping. The Dutch transport and distribution sector handles around 1.4 billion tons of goods annually. Major sectors include sea cargo, inland shipping, road cargo, rail cargo, air cargo, and pipeline transportation. The Dutch logistics sector is also a strong proponent and user of the just-in-time (JIT) logistics model.

Introducing new products into the Dutch market is relatively uncomplicated. Product representation throughout the Netherlands is facilitated by the compact market. Depending on expected sales volume, product support requirements, and marketing techniques, exporters should consider the following options:

- Establishing a sales office to serve the entire country and provide a distribution base for the rest of Europe.
- Selling through an agent or distributor whose activity may cover specified areas, the entire Benelux region, or include wider European sales.
- Selling through established wholesalers or dealers.
- Selling directly to department stores, retail chains, retail cooperatives, consumer cooperatives, or other purchasing organizations.

## **Express Delivery**

International and local express delivery services offer reliable courier service in the Netherlands. Average delivery time from the Netherlands to most parts of the United States is two days, but delivery is only one day to the east coast.

## **Selling Factors & Techniques**

EU law implemented by national legislation governs exclusivity in agency and supply agreements, purchasing contracts, and contract terms. U.S. manufacturers and exporters are generally able to appoint representatives to determine the methods used to promote and sell their products. Such exclusive territories usually cover the entire country.

Legislation regulates sales practices that could unfairly advantage suppliers at the expense of competitors or end users by requiring companies to disclose certain types of inter-company commercial arrangements and by giving regulatory authorities powers of investigation and enforcement. Some vertical agreements between manufacturers and their resellers are exempt from this legislation.

Success in the Dutch market requires a long-term commitment to market development and sales support, especially if U.S. companies want to overcome their geographic handicap in relation to their European competitors. Dutch importers assume that U.S. suppliers process U.S. domestic orders before handling export sales and that U.S. suppliers may bypass a local distributor in to deal directly with customers.

## **eCommerce**

The use of eCommerce websites is increasing rapidly in the Netherlands. Approximately 95 percent of Dutch consumers buy products online. In 2017, Dutch consumers spent \$26.1 billion online, a 13 percent increase from 2016. This increase is due to greater availability of products online, increased consumer confidence, and economic growth. In 2017, there were approximately 40,000 active eCommerce retailers in the Netherlands.

Most eCommerce websites in the Netherlands focus on fashion, electronics, travel, and food delivery. In 2016, Bol.com was the most popular online retailer in the Netherlands, with a total revenue of over \$1,6 billion. Coolblue, Wehkamp, Zalando, Albert Heijn Online, Amazon, H&M, Van Dijk Educatie, and Media Markt are also major players.

Accounting for more than 50 percent of all transactions, iDeal is the most commonly used payment method in the Netherlands. iDeal allows consumers to make purchases via direct online transfers from their bank accounts. All Dutch banks are affiliated with this system. Credit card, payment slip, and authorization are other payment mechanisms. Only 12 percent of transactions are paid by credit card.

China, Germany, and the U.K. are the top three eCommerce cross-border spending destinations. The United States ranks fourth.

A boost in online spending is generally seen in the run-up to the following holidays: Valentine's Day (February 14), Mother's Day (second Sunday in May), Father's Day (third Sunday in June), *Sinterklaas* (December 5), and Christmas (December 25).

In 2017, 89 percent of people over the age of 12 used a smartphone. In 2016, total purchases made through smartphones and tablets amounted to roughly \$3.4 billion. These purchases represent 13 percent of all online sales.

Social media plays an ever-increasing role in the Netherlands, including in advertising and commerce. Ninety percent of Dutch people actively use social media.

Delivery price is an important factor for Dutch consumers when deciding whether to make a purchase online. Different delivery services in the Netherlands offer varying delivery times. Standard delivery services estimate a shipping time of two to three days for domestic deliveries. Express delivery services guarantee delivery by a specific date and time, usually with an extra cost. Several operators provide same-day delivery domestically as well as delivery during agreed time slots during the day. Faster delivery and specific delivery time slots are increasingly popular with customers. Customers increasingly expect real-time information during the delivery process. They also expect low cost or free deliveries and returns.

For a full analysis of the Dutch B2C eCommerce market, please see the [Netherlands B2C Ecommerce Report 2017](#).

The [Electronic Commerce Directive \(2000/31/EC\)](#), mentioned in the Direct Marketing section above (pp. 11-12), provides rules for online services in the EU. It requires online providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules, such as the inclusion of contact details on their website, clear identification of advertising, and protection against spam. The Directive also grants exemptions to liability for intermediaries that unknowingly transmit or host illegal content for third parties.

The EU applies Value Added Tax (VAT) when non-EU based companies of Electronically Supplied Services (ESS) sell products to EU-based individuals. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. [European Council Directive 2002/38/EC](#) further developed the EU rules for charging Value Added Tax. These rules were indefinitely extended following adoption of [Directive 2008/8/EC](#).

Businesses affected by EU Directive 2002/38 are either U.S.-based businesses selling ESS to non-business EU customers or EU-based businesses selling ESS to customers outside of the EU. There are many compliance options for businesses. The Directive creates a special scheme that simplifies registering with each member state and allows companies to register with a single VAT authority of their choice. Companies must charge different rates of VAT according to where their customers are located, but VAT reports and returns are submitted to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities. For more information, please visit this [EC website](#).

## **Trade Promotion & Advertising**

An estimated \$3 billion is spent annually on advertising in the Netherlands. Due to the relatively small size of the Dutch domestic market, companies in this sector have traditionally been active in international markets. Over 1,300 independent advertising agencies exist in the Netherlands. U.S. advertising agencies service about 25 percent of the Dutch market. The market is attractive because the Dutch produce effective advertising concepts with the aid of technical tools such as graphic design and video technology. Advances in technology allow advertisers to conduct worldwide campaigns from the Netherlands.

The Dutch Government strictly enforces laws covering gaming, lotteries, and restrictive trade practices. Firms advertising and selling goods should obtain local advice regarding legal provisions and effective promotional or marketing approaches.

Dutch firms engaged in market research provide the usual range of services including store audits, consumer surveys, product field-testing, and attitude and motivation research. In general, advertising techniques that work for product lines in the United States and elsewhere in Europe should work in the Dutch market.

The names of Dutch advertising agencies, market research organizations, and management and public relations counseling firms can be found in the following publication:

International Directory of Market Research Houses and Services (Green Book)  
American Marketing Association  
311 South Wacker Drive, Suite 5800  
Chicago, IL 60606  
Toll free: (800) AMA-1150  
Telephone: (312) 542 9000  
Fax: (312) 542 9001

The principal advertising media are the press, television, and radio. Cinema is primarily a support medium with a strong reach among the 15- to 24-year old demographic.

The following publications are major Dutch newspapers:

*De Telegraaf*  
P.O. Box 376  
1000 EB Amsterdam  
Telephone: +31 88 824 2222  
Fax: +31 20 585 4438  
Email: [adverteer@telegraaf.nl](mailto:adverteer@telegraaf.nl)  
[De Telegraaf website](#)  
Conservative, populist national daily

Circulation: 353,000

*Algemeen Dagblad*

P.O. Box 8983

3009 TC Rotterdam

Telephone: +31 10 406 6077

Fax: +31 10 406 6969

Email: [ad@ad.nl](mailto:ad@ad.nl)

[Algemeen Dagblad website](#)

National conservative daily

Circulation: 299,000

*De Volkskrant*

P.O. Box 1002

1000 BA Amsterdam

Telephone: +31 20 562 9222

Fax: +31 20 562 6289

Email: [redactie@volkskrant.nl](mailto:redactie@volkskrant.nl)

[De Volkskrant website](#)

National labor-oriented daily

Circulation: 210,000

*NRC Handelsblad*

P.O. Box 8987

3009 TH Rotterdam

Telephone: +31 88 572 0572

Fax: +31 10 406 6967

Email: [nrc@nrc.nl](mailto:nrc@nrc.nl)

[NRC Handelsblad website](#)

Independent national evening daily

Circulation: 131,000

*Het Financieele Dagblad*

P.O. Box 216

1000 AE Amsterdam

Telephone: +31 20 592 8888

Fax: +31 20 592 8800

Email: [commercie@fd.nl](mailto:commercie@fd.nl)

[Het Financieele Dagblad website](#)

National business daily

Circulation: 44,099

Trade Show Facilities:

[Amsterdam RAI](#) – Trade Show Facility

[Utrecht Jaarbeurs](#) – Trade Show Facility

Other:

[Single Company Promotions](#)

## **Pricing**

The Netherlands is an extremely competitive market with high receptivity to U.S. products and services. When pricing a product for sale in the Netherlands, U.S. exporters should be aware of additional costs that can reduce profit margins below those in the United States.

Most goods in the Netherlands are charged a VAT of 21 percent. Imported goods are also subject to import duty. The costs of transportation, freight forwarding, and customs brokerage charges will further diminish profit margins, as will commissions to agents and distributors. Commissions and retail profit margins are generally higher in the Netherlands than in the United States.

Product pricing depends on a myriad of variables including channels of distribution, product, season, consumer receptivity, and economic climate. The Commercial Service can offer U.S. exporters advice on product pricing upon request.

## **Sales Service/Customer Support**

Dutch consumers expect well-designed, high-quality products, with efficient after-sales service. An effective servicing system should be incorporated into distribution plans.

U.S. exporters should commit to investing extra time and money to develop a relationship with their company's local representative by visiting sales personnel or company technicians to help solve initial problems. Having local representatives regularly submit sales reports can help with analyzing sales results and identifying potential problems.

## **Protecting Intellectual Property**

Several general principles are important for effective management of intellectual property (IP) rights in the Netherlands. IP may be protected differently in the Netherlands than in the United States. U.S. trademark and patent registrations will not provide IP protection in the Netherlands. There is no "international copyright" that will automatically protect IP throughout the world. Ultimately, protection against unauthorized use of IP in a country depends on the national laws of that country. Most countries, however, do offer copyright protection in foreign works in accordance with international agreements.

Patent and trademark registrations are generally granted on a first-to-file basis. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in the Netherlands. It is the responsibility of the right's holders to register, protect, and enforce their rights where relevant by retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Dutch law. The U.S. Commercial Service can provide a list of local lawyers upon request.

In any foreign market, companies should consider several general principles for effective management and protection of their intellectual property. For background on these principles, please refer to the articles on [protecting intellectual property and corruption](#).

IP Attaché Contact covering the Netherlands

Name: Susan Wilson

Address: U.S. Mission to the European Union  
Boulevard du Régent 27

BE-1000  
Brussels, Belgium  
Telephone: +32 2-811-5308  
Email: susan.wilson@trade.gov

## **Due Diligence**

All companies operating in the Netherlands must register with a local Chamber of Commerce. The trade register is a source of information that is accessible to everyone. This information includes the name of the owner, who is authorized to sign contracts, and who is responsible for financial matters.

The Commercial Service can provide background information on Dutch firms through our International Company Profile (ICP) service. Further information can be obtained by visiting our [website](#), by contacting your local Export Assistance Center, or by directly contacting the Commercial Service in The Hague (see contact information at the end of this guide).

Product safety testing and certification is mandatory for the EU market. U.S. manufacturers and sellers of goods must perform due diligence in accordance with mandatory EU legislation prior to exporting.

## **Local Professional Services**

Contact the Commercial Service in The Hague for guidance on local professional services providers.

## **Principal Business Associations**

The [Dutch Chamber of Commerce](#) maintains a network of 19 offices throughout the Netherlands.

The [American Chamber of Commerce in the Netherlands](#) (AmCham) is a non-profit, non-governmental, non-political, voluntary organization of companies and individuals who invest in and trade between the United States and the Netherlands. The Netherlands is one of the most important destinations for U.S. direct investment in Europe and a major hub for American professionals living and working abroad.

The [Confederation of Netherlands Industry and Employers](#) (known as VNO-NCW) is the largest employers' organization in the Netherlands. VNO-NCW represents the common interests of Dutch business, both at home and abroad, and provides a variety of services for its members. Over 160 (branch) associations are members, representing more than 115,000 enterprises. These enterprises cover almost all sectors of the economy, including more than 80 percent of all medium-sized companies in the Netherlands and nearly all the larger corporate institutions.

All business associations in the Netherlands accept U.S. companies as members.

## **Limitations on Selling U.S. Products and Services**

Wood pellets and certain food products face Netherlands-specific restrictions.

## **Services Web Resources**

[Netherlands websites:](#)

[U.S. Commercial Service The Netherlands](#)

[U.S. Commercial Service the European Union](#)

[Algemeen Dagblad](#)

[FD](#)

[De Volkskrant](#)

[De Telegraaf](#)

[NRC](#)

[RAI Amsterdam](#)

[Jaarbeurs](#)

[U.S. Commercial Service The Hague Services](#)

**EU Websites:**

[Coordination of the laws of the member states relating to self-employed commercial agents \(Council Directive 86/653/EEC\)](#)

[Agreements of minor importance which do not appreciably restrict competition under Article 81\(1\) of the treaty establishing the European Community](#)

[Directive on late payment](#)

[European Ombudsman](#)

[General Data Protection Directive \(95/46/EC\)](#)

[Privacy Shield](#)

[Information on contracts for transferring data outside of the EU](#)

[EU data protection](#)

[Distance selling rules](#)

[Distance selling of financial services](#)

[E-commerce Directive \(2000/31/EC\)](#)

[VAT on electronic service](#)

[The Unfair Commercial Practices Directive](#)

[Information to patients - major developments](#)

[Nutrition and health claims made on foods - Regulation 1924/2006](#)

Regulation on food information to consumers:

[Regulation 1169/2011](#)

[EU-27 FAIRS EU](#) country report on food and labeling requirements

Guidance document on how companies can apply for health claim authorizations:

[Summary document from EFSA](#)

[Health and nutrition claims](#)

[Tobacco](#)

[Product liability](#)

[Product safety](#)

[Legal warranties and after-sales service](#)

[Copyright](#)

Harmonization of certain aspects of copyright and related rights in the information society - [Copyright Directive \(2001/29/EC\)](#)

[Industrial property](#)

[European Patent Office \(EPO\)](#)

[World Intellectual Property Organization \(WIPO\) Madrid](#)

**U.S. Websites:**

[EU public procurement](#)

[Local professional services](#)

## Leading Sectors for U.S. Exports & Investments

### Advanced Manufacturing

#### Overview

The Advanced Manufacturing industry in the Netherlands is known as High Tech Systems and Materials (HTSM). HTSM, identified by the Dutch government to be one of the nine “top sectors” of the economy, is the umbrella sector for all technological, “smart” solutions for manufacturing industries. The sector is divided into seventeen subsectors: Semiconductor Equipment, Printing, Lighting, Solar, Healthcare, Security, Automotive, Aeronautics, Advanced Instrumentation, Space, Nanotechnology, Components and Circuits, Mechatronics, Photonics, Embedded Systems, High Tech Materials, and Information and Communication Technology.

HTSM has been the largest top sector in the Netherlands over the past couple of years. In 2015, HTSM was the top sector with the highest rate of employment, employing 491,000 full-time employees (FTE). It was also responsible for 35.1 percent of all jobs in the top sectors and second largest in export goods with 29.4 percent of the total top sector export value. HTSM was slightly smaller in number of companies, with 24.0 percent of all companies in the top sectors. But it was the largest spender on research and development, accounting for 57.3 percent of the total spending by top sectors and accounting for 51.9 percent of all spending by all industries in the Netherlands in 2014.

Unit: Euro thousands

	2010	2012	2020 (Estimated)
Total Local Production	113,000,000	122,000,000	182,000,000
Total Exports	41,300,000	45,000,000	74,600,000
Total R&D	3,450,000	3,630,000	4,920,000
Total FTE	446,000	447,000	460,000

Data Source: [Holland High Tech](#)

#### Sub-Sector Best Prospects

The semiconductor equipment sector is an important market in the Netherlands. According to the Netherlands Enterprise Agency, almost all chips around the world have a Dutch part inside them or are manufactured with Dutch tools. Worldwide, the Netherlands has a market share of 20 percent. Electronic circuits are constantly upgraded and must be in line with market demands. The Dutch Government has identified several areas where the semiconductor equipment sector should focus: sustainability, safety and security, and the aging society.

Because of new innovations, the market is expected to grow by 14 percent per year for the next ten years.

Market challenges include:

- Continuous miniaturization;
- Higher productivity;
- Improving accuracy of equipment;
- Product metrology; and
- 450 mm production equipment.

One of the leading manufacturers of semiconductor equipment in the Netherlands is ASML. ASML has a market share of over 80 percent in lithography and is well-known in the extreme ultraviolet mirror development field.

Another important player in the semiconductor market is chip manufacturer NXP, which Qualcomm has been trying to acquire over the past year. NXP currently operates in more than 33 countries.

The government established the organization Holland High Tech to act as an independent company that controls and assists the industry. Holland High Tech connects HTSM companies, facilitates partnerships between public and private organizations, trains people to work with the latest innovations, and promotes exports.

Web Resources:

Trade Events:

Hannover Messe  
April 1-4, 2019 | Hannover, Germany  
Exhibition for the entire technological industry.  
[Hannover Messe website](#)

High-Tech Systems  
Exact date to be determined in 2019 | Eindhoven, the Netherlands  
Exhibition for high-tech engineering and disruptive mechatronics.  
[High-Tech Systems website](#)

Digital Innovation Forum  
Exact date to be determined in 2019 | Amsterdam, the Netherlands  
Conference for the digital industry.  
[Digital Innovation Forum website](#)

Associations:

[Holland High Tech](#)

[High Tech NL](#)

[FME \(Employee association for the technological industry\)](#)

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## Aircraft and Parts

### Overview

The Netherlands ranks 10th as a near-term, export destination for U.S. aircraft parts according to the International Trade Administration's *2016 Aircraft Parts Top Markets Report*. The Dutch market for aircraft parts and associated equipment can be broken down into two sectors – commercial and military. A large percentage of imported aircraft and associated equipment in the Netherlands originates from the United States. The given statistics do not reflect an important aspect of the market, which is comprised of services and R&D.

Unit: USD thousands

	2015	2016	2017	2018 (estimated)
Total Local Production	993,466	1,023,343	984,673	984,684
Total Exports	2,517,122	2,417,216	2,282,221	2,278,588
Total Imports	2,744,615	3,683,616	3,150,473	3,307,996
Imports from the U.S.	2,103,958	2,988,058	3,375,609	3,426,2143
<b>Total Market Size</b>	1,354,654	2,533,410	2,533,410	2,014,092
Exchange Rates	1.1095	1.1069	1.1297	1.23* Projected

*(total market size = (total local production + imports) - exports)*

#### Data Sources:

Total Local Production: Statistics are unofficial estimates

Total Exports: Dutch Central Bureau for Statistics (SITC 792)

Total Imports: Dutch Central Bureau for Statistics (SITC 792)

Imports from U.S.: Dutch Central Bureau for Statistics (SITC 792)

Aviation is a relatively fast-growing sector due to its increasing economic interest and importance to the Netherlands. Schiphol is Europe's second best connected airport and the second-best hub for international travel worldwide. It is the fourth largest airport in Europe; the number of passengers utilizing the airport quadrupled in the last thirty years (from 16 million passengers in 1990 to 68.4 million passengers in 2017). Further passenger and freight growth is still expected in the future because of globalization, a major factor behind this growth.

#### Leading Sub-Sectors

The use of Unmanned Aerial Vehicles (UAVs), also known as drones or remotely piloted aircrafts (RPA), is increasing in the Netherlands. Innovations protecting civilians from UAVs has been successful thus far. These UAV countermeasures detect, track, classify, and identify hostile UAV-threats and can also electronically disrupt individual UAV systems.

#### Opportunities

The Dutch established a region called Aviolanda to support and stimulate the national aircraft maintenance, repair, and overhaul (MRO) sector. This initiative aims to take the Netherlands to the top as a center for state-of-the-art industrial maintenance, logistical processes, and repair in both civil and military aviation. An ongoing project at Aviolanda is the Unmanned Aircraft System Knowledge Center. Although the use of unmanned aircraft systems in the Netherlands is still limited, the necessary knowledge is prevalent on the market.

The knowledge center aims to cluster this expertise, which can be tapped into when demand increases. It drives innovation and development in the fields of MRO, electronics, assembly, development and production of parts, training and education, certification, logistics, knowledge dissemination, and publicity.

On February 6, 2017, Drone Center Valkenburg opened its doors for companies to test their drones and drone applications. A coalition of industrial parties, universities and public parties developed the plans. According to the coalition, Valkenburg's location is ideal because of its unique opportunity to test beyond the visual line of sight (BVLOS) of the pilot and also because of its centralized location near leading research institutes, universities, and airports.

In summary, innovative, high tech products that will help the Dutch maintain and improve its competitive position have great potential. The Dutch are looking for innovation and development in the fields of drone technology and MRO, specifically in the areas of electronics, assembly, development and production of parts, training and education, certification, logistics, and knowledge dissemination. Dutch stakeholders are looking to expand their drone usage in fields such as agriculture, security, firefighting, city planning, and package delivery among others. Authorities in the Netherlands are also looking to enact legislation that will create an enabling environment for the Dutch UAV industry.

#### Web Resources

Market Analyses: [Global Aerospace Resource Guide 2016](#)

Trade Shows: Helitech Amsterdam  
October 16-18, 2018 | Amsterdam, the Netherlands  
MRO Europe  
October 16-18, 2018 | Amsterdam, the Netherlands

Associations: [The Netherlands Aerospace Group \(NAG\)](#)  
[The Netherlands Defense Manufacturers Association](#)  
[DARPAS](#)

SME Resources: [Resources are posted on the Global Aerospace & Defense Team site](#)

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## Automotive Parts, Service Equipment, and Accessories

### Overview

The automotive industry continues to face pressures from increasing competition, the need for technological innovation, well-informed customers, and strict environmental and safety standards. The Netherlands ranks ninth as a near-term, export destination for U.S. automotive aftermarket parts and eleventh as an export destination for U.S. automotive original equipment, according to the *International Trade Administration's 2016 Automotive Parts Top Market Report*. With more than 8.3 million registered cars and an average of 487 cars per 1,000 people, the automotive market in the Netherlands remains popular. Many opportunities exist for U.S. suppliers to provide competitive prices and innovative products.

Unit: USD thousands

	2015	2016	2017	2018 (estimated)
Total Local Production	29,322	33,736	33,101	29,783
Total Exports	17,195,876	19,438,496	22,855,432	23,169,117
Total Imports	21,939,182	23,196,803	26,034,641	27,983,188
Imports from the U.S.	691,873	807,479	1,010,063	1,200,275
Total Market Size	4,772,628	3,792,043	3,212,310	1,847,925
Exchange Rate (1 USD in Euro)	0.90131	0.90342	0.88519	N/A

(total market size = (total local production + imports) - exports)

### Data Sources:

Total Local Production: Statistics are unofficial estimates

Total Exports: Dutch Central Bureau for Statistics (SITC 78)

Total Imports: Dutch Central Bureau for Statistics (SITC 78)

Imports from U.S.: Dutch Central Bureau for Statistics (SITC 78)

### Leading Sub-Sectors

Customizing cars remains a trend. Volkswagen, Peugeot, Opel, and Audi are the most commonly customized cars in the Netherlands. Common customizations include chip tuning, adjusting turbo and exhaust systems, body wrapping, spray paints, and wheel adjustments.

One of the newest developments is autonomous driving. According to research conducted by KPMG, the Netherlands is the most suitable country in Europe for autonomous driving. As a result, cars with completely autonomous driving systems are currently being tested on the Dutch roads.

Other driver assistance growth areas include remote control parking, forward/reverse collision warning with autonomous brakes, lane departure warning, and blind-spot monitoring. Other technologies in high demand include 360-degree cameras, keyless entry systems, and automatic transmissions.

The market for electric and hybrid cars is experiencing a rapid increase in popularity. According to Dutch industry association RAI Vereniging, there were over 119,373 registered electric cars in December of 2017, an increase of 6.5 percent from the previous year. Consequently, the number of charging points has grown by

more than 500 percent from the 6,000 ports in 2013 to over 33,630 public and 80,000 private charging points in 2017.

## Opportunities

Dutch interest in electric mobility continues to grow across a range of vehicles, including passenger cars, trucks, busses, special vehicles, and motorbikes. In the first quarter of 2018, 3,945 fully electric vehicles were sold, a 136 percent increase from the year prior. Although demand for electric mobility has increased, the rate of increase has slowed slightly, due to a change in fiscal regulations by the Dutch government. As of January 2016, the lower additional tax rate of 4 percent only applies to electric cars. Other ecofriendly cars, including hybrids, no longer benefit from similar regulations, and they now fall under the same additional tax rate as other cars. According to research conducted by ING, demand for electric vehicles is expected to increase quickly in the coming six years when electric cars are expected to break through the three barriers to demand: charging limits, range limits, and high price.

Opportunities exist for companies that can help break these three barriers for electric vehicle sales. Many consumers are hesitant to buy a new electric car because of the relatively limited number of charging possibilities. The Netherlands, however, houses a few of the leading companies in the charging pole industry. Companies that could supply to these manufacturers or compete with them have a growth market waiting for them.

Businesses can benefit from government support and are encouraged to select environmental friendly techniques and equipment through the Environment-Investment Deduction (MIA), which has a €99 million budget and the Random Write-off Environment Investment (VAMIL) with a €40 million budget for 2018. U.S. suppliers with products and services that advance green mobility are recommended to collaborate with a Dutch company.

## Web Resources

Market analyses:	<a href="#">Global Automotive Resource Guide 2017</a> <a href="#">2016 Top Markets Report – Automotive Parts</a> <a href="#">Autonomous Vehicles Readiness Index</a> <a href="#">ING Breakthrough of Electric Vehicles Report</a>
Associations:	RAI Vereniging (Vehicle Industry Association) <a href="#">RAI Vereniging website</a> (Dutch only)  BOVAG (Association of Automotive Dealers) <a href="#">BOVAG website</a> (Dutch only)  FOCWA (Federation of Entrepreneurship in Automotive Repair) <a href="#">FOCWA website</a> (Dutch only)  RVO (Netherlands Enterprise Agency) <a href="#">RVO Website</a>
SME Resources:	Posted on the <a href="#">website of the Global Automotive Team</a> .
Contact:	<b>Glenn van Polanen</b> , Commercial Specialist U.S. Commercial Service – The Netherlands
SME Resources:	Posted on the <a href="#">website of the Global Automotive Team</a> .
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## Cybersecurity

### Overview

The Netherlands is an international internet hub, and there is a high percentage of households with a broadband connection. It is one of the most competitive internet markets in the world. Consequently, cybercrime, digital espionage, and the disruption of online services is a major concern. The Dutch Government aims to move beyond awareness and towards actively combating cyber threats.

The Netherlands ranked sixth in the World Economic Forum's Networked Readiness Index 2016. Leading areas in the Dutch IT sector include data services, high tech systems and hardware, health technology, logistics, and cybersecurity. The internet economy in the Netherlands is estimated to make up over six percent of the country's GDP and is projected to continue its growth in the coming years.

The Government established the Global Forum for Cyber Expertise in The Hague, which is already home to Europol's European Cyber Crime Center (EC3) and the NATO Communications and Information (NCI) Agency. It is also home to The Hague Security Delta, the largest security cluster in Europe, in which (cyber) security businesses, government agencies, and knowledge institutions cooperate. Amsterdam boasts one of the world's most important Internet hubs, the Amsterdam Internet Exchange (AMS-IX).

In 2013, the National Cyber Security Center (NCSC) published the second "National Cyber Security Strategy," which outlines the Government's long-term view on cyber security and sets out concrete actions in order to move beyond awareness towards actively combating cyber threats. The full report (in English) can be accessed on the NCSC [website](#).

There are currently no concrete figures on the size of the Dutch cybersecurity market. This is due to the difficulty in discerning cybersecurity spending from general IT spending for both the public and the private sectors. A 2016 report by The Hague Centre for Strategic Studies cites \$601.7 million for the estimated total amount spent by Dutch enterprises on cybersecurity in 2015. The report lists figures adding up to \$23.85 million for public spending on cybersecurity in 2015, but states clearly that it is not possible to come up with an accurate number based on the information that is available. Alternatively, SEO Economic Research, a well-established Dutch scientific institute for economic research, released a report in 2016 which estimated that the total revenues for the Dutch cybersecurity sector was between \$9.17 and \$10 billion in 2014.

### Sub-Sector Best Prospects

Opportunities in the Netherlands are similar to those in the United States and other advanced and highly digitalized countries. The Dutch are relatively early adopters of new technologies.

### Opportunities

The NCSC's 2017 "Cyber Security Assessment Netherlands" report highlighted five key findings related to cybersecurity in the Netherlands:

- Professional criminals and state actors continue to be the most significant threat and inflict most damage;
- Digital attacks are being used to influence democratic processes;
- The vulnerability of the Internet of Things has resulted in disruptive attacks that endorse the need to enhance digital resilience;
- Many organizations are dependent on a limited number of foreign digital infrastructure service providers which means that the social impact of disruption is large;
- The resilience of individuals and organizations lags behind the increasing threat.

## Web Resources

Key Contact: [National Cyber Security Center](#)

Trade Events: [InfoSecurity Netherlands](#)  
October 31 – November 1, 2018 | Jaarbeurs Utrecht, the Netherlands  
Trade show, seminars, and online matchmaking for IT professionals.  
[InfoSecurity Netherlands website](#)

[NCSC ONE Conference](#)  
October 2- 3, 2018 | World Forum The Hague, the Netherlands  
Annual conference organized by the National Cyber Security Center.  
[NSC One Conference website](#)

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## Defense Technology

### Overview

The Netherlands ranks eighteenth as a near-term, export destination for U.S. defense technology according to the *International Trade Administration's 2016 Defense Top Markets Report*. The new government's coalition government agreement in October 2017 committed the Cabinet to incrementally increase defense spending over the next four years to reach a level of €1.5 billion higher annually than the current budget. Much of the increase will be spent on personnel costs, investment in spare parts and maintenance, and enhancement of operational capabilities through program replacement and modernization.

### U.S. Military Export to the Netherlands

Unit: USD thousands

End-Use Code	Value 2015	Value 2016	Value 2017
(50000) Military aircraft, complete	0	25,000	0
(50010) Aircraft launching gear, parachutes, etc.	4,455	5,591	4,961
(50020) Engines and turbines for military aircraft	17,515	18,434	19,965
(50030) Military trucks, armored vehicles, etc.	138	155	217
(50050) Tanks, artillery, missiles, rockets, guns, and ammunition	56,560	40,142	35,773
(50060) Military apparel and footwear	14,796	10,366	12,932
(50070) Parts for military-type goods	122,305	117,248	106,381
<b>Total</b>	<b>215,769</b>	<b>191,936</b>	<b>180,229</b>

Source: U.S. Census Bureau - Foreign Trade Statistics.

Although total military exports to the Netherlands decreased in value from 2015 to 2017, the figures will increase in the future with the award of several defense contracts to U.S. companies.

### Leading Sub-Sectors

The Netherlands has numerous contracts with U.S. companies in defense technology. Because of the recently increased defense budget, there are many opportunities for military exports to the Air Force, Navy, Army, Special Operational Units, the Military Police, and the military Cyber Unit.

### Opportunities

Future military opportunities are normally described in the Dutch Ministry of Defense's Materiel Projects Overview (MPO). An English version of the MPO is available on request from the U.S. Commercial Service. The recently released Defense White Paper offers a more precise overview of all the opportunities between 2018 and 2033. In light of the large number of programs on the horizon, companies are advised to review the list posted [here](#).

### Web Resources

Market Analyses: [Global Aerospace Resource Guide 2016](#)

[2016 Top Markets Report – Defense Products](#)

Netherlands Defense Market Assessment 2017  
(Available upon request from the U.S. Commercial Service)

Dutch [Defense White Paper](#) 2018

Trade Shows: NIDV Symposium  
November 15, 2018  
[NIDV Symposium website](#)

Associations: [The Netherlands Defense Manufacturers Association](#)  
[The Netherlands Aerospace Group \(NAG\)](#)

SME Resources: Posted on the website of the [Global Aerospace and Defense Team](#)

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## **Energy**

### Overview

The Dutch power sector is unbundled, with a transmission system operator (TSO), eight Distribution Service Operators (DSO), over 25 producers, and 35 electricity retailers. Dutch law requires ownership unbundling for both transmission and distribution. There are more than 8 million connections in the Netherlands, with a total current demand of some 118.6 TWh. A few large companies dominate distribution, production, and supply.

The Netherlands' energy industry benefits from its unique location. The northern part of the country is rich in natural gas and most Dutch power plants are consequently run by gas. The Dutch market is currently defined by fossil fuels in terms of power generation.

Only six percent of energy comes from renewable sources. This is partly due to the absence of large-scale hydro generation, solar usage, and onshore wind (due to population density). Most renewable energy is derived from biomass.

The Dutch electricity system is dominated by fossil fuel capacity – primarily natural gas and coal – which accounts for approximately 31.25 GW. Renewable energy comes mainly from biofuels. Solar, hydro, and nuclear energy play a minor role in renewable resource generation. Wind power has experienced the fastest growth over the years, growing from 0.8 TWh to 7.6 TWh in 2015.

### **Nuclear**

Nuclear energy accounts for ten percent of electricity used in the Netherlands. There is currently one operational nuclear power plant in the country, Borssele. It has an annual output of about 4 billion kWh, which provides enough electricity to power more than a million homes. The government has no plans to build more nuclear power plants.

### **Oil & Gas Industry**

The government has decided to no longer pursue gas extraction from the Groningen field, one of the world's largest natural gas reserves. Over the next four to five years, the extraction rate will be halved and by 2030, it will come to a complete halt. As gas currently powers 90 percent of Dutch households, the government plans to build a nitrogen plant to convert imported gas into fuel, resulting in a 7 billion cubic meter cut in demand for Groningen gas.

### **Renewable Energy**

In 2016, renewable energy sources accounted for 5.9 percent of total Dutch energy consumption. This was only slightly higher than the 2015 equivalent due to a rise in wind and solar energy, but a decrease in biomass energy. This resulted in limited consumption of renewable energy. Vattenfall, a power provider in the Netherlands, has invested in the replacement and expansion of the onshore wind farm, Wieringermeer. Despite an increase in renewable energy, the Netherlands is unlikely to reach its 2020 target of 14 percent for renewable energy.

In 2017, the use of renewables increased significantly. Three million solar panels were installed, which increased solar energy total capacity by 60 percent to 2,902 MWp. As a result of the new Gemini offshore wind farm, wind generation rose by 30 percent from 7.9 TWh in 2016 to 10.9 TWh in 2017. Large new wind farm projects in the North Sea will significantly increase wind-generated power in the coming years.

### **Biofuels**

The Netherlands is implementing the EU Directive on biofuels by gradually increasing the proportion of energy from renewable sources such as biofuels, biogas, and electricity for road transport. The aim is to build confidence that biofuels are a viable energy source and to move gradually towards the EU target of a 10 percent share of biofuels by 2020 in the transport sector.

### **Onshore wind**

Roughly 9.6 percent of the average annual electricity demand is provided by wind energy. By the end of 2015, approximately 2,525 onshore wind turbines generated 3,000 MW of electricity. This was only five percent of the Netherlands' total requirement. By 2020, the Netherlands needs to have an onshore wind capacity of 6,000 MW. This means an increase of upwards of 3,000 MW, equivalent to 1,000-1,500 new onshore wind turbines.

### **Offshore wind**

The Netherlands issued its first subsidy-free tender at the end of 2017 in hopes of capitalizing on the already booming renewable energy sector. Companies that could fund the project themselves could participate to keep costs low during the transition to more renewable energy. Chinook, a subsidiary of Nuon, has been selected to construct and operate the wind farm at Sites I and II of the Hollandse Kust (zuid). This wind farm will be built in the North Sea and will provide one million households with sustainable energy. Currently, there are six offshore wind farms off the coast of the Netherlands: Egmond aan Zee (108 MW), Eneco Lucterduinen (129 MW), Windpark Friesland (320 MW – to be built by 2021), Gemini (600 MW), Irene Vorrink (17 MW), Lely (2 MW), and Princess Amalia (120 MW).

### **Solar energy**

Solar energy has gained popularity over the past couple of years. The government has plans to build an offshore solar power farm. This farm is expected to be up and running by approximately 2021 and will provide energy to the Dutch mainland. A pilot test will be conducted in summer 2018 nine miles off the coast of The Hague. The panels will be connected to the already existing wind turbines in the North Sea, which will make transporting energy easier. In 2017, the Netherlands added 853 MW worth of solar power systems.

### **Overview of the Dutch Power Generation Market**

<b>Generation</b>	<b>2016</b>
<b>Gross Generation (TWh)</b>	<b>114.9</b>
Of which gas	46%
Of which coal	35%
Of which wind	7%
Of which biomass/gas	6%
Of which nuclear	3%
Other generation	3%
<b>Final Consumption (TWh)</b>	

*Source: International Energy Agency, CBS, & CIA Factbook*

<b>Consumption in Petajoules</b>	<b>2000</b>	<b>2015</b>	<b>2020</b>	<b>2035</b>
Oil	1173	1173	1212	1253
Natural gas	1517	1191	1040	885
Coal	325	516	326	292
Renewables	52	136	276	491
Miscellaneous	72	88	92	35
Net electricity imports	65 (import)	40 (import)	75 (import)	74 (export)
Total	3204	3144	3020	2882

Source: ECN Dutch National Energy Outlook

<b>Transmission/Distribution network</b>	<b>2011</b>
Delivery Points	8 million
Length of grid	1,700 miles
Electrical Substations (high voltage)	51

#### Leading Sub-Sectors

##### Smart Grid:

The Dutch Government is accelerating the development of smart grids with its Intelligent Grids Innovation Program which supports 94 pilot projects. The Dutch Ministry of Economic Affairs produced a report listing all stakeholders in the Dutch smart grid sector. The report is available on request from: [alan.ras@trade.gov](mailto:alan.ras@trade.gov).

##### Infrastructure:

The electricity infrastructure requires major investments. Many existing grids will need to be replaced as their technical life expires and advances in technology warrant adaptation. Because of market integration, cross-border electricity flows are increasing, which require additional interconnection capacity. The increase in sustainable and/or decentralized electricity production, the rise of hybrid and electric cars, and the development of energy storage systems also require major adjustments and expansion of the existing network. Large-scale capture, transport, and storage of CO<sub>2</sub> will require an entirely new infrastructure to be developed. This also applies to the use of the various energy options of the North Sea. This will require major investments in the short to medium term.

#### Opportunities

A list of 25 Dutch grid infrastructure upgrade projects can be found on the [Tennet website](#).

#### Web Resources

Market Analyses: [2016 Top Markets Report – Renewable Energy](#)  
[Energy Market Resource Guide 2017](#)  
[National Energy Outlook 2016](#)  
[European Utility Week website](#)

SME Resources: Posted on the [website of the Global Energy Team](#).

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## Franchising

### Overview

Franchising is a popular and well-established business form in the Netherlands. In the last 20 years, both the number of franchise systems and the total number of units have more than doubled. Currently, there are an estimated four franchise units per 100,000 inhabitants. According to a comprehensive study of the Dutch franchise sector released in 2018, the sector saw a turnover of approximately \$60 billion in 2017. Most of the revenue came from automotive (42 percent) and supermarket (25 percent) franchises. According to the report, there were 33,281 franchise units in the Netherlands in 2017, and the industry employed 331,800 people. Roughly 1,000 franchise systems currently operate in the Netherlands.

U.S. restaurant franchise systems dominate the Dutch market. In the past year, several large U.S. restaurant chains have entered the market or announced plans to enter soon. The number of U.S. restaurant franchise systems present in the Netherlands nearly doubled in the past two years.

The Dutch market is saturated in many areas, making it necessary for foreign systems to differentiate themselves from existing franchise concepts. Master franchise fees for domestic franchises are generally lower than for U.S. franchises, creating competition from cheaper, local systems. Most of franchises present in the Netherlands are Dutch owned (90 percent).

There are no regulations that limit access to the market for U.S. firms. Franchise systems are subject to national competition regulations and fair-trading laws. The Dutch Franchise Code (NFC) lays down self-regulating rules of conduct for the sector.

### Sub-Sector Best Prospects

U.S. franchises from a variety of sectors continue to be very successful in the Netherlands. Name-recognition, competitive pricing, and commitment to working closely with a local partner are the most significant factors in determining the viability of a new concept.

### Opportunities

The Netherlands is often described as an attractive market for U.S. franchise systems looking to test the European market before rolling out to the rest of the continent. This is attributed to the Dutch openness towards new concepts as well as the transparent nature of the market and the rules governing franchises.

The Netherlands also offers U.S. companies the advantage of a population that is well educated and relatively fluent in English. Companies seeking to enter the Dutch market can benefit from a mature network of experienced bankers, lawyers, accountants, consultants, and other advisors specialized in franchising.

### Web Resources

#### Key Contacts:

##### [Franchise+](#)

Franchise+ is an online news site and a bimonthly magazine that offers advice to (potential) franchisees and runs advertisements for franchisers.

##### [De Nationale Franchise Gids](#)

De Nationale Franchise Gids is a handbook published annually, which contains descriptions of virtually all franchise systems present in the Netherlands (and Belgium) as well as advertisements for franchisers. The guide is also available online.

[FranchiseFormules.NL](http://FranchiseFormules.NL)

FranchiseFormules.NL is a matchmaking site for franchisors looking to connect with qualified potential franchisees.

Trade Events:

**Onderneem 't!**

Spring 2018 | Nijkerk

Annual trade show geared towards established franchisors looking to attract new franchisees.

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## Healthcare Products and Services

### Overview

The Netherlands ranks third as a near-term, export destination for U.S. health IT and medical devices exports, according to the *International Trade Administration's 2015-2018 Health IT* and the *2016 Medical Devices Top Market Reports*. According to the Dutch Ministry of Health and Environment, healthcare spending will increase drastically in the coming years. Most of this spending will be on elderly care, as the number of people in this age group is rapidly growing. The Dutch are aware that significant savings can be made by investing in this sector. Educating people on the use of IT-tools is a priority. Annual savings of \$3.2 billion are expected from the effective use of IT-tools, while unnecessary hospitalization and deaths can be reduced by 50 percent.

It can be challenging for U.S. and other non-EU companies to navigate the complex healthcare landscape, stay apprised of changes, and discover how to take advantage of opportunities. Although the Netherlands is a member of the EU, Dutch healthcare policy is subject to national regulations as well. The regulatory environment for data security is very strict. Language barriers are an additional challenge in this highly-technical sector. Another challenge is the fact that Dutch healthcare providers can be reluctant to adopt foreign IT products (called the 'not-invented-here' syndrome).

### U.S. Healthcare Related Export to the Netherlands

Unit: USD thousands

End-Use Code	Value 2015	Value 2016	Value 2017
(40100) Medicinal Equipment	3,317,780	3,492,380	3,524,706
(21610) Pharmaceutical Preparations	4,404,265	4,320,221	3,783,377
<b>Total</b>	<b>7,722,045</b>	<b>7,812,601</b>	<b>7,308,083</b>

Source: U.S. Census Bureau – Foreign Trade Statistics.

### Leading Sub-Sectors

Public sector spending on ICT is highest in the “health and welfare care” subsector. Total spending on ICT health and welfare care was \$2.3 billion in 2014, according to ICT-Marktmonitor. This amount is likely to increase consistently until 2020.

According to KPMG's 2017 MedTech market report, upcoming trends in the Dutch e-health sector are use of wearable devices, the Internet of Things, cloud-based big data analytics, smart apps, and blockchain technology.

### Opportunities

The Netherlands is a frontrunner in the field of online medical data, and most of Dutch medical records is available to physicians online. In addition, it is one of the most “wired” countries in the world. According to the Dutch eHealth Monitor 2017, 94 percent of healthcare consumers use the Internet. The country ranks sixth in the Network Readiness Index of the World Economic Forum, which measures the performance of countries in leveraging information and communications technologies to boost competitiveness, innovation and well-being.

With the presence of this supportive digital infrastructure, opportunities exist for U.S. suppliers that can assist the Dutch government with the three short-term goals they have set for e-health:

1. Access to medical records: By 2019, at least 80 percent of the chronically ill should have direct access to his/her medical records and at least 40 percent of the other Dutch healthcare patients should have access.
2. Self-measuring: By 2019, 75 percent of the chronically ill and elderly should be able to measure their own health independently and share these measurements with their healthcare provider. Examples include the ability to measure blood pressure and cholesterol levels.
3. Online contact with healthcare Providers: By 2019, people who receive care and support at home have the option to contact a healthcare provider 24/7.

Web Resources

Market Analyses: [2016 Top Markets Report – Health IT](#)  
[2016 Top Markets Report - Medical Devices](#)  
[Healthcare Technology Resource Guide 2017](#)

Trade Shows: Internet of Health Conference  
September 25-26, 2018  
[Internet of Health Conference website](#)

World of Healthcare  
September 27, 2018  
[World of Healthcare website](#)

Associations: Nictiz  
Dutch expertise center that promotes the development of health IT.  
[Nictiz website](#)

NIVEL Institute  
Dutch research institute for the healthcare sector.  
[NIVEL Institute website](#)

SME Resources: Posted on the [website of the Global Healthcare Technologies Team](#)

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## Marine Technology

### Overview

The Netherlands has boat builders of all sizes. There are 507,800 boats presently in use. Polyester boats, especially sailboats, are popular, but most Dutch boats are steel, diesel powered, freshwater, and family boats, averaging 26- to 36-feet in length.

The total number of employees in the industry remains stable at 31,000. There are 4,200 watersport companies active in the Netherlands employing 20,300 full-time employees (FTE), including many marinas, importers, and maintenance companies.

2016 deliveries from Dutch shipyards amounted to 63 seagoing vessels with a value of more than USD 1.2 billion. Production at foreign facilities belonging to Dutch shipyard groups is on the rise, and foreign affiliates of Dutch shipyards are also doing well. On average, 60 percent of seagoing ships produced in the Netherlands are destined for export.

The most important marine equipment trade show in Europe, the Marine Equipment Trade Show (METS), is held annually in November in the Netherlands.

Unit: USD thousands

	2015	2016	2017	2018 (Estimated)
Total Local Production	6,373,395	6,503,793	7,115,150	7,124,412
Total Exports	3,824,037	3,902,276	2,911,950	4,752,541
Total Imports	190,324	181,524	975,781	201,143
Imports from the U.S.	33,058	31,529	41,561	35,482
Total Market Size	2,739,682	2,783,041	5,178,981	2,573,014
Exchange Rates: (1 USD in Euro)	0.9013	0.9009	0.9009	N/A

*(total market size = (total local production + imports) - exports)*

### Data Sources:

Total Local Production: ICOMIA

Total Exports: HISWA

Total Imports: CBS

Imports from U.S.: Census Bureau

### Sub-Sector Best Prospects

Many types of boating equipment and supplies sell well; marine electronics and maritime technology are in great demand. There is interest in global positioning systems, marine communications, direct dialing communication systems, fluxgate compasses, electronic charting, and versatile screen displays and interfacing. Other types of less-sophisticated basic boat parts, equipment, and supplies are also enjoying strong sales.

### Web Resources

Trade Events: Marine Equipment Trade Show (METS)

November 13-15, 2018 | RAI Amsterdam, the Netherlands  
[METS website](#)

Association: [HISWA](#) (Dutch Trade Association for the pleasure boat industry)

[Netherlands Maritime Technology](#)  
(Dutch Trade Association for the shipbuilding industry)

SME Resources: Posted on the [website of the Global Marine Technology Team](#)

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## Recreational Transportation

### Overview

The recreational transportation sector is generally comprised of recreational marine products, recreational vehicles (RVs), motorcycles, and miscellaneous vehicles (ATVs, snowmobiles, and golf carts). Europe is the second largest RV market in the world after the United States. In 2017, new registrations of RVs in Europe totaled 190,480, representing a 12.1 percent increase over 2016. Total Dutch registrations in 2017 were 8,450.

The Netherlands is expected to rank 15th as a U.S. near-term export destination for recreational transportation vehicles in 2018. According to statistics provided by the European Caravan Federation, there were 567,000 RV's at the end of 2016 in the Netherlands of which 462,000 were caravans and 105,000 were motorized caravans. In 2017, 6,699 new touring caravans and 1,751 new motorized caravans were registered, which amounted to a 9.1 percent and 21.3 percent respective increase compared to the year before. More than 70 percent of caravan and camper owners are older than 50, with an average age of 57.

### Leading Sub-Sectors

The brands Avento, Bregland, Biod, Kip, and Kamath are the five largest Dutch RV manufacturers. The German brands Hobby and Fendt are, however, the most popular brands in the Netherlands. Other European leaders in the motorized caravan market are Hymer, Adria, and Burstner.

Motorized caravans are particularly well-received by people aged 55 years or older. Organizations that represent the RV industry in the Netherlands include BOVAG, with more than 10,000 members. The ANWB, with more than 4 million members, represents both consumers and companies. The European Caravan Federation (ECF) is the umbrella organization, representing the national organizations of the European Caravan Industry.

### Opportunities

Dutch buyers are well-informed and demanding customers. Many U.S. manufacturers modify and customize their products to meet European demands. U.S. RV manufacturers can expect several challenges with exports to the Netherlands. RVs must meet EU regulations, convert to 12-volt extra low voltage electrical installations, provide safety ventilation, and install liquid fuel heating systems. The most cumbersome EU regulations to face U.S. industry are related to width and weight requirements. These regulations can make many U.S. RV models ineligible for sale in the EU. In addition, in areas not governed by the EU, RVs must abide by Dutch domestic regulations, which can vary from other EU member countries.

The Dutch (and European) market for these vehicles, however, is growing rapidly. Sales of caravans and motorized campers have been rising steadily over the past years and are expected to increase even more over the coming years.

### Web Resources

- Market analyses: [2016 Top Markets Report – Recreational Transportation](#)
- Trade shows: Kampeer en Caravan Jaarbeurs  
October 10-14, 2018 | Jaarbeurs Utrecht, The Netherlands  
[Kampeer en Caravan Jaarbeurs website](#) (Dutch only)
- Association: [KCI](#) (Dutch Association for Camping and Caravan Industry)  
[BOVAG](#) (Association of Automotive Dealers)  
[RAI Vereniging](#) (Vehicle Industry Association)

[ECF](#) (European Caravan Federation)

SME Resources:

Resources are posted on the [website of the Global Automotive Team](#).

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## Software

### Overview

The software industry has demonstrated consistent growth over the last few years. Revenues in the sector increased eight percent in the first quarter of 2017 as compared to the first quarter of 2016. IT security and virtualization solutions show the largest growth numbers, with over 13 percent per sub-sector.

Additionally, demand for cloud-based solutions showed continued growth over last year, with demand increasing 23 percent in 2016 alone. Market share of cloud-based software increased in 2016 and continued to increase in 2017. The cloud has had a radical impact on the entire Dutch IT-sector, especially on cloud platform services, which increased by 34 percent in 2016.

The Netherlands is moving to digitalize government services. Beginning in 2017, it has encouraged citizens and the private sector to deal with all their government-related issues online, including applications for parking permits, address changes, and the submission of tax returns.

Local software development concentrates on business applications and customs products. Exports of Dutch software are limited due to the use of the Dutch language. Nevertheless, many Dutch software startups are poised to increase their software exports over the next few years. The software market now depends primarily on imports. U.S. companies are the largest suppliers, followed by European software producers. The total market is divided into applications software (67 percent) and systems software (33 percent). Windows is the standard software in the business market, although the use of Mac OSx is also significant, especially in the design sector. The Dutch Government promotes the use of open standards and open source software within the government. The government and financial sectors traditionally have been major end-users of all types of software products. The commercial market, with an increasing need to streamline business processes, has also become a significant user. More recently, the SME market has begun to emerge as an attractive new market for ICT suppliers. Android and iOS have a combined market share of nearly 90 percent in the Netherlands, with Samsung and Apple being the most important players.

### Sub-Sector Best Prospects

There are opportunities in the following areas: standard software applications, mobile software, cloud-based software, networking software and network security products, intrusion detection, prevention products, augmented and virtual reality (VR), artificial intelligence, storage management software, Customer Relationship Management (CRM), Enterprise Resource Planning (ERP), application management, and content management products. VR gaming software for the consumer market is also expected to offer good prospects for the coming years.

The demand for smartphone, television, and tablet applications continues to grow across the board in both public and private sectors as well as among private users.

### Opportunities

The U.S. Mission to the European Union regularly [reports](#) major procurement opportunities in the ICT sector that are open to U.S. companies.

## Web Resources

Market Analyses: [ICT Markt Monitor](#)

This offers an English summary of an ICT market report.

Trade Events: [Integrated Systems Europe](#)  
[InfoSecurity](#)

Association: [ICT Office](#)  
Dutch Association for the IT and Telecommunications Industry.  
[Nederland ICT](#)  
Trade Association for the IT and Telecommunications Industry.

SME Resources: Posted on the [website of the Global Information and Communication's Team](#).

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## Agriculture

### Overview

#### Best product prospects

Commodity / code	Imports, 2017, \$US millions	Imports from U.S., 2017 (U.S. market share)	Key Constraints Over Market Development	Market Attractiveness for USA
Oils and Fats	5,936	284 (5%)	Sustainability requirements.	EU legislation supports the use of biofuels produced from waste fats and oils.
Soybeans	1,560	758 (49%)	GM content and sustainability of production	No tariff in place and GM content and sustainability accepted for most feed purposes.
Food preparations 210690	1,478	210 (14%)	Competition from suppliers in EU countries such as Germany, Belgium and the U.K.	Dutch food processing needs high quality and unique food preparations such as aromas and flavorings for producing food products.
Craft beer 2203	405	4 (1%)	Transportation costs and time. Competition from craft beer suppliers in EU countries and general competition from wines.	Restaurants are increasingly serving craft beer to complement different meals (craft beer - food pairing).
Sweet potatoes 071420	83	53 (65%)	Still some unfamiliarity on preparation and usage of sweet potatoes. Competition from Honduras, China, and Egypt. Discussion on the MRL of Thiabendazole.	Restaurants are increasingly serving sweet potatoes. There is demand for variety and quality products. Consumers favor the U.S. Covington variety.
Wood pellets	57	0.15 (0.3%)	Sustainability requirements.	Subsidy program for co-firing in place.
Chickpeas 071320	16	0.08 (0.5%)	The more traditional consumer is unfamiliar with humus or usage of chickpeas.	The younger and more traveled persons consume humus and use chickpeas in soups, salads, and meals. This market is a grow market for U.S. producers of chickpeas

Source: World Trade Atlas

Dutch importers distribute U.S. exports throughout the EU. In 2017, Dutch agricultural imports were valued at \$75 billion. Imports from the United States totaled \$3.1 billion. The port of Rotterdam is the largest port by volume in Europe and the sixth largest port in the world. The Dutch are excellent traders, and much of the agricultural imports are re-exported directly or after adding value. The Netherlands is the world's largest exporter of agricultural products after the United States.

For the United States, the Netherlands is the largest market within the EU for commodity and consumer-oriented products. Dutch imports of commodities from the United States increased in 2016 and 2017 due to the elevated imports of soybeans. Dutch imports of consumer-oriented products from the United States continued to grow until 2015 but have declined since driven by lower imports of almonds and fresh beef.

## Trade Regulations, Customs, & Standards

### Import Tariff

The Netherlands applies EU tariffs which are based on the international Harmonized System of product classification. Duty rates on manufactured goods from the United States generally range from five to eight percent and are usually based on the C.I.F. value of the goods at the port of entry. The C.I.F. value is the price of the goods (usually the sales price) plus packing costs, insurance, and freight charges to the port of entry. Most raw materials enter duty free or at low rates. Agricultural products face higher rates and special levies. For information on EU duty rates levied on agricultural products, contact the U.S. Department of Agriculture at 1-202-720-1322. For information on EU duty rates on manufactured and industrial products, contact the U.S. Department of Commerce, International Trade Administration's Trade Information Center at 1-800-USA-TRADE.

The Netherlands uses the Harmonized System (HS) designed to classify goods in international trade for customs purposes and for developing trade statistics. It is arranged into 99 chapters. The sections are established according to categories such as agriculture, chemicals, chief material of the product, or type of manufacturing industry. The first chapters cover agricultural and primary products, followed by processed and more technically-complex products.

The HS classification number consists of a minimum of six digits, which are common to all countries that use the Harmonized System. Additional digits can be used to meet each nation's individual statistical requirements.

If a Dutch importer has requested an HS number for a product being shipped to the United States, this information may be obtained from your closest U.S. Department of Commerce Export Assistance Center or from the International Trade Administration's Trade Information Center at 1-800-USA-TRADE.

Prior to signing a long-term contract or sending a shipment of considerable value, it may be prudent for a U.S. exporter to first obtain an official ruling on the customs classification, duty rate, and taxes. Such requests should be sent to the following address:

Ministry of Finance  
Director of Customs  
P.O. Box 20201  
2500 EE The Hague  
The Netherlands

The request should describe the product, the material it is made from, and other details the customs authorities require to classify products correctly. While customs authorities will not provide a binding decision, the advance ruling will usually be accepted if the goods are found to correspond exactly with the description provided.

The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), shows the various rules and regulations that apply to specific products imported into the customs territory of the EU or, in some cases, exported from it. The TARIC can be used to determine if a license is required for a product. The TARIC can be searched by country of origin, HS code, and product description on the Directorate-General for Taxation and the Customs Union website. The online [TARIC](#) is updated daily.

## Trade Barriers

U.S. firms register relatively few trade complaints in the Netherlands. The Dutch tend to support a level playing field in trade matters. Their long history with the benefits of trade positions the Dutch as the genuine "neutral" traders of Europe.

U.S. companies setting up a business in the Netherlands, however, will encounter a complex business culture in which companies, trade unions, government bodies, and industry associations engage in constant and close consultations. This stems from the traditional Dutch emphasis on achieving consensus.

There is a trend, particularly with larger government procurements, to "buy European" when no Dutch products are available. The Dutch Government sees political advantages in buying European, especially when all other criteria are equal in a bid competition. In this regard, local representation is essential for U.S. companies who hope to win major government contracts. A joint venture with a Dutch or European partner will improve a U.S. company's competitive position. Companies looking to compete on Dutch Government procurement contracts should contact the U.S. Commercial Service at the Embassy early in the process for guidance and possible advocacy, particularly if there are political or "level playing field" issues at play.

Non-Dutch firms participating in defense contracts must provide 100 percent compensation for procurements over \$5 million in the form of industrial participation. The seller must arrange for the purchase of Dutch goods or permit the Netherlands to produce domestically components or subsystems for the system it is purchasing. This does not apply to the Joint Strike Fighter, as that is a cooperative program in which the Netherlands is a development partner.

Information on agricultural trade barriers can be found at the [USDA website](#).

To report existing or new trade barriers and request assistance in removing them, contact either the [Trade Compliance Center](#) or the [U.S. Mission to the European Union](#).

## Import Requirements & Documentation

A Value-added tax (VAT) is charged on the sale of goods and services within the Netherlands. Unlike a customs duty, which is the same for all EU member countries, VAT is established by the tax authorities of each member country, and differs for each country. At each stage of the manufacturing and distribution chain, the seller adds the appropriate amount of VAT (tax on the amount of value that the seller added to the product, plus the amount of VAT passed on to the seller by the supplier) to the sales price. The tax is always quoted separately on the invoice. The firm periodically subtracts the VAT paid on purchases of goods and services from the VAT which is collected on sales, and remits the balance to the Government. This process repeats itself at each stage until the product is sold to the final consumer, who bears the full burden of the tax. Below is a summary of the Dutch VAT rates:

- Zero percent rate applies to exports
- Six percent rate applies to necessities such as food, medicines, and transportation
- Twenty-one percent is the general or standard rate and applies to most goods.

VAT is levied at the same rate for imports into the Netherlands as for domestic products or transactions. The basis on which VAT is charged on imports is the C.I.F. value at the port of entry, plus any duty, excise taxes, levies, or other charges (excluding the VAT) collected by Dutch Customs at the time of importation. This total represents the transaction value of the import when it clears customs.

Dutch importers are liable for payment of customs duties, VAT, and any other charges at the time of clearing the goods through customs. Temporary imports that will be re-exported are not subject to the VAT. An importer may have to post a temporary bond for customs duties and taxes, but this is canceled when the goods are taken out of the country.

The European Union aims to harmonize VAT rates among the 28 EU member nations. The EU has adopted guidelines for converging VAT rates over an extended transitional period, such as seeking to establish a minimum VAT rate for most products, lifting border tax controls, and defining which products will be allowed an exempted or zero VAT rate. Each country retains collection and enforcement authority for the VAT.

Excise taxes are levied on a small number of products such as soft drinks, wine, beer, spirits, tobacco, sugar, and petroleum products. For imports, the excise tax is paid by the importer and is additional to any customs duty or VAT. The European Union is close to harmonizing excise taxes.

Only a small number of goods of U.S. origin require import licenses, mostly controlled items such as arms and munitions. Licenses are generally granted for goods of U.S. origin. Application forms for permits are available from the Dutch Chamber of Commerce. The completed forms should be mailed to the Dutch Central Import and Export Office (CDIU).

CDIU  
P.O. Box 3070  
6401 DN Heerlen  
Telephone: +31 88 151 2122

License applications and notifications can also be submitted to the [CDIU digitally](#).

Complete, save and send the form using the [Message Box platform](#).

Licenses are not transferable. They may be used to cover several shipments within the total quantity authorized. In general, the Harmonized System classification number and the corresponding wording of the tariff position indicate the goods covered by the license.

Imports of certain commodities, including numerous foodstuffs, are subject to special regulations and must be labeled to show manufacturer, composition, content (in metric units), and country of origin. In view of the complexity of these regulations and changing requirements, information should be requested from the importer prior to shipment. When the importer's services are not available, information can be obtained directly from the appropriate Dutch authority listed at the end of this publication. For agricultural and food products, U.S. exporters should contact the U.S. Department of Agriculture for marketing and labeling information and exporting assistance, Telephone: (202) 720 9408.

Shipments to the Netherlands require one copy of the bill of lading (or air waybill) and the commercial invoice for customs clearance. There are no consular requirements, but certificates of origin may be required as set out below.

U.S. Customs also requires two copies of the U.S. Shipper's Export Declaration (U.S. Department of Commerce Form 7525V) for goods valued at \$1,500 or more. A declaration form must be completed for all shipments by regular mail or parcel post valued at \$500 or more. The form must include the harmonized commodity number of the exported product as well as the weight stated in metric units. When sending goods through the mail, the exporter should inquire at the post office as to the proper documentation needed for mail shipments. For additional information or assistance on export documentation, readers should contact their local Department of Commerce Export Assistance Center. A complete list can be found on the [U.S. Commercial Service website](#).

Although no special format is prescribed for the commercial invoice, it is advisable to include the following: date and place of shipment; name (firm's name) and address of the seller and buyer; method of shipment; number, markings of the packages, and their numerical order; description of the goods using the usual commercial description according to kind, quality, grade, and weight (gross and net, in metric units), along with any factors increasing or decreasing the value; agreed price of goods; unit cost; total cost f.o.b. factory plus shipping; insurance charges; delivery and payment terms; and the signature of a responsible official at the shipper's firm. Bills of lading should bear the name of the party to be notified. The consignee needs the original bill of lading to take possession of the goods.

Certificates of origin may be required for a small number of goods. Whether a certificate of origin is required should be ascertained directly from the importer or the appropriate customs authority. Letter-of-credit terms may stipulate that a certificate of origin be provided. Customs authorities accept certificates of origin issued by authorized local U.S. chambers of commerce or boards of trade.

## REACH

REACH, "Registration, Evaluation and Authorization and Restriction of Chemicals," is the system for controlling chemicals in the EU (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by this policy. REACH requires chemicals produced or imported into the EU in volumes over one metric ton annually to be registered with a central database that the European Chemicals Agency (ECHA) handles. Information on a chemical's properties, uses, and handling are part of the registration process. U.S. companies without a presence in Europe cannot register directly, and must have their chemicals registered through their importer or EU-based "Only Representative of non-EU manufacturer." A list of Only Representatives (ORs) can be found on the [website of the U.S. Mission to the EU](#).

U.S. companies exporting chemical products to the European Union must update their Material Safety Data Sheets (MSDS) to be REACH compliant. For more information, see the guidance on the compilation of [safety data sheets](#).

## WEEE Directive

The EU rules on Waste Electrical and Electronic Equipment (WEEE) do not require specific customs or import paperwork, but may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters to register relevant products with a national WEEE authority or arrange for a local partner to do this. The WEEE Directive was updated in 2012 to include all electrical and electronic equipment. This revised scope will apply from August 14, 2018, with a phase-in period that has already begun. U.S. exporters who seek more information on the WEEE Directive should visit the [website](#).

## RoHS

The Reduction of Hazardous Substances (RoHS) Directive imposes restrictions on the use of certain chemicals in electrical and electronic equipment. It does not require specific customs or import paperwork, but manufacturers must self-certify that their products are compliant. The Directive, revised in 2011, is now a CE Marking Directive. The revised Directive expands the scope of products covered during a transition period that ends on July 22, 2019. Once this transition period ends, the Directive will apply to medical devices, monitoring

and control equipment, in addition to all other electrical and electronic equipment. U.S. exporters seeking more information on the RoHS Directive should visit the [website](#).

## **Labeling/Marking Requirements**

The Netherlands closely follows EU labeling requirements and regulations. There is a broad array of EU legislation pertaining to the marking, labeling, and packaging of products, with neither an “umbrella” law covering all goods nor a central directory containing information on marking, labeling, and packaging requirements. The first step in determining the marking, labeling, and packaging legislation that applies to a product entering the EU requires drawing a distinction between what is mandatory and what is voluntary. This section focuses primarily on the mandatory marks and labels seen most often on consumer products and packaging, which are typically related to public safety, health, and/or environmental concerns. It also includes a brief overview of a few mandatory packaging requirements, as well as more common voluntary marks and labels used in EU markets.

It is also important to distinguish between marks and labels. A mark is a symbol and/or pictogram that appears on a product or its respective packaging. These range in scope from signs of danger to indications of methods of proper recycling and disposal. The intention of such marks is to provide market surveillance authorities, importers, distributors, and end-users with information concerning safety, health, energy efficiency, and/or environmental issues relating to a product. Labels, on the other hand, appear in the form of written text or numerical statements, which may be required but are not necessarily universally recognizable. Labels typically indicate more specific information about a product, such as measurements, or an indication of materials that may be found in the product (such as in textiles or batteries).

Mandatory Marks and Labels:

- Textiles
- Cosmetics
- Dangerous Substances
- Explosive Atmosphere
- Electrical and Electronic Equipment
- Household Appliances
- Pricing
- Footwear
- Units of Measurement
- Automotive
- Tires
- Maritime
- Materials in Contact with Food
- Noise Emissions
- Wood Packaging
- Energy Efficiency
- Recycling - Separate Collection

Additional information on marks and labels can be found on the following webpages:

[CE marking](#)

[Harmonized Standards](#)

[New Legislative Framework](#)

[Revised CE Marking Laws](#)

[Waste Electrical & Electronic Equipmnet \(WEEE\)](#)  
[Directive 2010/30/EU](#)

## **U.S. Export Controls**

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of specific commercial items. The items regulated by BIS are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available on the [BIS website](#).

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce via the [confidential lead page](#).

The EAR does not control all goods, services, and technologies. Other U.S. Government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS website.

The Export Control Reform Initiative (ECR Initiative) is designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction. Additional information can be found on the [ECR website](#).

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one-day to two-day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars can be found at the [BIS website](#).

For further details about the Bureau of Industry and Security and its programs, please visit the [BIS website](#).

## **Temporary Entry**

Because of various customs agreements, simplified procedures are available to U.S. businesses and professionals for the temporary importation of commercial samples and professional equipment. A carnet is a customs document that facilitates customs clearance for temporary imports of samples or equipment into foreign countries. With the carnet, goods may be imported without the payment of duty, tax, or additional security deposits. The carnet also saves time since formalities are all arranged before the goods depart the United States.

A carnet is valid for one year from the date of issuance. The cost ranges from \$120 to \$250. There is a requirement that a bond or cash deposit of 40 percent of the value of the imported goods be covered by the carnet. This amount will be forfeited in the event the products are not re-exported in a timely manner, goods are lost, stolen, or destroyed, or the carnet certificates are not properly validated.

Carnets are sold in the United States by the U.S. Council for International Business (USCIB) at the following address:

1212 Avenue of the Americas  
New York, NY 10036  
Toll-free: 1-800-5DUTYFREE  
Telephone: (212) 354-4480  
Fax: (212) 575-0327  
Email: [atacarnet@uscib.org](mailto:atacarnet@uscib.org)

[USCIB website](#)

The Netherlands participates in the International Convention to Facilitate the Importation of Commercial Samples and Advertising Materials. Imported samples of negligible value for sales promotion are accorded duty-free and tax-free treatment. Prior authorization is not required. A sample's value is compared with a commercial shipment of the same product to determine whether the samples are of negligible value. Attaining duty-free status may require that the samples be rendered useless for future sale by marking, perforating, cutting, or other means.

## **Prohibited & Restricted Imports**

Certain imports into the Netherlands and the European Union are prohibited or require an import license. These products fall under the categories of strategic goods or environmentally unfriendly items. Examples of such goods include weapons and ammunition, protected species of fauna and flora, and drugs. U.S. firms exporting to the Netherlands or the rest of the European Union can call a Customs information hotline for a ruling. From the United States, dial: +31 45 574 2700.

The TARIC is designed to demonstrate various rules that are applied to specific products imported into the customs territory of the EU or, in some cases, when it is exported. To determine if a product is prohibited or subject to restriction, check the TARIC for the following codes:

- CITES - Convention on International Trade of Endangered Species;
- PROHI Import Suspension; and
- RSTR Import Restriction.

For information on how to access the [TARIC](#), see the Import Requirements and Documentation Section above.

## **Customs Regulations**

Goods that enter the customs territory of the EU from a non-EU country are referred to as "non-Community goods." These goods are imported using a so-called "customs-approved treatment or use" procedure. The following forms of customs-approved treatment or use are available:

- placement of goods under one of eight customs procedures
- entry of the goods into a duty-free zone or warehouse
- re-exportation of goods from the customs territory of the Community
- destruction of goods
- their abandonment to the Exchequer

Detailed information on customs-approved treatment or use is available in English on the [website of Dutch Customs](#).

Customs Information Line: Call this line regarding general customs matters. The telephone number when calling from the U.S.: +31 45 574 3031.

National Customs Helpdesk: This helpdesk can answer questions about substantive (tax) questions, import levies, and international issues: +31 88 156 66 55

Dutch Customs maintain extensive information on regulations, in English, on their [website](#).

## **Trade Standards**

## Overview

The Netherlands observes around 2,000 Dutch national standards, 6,000 EU standards, and 9,000 international standards. As a member of the EU, the Netherlands applies the EU's product standards and certification approval processes. The Treaty of Rome requires all EU members to incorporate approved EU directives into its national laws. To establish common standards for all member countries, the EU regulates key product areas to protect the health and safety of consumers, as well as the environment.

A manufacturer or representative must place a CE mark on all regulated products before the goods can be sold in the Netherlands. The applicable product testing and certification requirements for individual product categories are specified in the various EU Directives. The CE mark relates only to the mandatory health, safety, and environmental requirements established by the EU. It does not indicate conformity to European product standards. National marks of conformity with product standards remain compatible with the CE mark and both marks may be applied to the product. For the regulated products, the CE mark replaces all national safety marks.

The international quality standard ISO 9000 is widely used.

## NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other member countries.

**Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect access to international markets. Register online at the [Notify U.S. website](#).

## Conformity Assessment

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of a conformity assessment is to ensure consistency of compliance during all stages from design to production to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the product's use. These range from self-certification, type examination, and production quality control system, to a full quality assurance system. Conformity assessment bodies in individual member states are listed in [NANDO](#) on the European Commission's website.

## Product Certification

To sell products in the Netherlands, U.S. exporters are required to apply the CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers many choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether to use EU-wide harmonized standards.

Products manufactured to standards adopted by CEN, CENELEC, or ETSI, and referenced in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when the relevant European standardization organization develops design standards rather than performance standards, and when U.S. companies through a European presence do not have access to the standardization process.

CE marking primarily addresses the national control authorities of the member states, and its use simplifies their task of essential market surveillance of regulated products. The EU's "New Legislative Framework," which went into force in 2010, is a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation, and market surveillance.

CE marking is not intended to include detailed technical information of the product, but there must be sufficient information to enable the inspector to trace the product back to either the manufacturer or the local contact established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time along with the product's technical file), or the documents accompanying the product.

#### Accreditation

The Dutch accreditation body is the "Raad voor Accreditatie" (RvA). RvA's primary task is to accredit and renew accreditations of all Dutch conformity-assessment bodies (laboratories, inspection bodies, certification bodies, and verification bodies). A searchable filtered list of all Accredited Bodies in the Netherlands can be found at the [RVA website](#).

#### Dutch Accreditation Body Contact Information

RVA  
Raad voor Accreditatie  
P.O. Box 2768  
Daalseplein 101  
3500 GT UTRECHT  
Telephone: + 31 30 239 4504  
Email: [contact@rva.nl](mailto:contact@rva.nl)  
[RVA Website](#)  
Email: [jan.vander.poel@rva.nl](mailto:jan.vander.poel@rva.nl)

#### Publication of technical regulations

The Official Journal is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees, and more. The Official Journal can be found on the ['EUR-Lex' website](#).

National Technical Regulations are published on the [Commission's website](#) to allow other countries and interested parties to comment.

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. ([www.nist.gov/notifyus](http://www.nist.gov/notifyus)) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country(ies) and industry sector(s) of interest, and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

## **Trade Agreements**

For a list of trade agreements with the EU and its member states, as well as concise explanations, please see the [website](#).

## **Web Resources**

EU websites:

[Online customs tariff database \(TARIC\)](#)

[The Modernized Community Customs Code \(MCCC\)](#)

[European Chemicals Agency \(ECHA\)](#)

[Security and safety amendment to the Customs Code, Regulation \(EC\) 648/2005](#)

[Electronic Customs Initiative, Decision N° 70/2008/EC](#)

[Legislation related to the electronic customs initiative](#)

[Trade Helpdesk](#)

International Level websites:

[Establishing the Community Customs Code, Regulation \(EC\) n° 648/2005 of 13 April 2005](#)

[Pre Arrival/Pre Departure Declarations](#)

[Authorized Economic Operator \(AEO\)](#)

[Contact information at Netherlands Customs Authorities](#)

[CENELEC, European Committee for Electrotechnical Standardization](#)

[ETSI, European Telecommunications Standards Institute](#)

[CEN, European Committee for Standardization, handling all other standards](#)

[Standardisation – mandates](#)

[ETSI, e-standardisation](#)

[CEN – sector](#)

[CEN - standards search](#)

[Eur-Lex – access to European Union law](#)

[European Commission, growth news](#)

[Legal Metrology, pre-packaging and pack sizes](#)

[European Union Eco-label](#)

U.S. websites:

[National Trade Estimate Report on Foreign Trade Barriers](#)

[Agricultural trade barriers](#)

[Trade Compliance Center](#)

[U.S. Mission to the European Union](#)

[The latest on REACH](#)

[WEEE and RoHS in the EU](#)

[Overview of EU certificates](#)

[Center for Food Safety and Applied Nutrition](#)

# Investment Climate Statement

## Executive Summary

The Netherlands consistently ranks among the world's most competitive industrialized economies. It offers an attractive business and investment climate and remains a welcoming location for business investment from the United States and elsewhere.

Strengths of the Dutch economy include the Netherlands' stable political and macroeconomic climate, a highly developed financial sector, strategic location, well-educated and productive labor force, and high-quality physical and communications infrastructure. Investors in the Netherlands take advantage of its highly competitive logistics, anchored by the largest seaport and fourth-largest airport in Europe. In telecommunications, the Netherlands has one of the highest percent of internet users in the European Union (EU) at 96 percent and hosts one of the largest data transport hubs in the world, the Amsterdam Internet Exchange.

The Netherlands is among the largest recipients and sources of foreign direct investment (FDI) in the world and one of the largest historical recipients of direct investment from the United States. This can be attributed to the Netherlands' competitive economy, historically business-friendly tax climate (although tax issues continue to develop as the EU attempts to harmonize tax policies across member states), and a large number of investment treaties containing investor protections. The Dutch economy has significant foreign direct investment in a wide range of sectors including logistics, information technology, and manufacturing.

In the wake of the worldwide financial crisis a decade ago, the Dutch government implemented significant reforms in key policy areas, including the labor market, the housing sector, the energy market, the pension system, and health care. Dutch reform policies were crafted in close consultation with key stakeholders, including business associations, labor unions, and civil society groups.

After years of recovery since late 2013, the macroeconomic outlook in the Netherlands has improved significantly. The Dutch government projects GDP growth of 3.2 percent in 2018, and 2.7 percent in 2019. Projected drivers of growth include increased exports and business investments, as well as invigorated domestic consumption by both households and the public sector.

- The Netherlands is a top destination for U.S. FDI abroad, holding just over \$847 billion out of a total of \$5.3 trillion U.S. FDI worldwide – or about 16 percent of outstanding U.S. FDI.
- Dutch investors contribute \$355 billion in FDI to the United States – or about ten percent of the \$3.7 trillion of inward FDI to the United States originates from the Netherlands.

**Table 1**

Measure	Year	Index/Rank
<a href="#">TI Corruption Perceptions Index</a>	2017	8 of 175
<a href="#">World Bank's Doing Business Report "Ease of Doing Business"</a>	2017	32 of 190
<a href="#">Global Innovation Index</a>	2017	3 of 128
<a href="#">U.S. FDI in Partner Country (\$M USD, stock positions)</a>	2015	\$847,391
<a href="#">World Bank GNI per capita</a>	2016	\$46,610

#### 1. Openness To and Restrictions Upon Foreign Investment

##### Policies Related to Foreign Direct Investment

The Netherlands is the sixteenth-largest economy in the world and the fifth largest in the European Monetary Union (the Eurozone), with a gross domestic product (GDP) of nearly \$800 billion (700 billion euros). According to the International Monetary Fund (IMF), the Netherlands is consistently among the three largest source and recipient economies for foreign direct investment (FDI) in the world, although the Netherlands is not the ultimate destination for most of this investment. The government of the Netherlands maintains liberal policies toward FDI, has established itself as a platform for third-country investment with some 145 investment agreements in force, and adheres to the Organization for Economic Cooperation and Development (OECD) Codes of Liberalization and Declaration on International Investment, including a National Treatment commitment and adherence to relevant guidelines.

The Netherlands is the recipient of eight percent of all FDI inflow into the EU. Of all EU member states, it is the top recipient of U.S. FDI, at over 16 percent of all U.S. FDI abroad as of 2015. The Netherlands has become a key export platform and pan-regional distribution hub for U.S. firms. Roughly 60 percent of total U.S. foreign-affiliate sales in the Netherlands are exports, with the bulk of them going to other EU members.

In 2014, foreign-owned companies made inward direct investments worth \$15.8 billion (14.2 billion euros) – just over 30 percent of total corporate investment in durable goods in the Netherlands. Foreign investors provide 19 percent of Dutch employment in the private sector (860,200 jobs). U.S. firms contribute the most among foreign firms to employment, responsible for 214,000 jobs. In its 2017 investment report, the UN Conference on Trade and Development (UNCTAD) identified the Netherlands as the world's fifth largest destination of global FDI inflows and the third largest source of FDI outflows.

Dutch tax authorities provide a high degree of customer service to foreign investors, seeking to provide transparent, precise tax guidance that makes long-term tax obligations more predictable. Advance Tax Rulings (ATR) and Advance Pricing Agreements (APA) are guarantees given by local tax inspectors regarding long-term

tax commitments for an acquisition or Greenfield investment. Dutch tax policy continues to evolve as the EU seeks to harmonize tax measures across member states. A more detailed description of Dutch tax policy for foreign investors can be found here: [Incentives and taxes](#) [Fiscal Climate](#)

Dutch corporations and branches of foreign corporations are currently subject to a corporate tax rate of 25 percent on taxable profits, which puts the Netherlands in the middle third among EU countries' corporate tax rates and below the tax rates of its larger neighbors. Profits up to \$240,000 (200,000 euros) are taxed at a rate of 20 percent. In October 2017, the new Dutch government announced it would lower its corporate tax rate to 21 percent in 2021, with profits up to \$240,000 taxed at a 16 percent rate.

Dutch corporate taxation generally allows for exemption of dividends and capital gains derived from a foreign subsidiary. Surveys of the corporate tax structure of EU member states note that both the corporate tax rate and the effective corporate tax rate in the Netherlands are around the EU average. Nevertheless, the Dutch corporate tax structure ranks among the most competitive in Europe considering other beneficial measures such as ATAs and/or APAs. The Netherlands also has no branch profit tax and does not levy a withholding tax on interest and royalties.

Maintaining an investment-friendly reputation is a high priority for the Dutch government, which provides public information and institutional assistance to prospective investors through the [Netherlands Foreign Investment Agency \(NFIA\)](#). Additionally, the [Netherlands business gateway](#) – maintained by the Dutch government – provides information on regulations, taxes, and investment incentives that apply to foreign investors in the Netherlands and clear guidance on establishing a business in the Netherlands: [Guide for doing business](#)

The NFIA maintains six regional offices in the United States (Washington, DC; Atlanta; Boston; Chicago; New York City; and San Francisco). [The American Chamber of Commerce in the Netherlands](#) also promotes U.S.-Dutch business interests.

#### Limits on Foreign Control and Right to Private Ownership and Establishment

With few exceptions, the Netherlands does not discriminate between national and foreign individuals in the establishment and operation of private companies. The government has divested its complete ownership of many public utilities, but in many strategic sectors, private investment, including foreign investment, may be subject to limitations or conditions. These include transportation, energy, defense and security, finance, postal services, public broadcasting, and the media.

Air transport is governed by EU regulation and subject to a bilateral agreement between the United States and the EU. U.S. nationals can invest in Dutch/European carriers as long as the airline remains majority-owned by EU governments or nationals from EU member states. Additionally, the EU and its member states reserve the right to limit U.S. investment in the voting equity of an EU airline on a reciprocal basis that the United States allows for foreign nationals in U.S. carriers.

The Netherlands has no formal foreign investment screening mechanism. It has certain limitations on foreign ownership in sectors that are deemed of vital national interest (transportation, energy, defense and security, finance, postal services, public broadcasting, and the media). There is no requirement for Dutch nationals to have an equity stake in a Dutch registered company. The Ministry of Economic Affairs and Climate Policy (MOE) announced in mid-April that it will submit to Parliament a proposal for an investment screening law in the telecommunications sector in fall 2018.

In concert with the European Commission, the Dutch government is considering how to best protect its economic security and at the same time continue as one of the world's most open economies. A law that establishes investor screening in the telecommunications sector is expected to come into force in late 2018.

#### Other Investment Policy Reviews

The Netherlands has not recently undergone an investment policy review by the OECD, World Trade Organization (WTO), or UNCTAD.

#### Business Facilitation

All companies must register with the Chamber of Commerce and apply for a fiscal number with the tax administration, which allows expedited registration for small and medium-sized enterprises (SMEs) with fewer than 50 employees: [Ordering products from the commercial register](#).

The Dutch American Friendship Treaty (DAFT) from 1956 gives U.S. citizens preferential treatment to operate a business in the Netherlands, providing ease of establishment that most other non-EU nationals do not enjoy. U.S. entrepreneurs applying under the DAFT do not need to satisfy a strict, points-based test and do not have to meet pre-conditions related to providing an innovative product. U.S. entrepreneurs setting up a sole proprietorship need only register with the Chamber of Commerce and demonstrate a minimum investment of 4,500 euros. DAFT entrepreneurs receive a two-year residence permit, with the possibility of renewal for five subsequent years.

#### Bilateral Investment Agreements and Taxation Treaties

The Netherlands has bilateral investment treaties (BITs) or treaties that include investment chapters with more than 95 countries or regions including: Albania, Algeria, Argentina, Armenia, Bahrain, Bangladesh, Belarus, Belize, Benin, Bolivia, Bosnia-Herzegovina, Brazil, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Chile, China, Costa Rica, Croatia, Cuba, Czech Republic, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Estonia, Ethiopia, Gambia, Georgia, Ghana, Guatemala, Honduras, Hong Kong, Hungary, India, Indonesia, Ivory Coast, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Laos, Latvia, Lebanon, Lithuania, Macau, Macedonia, Malawi, Malaysia, Mali, Malta, Mexico, Moldova, Mongolia, Montenegro, Morocco, Mozambique, Namibia, Nicaragua, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Romania, Russia, Senegal, Serbia, Singapore, Slovak Republic, Slovenia, South Africa, South Korea, Sri Lanka, Sudan, Surinam, Tajikistan, Tanzania, Thailand, Tunisia, Turkey, Uganda, Ukraine, Uruguay, Uzbekistan, Venezuela, Vietnam, Yemen, Zambia, and Zimbabwe.

Follow these links for a continuously updated list, the legal status, and texts of these agreements: [Bilateral Investment Agreements](#)

The Netherlands has a bilateral taxation treaty with the United States. See: [Bilateral Taxation Treaty](#).

#### Legal Regime

##### Transparency of the Regulatory System

Dutch commercial laws and regulations accord with international legal practices and standards; they apply equally to foreign and Dutch companies. The rules on acquisition, mergers, takeovers, and reinvestment are

nondiscriminatory. The Social Economic Council (SER)--an official advisory body consisting of employers' representatives, labor representatives, and government appointed independent experts--administers Dutch mergers and acquisitions rules. The SER's rules serve to protect the interests of stakeholders and employees. They include requirements for the timely announcement of mergers and acquisitions (M&A) and for discussions with trade unions.

As an EU member and Eurozone country, the Netherlands is firmly integrated in the European regulatory system, with national and European institutions exercising authority over specific markets, industries, consumer rights, and competition behavior of individual firms.

Financial markets are regulated in an interconnected EU and national system of prudential and behavioral oversight. The domestic regulators are the Dutch Central Bank (DNB) and the Netherlands Authority for the Financial Market (AFM). Their EU counterparts are the European Central Bank (ECB) and the European Securities and Markets Authority (ESMA).

Traditionally, public consultation in the drafting of new laws is achieved by invitation of various civil society bodies, trade associations, and organizations of stakeholders. In addition, the SER has a formal mandate to provide the government with advice, both solicited and of its own accord. New laws and regulations are subject to legal review by the Council of State and must be approved by the Second and First Chambers of Parliament.

#### International Regulatory Considerations

The Netherlands is a member of the WTO and does not maintain any measures that are inconsistent with obligations under Trade Related Investment Measures (TRIMs).

#### Legal System and Judicial Independence

Dutch contract law is based on the principle of party autonomy and full freedom of contract. Signing parties are free to draft an agreement in any form and any language, based on the legal system of their choice.

Dutch corporate law provides for a legal and fiscal framework that is designed to be flexible. This element of the investment climate makes the Netherlands especially attractive to foreign investors.

The Dutch civil court system has a chamber dedicated to business disputes called the Enterprise Chamber. The Enterprise Chamber includes judges who are experts in various commercial fields. They resolve a wide range of corporate disputes, from corporate governance disputes in a firm to high-profile shareholder conflicts over mergers or hostile take-overs. In 2017, as part of its takeover bid of AkzoNobel, U.S. paint manufacturer PPG appealed the Akzo board's decision to reject PPG's takeover offer in the Commercial Court, but was unsuccessful.

In mid-2018, the Enterprise Chamber will establish an English-language chamber. The Netherlands Commercial Court (NCC) and its appellate chamber (NCCA) will offer parties the opportunity to litigate in English and will provide judgments in English. Both the NCC and NCCA will focus primarily on major international commercial cases.

#### Laws and Regulations on Foreign Direct Investment

In April 2018, the Ministry of Economic Affairs and Climate Policy introduced a proposal that, if it becomes law, will make it mandatory for foreign investors who seek to acquire significant ownership of corporations active in the telecommunications sector to notify the Dutch government. The government expects to submit the proposed law to the Parliament for a vote in late 2018, and the proposed law could come into force by the end of 2018. This is the first law to establish an investor screening mechanism in sectors of vital interest to Dutch national security.

#### Competition and Anti-Trust Laws

Structural and regulatory reforms are an integral part of Dutch economic policy. Market competition is strengthened through laws aimed at stimulating market forces, liberalization, deregulation, and legislative quality, along with a tightening of competition policy.

As an EU and Eurozone member, the Netherlands is firmly integrated in the European regulatory system with national and European institutions exercising authority over specific markets, industries, consumer rights, and competition behavior of individual firms.

The Authority for Consumers and Markets (ACM) provides regulatory oversight in three key areas: consumer protection, post and telecommunications, and market competition.

#### Expropriation and Compensation

The Netherlands maintains strong protection on all types of property, including private and intellectual property, and the right of citizens to own and use property. Expropriation of corporate assets or the nationalization of industry requires a special act of Parliament, as demonstrated in the nationalization of ABN AMRO during the 2008 financial crisis (the government returned it to public shareholding by IPO in 2016). In the event of expropriation, the Dutch government follows customary international law, providing prompt, adequate, and effective compensation, as well as ample process for legal recourse. The U.S. Mission to the Netherlands is unaware of any recent expropriation claims involving the Dutch government and a U.S. or other foreign-owned company.

#### Dispute Settlement

##### ICSID Convention and New York Convention

As a member of the International Center for the Settlement of Investment Disputes (ICSID), the Netherlands accepts binding arbitration between foreign investors and the state. The Netherlands is one of the initial signatories of the New York Convention on Recognition and Enforcement of Foreign Arbitral Awards (UNCITRAL) and permits local enforcement of arbitration judgments decided in other signatory countries.

The Hague is the seat of the Permanent Court of Arbitration (PCA), an intergovernmental organization that is not a court, but like the ICSID, is a facilitator of independent arbitral tribunals to resolve conflicts between PCA member states, including the United States.

##### International Commercial Arbitration and Foreign Courts

The Netherlands has maintained a Treaty of Friendship, Commerce, and Navigation with the United States since 1957 that provides for national treatment and free entry for foreign investors, with certain exceptions. The

Embassy is not aware of any American company raising an investment dispute with the Netherlands over the last 10 years.

## Bankruptcy Regulations

Dutch bankruptcy law is governed by the Dutch Bankruptcy Code, which applies both to individuals and to companies. The code covers three separate legal proceedings: 1) bankruptcy, which has a goal of liquidating the company's assets; 2) receivership, aimed at reaching an agreement between the creditors and the company; and 3) debt restructuring, which is only available to individuals.

The World Bank's 2017 Ease of Doing Business Index ranks the Netherlands as number 8 in resolving insolvency. The Netherlands ranks better than the OECD average on bankruptcy time, cost, and recovery rate.

## Industrial Policies

### Investment Incentives

General requirements to qualify for investment subsidy schemes apply equally to domestic and foreign investors. Industry-specific, targeted investment incentives have long been a tool of Dutch economic policy to facilitate economic restructuring and to promote economic priorities. Such subsidies and incentives are spelled out in detailed regulations. Subsidies are in the form of tax credits disbursed through corporate tax rebates or direct cash payments if there is no tax liability. For an overview of government subsidies and investment programs, see: [Subsidy Programs](#).

FDI tends to be concentrated in growth sectors including information and communication technology (ICT), biotechnology, medical technology, electronic components, and machinery and equipment. Investment projects are predominantly in value-added logistics, machinery and equipment, and food.

Since 2010, the government has shifted from traditional industrial support policies to a comprehensive approach to public/private financing agreements in areas where investment is deemed of strategic value. Government, academia, and industry work together to determine recipient sectors for co-financed (public and private) R&D. The government's industrial policy focuses on nine "Top Sectors": creative industries, logistics, horticulture, agriculture and food, life sciences, energy, water, chemical industry, and high tech. For more information, see paragraph five and [Enterprise and Innovation](#).

### Foreign Trade Zones/Free Ports/Trade Facilitation

The Netherlands has no free trade zones (FTZs) or free ports where commodities can be processed or reprocessed tax-free. However, FTZs exist for bonded storage, cargo consolidation, and reconfiguration of non-EU goods. This reflects the key role that transport, transit, logistics, and distribution play in the Dutch economy. Dutch customs authorities oversee many customs warehouses, free warehouses, and free zones along many of the Netherlands trade routes and entry points.

Schiphol Airport handles over 1.75 million tons of goods for distribution, making it the third largest cargo airport in Europe. Specific parts of Schiphol are designated customs-free zones. The Port of Rotterdam is Europe's largest seaport by volume, handling over 37 percent of all cargo shipping on Europe's Le Havre-

Hamburg coastline and processing nearly 467 million tons of goods in 2017. Many agents operate customs warehouses under varying customs regimes on the premises of the Port of Rotterdam.

## Performance and Data Localization Requirements

There are no trade-related investment performance requirements in the Netherlands and no requirements for employment of local capital or managerial personnel. General requirements to qualify for investment subsidy schemes apply equally to domestic and foreign investors.

The Dutch government does not follow a “forced localization” policy, and does not require foreign IT providers to turn over source code or to provide access to surveillance. The Dutch Data Protection Authority (DPA) monitors and enforces Dutch legislation on the [protection of personal data](#). The Dutch DPA is active in the EU’s Article 29 Working Party, the collective of EU national DPAs. The primary law on protection of personal data in the Netherlands is the Dutch law implementing EU directive 95/46/EC. The new European General Data Protection Regulation, which is directly applicable in member states, entered into force May 25, 2018, as part of the EU’s comprehensive reform on data protection.

The Dutch DPA recognized U.S. firms that registered and self-certified with the U.S.-EU Safe Harbor program that began in 2000 and focused on safe transfer of personal data between the European Union and the United States. The Dutch government strongly supports [the EU-U.S. Privacy Shield](#), the agreement that has replaced Safe Harbor, although the DPA joined other EU data protection bodies in requesting resolution of concerns and further clarifications before its implementation.

## Protection of Property Rights

### Real Property

The Netherlands fully complies with international standards on protection of real property. The World Bank’s 2017 Ease of Doing Business Index ranked the Netherlands 32 out of 190 countries in terms of property registration. The number of procedures involved is at the OECD average, while the processing time of 2.5 days is nearly ten times faster than the OECD average.

The Netherlands’ Cadaster, Land Registry, and Mapping Agency (Cadaster) was established in 1832 to collect and register administrative and spatial data on real property. The Cadaster is publicly available and can be accessed [online](#).

### Intellectual Property Rights

With the implementation of EU Directive 2004/48 on the enforcement of intellectual property rights (IPR), IPR holders have a number of instruments at their disposal to enforce their rights in civil court.

The Netherlands is a member of the World Intellectual Property Organization (WIPO), a signatory to the Paris Convention for the Protection of Industrial Property, and generally conforms to accepted international practice for the protection of technology and trademarks.

Despite its participation in negotiations on the Anti-Counterfeiting Trade Agreement (ACTA) treaty, the Netherlands, like other EU member states, has stated it will not sign the treaty in its current form. The EU has requested the European Court of Justice to advise on the compatibility of ACTA with existing European treaties, in particular with the EU Charter of Fundamental Rights of the European Union.

The Netherlands is not listed in United States Trade Representative's (USTR's) Special 301 Report, but it is listed as hosting infringing websites in [USTR's Notorious Markets list](#). USTR also notes that Dutch law enforcement has assisted in seizing infringing domain names, thereby bringing down some infringing sites.

### Copyright

The Netherlands has implemented European Directive 98/44/EC in 2006, bringing domestic legislation in line with the WIPO 1996 Copyright Treaty (WCT) and the WIPO Performance and Phonogram Treaty (WPPT). Policymakers agree on the need to raise public awareness of IPR rules and regulations and to strengthen enforcement.

The Dutch government has recognized the need to protect IPR, and law enforcement personnel have worked with industry associations to find and seize pirated software. Dutch IPR legislation currently in place explicitly includes computer software as intellectual property (IP) under copyright statutes.

The Netherlands has resisted criminalizing online copyright infringement for personal use, instead placing a surcharge on the sales of blank media such as CDs, DVDs, and USB storage devices to remunerate rights holders. However, a 2014 ruling by the Court of Justice of the European Union requires the government to change this policy and ban online infringement. Although the Dutch government has affirmed it will comply with the ruling, it has yet to provide details on how it will do so.

### Patents

The Netherlands is a signatory to the European Patent Convention, which provides for a centralized Europe-wide patent protection system. The Netherlands has been a staunch supporter of the forthcoming single harmonized European patent procedure that will allow for easier application, in three languages.

Patents for foreign investors are granted retroactively to the date of the original filing in the home country, provided the application is made through a Dutch patent lawyer within one year of the original filing date. Dutch patents are valid for 20 years, in line with EU regulations. Legal procedures exist for compulsory licensing if the patent is inadequately used after a period of three years, but these procedures have rarely been invoked.

Because the Netherlands and the United States are both parties to the Patent Cooperation Treaty (PCT) of 1970, patent rights in the Netherlands may be obtained if a PCT application is used. In addition to possible civil remedies, all IPR laws contain penal bylaws and reference to the Criminal Code. In 2012, the Dutch Parliament passed legislation that strengthened oversight and coordination of seven different collective institutions that oversee control, administration, and remuneration for commercial use of IP.

For additional information about treaty obligations and points of contact at local IP offices, please see [WIPO's country profiles](#).

Resources for Rights Holders:

Contact at American  
Embassy The Hague:  
David Swalley  
Economic Officer  
John Adams Park 1  
2244 BZ Wassenaar  
Telephone: +31 70 310 2270  
Email: [SwalleyDA@state.gov](mailto:SwalleyDA@state.gov)

Country-Specific Resource:  
[BREIN Foundation](#)  
P.O. Box 133  
2130 AC Hoofddorp  
The Netherlands  
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Financial Sector

Capital Markets and Portfolio Investment

The Netherlands is home to the world's oldest stock exchange – established four centuries ago – and to Europe's first options exchange, both located in Amsterdam. The Amsterdam financial exchanges are part of the Euronext group that operates stock exchanges and derivatives markets in Amsterdam, Brussels, Lisbon, and Paris.

Dutch financial markets are fully developed and operate at market rates, facilitating the free flow of financial resources. The Netherlands is an international financial center for the foreign exchange market, Eurobonds, and bullion trade.

The flexibility that foreign companies enjoy in conducting business in the Netherlands extends into the area of currency and foreign exchange. There are no restrictions on foreign investors' access to sources of local finance.

Netherlands Money and Banking System

The Dutch banking sector is firmly embedded in the European System of Central Banks, of which the Dutch Central Bank (DNB) is the national prudential banking supervisor. AFM, the Dutch securities and exchange supervisor, supervises financial institutions and the proper functioning of financial markets and falls under the EU-wide European Securities and Markets Authority (ESMA).

The highly concentrated Dutch banking sector is over three times as large as the rest of the Dutch economy, making it one of Europe's largest banking sectors in relation to GDP. ING, ABN AMRO, Rabobank, and Volksbank hold over 80 percent of total assets. The largest bank, ING, has a balance sheet of \$938 billion (1.03 trillion euros).

The DNB does not consider Bitcoin and similar cryptocurrencies to be a meaningful form of money, as they do not fulfill the traditional purposes of money as stable means of exchange or saving. The DNB does not consider Bitcoin to have any implications for monetary policy.

#### Foreign Exchange and Remittances

#### Foreign Exchange Policies

The Netherlands is a founding member of the EU and one of the first members of the Eurozone. The European Central Bank supervises monetary policy, and the president of the Dutch Central Bank (DNB) sits on the European Central Bank's Governing Council.

There are no restrictions on the conversion or repatriation of capital and earnings (including branch profits, dividends, interest, royalties), or management and technical service fees, except for the nominal exchange-license requirements for nonresident firms.

#### Remittance Policies

The Netherlands does not impose waiting periods or other measures on foreign exchange for remittances. Similarly, there are no limitations on the inflow or outflow of funds for remittance of profits or revenue. The Netherlands, as a Eurozone member, does not engage in currency manipulation tactics.

The Netherlands has been a member of the FATF since 1990 and – because of the membership of its Caribbean territories in the Caribbean FATF (C-FATF) – strongly supports C-FATF.

With the promulgation of additional, preventative anti-money laundering and counterfeiting legislation, the Netherlands has remedied many deficiencies that were revealed in a 2011 Mutual Evaluation Report. As a result, FATF removed the Netherlands from its “regular follow-up process” in February 2014. The State Department's Bureau of International Narcotics and Law Enforcement's International Narcotics Control Strategy Report (INCSR) has listed the Netherlands as a “country of primary concern,” largely because the country is a major global financial center and consequently an attractive venue for laundering funds generated by illicit activities. More information can be found at: [Countries/Jurisdictions of Primary Concern - Netherlands](#).

#### Sovereign Wealth Funds

The Netherlands has no sovereign wealth funds.

#### 6. State-Owned Enterprises

The Dutch government maintains an equity stake in a small number of enterprises and some ownership in companies that play an important role in strategic sectors. In particular, government-controlled entities retain dominant positions in gas and electricity distribution, rail transport, and the water sector. The Netherlands

has an extensive public broadcasting network, which generates its own income through advertising revenues but also receives government subsidies.

For a complete list of all 34 government-owned entities, please see [this link](#)

Private enterprises are allowed to compete with public enterprises with respect to market access, credits, and other business operations such as licenses and supplies. Government-appointed supervisory boards oversee state-owned enterprises (SOEs). In some instances, SOEs must consult with the cabinet ministry that oversees them on large investment decisions. As with any other firm in the Netherlands, SOEs must publish annual reports, and their financial accounts must be audited.

The Netherlands fully adheres to the OECD Guidelines on Corporate Governance of SOEs.

### Privatization Programs

There are no ongoing privatization programs in the Netherlands.

### Responsible Business Conduct

The Netherlands is a global leader in corporate social responsibility (CSR). Principles of CSR are promoted and prescribed through a range of corporate, governmental, and international guidelines. In general, companies carefully guard their CSR reputation and consumers are increasingly opting for products and services that are produced in an ethical and sustainable manner.

The Netherlands adheres to OECD Guidelines for Multinational Enterprises, and the Dutch Ministry of Economic Affairs and Climate Policy houses the National Contact Point (NCP) that promotes OECD guidelines and helps mediate concerns that persons, non-governmental organizations (NGOs), and enterprises may have regarding implementation by a specific company. For more information, visit the Dutch Government's [website](#).

The Dutch government strongly encourages foreign and local enterprises to follow UN Guiding Principles on Business and Human Rights, which states that businesses have a social responsibility to respect the same human rights norms in other countries as they do in the Netherlands.

The Netherlands has no special government programs that promote women empowerment or women's access to investment. Under the law, there is no differentiation for men and women regarding equal access to investment. Furthermore, no groups are excluded from participating in financial markets and the financial system.

The Netherlands has strong standards for corporate governance. Publicly listed companies are required to publish audited financial reports. As of 2017, the EU requires these companies to include a chapter on Responsible Business Conduct.

The Ministry of Economic Affairs established an independent networking organization on CSR called [MVONederland](#) in 2004. MVONederland currently has over 2050 members, including SMEs, multinational corporations, NGOs, as well as local and national administrative bodies.

See: <https://www.csreurope.org/mvo-nederland>

The Dutch government also encourages companies to engage in CSR through incentive programs and by setting high standards. Examples include:

- The government reviews CSR activities of more than 500 corporations annually and presents an award to the company with the highest transparency score.
- The government boosts the development of sustainable products through its own sustainable procurement policy.
- Dutch companies can only join government trade missions if they have endorsed OECD Guidelines for Multinational Enterprises.
- Companies that observe the OECD Guidelines for Multinational Enterprises are eligible for financial support for their international trade and investment activities.
- The government supports the Sustainable Trade Initiative (IDH), which helps companies make their international production chains more sustainable.
- The government conducts sector-risk analyses to identify where problems are most likely to occur and target improvements.
- The government has completed five of 13 sector-wide agreements it intends to make with the private sector in the area of International Corporate Social Responsibility. The five agreements cover textiles, banking and insurance, promotion of vegetable proteins, sustainable forestry, and gold.

The 2018 National Trade Estimate of the Office of the U.S. Trade Representative (USTR) does refer to the fact that some sustainability criteria developed in the Netherlands can bring about trade impediments: “The Sustainable Trade Initiative (IDH) and the Forest Stewardship Council (FSC) have developed standards for soybeans and wood pellets, respectively, that have been supported by the Dutch government and effectively require U.S. producers to meet onerous certification requirements... In particular, the criteria include a requirement for sustainability certification at the forest level, which effectively precludes reliance on the U.S. risk-based approach to sustainable forest management. As a result of the implementation of the criteria, wood pellet exports to the Netherlands have dropped from 7 percent of total U.S. wood pellet exports in 2014 to currently less than 1 percent.”

## Corruption

The Netherlands fully complies with international standards on combating corruption. Transparency International ranked the Netherlands eighth in its 2017 Corruption Perception Index.

Anti-bribery legislation to implement the 1997 OECD Anti-Bribery Convention (ABC) came into effect in 2001. The anti-bribery law reconciles the language of the ABC with the EU Fraud Directive and the Council of Europe Convention on Fraud. Under the law, it is a criminal offense if one obtains foreign contracts through corruption.

At the national level, the Ministry of the Interior and Kingdom Relations and Ministry of Justice and Security have both taken steps to enhance regulations to combat bribery in the processes of public procurement and issuance of permits and subsidies. Most companies have internal controls and/or codes of conduct that prohibit bribery.

Several agencies combat corruption. The National Integrity Office serves as a knowledge center, develops new instruments for tracking problems, and identifies trends on matters of integrity. The Independent Commission for Integrity in Government is an appeals board for whistleblowers in government and law enforcement agencies.

The Netherlands signed and ratified the UN Anticorruption Convention and is party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

## Resources to Report Corruption

Government and NGO contacts for combating corruption are:

National Integrity Office  
Lange Voorhout 13  
2514 EA The Hague  
The Netherlands  
Telephone: +31 70 376 5937  
Email: [info@integriteitoverheid.nl](mailto:info@integriteitoverheid.nl)

Transparency International Nederland  
Benoordenhoutseweg 23  
2596 BA The Hague  
The Netherlands  
Email: [communicatie@transparency.nl](mailto:communicatie@transparency.nl)

## Political and Security Environment

Although political violence rarely occurs in the highly stable and consensus-oriented Dutch society, public debate on issues such as immigration and integration policy has been contentious. While rare, there have been some politically inspired and religiously inspired acts of violence.

The Dutch economy derives much of its strength from a stable business climate by partnerships among unions, business organizations, and the government. Strikes are rarely used to resolve labor disputes. With eight workdays per 1000 employees lost to industrial action, the Netherlands ranks tenth on the list of OECD countries with the lowest incidence of strikes, behind the United States (six days) and Germany (seven days).

## Labor Policies and Practices

The Netherlands has a strongly regulated labor market (nearly 85 percent of labor contracts fall under some form of collective labor agreement), comprised of a well-educated and multilingual workforce. Labor/management relations in both the public and private sectors are generally good in a system that emphasizes the concept of social partnership between industry and labor. Although wage bargaining in the Netherlands is increasingly decentralized, there still exists a central bargaining apparatus where labor contract guidelines are established.

The terms of collective labor agreements apply to all employees in a sector, not only union members. To avoid surprises, potential investors are advised to consult with local trade unions prior to making an investment decision to determine which, if any, labor contracts apply to workers in their business sector. Collective bargaining agreements negotiated in recent years have, by and large, been accepted without protest.

Every company in the Netherlands with at least 50 workers is required by law to institute a Works Council ("ondernemingsraad"), with which management must consult on a range of issues, including investment decisions, pension packages, and wage structures. The Social Economic Council has helpful programs on establishing employee participation that allow firms to comply with the law on Works Councils. These programs can be found on their [website](#).

The annual unemployment rate is forecast to be 3.9 percent in 2018, well below the EU average. The working population consists of 8.9 million persons.

Workers may be sought through government-operated labor exchanges, private employment firms, or through direct hiring. Since 2002, the Netherlands has the highest share of part-time workers in its workforce among the OECD countries. A rise in women participation in the workforce led to a 37 percent increase in the share of part-time workers in the total working population. Two-thirds of women and one quarter of men work less than a 36-hour week. Labor market participation, especially by older workers, is growing, and the number of independent contractors is rapidly increasing.

To ensure continued economic growth and address the impact of an aging population, increased labor market participation is critical. The age to qualify for a state pension (AOW) will increase from age 65 to 67 by 2023. Governmental labor market policies are targeted at increasing productivity of the labor force, including the expansion of working hours. For example, access to daycare is being improved to raise the average number of hours worked by women, which is 10 hours below the average of hours worked by men.

Effective January 1, 2018, the minimum wage for employees older than 23 years is €1,578 (USD \$1,921) per month.

#### OPIC and Other Investment Insurance Programs

The Overseas Private Insurance Corporation (OPIC) does not operate in the Netherlands. However, OPIC insurance and funding is available for U.S. companies that partner with Dutch companies in third-country markets where OPIC operates. The Netherlands is a member of the World Bank Group's Multilateral Investment Guarantee Agency (MIGA).

Dutch-registered companies investing abroad can insure their investments against non-commercial risks through the privately owned Atradius Dutch State Business, N.V., which issues export credit insurance policies and guarantees to businesses on behalf of the Dutch government. The legal basis for investment insurance is contained in the Framework Act for Financial Provisions. Insurance covers assets and cash, as well as loans related to an investment. Both new and (under certain circumstances) existing investments are eligible.

#### Foreign Direct Investment and Foreign Portfolio Investment Statistics

*Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy*

<b>Economic Data</b>	<b>Host Country Statistical source*</b>		<b>USG or international statistical source</b>		<b>USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other</b>
	<b>Year</b>	<b>Amount</b>	<b>Year</b>	<b>Amount</b>	

<b>Host Country Gross Domestic Product (GDP) (M USD)</b>	2017	USD 802,877	2016	USD 777,228	<a href="http://www.worldbank.org/en/country">www.worldbank.org/en/country</a>
<b>Foreign Direct Investment</b>	<b>Host Country Statistical source**</b>		<b>USG or international statistical source</b>		<b>USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other</b>
<b>U.S. FDI in partner country (M USD, stock positions)</b>	2017	USD 827,523	2016	USD 847,391	BEA data available at <a href="http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm">http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm</a>
<b>Host country's FDI in the United States (M USD, stock positions)</b>	2017	USD 908,648	2016	USD 355,242	BEA data available at <a href="http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm">http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm</a>
<b>Total inbound stock of FDI as % host GDP</b>	2017	103%	2016	109%	

Note 1: Host country source for GDP 2017 is Statistics Netherlands (CBS). CBS provides more recent data than World Bank. For a breakdown of Dutch GDP, see the [website](#) of the CBS.

Over 2017, Dutch GDP was 733,168 million euros and 2017 economic growth was 3.3 percent.

- For dollar value of 2017 Dutch GDP, the 2016 World Bank figure is multiplied with the 2017 growth rate: \$802,877.
- Alternatively, for the change rate on 12/31/2017 of €/=\$=1.2, Dutch GDP is \$879,802 million; for the IRS-supplied average exchange rate over 2017 of €/=\$=1.083, Dutch GDP is \$794,332 million.

Note 2: Host country source for FDI stocks and flows is the Dutch Central Bank (DNB). For outward FDI destined for the U.S., the accumulated value in 2017 is 838,682 million euros and for inbound FDI originating from U.S. the accumulated value in 2017 is 763,804 million euros.

The dollar value of Dutch FDI numbers is obtained with IRS-supplied average exchange rate over 2017 of €/=\$=1.083. This shows \$908,648 million for FDI outbound and \$827,523 million for FDI inbound.

See for [outward](#) FDI

See for [inward](#) FDI

Note 3: Eurostat compiles FDI as percentage of GDP for EU member states. For 2016, Eurostat shows that inbound FDI is 551 percent and outward FDI is 688 percent of Dutch GDP. See for [inbound FDI ratio](#) and for [outward FDI ratio](#). Data on the FDI ratios for 2017 is calculated from DNB statistics on FDI in 2017 and CBS data on GDP 2017.

Table 3: Sources and Destination of FDI

IMF data on inward and outward direct investment for the Netherlands is consistent with DNB reporting on FDI.

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**Direct Investment from/in Counterpart Economy Data**

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**From Top Five Sources/To Top Five Destinations (US Dollars, Millions)**

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Inward Direct Investment (2016)			Outward Direct Investment (2016)		
Total Inward	4,083,833	100%	Total Outward	5,093,952	100%
United States	758,146	19%	Luxemburg	600,121	12%
Luxemburg	699,991	17%	United Kingdom	576,831	11%
Bermuda	401,463	10%	United States	543,158	11%
United Kingdom	357,744	9%	Switzerland	383,171	8%
Switzerland	279,504	7%	Germany	237,086	5%

Table 4: Sources of Portfolio Investment

IMF data on portfolio investments for the Netherlands is consistent with DNB reporting on FDI

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**Portfolio Investment Assets (June 2017)**

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**Top Five Partners (Millions, US Dollars)**

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Total			Equity Securities			Total Debt Securities		
All Countries	1,895,947	100%	All Countries	929,181	100%	All Countries	966,766	100%
United States	481,529	25%	United States	320,653	35%	Germany	197,978	20%
Germany	224,208	12%	Luxembourg	93,090	10%	United States	160,876	17%

France	193,033	10%	United Kingdom	66,123	7%	France	156,850	16%
United Kingdom	118,587	6%	Ireland	65,877	7%	United Kingdom	52,463	5%
Luxemburg	113,265	6%	Japan	41,338	4%	Belgium	47,703	5%

### Contact for More Information:

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John Adams Park 1  
2244 BZ Wassenaar  
Telephone: +31 70 310 2276  
Email: [EvertsGE@state.gov](mailto:EvertsGE@state.gov)

## Trade & Project Financing

### Methods of Payment

The most common methods of payment for trade and project financing are:

- Open Account: The exporter sends an invoice to the importer and trusts them to pay as instructed. This is the most common method of payment in the Netherlands.
- Payment on Delivery: This method is also quite common where payment is made 30, 60, or 90 days from the date of the invoice.
- Documentary Collections: The exporter, upon shipment, presents the relevant documents to his or her bank. This bank then sends the documents to the importer's bank, which contacts the importer. In order to receive the documents representing the goods, the importer initiates payment. Both parties are assured of the other's performance under satisfactory terms.
- Letters of Credit: The exporter is paid for the goods shipped or services rendered only upon presenting documents that have been pre-described in a Letter of Credit. Upon issuing a Letter of Credit, the importer's bank acts as guarantor for payment. Payment under a Letter of Credit depends on the documents presented at the bank and not on the quality of the goods delivered or the services rendered.
- Bank Guarantees: A bank guarantee (also known as a bond) obligates the bank to pay a sum of money if the applicant fails to fulfill his/her obligations. The beneficiary may claim the guarantee by presenting copies of unpaid invoices and or other documents relating to the transaction. There are many kinds of guarantees including advance payment guarantees, performance bonds, or maintenance bonds.
- Credit Rating Agencies: Dun & Bradstreet and Graydon have local offices in the Netherlands.
- Credit Collecting Agencies: There are numerous collection agencies in the Netherlands. Please contact the Commercial Service for a list.
- Primary Credit Cards Used: Mastercard, VISA, American Express.

### Banking Systems

Banking and financing are important service industries in the Netherlands, providing funds for international and domestic trade. Three Dutch bank conglomerates, ABN AMRO, Rabobank, and ING Bank dominate the Dutch financial sector, accounting for about 75 percent of total lending. U.S. financial services providers in the Netherlands operate on a level legal field. The Finance Ministry and Central Bank grant full national treatment to foreign banks.

Dutch legislation implements all existing EU law and regulations on the provision of financial services. Banks organized in the Netherlands as branches of a U.S. parent do not benefit from the EU single banking passport and are subject to both U.S. and Dutch regulations.

Foreign financial service providers face no special conditions or restrictions, and receive national treatment. However, one provision of the Dutch 1992 Banking Act does reflect the EU Banking Directive's "reciprocity" provision. The Dutch Ministry of Finance has stated that this section has never been used, and that all applications from non-EU parent banks are handled on a national treatment basis. Banking facilities for international transactions available in the Netherlands generally meet or exceed U.S. standards.

### **Foreign Exchange Controls**

There are no foreign exchange controls in the Netherlands.

### **U.S. Banks & Local Correspondent Banks**

Three big Dutch banks dominate the Dutch banking sector: ABN AMRO, ING, and Rabobank.

American banks with an office in the Netherlands can be found [here](#).

EXIM Bank does not offer country specific or limiting programs for the Netherlands.

### **Project Financing**

Most projects are financed by public and private sector lenders at commercial rates. As a member of the European Union, the Netherlands has access to EU-funded programs, which provide a wide range of support in the form of grants, loans and co-financing for training, feasibility studies, and infrastructure projects in the environmental, transportation, energy, and other key sectors. EU initiatives are designed to support projects within the Member States and the EU wide "economic integration" projects that cross borders.

### **Financing Web Resources**

EU websites:

[The EU Regional Policies, the EU Structural and Investment Funds](#)

[EU Grants and Loans index](#)

[EuropeAid Co-operation Office](#)

[EU tenders Data Base](#)

[The European Investment Bank](#)

U.S. websites:

[Trade Finance Guide](#): A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team

[Export-Import Bank of the United States](#)

[Country Limitation Schedule](#)

[OPIC](#)

[Trade and Development Agency](#)

[SBA's Office of International Trade](#)

[USDA Commodity Credit Corporation](#)

[U.S. Agency for International Development](#)

## **Business Travel**

### **Business Customs**

The "golden key" of customary business is courtesy, in particular, replying promptly to requests for price quotations and other information. In general, Dutch business executives are more conservative than their U.S. counterparts. It is best to refrain from using first names until a firm relationship has been formed.

Punctuality is also important in Dutch business culture. If you know that you will be late for an appointment, be sure to phone ahead and give a plausible excuse. The Dutch value the efficient use of time, and spontaneity is not desirable. Provide at least one week's notice for an appointment made by telephone or email.

Written communication may be in English but a formal tone should be maintained.

Bear in mind that Dutch executives frequently take extended vacations during July and August, and in late December. Avoid planning a business trip to the Netherlands in the summer or around Christmas.

### **Travel Advisory**

The State Department Consular Information Sheet for the Netherlands can be found at the [State Department's travel website](#).

### **Visa Requirements**

Every U.S. traveler must have a valid passport. No visa is required for U.S. citizens visiting the Netherlands for less than three months, but one is required for longer periods. An American citizen entering the Netherlands for permanent residence must register with the Dutch Aliens Police within three days of entering the country. See the [U.S. embassy website](#) for information on consular services. U.S. citizens planning to work in the country must obtain a work and residence permit. Such permits must be obtained by the Dutch employer and are usually granted only for specialized work.

The Netherlands is a signatory of the Schengen Agreement. As such, U.S. citizens may enter the Netherlands for up to 90 days for tourist or business purposes without a visa. If you are traveling for any other purpose, you may need to obtain a visa. Your passport should be valid for at least three months beyond the period of stay. The 90-day period begins when you enter any of the Schengen group of countries. Anyone intending to stay longer than 90 days must obtain the appropriate visa issued by the Dutch Embassy or a Dutch consulate in the United States.

Detailed passport and visa information is available on the [website of the Dutch Embassy in Washington](#).

U.S. companies that require foreign businesspersons to travel to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the [U.S. Embassy website](#).

### **Currency**

The euro is the official currency of the Netherlands. ATMs are widely available. U.S. debit and credit cards are accepted at most points of sale.

### **Telecommunications/Electronics**

The telecommunications infrastructure in the Netherlands is highly advanced and highly developed.

Available services are similar to those in the United States and cell phones operate on GSM technology. There are 16 million cell phone subscriptions. Cell phone rental is relatively cheap, especially when a prepaid service is purchased.

The City of Amsterdam hosts the AMS-IX, one of the largest Internet Exchanges in Europe.

Voltage is 220-240 volts. The primary socket type is Europlug or Schuko, so an adapter is required for U.S. electronic items.

## **Transportation**

Amsterdam's Schiphol Airport has excellent international links. Rental cars are available at numerous locations and can be rented with an international or U.S. state driving license. Cars are driven on the right-hand side of the road. The conditions of the national roads and highways are excellent. Newcomers may find driving in town a little disconcerting and should exercise caution. Trams have the right-of-way, and the many cyclists often make unexpected turns or must be passed at close range. Some city streets have segregated bicycle lanes. Vehicles must yield the right-of-way to vehicles entering from the right unless the vehicle is exiting from a driveway. Roads posted with orange diamonds do not have to yield the right-of-way. The speed limit in cities is 30 miles (50 km) per hour and on most highways about 73 miles (120 km) per hour. Speed limits are strictly enforced.

Most cities in the Netherlands have good public transportation systems (trains, buses, and trams), and prices are reasonable. Taxis are available at designated taxi stands and can be requested by telephone. Fares are comparable with other European cities.

## **Language**

Dutch is the official language. English can be used in commercial correspondence. While language barriers pose no problems, some expressions and terms may have different meanings from those in the United States.

## **Health**

Medical services are excellent, and the quality of hospitals compare with those in the United States. Common medical supplies are readily obtainable, and special supplies are normally available on short notice. An international certificate of vaccination is not required for travelers from the United States. Drinking water is excellent, most pharmaceuticals are available, and sanitation is at American standards.

## **Local Time, Business Hours and Holidays**

The time zone for the Netherlands is Greenwich Mean Time (GMT) +1, or 6 hours ahead of U.S. Eastern Standard Time (EST + 6 hours).

Offices: Monday to Friday, 8:30 a.m. - 5:30 p.m.

Banks: Monday to Friday, 9 a.m. - 4 p.m.

Government: Monday to Friday, 8:30 a.m. - 4 p.m.

Retail: Store hours are generally from 9 a.m. - 6 p.m. weekdays, with one late evening per week, 9 a.m. - 5 p.m. on Saturday, and generally closed on Sundays. An increasing number of retail outlets also open on Sundays.

Upcoming U.S. and Dutch holidays:

**2018:**

Labor Day	September 3
Columbus Day	October 8
Veterans Day	November 12
Thanksgiving	November 22
Christmas Day	December 25
2 <sup>nd</sup> Christmas Day	December 26

The U.S. Embassy is closed on U.S. and Dutch holidays.

**[Temporary Entry of Materials or Personal Belongings](#)**

Detailed information on the customs rules for travelers entering the Netherlands from outside the European Union can be found on the [Dutch Tax and Customs Administration](#) website.