



Doing Business in the Netherlands:

2014 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In The Netherlands

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Market Overview

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- The United States' partnership with the Netherlands is its oldest 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, that makes it the "Gateway to Europe".
- 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 sixty 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 Schiphol Airport, the fourth largest in Europe.
- The Netherlands has capitalized on its location and advanced economy to become one of the top dozen trading countries in the world.
- It is currently ranked 18th in GDP in the world, ninth in imports of goods and services from the United States, and third in direct investment in the United States.
- The United States is the largest foreign investor in the Netherlands and has its largest bilateral trade surplus in the world with this country (\$23.3 billion in 2013).

Various international surveys rank the Netherlands among the countries in the industrialized world with the most competitive economies and most favorable business and investment climates. The World Economic Forum (WEF) Global Competitiveness Index places the Netherlands in seventh position among the world's most competitive economies. The Economist Intelligence Unit (EIU) ranks the Netherlands tenth on its 2011 global business environment ranking for the period up to 2015.

The European Union continues to endure a serious economic crisis involving sovereign debt and the banking system. While the sovereign debt crisis has been focused on only a few euro area members, it has become a serious issue for the entire 18-member euro area, including the Netherlands. Significant mechanisms have been adopted in order to

deal with the crisis including two major lending facilities. In February 2012, the European Stability Mechanism was signed and provides a permanent rescue funding program.

Market Challenges

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- Except for EU-wide impediments, there are no significant trade barriers.
- Because of the size, accessibility, and competitive nature of the Dutch market, importers usually insist on an exclusive distributorship.
- Exporters may need to adapt their products and documentation for the Dutch market.

Market Opportunities

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European Union rules have opened public procurement to U.S. firms, and there may be attractive opportunities for U.S. companies to participate in the renewal of the Dutch transport infrastructure.

Best prospects are listed in Chapter 4 in this report. A rule of thumb is that products selling well in the U.S. market will generally have market potential in the Netherlands.

Market Entry Strategy

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- The Dutch market is highly competitive - the "golden key" of customary business is courtesy, especially replying promptly to requests for price quotations and to orders.
- Dutch business executives are generally more conservative than their U.S. counterparts; therefore, it is best to refrain from using first names until a firm relationship has been formed.
- Friendship and mutual trust are highly valued, and once trust has been earned, a productive working relationship can usually be counted upon.
- Dutch buyers appreciate quality and service and are also interested in delivery price. Care must be taken to assure that delivery dates will be met and that after-sales service will be promptly honored.
- U.S. exporters should maintain close liaison with distributors and customers to exchange information. Understanding developed through periodic personal visits is 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.
- A vigorous and sustained promotion is often needed to launch products because buying habits are generally strong. Products must be adapted to both technical requirements and to consumer preferences. It is not sufficient to merely label a product in conformity to national requirements for the development of the full market potential. Consumers must also be attracted to the product by label and packaging as well as ease of use.

- Most Dutch speak their minds and will not waste your time or their own if they are not interested in your product.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/3204.htm>

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.

Distinguishing strengths include the Netherlands' stable political and macroeconomic climate, a highly developed financial sector, strategic location, well-educated and productive labor force, and the high quality of its physical and communications infrastructure. Investments in the Netherlands take advantage of its highly competitive logistics industry, anchored by the largest port and fourth-largest airport in Europe. In communications, the Netherlands has the highest internet penetration in the European Union and hosts the largest data transport hub in the world.

The Netherlands is the largest recipient and source of foreign direct investment in the world and the largest historical recipient of direct investment from the U.S. This position partly reflects the Netherlands' competitive economy and a tax climate that many corporations find favorable. However, the majority of investment flows to the Netherlands are not ultimately destined for the Dutch market but rather pass through the Netherlands en route to another destination. Nonetheless, the Dutch economy is characterized by a high degree of foreign investment in a wide range of sectors including logistics, information technology, and manufacturing.

In the past year, the Dutch government has initiated significant reforms to labor market policy, the housing sector, the energy market, and the pension system. Reflecting common Dutch practice, these reform policies were crafted following close consultations with key stakeholders including business associations, labor unions, and civil society groups.

Following a protracted recession that ended in late 2013, the macroeconomic outlook in the Netherlands is modestly positive for 2014 and 2015. The Dutch government projects economic growth of 0.75 percent in 2014 and 1.25 percent in 2015. Projected drivers of growth include increased exports and growing business investments. Domestic

consumption, which has been depressed in large part because of housing market weakness, will remain stagnant.

1. Openness To, and Restrictions Upon, Foreign Investment

1.1. Attitude Toward FDI

The Netherlands is the world's eighteenth largest economy and the fifth largest in the European Monetary Union (the Eurozone), with a GDP of over \$770 bn (€543 billion). According to International Monetary Fund (IMF), the Netherlands is the largest source and recipient for foreign direct investment in the world, though the Netherlands is not the ultimate beneficial destination for the majority of this investment. The government of the Netherlands maintains liberal policies toward FDI and adheres to OECD investment codes and guidelines.

The Netherlands is the recipient of eight percent of all FDI inflow into EU. It is the largest single recipient of American foreign direct investment, at 14.5 percent of all U.S. FDI abroad on a historical cost basis as of 2012. 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 to other EU members.

A more friendly tax regime introduced in the late 1990s and a drop in the corporate tax rate to 25 percent in 2011 make the Netherlands an attractive location for European headquarters. Dutch tax authorities provide a high degree of customer service to foreign investors. Transparent, precise tax guidance lets investors know what to expect regarding long-term tax obligations. Advance Tax Rulings (ATR) and Advance Pricing Agreements (APA) are guarantees given by local tax inspectors regarding long-term tax commitments for a particular acquisition or greenfield investment. More detailed description of Dutch tax policy for foreign investors can be found at http://nfia.com/images/shared/location_factors/WiH_fiscal_Oct12.pdf.

Dutch corporations and branches of foreign corporations are subject to a corporate tax rate of 25 percent on taxable profits, which puts the Netherlands in the medium third of the corporate tax bracket in the EU. Profits up to €200,000 (approximately \$338,000) are taxed at a rate of 20 percent. Dutch corporate taxation generally allows for the exemption of dividends and capital gains derived from a foreign subsidiary. Surveys into the corporate tax structure of EU Member States observe that both the corporate tax rate and the effective corporate tax rate in the Netherlands are average. Nevertheless, the Dutch corporate tax structure ranks among the most competitive in Europe given other beneficial tax measures. No local Dutch income taxes are levied on corporations. 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 (<http://www.nfia.com>). Additionally, an EU format information gateway, <http://www.answersforbusiness.nl>, is readily accessible for information on regulations, taxes, and investment incentives that apply to foreign investors in the Netherlands.

The Netherlands maintains six regional offices of the NFIA in the U.S. (in Atlanta, Boston, Chicago, New York City, San Francisco, and Washington, DC). Similarly, the American Chamber of Commerce in the Netherlands (<http://www.amcham.nl>) promotes U.S.-Dutch business interests.

1.2. Other Investment Policy Reviews

The Netherlands has not recently undergone an investment policy review by OECD, WTO, or UNCTAD.

1.3. Laws/Regulations of FDI

Commercial laws and regulations accord with international legal practices and standards, and 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 government, business, and labor representatives, administers Dutch M&A rules. SER rules are intended – first and foremost – to protect the interests of stakeholders and employees. They include requirements for the timely announcement of M&A plans and for discussions with trade unions.

1.4. Industrial Strategy

FDI is 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.

The right-left coalition government that assumed office in October 2012 emphasizes the importance of business and trade, and aims to create a more entrepreneur-friendly environment. It has identified nine so-called ‘top sectors’ (creative industries, logistics, horticulture, agriculture & food sector, life sciences, energy, water, chemical industry, and high tech) at the center of government’s industrial policy. The policy focuses on improving cooperation between businesses, knowledge institutions, and the government. At the same time, partially due to the government’s austerity measures, business subsidies have been reduced. For more information, see paragraph 5.2 and <http://www.government.nl/issues/entrepreneurship-and-innovation/investing-in-top-sectors>

1.5. Limits on Foreign Control

With few exceptions, the Netherlands does not discriminate between national and foreign individuals in the establishment and operations of private companies. Although the government has reduced its role in the economy by introducing market forces in public utility sectors, it has taken measures to ensure key infrastructure remains government-controlled, and there are a number of strategic sectors in which private investment, including foreign investment, may be subject to limitations or conditions. These are, among others: transportation, energy, defense and security, finance, postal services, public broadcasting, and the media.

Air transportation is governed by EU regulations and subject to a bilateral agreement between the U.S. and the EU. U.S. nationals can invest in Dutch/European carriers as long as the airline remains majority-owned by 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 to that allowed by the United States for foreign nationals in U.S. carriers.

1.6. Privatization Program

There are no ongoing privatization programs in the Netherlands. Government-controlled entities will retain dominant positions in gas and electricity distribution, rail transport, and the water sector. The government was forced to nationalize ABN AMRO Bank and the insurance company ASR insurance company in 2008 and the bank and insurance company SNS Reaal in February 2013. However, the government has announced its intention to privatize these financial institutions, likely through a public offering.

1.7. Screening of FDI

The Netherlands has no formal foreign investment screening mechanisms and no foreign ownership quotas with the exception of certain limitations in the strategic sectors noted earlier (transportation, energy, defense and security, finance, postal services, public broadcasting, and the media). There is also no requirement for nationals to have an equity stake in a Dutch-registered company.

1.8. Competition Law

Structural and regulatory reforms are an integral part of a major reorientation of Dutch economic policy. Market competition is being 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.

In early 2013, the new Authority for Consumers and Markets (ACM) was established through the merger of three separate market regulators for Consumer Protection

(Consumenten Autoriteit), Post and Telecommunications (OPTA), and Market Competition (NMA).

1.9. Investment Trends

In summary, Dutch domestic restrictions on foreign investment remain minimal, with no new restrictions planned. As mentioned, maintaining an investment-friendly reputation is a high priority for the Dutch government.

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	8 of 177	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom index	2013	15 of 177	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2013	28 of 189	http://doingbusiness.org/rankings
Global Innovation Index	2013	4 of 142	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2012	\$ 47,970	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

The Netherlands is a founding member of the EU and one of the initial entrants in the Eurozone. As such, monetary policy is under the supervision of the European Central Bank; the president of the Dutch Central Bank (DNB) sits on the European Central Bank's Governing Council.

In its most recent Semiannual Report on International Economic and Exchange Rate Policies, released in October 2013, the Department of Treasury made note of the Netherlands' persistently high current account surplus, which may reflect internal imbalances in the Eurozone. For 2013, the Netherlands' current account surplus stood at 10 percent of gross domestic product.

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, with the exception of the nominal exchange license requirement for nonresident firms.

3. 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 seen in the nationalization of ABN AMRO during the 2008 financial crisis. In the event of expropriation, the Dutch government follows customary international law, providing prompt, adequate compensation and ample process for legal recourse. The U.S. Mission to the Netherlands is unaware of any recent expropriation claims involving the Dutch government and U.S. or other foreign-owned property.

4. Dispute Settlement

Dutch contract law is based on the principle of party autonomy and full freedom of contract. Signing parties are free to draft their agreement in any form, 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. Since January 1, 2013, a further liberalization of corporate law has been implemented that allows for more flexibility in corporate governance structure.

4.1. Bankruptcy

Dutch bankruptcy law is governed by the Dutch Bankruptcy Code ('Faillissementswet') which applies both to individuals and companies. The code covers three separate legal proceedings. The first is bankruptcy ('faillissement'), with the goal to liquidate the company's assets. The second legal proceeding is receivership, aiming at reaching an agreement between the creditors and the company. The third proceeding – which applies only to individuals – is debt restructuring ('schuldsanering').

The World Bank's Doing Business Report lists the Netherlands as number 5 in resolving insolvency. The Netherlands ranks better than the OECD average on time, cost, and recovery rate on bankruptcies.

4.2. Investment Disputes

The Dutch civil court system has a chamber dedicated to business disputes: the Enterprise Chamber. This feature is unique among EU member states and the Enterprise Chamber has received positive reviews from institutional investors, companies and investors. The Enterprise Chamber judges include experts in commercial fields as well as the legal profession. They generally act swiftly and decisively in a wide range of corporate disputes, including conflicts regarding corporate control.

4.3. International Arbitration

The Netherlands accepts binding international arbitration of investment disputes and domestic courts enforce foreign arbitral awards.

The Netherlands has maintained a treaty of Friendship, Commerce and Navigation with the United States since 1956 that generally provides for national treatment and free entry for foreign investors, with certain exceptions. This Dutch-American Friendship Treaty – also known as DAFT or the Dutch American Residency Treaty – gives American citizens preferential treatment to operate a business in the Netherlands. In contrast to other non-EU nationals who want to work in the Netherlands on a self-employed basis, Americans applying under the treaty do not need to satisfy the points-based test which is applied to non-EU businesses. As far as the embassy is aware, there have not been any investment disputes raised by an American company in the Netherlands during the last 10 years.

4.3.1. ICSID Convention and New York Convention

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

5. Performance Requirements and Investment Incentives

5.1 WTO/TRIMS

The Netherlands is a member of WTO and has not notified the organization that it would not fully comply with Trade Related Investment Measures (TRIMs). In addition, the embassy is not aware that the Netherlands violates WTO's TRIMs.

5.2 Investment Incentives

There are no trade-related investment performance requirements in the Netherlands. General requirements to qualify for investment subsidy schemes apply equally to domestic and foreign investors.

There are no requirements for employment of local capital or managerial personnel. In practice, however, many chief executives of major American subsidiaries in the Netherlands are Dutch or other EU nationals. Professional managers are often available at a cost lower than that of posting an American abroad.

Industry-specific, targeted investment incentives have long been a tool of Dutch economic policy to facilitate economic restructuring and to promote energy conservation, regional development, environmental protection, R&D, and other national socioeconomic goals. Such subsidies and incentives are available to foreign and domestic firms alike and are spelled out in detailed regulations. Subsidies are in the form of tax credits that

are usually disbursed through corporate tax rebates or direct cash payments in the event of no tax liability.

Since 2011, successive Dutch governments have pursued a program designed to stimulate research and development investments in the nine so-called top sectors: agriculture and food, chemicals, the creative industry, energy, high-tech systems and materials, life sciences and health, logistics, horticulture, and water. The stated ambitions for this policy are to improve the Dutch knowledge-intensive industries to reach a top 5 rank among global knowledge-based economies by 2020, to increase the percentage of R&D efforts to 2.5 percent of GDP by 2020, and to establish sector-specific Innovation Consortia wherein both public and private sectors participate with a budget of over €500 million. In a joint effort with academia and the private sector, the government has instituted preferential policy that releases over €1 billion in additional funding for R&D and product innovation in the top sectors.

Nearly a quarter of all firms in the Netherlands are active in one of these sectors, which generate 21 percent of overall employment and account for 27 percent of value added. These sectors are also highly export-orientated, accounting for 40 percent of Dutch exports. Over 95 percent of R&D expenditures on proprietary research within the Netherlands take place in these sectors. In the coming years, more funding is expected to be available as additional government policies in taxation, SME support, and product development are rolled out. By 2015 the government share in the national Top Sector program is expected to amount to €2B.

Foreign investors are free to apply for government grants as the Dutch government reviews applications on a case-by-case basis with no preference for nationality of the bidder.

Although much coordination of investment support is executed at the Ministry and NFIA level, the Netherlands has a strong tradition of regional development agencies. These agencies advise both business and local authorities on the best use of regional development funds. Many have evolved into investment agencies that provide equity participation for up-and-coming enterprises in the region. EU regional development is distributed through regional development agencies. Regional non-tax incentives are available in the form of cash grants, low interest loans, and local government participation and export guarantees for selected areas.

6. Right to Private Ownership and Establishment

Rights of private ownership and establishment of business enterprises are guaranteed in the Netherlands, except in some cases in the strategic sectors noted earlier. Legal guidelines on mergers, acquisitions, and reinvestment are applied without regard to nationality.

As of 2013, 22 Fortune 500 companies maintain global headquarters in the Netherlands. However, this number includes 11 companies which have a joint British-Dutch headquarters. Of the 400,000 registered companies in the Netherlands, nearly 6,000 enterprises are wholly-owned by foreign firms. Most of these have EU origins, but outside the EU area the U.S. is the most important country of origin: approximately 20 percent of foreign owned enterprises in the Netherlands are American.

7. Protection of Property Rights

7.1 Real Property

The Netherlands fully complies with international standards on protection of real property. World Bank's Doing Business Report ranks the Netherlands at 47 on 'registering property'. The number of procedures is equal to the OECD average while processing time is only 10 percent of the OECD average time. Costs, however, are higher than the OECD average.

7.2 Intellectual Property Rights

IPR: The Netherlands has a generally strong set of laws and regulations that protect intellectual property rights (IPR). With the implementation of EU Directive 2004/48 on the enforcement of intellectual property rights, IPR holders have more instruments at their disposal to enforce their rights in civil court.

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

Despite its participation in the 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.

The Netherlands is not listed in USTR's Special 301 Report, but it is listed as a host of infringing websites in USTR's Notorious Markets list.

<http://eb.e.state.sbu/sites/tpp/IPE/Pages/Special301NotoriousMarkets.aspx>

Copyright: The Netherlands implemented the 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). There is consensus among policy makers on the need for measures aimed at raising awareness of IPR rules and regulations and to strengthen enforcement.

Patents: The Netherlands is a signatory to the European Patent Convention, which provides for a centralized Europe-wide patent protection system. This convention has simplified the process for obtaining patent protection in EU Member States. Infringement proceedings remain within the jurisdiction of the national courts, which could result in divergent interpretations detrimental to U.S. investors and exporters. The Netherlands has been a staunch supporter of the forthcoming single, harmonized European patent procedure that will allow for easier application in just three languages. This so-called unitary patent will be under the jurisdiction of a single European patent court to adjudicate disputes.

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. 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. Patent applications can be filed in English, but the conclusion must be written in Dutch.

Since 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.

Beside possible civil remedies, all IPR laws contain penal bylaws and reference to the Criminal Code. In 2012, parliament passed legislation that strengthened the oversight and coordination of seven different collective institutions that concern themselves with the control, administration, and remuneration of commercial use of works under IPR holdership.

The Dutch government has recognized the need to protect intellectual property rights, 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 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 ruling by Court of Justice of the European Union in April 2014 requires the government to change this policy and ban online infringement. Though the Dutch government has affirmed it will comply with the ruling, it is not yet clear how Dutch laws will be amended to comply with the Court's ruling.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>

7.3 Resources for Rights Holders

Contact at American Embassy The Hague:

Christina Hardaway

Economic Officer

Phone: +31 70 310 2270

Email: hardawayced@state.gov

Country-Specific Resource:

BREIN Foundation

<http://www.anti-piracy.nl/english.php>

P.O. Box 133

2130 AC Hoofddorp

The Netherlands

Phone: +31 23 799 7870

8. Transparency of the Regulatory System

Laws and regulations that affect direct investment, such as environmental rules and health and safety regulations, are non-discriminatory and apply equally to foreign and domestic firms.

As an EU member and as a 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.

In April 2013, the new the Netherlands Authority for Consumers and Markets (ACM) was established through the merger of three separate market regulators for consumer protection, post and telecommunications, and antitrust law.

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).

The Netherlands has a pilot program for public comment on proposed laws and regulations at the discretion of the drafting ministry, though the majority of legislation and regulations does not go through this process. New laws and regulations must be approved by the Second and First Chambers of Parliament.

9. Efficient 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, London, 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 and for Eurobonds and bullion trade. There are no restrictions on foreign investors' access to sources of local finance.

Dutch financial institutions were hit hard by the 2008 global financial crisis. The government nationalized Fortis Bank Nederland and the Dutch activities of ABN AMRO Bank and provided capital injections and guarantees to other large financial institutions including the ING Group, bank and insurance company SNS Reaal, and insurance company Aegon.

More recently, the government was forced to bail out SNS Reaal in February 2013, due to problematic investments in commercial real estate. However, the Dutch financial sector is recovering from the financial crisis and banks have largely paid back state support received in 2008 and 2009. The government has announced its intention to return ABN AMRO and SNS Reaal to private ownership.

9.1 Hostile Takeovers

The failed bid for former state monopoly telecom company Royal KPN N.V. by Mexican telecom company America Movil in 2013 represents a recent, though rare, example of the prevention of a hostile takeover. KPN Foundation, an independent foundation tasked with protecting the interest of KPN shareholders, blocked Movil's offer to purchase all remaining KPN shares in August 2013. KPN Foundation used a "poison pill" construction due to perceived "considerable uncertainty" about America Movil's intentions. America Movil withdrew its bid in October 2013.

10. Competition from State-Owned Enterprises

There is very little state intervention in the private sector. The state's equity stake in (former) state owned enterprises (SOEs) has been decreasing for decades. Nonetheless, the Dutch government maintains equity stakes or complete ownership in companies that play an important role in strategic sectors. Government-controlled entities will 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.

The following sectors include companies and organizations in which the government is the majority shareholder (with at least 51 percent ownership): transportation and infrastructure, energy, gas trade, nuclear energy, gambling, and finance. For a list with government owned entities please see

<http://www.rijksoverheid.nl/bestanden/documenten-en-publicaties/publicaties/2013/10/18/overzicht-staatsdeelnemingen/overzicht-staatsdeelnemingen.pdf>

Private enterprises are allowed to compete with public enterprises with respect to market access, credits, and other business operations such as licenses and supplies.

State-owned enterprises operate with government oversight through the appointment of a supervisory board. In some instances, SOEs must consult with the cabinet ministry that oversees them on large investment decisions. As with any other firms in the Netherlands, SOEs must publish annual reports, and their financial accounts must be audited.

10.1 OECD Guidelines on Corporate Governance of SOEs

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

10.2 Sovereign Wealth Funds

The Netherlands has no sovereign wealth funds.

11. Corporate Social Responsibility

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

The Dutch government strongly encourages foreign and local enterprises to follow the United National Guiding Principles on Business and Human Rights based on the guiding principle that the businesses have the a social responsibility to apply the same human rights norms both in the Netherlands and elsewhere. For more information, please see <http://www.business-humanrights.org/Links/Repository/1024964>

The Netherlands has strong standards for corporate governance and publicly listed companies are required to publish audited financial reports.

11.1 OECD Guidelines for Multinational Enterprises

As adherents to the OECD Guidelines for Multinational Enterprises, the Dutch Ministry of Economic Affairs houses the National Contact Point (NCP) that promotes the Guidelines and helps mediate any concerns that persons, NGOs, and enterprises may have regarding the implementation of the OECD Guidelines by a specific company. (For more information, visit <http://www.oecdguidelines.nl>)

12. Political Violence

The Netherlands has a stable political environment. Although political violence rarely occurs in the highly consensus-oriented Dutch society, public debate on issues such as immigrant integration policy has been contentious. While rare, there have been politically and religiously inspired acts of violence, including the 2004 killing of controversial filmmaker Theo van Gogh and the 2002 assassination of the populist politician Pim Fortuyn.

The Dutch economy derives much of its strength from a stable business climate fostered by partnership between unions, business organizations, and the government. Industrial action is rarely regarded as the primary means to settle labor disputes and strikes are unusual. Despite years of economic crisis and austerity measures, including raises in the retirement age, the frequency of strikes continues to be very low. There have not been any general or large-scale strikes in recent years.

13. Corruption

The Netherlands fully complies with international standards on combating corruption. The NGO Transparency International ranked the Netherlands eighth on its 2013 Corruption Perception Index. The United States ranks 19th on this list.

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

Anti-bribery legislation to implement the 1997 OECD Anti-Bribery Convention (ABC) became effective 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. It makes corruption by Dutch businessmen in landing foreign contracts a penal offense.

At a national level, the Ministry of the Interior and Kingdom Relations and the Ministry of Security and Justice have taken steps to enhance regulations to combat bribery in public procurement and in the 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.

Government Agency responsible for combating corruption:

National Integrity Office
Lange Voorhout 13
2514 EA The Hague
The Netherlands

Phone: +31 70 376 5937

Email: info@integriteitoverheid.nl

Watchdog organization:

Transparency International Nederland

Benoordenhoutseweg 23

2596 BA The Hague

The Netherlands

Email: communicatie@transparency.nl

14. Bilateral Investment Agreements

As mentioned under paragraph 4.3, the Netherlands has maintained a treaty of Friendship, Commerce and Navigation with the United States since 1956 that generally provides for national treatment and free entry for foreign investors, with certain exceptions. This Dutch-American Friendship Treaty is also known as DAFT or the Dutch American Residency Treaty.

The Netherlands shares bilateral investment treaties (BITs) which afford certain investor protections with more than 100 countries in Asia, Latin America, Africa, and Eastern Europe, 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 (FYROM), 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.

For updated list and legal status of these agreements please see

<http://www.rijksoverheid.nl/onderwerpen/internationaal-ondernemen/documenten-en-publicaties/besluiten/2007/04/16/teksten-ibo-overeenkomsten.html>

14.1 Bilateral Taxation Treaties

The Netherlands has a bilateral taxation treaty with the United States. Treaty documents are available at: <http://www.irs.gov/Businesses/International-Businesses/Netherlands---Tax-Treaty-Documents>

15. 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 American companies partnering with Dutch companies in third markets where OPIC operates. The Netherlands is a member of the 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 laid 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.

16. Labor

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, multilingual, and motivated workforce. Legislation has been passed or is in progress to increase labor market flexibility. 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 that sector, not only the union members. To avoid surprises, potential investors are advised to consult with local trade unions to determine which, if any, labor contracts apply to workers in their business sector prior to making an investment decision. Collective bargaining agreements negotiated in the past few years have, by and large, been accepted by the rank and file without much protest.

The Dutch economy derives its strength from free trade and a stable industrial climate fostered by partnership among unions, employers' organizations, and the government. There is substantial labor involvement in corporate decision-making on matters affecting workers. Each company in the Netherlands with at least 50 workers is required by law to institute a Works Council ('ondernemingsraad'), which management must consult on a range of issues including investment decisions. The Dutch government has introduced legislation governing employee participation of European companies (companies operating in at least two EU member states). Under this legislation, company management and workers must conclude an agreement on employee participation. Trade unions and management are generally receptive to foreign investment, especially

where this leads to improved employment possibilities and related benefits. U.S. companies generally perceive Works Councils as contributing to better management-worker relations and a benefit to the company.

The annual unemployment rate was estimated at 6.7 percent in 2013, well below the EU average. The working population consists of 7.9 million persons. Workers may be found through government-operated labor exchanges, private employment firms, or through direct hiring.

Since 2002, the Netherlands has had the highest part-time work rate in the OECD. An increase in the participation of women 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 in four men work less than a 36-hour week. Labor market participation, especially by older workers, is gradually growing. The number of independent contractors is rapidly increasing, creating a more flexible workforce.

Increased labor market participation is regarded as critical to ensuring continued economic growth and to coping with the impact of an aging population. The age to qualify for a state pension (AOW) will gradually increase from 65 to 67 years by 2023. Beginning in 2024, increases in the retirement age will be linked to life expectancy. Government labor market policies are targeted at increasing the productivity of the labor force, including expansion of working hours. The maximum average workweek was increased from 50 to 60 hours in 2004. In a related move, 2007 legislation increased the number of hours a worker must complete before earning a break. New legislation has also been adopted which will increase the flexibility of operating hours for companies and shops.

Effective January 1, 2014, the minimum wage for employees older than 23 years is €1,485.60 (\$2,052) a month.

17. Foreign Trade Zones/Free Ports

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

Schiphol Airport alone handles over 1.5 million tons of goods for distribution. Specific premises in the Schiphol area 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 the Le Havre – Hamburg coastline and processing over 442 million tons of

goods in 2012, the most recent year for which data is available. Many agents operate customs warehouses under varying customs regimes on the premises of the Port of Rotterdam.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy

	Host Country Statistical source*1		USG or international statistical source		USG or international (Source of Data: BEA; IMF; Eurostat; UNCTAD, Other)
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) <i>(Millions U.S. Dollars)</i>	2013	\$749.4 billion	2012	\$770.6 billion (current US\$)	http://www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source*2		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country <i>(Millions U.S. Dollars, stock positions)</i>	2012	\$802,219 million	2012	\$645,098 million	BEA
Host country's FDI in the United States <i>(Millions U.S. Dollars, stock positions)</i>	2012	\$579,006 million	2012	\$274,904 million	BEA
Total inbound stock of FDI as % host GDP	2012	277%			Based on numbers by World Bank (for GDP) and IMF (for total inward direct investment to the Netherlands). *3

* 1) Dutch Central Bank <http://www.statistics.dnb.nl/en/key-statistics-dutch-economy/index.jsp>

2) Dutch Central Bank <http://www.statistics.dnb.nl/en/balance-of-payments-and-international-investment-positions/index.jsp> these numbers include the 'special financial institutions (SFIs)', for definition of SFIs <http://www.dnb.nl/en/statistics/eline-bb/application-forms/sfi/>

3) International Monetary Fund <http://cdis.imf.org/>

TABLE 3: Sources and Destination of FDI

The Netherlands, 2012

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	3,670,121	100%	Total Outward	4,504,713	100%
United States	766,405	21%	United Kingdom	556,673	12%
Luxembourg	540,185	15%	United States	551,164	12%
United Kingdom	458,445	12%	Luxembourg	461,729	10%
Switzerland	205,942	6%	Germany	275,724	6%
Germany	165,317	5%	Switzerland	263,095	6%

"0" reflects amounts rounded to +/- \$ 500,000.

Source: <http://cdis.imf.org/>

The Netherlands is the largest recipient and source of foreign direct investment in the world. However, according to the 2011 IMF report "Where Investment Goes," most of the funds passed through the Netherlands to a different ultimate beneficial destination. The IMF noted that the Netherlands has "special legislation that provides advantages to multinational corporations using these countries as pass-throughs." However, the Netherlands is not considered to be a tax haven.

TABLE 4: Sources of Portfolio Investment

The Netherlands, end of 2012

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
World	1,657,965	100%	World	720,123	100%	World	937,841	100%
United States	350,707	21%	United States	233,291	32%	Germany	241,262	26%
Germany	266,771	16%	Luxembourg	75,113	10%	France	154,412	16%
France	185,484	11%	United Kingdom	72,407	10%	United States	117,416	13%
United Kingdom	122,787	7%	Ireland	53,145	7%	Italy	50,810	5%
Luxembourg	89,631	5%	France	31,072	4%	United Kingdom	50,380	5%

Source: <http://cpis.imf.org/>

19. Contact Point at Post for Public Inquiries

Christine Hardaway
Economic Officer
American Embassy
Lange Voorhout 102
2514 EJ The Hague
The Netherlands
Phone: +31 70 310 2270
Email: hardawayced@state.gov

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Using an Agent or Distributor

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The Netherlands has a variety of experienced importers, sales agents, and distributors well versed in international trade. More than 7,000 U.S. companies have appointed Dutch agents and distributors in the Netherlands. Distributors who purchase for their own account and distribute throughout the country and Europe handle a large portion of the goods. Because of 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 customarily have one exclusive representative for the entire country. However, it is common for the representative to appoint subagents to cover certain sectors of the market if sales volume and profit margin warrant.

A Dutch representative can sometimes provide an excellent starting point for exporting 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 at <http://export.gov/netherlands/index.asp>, or by contacting your local Export Assistance Center or the Commercial Service directly in The Hague (see contact numbers at the end of this guide).

Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed 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 be given 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.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

The EU also looks to combat payment delays. The new Directive 2011/7/EU, which replaced the current law in March 2013, covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing 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 8 percent above the European Central Bank rate) as well as 40 Euro as 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.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF>

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. In addition, SOLVIT, a network of national centers, offers online assistance to citizens and businesses who encounter problems with transactions within the borders of the single market.

Key Links:

<http://www.ombudsman.europa.eu/home/en/default.htm>
http://ec.europa.eu/solvit/site/about/index_en.htm

Establishing an Office

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The Netherlands has a flexible legal environment that allows non-resident companies and individuals to open an office. There is no legal differentiation between local and foreign-owned companies. The office can be set up with or without a legal personality.

If it has a legal personality, the entrepreneur cannot be held liable for more than the sum he 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 commonly 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 the articles of association. The incorporators of a BV must provide a minimum of 18,000 euro of the share capital. For the incorporation of an NV, the amount is 45,000 euro.

To complete the incorporation procedure, the founders have to register the new company in the Commercial Register at the Chamber of Commerce of the district in which 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 the foreign investor prefers not to set up a legal entity in the Netherlands, a branch might be a better option. A branch is easier and less expensive to establish than a subsidiary. However, a branch is not a separate legal entity, so the branch's foreign parent is fully liable for all of its obligations.

Franchising

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Approximately 670 franchise concepts operate in the Netherlands, with more than 28,500 outlets, employing 247,000 people, and with annual sales of more than \$40 billion.

There are no regulations governing franchising specifically, and none that limit access to the market for U.S. firms. Franchise concepts are subject to national competition regulations and fair trading laws. There is a mature network of experienced bankers, lawyers, accountants, consultants and other advisors specialized in the field of franchising.

The reasons few U.S. franchise formulas operate in the Netherlands are generally high master franchise fees for U.S. formulas and competition from cheaper, local formulas. Successful U.S. franchise operations in the Netherlands include McDonalds, Domino's Pizza, Pizza Hut, and ERA.

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and, generally, do not constrain the competitive position of U.S. businesses. The potential franchiser should take care to look not only at the EU regulations but also at the local laws concerning franchising. More information on specific legislation can be found

on the website of the European Franchise Federation: <http://www.eff-franchise.com/spip.php?rubrique21>

Direct Marketing

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The industry spends in excess of \$1.5 billion annually, making it the third largest marketing medium after television and daily newspapers.

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

There is a wide range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using 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

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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, for instance, a partnership or a BV. The structuring of a joint venture is a complicated process and normally requires a specialist advisor.

Selling to the Government

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

The public procurement market in the EU is currently regulated by three Directives and, in 2014, the EU adopted new legislation in this area. New EU Directives were adopted for the general and utilities sectors as well as one on 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; and

- 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.

The U.S. and the EC are signatories to the World Trade Organization's (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and services and some work contracts published by national procurement authorities of the countries that are parties to the Agreement. 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:
http://ec.europa.eu/internal_market/publicprocurement/rules/gpa-wto/index_en.htm

However, there are restrictions for U.S. suppliers in the EU utilities sector, both in the EU Utilities Directive and in EU coverage of the GPA. The Utilities Directive allows EU contracting authorities to either: 1) reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50 percent of the total value of the goods constituting the tender; or 2) apply a 3 percent price difference to non-EU bids in order to give preference to the EU bid. These restrictions are applied when no reciprocal access for EU companies in the U.S. market is offered. Those restrictions, however, are waived for 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.

Key Link:

<http://export.gov/europeanunion/grantstendersandfinancing/eu-fundedprogramsgrants/index.asp>

Distribution and Sales Channels

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Contributing eight percent to the GDP, transportation and distribution is a core business activity in the Dutch economy. Over 400,000 people are employed in the transportation and distribution sector. The geographical position of the Netherlands makes it the gateway to Europe. This can be illustrated by the following facts: Rotterdam, the world's third-largest port, handles about 41 percent of all sea cargo in Europe; Amsterdam Schiphol Airport is Europe's fourth largest airport; and 27 percent of all international road transport and 50 percent of all European inland shipping is done by the Dutch. The total amount of goods handled by the Dutch transport and distribution sector amounts to 1.4 billion tons annually. Major sectors include sea cargo, inland shipping, road cargo, rail cargo, air cargo, and pipeline transportation. The Dutch logistics sector is a strong proponent of the just-in-time (JIT) logistics model.

The introduction of products into the Dutch market is relatively uncomplicated and may be achieved using several methods. Product representation throughout the Netherlands is facilitated by the compact market and may be achieved with any of the following distribution methods to cover the entire area, depending on the expected sales volume,

product support requirements, and marketing techniques. However, these methods must be applied while being mindful of the advantages a local representative would have in serving the home market:

- 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.

Selling Factors/Techniques

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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 exclusive representatives and to determine the methods used to promote the sale of their products. Such exclusive territories are usually national in size.

Sales practices of regulatory concern are those that could give an unfair advantage to the supplier at the expense of competitors or end users. Recent legislation exempts some vertical agreements between manufacturers and their resellers, but requires the disclosure of certain types of inter-company commercial arrangements, and also gives powers of investigation and enforcement to the regulatory authorities.

Success in the Dutch market requires a long-term commitment to market development and sales back-up, especially if U.S. companies are to overcome the geographic handicap with respect to European competitors. Dutch importers believe that U.S. suppliers process a U.S. domestic order before taking care of an export sale, and that they are quick to bypass a local distributor to deal directly with its customer.

Electronic Commerce

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The Netherlands ranks among the countries with the largest number of broadband connections and the highest Internet penetration in the European Union. Internet has 94 percent coverage and almost 84 percent of Dutch households use a broadband connection.

With 15.5 million Internet users, the Netherlands has 92.9 percent penetration.

Around 70 percent of Dutch consumers buy products online. There is a high degree of trust regarding the security of online payments because customers can easily connect with their bank to make safe online payments.

The Electronic Commerce Directive (2000/31/EC) mentioned in the direct marketing section above provides rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules such as indicating contact details on their website, clearly identifying advertising and protecting against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content. The European Commission released a work plan in 2012 in order to facilitate cross-border online services and reduce barriers and released a [report](#) on implementation of the action plan in 2013.

Key Link: http://ec.europa.eu/internal_market/e-commerce/directive_en.htm

The EU applies Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU-based non-business customers. 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 and selling ESS to non-business EU customers, or are EU-based businesses selling ESS to customers outside the EU. There are a number of compliance options for businesses. The Directive creates a special scheme that simplifies registering with each member state. The Directive allows companies to register with a single VAT authority of their choice. Companies have to 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, go to the EC website:

http://ec.europa.eu/taxation_customs/taxation/vat/traders/e-commerce/index_en.htm

Trade Promotion and Advertising

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An estimated \$3 billion is spent annually on advertising. In the last few years, the Dutch advertising sector has experienced substantial growth in three key areas: radio, television and direct mail advertising. Because of the relatively small size of the Dutch domestic market, companies in this sector have traditionally been active in international markets. In the Netherlands, there are over 1,300 independent advertising agencies. About 25 percent of the total Dutch market is serviced by U.S. advertising agencies. The country is attractive for U.S. advertising agencies due to the effective advertising concepts the Dutch are able to produce with the aid of technical tools such as graphic design and video technology. Advances in technology allow them to conduct worldwide campaigns from the Netherlands.

The Government strictly enforces laws covering gaming and lotteries as well as restrictive trade practices. Firms advertising and selling goods should obtain local advice regarding provisions of the laws and consumer acceptance of the promotional or marketing approach.

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, if the advertising technique works well for a particular product line in the United States and elsewhere in Europe, the Dutch market should also be receptive to the approach.

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
Phone: (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 age group.

The following are major Dutch newspapers:

Algemeen Dagblad
P.O. Box 8983
3009 TC Rotterdam
Phone: +31 10 406 6077
Fax: +31 10 406 6969
Email: ad@ad.nl
URL: <http://www.ad.nl>
National conservative daily
Circulation: 333,000

Het Financieele Dagblad
P.O. Box 216
1000 AE Amsterdam
Phone: +31 20 592 8888
Fax: +31 20 592 8800
Email: commercie@fd.nl
URL: <http://www.fd.nl>
National business daily
Circulation: 69,000

De Volkskrant
P.O. Box 1002
1000 BA Amsterdam
Phone: +31 20 562 9222
Fax: +31 20 562 6289
Email: redactie@volkskrant.nl
URL: <http://www.volkskrant.nl>
National labor oriented daily

Circulation: 335,000

De Telegraaf
P.O. Box 376
1000 EB Amsterdam
Phone: +31 20 480 2424
Fax: +31 20 585 4438
Email: advertier@telegraaf.nl
URL: <http://www.telegraaf.nl>
Conservative, sensationalist national daily
Circulation: 808,000

NRC Handelsblad
P.O. Box 8987
3009 TH Rotterdam
Phone: +31 10 406 6111
Fax: +31 10 406 6967
Email: nrc@nrc.nl
URL: <http://www.nrc.nl>
Influential, independent national evening daily
Circulation: 267,000

Trade Show Facilities:

Amsterdam RAI – Trade Show Facility:
<http://www.rai.nl/en/Pages/default.aspx>

Utrecht Jaarbeurs Trade Show Facility:
<http://www.jaarbeursutrecht.com/>

Other:

FUSE (Featured U.S. Exporters):
http://export.gov/netherlands/servicesforu.s.companies/increaseyourmarketexposure/eg_nl_035736.asp

Single Company Promotions:
http://export.gov/netherlands/servicesforu.s.companies/increaseyourmarketexposure/eg_nl_035738.asp

Pricing

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

A value-added tax, or VAT, of 21 percent is charged on the majority of goods sold in the Netherlands. Imported goods are also subject to customs duty. The costs of

transportation, freight forwarding, and customs brokerage charges will further diminish margins, as will commissions to agents and distributors. Commissions are generally higher in the Netherlands than in the United States, as are retail profit margins.

As in the United States, pricing of product depends on a myriad of variables, including channels of distribution, product, season, consumer receptivity, economic climate, etc. The Commercial Service can offer U.S. exporters advice on product pricing on request.

Sales Service/Customer Support

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The Dutch purchase from international sources and expect well-designed, high quality products, with efficient after sales service. An effective servicing system should be incorporated into distribution plans.

The U.S. exporter would be ill-advised, after having appointed a representative firm, to provide only product literature and samples. Regular communications and visits to the representative, particularly when newly appointed, by seasoned sales personnel or company technicians can reveal information on market developments and assist in the solution of any problems. Regular submission of sales reports can be a vital link to analyzing sales results and identifying potential problems.

Protecting Your Intellectual Property

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The Netherlands has a generally good set of legislation and regulations that protect intellectual property rights. Enforcement of anti-piracy laws remains a concern to producers of software and digital media. 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. Patents are valid for 20 years.

Protecting Your Intellectual Property in the Netherlands:

Several general principles are important for effective management of intellectual property ("IP") rights in the EU. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in the EU than in the United States. Third, rights must be registered and enforced in the EU under local laws. Your U.S. trademark and patent registrations will not protect you in the EU. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the EU market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally, cannot enforce rights for private individuals in EU. It is the responsibility of the rights'

holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in EU law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the U.S. government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in the EU require constant attention. Work with legal counsel familiar with EU laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both EU- or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at <http://www.StopFakes.gov>.

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at <http://www.stopfakes.gov>.
- For US small- and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Angola, Argentina, Brazil, China, Colombia, Egypt, Ghana, India, Indonesia, Kenya, Mexico, Mozambique, Nigeria, Russia, Saudi Arabia, Senegal, South Africa, Thailand, Turkey and Vietnam. For details and to register, visit: <http://www.stopfakes.gov/business-tools/international-ip-advisory-program>
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: <http://www.StopFakes.gov>. This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), and the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. For contact information, please see: http://www.uspto.gov/ip/global/attache/Attache_Contacts_2012-08.doc

Due Diligence

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All companies operating in the Netherlands must register with a local Chamber of Commerce. The trade register is a source of information that is open to everyone. 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 valuable background information on Dutch firms through our International Company Profile (ICP) service. Further information can be obtained by visiting our website at <http://export.gov/netherlands/index.asp> or contacting your local Export Assistance Center or the Commercial Service directly in The Hague (see contact numbers at the end of this guide).

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

Netherlands websites:

<http://export.gov/netherlands/index.asp>

<http://export.gov/europeanunion/>

<http://www.ad.nl/>

<http://www.fd.nl>

<http://www.volkskrant.nl>

<http://www.telegraaf.nl>

<http://www.nrc.nl>

<http://www.rai.nl/en/Pages/default.aspx>

<http://www.jaarbeursutrecht.com/>

http://export.gov/netherlands/servicesforu.s.companies/increaseyourmarketexposure/eg_nl_035736.asp

http://export.gov/netherlands/servicesforu.s.companies/increaseyourmarketexposure/eg_nl_035738.asp

EU websites:

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

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

Agreements of Minor importance which do not appreciably restrict Competition under Article 81(1) of the Treaty establishing the European Community:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2001:368:0013:0015:EN:PDF>

Directive on Late Payment:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF>

European Ombudsman:

<http://www.ombudsman.europa.eu/home/en/default.htm>

EU's General Data Protection Directive (95/46/EC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1995:281:0031:0050:EN:PDF>

Safe Harbor:

http://export.gov/safeharbor/eu/eg_main_018476.asp

Information on contracts for transferring data outside the EU:

http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm

EU Data Protection Homepage:

http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

Distance Selling Rules:

http://ec.europa.eu/consumers/cons_int/safe_shop/dist_sell/index_en.htm

Distance Selling of Financial Services:

<http://eur->

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:271:0016:0024:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:271:0016:0024:EN:PDF)

E-commerce Directive (2000/31/EC):

http://ec.europa.eu/internal_market/e-commerce/index_en.htm

VAT on Electronic Service:

http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

The Unfair Commercial Practices Directive:

<http://ec.europa.eu/consumers/rights/>

Information to Patients - Major developments:

http://ec.europa.eu/health/human-use/information-to-patient/legislative-developments_en.htm

Nutrition and health claims made on foods - Regulation 1924/2006

<http://eur->

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:012:0003:0018:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:012:0003:0018:EN:PDF)

Regulation on Food Information to Consumers:

[Regulation 1169/2011](http://ec.europa.eu/food/food/food_information_to_consumers/regulation_1169_2011)

EU-27 FAIRS EU Country Report on Food and Labeling requirements:

<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/fairs-reports/>

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

Summary document from EFSA

http://www.efsa.europa.eu/cs/BlobServer/Scientific_Opinion/nda_op_ej530_guidance_summary_en.pdf?ssbinary=true

Health & Nutrition Claims

http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm

Tobacco

http://ec.europa.eu/health/tobacco/policy/index_en.htm

Product Liability:

http://europa.eu/legislation_summaries/consumers/consumer_safety/l32012_en.htm

Product Safety

http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-Sales Service:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999L0044-20111212&qid=1395670475658&from=EN>

Copyright:

http://ec.europa.eu/internal_market/copyright/documents/documents_en.htm

Harmonization of certain aspects of Copyright and related rights in the Information Society - Copyright Directive (2001/29/EC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0029:EN:HTML>

Industrial Property

http://ec.europa.eu/internal_market/indprop/index_en.htm

Trademark

http://ec.europa.eu/internal_market/indprop/tm/index_en.htm

European Patent Office (EPO)

<http://www.european-patent-office.org/>

Office for Harmonization in the Internal Market (OHIM)

<http://oami.europa.eu/>

World Intellectual Property Organization (WIPO) Madrid

<http://www.wipo.int/madrid/en>

U.S. websites:

IPR Toolkit:

http://www.stopfakes.gov/sites/default/files/europeanunion_toolkit.pdf

EU Public Procurement:

<http://export.gov/europeanunion/marketresearch/eufundingandgovernmentprocurementsectors/index.asp>

Local Professional Services:

<http://export.gov/europeanunion/businessserviceproviders/index.asp>

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Chapter 4: Leading Sectors for U.S. Export and Investment

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Aerospace Products and Parts Manufacturing

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The Dutch market for aircraft parts and associated equipment can be broken down into commercial and military aircraft parts and equipment. A large percentage of all imported aircraft and associated equipment originate in the United States. Noteworthy is the fact that the statistics do not reflect an important aspect of the market, which is comprised of services, R&D, and the exchange of technology.

On the military side, the Netherlands offers U.S. companies various opportunities in spite of the shrinking defense budget. A substantial portion of the 2014 budget of \$9.7 billion is projected to go on expenditures by the Ministry's central procurement office, also known as the Defense Materiel Organization, see breakdown below.

Unit: EUR thousands

	2014	2015	2016	2017
DMO INVESTMENT	1,325,110	1,434,747	1,537,987	1,589,705
NEW MATERIEL	999,031	1,092,303	1,193,408	1,241,703
INFRA STRUCTURE	136,209	159,661	159,111	158,155
ICT	91,567	89,421	95,400	100,000
RESEARCH	63,900	60,970	58,775	58,554
NATO	34,403	32,392	31,293	31,293
TOTAL MOD BUDGET	7,401,818	7,337,435	7,325,048	7,309,559

Unit: \$ thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	816,648	298,899	540,374	705,248
Total Local Production	758,185	842,576	898,542	883,125
Total Exports	1,788,220	1,937,009	1,942,444	1,821,174
Total Imports	1,846,683	1,392,332	1,584,276	1,643,297
Imports from the U.S.	1,553,105	1,036,513	1,317,842	1,248,424
Exchange Rate: 1 \$	0.7783	0.7623	0.7623	0.7623

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)

Sub-Sector Best Prospects

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Innovative, high tech products that will help the Dutch maintain and improve their competitive position has great potential. The Dutch are looking for innovation and development in the fields of MRO, specifically the areas of electronics; assembly;

development and production of parts; training and education; certification; logistics; knowledge dissemination; and publicity. Innovations in the field of electrical systems, corrosion treatment, and composite maintenance and avionics will also be well-received.

On the military side, there are several opportunities as described in the Materiel Projects Overview (MPO). An English version of the MPO is available on request.

The use of Remotely Piloted Aircraft (RPAs), or drones, is also increasing in the Netherlands. The Dutch Ministry of Justice and Security has recently issued a tender to the value of €1.75 million for innovative technology that offers protection against unmanned, mobile systems. Possible solutions could focus on the controlled takeover of a drone, systems disruptions, or identification of the location of the system's controller. Other technology that contributes to the detection, identification, and controlled removal of the unmanned systems is also welcome.

The project is split into two phases. Phase one is comprised of a feasibility study with an available budget of \$656,000. The maximum funding available for each feasibility study is \$52,000. The remaining budget is available in phase two. The maximum funding available per project in phase two is \$525,000. The duration of the project runs from June 10, 2014, to mid-2016. Companies interested in bidding are urged to contact the Embassy in The Hague.

Opportunities

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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. Aviolanda is based on one of the largest military air force bases in the Netherlands and the adjacent civilian premises where Stork Fokker has one of its large manufacturing plants and aircraft service centers. In addition to the air force base, the military premises include the Royal Netherlands Air Force's training institute, the logistics center, and the meteorological service. Various ongoing projects at Aviolanda include:

3i – Integrated coastal zone management via increased situational awareness through innovations in unmanned aerial vehicles (UAVs), or drones. This program stimulates the use of UAVs over sea and aims to develop a prototype for this purpose. Value: \$4.9 million. Estimated project completion date: September 2014. More at: <http://www.2seas-uav.com>.

Business Accelerator (BAC) – Stimulates innovations in the field of electrical systems, corrosion treatment, and composite maintenance and avionics.

Unmanned Aircraft System Knowledge Center – At the moment, there is limited use of UAVs in the Netherlands, although the necessary knowledge is prevalent on the market. The knowledge center aims to cluster this know-how, 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 the military side, the Dutch were the first 'Level 2' partner in the Joint Strike Fighter (JSF) program and the fourth country to join as a JSF System Development and Demonstration (SDD) phase partner. There are several opportunities related to the development of the JSF. There are also various opportunities associated with the modification, upgrade, replacement and maintenance of the F-16 aircraft, other aircraft, and various equipment.

Web Resources

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- Market Analyses:** Civil Aviation Overview 2014
Materiel Projects Overview 2012
- Trade Shows:** ATC Global • March 10-15, 2015 • Amsterdam RAI
Type: Major Air Traffic Control Show in Europe
URL: <http://www.atcglobalhub.com/events/exhibition>
- Helitech • October 14-16 • Amsterdam RAI
Type: Major helicopter show in Europe.
URL: <http://www.helitechevents.com/2013/RHC-Elements/Amsterdam-2014>
- Associations:** The Netherlands Aerospace Group (NAG)
<http://www.nag.aero>
- The Netherlands Defense Manufacturers Association
<http://www.nidv.eu>
- SME Resources:** Resources are posted on the Global Aerospace & Defense Team site
<http://export.gov/industry/aerospace>
- Contact:** Aerospace & Defense Specialist: Natasha.Keylard@trade.gov

Airport Operations

Overview

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Amsterdam Schiphol Airport is the primary international airport in the Netherlands. It is Europe's fourth largest passenger airport, after London, Paris, and Frankfurt, and it ranks as Europe's third largest cargo airport, after Frankfurt and Paris. In addition to Schiphol Airport, there are three major regional airports in the Netherlands with limited service to other European airports. They serve as airports for private, business, and holiday flights.

The security policy at Dutch airports is established by the Ministry of Justice in cooperation with the Ministry of Transport, Public Works and Water Management. This situation is unusual, as in most countries airport security is the sole concern of the Ministry of Transport. The Dutch military police, called the Royal Marechaussee, has the primary responsibility for enforcing security at Dutch airports. The military police report directly to the Ministry of Justice and are responsible for three major security tasks at Schiphol: the protection of civil aviation, basic police tasks, and border protection.

Schiphol and the regional airports also use the services of private security companies. Private security companies are responsible for screening baggage, body searches, checking passenger profiles, and the supervision of cleaning personnel. Dutch Customs and Dutch Immigration also play a major role in airport security. Schiphol invested \$44 million in baggage scanners in the departure halls, which enables this airport to perform a 100 percent screening of hold baggage. The Netherlands is an early adopter country when it comes to testing and operating advanced security systems.

Unit: \$ thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	75,370	81,789	85,186	87,857
Total Local Production	21,109	22,937	24,531	23,482
Total Exports	6,212	6,275	6,792	7,117
Total Imports	60,473	65,127	67,447	71,492
Imports from the U.S.	13,234	14,261	17,241	19,288
Exchange Rate: 1 \$	0.7783	0.7623	0.7623	0.7623

Data Sources:

Total Local Production: Statistics are unofficial estimates

Total Exports: Statistics are unofficial estimates

Total Imports: Statistics are unofficial estimates

Imports from U.S.: Statistics are unofficial estimates

Sub-Sector Best Prospects

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Many opportunities exist for U.S. manufacturers with high quality and innovative products that enhance airport safety and security. In fact, the airport's security

department encourages suppliers of advanced technologies to introduce their innovative products, technologies, and process improvements in the field of the airport security. This includes the detection of prohibited items, including firearms, explosives, and flammable substances, pointed/edged weapons and sharp objects; and chemical and toxic substances. It also includes threat detection and process improvements in the following areas: screening of passengers and personnel, baggage screening (cabin and hold baggage), access control, surveillance, vehicle screening, and screening of supplies.

Opportunities

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Schiphol Airport is continuously in search of the latest security innovations, which will help address and reduce security challenges. There are seven requirements that all security innovations must meet:

1. Security: Solutions must comply with current legislation
2. Satisfaction: Solutions must meet passengers' expectations
3. Spending: The cost per passenger must be reduced
4. Speed: Security check and wait time per passenger must be reduced
5. Staff: The productivity of security staff must be improved
6. Space: Security equipment and work methods must take less operating space, which is in short supply
7. Sustainable: Solutions must be as future-proof and hospitable as possible

Contact the Embassy for additional information and support.

Web Resources

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Market Analyses: Safety and Security Market Brief 2013

Trade Shows: Safety and Security Amsterdam • April 14-16, 2015 • Amsterdam RAI
National safety and security show with the objective of becoming international.
<http://www.safetysecurityamsterdam.nl/ssa/Pages/English.aspx>

Associations: VEON: <http://vebon.org/#!english-info?id=913>
ASIS Benelux: <https://www.asisbenelux.eu>

SME Resources: Resources are posted on the Safety and Security Team site
<http://export.gov/industry/security>

Contact: Safety and Security Specialist: Natasha.Keylard@trade.gov

Biotechnology

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The Dutch biotechnology industry is knowledge-intensive; 20 percent of the workforce is employed as research staff. The Netherlands is home to several blue chip companies with a strong life science focus, including Merck, Philips (medical imaging), Unilever (healthy ageing), DSM (biologicals, bulk ingredients, nutrition), and Danonon/Nutricia (clinical nutrition, baby foods). The majority of life science companies are labeled small and medium sized firms. Crucell, Galapagos, Pharming, OctoPlus, and Fornix are examples of Dutch dedicated biotech companies that have gone public.

The Netherlands is one of the world's leading R&D nations and ranks among the best in terms of research performance. Dutch researchers produce 2.5 percent of all scientific publications worldwide. Public and private research combined, the Netherlands has the highest per capita research output of peer countries like the UK, Germany, Canada, Australia, Sweden, Switzerland, Belgium, and Finland.

Dutch academia and leading industry players, both large and small, have teamed up with the government to help boost life science and healthcare innovations. The existing life science research infrastructure is further strengthened by fundamental genomics research, carried out by the Netherlands Genomics Initiative and the set-up of biobanks. The Netherlands Genomics Initiative (NGI) coordinates research in various genomics fields, building an infrastructure to achieve true breakthroughs in the fields of health, food and nutrition, environment and safety.

Although red biotech is the main relevant area within the life sciences and health context, NGI also coordinates (fundamental) research in green (food & agriculture, now directly linked with the Top Institute Green Genetics) and white (industrial) biotech. NGI makes infrastructure tools and expertise in basic technologies (such as bioinformatics, proteomics and metabolomics) through its national technology centers. Their infrastructure tools and expertise are available to Dutch life sciences research groups.

Eight academic medical centers set up a nationwide biobank infrastructure to strengthen the Dutch scientific positioning in translational biomedical research. Clinical data as well as data on genes, proteins, metabolites and tissue, is stored in databases that can be used to establish a 'population laboratory' for further clinical research. This improved infrastructure will be instrumental in validating existing and new therapies, and will help improve the efficiency of the drug development process. All initiatives build on the existing high quality groundwork completed by Dutch scientists in universities and knowledge institutes.

Public-private partnerships (PPPs) combine top research groups with large multinationals and high tech start-ups, in order to develop better therapies. Improvements in health and healthcare require innovations in Diagnosis, Drugs and Devices. All three D's are covered by initiatives geared to the 'top institute' concept: the Center for Translational Molecular Medicine (CTMM) focuses on Diagnosis, TI Pharma

focuses on Drugs, and the BioMedical Materials program (BMM) concentrates on Devices.

In order to market a biotech drug, pharmaceutical, or diagnostic product within the EU, harmonized EU legislation requires a biotech company to reside in the Netherlands or in any other EU nation. Consequently, U.S. companies must choose one of the following alternatives:

1. Cooperate with domestic distributor/manufacturer by licensing the biotech product. The contents of the licensing agreement are subject to mutual negotiations and will be of critical importance in case the U.S. company wants to change its business partner in the Netherlands at a later date. Provisions can be made with regard to transferring the license to a new partner.
2. Acquire a Dutch company. A U.S. company can acquire a biotech company in the Netherlands. In so doing, the U.S. company benefits from direct access to the Dutch market, and an established supply infrastructure.
3. Set up independent direct sales subsidiaries.

Regulations and Other Legislation: The industry is typified by close cooperation between the public and private sectors, resulting in effective regulatory structures and relatively open dialogue between government, industry, consumers, and environmental groups. The Netherlands has developed strict but workable legislation for biotechnology, which strives to guarantee a high level of safety for humans, animals and the environment. As a result the country has taken a leading role in stimulating constructive, open and clear dialog between industry and consumer organizations, concerning the introduction of new biotech products.

Access to the Dutch biotech market is limited by relatively strict national and EU legislation. U.S. companies cannot independently obtain a Dutch import license in order to export their biotech products (diagnostics, drugs, and pharmaceuticals) to the Netherlands because such products may only be imported through qualified domestic pharmaceutical companies.

All activities in the Netherlands involving genetic modification need to be:
Safe for mankind and the environment;
Safe for consumers;
Comply with ethical norms when working with animals, animal health and animal well-being;
Safe for employees.

The assessment of an application for marketing approval often involves the work of advisory committees. Applicable laws and regulations include:

General Environmental Provision Act
Chemical Substances Act
Decree on Genetically Modified Organisms
Animal Health and Welfare Act
Animal Experiments Act
Commodity Act

Medicines Act
Working Conditions Act
Decree on Biological Agents

Web Resources

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HollandBIO
P.O. Box 443
2260 AK Leidschendam
Phone: +31 70 337 87 64
Email: info@hollandbio.nl
URL: <http://www.hollandbio.nl/>

NGI (Netherlands Genomic Initiative)
P.O. Box 93035
2509 AA The Hague
Phone: +31 70 344 0672
Email: info@genomics.nl
URL: <http://www.genomics.nl/home/NGI.aspx>

Contact: Biotech Specialist's email: alan.ras@trade.gov

Computer and Communications Equipment

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The demand for hardware is increasing. In 2013, demand for hardware increased by 6.5 percent. The rise in spending on cloud services is stimulating total ICT spending. All segments are experiencing some growth, with the only exception being the office equipment segment. The past few years showed a shift to new, more mobile, devices, such as smartphones and tablets. Although sales of new PCs declined most, by over 5 percent, it remains the largest subsector. Smartphone penetration in the Netherlands is high, at almost 70 percent, and is still increasing rapidly. Dutch service carriers are all migrating from 3G to 4G: 3G coverage is 99 percent in the Netherlands and 4G is already well established in urban areas.

In the market for servers and high-end systems, such as mainframes, usage is largely moving to the cloud, as a result of which users have less need for physical systems at their sites. Trends such as cloud computing and the Internet of Things are having a positive influence on the networking equipment market. While spending in this subsegment was \$2.6 billion in 2013, it is expected to rise by around 6.7 percent to \$2.9 billion in 2014.

Demand for data and network equipment continued the growth trend that began in 2012 and this is expected to continue through 2014. Cloud solutions are gaining popularity with an expected growth of 2.1 percent in 2014, increasing the demand for fast and

reliable network equipment. To improve network performance and to maintain quality, organizations are investing in data and network equipment. As *Bring Your Own Device* (BYOD) is growing, the importance of secure and fast networks is expected to grow.

The hardware market primarily depends on imports from the U.S. and Asia, dominated by multinationals like HP, Samsung, and Apple. Exports of Dutch products are limited.

ICT equipment is becoming more energy-efficient, but ICT usage and data usage is also increasing. The amount of energy consumed in running ICT applications is therefore expected to continue to rise over the next few years. The sector aims to become 30 percent more energy-efficient by 2020. Smart, innovative ICT applications for reducing energy consumption are relatively more efficient for other sectors. Additionally, the ICT sector is committed to collecting and recycling ICT hardware. In 2013, more than 95 percent of ICT waste was recycled or reused.

Unit: \$ thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	7,140,497	7,603,000	7,926,000	8,423,000
Total Local Production	2,494,472	2,450,920	2,377,393	2,301,020
Total Exports	13,435	15,446	17,302	19,250
Total Imports	4,632,590	4,551,709	4,615,158	4,801,023
Imports from the U.S.	1,425,412	1,400,526	1,358,510	1,412,021
Exchange Rate: 1 \$	0.7783	0.7623	0.7623	0.7623

Data Sources:

- Total Local Production: ICT Marktmonitor
- Total Exports: Dutch Central Bureau for Statistics
- Total Imports: NederlandICT
- Imports from U.S.: Census
- Figures for 2015 are unofficial estimates

Sub-Sector Best Prospects

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There are opportunities in the following areas: network equipment, data equipment, data centers, wireless, servers and mainframes, mobile devices, and mobile accessories. Organizations are seeking more 'green' solutions as they would like to become more energy efficient.

Opportunities

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The growing market for tablets and smartphones creates new business possibilities. Demand for high speed networks and data-centers is rising as the cloud is becoming more important.

Web Resources

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Web Resources:

<http://www.ictoffice.nl/> - Dutch Trade Association for the IT and Telecommunications Industry.

<http://www.ictmarktmonitor.nl/ict-marktmonitor-2013/english-summary/?print> – English summary of a ICT market report.

<http://www.iseurope.org/> - Integrated Systems Europe, large trade show, focused on system integrators.

<http://www.infosecurity.nl/en/Bezoeker.aspx> - Medium sized trade show, focused on internet security.

The main ICT trade events in the Netherlands are held at the RAI Exhibition Halls in Amsterdam or at Jaarbeurs in Utrecht

Contact: ICT Specialist's email: philip.hammerstein@trade.gov

Cyber Security Services

Overview

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The Dutch government places a high priority on cyber security. In February 2011, the Dutch government presented its National Cyber Security Strategy, called “Strength through Cooperation”. It states that the Netherlands aims to play a leading role in the world when it comes to the use of IT, making cyber security of the utmost importance for the stability of society and the economy.

The National Cyber Security Center (NCSC) opened in January 2012. The Center is part of the Ministry of Security and Justice, and is intended to serve as an information-gathering hub for all issues related to cyber security. The Center also responds to threats and incidents. All relevant agencies and organizations come together at the NCSC, from private enterprises (like telecom companies) to government agencies, such as the National Coordinator for Counterterrorism and Security, and the Ministry of Security and Justice.

In 2011, the Dutch Ministry of Defense allocated approximately \$65 million over four years in order to strengthen the cyber defense capacity of the Dutch military forces. Despite cutbacks on almost all other defense-spending, this investment is still scheduled to be approximately \$27 million per year until 2016. A Defense Cyber Expertise Center will be established with R&D capacity.

The Dutch government is currently working on a proposal to give the national police the ability to hack into computers, the so-called “hack back” option, in order to stop cyber-attacks, and investigate cyber criminals. This option would apply to computers and servers in the Netherlands and abroad. Proposed new measures include: accessing data at a distance, making files inaccessible, and spy software.

Unit: \$ thousands

	2012	2013	2014	2015

			(estimated)	
Total Market Size	154,077	205,967	247,324	289,369
Total Local Production	49,225	66,682	80,508	94,194
Total Exports	13,435	15,446	17,302	20,243
Total Imports	91,417	123,839	149,514	174,931
Imports from the U.S.	28,128	38,104	46,004	53,824
Exchange Rate: 1 \$	0.7783	0.7623	0.7623	0.7623

Statistics are unofficial estimates

Data Sources:

Total Local Production: Statistics are unofficial estimates

Total Exports: Statistics are unofficial estimates

Total Imports: National Cyber Security Centre

Imports from U.S.: Statistics are unofficial estimates

Sub-Sector Best Prospects

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There are opportunities in the following areas: digital security systems for networks, data centers, infrastructure, telecommunication, ATM-machines, GPS-devices, mobile phones, credit cards, USB-drives, and smart energy meters.

Opportunities

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The Dutch government presented its National Cyber Security Strategy and has included large investments in its budget for the upcoming years. The Netherlands' banking sector is seeking innovative solutions to fight cyber-attacks.

Web Resources

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Web Resources: <https://www.ncsc.nl/english> - National Cyber Security Center

Trade Events

RAI Exhibition Halls in Amsterdam

<http://www.rai.nl/en/agenda/Pages/default.aspx>

Jaarbeurs in Utrecht

<http://www.jaarbeursutrecht.nl/agenda.aspx>

InfoSecurity Trade Show, Jaarbeurs Utrecht

<http://www.infosecurity.nl/nl-NL/Bezoeker.aspx>

Contact:

ICT Specialist's email: philip.hammerstein@trade.gov

Healthcare Technology/ Medical Devices

Overview

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With a population of 17 million, the domestic market in the Netherlands is relatively small. Imports plus local production far exceed domestic consumption requirements. With its unique geographic position, the country functions as a distribution center, re-exporting an estimated 20 percent of imported medical equipment. Approximately 75 percent of the companies within this sector market their products outside the Netherlands. There are around 100 medical trading companies in the Netherlands, including four or five large ones.

Industry estimates put the value of the annual market for medical equipment and supplies at around \$4 billion, of which equipment accounts for 75 percent of sales. Reliable, detailed statistics for the entire sector are not available.

Suppliers in the medical equipment and supplies market serve approximately 220 general hospitals with 44,000 beds, eight university hospitals with 6,000 beds, 69 psychiatric hospitals with 18,750 beds, 15 rehabilitation hospitals with 825 beds, 3 epilepsy hospitals with 1,200 beds, and 16 outpatient hospitals. In addition, there are over 20,000 medical practices, polyclinics, laboratories, and consumers, accounting for 60 percent of sales. Hospital purchases contribute over 40 percent to the total medical equipment and supplies market, with the eight teaching hospitals accounting for the highest proportional share of these purchases.

Manufacturing of medical equipment is characterized by a small number of large companies dominating the domestic market and exporting much of what they manufacture. Dutch manufacturers supply about three percent of the world health care equipment market. Dutch suppliers also do well in specific niche markets, including pacemakers, x-ray equipment and diagnostics. Philips is a major manufacturer of medical equipment in the Netherlands. Major competitors are Toshiba, Siemens, General Electric and Drager.

Sub-Sector Best Prospects

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Best Products/Services include:

- Magnetic Resonance Imaging (MRI)
- Position Emission Tomography (PET)
- Single Photon Emission Computer Tomography (SPECT)
- Optical Endoscopes
- Image Cytometry (microscopic cell measuring)
- Picture Archiving & Communication Systems (PACTS)
- Ultrasound Equipment
- Biosensors
- Defibrillators
- Electromedical apparatus in general

Web Resources

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Ministry of Health, Welfare and Sport
P.O. Box 20350
2500 EJ The Hague
Phone: +31 70 340 7911
URL: <http://english.minvws.nl/en/>

The following company is the notified body in the Netherlands:

KEMA NV
Utrechtseweg 310
6812 AR ARNHEM
Phone: +31 26 356 9111
Fax: +31 26 389 2122
URL: <http://www.kema.com/Default.aspx?lang=en>

The Netherlands requires that all medical devices be registered with the National Institute of Public Health (RIVM). Information regarding the sterility of the device and its packaging must be provided. Registration forms can be obtained from:

Office of Registration of Medical Devices
National Institute of Public Health
A. V. Leeuwenhoeklaan 9
3721 MA Bilthoven
Fax: +31 30 274 2971

The standards of the US Food and Drug Administration, Bureau of Medical Devices are widely accepted in the Netherlands. Exporters in the pre-market approval stage for their products in the US are required by the FDA to apply for an export license. This license is approved on the basis of a declaration from the host government of the country to which the goods are exported. The institution that provides this declaration in the Netherlands is:

Contact: Medical Specialist's email: alan.ras@trade.gov

Marine Supplies, Pleasure, Merchant Wholesalers

Overview

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The Netherlands has boat builders of all sizes. There are 521,000 boats presently in use. Polyester boats, especially sailboats, are popular, but the majority of Dutch boats are diesel powered, steel, displacement type, freshwater, family boats, averaging 26 feet to 36 feet in length. The turnover for the Dutch shipbuilding in 2012 was \$ 7.8 billion. This was a decrease compared to \$ 8 billion in 2011. In 2014 the total number of employees in the industry was 25,000. This is a mayor decrease compared to 33,000 in 2010.

Dutch shipbuilders have been able to maintain production at a decent level in 2014. Deliveries from Dutch shipyards amounted to 95 seagoing vessels, a total of over 335,000 CTG with a value in excess of \$ 2,6 billion. Production at foreign facilities belonging to Dutch yard groups is on the increase, while foreign affiliates of Dutch yards also booked a very respectable production level. Sixty-five percent of seagoing ships produced in the Netherlands are exported.

The most important marine equipment trade show in Europe, the Marine Equipment Trade Show (METS), is held annually in November in The Netherlands. This event has grown remarkably to achieve its number one position worldwide

Unit: \$ thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	2,870,132	2,783,813	2,672,461	2,485,389
Total Local Production	7,840,412	7,604,614	7,300,429	6,789,399
Total Exports	5,234,092	5,076,678	4,873,611	4,532,458
Total Imports	263,811	255,876	245,641	22,8446
Imports from the U.S.	45,822	44,443	42,666	39,679
Exchange Rate: 1 \$	0.7783	0.7623	0.7623	0.7623

Data Sources:

Total Local Production: ICOMIA

Total Exports: HISWA

Total Imports: CBS

Imports from U.S.: Census

Sub-Sector Best Prospects

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There are opportunities in the following areas: Many types of boating equipment and supplies are selling well. Marine electronics are in great demand. There is interest in global positioning systems, system C marine communications, direct dialing communication systems, fluxgate compasses, electronic charting, versatile screen displays and interfacing. Other types of less sophisticated basic boat parts, equipment and supplies are also enjoying good sales.

Opportunities

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Opportunities: the marine industry in the Netherlands is very internationally oriented. Doing business in the Netherlands provides access to the rest of Europe.

Web Resources

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Web Resources: <http://www.hiswa.nl> - Dutch Trade Association for the pleasure boat industry

Trade Events RAI Exhibition Halls in Amsterdam
<http://www.rai.nl/en/agenda/Pages/default.aspx>

Marine Equipment Trade Show (METS)
<http://www.metstrade.com>

Contact: ICT Specialist's email: philip.hammerstein@trade.gov

Motor Vehicles & Motor Vehicle Parts & Supplies Merchant Wholesalers

Overview

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The Netherlands abides by strict environmental and safety standards while its automotive industry faces additional pressures from increasing competition, the need for technological innovation, and demanding consumers. Nevertheless, ample opportunities exist for U.S. suppliers that are able to provide competitively priced and or innovative products. Although overall imports barely grew in 2013, imports from the U.S. enjoyed an increase of 67 percent.

Unit: \$ thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	5,254,989	4,681,225	4,288,724	4,030,001
Total Local Production	152,296	149,275	152,316	153,481
Total Exports	17,731,701	18,400,817	18,859,457	19,248,452
Total Imports	22,834,394	22,932,767	22,995,865	23,124,972
Imports from the U.S.	200,008	333,600	351,618	395,4735
Exchange Rate: 1 \$	0.7783	0.7623	0.7623	0.7623

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)

Sub-Sector Best Prospects

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Customizing cars remains a hot trend. The following car models are customized most often in the Netherlands: Alfa Romeo, Audi, BMW, Chrysler, Citroën, Daewoo, Fiat, Ford, Honda, Hyundai, Kia, Lexus, Mazda, Mercedes, Mini, Mitsubishi, Nissan, Opel, Peugeot, Renault, Rover, Seat, Škoda, Smart, Subaru, Suzuki, Toyota, Volkswagen, and Volvo.

Alarm systems also continue to be a booming market and continued increases are expected in the use of computers, software, data storage on diskettes, in-car navigation, electronic maps (CD-ROM), infrared blind-spot detectors, radar enhanced cruise control (HS-903289900), and heads up display of speed/distance.

In addition, aftermarket experts expect electronic maintenance and repair services to increase from 40 to 50 percent in the short-run. Availability and accessibility to technical information is a major issue to the aftermarket. The rate of technological advancement in passenger cars and trucks is expected to continue, making good accessibility to technical information, universal testing and diagnostic equipment, software, tools, and training a critical element to companies in the automotive industry.

Opportunities

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The Dutch interest in electric mobility continues to grow across a range of vehicles, including passenger cars, trucks, busses, special vehicles, and (motor)bikes. Electric mobility offers many “green” opportunities in the Netherlands, which go beyond reducing emissions to include noise reduction and the improved use of alternative energy sources.

The Dutch government continues to stimulate and encourages the accelerated use of electric mobility through various fiscal stimuli. Consumers still enjoy a fiscal tax advantage if they purchase hybrid vehicles. Companies are encouraged to select environment friendly techniques and equipment through the Environment-Investment Deduction (MIA) with a \$122 million budget and the Random Write-off Environment Investment (VAMIL) with a \$50 million budget for 2014. Companies can apply for fiscal advantages through these programs if they use products or techniques that are on the 2014 environment list, which includes: hydrogen fueling stations; adaptive cruise control systems for trucks; public charging stations for electric vehicles; automatic battery replacement stations; busses with hybrid engines; noise-reduced loading cranes, garbage trucks and sweepers; automatic lubricant systems; and driving simulators.

U.S. suppliers with products and services that advance green mobility are highly recommended to partner with a Dutch company.

Web Resources

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Market Analyses: Automotive Market Overview 2014
Motorcycle Market Overview 2011
Electric Vehicle Opportunities 2010

Trade Shows: ReMaTec • June 14-16, 2015 • Venue: Amsterdam RAI
Type: Targets the International remanufacturing industry
URL: <http://www.rematec.com>

Association: RAI Vereniging (Vehicle Industry Association)
<http://www.raivereniging.nl> (Dutch only)

SME Resources: Resources are posted on the website of the Global Automotive Team.
<http://export.gov/industry/auto>

Contact: Automotive Specialists:
Natasha.Keylard@trade.gov or Glenn.vanpolanen@trade.gov

Renewable Energy

Overview

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The Dutch energy supply consists mainly of fossil fuels. The transition to a sustainable energy economy will be through the “Clean and Green working program”, initiated in 2007.

The government has set ambitious targets for energy and climate policy. The target for reducing greenhouse gas emissions is 30 percent by 2020 compared to the 1990 level. Other targets include a 2 percent annual increase in energy conservation and 20 percent use of renewable energy sources by 2020. The working program also sets several interim targets for 2011, for reductions in greenhouse gas emissions (209 Mton CO₂ eq.), committed new capacity for renewable electricity production (2285 MW) and extra energy conservation (29-61 PJ). Three broad approaches are intended to bring the climate objectives within reach: stimulating large-scale implementation of existing technologies, making new technologies market-ready, and providing incentives for dramatic innovations that are still at an early stage in the development process. The chosen mix in the working program combines market incentives, standardization, temporary financial incentives, innovation incentives, and international climate and energy diplomacy.

Wind Energy: Government targets are 4,000 MW in 2012 on land and 6,000 MW offshore by 2020, and 20,000 MW by 2050. Currently, 1,800 wind turbines with an output of 1,700 MW deliver 3,740,000 kWh per year, or 12 percent of all Dutch households.

Solar: By 2020, it is expected that some 100,000 roofs will have solar panels, and that the Netherlands will be a strong player on the international solar energy market. The Netherlands is in a strong knowledge position in solar PV and has some strong industrial players on the world market, which is growing rapidly (30-40 percent annually). With a view to expanding this position, the increasing importance of decentralized energy concepts and of course sustainability targets, the government has again begun to encourage market implementation for solar PV.

New gas: One of the aims for 2020 is to have 8 to 12 per cent of the consumption of natural gas replaced by green gas. In addition, the government would like to place 250,000 high-efficiency boilers in Dutch homes. Gasification techniques now allow CO₂ emissions from natural gas to be captured and stored. Demonstration projects are currently being launched to gain more experience in capture and storage.

Greenhouse as a source of energy: The greenhouse horticulture sector is aiming to cut CO₂ emissions by at least 30 per cent by 2020, measured from 1990 levels. Future greenhouses will be home to climate neutral crops, while the consumption of fossil fuels will be sharply reduced. The greenhouse horticulture sector will be a supplier of renewable heat and electricity. LED lighting will probably play an important role, while the possibility of using geothermal heat is also being examined.

Biomass: More than two-thirds of current sustainable-energy consumption in the Netherlands comes from biomass (waste, wood, agricultural waste streams, manure,

rapeseed, and ethanol). Of all the sustainable options, biomass is the easiest to integrate in energy management. It can be used as vehicle fuel, burned along with other fuel in electric power stations and bio-cogeneration facilities and converted into biogas or synthetic natural gas (SNG). This gas can be introduced into the gas network or converted directly into electricity.

By 2020, the government wants to obtain at least 200 PJ (nearly 30 percent of the target) of energy from biomass and it is implementing the SDE program and compulsory blending of bio fuels in motor fuels, among other things, to achieve this.

Biofuels: Based on the Renewable Energy Directive (published in 2009), a required target was set of achieving at least 10 percent renewable energy in the transport sector. Biofuels produced from certain raw materials ('second-generation' biofuels) count double. Despite this incentive, the majority will have to come from first-generation biofuels in order to meet the target. The directive also includes sustainability criteria for biofuels, which they must meet to count towards the target.

Sub-Sector Best Prospects

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Smart grid
Wind energy

Opportunities

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One of the key components in the Clean & Green working program, and the most important instrument for giving a major boost to further steps toward sustainability and structural improvement in the energy economy, is substantial funding for the Renewable Energy Incentive Scheme (SDE) by adding a levy to the price of electricity. SDE is a major commitment to rolling out renewable energy. When the SDE scheme was opened up in 2009, about 1000 MW became eligible for subsidies. The scheme was fine-tuned and optimized in 2009 by adding a sub-category in the solar photovoltaic category for larger corporate installations. SDE 2009 introduced a 'graduated heat index' for a number of biomass categories, to facilitate productive utilization of the residual heat released in the process of generating electricity from biomass. Subsidy schemes have also been introduced for renewable energy production in households (heat pumps, solar boilers), as well as fiscal incentives for energy-efficient cars, more stringent regulations for newly built homes and performance agreements with the SME sector and industry.

Web Resources

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Contact: Energy Specialist's email: alan.ras@trade.gov

Seaport Security Equipment and Systems

Overview

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As home to the Port of Rotterdam, the busiest port in Europe, and the Port of Amsterdam ranking fourth in Europe, the Netherlands is often referred to as the 'Gateway to Europe'. International and national regulations mandating increased security have led both government and private organizations to allocate substantial resources for security upgrades. The Port of Rotterdam was one of the first ports in the world that participated in the U.S. Department of Homeland Security's Container Security Initiative (CSI). The Rotterdam Port and Dutch customs also cooperate with the Department of Energy's National Nuclear Security Administration (NNSA) on deploying and equipping radiation detection equipment. In 2006, the first nuclear detection gates were installed in the Rotterdam port. The International Ship and Port Facility Security (ISPS) code, which has been developed by the International Maritime Organization (IMO) became effective on July 1, 2004. The ISPS code aims at better protection against terrorism for ships and port terminals. For companies with port related activities in the Rotterdam Port, total costs to meet the ISPS code were estimated at \$142 million and for the companies in the Port of Amsterdam at about \$85 million. Those were initial investments, but both ports will keep investing in new technologies to increase protection.

Unit: \$ thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	335,036	356,079	347,913	357,836
Total Local Production	135,521	136,844	131,497	132,724
Total Exports	22,437	22,517	21,752	20,459
Total Imports	221,952	241,752	238,168	245,571
Imports from the U.S.	69,461	68,154	68,812	69,111
Exchange Rate: 1 \$	0.7218	0.7783	0.7623	0.7623

Data Sources:

Total Local Production: Statistics are unofficial estimates

Total Exports: Statistics are unofficial estimates

Total Imports: Statistics are unofficial estimates

Imports from U.S.: Statistics are unofficial estimates

Sub-Sector Best Prospects

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In the coming years major investments are expected to continue in access control systems, biometric identification systems, cargo and container scanning equipment, intelligent closed circuit television systems, and underwater surveillance and detection equipment.

Opportunities

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The market for security equipment in the Dutch seaports has expanded considerably during the past few years. The implementation of the EU regulations on enhancing ship and port facility security, the Container Security Initiative and the IMO ISPS Code have strengthened the demand for a security regime for the total transport chain, which include transport by rail, road, and inland shipping. Without an appropriate security regime, these modes may pose a security threat to the ports and shipping sector.

As an international transport hub, the transport chain starts and ends in the Netherlands. In that respect, the Netherlands actively supports efforts to achieve a more secure transport chain to prevent damage from attacks and to remain a reliable political trading and transport partner for other countries. The Dutch realize that maritime security has become a significant factor in international competitiveness. Even though security is associated with extra costs for all partners involved, an adequate level of security is also seen by the Dutch private sector as a quality factor in retaining and attracting trade and transport business.

Web Resources

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Market Analyses: Safety and Security Market Brief 2013

Trade Shows: Safety and Security Amsterdam
June 4-6, 2013
Venue: Amsterdam RAI
<http://www.safetysecurityamsterdam.nl/ssa/Pages/English.aspx>

Europort
November 5-8, 2013
Venue: AHOY Rotterdam
<http://www.europort.nl/en>

SME Resources: Resources are posted on the Safety and Security Team site
<http://export.gov/industry/security>

Contact: Safety and Security Specialist: Natasha.Keylard@trade.gov

Agricultural Sectors

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Cranberries

(HS 200893), Million US\$

	2012	2013	2014(F)
Total exports	60	75	70
Total imports	44	72	87
Total imports from the U.S.	36	57	70

Source: World Trade Atlas (F) Forecast FAS/The Hague
(F) Forecast Foreign Agricultural Service The Hague

Although not a producer of cranberries, the Netherlands is a net exporter of cranberries, meaning that the Dutch are able to add value through sorting, packing and processing. The main export markets are the neighboring EU countries. Main supplying countries of cranberries are the U.S., Canada, and Chile. The market share of the first is 80 percent and growing.

The use of cranberries continues to grow. Cranberries are no longer used just in sauces to be served with meat products. Cranberries are nowadays used in all kinds of food and drink products. The cranberry industry has been able to demonstrate the advantages of drinking cranberry juice and eating products containing cranberries. This development is in line with the increasing awareness and consumption of healthier food and drinks. Demand for cranberries is expected to continue to increase.

U.S. exporters should work best with specialized and experienced Dutch importers. Ways of getting in contact with importers include visiting or participating in trade shows (Fruit logistica, PLMA, BioFach, Sial, Anuga) or (Reverse) Trade Missions.

Frozen Fish Fillets

(HS0304), Million US\$

	2012	2013	2014 (F)
Total exports	705	813	951
Total imports	791	882	1,023
Total imports from the U.S.	43	59	93

Source: World Trade Atlas

(F) Forecast Foreign Agricultural Service The Hague

The Netherlands is, in terms of value, a net importer of frozen fish fillets. The main export markets are EU countries like Germany, Italy, France, and the U.K. Main supplying countries of frozen fish fillets are still Iceland, Russia, and China. The market share of the U.S. on the import market is 7 percent and growing.

U.S. exports of frozen fish fillets to the Netherlands in 2013 totaled \$59 million, up by 37 percent compared to 2012. Exports have increased during the past 3 consecutive years and continue to go up, based on trade statistics of the first quarter of 2014. U.S. exports are driven by Alaska Pollock fillets (90-95 percent) which are mainly destined for the processing industry. Export opportunities for the U.S. in the Dutch market continue to be good due to the growing consumption, declining European fish stocks and shrinking fishing quotas.

U.S. exporters should work best with specialized and experienced Dutch importers. Ways of getting in contact with importers include visiting or participating in seafood trade shows (Boston Seafood Show, the Seafood Expo Global) or (Reverse) Trade Missions.

Non-alcoholic beverages

(HS220290), Million US\$

	2012	2013	2014 (F)
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Total exports	1,038	1,179	1,118
Total imports	316	334	307
Total imports from the U.S.	29	34	38

Source: World Trade Atlas

(F) Forecast Foreign Agricultural Service The Hague

The Netherlands is, in terms of value, a net exporter of non-alcoholic beverages. The main export markets are EU countries like the U.K., Germany, Spain, and France. Main supplying countries of non-alcoholic beverages are Belgium, Germany, and the U.S. The market share of the latter is 10 percent and growing.

The consumption of non-alcoholic beverages has been stable for the past 5 years. Within this category there are some developments. The per capita consumption of non-processed waters and nectars is up at the expense of the consumption of soft drinks. This development is in line with the increasing awareness and consumption of healthier food and drinks. Demand for healthy non-alcoholic drinks like water is expected to continue to increase. Statistics show that the import of nectars grew past 5 years by roughly 15 percent.

U.S. exporters should work best with specialized and experienced Dutch importers. Ways of getting in contact with importers include visiting or participating in trade shows (Sial, Anuga, Horecava, PLMA) or (Reverse) Trade Missions.

Vegetable Oils & Animal Fats

(HS 1507-1518), Million US\$

	2012	2013	2014(F)
Total exports	5,534	5,750	5,000
Total imports	5,899	5,832	5,000
Total imports from the U.S.	108	190	225

Source: Global Trade Atlas

(F) Forecast Foreign Agricultural Service The Hague

Overview

The EU Renewable Energy Directive (RED) has imposed a target of 10 percent blending of biofuels in road transport fuels. The EU mandates have expanded the market for oils and fats significantly. The Dutch production of biodiesel and hydrogenated vegetable oil (HVO) for the use as transport fuel is estimated at about 400,000 MT and 800,000 MT respectively.

Subsector

So far, imports of oils and fats from the United States have been limited due to strong competition with palm oil imports from Malaysia and Indonesia, soybean oil from Brazil, and sunflower seed oil from Argentina and the Ukraine. But the mandates have created also an important growth market for waste oils and fats and animal fats. In the Netherlands, about half of the feedstock for biodiesel and HVO consists of waste fats and ten percent of animal fats. The use of these feedstocks results in a higher price of the biofuel as it counts double towards the blending mandate. While the use of virgin vegetable oils for biofuel production is under pressure, capacity for using waste oils and

fats as feedstock is expanding. The expectation is that capacity will increase by about 150,000 MT within the next two years.

Opportunities

Because of the increasing demand by the biofuels sector, pressure on the supply of oils and fats has amplified. The expanded market created also opportunities for the exports of virgin vegetable oils for the food processing industry. The food sector has a preference for oils that are produced from non-genetically modified (non-GM) seeds. This leads to the opportunity to supply Identity Preserved (IP) oils, which are guaranteed derived from non-GM material.

Web Resources

For more information see also the [EU Biofuels Report](#) of the Foreign Agricultural Service. For the most recent reports go to the [FAS GAIN report database](#).

Wood Pellets

HS 44013020 (2010-2011) and HS 440131 (2012-2013), Million US \$

	2012	2013	2014(F)
Total exports	32	42	25
Total imports	198	103	50
Total imports from the U.S.	109	59	25

Source: Global Trade Atlas

(F) Forecast Foreign Agricultural Service The Hague

Overview

The European Union's biomass market is regulated by the EU Climate and Energy Package (CEP) and the Renewable Energy Directive (RED). The CEP and the RED include an overall EU goal of 20 percent renewable energy consumption in 2020. In order to reach the individual Member States (MS) targets, the Dutch government imposed support programs for the domestic energy sector. According the Dutch Renewable Energy Action Plan (NREAP) a major part of the renewable energy will be produced from biomass.

Subsector

As domestic production is limited, the Netherlands will mainly depend on imports. In 2012, the United States was the main supplier of wood pellets to the Dutch market with an export value of over US\$ 100 million. In 2013, the Dutch Government temporarily terminated the funding for co-firing awaiting an agreement with the power sector and NGOs. On September 6 2013, the Dutch Government, private sector and NGOs signed the [Dutch Energy Accord](#) (NL3029). In the agreement co-firing of biomass is capped at annually about 3.5 million MT of wood pellets. The co-firing will be funded with the Support Sustainable Energy Production (SDE+) program. It is anticipated that these funds will be available from 2014 to 2023.

Opportunities

As historically the U.S. supplies about half of the demand the potential U.S. export value it is estimated at about \$300 million annually. In the Accord it was also agreed that the

biomass will have to be subject to requirements. The Dutch Government, energy sector and NGOs will decide upon these criteria before the end of the summer of this year.

Web Resources

On request the Foreign Agricultural Service (FAS) in The Hague will deliver a list of U.S. wood pellet suppliers and a detailed overview of the power sector in the Benelux countries. For more information see also the [Benelux Wood Pellets Report](#) and the [EU Biofuels Report](#) drafted by FAS The Hague. For the most recent reports go to the [FAS GAIN report database](#).

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Chapter 5: Trade Regulations, Customs and Standards

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Import Tariffs

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The Netherlands applies the 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, Phone: (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, a system 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 sections and chapters start with agricultural and primary products in the

initial chapters, followed by products that are more processed and technically more complex.

The HS classification number consists of a minimum of six digits, which are common to all countries using the Harmonized System. Additional digits can be used to meet each nation's individual statistical requirements and give greater detail as needed.

If a HS number of the product being shipped is requested by the Dutch importer, 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: Ministry of Finance, Director of Customs, P.O. Box 20201, 2500 EE The Hague.

The request should describe the product, the material it is made from, and other details needed by customs authorities to classify the product correctly. While customs will not provide a binding decision, the advance ruling usually will 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), is designed to show the various rules which apply to specific products being imported into the customs territory of the EU or, in some cases, exported from it. To determine if a license is required for a particular product, check the TARIC. The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily.

Key Link:

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Trade Barriers

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U.S. firms register relatively few trade complaints against Dutch firms. The Dutch tendency to support a level playing field in trade matters and their depth of experience in trade positions them as the genuine "neutral" traders of Europe.

U.S. companies locating in the Netherlands, however, will come up against a complex business culture, in which companies, trade unions, government bodies and industry associations engage in constant and close consultations. This stems, in part, from the traditional Dutch emphasis on achieving consensus and avoiding conflict in this small and densely populated country.

There is also a trend, particularly in larger government procurements, to "buy European" if not Dutch. The Dutch consider themselves to be good Europeans and, from a practical point of view, they see political advantages in buying European, especially when all else is relatively equal in a bid competition. In this regard, local representation

is essential for U.S. companies hoping to win major government contracts. A joint venture with a Dutch or European partner will improve the U.S. company's competitive position. Companies looking to compete on Dutch Government procurements should contact the U.S. Commercial Service at the Embassy early on in the process for guidance and possible advocacy, particularly if there are political or "level playing field" issues which might arise.

Offsets for defense contracts: All foreign contractors must provide at least 100 percent offset/compensation for defense procurement over \$2.5 million. The seller must arrange for the purchase of Dutch goods or permit the Netherlands to domestically produce components or subsystems of the system it is buying. This does not apply to Joint Strike Fighter as it is a cooperative program in which the Netherlands is a development partner.

Information on agricultural trade barriers can be found at the following website:
<http://www.usda-eu.org/>

To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center at <http://www.trade.gov/tcc> or the U.S. Mission to the European Union at <http://export.gov/europeanunion/>

Import Requirements and Documentation

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Value-added tax, most frequently called by its acronym VAT, is charged on the sale of goods and services within the country. Unlike the customs duty, which is the same for all EU member countries, the VAT is established by the tax authorities of each country and differs from country to 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 its purchases of goods and services from the VAT 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.

For imports into the Netherlands, the VAT is levied at the same rate as for domestic products or transactions. The base on which the 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 customs at the time of importation. This total represents the transaction value of the import when it clears customs.

The importer is liable for payment of customs duties, VAT, and any other charges at the time of clearing the goods through customs. Exports from the Netherlands are exempt from VAT since they are not consumed in the country, but will be subject to any tax imposed in the country of destination. Temporary imports that will be re-exported are not subject to the VAT. The importer may have to post a temporary bond for the amount of customs duty and taxes as security that will be canceled when the goods are taken out of the country.

The European Union is seeking to harmonize the range of VAT rates among the 28 EU member nations. The EU Council has adopted guidelines for converging the 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 will still retain the collection and enforcement authority that currently exists.

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 in addition 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 agricultural and food items. Other items subject to import licensing requirements include coal and lignite fuel, some specified base metal products, various apparel and textile products, and controlled items such as arms and munitions. Licenses are generally rapidly granted for goods of U.S. origin. Application forms for permits are available from Dutch chambers of commerce. The completed forms should be mailed to the CDIU, a part of Dutch Customs.

CDIU
P.O. Box 30003
9700 RD Groningen
The Netherlands
Phone: +31 50 523 9111
Fax: +31 50 523 0698

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 regarding 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 services of an importer 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, Phone: (202) 720 9408.

Shipments to the Netherlands require one copy each 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 a local Department of Commerce Export Assistance Center (see: <http://export.gov/usoffices/index.asp> for a complete list).

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 the 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 of 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 are required for a small number of goods such as textile products. The need for a certificate of origin should be ascertained directly from the importer or from 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 and it came into force in 2007 (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 above 1 metric ton per year to be registered with a central database handled by the European Chemicals Agency (ECHA). Information on a chemical's properties, its uses and safe ways of handling are part of the registration process. The next registration deadline is **May 31, 2018**. 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:
<http://export.gov/europeanunion/reachclp/index.asp>

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:
http://echa.europa.eu/documents/10162/17235/sds_en.pdf

WEEE Directive

EU rules on Waste Electrical and Electronic Equipment (WEEE), while not requiring specific customs or import paperwork, 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 this to be done by a local partner. The WEEE Directive was revised on July 4, 2012 and the scope of products covered was expanded 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 seeking more information on the WEEE Directive should visit:
<http://export.gov/europeanunion/weeerohs/index.asp>

RoHS

The ROHS Directive imposes restrictions on the use of certain chemicals in electrical and electronic equipment. It does not require specific customs or import paperwork however, manufacturers must self-certify that their products are compliant. The Directive was revised in 2011 and entered into force on January 2, 2013. One important change with immediate effect is that RoHS is now a CE Marking Directive. The revised Directive expands the scope of products covered during a transition period which 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:
<http://export.gov/europeanunion/weeerohs/index.asp>

U.S. Export Controls

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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 some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available at: <http://www.bis.doc.gov/licensing/exportingbasics.htm>

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. These are posted at:
<http://www.bis.doc.gov/enforcement/redflags.htm>

Also, BIS has "Know Your Customer" guidance at:
<http://www.bis.doc.gov/Enforcement/knowcust.htm>

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at 1(800) 424-2980, or via the confidential lead page at: <https://www.bis.doc.gov/forms/eeleadsntips.html>

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 web.

It is important to note that in August 2009, the President directed a broad-based interagency review of the U.S. export control system, with the goal of strengthening national security and the competitiveness of key U.S. manufacturing and technology sectors by focusing on current threats, as well as adapting to the changing economic and technological landscape. As a result, the Administration launched the Export Control Reform Initiative (ECR Initiative) which 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.

The Administration is implementing the reform in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center.

For additional information on ECR see: <http://export.gov/ecr/index.asp>

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one 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: <https://www.bis.doc.gov/seminarsandtraining/index.htm>

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website at: <http://www.bis.doc.gov/>

Temporary Entry

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As a result of various customs agreements, simplified procedures are available to U.S. business and professional people 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 leaving the United States.

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

Carnets are sold in the United States by the U.S. Council for International Business at the following address: 1212 Avenue of the Americas, New York, NY 10036, Toll-free: (866) 786 5625, Fax: (212) 944 0012, Email: atacarnet@uscib.org website: <http://www.uscib.org>.

The Netherlands participates in the International Convention to Facilitate the Importation of Commercial Samples and Advertising Materials. Samples of negligible value imported to promote sales are accorded duty-free and tax-free treatment. Prior authorization is not required. To determine whether the samples are of negligible value, their value is compared with a commercial shipment of the same product. Granting of

duty-free status may require that the samples be rendered useless for future sale by marking, perforating, cutting, or other means.

Labeling and Marking Requirements

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The Netherlands closely follows EU labeling requirements and regulations. Differences occur primarily in relation to the labeling of agricultural and food products. All labels require metric units. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of Member States to require the use of language of the country of consumption. The Netherlands requires labels to be in the Dutch language.

Prohibited and Restricted Imports

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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, Phone: +31 45 574 2700.

The TARIC is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. 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
RSTR Import Restriction

For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Key Link:

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Customs Regulations and Contact Information

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Goods that enter the customs territory of the EU from a non-EU country are referred to as 'non-Community goods'. A number of rules apply with respect to these goods. The main rule is that these goods should be assigned a 'customs-approved treatment or use'. One of the ways in which you can assign a customs-approved treatment or use to the goods is to place them under a 'customs procedure'.

By using this procedure it is possible, under an exemption from import duties, other import taxes and trade policy and agricultural policy measures: to introduce non-Community goods into the Netherlands or another EU country, in order subsequently to

have these goods treated (undergo a processing operation) in the Netherlands or elsewhere in the EU, and finally to re-export the treated goods (the compensating products) and remove them from the EU.

Customs Information Line: Call the Customs Information Line with regard to general customs matters. Telephone number when calling from the U.S.: +31 45 574 3031

National Customs Helpdesk – this helpdesk can answer questions about substantive (tax) questions about import levies, and international issues.

Telephone number when calling from the U.S.: +31 55 577 6655

Dutch customs maintain extensive information on regulations, in English, on their website:

<http://www.douane.nl/english/>

The following provides information on the major regulatory efforts of the EC Taxation and Customs Union Directorate:

Standards

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Overview

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The Netherlands uses 2,000 specifically Dutch standards, 6,000 EU standards and 9,000 international standards. As a member of the EU, the Netherlands applies the product standards and certification approval processes developed by the European Union. The Treaty of Rome requires all EU members to incorporate approved EU directives into its national laws. Delays in implementing these Directives at the national level are common. As part of the program 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.

The manufacturer or a representative must place a CE mark on all regulated products before they can be sold on 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 may be applied to the product. The CE mark replaces all national safety marks for the regulated products.

The international quality standard ISO 9000 is widely used.

Standards Organizations

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KEMA Quality BV
P.O. Box 9035
NL-6800 ET
ARNHEM
Phone: +31 26 356 2850
Fax: +31 26 352 5800
Email: m.h.t.winters@kema.com
URL: <http://www.dnvgl.com/energy/>

TNO Certification BV
P.O. Box 541
7300 AM Apeldoorn
Phone: +31 55 549 3468
Fax: +31 55 549 3288
Email: certification@certi.tno.nl
URL: <http://www.tno.nl>

Stoomwezen BV
DSW
P.O. Box 769
3000 AT Rotterdam
Pressure equipment

Keurmerkinstituut (SKK)
P.O. Box 9855
1006 AN Amsterdam
Toys

BCO Centrum voor Onderzoek BV
Bergschot 71
4817 PA Breda
Toys

Hoofddirectie Telecommunicatie En Post
P.O. Box 450
9700 AL Groningen
Radio communications

Nederlands Centrum voor Gast-Technologie NV (GASTEC)
P.O. Box 137
7300 AC Apeldoorn
Pressure equipment

Nederland Keuringsinstituut voor Pleziervaartuigen (NKIP)
P.O. Box 65
8500 AB Joure
Recreational craft

European Certification Bureau
Nederland BV (ECB)
Julianaweg 224A
1131 NW Volendam
Recreational craft
Life-saving appliances

Lloyd's Register of Shipping
P.O. Box 701
3000 AS Rotterdam
Recreational craft

ABOMA & KEBOMA BV
P.O. Box 141
6710 BC Ede
Elevators

Stichting Nederlands Instituut Voor Lifttechniek (LiftInstituut)
P.O. Box 36027
1025 XE Amsterdam
Elevators

Nmi Certin BV
P.O. Box 15
9822 ZG Niekerk
Radio-communication equipment

KCS Certification
P.O. Box 60004
6800 JA Arnhem
Navigation & radio equipment, Radio-communication equipment

Nippon Kaiji Kyokai (NK Rotterdam)
Mauritsweg 23
3012 JR Rotterdam
Life-saving appliances

Stichting Keuringsbureau Hout (SKH)
Huizermaatweg 29
1273 NA Huizen
Circular saws

SGS Technische Inspecties BV
Malledijk 18
P.O. Box 200
3200 AE Spijkenisse

Devices for the lifting of persons

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 email subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment

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Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of 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 use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual member states are listed in NANDO, the European Commission's website.

Key Link: <http://ec.europa.eu/enterprise/newapproach/nando/>

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification system is known as the Keymark. Neither CENELEC nor ETSI offer conformity assessment services.

Product Certification

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To sell products in the Netherlands, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of 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 or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

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 design, rather than performance, standards are developed by the relevant European standardization organization, and

when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the member states, and its use simplifies the task of essential market surveillance of regulated products. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to 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, together with the product's technical file), or the documents accompanying the product.

Accreditation

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The Dutch accreditation body is the “Raad voor Accreditatie” (RvA). The organization implements accreditations of those organizations that directly or indirectly carry out monitoring or supervisory activities in all necessary sectors, both private and public, including:

Certification bodies, Inspection bodies, Testing bodies, Calibration laboratories and Proficiency testing.

RVA

Raad voor Accreditatie

Postbus 2768

Mariaplaats 21D

3500 GT UTRECHT

Phone: + 31 30 239 4504

Fax: + 31 30 239 4539

Website: <http://www.rva.nl>

Email: jan.vander.poel@rva.nl

Publication of Technical Regulations

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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 (<http://eur-lex.europa.eu/JOIndex.do?ihmlang=en>). It lists the standards reference numbers linked to legislation (http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm).

National technical Regulations are published on the Commission's website http://ec.europa.eu/enterprise/tris/index_en.htm to allow other countries and interested parties to comment.

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 email subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL:

<http://www.nist.gov/notifyus/>

Labeling and Marking

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Labeling: In general, the Netherlands closely follows EU labeling requirements and regulations. Differences occur primarily in relation to the labeling of agricultural and food products.

Marking: With only minor exceptions, there are no general requirements for marking imported goods with the country of origin. Requirements for specific products should be obtained from the importer. The import, export, or transit of non-Dutch goods having markings that imply that the goods are of Dutch manufacture or origin is prohibited.

There are no regulations for the marking of shipping packages. Good shipping practice dictates that packages should bear the consignee's mark and be numbered unless the shipment is such that the content of the packages can be readily identified without numbers.

Hallmarking of gold and silver articles is required before they can be offered for sale. Only small tolerances are allowable for manufacturing errors. The hallmarking may be done by a Netherlands hallmarking office after importation.

The Netherlands applies the EU product standards and certification approval process.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of member states to require the use of the language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers. Key Link: http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

The Eco-label

The EU eco-label is a voluntary label which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the

product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently 13 different product groups, and more than 17000 licenses have been awarded.

Applications to display the eco-label should be directed to the competent body of the member state in which the product is sold. The application fee will be somewhere between \$360 and \$2100 depending on the tests required to verify if the product is eligible, and an annual fee for the use of the logo (typically between \$480 to \$2000), with a 20 percent reduction for companies registered under the [EU Eco-Management and Audit Scheme](#) (EMAS) or certified under the international standard [ISO 14001](#). Discounts are available for small and medium sized enterprises (SMEs).

Key Links:

[Eco-label Home Page](#)

Trade Agreements

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For a list of trade agreements with the EU and its member states, as well as concise explanations, please see http://tcc.export.gov/Trade_Agreements/index.asp

Web Resources

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EU websites:

Online customs tariff database (TARIC):

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

The Modernized Community Customs Code MCCC):

http://europa.eu/legislation_summaries/customs/do0001_en.htm

ECHA: <http://echa.europa.eu>

Taxation and Customs Union:

http://ec.europa.eu/taxation_customs/customs/index_en.htm

Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF>

Electronic Customs Initiative: Decision N° 70/2008/EC

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF>

Modernized Community Customs Code Regulation (EC) 450/2008):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF>

Legislation related to the Electronic Customs Initiative:

http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

Export Help Desk

http://exporthelp.europa.eu/thdapp/index_en.html

International Level:

What is Customs Valuation?:

http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/european/index_en.htm

Customs and Security: Two communications and a proposal for amending the Community Customs Code:

http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

Establishing the Community Customs Code: Regulation (EC) n° 648/2005 of 13 April 2005

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF>

Pre Arrival/Pre Departure Declarations:

http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/prearrival_predeparture/index_en.htm

AEO: Authorized Economic Operator:

http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm

Contact Information at National Customs Authorities:

http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm

New Approach Legislation:

<http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main>

Cenelec, European Committee for Electrotechnical Standardization:

<http://www.cenelec.eu/>

ETSI, European Telecommunications Standards Institute:

<http://www.etsi.org/>

CEN, European Committee for Standardization, handling all other standards:

<http://www.cen.eu/cen/Pages/default.aspx>

Standardisation – Mandates:

http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

ETSI – Portal – E-Standardisation :
http://portal.etsi.org/Portal_Common/home.asp

CEN – Sector:
<http://www.cen.eu/work/areas/Pages/default.aspx>

CEN - Standard Search:
<http://esearch.cen.eu/esearch/>

Nando (New Approach Notified and Designated Organizations) Information System:
<http://ec.europa.eu/enterprise/newapproach/nando/>

Mutual Recognition Agreements (MRAs):
<http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=mra.main>

European Co-operation for Accreditation:
<http://www.european-accreditation.org/home>

Eur-Lex – Access to European Union Law:
<http://eur-lex.europa.eu/en/index.htm>

Standards Reference Numbers linked to Legislation:
http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm

What's New:
http://ec.europa.eu/enterprise/news/index_en.htm

National technical Regulations:
http://ec.europa.eu/enterprise/tris/index_en.htm

NIST - Notify U.S.:
<http://www.nist.gov/notifyus/>

Metrology, Pre-Packaging – Pack Size:
http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

European Union Eco-label Homepage:
<http://ec.europa.eu/environment/ecolabel/>

U.S. websites:

National Trade Estimate Report on Foreign Trade Barriers:
<http://www.ustr.gov/about-us/press-office/reports-and-publications/2012-1>

Agricultural Trade Barriers:
<http://www.usda-eu.org/>

Trade Compliance Center:
<http://tcc.export.gov/>

U.S. Mission to the European Union:
<http://useu.usmission.gov/>

The New EU Battery Directive:
http://www.buyusainfo.net/docs/x_8086174.pdf

The Latest on REACH:
<http://export.gov/europeanunion/reachclp/index.asp>

WEEE and RoHS in the EU:
<http://export.gov/europeanunion/weeerohs/index.asp>

Overview of EU Certificates:
<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>

Center for Food Safety and Applied Nutrition:
<http://www.fda.gov/Food/default.htm>

EU Marking, Labeling and Packaging – An Overview
http://buyusainfo.net/docs/x_366090.pdf

The European Union Eco-Label:
http://buyusainfo.net/docs/x_4284752.pdf

Trade Agreements:
http://tcc.export.gov/Trade_Agreements/index.asp
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Chapter 6: Investment Climate

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Openness to Foreign Investment

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The Netherlands' trade and investment policy is among the most open in the world, with combined merchandise exports and imports exceeding GDP. According to UNCTAD 2012 statistics, the Netherlands ranked as eleventh largest recipients of FDI (FDI as percentage of GDP) among industrialized countries. The government of the Netherlands maintains liberal policies toward foreign direct investment and adheres to OECD investment codes.

Foreign direct investment is 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 (luxury) foods.

The Netherlands has a strongly regulated labor market (nearly 85 percent of labor contracts fall under some sort of collective labor agreement), but also a well-educated and motivated workforce. Legislation has been passed or is in the making expressly to ease hiring and firing practices and increase labor market flexibility.

Structural and regulatory reforms are an integral part of a major reorientation of Dutch economic policy. Product market competition is strengthened through programs aimed at stimulating market forces, liberalization, deregulation, and legislative quality, along with a tightening of competition policy. With a few exceptions, the Netherlands does not

discriminate between national and foreign individuals in the establishment and operations of private companies. Although the government has reduced its role in the economy by introducing market forces in formerly public utility sectors, it has taken strategic measures to make sure that key infrastructure remains in public, and there are a number of strategic sectors in which private investment, including foreign investment, may be subject to limitations or conditions. These are, amongst others: transportation, energy, defense and security, finance, postal services, public broadcasting, and media.

The Dutch comply with European Union reciprocity provisions in banking and investment services. Provisions related to government incentives, national rules of incorporation, and access to the capital market are all administered on a non-discriminatory basis. Business laws and regulations accord with international legal practices and standards, and apply equally to foreign and Dutch companies.

Air transport is by European Union (EU) regulation and subject to a bilateral agreement between the U.S. and the EU. According to Annex Four, Article One of the EU-U.S. Air Transport Agreement, 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 equivalent to that allowed by the United States for foreign nationals in U.S. carriers.

According to recent statistics by Eurostat, the Netherlands has the highest Internet penetration (94 percent of the households) and the largest number of broadband connections (38.4 per 100 inhabitants) in the European Union. A motion was passed in Parliament in December 2010 to ensure that everyone in the Netherlands can gain access to a minimum of 30 MB/s by 2020 in accordance to the European Digital Agenda.

The 2011 Economist Intelligence Unit Government Broadband Index comparing countries worldwide by planned broadband development ranked the Netherlands eighth in government planning – as opposed to current capability – of speed and coverage of next-generation broadband networks. The Amsterdam Internet hub, AMS-IX, is the largest data transport hub in the world. The Netherlands is the second most densely-cabled country in the world. More than 50 percent of Forbes 2,000 companies active in ICT maintain an office in the Amsterdam region.

A more friendly tax regime introduced in the late 1990s and a drop in the corporate tax rate to 25 percent in 2011 make the Netherlands an attractive location for European headquarters.

The Netherlands is known for its favorable fiscal climate and the high degree of customer service the tax authorities provide to foreign investors. Precise tax guidance given to foreign investors provides transparency and certainty with regard to long-term tax obligations. To this end, Advance Tax Rulings (ATR), in combination with Advance Pricing Agreements (APA), are guarantees given by local tax inspectors with regard to long-term tax commitments for a particular acquisition or green field operation.

Dutch tax law facilitates attracting non-Dutch personnel to live and work in the Netherlands. Currently, expatriate staff transferred to the Netherlands on a temporary contract can make use of the “30 percent ruling” providing an exemption of up to 30 percent of gross employment income under Dutch personal income tax laws. However,

certain qualifying conditions must be met, including minimum salary (50,000 euro, (roughly \$64,000) with exceptions for 'scientists'), commute across the national borders, and previous residence in the Netherlands.

Dutch corporations and branches of foreign corporations currently are subject to a corporate tax rate of 25 percent on taxable profits, which puts the Netherlands in the medium third of the corporate tax bracket in the EU. Profits of up to 200,000 euro (roughly \$338,000) are taxed at a rate of 20 percent since 2011. Dutch corporate taxation generally allows for the exemption of dividends and capital gains derived from a foreign subsidiary (participation exemption). Surveys into the corporate tax structure of EU Member States observe that both the corporate tax rate and the effective corporate tax rate in the Netherlands are approximately average European levels. Nevertheless, the Dutch corporate tax structure ranks among the most competitive in Europe given other beneficial tax measures. No local Dutch income taxes are levied on corporations. The Netherlands also has no branch profit tax and does not levy a withholding tax on interest and royalties.

Furthermore, the Netherlands maintains an extensive network of tax treaties with a large number of countries. A protocol amending the U.S. - Netherlands 1992 Tax Treaty entered into force in 2004. The protocol modernizes anti-abuse rules to prevent exploitation of the treaty by third-country nationals. The protocol also eliminates source-country withholding taxes on certain inter-company dividends, thereby removing a remaining barrier to cross-border investment in both directions. Finally, the Dutch tax authorities in general have a cooperative attitude and often provide tax opinions in advance of tax issues arising.

There are no formal foreign investment screening mechanisms, and 100 percent foreign ownership is permitted in those sectors open to foreign investment, with the exception of certain limitations in the strategic sectors noted earlier. There is also no requirement for nationals to have an equity stake in a Dutch registered company.

The rules on acquisition, mergers, takeovers, and reinvestment are nondiscriminatory. All firms must conform to certain rules of conduct on mergers and takeovers. The Social Economic Council (SER), an official advisory body composed of representatives of government, business, and labor, administers Dutch merger and takeover rules. SER rules are intended, first and foremost, to protect the interests of stakeholders and employees. They include requirements for the timely announcement of merger and takeover plans and for discussions with trade unions.

A 2009 survey among European companies ranked the Netherlands second for the transparency of its corporate governance practices (note: this is the most recent data available). Because elaborate corporate protective measures against hostile takeovers may de facto block acquisitions or takeovers by Dutch and foreign investors, the Dutch government continues to work to address corporate governance issues.

A corporate governance code of conduct took effect in 2004 aimed at improving transparency in shareholder/management relations, as well as the structure and accountability of management. The voluntary Corporate Governance Code is monitored by a Committee on Corporate Governance, which can also propose adjustments to the Code in areas such as executive salaries, risk management, and shareholders rights and responsibilities. The main responsibility of the Committee, though, is monitoring. In

its December 2011 evaluation report, the Committee underlined that the Corporate Governance Code has a self-regulatory character, and therefore enjoys wide support. KPMG's 2012 Competitive Alternatives (Guide to International Business Location Costs) ranked the Netherlands seventh worldwide and first in the Eurozone both in terms of favorable business costs and in terms of tax costs.

The Netherlands maintains no preferential or discriminatory export or import policies, with the exception of those that result from its membership in the European Union. The Dutch also abide by all internationally agreed strategic trade controls.

In summary, Dutch domestic restrictions on foreign investment remain minimal, with no new restrictions planned. The right-left coalition government that assumed office in October 2012 emphasizes the importance of business and trade, and aims to create a more (international) entrepreneur friendly environment. It has identified nine so-called 'top sectors' (creative industries, logistics, horticulture, agro & food sector, life sciences, energy, water, chemical industry, and high tech) at the center of government's industrial policy. The policy focuses on improving cooperation between businesses, knowledge institutions, and (local) government. At the same time – partially due to government's austerity measures – there will be fewer business subsidies.

Measure	Year	Ranking
EIU Global Business Environment ranking	2012	16
TI Corruption Index	2012	9
Heritage Economic Freedom	2012	15
World Bank Doing Business	2013	31
World Economic Forum Global Competitiveness Report	2012	5
IMD World Competitiveness Yearbook	2012	11

Conversion and Transfer Policies

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The Netherlands is a founding member of the European Union and one of the initial entrants in the European Monetary Union. As such monetary policy is under authority of the European Central Bank.

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, with the exception of the nominal exchange license requirement for nonresident firms.

Expropriation and Compensation

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The Netherlands maintains strong protection on all types of property, including private 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 seen in the nationalization of ABN Amro during the 2008 financial crisis. In the event of expropriation, the Dutch government follows customary international law, providing prompt, adequate compensation and ample process for legal recourse.

The U.S. Embassy is unaware of any recent expropriation claims involving the Dutch government and U.S. or other foreign-owned property.

Dispute Settlement

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Dutch contract law is based on the principle of party autonomy/full freedom of contract. Signing parties are free to draft their agreement in any form, 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 establishment in the Netherlands especially attractive to foreign investors. Since January 1, 2013, further liberalization of corporation law has been implemented that allows for even more flexibility in corporate governance structure, legal entity of the enterprise and governance of holdings.

The Dutch civil court system has a special chamber dedicated to business disputes, the Enterprise Chamber. This feature is unique to the EU and the Enterprise Chamber has received positive reviews from institutional investors, companies and investors around the world.

Enterprise Chamber judges include experts in commercial fields as well as the legal profession. They have proven their ability to act swiftly and decisively in a wide range of corporate disputes, including conflicts regarding corporate control.

As a signatory to the International Convention on Investment Disputes and as a member of the International Center for the Settlement of Investment Disputes, the Netherlands accepts binding international arbitration between foreign investors and the state.

The Netherlands is one of the initial signatories of the New York Arbitration Convention and permits local enforcement of arbitration judgments decided in other signatory countries.

Performance Requirements and Incentives

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There are no trade-related investment performance requirements in the Netherlands. General requirements to qualify for investment subsidy schemes apply equally to domestic and foreign investors.

There are no requirements for employment of local capital or managerial personnel. In practice, however many chief executives of major U.S. subsidiaries in the Netherlands are Dutch or other EU nationals. This is because skilled managers are available at a cost less than that of posting an American abroad.

Industry-specific, targeted investment incentives have long been a well-publicized tool of Dutch economic policy to facilitate economic restructuring and to promote energy conservation, regional development, environmental protection, R&D, and other national socioeconomic goals. Such subsidies and incentives are available to foreign and domestic firms alike and are spelled out in detailed regulations. Subsidies are in the form of tax credits that are usually disbursed through corporate tax rebates or direct cash payments in the event of no tax liability.

Since 2011, successive Dutch governments have pursued a targeted stimulus program for nine so-called Top Sectors. The stated ambitions for this policy are to improve the Dutch role in knowledge-intensive industries to reach a top 5 rank among global knowledge-based economies by 2020; to increase the percentage of R&D efforts to 2.5 percent of GDP by 2020; and, to establish Innovation Consortia wherein both public and private sectors participate with a budget over €500m.

In a joint effort with academia and the private sector, the government has instituted preferential policy that releases over a €1b in additional funding for R&D and product innovation in the following top sectors in the 'business economy'/private sector:

Agriculture and Food: is the third largest top sector in terms of turnover, €73b, and employs the largest number of self-employed, 91,000.

Chemical Industry: accounts for nearly 8 percent of production and consists of companies with a large number of employees. Three-quarters of the sector is focused on innovation, more than the other sectors.

Creative Industry: nearly 97,000 different firms are active in this sector, but in economic terms it generates 2 percent of private sector production.

Energy: a capital-intensive sector with few firms, production (€55b) and investments (€5b) are very high.

High tech systems and materials: the largest Top Sector by production, added value and export. Highly committed to innovation, this sector accounts for nearly half of the R&D efforts in the Netherlands.

Life sciences & Health: this sector contains the fewest number of firms, just over 2,000, but represents nearly 13 percent of Dutch R&D investments.

Logistics: one of the most important sectors of the Dutch economy, accounting for 11 percent of production (€126b), 10 percent of all added value in the Netherlands and 12 percent of employment.

Horticulture and propagation materials: this sector is characterized by the large export component, as nearly three quarters of production (€21b) is sold abroad.

Water: this sector consists of the subsectors maritime production, drinking water, and delta engineering. It generates 2.2 percent of Dutch GDP, but it contributes nearly 9 percent of all R&D investments (€468m).

Nearly a quarter of all firms in the Netherlands are active in a Top Sector. These firms represent 38 percent of total Dutch production. The nine Top Sectors account for 27 percent of value added, and generate 21 percent of overall employment. These sectors are also highly export-orientated: they account for 40 percent of Dutch exports. Truly defining is the innovative intensity: over 95 percent of R&D expenditures on proprietary research within the Netherlands takes place in the Top Sectors.

In the coming years, more funding is expected to be available for the Top Sectors as additional government policies in taxation, SME support and product development are rolled out. By 2015 the government share in the national Top Sector program will amount to €2b.

Foreign investors are free to apply for government grants as the Dutch government reviews applications on a case-by-case basis with no preference for nationality of the bidder.

Although much coordination of investment support is executed at the Ministry and NFIA level, the Netherlands has a strong tradition of regional development agencies. These agencies advise both business and local authorities on the best use of regional development funds. Many of these have evolved into investment agencies that provide equity participation for up-and-coming enterprises in the region. Also, funding from the EU for regional development is distributed through the regional development agencies.

Regional non-tax incentives are available in the form of cash grants, low interest loans, and local government participation and export guarantees for selected areas.

Right to Private Ownership and Establishment

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There are full rights of private ownership and establishment of business enterprises in the Netherlands, except in some cases in the strategic sectors noted earlier. Legal guidelines on mergers, acquisitions and reinvestment are applied without regard to nationality.

Of the 400,000 registered companies in the Netherlands, nearly 6,000 enterprises are 100 percent -owned by foreign firms. Most of these have EU origins, but outside the EU area the U.S. is the most important country of origin. Approximately 20 percent of foreign owned enterprises in the Netherlands are American.

Thirteen of the Fortune 500 corporations have global headquarters in the Netherlands, and another 16 have located their EMEA headquarters in the Netherlands

Although they amount to 1 percent of the total number of firms in the Netherlands, foreign owned companies account for nearly 15 percent of employment in the business economy. American owned firms alone represent/create around €20b in added value to the Dutch economy and employ 170,000 staff.

Protection of Property Rights

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The Netherlands has a generally strong set of laws and regulations that protect intellectual property rights (IPR). With the implementation of EU Directive 2004/48 on the enforcement of intellectual property rights, IPR holders have more instruments at their disposal to enforce their rights in civil court.

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

Despite its participation in the negotiations on the Anti-Counterfeiting Trade Agreement (ACTA) treaty, the Netherlands will not sign this 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.

Copyright: The Netherlands has implemented the European directive 98/44/EC in 2006 after significant delay, bringing domestic legislation in line with the WIPO 1996 Copyright Treaty (WCT) and the WIPO Performance and Phonogram Treaty (WPPT). There is consensus among policy makers on the need for measures aimed at raising awareness of IPR rules and regulations and to strengthen enforcement.

Patents: The Netherlands is a signatory to the European Patent Convention, which provides for a centralized Europe-wide patent protection system. This convention has simplified the process for obtaining patent protection in EU Member States. Infringement proceedings remain within the jurisdiction of the national courts, which could result in divergent interpretations detrimental to U.S. investors and exporters. The Netherlands has been a staunch supporter of the forthcoming single, harmonized European patent procedure that will allow for easier application in just three languages. This so-called unitary patent will be under jurisdiction of a single European patent court to adjudicate disputes.

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. 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. Patent applications can be filed in English, but the conclusion must be written in Dutch.

Since 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.

Beside the possibilities civil action, all IPR laws contain penal bylaws and reference to the Criminal Code. In 2012, parliament passed legislation that strengthens the oversight and coordination of seven different collective institutions that concern themselves with the control, administration and remuneration of commercial use of works under IPR holdership.

The Dutch government has recognized the need to protect intellectual property rights, 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 under the copyright statutes.

A government proposal to include a download ban as an instrument in the enforcement of IPR was rejected in parliament in December 2012. The government will continue the existing policy of placing a copy surcharge on the sales of blank content holders such as CDs, DVDs and USB sticks.

Transparency of Regulatory System

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Laws and regulations that affect direct investment, such as environmental rules, and health and safety regulations, are non-discriminatory and apply equally to foreign and domestic firms.

As member of the European Union and as a 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.

In early 2013, the new Authority Consumer and Market (ACM) succeeded the three separate market regulators for Consumer Protection (Consumenten Autoriteit), Post and Telecommunications (OPTA) and Market Competition (NMA).

Financial markets are regulated by the central Bank DNB and the Financial Market authority, AFM, in an interconnected EU and national system of prudential and behavioral oversight. Their EU counterparts are ECB and ESMA.

Efficient Capital Markets and Portfolio Investment

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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 NYSE Euronext group that operates stock exchanges and derivatives markets in Amsterdam, Brussels, London, Lisbon, New York 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 and for 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.

Dutch financial institutions were hurt by the 2008-2009 global financial crisis, leading to the nationalization of Fortis Bank Nederland and the Dutch activities of ABN AMRO Bank, and the provision of capital injections and government guarantees to other large financial institutions in autumn 2008-spring 2009, including the ING Group, SNS Reaal Bank, and insurance company Aegon.

By and large, the Dutch financial sector is recovering from the financial crisis and has nearly paid back the 2008 state support funding. Challenges remain, as it is currently still hampered by the worldwide recession.

Competition from State Owned Enterprises

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There is very little state intervention in the private sector, and little or no direct or indirect state support is provided to industry. The state's equity stake in (former) state owned enterprises has been decreasing for decades.

Traditionally, the Dutch government has had equity stakes or complete ownership in companies that provide some form of public good or play an important role in strategic sectors.

The financial crisis did bring about a necessary nationalization (bail-out) of ABN AMRO Bank and ASR insurance company. The Dutch government has stated its intention to reprivatize ABN AMRO through stock issuances by 2014.

Government-controlled entities will retain dominant positions in gas and electricity distribution, rail transport, and the water sector.

Private enterprises are allowed to compete with public enterprises with respect to market access, credits, and other business operations such as licenses and supplies.

The following sectors include companies and organizations in which the government is the majority shareholder (with at least 51 percent ownership): transportation and infrastructure, energy transport, gas trade, nuclear energy, gambling, banking and finance.

The Netherlands furthermore has an extensive public broadcasting network, which has its own income through commercials but also receives government subsidies.

SOEs are not obligated to consult with government officials before making business decisions. As with any other firm in the Netherlands, SOE's must publish annual reports, and their financial account must be audited. There are no sovereign wealth funds in the Netherlands.

Corporate Social Responsibility

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There is a strong awareness within the Dutch business community of corporate social responsibility. Principles of CSR are promoted and prescribed through a range of corporate, governmental and international guidelines. In general, companies closely guard their reputation for CSR, and consumers are increasingly opting for products and services that are less harmful to animals and the environment.

The Dutch government has signed on to the OECD guidelines for Multinational Enterprises and the Ministry of Economic Affairs houses the National Contact Point that promotes the guidelines and helps companies attain their CSR goals. The National Contact Point also considers any dispute that persons, NGO's and enterprises may have regarding the implementation of the OECD guidelines by specific companies. (For more information, visit <http://www.oecdguidelines.nl>)

Dutch firms comprise 2 percent of the Dow Jones World Sustainability Index, which represents the top 10 percent of leading sustainable companies in the world in every industry. When specified for eurozone companies, Dutch firms comprise over 10 percent of the most sustainable enterprises. Of the nineteen 'supersectors' identified by the Dow Jones Sustainability Index, four sector leaders are Dutch: Akzo Nobel (Chemicals sector), UniLever (Food and Beverage), Philips (Personal and Household) and KLM/Air France (Travel and Leisure).

Political Violence

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The Netherlands is known for its stable political environment and tolerance for political and social views. Although political violence rarely occurs in the highly consensus-oriented Dutch society, there is public discourse and debate on some issues, including, among others, integration policies. While rare, there have been politically and religiously inspired acts of violence, including the 2004 killing of controversial filmmaker Theo van Gogh, and the 2002 assassination of anti-Muslim politician Pim Fortuyn.

The Dutch economy derives much of its strength from a stable industrial climate fostered by partnership between unions, employers' organizations, and the government. Industrial action is rarely regarded as the primary means to settle labor disputes, and labor strikes in recent decades have been very unusual. As the effects of the continuing European debt crisis and newly-introduced government austerity measures – including increasing the retirement age – have become more tangible, there have been more labor strikes since 2010. These strikes were organized by single unions, and addressed a specific cutback. There have not been any general, across the board events.

Corruption

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NGO Transparency International ranked the Netherlands ninth on its 2012 Corruption Perception Index, above 13th placed Germany and 17th placed U.K. The United States ranks 19th on this list.

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

Anti-bribery legislation to implement the 1997 OECD Anti-Bribery Convention (ABC) became effective 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. It makes corruption by Dutch businessmen in landing foreign contracts a penal offense, and bribes are no longer deductible for corporate tax purposes.

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

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention

against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. [Insert information as to whether your country is a party to the OECD Convention.]

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. [Insert information as to whether your country is a party to the UN Convention.]

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) [Insert information as to whether your country is a party to the OAS Convention.]

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-

corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see http://www.coe.int/t/dghl/monitoring/greco/default_en.asp)

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. [Insert information as to whether your country has an FTA with the United States: Country [X] has a free trade agreement (FTA) in place with the United States, the [name of FTA], which came into force. Consult USTR Website for date: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.]

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at <http://www.trade.gov/cs>.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” Website at http://tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at <http://www.justice.gov/criminal/fraud/fcpa>. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at

http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which

presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.

- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

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The Netherlands adheres to OECD codes on capital movements and invisible transactions, with the exceptions mentioned earlier. It maintains a treaty of Friendship, Commerce and Navigation with the United States that generally provides for national treatment and free entry for foreign investors, with certain exceptions. The Netherlands is also a member of the EU single market.

The Netherlands has signed bilateral investment agreements with a large number of countries 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 (FYROM), Malawi, Mali, Malaysia, 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. (Visit <http://www.rijksoverheid.nl> for the official list and legal status of these agreements.)

OPIC and Other Investment Insurance Programs

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OPIC does not operate in The Netherlands. OPIC insurance and funding is available for U.S. companies partnering with Dutch companies in those markets where OPIC operates. The Netherlands is a member of the 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 laid 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.

Labor

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The majority of the Dutch workforce is well-educated and multilingual. As a result of sustained economic growth in recent years, unemployment had been decreasing until mid-2009, when the effects of the financial crisis set in. The working population consists of 7.9 million persons. The annual unemployment rate was estimated to be approximately 7 percent in 2012 in comparison to 3.9 percent in 2008, but it remains well below EU average of 10 percent. Workers may be found through government-operated labor exchanges, a rapidly growing number of private employment firms, or through direct hiring.

Since 2002, the Netherlands has had the highest part-time work rate in the OECD. This has contributed to labor market flexibility in a market otherwise characterized by collective labor agreements. An increase in the participation of women 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 in four men work less than a 36-hour week.

Labor market participation, especially by older workers, is slowly but gradually growing. Increased labor market participation is regarded as critical to ensuring continued economic growth and to coping with the impact of a rapidly aging population. The official retirement age will increase from 65 to 66 in 2020, and increase again in 2025 to 67 years, however some details are still being negotiated. Government labor market policies are increasingly focused increasing productivity of the labor force, including by expanding working hours. The Netherlands has a maximum amount of working hours per week. In 2004, Parliament reached an agreement to amend current labor laws, allowing the maximum average workweek to increase from an average of 50 hours to 60 hours. In a related move, 2007 legislation increased the number of hours a worker must complete before he/she is eligible for a break. New legislation has also been adopted which will increase the flexibility in the operating hours of companies and shops.

Wages rose by 1.6 percent on average in 2012 and by 1.1 percent in 2011, growing slower than the rate of inflation for over two years. Due to the economic crisis, Dutch labor productivity dropped by 2.8 percent in 2009, but was compensated by a 2.0 percent increase in 2010, mainly as a result of increased international trade and government measures to combat the crisis. The minimum wage starting January 1, 2013 for employees older than 23 years is EUR 1,469.40 a month. The minimum wage for younger employees is lower.

Labor/management relations in both the public and private sectors are generally good in a system that emphasizes the concept of social partnership. Although wage bargaining

in the Netherlands is increasingly decentralized, there still exists a central bargaining apparatus where labor contract guidelines are established. About 84 percent of all Dutch workers are currently covered by 'collective labor agreements.' These agreements are negotiated per sector between the union, the employers association, and the government.

The terms of Collective Labor Agreements apply to all employees in that sector, not only the union members. Some sector labor contracts (e.g., road transport and haulage) are relatively inexpensive, while others (e.g., metal) have traditionally been more costly. To avoid surprises, potential investors are advised to consult with local trade unions to determine which, if any, labor contracts apply to workers in their business sector prior to making an investment decision. Collective bargaining agreements negotiated in the past few years have, by and large, been accepted by the rank and file without much protest, despite only moderate wage rises. Days lost to strikes are relatively few.

The Dutch have always had an economy that derives its strength from free trade and a stable industrial climate fostered by partnership among unions, employers' organizations, and the government. There is substantial labor involvement in corporate decision-making on matters affecting workers. Each company in the Netherlands with at least 50 workers is required by law to institute a Works Council, with which management must consult on a range of issues including investment decisions. Legislation implementing the EU Work Council Directive came into effect in 1998. The Dutch government also agreed to introduce legislation governing employee participation of European companies (companies operating in at least two EU member states). Under this legislation, company management and workers must conclude an agreement on employee participation. Trade unions and management are generally receptive to foreign investment, especially where this leads to improved employment possibilities and related benefits. U.S. companies generally perceive Works Councils as contributing to better management-worker relations and a benefit to the company.

Foreign-Trade Zones/Free Ports

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The Netherlands has no free trade zones or free ports in the sense of territorial enclaves where commodities can be processed or reprocessed tax-free.

However, the Dutch economy has a very large component in the area of transport, transit, logistics and distribution. Dutch customs authorities oversee a large number of customs warehouses, free warehouses and free zones along many of the Netherlands trade routes and entry points.

Schiphol Airport alone handles over 1.5 million tons of goods for distribution. Specific premises in the Schiphol area are designated a customs type II Free Zone.

The Port of Rotterdam is Europe's largest seaport by volume, handling over 37 percent of all cargo shipping on the Le Havre – Hamburg coastline, and processing over 442 million tons of goods in 2012. Many agents operate customs warehouses under varying customs regimes on the premises of the Port of Rotterdam.

No activities that add value to the commodities are permitted within the Free Trade Zones, which are reserved for bonded storage, cargo consolidation, and reconfiguration of non-EU goods.

Foreign Direct Investment Statistics

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According to UNCTAD statistics, the Netherlands ranked eleventh among recipients of FDI globally measured by FDI as percentage of GDP (UNCTAD 2012).

The Dutch Central Bank DNB shows that the total stock of Dutch FDI abroad amounted to €516b (roughly \$680b), about 85 percent of GDP, at the end of 2011.

The U.S. Bureau of Economic Analysis shows that The Netherlands is the third largest source of FDI in the United States, behind the UK and Japan. Nine percent (\$240b) of all global FDI into the U.S. is of Dutch origin.

Inbound FDI is also very large in relationship to Dutch GDP. DNB statistics show that FDI destined for the Netherlands amounted to €440b (approximately \$580b) in 2011. The U.S. Bureau of Economic Analysis shows that The Netherlands is the primary destination of U.S. FDI in the world. Nearly 14 percent of all U.S. FDI is destined for The Netherlands, making it the largest recipient of U.S. foreign direct investment. 2010 statistics show that the Netherlands is home to over 6000 companies with 100 percent foreign ownership. Over 20 percent of foreign owned companies established in the Netherlands are of U.S. origin.

Although the number of foreign owned companies is around 2 percent of all firms, they account for 15 percent of private sector employment with 800.000 employees. U.S. owned firms alone contributed over €20b of added value to the Dutch economy, employing more than 180 thousand workers and investing nearly a billion dollars in research and development.

The top fifteen U.S. investors in the Netherlands are: ExxonMobil, PACCAR, Sara Lee, Cargill, Phillip Morris, Nike, Dow, Johnson & Johnson, American Express, Merck, IBM, Boston Scientific, NXP, Mars, and Medtronic.

Other prominent U.S. investors in the Netherlands include 3M Nederland BV, Amgen BV, Abbott Labs, Starbucks, General Electric, Honeywell, Heinz, Arco Chemical, Hewlett-Packard, Ernst & Young, Eastman Chemical, UPS, and Cisco. (For more information, visit <http://www.nfia.com>.)

U.S. Bureau of Economic Analysis 2012 statistics: FDI flows from U.S. to Europe and the Netherlands (in \$ millions)

	Outward bound FDI		
	Europe	Netherlands	Dutch share of Europe bound FDI%
All Industries Total	212,760	55,195	26%

Mining		6,986	290	4%
Utilities		n.s.	n.s.	n.s.
Manufacturing	Total Manufacturing	28,529	2,916	10%
	Food	1,588	-71	-4%
	Chemicals	7,779	430	6%
	Primary and fabricated metals	910	29	3%
	Machinery	3,504	344	10%
	Computers and electronic products	3,980	74	2%
	Electrical equipment, appliances, and components	840	526	63%
	Transportation Equipment	2,595	67	3%
	Other Manufacturing	7,333	1,516	21%
Wholesale Trade		11,326	3,235	29%
Information		8,452	152	2%
Depository Institutions		1,157	-10	-1%
Finance (except depository institutions) and insurance		9,995	1,536	15%
Professional, scientific, and technical services		4,108	395	10%
Holding Companies (nonbank)		128,778	44,941	35%
Other Industries		13,429	1,741	13%

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Chapter 7: Trade and Project Financing

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How Do I Get Paid (Methods of Payment)

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The most common methods are:

Documentary Collections: the exporter, upon shipment, presents the relevant documents to his bank. This bank then sends the documents to the importer's bank, which contacts the importer. 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 will be paid for the goods shipped or services rendered only upon presenting documents that have been pre-described in the 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 their obligations. The beneficiary may claim the guarantee by presenting copies of unpaid invoices and or other documents relating to the transaction. There are many different kinds of guarantees such as; advance payment guarantees, performance bonds, maintenance bonds, etc.

Dun & Bradstreet has a local office in the Netherlands. There are numerous collection agencies. Please contact the Commercial Service for a list.

How Does the Banking System Operate

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

According to the Finance Ministry, 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 cannot 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 Finance Ministry says 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

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There are no foreign exchange controls in the Netherlands.

U.S. Banks and Local Correspondent Banks

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Three big Dutch banks dominate the Dutch banking sector: ABN Amro, ING, and Rabobank. Important bank contacts:

Bank of America National Trust and Savings Association
P.O. Box 1638
1000 BP Amsterdam
Phone: +31 20 557 1888
Fax: +31 20 557 1600
URL: <http://www.bankofamerica.com>

Citibank NA
P.O. Box 23445
1000 DX Amsterdam
Phone: +31 20 651 4211
Fax: +31 20 651 4234
URL: <http://www.citibank.com>

ABN Amro Holding NV
P.O. Box 283
1000 EA Amsterdam
Phone: +31 20 628 9898
Fax: +31 20 628 7740
URL: <http://www.abnamro.com>

Internationale Nederlanden Bank NV (ING)
P.O. Box 1800
1000 BV Amsterdam
Phone: +31 20 563 9111
Fax: +31 20 563 5700
URL: <http://www.ing.com>

Rabobank Nederland

P.O. Box 17100
3500 HG Utrecht
Phone: +31 30 290 9111
Fax: +31 30 290 2672
URL: <http://www.rabobank.com>

Foreign Bankers' Association
P.O. Box 19870
1000 GW Amsterdam
Phone: +31 20 550 2888
Fax: +31 20 623 9748
URL: <http://www.foreignbankers.nl>

Project Financing

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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, infrastructure projects in the environmental, transportation, energy and other key sectors. EU initiatives are designed to support projects within its Member States and the EU wide "economic integration" projects that cross over borders.

Web Resources

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EU websites:

The EU regional policies, the EU Structural and Cohesion Funds:
http://ec.europa.eu/regional_policy/index_en.htm

EU Grants and Loans index: http://ec.europa.eu/grants/index_en.htm

EuropeAid Co-operation Office: http://ec.europa.eu/europeaid/index_en.htm

EU tenders Data base: <http://ted.europa.eu/TED/main/HomePage.do>

The European Investment Bank: <http://www.eib.org>

EIB-financed projects: <http://www.eib.org/projects/index.htm?lang=-en>.

U.S. websites:

Market research section on the website of the U.S. Mission to the EU:
<http://export.gov/mrktresearch/index.asp>

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.ustda.gov/>

SBA's Office of International Trade
<http://www.sba.gov/about-offices-content/1/2889>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

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Business Customs

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The Dutch market is highly competitive and the U.S. exporter must keep certain factors in mind to achieve success. The "golden keys" of customary business is courtesy, especially replying promptly to requests for price quotations and to orders. These are a prerequisite for exporting success. In general, European business executives are more conservative than their U.S. counterparts; therefore, it is best to refrain from using first names until a firm relationship has been formed. Friendship and mutual trust are highly valued, and once an American has earned this trust, a productive working relationship can usually be counted upon.

Punctuality is 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 place value on the efficient use of time and spontaneity is not considered desirable. Provide at least one week's notice for an appointment made by telephone or email.

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

Bear in mind that Dutch executives frequently take extended vacations during July and August, and late December. Avoid planning a business trip to the Netherlands in the summer or around Christmas, as this is the most popular time for people to go on vacation.

The Netherlands is an increasingly popular base for Advance Fee Fraud schemes. For more information on these schemes, click on the following link (Nigerian Letter or "419" Fraud):

<http://www.fbi.gov/majcases/fraud/fraudschemes.htm>

Travel Advisory

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The State Department Consular Information Sheet for the Netherlands can be found at:

http://travel.state.gov/travel/cis_pa_tw/cis/cis_982.html

Visa Requirements

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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. American citizens should also register with the U.S. Consulate General if they plan to live in the Netherlands. (Please refer to <http://www.usembassy.nl> 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 party to 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.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov>

U.S. Consular services in the Netherlands:

http://amsterdam.usconsulate.gov/non-immigrant_visas/how-to-apply-article3.html

Telecommunications

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The telecommunications infrastructure in the Netherlands is highly advanced and highly developed. Newer communications channels, e.g. ISDN, mobile communications and satellite reception have grown substantially in recent years. Cable, with more than 90 percent penetration, presents an almost saturated market. The main network/backbone in the Netherlands is a fiber optic network.

Cell phones operate on GSM technology and the number of cell phone subscriptions is 16 million (almost the same as the total population). Cell phone rental is relatively cheap, especially when a prepaid service is purchased.

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

Transportation

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There are excellent international links to Amsterdam Schiphol Airport. Rental cars are available at numerous locations. An international or U.S. State driving license is acceptable. Cars are driven on the right-hand side of the road. The national roads and highways are excellent. Newcomers may find driving in town a little disconcerting and must exercise speed caution. Trams have right-of-way, and the many cyclists often make unexpected turns or must be passed at close range. Some city streets have special bicycle paths. Right-of-way is that of the vehicle entering from the right unless the vehicle is coming out of a driveway. Roads posted with orange diamonds do not have to yield the right-of-way. The speed limit in the 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 (e.g. trains, buses, and trams), and prices are reasonable. Taxis are available everywhere and the fare is comparable with other European cities.

Language

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

Health

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

Local Time, Business Hours, and Holidays

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

Offices: Monday to Friday 8:30a.m. - 5:30p.m. (37 hours)

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

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

Retail: Store hours are generally from 9a.m. - 6p.m. weekdays, with one late evening per week, 9a.m. - 5p.m. on Saturday and closed on Sunday.

Upcoming U.S. and Dutch holidays:

2014:

Labor Day	September 7
Columbus Day	October 12
Veteran's Day	November 11
Thanksgiving Day	November 26
Christmas Day	December 25
Boxing Day	December 26

2015:

New Year's Day	January 1
Martin Luther King Day	January 19
President's Day	February 16
Good Friday	April 3
Easter Monday	April 6
King's Day	April 27
Liberation Day	May 5
Ascension Day	May 14
Memorial Day	May 25
Independence Day	July 4

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

Temporary Entry of Materials and Personal Belongings

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As a result of various customs agreements, simplified procedures are available to U.S. business and professional people 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. The carnet also saves time since formalities are all arranged before leaving the United States.

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

Carnets are sold in the United States by the U.S. Council for International Business at the following address: 1212 Avenue of the Americas, New York, NY 10036, Toll-free: (866) 786 5625, Fax: (212) 944 0012, Email: atacarnet@uscib.org website: <http://www.uscib.org>.

The Netherlands participates in the International Convention to Facilitate the Importation of Commercial Samples and Advertising Materials. Samples of negligible value imported to promote sales are accorded duty free and tax free treatment. Prior authorization is not required. To determine whether the samples are of negligible value, their value is compared with a commercial shipment of the same product. Granting of

duty free status may require that the samples be rendered useless for future sale by marking, perforating, cutting, or other means.

Web Resources

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Market Research Library

<http://www.export.gov/mrktresearch/index.asp>

EU Member States' Country Commercial Guides:

[EU Member States' Country Commercial Guides](#)

State Department Visa Website

http://travel.state.gov/visa/visa_1750.html

Commercial Service at the U.S. Mission to the European Union General Email Address

brussels.ec.office.box@trade.gov

Current directory of Commercial Service staff and locations worldwide

<http://www.export.gov/>

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Chapter 9: Contacts, Market Research and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

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U.S. Embassy Trade-Related Contacts:

U.S. Embassy – The Hague
Ambassador: Timothy Broas
Deputy Chief of Mission: Adam Sterling
Consul General: Randy Berry
Commercial Service Head of Section: Alan Ras (see below)
Economic Counselor: Gregory LoGerfo
Agriculture Counselor: Mary Ellen Smith
Office of Defense Cooperation: Colonel Kevin Leek

Address:
Lange Voorhout 102
2514 EJ The Hague
Phone: +31 70 310 2209
Fax: +31 70 310 9232
URL: <http://thehague.usembassy.gov/>

U.S. Commercial Service
Commercial Service Head of Section: Alan Ras
American Embassy
Lange Voorhout 102
2514 EJ The Hague
Phone: +31 70 310 2417
Email: the.hague.office.box@trade.gov
URL: <http://export.gov/netherlands/index.asp>

APO address:
American Embassy, The Hague
Unit 5770
Box 39
DPO AE 09715-0039

American Consulate General
American Citizens Services
Consul General: Randy Berry
Museumplein 19
1071 DJ Amsterdam

Phone: +31 20 575 5309
Fax: +31 20 575 5310
URL: <http://amsterdam.usconsulate.gov/service.html>

Country Trade and Industrial Associations in Key Sectors

American Chamber of Commerce
WTC D-TOWER, 6th FLOOR
Schiphol Boulevard 171
1118 BG Luchthaven Schiphol
Phone: +31 20 795 1840
Fax: +31 20 795 1850
Email: office@amcham.nl
URL: <http://www.amcham.nl>

Vereniging Federatie Het Instrument
P.O. Box 2099
3800 CB Amersfoort
Phone: +31 33 465 7507
Fax: +31 33 461 6638
Trade association for suppliers of instrumentation for industrial electronics, automation, laboratories and medical technology.

FME/CWM
Netherlands Association of Manufacturers of Electronic Equipment
P.O. Box 190
2700 AD Zoetermeer
Phone: +31 79 353 1355
Fax: +31 79 353 1365
URL: http://www.fme.nl/Over_FME/FME_Association?lang=en

Nederland ~ ICT (The Nederland~ICT federation is a co-operative of five associations: FENIT, ICT Telecom, VIFKANTEC, ICT Environment and the ICT Employer Association. Representing sales of more than \$25 billion and over 200,000 employees, Nederland~ICT is the mouthpiece of the Dutch ICT sector.)
P.O. Box 401
3440 AK Woerden
Phone: +31 34 849 3636
Fax: +31 34 848 2288
Email: info@nederlandict.nl

Dutch Government Offices

Royal Netherlands Embassy
4200 Linnean Avenue NW
Washington DC 20008
Phone: (202) 274 2727
Fax: (202) 966 0728
Email: holland@netherlands-embassy.org
URL: <http://www.netherlands-embassy.org>

Ministry of Economic Affairs, Agriculture and Innovation
P.O. Box 20101
2500 EC The Hague
Phone: +31 70 379 7169
Fax: +31 70 379 8074
URL: <http://www.government.nl/ministries/eleni>

Ministry of Infrastructure and the Environment
P.O. Box 20901
2500 EX The Hague
Phone: +31 70 456 0000
Fax: +31 70 456 1111
URL: <http://www.government.nl/ministries/ienm>

Ministry of Health, Welfare and Sport
P.O. Box 20350
2500 EJ The Hague
Phone: +31 70 340 7911
Fax: +31 70 340 7834
URL: <http://www.government.nl/ministries/vws>

Ministry of Social Affairs and Employment
P.O. Box 90801
2509 LV The Hague
Fax: +31 70 333 4444
Phone: +31 70 333 4040
URL: <http://www.government.nl/ministries/szw>

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required and is free.

Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: <http://www.export.gov>.

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: <http://www.buyusa.gov>.

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center at (800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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