

Netherlands

An overview of the economy and of the business environment



King's day in the Netherlands is a big deal, happening every April 27th. It's a day cherished by locals and tourists alike. People look forward to celebrating Dutch culture, traditions, and, of course, the King's birthday. Known as Koningsdag in Dutch, it's all about street parties, music, parades, and loads of fun activities that bring the whole country together. It's a perfect chance for visitors to dive into Dutch life, make new friends, and soak up the festive vibes.



Kingsday, with its rich history, began as Princess's Day in 1885, celebrating Princess Wilhelmina's birth. It later evolved into Queen's Day when she became Queen in 1890, celebrated on August 31st. Dutch people eagerly awaited this national holiday, showing their pride by dressing in orange, the national color. After Queen Juliana took the throne in 1949, she maintained the tradition on August 31st. However, Queen Beatrix, in 1980, shifted Queen's Day to April 30th, her own and her mother's birthday, symbolizing the former Queen's reign. In 2013, upon King Willem-Alexander's ascension, the holiday was renamed Kingsday, moved back to April 27th, marking the King's birthday.

From an economic standpoint, Dutch growth is expected to slow notably in 2023 and 2024. Private consumption is likely to decrease due to falling European energy prices, despite easing inflation. This is because gas, a main heating source for many Dutch households, is closely linked to inflation. The government's measures, like price caps, have helped lower energy prices, but the closure of the Groningen gas field will impact supply.

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Nonetheless, LNG terminals and ample gas storage will mitigate scarcity risks. Inflation is forecasted to stabilize by 2024, supported by wage increases and reduced energy crisis effects. Investment activities might also slow down due to higher financing costs resulting from ECB rate hikes. Additionally, reduced public sector support and modest foreign trade growth are anticipated. Despite higher quarterly growth rates in 2024, the yearly GDP growth may not reflect this directly due to carry-over effects from previous years.

The Netherlands stands as a significant economic force within the Eurozone, ranking as the sixth-largest in terms of economic power and the fifth-largest exporter of goods. Its economy thrives on extensive trade relationships, making it highly responsive to global economic trends. While experiencing robust growth in the aftermath of the pandemic, with a notable 4.3% increase in 2022, the Dutch economy saw a slowdown in 2023.



This downturn, marked by a modest 0.6% GDP growth (according to IMF figures), was attributed to a decrease in export volumes and consumer spending adjusting to higher price levels. Looking ahead to 2024 and 2025, the Dutch economy is anticipated to regain momentum gradually. Factors contributing to this resurgence include a decline in inflation coupled with strong wage growth, stabilizing demand from key trading partners, and heightened public consumption and investment. However, challenges such as tightening financial conditions and persistent labor shortages may hinder business investment growth in the foreseeable future. Despite these hurdles, the IMF forecasts a modest growth rate of 1.2% for 2024 and 1.5% for 2025.

Regarding the situation of the main economic sectors in the Netherlands, the agricultural sector, though representing a modest 1.5% of the GDP, is highly efficient, employing 2% of the active population. With intensive farming techniques utilized on arable land, the sector achieves high yields. Notably, almost 60% of its production is exported, positioning the Netherlands as the world's second-largest exporter of agricultural products, trailing only the U.S. Major exports include cereals, potatoes, horticultural products, and notably, the Netherlands leads as the largest flower exporter globally.

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The sector boasts over 52,000 active companies, according to the Agricultural Census. Forest cover is minimal, occupying only a fraction of the land. Despite its modest scale, the Dutch fishing industry holds significance. An intriguing aspect is the country's fish dynamics: while it imports the majority of consumed fish, it exports a significant portion of its catch, making it an outlier in the trade balance.



Dutch dairy farming is highly developed; the milk yield per acre of grassland and the yield per cow are among the highest in the world. A good percentage of the total milk production is exported after being processed into such dairy products as butter, cheese, and condensed milk. Meat and eggs are produced in intensively farmed livestock holdings, where enormous numbers of pigs, calves, and poultry are kept in large sheds and fed mainly on imported fodder.

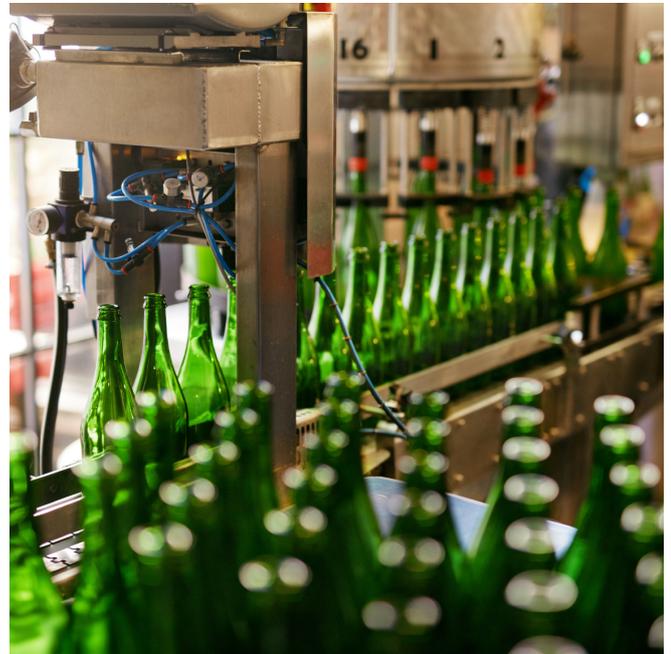


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Industrial activity contributes substantially to the Dutch economy, constituting around 19.5% of the GDP. Key sectors include food processing, beverages, petrochemicals, metallurgy, and transport equipment with traditional sectors like textiles and shipbuilding witnessing decline. Additionally, the Netherlands is a significant player in oil and natural gas production and distribution. The secondary sector employs 14% of the workforce, with manufacturing alone accounting for 11% of the GDP. Government impetus now favors emerging industries like microelectronics, biotechnology, and the digital economy.



Services dominate the Dutch economy, accounting for over 68.7% of national revenue and employing 84% of the workforce. This sector primarily encompasses transportation, logistics, banking, insurance, water engineering, and new technologies. The Netherlands holds a prominent position as Europe's leading ocean freight service provider, owing to its export-dependent economy.

The banking sector, a significant contributor to the economy, stands out with assets amounting to 330% of GDP in 2022. Tourism also plays a substantial role, contributing 3.7% to the economy in 2022, with total tourist spending reaching nearly EUR 96 billion, surpassing pre-pandemic levels, and indicating a robust recovery.



Trade predominantly orbits around Europe and North America, with EU member states being primary partners. Top export destinations of commodities from Netherlands in currently are Germany, Belgium, France, United Kingdom, USA, Italy, Spain, Poland, China, Sweden.

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Top exported commodities are mineral fuels, mineral oils, and products of their distillation; bituminous substances; mineral waxes; nuclear reactors, boilers, machinery, and mechanical appliances, parts thereof; electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles; optical, photographic, cinematographic, measuring, checking, precision, medical, or surgical instruments and apparatus, parts and accessories thereof; pharmaceutical products, vehicles other than railway or tramway rolling stock, and parts and accessories thereof; plastics and articles thereof; organic chemicals; miscellaneous chemical products; dairy produce; birds eggs; natural honey; edible products of animal origin.



Top import countries are Germany, USA, Belgium, China, United Kingdom, France, Norway, Italy, Poland, Ireland. While top imported commodities are Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes, electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles, nuclear reactors, boilers, machinery and mechanical appliances; parts thereof, optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof, vehicles other than railway or tramway rolling stock, and parts and accessories thereof, pharmaceutical products, plastics and articles thereof, organic chemicals, miscellaneous chemical products, iron and steel.

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In today's rapidly changing economic landscape, establishing secure and profitable business connections requires reliable access to local expertise in business information. At SkyMinder, we provide invaluable support by partnering with the foremost local providers of business intelligence on Dutch companies. Leveraging the extensive knowledge and proficiency of our local suppliers, SkyMinder delivers comprehensive and up-to-date full reports on all companies registered in the Netherlands.



SkyMinder offers comprehensive and up-to-date online Full Reports on Dutch companies, delivering a wealth of essential information sourced from local experts. These reports include:

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- Insight into company structure, such as board of directors, shareholders, and affiliated companies.
- Financial data, including balance sheets and profit and loss statements where disclosed by the company.
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- Payment information.
- Activity specifics, detailing the company's sector, industry, and, where available, import-export activities. Employee count.
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Sources: <https://www.lloydsbanktrade.com/>; <https://www.britannica.com/>; <https://trendeconomy.com/>