GOING GLOBAL
EXPORTING TO NETHERLANDS
A guide for clients

#GlobalAmbition
Capital city

Amsterdam

Population

17.3m

GDP per capita

€41,500

6th in the World

Competitiveness Ranking

Unemployment (2019)

3.4%

Predicted economic growth for 2019

3%

Enterprise Ireland client exports (2018)

€1.07bn
WHY EXPORT TO THE NETHERLANDS?

Only half the size of Ireland, yet the Dutch have left their mark on the world as innovators, trail blazers and world-class business professionals. The Dutch are active worldwide in providing creative and sustainable solutions for global challenges relating to water, food, energy, health, environment, and security.

The Dutch data centre community, which also houses the Amsterdam Internet Exchange (AMS-IX), is growing continuously with 18% average growth in take-up of data centers in the last 7 years in the Amsterdam region. Co-locations like Interxion but also hyper-scale data centres like Google and Microsoft are well established and various new data centres are being built over the coming years.

Ranked number one in the world for overall logistics performance, the Netherlands is home to world-class seaports and airports, an extensive network of railways and highways. It is ranked number one in Europe for digital connectivity. You have access to 170 million consumers within 500km.

The combination of a strong financial sector, a fast-growing tech ecosystem and high adoption rates of new technologies, makes Amsterdam the perfect hub for Fintech. The financial sector is the largest in the Netherlands. Amsterdam hosts one of the fastest-growing start-up ecosystems in Europe, is ranked Second Best City for Start-ups and third for scale-ups in the European Digital City Index 2016 by Nesta.

The Netherlands already has a robust healthcare and pharma landscape with companies like MSD, Jansen, TEVA, Takeda, Omron, Konica Minolta and many more. This is strengthened by the recent opening of the European Medicines Agency (EMA) in Amsterdam in March 2019. The Netherlands represents an ideal market for first-presence and scaling-up in mainland Europe, from which a European export strategy can be grown. The culture is direct and early-adopting which makes for shorter sale cycles, reducing client risk.
GET READY TO DO BUSINESS IN THE NETHERLANDS

The Dutch business culture is one characterized by egalitarianism and openness, as reflected in their horizontal structure.

The Dutch are known for their ‘Afspraak’ (meetings) which are viewed as important discussion opportunities for all involved. Generally dressed casually, formal attire is only expected in meetings.

**Travelling and geography**

Located in the heart of Europe, bordering Belgium and Germany, the Netherlands is a first-rate location for any international business whose activities expand into Europe. It provides quick and easy access to the European market, with access to 95% of Europe’s consumer market within 24 hours.

Amsterdam’s Schiphol Airport is ranked number two in Europe in terms of direct connectivity, with the Port of Rotterdam ranking number one in European, and two globally.

**Language**

Dutch is the national language and with 90% of locals speaking English, it is no longer considered a foreign language. 69% of students in secondary study two or more languages, and with over 180 nationalities residing in Amsterdam alone, the Netherlands is a rich tapestry of polyglots.

**Routes to market**

**Direct sales from Ireland**

Unlike other markets, local representatives aren’t always necessary. As a country heavily reliant on exports itself, the Netherlands is home to businesses that are naturally open to being prospected by international companies. However, as a general rule, your route to market will be smoother when you have a local partner and this usually leads to higher levels of sales.

**Consultant/Commercial agents**

An agent is a self-employed person who acts as an outsourced sales resource, and can be an attractive option in the Netherlands. They can help you build sales leads more quickly and can be useful if you need to obtain certification for your product. Enterprise Ireland can put you in touch with possible agents in the market. We can also connect you with business accelerators/experienced consultants with expertise in your sector.

**Partnerships**

Partnership agreements with an established company can be a way to gain a foothold or build sales opportunities which might otherwise be difficult for new entrants. Ensure you have a proper agreement in place, setting clear targets and responsibilities.

**Distribution/logistics**

Having a distributor that purchases the product from you and resells it in the Netherlands enables you to take advantage of their leads and potential clients. The country is particularly well served in this respect with the Port of Rotterdam ensuring easy access for physical goods into the market. Distributors must be managed on an ongoing basis to ensure they are representing your brand effectively.

**Joint ventures**

Joint ventures and acquisitions can be a successful route to market in the Netherlands, gaining you a foothold and bringing on board established contacts and market knowledge.
THINGS TO CONSIDER

Market landscape
The Netherlands is a global pioneer in several markets, with confidence high and labour market strong, this is an ideal time to step into the gateway to Europe.

Ranked number four in the EU on the 2018 European Innovation Scoreboard, the Netherlands is home to an attractive test market, adaptive consumers and an open culture.

Market trends
The Dutch economy continues to grow at a healthy pace. The unemployment rate is 3.4% as of June 2019, and household consumption rose by 2.5% in 2018.

The Dutch Government’s spending plans and tax cuts over the coming years will further help boost companies and investment, thus providing a boost to consumption and investment.

Target market
Dutch companies are innovative and pioneers when it comes to trialling new ideas, 31% of which make up the archetype “Fast Moving Experimenters”, compared with the rest of the world at 21%.

Market segmentation
Over 8,000 multinational companies operate in the Netherlands, the majority being in manufacturing (28%), transport and storage (27%), information and communication (25%) and retail and wholesale trade (20%).

With over 442,000 SMEs operating in the Netherlands, mid-sized companies are expecting the highest growth in the coming years.

Competitors
It is a highly competitive landscape, with more than 15,000 foreign companies making up 50% of its GDP.

The Dutch are known for their co-operation, commitment, and cross-sectoral collaboration providing unique business opportunities.

Market research resources
Enterprise Ireland’s Market Research Centre offers client companies access to market intelligence in the form of company, sector, market and country information to explore opportunities and complete in international markets.

Enterprise Ireland can help you establish connections with trade agencies, at local and city level for a more dynamic and effective overview of the relevant sector.

As part of a number of associations within the Netherlands, Enterprise Ireland can provide access to a vast network and knowledge bank, in a supportive open environment.

Boots on the ground
Having a consistent presence, using local people and services to develop local business is a formula for success here, as it shows commitment to the business relationship.
KEY GROWTH OPPORTUNITIES IN THE NETHERLANDS

Life sciences and health

Ranked eighth in the world for life sciences and health patents, the Netherlands has more than 2,500 health, research and life science organizations operating here\textsuperscript{26}.

With the move of the EMA to Amsterdam in 2019\textsuperscript{27}, Amsterdam is one of the most densely populated life science markets anywhere in the world.

The Netherlands offers world class resources for R&D of Intellectual Property (IP) with the Dutch Government keen to boost further opportunities through public-private partnerships\textsuperscript{28}.

Agri-food

The Netherlands is the largest exporter in the EU, and second largest globally\textsuperscript{29}, with the highest concentration of cold storage in Europe, totaling nearly €101 billion in 2017, including milking robots or machinery\textsuperscript{30}.

The Dutch scored the best overall performer in trade facilitation by UNESCAP due to the pro-business attitude of customs, resulting in speedy transshipment of products\textsuperscript{31}.

Agri exports are dominated by domestically produced goods, contributing more than 10% to the Dutch national GDP\textsuperscript{32}.

Dutch consumer values are impacting the sector showing opportunities in sustainability and eco-friendliness focus future like packaging solutions\textsuperscript{33}.

Logistics

The Dutch logistics sector generated €55 billion in 2017 with over 813,000 employees. With two significant European cargo main ports, Schiphol Airport and the Port of Rotterdam, the Netherlands is a key logistics hub for the through-transportation of goods into Continental Europe, ranking sixth in the Global Rankings 2018, and was the only country to receive a perfect score in the 2018\textsuperscript{34}.

Housing more European distribution centers than all of its neighbors combined, the Netherlands remains the model for European logistics excellence, with favorable policies that attract heavy foreign investment.

Chemicals

There are eight major chemical industrial clusters in the Netherlands, hosting over 2,000 chemical companies, which include 19 of the top 25 companies in the world\textsuperscript{35}. These companies benefit from the Netherlands’ superior logistics infrastructure and innovative R&D ecosystem.

Future opportunities here focus on reducing the Netherlands’ greenhouse gas emissions by 80-95% by 2050\textsuperscript{36}. This will be done through focusing on six solution themes: Closure of the materials chain, alternative feedstock, energy efficiency, renewable energy, Carbon Capture and Storage (CCS); and sustainable products\textsuperscript{37}.

There is also a focus on smart materials such as responsive materials and coatings, functional ingredients, thin film technology, structural reliability and materials in integrated products.
Financial Tech
With over 475 companies active in the Netherlands ranging from start-ups to well established companies like Ayden, Flow Traders and Optiver, the financial services value chain is a diverse landscape of collaborative opportunities.

Dutch banks have always been pioneers of Fintech with online and mobile banking, as it boasts the fewest cash payments and 63% mobile banking penetration – the highest in Europe.

The Dutch Trade and Logistics Innovation Program looks to create sustainable, collective solutions to support fintech in the logistics sector.

Events like Money 20/20, AltFi, Backbase and Amsterdam FinTech Week attract key players, where ideas and partnerships can be ignited. The current main sectors of growth are in online payments, identification and security solutions, with growing interest in new technologies in the field of legislation and regulations.

High-tech systems and materials
The high-tech ecosystem is the fastest growing sector in the Netherlands which offers opportunities particularly in semiconductors, sensor technology and high-tech systems.

Efforts are being made to digitize the sector to reduce waste in the chain and grow services.

Nanotechnology in the smart city project are a keen focus due to the lower capital investment required.

The Medtech market is valued at €4.7 billion with 700 suppliers, 97% of which are SMEs.

Industrial machinery, electronic equipment and construction machinery make up the majority of the deals in the sector.

Future growth prospects lie in medical diagnostics, Information and Communications Technology (ICT), energy and climate and agri-food.

Construction
The Operational Program 2014-2020 and National Reform Program 2016 showcase the Dutch Government’s focus on developing the country’s infrastructure.

This will see growth in construction and will be supported by the Government and private-sector investments in infrastructure construction, healthcare, the manufacturing industry, and educational facilities continuing to drive growth.

Having built the world’s first habitable 3D printed houses and bridge, the Netherlands is a country bringing innovative ideas to life. Several companies now focus on supply chain integration and mass customization.

Rijkswaterstaat (Dutch Public Works and Water Management) is one of the biggest public clients in Europe and leader in BIM implementation.

Energy
The Netherlands is the first country whose energy transition plans look to phase out natural gas, with a 49% carbon reduction by 2030, with CCS being a crucial factor to achieve this.

Continued investment in wind power and other renewable sources is also top of the Netherlands list. With world-class R&D facilities and incentive programs to support energy innovation, there is heavy investment in smart grid innovations and solutions – and plans to build the world’s largest windfarm.
Aerospace

The largest European Space Research and Technology Centre (ESA/ESTEC) R&D facility in Europe is located in the west of the Netherlands, which hosts the complete chain from R&D through OEMS, suppliers to end user46. This cluster houses over 300 direct suppliers in the manufacturing process in world-class space business facilities47. The main areas of expertise lie in satellite communication systems, nano satellites, UAV’s, earth observation, airport operations and new materials and composites.

The Dutch Maintenance, Repair and Overhaul (MRO) industry is continually seeking innovative ways, especially through: Corrosion treatment, composite maintenance, avionics, electronics assembly, and the development and production of parts48.

Information Technology (IT)

One of the most wired countries in the world, with one third of all European data centres located in the Amsterdam area, the Netherlands is home to the world’s largest internet exchange, AMS-IX. A further two million square feet of data centres are expected to be added in the coming years, along with Google announcing a €500 million data centre expansion49.

Ranked fourth globally in app invention and development, 60% of all Forbes 200050 companies active in Information Technology (IT) have established an office in the Netherlands, in a country with over 57051 international tech companies in the sector.

Water

With 26% of the country below sea level, the Netherlands is a key player in the marine, delta and water sector52. The Dutch Organization for Scientific Research have invested €1.5 million into Artificial Intelligence (AI) in this sector.

The Netherlands is stimulating horizontal collaborations across various sectors (logistics, energy and finance) to secure their place as front runner in AI, cyber security and blockchain.

Creative industries

The Netherlands is dubbed a “creative powerhouse” resulting in €7.1 billion annual turnover53. With forward thinking brands such as Uber, Netflix, Tesla, and Google making it their home, the Netherlands is the third global country for creative outputs. With over 1,300 advertising agencies, 300 games companies, 1,300 local fashion designers, the country is a hive of opportunities for collaboration for the 170,000 people working in the sector54. With a highly interactive community, and numerous events occurring weekly to network and showcase your company across the sector, this powerhouse is built on community.
Visa requirements
For all EU nationals, no Visa is required. For visitors staying more than 90 days (in a period of 180 days), a residence permit is required to legally be allowed to stay in the Netherlands, see: https://business.gov.nl/coming-to-the-netherlands/

Customs information
The Dutch customs are highly experienced and specialised, working in a highly digitized environment. It is easier to obtain Customs licenses in the Netherlands than in other EU countries.

For an overview of customs permits see: https://www.belastingdienst.nl/wps/wcm/connect/bldcontenten/belastingdienst/customs/permits/overview-customs-permits

For import taxes into the Netherlands information, see: https://www.belastingdienst.nl/wps/wcm/connect/bldcontenten/belastingdienst/individuals/abroad_and_customs/receiving_goods_from_abroad/from_organizations_and_companies/how_do_i_calculate_these_import_taxes

Corporate structures-intellectual properties, contractual terms and conditions, employment
Companies looking to establish a legal entity in the Netherlands have three options: Establish business permanently, temporarily, or have personnel working here with no establishment.

There are several ways for a foreign company to operate a business in the Netherlands:
• Corporate entities – B.V. or N.V. or Co-op.
• Non-corporate entities – partnerships or branch.

The District Court of the Hague has exclusive jurisdiction over patent matters in the Netherlands, and has become one of the most specialised courts in the EU. For further information, see: https://www.government.nl/topics/taxation-and-businesses/corporation-tax

Structural reforms are underway to increase labour participation, through open-ended contracts, along with tax cuts on low-income and second-earners.

Irrespective of which, any employee performing their operations in the Netherlands results in the application of certain mandatory provisions of Dutch employment law.

Tax structures
At present, the Corporate Tax rate is 20% on the taxable amount up to €200,000 and 25% on excess, worldwide. This may be decreased to 17.5% and 22.5% respectively. For more information, see: https://www.duijntax.com/en/dutch-corporate-income-tax-rate and https://www.government.nl/topics/taxation-and-businesses/corporation-tax

The Dutch tax system offers several competitive features in areas such as:
• R&D tax credit for qualifying R&D wage costs.
• Tax relief programme for sustainable energy investments (EIA).
• Corporate Tax rate of 7% for qualifying profits in the “Innovation Box2” on technical innovation.
• Tax relief for environmentally friendly investments.
Enterprise Ireland’s Dutch office leverages the deep commercial knowledge of our Market Advisors and the relationships we have built with both international and domestic networks, to deliver value for our clients.

Through Pre-visit Support, we can provide regularly updated sectoral overviews of the Dutch market, suggest channels to market, a competitor analysis and evaluation of your market entry strategy. Through our network, we can arrange meetings with relevant contacts to gain a deeper insight into the market first hand.

In market support, we can provide introductions to buyers and decision-makers, identify potential partners, and assist with product launches and workshops.

Every year Enterprise Ireland organises an extensive programme of events to support your business abroad. These include:

- Inward buyers missions to Ireland
- Group stands at international trade fairs
- Trade missions to the Netherlands
- Study visits to gain knowledge of the Dutch market
- Client knowledge events including seminars and workshops
- Networking events to build and enhance relationships with market contacts
- Further information is available at [www.enterprise-ireland.com/events](http://www.enterprise-ireland.com/events)

Enterprise Ireland’s Netherlands office has built up an excellent network of individuals who are able to work with our Irish client companies on developing their business. This includes market and sector specialists, business accelerators and members of Irish business associations, such as the Ireland Netherlands Business Association, see: [https://www.inba.nl/](https://www.inba.nl/)

We can further offer access to translation and interpreting services, as well as introductions to specialists in all areas including legal, recruitment, PR and taxation.
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