



## THE NETHERLANDS

### What's happening in this economy

The Netherlands is the 18th largest global economy and sixth largest in the EU. It enjoys strong growth, modern infrastructure and low unemployment.

The country is business friendly and in its 2019 budget announced a package of measures to promote business settlements. This included a progressive reduction in corporation tax to 16 per cent (for profits under EUR 200,000) by 2021.

The Netherlands' success is driven by exports. It is the fifth largest global exporter of goods, most of which travel through Rotterdam, the largest port in Europe.

Agri-food, chemicals, creative industries, energy, high-tech systems, horticulture, logistics, life sciences and water are priority sectors for the Netherlands. Despite its size, it is the world's second largest agricultural exporter (behind the US), and exported EUR 92 billion of agricultural goods in 2017.

The country also invests significantly in research and development, much of which takes place under 'triple helix' cooperative arrangements between government, private industry and academia. In 2016, business and the higher education sector spent a combined EUR 14.5 billion. World-leading universities include Wageningen (agriculture, food and water), Delft (engineering) and Eindhoven (high-tech).

The Netherlands is densely populated (506 people for each square kilometre compared to three people for each square kilometre in Australia), and 42 per cent of the total population lives in the Randstad—a conurbation including Amsterdam, The Hague, Rotterdam and Utrecht. The population, especially in urban regions, continues to grow (+100,000 in 2017), largely due to migration (+81 000 net migrants).

High levels of urbanisation and excellent infrastructure—including 98 per cent broadband internet penetration—have created a burgeoning smart city industry with strong and growing links to Australia.

### Trade, investment, and commercial opportunities and activities

- Major Dutch companies operating in Australia include:
  - Royal Dutch Shell, Rabobank, Achmea, Unilever, Philips, AEGON, ING Group, Fortis, Akzo Nobel and Delta Lloyd.
- Major Australian companies present in The Netherlands include:
  - Macquarie Capital, Amcor, and Tritium, and
  - a number of Australian businesses also have European headquarters or marketing and sales offices in the Netherlands.

#### Key facts and figures

- Population: 17.2 million
- GDP growth: 2.5 % (2018)
- Foreign direct investment (FDI) in Australia: AUD 49.3 billion (2018)
- Australia's third largest EU export market: AUD 3.6 billion (2018)
- Major destination for Australian FDI: AUD 49.3 billion (2018)



connecting Australian business to the world

- Like Australia, the Netherlands has one of the world's most highly-developed pension fund industries, with significant levels of private assets under management:
  - this provides opportunities to increase already significant Dutch investment in Australia.

## Trade policy and negotiations

As a member of the EU, the Netherlands' trade policy is set in Brussels. As an open, export-driven economy, the Netherlands is a strong supporter of an Australia–EU free trade agreement. Sustainability and welfare issues are prominent in the public debate on trade.

The Netherlands will be amongst the hardest hit EU member states should a 'bad' Brexit eventuate (nine per cent of all Dutch exports are destined for the UK). As a major goods transit hub, it is also heavily exposed to the costs of post-Brexit trade facilitation. The Netherlands will push to keep the UK as close to the EU as possible but is firmly committed to EU unity. It has also invested heavily in 'no-deal' preparations, leaving it amongst the most prepared in Europe.

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