

The Netherlands, 'Gateway to the European Market'



Country profile



The Netherlands

Known for centuries as a nation of successful traders, the Dutch are internationally orientated by nature and instinctively know how to anticipate and fulfil the needs of customers, no matter where they are from. The Netherlands has always proven itself to be innovative, flexible and responsive to ever-changing market conditions and trends. This, together with its well-educated and motivated workforce, means it is a highly suitable location for international businesses.

Moreover, the outstanding infrastructure, main ports and good communication networks make for a very strategic location to enter the EMEA-market, attracting non-resident companies and individuals to do business in the Netherlands.

General facts & figures

Official Name	The Kingdom of the Netherlands
Head of State	HM Queen Beatrix
Seat of government	The Hague
Capital city	Amsterdam
Form of government	Constitutional monarchy, parliamentary democracy
Official languages	Dutch, Frisian
Population	16,373 million (July 2007)
Local currency	Euro (€)
Economic communities	EU, OECD, WTO

Economic Indicators

The Dutch economy is strong and ranks 16th globally (GDP). Many of the world's largest multinationals were founded in the Netherlands, including Philips, Unilever, Heineken and Shell. As one of the world's major international trading countries, imports (2007: EUR 377 billion) and exports (2007: EUR 420 billion) are of paramount importance to the economy of the Netherlands. Of the export and investment nations the Netherlands ranks 6th worldwide. The main export destination is Europe (81.7%): Germany (23.6%), Belgium (11.9%), United Kingdom (9.1%) and France (8.2%). Machinery and transport equipment account for the largest share of exports.

Important industries and sectors

The sectors that make the highest contribution to Dutch GDP are business services (21.3%), trade, transport and communication (21.1%) and manufacturing (14.2%). Furthermore, the Netherlands has developed a strong presence in technology-related industries such as biotechnology, fine chemicals, food, pharmaceuticals, electronics, medical technology and printing.

Businesspeople from all over the world consider the Netherlands an attractive country for investment, particularly in the following sectors:



Agrifood

The wholesalers in the Agrifood sector have extensive product knowledge and are familiar with the demands of the market. This available knowledge enables wholesalers to enter into valuable alliances in order to stimulate product development and innovation. Scaling up will lead to a decrease in the number of wholesalers. The remaining companies will grow, thus increasing their international competitive strength.

Industry

Cooperation, innovation, internationalisation and sustainability are a few of the areas of importance in the industry sector. Businesses in this sector must continue to invest in new technologies in order to warrant continuance of quality. As a rule, industry has a strong international focus. As a result, development of exports, raw materials prices and the global economy are important factors.

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Transport and Logistics

The Netherlands has an intricate network of rail, road and waterways and is internationally renowned as the 'Gateway to Europe'. Due to the increasing flow of trade to, through and from the Netherlands (e.g. the increase in ocean cargo flows and growth of container transshipment), the challenge for companies in the transport sector is to convert this growth into economic return.

Business services

The Dutch business services sector is well developed and represents a vast market. There are possibilities and opportunities within the legal sphere as well in accountancy and consultancy.

Media

Competition in the Dutch IT services sector is fierce due to its relative openness to (foreign) entrants. There is also an ongoing trend of scale expansion through mergers and acquisitions. In this sector, too, technological development is the key driver, notably wireless and internet-related developments.

Chemicals and Pharmaceuticals

The chemical industry is the second-largest industry sector in the Netherlands. Basic chemicals, which accounts for 60% of the turnover, comprises the largest sub-sector. The remaining 40% are attributed to the pharmaceutical products and other chemical (end) products. The sector includes several major multinationals and is extremely internationally orientated.



The Netherlands, Gateway to Europe

The Netherlands, along Europe's trading crossroads, is an obvious choice for locating a pan-European operation, whether it be European Headquarters, Shared Services Centres, Customer Care Centres, distribution and logistics operations, or R&D facilities.

The country's pro-business environment creates a gateway to Europe that helps international companies to succeed throughout the continent. An international outlook and openness to foreign investment is firmly engrained in the Dutch culture and has yielded a wealth of world-class business partners who know how to handle global business challenges in today's economy.

The Netherlands provides a strategic location to serve and service markets within the European Union as well as central and Eastern Europe, the Middle East and Africa. The central geographical position of the Netherlands, combined with excellent infrastructure thus making for good accessibility, is just one of the reasons why numerous European, American and Asian companies have established their facilities in the Netherlands.

The Dutch trade and investment policy is considered among the most open in the world. Foreign investors favour the Netherlands for their European investment projects, not only because of its stable political and economic climate, but also for the country's highly developed financial sector; the presence of a well-educated, flexible and productive labour-force and its strategic location as a mainport to Europe.

When it comes to logistical infrastructure, the ports of Rotterdam and Amsterdam as well as Schiphol Airport are clearly on the international map. Following ten years of investment, the Netherlands is one of the most 'wired' countries in the world in terms of technological infrastructure, and therefore an ideal base for companies wishing to take advantage of modern technology.

Politics

The Netherlands is politically neutral, with a liberal legal framework for non-resident companies and individuals. The Dutch government is pro-business and has created an attractive investment climate for foreign companies. The country has no FOREX restrictions and has worldwide tax treaties to avoid double taxation.

And finally, the Dutch market is highly accessible thanks to its well-educated and flexible population. Dutch professionals are among the most multilingual in the world, enabling them to successfully operate in companies in any industry serving customers throughout the continent. The right combination of people, expertise and technology makes the Netherlands an excellent location for many foreign companies.



The Netherlands, Gateway to Europe

Legal incorporation

The Netherlands does not have special restrictions on foreign-owned companies that wish to establish a business. Business operations can be set up as having either legal personality or not. If a legal entity has legal personality, the entrepreneur cannot be held liable for more than the sum he contributed to the company's capital. The most commonly used business vehicles are a private limited liability company or 'Besloten Vennootschap' (BV) and a public limited liability company or 'Naamloze Vennootschap' (NV).

Corporate Tax Regime

Dutch corporate income tax is imposed on the worldwide income of a corporation resident in the Netherlands (resident taxpayers) or on the profits attributable to a non-resident's permanent establishment in the Netherlands (non-resident taxpayers).

In the Netherlands, the standard VAT rate is currently 19%, which applies to most goods and services. There is also a rate of 6%, which applies principally to food, books, newspapers, newspaper advertisements, medicine, passenger transport and hotel accommodation. Export of goods is 0-rated, as is the export of certain services, although special procedures must be followed.

The procedures are different for exports of goods to other EU member states and to third countries.

Banking in the Netherlands

In the Netherlands, all banking services (internet banking, personal overdraft, credit card, etc.) are linked to one single bank account.

Payments can be made in a number of ways, but 80% of all purchases in Dutch retail stores are done using a debit card. Bank cheques are not commonly used as a means of payment in the Netherlands.

Regarding collections, it is a standard practice in the Netherlands to issue a direct debit mandate to regular suppliers (e.g. utilities) to debit an amount from your account. Many people in the Netherlands currently organise their finances via internet-based applications and platforms.

Tip: Choose a financial partner that not only has a strong track record in the local market, but understands the international playing field of an organisation and its (local and international) financial needs.



ABN AMRO Bank in the Netherlands

With a rich history dating back to 1824, ABN AMRO is uniquely positioned in the Netherlands with a leading presence in the local commercial and investment banking markets.

In the Netherlands, ABN AMRO is a full service bank for all client segments. ABN AMRO has offices in every major town and city throughout the country.

ABN AMRO offers corporate and investment banking services to large corporate and institutional clients. These include corporate finance, equity capital markets, equity, transaction banking solutions and a wide range of global markets products and services. Furthermore, ABN AMRO is very active in the SME market as one of the leading banks. In the Netherlands, ABN AMRO offers its clients a mix of local intimacy and international opportunities. At the end of 2007, ABN AMRO's Dutch operations were taken over by Fortis Banking and Insurance Group. ABN AMRO and Fortis are outstanding partners for companies with the ambition to grow within Europe and will continue to be so when they combine in the near future. Following the upcoming integration of both banks, which is expected in the fourth quarter of 2008, the merged bank will rank fifth among its European peers. An extensive business network will be ready to serve you in a wide variety of locations.

ABN AMRO as a partner in doing business

As a leading bank, ABN AMRO maintains long-term relationships with almost all corporations and SME companies in the Netherlands, covering all sectors. Its leading position in commercial banking supplies the organisation with an unrivalled overview and understanding of the Dutch market.

The bank's local expertise, sector knowledge, world-class skills and full spectrum product range – combined with access to an international network – ensures optimal support for our clients in both domestic and global markets.



Becoming a client at ABN AMRO

Are you interested in becoming a commercial client of ABN AMRO? If so, the International Desk Netherlands is a very good place to start: international.desk.netherlands@nl.abnamro.com

Through the International Desk Netherlands and several International Business Consultants, ABN AMRO offers companies a comprehensive package of services to support their start in the Netherlands:

- Account opening for resident companies
- Account opening for non-resident companies
- Capital deposit facilities
- Electronic Banking (also on a Pan-European or global basis)
- Cash management tools
- Equipment lease
- Insurance
- Employee benefits
- Credit Card facilities

Not only do we offer one-window access to all banking needs required for the start-up phase – such as a bank account (initially for the capital deposit), insurance, employee benefits, equipment lease, electronic banking, personal banking, etc. – but also referrals for office space, private housing, accountants, lawyer/notary firms, etc.

Once a foreign parent company has decided to invest in the Netherlands by establishing a Dutch legal entity (B.V.) and has chosen ABN AMRO as a financial service partner, we will maintain close contact with the responsible representatives of the parent company, as well as with the notary firm in charge of constitute the Dutch subsidiary. Through our extensive network of business relationships, we can also provide a number of other relevant information sources towards fulfilling the steps required at this stage.

More stringent legislation

In recent years the national and international rules and regulations imposed on financial institutions have been reinforced. One of the reasons for this is the fight against criminal and terrorist organisations. Because of its important role in society at large, ABN AMRO is rapidly but carefully incorporating the new legislation into its procedures. Increasing security and fraud prevention in the interest of the bank and our clients. As an internationally operating bank we must observe all rules and regulations, which include the requirement that prospective clients provide proof of identity when opening a new account.

ABN AMRO aims to limit the inconvenience this may cause to an absolute minimum. At the client's request we offer comprehensive information with regard to the 'Identification and verification' requirements. This also includes the documentation needed for opening accounts and verification of client's identity.

How to become a retail client

If you would like to become a retail client of ABN AMRO, you can come to one of our branches or make an appointment via our website. If you visit us to open an account, we can help you arrange all your banking affairs at once. For a list of the necessary documentation, please visit our website:

http://www.abnamro.nl/en/prive/klant_worden/documentation.html

ABN AMRO contacts in the Netherlands

Looking for specific information about doing business internationally?

Contact the International Desk Netherlands by phone or e-mail:

+31 20 629 55 92

international.desk.netherlands@nl.abnamro.com

Not living or working in the Netherlands, but interested in our services? Find out more on:

http://www.abnamro.nl/en/non_residents.html

For any other questions or for more information, there are several ways to contact us:

Go to our website <http://www.abnamro.nl/en/index.html> and fill out the form to request information, make a suggestion, lodge a complaint or schedule an appointment.

In the Netherlands you can call 0900-0024 for more information. Choose option '4' for an English-language menu. From outside the Netherlands, call +31 10 241 17 20.

You can also visit one of our branches in the Netherlands. To find a branch near you, search in **Google Maps** for ABN AMRO (in Dutch), select your hometown and click 'zoeken' (search).



Other useful contacts in the Netherlands

Netherlands Foreign Investment Agency (NFIA)

The NFIA provides information about investing in the Netherlands.

Bezuidenhoutseweg 16a, 2594 AV The Hague

Tel: +31 70 379 8818; Fax: +31 70 379 6322

www.nfia.nl

info@nfia.nl

Dutch Tax Administration

Information about taxation in the Netherlands.

PO Box 2865, 6401 DJ Heerlen

Tel: +31 55 538 5385

<http://www.belastingdienst.nl/english/business.html>

Chamber of Commerce, Netherlands

Starting a business, trade register and international trade.

PO Box 191, 3440 AD Woerden

Tel: +31 348 426 911

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

Ministry of Foreign Affairs

Contains a list of all Dutch missions abroad and all foreign missions in the Netherlands. The section 'Coming to the Netherlands' provides all kinds of practical information, ranging from visa information to a list of expat websites.

PO Box 20061, 2500 EB The Hague

Tel: +31 70 348 6486

<http://www.minbuza.nl/en/home>

Agency for International Business and Cooperation (EVD)

Information bureau of the Dutch Ministry of Economic Affairs.

PO Box 20105, 2500 EC The Hague

Tel: +31 70 778 8888

<http://www.hollandtrade.com/vko/home.asp>

Netherlands Council for Trade Promotion (NCH)

PO Box 10, 2501 CA The Hague

Tel: +31 70 344 1544

E-mail: info@nchnl.nl

<http://www.handelsbevordering.nl>

About ABN AMRO

ABN AMRO Bank N.V., having its registered office at Gustav Mahlerlaan 10, (1082 PP) Amsterdam, telephone 0900-0024 (local rate). ABN AMRO Bank N.V. may act as a provider of payment, savings and loan products, as an intermediary for insurance and loan products and as a provider and/or performer of investment services. ABN AMRO Bank N.V. has a banking licence from De Nederlandsche Bank N.V. and has been included in the register of the Netherlands Authority for the Financial Markets (AFM). Information about the complaints procedure of ABN AMRO Bank N.V. and the Disputes Bodies to which ABN AMRO Bank N.V. is affiliated can be found on: www.abnamro.nl/klachtenregeling or you may request for this information by calling 0900-0024. Commercial Register of the Chamber of Commerce in Amsterdam, no. 33002587
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