



Internationalisation Monitor / 2018-I

The position of the Netherlands



Internationalisation

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first quarter

The position of the Netherlands

Explanation of symbols

.	Data not available
*	Provisional figure
**	Revised provisional figure (but not definite)
x	Publication prohibited (confidential figure)
-	Nil
-	(Between two figures) inclusive
0 (0.0)	Less than half of unit concerned
empty cell	Not applicable
2017-2018	2017 to 2018 inclusive
2017/2018	Average for 2017 to 2018 inclusive
2017/'18	Crop year, financial year, school year, etc., beginning in 2017 and ending in 2018
2015/'16-2017/'18	Crop year, financial year, etc., 2015/'16 to 2017/'18 inclusive

Due to rounding, some totals may not correspond to the sum of the separate figures.

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1.

**The position
of the Netherlands
in brief**

Author
Dennis Cremers



NETHERLANDS

7th

largest exporter of goods in 2015

8th

largest exporter of services in 2015

The Netherlands has a long tradition as a trading nation. But is it still a leading trading nation in an increasingly globalised market? How do Dutch exports of goods and services, for example, compare with other countries' exports? And what about the international flow of capital and the employment of international workers? In other words, how globalised is the Netherlands in comparison with other countries? This chapter provides general background information which provides a basis for the more detailed chapters that follow.

1.1 Introduction

For a small, open economy, the Netherlands consistently scores well in international league tables such as the Global Competitiveness Index (World Economic Forum, 2017) and the Global Innovation Index (Cornell University, INSEAD & WIPO, 2017). The country has traditionally had a strong international outlook and foreign trade is the mainstay of its economy. In this chapter we compare the Netherlands with other countries using a series of basic globalisation indicators, such as the export of goods, the export of services and the international flow of capital (direct foreign investment). We also consider how globalised the Netherlands is by comparing the net labour participation rate of people born here with that of people born abroad. The league tables compare the Netherlands with other OECD countries and certain other large economies in the G20. More detailed information on the companies and industries behind the rankings is provided in Chapter 3 of this Internationalisation Monitor and in the key indicators (in Dutch) at www.cbs.nl/globalisering. The appendix to this chapter explains the data used and the choices made.

1.2 Exports of goods and services

The Netherlands exported goods worth USD 488 billion in 2015, as shown in figure 1.2.1. If re-exports and quasi-transit are included, the Netherlands exported more goods than bigger EU economies such as the United Kingdom and Italy. Figure 1.2.3 shows the Netherlands is the third largest goods exporter relative to GDP. Only Switzerland and Ireland export more goods than the Netherlands relative to the size of their economies.

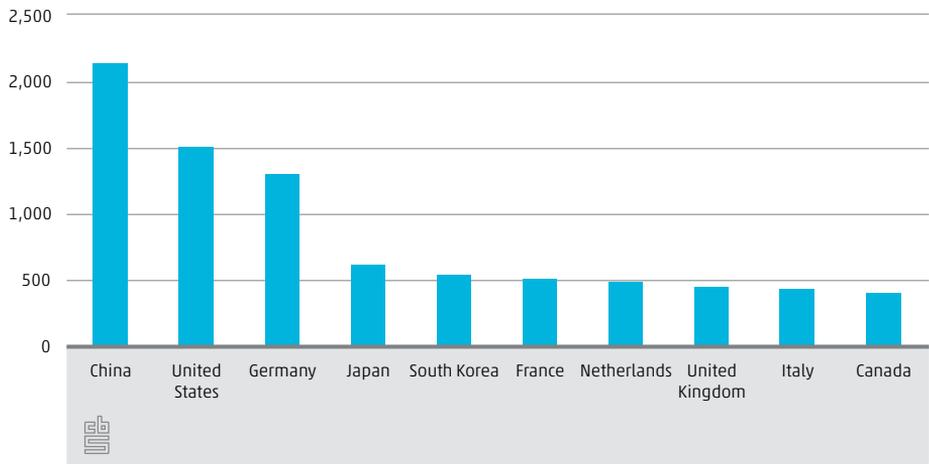
As a goods exporter, the Netherlands is still a leading player on the world stage in both absolute terms and relative to GDP. Asian economies are major players as well in international goods trade and they are growing in importance. The Netherlands has already been overtaken by, for example, South Korea in absolute terms.

The position in services exports is similar. In 2015, the Netherlands was the eighth largest exporter of services by absolute value, as shown in figure 1.2.2. Relative to GDP, however, it does not rank as high as a services exporter: the Netherlands holds third place as a goods exporter but only seventh as a services exporter, as shown in figure 1.2.4. The higher ranking for goods exports is due in part to the relatively large transit trade and re-export flows passing through the country (see box in section 3.2). The figure also shows that Belgium exports more services than the Netherlands in relative terms. The difference, however, is minimal and in absolute terms Belgium is a far smaller exporter than the Netherlands.

The United States completely dominates the international trade in services. In 2015, its services exports were worth approximately USD 750 billion. This is more than twice as much as the country ranked second (the UK) and six times as much as the Netherlands. Interestingly, the largest exporters of services are Western economies. The Asian countries that are prominent in goods exports play a more modest role in services exports. India, which does not rank highly as a global goods exporter, by contrast, outranks the Netherlands in the services sector. This is due largely to the outsourcing of business services to India, as considered in an earlier CBS study (2013).

1.2.1 Top 10 goods exporters, 2015

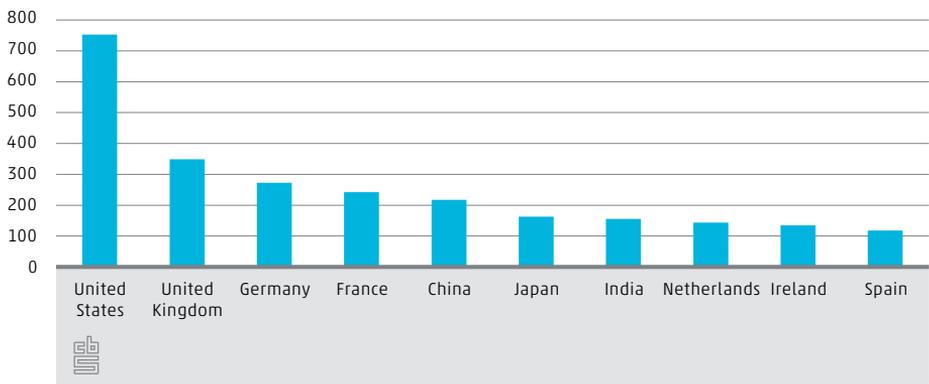
In billions of US dollars



Source: OECD.

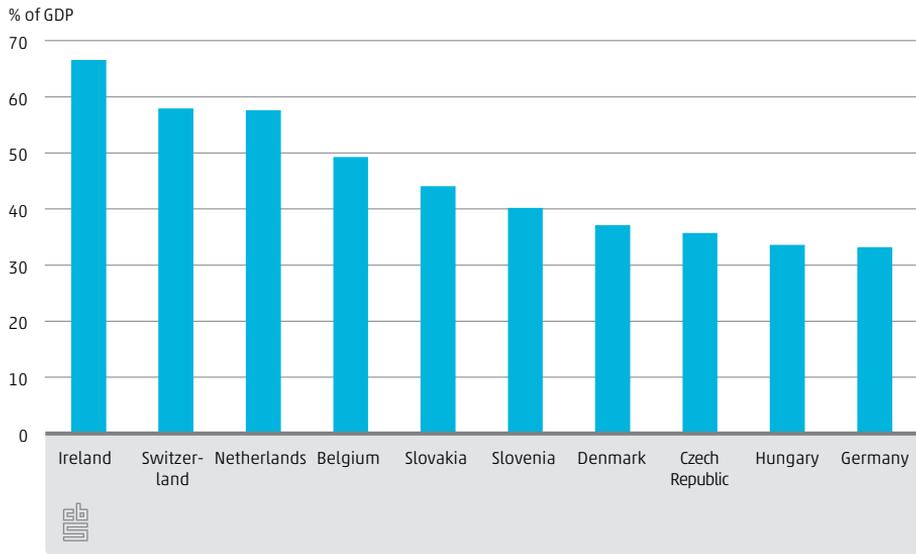
1.2.2 Top 10 services exporters, 2015

In billions of US dollars



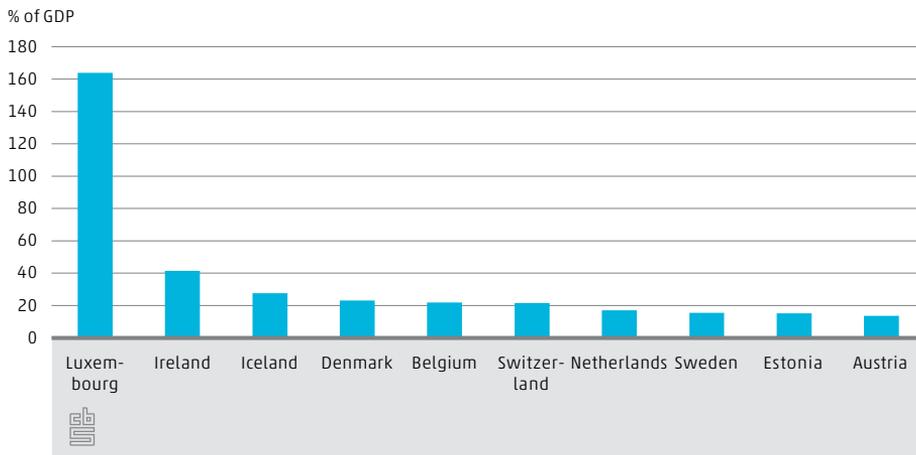
Source: OECD.

1.2.3 Top 10 goods exporters, relative to GDP, 2015



Source: OECD.

1.2.4 Top 10 services exporters, relative to GDP, 2015



Source: OECD.

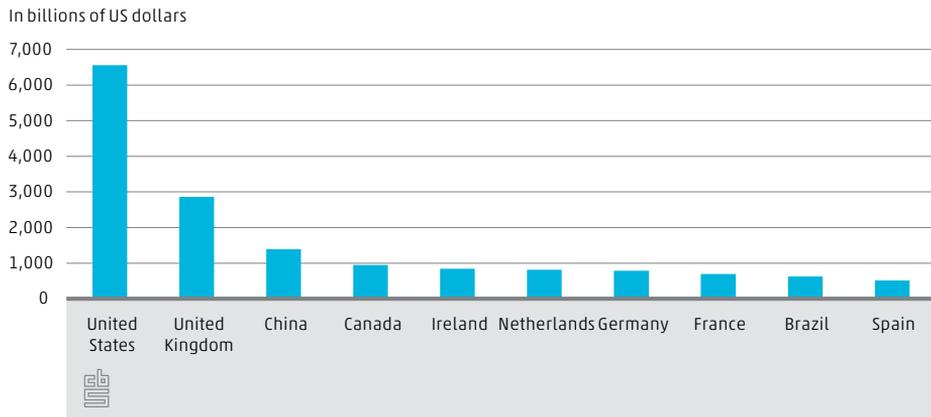
1.3 Direct foreign investments

Capital flows, like services exports, are dominated by the United States, as shown in figures 1.3.1 and 1.3.2. Its dominance in outward direct foreign investment is huge, with nearly five times more outward investments than the next country. The substantial volume of net inward direct investments in China are a direct consequence of the country's position as a major manufacturer with relatively cheap labour. Nevertheless, there are still significant opportunities for growth in the Chinese market as China conducts a protectionist policy (Santander, 2018). It can also be seen that Japan invests nearly as much abroad as the Netherlands does but has considerably less inward investment. Saito (2017) attributes this to the difficulty foreign enterprises (and even Japanese enterprises) experience gaining a foothold in the Japanese market. The Netherlands, too, has had a net outflow of direct foreign investments for many years. A comparison of inward and outward direct foreign investment also shows that the Netherlands is the largest net direct foreign investor and in relative terms invests more than twice as much as the next country, Denmark.

The Netherlands ranks third for outward direct foreign investment and sixth for inward direct foreign investment. For a small country, it plays a remarkably large role on the world stage, far larger than its share of global production (Lejour & van 't Riet, 2013). However, only some of the foreign investments affect or relate to the Dutch economy. The Netherlands' high ranking is due largely to foreign multinationals locating in the country to benefit from its favourable tax climate or channelling funds through Dutch subsidiaries (Lejour & van 't Riet, 2013).

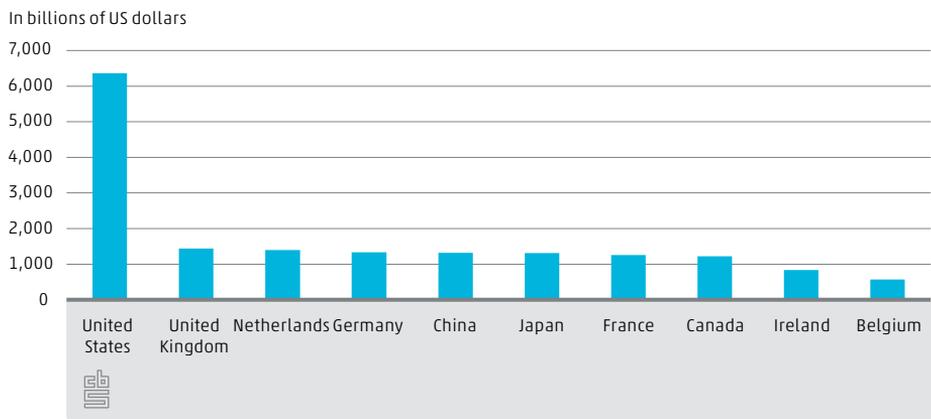
As shown in figures 1.3.3 and 1.3.4, the Netherlands is also a significant direct foreign investor in relative terms. In comparison with countries such as Luxembourg and Ireland, the Dutch surplus is even more remarkable as Ireland has virtually no surplus. According to the Dutch central bank (DNB, 2011) this is because the Netherlands has many relatively large domestic multinationals that make substantial investments abroad.

1.3.1 Top 10 countries for inward direct foreign investment, 2016



Source: OECD.

1.3.2 Top 10 countries for outward direct foreign investment, 2016

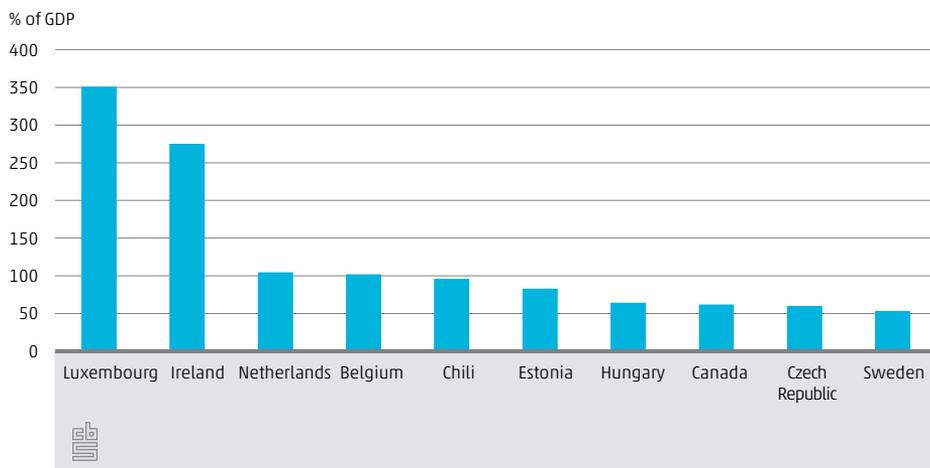


Source: OECD.

3rd position for the Netherlands in ranking of outward direct foreign investment in 2016

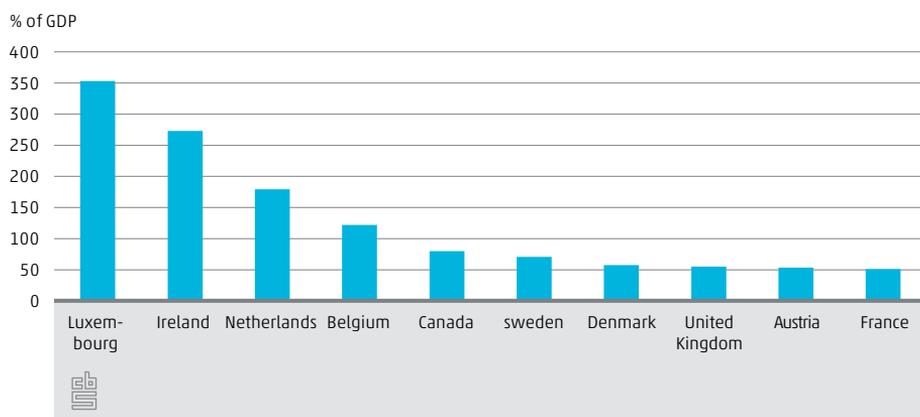


1.3.3 Top 10 countries for inward direct foreign investment, relative to GDP, 2016



Source: OECD.

1.3.4 Top 10 countries for outward direct foreign investment, relative to GDP, 2016



Source: OECD.

1.4 Labour in an international perspective

As well as goods, services and capital, the movement of people is also globalising. The Netherlands has had a positive migration balance again since 2008, with more people moving to the country than leaving it. In 2016, the country received nearly 231,000 new immigrants, equal to 1.4 percent of the total population (as at 1 January 2016). More than 151,000 people left the Netherlands in the same year (CBS, 2018a). People emigrate to the Netherlands for a variety of reasons. The most common are work, asylum, study and family reunification (CBS, 2018b). Dutch emigrants may also return to the country. This section does not consider why people move to the Netherlands; it looks at people who have found work here, whether or not that was the main reason they came to the Netherlands.

On the 1st of January 2017, the size of the foreign born Dutch population (with at least one parent born abroad) exceeded the number of 2 million people for the first time in history. Nearly 12 percent of the Dutch population accordingly had a first-generation migration background (CBS, 2018c). The most recent year for which the OECD has internationally comparable data is 2016. The Netherlands rank similar to countries such as Iceland, France and the UK in this regard, with 11–12 percent of the population being born abroad.

We first look at how many foreign-born people aged between 15 and 65 have a job in comparison with native-born 15 to 65-year-olds. We then put the ratio into perspective by looking at the net labour participation rate of people born outside the Netherlands, i.e. have a job. We then calculate the net labour participation rate of people born in the Netherlands and compare the results with the figures for other OECD countries.

Figure 1.4.1 compares the net labour participation rate of foreign-born 15 to 65-year-olds with that for native-born 15 to 65-year-olds to see whether relatively more foreign-born people have a job. It shows that the Netherlands has the lowest ratio among the OECD countries: foreign born residents in the Netherlands are less likely to have a job than foreign born residents in other OECD countries. This is due to the fact that the number of foreign born residents with a job is lower and the number of native-born residents with a job is higher, as shown in figures 1.4.2 and 1.4.3.

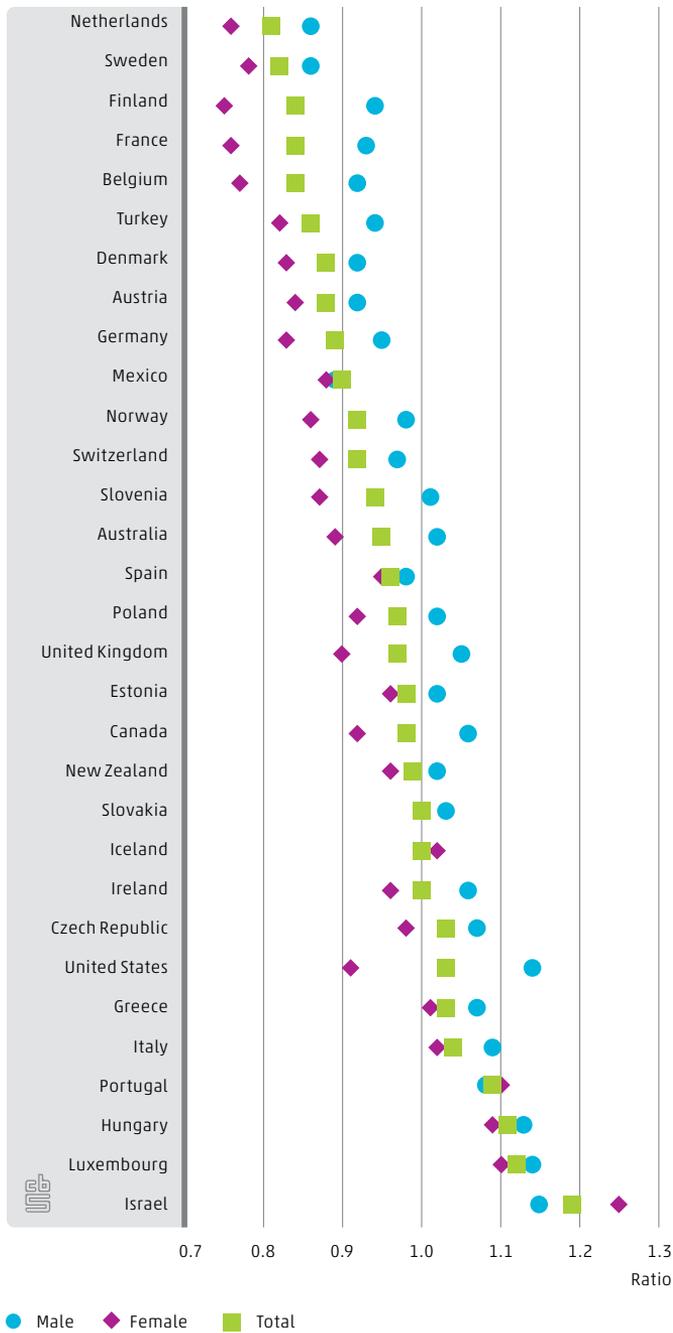
Figure 1.4.2 shows the net labour participation rate of the foreign-born population of all OECD countries. It shows that, of all 15 to 65-year-olds born outside the Netherlands, 62 percent have a job. Relatively, men are more likely to have a job than women in this part of the population. The Netherlands ranks higher than such countries as Belgium, France and Italy, but most other OECD countries have a higher foreign-born labour participation rate. Figure 1.4.3 shows that the Netherlands has one of the highest net native-born participation rates of all OECD countries. About 77 percent of the labour force born in the Netherlands is in work.

Thus, there are two reasons for the Netherlands' low ratio in figure 1.4.1. First, the net labour participation ratio of people born abroad is lower. Second, and more importantly, the proportion of native-born people with a job is relatively high.



62 percent of 15 to 65-year-olds who were not born in the Netherlands have a job

1.4.1 Net labour participation rate, foreign-born population native-born population, 2016



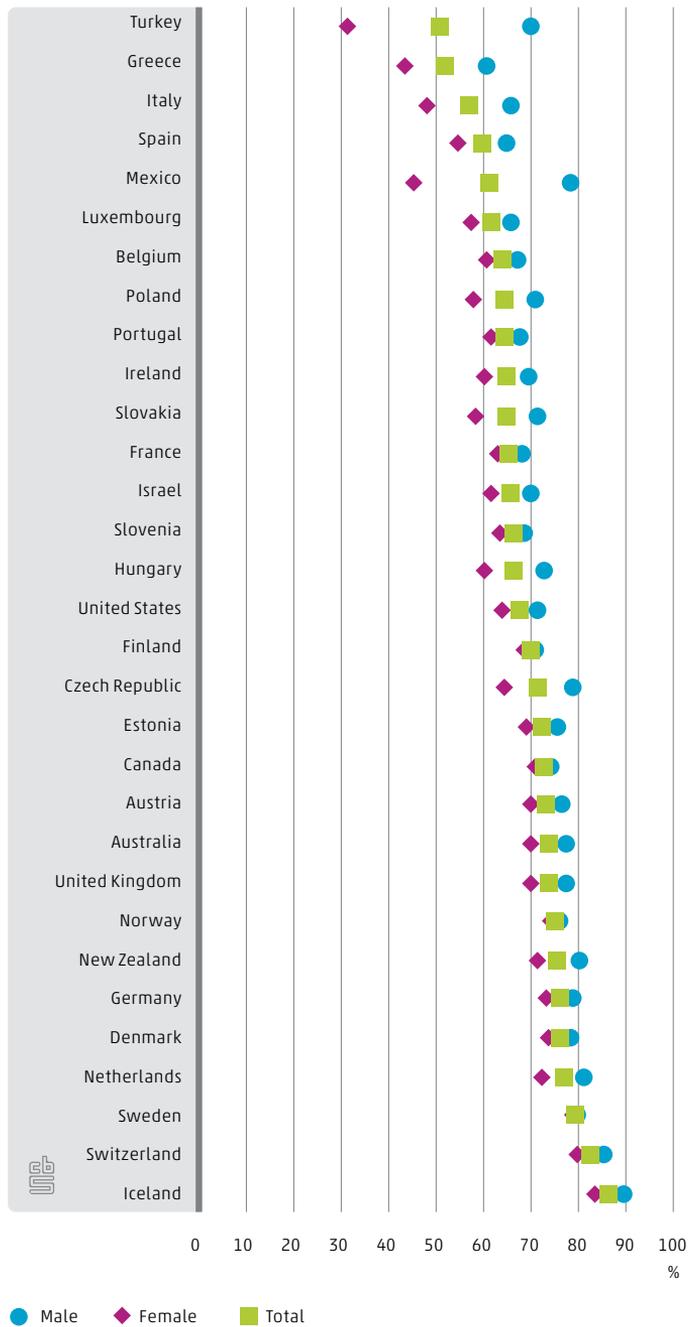
Source: OECD.

1.4.2 Net labour participation rate, foreign-born population, 2016



Source: OECD.

1.4.3 Net labour participation rate, native-born population, 2016



1.5 Data and methods

This chapter compared the Netherlands with other countries on a number of indicators. The international comparison used data and indicators produced by the IMF and OECD. As a result, the Dutch figures are expressed in US dollars and cannot be compared directly with CBS's (Statistics Netherlands, Dutch abbreviation) own figures, which are in euros, and information is provided only on countries on which both the IMF and OECD have data. Some countries, such as Singapore, are therefore not considered. Where possible, the Netherlands is compared with other OECD countries and other large economies.

The use of international statistics has another consequence regarding the international trade in goods: quasi-transit is included in Dutch exports. Unlike international institutions such as Eurostat, the IMF and the OECD, CBS does not classify these goods flows (worth approximately €20 billion) as Dutch exports because the Netherlands is merely their gateway into and out of Europe. The CBS does include re-exports in Dutch goods trade. These goods flows are therefore included in all statistics, both national and international. The inclusion of transit trade boosts the Netherlands' ranking as an export country. A precise description of re-exports and quasi-transit is provided in the list of terms and definitions.

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3.

**Which companies
export to which
regions of the world?**

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7 out of 10 exporters of Dutch products to the EU15 are almost entirely dependent on those exports

8 out of 10 exporters of services to the EU15 are almost entirely dependent on those exports

Dutch exporters are active throughout the world. What characteristics do the companies that export to the various regions of the world share? How important are exports to each of the regions in terms of the companies' total exports and their turnover? This chapter looks at the export of goods produced in the Netherlands and the export of services. The large flow of goods that are re-exported from the Netherlands is not considered.

3.1 Introduction

Following several years of economic crisis, the Dutch economy has recently been running at full strength again (CBS, 2018a, CBS, 2018b; Meinema, 2017). GDP was 3.1 percent higher last year than in 2016, the strongest growth rate in ten years. One of the main motors behind the economic growth has been exports (CBS, 2018b). Nearly a third of the country's prosperity is due to the export of goods and services. Exports are responsible for more than two million full-time jobs in the Netherlands, nearly 30 percent of its total employment.

The Netherlands is the epitome of a trading nation. The world seems smaller and more Dutch companies are active on the international stage. This is also reflected in the export figures. Dutch exports of goods and services increased by 5.5 percent over the past year (CBS, 2018a). But which companies are behind the figures? The export figures paint a macroeconomic picture but provide no further information on the companies that are actually responsible for the exports. We know from the Globalisation Key Indicators – available (in Dutch) at www.cbs.nl/globalisering – that a relatively small group of companies is responsible for a substantial proportion of the export value. We know, for instance, that wholesaling and manufacturing together account for nearly 80 percent of goods exports and that multinationals are responsible for three-quarters of goods exports, excluding re-exports. This chapter adds another dimension to the picture: the destination of Dutch goods and services exports. It provides more insight into whether companies that concentrate on the European market are fundamentally different from those that are active on, say, the Latin American market. It also asks how significant the companies' exports to different parts of the world are as a percentage of their total exports and turnover. Some companies are heavily reliant on exports, whereas others are active predominantly on the domestic market and their export earnings can be described as incidental.

Insight into which type of company exports to a particular market is of interest to policymakers because countries such as the US, China and other emerging economies are growing faster than the Netherlands and the EU. By means of illustration, the importance of the Netherlands and the EU in the world economy has halved since 1980 (CBS, 2015). Which characteristics do companies active on emerging or faster growing markets share? Are they active on several markets or do they concentrate on specific markets? And is the trade central to their earnings model? For the sake of convenience, we have divided the nearly 200 countries in the world into nine regions.

Although the Netherlands is one of the most important trading nations in the world – see Chapter 1 – its position should be seen in perspective. The Netherlands may be a leading exporter (WTO, 2017) but a considerable proportion of its exports are re-exports. They are imported into the Netherlands and then exported again without any significant industrial processing. While re-exports account for a considerable proportion of Dutch goods exports, the country earns relatively little on this. Re-exports' value added is about 11 cents per euro of exports, whereas the value added of goods and services made in the Netherlands is 57 cents per euro of exports (CBS, 2016a; Ramaekers, 2017). Smartphones, for example, are imported to the Netherlands from Asia and then re-exported to, say, Germany without further processing (CBS, 2017b). Dutch companies do little more than repackage, resell and transport the product. This relatively large re-export flow is known internationally as the 'Rotterdam effect' (see box in section 3.2). As the re-export flow gives a distorted picture of the exporters' earnings model, this chapter considers only exports of goods that are made in the Netherlands or goods that are imported and then undergo significant processing in the Netherlands. The value added by goods produced in the Netherlands, moreover, is more comparable with the value added by services provided from the Netherlands, because few services are re-exported.

In summary, this chapter addresses the following three questions.

1. How many companies export goods and/or services that are made in the Netherlands and what are their characteristics, broken down by the region to which they export?
2. How significant are the companies' exports of Dutch goods and services to a particular region relative to their total exports?
3. How significant are the companies' exports of Dutch goods and services to a particular region relative to their total turnover?

To answer these questions several data sets were compiled at company level of the companies' characteristics and trade figures. The data and methods used in this chapter are explained in section 3.2. Section 3.3 introduces the regions considered in this chapter and the characteristics of the goods and service traders that are active in each region. Section 3.4 takes a closer look at each region's significance to Dutch companies. It presents the goods and services exported to each region as a percentage of the companies' total exports and the significance of exports in their total turnover. The chapter closes with a summary and conclusions.

3.2 Data and methods

To answer the questions, a series of micro-datasets were compiled for the years 2012 to 2016. 2016 is the most recent year for which all the necessary data sources are available. In a number of cases the figures are provisional, as explained below.

This chapter concentrates on companies in the Netherlands. The datasets are accordingly based on the CBS's business demographic framework (abbreviated in Dutch: BDK). The BDK is in turn based on the CBS's General Business Register (abbreviated in Dutch: ABR). The ABR is the backbone of the statistical process that generates company statistics. It contains identification data, information on economic activities (Standard Industrial Classification, SBI) and number of employees at all companies, institutions and sole traders in the Netherlands. The BDK is a more refined version of the ABR with corrections for methodological changes in order to ensure the sequentiality of the company data.

This chapter considers all business sectors that are included in all the data sources used. In other words, it considers all active companies in the Netherlands with the exception of those in sectors that are financed primarily from public funds. Public administration (SBI 84), education (SBI 85) and care (SBI 86, 87 and 88) are therefore not included in the study population. The financial sector (SBI 64, 65 and 66) is also excluded because micro-data is not available for service providers (Smit & Wong, 2016). This chapter divides the companies into the following five SBI groups: Agriculture (SBI 01-03), Industry and energy (SBI 06-43), Trade (SBI 45-47), Transportation and storage (SBI 49-53) and Services (SBI 55-63, 67-83 and 89-99).

The size of a company is determined by the number of its employees. This chapter recognises three categories of companies: independent small and medium-sized enterprises (SMEs), other SMEs and large companies. This size classification was also used in earlier CBS studies (e.g. CBS, 2016b). The independent SMEs category is defined more narrowly than traditional SMEs. Independent SMEs are enterprises that are not members of a group that has 250 or more employees and are not owned by a non-resident enterprise. Ownership is determined by combining the BDK with the Foreign Affiliate Trade Statistics (FATS). FATS includes information on each enterprise's Ultimate Controlling Institutional Unit (UCI) so that the UCI's country of residence can be determined. The FATS data for 2016 are provisional.

The Foreign Affiliate Trade Statistics (FATS) were also used to determine whether enterprises established in the Netherlands also had affiliates abroad, i.e. whether an enterprise was part of a multinational group. In accordance with Lemmers (2014) and Walhout et al. (2017) we classify an enterprise as a foreign multinational if control is exercised by a parent company outside the Netherlands (CBS, 2016c). The opposite occurs if a Dutch parent company has one or more foreign subsidiaries. Such companies are Dutch multinationals. We determined which Dutch companies had foreign subsidiaries – and are therefore Dutch multinationals – by means of a database of all the foreign holdings of Dutch companies (Boutorat & Van den Berg, 2017). This chapter considers only businesses outside the Netherlands in which a Dutch company has at least a 50% interest. Enterprises in the Netherlands that do not have a foreign parent company or subsidiary – non-multinationals – make up the largest group of companies.

The business characteristics in these datasets were supplemented with information from the International Trade in Goods (abbreviated in Dutch: IHG) statistics and the International Trade in Services (abbreviated in Dutch: IHD) statistics. The IHG statistics include annual data on goods imports and exports. This source can be used to determine which companies import and export products and, in many cases, the exporting and importing countries, the type of goods and their value in euros (CBS, 2016d). To allow for the Rotterdam effect (see box), this chapter considers exports that were made in the Netherlands. Re-exported goods are therefore not considered (except in table 3.3.2).

The Rotterdam effect

Thanks to its favourable geographical location in combination with its well-educated workforce, good infrastructure and experience in complex logistical processes, the Netherlands has grown into one of the main gateways to Europe. The volume of goods entering or leaving the Netherlands via one of its international seaports or airports is so big that its impact on the balance of trade of the Netherlands and other European countries is known as 'the Rotterdam effect' (de Blois et al., 2013). The flow of goods to and from the Netherlands – and to a lesser extent Belgium – therefore merits further explanation. In comparison with other EU countries, the Netherlands imports many foreign-made goods and exports them to its European hinterland without significant processing. For example, bananas from Ecuador arrive in the Netherlands and are then transported directly to Germany. Although these goods arrive in the Netherlands, they are actually imported by other countries. They add to the intra-EU flow of goods from the Netherlands to other EU member states (Eurostat, 2017a, Eurostat, 2017b). This illustrates the difference between the country of destination and the *ultimate* country of destination.

If these goods are temporarily owned by a Dutch company while they are in the Netherlands, they are said to be re-exported. CBS includes both re-exports and exports that are made in the Netherlands in the Dutch export figures. Eurostat also includes quasi-transit in its total export figures. This is the flow of foreign-made goods that are transported through the country without significant processing but, unlike re-exports, remain owned by a foreign party during their transit through the Netherlands. Quasi-transit is not included in the CBS's trade figures. Both flows evidently have consequences for, for example, road congestion and CO₂ emissions.

The International Trade in Services (IHD) statistics show which companies import and export services, the types of services and their value in euros. The Netherlands is one of the few countries in the world that keeps data on trade in services at company level. This study considers the international trade in services by companies only, not by natural persons. Country information on services at company level is available only in respect of trade with EU member states. Information on trade in services with individual non-EU countries is not available. More information on these statistics is available in the CBS studies by Smit and Wong (2016/2017). The IHD figures are provisional.

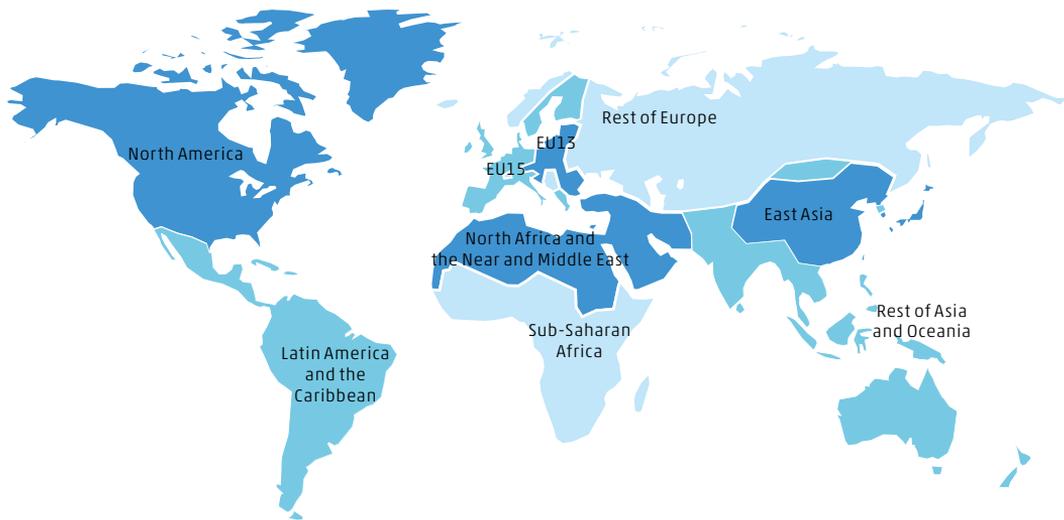
Both the IHG and the IHD statistics link international trade whenever possible to companies established in the Netherlands. Trade conducted by foreign companies and/or companies not entered in the ABR is not taken into account. The total value of trade therefore differs from the row and column totals in Statline. Furthermore, only the companies in the SBI categories that export goods or services worth at least €5,000 per annum are included. This limit has been set so that only the characteristics of companies with substantial exports are considered.

The turnover figures in this chapter are taken from the Direct Estimate Totals (abbreviated in Dutch: DRT). Quarterly turnover is calculated every three months for the population of business units that are active at any moment during the quarter. Changes in turnover follow from the ratio of quarterly turnover totals for two periods. The DRT uses three types of input source: VAT data based on VAT units, primary observations by the DRT based on business units, and turnover data of the business units that are among the most complex businesses monitored and validated by the CBS.

3.3 Which companies export to which regions of the world?

Dutch companies trade across the entire world, but they do not trade to the same extent in every region. This chapter describes the characteristics of the companies that export goods and/or services with a total reported value of at least €5,000 per annum. These companies are grouped according to the regions to which they export. For convenience's sake, the nearly 200 countries in the world have been divided into nine regions, as shown in figure 3.3.1. Table 3.6.1 in the appendix lists the countries in each region.

3.3.1 Economic regions



Most companies export close to home

About 100,000 companies in the Netherlands exported goods and/or services with an export value of at least €5,000 in 2016. About 68,000 companies exported goods, and more than 46,000 exported services. The sum does not correspond with the total of 100,000 companies referred to above because some companies export both goods and services.¹⁾ In such cases, the company concerned counts as both a goods exporter and a services exporter.

Table 3.3.2 shows how many companies export to a particular region and gives the value of their exports. As well as exporting both goods and services, a company can be active on more than one market. In these cases, a company can be counted in the tabel more than once as well.

¹⁾ See Vos & Jaarsma (2017) for a complete list of the various types of traders (importers and exporters specified by goods and services) and the numbers per type.

3.3.2 Number of companies and export value by region, 2016*

Region	Number of companies	Total export	Of which	
			Made in the Netherlands	re-exports
In billions of euros				
<i>Goods</i>				
EU15 (excluding the Netherlands)	57,310	201.7	117.8	84.0
EU13	15,960	18.6	10.9	7.7
Rest of Europe	11,270	11.6	7.7	4.0
North America	6,950	15.5	12.1	3.4
Latin America and the Caribbean	5,055	8.1	6.4	1.7
North Africa and the Near and Middle East	7,595	13.0	8.9	4.1
Sub-Saharan Africa	4,060	5.3	4.1	1.1
East Asia	5,805	16.4	13.5	2.9
Rest of Asia and Oceania	6,235	10.8	7.7	3.1
Total	68,035	301.0	189.1	111.9
<i>Services</i>				
EU28 (excluding the Netherlands)	45,970	65.5		
Non-EU	7,430	48.5		
Total	46,085	114.0		

Note 1. The trade values in this table differ from the trade values in Statline because the table presents only trade that can be attributed specifically to companies in the Netherlands. Furthermore, it includes only companies with an export value of at least €5,000 in a given number of sectors. For more information, see section 3.2.

Note 2. Trade values are rounded to the nearest billion euros. The number of companies is rounded to the nearest five. On account of the rounding, the totals may not agree precisely with the sum of the figures.



61,6 billion euros' worth of services are exported to the EU15 and 3.9 billion to the EU13

It is clear from table 3.3.2 that the European Union is by far the Netherlands' most important export market. Nearly three-quarters of all goods exported by companies active in the Netherlands are sold in the EU28. More specifically, the 'old' EU countries import a relatively high volume of Dutch goods and services. In total, more than 57,000 companies exported goods to the EU15 member states, such as Germany, Belgium and France. The table also shows that re-exports to EU destinations are larger than those to other regions. This is due in part to the Rotterdam effect, the flow of re-exports to the European hinterland (see box in section 3.2). More than 40 percent of all the goods exported to the EU15 and EU13 were foreign-made imports that were subsequently exported without significant processing but briefly owned by Dutch parties. The EU13 member states are the countries that joined the EU on 1 May 2004 or later. In relative terms, East Asia accounts for the highest percentage of exports of Dutch-made products (82 percent), followed by Sub-Saharan Africa and North America (both 78 percent). In absolute terms, the Netherlands exports the least to African countries south of the Sahara in terms of both export value and the number of exporting companies.

The EU is also the largest export market for services, but the EU28's share of services exports is smaller than its share of goods exports: 57 percent versus 73 percent. Distance might place fewer restrictions on the trade in services than on the trade in goods (CBS, 2017c). Nevertheless, most services are exported to the 'old' EU. The Netherlands exports €61.6 billion in services to the EU15 and €3.9 billion to the EU13. Nearly all the companies that export services to non-EU countries also export services to the EU.

To identify growth markets for Dutch exports of goods and services made in the Netherlands and calculate the importance of such exports to the companies' earnings models, the remainder of this chapter looks at only exports of this kind. Re-exports are therefore not considered, nor are companies that do not export goods and services made in the Netherlands.

Main countries by region

The Netherlands obviously exports more goods and services to some countries in the nine regions than to others. Figure 3.3.3 shows the Netherlands' main export partners in each region for goods and services made in the Netherlands.

3.3.3 Top 3 of main export partners in each region for goods and services made in the Netherlands*

Region	1st country	2nd country		3rd country		Other		
		%		%		%	%	
<i>Goods</i>								
EU15 (excluding the Netherlands)	Germany	33.9	Belgium	17.5	United Kingdom	14.0	34.6	
EU13	Poland	37.7	Czech Republic	18.0	Hungary	11.6	32.7	
Rest of Europe	Switzerland	30.6	Russia	23.4	Norway	20.8	25.1	
North America	United States	85.9	Canada	14.1	Greenland	0.0	0.0	
Latin America and the Caribbean	Brazil	32.2	Mexico	17.4	Cayman Islands	16.9	33.5	
North Africa and the Near and Middle East	Turkey	23.5	United Arab Emirates	12.8	Israel	11.9	51.8	
Sub-Saharan Africa	Nigeria	26.5	South Africa	18.1	Togo	9.8	45.6	
East Asia	China	43.3	South Korea	19.1	Taiwan	18.2	19.5	
Rest of Asia and Oceania	Singapore	33.1	Australia	13.4	India	10.0	43.6	
<i>Diensten</i>								
EU15 (Exclusief Nederland)	United Kingdom	27.8	Germany	22.6	Belgium	11.7	37.8	
EU13	Poland	30.0	Hungary	17.3	Czech Republic	13.6	39.2	

Note. The percentages given above are based on all goods and services exports that can be attributed to companies in the Netherlands. They may therefore differ slightly from the trade data in Statline. For more information, see section 3.2.

Germany has been the Netherlands' most important trading partner for many years. It is therefore not surprising that, within the EU15, Germany imports the most Dutch goods, followed by Belgium and the United Kingdom. Poland is the main export destination in the EU13. Figure 3.3.3 also shows that two-thirds of all Dutch goods exported to Latin America and the Caribbean go to Brazil, Mexico and the Cayman Islands. By value, half of the Dutch goods exported to North Africa and the Near and Middle East are sold to Turkey, the United Arab Emirates and Israel. In the Rest of Asia and Oceania region, one country stands out: Singapore. Like the Netherlands, it is a major hub for the region.

Information on the international trade in services with individual countries is available at a company level for the EU member states only. Figure 3.3.3 therefore presents information on only two regions. Of all the EU15 member states, the United Kingdom, not Germany, was the most important export destination for services in 2016. More than a quarter of all services exported to the EU15 were

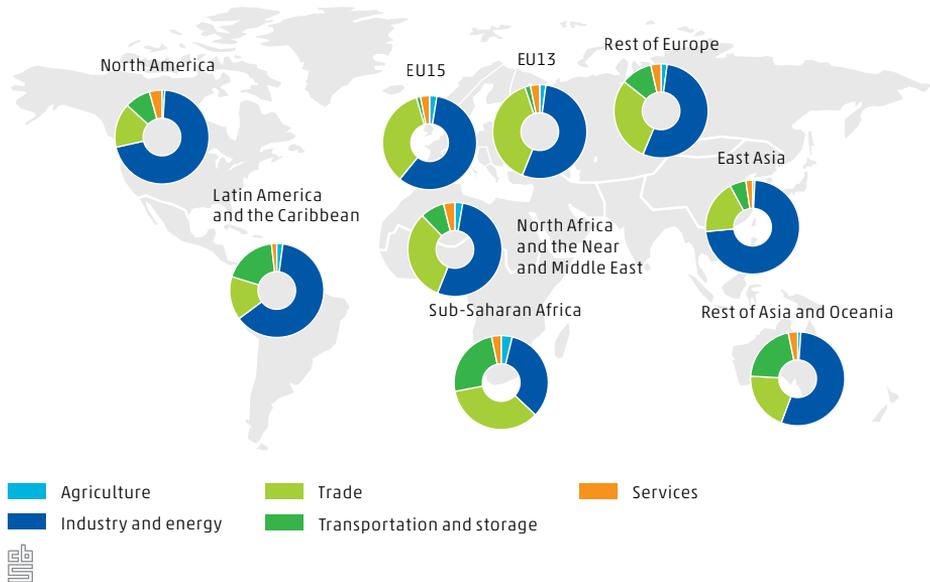
sold to the United Kingdom. This is partly because the UK economy is highly service-oriented, whereas the German economy has a stronger manufacturing base (Eurostat, 2018). Germany, however, follows the UK in second place, with Belgium in third. Poland, Hungary and the Czech Republic are the three most important EU13 destinations not only for goods exports but also for services exports.

As the total export value – and the number of countries – differs per region, the percentages of the countries in figure 3.3.3 cannot be compared across regions. To give one example, Nigeria is the main destination for Dutch goods exported to Sub-Saharan Africa, accounting for 26.5 percent of the total, but the United Kingdom is more important as an export partner for the Netherlands even though it receives just 14 percent of Dutch exports to the EU15. As exports to the EU15 member states are many times bigger, the absolute export values are clearly in favour of the United Kingdom: €16.4 billion versus €1.1 billion.

The manufacturing sector is the most important exporter of Dutch goods

The industry and energy sector is responsible for more than half of Dutch exports to nearly all regions, see figure 3.3.4. It is particularly well represented in exports to North America and East Asia. The majority of these exports are for the account of Dutch manufacturing. The food, chemical and engineering industries export many Dutch products. Utility and construction companies, which are also members of the industry and energy sector, export relatively few goods. In Sub-Saharan Africa, wholesale and retail traders export the most Dutch goods. They are also prominent in the other regions. Transport companies are prominent in several regions but their contribution to the total export value of Dutch goods sold in the EU is relatively modest. The transportation and storage sector's contribution outside the EU is considerably bigger. In Sub-Saharan Africa and the Rest of Asia and Oceania regions more than a fifth of the total export value of Dutch goods is exported by transport companies, particularly by warehousing and transport service companies. This difference between the EU28 and the non-EU countries is perhaps due to the transporters being responsible for customs clearance when products are taken out of the EU, but not when they remain within the EU.

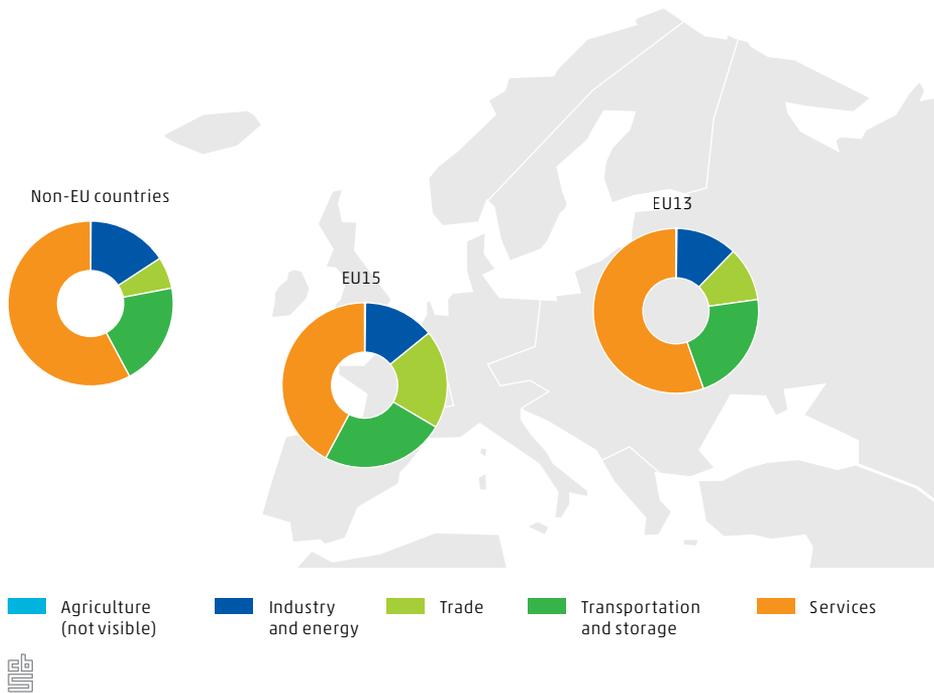
3.3.4 Export value of Dutch goods by sector, 2016



Accounting for no more than 4 percent of total goods exports, businesses operating in the primary agriculture sector are of only limited importance in export terms. This is not a significant percentage, especially when about 20 percent of all goods exported from the Netherlands are agricultural products.²⁾ If only goods made in the Netherlands are taken into account, more than a quarter of goods exports are agricultural products (CBS & WUR, 2018). This is because many agricultural products are exported by other sectors, such as manufacturing, wholesaling and transport. In other words, other companies are responsible for the exports and declare the international trade. An earlier study by the CBS found that about 95 percent of agribusiness goods are exported by companies that are not classified as belonging to the primary agriculture sector. A large proportion of food and agricultural products is exported by agricultural wholesalers and the food industry (Van den Berg et al., 2016).

²⁾ Wide definition of agricultural goods including primary, secondary and tertiary agricultural goods.

3.3.5 Export value of services by sector, 2016*

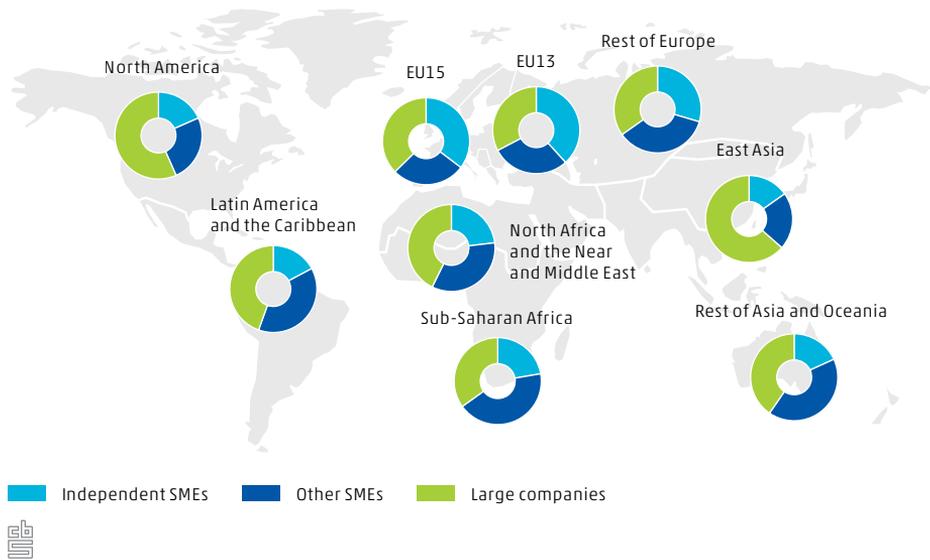


Service companies export relatively few Dutch goods. Figure 3.3.5 shows that they are responsible for most of the total value of services exports: ranging from 46 percent to the EU15 to 58 percent to non-EU countries. Non-financial holding companies and management consultancies, IT firms and travel agencies are significant exporters. The industry and energy sector accounts for about a seventh of the value of all services exports. Businesses in the primary agriculture sector sell hardly any services abroad, less than 1 percent of the total. The food industry alone exports seven times as many services as businesses in the primary agriculture sector.

Independent SMEs export primarily to Europe

In 2016, companies falling under the traditional definition of SMEs exported nearly 60 percent by value of all goods made in the Netherlands. SMEs have fewer than 250 employees. In seven of the nine regions, they are responsible for more than half the value of Dutch goods exports. Large companies are responsible for most exports of Dutch goods by value to North America and East Asia, as shown in figure 3.3.6.

3.3.6 Export value of Dutch goods by company type, 2016



Traditional SMEs can be divided into independent SMEs and other SMEs. Independent SMEs are enterprises that have fewer than 250 employees and are not members of a large Dutch group (with more than 250 employees in total). Enterprises under foreign control are not classified as independent SMEs, regardless of how many employees they have. Other SMEs therefore consist of enterprises that are members of a group with 250 or more employees or enterprises with a foreign parent company.

In practice, membership of a larger or foreign group often provides greater access to knowledge, innovation, financing, economies of scale and/or an international network of suppliers and customers (CBS, 2016a). Independent SMEs enjoy fewer of these benefits than other SMEs. Nevertheless, independent SMEs account for more than a third of the total export value of Dutch products to the EU15 and EU13: 35 and 38 percent respectively. Their percentages in more distant markets is lower. In comparison with large companies, independent SMEs do more by themselves and are less active in national and international value chains. Independent SMEs are therefore more active on local markets and export less (Statistics Denmark & OECD, 2017).

3.3.7 Export value of services by type of company, 2016*

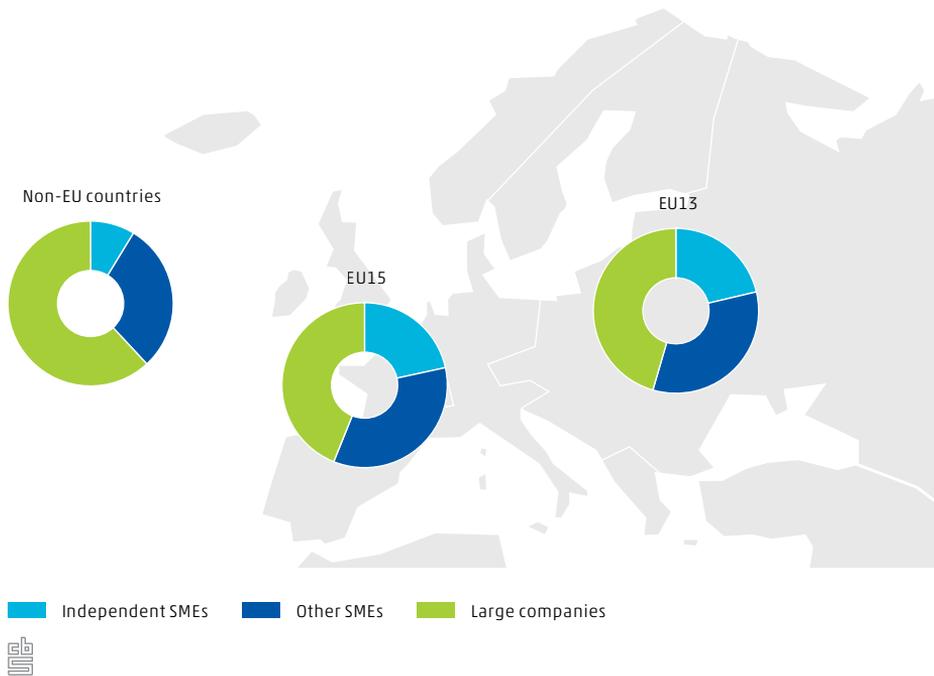


Figure 3.3.7 shows that independent SMEs and other SMEs – together known as traditional SMEs – are responsible for more than half the export value of services sold to EU countries. Large companies account for the remaining export value of services, about 45 percent, to both the EU15 and the EU13. Figure 3.3.7 shows that large companies account for a considerably larger proportion – 62 percent – of services exports to non-EU countries. Independent SMEs export relatively few services to non-EU countries. In total, independent SMEs are responsible for 16 percent of services exports. Other SMEs and large companies are responsible for 32 and 52 percent respectively.

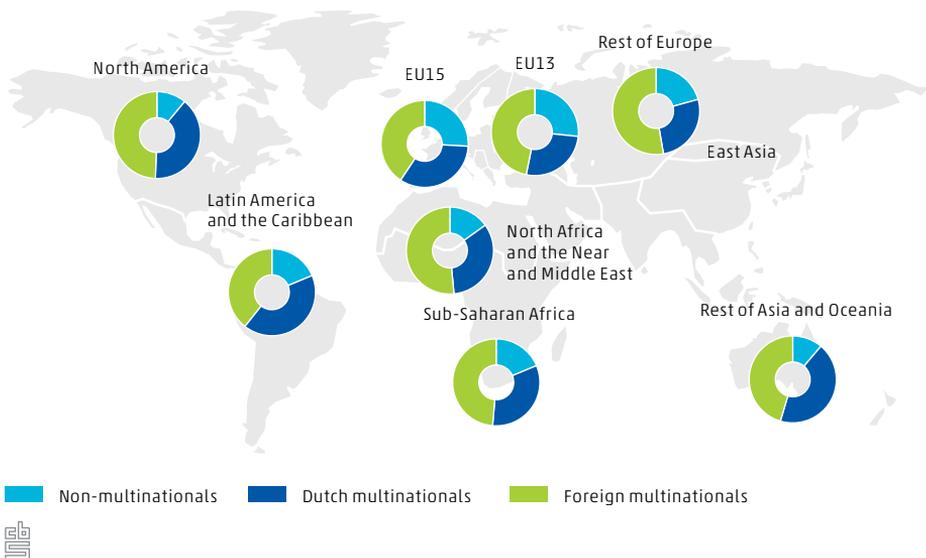
Foreign multinationals dominate exports

Multinationals are major players in today's global economy. They are also significant in the Dutch economy. Walhout et al. (2017) found that multinationals accounted for 30 percent of the value added, 40 percent of production and about 1.5 million full-time jobs in the Netherlands. In 2016, they accounted for 78 percent of Dutch goods exports. The percentage differs by region and by type of multinational, however, as shown in figure 3.3.8.



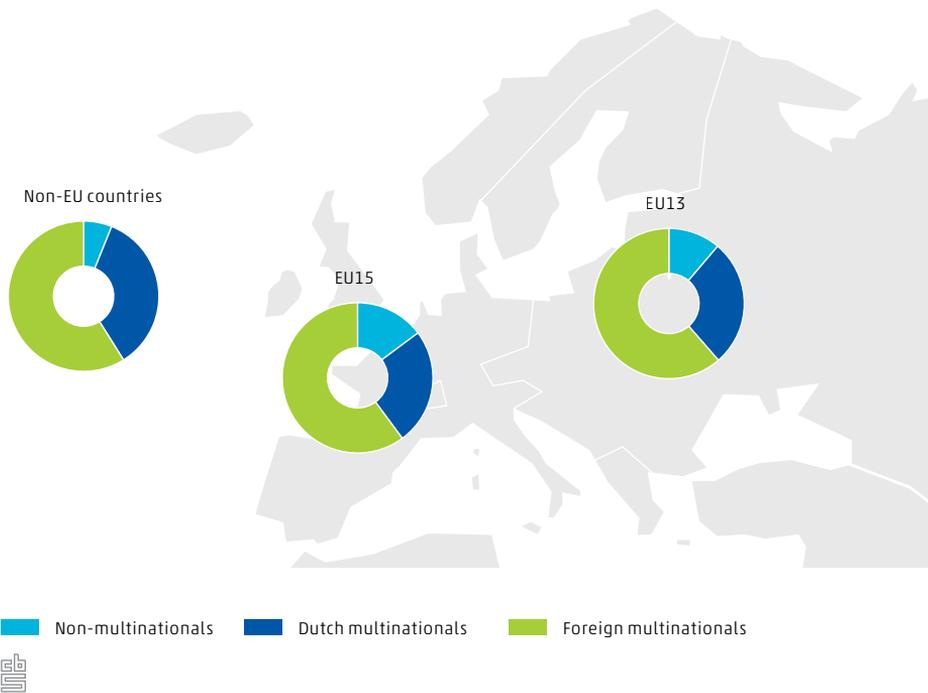
7 out of 9 regions receive more Dutch goods from foreign multinationals than from Dutch multinationals

3.3.8 Export value of Dutch goods by multinationals, 2016*



Foreign multinationals are responsible for a considerable proportion of exports of products made in the Netherlands, as shown in figure 3.3.8. Dutch multinationals export more Dutch goods than foreign multinationals to just two of the nine regions, East Asia and Latin America and the Caribbean. Foreign multinationals account for a particularly high proportion of exports to the Rest of Europe (53 percent), North Africa and the Near and Middle East (52 percent), and North America (49 percent). In particular, foreign multinationals in the wholesale, chemical, food and storage sectors are responsible for the export of Dutch goods to these regions. Non-multinationals are best represented in exports to regions close to the Netherlands.

3.3.9 Export value of services by multinationals, 2016*

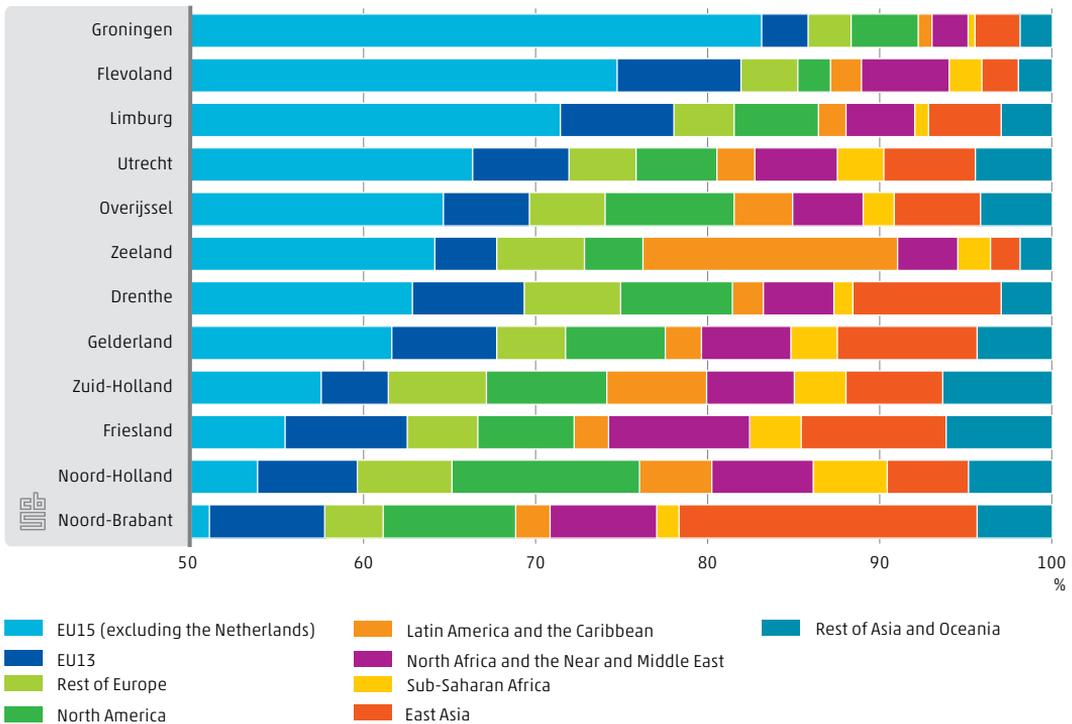


Foreign multinationals play an even more prominent role in services exports, see figure 3.3.9. They are responsible for about 60 percent of the export value of services. Foreign multinationals that generate a relatively high export value from services include IT firms, wholesalers and travel agencies. Foreign multinationals in the storage and aviation sectors also account for a relatively high percentage of services exports. In total, Dutch and foreign multinationals were responsible for 89 percent of the services exported in 2016. In relative terms, companies that do not have a foreign subsidiary or parent company – the non-multinationals – export the least services.

Groningen exports most goods made in the Netherlands to neighbouring countries

A company's location in the Netherlands is also a significant characteristic. More than half the value of products made in the Netherlands exported by every province is sold to countries that were members of the EU before 2014. There are considerable differences, however, between the provinces, as shown in figure 3.3.10.

3.3.10 Export value of Dutch products by province, 2016*

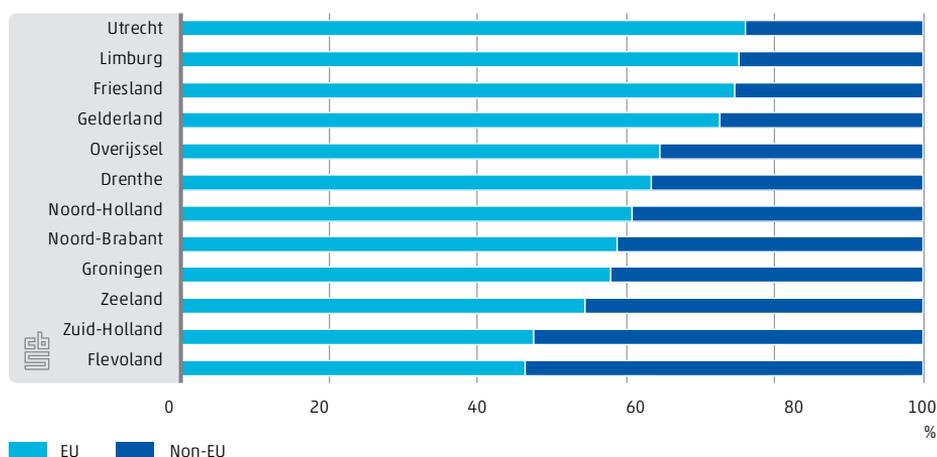


In relative terms, Groningen, Flevoland and Limburg export the most Dutch goods to the EU15. No less than 83 percent of Groningen's exports of Dutch products are sold to the 'old' EU countries. This is due to its relatively high exports of natural gas to neighbouring countries. Less than 3 percent of Groningen's Dutch exports by value is sold to 'new' EU countries. Noord-Brabant, Noord-Holland and Friesland are the least dependent on the EU15 for their exports of Dutch products. In comparison with the other provinces, Noord-Brabant's exports to East Asia are relatively high. Its engineering industry and medical equipment manufacturers are particularly

active in East Asia. Zeeland's shipbuilding industry is responsible for a relatively high export flow of Dutch goods to Latin America and the Caribbean.

Similar to the national picture, most provinces export most of their services to EU member states.³⁾ Figure 3.3.11 shows that only companies in Flevoland and Zuid-Holland export more than half of their services to non-EU countries. In relative terms, the provinces of Utrecht, Limburg and Friesland are the biggest exporters of services to the EU. Most services are exported by companies in the Amsterdam region, where many large multinationals are located (Van Roekel & Voncken, 2017).

3.3.11 Export value of services by province, 2016*



3.4 What is the significance to the exporters?

The previous section outlined the characteristics of the companies that export Dutch goods and services to the various regions of the world. This section takes a closer look at the importance to the exporters of their exports to the various regions.

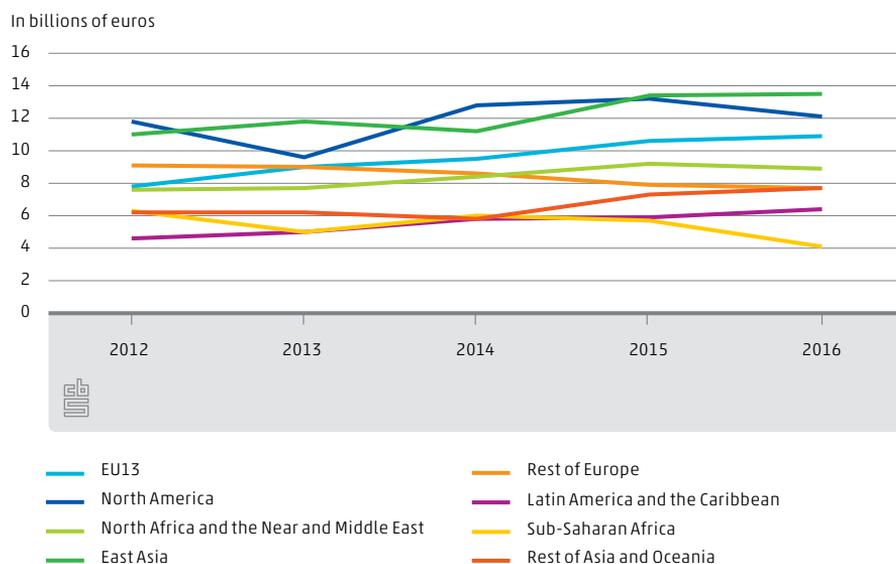
³⁾ Country-level data on the international trade in services is not yet available at provincial level. A breakdown by EU15 and EU13 countries therefore cannot be made.

New EU countries and Latin America are growth markets for Dutch products

Companies in the Netherlands exported more Dutch goods in 2016 than in 2012. These exports were worth about €171.9 billion in 2012 and €189.1 billion in 2016 (see table 3.3.2), a nominal increase of 10 percent.⁴⁾⁵⁾ Exports of Dutch goods to the EU15 alone increased from €107.6 billion to €117.8 billion. Most of this increase occurred between 2012 and 2013. Exports of Dutch goods to the 'new' EU countries increased by 'just' €3 billion between 2013 and 2016. In the EU15, Dutch goods exports to Belgium (up €3.6 billion), the United Kingdom (up €2.9 billion) and Spain (up €1.1 billion) increased the most between 2012 and 2016.

Figure 3.4.1 shows the development of the export value of Dutch goods to each region between 2012 and 2016. As the value of exports is many times greater to the EU15 than to the other regions, the EU15 is not included in the figure. The left-hand axis would be so high that developments in other regions would not be visible.

3.4.1 Export value by region of goods made in the Netherlands, 2012-2016



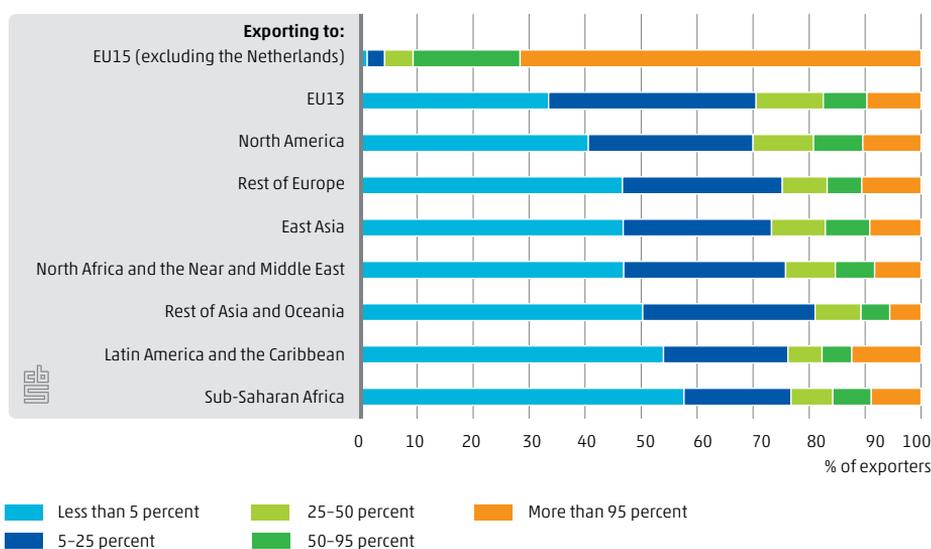
⁴⁾ This section considers the period 2012-2016 because the data sources used in this chapter contain information at a company level for this period only. Chapter 2 considers the International Trade in Goods (IHG) statistics in more detail and also provides information on 2017. This chapter considers only exports that can be attributed to companies in the Netherlands.

⁵⁾ Changes in the prices of goods and services influence the increase (or decrease) in export value.

Between 2012 and 2016, the export value of goods made in the Netherlands declined only in the regions of Rest of Europe and Sub-Saharan Africa. This was due in part to a fall in Dutch exports to Russia (down €1.2 billion), Nigeria (down €0.9 billion) and Togo (down €0.4 billion). Exports to all other regions were higher. The EU13 and Latin America and the Caribbean were particularly significant growth markets for Dutch companies exporting products made in the Netherlands. Exports to these two regions increased by 40 and 39 percent respectively. Poland (up €1.1 billion), the Czech Republic (up €0.6 billion), Brazil (up €1.0 billion) and the Cayman Islands (up €0, 9 billion) saw the biggest increase in Dutch exports in these regions. These findings are consistent with a longer-term trend and the findings presented in Chapters 2 and 4: in relative terms companies are exporting less to the Netherlands' traditional export partners such as Germany, Belgium and the United Kingdom and more to non-EU countries (see also CBS, 2016e).

Non-EU countries are steadily growing in importance. But EU countries – especially the Netherlands' traditional trade partners – are by far the most important markets for exporters of Dutch goods, see figure 3.4.2.

3.4.2 Relative importance of different regions to exporters of goods made in the Netherlands, 2016*



Nine out of ten exporters of Dutch goods to the EU15 export at least half of all their Dutch goods to EU15 countries. Seven out of ten goods exporters to the EU15 are almost completely dependent on those countries for their exports. This is in sharp

contrast to the situation with other regions. For 17 percent of the companies that export Dutch products to the EU13, those exports represent at least half of their total exports of Dutch products. This is more or less the case in all regions with the exception of the EU15. For more than half of all companies that export goods made in the Netherlands to the Rest of Asia and Oceania, Latin America and the Caribbean, or Sub-Saharan Africa, the export value of those goods is just a small percentage of their total export value. Most of the companies active on these markets are also active on the EU15 market. In principle, substantial amounts can be earned by exporting Dutch goods to distant markets but in many cases they are not comparable with the amounts the same companies earn by exporting Dutch products to neighbouring countries such as Belgium, Germany and the United Kingdom.

The EU15 is by far the most important market for most of the companies, but other regions are also important markets for Dutch exports. Figure 3.4.2 shows that between 6 and 12 percent of the companies that export Dutch goods to other markets are almost completely dependent on them. Ten percent of all companies that export to North America, for example, are almost completely dependent on that market for their exports of Dutch goods. This equates to some 655 companies in the Netherlands which are active almost exclusively on the North American export market.

Figure 3.4.2 shows the extent to which exporters of Dutch products concentrate on the various export markets. Reliance on a particular export market, however, does not mean that a company's operations are completely reliant on that market. The export of Dutch goods is only part of a company's overall earnings model. A company may be almost entirely reliant on the North American market for its exports but generate most of its turnover on the domestic market. Table 3.4.3 therefore shows the export of goods made in the Netherlands in relation to the exporters' total turnover by sector and region.

3.4.3 Export intensity of Dutch products by sector and region, 2016*

	Agriculture	Industry and energy	Trade	Transportation and storage	Services
Regio					
EU15 (excluding the Netherlands)	27.5	20.9	9.4	6.0	5.1
EU13	2.6	2.2	1.4	1.2	0.8
Rest of Europe	8.1	1.5	0.8	2.9	1.1
North America	5.8	3.6	1.1	4.2	0.6
Latin America and the Caribbean	11.1	2.2	0.6	6.2	0.3
North Africa and the Near and Middle East	13.7	2.0	1.3	2.8	1.8
Sub-Saharan Africa	1.9	0.7	1.0	4.6	0.3
East Asia	1.0	4.4	1.3	3.4	0.9
Rest of Asia and Oceania	3.0	1.9	0.8	6.6	0.6

Table 3.4.3 shows the export of Dutch goods relative to total turnover, the export intensity. It can again be seen that Dutch exporters rely most on the EU15. Exporters in the primary agriculture sector and the manufacturing sector earn a great deal of their turnover from exports of Dutch goods to the EU15. Exporters in the industry and energy sector earned about a fifth of their turnover from exports to the EU15, just under 5 percent of their turnover from exports to East Asia and nearly 4 percent from exports to North America.

Although the total value of Dutch primary agriculture exports is many times less than that of the other sectors – see figure 3.3.4 – exports account for a considerable proportion of the sector's total turnover. Exporters in the primary agriculture sector whose exports were worth at least €5,000 in 2016 earned more than a quarter of their turnover from Dutch products exported to the EU15. The high export intensity to Latin America and the Caribbean and to North Africa and the Near and Middle East is also striking. The higher intensity in the agriculture sector is due in part to a large proportion of the primary agriculture businesses not selling the exports themselves (Van den Berg et al., 2016). Those that do are highly dependent on the exports. Furthermore, re-exports are less important in this sector owing to the nature of the products.

High export intensity of service companies that export to non-EU countries

A comparable analysis to that made for the international trade in goods was made for the international trade in services. Figure 3.4.4 shows the export value of services by region during the period 2012–2016. Companies in the Netherlands exported services worth €114 billion in 2016. This is an increase of €27.8 billion, about 33 percent, on 2012. The figure also shows that the increase was attributable almost entirely to the EU15 countries and to non-EU countries. The export value of services to the ‘new’ EU countries has fluctuated between €3 and €5 billion in recent years.

3.4.4 Export value of services by region, 2012–2016*

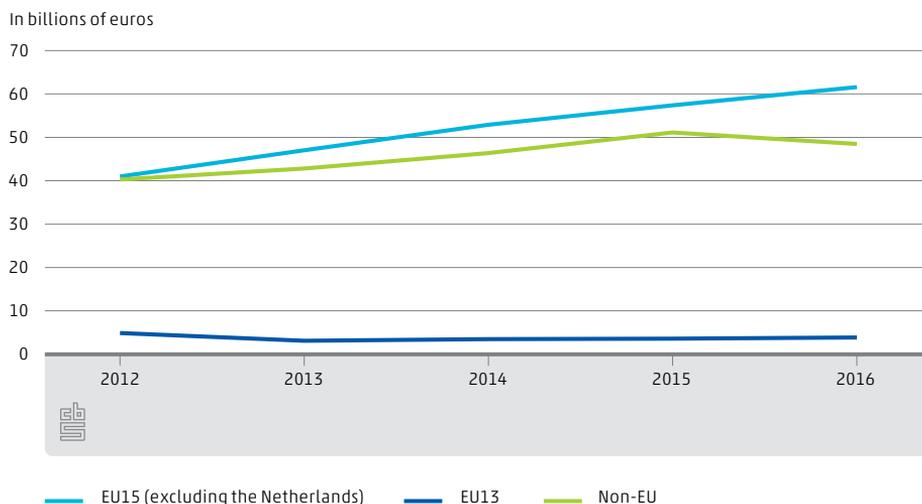


Figure 3.4.5 shows the importance of different regions to exporters of services relative to their total services exports. It can be seen that if services exporters specialise, they concentrate – like goods exporters – on the EU15 market. Nine out of ten of the companies that export services to the ‘old’ EU countries sell at least half of all their services to the EU15. Nevertheless, the non-EU countries are not an insignificant export market for Dutch services. More than four out of ten companies that export services to non-EU countries rely on those countries for at least half of their total services exports. This might seem a high proportion in the light of figure 3.4.2, but it should be noted that the non-EU countries are divided into seven regions for goods exports.

3.4.5 Relative importance of different regions to exporters of services, 2016*

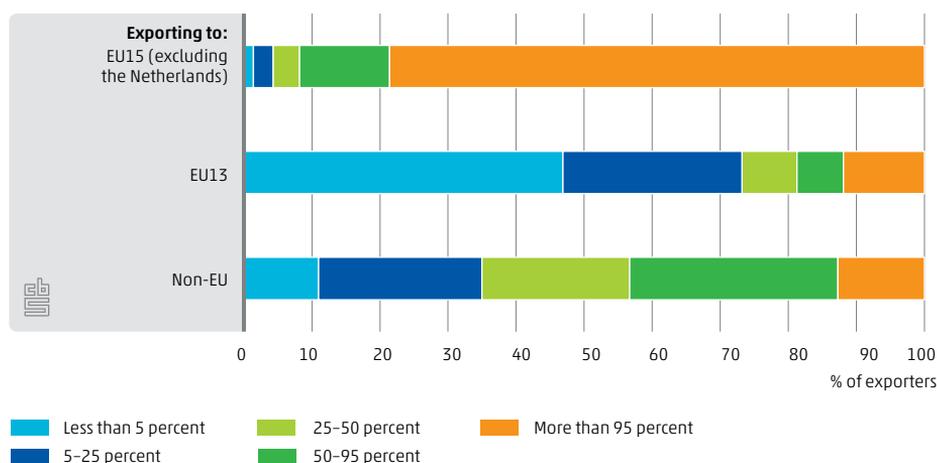


Figure 3.4.5 shows services exporters' relative orientation towards the various foreign markets. As noted above, however, a company that exports services virtually exclusively to, say, Germany, need not be completely reliant on the German market. The sale of services might not be its core business or the company may concentrate on the domestic market and its export earnings might be a welcome source of revenue but be secondary to the core business or of less importance to the company's earnings model. Table 3.4.6 therefore shows the export intensity of services. The export intensity is the proportion of services exports in a company's total turnover.

3.4.6 Export intensity of services by sector and region, 2016*

	Agriculture	Industry and energy	Trade	Transportation and storage	Services
EU15 (excluding the Netherlands)	11.6	4.1	3.8	27.2	24.1
EU13	0.8	0.3	0.4	1.9	2.9
Non-EU	32.2	5.9	4.1	25.6	46.5

Table 3.4.6 shows that the service sector earns a significant proportion of its turnover from exports to non-EU countries. The export intensity of companies exporting to non-EU countries is 46.5 percent. In other words nearly half of these companies' total turnover is derived from exports of services to non-EU countries. The primary agriculture sector and transportation and storage companies also have a relatively high export intensity to non-EU countries. It should be remembered,

though, that this group of countries is divided into seven regions for goods trade. Nevertheless, services exports to non-EU countries are more important to the turnover of the companies active on these markets than services exports to the EU15. One possible cause of this can be found in table 3.3.2. It shows that far fewer companies export services to non-EU countries but the exports tend to be of higher value. A comparison of the services export intensity with the goods export intensity for the EU15 and EU13 shows that transportation companies and service providers export mainly services whereas the agriculture, industry and energy, and trade sectors export mainly goods made in the Netherlands.

3.5 Summary and conclusion

This chapter looked at the characteristics of groups of companies that export goods and/or services to various regions of the world. It also considered the importance of exports to different regions to the companies' total exports and total turnover. As re-exports are a class unto themselves, and mainly an activity of wholesalers and transporters, and more is earned on exports that are made in the Netherlands, this chapter considered only exports of goods made in the Netherlands (see box in section 3.2). The production and export of goods made in the Netherlands is more comparable with services exports because few if any services are re-exported. The earnings are also more comparable.

This chapter first looked at the characteristics of the companies that export to the various regions of the world. It found that about 100,000 companies in the Netherlands exported goods or services (with a minimum export value of €5,000) in 2016. In terms of export value and number of exporters, the EU15 member states are by far the most important destination for Dutch goods and services. These are the countries that were members of the EU before 2004. The Dutch goods exported to these countries were worth €117.8 billion in 2016 and services exports were worth €61.6 billion. Germany, the United Kingdom and Belgium are the most important countries for Dutch exporters.

The industry sector is responsible for more than half the value of Dutch goods exports to nearly all the regions and for nearly three-quarters of the export value to North America and East Asia. In particular, the food, chemical and engineering industries are major exporters of Dutch products. Although agricultural products represent about 20 percent of total goods exports, the primary agriculture sector accounts for only a limited proportion of total goods exports. This is because most

agricultural products are not exported by businesses in the primary agriculture sector but by wholesalers and the food industry (Van den Berg et al., 2016). Service companies are responsible for the biggest part of the total value of services exports, ranging from 46 percent to the EU15 countries to 58 percent to the non-EU countries.

In relative terms, independent SMEs, which are not members of a larger group and do not have a foreign owner, export mainly to European countries. Large companies are responsible for more than half the value of Dutch products exported to North America and East Asia. They are also responsible for 52 percent of the total value of the services exported by Dutch companies.

Multinationals are important actors in the Dutch economy. Nearly 80 percent of the export value of goods made in the Netherlands leaves the country via these companies. Foreign multinationals play a notable role. Dutch multinationals export more Dutch goods than foreign multinationals to only two of the nine regions: East Asia and Latin America and the Caribbean. Foreign multinationals are even more prominent as services exporters.

Of all the provinces in the Netherlands, Noord-Brabant, Noord-Holland and Friesland export the fewest Dutch goods to the EU15. Nevertheless the value of the goods they export to the 'old' EU countries represents more than half the value of their exports of Dutch products. Flevoland and Zuid-Holland are the only provinces that export more services to non-EU countries than to EU countries.

If we look at the significance of the various regions to the exporters, we see that in relative terms more Dutch goods have been exported to the EU13 countries and Latin America and the Caribbean in recent years. In absolute terms, however, the greatest increase has been in exports to the EU15, especially in goods exports to Belgium, the United Kingdom and Spain. The EU15 is still the most important export market for many Dutch companies. Seven out of ten companies that export goods to the EU15 are almost completely reliant on those countries for their exports. In the other markets, the rate varies from 6 to 12 percent. Exporters in the primary agriculture and the manufacturing sectors are particularly reliant on exports of Dutch goods to the EU15 for their turnover.

Companies in the Netherlands exported goods and services worth €114 billion in 2016, €27.8 billion, or 33 percent, more than in 2012. Nine out of ten companies that export services to the EU15 sell at least half of their total services exports to those countries. Non-EU countries are also significant export markets for Dutch services. More than four out of ten companies that export to non-EU countries rely

on those countries for at least half of their services exports. The export intensity to non-EU countries of companies in the service sector is 46.5 percent. Services exports are more important to the turnover of companies active on non-EU markets than they are to the turnover of companies that export services to the EU15 countries.

This chapter looked specifically at companies that play a direct role in exports, i.e. the companies that file international trade declarations. The country to which goods are exported are not necessarily their final destination. German companies, for example, can import Dutch goods and then re-export them to other countries, after processing them or otherwise. As a result, the role of suppliers and customers in the value chain is not taken into account. This is particularly relevant to the trade in goods, more so than to the trade in services.

3.6 Appendix: Countries by region

EU15 (excluding the Netherlands)

Country code	Country
AT	Austria
BE	Belgium
DE	Germany
DK	Denmark
ES	Spain
FI	Finland
FR	France
GB	United Kingdom
GR	Greece
IE	Ireland
IT	Italy
LU	Luxembourg
PT	Portugal
SE	Sweden

EU13

Country code	Country
BG	Bulgaria
CY	Cyprus
CZ	Czech Republic
EE	Estonia
HR	Croatia
HU	Hungary
LT	Lithuania
LV	Latvia
MT	Malta
PL	Poland
RO	Romania
SI	Slovenia
SK	Slovakia

Rest of Europe

Country code	Country	Country code	Country
AD	Andorra	ME	Montenegro (as from 1 June 2005)
AL	Albania	MK	Former Yugoslav Republic of Macedonia
AM	Armenia	NO	Norway
AZ	Azerbaijan	RU	Russia
BA	Bosnia and Herzegovina	SM	San Marino
BY	Belarus	TJ	Tajikistan
CH	Switzerland	TM	Turkmenistan
FO	Faeroe Islands	UA	Ukraine
GE	Georgia	UZ	Uzbekistan
GI	Gibraltar	VA	Vatican City
IS	Iceland	XC	Ceuta
KG	Kyrgyzstan	XK	Kosovo
KZ	Kazakhstan	XL	Melilla
LI	Liechtenstein	XS	Serbia (as from 1 June 2005)
MD	Moldova		

North America

Country code	Country
CA	Canada
GL	Groenland
PM	Saint Pierre en Miquelon
US	Verenigde Staten van Amerika

Latin America and the Caribbean

Country code	Country	Country code	Country
AG	Antigua en Barbuda	HN	Honduras
AI	Anguilla	HT	Haïti
AR	Argentinië	JM	Jamaica
AW	Aruba	KN	Saint Kitts en Nevis
BB	Barbados	KY	Caymaneilanden
BM	Bermuda	LC	Saint Lucia
BO	Bolivia	MS	Montserrat
BQ	Bonaire, Sint Eustatius, Saba	MX	Mexico
BR	Brazilië	NI	Nicaragua
BS	Bahamas	PA	Panama
BZ	Belize	PE	Peru
CL	Chili	PY	Paraguay
CO	Colombia	SR	Suriname
CR	Costa Rica	SV	El Salvador
CU	Cuba	SX	Sint Maarten
CW	Curaçao	TC	Turks- en Caicos-eilanden
DM	Dominica	TT	Trinidad en Tobago
DO	Dominicaanse Republiek	UY	Uruguay
EC	Ecuador	VC	Saint Vincent en de Grenadines
FK	Falklandeilanden	VE	Venezuela
GD	Grenada	VG	Britse Maagdeneilanden
GT	Guatemala	VI	Amerikaanse Maagdeneilanden
GY	Guyana		

North Africa and the Near and Middle East

Country code	Country	Country code	Country
AE	Verenigde Arabische Emiraten	LY	Libië
BH	Bahrein	MA	Marokko
DZ	Algerije	OM	Oman
EG	Egypte	PS	Gebied onder Palestijnse autoriteit
EH	West Sahara	QA	Qatar
IL	Israël	SA	Saoedi-Arabië
IQ	Irak	SD	Soedan
IR	Iran (Islamitische Republiek)	SY	Syrië
JO	Jordanië	TN	Tunesië
KW	Koeweit	TR	Turkije
LB	Libanon	YE	Jemen

Sub-Saharan Africa

Country code	Country	Country code	Country
AO	Angola	ML	Mali
BF	Burkina Faso	MR	Mauritanië
BI	Boeroendi	MU	Mauritius
BJ	Benin	MW	Malawi
BW	Botswana	MZ	Mozambique
CD	Congo, Democratische Republiek	NA	Namibië
CF	Centraal-Afrikaanse Repu- bliek	NE	Niger
CG	Congo	NG	Nigeria
CI	Ivoorkust	RW	Rwanda
CM	Kameroen	SC	Seychellen
CV	Kaapverdië	SH	St. Helena
DJ	Djibouti	SL	Sierra Leone
ER	Eritrea	SN	Senegal
ET	Ethiopië	SO	Somalië
GA	Gabon	SS	South-Sudan
GH	Ghana	ST	Sao Tomé en Príncipe
GM	Gambia	SZ	Swaziland
GN	Guinee	TD	Tsjaad
GQ	Equatoriaal-Guinee	TG	Togo
GW	Guinee-Bissau	TZ	Tanzania (Verenigde Republiek)
IO	Brits gebied in de Indische Oceaan	UG	Oeganda
KE	Kenia	YT	Mayotte
KM	Comoren	ZA	Zuid-Afrika
LR	Liberia	ZM	Zambia
LS	Lesotho	ZW	Zimbabwe
MG	Madagaskar		

East Asia

Country code	Country
CN	China
HK	Hongkong
JP	Japan
KR	Zuid-Korea
TW	Taiwan

Rest of Asia and Oceania

Country code	Country	Country code	Country
AF	Afghanistan	MV	Maldiven
AQ	Antarctica	MY	Maleisië
AS	Samoa Amerikaans	NC	Nieuw-Caledonië
AU	Australië	NF	Norfolk
BD	Bangladesh	NP	Nepal
BN	Brunei	NR	Nauru
BT	Bhutan	NU	Niue-eilanden
BV	Bouveteiland	NZ	Nieuw-Zeeland
CC	Cocoseilanden (of Keeling-eilanden)	PF	Frans-Polynesië
CK	Cookeilanden	PG	Papoea-Nieuw-Guinea
CX	Christmaseiland	PH	Filipijnen
FJ	Fiji	PK	Pakistan
FM	Micronesië (Federale Staten)	PN	Pitcairneilanden
GS	Zuid-Georgië en de Zuid-Sandwicheilanden	PW	Palau
GU	Guam	SB	Salomonseilanden
HM	Heard- en McDonaldeilanden	SG	Singapore
ID	Indonesië	TF	Franse zuidelijke gebieden
IN	India	TH	Thailand
KH	Cambodja	TK	Tokelau-eilanden
KI	Kiribati	TL	Oost-Timor
KP	Noord-Korea	TO	Tonga
LA	Laos	TV	Tuvalu
LK	Sri Lanka	UM	Verafgelegen eilandjes van de Verenigde Staten
MH	Marshalleilanden	VN	Vietnam
MM	Birma	VU	Vanuatu
MN	Mongolië	WF	Wallis- en Futuna-eilanden
MO	Macau	WS	Samoa (Vroegere West-Samoa)
MP	Noordelijke Marianen		

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Terms and definitions

Control

A company is controlled from the country in which strategic decision-making takes place. Control lies with the Ultimate Controlling Institutional Unit (UCI). Foreign control means that the UCI is registered in a country outside the Netherlands.

Direct and indirect exports

Goods and services that are sold abroad directly by an industry on a foreign market are direct exports. Goods and services that are sold abroad via another industry (such as wholesaling) or via another country are indirect exports.

Direct foreign investment

An enterprise that has received direct foreign investment in an enterprise in which an investor from another country owns at least 10 percent of the ordinary share capital or votes or their equivalent. The interest must be held permanently in order to exercise a substantial influence on the enterprise's management. Direct investments consist of share capital, participating interests in foreign group companies and credit.

Economic growth

The increase in the size of gross domestic product.

EU13

Countries that joined the European Union on or after 1 May 2004: Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovenia and Slovakia.

EU15

The member states of the European Union on 1 January 1995: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.

Export of Dutch goods

Goods produced in the Netherlands or goods produced abroad that undergo significant processing (assessed in light of significant changes in the statistical goods code) in the Netherlands and are then sold abroad. Total Dutch exports include all goods that are exported or re-exported.

Gateway function

The importation of goods and services and their processing or preparation for onward export to the rest of the world. The country importing and processing the goods or services acts as a gateway.

GDP (Gross Domestic Product)

A measure of the size of an economy. It is calculated as the sum of the value added by enterprises, households and the public sector to the goods and services they used to make their products. The sum is known as the value added in basic prices. To arrive at GDP in market prices, product-related taxes less subsidies, plus the difference between VAT imputed and remitted, are added to this amount.

Independent SME

Independent small and medium-sized enterprises comprise all enterprises in the Netherlands that are in Dutch hands and have fewer than 250 employees in the entire group. Other SMEs have fewer than 250 employees but are members of a group with more than 250 employees or have a foreign parent company.

Input/output analysis

An input/output analysis allocates the expenditure on primary inputs and factors of production, such as the cost of goods and services that are not produced in the Netherlands (imports) and the factors of production (labour, capital and enterprise) to final expenditure (household and public sector consumption, investments and exports). An input/output analysis also sheds light on supplies of indirect intermediate goods between industries in order to explain dependencies in value chains.

Intermediate goods

Inputs in the production process, such as raw materials, semi-manufactures and fuels. An intermediate product is consumed during the production process. It is often transformed and then incorporated into the end product. Intermediate goods are therefore used to make other products.

International trade in goods

International trade in goods occurs when a resident of one country provides goods to residents of another country. The value of goods imported by the Netherlands from other EU member states includes the cost of insurance and freight up to the Dutch border. The value of goods imported from non-EU countries includes the cost of insurance and freight up to the EU's external border. The export value includes freight and insurance costs up to the Dutch border. This is consistent with the International Trade in Goods statistics.

International trade in services

International trade in services occurs when a resident of one country provides economic services to residents of another country. Services are products that are generally not tangible, such as transportation, business services and personal, cultural and recreational services. Residents are companies and natural persons that carry on an economic activity and have lived or had a seat in the country for more than one year.

Multinational

A company that exercises ultimate control over other companies in two or more countries. For the Netherlands a distinction can be made between Dutch multinationals and foreign multinationals. A Dutch multinational is a company under Dutch control with subsidiaries/majority interests abroad. A foreign multinational is a company in the Netherlands that is under the ultimate control of a foreign company.

Net labour participation rate

The percentage of the employed labour force in the population (labour force plus non-labour force). The definition relates to persons who live in the Netherlands. The figures are usually presented for the population aged 15 to 75. Here they are presented for the population aged 15 to 64.

Non-multinationals

Companies without any form of foreign control. These companies do not have foreign parent companies or subsidiaries.

Quasi-transit

Imported foreign goods that undergo little if any processing in the Netherlands and are then exported again. Unlike re-exports, the goods are owned by a foreign company while they are in the Netherlands. Quasi-transit is not included in Dutch statistics on Dutch trade, but is included in EU statistics on Dutch trade.

SBI

Industries are categorised by means of the EU's hierarchical classification of economic activities (Nomenclature statistique des activités économiques dans la Communauté Européenne, NACE). The Dutch variant of this system is the Dutch Standard Industrial Classification (SBI).

Re-exports

Foreign goods imported into the Netherlands and temporally owned by a resident of the Netherlands (in contrast to quasi-transit) and then exported without any significant processing. Dutch export figures comprise both exports and re-exports.

Value added

The difference between the production (in basic prices) and intermediate consumption (excluding deductible VAT).

Value chain

All the activities, in one or more countries, necessary to produce a good or service from concept to end product, and to dispose of it after use.

Person employed

A person working for a company located in the Netherlands or for a private household in the Netherlands or as an independent entrepreneur. A person employed can therefore be defined as an employee or an independent worker. They may be residents of the Netherlands or of another country. Working persons are all persons performing paid work, even if only for one or a few hours a week, and even if they:

- perform work that is legal as such but without registering for income tax or social security ('undeclared work');
- are temporarily not working but are continuing to receive pay (for instance owing to illness or hold-ups due to frost);
- are on temporary unpaid leave.