1. Trends in Dutch international trade

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The Dutch economy faced yet another recession in the fourth quarter of 2011. Despite decreasing consumption and investments, international trade still continued to grow in 2012. The bulk of Dutch trade is the trade in goods that takes place with other EU countries. Although adding less to Dutch GDP than exports of domestic products, re-exports have become more important in time. In 2012 almost half of the export value of goods could be assigned to re-exports. The relatively low share of services trade in total trade reflects the difficulties associated with transferring services from one country to another.

1.1 Introduction

The hope that 2012 would bring renewed economic growth and the revival of the Dutch economy turned out to be idle. The Dutch economy already slipped into another recession in the fourth quarter of 2011. Continued insecurity about developments in private wealth (e.g. pensions and house prices), the euro crisis and subsequent austerity measures have weakened the Dutch economy. In previous years export growth was a mitigating factor during times of recession. However, in 2012 and at the start of 2013, international trade in goods and services still continued to grow, but its rate has been decelerating rapidly since 2010. The provisional figures of April 2013 actually show a decrease in the volume of Dutch goods exports (working day adjusted) on April 2012. Dutch international trade is still tightly bound to the European internal market, where economies are struggling to implement strict fiscal discipline in order to maintain solvency. As such, trade growth remains sluggish.

The total value of exported goods and services amounted to 528 billion euros in 2012, which corresponds to 88 percent of Dutch GDP (the value added of exported goods and services to GDP was 29 percent in 2009; see Kuypers et al. (2012)). Imported goods and services corresponded to 80 percent of GDP. In absolute terms, trade in goods outweighs the trade in services by far. In 2012 around four fifths of total exports and imports consisted of trade in goods. However, in terms of value added, trade in services contributes relatively much to GDP. This is due to the fact that services often require more knowledge-intensive inputs than commodities and that they less often than commodities (partly) consist of imported inputs of which the value added is created elsewhere. Re-exports form a clear example as in 2009 they contributed only around 7 cents of value added per euro, while one euro of domestically produced exports contributed around 59 euro cents to GDP (Kuypers et al., 2012). Nevertheless, due to its sheer volume, re-exporting is an important activity for the Netherlands. Furthermore, it seems to be the only source of growth in the commodities trade at the moment.

As one of the main drivers of Dutch economic growth and a key determinant of internationalisation, the importance of international trade for the Netherlands cannot be overestimated. Therefore chapter 1 kicks off with the main developments in Dutch international trade in goods and services (section 1.2). This information is put into context by a macro-economic overview of the Dutch economy and the contribution of international trade to Dutch GDP (section 1.3). In section 1.4 Dutch international trade is broken down by partner country. This section also presents the largest rising trading partners. A closer look at which products and services are traded will be provided in section 1.5, followed by a closer look at re-exports. Extra insight in this special trade flow is provided by illustrating the magnitude of re-exports as well as their origin and destination. Chapter 1 ends with the conclusions of the main figures and developments.

1.2 Developments in Dutch international trade

Table 1.2.1 shows that the unprecedented decline in Dutch international trade in goods in 2009 was followed by an equally large upswing in 2010. In 2011 both imports and exports exceeded pre-crisis levels and their value grew by 10 percent. Especially exports of domestically produced goods grew significantly, namely by 16 percent. In 2012, commodities trade growth slowed down somewhat. Export growth was the lowest since the economic crisis of 2009 and especially apparent in the relatively small growth of domestic exports (+3 percent). Re-exports continued to grow strongly in 2012, namely by 9 percent compared to 2011. The preliminary figures on the first four months of 2013 show a further bottoming out of trade growth, with a decrease in imports of 1 percent and no export growth. Only re-exports continue to grow, which implies that there were less domestically produced commodities exported in this period than in the same period in 2012.

Exports of domestically produced goods grew by 3%

1.2.1 Dutch international trade in goods

	Imports		Exports		of which domestic exports		of which re-exports	
	value	growth rate	value	growth rate	value	growth rate	value	growth rate
	billion euros	**%**	**billion euros**	**%**	**billion euros**	**%**	**billion euros**	**%**
2005	249.8	9	281.1	10	159.2	10	121.9	10
2006	285.4	14	319.0	13	179.0	12	139.9	15
2007	307.3	8	347.5	9	192.3	7	155.2	11
2008	355.9	9	370.5	7	212.5	11	157.9	2
2009	274.0	–18	309.4	–16	169.4	–20	139.9	–11
2010	331.9	21	371.5	20	199.9	18	171.6	23
2011	364.9	10	409.4	10	231.1	16	178.3	4
2012*	389.9	7	431.4	5	237.9	3	193.5	9
2013 (Jan–Apr)*	127.0	–1	143.0	0	78.2	–3	64.8	4

Source: Statistics Netherlands, Statline, International trade in goods statistics (extracted: 23-7-2013).

The economic downturn had less impact on the international trade in services than on the international trade in goods (see table 1.2.2 and also Jaarsma and Van Berkel, 2012). In 2009, only services exports were lower than in the preceding year, namely 5 percent. This decrease was mainly caused by a decline of 3.4 billion euros in transportation, which dealt directly with the collapse in commodity trading. Services exports have recovered remarkably well ever since. In 2012, however, as was the case for trade in goods, the growth rate (+3 percent) was considerably smaller than in 2011 and 2010. Therefore, the 9 percent higher export value in the first quarter of 2013 was a real boost.
The imports of services grew during the economic crisis of 2009 by 2 percent and continued to grow annually. There was an especially high growth rate in 2011 (+9 percent). In 2012, services imports were 6 percent higher than in the preceding year. They amounted to 92 billion euros, while services exports reached 102 billion euros.

1.2.2 Dutch international trade in services

	Imports		Exports	
	value	growth rate	value	growth rate
	billion euros	**%**	**billion euros**	**%**
2005	67.9	6.0	74.0	8.4
2006	69.2	1.9	77.0	4.1
2007	71.7	3.6	81.5	5.9
2008	76.5	6.6	85.9	5.4
2009	78.0	2.0	81.9	–4,7
2010	80.2	2.9	89.1	8.8
2011	87.5	9.1	99.5	11.6
2012*	92.4	5.6	102.3	2.8
2013Q1*	21.0	5.4	25.4	9.0

Source: Statistics Netherlands, International Trade in Services Statistics (extracted 23-7-2013).

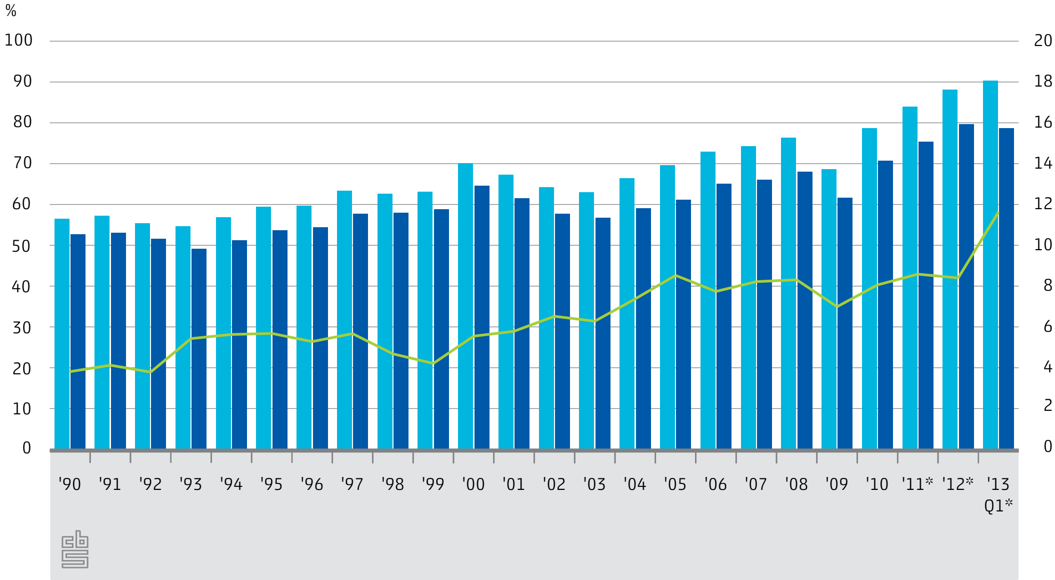
1.3 Balance of international trade and contribution to Dutch GDP

This section illustrates the importance of international trade relative to Dutch GDP and its contribution to the GDP growth. Using National Accounts data, the importance of international trade in goods and that of international services trade can be compared. The National Accounts data differ from the ‘original’ source data (because of integration in the overall economic framework) and are only used here.

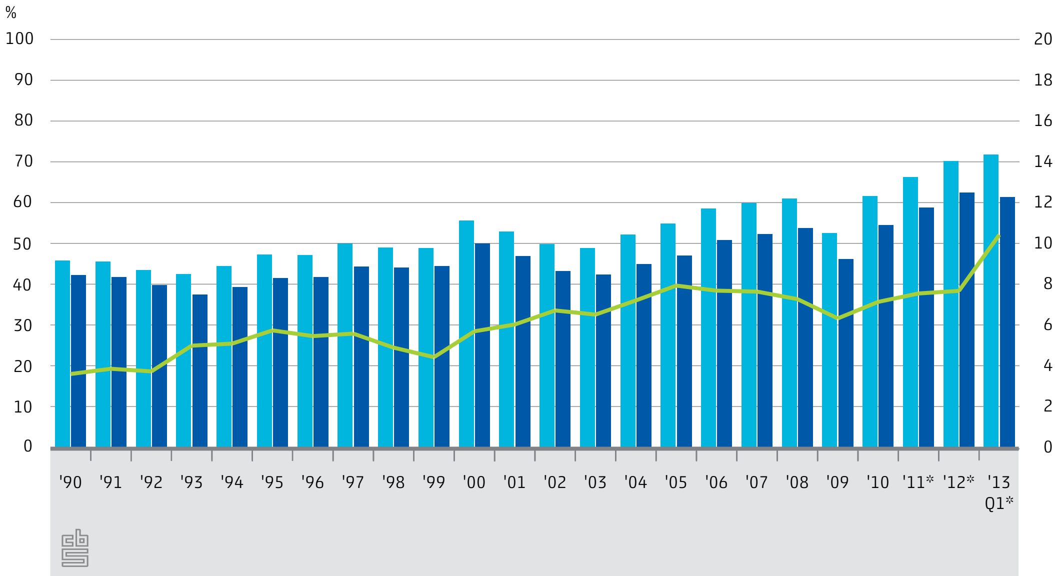
Because of lower imports and an even stronger decline in exports during the economic crisis, the total Dutch trade surplus was only 40 billion euros in 2009. The share of the trade balance in Dutch GDP in that year was also at its lowest point since 2003. However, after the crisis the trade surplus increased again. In 2011 and 2012 the Netherlands exported respectively 51 and 50 billion euros more goods and services than it imported. The goods and services trade balance was close to 9 percent of Dutch GDP in these years. If we have a closer look on the composition of the trade surplus, we can clearly see that the international trade in goods contributes the most. In 2012 no less than 91 percent of the trade surplus is generated by a positive goods balance. Chapters 2 and 7 in this publication will dig deeper into the net contribution of trade to GDP. Specifically, the value added of trade to the Dutch economy will be discussed.

1.3.1 International trade relative to Dutch GDP

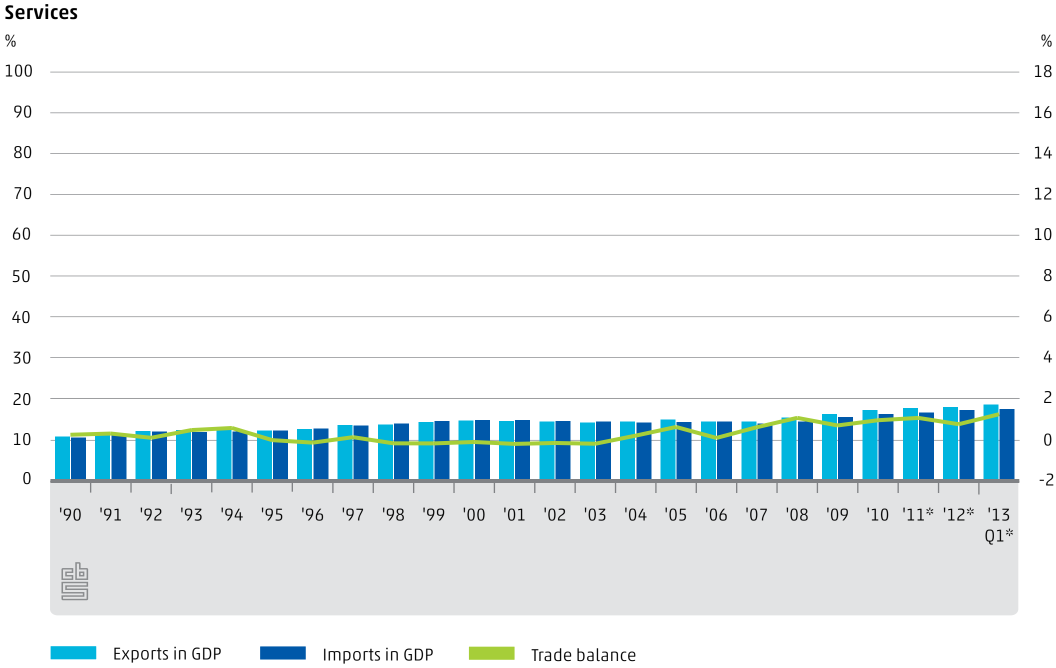
Goods and services



Goods



1.3.1 International trade relative to Dutch GDP (end)



* Provisional figures.
Source: Statistics Netherlands, National Accounts (extracted 23-7-2013).

Table 1.3.2 shows the decomposition of Dutch economic growth since 2009.
In 2010 and 2011 the Dutch economy realised positive economic growth, but since then the economy has again gone into recession. In the first quarter of 2013 Dutch GDP declined by 1.8 percent, which was mainly due to further bottoming out of investments of enterprises and the government. Consumption of households also decreased further in this period.
Renewed growth of exports of goods and services was the main driving force behind the recovery in 2010. Since then this growth has also slowed down, to 1.4 percent in the first quarter of 2013. Dividing this growth rate into exports of goods versus exports in services, we see that the exports of services continued to grow firmly in this period (2.8 percent), while the growth rate of goods exports is still positive but declining.

1.3.2 Breakdown of Dutch economic growth

	2009	2010	2011**	2012*	2013Q1*
	% volume changes, year-on-year				
GDP	–3.7	1.5	0.9	–1.2	–1.8
Imports	–7.1	10.3	4.2	3.3	–0.8
goods	–9.4	11.9	4.7	3.6	–0.6
services	1.8	5.4	2.5	2.3	–1.6
Exports	–7.7	11.6	4.1	3.2	1.4
goods	–9.3	12.9	4.3	3.6	1.1
services	–1.4	7.2	3.3	1.9	2.8
Consumption	0.5	0.4	–0.6	–1.3	–1.7
households	–2.1	0.3	–1.1	–1.6	–2.4
government	5.0	0.5	0.2	–0.7	–0.6
Investments	–12.0	–7.4	6.1	–4.0	–11.8
corporate and household	–15.3	–8.8	9.5	–4.6	–13.5
government	4.4	–1.8	–7.0	–1.3	–4.5

Source: Statistics Netherlands, Statline, National Accounts (extracted: 23-7-2013).

The trade growth in the first quarter of 2013 was not sufficient to counterbalance the decline in investment and consumption. The hope is that the Dutch economy will recover by an acceleration of world trade growth (ING, 2012; OECD, 2012). However, the Export Radar of May 2013 (Statistics Netherlands, 2013a) shows that the factors that influence Dutch exports continue to worsen. Producer confidence levels decreased in Germany and in the Eurozone as a whole. Dutch entrepreneurs were also pessimistic about an increase in their foreign order portfolio, and consumer confidence levels are still at record-low levels. The historically developed pattern of Dutch trade, where large amounts of trade are destined for the European market does not help in this regard either. Many of these EU countries are still struggling to cope with the euro crisis and are not expected to grow significantly in the near future. They have implemented severe austerity measures in order to finance their national debts. An incidental effect of these measures may be that they stifle economic growth and trade. This not only hurts the export of domestically produced exports, but also the re-export activities of Rotterdam and other Dutch distribution centres. Since emerging markets such as BRIC countries and other developing Asian countries are the main drivers of world economic growth, it could be beneficial for Dutch traders to shift their focus away from traditional markets to growth markets (OECD, 2012; Statistics Netherlands, 2012b).

1.4 The most vitally important import and export markets for the Netherlands

Germany, Belgium, the United Kingdom, the United States and China were generally the most important trading partners of the Netherlands in 2012. Concerning trade in goods (table 1.4.1), Germany and Belgium are still the main import and export markets. The bulk of Dutch commodities trade is with countries of the EU, although this share has been declining steadily. In 2012 circa 73 percent of exports went to the EU and 52 percent of imports originated from the EU.

1.4.1 International trade in goods by partner country

	Import value					Export value				
	2008	2009	2010	2011	2012*	2008	2009	2010	2011	2012*
	billion euros									
Total	**335.9**	**274.0**	**331.9**	**364.9**	**389.9**	**370.5**	**309.4**	**371.5**	**409.4**	**431.4**
EU	**185.1**	**151.8**	**176.7**	**193.6**	**201.5**	**282.7**	**231.3**	**275.7**	**302.9**	**313.8**
Belgium	33.9	27.5	31.9	36.4	37.7	43.0	34.6	41.3	48.7	50.8
Czech Republic	3.7	3.8	4.5	5.2	5.5	4.5	3.8	5.3	5.9	6.0
France	16.9	13.6	14.4	16.8	17.5	32.4	27.5	32.5	36.2	36.7
Germany	64.6	52.5	58.9	60.9	62.2	90.6	75.2	90.3	99.2	104.6
Italy	8.0	6.3	7.2	7.8	7.9	19.6	16.0	18.6	19.5	19.6
Poland	3.9	3.6	4.6	5.1	5.4	7.3	5.9	7.4	8.4	8.6
Spain	6.0	4.8	7.0	6.6	6.8	12.7	10.5	12.6	12.2	11.8
Sweden	5.7	4.0	5.3	6.2	6.6	6.5	5.2	6.6	7.2	7.2
United Kingdom	21.2	17.6	22.1	24.5	27.5	33.6	25.9	29.7	32.3	35.0
other EU	21.2	18.1	20.7	24.1	24.2	32.6	26.7	31.4	33.1	33.5
BRIC	**45.2**	**37.9**	**52.7**	**57.0**	**62.3**	**13.2**	**11.8**	**14.5**	**17.2**	**19.7**
Brazil	4.9	3.9	4.4	5.6	5.5	1.2	1.1	1.8	2.3	3.1
China	25.0	22.0	31.0	30.9	31.9	3.9	4.6	5.4	6.7	7.7
India	2.3	2.4	3.3	3.6	4.5	1.6	1.7	1.7	1.9	1.9
Russia	13.0	9.6	14.0	17.0	20.3	6.6	4.4	5.6	6.4	7.1
Non-EU (excl. BRIC)	**105.6**	**84.3**	**102.5**	**114.3**	**126.1**	**74.6**	**66.2**	**81.3**	**89.2**	**97.9**
Japan	9.5	7.3	9.3	10.1	9.8	2.9	2.4	3.2	3.4	3.6
United States	27.0	23.0	25.1	23.5	26.5	16.5	13.9	16.9	19.6	19.8
rest of world	69.1	54.1	68.2	80.7	89.8	55.1	49.9	61.3	66.2	74.5

Source: Statistics Netherlands, Statline, International trade in goods (extracted: 23-7-2013).

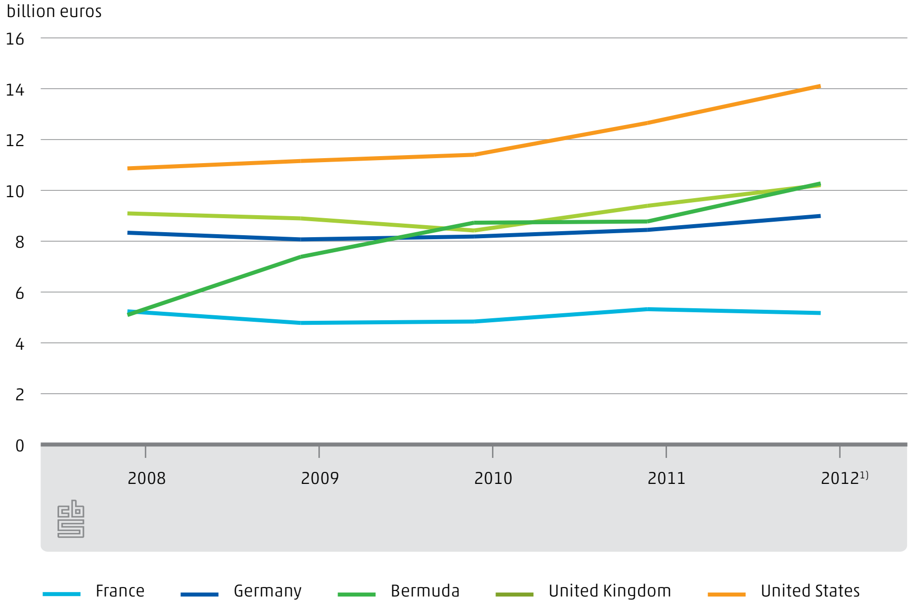
The main reason for the declining shares of trade with the EU is the growing importance of BRIC countries. However, in 2011 and 2012 Dutch imports from China – one of the BRIC countries – stagnated. The European debt crisis and the economic slowdown have had a negative impact on European imports from China. In 2012, imports from China decreased by 1.3 percent for the EU-27 as a whole. Nevertheless, China was still the number one import partner for the EU from beyond the European Union (Eurostat, 2013). As an important distribution hub for Chinese products, Dutch imports from China destined for other European countries have therefore also decreased. Comparatively, imports from Russia and India – two other BRIC countries – have increased substantially since 2010. This is mainly due to a large increase in the imports of mineral fuels and related products originating from these countries. Exports of goods to BRIC countries also continued to grow as of 2010. Exports to Brazil grew significantly in 2012, due to a rise in the exports of special equipment and machinery, pharmaceuticals and mineral fuels and products.

The United States has been the largest services import market for the Netherlands since 2008 (see graph 1.4.2). In 2012 the Netherlands imported 14 billion euros of services from this country. As was the case in previous years, the 'other business services'[1)] is major, constituting more than a third of the services imports from the United States. Bermuda was the second largest services import market with a trade value of 10.3 billion euros, closely followed by the United Kingdom. Services imports from Bermuda have increased substantially in the last five years. The top five of main trading partners in 2012 is completed by Germany and France. The services imported most from these two countries are 'other business services'.

Graph 1.4.3 shows that, with 13.4 billion euros, Ireland was the most important export destination for the Netherlands in 2012. Germany came in second place with an export value of 12.7 billion euros. Transportation was the largest service category exported to this country. The United Kingdom and the United States were also in the top five, with trade values of 10.4 and 9.8 billion euros respectively in 2012. 'Other business services' were imported the most from the Netherlands by both countries. With a trade value of 5.2 billion euros in 2012, Belgium completed the top five of most important export destinations. Approximately a third of all the services exported to this country fell within the category transportation.

[1)] This category includes merchanting and other trade-related services; operating leases; legal services; accounting, auditing and tax advice; business consulting, management consulting and public relations services; advertising, market research and opinion polls; research and development; architects, engineering and other technical services; waste management and environmental services; agricultural, mining and other services performed on site; other business services not mentioned elsewhere; intra-group services not mentioned elsewhere.

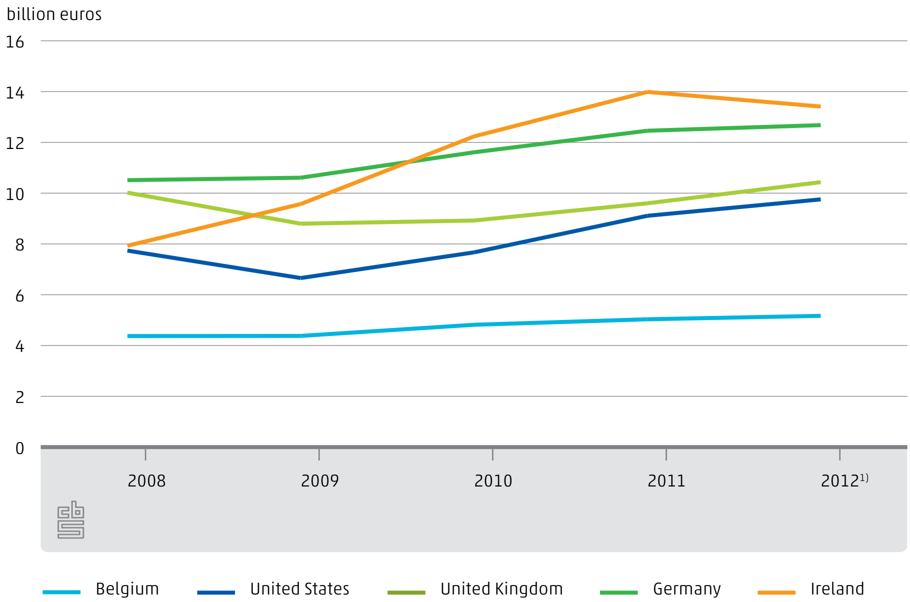
1.4.2 Import values of services from the largest markets



[1)] Provisional figures.

Source: Statistics Netherlands, International Trade in Services Statistics (extracted 23-7-2013).

1.4.3 Export value of services to the largest markets



[1)] Provisional figures.

Source: Statistics Netherlands, International Trade in Services Statistics (extracted 23-7-2013).

Dutch services imports from and exports to BRIC countries increased tremendously between 2004 and 2008, but in 2009 this growth was stunned by the economic crisis. Remarkably, the imports and exports of services with BRIC saw their steepest declines a year later (–17 and –19 percent in 2010 respectively). This was due to a sharp decline of trade in services with Brazil; imports and exports to and from Russia, India and China continued to grow that year. The recovery came in 2011 in which especially exports of services to BRIC grew substantially – and much stronger than services exports as a whole – in 2012 (+6 percent). This was mainly due to a significant growth in exports of 'other business services' to Brazil, especially intra-group services and services related to agricultural or mining activities. Interestingly, imports of services from Brazil decreased substantially by 16 percent in 2012 and this, again, concerned intra-group services. The main growth in imports of services from BRIC in 2012 came from China (see also table 1.4.4) and was due to an increase in the category 'other business services' and transportation.

1.4.4 The largest rising trading partners in services

	Value		Growth rate
	2011	2012*	2011–2012
	billion euros		%
Imports			
Bermuda	8.8	10.3	17
Norway	0.9	1.1	16
China	1.7	2.0	14
United States	12.7	14.1	12
Turkey	0.7	0.7	10
Exports			
Australia	1.2	1.4	18
Brazil	1.6	1.9	17
Norway	1.0	1.2	16
Turkey	0.5	0.6	14
United Kingdom	9.6	10.4	9

Source: Statistics Netherlands, International Trade in Services Statistics (extracted 23-7-2013).
Threshold: only the countries with a minimum trade value of 0.5 percent of total Dutch services imports (0.438 billion euros) or exports (0.497 billion euros) in 2011 were included.

Bermuda was not only the second largest services import market, but it also was the largest rising trading partner in 2012 (see table 1.4.4). The value of the services the Netherlands imported from this country between 2011 and 2012 increased from 8.8 to 10.3 billion euros (17 percent). Norway was the second largest rising trading partner for services imports (in excess of 16 percent), mainly due to increases in 'other business services' and travel. China came in third place with a growth rate of 14 percent. The imports of 'other business services' and transportation by the Netherlands from this country have grown considerably between 2011 and 2012. The top five of largest rising trading partners for services imports is completed by the United States and Turkey, which had growth rates of 12 and 10 percent respectively.

Concerning services exports, Australia was the largest rising trading partner. In 2012 the services export value to Australia was 18 percent higher than in 2011. This growth is mainly due to the category royalties and license fees. Brazil came in second place with a growth rate of 17 percent, followed by Norway (+16), Turkey (+14) and the United Kingdom (+9 percent). Transportation contributed most to Norway's growth, whereas 'other business services' was the largest contributor for Turkey as well as for the United Kingdom.

1.5 The Dutch international trade broken down by product groups and services categories

International trade comprises various product groups and services categories. Table 1.5.1 shows the import and export values for each product group for the period 2005–2012 as well as per group the shares of exports that are destined for re-exports. Trade in machinery and transport equipment is the largest product category, with over 100 billion euros imported and exported in 2012. With an import value of 99 billion euros and an export value of 83 billion euros, mineral fuels are the second largest product group. Chemical products come in third, with more significantly more exports than imports.
Re-exports form the bulk of trade in manufactured articles and machinery and transport equipment. Noteworthy is the rise in the share of re-exports in mineral fuels since 2005. The fact that the port of Rotterdam has ample storage capacity for such products as well as the excellent logistical network surrounding the import and export of mineral fuels makes the Netherlands a significant player in the production but also distribution of mineral fuels worldwide.

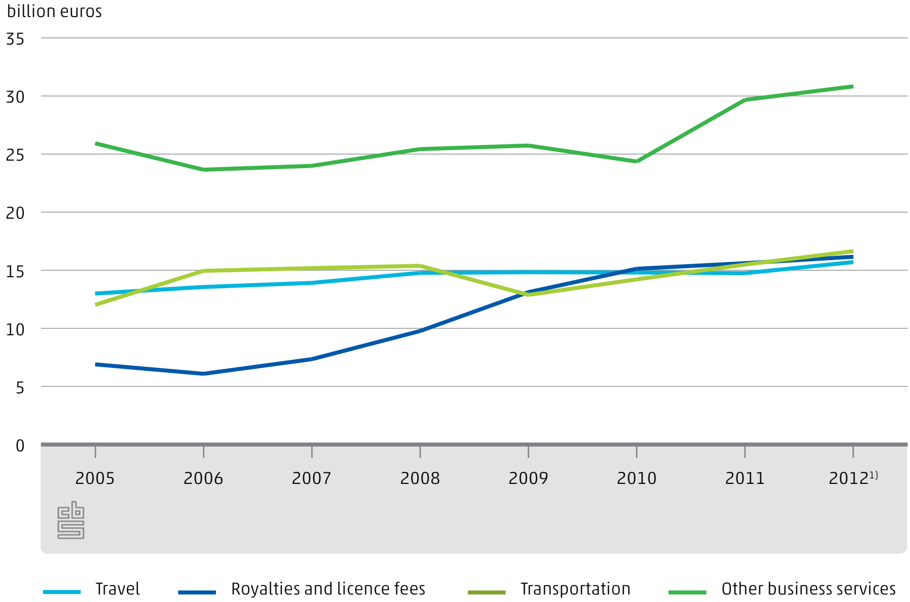
1.5.1 Imports and exports of commodities, by SITC classification

	Import value			Export value			of which re-exports		
	2005	2010	2012*	2005	2010	2012*	2005	2010	2012*
	billion euros								%
Total	249.8	331.9	389.9	281.3	371.5	431.4	43	46	45
Food and live animals	19.2	28.3	33.7	32.4	45.2	50.2	23	25	25
Beverages and tobacco	2.7	3.3	4.0	5.6	6.2	7.2	9	11	19
Crude materials, inedible ex. fuels	9.8	13.3	14.7	15.4	19.1	21.3	31	34	33
Mineral fuels, lubricants, related materials	37.0	60.0	99.1	30.8	51.0	83.3	22	26	38
Animal and vegetable oils, fats and waxes	2.0	2.7	5.1	1.8	3.0	4.2	38	20	27
Chemicals and related products	32.5	51.0	50.4	47.7	70.6	77.0	32	42	36
Manufactured goods classified by materials	28.3	33.6	36.2	27.1	33.2	35.8	32	41	42
Machinery and transport equipment	89.1	100.1	105.5	90.7	106.5	110.6	67	66	62
Miscellaneous manufactured articles	29.2	37.8	39.4	28.9	34.6	38.5	60	71	70
Commodities not classified elsewhere	0.2	1.6	1.7	0.8	2.2	3.2	10	55	45

Source: Statistics Netherlands, Statline, International trade in goods (extracted: 23-7-2013).

Between 2006 and 2012, ‘other business services’ represent by far the largest value in services imports (graph 1.5.2) as well as exports (graph 1.5.3). Within this category, approximately half of all imports and exports could be ascribed to ‘services between affiliated enterprises not included elsewhere (n.i.e)’. Other important services that belong to this extremely diverse category are merchanting, services related to agricultural or mining activities and research and development. For imports as well as exports of services, transportation was the second largest category in 2012 with 16.7 and 23.4 billion euros respectively. This category consists of sea, air and other transport. The other transport subcategory includes all transportation services involving the transport of passengers or freight by road, rail or inland waterway, and transport by pipeline and electricity transmission and other supporting and auxiliary transport services. This subcategory is the largest from 2007 onwards. Especially imports and exports of freight transport by road have become more and more important ever since. The third and fourth most important services categories in Dutch imports and exports in 2012 were royalties and license fees and travel. While the imports and exports of travel have remained relatively stable since 2005, those of royalties and license fees have grown remarkably from 2006 onwards.

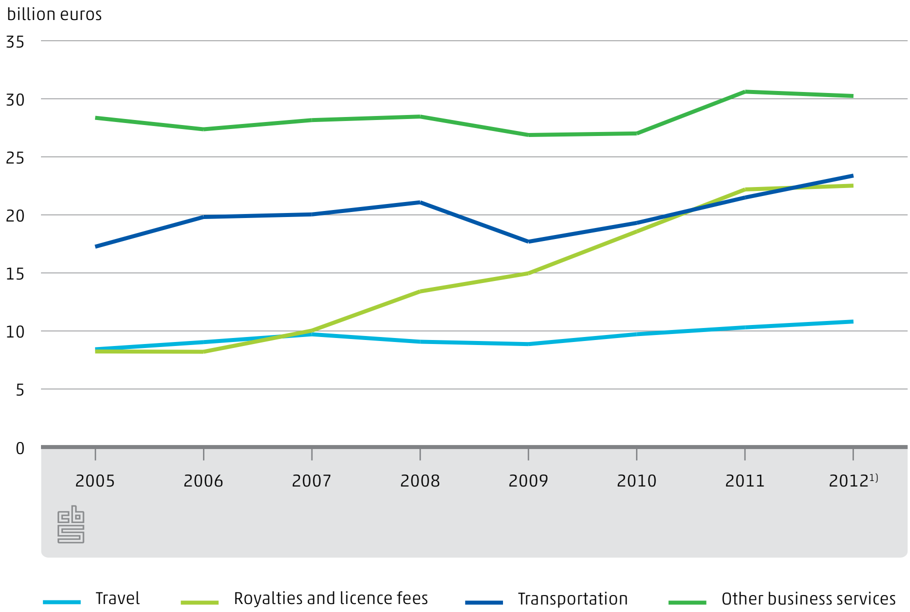
1.5.2 Import values of the largest services categories



[1)] Provisional figures.

Source: Statistics Netherlands, International Trade in Services Statistics (extracted 23-7-2013).

1.5.3 Export values of the largest services categories



[1)] Provisional figures.

Source: Statistics Netherlands, International Trade in Services Statistics (extracted 23-7-2013).

1.6 A closer look at re-exports

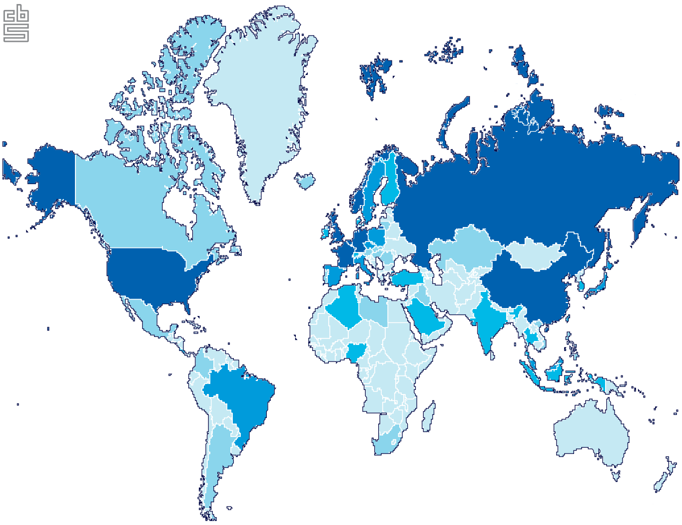
In this section we take a closer look at the re-exports of commodities, which is a vital part of Dutch international trade. As table 1.5.1 shows, 45 percent of the Dutch export value of goods consist of re-exports. Due to its geographical location, the Netherlands is a gateway to the rest of Europe. As such, many goods enter the Netherlands with the purpose of distribution to other EU countries. In the past Statistics Netherlands has conducted several ad-hoc studies with respect to the destination of re-export products (e.g. Ramaekers & De Wit, 2010). We updated these results. This allowed us to determine which countries obtain the most re-exports. Not surprisingly, this resulted in the same list of countries as depicted in section 1.4, of which Germany, Belgium, France, the UK and Italy were the most important. We updated this study with new information on the year 2012, but more importantly, we extended it to include imports as well. This allows us to determine which part of Dutch imports coming from e.g. China is actually destined to be re-exported.

Graphs 1.6.1 and 1.6.2 show the relative importance of each partner country in Dutch goods imports and exports in 2012. The main trading partners have the darkest colours to indicate their large share in Dutch import and export values.

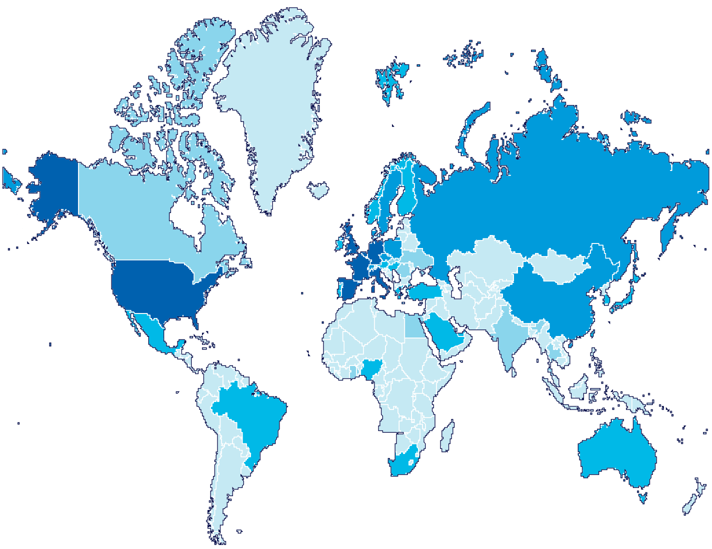
Graphs 1.6.3 and 1.6.4 show how important re-exports are in imports from and exports to a certain partner country. For instance, our import value from Germany consist for almost 40 percent of goods that are not destined for the Dutch market i.e. they are re-exported. Dutch exports to Germany consist for almost 50 percent of re-exports, meaning more than half of our export value to Germany is domestically produced. Considering our most important import partners, the share of re-exports in imports is highest for China, the US and Japan. Relatively low shares of re-exports are found in imports from Russia and Norway. Dutch exports to the US and China comprise a relatively small amount of re-exports, while our EU-partners receive larger shares of re-exports with Slovakia, the Czech Republic and Finland at the top of the list. Despite the large amounts of re-export products coming from South-East Asia, the share of re-exports in imports from the EU-27 is still slightly higher than that of the rest of the world. However, our exports to the EU-27 are far more often re-exported goods than our exports to other countries.

1.6.1 Dutch import values, by country of origin, 2012

- 0 to 1 billion euros
- 1 to 2 billion euros
- 2 to 5 billion euros
- 5 to 10 billion euros
- 10 to 75 billion euros



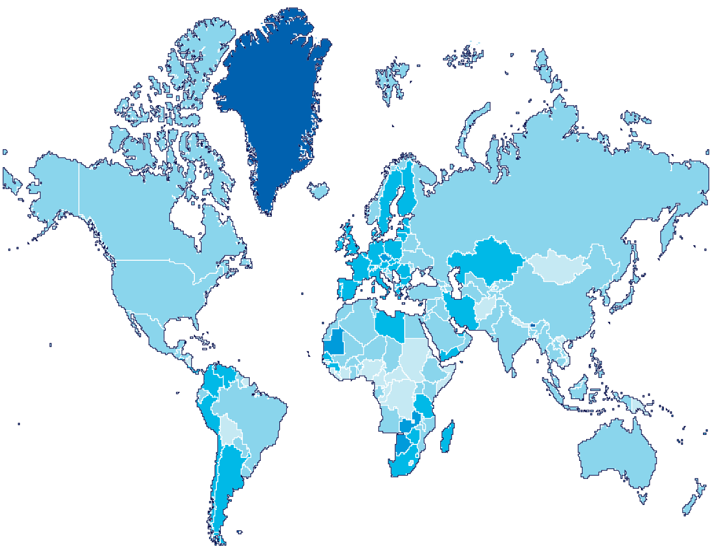
1.6.2 Dutch export values, by destination, 2012



1.6.3 Share of Dutch imports destined for re-exports, by country of origin, 2012

- 0 to 20 percent
- 20 to 40 percent
- 40 to 60 percent
- 60 to 80 percent
- 80 to 100 percent

1.6.4 Share of re-exports in Dutch exports, by destination, 2012



1.7 Conclusions

In absolute terms, trade in goods far outweighed trade in services in 2012. Around four fifths of total exports and imports, 420 and 374 billion euros respectively, consisted of goods trade. The relatively low share of services trade in total trade reflects the difficulties associated with transferring services. This is because services often require more knowledge-intensive inputs than commodities and that they less often than commodities consist wholly or in part of imported inputs of which the value added is created elsewhere (see chapter 2).

The Netherlands exports far more goods and services than it imports, resulting in a positive trade balance. In 2011 and in 2012 the Netherlands exported respectively 51 and 50 billion euros more goods and services than it imported. The goods and services trade balance was close to 9 percent of Dutch GDP in these years. A closer look at the composition of the trade surplus shows us that the international trade in goods contributes the most by far. In 2012 approximately 91 percent of the surplus was generated by a positive goods balance.

The economic crisis of 2009 had quite an impact on Dutch international trade. It took until 2011 before the pre-crisis levels of both goods imports and exports were exceeded. However, in 2012, commodities trade growth slowed down again. Growth of export value was the lowest since the economic crisis in 2009. Re-exports continued to grow strongly in 2012, namely by 9 percent.
The economic downturn had less impact on the international trade in services than on the international trade in goods. In 2009, only services exports were lower than in the preceding year. Since then, services exports have recovered remarkably well. In 2012 however, the growth rate here too (+2.8 percent) was considerably smaller than in 2011 and 2010.

The EU countries, the United States and China were generally the most important trading partners of the Netherlands in 2012. Concerning trade in goods, Germany and Belgium are still the main import and export markets. However, in the past years the EU countries have lost ground compared to other countries, especially the BRIC countries. Considering our most important import partners, the share of re-exports in imports is highest for China, the US and Japan. Relatively low shares of re-exports are found in imports from Russia and Norway. Our exports to EU-countries comprise the largest shares of re-exports.

For services, the United States is the largest import market for the Netherlands since 2008. Bermuda not only came in second place, but was also the largest rising trading partner in 2012 concerning the imports of services. Vice versa, Ireland was the most important export destination for Dutch services, followed by Germany. Australia was the largest rising trading partner for services exports in 2012.