

13.

International trade in goods by enterprises

Authors

Pascal Ramaekers

Marjolijn Jaarsma

13.1 Introduction

This chapter describes the pattern of the international trade in goods by enterprises active in the Netherlands during the period 2002–2012. Data on international trade flows are enriched with Dutch enterprise characteristics, such as economic activity, size class and country of ownership, domestic or foreign control. The results presented here are preliminary, because integrating data from international trade statistics and the General Business Register (GBR) is still in its early stages.

Statistics on the international trade in goods comprise the value and volume of goods crossing the Dutch border. Statistics Netherlands distinguishes almost 9,500 commodity types and almost 250 trading partners. To obtain these data, Statistics Netherlands conducts a monthly survey on intracommunity trade and obtains information on extra-EU trade flows mainly from customs.

Around 71 percent of the import and 69 percent of the export flows in 2012 could be attributed to enterprises registered in the GBR. There are four main reasons why part of the total Dutch import and export value cannot be assigned to enterprises in the GBR:

1. Foreign companies result in a mismatch as these companies are not registered in the GBR (total trade value missed: approximately 148 billion euros in 2011)
2. For some customs declarations the actual trading enterprise is unknown at Statistics Netherlands (total trade value missed: approximately 25 billion euros in 2011)
3. Small traders such as natural persons result in a mismatch as they are not identifiable in trade statistics (total trade value missed: at least 5 billion euros in 2011)
4. Some VAT numbers are unknown and therefore no match is possible with enterprises registered in the GBR (total trade value missed: approximately 2 billion euros in 2011).

Methodology

Over the years, the methodology of enriching international trade data with enterprise characteristics has changed and improved. Furthermore, new information sources have become available, which has been of great value in the matching process. This resulted in a higher number of matches as of 2009.

The GBR, the main source of enterprise information, has undergone major changes in 2006. This also resulted in significant improvements in the quality of matching traders to enterprises in the GBR from reference year 2007.

The procedure to determine whether an enterprise is Dutch or foreign controlled changed in 2005. As of 2006, company control is based on the concept of the Ultimate Controlling Institute (UCI), as defined by the FATS Regulation. For the enterprises of 2012, the UCI is based on the data from 2011, since the data on 2012 is not yet available.

13.2 Overview of international trade in goods by origin of the parent company

Total Dutch imports and exports have grown gradually since 2002 in terms of trade value. However, as a result of the economic and financial crisis starting in September 2008, Dutch trade performances deteriorated drastically in 2009 as compared to 2008: import and export values decreased by 18 and 16 percent, respectively. Fortunately, in 2010, trade values returned to 2008 levels.

In terms of numbers, foreign controlled companies account for approximately 5 percent of the Dutch trader population. This implies that the vast majority of traders are Dutch controlled, but also that the relatively low number of foreign controlled traders account for considerable sums.

The dramatic decline in international trade in 2009 and the remarkable recovery afterwards had no significant impact on the composition of importing enterprises, with respect to the origin of their parents. Since 2005, foreign controlled enterprises have slightly dominated when it comes to their share in total import value, ranging from 51 to 56 percent of total value (55 percent in 2012). In 2002, 2003 and 2004 Dutch controlled enterprises dominated Dutch imports.

Dutch export value, contrary to imports, has been dominated by domestically controlled firms, ranging from 51 percent in 2012 to 60 percent in 2002. The exception is 2010 with a slight dominance for foreign controlled enterprises. Apparently, these enterprises contributed more to the strong export recovery in 2010 compared to 2009. But in general, as was the case for imports, the

turbulent years since 2009 had no major impact on the share of trade carried out by foreign controlled firms. In 2011 and 2012 Dutch dominance in export value returned to 2009 levels.

13.2.1 International trade in goods; Dutch versus foreign controlled enterprises¹⁾

	Import value	Import value of which			Import value	Export value	Export value of which			Export value
	total	control known	Dutch controlled	foreign controlled	control unknown	total	control known	Dutch controlled	foreign controlled	control unknown
	billion euros		%		billion euros	billion euros		%		billion euros
2002	205.6	174.3	60	40	31.3	232.7	186.6	60	40	46.1
2003	206.9	171.5	58	42	35.4	234.2	182.1	60	40	52.1
2004	228.2	181.9	56	44	46.3	255.7	191.6	59	41	64.1
2005	249.8	201.5	49	51	48.3	281.3	210.9	54	46	70.4
2006	285.4	225.8	49	51	59.6	319.0	234.5	53	47	84.5
2007	307.3	235.8	48	52	71.5	347.5	245.3	54	46	102.2
2008	335.9	266.2	46	54	69.7	370.5	277.8	51	49	92.7
2009	274.0	219.0	47	53	55.0	309.4	232.9	51	49	76.5
2010	331.9	259.3	44	56	72.6	371.5	256.4	49	51	115.1
2011	364.9	274.3	48	52	90.6	409.4	275.8	52	48	133.6
2012*	389.9	277.4	45	55	112.5	431.4	297.6	51	49	133.8

¹⁾ Enterprises without employees are excluded.

13.3 International trade in goods by size class

SMEs and large enterprises jointly contribute to Dutch import and export values. Since 2002 the two have shown different developments in trade value. In terms of import value, the group of large enterprises has grown much faster (+80 percent) than imports carried out by SMEs (+47 percent). In terms of export value it is the other way around. The group of SMEs had higher export growth (+70 percent) than large enterprises (+45 percent).

Looking at the origin of the parent companies of both SMEs and large enterprises, some differences are noteworthy. First of all, large enterprises are more frequently foreign controlled than SMEs. In 2012, 61 percent of large importing enterprises

was foreign controlled, compared to 51 percent for importing SMEs. For exports, differences are smaller (51 to 48 percent).

Second, foreign controlled SMEs are rapidly gaining ground on Dutch controlled SMEs, whereas the same cannot be said for large enterprises. In 2002 only 30 percent of importing and 28 percent of exporting SMEs had foreign parent companies. Ten years later these figures had increased to 51 and 48 percent. Large enterprises have only a slightly increasing share of foreign controlled importers and even a decreasing share of foreign controlled exporters.

13.3.1 Import and export value of goods by size class and origin of the parent company¹⁾

	Total	SMEs		Large enterprises		Size unknown	billion euros	
		of which		of which				
		Dutch controlled	foreign controlled	Dutch controlled	foreign controlled			
	billion euros	%		billion euros	%		billion euros	
Import value								
2002	205.6	109.2	70	30	65.1	41	59	31.3
2003	206.9	108.4	70	30	63.1	42	58	35.4
2004	228.2	114.9	66	34	67.0	40	60	46.3
2005	249.8	125.6	57	43	75.9	39	61	48.3
2006	285.4	138.4	57	43	87.4	45	55	59.6
2007	307.3	135.6	59	41	100.2	40	60	71.5
2008	335.9	151.2	56	44	115.0	37	63	69.7
2009	274.0	129.3	54	46	89.7	36	64	55.0
2010	331.9	151.7	49	51	107.6	35	65	72.6
2011	364.9	153.5	56	44	120.8	38	62	90.6
2012*	389.9	160.4	49	51	117.0	39	61	112.5
Export value								
2002	232.7	106.5	72	28	80.1	41	59	46.1
2003	234.2	108.0	72	28	74.1	42	58	52.1
2004	255.7	114.3	69	31	77.3	42	58	64.1
2005	281.3	131.5	62	38	79.4	42	58	70.4
2006	319.0	139.3	60	40	95.2	47	53	84.5
2007	347.5	140.0	63	37	105.3	46	54	102.2
2008	370.5	157.2	58	42	120.6	46	54	92.7
2009	309.4	142.2	55	45	90.7	45	55	76.5
2010	371.5	160.0	51	49	96.4	46	54	115.1
2011	409.4	164.9	56	44	110.9	47	53	133.6
2012*	431.4	181.4	52	48	116.2	49	51	133.8

¹⁾ Enterprises without employees are excluded.

These developments seem connected. Because the share of foreign controlled

SMEs was very low in 2002, there was more potential for it to rise significantly as compared to the already high share of large foreign controlled enterprises. Despite the rapidly growing importance of foreign controlled SMEs, large enterprises are still more often foreign controlled than SMEs.

13.4 International trade in goods by activity

Manufacturing and wholesale trade are by far the most important economic activities in the international trade in goods. In 2012 they contributed 72 percent to the import value and 74 percent to the export value that could be allocated to sectors. Slightly more than half of the trade value generated by these two sectors can be linked to enterprises under foreign control. Other sectors are strongly dominated by enterprises under domestic control (agriculture, fishing, mining, energy, water and waste, construction, real estate, business and other services and the rest category, e.g. education, health and culture) or strongly dominated by enterprises under foreign control (transport and storage and professional, scientific and technical activities).

Table 13.2.1 already showed that the share of foreign controlled enterprises in total Dutch imports and exports steadily increased during the time period 2002–2012. In general, this reflects on activity level. Five sectors are much more foreign controlled in 2012 than they were ten years earlier: wholesale trade, retail trade, repair, accommodation and food, transport and storage, information and communication and professional, scientific and technical activities. On the other hand, there are two sectors that are now much more Dutch oriented than they were before: agriculture, fishing, mining, energy, water and waste and real estate, business and other services.

13.4.1 Import and export value of goods by economic activity and origin of the parent company¹⁾

	2002			2011			2012*		
	total value	of which		total value	of which		total value	of which	
		Dutch controlled	foreign controlled		Dutch controlled	foreign controlled		Dutch controlled	foreign controlled
billion euros	%		billion euros	%		billion euros	%		
Import value	205.6	60	40	364.9	48	52	389.9	45	55
<i>Economic activity (NACE Rev.2)</i>									
Agriculture, fishing, mining, energy, water and waste (SBI: A, B, D, E)	3.4	69	31	9.1	87	13	11.2	84	16
Manufacturing (SBI: C)	53.8	41	59	85.0	43	57	94.5	45	55
Construction (SBI: F)	0.7	83	17	1.5	66	34	1.4	77	23
Wholesale trade (SBI: G46)	70.1	67	33	95.7	50	50	106.5	45	55
Retail trade, repair, accomodation and food (SBI: G45, G47, I)	18.2	64	36	26.5	47	53	25.7	43	57
Transport and storage (SBI: H)	16.7	56	44	41.2	43	57	19.2	33	67
Information and communication (SBI: J)	1.2	82	18	2.2	54	46	2.4	51	49
Finance and insurances (SBI: K)	0.9	-	-	1.2	-	-	1.2	-	-
Professional, scientific and technical activities (SBI: M)	6.5	85	15	9.5	49	51	12.6	25	75
Real estate, business and other services (SBI: L, N, S)	2.1	59	41	1.9	78	22	2.0	72	28
Rest category (SBI: O, P, Q, R, T, U)	0.6	90	10	0.5	94	6	0.6	86	14
Economic activity unknown	31.3	-	-	90.6	-	-	112.5	-	-
Export value	232.7	60	40	409.4	52	48	431.4	51	49
<i>Economic activity (NACE Rev.2)</i>									
Agriculture, fishing, mining, energy, water and waste (SBI: A, B, D, E)	8.6	87	13	20.1	96	4	23.5	95	5
Manufacturing (SBI: C)	82.5	45	55	113.5	47	53	116.7	48	52
Construction (SBI: F)	0.4	76	24	0.8	88	12	0.9	84	16
Wholesale trade (SBI: G46)	64.8	64	36	99.0	53	47	105.0	51	49
Retail trade, repair, accomodation and food (SBI: G45, G47, I)	7.3	84	16	8.1	62	38	8.4	64	36
Transport and storage (SBI: H)	12.6	64	36	16.7	26	74	19.5	32	68
Information and communication (SBI: J)	1.2	75	25	1.9	52	48	2.0	48	52
Finance and insurances (SBI: K)	0.6	-	-	1.1	-	-	1.2	-	-
Professional, scientific and technical activities (SBI: M)	7.3	85	15	12.6	45	55	18.6	31	69

13.4.1 Import and export value of goods by economic activity and origin of the parent company¹⁾ (end)

	2002			2011			2012*		
	total value	of which		total value	of which		total value	of which	
		Dutch controlled	foreign controlled		Dutch controlled	foreign controlled		Dutch controlled	foreign controlled
Real estate, business and other services (SBI: L, N, S)	1.2	49	51	1.6	73	27	1.4	70	30
Rest category (SBI: O, P, Q, R, T, U)	0.2	98	2	0.3	98	2	0.3	93	7
Economic activity unknown	46.1	-	-	133.6	-	-	133.8	-	-

¹⁾ Enterprises without employees are excluded.

13.5 International goods traders in the Netherlands

There were 1.1 million enterprises with employees in 2012, 8 percent more than in 2011. The highest absolute increase in the number of enterprises was observed in real estate, business and other services with an additional 23 thousand enterprises.

Importers constituted 15 percent of the total Dutch population of enterprises, while 10 percent exported in 2012. For exporters, this is a slight increase compared to 2011. In line with their crucial impact on total Dutch trade value, wholesale trade and manufacturing have the largest shares of traders in their population. Enterprises in wholesale trade comprise 50 percent importers and 42 percent exporters. For manufacturers this is 36 percent importers and 29 percent exporters.



Although the largest share of enterprises can be found in real estate, business and other services, relatively few of these enterprises imported (8 percent). But the propensity to export was similar to the overall average (9 percent). This pattern has been quite stable over time. International trade in goods is least important in finance and insurances and in the rest category, with only 5 percent of the enterprises involved in importing activities and even fewer in exporting, namely 4 and 3 percent, respectively. It was to be expected that enterprises in these service industries have a low propensity to export goods.

Note that the numbers in this table for 2010 and 2011 differ from those in the Internationalisation Monitor 2012. This year we chose to exclude enterprises without employees (often holdings or special purpose entities), because we do not want to include these entities in our SME figures.

13.5.1 Share of importers / exporters of goods in the enterprise population by economic activity¹⁾

	2010			2011			2012*		
	total	importers	exporters	total	importers	exporters	total	importers	exporters
	number	%		number	%		number	%	
Total	982,660	15	9	1,036,339	15	9	1,120,356	15	10
<i>Economic activity (NACE Rev.2)</i>									
Agriculture, fishing, mining, energy, water and waste (SBI: A, B, D, E)	63,665	11	9	62,824	12	9	63,458	13	10
Manufacturing (SBI: C)	47,197	37	29	47,863	37	29	50,479	36	29
Construction (SBI: F)	119,031	8	3	122,662	9	3	133,224	8	4
Wholesale trade (SBI: G46)	64,124	49	41	65,017	50	40	67,162	50	42
Retail trade, repair, accommodation and food (SBI: G45, G47, I)	154,172	25	6	159,608	26	7	168,209	26	7
Transport and storage (SBI: H)	27,765	14	15	28,636	14	15	30,693	14	16
Information and communication (SBI: J)	43,310	14	13	47,365	15	14	53,428	15	15
Finance and insurances (SBI: K)	53,902	5	3	58,309	5	4	58,860	5	4
Professional, scientific and technical activities (SBI: M)	115,638	7	3	123,054	8	4	134,011	8	4
Real estate, business and other services (SBI: L, N, S)	171,074	8	8	186,894	8	8	210,107	8	9
Rest category (SBI: O, P, Q, R, T, U)	122,782	5	2	134,107	5	3	150,725	5	3

¹⁾ Enterprises without employees are excluded.