



Netherlands : Logistics Hub in Europe

Netherlands Embassy and MDBC, Johor Bahru, 8 January 2018



- The share of international trade in the world economy has continuously fallen, from 50 to 44% in the last four years
- IoT, 3D-printing and additive manufacturing are changing the paradigm : production in low cost countries, consumption in high cost countries is changing;
- Consumers and customers want instant delivery of small and tailored shipments;
- Companies need to develop solutions together with their customers;
- Companies and customers want to know the company behind the product;
- Companies need to move closer to their markets to deliver this and become a local corporate citizen.



Companies exporting to Europe should consider :

An establishment in the Netherlands to serve one or more of the following functions:

- **European Co-Ordinating Office** : co-ordinate growth in Europe
- **Marketing and Sales Office** : be in the market
- **Customer Care Centre** : offer better and faster service to clients
- **Production and Logistics** : taking products closer to market
- **Research and Development** : participate in innovations

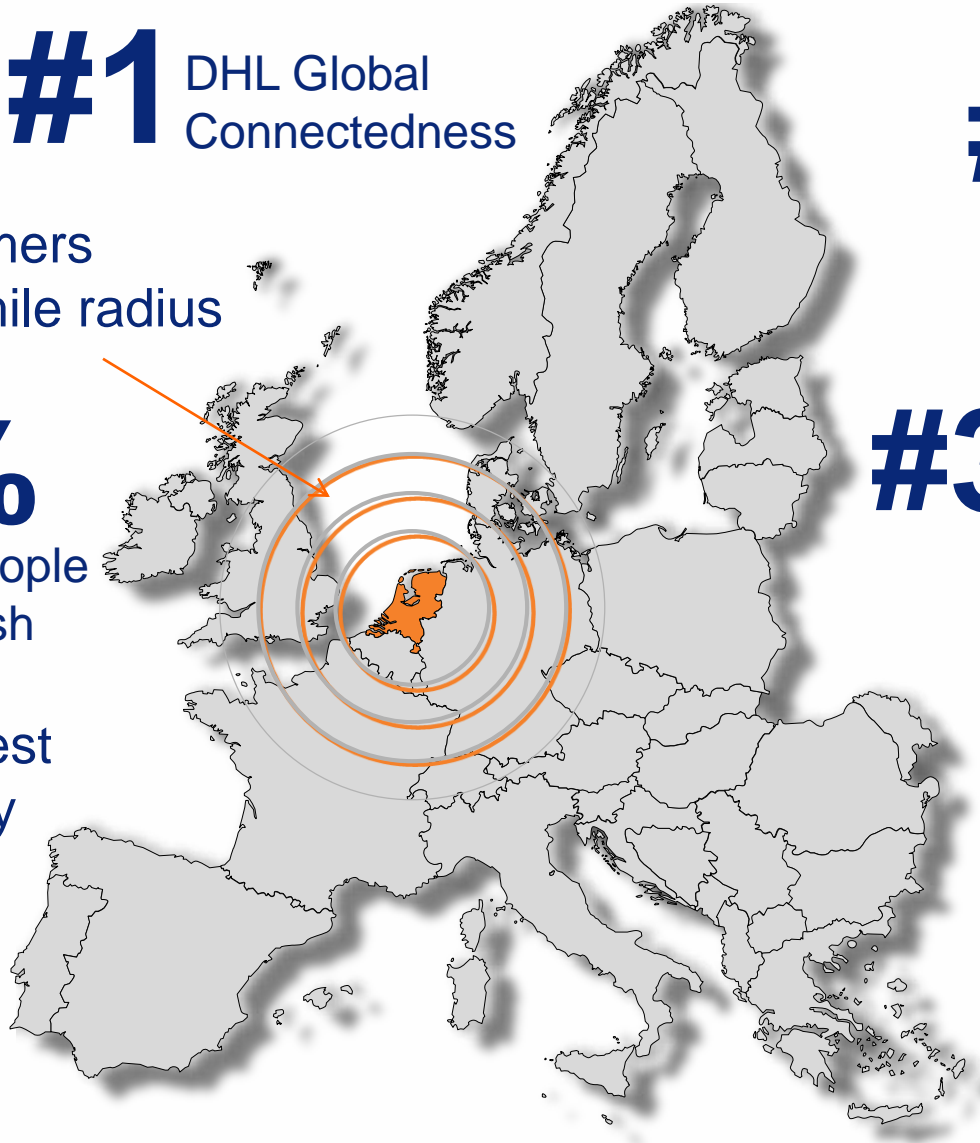
For each of these (non-exhaustive) functions, the Netherlands offers important advantages.

- **Business Climate**
- **Logistics Centre of Europe**
- **Leading in Innovation**

160 **#1** DHL Global
Connectedness
Million consumers
within a 300 mile radius

90%
Of all Dutch people
speak English

#4 Happiest
country
in the
world



#4 World
Competitiveness
Report

#3 WIPO-INSEAD
Innovation Index 2017

#1 Largest gross
weight of goods
handled in E.U.
ports

#1 Port of Rotterdam
is the largest port
in Europe

Based on its top position on five leading business rankings, the Netherlands ranks highest in the world after Switzerland.

- The World Competitiveness Yearbook (**IMD**), focuses on hard, measurable figures (such as purchasing power and spending on R&D).
- The Global Competitiveness Index of the World Economic Forum (**WEF**) gives more weight to subjective data, such as confidence indicators and opinions of entrepreneurs.
- French **Insead** calculates the Global Innovation Index, measuring the innovative strength of countries.
- Human Development Index (**UNDP**): health, education and human wellbeing.
- The World Happiness Report of **Layard & Sachs** is a landmark survey of the state of global happiness.

Rankings



	IMD	+	WEF	+	Insead	+	UNDP	+	Layard & Sachs	=	Totaal
1 Switzerland	2	+	1	+	1	+	3	+	2	=	9
2 Netherlands	8	+	5	+	4	+	5	+	7	=	29
3 VS	3	+	3	+	5	+	8	+	13	=	32
4 Denmark	6	+	12	+	10	+	4	+	1	=	33
5 Sweden	5	+	9	+	3	+	13	+	10	=	40
6 Singapore	4	+	2	+	7	+	11	+	19	=	43
7 Norway	9	+	11	+	20	+	1	+	4	=	45
8 Germany	12	+	4	+	12	+	6	+	14	=	48
9 Canada	10	+	13	+	16	+	9	+	6	=	54
10 Ireland	7	+	24	+	8	+	6	+	16	=	61
11 Luxembourg	11	+	20	+	9	+	18	+	17	=	75
12 Hongkong	1	+	7	+	11	+	12	+	75	=	106

- World Competitiveness Scoreboard
- Global Competitiveness Index
- Global Innovation Index
- Human Development Index
- Happiness Ranking

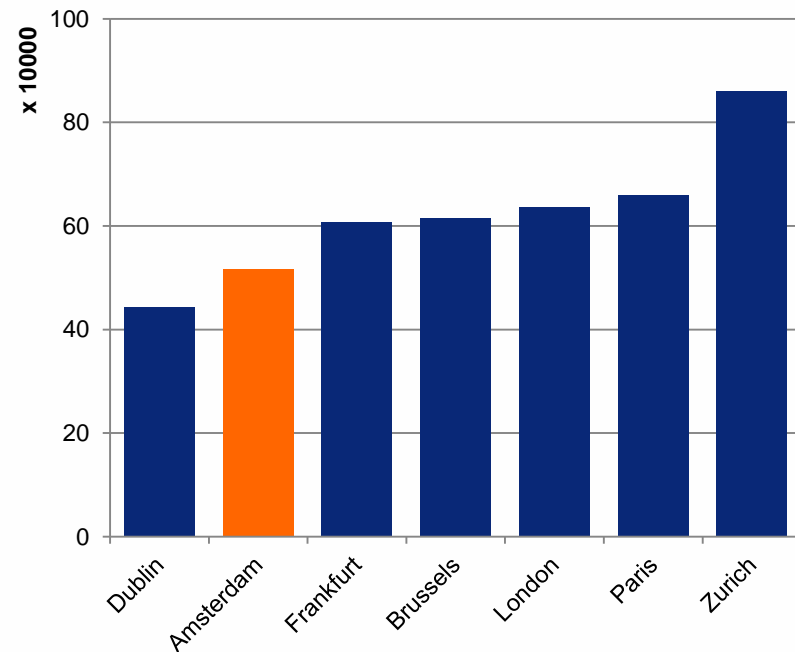


Labour and Property cost comparison –Office (5 FTE)

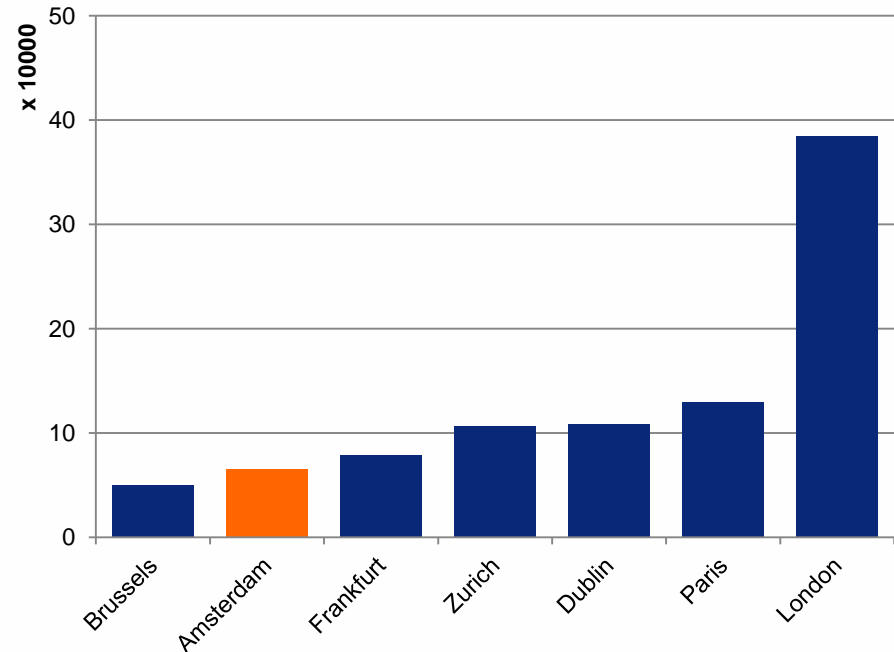
For a head count of 5 persons across typical job functions, Amsterdam has the 2nd lowest total labour costs at € 0.5 m per annum, 17% lower than the average among other major European cities.

Amsterdam also has the 2nd lowest total Property costs of all the 7 locations at € 65,250 per annum, 51% lower than the average among other major European cities. Cost in other Dutch cities are 50% lower.

Total labour cost



Total property cost





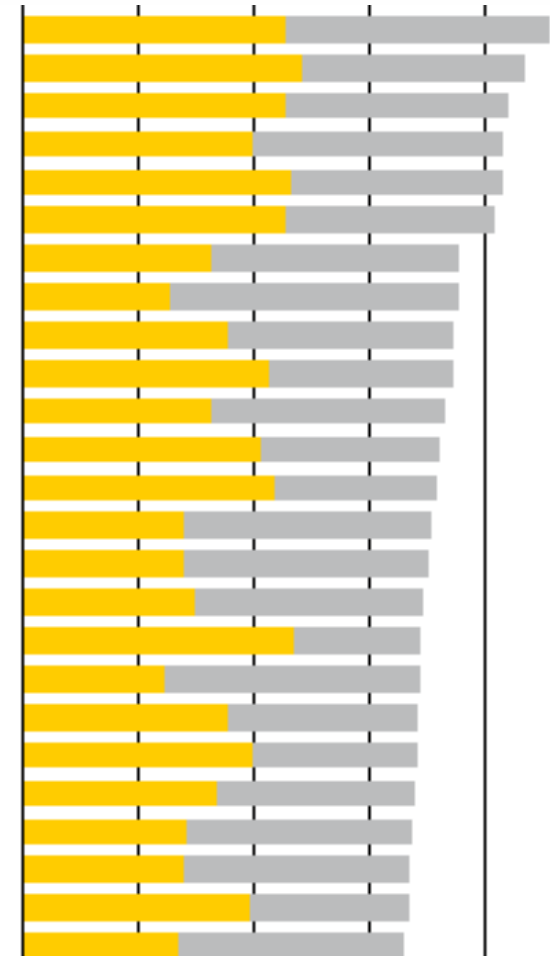
Pioneers in international business

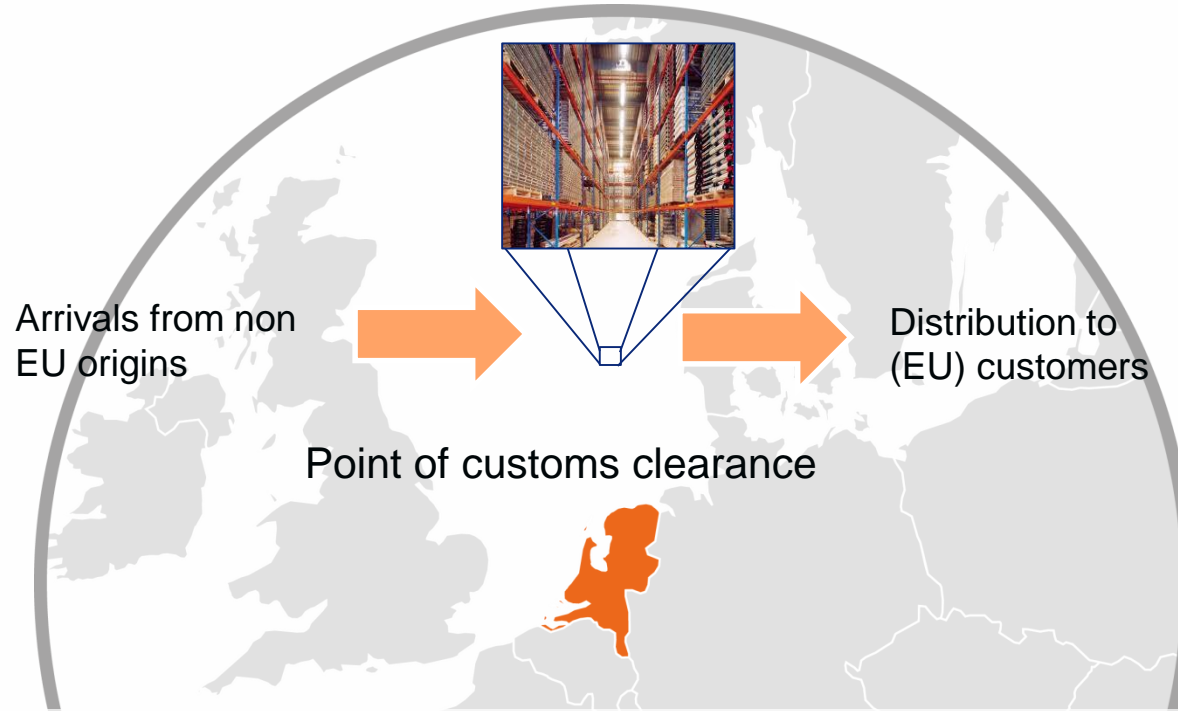
Global Connectedness: Key to International Offices

Netherlands' #1 in DHLs Global Connectedness

- 1st place Amsterdam - Average International Internet Traffic (Kbps) per capita
- 1st place Amsterdam - International Tourist Arrivals per capita
- 2nd ranking Infrastructure
- 3rd ranking Enabling trade
- 3rd ranking Financial Freedom

1. Netherlands (0)
2. Singapore (0)
3. Ireland (+1)
4. Switzerland (-1)
5. Luxembourg (+1)
6. Belgium (-1)
7. Germany (+1)
8. United Kingdom (-1)
9. Denmark (0)
10. United Arab Emirates (+4)
11. Sweden (-1)
12. Hungary (-1)
13. Malta (+2)
14. France (-2)
15. Israel (+3)
16. Norway (0)
17. Hong Kong SAR (China) (0)
18. Korea, Republic (-5)
19. Malaysia (+3)
20. Austria (0)
21. Taiwan (China) (-2)
22. Thailand (-1)
23. Spain (+2)
24. Czech Republic (+5)
25. Italy (-1)

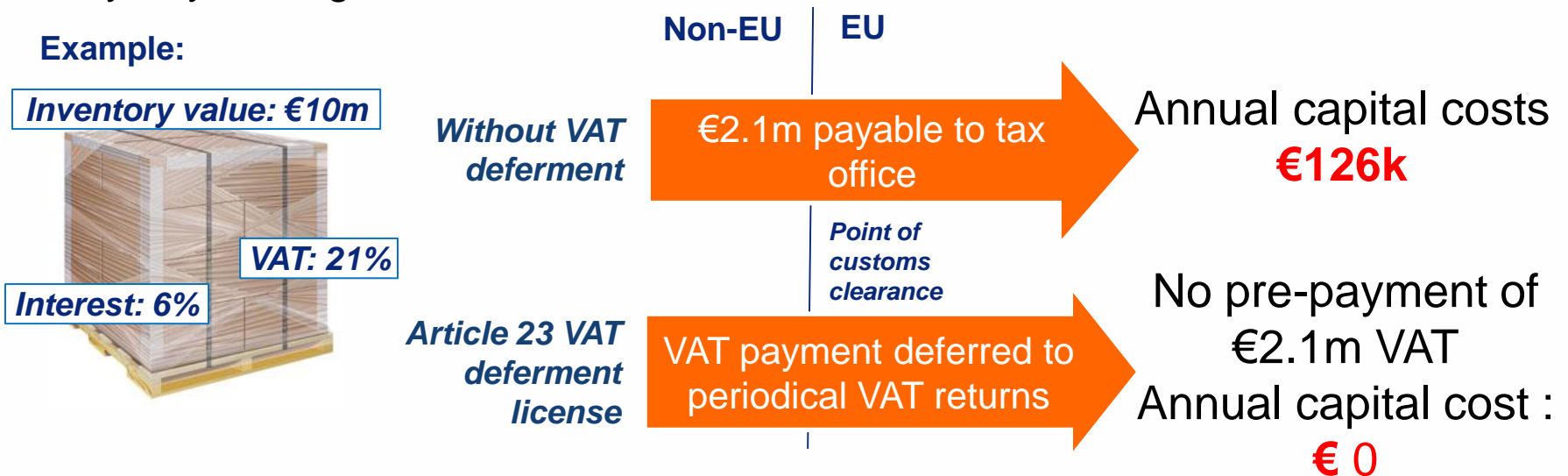




The advantages of a Customs-bonded warehouse:

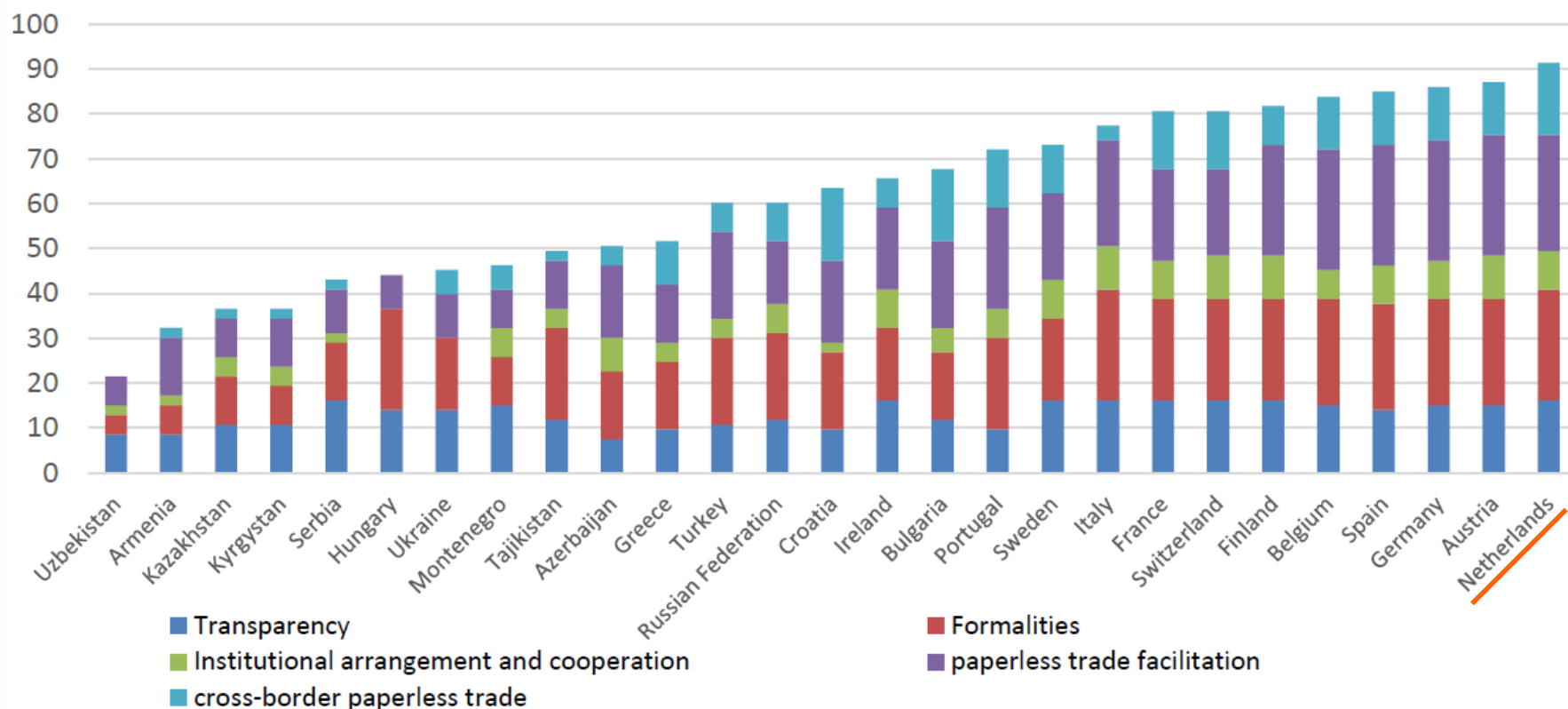
- Avoidance of double duty payment
- Postponement of duty payment
- Possibility of storage for an unlimited period of time
- Less customs interference
- Value added logistics (assembly, configuration) in a customs-bonded warehouse

- Due to the VAT deferment system in the Netherlands, you do not have to pay VAT at import. Instead, payment is deferred to the periodical VAT return. This results in a considerable cash flow and interest benefit as normally, VAT reclamation can take a couple of weeks up to a year (in some EU countries)
- VAT deferment requires an article 23 license that can be obtained by a Dutch entity or your Logistics Service Provider



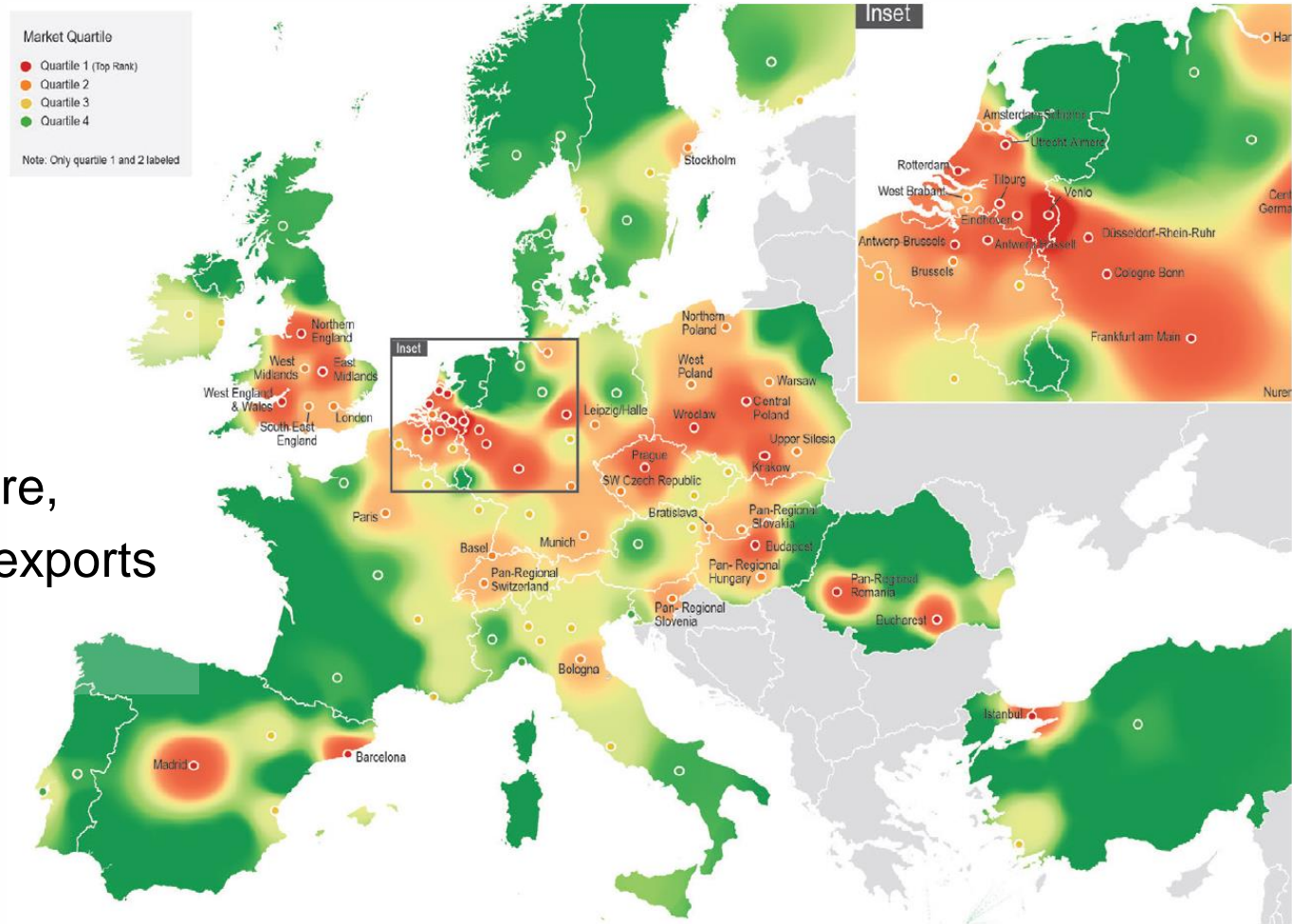
Dutch customs scores the highest rate (91 per cent) of implemented trade facilitation measures, according to research by UNECE, the United Nations Economic Commission for Europe.

Overall implementation of Trade Facilitation Measures in the UNECE region



based on

- proximity to markets,
- quality of infrastructure,
- ease of imports and exports





Strategic location in Europe

170 million people within a 500-kilometer radius. Best connectivity and infrastructure and telecom (100 percent fiber-optic infrastructure, the largest bandwidth and Internet Exchange on the European continent)

Multilingual labor force

91% of the population are bilingual, English is practically the second language, with 87% of the population speaking it. German is spoken by 70% of the Dutch population and 29% speak French.

Efficient and international business environment

International openness and pleasant living climate

Port Base

- One-stop-shop for logistic information exchange between shippers, authorities and forwarders to optimize logistics chains.
- Using real-time registration with smartphones, transponders and GPS trackers.
- Forecasts the movements of goods across the ports and across the country to allow transporters to take better decisions on the mode and moment for the transport of their cargo.



Largest automated online warehouse

- Dutch department store and online retailer, wehkamp.nl has built the largest automated distribution centre in the world for online order fulfilment near Zwolle.
- Intelligent warehouse distribution solutions that can run fully automated warehouse systems.
- Investment around 100 Million Euros.

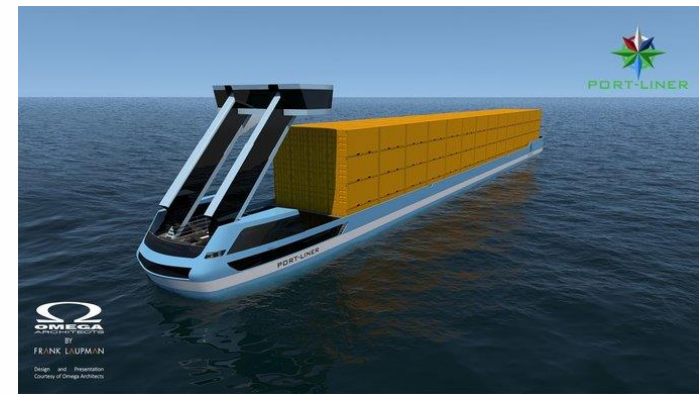
wehkamp

The roof of the new distribution center will supply 40% of the plant's power requirement!

Electric River Shipping

- Electric river ships being developed in the Netherlands
- To come into operation in August 2018
- Six large ships : 270 TEU capacity
- Five small ships : 24 TEU and 425 ton bulk capacity
- Ready for autonomous shipping

Source: <https://www.portbase.com/en/>



The Netherlands

Close to half of all European Headquarters and European Distribution Centers of non-EU companies are in the Netherlands.

Growing number of investments from South East Asia

1st or 2nd largest EU trade partner for most Asean countries

25% of all products enter the EU via The Netherlands



About NFIA

For foreign companies wishing to establish their business in the Netherlands and to take advantage of the Dutch business environment as a strategic base to cover Europe, the Netherlands Foreign Investment Agency (NFIA) is the first port of call. We can:

- Tailored information and counseling, starting in the country of origin, on growth opportunities
- Arrange contacts with relevant business partners, government authorities, a variety of Dutch networks and service suppliers, and other relevant contacts
- Organize customized fact-finding trips together with network of regional economic development partners
- Present concrete solutions that simplify and optimize establishment in the Netherlands
- Offer special services such as:
 - Logistics Matchmaking Service (with NDL/HIDC)
 - Tax ruling practice for large foreign investors (with Tax Inspectorate and Ministry of Finance)
 - Work Permit arrangements for new foreign investors (with IND/Immigration & Naturalisation Service)
 - Orange Carpet Visa Facility (with relevant consular departments)
- Find out more on: <http://investinholland.com>

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