

**Overseas Market Information****The Netherlands**

The Netherlands has a prosperous and open economy that depends heavily on foreign trade. The Netherlands currently enjoys stable industrial relations, moderate inflation and a substantial current account surplus. It has a significant role as a European transportation hub and the Amsterdam Port is the third largest transaction port in Europe. Industrial activity is mainly in food processing, chemicals, electrical machinery and refining of petroleum. The services sector represents 70% of the economy. The agricultural sector is highly mechanised and employs no more than 4% of the labour force, but it provides large surpluses for exports and the food processing industry. When it comes to the value of agricultural exports, the Dutch rank third worldwide.

Trade & Investment

The Netherlands economy is a very open one, not only with regard to international trade but also in respect of direct investment, both inward and outward. The Netherlands is among the world's largest suppliers of investment capital and in 2000 it was ranked as the world's sixth largest investor. The Government of the Netherlands maintains liberal policies towards foreign direct investment and adheres to OECD investment codes. The Netherlands has signed bilateral investment agreement with a large number of countries including India. Outward investment from the Netherlands is significantly higher than inwards investments into the Netherlands.

The Netherlands rank fifth in the list of countries in terms of cumulative FDI inflows into India during the period April 2000 till March 2008 with inflows amounting to US\$ 2.704 billion i.e. 4.84% of total inflows. The top sectors that attracted investments from Netherlands into India from January 2000 to June 2007 were Computer Software and Hardware, Service Sector, Financial and Non-Financial, Chemicals, other than Fertilizers, Housing and Real Estate, Cement and Gypsum products. During August 1991 to June 2007, top sectors attracting FDI approvals from the Netherlands are Telecommunications, Service Sector, Trading Activities, Food Processing Industry and Chemicals. India's technical collaborations in engineering sector with The Netherlands are Electrical Equipments, Industrial Machinery, Power and Oil Refinery. No new trading agreement proposed/finalised between India and the Netherlands during the second quarter of 2008.

The top five items of exports to India from The Netherlands

- (1) Telecommunications
- (2) Organic Chemicals
- (3) General Industrial Machinery
- (4) Metalliferous Ores and Metal Scrap
- (5) Miscellaneous manufactured articles n.e.s.

The top five items of imports from India to The Netherlands

- (1) Petroleum Products, related materials
- (2) Articles of Apparel and Clothing
- (3) Vegetables and Fruit
- (4) Iron and Steel
- (5) Miscellaneous manufactured articles n.e.s.

(Source : Embassy of India, The Hague)