### Netherlands

**Introduction**

The Netherlands is a constituent country located in Western Europe and with territories in the Caribbean. It is bordered by Belgium and Germany. The Netherlands is mostly low-lying, located at the mouths of three major European rivers (Rhine, Meuse, and Schelde). The government system is a parliamentary constitutional monarchy; the chief of state is the king, and the head of government is the prime minister. The Netherlands has a mixed economic system which includes a variety of private freedom, combined with centralized economic planning and government regulation. Netherlands is a member of the European Union (EU).

**Key Economic Facts**

- **Income Level (by per capita GNI):** High Income
- **Level of Development:** Developed
- **GDP, PPP (current international $):** $970.60 billion (2018)
- **GDP growth (annual %):** 2.60% (2018)
- **GDP per capita, PPP (current international $):** $56,328.94 (2018)
- **Manufacturing, value added (% of GDP):** 11.11% (2018)
- **Current account balance (BoP, current US$):** $99.07 billion (2018)
- **Inflation, consumer prices (annual %):** 1.70% (2018)
- **Labor force, total:** 9,181,373 (2019)
- **Unemployment, total (% of total labor force) (modeled ILO estimate):** 3.76% (2019)
- **Imports of goods and services (current US$):** $670.00 billion (2018)
- **Exports of goods and services (current US$):** $770.41 billion (2018)

**GDP Composition %**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Rank</th>
<th>Index</th>
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</thead>
<tbody>
<tr>
<td>Corruption Perceptions Index</td>
<td>8 / 180</td>
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<tr>
<td>EY Globalization Index</td>
<td>6 / 60</td>
<td></td>
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<tr>
<td>Global Competitiveness Index</td>
<td>6 / 139</td>
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<tr>
<td>Global Enabling Trade Index</td>
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<td>Global Manufacturing Competitiveness Index (GMCI)</td>
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<td>Index of Economic Freedom</td>
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<td>International Logistics Performance Index (LPI)</td>
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<td>Inward FDI Potential Index</td>
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<tr>
<td>KOF Index of Globalization</td>
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<td></td>
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<tr>
<td>Networked Readiness Index (NRI)</td>
<td>6 / 139</td>
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**Risk Assessment** (Provided by Coface)

**Country rating:** A1 - The political and economic situation is very good. A quality business environment has a positive influence on corporate payment behavior. Corporate default probability is very low on average.

**Business Climate rating:** A1 - The business environment is very good. Corporate financial information is available and reliable. Debt collection is efficient. Institutional quality is very good. Intercompany transactions run smoothly in environments rated A1.

**Strengths**

- Port activity (Rotterdam is Europe’s number-one port)
- Dense network of SMEs working with large groups
- Attractive: high quality infrastructure and good living standards

**Weaknesses**

- Exposure to the European economy: exports to the United Kingdom generate 4% of the country’s value added
- Household wealth concentrated in housing and pension funds, which are not very liquid
- Banks dependent on wholesale financing (loans/deposits = 136%) and the real estate sector
- Ageing population; second pillar of the pension system under pressure
- Labour market duality: prevalence of precarious work, especially among young people, and part-time work

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