

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).



Location: Western Europe

Capital City: Amsterdam (+1 GMT)

Chief of State: King Willem-Alexander

Head of Govt.: Prime Minister Mark Rutte

Currency: Euro (EUR)

Major Languages: <p>Dutch (official) note: Frisian is an official language in Fryslan province; Frisian, Low Saxon, Limburgish, Romani, and Yiddish have protected status under the European Charter for Regional or Minority Languages; Dutch is the official language of the three special municipalities of the Caribbean Netherlands, while English is a recognized regional language on Sint Eustatius and Saba and Papiamentu is a recognized regional language on Bonaire</p>

Primary Religions: <p>Roman Catholic 23.6%, Protestant 14.9% (includes Dutch Reformed 6.4%, Protestant Church of The Netherlands 5.6%, Calvinist 2.9%), Muslim 5.1%, other 5.6% (includes Hindu, Buddhist, Jewish), none 50.7% (2017 est.)</p>

Calling Code: 31

Voltage: 230

Key Websites

Main Government Page: government.nl

Investment Promotion investinholland.com
Agency:

Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developed
GDP, PPP (current international \$):	\$1,231.74 billion (2022)
GDP growth (annual %):	4.48% (2022)
GDP per capita, PPP (current international \$):	\$69,577.40 (2022)
Manufacturing, value added (% of GDP):	10.96% (2022)
Current account balance (BoP, current US\$):	\$43.59 billion (2022)
Inflation, consumer prices (annual %):	10.00% (2022)
Labor force, total:	9,895,709 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	3.54% (2022)
Imports of goods and services (current US\$):	\$824.74 billion (2022)
Exports of goods and services (current US\$):	\$918.15 billion (2022)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	8 / 178
EY Globalization Index	6 / 60
Global Competitiveness Index	4 / 141
Global Enabling Trade Index	2 / 136
Global Manufacturing Competitiveness Index (GMCI)	20 / 40
Global Services Location Index	47 / 60
Index of Economic Freedom	12 / 179
International Logistics Performance Index (LPI)	6 / 160
Inward FDI Potential Index	13 / 139
KOF Index of Globalization	1 / 185
Networked Readiness Index (NRI)	6 / 139

Risk Assessment (Provided by Coface)

Country rating: A2 - The political and economic situation is good. A basically stable and efficient business environment nonetheless leaves room for improvement. Corporate default probability is 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)
- Establishment of home-grown international companies working with a dense network of SMEs
- Diversified and flexible exports (services have a share of 45% in total exports), external accounts in surplus
- Strong digitalization with lot of home office, home schooling and online retail possible
- High quality infrastructure and good living standards

Weaknesses

- Exposure to the European economy, especially Germany and Belgium (25% and 12% of all goods exports 2021, respectively)
- High exposure to European gas prices (gas represents 38% of total energy consumption, 71% of all Dutch residents heat their home with gas)
- Debt of private households is very high (230% of disposable income or 102% of GDP in 2020)
- Banks dependent on wholesale financing (loans/deposits = 195% in Q1 2021) and real estate
- Ageing population, pension system under pressure

U.S. Embassy

U.S. Embassy The Hague
Lange Voorhout 102
2514 EJ The Hague
Phone: +31 70 310-220

<https://nl.usembassy.gov>