

## 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 Dick Schoof

**Currency:** Euro (EUR)

**Major Languages:** <p>Dutch (official), Frisian (official in Friesland province)</p>

**Primary Religions:** <p>Roman Catholic 20.1%, Protestant 14.8% (includes Dutch Reformed, Protestant Church of The Netherlands, Calvinist), Muslim 5%, other 5.9% (includes Hindu, Buddhist, Jewish), none 54.1% (2019 est.)</p>

**Calling Code:** 31

**Voltage:** 230

## Key Websites

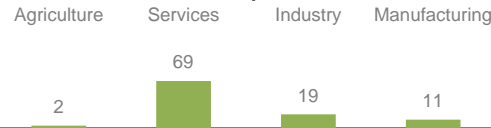
Main Government Page: [government.nl](http://government.nl)

Investment Promotion Agency: [investinholland.com](http://investinholland.com)

## 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                         | 8 / 176  |
| 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

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