

Investment Climate Study 2025

Webinar
June 5 2025



Agenda & housekeeping for today's webinar



Presentation

~45 min



Q&A

~15 min

Please feel free to add questions via
the Q&A function during the webinar



Context and focus for this year's study



It is AmCham's ambition to support the Netherlands to thrive in the long-term by **creating an attractive investment climate for businesses**



The **geopolitical and economic environment has become even more dynamic**, and the realization is taking hold that economic enhancement is essential to stay relevant in the long-term



This year's study lays out trends in the investment climate, its causes and **potential solutions needed to sustain a resilient and attractive Dutch economy**

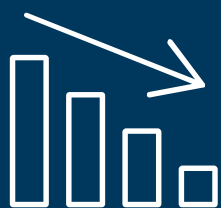


Key messages

Investment
climate study
2025



The Netherlands is a successful country, deeply integrated into Europe and the broader global economy, with a longstanding and exceptionally strong relationship with the United States



Yet key economic success factors are under pressure, some of which are becoming more urgent and pressing given various changes in the geopolitical landscape



Ensuring that the Dutch economy remains resilient, attractive, and relevant requires continuous revitalization of a strong investment climate given mounting pressure and recent negative trends

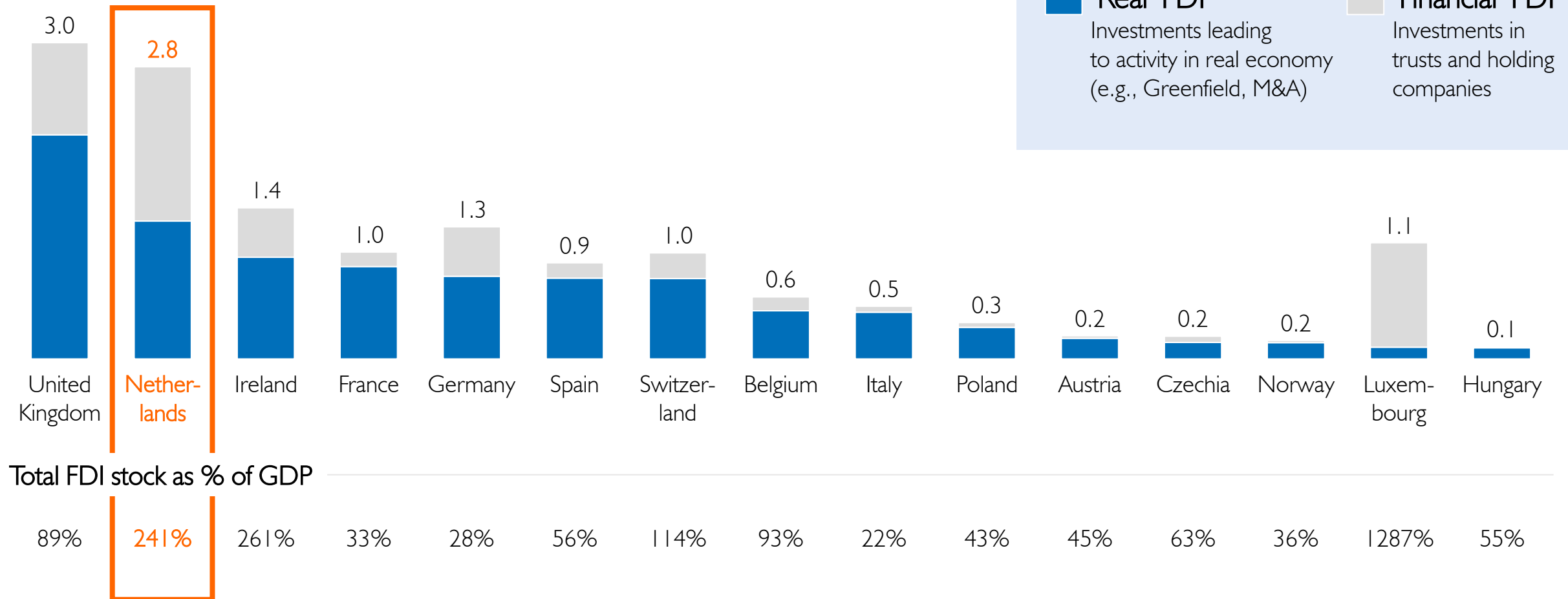


However, the investment climate can only strengthen if the Netherlands enables national strategies with solid foundations, makes long-term commitments, strengthens trust, and builds on international partnerships



NL holds 2nd largest total FDI and 'real' FDI stock in Europe, which is a manifestation of its strong links with the rest of the world

FDI stock for European countries with >\$100B 'real' FDI stock (in \$T, 2023)

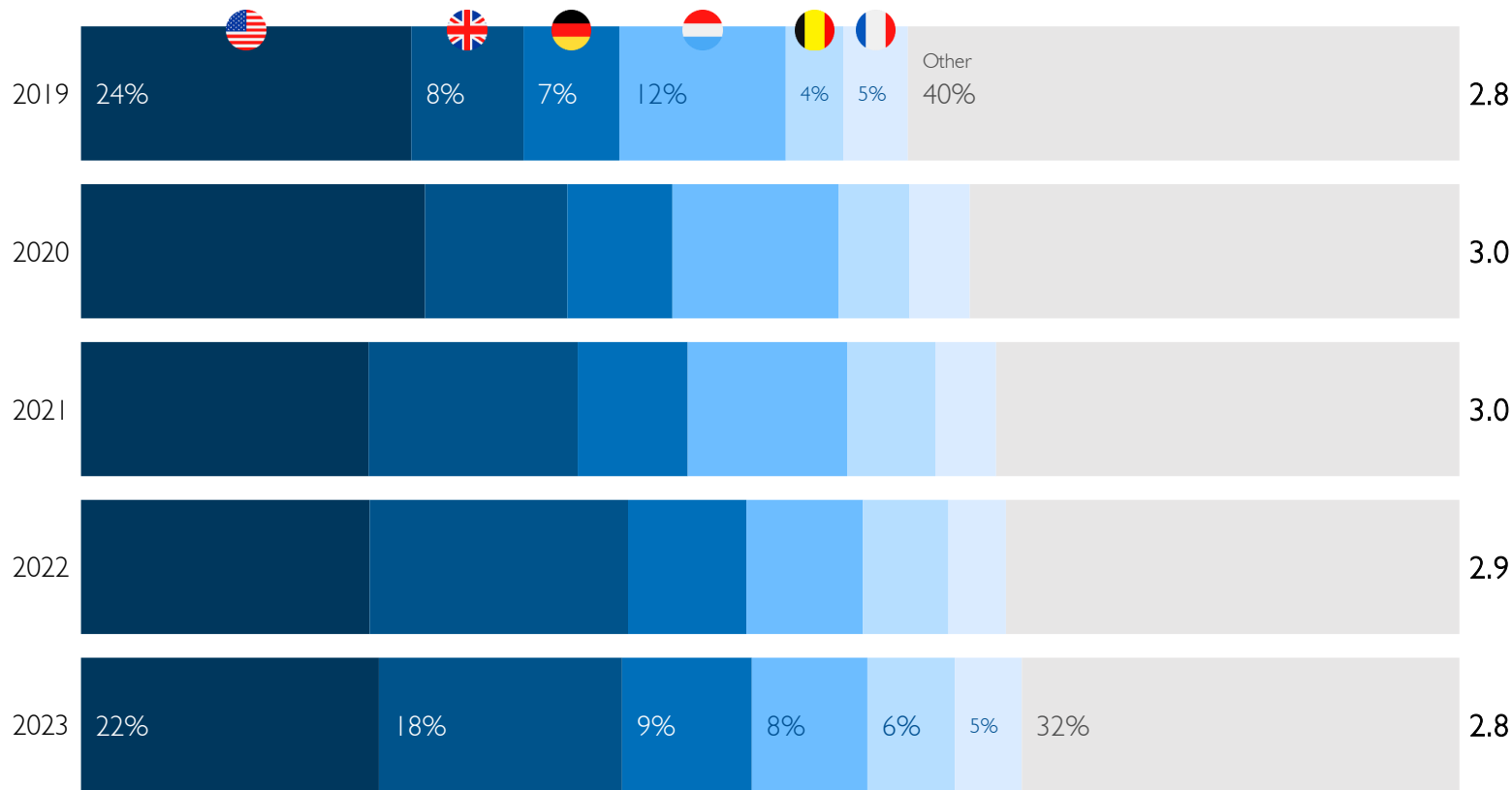


Note: Due to absence of financial vs. real FDI breakdown for Germany, Spain and the UK for 2023, real FDI shares as compared to total were assumed based on '14-'22 averages (based on the available years); Unallocated and confidential FDI was not included; FDI stock is measured at the end of each year and it does not fully equate to FDI stock in the previous year plus net FDI flows as revaluations are also included – i.e., exchange rate changes, price changes and other adjustments; Real FDI is captured by excluding financial and insurance activities; | Source: OECD

The United States is the largest FDI holder in the Netherlands and the two countries are strong economic partners

US is the largest foreign investor in the Netherlands..

FDI stock in NL by partner country (\$T, 2019-2023)



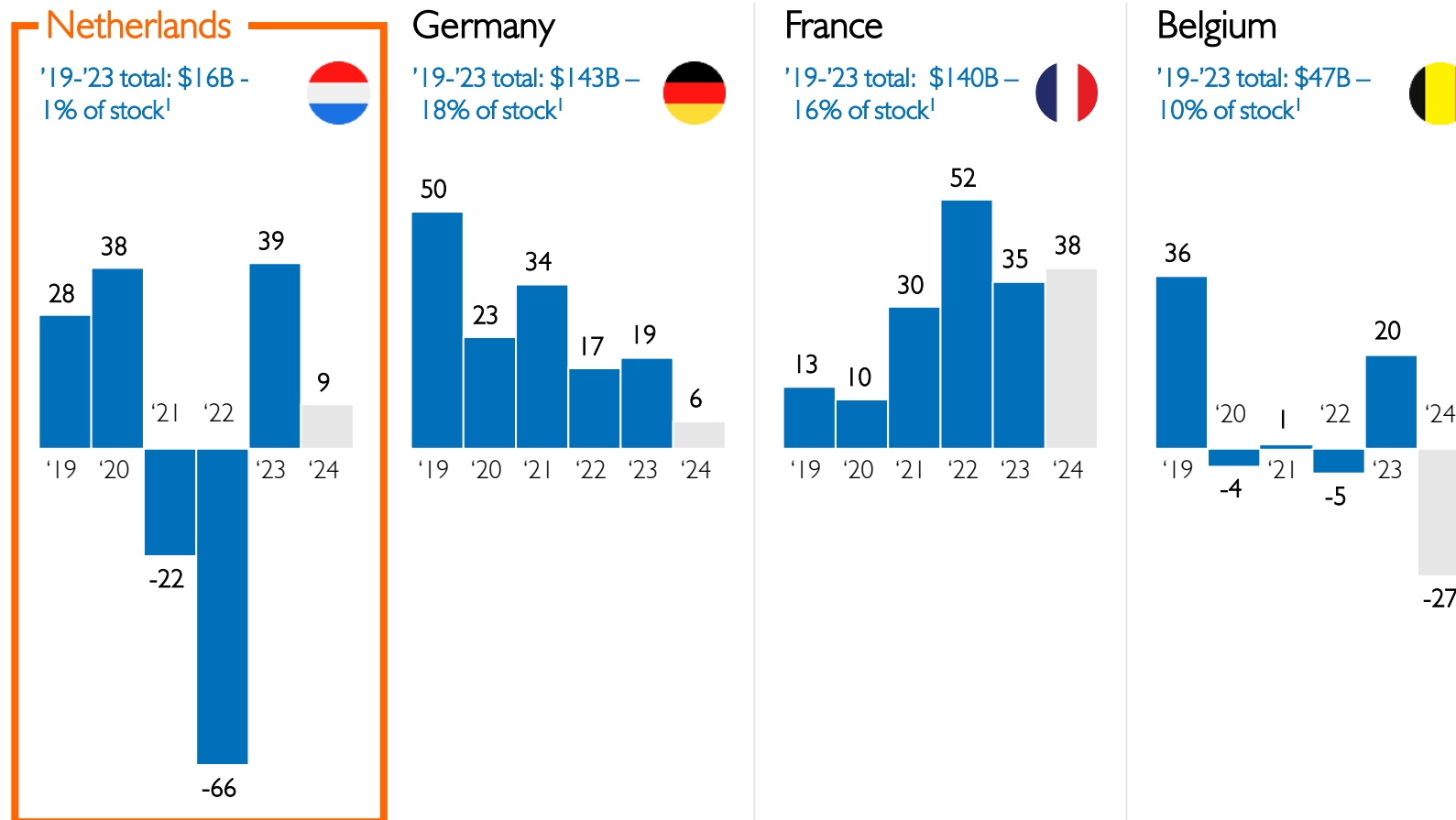
..translating in mutual job creation & trade

- The U.S. is the largest foreign investor in the Netherlands with \$600 billion FDI stock
- More than 3,000 U.S.-owned corporations operate in the Netherlands, generating over 230,000 direct jobs
- The Netherlands is the 8th largest foreign investor in the US, totaling \$263B FDI stock in 2023¹
- Trade relationships are longstanding at federal, state & local level, illustrated by recent missions to Arizona & California

Note: (1) Netherlands 8th place based on FDI by country of ultimate beneficial owner (UBO), when including the FDI where the Netherlands acts as pass-through entity for investments based in other countries Netherlands ranks 1st with \$718B; FDI stock includes both real and financial FDI, as the split is not available by partner country; The year-to-year difference in FDI stock does not always match the exact FDI flow for that year, as stock changes also reflect revaluations, exchange rate fluctuations, and other adjustments beyond financial transactions; | Source: OECD, CBS, U.S. Bureau of Economic Analysis, CPB

Although leading on FDI stock, NL has lagged peers in securing new 'Real' FDI inflow over the last 5 years

Inward real FDI flows (in \$B, 2019-2024)



Commentary

- Real FDI flows to NL fluctuated over past years, but turned positive in '23
- Neighboring countries outperformed NL with double digit increases to real FDI stock versus just 1% increase in NL
- The Netherlands reported the highest real FDI inflow in 2023 among its peers, but to maintain its leadership, the Netherlands must accelerate FDI attraction efforts
- No impact visible so far from the Dutch FDI screening act (Wet Vifo) in real FDI flows

Note: (1) Stock refers to Real FDI stock as of 2023 for the respective country, FDI stock is measured at the end of each year and it does not fully equate to FDI stock in the previous year plus net FDI flows as revaluations are also included – i.e., exchange rate changes, price changes and other adjustments; (2) 2024 figures for all countries are total FDI as split between real and financial FDI are not yet published; Split between real and financial FDI for Germany in 2023 was estimated using the average percentage distribution in '19-'22 applied to the total FDI flows of 2023, as the split for 2023 was unavailable; FDI inflow is equal to transactions that increase the investment that foreign investors have in enterprises resident in the reporting economy minus transactions that decrease the investment of foreign investors in resident enterprises (flows are composed of equity, reinvestment of earnings, and debt transactions); Real FDI is captured by excluding financial and insurance activities; Excludes special purpose entities (SPEs) | Source: OECD

Key indicators of Dutch economic growth are stagnating (1/3)

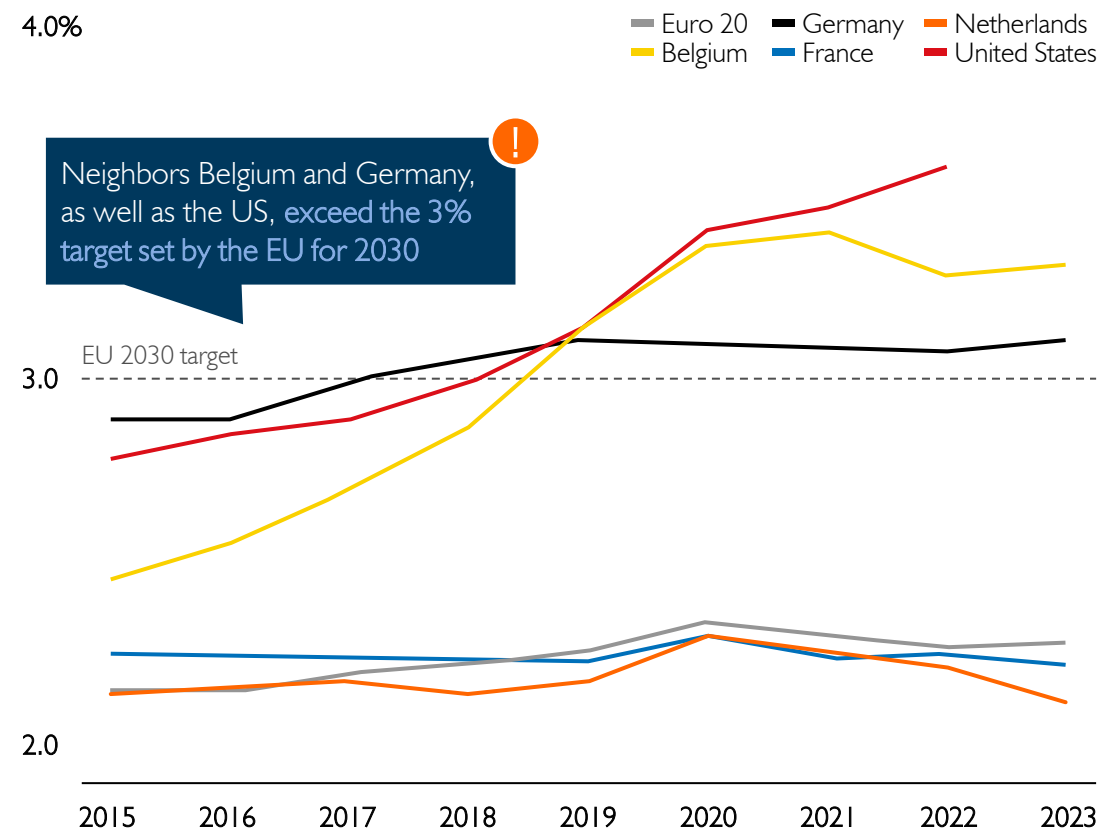
The Netherlands losing its lead in innovation

- The Netherlands is **still a highly innovative country** and one of Europe's innovation leaders
- However, it is **losing competitive ground**, mainly due to **limited improvement in key areas**:

- 1 **R&D spending has stagnated at 2.1 % of GDP**, with especially private-sector R&D investment significantly below the EU average
 - Political sentiment to **reduce public R&D funding** (e.g., National Growth Fund) - essential for stimulating private investment - impacts trust in future innovation ecosystem and further complicates achieving the EU 3%-target
- 2 NL does not sufficiently **translate high-quality knowledge into new products and services**, partly due to financing barriers and limited cooperation between public, private and academic bodies
 - The Netherlands scores high on fundamental research and number of patents, but **lacks in turning these innovations into successful commercial applications**
 - Barriers in **attracting private capital** (e.g., **absent venture capital ecosystem**) and **limited public financing for applied research** are mentioned as key hurdles
- 3 SMEs struggle to innovate due to **high regulatory pressures** in the Netherlands

1 R&D spend

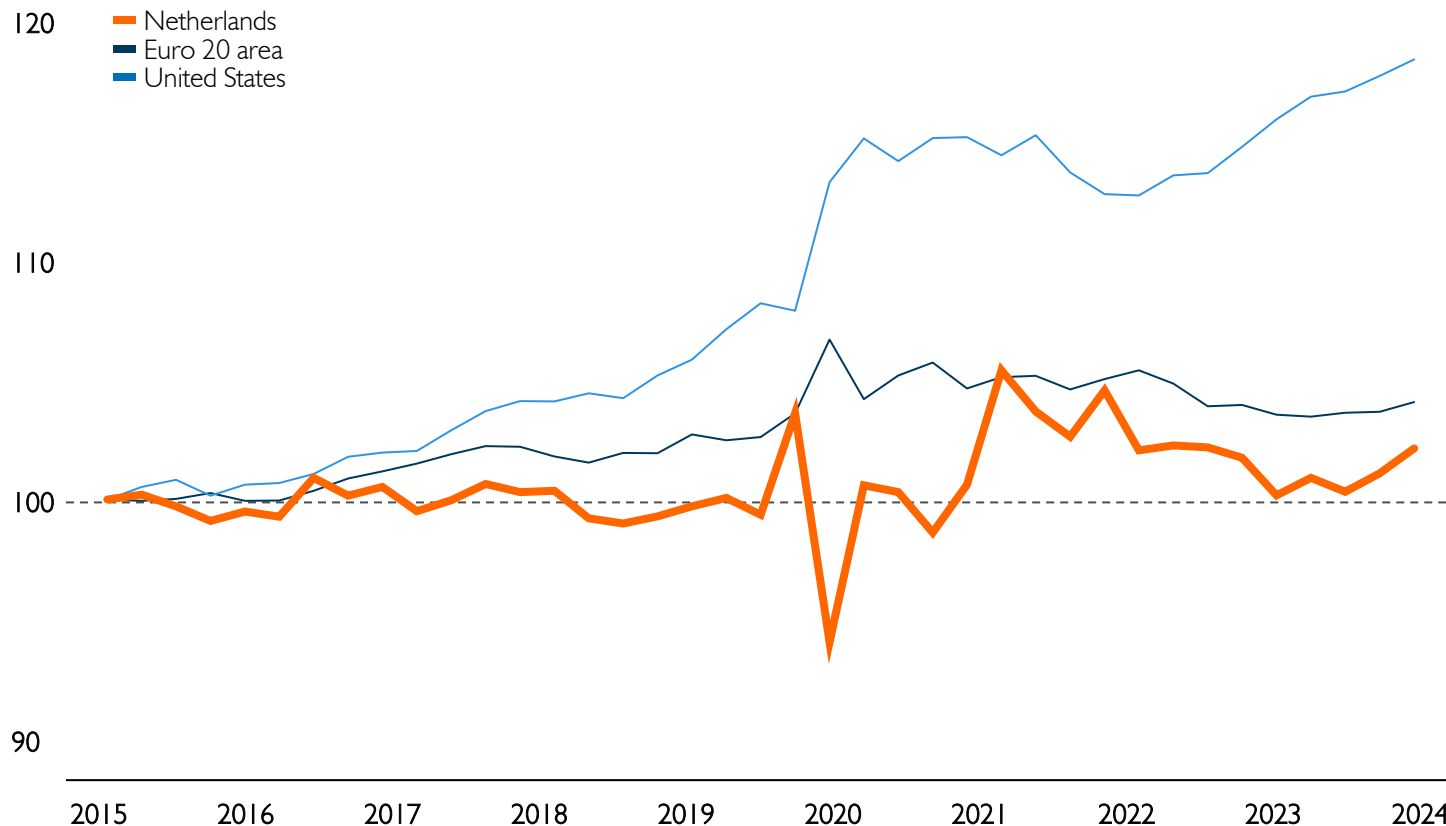
Gross domestic expenditure on public and private R&D (as % of GDP, '15-'23)



Key indicators of Dutch economic growth are stagnating (2/3)

Productivity growth in the Netherlands lags the Euro 20 area and the United States

Labor productivity per hours worked
(Index = 100, 2015Q1-2024Q3)

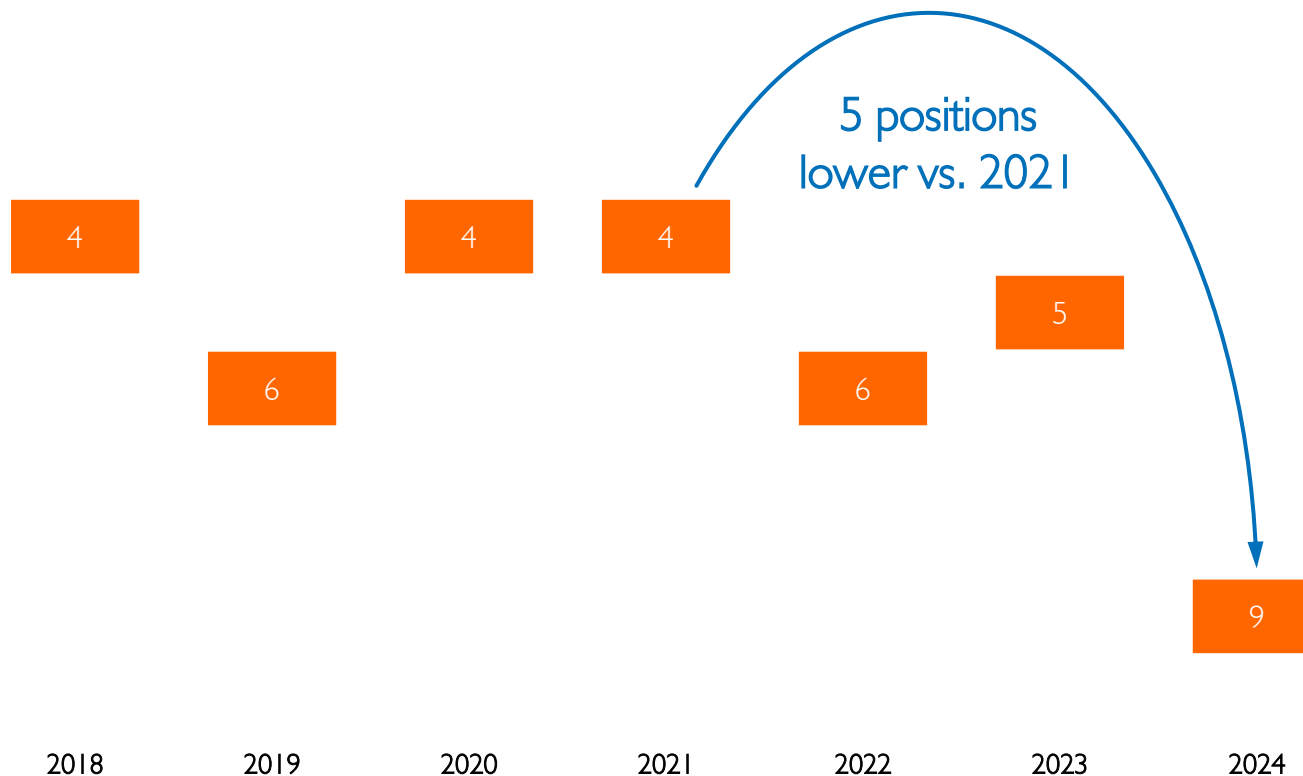


- Dutch labor productivity per hour worked grew just 2.0% over the past decade, lagging the Euro area (3.8%) and the US (17.3%)
 - The Netherlands ranks 22nd in the EU, ahead of only Finland, Greece, France, Italy, and Luxembourg
- This stagnation reflects a shift toward lower-productivity sectors and the Groningen gas phase-out, accounting for 3-4%-points less growth over last decade
- In contrast, U.S. productivity gains stem from its edge in adopting and scaling digital technologies
 - The U.S. leads in AI automation, cloud computing, and digital infrastructure, driving much faster efficiency gains across industries than Europe

Key indicators of Dutch economic growth are stagnating (3/3)

The Netherlands is becoming less competitive


Position of NL on the IMD World Competitiveness Ranking ('18-'24)



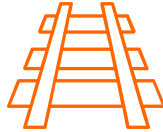
- The Netherlands dropped to 9th position out of 67 on the IMD World Competitiveness Ranking, mostly driven by a decline in
 - **Business efficiency** (2nd to 8th): Sharp decrease in attitudes and values towards business (e.g., globalization, openness and adaptability to challenges), labor market dynamics and financial efficiency & access
 - **Government efficiency** (12th to 14th): declined due to weaker public finance management, reduced institutional strength, and an increasingly complex regulatory environment
 - **Infrastructure** (5th to 8th): significant drops in basic infrastructure (incl. net congestion) and technological infra
- Still, the Netherlands is 5th in Europe behind CH, DK, IE and SE and well above Europe's 5 largest economies
 - Advanced economies with <20M inhabitants dominate ranking
 - Europe's 5 largest economies are absent in top 20 (DE, UK, FR, IT, SP)

Beyond shaping its economic strategies, NL needs to enable delivery, commit to it, build trust and align to EU and Transatlantic partners

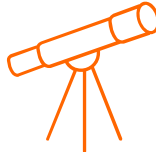
- 1 Continue shaping the national economic strategy



Continue developing robust economic strategies, but enhance them with greater consistency, more holistic coordination, and further detailed vision
- 2 Enable strategies with strong economic foundations



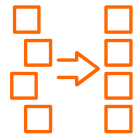
Provide solid foundations for companies to enable them making investments in the Netherlands
- 3 Make stable commitments for the long term



Create reliability and predictability through stable regulation and resource commitments
- 4 Strengthen mutual trust



Strengthen mutual trust between stakeholders through open dialogue, celebrating successes and enhanced mutual learning
- 5 Align with the EU and continue transatlantic ties



Lead the European agenda while ensuring a level playing field, and continue to broaden the Transatlantic relationships

I

The Netherlands needs to continue setting clear economic and investment strategies while enhancing their effectiveness

Continue setting clear economic and investment strategies..

The Netherlands has developed several strategic frameworks aimed at shaping future economic growth



Mission-Driven Top-Sector and Innovation Policy (MTIB) targets key societal challenges through nine top sectors and five central missions



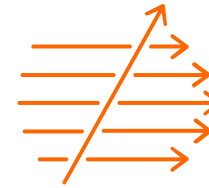
National Technology Strategy (NTS) selected ten key technologies to support these efforts



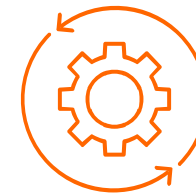
Established strategic pillars for foreign investment aligned with NTS and growth markets

and much more...

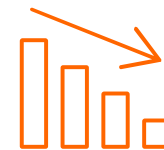
.. but increase consistency, coordination and detailed vision



Policies and strategies overlap, and inconsistencies exist between government departments, creating a **fragmented and siloed landscape**




Policies remain too broad, lack clarity and in-depth vision to provide clear direction for **businesses** and make it difficult to commit as long-term partners



Politicization risks making policies more **volatile**, causing delays and eroding investment confidence

The Netherlands should enable strategies through solid foundations, tailored to industry needs

Enabler	Key requirements
Infrastructure 	<ul style="list-style-type: none">• Ensure sufficient network capacity and competitive pricing across energy, digital, and logistical infrastructure, enabling businesses continuity and growth while remaining globally competitive• Strategically allocate land and emission rights, ensuring they support industries critical for strategic autonomy, competitiveness, sustainable development, and broader economic activity
Human capital 	<ul style="list-style-type: none">• Improve cooperation between education and businesses to ensure that key occupations in high demand sectors are aligned with the skills pipeline• Commit to attracting international talent through policies supporting both education and business to counter labor shortages and strengthen innovation capacity
Financial and fiscal 	<ul style="list-style-type: none">• Ensure fiscal policy predictability and a level playing field relative to other EU countries, avoiding sudden tax changes that could deter long-term investment.• Improve access to capital for scale-ups and sustainable technologies, leveraging instruments such as blended finance, transition financing schemes, and deeper integration with European capital markets
Research and innovation 	<ul style="list-style-type: none">• Focus on improving valorization of scientific knowledge to market through e.g.,<ul style="list-style-type: none">– Further increase efforts on building ecosystem hubs with public-private cooperations– Increase access to innovation programs and funding for companies of all sizes– Support long-term co-investment vehicles for e.g., high-risk R&D projects and scaling-up innovations

▶ The importance of each enabler varies by industry, reflecting sector-specific challenges and opportunities

Stable commitments and long-term predictability are crucial to the investment climate

Stabilize commitments



- Investment cycles require regulation and resource commitments that remain stable over extended period, ensuring that projects to move from ideation to execution
- The investment climate improves gradually, relying on trust and stability built over multiple successful investment cycles
- Any changes in regulations, fiscal stimulus, subsidies and financing need to be made consciously – They should only be implemented if the intervention provides significantly greater benefits than the stability of maintaining existing policies

Example

Analysis by the EC confirms that rising economic policy uncertainty drags economic activity, with a cumulative annual impact of around - 0.5 percentage point of GDP growth

Commit for the long-term



- Longer-term investments require long-term commitment. Whilst policy horizon often reach until 2030/2035, Business often require visibility over 15- to 20-year timelines
- Stable long-term commitments can position the Netherlands as a beacon of transparency and predictability in a world increasingly focused on short-term concerns

Example

Government advisor 'Raad van State' noted that that the horizons in several policy domains are too short to support long-term investment planning

Mutual trust also needs strengthening by improving sentiment, celebrating success and increasing mutual learning

Improve sentiment



- Valuable collaborations can be unlocked when the **public and private sector work together towards a more positive dynamic**
- **Proactively setting up consultations and dialogues**, initiated by both sides, can strengthen sentiment and cultivate mutually beneficial trust

Recent example

The ongoing and positive dialogues between Unilever and the gov't fostered mutual trust and understanding, influencing Unilever's decision to establish its ice cream division in the Netherlands

Celebrate success



- **Showcasing businesses' contributions and leadership** in job creation, innovation and role in a thriving economy paves the way to more appreciation
- This requires a **cultural shift, encouraging companies to be more vocal, confident, and proactive** in conveying a positive message to the public

Recent example

Participants of the UK's Civil Service secondment scheme highlight the gained insights into processes and cultures, and the creation of valuable cross-sector connections

Increase mutual learning



- **Increasing mutual learning** between businesses and government can help in speaking each other's language and build mutually beneficial networks
- Establishing **public-private secondments with employee exchanges** would foster a deeper understanding of each other's priorities and decision-making

European integration and a level playing field in NL are key to unlock investment for the open and interconnected Dutch economy

Take a leadership role in further European integration

- The EU provides essential frameworks for the development and growth for the Netherlands and the broader region
- Member states increasingly realize that economic, societal and technological challenges extent beyond national borders and require joint solutions
- The Netherlands can only safeguard its competitiveness by proactively leading the European agenda, and the paths to get there have already been formulated in key initiatives

Examples of strategic transformations to drive

Implement Clean Industrial Deal
(support for energy-intensive industries, boost clean tech)

Implement Draghi & Letta reports
(completion of CMU, EU Common debt, unifying business reg.)

Ensure NL has a level playing field vs. other member states

- Dutch policies sometimes diverges from EU nomrs, including gold-plating of EU legislation and/or adopting domestic regulations that significantly differ from other EU countries
- These disparities distort the level playing field in the EU, weaken industry value chains, and make NL a less attractive option in large investment opportunities
- The Dutch government should prioritize addressing the impact of regulatory divergence on competitiveness and investment
 - Limited progress so far on coalition pledge to halt new additions to EU policies and review existing ones

Examples of national disparities

CO₂ levies on top of EU ETS

Nationale Circulaire Plastics Norm (NCPN)

Energy price disparity vs. EU due to e.g., removal of IKC and volume discounts

Given the importance of US investment in the Netherlands, broadening strong Transatlantic relationships remains critical

- The American-Dutch business relationship stands on decades of exceptionally strong foundations, paralleled by few countries in the world
- Still today, American enterprises continue to add significant value to Dutch economic growth, and continuously drive innovation and collaboration with Dutch counterparts
- Recently the relationship has also been fruitful to address key national concerns, particularly in technology-driven areas where the Netherlands and Europe face competitive challenges
- As NL & the EU continue to enhance autonomy and resilience, American businesses remain committed partners, working within EU and Dutch regulatory frameworks
- Relations can be broadened by deepening ties at the federal, state, and local levels, while also supporting new investment opportunities

Recent example

In 2025 the Dutch government has held supply talks with Nvidia and AMD on an AI facility in NL

Recent example

NL builds ties with the US at federal, state and local level, e.g., 2023 semiconductor economic mission to Arizona & the Bay Area

NL and EU autonomy and resilience will benefit from broadening Transatlantic relations and continued support to the Transatlantic investments that have advanced economic growth for many years

Thank you

