



The Attractiveness of the Netherlands as a Location for Foreign Investment

Results of a Survey Conducted by the Policy Committee of the American Chamber of Commerce in the Netherlands – Spring, 2010

AmCham's Netherlands attractiveness survey 2010 is based on a survey among 89 top executives of member companies of the Chamber established in the Netherlands. These executives have been asked for their opinion, perception and expectations about the attractiveness of the Dutch investment climate. The highlights of the survey are discussed below.

A. Assessment of the Netherlands' performance level

According to 63% of the executives interviewed, the Netherlands is in a fairly or very good position to attract foreign direct investments (see Figure 1). More specifically, the respondents indicate that the Netherlands is good in attracting headquarters and capital (both 55%). 53% indicated that they consider the Dutch performance in attracting talent as being very or fairly good. Only 38% of the interviewees believe that the Netherlands' level of performance concerning the establishment of world class clusters is very or fairly good. All in all, the Netherlands is considered well capable of attracting foreign investments because it has the micro- and macroeconomic qualities needed for an appealing business climate.



Figure 1: The Netherlands' level of performance in terms of attracting different types of investments

B. Investors' perception of the Netherlands

Over 2009, foreign investors' perception of the Netherlands has slightly deteriorated. 39% of the interviewees indicate that their perception of the Netherlands as a location where their company establishes or develops activities has slightly (32%) or significantly (7%) deteriorated. 25% of the decision makers indicate that their perception of the Netherlands has improved (see [Figure 2](#)).

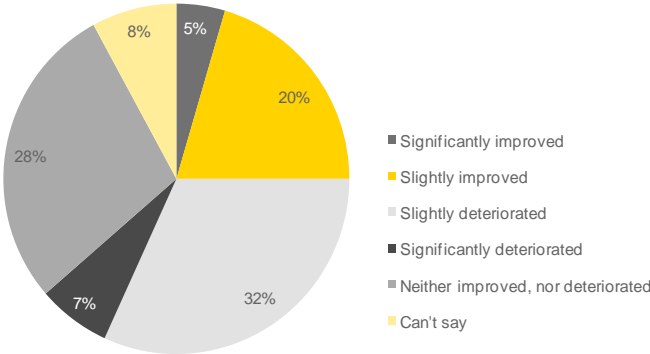


Figure 2: Over the past year has your perception of the Netherlands as a location where your company might establish or develop activities improved or not?

C. Most attractive location criteria for investing in the Netherlands

Country specific characteristics which American top executives like most about the Netherlands are those that are critical to become and remain competitive in an internationalizing business world - flexibility, communication skills, efficiency and entrepreneurship (see [Figure 3](#)). Especially these characteristics are key factors for internationally operating companies covering many countries. "International openness and language capability", a classic quality of the Netherlands, is mentioned by 81% of the interviewees. Entrepreneurship and a high productivity are other appreciated qualities that contribute to the attractiveness of the Netherlands for American companies. These qualities are highly needed in today's complex international business environment.

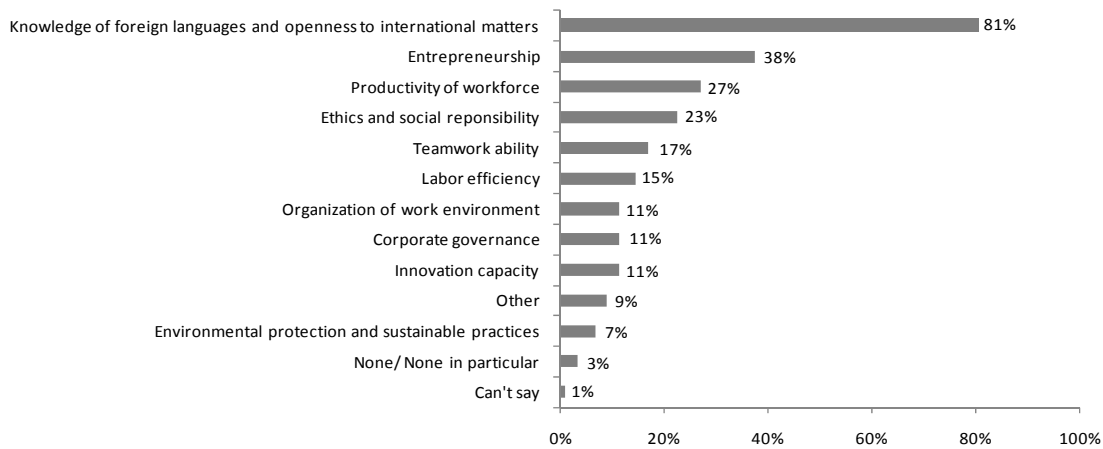


Figure 3: Which are currently the main qualities that make the Netherlands an attractive country?

D. Satisfying factors of the Dutch investment climate

Top executives are highly satisfied with the 'stable social environment' in the Netherlands, the 'clear and stable policies, legislation and administration' and the 'quality of life'. These factors are strongly needed in today's turbulent economy. The local labor skills of the Dutch labor force are also appreciated by the American executives.

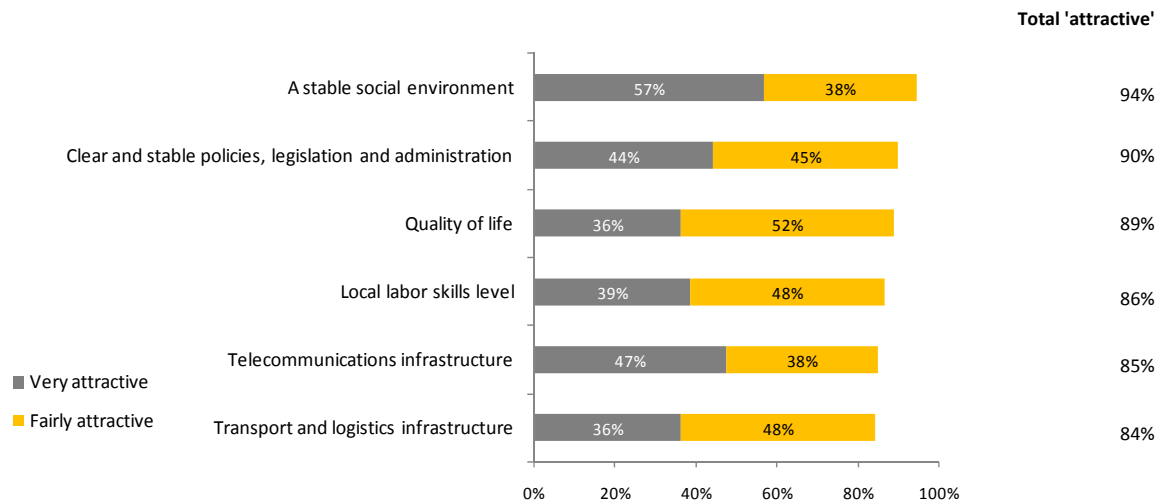


Figure 4: Satisfying factors of the Dutch investment climate (top 6)

E. Dissatisfying factors of the Dutch investment climate

The cost and flexibility of labor and cost of land are considered major dissatisfying factors of the Dutch investment climate (see Figure 5). Dissatisfaction with various national and regional development policies and regulations (environmental, labor, migration, and setting up a business) is mentioned, respectively, by 51% and 40% of the respondents.

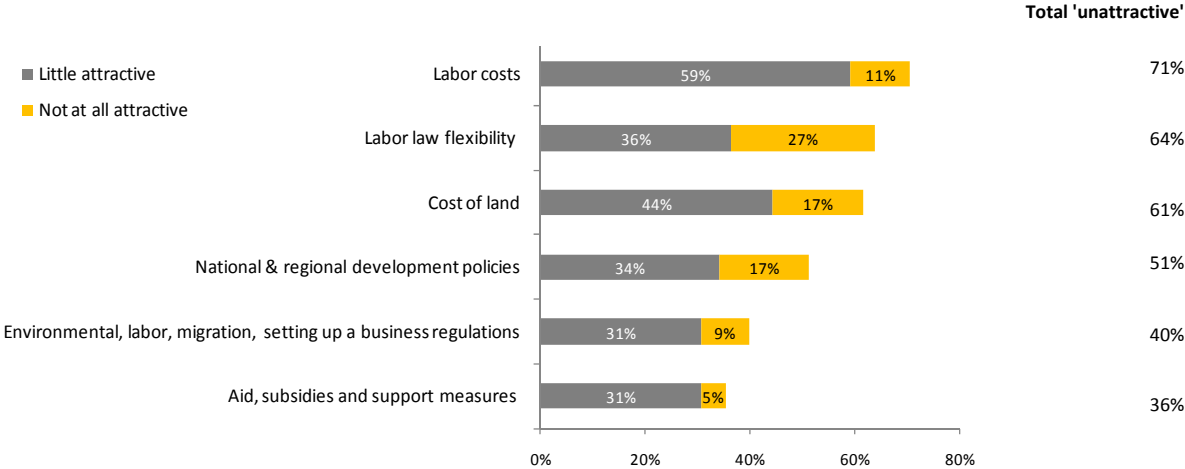


Figure 5: Dissatisfying factors of the Dutch labor market (top 6)

F. Plans for retaining operations in the Netherlands

91% of the top executives of American companies located in the Netherlands indicate that they will definitely (64%) or probably (27%) retain operations in the Netherlands (see Figure 6). 4% of the executives indicate that their company will probably or definitely will not, retain its current operations in the Netherlands.

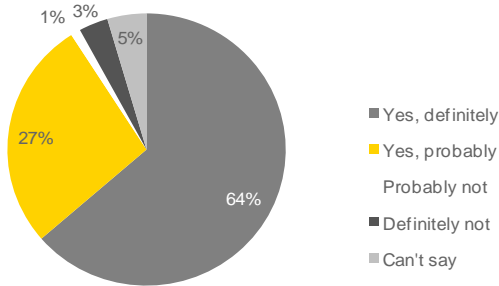


Figure 6: Are you considering retaining your current operations in the Netherlands?

When we ask American top executives based in the Netherlands about their plans to relocate part of their activities from the Netherlands, it is good to see that the majority of executives (56%) is satisfied with their location in the Netherlands and clearly express a 'probably not' or a 'definitely not' when asked about relocation plans (see [Figure 7](#)). However, the percentage of respondents that has indicated that it will probably relocate part of its activities from the Netherlands is 20% - and 8% will definitely relocate part of its activities.

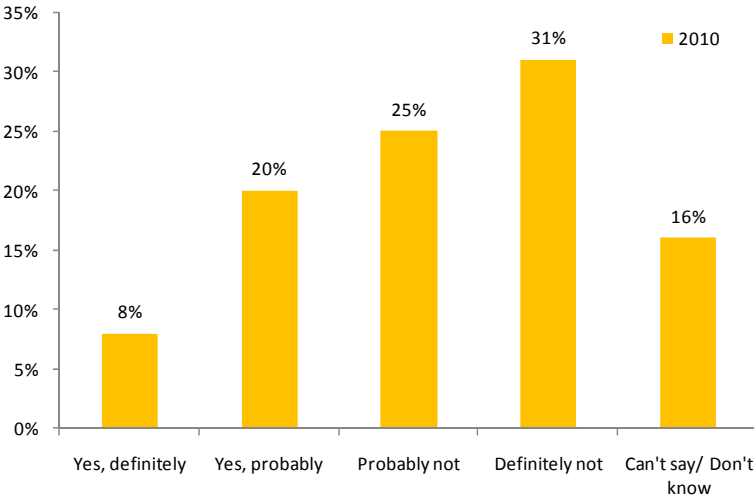


Figure 7: Is your group considering relocating part of its activities from the Netherlands to another country?

The countries considered for relocation (either the whole or part(s) of a company’s facility) are mainly found in Western Europe (13%) and Eastern Europe (11%). 10% of the executives whose companies are planning to relocate to another country mentioned India, whereas 5% indicate considering relocating back to the US or Canada. Only 3% consider relocating to China from the Netherlands. The largest part of the interviewees (48%) indicate that they can not reveal their future relocation plans.

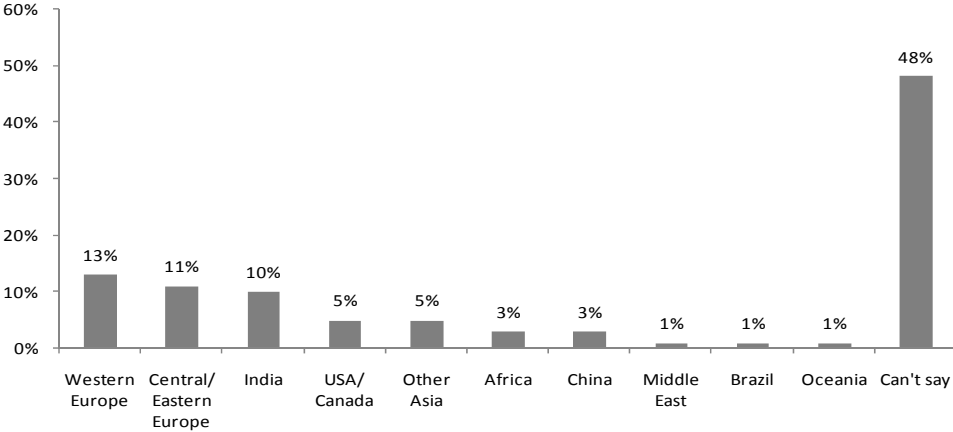


Figure 8: If your company is considering relocating, where to?

Although the majority of companies established in the Netherlands is probably or definitely not planning to relocate to another country (56%; see Figure 7), 28% of the executives interviewed indicate that their company was definitely or probably planning to do so. When the decision-makers were asked for their motivation with regard to those relocation plans, 35% of the interviewees state that their main motive is to reduce costs (see Figure 9). Tapping into new markets and increasing the company’s market share are considered to be relevant motives as well, but to a lesser extent (respectively 7% and 6%).

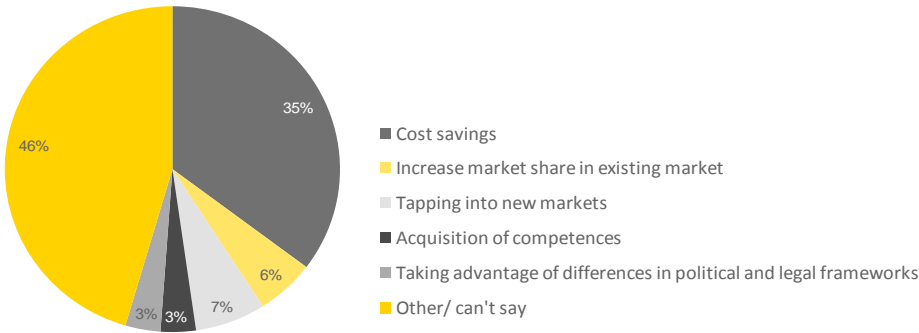


Figure 9: Main reasons for relocation to another country

Next to international relocation plans, it is interesting to find out about possible plans to expand activities within the Netherlands. 52% of the interviewees indicate that they definitely (18%) or probably (34%) consider expanding their activities in the Netherlands (see [Figure 10](#)). Additionally, the interviewees were asked to specify where their companies are planning to expand. 32% of these respondents believe their company plans to expand their activities in the Amsterdam region, while 13% mention Rotterdam. This is in line with the locations where most FDI projects are established: the western part of the country. 35% of the interviewees whose companies may expand their activities in the Netherlands could not indicate to which city/region they will expand their operations.

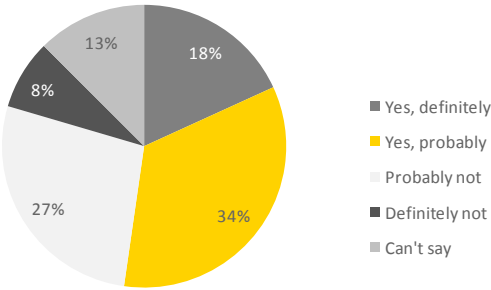


Table 1: Relocation plans within the Netherlands	
If yes, where in the Netherlands - in which region?	
Amsterdam	32%
Rotterdam	13%
Utrecht	7%
Den Haag	7%
Eindhoven	3%
Breda	2%
Groningen	1%
Den Bosch	1%
Can't say/ don't know	35%

Figure 10: Is your group considering expanding activities in the Netherlands?





The American Chamber of Commerce in the Netherlands

**Schiphol Boulevard 171
1118 BG Schiphol
The Netherlands**

**Tel: +31-(0)20-795 1840
Fax: +31-(0)20-795 1850**

**Email: office@amcham.nl
Website: www.amcham.nl**