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By Christiane von Berg,
Economist for Northern Europe,
based in Mainz, Germany

Netherlands: What is the secret of Dutch trade?

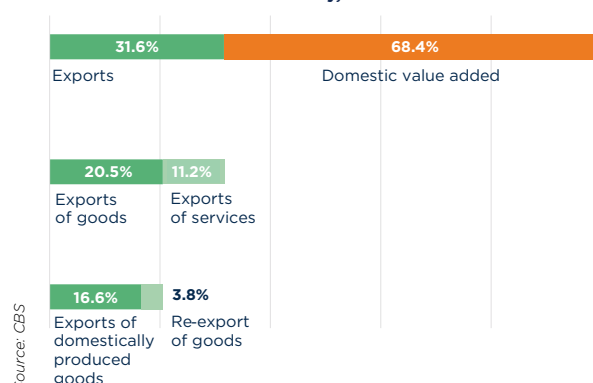
The Netherlands are an old trade nation. During the Dutch Golden Age in the 17th century, they emerged as a well-known global maritime and economic power, and even had a monopoly on European trade with Japan. Today, although some of this glory has faded, the Dutch economy is still a big player in global trade. In 2018, the Netherlands were the sixth-largest goods exporter in the world. In the service-exports category, the Dutch placed eighth in 2015¹. Considering exports relative to GDP, the Netherlands took third place in 2015 (right behind Ireland and Switzerland). However, times have changed. The favourable trade environment has vanished and global trade has lost its momentum. Coface expects world trade to decrease by 0.8% in volume across 2019 as a whole (with a minus of 0.6% QOQ² in Q3 and a small plus of 0.3% in Q4).

So what does slowing global trade mean for the country with the largest port in Europe? How are the Netherlands coping with the increase of protectionism from the United States and China? What does Brexit imply for Dutch trade dynamics? And how will these factors combined affect the Dutch economy? So far, most signs are surprisingly positive...

Much is at stake – the current situation of Dutch trade

In 2018, the foreign trade quota (exports and imports of goods and services as a percentage of GDP) was at 161% (86% exports and 75% imports). Examining the value added, Dutch exports represent 31.6% for the Dutch economy, of which 20.5% are goods and 11.2% are services (**Chart 1**). The Dutch mainly export to their neighbours, at least with goods. In 2017, 24% of all Dutch export goods (turnover) went to Germany, 11% to Belgium, and 9% to the United Kingdom³. For the export of services, the top destinations include Germany, Ireland, and the the UK. On the import side, the main import origin countries for the Netherlands are China, Germany, and Belgium for goods, while for services it is Germany, the United States, and the UK (2018).

CHART 1
Value added of the Dutch economy, 2015



1 - See also: CBS: *Internationalisation Monitor/2018-I, The position of the Netherlands, 2018*.

2 - Percentage change quarter-over-quarter, seasonally-adjusted

3 - For more details: *Coface Country & Sector Risks handbook 2019, p. 156*.