



### Highlights of Netherlands Economy

Netherlands is one of the leading knowledge economies of the world, having sound infrastructure for the businesses. It is among the world's 20 largest economies and considered to be the fifth most prosperous in the world. The exports sector is the leading revenue spinner for the economy along with private investment and private consumption. The continuous rise in domestic demand will benefit all the industrial sectors to expand in the coming years; following economic progress on the same pattern as it occurred in the last three years. Reviving from the prolonged economic recession, crisis and stagnation, unemployment rate still remains high compared with the standards set for the Dutch economy. Owing to the recession, contraction in industrial activity has also been observed in recent years causing production volumes to remain below the targets of 2008. The government spending also remains a concern as public debt has been pushed over 65% of GDP.

### Key Industries of Netherlands

The key industries of the Netherlands are agro industries, metal and engineering products, electrical machinery and equipment, chemicals, petroleum, construction, microelectronics, food processing and fishing. Major agriculture products are grains, potatoes, sugar beets, fruits, vegetables and livestock.

### Netherlands' major traded commodities and partners

Netherlands export machinery and equipment, chemicals, fuels; foodstuffs to its export partners; Germany (26.5%), Belgium (13.7%), France (8.8%), UK (8%), and Italy (4.5%). The major commodities that are imported by the Netherlands are machinery and transport equipment, chemicals, fuels, foodstuffs and clothing. The country import these items from Germany (13.8%), China (12%), Belgium (8.4%), UK (6.7%), Russia (6.4%) and the US (6.1%).

### Relations between Pakistan and Netherlands

In 1948, Phillips set up operations in Karachi, which subsequently developed into a manufacturing unit. Around the same time, Unilever (Anglo-Dutch Company) opened a company representative branch in Pakistan (Unilever Pakistan) followed by Royal Shell Pakistan. In 1982, Pakistan and the Netherlands signed a bilateral Double Taxation Agreement, to promote business activities in both countries. In 2016, a Dutch based company FrieslandCampina which is fourth largest in the world has acquired majority stake in leading Pakistani FMCG (Engro Foods) which shows the confidence of Dutch based investors in Pakistan.

Pakistan became a partner country for the Netherlands, receiving substantial Development Cooperation funds from the 1960's onwards, particularly in the areas of water management, environment, education and governance. In 2011, the Dutch Government decided to terminate the structural development projects and to shift the focus on trade relations. Since 2004, the Netherlands were host to more than 100 junior diplomats of Pakistan who were educated and gained degrees from the Netherlands Institute of International Relations Clingendael.

The Netherlands remain a major contributor to organizations like the UN and the World Bank that administer aid and implement development projects. Dutch have contributed \$ 2Mn to the UNDP "rule of law" program in Malakand division and \$ 5Mn to the Multi Donor Trust Fund (MDTF) that has provided funding for reconstruction, rehabilitation and reforms in KP, Fata and Balochistan since 2010.

### Bilateral trade relations between Pakistan and Netherlands

During Fiscal Year 2015-16, Pakistan's export to Netherlands stood at \$ 555.44Mn as against exports of \$ 556.62Mn in the corresponding period of last year showing meagre decline of 0.2%. Pakistan recorded its highest import from Netherlands during Fiscal Year 2015-16 which stood at \$ 619Mn as against imports of \$ 517Mn showing 20% increase in imports. The trade surplus stood at \$ 63Mn which is in the favour of Netherlands.

### Traded Commodities between Pakistan and Netherlands

Pakistan's major export to Netherlands consists of bed wear, ready-made garments, hosiery, leather garments, molasses, sport goods, rice, towel and cotton fabrics. In the same way, major imports from the Netherlands include machinery and parts, iron and steel and manufactures thereof, chemicals, dairy products, pharmaceutical products, paper & paperboard and miscellaneous edible products.

### Potential for enhancing bilateral trade between Netherlands and Pakistan

Opportunities for collaboration between the Netherlands and Pakistan are plenty.

- Pakistan is the 6th largest producer of mangoes in the world and Pakistani mangoes are increasingly becoming popular in the Dutch market. Potential exists for Pakistani exporters to expand their share in the Dutch and European markets.

- Netherlands, a developed economy with advance technology, can help Pakistan with solar, wind, coal and bio-mass power generation to overcome its energy woes.

- Potential also exists for Dutch investments in energy saving, shipping, ports development, water purification, dairy farming agriculture etc. to achieve mutually beneficial outcomes.

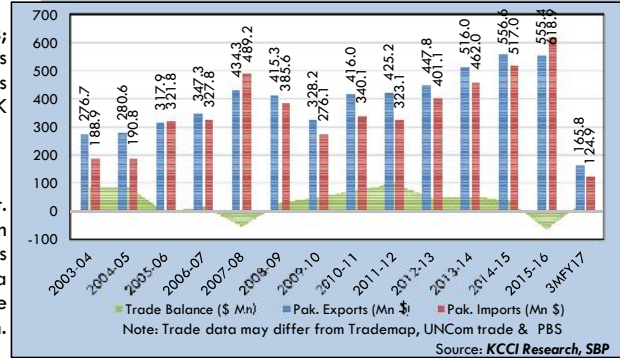
- Netherlands is a global hub for innovation and high tech value added products; Pakistan can reap rich economic benefits by improving collaboration with Netherlands in the field of software exports.

### Economic Indicators

	Unit	2014	2015	Change
GDP (PPP)	\$ Bn	817	833	1.92%
GDP per Capita	\$	48,400	49,200	1.65%
GDP growth	%	1.0	1.9	0.90%
Forex Reserves	\$ Bn	46.25	-	-
External Debt	\$ Bn	4,154	-	-
Exports	\$ Bn	571.80	488.30	-14.60%
Imports	\$ Bn	469	405	-13.73%
Trade Balance	\$ Bn	103	84	-18.58%
Current Account	\$ Bn	93	81	-13.29%
CPI	%	0.3	0.1	-0.25%
Unemployment	%	7.4	6.9	-0.50%
Prime Lending Rate	%	2.27	2.00	-0.27%

Sources: KCCI Research, CIA Factbook

### Pakistan's Trade with Netherlands (FY04 - 3MFY17)

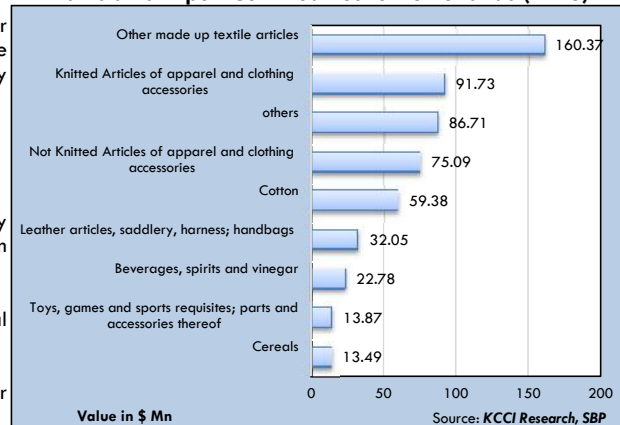


### Euro Vs. Pak Rupee

A Euro is equivalent to PKR 116 as on Nov. 4, 2016



### Pakistan's Export Commodities to Netherlands (FY16)



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