



Dutch-bangla Chamber of Commerce & Industry

Netherlands Economy 2009

Economy - overview :

The Netherlands economy is noted for stable industrial relations, moderate unemployment and inflation, a sizable current account surplus, and an important role as a European transportation hub. Industrial activity is predominantly in food processing, chemicals, petroleum refining, and electrical machinery. A highly mechanized agricultural sector employs only 2% of the labor force but provides large surpluses for the food-processing industry and for exports. The Netherlands, along with 11 of its EU partners, began circulating the euro currency on 1 January 2002. The country has been one of the leading European nations for attracting foreign direct investment and is one of the four largest investors in the US. After 26 years of uninterrupted economic growth, the Netherlands' economy - which is highly open and dependent on foreign trade and financial services - has been hard-hit by global economic crisis. Dutch GDP contracted 4.3% in 2009. Exports declined nearly 25% in 2009 due to a sharp contraction in world demand. The Dutch financial sector, the 7th largest banking sector in the world, was also hit hard by the global financial crisis, due in part to high exposure by some Dutch banks to U.S. mortgage-backed securities. In response to turmoil in financial markets, the government nationalized two banks and injected billions of dollars into a third, to prevent further systemic risk. The government also sought to boost the domestic economy by accelerating infrastructure programs, offering corporate tax breaks for employers to retain workers, and expanding export credit facilities. The stimulus programs and bank bailouts, however, have resulted in a government budget deficit of nearly 5% of GDP in 2009 that contrasts sharply with a surplus of 1.1% of GDP in 2008. With unemployment rising, the government of Prime Minister Jan Peter BALKENENDE is likely to come under increased pressure to keep the budget deficit in check while promoting economic recovery.

GDP (purchasing power parity): \$652.3 billion (2009 est.)

GDP (official exchange rate): \$789.7 billion (2009 est.)

GDP - real growth rate: -4.3% (2009 est.)

GDP - per capita (PPP): \$39,000 (2009 est.)

GDP - composition by sector: agriculture: 1.9%

industry: 24.4%

services: 73.7% (2009 est.)

Labor force: 7.71 million (2009 est.)

Labor force - by occupation: agriculture: 2%

industry: 18%

services: 80% (2005 est.)

Unemployment rate: 5% (2009 est.)

Population below poverty line: 10.5% (2005)

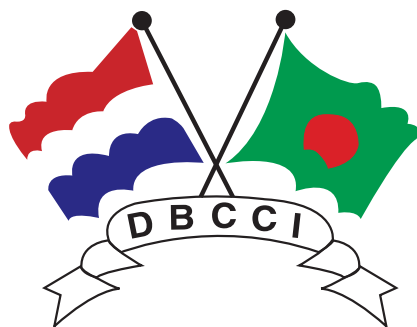
Household income or consumption by percentage share: lowest 10%: 2.5%

highest 10%: 22.9% (1999)

Distribution of family income - Gini index: 30.9 (2007)

Investment (gross fixed): 19.4% of GDP (2009 est.)

Budget: revenues: \$335.4 billion



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expenditures: \$372.5 billion (2009 est.)

Public debt: 62.3% of GDP (2009 est.)

Inflation rate (consumer prices): 0.7% (2009 est.)

Central bank discount rate: 3% (31 December 2008)

note: this is the European Central Bank's rate on the marginal lending facility, which offers overnight credit to banks in the euro area

Commercial bank prime lending rate: 10.37% (31 December 2008)

Stock of money: \$NA

note: see entry for the European Union for money supply in the euro area; the European Central Bank (ECB) controls monetary policy for the 16 members of the Economic and Monetary Union (EMU); individual members of the EMU do not control the quantity of money and quasi money circulating within their own borders

Stock of quasi money: \$NA

Stock of domestic credit: \$1.824 trillion (31 December 2008)

Market value of publicly traded shares: \$456.2 billion (31 December 2008)

Agriculture - products: grains, potatoes, sugar beets, fruits, vegetables; livestock

Industries: agroindustries, metal and engineering products, electrical machinery and equipment, chemicals, petroleum, construction, microelectronics, fishing

Industrial production growth rate: -8% (2009 est.)

Electricity - production: 97.19 billion kWh (2007 est.)

Electricity - consumption: 110.2 billion kWh (2007 est.)

Electricity - exports: 9.28 billion kWh (2008 est.)

Electricity - imports: 25.01 billion kWh (2008 est.)

Oil - production: 72,090 bbl/day (2008 est.)

Oil - consumption: 962,900 bbl/day (2008 est.)

Oil - exports: 1.647 million bbl/day (2008 est.)

Oil - imports: 2.678 million bbl/day (2008 est.)

Oil - proved reserves: 100 million bbl (1 January 2009 est.)

Natural gas - production: 84.69 billion cu m (2008 est.)

Natural gas - consumption: 48.34 billion cu m (2008 est.)

Natural gas - exports: 61.72 billion cu m (2008 est.)

Natural gas - imports: 25.34 billion cu m (2008 est.)

Natural gas - proved reserves: 1.416 trillion cu m (1 January 2009 est.)

Current account balance: \$33.72 billion (2009 est.)

Exports: \$397.6 billion (2009 est.)

Exports - commodities: machinery and equipment, chemicals, fuels; foodstuffs

Exports - partners: Germany 25.5%, Belgium 13.8%, France 8.9%, UK 8.8%, Italy 5.2% (2008)

Imports: \$358.9 billion (2009 est.)

Imports - commodities: machinery and transport equipment, chemicals, fuels, foodstuffs, clothing

Imports - partners: Germany 16.6%, China 10.1%, Belgium 8.7%, US 7.5%, UK 5.8%, Russia 5.4%, France 4.4% (2008)

Reserves of foreign exchange and gold: \$NA (31 December 2009 est.)