



# TRADE FOCUSED COUNTRY REPORTS

## NETHERLANDS

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NETHERLANDS

JANUARY 2024

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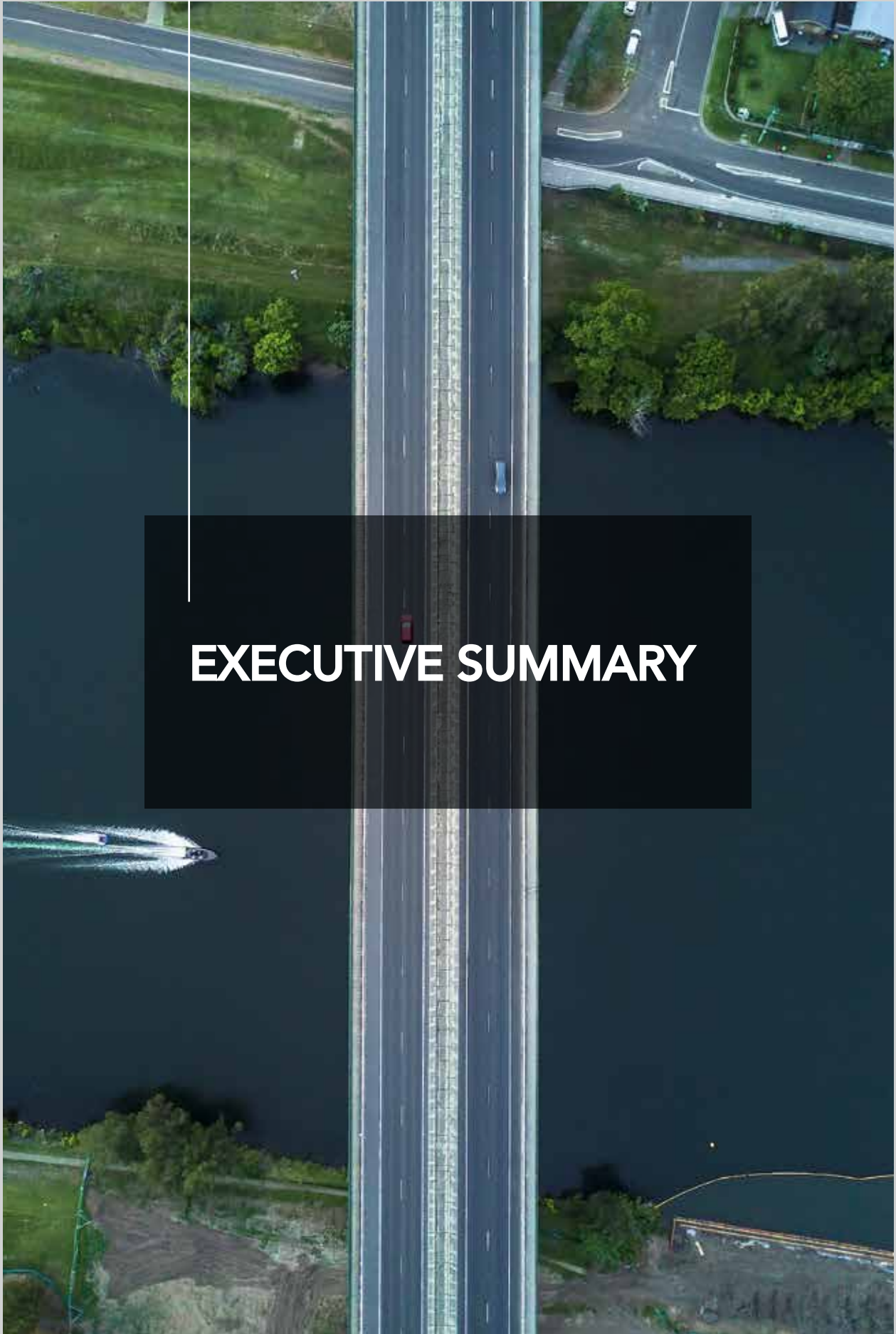
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## 1 GLOSSARY OF TERMS AND ABBREVIATIONS SUMMARY

<b>APA</b>	Advance Pricing Agreements
<b>ATR</b>	Advance Tax Rulings
<b>BTI</b>	Binding Tariff Information
<b>BV</b>	Private Limited Company
<b>CAGR</b>	Compound Annual Growth Rate
<b>GSP</b>	Generalised System of Preferences
<b>ECI</b>	Economic Complexity Index
<b>EEA</b>	European Economic Area
<b>EU</b>	European Union
<b>FDI</b>	Foreign Direct Investment
<b>FTA</b>	Free Trade Agreement
<b>GDP</b>	Gross Domestic Product
<b>GDPR</b>	General Data Protection Regulation
<b>HIDC</b>	Holland International Distribution Council
<b>ITC</b>	International Trade Center
<b>JE</b>	Jordan Exports
<b>NEN</b>	The Royal Netherlands Standardization Institute
<b>NFIA</b>	Netherlands Foreign Investment Agency
<b>NV</b>	Public Limited Company
<b>NVWA</b>	The Netherlands Food and Consumer Product Safety Authority
<b>RoO</b>	Rules of Origin
<b>SEDIA</b>	Single Electronic Data Interchange Area
<b>SPS</b>	Sanitary and Phytosanitary Measures
<b>TBT</b>	Technical Barriers to Trade
<b>TEUs</b>	Twenty-Foot Equivalent Unit
<b>VAT</b>	Value-added Tax
<b>WTO</b>	World Trade Organization



# EXECUTIVE SUMMARY

## 2 EXECUTIVE SUMMARY

### Report Overview:

This comprehensive report offers valuable insights into the economic landscape and trade opportunities in the Netherlands, particularly highlighting the evolving significance of the relationship between Jordan and the Netherlands. Designed for business owners, investors, and policymakers, the report serves as a pivotal entry point to understanding the Netherlands' dynamic market, its potential for growth, collaboration, and its relevance for Jordanian stakeholders.

### Demographics:

The Netherlands, nearing a population of 18 million and projected to grow to 20.7 million by 2070, boasts a demographic largely comprising an older consumer base, aged between 52 to 76. This older consumer base influences specific market preferences, especially in health, leisure, and sustainable products. The nation has a balanced gender split and a diverse religious landscape, with 24% identifying as Roman Catholics and 5% as Muslims.

### Economic Stability and Growth:

The Netherlands has showcased varied GDP growth rates over the decades. Following a peak of 4.2% around 2000, a decline to 1.3% in 2019 was soon overturned with a rebound to 4.9% in 2021 and 4.5% in 2022. This demonstrates the country's economic resilience, further supported by sectors such as technology, agriculture, and services. Ranking 17th globally in GDP in 2021, the Netherlands also ranked 6th in exports and 8th in imports, reflecting its economic complexity and diversity.

### Market Opportunities:

The ITC underscores that for Jordanian exporters, the top export potential to the Netherlands lies predominantly in apparel, valued at \$44 million. This is complemented by chemicals at \$32 million, mineral resources at \$8.8 million, and fertilisers at \$6.7 million. These sectors have shown a growth trend in recent years, suggesting a burgeoning demand.



### **Investment Climate:**

The Netherlands is a hub for multinationals, primarily focusing on the wholesale and retail sectors. While 30% of Dutch firms operate in specialised services, foreign multinationals, especially from the US, Germany, and other European nations, show a predilection towards wholesale and retail at 38%. Factors such as a stable economy, transparent regulations, and a central location in Europe make the Netherlands especially appealing. Companies can choose between corporate and non-corporate structures, with the private limited company (bv) being predominant.

### **Customs and Tariffs:**

EU customs duties on imports are based on classification, valuation, and origin. Dutch Customs provide a Binding Tariff Information (BTI) to elucidate classifications. The Netherlands' standard VAT is set at 21%, with essentials enjoying a reduced rate of 9%. Notably, from 2023, solar panels on private homes will be subjected to a 0% VAT rate, reflecting the nation's push towards sustainability.

### **Conclusion:**

Navigating the Dutch market necessitates a holistic understanding of its multifaceted regulatory landscape. The intricacies of VAT structures, key trade agreements like the EU-Jordan deal, and the emphasis on adherence to well-established standards underscore the Netherlands' rigorous market standards. However, this robust framework, combined with the nation's commitment to transparency and innovation, positions the Netherlands as an attractive and stable market. Jordanian enterprises can leverage available resources, tapping into the vast potential of the Dutch market effectively.

### **Methodology:**

This study employed a desktop research method, sourcing data from reputable public sources. While focusing on underlying market dynamics, import-export statistics, and import requirements, it also seeks to offer an in-depth perspective on merchandise opportunities within the context of Jordanian exports.



## 3 COUNTRY PROFILE

### 3.1 Location

The Netherlands, often referred to as Holland, is located in Northwestern Europe and has additional territories in the Caribbean. It is the principal country within the Kingdom of the Netherlands, which encompasses Aruba, Curaçao, and Sint Maarten. In Europe, the Netherlands is divided into twelve provinces and shares borders with Germany to the east and Belgium to the south. It has a coastline along the North Sea to the north and west. It also has maritime boundaries with these neighbouring countries and with the United Kingdom. The official language of the Netherlands is Dutch, while West Frisian holds secondary official status in the province of Friesland. The major cities in the Netherlands are Amsterdam, Rotterdam, The Hague, and Utrecht.<sup>1</sup>



Figure 1: Netherlands Map

Source: Google Maps

### 3.2 Demographics

**In 2023, the Netherlands recorded a population of approximately 17.9 million.** Market projections indicate a consistent growth trend for the Dutch populace over the next five decades, anticipating a rise close to 20.7 million residents by 2070.<sup>2</sup>

**As of 1 January 2022, the Netherlands had a population comprising 8,745,468 males and 8,845,204 females.** This demographic distribution equates to 99 males for every 100 females. While younger age groups have a slight predominance over males, females outnumber males in the senior age brackets.<sup>3</sup>

**In the Netherlands, the average age is currently 42.4 years.** To put this in perspective, it was 33.2 in 1975 and 30.8 in 1950. The main reason for this change is that there are more older people and fewer younger ones. Many Dutch people were born between 1946 and 1970, a period after World War II when there was a baby boom. By 2022, these individuals were aged between 52 and 76.<sup>4</sup>

**Religious freedom is a fundamental right protected by the Dutch constitution.**<sup>5</sup> The Netherlands practises a clear separation between church and state, ensuring there isn't a designated state religion. Among Dutch adults aged 18 and over, half identify with a religious group or denomination. The key focus here is on the personal faith experience:

- The majority religious group is Roman Catholics, representing 24% of this population.
- Among Protestants, 6% align with the reformed church, another 6% are part of the PKN (Protestant Church in the Netherlands), while 3% identify as Reformed/Calvinist.
- Muslims make up approximately 5%.
- A further 6% belong to other religions, such as Judaism, Hinduism, or Buddhism.

<sup>1</sup> European Parliament. (2022). [online] Available at: <https://bit.ly/3PUhxJ6>

<sup>2</sup> Statistics Netherlands. (2021). Population counter. [online] Available at: <https://bit.ly/3RZ55KL>

<sup>3</sup> Ibid, <https://bit.ly/3s0ecA1>

<sup>4</sup> Ibid, <https://bit.ly/3StDiSU>

<sup>5</sup> Europa.eu. (2022). Population: demographic situation, languages and religions. [online] Available at: <https://bit.ly/48QLLfo>

### 3.3 Trade and the Economy

Over the past few decades, the annual Gross Domestic Product (GDP) growth rate in the Netherlands has seen notable variations. At the turn of the millennium, in 1999 and 2000, growth remained consistent at 4.2%. By 2019, there was a significant slowdown, with the rate dropping to 1.3%. However, a resurgence was observed in subsequent years, with growth rates of 4.9% in 2021 and 4.5% in 2022. This trajectory suggests that after a period of robust economic performance in the late 1990s, followed by a slower phase in 2019, the Dutch economy bounced back strongly in the early 2020s. The steady growth rates in 2021 and 2022 highlight a resilient economy adapting to both global and domestic factors.<sup>6</sup>

In 2021, the Netherlands ranked as the 17th largest global economy based on GDP (measured in current US\$). It held the 6th position for total exports and the 8th for total imports. In terms of GDP per capita (using current US\$), the country was the 13th largest. Additionally, according to the Economic Complexity Index (ECI), the Netherlands was the 22<sup>nd</sup> most complex economy.<sup>7</sup> This demonstrates that the Dutch economy is diversified and not dependent on a small number of industries. It exhibits a high level of economic sophistication and a diverse array of exports and industries, resulting in a robust and adaptable economy.

In 2022, the Netherlands reported a per capita GDP of over 53 thousand euros, positioning it fourth among 28 European Union countries.<sup>8</sup> This was an improvement from its fifth-place ranking in 2021. The per capita GDP in 2022 grew by 3.5% from the prior year, whereas in 2021, it grew by 4.3%. This indicates a consecutive two-year robust growth in per capita GDP for the Netherlands. By 2022, it had surpassed the GDP levels of 2019, which was the last year before the pandemic's onset.

Unemployment in the Netherlands has seen minor changes over recent years. According to the World Bank, it dropped from 4.8% in 2017 to 3.4% in 2019. However, it rose slightly to 4.2% in 2021 before falling again to 3.5% in 2022. This shows that while there were periods of increased unemployment, the situation improved in 2022.<sup>9</sup>

#### Definitions:

**Gross Domestic Product (GDP):** Evaluates the monetary value of ultimate goods and services, specifically those acquired by end consumers, generated inside a country within a certain timeframe, such as a quarter or a year [IMF. <https://bit.ly/3rhjMhJ>].

**GDP per capita, PPP:** Is a way to compare the average income of people in different countries, considering variations in the cost of living. It is like using a universal currency (international dollar) that has the same buying power everywhere, similar to the U.S. dollar in the United States. This Indicator accounts for all economic activity within a country, including taxes on products and excluding subsidies, without adjusting for asset depreciation or natural resource changes. It helps assess real income levels globally. [World Bank, <https://bit.ly/3LzoOwC>]

**Economic Complexity Index (ECI):** Rank of countries determined by the complexity and diversity of their export portfolio. Countries that possess a significant range of productive knowledge, particularly in highly specialised knowledge, have the capacity to generate a wide array of sophisticated goods [The Atlas of Economic Complexity, <https://bit.ly/4538NpA>].

<sup>6</sup> Worldbank.org. (2023). CountryProfile. [online] Available at: <https://bit.ly/45BbEGm>

<sup>7</sup> OEC. (2021). Netherlands (NLD) Exports, Imports, and Trade Partners | OEC. [online] Available at: <https://bit.ly/3QgEZkR>

<sup>8</sup> Statistics Netherlands (2023). Dutch GDP per capita ranks fourth in the EU. [online] Available at: <https://bit.ly/46vJ6iL>

<sup>9</sup> World Bank Open Data. (2023). Unemployment, total (% of total labour force) (national estimate) – Netherlands. [online] Available at: <https://bit.ly/3rWd28E>

## 3.4 Goods Trade

### 3.4.1 Export of Goods

In 2022, the value of exported goods from the Netherlands reached US\$ 770.3 billion, ranking 4<sup>th</sup> out of 230 countries.<sup>10</sup> The Compound Annual Growth Rate (CAGR) was 7% between 2018 and 2022.<sup>11</sup> Key exports in 2022 included mineral fuels (primarily refined petroleum) at \$169.6 billion, machinery and mechanical appliances (largely semiconductor manufacturing equipment) at \$87.3 billion, electrical machinery and equipment at \$64.2 billion, and medical equipment at \$41.6 billion.<sup>12</sup> The main export destinations were Germany (\$188.8 bn), Belgium (\$92.7 bn), France (\$62.2 bn), the United Kingdom (\$46.1 bn), and the United States (\$36.2 bn).<sup>13</sup>



### 3.4.2 Import of Goods

In 2022, the Netherlands' imported goods were valued at US\$ 712.8 billion, placing it 7<sup>th</sup> among 230 countries.<sup>14</sup> The CAGR rate was 8% between 2018 and 2022.<sup>15</sup> The leading imports in 2022 included mineral fuels (primarily crude petroleum) valued at \$179.7 billion, electrical machinery at \$75.8 billion, industrial machinery at \$70.9 billion, and precision instruments at \$24 billion.<sup>16</sup> The primary sources for these imports were Germany (\$108.8 bn), Belgium (\$71.6 bn), China (\$67.6 bn), the United States (\$60.2 bn), and the United Kingdom (\$44.4 bn).<sup>17</sup>

## 3.5 Services Trade<sup>18</sup>

Trade in services plays a crucial role in the Dutch economy. In 2020, revenues from service exports made up roughly 12% of the Netherlands' GDP. In the same year, service exports were connected to over a million full-time jobs, either directly or indirectly.

### 3.5.1 Exports of Services

In business service exports, "technical and trade-related services" come top at €30.2 billion, encompassing areas such as architecture, engineering, and mining-related services. Professional consulting follows at €26.1 billion, covering legal, accounting, management consulting, and market research.

### 3.5.2 Imports of Services

In 2021, Dutch service imports were valued at over €200 billion, a 7% increase from 2020. However, they were still 15% and 8% lower than 2019 and 2018 levels, respectively. While the pandemic affected these figures, other factors, such as the global restructuring of financial and service flows by major companies, also influenced them. Over a third of Dutch imports are business services, with transport, intellectual property payments, telecommunications, computer services, and financial services following.

<sup>10</sup> ITC. (2022). Trade Map - List of importing markets for a product exported by Netherlands. [online] Available at: <https://bit.ly/3tvUk8z>

<sup>11</sup> The Compound Annual Growth Rate (% CAGR) has been calculated based on the annual growth rate of the Netherlands exports to global destinations, utilizing data sourced from ITC spanning the years 2018 to 2022. This measurement gives us a yearly growth rate, ironing out any ups and downs to present a stable, year-over-year growth rate.

<sup>12</sup> Ibid, <https://bit.ly/3ZVA7ox>

<sup>13</sup> Ibid, <https://bit.ly/3M2GxN7>

<sup>14</sup> Ibid, <https://bit.ly/3kNkDTI>

<sup>15</sup> The Compound Annual Growth Rate (% CAGR) has been calculated based on the annual growth rate of the Netherlands import from global destinations, utilizing data sourced from ITC spanning the years 2018 to 2022.

<sup>16</sup> Ibid, <https://bit.ly/46TO3St>

<sup>17</sup> Ibid, <https://bit.ly/3ZU2dk0>

<sup>18</sup> Statistics Netherlands. (2022). Dutch Trade in Facts and Figures: Exports, imports & investment. PP.83 – 91.

### 3.6 PESTEL Analysis

<b>Political</b>	<ul style="list-style-type: none"> <li>• A stable and transparent political environment, strong rule of law, and minimal corruption make the Netherlands attractive for business.</li> <li>• Diverging foreign policies between the EU and Jordan might lead to increased scrutiny or potential trade restrictions for Jordanian exports to the Netherlands.</li> </ul>
<b>Economical</b>	<ul style="list-style-type: none"> <li>• High purchasing power and a developed economy mean consumers are willing to pay for quality products.</li> <li>• With advanced infrastructure, and strategic location, including key hubs like the Port of Rotterdam and Amsterdam Airport, the country offers a business-friendly environment for international enterprises.</li> <li>• Competition from EU members might offer more economically attractive options for consumers.</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• A multicultural society that is open to trying foreign products and services.</li> <li>• Local cultural preferences and tastes might require exporters to adjust their product offerings.</li> </ul>
<b>Technological</b>	<ul style="list-style-type: none"> <li>• Advanced infrastructure facilitates smooth trade processes and online sales.</li> <li>• High standards for technological products might pose challenges for some exporters</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• A strong emphasis on sustainability can be a selling point for eco-friendly products from Jordan.</li> <li>• High environmental standards might pose challenges for exporters not familiar with green practices.</li> </ul>
<b>Legal</b>	<ul style="list-style-type: none"> <li>• Clear legal frameworks provide transparency in business operations.</li> <li>• Stringent regulations and standards, particularly for food and agricultural products, might pose barriers.</li> </ul>

Table 1: PESTEL analysis

Positive  
Negative

Sources: United States Department of State. (2022). The Netherlands - United States Department of State. [online] Available at: <https://bit.ly/3tyJzIQ> Statistics Netherlands. (2022). Dutch Trade in Facts and Figures: Exports, imports & investments.

\*\*\* Points within the PESTEL section may reflect the author's personal judgement and interpretations, and are not solely based on cited sources.



# FOREIGN TRADE REGULATIONS

## 3.7 Foreign Trade Regulations

### Import Process Overview<sup>19</sup>

For Jordanian exporters aiming to penetrate the Dutch market, understanding the Netherlands' import regulations is vital. Here is a step-by-step guide based on the obtained information:

- 1. Product Compliance with EU Standards:** Before exporting, ensure your products comply with European Union (EU) standards, such as product compliance.<sup>20</sup> The Netherlands, being an EU member, strictly adheres to these standards.
- 2. Declaration to Customs:** Upon arrival in the Netherlands, a declaration to Dutch customs is mandatory. This can be done digitally through the Customs Manifest (DMF) system. This system electronically manages and shares data about transport methods and products entering the EU. To send electronic notifications, one needs to register. You can do this by filling out the 'Electronic Messaging Registration' application form.<sup>21</sup>
- 3. EORI Number:** As an exporter, you must have an Economic Operators Registration and Identification (EORI) number. This number is essential for interacting with any EU customs authority.
- 4. Safety and Health:** The Netherlands is rigorous about product safety and health regulations. Ensure your products do not contain any prohibited substances and meet Dutch safety standards. For instance, the Netherlands Food and Consumer Product Safety Authority (Nederlandse Voedsel en Warenautoriteit, NVWA) reviews the phytosanitary certificate of a shipment's country of origin and its identity.<sup>22</sup>
- 5. Consumer Protection:** Products should be labelled correctly, providing all necessary information to consumers. This includes, but is not limited to, usage instructions, ingredients, and potential risks.
- 6. Environmental Regulations:** The Netherlands places a significant emphasis on sustainability. Adhere to Dutch environmental regulations, which may include packaging, energy consumption, and waste management directives.
- 7. Pay Import Duties:** Once the products are cleared by customs, relevant import duties and VAT must be paid. The exact amount varies depending on the product and its origin.
- 8. Customs Declaration:** When exporting products to the Netherlands from outside the EU, including Jordan, the representative within the EU typically handles the customs declaration to classify the products as Union goods. Often, this is the importer. However, the exporters may be responsible in certain situations, such as when using the **Incoterm® Delivered Duty Paid**.<sup>23</sup>

<sup>19</sup> Netherlands Enterprise Agency. RVO (2022). Importing products into the Netherlands: regulations. [online] Available at: <https://bit.ly/3RY28Kg>

<sup>20</sup> More information on product compliance can be accessed via this link: <https://bit.ly/3Q0qY9X>

<sup>21</sup> The form can be accessed via this link: <https://bit.ly/3Fk9tw6>

<sup>22</sup> To download the "Checklist Requirements for phytosanitary certificate import," (only available in Dutch) refer to this link: <https://bit.ly/3QikLY8>

<sup>23</sup> Under DDP Incoterm guidelines, the seller covers all duties and costs to deliver goods to the specified destination. This includes all export and import charges, taxes, and fees.

### 3.8 Labelling Regulations

#### Overview

Most food and consumer goods in the Netherlands necessitate labelling. For food, details such as expiration dates and E numbers are essential. Meanwhile, clothing items should mention aspects, including material composition. There are particular criteria for many items concerning the details on the label, including:<sup>24</sup>

Product Category	Description
Food products	<a href="https://business.gov.nl/regulation/labelling-food/">https://business.gov.nl/regulation/labelling-food/</a>
Tobacco products	<a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:c11567">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:c11567</a>
Clothing and textiles	<a href="https://business.gov.nl/regulation/labelling-clothing/">https://business.gov.nl/regulation/labelling-clothing/</a>
Cosmetic products	<a href="https://business.gov.nl/regulation/cosmetic-products/">https://business.gov.nl/regulation/cosmetic-products/</a>
Household chemicals	<a href="https://business.gov.nl/regulation/classification-labelling-packaging-chemical-substances-mixtures/">https://business.gov.nl/regulation/classification-labelling-packaging-chemical-substances-mixtures/</a>
Washing and cleaning products	<a href="https://business.gov.nl/regulation/washing-cleaning-products/">https://business.gov.nl/regulation/washing-cleaning-products/</a>
Energy labels	<a href="https://business.gov.nl/regulation/energy-labels/">https://business.gov.nl/regulation/energy-labels/</a>
Fertilisers	<a href="https://business.gov.nl/regulation/artificial-fertilisers-biostimulants/">https://business.gov.nl/regulation/artificial-fertilisers-biostimulants/</a>
Aerosols dispensers	<a href="https://single-market-economy.ec.europa.eu/sectors/pressure-equipment-and-gas-appliances/pressure-equipment-sector/aerosol-dispenser-directive_en">https://single-market-economy.ec.europa.eu/sectors/pressure-equipment-and-gas-appliances/pressure-equipment-sector/aerosol-dispenser-directive_en</a>
Toys	<a href="https://single-market-economy.ec.europa.eu/sectors/toys/toy-safety_en">https://single-market-economy.ec.europa.eu/sectors/toys/toy-safety_en</a>

<sup>24</sup> Netherlands Enterprise Agency, RVO (2023). Labelling. [online] Available at: <https://business.gov.nl/regulation/labelling/>



**MARKET ACCESS**



## 4.1 Trade Agreements with Jordan

Agreement	Overview	Benefits to Jordanian Exporters
Decision on the agreement in the form of a Protocol between the European Union and the Hashemite Kingdom of Jordan establishing a dispute settlement mechanism. <sup>25</sup>	This protocol provides a framework for the resolution of trade-related disputes between the EU (of which the Netherlands is a part) and Jordan. It ensures that any disagreements regarding trade practices, tariffs, or policies can be addressed in a structured and amicable manner.	This mechanism provides Jordanian exporters with a sense of security, knowing that any potential trade disputes with Dutch (or other EU) entities can be resolved systematically. It assures exporters that their interests will be protected, potentially encouraging more Jordanian enterprises to explore the Dutch market.
Euro-Mediterranean Agreement. <sup>26</sup>	The Euro-Mediterranean Agreement, also known as the Barcelona Process, aims to establish a comprehensive partnership between the European Union and Mediterranean countries, including Jordan. The partnership revolves around three primary dimensions: political and security dialogue, economic and financial partnership, and social, cultural, and human partnership. Trade liberalisation is a pivotal component of this agreement.	This agreement provides Jordanian exporters with easier access to EU markets, including the Netherlands, by reducing trade barriers and tariffs. It facilitates smoother trade flows and fosters a more conducive environment for business collaborations.



## 4.2 Bilateral trade between Jordan and Netherlands in 2022

Trade Indicators	Value 2022
Total trade (Imports and Exports), in \$mn	276.8 ↓
Total Jordanian Imports (in \$mn)	151.9 ↓
Jordan's rank in Netherlands global exports <sup>27</sup>	82 ↓
Total Jordanian Exports (in \$mn)	124.8 ↑
The Netherlands rank in Jordan's global exports <sup>28</sup>	12 ↑

Table 2: Jordanian-Dutch Bilateral Trade Overview in 2022

Source: ITC Trade Map. (2022)

<sup>25</sup> Europa.eu. (2023). EUR-Lex - JOL\_2011\_177\_R\_0001\_01 - EN - EUR-Lex. [online] Available at: <https://bit.ly/3tG42F7>

<sup>26</sup> Europa.eu. (2021). EUR-Lex - 22002A0515(02) - EN - EUR-Lex. [online] Available at: <https://bit.ly/3Q6ieyT>

<sup>27</sup> Promotion and Protection of Investments. [online] Available at: <https://bit.ly/3EB4KGd>

<sup>28</sup> Refers to the target country's rank on the list of markets for products imported by Jordan.

According to the International Trade Centre (ITC), Jordan's exports to the Netherlands, based on data reported by Jordan, amounted to around US\$ 124.8 million in 2022.<sup>29</sup> Key products included fertilisers, with an export value of around US\$ 54 million, followed by apparel and clothing accessories (US\$ 33 mn), and mineral fuels and oils (US\$ 22.1 mn). Over the past 8 years, Jordan's exports to the Netherlands have shown consistent growth, with a CAGR of 18%.<sup>30</sup> In 2015, Jordan's exports to the Netherlands stood at a value of \$32,215 million. This figure saw a steady growth, reaching \$60,752 million by 2021. However, a significant surge was noted in that year, with the export value skyrocketing to \$124,862 million. A primary factor behind this dramatic increase was the escalating demand for fertilisers, triggered by the Russia-Ukraine conflict. To put this into perspective, while the exports of fertilisers from Jordan to the Netherlands were valued at a modest \$4.9 million in 2015,<sup>31</sup> they witnessed monumental growth, amounting to approximately \$50 million by 2022.

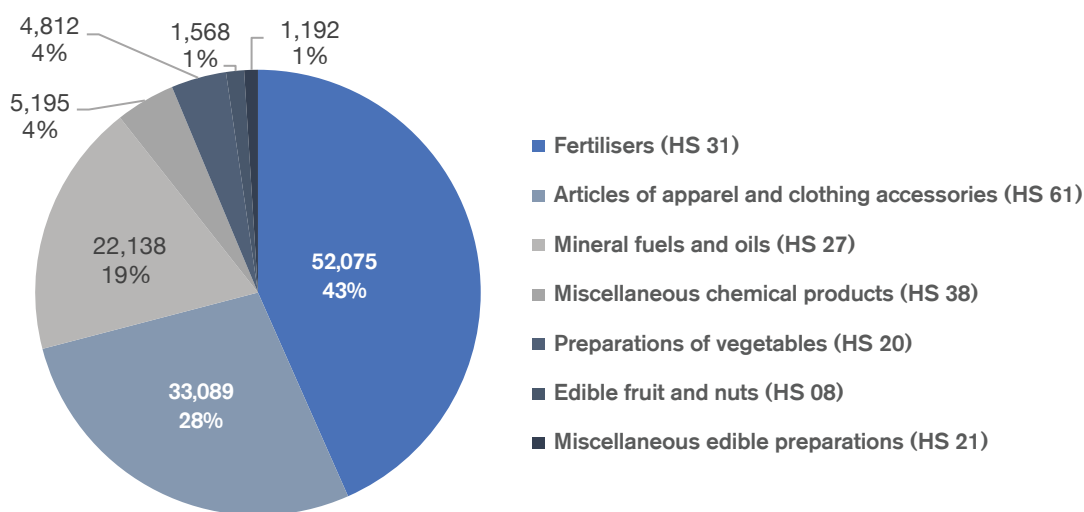


Figure 2: Jordan Top Exports to the Netherlands (\$USD Thousand and %)

Source: ITC Trade Map. (2022)

The Netherlands, in turn, exported in 2022, US\$ 151.9 million worth of goods to Jordan, as reported by Jordan.<sup>32</sup> Key products are primarily comprised of preparations of cereals, with an export value of around US\$ 18.8 million, followed by cocoa (US\$ 16.7 mn), preparations of vegetables (US\$ 12 mn). Over the past 8 years, Dutch exports to Jordan have decreased, with a compound annual growth rate (CAGR) of -6%. In 2015, exports were valued at US\$ 209.4 million, declining to US\$ 151.9 million in 2022, as reported by Jordan.<sup>33</sup>

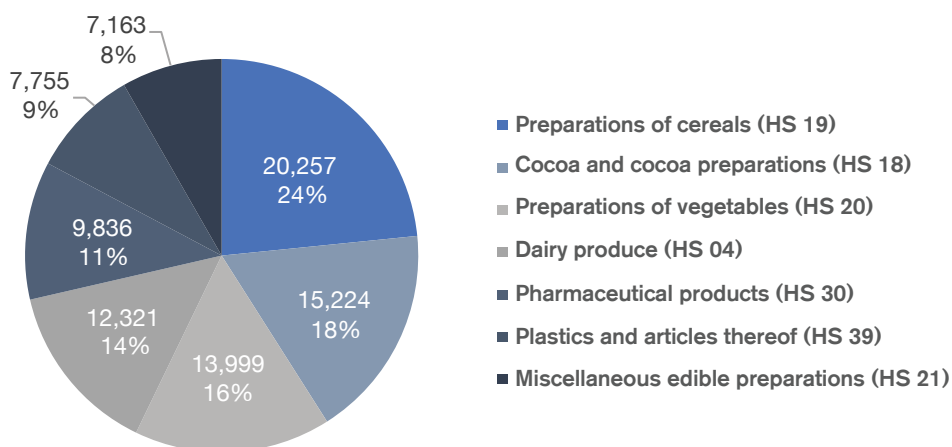


Figure 3: Jordan Top Imports from the Netherlands (\$USD Thousand &%)

Source: ITC Trade Map. (2022)

<sup>29</sup> ITC. (2022). Trade Map. Bilateral trade between Jordan and Netherlands in 2022. [online] Available at: <https://bit.ly/48rMrB0>

<sup>30</sup> The Compound Annual Growth Rate (% CAGR) has been calculated based on the annual growth rate of Jordan's exports to global destinations, utilising data sourced from ITC spanning the years 2015 to 2022. This metric provides a measure of the annual growth rate over the specified period, smoothing out fluctuations to show a consistent annualized growth rate

<sup>31</sup> Ibid, <https://bit.ly/3QIXSmt>

<sup>32</sup> ITC. (2022). Trade Map - Bilateral trade between Jordan and Netherlands. [online] Available at: <https://bit.ly/3QIZfBD>

<sup>33</sup> Ibid, <https://bit.ly/3QIZfBD>

## 4.3 Tariff and Non-Tariff Trade Measures

### 4.3.1 Tariff Measures

#### Import Tariffs<sup>34</sup>



Three key factors determine the customs duties on goods imported into the EU from external countries:

**Classification:** Customs duties vary based on how goods are categorised in the EU Combined Nomenclature. This classification determines if duties are based on value, set volume amounts, or have no charges. Dutch Customs can issue a Binding Tariff Information (BTI) to provide clarity on classification for all EU member states.

**Valuation:** The value of goods, particularly those with ad valorem customs duties, is based on the transaction value method, using the actual price paid. This includes considerations like freight, insurance, R&D costs, or royalty payments. Transactions between related parties are accepted, but prices must adhere to arm's length principles. Identifying the correct basis for customs value can be complex due to multiple transactions or the EU's interpretation of rules.

**Origin:** The EU's numerous trade agreements and arrangements with countries allow certain goods to have reduced or zero customs duty rates if they meet strict origin criteria. While new agreements continue to emerge, the EU can also implement additional duties, such as anti-dumping or safeguard measures, for goods from specific countries.

#### Value Added Tax (VAT)<sup>35</sup>



The Netherlands has a standard VAT rate of 21%, with a reduced rate of 9% for essentials like food, drinks, and specific labour-intensive services.

From 2023, a 0% VAT rate will be introduced for the supply and installation of solar panels on private dwellings, including those used as roofing materials.

While certain services like education and medical care are VAT-exempt, it is vital to distinguish that VAT on costs for exempt services cannot be offset, unlike zero-rated transactions which allow full input VAT deduction.

#### EU-Jordan Relaxed Rules of Origin<sup>36</sup>



The agreement between the European Union (EU) and Jordan in July 2016, amended in 2018, simplifying the Rules of Origin (RoO), also known as the Relaxation or Simplified RoOs, has a term of 10 years, expiring on 31 December 2030, covering 52 industrial categories.

The agreement enables Jordanian exporters aiming to access the European Union's single market to benefit from the same rule of origin scheme as the Least Developed Countries under the European Union Generalised System of Preferences (GSP). The GSP helps developing countries by facilitating their exports to the European Union. This is achieved by applying reduced tariffs for their goods when entering the European Union market.

To meet the agreement rules, at least 70% of the product's value, based on the price when it is first made in the factory (ex-works price), must come from Jordan.<sup>37</sup>

In 2019, Jordan Chamber of Industry (JCI) performed a study that presented a comprehensive list of products that may benefit from the agreement. This list consisted of 622 items categorised at the HS 4-digit level and was broken down according to the industrial sub-sector, as indicated in the following table:<sup>38</sup>

Industrial Subsector	Number of sub-chapters (HS4)
Engineering, Electrical and Information Technology Industries	266
Chemical Industries and Cosmetic Preparations	137
Textile and Readymade Garments Industries	121
Construction Industry	49
Plastic and Rubber Industries	31
Wood and Furniture Industries	18
Total	622

**Table 4: Distribution of Main Investment Opportunities According to Industrial Subsectors**

Source: JCI. (2019)

<sup>34</sup> PWC.NL. (2023). Doing Business in the Netherlands 2023. p.34. [online] Available at: <https://pwc.to/3FoH5ce>

<sup>35</sup> Ibid, p.33.

<sup>36</sup> JCI. (2019). EU-Jordan Relaxed Rules of Origin: The Initiative's Potential to Attracted Investment for Employment. Available at: <https://jci.org.jo/investment/img/investen1.pdf>.

<sup>37</sup> Ibid.

<sup>38</sup> Ibid. P. 34

## 4.3.2 Non-Tariff Measures

### Import Prohibitions Restrictions



The Netherlands has import restrictions or prohibitions on the following items:<sup>39</sup>

- Waste material
- Radioactive substances and nuclear material
- Cash and securities above a certain threshold
- Pets
- Counterfeit articles
- Protected animal and plant species
- Animal products and foodstuffs
- Plants, flowers, fruit and vegetables (phytosanitary products)
- Weapons, ammunition and dummy weapons and explosives
- Medicines
- Drugs and drug precursors
- Cultural goods (such as art and antiques)
- Pleasure crafts (boats)
- Cars and motorcycles

### Standards and Technical Regulations<sup>40</sup>



#### European Union Standards

The Netherlands follows EU product standards. This ensures consumer and environmental safety.

#### National Standards Body:

The key standards institution in the Netherlands is the Royal Netherlands Standardization Institute, known as NEN. This body oversees the administration of international, European, and Dutch national standards.

#### Standards Overview:

The NEN is responsible for managing over 31,000 standards within the country. This collection includes international (ISO, IEC), European (EN), and national (NEN) standards. There are approximately 800 standards committees in the Netherlands, which collectively consist of around 5,000 members.

#### Publication of Technical Regulations:

The European Union's official publication is the Official Journal, which is accessible daily online. It encompasses series that detail adopted legislation, case studies, and committee research. This journal can be located on the "EUR-Lex" website.<sup>41</sup> Moreover, National Technical Regulations are disseminated on the Commission's website, offering an opportunity for external entities and nations to provide feedback.<sup>42</sup>

### Certification and Conformity Assessment<sup>43</sup>



#### Testing, Inspection, and Certification:

For Jordanian exporters intending to sell products in the Netherlands, it is imperative to ensure the product bears the CE marking if it falls under specific product legislation.

#### Reviewing Proposed Technical Regulations and Conformity Assessment Procedures:

The ePing SPS&TBT platform<sup>44</sup> offers an extensive database of notifications from World Trade Organisation's (WTO) Members concerning the Agreements on Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT). This platform, available free of charge, allows users to navigate notifications related to past, new, and updated product regulations, food safety standards, animal and plant health standards, and other regulatory measures in desired markets.

### Labelling Requirements



Refer to section 3.9 for guidance on labelling

Table 3 Tariff and Non-Tariff Measures

Source: ITC Trade Map. (2022)

<sup>39</sup> Customs Administration of the Netherlands. (2023). Restricted or prohibited to import / export. [online] Available at: <https://bit.ly/3rZxKEH>

<sup>40</sup> Trade.gov. (2022). Netherlands - Standards for Trade. [online]. Available at: <https://bit.ly/3QoptFTD>

<sup>41</sup> <https://eur-lex.europa.eu/oj/direct-access.html>

<sup>42</sup> <https://technical-regulation-information-system.ec.europa.eu/en/home>

<sup>43</sup> Trade.gov. (2022). Netherlands - Standards for Trade. [online]. Available at: <https://bit.ly/3QoptFTD>

<sup>44</sup> <https://epingalert.org/>

## 4.4 Investment Regulations

### 4.4.1 Overview<sup>45</sup>

Many multinationals in the Netherlands focus on wholesale and retail trade (See Figure 4). While 30% of all Dutch firms provide specialised business services, this is true for only 16% of foreign and 19% of Dutch-owned multinationals. Interestingly, 38% of foreign multinationals operate within the wholesale and retail sector, contrasting with 30% of their Dutch-owned counterparts.

The majority of foreign multinationals in the Netherlands originate from the US, Germany, UK, Belgium, and France, together representing more than 65% of all foreign-owned entities. The US remains predominant, accounting for approximately 2,900 enterprises, equating to 21% of all such foreign entities. Germany is a significant contributor as well, with about 2,200 establishments. It is noteworthy to mention the increasing presence of British enterprises in recent years.

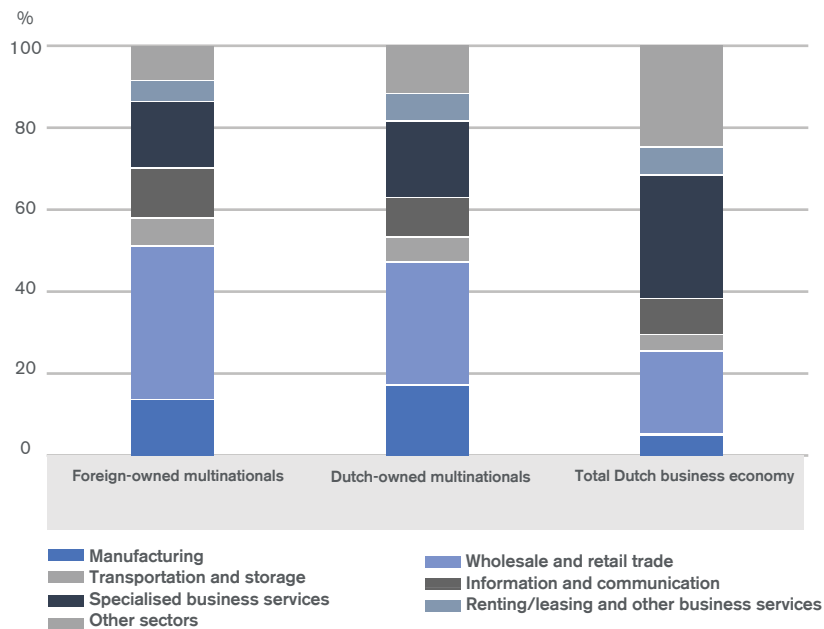


Figure 4: Distribution of enterprises by sector, 2020

Source: Statistics Netherlands. (2022)

### 4.4.2 Starting a Business<sup>46</sup>

In the Netherlands, businesses can operate in multiple formats. They can be categorised as corporate entities with legal standing or non-corporate entities without such status. Alternatively, foreign companies can run their operations via a Dutch branch office.

<sup>45</sup> Statistics Netherlands. (2022). Dutch Trade in Facts and Figures: Exports, imports & investments. P.213

<sup>46</sup> PWC.NL. (2023). Doing Business in the Netherlands 2023. pp.15-18. [online] Available at: <https://pwc.to/3FoH5ce>

## I. Corporate entities

In Dutch law, there are two primary limited liability companies:

1. BV (a private limited company)
2. NV (a public limited company)

Both are legally recognised entities with share-based capital. While they serve similar business functions, the BV is more adaptable. As such, it is the most common corporate structure in the Netherlands, often favoured for its versatility in holding roles within international groups and as an operational entity.<sup>47</sup>

## II. Non-corporate entities

The predominant partnership structures are the general partnership ('vof') and the limited partnership ('cv'). Each necessitates a minimum of two partners, be they individuals or legal entities. The establishment of such partnerships is relatively uncomplicated, requiring merely a partnership agreement, which offers considerable adaptability. Notably, these Dutch partnerships lack legal personality; hence, assets are usually vested in the general partner(s) on behalf of the partnership. These general partners are authorised to undertake legal commitments for the partnership. Generally, depending on their specific structure, Dutch partnerships maintain a transparent tax status.

## III. Branch

One may also establish a Dutch branch of an overseas entity. To do so, the foreign legal entity must register with the Dutch Chamber of Commerce. This branch does not possess its own legal standing; hence, it adheres to the regulations and statutes of the primary foreign entity. All assets of the branch are, by extension, under the purview of the foreign entity. Depending on its commercial functions, the branch might be categorised as a 'permanent establishment' for tax considerations, potentially making its financial transactions subject to Dutch taxation.

### 4.4.2 Taxation<sup>48</sup>

In the Netherlands, international businesses benefit from a competitive tax rate of 19% up to 200,000 euros and 25.8% above that, complemented by various attractive incentives.

In the Dutch tax system, businesses have the opportunity to clarify the tax implications of specific operations or transactions beforehand. **The Dutch Tax Authorities offer Advance Pricing Agreements (APA) and Advance Tax Rulings (ATR):**

**An APA** outlines the intercompany pricing for transactions between related companies, aiming to mitigate potential transfer pricing issues proactively.

**An ATR**, on the other hand, defines a company's tax obligations and rights based on its unique situation.

Both APA and ATR are binding for both the taxpayer and the Dutch Tax Authorities. To secure either, certain criteria must be met. Generally, requests for APA, ATR, and other related matters are addressed by the Dutch Tax Authorities in a timely manner.

Additionally, the Dutch Tax Authorities offer an option for businesses to enter into a cooperative compliance model known as "horizontal monitoring." By adhering to certain conditions and signing a covenant, companies can establish an enhanced relationship with the tax authorities. This not only offers certainty and timely insights but also ensures there are no unexpected tax complications. To benefit from this model, a business must show that it has robust control over its tax processes and risks through a "Tax Control Framework."<sup>49</sup>

<sup>47</sup> For more detailed insights into the advantages and disadvantages of both types of corporates, readers can consult page 18 of the PWC report referenced in footnote 53.

<sup>48</sup> PWC.NL. (2023). Doing Business in the Netherlands 2023. P. [online] Available at: <https://pwc.to/3FoH5ce>

<sup>49</sup> For more detailed information on this model, readers can consult pages 20-21 of the PWC report referenced in footnote 53.



# EXPORT POTENTIAL

## 5.1 Market Opportunities

This section presents an overview of the potential market prospects in the Netherlands that are available for Jordanian companies to explore. The selection of sectors is based on the International Trade Center's (ITC) potential export value in 2027 based on projections of supply, demand, market access conditions and bilateral ease of trade, expressed in US\$. However, taking advantage of these opportunities requires a thorough examination and careful due diligence.

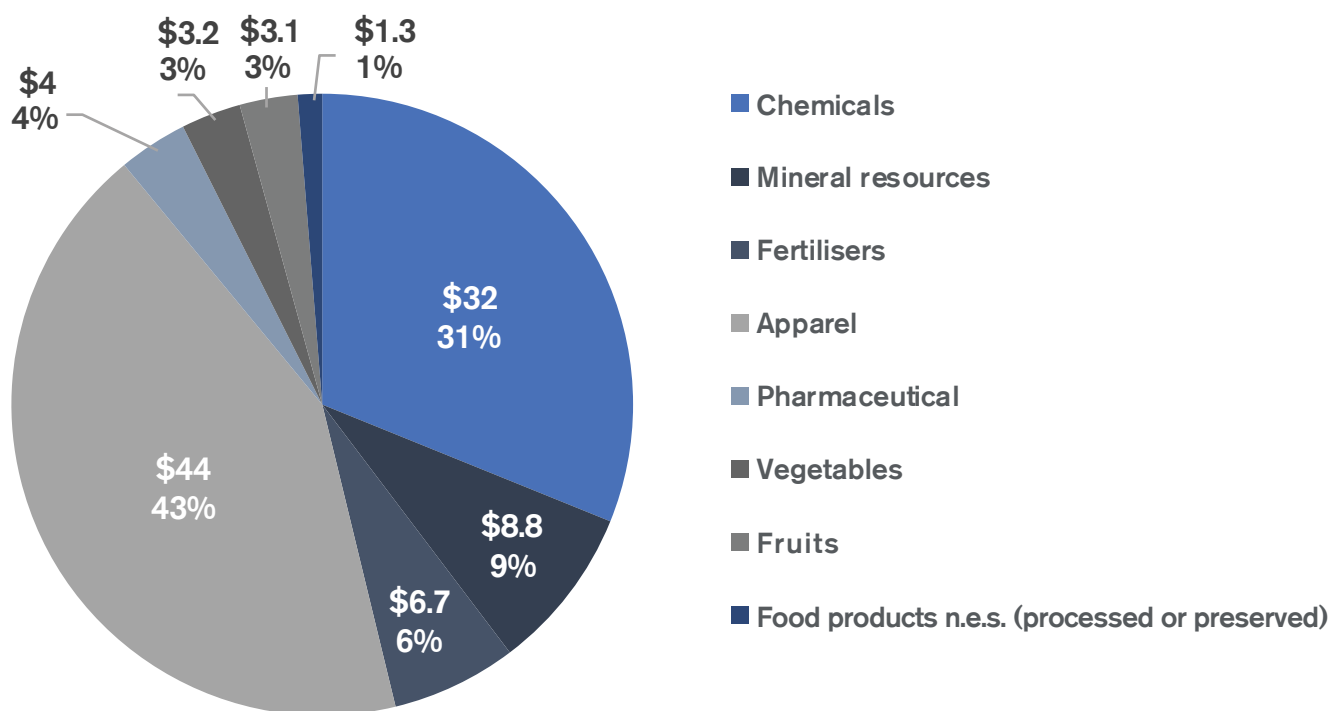


Figure 5: Export Potential Rank – Netherlands (US\$ Million)

Source: ITC. Export Potential Map. (2022)

According to the ITC, the sub-sectors with the highest export potential from Jordan to the Netherlands are dominated by apparel, with an export potential value of \$44 million, followed by chemicals (\$32 mn), Mineral resources (\$8.8 mn) and fertilisers (\$6.7million).<sup>50</sup>

<sup>50</sup> ITC. (2023). Export Potential Map. [online] Available at: <https://bit.ly/45BzRwq>

## 5.2 Tender Alerts

Type of Tender	Portal	Description	Access
Public	<b>ITC Procurement Map</b>	The ITC Procurement Map offers comprehensive data on contract awards and public tenders. URL <a href="https://procurementmap.intracen.org/">https://procurementmap.intracen.org/</a>	Free
Public	<b>TenderNed</b>	TenderNed is the Dutch government's online tendering system, facilitating the entire procurement process for public contracting authorities and businesses. URL <a href="https://bit.ly/3M8MGaB">https://bit.ly/3M8MGaB</a>	Free
Public	<b>Tenders Electronic Daily (TED)</b>	The online edition of the 'Supplement to the Official Journal of the European Union' functions as the designated venue for the publication of public procurement notices in the EU and the European Economic Area (EEA). URL <a href="https://ted.europa.eu/TED/main/HomePage.do">https://ted.europa.eu/TED/main/HomePage.do</a>	Free
Public	<b>Single Electronic Data Interchange Area (SEDIA)</b>	The Funder and Tenders Portal, known as the Single Electronic Data Interchange Area (SEDIA), is a cost-free portal designed for individuals and professionals engaged in financing programmes and tenders overseen by the European Commission and organisations within the European Union, including the Netherlands. URL <a href="https://bit.ly/45zcmVz">https://bit.ly/45zcmVz</a>	Free
Private/Public	<b>Netherlands Tenders</b>	NetherlandsTenders offers the latest information on all government opportunities across the Netherlands by industry. URL <a href="https://www.netherlands-tenders.com/">https://www.netherlands-tenders.com/</a>	Fee-based

## 5.3 Business Current Affairs

Website	Description	URL
<b>NL Times</b>	NL Times is an English-language online news platform providing daily news coverage and updates on events in the Netherlands.	<a href="https://nltimes.nl/">https://nltimes.nl/</a>
<b>DutchNews.nl</b>	DutchNews.nl is a digital platform providing daily news, features, and insights about the Netherlands in English for an international audience.	<a href="https://www.dutchnews.nl/">https://www.dutchnews.nl/</a>
<b>De Telegraaf</b>	De Telegraaf is a leading Dutch daily newspaper with a wide range of news topics, offering both national and international coverage.	<a href="https://www.telegraaf.nl/">https://www.telegraaf.nl/</a>
<b>Financieele Dagblad</b>	A major Dutch business newspaper focusing on business and economic matters.	<a href="https://fd.nl/">https://fd.nl/</a>

## 5.4 Trade Contacts

Organisation	Contact number	Contact email	Website
Netherlands Chamber of Commerce	+31 88 585 2222	info@kvk.nl	<a href="https://www.kvk.nl/en/">https://www.kvk.nl/en/</a>
Netherlands Enterprise Agency (RVO)	+31 88 042 4242	klantcontact@rvo.nl	<a href="https://english.rvo.nl/">https://english.rvo.nl/</a>
Holland International Distribution Council (HIDC)	+31 20 500 6600	info@hidc.nl	<a href="https://hollandinternationaldistributioncouncil.com/en/">https://hollandinternationaldistributioncouncil.com/en/</a>
Netherlands Foreign Investment Agency (NFIA)	+31 70 311 4114	info@nfia.com	<a href="https://investinholland.com/">https://investinholland.com/</a>
Dutch Customs - Expertise Centre for Cross-border Authorisations	+31 88 15 31 978 +31 88 15 31 911 +31 88 15 32 069	douane.ecgov@douane.nl	<a href="https://bit.ly/3FIPKfC">https://bit.ly/3FIPKfC</a>
Dutch Customs - Foreign Investment desk	+31 45 57 43 031	douane.foreign.investment.desk@douane.nl	
Ministry of Agriculture, Nature, and Food Quality	+3170 379 8911		<a href="https://bit.ly/3S13ELN">https://bit.ly/3S13ELN</a>
The Netherlands Food and Consumer Product Safety Authority (NVWA)	+31 88 223 2233	info@nvwa.nl	<a href="https://english.nvwa.nl/">https://english.nvwa.nl/</a>
Ministry of Health, Welfare and Sports Department for Nutrition, Health Protection and Prevention Team Food Safety	+31 70 340 6957	dienstpostbusVGP-secretariaat@minvws.nl	<a href="https://bit.ly/48TpNSl">https://bit.ly/48TpNSl</a>
The Royal Netherlands Standardization Institute (NEN)	+31 15 269 0391	customerservice@nen.nl	<a href="https://www.nen.nl/en">https://www.nen.nl/en</a>

## 5.5 Potential Buyers

Company	Sector(s)	Type of Products	Contact number	Contact email	Website
Blosh B.V.	Apparel and clothing accessories	Importers-exporters, clothing and footwear	+31 20 354 0349	info@blosh.com	<a href="https://blosh.com/">https://blosh.com/</a>
Aperto B.V.	Apparel and clothing accessories	Importers-exporters, clothing and footwear	+31 24 641 2598	contact@apertomode.nl	<a href="https://www.apertomode.nl/">https://www.apertomode.nl/</a>
Aako BV	Chemicals	Phosphoric acid	+31 33 494 84 94	info@aako.nl	<a href="https://www.aako.nl/">https://www.aako.nl/</a>
Basf Nederland B.V.	Chemicals	Nitrate of potassium	+31 55 844 85 15		<a href="https://www.basf.com/nl/nl.html">https://www.basf.com/nl/nl.html</a>
"Meo-Voto" Zaden B.V.	Fertilisers	Farm supplies	+31 22 859 13 77	info@meovoto.nl	<a href="https://www.meovoto.nl/nl">https://www.meovoto.nl/nl</a>
Carmeuse Nederland	Fertilisers	Fertilisers by use	+31 182 52 72		<a href="https://www.carmeuse.com/eu-en/agriculture">https://www.carmeuse.com/eu-en/agriculture</a>
Bruynzeel Multipanel International B.V.	Mineral Resources	Quarried stone	+31 348 75 0682	matude@matude.nl	<a href="https://bruynzeelmultipanel.com/">https://bruynzeelmultipanel.com/</a>
3p (Performance Plastic Products) B.V.	Mineral Resources	Cement	+33 1 57 64 79 80	gdpr@3pcorporate.com	<a href="https://www.3pcorporate.com/en/">https://www.3pcorporate.com/en/</a>

- For apparel and clothing accessories, the full list of import companies, broken down by product category, can be found in ITC's database at: <https://bit.ly/3FmsBJR> and <https://bit.ly/46HzBgM>
- For chemicals, the full list of import companies, broken down by product category, can be found in ITC's database at: <https://bit.ly/3QqYRCg>
- For fertilisers, the full list of import companies, broken down by product category, can be found in ITC's database at: <https://bit.ly/45Dz11S>
- For mineral resources, the full list of import companies, broken down by product category, can be found in ITC's database at: <https://bit.ly/45CqjRJ>

## 5.6 Freight Forwarders

Company	City	Contact number	Contact email	Website
DHL	Amman, Jordan			<a href="https://www.dhl.com/jo-en/home.html">https://www.dhl.com/jo-en/home.html</a>
Kuehne + Nagel	Aalsmeer, Netherlands	+31 297 382 404	knn.exportflowers@kuehne-nagel.com	<a href="https://home.kuehne-nagel.com/">https://home.kuehne-nagel.com/</a>
Maersk	Amman, Jordan	+962 64296265	jo.export@maersk.com	<a href="https://www.maersk.com/">https://www.maersk.com/</a>
DB Schenker	Rotterdam, Netherlands	+31 10 494 0494		<a href="https://www.dbschenker.com/nl-en">https://www.dbschenker.com/nl-en</a>
Expeditors	Amman, Jordan	+962 6 5522521	requests.amman@expeditors.com	<a href="https://www.expeditors.com/">https://www.expeditors.com/</a>
CEVA Logistics	Amsterdam, Netherlands	+31 20 659 0633		<a href="https://www.cevalogistics.com/en">https://www.cevalogistics.com/en</a>

## 5.7 Exhibitions and Trade fairs

Exhibition	Sector(s)	City	Dates	Website
Free From Food Expo	Food Retail	Amsterdam	21-22 November 2024	<a href="https://amsterdam.freefromfoodexpo.com/">https://amsterdam.freefromfoodexpo.com/</a>
The International Amsterdam Textile Show	Textile and raw materials industry	Amsterdam	27 - 29 March 2024	<a href="https://www.amsterdamtextileshow.com/">https://www.amsterdamtextileshow.com/</a>
Empack Gorinchem 2024	Packaging Materials, Accessories, and Supplies	Gorinchem	09-11 April 2024	<a href="https://www.empack.nl/en/">https://www.empack.nl/en/</a>
INTERCLEAN Amsterdam 2024	Cleaning and hygiene	Amsterdam	14-17 May 2024	<a href="https://www.intercleanshow.com/amsterdam">https://www.intercleanshow.com/amsterdam</a>

## 5.8 Ports and Airports

The Netherlands ranks first in global connectivity as per the Global Connectedness Index and DHL Connected Index. Due to its infrastructure and strategic location, Dutch airports offer businesses exceptional access to European and other international markets for both goods and individuals. The following are the main airports:<sup>51</sup>

Airport Name	City	Contact number	Contact email	Website
Amsterdam Airport Schiphol	Amsterdam	+31 20 794 08 00		<a href="https://www.schiphol.nl/en/">https://www.schiphol.nl/en/</a>
Maastricht Aachen Airport		+31 43 358 9898	info@maa.nl	<a href="https://www.maa.nl/en/">https://www.maa.nl/en/</a>

The Netherlands' North Sea ports are key access points to European markets, handling everything from raw materials to finished goods. These main ports are ideally situated on the open sea and near three major European rivers: the Rhine, Maas, and Scheldt. This positioning offers businesses easy shipping options both within the Netherlands and deeper into the European Union.<sup>52</sup> The following are the key ports:<sup>53</sup>

Port Name	City	Description	Type of Cargo Handled	Contact Information
Port of Rotterdam	Rotterdam	Situated on the North Sea shoreline, Rotterdam holds the title of Europe's grandest seaport. As the Netherlands' most active port, it manages a vast array of cargo types, with access to over 350 million consumers.	It has 90 terminals for various goods including coal, minerals, and chemicals. There are nine terminals for large container ships, three for juice, and four for fruit with 2,000 reefer connections. Separate terminals exist for steel, paper, and cruise ships.	<a href="https://www.portofamsterdam.com/en">https://www.portofamsterdam.com/en</a> +31 6 226 96 769
Port of Amsterdam	Amsterdam	The Amsterdam port is located where the North Sea Canal meets the Amsterdam Rhine Canal. It ranks as the fourth largest port in Western Europe.	The port has 35 dedicated berths that manage breakbulk, liquid cargo, project shipments, RoRo, general cargo, and forest-related products. It is split into three areas with additional facilities in Zaanstad, IJmuiden, and Beverwijk.	<a href="https://www.portofamsterdam.com/en">https://www.portofamsterdam.com/en</a> +31 6 226 96 769 <a href="mailto:rob.smit@portofamsterdam.com">rob.smit@portofamsterdam.com</a>
Port of Moerdijk	Moerdijk	Moerdijk port is located at the Hollandsch Diep's southern tip, near the Rhine-Scheldt Canal. Each year, it manages about 14 million tonnes of cargo, 500,000 TEUs (Twenty-foot equivalent unit), and services 10,000 ships.	The port serves multiple purposes, spanning 1200 hectares for industrial use. It manages oil and chemical goods, and also deals with cargo transfers like bulk, containers, and materials such as glass, timber, and construction supplies.	<a href="https://www.portofmoerdijk.nl/en/">https://www.portofmoerdijk.nl/en/</a> +31 168 388 888 <a href="mailto:portoffice@portofmoerdijk.nl">portoffice@portofmoerdijk.nl</a>
Zeeland Seaports	Zeeland	In Zeeland, the Netherlands, there are two main ports: Terneuzen and Vlissingen. Terneuzen is 30 kilometres from the North Sea, situated on the River Scheldt's southern side. It includes the external Braakman Harbour and the inner areas of Axel Plain, Sluiskil, and Sas van Gent.	The port manages a variety of goods including chemicals, ores, agricultural products, and more. Each year, it processes about 15 million tonnes of cargo and 48,000 TEUs.	<a href="https://en.northseaport.com/">https://en.northseaport.com/</a> +31 115 647400 <a href="mailto:contact@northseaport.com">contact@northseaport.com</a>

<sup>51</sup> NFIA. (2021). Airports. [online] Available at: <https://investinholland.com/why-invest/infrastructure/airport/>

<sup>52</sup> NFIA. (2023). Ports. [online] Available at: <https://investinholland.com/why-invest/infrastructure/ports/>

<sup>53</sup> Marine Insight. (2022). 8 Major Ports of the Netherlands. [online]. Available at: <https://www.marineinsight.com/know-more/ports-of-the-netherlands/>



# MARKETING APPROACH

## 6.1 Distribution and Sales Channels

Given the Netherlands' strategic position in Europe, it serves as an essential hub for logistics and distribution, often referred to as the gateway to Europe. This prominence is underlined by the sheer capacity of its ports, with Rotterdam standing as Europe's largest port, and Amsterdam ranking fourth. Additionally, Amsterdam Airport Schiphol ranks as Europe's third and fourth largest airport in terms of passenger traffic and cargo, respectively.

The following are some recommendations for distribution and sales channels:<sup>54</sup>

**Using an Agent or Distributor:** The Netherlands boasts a vast number of seasoned importers, sales agents, and distributors familiar with global trade. Distributors in the Netherlands often prefer exclusive distributorships, which can yield optimal results if the distributor is skilled and seasoned. Generally, one representative suffices for the Dutch market, with subagents occasionally used for specific market sectors. It is noteworthy that Dutch representatives can serve as an initial point for exporting to other European nations, given their proficiency in managing logistics, linguistic adaptations, and inventory.

**Establishing an Office:** While all foreign business structures are recognised in the Netherlands, the sole proprietorship is an exception. If Jordanian businesses wish to establish a presence in the country, it is essential to register with the Netherlands Chamber of Commerce. Comprehensive details on this process can be acquired from <https://business.gov.nl/starting-your-business/>. It is advisable for those looking to set up an office to liaise with the Netherlands Foreign Investment Agency, which operates under the Dutch Ministry of Economic Affairs.

**Franchising:** The Dutch market offers a mature environment for franchising, with no barriers for international firms. Recent legislation passed by the Dutch Parliament, focused on multiple facets of franchising,<sup>55</sup> is pivotal for Jordanian entities considering this avenue. This legislation encompasses aspects like pre-contractual information exchange, contractual alterations post-signing, contract termination, and franchisor-franchisee consultations. The market also offers a robust network of professionals specialising in franchising, aiding firms in navigating these waters.

**Direct Marketing:** The Netherlands has strict regulations around direct marketing, which Jordanian businesses need to be acutely aware of. The introduction of the EU's General Data Protection Regulation (GDPR) in 2018, along with local Dutch regulations, imposes considerable restrictions on how businesses can directly market their products and services. Specific guidelines are in place for mail, digital communications, and telephone marketing. Ensuring adherence to these regulations is paramount to avoid legal complications.

**Joint Ventures/Licensing:** For Jordanian companies exploring collaborative efforts, joint ventures and licensing agreements are prevalent in the Netherlands. The ongoing privatisation of certain sectors in the country has increased the potential for international firms, including those from Jordan, to form partnerships with Dutch entities. However, structuring a joint venture can be intricate, necessitating consultation with a specialised advisor.

<sup>54</sup> Trade.gov. (2022). Netherlands - Distribution & Sales Channels. [online] Available at: <https://bit.ly/46VwNw0>

<sup>55</sup> For a summary of the franchising amendments, readers can refer to this link: <https://bit.ly/405KCWz>

## 6.2 Market Access Strategies<sup>56</sup>

**Digital Advertising Channels:** Prioritising digital advertising channels, especially on platforms like Google and Facebook, can ensure a wide reach and enhance the visibility of Jordanian products, aiding market penetration.

**Engage with Prominent Media Companies:** Building partnerships or advertising campaigns with leading Dutch media firms such as DPG Media<sup>57</sup> and Mediahuis<sup>58</sup> can create brand awareness and establish credibility in the local market.

**Leverage Trade Shows for Market Entry:** Using trade shows (refer to section 5.7) as platforms to introduce products can help Jordanian exporters tap into potential distributors, buyers, and partnerships, making initial market entry smoother.

**Pricing Strategy:** Adopting a comprehensive pricing strategy that considers local taxes, duties, and other additional costs can position Jordanian products competitively in the market, influencing buying decisions. Additionally, while the Dutch appreciate quality and service, price remains a critical factor for market entry.

**After-Sales Service:** A strong after-sales service not only ensures customer satisfaction but can also build trust and reputation, which is crucial for any brand trying to establish itself in a new market.

**Building Relationships with Local Distributors:** For a market access strategy, forging strong relationships with local distributors or representatives is pivotal. These local partners can provide insights into market dynamics, consumer preferences, and potential challenges, making market entry more strategic and informed.

## 6.3 Consumer Spending Patterns

The following figure represents the changes in the volume of consumption expenditure of households in the Netherlands, with 2015 set as the base year (100 index point). It details the percentage changes in consumption for various consumer goods categories over the years 2018 to 2022. Below are the key highlights of changes in the volume of household consumption expenditure in the Netherlands:<sup>59</sup>

**Food products, beverages, and tobacco:** There was a significant increase of 8% in 2020, but a decline of 4.2% in 2022.

**Textiles and clothing:** Experienced a sharp decline of 15.4% in 2020, followed by a major recovery with 12.9% growth in 2021 and 12.2% growth in 2022.



<sup>56</sup> Trade.gov. (2022). Netherlands - Selling Factors and Techniques. [online] Trade.gov. Available at: <https://bit.ly/495r20z>

<sup>57</sup> <https://www.dpgmediagroup.com/>

<sup>58</sup> <https://www.mediahuis.be/en/>

<sup>59</sup> Opendata.cbs.nl. (2023). CBS Statline. [online] Available at: <https://opendata.cbs.nl/#/CBS/en/dataset/82608ENG/table>

**Leather goods and footwear:** Saw a major decline in 2020 but rebounded with robust growth rates of 16.7% in both 2021 and 2022.

**Home furnishing and home decoration:** Peaked with 12.6% growth in 2020.

**Electrical equipment:** Consistent growth until 2021, slowing down slightly in 2022.

**Electricity, gas, water, and motor fuels:** Declined by 5.2% in 2020 and further declined by 7.5% in 2022.

**Personal care and other goods:** Achieved the highest increase of 4.9% in 2022.

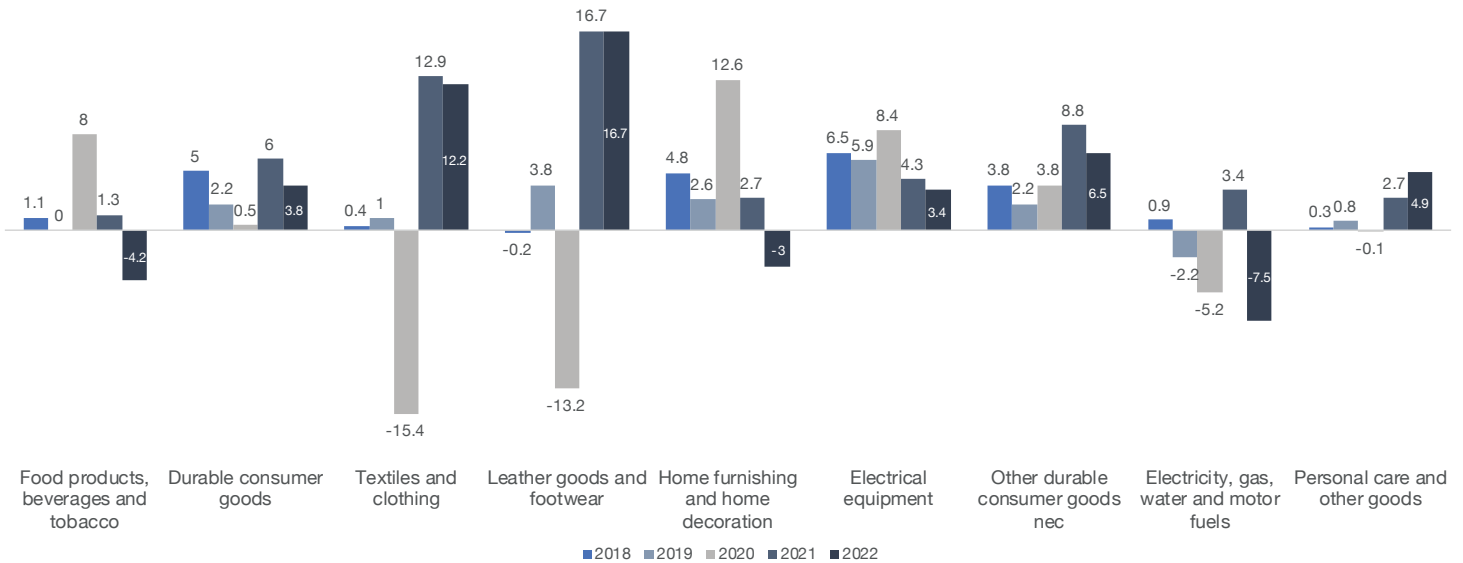


Figure 6: Consumption expenditure of households by Volume (2022-2018) %

Source: Opendata.cbs.nl. (2023)

## 6.4 Consumer Trends

**Digital Shopping in the Netherlands:** The e-commerce market is notably advanced, with over a third of Dutch consumers shopping online weekly in 2021. In particular, 90% of individuals aged 25-54 were the primary online purchasers, while those over 64 were less engaged. Key expectations for online shopping include swift and dependable delivery, easy website navigation, and a favourable return policy.<sup>60</sup>

**Sustainability Awareness:** Dutch consumers increasingly value sustainable products, with a 20% rise over the past decade, leading to 56% of shoppers in 2021 considering sustainability in their purchases. Notably, 70% prioritised eco-friendliness when shopping for supermarket items, resulting in significant market shares for sustainable food products like eggs and fish.<sup>61</sup>

**Sustainability labels:** Dutch consumers are demonstrating a growing preference for products with specific sustainability labels, such as Beter Leven<sup>62</sup> and Rainforest Alliance.<sup>63</sup> The marked increase in spending on these certified products suggests a strong trend towards sustainability and ethical consumption.<sup>64</sup>

<sup>60</sup> Statista. (2022). Topic: Shopping behaviour in the Netherlands. [online] Available at: <https://bit.ly/3M7k15u>

<sup>61</sup> Ibid.

<sup>62</sup> <https://beterleven.dierenbescherming.nl/>

<sup>63</sup> <https://www.rainforest-alliance.org/business/marketing-sustainability/using-our-logo-and-seal/>

<sup>64</sup> Wageningen University & Research. (2023). Sustainable Food Monitor: the proportion of sustainable food in total consumer food spending declined slightly in 2022 to 18%. [online] Available: <https://bit.ly/3Q6MQAb>



# RECOMMENDATIONS

## 7.1 Key Points for Consideration

The following are the key recommendations and considerations for Jordanian exporters to have in mind when engaging in exports to the Dutch market:

**Demographic Understanding:** Jordanian exporters are encouraged to investigate the Netherlands' demographic data, focusing on the older consumer base (aged 52 to 76). Tailoring products or services to this age group, especially in health, leisure, and sustainable sectors, can yield significant benefits.

**Key Export Sectors:** It is crucial for Jordanian exporters to target high potential sectors such as apparel, chemicals, mineral resources, and fertilisers for optimal returns.

**Local Partnerships:** It is advisable for Jordanian businesses to establish connections with local Dutch partners. These collaborations can provide invaluable insights into market nuances and preferences.

**Understand Regulatory Requirements:** It is important for Jordanian exporters to ensure their products bear the required CE marking. Platforms like ePing SPS&TBT can serve as comprehensive resources for staying updated on regulatory standards.

**Tax Considerations:** Jordanian businesses should familiarise themselves with the nuances of Dutch VAT. Notably, with essentials attracting a 9% VAT and an upcoming 0% VAT on solar panels for private homes starting in 2023.

**Investment Climate:** Jordanian exporters are encouraged to grasp the wholesale and retail focus of many multinationals in the Netherlands. When considering local establishment, the private limited company (bv) structure is worth serious consideration.

**Stay Updated on Tariffs:** It is vital for Jordanian exporters to utilise tools such as the Binding Tariff Information (BTI) provided by Dutch Customs. This ensures clarity on product classifications and their corresponding tariffs.

**Leverage Trade Agreements:** Jordanian businesses would benefit from capitalising on trade agreements like the EU-Jordan deal to foster better trade relations and possibly mitigate potential trade barriers.

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