

Februari 6, 2017

Boost for the Netherlands' economy as inflows of foreign direct investment over six times more than global average

- **FDI inflows accounted for 13.8% of Netherlands GDP last year**

The amount of foreign direct investment (FDI) attracted by the Netherlands is outperforming the global average by over six times, according to a new study by UHY, the international accounting and consultancy network.

According to data from the World Bank, UHY found out that inflows of FDI accounted for 13.8% of the Netherlands' GDP last year. This compares to the world figure of 2.2% of total GDP. The Netherlands received USD \$102billion in total in 2015.

Countries are keen to win FDI because it helps power economic growth. As well as boosting job creation and tax revenues, it can act as a spur to competitiveness and productivity through knowledge transfer or investment in improved processes, technologies or infrastructure.

The UHY study looked at FDI inflows last year in 45 major economies around the world, measuring how successful they have been in attracting FDI as a percentage of their GDP.

UHY says that the Netherlands have several advantages which make it attractive for foreign investors, including:

- Low corporation tax
- High productivity levels
- Open economy
- Strong transport infrastructure

As well as favourable tax rates, the Netherlands tax regime also provides a high level of certainty, ensuring that investors are provided with extensive guidance and guarantees regarding long-term tax obligations.

UHY adds that much of the FDI into the Netherlands is short-term as due to its location, many foreign investors - particularly US companies - use the Netherlands as a key export platform for distribution to other countries.

Comments Ralph Rijnders of Govers Accountants/Consultants, a member firm of the UHY network: "The Netherlands is attracting significant amounts of FDI – leaving much of the rest of the world behind."

GEVOEL VOOR CIJFERS PASSIE VOOR KLANTEN



“Inbound investment by foreign businesses is a sign of confidence in an economy, providing a boost to business growth, job creation and developments in areas such as innovation and infrastructure.”

“Continuing to focus on fostering an environment that encourages foreign investment is key if the Netherlands is to maintain its position on the global stage.”

“Low corporation tax means that the Netherlands’ FDI is thriving. However, with the UK lowering its corporation tax further this may be one area where the Netherlands could further improve.”

UHY adds that the research shows that the BRICS economies are also easily outperforming the G7 in attracting FDI, with total inflows of FDI accounting for 2.3% of the total BRIC nations’ GDP last year. This figure compares to 1.7% of GDP for the G7.

BRICs economies received total FDI in 2015 of \$375 billion – a 59% increase on five years ago in 2010 when the figure was \$236 billion.

UHY says that BRIC economies are seen as providing better growth opportunities for multinational businesses than the more mature economies of the G7.

In addition, the shift towards locating manufacturing facilities in emerging economies rather than in western countries continues as multinational companies seek locations with low labour costs, availability of resources and favourable business climates.

The USA, China and Brazil attracted the most FDI in absolute terms – at USD 379billion, USD 250billion and USD 75billion respectively in 2015.

Of the G7, Japan and Italy saw the lowest performance with 0% and 0.7% respectively. Germany was also well below the average with just 1.4% (USD 46billion in total). Overall, Europe saw FDI worth 2% of total GDP, slightly below the global average of 2.2% of total GDP.

ASEAN economies (Association of South East Asian Nations) outperformed even the BRIC nations in terms of FDI as a share of their economies, attracting FDI worth 5.3% of GDP.

Malta saw the highest FDI as a share of GDP in the study at 25.8% (USD 2.5billion in total), as the island continues to take advantage of its location at the crossroads of Europe, Africa and the Middle East to become an international centre for banking and attract substantial inflows of capital.

Inflows of Foreign Direct Investment (2015, USD\$)

Rank	Country	2015 FDI inflows (USD \$)
1	USA	379,400,000,000.00
2	China	249,900,000,000.00
3	Netherlands	101,900,000,000.00
-	BRICs	93,900,000,000.00
-	G7	82,800,000,000.00
4	Brazil	75,100,000,000.00
5	Singapore	65,300,000,000.00
6	Canada	55,700,000,000.00
7	UK	50,400,000,000.00
8	Germany	46,200,000,000.00
9	India	44,000,000,000.00
10	Australia	38,600,000,000.00
11	France	35,000,000,000.00
12	Mexico	32,100,000,000.00
-	World	29,300,000,000.00
13	Spain	25,300,000,000.00
14	Indonesia	20,100,000,000.00
-	Europe	19,100,000,000.00
15	Poland	14,100,000,000.00
16	Italy	13,000,000,000.00
-	ASEAN	13,000,000,000.00
17	Argentina	12,000,000,000.00
18	Vietnam	11,800,000,000.00
19	Israel	11,500,000,000.00
20	UAE	11,000,000,000.00
21	Malaysia	11,000,000,000.00
22	Thailand	9,000,000,000.00
23	Peru	7,800,000,000.00
24	Egypt	6,900,000,000.00
25	Russia	6,500,000,000.00
26	Philippines	5,500,000,000.00
27	Romania	4,300,000,000.00
28	Austria	4,300,000,000.00
29	Bangladesh	3,400,000,000.00
30	Nigeria	3,100,000,000.00
31	Malta	2,500,000,000.00

GEVOEL VOOR CIJFERS PASSIE VOOR KLANTEN



Inflows of Foreign Direct Investment as a percentage of Gross Domestic Product

Rank	Country	% of GDP
1	Malta	25.8%
2	Singapore	22.3%
3	Netherlands	13.8%
4	Cambodia	9.4%
5	Jamaica	6.7%
6	Vietnam	6.2%
-	ASEAN	5.3%
7	Brazil	4.2%
8	Peru	4.1%
9	Israel	3.9%
10	Bulgaria	3.8%
11	Malaysia	3.7%
12	Canada	3.6%
13	UAE	3.2%
14	Australia	3.2%
15	Poland	3.0%
16	Mexico	2.8%
17	Uruguay	2.5%
18	Romania	2.4%
19	Indonesia	2.3%
-	BRICs	2.3%
20	Thailand	2.3%
21	China	2.3%
-	World	2.2%
22	USA	2.1%
23	Spain	2.1%
24	India	2.1%
25	Egypt	2.1%
26	Argentina	2.0%
-	Europe	2.0%
27	Philippines	2.0%
28	Guatemala	1.8%
29	UK	1.8%
-	G7	1.7%
30	Bangladesh	1.6%
31	France	1.4%

ENDS





Notes for Editors

About Govers Accountants/Consultants

Govers Accountants//Consultants is a member of UHY, an international network of independent accounting and consulting firms with offices in major business centres throughout the world. Further information can be found at www.govers.nl

Press enquiries:

Bas Pijnaker

Govers Accountants//Consultants

0031 40 2504504

Additional information for Editors

UHY press contact: Dominique Maeremans on +44 20 7767 2621

Email: d.maeremans@uhy.com - www.uhy.com

Nick Mattison

Mattison Public Relations

+44 20 7645 3636, +44 7562 6522 71 or email nick.mattison@mattison.co.uk

About UHY

Established in 1986 and based in London, UK, UHY is a network of independent audit, accounting, tax and consulting firms with offices in over 296 major business centres across more than 89 countries.


Our staff members, over 7,660 strong, are proud to be part of the 16th largest international accounting and consultancy network. Each member of UHY is a legally separate and independent firm. For further information on UHY please go to www.uhy.com.

UHY is a full member of the Forum of Firms, an association of international networks of accounting firms. For additional information on the Forum of Firms, visit www.forumoffirms.org

NOTES END

Network Disclaimer:

UHY is an international association of independent accounting and consultancy firms, whose organising body is Urbach Hacker Young International Limited, a UK company. Each member of UHY is a separate and independent firm. Services to clients are provided by the UHY member firms and not by Urbach Hacker Young International Limited. Neither Urbach Hacker Young International Limited nor any member of UHY has any liability for services provided by other members.

Govers Accountants/Adviseurs | Beemdstraat 25 | 5653 MA Eindhoven | Postbus 657 | 5600 AR Eindhoven | T +31 (0)40 2504504 | F +31 (0)40 2504599 | W www.govers.nl An independent member of UHY International 



GEVOEL VOOR CIJFERS PASSIE VOOR KLANTEN

