



# The Netherlands Market Guide

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# The Netherlands Market Overview

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The Netherlands is a geographically small, densely populated (17 million people) country occupying a highly strategic commercial location, with Europe's largest port (by volume) in Rotterdam. Known as The Gateway to Europe, The Netherlands shows large concentrations of logistic activities in the form of distribution centers, warehouses and storage facilities and transfer and transportation. The country has become a logistics hotspot, appealing to a wide range of companies as it meets the requirements for efficient and effective business conduct.

Driven by world-class seaports, centrally located airports like Amsterdam Airport Schiphol, and a modern network of roads and highways, the country's logistics infrastructure and the presence of top-notch logistic service providers are major assets to companies in need of logistics and distribution operations in Europe. Over 160 million consumers can be reached within 24 hours of Amsterdam or Rotterdam, making the Netherlands the perfect springboard into the European market. *(Source: Invest in Holland)*

The Netherlands' supportive corporate tax structure, highly educated and multilingual workforce, robust supply chain and advanced network of suppliers have motivated major multinational companies like Tesla Motors, Coca-Cola, IBM, Huawei and Tommy Hilfiger to use the country for access to the European market.



# Quick Facts

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- The Netherlands was ranked 6th in the 2018 World Bank global Logistics Performance Index (based on terms of efficiency and effectiveness of its customs, quality of transport, IT infrastructure and ease and affordability of shipping).
- Dutch inland shipping accounts for 54% of all trade shipping in Western Europe. The Dutch fleet includes 7,000 vessels and is the biggest and most modern fleet in Europe. 79% of all containers in the EU are transported via inland navigation. *(Source: Holland Trade and Invest)*
- Over 1,000 American and Asian companies have centralized their European distribution activities in the Netherlands. The country hosts over 20 million square meters of distribution centres. *(Source: Invest in Holland)*

# Consumer Trends

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- Offering next-day delivery options online can increase your sales in Europe by as much as 25%. Sunday delivery, same-day delivery and evening delivery can decrease cart abandonment rate by as much as 15%. Home delivery is the preferred delivery method. *(Source: Web Retailer)*
- Studies show that nearly 25% of online purchases in the Netherlands fall into the consumer goods category. *(Source: Thuiswinkel Markt Monitor)*
- Internet Penetration is at 85%, with a GDP per capita of 46,253 euros. *(Source: Statista)*
- The Dutch prefer to shop in their own language with local payment method options.
- Bank Transfer as a payment method is strongly advised, as 59% of users prefer this method. *(Source: Statista)*
- Transparency about your delivery options and times remain critical within this region.
- Popular online categories include: clothing, home electronics and books.
- As of the second quarter of 2018, 49% of all e-commerce purchases in the Netherlands were done on a mobile device. *(Source: Statista)*

# Legal & Compliance

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When determining your fulfillment strategy, it is important to assess the different types of businesses needed in order to operate in the Netherlands. Considerations include: taxation, employment, visas and contracts and operations.

## **Branch of a Foreign Company**

- Requires a Deed of Incorporation, Articles of Incorporation and bylaws (if applicable)
- Annual accounts of the company are pursuant to the law of the country of origin
- Extract from the foreign trade register, issues within one month of creation
- The law by which the company is governed, its registered office and objects, annual issued share capital reports
- Does not enjoy tax advantages of a subsidiary, increased risk as opposed to a BV

## **The BV (Besloten Vennootschap): Private Limited Company**

Most common structure with limited liability and separate legal structure.

- Practically no minimum capital required
- Must have notarial deed of incorporation
- Must have an executive board, shareholders and potentially a board of directors

The following requirements should be taken into consideration:

- Dutch registered address
- Register with the Trade Register
- Register with Dutch tax authorities
- Current corporate tax is 25% and filing annual tax returns is required

## Duties and Taxes

- If you have established your business in the EU, selling goods to clients in the Netherlands can be efficient since VAT will be the only tax applied to the sale of goods in the Netherlands. The purchaser will see the tax, as opposed to the seller.
- There is no tax when supplying goods into the Netherlands from other countries within the EU. The standard rate of VAT is 21%, typically filed in a quarterly return.
- The Netherlands offers one of the most progressive VAT deferment regimes for non-resident importers of goods into the EU. There are ways to reduce or eliminate the import Dutch VAT due by appointing a VAT Fiscal Representative (either a Limited Liability Fiscal Representative or General License Fiscal Representative). Current corporate tax is 25% and filing annual tax returns is required

# Fulfillment Models in The Netherlands

## Cross-Border into the Netherlands

The Netherlands is the second most popular e-commerce port in the EU for U.S. companies. With all the uncertainty around Brexit, however, the Netherlands which is home to the Port of Rotterdam, the largest sea port of Europe, and the Port of Amsterdam, may soon replace the United Kingdom as the #1 European e-commerce port.

Below are major port locations in the Netherlands:

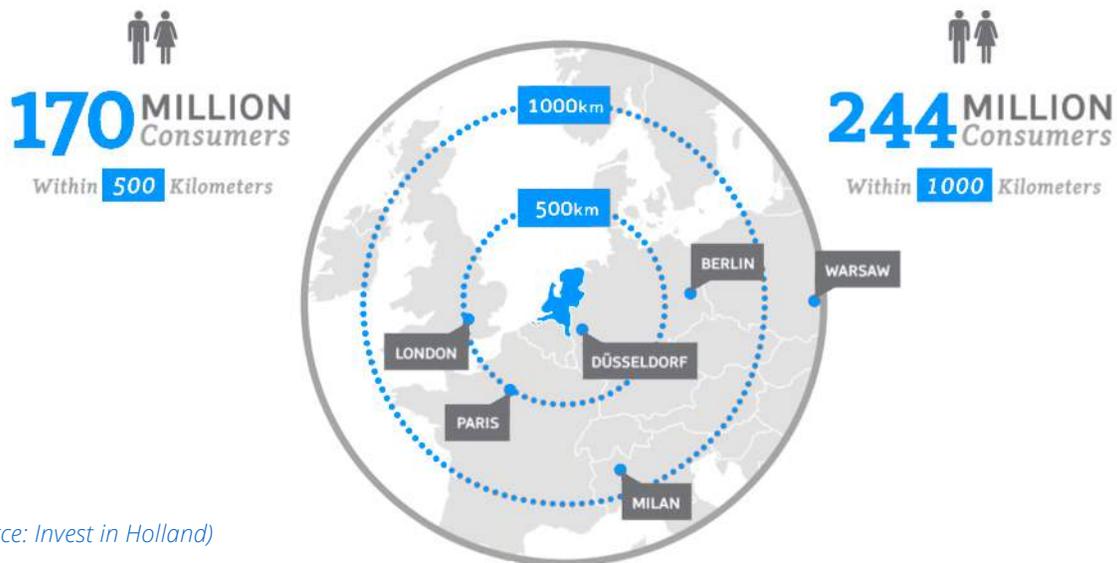


Source: World Port Source



## Intra-EU Fulfillment

The Netherlands is located in the center of the three largest economies in Europe (Germany, the UK and France) and is within a 400 mile radius of half of the major European markets. Due to the robust infrastructure of roads, rail and a network of canals and rivers, the Netherlands offers many options for companies to meet consumer expectations around delivery speed and shipping costs.



*(Source: Invest in Holland)*

## Intra-Netherlands Fulfillment

The area of Waalwijk/Tilburg is a highly accessible fulfillment location. It offers easy highway access and all of the Netherlands is within a 2.5 hour radius of Waalwijk/Tilburg. Tilburg is centrally located in the province of Noord Brabant and is well known both as the second largest economic hotspot in the Netherlands and for its strong logistics sector. The city benefits from an excellent geographic location in the European East-West logistic corridor and multimodal infrastructure allowing access by road, water and rail. These location characteristics make Tilburg and the local surrounding area one of the most important logistics regions in the Netherlands. To learn more about the advantages and disadvantages of cross-border or regional fulfillment, refer to our Fulfillment Guide.

# Transportation in The Netherlands

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## **Small Parcel Carriers**

The most common carriers in the Netherlands are Netherlands Post, DHL, DPD, GLS and UPS.

For direct-to-consumer/parcel deliveries:

- PostNL: 55-60% market share
- DHL Parcel: 25-30% market share
- DPD: unknown
- GLS: unknown
- UPS: unknown

*(Source: Authority for Consumer Markets 2016)*

## **Less-Than-Truckload (LTL)/Truckload (TL) Carriers**

- DB Schenker
- Kuehne + Nagel
- MainFreight
- Ritmo
- Timex

*(Source: Authority for Consumers & Markets Netherlands Parcel Scan)*

# Ingram Micro in The Netherlands

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In the Netherlands, we offer four facilities totaling over 1.6 million ft<sup>2</sup> (155,000 m<sup>2</sup>).

## Waalwijk:

- 1,130,210 ft<sup>2</sup> (105,000 m<sup>2</sup>) of storage capacity
- Optimised for high volume, high turnover products
- Combination of dedicated and multi-client facilities
- Ideal location for fulfilment for mainland Europe
- Value added services for both Commerce & Technology clients

## Tilburg:

- 545,112 ft<sup>2</sup> (50,642 m<sup>2</sup>) of storage capacity
- eCommerce fulfilment
- Onsite hard drive degaussing, shredding, and data erasure services
- ITAD Processing, Remarketing, and Recycling
- ITAD Logistics Services for Belgium, Luxembourg
- Refurbishment



*Our newest warehouse facility in Tilburg, Netherlands*

## Shipwire-Enabled EU Carriers



## Ingram Micro Business Partnerships



# Customers by Industry in The Netherlands

On average, our customers using a Netherlands facility use one or two of our fulfillment locations. In most instances, one location within the Netherlands is enough to reach the whole country in one day and most of Western Europe in two days.

### Customer Examples

Our customers in the Netherlands use a combination of Ingram Micro locations and their own fulfillment centers to reach customers.

From a geographical perspective, customers using our Netherlands facility also use one or more of our fulfillment centers in the following global regions.

Global Region	Percentage of total customers fulfilling out of additional regions
Europe	51%
North America	15%
Asia	15%
Africa	11%
Oceania	8%

## Case study

De Bijenkorf (part of the Selfridges Group) is the Netherlands' largest premium department store with locations in seven cities, including Amsterdam, Rotterdam and The Hague, as well as a web store. Ingram Micro works with De Bijenkorf to enable growth to support extreme peak volume. Ingram Micro provides the following:

- Enhanced customer experience with hyper-customization
- Same-day delivery and in-store pickup
- Efficient returns handling solutions

de Bijenkorf 

 <https://www.ingrammicroservices.com/resources/de-bijenkorf/>

# How To Get Started

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- Determine the type of Dutch company structure that best fits your business
- Determine which tax office applies to you and how you can register with the Tax and Customs Administration
- Determine if you will need to pay VAT in the Netherlands
- Confirm your goods can be imported into the Netherlands
- Find a fulfillment center and carriers to provide coverage in the Netherlands (or throughout Europe, if using Netherlands as a cross-border location)