## COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S DATED 24-01-2024

## INDIA-NETHERLAND BILATERAL TRADE RELATIONS

**INTRODUCTION & BRIEF ECONOMIC OVERVIEW**

 The Kingdom of Netherlands is situated in Western Europe. The country is bordered to the east by Germany and to the south by Belgium. Its northern and western shores face the North Sea. The Netherland is a partner of the European Union, G20, WTO, OECD (The Organization for Economic Cooperation and Development).

2. The Netherland has a high level of economic freedom and the 6th largest economic power in Europe. As per available report of IMF Article IV Consultation with the NetherlandsMarch 9, 2023, it has been reflected that, “The Netherlands was more resilient than its peers during and after the pandemic. Reflecting the prevalence of telecommuting and a strong fiscal response, the Dutch economy experienced a less severe recession followed by a more robust recovery than in the euro area. Real GDP grew by 4.9 percent in 2021, surpassing its pre-pandemic level, as private consumption staged a vibrant recovery boosted by the release of accumulated savings and a strong labor market. By end-2022, inflation had eased after a record high in September, but remained elevated, largely driven by energy prices. The labor market is tight with a low unemployment rate and high vacancies, although wages have not picked up strongly so far. Overall, the economy appears to be overheating”. Executive Directors agreed with the thrust of the staff appraisal. They took positive note that the Dutch economy showed impressive resilience during and after the pandemic, supported by a strong policy response. Nevertheless, the energy shock caused by Russia’s invasion of Ukraine, elevated inflation, and tighter financial conditions, as well as lower external demand and a cooling housing market, pose challenges.

.A snapshot of Netherland’s select economic indicators is presented at **Annexure –I**

**FOREIGN TRADE**

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Netherland are Germany, Belgium, France, United Kingdom and United States. On the other hand five major import partners of Netherland are Germany, China, Belgium United States, and United Kingdom. Major five exported goods of Netherland are (i) Petroleum oils (ii) Transmission apparatus (iii) Apparatus and equipments (iv) Medicaments of mixed and unmixed products (v) Monolithic integrated Circuit. On the other hand major five imported goods are (i) Petroleum oils and oils obtained from bituminous, (ii) Petroleum oils, etc, (excl. crude); preparation, (iii) Transmission apparatus (iv) Monolithic integrate circuit and (v) Parts and accessories of Automatic Data Process.

4.Netherland’s total exports in 2018 were of the order of US$ 587,893 million. it has scaled upto US$ 768,259 million in 2022 with minor downfall recorded in 2018 and 2019 pick-up from 2021. During the period from 2018 to 2022, the annual average compound rate of growth of exports was 6.92%.

5. Netherland’stotal imports in 2018 were of the order of US$ 521,036 million and which has touched US$ 710,772 million mark in 2022 after having experienced a decline in 2019 and 2020 pandemic hit-year. During the period from 2018 to 2022, the annual average compound rate of growth of Imports was 8.07%.

6. Netherland runs an overall Balance of Trade surplus from 2018 to 2022 which was quite significant to the tune of USD 57,487 million in 2022. During the period from 2018 to 2022, the annual average compound rate of growth of volume was 7.47%.

A snapshot of Netherlands’ overall Trade Statistics is presented in **Annexure-II [Table 1: Figure 1]**

**BILATERAL TRADE WITH INDIA**

**Merchandise Trade**

7. [India](https://en.wikipedia.org/wiki/India) and Netherland is among top trading partners in Europe. India’s export to Netherland was 4.79% of India’s total export value in FY 2022-23. Netherland was the 3rd largest export destination in FY 2022-23. In the same financial year imports from Netherland was 0.83% of India’s total import value. Netherland was the 11th largest trading partner of India in FY 2022-23. Almost 2.36% of India’s international trade value was between India and Netherland has been recorded in FY 2022-23 has been recorded in DGCIS data base.

 8. Indo-Netherland total volume of bilateral trade in FY 2018-19 was of the order of US$ 12,877.72 million. It has increased to US$ 27,582.09 million in FY 2022-23. The annual compound growth rate of volume of trade during the period from 2018-19 to 2022-23 has been of the order of 20.98%.

9. It appears from the available figures that between 2018-19 and 2022-23, India has had a surplus Balance of Trade with Netherland. Exports from India to Netherland increased steeply 93.78% in FY2021-22 followed by another 72.32% in FY 2022-23 however export from India to Netherland remarkably declined in FY 2020-21 by 22.64%. The annual average compound rate of growth of Exports was 25.15%. On the other hand, imports from Netherland to India increased by 34.98% in FY 2021-22 and 33.12 % hike in FY 2022-23 in comparison with it’s previous financial year. During the period from 2018-19 to 2022-23, the annual average compound rate of growth of Imports was 10.06%.

A snapshot of India’s merchandise trade statistics w.r.t. Netherland is presented in **Annexure-II [Table 2: Figure 2**

10. Additionally, **from Tables 3 & 4 presented at Annexure-II** below the following are stated:

1. Petroleum Products, Telecom Instruments and Aluminium & Products Made of Aluminium are occupying the top three slots in India’s exports to Netherland in the year 2022-23. Petroleum Products occupying the bulk share.
2. Petroleum: Crude; Vegetable oils and Iron & Steel.are the three major commodities in India’s imports list from Netherland in the year 2022-23, though first time in 2022-23 Petroleum;Crude is enlisted in import list with a bulk share .

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**Annexure-I**

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| **The Netherlands: Selected Economic Indicators, 2021–2024** (Percent change, unless otherwise indicated)  |
|

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2021  | 2022  | 2023  | 2024  |
|  |  | Proj.  | Proj.  | Proj.  |
|  |  |  |  |  |
| National accounts (percent change)  |  |  |  |  |
| Gross domestic product  | 4.9  | 4.2  | 0.6  | 1.2  |
| Private consumption  | 3.6  | 5.7  | 0.8  | 1.3  |
| Public consumption  | 5.2  | 0.6  | 3.1  | 2.3  |
| Gross fixed investment  | 3.2  | 2.7  | 0.9  | 1.5  |
| Total domestic demand  | 3.9  | 3.3  | 1.7  | 1.6  |
| Exports of goods and nonfactor services  | 5.4  | 4.3  | 2.0  | 3.0  |
| Imports of goods and nonfactor services  | 4.4  | 3.2  | 3.5  | 3.8  |
| Net foreign balance¹  | 1.3  | 1.3  | -0.9  | -0.3  |
|  |  |  |  |  |
| Output gap (percent of potential output)  | -1.1  | 1.5  | 1.2  | 1.1  |
|  |  |  |  |  |
| Prices, wages, and employment  |  |  |  |  |
| Consumer price index (HICP)  | 2.8  | 11.6  | 4.8  | 3.9  |
| GDP deflator  | 2.5  | 6.1  | 5.0  | 4.0  |
|  |  |  |  |  |
| Hourly compensation (manufacturing)  | 0.2  | 3.9  | 4.2  | 3.5  |
| Unit labor costs (manufacturing)  | -4.8  | 0.6  | 0.7  | 0.7  |
|  |  |  |  |  |
| Employment (percent)  |  |  |  |  |
| Unemployment rate (ILO definition)  | 4.2  | 3.7  | 4.1  | 4.2  |
| NAIRU  | 5.2  | 5.2  | 5.2  | 5.2  |
|  |  |  |  |  |
| External trade (percent of GDP)  |  |  |  |  |
| Merchandise balance  | 7.3  | 7.2  | 6.7  | 6.0  |
| Current account balance  | 7.2  | 5.5  | 6.2  | 6.1  |
|  |  |  |  |  |
| General government accounts (percent of GDP)  |  |  |
| Revenue  | 44.0  | 44.0  | 43.8  | 43.3  |
| Expenditure  | 46.6  | 45.0  | 46.6  | 45.1  |
| Net lending/borrowing  | -2.6  | -1.0  | -2.8  | -1.8  |
| Primary balance  | -2.2  | -0.9  | -3.0  | -1.9  |
| Structural balance²  | 1.6  | 0.1  | -2.1  | -2.4  |
| Structural primary balance²  | 2.2  | 0.6  | -1.6  | -1.9  |
| General government gross debt  | 52.3  | 48.3  | 48.5  | 47.9  |
|  |  |  |  |  |
| Sources: Dutch official publications, IMF, IFS, and IMF staff calculations.  |
| ¹ Contribution to GDP growth.  |  |  |
| ² In percent of potential GDP.  |  |  |

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Sources: IMF Executive Board Concludes 2022 Article IV Consultation with the Netherlands March 9, 2023.

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|  |  |  | **Annexure-II**  |  |
|  |  |  |  **TABLE - 1** |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **NETHERLAND'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE**  |
| **OF TRADE BETWEEN 2018 TO 2022** |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  | **(Figures in USD Million)** |  |
| **Year** | **Exports** | **Percentage****Growth in****Exports** | **Imports** | **Percentage****Growth in****Imports** | **Volume****of****Trade** | **Percentage****Growth in****Vol. of Trade** | **Balance****of****Trade** |  |
|  |
|  |
| 2018 | 587893 |   | 521036 |   | 11,08,929 |   | 66857 |  |
| 2019 | 576784 | -1.89 | 514089 | -1.33 | 10,90,873 | -1.63 | 62695 |  |
| 2020 | 551353 | -4.41 | 484089 | -5.84 | 10,35,442 | -5.08 | 67264 |  |
| 2021 | 696893 | 26.40 | 623369 | 28.77 | 13,20,262 | 27.51 | 73524 |  |
| 2022 | 768259 | 10.24 | 710772 | 14.02 | 14,79,031 | 12.03 | 57487 |  |
| **Annual****Compound****Growth Rate**  |   | **6.92**  |   | **8.07**  |   | **7.47**  |   |  |
|  |
|  |
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|  |
| NOTE : Figures relate to calendar year (January to December) |  |  |  |
| SOURCE : UN COMTRADE PUBLICATION  |  |
|  |  |  |  |  |  | **Figure - 1** |  |  |
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|  | **TABLE - 2** |  |
|  **INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. NETHERLAND** |  |
|  |  **FY 2018-2019 to 2022-2023**  |  |  |
|  |  |  |  |  **(Value in USD Million)** |
| **Year** |  **Exports from India to Netherland** | **Percentage****Growth in****Exports** | **Imports from Netherland to India** | **Percentage****Growth in****Imports** | **Volume****of****Trade** | **Percentage****Growth in****Vol. of Trade** | **Balance****of****Trade** |
| 2018-19 | 8814.33 |   | 4063.39 |   | 12877.72 |   | 4750.94 |
| 2019-20 | 8369.19 | -5.05 | 3390.97 | -16.55 | 11760.16 | -8.68 | 4978.22 |
| 2020-21 | 6474.56 | -22.64 | 3317.72 | -2.16 | 9792.28 | -16.73 | 3156.84 |
| 2021-22 | 12546.55 | 93.78 | 4478.10 | 34.98 | 17024.65 | 73.86 | 8068.45 |
| 2022-23 | 21620.73 | 72.32 | 5961.36 | 33.12 | 27582.09 | 62.01 | 15659.37 |
| **Annual****Compound****Growth Rate** |  | **25.15** |  | **10.06** |  | **20.98** |  |
| **NOTE : Figures relate to Financial Year (April to March)** |
| **Source : DGCI&S, M/o C&I** |  |  |  |  |  |
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|  |  |  |  |  | **Figure 2** |  |  |
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|  |  |  | **TABLE -3** |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  | **INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO NETHERLAND** **2018-2019 TO 2022-2023 AND THEIR GROWTH RATES** |  |
|  |  |
|  |  |  |  |  |  | **(Value in USD Million)** |  |
| **Sl. No.** | **Name of the Merchandise Commodities** |  **Value of Exports** |  **Annual Growth Rates** |
|  |  | **2018-19** | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **19-20 over** | **20-21 over** | **21-22 over** | **22-23 over** |
|  |  |  |  |  |  |  | **2018-19** | **2019-20** | **2020-21** | **2021-22** |
|  |   |  |   |   |   |   |  |  |  |  |
| **1** | **Petroleum Products** | **4363.78** | **3906.44** | **1873.64** | **5273.65** | **12526.41** | **-10.48** | **-52.04** | **181.47** | **137.53** |
|  | Products Of Iron & Steel | 49.51 | 46.68 | 28.94 | 42.03 | 57.94 |  |  |  |  |
| **2** | **Telecom Instruments** | **184.18** | **209.09** | **255.72** | **545.35** | **1254.61** | **13.52** | **22.30** | **113.26** | **130.06** |
|  | Share in total export | 2.09 | 2.50 | 3.95 | 4.35 | 5.80 |  |  |  |  |
| **3** | **Aluminium, Products Made Of Aluminium** | **148.94** | **70.22** | **62.74** | **434.35** | **855.90** | **-52.85** | **-10.65** | **592.30** | **97.05** |
|  | Share in total export | 1.69 | 0.84 | 0.97 | 3.46 | 3.96 |  |  |  |  |
| **4** | **Organic Chemicals** | **264.18** | **226.27** | **273.23** | **558.49** | **586.97** | **-14.35** | **20.75** | **104.40** | **5.10** |
|  | Share in total export | 3.00 | 2.70 | 4.22 | 4.45 | 2.71 |  |  |  |  |
| **5** | **Residual Chemicals And Allied Products** | **144.36** | **200.23** | **163.40** | **344.23** | **453.20** | **38.70** | **-18.39** | **110.67** | **31.66** |
|  | Share in total export | 1.64 | 2.39 | 2.52 | 2.74 | 2.10 |  |  |  |  |
| **6** | **Drugs Formulations, Biologicals** | **104.58** | **204.47** | **243.64** | **314.51** | **449.37** | **95.52** | **19.16** | **29.09** | **42.88** |
|  | Share in total export | 1.19 | 2.44 | 3.76 | 2.51 | 2.08 |  |  |  |  |
| **7** | **RMG Cotton Including Accessories** | **310.08** | **280.49** | **235.18** | **347.21** | **420.91** | **-9.54** | **-16.15** | **47.64** | **21.23** |
|  | Share in total export | 3.52 | 3.35 | 3.63 | 2.77 | 1.95 |  |  |  |  |
| **8** | **Electronic Instruments** | **78.16** | **80.43** | **91.15** | **194.56** | **368.45** | **2.90** | **13.33** | **113.45** | **89.38** |
|  | Share in total export | 0.89 | 0.96 | 1.41 | 1.55 | 1.70 |  |  |  |  |
| **9** | **Iron And Steel** | **168.29** | **132.34** | **152.99** | **360.58** | **346.95** | **-21.36** | **15.60** | **135.69** | **-3.78** |
|  | Share in total export | 1.91 | 1.58 | 2.36 | 2.87 | 1.60 |  |  |  |  |
| **10** | **Products Of Iron & Steel** | **212.95** | **184.49** | **168.42** | **299.31** | **296.27** | **-13.36** | **-8.71** | **77.72** | **-1.02** |
|  | Share in total export | 2.42 | 2.20 | 2.60 | 2.39 | 1.37 |  |  |  |  |
|   | **Total export to NETHERLAND** | **8814.33** | **8369.19** | **6474.56** | **12546.55** | **21620.73** | **-5.05** | **-22.64** | **93.78** | **72.32** |
| **NOTE : Figures relate to each Financial Year (April to March)****SOURCE : DGCI&S, M/o C&I** |

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|  | **TABLE -4** |  |
| **INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM NETHERLAND** |
|  | **2018-2019 TO 2022-2023 AND THEIR GROWTH RATES** |
|  |  |  |  | **(Value in USD Million)** |  |
| **Sl. No.** | **Name of the Merchandise Commodities** |  **Value of Imports** |  **Annual Growth Rates** |
|  | **2018-19** | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **19-20 over****2018-19** | **20-21 over****2019-20** | **21-22 over****2020-21** | **22-23 over****2021-22** |
|  |  |  |  |  |
|  |   |  |  |  |   |   |  |  |  |  |
| **1** | **Petroleum Products** |  |  |  |  | **589.22** |  |  |  |  |
|  | Share in total imports |   |   |   |   | 9.88 |  |  |  |  |
| **2** | **Vegetable Oils** | **28.78** | **75.29** | **127.45** | **266.83** | **443.30** | **161.61** | **69.28** | **109.36** | **66.14** |
|  | Share in total imports | 0.71 | 2.22 | 3.84 | 5.96 | 7.44 |  |  |  |  |
| **3** | **Iron And Steel** | **207.16** | **201.31** | **154.25** | **264.11** | **312.92** | **-2.82** | **-23.38** | **71.22** | **18.48** |
|  | Share in total imports. | 5.10 | 5.94 | 4.65 | 5.90 | 5.25 |  |  |  |  |
| **4** | **Plastic Raw Materials** | **289.80** | **235.19** | **193.91** | **246.20** | **295.68** | **-18.84** | **-17.55** | **26.97** | **20.10** |
|  | Share in total import | 7.13 | 6.94 | 5.84 | 5.50 | 4.96 |  |  |  |  |
| **5** | **Organic Chemicals** | **295.79** | **368.96** | **297.41** | **300.83** | **294.28** | **24.74** | **-19.39** | **1.15** | **-2.18** |
|  | Share in total import | 7.28 | 10.88 | 8.96 | 6.72 | 4.94 |  |  |  |  |
| **6** | **Indl. Machinery For Dairy Etc.** | **166.64** | **194.45** | **147.43** | **228.35** | **276.84** | **16.69** | **-24.18** | **54.89** | **21.23** |
|  | Share in total import | 4.10 | 5.73 | 4.44 | 5.10 | 4.64 |  |  |  |  |
| **7** | **Medical And Scientific Instruments** | **232.71** | **220.04** | **133.89** | **190.18** | **272.87** | **-5.44** | **-39.15** | **42.04** | **43.48** |
|  | Share in total import | 5.73 | 6.49 | 4.04 | 4.25 | 4.58 |  |  |  |  |
| **8** | **Electric Machinery And Equipments** | **88.52** | **69.65** | **130.02** | **89.62** | **250.16** | **-21.32** | **86.68** | **-31.07** | **179.13** |
|  | Share in total import | 2.18 | 2.05 | 3.92 | 2.00 | 4.20 |  |  |  |  |
| **9** | **Residual Chemical And Allied Products** | **203.11** | **169.09** | **147.28** | **202.55** | **223.98** | **-16.75** | **-12.90** | **37.53** | **10.58** |
|  | Share in total import | 5.00 | 4.99 | 4.44 | 4.52 | 3.76 |  |  |  |  |
| **10** | **Electrinic Instruments** | **150.04** | **144.84** | **112.00** | **153.23** | **204.66** | **-3.47** | **-22.67** | **36.81** | **33.56** |
|  | Share in total import | 3.69 | 4.27 | 3.38 | 3.42 | 3.43 |  |  |  |  |
|   | **Total import from NETHERLAND** | **4063.39** | **3390.97** | **3317.72** | **4478.10** | **5961.36** | **-16.55** | **-2.16** | **34.98** | **33.12** |
| **NOTE : Figures relate to each Financial Year (April to March)****SOURCE : DGCI&S, M/o C&I** |