

COUNTRY PROFILE REPORT

ITJ DIVISION, DIRECTORATE GENERAL OF COMMERCIAL INTELLIGENCE & STATISTICS

INDIA - NETHERLANDS BILATERAL TRADE RELATIONS

A. INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. The Netherlands, informally known as Holland, is a country in North-western Europe with overseas territories in the Caribbean. It is bordered to the east by Germany and to the south by Belgium, while its northern and western shores face the North Sea. As the largest of the four constituent countries of the Kingdom of the Netherlands, the country occupies an important geographic position in north-western Europe. Its North Sea frontage and proximity to major European markets have historically supported the development of shipping, fishing, commerce and internationally connected economic activity. The Netherlands is a partner of the European Union, G20, WTO and OECD (Organisation for Economic Co-operation and Development). Since the 16th century, shipping, fishing, agriculture, trade and banking have been leading sectors of the Dutch economy, illustrating the long-standing importance of external commerce and financial activity in its economic structure. The country has a high level of economic freedom and is identified in the supplied profile as one of the top countries in the Global Enabling Trade Report. Taken together, these features present the Netherlands as a highly trade-oriented economy whose domestic production, consumption, investment and logistics networks are closely linked with international markets and global value chains.

2. The macroeconomic indicators in Table 1 show a gradual strengthening of real activity over 2023-26, alongside moderation in inflation and a changing fiscal position. Real GDP growth is recorded at 0.1% in 2023 and 1.0% in 2024, with projections of 1.1% in 2025 and 1.2% in 2026. Private consumption remains positive throughout the period, moving from 0.8% in 2023 to 1.2% in 2024, 1.1% in 2025 and 1.3% in 2026, while public consumption growth moderates from 3.6% in 2024 to 2.0% in 2025 and 1.0% in 2026. Gross fixed investment, after declining by 0.5% in 2024, is projected to recover to 0.3% in 2025 and 1.2% in 2026. The external sector indicators similarly point to a recovery in trade flows: exports of goods and services move from -0.5% in 2023 to 0.4% in 2024 and are projected at 0.6% in 2025 and 1.6% in 2026, while imports move from -1.7% in 2023 to 0.3%, 1.0% and 1.8% respectively. Domestic demand contributes -0.8 percentage point to GDP growth in 2023, but turns positive at 0.9 in 2024 and 1.3 in 2025 before easing to 1.2 in 2026; external demand contributes 0.9 in 2023, 0.1 in 2024, -0.2 in 2025 and 0 in 2026. The output gap narrows from 1.4% of potential output in 2023 to zero by 2026. On prices, average HICP inflation declines from 4.1% in 2023 to 3.2% in 2024, 3.0% in 2025 and 2.4% in 2026, while the GDP deflator declines from 7.3% to 2.2% over the same period. Employment growth slows from 2.0% in 2023 to 0.1% in 2026 and the unemployment rate rises gradually from 3.6% to 4.0%. The goods trade balance remains strongly positive, at 8.0% of GDP in 2023, 8.7% in 2024, 8.0% in 2025 and 7.8% in 2026, while the current account balance remains close to 10% of GDP. General government revenue remains around 43% of GDP, whereas expenditure rises from 43.2% in 2023 to 46% in 2026; consequently, net lending/borrowing moves from -0.4% to -3.0%, and gross debt is shown at 45.3% of GDP in 2026. These movements are consistent with the supplied IMF Article IV summary, which notes that domestic demand is expected to support growth while inflation moderates, even as trade tensions, capacity constraints and policy uncertainty remain relevant risks.

TABLE - 1
The Netherlands: Selected Economic Indicators, 2023-26

Indicator	2023	2024	2025 Proj.	2026 Proj.
NATIONAL ACCOUNTS				
Gross domestic product	0.1	1	1.1	1.2
Private consumption	0.8	1.2	1.1	1.3
Public consumption	2.9	3.6	2	1
Gross fixed investment	1.3	-0.5	0.3	1.2

Exports of goods and services	-0.5	0.4	0.6	1.6
Imports of goods and services	-1.7	0.3	1	1.8
Domestic demand (contrib. to GDP growth)	-0.8	0.9	1.3	1.2
External demand (contrib. to GDP growth)	0.9	0.1	-0.2	0
Output gap (% of potential output)	1.4	0.7	0.2	0
PRICES				
Consumer price index (HICP), period avg.	4.1	3.2	3	2.4
Consumer price index (HICP), end-of-period	1.1	4	2.5	2
CPI (HICP), core, period average 1/	7.3	3.5	3.6	2.5
CPI (HICP), core, end-of-period 1/	3.8	4.4	2.9	2
GDP deflator	7.3	5.2	2.7	2.2
Employment	2	0.6	0.2	0.1
Unemployment rate (% , ILO definition)	3.6	3.7	3.8	4
BALANCE OF PAYMENTS (% of GDP)				
Trade balance (goods)	8	8.7	8	7.8
Current account balance	9.9	9.9	10.1	9.9
GENERAL GOVERNMENT (% of GDP)				
Revenue	42.8	43	42.8	43
Expenditure	43.2	44	45	46
Net lending/borrowing	-0.4	-0.9	-2.2	-3
Primary balance	0.1	-0.4	-1.6	-2.3
Structural balance 2/	-0.5	-1.4	-2.4	-2.3
Structural primary balance 2/	0.2	-0.7	-1.7	-1.5
Cyclically-adjusted balance 2/	-1.2	-1.4	-2.4	-3
General government gross debt	45.2	43.3	43.8	45.3

Sources: Dutch official publications, IMF, IFS, and IMF staff calculations. 1/ Core defined as headline inflation excluding energy and unprocessed food. 2/ In percent of potential GDP.

B. FOREIGN TRADE

3. As per the recent available inputs on WITS (World Integrated Trade Solution) reproduced in the supplied country profile, the Netherlands has a diversified merchandise trading network centred on major European partners and supplemented by large non-European economies. Its five major merchandise export partners are Germany, Belgium, France, the United Kingdom and the United States, while its five major import partners are Germany, the United States, Belgium, China, and the United Kingdom. The partner composition shows the importance of neighbouring and nearby European markets on both sides of Dutch merchandise trade, while the presence of China and the United States among leading import partners and the United States among leading export partners reflects the wider global reach of Dutch trade. The commodity profile is similarly broad. The five major exported goods listed in the source are Petroleum oils, etc, (excl. crude); preparation; Machines & mechanical appliances nes having ind; Transmission apparatus, for radioteleph incorpo; Petroleum oils and oils obtained from bituminou; and Other medicaments of mixed or unmixed products. The five major imported goods are Petroleum oils and oils obtained from bituminou; Petroleum oils, etc, (excl. crude); preparation; Transmission apparatus, for radioteleph incorpo; Natural gas, liquefied; and Parts and accessories of automatic data process. The overlap between some major export and import categories, particularly petroleum products and transmission apparatus, is consistent with a trading system in which imported goods may form part of processing, distribution, re-export and wider value-chain activity. This WITS-based partner and commodity profile therefore provides the structural context for the aggregate export, import, trade-volume and balance-of-trade movements shown in Table 2 and Figure 1.

4. Table 2 and Figure 1 show that the Netherlands' total merchandise exports increased substantially over the 2020-2024 period, although the path was not uniform. Exports were USD 551,353 million in 2020 and rose sharply to USD 696,873 million in 2021, representing year-on-year growth of 26.39%. The upward movement continued in 2022, when exports reached USD 768,259 million, a further increase of 10.24% and the highest export value in the five-year series. Thereafter, exports moderated to USD 734,008 million in 2023, corresponding to a decline of 4.46%, and eased again to USD 722,294 million in 2024, a decline of 1.60%. Despite these consecutive reductions after the 2022 peak, the 2024 export level remained well above the 2020 level. Over the full period, the annual compound growth rate of exports was 6.98%. The series therefore combines a strong expansion during 2021-22 with a subsequent normalisation in 2023-24, while preserving a sizeable net increase across the complete observation period.

5. Imports followed a broadly similar pattern but displayed somewhat stronger compound growth over the period. Total imports increased from USD 484,089 million in 2020 to USD 623,369 million in 2021, equivalent to growth of 28.77%. They rose further to USD 710,772 million in 2022, with year-on-year growth of 14.02%, before declining to USD 655,583 million in 2023 and USD 635,409 million in 2024. The corresponding contractions were 7.76% in 2023 and 3.08% in 2024. Even after these declines, the 2024 import value remained considerably higher than the 2020 base. The annual compound growth rate for imports during 2020-2024 was 7.04%, marginally above the 6.98% CAGR recorded for exports. Viewed alongside the export series in Figure 1, the import data underline the scale of the Netherlands' merchandise-trade engagement and the common cyclical pattern in both outward and inward trade values during the five-year period.

6. The combined volume of trade - exports plus imports - increased from USD 1,035,442 million in 2020 to USD 1,320,242 million in 2021 and USD 1,479,031 million in 2022. Growth in total trade volume was 27.51% in 2021 and 12.03% in 2022. In 2023, trade volume declined by 6.05% to USD 1,389,591 million, followed by a further 2.29% decline to USD 1,357,703 million in 2024. Nevertheless, the CAGR of total trade volume over 2020-2024 remained positive at 7.01%. Most importantly, the Netherlands recorded a merchandise trade surplus in every year shown. The balance of trade was USD 67,264 million in 2020, USD 73,504 million in 2021, USD 57,487 million in 2022, USD 78,425 million in 2023 and USD 86,885 million in 2024. Thus, even while both exports and imports moderated after 2022, the trade surplus widened to its highest level in the displayed series by 2024. Figure 1 visually reinforces this pattern by showing exports above imports throughout the period and the positive balance-of-trade series alongside them.

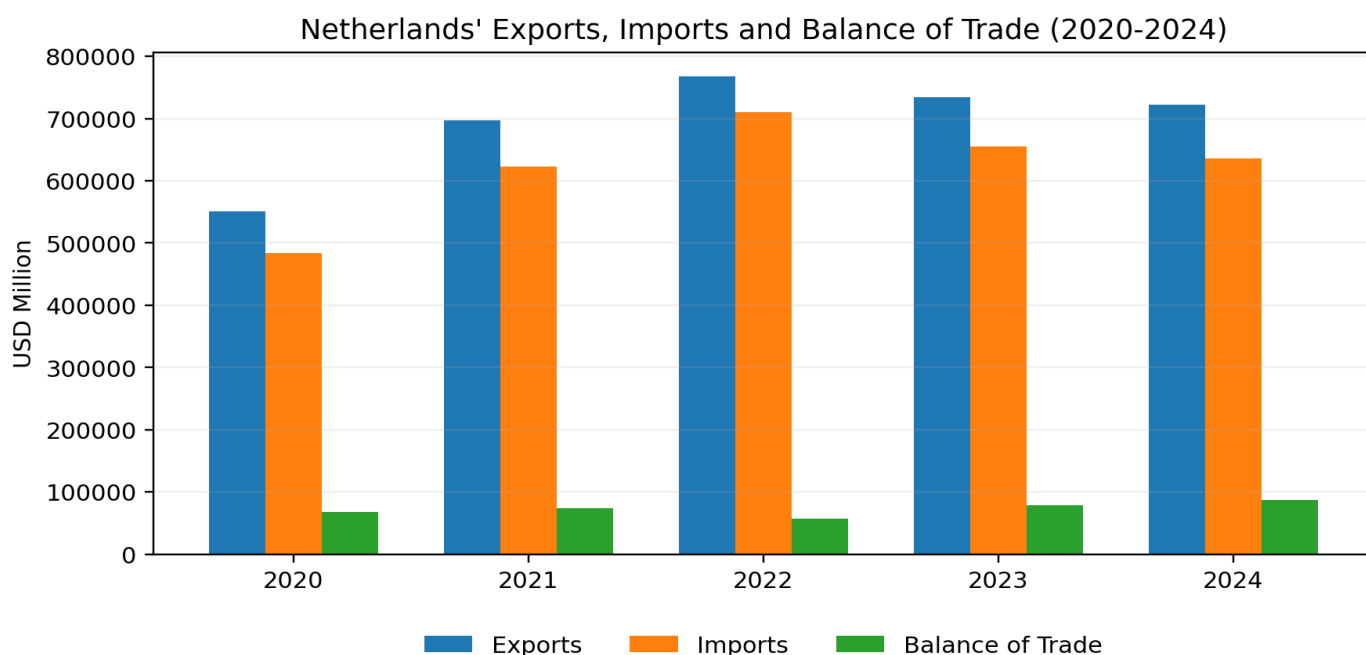
TABLE - 2

Netherlands' Total Exports and Imports, Volume of Trade and Balance of Trade (2020-2024)

Year	Exports	% Growth Exp.	Imports	% Growth Imp.	Volume of Trade	% Growth Vol.	Balance of Trade
2020	551,353	—	484,089	—	1,035,442	—	67,264
2021	696,873	26.39	623,369	28.77	1,320,242	27.51	73,504
2022	768,259	10.24	710,772	14.02	1,479,031	12.03	57,487
2023	734,008	-4.46	655,583	-7.76	1,389,591	-6.05	78,425
2024	722,294	-1.60	635,409	-3.08	1,357,703	-2.29	86,885
CAGR	6.98		7.04		7.01		

NOTE: Figures relate to calendar year (January to December). SOURCE: UN COMTRADE PUBLICATION

FIGURE - 1
Netherlands' Exports, Imports and Balance of Trade (2020-2024)



C. BILATERAL TRADE WITH INDIA - MERCHANDISE TRADE

7. India and the Netherlands share strong merchandise trade and investment ties, and the supplied DGCI&S profile identifies the Netherlands as a major European trading partner for India. The Netherlands is described as India's largest trading partner within the European Union and a significant investor in the Indian market. In FY 2024-25, India's exports to the Netherlands accounted for 5.20% of India's total export value, making the Netherlands the 3rd largest export destination for India in that financial year. Imports from the Netherlands constituted 0.72% of India's total import value, while the Netherlands ranked as India's 11th largest trading partner in FY 2024-25. The profile also records that almost 2.07% of India's international trade value was with the Netherlands in FY 2023-24, based on the DGCI&S database. These indicators establish the bilateral relationship as one in which the Netherlands is particularly important as a destination for Indian merchandise exports, while imports from the Netherlands form a smaller share of India's overall imports. The detailed five-year data in Table 3 and Figure 2 further show how rapidly this trade relationship expanded after FY 2020-21.

8. The total volume of India-Netherlands merchandise trade rose from USD 9,792.28 million in FY 2020-21 to USD 17,024.65 million in FY 2021-22, an increase of 73.86%. It expanded again by 62.01% in FY 2022-23 to USD 27,582.09 million. After this exceptionally rapid two-year expansion, bilateral trade volume was broadly stable in FY 2023-24 at USD 27,343.34 million, representing a marginal decline of 0.87%, before returning to positive growth of 2.12% in FY 2024-25 and reaching USD 27,923.07 million. Across FY 2020-21 to FY 2024-25, the annual compound growth rate of total bilateral trade was 29.95%. The scale of the increase is notable: by FY 2024-25, the value of bilateral merchandise trade was nearly three times the FY 2020-21 level. The sequence also indicates a transition from very high expansion in FY 2021-22 and FY 2022-23 to a phase of consolidation in the two most recent years shown.

9. India maintained a positive merchandise balance of trade with the Netherlands throughout the five-year period. India's exports to the Netherlands increased from USD 6,474.56 million in FY 2020-21 to USD 12,546.55 million in FY 2021-22, a rise of 93.78%, and then to USD 21,620.73 million in FY 2022-23, a further increase of 72.32%. Export growth subsequently moderated to 3.46% in FY 2023-24 and 1.75% in FY 2024-25, taking exports to USD 22,760.62 million. The export CAGR over the full period was 36.93%. Imports from the Netherlands rose from USD 3,317.72 million in FY 2020-21 to USD 4,478.10 million in FY 2021-22 and USD 5,961.36 million in FY 2022-23, with growth rates of 34.98% and 33.12% respectively. Imports then declined by 16.56% to USD 4,974.29 million in FY 2023-24 before recovering by 3.78% to USD 5,162.45 million in FY 2024-25; the import CAGR was 11.69%. Because exports grew much faster than imports over the full period, India's trade surplus with the Netherlands expanded from USD 3,156.84 million in FY 2020-21 to USD 8,068.45 million in FY 2021-22, USD 15,659.37 million in FY 2022-23, USD 17,394.76 million in FY 2023-24 and USD 17,598.17 million in FY 2024-25. Figure 2 makes this widening gap visually clear and highlights the export-led character of the bilateral merchandise relationship over the period under review.

TABLE - 3

India's Merchandise Exports & Imports with respect to Netherlands (FY 2020-21 to 2024-25)

Year	Exports to NL	% Growth Exp.	Imports from NL	% Growth Imp.	Volume of Trade	% Growth Vol.	Balance of Trade
2020-21	6,474.56	—	3,317.72	—	9,792.28	—	3,156.84
2021-22	12,546.55	93.78	4,478.10	34.98	17,024.65	73.86	8,068.45
2022-23	21,620.73	72.32	5,961.36	33.12	27,582.09	62.01	15,659.37
2023-24	22,369.05	3.46	4,974.29	-16.56	27,343.34	-0.87	17,394.76
2024-25	22,760.62	1.75	5,162.45	3.78	27,923.07	2.12	17,598.17
CAGR	36.93		11.69		29.95		

NOTE: Figures relate to Financial Year (April to March). SOURCE: DGCI&S, Ministry of Commerce & Industry

FIGURE - 2

India's Exports, Imports and Balance of Trade with Netherlands (FY 2020-21 to 2024-25)



D. COMMODITY COMPOSITION OF BILATERAL TRADE

10(a). Table 4 shows that India's export basket to the Netherlands in FY 2024-25 was led overwhelmingly by Petroleum Products, followed by Telecom Instruments and RMG Cotton Incl. Accessories. Petroleum Products were valued at USD 13,220.48 million in FY 2024-25 and accounted for 58.08% of India's total exports to the Netherlands. Their value had risen from USD 1,873.64 million in FY 2020-21 to USD 5,273.65 million in FY 2021-22 and USD 12,526.41 million in FY 2022-23, before reaching USD 14,288.71 million in FY 2023-24 and then declining by 7.48% in FY 2024-25. Their share correspondingly increased from 28.94% in FY 2020-21 to 63.88% in FY 2023-24 before easing to 58.08% in FY 2024-25. Telecom Instruments formed the second-largest listed export category in FY 2024-25 at USD 2,428.57 million, representing 10.67% of total exports; this category recorded particularly strong growth of 88.20% in FY 2024-25 after much smaller growth of 2.85% in the preceding year. RMG Cotton Incl. Accessories ranked third at USD 517.96 million and a 2.28% share, with growth of 26.11% in FY 2024-25. The remaining listed categories - Organic Chemicals, Drug Formulations Biologicals, Iron and Steel, Residual Chemicals & Allied, Electronic Instruments, Products of Iron and Steel, and Aluminium Products of Aluminium - each accounted for less than 2% of total exports in FY 2024-25. Several of these categories recorded negative growth in the latest year, including Organic Chemicals (-1.15%), Drug Formulations Biologicals (-21.09%), Iron and Steel (-2.72%), Residual Chemicals & Allied (-7.53%), Electronic Instruments (-10.50%), Products of Iron and Steel (-3.98%) and Aluminium Products of Aluminium (-26.31%). The table therefore shows both the dominant role of petroleum products and the rapid recent expansion of telecom instruments within India's export composition.

TABLE - 4

India's Major Items of Merchandise Exports to Netherlands (2020-21 to 2024-25) and Their Growth Rates

Sl.	Commodity	2020-21	2021-22	2022-23	2023-24	2024-25	21-22	22-23	23-24	24-25
1	Petroleum Products	1873.64	5273.65	12526.41	14288.71	13220.48	181.47	137.53	14.07	-7.48
	Share (%)	28.94	42.03	57.94	63.88	58.08				
2	Telecom Instruments	255.72	545.35	1254.61	1290.40	2428.57	113.26	130.06	2.85	88.20
	Share (%)	3.95	4.35	5.80	5.77	10.67				
3	RMG Cotton Incl. Accessories	235.18	347.21	420.91	410.71	517.96	47.64	21.23	-2.42	26.11
	Share (%)	3.63	2.77	1.95	1.84	2.28				
4	Organic Chemicals	273.23	558.49	586.97	421.75	416.89	104.40	5.10	-28.15	-1.15
	Share (%)	4.22	4.45	2.71	1.89	1.83				
5	Drug Formulations Biologicals	243.64	314.51	449.37	521.35	411.40	29.09	42.88	16.02	-21.09
	Share (%)	3.76	2.51	2.08	2.33	1.81				

6	Iron and Steel	152.99	360.58	346.95	334.49	325.40	135.69	-3.78	-3.59	-2.72
	Share (%)	2.36	2.87	1.60	1.50	1.43				
7	Residual Chemicals & Allied	163.40	344.23	453.20	327.26	302.62	110.67	31.66	-27.79	-7.53
	Share (%)	2.52	2.74	2.10	1.46	1.33				
8	Electronic Instruments	91.15	194.56	368.45	305.34	273.27	113.45	89.38	-17.13	-10.50
	Share (%)	1.41	1.55	1.70	1.37	1.20				
9	Products of Iron and Steel	168.42	299.31	296.27	277.33	266.30	77.72	-1.02	-6.39	-3.98
	Share (%)	2.60	2.39	1.37	1.24	1.17				
10	Aluminium Products of Aluminium	62.74	434.35	855.90	272.44	200.77	592.30	97.05	-68.17	-26.31
	Share (%)	0.97	3.46	3.96	1.22	0.88				
	Total exports to NETHERLANDS	6474.56	12546.55	21620.73	22369.05	22760.62	93.78	72.32	3.46	1.75

NOTE: Figures relate to each Financial Year (April to March). SOURCE: DGCI&S, Ministry of Commerce & Industry

10(b). Table 5 indicates a more diversified import structure. Drug Formulations Biologicals were the largest listed import item from the Netherlands in FY 2024-25 at USD 394.39 million, accounting for 7.64% of India's total imports from the Netherlands. This category increased by 73.80% in FY 2024-25, lifting its share from 4.56% in FY 2023-24 to 7.64%. Medical and Scientific Instruments were the second-largest listed item at USD 298.46 million and a 5.78% share, with modest latest-year growth of 1.14%. Industrial Machinery for Dairy Etc. ranked third at USD 287.99 million, representing 5.58% of total imports, though its value declined by 1.78% in FY 2024-25. Vegetable Oils stood at USD 264.67 million with a 5.13% share and grew by 1.32%, while Electronics Instruments were USD 244.02 million with a 4.73% share and declined by 3.79%. Plastic Raw Materials, Residual Chemical and Allied Products, Organic Chemicals, Aluminium Products of Aluminium and Electronic Components each represented between 3.58% and 4.63% of total imports in FY 2024-25. The latest-year movements across these categories were mixed: Residual Chemical and Allied Products grew by 3.88% and Organic Chemicals by 0.73%, whereas Plastic Raw Materials declined by 3.28%, Aluminium Products of Aluminium by 1.96%, and Electronic Components by 42.58%. The five-year pattern also shows shifts in category shares: Organic Chemicals, for example, declined from 8.96% of total imports in FY 2020-21 to 4.38% in FY 2024-25, while Drug Formulations Biologicals increased from 3.25% to 7.64%. In contrast with the export side, where petroleum products alone accounted for 58.08% in FY 2024-25, the leading import category accounted for only 7.64%, indicating a considerably broader distribution across the major listed import commodities.

TABLE - 5

India's Major Items of Merchandise Imports from Netherlands (2020-21 to 2024-25) and Their Growth Rates

Sl.	Commodity	2020-21	2021-22	2022-23	2023-24	2024-25	21-22	22-23	23-24	24-25
1	Drug Formulations Biologicals	107.72	247.01	176.14	226.92	394.39	129.31	-28.69	28.83	73.80
	Share (%)	3.25	5.52	2.95	4.56	7.64				
2	Medical and Scientific Instruments	133.89	190.18	272.87	295.11	298.46	42.04	43.48	8.15	1.14
	Share (%)	4.04	4.25	4.58	5.93	5.78				
3	Indl. Machinery For Dairy Etc.	147.43	228.35	276.84	293.20	287.99	54.89	21.23	5.91	-1.78
	Share (%)	4.44	5.10	4.64	5.89	5.58				
4	Vegetable Oils	127.45	266.83	443.30	261.21	264.67	109.36	66.14	-41.08	1.32
	Share (%)	3.84	5.96	7.44	5.25	5.13				
5	Electronics Instruments	112.00	153.23	204.66	253.62	244.02	36.81	33.56	23.92	-3.79
	Share (%)	3.38	3.42	3.43	5.10	4.73				
6	Plastic Raw Materials	193.91	246.20	295.68	246.99	238.88	26.97	20.10	-16.47	-3.28
	Share (%)	5.84	5.50	4.96	4.97	4.63				
7	Residual Chemical and Allied Products	147.98	202.55	223.98	220.55	229.10	36.88	10.58	-1.53	3.88
	Share (%)	4.46	4.52	3.76	4.43	4.44				
8	Organic Chemicals	297.41	300.83	294.28	224.46	226.09	1.15	-2.18	-23.73	0.73
	Share (%)	8.96	6.72	4.94	4.51	4.38				
9	Aluminium, Products of Aluminium	111.89	156.42	158.95	214.30	210.09	39.80	1.62	34.82	-1.96
	Share (%)	3.37	3.49	2.67	4.31	4.07				
10	Electronic Components	73.39	84.98	202.27	322.09	184.95	15.79	138.02	59.24	-42.58
	Share (%)	2.21	1.90	3.39	6.48	3.58				
	Total import from NETHERLANDS	3317.72	4478.10	5961.36	4974.29	5162.45	34.98	33.12	-16.56	3.78

NOTE: Figures relate to each Financial Year (April to March). SOURCE: DGCI&S, Ministry of Commerce & Industry

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