

Dutch Developments

Netherlands Investment News

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OF INTEREST

Top Banking

According to the Bank for International Settlements (“the central bank for central banks”), the Netherlands ranks seventh worldwide in international banking. With the latest survey, the Dutch rated higher than Switzerland as an international financial center.

Energizing Your Car

Amsterdam plans to increase the number of recharging points for electric cars from 100 to almost 2,000. City planners hope that making the stations more convenient will encourage more use of electric cars. Last year, Amsterdam announced a goal of having 5 percent (10,000 vehicles) of all cars in the city be electric by 2015. Currently, there are only 150 electric cars using the existing stations.

Where in the World?

Newsweek magazine recently rated the Netherlands as the eighth-best country in the world in which to live. One hundred countries were compared on five categories of national well-being: education, health, quality of life, economic competitiveness, and political environment. (Finland was #1.)



Pioneers in international business

HISTORIC MINORITY COALITION GOVERNMENT COMES TO POWER



photo credit: Jeroen van der Meijde

Minister Verhagen (seated left), Minister of Agriculture and Trade Bleker (center) and former Minister of Economic Affairs Van der Hoeven (seated right) signing the formal transfer documents at the new Ministry of Economic Affairs, Agriculture and Innovation.

On October 14—127 days after parliamentary elections were held — Queen Beatrix of the Netherlands swore in a new minority coalition government headed by Prime Minister Mark Rutte, 43 years old and the first center-right Liberal prime minister since 1918.

The coalition is formed by the right-wing People’s Party for Freedom and Democracy (VVD) and the Christian Democratic Alliance (CDA). This pair will be supported in the Lower House by the Freedom Party (PVV) led by Geert Wilders, which will not, however, have any ministers in the cabinet. All three parties together represent 76 seats, a one-seat majority in the Lower House of Parliament.

Minority governments are a rarity in the Netherlands. The elections, held on June 9, did not come close to producing one majority winner. The indecisive outcome led to protracted negotiations in which several coalitions were explored,

a process made more complicated by the deep differences among the parties.

At one point in mid-July, there were extensive talks between the two Liberal parties, Labor and the left-wing GroenLinks — the so-called “Purple Plus” coalition named after the combination of party colors — but this attempt, along with several others, failed.

A caretaker government has been in place since February’s collapse of the then-existing government headed by Prime Minister Jan Peter Balkenende, a Christian Democrat.

The parliamentary party leaders of the VVD and the CDA presented their Coalition Agreement on September 30. This 62-page document entitled “Freedom and Responsibility” lays out the accord reached by the governing coalition in areas of policy, budget and administration to be pursued in the next four years.

In addition, the VVD, CDA and PVV also

(continued on page 2)

COALITION GOVERNMENT

(continued from page 1)

concluded a far-reaching Parliamentary Support Agreement covering immigration, integration, asylum, public safety, care of the elderly and the agreed package of spending cuts. The PVV may vote against proposals from the Coalition Agreement in parliament. However, it will not support motions of no confidence or censure that relate to measures in the Coalition Agreement.

The new cabinet (12 ministers) posed with Queen Beatrix on the steps outside Huis ten Bosch Palace for the traditional photograph. The queen was flanked by Prime Minister Rutte and Deputy Prime Minister Maxime Verhagen. (Verhagen had been Foreign Minister since 2007 in the previous government.) The new government

will reduce the number of ministries from 13 to 11.

As part of this change, the Ministries of Economic Affairs and Agriculture are now combined into the Ministry of Economic Affairs, Agriculture and Innovation. To quote directly from the Coalition Agreement, “The combination and concentration of general and specific economic policy, agri-food policy and innovation policy in a single ministry will provide a platform for more integrated and effective policies to strengthen the competitiveness of the Dutch economy in the EU and the world.”

NFIA will be an operational unit of this newly formed Ministry, which will be headed by Minister of Economic Affairs, Agriculture

and Innovation Maxime Verhagen, and Minister of Agriculture and Trade Henk Bleker.

The new team of Dutch cabinet ministers said there was a very “positive atmosphere” during its first meeting. The new ministers praised the role of Mark Rutte as head of the new government.



VIEWPOINT

by Hans Bakker
Executive Director,
NFIA North America

“ECONOMIC SPEARHEADS” SHAPING POLICY

Recently, the parliamentary party leaders in the new government (see *Page One* story) presented their Coalition Agreement, outlining — among other issues

— a series of economic measures designed to “balance the country’s books.”

The crux of their position is clearly stated upfront: “Economic development and growth underpin employment, prosperity and public services.” Strengthening international business competitiveness is paramount. And, the keys to accomplishing that are promoting innovation and the continued cooperation between industry, academia and government.

Special emphasis will be placed on developing policy that encourages what are being called “current and future spearheads” of the Dutch economy. These are well known areas where the Netherlands excels — food, water management, life sciences, chemicals, logistics and the creative industry, among others.

One concrete example of this new effort is the establishment of an Entrepreneurs Forum, a single point of contact for all entrepreneurs for their dealings with the government. Administrative and regulatory burdens will be reduced for all businesses.

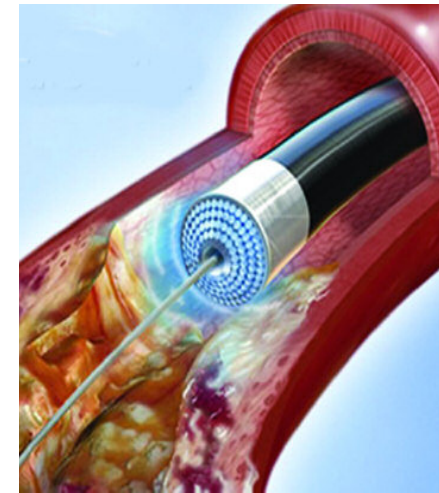
In the 2010-11 edition of the World Economic Forum’s (WEF) Global Competitiveness Report, the Netherlands ranked eighth, a jump upwards of two spots from the previous year. To maintain that momentum we must continue to take advantage of our strategic location, productive business climate and well-educated labor force.

European Reimbursement Environment for Medical Device Companies Studied

Reimbursement processes, structures and strategies for medical device companies serving the European market were discussed at a seminar held in Waltham, MA, this past May, hosted by the Netherlands Foreign Investment Agency and MassMEDIC. The centerpiece of the seminar was a 2010 report by Buck Consultants International (BCI) that studied all aspects of reimbursement procedures in the EU with special emphasis on the UK, France, Germany, Belgium and the Netherlands.

Europe is the second-largest medtech market worldwide with a total expenditure of about \$100 billion. Many of the requirements for reimbursement are similar between EU countries, but reimbursement approval must be obtained for each market and country separately, and sometimes from each individual payer.

The 60 attendees learned that successful reimbursement could be what “makes or breaks” a product launch. According to the BCI study, companies have to start thinking



about the reimbursement process during the product development stage and have all relevant business functions involved

RECENT MOVE-INS

XPLANE (Portland, Oregon), a design consulting firm, has opened a new studio in Amsterdam. The information design consulting firm has taken advantage of the city’s large creative talent pool in relocating its operation from Madrid.

St. Louis, MO-based Alpha Packaging, a manufacturer of plastic bottles and jars for the nutritional, pharmaceutical and personal care markets, has opened its first European production facility in Roosendaal. The facility is an addition to the company’s Dutch sales presence, which has been located in Wijchen for the past five years.

A water purification technology company headquartered in Canonsburg, PA, Aquatech International, recently established a fully owned subsidiary in Leiden. The company focuses on water purification for the industrial and infrastructure markets with a focus on desalination, water reuse and zero liquid discharge.

Iron Data, LLC of Atlanta is relocating its European operations to a new, larger facility in the Amsterdam area of Hoofddorp. The company specializes in products and services designed to monitor, improve and optimize

in the process. Copies of the study are available upon request at info@nfia.com.

Also presenting was Laurel Sweeney, Senior Director Global Health Economic & Reimbursement at Philips Healthcare, who explained the company’s experiences with reimbursement systems throughout Europe.

The Massachusetts Medical Device Industry Council (MassMEDIC) is the voluntary grassroots association of medical device manufacturers and associated companies in the Commonwealth. MassMEDIC is the only organization in New England dedicated solely to promoting the unique interests of the medical device industry.

NEW NFIA AREA DIRECTOR FOR NORTHEAST



As the new area director and head of the Boston office, Katja Berkhout is responsible for covering five states in the New England region — Rhode Island, Massachusetts, Vermont, New Hampshire and Maine. Her primary responsibility will be assisting companies in those Northeast states to establish or expand their European operations in the Netherlands.

Berkhout has spent the last three years with the Netherlands Foreign Trade Agency (NL Agency) as international project and financing advisor to the Netherlands private sector. Prior to that, she was Business Consultant at Berenschot, an independent organizational consulting firm with 500 employees in the Benelux. In this position she was responsible for subsidy and project management advice to large private clients and grants scheme management training for international graduates.

Earlier in her career, Berkhout worked as an international project manager in Central and Eastern Europe and acquisition coordinator for VNG-International in, among other places, Romania, the Russian Federation and Bulgaria.

She earned a master’s degree in Contemporary History from Groningen University with a specialty in law and international cooperation.

FOCUS ON: *Aerospace MRO*



Early in 2010, Bombardier Aerospace — a leader in civil aerospace manufacturing — started up its first European service hub at Amsterdam Airport Schiphol.

Bombardier, headquartered in Montreal, Canada, has a presence in more than 60 countries on five continents. More than 30,000 employees work for the company's aerospace division. Currently the company is leasing hangar space for its Dutch maintenance, repair and overhaul (MRO) operations. But the company plans to develop a custom-designed, dedicated facility to be completed in 2012. The initial workforce of 50 employees is expected to grow to 170 within three years.

Before selecting Amsterdam Airport Schiphol for its new service center, Bombardier looked at 40 different European locations in a lengthy and comprehensive evaluation process. Commenting on the selection, Michael McQuay, President of Bombardier Aircraft Service Centers, said, "Amsterdam Airport Schiphol is one of the best European airports and is strategically located in Europe."

According to Jacques Comtois, General Manager of Bombardier Aerospace in the Netherlands, about 75% of the company's clients based in Europe can reach the new European Service Center by plane within an hour. He says that this convenience is an important factor when clients purchase aircraft. The availability of a skilled and reliable service outlet operated by Bombardier represents a significant competitive edge.

Photos on this page courtesy of the Dutch Institute World Class Maintenance and De Winters publishers.

Dutch advantages

Bombardier adds to the intensifying strengths of the Netherlands in aerospace maintenance, repair and overhaul. Aerospace MRO continues to surge worldwide. Because new aircraft cost more, airlines are replacing their fleets less frequently. Additionally, more aircraft are out of production as a result of corporate consolidation. To keep fleets flying, companies must rely heavily on parts availability, inventory and distribution.



The Netherlands has compelling advantages aimed at saving commercial, civilian, and military aerospace operators significant time and money — a vibrant and growing MRO workforce, superb access and infrastructure, and tax deferment.

The Dutch MRO sector is recognized as a market leader in integrated aerospace services. It offers engineering, top quality modifications, engine repairs, overhauls and retrofit, line maintenance and more. According to the Netherlands Aerospace Group, the Dutch MRO sector employs some 12,000 highly trained employees and is growing rapidly. This sector's emphasis on lean maintenance improves productivity and helps to eliminate waste.

Outstanding Dutch infrastructure for MRO support includes a high-speed network of modern roads and rail freight systems, as well as Europe's largest



deep-water port (Rotterdam) and second-busiest airport (Schiphol). Near Schiphol, aerospace giants such as Boeing and Airbus benefit from the technical expertise housed in the extensive business park known as Schiphol East or Maintenance Valley.

Amsterdam Airport Area

Nearly 100 aerospace companies reside here, many of which are active in MRO. KLM Engineering and Maintenance within Schiphol East, the largest MRO player in the Netherlands, has more than 5,000 employees. The MRO cluster is supported by an excellent logistics infrastructure in the direct vicinity of the airport.

The Schiphol Aerospace Exchange is an ambitious project that promotes collaboration between businesses and leading education and research institutes. The Exchange comprises several universities, the National Aerospace Laboratory (NLR) and the European Space Agency. It focuses on technology, knowledge, training and information.

In research for example, NLR and Delft University of Technology recently announced development of new fiber architecture with improved damage tolerance for composite materials. NLR believes this research could lead to more efficient composite structures in aerospace and other transport applications. Related programs at the Thermoplastic Composites Research Center of the University of Twente concern the design of more cost-efficient and environmentally progressive thermoplastics for the aerospace industry.

Southern aerospace MRO initiatives

Responding to increased globalization and competition, the World Class Maintenance initiative in southern Netherlands is pursuing new cooperative ventures. This program links MRO to Dutch capital-intensive industries — aerospace, energy, infrastructure, maritime and process.

Activities sponsored by the program include:

- WCMC — A World Class Maintenance Consortium for cross-industry knowledge sharing and project execution. The consortium seeks to create new strategies and joint project execution, as well as new products, processes and business propositions. A business-driven research program is underway with universities.
- MCC — A Maintenance Competence Center where MRO expertise and best practices will be shared, trained and employed by SMEs. MCC brings together companies seeking to exchange ideas and common problems and to investigate joint opportunities.
- MEC — A Maintenance Education Consortium of participants that pursue a common objective: to ensure sufficient and well-trained professional and technical staff. MEC is also developing a Maintenance University aimed at completion of vocational and university education.

Southern Dutch strengths comprise strong and large

players like KLM, Stork Fokker Services and the Royal Netherlands Airforce. Examples of the many SME companies in the south are Chromalloy, Standard Aero, Dutch Aero, Daedalus and Bradford Engineering.

The Maastricht Maintenance Boulevard in southeast Netherlands is a significant MRO cluster. It's a one-stop shop for aerospace maintenance with a focus on large jets, civil regional and business aerospace, military aerospace, and helicopters.

The Woensdrecht cluster in southwest Netherlands offers both military and civil MRO along with aerospace training. Included are an MRO logistics center and Fokker aerospace facilities. Woensdrecht houses the main offices for the world-class Aviation Academy as well as an Aircraft Maintenance and Training School.

Residing between these two southern MRO clusters, the city of Tilburg houses many aerospace-related and logistics companies. Tilburg is currently developing a new business park aimed at clustering non-bound runway MRO activities in the aerospace sector. Nearby educational institutions add to the site's favorable position.





PLANTS SHUTTLE — A SUSTAINABLE OPTION FOR FLORICULTURE TRANSPORT

The Netherlands is the heart of the international floriculture sector. It has an intricate and high-quality network of companies representing every aspect of the business. With the largest international hub for flowers located in Aalsmeer, the Amsterdam metropolitan area is both a major producer and international trader of a wide range of flowers.

As a linchpin in the ornamental plant and flower chain, the “FloraHolland” flower auction (the world’s largest) relies

on the region’s world-class logistics infrastructure to move hundreds of containers daily. Products are transported through this international multimodal hub by air via Amsterdam Schiphol Airport, by sea via the Ports of Amsterdam and Rotterdam, and by land via the extensive roadway and railway networks.

In a pilot program to upgrade the accessibility to ports and land routes, the Port of Amsterdam (the fifth-largest seaport within the European Union) and

FloraHolland have been investigating innovative and environmentally friendly options for transporting floriculture products. Through this initiative, plants in the Netherlands have been shipped for the first time to the Port of Amsterdam using a new sustainable logistics chain system, called the Plants Shuttle.

In Plants Shuttle, several companies have entered into a joint venture to make the logistics chain sustainable in daily practice. The chain consists of seaports and inland shipping ports, road haulers, inland shipping companies, shippers, container terminals in seaports and inland shipping ports. The first Plants Shuttle was used this spring to ship plants of a large-scale nursery in the Noordoostpolder via the port of Kampen across the IJsselmeer to the Port of Amsterdam. From Amsterdam the plants were loaded onto a truck destined for flower auction FloraHolland Aalsmeer. The IJsselmeer provides excellent waterway shipping options for the floriculture transport between Randstad and the nurseries located in the country’s Northern provinces.

Results of the first shuttle service were promising as 95% of the containers were delivered on time and the quality of the products was of the same level as would have been if they shipped by road. The knowledge and experience gained with the new Plants Shuttle clearly demonstrate that inland shipping is a clean, efficient and sustainable transport alternative for floriculture products that could be expanded in the future. This way both the road network and the environment will be relieved considerably.

Global Move for IJS Global

Over the summer, IJS Global, a worldwide freight forwarding and logistics company, relocated its worldwide headquarters from Stamford, CT, to Amsterdam. The European region office, previously headquartered in Amsterdam, has moved to London.

According to new President and CEO Sjoerd van Loon, who previously headed up the firm’s EMEA region, management realized by 2010 that success in Europe was driving the company. “What was our next step in a global approach? Based on the strength of our European business model of sector product development, we decided to make the global headquarters switch to Amsterdam.

“We have 24 offices in Europe and have decided to spread best practices around the rest of the company,” says van Loon.

Formed in 2004 by equity fund Brynwood Partners (whose founder, Hendrick Hartong Jr., is a Dutchman), IJS Global has grown from its two US-based offices to a worldwide logistics network operating in over 80 countries of fully owned and exclusive agent partnerships. Van Loon breaks down their current business as follows: 15% logistics services (warehousing, supply chain management and value-added activities); 85% forwarding services (which further divides into about 60% air freight, 25% ocean, and 15% express road haul).

IJS Global was recently quite active in the Haitian earthquake relief effort, helping to transport much-needed supplies such as tents and medicines to the stricken area.

“We are very much engaged in getting US companies to work out of the Netherlands. To that end, we are doing ‘NFIA-like’ work in recruiting and encouraging US expansion to Europe,” says van Loon.



the company. “What was our next step in a global approach? Based on the strength of



European Commission Sets Strategic Approach to Innovation

The European Commission has set out a strategic approach to transforming Europe into an “Innovation Union,” marking a new milestone for this flagship initiative launched as part of the Europe 2020 strategy for achieving a smart, sustainable and inclusive economy.

Designed to boost green growth and social progress, the “Innovation Union” would concentrate Europe’s combined efforts on such key challenges as climate change, energy efficiency and healthy living. It will revolutionize the way public and

private sectors work together to remove bottlenecks that prevent ideas getting quickly to market. These include lack of finance, fragmented research systems and markets, under-use of public procurement for innovation, and slow standard setting.

Actions such as these are designed to support the emergence of a knowledge-based economy, and would go a long way towards meeting the Europe 2020 target of boosting research and development expenditures to 3% of gross domestic product (GDP). According to a recent study, this level of investment could create up to 3.7 million jobs and increase annual GDP by as

much as €795 million by 2025.

The “Innovation Union” includes over 30 action points—among them, groundbreaking proposals like the European Innovation Partnerships with relevant stakeholders, adopting measures to improve access to finance, and intensifying existing research initiatives and completing the European Research Area. Other key elements are accelerating and upgrading the standard setting process, modernizing Europe’s intellectual property regime, and introducing a European Design Leadership Board and a European Design Excellence Label.

InterGen Opens State-of-the-Art Power Plant



Independent energy producer InterGen recently opened its new state-of-the-art MaasStroom power station in Rotterdam and is now delivering 428 megawatts (MW) of electricity to the Dutch power grid.

InterGen has made an unprecedented investment in the Netherlands’ energy infrastructure through the construction and operation of some of the country’s newest, cleanest and most efficient power projects. The MaasStroom facility’s environmentally friendly technology makes it the most economical and efficient gas-fired power plant in Europe.

One of the first EU countries to liberalize its energy market, the Netherlands is an especially attractive country for InterGen, which operates a total of twelve power plants in Australia, Great Britain, the Philippines, Mexico and the Netherlands.

With this latest investment, the company is looking to further establish its position as a foreign player in the

Dutch energy market. Currently, InterGen provides 7.5 percent of the Dutch electricity demand.

The addition of the MaasStroom station makes InterGen the leading independent power producer in the Netherlands with a total installed capacity of 1250 MW and a further 900 MW in development. The new \$700 million plant generates enough eco-friendly electricity to service approximately 400,000 Dutch homes. The total capacity of 428 MW is used by Dutch energy supplier Oxxio for electricity supply to approximately 60 percent of its customers.

The new MaasStroom facility complements InterGen’s existing 820-MW Rijnmond power station, which is situated directly adjacent to the MaasStroom plant. Opened in 2004, the Rijnmond station provides generated electricity to Dutch energy supplier Eneco. InterGen also has plans for a third, 900-MW plant in Moerdijk.

The MaasStroom natural-gas-fired power plant supplies ecofriendly electricity for approximately 400,000 Dutch households

Young Dutch Student Uncovers Oldest Known Share Certificate

Working on his Master's thesis at the University of Utrecht, 25-year-old Ruben Schalk recently came across the world's oldest known share certificate. The certificate, whose nominal value is 150 Dutch Guilders (about \$95), dates back to September 9, 1606, about three weeks earlier than the previous one considered oldest.

The Dutch East India Company, the largest trading company in the 17th and 18th centuries, issued the share. This company was the first in the world financed by freely negotiable shares. Its charter granted it a 21-year monopoly to carry out colonial activities in Asia.

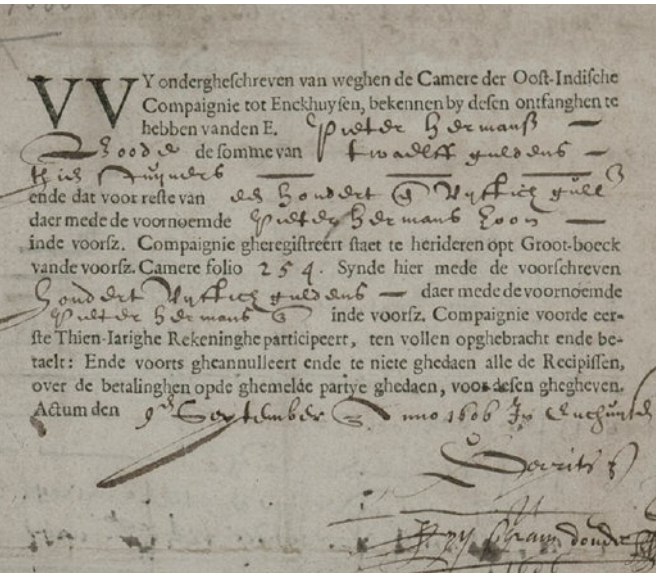
Paying dividends

Schalk was studying history, focusing on cities, states and citizenship. He was sifting through documents in the West Frisian Archives. He stumbled on the certificate while looking at company financing by the people of the city of Enkhuizen during the Dutch Golden Age.

The certificate includes detailed descriptions of dividend distributions up to 1650, covering a longer period than previously studied documents. The dividend notes shed some light on the financial status of the Dutch East India Company during that time.

From these detailed notes, researchers have discovered that, early on, the company was struggling to keep afloat. It did not distribute any dividends, and took out loans from private parties and others to finance its ventures. One such venture was Henry Hudson's voyage to America in 1609 that led to the Dutch settlements in Manhattan.

Eventually shareholders rebelled, receiving their first dividends in 1610 in the form of cash and spices. Shareholders had no say in operations, negating our



previous image that the company was the first modern and transparent open company. Nevertheless, the Dutch East India Company remained a leading trading concern, paying an 18% annual dividend for almost 200 years.

Certificate's owners

The company issued the certificate to Pieter Hermansz boode, a citizen of Enkhuizen. The suffix *boode* indicates that Hermansz was a messenger. Actually he served as messenger to the mayor. Hermansz was one of 538 Enkhuizen subscribers, who included craftsmen, small entrepreneurs and citizens. Enkhuizen supplied the third-largest amount of capital for the company, after Amsterdam and Middelburg.

After Hermansz died in 1638, the shares passed to his widow and their daughter Ada. Eventually they ended up in the Enkhuizen archives. The file resides in the West Frisian Archives in Hoor.

The certificate's current monetary worth is irrelevant since the current owner, the city of Enkhuizen, won't sell it. Similar documents in private hands go for astronomical amounts. Obviously this document has significant historic value.

The share certificate served as the center of attention at the recent fall exhibition of the Dutch East India Company in the West Frisian Museum in Hoor. This exhibit also showcased the Enkhuizen Chamber's ledger for the company, which contains the registration of Pieter Harmensz. Within the ledger is the company's Charter dated March 20, 1602. Trading of shares started almost immediately after the closure of the offer. Such trades marked the beginnings of the Amsterdam Stock Exchange, the oldest stock exchange in the world.

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