

Dutch Developments

Netherlands Investment News

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OF INTEREST

Going Green

All 12 Dutch provinces have signed an accord agreeing to invest at least €200 million over the next two years in environmental improvement projects. The Dutch government has set goals for greenhouse gas emissions to be reduced by 30 percent by 2020.

Well Connected

The Netherlands ranked second behind the United Kingdom in a new European Competitive Telecommunications Association (ECTA) survey of telecommunications markets. The survey also found that the Netherlands had the lowest entry threshold for newcomers to the market, and the best possibilities to lay and expand networks.

Ports Post Record Volumes

The Netherlands' two largest ports reported an overall increase in the amount of cargo handled in 2008: the Port of Amsterdam reported an overall increase of 7 percent and the Port of Rotterdam increased its cargo throughput by 2.7 percent.

NFIA Records Strong Numbers in 2008, Despite Worldwide Recessionary Pressure

The ongoing global economic crisis notwithstanding, the Netherlands Foreign Investment Agency (NFIA) posted record results in 2008 for the second straight year in all three measured categories – the number of projects, job creation and capital investment. Overall, the NFIA supported 182 investment projects of foreign companies that located various operations in the Netherlands – a remarkable increase of 27 projects over the previous record-setting year of 2007. These projects represented 3,299 jobs and planned investment of nearly \$850 million.

Breaking the numbers down from a regional perspective, North America claimed 71 (or almost 40 percent) of the total. This figure combines 67 from the US and four from Canada. About half of the total projects came from Asia. (Korea and China led the way in that region with 27 and 21 projects, respectively.) The remainder came from Europe, Australia, the Middle East and Africa. North America was the overwhelming leader in both the

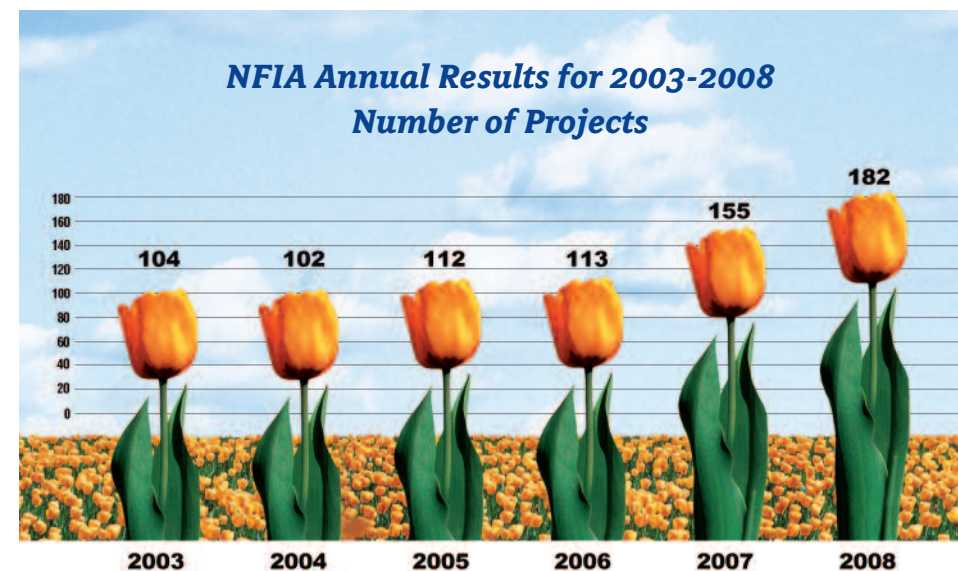
total number of new jobs (1,813) and investment (\$742 million).

More than half of the projects in 2008 were first establishments by foreign companies in the Netherlands, especially by Asian firms. Of this group, the majority comes from China. All 17 of China's first establishments are sales and marketing offices. From North America, 32 of its total 71 projects were "first entries" and 14 projects represented the expansion of activities by foreign companies with operations already in the Netherlands.

According to Frank Heemskerk, Minister for Foreign Trade, "Establishments of foreign companies in the Netherlands contribute to our economic growth, are good for substantial direct and indirect employment, reinforce the Dutch innovation strength, keep the Dutch business market sharp and give our country a connection to international networks of activity."

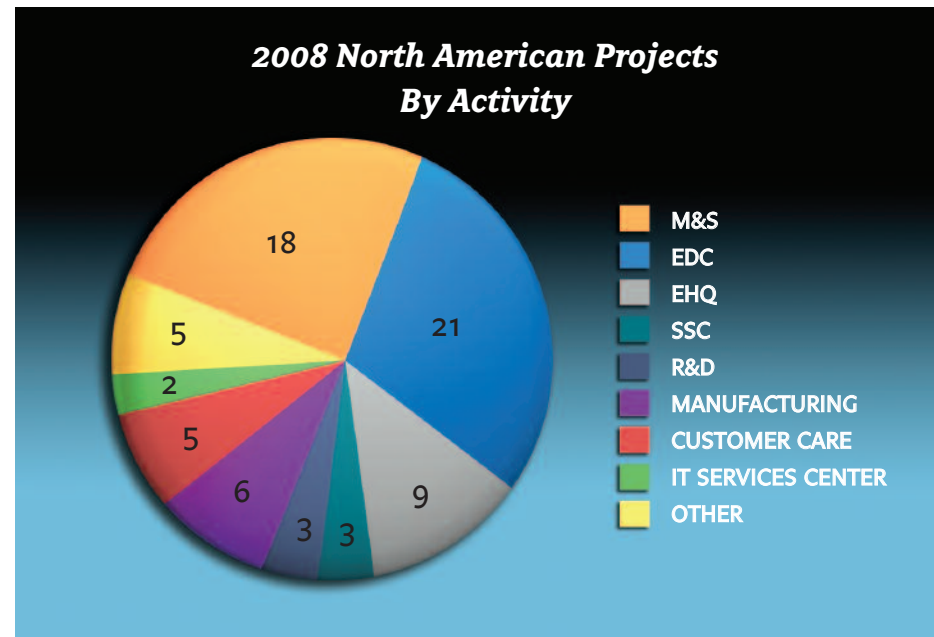
When the numbers are analyzed by activity, more than one-third of all proj-

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Records Strong Numbers in 2008

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ects last year (67) were related to market- ing and sales. After a four-year upward trend, projects in the field of research and development decreased – 13 in 2008, compared to 20 the previous year.

If the worldwide results are classified by industry, the top five delivering the most projects are as follows:

- Information technology: 32
- Health/medical equipment: 17

- Machinery and tools: 15
- Business-related services: 9
- Electronic components: 9

The industry delivering the most capital investment was energy and water, and the one providing the most jobs was information technology.

Slightly different findings are seen if these categories are analyzed for North America only. In terms of type of activity, European distribution centers (21 projects) lead the way, followed closely by marketing and sales (18 projects). See pie chart at left. By industry, medical technology and information technology both claimed 11 projects to top the list.

One notable trend involves the increase in expansion projects – foreign companies increasing their footprint in the Netherlands. The year 2008 netted 29 projects in this category – more than a 25 percent jump over the previous year. The projects were good for an investment amount of nearly \$80 million and the creation of greater than 1,000 new jobs. In North America, there were 14 expansion projects in 2008.

Finally, due to the worldwide recession and other economic factors, the number of smaller projects continues to grow. Because of this tendency, the average value of projects (expressed in terms of investment and jobs) has trended downward. The “average” project for 2008 registered 18 new jobs and an investment of just over \$5 million.

A cross-section of 2008 North American projects, with respect to industry and activity, is represented by the following three examples:

- Firestone Industrial Products Company established its European headquarters operation in Arnhem.
- Hollister, a medical products firm, selected Etten-Leur for its European distribution center.
- Intergen, the energy company, began construction of its second central station in the Amsterdam area. The two stations combined will eventually supply about 7.5 percent of the Dutch electricity usage.

RECENT MOVE-INS

A provider of business process management solutions has opened a new European office in Amsterdam’s financial district. Pegasystems, located in Cambridge, MA, will also increase its sales and technical teams following a recruitment drive in the region.

Dynamic Network Services Inc., from Manchester, NH, a provider of Internet domain, zone and email solutions, has opened a data center in Amsterdam. The location will ensure better connectivity and faster resolution times across Europe.

Phenomenex Inc., based in Torrance, CA, a manufacturer of separation science consumables, has opened a new subsidiary in Utrecht. The company will provide research resources for several industries, including drug discovery and development, chemical processing, biofuels analysis, food and water safety, forensics and toxicology.

In addition to launching a new Dutch-language website, LogMeln, Inc., from Woburn,

MA, recently located its European headquarters in Amsterdam. The company provides on-demand, remote-connectivity solutions to small- and medium-sized businesses.

Based in Santa Clara, CA, Foundry Networks, Inc. has launched an expanded European-based support center in Amsterdam’s commercial district, Sloterdijk. The firm is a provider of end-to-end switching and routing.

ProLogis (Denver, CO), a distribution facilities management company, is developing 247,000 square feet of warehouse space in Almere for use by one of Europe’s largest communications distributors. The customer will use the warehouse for distribution throughout the Netherlands and Belgium.

Peterborough, NH-based ARCAD Software, a business solutions and applications developer, recently launched ARCAD Software BV in Dongen. The company will provide local support for ARCAD’s Dutch customers, as well as offer support services for deployed licenses.

Hollister Inc. (Chicago, IL), a pharmaceutical company that provides medical care products for ostomy care, continence care and wound treatment, recently opened a new distribution center in Etten-Leur. The 118,000-square-foot distribution center will supply customers throughout the European market.

Merck Sharp & Dohme (MSD), based in Whitehouse Station, NJ, recently opened its new production line for the first vaccine to prevent cervical cancer in Haarlem. MSD remodeled an existing building for the €30 million project, including cold storage facilities, a warehouse and testing laboratory.

Schneider Logistics Inc. (Green Bay, WI), a worldwide provider of comprehensive logistics services, has opened new freight forwarding offices in Rotterdam and Amsterdam. Approximately 70 percent of the freight handled in those locations is destined for, or originates from, other European countries.

Rotterdam Climate Campus Leads Way in Sustainability Research

As countries around the world seek new sources of clean, renewable energy, the city of Rotterdam hopes that an unprecedented new initiative will help make that city the “Silicon Valley of sustainable energy production.”

The Rotterdam Climate Campus (RCC) opened in the city’s former port area in



Source: stadshavensrotterdam/deltasyncq

October with a dedication from former Vice President and Nobel Prize winner Al Gore. The facility will serve as a test location for products and ideas developed by Dutch universities, oil companies, energy companies and environmental organizations that are developing new technologies related to sustainable technology and clean energy.

Even the RCC itself will be part of the research – its offices will open in a high-tech “floating building” within the next few months.

The research projects include ideas from all forms of renewable technology, from recycling to harnessing natural energy. For example, one project involves using excess heat from industrial processes to heat homes, while another aims to produce energy from algae and the tide. Other research includes ways to convert industrial water into clean drinking water,

energy generation from the tides, and even the possibility of entire “floating communities.”

Rotterdam officials said the time is right for such an undertaking.

“The transition to an era of clean and renewable energy is of the same order as that of the Industrial Revolution,” said Mark Harbers, Rotterdam alderman for the Economy, Port and Environment. “There is a sense of urgency, and the learning curve needs to become steeper quickly. Applying and marketing these innovations on a large scale should result in a new, clean tech economy in which Rotterdam leads the field.”

Support for the RCC includes resources from the fields of education, government and industry. Participants include representatives of the petrochemical industry, the Technical University of Delft, the Erasmus University, the Dutch Ministry of Housing, Spatial Planning and the Environment, the City of Rotterdam, Eneco and the World Wide Fund for Nature.

VIEWPOINT

by Bas C.M. Pulles
Commissioner
NFIA Worldwide

Innovation as a Guiding Principle

The forecasts from the World Bank and UNCTAD for 2009 predict FDI inflows to drop substantially. Adding to this reality is the decreasing value of an “average” project. Operating within the throes of an economic crisis, the NFIA has already adjusted its

expectations. No longer viewed as simply an agent for job creation, the NFIA firmly sees its mission as adding value and economic competitiveness.

To those ends, innovation and sustainability will predominate. Minister van der Hoeven of Economic Affairs announced in March an additional \$200 million for the second phase of “Point One,” the Dutch high-tech innovation program. The money is intended to support R&D projects, with the goal of strengthening the innovation capacity of large companies, as well as SMEs and researchers.

Correspondingly, the NFIA will focus more intensely on key technologies and industries – among them, nanoelectronics, embedded systems, mechatronics and robotics. In addition, the agency will support a range of activities where the Netherlands offers strong propositions that create high value – namely, sectors such as the food industry, health care, chemicals and energy.

The Minister stated our purpose simply and directly: “Nothing gets in the way of innovation in our country.”

Dutch Gaming



for developers to distribute their products to gamers. Xbox Live Arcade, PlayStation Network and WiiWare represent platforms for creative games that can be produced by small, focused teams. Developers in the Netherlands have embraced this opportunity and delivered some of the best examples of easily accessible and highly playable games.

Serious and casual games

Currently the Dutch have strong positions in two of the more interesting branches of the game industry – the serious game market and online casual entertainment.



Advergame TracChallenge2 by developer Little Chicken promotes Vredestein tires

Entertainment game Toki Tori for Wii and iPhone by developer Two Tribes

Serious problems require serious solutions. The Dutch have a long history of successfully battling the elements. As a result, they have learned to expect the unexpected and to prepare for multiple contingencies. With this know-how as background, they're poised to create training games and interactive simulations with great accuracy and depth. Dutch serious game developers such as VSTEP and E-Semble (Delft) have successfully developed training solutions for numerous international clients.

The market for casual games has exploded in recent years. The Dutch represent a leading edge in developing this business. Unlike that of traditional video games, the casual games appeal largely to elderly and female players. The universal popularity of casual gaming has broadened the exposure of interactive video games as a whole.

Another increasingly popular category is advergames. Games like Little Chicken's racing game Trac act as a viable tool to attract consumers to specific products – in this case, Vredestein tires. Any advertiser would want to be associated with fun. Dutch advertising agencies recognize the power of branded games to generate an awareness of particular products in the consumer's mind. These "advergames" now are an integral part of any advertising campaign worldwide.

Gaming research and resources

To ensure Holland's creative and business influence in the international games market, the Dutch have invested in creating courses in more than twenty colleges and universities. Curricula reflect the technical, design, and creative elements needed in the modern international marketplace. The future for gaming looks bright in the Netherlands with these highly skilled professionals entering the field.

The Dutch government is also co-funding several large-scale research projects to discover how to effectively apply advanced gaming techniques in training and simulation products. The goal is to make the Netherlands the most productive and most cited research center in Europe for gaming that is aimed at education, training, and entertainment.

One example is the GATE project with a total budget of 19 million euros. This project has three objectives:

- to advance the state of the art in gaming,
- to facilitate knowledge transfer to companies, and
- to show the benefits and potential of gaming in public sectors.

The hope is to develop a globally competitive knowledge-base of game technology. The GATE project will work toward enhancing the productivity and competitive edge of small- and medium-sized creative companies.

Moreover, the Center for Advanced Gaming and Simulation (AGS) in the Netherlands has become a leading-edge research center for advancing state-of-the-art techniques. The goal of AGS is to create technology for highly effective

learning and training experiences. For this purpose, Utrecht University, Utrecht School of Arts, and the TNO organization have combined their creative talents and professional skills in the fields of computer science, information science, virtual reality, psychology, and game design.

Gaming events

As a result of the growing and increasingly professional game industry in the Netherlands, some high profile and successful events have emerged. Two such events are the annual NLGD Festival of Games and Free Gaming.

The NLGD Foundation offers room to all disciplines within the games industry to work either directly or indirectly with serious or entertainment games. Included are publishers and developers, research organizations, educational institutions, and trade and industry. The NLGD Festival of Games is being supported by local, regional and national governments.

The largest consumer event in the Netherlands is Free Gaming in Rotterdam. It's an open-air event for people of all ages to experience the latest games, get



Serious simulation game by developer E-Semble

information about game development, and participate in a wide variety of related activities at no charge. The event is supported by Dutch publishers, developers, distributors and local authorities. The latest event drew more than 10,000 visitors. Many are looking forward to the next event on July 18, 2009.

The Dutch are quickly becoming "masters" of the gaming industry. Dutch game products, designed and built with Dutch technology, are now an integral part of mainstream global gaming.



ShipSim, a serious simulation game by developer VSTEP

SMOOTHING THE TAX PROCESS



The Netherlands has set in motion an improved tax policy designed to reduce costs and expedite the flow of tax information to companies. In essence, the policy encourages the development of a special relationship between the company and tax agent based on mutual trust and transparency.

The goals of this enhanced cooperation are to reduce administrative costs for both parties and to keep final tax assessments up to date. Netherlands tax authorities plan to achieve these goals by reaching individual agreements (covenants) with selected companies. The agreements spell out the rules of conduct regarding the relationship. Both parties are expected to act constructively.

The agreement generally applies to all taxes – corporate income tax, value-added tax, custom taxes, wage taxes and social insurance premiums. All prevailing tax rules and policies will continue to apply.

According to a recent memorandum from KPMG Meijburg & Co., tax lawyers, a company must show the tax authorities that it is “in control” of tax-related processes within the business. On a regular basis, it will inform them about significant business transactions and fiscal uncertainties. In return, the Dutch tax authorities will respond quickly and appropriately to company requests by providing accurate information on the tax consequences of business situations.

The hope is that tax authorities can limit time-consuming audits and more quickly issue tax assessments than otherwise. In addition, companies will more quickly become aware of the consequences of significant transactions and processes during the business cycle.

Foreign Employees Say They Are Happy in the Netherlands

A new survey reports that more than 68 percent of international organizations and their foreign employees are highly satisfied with living and working in the Netherlands.

The study, conducted by the Dutch Foreign Ministry, shows that satisfaction levels are higher now than they were in prior years. Ministry officials credit fiscal, residency and communication reforms as instrumental in raising satisfaction levels.

“For the Netherlands, it is politically and economically important to have and keep these organizations in the country,” said Dutch Foreign Minister Maxime Verhagen. “They are welcome guests. It helps if they and their staff feel taken seriously and well served here.”

Verhagen said that a similar study a few years ago showed that some international groups were unhappy with certain aspects of life in the Netherlands, citing difficult dealings with the government, inadequate access to healthcare and disparities in tax structure. In response, the Dutch government expanded residency rights for expats, streamlined tax issues, and improved communication between authorities and organizations.

The most recent survey shows that these improvements have made a difference in how expats view the Netherlands. Respondents gave high marks to the opening of the Xpat Desk in The Hague, and improved services from the Immigration and Naturalization Service, and the Tax and Customs Administration.

The survey included international organizations based in the vicinity of The Hague, including international courts and tribunals, and European groups that uphold international law, such as the International Criminal Court and the Organization for the Prohibition of Chemical Weapons.



The Euro Celebrates Its First Decade

The European Parliament recently celebrated the 10th anniversary of the Eurozone, and its common currency, the euro.

When the euro was introduced on Jan. 1, 1999, it was hailed as a way to ease trade and tourism, boost global economic development and strengthen European markets. In the current global climate, it is also helping to maintain market stability for member nations.

French Finance Minister Christine Lagarde said, “After 10 years, it has truly created a zone of security and stability.”

While European leaders are celebrating the long-term success of the Eurozone,

they also caution that there is still work to be done in terms of improving the overall economic conditions.

“(The current crisis) has revealed fundamental weaknesses in the global financial system. We are playing an active part in the global efforts to address these weaknesses and redesign the regulatory and institutional framework,” said European Central Bank president Jean-Claude Trichet.

The Eurozone initially included 11 countries: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. The original group expanded when Greece joined



in January 2001, Slovenia in 2007, and Malta and Cyprus in 2008. The most recent member, Slovakia, joined on Jan. 1, 2009, becoming the first central European country to adopt the euro.

The euro was originally an electronic-only payment. The physical coins and paper currency became available in 2002. Today, more than 330 million Europeans are using the currency.

NEW YORK CITY LAUNCHES CELEBRATIONS OF 400th ANNIVERSARY OF DUTCH SETTLEMENT

At a press conference in late January, New York City Mayor Michael Bloomberg, the Mayor of Amsterdam Job Cohen, and Dutch Cabinet Minister Frans Timmermans, along with other city and state dignitaries, announced a yearlong celebration to commemorate the 400th anniversary of the Dutch settlement of New York City. Special events, exhibits, outdoor activities and performances will commemorate the arrival of Henry Hudson and his ship *Halve Maen* (“Half Moon”) to the city in 1609.

In his comments Bloomberg noted the many similarities Americans share with the Dutch, including a strong sense of optimism and tolerance, and a great appreciation for diversity, design and innovation. He said that the festivities would culminate in the first Harbor Day on September 13.

Bloomberg also unveiled a model of the New Amsterdam Plein & Pavilion, a gift

presented by the Netherlands Government to New York City. This 5,000 sq ft structure, designed by leading Dutch architect Ben van Berkel of UNStudio, Amsterdam, will be permanently erected at the Battery in late 2009. Frans Timmermans said that the planned Plein & Pavilion will serve as a permanent reminder of this meaningful anniversary and significant moment in history.

Amsterdam’s Mayor Cohen added that the two cities shared substantial expertise in the fields of water management, development and technology, tourism and the wider maritime and creative industries.

George Fertitta, who’s spearheading Bloomberg’s marketing operation called NYC & Company, said that the festivities surrounding this anniversary provided a renewed focus on the city’s waterfront and harbors. He encouraged residents and

tourists to embrace New York’s rich history along with the modern values shared by both destinations – in particular freedom, democracy and open-mindedness.

Mid-September will see a crescendo of NY400 celebratory events and festivities in and around the Hudson River, historic New Amsterdam, and Governors Island. Planned are exhibitions of New York’s Dutch origins and contemporary Dutch artists, student production of Dutch-like tiles, and a colorful flotilla of modern and historic Dutch and American yachts and sailing vessels. Governors Island will become the stage for an eight-day festival with site-specific performances, installation arts, and a temporary theater street with dramatic and musical entertainment.

Visit www.ny400.org for detailed information.

Discovering Amsterdam's Hidden Treasures

When you know where to look, finding unusual places to go, sights to see, and things to do in Amsterdam becomes easy. The Amsterdam Tourism & Convention Board has developed a website with a "treasure map" that enables visitors to quickly pinpoint the city's lesser-known attractions. Some examples from the website include:

Museums – A visit to Amsterdam is not complete without a trip to Amsterdam's world-class museums. Famous works by Dutch Masters grace the walls of the Van Gogh Museum and the Rijksmuseum. But lesser known gems include a 17th century conventicler, a biblical garden, a beautiful estate with a collection of Amsterdam family portraits, and a tulip museum.

Performance – In addition to major concert halls, the city is home to several unconventional festivals and smaller venues. Possibilities include a jazz café in a cellar, a dance theatre in the attic, art "literally" underground, ethnic beats in

the park, and classical music on the water. Big-screen aficionados can attend the annual Amsterdam Fantastic Film Festival or indulge in the classics at the Filmmuseum.

History – A variety of bike, boat, and walking tours bring the city's history to life. Nestled behind the regal façades and ornate gables are countless courtyards built during the 17th century to house elderly widows. Along the River IJ stands a tower where sailors once bid farewell to their wives. Additional attractions include the Molen van Slotin (Slotin Windmill), a polder mill built in 1847 that's still in operation, and one of the oldest botanical gardens in the world, the Hortus Botanicus.

Fashion & Design – Amsterdam is undoubtedly one of the most important design capitals of Europe – industrial design, graphic

design, fashion, and architecture. The latest innovations take center stage at Amsterdam Design Month in September. Amsterdam Fashion Week takes place twice a year. You can also discover cutting-edge developments in modern architecture along the archipelago.

Check the website for more information. <http://www.amsterdamhiddentreasures.nl>



WHEN YOU'RE HERE

The Netherlands is more than a good place to do business. Take some time to explore the rich variety of cultural and recreational opportunities.

Keukenhof Holland

This flower exhibition in Lisse is celebrating its 60th anniversary by honoring Henry Hudson's discovery of the island of Manhattan 400 years ago. There will be a flower mosaic depicting the Statue of Liberty, and American-themed gardens and exhibitions. www.keukenhof.nl

Van Gogh Experience

Shops, restaurants and museums in Amsterdam's Museum District are teaming up to celebrate the Van Gogh and the Colours of the Night exhibit. The Van Gogh Museum will feature the famous masterpiece "Starry Night" as part of the exhibit. In conjunction, the surrounding tourist area will feature specially themed events, souvenirs and tours. www.vangoghexperience.nl

Euromast Tower

Located in Rotterdam, this structure is the highest observation tower in the Netherlands. At a height of more than 600 feet, the tower offers spectacular views of the surrounding area. Thrill seekers can participate in rope sliding or abseiling. The more faint-of-heart can content themselves with a ride in one of the tower's new high-speed elevators. www.euromast.nl

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