

eMarket Services makes it easier for you to use
electronic marketplaces for international business

E-BUSINESS REPORT: NETHERLANDS

Annette Kreisel
eMarket Services
EVD, agency of the Dutch Ministry of Economic Affairs

www.emarketservices.com

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Report

Introduction

The internet is changing from an information society to a participating society – a boost for doing business electronically!

The ICT Agenda of the Netherlands was published in September 2004. Now the Dutch ICT infrastructure stands right at the top of the international stage. Partly due to the quality of its infrastructure, the Netherlands is ranked sixth after Denmark, Sweden, Singapore, Finland and Switzerland on the Networked Readiness Index 2006-2007, as recently announced by the World Economic Forum. Governmental policy is geared toward intelligent use of ICT. This not only contributes to solid, sustainable economic growth, but also leads to higher-quality products, services and service provision. An additional positive development is that the Dutch business community is using the Internet both as a rapid means of communication with a wealth of available information, and as a participatory medium. This development affords a future outlook for electronic marketplaces. But there is still work to be accomplished in the “electronic storefront”. Notwithstanding suppliers or clients already familiar with concepts such as e-business, e-commerce, B2Cs, B2Bs, C2Cs, or e-marketplaces, the Netherlands is considered average in international commerce through electronic trade, in comparison with other Western European countries.

The Dutch economy and e-commerce

The Netherlands is located in the centre of Western European markets such as Belgium, Germany, France, and the United Kingdom and plays an important role as the 'Gateway to Europe'. The Netherlands measures 41,528 square kilometres in area, 7745 square kilometres of which is water. The population is 16.3 million and the official language is Dutch. The economy is performing well, with 3% growth in 2006 and 2.75% expected in 2007. The economic growth is broad-based: consumption is rising as a result of increased purchasing power and greater employment opportunity; exports and investments are growing considerably. The Netherlands is number six in world rankings among export and investment nations. Its most important trading partners are Germany, Belgium, Luxembourg, France and the United Kingdom. Machinery and transport equipment account for the largest share of exports.

Real GDP growth	3%
GDP at market prices	527,9 bn euro
Av. unemployment rate	5%
Av. consumer price inflation	1.1%
Export of goods	311,5 bn euro
Import of goods	273,2 bn euro

Source: EIU Juni 2007

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Electronic commerce and services are widespread in the Netherlands. Currently there are significant transactions occurring on the e-marketplaces of B2B's (business-to-business) and B2C's (business-to-consumer). The number of B2C shops is increasing. Within the e-commerce sector, one cannot underestimate the economic impact of C2C's (consumer-to-consumer). The on-line auction site www.marktplaats.nl is one example of this. Many freshly-minted businesses have begun with a C2C marketplace, doing business electronically, and now have their own webshops.

The government is similarly offering more and more online services. In 2006 a wide range of government organisations showed improved quality in their online services (e-Government - G2C and G2B). 75% of Internet users accessed an electronic governmental service. The total level of online government services to citizens amounted to 61% in 2006, and the service targeted at businesses stood at 62%.

The Forrester research institute forecasts a bright future for the Dutch e-commerce sector. According to their market studies, e-commerce in Europe will grow 21% annually until 2011. For Europe, this will mean a jump of 102 billion euro in 2006 to 263 billion euro in 2011. The Netherlands will grow by 28% to 11.8 billion euro in 2011. In this respect, the Netherlands represents one of the fastest growing countries for e-commerce.

ICT indicators for the Netherlands:

Households with:

- Internet access (2006)	80 percent
- Broadband (Q1,2007)	73.9 percent
- Broadband per 100 households (Q1, 2007)	31.9 percent

Businesses with:

- Internet access (2005)	96 percent
- Broadband (2006)	82 percent
- Company website (2005)	80 percent
- Online order processing (2006)	23 percent

Source: CBS, Eurostat, Telecompaper

B2C

Webshops change online catalogues into user-friendly department stores. According to Thuiswinkel, the market for online consumer expenditures by Dutch Internet users rose an additional 28% in 2006 for total sales of 2.82 billion euro. In 2006, there were 6.4 million online shoppers and the average expenditure online per shopper totalled 441.00 euro. The major online sectors are travel, consumer electronics, insurance and clothing. Other online sectors on the rise include toys and entertainment (DVD's, home entertainment software and online ticketing). Furthermore, heightened consumer confidence in secure online payment has resulted in yet more online purchases. The Dutch industry organization for webshops - Nederlandse Thuiswinkel Organisatie – has nearly 500 affiliated webshops.

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These account for nearly 70 percent of Dutch online consumer expenditures, with sales of 3.7 billion euro in 2006. Its members display the “Thuiswinkel Seal of Approval and Quality Guarantee” symbol, so that consumers know they may shop online safely and securely. Webshop offerings are expanding rapidly. Explosive economic growth is expected in the near future from the B2C sector as, for example, insurance providers enter this arena. Some of the B2C window will evolve into a B2B site.

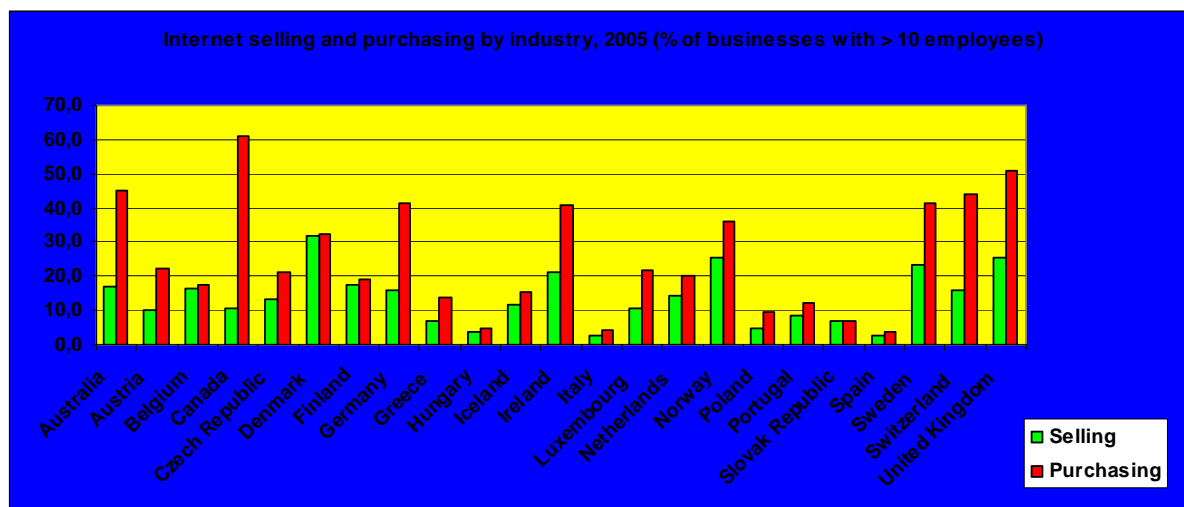
B2B

The Economist Intelligence Unit has published an annual e-readiness ranking of the world's largest economies since 2000. The ranking model evaluates the e-business environment of 69 countries. In the rankings the Netherlands came in 8th place, after Denmark, United States, Sweden, Hong Kong, Switzerland, Singapore and the United Kingdom.

As of January 2007, there were 1.42 million registered companies (January 2006: 1.03 million; January 2005: 0.99 million), of which 99 percent were SMEs (up to 250 employees). Many companies have a website, and use of electronic data interchange (EDI), interactive electronic storefronts, product data interchange and chip cards are commonplace.

According to the publication 'The 2006 digital economy' from the Central Bureau for Statistics (CBS), in 2005 around 9 percent of sales from all Dutch businesses (with >10 employees) came from online purchases, both by companies and private clients. This is almost triple the amount in 1999. In the years 2004-2005, the share of e-commerce was about 13% of total sales. In the Netherlands, e-commerce plays the greatest role in industry. In the retail, transportation and warehousing, and communications sectors as well, a relatively high percentage of sales is achieved through electronic business. Of these three business sectors, retail in particular has enjoyed a considerable rise in e-commerce since 2001. The sales share of e-commerce varies widely among business sectors. The largest of these, business services, saw less than 4 percent of sales coming from e-commerce in 2004–2005. Two-thirds of all companies had an ICT order processing system in 2005, and 14 percent of chiefly larger companies had extranet services accessible to their established clients or suppliers. One of every five companies was active in electronic purchasing as well as sales. In addition, around a quarter of all companies placed orders online with other companies, without offering their own order facilities, and 46 percent of companies performed electronic purchasing online.

Internationally, the Netherlands is seen as a middle-bracket e-commerce country. The European countries where e-commerce has been most heartily embraced are Ireland and the United Kingdom. The financial sector is an exceptional example of a business area where ICT plays a crucial role.



E-business legislation and regulations

There are no restrictions in the Netherlands on foreign investment in the telecommunications, Internet or online-content industries. Although the Netherlands has been adapting its laws to EU directives there is also a self-regulatory approach to e-business and the Internet, exemplified by the voluntary Model Code of Conduct for Electronic Commerce, drawn up by ECP - platform for eNetherlands.

The Personal Data Protection Act (2000) set the rules for recording and using personal data and implemented the EU data protection legislation.

The Parliament passed the **eCommerce Act (2004)** implementing the EU eCommerce Directive ([2000/31/EC](#)). Unlike most other EU Member States, this transposition does not take the form of a horizontal eCommerce law but of a series of amendments to existing laws and regulations.

- The Telecommunications Act (2004) transposes in Dutch law the five directives constituting the new EU regulatory framework for **e-communications**: the framework directive, the access directive, the universal services directive, the authorisation directive and the privacy directive.
- The **Electronic Signature Act** ensures the transposition in Dutch law of the European Directive [1999/93/EC](#) on a Community framework for electronic signatures, and provides a firm legal basis for the application and use of electronic signatures in eCommerce and eGovernment.
- **eProcurement legislation**: the use of electronic means in the public procurement process is presently regulated by national legislation ([2004/17/EC](#) and [2004/18/EC](#)).

E-Commerce transactions (Tax)

Electronically supplied services are taxed in the country where the service is consumed. The provision of electronic services by suppliers in the EU to customers outside the EU

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(both entrepreneurs and non-entrepreneurs) is not subject to VAT. However, the supply of electronic services to customers within the EU is subject to VAT. However, supply by non-EU contractors to customers in the EU is subject to VAT. The low rate of VAT is 6%. This rate applies, for example, to the supply, import or intra-Community acquisition of food, drink (excluding alcoholic beverages) and the ingredients used in their production; cattle, sheep, goats, pigs and horses; medicines; books, daily newspapers and magazines; agricultural and horticultural seeds; ornamental plants. In all other cases the VAT rate is 19%.

Electronic marketplaces in the Netherlands

eMarket	Products & Services Traded	Geographic Focus
allesHandel-allTrade	A variety of products from several categories such as: steel, textiles, wood, semi-finished or finished products, consumer goods or components	Global
APX	Gas and power exchanges and clearing services for third parties. Exchanges include: APX Power NL, APX Power UK, APX Gas UK, APX Gas NL (TTF), APX Gas ZEE(Zeebrugge hub). APX has a 10% share in Belpex, the Belgian power exchange (planned to be in operation in Q4 2006)	Focus on North West Europe and the UK
Ariba	Diverse industries such as consumer products, energy, financial services, high technology, manufacturing, pharmaceutical, public sector, higher education, telecommunications and transportation are covered.	Global
AxonFinance	Private loans to registered Dutch housing associations.	The Netherland and EU
Bedrijfsauto.com	Trucks, vans, trailers, transport equipment, and parts	The Netherlands and Belgium
Cargo Portal Services	Services for carriers and forwarders to efficiently ship cargo by air	Global
Comdaq	A range of commodities including meals and seeds, grains, soya, fibres and yarns	Global
Computer Broker Exchange	ICT equipment, servers, mainframes, workstations, ATMs, and banking equipment	Global
Converge	Semiconductors, logic chips, memory devices, microprocessors, computer peripherals, software, finished goods, electronic components, other computer products and networking equipment.	Global
De Elektronische Veemarkt	Livestock and a wide range of products related to livestock	The Netherlands
Easy-Surplus	Surplus components	Global
EnergieKeuze	Energy contracts	Holland and Belgium.
FlorEcom	Flowers for retail sale. E-commerce platform for the Dutch floricultural sector.	The Netherlands
fpn	Flowers and plants	Netherlands

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Gemeentewerf	Products and services in relation with the design or organisation of the public space	Open to surrounding countries but the main focus is on Dutch municipalities and related companies or organisations
Global Sources	A wide variety of products such as gifts and home products, fashion accessories, electronics, textiles, etc	Focus on Asia
Groothandel.net	A wide variety of products	Netherlands
JCommerceRetail.com	Food, groceries, Do-it-Yourself materials, and other retail products	Europe
KOMPASS	Products and services from multiple industries such as automation, rubber and plastics, chemicals and pharmaceuticals, agriculture, machinery, etc	Global
Lloyds TSB Corporate	All type of products and services such as electronics, cash and risk management, commodities, pensions and temporary staff.	Global
Logismarket	Products and services related to logistics, storage, packaging and industrial equipment	Global, with a particular focus on Portugal, Spain, Netherlands, France, Italy, Germany and United Kingdom
RubberNetwork	Raw materials, equipment, machinery, goods and services pertaining to the tyre and rubber industry	Global
SalvageSale	Damaged, defective or sub-specification goods and materials that have retained significant market value within a wide range of industries.	Global but with main focus on North America.
SeaQuipment.com	Maritime equipments and services such as cabling, lighting, tools, accommodation, special systems, consultancy and quality control.	Global
SourcingParts	Sub-contracting for built-to-order parts such as packaging, assembling, electrics/electronics, fabricating, casting, plastic, heat treatment and surface treatment.	Global
Standmakelaar.com	Exhibition stands (both new and re-usable) and related services	The Netherlands
Teleroute	Unused truck capacity and cargo, freight and vehicle exchange.	Europe.
Total-Training.nl	High-quality trainings, courses, company courses and other education possibilities.	The Netherlands
Tradeplace	Household appliances and consumer electronics industry.	Europe
Verpakkingen.com	Packaging products, packaging materials, packaging machines	The Netherlands, Belgium Luxembourg (BENELUX)
zentrada	Trend products, novelties, portfolio items and promotional merchandise for consumer use, in large quantities.	Europe. The German version of the site is the most used.

Source: eMarketservices.com

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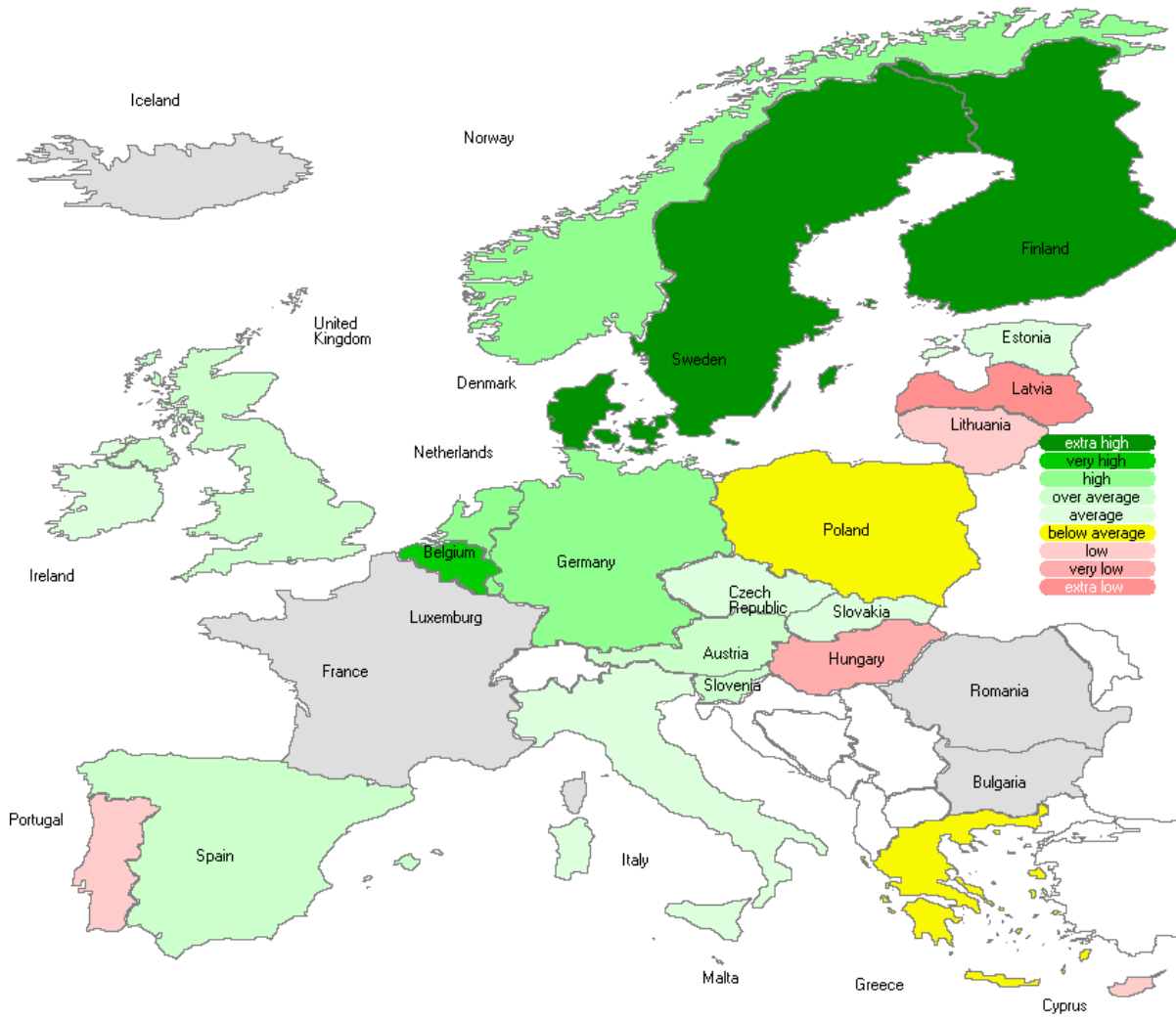
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- Kamers van Koophandel: www.kvk.nl
- Blauw Research BV: www.blauw.nl
- Nederlandse Thuiswinkel Organisatie (Thuiswinkel.org): www.thuiswinkel.org
- Economist Intelligence Unit: www.eiu.com
- Telecompaper: www.telecompaper.com
- Europese Commissie: http://ec.europa.eu/index_en.htm
- Economist Intelligence Unit: www.eiu.com
- Advies Overheid: www.advies.overheid.nl/index.jsp
- Ministerie van Economische Zaken: www.ez.nl (ICT and Dutch ICT-Agenda)
- Maatschappelijke sectoren en ICT: www.m-ict.nl (The Dutch ICT-Agenda)
- World Economic Forum: www.weforum.org
- E-overheid: www.e-overheid.nl:
- Ministerie van Binnenlandse Zaken en Koninkrijksrelaties:
www.minbzk.nl/onderwerpen/dienstverlening-van/regie-digitale
(The Dutch ICT-Agenda)
- Organisation for Economic Cooperation and Development: www.oecd.org

Useful addresses:

- National or international standards for eBusiness
NEN, het Nederlands Normalisatieinstituut
P.O. Box 5059
2600 GB Delft
Website: www.nen.nl
- Information Office for International Tax Services
P.O. Box 90404
6401 DJ Heerlen
Website: www.belastingdienst.nl
- EPC, Electronic Commerce Platform Netherlands
P.O. Box 262
2260 AG Leidschendam
Website: www.epc.nl
- Netherlands Foundation for Internet Domain Names
P.O. Box 5022
5022 EA Arnhem
Website: www.sidn.nl
- EVD, agency of Ministry of Economic Affairs
P.O. Box 20105
2500 EC The Hague
Webiste: www.evd.nl/e-business

Index Adoption
2005



Geographic disparities of 2005 ICT Adoption scores (consensus budget allocation weights)

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