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Netherlands

Exporter Guide

1999

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Report Highlights: This report provides information to U.S. companies interested in doing business in the Netherlands. It focuses on exports of consumer-oriented foods and beverages, edible fishery products, and food ingredients.

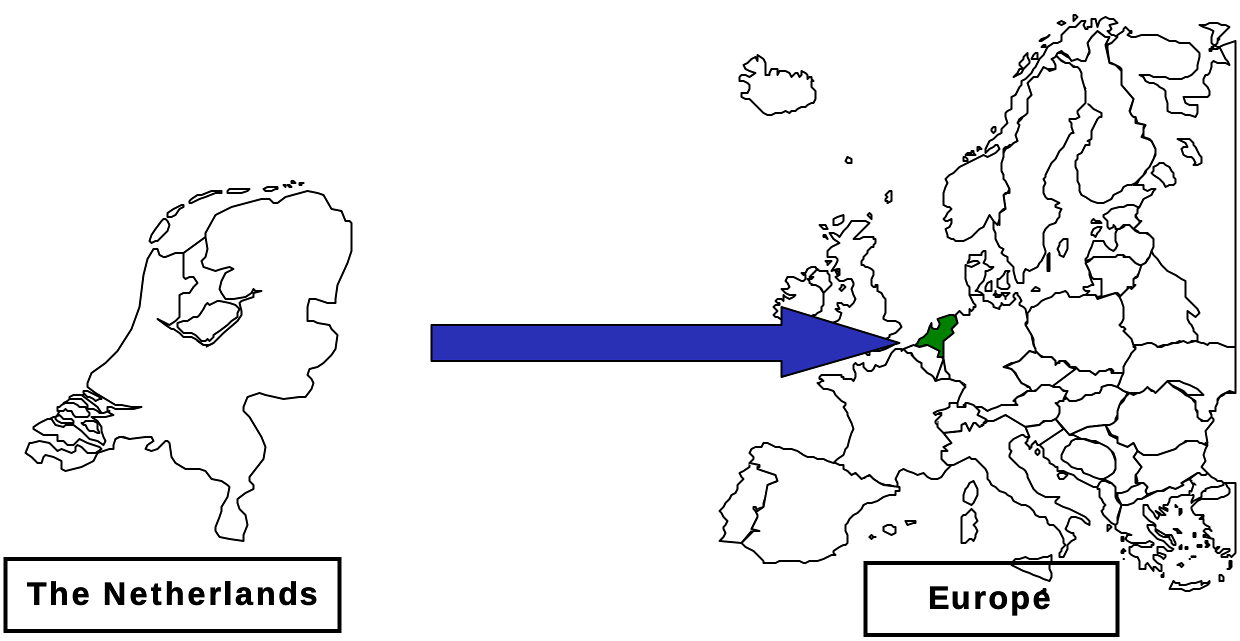
Includes PSD changes: No
Includes Trade Matrix: No
Annual Report
The Hague [NL1], NL

SECTION I. MARKET OVERVIEW

- The Dutch economy is one of the strongest in Europe, with high growth of its Gross Domestic Product (GDP), moderate inflation and low unemployment. The GDP grew by 3.7 percent in 1998, compared to an average of 1.2 percent in Europe.

- Real disposable household income increased, primarily as a result of strong employment growth. This growth and capital gains boosted consumer spending in 1998. In real terms, private consumption expanded 3.9 percent, up 1 percent from the previous year. Purchases of luxury items like cars, video and audio equipment, furniture, and computers increased but spending on food and drink remained fairly constant.

- The Netherlands is one of the most densely populated countries in the world with a population of 15.7 million. The Netherlands has 971 inhabitants per square mile, compared to 860 in Japan and 75 in the United States. In size, the Netherlands is about 3/4 the size of Maryland. Five percent of the Dutch population (775,000 people) is non-Dutch, with Turkish and Moroccan inhabitants comprising the largest ethnic groups. There are over 13,000 U.S. citizens living in the Netherlands.



- In the Netherlands, about 68 percent of food sales take place in supermarkets, 22 percent in speciality stores and 10 percent via the market, department stores, and gas stations.

- As a result of changing demographics and increased wealth, Dutch eating habits are changing with consumers demanding convenience, fresh foods, more variety, and more specialty food items. In addition to low prices, the Dutch consumer values quality, a wide variety, and service.

The Netherlands: Consumer food expenditures (in million Dutch guilders)					
	1993	1994	1995	1996	1997*
Total	43,559	44,956	46,013	46,664	48,807
Grocery stores	30,989	32,592	33,839	34,858	37,043
Specialty stores	9,458	9,282	9,081	8,851	8,445
Others	3,112	3,091	3,093	2,955	3,320
Value 1US$/dfl	1.86	1.82	1.61	1.69	1.95

***Source**: Food Trends*

Advantages	Challenges
Sophisticated market, good buying power	Markets are saturated, competition is fierce
Well organized trading system, many Dutch speak English	Transportation costs, import duties.
Favorable image of American products	Label & ingredient requirements
Strong interest with buyers in unique and innovative products	Difficult to attract the attention of the large buying groups

SECTION II. EXPORTER BUSINESS TIPS

Local Business Customs

These are some generalities often heard about Dutch businessmen or women:

- Practically all speak English.
- They usually have no time for business lunches or dinners.
- The Dutch don't beat around the bush and don't skirt the issues. After very brief introductions, they expect you to come straight to the point. They give you their frank opinion and let you know if you offer them something they don't want.
- Dutch food buyers, the category managers and/or product managers, are fully responsible for the buying process and profits the product will bring. They are only interested in speaking to decision makers.
- The Dutch businessman is looking for a relationship, almost a partnership. Once you start doing business with him he expects continued support from you.
- The Dutch usually know their business and know what your competition is doing. The Dutch businessman understands that you need to make a profit. He is a tough but fair negotiator.

General Consumer Tastes and Preferences
As a result of changing demographics and increased wealth, Dutch eating habits are changing with consumers demanding convenience, fresh foods, more variety, and more specialty food items. Health and convenience foods are increasingly valued by the consumer. In addition to low prices, the Dutch consumer values quality, a wide variety, and service.

A popular topic in Dutch food retailing in 1993 was "the environment" , and in 1994 "price consciousness". Although "packaging and environment" were still important issues in 1995 and 1996, "fun shopping and adventure" became important to consumers as well. Since 1998, "fresh and natural/organic" and "meals" have been getting a lot of attention. However, supermarkets still compete heavily on price, especially in every day consumer necessities.

Trends in the Dutch Food Market
• **Health**: natural ingredients - low calory - no sugar - fresh - organic
• **Convenience:** frozen foods - fresh, pre-packed - take-away - easy to prepare
• **Price:** special offers - shop-around
• **Winners**: fish - meals - petfood
• **Distribution**: more power to the supermarket - fewer specialty stores - more shopping at the gas and railway station
• **Stores**: more personal service - wider assortment - more fresh and non-food - convenience foods - more exotic products - environmental friendly products

Food Standards and Regulations
The Netherlands follows EU policies in regard to labeling and ingredient requirements. The Commodities Act (Warenwet) supplies general guidelines and requirements for foods. The basic objectives of this law are health protection, product safety and labeling. A more detailed report which specifically addresses labeling and ingredient requirements in the Dutch market entitled, the Netherlands: Food and Agricultural Import Regulations & Standards (FAIRS) report can be obtained from the FAS homepage: http://www.fas.usda.gov .

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

In the Netherlands, about 68 percent of food sales take place in **supermarkets**, 22 percent in the specialty stores and 10 percent via local markets, department stores, gas stations, etc. This illustrates the strong position of the supermarket organizations in the Dutch market.

The Netherlands: number of retail food stores according to floor space					
	1996	**1997**	**1998**	**2000**	**2005**
Hypermarkets:>2,500 m2 (26,910 sq.feet)	40	40	43	50	60
Large Supermarkets: 1,000-2,500 m2 (10,764 - 26,910 sq.f)	592	624	644	700	840
Small Supermarkets: 400-1,000 m2 (4,305-10,764 sq.f)	2,236	2,267	2,284	2,325	2,350
Superettes: 100 - 400 m2 (1,076-4,305 sq.f)	1,736	1,665	1,641	1,525	1,250
Small stores: <100 m2 (1,076 sq.f)	1,925	1,618	1,540	1,230	900
Total	6,529	6,214	6,154	5,930	5,400

There are supermarket chains with 1) **national coverage such as** Albert Heijn and the members of the Laurus Group, 2) **regional coverage** such as members of Superunie, and 3) **independents** who buy through Trade Service Nederland. Others types of stores include:

- **Specialty stores**, which are losing market share to the supermarkets. The 26 percent share of the food market which the specialty store had in 1993 decreased to 22 percent in 1998. Not only the economy of scale but also the longer opening hours (since 1996) create problems for the usually family operated specialty store. Most of these stores specialize in bakery products, meat, fish, fruits or vegetables.

- **Wine, liquor, and drug chain-stores** are primarily owned by the large supermarket organizations and growing in importance at the expense of the privately owned stores in this market segment.

- Relative new food retailers in the Dutch market are **gas stations**, food stores at railway stations/airports and small convenience food stores in the inner cities. To an increasing extent, the large wholesale/retail food organizations are suppliers of, or owners to, these outlets.

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

A. Popular U.S. Food Products in the Dutch Market

- TEXMEX foods (including sauces)
- Snack Foods
- Pink Grapefruit
- Tree nuts
- Wine
- Pet food
- Canned salmon

B. U.S. Food Products not present in significant quantities, but which have good sales potential, include:

- A variety of grocery items, from peanut butter to pringle chips, from sport drinks to cheese balls, etc.
- Red apples
- Fresh Orange juice
- American cheese

C. U.S. Food Products not present because they face Significant Barriers

- Canned fruits (high tariffs)
- Frozen whole turkeys and parts (high tariffs)
- Poultry meat (phytosanitary)
- Fresh beef

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

- Office of Agricultural Affairs, American Embassy
  U.S. Mailing Address: U.S. Embassy/ the Hague, PSC 71 Box 1000 APO AE 09715
  International Mailing Address: Lange Voorhout 102, 2514 EJ The Hague, the Netherlands
  Phone: 31-70-3109299
  Fax: 31-70-3657681
  e-mail: agthehague@fas.usda.gov

Food Shows Frequently Visited by Dutch Food Buyers		
Show	**When**	**Show Organizers**
HORECAVA, Amsterdam, the Netherlands (Hotel, Restaurant Show)	January 10-13, 2000	tel: + (31) 20 575 30 32 fax: + (31) 20 575 30 93 http://www.rai.nl
ROKA, Utrecht, the Netherlands	February 20 - 23, 2000	tel: + (31) 30 295 59 11 fax: + (31) 30 294 03 79 http://www.jaarbeursutrecht.nl
FMI, Chicago, United States < **Participation in** U.S. Food Export Showcase tel: + (1) 202 296 9680 fax: + (1) 202 296 9686	May 7 - 10, 2000	tel: + (1) 202 452 8444 fax + (1) 202 429 4559 http://www.fmi.org
World of Private Label (PLMA) Amsterdam, the Netherlands < **U.S. Participation** USDA/FAS, Washington Trade Show Office tel: + (1)202 720 3623 fax + (1)202 690 4374	May 23 - 24, 2000	tel: + (31) 20 575 30 32 fax: + (31) 20 575 30 93 http://www.plma.com
SIAL, Paris, France < **U.S. Participation:** USDA/FAS, Paris, France tel: + (33) 1 431 222 77 fax + (33) 1 431 226 62	October 22 - 26, 2000	tel: + (33) 149 68 54 99 fax: + (33) 147 31 37 75 http://www.frenchfoodfinder.com/sial.htm
ANUGA, Cologne, Germany < **U.S. Participation:** USDA/FAS/ATO Hamburg, Germany tel: + (49) 40 414 6070 fax: + (49) 40 414 60720	October 13 - 18, 2001	tel: + (49) 221 82 10 fax: + (49) 821 34 10 http://www.koelmesse.de/anuga/english/index.html

Or contact the International Marketing Section of your State Department of Agriculture.

APPENDIX I. STATISTICS

A. KEY TRADE & DEMOGRAPHIC INFORMATION

Agricultural Imports From All Countries ($Mil) / U.S. Market Share (%) 1/	$18,016 / 7%
Consumer Food Imports From All Countries ($Mil) / U.S. Market Share (%) 1/	$10,150 / 3%
Edible Fishery Imports From All Countries ($Mil) / U.S. Market Share (%) 1/	$925 / 1%
Total Population (Millions) / Annual Growth Rate (%)	15.7 / 0.56%
Urban Population (Millions) / Annual Growth Rate (%)	9.8 / 2%
Number of Major Metropolitan Areas 2/	2
Size of the Middle Class (Millions) / Growth Rate (%) 3/	
Per Capita Gross Domestic Product (U.S. Dollars)	$ 23,383
Unemployment Rate (%)	6.4%
Per Capita Food Expenditures (U.S. Dollars)	$3,937
Percent of Female Population Employed 4/	39%
Exchange Rate (US$1 = X.X local currency) 5/	1.98

B. CONSUMER FOOD & EDIBLE FISHERY PRODUCT IMPORTS

Netherlands Imports	*Imports from the World*			*Imports from the U.S.*			*U.S Market Share*		
(In Millions of Dollars)	*1996*	*1997*	*1998*	*1996*	*1997*	*1998*	*1996*	*1997*	*1998*
CONSUMER-ORIENTED AGRICULTURAL TOTAL	*11,622*	*10,260*	*10,150*	*366*	*316*	*350*	*3*	*3*	*3*
Snack Foods (Excl. Nuts)	*570*	*481*	*461*	*3*	*2*	*3*	*1*	*0*	*1*
Breakfast Cereals & Pancake Mix	*38*	*37*	*32*	*1*	*1*	*1*	*3*	*1*	*1*
Red Meats, Fresh/Chilled/Frozen	*701*	*643*	*556*	*22*	*23*	*17*	*3*	*4*	*3*
Red Meats, Prepared/Preserved	*311*	*282*	*276*	*13*	*4*	*1*	*4*	*1*	*0*
Poultry Meat	*270*	*254*	*232*	*1*	*0*	*0*	*0*	*0*	*0*
Dairy Products (Excl. Cheese)	*1,988*	*1,755*	*1,685*	*1*	*1*	*1*	*0*	*0*	*0*
Cheese	*360*	*284*	*315*	*1*	*1*	*1*	*0*	*0*	*0*
Eggs & Products	*97*	*85*	*88*	*9*	*7*	*6*	*9*	*8*	*7*
Fresh Fruit	*1,303*	*1,160*	*1,227*	*46*	*30*	*28*	*4*	*3*	*2*
Fresh Vegetables	*867*	*770*	*767*	*1*	*1*	*1*	*0*	*0*	*0*
Processed Fruit & Vegetables	*1,213*	*923*	*904*	*27*	*29*	*33*	*2*	*3*	*4*

Fruit & Vegetable Juices	707	468	602	41	20	30	6	4	5
Tree Nuts	250	221	203	64	47	53	26	21	26
Wine & Beer	638	607	601	10	22	32	2	4	5
Nursery Products & Cut Flowers	717	756	765	54	59	58	7	8	8
Pet Foods (Dog & Cat Food)	174	146	91	11	11	9	6	8	10
Other Consumer-Oriented Products	1,420	1,389	1,344	64	61	78	5	4	6
FISH & SEAFOOD PRODUCTS	944	836	925	17	15	14	2	2	1
Salmon	41	49	49	6	5	4	14	11	9
Surimi	5	4	7	1	1	1	3	6	3
Crustaceans	236	189	242	3	1	1	1	1	0
Groundfish & Flatfish	350	304	322	1	1	1	0	0	0
Molluscs	60	44	37	1	2	1	1	5	1
Other Fishery Products	252	245	268	6	6	7	2	2	2
AGRICULTURAL PRODUCTS TOTAL	21,817	18,093	18,016	2,204	1,503	1,332	10	8	7
AGRICULTURAL, FISH & FORESTRY TOTAL	24,879	20,957	20,710	2,307	1,597	1,411	9	8	7
Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office									

C. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS

CONSUMER-ORIENTED AGRICULTURAL TOTAL - 400					FISH & SEAFOOD PRODUCTS - 700			
Reporting: Netherlands - Top 15 Ranking	Import	Import	Import		Reporting: Netherlands - Top 15 Ranking	Import	Import	Import
	1996	1997	1998			1996	1997	1998
	Value	Value	Value			Value	Value	Value
	1000$	1000$	1000$			1000$	1000$	1000$
Germany	2468633	2060974	2011394		Germany	116441	110416	139909
Belgium	2102530	1831976	1857454		United Kingdom	109315	96409	79271
France	1162229	1077516	913725		Denmark	80611	80752	77021
Spain	895390	915942	806915		Belgium	56620	62827	60253
Brazil	530008	403513	509960		Iceland	54089	51284	56785
United Kingdom	514420	464882	395063		Thailand	29441	24299	44926
United States	366289	315625	350339		France	39173	37816	36239
Italy	370616	306058	271129		Norway	37738	37633	33552
Ireland	214789	227514	230148		Morocco	20877	28463	27944
Thailand	401207	230020	221523		Canada	26105	20363	23984
Israel	223027	193639	196450		Seychelles	2089	16381	19704
S.Afr.Cus.Un	100572	80336	184616		Vietnam	5639	8792	18833
Argentina	155607	153931	163860		Indonesia	7970	10000	18622
Chile	175703	130461	162537		Nigeria	17382	17120	17458

Turkey	***128983***	***121669***	***124394***		***China (Peoples Republic of)***	***6735***	***10813***	***17196***
Other	***1812057***	***1746264***	***1751317***		***Other***	***332862***	***222440***	***253051***
World	***11622092***	***10260089***	***10150424***		***World***	***943522***	***835751***	***924650***
Source: United Nations Statistics Division								