

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Required Report - public distribution

Date: 9/17/2019

GAIN Report Number: NL9027

Netherlands

Food Service - Hotel Restaurant Institutional

2019 Food Service - HRI Report

Approved By:

Christopher Riker

Prepared By:

Marcel Pinckaers

Report Highlights:

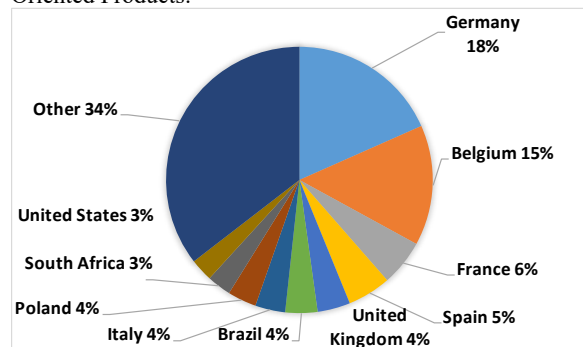
The turnover of the Dutch foodservice market in 2018 was valued at USD 23.7 billion, up by almost six percent. While sales in all subcategories were up, sales in the delivery subcategory, especially for hot meals, saw a double-digit growth rate of 13 percent. In addition, Dutch consumers want food products that are healthy, authentic and tasty. Foodservice chains from the United States are and continue to be successful on the Dutch market because they have been able to respond to changing consumer needs; more U.S. chains are now opening outlets in the Netherlands. This report furthermore presents a road map for U.S. exporters who wish to expand business in the Dutch foodservice market. U.S. food products that are innovative, convenient, tasty, healthy, and affordable have the best sales potential on the Dutch market.

The Netherlands is geographically a small country, but is the perfect gateway for U.S. products into the EU due to the presence of the Port of Rotterdam, Amsterdam Schiphol Airport, the confluence of two European rivers and an excellent road and railway infrastructure. The Dutch are known for their expertise in transportation and logistics. The macroeconomic situation and key data about the Dutch economy can be found in the [GAIN Exporter Guide February 13, 2019](#).

Imports of Consumer-Oriented Products

Dutch imports of consumer-oriented products are led by products coming from other EU Member States. In 2018, the United States was the 10th largest supplier of these products to the Netherlands with imports valued at almost USD 1.2 billion.

EU Member States Dominate Dutch Imports of Consumer-Oriented Products:



Food Processing Industry

There are 6,195 food companies in the Netherlands, employing approximately 140,000 people, or six percent of total employment in the Netherlands. The sector generated an estimated USD 92.4¹ billion in 2018 and accounts for around five percent of Dutch GDP. The subsectors of meat, dairy and fresh produce each account for roughly a quarter of the industry's turnover.

Food Retail Industry

The Dutch retail sector is rather consolidated with the two largest retailers controlling over 50 percent of the market. For 2018 the turnover of the Dutch food retail industry is estimated at USD 45.9 billion.

Foodservice – HRI Industry

The turnover of the Dutch foodservice market in 2018 was valued at USD 23.5 billion. The Dutch foodservice market continues to grow, especially for U.S. foodservice chains that want to tap into the on-line delivery of hot meals. Convenience, health, affordability, authenticity, hospitality and enjoying eating out are the main consumer drivers currently influencing the Dutch foodservice industry

Quick Facts CY2018

Imports of Consumer-Oriented Products, total: USD 42.1 billion

List of Top 10 Growth Products in the Netherlands:

- | | |
|-------------------------|---------------|
| 1. Food Preparations | 2. Fresh Meat |
| 3. Bread, Pastry, Cakes | 4. Bananas |
| 5. Cheese | 6. Avocados |
| 7. Chicken Cuts | 8. Coffee |
| 9. Beer | 10. Berries |

Food Industry by Channels:

Food Industry:	USD 92.4 billion
Consumer-Oriented Products Imports:	USD 42.1 billion
Consumer-Oriented Products Exports:	USD 78.3 billion
Ag. & Related Products Imports:	USD 79.6 billion
Ag. & Related Products Exports:	USD 112.3 billion
Food Retail:	USD 45.9 billion
Food Service:	USD 23.5 billion

Top 10 Food Retailers in the Netherlands, Market Share:

Albert Heijn	35.3%	Jumbo	20.2%
Lidl	10.5%	Aldi	6.7%
Plus	6.4%	Coop	4.1%
Dirk	3.8%	Deen	2.2%
Hoogvliet	2.1%	Dekamarkt	1.8%

GDP/Population:

Population: 17.2 million
 GDP: USD 773 billion
 GDP per capita: USD 44,942

Strengths/Weaknesses/Opportunities/Challenges

Strengths:

U.S. suppliers are known for their professionalism and delivering products with a consistent quality. U.S. companies also have a great variety of products to offer.

Weaknesses:

Shipping time & costs, EU's import tariffs and EU's labeling requirements make U.S. products more expensive.

Opportunities:

The Dutch are affluent, open minded and curious consumers. This creates opportunities for tasty, innovative and convenience products on the one hand and but also for healthy and nutritious food products; all at an affordable price.

Threats:

U.S. exporters face competition from other EU member states and third countries such as Canada and Mexico that have negotiated lower tariff rates through trade agreements.

Data and Information Sources: Global Trade Atlas, industry experts, company websites, FAS The Hague
 Contact: Marcel Pinckaers, FAS The Hague,
agthe Hague@fas.usda.gov

¹ 1\$=0.85€

SECTION I. MARKET SUMMARY

Overall Business Climate

Strengths of the Dutch economy include the Netherlands's stable political and macroeconomic climate, a highly developed financial sector, strategic location, a well-educated and productive labor force, and high-quality physical and communications infrastructure. In the wake of the worldwide financial crisis a decade ago, the Dutch government implemented significant reforms in key policy areas, including the labor market, the housing sector, the energy market, the pension system, and health care. After years of recovery since late 2013, the macroeconomic outlook in the Netherlands has improved significantly. According to the Netherlands Bureau for Economic Policy Analysis (CPB), Dutch Gross Domestic Product (GDP) will grow by 1.7 percent in 2019, tapering off after higher growth rates in 2017 (2.9 percent) and 2018 (2.7 percent). Labor market participation and unemployment have returned to pre-crisis levels and increasingly scarce labor, along with higher sales taxes and a booming real estate market have contributed to a rising inflation rate (2.6 percent in 2019). For the third consecutive year, 2019 will see a budget surplus in the Dutch public finances of one percent or more. Additional information on the overall business climate in the Netherlands can be found in the [GAIN Exporter Guide February 13, 2019](#).

Table 1. Key Data Dutch Economy

	2016	2017	2018	2019	2020
Economic Growth, percentage	2.2	2.9	2.7	1.7	1.5
Unemployment, percentage	6.0	4.9	3.9	3.4	3.6
Inflation (CPI), percentage	0.3	1.3	1.6	2.6	1.3
GDP (billion USD)	833	867	910	948	976

Source: Central Bureau of Statistics, Netherlands Bureau for Economic Policy Analysis/Eurostat

Consumer Trends

The Foodservice Institute Netherlands (FSIN) follows the trends in the Dutch foodservice market. Below are the main consumer trends that affect the foodservice market:

Ten Consumer Demands:

1. Convenience
2. Health
3. Affordability
4. International cuisines
5. Consciousness
6. Special certification
7. Authenticity
8. Hospitality
9. Enjoy
10. Platform

Consumers are increasingly stressed and seem to be rushed. They are struggling to do many things on a regular weekday such as taking care of the children, doing their job, going to the gym, engaging socially and of course eating. Consumers are faced with a dilemma: less time for buying food and preparing meals versus a growing awareness of health and nutrition. As a result, the demand for convenient and healthy food products (albeit at an affordable price) is growing more than ever before. Demand is also growing for packaged food in smaller portions due to the growing number of people that are watching their weight and the shrinking average household size. People are increasingly eating alone and/or dining out. International cuisines that are gaining in popularity are cuisines from Israel,

Lebanon and Syria.

Consumers' consciousness about food products is growing. More than ever, they want to know whether the food they bought was produced in a

...“real products, real ingredients and real stories”

sustainable way. They are also interested in fair-trade, locally grown and organic food products. The market of products that are vegan or have a free-from claim is growing. Retailers are increasingly dedicating shelf space for these products. Consumers, often Millennials or Generation Z, are also willing to pay for authenticity. They want to hear or read about who produced this food product and what the story behind the product is. This desire for authenticity also applies to foodservice outlets. Restaurant owners that have a story to tell about their restaurant appeal to today’s consumers.

Foodservice – HRI Market

The turnover of the Dutch foodservice market last year was valued at USD 23.7 billion, up by 5.5 percent compared to 2017, according to FSIN statistics. There are three categories in the Dutch foodservice market: the traditional foodservice industry, catering and convenience.

Traditional HRI USD 12.1 billion +6.5 percent	Catering USD 3.9 billion +1.6 percent	Convenience USD 7.6 billion +5.9 percent
-Restaurants USD 5.2 billion +7.1 percent	-Companies USD 1.9 billion +1.1 percent	-Fast service USD 3.3 billion +6.7 percent
-Drinks industry USD 2.0 billion +5.3 percent	-Institutions USD 1.4 billion +1.8 percent	-Foodservice – transport USD 0.7 billion +7.5 percent
-Accommodation USD 2.9 billion +7.3 percent	-Education USD 0.3 billion +1.4 percent	-Foodservice – retail USD 1.6 billion +4.5 percent
-Leisure USD 2.6 billion +5.7 percent	-Inflight USD 0.3 billion +4.1 percent	-Gas stations USD 2.1 billion +5.2 percent
		-Delivery USD 2.0 billion +13.4 percent

Source: Food Service Institute Netherlands (FSIN)

Sales in all subcategories were up in 2018 compared to sales in the previous year. Sales in the delivery subcategory, especially for hot meals, saw a double digits growth rate of 13 percent. There are many new-to-market restaurants delivering hot meals, supported by on-line platforms, such as Deliveroo, Foodora and UberEATS. Thuisbezorgd.nl continues to be the largest hot meal delivery company in the Netherlands.

Established fast-food chains from the United States are also active in the Dutch market and are having a huge impact on the hot meal delivery market. Burger King, KFC

and McDonald’s are all relative new entrants for home delivery. Smaller chains, such as Pizza Hut, Subway and Papa John’s are also getting into home delivery. New fast-food chains, such as Five Guys will become serious players in the delivery market in the near future.

Table 2. Advantages and Challenges of the Dutch Foodservice Market

Advantages <i>U.S. Supplier Strengths & Market Opportunities</i>	Challenges <i>U.S. Supplier Weaknesses and Competitive Threats</i>
-Dutch foodservice market is strong and growing; especially for U.S. foodservice chains that want to tap into the on-line delivery of hot meals.	-Transatlantic transportation is costly and takes time.
-The Dutch are affluent, open minded and curious consumers. This creates opportunities for tasty, innovative and convenience products on the one hand and but also for healthy and nutritious food	-Fierce competition on price, quality, uniqueness and innovation from other EU member states and from third countries that have negotiated lower tariff rates, such as Canada and Mexico.

products; all at an affordable price.

-Consumers' consciousness about food products is growing and there is willingness to pay for authenticity and taste.

-U.S. suppliers of composite products (products that require health certificates issued by more than one U.S. competent authority), can no longer be exported to the EU².

Source: FAS The Hague

SECTION II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

Before introducing your product, Post advises U.S. new-to-market exporters to research the Dutch market. Besides this report, FAS The Hague annually writes an [Exporter Guide](#), [the Food Processing Ingredients Market report](#), [The Food Retail Market report](#) and [the Food and Agriculture Import Regulations and Standards report](#). These and other commodity reports can help a new-to-market exporter better understand the Dutch market and can be downloaded from the [FAS](#) website. In addition, Post advises U.S. exporters to reach out to U.S. industry groups for their expertise and local network and representatives.

When the results of the research have been analyzed, U.S. companies should consider visiting and/or exhibiting at U.S. and foreign trade shows. These are excellent venues to make contact with local buyers, to conduct product introductions and to gauge buyers' interest. A detailed overview of European trade shows and their product focus can be found on <http://fas-europe.org/countries/netherlands/>. Participation in Trade Missions organized by the U.S. industry groups has also proven to be a very effective way to meet local buyers.

Market Structure

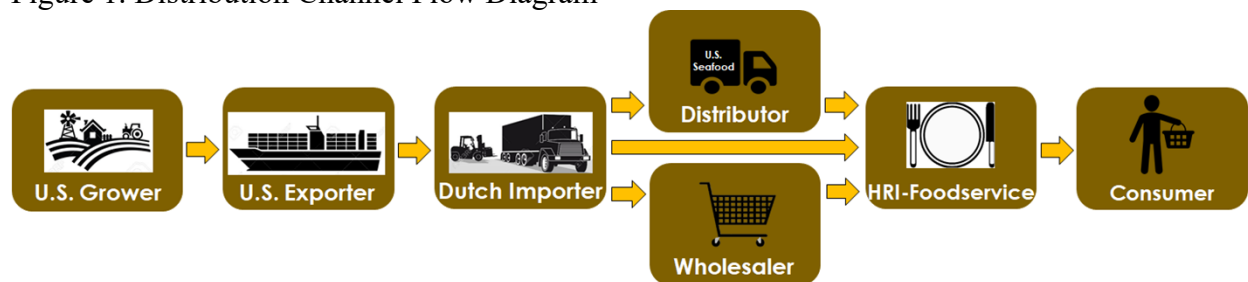
Unlike the retail sector, the Dutch foodservice industry is fragmented and has many independent players. This is especially the case for cafés/bars, restaurants, cafeterias and street stalls/kiosks. The majority of fast food and delivery outlets however are consolidated and often part of an (international) chain. Well-known examples of international foodservice chains active in the Netherlands include McDonalds, Domino's Pizza, KFC, Burger King and New York Pizza. Chains from the United States are popular in the Netherlands because of their efficiency and consistency but also because the meals are affordable. They continue to be successful because they have been able to respond to changing consumer demands and now for instance offer vegetarian and healthy food products. More U.S. chains recently opened outlets in the Netherlands, including Dunkin' Donuts (coffee and donuts), Five Guys (burgers and fries), Taco Bell (tacos, burritos and quesadillas) and TGI Friday's (casual dining fast food style).

Distribution

Foodservice establishments can purchase products in three different ways: directly from U.S. suppliers, from Dutch importers or local wholesalers/distributors. Large fast food chains might be importing some unique specialty ingredients directly from the United States but for the most part, they will depend on local partners. Independent players, like restaurant owners and hotels, prefer to purchase from wholesaler and distributors.

The latter prefer to have products delivered since this will save them time and will ensure products are available when needed. High-end hotel and restaurant players prefer to buy fresh products like bakery, produce, seafood, meat, wine and dairy products from specialized distributors. The benefit lies in the possibility to have tailor-made orders and the interpersonal relationship. Beer and non-alcoholic beverages are generally bought directly from breweries. For shelf stable grocery products, like spices, nuts, sauces, cooking ingredients and also distilled spirits and cider, hotels and restaurants turn to wholesalers.

Figure 1. Distribution Channel Flow Diagram



Source: FAS/The Hague

Dutch wholesalers and distributors prefer to work with Dutch importers that are specialized in buying U.S. products, due to the strict EU import requirements and standards. For meat, seafood and wine, importers also often distribute imported products.

The following wholesalers are active in the Netherlands: Bidfood, Horesca, Hanos, de Kweker, Makro, Sligro, VHC and Zegro. Almost all wholesalers have shops and delivery services. Bidfood and Horesca have no shops and only deliver their products while Marko only has shops and hardly delivers. Most wholesalers operate nationwide with the exception of de Kweker, Zegro and Horesca who are active regionally.

Sub-Sector Profiles

Table 3. Top Five Largest Fast Food Companies, million USD, 2018 figures

	Name	Turnover	Sub sector
1	McDonalds	1,054	Fast food
2	KFC	151	Fast food
3	Burger King	138	Fast food
4	Franchise Friendly Concepts	103	Fast food
5	Subway	77	Fast food

Source: Misset Horeca

Table 4. Top Five Largest Self-Service Catering Companies, million USD, 2018 figures

	Name	Turnover	Sub sector
1	Vermaat Groep	299	self-service catering
2	HMS Host	266	self-service catering
3	La Place	176	self-service catering
4	HEMA	141	self-service catering
5	Albron	138	self-service catering

Source: Misset Horeca

Table 5. Top Five Largest Full Service Restaurants, million USD, 2018 figures

	Name	Turnover	Sub sector
1	Van Der Valk	827	full service restaurants
2	Landal Greenpark	445	full service restaurants
3	Accor Hotels	374	full service restaurants
4	NH Hotels	331	full service restaurants
5	Fletcher Hotels	239	full service restaurants

Source: Misset Horeca

There are several restaurants in the Netherlands that focus predominantly on the delivery of meals, such as Domino's, New York Pizza and Spare rib express. Since a couple of years third party meal delivery service companies have emerged and are especially popular in larger cities and with consumers that are young, affluent and on the look-out for convenience. The largest one is called Thuisbezorgd.nl (Takeaway.com) and has around eight thousand restaurants affiliated.

Table 6. Top Five Largest Delivery/Takeaway Companies, million USD, 2018 figures

	Name	Turnover	Sub sector
1	Thuisbezorgd.nl	793	delivery/takeaway
2	Deliveroo	71	delivery/takeaway
3	Foodora	n.a.	delivery/takeaway
4	Uber Eats	n.a.	delivery/takeaway
5	DoorMeal	n.a.	delivery/takeaway

Source: Misset Horeca, FSIN

SECTION III. COMPETITION

This section summarizes the overall competitive situation that U.S. suppliers face in the foodservice industry. U.S. exporters of products that are also grown or produced within the EU are at a disadvantage due to proximity, shipping time, tariffs and certification issues. For other products, U.S. companies compete with other third country suppliers. There are only a few products where the U.S. has limited competition.

Table 7. Competitive Situation U.S. Suppliers Face in the Dutch Foodservice Market, 2018

Product Category	Major Supply Sources	Strengths of Key Supply Countries	Advantages and Disadvantages of local suppliers
Seafood (fish products) Total imports: USD 4,401 million From USA: USD 96 million	1. Iceland – 13% 2. Germany – 10% 3. Belgium – 7% 4. Norway – 6% 16. United States – 2%	Iceland is the leading supplier of cod while Germany dominates Dutch imports of pelagic fish. The United States dominates the supply of Alaska Pollack (AP), scallops and Sockeye salmon. For shrimps & prawns, cod and lobster, the U.S. competes with several other non-EU	The Netherlands is an international trader in seafood products, serving foodservice markets throughout Europe. The Dutch depend on imports for AP, scallops, Sockeye salmon, shrimps & prawns, cod and

		exporters.	lobster.
Beef (beef and beef products) Total imports: USD 2,405 million From USA: USD 123 million	1.Germany – 16% 2.Belgium – 15% 3.Ireland – 8% 4.Argentina – 8% 7.United States – 5%	Germany and Belgium sell lower quality and price competitive beef. The United States exports high quality and grain fed beef, known for its quality, consistency and taste, for the high-end foodservice industry.	There is not enough Dutch beef of high quality available. Ireland, Argentina, Brazil, Uruguay, and the United States all profit from this deficit.
Wine Total Imports: USD 1,369 million From USA: USD 10 million	1.France – 29% 2. Italy – 13% 3.Germany – 12% 4.Spain – 8% 14.United States – 1%	France, Germany, Italy and Spain have well known good quality wines at competitive prices. They are popular holiday destinations.	No commercial availability of domestic wine in the Netherlands.
Craft Beer (HS2203) Total imports: USD 442 From USA: USD 5	1.Belgium – 57% 2.Germany – 17% 3.The U.K. – 7% 9.United States – 1%	Competition from neighboring countries Belgium and Germany.	Strong demand for new flavors, funky labels and innovative tastes at competitive prices.
Sweet potatoes (HS071420) Total Imports: USD 105 From USA: USD 62	1.United States – 59% 2.Egypt – 6% 3.Spain – 4% 4.Honduras – 4%	Competition from Honduras, Spain, Egypt and China.	Restaurants and other HRI outlets are increasingly selling sweet potatoes. Demand for variety and quality products.

Source: Global Trade Atlas

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

Products that in addition to a competitive price are unique and innovative or not sufficiently available have the best prospects on the Dutch market:

Products Present in the Market Which Have Good Sales Potential

- Nuts
- Seafood
- Fresh produce
- Sauces and condiments
- Snack foods
- California wines and craft beer

Top Consumer-Oriented Products from the World

- Wine
- Beef
- Cheese
- Grapes

Top Consumer-Oriented Products from the United States

- Tree nuts
- Beef
- Sweet potatoes
- Cranberries

Products Not Present in Significant Quantities, but Which Have Good Sales Potential

- Food products with special certification (e.g. organic, sustainable, etc.)
- Pulses
- Sweet corn
- U.S. wines

Products Not Present Because They Face Significant Barriers

- Specialty products containing non-EU approved GMO derived ingredients
- Poultry
- Non-NHTC beef
- Molluscan shellfish (note the U.S. and EU are working to reopen bilateral)

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

If you have questions or comments regarding this report, require listings of local importers or need assistance exporting to the Netherlands, please contact FAS The Hague, the Netherlands.

U.S. Department of Agriculture's Foreign Agricultural Service

Marcel Pinckaers

Embassy of the United States | John Adams Park 1, 2244 BZ Wassenaar, the Netherlands

+31 (0)70 3102 305 | marcel.pinckaers@fas.usda.gov | www.fas.usda.gov | www.fas-europe.org

Notes:

¹ exchange rate: \$1 = €0.85

² For more information about EU regulations, please reference the [Food and Agricultural Import Regulations and Startards Report \(FAIRS\)](#)

Post:
The Hague