

**Required Report:** Required - Public Distribution

**Date:** September 16,2020

**Report Number:** NL2020-0045

## **Report Name:** Food Service - Hotel Restaurant Institutional

**Country:** Netherlands

**Post:** The Hague

**Report Category:** Food Service - Hotel Restaurant Institutional

**Prepared By:** Marcel Pinckaers

**Approved By:** Christopher Riker

### **Report Highlights:**

The turnover of the Dutch foodservice market in 2019 was valued at \$16 billion, up four percent from the year before. This year, the Dutch HRI industry is being hit hard by the social distancing measures imposed to combat the spread of coronavirus (COVID-19). Online ordering and delivery of meals, however, is benefiting and saw sales grow, in some cases by as much as 25 percent. Dutch consumers continue to seek out 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. This report further presents a road map for U.S. exporters who wish to expand business in the Dutch foodservice market. Products that are innovative, convenient, tasty, healthy, and affordable have the best sales potential in the Netherlands.

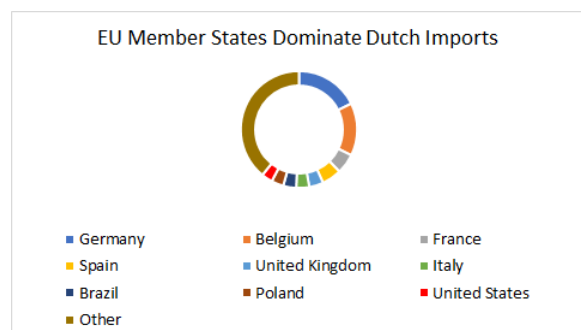
## Market Fact Sheet: The Netherlands

### Executive Summary:

Although the Netherlands is a small country geographically, it is the gateway for U.S. products into the European Union (EU) due to the presence of the Port of Rotterdam, Schiphol Airport, the confluence of two major European rivers, and an excellent road and railway infrastructure. It is the EU's largest importing country and continues to be the second largest exporter of agricultural products in the world, after the United States. These exports include products produced in the Netherlands as well as imported products that are re-exported, often after further processing and adding value.

### Imports of Consumer-Oriented Products:

Products from other EU Member States lead Dutch imports of consumer-oriented products. In 2019, the United States was the tenth largest supplier of these products to the Netherlands, with imports valued at almost \$1.3 billion.



Source: Trade Data Monitor

### Food Processing Industry:

Over 6,500 food companies in the Netherlands generated net sales of \$91.6 billion in 2019, up 3.5 percent compared to 2018. The meat, dairy, and fresh produce subsectors each accounted for roughly a quarter of the food processing industry's turnover.

### Food Retail Industry:

The Dutch retail sector is relatively consolidated, employing over 300,000 people and operating 4,300 stores. The net sales of the Dutch food retail industry are estimated at \$46 billion in 2019. Turnover is expected to further increase in 2020. High-end supermarkets are gaining popularity as consumers are demanding service, variety, and fresh and convenient products.

### Foodservice – HRI Industry:

The net sales of the Dutch foodservice industry in 2019 were valued at \$16 billion. Sales are expected to drop significantly in 2020 due to the coronavirus (COVID-19) outbreak. Public places, including bars, cafés, and restaurants, had to temporarily close their doors (with take-out and delivery keeping some restaurants afloat). Foodservice outlets were allowed to re-open on June 1, 2020, but under strict conditions.

### Quick Facts CY2019

Imports of Consumer-Oriented Products, Total:  
\$41.7 billion

### List of Top 10 Growth Products in the Netherlands (imported from the World):

- |                         |                          |
|-------------------------|--------------------------|
| 1. Cocoa                | 6. Avocados              |
| 2. Food preparations    | 7. Prepared chicken meat |
| 3. Bread, pastry, cakes | 8. Malt extract          |
| 4. Bananas              | 9. Beer                  |
| 5. Cheese               | 10. Enzymes              |

### Food Industry by Channels 2019:

Consumer-Oriented Products Imports	\$41.7 billion
Consumer-Oriented Products Exports	\$77.9 billion
Agricultural & Related Products Imports	\$80.7 billion
Agricultural & Related Products Exports	\$112.4 billion
Food Industry	\$91.6 billion
Food Retail	\$46.0 billion
Foodservice HRI	\$16.0 billion

### Top 10 Food Retailers in the Netherlands, Market Share:

1. Albert Heijn	34.7%	6. Dirk/Deka	5.5%
2. Jumbo	19.1%	7. Coop	3.2%
3. Lidl	10.9%	8. Deen	2.1%
4. Aldi	6.8%	9. Hoogvliet	2.1%
5. Plus	6.4%	10. SPAR	1.2%

### GDP/Population:

Population: 17.3 million  
GDP: \$808 billion  
GDP per capita: \$46,705

### Strengths/Weaknesses/Opportunities/Challenges

#### Strengths:

U.S. producers are professional, offer great variety, and deliver products with a consistent quality. U.S. farmers have a good story to tell about sustainability, farm-to-table supply chains, and their State/regional heritage.

#### Opportunities:

Gen Z is even more food-minded and eats more out of the home than the Millennials. Overall consumer consciousness about, interest in, and willingness to pay for food products is growing, especially for authenticity, health, nutrition, and taste.

#### Weakness:

Shipping time & costs, import tariffs, and EU labeling regulations make U.S. products more expensive. Some U.S. food products suffer from a negative perception among Dutch consumers due to misinformation and an image issue.

#### Threats:

There is fierce competition from other EU member states and from third countries that have negotiated lower tariff rates. COVID-19 has had an enormous financial impact on the Foodservice HRI industry

*Data and Information Sources: Trade Data Monitor, industry experts, company websites*  
Contact FAS/The Hague at: [agthehague@fas.usda.gov](mailto:agthehague@fas.usda.gov)

## SECTION I. MARKET SUMMARY

### Overall Business Climate

The fundamental strengths of the Dutch economy continue to be the Netherlands' stable political climate, highly developed financial sector, strategic location, a well-educated and productive labor force, and high-quality physical and communications infrastructure. However, like many countries, COVID-19 has had a negative impact on the country's economic growth.

The Netherlands Bureau for Economic Policy Analysis (known as the CPB), recently adjusted the outlook for the Netherlands (see <https://www.cpb.nl/en/august-projections-2020-2021>). This year, the Dutch economy is forecast to contract by five percent. The Dutch economy is expected to resume growth in the third quarter and growth three percent next year. The unemployment rate, however, is expected to grow this and next year to 4.4 and 6.5 percent, respectively.

This forecast included current government pandemic policies but did not take into account future COVID-19-related economic support packages. The CPB added that if additional strong lockdown measures are needed, it could result in prolonged economic contraction in 2021 and see unemployment rise to 10 percent. According to CPB, while the Netherlands has not been hit as hard as many other countries, it is still wrestling with the economic impact of the disease.

Table 1. Key Data for the Dutch Economy

	2018	2019	2020	2021
Economic Growth, percentage	2.4	1.7	-5.1	3.2
Unemployment, percentage	3.9	3.4	4.4	6.5
Inflation (CPI), percentage	1.6	2.7	1.4	1.5
GDP (billion USD)	911	953	920	964

Source: [www.cpb.nl](http://www.cpb.nl)

### Consumer Trends

The Foodservice Institute of the Netherlands (FSIN) follows the trends in the Dutch foodservice and hotel, restaurant and institutional (HRI) 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. Product Awareness
6. Special certification
7. Authenticity
8. Hospitality
9. Enjoyment
10. Web-based Platforms

Consumers are increasingly stressed and pressed for time. 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 popularity include foods from Israel, Lebanon, and Syria.

Consumer consciousness about how food products are produced is growing. More than ever, consumers want to know whether the food they bought was produced in a 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, and retailers are increasingly dedicating shelf space for these products. Consumers, especially Millennials and Generation Z, are also willing to pay for authenticity. They want to hear or read about who produced a 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. Also, consumers increasingly see eating out as something they want to enjoy. Finally, online platforms are becoming more important as consumers decide what to order or where to go to for dinner.

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

### Foodservice – HRI Market Sales Grew In 2019

According to [Euromonitor International](#) (Euromonitor), a market research provider, total sales of the HRI foodservice industry in 2019 were valued at almost \$16 billion,<sup>1</sup> up 4.3 percent compared to 2018. Restaurants and fast food outlets were the two largest sub-sectors. In 2019 their combined sales totaled \$11.4 billion, or 71 percent of total foodservice sales.

Table 2. Foodservice Sales by Sub Sector, in millions of USD

	2019
Full-Service Restaurants	6,137
Fast Food	5,213
Cafés/Bars	3,529
Self-Service Cafeterias	805
Street Stalls/Kiosks	288

Source: Euromonitor

According to Euromonitor’s Consumer Foodservice Country Report of April 2020, “the growing industry’s sales in 2019 were driven by a booming local economy and rising disposable incomes, and, as a result, more consumers were able to eat out more frequently. Especially millennials and Generation Z are dining-out more and are more open to exciting new food concepts. Continued growth in foreign tourism also helped to drive sales in major cities.”

Table 3. Home delivery continues to gain importance

	2015	2016	2017	2018	2019
Drive-Through	2.5	2.4	2.4	2.4	2.4
Home Delivery	4.7	6.1	7.7	9.3	11.0
Takeaway	14.5	14.6	14.8	14.8	14.7
Eat-In	78.3	76.8	75.1	73.4	71.9
Total	100	100	100	100	100

Source: Euromonitor

<sup>1</sup> 1\$=0.85€

The same study also explained that home delivery continues to gain market share at the expense of eating at a foodservice HRI outlet. “This is in line with the general shift towards online sales within retailing, as an increasing number of consumers are placing orders for home delivery through third party delivery platforms. Younger consumers are particularly comfortable in using mobile apps on their smartphones to order and pay for this service, as it offers greater convenience.”

### **Foodservice-HRI Industry Turnover Will Decline at Unprecedented Levels in 2020**

While sales continued to grow last year, the Dutch HRI industry is being hit hard by the social distancing measures imposed to combat the spread of COVID-19. The industry’s turnover fell by 46 percent during the second quarter of this calendar year, compared to the first quarter, when turnover had already decreased by nearly 14 percent. Cafés recorded the largest turnover decline in the Netherlands, followed by restaurants, caterers, and fast food restaurants. Online ordering and home delivery of meals, however, has benefitted and saw sales grow -- in some cases by as much as 25 percent. The Dutch government announced additional support programs for the sector which the vast majority of foodservice-HRI companies are expected to make use of in an effort to continue their business operations. For additional information, see [NL2020-0043 Foodservice-HRI Industry Turnover Declines at Unprecedented Levels](#).

Table 4. Advantages and Challenges of the Dutch Foodservice Market

<b>Advantages</b> <i>U.S. Supplier Strengths &amp; Market Opportunities</i>	<b>Challenges</b> <i>U.S. Supplier Weaknesses and Competitive Threats</i>
Gen Z is more food conscious and eats more out of home than the other convenience generation, the Millennials. This creates opportunities for the industry.	Transatlantic transportation is costly and takes time.
HRI-Foodservice companies that offer online ordering in combination with pick-up or delivery have been doing well during the COVID-19 pandemic. This offers opportunities for U.S. foodservice chains that want to tap into the online delivery of meals.	The closure of many HRI-Foodservice outlets due to the outbreak of COVID-19 has had an enormous financial impact on the industry.
The Dutch are affluent, open minded, and curious consumers. This creates opportunities for tasty, innovative, and convenient products on the one hand, but also for healthy and nutritious food products -- all at an affordable price.	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.
Overall consumers’ consciousness about and interest in food products is growing and there is willingness to pay for authenticity, storytelling, 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 EU <sup>2</sup> .

Source: FAS/The Hague

<sup>2</sup> For more information about EU regulations, please see the [Food and Agricultural Import Regulations and Standards Report \(FAIRS\) for the EU](#) and the [Food and Agricultural Import Regulations and Standards Country Report for the Netherlands](#).

## SECTION II. ROAD MAP FOR MARKET ENTRY

### *Entry Strategy*

Before introducing your product, FAS/The Hague 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, FAS/The Hague 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*

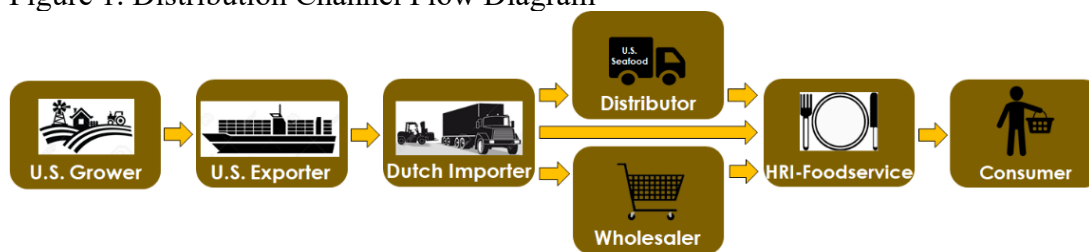
Unlike the retail sector, the Dutch foodservice industry is fragmented and has many independent players. This is especially the case for cafés/bars, restaurants, cafeterias, and street stalls/kiosks. The majority of fast food and delivery outlets, however, are consolidated and often part of an (international) chain. Well-known examples of international foodservice chains active in the Netherlands include: McDonalds, Domino's Pizza, KFC, Burger King, Subway, Papa John's, 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 from 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 depend on local partners. Independent players, like restaurant owners and hotels, prefer to purchase from wholesalers 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, 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 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 Makro only has shops and rarely delivers. Most wholesalers operate nationwide with the exception of de Kweker, Zegro and Horesca who are active regionally.

*Sub-Sector Profiles*

Table 5. Top Five Largest Fast Food Companies, millions of 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 6. Top Five Largest Self-Service Catering Companies, millions of 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 7. Top Five Largest Full-Service Restaurants, millions of 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

Table 8. Top Five Largest Delivery/Takeaway Companies, millions ofUSD, 2018 figures

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

Source: Misset Horeca, FSIN

One segment within the foodservice-HRI industry that realized increased turnover during the first six months of 2020 was online ordering and delivery. Since mid-March 2020, delivery scooters and bicycles have been working overtime in the Netherlands. [Just Eat Takeaway](#) processed 23 million orders in the Netherlands -- 24 percent more than in the same period last year. The average amount per order also increased. Its turnover in the Netherlands totaled \$94 million, 40 percent more than during the first half of 2019. The second and third largest companies in this segment, respectively [Deliveroo](#) and [UberEats](#), also expect sales to increase in 2020. Just Eat Takeaway, Deliveroo, and UberEats all deliver meals from various restaurants to customers in the Netherlands. More information about this segment can be found in the report: [NL2020-0043 - Foodservice-HRI Industry Turnover Declines at Unprecedented Levels](#).

#### Top 3 Largest Online Meal Delivery Platforms in the Netherlands



Source: FAS/The Hague

### 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 9. 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 4,385 million From USA: USD 104 million	1. Iceland – 15% 2. Germany – 8% 3. Norway – 7% 4. Belgium – 7% <b>14. United States – 2%</b>	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 shrimp & prawns, cod and lobster, the U.S. competes with several other non-EU exporters.	The Netherlands is an international trader in seafood products, serving foodservice markets throughout Europe. The Dutch depend on imports for AP, scallops, Sockeye salmon, shrimp & prawns, cod and lobster.



Beef (beef and beef products) Total imports: USD 2,277 million From USA: USD 124 million	1. Germany – 16% 2. Belgium – 12% 3. Argentina– 8% 4. Ireland – 8% <b>9. United States – 5%</b>	Germany and Belgium sell lower quality and price competitive beef. The United States exports high quality and grain fed beef, known for its consistency and taste, to 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 1,343 million From USA: USD 8 million	1. France – 28% 2. Italy – 14% 3. Germany – 12% 4. Spain – 9% <b>14. United States – 1%</b>	France, Germany, Italy and Spain have well known, good quality wines at competitive prices. They are also popular holiday destinations.	No commercial availability of domestic wine in the Netherlands.
Beer (HS2203) Total imports: USD 472 From USA: USD 5	1. Belgium – 62% 2. Germany – 13% 3. France – 6% 4. The U.K. – 5% <b>9. United States – 1%</b>	Competition from neighboring countries -- Belgium and Germany. Beer from France has gained in popularity with consumers	Strong demand for new flavors, funky labels, and innovative tastes at competitive prices.
Sweet potatoes (HS071420) Total Imports: USD 153 From USA: 75 million	<b>1. United States – 49%</b> 2. Egypt – 12% 3. Belgium – 10% 4. Spain – 7% 5. The U.K. – 6% 6. Honduras – 3%	Competition from Honduras and, increasingly, Egypt, Spain, and China.	Restaurants and other HRI outlets are increasingly selling sweet potatoes. Demand for variety and quality products.

Source: Trade Data Monitor

#### 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 in 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
- Beef from plants that are not yet EU approved
- 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:

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@usda.gov](mailto:marcel.pinckaers@usda.gov) | [agthehague@fas.usda.gov](mailto:agthehague@fas.usda.gov)

[www.fas.usda.gov](http://www.fas.usda.gov) | [www.fas-europe.org](http://www.fas-europe.org)

#### **Attachments:**

No Attachments