



Study on State asset management in the EU

Final study report for Pillar 2 – The Netherlands

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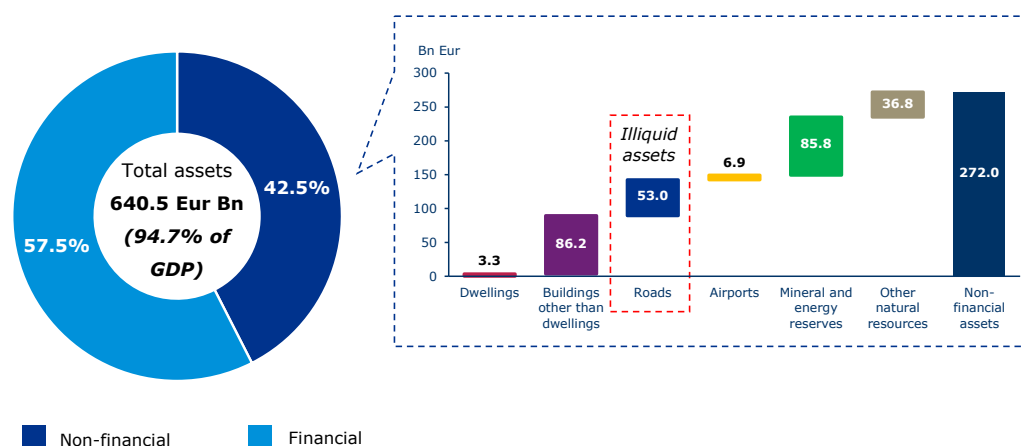
This Country fiche presents a quantitative overview of the mix of non-financial assets owned by the Dutch General government.

A recap and a summary table on sources of data and valuation methods used to map and assess (as far as possible) non-financial assets owned by the Dutch General government is reported in the Appendix (Table C).

1. OVERVIEW OF NON-FINANCIAL ASSETS

In 2015, the estimated value of Non-financial assets owned by the Dutch General government was equal to 272.0 Eur Bn, accounting for about 42.5% of the estimated value of all assets (including Financial assets) owned by the General government¹.

Figure 1 General government's Financial and Non-financial assets (Eur Bn), The Netherlands, 2015



Source: KPMG elaboration. Data on Gross Domestic Product were directly retrieved from Eurostat on 19th September 2017.

- (1) Estimated values refer to 2015 as the latest available year for both financial assets and all clusters of non-financial assets.
- (2) In this chart, the "estimated value" of financial assets is reported in terms of Total Assets of the country's PSHs as weighted by the stake(s) owned by the Public sector into the PSHs themselves².
- (3) In this chart, the values of Ports and Railways are not represented as it has already been accounted for in Pillar 1.
- (4) Values of Dwellings, Buildings other than dwellings, and Other natural resources were directly retrieved from Eurostat, while values for other Non-financial assets were estimated according to the valuation approaches explained in the Methodological Notes for Pillar 2.
- (5) Since roads and railways are an illiquid asset we applied a Perpetual Inventory Method (PIM). However, this valuation method tends to slightly overestimate the value of the asset. Therefore the chart shows the lower bound figure of the range of road and railways valuation estimates only.
- (6) The estimated value for Mineral and Energy reserves refers to the estimate computed on 2015 average prices. Since the prices of Oil and Natural Gas can present many fluctuations over the year, the average of all price points was used as an accurate representation of the annual value of this assets, in order to better account for possible outliers.

¹ As explained in the Methodological Notes for Pillar 2, Non-financial assets that are owned by PSHs are evaluated through the equity method. Therefore their value is not represented in this Pillar as it has already been accounted for in Pillar 1. The allocation of Non-financial assets between Pillar 1 and 2 is listed in Table A in the Appendix to the EU Fiche.

² For more details on how Total Assets for Financial Assets are calculated, please see Pillar 1.

2. DWELLINGS

Eurostat provides a comprehensive coverage of data on the value of dwellings; therefore, data on Dutch dwellings are retrieved from Eurostat only.

As shown in Table 1 below, the value of the Dutch General government's dwellings in 2015 was equal to about 3 Eur Bn, accounting for 0.4% of the value of all the dwellings within the country.

Table 1 General government's dwellings (Eur Mn), the Netherlands, 2010-2015

| Data in Eur Mn | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government | 3,313 | 3,326 | 3,374 | 3,382 | 3,317 | 3,259 |
| Share of the total economy | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% |

Source: Eurostat database, 2010-2015, Balance sheets for non-financial assets, Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama_10_nfa_bs&lang=en [downloaded in July 2017].

(1) The share of dwellings in the economy refers to the value of dwellings (rather than the number of dwellings).

3. OTHER BUILDINGS AND STRUCTURES

- *Buildings other than dwellings*

Eurostat provides good coverage of data on the value of buildings other than dwellings owned by the Dutch General government, hence data on this cluster of assets is retrieved from Eurostat only.

As shown in Table 2, the value of these assets has declined since 2010 reaching a value of 86 Eur Bn in the last year worth of data (2015) – or 23.5% of all Buildings other than dwellings.

Table 2 General government's Buildings other than dwellings (Eur Mn), the Netherlands, 2010-2015

| Data in Eur Mn | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Government | 89,917 | 89,751 | 89,148 | 89,588 | 89,018 | 86,224 |
| Share of the total economy | 24.5% | 24.3% | 24.2% | 24.0% | 23.8% | 23.5% |

Source: Eurostat database, 2010-2015, Balance sheets for non-financial assets, Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama_10_nfa_bs&lang=en [downloaded in July 2017].

(1) The share of Buildings other than dwellings in the economy refers to the value of Buildings other than dwellings (rather than the number of Buildings other than dwellings).

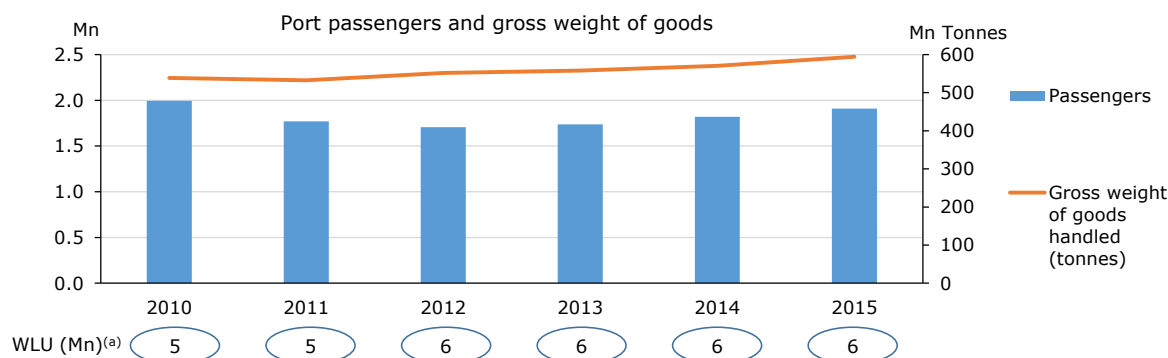
- *Ports*

As with many key international ports in other countries, the so-called "landlord" port model is applied to large and medium-sized ports in the Netherlands. In this model, the port authority owns the basic port infrastructure, leasing it out to port operators, mostly on a long-term concession basis, while retaining all regulatory functions.

Furthermore, following the reforms occurred over the last 15 years, landlord port authorities have been transformed from government agencies to public limited companies. Although the legal entitlement of the land within port areas rests with the municipal government where ports are located, port authorities were granted (for free) a perpetual lease on these land. In light of this, port authorities may generate revenues through sub-leases and concessions to private entities, such as private port operators.

Figure 2 shows the overall maritime port traffic (for both passengers and goods) in the Netherlands over the 2010–2015 time period³.

Figure 2 Port passengers and gross weight of goods, the Netherlands, 2010-2015



Source: Eurostat database, 2010-2015 [downloaded in March 2017]. Country level - passengers embarked and disembarked in all ports by direction (available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=mar_mp_aa_cphd&lang=en) and Gross weight of goods handled in all ports by direction (available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=mar_go_aa&lang=en).

- (1) With regard to passengers, all passengers embarked from and disembarked to all maritime ports within the country have been considered.
 - (2) With regard to the gross weight of goods handled, the Gross weight of goods handled in all maritime ports within the country have been considered.
- (a) A Workload Unit (WLU) is defined as one passenger or 100 kg of cargo.

Because the management of Dutch ports is granted in concession to landlord port authorities for an indefinite period of time, then port facilities are to be considered, effectively, owned by PSHs themselves. Therefore, Dutch ports cannot be classified as public Non-financial assets, and are valued in Pillar 1 of this Study.

- **Roads**

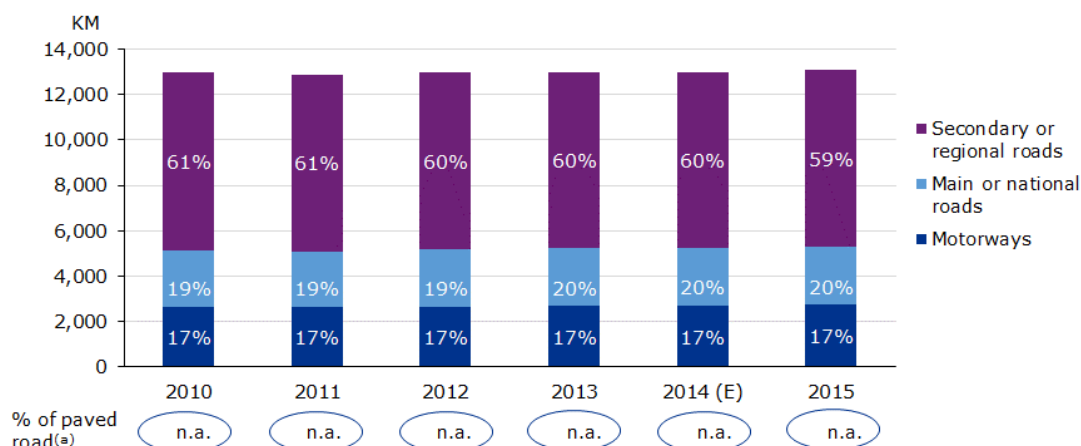
According to current legislation, the Dutch road network is state-owned and managed by the *Rijkswaterstaat*.

Rijkswaterstaat is a body of the Dutch Ministry of Infrastructure and the Environment responsible for the design, construction, management and maintenance of the main infrastructure facilities in the Netherlands, among which 3,046 km of Motorways, 1,428 km of access, exit roads and connecting roads; 2,749 viaducts, 13 ecoducts, 22 tunnels, and 743 bridges⁴.

³ For the list of Maritime Ports included in this Study, please see Table B in the Appendix.

⁴ <https://www.rijkswaterstaat.nl/english/highways/index.aspx> [Accessed 19th May 2017].

Figure 3 Length (in km) of Motorways, Main or national roads and Secondary or regional roads, the Netherlands, 2010-2015



Source: Directorate-General for Mobility and Transport (DG MOVE) database, 2010-2015 [downloaded in September 2017]. Values for percentage of paved road were calculated using Eurostat data on length of other roads by type of surface.

- (1) DG MOVE's data does not report the length of Main or national roads and Secondary or regional roads for year 2014. Therefore, the values for the year 2014 have been estimated as average between 2013 and 2015 values.
- (2) For the sake of accuracy and comparability among the EU28 Member States, the valuation includes Motorways, Main or national roads and Secondary or regional roads only.
- (3) According to DG MOVE's data, the extension of the Dutch road network is equal to 139,124 Km (including the length of Motorways, Main or national roads, Secondary or regional roads and Other roads) in 2015.
- (4) Eurostat does not report the length of paved road network for years taken into account.
- (a) The percentage of paved road has been calculated based on the total extension of the road network (including other roads). It represents the length of paved road network over the total length of road network.

Table 3 reports the results of the valuation exercise carried out according to the valuation procedure described in the Methodological Notes for Pillar 2. In this respect, please be reminded that, to ensure accuracy and comparability, the valuation includes Motorways, Main or national roads, and Secondary or regional roads only.

In the Netherlands, overall, in 2015 the estimated value of roads ranged between 53 Eur Bn to 57 Eur Bn. Secondary or regional roads take the lion's share with a estimated value between 21.6 Eur Bn and 22.1Eur Bn.

Table 3 Estimated road value for Motorways, Main or national roads and Secondary or regional roads only (Eur Mn), the Netherlands, 2010-2015

| Data in Eur Mn | | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------------|-----|--------|--------|--------|--------|--------|--------|
| Motorways | Min | 15,835 | 17,059 | 18,383 | 19,696 | 20,598 | 21,474 |
| | Max | 18,035 | 19,277 | 20,628 | 21,962 | 22,834 | 23,679 |
| Main or national roads | Min | 8,387 | 8,743 | 9,149 | 9,545 | 9,736 | 9,918 |
| | Max | 9,744 | 10,112 | 10,534 | 10,943 | 11,116 | 11,278 |
| Secondary or regional roads | Min | 16,931 | 17,981 | 19,123 | 20,241 | 20,930 | 21,593 |
| | Max | 17,441 | 18,495 | 19,643 | 20,766 | 21,448 | 22,104 |
| Total | Min | 41,153 | 43,783 | 46,654 | 49,481 | 51,264 | 52,986 |
| | Max | 45,220 | 47,884 | 50,804 | 53,670 | 55,398 | 57,061 |

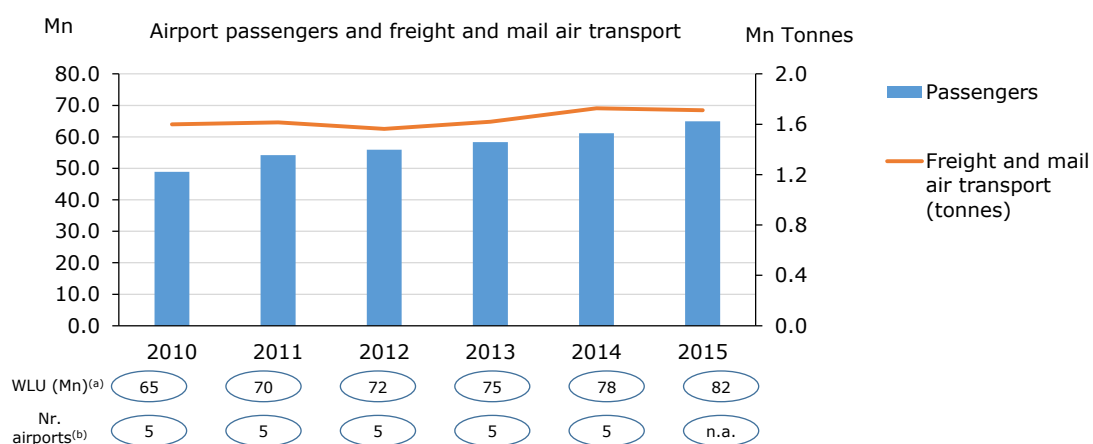
Source: KPMG calculations on Directorate-General for Mobility and Transport (DG MOVE) and Eurostat data [downloaded in July 2017].

- Airports

Dutch airports are owned by the Dutch Government and the municipalities where the airports are situated. Then the infrastructures are granted in concession to different operators, both PSHs and private companies.

As shown in Figure 4 below, airport traffic in the Netherlands has been increasing over the 2010–2015 time period⁵.

Figure 4 Airports passengers, freight and mail air transport, the Netherlands, 2010-2015



Source: Eurostat database, 2010-2015, [downloaded in March 2017]. Air passenger transport by main airports in each reporting country (available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=avia_paoa&lang=en), Freight and mail air transport by main airports in each reporting country (available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=avia_qooa&lang=en) and Number of commercial airports with more than 15,000 passenger units per year (available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=avia_if_arp&lang=en).

- (1) The number of passengers refers to all on board passengers.
- (2) All freight and mail air transport is included.
- (3) Eurostat does not report the number of commercial airports for 2015.
- (a) A Workload Unit (WLU) is defined as one passenger or 100 kg of cargo.
- (b) Total number of airports (with more than 15,000 passenger units per year).

To assess the value of airports, an income approach was applied (for more details, please see the Methodological Notes for Pillar 2).

According to the estimates reported in Table 4, in 2015, the overall estimated value of Public Airports was equal to about 6.9 Eur Bn, with an increase of about 26.4% since 2010.

Table 4 Estimated value for airports (Eur Mn), The Netherlands, 2010-2015

| Data in Mn Eur | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------|-------|-------|-------|-------|-------|-------|
| Airports | 5,460 | 5,918 | 6,021 | 6,268 | 6,598 | 6,901 |

Source: KPMG calculations on Eurostat database, 2010-2015 [downloaded in May 2017].

- (1) The WLUs used to calculate the value of airports do not match those represented in Figure 4 as they were computed by adding the WLUs of all airports considered within the scope of this Pillar (see Table A in Appendix).

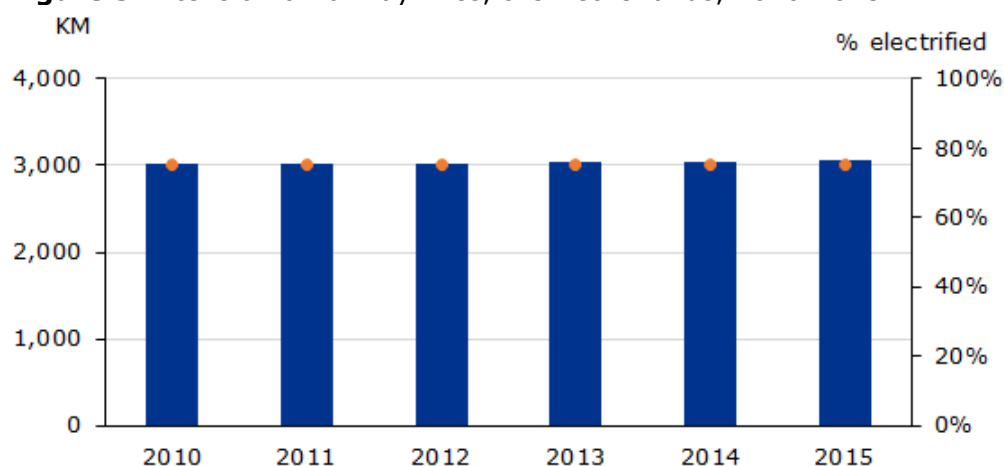
⁵ For the list of Airports included in this Study, please see Table A in Appendix.

- *Railways*

In the Netherlands, the legal owner of the majority of the rail infrastructure is *Railinfrastrust B.V.*, a PSH fully owned by the Dutch State⁶. The railway infrastructure is managed by *ProRail B.V.*, which is the holder of the license to manage the Dutch railway network. *ProRail B.V.* is fully owned by *Railinfrastrust B.V.*.

As shown in Figure 5, the extension of the railway network in the Netherlands was equal to about 3,000 km in 2015.

Figure 5 Extension of railway lines, the Netherlands, 2010-2015



Source: Directorate-General for Mobility and Transport (DG MOVE), 2010-2015 [downloaded in October 2017]. The percentages of electrified lines were calculated using Eurostat database "Railway transport - length of tracks" available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=rail_if_tracks&lang=en [downloaded in October 2017].

(1) The percentage of electrified network represents the length of electrified railway tracks over the total length of railway tracks for year.

(2) Eurostat does not report the value of electrified network for years 2014 and 2015, because data transmission from Member Countries to Eurostat for this type of assets is still on a voluntary basis. In addition, no other official national sources provide us with information on the electrified network for years 2014 and 2015. Therefore, the values for 2013 are held to be constant for the following two years.

Since the Dutch railway network is owned by a PSH (*Railinfrastrust B.V.*), then its value is assessed using the equity method (please see the Methodological notes for Pillar 2 for more details), and results are reported in Pillar 1 of this Study.

4. NATURAL RESOURCES

- *Mineral and Energy reserves*

In the Netherlands, according to the Dutch *Mining Act (Mijnbouwwet)*, the state is the owner of all Mineral and Energy reserves and it is responsible for granting mining concessions to mining companies.

⁶ Although this data collection and analysis exercise represents the "best effort" to provide an updated picture on EU28 ownership/management models for Non-financial assets, due to data limitations, we have assumed the prevalent ownership model to be applicable for all other assets within the cluster.

Table 5 Proven reserves of mineral and energy reserves, the Netherlands, 2015

| Data | Oil (Barrels) | Natural gas (cubic meters) |
|-----------------|---------------|----------------------------|
| Proven reserves | 198,129,407 | 940,000,000,000 |

Source: Statistics Netherlands Database, 2015. Available at: <http://statline.cbs.nl/Statweb/selection/?VW=T&DM=SLEN&PA=82539ENG&D1=4-7&D2=a&LA=EN&HDR=G1&STB=T> [downloaded in December 2017].

As shown in Table 6, the estimated value for Oil reserves in the Netherlands in 2015 was equal, on average, to about 9.6 Eur bn. With regard to Natural Gas, the estimated value was instead equal to an average of about 76.2 Eur bn.

Table 6 Estimated value of oil and natural gas proven reserves (Eur Mn), the Netherlands, 2015

| Data in Mn Eur | Min | Max | Average |
|----------------|---------------|----------------|---------------|
| Oil | 6,453 | 12,110 | 9,578 |
| Natural gas | 50,914 | 99,891 | 76,196 |
| Total | 57,367 | 112,001 | 85,773 |

Source: KPMG calculations on Statistics Netherlands Database, 2015 [downloaded in December 2017].

(1) Proven reserves are valued using average prices for 2015.

(2) Range is calculated using the minimum and the maximum prices for 2015.

- Other natural resources

For more details about limitations on data on Other natural resources and a detail of what is mapped and valued in this country Fiche, please refer back to the relevant section of the Methodological Notes for Pillar 2.

The Netherlands reports the value of lands (as classified by ESA2010) in its National Accounts, as shown in Table 7.

Table 7 Other natural resources, Land (Eur Mn), The Netherlands, 2010-2015.

| Data in Eur Mn | | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Land (net) | General government | 49.434 | 48.509 | 44.120 | 39.463 | 36.296 | 36.820 |
| | Share of the total economy | 4,5% | 4,4% | 4,5% | 4,5% | 3,9% | 3,7% |

Source: Eurostat database, 2010-2015 [downloaded in March 2017].

(1) The share of the economy refers to the value of lands (rather than the surface area of lands).

Appendix I The Netherlands

Table A List of airports, The Netherlands, 2015 (Number of airports: 5)

| List of airports |
|---|
| Non-financial (Pillar 2) ^(a) |
| AMSTERDAM/SCHIPHOL airport |
| EINDHOVEN airport |
| GRONINGEN/EELDE airport |
| MAASTRICHT/AACHEN airport |
| ROTTERDAM airport |

Source: Eurostat database, 2015 [downloaded in May 2017].

(1) The list above includes the airports defined by Eurostat as "main airports", which meet the following criteria: at least 150 000 passenger movements per year.

(a) Within the scope of this Pillar.

Table B List of ports, The Netherlands, 2015 (Number of ports: 9)

| List of ports |
|---|
| Non-financial (Pillar 2) ^(a) |
| Amsterdam |
| Delfzijl |
| Den Helder |
| Dordrecht |
| Harlingen |
| Moerdijk |
| Rotterdam |
| Vlaardingen |
| Zeeland Seaports |

Source: Eurostat database, 2015 [downloaded in March 2017].

(1) The list above includes those ports defined by Eurostat as "reporting ports", for which statistics of inward and outward maritime transport flows are compiled.

(a) Within the scope of this Pillar.

Table C Overview of the valuation approaches and the sources used to value Non-Financial assets in this Study, The Netherlands

| Clusters of Non-financial assets | Valuation approach | Sources |
|----------------------------------|----------------------------------|---|
| Dwellings | Market value | - Eurostat |
| Buildings other than dwellings | Market value | - Eurostat |
| Ports | Equity method (Pillar 1) | - Bureau van Dijk (BvD) Orbis |
| Roads | Perpetual Inventory Method (PIM) | - DG MOVE - Eurostat - EIB - Other sources |
| Airports | Market value | - Eurostat |
| Railways | Equity method (Pillar 1) | - Bureau van Dijk (BvD) Orbis |
| Mineral and Energy reserves | Market value | - Statistics Netherlands Database |
| Other natural resources | Market value | - Eurostat |

Sources: KPMG elaborations

(1) For more details on "other sources" used to carry out road valuations, please see Table 3, 4 and 5 in Annex.

(2) For more details on "other sources" used to carry out railways valuations, please see Table 6 in Annex.