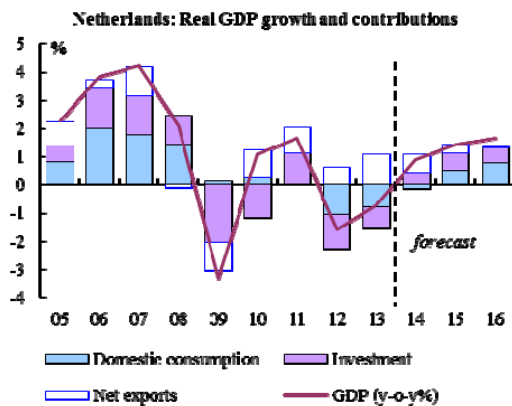


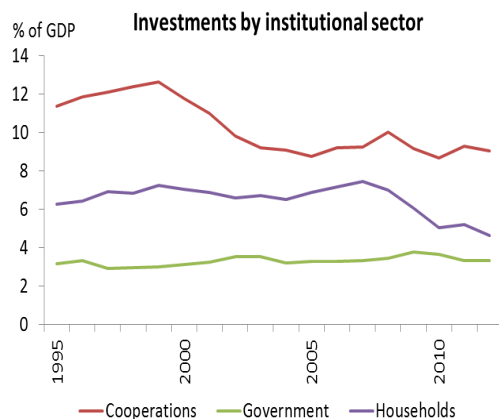
INVESTMENT IN THE NETHERLANDS

What is the situation in The Netherlands?



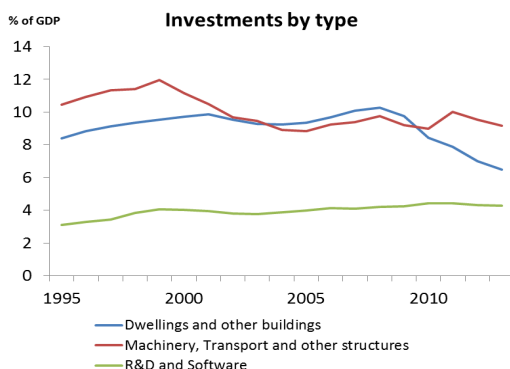
The fall in investment in The Netherlands was relatively sharp: in 2014 investments were (in real terms) more than 16% below the pre-crisis peak in 2008 and almost 5% below their long run average. In percentage of GDP, investment dropped from 23% to 20% since its peak, significantly more than in peer countries (e.g. Germany, UK and France). Since 2008, private investment has decreased, in particular in buildings and other infrastructure, partly as a result of cyclical developments negatively affecting the housing market. The construction sector was particularly affected. Other forms of investment, such as R&D and machinery have held up. At the same time, the level of public investment has been stable and (in % of GDP) above the EU average for at least 20 years.

What is the main challenge?



Given the low level of private investment, additional investment, in particular in R&D and education, need to be made to support long-term growth prospects. The necessary transition to more sustainable energy production is lagging behind most other EU Member States, showing the need for substantial investments to close this gap.

Opportunities for Investment



Given the relatively low level of private R&D expenditure, an increase could potentially offer a large payoff in terms of growth. Additional investment in energy saving and renewable energy could also contribute significantly to economic welfare. Finally, long-term growth prospects of The Netherlands can be increased by improving the quality of education, and channelling additional funding to basic research.

Reforms for investment

In the Country Specific Recommendations for the Netherlands, the Council of the European Union recommended:

■ In 2015, significantly strengthen the budgetary strategy to ensure reaching the medium-term objective and maintain it thereafter. Protect expenditure in areas directly relevant for growth such as education, innovation and research

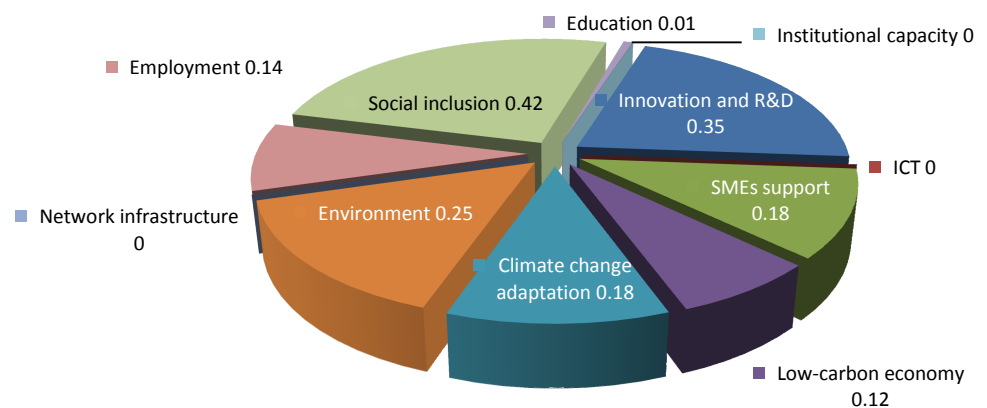
■ Implement reforms of the second pillar of the pension system.

■ Step up efforts to reform the housing market.

■ Take further measures to enhance labour market participation and to reduce tax disincentives on labour.

EU funding for investment

2014 - 2020
in billion EUR



Source: Partnership Agreement: http://ec.europa.eu/contracts_grants/agreements/index_nl.htm

*excluding European Maritime and Fisheries Fund (EMFF)

Past or ongoing projects for investment

Electricity interconnections

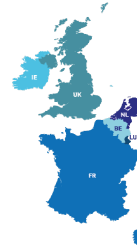
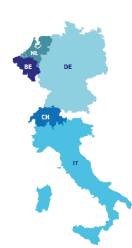
Electricity interconnection.
Commissioning date: 2016
(Germany, The Netherlands)



Transport interconnections

Freight corridor "North Sea – Baltic":
(Germany, Netherlands, Belgium,
Poland, Lithuania, Latvia, Estonia)

Connecting Europe Facility:
"North Sea – Baltic" core network corridor:
(Estonia, Latvia, Lithuania, Poland,
Germany, The Netherlands, Belgium)



Connecting Europe Facility:

"Rhine – Alpine" core network corridor:
(The Netherlands, Belgium, Germany,
Switzerland, Italy)

Connecting Europe Facility:
"North Sea – Mediterranean"
core network corridor:
(Ireland, UK, The Netherlands, Belgium,
Luxembourg, France)

Technological interconnections

Targeting the set-up of new manufacturing
capacities of electronic chips in Europe:
under preparation for a submission to the
Commission in 2015.

(France, Germany, UK, The Netherlands,
Belgium, Austria, Italy, Finland, Ireland)

