



# The Logic of Logistics in The Netherlands

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# Europe, the Largest Market on Earth

The European Market is:

- Large, valued at \$13.1 trillion
- With the sustainable buying power of 708 million people
- The 2nd most R&D intensive economy after the U.S.
- The largest recipient of global inward FDI and number one investment destination for non-European firms (FDI stock)
- Close to emerging markets in Eastern Europe, Russia and former CIS states, Turkey, North African & the Middle East



# BUT YOU NEED

- A Gateway
- A Distribution Strategy
- Supply chain Follow Through

# The Netherlands General Perspective



- ❑ Size:  $\pm$  Maryland
- ❑ Densely populated ( $\pm$ 985 people/sq m)
- ❑ Strategic location in Europe
- ❑ Major cities:  
Amsterdam, Rotterdam,  
The Hague, Utrecht
- ❑ 160 Million European consumers within a  
300 mile radius of Amsterdam

# Dutch Market



U.S.  
COMMERCIAL  
SERVICE  
*United States of America*  
*Department of Commerce*

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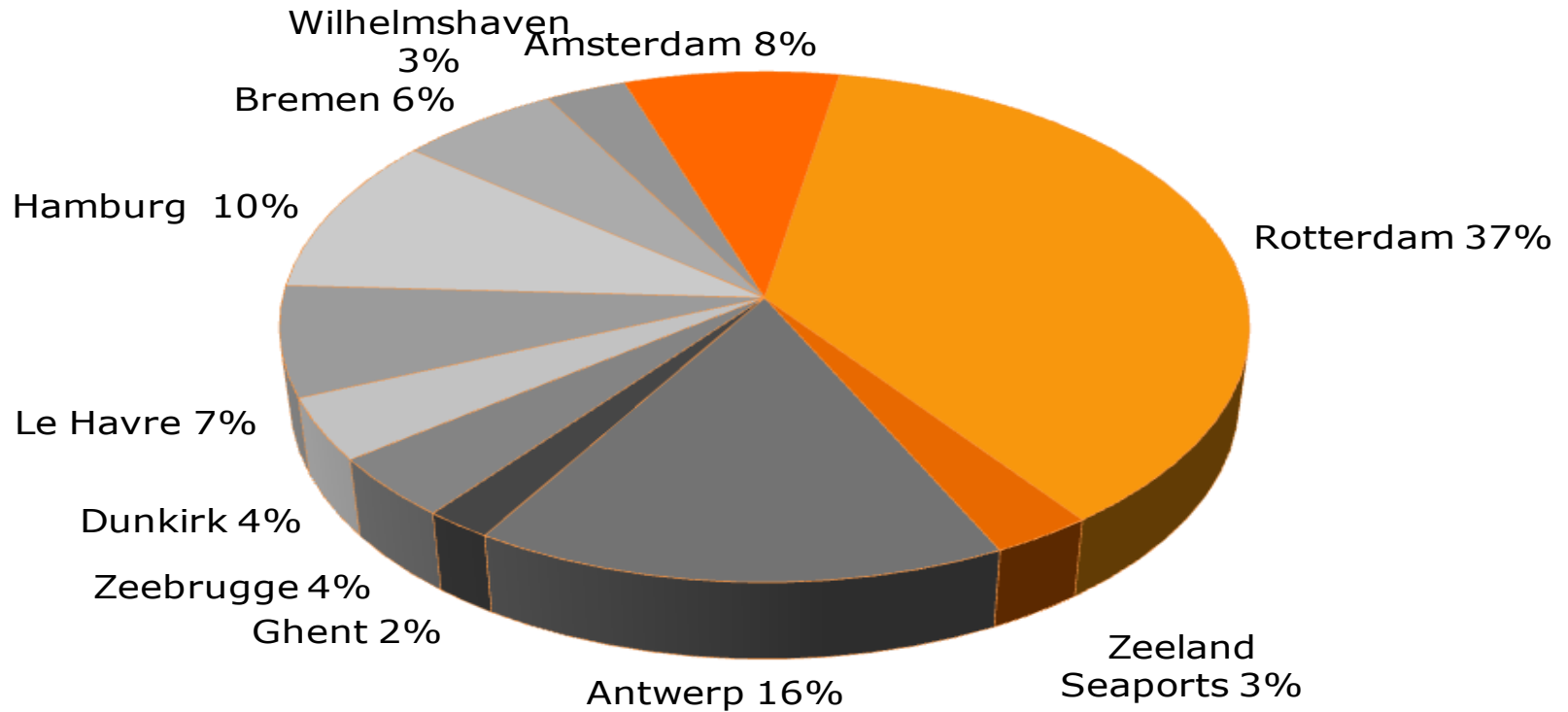
- Logistics competitive advantage makes the Netherlands a “smart” gateway.
- English language competency makes it a second consideration to the United Kingdom for U.S. companies.
- The Dutch trade and investment position within the U.S. makes it a popular market for U.S. companies.
- Logistics is a strategic sector.

# Challenges of the EU Market

- Complex market
- Competitive market
- Costly operations



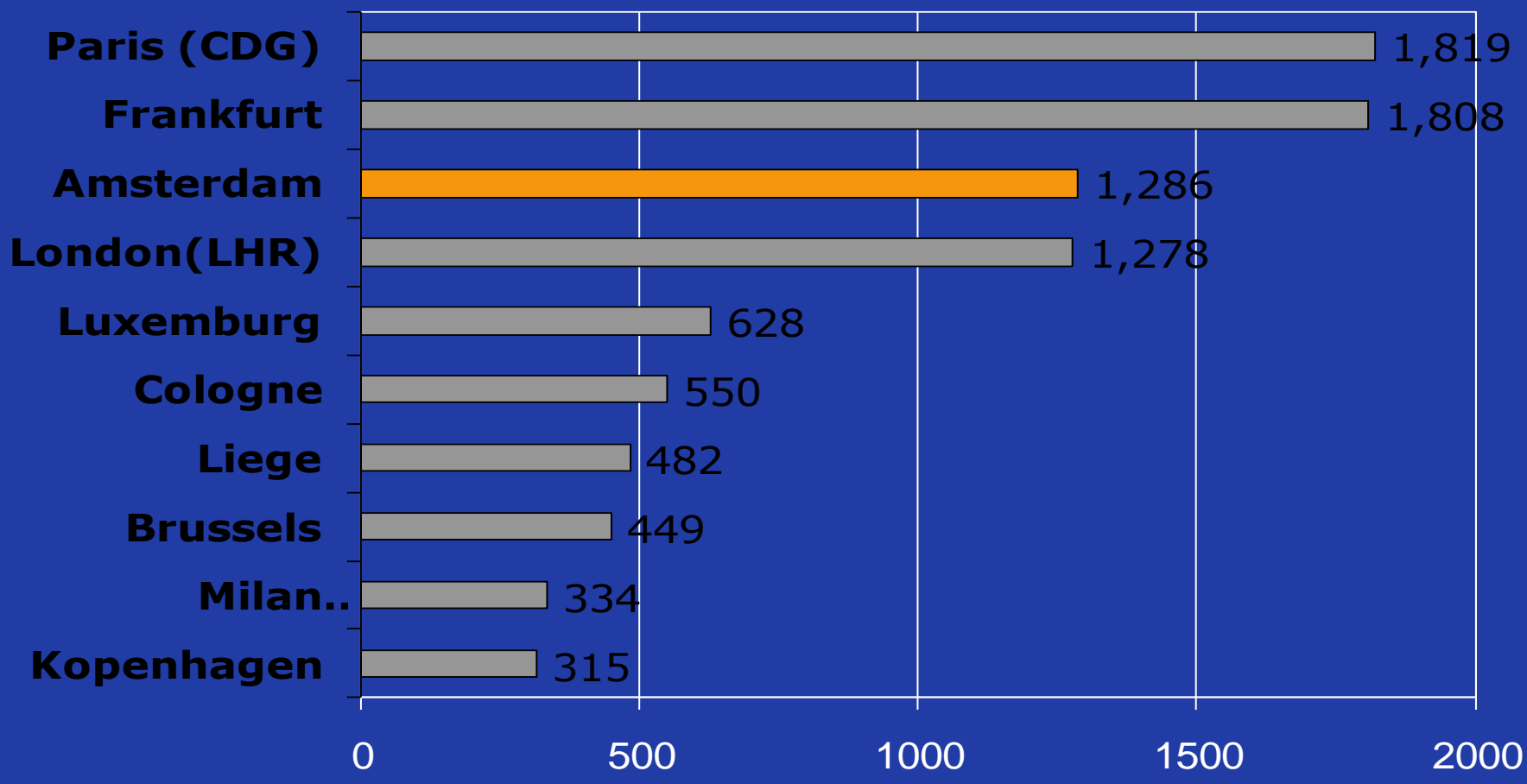
# Rotterdam, Market Leader in Hamburg-Le Harve Range





# Amsterdam Third Largest European Cargo Airport

14 percent market share in 2009  
(x 1,000 tons)





# Multi-modal Transport

- Highest density in motorways in Europe
- >12.000 transport companies of which 82% offer international transport
- 15% of all road transport companies in Europe are Dutch
- 18% of freight transport by inland vessels
- 1,000 miles of waterways used for commercial transport
- 40% of European fleet sails under Dutch flag
- Short sea shipping most economical form of transport
- 17% of freight transported via short sea shipping
- Regular services to 110 European ports from PoR
- 3% of freight transport by rail, 80% growth since '98
- 1,800 miles of rail road in the Netherlands
- 14 TOCs, and 80% of rail transport is international

# Logistics

- 57 percent of U.S. companies using a European Distribution Center chose one in the Netherlands
- The UK, Germany, Belgium, Luxembourg and France account for the remaining 43 percent
- *“Logistically, we feel the Netherlands is the distribution leader of Europe, with its central location, excellent distribution channels, and state-of-the-art infrastructure.”*

Cisco Systems

# Supply Chain Strategy Drivers

First and foremost it is the overall business strategy that must drive your customer service and supply chain strategy

Business strategy

Customer service strategy

Supply chain strategy

- Go to market decisions
- Resource utilization
- Management priorities

- Channel selection
- Product/market allocation
- Service offerings

- Number & location of facilities
- Inventory positioning
- Transportation solutions
- Partner selection



# HIDC Benchmark Study 2009



# European Economic Centres

**U.S. COMMERCIAL SERVICE**  
United States of America  
Department of Commerce

North Atlantic Ocean

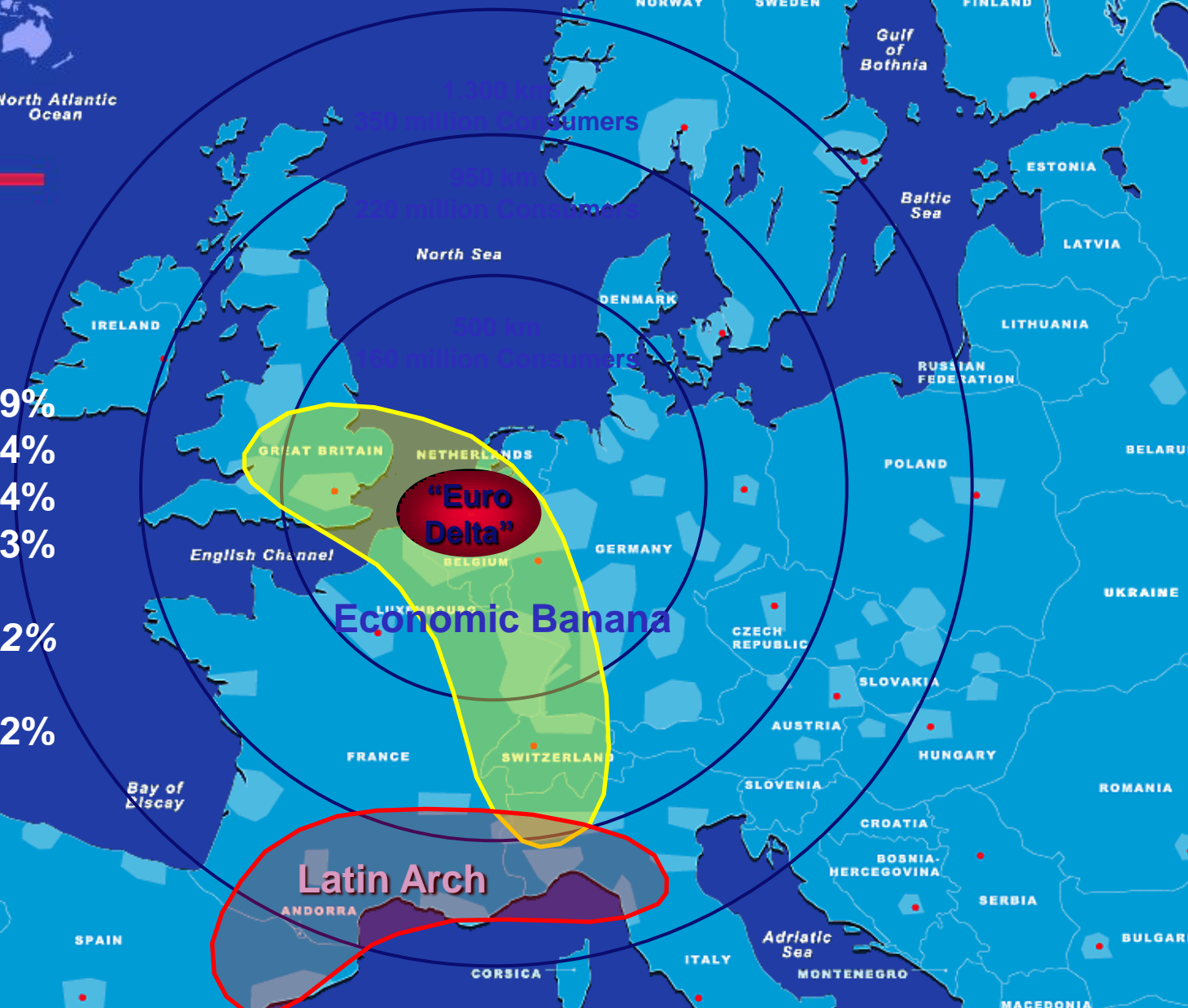
**Share of GDP EU:**

Germany	19%
UK	14%
France	14%
Italy	13%

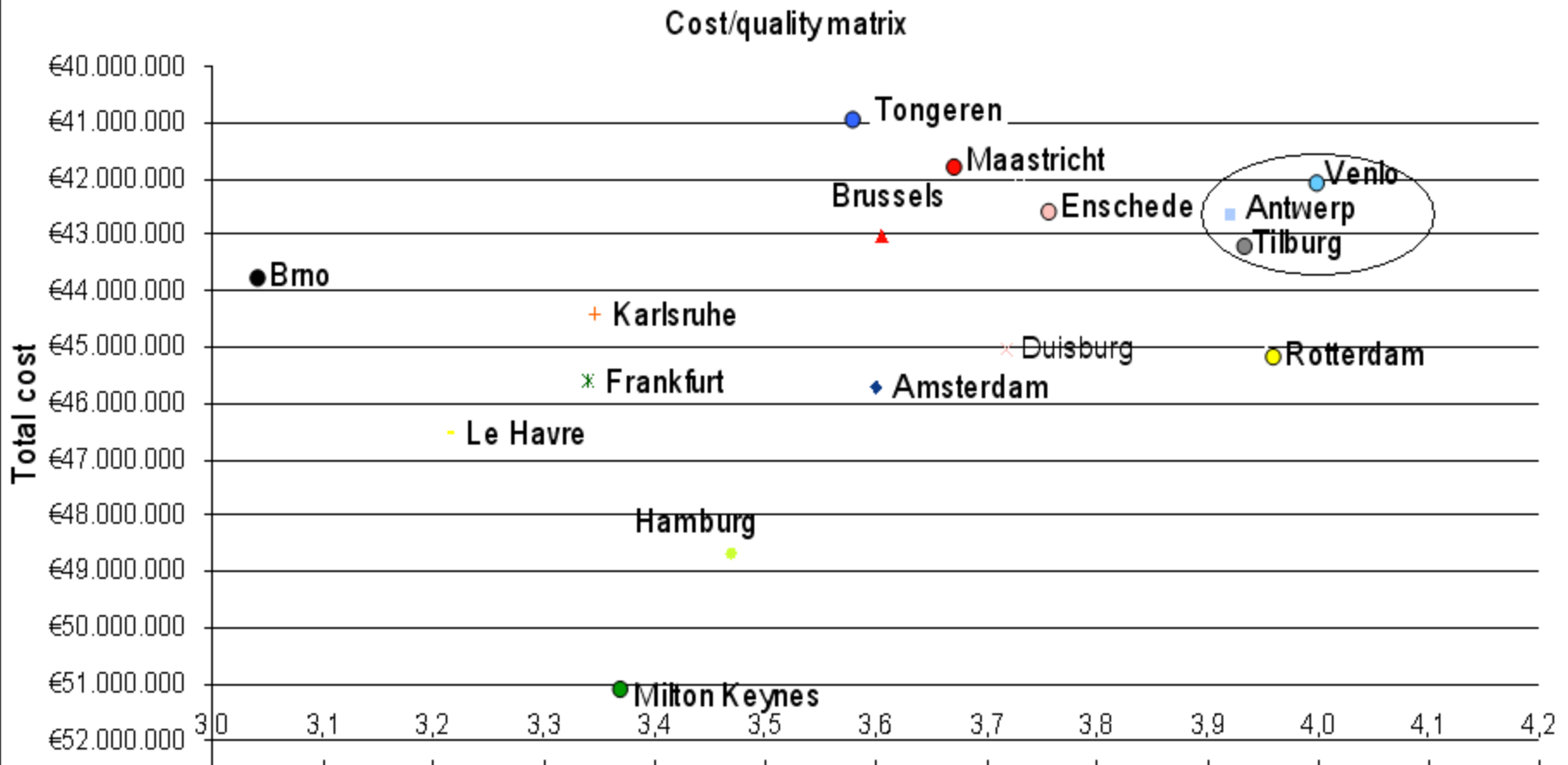
**Eurodelta** 12%

**Eastern Europe:** 12%

**Main economic centers remain in Western Europe**



# Industry Case – High Tech Cost/Quality Matrix EDC







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