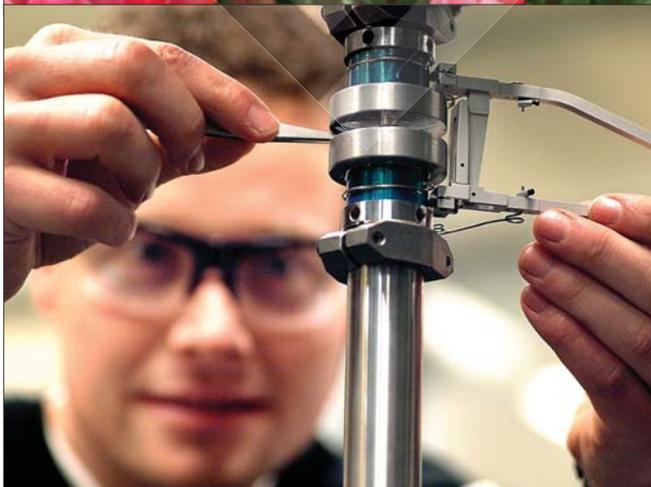




The Netherlands

In the land of tulips, Indian entrepreneurs stand to benefit from a favorable tax regime, world-class infrastructure, and a highly educated workforce

/Vimarsh Bajpai





When TCS, India's largest software exporter, established its European headquarters in the Netherlands in 1992, it set for itself a clear mandate. The Tata Group's flagship company was keen on managing a closer relationship with its European clients while ensuring high quality delivery of services. This apart, the company's move was also a strategic one, aimed at bagging customers in the neighboring countries. The Netherlands, a founding member of the European Union, proved to be a perfect launch pad for TCS from where it could reach out to the larger European market.

TCS was one of the early birds to have set up base in the Netherlands. Other IT majors such as Wipro, Infosys, HCL and Satyam soon followed. The ripple effect also saw Indian majors from various other sectors reap the benefits of the country's strategic location in Europe, its international business environment and a favorable tax climate. Moser Baer, Suzlon, ONGC Videsh, Crompton Greaves and Jubilant Organosys are among a host of Indian companies that have set up operations in the Netherlands.

Going Global

Indian companies today, no matter how big or small, harbor global aspirations. The new breed of Indian entrepreneurs, which has not seen the dark days of the license quota raj, eyes overseas customers from day one. Most businesses now recognize that servic-

ing their clients in any geography requires them to be closer to their customers at all times. Economies of scale and efficiency have made it imperative for Indian companies to look out for a "neutral location" from where they can penetrate a bigger market and identify strategic partners to help them grow. Therefore, deciding on the country to set up base in becomes all the more crucial.

Most of the decision-making about whether to acquire a company or set up a subsidiary or start a business afresh in any country comes after a thorough evaluation of its business opportunities, infrastructure, tax regime, local expertise and labor laws. The tax environment at times plays a crucial role as companies want to reduce their overall tax burden. Other factors relating to culture, language, proximity to airports and sea-ports, and so on, could also affect the final decision of a company.

Why the Netherlands?

The country acts as a gateway for companies planning to either establish themselves or expand in the EU market. Located by the North Sea, it is bordered by Germany in the east and Belgium in the south. The Netherlands' infrastructure is world-class as both the Rotterdam port and the Amsterdam airport are among the best in Europe. "Over 50% of central European distribution centers are located in the Netherlands, and Dutch logistics companies take care of over 30% of all

DARE/country facts

Area	41,526 Sq Km
Average Temperatures	16°C (Summer) / 3°C (Winter)
Population	16.373 Million
Population Density	484 persons per sq km
Labor Force	8,157,000
National Language	Dutch; English spoken by 85% of the population
Gross Domestic Product	Euro 534 billion
GDP per capita	Euro 28,000

DARE/opportunity areas

• Biotechnology
• Agriculture
• Floriculture
• Food Processing
• Waste Management
• Environment
• Oil & Gas
• Ship Building
• Nano-technology
• Port Development
• Inland Water Transport
• Information and Communication Technology



Robert V Schipper
Executive Director,
Netherlands Foreign Investment Agency

What makes the Netherlands an attractive destination for Indian entrepreneurs?

First of all, the Netherlands is the only country on the European continent where English is widely spoken. Not only in business, but also in daily life, an English-speaking visitor or resident has no problem communicating. Secondly, the country has an excellent tax climate. The Dutch tax system is geared towards avoiding double taxation, facilitates cross-border investments, and is business-friendly and internationally oriented. For centuries, the Netherlands has been a major trading and transport hub (both for incoming and outgoing

traffic) in northwestern Europe. It is that part of Europe where the main rivers come out into the sea. And the Netherlands has banked on that geographic position. It serves for many internationally operating companies, such as from the US and Japan, but also increasingly for Indian companies, as the place for their European headquarters, and central distribution centers. The workforce is very international and highly educated. Many people speak not only Dutch and English, but also a number of other languages. The infrastructure is world-class. Rotterdam is the largest European port, both in terms of containers and cargo. Amsterdam's Schiphol airport is also one of the main European hubs for passengers and cargo, and the Amsterdam Internet Exchange is the largest in the world. One of the effects of being a major trading hub is that we are also a neutral location where to manage things in Europe. Over 50% of central European distribution centers are located in the Netherlands, and Dutch logistics companies take care of over 30% of all cross-border traffic in Europe.

Which are the key sectors where Indian entrepreneurs can look for opportunities?

Many Indian IT companies are expanding their operations very quickly into Europe at the moment. Because of the diversity of languages and cultures, the environment there is a little more difficult than in the English-speaking markets of the US and the UK, which makes the



“Particularly interesting for us is the life sciences industry... I would be very eager to promote cooperation in this area.”