European Investment Bank

Netherlands

Overview

EIB INVESTMENT SURVEY

2022

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European
Investment Bank

EIB Investment Survey Country Overview 2022: Netherlands

About the EIB Investment Survey (EIBIS)
The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 000 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Members States and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

About this publication
These reports provide an overview of data collected for the 27 EU Member States and the United States. They are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

Download the findings of the EIB Investment Survey for each EU country or explore the data portal at www.eib.org/eibis.

About the Economics Department of the EIB
The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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About Ipsos Public Affairs
Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organisations. Its around 200 research staff in London and Brussels focus on public service and policy issues. Its research makes a difference for decision makers and communities.

For further information on the EIB's activities, please consult our website, www.eib.org. You can also contact our InfoDesk, info@eib.org.

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EIBIS 2022 – Netherlands Overview

KEY RESULTS

Investment Dynamics and Focus
EIBIS 2022 shows that on average, at the time of interviews (April-July 2022), firms in the Netherlands were exiting from COVID-19 in relatively good shape and with, on balance, a positive outlook. Dutch firms had positive expectations on investment for the whole of 2022, with a net balance of 22% of firms expecting to increase rather than decrease investment. The share of Dutch firms having invested in 2021 (90%) was higher than the EU average (81%).

Investment Needs and Priorities
Firms in the Netherlands did not signal major investment gaps, with 89% of them claiming their investment activities over the last three years as having been the right amount – similar to EIBIS 2021. Looking ahead to the next three years, investment in replacement remains the main priority for firms' investment (48% of firms). The share of firms with no investment plans (6%) has remained stable since EIBIS 2021 and is lower than the EU average.

COVID-19 Impact
The pandemic was a major shock for firms in EU but hit Dutch firms to a lesser extent. Optimism for recovery in the Netherlands is higher than in the EU as a whole. Around half of Dutch firms never saw a year-on-year sales loss due to COVID-19 and, at the time of the interview, around two-thirds of Dutch firms expected higher sales in 2022 than before the pandemic. On the other side of the spectrum, almost half of firms experienced losses in 2020 and/or 2021 and around one in seven firms did not expect to recover from the pandemic-era loss of business in 2022.

In total, 43% of Dutch firms have received some form of financial support in response to COVID-19 (a lower share than for the EU as a whole), mostly in the form of subsidies or some type of financial support that does not need to be paid back (37%). Just 5% of firms report that they are still receiving financial support.

Firms' Transformation, Innovation and Digitalisation
The policy support was instrumental for firms to transform. Firms in the Netherlands reacted to COVID-19 by taking actions, with around half (53%) taking actions as a response to COVID-19, although this was lower than the EU average of 63%. In the Netherlands, the most common action or investment was to become more digital (42%). About a third (33%) of firms in the Netherlands developed or introduced new products, processes or services as part of their investment activities, consistent with EIBIS 2021 and in line with the EU average. Around seven in ten firms in the Netherlands (72%) used at least one advanced digital technology, in line with the EU average (69%). However, Dutch firms are more likely to have implemented multiple advanced digital technologies (50% vs 42%) and they are more intense users than the EU average on the Internet of things (50% versus 41%), Big Data/AI (42% versus 29%) and drones (35% versus 23%).

International Trade
Nine in ten firms in the Netherlands (90%) faced disruptions to their international trade since 2021. Nearly as many firms (85%) see the war and/or COVID-19 as creating obstacles to international trade. Among all Dutch firms facing disruptions due to international trade, 40% reported having taken actions to mitigate the impact of these disruptions, lower than the EU average.

EIBIS 2022 – Netherlands Overview

Drivers and Constraints
At the time of interviews, firms were already expecting a deterioration in the economic and political climate, with firms in the Netherlands and the EU more pessimistic than in EIBIS 2021 about the investment conditions for the next year.

Looking at long term impediments to investment, the availability of skilled staff (87%), energy costs (66%) and uncertainty about the future (60%) are seen as the main barriers. Compared to the EU average, firms in the Netherlands are less likely to report most of the barriers. However, there have been increases since EIBIS 2021, particularly in the proportion seeing energy costs (up from 19% to 66%) and uncertainty about the future (up from 32% to 60%) as a long-term barrier.

Investment Finance
The share of Dutch firms considered financially constrained is 4%, and this has remained broadly stable in recent years (albeit on a slight downward path) and in line with the EU average (6%). Among sectors, services firms are the most likely to be constrained.

Climate Change and Energy Efficiency
More than half of firms in the Netherlands (53%) see themselves as affected by climate change. Just over a quarter have taken actions for building resilience against these risks, below the EU average (28% versus 33%). While 18% of firms invested in solutions to reduce/avoid exposure, 11% have invested in or developed an adaptation strategy for dealing with physical risks.

The share of Dutch firms seeing the transition to stricter climate standards and regulations as an opportunity is slightly higher than the share that see it as a risk (37% compared with 29%). More than nine in ten (92%) Dutch firms have already taken actions in this respect, with the aim to reduce Greenhouse Gas (GHG) emissions. Compared to the EU overall, Dutch firms were more likely to be investing in all of the options; the larger differences compared to the EU average are for sustainable transport (59% vs 43%) and new less polluting business areas and technologies (53% vs 32%).

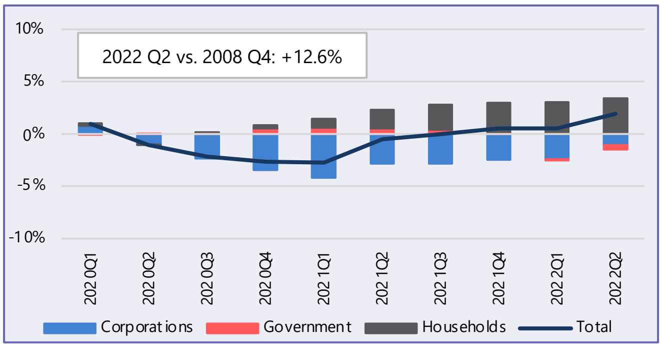
Looking at investment in tackling climate change more broadly, 75% of firms in the Netherlands have already invested, well above the EU average of 53%. Around half (52%) of Dutch firms have plans to invest in climate change over the next three years, consistent with EIBIS 2021 and similar to the EU average.

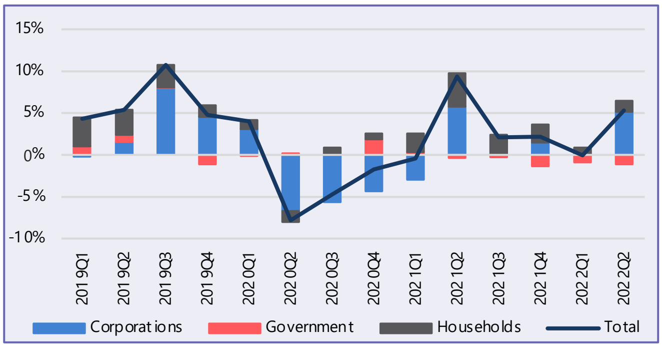
Firm Management, Gender Balance and Employment
In 2021, around two-thirds of firms in the Netherlands (68%) used a strategic monitoring system, higher than in the EU overall (51%). However, Dutch firms are below the EU average when it comes to striving for gender balance (39% versus 58%).

Investment dynamics and focus

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

- During the first year of the pandemic, aggregate investment declined quarter-on-quarter, having reached its lowest level in Q1 2021 (-2.7% relative to the pre-pandemic level).
- In 2022 (Q1-Q3) investment grew 0.9% quarter-on-quarter on average, with year-on-year growth at 2.9%. IPP out-grew the other asset categories; construction investment growth was close to the average while investment in machinery and equipment grew less, and expenditure in transport equipment declined.
- While household investment began to pick up already in Q3 2020, having contributed positively and increasingly to the overall investment level from then onwards, corporate investment remained the main driver behind the pandemic period fall in aggregate investment.
- As corporate investment started to recover in Q2 2021, the level of aggregate investment began to follow a moderately upward trajectory from then until Q2 2022 (albeit standing, in this quarter, only at +1.9% relative Q4 2019).

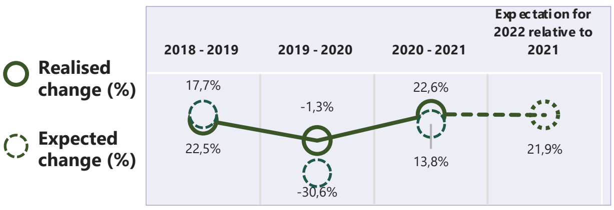


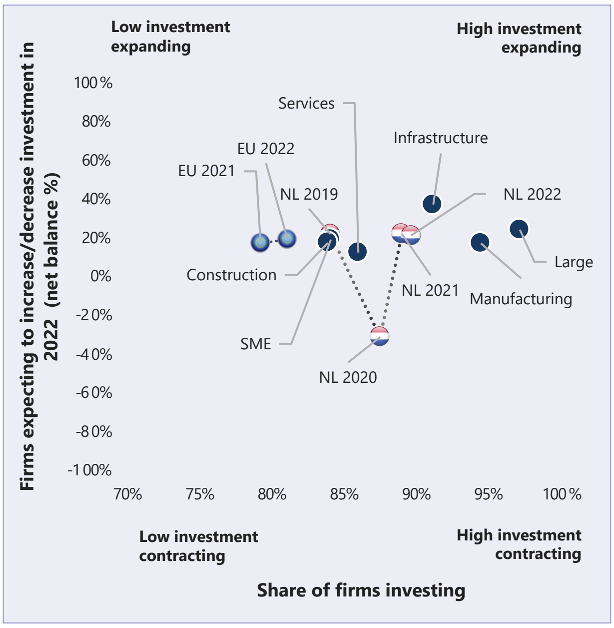


The LHS chart shows the evolution of total gross fixed capital formation (GFCF) by institutional sector, in real terms and non seasonally nor calendar adjusted. The nominal GFCF source data was transformed into four-quarter sums and deflated using the implicit deflator for total GFCF (2015=100 euro). The four-quarter sum of total GFCF in 2019Q4 is normalised to 0.
The RHS chart shows the y-o-y % change in total real GFCF by institutional sector. The implicit deflator for total GFCF (2015=100 euro) was used for deflating the nominal GFCF source data.
Source: Eurostat, authors' own calculations.

INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

- Firms operating in the Netherlands hold a positive outlook towards their future investment, with a net balance of 22% of firms expecting to increase rather than decrease investment. This maintains the positive outlook seen in EIBIS 2021 and is in line with the EU as a whole.
- The share of firms that invested in 2021 is higher than the EU average (90% vs. 81%) and it is particularly high for large firms (97%) and manufacturing firms (94%).
- Infrastructure firms are the most likely to, on balance, expect to increase rather than decrease their investment (38%).





'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base for expected and realised change: All firms

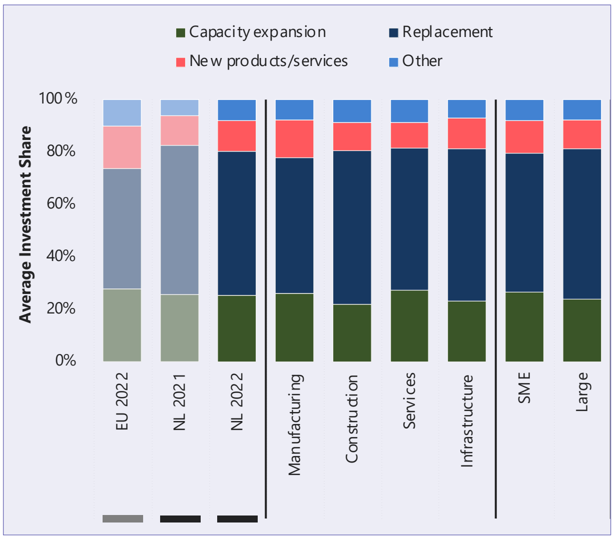
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500.

Base for share of firms investing: All firms (excluding don't know/refused responses)

Investment dynamics and focus

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

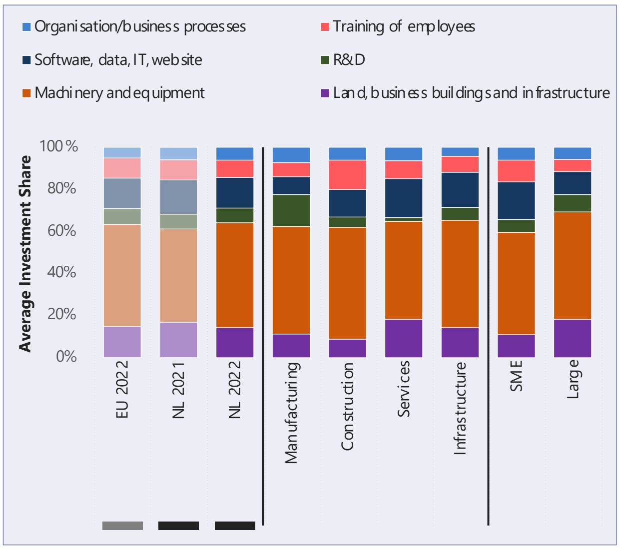
- On average, firms in the Netherlands spent 55% of their investment on replacement in 2021, consistent with EIBIS 2021 (57%).
- Investment in capacity expansion also accounted for a large proportion of total investment (25%), while investment in new products and services accounted for a lower share of the total expenditure (12%). These figures were very similar to those reported in EIBIS 2021.
- The share of investment spent on replacement was higher in the Netherlands than in the EU as a whole (55% versus 46%), while investment in new products and services was lower than the EU average (12% versus 16%).



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/ refused responses)

INVESTMENT AREAS



- Investment in intangible assets (R&D, software, training and business processes) by firms in the Netherlands accounted for 36% and remained stable compared to EIBIS 2021. This was in line with the EU average.
- Specific investment activities varied depending on the business sector. Manufacturing companies invested a higher share in R&D (15%), while construction firms invested a higher share in training (14%).
- SMEs spent a larger share of investment than large firms on software, data and IT (18% versus 11%) and staff training (10% versus 6%), but spent less on land, buildings and infrastructure (11% versus 18%).

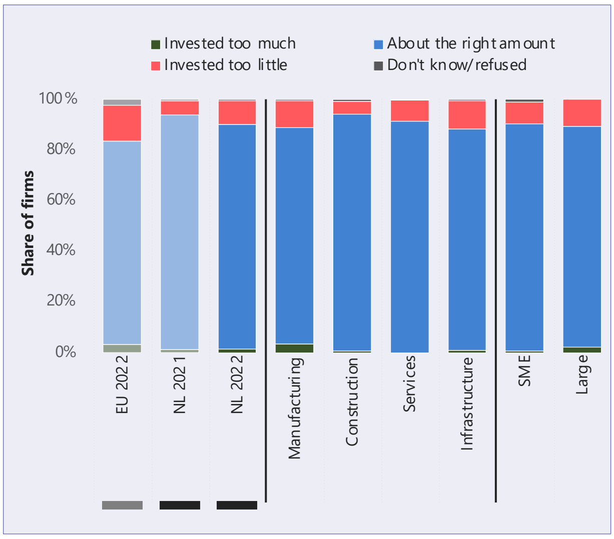
Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Investment needs and priorities

PERCEIVED INVESTMENT GAP

- Firms do not perceive major gaps in terms of investment. Despite difficult circumstances, 89% of Dutch firms believe that their investment activities over the last three years were about the right amount, similar to the share reported in EIBIS 2021 (a bit lower actually, but not statistically different).
- Firms in the Netherlands are more likely to think investment activities have been about right than in the EU as a whole (89% versus 80%).
- Manufacturing firms are slightly more concerned than the those in the other sector of having invested too much.

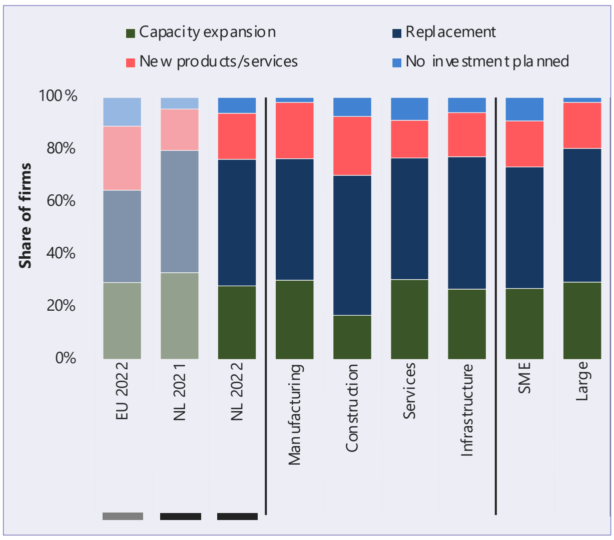


Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

FUTURE INVESTMENT PRIORITIES

- Investment in replacement remains the most commonly cited priority for the next three years (48%). However, the share of firms prioritizing investment in capacity expansion declined from 33% to 28% (likely as a consequence of the increased uncertainty) with the difference spread among the other categories.
- The share of firms with no investment planned represents 6% of firms and is higher among SMEs than large firms (9% vs 2%). It is lower among manufacturing firms (2%) and higher among services (9%).
- Compared with the EU average, firms in the Netherlands are more likely to prioritize investment in replacement (48% versus 35%) and are less likely to prioritize investment in new products or services (18% versus 24%). Dutch firms are less likely to say they have no investment planned (6% versus 11% in the EU overall).

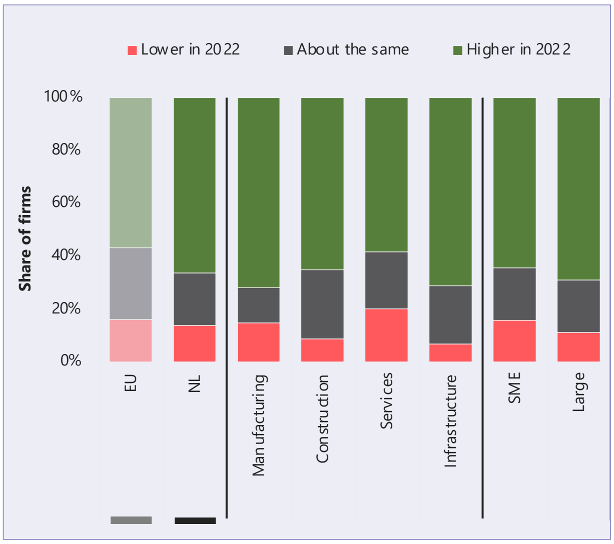


Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/refused responses)

Impact of COVID-19

IMPACT OF COVID-19 ON SALES OR TURNOVER BY END OF 2022 COMPARED TO 2019



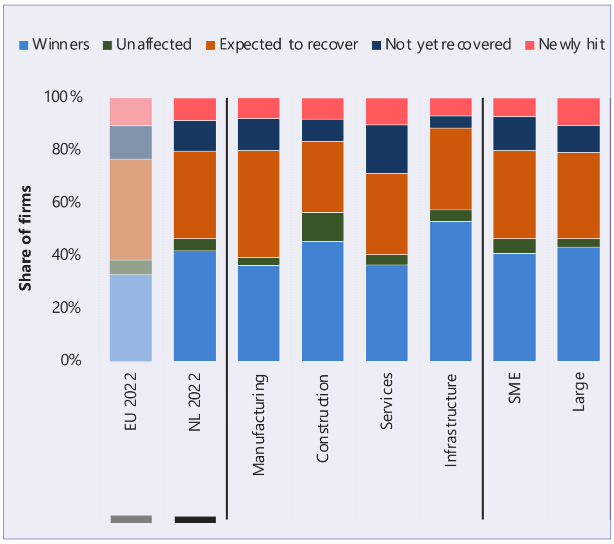
- Asked about the persistent impact of COVID-19 on sales in 2022, a minority of firms in the Netherlands (14%) expected their sales in 2022 to be lower compared to 2019, while around two-thirds (66%) expected a sales increase at the time of the interviews.
- This picture is more positive than in the EU as a whole, with Dutch firms more likely to have expected higher sales (66% versus 57%).
- Infrastructure firms were the most positive, with just 7% expecting 2022 sales to be lower compared to 2019 when asked about this.
- Large firms, with 69% expecting higher sales, were slightly more positive than SMEs (64%).

Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

Base: All firms (excluding don't know/refused responses)

IMPACT ON FIRMS' SALES OR TURNOVER AND EXPECTED RECOVERY

- Just under half of firms in the Netherlands (45%) were negatively impacted by COVID-19. Nevertheless, 33% expected to recover to 2019 sales levels in 2022.
- Less than 10% of Dutch firms expected a sales drop in 2022, back to or below pre-pandemic levels, in spite of not having experienced any year on year sales decline during the COVID-19 crisis (newly hit firms).
- Around four in ten firms in the Netherlands (42%) are COVID-19 winners (i.e. they did not experience a loss of sales in 2020-21 and foresaw a plus in 2022). This is a higher proportion than in the EU as a whole (33%).
- In the Netherlands, infrastructure firms are the most likely to be COVID-19 winners (53%). Construction firms are the most likely to be unaffected (11%).



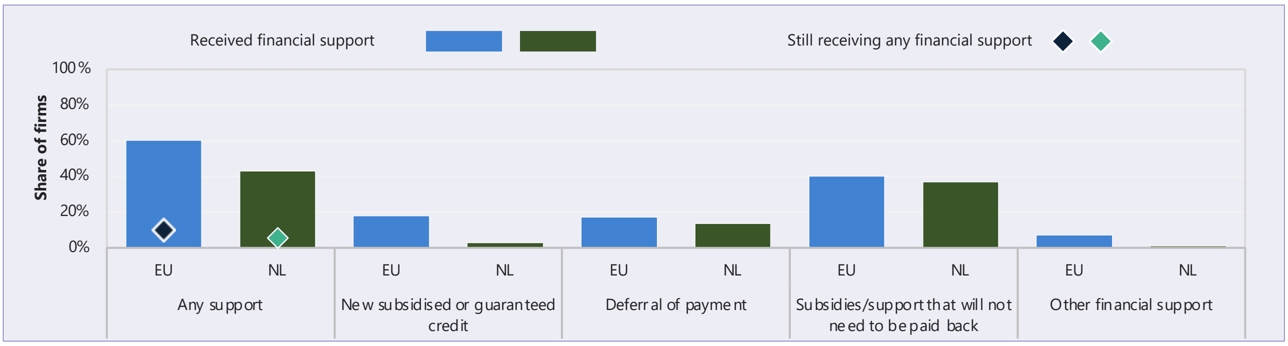
Q. Compared to 2019, before the pandemic started, did your companies sales and turnover in 2020 decline, increase or stay the same?
Q. Compared to 2020, did your companies sales and turnover in 2021 decline, increase or stay the same?
Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

Base: All firms (excluding don't know/refused responses)

Impact of COVID-19

FINANCIAL SUPPORT RECEIVED IN RESPONSE TO COVID-19

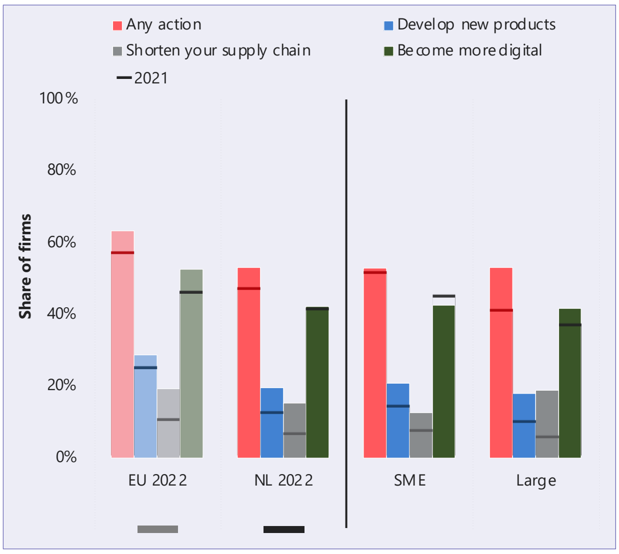
- Overall, 43% of firms in the Netherlands have received some form of financial support in response to COVID-19, lower than the EU average (60%).
- The most frequent type of financial support received by Dutch firms is subsidies or another type of financial support that did not need to be paid back (37%), as is the case in the EU overall.
- Compared to the EU average, firms in the Netherlands are less likely to have received access to new subsidised or guaranteed credit (3% versus 18%) or other financial support (1% versus 7%).
- Just 5% of firms in the Netherlands are still receiving financial support, lower than the EU average (10%).



Q. Since the start of the pandemic, have you received any financial support?
Q. Are you still receiving (any of) this financial support?

Base: All firms (excluding don't know/refused responses)

ACTIONS AS A RESULT OF COVID-19



- Just over half of firms in the Netherlands (53%) report having taken at least one short-term action as a result of COVID-19. The most cited area of action or investment is to become more digital, as reported by 42% of firms in the Netherlands.
- The proportion of Dutch firms that report taking some kind of action is lower than the EU average (63%). Specifically, firms in the Netherlands are less likely to have become more digital (42% versus 53%) and to have developed new products (20% versus 29%).
- In the Netherlands, there has been an increase since EIBIS 2021 in the share of firms that have developed new products (from 12% to 20%) or shortened the supply chain (from 6% to 15%).

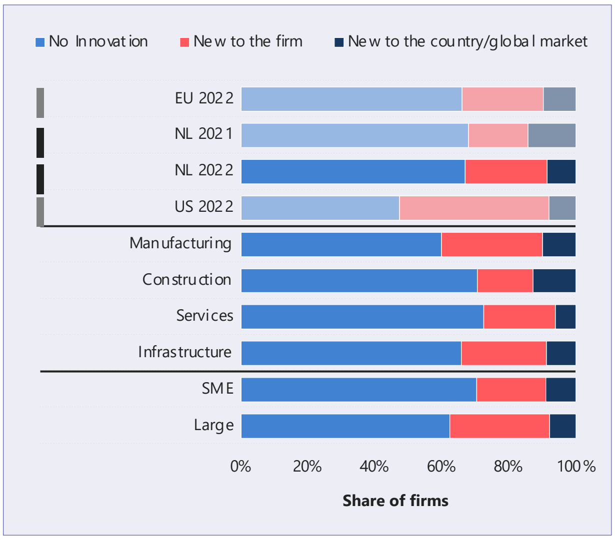
Q. As a response to the COVID-19 pandemic, have you taken any actions or made investments to...?

Base: All firms (excluding don't know/refused responses)

Innovation activities

INNOVATION ACTIVITY

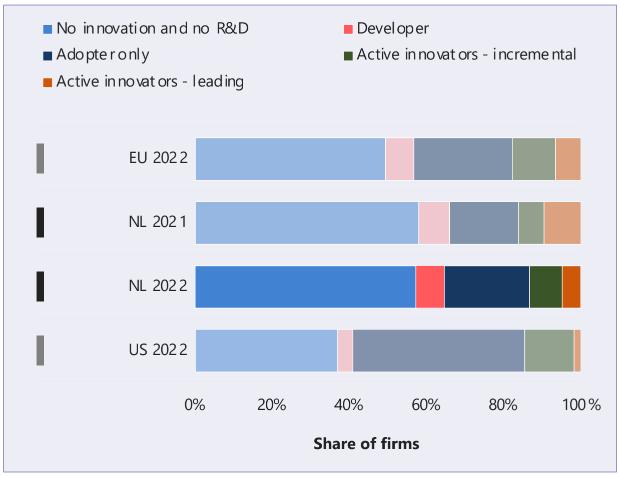
- About a third (33%) of Dutch firms developed or introduced new products, processes or services as part of their investment activities in 2021, consistent with EIBIS 2021 (32%) and in line with the EU average of 34%.
- 9% of firms in the Netherlands report the development/ introduction of products, processes or services that were new to either the country or global market in EIBIS 2022, lower than in EIBIS 2021 (14%), but in line with the EU average (10%).



Q. What proportion of total investment was for developing or introducing new products, processes, services?
Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/refused responses)

INNOVATION PROFILE



- Around one in eight firms in the Netherlands (13%) can be classified as active innovators — that is, as firms that invested significantly in research and development and introduced a new product, process or service — in line with EIBIS 2021 but lower than the EU as a whole (18%).
- Among active innovators in the Netherlands, more firms are incremental innovators (9%) than leading innovators (5%) in EIBIS 2022.
- More than half of firms in the Netherlands (57%) did not innovate or invest in R&D in 2021, similar to EIBIS 2021 but higher than the EU average (49%).

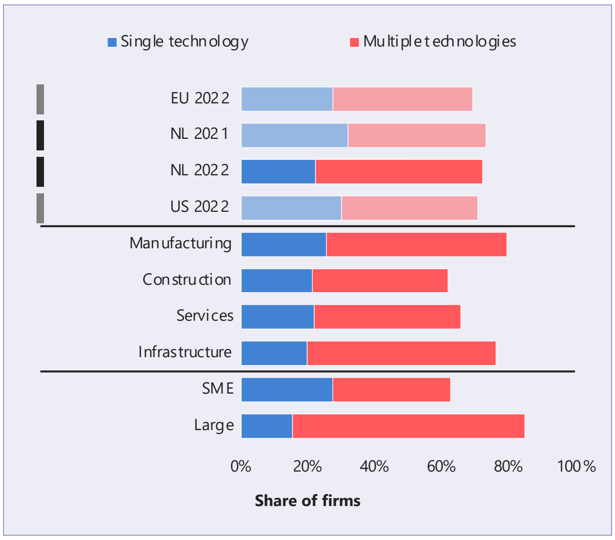
Q. What proportion of total investment was for developing or introducing new products, processes, services?
Q. Were the products, processes or services new to the company, new to the country, new to the global market?
Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

Base: All firms (excluding don't know/refused responses)

The 'No innovation and no R&D' group comprises firms that did not introduce any new products, processes or services in the last financial year. The 'Adopter only' introduced new products, processes or services but without undertaking any of their own research and development effort. 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators' these are new to the country/world'.

Innovation activities

USE OF ADVANCED DIGITAL TECHNOLOGIES



EIBIS 2022
Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

EIBIS 2021
Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Base: All firms (excluding don't know/refused responses)

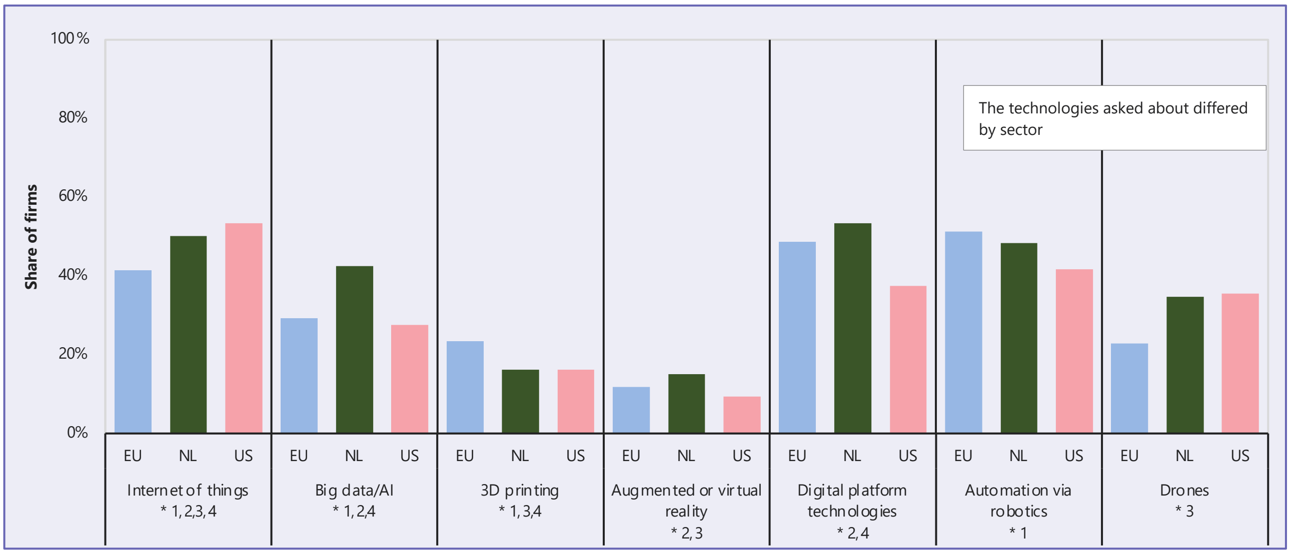
- Overall, 72% of firms in the Netherlands use at least one advanced digital technology, similar to the EU average (69%). However, the use of multiple technologies in the Netherlands is higher than in EIBIS 2021 (rising from 41% to 50%) and higher than in the EU as a whole (42%).
- Firms in the construction sector are the least likely to have adopted multiple technologies (41%).
- Large firms are more likely than SMEs to use digital technologies (85% vs 62%) and to implement multiple technologies (70% versus 35%).
- Firms in the Netherlands are intensive users of digital platform technologies (53%), the internet of things (50%) and automation via robotics (48%).
- Compared to the EU average, Dutch firms are more intense users of the internet of things (50% versus 41%), big data/AI (42% versus 29%) and drones (35% versus 23%), but are less intense on 3D printing (16% versus 23%).

Please note: question and definition wording changed between 2021 and 2022, comparisons between the two waves should not be made.

Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Single technology is where firms have used one of the technologies asked about. Multiple technologies is where firms have used more than one of the technologies asked about

ADVANCED DIGITAL TECHNOLOGIES



*** Sector: 1 = Asked of Manufacturing firms, 2 = Asked of Services firms, 3 = Asked of Construction firms, 4 = Asked of Infrastructure firms**

Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

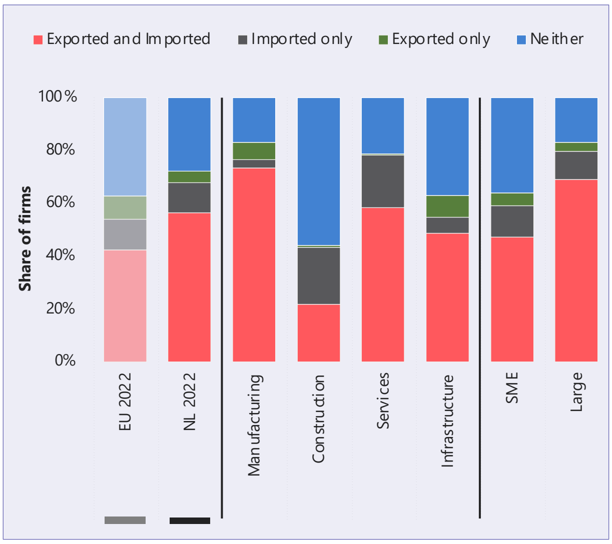
Please note: question wording changed between 2021 and 2022, comparisons between the two waves should not be made.

Base: All firms (excluding don't know/refused responses);
Sample size NL: Manufacturing (130); Construction (116); Services (112); Infrastructure (121)

International trade

ENGAGEMENT IN INTERNATIONAL TRADE

- Around six in ten firms in the Netherlands exported goods or services in 2021 (61%) and an even higher proportion (68%) imported goods or services. Both figures were above the EU average (51% for exporting and 54% for importing). This is expected given the nature of the Dutch economy, and its international openness.
- In the Netherlands, a high proportion of manufacturing firms are engaged in both exporting and importing (74%).
- Large firms are more likely than SMEs to be engaged in both exporting and importing (69% versus 47%).

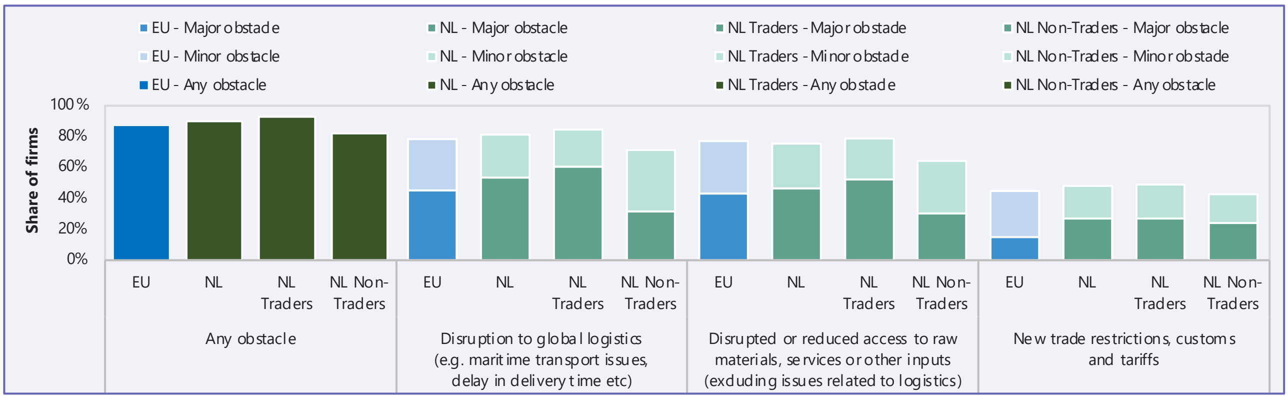


Q. In 2021, did your company export or import goods and/or services?

Base: All firms (excluding don't know/refused responses)

DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- In total, 90% of firms in the Netherlands face disruptions due to international trade. This is similar to the proportion in the EU as a whole (87%).
- Disruptions to global logistics and disrupted or reduced access to raw materials, services or other inputs presented as the same level as an obstacle to firms in the Netherlands, as in the EU as a whole.
- In the Netherlands, traders were more likely than non-traders to report facing disruptions (93% versus 82%).



Any obstacle combines 'minor' and 'major' obstacles into one category

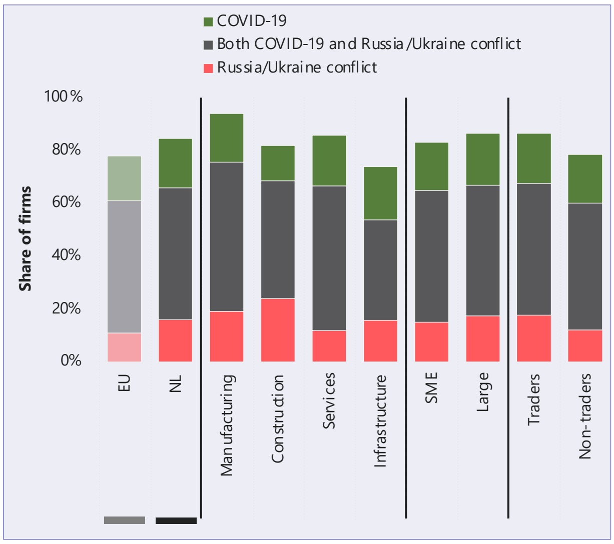
Q. Since 2021, did any of the following present an obstacle to your business's activities?

Base: "Any obstacle" - All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles)
Base: Individual obstacles - All firms (excluding those who said don't know/refused/not applicable)

International trade

EXTERNAL FACTORS IMPACTING INTERNATIONAL TRADE

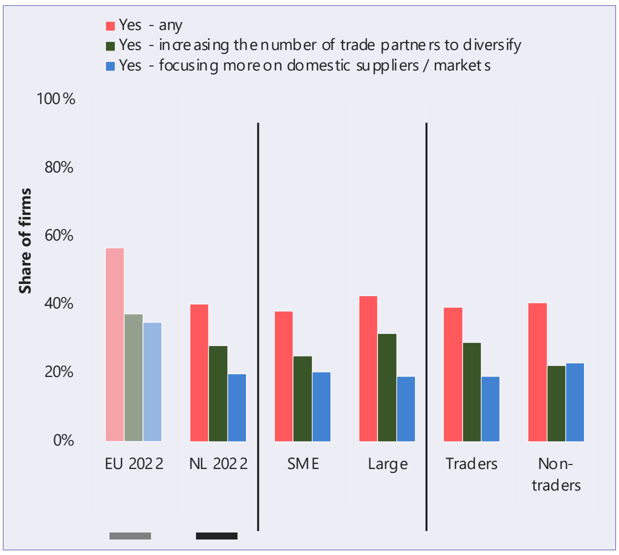
- More than eight in ten firms in the Netherlands (85%) state that they were impacted by at least one of the external factors impacting international trade that were asked about. This is higher than the EU average (78%).
- Half (50%) of firms in the Netherlands state that both the Russia-Ukraine conflict and COVID-19 contributed to the obstacles related to international trade, in line with the EU average.
- In the Netherlands, manufacturing firms were most likely to say they were impacted by at least one of these external factors (94%), while infrastructure firms were least likely to say this (74%).
- Traders were more likely than non-traders to say at least one of the factors had impacted on them (86% versus 78%).



Q. You have just said that you experienced {an obstacle/obstacles} to your business activities since 2021. Did Covid-19 and/or the Russia-Ukraine conflict, including the sanctions imposed by the International community, contribute to this in anyway?

Base: All firms (excluding don't know/refused responses)

ACTIONS TO MITIGITATE INTERNATIONAL TRADE DISRUPTIONS



- Four in ten firms in the Netherlands that face disruptions say they are taking actions to mitigate the impact of these disruptions (40%), below the EU average (57%).
- Slightly more firms in the Netherlands are increasing or diversifying the number of trade partners (28%) than focusing more on the domestic suppliers or markets (20%).
- The differential between the share of these choices is larger in the Netherlands compared to the EU average.

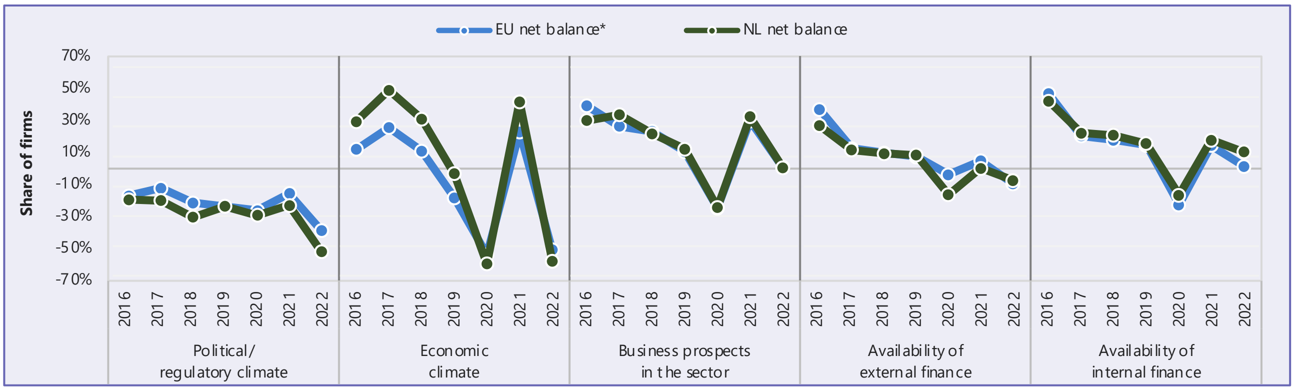
Q. Is your company taking any actions to mitigate the impact of these disruptions?

Base: All firms facing trade disruption (excluding don't know/refused responses)

Drivers and constraints

SHORT-TERM FIRM OUTLOOK

- In spite of the upward trend in the outlook last year, firms in the Netherlands and the EU are again more pessimistic about the investment conditions for the next year.
- In the Netherlands, expectations for the economic climate have turned negative again (declining from +47% to –60%).
- Perceptions of other issues have also reversed their trend, showing a decline from EIBIS 2021 after an increase between 2020 and 2021.
- Specifically, there has been a decline in perceptions of business prospects in the sector (declining from +37% to +3%), the political/regulatory climate (from -23% to -54%), the availability of internal finance (from +21% to +13%) and the availability of external finance (from +2% to -6%).

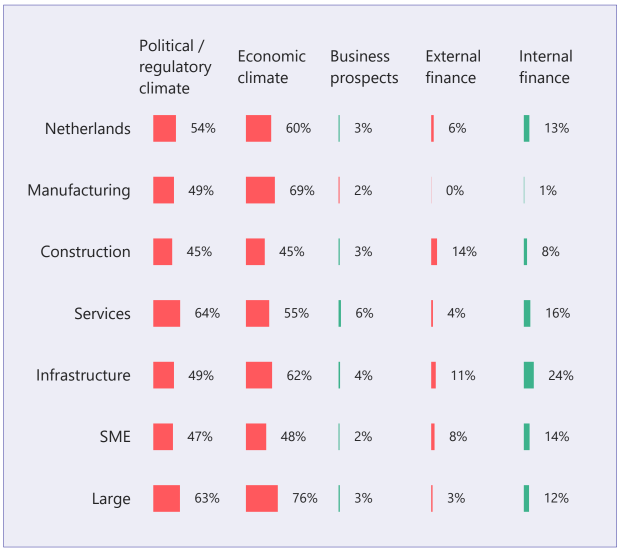


Q, Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

Base: All firms

**Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration*

SHORT-TERM FIRM OUTLOOK BY SECTOR AND SIZE (net balance %)



Please note: green figures are positive, red figures are negative

- Firms in the Netherlands are consistently more negative than positive about the political and regulatory climate and the economic climate. Large firms are particularly negative on these issues. This could be related to fears about the possible retrenchment of globalization linked to geopolitical tensions (affecting more large/manufacturing firms).
- Firms are consistently positive regarding the availability of internal finance, although manufacturing firms are less positive than those in other sectors.
- Most firms were pessimistic about external finance, although an even share of manufacturing firms were positive and negative.
- By contrast, manufacturing firms were predominantly negative regarding business prospects, whereas in other sectors firms were slightly more likely to be positive than negative.

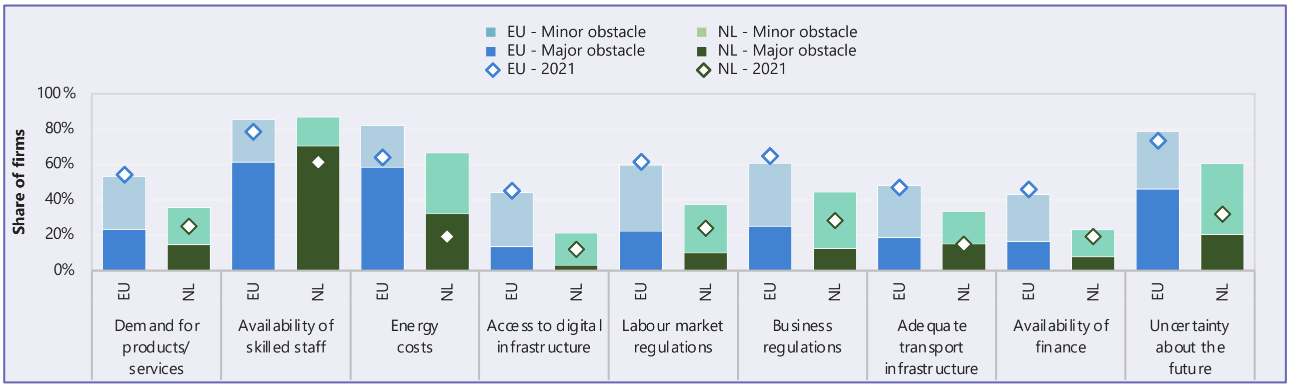
Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

Base: All firms

Drivers and constraints

LONG-TERM BARRIERS TO INVESTMENT

- The most frequently mentioned long-term barriers to investment in the Netherlands are the availability of skilled staff (87%), energy costs (66%) and uncertainty about the future (60%).
- Compared to EIBIS 2021, firms are more likely to report all of the barriers, except for availability of finance where there has been no change. When compared to the EU average, these increases are larger. The share seeing energy costs as a long-term barrier has risen from 19% to 66%. The share seeing uncertainty about the future as a long term barrier rose from 32% to 60%.
- Despite these larger increases since EIBIS 2021, firms in the Netherlands are less likely to report the various barriers than EU firms overall. The one exception is the availability of skilled staff, where there is no difference.



Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

LONG-TERM BARRIERS BY SECTOR AND SIZE

	Demand for products/ services	Availability of skilled staff	Energy costs	Access to digital infrastructure	Labour market regulations	Business regulations	Adequate transport infrastructure	Availability of finance	Uncertainty about the future
NL	36%	87%	66%	21%	37%	45%	34%	23%	60%
Manufacturing	33%	86%	67%	16%	28%	32%	38%	20%	51%
Construction	40%	89%	59%	23%	39%	40%	32%	31%	58%
Services	46%	89%	71%	26%	43%	57%	40%	26%	72%
Infrastructure	25%	84%	63%	19%	38%	44%	23%	20%	57%
SME	40%	86%	67%	18%	35%	44%	31%	27%	63%
Large	30%	88%	66%	25%	39%	46%	37%	17%	58%

Share of firms

Reported shares combine 'minor' and 'major' obstacles into one category

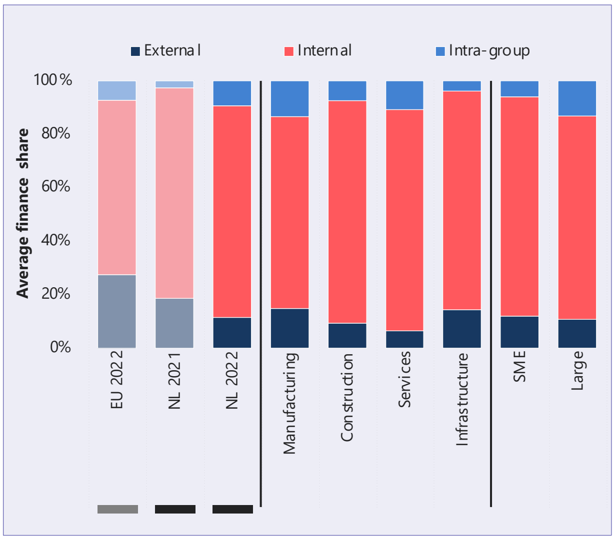
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

Access to finance

SOURCE OF INVESTMENT FINANCE

- Internal financing accounted for the largest share of finance for firms in the Netherlands in 2022 (79%), followed by external finance (11%). The use of intra-group financing made up, on average, 9% of the overall investment spend by firms in the Netherlands
- Compared with EIBIS 2021, external finance accounted for a lower share (down from 19% to 11%), while intra-group financing increased (from 3% to 9%).
- Internal finance accounted for a large share of finance in the Netherlands than in the EU overall (79% versus 65%), while external finance accounted for a lower share (11% versus 28%).
- Large firms finance a higher proportion of their investment through intra-group funding than SMEs (13% compared with 6%).
- Manufacturing firms had the lowest share of internal financing (72%), while infrastructure firms had the lowest share of finance accounted for by intra-group financing (4%).



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/ refused responses)

USE OF EXTERNAL FINANCE

- Around one in five firms in the Netherlands (21%) who invested in the last financial year, had financed at least some of their investment through external finance.
- This is lower than in EIBIS 2021 (32%) and is below the EU average (45%).
- Manufacturing firms are the most likely to finance at least some of their investment through external finance (29%), while the lowest proportion is among services firms (12%).
- The decline since EIBIS 2021 is particularly strong in the construction sector (down from 35% to 15%) and in the infrastructure sector (down from 43% to 25%).
- Among manufacturing firms the share of externally financed investment has not changed with respect to EIBIS 2021.

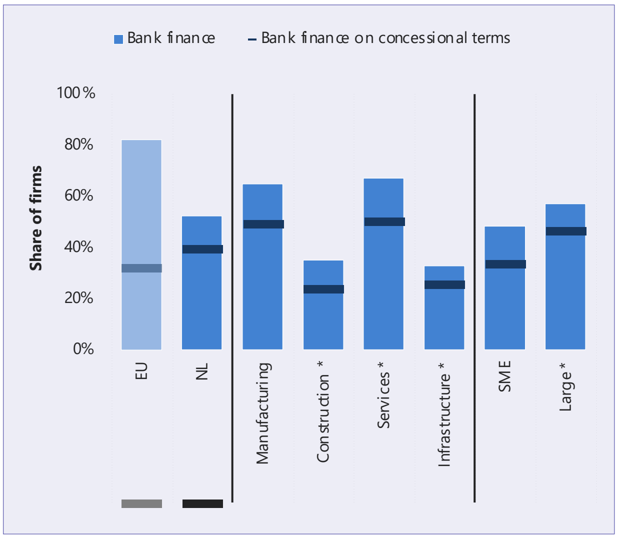
Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

Base: All firms who invested in the last financial year (excluding don't know/ refused responses)

Access to finance

ACCESS TO BANK FINANCE AND CONDITIONS

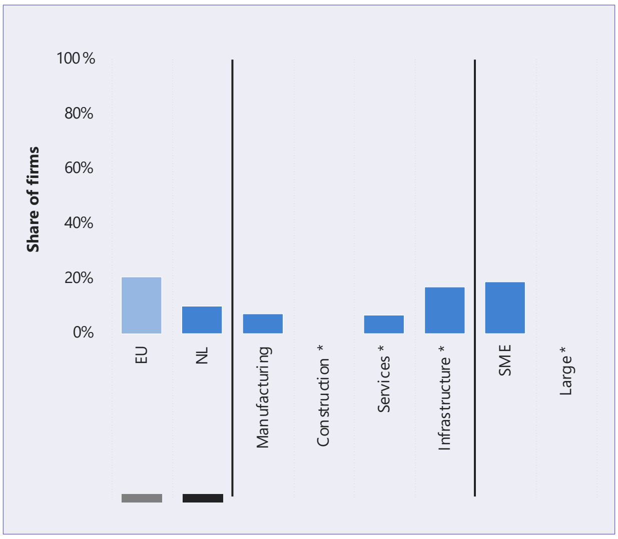
- In the Netherlands, 52% of firms used bank finance for their investment activities in the last financial year, lower than the EU average (82%).
- Four in ten (40%) firms using external finance in the Netherlands received bank finance on concessional terms, higher than the EU average of 32%.



Q. Which of the following types of external finance did you use for your investment activities in the last financial year?
Q. Was any of the bank finance you received on concessional terms (e.g. subsidised interest rates, longer grace period to make debt payments)?

Base: All firms who used external finance (excluding don't know/refused responses)
** Caution base size <30*

SHARE OF FIRMS WITH FINANCE FROM GRANTS



- One in ten firms using external finance in the Netherlands received grants (10%), lower than the EU average (21%).

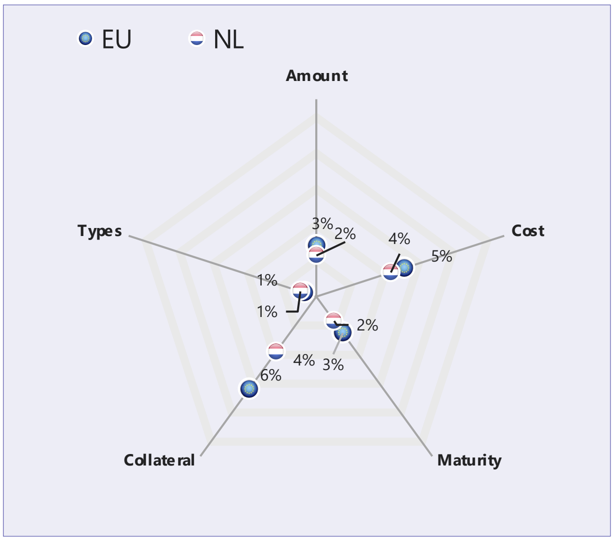
Q. What proportion of your total investment in your last financial year was financed by grants?

Base: All firms using external finance (excluding don't know/refused responses)
** Caution base size <30*

Access to finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- A small share of Dutch firms that used external finance in 2021 are dissatisfied with the finance conditions received.
- Dutch firms are most dissatisfied with the collateral requirements (4%) and with the cost of finance (4%).
- Levels of dissatisfaction are similar to the EU average.



Q. How satisfied or dissatisfied are you with …?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

DISSATISFACTION BY SECTOR AND SIZE (% of firms)

	Amount	Cost	Maturity	Collateral	Type
NL	2%	4%	2%	4%	1%
Manufacturing	0%	2%	0%	0%	0%
Construction *	6%	18%	6%	11%	6%
Services *	10%	4%	4%	14%	0%
Infrastructure *	0%	5%	2%	0%	2%
SME	4%	8%	3%	7%	2%
Large	0%	0%	0%	0%	0%

- Overall dissatisfaction levels are low, with the highest levels of dissatisfaction being for cost and the collateral requirements.
- Because of the small number of dissatisfied firms, base sizes are too small to identify differences by sector or business size.

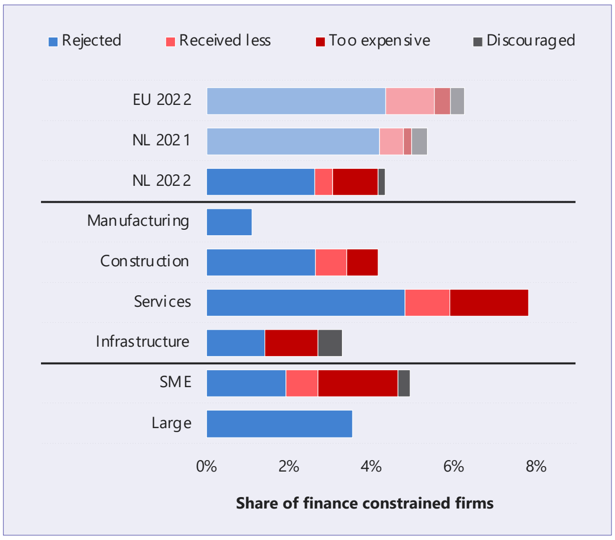
Q. How satisfied or dissatisfied are you with …?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)
** Caution very small base size less than 30*

Access to finance

SHARE OF FINANCE CONSTRAINED FIRMS

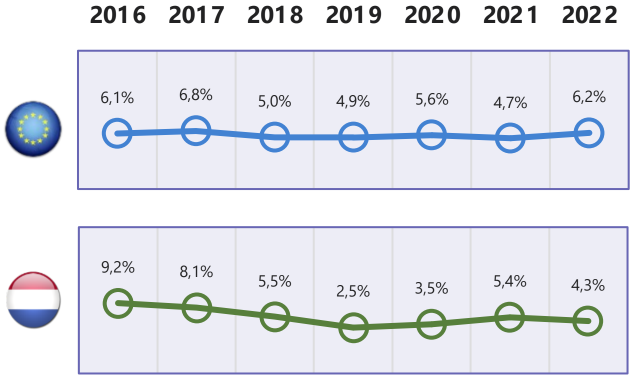
- The share of financially constrained firms in the Netherlands (4%) is broadly in line with the EU average (6%).
- The main constraint reported by firms in the Netherlands is rejection (3%), followed by expense (1%).
- The share of financially constrained firms in the Netherlands is lowest among manufacturing firms (1%) and highest among services firms (8%).



Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

Base: All firms (excluding don't know/refused responses)

FINANCING CONSTRAINTS OVER TIME



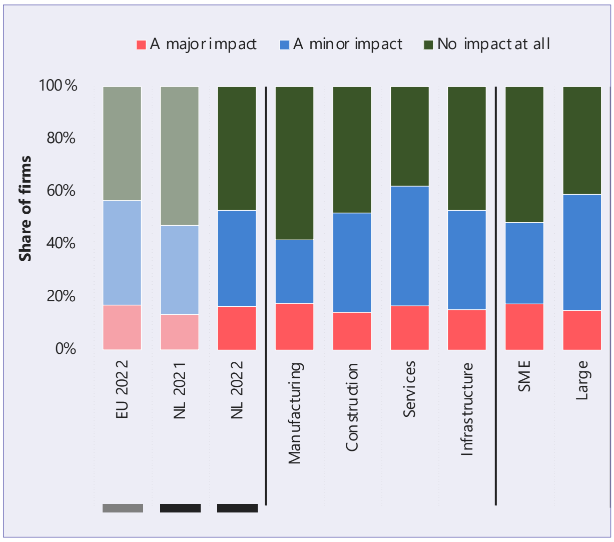
- The proportion of Dutch firms that are finance constrained has remained broadly stable in recent years, remaining at a lower level than in 2016 and 2017.
- The figure for Dutch firms has typically been in line with or slightly lower than the EU average. In the last wave it moved in opposite direction, showing a decline versus an increase in the EU average; however these movements should be cautiously assessed given the level of statistical significance.

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

- Climate change is gradually being perceived as more of a reality, as just over half of firms in the Netherlands (53%) report that weather events are currently having an impact on their business – 16% a major impact and 37% a minor impact.
- The findings for the Netherlands are similar to EIBIS 2021(47%) and in line with the EU average (57% in 2022).
- In the Netherlands, manufacturing firms are less likely to say that weather events are currently having an impact on their business (42%).

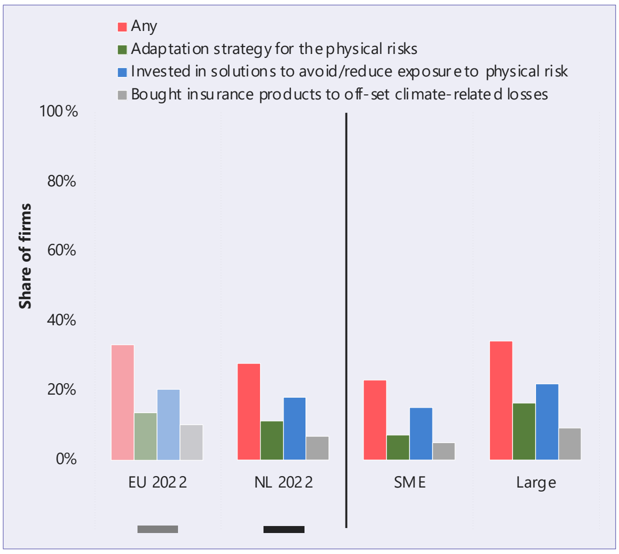


Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms or changes in weather patterns due to progressively increasing temperature and rainfall. What is the impact, also called physical risk, of this on your company?

Base: All firms (excluding don't know/refused responses)

Please note: question wording changed between 2021 and 2022. Comparisons should be treated with caution.

BUILDING RESILIENCE TO PHYSICAL RISK



- More than a quarter (28%) of Dutch firms have already developed or invested in measures to build resilience to the physical risks caused by climate change. This is below the EU average (33%).
- Dutch firms mainly invested in solutions to avoid or reduce the exposure to physical risks, similar to the EU as a whole (18% and 20% respectively).
- Large firms were more likely than SMEs to have an adaptation strategy for the physical risks (16% versus 7%).

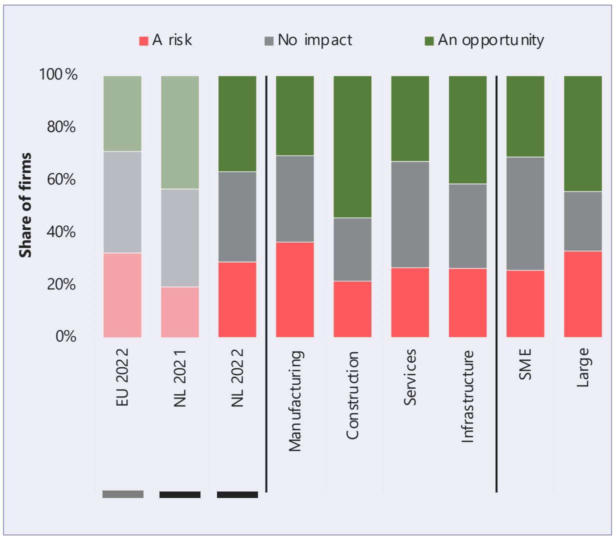
Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS

- The share of Dutch firms seeing the transition to stricter climate standards and regulations as an opportunity is slightly higher than the proportion that see it as a risk (37% and 29%, respectively).
- This is in contrast to the EU as a whole, where the share of firms seeing this as an opportunity or a risk is fairly balanced (29% and 32%, respectively).
- However, there has been a change since EIBIS 2021, with more firms now seeing the transition as a risk (up from 19% to 29%).
- Firms in the construction sector are the most likely sector to see the transition to a net zero emission economy over the next five years as an opportunity (54%).
- Large firms are more likely than SMEs to see the transition as an opportunity (44% versus 31%), while SMEs are more likely to think it will have no impact on them (43% versus 23%).

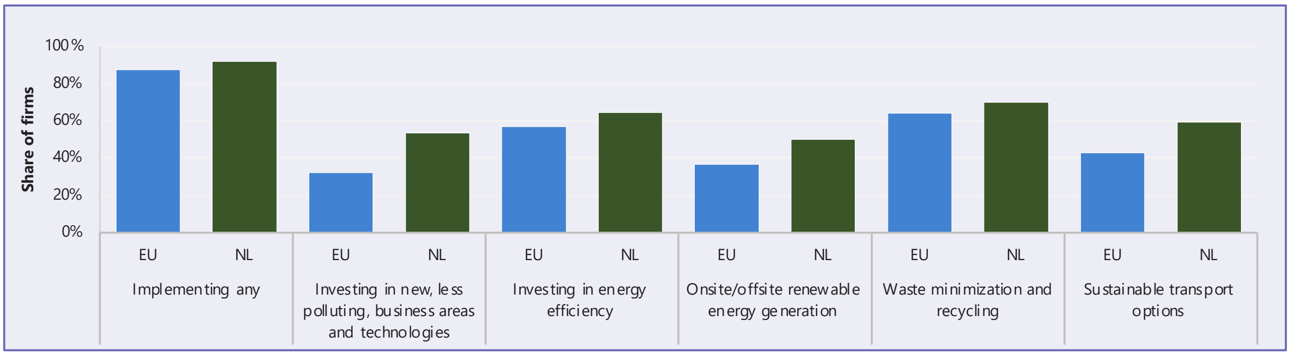


Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

Base: All firms (excluding don't know/refused responses)

ACTIONS TO REDUCE GHG EMISSIONS

- More than nine in ten Dutch firms (92%) are taking actions in order to reduce Greenhouse Gas (GHG) Emissions, higher than the EU average (88%).
- The main actions in the Netherlands are waste minimization and recycling (70%), investing in energy efficiency (64%) and sustainable transport options (59%).
- Compared to the EU overall, Dutch firms were more likely to be investing in all of the options; the larger differences compared to the EU average are for sustainable transport (59% vs 43%) and new less polluting business areas and technologies (53% vs 32%).



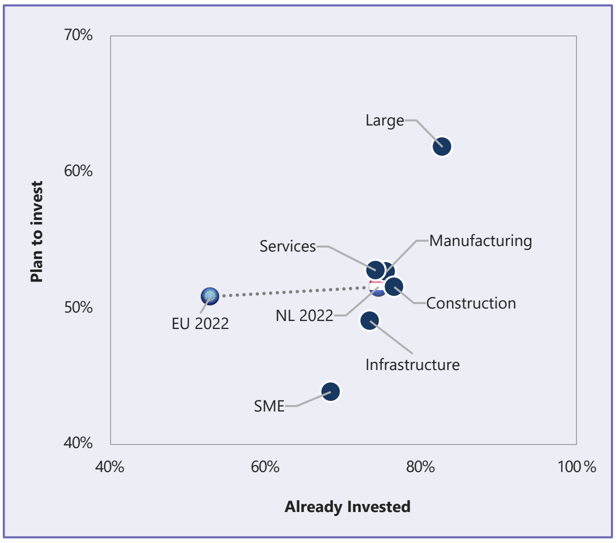
Q. Is your company investing or implementing any of the following, to reduce Greenhouse Gas (GHG) emissions?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

- In the Netherlands, 75% of firms have already invested in tackling the impacts of weather events and dealing with the process of reducing carbon emissions. This is well above the EU average (53%).
- Around half (52%) of Dutch firms have plans to invest in these areas in the next three years, in line with the EU average (51%).
- Large firms are more likely than SMEs to have already invested (83% versus 68%) and to have plans to invest (62% versus 44%).



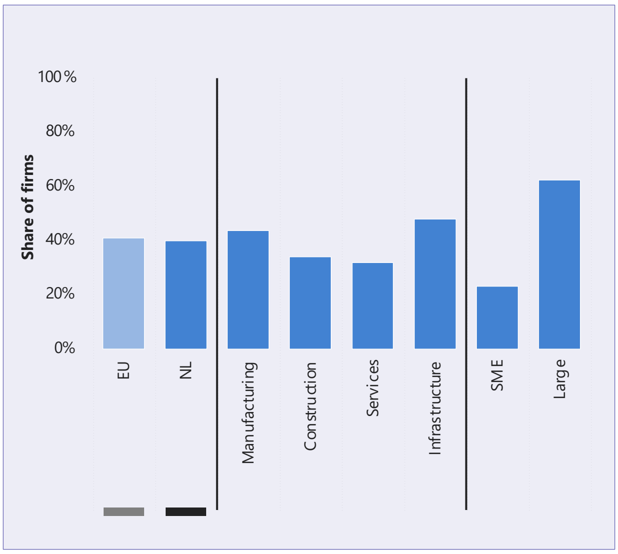
EIBIS 2022
Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?

EIBIS 2021
Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

Base: All firms (excluding don't know/refused responses)

Please note: question change and an additional answer option was included in 2022, this may have influenced the data. Treat comparison to previous waves with caution.

CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS (GHG) EMISSIONS



- Four in ten firms in the Netherlands (40%) report that they set and monitor targets for their own Greenhouse Gas emissions, in line with the EU average (41%).
- Large firms are more likely than SMEs to say that they set and monitor targets for their own Greenhouse Gas emissions (62% versus 23%).

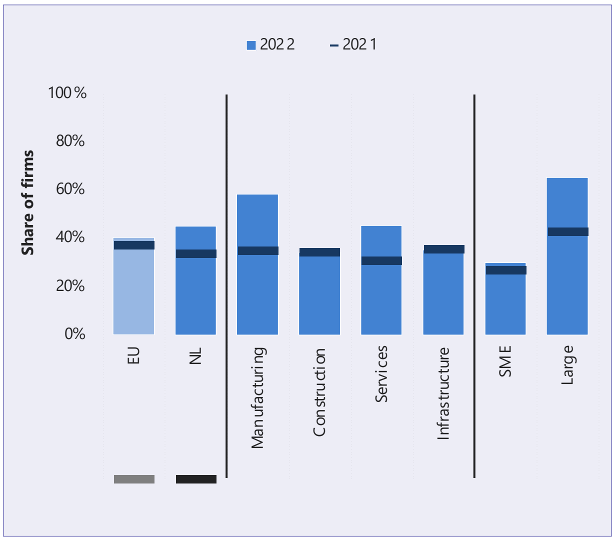
Q. Does your company… set and monitor targets for its own Greenhouse Gas (GHG) emissions

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

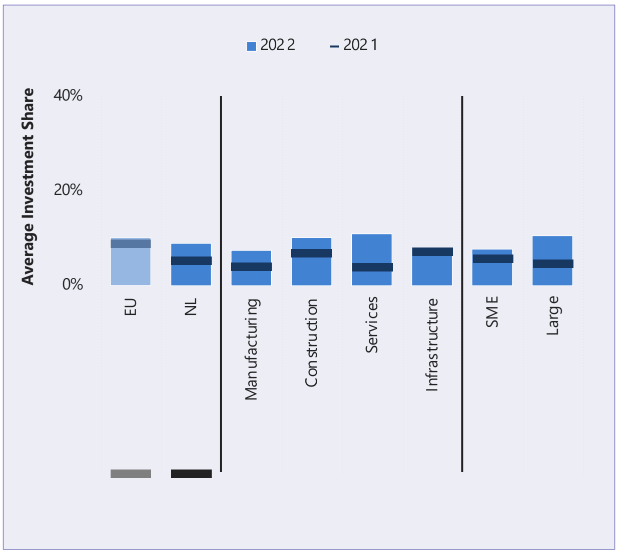
- Almost half (45%) of Dutch firms invested in measures to improve energy efficiency in 2021, slightly more than the EU average of 40%. In addition, there has been an increase in the Netherlands since EIBIS 2021 (up from 34% to 45%).
- Among firms in the Netherlands, those in the manufacturing sector (59%) were the most likely to be investing in energy efficiency, while firms in the construction and infrastructure sectors were the least likely to be doing so (34% and 35% respectively).
- Large firms were more likely than SMEs to be investing in energy efficiency (65% versus 30%), widening the gap since EIBIS 2021.



Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY



- In the last financial year, the average share of investment in measures to improve energy efficiency in the Netherlands was 9%. This is consistent with the EU average (10%).
- The average share of investment in energy efficiency measures has increased in the Netherlands since EIBIS 2021 (from 5% to 9%).

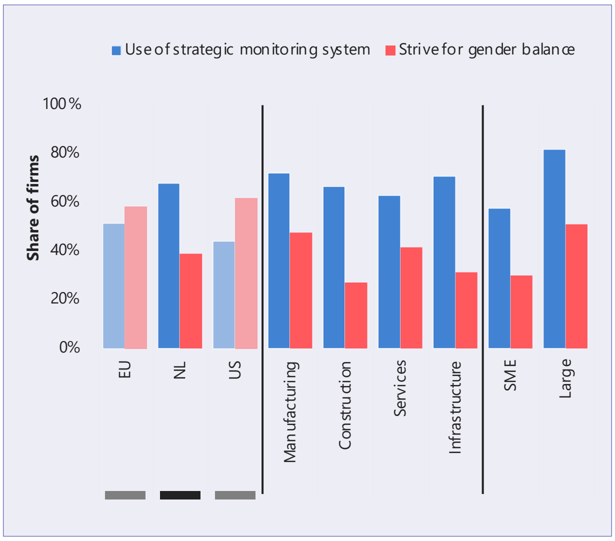
Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Firm management, gender balance and employment

FIRM MANAGEMENT AND GENDER BALANCE

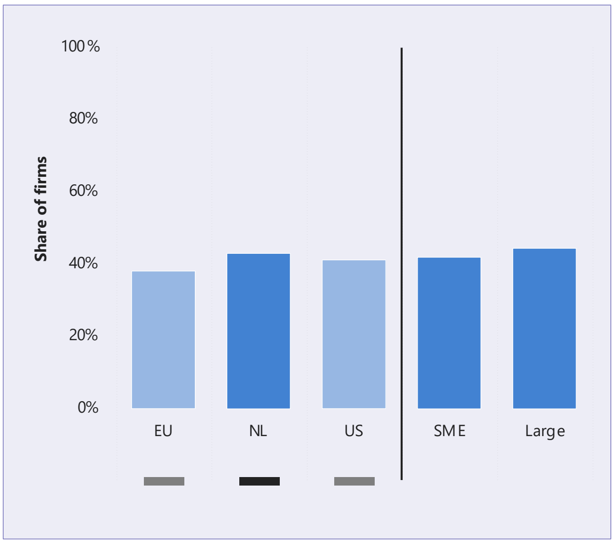
- Around two-thirds of firms in the Netherlands (68%) use a strategic monitoring system, a higher proportion than in the EU overall (51%).
- When it comes to striving for gender balance, the proportion of firms in the Netherlands (39%) is below the EU average (58%).
- Manufacturing firms were the most likely to say they strive for a gender balance (48%), while the proportion is lowest in the construction sector (27%).
- Large firms were more likely than SMEs to say they use a strategic monitoring system (82% versus 58%) and to strive for a gender balance (51% versus 30%).



Q Does your company...?

Base: All firms (excluding don't know/refused responses)

FIRMS WHO HAVE INCREASED EMPLOYEE NUMBERS SINCE 2019



- More than four in ten firms in the Netherlands (43%) have increased their employment since 2019.
- The proportion in the Netherlands is slightly higher than in the EU as a whole (38%).

Q. How many people does your company employ either full or part time at all its locations, including yourself?

Q. How many people did your company employ either full or part time at all its locations at the beginning of 2019, before the COVID-19 pandemic?

Base: All firms (excluding don't know/refused/did not exist in 2019 responses)

EIBIS 2022 – Country technical details

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Netherlands, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	NL	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs NL	Manuf vs Constr	SME vs Large
	(12021)	(800)	(480)	(130)	(116)	(113)	(121)	(400)	(80)	(12021 vs 480)	(130 vs 116)	(400 vs 80)
10% or 90%	1.1%	4.1%	2.9%	5.1%	5.3%	5.7%	5.4%	2.7%	5.8%	3.1%	7.4%	6.3%
30% or 70%	1.7%	6.2%	4.4%	7.8%	8.2%	8.6%	8.2%	4.1%	8.8%	4.7%	11.3%	9.7%
50%	1.8%	6.8%	4.8%	8.6%	8.9%	9.4%	9.0%	4.5%	9.6%	5.2%	12.3%	10.6%

GLOSSARY

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Manufacturing sector	Based on the NACE classification of economic activities: firms in group C (Manufacturing).
Construction sector	Based on the NACE classification of economic activities: firms in group F (Construction).
Services sector	Based on the NACE classification of economic activities: firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
Infrastructure sector	Based on the NACE classification of economic activities: firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.

Note: the EIBIS 2022 country overview refers interchangeably to 'the past/last financial year' or to '2021'. Both refer to results collected in EIBIS 2022, where the question is referring to the past financial year, with the majority of the financial year in 2021 in case the financial year is not overlapping with the calendar year 2021.

EIBIS 2022 – Country technical details

The country overview presents selected findings based on telephone interviews with 480 firms in Netherlands (carried out between April and July 2022).

BASE SIZES *(*Charts with more than one base; due to limited space, only the lowest base is shown)*

Base definition and page reference	EU 2022/2021	US 2022	NL 2022/2021	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p.12, p.13, p. 21 (top)	12021/11920	800	480/482	130	116	113	121	400	80
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4 (top)	9704/9670	668	432/453	118	105	102	107	355	77
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4 (bottom)	9501/9523	668	427/456	116	104	102	105	350	77
All firms (excluding 'Company didn't exist three years ago' responses), p. 5 (top)	11735/11648	778	476/480	129	116	112	119	396	80
All firms (excluding don't know/refused responses), p. 5 (bottom)	11814/11765	780	472/479	128	114	111	119	394	78
All firms (excluding don't know/refused responses), p. 6 (top)	11810/NA	795	475/NA	130	116	112	117	395	80
All firms (excluding don't know/refused responses), p. 6 (bottom)	11725/NA	784	474/NA	130	116	112	116	394	80
All firms (excluding don't know/refused responses), p. 7 (top)	11945/11857	762	480/482	130	116	113	121	400	80
All firms (excluding don't know/refused responses), p. 7 (bottom)	11989/11891	796	479/481	130	116	112	121	399	80
All firms (excluding don't know/refused responses), p. 8 (top)	11735/11648	778	476/480	129	116	112	119	396	80
All firms (excluding not applicable/don't know/refused responses to all 3 questions), p. 8 (bottom)	8728/8780	615	416/446	113	102	100	101	340	76
All firms (excluding don't know/refused responses), p. 9	11980/NA	800	479/NA	130	116	112	121	399	80
All firms (excluding don't know/refused responses), p. 10 (top)	11975/NA	798	479/NA	130	116	112	121	400	79
All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles) p. 10 (bottom)	11382/NA	790	450/NA	128	104	110	108	372	78
All firms (excluding don't know/refused responses), p. 11 (top)	9339/NA	680	398/NA	122	93	98	85	326	72
All firms facing trade disruptions (excluding don't know/refused responses), p. 11 (bottom)	9265/NA	707	395/NA	122	92	97	84	323	72
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 14	10051/8675	665	434/342	118	106	102	108	356	78
All firms who used external finance (excluding don't know/ refused responses), p. 15 (top)	4107/4059	275	87/106	30	17	16	24	69	18
All firms who used external finance (excluding don't know and refused) p. 15 (bottom)	4155/4100	280	87/106	30	17	16	24	69	18
All firms who used external finance in the last financial year (excluding don't know/refused responses) , p. 16	3988/3964	270	81/104	28	17	16	20	64	17
All firms (excluding don't know/refused responses), p. 17	11504/11518	715	476/479	129	115	112	120	396	80
All firms (excluding don't know/refused responses), p. 18 (top)	11911/11849	790	475/482	129	115	112	119	395	80
All firms (excluding don't know/refused responses), p. 18 (bottom)	11909/NA	784	474/NA	127	115	112	120	395	79
All firms (excluding don't know/refused responses), p. 19 (top)	11172/11384	759	461/471	123	112	110	116	385	76
All firms (excluding don't know/refused responses), p. 19 (bottom)	11964/NA	794	479/NA	130	115	113	121	399	80
All firms (excluding don't know/refused responses), p. 20 (top)	11685/NA	763	474/NA	129	114	112	119	395	79
All firms (excluding don't know/refused responses), p. 20 (bottom)	11712/NA	783	477/NA	128	116	113	120	398	79
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 21 (bottom)*	9752/9617	677	423/442	114	103	101	105	348	75
All firms (excluding don't know/refused responses) p. 22 (top)	11696/11616	785	465/475	126	111	111	117	388	77
All firms (excluding don't know/refused/did not exist in 2019 responses) p. 22 (bottom)	11662/11718	783	469/478	129	114	110	116	391	78

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Netherlands

Overview

EIB INVESTMENT SURVEY

2022