



# Current account surplus Netherlands

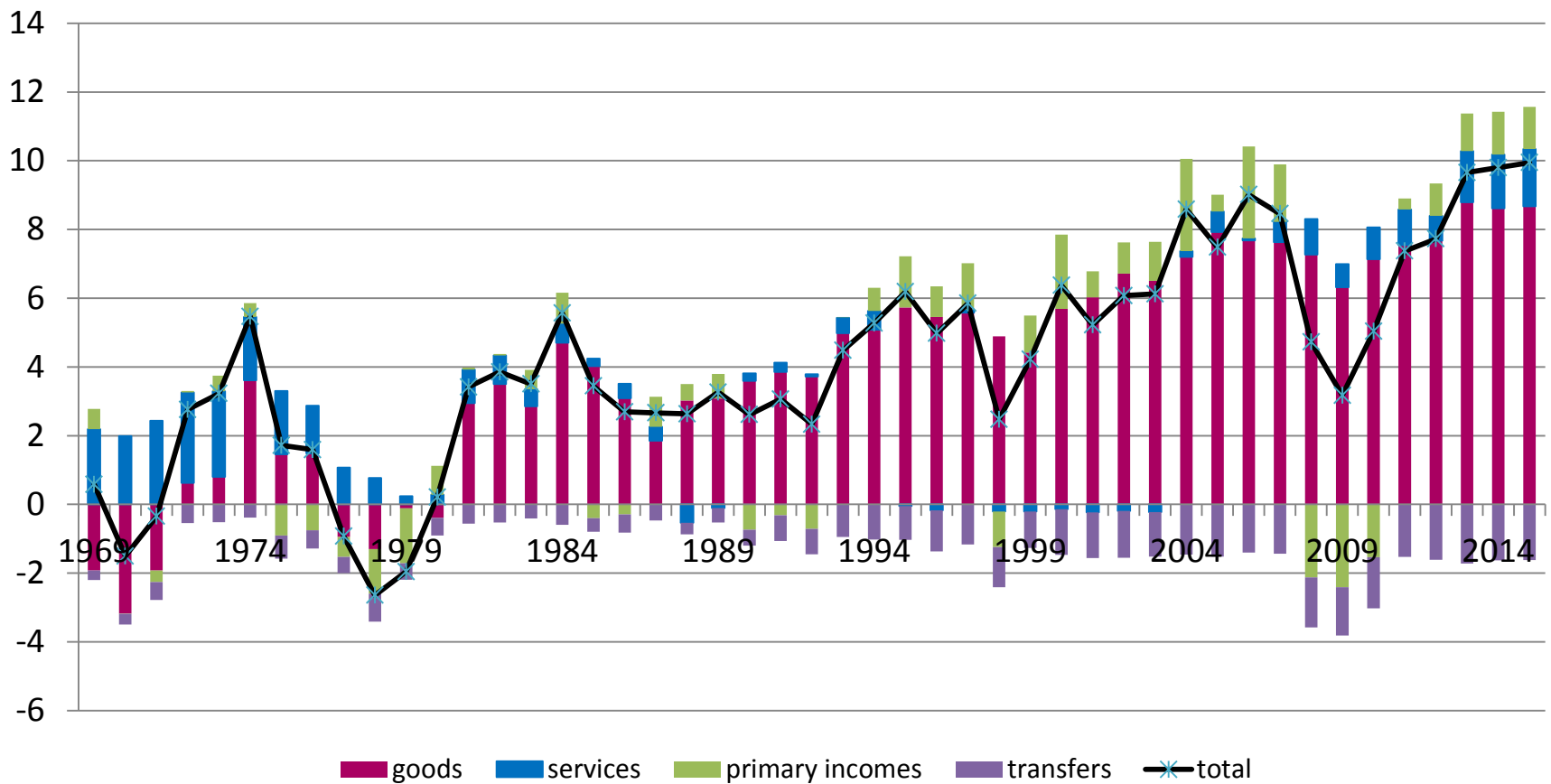
- Surplus since 1981
- Trade in value-added : NI transition country
- Net lending non-financial corporations (NFC)
- Role of multinationals

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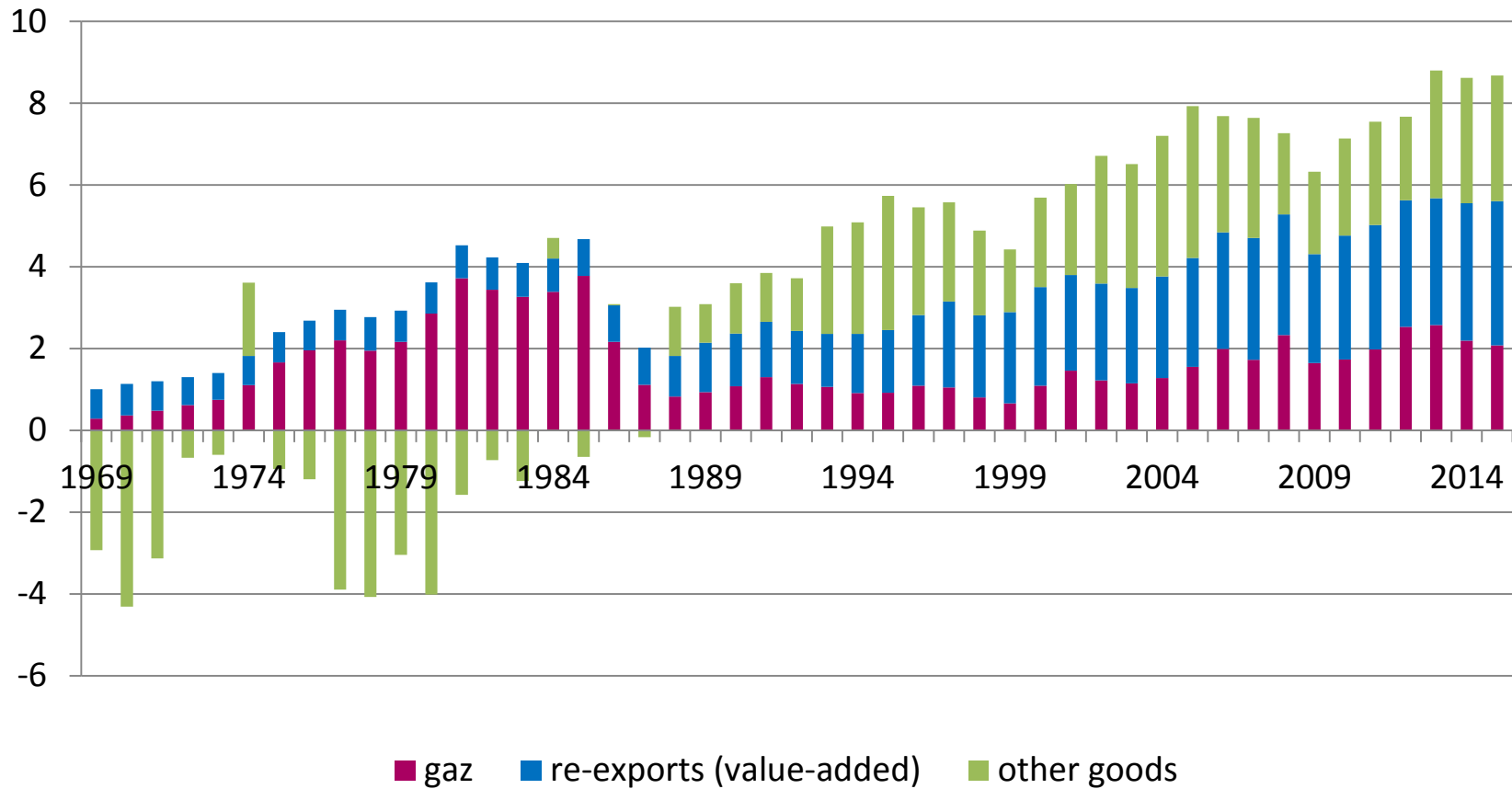


# Surplus Current Account (% GDP)





## Goods : contribution Gas and re-exports (value added)



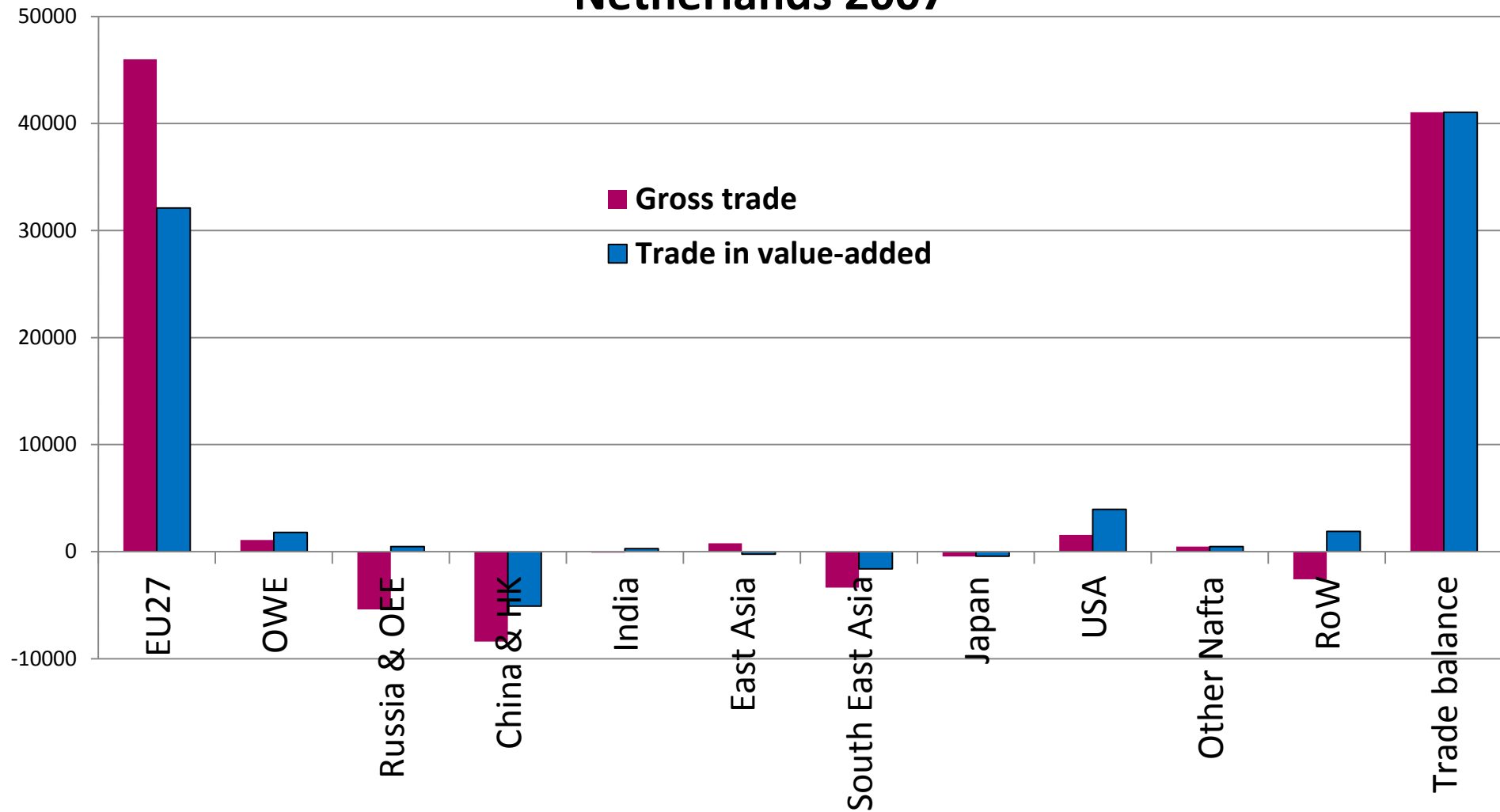


# Bilateral balances using trade in value-added

- Most statistics ,analysis -> balances in “gross trade” terms
- Trade in value-added (TiVA) statistics:
  - Avoid “double-counting” of trade in intermediates
  - Information on global supply chains
  - *bilateral* trade balances can differ between “gross trade” and value added”.
- TiVA data for The Netherlands and other EU countries
  - The Netherlands is highly integrated with the EU27 and important in global supply chains -> transition country for imported intermediate inputs from the world to rest of Europe

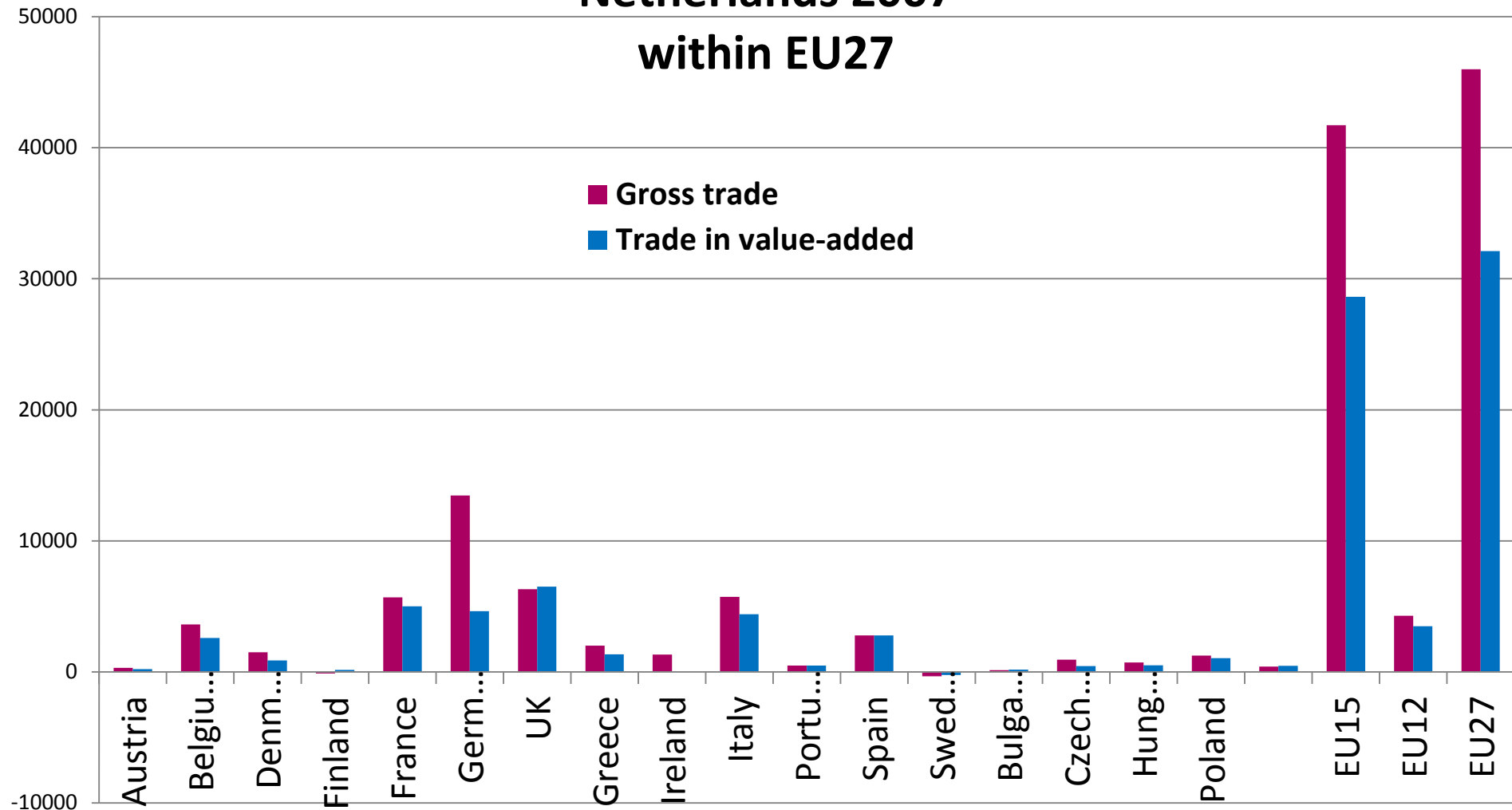


## Netherlands 2007



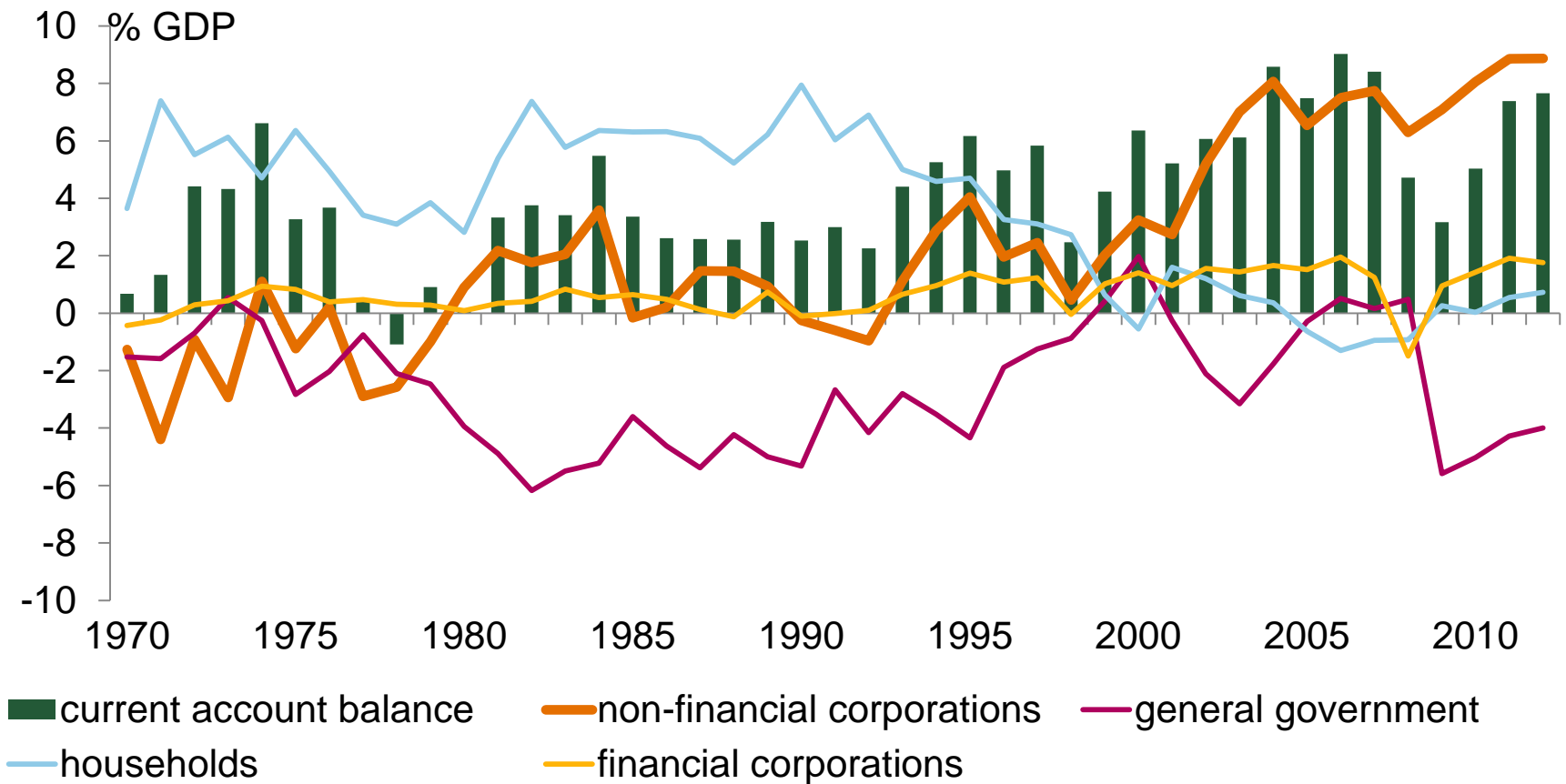


## Netherlands 2007 within EU27



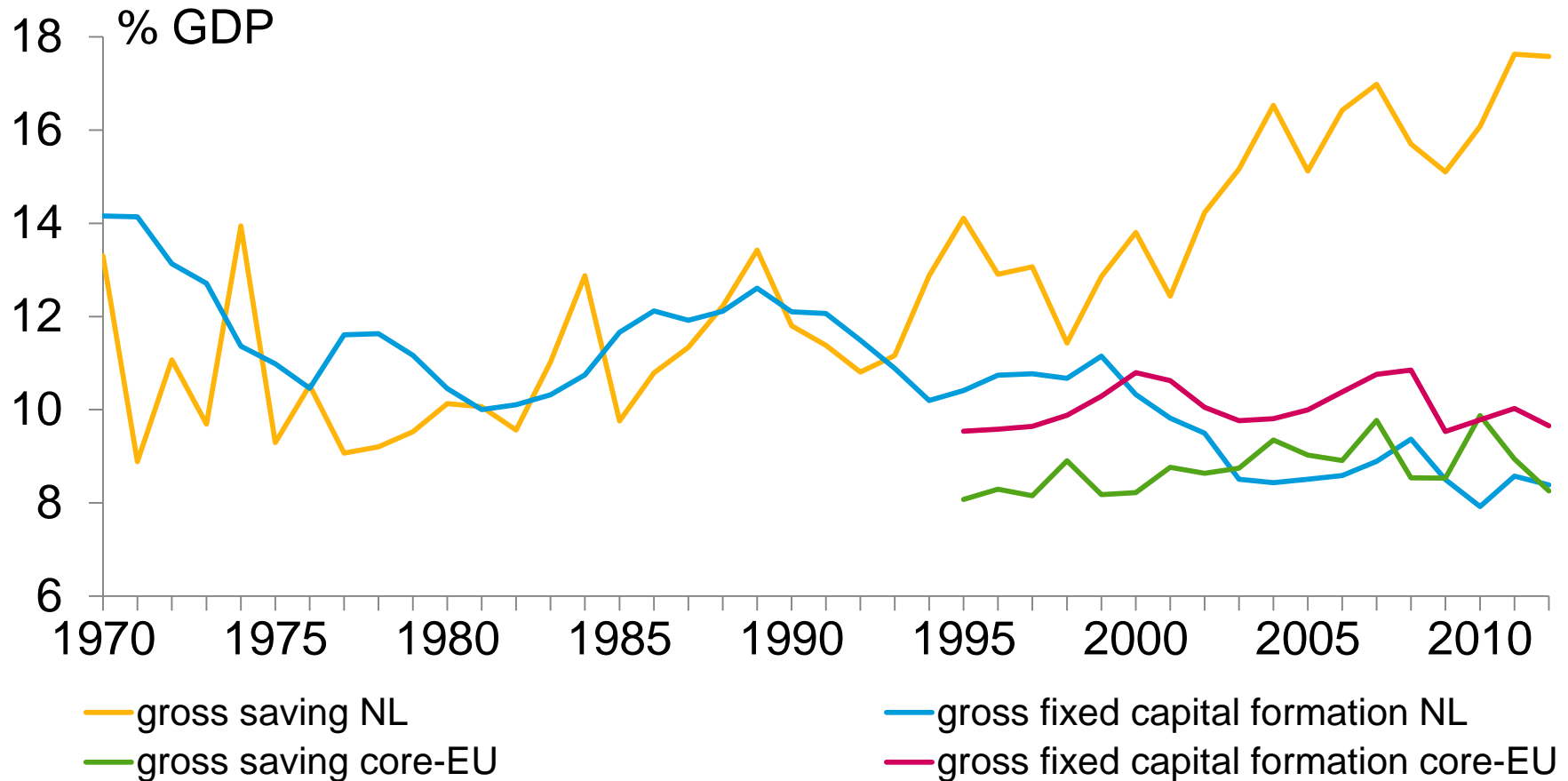


# Sectoral breakdown of the current account





# Gross saving and gross capital formation NFC







## Composition gross saving NFC

% GDP	Levels			Changes	
	2000	2007	2012	2000-07	2007-12
Gross saving natural gas (+)	1,2	1,3	1,3	0,1	0,0
Gross operating surplus excl. natural gas (+)	20,2	20,9	18,4	0,7	-2,5
Net interest paid (-/-)	1,7	1,5	0,7	-0,2	-0,8
Property income received (+)	2,7	6,9	6,2	4,2	-0,7
Net other current transfers paid (-/-)	0,2	0,2	0,3	0,0	0,1
Taxes on income (-/-)	3,0	2,1	1,3	-0,9	-0,8
Dividends paid (-/-)	5,5	8,3	6,1	2,6	-2,6
Gross saving	13,8	17,0	17,6	3,2	0,6



## Gross saving NFC: difference with core-EU

% GDP	Levels			Changes	
	2000	2007	2012	2000-07	2007-12
Gross saving natural gas (+)	1,2	1,3	1,3	0,1	0,0
Gross operating surplus excl. natural gas (+)	0,9	-0,3	-0,3	-1,2	0,0
Net interest paid (-/-)	0,4	0,5	0,0	0,1	-0,5
<b>Property income received (+)</b>	0,1	1,5	1,6	<b>1,4</b>	-0,1
Net other current transfers paid (-/-)	-0,2	-0,3	-0,2	-0,1	0,1
Taxes on income (-/-)	0,8	-0,4	-0,8	-1,3	-0,4
Dividends paid (-/-)	-4,3	-4,4	-5,7	-0,1	<b>-1,3</b>
Gross saving	5,6	7,2	9,3	<b>1,6</b>	<b>2,1</b>



## Balance sheet NFC

% GDP	Levels			Changes	
	2000	2007	2012	2000-07	2007-12
1. Non -financial assets	192,2	189,3	182,9	-2,8	-6,4
<b>2. Shares and other equity (assets)</b>	<b>42,5</b>	<b>49,6</b>	<b>87,3</b>	7,1	37,7
3. Loans	76,3	81,5	92,2	5,2	10,7
4. Cash holdings	26,8	37,8	40,4	11,0	2,6
5. Total assets (1+2+3+4)	337,8	358,3	402,9	20,5	44,6
6. Shares and other equity (liabilities)	160,3	135,7	141,1	-24,6	5,5
<b>7. Debt</b>	<b>139,8</b>	<b>119,9</b>	<b>116,3</b>	-19,9	-3,6
8. Balance (5-6-7)	37,7	102,7	145,4	65,0	42,7
9. Net worth (6+8)	198,0	238,4	286,5	40,4	48,1

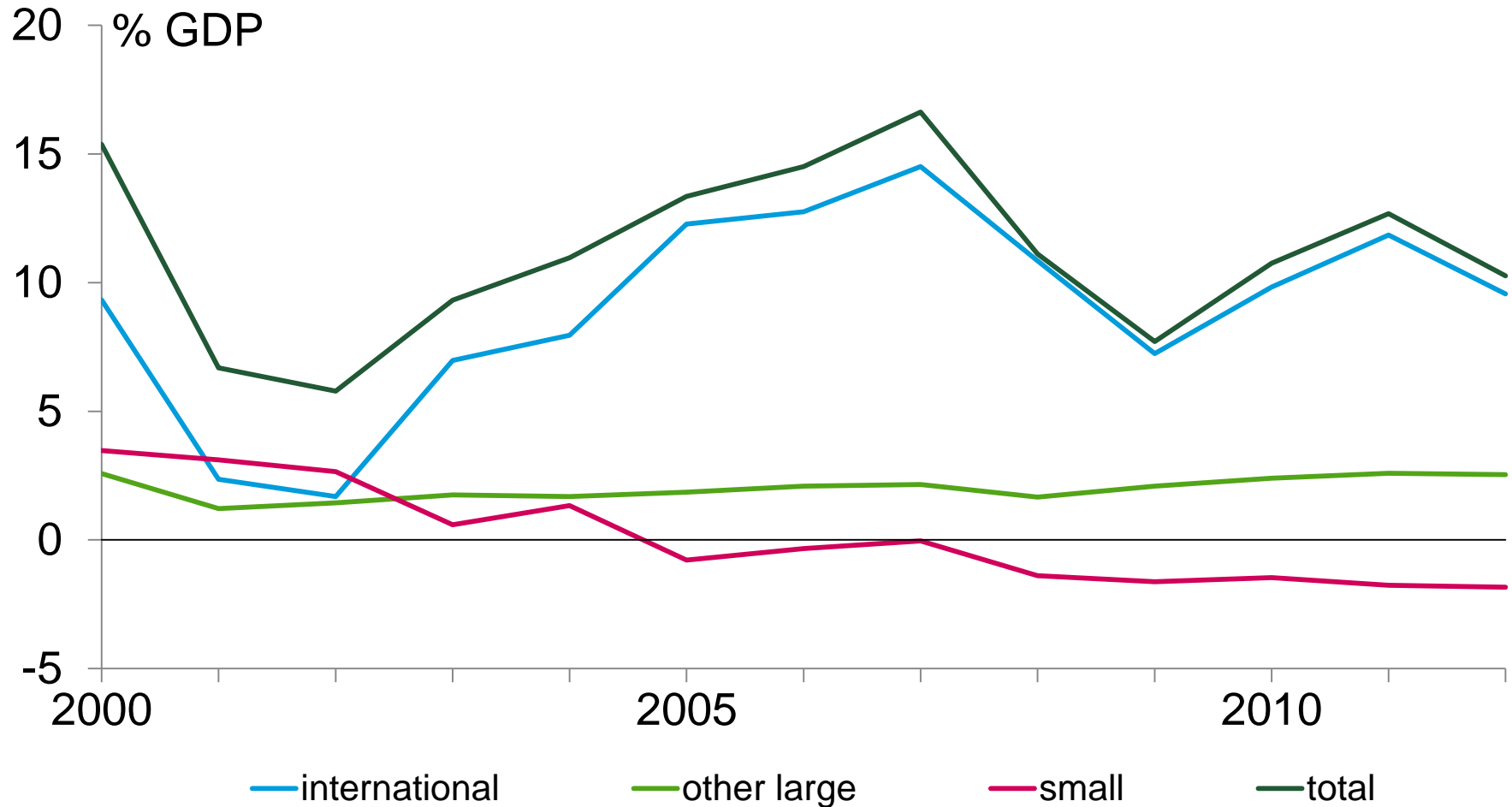


## Role of multinationals

- Strong presence of multinational companies residing in the Netherlands.
- European Commission (2014): “Data limitations, partly linked to statistical confidentiality, limit the extent that more light can be shed on the role of multinationals and the possible associated upward biases to the measured current account balance.”
- We use dataset based on information from balance sheet and profit and loss accounts of Dutch NFCs from Statistics Netherlands.
- This database includes aggregate information on three types of companies: internationals (multinationals with Dutch head office), other large companies and small companies.



# Gross saving NFC by type of corporation





## Dutch multinationals and the current account

- Dutch multinationals make a large contribution to the Dutch current account surplus.
- All their profits realised abroad through foreign subsidiaries (distributed and non-distributed) are counted as income for the Netherlands. As dividend payments are low, the effect on the current account is high.
- The shares of Dutch multinationals are to a large extent in foreign hands (foreign portion).
- The combination of (in international perspective) a relatively strong presence of multinationals, relatively low dividend payments and a relatively high foreign portion causes an upward bias on the registered current account balance.