



European
Investment
Bank

The EU bank

Netherlands

Overview

EIB INVESTMENT SURVEY

2020

EIB Group survey on investment
and investment finance 2020
Country overview

Netherlands

EIB Group survey on investment and investment finance 2020.

Country overview: Netherlands

© European Investment Bank, 2020. All rights reserved.

About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment and Investment Finance, which has been administered since 2016, is a unique, annual survey of some 13 500 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United Kingdom and 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. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States, the United Kingdom 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

The series of reports provide an overview of data collected for the 27 EU Member States, the United Kingdom and the United States. The reports 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 European Investment Bank

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

Main contributors to this publication

Andrea Brasili.

Disclaimer

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

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.

Published by the European Investment Bank. Printed on FSC Paper.

print: QH-BL-21-015-EN-C ISBN 978-92-861-4764-7 ISSN 2599-7998 DOI 10.2867/73431
pdf: QH-BL-21-015-EN-N ISBN 978-92-861-4765-4 ISSN 2599-8005 DOI 10.2867/567630

EIBIS 2020 – Netherlands

KEY RESULTS

Investment Dynamics

With the COVID-19 crisis affecting the economy, investment in Q2 2020 is 11.3% below the pre-crisis level. Investment never experienced a sudden drop of this scale. During the global financial crisis, capital accumulation declined by 16.7% from the peak to the trough but it took 6 quarters. The decline during the Euro sovereign crisis was also similar (-12.1%) but even longer in duration (from 2011 Q1 to 2013 Q2).

COVID-19 has affected firms' investment strategies for 2020 with around two fifths (44%) of the firms stating that they will invest less than planned due to COVID-19 and six per cent investing more.

Investment Focus

Around one-third (32%) of firms with investment plans are planning to abandon or delay at least some of their investments as a result of COVID-19, this is similar to the EU average (35%).

Across all sectors, the most frequently cited long term impact of COVID-19 is expected to be the increased use of digital technologies (49%).

Investment Needs and Priorities

Approximately three-quarters of all firms (78%) were operating at or above full capacity in 2019, which is higher than the share in EIBIS 2019 (69%) and above the average for the EU (61%).

Firms in the Netherlands that have been impacted by COVID-19 are most likely to prioritise investment in replacement capacity over the next three years (64%). This is higher than firms not impacted by COVID-19 (48%), as well as being almost double the EU average (34%).

Innovation Activities

One third of all firms (33%) developed or introduced new products, processes or services as part of their investment activities. This share is lower than the average for the EU (42%).

Three out of four firms in the Netherlands (76%) have implemented, either fully or partially, the digital technologies they were asked about. This is higher than the EU average (63%).

Drivers and Constraints

Firms are more pessimistic about the overall economic climate compared to EIBIS 2019 (-62% versus -2%) and compared to the EU average (-56%).

The most frequently cited long term barrier to investment is the uncertainty about the future (53%), which is higher than in EIBIS 2019 (40%) but much lower than the EU average (81%).

Investment Finance

Around three quarters of the investment activity in the past financial year was financed by internal sources (73%). This is in line with EIBIS 2019 (69%) and above the average for the EU (62%).

More than four fifths of firms (85%) report generating a profit in the last financial year, which is close to the reported share in EIBIS 2019 (83%).

Access to Finance

Firms using external finance were on balance satisfied with the amount, maturity, collateral and type of finance received. The highest levels of dissatisfaction recorded among firms in Netherlands is with the cost of finance (13%), followed by the collateral requirements and type of external finance (both 5%). Only 3.5% of all firms in the Netherlands could be considered as financially constrained by external financing in 2019.

Energy Efficiency

Almost half of firms in the Netherlands (45%) have invested in measures to improve their energy efficiency, which has increased since EIBIS 2019 (from 37%) and is now similar to the EU average (47%). The average share of investment in measures to improve energy efficiency by firms in the Netherlands is at the same level as to EIBIS 2019 (both at 8%), but lower than the EU average (12%).

Climate Change

More than two fifths (44%) of the firms in the Netherlands feel their business has been impacted by climate change and the related changes in weather patterns, this includes 13% who report it has had a major impact. These levels are lower than the EU averages (58% and 23% respectively).

Overall, more firms in the Netherlands are expecting the transition to a low-carbon future to be positive rather than negative for their reputation (net +30%) and for the market demand (net +16%) over the next five years, but to have a negative rather than positive impact on their supply chain (net -11%).

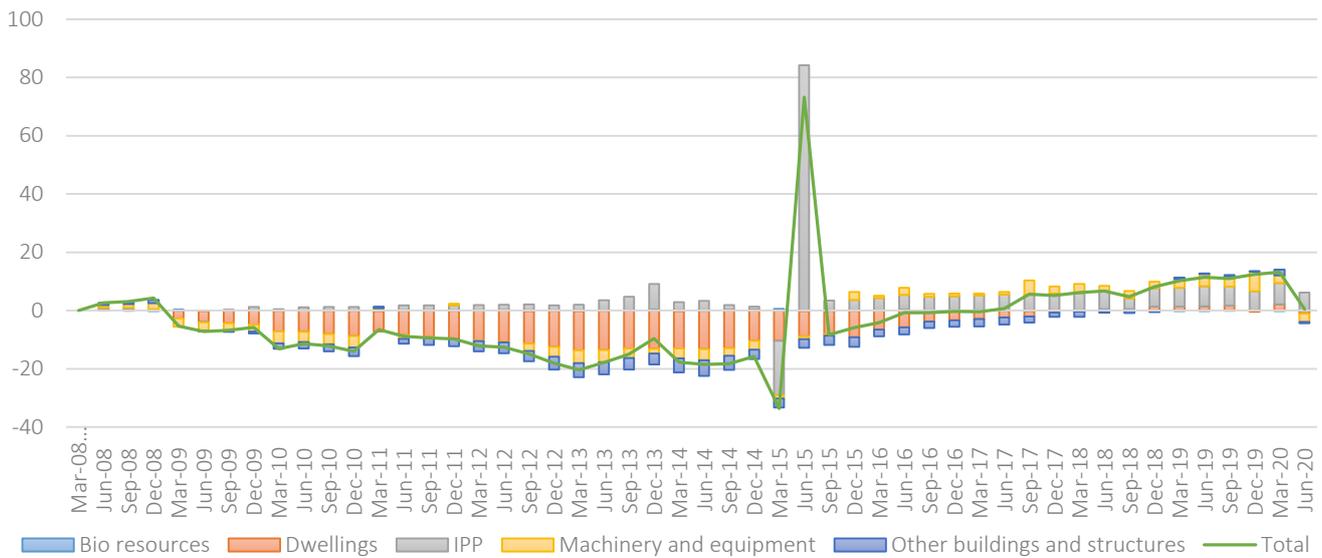
Almost three-quarters of the firms in the Netherlands (73%) have already invested or plan to invest in the next three years in measures to tackle the impact of weather events and reduction in carbon emissions. This is above the EU average (67%).

Investment Dynamics

INVESTMENT DYNAMICS BY ASSET TYPE

With the COVID-19 crisis affecting the economy, investment in Q2 2020 is 10.7% below the pre-crisis level. This drop is mainly driven by non-financial corporations.

While investment is still slightly surpassing 2008 levels, this drop in aggregate investment levels may be the precursor of further negative investment patterns laying ahead of us.

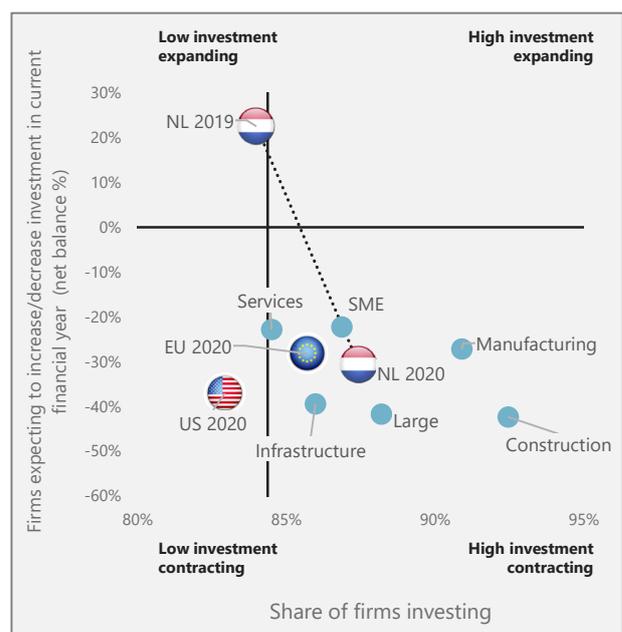


The graph shows the evolution of total Gross Fixed Capital Formation (in real terms); by asset type. The data has been indexed to equal 0 in 2008. Source: Eurostat.

INVESTMENT CYCLE

In line with the EU, Netherlands is in a negative phase of the investment cycle, having moved into the 'high investment contracting' quadrant. In comparison to EIBIS 2019, the net balance of firms expecting to increase rather than decrease investment in the current financial year has declined (from 23% to -31%) which is also in line with the EU average.

Construction and manufacturing sectors have the highest share of firms investing (92% and 91% respectively).



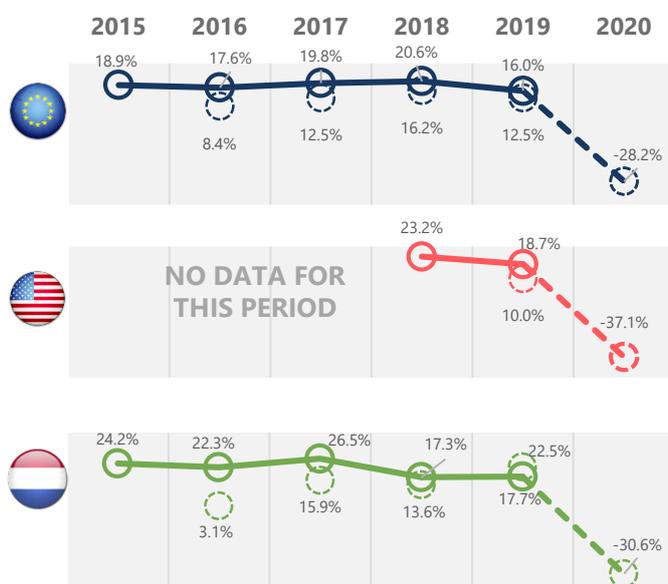
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for 2016.

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

Investment Dynamics

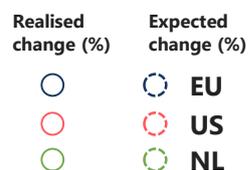
EVOLUTION OF INVESTMENT EXPECTATIONS

Realised/expected change in investment



The net balance of firms reporting an increase rather than a reduction of their investment activities in the last financial year is the same as EIBIS 2019 (18% versus 17%) and lower than the expectations formulated the year before (23%).

However, the outlook for 2020 is much more negative (net of -30%) and in line with the EU average expectations (net of -28%).



'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.

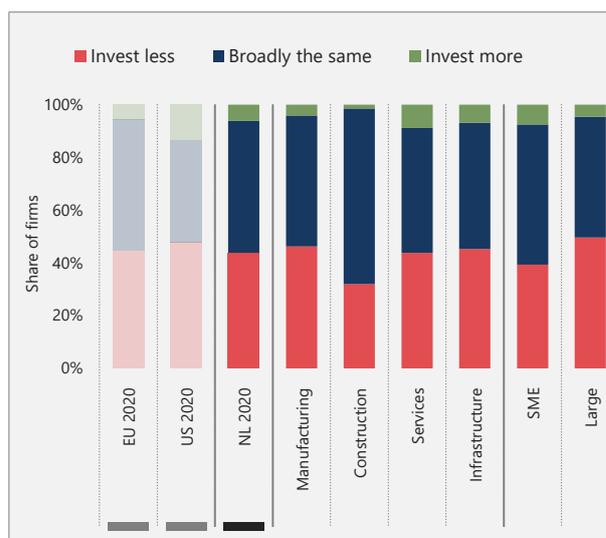
Base: All firms

IMPACT OF COVID-19 ON INVESTMENT

COVID-19 has affected firms' investment strategies for 2020 with around two fifths (44%) of the firms planning to invest less than planned and six per cent more. This is in-line with the EU average (45% and 6% respectively).

Large firms have been more affected by COVID-19 than SMEs and are more likely to be expecting to invest less in 2020 (50% versus 39%).

Investment plans by firms in the construction sector (67%) are more likely to have remained broadly the same than those of other sectors (ranging between 47% and 50%).



Q. Have your company's overall investment expectations for 2020 changed due to coronavirus?

Base: All firms with investment plans for the current financial year (excluding don't know/refused responses)

Investment Focus

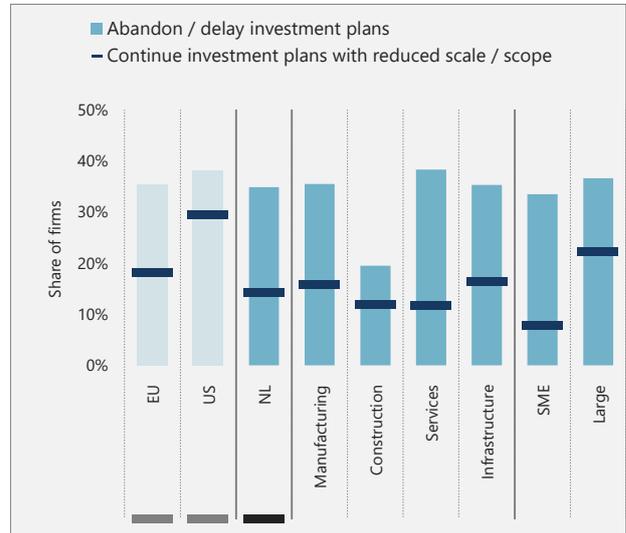
ACTIONS AS A RESULT OF COVID-19

Around one-third (32%) of firms, with investment plans, are planning to abandon or delay at least some of their investments as a result of COVID-19, this is similar to the EU average (35%).

Fewer firms in the construction sector (20%) report they expect to abandon or delay at least some of their investment plans than other sectors (ranging from 33% to 41%).

Around one in seven (14%) firms are planning to continue with at least some of their investment plans but with a reduced scale/scope, a bit lower than the EU average (18%).

Large firms are more likely to continue with at least some of their investment plans with a reduced scale or scope compared with SMEs (22% versus 8%).

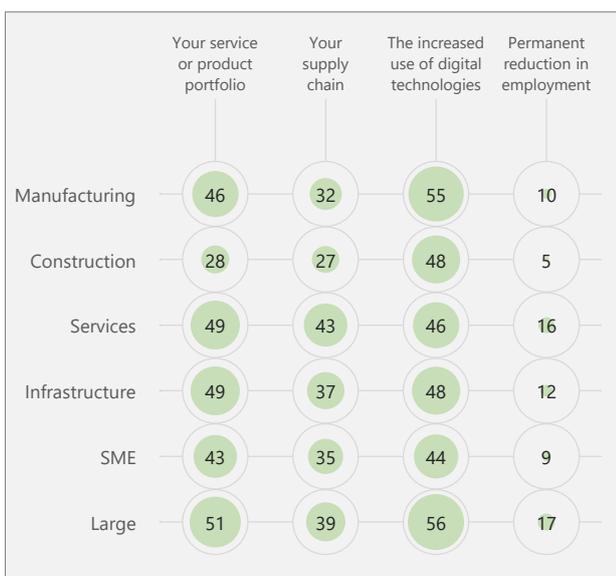


Q. You said you will invest less due to coronavirus. Can I just check which of the following actions will your company undertake?

Please note some firms may be taking multiple actions i.e. abandoning/delaying some investment plans whilst continuing with other plans at a reduced scale or scope.

Base: All firms with investment plans for the current financial year (excluding don't know/refused responses)

LONG TERM IMPACT OF COVID-19 BY SECTOR AND SIZE



Across all sectors, the most frequently cited long term impact of COVID-19 is expected to be the increased use of digital technologies (49%).

Around a half (46%) of firms in the Netherlands expect that COVID-19 will impact their service or product portfolio in the long term. This is higher than the EU average (38%). Construction firms are the least likely to expect it to impact this aspect (28%).

Overall, just over one in ten (12%) expect the long term impact to be a permanent reduction in employment levels. Construction firms were again the least likely to report this as an expected long term impact (5%).

Q. Do you expect the coronavirus outbreak to have a long-term impact on any of the following?

Base: All firms

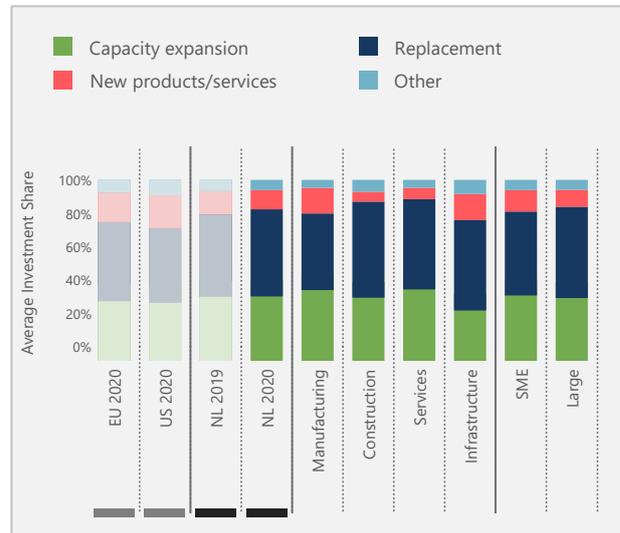
Investment Focus

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

Around a half (52%) of firms' investments in the Netherlands in the past financial year were with the purpose of replacing buildings and equipment. This is comparable to the share in EIBIS 2019 (49%) and slightly higher than the EU average (47%).

Replacing capacity is followed by capacity expansion for existing products and services which made up 30% of all investment, in line with the EU average (27%).

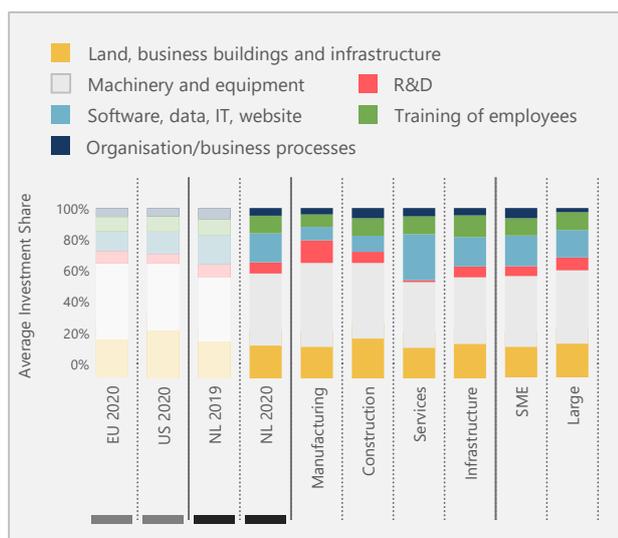
Manufacturing and infrastructure firms (15% and 16% respectively) were investing in new product/services more than construction and services firms (6% and 7% respectively).



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



Out of the six investment areas considered, the highest share of investments in the Netherlands was in machinery and equipment (46%), distantly followed by software, data, IT and website activities (19%), land, business buildings and infrastructure (12%) and training of employees (11%).

Comparing across sectors, manufacturing tended to allocate a larger share of investment to machinery and equipment (54%) and R&D (14%), while services had a higher focus on software, data, IT and website (30%).

There were no large differences between SMEs and large businesses.

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?

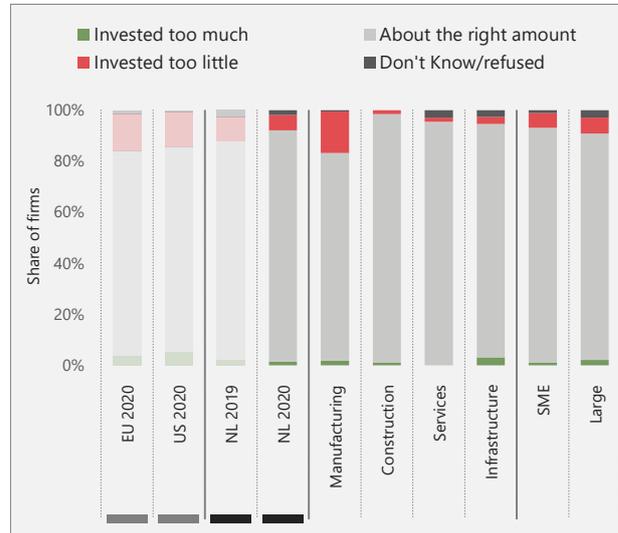
Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Investment Needs and Priorities

PERCEIVED INVESTMENT GAP

Around nine in ten firms believe their investment over the last three years was about the right amount (91%), which is similar to EIBIS 2019 (86%) and higher than the EU average (80%).

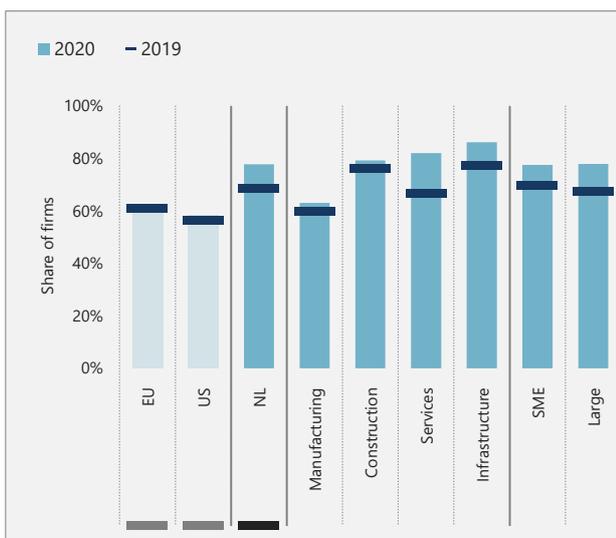
Manufacturing firms were more likely to report investing too little (16%) compared to other sectors (ranging between only 2% to 3%). Hence, perceived investment gap in manufacturing is similar to the EU average, while it is much lower in the other sectors.



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)

SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



Full capacity is the maximum capacity attainable under normal conditions e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable under normal circumstances?

Base: All firms (data not shown for those operating somewhat or substantially below full capacity)

Approximately three-quarters of all firms (78%) were operating at or above full capacity in the last financial year, which is higher than the share in EIBIS 2019 (69%) and above the average for the EU (61%).

Firms in the infrastructure sector were the most likely to be operating at or above full capacity (86%), while those in manufacturing were least likely to do so (63%).

Investment Needs and Priorities

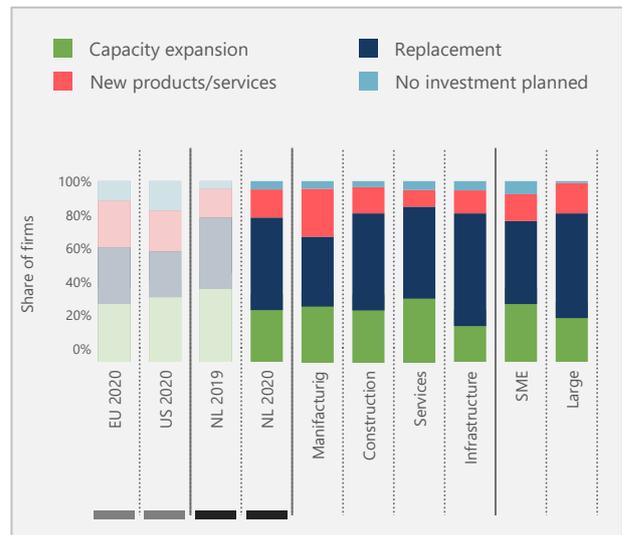
FUTURE INVESTMENT PRIORITIES (% of firms)

Looking ahead to the next three years, replacing existing buildings and equipment is the most commonly cited investment priority for firms in the Netherlands (55%). This is higher than in EIBIS 2019 (43%) and the EU average (34%).

The share of firms prioritising capacity expansion has declined since EIBIS 2019 (23% versus 35%).

Firms in manufacturing are more likely to prioritise new products or services than all other sectors (29% versus 10% to 16%).

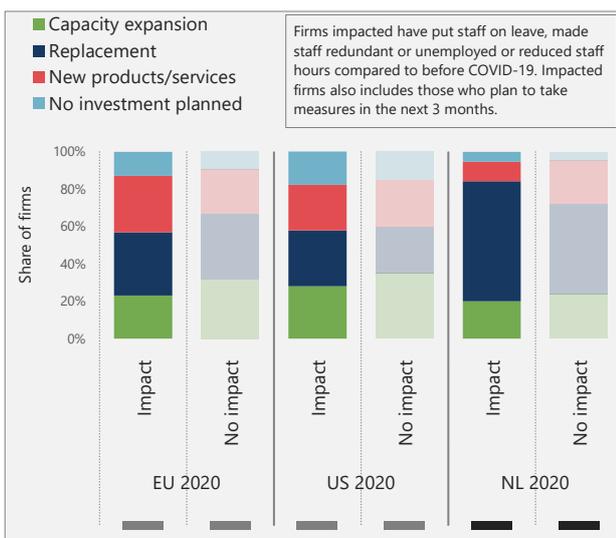
Infrastructure firms have the highest share of firms prioritising replacement (68%).



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing 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)

COVID-19 IMPACT ON PRIORITIES



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Q. Thinking about the impact of coronavirus, have you had to put staff temporarily on leave, make staff redundant or unemployed or reduce the number of hours they work compared to before the coronavirus pandemic?

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

Firms in the Netherlands that have been impacted by COVID-19 are most likely to prioritise investment in replacement capacity over the next three years (64%). This is higher than firms not impacted by COVID-19 (48%), as well as being almost double the EU average (34%).

Conversely, impacted firms in the Netherlands are less likely than firms EU-wide to prioritise investments in new products and services (10% versus 30%) or have no investment planned (5% versus 13%).

This is a bit at odds with the perceived long run impact of the Pandemic on the firm's portfolio of products/services shown above and it is probably telling about the uncertainty generated by the health situation.

Innovation Activities

INNOVATION ACTIVITY

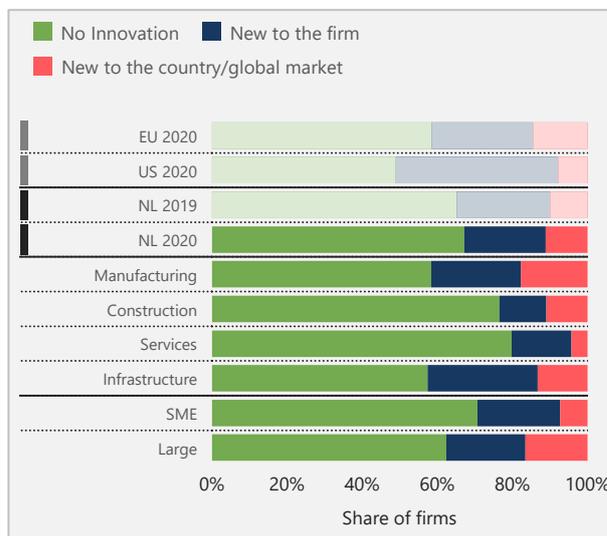
One third of all firms (33%) developed or introduced new products, processes or services as part of their investment activities. This share is lower than the average for the EU (42%).

This is surprising considering that Netherlands is classified as an innovation leader in the EC Innovation Scoreboard. The reason could be associated with the fact that innovation is so entrenched in the usual operation of firms that they do not signal it unless its results are particularly strong

Firms in the infrastructure and manufacturing sectors are the most likely to have innovated in the last financial year (43% and 42% respectively), while those in services (20%) and construction (23%) are the least likely to have done so.

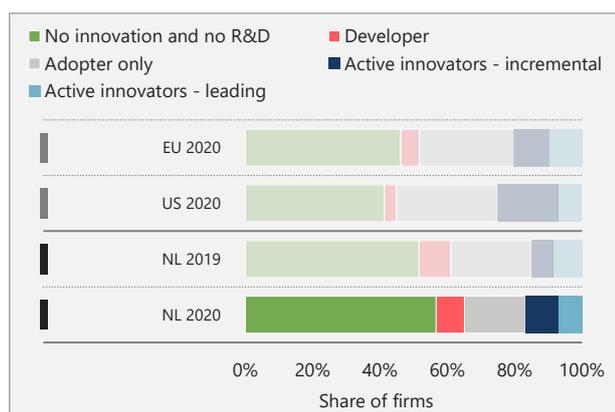
Q. What proportion of total investment was for developing or introducing new products, processes, services?

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



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)

When firms' innovation and research and development behaviour is profiled more widely, 17% of firms in Netherlands are classified as 'active innovators', and a further 8% of firms are 'developers'.

This breakdown is broadly in line with EIBIS 2019 (classifying 15% of firms as 'active innovators' plus 10% of firms as 'developers'), inline with the EU average (with 20% 'active innovators' plus 6% 'developers'). A lower share of Adopter only is the main difference with the EU (18% versus 28%) and it is probably in line with the signalling difference highlighted in commenting the previous graph.

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

IMPLEMENTATION OF DIGITAL TECHNOLOGIES

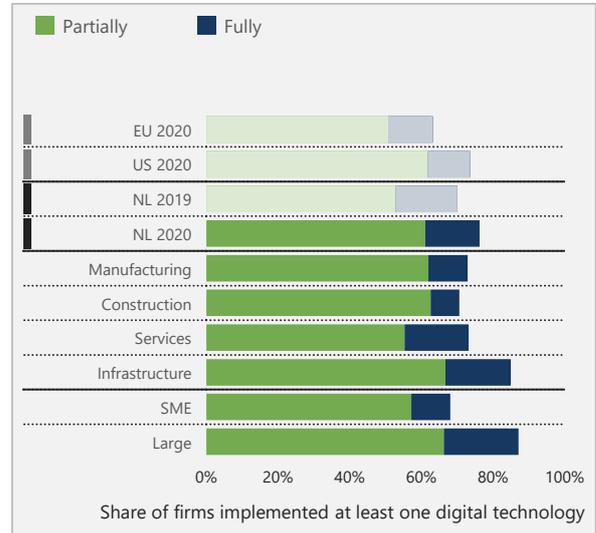
Three out of four firms in the Netherlands (76%) have implemented, either fully or partially, the digital technologies they were asked about. This is in line with EIBIS 2019 (70%) and higher than the EU average (63%).

Infrastructure firms are the most likely to have implemented digital technologies, either fully or partially, within their business (85%). For all sectors adoption of digital technologies is more frequent in the Netherlands than in the EU average. Large firms were also more likely than SMEs to have implemented at least one digital technology (87% versus 68%).

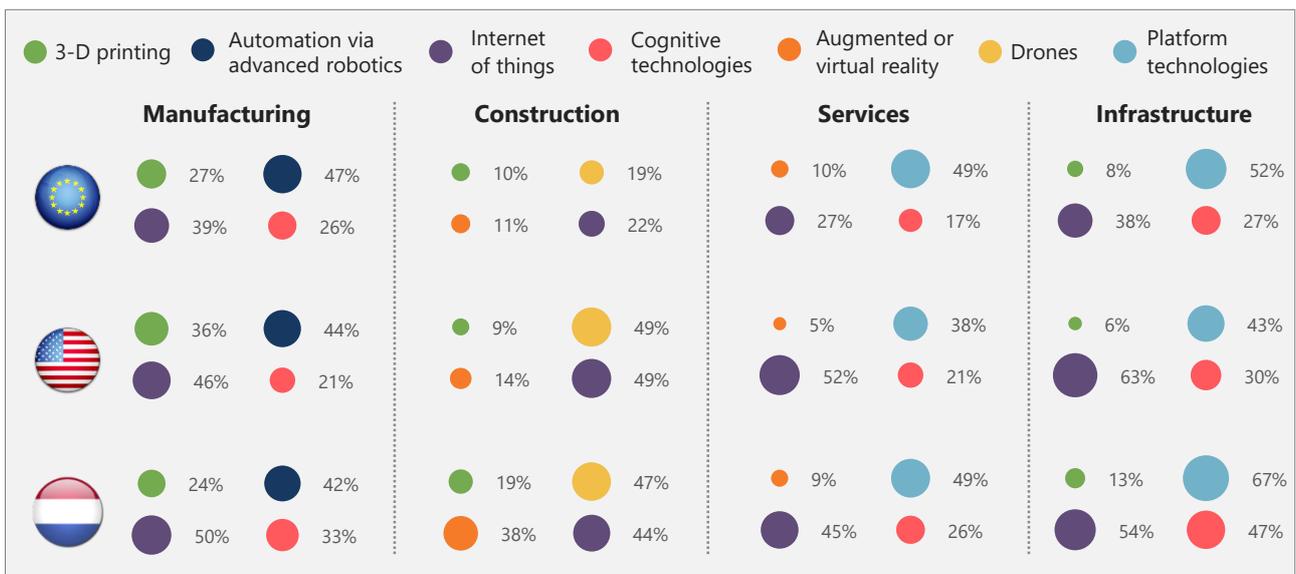
All sectors reported relatively a higher share of implementation of the "internet of things" compared to across the EU. Construction sector firms also report higher take-up of drones than the EU average (47% versus 19%), while those in infrastructure are slightly more likely to have implemented "platform technologies" than their EU counterparts (67% versus 52%).

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)



DIGITAL TECHNOLOGIES BY SECTOR



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)

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

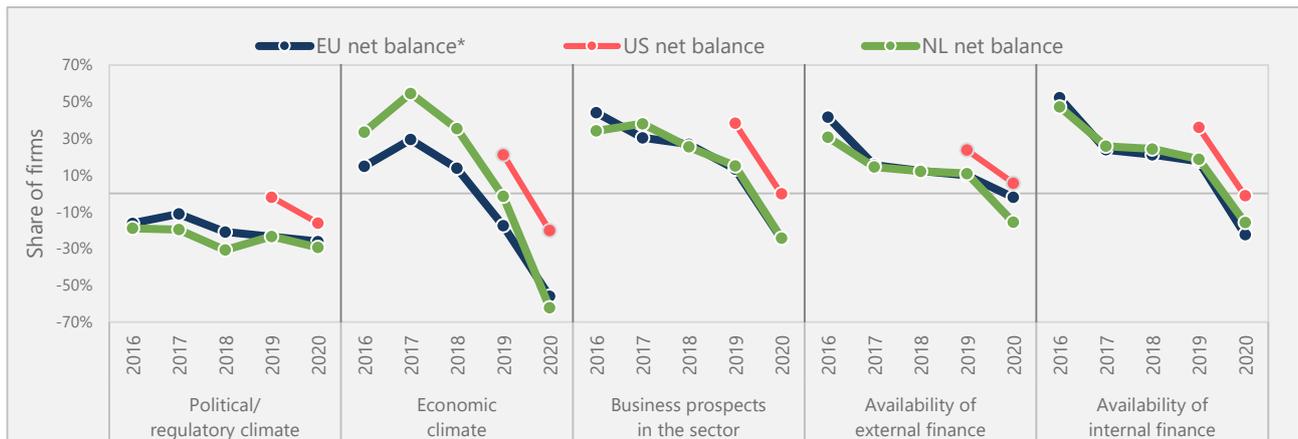
Drivers And Constraints

SHORT TERM FIRM OUTLOOK

More firms in the Netherlands expect a deterioration rather than an improvement across all five outlook factors asked about in the next twelve months.

Firms are most pessimistic about the overall

economic climate compared to EIBIS 2019 (-62% versus -2%), where the share is now below the net balance for the EU (-56%). Firms are also more pessimistic for the availability of external finances in the Netherlands compared to the firms in the EU (-16% versus -2%).

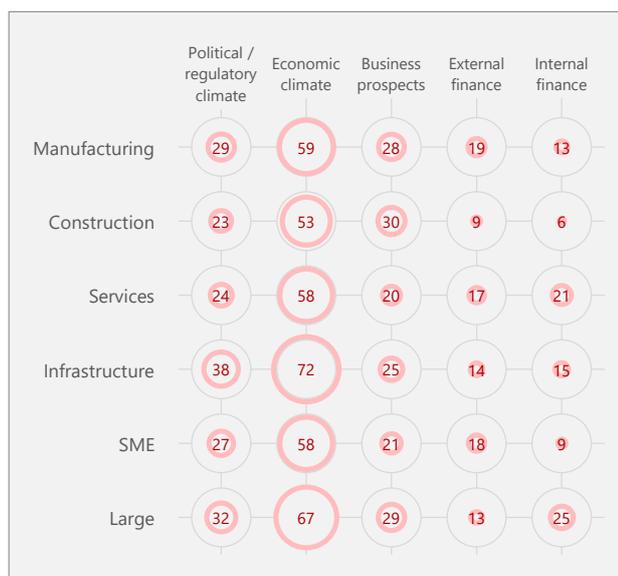


Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

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

Base: All firms

SHORT TERM FIRM OUTLOOK BY SECTOR AND SIZE (NET BALANCE %)



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

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

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

Base: All firms

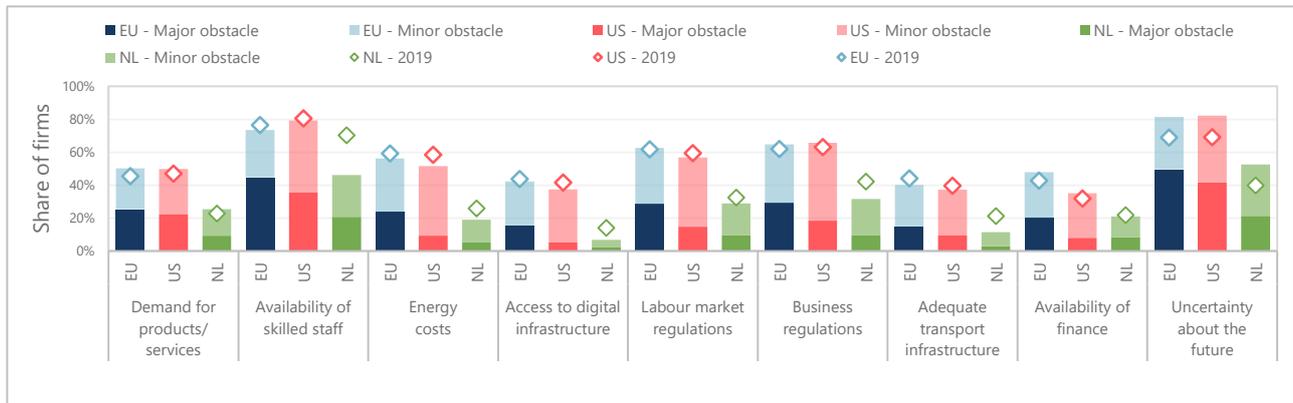
Drivers And Constraints

LONG TERM BARRIERS TO INVESTMENT

The most frequently cited long term barrier to investment is the uncertainty about the future (53%), which is the only barrier whose perceived influence has increased with respect to EIBIS 2019 (40%). However, it remains much lower than the EU average (81%, up from 69%).

The share of firms citing the other barriers has

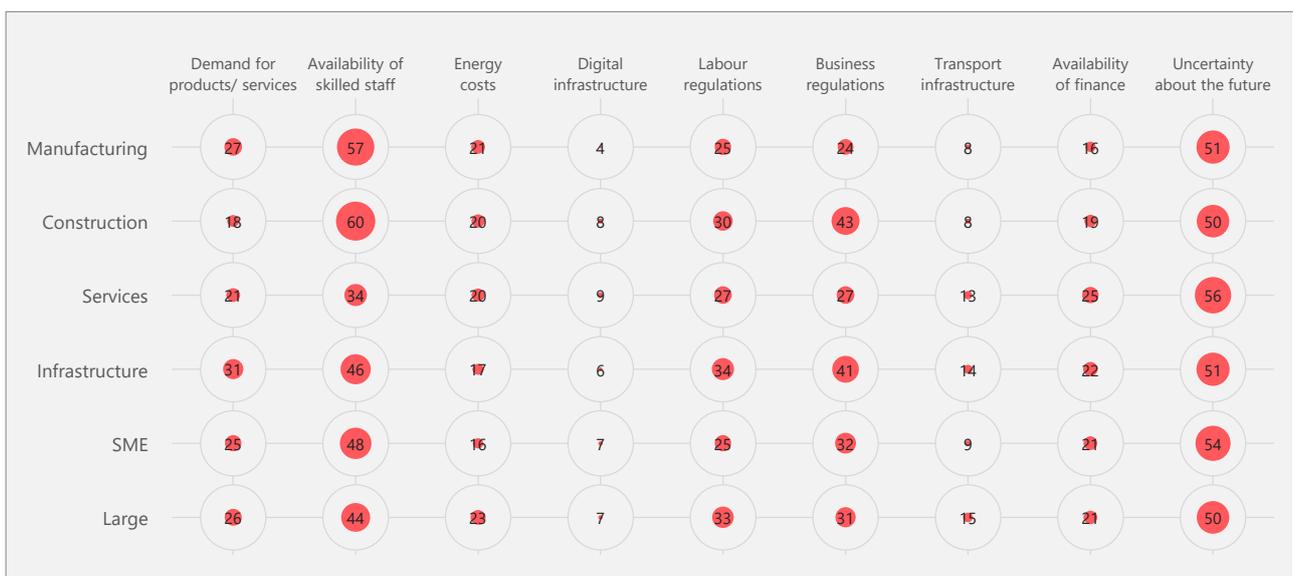
declined (or remained broadly stable). In particular, declines were recorded with reference to: availability of staff with the right skills (46% versus 70%), business regulations (32% versus 42%), energy costs (19% versus 26%), availability of adequate transport infrastructure (12% versus 21%) and access to digital infrastructure (7% versus 14%).



Q. Thinking about your investment activities in Netherlands, 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



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

Q. Thinking about your investment activities in Netherlands, 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)

Investment Finance

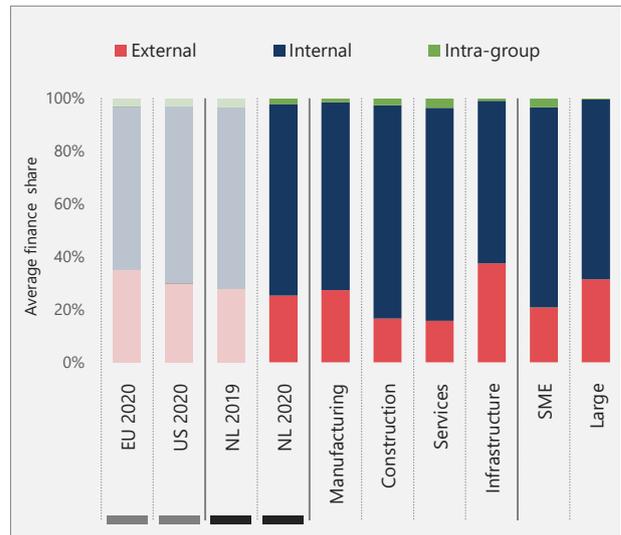
SOURCE OF INVESTMENT FINANCE

Around three quarters of the investment activity in the past financial year was financed by internal sources (73%). This is in line with EIBIS 2019 (69%) and above the average for the EU (62%).

One quarter (25%) of the investment share was made up of external financing, which is below the 35% share reported across the EU.

Internal finance made up four fifths of the investment finance among construction and services sectors (both 81%).

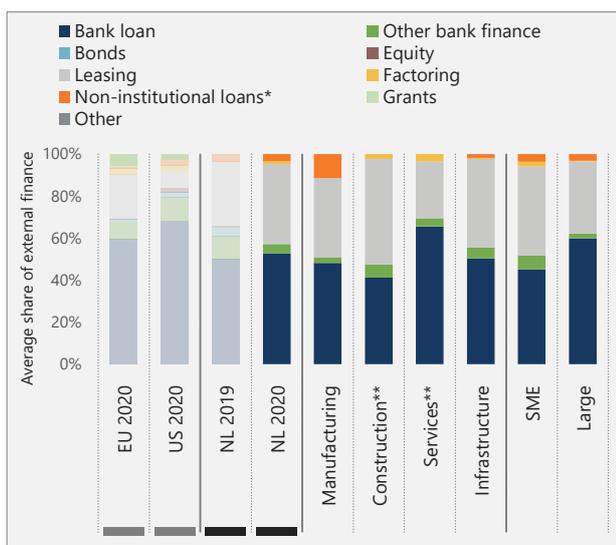
The share of investment made up by external finance was larger among large firms compared with SMEs (31% versus 21%).



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)

TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



Bank loans continued to account for the highest share of external financing (53%) in the past financial year. This is in line with the reported share in EIBIS 2019 (50%) and slightly lower than the EU average (59%).

Leasing and hire purchases continued to make up the second highest share of external finance in the country (38%) in 2019.

Manufacturing firms report the highest share of external financing coming from non-institutional loans e.g. loans from family, friends or business partners (11%).

None of the external finance consisted of bonds, equity or grants.

Q. Approximately what proportion of your external finance does each of the following represent?

*Loans from family, friends or business partners

**Caution very small base size less than 30

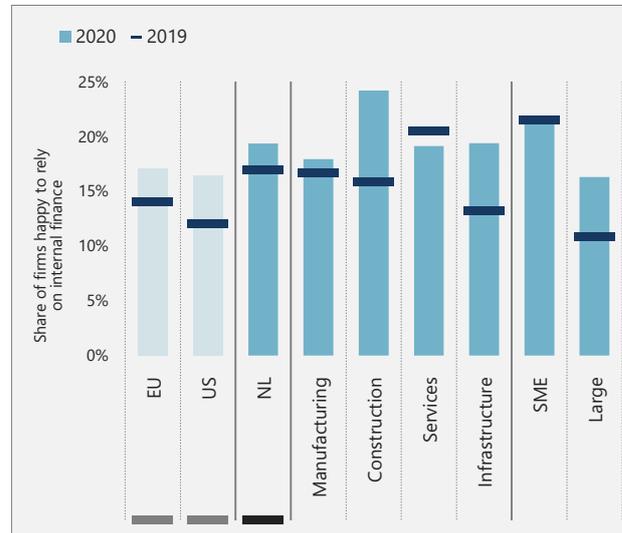
Base: All firms who used external finance in the last financial year (excluding don't know/ refused responses)

Investment Finance

SHARE OF FIRMS HAPPY TO RELY EXCLUSIVELY ON INTERNAL SOURCES TO FINANCE INVESTMENT

Around one in five (19%) firms cite the main reason for not applying for external finance in the past financial year is because they were happy to use internal funds or did not have a need for external finance. This is in line with EIBIS 2019 and the EU average (both at 17%).

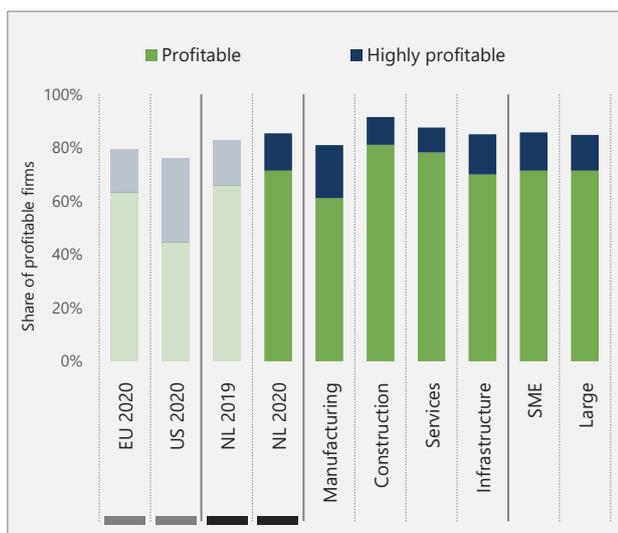
The share of firms citing this as reason for not applying for external finance is does not differ significantly across all sectors and sizes.



Q. What was your main reason for not applying for external finance for your investment activities? Was happy to use internal finance/didn't need the finance

Base: All firms

SHARE OF PROFITABLE FIRMS



More than four fifths of firms (85%) report generating a profit in the last financial year, which is close to the reported share in EIBIS 2019 (83%).

Specifically, around one in ten (14%) firms claim to be highly profitable in 2019, defined as generating a profit level at least 10% of firm turnover. This is similar to the EU average (16%).

The sector with the highest share of highly profitable firms is the manufacturing sector (20%).

Q. Taking into account all sources of income in the last financial year, did your company generate a profit or loss before tax, or did you break even? Highly profitable is defined as profits/turnover of 10% or more

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

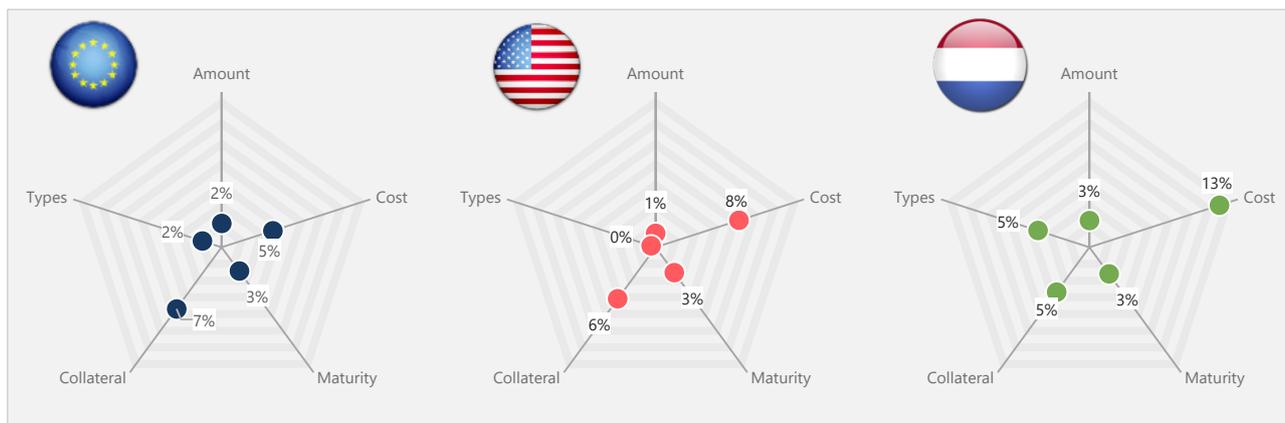
Access To Finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Firms using external finance in 2019 are on balance satisfied with the amount, maturity, collateral and type of finance received. The highest levels of dissatisfaction recorded among firms in

Netherlands is with the cost of finance (13%) that is slightly higher than in EIBIS 2019 (8%) and much higher than the EU average (5%) and followed by the collateral requirements and type of external finance (both 5%).

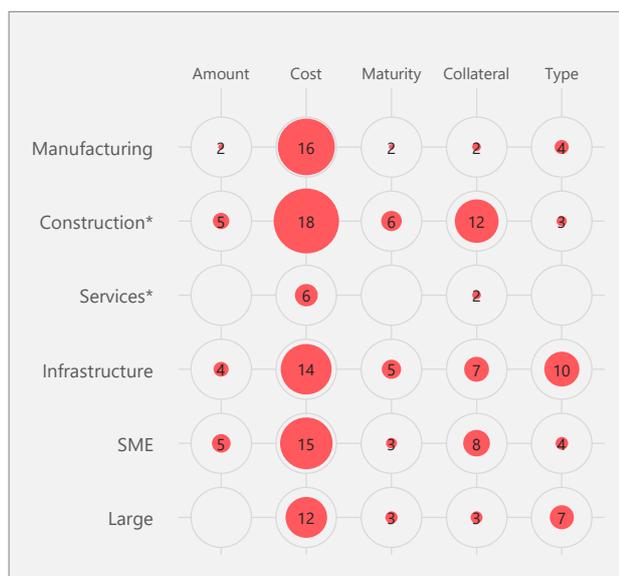
Share of dissatisfied firms



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 (%)



Overall, dissatisfaction levels are low, with the highest levels of dissatisfaction mentioned for the cost of the external finance obtained.

Dissatisfaction related to cost is common to large and small firms and also across sectors. In addition, none of the firms in the service sector were dissatisfied with the amount they obtained, the length of time over which it has to be repaid, and the type of external financing.

In the Netherlands, large firms and those operating in the infrastructure sector are showing slightly higher levels of dissatisfaction related to the type of finance than on average in the EU (7% and 10% vs 2% and 1% respectively).

Q. How satisfied or dissatisfied are you with ...?

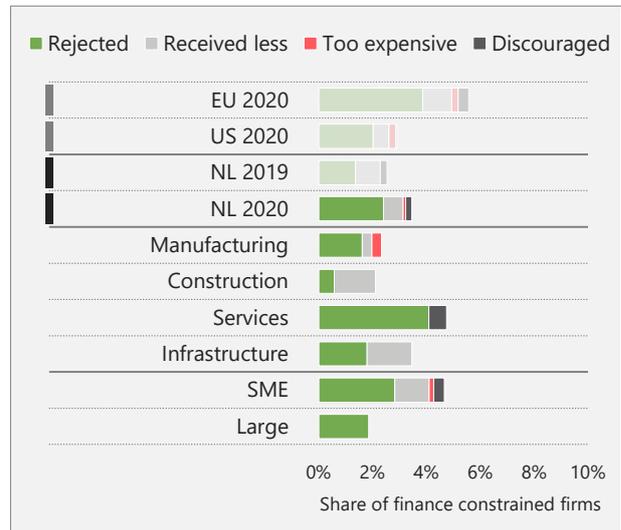
Base: All firms who used external finance in the last financial year (excluding don't know/ refused responses) * Caution very small base size less than 30. Effective bases on some sectors and size are less than 30 – no significance testing applied

Access To Finance

SHARE OF FINANCE CONSTRAINED FIRMS

Only 3.5% of all firms in the Netherlands could be considered as financially constrained by external financing in 2019, slightly higher (but the difference is not statistically significant) than in EIBIS 2019 (2.5%) and lower than the EU average (5.6% also rising from 2019).

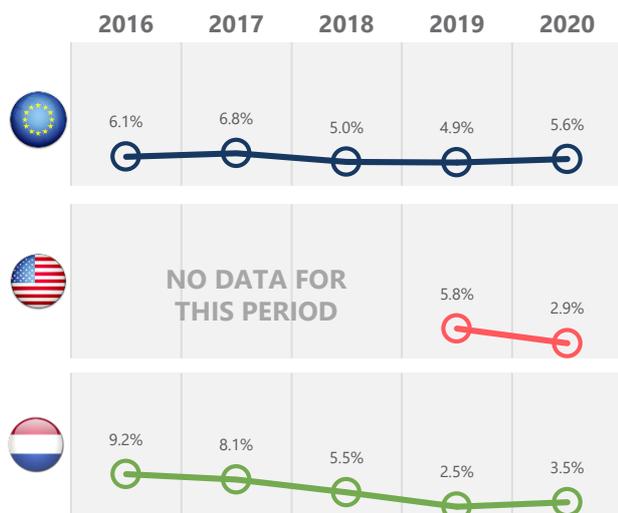
The slight rise is due to the reported increase of rejected firms (from 1.4% to 2.4%).



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

FINANCING CONSTRAINTS OVER TIME



The above mentioned increase is marginal and the share of constrained firms is low if compared to historical standard. In 2016 the frequency of firms signaling to be financially constrained was at 9.2%, slightly higher, at that time, than the EU level (6.1%).

Base: All firms

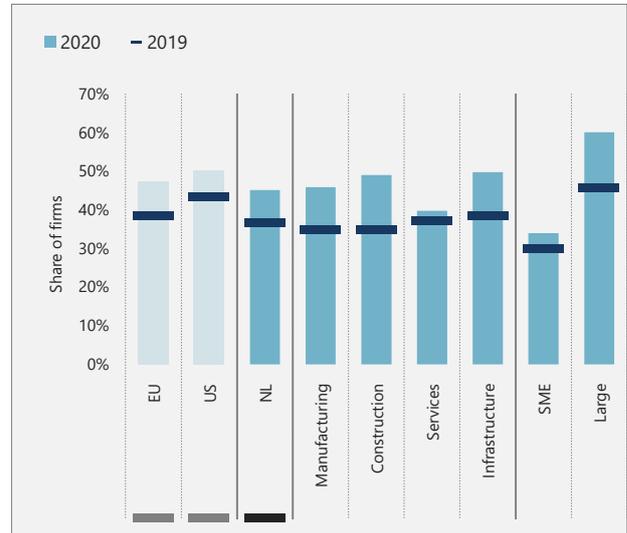
Energy Efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

Almost half of firms in the Netherlands (45%) have invested in measures to improve their energy efficiency, which has increased since EIBIS 2019 (from 37%) and is now similar to the EU average (47%).

Firms in the service sector have the lowest share of firms investing in measures to improve energy efficiency but there are no significant differences between sectors.

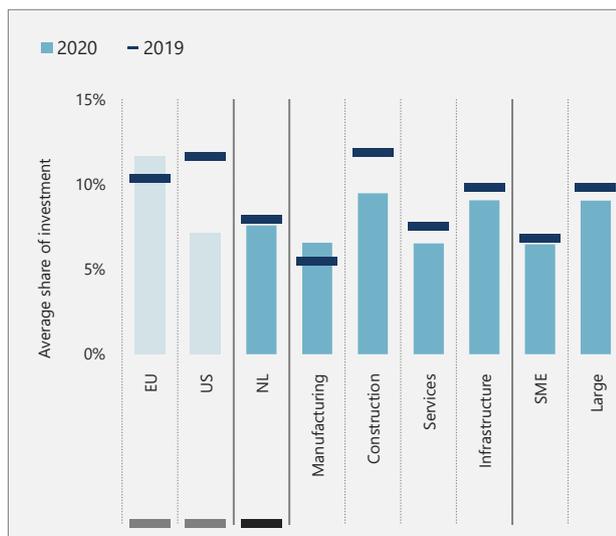
SMEs are less likely than large firms to have invested in measures to improve energy efficiency (34% versus 60%). The gap between SMEs and large firms has grown in 2020 versus 2019.



Q. What proportion of 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



The average share of investment in measures to improve energy efficiency by firms in the Netherlands is at the same level as to EIBIS 2019 (both at 8%), but lower than the EU average (12%).

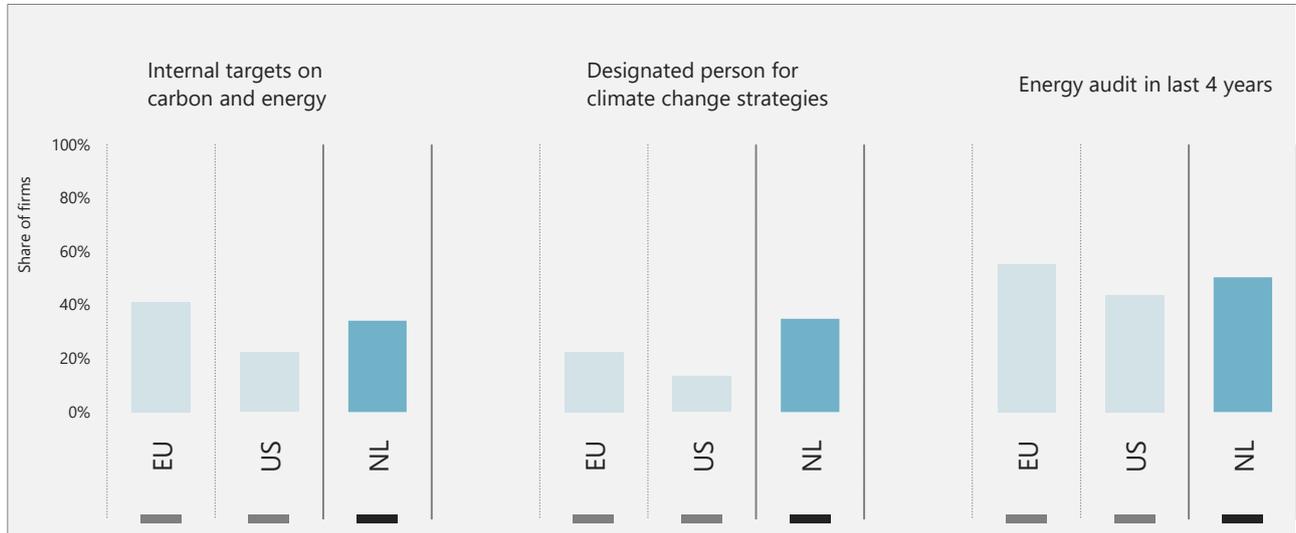
The average share of investment is more homogeneous in 2020 than in EIBIS 2019, when construction and infrastructure firms were more active in investing in energy efficiency with respect to service and manufacturing.

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

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

Energy Efficiency

ENERGY TARGETS, MANAGEMENT AND INTERNAL AUDIT



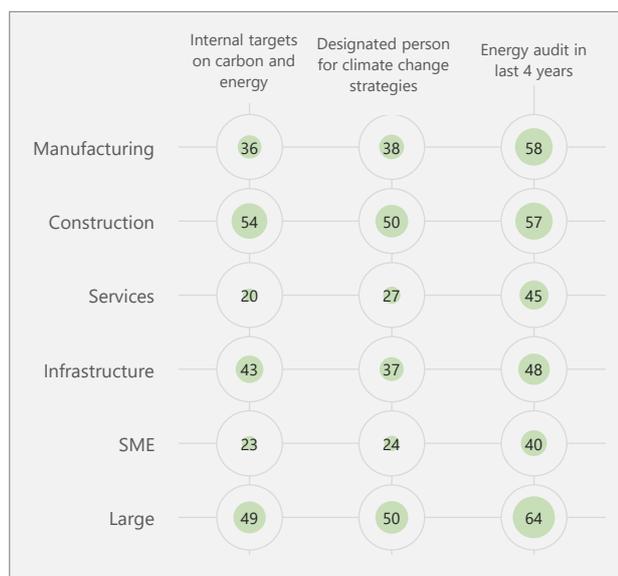
Q. In 2019 and under normal conditions, did your company set and monitor internal targets on carbon emissions and energy consumption?

Q. In 2019 and under normal conditions, did your company have a designated person responsible for defining and monitoring climate change strategies?

Q. And can I check, in the past four years has your company had an energy audit? By this, I mean an assessment of the energy needs and efficiency of your company's building or buildings

Base: All firms

ENERGY TARGETS, MANAGEMENT AND INTERNAL AUDIT BY SECTOR AND SIZE



Firms in the Netherlands are less likely than EU firms to have set internal targets on carbon and energy (34% versus 41%), but are more likely to have a designated person for climate change strategies (35% versus 23% in the EU).

A half of firms also had an energy audit in the past four years (50% versus 55% in the EU).

Large firms are more likely than SMEs to have internal targets on carbon and energy, have a designated person for climate change strategies and to have had an energy audit in the past 4 years.

Q. In 2019 and under normal conditions, did your company set and monitor internal targets on carbon emissions and energy consumption?

Q. In 2019 and under normal conditions, did your company have a designated person responsible for defining and monitoring climate change strategies?

Q. And can I check, in the past four years has your company had an energy audit? By this, I mean an assessment of the energy needs and efficiency of your company's building or buildings

Base: All firms

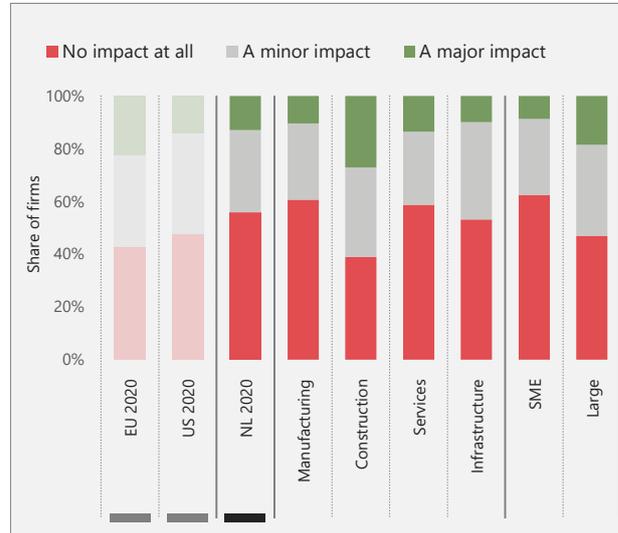
Climate Change

CLIMATE CHANGE IMPACT

More than two fifths (44%) of the firms in the Netherlands feel their business has been impacted by climate change and the related changes in weather patterns, this includes 13% who report it has had a major impact. However, these levels are lower than the EU averages (58% and 23% respectively).

Firms in the construction sector are much more likely say these changes have had a major impact than firms in other sectors (27% versus between 10% and 14%).

Large firms are also more likely to report a major impact than SMEs (18% versus 9%).



Q, Thinking about climate change and the related changes in weather patterns, would you say these weather events currently have a major impact, a minor impact or no impact at all on your business?

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

REDUCTION IN CARBON EMISSIONS OVER NEXT FIVE YEARS BY SECTOR AND SIZE (NET IMPACT %)



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

Q. What impact will the transition to a reduction of carbon emissions have on the following aspects of your business over the next five years?

Base: All firms

Overall, more firms in the Netherlands are expecting the transition to a low-carbon future to be positive rather than negative for their reputation (net +30%) and for the market demand (net +16%) over the next five years, but to have a negative rather than positive impact on their supply chain (net -11%).

Construction and infrastructure firms, are more likely to expect a positive impact on their reputation (both at 42%) than those in other sectors.

Large firms are also more likely than SMEs to expect a positive impact on both their reputation (42% versus 21%) and on market demand (23% versus 10%).

*Net balance is the share of firms seeing positive impact minus the share of firms seeing a negative impact

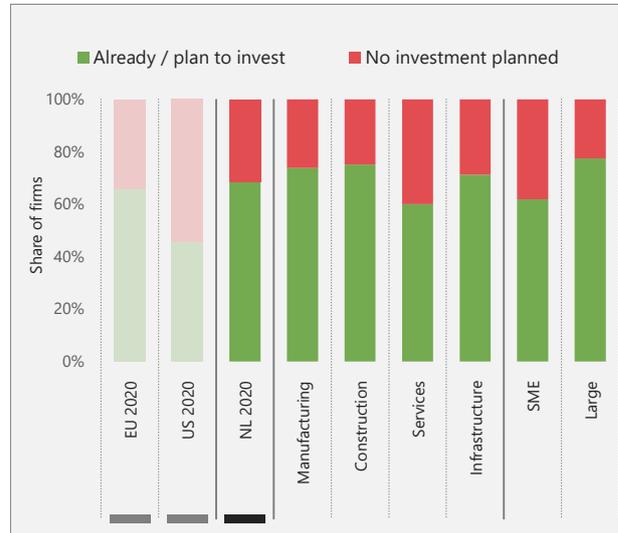
Climate Change

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

Almost three-quarters of the firms in the Netherlands (73%) have already invested or plan to invest in the next three years in measures to tackle the impact of weather events and reduction in carbon emissions. This is above the EU average (67%).

SMEs are less likely to have invested or plan to invest than large firms (66% versus 82%).

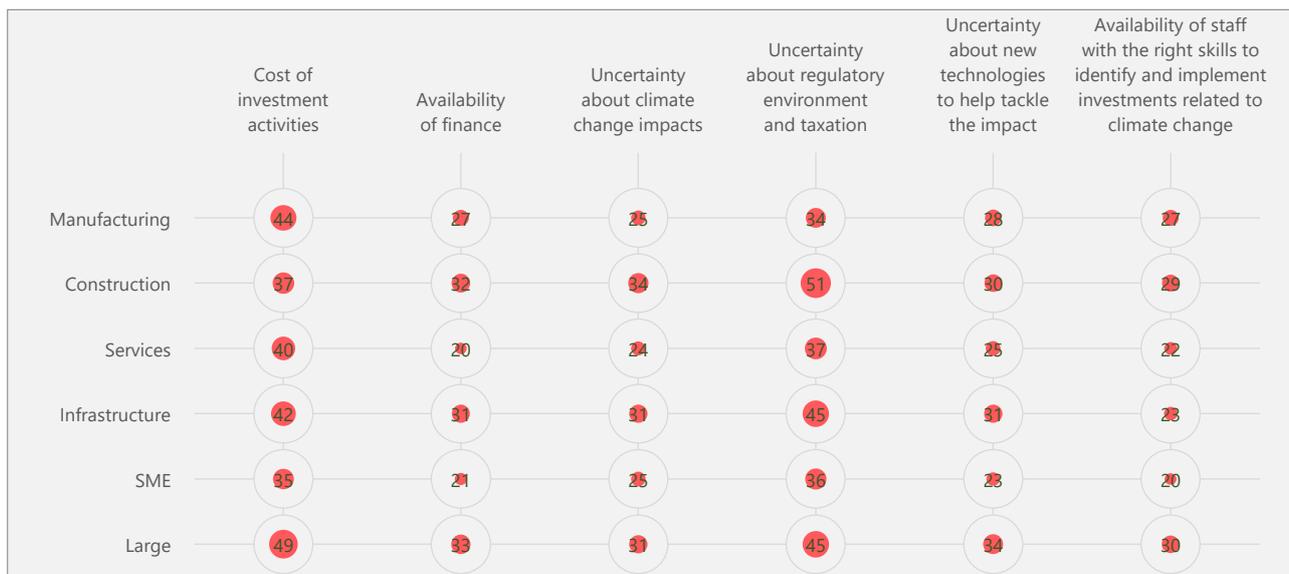
The cost of investment activities (41%) and the uncertainty about the regulatory environment and taxation (40%) are the most frequently cited barriers to investment.



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

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

BARRIERS TO INVESTING IN ACTIVITIES TO TACKLE CLIMATE CHANGE BY SECTOR AND SIZE



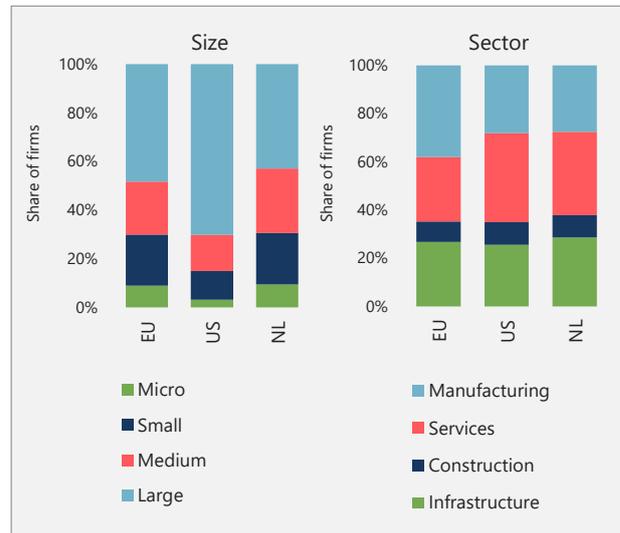
Q. To what extent is the following an obstacle to investing in activities to tackle weather events and emissions reduction? Is it a major obstacle, minor obstacle or not at obstacle at all?

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

Profile of Firms

CONTRIBUTION TO VALUE ADDED

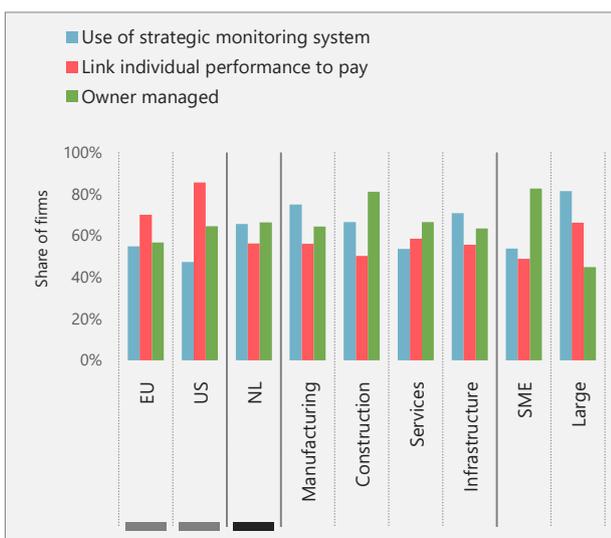
Large firms with 250+ employees (43%) and those operating in the services sector (35%) account for the greatest share of value-added in the Netherlands.



The charts reflect the relative contribution to value-added by firms belonging to a particular size class / sector in the population of firms considered. That is, all firms with 5 or more employees active in the sectors covered by the survey. Micro: 5-9 employees; Small: 10-49; Medium: 50-249; Large: 250+

Base: All firms

FIRM MANAGEMENT



The share of firms in the Netherlands linking individual performance to pay is lower than the average for the EU (56% versus 70%). SMEs are less likely to do this than large firms (49% versus 66%).

Conversely, firms using a strategic monitoring system in the country is higher than the EU average (66% versus 55%). Large firms are more likely to use a strategic monitoring system than SMEs (82% versus 54%).

Two thirds of firms report being owned or controlled by their CEO or a member of the CEO's family (66%), higher than the EU average (57%). SMEs are more likely to be owned managed than large firms (83% versus 45%).

Q. And does your company (a) use a formal strategic business monitoring system (that compares the firm's current performance against a series of strategic key performance indicators) (b) link individual performance with pay?
Q. Does the CEO/ company head of your firm own or control the firm, or have a family member that owns/controls it?

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

EIBIS 2020 – 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
	(11971)	(800)	(480)	(140)	(99)	(119)	(120)	(392)	(88)	(11971 vs 480)	(99 vs 140)	(392 vs 88)
10% or 90%	1.1%	3.5%	2.8%	4.9%	5.9%	5.4%	5.4%	2.7%	5.5%	3.0%	7.6%	6.1%
30% or 70%	1.7%	5.3%	4.3%	7.4%	9.0%	8.3%	8.2%	4.1%	8.4%	4.6%	11.6%	9.4%
50%	1.9%	5.8%	4.7%	8.1%	9.8%	9.0%	9.0%	4.5%	9.2%	5.1%	12.7%	10.2%

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.
EIBIS 2019	The previous wave of the EIB Investment Survey, with interviews carried out between April-July 2019.
EIBIS 2020	The current wave of the EIB Investment Survey, with interviews carried out between May-August 2020.

Note : the EIBIS 2020 overview refers interchangeably to 'the past/last financial year' or to '2019'. Both refer to results collected in EIBIS 2020, where the question is referring to the past financial year, with the majority of the financial year in 2019 in case the financial year is not overlapping with the calendar year 2019.

EIBIS 2020 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 480 firms in Netherlands (carried out between May and August 2020).

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

Base definition and page reference	EU 2020/2019	US 2020/2019	NL 2020/2019	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p. 4, p. 6, p. 10, p.11, p. 13, p. 15, p. 16, p. 17, p. 18, p. 19, p. 20	11971/12071	800/803	480/491	140	99	119	120	392	88
All firms (excluding don't know/refused responses), p. 2	11634/11417	748/711	476/465	140	98	116	120	388	88
All firms with investment plans for the current financial year (excluding don't know/refused responses), p. 3 (bottom), p.4 (top)	9606/NA	643/NA	443/NA	132	93	106	110	358	85
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5 (top)	10138/9716	682/624	442/417	130	94	104	112	358	84
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5 (bottom)	9874/9506	683/620	442/411	130	94	104	112	360	82
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	11949/12042	799/802	480/487	140	99	119	120	392	88
All firms (excluding don't know/refused responses), p. 7 (top)	11727/11757	787/775	470/459	137	98	113	120	384	86
All firms (excluding don't know/refused responses), p. 7 (bottom)	11608/0	780/0	467/0	135	98	112	120	383	84
All firms (excluding don't know/refused responses), p. 8 (top)	11720/11770	769/772	467/476	135	96	116	118	383	84
All firms (excluding don't know/refused responses), p. 8 (bottom)	9039/8380	600/516	420/372	121	90	98	109	343	77
All firms (excluding don't know/refused responses), p. 9	11938/11937	799/800	480/485	140	99	119	120	392	88
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	9255/9008	648/587	324/290	80	77	81	86	266	58
All firms who used external finance in the last financial year (excluding don't know/ refused responses), p. 12	4354/4369	314/252	123/112	32	26	24	41	92	31
All firms (excluding don't know/refused responses), p. 13	10711/10490	637/605	453/446	130	91	112	118	372	81
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	4310/4292	314/245	122/112	32	26	24	40	91	31
All firms (excluding don't know/refused responses), p. 18	11898/NA	794/NA	478/NA	140	98	119	119	390	88
All firms (excluding don't know/refused responses), p. 19	11739/NA	772/NA	473/NA	136	98	117	120	388	85
All firms (excluding don't know/refused responses), p. 20*	11740/11627	777/762	476/479	138	98	118	119	390	86



**European
Investment
Bank**

The EU bank

Economics Department

✉ economics@eib.org
www.eib.org/economics

Information Desk

☎ +352 4379-22000
✉ info@eib.org

European Investment Bank

98-100, boulevard Konrad Adenauer
L-2950 Luxembourg
☎ +352 4379-1
www.eib.org

🐦 twitter.com/EIB

📘 facebook.com/EuropeanInvestmentBank

📺 youtube.com/EIBtheEUBank

© European Investment Bank, 11/2020 print: ISBN 978-92-861-4764-7
PDF: ISBN 978-92-861-4765-4

Netherlands

Overview

EIB INVESTMENT SURVEY

2020