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PRESS RELEASE

The Netherlands increasingly attractive for foreign companies

The Netherlands is an increasingly attractive location for foreign companies that want to locate in Europe. This is shown by the latest study based on research conducted every two years by KPMG regarding the operating costs in the United States, Japan, Australia, Canada, the United Kingdom, France, Italy, Germany, the Netherlands and Mexico. Out of the European countries included in this study, the Netherlands is the least expensive location for foreign companies when it comes to operating costs. The Netherlands is also less expensive than the United States and Japan. In the study, the operating costs in the various countries were compared to those in the United States. The study considered 27 types of costs impacting business operations. The Netherlands has a 3.5% cost advantage compared to the United States and has the best score of the European countries included. The Netherlands has a cost advantage of 1.7% compared to the United Kingdom, which ranks second among the European countries. Japan and Germany continue to be the most expensive countries in the study. Their cost disadvantage compared to the United States is 7.6% and 2.6% respectively. Worldwide, the least expensive destination for companies looking for a new foreign location is Mexico. Here, the costs of establishing a new location are the lowest. The study not only looked at the costs at a national level, but also compared the costs in the 100 most important economic centres in these countries.

Elbert Waller, International Affairs Executive at KPMG, observes that the Netherlands has become more competitive: "Compared to the 2008 study, the Netherlands' competitiveness inside Europe has improved significantly." Two years ago, the Netherlands was still faced with a cost disadvantage compared to France and the United Kingdom. This year, we are ahead of all European countries. We owe this lead mainly to the homogenous cost structure in the Netherlands. In contrast to the other countries in the study, the most important economic centres in the Netherlands, such as The Hague and Amsterdam, all have high scores. The Netherlands is particularly attractive for companies whose activities involve research & development. This is mainly because of the extensive fiscal incentives available here. The fact that the Netherlands score so well on cost comparison is an important factor to take into account for foreign companies which, particularly in the present circumstances, select their new location mainly based on cost."

KPMG has examined the costs companies would incur in setting up their new business location as well as the operating costs of this location over a period of ten years. For each sector, a variety of costs, include the costs of energy, transport, telecommunications, labour and taxation, were considered. Waller: "The most important cost item is still wage costs. For companies in the manufacturing sector, wage costs make up between 45 and 60 percent of total costs. In the service sector, this is between 74 and 85 percent. Total wage costs are the lowest in Mexico, followed by Canada, the United Kingdom and Australia. The cost of land and buildings is also an important factor. For manufacturing businesses, office costs make up between 2 and 7 percent of total costs and are the lowest in Mexico, followed by the United States and Canada. For non-manufacturing businesses, these costs make up between 5 and 18 percent and are the lowest in Mexico, followed by the Netherlands and the United States. Utility costs continue to comprise between 1 and 6 percent of the location-sensitive operating costs. Electricity is the cheapest in Canada, France and the United States. Natural gas is the cheapest in Mexico, the United States and Canada."

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