

## **REFERENCE**

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## **NETHERLANDS IN GLOBAL FINANCIAL SYSTEM**

The UNCTAD 2015 World Investment Report classified the Netherlands as one of the largest potential investors for 2013–2015. In fact, Dutch companies are more likely to invest abroad. Dutch investment is characterized a strong international orientation and a liberal policy towards foreign investment. Many Dutch companies are multinational by nature and some of these are listed on foreign stock markets. Moreover, there are no regulatory restrictions on foreign direct investment. This is potentially high-risk high-reward investment. For example, the Dutch company FDI was the largest European investor country in 2013, but their asset value plummeted in 2014 by 28%. While FDI inflow fell by 5.6% from 2013 to 2014, the country remained one of the five top host economies in 2014. However, according to the Government, the rise of foreign investment alone created 9,300 jobs in 2015.

*table 1*

### **FDI of Netherlands**

<b>Foreign Direct Investment</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>FDI Inward Flow</b> ( <i>million USD</i> )	17,655	32,039	30,253
<b>FDI Stock</b> ( <i>million USD</i> )	684,397	735,361	664,442
<b>Number of Greenfield Investments</b> ***	168	161	166
<b>FDI Inwards</b> ( <i>in % of GFCF</i> ****)	11.2	20.6	18.7
<b>FDI Stock</b> ( <i>in % of GDP</i> )	83.1	86.1	76.7

- **Strong Points to Invest in the Netherlands:**

The country's strengths are its highly developed communication and transport infrastructures, a skilled, productive and multilingual labour force, a strategic geographical location which is a gateway towards major European markets, a stable political and macro-economic environment and a very developed financial sector.

- **Weak Points**

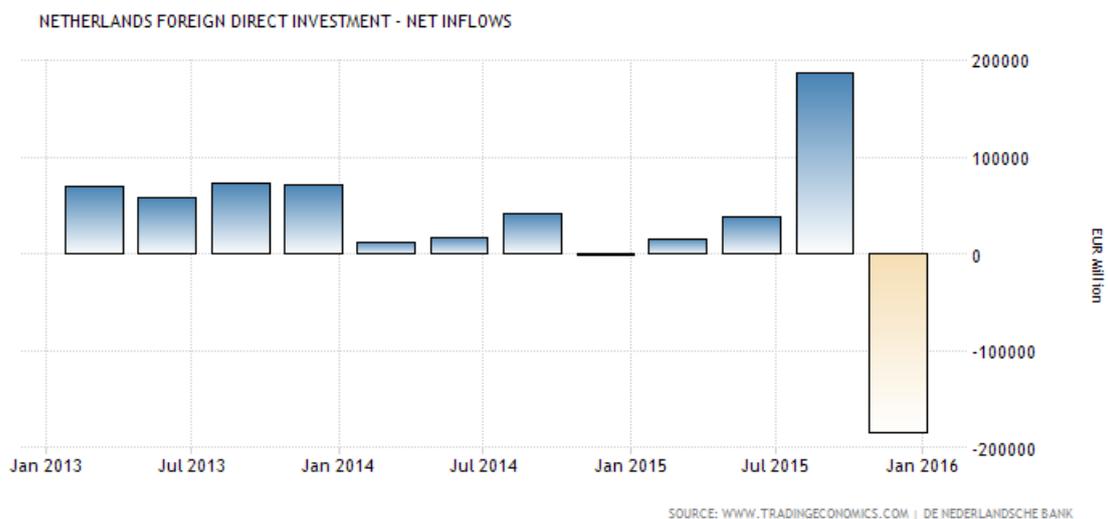
The country's weak points are the high cost of labour, the limited domestic market, relatively complicated legislation, a cumbersome administrative system and a limited road infrastructure.

- **Government Measures to Motivate or Restrict FDI**

The Dutch economy is amongst the most open in the world. Since January 2007, the Dutch taxation environment for international companies has become even more attractive. The company taxation rate has dropped well below the European Union average.

The Key Sectors of the National Economy are: Agro industries, metal and engineering products, electrical machinery and equipment, chemicals, petroleum, construction, microelectronics and fishing.

High Potential Sectors: Computer software, computer services, automotive parts and accessories, seaport & airport security equipment and systems, transport and distribution services, aircraft parts and associated equipment, medical equipment and supplies and pollution control equipment.



**Fig. 1. Netherlands – Foreign direct investment, net outflows (% of GDP)**

Foreign direct investment, net outflows (% of GDP) in Netherlands was 4.90 as of 2013. Its highest value over the past 8 years was 18.88 in 2005, while its lowest value was -0.63 in 2012. The latest value for Foreign direct investment, net (Bop, current US\$) in Netherlands was \$9,709,468,000.00 as of 2013. Over the past 8 years, the value for this indicator has fluctuated between \$82,596,600,000.00 in 2005 and (\$71,020,680,000.00) in 2007.

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## **FINLAND ON GLOBAL ECONOMIC ARENA**

Foreign Direct Investment in Finland increased by 77342 EUR Million in 2014. Foreign Direct Investment in Finland averaged 40921.05 EUR Million from 1994 until 2014, reaching an all-time high of 77342 EUR Million in 2014 and a record low of 5356 EUR Million in 1994.