

QUEEN'S BIRTHDAY

National Day of the Netherlands



The Daily Star

Special Supplement

April 30, 2001

MESSAGE

The occasion of the birthday of her Majesty Queen Beatrix time and again brings people in the Netherlands together to celebrate their common well being. I gladly use this opportunity to also dwell upon the relations between the Netherlands and Bangladesh, countries that have so much in common and peoples that have had thirty years of intensive interactions. We are a small country - about a quarter of the size of Bangladesh - with 16 million quite productive people. Our economy is truly post-industrial, with 21% of our population employed in manufacturing and agriculture and almost 2/3rds in services and trade. Over the past few years our unemployment rate has been under 5%, very low by European standards, and job growth in the Netherlands from 1992-1999 rose a robust 2% per year, equal to for example the U.S. job growth rate. At the same time the GDP growth averaged between 3 and 4%, while inflation was kept under control and interest rates were low. People have referred to these achievements as the Dutch Miracle.

What kinds of things do we do? First and foremost we are, and always have been, a nation of traders, inventors and merchants. More than 50% of our GDP is related to trade, and because of this we are outward looking and internationally oriented. We are, moreover, free traders, which puts us at odds on occasion with some of our European allies and other more protective economies.

How do we fare in the world economy?

We have the world's 10th largest economy and are the world's 8th largest exporter. We will be, according to the esteemed Economist magazine, the leading place to do

business over the next few years. Our banking sector was rated the world's best by Moody's investor services.

Our geographic location makes us the Gateway to Europe, with more than 50% of all goods heading into Europe passing through the world's largest seaport - Rotterdam - both in terms of sheer size and tonnage shipped, as well as the 4th largest cargo airport - Schiphol. Our first rate logistics and transportation network guarantees the speedy flow of goods to and from these ports into the European hinterland.

The Netherlands is also the world's third largest exporter of agricultural products, and the largest producer of tulip bulbs and cut flowers.

And what about the Netherlands and Bangladesh? The Netherlands was among the first countries to recognise Bangladesh after its turbulent emerging as a state. Currently, Bangladesh figures prominently on the list of some 20 countries that now have structural bilateral development relations with the Netherlands. Details are given elsewhere in this supplement. Over the years, support from the Netherlands has exceeded three billion Netherlands Guilders (six thousand crore Taka). Dutch companies have gained unique experience here, in the world's largest river systems. In recent years, exports to the Netherlands have far exceeded the annual development assistance, last year with a factor nine. The best words to describe the Dutch-Bangladesh relationship are "fruitful" and even "profitable."

Turning to politics in the Netherlands, we have a stable parliamentary democracy. The current government was first elected in 1994 and re-elected in 1998. The Labour Party, the liberal party and

a smaller "progressive" party form what we know as the "Purple" - red and blue mixed - coalition.

A unique aspect of Dutch politics and society is the search for consensus, now popularly known as the "Polder model". World leaders such as President Clinton and Prime Minister Blair showed great interest in the model. The Dutch like to discuss and debate the issues of the day, and we respect everyone's right to put his or her two cents in. While the debate may be long, what arises from that long debate will most likely command the support of a solid majority of the people. We have learned that a small, tightly-packed, energised country is easier to govern if most parties can find a part of their beliefs in the policy. This search for consensus has allowed us to adapt and change without widespread social unrest or economic disruption.

A good example of the search for consensus can be found in the Dutch economic miracle I described earlier. In the mid 1980s, the Dutch economy was stagnant, unemployment was rising, and standards of living were declining. The leading political parties, as well as business, labour and government came together to find a way to reverse those trends. Each party realised that stalemate served no one. Happily, pragmatism overcame dogmatism, and each side gave a little: labour would hold back on wage demands, business would hold back on lay-offs and work reductions, and government would alleviate some tax and regulatory burdens. These policies were refined over the years and the economy turned itself around to the benefit of all.

This same pragmatism and consensus-seeking colours many Dutch policies. When it became



Her Majesty Queen Beatrix

clear that environmental degradation threatened both our quality of life as well as future economic growth, industry, agriculture, labour and government came together to reach consensus on how to best solve environmental problems without harming the economy. Dutch policies on drugs, on social welfare reform, on euthanasia, on workforce matters, and many other issues have their roots in the Dutch consensus model.

On the international level, our policies strive toward an international system that is at peace, that is orderly, that is just, where trade is open, contacts are free, and capital and goods flow smoothly. A system which promotes respect for law and human rights; one which allows nations to co-operate and more successfully manage and contain the international conflicts which may arise from time to time.

A lot of attention is given to signals from civic society and the linkages with civic society abroad. Recently, all political parties together supported the setting up of the foundation called "Institute for Multi Democracy". IMD will focus on the possibilities in Africa as well as in Latin America and Asia. The foundation will concentrate on countries that are going through a difficult period in their democratisation process. For example countries that after the first (series of) elections are in the process of building up and deepening a multiparty system, or countries going through a period of transition from an authoritarian regime to a democratically elected government, but also countries that do not have a democratic system as yet, but where existing conditions allow the development of free institutions which could prepare the ground for

transition to a multiparty democracy in the foreseeable future. The activities of the foundation complement the support given by other Dutch non-governmental as well as governmental organisations, and are financed by the Dutch ministry for Development Co-operation.

The Netherlands is not a superpower, so we must rely upon partners and allies to achieve some of these goals. We were founding members of the European Coal and Steel Community, which evolved into today's European Union. The continued unification of Europe, especially on the economic level, is in our interests. And we believe that a more integrated Europe at the political level would be a positive influence upon world affairs. In our political contacts with Bangladesh, the EU partners increasingly operate as one entity.

We also strongly support, and were a founding member of, the United Nations. We participate in most UN agencies and forums, and believe that the country-building and development activities of the United Nations, while not perfect, are essential. In fact the Netherlands is the 3rd largest per capita donor of foreign aid in the world, which we distribute both multilaterally and bilaterally.

The Hague is known as the legal capital of the world because it is home to the International Court of Justice and other international legal bodies and tribunals. The Netherlands firmly believes that strengthening the rule of law and respect for fundamental rights within developing countries is essential to their stability and prosperity. Strengthening respect for international law and recognised norms of behaviour between countries is likewise the sine-qua-non of peace, stability and prosperity at the international level.

Dutch forces are part of international peacekeeping operations

in the Middle East, on Cyprus, in the Balkans, Cambodia, Angola and Ethiopia and Eritrea. This is another field we share with Bangladesh that belongs to the top-suppliers of peace keeping forces.

The picture I have painted so far is a positive one and, I believe, a fair one. However, we are also beset with many of the same problems seen in other countries.

First of all the economic growth may not last forever. The Central Economic Plan 2001 was published on 10 April. The international economic slowdown is expected to slow down manufacturing output in the Netherlands. The Central Planning Bureau expects growth in 2002 to slacken to 2.75%. Industries that depend heavily on exports or the sale of capital goods, and sectors that provide services to them, will be most affected by the estimated reduction in growth. On the other hand, economic sectors such as retailing, catering and personal services will benefit from the sustained healthy trend in consumer spending. The energy industry is the only area of the economy in which output is expected to grow substantially more in 2001 than in 2000.

Furthermore, we have an ageing population, which brings with it many economic, social and cultural challenges. Health care costs are rising, and if we are not careful the favourable budget situation we enjoy now could quickly disappear, with all of the attendant negatives associated with that.

The stress placed upon the environment by industry, agriculture and consumers is increasing, and while progress has been made, much more must be done. To say that a waterlogged country like the Netherlands may drown in its own dirty water is both a bad pun and a real threat. The swine pest epidemic two years ago, just as the current outbreak of foot and mouth disease, has led to enormous losses

and demonstrated the vulnerability of the livestock sector.

While most of our youth are being prepared quite well for the 21st century, those who are left behind demand our attention too. The scourges of crime, of drug use, are found in every country and that includes the Netherlands.

In short, in the Netherlands we also face substantial challenges, and some are similar to those facing Bangladesh. I hope that neither country shies away from those challenges.


The Netherlands "Polder model" is no solution for all problems. It may however offer some ingredients that others find attractive and contribute to respectful politics.

I hope that this message provides you with a better appreciation of the Netherlands and that you understand that we are more than a small country of windmills, tulips and wooden shoes.



J.L. Ijzermans
Ambassador of The Netherlands to Bangladesh

With deep gratitude to
Her Majesty the Queen Beatrix
We warmly congratulate
The friendly people of the Netherlands
on the occasion of their
National Day

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