

Pioneers in international business

FROM the discovery of New York to being the gateway to Europe. From Van Gogh's irises to global agricultural products. From Renaissance bankers to trading online. From the VOC to logistic services and products. From the bicycle to the solar car. From the polder to world-wide water management.

THE above phrases are just some ways to characterise the Dutch economy. It is perhaps because we are such a small country, that the Dutch have

always felt the need to explore what lies beyond our borders. In the early 17th century, we established the VOC or the United Dutch East Asia Company, which became the world's first multinational. At the height of its power, the Company operated a fleet of 1,500 vessels and employed 25,000 people. We operated a network of trading posts from the Persian Gulf to the China Sea. This included a trading post in Bengal, covering today's Bangladesh. The

Dutch mainly imported textile, raw silk, opium and saltpetre from their trading post in Bengal.

Today, the Netherlands is a recognised leader in the world of transport and logistics. A significant portion of global trade, to and from Europe, relies on Dutch expertise - primarily in maritime logistics and container transshipment.

Rotterdam has one of the biggest ports in the world and Schiphol Airport is Europe's

fourth largest cargo and passenger hub. Through an intricate maze of rail, road and inland waterways, we enable access to an European market of nearly half a billion people. As a result, we have earned the title of being the "Gateway to Europe".

The Dutch have a history of shaping their environment to suit their needs. In the 19th and 20th centuries our country needed more land for agriculture, so we built the capacity to reclaim land and keep it dry. In the 21st century we have managed to become the world's third largest exporter of agricultural products when our country was too cold to grow certain vegetables and flowers. We achieved this by inventing greenhouses and becoming the world's leader in the production and auctioning of cut flowers and flower bulbs.

And small though we may be, the Netherlands has given rise to a fine group of companies that lead in their respective fields (either by working alone or closely with others).

-Royal Shell is one of the world's largest petrochemical firms and a leader in the search for renewable energy.

-Unilever is one of the world's largest producers of Fast Moving Consumer Goods.

-Randstad is one of the world's largest temping agencies.

-Avebe is the world's largest producer of potato starch.

-Van Oort and Boskalis jointly dominate the dredging business.

-Heineken owns one of the largest portfolio of beer brands.

-ING Group and ABN Amro are two global players in the financial markets.

-Akzo Nobel and DSM are global

players in the pharmaceutical industries

-Aalsmeer and Flora Holland are merging to the world's largest flower auctions.

-KLM Royal Dutch Airlines has teamed up with Air France to become Europe's largest carrier

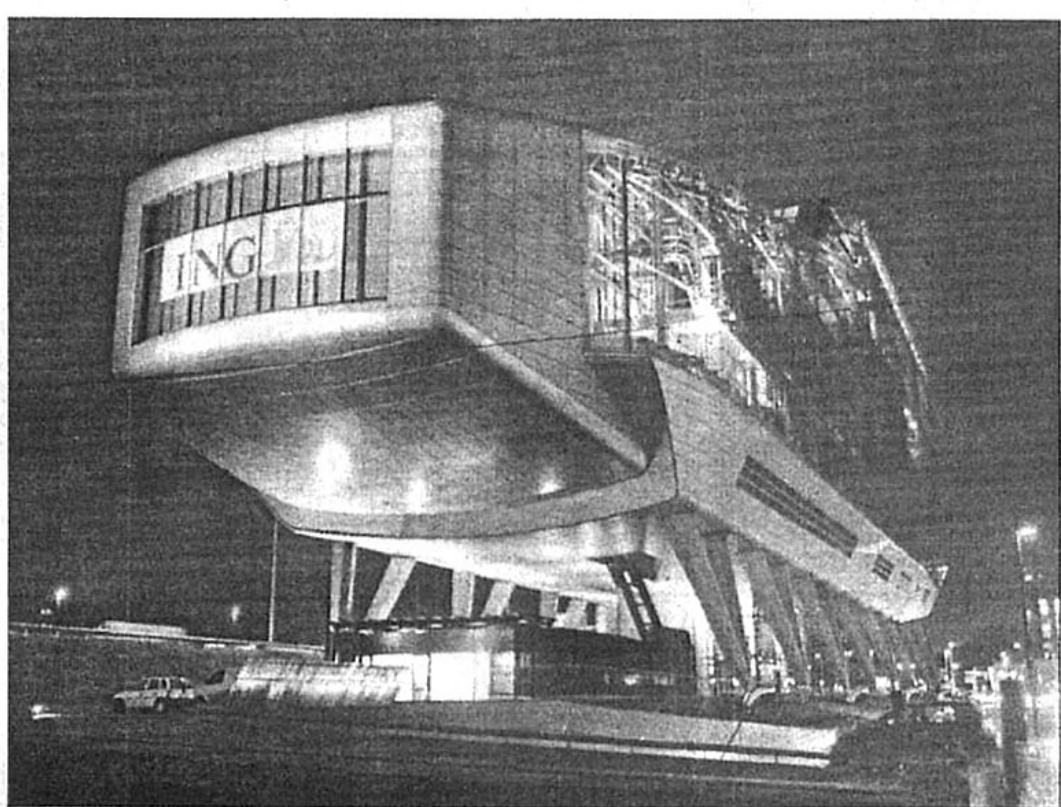
-Dutch design and architecture are hailed around the world.

Key economic figures and trends

After an initial slump in the first few years of this millennium, the Dutch economy has picked up again and is showing strong growth. GDP growth in 2006 is estimated at 3.25%, which is significantly higher than the average 0.8% growth rate of the previous 5 years. The growth in GDP is expected to be around 3% in 2007. Overall GDP stood at around €529 billion in 2006 and is set to increase to €554 billion in 2007. Inflation is around 1.25%, well below the EU requirement. We expect to have little or no budget deficit in 2007.

International trade is making a significant contribution to this Dutch revival. We expect international business to be even stronger in the next year, as a result of which GDP will be split roughly equally between international trade and local business.

Imports grew in 2005 compared to 2004 and 2003 with levels at €249.5 billion, €228.2 billion and €206.9 billion, respectively. Exports grew in 2005 compared to 2004 and 2003 with levels at €281.5 billion, €255.7 billion and €234.2 billion, respectively. In the first six months of 2006, total exports amounted to €93.3 billion. This broke down



Modern architecture (ING, Amsterdam)

into:
-Electronic and optical equipment: €23.3 billion
-Chemical products: €12.5 billion
-Food items: €8.6 billion
-Financial and business services: €8.6 billion
-Agriculture and fishing: €5 billion

Trade links between the Netherlands and Bangladesh are relatively modest and skewed towards Bangladeshi export to the Netherlands. In 2006, the Netherlands had a trade deficit of €260 million with Bangladesh. This is a common trade pattern between Bangladesh and most of the EU countries as well as the USA. The bilateral trade consists of Netherlands imports of RMG from Bangladesh while the Dutch export machinery, transportation equipment and chemicals to Bangladesh.

The Netherlands government has introduced a financing instrument called PSOM to stimulate Dutch FDI and pro-poor economic growth in Bangladesh. The purpose of PSOM is to promote cooperation between

Bangladeshi and Dutch companies on a partnership basis. Financial support is provided to stimulate the set-up of joint ventures for innovative projects in Bangladesh.

Embracing globalisation

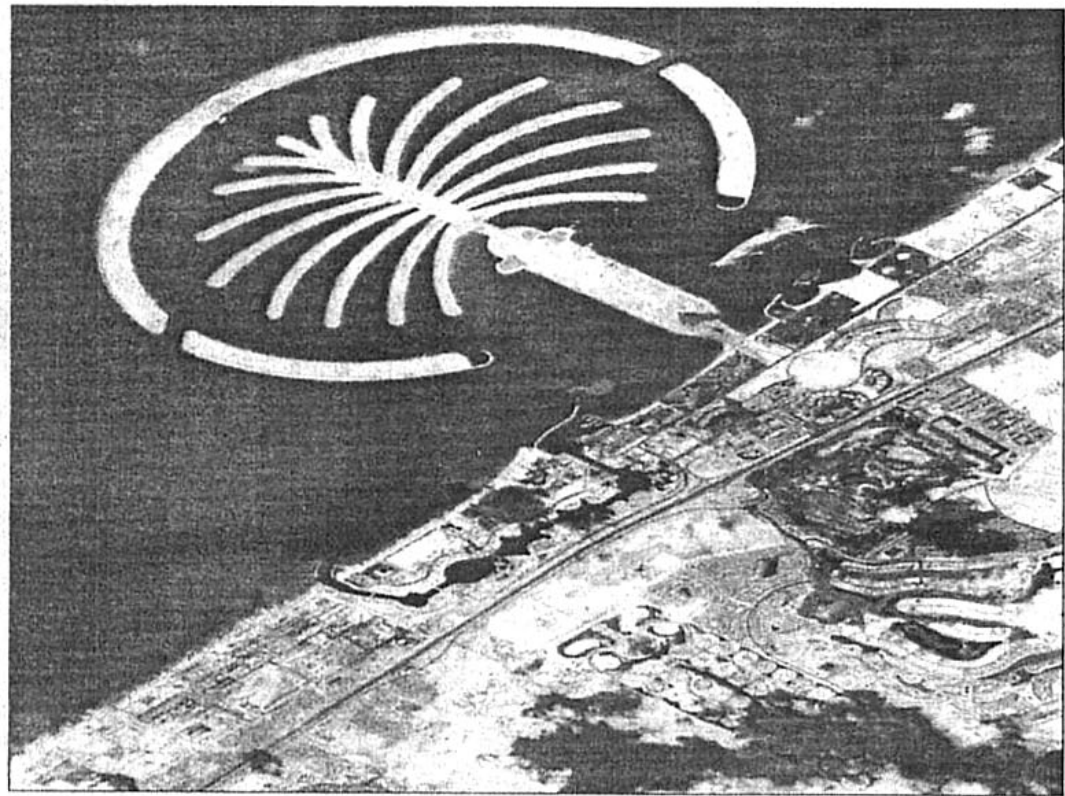
History teaches us that small countries can become and remain affluent and relevant if they embrace global changes early. Rather than raising barriers until it is too late to adapt, the Dutch have been quick to embrace the digital revolution and globalisation. While others viewed globalisation as a threat, we interpreted it as an opportunity to become more competitive vis-à-vis peers and competitors.

We view globalisation as a way to become more competitive and cost-efficient. Dutch businesses are making use of outsourcing and off shoring possibilities to create leaner organisations and to cut production and administration costs. This, in turn, allows Dutch companies to invest more money in areas in which they can truly excel. Rather than competing on price the focus is on inno-

vating and keeping one step ahead of the competition.

In addition, the Dutch merchant mentality has identified globalisation as an important opportunity for growth. Honouring our centuries-long tradition of taking our business global, Dutch companies are seeing the world as their stage. Today, Dutch companies grow roses in Kenya, create artificial islands in Dubai, advise the city of Shanghai on its water management and sell shampoo to Bangladesh's population. An added benefit is that globalisation allows us to create more jobs than we lose.

Other countries may wonder why the Dutch have been so successful at creating value out of globalisation. The reason probably lies in our open society, with our international mindset and our love of languages. Our natural inclination is to bridge differences. Our ability to seek solutions has allowed us to make opportunities out of situations that others perceive as threats.



Creating artificial islands in Dubai.

Thinking of Holland

YOLANDE VONHOF

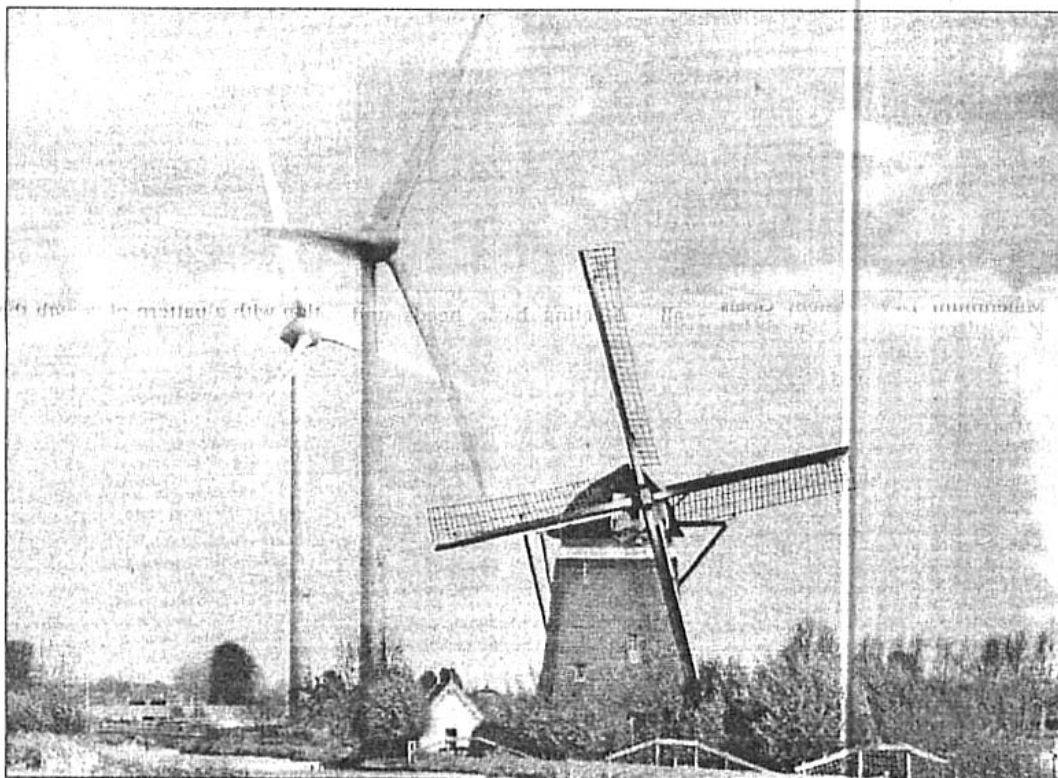
THE things that come to mind when one thinks of the Netherlands are clogs, tulips and windmills. Our country's fame is largely attributed to these images: the slow, swirling sound of windmills carrying far across the tulip fields where wooden-clogged farmers work in a kaleidoscope of colours. At times we are perplexed that this image still persists, that it is not replaced by that of the modern nation we aspire to be. We are also the country of Phillips, Shell and Unilever, of Rotterdam Seaport and Schiphol Airport, of the International Court of Justice and the International Criminal Court. Maybe the old image of the Netherlands remains because clogs, tulips and windmills are not mere images of the past but have developed and adapted to survive the ages. In their present forms they are visible everywhere.

In the year 1637 a Dutch farmer went to the market and purchased a single tulip-bulb of a variety

silver beaker." At the height of the 'tulip mania' in the seventeenth century prices equivalent to 2000 Euros per bulb were not unusual.

Nowadays one can purchase a tulip bulb for around 14 cents a piece, but the trade itself has become a multi billion Euro enterprise. Aalsmeer, a town in the Netherlands, is home to one of the biggest flower-auctions in the world with an average turnover of 20 million flowers and two million plants per day. These dealings represent a value of 6.6 billion euros per day. All transactions are fully computerized and internationalized. A very different reality from our farmer in the 17th century dragging his oxen and sheep to the market to trade them for a single tulip bulb.

It is not known for certain when the first mills were constructed in The Netherlands but, by the 13th century, water mills powered by rivers and streams had become a familiar sight. Many parts of the Netherlands lay below sea level. From the 16th century watermills



the internal combustion engine and finally the electric motor took over the functions previously performed by wind or water. Today just over a 1000 windmills remain. But they are still an important element in water management in these low lands. With a fair wind, the mills can lift 10,000 gallons of water per minute to the height of four feet.

Together with Bangladesh we share the questionable honour to be mentioned in Al Gore's movie 'An inconvenient truth' as one of the countries most likely to be heavily affected by rising sea levels. Global warming has brought the mills back as a dominant feature on the low horizons of the Netherlands. But how different the windmills of today look! These windmills have a different appeal than the old ones, but serve the same purpose. Already 1840 windmill-turbines are humming as they cut circles of air around them.

Together they generate more than 7,500,000 kWh of electricity per year. The cost of electricity produced through these modern mills is slightly higher for consumers than the electricity produced from traditional sources such as gas or coal. In order to promote the use of "green electricity", produced with as little harm to the environment as possible, the government taxes the electricity generated with traditional sources. In a more challenging environment the modern windmills are up to the task of keeping our heads above rising sea levels. Hendrik Marsman, one of our famous writers expressed this sentiment in 1936 in a way that every Dutchman can still recite today by heart:

Memories of Holland
Thinking of Holland
I see broad lazy rivers
flowing through infinite
low-lying land,

rows of incredibly delicate poplars
like plummy feathers
on the horizon, and small in this space so stupendous
the farmhouses
scattered about,
clumps of trees, villages
squat stumpy towers,
churches and elk trees
in one grand layout.
The sky hangs low
and grey, multicolored
mists slowly make the
sun disappear,
and in every region
the voice of the water
with its endless disasters
is heard, and is feared.

As for clogs? Judge for yourself. Take a look at this design from world-famous shoe artist Jan Jansen. It was auctioned along with a few hundred of his other designs at Christies last month.



called Viceroy. For this bulb he had to pay the reasonable price of "two loads of wheat and four of rye, four fat oxen, eight pigs, a dozen sheep, two ox heads of wine, four tons of butter, a thousand pounds of cheese, a bed, some clothing and a

have been used to drain such parts to keep them dry. Where there was once only water, cities have been built and fields are ploughed. The advent of technology brought an end to the usefulness of the water mills. First the steam engine, then

Our Heartiest Felicitations to Her Majesty Queen Beatrix on the Occasion of Her Birthday

Grasso Refrigeration System, Holland
INDUSTRIAL REFRIGERATION FOR FISH PROCESSING, BEVERAGE ICE PLANT, COLD STORAGE & CHILLER UNIT ETC.

User References in Bangladesh:
Atlas Sea Foods, Amam Sea Foods, Apex Foods Ltd, BD Sea Foods Ltd, Beximco Foods Ltd., Bionic, Chowdhury & Co. Ltd., Coastal Sea Foods, Fish Preservers Ltd., Fresh Foods Ltd., Golden Harvest, Gemini Sea Food Ltd., Jahanabad Sea Foods Ltd., Jalalabad Sea Foods Ltd., Kullarchar Cold Storage Ltd., Meenhar Sea Foods Ltd., National Sea Foods, Organic Shrimps Export, Ltd. Purbani Traders, Rupsha Fish and Allied Ind. Ltd., Sar & Co. Ltd., Southern Foods Ltd., Transcom Beverages Ltd. & Etc.

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Our warmest felicitations to Her Majesty Queen Beatrix and to the friendly people of the Netherlands on their National Day

Dutch-Bangla Chamber of Commerce & Industry (DBCCI)

A common floor and strong partner for its member companies

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