France–Netherlands Trade and Investment

# 1st annual barometer by the Embassy of the Kingdom of the Netherlands and its partners

Netherlands

## Special thanks to our partners

# Foreword

I am pleased to announce the launch of the **1st Annual Trade and Investment Barometer**, an initiative of the Embassy of the Kingdom of the Netherlands carried out in the framework of the **2025 France–Netherlands Economic Year**. This special year highlights and celebrates the close and resilient economic ties between our two countries through a wide range of events, exchanges, and joint initiatives.

This publication was made possible thanks to the expertise and commitment of our partners, including the **Netherlands France Chamber of Commerce, PwC Netherlands, ING, and SEO Amsterdam Economics**. I warmly thank them for their work and dedication.

The barometer provides a clear, data-driven overview of the economic relationship between the Netherlands and France in trade, investment, and business cooperation. It presents a comprehensive picture of bilateral economic relations in 2024, detailed economic forecasts for 2025 and 2026, and valuable insights drawn from a survey of 50 Dutch companies operating in France, highlighting their experiences, challenges, and future outlook.

This document is more than a snapshot. It identifies key trends, opportunities, and challenges to inform business leaders, policymakers, and all stakeholders involved in Franco-Dutch economic cooperation. It also demonstrates that our trade and investment relations have significantly strengthened since the first France–Netherlands Economic Year in 2015. We can be proud of the clear convergence between our two economies, and I am convinced that initiatives such as this barometer will help further highlight our complementarities and unlock additional potential.

Our ambition is for this barometer to become a reliable reference point, supporting ongoing monitoring of our progress and offering a deeper understanding of the evolving France–Netherlands economic partnership.

Looking ahead, I hope this barometer will serve as a valuable tool for all those in both the public and private sectors who work to strengthen ties between our two countries. May it also inspire new ideas, partnerships, and opportunities.

Ultimately, this barometer belongs to you, CEOs, managers, and entrepreneurs who bring the Franco-Dutch economic partnership to life every day. I trust it will spark even greater collaboration, and I look forward to continuing to build a prosperous future together.

**H.E. Mr. Jan Versteeg**
**Ambassador of the Kingdom of the Netherlands to France**

“The barometer provides a clear, data-driven overview of the economic relationship between the Netherlands and France in trade, investment, and business cooperation.”

# Content

# Bilateral trade and investment analysis

# 128

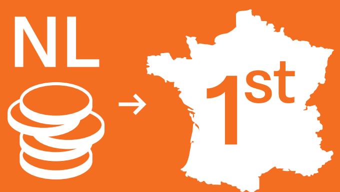
In 2024, the Franco-Dutch Trade and Investment barometer reached an index level of 128, representing a 28% growth in bilateral economic exchanges since 2015 (in real terms)

# €117B.

In 2024, total trade between France and the Netherlands reached €117 billion in current prices — equivalent to €88 billion in 2015 euros (deflated)

# 3rd

France is the Netherlands' 3rd largest export destination, accounting for 6.6% of global Dutch exports (2024)




France was the Netherlands' top destination for foreign direct investment (FDI) flows in three out of the four post-COVID-19 years (2020–2023)

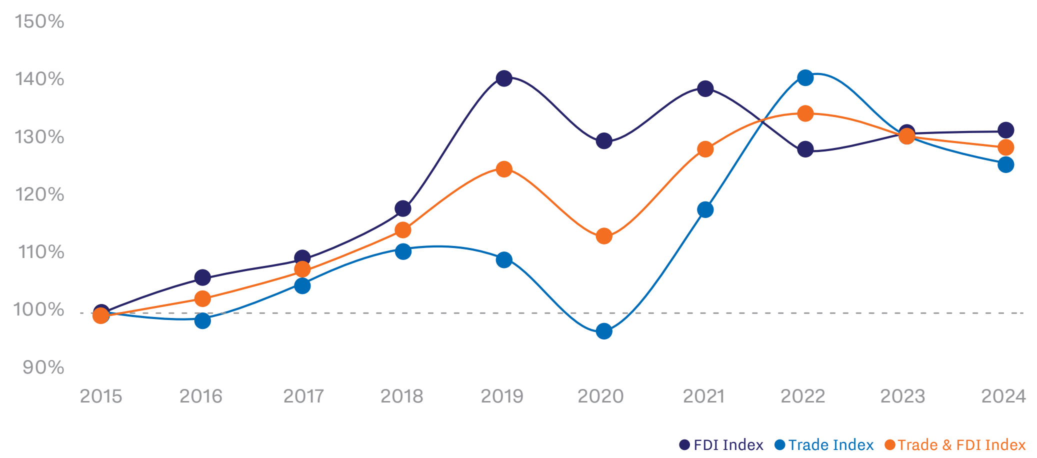
# 8th

The Netherlands is France's 8th largest export destination, representing 4.6% of France's total export market

## Trade and Investment Index at 128 in 2024: resilient performance in a year of stabilization

**In 2024, the Franco-Dutch Trade and Investment barometer reached an index level of 128, confirming the continued strength and depth of the economic partnership between France and the Netherlands in the last 10 years.** This composite index, combining deflated trade and investment data benchmarked to 2015 (= 100), shows that bilateral economic engagement has remained robust despite recent macroeconomic and international geopolitical challenges. While the score is slightly below the 2022 peak (134), it remains above pre-pandemic levels and highlights the maturity of the relationship, driven by solid bilateral trade and sustained foreign direct investment (FDI) flows.

**FIGURE 1** — Franco-Dutch Trade and FDI Index




Source: SEO Amsterdam Economics, based on CBS data provided by PWC Netherlands (accessed March 2025).

**BOX 1 — METHODOLOGICAL NOTE ON TRADE AND INVESTMENT INDEX**

**The Franco-Dutch Trade and Investment Index** is a composite measure designed to assess the evolution of real trade and investment flows between France and the Netherlands over the past decade. It is constructed by averaging two sub-indices: the Trade Sub-Index and the FDI (Foreign Direct Investment) Sub-Index. These indexes track, respectively, the real growth in export flows and outward FDI stock between France and the Netherlands, normalizing values to 2015 levels for comparability across years. Specifically, to not be distorted by the effect of inflation, all the data have been deflated using the corresponding GDP deflator (base 2015), meaning the nominal values are divided by the year's deflator to arrive at real (2015) values. This makes it possible to represent changes in real terms, showing only changes in the "quantity" of bilateral trade/FDI.

**The Franco-Dutch Trade and Investment Index, by combining these two sub-indices, provides an intuitive and balanced measure of both trade and investment dynamics in real term.** This methodology ensures that the index accurately reflects the overall bilateral economic relationship, with equal weight given to both trade and investment performance. A value above 100 indicates growth in real bilateral trade/FDI relative to 2015, while a value below 100 signals a decline.

Source: SEO Amsterdam Economics.

**The Trade sub-index closed 2024 at 125, marking a consolidation phase after years of rapid post-COVID growth.** Indeed, since 2015, real bilateral trade between both countries surged by 25%, distinctly marked by two main periods of growth: (a) the Post-Brexit Reorientation (2016–2019), and (b) the Post-COVID Recovery (2021–2022). Although 2024 saw a decline in the sub-index compared to the peaks of 2022 (140) and 2023 (130) — reflecting the impact of inflationary pressures, rising interest rates, and geopolitical volatility — the overall performance highlights the structural resilience and depth of Franco-Dutch trade relations. This bilateral dynamic has outpaced France's global trade performance over the past decade: France's trade with the Netherlands grew by 21% between 2015 and 2024 in real terms, compared to a 16% increase in its trade with the rest of the world. This highlights the growing importance of the Netherlands as a strategic trade partner for France within the European single market. On the Dutch side, trade with France increased by 31% over the same period, broadly in line with the Netherlands' global trade growth (+33%).

**Directionally, in 2024, French exports to the Netherlands grew slightly by 0.2%, with services up by 1.1% and goods slightly down by 0.5%.** Growth was notably driven by several service sectors — including ICT services, other business services, and travel services — as well as by goods such as machinery and transport equipment (+1.2%) and miscellaneous manufactured articles (+3.2%). This continued shift toward service-oriented exports reflects the evolving structure of European value chains and highlights France's adaptability in meeting Dutch demand in high-value-added sectors. Conversely, Dutch exports to France declined by 6.6%, mainly due to a slowdown in goods (-8.6%), in a context of a broader decline in French goods imports from international markets (-4.5%), particularly in the energy and manufacturing (machinery, chemicals, cars) sectors. However, Dutch services exports remained nearly stable, with a slight decline of 0.03%, reinforcing their rising importance, with ICT and intellectual property services, alongside resilient food and live animals exports.

> "French FDI stock in the Netherlands has surged by 67% in real terms since 2015"

**The FDI stock sub-index stood at 131 in 2024, maintaining the same level as in 2023 and confirming a solid 31% increase in bilateral investment stock since 2015.** While this figure does not mark a new high, it reflects a sustained and mature investment relationship between France and the Netherlands. Crucially, this bilateral performance stands out when compared to global trends: between 2015 and 2024, French outward FDI worldwide increased by only 9% in real terms, whereas French FDI stock in the Netherlands surged by 67% in real terms. Similarly, while Dutch outward FDI declined globally by 20% over the same period, Dutch investment in France showed much greater resilience, decreasing by just 4%. These figures underscore the strategic importance and relative dynamism of the bilateral investment relationship, built on a shared commitment to innovation, sustainability, and industrial competitiveness. France and the Netherlands continue to be attractive destinations for foreign investment, with France maintaining its position as a leading European hub for foreign direct investment projects and the Netherlands remaining one of the main recipients of global FDI stocks, ranking 4th worldwide in 2023 for inward FDI according to UNCTAD (2025), with investments valued at 2,678 billion US dollars.[1]

[1] Source: EY 2024 France Attractiveness Survey (Business France report).



**French investment in the Netherlands remains a major pillar of this relationship.** With a 67% increase since 2015, the Netherlands has consolidated its position as the second-largest recipient of French investment globally. Key sectors include manufacturing, finance, and digital services, making the Netherlands a vital hub for French corporate operations. Meanwhile, Dutch investment in France has held up comparatively well, with a marginal 4% decrease over the decade — far less than the overall drop in Dutch FDI globally. Key Dutch sectors in France include finance, wholesale and retail trade, and infrastructure. In 2024 alone, Dutch firms launched over 120 investment projects in France, creating more than 1,700 jobs.

## ★ Major 2024 highlights in FDI include:

- **Dutch FDIs in France:** Several key investments have dotted the Dutch FDI landscape to France. A landmark investment came from FertigHy — a Pan-European consortium including Heineken — which committed €1.3 billion to build a decarbonized nitrogen fertilizer plant in Hauts-de-France. This project will eventually meet 15% of France's demand for such fertilizers. In the infrastructure sector, Q-Park acquired SAGS, making it the second-largest parking operator in France with a network of 400 locations and nearly 300,000 parking spaces.

- **French FDIs in the Netherlands:** The new Airbus Tech Hub in Leiden and Electra's operational center in Amsterdam; Engie's two new biomethane production sites; and 1st floating photovoltaic power plant of Technique Solaire in the Netherlands.

- **Cross-projects:** Award of the construction of 4 submarines by the Dutch government to the French company Naval Group, for a total amount of several billion euros, including nearly one billion invested with Dutch suppliers through an Industrial Participation agreement; Signature of a Memorandum of Understanding (MoU) between the Dutch financing and development institution Invest-NL and Bpifrance for the next 4 years.

These projects underscore a shift toward sustainable and high-tech sectors, in line with both countries' strategic objectives — particularly the Pact for Innovation and Sustainable Growth signed during the State Visit of President Macron to The Netherlands in 2023.

**Ultimately, the 2024 results of the Franco-Dutch Trade and Investment Barometer reflect a stabilization in economic ties between France and the Netherlands.** While both trade and FDI sub-indices remain at solid levels compared to the past decade, there has been a slight decline in 2024 compared to the peaks of 2022, largely due to macroeconomic challenges. Nevertheless, the overall performance still reflects significant growth since 2015, highlighting the strength and resilience of the bilateral relationship over the long term, supported by key structural factors such as the digital and green transitions, post-Brexit adjustments, and sectoral complementarities.

**As the two countries enter the 2025 Franco-Dutch Economic Year, the barometer and satisfaction survey provide a robust empirical foundation for evaluating future policy initiatives and business cooperation.** They also offer a valuable benchmark for monitoring how this bilateral relationship evolves within the broader context of European economic developments, shaped by the Draghi report, new initiatives from the Von der Leyen Commission, and geopolitical shifts.

# Trade sub-index at 125 in 2024: consolidation after a decade of sustained growth

**In 2024, the Franco-Dutch bilateral trade sub-index stood at 125 (2015 = 100), marking a phase of consolidation after a decade of steady expansion.** While slightly below the peaks of 2022 (140) and 2023 (130), this level remains 25% above the 2015 baseline — underscoring the depth and resilience of bilateral trade ties. The recent moderation reflects the effects of a global downturn in manufacturing trade, inflationary pressures, and higher interest rates, without undermining the structural strength of the partnership.

> "While Dutch exports to France have grown faster over the past decade, French exports to the Netherlands have also shown steady progress"

## A decade in review (2015-2024)

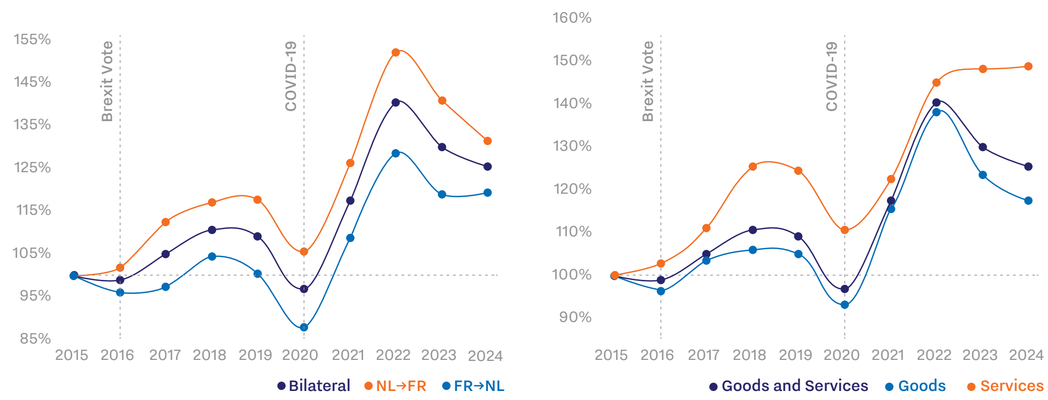
Overall, the evolution of the trade index reveals two distinct periods of accelerated growth, each driven by structural and geopolitical developments:

- **Post-Brexit Reorientation and Economic, E-commerce, and Infrastructure Growth (2016–2018):** Following the United Kingdom's Brexit vote, a first phase of bilateral trade expansion occurred as supply chains and investments were reconfigured to prioritize trade within the EU internal market. During this period, bilateral exports between France and the Netherlands rose, with the bilateral trade sub-index increasing to 111. The Netherlands leveraged its strategic role as a logistics hub and gateway for EU trade, boosting Dutch exports to France. In addition to Brexit-related shifts, the Eurozone's economic recovery stimulated demand and trade growth. The rapid development of cross-border e-commerce also facilitated increased and more diversified exchanges. Moreover, improvements in logistics infrastructure, including ports and transport networks, reduced costs and transit times, further supporting the growth in bilateral trade.

- **Post-COVID Recovery (2021–2022):** After the global shock of 2020, which saw the index dip to 97, bilateral trade volumes rebounded sharply in 2021 (index at 118) and reached a historical high in 2022 (140). This surge was driven by pent-up demand, particularly in services such as travel and logistics, as well as a renewed focus on the digital and green transitions. Strong sectoral complementarities between the two economies also played a crucial role. In this period, the trade sub-index rapidly rose, surpassing 2019 levels already in 2021 and reaching a historical high in 2022, before stabilizing at elevated levels in 2023 and 2024 — a sign of the underlying structural strength and resilience of Franco-Dutch trade relations.



**FIGURE 2** — Trade sub-index: 100 corresponds to 2015 levels. Dutch exports to France have grown faster than vice-versa (left) in real terms. Since COVID-19 services have grown faster than goods (right).




SEO Amsterdam Economics , based on CBS and FR Customs data provided by PWC France (accessed March 2025).

**While Dutch exports to France have grown faster over the past decade, French exports to the Netherlands have also shown steady progress (Figure 2, left).** Since 2015, Dutch exports to France have increased by 31%, underpinned by consistent performance in key sectors such as chemicals, machinery, and manufacturing, as well as business-related and ICT services. These sectors are tightly integrated into European production networks and benefit from the Netherlands' role as a continental logistics and trade hub. In contrast, French exports to the Netherlands have grown by a still notable 21%, reflecting sustained competitiveness in pharmaceuticals, cosmetics, and agri-food. Additionally, tourism-related services (+186% from 2020 to 2024) — particularly hospitality — as well as ICT (+84%) and other business services (+70%) have shown very strong post-pandemic recovery, contributing to this growth.

> "The share of services exports in total trade increased by 4 percentage points to 33% in the span of a decade."

**A closer look at exports composition reveals that services exports have emerged as key engine of growth in Franco-Dutch trade since 2015 (Figure 2, right).** The share of services exports in total trade increased by 4 percentage points to 33% in the span of a decade. This trend reflects the digitalization of economic exchanges, the resilience of IT, finance, and consulting sectors, and the increased sophistication of cross-border service offerings as both countries prioritize innovation and the digital economy in their industrial strategies. This also aligns with the broader European trend of transitioning toward knowledge-intensive trade.

BOX 2 — METHODOLOGICAL NOTE ON TRADE SUB-INDEX

**To assess the evolution of bilateral trade between the Netherlands and France over the past decade, we elaborated the Trade Sub-Index.** This index tracks relative real growth in export flows between both countries. The methodology follows a base-year normalization approach commonly used in economic growth indices and is based on deflated trade values to account for the effects of inflation over time.

**Step 1: Country-level export indices:** We started by looking at bilateral exports from the perspective of each country — i.e., exports from the Netherlands to France and vice-versa.[2] For each series, annual export values are first deflated to constant prices and then indexed to the base year 2015 (=100). This normalization enables comparability across years by expressing trade flows as a percentage of their 2015 levels, effectively removing scale differences between the two national export flows.

**Step 2: Bilateral Trade Sub-Index Construction:** The bilateral trade sub-index is then calculated as the arithmetic average of the two normalized export indices.[3] This approach gives equal weight to each country's export performance, ensuring that the indicator reflects the overall balance and intensity of bilateral trade engagement over time.

**The resulting index provides an intuitive and dynamic measure of how the Franco-Dutch trade relationship is progressing.** A reading above 100 indicates that real bilateral trade has strengthened relative to the base year, while a value below 100 suggests a weakening trend. The index also allows for clear identification of turning points, divergences in national performance, and the impact of major economic events on trade dynamics.

Source: SEO Amsterdam Economics.

## A closer look at 2024

**In 2024, total trade between France and the Netherlands reached €117 billion in current prices — equivalent to €88 billion in 2015 euros (deflated), confirming an elevated level of exchange in real terms.**
The Netherlands posted a €32 billion trade surplus in 2024 (-10% vs. 2023), or €23.8 billion in constant 2015 euros (-13%), confirming a modest correction after two peak years. Goods dominate trade between the two partners, corresponding to roughly 67% of all traded value. Bilaterally, a few important figures emerge:

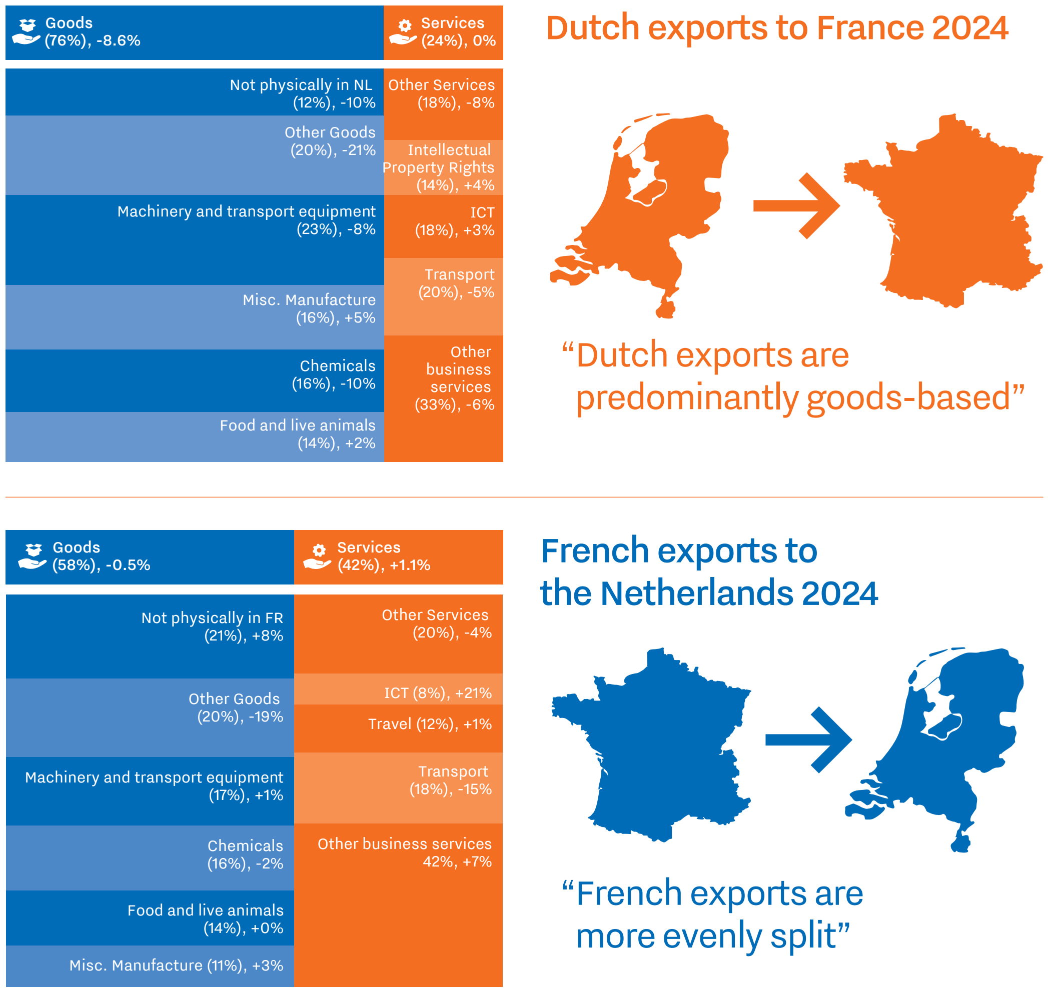
- **France is the Netherlands' 3rd largest export destination, representing 6.6% of global Dutch exports — a share that has remained remarkably stable over the past decade, fluctuating only between 6.6% and 7.0% from 2015 to 2024.** It ranks only behind Germany (23%) and Belgium (12%), but well ahead of the United Kingdom, the Netherlands' 4th largest export market, whose share is almost half that of France. In 2024, France purchased roughly €75 billion in goods and services from the Netherlands. Compared to 2023, this is a 6.6% decline in real terms, reflecting a drop in the export of goods (down by 8.6%), and only a marginal decrease in services exports (down by 0.03%). Dutch exports to France are mainly comprised of goods (76%) — particularly, machinery and transport equipment, manufactured and consumer goods as well as chemicals — but in recent years services, such as ICT and business services — have gradually gained prominence (Figure 3). The export of intellectual property rights services highlight the role of Dutch subsidiaries operating in France in the trade landscape.

- **The Netherlands is France's 8th largest export destination, representing 4.6% of France's total export market. This share has also remained fairly consistent over the past decade, ranging from 4.2% to 4.7% between 2015 and 2024.** It ranks behind Germany, Italy, Belgium, Spain, the United States, the United Kingdom, and China. The Netherlands purchased more than €43 billion in goods and services in 2024, a marginal increase of 0.2% in real terms. This stability reflects a slight decline of 0.5% in goods exports, offset by a modest 1.1% rise in services exports. Interestingly, compared to the Netherlands, France's exports are much more intensive in services, especially of business services, transport and tourism, which comprise almost around 40% of their total bilateral exports (Figure 3). Goods exports follow a similar pattern as described above.

[2] Export index between country i and j: $Export\ Index^{y}_{(i,j)} = \frac{Exports^{y}_{(i \to j)}}{Exports^{2015}_{(i \to j)}}$, where y stands for year.

[3] Bilateral trade index between country i and j: $Trade\ Index^{y}_{(i,j)} = \frac{1}{2}(Export\ Index^{y}_{(i,j)} + Export\ Index^{y}_{(j,i)})$

FIGURE 3 — Dutch exports are predominantly goods-based (above), while French exports are more evenly split between goods and services (below), in 2024. The figures represent the share of each category in total exports of goods or services (shown in parentheses), with the real year-on-year changes between 2023 and 2024 indicated immediately afterwards.




Source: SEO Amsterdam Economics, based on CBS data provided by PWC France (accessed March 2025).

**In 2024, French exports to the Netherland showed contrasting dynamics across sectors.** Export growth was driven by a surge in technology-related services, especially ICT (+21%). Road vehicles, manufactured goods, and business services also posted solid performances. At the same time, industrial staples like machinery, plastics, and transport services showed signs of decline or stagnation. This points to a transition in France's export profile—away from traditional industry and toward services, tech, and high-demand consumer sectors, aligning with structural changes in Dutch demand.

> "This points to a transition in France's export profile—away from traditional industry and toward services, tech, and high-demand consumer sectors, aligning with structural changes in Dutch demand"

**Dutch exports to France exhibited a broadly similar pattern.** While overall services exports remained stable, ICT (+3%) and intellectual property rights (+4%) recorded modest growth, partly offsetting declines in transport (-5%), other business services (-6%), and other services (-8%). On the goods side, total exports fell by 9%, driven by notable drops in chemicals (-10%), machinery and transport equipment (-8%), and goods not physically present in the Netherlands (-10%). However, some categories performed better: miscellaneous manufactured articles rose by 5%, and food and live animals increased by 2%. This performance indicates resilience in certain consumer-oriented and high-tech segments, though more traditional industrial exports showed weaker results.



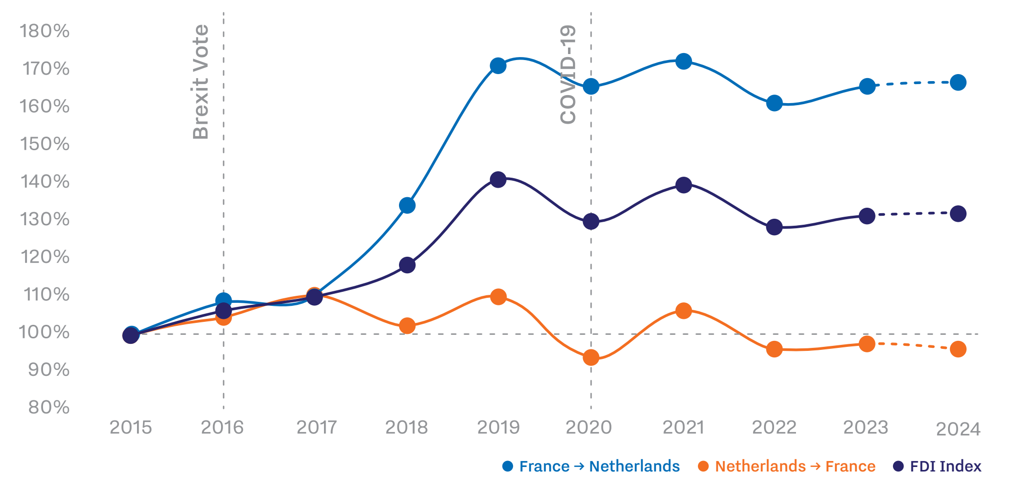
# FDI sub-index at 131 in 2024: stable recovery below pre-COVID peaks

**In 2024, the Franco-Dutch bilateral FDI sub-index remained stable at 131 (2015 = 100).**[4] While this still reflects a solid long-term trend of closer investment ties, the trajectory has been less linear than previously perceived. After a sharp rise between 2015 and 2019 — when the index peaked at 140 — the FDI stock fluctuated due to external shocks and shifting investment patterns, with moderate corrections in subsequent years. Nevertheless, the overall growth underscores the structural importance of bilateral investments, with France and the Netherlands maintaining their positions as major reciprocal investors and long-standing economic partners in Europe.

## A decade in review (2015-2024)

**Bilateral FDI stock between both countries increased markedly in the period following the Brexit referendum in the UK.** As firms looked to secure access to the Single Market and hedge against UK-related uncertainties, Franco-Dutch investment stocks intensified, with the index jumping from 109 to 140 between 2017 and 2019. In fact, during this period, France became the top destination for Dutch FDI in 2018 — after being 2$^{nd}$ in 2016 —, while the Netherlands was France's top destination for FDI investment in 2018 and 2019 consecutively. This sharp rise highlights the responsiveness of investors to broader European realignments and the appeal of the Franco-Dutch corridor as a stable, innovation-driven economic axis.

**FIGURE 4** — FDI sub-index: 100 corresponds to 2015 levels. France's FDI to the Netherlands have grown faster than vice-versa. Since COVID-19, FDI levels have somewhat stabilized, with no return yet to pre-pandemic highs.




Source: SEO Amsterdam Economics, based on CBS data provided by PWC France (accessed March 2025) and World Bank data (accessed April 2025).

[4] 2024 stock estimates are based on year-to-date World Bank flow global data, extrapolated to full year assuming Q4 flows match the Q1–Q3 average. The flow-to-stock growth rate was applied to 2023 stock data to derive 2024 estimates, assuming minimal valuation and exchange rate effects. Each country's global outward FDI growth rate was assumed to hold bilaterally, as the best available proxy for bilateral FDI stock growth.

**BOX 3 — METHODOLOGICAL NOTE ON FDI SUB-INDEX**

**To assess the evolution of bilateral FDI between the Netherlands and France over the past decade, we elaborated the FDI Sub-Index.** This index tracks relative growth in outward FDI stocks in both countries. The methodology follows a base-year normalization approach commonly used in economic growth indices, with all data deflated in order to take out the effect of inflation.

**Step 1: Country level outward FDI stock indices:** The analysis started with a review of bilateral outward FDI stock from the perspective of each country — i.e., outward FDI stock from the Netherlands to France and vice-versa.[5] For each series, annual outward FDI stock values are indexed to the base year 2015 (=100). This normalization enables comparability across years by expressing FDI stock as a percentage of their 2015 levels, effectively removing scale differences between the two national FDI stocks. Data are then deflated to take out the impact of inflation.

**Step 2: Bilateral FDI Sub-Index Construction:** The bilateral FDI sub-index is then calculated as the arithmetic average of the two normalized FDI indices.[6] This approach gives equal weight to each country's FDI performance, ensuring that the indicator reflects the overall balance and intensity of bilateral FDI engagement over time.

**The resulting index provides an intuitive and dynamic measure of how the Franco-Dutch investment relationship is progressing.** A reading above 100 indicates that bilateral investment has strengthened in real terms relative to the base year, while a value below 100 suggests a weakening trend. The index also allows for clear identification of turning points, divergences in national performance, and the impact of major economic events on FDI dynamics.

Source: SEO Amsterdam Economics.

**Even in the face of global turbulence — including the COVID-19 pandemic and rising inflation — the bilateral FDI sub-index displayed relative resilience.** The index experienced a notable dip in 2020, falling from 140 in 2019 to 130, primarily due to the impact of the pandemic. However, by 2021, it had almost recovered to pre-COVID levels in real terms, reaching 139, reflecting a strong rebound. In 2022, the index declined again to 128, likely influenced by the geopolitical instability following the Russian invasion of Ukraine. Since then, it has remained stable, indicating a degree of resilience in Franco-Dutch investment flows despite global uncertainties. In fact, looking at FDI flows data from 2023 (most recent available year): **France was the Netherlands' top FDI destination in 3 out of the 4 post-COVID-19 years (2020-2023).**

**Since 2015, France's outward FDI in the Netherlands has driven most gains, being responsible for consistently maintaining a higher level of investment than vice versa.** By 2024, French FDI stock in the Netherlands reached 167% of its 2015 level, compared to 96% for Dutch investment in France. The Netherlands now represents around 16% of total French FDI, up from around 10% in the span of a decade. This structural gap reflects the Netherlands' role as a preferred international hub for companies and logistical operations, which continues to attract French corporate capital — particularly in sectors like finance, energy, and digital services.

**In 2024, Dutch investment in France remains below 2015 levels in real terms, despite showing stability since 2022. This steady trend is particularly evident in key French industries such as agri-food, retail, and transport, though no significant growth has been recorded during this period.** Despite this, Dutch FDI to France in 2024 represents around 3.7% of the Netherlands' total global FDI stocks, marking a modest increase of 0.6 percentage points compared to a decade earlier. However, it remains slightly below its peak of 4.2%. Overall, the index captures a stable investment partnership grounded in strategic alignment.

**Turning towards more detailed FDI data from 2022/2023, a sectoral breakdown of bilateral FDI reveals interesting insights about the Franco-Dutch investment relation through the past decade (Figure 5):**

- **Dutch FDI stock in France** between 2015 and 2023 was dominated by financial and insurance activities, consistently the largest sector, reaching over €92 billion in 2023. This reflects the strong presence of Dutch institutional investors, such as the pension fund PGGM, which has already invested €15 billion in France, particularly in infrastructure and sustainable assets. Wholesale and retail trade saw the most striking growth, nearly tripling from €8.9 billion in 2015 to €23.8 billion in 2023, reflecting the expansion of Dutch retail chains in France (Action, Zeeman, Hema, Wibra, etc). Manufacturing investments peaked in 2017–2018 but have since declined and stabilized. Other sectors like professional services, transport, and information and communication show gradual diversification. Overall, Dutch FDI in France is deepening and broadening beyond its traditional sectors.

> "Wholesale and retail trade saw the most striking growth, nearly tripling from €8.9 billion in 2015 to €23.8 billion in 2023, reflecting the expansion of Dutch retail chains in France"

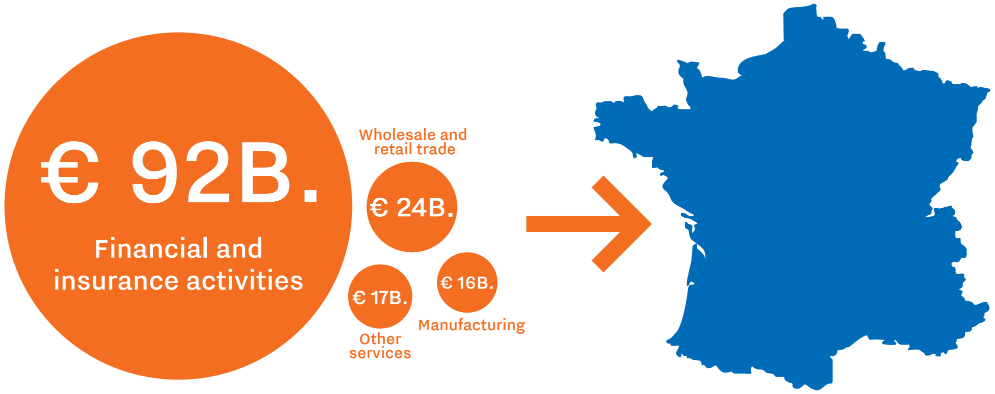
- **France's FDI stock in the Netherlands** between 2014 to 2022 (most recent data available) has expanded significantly. The most striking contributor to this growth was the manufacturing sector, which surged from €34.6 billion in 2014 to over €86.5 billion in 2022, indicating a sustained French industrial investment footprint in the Netherlands, particularly in chemicals, pharmaceuticals, food processing, construction and high-tech machinery. Financial and insurance activities also saw major expansion, nearly tripling over the period and reflecting the Netherlands' attractiveness as a financial hub. Real estate and the ICT sectors maintained steady growth, while professional services and healthcare recorded consistent but moderate increases. Many multinational companies, including French firms, are drawn to the Netherlands for its multilingual and highly educated talent force, innovative and strong ecosystems throughout the country, geographical location, strongly developed infrastructure, green logistics hub and ambitious climate and corporate policies, which facilitate efficient global operations. Overall, French FDI into the Netherlands shows a clear trend toward consolidation in capital-intensive and high-value-added sectors, reinforcing the country's role as a key investment destination within Europe.

[5] FDI index between country i and j: $FDI\ Index^{y}_{(i,j)} = \frac{Outward\ FDI\ Stock^{y}_{(i \to j)}}{Outward\ FDI\ Stock^{2015}_{(i \to j)}}$ , where y stands for year.

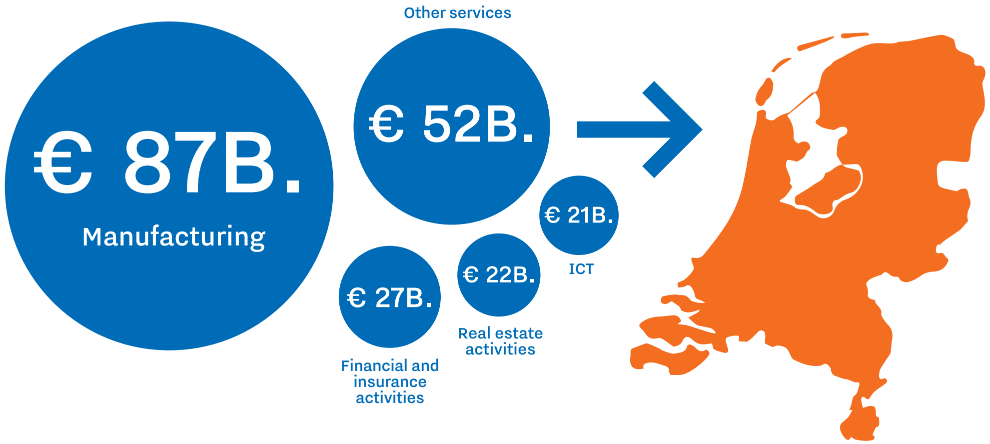
[6] Bilateral FDI index between country i and j: $FDI\ Index^{y}_{(i,j)} = \frac{1}{2}\left(FDI\ Index^{y}_{(i,j)} + FDI\ Index^{y}_{(j,i)}\right)$

**FIGURE 5** — Dutch FDIs in France (2023) are concentrated in the financial industry, while French FDIs in the Netherlands (2022) are more focused on manufacturing investments.

## Dutch FDI in France (2023)




## French FDI in the Netherlands (2022)




Source: SEO Amsterdam Economics , based on EUROSTAT data provided by PWC France (accessed March 2025).

“French FDI into the Netherlands shows a clear trend toward consolidation in capital-intensive and high-value-added sectors”



## A closer look at 2024

**In 2024, France and the Netherlands maintained a robust bilateral investment relationship, with a combined FDI outward stock estimated at €391 billion.**[7] France recorded a net FDI surplus of €79 billion — a 4% year-on-year increase (nominal data) — indicating a higher volume of French investment in the Netherlands than vice versa.

**While comprehensive figures for French FDI projects and job creation in the Netherlands are not yet available, data on Dutch investment in France offers useful insights.** The Netherlands ranked as France’s 5th largest investment partner by number of projects, accounting for 3% of all FDI-related employment generated in France in 2024. This underscores the Netherlands’ ongoing importance as a key source of high-impact, job-creating investments in the French economy.

**In particular, some key FDI stand out.** These flagship projects illustrate the strategic priorities and sectoral strengths shaping bilateral investment flows in 2024.

### Dutch FDI in France

Other significant investments in 2024, beyond those mentioned on page 9, included Van der Valk’s €65 million acquisition and renovation of a hotel at Paris-CDG Airport, reflecting Dutch interest in French tourism infrastructure. Retail expansion remained robust, with Dutch retail brands opening dozens of new stores across the country. Meanwhile, Dutch startups like Novar and Move Energy made strategic entries in renewable energy and battery technology, underlining the Netherlands’ role as a key investor in France’s green economy and regional revitalization.

### French FDI in the Netherlands

In the defence sector, Naval Group secured a high-profile contract from the Dutch government, valued between €4 billion and €6 billion, to build four next-generation submarines. This deal not only strengthens bilateral defence ties but also ensures substantial industrial collaboration with Dutch partners. Additionally, Engie acquired two biomethane production facilities in Hardenberg and Alkmaar, aligning with its European renewable gas ambitions. Furthermore, Electra expanded to the Netherlands enabling the adoption of EV and Airbus opened their Tech Hub in Leiden, a platform to catalyze breakthrough in aerospace research, technology and innovation within the local ecosystem. These investments underscore France’s growing influence in the Netherlands’ sustainability and security sectors, reinforcing the mutual strategic value of cross-border capital flows. The Netherlands focuses in this respect on attracting and anchoring precisely those companies that provide the highest added value to strengthening the Dutch economy: because they strengthen existing ecosystems, contribute to the innovative power, sustainability and digitalization of the Dutch economy, or increase the strategic autonomy of the Netherlands and Europe.

[7] Figures for 2024 are estimated following the methodology above-described, unless stated otherwise.

# Barometer survey

**3.3**

The overall company index scored 3.3 out of 5, illustrating a generally positive perception of the French business environment

**2/3**

two out of three respondents indicated that business activities are meeting or exceeding their initial expectations, with sales growing as anticipated or even surpassing forecasts

**2030**

the French government's ambitious 2030 investment plan is set to accelerate progress in sustainable mobility, building retrofits, and hydrogen, offering further opportunities for companies engaged in these sectors

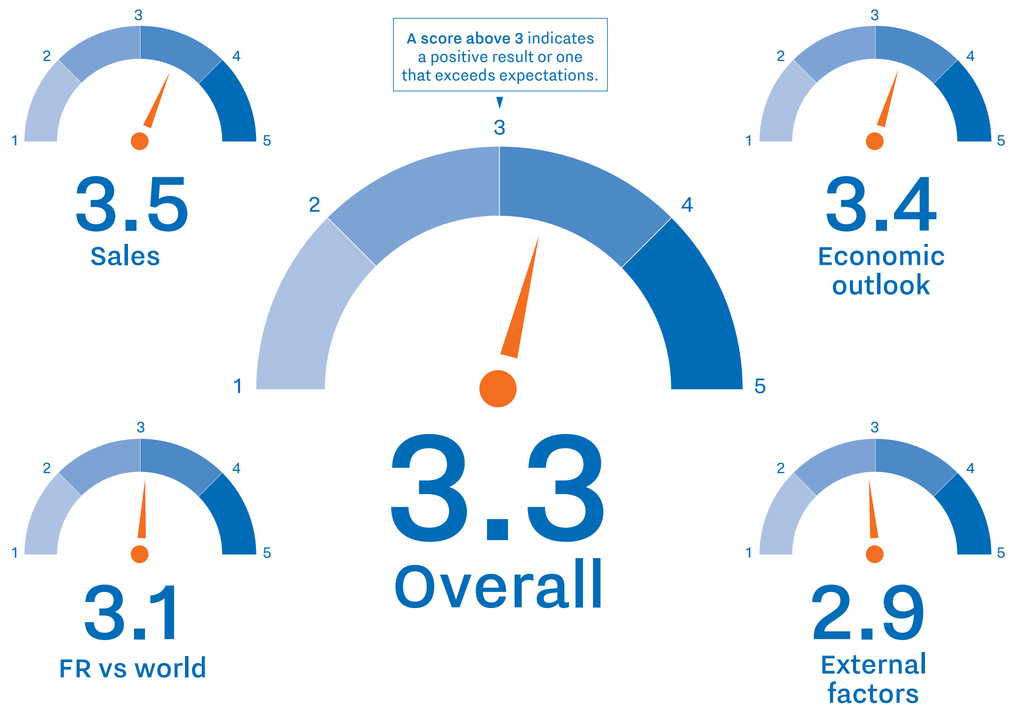
**70%**

France is generally perceived as better than other countries in 12 out of 17 indicators (70%)

## Barometer Survey of Dutch companies operating in France (1st edition)

### The overall company index scores 3.3 out of 5, reflecting a generally positive perception.

**FIGURE 1** — The overall company index scores 3.3 on a 1 to 5 scale.




Source: SEO Amsterdam Economics based on Franco-Dutch barometer company survey.

The company barometer index is rated on a scale from 1 to 5 and reflects companies satisfaction with the current and future state of their business in France. Respondents could assign a score from 1 to 5 each time. A score above 3 is considered positive or indicates that the respondent's expectations were exceeded. SEO calculated the company index as a weighted average of four subindices, described in Table 2, based on quantitative questions from the Barometer Survey, sent by the Embassy of the Netherlands in France in February 2025 to Dutch companies active in France.

**TABLE 1** — The four subindices measure the level of satisfaction by companies on four different dimensions.

| Subindex | Weight | Description |
|---|---|---|
| Sales | 1.5 | Current economic activities and sales growth. |
| Economic outlook | 1.5 | Expectations on sectoral economic output and change in number of company's employees in the next 2-3 years. |
| France vs world | 1.5 | Comparison of France vs the rest of the world on seventeen factors (regarding workforce, quality of life, administrative procedures, etc). |
| External factors | 0.5 | Impact of five key events on company's activities and investments in France (e.g. dissolution of national assembly). |

Source: SEO Amsterdam Economics, based on questions from the Barometer Survey sent by the Embassy of the Netherlands in France. The subindex of France vs world has a higher weight in the overall index calculation, due to the high number of questions contributing to the index.

## Overall index (score: 3.3 out of 5)

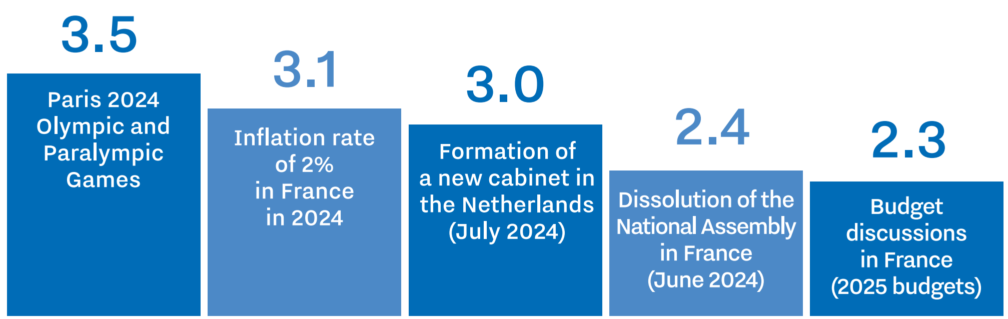
**The overall company index scored 3.3 out of 5, illustrating a generally positive perception of the French business environment.** Respondents expressed optimism about the current and future activities of their businesses, with a strong majority reporting that sales and operations are performing in line with or above their initial expectations. Some concerns related to political events — notably the dissolution of the National Assembly — and global trade tensions were noted, but companies maintain a strong level of confidence in their future prospects. France's strategic advantages, including its infrastructure, geographic location, and developments in transition to a green economy, were frequently cited as key assets. While occasional challenges in administrative procedures persist, they do not overshadow the country's broader appeal, especially as ongoing reforms aim to streamline the business environment. These findings can be explained by France's consistent ranking since 2019 as the leading European destination for foreign direct investment (FDI). In this context, Dutch businesses continue to view France as a stable and dynamic market within Europe, offering solid foundations for long-term growth. The following paragraphs show the detailed scores of the four subindexes.

## Sales and activity (3.5 out of 5)

**Respondents were generally optimistic about the current activities of their companies and sales.** Specifically 67% of the respondents indicated that business activities are meeting or exceeding their initial expectations, with sales growing as anticipated or even surpassing forecasts. While some sectors, such as automotive, have faced challenges due to economic uncertainly and fluctuating demand, the overall sentiment remains positive.

## Impact of external events (2.9 out of 5)

**FIGURE 2** — Impact of 5 key external events.




Source: SEO Amsterdam Economics, based on questions from the Barometer Survey of Dutch companies in France.

## Barometer Survey of Dutch companies in France

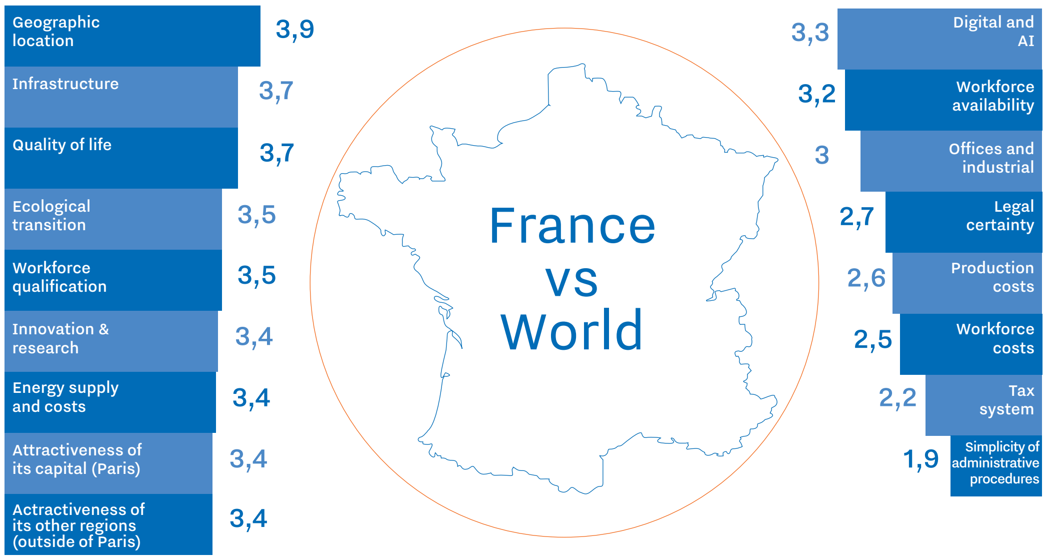
**External circumstances are expected to have a predominantly moderate impact (Figure 2), with a few key factors contributing to a slight negative trend.** The perceived political uncertainty in France, particularly surrounding the dissolution of the National Assembly and ongoing budget discussions for 2025, has raised concerns among companies, leading to a more cautious outlook. However, the Paris 2024 Olympic and Paralympic Games were generally viewed positively, with many companies considering them as a potential driver for growth in specific sectors, such as tourism and infrastructure. In addition to these five key events, respondents mentioned the political landscape in France (e.g. ongoing developments surrounding the government, national and local elections), as well as looming tariffs and retaliation as areas for concern.

## Economic outlook (3.4 out of 5)

**Despite the uncertain global economic situation, respondents expressed optimism about the future economic outlook in their sector, as well as the growth of their workforce within the company.** Political challenges and tariffs pose threats to future developments (see index on external factors). Despite this, only 12% of respondents expressed a negative opinion about the future economic outlook in their sector, which may suggest a growing perception of potential for intra-EU trade. There are differences among sectors, with e.g. companies operating in the nuclear and green energy sectors, as well as transport and retail voicing more confidence in their future performance than companies in the automative sector. Respondents specifically expressed optimism regarding the evolution of the number of employees in their companies: only 12% of respondents expected a decrease in the number of employees in France in the next 2-3 years, with 66% of respondents expecting an increase.

## France vs the World (3.1 out of 5)

**FIGURE 3** — France is generally perceived as more attractive than other countries in 12 out of 17 indicators (70%).




Source: SEO Amsterdam Economics, based on data from the Company Satisfaction Survey.

> "The country's strategic location at the heart of Europe is a clear advantage, with easy access to key European hubs, making it an attractive base for international companies"

**France is perceived positively in many areas compared to other countries, with particularly high ratings in geographic location, infrastructure, and quality of life (Figure 3).** The country's strategic location at the heart of Europe is a clear advantage, with easy access to key European hubs, making it an attractive base for international companies. The quality of life in France remains one of the highest in Europe, which we interpret as a significant asset in attracting talent and fostering long-term business success.[8] In addition, France's strong infrastructure and its role in the green transition contribute to its positive perception. For instance, the country's low carbon emissions, driven by its reliance on nuclear energy, are recognized globally, and the French government's ambitious 2030 investment plan is set to accelerate progress in sustainable mobility, building retrofits, and hydrogen, offering further opportunities for companies engaged in these sectors.[9] Furthermore, France's workforce qualifications are highly rated compared to other countries, highlighting the country's strong higher education system (external data, e.g. Shanghai Ranking)[10] and its skilled labour market. In terms of innovation and research, France continues to maintain a competitive edge, especially in fields such as digital transformation and artificial intelligence, providing a solid foundation for companies looking to innovate and expand. The attractiveness of regions outside Paris, along with the dynamic nature of the capital[11], further enhances the country's business appeal. While some challenges persist, notably in administrative procedures, France is taking steps to streamline these processes. Even so, the country's overall attractiveness far outweighs the difficulties faced in these areas. The French government is continuously working on simplifying administrative processes, reducing bureaucracy, and improving business environment. Similarly, while workforce costs are perceived to be higher compared to other countries, the high qualification level and availability of talent help mitigate this factor, offering businesses the skilled workforce they need to thrive (interpretation that could be supported with productivity data[12]). In conclusion, France's overall business environment is well regarded, and its position as a leader in the green transition, alongside a strong workforce and infrastructure, continues to make it a top destination for foreign investment. Companies remain confident in the country's prospects, with most indicating a positive outlook for future growth.

> "The attractiveness of regions outside Paris, along with the dynamic nature of the capital , further enhances the country's business appeal"

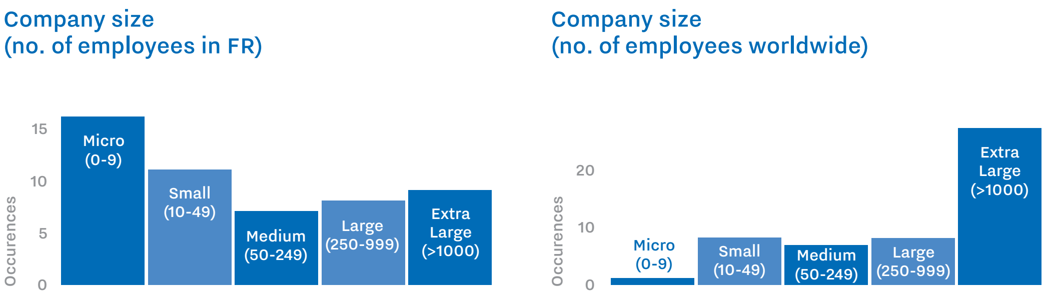
## Descriptive statistics

The main descriptive statistics are as follows.

- **Company size:** there was high participation among the major companies active in France. Among the 30 largest companies operating in France, 18 participated in the survey, equal to 60% of this country group. Figure 4 shows that respondents belong to companies of all sizes in terms of employees in France (left), but the majority has more than 1000 employees worldwide (right).
- **Sector of company:** respondents represent various economic sector (Figure 5, right)
- **Function of respondents:** two thirds of respondents are managing directors, followed by CEOs or board members (24%) (Figure 5, left).

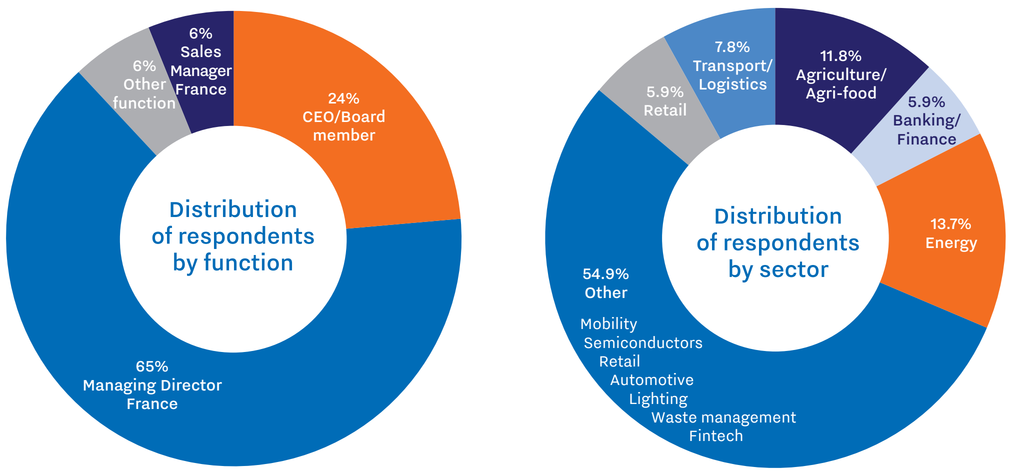
[8] Worldwide Expat Index by William Russell, an expat insurance provider, ranking France 12th out of 59 countries, with the healthcare system highlighted as a key strength.
[9] France 2021 Energy Policy Review | OECD
[10] The Academic ShanghaiRanking of World Universities 2024, where France is the leading EU country alongside Germany, with 4 universities in the Top 100 (Paris Saclay University, PSL University, Sorbonne University, Université Paris Cité).
[11] Kearney's 2024 Global Cities Report, which ranks Paris as the 3rd most influential city in the world, meaning capable of attracting, retaining, and generating global flows of capital, people, and ideas.
[12] The 2025 Hourly Productivity Index of the International Labour Organization, which ranks France 13th globally with $82.2 GDP per hour worked.

**FIGURE 4** — Respondent distribution by company size, in terms of number of employees in France (left) and worldwide (right).




Source: SEO Amsterdam Economics, based on data from the Company Barometer Survey.

**FIGURE 5** — Distribution of respondents by respondent function (left) and company sector (right).




Source: SEO Amsterdam Economics, based on data from the Company Barometer Survey.

ING

> “France’s business landscape is evolving rapidly, driven by sustainability, innovation, and a commitment to responsible growth. We see this as an opportunity to support companies in navigating change, leveraging our sector expertise, global reach, and sustainable finance capabilities to foster resilience and accelerate the transition to greener practices.”

Netherlands France Chamber of Commerce

> “France’s central European location, supportive Franco-Dutch business network, and consistent opportunities make starting and succeeding in French markets more accessible than most entrepreneurs imagine—especially as the country is Europe’s second-largest market, with over 68 million consumers.”

# Economic Forecasts in 2025/2026 by ING

## Economic Forecasts in 2025/2026 by ING

Developments in foreign direct investment (FDI) and trade over the coming months will hinge on the broader macroeconomic context, particularly economic growth forecasts.

Written by Charlotte de Montpellier, Senior Economist ING

### A challenging economic environment weighed on trade and investment in 2024

In 2024, the euro area economy experienced modest but steady growth despite a number of challenges and uncertainties. While the manufacturing sector faced some headwinds linked to competitiveness, leading to a decline in the euro area's export market share, the services sector demonstrated greater resilience, helping to stabilize overall economic performance. Some geopolitical and policy-related uncertainties continued to moderate growth by tempering business confidence for investment and exports.

“Inflation declined steadily, averaging 2.4%”

Despite these constraints, there were encouraging signs toward the end of the year. Rising real household incomes and a robust labor market gradually supported consumption, although consumer confidence remained fragile. The labor market showed resilience, with unemployment remaining low, contributing to economic stability. Inflation declined steadily, averaging 2.4%, which enabled the European Central Bank (ECB) to cut interest rates four times in 2024. The cumulative 100-basis-point reduction in the ECB’s benchmark rate gradually eased financial conditions and began to revive credit demand in the eurozone.

Even though the Netherlands and France outperformed the eurozone average in 2024, with GDP growth of 1% and 1.1% respectively (compared to 0.7% for the eurozone), the growth pace remained below the pre-pandemic trend. This economic context helps explain the moderate pace of exports and investment flows between the Netherlands and France in 2024 — a dynamic likely to continue into 2025.

## Global trade tensions reshape Europe's economic outlook in 2025

The year 2025 began much like 2024 ended, with continued pressure on the manufacturing sector despite improving survey indicators, while the services sector showed resilience (see PMI index below). Persistent uncertainty, both domestic and international, also continued to affect investment, competitiveness and export performance.[13] On competitiveness, the effective appreciation of the euro, ongoing competition from China, and energy prices still above those in competing economies have challenged Europe's relative position. On investment, the European Central Bank (ECB) lending survey for Q1 indicated a renewed decline in credit demand from firms, while higher long-term interest rates and heightened uncertainty dampened business investment prospects. However, Germany's fiscal policy shift in March and the promise of increased defense spending across Europe raised hopes for stronger growth starting in 2026. This optimism was reflected in improved confidence indicators (such as the Manufacturing PMI index), particularly in forward-looking components.

That optimism was short-lived. The announcement of sweeping U.S. import tariffs — 10% across the board on EU goods, with even higher rates for sectors such as automobiles, steel, and aluminum — altered the outlook. However, the anticipation of these tariffs led U.S. importers to front-load purchases of European goods in March, causing a temporary spike in European exports. This surge raised eurozone GDP growth to 0.3% quarter-on-quarter in Q1 2025, up from 0.2% in the previous quarter. Growth in the Netherlands and France lagged a bit behind, at 0.1% quarter-on-quarter. The export surge is expected to reverse in the coming months. We estimate the direct negative impact of these tariffs on eurozone exports to be between 0.1% and 0.3% of GDP over the next 12 months. This forecast is based on the size of the tariff increases (10% or 25%) and how sensitive exports are to price changes. We also consider how much countries rely on exports to the US directly or through other European partners. For example, a 25% tariff rise could lower EU GDP by about 0.33% and France's GDP by 0.19%.

The future direction of U.S. trade policy remains uncertain, casting a shadow over the economic outlook. European exporters are likely to face additional trade barriers, though the scope remains unclear. Disruptions to global trade, financial market volatility, and geopolitical tensions are all weighing on business investment. Consumer caution is also expected to limit the recovery in consumption.

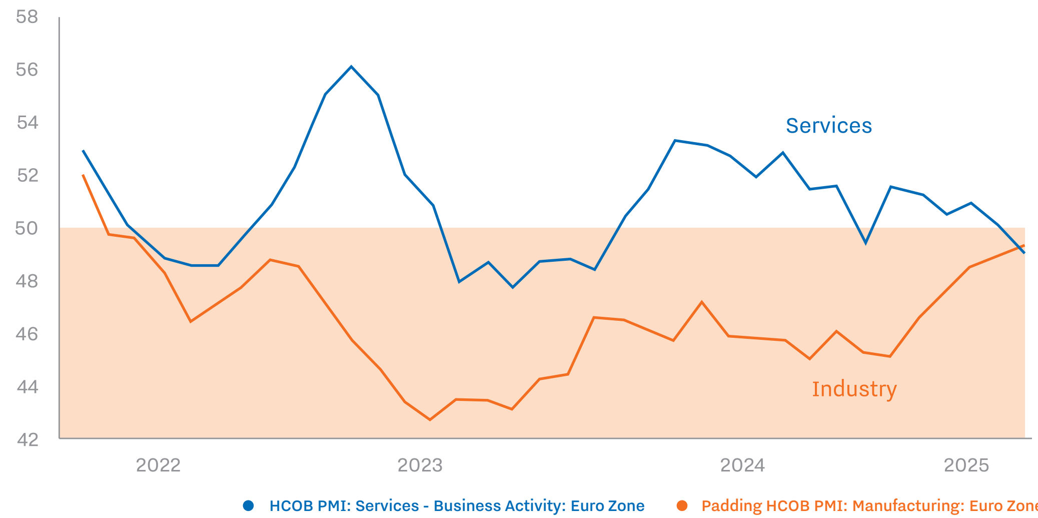
## A gradual trade recovery is expected to begin in 2026

For the remainder of 2025, subdued economic activity is anticipated. Uncertainty and global risks are likely to continue constraining any significant rebound in European industrial production, despite some improvement in confidence indicators: the Manufacturing PMI rose from 44.3 in December 2024 to 49.4 in May 2025,[14] and after two months of decline, the Economic Sentiment Indicator (ESI) improved in the euro area (+1.0 points to 94.8).[15] This cautious improvement can be partly attributed to falling energy prices, which are providing relief to both businesses and households, partially helping to soften the blow of the ongoing trade tensions. In addition, Germany's infrastructure package is expected to provide a significant boost, though its effects will likely only be felt from 2026 onward. In the meantime, tariffs, a stronger euro, and competition from China continue to pose major challenges for European industry, impacting trade and investment between the Netherlands and France.

[13] ECB Euro area bank lending survey Q1 2025.
[14] Euro Area Manufacturing PMI.
[15] Latest business and consumer surveys - European Commission.



**FIGURE 1** — Purchasing Managers' Index (PMI)



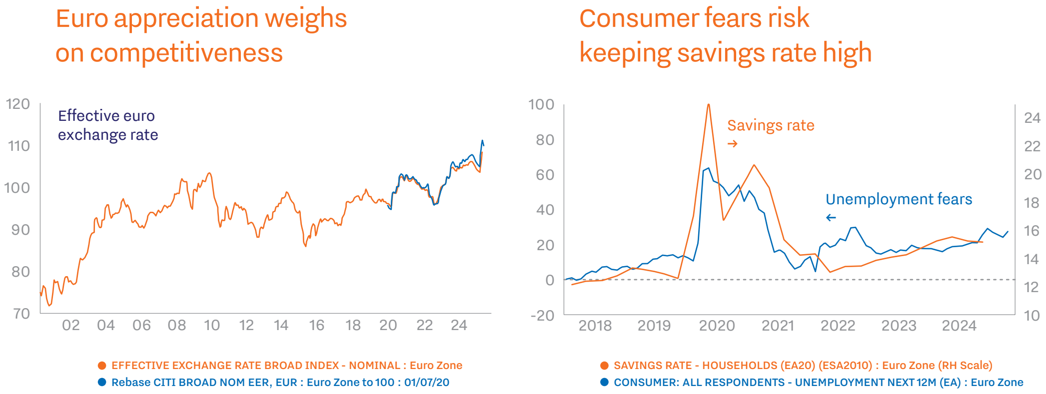

Source: LSEG Datastream, ING Economic Research, May 25.

The services sector, long a pillar of European economic strength, is now showing signs of strain. Indicators such as Services PMI and ESI Services confidence declined in May,[16] suggesting a slowdown in this sector that will weigh on overall activity. We continue to forecast economic stagnation in the coming quarters, though a full-blown recession appears unlikely. For the eurozone, we expect GDP growth of 0.7% in 2025 and 1.1% in 2026. Our forecasts for France are more subdued, with GDP growth projected at 0.4% in 2025 and 0.8% in 2026. A more prudent fiscal policy — introduced as part of the 2025 budget to ensure the long-term sustainability of public finances — may dampen economic activity through slower public spending growth and higher taxes. For the Netherlands, we forecast GDP growth of 1.3% in 2025 and 1.2% in 2026. Given the weakness of world trade and the lack of dynamism in investment, growth will remain below potential, but should accelerate in the course of 2026.

In light of the expected economic slowdown, rising trade barriers, and persistent uncertainty, European exports are likely to grow modestly in 2025, in line with decelerating global demand for goods and services. The appreciation of the euro in effective terms (i.e., against a basket of trading partners) further erodes the competitiveness of European firms and exert some pressure on exports. As a proportion of imports are inputs that are then used for exports, this could also moderate import flows. In addition, given the current softness in domestic demand, imports of final goods into both countries are expected to remain contained. Confidence levels in the services sector — particularly among tourism-related businesses — have eased, suggesting that service exports, which are typically a key driver of trade between the Netherlands and France, may be less dynamic this year. As a result, bilateral trade flows are projected to grow by 0.5% to 1% in real terms in 2025. A gradual improvement is anticipated in 2026, with real growth likely to exceed 1%.

[16] Euro Area Services PMI.

FIGURE 2 — Euro appreciation weighs on competitiveness, Consumer fears risk keeping savings rate high.




Source: (left) LSEG Datastream, ING Economic Research, Apr 25. / (right) LSEG Datastream, ING Economic Research, Q4 24.

## Foreign direct investment may moderate amid a less favorable macroeconomic context

In a global environment increasingly shaped by U.S. policy, domestic attractiveness and investment promotion will remain central concerns for European leaders in 2025 and 2026, including in France and the Netherlands.

The anticipated global economic slowdown could lead to a moderation in FDI flows across all countries. Overall, a cyclical downturn in FDI is expected, driven by global macroeconomic conditions.

## Enhancing Europe's FDI attractiveness remains a key priority

Structurally, Europe has faced increasing challenges in attracting foreign investment in recent years. Competition from the U.S. — bolstered by the Inflation Reduction Act (IRA) and pro-business policies — has intensified. Europe also faces structural issues in competitiveness and innovation, as highlighted in the Draghi and Letta reports. Slower economic growth compared to other regions has further dampened investor enthusiasm.

According to EY's 2025 France Attractiveness Barometer,[16] 25% of companies cite Europe's competitiveness, innovation capacity, and skilled labor shortages as risks to its attractiveness over the next three years. The 11% decline in U.S. investment in Europe in 2024 compared to 2023 underscores this trend, reflecting growing caution among American firms and the U.S. economy's increasing ability to retain domestic investment.

[16] EY survey of 500 international executives conducted between January and February 2025.



While the new U.S. administration may have altered some investment incentives, it has, in our view, not fundamentally altered the trend. Although the current dithering of the US administration and questions around the rule of law could reduce the willingness of some companies to invest in the US, other factors such as the desire for deregulation and the announced tax cuts are working in the opposite direction. Furthermore, faced with the risk of higher customs duties, some companies are considering establishing production facilities in the U.S. to serve the domestic market. For example, Sanofi's decision to invest $20 billion over five years in U.S. production illustrates this trend.

Despite the current slowdown (-0.3% in Q1 2025), the U.S. retains strong growth potential. The development of AI could notably be a significant booster of already high U.S. productivity.[17] In a world of rising trade barriers, the strength of U.S. domestic demand will continue to attract foreign investment. However, intra-European investment may fare slightly better in the coming years. Initiatives to strengthen European defense, Germany's investment plan and efforts to enhance economic sovereignty could all support FDI within the eurozone in the coming years.

## France and the Netherlands have significant potential, but making the most of it will demand focused effort

France, which remained the top European destination for international investment projects in 2024 according to EY,[18] could benefit from these trends. Its strengths — market size, innovation, skilled workforce, infrastructure, and quality of life — remain attractive, especially in future-oriented sectors like AI, clean energy, software, aerospace, and defense. France's energy mix is increasingly seen as a competitive advantage. However, realizing this potential will require sustained efforts to address challenges such as budgetary constraints, moderate growth and political environment. While labour costs remain relatively high in France compared to some peers, this can be balanced by other structural advantages such as a skilled workforce, strong infrastructure, and innovation capacity. By further leveraging these strengths and enhancing its business environment, France can create the conditions for a renewed increase in foreign direct investment. Labour costs remain a consideration for 33% of companies, highlighting an opportunity for France to strengthen its industrial appeal. [19] The strong FDI momentum in Spain, Poland, and Italy in 2024 — where project numbers rose by 15%, 13%, and 5% respectively — underscores the value of enhanced cost competitiveness.

Furthermore, some economic and fiscal adjustments in early 2025 may have prompted a wait-and-see approach among investors. The government's stated ambition to identify €40 billion in savings by 2026, aimed at meeting the 3% deficit target by 2029, will also be closely watched. Better control of public finances could also help reassure businesses and credit rating agencies.

[17] AI productivity gains may be smaller than you're expecting | articles | ING Think.
[18] EY barometer of France's attractiveness in 2025.
[19] EY barometer of France's attractiveness in 2025.

In 2025 and 2026, the Netherlands is expected to remain a relatively attractive destination for foreign direct investment (FDI), thanks to its strong structural fundamentals. The country benefits from world-class digital and physical infrastructure, including major international hubs like the Port of Rotterdam and Schiphol Airport. Its open, innovative-friendly economy is supported by a highly educated workforce and a competitive product market regulation. Knowledge clusters such as Brainport Eindhoven further enhance its appeal, particularly in high-tech sectors.

The Netherlands continues to enjoy strong overall competitiveness, supported by a robust economic environment. While certain structural factors — such as relatively modest R&D investment levels and comparatively high energy prices — present areas for further improvement, they also highlight opportunities for targeted growth and innovation. Infrastructure challenges, including electricity grid constraints and emerging water management considerations, may be tackled to facilitate new market entrants. Additionally, evolving environmental regulations, particularly regarding nitrogen emissions, may impact sectors such as agriculture and construction. Similarly, developments in housing market policies are being closely monitored by investors.

> "France and the Netherlands have the potential to outperform by leveraging effective strategies and strengths"

In conclusion, effectively navigating Europe's structural challenges remains a key priority, while intra-European investment offers a positive opportunity. In this complex environment, France and the Netherlands have the potential to outperform by leveraging effective strategies and strengths.

Overall, we expect FDI flows between France and the Netherlands to grow modestly in real terms in 2025, by around 0.5% over the year. In nominal terms, growth in bilateral flows would be closer to 2%. We expect more dynamic growth in 2026, which could approach 1.5% in real terms (and 3.5% in nominal terms).

Netherlands

2025

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