



India-Netherlands

Why in News

Recently, India's Prime Minister (PM) and the PM of the Netherlands held a **Virtual Summit**.

- It was the **first high level Summit attended by the PM of Netherlands** after the general elections held in March 2021.
- Earlier in **2019** the [King and Queen of the Netherlands](#) visited India to give an impetus to the bilateral ties shared by the two nations.



Key Points //

▪ Review of Bilateral Engagements:

- Exchanged views on **further expanding and diversifying the relationship** in trade and

economy, water management, agriculture sector, [smart cities](#), science & technology, healthcare and space.

- Agreed that the ambitious and innovative flagship programs like **Clean India**, [Digital India](#), [Make in India](#), [Sagarmala](#), [Ayushman Bharat](#) and [Startup India](#) have provided immense opportunities for Indo-Dutch (India-Netherlands) collaboration in multiple sectors.
- Exchanged views on regional and global challenges such as [climate change](#), counter-terrorism and [Covid-19 pandemic](#) and agreed to leverage the emerging convergences in new areas like [Indo-Pacific](#), Resilient Supply Chains and Global Digital Governance.

▪ **Strategic Partnership on Water:**

- Agreed on instituting a **'Strategic Partnership on Water'** to further deepen the Indo-Dutch cooperation in the water related sector, and **upgrading the Joint Working Group on Water** to Ministerial-level.

- In 2019, India and Netherlands had launched the **second phase of the Local Treatment of Urban Sewage streams for Healthy Reuse (LOTUS-HR) plant** as a part of joint collaboration in New Delhi.

▪ **Commitment to International Peace:**

- Reiterated their **commitment to a rules-based multilateral order for ensuring international peace, stability and prosperity** and looked forward to a successful **India-EU (European Union) Leaders' Meeting in Porto, Portugal in May 2021**.

▪ **India's Stand:**

- India and Netherlands have **similar approach in dealing with global challenges** like climate change, terrorism and pandemics.
- It thanked the Netherlands for their support to [International Solar Alliance \(ISA\)](#) and [Coalition for Disaster Resilient Infrastructure \(CDRI\)](#).
 - ISA and CDRI are Indian Initiatives.
- It also **welcomed the Netherlands' Indo-Pacific Policy** and its desire to collaborate during India's [G20](#) Presidency in 2023.
- Setting up a **fast track mechanism for investment promotion will give new momentum** to the strong economic cooperation between the two countries.

India-Netherlands Relation

▪ **Economic and Trade:**

- Economic Partnership between India & Netherlands is a **key pillar of the bilateral ties**.
- The Netherlands was the **third largest investor in India**, after Mauritius and Singapore for [Financial Year \(FY\) 2018-19](#) with [Foreign Direct Investments \(FDI\)](#) inflows of USD 3.87 billion across a variety of sectors.
- The **Netherlands was the second largest destination of foreign investment by Indian companies** as of end-March 2018.
- In 2017-18, the **bilateral trade** between India and the Netherlands was around USD 8.77 billion. In 2018-19, it was around USD 12.87 billion.

- By 2025, it shall touch around USD 18-23 billion.

- The **Netherlands is India's 5th largest trading partner** in the European Union. And is also one of the leading investor nations in India.
- There are **200 (Dutch) companies that are present in India**. Around **160 Indian companies are active in the Netherlands**. During the Covid-19 pandemic, there has been a sizable uptick in the Indian IT companies investing in the Netherlands.

▪ **Historical Relations:**

- Indo-Dutch relations can be **traced back to more than 400 years** when the first Dutch EIC (East India Company) **got established in India (in around 17th century AD)**.
- The **official relations** between the two nations were **established in the year 1947**

which, since then, have been cordial and friendly.

- The two countries also **share common ideals of democracy, pluralism and the rule of law.**

▪ Cultural Relations:

- The **Netherlands currently is home to the largest Indian community on the European mainland.** The growing Indian student and professional community in the Netherlands is making the cultural knot stronger and the technological partnership deeper.
- An **Indian Council for Cultural Relations (ICCR)** Cultural Centre "**The Gandhi Centre**" **was established in The Hague in October 2011.**
- The fifth **International Day of Yoga** was celebrated on 16th June, 2019 at prestigious Dam Square in Amsterdam.

Way Forward

- The Netherlands and India have **hardly achieved their true potential.** There is **huge potential for collaborations given the geopolitical and economic necessities** of both nations.
- Engagement of leaders at the highest level along with **greater economic and defence cooperation is the need of the hour** to take ties to new levels.
- In the next five years, as India will move ahead, Dutch companies will come to India and will be a key collaborator in helping India achieve its USD **5 trillion economy** vision.

Source: PIB

PDF Reference URL: <https://www.drishtias.com/printpdf/india-netherlands-1>

