

**Bilateral Economic
Co-operation (BES)**
'Stimulating international enterprise'



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Status

In the months to come the Ministry of Agriculture, Nature and Food Quality (LNV) will be focusing above all on the new EU member states in Central Europe, the 'new neighbours' of the EU and a number of 'priority' countries, such as Russia and China.

Facts and figures

- The agro sector accounts for 10% of the Dutch GNP.
- Agricultural products account for 20% of the total value of Dutch exports.
- Two-thirds of the Dutch trade surplus is agricultural.
- 80% of Dutch agricultural exports go to the 25 EU countries; 65% of agricultural imports come from the same 25 countries.
- Germany is the Netherlands' main agricultural trading partner.

Period

Ongoing.

Parties involved

An extensive Trade & Industry network with the Agency for International Business and Cooperation (EVD) (a branch of the Ministry of Economic Affairs), LNV agencies such as the offices of agricultural counsellors in 30 countries, other ministries, agribusinesses, the financial sector, civil society organisations, knowledge institutes and various organisations in other countries.

More information

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agriculture, nature
and food quality

The object of the BES programme is to promote trade and investment (particularly in the SME sector), to strengthen bilateral relations and to improve the image of the Dutch agricultural product. The instruments of the BES programme are implemented in collaboration with the agricultural counsellors of the Ministry of Agriculture, Nature and Food Quality and in dialogue with agribusinesses with a view to reducing transaction costs for agrofood and agroindustry companies.

Context

Conducting international transactions involves certain costs for an agrofood company. These transaction costs are both official (such as import levies and quotas) and unofficial (such as language barriers, differences in traditions and trade practices, difficulty accessing local networks, and the cost of maintaining relations at a distance). Transaction costs are incurred as a result of market imperfections, which include a lack of information about foreign markets, limited access to information about foreign markets, and a lack of financing and insurance capacity for emerging and developing markets. As official trade barriers disappear, the relative importance of unofficial transaction costs increases. The Ministry of Agriculture, Nature and Food Quality (LNV) uses the instruments of the BES programme to reduce unofficial transaction costs.

Effects

Evaluation studies show that agribusinesses are satisfied with the efforts being made to reduce unofficial transaction costs associated with market research, market orientation and market access. The provision of accessible, clear, reliable sector-specific information for agrofood companies is much appreciated.

Particular aspects

The expediency and effectiveness of the instruments of the BES programme are assessed and improved where necessary. These instruments include the websites Agriculture from Holland and Food from Holland, the monthly review *Berichten Buitenland* which reports on local developments in other countries, the annual info market with input from the offices of the agricultural counsellors, the Facts and Figures publication, trade missions to other countries, bilateral high-level meetings, trade meetings, the investment toolkit, country fact sheets, market reports, consulting days for the agricultural counsellors, trade fairs, courses, seminars, Veterinary Export Policy (VEX) and Plant Export Policy (PEX).

Challenges

In the case of the BES programme, the aim is to meet the needs of entrepreneurs – particularly those in the SME sector – more closely still. Trade and Industry maintains all of the related contacts with trade and industry associations, but needs more input in order to be able to optimise the value of the programme.

Compatibility with Ministry policy

In his *Groeibrief* (Agenda for Growth) 2004 the Minister stated his intention to improve the economic position of entrepreneurs by strengthening competitiveness and enterprise and supporting innovation. The BES programme serves to strengthen competitiveness.

Benefits

The SME sector in particular is able to explore markets, source knowledge about trade and investment, and establish international contacts at minimal cost. Agrofood companies can specify their needs.