

To Handle Korean Business All Over the World:

The Netherlands Has Become An Even More Strategic Location for Korea: Amb. Radinck J. Vollenhoven

On the occasion of the celebration of Queen's Day on April 30, 2004, Dutch Ambassador Radinck J. van Vollenhoven contributed the following article, extending his greetings and saying, "I am grateful to DIPLOMACY for this opportunity to address its readers." - Ed.

With an area of 42,000km², the Kingdom of the Netherlands is barely half the size of Korea. Its population of 16 million is about a third of that of Korea. But looks appearances deceive. The Dutch economy is the world's 11th largest in size, about as big as Australia or Korea. The Netherlands is the third largest investor in the United States and one of the largest investors in the European Union for the last four decades, the period in which the "Miracle of the Han River" took shape. In the world, the Netherlands has been the third largest exporter of agricultural goods and the seventh largest exporter overall.

As a small country among bigger nations, the Netherlands traditionally attaches great value to respect for international law. Indeed, it is not an exaggeration to claim that modern international law was founded by a Dutch scholar, Hugo de Groot (or Hugo de Grotius), who wrote the first treaties on the subject. It was translated into many languages and is still used in universities all over the world.

The Netherlands is becoming the judicial capital of the world. The Hague has been host to the International Court of Justice since the days of the League of Nations.

The permanent Court of Arbitration was also established in the Hague, and so were the International Criminal Tribunal for the Former Yugoslavia, the Permanent Bureau of the Hague Conference for Private International Law and the Hague Academy of International Law. In light of this tradition, it followed quite naturally in the early 1980s to base the U.S.-Iran claims tribunal in The Hague. Two years ago, it was decided to move the newly-established International Criminal Court (ICC) to that city as well. Last year, the ICC has been formally inaugurated.

The Netherlands has many things in common with the Republic of Korea. Both countries are relatively small and are surrounded by bigger neighbors with whom past relations were sometimes problematic. They are also countries whose economic performance far exceeds their geographical size and are home to world-class and world-size companies: Shell, Philips, Unilever, AKZO-NOBEL, ABN-AMRO, ING and KLM on the Dutch side; Hyundai, Samsung, LG and SK on the Korean side to name just a few.

Shortages in natural resources have been balanced through a well-educated, disciplined and productive labour-force. For this reason, more Korean companies are picking the Netherlands as the site to establish their European operations. Since the establishment of a European common market, the Netherlands has become an even more strategic location for Korean companies to handle their business all over Europe. For example, recently LG Electronics,

Hankook Tire and Korea Huf established a pan-European operation in Netherlands.

Furthermore, Korea and Netherlands profit from their geographical location: the Netherlands as the gateway to Europe and Korea with its ambitious plans to become the hub of Northeast Asia.

The plans for the expansion of the port of Busan to become one of the biggest harbors in Asia testify to this policy, as does the impressive new airport of Incheon.

In both projects, Netherlands' companies are involved. As the gateway to Europe, the Netherlands ranks third as a buyer of Korean products in the European Union and the fourth as a supplier of goods.

In the 90s, the Netherlands has become Korea's main supplier of up-to-date agricultural technology and materials. Dutch agriculture has become a model for agriculture in Korea due to the great similarities between the two countries in agricultural circumstances such as limited farmland and small-scale farming in a densely populated country.

Korea's emerging exports of high value-added agricultural products like paprika, flowers and pork are based on Dutch technology and materials, such as glasshouse, seed, farming equipment and feed technology. Farmers and related agricultural organizations in the Netherlands are receiving high numbers of Korean visitors, farmers and related technicians.

Over the past decade, about 80% of all agricultural high school teachers in Korea and a lot of key technicians of Korea agricultural institutes have been trained in agricultural research and training stations in the Netherlands.

Many activities took place in the field of economics and commerce. Today, our export to Korea amounts to US\$1.3 billion per year. These days, the Netherlands is mainly famous in Korea for its chemical products, machines and other industrial goods.

More Dutch companies would like to expand their businesses toward Korea. In 2003, Korea was our third trading partner in Asia followed by China and Japan. In that same year, the Netherlands Minister for Foreign Trade paid a visit to Korea with Mr. Guus Hiddink and a delegation of many prestigious Dutch companies.

In March this year, LG-Philips LCD (the world's largest LCD producer) broke ground on a mammoth LCD complex in Paju, Gyeonggi Province, which will house a fabrication facility for 40 to 50 related companies and an R&D center. LG-Philips LCD is a joint venture between LG Electronics and Royal Philips NV, Europe's biggest consumer electronics maker.

There are plans to invest ~~KW~~25trillion in the 3.3km² complex over the next 10 years. The facility is expected to create as many as 25,000 new jobs.

In the 17th Century, the Dutch set foot on Korean soil and were the first to report back on it. In 1653, a Dutch merchant vessel named the Sperwer (the sparrow-hawk) was shipwrecked off the coast of Jeju. Thirty-six men made it to shore. After 13 years, eight of them managed to get back to Holland, where Hendrik Hamel, their leader, published the first book on Korea in the West.

Nowadays, a monument on the coast of Jeju memories this event, as well as a statue in Gangjin, where Hamel and some of his compatriots lived a number of years.

Last year, Korea and the Netherlands commemorated the landing of Hendrik Hamel on the

Korean coast exactly 350 years ago. Many festive activities were organized throughout the year.

For the Hamel Year, the Netherlands received much support from the Korean central and local authorities. The visit of Mr. Hiddink and the good performance of the Korean football team had given an extra dimension in our relations.

Besides the world of sports, there is a mutual interest in art. A staggering success was the exhibition on 17th Century Dutch Master Paintings from the Mauritshuis Collection (the age of Rembrandt), which took place in the Doksu Palace Museum. In other fields, the Netherlands has been very visible in Korea.

Just to mention a few are the performance of Intro Dance, the screening of the film of Jan den Hartog (Hamels Horizon) and the exhibition of Droog Design. In cooperation with the University of Leiden, a book called, "The World of Hendrik Hamel," was presented. Because of its success, the Hamel Year is prolonged in 2004.

Among others, the Opera Hamel, the Dutch Animation festival and a performance of the Netherlands Dance Theatre will take place, highlighting the very close relationship in the cultural field between the Netherlands and Korea.

Since the days of Hamel, the relations between our two countries have come a long way. Every year, hundreds of students make the journey between Korea and the Netherlands. Korean students are especially attracted to Dutch courses in environmental technology, engineering, medical fields and music.

In the educational and scientific field, I expect that the two countries will get closer. In addition, businessmen, officials, scholars and tourists will find their way to each others country in ever-increasing numbers.

Contacts between Korea and the Netherlands have increased recently. In support of the South Korean policy aiming to overcome decades of hostility, the Netherlands, together with other countries of the EU, is trying to lend a helping hand to North Korea. When I was accredited to Pyongyang in 2001, the Netherlands established diplomatic relations with North Korea.

To facilitate all these contacts, agreements have been concluded in the fields of avoidance of double taxation, protection of investments, maritime affairs, construction, defense and the like. They provide a strong base for a further extension of our cooperation in the 21st Century.