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MANUFACTURING, CONSTRUCTION AND RETAIL TMT THE NETHERLANDS

The Netherlands defies Europe's tech trend thanks to ASML

While Europe has lagged the US and Asia in capitalising on the global tech boom, the Netherlands stands out as an exception. ASML and its semiconductor equipment give the Dutch economy a unique position in the global AI investment boom, with an economic footprint that could reach 2.2% in 2026



ASML in Veldhoven. The tech company is one of the most important suppliers of machines for the semiconductor industry

- The Netherlands stands out in Europe for its ability to benefit from the global tech boom thanks to ASML and the semiconductor-equipment cluster.
- ASML has become a macroeconomic force in its own right: its direct contribution could reach 1.6% of Dutch value-added in 2026.
- Its true economic footprint is even larger. Including domestic suppliers and investment, we estimate ASML's contribution could reach 2.2% in 2026.
- The benefits go beyond current GDP: ASML's highly productive ecosystem may generate wider productivity spillovers across the Dutch economy.
- Success also creates concentration risk. ASML's growing weight means semiconductor swings can increasingly affect Dutch economic growth.

- Geopolitics could hinder growth through restrictions on export markets and disruptions to critical foreign inputs.
- Constraints may also be domestic: shortages of talent, space and other supply-side bottlenecks could limit further rapid growth of the cluster.

The Dutch economy is profiting from the strong global tech cycle

The Netherlands is an exception to Europe's difficulty in capturing the full benefits of the global tech boom. According to the IMF's latest [World Economic Outlook](#), the Netherlands is among the countries most exposed to the global AI investment cycle through trade, a trend that is boosting growth across the economies involved.

This is predominantly due to the strength of computer chip equipment maker ASML and the wider semiconductor ecosystem surrounding it. ASML has rapidly become the largest European company by market capitalisation and is becoming a dominant force in the Dutch economic outlook. In fact, changes in turnover expectations have become [valuable insights for the Dutch near-term economic outlook](#).

Mario Draghi has warned that Europe risks becoming trapped in older technologies. Yet thanks to ASML and the ecosystem around it, the Netherlands occupies a pivotal position in the AI-driven technology boom and is reaping substantial economic benefits from it.

In this note, we quantify the ASML impact on the Dutch economy and discuss its implications. We argue that ASML's importance to the global economy has helped cushion the impact of shocks such as the energy crisis and recent trade tensions in the Netherlands. We also argue that it is set to boost the Dutch economic outlook, and while it comes with certain vulnerabilities, it is a key driver of modernisation and productivity growth in the years to come.

Share of machinery in the Dutch economy has accelerated in the last 10 years thanks to ASML

Already familiar to industry experts and increasingly recognised by the broader public, ASML is a Dutch company and the world's sole producer of leading-edge lithography tools essential for advanced semiconductor manufacturing.

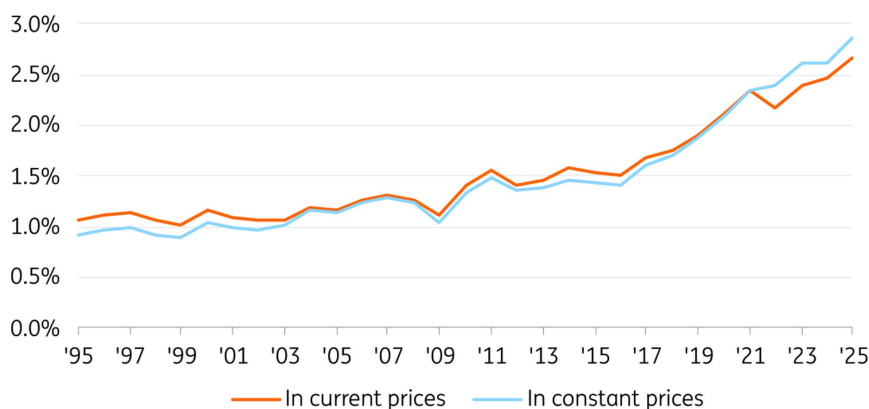
Developing these advanced technologies requires substantial R&D expenditure. As there are not yet competitive alternatives to its most advanced lithography tools, this gives ASML a strong position in price negotiations. That makes ASML quite profitable. However, customer TSMC has recently shown some reluctance to adopt ASML's newest technology, initially viewing the tools as too costly, highlighting that the company's pricing power has its limits.

Nevertheless, ASML generates substantial value-added (see below for our methodology on how we estimate the direct value-added contribution and the wider impact for the Dutch economy). While the company is a multinational, its main production and R&D activities are based in the Netherlands. As a result, it is mostly Dutch GDP that is boosted by the expansion of ASML.[\[1\]](#)

ASML's rise is clearly visible in industry data. Since 2017, the share of machinery in total Dutch gross value-added has increased. Trends like the introduction and increasing popularity of smartphones, cloud-based services, social media and the demand boom in (ICT) goods during the Covid lockdowns have been very beneficial for semiconductor-related businesses, including producers of semiconductor lithography systems. This trend has accelerated with the rise of large language models and the broader AI investment cycle, lifting the machinery industry's share of the Dutch economy to around 2.7% in current prices and 2.9% in constant prices by 2025.

Machinery industry has strongly risen in direct importance for the Dutch economy

Share of machinery industry in total gross value-added of the Netherlands



Source: Statistics Netherlands (CBS), ING Research

Half of the Dutch machinery industry is ASML

Admittedly, ASML is not the only machinery company in the Netherlands, and not all machinery expansion can be attributed to just this business. Other large tech companies in the semiconductor equipment manufacturing cluster include ASM and BESI. Other well-known Dutch companies active in the wider machinery industry include VDL Groep (e.g. food, packaging, and agricultural robots, also an important supplier to ASML), Vanderlande (e.g. logistics systems) and Lely (e.g. cattle milking robots and feeding systems). Yet, ASML accounts for about half (€33.7bn in 2025) of the turnover of the Dutch machinery industry.[\[2\]](#)

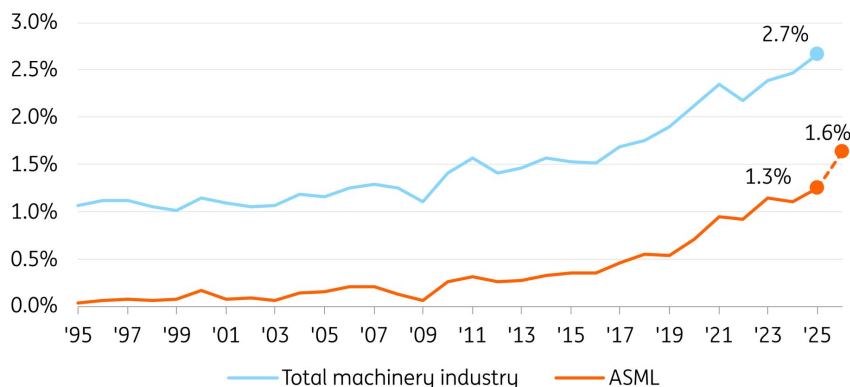
ASML alone is on track to account for 1.6% of the Dutch economy

For each euro of turnover, ASML creates about 50 cents of value-added with its own activities, of which we (perhaps somewhat conservatively) assume that 40 cents can be assigned domestically, which is slightly less than the 42 cents of the total machinery industry.

We therefore estimate that the direct contribution of ASML to Dutch GDP has risen from a modest 0.1% in 1995 to a substantial 1.3% in 2025. That is significant for an economy with a high development level and a high degree of diversification. Based on [ASML's own expectations](#) (of which we take the midpoint of €44.5bn) and our own economic growth forecasts, this may well be 1.6% in 2026.

ASML's share in the Dutch economy is growing even larger

Estimated share of ASML and machinery industry in total gross value-added* of the Netherlands



Source: Statistics Netherlands (CBS), ASML and ING Research estimates

*In current prices

Including the wider ASML ecosystem, its share of the Dutch economy is even larger

ASML's success is closely tied to the ecosystem that has developed around it. Many of its suppliers are located around Veldhoven, where ASML's headquarters are, making the broader value chain key to the company's success.

To track the wider impact of ASML (and the machinery industry) on the Dutch economy, we estimate and aggregate the following three impacts (over time):

1. Direct impact: ASML's/machinery's own gross value-added share in total gross value-

added

2. Indirect impacts^[3]:

2a. Domestic value-added content of intermediate consumption. This is the value-added created by other Dutch firms that supply inputs for the production of ASML/machines. In ASML's case, this may also include inputs provided by the machinery industry.

2b. Domestic value-added content of gross capital formation: This is the value-added created by other firms in the Netherlands that result from providing productive assets.

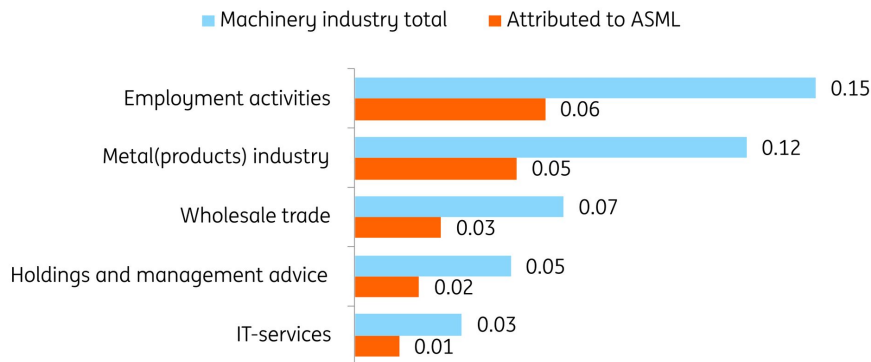
In the absence of ASML-specific data, we investigate the indirect impacts by looking into intermediate inputs and investment of the Dutch machinery industry, using input-output tables.

About half of the gross intermediate inputs come from the Netherlands, half from abroad. For each euro of total intermediate consumption by the machinery industry/ASML, about 20 cents of domestic value-added is created. This means that intermediate consumption by the total machinery industry has an impact of 0.8% of total Dutch value-added. If we scale this to the size of ASML, this means the domestic impact of intermediate consumption by ASML is 0.3% of the Dutch economy in 2025 (and is forecast at 0.4% in 2026). This is still quite sizeable.

The machinery industry sources a large share of its inputs from within the sector, although many of these suppliers are located abroad. For ASML, these include both strategic partners and external suppliers, such as ZEISS SMT in Germany, as well as subsidiaries like Cymer in San Diego. Other important suppliers include wholesale trade, metal products manufacturing, and professional services such as legal and management consultancy. Within the Netherlands, however, temporary job agencies are among the biggest beneficiaries of the sector's activity, alongside other firms in the machinery industry.

Domestic temp job agencies profit most from the machinery industry

Estimated indirect impact – value-added created due to intermediate inputs demanded by the machinery industry as share of total Dutch value-added* in 2025 in %, top 5 industries except machinery



Source: Based on input output table for the Dutch economy in current prices for 2025 by Statistics Netherlands (CBS), ASML and ING Research estimates

*In current prices

Impact via investment, especially R&D

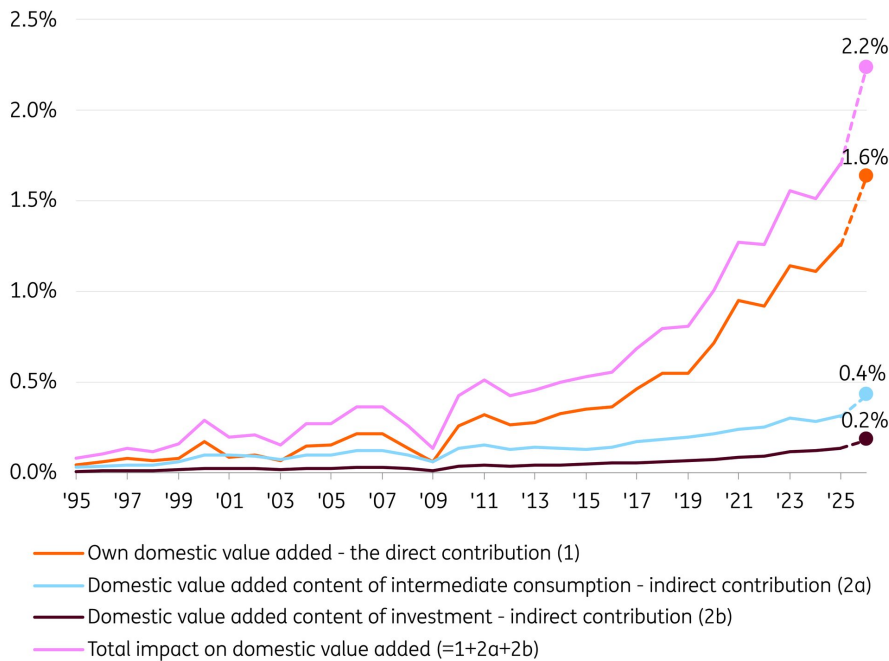
The second indirect contribution to the economy is the domestic value-added content of gross capital formation. While the impact of ASML and the broader machinery industry through investment is smaller than that of their own production and supply-chain activity, it remains significant enough to have a meaningful effect on the Dutch economy. For 2025, we estimate the contribution through investment at 0.2% for ASML and 0.1% for the broader machinery industry. For ASML, we expect this contribution to remain at 0.2% in 2026.

This captures the economic impact generated beyond the investment that is done within machinery/ASML. Own in-house R&D is not included in this estimate since it is already included in the direct impact and would otherwise be counted twice. From our analysis based on input tables, we can conclude that when it comes to sourcing, R&D investment is the most important capital asset type for the sector: on average, this was about 57% of gross capital formation. The second and third-most important are other machinery and equipment and computer software and databases, followed by buildings and computer hardware.

Adding the direct impact and the two indirect impacts, we estimate the total impact of the machinery industry and ASML on the Dutch economy at 3.7% in 2025 (and forecast it for ASML at 2.2% in 2026). While this falls short of the 3.8% contribution Nokia made to the Finnish economy in 2000 (excluding indirect effects), it is nevertheless highly significant.

Total impact of the ASML cluster on the Dutch economy is expected to grow to 2.2%

Estimated impact of ASML, in % of total Dutch gross value-added*



Source: Statistics Netherlands (CBS), ASML and ING Research estimates

*In current prices

Wide economic benefits

The gains are likely not limited to the output and employment of the machinery industry. Aggregate productivity levels in the Netherlands would probably also be lower without the presence of this export giant. Not only are ASML's own activities highly productive, but joint research by the CPB and Statistics Netherlands also shows that [firms supplying exporters tend to be among the most productive companies](#) in the Dutch economy, second only to the exporters themselves.

Moreover, international case-specific evidence suggests that the benefits of hosting a globally competitive high-tech champion may extend beyond its direct value-added and purchases from domestic suppliers (see [here](#) for an example). Participation in the supply chain of a leading multinational can improve productivity, scale, management practices and the ability of suppliers to attract new customers. These spillover effects are difficult to quantify, but they suggest that ASML's contribution to long-term Dutch prosperity may be larger than what can be observed in national accounts alone.

Should the Netherlands worry about a Nokia effect?

Despite the wide economic benefits, the strong dependence of value-added on one industry and one company in particular can also be a vulnerability for the Dutch economy. What may now be a strength that other countries envy may later turn into an economic weakness. As a large part of ASML's business is known to be cyclical, macroeconomic swings may be

exacerbated and shocks may be limited not only to cyclical fluctuations but can be more permanent as well. This is despite the fact that ASML is increasingly becoming a services provider for its installed base. These services are typically less cyclical, with lower utilisation by customers also providing opportunities to undertake maintenance and upgrades.

Even global market leaders can lose their edge when markets change, as Nokia's difficulties following the advent of smartphones illustrate. At its peak around 1998-2000, the share of Nokia in Finnish GDP was close to 4%, but in 2011 it had fallen to 0.5%. OECD analysis suggests that the prolonged contraction of Finland's computer sector was closely linked to Nokia's decline following the rise of smartphones, and may [explain at least 30% of the productivity slowdown in the rest of the Finnish business economy](#) during 2009-13. The estimate is based on industry-level effects rather than Nokia specifically, but it highlights how disruptive a shock to a dominant firm can be, even within a highly developed technology ecosystem.

But the Netherlands is a more diversified economy than Finland was at the peak of Nokia's strength. Our estimate of a 2.2% total impact on the economy of ASML so far is still well below the 3.8% (excluding indirect effects) [Nokia once contributed in 2000 as a single company to the Finnish economy](#). The diversification is evident in other thriving high-tech sectors like pharma and IT services, which are also contributing substantially to growth this decade.

Geopolitical fragmentation brings risks to both markets and critical inputs for chip machines

The Dutch machinery industry's deep integration into global trade is a source of strength, but also creates a vulnerability to geopolitical fragmentation. For ASML, this is currently the case outside the European Union, as semiconductor manufacturing is predominantly based outside Europe. Both ASML and the broader machinery industry depend heavily on continued access to foreign markets and to highly specialised inputs from abroad. IMF analysis shows [substantial geographic concentration on both sides](#): export demand is particularly exposed to disruptions involving the US, Germany, China and South Korea, while the supply of several critical machinery inputs is concentrated in a relatively small number of countries.

These risks are no longer hypothetical: US restrictions already limit exports of ASML's most advanced machines to China, while further measures, including the proposed [Match Act](#), could constrain Dutch exports further. At the same time, our analysis of Eurostat input-output data shows that foreign intermediate inputs for the Dutch machinery industry are particularly dependent on Germany, the rest of the world, including Taiwan and South Korea, and the US. Geopolitical tensions can therefore hit the sector from both directions: by restricting where Dutch machinery can be sold and by disrupting access to the critical inputs needed to produce it.

For the Dutch economy, this brings a downside risk to growth. Export market restrictions can weaken foreign demand, while disruptions to critical inputs can constrain domestic production

and investment. Through the sector's extensive domestic supply chain, such shocks can spill over to suppliers and other parts of the economy. In the longer run, geopolitical fragmentation could also undermine an important source of Dutch productivity: the ability of highly specialised firms to source the best inputs internationally and sell their products globally. The same international specialisation that has made the Dutch high-tech sector so successful therefore also makes it vulnerable when geopolitics interferes with trade.

High-tech is reshaping the Dutch economy, but can growth continue at this pace?

Since the mid-2010s, ASML has evolved from a highly successful technology company into a business of genuine macroeconomic significance for the Netherlands.

Its direct and indirect contribution to Dutch value-added is now large enough to influence national developments and has helped the Dutch economy benefit much more than countries around it from the global AI investment boom. ASML also strengthens the European tech ecosystem, for instance through its partnership with imec, its collaboration with TNO on the photonic chip pilot line, and its investment in Mistral AI. These initiatives could support new technologies and future growth opportunities.

For the years ahead, the question is whether the Dutch economy can continue to accommodate the rapid growth of the chip-machine-making cluster. The Dutch economy has shown signs of strain in recent years as limits to talent, space and other supply-side constraints are the main source of concern for future growth. In 2024, the Dutch government decided to invest €2.5bn to improve the business climate for the sector, but overall concerns around talent availability and specific bottlenecks in the economy that we wrote about repeatedly (see for example [here](#), [here](#) and most recently [here in Dutch](#)) remain.

Despite challenges, we do expect that the growth of the ASML cluster will remain an important structural driver for economic growth in the Netherlands.

Footnotes

[1] In our estimates, we assume that 80% ends up in Dutch value-added. This is the unweighted average share of the Netherlands in R&D full-time equivalents and profit before taxation, based on ASML's [Public Country-by-Country Report 2025](#) and [Tax Report 2025](#).

[2] This was 47% in 2024, based on the latest available annual figures of Statistics Netherlands for turnover of the machinery industry of €60.6bn. Recently, Statistics Netherlands reported that the [turnover of the Dutch chip industry was €42.5bn in 2024](#). Be aware that this is based on a new ad hoc definition of the industry that also includes chip producers and businesses outside the machinery industry that supply the chip machinery industry and excludes the production of other types of machinery, using microdata that are not publicly available.

[3] Note that these indirect impacts can only be estimated for subsets of firms/industries, since

the indirect impact of one firm/industry is always the direct impact of another firm/industry. Otherwise, there would be double-counting of value-added. To avoid such double counting, we exclude the value-added created by the machinery industry that results from intermediate consumption and investment of the machinery industry from our calculations.

Methodology:

Based on details that are only publicly available for 2025, we estimate the gross value-added (in current prices) of ASML's own production (the "direct impact") by subtracting sourcing spent from net sales. To produce a time series for 1995-25, we collect the net sales and gross profit margin from [ASML's annual accounts](#) based on the GAAP methodology. For the 2026 forecast, we use the midpoint of ASML's own projections available in the most [recent quarterly press release](#). We then work with constant ratios. We assume that in each year the ratio of value-added or intermediate consumption (depending on what data is available) to the gross margin is the same as in 2025.

Since not all the value-added of ASML can be attributed to the Netherlands, we assume that 80% ends up in Dutch value-added. This is equal to the unweighted average share of the Netherlands in R&D full-time equivalents and profit before taxation, based on the [Public Country-by-Country Report 2025](#) and [Tax Report 2025](#). Note that in official national accounts, Statistics Netherlands (CBS) may attribute a different share to the Netherlands than we do, as it has access to detailed microdata that is not publicly available.

To determine the indirect impacts on Dutch domestic value-added, we assume that the Dutch machinery industry's intermediate consumption and gross capital formation are representative for ASML. This is a strong assumption, but it allows us to provide a more complete picture of the wider impact of the company. We use [input-output, supply and use tables](#) in current prices for 2010-25 by Statistics Netherlands. These data are better suited to accurately track the impact of other Dutch industries than international input-output, supply and use tables. Again, we extrapolate with constant ratios for 1995-09 and 2026. We apply the so-called [Leontief inverse](#) to ensure that indirect effects via all industries are taken into account, not only direct purchases. For further insights into international linkages, including those via third countries, Eurostat's 2023 [FIGARO input-output tables](#) were used.

For investment by the machinery industry, we used data by Statistics Netherlands on [gross capital formation by capital asset type](#) for 1995-23. Since input-output tables provide no data on which industry produces which type of productive capital, we make our own assumptions.

We map the capital assets as follows (based on [input tables](#), also for the estimate of

the impact of investment, adjustments are made for the import content or domestic content):

Mapping of non financial asset type to producing industry

Non financial asset type	Non-financial asset code	Producing industry	NACE code
Computer hardware	AN.1132	Computer, electronic and optical products	C26
Telecommunications equipment	AN.1132	Computer, electronic and optical products	C26
Other machinery and equipment	AN.1139	Machinery and equipment n.e.c.	C28
Passenger cars	AN.1131	Motor vehicles, trailers and semi-trailers	C29
Other road transport equipment	AN.1131	Motor vehicles, trailers and semi-trailers	C29
Other tangible fixed assets	AN.11	Other manufactured goods	C32
Buildings other than dwellings	AN.1121	Buildings and building construction works	F41
Other structures	AN.1122	Civil engineering works	F42
Computer software and databases	AN.1173	Computer programming, consultancy and related services	J62
Costs of ownership transfer on land	AN.1116	Real estate services, as a proxy for transfer costs	L68B
Research and development	AN.1171	Scientific research and development services	M72

Source: Statistics Netherlands (CBS), ING Research

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