CBI
Ministry of Foreign Affairs

CBI Product Factsheet:

Valves in the Netherlands

Introduction

Despite its small geographic size, the Netherlands has the sixth-largest import market for valves in Europe. A few production facilities belong to both foreign and multinational companies, as well as to independent domestic valve manufacturers. The best-performing market segments in 2015–2016 are expected to be the water and food-processing segments. The best opportunities for exporters from developing countries are for parts subcontractors for these manufacturers. In some cases, exporters from developing countries could also supply finished valves to these manufacturers. Another good option for exporters from developing countries would be to target specialised distributors. In all cases, exporters from developing countries should focus on just a few specialised valves within their range of products. Finally, the pricing strategy should be very competitive.

Product description

Valves are applied in almost all industrial production processes in which liquids are used. The valves covered in this survey are industrial devices that regulate, direct or control the flow of fluids (gases, liquids, fluidised solids or slurries) by opening, closing or partially blocking various passages. The water and wastewater industry is the largest sector of application for valves, in addition to the chemical-processing industry, the food-processing industry (including beverages) and the oil and gas industries.

One chapter in the CN nomenclature refers to valves and valve parts: Chapter 8481. This chapter of codes was selected for this survey. The classifications are presented in Table 1. Note that several of the codes in Chapter 8481 have been excluded from the selection, as they relate to applications other than the process industry, including pneumatic (including tyres), hydraulic and sanitary applications. Table 1 also shows the Prodcom codes used for the production and demand statistics for valves and valve parts.

Table 1: Selected products, based on CN and Prodcom nomenclature

Subsector and product group	CN code	Prodcom code	Description
Valves			
check valves	848130-91/99	29131172	check valves
safety valves	848140-10/90	29131176	safety or relief valves
pressure-reducing valves	84811005	29131134	pressure-reducing valves combined with filters or lubricators
	84811019	29131135	pressure-reducing valves of cast iron or steel
	84811099	29131139	pressure-reducing valves of base metal
process control valves	84818051	29131313	thermostatically controlled process valves
	84818059	29131315	process control valves
gate valves	84818061	29131333	gate valves
	84818063	29131335	gate valves
	84818069	29131337	gate valves
globe valves	84818071	29131353	globe valves of cast iron
	84818073	29131355	globe valves of steel
	84818079	29131357	globe valves
diaphragm valves	84818087	29131377	diaphragm valves
other valves	84818099	29131380	valves not defined elsewhere
parts thereof	84819000	29132000	parts of valves
a range of valves (quarter turn)	84818081	29131373	ball and plug valves
	84818085	29131375	butterfly valves

Source: Globally Cool, based on CN and Prodcom Nomenclature (2013)

The valve specifications required by Dutch buyers are described below. These specifications include requirements pertaining to the material used, the processing steps, documentation and packaging. Illustrations 1–4 display examples of valves sold in the Netherlands, and Illustration 5 provides an example of valve bodies packaged for transportation.

Material and design

The material used depends upon the valve's application. Materials range from nodular cast iron or alloy nodular cast iron for use in water and wastewater processes to stainless and heat-resistant steel in the chemical and power-generation industries. Designs are in line with customer specifications.

Documentation

Valve importers require associated reports about the quality and specification of the material used, registration of critical process parameters and test reports, along with traceability reports for the batches of products manufactured.

Labelling and packaging

Valves are individually packed in crates or boxes, generally made of wood. The packaging depends upon the characteristics of the valve, its level of treatment (100% treated valves require high-protection packaging in order to prevent breakage) and its size. Plastics or coatings are also used for additional packaging purposes. The standard of the valve should be imprinted on the rim, as well as the size, batch number and materials. Highly specialised valves have unique numbers, as they are tested individually.

Packaging is always labelled, not only for the purposes of identification during transport, but also to indicate the quantity, weight, the products themselves and the producer's name. In addition to general packaging requirements (see 'Requirements'), customers are likely to have their own additional packaging requirements and preferences. In most cases, the packaging and labelling requirements are included in the customer's specifications.

Quality and quantity

The quality standards of individual Dutch companies are among the highest in Europe. These quality standards have an impact on many aspects, including the finishing and painting of the product (the visual-optical qualities or the appearance of the valve), the packaging requirements and the documentation of accessories.

Order volumes follow the customer's standards and requirements. As a general guideline, transportation of standard valves or valve parts from overseas countries to the Netherlands is viable only for full container loads.

Illustration 1: Vacuum solenoid process valve

Illustration 2: Pressure-seal bonnet-gate valve

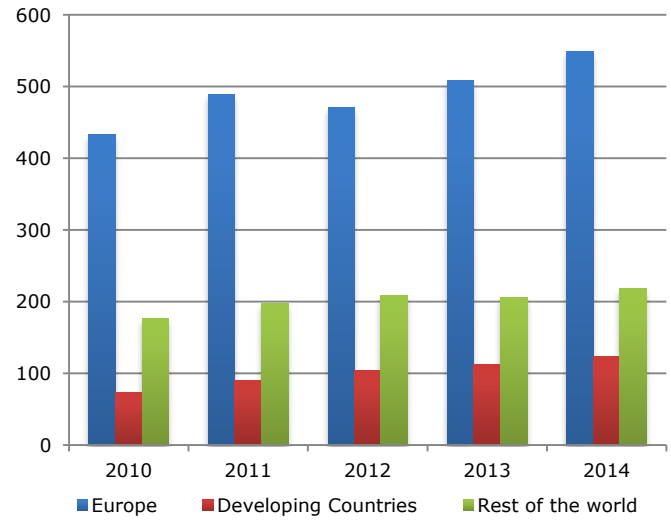
Illustration 3: Angle valve

Illustration 4: Zero dead-leg valve

Illustration 5: Example of valve bodies ready for transport

What is the demand for valves in the Netherlands?

Figure 1: Imports of valves to the Netherlands by main origin (2010–2014), in € million

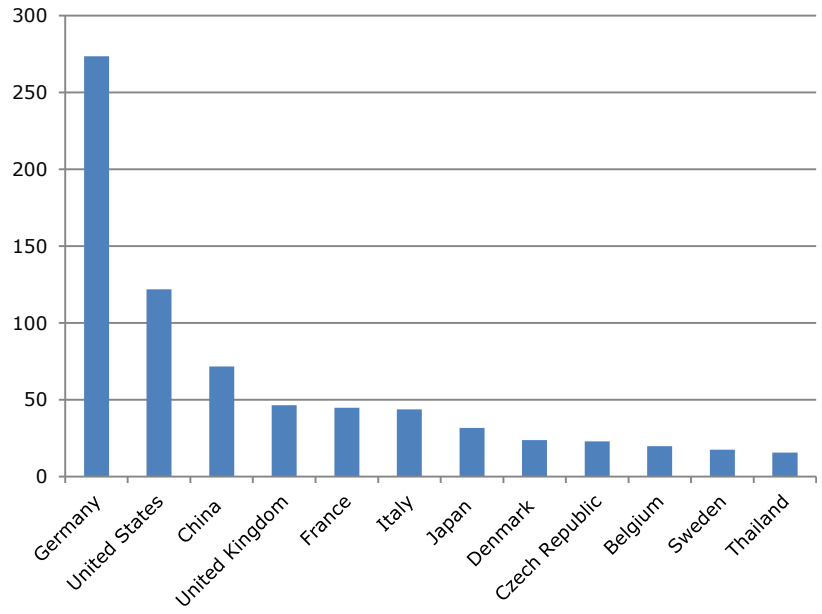


Source: Trade Map (2015)

- The Netherlands is the sixth-largest importer of valves in Europe. In 2014, it accounted for 5% of all imports, which is about the same share as that of Belgium and Norway.
- Import values increased between 2010 (€683 million) and 2014 (€890 million), with an average annual growth rate of 6.9%.
- Valve parts accounted for 20% of total imports (€178 million).

- As a share of total imports, the Netherlands' imports from developing countries (14%) are comparable to the European average of 14%. During the next few years, this share is expected to increase to 15%–16%.
- The import of valves is expected to exhibit slight growth in the next few years, in the range of 0%–2%.

Figure 2: Leading suppliers of valves to the Netherlands (2014), in € million



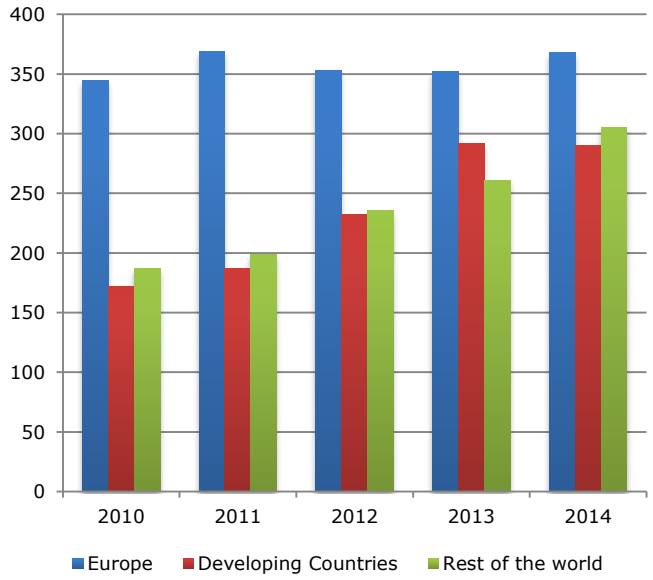
Source: Trade Map (2015)

- Although most of the leading suppliers are from developed countries, several developing countries appear in the list of leading suppliers: China (3rd position at €72 million), Thailand (12th position at €16 million) and Vietnam and India (17th and 18th position, respectively, at €11 million each).
- The leading positions of Germany and the USA are the result of the presence of production facilities owned by the leading global and national valve manufacturers in these countries.
- Turkey (€8 million), Papua New Guinea, Malaysia and Mexico (€1 million each) also export valves and valve parts to the Netherlands.
- The composition of suppliers from developing countries is not expected to change substantially in the next few years..

Tips:

- Benchmark your company against your peers from China and India, as well as against those from other countries that export to the Netherlands. Several factors should be considered, including market segments served, perceived price and quality levels and countries served. One source that can be used to find exporters of valves by country is the ITC Trade Map.
- Dutch buyers are evidently aware of and have found suppliers in developing countries other than China. Such perceived openness to other developing countries obviously implies the presence of opportunities for developing countries.

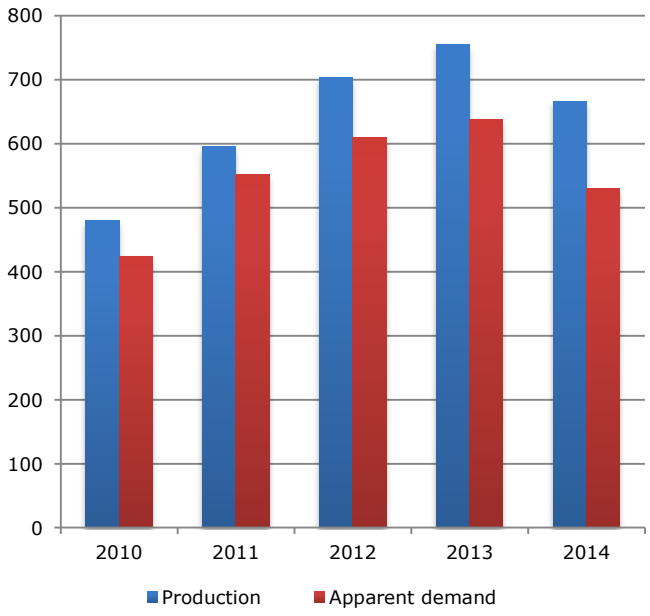
Figure 3: Exports of valves from the Netherlands by main destination (2010–2014), in € million



Source: Trade Map (2015)

- Dutch exports performed strongly in the 2010–2014 period, peaking in 2014 at €963 million. On average, exports grew by 8.1% per year.
- The pattern over the 2010–2014 period is more or less the same as the pattern for Dutch imports (Figure 1). This demonstrates the participation of the Netherlands in the global trade of valves and valve parts.
- Of all Dutch exports, 30% are destined for developing countries. This presents an interesting opportunity for producers of valves and valve parts in developing countries. Suppliers who are able to prove their ability to meet product specifications can also supply these valves and valve parts. China is the leading developing-country destination, followed at some distance by Brazil, Kazakhstan, Turkey, Angola and Malaysia.

Figure 4: Production of and local demand for valves in the Netherlands (2010–2014), in € million



Source: Trade Map (2015)

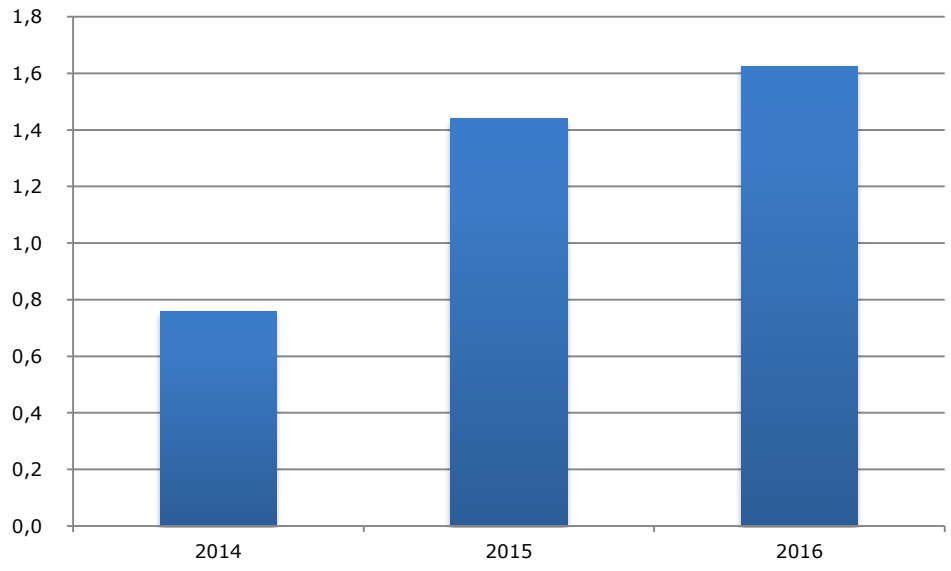
- The Netherlands is a net exporter of valves, as evidenced by the fact that its production output exceeds local demand.
- Production grew steadily between 2010 and 2013, thereafter declining by 12% (to €666 million) in 2014. Despite this decline, average annual growth reached 8.5%. The development of the local market showed a similar pattern, with demand increasing steadily between 2010 and 2013, but decreasing by 17% in 2014 to a value of €530 million. It can be concluded that a drop in local demand was the main reason for the drop in production, as exports continued to increase in 2014.
- Total production output consists of outputs from facilities belonging to international players (e.g. WW Eurovalve, a part of AVK; and Pentair) and those belonging to Dutch players (e.g. Kolk and Hoogenboom). The large multinational manufacturers are expected to continue to dominate the markets for valves in the processing industries, although smaller, specialised niche players are expected to retain some power, due to their greater ability to innovate and manufacture low-volume products.
- Due to its weak performance in 2014, the Dutch market is now the eighth-largest market for valves in Europe. The Dutch market has a mature character, consisting predominantly of replacements and the maintenance of existing equipment.
- In addition, it should be noted that, despite its small size, the Netherlands is home to one of the lengthiest pipeline networks in Europe. While the continuously high investments in the gas pipeline and the power-generation network were major drivers of demand until 2014, the situation changed in 2014/2015, due to a sharp drop in oil prices.
- The best-performing market segments in 2015–2016 are expected to be the water and food-processing segments.
- The market is expected to remain stable or show a slight decline in the next few years, as a difficult situation in several smaller segments in and outside the Netherlands are likely to offset growth in the market segments with stronger performance.

Tips:

- Manufacturers of valve parts can find very good short-term and medium-term subcontracting opportunities with Dutch valve manufacturers.
- Considering the forecast for 2015 and beyond, pricing is and will continue to be one of the most important factors influencing competition. Exporters from developing countries who have difficulty achieving competitive pricing should consider specialising, as competition tends to be less intense in the market for specialised valves.
- See the CBI document on Trends for Pipes and Process Equipment (which is actually about valves alone) for an overview of trends in the European market.

Macro-economic indicators

Figure 5: Real GDP in the Netherlands (2014–2016), % change from previous year



Source: OECD Economic Outlook 96 database

- The major determinant of demand for valves is industrial spending activity, which is stimulated by economic growth. As indicated in Figure 5, the GDP is expected to exhibit continued growth year on year. For the longer term, it will provide a significant base for continued import growth.
- The profitability of imports of valves is affected by the €:USD exchange rate, as many valves and valve parts that are sourced globally are paid for in USD. While the €:USD exchange rate was not expected to surpass 0.80 until 2020, this occurred in 2015, with the exchange rate even rising above 0.90. This is having a major effect on the price level of imports. This situation is likely to have a negative impact on the level playing field of European imports paid in USD relative to local European production, especially if it persists for several years. This would thus also have a negative impact on the competitive position of exporters from developing countries.

Tip:
- Although GDP growth forecasts are improving, pricing is and will continue to be one of the most important factors influencing competition. Competitive pricing is essential for exporters from developing countries planning to enter the European market.

With which requirements should valves comply in order to be allowed on the Dutch market?

Requirements can be divided into the following categories: (1) musts, which are legal requirements that you must meet in order to enter the market, and (2) additional requirements, which consist of the relatively common requirements that most competitors have already implemented (in other words, requirements that you should meet in order to stay abreast of the market).

A general overview of EU buyer requirements for pipes and process equipment is available on the CBI Market Intelligence Platform. Additional sources of information on gaining access to the European market include the EU Export Helpdesk and the ITC Market Access Map.

Musts

For industrial valves, the most important legal requirements are compliance with the Essential Safety Requirements of (1) the Pressure Equipment Directive (PED) 97/23/EC, and (2) the ATEX Directive 94/9/EC, which applies to valves in potentially explosive atmospheres.

Valve parts are not subject to any specific legal requirements for market access. For finished valves, the following legislation applies:
- The Product Liability Directive states that the European importer is liable for the products put on the European market. In theory, however, European importers can pass claims along to their producers/exporters.
- Valves are subject to the PED directive.
- Valves intended for use in potentially explosive atmospheres must comply with the ATEX directive (Directive 94/9/EC).

Other general legislation that must be taken into account includes:
- Wood packaging materials used for transport (Directive 2005/15/EC): The European Union sets requirements for wood packaging materials (WPM), including packing cases, boxes, crates, drums, pallets, box pallets and dunnage (i.e. wood used to wedge and support non-wood cargo).
- Another packaging-related directive is the general directive for packaging and packaging waste, which prescribes the marking of the kind of packaging material used and maximum levels of heavy metals in the packaging material.

Tips:

- To obtain PED or ATEX certification, valves must be certified by a Notified Body. In some cases, these notified bodies also offer consultancy services to help manufacturers meet the requirements. Be aware that notified bodies are often notified for only a part of the conformity assessment procedure, or for only a specific sector (e.g. electrical equipment).
- Consult the European ATEX Guidelines for the Valve Industry published by the European Valves Committee.
- Make sure that your wood packaging material (WPM) qualifies for the European market. If you are not certain, ask your WPM supplier to confirm and explain this to you. Your WPM supplier should undertake any further actions required to comply with the Directive. If the supplier is not able to do so, it would be advisable to select another supplier.
- A Certificate of Origin is obligatory; note that it must be validated by a local Chamber of Commerce. Additional information is available here.

Additional requirements

For finished valves, the customer's main requirements will be related to technical aspects, many of which are covered in the CE or other standards. General standards (e.g. EN558 and EN12982) can serve as a starting point, while other standards apply to specific market segments (e.g. ISO 15761, 10434 and 17292 for gas and oil). Yet other standards apply to specific types of valves (e.g. EN 13709, 13789 and 1349 for globe and control valves and ISO 5996 for cast-iron gate valves).

For valve parts, material requirements are the most important customer requirement. The material that is used for valve parts must be covered by an international standard and approved with a certificate. The metal used must meet the material standard, which can be stated in an EN10204 Type 3 certificate. This type of certificate is internationally accepted.

While the American ASTM standards link material requirements with applications, this is not the case for the European EN standards. Instead, European customers have their own specific requirements, in addition to the EN standards. Such additional requirements from customers can be NDT (non-destructive testing), surface (MT or magnetic testing, PT or penetrant testing) and section (UT or ultrasonic testing and RT or X-ray testing) tests.

Buyers may also have specific requirements relating to the dimension and surface of the valve parts. In practice, these requirements are highly dependent upon the customer and application. In some cases, buyers ask their suppliers to adhere to the EN ISO 8062 standard and, in other cases, they include their specific dimensional and surface requirements in the technical drawing.

Finally, many customers are likely to demand that you work according to such general organisational quality systems as ISO 9001 (version 2008) and process control. Some may also demand compliance with ISO 14001 (environmental) and OHSAS 18000 (labour standards).

Tips:

- Valves produced for the European market must be designed and manufactured with an emphasis on low emissions, safety, simplicity of maintenance, ease of operation and, above all, long and reliable service life.
- Additional details are available on the following websites:
  - ISO Catalogue - See 'TC 153' (Valves) for an overview of ISO standards.
  - Search EN norms in the online shop of the British Standards Institution.
  - CBI Buyers' Black Box offers further information on topics that are decisive for buyers when searching for new suppliers.

Import tariffs

For valves and valve parts, a 2.2% duty is levied on European imports from third countries. Several countries benefit from a preferential 0% tariff, including Indonesia, Pakistan, Vietnam, the Philippines, Bosnia-Herzegovina and Egypt. The TARIC database provides additional details relating to Chapter 8481. Note that a Certificate of Origin is required in order to claim a preferential tariff.

Tip:

- Exporters from countries subject to a preferential 0% tariff have a slight competitive advantage over competitors from countries without such preferential tariffs.

What do the trade channels and interesting market segments for valves look like in the Netherlands?

Valve manufacturers are the most prominent targets in the Netherlands. Producers from developing countries can supply parts to them as subcontractors, in addition to supplying finished products. Producers from developing countries can improve their opportunities by focussing on a few specialised products. Dutch manufacturers are also the most important targets for these specialised products, and some may be interested in subcontracting a part of their production to low-cost countries. Distributors are also good targets, as they have excellent access to the local market.

Additional information is available in the CBI documents on 1) Market Channels and Segments for Pipes and Process Equipment and 2) Competition for Valves. Explanations of the types of prospects are provided below, including a few examples for each type. Resources that can be used for finding prospects are included in the section 'useful resources'.

Manufacturers

These companies offer good potential for suppliers of valve parts, and possibly for suppliers of some finished valves. Subcontracting offers the best opportunities for specialised products, including special valves or parts thereof (e.g. knife valves).

Examples of Dutch manufacturers include the following:
- Hoogeboom – manufacturer of industrial butterfly valves for gaseous media.
- Maverick Valves – producer of custom valves for industrial applications.
- Wouter Witzel – manufacturer of butterfly valves, part of AVK from Denmark.

Distributors

Distributors are attractive targets for exporters from developing countries aiming to export large volumes of commodity-type products (e.g. common valves). This is because distributors often buy and/or import commodities in relatively large volumes on a scheduled basis. In most cases, the distributor is also the importer. Distributors often have their own stock, thus explaining why they are also called 'stockists'. Products must be kept in stock, as they need to be available for urgent deliveries to end-users.

Most distributors offer a range of valves and other pipe-related processing equipment. Examples include the following:
- Dylan – international distributor of a wide range of valves, fittings, flanges and pipes from the Netherlands.
- Econosto – distributor of a wide range of valves and other pipe-related equipment; part of the Dutch company Eriks.
- Imbema Denso – distributor of a range of valves and pipe-related equipment.
- Ingenieursburo Gommer – distributor of a range of valves and pipe-related equipment.
- Noxon Stainless – distributor of a range of valves and pipe-related equipment; part of the French IMS Group.
- Van Leeuwen Pipe and Tube Group – distributor of a range of valves and pipes and pipe-related equipment.

Other distributors are true valve specialists, as they are exclusively specialised in valves. One example of such a specialist is Valveco – an international distributor of a wide range of valves from the Netherlands.

Useful resources

Associations, portals, magazines and trade fairs

- ABC Business Directories – business directory; enter a keyword and search for companies. On the left of the page, there is an option to filter your search (e.g. by country).
- Aquatech – biennial water and wastewater treatment technology fair, held in odd-numbered years in Amsterdam, in October/November.
- EasyFair Pumps and Valves – in the 'upcoming shows' choose 'Netherlands' and select 'industrial technologies'. Select 'Pumps and Valves'. It is held biennially (odd-numbered years in October) in Rotterdam, the Netherlands, or Antwerp, Belgium.
- Fluids Processing – bimonthly trade magazine. The portal offers news and a company database.
- Hannover Messe – world's leading annual industrial technology exhibition, with numerous product-specific trade fairs, held in Germany, Hannover, in April. Subcontracting of parts (castings/forgings) is one of the categories of this fair.
- Industrial Processing – portal and process equipment fair, held biennially (in even-numbered years in September/October) in Utrecht.
- Netherlands Oil & Gas Catalogue – click on 'search a company' and select 'valves' as a keyword.
- PompNL – monthly magazine on pumps and valves.
- Valveworld – biennial trade fair dedicated to valves, held in December in even-numbered years in Dusseldorf, Germany. This is Europe's annual meeting place for the valve industry.

- Water Forum – go to '*Bedrijvenregister*' and select the keyword (*trefwoord*) '*afsluiters*' to see a list of companies selling valves to the Dutch water industry.
- Water Treatment Industry Association – news and background information on the Dutch water-treatment industry.

Miscellaneous

- Eurostat – official statistics office of the European Union. Registration is free and provides access to large collections of data.
- Export Helpdesk – information on European trade statistics, tariffs and quotas for developing countries.
- ITC International Trade Statistics – registration required.
- Kwintessential – provides practical tips on business culture and etiquette.

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