

## **#14 Chinese Influence and Networks among Firms and Business Elites in the Netherlands**

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### **Key Takeaways**

- Europe, including the Netherlands, is one of many arenas in which Chinese firms, state-owned and private, pursue global competition and long-term expansion, rather than seeking to “buy up” the European economy.
- Chinese companies are increasingly transnational, hybridized, and financialized; state-ownership patterns are complex and require analysis beyond formal ownership structures.
- In the Netherlands, Chinese-invested firms show mixed ownership structures, strong reliance on local expertise, and limited evidence of political influence or CCP interference in day-to-day operations.
- CCP overseas party building exists but remains limited, pragmatic, and uneven, primarily aimed at maintaining links with the Chinese system and supporting economic competitiveness rather than direct political influence.

### **Policy Recommendations**

- Strengthen institutions facilitating Sino-Dutch collaboration (e.g. NFIA, ACIEN) and consider creating an independent platform to share expertise, best practices, and advice across stakeholders.
- Build policy on existing best practices of adaptation, reciprocal cooperation, and selective facilitation, while promoting Dutch and European business rules and standards.
- Encourage mixed boards and Sino-Dutch exchanges to foster trust, mutual learning, and dissemination of corporate governance standards, while avoiding further decoupling.
- Establish clear “red flags,” improve monitoring (including CCP-related activities), and enhance transparency and availability of data on Chinese investments for informed policymaking and public debate.

### **Executive Summary**

Europe and the Netherlands have become major destinations of Chinese investment, which is increasingly embedded in Chinese companies’ long-term strategies of global expansion. Rather than an attempt to “buy up” the European economy, Chinese firms, both large multinationals and smaller companies, view Europe as one among several global arenas in which they compete not

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only with foreign firms but also among themselves. The China–US trade war, American sanctions, and the deterioration of perceptions of China in Europe have affected Chinese investment patterns, particularly in sensitive sectors, prompting firms to diversify and adapt their strategies.

Chinese companies operating in the Netherlands are becoming more transnational, hybridized, and financialized, blending domestic and international capital and combining private and state ownership. State ownership structures are often complex, shaped by multiple layers of governance within the Chinese party-state, informal control mechanisms, and external regulatory pressures. In practice, one-third of Chinese-invested firms in the Netherlands have a state-owned ultimate beneficiary owner, while others are privately controlled or have mixed ownership. State actors increasingly behave like venture capitalists seeking financial returns.

Corporate governance within these firms reflects strong internationalization. Chinese business elites often have international experience and maintain connections with Western firms, while Western professionals are frequently integrated into Chinese corporate boards. At the operational level, Chinese firms in the Netherlands rely significantly on local expertise: management teams often combine Chinese, Dutch, and other Western nationalities, with considerable autonomy in implementing strategies. While networks of associations and business groups connect Chinese firms and facilitate knowledge exchange, no clear evidence has been found of direct political influence by Chinese actors on Dutch politics.

The role of the Chinese Communist Party (CCP) abroad is present but limited. Party members and party-building activities exist within Chinese firms, particularly state-owned enterprises, where they are linked to both headquarters in China and diplomatic missions abroad. However, such activities are often discreet and constrained by local conditions. They focus primarily on maintaining organizational cohesion, improving corporate efficiency, and aligning firms with broader economic objectives of the Chinese state. There is little evidence of direct interference or malign influence in the Netherlands, though efforts to expand party-building activities in Europe may shape future developments.

Chinese investment presents both opportunities and challenges for Dutch society. While some activities may pose risks to certain interests, they may benefit others, making policy choices inherently political. The report therefore argues against cutting off engagement and instead advocates for continued, critical integration of Chinese firms in the Dutch economy. Strengthening institutional frameworks, promoting transparent governance, encouraging cross-cultural exchange, and improving monitoring and data availability can help maximize benefits while mitigating risks.