



## Going Dutch

**Many economic historians regard the Netherlands as the first capitalist country in the world. This long history of financial activity is reflected in the values of experience and expertise at MeesPierson and, whilst we are based in Guernsey, we believe that MeesPierson (C.I.) Limited, shares many of the entrepreneurial values that have helped the Netherlands prove such a success.**

Amsterdam was the wealthiest trading city in early modern Europe and was home to the first full time stock exchange which was established in 1602 by the Dutch East India Company (the VOC). Amsterdam was described as “the warehouse of the world” and trade was the prime engine behind spectacular prosperity.

The inventiveness of the Dutch nation led to the introduction of insurance and retirement funds as well as less benign phenomena such as the boom bust cycle, the world’s first asset inflation bubble (the tulip mania of 1636-1637), and the world’s first bear raider - Isaac le Maire, who in 1609 forced prices down by dumping stock and then buying it back at a discount.

### Globalisation is not a new concept

The Dutch grew to become one of the major seafaring and economic powers of the 17th century. In the so called “Dutch Golden Age”, colonies and trading posts were established all over the globe. Amsterdam imported exotic spices, Indonesian pepper, Venezuelan tobacco, Brazilian sugar and Persian carpets. However, there was an unexpected price attached to the rampant consumption of consumer luxuries: it is estimated that as few as one in two sailors returned from these Dutch voyages and is linked to the decline in the Dutch population in the first half of the 18th century. This population slump has been tied to the subsequent stagnation of the whole Dutch economy for the following 50 years.

During the mid-17th century Chinese porcelains were taking their place in Dutch art as in Dutch life. The first Chinese porcelain to reach Europe amazed all who saw or handled it. Chinese potters produced for export markets all over the world.

South American silver from colonial Mexico and Peru financed international trade becoming in effect the world’s first global trading currency way before the birth of the US Dollar. Silver stimulated intra-regional and global trade. There were trade frictions with Japan whilst the Dutch shipped vast quantities of silver to other parts of Asia during the 17th century to buy spices and oriental textiles, and China amassed huge reserves of silver.

There are many parallels with the hyper-development of contemporary capitalism: globalisation, trade imbalances,

emerging markets, boom bust cycles, asset bubbles and reserve currencies are not new. They are part of the economic cycle.

The Netherlands still has a prosperous and open economy. Prominent Dutch international companies include Unilever, Heineken International, Royal Dutch Shell and Philips. Rotterdam is the largest port in Europe and is still one of the world’s largest and busiest container ports.

### Investment is an art not a science

The Netherlands has had many well known painters. The 17th century, when the Dutch republic was prosperous, was the age of “Dutch Masters”, such as Rembrandt van Rijn, Johannes Vermeer, Jan Steen, Jacob van Ruisdael and many others. Famous Dutch painters of the 19th and 20th century included Vincent van Gogh and Piet Mondrian.

At MeesPierson (C.I.) Limited we are very proud of our Dutch roots and are inspired by the tradition of the Dutch masters and the successful history of the Dutch economy. Our investment team at MeesPierson Guernsey are experienced professionals who constantly strive to learn from the past in order to ensure future success, creating stable, sustained growth. Whilst we are prepared to innovate, we primarily seek security for our clients.

MeesPierson in Guernsey is a longstanding member of the local financial community. It is also part of a worldwide network of private banking offices who strive to offer clients in different jurisdictions customised services that do justice to their international interests. With a history dating back to 1720, MeesPierson has built upon its heritage of trading and banking to become one of the world’s leading financial institutions for private and commercial clients. Our investment managers trade on experience and expertise, and would welcome the chance to talk to you in more detail about how these values, delivered in Guernsey, can be of benefit to you.

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