

# Belgium Today

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## NEW GOVERNMENT SWORN IN

On December 21<sup>st</sup> the new Belgian Government was sworn in at the Royal Palace in Laeken. The government is led by the incumbent Prime Minister, Guy Verhofstadt (Open VLD). There are two vice-Prime Ministers: Didier Reynders (MR) who is also Minister of Finance and Institutional Reform and Yves Leterme (CD&V) who is Minister of the Budget, Mobility and Institutional Reform.

Prime Minister Verhofstadt gave his inaugural address in the Chamber of Representatives in the afternoon of December 21st. In this address he mentioned the 10 priorities of the new government: the federal budget, purchasing power support, support for industry and knowledge economy, employment, health care, climate and energy, transportation and mobility, public sector modernization, further judicial and penal reform and the ratification of the Lisbon Treaty of the European Union.



*The Verhofstadt III team: First row (from left): Pieter De Crem (CD&V) Defense, Patrick Dewael (Open VLD) Interior, Didier Reynders, Guy Verhofstadt, Yves Leterme, Laurette Onkelinx (PS) Social Affairs, Inge Vervotte (CD&V) Civil Service and Public Corporations. Second row: Josly Piette (CDH) Labor, Karel De Gucht (Open VLD) Foreign Affairs, Christian Dupont (PS) Pensions and Social Integration, Jo Vandeurzen (CD&V) Justice, Sabine Laruelle (MR) Economic Affairs, the Self-Employed and Agriculture, Paul Magnette (PS) Climate and Energy, Charles Michel (MR) Development Cooperation*

## HRH PRINCE PHILIPPE TO VISIT SEATTLE AND VANCOUVER

HRH Prince Philippe of Belgium will lead a trade delegation to Seattle and Vancouver from March 9-14, 2008. The economic mission is being organized by Belgium's Agency for Foreign Trade, in cooperation with the regional export services Agence Wallonne à l'Exportation et aux Investissements (AWEX), Brussels Export, and Flanders Investment and Trade (FIT).

Prince Philippe has been Honorary Chairman of the Board of Belgium's Agency for Foreign Trade since 2003. He has headed more than forty economic missions to many of Belgium's important trading partners, including the People's Republic of China, India, Japan, Brazil, South Africa, Russia, Canada, Qatar and Bahrain. In 2008, in addition to the Seattle and Vancouver visit, Belgian economic missions to Egypt, Argentina and Uruguay, and Indonesia and Singapore are also programmed.

The upcoming visit to the U.S. and Canada will be primarily focused on aviation and information and communication technology, with planned stops at Boeing and Microsoft. And a stay in Seattle would be incomplete without a stop for coffee at the Starbuck's company. Prince Philippe will also attend a series of networking events with the Seattle business community, organized in cooperation with the local Trade and Development Alliance and the U.S. Chamber of Commerce.

In Vancouver, Prince Philippe will be the keynote speaker at the "Globe 2008" conference, focused on environmental technologies and sustainable development, and he will promote additional contacts with the Canadian business community.

## INCOME TAX TREATY IN FORCE

A new treaty between the United States and Belgium to avoid double taxation entered into force on January 1, 2008.

The convention constitutes a "win-win" agreement for businesses in the U.S. and Belgium with transatlantic operations. It reduces double taxation of income, eliminates barriers to trade and investment, and facilitates cross-border capital movement.

Economic ties between the US and Belgium will be strengthened by the new treaty. With bilateral trade between the two countries valued at more than \$35 billion annually, Belgium is the 18th trading partner for the United States, ahead of larger countries such as India, Australia, Russia, and Spain. Some 1200 U.S. companies have already invested more than \$52 billion in Belgium, whereas Belgian companies have invested more than \$12 billion in the U.S., employing about 130,000 people.

(continued on page 2)

## TAX TREATY (continued)

The new tax treaty is but one more step in a series of measures the Belgian government has taken recently to increase its attractiveness for foreign investors.

Since 2006, Belgium has allowed a deemed interest deduction for equity invested in a Belgian company or branch, thereby decreasing the effective tax burden. A recently enacted "Patent Income Deduction" effectively reduces the effective tax rate for patent income to 6.8%, a rate substantially lower than the rates available for patent income in most other European countries. It significantly improves the prospects for patent development and holding companies in Belgium that license patents to U.S. affiliates. Finally, a new tax regime for pension funds went into effect last year, making Belgium the first European country offering multinationals a complete and comprehensive framework for the creation of both pan-European and international pension funds.

The US-Belgian Double Taxation Treaty contains a variety of interesting new features for U.S. companies with business plans in Europe.

It introduces a 0% withholding tax on dividend payments from a U.S. company in Belgium to its U.S. parent company, provided the U.S. entity in Belgium owns 10% or more of the Belgian company.

It also introduces a 0% withholding tax on interest. Together with the Notional Interest Deduction, this makes direct loans between the U.S. and Belgian affiliated companies more attractive, and increases possibilities for companies in Belgium to finance U.S. affiliates.

It is the first income tax treaty concluded by the U.S. to contain a binding arbitration procedure with a foreign country. The U.S. and Belgium have two years to resolve a tax dispute before arbitration starts, unless the two countries decide that the provision is not suitable for arbitration. An arbitration panel will decide one of two final last offers by both governments. It gives taxpayers the prospect of finality to a tax dispute within a specific timeframe.

Other changes in the new Treaty include a more tax friendly treatment of pension plan contributions and an extended information exchange provision. It allows, for example, for a tax deduction in the country of employment for payments made to a pension plan resident in the other country. The U.S. and Belgium will also, upon request by either government, exchange information held by a bank or other financial institution.

## MORE FINGERPRINTS FOR BETTER SECURITY

Fellow countrymen who traveled to Belgium for the holiday season probably noted a significant change when re-entering the U.S. at Washington Dulles International Airport.

Last November, Dulles became the first U.S. port of entry to collect 10-print fingerprints from international visitors. Prior to that time, only two prints were taken. In this new biometric upgrade, prints of all ten fingers are taken. The new system—the result of intergovernmental cooperation between the Department of Homeland Security, the FBI and the State Department—has passed its first test: it is efficient, doesn't take any more time than the old system and has some real value in terms of increased security.

US-VISIT, the biometric fingerprint program, uses fingerprints and photographs to verify visitors are who they say they are and that they do not pose a threat to the United States.

Department of State (DOS) consular officers and Department of Homeland Security (DHS) Customs and Border Protection (CBP) officers collect biometrics—digital fingerprints and a photograph—from all non-U.S. citizens between the ages of 14 and 79, with some exceptions, when they apply for visas or arrive at U.S. ports of entry. The US-VISIT program checks this data against a joint FBI-DHS watch list of criminals, immigration violators and known or suspected terrorists. Watch list data comes from several sources, in particular the Department of Defense (DOD), the FBI, DHS, and other federal, state and local law enforcement agencies.

Checking biometrics against these databases helps officers make visa determinations and admissibility decisions. It also improves DHS' ability to compare a visitor's fingerprints against latent fingerprints collected by DOD and the FBI from known and unknown terrorists all over the world.

Since the beginning of collecting biometrics in 2000, with just 2 prints, almost 2000 criminals and immigration violators have been stopped, based on their fingerprints alone.

In the near future, international airports in the following nine cities are scheduled to collect 10 fingerprints from international visitors: Atlanta, Boston, Chicago (O'Hare), San Francisco, Houston, Miami, Detroit, Orlando and New York (JFK).

The Embassy has been collecting 10 fingerprints from all visa applicants since May 30, 2005.

## BREVIA

Annual flu shots could become a thing of the past. Two professors at the University of Ghent, Walter Fierens and Xavier Saelens, have developed a **vaccine**, which, in its early stages, has proven very effective. The vaccine is intended to protect against several different strains of flu by attacking a protein—M2—common to all of them. Reports in the Belgian dailies indicate that 90% of those given the new vaccine produced enough antibodies to prevent them from getting the flu.

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In the past thirty years the number of **motor vehicles** in Belgium has doubled. According to statistics from the Ministry of the Economy, there are currently 6.3 million vehicles on the road, 5 million of which are passenger cars. This means that there are six vehicles for every ten Belgians.

## CORNELL & LEUVEN PRESSES BEGIN JOINT VENTURE

Cornell University Press has announced that it is now the exclusive North American distributor for English-language books from Leuven University Press. Established in 1971 by the Katholieke Universiteit Leuven, Leuven University Press currently has over 1000 books in print, in fields including art, music, religion, philosophy, history, medieval studies, Neo-Latin studies, anthropology, psychology, politics and culture. Leuven is well known for its critically acclaimed Ancient and Medieval Philosophy series.

Leading off Leuven's Spring 2008 titles are two long-anticipated books: Jeff Lipkes's *Rehearsals*, a shocking and revelatory in-depth account of German atrocities in Belgium during World War I, and the first English translation of world acclaimed photographer Henri Van Lier's *Philosophy of Photography*. Rounding out the lead titles are new books on Allan Sekula's photography, surrealism in Belgium, and the nineteenth century European revival of illuminated manuscripts.

Cornell University Press will be distributing and marketing all of Leuven's English-language titles in North America as well as nearly one hundred of its mixed-language titles, which are mostly in English with some select chapters in French, Dutch or Italian.

For detailed descriptions of all books offered by Cornell University Press, please visit: [cornellpress.cornell.edu](http://cornellpress.cornell.edu).

## WOODCUTS BY PETER PAUL RUBENS AT THE NATIONAL GALLERY OF ART



Sir Peter Paul Rubens and Christoffel Jegher (1577 - 1640)  
*Hercules Triumphant over Discord* woodcut  
sheet: 60 x 35.2 cm (23 5/8 x 13 7/8)  
National Gallery of Art, Washington  
Ailsa Mellon Bruce Fund

The exhibition *The Baroque Woodcut*, which will be on view at the National Gallery of Art in Washington, DC through March 30, includes several stunning works in the medium by Peter Paul Rubens.

Rubens was one of the baroque-era painters of outstanding caliber who chose the woodcut as a dramatic means for expressing the energy and refinement of his draftsmanship. Because it can be quickly reproduced, the woodcut also served as a highly effective way to disseminate works of art to a wider public.

The National Gallery explains that most woodcuts of the time resulted from close collaboration between a painter and a master block cutter. "The best of these alliances were not always a matter of a fine craftsman faithfully executing an artist's design, but just as often they reflected the joint realization of an aesthetic idea." On the work pictured here, Rubens worked with Christoffel Jegher.

## HAPPY 50TH TO THE SMURFS!



© Smurfs/ IMPS

The blue-skinned pixies were born in Belgium in 1958 from the imagination and pen of Pierre Culliford, known as Peyo. In Belgium, the mushroom-village-dwelling dwarfs were called "Schtroumpfs," and spoke the "Schtroumpf" language. They stepped out of their comic strip series in 1981, becoming somewhat of a global phenomenon when Hanna-Barbera Productions featured them in an animated cartoon, and later a Saturday morning television series that ran for eight seasons on NBC.

In 2005, the Smurfs came to international attention in a new way when UNICEF Belgium used them as part of a campaign to raise awareness about the many ways conflict destroys children's lives. The little creatures were featured in a the 30-second TV ad aimed at raising funds for the rehabilitation of former child soldiers in Burundi. The campaign was a success and attracted attention around the world. UNICEF Belgium was pleased by the results and recently announced that the Smurfs will team up with the U.N. organization once again, to promote children's rights and education worldwide.

Fifty years after their creation the Smurfs are still going strong. Belgium-based I.M.P.S. (International Merchandising Promotion and Services), which holds the Smurf copyright, reports that "over ten million copies of Smurf CDs have been sold in the last three years alone. The books, activity books, figurines and toys are among the most popular in the world."

A 50th anniversary tour that was kicked off in Brussels in January, by the widow and children of Pierre Culliford (the artist died in 1992), will continue in Paris, Berlin and other European cities. The Belgian Comic Strip Centre will feature the white-capped blue dwarfs in the exhibition *Smurf for All, All for Smurf: 50 Years of Smurfs*, which will run from June 10 through November 16.

Watch for other events on the Web site: [www.happysmurfdays.com](http://www.happysmurfdays.com).

### AMBASSADOR KOROLOGOS DECORATED

In mid-December Ambassador Struye presented a national decoration to former U.S. Ambassador to Belgium Tom Korologos, who headed the American Embassy in Brussels from 2004 to 2007. The Grand Cross of the Order of the Crown was conferred on Korologos by King Albert II for his exemplary role in fostering the Belgian-American relationship.

The ceremony in Ambassador Korologos' honor, attended by numerous State Department officials and other dignitaries, took place at the Belgian Residence. Ambassador Struye spoke of the American as a patient lobbyist with political flair and credited him with rebuilding trust and confidence in relations between Belgium and the U.S. after a difficult period.

Ambassador Struye noted that the bestowal of a Belgian national order on an American ambassador is an exceptional event, based on extraordinary merit. Other former U.S. ambassadors who were recently honored for earlier service in Belgium include Stu Eizenstat, Ambassador to the European Union from 1993 to 1996, and Robert Hunter, Ambassador to NATO from 1993 to 1998.



Former U.S. Ambassador to Belgium Tom Korologos (center) with Mrs. Ann McLaughlin Korologos and Ambassador Dominique Struye on December 11 at the Belgian Residence in Washington, DC.

### EVENTS OF INTEREST

#### Through February 16 — New York, NY

Photographs by Bart Michiels *The Course of History: The Mediterranean Theatre*, at the Foley Gallery.  
Info: 212 244-9081

#### Through March 30 — Washington, DC

*The Baroque Woodcut*, includes works by Peter Paul Rubens (see page 3) at the National Gallery of Art.  
Info: [www.nga.gov/baroque](http://www.nga.gov/baroque)

#### Through April 6 — New York, NY

*Francis Alys: Fabiola* — an installation of 286 portraits of the same 4th century female saint, in the same pose, by different artists — at the Hispanic Society of America in New York. Info: 212 926-2234

#### January 23-April 21 — New York, NY

*Denkmal 11*, Jan De Cock's floor-to-ceiling installation of photographs and sculptural modules that recall twentieth-century abstraction, at the Museum of Modern Art.  
Info: 212 708-9400

#### February 2 — Washington, DC

*Henri Storck's Legacy: Belgian Films on Art*, a selection of six short films exploring the work of Paul Delvaux, Philippe Vandenberg, Panamarenko and other Belgian artists, at the National Gallery of Art (East Building Auditorium at 2 p.m.)  
Info: [www.nga.gov](http://www.nga.gov)

#### February 4 & 6 — New York, NY

Chantal Akerman's (1993) film *Portrait of a Young Woman at the End of the 1960s in Brussels* will be screened at the Museum of Modern Art. Info: 212 708-9480

#### February 16 — Virginia Beach, VA

The Alliance Française honors Belgium with a three-course Belgian dinner prepared by Chef Alain Jacqmin, at the Princess Anne Country Club. Cost, including wine, is \$35 per person. For reservations, please call (no later than Feb 7) 757 671-9141.

#### March 14 — Washington, DC

*Grande Fête de la Francophonie*, DC's annual celebration of the French-speaking world, at the Maison Française, Embassy of France. Info: 202 944-6006

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