



# BUSINESS MEMO

Newsletter of the Embassy of Belgium  
www.diplobel.us



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## Belgium Attracts More Foreign Investment Than China

China may be the place to be for entrepreneurs today, but Belgium actually attracted more foreign investment in 2006. The latest *World Investment Report* by the United Nations Conference on Trade and Development (UNCTAD) ranked Belgium as the fourth destination for foreign investment worldwide, one place ahead of China.

Foreign companies invested about \$72 billion in Belgium, more than double the amount of 2005 and 13.6% of all foreign investment in the European Union. 135 new so-called 'greenfield' investment projects were initiated. Foreign investment increased worldwide by 38%, fueled primarily by an increase in the value of mergers and acquisitions, as solid economic growth worldwide increased profits and stock values.

The tax-friendly regime of Belgian coordination centers and tax reforms like the Notional Interest Deduction (NID), enacted in 2005, probably contributed to the excellent Belgian performance, UNCTAD noted. The NID, in force since the beginning of last year, gives companies an extra tax break if they increase their capital.

The top foreign investment destination in 2006 was the U.S., followed by the U.K., France, Belgium, China, and Canada. Hong Kong, Germany, Italy, Luxembourg, and Russia complete the top 10.

Belgian investment abroad increased sharply as well, from \$31.7 billion to \$63 billion.

The study also revealed that three of the world's 50 most internationalized financial institutions are Belgian: KBC, Dexia, and Fortis. Inbev, on the other hand, occupied the 63<sup>rd</sup> spot in an alternative ranking of global companies with the most foreign assets.

## HRH Prince Philippe to Visit Seattle, Vancouver

HRH Prince Philippe will lead a trade delegation to Seattle and Vancouver from March 8-14, 2008. The economic mission is organized by Belgium's Agency for Foreign Trade, in cooperation with the regional export services Flanders Investment and Trade (FIT), Brussels Export and the Agence Wallonne à l'Exportation Et Aux Investissements Etrangers - AWEX.

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 important trade partners, including the People's Republic of China (2004), India, Japan and Brazil (2005), South Africa, Russia and Canada (2006).

The upcoming mission to the U.S. and Canada will be primarily focused on aerospace and information and communications technology, with planned visits to Boeing and Microsoft. In Vancouver, Prince Philippe will be the keynote speaker at the "Globe 2008" Conference, focused on environmental technologies and sustainable development.

## Economic Indicators (2007)

	%
GDP	+ 2.5
Inflation	+ 1.6
Export	+ 5.7
Import	+ 5.4
Unemployment	7.6

Source: National Bank of Belgium

**Expansion plans in Europe?  
Seeking economic information?  
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***“We have been operating in Belgium for 23 years, and I think it is a great place to do business.”***

**Robert W. Elliott, President FedEx Express, Europe, Middle East, Indian subcontinent, Africa**

[www.fedex.com](http://www.fedex.com)

## **Belgium 18<sup>th</sup> Trading Partner for the U.S.**

Trade data published in the magazine *World City* illustrate the very substantial economic relationship between the US and Belgium. Trade between the two countries amounted to about \$36 billion in 2006, sparked by \$4.6 billion in diamond exports and imports. Belgium was the 18<sup>th</sup> trading partner for the U.S., ahead of larger countries like India, Australia, Russia, and Spain.

New York City handled 90% of U.S. diamond imports from Belgium. Refined fuel was also among the leading imports from Belgium. In 2006, \$696 million of the gasoline came through the New Orleans customs district, the leading importer of fuel from Belgium. Antwerp has one of the largest refining and petrochemical centers, and the second largest seaport in Europe behind Rotterdam.

The U.S. had a trade surplus with Belgium, with exports (\$21.3 billion) about 50% higher than imports (\$14.4 billion). The United States sent roughly \$1 billion in pharmaceuticals and chemicals to Belgium.

## **Boeing 787 Windows Made in Belgium**

AGC Flat Glass Europe, the former Belgian glass producer Glaverbel, has closed a deal with Boeing to supply the windows of the new Boeing 787 Dreamliner.

The finished glass will be shipped to the United States where an electrochromic coating will be applied. This will allow passengers to choose between clear and tinted windows with one push of a button.

It is another milestone after the firm's recent premiere of the world's first antibacterial glass. The ACG Flat Glass Europe plant is the global market leader in the production of ultra-thin and special glass.

[www.acg-flatglass.eu](http://www.acg-flatglass.eu)



## **Belgium Best Place for Research**

Some 1400 readers of the leading science publication *The Scientist*, primarily life scientists, have selected Belgium as the best location to do research. It is the first time Belgium came out on top in the annual survey.

The University of Ghent remains one of the best scientific environments for academics in Europe. The university was ranked sixth in the list of non-American 'Best Places to Work in Academia 2007'.

## **Work Permit Exemption For Foreign Managers and Researchers**

Economic migration to Belgium has just become a little easier, as new regulations exempt foreign researchers working for a research institution in Belgium, and foreign managers working at a headquarters of a multinational in Belgium from the requirement to obtain a work permit.

Both categories of workers can now directly apply for a visa at a Belgian Embassy abroad on the basis of a labor contract with the Belgian employer, making the process easier and reducing the time needed to start working in Belgium with several weeks.

## **Nike Opens Distribution Center**

Sports goods manufacturer Nike has inaugurated its brand-new equipment distribution center at Laakdal. Nike invested € 74 million in this center. The Flemish government provided an investment grant of close to € 6 million.

Since 1994, Nike has been distributing its sports clothing and footwear to its customers in Europe, the Middle-East and Africa from its distribution center at Laakdal. With the newly added facilities, Nike will also be shipping its sports accessories or 'equipment' to the Europe, Middle-East and Africa (EMEA) region. Previously, this was done from a distribution center in the Netherlands.

The new distribution center adds about 30,000 square meters of surface area to the existing 170,000 square meters at Laakdal. The whole center is 100% powered by 'green' energy, and equipped with state-of-the-art technologies.

[www.nike.com](http://www.nike.com)

## Did You Know?

Belgian food and drug retailer Delhaize ranks 17th in the list of the largest U.S. subsidiaries of foreign companies, composed by the Organization For International Investment in the US (OFII).

Operating under the U.S. corporate name Food Lion LLC, Delhaize's U.S. source revenue was \$17.3 billion in 2006.

[www.delhaizegroup.com](http://www.delhaizegroup.com)  
[www.ofii.org](http://www.ofii.org)

## FEDEX Transfers World Center in Wallonia

FedEx Express, a subsidiary of FedEx Corp, announced its plans to build a regional headquarters for its Europe, Middle East, Indian subcontinent and Africa division, in La Hulpe, Belgium.

Robert W. Elliott, President of FedEx Express (Europe, Middle East, Indian subcontinent and Africa) said: *"After a rather exhaustive search, we believe we have found the perfect location for our campus-like headquarters in La Hulpe. It is centrally located in Europe, allows us to retain our Belgian employees, has access to international and public transportation connections and has a commercially zoned site set in natural surroundings. Additionally we have been operating in Belgium for 23 years, and I think it is a great place to do business."*

The move to La Hulpe will allow FedEx to consolidate its headquarters which are currently split between three sites in Belgium. The planned relocation will involve about 600 personnel encompassing office staff and the company's senior management.

[www.fedexlahulpe.be](http://www.fedexlahulpe.be)

## First Urban Outfitters Store on European Continent

The US chain store of lifestyle products, Urban Outfitters, has opened its first-ever branch on the European mainland. The new outlet is located in the completely refurbished and historic 'Stadsfeestzaal' shopping center in Antwerp.

Urban Outfitters operates a network of urban retail stores in the United States, Canada and the British Isles.

[www.urbanoutfitters.com](http://www.urbanoutfitters.com)

## Vanguard Builds Logistics Center

Confreight / Vanguard, a leading European provider of ocean freight services to the logistics industry, has been granted a 35-year concession on 70,000 square meters of land, on which it intends to build the single largest consolidation warehouse facility in Antwerp. The project is worth € 18.5 million.

"This is a significant signal that we are delivering on the promise we made to invest in the Confreight / Vanguard facilities in Europe", said Owen Glenn, Chairman of OTS Logistics Group, referring to the US group's acquisition of Europe-based Confreight in March of 2007.

The 38,750 square meter facility will be fully equipped with modern sprinkler, access control and monitoring facilities. A special area will be set aside for handling a wide range of hazardous cargo in a manner compliant with the most advanced statutory and environmental requirements.

The company expects that the new facility will start operating in September, 2008.

Active in the Port of Antwerp for over twenty years now, Confreight has become a leading non-vessel operating common carrier (NVOCC). The company employs 120 white-collar workers and 40 dockworkers.

[www.otslogisticsgroup.com](http://www.otslogisticsgroup.com)

## GM's Saturn Astra Made in Antwerp

General Motors' assembly plant at Antwerp has started production of the Saturn Astra. Saturn's version of the Astra will be sold in the 3- and 5-door versions in the United States and in Canada. The Astra already has a long successful history in Europe under GM's Opel brand name. More than half a million Astras were sold in Europe in 2006. The Saturn Astra will essentially be the same car as its European GM counterpart.

Freddy De Mulder, Managing Director of GM Belgium, explained that assembly of the Saturn Astra is an ideal opportunity to show that the GM plant at Antwerp has the craftsmanship to produce top-quality GM cars.

The new Astras will help rejuvenate the complete Saturn product range in the United States. Sales will start in January 2008.

[www.gmeurope.com](http://www.gmeurope.com)



## UCB To Expand in Georgia

Governor Sonny Purdue of the State of Georgia recently announced that UCB, the global biopharmaceutical leader based in Brussels, will expand the headquarters of its U.S. subsidiary, UCB Inc. The expansion represents an investment of \$5 million and an undisclosed number of high-paying jobs for skilled workers.

UCB Inc.'s current facility in Cobb County, Georgia already employs 400 workers in research and development as well as in administration. The company will expand an existing building on its 44-acre campus on Lake Park Drive in Smyrna.

Employing more than 8,400 people in over 40 countries, UCB achieved revenue of € 2.5 billion in 2006.

[www.ucb.be](http://www.ucb.be)

## Experts For Competitiveness Clusters

In the context of its Action Plan of priorities for the future, adopted in 2005, the Government of Wallonia decided last year to focus on five globally expanding sectors, with an existing corporate base in Wallonia.

For each sector a competitiveness cluster was created: Skywin (aeronautics and space industry), Wagalim (agro-industry), Mecatech (mechanical engineering), Biowin (health), and Logistics in Wallonia (transport and logistics). A competitiveness cluster is a group of companies, training centres and public or private research units, committed to a partnership in relation to common projects of an innovative nature.

To support this mission, and as part of its investment promotion mandate, the Wallonia Export and Investment Agency (AWEX) has now appointed for each cluster an investment expert with local and international experience in the sector. Contact information is available on the AWEX website.

[www.investinwallonia.com](http://www.investinwallonia.com)

Can't get enough of Business Memo? Earlier editions are available online, at [www.diplobel.us](http://www.diplobel.us).

The Embassy's website also lists other Investment Office publications, such as

- \*Fact Sheets about various aspects of the Belgian economy
- \*Setting Up in Belgium: a pocket guide for the business executive.
- \*Corporate Directory: an overview of the Belgian corporate presence in the US
- \*CD-ROM: Belgium: Gateway to Europe, with testimonials by US business executives

Hard copies of all publications are available from Bart Deelen, Business Development Manager, at [bart.deelen@diplobel.fed.be](mailto:bart.deelen@diplobel.fed.be)

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