

# BUSINESS MEMO

Newsletter of the Embassy of Belgium  
www.dipobel.us



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## Only In Belgium

A recent edition of *The Economist* features a one-page ad with a saxophone player and the message that Belgium, as home of the saxophone, has sax appeal. It is part of the third international investment promotion campaign of the Belgian government in 5 years, this time under the slogan *Only in Belgium*.

The new campaign stems from the realization that despite recent successes in attracting foreign investment, Belgium can ill afford to rest on its laurels. In a globalized economy, Europe attracts a smaller part of foreign investment each year, and Belgium is locked in a fierce competition for new investment with Western and Eastern European competitors. Over the last 5 years, the Belgian government has therefore taken an increasingly pro-active approach in creating a business friendly environment that makes it more attractive for foreign investors to expand or start a local business.

*Only in Belgium*, launched on March 11, is a worldwide campaign mainly targeting investors, business leaders, financial directors and advisers. It seeks to remind them, for example, that Belgium was the fourth destination worldwide for foreign investment capital in 2006, one place ahead of China, and that the country remains the real gateway to Europe, in economic as well as in political terms.

At the heart of the campaign is a new website, [www.invest.belgium.be](http://www.invest.belgium.be). The new site highlights what Belgium has to offer economically, explains steps to set up a business, offers links to relevant background information, and outlines the procedures to join the ever-expanding group of foreign companies in Belgium.

It is hard to miss, however, the central message on the opening page. Visitors to the site are introduced to Belgian surrealist painter René Magritte, cartoon hero Lucky Luke, and yes, Adolphe Sax, the Belgian inventor of the saxophone. The message is simple: Belgium is a country where you can achieve success by pursuing your ideas, a country where creativity and innovation are rewarded.

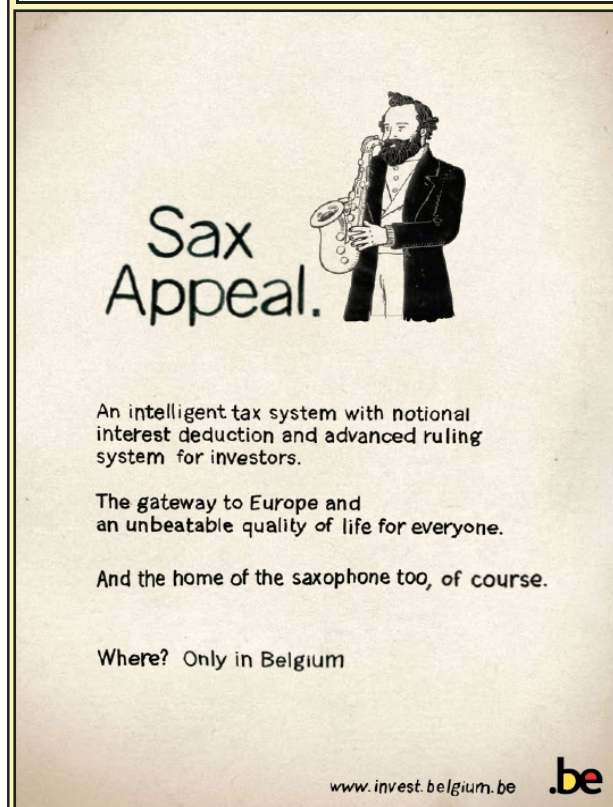
[www.invest.belgium.be](http://www.invest.belgium.be)

## Belgium Popular Foreign Investment Location

The latest Barometer of Belgian Attractiveness by Ernst & Young confirms that Belgium remains one of the most popular locations for foreign investment projects in Europe. 175 new investment projects confirm the positive trend of the past few years. Most projects were expansion projects, but the share of 'new' foreign investment projects increased to 20%. The U.S. (49 projects) remains the largest source of foreign investment.

Belgium's main assets remain its excellent infrastructure, and its quality of life, according to business leaders surveyed. In addition, Brussels' central location and the Notional Interest Deduction attract many company headquarters. 25% of all new investment projects took place in the Brussels region, a confirmation of the increasing importance of Brussels for foreign investors.

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



**Sax Appeal.**

An intelligent tax system with notional interest deduction and advanced ruling system for investors.

The gateway to Europe and an unbeatable quality of life for everyone.

And the home of the saxophone too, of course.

Where? Only in Belgium

[www.invest.belgium.be](http://www.invest.belgium.be) .be

## Belgium, U.S. Host Forum On Child Labor in Cocoa Sector

On June 17, the U.S. State Department and the Belgian Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation co-hosted a forum on ways to achieve a sustainable cocoa sector without the worst forms of child labor.

In his opening address, Director General for Bilateral Affairs Dirk Achten of the FPS Foreign Affairs underscored the importance of the issue.

He emphasized that the fight against the worst forms of child labor is first of all a combat for fundamental human rights and requires the full-fledged commitment of the international community. It is also a fight against poverty and for economic development, a theme that has always been one of the central components of Belgian foreign policy. In addition, Belgium has a special interest in the issue of good governance and natural resource management. Finally, because Belgium has an important chocolate industry at all stages in the production and distribution chain, Mr. Achten stated that it has a vested interest in a fair and efficient cocoa industry with absolute respect for human dignity in its production processes.

During the forum, high level government representatives, as well as representatives from industry, NGO's and international institutions drafted recommendations to achieve a sustainable cocoa sector with respect for human rights. They discussed remedies against child labor in the sector, models for 'child labor free' certification, and the prospects for public-private partnerships.

Major stakeholders agreed during the meeting that there is no one-size-fits-all solution to the problem, but they recognized that close cooperation is essential. Specific initiatives therefore have to be part of a comprehensive approach at the national and the regional level. The cocoa industry is committed to play its part, among others through the work of the International Cocoa Initiative and the establishment of a sector-wide independently verified certification process by the end of 2010.

On July 7 Belgium hosts an additional follow-up forum in Brussels, where a group of about 30 representatives from governments, industry, international institutions, and civil society will discuss transparency models and their possible applicability in the cocoa sector in West Africa.



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## AMCHAM Releases US Direct Investment Report

On May 21, the American Chamber of Commerce in Belgium (AMCHAM) released its *US Direct Investment in Belgium 2008 Report*.

The report confirms that Belgium remains the sixth destination for US foreign investment in Europe (EU-15), and the 15th destination for U.S. foreign investment worldwide. U.S. affiliates employ about 130,000 people, or 6.4% of all employment in Belgium. They are responsible for 9% of all foreign investment, and about 5% of GDP.

Most of the U.S. investment in Belgium is in the service sector, especially in financial services which attracts 46% of all investment. However, traditional U.S. investments in manufacturing like the pharmaceutical and chemical sectors remain the dominant source of employment.

In general, the AMCHAM report highlighted key improvements in the areas of tax effectiveness and modernized airport and harbor infrastructure. Most notable was the Notional Interest Deduction, which was hailed as a boon to investment and credited with having improved business conditions in Belgium.

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

## New Belgian Federal Portal 'www.belgium.be'

On May 29, the new, more user-friendly Belgian federal portal [www.belgium.be](http://www.belgium.be) was inaugurated by Prime Minister Leterme, and Minister for Enterprise and Administrative Reform Van Quickenborne.

The Belgium.be portal is an initiative of the federal authorities. It gives simple, fast and user-friendly access to all the online information and services offered by official authorities in Belgium, such as decisions, new regulations, events or documents. The site also offers an e-mail contact form.

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

## Latest Economic Indicators (data National Bank Belgium, [www.nbb.be](http://www.nbb.be))

GDP	+ 1.6%	(2008-forecast)
Inflation	+ 4.1%	(06-2008)
Unemployment	6.9%	(06-2008)
Trade balance (12 months)	-3.4 € bln.	(03-2008)

### California Orders Van Hool Fuel Cell Buses

Manufacturer of buses, coaches and commercial vehicles Van Hool has received an order from the Californian public transport company, AC Transit, for 8 fuel cell buses with an option for another 4 buses. It is the largest-ever order of fuel cell buses by a U.S transit agency and it brings the reality of using hydrogen for emission-free public transport a lot closer.

Van Hool manufactures approximately 1,600 buses and coaches a year. Over the past few years, Van Hool has strengthened its presence in the North American public transport sector with more than 500 vehicles sold to various transit authorities. Over 100 public transit buses will be sold and delivered in North America in 2008.

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

### Microsoft sets up in Hainaut

On April 24, Microsoft CEO Steve Ballmer announced a "public private partnership" between Microsoft, the Wallonia Region and the city of Mons. The partnership will involve a €2 million euro investment from the Wallonia Region and a €1.2 million euro contribution from Microsoft to create the *Microsoft Innovation Center* (MIC), to be located in the Technology Parc Intialis in Mons by January 2009.

The Microsoft Innovation Center will stimulate developers, independent software vendors, students and entrepreneurs to create and deploy innovative software solutions. To do so, the MIC will bring together technology partners, government authorities, small industrial actors (SME's), and financing sources.

The MIC will especially focus on investigating new e-health technologies. As a business incubator, it will offer e-health startups access to a panel of private and public experts in the sector, help gather funding for pilot projects, offer a specific e-health education track and foster collaboration between Microsoft Research and academic researchers.

Over the next three years, the MIC aims to create between 5 and 10 new companies per year and generate in total 250 new jobs.

In his announcement, Steve Ballmer expressed his ambition that one of the new start ups will become a global competitor.

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

### Pfizer Opens New Development Center

On April 15, pharmaceutical giant Pfizer opened a new development center for veterinary vaccines in Louvain-la-Neuve. The new center is unique in Europe and represents an investment of €40 million. It will develop some 400 new vaccines, as well as samples for clinical tests and registration procedures, and will speed up the launch to market of the vaccines. Pfizer employs 220 people in Louvain-la-Neuve.

The choice of a location in Wallonia was partly explained by the proximity of Brussels-National Airport, where Pfizer has set up its distribution platform for Europe, Africa and the Middle East, but also by the fact that Belgian universities are at the forefront of biotechnology.

The Pfizer Group currently employs 3000 people in Belgium, which is 3% of its global workforce.

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

### NineSigma Opens European HQ in Leuven

NineSigma, a Ohio-based provider of open innovation solutions, opened a new European headquarters in the city of Leuven on April 9.

Open innovation is the growing discipline of companies going outside their own R&D and Engineering Departments to use independent inventors, scientists and researchers for solutions that can be quickly and cost effectively implemented to solve current problems.

The company will use the European HQ to focus on developing new European customers that are actively engaged in new product R&D, and have a relatively broad technology portfolio.

"There is tremendous potential in Europe for open innovation," said Andy M. Zinga, who will lead the company's European operations. "Cost competitiveness is a key issue in Europe, and accelerating the innovation cycle through NineSigma can lead to reduced R&D costs."

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



## BACC Presents First Peter Minuit Award

On May 8, the Belgian-American Chamber of Commerce (BACC) presented the first-ever "Peter Minuit Award" to Mr. Guillaume Bastiaens, Vice Chairman of Cargill.

Named for Peter Minuit, the historical figure who in 1626 became the first Belgian businessman in New York for purchasing Manhattan from the native Indians for \$24 worth of trinkets, the award recognizes companies that are instrumental in forging positive trade and corporate relations between Belgium and the United States.

In the recent past, the BACC has presented its Friendship Award to notables such as Mr. Henry Kissinger, former U.S. Secretary of State, and Viscount Etienne Davignon, Minister of State, former European Commissioner and Vice Chairman of Suez Tractebel, Baron Georges Jacobs, Chairman of the Board of Directors of UCB and Karen Katen, Vice Chairman of Pfizer Inc.

In 1998, Mr. Bastiaens was appointed the Vice-Chairman of Cargill, one of the largest privately-owned family businesses in the world. The Cargill Group employs more than 150,000 employees around the world, with more than 900 stationed in Belgium. "Through honoring U.S.-Belgian business success stories such as Mr. Bastiaens and his accomplishments, we hope to show the growth potential of investing in and trading with Belgium," stated Jean-Pierre Paulet, President of BACC and Deputy CEO of Fortis Bank USA.

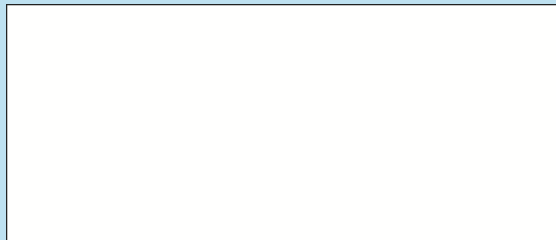
[www.belcham.org](http://www.belcham.org)

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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