



BUSINESS MEMO

Newsletter of the Embassy of Belgium
www.diplobel.us



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Economic Recovery Plan Adopted

On December 11th, the Belgian government adopted a recovery plan for the Belgian economy. The aim of the recovery plan is to stimulate the economy and increase purchasing power for the people. The government has also made some adjustments to the earlier reached wage agreement accord between the trade unions and the employers. The employees will get a lump sum above the index to increase purchasing power, whereas the companies will enjoy wage cost reductions.

Trade unions and employers are mostly positive about the result achieved. The government is earmarking some € 2 billion for the economic measures. According to PM Leterme Belgium will have a budget deficit next year, though it will remain manageable.

Highlights of the recovery plan include:

- a one-time reduction of €30 per family on the energy bill.
- a temporary VAT reduction from 21% to 6% on the first €50,000 for newly-built houses, resulting in savings of €7,500.
- Further incentives for energy conservation measures by homeowners, such as reductions on insulation expenses
- Higher unemployment benefits for people in 'temporary unemployment'. Those registered as 'head of the family' will receive up to 75 percent of their normal wage.
- Increased investment in infrastructure, expedited building of new prisons.
- A postponement in payment of social security contributions by companies, upon request

The implementation of the plan will lead to a budget deficit in 2009, according to Prime Minister Leterme, but it should remain manageable.

Business Council Launched

Belgian Minister of Foreign Affairs and Foreign Trade Karel De Gucht launched a new "Business Council" that will advise him on how Belgium's diplomatic network around the world can best support the country's economic interests. Comparable to the Department of State's Advisory Committee on International Economic Policy, the new Council will give Belgium's top entrepreneurs and CEO's of multinational corporations established in Belgium a platform to advise the Minister on diplomatic efforts to improve Belgium's competitiveness.

Minister De Gucht has long actively promoted efficient economic diplomacy, focused on strengthening Belgium's economic position abroad and attracting foreign investment. In his opening remarks during the launch, he stated that, "The need for Belgium to profile itself in an active manner is increasing as the economic crisis is expanding." He added that, "a small country as open to the rest of the world as ours can ill-afford to lose market share in the most dynamic growth areas in the world, but that is exactly what is happening (...) The corporate world must take clear strategic decisions at all levels, and our diplomatic apparatus will effectively support this action."

Members of the Business Council include the CEO's of some of the most prominent actors in US-Belgian economic relations, such as Bekaert, Barry Callebaut, Lotus Bakeries, Solvay, Picanol and UCB.

Latest Economic Indicators

GDP	+0.1	(2008-III)
Inflation	+3.2%	(2008-11)
Unemployment	+6.6%	(2008-11)
Euro-dollar	1.35	(2008-12.15)

National Bank of Belgium, 12.12.2008

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Stem Cell Breakthrough

Scientists at the University Hospital of Brussels have developed a new technique to extract stem cells without having to destroy the embryo. The discovery could be a breakthrough in the ethical debate surrounding stem cell research. Stem cells are cells that are able to differentiate into specialised cell types but also retain the ability to renew themselves through cell division.

Scientists at the hospital explained that they were able to take the stem cells at an earlier stage in the development of the embryo, when it consists of just four cells. The three other cells could be further cultivated and form an embryo, which could be put into the uterus for normal development. No embryo is lost in the process, which may contribute to solving the big ethical problem revolving around stem cell research, say scientists in Brussels.

Stem cell research offers potential in the development of medical treatments for wide range of conditions with damage to the brain, spinal cord, skeletal muscles and the heart. Treatments that have been proposed follow either physical trauma (e.g. spinal cord injuries), degenerative conditions such as Parkinson's and Alzheimer or even genetic diseases. Stem cells act as a repair system for the body, replenishing specialised cells, but also maintaining the normal turnover of regenerative organs, such as blood, skin or intestinal tissues.

The method is controversial because until now it has always involved the destruction of the embryo.

Dr. Paul Janssen Belgium's Greatest Scientist

Readers of the Belgian magazine Eos have elected Paul Janssen as the greatest Belgian scientist of all time. As a pharmacologist, Janssen had a successful scientific and commercial career. In 1953 he established his own drug research company, Janssen Pharmaceutica. Discoveries by Janssen and his associates had many applications in fields as diverse as gastroenterology, psychiatry, neurology, mycology and parasitology, anaesthesia and allergy.

Dr. Paul Janssen was an honorary member of over 30 scientific institutes and organizations worldwide, and received more than 80 medical awards. Up until his death in 2003, Dr. Janssen remained very involved in the search for new medicines for diseases afflicting humankind.

Janssen's competitors for the honor of greatest Belgian scientist were:

- Marc Van Montagu molecular biologist who built the foundation for genetic manipulation of plants
- Georges Lemaitre pioneer of the big bang theory
- Leo Baekelandt inventor of plastic
- Jules Bordet biologist, Nobel Laureate (1919), discovery of whooping cough bacteria
- Ingrid Daubechies physicist-mathematician, expert on wavelets in image compression
- Christian de Duve biochemist, Nobel Laureate (1974)
- Ilya Prigogine chemist, Nobel Laureate (1977)
- Adolphe Quételet pioneer of statistics
- Ernest Solvay chemist, founder of chemical company SOLVAY, mecenary of science
- Robert Brout/François Englert theoretical physicists, helped predict existence of the Higg particle, which may be found in the Large Hadron Collider (Geneva)

www.eos.be

MabCure Relocates Headquarters to Belgium

U.S. biotech company MabCure Inc., based in Reno, NV, has established its first subsidiary in Belgium. MabCure develops technology for the early detection of cancer, and for the development of therapeutic agents such as antibodies or drugs for cancer treatment.

The Belgian subsidiary was established in order to accelerate the development and commercialization of MabCure's proprietary products. It will be eligible to apply for research grants from the Flemish government.

The Belgian subsidiary will be located on the Biomed campus of the University of Hasselt in Belgium. In addition to its own R&D program, MabCure plans to develop joint projects with the University of Hasselt. MabCure's global headquarters will be relocated to Hasselt as well.

www.mabcure.com



Ecover "Hero of the Environment"

Time magazine's report "Heroes of the Environment" is published every year to honor a few people who are changing the world. They include leaders, visionaries, moguls, entrepreneurs, activists, scientists and innovators. In 2008 TIME selected a group that they call "eco-pioneers who are fighting for a cleaner and greener future". The Belgian company Ecover made the list.

Ecover is a Belgian firm, internationally active, whose domestic cleaning products are made of natural plant and mineral ingredients. Ecover's range of washing powders, liquid soaps and cleaners are phosphate- and chlorine-free, and come in recyclable polyethylene bottles. Ecover marketed a phosphate-free washing powder even before phosphates were branded as a problem.

Ecover is based in the town of Malle, in what is called the first "ecological factory." The building recycles wastewater, has shrubs and grass on its roof to save energy, and has no central heating or air-conditioning. Transportation costs are reduced in part by sourcing perfume ingredients closer to home. The result: lower costs and fewer carbon emissions.

www.ecover.com

First in Space

Belgian ESA astronaut Frank De Winne is set to become the first European Commander of the International Space Station. It is the first time the commander will not be Russian or American.

De Winne is astronaut with the European Space Agency ESA since 2000. He made his first flight to the space station in 2002. He will return at the end of May 2009 for a period of six months and will function the last two months as commander.

Belgium has a privileged position in Europe as its aeronautics companies are working on a wide range of programmes such as Airbus, Boeing, the military F-16 and Airbus A400M carrier. Furthermore, Belgium is the 5th European country in terms of its space budget.

Providing 7000 jobs and generating a cumulated turnover of € 1.25 in 2007, the aeronautics and space industry plays especially a key role in Wallonia's industrial landscape. The Walloon Aeronautical Cluster (Entreprises Wallonnes de l'Aéronautique or EWA) brings 56 companies together, which are active in the global aeronautical supply chain.

www.esa.int

IDT Sets Up European HQ in Leuven

Biotech company Integrated DNA Technologies (IDT), one of the world leaders in synthetic DNA production, has opened a European headquarters in Haasrode Research Park near Leuven. The state of the art research and production site enables the company to serve customers throughout Europe, the Middle East, and Africa with the same speed and quality as in the U.S.

Founded in 1987, IDT is a fast-growing enterprise with a US staff of about 500 employees. It is the largest supplier of custom nucleic acids in the U.S., serving academic, government, and commercial researchers in biotech, clinical diagnostics, and pharmaceutical development. IDT has achieved double digit growth over the past 10 years.

Leuven appealed especially to IDT because the city offers similar advantages to the US home town of the group (a spin-off of the Ohio university). Other reasons for choosing Leuven included the nearby presence of a quality university, rapid access to a skilled workforce, the central location in Europe and the flourishing biotechnological scene at the science park.

www.idtdna.com

New Foreign Investment Projects in Belgium

Belgium attracted in 2007 189 new 'greenfield' foreign investment projects, according to IBM's annual report *Global Location Trends*. Together the projects created about 7,800 jobs. Companies from the United States, Germany, the Netherlands and the UK were the most important investors, accounting for more than three quarters of all jobs created.

Foreign investment increased in knowledge oriented sectors such as ICT and the life sciences. Investments in transportation, the chemical industry and the metal sector, on the other hand, declined.

Belgium was ranked 16th worldwide overall for the number of jobs created by foreign investment per 100,000 inhabitants. In Western Europe only Ireland and the UK did better. For R&D specifically, Belgium was even in 7th place for jobs created per inhabitant, after Singapore, Israel, Ireland, the UK, Austria and Hungary.

www.ibm.com



IBA Expands Further in U.S.

IBA (Ion Beam Applications) announced that it has been selected by ProCure Treatment Centers, Inc. to supply a proton therapy system at the ProCure Proton Therapy Center at William Beaumont Hospital in Royal Oak, Michigan. The final contract is still subject to financial close and customary approvals.

Proton Therapy is increasingly accepted as the next big advance in cancer treatment using radiation. The relationship with IBA will also include a long-term service and maintenance agreement. The new center is expected to treat its first patient in 2010. ProCure has already chosen IBA to build two proton therapy centers. The first is under construction in Oklahoma City, OK and is expected to treat its first patient in 2009, and the second system will be installed in Warrenville, IL.

Recently IBA also opened a new radiopharmaceuticals production center in Dallas, TX. It is one of 47 centers around the world, of which 17 are located in North America. "The opening of this center reinforces the position of IBA as the largest radiopharmaceutical distribution network in the world," said Pierre Mottet, Chief Executive Officer of IBA.

IBA, based in Louvain-la-Neuve (Wallonia) develops leading edge technologies and pharmaceuticals for cancer diagnosis and therapy. The company is also active in the field of industrial sterilization and ionization.

www.iba-worldwide.com

Can't get enough of Business Memo? Earlier editions are available online, at 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

To receive this publication by e-mail, please contact Bart Deelen at bart.deelen@diplobel.fed.be

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