



BUSINESS MEMO

Newsletter of the Embassy of Belgium
www.diplobel.us



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Essenscia Promotes Investment In Biopharma

Essenscia, the Belgian federation of chemical industries and life sciences announced early November it is launching a new campaign to promote the industry with foreign investors. The campaign will be held under the banner *Belgium, a world champion for chemicals and plastics today and tomorrow.*

The chemical industry has been seriously affected by the economic downturn. Turnover decreased globally by 25% in the first half of 2009, compared to the same period last year. There are signs the worst is over, but increased competition from the Middle East and overcapacity in Europe remain issues for the Belgian chemical industry.

Essenscia has chosen to take an offensive approach in the period of worldwide recession. With the new promotion campaign it aims to highlight the advantages of the Belgian chemical clusters during various trade missions in 2010 in collaboration with the regional and federal authorities.

A high level group created by Minister of Economic Affairs Van Quickenborne has to present an action plan aimed at improving the investment climate in the industry. During a period of six months the High Level Group will study five topics (innovation and simplification, energy & climate, logistics, taxation and the labor market). The results will be translated into an action plan at the end of June 2010.

"Our research shows that more than 11 of the world's top 15 chemical concerns have production sites in Belgium," says Essenscia's managing director Yves Verschueren. "The role of the chemical industry in Belgium's overall economy is twice as great as the EU average, and is even bigger than that of Germany, traditionally seen as the home of the chemical industry. Further, our companies invest specifically in R&D aimed at finding innovative solutions to the great challenges facing the world, such as food supply, health, climate change, and efficient use of energy and natural resources. With the world population constantly rising, demand for sustainable products from the chemical industry can only increase in decades to come. Companies now pay 65% less in withholding tax on professional revenue for their researchers in Belgium. And the country benefits from the lowest level of taxation on patent receipts in Europe".

Belgium is the birthplace of several world research and development centers for the (biopharmaceuticals industry. Drugs and vaccines for major world pandemics (HIV/Aids, tuberculosis, malaria, etc.) have been developed in Belgian laboratories. What is more, Belgium has over 200 small and medium-sized enterprises in the life sciences sector, specializing in fundamental and clinical research. Belgium also heads the world in terms of the number of drugs being developed per capita, in all categories. In absolute figures, Belgium is also the world's leading export country for drugs and the seventh largest investor in R&D.

www.investinbiopharma.be

White House Uses Belgian Software

A new milestone for Belgian know how in IT: the White House website uses Drupal software, a creation by Belgian Dries Buytaert. Drupal is a free software package that allows an individual or a community of users to easily publish, manage and organize a wide variety of content on a website. About half a million websites already use Drupal.

"Drupal's flexibility and modularity enables organizations to build sites quickly at lower cost than most other systems. In other words, Drupal is a great match for the U.S. government", Buytaert notes on his blog.

Several U.S. government agencies, including the Department of Defense, Hillary Clinton, the Australian Prime Minister and the British Government are already Drupal customers.

www.drupal.be

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Belgium 13th Most Financially Advanced

Belgium occupies the 13th spot in the annual ranking of the world's financially most advanced countries by the World Economic Forum, having moved up 4 places in the ranking.

The *Financial Development Report* ranks 55 of the world's leading financial systems and capital markets. It analyses the drivers of financial system development and economic growth in developed and developing countries to serve as a tool for countries to benchmark themselves and establish priorities for reform. The rankings are based on over 120 variables spanning institutional and business environments, financial stability, and size and depth of capital markets, among other factors.

Belgium scores especially high for the liberalization of the financial sector, for the quality of management schools, and for the speed to start and close a business. The density of the banking network, the market penetration of bank accounts and the availability of ATM machines were very competitive as well. But the criterion 'financial stability' received a lower score, due to the recent turmoil in its banking sector and the level of public debt.

The United Kingdom, buoyed by the relative strength of its banking and non-banking financial activities, claimed the Index's top spot from the U.S., which slipped to third position behind Australia.

www.weforum.org

Latest Economic Indicators

GDP	+1.1% -3.5%	2008 final 2009 -III
Inflation	4.5% -0.9%	2008 final 2009-10
Unemployment	8.1%	2009-10
Euro-dollar	1.51	2009-12.02

**National Bank of Belgium -Economic Indicators
12.02.2009**



Hilde Cheroutre Wins NIH Pioneer Award

Hilde Cheroutre, a Belgian scientist at the La Jolla Institute for Allergy & Immunology, has received one of the National Institutes of Health (NIH)'s top awards -- the 2009 NIH Director's Pioneer Award. The prestigious prize carries with it funding for total costs of up to \$4.7 million over five years, and is designed to support the work of exceptionally creative scientists, whose novel proposals offer the potential to make extraordinary contributions to human health.

Dr. Cheroutre received the award during the Pioneer Award Symposium at the NIH headquarters in Bethesda, Maryland, on September 24. Dr. Cheroutre is one of a select group of 18 scientists nationwide chosen for the 2009 prize from among more than 2,300 applicants. The award will fund her innovative research proposal that, if successful, would create a new way of detecting, treating and possibly preventing autoimmune diseases, with the potential for identifying high risk for autoimmunity in newborns.

If Dr. Cheroutre's premise is correct and she proves that certain cellular defects underlie autoimmunity, it could allow for early detection of those individuals at high risk. The second part of her groundbreaking proposal would then come into play through the development of new therapies that could potentially prevent autoimmunity in those people identified as highly susceptible. Theoretically, similar treatments could also be used for those who have already developed autoimmunity. Nilabh Shastri, Ph.D., a prominent scientist and immunology professor at UC Berkeley, who previously worked with Dr. Cheroutre, said her selection "justifies the existence of such awards."

"Dr. Cheroutre possesses a remarkable and rare combination of abilities which have allowed her to make seminal research contributions," said Dr. Shastri, noting that Dr. Cheroutre's previous discoveries have opened up novel avenues of research on the molecular mechanisms of immunological memory, regulatory T cells and autoimmunity. "She not only questions dogmas, but also designs appropriate experiments and has the persistence to carry through until the problems are resolved. She is simply one of the best."



Dr. Hilde Cheroutre

Newtree Chocolate at Walmart

Good news for chocolate lovers: Belgian chocolate producer Newtree arranged a deal with Walmart to provide eight types of chocolate bars for the new chocolate division in the 1860 Walmart stores in the U.S. The chocolate bars will have Newtree's unique flavors, such as apricot, mint, ginger, lavender, and cherry.

Unlike some of its Belgian competitors, Newtree has never targeted the market of luxury chocolates. Founded in 2001 by Benoit de Bruyn, a biochemist with a passion for chocolate, Newtree's team of chocolatiers and nutritionists unite science with the art and romance of chocolate making. The company name 'Newtree' reflects a new approach to chocolate making that includes the use of natural plants and ingredients. Newtree is committed to creating products that are natural and GMO-free. All Newtree dark chocolates contain 73% cocoa content. Its products are manufactured and packaged in Belgium.

Newtree America was established in 2003 to introduce Newtree to North America. Newtree's sales in the U.S. were badly hit by the economic crisis, especially in the specialty stores who saw a 30% decline in customers. Walmart's decision to create a quality chocolate division in its stores, and its offer to Newtree came exactly at the right time. Newtree possibly benefited from a flattering article in April's issue of Oprah Winfrey's *Oprah Magazine*. Oprah discovered Newtree chocolates in a Las Vegas hotel that is a client of Newtree.

Because of Walmart's name in the retail sector, the deal is a reference for Newtree in negotiating with other retailers. Another deal in France was quickly reached after the Walmart deal became public. Newtree's turnover increased by 15% in 2008 to about € 5 million. The company is still hoping for a similar increase this year.

www.newtree.be

Coca-Cola Expands Innovation Center

The Coca-Cola Company has invested € 11.6 million in its Brussels headquarters (Anderlecht), in particular in the expansion of the innovation center. Coca Cola uses a number of innovation centers worldwide to develop new beverages. The second largest of those is located in Anderlecht, near Brussels. It develops more than 500 products annually, for 108 countries in Europe, Asia and Africa. Research is also done on packaging, vending machines and refrigerators, as well as quality control.

www.cocacolabelgium.be

Vlerick Business School 10th In Major Ranking

In its latest comparison of full-time MBA programs, *The Economist* rated the Belgium-based Vlerick Leuven Gent Management School number 10 in the world. This represents a further improvement on the school's position last year, when it took 14th place. The school has shown a remarkable rise in the rankings over the last four years, overtaking many prestigious business schools in the U.S. and Europe.

Dean Philippe Haspeslagh comments: "Whereas the Financial Times ranking emphasizes salary figures, this Economist ranking focuses on the experience of students in the program and their ability to prosper in a number of ways after graduating. Let's keep this result in perspective and conclude that, thanks to great staff, faculty and students, the Vlerick MBA has again achieved a place amongst the very top international MBA offerings."

One of the many areas where the School scored highly is what the ranking calls 'Potential to network' - the ability of students and graduates to call upon an extensive, well connected and available alumni community.

Another point of interest is the rise in international applicants to European schools and the increased presence of European schools in the top 20 of the global table. Half are now from outside of the USA. With its increased international profile, Vlerick is seeing a record number of international applicants. The MBA entering class of 2009 comprises 40 nationalities, which offers some of the greatest diversity among international MBA-programs. Nine of the current eighty-eight fulltime MBA students are American citizens.

Peter Rafferty, International Development Director at Vlerick Leuven Management School: "This result is a tribute to the advantages of an extremely personal yet highly diverse program with excellent teaching, student liaison and careers services".

The continued success of the Vlerick School has not passed unnoticed for American eyes either. On December 14th, Howard Gutman, the American Ambassador to Belgium, gave the keynote address at the school's yearly "Winter Reunion," which took place at the International Congress Center in Ghent.

www.vlerick.be



Researcher's Corner

The memory of late Belgian scientist Dr. Paul Janssen was repeatedly honored during the December 1 inauguration of the *Xi'an Terracotta Warriors Exhibition* at the National Geographic Society in Washington DC. In their speeches, host Clifford E. Holland of Johnson & Johnson and China Ambassador Zhou Wenzhong both reminded the guests of the crucial role played by "Dr. Paul" and his Janssen Pharmaceutical Laboratories (now part of Johnson & Johnson) in saving the world famous statues from a destructive fungus. The exhibition, subtitled "Guardians of China's First Emperor", runs until March 2010. Dr. Janssen, a Doctor Honoris Causa of Western Maryland College, was identified a couple of years ago in a Belgian poll as Belgium's greatest scientist ever.

That same day, Dr. Sophie Vandebroek, Chief Technology Officer of Xerox and President of the Xerox Innovation Group was addressing the prestigious *Innovation Economy Conference* at the Reagan Center, taking part in a panel session including, among others, senior White House economic advisor Austan Goolsbee and the PBS-Newshour's Jeffrey Brown. A KU Leuven University and Cornell's alumnus and a Belgian-American Educational Foundation (BAEF) Fellow, Dr. Vandebroek is the holder of 12 U.S. electro-mechanics patents.

Last but not least, a few hours earlier, cosmonaut Frank De Winne returned safely to earth after a six-month stay at the International Space Station (ISS). De Winne was the first European to ever take charge of the ISS. The Russian Soyuz capsule carrying De Winne and two fellow cosmonauts touched down without a hitch in Kazakhstan's northern steppe. The American connection? Like many other Belgian fighter pilots, Viscount De Winne lived in the United States in the nineties during an assignment at the Golden State's Edwards Air Force Base as a senior EPAF (European Participating Air Forces) Officer.

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

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