

HRH Prince Philippe Leads Economic Mission to the United States

From June 22 through June 30, H.R.H. Prince Philippe presided over an economic mission to New York, Washington and Boston that included Deputy Prime Minister Vanackere, Minister President Kris Peeters of the Government of Flanders, Vice President Minister and Minister for Foreign Trade of the Wallonia Government Jean-Claude Marcourt, Minister of Economy and Foreign Trade for the Brussels Capital Region Benoît Cerexhe, and a 300-strong delegation of business leaders.

HRH Prince Philippe was received in Washington DC by Vice President Biden and Senator Kerry. The mission program also included meetings with, among others, Transport Secretary LaHood, Health and Human Services Secretary Sebelius, and FDA Commissioner Margaret Hamburg. Prince Philippe also chaired business seminars regarding investment and financial innovation, and networking luncheons for senior business executives. Information sessions by the U.S. Department of Commerce and the FDA for the Belgian businesses were organized as well.

In New York, Prince Philippe visited big global corporate players like Pfizer, Johnson and Johnson and IBM. In Washington, he opened the Belgian stand at the BIO International Convention in Washington DC and gave the keynote speech during a special Belgian session at BIO, which showcased the Belgian biotech sector and highlighted how the Belgian federal and regional governments fund and support R&D research. Prince Philippe also attended a lunch hosted by Merck. After the welcome by Dr. Julie Gerberding, the former Director of the Center for Disease Control and now Head of Vaccines for Merck, the Prince listened attentively to a well received expose by Dr. Jan van Acker, Managing Director for Merck Belgium about Belgium's importance for Merck's global operations.

In Boston, the Prince visited Genzyme Corp. and renowned research institutes such as MIT, Harvard Medical School and the Dana Farber Cancer Institute. Signing ceremonies took place in the three cities for commercial agreements between Belgian companies and their individual U.S. partners.

A more detailed account of the entire mission can be found on our web site, on Facebook and on Tumblr.



(From left to right) Princess Mathilde, Prince Philippe, Minister Vanackere and Minister Marcourt lead the Belgian delegation as they walk through Central Park, New York. |

Belgium Honored at Memphis in May

From May 2 to 8, Belgium was featured at the Memphis in May International Festival. Memphis is economically important for Belgium, as host to FedEx's headquarters and many sizeable companies in medical devices and prosthetics.

A business seminar, a Rotary Club luncheon and a Chamber of Commerce dinner gave Belgium achieve high trade and commercial visibility. Ambassador Matthysen, Consul General Benoit Standaert and representatives of the Flanders and Wallonia Regions were present in Memphis to lead the economic events.

www.memphisinmay.org

This is the last issue of this newsletter in its traditional format. To continue reading us, please register for the newsletter on our website, or contact: bart.deelen@diplobel.fed.be



New Brochure, Fact Sheet for Foreign Investors

The Federal Public Service Foreign Affairs has published a new brochure "*Belgium: brilliant investment, sweet return*" that highlights Belgium's economic strengths for foreign investors.

A new fact sheet put together by the Federal Public Service Finance, *Smart Taxation in Belgium*, offers an overview of the most beneficial tax rules for foreign investors.

Both brochures can be consulted and downloaded on our website www.diplobel.us.

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Ambassador Gives Keynote Address to Caterpillar

On April 4, Ambassador Matthysen was one of the keynote speakers during Caterpillar's annual World Wide Lawyers Conference in Washington. The Ambassador met with Caterpillar CEO Doug Oberhelman to discuss the company's sizeable investments in Belgium. Caterpillar's production unit in Gosselies (Wallonia) is the second largest worldwide, with some 4,200 employees. Worldwide sales for the company declined by 37% in 2009, the worst result since the 1940s. Production at the Gosselies decreased in one year with 67%, resulting in a 20% reduction in workforce. Gradual recovery is taking place since 2010.

The Ambassador used Caterpillar's example to underline the fact that U.S. investments in Belgium equal those in China and India combined, while reminding the audience that investments are not a one way flow: Belgium is the 15th foreign investor in the U.S.

More Foreign investment Projects in 2010

Foreign investments in Belgium have remained stable in 2010, according to the latest 'Barometer of Belgian Attractiveness' by Ernst & Young. The number of foreign investment projects rose from 146 to 159. 97 projects (61%) were new 'greenfield' projects. The investments created about 4,000 jobs, which means that jobcreation per project declined slightly.

Especially in Flanders (108 projects) and more specifically in the province of Antwerp investments (55 projects) have rebounded nicely. The Antwerp agglomeration has for the first time attracted more foreign investment projects than Brussels. Overall, Belgium keeps its place as sixth most desirable location for foreign investments.

One third of all investment is done by U.S. companies. The U.S. tops the list as foreign investor, followed by Germany, the Netherlands, France and the UK. The BRIC-countries continued their climb and now represent 10.7% of all projects.

In a survey of 204 executives Belgium's investment climate scores highest for its quality of life, followed by telecom infrastructure, transport and logistics infrastructure, the skills of the labor force and Belgian linguistic skills and flexibility.

www.ey.com

Ambassador at HSR Conference

On June 1, Ambassador Matthysen addressed the U.S. High Speed Rail (USHSR) Association's Annual Conference in Chicago. Belgium, a country the size of Maryland, is equipped with a HSR network comparable to the entire U.S. network. The Ambassador explained the challenges of integrating the Belgian network with those of its larger neighbors.

Total investment to date in the Belgian network is estimated at \$ 7.4 billion. It is designed for speeds of 186 mph on new lines, and 124 mph on upgraded lines. The network has three branches, connecting Brussels with Paris, London and Cologne. It also has three operators: THALYS, to France and the Netherlands, EUROSTAR to England and ICE to Germany.

The Ambassador mentioned the contribution of TUC Rail to the development of high speed rail networks worldwide. TUC is a very active USHSR member.



Katoen Natie Invests in Norfolk, VA.

Belgian logistics company Katoen Natie has spent \$10.5 million to purchase part of a former Ford pick-up assembly plant in Norfolk, VA. with plans to use it as a distribution center. The company will invest another \$1.5 million in equipment and create 225 jobs.

"KTN chose the location due to its excellent proximity to the port and its appeal in attracting new customers to KTN," said Frank Vingerhoets, president of KTN's North America subsidiary. "We see the Hampton Roads region and our Norfolk division as having a very bright future. "We are excited about this opportunity to expand here in the U.S. and bring more business to Norfolk."

The Ford plant employed about 2,400 workers when Ford announced that it would close in 2007. The site originally contained about 2.6 million square feet of industrial space, much of which Ford has demolished in the past year as it prepared to sell the property.

The company will retrofit the plant as a distribution hub for plastic pellets, which are used in the manufacturing of plastic products, Vingerhoets said. The site, which he estimated could process about 30,000 tons of the pellets a month, will be up and running no later than August 2011. "It was critical for us to have rail access," he said. "We actually have dual service from that site."

Vingerhoets said it will be a few years before all 225 are hired. "It will depend on the business and how quickly we can develop it."

Katoen Natie's North American subsidiary employs about 600 workers at five other sites in the country, including its headquarters in Houston. KTN currently employs 9,300 people around the world.

"It is gratifying to see the former Ford Assembly Plant being brought back to life," Virginia Governor Bob McDonnell said in a statement. "We appreciate all of the care and consideration that was given to ensuring that this important property landed in the right hands. In addition to creating 225 new jobs for the Commonwealth, the company will further enhance port operations with the addition of this waterfront facility."

Norfolk Mayor Paul Fraim added that the city welcomed the Belgian company's plans and the new jobs. "In these challenging times, we are grateful not only for their investment in the city, but particularly thankful for the value-added jobs they will create," he said.

www.katoennatie.com

Deltek Launches New Office in Diegem

Deltek Inc, based in Northern Virginia, announced that it is expanding its reach to the Belgian and Luxembourg markets by opening a new office in Diegem.

Deltek is a leading global provider of enterprise and government software and information solutions for professional services firms, government contractors and government agencies. Deltek is a global company with 14,000 customers and 1.8 million users across more than 80 countries.

Deltek already had a substantial customer base in Belgium, and its Belgian expansion is part of the group's European growth strategy. The Benelux will be a key market for the company in the coming years. Deltek CEO Kevin Parker was one of the honored guests during a recent exclusive executive VP lunch at the Ambassador's residence in the presence of HRH Prince Philippe of Belgium.

www.deltek.com

Cargill Invests in Izegem

Over the next few years, Cargill will invest €8 to 10 million in its site in Izegem (Flanders), resulting in about twenty job vacancies.

The international producer and marketer of food, agricultural, financial and industrial products and services, employs has been active in Belgium since 1953 and now has over 1,000 employees there at eight locations: Antwerp (two plants), Izegem, Ghent, Herent, Vilvoorde, Mechelen and Mouscron.

Cargill has already invested €38 million in Izegem since 1998, when the company acquired the plant from the European food group Vandemoortele. Currently, Cargill Izegem is building twelve new storage tanks that have to be ready for use by this summer.

Cargill in Izegem focuses on the refining of vegetable oils and on the bottling of 350 million liters per year. The products that are being processed into baby food are a major market segment for Izegem.

<http://www.cargill.be/belgium/en/home>



Pfizer Expands

Pfizer Animal Health will invest €22 million to expand its pilot factory in Louvain-la-Neuve (Wallonia) and to transfer a R&D lab for veterinary medicine from Sandwich (UK).

Pfizer will expand the pilot factory in Louvain-la-Neuve first. Inaugurated in April 2008, the factory focuses on the development of new products and production processes. Small batches of vaccines for animals are produced here in the clinical development phase. A new 1,300-m² center will focus on the entire process of R&D and production of new antigens, the active component of vaccines. The investment is set to improve production output and flexibility. The new center will be fully operational by the end of 2012.

Pfizer is also transferring a part of its R&D activities in veterinary medicine from Sandwich (UK) to Zaventem (Flanders), which will eventually employ 90 researchers. In addition, Pfizer is to build a new and fully equipped laboratory for vaccine analysis in Louvain-la-Neuve. The laboratory will finetune new vaccines, analyze the results of clinical tests and develop control procedures.

<http://www.pfizer.be>

Belgian Economy Grows Beyond Expectations

The National Bank of Belgium (NBB) announced that the Belgian economy grew by 2.1% in 2010, much faster than expected and 0.3% better than the EU average. The recovery last year was due to the substantial rise in foreign demand: the export of goods and services rose by more than 10 per cent.

Domestic employment grew last year by 0.6 per cent, or 28,000 units, whereas in 2009, employment decreased by 0.4 per cent. The current unemployment rate is 7.3%, 2% lower than the EU average.

The latest OECD Economic Outlook is also positive. The Belgian economy is expected to grow by 2,6 % as a result of export and import increase by 7 %, and improved domestic demand (+1.9%). In the first quarter of 2011 economic growth already exceeded expectations with a 3% growth.

www.bnb.be

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**

Hard copies of all publications are available from Bart Deelen, Business Development Manager, at bart.deelen@diplobel.fed.be

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