

1. Foreign investments in Belgium

This section was prepared in collaboration between the Federal Public Service (FPS) Foreign Affairs and the Liaison Cell Federal-Regions Foreign Investments. The Liaison Cell was created in 1995 as a result of the Cooperation Agreement “Foreign Investments” of 7 February 1995. Its mission is to raise important issues concerning the investment climate in Belgium to policy makers, and create synergies between all the Belgian authorities involved in the attraction of foreign investments. The following authorities are represented in the Cell: FPS Foreign Affairs, FPS Economy, FPS Finance, FIT, AWEX, BEA and the Ministry of the Brussels-Capital Region. Its chair is held by the Regions on a rotating basis and its secretariat is ensured by the FPS Economy.

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Tax credit for research and development

Since January 1 2006, Belgian companies or branches of foreign companies can opt for the conversion of the investment deduction for R&D-related investments or patents in a refundable tax credit. For this type of investments the choice for the tax credit instead of the investment deduction is irrevocable.

They may continue to enjoy the other existing investment deductions (energy saving, ventilation systems, reusable packaging, protection devices for SMEs, sea vessels).

The tax credit is calculated on the same basis as the investment deduction but this amount is converted to the tax savings that would be realized if the deduction was applied. Note: for SMEs benefiting from the reduced rate of corporate income tax, here is an advantage because the tax credit is calculated at the full rate of 33.99% and not at the reduced rates.

Besides the impact on the financial reporting by multinational companies (the tax credit directly reduces the cost center R&D and thus improves its EBIT), the tax credit can also be more beneficial because the part of it that could not be offset against the corporate income tax effectively due during the next five

years (businesses in a loss position or with enough other deductions), will be reimbursed.

A tax credit that couldn't be offset against corporate income tax of the same year, is transferred. The imputation of transferred tax credits for each assessment year may not exceed EUR 145,920 or, if the total amount of the transferred tax credit at the end of the last tax year exceeds EUR 583,660, 25% of the total amount (indexed amounts for tax year 2010).

<http://minfin.fgov.be/portail2/belinvest/index.htm>

British company Chiltern expands European operations with new office in Brussels

Chiltern is a leading global clinical research organization, with extensive experience conducting and staffing international Phase I to Phase IV clinical trials across a broad range of therapeutic areas for a wide variety of clients. *Chiltern* has conducted trials in more than 40 countries and employs 1400 staff across 29 countries.

The company announced that it has opened a new office in Brussels and appointed Maurizio Passanisi as new country manager for Belgium and The Netherlands. Passanisi has over 15 years of experience working in both Pharmaceutical and Clinical Research areas.

"Belgium and The Netherlands have always been attractive locations to conduct clinical trials," Passanisi commented. "The quality of the research is outstanding. Belgium and The Netherlands have many key opinion leaders involved in clinical research lending additional weight to the data and keeping these countries at the forefront of modern research."

Chiltern's primary goal is to deliver expert, high quality services around the world and these actions demonstrate its commitment to regional expansion in order to serve its clients needs globally.

<http://www.chiltern.com>

Smiths Detection sets up Global Government Relations Office in Brussels

Smiths Detection, part of the *Smiths Group* (United Kingdom), is a major player in the provision of threat detection and screening technologies for Military, Transportation, Homeland Security and Resilience applications.

Smiths Detection offers advanced security solutions in civil and military markets worldwide, developing and manufacturing government-regulated

technology products that identify explosives, chemical and biological agents, weapons and contraband. *Smiths Group* employs around 22,000 people in more than 50 countries.

The company is of the opinion that it is vital to maintain high-level relationships with regulators and policy makers around the world. Opening a Brussels office underlines its commitment to developing a long-term working relationship with the EU to help formulate policy and regulation for the protection of critical national infrastructure.

<http://www.investinbrussels.com>

http://www.smithsdetection.com/eng/1025_4715.php

Scania, the Swedish truck manufacturer, expands distribution center Opglabbeek

Swedish truck manufacturer *Scania* has decided to expand its Opglabbeek (Limburg province) distribution center. *Scania* delivers parts from its Opglabbeek facility to 900 of its clients in 75 countries.

The company has been located in Opglabbeek for over fifteen years; two years ago it acquired six hectares of additional business park sites. At that time Scania also took an option on three additional acres. The acquisition required an investment of € 1.3 million. The expansion of the Opglabbeek distribution center is the result of that location's take-over of the activities of the Södertälje distribution center in Sweden. Initially this doubled the capacity to 64,000 m². This move now adds another 32.000 m².

<http://www.scania.com>

KodA chooses Mons for its European HQ

The Turkish firm *KodA*, which specializes in document management technologies and products, has just set up its European headquarters in Mons (Hainaut province). The reason for this choice was the contract to digitize the archives of the Royal Belgian Film archive in partnership with *Belgacom*.

KodA is a company of Turkish origin active in 3 markets: the development of technologies for document management, digital archiving, scanning, data and document imaging and capture; office services (business process outsourcing services for document-related processes); and the distribution of document management products.

KodA is busy digitizing the documents of the Royal Belgian Film archive (some 3 million). About twenty people are working on this project, which will last until the end of the year. Having previously conquered Asian and European Turkey

and opened a London bureau specializing in BPO, *Koda* has now chosen the *Digital Innovation Valley* in Mons as the headquarters of its bureau for continental Europe.

<http://www.koda.com.tr/eng/hakkimizda.html>

American pharmaceuticals group Baxter invests in Lessines

The American pharmaceuticals group *Baxter* has started construction of its new BioScience division in Lessines (Hainaut province). The investment is worth € 70 million.

The BioScience division will produce medicines derived from human plasma, which will be used to treat immunodeficiency.

This project is part of the group's investment plan in Lessines for the period 2009-2012.

http://www.baxter.be/en/about_baxter/manufacturing/index.html

Collaboration agreement between IMEC and SUSS Microtec

German *SUSS Microtec*, a supplier of process and testing solutions for the semiconductor industries, and Flemish nanoelectronics research center IMEC, have entered into a joint program to develop processes on wafer bonding for 3D system integration.

This joint program deals with the development of permanent bonding, temporary bonding and debonding processes for 3D system integration, including through-silicon-via (TSV) manufacturing. For this state-of-the-art development process, IMEC will use *SUSS Microtec's* XBC300 production wafer bonder platform, which can support a wide range of materials and processes, and allows debonding dies at room temperature.

According to Eric Beyne, Program Director of IMEC's Advanced Packaging and Interconnect Research Centre, the *SUSS* wafer bonding and debonding tool platform will conduce to bringing 3D integration technology to maturity. Wilfried Bair, General Manager of *SUSS Microtec's* Bonder Division, says working with IMEC is an exciting opportunity which will help *Microtec* to continually provide state-of-the-art technology and solutions to their customers.

IMEC was founded in 1984 as an initiative of the Flemish Government to set up a program in the field of microelectronics with the aim of strengthening this industry in Flanders. Over the years, it has grown into one of the world's leading research centers, with a staff of more than 1,650 people and a

turnover in 2008 of EUR 270 million. IMEC is headquartered in Leuven, Flanders, has a sister company in the Netherlands, offices in the US, China and Taiwan and representatives in Japan.

<http://www.imec.be>

<http://www.suss.com>

Investment of 74 million for Charleroi Airport

The joint business plan of Charleroi Airport (*Brussels South Charleroi Airport, BSCA*) and the *SAVE/Holding Communal* consortium anticipates an investment of EUR 74.311 million

Of the EUR 74 million, EUR 8.91 million has been allocated for the addition of extra aircraft parking spaces, EUR 7 million for the expansion of car park spaces and EUR 29.6 million for the extension of the new terminal. The costs of research and development (aircraft and car parking and terminal) have been estimated at EUR 4.55 million and the purchase of new handling equipment has been put at EUR 12 million.

Other investments are estimated at EUR 12.25 million. However, at this stage, it has been decided to focus on the period 2009-2012 for operations and to outline investments up to 2015.

The aim is to have 3.9 million passengers on the tarmac in 2009, with this figure rising progressively to reach 5.264 million in 2012.

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<http://www.charleroi-airport.com>

Essilor invests in Flemish distributor

French manufacturer of corrective lenses, *Essilor*, acquired *De Ceunynck*, an Antwerp-based distributor of glasses, frames and machinery for opticians. This is part of *Essilor's* ambition to increase its turnover through external acquisitions.

Essilor is a leading manufacturer of corrective lenses, and a known innovator. Its major brands are *Varilux* and *Crizal*. The group's high ambition to grow rapidly not only resulted in the acquisition of *De Ceunynck*, but also in a number of smaller takeovers in the US and the establishment of a joint venture in Dubai.

De Ceunynck has 92 employees and turned over in 2008 of EUR 17 million in 2008. It is one of Flanders' major distributors in the optical sector. *Essilor*

already announced that the management team of *De Ceunynck* will stay in place.

<http://www.essilor.com>

<http://www.deceunynck.be>

Edilteco opens a distribution centre in Fleurus

Edilteco Benelux SA was set up in 1995 with the aim of innovating in the area of construction and of promoting high-tech materials developed by its Italian parent company, *EDILTECO Spa*. The latter has been involved in the area of thermal insulation for 27 years.

ISO 9001:2000 certified, *Edilteco Benelux SA* produces and markets thermal and acoustic insulating products. 5 jobs will be created for the Fleurus investment (Hainaut province).

<http://www.edilteco.com>

Covered terminal for steel transport in port of Antwerp

In the port of Antwerp, the Flemish company *Wijngaard Natie* has opened the harbor's first covered berth. This 'all-weather terminal' allows loading and unloading of freight ships carrying iron or steel, even during heavy rains.

During transshipping, it is absolutely necessary that all iron, steel and project loads remain dry. That's why this first covered berth is so important to the port's future in this sector. With 10 million tonnes of steel processed annually, the port of Antwerp is already one of the major ports for steel transport in Europe.

The importance of the covered terminal was shown directly on the day of the opening: the ship that was supposed to be the first to be processed in the new terminal did not show. The captain did not get permission to unload in Cuxhaven (Germany) because of the rain. With a covered terminal, this would be a thing of the past.

The investment for this 30 ha terminal amounts to EUR 29 million. Extra hangars and a facility for cutting steel coils will be added in the course of next year; an investment of another EUR 21 million.

The *Wijngaard Natie* terminal, which has a direct connection to the railway network, will act as a hub for the European market. Services include sandblasting, branding, sorting, re-packaging, bundling and cutting – most of which only used to be possible outside the dock area.

<http://www.wijngaardnatie.be>

Canada group MDS Nordion diversifies its production in Fleurus

The Canadian group *MDS Nordion* has just launched a new radiopharmaceutical production line at its Fleurus site. An investment of EUR 4.5 million is being supported by the Wallonia region with EUR 500,000 for the creation of around ten jobs.

The production of isotope F-18 FDG is intended to respond to the demand from hospitals (medical imaging) in Belgium, France, Germany, the Netherlands and Luxembourg. The new product, used in tomography through the emission of positrons, will be produced in Fleurus overnight so it can then be sent to the hospitals as quickly as possible. The product's radioactive half-life is limited to a little under two hours. Every day, several hundred patients will benefit from the isotope produced in Fleurus.

The cyclotron installed by *IBA (Ion Beam Applications)* on the *MDS Nordion* site will eventually turn at some 80% to produce this radiopharmaceutical product. Prior to the recent relocation to Fleurus, the product was prepared for *Nordion* in a cyclotron at *UCL (Université catholique de Louvain)*.

MDS Nordion employs more than 5 000 people world-wide, including 110 in Fleurus.

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<http://www.mds.nordion.com/>

Evonik Degussa expands production at Antwerp

German chemical company *Evonik Degussa* decided to expand its activities in the port of Antwerp. The existing production of methionine, an amino acid used in animal feed, will be increased.

The site of *Evonik Degussa* in the port of Antwerp already has about a thousand employees. In 2006, the company invested EUR 300 million in a plant for the production of methionine, making it the world's biggest production facility for this supplement. This installation will now be expanded. An exact figure of this new investment is unknown at the moment.

Methionine is used as a supplement to soy in animal feed. Because of the rising demand for meat (especially in Asian markets), demand for methionine is booming as well. *Evonik*, the world leader in methionine production, will also expand its productive capacity for this amino acid at its plants in Germany and the US.

<http://corporate.evonik.com/en/Pages/default.aspx>

2. Contracts abroad for Belgian companies

Verhaert Space from Kruibeke prepares mini satellite for launch

In July and August 2009, *Verhaert Space*, a company from Kruibeke (Oost-Vlaanderen province) readied the Proba-2 mini satellite for transport to the Plesetsk launch site in Russia. All research, engineering, testing and assembly of Proba-2 took place at *Verhaert Space*. Plesetsk is where *Verhaert Space* will once again piece the satellite back together, and conduct final testing before its anticipated launch on November 2.

Proba-2 is built at the order of the European Space Agency. The launch of Proba-2 is scheduled eight years after that of Proba-1, the first Belgian satellite which, indeed, is still in working order. The Proba-2 will be orbiting the Earth at an altitude of 728 km in order to be able to optimally observe the Sun.

Two instruments to study the sun are loaded on the Belgian satellite. LYRA acts as a UV radiation meter, and records the Sun's behavior by means of timelines. The SWAP telescope will take images, and thus create a motion picture of the sun and its activity, to include (invisible) solar eruptions.

Redu ground station will receive and forward all Proba-2 data.

<http://www.verhaertspace.com/>

Belgian technology wins Wimbledon (again)

Every single point that Roger Federer scored during his historic victory at Wimbledon 2009 was (in part at least) the result of Belgian state-of-the-art technology: the racket strings Federer uses are manufactured in Antwerp, by the company *Luxilon*.

Luxilon specializes in the extrusion of monofilaments, and manufactures products which are used in aviation, the medical sector, telecoms, textiles and – increasingly – sports. The first racket strings by *Luxilon* were developed in 1997 and were an immediate hit, thanks to the Brazilian player Gustavo Kuerten who won Roland Garros with this revolutionary product.

Through the years, the *Luxilon* strings – also known under the brand name *Big Banger* – have changed the way tennis is played dramatically; they allow players to hit the ball harder and more precisely. That's why not only Federer but almost all the top-ten ranked players choose *Luxilon* strings. Also, a

growing number of amateur players are discovering these Belgian-made, hi-tech strings.

Meanwhile, the small company *Luxilon* –with only 25 employees – keeps investing in innovation and regularly issues a new version of its products. A partnership with tennis racket manufacturer *Wilson* and several top-flight tennis players allow *Luxilon* to optimally evaluate and improve its new *Big Banger* strings.

<http://www.luxilon.be>

<http://www.investinlanders.be>

Belgian solar energy company builds solar parks in China

The solar energy firm *Enfinity* from Waregem (West-Vlaanderen province), specializes in the development, implementation, management and financing of renewable energy projects, and particularly in projects concerning wind and solar energy. *Enfinity* focuses its activities on solar and wind energy investments in countries with special incentive programs.

The West-Flemish company already has several projects in Europe under development, and intends to establish new offices in Europe, U.S. and Asia to support its expansion.

Recently *Enfinity* pocketed a contract to build a 10 megawatt solar park in the Chinese Danhuang region. The solar park is being built in cooperation with Chinese nuclear power producer *CGNPC* and Chinese solar cell manufacturer *LDK Solar*. *Ultimately*, *Enfinity* intends to increase the Danhuang region solar power plant's capacity to 500 megawatts. In addition, the company also received authorization to build a solar park with a total capacity of 10 megawatts in the Shizuishan region.

<http://www.enfinity.be>

GUPC Consortium with Jan De Nul is awarded contract for Panama Canal project

The *GUPC* consortium of which Belgian construction and dredging company *Jan De Nul* forms part was awarded a multi billion dollar contract in Panama. The consortium scored highest on the technical evaluation and delivered the best

price proposal for one of the most prestigious hydraulic engineering projects in the world.

GUPC – Grupo Unidos por el Canal – had the “best value” proposal. With the offer of US \$ 3.12 billion the consortium did not exceed the Panama Canal’s allocated price of US \$ 3.48 billion. The construction of the 3rd set of locks is the most important part of the of the Panama Canal expansion project.

This mega project is one of the largest and most prestigious hydraulic projects of the last decades. The work includes the construction of 6 lock chambers. Each of these lock chambers has a similar size to the “Berendrecht lock” in Antwerp, Belgium, at this moment the largest lock in the world. The project will take 5 years and create more than 6,000 jobs. During that period 40 million m³ of soil will be excavated and 5 million m³ concrete will be poured.

The project will allow larger vessels to sail between the Atlantic Ocean and Pacific Ocean trough the Panama Canal. Once completed, the capacity of the Panama Canal will be increased with approximately 80 %.

The consortium consists of Spanish constructor *Sacyr Vallehermoso*, the Italian builder *Impregilo*, Belgian company *Jan De Nul* and local construction company *Cusa*. Works are expected to start early 2010.

<http://www.jandenul.be>

IBA to build a new proton therapy center in Trento (Italy)

IBA (Ion Beam Applications) based in Louvain-la-Neuve, is mainly engaged in the medical industry. The company develops and markets advanced equipment and radiopharmaceuticals for the diagnosis and treatment of cancer. Besides that it uses its acquired scientific expertise to build electron accelerators for industrial sterilization and ionization.

IBA recently received an important order from the *Agenzia Provinciale Per la Protonterapia (Atrep)* in Italy, to build a proton therapy center for Trento province. The therapy center will become part of a new hospital. The proton therapy center should be operational in about four years, and in the end will have a capacity of one thousand patients per year. The contract provides for the construction, installation and technical control of the proton therapy center for a period of fifteen years. *Atrep* will carry out and be responsible for the clinical operations.

<http://www.iba-worldwide.com>

Barco signs contract with cinema chain in Portugal

Barco, a global leader in digital cinema projectors, was chosen by *ZON Lusomundo*, the largest cinema chain in Portugal, for the deployment of 213 digital cinema systems. By the end of 2010, 28 of *ZON Lusomundo's* cinema complexes will be equipped with *Barco* digital cinema projectors.

<http://www.barco.com>

Belgian artificial turf for sports fields

Mexican football will from now on have a Belgian touch. The Mexican Football Federation has signed an agreement for a long term collaboration with *Desso Sports Systems*, a Belgian company from Dendermonde (Oost-Vlaanderen province).

Desso Sports Systems is an artificial turf world leader. It annually produces 3 million m² of artificial turf for, among others, football, tennis, hockey and rugby fields. Top clubs like Arsenal, Liverpool, Tottenham Hotspur, Real Madrid, AZ, PSV Eindhoven and RSC Anderlecht play or practice daily on this artificial grass cover. The Mexican Football Federation selected *Desso Sports Systems* because of the myriad of positive references it received from top level European clubs already using *Desso* fields.

Desso is also a pioneer in sustainable manufacturing, and continually seeks to avoid waste production.

<http://www.dessosports.com>

Belgian company Gatewing develops unmanned aircraft systems

The Belgian company *Gatewing*, located in Ghent (province of Eastern Flanders), develops unmanned aircraft systems. These aircraft weigh no more than 1.5 kg and can be used for visual data acquisition. The company is a pioneer in the field of collecting and processing topographic data. *Gatewing* also develops the software needed to transform the images into accurate digital terrain models, an attractive alternative for large-scale topographic ground surveys.

Among *Gatewing's* main clients are the mining industry, companies involved in dredging and land reclamation, infrastructure planning and construction.

<http://www.gatewing.com>

3. General economic information about Belgium

Belgium eighth world exporter

The annual *World Trade Report 2009* published by the World Trade Organization (WTO) shows that in 2008 Belgium, with 477 billion U.S. dollars, was the eighth largest exporter in the world.

http://www.wto.org/english/news_e/pres09_e/pr554_e.htm

A new website on company reorganization

A new portal site, www.herstructureringen.be, will collect information on rules and procedures applicable to a company reorganization, both at the federal and regional levels.

This will ease the way in which companies can locate opportunities being offered by the various authorities in case they reorganize. Employees will also benefit from the site, since it is a good means to closely monitor how a possible reorganization of their company could take shape, what consequences this might have on their working conditions, but more importantly what rights they have as a result of this action.

The website consists of three sections:

- **The enterprise reorganizes:** this section highlights possible scenarios for a company in the process of reorganization to follow, both in case of a company transition (takeover or closure), a "collective dismissal" of employees, or a bankruptcy.
- **Supporting measures:** this section discusses the opportunities that workers can take advantage of after reorganization: outplacement (a set of accompanying services and advice to help workers find a new job), guidance from an employment center, or early retirement.
- **Employment retention:** this area provides information on regulations that companies can take advantage of in times of economic difficulty: the system of temporary unemployment, various employment support- and crisis measures.

The information on this website was put together by federal (FPS Employment, and Labour Council) and regional (VDAB/Flemish Employment and Training Service, Actiris, Forem, and "Arbeitsamt") administrations.

<http://www.herstructureringen.be>

Record number of passengers at Charleroi airport: more than 400,000 in one month

In July 2009 the Brussels-South Charleroi Airport handled 402,537 passengers, a 43% increase compared to July 2008. It is the first time that the 400,000 milestone was exceeded.

The addition of new *Wizz Air*, *Ryanair* and *Jetairfly* destinations in late March-early April, undoubtedly contributed to this distinctive result. Moreover, new carriers *Air Arabia* and *Air Mediterranee* started their operations in the course of this year.

The airport represents a wide range of destinations to which more and more new ones added. Recently flights to Figari (Corsica) and Ancona (Italy) were established, and new destinations are planned for this coming winter. On October 31, *Jetairfly* will start 3 weekly flights to Murcia, and *Ryanair* will fly to Oslo Rygge (Norway), Stockholm Skavsta (Sweden), Las Palmas, Lanzarote and Tenerife (Canary Islands).

<http://www.charleroi-airport.com>

Brussels 30pct cheaper than New York

The figures are the result of a study by the Swiss bank *UBS*, which compared price levels for 73 major metropolitan areas using 30,000 data covering 154 articles and services.

The Belgian capital is situated in the middle bracket amongst European cities, while around the globe 19 of the 73 urban conglomerations are more expensive than Brussels.

While Tokyo, Oslo, Zürich, Copenhagen and Geneva top the list, the other Nordic capitals Helsinki and Stockholm are also more expensive than Brussels, as do Paris, Munich, Frankfurt and Luxembourg in the neighboring countries and capital cities like Vienna, Dublin and Rome.

On an international scale, Brussels approximates Los Angeles, Dubai, Singapore and Chicago in terms of cost of living.

<http://www.investinbrussels.com>

<http://www.ubs.com/1/e/about/news.html?newsId=170250>