

Economic & business news from Belgium – April 2014

This newsletter was prepared by the Federal-Regional Liaison Unit for Foreign Investment. The Liaison Unit 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, the Chancery of the Prime Minister, Flanders Investment and Trade (FIT), Agence wallonne à l'Exportation et aux Investissements Etrangers (AWEX) and Brussels Invest & Export (BIE). Its chair is held by the Regions on a rotating basis and its secretariat is ensured by the FPS Economy.

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1. Foreign investments in Belgium

Nike receives the Foreign Investment Trophy 2014 from Flanders Investment & Trade

U.S. corporation Nike has received the "Foreign Investment Trophy 2014" from Flanders Investment & Trade (FIT) for the expansion of its European Logistics Center (ELC) in Laakdal. This investment project represents several hundred new jobs and was chosen as most inspirational investment over other nominees Air Liquide, Lidl and TOTAL.

For the second time, FIT hands out this award for most inspiring foreign investment project in Flanders, underlining the importance of foreign investments for the region. The European Logistics Center in Laakdal will be fully operational in 2016 and from then on, all logistic activities between the 200 factories and over more than 100 000 delivery addresses will be coordinated from the center in Laakdal.

Audi gives full marks to Brussels

Interviewed on the occasion of the 2014 Geneva Motor Show, Audi chief executive Rupert Stadler acclaimed his company's decision to concentrate production of its A1 compact on its Brussels manufacturing plant.

"What I look for personally is a high level of productivity and human commitment," he said. "And this context, right now, I find in Belgium." Stadler confirmed that the Brussels site is now turning out the A1 compact at an average rate of 115,000 per year.

Figures from Audi's Brussels operations, the single production site for the A1 and the A1 Sportback, show that the city's environment and employee motivation suit manufacturers well – to the extent that the company has invested € 200 million in the site.

Audi confirms that, thanks to the strong Brussels work ethic, wage costs are competitive with those of the company's manufacturing sites in Germany. The city has now established an ultramodern logistics and supply centre, Automotive Park, to service Audi and other companies.

https://www.audi-mediaservices.com/publish/ms/content/en/public/hintergrundberichte/2014/03/11/Basic_info_Audi_Brussels_2010.html

The Swedish giant H&M will open "& Other Stories" shop in Brussels

"Brussels offers a wide range in terms of shopping, so it seemed natural to establish ourselves in this diverse market. We hesitated on choosing the location, and we are

especially proud to open our store this summer in the capital of Europe", says Samuel Fernström, director of the brand. So on three floors (nearly 760 m²) the new summer collection will be displayed, with an infinite choice of combinations.

<http://www.lalibre.be/lifestyle/mode/other-stories-ouvre-cet-ete-a-bruxelles-52fca51a3570516ba0ba6eb4>
www.stories.com/

Dutch-based TinQwise opens new office in Belgium

Dutch educational agency TinQwise has set up a new regional office in Antwerp (Flanders). Over the past 30 years, the company has become a market leader in digital learning solutions.

TinQwise serves a growing number of clients in Belgium including the EU and the NATO. Opening a new office in Antwerp was a logical next step for the agency. "Our team of eight learning specialists is ready to support the growth of our client portfolio in Flanders", says Kristin Aerts, General Manager of TinQwise Belgium.

"The opening of the Antwerp office is testament to TinQwise's ambition to provide quality and excellent customer service to existing as well as potential clients in Flanders", she adds. "Since we deliver customized services, we have to be able to quickly respond to our clients' needs in order to include, for instance, the latest business developments in our learning solutions."

<http://www.tinqwise.nl/>

Witzenmann (Germany) invests in Belgium

German metallurgical company Witzenmann will expand its activities in Oelegem (Flanders) by moving its German production to the site. Market proximity is the main trigger of this decision.

"In Oelegem, we'll significantly expand the site's warehouse", explains Managing Director Wilfried Van Esbroeck. "That way, we can increase our stock capacity and assemble the smaller compensators ourselves. Moreover, thanks to a new pilot plant, our products won't have to be transported to the German site anymore. This enables us to finish a product in two to three days instead of ten to twelve days, thus allowing us to fully benefit from the proximity of several of our biggest clients in the Ports of Antwerp (Flanders) and Rotterdam (the Netherlands)."

Across the globe, about 3.500 people work for Witzenmann in its 23 subsidiaries. The Oelegem site currently employs 130 people, but by decentralizing part of the production, the site will be able to create an additional 70 jobs.

<http://www.witzenmann.com/>
<http://trends.knack.be/economie/belga-economie/witzenmann-brengt-productie-van-duitsland-naar-belgie/article-4000502129324.htm>

Nissan sets course for Zeebrugge

Flanders-based distributor International Car Operators (ICO) has signed a major deal with Japanese carmaker Nissan. As of this January, Nissan cars are shipped from Newcastle to the Port of Zeebrugge (Flanders) for distribution in France and the Benelux.

Thanks to the new agreement, 95,000 new Nissan cars will pass through the Port of Zeebrugge each year. This transshipment will be organized with ships belonging to shipping company Euro Marine Logistics. The Nissan cars will be processed in the inner port of Zeebrugge.

"As ICO has set up a modern pre-delivery inspection (PDI) center at the inner harbor, Nissan's logistics will be organized at that location", explains ICO Managing Director Marc Adriansens. "There, we can provide value-added terminal- and PDI services – not just for Nissan, but for many other car brands as well."

Joachim Coens, CEO of the port, is pleased with the new contract. "2014 couldn't have had a better start", he says. "With this deal, we continue last year's trend. In 2013, the transshipment of new cars at the Port of Zeebrugge increased by no less than 10%, enabling us to increase our market share in Europe.

<http://www.portofzeebrugge.be/>

RPM (USA) centralizes operations at Mathys

Paint and coating manufacturer Mathys, based in Zelem (Flanders), will become the center for the European activities of RPM International, its US-based parent company. Mathys also plans to build a brand-new distribution center in the region.

As of 2014, Mathys will take over all distribution activities of its Dutch counterpart Rust-Oleum in Roosendaal, as well as most of its production activities. With this initiative, RPM centralizes the production of its top brands – Rust-Oleum, Mathys and Zinsser – at Mathys' site in Zele (Flanders). The site will also function as the main R&D and Legal expertise center.

Moreover, RPM will invest approximately EUR 4 million to create a new eco-friendly production unit as well as a new aerosol spray division, new color mixing systems and state-of-the-art filling and packing machines.

Over the past four years, Mathys' turnover has increased by 90%, amounting to more than EUR 28.5 million. "With the additional production volume of the Rust-Oleum site in Roosendaal, an annual turnover of EUR 40 million is definitely within our reach", says Mathys Plant Manager Gert Martens. "We're also planning to build a brand-new logistics center near our current site", Martens further explains. "Together with the government of Flanders, we're still looking for a suitable location that can absorb and manage our future business growth."

Mathys has already invested a lot in modernizing the company. "Flexibility is our main asset and earned us RPM's trust to make us the center of all its European

activities. Our investments are also a telling indicator of the potential that Flanders still has to offer for industrial production.”

<http://www.mathyspains.eu/en>

Verbrugge to build new container terminal at the Port of Zeebrugge

Dutch logistic services provider Verbrugge Terminals has announced that it will build a new container terminal at the Port of Zeebrugge. The first construction phase has a price tag of about EUR 22 million.

According to Verbrugge Terminals CEO Martin Verbrugge, the company aims at increasing the transport of paper, steel and project cargo such as wind turbine components.

The new terminal, which will be operational by July 2014, will have a capacity of 2 million tonnes a year and will create about 50 to 70 new jobs. Moreover, if the first construction phase – during which two warehouses will be built – is carried out successfully, Verbrugge Terminals will build an additional four warehouses.

In the future, Verbrugge Terminals is planning to concentrate its container services in Zeebrugge as much as possible. “We decided on the Port of Zeebrugge, because we needed a location that is well-suited for deep sea vessels and located near to existing terminals where big container ships are being loaded and unloaded”, Verbrugge explains.

<http://www.portofzeebrugge.be/>

TNT Express to invest in operations and safety at Liege Euro Hub

TNT Express intends to invest tens of millions of euros to enhance the efficiency and productivity of its flagship hub in Liege, Belgium (Euro Hub). The investment, which is subject to consultation with works councils, will increase the hub’s sorting capacity by 50 percent and improve health and safety for the 1,500 employees. The plans are part of TNT Express’ strategic effort to increase operational performance and customer satisfaction.

As part of the plans, TNT Express will install new shipment sorting systems to increase the speed and processing capacity of the Euro Hub. Work will begin in 2014 and end in 2016.

TNT Express connects hundreds of destinations in Europe by road and 65 by air, complementing its leading European Road Network by air services when required by distance and urgency.

Q-group establishes offices at Ardenne Logistics

In an effort to meet the needs of its clients and to expand its business in the southern part of the country and in the Grand Duchy of Luxembourg, Q-group created Q-food Ardenne. This new company chose to establish its offices in the Ardenne Logistics industrial park, which is ideally located right in the centre of European traffic flow, in the Province of Luxembourg.

"The strategic location and the quality of the Ardenne Logistics industrial park were the determining factors in our choice, as well as the support and enthusiasm of the Governor and IDELUX," explains Mr Verhulst, President of Q-group.

In concrete terms, Q-food Ardenne purchased a 1.4-hectare plot of land at Ardenne Logistics. In the initial phase, a 2,000-m² building will be erected for the development of the company's logistics and sales activities in Wallonia and the Grand Duchy of Luxembourg. In the second phase, more infrastructure will be built to develop new business activities that are still being considered within the Group. The full investment totals 2,500,000 euros. Q-group anticipates that 15 more people will be hired within the next five years.

Locus Traxx with its partner Vitrociset invests in Belgium

Locus Traxx chose Wallonia to conquer the European market. The US company created its European branch. Active in real time goods monitoring, the company partners with Vitrociset, a specialist in satellite tracking. Locus Traxx will invest € 4 million and will create 40 jobs within 3 years.

The agreement to create a new company called Locus Traxx Worldwide Europe was signed this 24th of January 2014.

2. Belgian companies

Wallonia-based Flying-Cam wins a Scientific and Technical Award from the AMPAS

Flying-Cam, located in Oupeye, won a Scientific & Engineering Award from the Academy of Motion Picture Arts & Sciences (AMPAS) in Hollywood for developing the Flying-Cam 3.0 SARAH Unmanned Aircraft System.

The Academy's Scientific and Technical Awards honor men, women and companies whose discoveries and innovations have contributed in significant, outstanding and lasting ways to motion pictures. This award is also referred to as a technical Oscar and is handed out by the same Academy that hands out the Oscars.

The Flying-Cam 3.0 SARAH Unmanned Aircraft System received this honor because it can achieve shots impossible for full-size helicopters, cable systems or other traditional camera support devices. With the Flying-Cam SARAH 3.0 Unmanned Aircraft System, Flying-Cam developed a battery-powered, radio-controlled, miniature helicopter camera system for aerial filming of unparalleled sophistication. Flying-Cam already contributed to movie projects such as Skyfall, The Smurfs 2 and Harry Potter.

IMEC celebrates 30th birthday

IMEC, the world-leading nanotechnology research and development center in Leuven, has celebrated its 30th birthday by opening a new building. This building will serve as an office to more than 450 employees.

Since its foundation in 1984, IMEC has grown to be a multi-disciplinary expertise center in the fields of semiconductor chips and systems, electronics for life sciences, body area networks, energy, photovoltaics, sustainable wireless communication, image sensors and vision systems and flexible electronics and displays. Through innovations in nano electronics, IMEC has collaborated with numerous partners from universities, research institutes and top companies such as Intel, Panasonic and Samsung to create solutions and to develop emerging technologies for a sustainable environment.

Next to opening a new office building, IMEC organizes festive activities throughout the year to mark its 30th birthday with the central theme IMAGINE. More information about these activities:

http://www2.imec.be/be_en/about-imec/30-years-imec.html

BESIX is building the Kempinski Hotel & Residences Tower in Jeddah

Assila Investment Co. awarded BESIX Saudi, in joint venture with Al Saad General Contracting, the construction of the prestigious Kempinski Hotel & Residences in Jeddah (Saudi Arabia).

A new beacon project for BESIX after the completion of the impressive 60,000 seats King Abdullah stadium built in only 22 months.

The 240 m high and 64 stories five star hotel will count 242 hotel rooms and 104 serviced apartments. The project has been designed by the American architect Perkins and Will.

The works' execution should start during in Spring 2014 until mid 2017.

<http://www.besix.com/News/BESIX-bouwt-het-Kempinsky-Hotel---Residences-in-Je.aspx?lang=en-US>

3. General economic information about Belgium

The Brussels Region, one of the most prosperous regions in Europe

The Brussels Region is on number 3 on a list of the most prosperous regions in Europe, behind London and Luxemburg. That's according to figures compiled by Europe's statistics agency Eurostat. Eurostat compared the Gross Domestic Product (GDP) per capita in 272 different areas across the 28 EU member states. Brussels boasts a score of 222 percent, which means that a Brussels resident (on average) is more than twice as rich as the average European. The list is topped by Inner London with a score of 321 percent of the average. The Grand Duchy of Luxemburg has 266 percent. Hamburg in Germany and Bratislava in Slovakia make up the rest of the top-5.

http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/GDP_at_regional_level

Belgium ranked as 4th most productive country

According to a recent study by US-based research institute 'The Conference Board', Belgium ranks as the fourth most productive country in the world.

The Conference Board defines productivity as the gross domestic product (GDP) per hour worked. This implies, at least to some extent, that Belgium's high cost of labor is balanced out by a high level of output. Indeed, the country can pride itself on a well-trained, motivated and multilingual workforce at every level.

Bart van Ark, Chief Economist at The Conference Board, says that in 2013 and beyond, productivity will be key to the performance of the global economy, making Belgium's high ranking particularly significant. When compared to our neighbors who have similar production outputs (Luxembourg tops the list, while The Netherlands comes just behind Belgium in 5th place), however, the cost of labor continues to tarnish Belgium's competitive image.

<http://www.conference-board.org/>

Foreign Investments in Wallonia: 2013 Results

In the past year, no less than 78 foreign investment projects became a reality in Wallonia, involving a total of 861.6 million euros and the eventual creation of 1,531 direct jobs.

Over the last two fiscal years (2011-2012), Wallonia managed to withstand the financial crisis, both with regard to its exports and foreign investment. However, an

economic downturn was perceptible toward the end of 2012. In a gloomy international context, 2013 looked like it was going to be a difficult year for attracting foreign investment. That was until an unexpected turnaround in the second half of the year reversed the situation. After a rather slow beginning, foreign investment in Wallonia saw a dramatic upswing starting in June, bringing the yearly average up into line with figures from previous years by the end of 2013.

When all was said and done, 2013 closed with the materialisation of 78 investment projects in Wallonia from groups with foreign capital (establishment and expansion of cumulative activities), totalling 862 million euros (up 11% over 2012) injected into the regional economy. The direct jobs generated by these investments is numbered at 1,531 (down 10% compared to the figures achieved in 2012). With an average of 20 direct jobs per project completed, the year 2013 still remained in line with the results from previous years.

Of the 78 projects implemented, 43 of them, totalling 686 [million] euros in investments, were for expansions of business activities by companies with foreign capital that were already established in Wallonia. Thirty-five of the projects, representing an invested sum of 176 [million] euros, were for new establishments, which, with the creation of 783 direct jobs, accounted for nearly half of the direct employment reported in 2013.

Record year for investment in Flanders

In 2013, foreign investment in Flanders (Belgium) peaked. The total of 1.91 billion euros is the highest amount since 2010. 191 foreign projects and 4,076 new jobs were created, both a record in the last 10 years. Consequently, 2013 was an outstanding year for foreign companies that seize the business opportunities in Flanders.

The strong growth of Flanders as an investment region is mainly due to a sharp rise in expansion projects. These account for 28% of all foreign investment, compared to 18% in 2012, and just precede mergers & acquisitions (almost 28%). Greenfield investments remain the most popular investments.

Revival in manufacturing

In terms of investment sectors, one of the most noticeable trends is the revival in manufacturing, with a rise from 34 to 56 investments. As a result, the share of sales & marketing settles for second place. Logistics and R&D complete the top four.

Rise in Asian investment

The United States consolidate pole position in the top 10 of investment countries. But what catches the eye even more, is the increase in investment from Asia and the Middle East. These countries make a spectacular leap from 29 to 55 investments. This is clearly reflected in the top 10 of countries, with no fewer than 4 Asian countries.

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