

## **Economic & business news from Belgium – December 2013**

**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**

### ***CNH (the Netherlands) invests in research lab in Belgium***

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Agricultural equipment manufacturer Case New Holland (CNH) announces a major investment at its research site in Zedelgem (Flanders). Over the next two years, CNH will plow EUR 9.2 million into the expansion of its laboratories and product development.

Case New Holland – the former Claeyson – produces combine and forage harvesters and other agricultural machines in Zedelgem. Since 2009, the department's research budget has more than doubled – from EUR 29.6 million to EUR 68.3 million. To drive further growth, CNH is currently constructing two new buildings, which will be put into use by the end of 2014.

"With a total of nearly 2,600 employees and many temporary workers, CNH is the second largest industrial employer of West-Flanders", explains Product Development Manager Geert Vergote. "Creating new jobs and long-term opportunities, our company has become firmly embedded in the region."

<http://www.cnhindustrial.com/en-US/Pages/HomePage.aspx>

### ***Alltech (US) sets up new European production center in Belgium***

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Animal health and nutrition company Alltech will soon start the production of cattle feed materials in Klerken (Flanders). In the long term, the company's new production center will create 110 new jobs.

After Dutch dairy foods company Campina closed down its factory in Klerken, Alltech Flanders recently acquired the entire site. Once refurbished, the site is to be Alltech's new European production center, reestablishing the area as the heart of the company's international operations.

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

### ***Pegasus Airlines to open a new route from Charleroi Airport***

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Turkish airline Pegasus Airlines will be opening a new daily service to Istanbul from 30 March next year, with onward connecting flights to around 30 destinations in 9 countries (including Russia, Dubai, Qatar, Lebanon, Iran and Ukraine). Pegasus Airlines attributes its decision to the large Turkish community in the region, as well as the reputation of Charleroi Airport (ranked the fourth best "low cost" airport in the world).

"We are starting to gain an international reputation," explains Jean-Jacques Cloquet, CEO of Charleroi Airport. "I can also reveal that we're currently in discussions with other airlines."

Charleroi Airport will be investing more than 70 million euros in extending its existing infrastructure, aiming to reach a target of 9 million passengers by 2020, and 15 million by 2030 (the same level as Brussels Zaventem Airport).

<http://www.routesonline.com/news/29/breaking-news/222193/pegasus-airlines-to-start-brussels-charleroi-service-from-late-march-2014/>

### ***Ineos (UK) opens new ethylene terminal in Zwijndrecht***

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In order to safeguard the company's future competitiveness and the long-term viability of its business, Ineos invested no less than EUR 100 million in a new ethylene terminal. Now fully operational, the terminal is the largest of its kind in Europe and forms an essential part of Ineos' strategy.

"Our location in Zwijndrecht, near the Port of Antwerp, allows us to access ethylene from all over the world at low cost and reinforces our global business", says Hans Casier, Ineos Oxide CEO. What's more, the investment allows Ineos to ensure the employment of about 5,000 people. "As one of the world's leading ethylene producers we managed to create a competitive advantage in times of economic uncertainty", Casier added. "Not only does the new terminal strengthen our profitability, it also highlights the importance of our production sites in Antwerp and its environs."

<http://www.ineos.be/en/>

### ***Siemens returns to Belgium via Axisparc***

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The company Siemens has set up in Axisparc, Mont-Saint-Guibert (Wallonia), with about forty staff now working there. Subsequently, Siemens is attempting to draw closer to its Walloon customers.

Siemens is returning after several years of absence, and notes: "Moving here is the start of a new story and our desire is to develop this centre in line with new projects that we're undertaking in Wallonia."

[http://www.lavenir.net/article/detail.aspx?articleid=DMF20131119\\_006](http://www.lavenir.net/article/detail.aspx?articleid=DMF20131119_006)

### ***Lanxess (Germany) invests in fiberglass plants in Antwerp***

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Germany-based specialty chemicals concern Lanxess has successfully invested EUR 15 million in its fiberglass production site in Kallo, choosing the Antwerp docklands as the center for its high-tech plastics business.

Meanwhile Lanxess is plowing an additional EUR 75 million into a new polyamide plant in Lillo, which will be operational by 2014. These and other investment programs pinpoint Antwerp as the dynamic hub of Lanxess' global business.

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

### ***Nike (US) builds new distribution center in Belgium***

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American sporting goods manufacturer Nike has announced the construction of a new distribution center in Ham, worth EUR 23.5 million. For this investment, the Government of Flanders grants a subsidy of EUR 2 million.

The new distribution center will be located near the Albert Canal and complements the existing centers in Laakdal and Herentals, also in Flanders. It is part of Nike's efforts to make its supply chain faster and more flexible and plays a pivotal role in the company's European growth plans. The new center also has a positive impact on employment in the region, as 500 people will be hired.

<http://nikeinc.com/>

### ***BNP Paribas invests €200 million in Belgium's Luxembourg province***

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BNP Paribas officially unveiled its plans to build two data centres in the municipalities of Bastogne and Vaux-sur-Sûre. Jacques Godet, the BNP Paribas group's IT manager, stressed the importance for its day-to-day operations: "Every customer transaction triggers a response in the data centre. We wanted to renew our systems for the group. We have facilities in various locations around the world, but they are all rather out of date, and we wanted a system composed of four data centres. Four because this equates to two times two, and there can be a decent distance between each of them. So we looked at all the options, bearing in mind we wanted two of them to be in the Paris region. We then lit upon these two regions in Belgium's Luxembourg province which met all our criteria."

By the time it is finished, €200 million will have been invested, with between 70 and 80 direct and indirect jobs created. Over 50,000m<sup>2</sup> will be devoted to data processing centres on the two sites in Luxembourg province. These data centres will be put into service in three successive phases spaced over 15 years. The first IT and logistics buildings will go into operation in spring 2015. The entire project is expected to be completed in 2025.

<http://newsroom.bnpparibasfortis.com/en/multimedia/photogallery/bnp-paribas-data-centres-at-bastogne-and-vaux-sur-sre>

## ***Eddingpharm (China) invests in biotech from Belgium***

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Leading Chinese pharmaceutical company Eddingpharm has paid EUR 2 million to Flanders-based biotech firm Ablynx for the license and commercialization of the anti-RANKL nanobody ALX-0141.

With this license, Eddingpharm is allowed to develop and commercialize the product on the mainland of the People's Republic of China, the Hong Kong and Macao Special Administrative Regions, and Taiwan. Under the terms of the agreement – which was settled up front – Eddingpharm is responsible for the clinical development and registration as well. If a commercial drug is marketed – in 2021 at the earliest – Ablynx will receive royalties of up to 20 per cent of the annual turnover in China.

“We are very pleased that Ablynx has entrusted Eddingpharm to develop and commercialize its anti-RANKL nanobody in Greater China,” says Mr. Ni Xin, Founder, Chairman and CEO of Eddingpharm. “Together, we are committed to bringing this innovative medicine to millions of patients in the region. This partnership represents a key milestone in establishing Eddingpharm as the partner of choice in China for biotech companies around the world.”

<http://www.reuters.com/article/2013/10/18/idUSnGNXcbvz5R+1c1+GNW20131018>

## ***International law partnership in Brussels***

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Winston & Strawn's recent expansion into Brussels further establishes its EU antitrust/competition practice at the epicenter of European competition law.

The firm's EU antitrust/competition practice, with lawyers in Brussels, London and Paris offices, advises a wide range of clients, including corporations in the industrial manufacturing, insurance, financial services, and pharmaceutical/life science sectors.

<http://www.winston.com/de/where-we-are/europe/brussels.html>

## ***BASF (Germany) opens plant biotech facility in Belgium***

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German chemical concern BASF has opened a new dedicated building for CropDesign – its subsidiary for plant biotechnology research – in Ghent, Flanders. The facility is one of the leading centers for European research in modern agricultural solutions.

CropDesign has moved into a new wing of the Bio-Accelerator building in Technologiepark Ghent. The facility extends over 4,000 square meters, consisting of labs, offices and a state-of-the-art rooftop greenhouse.

According to Peter Eckes, president of BASF's Plant Science division, the move will help strengthen the company's collaboration with local partners: “We will benefit from the close proximity to world-renowned institutions like the Flanders Institute for Biotechnology (VIB).”

<http://www.basf.com/group/pressrelease/P-13-475>

## ***Decathlon mega-project comes to Brussels in 2015***

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A new development project will bring the largest international investment of the French Decathlon sportswear group to Brussels. The project, on the 'Leonardo' site in eastern Brussels, will host the group's administrative offices for Belgium alongside a 9,200-metre Decathlon store, as well as a fitness complex, a crèche and parking for more than 850 vehicles.

Decathlon, which currently has 16 stores in Belgium and employs 1,700 people, plans to double the number of locations in the country over the next five years.

<http://www.decathlon.be/community/ons-bedrijf/de-grootste-decathlon-van-europa-ever/>

## ***Thales Alenia (France) builds plant in Belgium***

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France-based defense and aerospace firm Thales Alenia – formerly known as Alcatel-Etca – has announced the construction of a new plant in Leuven, Belgium. The unit is expected to start operations in the first half of 2014.

In Leuven, Thales Alenia Space Belgium will establish two production lines: one for satellite convertors and one for electrical subsystems for launchers. "In both case, we are talking about a new generation of products that will trigger a technological revolution," says Emmanuel Terrasse, R&D manager at Thales Alenia. Initially, about twenty engineers will be employed at the site.

The plant in Leuven will work closely with the local research center for nanotechnology imec, which will develop products that can be integrated into Thales Alenia's solutions. That way, the company wants to establish itself as a key supplier for production of the European Ariane-6 launcher.

<https://www.thalesgroup.com/en/worldwide/space/press-release/thales-alenia-space-build-plant-leuven-belgium>

## **2. Belgian companies**

### ***Solvay (Belgium) announces to acquire ERCA industrial assets in Brasil***

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Solvay announces it has agreed to acquire the specialty chemical assets of ERCA Química, Ltda. in Brazil. This will allow the Group to more than double its production capacity in surfactants in Brazil and to serve customers in the agrochemicals, home & personal care, coatings, mining and oil & gas markets.

The investment will give Solvay's Novecare business unit greater access to one of the world's largest personal care and agrochemicals markets and which are growing at a double-digit pace. In addition, it strengthens its commercial network, closeness to customers and innovation pipeline.

[http://www.solvay.com/en/media/press\\_releases/20131122-acquisition-Erca.html](http://www.solvay.com/en/media/press_releases/20131122-acquisition-Erca.html)

### ***Cardio3 BioSciences: Wallonia's most innovative company***

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Biotechnology company Cardio3 BioSciences SA, leader in the development of regenerative, protective and reconstructive medicine for treating cardiac diseases, was elected the most innovative business in Wallonia for the year 2013 at the Trends-Tendances Tour 2013 award ceremony for Wallonia on Wednesday 20th November 2013.

Doctor Christian Homsy, CEO of Cardio3 BioSciences, comments: "We are happy and very honoured to win the Trends-Tendances Business Tour prize from among the most innovative companies in Wallonia. For a number of years, we've been working on developing another medical approach. Alongside others working in regenerative medicine, together we're inventing a new industry, a new medical approach and new hope for patients. We hope that this recognition also serves others in this field in the Wallonia Region and enables us to consolidate our role as leader in our region in a very specialist area of regenerative medicine."

<http://ccimag.be/>

### ***Johns Hopkins University (US) teams up with imec***

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The Belgian research center imec and Johns Hopkins University are joining forces to develop new silicon applications in healthcare to enable a broad range of clinical tests.

The collaboration will combine Johns Hopkins clinical and research expertise with imec's nanoelectronics capabilities. The goal is to develop the next generation of a 'lab on a chip' – a concept developed by imec. Such a disposable chip could be loaded with a sample of a patient's blood, saliva or urine, which would then be analyzed using a smartphone, tablet or computer. This would make diagnostic testing significantly cheaper, faster and simpler.

"Johns Hopkins has always prioritized innovative and transformative research opportunities," said Landon King, Professor of Medicine and executive vice-dean at the Johns Hopkins School of Medicine. "Our new collaboration with imec is such an opportunity." Both organizations plan to forge strategic ties with other players in the healthcare sector as well.

[http://www2.imec.be/be\\_en/press/imec-news/imecjohnshopkins.html](http://www2.imec.be/be_en/press/imec-news/imecjohnshopkins.html)

### ***International Award for Liege Airport***

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On Thursday, October 17, 2013 in Singapore, Liege Airport has received the Airport of the Year Award 2013. This international award shows the successful strategy of Liege Airport and confirms its leading position in Europe.

The world's leading companies in the air cargo, forwarding and logistics industry gather in Singapore for the 2013 FIATA World Congress and for the Air Cargo Logistics Conference. At the same time Payload Asia and Logistics Insight Asia, the renowned trade magazines, are organising their 2nd 'Payload Asia Awards'.

« Liege Airport is proud and honoured to receive this international award and we thank all our partners who voted for us », said Steven Verhasselt, Business Development Manager at Liege Airport. « After being awarded the 2013 Air Cargo Award of Excellence from the readers of the Air Cargo World Magazine, this "Airport of the year Award » by Payload Asia reconfirms Liege Airport's unique business model and strategy as the cargo airport in the heart of Europe ».

<http://www.liegeairport.com/en/cargo>

### 3. General economic information about Belgium

#### ***Lonely Planet names Belgium 2014's place to be***

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Describing Belgium as "Europe's underrated gem", the world's biggest travel book publisher Lonely Planet places the country eighth in its Top 10 travel destinations of 2014.

Lonely Planet praises Belgium on account of its picturesque cities – Bruges, Antwerp, Ghent –, its walkable capital Brussels with great museums and its medieval towns where culture and gastronomy are two sides of the same coin.

The influential travel guide also cites the upcoming commemoration of the First World War as a major tourist attraction. "From 2014 until 2018 a huge influx of visitors is expected," the Lonely Planet website says, "which will change travelers' preconceptions of Belgium as a holiday destination."

<http://www.xpats.com/lonely-planet-names-belgium-place-be-2014>

#### ***Belgium's François Englert wins Nobel Prize in Physics***

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François Englert from Belgium and Peter Higgs from the United Kingdom have jointly won the Nobel Prize in Physics for predicting the existence of the Higgs boson particle that explains how elementary matter attained the mass to form stars and planets.

This particle was detected in 2012 at the CERN research center's underground particle collider near Geneva, almost half a century after the original theoretical work of Englert and Higgs was published. The theory of the Higgs boson particle is a central part of the Standard Model of particle physics that describes how the world is constructed and explains the mechanism why the most basic building blocks of the Universe have mass.

François Englert from the Université Libre de Bruxelles published its theoretic prediction about the particle already in 1964, together with his colleague Robert Brout who deceased in 2011. Two months after their publication, Britain's Peter Higgs published an article with a similar theory and the name Higgs particle emerged. After the discovery of the Higgs particle at the CERN research center in 2012 – which the American magazine *Science* declared to be the Breakthrough of the Year – the Royal Swedish Academy of Sciences awarded François Englert and Peter Higgs with a Nobel Prize in Physics. François Englert is the first Belgian to win a Nobel Prize in Physics and declared to be delighted to receive the honor.

## ***Belgian Scientist wins World Food Prize***

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Professor Marc Van Montagu has received the World Food Prize 2013 in Iowa (US), for his invaluable contributions to plant biotechnology. He shares his prize with two American scientists: Mary-Dell Chilton and Robert T. Fraley.

In the 1970s, Van Montagu and his colleague Jeff Schell led a research project involving soil bacteria at the University of Ghent. Their findings resulted in the possibility to give plants certain additional features. This new discipline – plant biotechnology – plays a key role in the search for sustainable crops, and thus food security, in economically vulnerable regions.

The World Food Prize was founded in 1987 by Nobel peace laureate Norman Borlaug. Every year, one or more persons are awarded the prize for their specific contributions to the quality, quantity or availability of food. It is also called the 'Nobel prize for food and agriculture'.

[http://www.worldfoodprize.org/en/laureates/2013\\_laureates/](http://www.worldfoodprize.org/en/laureates/2013_laureates/)

## ***Ports in Wallonia could create 37,000 jobs***

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Located on logistical arteries, Wallonia's river ports in Southern Belgium should benefit from the spin-off effects of growth in container traffic.

A recent Ernst&Young study has estimated the number of jobs that might be generated by container traffic in Wallonia's river ports through collaborating with the sea ports of Antwerp and Rotterdam: 18,500 full-time equivalent (FTE) jobs by 2030 and 37,500 by 2050.

The Wallonian provinces of Liège and Hainaut appear in first and third place respectively in a ranking of Europe's most attractive logistics regions. Wallonia's river ports are therefore well placed to take on the role of logistical hub for the two major sea ports and should benefit from the spin-off effects of growth in container traffic. To achieve this, they will have to rely on the container terminals, and diversify their business into high added value logistics (labelling goods, processing and customs).

*From a Belga news agency article appearing in the Belgian financial daily l'Echo – 27/11/2013*

## ***Non-taxable reimbursements for business trips***

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Employees and company directors who make long-term foreign business trips are frequently faced with additional costs that are related to these tasks executed outside of Belgium. These costs are in fact expenses that they make on behalf of their employer or company.

When their company reimburses these costs with a daily fixed allowance, this lump-sum (per diem) qualifies as a not-taxable reimbursement under certain conditions

and within certain limits. In the past, this system was accepted by the tax administration for business trips of 30 days or less. On October 10<sup>th</sup> 2013, the Belgian tax administration extended this system to business trips up to 24 months. The conditions can be found in Fisconetplus, the tax information database of the Belgium tax administration.

Circular letter in French :

<http://ccff02.minfin.fgov.be/KMWeb/document.do?method=view&nav=1&id=260df256-64f9-442f-b7d2-2f7cdf57ebe6&disableHighlighting=true&documentLanguage=fr#findHighlighted>

<http://finances.belgium.be/fr/>