

Economic & business news from Belgium – December 2015

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

BioMediTech (Finland) moves to BioVille



Finnish life sciences research institute [BioMediTech](#) has signed a Memorandum of Understanding (MoU) to start operating from its Belgium-based counterpart [BioVille](#).

“We chose Belgium because of its central location in Europe, the presence of many possible partners and the proximity of European institutions,” says director Hannu Hanhijärvi. Around 350 scientists specializing in life sciences and medical technology are currently working at BioMediTech.

The first Finnish researchers will relocate to BioVille at the start of 2016. On a practical level, they will be assisted by the recently established ‘Finse Huis’ (Finnish House) at the Corda Campus in Hasselt. Just recently, Finnish biotech company Ozics announced plans to set up a production site/(plant/unit) in BioVille as well.

The agreement was signed by Hanhijärvi, dean Piet Stinissen of UHasselt and rector Luc De Schepper of UHasselt. “The close collaboration with our Finnish colleagues will allow us to enhance our research, as well as the quality of our curricula,” explains Stinissen.

DP World (Dubai) to invest heavily in Antwerp terminal

Dubai-based container handling company [DP World](#) has announced its intention to invest EUR 270 million in its container terminal in the [Port of Antwerp](#). The first phase of EUR 175 million for new container cranes has already been approved.

DP World’s enormous container terminal is located in the Deurganckdok in the Port of Antwerp. The first, approved investment phase will create around 100 new jobs.

“We strongly believe in Antwerp and are positive about the future,” says Rob Harrison, CEO of DP World Antwerp. “Antwerp is easily accessible over water, has a higher

productivity than Rotterdam (the Netherlands), and offers its clients tons of advantages. Large shipping companies know this.”



“We hope to expand our capacity in Antwerp by between 2.5 and 2.7 million containers,” Harrison added. “That gives us enough handling capacity for the next three years. We will certainly look into the possibilities to open a second container terminal in the new Saefthingedok, when it is finally built.”

Aurubis (Germany) expands site in Olen



German-based Aurubis, the largest copper producer in Europe, is investing ca. EUR 7 million in its site in Olen, Belgium. The goal is to increase production capacity and build a brand-new office block.

In the ‘Specialties’ production department, Aurubis produces copper wire with an exceptionally low oxygen level. The company aims to raise the department’s production

capacity by 30% this financial year still. "This investment is an important milestone in the further development of the Specialties department", says Jo Rogiers, managing director of [Aurubis Belgium](#). "Not only will we be able to strengthen our position as the largest European producer of specialty wire, we will also have the necessary capacity to develop a new range of innovative products."

Furthermore, Aurubis will also establish a new office building in Olen. The new offices will be located on the existing company site and will take up a total floor area of 1,815 m2.

"We will be plowing around EUR 3 million into this project," Rogiers clarifies. "Add to that the investments in our site's global infrastructure, and we're talking about an investment project of around EUR 7 million in total. We hope to finish the building by April 2017. Not only will the site look completely differently, we will also have greatly improved its security."

Predikto (US) opens 1st European office in Belgium

Based in Atlanta (US), [Predikto](#) provides predictive analytics for the industrial Internet of Things (IIoT). The company recently opened its very first European office in the town of Vilvoorde.

Predikto is expanding its worldwide team to meet rapidly growing demand for industrial-scale predictive analytics. "Our solutions can help global industrial and transportation organizations capitalize on the explosion of data driven by the IIoT", explains Carl Fransman, the company's Managing Director for EMEA.

Companies all across Europe are embracing the advent of the IIoT. Fransman: "With the growing popularity of servitization, companies everywhere want to prepare their business by gaining better insight into equipment performance and the value they deliver to their customers. And that's exactly the kind of tailored solution that Predikto has to offer."

Continental Foods takes it up a notch in Belgium



Food multinational [Continental Foods](#) has invested EUR 4 million to move its production arm from Sweden to the company headquarters in Puurs, Belgium.

"One of the main reasons to move production was the fact that production lines for dry foods were underused in Sweden," explains Peter Van Ingelghem, Operations Director in Belgium. "There's a lot of expertise in this particular field in Puurs, so the decision was

only logical. On top of that, the site in Puurs had both the extra capacity and the space for future expansion." The move will increase the production volume by 40%, and create jobs for an additional 15 people.

But what about the environmental and economic cost of transporting products to Scandinavia? Van Ingelghem: "We will be using the 'Volvo vessel': every day, a freighter that sails from Ghent to Gothenburg in Sweden. This means that our trucks won't have to drive any extra kilometers."

As a part of the move, Continental Foods is also investing in the further automation of the site in Puurs. In March 2015, a twin-shaft mixer and the transferred filling and packaging lines became operational. Van Ingelghem: "At the moment, we're still working on a few details, but the project is virtually finished. In the meantime, we have started a second major phase: the renewal of two autoclaves. This project, which entails an investment of EUR 2 million, will be finished by spring 2016."

Swiss & Dutch firms invest in Belgium's most productive km2



Dutch 3D-printed optics company Luxexcel and Swiss battery producer Leclanché are setting up a base on the Open Manufacturing Campus ([OMC](#)) in Turnhout, Belgium.

Based on the local site of electronics concern Philips, OMC aims to become the most productive square kilometer in hi-tech and life sciences in Belgium. To achieve that goal, the organization receives support from the government of Flanders, the European Union and other official bodies. "Philips' local factory is becoming smaller and smaller", said Marc Corthout, director at OMC. "Yet, the site still has a lot of potential, creating the unique opportunity to transfer Philip's know-how to other manufacturing firms."

Luxexcel will invest a total of EUR 7.5 million to open its 2nd Technology Center at OMC. "There, we will develop new 3D printers and processes, and expand our product offering and production capacity," said Guido Groet at the Dutch 3D-printed optics firm. "Focusing on open innovation in engineering and manufacturing, OMC is the perfect campus environment in which to upscale our activities."

As for Leclanché, the company will be moving its Systems R&D team to OMC. "With the help of OMC, we will develop state-of-the-art energy storage systems for, among other things, automotive applications," explained Stefan Luis, Chief Strategy Officer at Leclanché.

Eight companies have already set up shop at OMC, including: Borit (sheet metal products and assemblies), Peira (a Janssen Pharmaceuticals spin-off for scientific research and related installations) and Solenco Power (domestic energy storage). Step by step, OMC is turning into a genuine 'ecosystem', where technological cross-pollination between manufacturing companies is key.

Datwyler (Switzerland) builds ultra-modern hall in Belgium



Swiss medical packaging manufacturer [Datwyler](#) invests EUR 25 million at its production site in Alken, Belgium. In November, construction works will start on an ultra-modern 'mixing hall'. The project should be completed by the end of 2017.

Apart from this major new-build project, Datwyler is also investing in a thorough upgrade of its existing departments. Just six years ago, the company already built a brand-new production line, FirstLine, at its Alken site. Today, the company is one of the 50 biggest employers in Belgium's Limburg region. With this investment project, the future looks bright for the site and its 600 employees.

In Alken, Datwyler mainly produces medical packaging materials, such as rubber sealings for syringes. The production takes place in 'clean rooms': hi-tech environments that rely on automation to minimize the risk of contamination. Datwyler is the second largest sector player worldwide.

Kaneka establishes European holding company in Brussels

With effect from 1 October 2015, the Kaneka Corporation, headquartered in Osaka and Tokyo, has established a European holding company in Brussels, with the aim of accelerating its business development in Europe, the Middle East and Africa.

In line with this development, three subsidiaries - [Kaneka Belgium](#), Kaneka Pharma Europe and Eurogentec – will be incorporated under this new holding company.

Kaneka, which was established in 1949 in Japan as an R&D- and technology-driven company, spans a broad spectrum of markets ranging from chemicals, food products and life sciences to electrical materials. End-uses of Kaneka polymers include the construction, smartphone and automobile industries.

French specialist retailer Electric Valley coming to Belgium

The [Electric Valley](#) retail organisation, specialised in light electric transportation systems, plans to enter the Belgian market this year with its very first store in Brussels.

The French specialist retailer – marketing electric cars, electric bicycles and Segway™ human transporters – will be moving into a prestige location on Brussels' Avenue Louise by end-November.

"Brussels is an international city," comments Chevallet. "On top of that, Belgium has its multicultural heritage and a geographically excellent location to support development on a European level".

2. Belgian companies

Fastest supercomputer in Belgium to come to Leuven

From the second half of 2016 onwards, the University of Leuven ([KU Leuven](#)) will house the fastest supercomputer of Belgium. The computer will be one of the 150 largest and fastest in the world.

The machine — which represents an investment of EUR 5.5 million — is a Tier-1 computer with more than 600 teraflops capacity, the equivalent of 2,000 fast PC's. "Our research institutions are among the best in the world", says Flanders' Minister of Science and Innovation Philippe Muyters. We can only maintain and strengthen that top position if we keep investing. The supercomputer can play a crucial role in a wide range of fields."



The supercomputer will be equipped with the latest Intel processors and the memory, internal network and storage capacity, will be adapted to solve complex problems. These include, research into renewable energy sources, and, the development of new materials and medication, among other things. Furthermore, the machine will also enable researchers to create even more detailed climate models or to predict the climate of other planets.

Imec and Kaneka (Japan) to explore new ground



Japanese chemical concern [Kaneka](#) and Belgium-based research center [Imec](#) have signed a new three-year framework agreement. Together, they will work on next-generation solar cells and explore new applications in life sciences and thin-film electronics.

The new agreement further strengthens and extends the comprehensive R&D collaboration between both partners. Over the past six years, Imec's expertise and facilities have been instrumental in the development of Kaneka's innovative, high-efficiency solar cells. Under this new agreement, both partners aim to explore other fields as well. Imec has an impressive track record in life sciences and wearable biomedical applications. The center's goal is to further optimize such applications in flexible, low-cost solutions using thin-film electronics.

"This approach is fully in line with Kaneka's ambitions and strategy," says Kimikazu Sugawara, Kaneka's Chairman of the Board. "In a world where speed is the key to innovation, collaborating with advanced research institutes like Imec is crucial for our business." Luc Van den Hove, president and CEO at Imec concurs: "We are confident that our new frame agreement will lead to promising results in the future.

2,000 jobs thanks to Liège Trilogiport

The inauguration of Liège [Trilogiport](#) promises a bright future. The largest trimodal (water-rail-road) platform in Wallonia (the southern part of Belgium), located on the Albert Canal, should create 2,000 jobs according to the Walloon government.

The project by the Walloon Public Service and the autonomous Port of Liège is part of the economic redeployment of Wallonia. This trimodal platform covering almost 120 hectares

has taken three years to build and will be operational at the start of 2016. It has cost €55 million, €9 million of which comes from European funds.

According to Walloon authorities, Trilogiport will become a true "logistical hub" in the heart of Europe thanks to its strategic location and ease of access. It has connections with the sea ports of Antwerp (14 hours by ship), Rotterdam (24 hours by ship) and Dunkirk (48 hours by ship). It is also at the crossroads of a motorway and rail network which provides connections to Paris, Aix-la-Chapelle, Antwerp, Brussels, Cologne and Maastricht.

The construction of Liège Trilogiport will help to cut back road traffic by almost 150,000 trucks per year, thanks to its storage capacity designed to receive 200,000 containers a year, which can then be transported by ship and train. According to forecasts by the cabinet of the Walloon Minister for Public Works, Maxime Prévot, this trimodal platform should enable the creation of about 2,000 direct and indirect jobs.

iMinds (Belgium) in European university incubators top-10



Last week in Turin, business incubation analyst UBI Global announced the winners of its [3rd University Business Incubator Awards](#), after screening 500 contestants worldwide. For the 2nd time, Ghent-based iMinds made it to the European top-10.

[iMinds](#) is truly making a name for itself internationally as Belgium's digital innovation center. In UBI Global's 2014 European ranking, the incubator claimed 7th place. This year, iMinds was voted 2nd European best in the 'Top University Business Accelerators' category. Needless to say, expectations are high for UBI Global's worldwide ranking, which will be announced next month. Last year, iMinds was 25th in the global ranking.

In addition, iMinds was asked to elaborate on its approach during its plenary speech in Turin, addressing its international incubator peers. "iMind's iStart program — launched in 2011 — may be relatively young, but it has everything it takes to be a successful university incubator", comments Ali Amin, CEO and Co-Founder of UBI Global.

"The program is perfectly sustained by the local 'ecosystem' in Flanders [Belgium]," he adds, "which manifests itself in a growing number of partnerships and requests for start-up support. The incubator's solid approach — bringing together iMinds' researchers and promising start-ups — is definitely a key factor in this success story."

Diploma's from UGent (Belgium) among world's best



According to the [Times Higher Education's Global Employability University Ranking](#), diplomas issued by Ghent University (UGent) in Flanders are among the world's best. The ranking is based on a global survey of 4,000 CEOs and HR managers.

While usual suspects Harvard, Cambridge and Oxford top the list, universities from outside the US or UK are on the rise as well. Ghent University, for example, is represented for the fifth year in a row and climbs to 49th place. Leuven University (KU Leuven) is the second Belgian university on the list, in 62nd place.

"No companies from Flanders [northern part of Belgium] were consulted in this survey," adds Anne De Paepe, rector of UGent. "Which proves that our students are highly regarded internationally." More and more managers have indicated that sustainable collaboration with universities, expertise, and the student's international profile are becoming more important than the institution's reputation.

De Paepe: "We're paying attention to what employers expect and how the work field will evolve in the future. Our many years of experience in stimulating entrepreneurship and the quality of our education play a key role in this."

Belgium will produce its first plane



The South African light aircraft manufacturer "[The Airplane Factory](#)" has recently signed a joint-venture agreement with the Belgian company SONACA based in Charleroi to develop, certify and commercialise what will become the very first aircraft ever assembled in Belgium.

It will be a new generation airplane based on the two seater "Sling 2" aircraft presently manufactured by The Airplane Factory. First commercial production is expected in early 2018.

The bulk of the components will be manufactured in South Africa while the final assembly will take place in Belgium in the workshops of Sonaca. Sonaca will also take care of the certification process of the aircrafts according to the EASA (European Aviation safety Agency) and the FAA (US Federal Aviation Administration).

The joint-venture called "Sonaca Aircraft", is based in Charleroi Belgium, with a starting capital of € 2 million, 65% held by Sonaca (together with the Regional Investment Company of Wallonia – SRIW) and 25% by The Airplane Factory, the remaining 10% being held by Belgian private investors.

Launch of the "Your Nature" property and tourism project in Antoing



"[Your Nature](#)" extends across 280 hectares of lakes and forests belonging to the Princes of Ligne. The project has 37 million euros of public and private funding and will initially create 170 jobs. Managed by Peronnes Invest, Your Nature primarily targets an international clientele.

In June 2017, 193 exclusive holiday cottages, including 34 suites will be created. The project will ultimately provide 714 cottages on the site where people will move around on foot or by bike, electric cart or boat. The cottages will be surrounded by a seminar centre, three restaurants, a fitness and wellness centre and areas dedicated to leisure activities.

Across the estate, comprised of 7 lakes, some 2,500 mature trees and more than 40 bird species are listed. Your Nature aims to give its clients an unforgettable natural experience by creating a destination for holidays and short breaks which is truly different from what is currently available on the market.

Your Nature is a local project, 100% sustainable and economically responsible with wooden cottages, green energy, soft mobility and 170 jobs in the first phase. The project eventually plans to employ 340 people.

Finalisation of a major modernisation project in Vaulx



The Walloon Government has allocated a subsidy of €730,000 to the Autonomous Port of the Centre and the West in the frame of the finalisation of works concerning storage containers at the Vaulx terminal, on the Scheldt.

The Autonomous Port of the Centre and the West ([PACO](#)) has just completed major modernisation works designed to implement these storage containers, a slab and, finally, extend the existing quay by 58 metres, which would enable the reception of at least three 110-metre ships and one 80-metre ship.

The storage containers, each measuring 30 metres wide and 35 metres deep, are designed, in particular, to receive agri-food products, salt for roads and indivisible products, such as wind turbine parts.

It is now essential to carry out works to close these with metal cladding so as to ensure the conservation of agri-food products by protecting them from humidity and bad weather, and therefore, to be able to open up the market of the agent already on site.

Therefore, the €730,000 subsidy will be used to modify the metal roof frame and close the six storage containers. Works will start in spring 2016 and will be completed by summer 2016.

In total, all of the works representing a sum of about €8,500,000, subsidised up to €7,230,000 by Wallonia, has been the result of a close collaboration between the Wallonia Public Service, the Waterways Department, and the Autonomous Port of the Centre and the West.

These works on the Vaulx terminal, the first encountered by ships when they enter Wallonia (southern part of Belgium), constitute a significant advantage for the economic development of the entire Picard region.

Solvay welcomes Cytec's shareholders approval for the proposed acquisition

At a special meeting at Woodland Park (New Jersey), the shareholders of Cytec Industries Inc. voted on a resolution to approve the proposed acquisition by [Solvay](#). The resolution received the support of 99.3% of the votes cast.

Solvay shareholders voted at an Extraordinary Meeting on November 17 to authorize the company to proceed with a rights issue of 1.5 billion euros maximum to finance this acquisition.

Solvay expects the closing of the acquisition before year-end. Preparations are in hand to ensure a rapid and smooth integration thereafter.

The Belgian pavilion build by BESIX-Vanhout partnership receives honorable mention for the best exhibit Expo 2015 Award

On an annual basis, the Exhibitor magazine launches a contest that rewards the best exhibits of the year. This year, the Belgian Pavilion received the honorable mention in the category "Best Exhibit" of the Expo 2015 in Milan.

This award is also a token of appreciation for the [BESIX-Vanhout](#) partnership who executed this impressive project in less than a year.

Members of the jury called the project "truly spectacular, and our judges adored it, calling it inspiring, highly educational and extremely well thought out."

3. General economic information about Belgium

Belgium among Europe's top countries for R&D

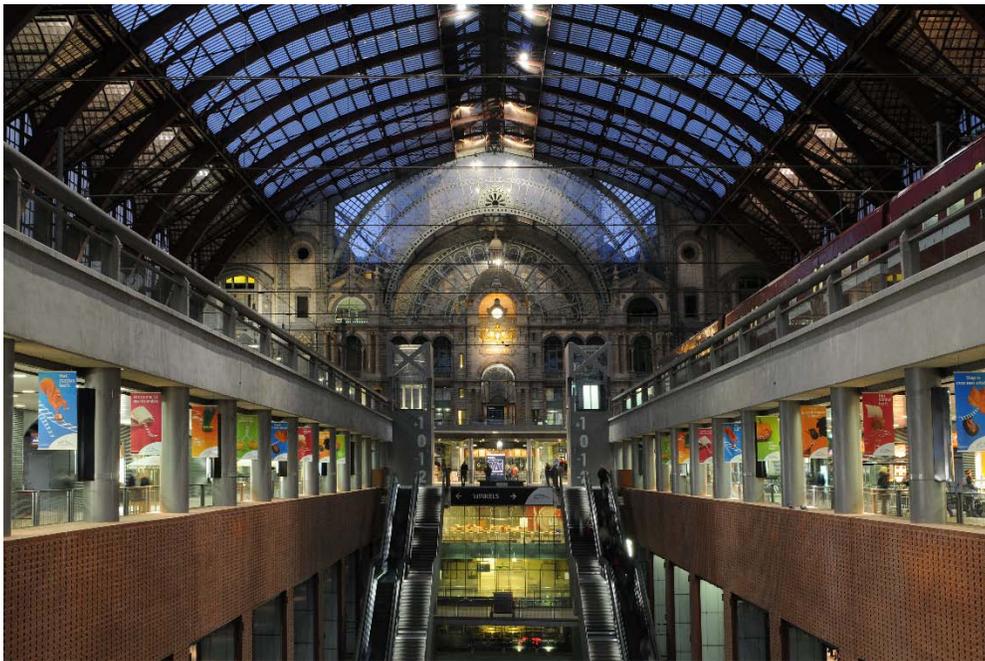


Last year, EU member states spent nearly EUR 283 billion on Research and Development (R&D), totaling 2.03% of the GDP. These figures were published by [Eurostat](#). Belgium scores better than the European average.

With R&D investments totaling 2.46% of its GDP, Belgium comes in right behind the Scandinavian countries, Germany and Austria. In absolute numbers, the country's R&D expenditure stood at EUR 9.875 billion.

Over the past 10 years, European R&D expenditures went up from 1.76% to 2.03% of the aggregate GDP. The world of business is Europe's main sector for research and development, accounting for 64% of all R&D investments. Universities and university colleges (23%) and institutional organisations (12%) came second and third respectively. In Belgium R&D expenditure rose from 1.81% of GDP in 2004 to 2.46% in 2014.

Antwerp best city in the world for start-ups



Antwerp has won the prestigious '[Global Startup Nations](#)' Award. The award praises the city for its start-up policy. Europe gives Antwerp EUR 2 million to further support start-ups.

For the first time ever, the Global Entrepreneurship Network (GEN) gives the award to a city instead of a country. The main goal of GEN is to foster entrepreneurship, growth and innovation. Previous winners include Singapore and Chile.

Mayor of Antwerp Bart De Wever and Alderman of Economy Philip Heylen are pleased to follow in their footsteps. "The creative sector in Antwerp already employs more than 10,000 people", says Heylen. "For a lot of entrepreneurs, the city is small enough to test their products and services, but also large enough to extract relevant data from those exercises."

Heylen believes that Antwerp's purchasing policy, 'buy from start-ups', played a crucial role in winning the award. The program allows new companies without official products and services to participate in government procurements. This year alone the city has placed EUR 1 million in orders at start-ups.

According to Heylen, the purchasing policy is unique. “When you walk around in San Francisco, the mecca for start-ups, you will barely see products or services from starters. In Antwerp, however, we will soon install new no-parking signs that were developed by a start-up.”

Belgian tax ruling practice: alive and kicking

Since the voting in 2002 of a bill establishing a legally binding ruling practice in tax matters, Belgium’s Service for Advanced Decisions in tax matters ([SAD](#)) has developed a more cooperative relationship with taxpayers. The binding decisions of the SAD provide legal certainty for the taxpayer in cases where the tax laws or their particular application in certain circumstances are unclear or subject to diverging interpretations and thereby avoid future disputes between the taxpayer and the tax authority.

As per 1 January 2015, a number of tax competences mainly regarding the application of the rules for registration duties and inheritance taxes were transferred from the federal level to the regional level. As a result of this shift, the federal ruling service is no longer entitled to deliver upfront tax rulings as from the moment the regional level decides to effectively take over as it was the case for Flanders. By Flemish Decree of 17 July 2015 the Flemish government installed its own Flemish ruling service, which is operational since 14 August 2015. The procedure to file a ruling request is quite similar to the federal ruling procedure.

From a European and international perspective ruling practices and decisions should comply with the EU and OECD Codes of Conduct on business taxation and EU state aid rules in order to avoid the granting of ‘selective’ advantages or distortions of competition within the internal market.

In March 2015 the Commission launched a legislative proposal amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, which provides for a common framework for the registration and automatic exchange of information on rulings, and provisions allowing the Commission to effectively monitor its implementation by Member States. If adopted by the Council by the end of 2015 this rules should become effective as from 1 January 2016.

The Belgian Government - wanting to keep the Belgian ruling practice ahead of the internationally accepted best practices – will anticipate this new transparency requirements. Without awaiting the final outcome of the Commission’s proposal it will spontaneously and unilaterally start to exchange to foreign administrations cross-border rulings and APA’s (advance pricing arrangements) issued as from 1 January 2015. A formal instruction in this regard will be published.