

Economic & business news from Belgium – September 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

Praxair (US) builds second plant in port of Antwerp

By 2016, USA-based atmospheric and process gases producer Praxair will open a second air separation plant in Antwerp, Belgium. The new plant will boost Praxair's production capacity, thereby meeting the growing demand for oxygen and nitrogen in the region.

On top of that, Praxair will also extend its pipeline system in Antwerp. These investments will allow the company to supply gaseous oxygen and nitrogen to the majority of chemical companies operating in Antwerp. The new plant will also serve customers in the pharmaceutical, chemical, glass, cement, metal fabrication and food industries in Belgium and the Netherlands.

<http://shipping.seenews.com/news/praxair-to-build-2nd-air-separation-plant-at-port-of-antwerp-360761>

Suzlon Energy (India) sets up 325 MW wind farm in Belgium

Indian energy concern Suzlon Energy has announced completion of the installation of 48 wind turbines at the Flanders-based offshore wind farm, Thornton Bank. Flanders-based organizations ABB and THV Seawind were among the installation partners.

The project was carried out by Suzlon-subsi-dary Repower Systems SE. "We are very proud to have installed the largest fleet of turbines in the world just off the coast of Belgium" Andreas Nauen, CEO of Repower Systems SE commented. The wind farm on the Thornton Bank now has a total output of 325 megawatts; enough to supply 600,000 people with electricity.

In terms of investment volume, the contract marks the largest financing deal for a completed project in the offshore wind industry to date. Companies from Belgium, Germany, France, the Netherlands and Sweden are involved in the venture. In this way, the project showcases the efficiency and cooperation of the European offshore wind industry. "The Thornton Bank initiative confirms the long-term potential of this market," added Nauen.

<http://greencleanguide.com/2013/07/16/325-mw-wind-farm-in-belgium-setup-by-suzlon-energy/>

Opening of a Décathlon in Verviers from October

Décathlon, the sports-shop chain, will be opening its 16th store in Verviers on 18 October. It will provide 45 jobs in all.

This store will promote items in its own product-range “in order to make sport accessible to all by virtue of the low prices offered at the shop”, states Herman Van Beveren, CEO of the group, which is looking to expand from 15 to 30 stores in 5 years’ time.

Décathlon now has 652 stores in 18 countries, mostly in Europe.

RTL INFO – 21/06/201

Tesla further expands its European network

Tesla Motors recently opened its first retail design store in Belgium, at the shopping street Avenue de la Toison d’Or, in Brussels.

The Brussels showroom in the heart of the city is truly state of the art and introduces Tesla fans to interactive touch screen experiences; design a car in the design studio or learn how easy it is to GO Electric! The new showroom has opened just in time for the arrival of the acclaimed Model S in Europe this summer.

With a strong existing population of Tesla Roadster owners and Model S reservation holders, the Belgians have already shown significant appetite for Model S. This, in addition to a strong corporate leasing market, a segment where Model S competes strongly and is in high demand, makes Belgium a very attractive market for Tesla.

<http://www.teslamotors.com/about/press/releases/new-retail-design-store-opens-brussels>

Sumitomo (Japan) invests in wind energy in Belgium

Japanese trading company Sumitomo has announced that it will acquire a majority stake – worth EUR 100 million – in Belwind and Northwind, the new wind farms off the coast of Belgium owned by Flanders-based supermarket chain Colruyt.

The construction of offshore wind farms is very capital intensive and soon amounts to hundreds of millions of euros. Thanks to the Japanese investment, both the Parkwind and Belwind wind energy parks will be able to speed up their operations.

Recently, more and more Japanese companies, e.g. Mitsubishi and Mizuho, have shown interest in renewable energy abroad. In Belgium, Sumitomo has already invested in chemicals, real estate and transmission gears.

<http://www.sumitomocorp.co.jp/english/news/detail/id=27017>

Picard (France) opens stores in Belgium

French market leader in frozen food Picard will open a store in Antwerp at the beginning of next month. Other branches in Antwerp and in Bruges are scheduled to open this year as well.

Last year, the French retailer opened its first stores in Brussels, the capital of Belgium. Back then, Picard had already announced its intention to open 60 to 70 stores in Belgium..

"We're delighted with the results of our stores in Brussels so far," says Frédéric Bobee, Managing Director of Picard Surgelés Belgique. "That's why we're confident about the success of our retail formula in Belgium.

<http://www.retaildetail.be/nl/belgie/food/item/14658-picard-surgel%C3%A9s-wil-zestig-winkels-in-belgi%C3%AB>

Alpro to create 25 new jobs in Belgium

Pioneering soy-based food producer Alpro has confirmed its intention to invest EUR 32 million in a new production and packaging line at its plant in Wevelgem, Flanders. The investment will lead to twenty-five new jobs and will be spread out over the next few years.

Alpro recently introduced a new packaging method involving cartons with a screw cap. Its production plant in Wevelgem requires a new packaging line in order to produce this new packaging design. The new facilities are scheduled for completion by 2016.

<http://www.alpro.com/corporate/en/press/company>

Franklin Templeton opens office in Belgium

Franklin Templeton, one of the world's leading investment advisors, has opened an office in Brussels. With a client list of over 22 million private, professional and institutional investors worldwide, the company advises on investment strategies across business and industrial sectors, time zones and investment vehicles. As the world's largest cross-border fund manager, the company serves investors in more than 150 countries.

http://www.capital-life.be/wp-content/uploads/2013/08/franklintempleton_thumb.jpg

PSA opens new terminal at port of Zeebrugge

Container terminal operator PSA International officially opened its new terminal at the port of Zeebrugge, Belgium. The new terminal features berths with a maximum depth of 17 meters, and is equipped with cranes capable of reaching across twenty-four rows of containers.

Singapore-based PSA International is one of the largest port management groups in the world, and already runs the Container Handling Zeebrugge (CHZ) terminal at the port. Situated north of the Albert II dock, the new terminal required an investment of around EUR 100 million. According to the port of Zeebrugge, the terminal's quay cranes are the largest in Europe.

<http://www.internationalpsa.com/psanews/pdf/nr130721.pdf>

<http://www.portofzeebrugge.be/en/node/516>

DB Schenker opens new pan-European hub in Belgium

Germany-based logistics provider DB Schenker inaugurated its brand new pan-European logistics site in Zwevegem, Belgium.

With a price tag of USD 13 million, the state-of-the-art company site offers infrastructure for national and international land transport. "With more than 5,000m² of space for operations and 2,900 m² of office space, the new facility provides optimal conditions for high-quality services and future growth," said Ulrich Pütz, head of the national company Schenker NV. "This allows us to provide our clients in the region with access to the most prominent growth markets in Europe."

On top of that, the new hub has optimal connections with the national and international transportation network. "In this way, we can offer our clients a complete logistics service, from national and international transport, over sea and air freight to intermodal logistic concepts," says Pascal Duhamel, branch manager of the new site in Zwevegem.

http://www.schenker.be/log-be-en/start/hub_Zwevegem_en.html

Air Liquide builds new production unit in port of Antwerp

French chemical concern Air Liquide is set to build a new production unit for carbon monoxide in the port of Antwerp, Belgium. The investment of around EUR 50 million will boost the production intended for German chemical concern BASF.

Recently Air Liquide engaged in a long-term contract for the supply of carbon monoxide to the MDI (methylene diphenyl diisocyanate) division of BASF in the port of Antwerp. To be able to deliver the negotiated supplies, Air Liquide will build a new plant complementing its existing production unit and doubling its local production capacity.

<http://www.airliquide.com/en/press/press-releases/air-liquide-doubles-its-hydrogen-production-capacity-in-antwerp.html>

Vestas (Denmark) builds offshore hub in Ostend

Danish wind turbine manufacturer Vestas and Flanders-based wind farm operator Parkwind have joined forces to build a new hub for offshore activities in Ostend – an investment worth roughly EUR 4.5 million.

From the hub, which consists of two separate buildings, both companies will perform maintenance operations on the offshore wind farms Northwind and Belwind. Vestas takes up residence in a new building of 1,310 m². 50 new people will be employed to operate the facilities. Parkwind, for its part, is hiring 15 more people to work in the new Rebo building alongside the Zeewezendok in Ostend. Both companies will establish themselves in the hub by spring 2014.

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

2. Belgian companies

New ecological site at Nivelles for GLS Belgium

8.2 million euros in all is to be invested in the new site at Nivelles, which will accommodate around 265 staff and delivery drivers, and will be up-and-running by year's end.

The site, which has a 5,000 m² parcel handling hall with 103 gates, will be able to sort and despatch up to 35,000 packages and 2,400 pallets a day, while the 4,000 m² cargo terminal will have 57 gates.

As part of its Think Green sustainable development initiative, GLS is fitting all new buildings with ecological equipment. Provision of a heat pump, rainwater recovery plant and solar panels is planned for the Nivelles and Habay sites, which are now under construction.

Nivelles will be the third ecological GLS site in Belgium, and the thirteenth in Europe.

From a Vif article– 22/08/2013

<http://www.myex.cc/en/news-view-1959.aspx>

BESIX confirms its presence in Montenegro

Besix, a Belgian construction firm, will construct an apartment complex of 10 buildings in the future marina, which will be part of Lustica Bay resort project. 60

sustainably built apartments out of 70 were already sold before the start of the works.

A 90/10 joint venture was set up by Orascom Development and the Montenegrin government. The Lustica Development project includes golf courses, hotels, a spa and wellness centre, and a range of high-end boutiques, cafés, restaurants and hotels, all spread over 35km which Besix should be a part of.

<http://www.sixconstruct.com/News.aspx>

Solvay joint venture in the kingdom of Saudi Arabia

Saudi Hydrogen Peroxide Company, a newly created joint venture between Sadara Chemical Company (Sadara) and the Solvay Group (Solvay), announced today that they have begun constructing one of the world's largest hydrogen peroxide (HP) plants in the Kingdom of Saudi Arabia. The plant will provide a key raw material to Sadara and will strengthen Solvay's global leadership position in HP technology and markets.

With a capacity exceeding 300,000 metric tons per year (MT/yr) and a planned start up in 2015, the mega plant is being built at Sadara's chemical complex in Jubail Industrial City II. It will be the first HP facility in the Kingdom.

<http://www.solvay.com/EN/NewsPress/PressReleases.aspx>

3. General economic information about Belgium

Belgium enjoys a very high reputation abroad

Belgium is ranked 13th out of 50 countries worldwide, notably ahead of the UK, Japan, France and the US, according to the Country RepTrak rankings published by the Reputation Institute.

Each country's reputation is ranked based on four criteria: confidence, esteem, admiration and respect, along with public perception of sixteen aspects including safety as a tourist destination, beauty, friendliness and warmth of its people, a progressive social and economic policy, an effective government, etc.

The study, performed online between January and March 2013, sought the views of 27,000 citizens of G8 countries who measured the reputation of fifty companies specific to the each country.

"The stability of Belgium's reputation abroad is a real asset, even more so in these times of crisis and austerity. We Belgians are not always aware of this positive image

we have abroad", is the view of Walter Gelens, a partner at consultancy firm Akkanto.

<http://www.akkanto.com/network/reputation-institute/667-reputation-institute/167-belgium-maintains-its-strong-reputation-abroad>
<http://www.reputationinstitute.com/thought-leadership/reprtrak-in-countries>

Tax – stimulus plan – R& D

The Belgian Government strengthened two already existing fiscal measures to stimulate R&D and attract foreign investments:

1. Qualified researchers and partial payroll tax exemption

In order to lower the salary burden of R&D companies, a partial payroll tax payment exemption on R&D wages is available to companies with researchers on their payroll. The stimulus plan increased the percentage of this partial payroll tax exemption on wages of qualified researchers from 75% to 80%. At the same time, measures were voted, to make a more effective audit of the payroll tax exemption by the tax authorities possible.

2. Patent Income Deduction

In order to make patent income deduction ("PID") more accessible for SME's and starting companies, the conditions to be able to benefit from this tax measure were loosened . When the measure was introduced (benefit of a 80% deduction of patent generated income from their taxable base, whereby the deduction results in an effective tax rate of maximum 6.8% on qualifying income) one of the conditions was that the research centre of the company must constitute a branch of activity or a business line component. This requirement has now been eliminated (as of tax year 2014) for companies which qualify as "small companies" according to Art. 15 of the Companies Code.

http://finances.belgium.be/fr/Publications/Internationaal/doc_brochure_tax_incentives_for_rd_activities.jsp?referer=tcm:307-233326-64

New website Federal Public Service Finance : <http://finances.belgium.be/fr/>

New website groups together all recent employment measures

The Belgian federal government has recently taken a number of measures to stimulate employment and prevent unfair competition between employers. All of these measures, such as the reduction of social security contributions and other labour costs, as well as initiatives to combat fraud (joint and several liability, measures for the hospitality industry, bogus self-employment, and Limosa declarations) are clearly explained at plusdemploisetdanslesregles.be (<http://meereerlijkwerk.be/>).

The website contains: all useful information, updated legislation, implementing decrees, the amounts involved, simulations and examples.

Discover the review of the Belgian economy in 2012

As every year, the FPS Economy has published an analysis of the Belgian economy from a macro-economic, sectoral and entrepreneurial point of view.

Economic activity fell in 2012 as a result of the drop in industrial activity and household expenditure. Inflation slowed compared with 2011 and the increase in energy prices was contained.

The review of sectoral developments confirmed that services are playing a greater role in the Belgian economy and that industrial activity performed better in over half of the sectors than in the Eurozone.

Fewer companies were set up whilst the number of closures rose. However, there were still more companies being created than being shut down.

Download the '[Panorama de l'économie belge en 2012](#)' (PDF, 228 p. – 6.69 MB - FR)

http://economie.fgov.be/nl/modules/publications/general/belgian_economy_2012_fr.jsp