

Ambassador Matthysen Visits Cincinnati

On June 8th, Ambassador Matthysen was the keynote speaker during a 'European country briefing' for the European-American Chamber of Commerce in Cincinnati. Before an audience of about 60 business executives, accountants and legal advisors, the Ambassador gave an overview of the current economic and political situation in Belgium and highlighted in particular the business opportunities Belgium offers for the local business community. Following the Ambassador's introductory remarks, economic representatives of the regions of Brussels, Flanders, and Wallonia, highlighted the investment opportunities in each particular region.

Earlier in the day, the Ambassador was warmly received by the Mayor of Cincinnati, Mr. Mark Mallory, who explained the recent economic development initiatives by the city. The Mayor also offered the Ambassador a copy of his proclamation declaring June 8th as 'Matthysen Day' in Cincinnati. The Ambassador invited the Mayor for his first visit to Brussels. Mr. Ken Fightmaster, Economic Development Director of the Greater Cincinnati Area Chamber of Commerce gave the Ambassador an overview of the local economy and the Chamber's role in its development.

Central in the Ambassador's busy day was his visit to Procter & Gamble, which employs about 3,000 people in Belgium. About half of the employees work at the Brussels Innovation Center in Strombeek-Bever, near Brussels. It is one of only three R&D centers by P&G in Europe. During the visit, P&G highlighted its plans for an expanded Open Innovation Campus in Belgium and underlined its commitment to a continued presence in Belgium. Topics of discussion also included the global economic outlook for P&G, the cost of R&D, the new Belgian tax deduction for Patent Income, and the U.S. administration's plans to change the 'deferral rules' in U.S. corporate tax policy.

Belgium has six local companies in the Greater Cincinnati area. The Ambassador visited one of them, Deceuninck North America. Deceuninck, located near Dayton, OH., produces fenestration and other building products that feature innovative materials and advanced engineering. CEO Mark Parrish explained that the economic downturn had hit the company hard, as housing starts were down 78% in February 2009 from their peak in 2005. In the last two years the company had to close two of its three facilities in the U.S., and employment went down from 740 in 2005 to just over 300 today. However, the company is noticing the first positive impact of the American Recovery and Reinvestment Act ('stimulus bill') and the first up tick in economic activity in a long time.



Ambassador Matthysen on his tour of Deceuninck North America, accompanied by CEO Mark Parrish and, to his left, Belgian honorary consul Paul Allaer. Also in the picture are Deceuninck North America CFO Filip Geeraert and members of the Belgian delegation.

Contact Us!

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No More Work Permit For Foreign Managers in Headquarters

As of May 29th, headquarters of U.S. companies in Belgium are no longer required to obtain work permits for employees from outside the European Economic Area (EEA) in a managerial position. Previously no work permit was required for non-EEA citizens appointed managers *below* the two highest levels of management. The Royal Decree of May 29, 2009 extends this exemption to the top two layers of management.

To qualify for the work permit exemption, the employee must have a managerial role and be employed by a Belgian headquarter of any multinational. The employee must have an employment contract at a Belgian company and earn no less than €59,460 (2009) gross on a yearly basis. In these cases, employers in Belgium don't have to obtain a work authorization for the employee.

In order to be considered a "manager", the employee must have a high ranking position in the company that is generally reserved for people who have successfully graduated from an institution of higher education, or to people who acquired the necessary experience for a senior position by gradually climbing up the corporate ladder.

After years of lobbying the Belgian Government on the issue, the American Chamber of Commerce in Brussels stated its satisfaction with the new measure, noting that it would help to make Belgium a more attractive location for company headquarters.

www.amcham.be

Latest Economic Indicators

GDP	+1.1% -3.1%	2008 final 2009 -Q1
Inflation	4.5% -0.2%	2008 final 2009-05
Unemployment	7.5%	2009-04
Euro-dollar	1.39	2009-06.18

**National Bank of Belgium -Economic Indicators
06.18.2009**



Ambassador Guest of Potomac Exchange

On April 28th, Ambassador Matthysen was the guest of honor at a luncheon organized by the Potomac Exchange, an informal forum where senior diplomats, business and NGO executives exchange ideas in off-the-record discussions, laying the groundwork for future collaborations.

Attending the luncheon were senior executives of Bank of America, Bechtel, Eastman Kodak, GE, Lockheed Martin, Oracle, Raytheon and TYCO Electronics. All of these U.S. companies have business interests in Belgium.

During a wide ranging discussion, Ambassador Matthysen discussed a variety of issues, including Belgium's response to the economic crisis, its attitude towards greater regulation of the financial sector, Belgium's role in Afghanistan and the developing world, the impact of swine flu on travel between the U.S. and Belgium, and the reaction in Belgium to the election of President Obama.

All participants received a copy of *Belgium: The Movie*, a 20-minute film featuring aerial views of Belgium's landscapes and historic cities.

www.potomacexchange.org

VBO-FEB Energy Forum

The Federation of Belgian Enterprises (VBO-FEB) attracted 1,100 participants to its biannual forum held on April 22 in Brussels. Entitled "Less Energy, More Efficiency", the forum focused on how to make Belgium a leader in energy efficiency. McKinsey & Company presented findings from its study showing that ambitious steps could reduce Belgium's energy demand by more than 29% by 2030, and save more than 5 billion euros.

One of the testimonials at the forum was by Jonathan Shrier, Acting Assistant Secretary for Policy and International Affairs at the Department of Energy. In an interview with RTBF journalist Philippe Gassot (organized by the Embassy), Mr. Shrier outlined the steps the Obama Administration has already taken to improve energy efficiency since taking office. He also indicated a desire to work across the Atlantic, and to learn from Belgium's experience as it implements its energy efficiency strategy.

Testimonials were also given by EU Environment Commissioner Andris Piebalgs, Chairman Bjorn Stigson of the World Business Council for Sustainable Development, and Richard Bradley, head of the Energy Efficiency and Environment division of the International Atomic Energy Agency (IAEA).

Eurogentec Launches New Facility in San Diego

Eurogentec S.A., a European supplier of biotechnological products for research, diagnosis and therapeutics recently expanded its North American manufacturing facilities in San Diego. Consul General Geert Criel attended the opening ceremony. The new facility has been specifically designed to address the growing demand for highly regulated materials in the diagnostic market.

"This new facility is a key component of the strategic plan for Eurogentec to grow its global business in the life science research, molecular diagnostic, and clinical laboratory markets," stated Diane Wolfe, General Manager of Eurogentec North America.

Eurogentec is a privately held company headquartered in Liège, Belgium, with subsidiaries in North America, France, Germany, the UK, the Netherlands and Switzerland and additional production facilities in Japan and Singapore. The company employs more than 300 people globally. Eurogentec North America was established in 2002 with a primary focus in solution based services for life science research, mainly serving companies in the biotech and pharma sectors.

Despite the economic downturn, Eurogentec forecasts continued growth in the years ahead.

www.eurogentec.com



Consul General Geert Criel (center) with Eurogentec CEO Jean- Pierre Delwart and Dr. Dianne Wolfe, General Manager Eurogentec North America, at the new corporate facility in San Diego

Baxter Continues to Invest

Baxter has decided to expand its activities in Lessines, Wallonia with an investment of €27 million. The investment will generate 120 jobs over two years. It is the sixth Baxter investment in Belgium in 10 years.

To mark the occasion, Rudy Demotte, Minister-President of the Walloon Government and Jean-Claude Marcourt, Minister of Economy for Wallonia met with executives at Baxter's global headquarters in Deerfield, IL.

Baxter has a production site, as well as an R&D center and a European distribution center in Belgium. The company employs 2200 people in Belgium and has been present in the country since 1954. The production site in Belgium was the first one outside the U.S. A new, state-of-the-art R&D lab and country headquarters will be ready at the end of 2009.

www.baxter.com

Chemical and Life Sciences Invest Record € 2.34 bln in R&D

Despite the economic downturn in 2008, Belgian chemical and life science companies invested 1% more in R&D than in 2007. The industry organization Essenscia reports that the companies invested a record €2.34 billion in R&D, € 20 million more than the previous year, 50% of all private R&D expenses in Belgium, and 50% more than a decade ago.

Essenscia sees the continued record investment as the result of the innovation policies of the government, but asks for sustained government commitment to the sector in these difficult times.

About 11,000 out of 94,000 employees in life sciences and chemicals work in R&D. Essenscia estimates that about 4,000 of them qualify for the payroll tax reduction for researchers with a masters degree or above. The organization sees the recent decision to increase the reduction to 75% as a crucial contribution to increased R&D investment in Belgium.

www.essenscia.be

In the Spotlight

Interested in an overview of Belgium's tax incentives for foreign investors?

Access the presentation by the Federal Public Service Finance:

www.minfin.fgov.be/portail2/belinvest/en/site/index.htm



Codima Sets Up In Belgium

Codima Inc., a global provider of software tools for VoIP and IT Asset Management announced on April 15th that the company has established operations in the Benelux market. With head offices in Brussels, the local team will offer services in sales, marketing and technical support to new and existing resellers throughout the Benelux region. The Belgium/Netherlands/Luxembourg operation is Codima's fourth European roll out in 2009.

The goal of the Benelux team will be to propel Codima's software solution for managing IT networks cost efficiently into a market looking to invest in cost reducing software.

The Benelux region, densely populated, has one of Europe's highest broadband penetrations in addition to being an early adopter to IP telephony technology. Codima Toolbox encompasses a set of tools to discover, map, and monitor any IT network. The solution uses Microsoft® Office Visio™ to visualize entire networks and network problems, useful functions for example when preparing for VoIP installations and when securing documentation for network auditing and legal requirements.

Codima Toolbox serves financial institutions, governmental agencies, service providers and large organizations in addition to small and medium companies. Codima, headquartered in Philadelphia, PA, has offices in London, Brussels, Johannesburg, Munich, Paris, Stockholm, Sydney and Tokyo and supports partners globally.

www.codimatech.com

Can't get enough of Business Memo? Earlier editions are available online, at www.diplobel.us.

The Embassy's website also lists other Investment Office publications, such as

- *Fact Sheets about various aspects of the Belgian economy
- *Setting Up in Belgium: a pocket guide for the business executive.
- *Corporate Directory: an overview of the Belgian corporate presence in the US
- *CD-ROM: Belgium: Gateway to Europe, with testimonials by US business executives

Hard copies of all publications are available from Bart Deelen, Business Development Manager, at bart.deelen@diplobel.fed.be

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