

Ambassador Hosts AB InBev CEO Carlos Brito

Horses are not a very common sight on the front lawn of Ambassadors' residences, at least not in Washington, not in the 21st century, and certainly not draft horses. But there it was on Tuesday March 8th, a beautiful Clydesdale proudly standing in front of the Foxhall Road home of the Belgian envoy. Coming from nearby stables, the beautifully mannered equine specimen gallantly let many reception-goers have their picture taken next to it, not letting itself being impressed by the evening's guests' impressive résumés: senators, U.S. representatives, familiar faces of the Washington pro sports scene (Redskins, Wizards, Capitals!) and the crème de la crème of local public affairs, advertising and distribution...

What was the occasion behind this rather unusual presence? Anheuser-Busch and St Louis, MO. of course... The Ambassador and Mrs. Matthysen were indeed that night welcoming Carlos Brito, CEO of AB-Inbev, and his guest – for what one of the participants aptly called the "very happy marriage of Bud and Stella"! As Mr. Brito reminded the guests in his address, AB and Belgium's Inbev has indeed been an unmitigated success on both sides of the Atlantic, giving birth to the world's largest brewer, one of the planet's top 5 consumer brands, and a stronger and stronger single enterprise culture. And, if he did not give away the secret recipes of some of the group's most admired brews (Belle-Vue, Leffe, Hoegaarden...), he at least revealed some of the recipes of the merger's success, including the blend of Belgian tradition - with Stella's origins going back to 1366, and the American corporate responsibility record and global consumer appeal - with Budweiser Lager currently groomed to become AB InBev's global signature brand.

Having been greeted by Ambassador Matthysen as one of the world's captains of industry, and having humorously rejoiced having 100% of market share in the Residence that evening, Mr. Brito went on to praise both the yeasty beverage ("beer has 600 aromas and flavors, wine only 400") and his adoptive country, where Leuven remains the global headquarters of the group and with New York and St. Louis as major U.S. centers.

Beer and Belgium are very often identified with one another. And quite rightly so. According to a recent article in the Brussels paper *La Dernière Heure*, the sector employs 10,900 workers. It represents a domestic market of circa €1 billion, and is one of the country's most successful exports, with 38% going to France, 18% to the Netherlands, and 13% to the US in 2009.



Ambassador and Mrs. Matthysen, and AB InBev CEO Carlos Brito, with Clydesdale horse, in front of the Belgian residence on March 8.

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New Brochure, Fact Sheet for Foreign Investors

The Federal Public Service Foreign Affairs has published a new brochure "*Belgium: brilliant investment, sweet return*" that highlights Belgium's economic strengths for foreign investors.

A new fact sheet put together by the Federal Public Service Finance, *Smart Taxation in Belgium*, offers an overview of the most beneficial tax rules for foreign investors.

Both brochures can be consulted and downloaded on our website www.diplobel.us

Belgian Lunch Experience at World Economic Forum

The 2011 World Economic Forum in Davos, Switzerland, was once again an opportunity to celebrate the strong economic relationship between the United States and Belgium. On January 28, Prime Minister Yves Leterme and Minister of Foreign Affairs Steven Vanackere hosted numerous U.S. business leaders, US Chamber of Commerce President and CEO Thomas Donohue, and representatives of labor organizations and NGO's for the annual *Belgian Lunch Experience*.

In the presence of HRH Prince Philippe, EU President Herman Van Rompuy, Minister-Presidents Rudy Demotte (Wallonia) and Kris Peeters (Flanders), EU Trade Commissioner Karel De Gucht and Minister of Economy Vincent Van Quickenborne, the Prime Minister reminded the audience that in the wake of the economic recession, the Belgian government took measures to revive confidence of consumers and companies, in a balanced mix of reducing business costs for companies and increasing the purchasing power of consumers. These measures were further implemented throughout 2010. Mr. Leterme underlined that Belgium fully participates (...) in the economic recovery today, with a real GDP growth of 2.1 % in 2010. Well ahead of the 1.6 % average in the euro area, the Prime Minister noted.

Foreign direct investments in Belgium also increased by 50 % in 2010 to \$50 billion, the second highest figure in Europe after France. Economic growth is forecast to be 2% in 2011, Mr. Leterme stated, and employment creation is expected to accelerate. The draft wage agreement for 2011-2012 also guarantees a moderate wage growth that boosts the competitiveness of Belgian companies while keeping the purchasing power of the employees intact.

www.premier.fgov.be



Foreign Investment Success in 2010

New foreign investment data illustrate in detail the Belgian economic recovery in 2010. According to UNCTAD's *Global Investment Trends Monitor*, Belgium attracted \$50.5 billion worth of FDI in 2010. This is the second highest level in the EU, after France, and almost 50% more than the year before. This result is particularly remarkable given that FDI dropped by 20% in the EU on average.

In Flanders, 155 new investment projects totaled €2.03 billion in value and created 3481 jobs. This brings Flanders back to the pre-crisis level. Almost half of the investments in 2010 were greenfield projects. The lion's share of the investment took place in the manufacturing industry, followed by logistics and sales. These three industries together account for about 82% of all foreign direct investment projects. 23 investment projects (14.8%) were related to R&D activities, compared to 9 in 2009.

The United States remains the main investor in Flanders with 21,9% of the investment projects. The Netherlands (just under 11%) and Germany (10.3%) follow in the ranking. Asia has become a major investor, surpassing the US, with China taking 4th place (11 projects and 7.1%), followed by South Korea (5th), Japan and India (7th) and Australia (10th). The BRIC countries assumed a share of 15% in 2010, up from 8% in 2008.

Meanwhile, the Wallonia Export and Investment Agency (AWEX) reports that foreign investors invested €257 million in the region, divided over 68 investment projects which generated 1733 jobs. Most investments were of European origin (52%), followed by North America (35%) and Asia. The science sector attracted the most investment (25%), agro-food (18%), chemicals (17%) and the glass industry (10%).

Genzyme to build new plant in Belgium

Genzyme Corp. announced that it will build an additional manufacturing plant in Geel, Belgium, to support the long-term growth of Myozyme® and Lumizyme® for Pompe disease. The company held a ceremony in Geel to mark the start of construction of the new €250 million plant, which will include 8,000 liters of production capacity, a complete purification installation, and ample room for additional future capacity expansions. Commercial approvals for the new site are expected to start late 2014.

Genzyme currently produces Myozyme and Lumizyme at an adjacent plant in Geel, where it is increasing production capacity to 12,000 liters with the addition of a third bioreactor scheduled for approval by the end of this year. Genzyme is also continuing its 160 L production in the U.S. for patients with infantile-onset Pompe disease. The investment in Geel is part the company's program to increase its overall biologics manufacturing capacity four fold. About 150 new jobs will be created as part of the expansion, bringing the total workforce at the site to nearly 600 people.

"The expansion of our Geel facility is a critical element of our manufacturing strategy and is fundamental to our mission," said Scott Canute, Genzyme's President, Global Manufacturing and Corporate Operations. "We are committed to delivering a reliable supply of high quality medicines to our patients. This investment ensures continued supply to our patients in the Pompe community for the long term."

"Our strong track record of results, the expertise and dedication of our workforce along with the partnership with the authorities in Belgium, have been instrumental in bringing this exciting new investment to our site," said Piet Houwen, General Manager of Genzyme's Geel manufacturing site.

www.genzyme.com

Solid Economic Growth Forecast

A recent study of the Belgian Federal Planning Bureau predicts economic growth for 2011 of around 2%, which shows that the Belgian economy has left the economic and financial crisis behind.

There are several reasons for the Belgian economy's rebound. First of all, Belgian exports have risen remarkably over a short period of time. Exports increased by 10% in 2010. Consumers are fast regaining their confidence and returning spending to their (healthy) pre-crisis levels, mostly thanks to the so-called "automatic stabilizers." The National Bank of Belgium noted a sharp recovery in internal demand, in particular household expenditure, which dropped by 0.2 % in 2009, and rose by 1.4 % in 2010.

The policy allowing for temporary unemployment has especially enabled companies to keep workers on the payroll instead of having to resort to massive lay-offs. At the same time, companies that did have to restructure their organizations are hiring again. Recently the number of people being hired exceeds the number of lay-offs. Finally, demographics also lend a helping hand. The rapid population growth adds to consumer spending, and also stimulates the housing sector.

This positive message on the Belgian economy is echoed by a recent EU report published by the European Commissioner for Employment, Social Affairs and Inclusion. According to Mr. László Andor's report, the Belgian labor market has successfully weathered the crisis, and a major contributing factor has been its flexibility. Together with Germany and Austria, Belgium is one of the countries that are best positioned to launch the phase of economic recovery. Andor lauded the capacity of these three countries to anticipate and for consulting with labor and management representatives.

Belgium ended 2010 with a budget deficit of 4.6%, one of the only EU countries to do better than required by the European stability program. In 2011 Belgium will again try to do better than requested by the EU, and will expect to close the budget deficit under 4%. In his speech in Davos, Prime Minister Leterme stressed that this figure "places the Belgian budget deficit among the six lowest in the euro area, performing better than countries like France, Italy and the Netherlands," and that in 2010, Belgium had the smallest debt increase of the euro area (only 1%).

As for the jobs market, Belgium recorded 28,000 net job creations, which has wiped out 2009 losses. The unemployment rate of 8.5% is lower than in the United States.

<http://www.nbb.be>

New International Rankings

Index	Organization	Belgium Rank
Globalization Index (60 economies)	Ernst & Young	6th
Productivity Index	Conference Board	5th (BBP/hour)
Global Investment Trends Monitor	UNCTAD	2nd in EU (2010)

Paul Stoffels Worldwide Chairman Pharmaceuticals J&J

Paul Stoffels, M.D., was named Worldwide Chairman, Pharmaceuticals at Johnson & Johnson, with responsibility for research and development, business development and strategic development. Mr. Stoffels had been Global Head of Pharmaceutical Research & Development since May 2009.

Previously Dr. Stoffels was Company Group Chairman, Virology, where he led both R&D and commercialization activities for one of the newest business segments of Johnson & Johnson. Dr. Stoffels has more than 15 years global experience in both pharmaceutical and HIV/AIDS R&D. After joining the Janssen Research Foundation (JRF), he worked for four years as Physician/Researcher in Kinshasa (Congo) and Kigali (Rwanda). His research work in Africa was focused on AIDS and infectious diseases. In 1991, he became the head of development for infectious diseases at JRF in Beerse, Belgium, where he was instrumental in the development of antifungal drugs.

In 1997, Mr. Stoffels left Janssen to become CEO of Tibotec-Virco, where he grew the company into an integrated pharmaceutical R&D organization focused on the discovery and development of new drugs and diagnostics for HIV/AIDS and infectious diseases. Tibotec-Virco was acquired by Johnson & Johnson in 2002.

Dr. Stoffels has always had a special interest for the health care problems in the developing world, especially Africa. He was instrumental in building the relationship between UNAIDS/WHO and the pharmaceutical industry with regard to the supply of HIV drugs in Africa.

Dr Stoffels studied Medicine at the University of Diepenbeek and the University of Antwerp in Belgium and Infectious Diseases and Tropical Medicine at the Institute of Tropical Medicine in Antwerp, Belgium.

www.jnjpharmarand.com

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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**

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Embassy of Belgium
3330 Garfield Street, NW
Washington, DC 20008