



Belgium



Enterprise Europe Network London Country Profile July 2007

Business Support on Your Doorstep



BELGIUM



Country's full name: Kingdom of Belgium (Royaume de Belgique/Koninkrijk België).

Capital city: Brussels (992,041 inhabitants)ⁱ.

Population: 10.39 million. Flemish (Dutch Speakers) - 58%, Walloon (31%), mixed or other (11%).

Official languages: Dutch, French and German.

Currency: The Euro (since January 2002).

Religion: Roman Catholic (75%), Protestant or other (25%).

Area: 30,528 sq km (11,786 square miles).

Terrain: Flat coastal plains in the Northwest, rolling hills in central Belgium and rugged mountains of Ardennes Forest in the Southeast.

Climate: Temperate (rainy, humid, cloudy); mild winters, cool summers. Annual rainfall: 31 inches.

Administrative divisions: 3 regions and 10 provinces. After the 1993 constitutional revision that furthered devolution into a federal state, competences were established at three levels – the federal Brussels-based government, the three linguistic communities (including German) and the three regions (including Brussels).

Weights and measures: Metric.

Time zone: GMT plus one hour. From late March to late October, a daylight saving scheme is in operation which is two hours ahead of GMT.

International dialling code: 00 32.

Government and Politics: Federal parliamentary democracy with a constitutional monarchy. The bicameral Parliament consists of a Senate (part of which is directly elected by popular vote) and a House of Representatives (directly elected by popular vote on the basis of proportional representation). The number of seats in the House of Representatives is constitutionally set at 150, elected from 11 electoral districts.

Each district is given a number of seats proportional to its total population. The Prime Minister is appointed via a parliamentary majority by the monarch, and approved by the Parliament. The Council of Ministers, formally appointed by the King, is chaired by the Prime Minister. Guy Verhofstadt's fragile "rainbow coalition" entered into power in June 2007.

ECONOMIC OVERVIEWⁱⁱ

This modern private enterprise economy has capitalised on its central geographic location, highly developed transport network, and diversified industrial and commercial base. Industry is concentrated mainly in the populous Flemish area in the North. Belgium is heavily reliant on world, and possesses a highly skilled and educated labour force trade. Exports and imports account for approximately 83% of Belgium's GDP, and it is one of the highest per capita exporters in the world, and the highest of all 27 EU Member States. 75% of all the country's trade is conducted within the EU.

Belgium faces two major problems: unemployment, especially in Wallonia, caused by the decline of first-generation industry, and a high government deficit (100% of GDP). Belgium also suffers from unbalanced development as Wallonia's economy lags well behind that of the Flanders. 73% of the 4.4 million labour force works in the services sector.

ECONOMIC INDICATORSⁱⁱⁱ (All 2007)	
Population	10.45 million
Unemployment rate	8.5%
GDP per head (euro, purchasing power parity)	25,651
Real GDP growth	2.3%
Inflation rate	2.1%
Total exports (billion euro)	246.3
Total imports (billion euro)	229.1
GDP per Capita	€29,278
Total GDP	€290 billion

INFRASTRUCTURE/ENVIRONMENT

Roads^{iv}

There are 150,567 km of roads. Belgium has the densest motorway network in the world with a total of 1,747 km. High-capacity motorways are centred on Brussels but also cut across the country, e.g. the Wallonia motorway. Seven international motorways connect Belgium to the French, Dutch and German road networks. The proximity of the Eurotunnel is also beneficial.

Railways^v

The Belgian rail network (3,521km of track) is extremely concentrated. Density is far from uniform across the country because the recent trend has been to close unprofitable lines. The high-speed train network comprises a total of 300 km of track, half of which will be improved to take speeds of up to 300 km/h, connecting Brussels with Amsterdam, Frankfurt, London and Paris. Brussels has a metro system and Antwerp, Charleroi and Ghent have light-rail systems.

Shipping^{vi}

Antwerp is the largest port in Belgium and the second largest port in Europe after Rotterdam. Its annual traffic is around 100 million tonnes, which is two-thirds of the total traffic handled by Belgian ports. Other ports are situated in Ghent, Zeebrugge, Oostende, Brussels and Liege. There 1,523 km of waterways in regular commercial use. The Port of Brussels has recently obtained financing for a project aiming to make it "*the European hub for inland port traffic*".

Civil Aviation

Belgium has two international airports (Brussels International Airport and Charleroi-Gosselies) and three regional airports (Antwerp-Deurne, Liège-Bierset and Ostend-Middelkerke).

Energy^{vii}

A former coal-producing country, Belgium has shut down most of its coal mines, the loss of which has particularly affected the Wallonia region. As a result, the country is largely dependent (up to around 80%) on external energy supplies. Its primary energy sources are oil (40%), natural gas (22%), uranium (20%) and coal (17%). Hydroelectricity accounts for just 1%. Belgium's energy policy is centred around diversification of supply, efficiency of use, and competitive energy pricing.

Telecommunications^{viii}

The country had 5.12 million telephone lines and 8.14 million mobile phone subscribers in 2002. Privatisation and liberalisation started in 1998 and is ongoing. Belgium has highly developed, technologically advanced, and completely automated domestic and international telephone and telegraph facilities. E-business is becoming more widespread, with many companies now providing services for electronic business.

Environment

The environment is exposed to intense pressures from human activities: urbanisation, dense transportation network, industry, extensive animal breeding and crop cultivation. Air and water pollution also has repercussions for neighboring countries. Environment and country planning have

been ruled by the regions since 1980, which can cause problems due to the regions' different approaches. Environmental policy is mainly aimed at limiting the increase in road traffic by enabling people to find a job close to where they live and at protecting rural areas.

MAJOR SECTORS OF THE ECONOMY

Belgium has a long industrial tradition as it was the first country in continental Europe to undergo an industrial revolution. Heavy industry still remains an important sector of the economy. However, services today account for 75% of the GDP. The Belgian industrial sector can be compared to a complex processing machine; it imports raw materials and semi-finished goods that are further processed and re-exported. Belgium does not possess any significant natural resources, and so it is largely dependent on world trade.

Agri-Foods

In 2005 turnover amounted to € 31,500 million, representing 17.5% of the total turnover of the processing industry.^{ix} The largest subsectors are the meat industry, the dairy sector, the chocolate, sugar and beverages sectors. Belgium is an attractive entry point for agricultural exporters, due to its active food processing industry. Notably, this attracts many intermediate goods, which are then processed and distributed within the country, and to other EU countries through Belgium's extensive distribution network.^x The food industry is one of Belgium's major industrial sectors with a turnover of 30.4 billion euro in 2003.

Iron and steel^{xi}

Belgium ranks high among world producers of iron and steel. In 2004, the steel industry alone employed 17,400 people for a total production of 11.7 million tonnes of crude steel. The turnover of the steel industry reached 8.9 billion euro in 2004. Major international companies such as Arcelor, ThyssenKrupp and Corus are present in the market.

Diamond cutting and trading

Antwerp World Diamond Centre comprises of more than 1,500 diamond companies and four diamond exchanges. More than 50% of the world consumption of rough, polished and industrial diamonds passes through Antwerp. The city also enjoys international recognition as trade centre for precious stones such as rubies, sapphires and emeralds. Antwerp is currently facing new challenges as India and Dubai rise as major diamond processing and trading centres.

Chemicals^{xii}

The chemicals sector generates over one fifth of the turnover of the Belgian industrial sector and over 20% of total Belgian exports. The Belgian chemicals industry is the world's leading producer of cobalt and radium salts. It also ranks high in the production of plastics, fertilisers, coal tar and pharmaceuticals. Solvay is one of the main chemicals manufacturers in Belgium.

Automotive industry^{xiii}

More than 300 automotive suppliers in Belgium employ a total of 70,000 people, resulting in an average annual output of one million vehicles (2007). Four renowned car makers have major production and assembly units: Ford in Genk, Opel in Antwerp, Volvo Cars in Ghent and Volkswagen in Brussels. Belgium's automotive industry has traditionally been one of the strongest sectors of its economy. Belgium is a world leader in the car assembly industry; with more than 95 percent of its output destined for export, Belgium has the highest per capita production in the world. Strong investor confidence is reflected in recent investments Ford, GM, Chrysler and Volkswagen.

Construction^{xiv}

More than 235,000 people are employed in construction and the sector's annual turnover is more than 30 billion euro. The sector is mainly composed of SMEs. The construction industry alone employs about 7 percent of the working population and accounts for 10 percent of the country's GDP.

BANKING AND FINANCE

Banking^{xv}

In 2005, the Belgian banking sector employs 68,478 people, approximately 3.5% of the Belgian working population. There are 104 banks in the country, 54 of which are Belgian and 50 foreign. Three of them belong to the world's top 100. Belgium is one of the most heavily bank-supported countries in the world. The total assets of the banking system are approximately 411 billion euro. The banking system is very sophisticated and the country's banks use advanced and automated systems for domestic and international transactions. The top five banks based in Belgium are Fortis Bank, Dexia Bank, KBC Bank, ING Belgium and AXA Bank Belgium (ranking by balance sheet total).

The National Bank of Belgium

Boulevard de Berlaymont 14, 1000 Brussels.

Tel: 0032 2 221 21 11. Fax: 0032 2 221 31 00. Email: info@nbb.be

The National Bank of Belgium is a member of the European System of Central Banks (ESCB) and therefore plays part in the definition and implementation of the Eurozone's monetary policy. It issues notes and coins and works to maintain an efficient and high-quality financial system.

Their website, which has an English version, is:

Website: <http://www.nbb.be>

Euronext Brussels

(formerly the Brussels Stock Exchange)

Palais de la Bourse, 1000 Brussels.

Tel. 0032 2 509 12 11. Email: info.be@euronext.com

The Brussels Stock Exchange merged with the exchanges of Amsterdam and Paris in September 2000 to form Euronext, joined by the LIFFE (London International Financial Futures and Options Exchange) and the Portuguese Exchange in 2002. Euronext is the first fully integrated cross-border market in equities and derivatives. Companies traded on Euronext are listed on their home markets but their shares are now traded on a single platform spanning all participating countries.

Euronext's website, which has an English version, is:

Website: <http://www.euronext.com>

The Banking, Finance and Insurance Commission

(CBFA, Commission Bancaire, Financière et des Assurances/Commissie voor het Bank-, Financie- en Assurantiewezen), Rue du Congrès 12-14, 1000 Brussels.

Tel: 0032 2 220 52 11. Fax: 0032 2 220 52 75. Email: Doc@cbfa.be

The CBFA, created in January 2004 as a result of the merger of the Insurance Supervisory Authority (ISA) and the Banking and Finance Commission (BFC), is the single supervisory authority for the Belgian financial sector.

Website: <http://www.cbfa.be>

Insurance^{xvi}

The sector grew by 19.8% in 2005, due largely to continued good results in the life insurance market. Annual turnover was €33.8 billion. The leading insurance groups in Belgium are Fortis (19.6% of the market share), the fast-growing AXA (18.6%) and Ethias (15.1%).

OPPORTUNITIES FOR UK EXPORTERS / INVESTORS

Overview^{xvii}

Belgium is the UK's sixth largest trading partner, taking £12.9 billion worth of goods in 2004. The country is ranked 5th in the current Ernst and Young rating of attractiveness to investors among European countries. British goods and services are generally well regarded but must be of high quality and competitively priced. English is widely spoken in Brussels and in the Dutch-speaking north of the country. Both countries' firms are major investors in each other's economies, with the 26,000 British residents in Belgium contributing significantly to this^{xviii}.

With few natural resources, Belgium must import substantial quantities of raw materials and export a large volume of finished products, making its economy unusually dependent on the state of world markets. Belgium has strong competitive advantages such as an excellent transport infrastructure, high-quality industrial sites, and a skilled and productive workforce. More than 76% of Belgium's exports go to EU Member States making Belgium an attractively central European commercial and distribution hub.

Chemicals^{xix}

The Belgian chemicals market accounted for 51.8 billion euro in 2006. This represented a 6.6% growth from 2005, with total production rising by 3.6%. The paint and plastic materials markets particularly benefited from the Europe-wide boom in construction. The long-term outlook is highly favorable for plastics, fertilisers and resins.

Computer Software, Services and ICT^{xx}

Competition in this market is fierce but the market has been growing rapidly since 2003. In the software sector, consumers are interested in all types of standard applications. In the service sector, desktop and network management, application hosting, security services (assessments and scans) plus all types of internet and e-commerce are particularly in demand. The Belgian ICT market grew by 6.7% in 2006 and the market is driven mainly by new investments by SMEs. 48% of businesses currently have wireless data services. Computer hardware, personal peripherals, software and IT services are growing steadily. Only office equipment, data and network hardware are in decline.

Consumer goods^{xxi}

Retail trade has an annual turnover of 56.8 billion euro, with consumer spending representing around 55% of GDP. The best prospects in this sector are for good quality and niche consumer products. Clothing and shoes, sporting goods, cosmetics and toiletries, food, furniture, interior decoration articles, electrical appliances and toys are popular. There is a high demand for innovative and high quality products.

Telecommunications^{xxii}

In 2006 the telecommunications sector in Belgium grew by 4% and its estimated value is almost 8 billion euro. Belgacom's purchase of a 25% stake in Proximus from Vodafone, taking its holding to 100%, has increased the government's interest in the telecoms sector. Growth can be attributed principally to the continued strong performance in mobile services, and data and internet traffic.

Transport and Logistics^{xxiii}

Due mainly to its low real estate prices and central European location, Belgium is an established base for logistics services. Increasing quantities of freight transported through Belgium's ports is fuelling the growth in this sector.

BUSINESS CULTURE

Business hours

Offices are usually open 8.30 - 17.30, Monday to Friday, with a 30 - 60 minute break for lunch. Commercial banks open at 09.00 and close between 15.30 and 17.00 depending on location. Shops tend to be open 09.00 - 18.00, Monday to Saturday, some may close for lunch.

National holidays

(Dates given are for 2007)

- New Year's Day (1 January)
- Easter Monday (17 April)
- Labour Day (1 May)
- Ascension Thursday (25 May)
- Pentecost Monday (5 June)
- Belgian National Day (21 July)
- Assumption Day (15 August)
- All Saints Day (1 November)
- Remembrance Day (11 November)

- Christmas Day (25 December)
- Second day of Christmas (26 December)

Dress

Men should wear dark suits, white shirts, ties and highly polished leather shoes. Simple but elegant suits or dresses are the standard attire for women.

Business etiquette

Belgians shake hands when meeting and usually exchange business cards. Dining is a good way of relationship building. Business can be discussed during the meal but the subject should only be brought up by the Belgian host. Belgian businessmen behave rather formally but important differences must be emphasised: The Francophone business culture tends to be slightly formal, whereas directness and informality are more valued among the Flemish. Punctuality is vital in Belgium.

SETTING UP A BUSINESS IN BELGIUM

No prior government authorisation is required and there is no restriction on the transfer of capital into or out of Belgium. Companies wishing to set up in Belgium may decide between operating through a subsidiary (incorporated under Belgian law) or a branch (incorporated under the laws of a foreign country). The formalities to be completed depend on the legal status chosen.

The Federal Public Service Economy's website provides detailed information on setting up a new company or opening an office:

Website: <http://investinbelgium.fgov.be>

Additional information on investing in Belgium can be found at the following website:

Website: <http://www.invest.belgium.be>

FURTHER SOURCES OF INFORMATION/ USEFUL ADDRESSES

Enterprise Europe Network London at London Chamber of Commerce and Industry

33 Queen Street, London, EC4R 1AP

T: +44 (0)20 74891992. F:+44 (0)20 72031812 E: europe@londonchamber.co.uk

The Enterprise Europe Network London brings together GLE, London Chamber of Commerce and London Technology Network. We provide practical, hands-on support and information for London's small and medium businesses seeking funding, hoping to expand their business into Europe, or wishing to develop (technology) partnerships with other European businesses.

W: www.een-london.co.uk

London Chamber of Commerce and Industry

33 Queen Street, London EC4R 1AP.

Tel: 020 7248 4444. Fax: 020 7489 0391. Email: lc@londonchamber.co.uk

London Chamber of Commerce's World Trade Team, Information Centre and Enterprise Europe Network can provide information or advice on many topics relating to international trade and overseas markets, including Belgium. London Chamber of Commerce is a membership organisation but non-members can utilise certain services on a charged basis.

Website: www.londonchamber.co.uk

British of Chamber of Commerce in Belgium

Boulevard Saint-Michel 47, 1040 Brussels.

Tel: 0032 2 540 90 30. Fax: 0032 2 512 83 63. Email: britcham@britcham.be

The website of the British Chamber of Commerce in Belgium contains much useful information for UK companies trading with Belgium.

Website: <http://www.britcham.be>

UK Trade and Investment

Kingsgate House, 66-74 Victoria Street, London SW1 6SW.

Tel: 020 7215 8000. Fax: 020 7215 2482.

Belgium section, Tel: **0032 2 287 62 60**. Email: belgium.uktradeinvest@fco.gov.uk

UK Trade and Investment is a British government body responsible for helping UK firms secure overseas sales and investments. Their website has pages for each country of the world, including Belgium, which give useful information and contacts.

UK Trade and Investment Information Centre, at the same address, has an extensive collection of electronic databases and market information covering nearly every sector and country, including Belgium.

Website: <https://www.uktradeinvest.gov.uk>

British Embassy,

Rue d'Arlon 85 Aarlenstraat, 1040 Brussels.

Tel: 0032 2 287 62 11. Fax: 0032 2 287 63 60. Email: <mailto:info@britain.be>

Consular Section: Email: Consularsection.brussels@fco.gov.uk

Visa section: Email: brussels.visa.section@brussels.mail.fco.gov.uk

Website: <http://www.britishembassy.gov.uk/belgium>

Embassy of Belgium in the UK

103-104 Eaton Square, SW1W 9AB, London.

Tel: 020 7470 3700. Fax: 020 7470 3795. Email: London@diplobel.be

Website: <http://www.diplobel.org/uk>

Trade section, at the same address.

Tel: 020 7235 8949. Fax: 020 7470 3795. Email: info@brusselstrade.co.uk

Federal Public Service Economy, S.M.E.s, Self-employed and Energy, Service for Foreign Investments, rue G. Lemanstraat 60, 1040 Brussels.

Tel: 0032 2 206 58 64. Fax: 0032 2 514 03 89. Email: invest.belgium@mineco.fgov.be

Website: <http://www.investinbelgium.fgov.be>

Belgium Federal portal: This website contains much useful information on the federal government, the regions and communities, including many relevant contact details and information on Belgium in general, its history, culture and politics.

Website: <http://www.belgium.be>



This country profile was produced by the Enterprise Europe Network London team at London Chamber of Commerce. The Enterprise Europe Network London brings together GLE, London Chamber of Commerce and London Technology Network. The Enterprise Europe Network London is funded by the European Commission and the London Development Agency.

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www.een-london.co.uk

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- i www.state.gov/r/pa/ei/bgn/2874.htm
- ii www.cia.gov/library/the-world-factbook/print/fr.html
- iii www.economist.com/countries/Belgium/profile.cfm?folder=Profile-Economic%20Structure
- Also: www.diplomatie.be/london
- iv idem
- v www.diplobel.fgov.be/en/belgium/belgiumdetail.asp?TEXTID=1748
- vi idem
- vii <http://ocde.p4.siteinternet.com/publications/doifiles/012005061T019.xls>
- viii <https://www.cia.gov/library/publications/the-world-factbook/geos/be.html>
- ix http://fdiatlas.fdimagazine.com/sponsor.aspx?sponsor=16§ion=sector_strength
- x http://uk.encarta.msn.com/encyclopedia_761567434_4/Belgium.html
- xi idem
- xii idem
- xiii <http://strategis.ic.gc.ca/epic/site/imr-ri.nsf/en/gr126733e.html>
- xiv www.overseasdigest.com/country/belgium.htm
- xv www.abb-bvb.be/gen/downloads/Stat_02fr.pdf
- xvi www.assuralia.be/fr/sector/key_figures/Assurinfo06.pdf
- xvii www.economist.com/countries/Belgium/profile.cfm?folder=Profile-Economic%20Structure
- xviii www.uktradeinvest.gov.uk/ukti/appmanager/ukti/countries?_nfls=false&_nfpb=true&_pageLabel=CountryType1&navigationPageId=/belgium
- xix www.essenscia.be/Fedichem/Fran%C3%A7ais/Home/Communiqu%C3%A9s/page.aspx/1140?xid=1215
- xx www.uktradeinvest.gov.uk/ukti/fileDownload/ICTOpportunitiesBelgium.pdf?cid=405988
- xxi www.tmcnet.com/submit/2007/05/29/2670278.htm
- xxii www.businessmonitor.com/telecommunications/belgium.html
- xxiii http://fdiatlas.fdimagazine.com/sponsor.aspx?sponsor=16§ion=sector_strength