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the wallonia patrika

News and updates from the Wallonia region of Belgium

February 2016

**FISCAL: ADVANCE RULING PROVIDES
5-YEAR FISCAL CERTAINTY FOR YOUR
INVESTMENT PROJECT**

**E-COMMERCE: WALLONIA AMONG TOP
PLAYERS IN TERMS OF LOGISTICS**

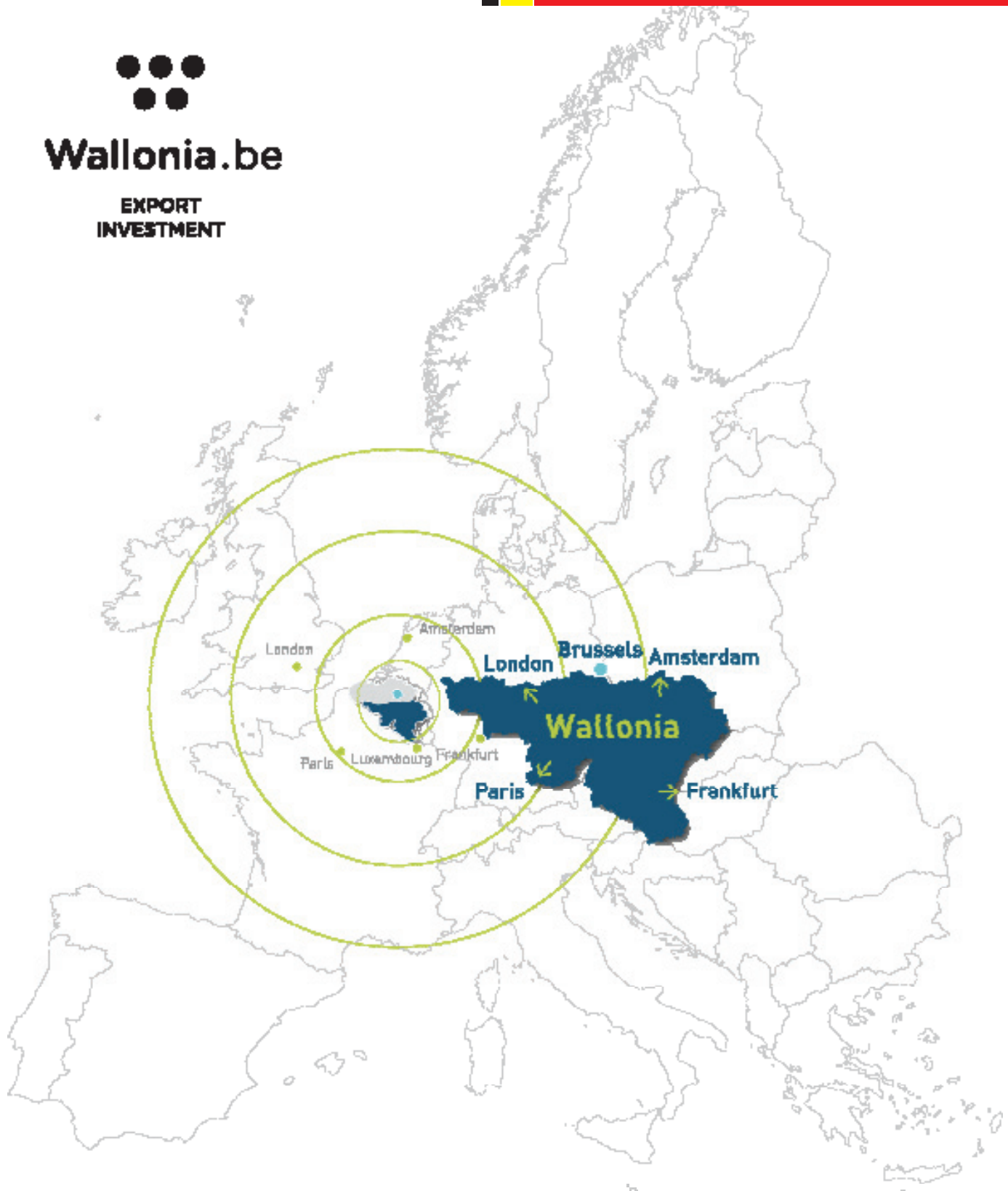


**PETER HUYGHEBAERT, CONSUL GENERAL OF BELGIUM IN
MUMBAI, ON FOSTERING BUSINESS LINKS WITH INDIA**



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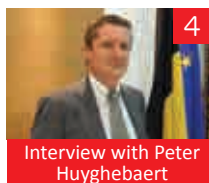
EXPORT
INVESTMENT



- > **Wallonia** is a welcoming and successful region that has taken control of its future and welcomes you with open arms!
- > **Wallonia** is located in the backyard of the capital of Europe, at the heart of a market of 400 million consumers, where businesses can set up and develop in a favourable setting.
- > **A place of innovation and competitiveness** where men and women can develop their abilities, deploy their skills and flourish professionally.
- > **A highly attractive and competitive region** offering businesses smart tax regulations and a broad system of financial assistance customised to meet their requirements.
- > **A quality area open and welcoming to the world** where authorities promote creativity and initiative; a land of warmth, friendliness, culture and traditions.

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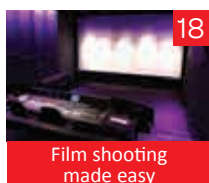
Interview with Peter
Huyghebaert



The Biotech
Valley



Investment
news



Film shooting
made easy



La Vallée du
Cachemire

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Editor's Note

Dear Reader,

This issue of the Wallonia Patrika again highlights some of the multiple attractive facets of doing business in Wallonia, the Southern French-speaking region of Belgium. In this edition, you will for example find an article on the Advance Ruling mechanism provided by the Belgian Federal Public Service Finance. Through this mechanism, your company can confidentially present an investment project to the Belgian tax authorities and these will tell you exactly how much tax you will be paying over the coming five years. Such financial certainty brings a welcome boost to your investment plans. In addition, the hiring of a first employee has become more interesting since 2016 in terms of social contribution exemption, as you will read on page 7.

On top of this, Wallonia enjoys a geographical edge that makes it the logistics hub of choice for your European operations. It is no surprise therefore that our region is viewed as one of the prime locations for e-Commerce (see page 14). Some 80 Indian companies from a wide variety of sectors have already elected to set up a branch or subsidiary in Belgium, and interest from other companies remains strong as well. Furthermore, Wallonia offers a wide range of services and facilities enabling (foreign) movie directors to shoot their films smoothly in our region (see page 18). This is in addition to the unspoilt landscapes and historic cities that our country boasts, as can be seen in the hit movie PK, which was partly shot in the city of Bruges, Belgium.

In October 2015, Wallonia welcomed the Indian participants to the 4th edition of the WalloniaTech India programme. This initiative, launched by the Walloon Trade & Investment Agency (AWEX), identifies young and innovative Indian companies and brings them over to Belgium for a week for an intensive programme of networking, training and business opportunity identification.

Last but not least, we have the privilege to give the word to our new Consul General in Mumbai, Mr. Peter Huyghebaert, who talks, among other things, about his first impressions of India.

I wish you an excellent read.

Sincerely yours,

Christophe Van Overstraeten
First Secretary – Trade & Investment
Wallonia-Brussels Economic Representation
Embassy of Belgium, New Delhi

Fostering mutual understanding between Indian and Belgian companies

Consul General Peter Huyghebaert took charge of the Consulate General of Belgium in Mumbai on 1 August, 2015. Peter has been enthusiastically discovering his new host country and its inhabitants, including the businessmen – Indians and Belgians – and making companies achieve new developments. He also got a glimpse of Indian diversity by visiting different States.



As an African specialist (3 postings in Africa - Rwanda, Senegal and Ivory Coast), Peter has already been in contact with Indian entrepreneurs abroad and has a good knowledge of the complexity of giving life to common industrial projects.

Peter, why did you select India as your new posting destination?

“After 3 postings in Africa, I was eager to switch continents and broaden my horizons. I had already met several Indian entrepreneurs during my last post in Ivory Coast (India is indeed expanding its presence on the African continent, both diplomatically and economically) and I got intrigued by this enormous country that counts more inhabitants than the whole African continent. Given my economic background and profile, our Consulate General in Mumbai seemed an interesting match.”

“Our country has many attractive features for making it a central hub from where to serve multiple European markets”



What is your perception of the business links between India and Wallonia?

"On the one hand, Belgian companies are progressively discovering the Indian market. The economy in Wallonia is dominated by SMEs, for whom it is not always obvious to enter new markets far away from home. Convinced about the potential of the Indian market, the Wallonia Trade & Investment Agency (AWEX) decided to be present with offices in Delhi and Mumbai with a view to supporting these companies. Several dozens of them already decided to come to India. We hope that the success stories in India of these Walloon companies (AF Compressors, AMOS, CMI FPE, IBA, Magotteaux, ...) will encourage others to discover this huge market, and that these pioneer companies can advise newcomers on how to approach this large but difficult market. Investing in

Q&A

What is your favourite Indian dish?

Street food and especially pani puri.

What is your favourite Indian drink?

Mango lassi.

What is the most enjoyable feature of Indians?

Their ability to smile easily.

What is your best experience in India so far?

The quietness and the beauty of the tea plantations around Munnar and enjoying a backwater trip in Kerala. We also enjoyed our expedition to Goa, driving all the way down from Mumbai along the Konkan coast.

What does your family like about India?

The never-ending liveliness.

India is a long term story and one needs to overcome many administrative and often unexpected hurdles. At company level, Belgian and Indian company

structures are surprisingly similar and very often family-led, which makes mutual understanding and confidence building easier."

"On the other hand, more and more Indian companies are also expanding globally, which creates opportunities for our country and the Walloon region in particular to attract these global players. Indian companies seem particularly seduced by our central location in Europe, the quality of our workforce and some interesting investment incentives. Our country has many attractive features for making it a central hub from where to serve multiple European markets. One of those Indian investors in Belgium, whom I recently met, is Mr. Braj Binani.

Several years ago, the Braj Binani Group took over a Walloon company, 3B Fiberglass, which consolidated its position in this specific market.

Notwithstanding high labour costs in Europe, his investment turned out to be more than profitable and the future for 3B Fiberglass looks bright with new investments announced soon.

Sector-wise, Indian companies are mostly charmed by opportunities in R&D, logistics, the chemical sector and life sciences. AWEX organizes invest roadshows in India to make the opportunities offered by our region better known and it can obviously count on my full support in reaching out to potential Indian investors."

Based on the contacts you have already established with Indian industrialists, why would they decide to set up a company in Wallonia?

"In addition to the abovementioned elements, Wallonia has more advantages. One of them starts with a journey through history: Wallonia was one of the first regions in the world to develop the steel industry, the glass industry (beautifully displayed in Rajasthani palaces and so many quality pieces all over India), railways,

"Indian investors will find in Wallonia a favourable ecosystem"

engineering, cement, textile, paper... Thanks to this tremendous development, our small Belgium was even the second industrial power in the world in the 19th century. While our heavy industry has slowly shifted from Wallonia to other places of the world, such as India, our knowledge of these sectors and their value chain, as well as the development of advanced techniques and innovations, have resulted today in a myriad of highly specialized SMEs, able to provide the best solutions. Walloon companies are thus the perfect solution providers for these booming sectors here in

PETER HUYGHEBAERT – PROFILE

Following his Master in Commercial Engineering at the Catholic University of Leuven, Peter Huyghebaert also acquired a post-graduation in Political Sciences & International Relations, as well as a Master in Political Science.

After a spell in the private sector, Peter Huyghebaert joined the Foreign Service in March 1998. His first posting was at the Embassy of Belgium in Vienna, Austria. He then held subsequent postings as First Secretary at the Embassies of Belgium in Rwanda and Senegal.

During his return to Belgium from 2007 to 2011, he worked at the DG of European Affairs, in the Competitiveness/Transport-Telecom-Energy Direction. From 2011 to 2015, Peter Huyghebaert was based in Abidjan, where he was Ambassador of Belgium to the Republic of Ivory Coast, Liberia, Sierra Leone, and Ghana. He arrived in India in August 2015.

India. Indian companies of course also innovate and create new ways, new products, but synergies are obviously there."

"Indian investors will find in Wallonia partners for R&D, complementary niche companies, a favourable ecosystem, and a very welcoming life. Other advantages of Wallonia are its competitive clusters for R&D, the high dedication of its workforce (one of the highest productivities in the world), and also the new Belgian Tax Reform favourable to companies. Wallonia also stands out for the cost of its logistics platforms, which is lower than in neighbouring countries and regions. Investment grounds are still available and the high connectivity (by train, road, or river) makes Wallonia the ideal basis to serve the European hinterland. Today, it seems likely that Indian textile groups or manufacturers of automotive components already serving Europe from India will try to penetrate the European markets from within. Current success stories from Baxter, Dow Corning, Farnell, H&M, Lyreco, Sketchers and TNT illustrate

this new Eldorado for logistics."

How are you contributing in linking business opportunities between India and Belgium?

"As representative of the Federal Government, I fully support our trade offices. I have an excellent working relationship with our Trade Commissioners in Mumbai, and often join them when reaching out to official representatives or companies. The Consulate also hosts a visa section delivering more than 20,000 visas on a yearly basis, many of them for business purposes. In order to facilitate business contacts between our countries, we have developed a very smooth and efficient system for the issuing of business visas. I can rely on a very professional visa team that handles demands in a record time."

Indian people love to travel and discover new destinations. What would you recommend them to visit in Wallonia?

"Indians know Belgium for its diamonds, chocolate and beer, but there are so many other things to discover. Did you know for example that the biggest European cave is in Wallonia (the Caves of Han), and that Wallonia has more than 200 castles (in an area as big as Mumbai-Pune) bringing you back to another era? These seem to me some interesting alternatives for Indians to organize their sumptuous weddings in a most exclusive setting. Beautiful nature and outdoor activities (such as kayaking, bicycle on rail wheels, golf, wild water rafting, picnics and forest walks) are other assets that can guarantee fun moments for Indian families. My personal favourite family attraction would be the Euro Space Center where you can see genuine US space shuttles that once discovered Space, experience the sensation of walking on the moon, use real astronaut exercise simulators, and even make and launch your own shuttle!"

First hirings made more attractive in Belgium

Since 1 January, companies in Belgium are exempted from paying the employers' social contribution on the first employee they hire. In addition, the social contribution for the next five hirings is also reduced. These measures make it even more attractive to open a branch or subsidiary in Belgium.

Companies active in Belgium are required to pay social contributions for each employee they hire. These contributions are used to finance the country's social security scheme. Since the beginning of 2016, social contributions related to first hirings are reduced in two ways:

- full exemption from employers' contributions for the first hiring, unlimited in duration;
- decrease in contributions for the six first hirings, instead of five previously.

I am a new employer as of 1 January 2016. What does that change for me?

If the first employee is hired between 1 January 2016 and 31 December 2020, the employer is fully exempted from paying contributions for this employee for an unlimited time. The reductions are shifted to five other workers (second to sixth).

Concretely:

I am not a new employer on 1 January 2016 and I have employees for which the reduction is granted according to the previous scheme. What does it change for me?

Texts provide for transitional measures. Two cases can be distinguished:

1. The employees for which the reduction is granted were hired in 2015

The employer will benefit from the new reduction amounts (amounts of 2016) but the duration of this reduction will not be increased.

Let's take an example:

Mr. John is hired on 1 January 2015. You will benefit from a reduction in employers' social contributions related to first hirings for this employee. On 1 January 2016, a balance of 9 reduction quarters will normally remain: a quarter with a reduction of €1550, four quarters with a reduction of €1050 and four quarters with a reduction of €450.

However, according to the transitional regulation and as of 1 January 2016, you will not benefit from the balance of the reductions but from a full exemption of the employers' contribution limited to the duration of the initial reduction. In this case, 9 reduction quarters were



remaining. Consequently, you will still benefit from a full exemption of social contributions for Mr. John for 9 quarters as of 1 January 2016.

2. The employees for which the reduction is granted were hired before 2015

The transitional regulation is not applicable and the previous regulation is still in force.

Let's take an example:

Mrs. Jane was hired on 1 January 2014. You will benefit from a reduction in the employers' social contributions related to first hirings for this employee. On 1 January 2016, a balance of five reduction quarters will remain: a quarter with a reduction of €1050 and four quarters with a reduction of €450. The amounts in application as of 1 January 2016 are thus not applicable.

Type	5 quarters	4 quarters	4 quarters	following quarters
1st hiring	No more employers' social contributions for workers hired between the 1st of January 2016 and the 31st of December 2020			
2nd hiring	€1550/Q	€1050/Q	€450/Q	0
3rd hiring	€1050/Q	€450/Q	€450/Q	0
4th hiring	€1050/Q	€450/Q	0	0
5th hiring	€1000/Q	€400/Q	0	0
6th hiring	€1000/Q	€400/Q	0	0

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Advance Tax Ruling: no fiscal surprises

When planning an investment abroad, the first thing you want is financial certainty. How much tax will your company be paying? What amounts will you be able to deduct? The Advance Ruling mechanism offers exactly that certainty. Through this service, the Belgian Federal Public Service (FPS) Finance tells you precisely how your investment will be taxed over the coming 5 years.

Free and confidential advice
Belgium has a broad system of advance tax rulings that gives investors legal certainty in calculating their tax component. Within the Federal Public Service (FPS) Finance, the Fiscal Department for Foreign Investments provides free, confidential advice and assistance on tax matters to potential foreign investors and those already established in Belgium. For ruling procedures, the Fiscal Department for Foreign Investments can assist you with:

- contacting the competent civil servants;
- organizing meetings with the competent fiscal authorities;

- carrying out a follow-up of the files that are being processed;
- explaining the ruling procedure.

The **Ruling Committee**, also within the FPS Finance, grants the rulings. A ruling is an advance decision wherein the taxpayer can obtain a binding ruling on all federal taxes (as well as some regional taxes) relating to a specific investment project. The procedure is simple, rapid, efficient and free of charge.

Any taxpayer can apply

Any taxpayer can apply for a ruling. This includes an individual, as well as a company, whether or not resident in Belgium. Ruling is not applicable where:

- the demand is related to situations which are identical to situations which have already had an impact in the tax environment;
- the demand is related to a tax law concerning collection and prosecution;
- the situation is related to a tax

IN A NUTSHELL

- Fiscal certainty for 5 years
- Anonymous processing of requests
- Advice granted free of charge
- Decisions are binding for the Federal Public Service

Ruling is an advance decision wherein the taxpayers can obtain a binding ruling on all federal taxes relating to a specified investment project.

heaven country which does not cooperate with the OECD;

- the described situation has no economic substance in Belgium.

Broad scope of taxes covered

A ruling can be requested for issues relating to the definition and recovery of taxes falling under the FPS Finance. These taxes include:

- Direct taxes such as personal income tax, corporate income tax, tax on non-residents, tax on wages and salaries deducted at source, tax on income from investments, etc.
- VAT
- Registration and inheritance tax
- Customs and excise

Request can be filed in an early phase

A request can be filed from the time that a concrete activity has been envisaged. Identity of the company is not revealed during the pre-filing proceedings. The request can be filed up to the time that the activity has not



had any taxable effect, e.g. filing of tax returns. Ruling is binding on the tax authorities unless:

- the facts were incorrectly described;
- the taxpayer did not abide with the conditions set in the ruling;
- the ruling is in conflict with a tax treaty, domestic law, or EU law;
- or the law subsequently changed.

Where complex tax questions are involved, pre-filing can be used. This is a procedure that precedes the request for Advance Ruling in certain cases. The pre-filing phase can be very useful in preparing the request for Advance Ruling. After the “Pre-filing” file has been carefully analyzed, the entity can file an official request for ruling.

Requests answered within three months

Rulings are granted within an average of three months and the decisions are published within a couple of weeks. The law does not set a binding time limit. The indicative period of three months may be shortened or extended by mutual agreement between the Ruling Committee and the applicant, and even changed based on the nature of the

request and the introduction of new elements in the case.

Rulings are published anonymously. The applicant taxpayer or the taxpayer’s adviser may be given the opportunity to meet at several stages with the officials in charge of the request. A ruling is generally valid for five years but is renewable.

Content of an application

The application must contain the following elements:

- ID of the parties and a description of their activities;
- A description of the planned operation/activity;
- Motivation of the application containing detailed arguments by the applicant on the relevance of applying the stated tax provisions and giving reasons for the same.

Complete information on Advance Ruling is available on the website of the Office for Advance Decisions in Tax Matters: www.ruling.be.

PART OF A BROAD SET OF INCENTIVES

The Advance Ruling is part of a broad set of measures that makes Belgium attractive for companies. Other incentives include the Notional Interest Deduction and deductions for R&D activities. Contact one of the AWEX offices in India for additional information:

newdelhi@awex.in, mumbai@awex.in.

IN PRACTICE

A request for ruling or pre-filing can be sent by e-mail at dvbsda@minfin.fed.be

The Fiscal Department for Foreign Investments can be reached at taxinvest@minfin.fed.be

The Biotech Valley

Biotech companies are popping up everywhere in Wallonia, Belgium – and with good reason. Meet some of the players in Wallonia's thriving biotech industry.



For a decade, Wallonia has gradually been developing into a Biotech Valley, whose soil is proving to be fertile for the growth of innovative companies in the biotechnology sector. Wallonia has about 140 businesses active in the sector and the companies are attracting global interest. In many cases, they originated as spin-offs from local universities or research institutions. As a result, a lot of the companies are based at Mont-Saint-Guibert and Louvain-la-Neuve, in the science park of the Catholic University of Louvain (UCL). Another hub is Biopark Charleroi Brussels South at Gosselies, where the Brussels Free University (ULB) and Mons University have joined forces to support innovative entrepreneurship.

Exceptional research know-how

In 2013, biotech companies operating in Wallonia generated a combined turnover of around € 5.5 billion and employed 16,000 people. Their exports in 2013 were worth € 9.1 billion, with a positive trade balance of € 2.4 billion. SRIW, the Walloon investment company, has played an important role in this success story. But the region also benefits from the presence of global pharmaceutical leaders like UCB, GSK and Baxter. The large network of universities with high-quality researchers is another essential asset.

The creation in 2006 of BioWin, Wallonia's health competitiveness cluster, has boosted the growth of the biotech sector by encouraging the exchange of knowledge and experiences. BioWin currently brings together more than 500 innovative scientific and industrial companies and organizations in the field of health biotechnology and medical technology. According to Jean Stéphenne, former head of GSK Biologicals and current president of BioWin, Belgium has long had exceptional research know-how. Speaking to newspaper De Tijd, he pointed out that the country has the

largest number of clinical studies for new medicines per inhabitant.

A hub for stem cell research

The Walloon Biotech Valley mostly houses start-ups and SMEs. A big challenge for these smaller companies is to expand their activities and staff – in part by attracting international investments. “An important goal now is to let companies with about a dozen employees grow into enterprises that provide 100 to 200 jobs”, said Stéphenne. Two Walloon biotech companies, Celyad and Bone Therapeutics, have made important steps in this direction by launching

IN SHORT

- Wallonia has about 140 businesses active in the biotech sector
- The Walloon Biotech Valley mostly houses start-ups and SMEs, which are ready to expand
- Wallonia is making a name for itself as a hub for research in stem cells and cellular therapy, among others
- Belgium has the largest number of clinical studies for new medicines per inhabitant

on the stock markets of Brussels and Paris. Celyad develops stem cells for the treatment of heart disorders and cancers. Bone Therapeutics focuses on stem cells in the battle against bone diseases. Their approach should provide significant advantages compared to standard procedures that often involve major surgery and a long recovery time. It's by no means a coincidence that both specialize in research into stem cells for medical applications. Gradually, Wallonia is making a name for itself as a hub for such research. For example, Novadip Biosciences also has special expertise in cellular therapy – providing innovative treatments for bone healing disorders and defects. Its bone graft technique, using cells removed from patients' fat reserves, is particularly adapted to filling large bone lesions due to its 3D structure and the size of the grafts it can make. Another promising company in the

The region benefits from the presence of global leaders like UCB, GSK and Baxter

sector of stem cell development is Promethera Biosciences, established in 2009. Its scientists specialize in extracting defined stem cells from livers of human donors, expanding them in vitro under pharmaceutical grade conditions and then injecting them into patients with liver diseases.

The stem cells then differentiate into liver cells, the objective being to enable the liver to function normally again.

The global interest for this specific Walloon expertise is also demonstrated by the fact that in March, the American pharmaceutical business Organogenesis bought \$ 24.6 million in shares of the young enterprise MaSTherCell. MaSTherCell is a specialist in the optimization and manufacturing of cell therapies on an industrial scale, to be used for their pharmaceutical clients' clinical trials. The know-how of

MaSTherCell is crucial in Organogenesis' search for a treatment of type 1 diabetes. The company delivers liver cells that are programmed to produce insulin and thus take over the function of the pancreas. For MaSTherCell, this is an important step in the expansion of its activities, especially in the US market.

Walloon biotech innovations attract attention

Another remarkable deal, closed at the end of last year, was the collaboration agreement between American pharma giant Pfizer and the small Walloon company Iteos Therapeutics. Iteos has developed unique molecules that work as catalysts for a cancer treatment through immunotherapy. In short, the therapy allows the immune system to detect the tumour to such a degree that it will destroy it. Pfizer paid Iteos € 24 million to use the



technology and become a shareholder in the Walloon enterprise. With this investment, Iteos was able to expand its staff from 9 to 27 employees. There are many other Walloon biotech innovations attracting attention. Take for example Nyxoah (the Greek

The large network of universities with high-quality researchers is another essential asset

word for 'night owl'), a company that has developed a microchip to help patients with sleep apnoea. The chip is implanted in the chin of the patient, who then attaches a patch under their chin before going to sleep. The patch activates the chip, which stimulates the tongue muscle – making sure it doesn't weaken and so doesn't hinder the breathing.

To prevent vein bursting, Cardiatis created a special stent: a complex little tube made from cobalt. The pipe normalizes the blood stream of patients with a risk of vein bursting and reduces the pressure on blood vessel walls. The product is on the market and created a turnover of € 4.5

million in 2013. It received € 2 million from Biowin.

Also remarkable is the innovation of Kitozyme, which develops ingredients on the basis of fungi. The ingredients help with weight loss and can reduce heart problems and improve digestion. The capsules are sold in about 20 countries. Kitozyme distributes to pharma company Omega Pharma, among others, and the ingredients are also used for chemical applications, like wine production. (Andy Furniere)

FOR MORE INFORMATION:

www.biowin.org

Latest investment news from Wallonia

Wallonia – the Southern, French-speaking part of Belgium – continues to attract large and small companies alike. Over the past months, a number of significant investments were again made by international groups from a variety of business sectors. Below is a brief description of a selection of them.

Google opens second data centre in Wallonia

American technology giant Google has opened its second Belgian data centre in Saint-Ghislain, near Mons, ahead of a predicted massive growth in data. The project, worth an estimated € 300 million, is in addition to an existing centre at the site. It is one of 13 data centres worldwide and supports the search engine, e-mail service Gmail and video site YouTube. Google employs 300 people in the centre and has generated indirectly around 1,500 jobs a year since construction started at the site in 2007.

(Alan Hope)

2,000 jobs thanks to Liege Triligiport

The inauguration of Liege Triligiport promises a bright future. The largest trimodal (water-rail-road) platform in Wallonia, located on the Albert Canal, should create 2,000 jobs according to the Walloon government. This trimodal platform covering almost 120 hectares has taken three years to build and will be operational in 2016. It has cost € 55 million, € 9 million of which comes from European funds.

Triligiport 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) and Dunkirk (48 hours). It is also at the crossroads of a motorway and rail network which provides connections to Paris, Aachen, Antwerp, Brussels, Cologne and Maastricht. The construction

of Liege Triligiport 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. (www.wallonia.be)

Barometer of foreign investments in Belgium

IBM has just published its annual analysis of foreign investment in Belgium. The provinces of Hainaut and Liege feature among the 3 most attractive provinces, while the cities of Liege and Charleroi appear in the top



PLENTY OF GOOD REASONS TO INVEST IN WALLONIA

- Excellent location at the heart of Europe
- Rapid access to main European markets
- Attractive financial incentives
- Qualitative and affordable real estate
- Creative and productive workforce

6 cities that have attracted the most projects. 2014 was slightly unusual for Wallonia: the number of jobs created was less than the average of the last 10 years. This was despite a higher number of projects and Coubertin's investment in Nivelles, which was one of the year's largest and created 150 jobs. Compared with the previous year, the increase is, however, still considerable and means that Wallonia is to a large extent contributing to the number of projects.

Decisions made by the Government to reduce salary costs (non-indexation of salaries and 25% reduction in employers' social security contributions) should enable Belgium to strengthen its position compared to Germany, France and the Netherlands. It is also noted that the productivity level is considerably higher in Belgium than in other countries.

Belgium remains a key investment area for the logistics and research and development sectors together with high value-added production requiring a qualified workforce.

(www.wallonia.be)

FOR ADDITIONAL INFORMATION ON RECENT INVESTMENTS AND THE BENEFITS OF INVESTING IN WALLONIA, PLEASE VISIT

<http://www.wallonia.be/en/invest>

◀ Wallonia, an ideal e-Commerce distribution platform ▶

Wallonia, the Southern French-speaking region of Belgium, boasts an excellent geographical location for logistics. Given its proximity to a large online customer base, Indian companies will find the region to be the ideal location for setting up their distribution and logistics platform for cross-border e-Commerce operations.



According to an A.T. Kearney report published in April 2015 on the attractiveness of top 30 countries for e-Commerce, Belgium is ranked 9th overall and 3rd among the continental European countries. Another study by PwC, commissioned last year by the Flemish Institute for Logistics (VIL), ranks Wallonia in 3rd place of the most attractive regions for

IN SHORT

- Europe is a very exciting e-Commerce market.
- Growth of on-line purchases is around 15 % a year.
- Wallonia boasts an excellent geographical location for logistics.
- It is an ideal hub for cross-border e-Commerce operators.

e-Commerce distribution centres and the best ranked region in Belgium. This study focused on 44 regions in the following six European countries: Germany, the United Kingdom, Belgium, Luxembourg, France and the Netherlands.

Wallonia's rating is explained by the attractive price and the availability of land destined for logistics, as well as by the competitive price of warehouse

rentals, all of which are key elements for e-Commerce. Wallonia also distinguishes itself in other areas, such as workforce availability. And given its operating costs, transport network, skilled workforce and excellent location, Wallonia is an ideal platform for e-Commerce operators.

Europe - An attractive e-Commerce market

The average Internet penetration in Europe increased to 75.0 % in 2014. The share of the top 12 countries in the total European B2C e-Commerce (€ 372.7 billion) markets is almost 90%. Together, the UK, Germany and France account for 60.2 %.

The turnover of e-Commerce in Europe has been growing steadily over the years, with an annual growth of around 15 %. This is fueled by growing confidence in surfing the Web, higher disposable incomes and a further growth in fast, affordable mobile Internet through smartphones and tablets.

It is expected that this growth will continue in the years to come, resulting in European e-Commerce sales of € 540 billion in 2016 and € 609 billion in 2017.

Wallonia - Europe's e-Commerce distribution centre

The geographic location of Wallonia is beyond compare: the vast majority of the European market is directly accessible within a radius of 500 km thanks to an impressive transport system and top quality infrastructure. 60 million consumers are within three hours' reach by road from Liege, in Eastern Wallonia.

By road, one can cover an area that includes 20 of the largest European cities and 400 million consumers, in just one day. Being located in Wallonia increases efficiency and allows products to be delivered in record times. Wallonia also has very well developed rail, air and waterway networks for quick and efficient multi-modal e-Commerce operations. In addition, Wallonia lies right in the path of the major freight corridors. The road and rail network density as well as the presence of a practical network

BASIC GUIDELINES FOR INDIAN OPERATORS EXPORTING TO THE EU

Clarity of pricing

All charges above the price listed on your Website, such as freight and local taxes, that the end consumer will be required to pay at the time of delivery must be clearly mentioned on the Webstore. Consumers in Europe are used to pay net prices in local shops. Therefore, any unannounced extra charges to be paid on arrival may result in refusal of the shipment.

Applicable local taxes and duties

Two types of taxes will be collected during customs clearance at the point of entry in the European Union: import duties and Value Added Tax (VAT). VAT rates in the EU range around 20 %. Shipments under 23 € are exempted from VAT and customs duties. For orders from 23 € up to 150 €, only VAT is due. In order to apply the simplified customs clearance procedure, e-Commerce operators should clearly separate their orders to be shipped in above categories.

Products not (so) suitable for e-Commerce to Europe

- Products classified as dangerous with strict transport control, e.g. products containing gas and liquids;
- Pharmaceuticals and foodstuffs with strictly regulated sales and distribution on the European market.

Such products will require extremely thorough preparation, obtaining required permits in Europe itself, and opening an e-Commerce fulfillment center in the European Union, to allow this facility to be used as a shipping point for customer orders in Europe.

Documentation and customs clearance

Documents must contain a clear description of the product on the shipping documents as well as a link to the correct HS customs tariff on these documents. The value of the products sold as indicated on the shipping documents must be compatible with the price of the product as sold to the customer on the Web-shop

Main reasons for delays and return shipments

- A simple query on one of the products packed in a bag with hundreds of other orders may delay all the orders contained in the bag.
- Customs do not agree with the value indicated on the documents when arriving in Europe.
- Poor documentation, unclear description or wrong customs tariff of the product sold.
- Lack of transparency on the sales conditions.

Reverse logistics chain

European law allows consumers to check and try the product bought on line for 15 days, before the transaction is 100 % finalized. E-Commerce operators should foresee the required systems to handle any return shipments even before they open their Web-shop for consumers in Europe. Note that for some commodities such as shoes the return rate is as high as 40 %. A system of reverse logistics should therefore be set up before opening the Web-shop. A test phase of several weeks should be undertaken in order to detect and solve potential bottle-necks before going live.

When sticking to these simple rules on correct documentation and declaration of value, the distribution process to the European market should be a smooth one.



of interior navigable waterways are some of Wallonia's key strengths. Bonded logistics is very well developed in Wallonia. This includes the establishment of bonded warehouses and overseas warehouses, which is an essential aspect in e-Commerce to facilitate distribution and improve customer experience right from placing an order to final delivery. Some companies that have set up successful e-Commerce operations in Wallonia include the US based PFS Web, as well as Chinese company Sheinside. Both have their fulfilment and reverse logistics centers in Liege, close to Europe's 3rd largest full cargo airport.

Setting up your e-Commerce platform

Indian companies can set up their e-Commerce operations in Belgium in two ways:

- By having a physical company in Belgium that takes orders through an e-Commerce Website and delivers to customers through a locally based distribution network within Belgium and to neighbouring European countries.
- By taking orders directly through an e-Commerce Website and routing

deliveries through logistics partners without setting up a physical company.

SOURCES

- A.T. Kearney, "Global Retail E-Commerce Keeps On Clicking", April 2015
- "European B2C e-Commerce Report 2015", e-Commerce Foundation
- "Vlaanderen slechts zesde ideale locatie voor e-Commerce distributiecentra" (in Dutch), VIL

Tee time

Wallonia's golf courses offer everything the discerning golfer could want, from lush landscaped greens to luxurious clubhouse facilities.

A broad range of styles and environments

When Brussels-born Nicolas Colsaerts emerged a few years ago to snatch a place in Europe's Ryder Cup team, it helped put his nation's golfing talent on the map. But for real connoisseurs, the country's credentials

If golf in Wallonia has a characteristic, it is its openness to visitors

were already well known: Belgium has a deserved reputation among both amateurs and professionals for its courses, with a broad range of styles and environments.

Some of the oldest and finest courses in Europe are in Wallonia and Brussels, where the passion for the game has deep roots and where the geography is particularly well suited for lush yet challenging settings. Indeed, one of golf's pioneering course architects, eccentric Englishman Tom Simpson, spent much of the 1920s here designing some of the world's most innovative and exciting courses, including the Royal Golf Club des Fagnes near Spa, the Royal Golf Club du Sart-Tilman near Liege, and the Royal Golf Club du Hainaut near Mons. Many courses are honoured with the Royal prefix, a title granted once they turn 50, and live up to their majestic billing, offering luxurious clubhouses often converted from old castles and manors.



IN SHORT

- Wallonia is home to some of the oldest and finest golf courses in Europe
- The geography is well suited for lush yet challenging settings
- The clubhouses are often converted castles and manors
- Green fees in Belgium are among the lowest in Europe

Reasonable green fees

Despite these aristocratic associations, green fees in Belgium are reasonable, and cheaper than in many other European destinations – and outside visitors are usually welcome throughout the week. Indeed, if golf in Wallonia does have a characteristic, it is

its openness to visitors, whether vacationers or business people: many courses have meeting and conference facilities, smart restaurants and even hotels.

Some of the clubs may have strict rules about attire: it's worth checking if tracksuits and training shoes are allowed, if collared shirts must be worn, the correct way to wear shorts and hats, and using mobile phones. And most courses follow established etiquette on replacing divots, repairing pitch marks, raking bunkers and avoiding slow play. With such an array, it's hard to decide which to mention in any selection of Wallonia's courses. (Leo Cendrowicz)



Among the numerous facilities available at PIL is a state-of-the-art mixing auditorium © SonicPil / PIL

Liege Image Hub: your hub for major audiovisual projects

The PIL ("Pôle Image de Liège" - or Liege Image Hub) is a federation of audiovisual service providers embracing the film, broadcasting, and corporate markets. Its aim is to develop and structure the audiovisual industry in Wallonia, Belgium, by setting up adapted infrastructures, providing the broadest range of film-related services, and putting financial incentives in place. If you plan to produce a first-rate film, the PIL offers you all the expertise and know-how to help you succeed.



A true sound and image hub
The PIL is the main technical centre for the audiovisual sector in Belgium, with 20,000 m² for the creative industries. It groups about 30 companies active in the audiovisual sector, including the main technical suppliers for the movie industry in Belgium. It is a federation of audiovisual service providers embracing different target markets, such as films, broadcasting, and corporate projects. Backed by private and public stakeholders, it acts as a

true centre of excellence for the sound and image industry, thus creating a one-stop shop for movie directors in Wallonia, Belgium.

In addition to fostering a spirit of networking, the PIL does everything to facilitate and encourage audiovisual production. It has set up specifically adapted facilities in its audiovisual technology centre located in Liege, in Eastern Belgium. The PIL is ideally located in the heart of Europe, where ever more international co-productions happen, and it covers

The PIL boasts excellent animation, special effects and post-production studios

all the services required for that purpose. The whole television and film service chain is to be found there, offering unique production tools, the leading Walloon filming studios, and a comprehensive Cross Media sector. Whether you're looking for shooting locations, specific costumes, high-end lighting equipment, or local actors, the PIL smoothly answers each of your requests. It boasts excellent animation, special effects and post-production studios. Other available facilities include sound studios, Dolby mixing studios, standardization rooms, and screening rooms. The PIL also provides a film reception office to streamline the executive production of films. Everything is in place to facilitate the production work.

Thanks to this true ecosystem, the technical providers offer services of a remarkable quality and expertise meaning that they can embrace the most ambitious projects. Leading European audiovisual groups are also choosing the PIL to expand in Belgium.

USEFUL CONTACTS

Members of the PIL are active in a wide variety of sectors. Below is a selection of services provided by some of the PIL members:

- For renting shooting and lighting equipment, as well as machinery: TSF be (www.tsfbe.be)
- For post-production: Mikros Image (www.mikrosimage.eu)
- For fully integrated solutions for movie operations: dcinex (www.dcinex.com)
- For castings, location spotting, logistics, legal permits, etc.: the specialized Clap! Film reception office (www.clapwallonie.be)



Animation films are one of the key competences at the PIL © Technifutur / ACA / Waoooh !

IN SHORT

- The PIL is your one-stop shop for producing a film in Belgium
- It brings together a broad variety of audiovisual service providers
- It offers high-quality technical services and expertise from casting to post production
- The PIL also helps in identifying attractive financing opportunities

The best of Belgian cinema

The services of the PIL have been instrumental in shaping the booming Belgian film industry. The list of award-winning Belgian actors and producers continues to grow, more and more films are shot in Belgium each year and, above all, our film industry today represents a particularly innovative economic sector. And yet, international co-productions are increasingly essential to produce a film in Europe in order to maximize funding. In this scenario, the PIL provides (co-)producers with some formidable weapons. The Wallonia Region of Belgium offers funds for co-productions and backing linked to economic spin-offs, such as Wallimage. This funding is based on the economic quality of the projects. The PIL offers all

the necessary facilities to apply for the various types of funding available in Wallonia, whether community cultural subsidies or regional funds such as Wallimage, Bruxellimage, and Cross Media.

Attractive financing mechanisms

Belgium offers an attractive tax exemption system to encourage private investment in audiovisual productions. This system, dubbed "Tax Shelter", is a tax incentive allowing Belgian companies to invest in works intended for cinema or television and, in return, obtain tax deductions reducing the taxable profit. Although specifically designed for European productions, the Tax Shelter can also benefit non-European productions as long as the project is co-produced with a country or region that has a bilateral co-production treaty with Belgium. Tax Shelter financing is available for productions that are undertaken with the technical service providers of the PIL. To this effect, the PIL also boasts an internal financing service.

FOR MORE INFORMATION:
www.lepole.be



“Liège - the town I’d like to visit again”

Pranav Mistry is Deputy General Manager in charge of Business Development & Innovation at CMI FPE in Mumbai. Pranav recently visited the CMI head office near Liège, in Eastern Belgium, for a three-month training period. He was positively impressed by the city and his Belgian experience, and has shared his testimonial below.

“**W**hat a moment of impregnated anxiety it was on 1 March, 2015, as I landed at Brussels Airport on an official visit for training and a planned stay in the town of Liège,

situated close to the German border. It was a long trip away from my family for a three-month training course at one of the group companies, namely Balteau, headquartered in the city of Sprimont.



“Nearby places to visit were plenty, both in and around Liège, as well as in neighbouring France, Germany, and the Netherlands.”

The chilly weather of Belgium was still unbearable in the first week of March for a Mumbai resident used to the tropical climate, and one who has never experienced anything below 15 degrees Celsius. In Liège, I got my first chance to wear my jackets, pull-over and gloves. During the first week, I got to settle in my guest house. Its location was just opposite the Meuse River, which was as calm as a prayer in a cathedral. I quickly got settled, as one of my colleagues from India had already been in Liège for two months and was staying in the same guest house. He helped in getting me acquainted with the surrounding areas, shops, bus stops and of course the beautiful Gare de Guillemins railway station, which is a city landmark. The iconic station with a golf cap like design was well worth clicking the picture.”

Discovering both local and Indian food

“During my stay, I did not feel at any moment the sense of being away from home, as I found the people of Liège so nice, orderly, loving and well behaved. In spite of my limited French language knowledge, I could manage to communicate at all stores, stations and offices. Of course, knowing French is handy for one who is visiting the city. Slowly I could locate the “La Batte” Sunday Market, where I found fresh fruits, vegetables and other household items. It was a great place for meeting local people and making friendship with them over a glass of beer. By now, the weather was getting favorable

to me with nice sunshine which had been playing hide and seek, unlike Mumbai where you have a clear sky in summer. The next few days, I visited a number of nearby cities such as Brussels, Antwerp, Grand Coq, Spa, and of course local sites in Liège. Interesting places include the Montagne de Bueren Museum, the Pont de Fragnée (or Golden Bridge), the Statue of Charlemagne, and many more. The centre of Liège is where I could get all the Indian food which I used to miss sometimes. It is lively and has more shops for chocolates, beer and other local traditional items.”

Nearby sightseeing and enjoyable barbecues

“My training at Balteau was going on well. At the same time, I could do sightseeing in France, Amsterdam, or Germany, each of these destinations quite close to Liège. I could feel that Liège has its own soothing touch due to the lesser density of population and nearby countryside environment. Unlike other towns or places I visited, I found the people soft-spoken and the town lives in tranquility. The best



ABOUT PRANAV MISTRY

Pranav has 23 years of experience in design and development related to manufacturing industries. He holds a degree in Mechanical Engineering from VJTI. He uses the most modern software as well as techniques like Kaizen for small changes in industries to save energy, water, and gas consumptions. He has also done extensive R&D work in steel annealing furnaces. Within CMI FPE, he has developed an in-house R&D facility to boost innovation in CRM, CPL, CCL, CGL, and wire pickling. This helps steel industries in India to produce steel at a reduced cost and with world-class quality by using modern software.

way to know the local people was by attending a barbecue party with some common friends. This opportunity was an enjoyable event in nice sunny weather during the month of March.

I was also fortunate to visit one of the auditoriums and witness an opera performance, which was well conducted by supporting musicians with whom I could connect well because of my exposure to Indian music. In the field of art and culture, I was surprised that I could also find one Indian temple nearby, namely Rahdha Desh.

With my concluding few days of visit at Liège, it was hard to leave all the people I met and such a land of spectacle and scenic landscapes. But life has to move on and like time we have to obey the law of nature and settle in our original nest, which in my case is located in Mumbai. I keep the memories of a mesmerizing trip and I recommend all to visit Liège at least once in their lifetime.”

www.liege.be

ABOUT THE CMI/BALTEAU GROUP

CMI designs, installs, upgrades and services equipment for energy, defense, steel-making, the environment and other industries. CMI assists clients throughout the entire lifecycle of their equipment in order to improve their economic, technical and environmental performance.

CMI combines a unique expertise in engineering, maintenance and the management of international technical projects, a vast geographic and technological scope, and an ability to innovate in accordance with the concrete needs of its customers. The Group numbers 4,500 experienced employees in Africa, Brazil, China, Europe, India, New Caledonia, Russia and the United States.

In India, the Group has a joint-venture with FPE and is established in Mumbai.

www.cmifpe.com

Meet the Rathnakumars

The Rathnakumar family recently moved from Chennai to Wallonia, Belgium. The following is their story along with their advice for other Indians thinking of moving as expats to Belgium.

Rathna and Sujatha are both engineers. They were the first employees of the Chennai branch of CE+T, a Belgian company specialized in providing power solutions. The couple worked on improving technologies for inverters. Rathna was recently offered a posting in Liege, in Eastern Belgium, and jumped at the opportunity without hesitation. He felt like he was “moving home” in a sense. He was especially acquainted with the city after having been to Liege for long business trips over the past few years. Rathna’s passion for technology and admiration of the efficient work culture and innovations in European countries makes him strive to work his best and to give back to the community around him.

As all expats, the Rathnakumars miss their home culture but the warm welcome they received by the people from Liege gave them a new sense of belonging. They have also come to discover and love Belgian specialties such as ‘boulets à la Liégeoise’—meatballs made with local syrup and served with the world renowned French fries and mayonnaise, followed by Liege waffles—thick and cinnamon flavoured waffles.

Anecdote of the towed car

Considering that in India you ‘can’ park your car just about anywhere and be sure to find it back in the same place—except for the cases when you are told to not put the hand break so the valets can move the cars around the lot—it did not cross the Rathnakumars’ mind that things are different here... The police are rather strict when it comes to parking in places you should not, like in front of somebody else’s garage. On one



Sunday morning, the Rathnakumar family went shopping to one of Europe’s biggest open air markets—Le marché de la Batte. They decided to park their car close to the market

“A positive attitude can really make dreams come true”

but did not pay particular attention to the ‘no parking’ sign... After shopping and having had a late lunch with a colleague, they returned to the place they had parked their car, only to find an empty spot! “Was my car stolen?”, was Rathna’s initial reaction. Not knowing what to do, he contacted his boss who called the police only to find out that the car had been towed. They were able to retrieve the car the

next day but after paying a high fine. It was quite the expensive mistake!

Advise for other Indians

“Belgium is a friendly and nice place to work” says Rathna, but “the French language would be a must to learn before arrival. It will make your life here much easier”, considering communication is key to integration. The family put their son, Allan, in a suburban French-speaking primary school and Sujatha has started regular French lessons in Liege. Another thing to be prepared for is the long visa application process for the dependents (family). “Research well before applying”, this will help you get all the documents needed ready and minimise the waiting time. “It took about six months for my wife and son to get their visas.” Finally, Rathna concludes that “a positive attitude can really make dreams come true—it did for me, so why not for all Indians!”

From Assam to Profondeville with a hint of Kashmir

The view from the restaurant terrace could almost take you back to the one seen from the porch of a houseboat on the Dal Lake in Kashmir.

Located in Profondeville on the banks of the Meuse River and in front of hillside cliffs, the restaurant “La Vallée du Cachemire” offers a peaceful escape from the buzzing city of Namur, the capital of Wallonia.



This restaurant is Mr. Muhit Ansari's second one. He initially came to Belgium from Assam in 1980 to work in his uncle's restaurant in Brussels. In 1992 he opened “The Star of India” in Brussels where he welcomed locals, expats and eurocrats. “After 15 years in the capital, however, I had a calling for a more peaceful environment”, says Muhit. “I thus looked around the Walloon countryside with the hope of getting a more authentic feeling of traditions and values as can be found

The menu offers a variety of Indian dishes including fusion desserts

in villages. The clientele also greatly differs in the countryside to that of the restaurant in the capital. Here, clients are more regular and loyal and a lot of them have become well acquainted with me.” He highly appreciates the more rural lifestyle which allows for people to have closer relations, for children to run around freely, and for customers to not simply be passers-by. Muhit Ansari set up shop in a charming little building, which used to be a hotel and after intense renovation, he turned it into a restaurant with a wonderful terrace overlooking the river. Alongside the restaurant, he also has three rooms as part of his bed-and-breakfast.

Carefully chosen artefacts

The restaurant has a capacity of 40 covers inside and about 15 outside. The menu offers a variety of Indian dishes including fusion desserts with the Chef's special kulfi and frozen nougat. All, of course, cooked on the spot and by the Chef himself. Muhit constantly runs between the kitchen and dining hall to make sure all is well. A major initial challenge he faced was finding the right chef, which is crucial to the efficient running of the restaurant. “The decoration includes a lot of artefacts found in second-hand trade and flea markets”, adds Muhit. “My love for these markets comes from an anecdote of my early years in Belgium. Going to these types of markets has been my way of exploring the country and



especially the countryside with its small villages. I am fascinated by the beauty of the objects and ornaments, especially because of the intricate details depicting the rich culture of a population at a given point in time.”

He concludes with some advice for Indians and foreigners coming to do business in Belgium in general. “The first and most important thing is to learn the language as when that barrier is broken, it allows for a sense of fulfilment”, notes Muhit. “It brought me a sense of amazement regarding the rich underlying culture and subtleties of the French language. Finally, in order to do good business, one really needs to know oneself well and be able to take time for oneself to be able to be at ease with others.”

LA VALLÉE DU CACHEMIRE

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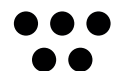
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