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Inward FDI in Belgium and its policy context

by
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As a small open economy, Belgium has been actively and successfully attracting inward foreign direct investment since the 1960s and consequently has one of the most internationalized economies in the world. Foreign affiliates represent approximately 35% and 21% of manufacturing and services jobs as well as 42% and 24% of value added by the manufacturing and services sector, respectively. Despite an overall drop in competitiveness of Belgian industry, the introduction of a new and innovative incentive, the notional interest deduction scheme, to lower corporate income tax for all firms in 2005 has led to an increase of inflows of equity capital from 2006 onward, although the financial crisis took its toll on inflows in 2008 and 2009. In addition, the risk capital allowance has done much to promote Belgium's role as a financial conduit, allowing a large proportion of the authorized capital to flow back to other countries in the form of loans. This trend was reinforced by the global financial crisis.

Trends and developments

Country-level developments

According to UNCTAD, Belgium has been among the top ten recipients of inward foreign direct investment (IFDI) flows for many years. At the end of 2009, Belgium ranked fifth in terms of inward FDI stock, behind the United States, the United Kingdom, France, and Hong Kong (China). With an IFDI stock of roughly US$ 830 billion (annex table 1), the country was ahead

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of such large economies as Brazil, Mexico, Russia, and China.[1] Largely as a result of its policy of attracting IFDI since the 1960s, Belgium has one of the most internationalized economies in the world. According to UNCTAD's transnationalization index, in 2005 Belgium ranked at the top of the list of the most "globalized" developed countries and second, only after Hong Kong (China) in the combined list of developing and developed economies.[2]

Despite its relatively small economic size of less than 3% of the European Union's GDP, Belgium also has a strong FDI position in the EU. Belgium attracted between 5% and 20% of EU's IFDI flows in the period 2002-2009, a higher share than that of most other similar-sized European countries. It is one of the most important host countries (third position) for IFDI in the EU, accounting for over 11% of cumulative EU IFDI. The highly globalized Belgian economy is characterized by a regionalized concentration of the source countries with investments in Belgium. The lion's share of Belgium's IFDI comes from European Union countries, especially from Belgium's immediate neighbors. These neighboring countries account for about two-thirds of the country's IFDI, distributed as follows: France 25%, Germany 20%, the Netherlands 19%, and the United Kingdom 4%. US firms constitute one of the largest non-European sources of IFDI in Belgium, although their importance is waning.[3] This regional concentration of IFDI is related to Belgium's central geographical location, to the importance of Brussels as the political and administrative capital of the EU and, most importantly, to Belgium's role in the distribution of goods and services across the European continent.

IFDI flows into Belgium have been on a rising trend since 2002 (annex table 2).[4] In the crisis year of 2008, Belgium was able to maintain its level of FDI inflows at US$ 110 billion, while other countries like the Netherlands experienced a sharper drop. However, in 2009 Belgium's FDI inflow collapsed to US$ 34 billion (see also the section on the effects of the current global crisis on IFDI).

The majority of foreign affiliates in Belgium are services sector affiliates (annex table 3). These employ more than 336,000 people, with about 145,000 in the manufacturing sector and 190,000 in the service sector, which represents about 35% and 21% of sector employment, respectively. In terms of value added, foreign affiliates in both sectors contribute about US$ 15 billion each, which represents about 42% and 24% of the total value-added in the manufacturing and service sectors, respectively. The most important foreign affiliates in terms of size – as measured by total assets, turnover and employment – are in the chemical and pharmaceuticals sector, the automotive sector, personnel services, and coordination centers. Coordination centers usually

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[1] UNCTAD, *World Investment Report 2010: Investing in a Low-Carbon Economy* (New York and Geneva: United Nations, 2010).

[2] UNCTAD, *World Investment Report 2008: Transnational Corporations and the Infrastructure Challenge* (New York and Geneva: United Nations, 2008).

[3] AMCHAM, *US Direct Investment in Belgium Report 2009* (Brussels: AMCHAM Belgium, 2009).

[4] Separate data for Belgium have only been available since 2002. Before 2002, the data were reported for the Belgium-Luxembourg Economic Union (BLEU). In January 2006, the National Bank of Belgium (NBB) switched to a new system for collecting the FDI data needed to draw upon balance-of-payment data. This revamped data collection system also required adjustments to the technical method of producing the balance of payments. The new system conforms to the administrative simplification requirement introduced by the Government. This means that financial institutions report only transactions for their own account and no longer for their clients; while specific surveys are used to supplement all components of the balance of payments. A change in the data collection method inevitably entails methodological breaks. Strictly speaking, it is therefore incorrect to compare data published since 2007 with the data available until 2006.

have large total assets without much turnover or employment, while temporary personnel service companies have large employment figures without much turnover or total assets.

Europe is the predominant source of FDI flows into Belgium. In 2007, before FDI bore the brunt of the economic crisis, according to Bank of Belgium statistics, Europe was the source of US$ 99 billion of Belgium's US$ 105 billion inflows, while the United States supplied US$ 6 billion (annex table 4). The list of the most important foreign direct investors in terms of numbers of projects is headed by US companies, with 38 out of 142. Firms from Belgium's neighboring countries have also established a sizeable number of greenfield projects: France 17, Germany and the Netherlands 13 each, and the United Kingdom 11. The United States and Belgium's neighbors together represent about two-thirds of all greenfield investment projects in Belgium. Intra-European investments are the most important source of investment in Belgium, although firms from emerging economies like Brazil and China also seem to have discovered investment advantages in Belgium. Flanders has traditionally been the most successful region in attracting investment, although by 2009 Wallonia, with 57 greenfield investment projects, had almost caught up with Flanders' 64 such projects. Wallonia reportedly has less cumbersome environmental and spatial planning policies, making it easier for firms to invest there.

The corporate players

Many foreign chemical companies have plants in two or even all three of the Belgian regions. The chemical industry in the Flemish region represents 73% of the total sales of the chemical sector in Belgium. The port of Antwerp is located in the world's biggest and most diversified petrochemical cluster, the Antwerp-Rotterdam region. The chemicals sector in the Walloon region represented 19% of total turnover of the Belgian chemical sector in 2005. Base chemical manufacturing activities are mainly concentrated in the province of Hainaut. In addition, Wallonia has an important biotechnology pole and high-tech pharmaceutical industry in the province of Walloon Brabant and the North Hainaut area. Wallonia-based companies account for 28% of the total R&D expenditure of the chemical sector in Belgium. Although it makes a comparatively modest contribution to the sector's turnover (8%), the Brussels-Capital region remains an essential link in the chain of activities of the chemical sector in the country. This region has only few chemical production facilities but is home to various head offices, like those of BASF and Statoil (annex table 5), which are near to several international organizations and institutions. Brussels is clearly the preferred location for the establishment of regional headquarters (coordination centers), although there are some in other parts of the country.

Another sector in which Belgium has attracted large amounts of foreign investment is the automotive industry. US companies, such as Ford and General Motors (GM), have played an important role. Although GM was already assembling cars in Belgium a century ago, US firms intensified their search for market opportunities at the time of the establishment of the European Common Market at the end of the 1950s, as they sought to take advantage of economic growth and leap over the common external tariff. In Flanders, they found reliable workers who - at that time - were cheaper than in Wallonia and less prone to strike. Most European automotive companies, including Volkswagen, Renault and Volvo, also established production plants in Belgium. As the European automotive market became oversaturated and overcapacity was created in developed countries, these production plants have come under heavy strain. Renault, for instance, disinvested its Vilvoorde plant in 1997. GM recently decided to close down its Opel plant in Antwerp. Others were able to survive after restructuring. Volkswagen restructured its plant in Vorst, near Brussels, to produce the Audi A1. Ford Genk, the largest branch (of Ford Europe, Germany) plant in Belgium, is still in business after major downsizing a few years ago. The Volvo plant in Gent became a subsidiary of Geely Automotive of China when it acquired the former Swedish brand from the Ford group in 2010. Perhaps because of Geely's commitment to run Volvo as a multi-domestic business, the Volvo plant in Gent seems to have survived the recession unscathed. Meanwhile, the reduced activity of the car assemblers in Belgium due to disinvestments has affected the suppliers to this industry and caused much indirect unemployment.

In 2009, the largest foreign acquisition was in the banking sector, where BNP Paribas acquired 75% of Fortis Bank for US$ 12.8 billion. Other mergers and acquisitions (M&As) included the purchase of a 51% stake in SPE by the French energy company EDF for US$ 1.8 billion and a variety of other deals in various sectors, including electrical services, courier services, machine manufacturing, software, pharmaceuticals, and clothing (annex table 6).

An analysis of the number of greenfield investment projects by sector (annex table 7) shows that sales and marketing activities lead the list in most years. The second place is taken up by manufacturing (production), while the third position is held by the logistics sector. Belgium has also proven an attractive location for European headquarters of MNEs as well as for their distribution centers. This attractiveness is not only the result of the large number of EU and international institutions based in Brussels and the country's geographic location in the center of Western Europe, but also of investment incentives for holding companies and regional headquarters, the so-called "coordination centers" (see below), although these incentives were phased out by the end of 2010 to comply with EU rules. Since 2005, these four sectors have taken up the top four positions of greenfield investments in Belgium.

The total of greenfield projects and M&A deals declined from around 300 a year in 2005-2007 to 250 in 2008 and 224 in 2009. Greenfield investments outnumbered acquisitions, although between a quarter and half of the greenfield investments were expansion projects by foreign firms already present in the country.[5]

Effects of the current global crisis

IFDI flows in Belgium declined during the economic and financial crisis, although the IFDI stock grew sharply in 2009. FDI inflows peaked at US$ 118 billion in 2007 before declining to US$ 110 billion in 2008 and US$ 34 billion in 2009. A detailed analysis of the monthly net inflows of FDI indicates that equity capital investments remained rather stable in 2008 and 2009, while other capital flows, such as intra-company loans, occasionally turned extremely negative. These data suggest that coordination centers and other affiliates in Belgium were used as a conduit for intra-company loans in an effort to support their corporate parents or other affiliates (see further on the impact of the notional interest deduction scheme). Annex table 4 also

[5] Ernst & Young, *Barometer van de Belgische Attractiviteit 2010* (Brussels: Ernst and Young, 2010).

indicates that these negative flows of IFDI were mainly due to non-European countries, while Europe sustained its equity investment in Belgium.

The policy scene

Belgium has traditionally welcomed foreign investment. The Belgian Government currently encourages new foreign investment as a means to promote innovation and employment. The Belgian federal government provides tax breaks for R&D and investment in capital goods, as well as fiscal incentives for hiring employees. As a result of some regional devolution, Flanders, Brussels and Wallonia now have substantial autonomy in courting potential foreign investors, as each deems appropriate. For more direct support, all three regions offer financing and subsidies that aim to attract new businesses and generate employment. The regions may favor certain industries when allocating subsidies, as part of their overall economic policy. These preferred investments are often environmental, biotechnology and information and communications technology projects, or others using innovative technologies.

The part of R&D expenditures by foreign-controlled firms is about 1.5 times the part of domestic-controlled firms. In the period 2000-2006, the annual growth rate (before correction for inflation) of FDI in R&D equaled 0.9%, and the share of R&D expenditures of foreign affiliates in the total of the business expenditures for R&D (BERD) remained stable at around 59%. However, the recent employment growth in foreign affiliates has declined since 2006.[6] FDI in R&D from other EU member states (and especially France and the Netherlands) decreased sharply, whereas the share of inward FDI in R&D by US firms increased (despite the decrease in absolute terms of their investments). Together, Europe and the United States account for nearly 95% of total inward FDI in R&D in Belgium. Until 2006, FDI in R&D from emerging and developing economies in Belgium were minor. More recently, the takeovers of Arcelor by Mittal Steel and of Hansen Transmissions by Suzlon are examples with implications of foreign control by emerging markets (in this case India) over R&D expenditures in Belgium.

In order to attract regional headquarters of MNEs and to enhance Belgium's attractiveness as a favorable location for FDI in general, the Government began a fiscal incentive scheme at the beginning of the 1980s, when the "coordination centers" legislation was enacted.[7] When the European Commission ruled that the fiscal relief scheme had to be discontinued, the Belgian Government succeeded in obtaining a transition period (which ended in 2010), and it switched to a new promotional tool, the "notional interest deduction" (NID) to attract risk capital.[8] This measure was introduced in 2006 and applies to the existing capital stock.[9] Under the NID - an innovative measure in international tax law - all companies subject to Belgian corporate income

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[6] According to Ernst & Young, 3,357, 3,391 and 4,379 jobs were created by foreign affiliates in Belgium in 2009, 2008 and 2007, respectively. See, Ernst & Young,, op. cit..

[7] From 1983, after discussions with the European Commission, the Belgian authorities applied a favorable tax regime, including lower corporation tax, capital duty, property tax, and withholding tax, to these establishments. In 2003, the European Commission declared that the reliefs amounted to state aid and did not comply with the EC Treaty. Coordination centers whose ten-year period of approval was under way were allowed to avail themselves of the benefits of the scheme until the end of that period until December 31, 2010 at the latest. The EU Commission banned Belgium from renewing approvals when they expired after the end of 2005.

[8] Ministry of Finance, *NotionalIinterest Deduction: AnIinnovative BelgianTtaxIincentive* (Brussels: Ministry of Finance, 2009).

[9] Christian Valenduc, Les intérêts notionnels: une réforme fondamentale et controversée', *Courrier hebdomadaire* (Brussels : CRISP, 2009).

tax are allowed to deduct from their taxable income an amount equal to the interest they would have paid on their capital in the case of long-term debt financing.

This measure was to a large extent intended to convince MNEs that perform coordinating activities on behalf of their groups to remain or establish themselves in Belgium, although all firms can take advantage of it. Around 280 coordination centers were active during the lifetime of the coordination center regime, most of which were European, although US firms constitute the single largest nationality.[10] As the Government and the industry itself feared that the end of the Belgian coordination center regime would create a negative image of the investment climate in Belgium, the worst case scenario was that the industry would vanish altogether and job losses were estimated in a range of 10,000-20,000 jobs.[11] With the new regime, Belgium wanted to keep existing coordination centers while also attracting new ones. Although data indicate that the number of coordination centers has dropped dramatically from around 250 in the mid 1990s and around 200 in 2005 to around 75 by 2008, the most important – in terms of employment and capital – coordination centers are still active using the NID scheme while other finance centers have picked up some of the slack. If Belgium can attract new finance centers belonging to multinational groups, that could stimulate employment and offset the job losses in coordination centers whose capital and activities have been transferred abroad. These new finance centers currently employ few people.

Since its introduction, the notional interest deduction has been criticized for its high budgetary cost, estimated at more than US$ 2 billion, although the net budgetary impact was estimated at between US$ 200 and US$ 500 million after taking account of payback effects.[12] Since the risk capital allowance was introduced, there has been a noticeable rise in the authorized capital and hence in the shareholders' capital of companies established in Belgium. The considerable contribution of capital from other countries led to a rise in the authorized capital of Belgian companies while strengthening their financial autonomy, at least at the national level. These capital inflows partly reflect a move to substitute capital injections for current loans granted by foreign companies. In addition, the risk capital allowance has done much to encourage the formation of finance companies, allowing a large proportion of the authorized capital to flow back to other countries in the form of loans. The record capital contributions from abroad seem to indicate that the risk capital allowance has succeeded in making Belgium attractive from the tax angle. However, critics have claimed that it was not effective in preventing a decline in R&D and employment during the crisis years, and should therefore not be applicable for companies that have laid off their workforces. A bill was proposed, but never passed.[13]

Belgium is also quite active in terms of international investment agreements. Belgium is in the top ten signatory countries of bilateral investment treaties (BITs). It has also concluded and

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[10] M.P. Styczen, *A Comprehensive Case Study of Multinationals' Financial Centers in Belgium* (Oslo: Norway School of Economics and Business Administration, 2010).

[11] M. Quaghebeur, "Officials hope new tax regime will attract multinationals", *Tax Notes International*, January, 2005, pp. 140-41; B. Springael, "Notional interest deduction: investment in Belgian risk capital rewarded", *IBFD Derivatives and Financial Instruments,* January/February, 2006, pp. 47-56.

[12] K. Burggraeve, Ph. Jeanfils, K. Van Cauter, and L. Van Meersel, "Macroeconomic and fiscal impact of the risk capital allowance," *Economic Review*, September 2008, p. 41 (Brussels: National Bank of Belgium, 2008).

[13] M. Arena, M. Mathot and G. Coëme, "Wetsvoorstel betreffende de notionele interestaftrek," *Doc 52, 2482/001*, p. 9 (Brussels: Belgische Kamer van Volksvertegenwoordigers, 2010).

renewed several BITs and double taxation treaties (DTTs) in recent years in order to renegotiate the agreements with additional provisions covering broader economic activities.[14]

Conclusions

Although IFDI in Belgium has been strongly influenced by MNEs using Belgium as a financial platform for investments in other countries, it is important in most sectors of the Belgian economy and in the technologically-oriented sectors in particular. Since the 1980s, when it was created, the coordination centers framework promoted both inward and outward investment in Belgium. As this incentive scheme was brought to an end by a decision of the European Commission as part of its program against unauthorized state aid, the extent to which the new "notional interest" measure will be able to keep up Belgium's reputation as a country with a large "welcome mat" for FDI remains to be seen. IFDI for the Belgian economy is likely to remain important, provided Belgium succeeds in keeping up with the other EU countries in attracting foreign affiliates and convinces firms from emerging markets to locate in Belgium as a platform for conquering the European market. While Belgium's high labor costs may be a handicap, they may largely be offset by the high productivity of its workers and operational and environmental advantages such as excellent infrastructure and favorable living conditions.

Additional readings

Bisciari, P. and C. Piette, "Directe investeringen en aantrekkelijkheid van België," *Ekonomisch Tijdschrift* (Brussels: National Bank of Belgium, 2007).

De Beule, Filip and Ilke Van Beveren , "Belgium's competitiveness: a comparison of foreign and domestic enterprises," in Daniel Van Den Bulcke, Alain Verbeke and Wenlong Yuan, eds., *Handbook of Small Nations in the Global Economy: The Contribution of Multinational Enterprises to National Economic Success* (Cheltenham: Edward Elgar, 2009), pp. 30 - 49.

IBM Global Business Services, *Global Location Trends: Country Results 2009 Belgium* (Brussels: IBM, 2010).

Piette, C., "Importance et évolution des investissements directs en Belgique," *Working Paper No 107* (Brussels: National Bank of Belgium, 2007).

Van Den Bulcke, Daniel and Haiyan Zhang, "The ownership structure of Belgian companies: evidence about a small open economy in the globalization process," in Daniel Van Den Bulcke and Alain Verbeke, eds., *Globalization and the Small Open Economy*(Cheltenham: Edward Elgar, 2001), pp. 139-72.

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[14] UNCTAD, "Recent developments in international investment agreements," *IIA Monitor*, No. 3, p. 15 (Geneva and New York: United Nations, 2009).

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The Vale Columbia Center on Sustainable International Investment (VCC), led by Dr. Karl P. Sauvant, is a joint center of Columbia Law School and The Earth Institute at Columbia University. It seeks to be a leader on issues related to foreign direct investment (FDI) in the global economy. VCC focuses on the analysis and teaching of the implications of FDI for public policy and international investment law.

Statistical annex

Annex table 1. Belgium: inward FDI stock, 2002-2009

(US$ billion)

Economy	2002	2003	2004	2005	2006	2007	2008	2009
Belgium	230	351	467	378	481	593	519	830
Memorandum: comparator economies								
Austria	45	58	71	83	111	163	159	169
Denmark	83	100	116	116	134	161	151	158
Netherlands	350	427	477	451	517	728	639	597

Source: UNCTAD's FDI/TNC database, available at: http://stats.unctad.org/fdi/
Note: Data for Belgium are not available prior to 2002, as they were only reported as part of the Belgium Luxembourg Economic Union (BLEU).

Annex table 2. Belgium: inward FDI flows, 2000-2009

(US$ billion)

Economy	2002	2003	2004	2005	2006	2007	2008	2009
Belgium	16	33	44	34	59	118	110	34
Memorandum: comparator economies								
Austria	0	7	4	11	8	31	11	7
Denmark	7	3	-10	13	3	12	3	8
Netherlands	25	21	5	48	8	115	-8	27

Source: UNCTAD's FDI/TNC database, available at: http://stats.unctad.org/fdi/
Note: Data for Belgium are not available prior to 2002, as they were only reported as part of the Belgium Luxembourg Economic Union (BLEU).

Annex table 3. Belgium: sectoral distribution of inward FDI, by sector aggregates of foreign affiliates, 2005

Sector / industry	Number	Employment	Net value added (US$ million)
All sectors / industries	3,355	336,412	30,550
Primary	30	1,134	150
Secondary	682	145,208	14,960
Services	2,643	190,070	15,450

Source: Filip De Beule and Ilke Van Beveren, "Belgium's competitiveness: A comparison of foreign and domestic enterprises", in D. Van Den Bulcke, A. Verbeke and W. Yuan, eds, *Handbook on Small Nations in the Global Economy: The Contribution of Multinational Enterprises to National Economic Success* (Cheltenham: Edward Elgar, 2009), pp. 30-49.

Annex table 4. Belgium: geographical distribution of inward FDI flows, 2007-2009

(US$ million)

Region/economy	**2007**	**2008**	**2009**
World	105,334	95,978	20,592
Europe	99,237	77,389	42,245
EU-27	88,926	71,149	21,335
Other European countries	10,311	6,240	20,910
Africa	-269	-1,145	-4,921
North Africa	-353	59	-691
Other African countries	83	-1,204	-4,229
America	6,048	6,915	-5,764
North and Central America	6,045	5,840	-5,612
South America	3	1,075	-152
Asia	-1,798	12,714	-11,207
Near and Middle East	201	1,010	-1,851
Other Asian countries	-1,999	11,704	-9,356
Oceania	2,116	102	239
Other	52	12,748	-16,040

Source: National Bank of Belgium's, available at http://www.nbb.be/app/cal/E/belgohome.htm
Note: Not including reinvested earnings, which are not available.

Annex table 5. Belgium: main foreign affiliates, ranked by the sum of total assets, employment and turnover, 2008

Name	Employment	Turnover (US$ million)	Total assets (US$ million)	Home economy	Industry
Exxonmobil Petroleum & Chemical	2,176	28,972	42,339	United States	Manufacture of refined petroleum products
Hewlett-Packard Coordination Center	23	3	72,676	United States	Activities of head offices
Arcelormittal Finance And Services Belgium	34	4	61,285	Luxembourg	Activities of head offices
Petrofina	551	21,054	19,662	France	Manufacture of refined petroleum products
Toyota Motor Europe	2,415	26,831	9,602	Japan	Activities of head offices
BASF Antwerpen	3,432	6,446	22,982	Denmark	Manufacture of other organic basic chemicals
Atlas Services Belgium	6	3	32,815	France	Activities of head offices
Suez-Tractebel	172	157	31,120	France	Engineering, architectural, and surveying services
Gdf Suez Cc	376	68	29,382	France	Activities of head offices
Glaxosmithkline Biologicals	5,748	3,753	16,302	Great Britain	Pharmaceutical and medicine manufacturing
Ikea Service Center	43	7	25,404	Netherlands[a]	Activities of head offices
BASF Coordination Center	58	25	21,432	Denmark	Activities of head offices
Statoil Asa	53	8	21,347	Norway	Activities of head offices
Carrefour Belgium	10,993	6,449	3,533	France	Grocery stores
Centre De Coordination Carrefour	16	1	19,768	France	Activities of head offices
Petrofina International Group	32	6	19,474	France	Activities of head offices
Randstad Belgium	15,372	973	2,352	Netherlands	Temporary employment agency activities
Janssen Pharmaceutica	3,913	5,242	9,272	United States	Pharmaceutical and medicine manufacturing
Eni Coordination Center	30	16	17,147	Italy	Activities of head offices
Arcelor Mittal Belgium	7,400	4,336	5,155	Luxembourg	Manufacture of basic iron and steel and of ferrous-alloys
Royal Park Investments	3	0	15,813	France	Miscellaneous business services
Gmr	2	1	14,512	France	Miscellaneous business services
Sabelfi	9	2	12,082	Canada	Business credit institutions
Manpower (Belgium)	11,491	344	103	United States	Temporary employment agency activities
Adecco Personnel Services	10,688	595	109	CH	Temporary employment agency activities

Source: Authors' calculations, based on the Amadeus database (Bureau Van Dijk).

[a] IKEA is owned by INGKA Holding B.V., a Dutch corporation; its operational headquarters are in Sweden.
Note: Unconsolidated accounts.

Annex table 6. Belgium: main M&A deals, by inward investing firm, 2009

Acquiring company	Target company	Target industry	Source economy	Shares acquired (%)	Transaction value (US$ million)
BNP Paribas SA	Fortis Bank SA/NV	Banking	France	74.9	12,765.3
EDF	SPE SA	Electric services	France	51.0	1,848.3
Centrica Overseas Holdings Ltd	Segebel SA	Electric services and other combined	United Kingdom	50.0	972.4
CVC Capital Partners Ltd	De Post-La Poste	Courier services	Luxembourg	49.9	478.2
Dean Foods Co	Alpro NV	Soybean oil mills	United States	100.0	448.0
Ecofin Ltd	Hansen Transmissions Intl	Machinery manufacturing	United Kingdom	10.0	115.0
Canon Europa NV	IRIS Group SA	Prepackaged software	Netherlands	17.0	99.0
Aquiline Capital Partners LLC	Clear2Pay NV	Prepackaged software	United States	n.a.	74.1
Sally Beauty Holdings Inc	Sinelco Group NV	Service establishment equipment	United States	100.0	36.6
Celesio AG	Laboratoria Flandria NV	Pharmaceuticals	Germany	n.a.	35.4
Amplifon SpA	Dialogue	Medical, dental, and hospital equipment	Italy	100.0	19.5
Investor Group	Cardio3 BioSciences SA	Biological products	Luxembourg	n.a.	17.9
Dorel Industries Inc	Baby Art bvba	Clothing and accessories	Canada	100.0	5.4
Skidata AG	Orcus	Prepackaged software	Austria	100.0	3.0
BNP Paribas SA	Fortis Insurance Belgium SA	Insurance	France	25.0	1.9
Logan Oil Tools Inc	Diamant Drilling Services SA	Metalworking machinery	United States	100.0	0.7

Source: Thomson ONE Banker, Thomson Reuters.

Annex table 7. Belgium: main greenfield projects, by inward investing firm, 2009

Investing company	**Target industry**	**Business activity**	**Source economy**	**Estimated transaction value** (US$ million)
GlaxoSmithKline (GSK)	Pharmaceuticals	Manufacturing	United Kingdom	542
ExxonMobil	Coal, oil and natural gas	Electricity	United States	449
COFRA Holding	Real estate	Construction	Switzerland	196
COFRA Holding	Real estate	Construction	Switzerland	196
France Telecom	Communications	Customer contact center	France	142
Eneco	Alternative/renewable energy	Electricity	Netherlands	128
Caterpillar	Industrial machinery, equipment and tools	Manufacturing	United States	126
TPG	Transportation	Logistics, distribution and transportation	Netherlands	80
Ciblex	Transportation	Logistics, distribution and transportation	France	80
Avient	Transportation	Logistics, distribution and transportation	United Kingdom	80
Astre	Transportation	Logistics, distribution and transportation	France	79
Pierre & Vacances	Hotels and tourism	Construction	France	58
Inditex	Consumer products	Retail	Spain	54
Hema	Consumer products	Retail	Netherlands	54
IKEA	Consumer products	Retail	Sweden	54
Inditex	Consumer products	Retail	Spain	54
DSM	Rubber	Manufacturing	Netherlands	51
Asahi Glass	Ceramics and glass	Manufacturing	Japan	48
Ashland	Chemicals	Manufacturing	United States	37
PolyOne	Chemicals	Manufacturing	United States	35

Source: fDi Intelligence, a service from the Financial Times Ltd.

Annex table 7a. Belgium: Number of greenfield projects and acquisitions in Belgium, 2005-2009

Entry mode	2005	2006	2007	2008	2009
Greenfield	179	185	175	142	146
Acquisition	119	106	126	108	78
Total	298	291	301	250	224

Source: Ernst & Young, *Barometer van de Belgische Attractiviteit 2010* (Brussels: Ernst and Young, 2010); Zephyr database, Bureau Van Dijk.

Annex table 7b. Number of greenfield projects in Belgium, by sector, 2005-2009

Sector	2005	2006	2007	2008	2009
Sales and marketing	56	63	71	48	60
Production	47	66	38	36	27
Logistics	43	28	28	33	26
Headquarters	8	9	20	8	8
Research and development	12	4	5	7	11
Services	13	15	13	10	14
Total	179	185	175	142	146

Source: Ernst & Young, *Barometer van de Belgische Attractiviteit 2010* (Brussels: Ernst and Young, 2010).