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industrialized countries, having gone through what has been called its third industrial revolution very successfully. It lies at the heart of the Single Market and has an ultra-modern transportation network and communications facilities; its economy, drawn by the powerful German 'locomotive' and the building of the Single Market, is based on services (65% of the GNP) and the processing of imported raw materials.

Belgium has a long tradition of welcoming foreign investors, whom it treats as its own. There are no limitations on foreign ownership of Belgian companies, and major tax incentives are provided for companies whose coordination activities are centralized in Belgium and those that invest in high technology.

New investors can expect to be received correctly by local industry and warmly by the banks and by the various levels of government and the public services. The same applies to labour, which is concerned more with job security

and remuneration than with the employer's nationality.

Finally, the new Belgian competition legislation, requiring economic partners to make compromises when Belgian competitiveness is jeopardized, offers companies located on its territory a measure of security against potentially unfavourable competitive situations.

Foreign Investment

This country has the world's highest level of foreign investment, with some 17,000 projects having been carried out since 1960. Over the past five years, there has been a massive shift of investments to Belgium by foreign companies wishing to position themselves for the Single Market.

These are mainly companies from non-EEC countries such as the United States (the source of 40% of recent foreign investment) and Japan, which have taken advantage of the favourable conditions offered by Belgium. Apart from a few notable exceptions (including Power Corporation, Bombardier, McCain, Cascades, DMR, CAST

and NORDION), too many Canadian companies have remained apart from this movement, traditionally preferring to focus more on the UK and France.

Canada, Belgium Similar

Nevertheless, there is considerable similarity between the industrial structures of Canada and Belgium. Both have a few large companies and a multitude of SMBs of comparable size, a small domestic market, and a heavy dependency on exports to the markets of their powerful neighbours.

Moreover, the obvious success of some on their regional markets and the equally obvious weakness of others on this same market indicate that Canada and Belgium share many of the same interests, have like industrial fabrics and a compatibility of trading cultures found nowhere else outside the EEC.

More than 40 Canadian companies have recognized this, and many others would do well to seriously consider Belgium in their European strategy. They may find some pleasant surprises.

Belgium: An Overview of Business Opportunities

Belgium, together with France, is Canada's fourth-largest export market in Europe. Belgian industry traditionally has specialised in the transformation of raw materials into semi-finished and finished products which it re-exports to neighbouring markets. Canadian exports to Belgium (\$1.2 billion) are composed mainly of raw materials such as metal ores (\$263m), woodpulp (\$209m), oilseeds (\$100m), wood (\$65m), cereals (\$44m), chemicals (\$17m) and fish (\$14 m). Belgium also imports semi-finished and finished goods from Canada such as industrial boilers (\$50m), paper (\$50m), transportation equipment (\$27m), synthetic fibers (\$29m) and tableware (\$20m).

The Belgian market offers a multitude of opportunities for increased trade in goods and services. Following are examples of a few sectors with potential for expanding Canada's trade relations with Belgium. These overviews are short and by no means complete. The sectors presented here cover only a partial range of market opportunities.

Forest Products : Belgium represents an important business environment for Canadian exporters of forest products not only because of the potential for direct imports but also for re-exports, mainly through Antwerp trading houses, to the Netherlands, Germany and other continental markets. Opportunities for growth in forest products exports to Belgium relate both to conditions of market access and to continuing promotional efforts, particularly for highly valued wood products. While pulp enters free of duty, newsprint and plywood face limited duty from EC import quotas. Dressed softwood lumber attracts a 4 per cent tariff and is subject to costly EC plant health requirements.

Canadian activities to promote timber frame construction (TFC) in Belgium and related sales of Canadian construction lumber have continued to show success. TFC now accounts for about 15 per cent of single family housing starts and sales continue to grow. Canada is second only to the USSR in supplying lumber to Belgium while Finland and the U.S. are

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