
II. BELGIUM — LUXEMBOURG

General Information

Belgium is a modern, highly developed industrialized country with an expanding services sector and relatively shrinking industrial production and traditional manufacturing sectors.

Dependent on raw materials, Belgium built its economy on the strength and efficiency of its transformation industries. Excellent location at the gateway to Northern Europe is still a major benefit. Since 1975, the contributions of steel, metal working, machinery and transport equipment have been declining while electronics, fine chemicals, pharmaceuticals, agri-food business and the service trades are taking their place. Trade with Canada is only starting to reflect recent trends. Canada's major exports remain minerals, forest products and foodstuffs, and Belgium's shipments concentrate on steel products, machinery, transport equipment, chemicals, pharmaceuticals and diamonds.

Despite only 10 million people, Belgium ranks 10th world-wide by value of exports and imports, and with 70 per cent of its gross national product (GNP) accounted for by foreign trade has the most open economy of the industrialized world. There are very few constraints on trade peculiar to Belgium. Of course, as a member of the EEC, Belgium applies the Common External Tariff (CET). Within the EC area and especially for the three neighbouring countries, Germany, France and the Netherlands, Belgium is an important transshipment point. The country also serves as a manufacturing base for distribution throughout Western Europe. As a test market it is a good representative for its larger neighbours. These characteristics plus the facility of using French or English for business discussions combine to give Canadian exporters an excellent starting point for sales and/or investment in a unified European market.

Some understanding of the political realities within Belgium could be helpful. The country is divided between Flemish (Dutch) speaking people in the north and French-speaking Walloons in the south. There is also a small German-speaking area in the east. As historically, there has been