

**United
in purpose
and ambition
for investment,
innovation
and talent**



AMCHAM BELGIUM
THE VOICE OF INTERNATIONAL BUSINESS

United in purpose and ambition for investment, innovation and talent

Today, Belgium hosts over 900 American companies, many of which are active members of the American Chamber of Commerce in Belgium.

The United States stands as Belgium's primary foreign direct investor and trade partner. American enterprises have strategically developed their complete value chains within our borders, establishing regional headquarters, cutting-edge R&D centers, advanced manufacturing facilities, logistics hubs, hence, bringing diverse sectors to life. US companies play a vital role as investors, innovators, and job creators. They act as a catalyst, propelling the broader ecosystem, significantly contributing to the economic growth of Belgium and its regions. But, let's not take this for granted.

The investment decisions of the next years will determine our prosperity for decades to come. The assets of today - central location, a productive and multilingual workforce, renowned universities and good living conditions - may not suffice to attract investments for the future. How do we become the magnet for the enterprises of tomorrow?

As we believe that the coming months will be essential given the upcoming election and as the leading voice of international business, **AmCham Belgium is looking forward to share its expertise and insights.** Engaging in dialogues with our members will allow both companies and policymakers to leverage their international knowledge to identify opportunities to position Belgium as a top-tier destination for investments spanning diverse sectors.

According to AmCham Belgium, three critical pillars should guide this strategy: talent, innovation, and investment:

Let's attract talent emphasizes the need to prepare the next generation workforce with future-proof skills, simplifying entry for international talent through fast-track procedures and reforms on cost of labor to close the gap compared to our EU neighbors.

Let's innovate focuses on protecting and nurturing research centers, safeguarding intellectual property to drive innovation, and attracting innovative healthcare solutions.

Let's invest underscores the need of predictability and stability for long-term investment, avoiding unnecessary gold-plating versus other European countries, and empowering investors by ensuring efficient permitting processes, competitive energy supply and strong logistics capabilities.

As our member companies harbor robust aspirations in view of the challenging sustainability, digital and societal changes, the Chamber invites political decision-makers and partners to **co-create now, united in purpose and ambition, and seize the moment to shape a prosperous and promising future for Belgium and its regions.** Let's act now.

Let's attract talent

The backbone of Belgium's appeal lies in its **skilled workforce**, a feature highly regarded by American investors when considering investment opportunities. American companies play a vital role in Belgium's employment landscape, generating an impressive **117,000 direct jobs** and numerous more indirect jobs.

This collaboration greatly enriches our workforce, stimulating economic growth and promoting overall prosperity. Nevertheless, three pressing challenges loom: (i) the rapidly changing business landscape necessitating future-ready skills, (ii) the international war on talent, and (iii) the high labor costs compared to the neighboring countries. Addressing these concerns will be instrumental in maintaining Belgium's attractiveness for American investments and securing a thriving economic future.

1 Prepare a future-ready workforce to drive Belgium's productivity growth

Belgium's thriving international sectors, including pharma, medtech, services and logistics, are increasingly reliant on cutting-edge technologies like digital, generative AI, and quantum computing. Investing in these innovations holds immense potential to drive Belgium's productivity growth. To fully tap into this strength, proactive efforts are needed to invest in future-ready skills. A paramount step is **prioritizing STEM education** as a matter of urgency to ensure that Belgium's graduates are equipped for the jobs of the future. As accelerating their preparedness for the rapidly evolving labor market is crucial, AmCham Belgium also fervently advocates for **strengthened**

collaboration between universities, schools, and industries. While preparing the younger workforce is vital, policymakers must also create frameworks **enabling continuous learning and upskilling for professionals**, allowing them to adapt and excel amid swift changes. Overcoming bureaucratic barriers hindering skill enhancement is essential. We emphasize the importance of **promoting digital literacy and inclusion**, ensuring all citizens have equal access to the benefits of the digital age. The economic success of Belgium relies on strategic investments in skills, education, and technology. Proactive policies serve as the linchpin for realizing this transformative vision.

2 Establish fast-tracks to win the war on international talent

The battle for a future-ready workforce is not confined to the local arena; it extends to the global stage. To prevail in the global talent competition, AmCham Belgium urges actions for proactive initiatives to convert brain drain into brain gain. In the context of the new Single Permit regime, we stress the urgency of **shorter processing times, implementing fast-track procedures.**

Reducing bureaucracy and integrating a swift visa issuance process into the Single Permit procedure are crucial steps. Belgium's allure for investment is closely tied to its role as a hub for multinational executives, impacting employment and taxable income. In the modern global landscape with a highly mobile workforce,

a more attractive expatriate regime is essential. This encompasses acknowledging that the existing cap on tax-free employer costs discourages top talent from choosing Belgium.

For young talent in the Brussels and Walloon regions, it is the high minimum annual salary requirement of the Single Permit regime that poses challenges. AmCham Belgium calls for an **annual evaluation of the regime** to maintain attractiveness compared to neighboring countries. Lastly, we call for the creation of **regional networks of relocation centers**, acting as one-stop shops to serve as the main point of contact for newcomers, simplifying the process and alleviating the need to navigate various services.

3 Implement strategic employment cost reforms to close the gap with our neighbors

The pursuit of a competitive investment landscape is impossible without addressing employment costs. This includes organizing a ready-to-use, well-educated workforce and efficient international worker mobility at a cost competitive to neighboring countries. AmCham Belgium emphasizes the instatement of a **reasonable cap on social security contributions for employers, benchmarked with our EU neigh-**

neighbors. Additionally, factors like benefits, holiday calculations, and extended sick leave substantially influence the equation. It's essential to introduce **enticing tax structures for supplementary benefits, such as stock options and pensions**, while aligning personal taxation with European norms. Bridging the employment cost gap is a critical step in bolstering Belgium's investment appeal.

Let's innovate

US-affiliated companies invest an impressive **€2.2 billion in R&D per year**, showcasing Belgium's appeal as an innovation hub. This is especially evident in our healthcare sector. Less publicized is that Belgium proudly hosts **R&D centers spanning a much broader spectrum of industries**, including AB InBev, Cargill, Catalent, Coca-Cola, Dow, ExxonMobil, IBM, Johnson & Johnson, MSD, Procter & Gamble, and more.

To firmly secure Belgium's position in the top-three European centers for American innovation endeavors, AmCham Belgium strongly recommends to (i) foster research centers for cutting-edge advancements, (ii) safeguard intellectual property rights for driving innovation and economic growth, and (iii) attract innovative healthcare solutions.



1 Foster research centers to attract cutting-edge advancements

Empowering large research centers in Belgium is crucial to retain cutting-edge research. Such dedicated policy fosters economic growth, and solidifies Belgium's position as an innovation hub on the international stage. We advocate for **streamlined processes and reduced administrative burdens** for these research centers. We pinpoint critical issues like procedural bottlenecks and the need for involvement from entities such as Belspo.

A crucial aspect of our stance is ensuring budgetary neutrality in amending R&D incentives. Belgium's R&D tax incentives indeed stand as a linchpin for propelling innovation and economic development. In a changing global tax landscape, **preserving the effectiveness of**

the current R&D tax incentives is paramount. These incentives encompass various corporate tax breaks like R&D investment deduction, R&D tax credits, tax exemptions for R&D grants, and innovation income deductions.

Equally vital are the employment tax incentives, **including withholding tax exemptions for researchers**. Their significance cannot be overstated. We call for the consolidation and, where possible, expansion of these measures. Anticipating the introduction of a global minimum tax, exploring opportunities for enhancement, such as tax structures akin to those in neighboring countries like France's R&D tax credit, becomes increasingly important.

2 Safeguard intellectual property rights to drive innovation

In addition to empowering large research centers and exploring opportunities to enhance R&D tax incentives, upholding intellectual property rights is paramount for preserving Belgium's - and Europe's - innovation appeal. Companies across diverse sectors invest heavily in R&D, seeking assurance that their IP will be safeguarded.

This assurance fuels their drive to invest in cutting-edge technologies, bolstering their market presence. **Strong respect for IP rights plays a pivotal role in attracting foreign direct investment**. Companies prioritize regions with robust IP protections, mitigating risks and maximizing investment returns.

3 Attract innovative healthcare solutions

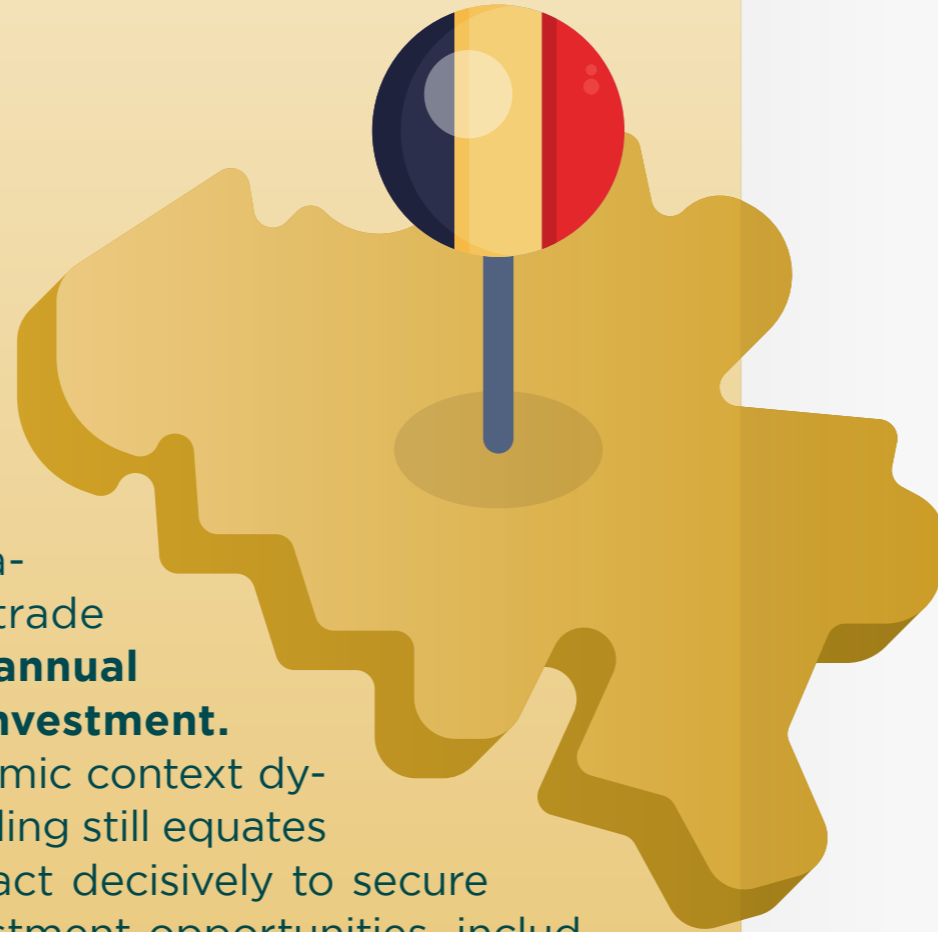
Investing in health and well-being is tantamount to investing in the welfare of the society. Therefore, AmCham Belgium advocates for **prioritizing health promotion, patient education, empowerment, and preventive care**, including vaccinations.

To **optimize digital health opportunities**, investing in digital literacy for both patients and healthcare professionals is crucial. This approach can reduce the need for treatments and hospitalizations, yielding long-term cost savings and improving the popula-

tion's health, positively impacting Belgium's economy. Achieving this requires an **innovative reimbursement model** incentivizing preventive care and value-based outcomes, necessitating a financial system change in the healthcare sector for enhanced efficiency and effectiveness, ensuring resources are allocated effectively.

Belgium should attract companies seeking to introduce pioneering healthcare solutions, establishing itself as their preferred destination.

Let's invest



The United States has an enduring role as Belgium's primary foreign direct investor and trade partner with a remarkable **annual €62 billion in Foreign Direct Investment.**

In today's geopolitical and economic context dynamic economic landscape, standing still equates to falling behind. Belgium must act decisively to secure its position, as international investment opportunities, including those in neighboring European countries, present enticing alternatives.

The risk of losing ground is already palpable. In this context, it becomes vitally important for Belgium to take proactive steps to maintain its appeal as an investment-friendly destination. To keep ground, AmCham Belgium strongly recommends to (i) ensure efficient permitting processes, competitive energy supply and strong logistics capabilities, (ii) ensure the predictability and stability of the legal and taxation systems, and (iii) refrain from imposing more stringent requirements compared to EU peers.

1 Ensure efficient permitting processes, competitive energy supply and strong logistics capabilities

As our member companies aspire to innovate, digitize, and meet robust sustainability ambitions, the Chamber urges Belgium and its regions to seize this transformative opportunity. The goal is to attract future investments by **securing essential prerequisites and shaping a forward-looking landscape.** Empower the investors with a true "license to operate" with swift and efficient permitting

processes - saving both time and resources -, by securing (sustainable and renewable) energy supply - the beating heart of our economy - at competitive costs compared to neighboring countries, and last but not least by increasingly positioning and developing Belgium and its regions as an efficient logistics gateway to Europe as part of an overall value chain.

2 Establish a predictable and stable framework to attract long-term investments

Even if Belgium and its regions boast strong assets, **local management cannot persuade their headquarters to commit to long-term investments without a predictable and stable framework.** The extent of the disturbance caused when corporate headquarters become aware of new legislative proposals being considered by the government, **especially**

when they apply retroactively, should not be underestimated. Even if these are mere speculative ideas, they pose a significant threat to potential investments. Along the same lines: a pro-active and constructive treatment of investors by public authorities but can be extremely valuable to solidify the investors' commitment to Belgium.

3 Refrain from imposing more stringent requirements compared to EU peers

As Belgium seeks to differentiate itself as a prime investment destination, it is critical to refrain from imposing more stringent requirements and tax measures than those prevalent in other EU countries. Frequently, local management finds itself vying for investments in a competitive landscape that involves other Euro-

pean countries, especially neighbors. **The preservation of equitable conditions necessitates avoiding gold-plating.** This also implies that Belgium should **steer clear of acting in isolation by unilaterally adopting new legislation** while ongoing EU-level discussions are in progress.



- ✓ Belgium's primary foreign direct investor
- ✓ Belgium's primary trade partner

THE +900 US COMPANIES IN BELGIUM ARE

→ **INVESTORS**

€6.2 billion annual foreign direct investments

→ **INNOVATORS**

€2.2 billion annual R&D investments across industry sectors

→ **JOB CREATORS**

117.000 direct jobs generating a multitude of indirect jobs

They act as a catalyst, propelling the broader ecosystem, impactfully contributing to the economic growth of Belgium and its regions.

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HOW DO WE BECOME THE MAGNET FOR THE ENTERPRISES OF TOMORROW?

MARKETING & SALES CHANNELS TO EU/EMEA

REGIONAL SUPPLY CHAIN & LOGISTICS HUBS

ADVANCED MANUFACTURING FACILITIES

CUTTING-EDGE R&D CENTERS

REGIONAL DECISION CENTERS

Talent

- Prepare a future-ready workforce to drive Belgium's productivity growth
- Establish fast-tracks to win the war on international talent
- Implement strategic employment cost reforms to close the gap with our neighbors

Innovation

- Foster research centers to attract cutting-edge advance-ments
- Safeguard intellectual property rights to drive innovation
- Attract innovative healthcare solutions

Investment

- Ensure efficient permitting processes, competitive energy supply and strong logistics capabilities
- Establish a predictable and stable framework to attract long-term investments
- Refrain from imposing more stringent requirements compared to EU peers

Let's co-create and seize the and promising now, united in purpose and ambition, moment to shape a prosperous future for Belgium and its regions.

