Interview: Jacques Evrard, Managing Director, Brussels Invest & Export, Belgium

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The managing director of Brussels Invest & Export discusses Belgium's unique attractiveness when it comes to the life sciences, and which countries and companies are interested in investing in the pharmaceutical sector in the country and why.

jacques-evrard-managing-director.jpg

After its creation in 2003, Invest in Brussels joined forces with Brussels Export to form the Brussels Invest & Export agency in only 2011. What was the motivation behind this move and what is the renewed strategic focus of this organization?

Then decision to merge basically boiled down to coverage. That is, since both agencies were utilizing the same distribution channels abroad with our network of trade commissioners in over 80 countries, it was logical that we united to report to a singular authority for increased efficiency. In addition to this, it was decided that such a measure was necessary in order to devise a central and current strategy with respect to the promotion of exports on the one hand and the attraction of Greenfield foreign investments on the other hand. After all, a good proportion of companies that invest in Belgium will also engage in export activities.

Today, Brussels Invest & Export is essentially a support services organization catering to the needs of targeted investment or export orientated entrepreneurs and enterprises, with a special emphasis on Greenfield investments. In other words, we are targeting investments that have the capacity to

stimulate employment and generate economic activity.

What would you say makes the Brussels region such an attractive investment destination for the life sciences industry?

A key feature of the Brussels region is the presence of its three reputed universities (ULB – l'Université libre de Bruxelles, UCL – Université catholique de Louvain and VUB – Vrije Universiteit Brussel), each with its own medical faculty conducting significant medical research. In fact, this endows the Brussels region with the highest concentration of research activities in the country, particularly in the field of life sciences research. Consequently, these research activities have attracted a significant amount of clinical research activities which has grown to become an integral part of life sciences activities in Brussels. However detailing the exact benefits derived from these research activities is difficult since quantifying the direct or indirect economic benefits of these research activities is rather challenging.

On the other hand, from the perspective of the legal environment, Brussels is fortunate to host a number of international decision making institutions including the EU Commission, among many others. Hence, considering that most of the decisions that impact the lives of European citizens are taken in Brussels, the proximity of life sciences companies to the EU's regulatory epicenter is critical as it enhances their legal position in the decision making process and their lobbying power. Although this is not directly related to research activities, the two subjects most certainly share a common link. In addition to this, the EU Research Framework Program provides the stimulus for research activities in the EU, which is of course of great importance to the life sciences industry.

Precisely from where is the majority of life science investments coming from is and what trends do you see occurring in terms of investor types?

Broadly speaking, approximately 40% of the inward investments stem from the United States and France. However, it is worth noting that a vast majority of investments originate from small and medium sized enterprise (SME's) that have the potential to become, or are already, leading specialists in their field. Such companies consider Brussels as an ideal launching pad for their development in the European market place. Put simply, this is because establishing a business in Brussels is effortless and inexpensive in addition to its geostrategic location at the heart of Europe.

Considering that the Life Sciences industry directly employs well over 2,000 people in the Brussels region, to what extent is the attraction of life science investments a priority for you relative to other industries?

Life science based investments are indeed considered of strategic importance to the region. This is because Brussels already has a strong network of pharmaceutical organizations as well as medical research universities. To that end, we have implemented a regional strategy for the promotion of

innovation which has ear-marked three distinct sectors, one of which is linked to the life sciences industry. That is, considering the capacity of these academic institutions to produce pioneering research in the life sciences field, we are actively encouraging innovation in the field. Consequently, we can expect that university spin-offs are created as a result of research activities, which in turn help to generate economic activity and create job opportunities. For instance, Euroscreen (a private Belgian, preclinical-stage, Drug Discovery and Development Company targeting G-Protein-Coupled-Receptors) is one success story that was a spin-off of the ULB and has grown to become a successful company based in Brussels and the Charleroi Science Park.

Can you outline to our readers the key of services you offer and highlight how they are value adding to your potential or existing investors?

As the agency responsible for attracting investments and encouraging export activities, we can be considered as the first entry point for potential investors. In fact, we offer foreign companies the opportunity to test Brussels as a business location for three months by proposing to them the Brussels Business Welcome package which entitles them to office space in a number of locations and access to a broad range of services, free of charge.

In addition to this, we have a rich pool of experienced professionals with a solid background in the corporate sector and expertise in the investment process. They can provide potential investors with the assistance they need to speed up procedures and connect them to the right people at the relevant government departments, regional institutions, associations and professional organizations. Hence, our role is to assist new comers in establishing their presence here, right from the moment they contemplate making the move until they have settled in.

Following their establishment, we connect these companies to our partner organizations, such as the Brussels Enterprise Agency (BEA), who put them in touch with the economic branch of their specific sector and assist them in locating the right partners in any domain including commercial, legal or technical. Similarly, we also invite all life sciences organizations to join the Brussels LifeTech cluster. This presents potential investors with limitless opportunities as the cluster gathers the biotech, pharma and medical technologies players of the region and aims at stimulating innovation, encouraging international partnerships and generating synergies between the players.

What exactly can the Brussels LifeTech Cluster offer to life science companies?

The Brussels LifeTech Cluster is supported by the Life Technologies Business Unit of the BEA. It gathers the biotech, pharma and medical technologies players of the region and aims at increasing the visibility of the Brussels know-how, stimulating innovation, encouraging international partnerships and generating synergies between the players. Moreover, the Brussels LifeTech Cluster organizes monthly meetings for its members to initiate the networking between the regional players. Today, the cluster is composed of 300 companies active in biotech, pharma and medical

technologies in addition to 3 universities, 3,000 researchers and 5 university hospitals to help and accelerate and promote research activities.

Likewise, there is a similar initiative named Healthcare Belgium which is a non-profit organization established in 2007 by the most prominent Belgian hospital groups. Healthcare Belgium holds a multitude of international collaboration agreements at the level of the Ministries of Health, academic institutions and hospitals. The organization receives substantial support from the Federation of Enterprises in Belgium (VBO-FEB) and leaders of the medical technology industry in Belgium. Healthcare Belgium offers unique collaboration opportunities including academic and clinical knowledge transfer, health technology implementation and patient treatments.

Can you describe some of the other most important partnerships Brussels Invest & Export maintains with academic, governmental or commercial organizations to maximize investment growth and efficiency and increase its exposure abroad?

Indeed, we are actively working in close collaboration with a number of institutions and organizations to enhance the regions appeal and international exposure. For instance, we are working closely with the Brussels based universities to export their know-how and accompany us in a range of trade missions. Likewise, the Brussels Enterprise Agency (BEA) is another key partner of the investment and trade agency, as is the Brussels Chamber of Commerce (BECI). Furthermore, we are collaborating with professional organizations such as Essenscia, a multi-sectorial umbrella organization that represents the numerous sectors of activities in the field of chemicals and the life sciences, and Agoria, the Federation for the Belgian Technology Industry, which is also Belgium's largest employers' organization and trade association.

Similarly, we also work in close cooperation with agencies comparable to our own with the overall aim of promoting the B2B potential for exports. In this context, we have established a rich network of international trade representative abroad on the one hand, but also with multipliers such as banks, insurance providers and consultancies for instance.

Generally speaking, the region of Flanders has opted for a greater orientation towards export related activities, while Wallonia on the other hand seems to place a greater emphasis on R&D. In that respect, is there a specific life science activity that the Brussels capital region is interested in attracting?

As the investment and trade agency of the Brussels capital region, we generally aim to attract solid activities such as operational headquarters or central sales offices for the entire European region. In doing so, we are leveraging Belgium's geostrategic positioning, strong communications network and logistical infrastructure as a springboard for pan-European development activities. These characteristics enable expatriates in Belgium to travel with relative ease to any country or major city in the region to conduct their business activities and return all within the same day.

In addition to this, Belgium offers a highly attractive tax regime for expatriates, assuming certain conditions are satisfied. This special expatriate tax regime offers two important tax advantages to foreign executives. First, foreign executives on temporary assignment qualify, for Belgian tax purposes, as non-residents. This means that only the expat's income related to his activities in Belgium and his other Belgian source income will be taxed. Second, within certain limitations, reimbursements of expenses incurred by the employee as a result of his temporary stay in Belgium are not taxable.

Furthermore, I believe that Belgium possesses a number of 'soft' attributes that make it a very humane and culturally diverse country. This is an important element since it allows expatriates living in the country to effortlessly integrate into the local society and enjoy a much more livable life compared to Paris or London for instance.

Mr Evrard, as the Managing Director of Brussels Invest & Export, what strategic goals and priorities would you like to achieve over the next 2 years?

One of my primary objectives is to establish and embed the presence of our network across the key markets for the Brussels region. Currently, these markets are composed of the neighboring countries (including the Netherlands, Luxembourg, Germany, France and the UK), the US as well as emerging economies across the world. In those countries, I intend to position our representatives close to where the potential investors are located. More specifically, alongside our two key markets of France and the US, we have identified and targeted a dozen strategic markets where we intend to focus our activities and establish a strong presence. These include, but are not limited to, India, China, Russia, Turkey, Israel, etc…

In addition to this, we intend to convey the message that companies seeking to establish a presence here can expect to benefit from a being in a small country like Belgium that creates an element of European added-value to an investment. That is, I believe that if a company choses to invest in Germany or France, for instance, then they will more often than not be perceived as a German or French company. Interestingly however, companies that have established their operations in Belgium are more likely to be viewed as European organizations. Ultimately, I believe that this can be advantageous to businesses since it can compound the ease of establishing ones operations in emerging economies.

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