

CONTEXTUAL RESEARCH
&
SUPPORTING MEASURES





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MRE REGION BERINGEN - GENK
RESEARCH & POSSIBILITIES

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A.
CONTEXTUAL RESEARCH

BLUE BANANA



THE ECONOMIC HEART OF EUROPE

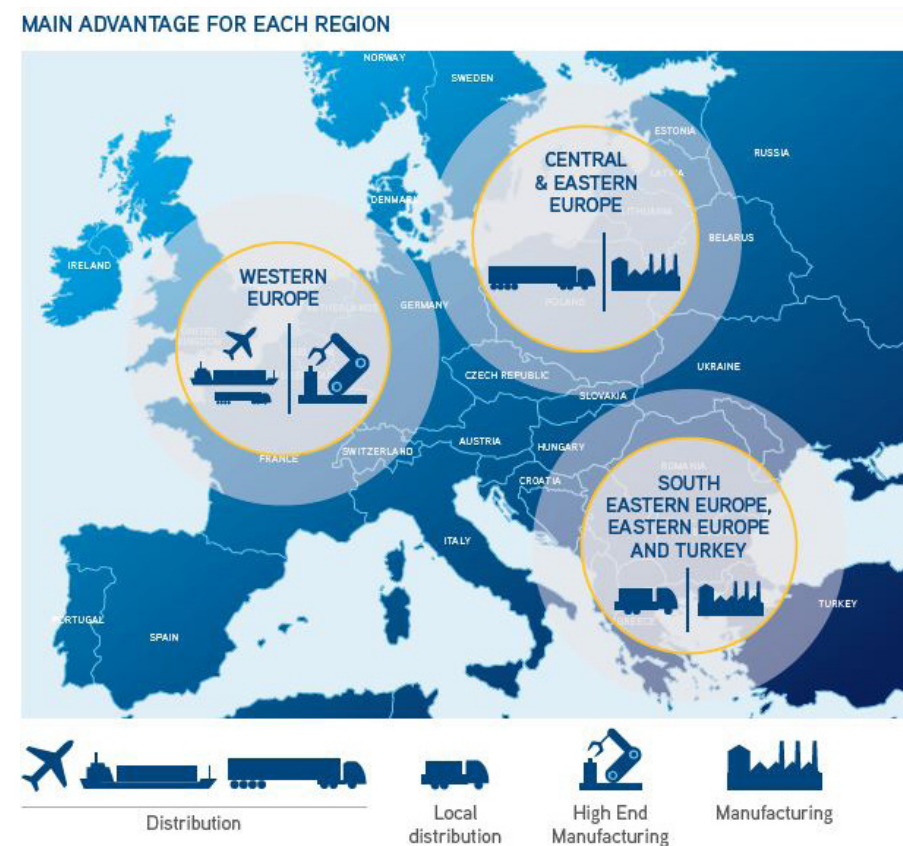
Beringen and Genk are part of the so-called ‘Blue Banana’, which refers to the cities are strategically located at the economic heart of Europe, which spans the conurbation of cities stretching from the Netherlands, Belgium, Western and Southern Germany down to Switzerland and Northern Italy. Being the most densely populated and richest area in Europe, it is the logical choice for those companies seeking to reach the largest number of customers as quickly and readily as possible.

From Antwerp, for example, approximately 143 million people can be reached by lorry within 9-hours. This number increases to 153 million from Liege, 163 million from Dusseldorf and to 190 million people from Frankfurt, which posts the highest population within its catchment among all the cities considered, equal to three times the size of the UK’s population. In terms of GDP, this amounts to over 6,000 billion euros—three times the nominal GDP of France.

The high score of most “Blue Banana” cities in this scenario has also to do with their privileged position near some of Europe’s largest freight airports and seaports, which function as gateways towards non-EU markets and through which a large proportion of the goods leaving or entering the continent transit. For many companies, having their distribution centres located not too far away from these points of entry is an important factor deciding a location.

Antwerp tops the table, followed closely by Rotterdam, Brussels, Dusseldorf and Hamburg. The first non-Belgian-Dutch-German city is Lille in 9th position.

(source: *colliers international*)
www.colliers.com/research



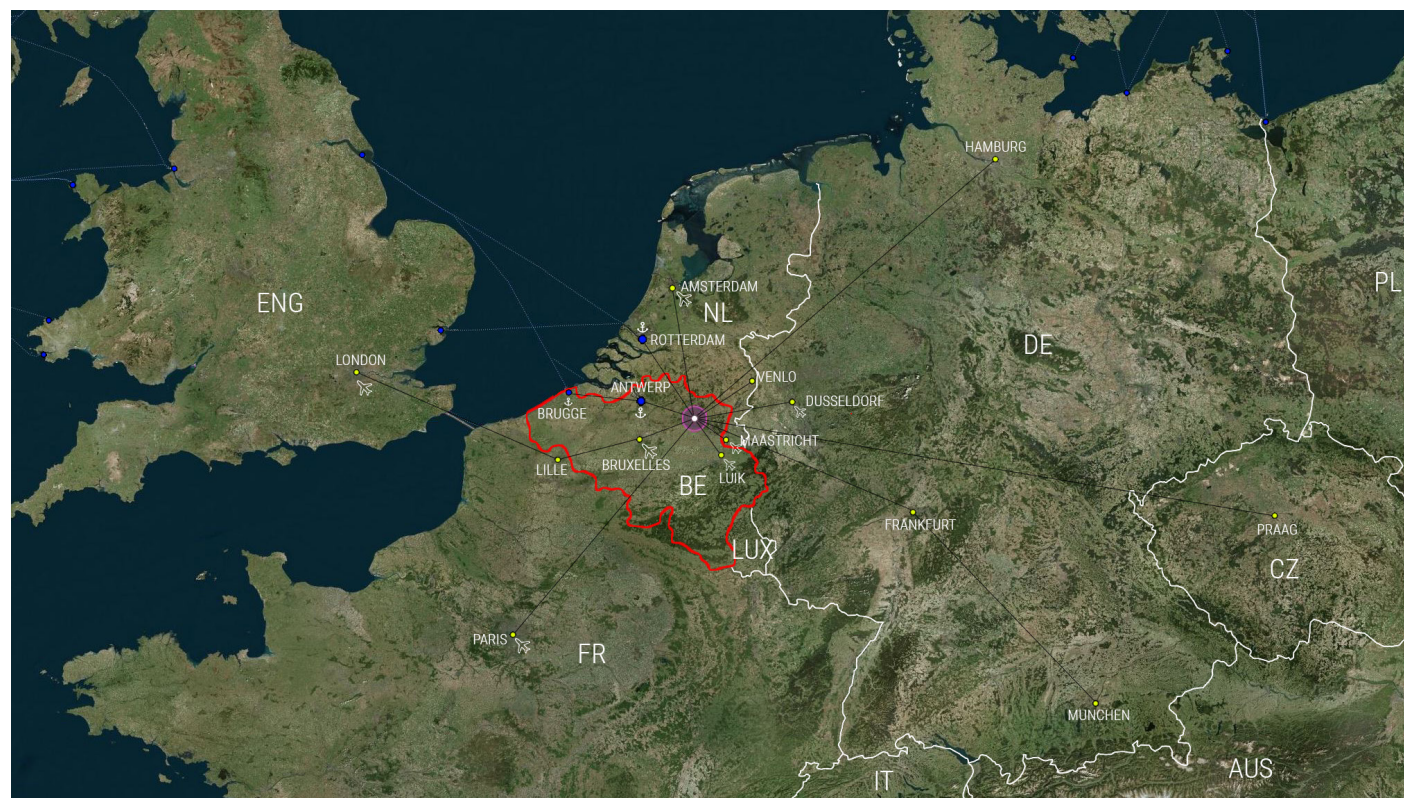
INDUSTRIAL HERITAGE

Interestingly, all the Western European cities in the top league have a distinct industrial heritage: some of them have partly managed to preserve it, in some cases by reorienting their specialization towards higher added value industrial production, not least through publicly-funded incentive schemes. Some, on the other hand, have struggled to cope with competition from typically lower cost geographies and have seen their industrial base thin out.

The province of Liege, in Belgium, for example, has historically been an important metallurgical centre in Belgium and Europe. Although metallurgy still remains one of the drivers of local industrial production - with Arcelor Mittal maintaining a notable presence in the area - new “high-tech” industries such as aerospace, biotechnology and chemistry have also been developing.

What comes out clearly is Western Europe’s appeal as a platform for pan-European distribution activities, for the reasons previously discussed. Every other region scored higher in our manufacturing scenario, yet Western Europe is starting to see a revolution in the growth of higher-end manufacturing. Particularly for products well suited to the local market

(source: colliers international)
www.colliers.com/research



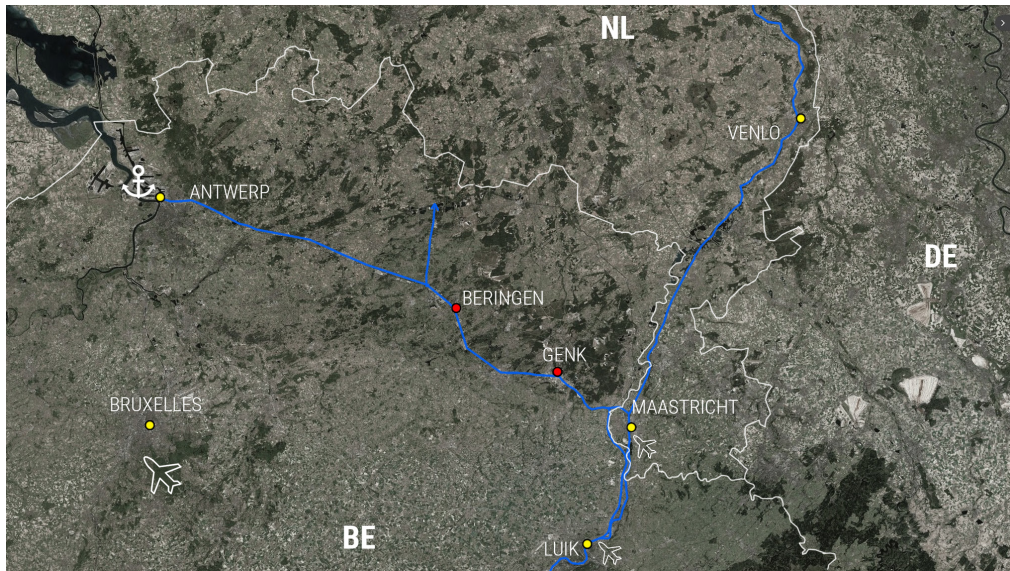
SCALE OF EUROPE - CONNECTIVITY TO TOP DISTRIBUTION MARKETS

FROM MACRO TO MICRO

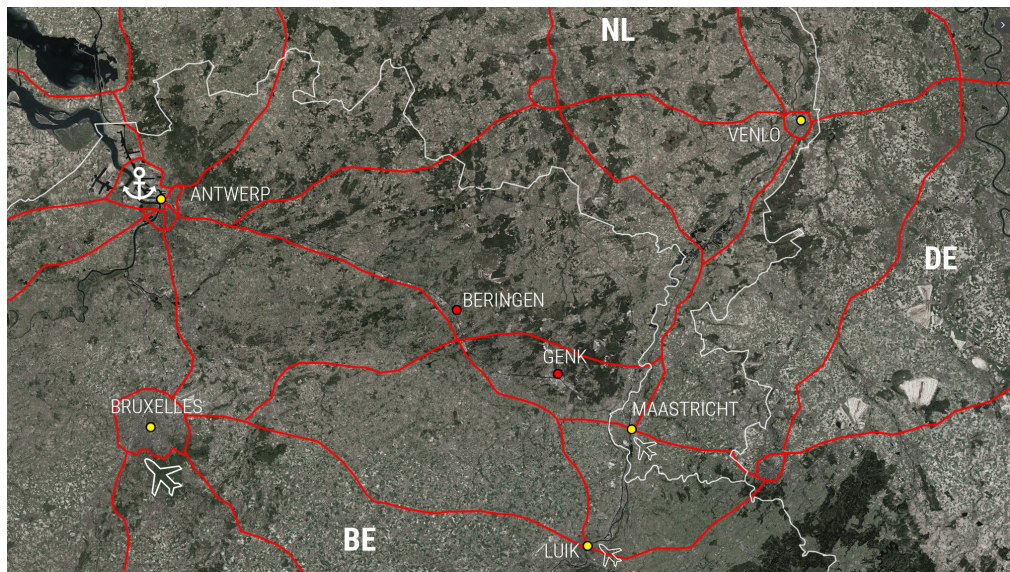
The following part will consist of an in-depth site analysis on different scale levels, ranging from the macro scale of Europe to micro scale of the project site.

All relevant connecting hubs will be depicted to give a sense of connectivity which is formed by the proximity of airports, ports, railroad, main roads and waterways.

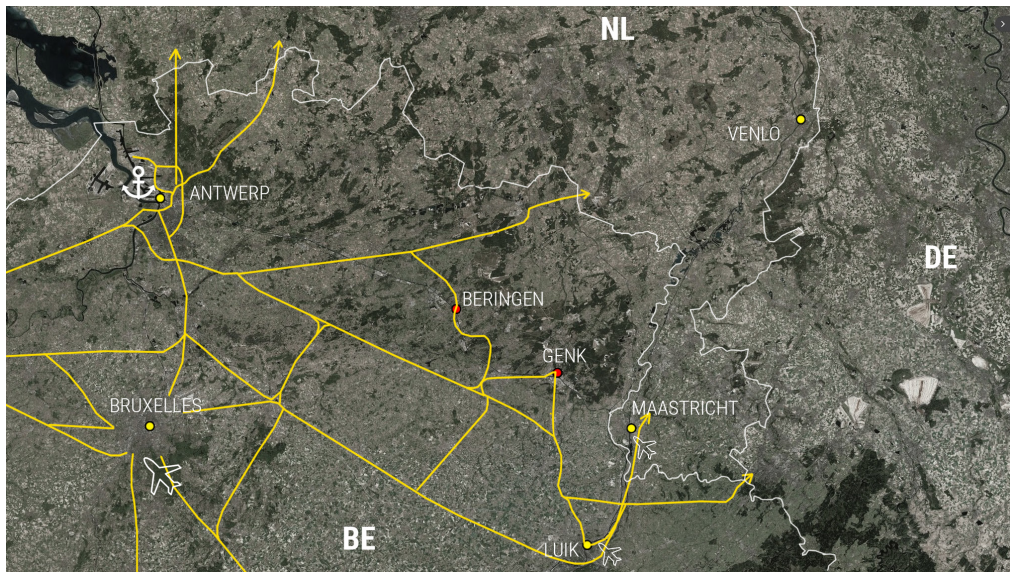
As the research above stated, due to its centrality and connectivity, the sites contain many possibilities and potentials regarding logistics and distribution.



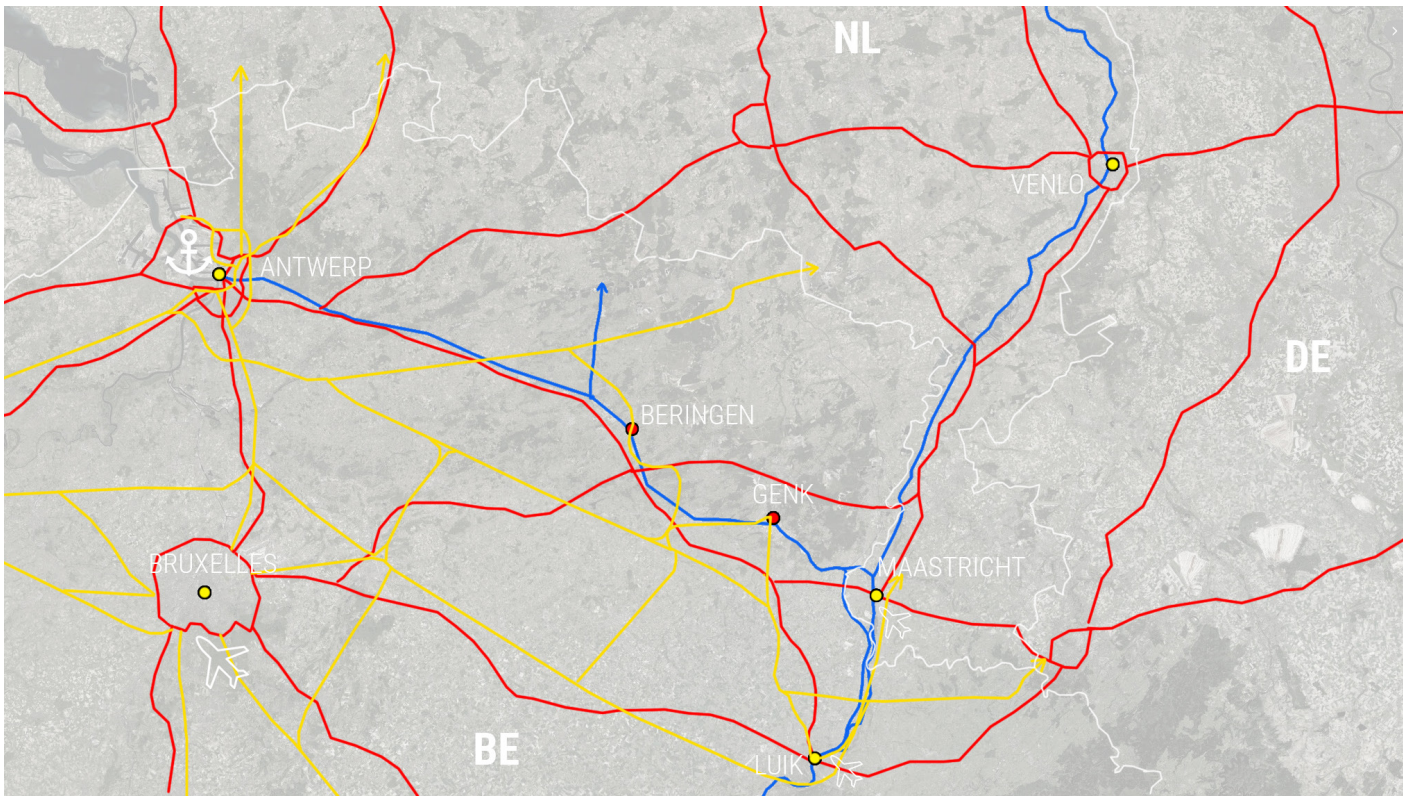
WATERWAYS



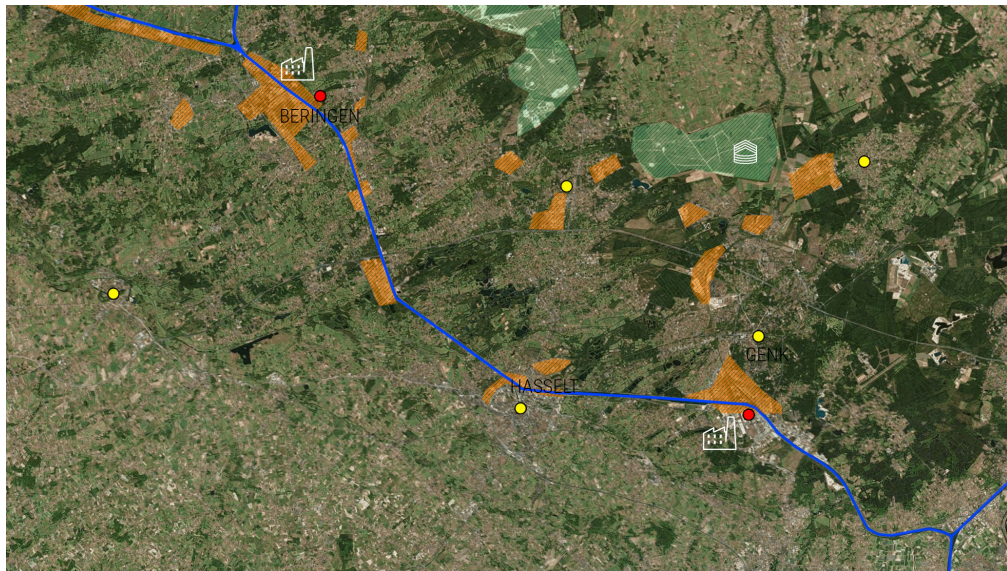
MAIN ROADS



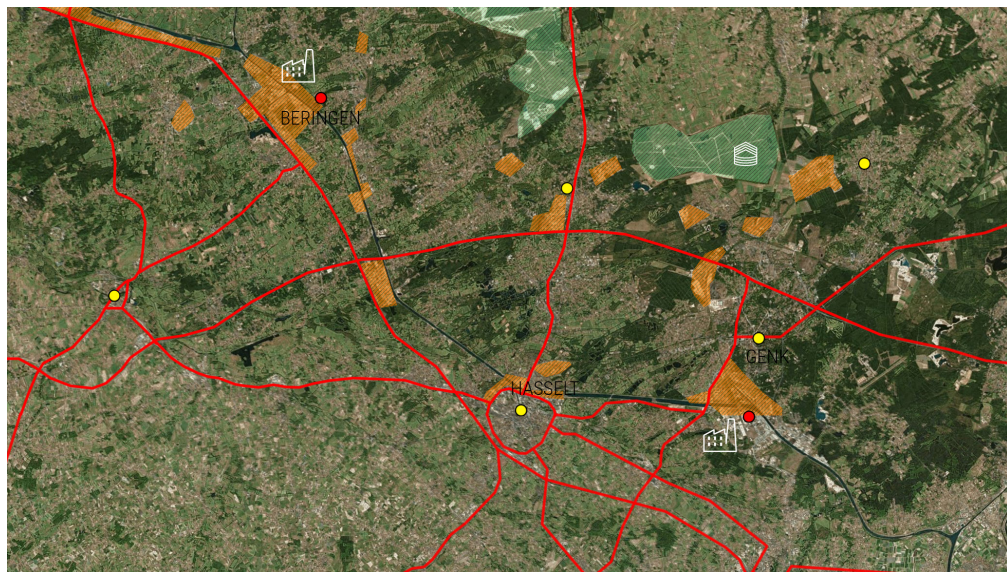
RAILWAYS



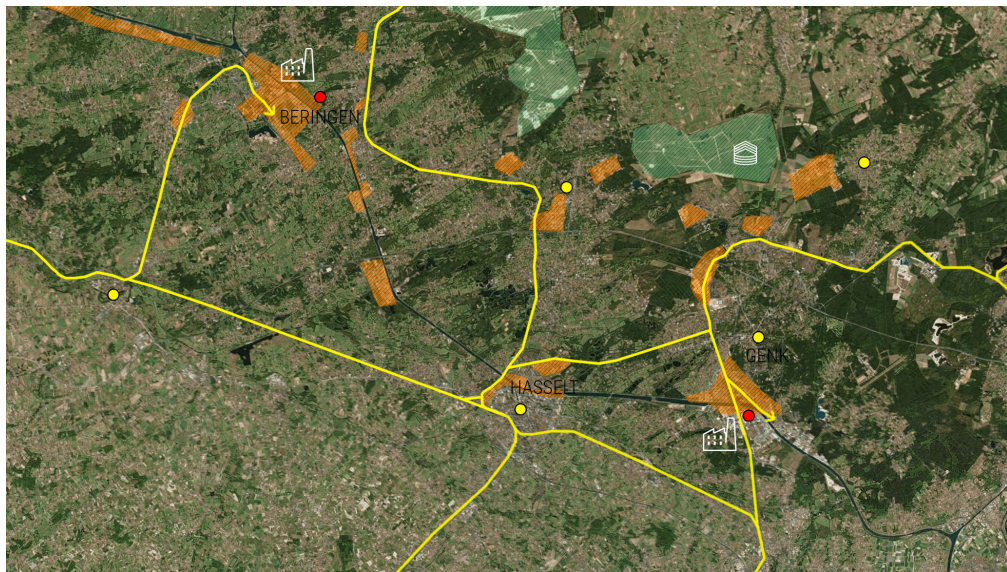
SCALE OF BELGIUM - MAIN CONNECTION POSSIBILITIES



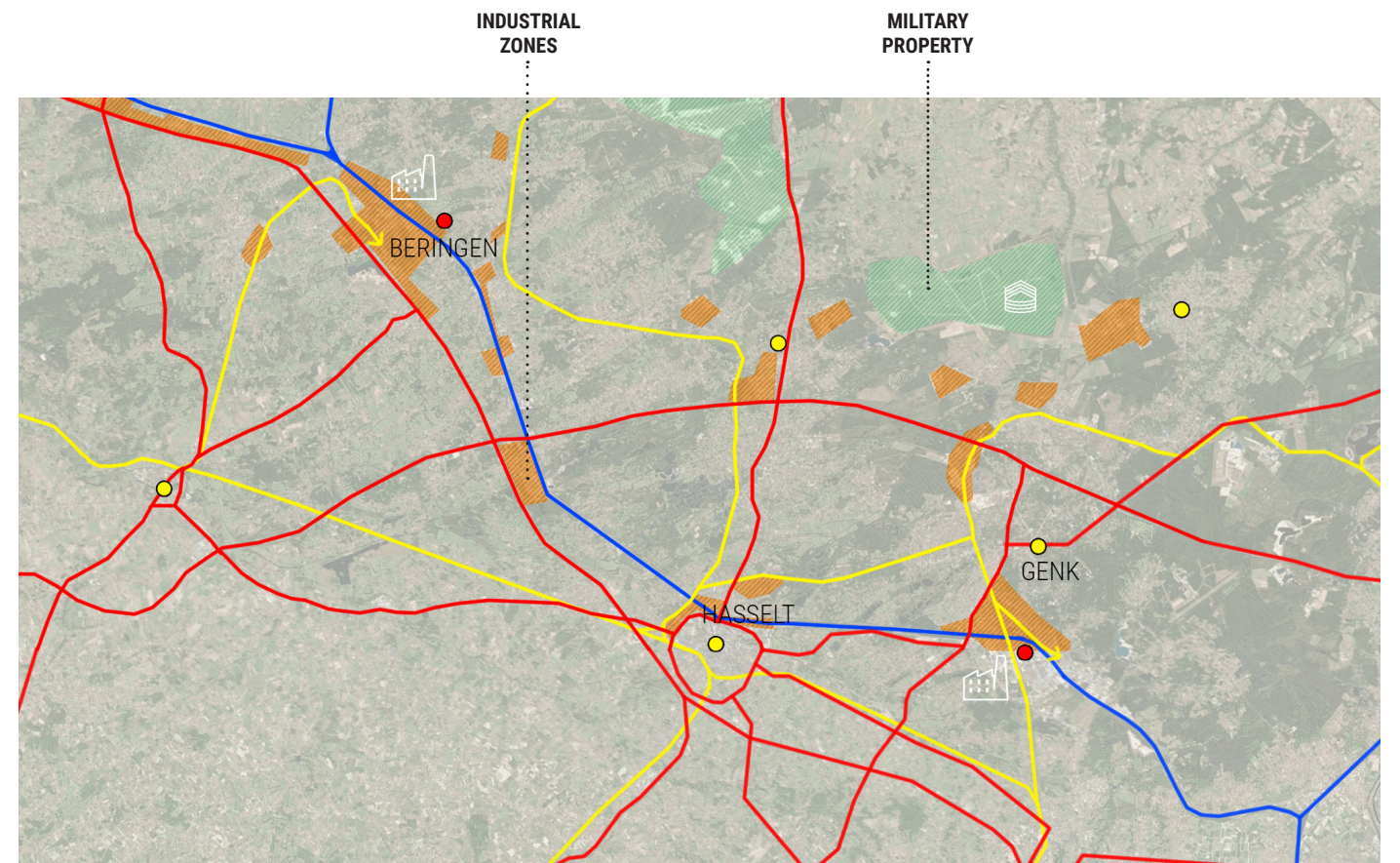
WATERWAYS



MAIN ROADS



RAILWAYS



SCALE OF BELGIUM - INTER CONNECTIVITY BETWEEN THE SITES & THE INDUSTRIAL ZONES

B.
SUPPORTING MEASURES

B.1

LOGISTIC HOTSPOTS IN FLANDERS

FLANDERS INNOVATION & ENTREPRENEURSHIP
(source: www.vlaio.com/english)



Logistic Hotspots in Flanders

Map version 01-02-2016

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www.vlaio.be/en - invest@vlaio.be

Source: Extended Gateway Vlaanderen, Vlaams Instituut voor de Logistiek 2009
Although Flanders Innovation & Entrepreneurship strives for utmost correctness and accuracy, it can in no way be held responsible for possible incompleteness or incorrect information.

LEGEND

- Seaport
- Airport
- Primary hotspot
- Secondary hotspot
- Highway
- Railway
- Waterway



Flanders
State of the Art

FLANDERS INNOVATION & ENTREPRENEURSHIP

B.2

STRATEGIC TRANSFORMATION SUPPORT (STS)

FLANDERS INNOVATION & ENTREPRENEURSHIP
(source: www.vlaio.com/english)

Strategic Transformation Support (STS)

What does this measure entail

By means of this measure enterprises or groups of enterprises that make sizeable commercial investments and educational efforts in the Flemish Region in the framework of a strategic transformation project can receive financial support. The transformation project must make a significant contribution to the strengthening of the economic fabric in Flanders, which may involve:

- investments in strategic clusters and lead plants in Flanders;
- supporting the international growth of innovation-oriented SMEs in Flanders;
- supporting transformational investments that realise the sustainable anchoring of significant employment in Flanders.

Who is eligible

Both individual enterprises and cooperating enterprises can submit an application.

With regard to individual enterprises:

- both SMEs and large enterprises located anywhere in the Flemish Region qualify for educational support;
- for investment support:
 - SMEs located throughout the Flemish Region qualify
 - large enterprises only qualify if they are headquartered in the regional support zones. This relates to:
 - > for Antwerp: Balen, Dessel, Mol;
 - > for Limburg: As, Beringen, Bilzen, Borgloon, Bree, Dilsen-Stokkem, Genk, Ham, Hechtel-Eksel, Heusden-Zolder, Houthalen-Helchteren, Herstappe, Kinrooi, Lanaken, Leopoldsburg, Lommel, Lummen, Maaseik, Maasmechelen, Opglabeeek, Sint-Truiden, Tessenderlo, Tongeren, Zutendaal;
 - > for East Flanders: Assenede, Eeklo, Kaprijke, Maldegem, Ronse, Sint-Laureins, Zelzate;
 - > for West Flanders: Diksmuide, Lo-Reninge, Ypres, Middelkerke, Oostende, Wervik.

With regard to cooperating enterprises:

- the cooperation must consist of at least three enterprises that are not partner or associated enterprises. These enterprises must not be part of the same business group.

Only enterprises that carry out an acceptable principal activity can apply for support (a list of NACE codes can be obtained from Enterprise Flanders).

Which expenses are eligible

Expenses related to high-risk projects in the context of a planned transformation scheme qualify. Over a period of three years, the qualifying educational costs and the qualifying investment amounts must at least be equal to the entry thresholds.

The entry thresholds depend on the type of support (education or investment support), the size of the enterprise (SE, ME or LE) and whether or not the support application is being submitted by cooperating enterprises:

Project submitted by	minimal education costs	minimal investment sum
an individual small enterprise (SE)	€ 100,000	€ 1 million
an individual medium-sized enterprise (ME)	€ 200,000	€ 2 million
an individual large enterprise (LE)	€ 300,000	€ 3 million
cooperating enterprises, all SEs	€ 300,000 (*) (**)	€ 3 million (*) (***)
cooperating enterprises, including at least one ME	€ 400,000 (*) (**)	€ 4 million (*) (***)
cooperating enterprises, including at least one LE	€ 700,000 (*) (**)	€ 7 million (*) (***)

(*) minimum amount per project; (**) minimum € 50.000 per applicant; (***) minimum € 500.000 per applicant

Only the investments and education that are essential for the implementation of the transformation project qualify. The applicant must also demonstrate that the support applied for is essential and has a boosting effect.

B.3
WITHHOLDING TAX EXEMPTION IN
SPECIFIC ECONOMIC AREA

ENTERPRISE FLANDERS
(source: www.vlaio.com/english)

Withholding tax exemption in specific economic area

What does this measure entail?

This is a measure to support areas affected by a number of severe collective redundancies.

Flanders has defined two areas at present: one surrounding Genk and another surrounding Turnhout. Businesses investing in these 'specific economic area' will be exempted, subject to specific conditions, from paying 25% of payroll tax for a period of 2 years, for every additional working place that remains in place for several years.

The discount equates to a 4-5% saving on wage costs and also applies to job opportunities lost in the case of being acquired by investment in a takeover.

Who is eligible?

This discount is applicable to SMEs that invest in an area of disruption and create new jobs. These areas include all industrial premises in a 40 km area around Genk and Turnhout.

Large businesses will be eligible for this support if the area of disruption also coincides with the 'regional support map' and if their investment relates to new locations and new activities for existing sites.

Companies will only be eligible if they are creating additional jobs at a site in an industrial area located within the defined area:

- Companies may not have 25% or more of their capital or voting rights owned by public authorities;
- Companies must also not be undergoing proceedings under the Belgian Business Continuity Act and will also not be eligible if losses incurred have caused their net asset value to fall to less than half of the fixed element of share capital;
- Some sectors are excluded: fisheries, aquaculture and production of agricultural products. For large companies, exclusions also apply to the iron and steel sector, the synthetic fibres industry, the coal industry, the shipbuilding industry, the transport industry and associated infrastructure and energy production, energy distribution and energy infrastructure.

In order to receive support, the investment must have been granted regional support before it takes place (or be pending approval at the time of submission of the application for support in area of disruption).

What is eligible

In order to be eligible, investments in tangible and intangible fixed assets must be related to:

- Setting up a new establishment;
- Increasing the capacity of an existing establishment (this does not apply for large companies);
- Diversifying production into products that were not previously manufactured. A fundamental change in the total production process of existing companies. (This does not apply for large companies);
- Acquiring tangible or intangible fixed assets of an associated or non-associated third-party employer due to closure, judicial reorganisation or bankruptcy (all jobs will be treated as new jobs).

Amount of aid

The support consists of temporary exemption from payment of 25% of payroll tax, on wages that:

- Are related to or resultant from an investment;
- Are related to newly created jobs (total number of employees must increase compared to the 12 months prior to making the investment);
- Are filled after completion of the investment but no more than 36 months after the date of completion;
- Are paid within the 2 years following the moment that the new job was filled.

This support may be combined with the arrangements for shift/night premiums and with the arrangements for partial exemption as an overall structural tax reduction.

Exemption is limited to a maximum of € 7.5 million per investment.

For large companies, it is compulsory to take the European maximum support ceilings into account if the company is also receiving support in the form of Strategic Transformation Support (because the maximum ceiling of 10% support cannot be exceeded).



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