

BELGIUM SITS AT A CROSSROADS IN EUROPE WHERE MARITIME AND OVERLAND TRADE ROUTES MEET, AND IN ZEEBRUGGE IT HAS A KEY ENERGY DISTRIBUTION HUB. ADD TO THESE STRENGTHS THE COUNTRY'S COMPETITIVENESS AND MODERN APPROACH TO BUSINESS, AND IT IS CLEAR THAT A BRIGHT FUTURE LIES AHEAD

# GATEWAY TO EUROPE



PHOTOS: ISTOCK.COM/ZIUTOGRAFI, © FRANCOIS LENOIR/REUTERS/CORBIS

BELGIUM IS A SMALL COUNTRY with a big strategic location. Perched on the edge of the North Sea, at the crossroads of western Europe, it occupies a location that is excellent for international trade, making its capital, Brussels, the natural home to the headquarters of the European Union (EU) and the North Atlantic Treaty Organisation (NATO). Most of Western Europe's capital cities are within 1,000km of Brussels.

That strategic location, so valuable for trade, has also sometimes made Belgium a battleground for its neighbours; in the 20th century it was ravaged by two world wars. But it's also a hugely resilient country, and in the last 50 years it has enjoyed an economic boom; its economy is mature and technologically advanced, mostly in private ownership, and its workforce is multilingual and highly skilled. The World Trade Organisation ranks Belgium 13th in the world for both exports and imports, and it is in the top 20 countries in the 2014–15 Global Competitiveness Index.

**A DIVERSE POPULATION, A DIVERSE ECONOMY**

The country has always been culturally and economically diverse. Modern Belgium is a federal state made up of three regions: Dutch-speaking Flanders in the north, French-speaking Wallonia in the south, and Brussels, the bilingual capital. The French and Dutch languages have equal status. There's also a small German-speaking population of around 70,000 near Belgium's border with Germany.

Today, more than 70 per cent of the workforce is engaged in services and some 25 per cent in industry, but in the past Belgium's wealth was derived from a mix of industries and international commerce. For example, Antwerp, in the north, has been an important diamond trade centre since the 15th century: more than 80 per cent of the world's rough diamonds, 50

per cent of cut diamonds and 40 per cent of industrial diamonds are traded here. The city also has Europe's largest petrochemical plant and its second largest port. And Liege, in the south-east, is the country's steel-making centre, fuelled in the past by its coalfields and becoming the first region in mainland Europe to adopt the industrial revolution. Large-scale steel manufacture is now in decline, but a new generation of high-tech small businesses is emerging across the country, innovative and strongly supported (often as spin-outs) by private and university research centres, and intensive R&D activity. Among the high-added-value sectors involved are aeronautics and aerospace, life sciences, transport and logistics, agro-industry, nanotechnologies, green chemistry and sustainable materials.

Belgium's principal trading partners are the EU nations – including immediate neighbours Germany, France and the Netherlands – which make up 70 per cent of the country's export market and supply 68 per cent of its imports. Belgium also exports significant volumes of goods and services to the United States, India, China and Switzerland, and imports from the United States, China, the Russian Federation and Japan.

With such close ties to its EU trading partners, Belgium's transport infrastructure is an important asset. The country was an early adopter of rail, building a large-scale railway network whose lines radiate from Brussels to serve the main routes to France, Germany, the Netherlands and ports handling cross-Channel traffic. It was also the first country to complete its border-to-border high-speed train network, connecting western Europe and the UK through its Brussels hub. Another legacy of Belgium's industrial past is its highly developed network of inland waterways for transporting heavy goods. Unfortunately, its road infrastructure, although also highly developed, is the most congested in



BELGIUM	
<b>Location</b>	Western Europe, on the North Sea coast, bordered by France, the Netherlands and Germany
<b>Land area</b>	30,528 square km, 141st largest in the world*
<b>Capital</b>	Brussels
<b>Population</b>	11.08 million**
<b>GDP per capita</b>	US\$37,800*
<b>Government</b>	Constitutional monarchy, federal government

Above, left: European Parliament Above, right: inspecting a 5.46-carat diamond at the HRD Antwerp Institute of Gemmology Opposite, clockwise from top right: electric trams in central Ghent; houses in the old town of Antwerp; the Maison du Roi, Brussels; a German ICE high-speed train at Liège-Guillemins; the European Parliament buildings



**// BELGIUM'S ECONOMY IS MATURE AND TECHNOLOGICALLY ADVANCED, AND ITS WORKFORCE IS MULTILINGUAL AND HIGHLY SKILLED //**

PHOTOS: ISTOCK.COM/FRANKMEYER, ANDREW AITCHISON/PICTURES/CORBIS; ISTOCK.COM/MIRRIAM-NE; ISTOCK.COM/LUSO; ISTOCK.COM/OLIVER MALMS

Europe. But its North Sea port infrastructure is world-class and includes the LNG terminal at Zeebrugge, which is critically important not only for Belgium but for western Europe as a whole.

**A KEY PLAYER IN EUROPEAN LNG**

For its own domestic and business use, Belgium's electricity generation is dominated by nuclear energy (more than 50 per cent) and natural gas (around 30 per cent), with only small quantities of renewable energy and solid fuels. But the country's seven nuclear reactors are ageing, and there is little government support for nuclear energy. At a wider, EU level, the European Commission's energy policy supports greater diversification of energy supplies, including more use of LNG, to ensure energy security across the 27 EU countries. It also favours LNG for its sustainability credentials, helping the EU to achieve its climate change targets.

So it is no surprise that Belgium is a major importer of LNG – the 14th largest by volume. In 2012 the country imported an estimated 38.9 billion m3. It is also one of the world's largest exporters of LNG, even though it has no natural LNG reserves of its own. Its estimated exports in 2012 amounted to 21.18 billion m3, making it the 18th largest exporter.

These figures are the key to the importance of Zeebrugge. The Zeebrugge LNG terminal is an international facility at the heart of the western European natural gas system: the east-west flow from Russia to the UK and the north-south flow from Norway to southern Europe. The terminal is operated by Fluxys in a private/public partnership with the Belgian government. LNG is traded at the Zeebrugge hub and transported for consumption in Belgium or for onward transmission to other European countries. Zeebrugge is one of the few LNG terminals in the world that can accept all types of LNG carriers, from the smallest bunker ships to Qatar's Q-Flex and Q-Max vessels. Currently, 82 shippers are active in the Zeebrugge area and more than 6,800 million British thermal units (mmBtu) are traded on a daily basis.

**A BAROMETER FOR EUROPE**

Looking ahead to the future, the storms of the eurozone will have an impact in the short term: the BBC news channel describes Belgium as the barometer for the wider EU economy, partly because of its high dependence on healthy EU markets. Some analysts' forecasts are low: the Economist, for example, predicts that growth will remain weak in 2014-15, with the country's economy only growing by 0.2 per cent in 2013.

But the longer term presents a bright future. The World Economic Forum's high ranking for Belgium on the Global Competitiveness Index is based on an outstanding education and training system, with excellent mathematics and science education, world-class management schools and strong on-the-job training. Belgium is also praised for its sophisticated and innovative businesses, for facilitating new business creation and for its high level of technological adaptation, a factor that is reflected in Belgium's commitment to Zeebrugge and LNG.

Consider some of the keywords – competitive, innovative, educated, technologically adapted – in that analysis and it is clear that Belgium has plenty of potential to power ahead.

Jane Chittenden is a business writer and editor for the Institute of Directors in the UK.

**This page, clockwise from top right: high-tech Makrolon plastic roof coverings being produced for modern housing; Doel nuclear power plant; petrochemical factory at Antwerp harbour; cargo ship in Antwerp's container port**  
**Opposite, top right: Fluxys LNG Terminal, Zeebrugge**



**// ANTWERP HAS EUROPE'S LARGEST PETROCHEMICAL PLANT AND ITS SECOND LARGEST PORT //**



PHOTOS: ISTOCK.COM/STUDIO-ANNIKA, PETER GINTER/SCIENCE FRACTION/CORBIS, ISTOCK.COM/MICHAELTECH, ISTOCK.COM/DIGITALIMAGINATION

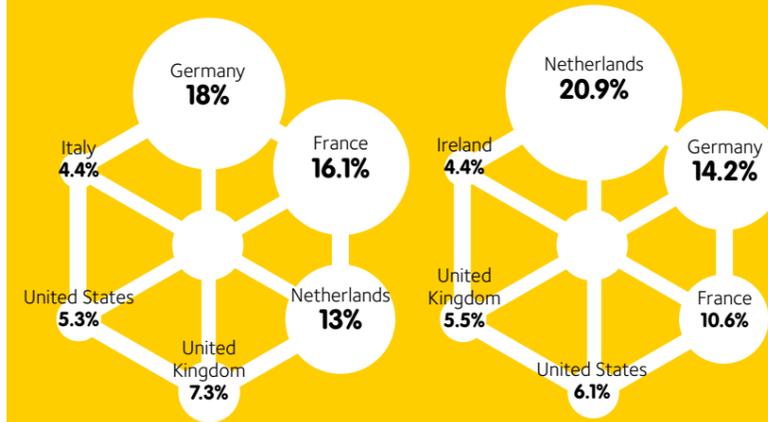
**BELGIUM'S TOP EXPORT AND IMPORT PARTNERS**

**Export partners**

Primary exports – machinery and equipment, chemicals, finished diamonds, metals and metal products, foodstuffs

**Import partners**

Primary imports – raw materials, machinery and equipment, chemicals, raw diamonds, pharmaceuticals, foodstuffs, transportation equipment, oil products



Source: CIA Factbook

**// THE ZEEBRUGGE LNG TERMINAL IS A KEY COMPONENT IN THE WESTERN EUROPEAN NATURAL GAS SYSTEM //**

**A WORLD-CLASS LNG TRADING HUB**

Source: Fluxys presentation

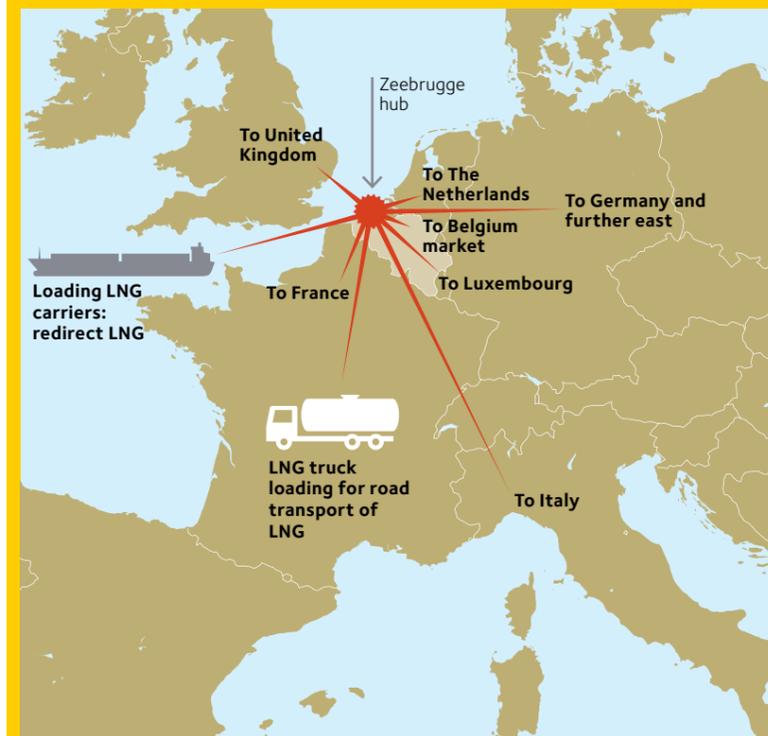


PHOTO: OLIVIER POLEY/CORBIS

**ENI AND EDF TRADING**

**RasGas has two LNG customers in Belgium: Eni and EDF Trading.**

Eni is an Italian-owned, integrated energy company with operations in 85 countries. It has been active in Belgium since the acquisition in 2008 of Distrigas, a major supplier of gas to resellers, power generators and industrial customers for over 80 years, and in 2012 of Nuon Belgium, one of Belgium's largest energy companies, supplying gas and electricity to some 550,000 residential and commercial connection points.

In Belgium, Eni markets directly and distributes electricity, natural gas and mineral products. It also sells natural gas to industrial customers, resellers, distribution companies and power generators in France, Germany, Luxembourg, the Netherlands, Spain and the United Kingdom, and is involved in all phases of the LNG business, from liquefaction to shipping, regasification and sales.

In March 2007 RasGas made the first delivery of LNG under its 20-year sales and purchase agreement with Distrigas (now part of Eni) into Fluxys' receiving terminal at Zeebrugge.

EDF Trading is a subsidiary of the EDF Group, a French electricity company founded in 1946 and active in production, transport, distribution, energy supply and trading. In France, it operates nuclear and hydraulic production facilities. The Group is involved in supplying energy and services to almost 40 million customers around the world, including more than 28 million in France.

In April 2007, RasGas and EDF Trading signed an LNG supply agreement for deliveries of up to 3.4 Mta of LNG, equivalent to approximately 4.5 billion cubic metres of natural gas per year. The supply agreement with EDF Trading was renewed for 15 years in 2011. The LNG is delivered ex-ship to the Zeebrugge LNG terminal in Belgium, operated by Fluxys. The agreement supports EDF's other LNG activities, including its majority ownership of Edison (an Italian energy enterprise and another RasGas LNG customer).

Sources

- [www.eni.com](http://www.eni.com)
- [www.edftrading.com](http://www.edftrading.com)
- [www.rasgas.com](http://www.rasgas.com)