



The Logistics Industry in Flanders



Flanders Investment & Trade
Government of Flanders - Belgium



The logistics industry in Flanders

10 reasons why Flanders is in pole position



Why should businesses come to Flanders for their logistics operations? Cushman & Wakefield's 2006 European Distribution Report gives a clear answer: Flanders is the European number one location for logistics operations and will hold this position for the years to come.

In this brochure we will introduce you to a sample of the European Distribution Centers, port operators, stevedoring companies, major shippers and other logistics players that have established their activities here. The reasons why companies opted for Flanders are as diverse as the companies themselves. Some praise Flanders for its world-leading ports, some for its solid know-how, and others for the vision it has developed on the future of logistics.

We give them a chance to explain why they came here and how they managed to achieve sustainable, profitable growth in Flanders. In this way, you can hear about Flanders' logistics strengths from the business side.

If you have any questions, want to know more or would like to get in touch with one of the companies featured here, please do not hesitate to contact us. Flanders Investment & Trade is always glad to help.

The logistics industry in Flanders 10 reasons why Flanders is in pole position

Preface	5
Flanders' logistics strengths in a nutshell	7
Advantage 1: Central location in Europe	8
• NYK Logistics: the shortest road to European customers	
Advantage 2: World leading seaports	10
• DP World: leading global operator committed to Antwerp	
• Port of Ostend: strong growing multimodal seaport	
• Bridgestone Europe: strategic choice for the Port of Zeebrugge	
• Honda Europe: services and distribution from the Port of Ghent	
Advantage 3: Efficient airports	15
• Brussels Airport: flying cargo directly into the heart of Europe	
• Ostend-Bruges International Airport: fast turnaround times for cargo	
Advantage 4: High density transport network	17
• Excellent road, rail and inland waterway connections	
• Kuehne + Nagel: top player continues to invest in Flanders	
• Katoen Natie: over 150 years' experience in logistics	
Advantage 5: Optimal use of inland multimodal platforms	20
• Extended Gateway®: the perfect match between hinterland location and logistics activities	
• Port of Genk: multimodal logistics platform of the future	
Advantage 6: Sustainable growth for strategic industries	24
• Chemicals industry: BASF Antwerp	
• Life Sciences industry: Schering-Plough	
• Food industry: Chiquita	
• Automotive Industry: Mazda Motor Logistics Europe	
Advantage 7: Pioneer in innovation	28
• Westerlund: innovative global player in forest products sector	
• Tailormade Logistics: innovative player creates fast growth	
• Hessematie Logistics: optimizing the logistic chain	
• Transics International: solutions that boost efficiency	
Advantage 8: Solid know-how and expertise	32
• Nike ELC: the largest distribution center in Europe	
• DHL Exel Supply Chain: over 20 European distribution centers in Flanders	
Advantage 9: Strong support for the industry	35
• Flemish Institute for Logistics (VIL): innovation, expertise and advice for the logistics sector	
• Beneficial tax environment	
• Government support for sustainable development of logistics spaces	
Advantage 10: Flanders Investment & Trade: support at the start and the expansion of your operations	40
• Identification of optimal location	
• Knowledge and contact center	
• Subsidies and support measures	
• Legal requirements clarified	
Flanders' logistics strengts in a nutshell	42

Flanders' logistics strengths in a nutshell

"We are very happy with our operations at the Brucargo site, the airport area used for freight. **Brussels Airport is not yet saturated and offers excellent access** to our destinations via the Flemish road network."

Jan Deltour, Managing Director, DHL Exel Supply Chain (Belgium),

"For us this is the **ideal base for distributing product via land, ocean and air.** We are close to the Port of Antwerp and the Brussels Airport and have access to excellent road links to the European hinterland."

Chris Van Dam, Director, International Distribution Center at Sentipharm AG

"We chose Flanders because of the efficiency and speed with which ships are unloaded. There are specialized service providers here that have developed **advanced expertise.**"

Kris Van Ransbeek, Vice President European Supply Chain, Chiquita

"For a European logistics center such as Nike's, Flanders is the ultimate location. Right at the centre of European spending power, with excellent connections to all clients in the EMEA region. This is the **best location in Europe.**"

Luc Hooybergs, General Manager, Nike ELC Laakdal

Europe's N°1 logistics location

"Flanders is, in keeping with previous years, in **first place as European logistics location.** The region's ranking is based on factors such as the cost of warehousing, land and employment, the quality of transport systems and the accessibility of the region. Flanders will remain in the top spot until at least 2019."

Cushman & Wakefield's European Distribution Report 2006

Advantage 1: Located in the heart of Europe

Centrally located in Europe, Flanders is close to all the major European industrial and consumer markets. This makes it an ideal platform for distribution to the surrounding countries, further away in Europe and to the rest of the world. The speed and the cost at which companies can do this, is of crucial importance. That is why Flanders is the ideal location for numerous reputable logistics providers and companies active in the European market and beyond.

NYK Logistics: the shortest road to European customers

NYK Logistics established a site in Flanders in the 90s right next to electronics giant Pioneer, one of its major clients. The latter had chosen the Port of Antwerp for its European distribution. In a next phase, NYK Logistics started providing logistics services within Europe to other interested companies. Today NYK Logistics has more than 85,000 m² of warehousing capacity in Flanders, divided over four locations. The company endeavors to deliver the goods from the producer to the clients – be they dealers or service technicians – with as few stopovers as possible. It also focuses on value-added activities such as (re)packaging, customizing products for local European markets, quality control and assembly.



"We receive our primary products from Asia and finish them for various local European markets," starts off Hugo Van Herck, General Manager of NYK Logistics (Belgium). "This mass customization takes place as close as possible to the customer. That way we avoid surplus stock. Flanders provides fast access to the European market, which allows us to offer the end customer a high level of service including just-in-time delivery."

Speed counts

"In the past it was important to do everything as cheap as possible," continues Van Herck, "but today what matters most is speed. Flanders is an ideal location in that regard. All the necessary expertise and know-how can be found locally. The region is in a central location between the production facilities around the globe as well as within the European user market. Flanders also offers efficient and modern gateways in the form of its ports and airports. A significant part of our products are spare parts for consumer electronics or cars destined for service technicians. It is essential that these arrive quickly so that the end customer can be offered speedy service. By operating from Flanders, we are able to deliver our products within 24 hours, without excess costs, within a 500-km radius in Europe."

"What matters most is speed. Flanders is an ideal location in that regard."

Hugo Van Herck, General Manager of NYK Logistics (Belgium)

Optimizing supply chains thanks to its central location

NYK Logistics recently invested in an extension of the existing facility in the Port of Antwerp to be used for warehousing, distributing and secondary packaging of pharmaceutical products. This increased the warehousing capacity of the company to more than 85,000 m². "Our first customer on this new site," continues Van Herck, "is a major Indian pharmaceutical company that imports generic therapeutic drugs into Europe. In the past the company delivered these drugs to distribution centers located in the major European countries,

but this proved to be not all that efficient. The regulations for importing and handling therapeutic drugs are very stringent. For example, after being imported, they have to be quarantined for a certain period. During that time a sample is taken and sent to the lab for analysis. Once approved, the products can be distributed. In the past, our client had to go through this process in every European country, which was very complex and caused major delays. We centralized the distribution and now only one sample has to be taken and analyzed. A whole shipment of therapeutic drugs can thus be approved at once, and the products sent directly to all the major European distributors. This translates into greater speed and less expense for our client's supply chain."

About NYK Logistics

NYK Logistics is part of the large Japanese shipping group Nippon Yusen Kabushiki Kaisha (NYK Line), which employs 48,000 people worldwide. Around 20,000 of them work for NYK Logistics, which is responsible for 22 percent of the group's turnover.

NYK Logistics is a world leader in fully integrated logistics solutions for shipments by road, sea and air. From Flanders, NYK Logistics (Belgium) provides storage and management for high-grade products, including parts for the car and electronics industries, pharmaceutical products, electrical appliances and photo and copying equipment. With around 420 employees, it generates an annual turnover of approximately € 60 million.

At the heart of the European purchasing power

It is widely known that over 60% of the European purchasing power is situated within a tight radius of 500 kilometers around Flanders. This means Flanders is relatively close to large industrial and consumer centers, such as the region around Paris, the Ruhr area and the Benelux.

Flanders is centrally located in the area that comprises those European regions from which a large portion of Europe can be supplied at favorable transport costs and within feasible delivery times (24h/48h). European Distribution Centers (EDCs) are preferably located in this area.



Looking...?

... to locate your company at the heart of industrial Europe and of European purchasing power? If so, contact us today at Flanders Investment & Trade. It will be our pleasure to assist you. Call us on +32 2 504 87 11 or email us at invest@flanders.be

Advantage 2: World-leading seaports

Down the centuries, Flanders has always been a trading region. Its seaports on the southern edge of the North Sea have played a key role in this development. With the seaports of Antwerp, Zeebrugge, Ghent and Ostend, the region has the ideal ocean-going gateways for the fast handling of all kinds of goods from all over the world. The Flemish ports have built up an enviable reputation with shippers, port operators and logistics players worldwide.

DP World: leading global operator committed to Antwerp

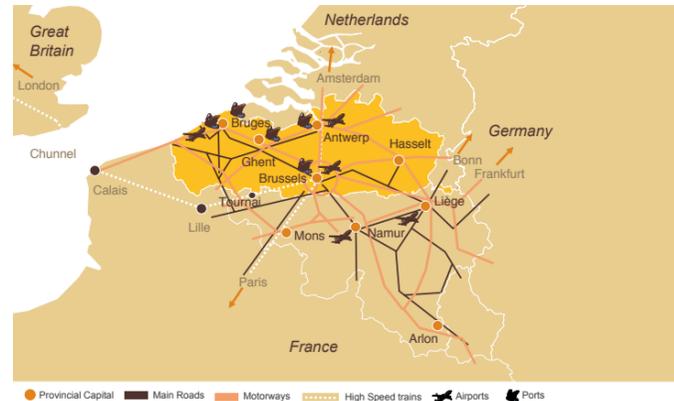
When Dubai Port World (DP World) took over P&O Ports in 2006, it secured itself a spot among the world's top three port operators with a single blow. With 51 container terminals in 24 countries spread over five continents, the group has a capacity exceeding 50 million TEU annually.

At the Port of Antwerp DP World operates the group's second largest port terminal, the Antwerp Gateway. With three terminals and a total quay length of 4,400 meters, DP World is one of the largest logistics players here.



Faith in the future of the port

DP World is investing some € 500 million in the Port of Antwerp, 200 million of which is already spent on the expansion of the Antwerp Gateway at the new Deurganck Dock. "Besides expanding the Antwerp Gateway Terminal for stevedoring containers, we also renovated our mixed cargo terminal at the Churchill Dock and together with



two partners invested in a breakbulk terminal," says Roger Roels, director at DP World, "We are taking full advantage of the growth possibilities the port offers us. We are convinced that the Port of Antwerp will continue to play a leading role in Europe. It is the ideal inland port for the movement of goods to consumers in the European market."

Maritime expertise great asset

Thanks to its central location in Europe, the Port of Antwerp has been a hub for world trade for hundreds of years. The maritime expertise acquired by the Flemish as a result of this still plays a major role in the decisions of logistics service providers. "The expertise that is available here is obvious from the creative ways problems are solved in Antwerp," explains Roels. "Whether we are talking about the construction of terminals or the implementation of large automation projects, the engineers here are among the best in the world. Their reputation within our group is outstanding, and we use them regularly at our other locations to deal with technological challenges." DP World also appreciates its unskilled Flemish workforce. "Ships in Antwerp are unloaded 20 to 30% faster than at ports in neighboring countries," continues Roels. "Why? Because of the productivity of Flemish dockworkers. Hard work is cemented into the culture here. A crane unloads around 35 containers an hour in Antwerp. No other port in Europe can boast such high production figures."

"The expertise that is available here is obvious from the creative ways problems are solved in Antwerp."

Roger Roels, Director at DP World

High quality of life is cherry on the cake

DP World takes both the hard and soft factors of doing business into account. "Companies always look at the bottom line first. But, in addition to an investment-friendly environment, companies also want a people-friendly environment. Flanders, with its high living standard, also scores high on the soft factors," concludes Roels.

Port of Antwerp: Europe's N°1 chemical cluster

The Port of Antwerp area is the largest petrochemical center in Europe. Antwerp has the capacity of 1,960 million tonnes of ethylene per annum, or 9.21% of the total European capacity. It generates 11.8% of the total European propylene output. With over 300 different chemicals, Antwerp is the most diverse petrochemical cluster in the world. When considering the 'big six' petrochemical commodities - ethylene, propylene, butadiene, benzene, toluene and xylene - Antwerp has a combined output of 4,793 million tonnes a year.

The Antwerp port area comprises ca. 2500ha of industrial land, spanning the right and left banks of the river Scheldt. It is home to five oil refineries - including two of the top ten European production units. It houses four steam crackers - three operated by FINA Antwerp Olefines, a joint venture between Total Petrochemicals and Exxon Mobil Chemicals, and one owned by BASF Antwerp.

Port of Ostend: strong growing multimodal seaport

The Port of Ostend has a strong multimodal character through the presence of an extended rail network, a canal connection with the European inland waterways and the A10-E40, one of the main trans-European freeways. Furthermore, the port is located close to the Ostend-Bruges International Airport.

Because of the continual investments in the port's infrastructure, it has become a leading player on the North Sea coast. It is a major shortsea hub for Ro-Ro traffic to the United Kingdom. Shortsea container lines and feeder services choose the Port of Ostend for its excellent facilities, short transit times and high level of service. General cargo makes up a large part of the activities at the port as well. Metal ores, scrap, timber and fertilizer are handled there.

Plassendale business park: a versatile industrial site at a unique location

The Port of Ostend exploits through its subsidiary, nv Plassendale, an industrial estate of over 150ha within the port area. This estate, at a unique location, offers easy access by road, rail, sea, inland waterway and by air (via Ostend Airport).

The site, which still has plenty of room for new businesses, is divided into 5 dedicated zones. Each zone has a specific location and infrastructure and houses different types of companies:

- Plassendale 1: 90ha for shipyards, waterborne industries and logistics companies.
- Plassendale 2: 16ha for haulage firms (including storage and maintenance), construction firms, and the like.
- Plassendale 3: 29ha for modern growth industries, such as ICT, biotech, lifestyle products and R&D.
- Plassendale 4: 18ha for small-scale production, logistics and construction firms.
- Plassendale Chemical: 25ha for chemical companies that share on-site facilities (made available by the company Proviron).

Bridgestone Europe: strategic choice for the Port of Zeebrugge

Japanese tire producer Bridgestone established its full-scale European headquarters in Zaventem, near Brussels, in 1994. Two years later, the company decided to centralize all its Europe-related logistics operations in Flanders. It decisively opted for the Port of Zeebrugge as its gateway to the European market when it built a European distribution center in the port area. Since then this distribution center has developed into the Bridgestone group's largest center in Europe. Forty containers carrying tires from plants in Japan, Thailand and Turkey arrive daily. With a surface area of 87,500 m² and a storage capacity of 1.3 million tires it is also one of the largest of its kind in Europe.

The European Logistics Centre North (ELC North) in Zeebrugge is one of three European centers Bridgestone uses to supply its customers in Europe. "The Center provides the required surplus storage capacity to allow optimal adjustment to market demand and production," says Yves Kerstens, Vice President, Logistics & Supply Chain Management at Bridgestone. "A number of our products – winter tires, for example – are very seasonal and require a timely build-up of stock. At ELC North we handle just-in-time delivery to 20 regional distribution centers in Germany, the United Kingdom, Ireland, the Benelux, Sweden, Denmark and the Baltic States. By managing this from a central location we can guarantee 24-hour delivery times for 96% of our customers."

"The continuous growth of Bridgestone Europe shows that we made the right decision when we picked the Port of Zeebrugge."

Yves Kerstens, Vice President, Logistics & Supply Chain Management at Bridgestone

The main artery of the European supply chain

The Japanese company chose Zeebrugge because of its central location in Europe, its maritime network and its links to the hinterland. "The continuous growth of Bridgestone Europe shows that we made the right decision when we picked the Port of Zeebrugge," comments Kerstens. "The logistics center has developed into the main artery of the European supply chain. It provides us with excellent shortsea links to Northern Europe and the facilities to load our trucks for distribution via the highways. The port infrastructure is perfectly geared to our needs."

Bridgestone feels at home in the Port of Zeebrugge. "We can count on excellent cooperation with the port authority and have no trouble finding the versatile workforce we need for our activities. We are also very close to our European headquarters in Zaventem. And should we ever want to expand at this location, there is space enough in the port area. Because we have developed such extensive expertise here, the logistics center functions as a model for our own as well as our outsourced operations in Europe."

Port of Zeebrugge: N°1 in the world for the shipment of new cars

Today Zeebrugge is the largest port in the world for the shipment of new cars. Toyota, Renault, Volvo, Rover, Jaguar, General Motors, Ford, Citroën, Suzuki, Mercedes, Mazda and Mitsubishi – all of them make use of the logistic facilities of the Port of Zeebrugge.

Toyota alone has a logistic site of 420,000 m² in the port area that can handle 430,000 vehicles a year.



Bridgestone: from a simple warehouse to an advanced European logistics center

1998:

- Sea Park builds a 28,000 m² warehouse and 12,000 m² of parking space.
- Bridgestone rents the space for the storage of truck tires mainly produced in Japan.
- Capacity: 110,000 tires.

2002:

- Bridgestone develops plans to expand the capacity of the warehouse and creates a European warehouse and distribution center for the entire range of imported tires.

2003:

- Bridgestone takes over activities from Sea Park.
- The warehouse space is doubled to 56,000 m². Investment: € 6.5 million.
- Additional warehouse capacity for 800,000 passenger car, delivery van, farm vehicle and off-road vehicle tires.

2006:

- The warehouse space is enlarged to 87,500 m², the parking lot to 24,000 m². Investment: € 7 million.
- Handling and distribution of the complete range of tires imported and made in Europe.
- Capacity: 1.3 million tires.

Honda Europe: services and distribution from the Port of Ghent

Honda's positive experience with Flanders started in the sixties, when Honda Belgium was established in Aalst. That is one of the reasons why Honda chose the Port of Ghent for its European distribution center in 1978. Today Honda Europe has become the major European logistics center, with 650 employees and an annual turnover of ca. € 700 million.

Honda's European network consists of seven logistics centers: Flanders, Spain, Italy, Austria, Germany, the UK and Sweden. According to Noël Denecker, Director Honda Europe, the Flemish hub in the Port of Ghent is the largest: "Thirty-five percent of European product logistics activities involve the Port of Ghent. This is also the control center for all the European logistics centers. Besides this, Honda has a European Engine Center in Ghent, which sells and distributes industrial engines for the European market. And we also have the European operational IT center for sales and logistics applications."

Added value

Annually Honda Europe brings approximately 100,000 vehicles into Europe via the Port of Ghent, and almost just as many motorbikes. The majority are shipped by road to other countries. Almost sixty percent of the cars handled at Honda Europe go to Germany and the other 40% to France, Austria, the Benelux, the Czech Republic, Slovakia and Hungary.

But Honda Europe does more than distribute vehicles and spare parts. "Where Honda Europe truly excels is in its services," explains Denecker, "from inspection to the installation of options such as navigation systems. Honda also runs a 40,000 m² warehouse for body parts in Aalst, close to Ghent. In Ghent 350 employees handle some 35 million parts, shipping them quickly and efficiently to dealers in Western and Central Europe, Africa and the Middle East."

Ideal market

"For car makers, Flanders is an ideal region for deploying logistics activities," he continues. "Flanders does not have its own car builders so that it doesn't have an own market to protect, as is the case in France, Germany and the UK. In Flanders, new carmakers are welcomed with open arms and the government is willing to listen to your business concerns." Honda feels at home in Flanders and sees a bright future for itself in the region.

A new orientation in dockside activities

The seaport of Ghent is rapidly repositioning itself as Europe's main biofuel port, driven by the Ghent Bio Energy Valley (GBEV), a public-private partnership (PPP) of the University of Ghent, Ghent City Council, the East Flanders Development Association, the Ghent Port Company and a number of Ghent-based industrial companies. A waterbound greenfield area of 400 ha, called the 'Kluizendock', supported by an integrated multimodal shortsea container terminal and the future 'Seine Nord' Canal, serves as an ideal location for 4 PL-logistics centers and industrial activities.

The world's largest fruit juice import terminal

Half a million tonnes of concentrated and not from concentrate (NFC) juices are transhipped annually at the Port of Ghent. This makes it the largest fruit juice import terminal in the world. Two major players in the juice business, Citrusuco Europe and Louis Dreyfus Commodities, operate their main storage- and distribution facilities here. The concentrates are distributed throughout Europe as well as transhipped to China.



Looking...?

... to locate your company at the heart of industrial Europe and of the European purchasing power? If so, contact us today at Flanders Investment & Trade. It will be our pleasure to assist you. Call us on +32 2 504 87 11 or email us at invest@flanders.be

Advantage 3: Efficient airports

Flanders can boast an excellent airport infrastructure. With Brussels Airport in the heart of Europe, it houses an international cargo airport that is consistently in the top of the charts. Ostend-Bruges International Airport lies close to the modern seaports of Zeebrugge and Ostend. Both of these seaports boast a modern infrastructure that allows goods to be distributed fast and efficiently to anywhere in the world.

Brussels Airport: flying cargo directly into the heart of Europe

Brussels Airport is located a mere 16 kilometers from the city of Brussels, the capital of Flanders. It offers international passenger and cargo flights from, and to a large number of, European and global destinations. The airport enjoys an excellent reputation in cargo handling. In 2007, it handled close on 800,000 tonnes of goods. Today, it is one of Europe's major cargo airports.

Brucargo, the logistics zone surrounding the airport, comprises 109ha and has 31 stands for cargo planes. It has an airside capacity of 1.5 million tonnes of goods. Over 170 cargo handling companies are based at the airport. Companies

that require freight transport are clustered around the nearby towns of Zaventem and Diegem.

Licenses for public infrastructure works (land, buildings, offices and warehouses) are available at the airport. According to the survey by Cushman & Wakefield 'Industrial Space Across the World 2007', companies can do this at one of the lowest prices in Europe.

Affording excellent access over land

Conveniently located near Europe's biggest interchange, the airport has good connections for trucks to and from the Port of Antwerp. Several road feeder services connect Brucargo with major European cities and other important airports in Europe. Furthermore, the airport is situated close to international train connections with several main-line freight stations within a 5-km radius.

DHL Exel Supply Chain: Intensive use of Brussels Airport

DHL Exel Supply Chain (Belgium) provides world-wide contract logistics and custom solutions from Flanders. Hence, it makes intensive use of Brussels Airport. According to Jan Deltour, Managing Director DHL Exel Supply Chain (Belgium), "Brussels Airport is well equipped and serves us both on the inbound and the outbound side. We are very happy with our operations at the Brucargo site, the airport area used for freight. Brussels Airport is not yet saturated and offers excellent access to our destinations via the Flemish road network."



Ostend-Bruges International Airport: fast turnaround times for air freight

Situated on the North Sea coast and a stone's throw away from the English, French and Dutch borders, Ostend-Bruges International Airport finds itself right at the heart of industrial Europe. Only 25 kilometers from the seaport of Zeebrugge and just around the corner of the seaport of Ostend, this airport provides unique opportunities for both air-sea and sea-air transport.

Ostend-Bruges International Airport specializes in international outsized cargo, perishables and livestock. It offers extremely fast turnaround times. And guarantees top-quality service 24 hours a day without time slots or congestion. In 2007 the airport handled close on 109,000 tonnes of goods. Its perishables facility can handle up to 300 tonnes and a new business and logistics park has recently been opened for air-related activities.

Flanders Airport region: investing in the Brussels Airport area

The public-private project Flanders Airport Region aims to promote the business region around Zaventem as a logistics gateway and as a top-notch location for international business.

The various private and public partners are combining their networks to actively look for companies, both at home and abroad, to invest in the new and renovated sites of Brucargo, Airport Village and the Meise-Westrode business park. There will be over 110ha of new commercial space at these three locations. € 750,000, staggered over the next three years, will be invested in this project.

With extra business parks, better access to the airport by road, major infrastructural works, employment plans and other business-building initiatives, the Flemish government expects to create 37,000 to 60,000 extra jobs in and around Brussels Airport over the next 20 years.

Efficient business travel by air and rail

Fast and global passengers flights

Brussels Airport offers a wide variety of European and international passenger flights. Most European destinations are within two hours' flying time. Antwerp Airport offers daily business flights to both Manchester and London City. The small-scale character of Antwerp Airport allows you to gain, both for departure and arrival, a considerable amount of time.

High-speed train connections

Both Brussels and Antwerp are linked to the HST (high-speed train) system. Departing from Brussels, London is just 1 hour and 50 minutes away and Paris 1 hour and 20 minutes. If Antwerp is your jump-off point, the same journeys will take you little over 3 and 2 hours respectively. From Brussels you can travel to London on the Eurostar, or take a high-speed train to approximately 20 destinations in Europe.

Low rentals in airport vicinities

A European survey by real estate consultant King Sturge revealed that rental prices in the vicinity of airports in Flanders are among the lowest in Europe. Both Brussels Airport and Antwerp Airport score extremely well. For large logistics and semi-industrial buildings (over 5,000 m²) the price in the vicinity of Antwerp Airport is € 42 per m² per year. This is the lowest price anywhere in Europe. In the segment of buildings smaller than 1,000 m² the Antwerp Airport vicinity also offers the lowest price (with € 42 per m² per year). Prices in Brussels are € 45 per m² per year.

Looking...?

... to benefit from Flanders top-quality cargo airports? If so, contact us today at Flanders Investment & Trade. It will be our pleasure to assist you.

Call us on +32 2 504 87 11 or email us at invest@flanders.be

Advantage 4: High density transport network

The performance of the Flemish transport network is practically unequaled in Europe. Flanders' road, rail and inland waterway networks are among the densest in Europe. Its modern infrastructure allows fast connections with the European hinterland.

Excellent road, rail and inland waterway connections

Highly developed railway network

The Flemish railway infrastructure is highly developed for the transport of both goods and passengers. With 1,700 kilometers of railroad tracks on a surface of 13,700 km², Flanders has the world's second densest rail network. The region has a transportation output by rail of 5,4 billion person-kilometers and ca. 4 billion freight tonne-kilometers.

The Belgian railway freight system (B-Cargo) is modern and highly developed, offering businesses a wide range of tailored solutions for their goods. B-Cargo's recently established National Rail Container Network (NARCON) provides excellent rail connections between the Port of Antwerp and five inland terminals, strategically located to serve Flanders and the European hinterland.

Roads to all of Europe

Flanders has the world's most dense road network. Its highways are directly linked to those of France, Germany, Luxembourg and the Netherlands, as well as those of Great Britain via the ferry or the Channel Tunnel. This means that logistics companies and distribution centers can transport goods from Flanders to most major European markets within 24 hours by road.

Optimal links through rivers and canals

Navigable waterways in Flanders extend over 1375 kilometers, 1076 kilometers of which are used for commercial navigation purposes. These figures correspond to one of the densest river and canal networks in the whole world.

Flemish inland waterways are located at the crossing of the major European trade routes, at the centre of the north-south link and at the beginning of the east-west axis. In addition, 80 % of all Flemish companies are located less than 10 kilometers from a navigable waterway.



Kuehne + Nagel: top player continues to invest in Flanders

The Swiss group Kuehne + Nagel is a world leader in logistics services. From an international ocean freight company, the company has evolved into a world renowned supplier of supply chain solutions for a range of industries. Today it ranks as the N° 1 ocean freight company in the world, while also being among the top five air freight companies. With its workforce of 47,000 workers in over 100 countries, it generated a global turnover of € 8.4 billion in 2006.

In Flanders, Kuehne + Nagel has been shipping freight for over 50 years now. Its most important gateways are the seaports of Antwerp and Zeebrugge and the cargo zone at Brussels Airport. Kuehne + Nagel has four distribution centers strategically located throughout Flanders.

Kuehne + Nagel: top player continues to invest in Flanders

The Swiss group Kuehne + Nagel is a world leader in logistics services. From an international ocean freight company, the company has evolved into a world renowned supplier of supply chain solutions for a range of industries. Today it ranks as the N° 1 ocean freight company in the world, while also being among the top five air freight companies. With its workforce of 47,000 workers in over 100 countries, it generated a global turnover of € 8.4 billion in 2006.

In Flanders, Kuehne + Nagel has been shipping freight for over 50 years now. Its most important gateways are the seaports of Antwerp and Zeebrugge and the cargo zone at Brussels Airport. Kuehne + Nagel has four distribution centers strategically located throughout Flanders.

Infrastructure – a major asset

In 2006, Kuehne + Nagel opened a brand new import, warehousing and distribution center in Geel. With its 45,000 m² of floor space, it is the group's largest warehouse in Europe and second largest globally. "Our Geel site is in a central location in Europe and a strategic location in Flanders," says François Lacombe, National Manager, Kuehne + Nagel (Belgium). "It is very close to the WCT, the inland multimodal terminal in Meerhout on the Albert Canal. Our containers come on feeders from the Ports of Antwerp and Rotterdam or by rail from the Port of Zeebrugge. From Laakdal they are shipped on trucks to our warehouses and clients. Brussels Airport, where we are the second largest freight company, is also close by. The existing infrastructure from the gateways to the hinterland is one of the main advantages of this location."

"Flanders also offers great potential for using railways and/or inland waterways on the outbound side," Lacombe continues. "With the Flemish Institute for Logistics (VIL), we are studying the possibilities for organizing trains to Southern Europe together with other shippers. It is necessary to collaborate if we want to make optimal use

"The government is very active in clearing land for logistics purposes and also offers attractive subsidies for expanding and for training personnel."

François Lacombe, National Manager, Kuehne + Nagel (Belgium)

of the existing trimodal infrastructure. Combining our goods flows to the farthest corners of Europe will reduce costs."

Expansion supported by government

The activities of Kuehne + Nagel are growing around the world. "In Flanders, however, the company is growing more than in the surrounding countries," says Lacombe. "We are planning to open a new site or expand an existing one every two years. We receive good support for our expansion plans in Flanders. The government, for example, is very active in clearing land for logistics purposes and also offers attractive subsidies for expanding and for training personnel. Flanders has all the ingredients we need to be a successful logistics company. It is up to us to ensure the success of Kuehne + Nagel here."

Katoen Natie: over 150 years' experience in logistics

The Flemish company Katoen Natie was founded in 1855 – long before the term 'logistics' was conceived – to handle cotton (katoen in Dutch) at the Port of Antwerp. Over the years the company expanded its warehouse capacity and set up transportation and logistics networks. Following a wave of global investment and acquisitions in the last decade, the company now operates logistics platforms and distribution centers in 22 countries, dotted over North and South America, Europe and the Far East.



Katoen Natie came into being at the Port of Antwerp, where the company continues to take full advantage of the favorable location and infrastructure of the port, as well as of its efficient road and railroad links.

Efficient transport to the rest of Europe

Dirk Lannoo, Vice President, Katoen Natie Group, emphasizes the unique qualities of the port. "The Port of Antwerp is located right in the middle of the European region with the greatest purchasing power. Ocean-going vessels follow the mouth of the Scheldt estuary 50 kilometers inland before they reach the port. This results in significant savings because transport along waterways is still cheaper than over land. And in logistics, every kilometer counts."

"Traffic jams on highways in Flanders are less frequent than in the surrounding countries and the railroad connections with the ports are excellent."

Dirk Lannoo, Vice President, Katoen Natie Group

"Flanders also offers one of Europe's densest road and railway networks," Lannoo continues. "We make full use of them to ship our goods as fast as possible to the many different locations. It should be noted that traffic jams on highways in Flanders are less frequent than in the surrounding countries and the railroad connections with the ports are excellent. Switching goods from one transport mode to another can be done very fast."

The best location for distribution centers in Europe

"These are not unfounded statements," Lannoo adds "You can find them in Cushman & Wakefield's European Distribution Report 2006, which clearly confirms that Flanders is the top region for logistics activities in Europe. Flanders has been a transit region for North-South and East-West traffic in Europe for decades. The Flemish government continues to upgrade its infrastructure to be able to handle all these transport flows and we are reaping the fruit of this in the logistics sector."

Loghiddén City: the largest logistics site in Europe

Katoen Natie recently acquired 280ha of industrial land along the left bank of the river Scheldt in Antwerp. It is developing the site into a major logistics center with fast access to waterways, railways and roads. 352,000 m² of it is already in use. In total, the site's development will require an investment of €800 million. When it is finished, it will provide 1.4 million m² of distribution centers.



Looking...?

... to experience the quality of Flanders' multimodal infrastructure? If so, contact us today at Flanders Investment & Trade. It will be our pleasure to assist you.

Call us on +32 2 504 87 11 or email us at invest@flanders.be

Advantage 5: Optimal use of inland multimodal platforms

The majority of the shippers and logistics service providers willing to invest in a European distribution activity in Flanders look for a prime location. They generally find it near an international gateway such as a port or an airport. There are, however, also companies that opt for a location in the Flemish hinterland close to an inland multimodal terminal. To streamline the site selection process, the Flemish Institute for Logistics (VIL) has developed the Extended Gateway® concept. This unique concept will help companies to find a location in Flanders where their total logistics costs are the lowest. Inland multimodal platforms such as the Port of Genk and Water Container Transport (WTC) at Meerhout play a crucial role in this concept

Extended Gateway®: the perfect match between international gateway, hinterland location and logistics activities

Professor Alex Van Breedam, Managing Director of VIL, explains this. "Naturally a location close to our seaports or airports offers great advantages for most types of logistics activities, including low transportation and handling costs. But space is limited at these locations. Depending on the type of logistic activity, we want to be able to offer similar benefits at these hinterland sites as at the ports by providing fast and frequent multimodal connections. This is the basic idea behind the Extended Gateway®."

At the right location and at the lowest total logistics cost

Shippers and logistics service providers profit the most from this. "This concept allows us to help locate companies in places where they will incur the lowest logistics costs for their activities. These costs will be further reduced by clustering logistics activities in hotspots and combining and bundling flows of goods, typical of the Extended Gateway® concept. It should also be noted that this concept provides the foundation for sustainable logistics in Flanders, because high-volume flows induce co-modality."

Van Breedam points to Nike in Flanders as a shining example of a shipper operating successfully within the Extended Gateway® concept. "The largest distribution center in Europe and the largest for the Nike group is found at Meerhout on the Albert Canal, an ideal inland waterway link with the Port of Antwerp. Almost ninety percent of Nike's goods arrive on barges from international gateways, like the Port of Antwerp. Nike's European distribution center is located very close to the trimodal Water Container Transport (WTC). The site is also next to the E313 highway and a railway even used for distribution to European customers. Nike's growing turnover and the continuous expansion

of its site prove the success of this location at an Extended Gateway in Flanders."

Mapping logistics hotspots

"Right now we are mapping the logistics hotspots in Flanders. The Province of Limburg has already been done. The studies for the four other provinces are in progress. Very soon we will have a detailed overview of all the strategic logistics clusters in Flanders," continues Van Breedam. "We use parameters such as multimodal access, available workforce, existing logistics and production activities, available commercial land and local logistics strategy. We match the characteristics of each cluster with the specific requirements for the logistics activities. This way we can determine which activities belong in which cluster, thereby creating maximum synergy and/or complementarity."

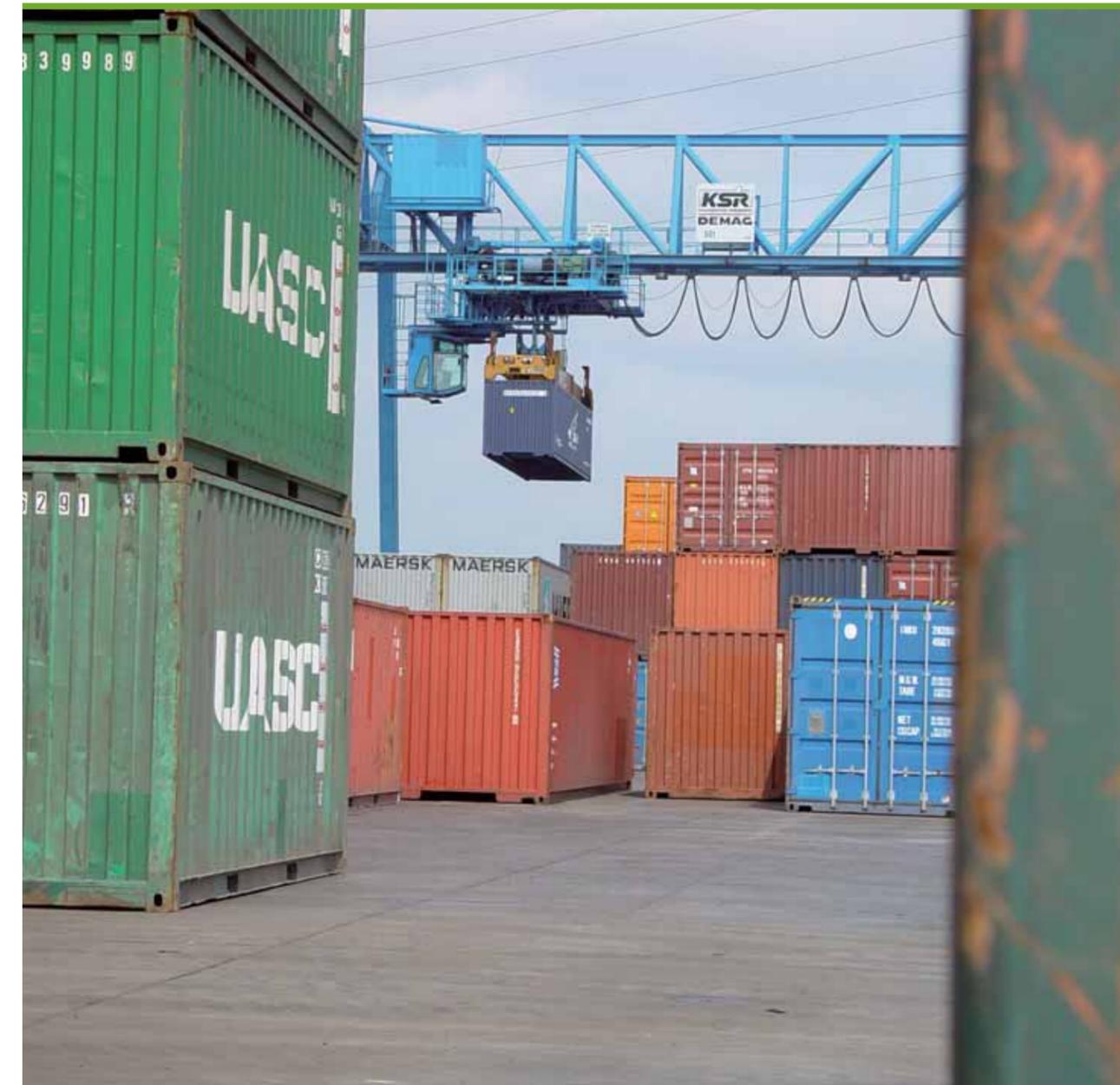


An e-logistics platform for Flanders

The VIL has drafted plans for the construction of a Flanders e-logistics platform. This will be a central ICT system for all logistics players in Flanders. "Via this unique platform, shippers and logistics players will be able to determine the ideal itinerary for their goods and monitor their movements and progress in real time. Customs agents will also have access to the system. This will make for fast and efficient handling. The first steps will be taken in 2008. The Flemish government is enthusiastic and has demonstrated its willingness to invest in the project."

Port of Genk: Multimodal logistics platform of the future

The Port of Genk was originally a transit port for coal mined in Limburg, a province in the north of Flanders. In 1999 the port was converted into a modern multimodal logistics platform. Located near the intersection of the borders of Belgium, the Netherlands and Germany, it is the ideal inland port for distributing products efficiently to the European hinterland.



The port has an inland barge terminal with a 1-kilometer long loading dock along a side arm of the Albert Canal, one of Flanders' most important inland waterways. Goods can be shipped directly by barge to the seaports of Antwerp, Zeebrugge and Rotterdam every day. The port's transshipment capacity is 80,000 TEU annually. It takes responsibility for customs formalities and to-and-from transport by truck. Stripping and stuffing containers also belongs among its many activities. The railway terminal, which has an annual transshipment capacity of 50,000 TEU, handles the transfer of containers and trailers from the railway to the road. There is a daily train connection to Italy (Novarra, Busto and Verona). Train connections with Germany and Eastern Europe are in the planning stages.

“Barges and railways are environmentally responsible transportation modes - something that is becoming increasingly important for many companies”

Paul Cornelissen, Director, Port of Genk

WCT Meerhout: Flanders' N°1 trimodal inland terminal

Water Container Transport (WCT) is situated on the Albert Canal in Meerhout. It is Flanders' oldest inland container terminal. It was established in 1995 by 4 Antwerp companies. Since 2005 it has offered a modern trimodal infrastructure. The terminal can be reached by barge, by train and by truck and allows fast transshipment from one mode of transport to another.

WCT extends over 10ha and has a storage capacity of 8,000 containers (TEU). In 2006, 184,000 containers (TEU) were shipped on the canal via WCT. Most companies in the surrounding region such as Nike, IKEA, Borealis, BP Chemical, Toyota, Hyundai, Kaneka and Johnson & Johnson are loyal customers of WCT.

But there is more. “We also have a bulk and general cargo terminal for the handling and transshipment of metals, minerals and semi-manufactured products,” says Paul Cornelissen, Director at the Port of Genk. “It provides 8,000 m2 of covered storage space and 10,000 m2 of open air storage space. We also do forwarding and are the single contact point for our clients when it comes to the organization of their physical goods flow and the flow of documents that goes with it.”

Obvious advantages: no congestion and fixed schedules

“We offer a combination of water and railroad transport and are strategically located in relation to our customers in Europe,” Cornelissen continues. “We ship using inland waterways and fixed schedules and, because we are further inland, our barges are not slowed down by congestion. Another advantage is the fact that barges and railways are environmentally responsible transportation modes - something that is becoming increasingly important for many companies. Our services are provided by dedicated and highly skilled personnel, fluent in several European national languages.”

Multimodal success in the heart of Europe.

The conversion of the port into a multimodal platform has proven to be a very successful strategy. “Genk is located in the Flemish province that, according to Cushman & Wakefield's European Distribution Report 2006, offers the best prospects in Europe in the area of logistics. This is seen clearly from the growth we have experienced since 2000,” says Cornelissen. “To meet the growing demand, we are currently expanding our grounds by 25ha, with the full support of the Flemish government. Our strategy also includes setting up partnerships with other ports and logistics suppliers. There is a lot of interest in the possibilities we offer as a multimodal transportation hub located centrally in Europe.”

Want...?

... to find out more about the unique selling proposition Flanders has to offer with its Extended Gateway® concept? If so, contact us today at Flanders Investment & Trade.

It will be our pleasure to assist you.

Call us on +32 2 504 87 11 or email us at invest@flanders.be



Advantage 6: Sustainable growth for strategic industries

Logistics delivers crucial added value for the economy of Flanders. Thanks to superior logistic support, the region's strategic industries – automotive, chemicals, life sciences and food were able to develop into leading industries in the global market. This support goes much further than Flanders and reaches to the boundaries of Europe and far beyond.

Chemicals: BASF

German international group BASF is a leading global player in the chemical industry. BASF Group has 5 separate business segments: Chemicals, Plastics, Functional Solutions, Performance Products, Agricultural Solutions, and Oil & Gas. BASF records worldwide gross sales of around € 50 billion. It employs 95,000 people on five continents.



The group's second largest production platform is located in the Port of Antwerp. In a highly integrated approach to manufacturing, BASF's product portfolio at its Antwerp site comprises a broad range of products including petrochemicals such as cracker products, plastics such as polyurethanes and performance plastics, care chemicals such as surfactants, performance products such as super-absorbent polymers, fuel and lubricant additives and fertilizers....

BASF Antwerp records sales in excess of €5 billion per annum. The Flemish site encompasses over 50 production facilities with integrated production lines on an area of around 600 hectares. An essential aspect of the BASF group's strategy, the concept of integration (Verbund in German) is also applied to its logistics flows as well as its energy flows.

Location is a key performance indicator

BASF made a strategic choice to come to Antwerp in the mid-60s. The port offers direct access to the sea and allows vessels to bring raw materials deep into the hinterland. "Flanders also lies within a 1000-kilometer radius of the region that is home to three quarters of European purchase power," points out Wouter De Geest, Managing Director, BASF Antwerp. "That is for us a key performance indicator for the competitiveness of a region. We are in the middle of the European market for our products."

"The central location of Flanders is a key performance indicator for the competitiveness of a region. We are in the middle of the European market for our products."

Wouter De Geest, Managing Director, BASF Antwerp

Integration in logistics flows

BASF Antwerp delivers 85 percent of its products to the European market. It does this via inland waterways, roads and railways. "We are hard at work on developing the latter mode of transport," says De Geest. "By combining goods flows and transporting large volumes, we are looking for ways to make railway transport as efficient as possible. We use block trains between Antwerp and Ludwigshafen, for example. BASF's two largest production platforms complement each other and are integrated to a very large degree. It is as if a huge conveyor belt with a gigantic flow of supplies were running between the two, but at minimal cost – a prime example of the central concept of Verbund at BASF."

New supply chain opportunities

The expansion of Europe and the globalization of the economy have created a new challenge and new opportunities to optimize BASF Antwerp's supply chain with a view to making its customers more successful. The company is able to take

advantage of these opportunities thanks to the many links available in Antwerp: the link from the Scheldt to the North Sea, the Scheldt-Rhine link to Ludwigshafen, and of course also the road and railway links. "For example, we deliver semi-finished and finished products to producer and consumer markets in the Far East," continues De Geest. "Traditionally synthetic fertilizer is shipped in bulk. Today we put fertilizer into empty containers that otherwise would travel empty to the East. The handling cost is higher but the overall logistics cost is lower."

Attractive location for chemicals and logistics

The Flemish government and the Port of Antwerp are well aware of the added value the chemical industry contributes. For that reason, they do everything in their power to promote its growth. And it works. "Besides BASF we also have Belgian, German, French and American chemical companies here, since Flanders – and the Port of Antwerp in particular – is a top location," says De Geest. "This has led to the creation of a unique cluster here, which is after Houston in the United States the second largest in the world. This in turn has attracted quite a few logistics companies, which as a result have become world players in value-added logistics as well as in postponed production steps of chemical products."

Optimal logistics via pipelines

Of the 18 million tons of goods handled annually by BASF Antwerp, around 10 percent is transported by pipeline, primarily natural gas, ammonia, ethylene and propylene. "Antwerp is at the junction of the West-European pipeline network," says De Geest. "We are also connected to pipeline grids for technical gases, such as hydrogen, oxygen and nitrogen. The pipeline network is vital for our production. It should also be noted that Flanders and the Port of Antwerp pursue a clear and future-oriented pipeline strategy and support the development of state-of-the-art infrastructure."

Life Sciences: Schering-Plough

Schering-Plough Corporation is an innovation-driven, science-centered global health care company. With a global workforce of approximately 50,000 people around the world, the company is based in Kenilworth, New Jersey (USA). In November 2007 Schering-Plough acquired Organon BioSciences, with its Organon human health and Intervet animal health businesses. One of the corporation's largest and most complex production centers outside the United States is located in Flanders, which is also home to many of its logistics activities.

"For us this is the ideal base for distributing product via land, ocean and air."

Chris Van Dam, Director, International Distribution Center at Sentipharm AG

Sentipharm AG, a Schering-Plough company, has been distributing products around the world from its base in Flanders for 40 years. At the beginning of 2006, it moved from the Heist-op-den-Berg production site to the brand new International Distribution Center (IDC) in Boortmeerbeek near Brussels. The expanded facility proves that Schering-Plough considers Flanders an ideal base for its large-scale logistical operations.

Worldwide distribution center

The IDC in Boortmeerbeek handles the logistics – transportation, warehousing and distribution – of the finished products for around 110 different countries on all continents. "It's no coincidence that Schering-Plough's sole worldwide distribution center is located in Flanders," says Chris Van Dam, director, International Distribution Center at Sentipharm. "Flanders has the location and infrastructure to handle such large-scale operations. For us this is the ideal base for distributing product via land, ocean and air. We are close to the Port of Antwerp and Brussels Airport and have access and excellent road links to the European hinterland."

Workforce with the right skills

The IDC has a floor area of 20,000 m² and a capacity of 30,000 pallets. It features four temperature zones: 23°C, 2°-8°C, -2°C and -20°C. Besides the traditional high-racks and combi trucks, it also has a state-of-the-art pick-to-light system and a high-speed miniload system. "We have the latest equipment and technologies," points out Van Dam.

"We also have no trouble finding and training the right people to operate the IDC. This is not to be taken for granted, since handling pharmaceutical products is subject to very strict regulations. It is of utmost importance that all procedures are followed meticulously. Another strong point of Flemish workers is that they speak several languages. For a company dealing with international transport this is an advantage that should not be underestimated."

Food: Chiquita

With gross annual sales of € 3 billion, Chiquita is the world's largest seller and distributor of bananas. Worldwide it employs some 25,000 people in 70 countries. The bananas, mostly grown in Central America, must travel a long way before landing on the tables of consumers. Boxes of bananas for the European market are shipped to 8 European ports. Antwerp is the second largest transit port for the distribution



of Chiquita bananas to the Benelux, Southwest Germany, Switzerland, Austria and Eastern Europe. Annually the port receives more than 13 million boxes of Chiquita bananas.

"Flanders is at the junction of the European highway network and has itself an excellent road infrastructure."

Kris Van Ransbeek, Vice President European Supply Chain, Chiquita

Proximity of market and good access to hinterland

Chiquita has several good reasons to ship such a huge flow of goods through Flanders. Kris Van Ransbeek, Vice President European Supply Chain, Chiquita, explains that "Chiquita has been distributing its bananas from Flanders to a large part of Europe for several decades. This is not a random choice. First of all, Flanders is located right in the middle of the European consumer market. Secondly – and this is becoming increasingly important – Flanders offers efficient links to the European hinterland. Flanders is at the junction of the European highway network and has itself an excellent road infrastructure."

Well-suited partners in the port

A third reason is the efficiency and speed with which ships are unloaded at the Port of Antwerp. "There are specialized service providers here that have developed advanced expertise in the handling of fruit," says Van Ransbeek. "That is a huge advantage."

The right quality control people

Imported bananas are not simply placed on refrigerated trucks headed for their final destination. A thorough quality control check takes place at the port first. "The bananas that are unloaded are still green," explains Van Ransbeek. "We transport them in a controlled environment to slow down the ripening process. Before we bring them to our ripening centers in Europe, the bananas are subjected to a thorough quality control check at the port. This is done by teams with expertise in the various ripening stages of the fruit. This is an essential step, because we want to make sure our customers get a high quality product. In Flanders we have no trouble finding people who can do this."

Automotive Industry: Mazda Motor Logistics Europe

The Japanese car maker Mazda located its European car parts distribution center in Flanders in 1995. Today Mazda Motor Logistics Europe has become a European operational hub with a warehouse area of approximately 51,000 m². From its location in Willebroek, near Antwerp, Mazda coordinates its logistic operations and takes care of several back office operations including its European accounting & treasury operations. Forty percent of the Mazdas produced in Asia for the European market arrive in the Port of Antwerp. From there they are shipped to the Benelux, German, Swiss, Czech and Slovakian markets.

Perfect location for European distribution

Alex Janssens, Director European Accounting & Treasury, Finance and Administration, explains that, "the proximity and modern infrastructure of the Port of Antwerp was an important factor in our decision to locate here. It is fast and cost-effective to ship our cars and parts by road from here to our smaller logistics hubs and dealers in Europe."

Culturally sensitive workforce

Mazda Motor Logistics Europe has 390 employees generating an annual turnover of € 4.2 billion. "Customer orientation plays an important role in this," Janssens points out. "We deliver services to a large network with many branches and our accuracy and reliability have to be above reproach. We also have to be able to react quickly to changing situations. Flemish people are by nature flexible. In the course of history they have learned to take a flexible and customer-oriented approach."

"Flemish people demonstrate an exceptional cultural sensitivity when it comes to offering services to people who speak another language."

Alex Janssens, Director European Accounting & Treasury, Finance and Administration, Mazda Motor Logistics Europe

Their knowledge of several languages is another asset that contributes to the ability to offer optimal services in a European context. "Here again we notice that Flemish people are flexible," continues Janssens. "They feel at home in the different languages of the surrounding countries. Speaking

Dutch, French, English, German and even Spanish and Italian is not exceptional for Flemish employees. They demonstrate an exceptional cultural sensitivity when it comes to offering services to people who speak another language."

Government support

Mazda Motor Logistics Europe has an excellent relationship with the local and national governments. Mazda finds a ready ear for its concerns at the municipal government of Willebroek but can also count on a helping hand from the federal government. "We were very happy with the federal government's initiative to introduce the notional interest deduction and favorable taxation measures for expat employees," says Janssens. "We also appreciate that we can complete our import declarations for the activities of two of our three other European import ports from within Flanders. We have a single point of contact at the federal government who keeps us in mind and actively supports us."



Looking...?

... to become part of the sustainable success of Flanders' strategic industries? If so, contact us today at Flanders Investment & Trade. It will be our pleasure to assist you. Call us on +32 2 504 87 11 or email us at invest@flanders.be

Advantage 7: Pioneer in innovation

Flanders is a true pioneer when it comes to new trends in logistics. A lot of effort is being focused on value-added concepts and technologies, such as mass customization, reverse logistics and intelligent supply chains. Flanders is also the region where innovative logistic partnerships offer companies a competitive advantage. It is also home to numerous innovative firms that have developed specific solutions, e.g. in telematics.

Westerlund: Innovative global player in forest products sector

The Flemish family firm Westerlund has had a presence at the Port of Antwerp for over a century. These days the company handles forest products – an area in which it has been specializing for the last 40 years – and owns an impressive 260,000 m² of covered storage space, two kilometers of quays and four Ro-Ro berths. Which means that Westerlund has the largest terminal and logistics hub for forest products in the world at the Port of Antwerp.



The company innovates continuously to maintain a level of efficiency. This applies to its ICT solutions as well as to the infrastructure of its port terminals.

Unique system for global paper tracing

“Together with our IT partner company Emsys, we have developed a high-tech scanning solution that lets us follow paper from the producer all the way to the customer,” explains Ken Joris, Managing Director at Westerlund Distribution. “All stakeholders have access to our system, which means that they can follow the route of a roll of paper, in real time and wireless, from anywhere in the world. Paper Scanning Solutions (PSS), as the system is called, is today marketed worldwide by Emsys, particularly to paper converters and printers. It has become the world leader in paper tracing.”

Innovation on the quays

Paper handling has changed enormously over the last century and Westerlund has made its own valuable contribution to this. “The widely-used core probe system for lifting large reels of kraftliner was developed by Gunnar Westerlund, the father of our current CEO Jean Jacques Westerlund,” Ken explains. “These core probes are inserted into the paper roll’s hollow core and then expanded, gripping the core and allowing the rolls to be picked up without damage. This revolutionary system has become the global standard for handling kraftliner rolls of paper.”

Global growth thanks to increased efficiency

Westerlund strives for the highest possible level of efficiency. The company has both ISO 9001 and ISO 14001 certification. “We are continuously looking for ways to work more efficiently and provide better service to our clients. Innovation plays a major role in this. It is thanks to innovation that we have been able to achieve unrivalled international growth. Today we have port terminals in Flanders, France and the United Kingdom as well as a logistics hub for pulp and paper in Changshu, near Shanghai, China. At the latter location we handle close to two million tons of forest products annually. All major paper producers in the world are our clients.”

Tailormade Logistics: innovative player creates fast growth

Small logistics players in Flanders sometimes grow rapidly. Tailormade Logistics, a logistics service provider based in the Port of Ghent, is a prime example. Eleven years after its foundation, the company is now one of the fastest growing logistics service providers in Flanders, operating a fleet of 350 loading units, 120,000 m² of warehouse and employing 250 people. The key to its success lies in state-of-the-art technology-assisted logistics processes.

Tailormade Logistics provides a range of integrated logistics services: storage, international transport and added-value activities such as customization, assembly and quality control. In-house logistics activities, including maintenance and security, also are part of their offer. An advanced IT system is indispensable to manage all these activities.

Visible and less visible innovation

“We start with state-of-the-art equipment,” says Bert Vandecaveye, General Manager, Tailormade Logistics. Our trucks are equipped with GPRS satellite navigation systems from Transics, another Flemish company, which are linked to our back office. Thanks to this we always know where our goods are in real time and we also have sophisticated planning and route optimization systems at our disposal.”

“We have been using Red Prairie software for our warehouse management since 1997. Ten years ago nobody had heard of this software, but now it is the standard in the sector. It provides us with a clear overview and control of our workflow and we continuously improve our processes. The fact that we started early has put us well ahead of the competition. We have become masters in managing information flows. Our clients abroad have access to our IT platform and share in its benefits in terms of efficiency.”

A more visible type of technological innovation can be found on the trucks Tailormade Logistics uses for its road transport business. “The rules and regulations vary from country to country in Europe,” says Vandecaveye. “For example, the height of trailers allowed on the road may differ.” In Belgium, the Netherlands and Germany, their height is limited, but this is not so in the United Kingdom and Scandinavia. We have developed a trailer whose roof can be raised with the help of a hydraulic system. Drivers can lower or raise



the roof of their truck, depending on the country they are in. A raised roof allows for a 25-percent larger load on the trailer.”

Logistics in production environments

Tailormade Logistics is an expert in international logistics management in production environments. Using web-based software, the company provides just-in-time and just-in-sequence logistics services and is able to manage the entire production logistics chain. “The advantages for the client are obvious,” continues Vandecaveye. “Because we are close to our clients, through a virtual or even an in-house presence, they do not need to hire additional IT personnel or invest in rolling stock. Clients can focus on their core activity – production. We take care of the entire logistics side.”

Thinking in European terms in Flanders

Tailormade Logistics sees a bright future for logistics. “Our business is expanding enormously, especially abroad,” says Vandecaveye. “From now on, we hope to open a branch in another European country every year. The expectation is that, within five years, we will have 2,000 employees spread throughout Europe. We are thinking in European terms here in Flanders. The European market is stable and the euro strong. European companies have well-filled order books and the growing number of EU member states generates continuously new goods flows. If we continue to think forward and adjust to the needs of our clients, we can expect a bright future for logistics in Flanders.”

Hessenatie Logistics: optimizing the logistic chain

Hessenatie Logistics from Antwerp is a relatively small Flemish player in the logistics field. Until 2004 it provided only traditional logistics services such as warehousing and transportation. Then, three years ago, it changed strategies and began focusing on managing and optimizing logistics chains. As a trailblazer in this niche, the company has the ambition to be one of the most innovative logistics service providers in Europe.

Hessenatie Logistics still provides integrated warehousing and transport services to its clients, but its future growth lies in the efficient management and coordination of the entire supply chain for several companies at once. "We came to realize that we could offer our clients services that went beyond optimizing transportation and storage," says Patrick De Keersmaecker, Managing Director of Hessenatie Logistics. "Now we focus on increasing the efficiency of all aspects of the logistics chain. Because that is where the greatest potential for client savings can be found."

Availability of data an indispensable condition

A crucial element in this new approach to logistics is the availability of data. For this reason, the company was among the first to customize an ERP-platform using state-of-the-art technology. The system goes well beyond the traditional computerized system for warehousing and transport management. It allows clients to manage their entire logistics process, regardless of whether Hessenatie Logistics handles all or part of it. "With our system companies can work with logistics service providers in ways that are transparent," says De Keersmaecker, "and map the most efficient supply chain for every movement of goods and transactional information. They can also have the advantage of scale by combining movements of goods."

"We focus on increasing the efficiency of all aspects of the logistics chain. Because that is where the greatest potential for client savings can be found."

Patrick De Keersmaecker, Managing Director, Hessenatie Logistics

"Our platform can keep several clients informed in real time of each transaction. For example, it makes it possible to work with a 'virtual supply', which can be the property of several clients and optimized as a whole. Clients can choose from five different levels of service: Store, Serve, Source, Sell and Supply, each of them with high or low involvement in terms of in and outbound logistics and distribution.

A question of vision and attitude

Hessenatie Logistics has a clear vision of the future of logistics. "As a logistics service provider" De Keersmaecker goes on, "we must offer added value by analyzing and optimizing our clients' logistics chains, in both the forward and a reverse mode, e.g. from vendor to manufacturer, from manufacturer to customer and from customer to manufacturer. When we don't have the necessary expertise, we partner with consulting firms that can provide it. Together with our clients we think outside the box about ways to make their logistics processes more efficient while keeping them flexible. And we show them how this is the ultimate way to stay ahead of the competition."

Transics International: solutions that boost efficiency

Transics International develops and commercializes fleet management systems – on-board computers, software and services – for the transport and logistics industry. With 40,000 onboard computers installed for 800 clients, Transics is one of the leading European players. Its clients are located primarily in the Benelux, France and Germany, but the company is also active in Spain, Scandinavia and Central Europe.

Transics offers innovative solutions to dispatchers, drivers and managers of transport and logistics companies. These not only improve customer

"Flanders has a very high concentration of transport companies. Our location is ideal for staying in close contact with our target group."

Walter Mastelinck, Managing Director at Transics

service and efficiency, but also cut costs and increase the comfort and safety of the drivers. Walter Mastelinck, Managing Director at Transics, explains: "Our solutions make it possible, for instance, for drivers to be in real-time contact with dispatching. The dispatcher can see the location of the driver and what he is doing – resting, driving, filling up, unloading... This is an easy way for companies to boost efficiency."

Focused on added value

About the success of the company, Mastelinck has this to say: "Because our focus is on fleet management systems, we know the transport industry through and through. Of course, this allows us to respond quickly to new trends." Where else in Europe is there a logistics and transport sector that is as developed and diversified as in Flanders? "Flanders is a major logistics hub in Europe with a very high concentration of transport companies," answers Mastelinck. "Our location is ideal for staying in close contact with our target group."

Looking...?

*... to enjoy the services of Flanders' innovative logistics companies?
If so, contact us today at Flanders Investment & Trade. It will be our pleasure to assist you. Call us on +32 2 504 87 11 or email us at invest@flanders.be*

Advantage 8: Solid know-how and expertise

Running a European Distribution Center (EDC) is becoming increasingly complex. Added-value activities like (re)packaging, grouping of goods in kits and assembly are growing in importance. Hi-tech sorting and packaging equipment and actual production and repair lines are now located at logistic centers. The know-how to set up and manage advanced EDC operations and processes demands a solid expertise on the successful combination of logistic and production processes. Flanders can offer that expertise and has a workforce at its command with a first-class reputation worldwide in several fields.

Nike ELC: the largest distribution center in Europe

Sporting goods manufacturer Nike opened its European clothing distribution center in the Flemish town of Laakdal in 1994. A year later it also moved its European shoe distribution business to this strategic location. Recently Nike expanded its distribution center at a cost of € 74 million. Laakdal now also handles the distribution of all equipment to clients within the EMEA region. The Nike EMEA Logistics Center (ELC) covers 200,000 m² and handles close to 5 billion dollars in goods. This makes it the largest distribution center in Europe and the largest in the world for the American group.

By taking its logistics activities into its own hands, Nike gained a strong competitive advantage. All the activities of its thirty European distribution centers have now been brought together in a single central distribution center strategically located in Europe. "The main factors that drove the investment decision," explains Luc Hooybergs, General Manager Nike ELC Laakdal, "were the

Highest density of EDCs in Europe

Flanders is home to more than 400 European Distribution Centers (EDCs). 56% of these are outsourced to a third party, the remaining 44% are owned and operated by the shipper. With an average of 3 EDCs for every 100 km², Flanders is the European leader.

site's central location in Europe and the existing transportation infrastructure. An additional factor was the flexible employment framework offered by the government. It allows us to handle activity peaks and valleys without difficulty. Finally, there was the favorable employment situation in the region. We have access to a large pool of motivated workers with different educational backgrounds."

The ultimate location and infrastructure for distribution throughout the EMEA region

For Nike, Laakdal is the ultimate location, right at the centre of European spending power, with excellent connections to all clients in the EMEA region. "This is the best location in Europe," beams Hooybergs. "This is perfectly obvious when you look at our facilities from the air. Our immediate neighbor is Water Container Transport (WCT) Meerhout, the second largest inland container terminal for inland shipping in Europe with trimodal access. Via the Albert Canal – which borders on our site – we receive 87% of our goods via inland shipping routes from the ports of Zeebrugge, Antwerp and others. There is also a railroad going through our site, which we use for both inbound and outbound shipments. At the other end of our distribution center is the E313, a European highway that leads to all our clients throughout Europe. For a large shipper such as Nike this is the ultimate location."

The human factor in logistics

Nike ELC makes a large contribution to the employment in the region. It has a workforce of 1,300 with an additional 800 part-time employees in peak periods. Although the majority are unskilled, Nike also employs college-educated engineers and technicians. Nike Laakdal strives to make the workforce reflect the surrounding society. It makes a serious effort to include minority and immigrant groups and disabled people in the distribution center's operation. Diversity is not a hollow concept here.

People are the central focus of Nike in Laakdal. "Logistics has taken new forms," says Hooybergs. "Value-added activities such as mass customization are becoming increasingly important. In Laakdal we put together the orders from our clients. For some clients we attach security tags to the products, for others price labels. We also deliver additional services for our own Nike stores. Nike has the deep-rooted conviction that logistics can offer meaningful employment to both low and high-skilled workers. The new version of logistics includes more added-value activities that are carried out by people. At the same time the technologies they are using are becoming more complex. This makes it necessary to provide proper training and support for the staff. It is the perfect environment for developing the leadership abilities of our young engineering graduates."

"We are right at the centre of European spending power, with excellent connections to all clients in the EMEA region. This is the best location in Europe."

Luc Hooybergs, General Manager, Nike ELC Laakdal

Taking new roads with rail transport

The major part of the goods of the ELC in Laakdal leaves on trucks. Right now Nike is looking for more cost-effective solutions on the outbound side that would also be more environment friendly and reduce the nuisance factor for the region to a minimum. "Our logistics operations are complex. We have some 180,000 different products in our warehouses, which we ship to approximately 50,000 clients. These are large volumes of goods with a lifespan of around three months. We depend on predictable factors such as sports events and unpredictable ones such as the weather. This makes for complex planning and great time pressure."

In spite of this, Nike thinks that the use of the railway could offer an added value. "Together with the Flemish Institute for Logistics (VIL) we have studied along what axes we could efficiently combine railway solutions with road transport," says Hooybergs. "The study showed that we could use own trains for specific, stable goods flows, for example to Italy. In a next phase we will study possible partnerships with shippers in the region. The goal is to bring together a sufficient base volume to make a train route to Italy profitable for all parties."

Serving as an example within the Nike group

Nike ELC in Laakdal has acquired a lot of expertise and know-how over the past years. It has developed into a benchmark distribution center within the international group. "Our expertise is in high demand within the Nike group. We are developing logistical concepts for Eastern Europe, including for Nike's recently established satellite distribution center in Moscow. We also transfer our expertise to the Nike distribution centers in Japan, Korea and even in our US home base."

Sustainable logistics is a passion for Nike

Nike feels very strongly about environmental conservation. The best – and for the outside world most visible – example of this are the 111-meter high wind turbines on the site, which supply the entire distribution center with green power.

The six 1.5-megawatt turbines generate 22 million kilowatt-hours a year in green energy, equivalent to the annual electricity needs of approximately 8,000 European households. It is one of the largest on-site wind power projects in Europe and makes Nike into one of the first European commercial sites of that size that are 100% powered with green energy.



DHL Exel Supply Chain: over 20 European distribution centers in Flanders

With global sales of € 62.8 billion, DHL is the largest courier and logistics service provider in the world. Its activities encompass four categories: regular parcel service (DHL Express), truck transport (DHL Freight), air and maritime transport (DHL Global Forwarding), and contract logistics and custom solutions (DHL Exel Supply Chain).

The European distribution centers (EDCs) are the growth pole for DHL Exel Supply Chain's activities in Flanders. The company operates approximately 20 EDCs for a range of products, including fast moving consumer goods, healthcare products, technology products and food and fashion products. According to Jan Deltour, Managing Director DHL Exel Supply Chain (Belgium), "Companies are increasingly focusing on their core activities and outsourcing the management of their European distribution centers. We are expecting 16% growth in our activities in Flanders in 2008. This would entail an increase in our workforce from 2,000 to 2,300 employees."

"People here are flexible and willing to offer our clients a very high level of service. The fact that our workers speak several languages is an additional advantage."

*Jan Deltour, Managing Director,
DHL Exel Supply Chain (Belgium)*

Low-skilled workers handle complex jobs

The majority of the company's employees in Flanders are low-skilled workers. Much is expected from them, however. "The activities at an EDC are much more complex than in the past," explains Deltour. "Our employees work with voice picking and state-of-the-art IT-systems. We ask them not only to work with hi-tech equipment but also to understand the underlying logic. In Flanders we have only limited issues in finding people who can do this. We have very little staff turnover because we take our employees seriously and give them interesting and varied work."

Unique expertise in Flanders

DHL Exel Supply Chain's customers are demanding and want top quality service for both their goods and document flows, all the way from the point of production to the customer. "Flanders offers unique expertise in the field of logistics," adds Deltour. "As a small region that is centrally located in the European consumer market, it has become expert at the international handling of goods. People here are flexible and willing to offer our clients a very high level of service. The fact that our workers speak several languages is an additional advantage."

Focus on EDC operation in Flanders

DHL Exel Supply Chain runs around 20 EDCs in 14 different locations in Flanders. Of the 460,000 square meters in warehousing space, more than 300,000 are used for the operation of EDCs. The company offers inbound and outbound transport as well as storage in the appropriate high-tech warehouse. Its service package also includes value-added activities such as quality control, repackaging, display assembly and VAT and customs administration.

Looking...?

*... to benefit from Flanders' solid logistics know-how and expertise?
If so, contact us today at Flanders Investment & Trade. It will be our pleasure to assist you. Call us on +32 2 504 87 11 or email us at invest@flanders.be*

Advantage 9: Strong support for the industry

Flanders provides a tailor-made policy for all players in the logistics industry. This ranges from creating a beneficial tax environment for EDCs located here to companies that wish to expand to brownfield developments and the clearing of greenfields for logistics operations. Furthermore, Flanders offers the lowest rentals in Europe. Nowhere in Europe can business find better value for money in logistic real estate. Several government initiatives have been taken to support the logistics industry. The Flanders Institute for Logistics (VIL) is the driving force behind the innovative strength of the logistics industry in Flanders. Other initiatives, such as Flanders Logistics and the Flemish Logistics Platform, have established a stimulating interplay between government, the centers of knowledge and the business community. The Flemish government has made it resoundingly clear that the logistics industry is getting all the attention it deserves.

Innovation, expertise and advice for the logistics sector

The Flanders Institute for Logistics (VIL) is a non-profit organization that strives to reinforce the competitive advantages of the logistics industry in Flanders. It does this by encouraging innovation, conducting research and supporting companies. "Promoting innovation and knowledge transfer are our main tasks," says Francis Rome, Director Business Development at VIL. "We conduct studies, get the information out and initiate pilot projects with interested companies. We always work closely with players from the logistics sector – shippers third-party logistics providers and the like."

Further development of multimodality

VIL studies the logistical strengths of Flanders in order to develop strategies and innovative operational processes with clear goals and based on solid information. One of its major focuses is multimodality – one of Flanders' biggest assets. VIL constantly looks for new ways to improve the alignment between the different networks (roads, railroads and waterways) and optimize their use. "As part of our focus on multimodality we study, among other things, the transfer of technologies and the structure of transferring costs," says Rome. "Flanders has one of the densest multimodal transport infrastructures in Europe, but if we want to stay ahead in the logistics sector, we will have to continually improve the integration of our multimodal transport system."

Value-added concepts and technology

Value-added concepts and technologies also receive considerable attention. "By offering high-quality activities with added value within the logistics chain, logistics service providers can get a better grip on the shippers' flow of goods," Rome continues. "Redesigning logistics flows and introducing new technologies are key tools for creating added value. VIL monitors new technological

developments on an ongoing basis and translates them into logistics applications. One example of this is the use of ICT for reverse logistics, which lets firms see how they can make optimal use of their return transport flows. Another example is educating companies about the different Real Time Location Systems (RTLS) for monitoring objects and persons remotely in real time."

The importance of partnerships

Finally, VIL puts great stock in partnerships. "Flanders already has well integrated partnerships of clients and suppliers, but we would also like companies that are at the same level in the supply chain to combine their strengths. VIL is in the middle of studying potential partnerships between logistics service providers and shippers, for both inbound and outbound logistical flows," continues Rome. "In the rather carved up and fast-changing logistical landscape of Flanders, partnerships could play a decisive role in the competitiveness of companies."

Flanders is a logistic real estate success

According to a recent European survey conducted by logistic real estate broker Eurinpro, rentals in Flanders are among the lowest in Europe.

In 2006, the average rental for logistic space [at prime sites] in Belgium was € 47 per m² per year. This is one of the lowest averages in Europe. In the 25 member states of the EU, the average was € 80 per m² per year. Belgium offers 7 million m² of logistics space and has one of the highest densities of such sites in Europe. On average, 500,000 m² are rented out yearly. It mainly concerns storage facilities of 5,000 m² or over located in the 'Golden Triangle' Antwerp-Brussels-Ghent. Over 1.5 million m² are waiting in the pipeline for property development.

Some short testimonials on the Flemish Institute for Logistics

Technology project

NYK Logistics recently looked into the possibility of importing RFID (Radio Frequency Identification) to support its logistics processes. VIL's expertise allowed NYK Logistics to evaluate the applicability of the technology in its own logistics environment. "VIL is the ideal facilitator for such projects," says Hugo Van Herck, General Manager at NYK Logistics (Belgium). "They contributed the know-how and helped us coordinate the project. They supported us in selecting the technology as well as the system integrator."

Finger on the industry's pulse

"The Institute has the finger on the pulse of the industry in Flanders," says Ken Joris, Managing Director at Westerland Distribution. "It examines the present situation in Flanders and identifies future trends. Its studies are ideal starting points for the innovation projects within our organization."

Promoting logistics in Flanders

"Flanders now has solid networks throughout Europe. This makes it into an important logistics player," says Bert Vandecaveye, General Manager, Tailormade Logistics. "We also shouldn't underestimate the importance of our linguistic abilities in this. We have to make this clear to the outside world. That is why we accompanied VIL on several trade missions to Japan and China."

Valuable network

Chris Van Dam, director International Distribution Center at Sentipharm AG: "The Flemish Institute for Logistics (VIL) provides a valuable network of contacts within the logistics industry in Flanders. If you have a question, you can always ask for help from the Institute. In no time you will be talking to the right experts."



The experts' opinion

fDi magazine: "Flanders is the N°2 European Region of the Future 2008/2009"

fDi magazine, the foreign direct investment magazine of The Financial Times Group, voted Flanders the number 2 region in Europe for foreign direct investment and the number 2 in the overall ranking of 'Top European Regions of the Future 2008/2009'.

EDR 2006, Cushman & Wakefield: "Flanders is Europe's N°1 logistics location"

Cushman & Wakefield's European Distribution Report 2006 puts Flanders, in keeping with previous years, in first place as logistics location. The ranking was based on factors such as the cost of warehousing, land and employment, the quality of transport systems and the accessibility of the region. According to the study, Flanders will remain in the top spot until at least 2019.

Distribution hubs matrix

European regions, indicators of strengths and weaknesses

	Rents (€)	Land price	Labor cost	Road Density	Road Congestion	Rail Density	Road Freight	Rail Freight	Air Freight	Sea Freight	Population Density	Access to the EU core	Access to the East	Built new units > 10,000 m ²	Land Supply	Available labor force	Labor productivity	Logistics Education	Language knowledge	SCORE	Ranking 2006	Ranking 2004
	Costs			Transport System				Accessibility			Supply		Labor		Know-how		Total					
Weight	3	3	2	4	1	1	3	2	1	3	2	4	1	1	1	1	1	1	1			
Weight %	38%	38%	25	27	7	7	20	13	7	20	25	58	17	50	50	50	50	50	50			
Flanders (B)	2.8	7.7	12.2	1.0	3.5	1.5	1.7	1.8	3.2	2.1	3.4	0.8	3.5	1.9	2.2	3.4	2.8	2.2	0.9	5.1	1	1
Wallonia (B)	1.8	7.1	12.0	1.2	2.4	1.3	2.4	2.3	3.3	4.0	3.0	0.9	3.4	2.2	2.2	1.0	4.7	3.2	3.4	5.2	2	7
Nord - Pas-De-Calais (F)	3.5	6.0	6.5	2.5	4.0	1.0	2.4	1.8	4.5	2.5	4.6	1.6	3.8	3.0	2.0	0.6	6.3	2.5	5.0	5.3	3	3
Saarland (G)	3.5	5.0	7.0	1.5	3.0	3.0	4.0	3.0	4.0	6.0	7.2	1.0	2.8	1.5	1.5	2.8	2.5	3.0	3.5	5.6	4	4
Ile De France (F)	5.0	8.0	7.0	0.5	10.0	1.0	1.0	1.5	1.0	3.0	7.0	2.0	4.5	2.0	4.5	2.2	0.4	1.5	4.0	5.8	5	2
Est (F)	2.8	6.2	6.5	3.0	2.8	2.0	3.0	2.5	5.0	4.0	7.8	0.5	2.9	4.0	2.0	2.8	4.4	2.5	5.0	5.8	6	6
Brussels Cap. Region (B)	5.0	11.0	13.0	0.5	7.0	1.0	1.5	2.0	2.0	2.0	2.8	0.5	3.5	3.0	3.5	1.0	0.6	1.5	3.0	5.8	7	5
Nordrhein-Westfalen (G)	7.3	9.6	9.5	1.9	3.8	3.0	2.3	2.5	3.3	3.5	2.1	0.4	2.7	2.6	2.3	4.2	1.8	2.3	3.5	6.3	8	8
South-Netherlands (NL)	7.5	8.5	11.5	2.8	2.8	2.3	1.5	1.5	3.0	2.8	0.8	0.6	3.5	1.8	3.0	6.5	8.8	1.5	2.5	6.5	9	9
Rheinland-Pfalz (G)	6.0	.0	8.6	2.8	2.7	3.3	3.7	4.3	4.0	4.0	5.3	0.5	2.8	2.2	2.5	5.6	2.4	2.8	3.5	6.7	10	10
East-Netherlands (NL)	4.3	7.8	11.3	5.0	2.5	3.3	2.0	2.7	4.0	3.0	3.3	1.5	3.3	2.3	2.0	7.0	7.9	3.0	2.5	6.8	11	11
Bassin Parisien (F)	3.5	5.9	6.7	5.5	2.0	3.5	3.5	4.0	4.0	5.0	6.5	2.5	3.9	3.0	2.5	1.2	6.1	3.0	5.0	6.9	12	14
West-Netherlands (NL)	8.0	10.6	12.0	2.6	5.3	2.3	1.5	1.8	1.9	2.0	3.8	1.6	3.6	2.4	3.8	6.8	6.3	1.6	2.5	7.4	13	12
North-Netherlands (NL)	1.5	7.0	11.0	5.7	2.3	4.7	4.0	4.3	5.7	3.7	7.7	2.7	3.3	3.3	1.0	3.9	9.5	2.8	2.5	7.4	14	13
Luxembourg (Gr. Duche)	12.0	14.0	15.0	3.0	4.0	3.0	3.0	3.0	3.0	5.0	7.6	0.5	3.0	3.0	3.0	5.2	0.1	3.0	2.0	9.0	15	15

Flanders Logistics

Tackling bottlenecks and valorizing opportunities

Flemish minister-president Kris Peeters and key players of the logistics sector came up with a comprehensive and sustainable vision on the future development of logistics within Flanders. That vision was then crystallized into seven strategic themes ranging from a better capacity utilization of existing infrastructure to streamlining regulation within the sector, the provision of bespoke training courses, fostering innovative logistics and the establishment of logistics clusters. The wide range of initiatives and projects within Flanders Logistics illustrates the enthusiasm, from the policy point of view, to provide the logistics sector with the support it deserves as a strategic industry for Flanders' future prosperity and employment.

Flemish Logistics Platform: Promotion by the Flemish logistics midfield

The Flemish Logistics Platform is an initiative of Flanders Investment & Trade and the Flemish Institute for Logistics (VIL). It provides an informal platform for consultations between official and semi-official bodies that are active in the logistics sector. These include port operators, associations of port-related companies, the operator of Brussels Airport (BIAC), Belgian Railways (NMBS), the regional airports, and inland navigation and road transport representatives. The platform's goal is to put Flanders internationally on the map as a "logistics center of excellence."



Beneficial tax environment

The government has created a high-quality business climate for the companies that settle in Flanders. And they can count on intensive support, advice and measures geared to their business objectives and needs. Some highlights:

- The notional interest deduction: companies using their own capital to finance their activities are eligible for a notional interest deduction of 4.307% for assessment year 2009. This brings the effective taxation rate below 26%. The notional interest deduction is unique in its kind and excels in its relative simplicity. It has an important impact on the investment decisions of the large players.
- 0% registration duties on contributions: proportional registration duties on contributions, whether in money or kind, have been abolished.
- Application of parent-subsidiary directive expanded to treaty countries: the exemption from withholding taxes on payments of dividends – as long as the conditions of the European parent-subsidiary directive are met – has been expanded to parent companies domiciled in almost all the treaty countries. This benefits American, Japanese, Chinese, Brazilian, Canadian and Australian groups, among others.
- Appreciated policy with respect to double-taxation treaties: Belgium was the very first country that concluded a double-taxation treaty with Hong Kong. The new treaty with the United States also provides for an exemption from withholding taxes on payments of dividends and interests.
- Upgrade of ruling practice: the Belgian practice of fiscal rulings on previous agreements has undergone an upgrade: the nature of the cases that may be submitted to the ruling commission have been considerably expanded. While the Commission must commit itself to deliver a ruling within three months.

Government support for sustainable development of logistics spaces

Companies need the right storage space with the right technical infrastructure at the right price in a strategic location. There are specialized companies in Flanders that provide just that. One of them is Warehouses De Pauw (WDP). WDP has over 30 years' experience in the semi-industrial real estate market and is the current market leader in Belgium.

WDP no longer needs to convince its clients of the advantages of Flanders' central location and excellent infrastructure. The company's long-term vision, flexible customer-oriented approach and large supply of available land are a winning combination. But WDP also responds to the rising demand for long-term warehousing. "Our clients want made-to-measure solutions," says Joost Uwents, CFO of WDP, "both in terms of their finances and the layout of the logistics space. They also increasingly want them to be energy efficient. And we can offer them that."



Solar panels good for clients' energy plan

WDP capitalizes on the trend towards sustainable company development by, for instance, minimizing the CO₂ emissions of their warehouses and using environment-friendly construction materials. Clients not only save money, they also make a valuable contribution to the protection of the environment. "Environmental responsibility is an important concern for WDP," continues Uwents, "and we have taken some significant steps in this area. Recently, for example, we invested in 100,000 m² of solar panels to install on our buildings in Flanders, which makes us the owner of the largest solar panel park in Flanders."

This project was carried out with financial support from the Flemish Government. "In Flanders we have a unique subsidy system," Uwents explains. "It's relatively easy for companies to obtain financial support if they produce energy from solar panels. If they develop an energy plan and include alternative energy sources in it, they stand to gain a significant tax advantage. Our clients are pleasantly surprised when they hear what we can offer them in this area and what subsidies may be available."

Want...?

... to find out more about the initiatives in Flanders that directly support the logistics industry?
If so, contact us today at Flanders Investment & Trade. It will be our pleasure to assist you. Call us on +32 2 504 87 11 or email us at invest@flanders.be

Advantage 10: Flanders Investment & Trade: support at the start and the expansion of your operations

Providing advice and support to foreign companies wanting to start or expand operations in Flanders is one of the core responsibilities of Flanders Investment & Trade. Thanks to our experienced, multilingual staff we are able to help companies integrate into one of Europe's most prosperous economies efficiently and effectively. Flanders Investment & Trade has 75 offices worldwide: we can assist you wherever you are. And, thanks to our extensive and active network within Flanders, we can also provide you with region-specific information.

Identification of optimal location

Flanders Investment & Trade provides confidential information and support without cost to companies who want to start or expand operations within or from within Flanders. Our experienced staff will help you look for a suitable location for your activities, taking into account accessibility by road, water and rail, proximity to ports and airports, accessibility to markets and suppliers, availability of qualified personnel, and support measures from regional, national and European government agencies. But first and foremost, they will listen to your needs and wishes.

Knowledge and contact center

Flanders Investment & Trade is a knowledge-intensive organization with access to up-to-date information about the availability of sites, the local workforce, recruitment and training, suppliers, markets and export possibilities.

We can put you in touch with the right regional and national government agencies, utility companies, top knowledge centers and academic institutions. We can introduce you to sectoral and intersectoral business networks. We can ensure that your company and your employees and their families will feel right at home in Flanders.

Subsidies and support measures

Flanders Investment & Trade can provide you with information about the range of subsidies and support measures offered by the Flemish and national governments. We know everything there is to know about investment subsidies and favorable tax measures, rulings, the notional interest deduction, exemption from the tax deduction at source for dividends derived from domestic securities, VAT grouping and setting up a pension fund organization. We can explain to you those measures that produce a financial advantage for R&D activities, such as the credits for feasibility studies, basic research and prototype development. We can clarify the royalty taxes on patents and the economical social security system for foreign researchers. And, finally, we can tell you about the support available for recruiting, hiring and training your personnel.

Legal requirements clarified

Flanders Investment & Trade can support you in meeting the legal requirements involved in starting up your business in Flanders.

A handy reference for potential investors is our comprehensive Investment Guide to Establishing a Business in Flanders. The guide provides an overview of the different types of companies, the steps involved in setting up a company, available support measures, taxes, staffing, import and export, competition laws and environmental regulations. It can be downloaded or ordered via our website.

“Besides its powerhouse location, Flanders provides businesses with added value at many other levels too. Think, for example, of research and innovation, a highly educated and productive workforce with a fluency in languages, and highly developed transport and communication infrastructures. Foreign businesses receive a warm welcome in Flanders and are well surrounded here by all the ingredients to ensure sustainable growth.”

Koen Allaert, General Manager, Flanders Investment & Trade

For more information

You can find all the information about investing in Flanders at www.flandersinvestmentandtrade.com. The website provides a clear overview of the infrastructure, R&D activities and different sectors. It also contains handy information for expats who want to know more about the social life in the region. Its news section keeps investors up-to-date on the latest economic, financial, social, cultural and scientific news, giving them a clearer picture of what is on offer in Flanders today. The website is available in five languages: English, German, French, Japanese and Chinese.

In addition, Flanders Investment & Trade offers brochures about the following industries:

- Automotive
- Life Sciences
- Logistics
- Chemical
- ICT

All of the brochures can be ordered or downloaded from our website.

Or ask for them at one of our offices.

Would you like to know what Flanders could mean to your company?

Then contact us now at:

Flanders Investment & Trade

Gaucheretstraat 90 - B-1030 Brussels
T +32 2 504 87 11
F +32 2 504 88 99
invest@flanders.be
www.investinflanders.com
www.flandersinvestmentandtrade.com

Flanders' logistics strengths in a nutshell

"We receive good support for our expansion plans in Flanders. The **government**, for example, is very active in clearing land for logistical purposes and also offers **attractive subsidies** for expanding and for training personnel."

François Lacombe, National Manager, Kuehne + Nagel (Belgium)

"Whether we are talking about the construction of terminals or the implementation of large automation projects, the **engineers here are among the best in the world.**"

Roger Roels, Director, DP World

"Flanders also offers one of Europe's densest **road and railway networks**. We make full use of them to ship our goods as fast as possible to the many different locations."

Dirk Lannoo, Vice President, Katoen Natie Group

"The **central location** of Flanders is a **key performance indicator for the competitiveness of a region**. We are in the middle of the European market for our products."

Wouter De Geest, Managing Director, BASF Antwerp

"Flanders is the number 2 region in Europe for foreign direct investment and the number 2 in the overall ranking of 'Top European Regions of the Future 2008/2009'.

fDi magazine (Foreign Direct Investment magazine of The Financial Times Group)

"People here are flexible and willing to offer our clients a **very high level of service**. The fact that our workers speak several languages is an additional advantage."

Jan Deltour, Managing Director, DHL Exel Supply Chain (Belgium)

Visit us at www.flandersinvestmentandtrade.com or contact our office

Gaucheretstraat 90 | BE-1030 Brussels - Belgium
T +32 2 504 88 71 | F +32 2 504 88 70
invest@fitagency.be | www.flandersinvestmentandtrade.com



Join us in **Flanders**

The right place

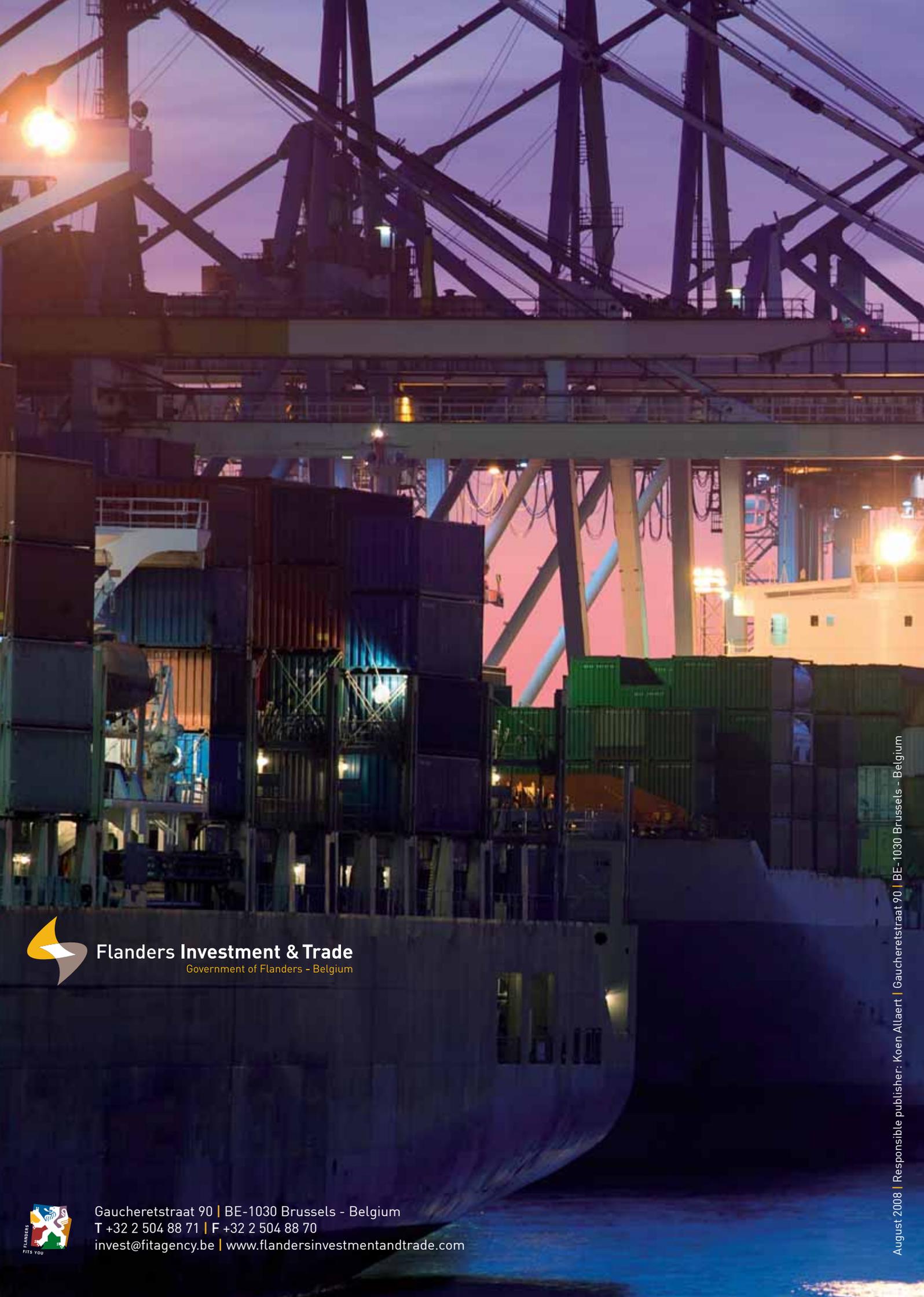
The right platform

The right expertise

The right infrastructure

Flanders...

an ideal base for sustainable
European logistics operations



Flanders Investment & Trade
Government of Flanders - Belgium



Gaucheretstraat 90 | BE-1030 Brussels - Belgium
T +32 2 504 88 71 | F +32 2 504 88 70
invest@fitagency.be | www.flandersinvestmentandtrade.com