

Belgium the place to be
for **biopharmaceutical R&D and manufacturing**



www.investinbiopharma.be



Belgium, the place to be for biopharmaceutical R&D and manufacturing

Belgium shows exceptional results in terms of innovation and industrial development, especially in the field of biopharmaceuticals. The figures and examples in this brochure give ample evidence of this.

Furthermore, Belgium offers major advantages for potential investment and career opportunities. These make of Belgium a center of excellence in biopharmacy.

This brochure aims to illustrate the many reasons why Belgium is “the place to be for biopharmaceutical R&D and manufacturing”:

- a unique academic and industrial network
- a supportive regulatory and political environment
- a very favorable public opinion
- a competitive tax environment, especially for research companies
- a highly qualified and productive workforce
- a prominent location, an excellent logistical and business infrastructure
- the quality of life

For further information, visit our website www.investinbiopharma.be.

Yves Verschuere
 Managing Director essenscia
 Belgian Federation for Chemistry and Life Sciences Industries

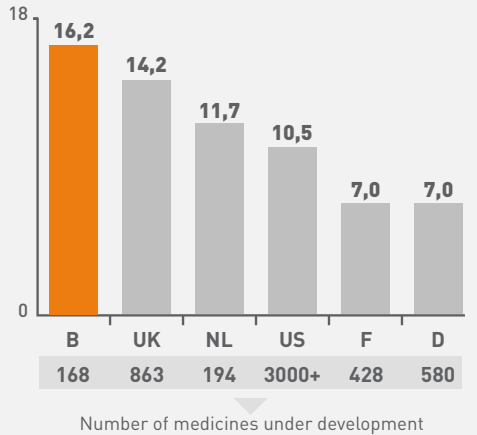
The figures of success

- the largest number of medicines in development in the world per capita
- the highest number of phase 1 clinical trials in Europe per capita & highest number of phases 1 to 3 clinical trials per capita
- the highest concentration of life-science employees in the world
- the second largest pharmaceutical export country in the world in absolute figures
- the 7th largest investor in the world in biopharmaceutical R&D

Belgium, the heart of Europe, a market of 456 million people



Number of medicines under development per million inhabitants



Source: Adis, 2008 - CIA



A unique academic and industrial network

- 16 universities within a 100-kilometer radius
- a high concentration of university hospitals
- highly specialized research institutes with an international reputation, in e.g. central nervous system, oncology, cardiovascular research, vaccinology/inflammation, tropical diseases, immunology, and converging technologies
- highly specialized research centers in medical imaging, molecular visualization, medical devices and diagnostics
- a broad offering of science parks, with incubation & innovation centers

A supportive regulatory environment

There is a strong political commitment to nurturing Belgian leadership in biopharmaceuticals and stimulating this key asset of the Belgian economy. Some of the recent measures include:

- the fastest approval for phase 1 clinical trials in Europe (2 weeks)
- newly established Federal Agency for Medicines and Health
- full support of public authorities for the development of biotech clusters, bringing together universities, companies and research centers – BioWin (Health Cluster of Wallonia), FlandersBio (Biotech Cluster of Flanders) and Bio&Pharma in Brussels

A very favorable public opinion

- the highest appreciation of the biopharmaceutical industry in the world: 84% of Belgians have a favorable or very favorable opinion of the industry (2006 figures) and Belgium is the only country where the public's appreciation is increasing, which is essential to attracting the highly educated as well as investors
- in the annual survey of the country's most attractive employers, the pharmaceutical industry consistently ranks highest

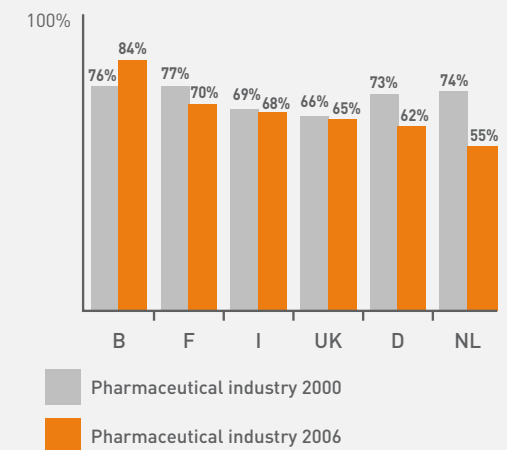
Major breakthroughs in Belgian biopharma

For the most important global pandemics - HIV/Aids, tuberculosis and malaria - major breakthroughs were achieved both in vaccines and pharmaceutical drugs by Belgian-based industry laboratories in recent years. These complement the already substantial successes in the discovery of compounds against infectious diseases and others such as schizophrenia, epilepsy, cancer drugs and immunotherapy and immune deficiency. The country is also a world center of vaccines research and manufacturing, with several worldwide first historic results and also new vaccines for the prevention of cervical cancer, rotavirus, flu pre-pandemic and pandemic, and many more.

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A positive public opinion



Source: GfK, 2006



A competitive tax environment, especially for research companies

The combination of several focused tax measures makes Belgium one of the most attractive investment locations for biopharmaceutical R&D and manufacturing in the European Union. These measures include:

- companies and branches can substantially reduce the nominal corporate tax rate by a deduction of notional interest on their adjusted equity capital
- the lowest effective European tax rate on income derived from the licensing of patents or the use of patented products (maximum tax only 6.8% and can be reduced in combination with notional interest deduction and other tax deductions)
- a 65% exemption payroll withholding tax for scientific researchers (PhD, engineers and master degrees)
- increased investment deduction and flexible depreciation rules for R&D investments
- refundable R&D tax credit system
- successful ruling practice can confirm in advance how the tax law will apply to investments
- no capital duty (no proportional registration duties in case of capital increase of a company)
- dividend withholding tax exemption generally available on profit repatriation to both European Union and treaty countries

A highly qualified and productive workforce

Belgium has one of the best workforces in the world, as witnessed by many international surveys (e.g. Eurostat 2005, The Economist 2007):

- one of the highest productivity rates in the world
- a highly skilled workforce (32% of the population has a higher education degree), with unique multilingual expertise (English, French, Dutch...)
- highly focused life sciences training centers

A prominent location, an excellent logistical and business infrastructure

- a strategic and central position at the political heart of Europe : the presence of many international organizations e.g. European Institutions, Innovative Medicines Initiative and major corporate headquarters
- access to a potential market of 456 million people
- a first-class logistical and business infrastructure: excellent transport facilities by road, rail, water and air, top-rate telecommunications network

The quality of life

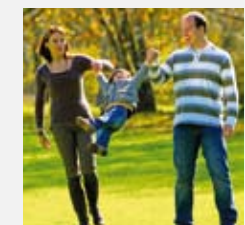
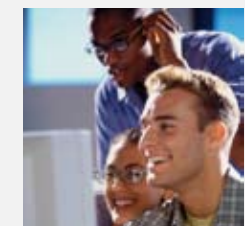
Quality of life is an important deciding factor for setting up a business or developing an investment project. Belgium's high human development index makes it a very attractive country to live in. A few assets:

- the lowest real estate costs in Europe
- one of the best and most accessible healthcare systems in the world
- a developed transport network
- a multicultural and multilingual environment
- many green areas, a. o. in Brussels, the 'greenest' capital in Europe
- many cultural associations for expats and high-level international schools



” On four indicators for innovation and industrial development, Belgium is by far the best performing country ”

(OECD 2005, case comparison with Belgium, Finland, France, Germany, Japan, The Netherlands, Norway and Spain)





More than 200 life sciences companies invest in Belgium

Shouldn't you ?

Major companies (Ajinomoto, Amgen, Baxter, Genzyme, GSK Biologicals, IBA, Innogenetics, Janssen Pharmaceutica, Lonza, Pfizer, Schering Plough, UCB ...) and a vast network of **over 200 small and medium-sized companies** (Ablynx, Artellis, Devgen, Eurogentec, Euroscreen, Galapagos, OncoMethylome Sciences, Peptisyntha, ThromboGenics, TiGenix ...), specialized in all areas of biopharmaceutical fundamental & clinical research and manufacturing, provide a **large, dynamic and stimulating environment for inter-company collaborations.**

Examples of recent major investments in Belgium:

- Baxter: 130 M € in new R&D facilities and manufacturing plant
- Genzyme: 300 M € in a new biotech manufacturing plant
- GSK Biologicals: 600 M € annually in R&D and manufacturing activities
- Janssen Pharmaceutica: 130 M € in a Chemical Development Pilot plant
- Pfizer: 38 M € in a European Data Center, a new Development Center and a Production Line for veterinary vaccines
- UCB: the leading Belgian company in terms of R&D investments, all sectors included, with more than 600 M € annually

Contact

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Surf www.investinbiopharma.be to find a complete list of companies in Belgian biopharma and useful links guiding you through the Belgian network: foreign investment agencies, clusters and associations, universities, research centers, incubators...

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