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SUBSIDIES

New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and
Article 25 of the Agreement on Subsidies and Countervailing Measures

EUROPEAN UNION

Addendum

The following addendum to the notification of the European Union relates to subsidy programmes of **Belgium**.

BELGIUM

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INTRODUCTION

Following recent reforms in Belgium, the greater part of investment policy is now constitutionally the responsibility of the Flemish, Walloon and Brussels regions. Consequently, the regions are also responsible for applying legislation on economic growth and aiding SMEs in their respective areas. In the Belgian notification of subsidies, the evaluation of whether the subsidy is "general" or "specific" therefore relates to the regulations in force in each region.

I. BELGIUM - FEDERAL STATE - ANNUAL REPORT 2009 AND 2010

A. AID FOR RESEARCH AND DEVELOPMENT

1. Form of the subsidy

Non-repayable subsidies.

2. Total amounts of the subsidies granted in 2009 and 2010

Projects for which the Federal State is responsible:

2009: Total commitments: €3,094,425.

2010: Total commitments: €3,063,000.

3. Purpose of the subsidy

Collective pre-standard research.

4. Duration

Subsidies cover a one-year period.

B. AID FOR MARITIME TRANSPORT - TONNAGE TAX

Articles 115 to 127 of the Programme Law of 2 August 2002, as amended by the Programme Law of 27 December 2004, Articles 334 to 348

1. Form of the subsidy

Flat-rate determination of profits taxable in Belgium on the basis of the tonnage of vessels.

2. Amount in 2009 and 2010

2009: budgetary cost calculated at €250 million.

2010: no figures available.

3. Policy objective

To enable Belgium to develop maritime shipping under the Belgian flag.

4. Duration

From the taxable period following that in which the application was made, until the end of the taxable period which comes to a close during the tenth calendar year following that in which the application was made.

At the end of the above period, the scheme is tacitly renewed for the same length of time.

5. Rules and conditions

The Programme Law of 2 August 2002 provides for a series of fiscal measures in favour of maritime transport in Belgium:

- (a) A presumptive tax regime based on tonnage for shipping companies;
- (b) a set of measures in favour of shipping companies that have not opted for tonnage-based presumptive taxation, comprising accelerated depreciation, capital gains exemption on the sale of vessels, exemption subject to conditions of reuse, and tax deductions on the purchase of vessels;
- (c) abolition of the ship mortgage registration fee;
- (d) a tonnage-based presumptive tax regime for ship management companies acting on behalf of third parties, where the latter provide services to ship-owners.

The tonnage-based presumptive tax regime (1) consists in replacing, in the case of shipping companies opting for this regime, the tax base used to calculate corporation tax by a fixed amount determined on the basis of the tonnage of the fleet concerned. This regime lays down no conditions regarding the flag of vessels.

A similar mechanism is available to vessel managers acting on behalf of a third party.

C. TAX MEASURES TO PROMOTE THE PRODUCTION OF AUDIOVISUAL WORKS - TAX SHELTER REGIME EXTENSION

Articles 128 to 129 of the Programme Law of 2 August 2002 inserting Article 194^{ter} into the Income Tax Code of 1992, replaced by Article 291 of the Programme Law of 22 December 2003 and amended by Article 2 of the Law of 17 May 2004

1. Form of the subsidy

Tax incentive.

2. Amount

2009: budgetary cost calculated at €45.8 million.

2010: no figures available.

3. Policy objective

Tax incentive in the cultural field aimed at supporting the production and creation of Belgian audiovisual works.

4. Duration

Entered into force in the 2004 tax year.

5. Rules and conditions

Exemption of the taxable profits of a company wishing to invest in an audiovisual production (up to 150 per cent of the amounts actually invested).

D. EXCISE DUTY ON ENERGY PRODUCTS AND ELECTRICITY

Programme Law of 27 December 2004 (Articles 419 and 420, paragraphs 5 and 6). The reduced rates granted on the basis of environmental permits are governed by Article 17, paragraph 2, of Council Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity.

1. Form of the subsidy

The aid granted consists of a reduction of or an exemption from excise duties.

2. Amount in 2009 and 2010

As these are reduced rates, no information is available on the amount involved in their implementation. Only the number of environmental permits is known, but this cannot be used to determine the exact amount of the total reduction in excise revenue.

3. Policy objective

The tax measures apply to the professional consumption of energy-intensive enterprises engaged in economic activity involving production, trading or the provision of services, including mining and agricultural activities and liberal professions.

4. Duration

The reduced excise rates provided for in Article 419 of the Programme Law of 27 December 2004 have been in force since 1 January 2005. The scheme is valid for ten years from the date of its entry into force.

5. Rules and conditions

The aid granted consists of a reduction of or an exemption from excise duties for enterprises which have concluded an environmental agreement.

In this case, energy-intensive enterprises holding an environmental permit are granted a zero rate, while a reduced rate (normally 50 per cent) is applied to other enterprises which hold such a permit.

E. REDUCED EXCISE RATES FOR BIOFUELS

Reduced excise rates for biofuels, Programme Law of 11 July 2005 (Chapter 1, Title V)

1. Form of the subsidy

The aid is granted in the form of a reduction in the excise rate.

2. Amount in 2009 and 2010

2009: the total amount of the excise duty reduction granted is €100,332,414 (€37,885,772 for petrol and €62,446,642 for diesel).

2010: the total amount of the excise duty reduction granted is €239,432,939 (€72,958,911 for petrol and €166,474,028 for diesel).

3. Policy objective

This aid scheme aims to protect the environment by encouraging the placing on the market of biofuels through the grant of a reduction in excise duty.

The reduction of excise duty allows fuels from a renewable source to compete with fuels of fossil origin, the cost price of which is significantly lower.

The purpose of the aid is to compensate for the difference between the production costs and the market price of renewable energy.

4. Duration

The duration of the scheme is limited to six years.

5. Rules and conditions

The aid is granted in the form of a reduction in the excise rate when the fuel is released for domestic consumption.

The reduction of the excise rate for bioethanol and biodiesel is granted in the form of a reduction in the excise rate applicable to mixtures of fossils/renewable fuels in relation to the rate applicable to pure fossil fuels which the biofuels substitute.

The fossil fuels concerned are:

- Unleaded petrol:
 - With an octane level of 98 or a lower sulphur and aromatics content; or
 - with an octane level lower than 98; and
- diesel with a sulphur content not exceeding 50 mg/kg.

F. MEASURES OF PARTIAL EXEMPTION FROM PROFESSIONAL WITHHOLDING TAX TO PROMOTE R&D

Law on the Solidarity Pact between Generations (Generation Pact) of 23 December 2005, in particular Articles 106, 109, 110 and 113 (Official Journal (*Moniteur Belge*) of 30 December 2005). Art. 275§3-2 of CIR92.

1. Form of the subsidy

Exemption from payment of 50 per cent of the professional withholding tax on the part of the employer.

2. Amount in 2009 and 2010

For 2009: the budgetary cost is €453,787 million.

For 2010: no figures available.

3. Policy objective

Promotion of R&D activities by reducing scientific staff costs.

4. Duration

The scheme has an initial duration of five years. An assessment will be made after that time: if the results are positive, the measure will be renewed for a further five years.

5. Rules and conditions

The beneficiaries of the measure are companies which meet the definition of "Young Innovative Company" and which pay or assign salaries to their scientific personnel, employed as salaried staff within the company.

The exemption amounts to 50 per cent of the professional withholding tax applied to salaries paid as from 1 July 2006.

N.B.: However, the other exemptions from payment of professional withholding tax for the employment of researchers assigned to research projects, including partnership projects with universities or institutes of higher education, are classified as a general measure rather than State aid.

G. SHORT-TERM EXPORT-CREDIT INSURANCE (BELGACAP)

Royal Decree of 2 July 2009 on implementation of the Belgacap scheme, confirming the Decision of the Council of Ministers of 29 May 2009. Insurance Code (Articles L4321 and L4322)

1. Form of the subsidy

Guarantee - direct subsidy.

2. Amount in 2009 and 2010

2009: commitments totalling €34,080,518.85.
2010: commitments totalling €144,132,773.83.

3. Policy objective

To avoid a serious disturbance in the Belgian economy which would result from the failure of the export-credit insurance market.

4. Duration

No longer in force; expired 31 December 2010.

5. Rules and conditions

The Belgian authorities provide short-term export-credit insurance to enterprises established in Belgium, when no private market cover is available.

This measure satisfies the following criteria in particular:

- The necessary cover has ceased to be available on the private insurance market because of the financial crisis. In accordance with the Temporary Framework and the Commission Communication on short-term export-credit insurance, the unavailability of cover for the risk in the private insurance market has been duly demonstrated;
- the premiums payable under the public scheme are aligned on those charged on the private market. The premiums are fixed at a level which will encourage exporters to use private insurers as soon as adequate cover becomes available on the private market.

II. BELGIUM - BRUSSELS-CAPITAL REGION - ANNUAL REPORT 2009 AND 2010

A. AID FOR ECONOMIC GROWTH

1. Order of 13 December 2007 on aid for the promotion of economic growth in favour of micro, small and medium-sized enterprises

- (a) Organizational Order of 13 December 2007 on aid for the promotion of economic growth in favour of micro, small and medium-sized enterprises, replacing the Order of 1 April 2004 (part on general investment).

1. Form of the subsidy

Financial aid is granted in the form of an investment premium.

2. Total amount of aid granted in 2009

Legislation	Number of decisions taken	Subsidized amount of investment (€)	Amount decided (€)	Average rate of aid
Order of 13 December 2007	260	57,543,160	8,888,157	15.45%

Total amount of aid granted in 2010

Legislation	Number of decisions taken	Subsidized amount of investment (€)	Amount decided (€)	Average rate of aid
Order of 13 December 2007	526	163,107,638.22	24,618,644	15.09%

4. Policy objective and/or purpose of the subsidy

Aid in respect of general investment by micro, small and medium-sized enterprises in the Brussels-Capital Region is now governed by the content of the Organizational Order of 13 December 2007 on aid for the promotion of economic growth (implemented on 15 August 2008 by the Government Decree of 26 June 2008 on aid for general investment).

Aid is granted in the form of an investment premium.

It may be supplemented by a temporary exemption from the advance levy on income from immovable assets and by accelerated depreciation.

The rate of the subsidy varies between 2.5 per cent and 35 per cent of an amount equal to half of the investment.

The scale of the aid actually depends on three factors:

- The size of the enterprise;
- whether it is situated within or outside the development zone;
- the fulfilment of employment and economic policy criteria.

It consists of basic aid and two additional types of aid. The basic aid depends on whether the enterprise is situated within or outside a development zone. The additional aid is dependent on the fulfilment of certain economic policy objectives. The amount of the aid is graduated, based on the size of the enterprise.

5. Duration of aid6. Statistical data permitting an assessment of the trade effects of the subsidy

- In terms of budgetary implications, 60 per cent of investment subsidies was allocated to dossiers submitted by industrial and handicraft enterprises;
- 40 per cent was allocated to dossiers submitted by commercial or service enterprises.

- (b) Organizational Order of 13 December 2007 on aid for the promotion of economic growth in favour of micro, small and medium-sized enterprises, replacing the Order of 1 July 1993 (part on aid for pre start-up activities, studies and advice).

1. Form of the subsidy

Financial aid is granted in the form of an investment premium.

2. Total amount of aid granted in 2009

Type of Investment	Number of programmes	Subsidized amount (€)	Amount of premiums (€)	Average rate of aid
Advice	181	2,807,504	1,403,752	50%
Studies	59	960,434	480,217	50%
Pre start-up activities	8	73,350	36,675	50%
TOTAL	248	3,841,288	1,920,644	50%

3. Total amount of aid granted in 2010

Type of Investment	Number of programmes	Subsidized amount (€)	Amount of premiums (€)	Average rate of aid
Advice	213	3,570,896	1,712,543	48%
Studies	53	819,064	349,035	42.6%
Pre start-up activities	13	111,780	53,140	47.5%
TOTAL	279	4,501,740	2,114,718	47%

2. **Order of 1 July 1993 on the promotion of economic growth in the Brussels-Capital Region**

1. Form of the subsidy

Financial aid is granted in the form of an investment premium.

2. Total amount of the subsidies granted in 2009

Type of Investment	Number of programmes	Subsidized amount (€)	Amount of premiums (€)	Average rate of aid
<u>Specific investment</u>				
- Rational energy use	17	2,619,946.46	523,468	19.98%
- Rational water use	3	88,495.92	17,698	20%
- Rational use of raw materials	9	2,122,238.62	421,386	19.86%
- Environmental protection	9	1,103,858.79	219,094	19.85%
- Adaptation to European standards	1	67,899.36	10,184	19.85%
TOTAL (Specific investments)	39	6,002,439.15	1,191,830	
<u>Use of consultancy services</u>				
Studies	5	71,779	35,089	48.9%
Advice	10	285,040	138,520	48.6%
TOTAL (Consultancy)	15	356,819	173,609	

3. Total amount of the subsidies granted in 2010

Type of Investment	Number of programmes	Subsidized amount (€)	Amount of premiums (€)	Average rate of aid
<u>Specific investment</u>				
- Rational energy use	2	425,683.93	84,318	19.81%
- Rational water use	0	0	0	
- Rational use of raw materials	3	1,965,076.05	393,015	20%
- Environmental protection	8	11,303,922.78	1,991,368	17.62%
- Adaptation to European standards	1	5,232,842.53	350,000	6.69%
TOTAL (Specific investments)	14	18,927,525.29	2,818,701	

4. Policy objective and/or purpose of the subsidy

The policy objective of the Order of 1 July 1993 is to promote economic growth by granting financial aid to industrial or commercial enterprises that invest in the Brussels-Capital Region. This legislation is an organizational order aimed at grouping together under a single regulation all aid for the promotion of economic growth.

Aid for general investment, which is covered in this chapter, is granted in the form of investment premiums.

The amount of this aid depends on the enterprise's sector of activity, its size and the type of investment:

- Enterprises of any size may benefit from aid for "specific" investment for the purpose of:
 - Saving energy, water or raw materials;

- protecting the environment;
- adapting to European standards.
- Medium-sized enterprises (maximum 250 employees and turnover of €40 million) may benefit from aid for "general" investment.
- Micro, small and medium-sized enterprises (SMEs) may benefit from aid for consultancy and training services.

5. Duration of the subsidy and/or any other time-limits attached to it

Depending on the amount of the premium and the duration of the investment programme, the premium is paid in one, two or three annual tranches.

6. Statistical data permitting an assessment of the trade effects of the subsidy

Not available.

3. Order of 1 April 2004 on regional aid for general investment in favour of micro, small and medium-sized enterprises (entered into force on 15 November 2005), replacing the Law of 4 August 1978

1. Form of the subsidy

Financial aid is granted in the form of an interest subsidy or an investment premium, depending on the method of financing of the investment programme under the Order of 1 April 2004.

2. Total amount of aid granted in 2009

Interest subsidy (in €)

Legislation	Number of decisions taken	Subsidized amount of investment	Amount decided	Average rate of aid
Order of 1 April 2004	224	71,502,676	9,788,526	13.69%

Investment premium (in €)

Legislation	Number of decisions taken	Subsidized amount of investment	Amount decided	Average rate of aid
Order of 1 April 2004	250	73,881,330	10,493,692	14.20%

3. Total amount of aid granted in 2010

Interest subsidy (in €)

Legislation	Number of decisions taken	Subsidized amount of investment	Amount decided	Average rate of aid
Order of 1 April 2004	17	28,110,839.58	5,444,897	19.37%

Investment premium (in €)

Legislation	Number of decisions taken	Subsidized amount of investment	Amount decided	Average rate of aid
Order of 1 April 2004	39	58,269,471.18	8,166,788	14.02%

4. Policy objective and/or purpose of the subsidy

The aim of the Order of 1 April 2004 is to promote investment by micro, small and medium-sized enterprises in accordance with the European Commission recommendation of 6 May 2003 concerning the definition of enterprises, and it replaces the Law of 4 August 1978, which was repealed on 14 November 2005.

Aid is granted in the form of:

- An interest subsidy where the investment is financed by a fixed-term credit;
- an investment premium where the investment is self-financed.

Two additional types of tax concession may also be granted:

- Accelerated (double straight-line) depreciation during three successive financial years;
- exemption from the advance levy on income from immovable assets.

The scale of the aid depends on various criteria and ranges from 5 to 25 per cent.

5. Duration of aid

The interest subsidy represents a percentage of the admissible investment. It may be limited to the amount of the interest actually paid by the beneficiary. It is paid in three tranches representing 50 per cent, 30 per cent and 20 per cent of the aid, respectively, and spread over three financial years.

Up to 13 March 2008, the capital premium was paid in one payment. After that date, it was paid in two equal tranches divided between two financial years.

The duration of the accelerated depreciation is fixed at three years.

The duration of the exemption from the advance levy on income from immovable assets may be as long as five years maximum.

6. Statistical data permitting an assessment of the trade effects of the subsidy

- In terms of budgetary implications, 60 per cent of investment subsidies was allocated to dossiers submitted by industrial and handicraft enterprises;
- 40 per cent was allocated to dossiers submitted by commercial or service enterprises.

B. AID FOR RESEARCH, DEVELOPMENT AND INNOVATION

1. **Order of 21 February 2002 concerning the encouragement and financing of scientific research and technological innovation**

(a) Subsidies for basic industrial research

1. Form of the subsidy

Non-repayable subsidy.

2. Total amount of aid granted

Commitments:

2009: €2,745,525

Or ten new projects run by ten enterprises

Disbursements: €4,851,222.43

3. Policy objective and/or purpose of the subsidy

To strengthen basic industrial research by regional enterprises.

4. Duration of the subsidy

Two years per subsidy.

5. Statistical data permitting an assessment of the trade effects of the subsidy

Basic industrial research and, as such, not quantifiable in the medium or short term.

(b) Pre-competitive development

1. Form of the subsidy

Interest-free loans repayable upon marketing.

2. Total amount of aid granted

Commitments:

2009: €3,629,089

Or eight new projects in 2008 run by eight enterprises.

Disbursements: €2,797,658.18

3. Policy objective and/or purpose of the subsidy

To promote regional development through the creation of new products, processes or services.

4. Duration of the subsidy

One to five years.

5. Statistical data permitting an assessment of the trade effects of the subsidy

Maintaining and developing competitive activities by regional enterprises, not quantifiable in the short term.

(c) Pre-competitive development

1. Form of the subsidy

Non-repayable subsidy.

2. Total amount of aid granted

Commitments:

2009: €3,843,836

Or 22 new projects run by 20 enterprises.

Disbursements: €4,406,511.56

3. Policy objective and/or purpose of the subsidy

To promote regional development through the creation of new products, processes or services.

4. Duration of the subsidy

One to five years.

5. Statistical data permitting an assessment of the trade effects of the subsidy

Maintaining and developing competitive activities by regional enterprises, not quantifiable in the short term.

2. Order of 26 March 2009 on the promotion of research, development and innovation

(a) Subsidies for industrial research

1. Form of the subsidy

Non-repayable subsidy.

2. Total amount of aid granted

Commitments:

2010: €4,985,661

Or 18 new projects run by 17 enterprises

Disbursements: €3,786,656

3. Policy objective and/or purpose of the subsidy

To strengthen basic industrial research by Brussels enterprises.

4. Duration of the subsidy

12 to 36 months.

5. Statistical data permitting an assessment of the trade effects of the subsidy

Basic industrial research and, as such, not quantifiable in the medium or short term.

(b) Aid for experimental development, in the form of subsidies

1. Form of the subsidy

Non-repayable subsidy.

2. Total amount of aid granted

Commitments:

2010: €5,062,956

Or 28 new projects run by 28 enterprises

Disbursements: €3,138,036

3. Policy objective and/or purpose of the subsidy

To promote regional development through the creation of new products, processes or services.

4. Duration of the subsidy

Three to 24 months.

5. Statistical data permitting an assessment of the trade effects of the subsidy

Maintaining and developing competitive activities by Brussels enterprises, not quantifiable in the short term.

(c) Aid for experimental development, in the form of repayable advances

1. Form of the subsidy

Interest-free loans repayable upon marketing.

2. Total amount of aid granted

Commitments:

2010: €2,279,067

Or six new projects run by six enterprises.

Disbursements: €2,652,854

3. Policy objective and/or purpose of the subsidy

To promote regional development through the creation of new products, processes or services.

4. Duration of the subsidy

Three to 24 months.

5. Statistical data permitting an assessment of the trade effects of the subsidy

Maintaining and developing competitive activities by Brussels enterprises, not quantifiable in the short term.

C. AID FOR COMMERCIAL PROSPECTING

1. **Order of 13 January 1994 on the promotion of foreign trade**1. Form of the subsidy

Subsidies for:

- The first participation in international trade fairs abroad;
- collaboration of foreign trade experts.

2. Total amount of commitments in 2009 (in €)

	Number of dossiers	Total amount of commitments
Trade fair subsidies	154	289,288.20
Subsidies for collaboration of experts	18	85,516.66
TOTAL	172	374,804.86

Total amount of commitments in 2010 (in €)

	Number of dossiers	Total amount of commitments
Trade fair subsidies	32	62,771.68
Subsidies for collaboration of experts	14	61,101.50
TOTAL	46	123,873.18

3. Policy objective and/or purpose of the subsidy

Support for commercial prospecting efforts by small and medium-sized enterprises in the Region.

4. Duration of the subsidy

Ad hoc aid.

5. Statistical data permitting an assessment of the trade effects of the subsidy

Not available.

D. AID FOR EMPLOYMENT

1. Order of 18 March 2004 concerning the approval and funding of local initiatives to develop employment and integration enterprises

1. Form of the subsidy

Non-repayable subsidy.

2. Total amount of aid granted in 2009

Commitments: €5,000,000.

Disbursements: €4,606,971.42.

Total amount of aid granted in 2010

Commitments: €5,544,799.58.

Disbursements: €5,303,000.

3. Policy objective and/or purpose of the subsidy

To permit the funding of social integration enterprises and local employment development initiatives. The subsidies aim to cover operational expenses and the salary expenses of managerial and non-managerial staff.

4. Duration of the subsidy

Subsidies are granted for four years.

5. Statistical data permitting an assessment of the trade effects of the subsidy

Up to 31 December 2009, from a total of 78 dossiers, 1,018 people (full-time equivalents) working in local development initiatives and integration enterprises had benefited from this legislation.

Up to 15 February 2011, from a total of 84 dossiers, 2,267 people (full-time equivalents) working in local development initiatives and integration enterprises had benefited from this legislation.

2. Decree of the Government of the Brussels-Capital Region of 11 March 2004 amending Articles 53 to 58 of the Royal Decree of 20 December 1963 relating to employment and unemployment

1. Form of vocational transition

Employment premium.

2. Total amount of aid granted in 2009

Commitments: €188,375.

Disbursements: €139,125.

Total amount of aid granted in 2010

Commitments: €81,125.

Disbursements: €77,500.

3. Policy objective and/or purpose of the subsidy

To enable disadvantaged jobseekers to be employed on the basis of contracts of indefinite duration (or fixed-term contracts in the case of a certain category of beneficiaries), while providing them with vocational on-the-job training in order to increase their employability.

4. Duration of the subsidy

Subsidies are granted for four years.

5. Statistical data permitting an assessment of the trade effects of the subsidy

In 2009: 66 jobseekers gained employment under this measure.

In 2010: 56 jobseekers gained employment under this measure.

E. INLAND NAVIGATION IN THE BRUSSELS-CAPITAL REGION

1. Measure aimed at supporting intermodal transport by inland waterway in the Brussels-Capital Region

1. Form of the subsidy

Subsidies (€17.50 per Intermodal Transport Unit).

2. Total amount of aid granted in 2010

Commitments = Disbursements: €269,167.50.

3. Policy objective and/or purpose of the subsidy

The final beneficiaries of the aid are shippers who use inland waterways for container transport. The aid is granted via container terminal operators located in Brussels.

4. Duration of the subsidy

From 01/01/2010 to 31/12/2012.

5. Statistical data permitting an assessment of the trade effects of the subsidy

In 2010, only one container terminal operator was active in the Brussels-Capital Region. A total of 19 shippers benefited from this aid.

In 2009, the volume of containers transported by inland waterway was 13,548 TEU. In 2010, the volume was 17,989 TEU, i.e. an increase of 34 per cent.

F. SOIL DECONTAMINATION (GREENFIELDS)

1. **Aid to the creation of economic activity through the decontamination of polluted soil (Greenfields)**

- Decision of 18 December 2008 (Record 200837) approving the Brussels Greenfields project in an amount of €14,955,235.
- Order of 26/11/2009 approving subsidization of €7,423,913 out of the €14,955,235 previously approved.

1. Form of the subsidy

Financial aid is granted in the form of a subsidy consisting of a percentage (which varies depending on the quality of treatment) of the decontamination costs incurred by economic project developers.

2. Total amount of aid granted in 2010

Legislation	Number of decisions taken	Subsidized amount of investment	Amount decided	Average rate of aid
See above	2	1,333,703	754,745	57%

3. Policy objective and/or purpose of the subsidy

Brussels Greenfields is an ERDF project aimed at promoting employment and economic activities by offering aid for the treatment of soil pollution for which liability cannot be established, on land situated in the Priority Intervention Zone (ZIP) of the Brussels-Capital Region.

Aid is granted in the form of:

- A subsidy consisting of a percentage (50 per cent, 65 per cent or 75 per cent depending on the results of the decontamination process) of the decontamination costs;
- the reimbursement of expenses incurred for applications which are credible but are not selected by Brussels Greenfields (this option was not used in financial year 2010).

4. Duration of the aid

Expenditure by the candidates selected by Brussels Greenfields can be reimbursed up to the end of 2014.

5. Statistical data permitting an assessment of the trade effects of the subsidy

Because of the nature of the early projects selected, to date the beneficiaries of this aid have been public interest entities.

III. BELGIUM - WALLOON REGION - ANNUAL REPORT 2009 AND 2010

A. AID TO SMES

1. Law of 4 August 1978 on economic reorientation, as amended by the Decree of 25 June 1992 - Implementation Orders of 21 May 1999

1. Form of the subsidy

Investment premium (non-repayable premium) irrespective of the investment financing method. Investments eligible to receive a premium are those in tangible and intangible fixed assets.

Exemption from the advance levy on income from immovable assets (maximum five years) for investment in immovable assets, including investment in real property and fixtures.

Accelerated depreciation over a maximum of three successive taxable periods for investment in tangible fixed assets. Exemption from the graduated registration duty on capital inflow.

2. 2009 budget

The budget amounted to €0.3 million.

The premiums are awarded on the basis of a review of previous requests.

2010 budget

No premiums were awarded in 2010.

3. Policy objective

The incentives created to assist the socio-economic development of the Walloon Region are awarded under contracts between the Walloon Region and any natural or legal person that undertakes to carry out one or more operations aimed at achieving sustainable development and promoting job creation. The incentives are only awarded if they make a decisive contribution to achieving these aims.

In practical terms, the premiums are awarded in order to encourage investment by small and medium-sized enterprises (SMEs). An SME is an enterprise with a payroll not exceeding 250 people and a turnover not exceeding €40 million or an annual balance sheet total not exceeding €27 million.

The premiums are awarded to SMEs in the industrial, handicraft, tourism, trade and services sectors.

The scheme applies throughout the territory of the Walloon Region for all enterprises meeting the SME criteria.

The scheme is therefore not specific, except that it only applies to SMEs.

4. Duration

No time-limit was set for the implementation of the scheme and its budget was adopted annually. It ended, however, on 30 June 2004 following the adoption of the Decree of 11 March 2004 (see 3.1.2).

In 2009, some dossiers remained to be reviewed on the basis of these regulations.

2. Decree of 11 March 2004 - Implementation Order of 6 May 2004

1. Form of the subsidy

Investment premium (non-repayable premium) irrespective of the investment financing method. Investments eligible to receive a premium are those in tangible and intangible fixed assets.

Exemption from the advance levy on income from immovable assets (maximum five years, although this may be increased to seven years for equipment in the case of the creation of SMEs) for investment in immovable assets, including investment in real property and fixtures.

2. 2009 budget

The 2009 budget amounted to €130.537 million.

The premiums are awarded for a wide range of projects and sectors of activity.

2010 budget

The 2010 budget amounted to €121.471 million.

The premiums are awarded for a wide range of projects and sectors of activity.

3. Policy objective

The incentives created to assist the socio-economic development of the Walloon Region are awarded, via a grant decision by the Walloon Region, to any natural or legal person that undertakes to carry out one or more operations aimed at achieving sustainable development and promoting job creation. The incentives are only awarded if they make a decisive contribution to achieving these aims.

In practical terms, the premiums are awarded in order to encourage investment by small and medium-sized enterprises (SMEs). An SME is an enterprise with a payroll not exceeding 250 people and a turnover not exceeding €50 million or an annual balance sheet total not exceeding €43 million.

The premiums are awarded to SMEs in the industrial, handicraft, tourism, trade and services sectors.

The scheme applies throughout the territory of the Walloon Region for all enterprises meeting the SME criteria.

The scheme is therefore not specific, except that it applies only to SMEs.

4. Duration

No time-limit has been fixed for the implementation of the scheme and the budget is adopted annually.

B. AID TO DISADVANTAGED REGIONS

1. **Decree of 11 March 2004 on regional incentives in favour of large enterprises - Implementation Order of 6 May 2004**

This scheme replaces the law of 30 December 1970, as amended by the Decree of 25 June 1992. It entered into force for any request submitted after 1 July 2004.

1. Form of the subsidy

Investment premium (non-repayable premium) irrespective of the investment financing method. Investments eligible to receive a premium are those in tangible and intangible fixed assets.

Exemption from the advance levy on income from immovable assets (maximum seven years) for investment in immovable assets, including investment in real property and fixtures.

2. 2009 budget

The budget amounted to €15 million.

The premiums are awarded for a wide range of projects and sectors of activity.

2010 budget

The budget amounted to €13.83 million.

The premiums are awarded for a wide range of projects and sectors of activity.

3. Policy objective

In order to assist the sustainable development of the Region, the Government, within the specific budgetary limits set annually, may grant incentives to large enterprises which have operational headquarters situated in a development zone in the Walloon Region and which have an investment programme significantly contributing to sustainable development. Such investments must not compromise the balance between the economic, social and environmental components of sustainable development. The incentives must be necessary for the implementation of the investment programme.

In order to assess the importance of an investment programme in relation to sustainable development, the Government takes into particular consideration the nature of the investment programme, its stage of development, the field of activity in which it operates and the economic environment in which it is implemented.

The arrangements for granting the incentive are the subject of an agreement concluded between the parties.

The incentives are granted in accordance with European Community regulations and, in particular, the Multisectoral Community Framework on regional aid for large investment projects, the guidelines concerning State aid in the agricultural sector, those concerning regional State aid in conformity with the ceilings set by the European Commission decision approving the eligible areas map for Belgium and other Community rules adopted under the provisions set forth in Articles 87 and 89 of the Treaty establishing the European Community.

The incentives provided for by the present Decree may be combined with aid from European structural funds.

4. Duration

No time-limit has been fixed for the implementation of the scheme and the budget is adopted annually. Pursuant to the existing European rules on regional aid, however, it has a limited period of validity expiring on 31 December 2013.

2. **Aid co-financed by the European Union - European Regional Development (ERDF) Programme 2007-2013**

Decree of 11 March 2004 on regional incentives in favour of large enterprises.
Implementation Order of 6 May 2004, as amended by the Order of 17 January 2008.

Decree of 11 March 2004 on regional incentives in favour of small and medium-sized enterprises.

These Orders of 17 January 2008 introduced a scheme of assistance relating to the "Convergence" and "Competitiveness and Employment" programmes for large enterprises and SMEs.

1. Form of the subsidy

Regional aid is co-financed by the European Union (ERDF). The aid takes the form of an investment premium as described in points 3.1.1(a) and 3.2.1(a).

2. 2009 budget (regional component)

The budget amounted to €37.30 million. The premiums are awarded for a wide range of projects and sectors of activity (divided among 16 eligible fields of activity).

2010 budget (regional component)

The budget amounted to €1.87 million. The premiums are awarded for a wide range of projects and sectors of activity (divided among 16 eligible fields of activity).

3. Policy objective

The same as under point 3.1.1(c) and 3.2.1(c), except that there are specific sectoral requirements and a minimum number of jobs to be created (five or ten units depending on the size of the enterprise).

4. Duration

The scheme is set to cover the period 2007-2013.

C. RESEARCH AND TECHNOLOGY AID

1. Decree of 5 July 1990 on aid and action by the Walloon Region to promote research and technology, and its Implementation Orders

Walloon Government Decree of 29 September 1994 defining a "small or medium-sized enterprise" with a view to granting aid and taking action to promote research and technology. Walloon Government Decree of 29 September 1994 on aid and action to promote research and technology.

The Decree of 5 July 1990 and its implementation orders were repealed on 26 November 2008, the date of entry into force of a new scheme based on the Decree of 3 July 2008 on support for research, development and innovation in the Walloon Region and its implementation order of 18 September 2008.

2. Decree of 3 July 2008 on support for research, development and innovation in the Walloon Region

Walloon Government Decree of 18 September 2008 on support for research, development and innovation in the Walloon Region.

1. Form of the aid

- (a) Subsidies for industrial research activities by enterprises;
- (b) subsidies for experimental development activities by enterprises;
- (c) repayable advances for experimental development activities by enterprises;
- (d) subsidies for technical feasibility studies for small and medium-sized enterprises, and for non-autonomous enterprises of small to medium size;
- (e) industrial property rights subsidies for small and medium-sized enterprises;
- (f) subsidies for young innovative small enterprises;
- (g) subsidies for process innovations in the services of small and medium-sized enterprises and non-autonomous enterprises of small to medium size;
- (h) subsidies for organizational innovations in the services of small and medium-sized enterprises and non-autonomous enterprises of small to medium size;
- (i) subsidies for innovation advisory services and innovation support services for small and medium-sized enterprises;
- (j) subsidies for the temporary employment of staff for small and medium-sized enterprises;
- (k) subsidies for international partnerships for small and medium-sized enterprises.

2. 2009 and 2010 budgets (in €)

The amount of aid consists of a percentage of the admissible expenditure for the accepted project.

Form of aid	Budget total in 2009	Budget total in 2010
a.	56,024,767.20	44,883,244.79
b.	12,703,711.36	16,015,515.78
c.	41,538,738.88	34,783,952.75
d.	1,678,698.27	1,180,922.47
e.	2,225,125.61	2,358,217.69
f.	1,969,065.00	636,518.34
g.	0	0
h.	0	0
i.	104,335.05	465,647.48
j.	0	0
k.	339,739.15	378,721.38
TOTAL	116,584,180.52	100,702,740.68

3. Policy objective

This is horizontal aid designed to promote research and development and to encourage innovation. It is available to all economic sectors.

The aid is not granted automatically, but depends on an assessment of the quality of the project by the administrative services and, in the case of aid awarded on the basis of calls for projects, by independent international experts.

Where the aid consists of a repayable advance, the beneficiary enterprise pays it back in the form of regular payments if it has decided to exploit the results of the research industrially or commercially.

4. Duration

The budget for R&D aid is adopted annually by the Walloon Parliament.

The duration of aid corresponds to the duration of the research work or the study financed.

5. Statistical data

The aid has an impact on trade because it may lead to the marketing of innovative products, processes or services. However its impact is difficult to isolate from the many other factors affecting trade, and is therefore difficult to evaluate statistically.

IV. BELGIUM - FLEMISH REGION - ANNUAL REPORT 2009 AND 2010

A. AID FOR ECONOMIC EXPANSION - DECREE OF 31 JANUARY 2003 ON THE ECONOMIC SUPPORT POLICY

The Decree of 31 January 2003 is the new Flemish legal basis for most aid schemes and replaces the old economic expansion laws of 30 December 1970 and 4 August 1978 and the Decree of 15 December 1993, which have all expired.

New aid schemes are implemented on the basis of this Decree.

- 1. Decision of the Flemish Government of 10 October 2003 regarding the granting of aid to small and medium-sized enterprises for investments in the Flemish Region (growth premium - EXPIRED)**
- 2. Decision of the Flemish Government of 12 December 2003 regarding the granting of aid to large enterprises for investments in assisted areas in the Flemish Region (regional aid map 2000-2006: EXPIRED)**
- 3. Decision of the Flemish Government of 1 October 2004 regarding the granting of aid to enterprises for ecological investments in the Flemish Region - amended by the Decision of the Flemish Government of 16 May 2007 and by the Decision of the Flemish Government of 16 January 2009 (ecological premium)**

1. Form of aid

This scheme is aimed at investment aid, but exclusively for ecological investments, as originally defined by the EU Commission in its framework for State aid in favour of the environment (OJ, 3/2/2001, C 37), and was notified to, and approved by, the European Commission. The 2009 revision is based on the General Block Exemption Regulation (GBER) No. 800/2008 of the European Commission (OJ, 9/8/2008, L 214).

2. Amount of aid in 2009 and 2010

In 2009, the Flemish Government granted aid for ecological investments based on this new scheme for a total budget of €15.87 million.

In 2010, the Flemish Government granted aid for a total budget of €18.03 million.

3. Objectives of the aid

The Flemish Government agrees with the overall aim of reduction and reorientation of aid measures towards more horizontal objectives. The promotion of ecological investments is a valuable tool in achieving that goal.

4. Time-frame

The original Decision of the Flemish Government of 1 October 2004 came into force on 29 October 2004. The scheme was amended by the Decisions of the Flemish Government of 16 May 2007 and 16 January 2009. On 17 December 2010 the Flemish Government replaced this scheme by a very similar aid scheme, which came into force on 1 February 2011.

5. Statistics

There are no statistics available which could contribute to the evaluation of the effects of this aid scheme on WTO commerce and trade.

6. Legal base

The Decree of 31 January 2003 on the economic support policy and its implementing Decisions of the Flemish Government (e.g. Decision of 1 October 2004, the Decision of 16 May 2007, the Decision of 16 January 2009 and the Decision of 17 December 2010).

7. Rules and conditions

The scheme has been developed to provide aid to all enterprises, regardless of their size, for ecological investments. The enterprises qualifying for aid will receive a percentage of their eligible investment costs.

Depending on the type of investment (ecological, energy, ...), various aid intensities are possible, within the maximum limits of the EU General Block Exemption Regulation. The Flemish Government established a limited list of accepted technologies which qualify for aid. If an enterprise invests in an accepted technology, it can receive a subsidy. If the technology is not already accepted, another procedure is followed in order to investigate the merits of the new technology. If accepted by the engineers of the Ministry of the Flemish Community, the new technology is placed upon the list, thus ensuring easier acceptance for future cases.

The Decision of the Flemish Government of 16 May 2007 amended this system from an open ended system to a closed envelope system with a call system in order to have a better control over the budget. This amendment was notified to, and approved by, the European Commission.

The Decision of the Flemish Government of 16 January 2009 amended this system a bit and introduced the principle of incentive effect. The aid intensity for SMEs was set at maximum 40 per cent of the ecological extra costs and at maximum 20 per cent for large enterprises, with a maximum aid amount of €1.75 million for each beneficiary.

The Decision of the Flemish Government of 17 December 2010 replaces all the above-mentioned Decisions and is considered to be an updated and newly coordinated version of basically the same aid regime. The main difference is that the new scheme again transfers from a closed budget system to an open end system where every eligible case will receive aid. The maximum aid amount is reduced to €1 million, but the aid intensity remains at 20-40 per cent. The new rules apply from 1 February 2011. The new Decision is based upon the EU General Block Exemption Regulation.

4. Decision of the Flemish Government of 22 February 2008 regarding strategic training or investment programmes for enterprises in the Flemish Region

1. Form of aid

This scheme contains three types of aid. It is on the one hand aimed at investment aid, both for SMEs in the whole Flemish territory and for large enterprises in assisted areas of the 2007-2013 regional aid map, and on the other hand aimed at training aid for SMEs and large enterprises in the whole of the Flemish territory. The regime is now based upon the EU General Block Exemption Regulation No. 800/2008. The new scheme came into force on 18 April 2008, and replaced the old

regional aid scheme. It also created a new type of aid scheme for strategic (large) investment programmes for SMEs and for strategic (large) training projects.

2. Amount of aid in 2009 and 2010

In 2009, a total of €45.96 million was attributed to this type of aid (31.18 million to training aid, 6.2 million to SME investment aid and 8.57 million to regional investment aid to large enterprises).

In 2010, a total of €39.43 million was attributed to this type of aid (19.27 million to training aid, 19.16 million to SME investment aid and 1 million to regional investment aid to large enterprises).

3. Objectives of the aid

The regional aid part is aimed at the development of the lowest scoring areas within the Flemish Region and provides the Flemish Government with a strong tool for attracting (new) investors towards the assisted areas where the economic situation is less favourable than in the rest of the country and the European Union.

The investment aid for SMEs is in line with the overall aim of reduction and reorientation of aid measures towards more horizontal objectives. The promotion of investments by SMEs is one of the best ways of ensuring that. The aid scheme aims at promoting entrepreneurship.

The training aid part is also in line with the overall aim of reduction and reorientation of aid measures towards more horizontal objectives. The promotion of training is a very good way of ensuring that. The aid benefits not only the beneficiaries but also the employees as they acquire more skills and competences which increase their value on the labour market.

4. Time-frame

The Decision of the Flemish Government of 22 February 2008 came into force on 18 April 2008 and has in principle no defined expiry date. However, as the European Regulation on which the regime is based, expires on 31 December 2013, the regime will thus be reviewed in due time.

The Decision of the Flemish Government of 17 December 2010 amended this scheme a little and strengthened the control of the incentive effect of the aid. A potential beneficiary of the aid now has to prove in a two-scenario approach which investments or training would be organized even without the aid, and which extra investments or training will be developed in case of receiving aid. Only the cost of the extra investments or training, going beyond what the beneficiary would invest anyway, is eligible. This will lead to lower aid amounts and less deadweight, whereby more budget remains available to grant in favour of new or extra investments.

5. Statistics

There are no statistics available which could contribute to the evaluation of the effects of this aid scheme on WTO commerce and trade.

6. Legal basis

The Decree of 31 January 2003 on the economic support policy and its implementing Decisions of the Flemish Government.

7. Rules and conditions

The investment aid scheme has been developed to provide aid to SMEs in the whole Flemish territory and large enterprises within assisted areas. Only "strategic" or large investment programmes qualify for aid. A beneficiary has to invest minimally €8 million. The maximum aid amount is 10 per cent of the eligible investment costs. The scheme foresees in economic, social and ecological criteria on which the beneficiary can score points. The minimal score is 50/100. Between 50 and 100 points, the beneficiary receives from 5 up to 10 per cent aid. There is an overall maximum threshold of maximum €1 million aid for a beneficiary in a three-year period.

The training aid scheme has been developed to provide aid to SMEs and large enterprises in the whole Flemish territory for "strategic" or large training programmes. A beneficiary has to invest minimally €0.45 million in training. The maximum training aid amount is 25 per cent of the eligible investment costs. The scheme foresees in economic, social and ecological criteria on which the beneficiary can score points. The minimal score is 50/100. Between 50 and 100 points, the beneficiary receives from 20 up to 25 per cent aid. There is an overall maximum threshold of €1 million aid for a beneficiary in a three-year period.

B. AID TO ENTERPRISES - DECISION OF THE FLEMISH GOVERNMENT OF 19 DECEMBER 2008 REGARDING THE GRANTING OF AID TO SMALL AND MEDIUM-SIZED ENTERPRISES FOR ENTREPRENEURSHIP ENCOURAGING SERVICES (SME PORTFOLIO, FORMERLY KNOWN AS BUDGET FOR ECONOMIC ADVICE - BEA)

Decision of the Flemish Government of 19 December 2008 regarding the granting of aid to SMEs for entrepreneurship encouraging services (also called SME Portfolio), which entered into force on 1 January 2009. Various implementing ministerial decisions were issued. The old decision of 16 December 2005 was abolished.

This scheme is also based upon the EU "*de minimis*" regulation (Regulation 1998/2006 of 15 December 2006, OJ of 28 December 2006, L 379).

1. Form of aid

The system is fully web-based and paperless. This scheme is aimed at SMEs. There are five types of aid eligible:

- (a) Training aid: up to 50 per cent aid, with a maximum of €2,500;
- (b) aid for consultancy costs: up to 50 per cent aid, with a maximum of €2,500;
- (c) aid for consultancy cost on possible internationalization: up to 50 per cent aid, with a maximum of €5,000;
- (d) aid for consultancy costs on innovation: up to 75 per cent aid, with a maximum of €10,000.

The first four categories of aid can be cumulated with a maximum aid amount of €15,000 for each beneficiary over a one-year period.

- (e) Aid for strategic advice: up to 50 per cent aid, with a maximum of €25,000 aid.

The fifth type of aid depends on a more stringent control. A commission of case handlers has to agree on the strategic value of the project and a copy of the advice has to be sent to the granting authority.

2. Amount of aid in 2009 and 2010

The total budget for this scheme in 2009 was €3.58 million.

The total budget for this scheme in 2010 was €4.87 million.

3. Objectives of the aid

The Flemish Government agrees with the overall aim of reduction and reorientation of aid measures towards more horizontal objectives. The promotion of aid to SMEs in order to stimulate them to obtain specialized external advice or training is a positive element for the sustainability and results of the enterprises.

4. Time-frame

The system has no time-limit (taking into account the duration of the "*de minimis*" regulation until 2013).

C. RESEARCH AND DEVELOPMENT

Decision of the Flemish Government of 5 October 2001 for the granting of aid to technological research and development projects from the industry in Flanders, replaced by the Decision of the Flemish Government of 12 December 2008 regarding the granting of aid to research and development projects from the industry in Flanders.

1. Form of aid

Subsidy to research and development.

The Decision of the Flemish Government of 5 October 2001 for the granting of aid to technological research and development projects from the industry in Flanders was notified and accepted by the Commission as N298/2000.

The Decision of the Flemish Government of 12 December 2008 regarding the granting of aid to research and development projects from the industry in Flanders replaces the decision from 5 October 2001 from 10 March 2009 onwards. The modifications in the new decision make use of the general block exemption regulation of the European Commission 800/2008 and were communicated to the Commission through the State Aid Notifications Interactive (SANI) tool with reference CP138/2008.

2. Amount of aid in 2009 and 2010

2009: €17.28 million.

2010: €104.87 million.

3. Objectives of the aid

Support of research and development within the restrictions defined in the Community Framework for State Aid for Research and Development and Innovation.

4. Time-frame

The notification N298/2000 is valid for the period 5 October 2001 - 4 October 2011.

5. Statistics

6. Legal base

Decree of 23 January 1991 regarding the foundation of an Institute for the Promotion of Innovation through Science and Technology in Flanders, replaced by the Decree of 18 May 1999 regarding a policy for stimulation of technological innovation, in particular Article 5.

Decision of the Flemish Government of 5 October 2001 for the granting of aid to technological research and development projects from the industry in Flanders.

Decision of the Flemish Government of 12 December 2008 regarding the granting of aid to research and development projects from the industry in Flanders.

7. Rules and conditions

The scheme has been developed to provide aid for Research and Development.

The aid intensity is 50 per cent for industrial research and 25 per cent for experimental development. These ceilings can be increased with bonuses as indicated in the Community Framework for State Aid for Research and Development and Innovation (point 5.1.3).

D. AID TO THE FISHERIES AND AQUACULTURE SECTOR

FIVA (Instrument for the Financing for the Flemish Fisheries and Aquaculture Sector)

1. Form of aid

- Interest rate subsidy: subsidized interest rates on loans granted to ship-owners and fish-farmers and their cooperatives;
- capital subsidy when investment is financed by equity;
- loan guarantees for ship-owners and fish-farmers.

2. Amount of aid in 2009

- Interest rate subsidy: /
- capital subsidy: €39,862.69 with
€03,471.62 for modernization
€6,391.07 for harbour equipment
- loan guarantees: /

3. Objectives of the aid

The aid is granted to ship-owners, fish-farmers and their organizations and cooperatives and fish processing companies in order to help shipping, fish-farming and fish processing companies to become more modern, sustainable, profitable and market competitive, to ensure their profitability and to reduce their costs.

4. Time-frame

2007-2013.

5. Statistics

No statistical data permitting an assessment of its effects on global trade are therefore available. Given that the capacity of the fishing fleet and the aquaculture sector is very limited, the effect on global trade is negligible.

6. Legal base

Following the abolition of the scheme to aid shipyards on 1 January 1996 and a transitional scheme in 1996 (Flemish Government Order of 2 April 1996), a completely new set of regulations on aid for investment and new enterprise in the maritime fisheries and aquaculture sector was approved in 1998.

The aid is given in the context of the "*Financieringsinstrument voor de Vlaamse visserij - en aquicultuursector - FIVA*" (Financing instrument for the Flemish fisheries and aquiculture sector).

- Council Regulation (EC) No. 1198/2006 of 27 July 2006 on the European Fisheries Fund;
- Decree of 13 May 1997 establishing a financing instrument for the Flemish fisheries and aquaculture sector;
- Flemish Government Order of 7 July 1998 on aid for investment and start-up in the fisheries and aquaculture sector;
- Ministerial Order of 14 July 1998 on aid for investment and start-up in the fisheries and aquaculture sector.

The purpose of the aid is structural and intended to promote fishing and aquaculture by improving the efficiency of the structures.

E. AID FOR AGRICULTURAL INVESTMENT AND NEW ENTERPRISE - FLEMISH AGRICULTURAL INVESTMENT FUND

1. Form of aid

This section covers aid for agricultural and horticultural producers:

- Interest subsidies (interest rate subsidies on loans granted for agriculture and horticulture): for investments, differentiation and start-ups;
- investment premiums;
- differentiation premiums;
- start-up grants;
- loan guarantees.

The aid measures are aimed at all types of enterprises that are situated in the agricultural production sector.

Since 2005, the VLIF has been responsible for only the Flemish part of the aid granted. The volumes of total aid (Flemish part + European part) are listed below; in this way, the figures for this year can be compared with those of the previous years.

2. Amount of aid in 2009

Figures mentioned under this title cover the fiscal year 2009.

Interest rate subsidies: €49,595,672.30 (of which €35,628,702.40 Flemish budget)

* New dossiers: €4,630,482.76

- Investment: €26,371,883.18 with 30 per cent co-financing by the EAFRD (Council Regulation (EC) No. 1698/2005);
- differentiation: €2,769,668.82 with 30 per cent co-financing by the EAFRD (Council Regulation (EC) No. 1698/2005);
- start-up: €2,546,203.20 with 30 per cent co-financing by the EAFRD (Council Regulations (EC) No. 1698/2005);
- regional aid without EAFRD co-financing: €1,158,283.88;
- cooperative societies: €1,874,443.68.

* Reviews of existing dossiers: €98,219.64

- Investment: €640,613.76 with 30 per cent co-financing by the EAFRD (Council Regulation (EC) No. 1698/2005);
- differentiation: €175,114.59 with 30 per cent co-financing by the EAFRD (Council Regulation (EC) No. 1698/2005);
- start-up: €3,740.17 with 30 per cent co-financing by the EAFRD (Council Regulation (EC) No. 1698/2005);
- €6,755.79 without EAFRD co-financing (of which €1995.33 to cooperative societies).

Investment premiums: €21,361,660.36

* New dossiers: €20,752,158.90

- Farmers: €14,138,717.44 with 30 per cent co-financing by the EAFRD (Council Regulation (EC) No. 1698/2005);
- cooperative societies: €1,323,509.22 (without EAFRD co-financing);

- differentiation Premiums €1,980,718.91 (with 30 per cent co-financing by the EAFRD Council Regulation (EC) No. 1698/2005);
- start-up grants: €1,980,718.91 with 30 per cent co-financing by the EAFRD (Council Regulation (EC) No. 1698/2005).

* Reviews of existing dossiers: €987,673.99

- Farmers: €72,426.40 with 30 per cent co-financing by the EAFRD (Council Regulation (EC) No. 1698/2005);
- cooperative societies: €15,247.59 without EAFRD co-financing;
- differentiation Premiums €12,599.20 (with 30 per cent co-financing by the EAFRD Council Regulation (EC) No. 1698/2005);
- start-up grants: €6,199.90 with 30 per cent co-financing by the EAFRD (Council Regulation (EC) No. 1698/2005).

Loan guarantees: €2,387,922.22 of guarantees granted

3. Objectives of the aid

The aid under this heading is awarded to farmers and horticulturalists and their organizations and cooperatives to encourage all operations which increase the productivity of agricultural and horticultural enterprises, maintain and improve their profitability and reduce costs, such as:

- Investment operations, i.e. operations whereby natural or legal persons acquire, extend or improve capital assets such as land, buildings and constructions, including housing for the operator and his family, industrial plant, facilities, machines, tools and materials. This decree is only applicable to the acquisition of land and buildings when this is economically necessary to maintain the profitability of the existing enterprise;
- restructuring of enterprises following changes in economic conditions;
- agricultural and horticultural start-ups;
- processing and marketing of agricultural and horticultural products, mainly through cooperatives.

4. Time-frame

The duration of interest rate subsidies depends on the duration of the loan, but the maximum duration (= paying period) ranges from five years to 15 years depending on the type of investment.

Premiums are paid in two parts within a period of maximum two years after notification of the aid. The permanent conditions to keep the total aid must be fulfilled during five years (mobile investments) or ten years (immobile investments).

5. Statistics

The aid has a structural objective of furthering agriculture through enhanced efficiency of agricultural enterprises. No statistical data are therefore available to assess the effects of the aid on world trade.

6. Legal base

- Council Regulation (EC) No. 1698/2005 of 20 September 2005 on support for rural development from the European Agricultural Fund for Rural Development (EAFRD);
- Article 12 of the Decree of 22 December 1993 containing various measures in application of the 1994 budget (establishment of a Flemish Agricultural Investment Fund);
- Flemish Government Order and Ministerial Order of 24 November 2000 on aid for agricultural investment and new enterprises;
- Flemish Government Order of 16 July 1996 regulating the operation and management of the "*Vlaams Landbouwinvesteringsfonds*" (Flemish Agricultural Investment Fund).

F. AD HOC TRAINING AID

The Flemish Government decided to grant some enterprises an ad hoc training aid, based upon EU Regulation No. 68/2001 of 12 January 2001 (OJ of 13/1/2001, L 10). As provided in Article 5 of that regulation, individual cases have to be notified to the EU Commission if the amount of aid would be more than €1 million. Besides some big ad hoc training programmes, there were also a number of smaller ad hoc training cases, which did not pass the threshold of €1 million. All of these ad hoc cases originated in 2007 and 2008 and will expire after completion, as the general training aid scheme of 22 February 2008 came into force on 18 April 2008 (mentioned above under 4.1.4). From that date on, all new training aid cases will come under the new regime and will no longer be ad hoc cases.

2009

A. VOLVO CARS Gent

Ad hoc training aid programme, notified to, and approved by the EU Commission. €1.41 million was paid in 2009. The programme is now expired.

B. Ad hoc cases below the €1 million threshold (paid in 2009 - in million €)

- | | |
|------------------------|-------|
| • Van Hool | €0 |
| • P&O Ports Antwerp | €0.29 |
| • LVD Company | €0.26 |
| • HJ Heinz Belgium | €0 |
| • Katoen Natie | €0.29 |
| • Sedac Mecobel | €0 |
| • Atlas Copco Airpower | €0 |
| • Volvo Europa Trucks | €0 |
| • GE Security EMEA | €0.28 |
| • Tupperware Belgium | €0.17 |

• Ikea Belgium	€0
• Alcatel Lucent Bell	€0
• Alpro	€0
• PBI Fruit Juice	€0.24
• Recticel	€0.29
• Veurne Snack Foods	€0
• Vlaamse Media Maatschappij	€0
• Ineos Manufacturing Belgium	€0
• Inbev	€0
• Media Markt Saturn Belgium	€0
• Proctor and Gamble Eurocor	€0.29
• TNT Express Belux	€0
• Thermote & Verhalst	€0.27
• Acromet Service	€0
• Asco Industries	€0
• Bekaert	€0.49
• Indaver	€0.26
• Ineos	€0
• Janssen Pharmaceutica	€0
• Betafence	€0
• JST Belgium	€0
• Kinopolis Group	€0
• Kuehne & Nagel Logistics	€0

2010**Ad hoc cases below the €1 million threshold (paid in 2010 – in million €)**

• Van Hool	€0.38
• P&O Ports Antwerp	€0.40
• LVD Company	€0
• HJ Heinz Belgium	€0.28
• Katoen Natie	€0
• Sedac Mecobel	€0.28
• Atlas Copco Airpower	€0
• Volvo Europa Trucks	€0
• GE Security EMEA	€0
• Tupperware Belgium	€0
• Ikea Belgium	€0
• Alcatel Lucent Bell	€0
• Alpro	€0.29
• PBI Fruit Juice	€0
• Recticel	€0.40
• Veurne Snack Foods	€0
• Vlaamse Media Maatschappij	€0
• Ineos Manufacturing Belgium	€0
• Inbev	€0.24
• Media Markt Saturn Belgium	€0
• Proctor and Gamble Eurocor	€0.39
• TNT Express Belux	€0.12

•	Thermote & Verhalst	€0
•	Acromet Service	€0
•	Asco Industries	€0.70
•	Bekaert	€0
•	Indaver	€0.34
•	Ineos	€0
•	Janssen Pharmaceutica	€0
•	Betafence	€0
•	JST Belgium	€0
•	Kinopolis Group	€0
•	Kuehne & Nagel Logistics	€0

G. EMPLOYMENT AID

1. Decision of the Flemish Government of 28 April 2006 regarding the granting of an employment premium 50+

1. Form of aid

This scheme is aimed at employment aid, as defined by the EU Commission in its Regulation No. 2204/2002 and Regulation No. 800/2008. This scheme is notified to, and approved by, the European Commission (X67/2009).

2. Amount of aid in 2009 and 2010

In 2009: €16.76 million.

In 2010: €24.08 million.

3. Objectives of the aid

To stimulate the demand for older workers, the Flemish employment premium 50+ has been installed. Employers who hire older jobseekers can obtain an important financial incentive. Since 1 January 2009 the premium increased and amounts actually to between €400 and 1500 per month (during one year) for each unemployed 50+ that is offered a contract for an indeterminate period.

4. Time-frame

The decision of the Flemish Government of 12 December 2008 came into force on 1 January 2009. The scheme follows the time-frame of the EU Regulation No. 800/2008.

5. Statistics

The aim of the aid is to enhance the labour participation of unemployed 50+. The impact is thus mainly on employment in very diverse sectors. No statistical data permitting an assessment of its effects on global trade are therefore available.

During 2009: 3,156 employment premium 50+ were paid.

During 2010: 3,644 employment premium 50+ were paid.

6. Legal base

Decision of the Flemish Government of 28 April 2006 regarding the granting of an employment premium 50+.

2. Decision of the Flemish Government of 18 July 2008 regarding the professional integration of people with a disability

1. Form of aid

This scheme is aimed at employment aid, as defined by the EU Commission in its Regulation No. 800/2008. This scheme is notified to, and approved by, the European Commission (X29/2008).

2. Amount of aid in 2009 and 2010

In 2009: €9.31 million.

In 2010: €6.39 million.

3. Objectives of the aid

This grant gives employers the certainty that they will be reimbursed with 40 per cent of the salary in the first year, then with 30 per cent, and with 20 per cent as from the fifth year. The grant is also based on the actual wage. The reason for this gradual approach is the costs that an employer must mainly make in the beginning of the employment. The integration of an employee with a disability often takes longer and adaptations to work schemes are necessary and tasks have to be distributed, etc. A higher grant than these basic amounts can possibly be paid, but then the employer must demonstrate his real additional costs. The regulation also provides a simplified application for contributions for adaptations of the job equipment, adapted tools, interpreters and moving or accommodation costs.

4. Time-frame

The Decision of the Flemish Government of 18 July 2008 came into force on 1 October 2008. The scheme follows the time-frame of the EU Regulation No. 800/2008.

5. Statistics

The aim of the aid is to enhance the labour participation of people with disabilities. The impact is thus mainly on employment in very diverse sectors. No statistical data permitting an assessment of its effects on global trade are therefore available.

During 2009: 8,607 persons received an integration premium grant.

During 2010: 9,016 persons received an integration premium grant.

6. Legal base

Decision of the Flemish Government of 18 July 2008 regarding the professional integration of people with a disability.
