The Government of Flanders has plans for a ministry (administration) for Foreign Policy and International Co-operation (Buitenlands Beleid en Internationale Samenwerking – BBIS). Both general foreign policy, foreign trade and development co-operation would be housed in one ministry with appropriate policy departments. At the moment these competencies are still spread among various administrations (FF).

For Flemish companies, what it amounts to is that all departments have anything to do with the internationalisation of their business will be grouped under one Agency for International Trade. This will bring together Export Flanders, the VLAM’s section for export support to agricultural products and market garden produce, and the promotion office for equipment and infrastructure works Fita, under one roof. People will be able to contact this agency for market information, export guidance, trade missions, contact days, trade fairs, export incentives, and legal issues.

The grouping of foreign policy in the BBIS is part of a general reorganisation of the machinery of the Authorities of Flanders into thirteen ministries with well-defined, well-balanced areas of competency. This operation is due to be completed by 2003. The policy preparation for each ministry is to be assigned to departments. Politicised ministerial offices are to disappear. Policy implementation will be entrusted to one or more specialised privatised agencies. External privatised agencies (known as EVAs) are accorded ample autonomy, have a board of directors, and can also be financed by the private sector. The Agency for International Trade is one such EVA. The BBIS ministry also has an Agency for International Co-operation. Although the civil servants in the departments and in the implementing agencies are also responsible for the budgets and assignments entrusted to them, the Flemish Minister for the Civil Service Van Grembergen has stressed that ministers will not be able to shift their political responsibility onto the administrations or the boards of directors of the EVAs.

**CONTENTS**

**Politics**
Purple-green policy bears fruit 2
Government replaces CEO at De Post 2
Dewael and Stevaert advocate simultaneous federal and Flemish elections, Van Grembergen wants to scrap federal elections 3
Surplus of 0.2% for federal budget 4

**Education**
Dewael wants roundtable 4

**Mobility**
Sp.a: a tit-for-tat policy for road safety 5

**Economy**
Black economy grows, VEV says 6
Interbrew sells Carling for 1.94bn 6
Stock exchange: bad year for Bel 20 6
Future of DAT remains uncertain 7

**Media**
VRT-boss wants debate on media concentration 7
Purple-green policy bears fruit in 2002

In 2002, Flemings will be able to take advantage of a number of notable favourable tax measures, which will give them more scope from a budgetary point of view. As of this year, the radio and television licence fee disappears in Flanders and Brussels. This will bring in a good EUR 225 for the majority of Flemings and residents of Brussels. Many Flemings also put off buying a house until after 1 January 2002. From this date, the Regions of Flanders, Brussels, and Wallonia are competent for the registration fees associated with house purchases. In Flanders, the government immediately cut these registration fees from 12.5% to 10% of the purchase sum, and from 6% to 5% for a small house. The bill still has to be voted on in the Flemish Parliament, but it is highly likely that it will come into force with retroactive effect as of 1 January. At federal level, the reform of personal income tax moves into its second year. As a result of the cut in tax rates, the indexing of tax-free sums, the purchasing power of all Belgians increases in 2002 by EUR 1.42 billion. Nonetheless, there is another side to these federal and regional tax cuts. Local and provincial taxes are rising in many places because the federal government and the Flemish Authorities have passed on certain costs to the local authorities. In the social arena, too, there are encouraging federal measures for numerous groups of the population. One such group is new fathers, who will henceforth be entitled to 10 days’ paternity leave upon the birth of a baby. The benefit payment for a number of persons drawing benefit is to be made more index-linked. This had not risen at all since 1992, but is now being upped by 4%. Benefit for the newly unemployed is also to rise. The subsistence-level benefit is being replaced by a living wage. Federal Minister Vande Lanotte (SP.A) announced that the OCMWs (Public Centres for Social Welfare) would be obliged to actively seek a way of getting persons living on a subsistence-level benefit integrated back into society, via a job or via a compulsory training course. In the field of care of the sick, the ‘maximum bill’ has come into force for a new group of people on low incomes. In these families, EUR 450 will be the maximum that they will have to pay for medical care in 2002. In Flanders, health care insurance for non-medical costs is making its entry. Those in need of non-medical care can have up to EUR 85 a month in care services reimbursed.

Opinion

GUY TEGENBOS • DE STANDAARD • 2 JANUARY

The lists of new features and developments that come into force on 1 January show that, bit by bit, a little manna is actually falling from the clouds of promises that the governing coalition made when it took office. That is good news. And it appears to be happening at the right time, just as things are not going so well. However, this cannot detract from the fact that the governing coalition’s timing was wrong.

The increase in families’ purchasing power is never spectacular. These are small-scale, piecemeal measures—the result of the compromises that have had to be made. Thus every measure is limited in scope, and furthermore only applies to certain categories of people. And anyway in many cases improvements are cancelled out by other measures. So it is that federal and Flemish tax cuts are offset by tax hikes implemented by municipalities and provinces. And the introduction of the maximum bill in health care is offset by price increases in the health care sector.

However, the bottom-line figure for most families, and for the economy as a whole, will be slightly positive. And that is just as well, since the economic slump that we are experiencing means that for some families the situation is not getting any better. A slight increase in purchasing power is a good thing for them and for the economy at the moment, but this does not mean that the timing of these increases in purchasing power is good. In all respects the timing of the most important one, the reform of personal income tax, is poor.

The tax cut should have come into effect a good year ago. Our neighbouring countries implemented their tax cuts at a time when wage negotiations had to be held. As a result, in those countries it was possible to keep the wage increases to modest levels. In Belgium, there was no dovetailing of wage negotiations with tax reform. Consequently there has been a much sharper rise in wage costs in our country over the past year than has been the case with our trading partners, and this in turn has meant that our companies have become less competitive.

Rombouts gets the sack at De Post/La Poste

The Federal Government decided on 21 December to thank the Managing Director of the national postal services company De Post/La Poste, Frans Rombouts, for his services rendered. Johny Thijs, currently chief executive of the East Flanders meat processing company Ter Beke and a member of the board of directors of De Post/La Poste, is to become the new managing director. The power of the new managing director will be appreciably curbed. He will be surrounded by a management committee responsible for the day-to-day management, and the board of directors is being strengthened. The decision came as a surprise. The Minister for State Enterprises Rik Daems (VLD) was in favour of Rombouts staying on, but in the end had to give way to pressure from Louis Michel (PRL) and Johan Vande Lanotte (SP.A), who felt that Rombouts could not continue in the job after the stream of negative reports about him, reports De Financieel-Economische Tijd (22 December). Thijs will be expected to introduce corporate governance at De Post/La Poste.
Dewael and Stevaert advocate simultaneous Flemish and federal elections

FF EDITORIAL TEAM

Belgians have to go to the polls three times between now and 2006: in 2003 for the federal parliamentary elections, in 2004 for the elections to the Flemish Parliament and the European Parliament, and in 2006 for local elections. Patrick Dewael (VLD) and Steve Stevaert (SP.A), the Minister-President and Deputy Minister-President of the Government of Flanders, feel that it is not so beneficial for the political traditions in this country to have the federal parliamentary elections and the elections to the Flemish Parliament held separately. However, the state reform of 1993 wanted it this way, stipulating that federal elections should be held every four years, and federal state elections every five years. In 1995 and 1999, they did fall in the same year as a result of a transitional arrangement. In 2003 and 2004, they fall in different years for the first time. Dewael and Stevaert can do little to change that, since the constitution can only be amended to this end in the next legislature, i.e., from 2003 onwards. Dewael and Stevaert launched their proposal to have federal and federal state elections held together again jointly in Gazet van Antwerpen and Het Belang van Limburg (28 December) and underpinned it with a whole series of practical arguments. Simultaneous elections not only save a lot of money in terms of costs, but also ensure that senior politicians are forced to concern themselves rather more with policy and less with elections. For even though they have seats in the Flemish Parliament, politicians such as Dewael and Stevaert also run in the federal elections. Parties now simply expect senior politicians to realise their electoral importance, according to Stevaert. Moreover, simultaneous elections prevent federal state governments being formed that have a different composition to that of the Federal Government. Such asymmetrical governments are not only undesirable from the point of view of policy, they are also anything but beneficial for cohesion within a party. The disintegration of the Volksunie could to a large degree be put down to the fact that this party was pursuing an opposition policy at federal level and was in office at Flemish level. Dewael and Stevaert also argue that the voter does not distinguish between the levels. According to former Minister-President Luc Vandenberghe (CD&V), the proposal clashes with the philosophy of the 1993 state reform, and according to N-VA Chairman Bourgeois the proposal is undemocratic and anti-Flemish. But within the governing coalition, too, both Spirit and Agalev are also firmly opposed to the proposal.

Van Grembergen wants to scrap federal elections

The current Flemish Minister for the Interior Van Grembergen (Spirit) immediately launched his own plan after Stevaert and Dewael had proposed to hold simultaneous elections for the Flemish and federal parliament. He is proposing scrapping the federal elections and having the Belgian parliament composed of members from the directly elected federal state parliaments. In this way, he says, the form of government would be adapted to the existing de facto confederal party order (FF).

MARK DEWEERDT • DE FINANCIEEL-ECONOMISCHE TIJD • 4 JANUARY

Van Grembergen is proposing having the Belgian confederal parliament indirectly composed of members from the directly elected federal state parliaments. Then the federal round of elections can be scrapped. He points out that even now the current ‘national’ politicians are only elected by a regional electoral college. His proposal produces the advantages that Stevaert and Dewael want to see, and even goes further. First and foremost, the frequency with which elections are held will be reduced, and the costs for the government and the parties will be cut. After all, there would then only be two occasions on which elections would be held: every five years for the elections to the federal state parliaments and the European Parliament, and every six years for the local and provincial elections.

Dewael and Stevaert retain three electoral occasions: federal/region-
Federal budget surplus of 0.2 %

Despite the poor economic climate (only 1.1 % growth in comparison with 4 % in 2000), the Verhofstadt government managed to keep the budget for 2001 balanced and to close with a slight surplus of EUR 0.55 billion. This meant that the Minister for the Budget Vande Lanotte (SPA) was able to present a surplus for the second year running. Last year the surplus amounted to 0.1 % of Gross Domestic Product, this year it has risen to 0.2 %. This result puts Belgium well above the average in the euro zone (-1.1 %). Although tax revenue fell by EUR 1.3 billion, increased revenue from the social security system, reduced expenses in the departments, lower interest payments on the public debt, and in particular a number of one-off sales attributed to the positive result. The one-off sales include the sale of the UMTS licences and the sale of the land on which the airport at Zaventem stands to the airport operator BIAC, which took place in extremis on 31 December (FF).

GUIDO DESPIEGELAERE • KNACK • 9 January

Ought we now to congratulate the Liberal-Green government? Absolutely not, since the surplus is simply the result of a few clever tricks. The federal authorities are posting a growing deficit, which the regions, with the communities and municipalities, offset with their surpluses. Flanders has the most honest accounts. Although not illegal, it is a cunning manoeuvre to include the ‘Silver Fund’ (a 620 million Euro reserve used to pay for the additional costs of pensions in the future) in the public accounts. EUR 440 million comes from the sale of the UMTS licences for mobile telephony and EUR 180 million from the increase in value of the gold held by the National Bank. Fine so far. But why did Vande Lanotte forget to mention in his press communiqués that the state had sold the ground on which the airport at Zaventem stands to the airport operator BIAC, for EUR 205 million? After all, that operation alone represents 40.7 % of the surplus.

Dewael wants roundtable conference on education

After two years of discussions between teachers’ trade unions and the Minister for Education, Marleen Vanderpoorten (VLD), first on a linear wage increase and now on the raising of the retirement age, Minister-President Dewael (VLD) wants a roundtable conference on education. Together with Vanderpoorten, he wants to invite all concerned parties—the unions, the representatives of the education networks (Catholic, communities, municipal, and provincial), the parents’ associations and all Flemish democratic parties—to such a conference, before the spring half term. According to Dewael, this is the best way to broach sensitive issues such as cross-system co-operation. All parties involved, including the CD&V and the umbrella organisation for the Catholic education system, are favourably disposed towards the initiative, but are formulating their demands. According to De Standaard, there is more to the timing of the initiative than meets the eye. At the end of last year there appeared to be a compromise in the making on the retirement arrangement for teaching staff, but under pressure from their rank and file, three of the four unions hardened their line, so that Vanderpoorten has to negotiate again on this thorny point. As a result, the unrest in the Flemish education sector has not disappeared by any manner of means. (VLD), (FF).

Opinion

DIRK ACHTEN • DE STANDAARD • 8 January

Patrick Dewael, the Flemish Minister-President, wants to organise a roundtable conference on education. An excellent idea: nobody can have anything against that. The leader of the Government of Flanders is developing a marked interest in education, and that is a good thing. Half of the Government of Flanders’ public funds goes into education. Dewael simply cannot permit indifference. At the moment it is still rather vague as to what exactly this large-scale conference should discuss. Dewael talks of ‘the future of Flemish education’. That embraces everything.

CD&V education expert Luc Martens says that his party will be taking part, but in that case Catholic education should not be pushed into a tight corner and the financial discrimination against private education should be tackled. The unions want to talk, too, but not just about anything. They immediately want to raise the demand for early retirement at the age of 55. You can see straight away that the participants are ready with their wish lists; it’s just a matter of opening a couple of drawers. So how do you get further than a list of the familiar standpoints? Dewael clearly still has some preparatory work to do. What is more, the Flemish Minister for Education, Marleen Vanderpoorten, already has extensive consultations awaiting her. These are to be held with the party chairmen and are due to focus on the co-operation between the various education networks and the adjustment of the financing now that an auditing firm has confirmed that private education is being placed at a disadvantage. In addition to this, Vanderpoorten is continuing to talk to the trade unions on all kinds of personnel problems. What will Dewael’s initiative accomplish in this densely populated environment and why does the Minister-President want to do this with such urgency, insisting that the conference be held before the spring half-term break? It looks as though he wants to throw out a lifeboat for Vanderpoorten. Should things go amiss with the unions, will there be more extremely annoying strike action? Will the consultation with the party chairmen get bogged down in stony language with Catholics and Liberals facing off against each other like they did in the old days? There’s no need, since the fast-approaching large-scale conference offers solace. Dewael can chair the event, without placing his minister of education in the eye of the wind too much.
Sp.a wants a tit-for-tat policy for road safety

**FF EDITORIAL TEAM**

Safety on the road is suddenly atop the political agenda again. The issue is an emotive one for the Flemish Socialists, not only because their figurehead Steve Stevaert is the Flemish Minister for Transport, but also because this party, like the Green party Agalev, wants to create a distinct profile for itself around the theme of road safety. What is more, there is work to be done in this field. In Flanders, which is much smaller, there are as many traffic fatalities as in the Netherlands.

It all began with a complaint from the Agalev member of parliament Johan Malcorps. At the most dangerous junctions in the province of Antwerp, namely on the A12 between Antwerp and Brussels, unmanned cameras have been set up, it is true, but these did not operate once during the course of 2001, he ascertained. Steve Stevaert felt that he was being targeted, but was able to pass the buck onto the federal authorities. It is true that Steve Stevaert is responsible for the installation of these cameras, but the cameras have to be approved and that is the job of the departments answerable to the Federal Minister for Economic Affairs Charles Picqué (PS). Stevaert is not competent as regards getting the cameras to work, either. This is a federal competency, too, coming under Minister Duquesne (PRL). After all, it is the federal police who are responsible for loading the cameras with rolls of film on motorways, and the local police for doing the same on other roads. However, the police did not have any time to get the cameras ready in 2001. Stevaert is sick and tired of these Kafkaesque situations with the federal authorities, all the more so since he had already announced in August that similar cameras would be installed at 350 intersections in Flanders. Instead of the current situation in which the jurisdiction is divided in a fragmented manner among four federal ministers (the Minister for Justice Verwilghen (VLD) also has a finger in the pie) and one Flemish minister, he is demanding an integrated approach. Otherwise road safety should simply be transferred to the regions, he says. The Green Federal Minister for Traffic Isabelle Durant (Ecolo) feels that there is no need for things to proceed so fast. She announced that 400 digital unmanned cameras would be installed in Flanders from 2005, and that it would be possible for these to be operated by remote computer control. For Stevaert, all this is far too slow. The Flemish coalition agreement expresses the intention to reduce the number of road deaths by a third. He is therefore demanding that the first 100 cameras be in operation this year, otherwise he threatened he would step down.

At a press conference on 7 January, Isabelle Durant gave Stevaert an answer and summed up the achievements realised under her stewardship of traffic policy. For the occasion, she was accompanied by Francis Herbert, the chairman of the Association of Parents of Children who have suffered Road Accidents, who called upon all competent ministers to pursue a more forceful approach. In the Liberal camp, Minister-President Dewael and Prime Minister Verhofstadt viewed the Greens' and Socialists' urge to create a profile around this theme with a degree of indifference, but confirmed that road safety was one of the Purple-Green coalition's priorities. In the days following the press conference, the SPA’s bigwigs put their heads together and advocated a ‘tit-for-tat policy’, which they revealed on 10 January in Het Laatste Nieuws.

**THEA SWIERSTRA • DE MORGEN • 7 JANUARY**

The Flemish Minister for Transport Steve Stevaert threatens with a government crisis in order to adopt a swift and drastic approach to road safety. The minister, who hails from Limburg, is totally dissatisfied with the way in which federal ministers pass the issue to one another, and feels that it is high time that everyone came round the table to discuss the matter. SPA Chairman Patrick Janssens supports Stevaert in his extreme commitment: ‘If that’s what’s needed, then that’s what has to be done,’ was Janssens’ reaction. Stevaert took his swipe during the TV1 debate programme De Zevende Dag (the Seventh Day). The minister did not want to lay all the blame at the door of the Minister for Transport Isabelle Durant (Ecolo), since the approach of the Ministries of the Interior, Justice, and Economic Affairs could also be better. SPA Chairman Janssens provided some support for his Flemish minister: ‘We are taking a tough approach, because Stevaert has made enormous efforts in the field of road safety at Flemish level. However, all that comes to nothing if the federal authorities do not follow suit. At the end of our period in office, we do not want to finish with results that have not been chalked up through no fault of our own.’

**LUC VANDER KELEN • HET LAATSTE NIEUWS • 10 JANUARY**

The SPA wants a tit-for-tat policy for road safety in the form of eight points. The plan should be approved before the end of the year, and implemented and monitored on a daily or monthly basis by the competent ministers, according to a statement made by Deputy Prime Minister Johan Vande Lanotte after consultation with the Flemish Deputy Minister-President Steve Stevaert. ‘We have formulated our dissatisfaction in a concrete action plan. Faster progress needs to be made on the issue of road safety’, says Vande Lanotte. ‘Those who don’t want to take heed must feel the effects; that is the only approach that works. It involves imposing high fines, stripping drivers of their licence from a certain threshold upwards, and drastically increasing the chances of being caught. You could call it a tit-for-tat policy, akin to the one applied in the Netherlands’. According to Vande Lanotte and Stevaert, it will not be necessary to deploy additional police for this, since parking and speeding fines can be collected by administrative staff. Operation of the flash cameras should be entrusted to a team to be appointed by the Flemish and federal authorities in conjunction.
VEV: federal policy stimulates the black economy

The federal policy with its high labour costs and excessive rules is curbing economic growth and stimulating the black economy. Such is the assertion made by Jef Roos, Chairman of the Flemish Employers' Association VEV) at the New Year's reception held by his organisation. The VEV says that the black economy is expanding again (FF).

MARC BALDUYCK • GAZET VAN ANTWERPEN • 10 JANUARY

The black economy is as typical of Belgium as are chips and beer. Just about every Belgian is confronted with it: the cleaning woman who does cleaning work in a non-official capacity, the neighbour who comes in to decorate the kitchen, the retired man who does gardening odd jobs, or the garage mechanic who does undeclared servicing work on the side. All this despite the fact that it is punishable by law and the fines can be sky-high. VEV Chairman, Jef Roos, is concerned about the growth of the black economy, pointing out that it is detrimental to the official economy. He is convinced that the government is giving the black economy a helping hand. 'With a policy characterised by high labour costs and excessive rules and regulations, honest work is in essence being discouraged. It is unbelievable, then, that Minister for Labour Onkelinx [PS] should be launching an expensive campaign to discourage people from working in the black economy, whilst leaving the very causes of that black economy untouched'. Edwin De Boeck of the KBC's study department is in agreement on this. In a study dating from 1999, he noted an indisputably negative link 'between the extent of the black economy in our country and the level of employment, i.e., the %age of the active population working in the official economy'. All systems for the shortening of working hours, early retirement schemes, and health insurance benefits have led to a situation in which only one in every two active Belgians, at most, is also actually working. The others are given plenty of possibilities to work in the black economy. ‘Various indirect labour costs such as time-consuming recruitment procedures, compensation for dismissal, rules on working time, or temporary employment contracts could be further factors serving to keep people out of the official labour circuit,’ according to De Boeck.]

THE BLACK ECONOMY IN EUROPE

<table>
<thead>
<tr>
<th>Country</th>
<th>% of GDP (Estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>32%</td>
</tr>
<tr>
<td>Italy</td>
<td>23%</td>
</tr>
<tr>
<td>Spain</td>
<td>17%</td>
</tr>
<tr>
<td>Belgium</td>
<td>16%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>10%</td>
</tr>
</tbody>
</table>


Interbrew sells Carling for EUR 1.94 billion

FF EDITORIAL TEAM

With the sale of the beer brand Carling, the Leuven brewer Interbrew is bringing the Bass affair to a close. Adolph Coors, the third largest brewer in the United States had EUR 1.94 billion available for the purchase. After the sale of Carling, Interbrew now has a 16 % market share on the British beer market, with Whitbread and what remains of Bass. All in all, a pleasing conclusion to an acquisition that initially threatened to turn into a hefty loss for Interbrew. However, the Leuven brewer successfully appealed this decision. In the end Interbrew paid eight times the EBIDTA for Whitbread and Bass-a reasonable price according to De Standaard (26 December).

Poor year for Bel-20

FF EDITORIAL TEAM

The year 2001 was a dreadful one for the equity markets. The Belgian star index Bel-20 also posted a poor result, with a fall of 8.2 %. The only year to have witnessed a worse performance was 2000, when the Bel-20 fell by 9.46 %. Nonetheless, the fall this year is not as bad as all that, since the Bel-20 is doing considerably better than, say, the Euro Stoxx 50, which includes the 50 top shares in the euro zone and which lost as much as 20.2 % this year. Docpharma, the distributor of generic medicines, was the Belgian share of the year, having registered an impressive gain of 237 %.

STRONGEST AND WEAKEST PERFORMERS ON THE EQUITY MARKET IN 2001

<table>
<thead>
<tr>
<th>STRONGEST PERFORMERS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. DocPharma</td>
<td>237,8%</td>
</tr>
<tr>
<td>2. Glaverbel</td>
<td>79,3%</td>
</tr>
<tr>
<td>3. Arbed</td>
<td>66,7%</td>
</tr>
<tr>
<td>4. Econocom</td>
<td>56,9%</td>
</tr>
<tr>
<td>5. Neuhaus</td>
<td>37,3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WEAKEST PERFORMERS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. City Bird</td>
<td>-100,0%</td>
</tr>
<tr>
<td>2. Bluegate</td>
<td>-100,0%</td>
</tr>
<tr>
<td>3. Lernout &amp; Hauspie</td>
<td>-99,4%</td>
</tr>
<tr>
<td>4. Keyware</td>
<td>-85,5%</td>
</tr>
<tr>
<td>5. Xeikon</td>
<td>-81,6%</td>
</tr>
</tbody>
</table>

Source: Tijd Graphics

focus on Flanders • 5 January - 11 January 2002 • Number 1
**Future remains uncertain for DAT**

**FF EDITORIAL TEAM**

For the new Belgian airline DAT, the future still remains uncertain two months after Sabena's bankruptcy. On 26 December, the judge in the commercial court refused to grant a judicial settlement for Sabena's financial co-ordination centre, SIC, but did not order the concern to be wound up. Nonetheless, SIC had a preliminary agreement with the banks on the waiving of their claims on DAT. The largest part of that agreement was a conversion of EUR 50 million in DAT liabilities with SIC into capital. The balance (EUR 59 million) would be waived. However, the judge deems this structure to be a de-facto liquidation. SIC immediately lodged an appeal against the ruling. A week earlier the DAT private financiers from SN Airholding bought Sabena's moveables from the receivers for a symbolic sum of one franc. But this is subject to two binding conditions: an agreement on the waiver/conversion of the DAT liabilities with SIC and better leasing conditions for the DAT fleet. A credit line of EUR 20 million from the four banks forming part of SN Airholding ensures that DAT can remain operational until SN Airholding invests its promised EUR 190 million on 15 January—at least if a judgement has been handed down in the SIC affair by then. In the meantime, SN Airholding has entered into talks with the Virgin Group on a genuine merger between DAT and Virgin Express. These talks should be wound up by the end of January. A code-share agreement, under which DAT passengers could be given a seat on a Virgin aircraft and vice versa, has now been extended to include flights serving Rome, Barcelona, Nice, Madrid, Copenhagen, Stockholm, and Gothenburg. This code sharing is a necessity in order to be able to survive. The merger talks are not such good news for those former Sabena members of staff wanting to get back to work in a job with DAT. The selection procedures are being frozen for the duration of the negotiations, according to a statement made by DAT manager Johan Vanneste in *De Morgen* (29 December).

**VRT wants debate on media concentration**

While the public broadcasting corporation VRT introduced its revamped news offensive on screen, its Managing Director Bert de Graeve used his New Year's speech to attack the power concentration of the media group De Persgroep (VTM, Q-Music, Het Laatste Nieuws, De Morgen, Dag Allemaal, etc.). Although Roularta and De Persgroep each hold 50% in De Vlaamse Media Maatschappij (VMM - The Flemish Media Company), which includes the commercial television channel VTM and the radio station Q-Music, it is Christian Van Thillo's De Persgroep that is responsible for the day-to-day management. De Graeve is making a call, together with VRT Chairman Guy Peeters, for a political debate on the concentrations of power in the Flemish media sector. The VRT itself was recently attacked by senior figures of the VMM, because the public broadcaster, with its five radio networks, was monopolising the radio sector in Flanders. That monopolisation has since been broken, with two commercial radio stations (Q-Music and 4FM) having seen the light of day. This happened a second time when the VRT obtained an extra subsidy of EUR 6.2 million in 2002, in addition to the annual increase of 4% in the VRT government allocation. At that time the VMM felt that these subsidies created 'a structural imbalance'. Reference was made to the alleged collusion with the press company Vum (De Standaard, Het Nieuwsblad, Het Volk) because this, jointly with the VRT, ran the advertising agency VAR, which attracts advertising for the VRT networks. The Vum has since reduced this shareholding to 10%. According to De Graeve, however, there is a much more alarming power concentration in the making in the Flemish media. All you need to do is to take a glance at the viewing, listening, and reading figures for all media together (TV, radio, and the written press). The predominance of De Persgroep and Roularta is overwhelming, he states (FF).

**ISABEL ALBERS • DE STANDAARD • 8 JANUARY**

This is by no means the first time that the VRT and the VTM have played a round of media war. What is new is that De Graeve, with figures at the ready, is attacking the ‘economically dominant position’ of the media group De Persgroep (see also graph on cumulated media reach). According to figures that the VRT secured from the Cim (Centre for Information on the Media) database from January to October 2001, Roularta and De Persgroep together control 58.2% of the Flemish advertising market, not counting the free local papers (largely in Roularta’s hands). The VRT holds 11.9% of this market, the newspaper publishers Vum and Concentra hold 7.3 and 2.7% respectively, and the magazine publisher Mediaxis ac-

---

**VIEWERS, READERS AND LISTENERS OF FLEMISH MEDIA GROUPS (x 1,000)**

<table>
<thead>
<tr>
<th>Group</th>
<th>TV</th>
<th>Radio</th>
<th>Newspapers</th>
<th>Weeklies</th>
<th>Monthlys</th>
</tr>
</thead>
<tbody>
<tr>
<td>De Persgroep</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roularta</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vum</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mediaxis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concentra</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VRT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SOURCE: DS-INFOGRAPHIEK**

---

*focus on FLANDERS • 5 January - 11 January 2002 • Number 1*
counts for 5.8%. The remaining 14% is divided amongst smaller players. In 2001 the VRT’s advertising revenue had not yet reached a ceiling and the national commercial radio stations Q-Music [also the property of the VTM group] and 4FM were not yet included in the figures. These two movements will probably result in an even larger market share for De Persgroep/Roularta.

The advantages of one large media block are legion. ‘Packages’ can be sold to the advertising market (something that Rik Denolf of Roularta likes to promote as ‘media mix’), which cover the different forms of the media. Furthermore, promotion of the group’s own newspapers or magazines on the box (and vice versa) is free. In his policy letter for 2002, the Minister for the Media Dirk Van Mechelen (VLD) also referred to this year as one in which his media policy would be dominated by ‘fair competition’.

Moreover, De Graeve is warning of a difficult 2002 as regards income from advertising. He says that the economic downturn will have a severe effect on the VRT’s ‘financial flexibility’, and thus announced that this would be a year characterised by especially tight cost control.

Business Women, exhibition, St-Pietersabdi, Ghent; info: 09/243.97.30
• Until 31 March: Frans Olbrechts – in search of art in Africa, photo exhibition, Etnographical Museum, Antwerp; info: 03/220.86.00
• Until 16 January: Mies van der Rohe Award 2001, architecture; exhibition Library Tweebronnen, Rijsschoolstraat 4, Leuven
• Until 20 January: Notorious, Alfred Hitchcock and contemporary art, exhibition and retrospective films, Centre for visual arts, Hasselt; info: www.limburg.be
• Until 3 March: cartoons, exhibition: the art of Alex Raymond, Belgian Centre for Cartoons (BCB), Brussels; info: 02/219.19.80
• Until 31 January: Ten Spanish sculptors, exhibition, Capa Esculturas, Brussels; info: 02/513.18.08
• Until 15 February: The Jewish Resistance 1939-1945, organised by B’nai B’rith, the Army Museum, Jubelpark, Brussels; info: 02/737.78.78
• Until 3 March: vain cloth, interior textile in Western Europe 1600 - 1900, exhibition, Hessenhuis, Antwerp; info: 03/206.03.50
• Until 17 February: Cités de sables, photo exhibition, PMMK, Ostend; info: 059/50.81.18 www.pm.k.be
• Until 20 January: Building and construction fair, Bouwcentrum, Antwerp; info: 03/237.28.90
www.bouw-en-prefabsalon
• Until 28 February: Treasures from Spain, enamel art from the Benedictine Monastery Santo Domingo de Silos, BBL-CC, Brussels; info: 02/547.22.92
www.seacex.com

Focus on Flanders provides a weekly overview of articles from the Flemish press and appears in English, French and German. This newsletter is published by Uitgeverij Lannoo nv, Kasteelstraat 97, 8000 Tielt and can also be obtained by e-mail.

• Editor in chief: Frank Vandekeyne
• Advisory panel: Luc Demeester (Lannoo), Rik Van Cauwelaert (editor in chief, Knack), Koen Clement (managing director, De Morgen), Frans Croes (director, Trends), Francis Decoster (information officer, Flemish community), Mark Deweert (journalist, Financial Economic Tijd), Michael Stabenow (correspondent, Frankfurter Allgemeine Zeitung), Luc Standaert (journalist, Belang van Limburg), Jan Van Doren (deputy director, Vlaams Economisch Verbond)
• With thanks to: Concentra nv, De Vlijt nv, de Vlaamse Uitgeversmaatschappij nv, De Persgroep nv, Uitgeversbedrijf Tijd nv and Roularta Media Group nv and their editorial teams for supplying the articles.

• Translation: Eurologos
• Printing: Drukkerij Lannoo nv, Tielt
• Responsible editor: Luc Demeester, Mark
• Subscription rate by fax: BEF 15.000
• Subscription rate by post: BEF 17.000
• Either transfer the sum to account no.: 472-1010001-19 with the KBC in Roeselare or give us the number and expiry date of your credit card (Visa/Eurocard).
Telephone: 051/42.42.99
Fax: 051/42.42.99
E-mail: frank.vandekeyne@lannoo.be

focus on Flanders • 5 January - 11 January 2002 • Number 1