Work on Antwerp Ring Road to cost 500 million euros

The Antwerp transport economist Gust Blauwens has just given Antwerp and even the whole of Flanders a fright. The work on the Antwerp Ring Road that is to start this summer will cost companies around three times as much as the cost of the work itself, he claimed. He said this at a round-table conference with representatives of De Lijn (trams and buses), NMBS (railways) and Public Works. One million euros a day will be lost in waiting times and files. Spread over twice five months, this gives a cost estimate of 300 million euros. The work itself will only cost 100 million euros, the accompanying work, including the building of six emergency viaducts, will cost a further 100 million euros. Blauwens also believes that the government must immediately decide to ban freight traffic through the Kennedy tunnel (the access to the Ring Road). The alternative for getting to the other side of the Scheldt is the Liefkenshoek tunnel, where a toll system is currently in operation. Blauwens claims that these tolls must not be reduced, but actually increased for international transit traffic, ‘that does not bring a single euro into our country’ (FF).

Opinion

MATTHIAS DANNEELS • HET NIEUWSBLAD • 23 JANUARY

Everything points to the fact that the economic heart of Flanders will have to pump incredibly hard to avoid collapsing with an imminent traffic attack. Nor will the shocks of this be limited to in and around Antwerp, they will reach as far as Ghent and Brussels. Stealth traffic along regional roads and through villages can also be expected to assume massive proportions. Shuffling along, suffering and grueling to a halt will be our lot this summer, that much is certain. Unfortunately there is no way back. If the work is not begun, the situation will only become even more hopeless. All authorities concerned will therefore have to make every effort to sweeten the pill a little. In the first instance by increasing the capacity of public transport. Over the coming months, businesses will also have to look in anticipation at such things as collective travel plans, home-working, teleworking and other ways of continuing to utilise their labour potential. And instead of moaning about the work, we shall also have to examine our own private travel habits. It is well-known that the vast majority of car journeys involve only a few kilometres.

INTRODUCTION

Unemployment figures in Flanders will undoubtedly peak again this month. At Ford Genk and its suppliers SML, Lear and TDS, the planned reorganisation is under way. On top of this, cuts were also announced this week by train and tram constructor Bombardier in Bruges (140), in the zinc plant of Umicore in Balen (100) and by the bankrupt cable-laying company Raemdonck-Janssens (90). De Standaard did the sums and arrived at a loss of 3,360 jobs, not including the 450 redundancies at Sobelair. This creates a paradox on the job market, because at the same time the slow recovery of the economic climate is gradually pushing the number of jobs available in Flanders up again.

In Brussels, the unemployed will notice this recovery much less. Knack (21 January) paints a sombre picture of the job market in the capital. After all, the massive unemployment (21.2% of the working population) is mainly structural and is therefore barely affected by an improved economic situation. This is because the group of unemployed in Brussels includes a proportionately high number of unskilled labourers (36.5%), foreigners and young people. It is precisely for this group that the number of jobs - mostly in industry - in low in Brussels. What is also striking is that the few industrial jobs are largely taken by people from outside Brussels. There are also explanations for this, claims Brussels VLD-MP Gatz and Vanraes. Training in Francophone technical and vocational education is lamentable and the Francophone Government has scarcely developed professional training. They cannot understand why the BGD, the Brussels counterpart of the Flemish Service for Employment and Vocational Training (VDAB), is failing to send Brussels’ unemployed to the VDAB for vocational training. Gatz and Vanraes point an accusatory finger at the Brussels Minister for Employment, Eric Tomas (PS), who is doing nothing to match supply and demand on the job market, but conversely - not aware of any clientelism - continues to hand out subsidised jobs. This apparently consumes 75% of Brussels’ employment budget. Further handicaps such as the lack of the required bilingualism or the undeniable discrimination of foreign job-seekers complete the picture of a disjointed job market. In no other country in Europe is the gulf between country and capital so great, Jan Smets, Director of the Nationale Bank, signalled a few months ago. The Brussels Flemish and Liberal Party is pinning his hopes on the Federal level, and more specifically on Employment Minister Frank Vandenbroucke (SPA). If anyone can get things moving here, it is him, claims Gatz.

WWW.BRUSSELS.BR/NET.BE

Frank Vandecaveye | editor in chief

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The committee against immigrant voting rights, a Blok recruitment operation

Flemish MP Johan Weyts is no longer part of the CD&V parliamentary party in the Flemish Parliament. This was decided by the CD&V parliamentary faction in a secret ballot. Weyts was vice-chairman of ‘the committee against immigrant voting rights’ that was set up by the Vlaams Blok and aims to collect 250,000 signatures against the introduction of immigrant voting rights within a month. The Chairman of the Committee is Ward Beysen, Chairman of Liberal Appeal, the second Vice-Chairman is Frank Van Hecke, Chairman of the Vlaams Blok. After long talks with CD&V Chairman Yves Leterme, Weyts promised to stand down as vice-chairman and end his membership of the committee. Shortly afterwards he went back on his decision, and was promptly thrown out of the CD&V parliamentary faction. CD&V Chairman Leterme announced that the party would decide on 17 February whether it would also revoke his CD&V membership.

The VLD is saddled with a similar problem. Flemish MP Cludine De Schepper has also joined the committee and is refusing to end her co-operation. However, just like his colleague Leterme, VLD Chairman Karel De Gucht does not want a member of his party to collaborate with a far-right party. The VLD party executive has therefore asked the party’s statutory committee to expel her from the party.

Both the CD&V and VLD are against immigrant voting rights, but reject any collaboration with the Blok. Anyone who tries to break the Cordon Sanitaire by themselves has been warned.

The N-VA is adopting a different policy. The party is also against immigrant voting rights and does not support the committee, but refuses to sanction individual co-operation with the committee. Matthias Storme, committee member of the N-VA, supports the committee. However, his Chairman, Geert Bourgeois, is not censuring him for it. After all, the Flemish-national party does not support a cordon sanitaire around the Vlaams Blok, but neither will it collaborate in a Blok recruitment operation, says Bourgeois [De Standaard, 21 January].

Gembloux: tighter controls on unemployed

The two-day Council of Ministers has produced a number of concrete decisions designed to boost employment

The two-day Council of Ministers has produced a number of concrete decisions designed to boost employment: a reduction in social-security charges on shift work, a working bonus for unemployed people who accept a low-paid job, combating social-fraud and tighter controls on unemployed people are the most important. The last measure in particular threatens to become quite a job for Employment and Pensions Minister Frank Vandenbroucke (SP.A). The trade unions are going up the wall: once again it is the unemployed who are left holding the baby, while there simply are not enough jobs on the market and the support measures in place to help the unemployed back to work are inadequate, finds Mia De Vits of the Socialist trade union the ABVV. The whole package of measures that was decided on in Gembloux was objectively christened 200,000, a reference to the 200,000 new jobs that the Prime Minister promised when presenting his Purple government. Even if an economic recovery is on the horizon, the Belgian economy is still grappling with a number of handicaps that urgently need sorting out, claims the Premier (FF).

JOHAN RASKING • DE STANDAARD • 19 JANUARY

The Purple coalition agreement contained a remarkable balancing act between the Liberal and Socialist coalition partners. In exchange for the abolition of stamp controls and the infamous article 80 of the RVA (Belgian employment office) regulations (suspension of benefit because of abnormally long period of unemployment), the Socialists agreed to improved controls of the efforts of unemployed people to find work. For the PS and SPA the fight against abuses (by the unemployed) was/is a way to leave the unemployment system itself intact. For which read: to keep unemployment benefits unlimited in time. Hence the proposal for a new approach made by Frank Vandenbroucke. At the two-day Council of Ministers in Gemblours, that proposal did not lead to heated discussions with Liberal VLD and MR colleagues. These are satisfied that the poor flow of information on unemployed people who are not willing to work from the regional employment services [VDAB, Forem and BGDA] to the Federal RVA is being replaced by a Federal approach, by the RVA itself. After all, for the Liberals the fight against social fraud is the counterpart to the fight against fiscal fraud demanded by the Socialists.

On Sunday ABVV (FGTB)Chairwoman Mia De Vits angrily rejected Vandenbroucke’s outstretched hand inviting her to talk. That will seriously hinder the development of the control system within the RVA, where the trade unions sit on the management committee. There is also still much work to be done in the regions. In Flanders the social partners and the Somers government, under the impetus of the SPA’s Renaat Landuyt, agreed in December that the VDAB would receive an extra 30 million euros to invite every Flemish job-seeker to receive assistance after three months without work. Until that offer of assistance is in place, by 2006, there can be no talk of Federal sanctions, claims the ABVV.

Attractive measures for businesses and self-employed

By 2007 the monthly pension of the self-employed will be 120 euros more than at present.

There was good news in Gembloux for self-employed people with a small pension. The minimum pension, which is currently 200 euros a month less than that of wage-earners, will be increased by 30 euros each year until 2007. By then, the monthly pension will therefore be 120 euros more than at present. The Belgian State is setting aside a budget of 100 million euros for this. In addition, a supplementary pension is to be introduced for the 800,000 self-employed via a capitalisation system, to which they will contribute a premium of 1% of their income from 1 July 2006. Health insurance for the self-employed is also to be upgraded. From 1 July 2006 insurance against minor health risks will become compulsory. In total, self-employed will have to pay some 310 million euros in additional contributions for their improved status by 2007, calculated De Tijd (21 January).

The government also had a tasty morsel for the hotel and catering industry. The tax-deductibility of restaurant costs at home and abroad is to be brought into line. At present this is 50% in Belgium and 100% abroad. This will gradually become 75% at home and abroad. For businesses the government had a tax cut on electricity consumption and a simplification of company incorporations and VAT returns in store (FF).

DE STANDAARD • 19 JANUARY

As is already the case in our neighbouring countries, a ceiling on electricity charges is to be introduced. This is designed to counter the competitive disadvantage of our businesses. A company will now have to pay a maximum of 250,000 euros a year in energy charges. By way of comparison, the NMBS has previously had to cough up 2 million.

Smaller firms will also be granted discounts, as soon as they consume more than 20 megawatt-hours a year (seven times the family average). 145,000 professional users will be able to benefit from this. There is one condition placed on the discounts: firms must sign the voluntary agreements on energy efficiency.

The Finance Minister, Didier Reynders (MR), announced a number of reforms for the labour-intensive hotel and catering sector. The deductibility of VAT is to be modified, in two stages. This year both types of cost will be brought into line at a deductibility of 62.5%. In 2005 this figure will become 75%. Also, hotel and catering businesses will no longer have to pay for a licence to serve spirits. The majority are likely to back the proposal put before the Chamber by SPA Parliamentary Party Leader Dirk Van der Maelen.

Premier Verhofstaidt is also pretty sure that he, together with France, will succeed in pushing through a cut in VAT to 6% at European level by 2006. Only Germany remains opposed. If this fails, suggested SPA Chairman Steve Vaevert this weekend, there is an alternative: make restaurant visits deductible for private individuals too.

The incorporation of a company is to be made simpler: from 1 September all the necessary steps will be completed through the notary, which means they will be able to be sorted out in a single day. Applying for a VAT number will also be easier: there will be no need to visit the Tax Office, as this will be able to be done via the Entrepreneur Office www.unizo.be

Team spirit and video clip

Premier Verhofstaidt was so pleased about the progress and results of the mega-Council of Ministers on socio-economic themes that he immediately proposed setting up a similar Council of Ministers on justice and security. Earlier a themed Council of Ministers on ‘quality of life’ had already been arranged for 19 and 20 March.

Het Laatste Nieuws and De Tijd (19 January) point out that the summit’s success was mainly media-related (FF).

Opinions

LUK VANDER KELEN • HET LAATSTE NIEUWS • 19 JANUARY

The decisions of the mega-Council of Ministers cannot be labelled ‘reforms’. They are adaptations, modernisations. Deducting 75% from your restaurant bill, 30 euros more pension, that sort of thing. Nothing new came to light in Gembloux. It was simply the implementation of what was agreed in the coalition agreement in July. Nothing more, nothing less. Clearly this did not require a mega-Council of Ministers. The decisions could just as easily have been taken by a normal Council of Ministers. The display in Gembloux had a dual purpose: to create a different impression of the Purples and build ‘team spirit’ between ministers. The question is whether as a result the Purples have really taken off.

RIK VAN CAUWELAERT • KNACK • 21 JANUARY

The political video clip shown in Petit-Leez, located in the home-base of Louis Michel (MR), was directed down to the last detail. The population must get the feeling that they do not need to worry, because of the government’s vigorous approach to its administration. It was not only the result of the talks that counted. Also, and above all, the Purple government was concerned with appearing resolute and dynamic.

BRUSSELS MUNICIPALITIES WITH THE HIGHEST NUMBER OF UNEMPLOYED

| Brussels     | 13,886 |
| Schaarbeek   | 12,746 |
| St.-Jans-Molenbeek | 9274 |
| Andelbeek    | 9242  |
| Elsene       | 9587  |
| St.Gillis    | 5371  |
| Vorst        | 4096  |
| Ukkel        | 3554  |
| St.-Joost-Ten-Node | 3334 |
| Etterbeek    | 3137  |

SOURCE: INSE
ECONOMY AND ENVIRONMENT

AIRPORT POLICY

Anciaux seeks solution to DHL expansion

The first day of the Federal mega-Council of Ministers at the Castle of Petit-Leez immediately produced an agreement on the expansion of courier firm DHL. DHL was ensured that it could expand further in Belgium. Either at Zaventem or at another airport on Walloon territory (Bierset, Chièvres), for which there are eight possible locations. For the first few years, meanwhile, DHL will be able to expand at Zaventem up to the legal limit of 25,000 night flights a year. What is to happen then, once this limit is reached, has not yet been decided. By 1 September the Federal, Flemish and Walloon Governments together with airports operator BIAC and DHL must try and reach an agreement on expansion at Zaventem. Thus, for example, the upper limit of 25,000 night flights could possibly be abandoned, provided noise levels do not increase. This can be achieved by using quieter aircraft or shifting certain airport activities such as charter flights to other airports. But the Flemish Government cannot agree on abandoning this upper limit, Minister-President Somers (VLD) has already announced. Groen! and SP.A cartel partner Spirit are against it, the VLD and SP.A are in favour. And yet Federal Mobility Minister and Spirit head man Bert Anciaux sees a solution through the better spreading of night flights and a significant reduction in noise. Without the Flemish Government there is no chance of an agreement, since it issues the environmental licence for Zaventem airport. If no agreement is reached by 1 September, plan B, relocating DHL to a Walloon location, will take effect (FF).

BART ECKHOUT • DE MORGEN • 19 JANUARY

Federal Mobility Minister Bert Anciaux (Spirit) is no longer keeping rigidly to the limit of 25,000 night flights a year. His declaration is important because it brings an agreement between the Flemish Government and the courier firm on the expansion of DHL at Zaventem a little closer. Earlier the VLD and SPA had announced that they were not sticking to the fetish of 25,000 night flights. If Spirit is now also prepared to play ball, that leaves only Groen! in the Flemish Government with a veto against moving the upper limit. The Purple parties could then gamble that Groen! will no longer be part of the government after the elections. The final decision on DHL’s expansion does not have to be taken until September. Anciaux maintains, however, that it is much too early to speculate. ‘So far no one has been able to show me that it’s absolutely necessary for us to reach this limit,’ he says. ‘Perhaps in five years aircraft will be built that hardly make any noise. Then we can talk again.’ Anciaux agrees with his government’s view that it should examine as a priority whether DHL can expand at Zaventem.

Kyoto: Flanders demands more efforts from Wallonia

On 19 January Flemish Economic Affairs Minister Patricia Ceyssens (VLD) took a vicious swipe at the Kyoto plan of her Federal colleague Freya Vanden Bossche (SP.A). The plan destroys jobs and is therefore at odds with the priority of the Flemish Government, i.e., the creation of jobs, according to Ceyssens. Vanden Bossche’s proposal divides the burden between the three regions and the Federal Government. Flanders must reduce its emissions of greenhouse gases by 7.5% compared to 2001, Wallonia also by 7.5% but compared to 1990. In the plan, the Federal Government undertakes to make a one-off reduction of 2.5 million tonnes of CO2. The Kyoto plan, which curbs emissions in businesses, is slowing down the economic growth of the Flemish Region, the Federal Government and the carrier firm on the expansion of DHL at Zaventem a little closer. Earlier the VLD and SPA had announced that they were not sticking to the fetish of 25,000 night flights.

Ceyssens’ central position. She is therefore demanding greater effort from Wallonia than Vanden Bossche provides for in her plan. It was, however, agreed that the Flemish Government would pass its comments on to Vanden Bossche collectively by 19 January. With her criticism of the plan in newspaper interviews, Ceyssens has scuppered this timing. Nor have these interviews been welcomed by Employment Minister Renat Landuyt (SE.A), also Vice-Minister-President of the Flemish Government. ‘This is no longer about air pollution, but about government pollution,’ was his comment. ‘An attempt to harass SP.A-Spirit. The VLD must say what it wants: to tag along behind Bush or really put some work into Kyoto.’ By the evening of Thursday 20 January, however, Minister-President Bart Somers (VLD) was able to announce that the Flemish Government was of one mind on the eve of the National Climate Conference. He attributed the incident to election fever (FF).

DE STANDAARD • 21 JANUARY

Flemish concern about the Kyoto proposal is centred on three points. One: the Federal level must do more than free up money to go and buy clean air elsewhere. The Federal Government must also make structural efforts. Two: the Federal proposal still contains one or two uncertain points, partly on who should take responsibility for the increase in greenhouse gases since. Three: because Wallonia has a lot of old industry, it can significantly reduce greenhouse gases with minimal effort. Flanders, with its modern industry, has to make much more of an effort to achieve a similar result. Not entirely fair, says Flanders, which is calling for greater solidarity. Wallonia does not immediately appear willing to do this. Nevertheless, says Minister-President Bart Somers, it has to. That was finally agreed by a consultative committee in September. Flanders would make more budgetary effort and in exchange Wallonia would make more Kyoto effort.
Is Kyoto heading for fiasco in Belgium?

A fter one day at the climate conference on the Kyoto proposal of Federal Environment Minister Vanden Bossche (SPA) it is clear that the Flemish and Wallonian views are poles apart. The new Flemish view that Wallonia must make more effort was not accepted by the Walloon ministers. However, Minister Vanden Bossche has not lost heart, and wants the Regions to reach an agreement at the mega-Council of Ministers on 19 and 20 March on the quality of life. Meanwhile the Bond Beter Leefmilieu increasingly suspects that the Flemish Liberals do not want any sort of environmental agreement on the Kyoto standard. A similar conviction is growing among the SPA, concludes De Morgen (FF).

TOM COCHEZ • DE MORGEN • 22 JANUARY

It is true that having secured its compromise the Flemish Government was able to save face, but at the same time it passed the problem on to the table of the National Climate Conference. If the regions stick by their firm position and keep taking steps backwards instead of making concessions, Kyoto risks turning into a fiasco in Belgium. And yet Freya Vanden Bossche remains hopeful: 'I believe that the timing is ambitious, but we have to act quickly. A national allocation plan must be on Europe’s table by the end of March. Next week I want to put a number of scenarios to my federal colleagues. We must then choose which scenario it will be on a political level.' It remains doubtful, however, whether the problem really will be sorted. In SPA government circles the assumption also seems to be that the VLD wants to boycott Kyoto. 'It looks as if the VLD wants to destroy or at least block Kyoto until after the elections,' they are saying.

Charter company Sobelair declared bankrupt

O n 19 January Brussels Commercial Court declared the charter company and former Sabena subsidiary Sobelair bankrupt. On 7 January Sobelair had applied for a judicial settlement, but this was rejected by Judge Ilse Leus. In her ruling she was severely critical of the Board’s mismanagement and incomprehensible decisions. As a matter of fact, the Court had little choice: the coffers were empty and the banks and owner Aldo Vastapane refused to put any money into the loss-making company. At the end of 2003 Sobelair had a combined debt of 43 million euros. Following the announcement the 450 employees blamed owner Aldo Vastapane, who had promised that he would invest in Sobelair, but never did so. Despite the bankruptcy, they still retain a glimmer of hope. The receivers have convinced the Aviation Board not to withdraw the aviation licence, so that Sobelair can continue to fly if it wishes to do so. In the meantime the receivers began talks with Sobelair’s main customers, the tour operators Jetair and Thomas Cook, and seek buyers for parts of the airline. In April TUI subsidiary Jetair, recently still in the running for a takeover of Sobelair, will begin charter flights with its own company TUI Airlines Belgium. For employees, the bankruptcy also offers the advantage that they will be entitled to claim severance pay as privileged creditors. Also, Sobelair still owns three aircraft that could serve as security. After Sabena, Delsey Airlines and City Bird, Sobelair is the fourth Belgian airline to go bankrupt since 2001 (FF).

Opinions

GUIDO MEEUSSEN • DE TIJD • 20 JANUARY

The way in which the management and shareholders of Sobelair messed up their company was a real botched job. An example: despite a claim of 2.7 million euros, Sobelair continued to operate flights for the Dutch DCA. Another: the scheduled flight to South Africa began with no agreements with tour operators and with no framework agreement with the main travel agencies.

‘You can tell a well-led and properly structured company in times of crisis,’ says Hans Swinnen, boss of tour operator Thomas Cook. Yesterday both Thomas Cook and Jetair displayed similar professionalism. In barely a few hours they succeeded in getting the majority of their customers to their destination via other charter companies. In spite of extremely tough competition and keen prices they are still making a profit.

Sobelair was not in a market in crisis. Since 11 September 2001 the tourist sector’s problems were mainly due to the weakness of economic activity, but it offered much more resistance than scheduled air travel, which is largely dependent on businesspeople. But if you do not keep costs under control, if there is no long-term vision and if on top of all this the management is incompetent, things will still go wrong sooner or later, especially if the company’s owner is not willing to invest any more money. Nor can anything be said against Judge Ilse Leus. She did what she had to do: close the books on a company that had signed its own death warrant.

KRS BARREZEEL • DE TIJD • 20 JANUARY

Sobelair applied for a judicial settlement but got bankruptcy. Some creditors finally had a change of heart and requested that the company be placed in judicial administration. They partly got their way. The requested voluntary judicial administration became compulsory judicial administration in the form of bankruptcy. In particular, critics of the judicial settlement were proved right. The quickest and cheapest way of taking over a company without a costly takeover sum and a legal and financial tangle is bankruptcy.

FF EDITOR

On 22 January all 450 employees of Sobelair were made redundant by the receivers. Nevertheless, the Directorate-General of Aviation has not yet revoked the aviation licences. This is because the receivers are still negotiating with potential buyers and hope to be able to come back with more news by Monday 26 January. Meanwhile Sobelair’s main customers, the tour operators Jetair, Thomas Cook and Club Med, have pulled out completely. They will organise their own charter flights or use other companies.

WWW.SOBELAIR.BE
WWW.TUI.BE
De Beers supplies Antwerp with more rough diamonds

PREMIER VERHOFSTADT IN TURN PROMISED THAT IN THE FUTURE THREE MILLION EUROS WOULD BE INVESTED EACH YEAR IN THE SECURITY OF THE ANTWERP DIAMOND QUARTER

The biggest diamond group in the world, De Beers (55% market share in rough diamonds) and the city of Antwerp have decided to further expand their collaboration. This year Antwerp will receive more rough diamonds from the South African group. This is the result of talks between head man Gary Ralfe of De Beers, Gareth Penny of the Diamond Trading Company (the sales arm of De Beers), Premier Guy Verhofstadt (VLD), Flemish Minister-Presedent Bart Somers (VLD), Provincial Governor Camille Paulus and Peter Meeus, Director-General of Antwerp Diamond High Council (HRD). Henceforth, 37% of De Beers’ diamonds will go to Antwerp. This is an increase of 2 to 3%. In so doing De Beers is attempting to quell unrest in the Antwerp diamond world following the announcement that it had scrapped 15 of the 45 Antwerp sight-holders as part of its new supplier-of-choice distribution policy. The HRD calculated that as a result of the new strategy the Antwerp diamond world lost 175 million euros in rough diamonds and that 500 jobs were at risk. De Beers has now agreed in Antwerp to compensate this loss, so that Antwerp will remain the biggest diamond distribution centre. Premier Verhofstadt in turn promised that in the future three million euros would be invested each year in the security of the Antwerp diamond quarter and that no changes would be made to the diamond sector’s favourable tax regime. The Flemish Government confirmed that the development of Deurne airport is a requisite for the safe transport of diamonds (FF).

LUC VAN AELST • DE TIJD • 21 JANUARY

Before its new commercial strategy was introduced, De Beers had mainly been involved in supplying rough diamonds to its privileged customers, the so-called sight-holders. With the supplier-of-choice strategy De Beers tried a completely different tack. It began promoting and selling diamonds itself (via a joint-venture with the luxury chain LVMH) to the end-user and demanded greater attention to promotion and self-initiative from its sight-holders. Branding and marketing are therefore the new watchwords in the diamond sector.

Gareth Penny (Marketing Director of DTC) is one of the architects of the new strategy. According to Penny, branding, the marketing of the brand name, is also of huge importance in the diamond sector. ‘We realised that a series of sub-niches in the luxury sector had done much better in past years than the diamond sector. Examples of this are the perfumery and watch sectors. The reason is simple: in these sectors, maximum use is made of brand names. We must also do this for diamonds. A number of players are already on the case. A great many big names from the jewellery industry are promoting diamonds under their own brand names, while others are entering into joint ventures. However, you can also distinguish yourself in another way, such as via a specialisation in separate cutting forms. In Antwerp there are already players who are doing this successfully. What is Penny’s message to the sight-holders who have lost their privileged status? ‘They have to realise that SoC is a dynamic process. From next year they can re-apply.’ Penny also mentions that over the years De Beers saw its market share drop from 80 to around 55%. Today a host of other players also offer rough diamonds. The scrapped sight-holders can easily turn to competitors of De Beers to get rough material, is the message.

WWW.DEBEERS.COM
WWW.DIAMONDS.BE
WWW.DTC.COM

Wave of Anglo-Saxon take-overs in Flanders

THE GOVERNMENT LIMITS THE TAX RELIEF FOR VENTURE CAPITAL TO NOT MORE THAN 875 EUROS PER 2,500 EUROS OVER FOUR YEARS. THE UNITED KINGDOM GRANTS RELIEF OF UP TO £100,000 PER PERSON PER ANNUM.

Flemish firms are in demand among Anglo-Saxon buyers. Gores Technology Group is on the point of taking over the software company Real Software. It also looks like the financial consortium Ubideo (including, among others, KBC-invest) will have to surrender to its American competitor Betrust-ed (bid price: 43 million euros) in the take-over battle for network protector Ubizen. The British venture capital fund Alchemy Partners recently took over the West-Flanders Blagden Packaging via a buy-out operation, the biggest industrial-packaging recycling company in Europe (turnover: 220 million euros). They bought the 80% participations of CVC Capital and Bridgepoint, both also British financial funds. The British venture capitalist Electra Partners recently made a bid for 74% of the East-Flanders firm Aliplast (turnover: 210 million euros), which specialises in aluminium constructions. At the end of 2002 another British fund, Candover, was involved in the biggest buy-out ever to take place in Flanders, when it bought nappy manufacturer Ontex for 1.1 billion euros. Finally, also in 2002 CVC Capital bought the Flemish consumer information company Massive (turnover: 250 million euros). Local venture capital funds such as the GIMV, the Buyout Fund or the Buyout Fund of Nesbic (allied to Fortis) are not even getting a look in in such take-overs. Trends investigates why (FF).
Opinion

ANN GOOVAERTS • TRENDS • 22 JANUARY

Flemish anchorers are groaning. Financial anchoring has partially been superseded, but the question on everyone’s lips is: where is the Flemish money? Flanders is rolling in money, but none of it ends up with our businesses. The banks say they are doing their bit. There is no credit shortage and 55% of Belgian venture capital is financed by them. And yet there is a problem. It is a cliché, but the banks understand figures and rarely entrepreneurship. Flemish venture capitalists need to have guts. We are too small, they say. True, but where is the ambition to become big? Instead of each setting up their own little fund, the prosperous families must join forces. In 2002, private equity investments in Belgium represented barely 0.137% of GNP. That is a little less than half the European average. Belgian venture capitalists are also wrestling with external handicaps. International institutional investors who want to pump money into Flemish venture capitalists are scarce. It is also difficult for venture capitalists to go knocking at local pension funds, as these are negligible. The government also lacks ambition. If it wants to provide fiscal incentives for individuals to invest in venture capital, it limits the tax relief to not more than 875 euros per 2,500 euros over four years. The European venture-capital country par excellence, the United Kingdom, grants relief of up to £100,000 per person per annum.

Fernand Khnopff retrospective in Brussels

KHNOPFF’S WORK SPEAKS OF SOLITUDE, FEAR OF THE UNKNOWN AND A HANKERING AFTER A MORE BEAUTIFUL WORLD

For years the Belgian painter Fernand Khnopff (1858-1921) was hardly valued at all until a retrospective was devoted to his work in Paris and Brussels in 1980. The symbolist experienced a genuine rediscovery. Museums and collectors showed renewed interest, supposedly lost works appeared and the price of sketches, paintings and pastels shot up. A quarter of a century later, in the Royal Museums for Fine Arts of Brussels, also owner of the world’s largest collection of Khnopff, there is now another fascinating retrospective. It focuses attention on the international fin-de-siècle art scene in which Khnopff moved. His work is brought face to face with the work of the British Pre-Raphaelites, the French painter Gustave Moreau and the female figures of Gustav Klimt (FF).

JAN VAN HOVE • DE STANDAARD • 17 JANUARY

Anyone who abhors the wooliness and slightly decadent imagination of the fin-de-siècle had best stay away from this exhibition. Languorous female figures, secretive sphinxes and mythical horrors such as Medusa are present in large numbers. And yet it is difficult not to be charmed by the refined style of Khnopff and the world of silence and unfulfilled longing he evokes. Behind the enigmatic staging, Khnopff’s work speaks of solitude, fear of the unknown and a hankering after a more beautiful world. The organisers divided the work into attractive ensembles constructed around several key works and themes such as woman, landscape and the portrait. Those who merely associate Khnopff with dreamy women will be surprised at the exhibition by a whole series of sensitive landscapes, most of which originated in the Walloon hamlet of Fosset, where the young Khnopff spent holidays with his family. His particular talent for painting portraits of children is also highlighted. Uncommonly interesting is the room containing photos. Khnopff used photos to prepare his compositions - his sister was a willing model who allowed herself to be photographed in all manner of theatrical poses and exuberant attire. But Khnopff did more: he also had his paintings, pictures and pastels photographed in platinum print and treated the photos with coloured pencils and charcoal, producing entirely new works. Many of Khnopff’s symbolistic works were inspired by the poets he read and admired. With sophisticated lighting effects, muted colours and gossamer-thin lines, and with a wealth of delicate attributes - flowers, veils, jewels, antique sculptures - the artist tried in his images to formulate an equivalent for the refinement of poetry. One of the most beautiful examples is the sketch Who shall deliver me?, which is based on the poem by Christina Rossetti of the same name. It clearly indicates where almost all of Khnopff’s work began: an inner frame of mind, a memory and a dream-world, but never harsh reality. The Khnopff exhibition is highly entertaining and is unconditionally recommended.

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