Flemish round table for diamonds

After the Federal Government, the Flemish Government is now also tackling the issue of the competitive position of the Antwerp diamond sector. It is presently organising a round table conference with all those involved in the sector (government, dealers, manufacturers, trade unions). But an analysis of strengths and weaknesses first has to be completed, says Flemish Minister-President Yves Leterme (CD&V), who visited the Antwerp Diamond Bank on 15 June. At the end of May the High Diamond Council concluded a protocol agreement with the Federal Government in which it was announced that diamond dealers can ‘update’ their undeclared stocks. They will probably be able to profit from a favourable penalty tariff of only 5% in this laundering operation, a drop in the ocean compared with the usual tariff of around 65% of Antwerp's trade, and worldwide around 55%.

Recently Federal Premier Guy Verhofstade (VLD) also visited the Antwerp diamond sector. Among other things, he announced fiscal and social measures. According to Leterme, the Federal Government will be invited to the Flemish round table, just like all other players in the sector. 'As it happens I recently received a delegation from the unions. They will also be involved in the discussions,' says Leterme. Meanwhile the Flemish Minister-President sees several possible ways of having the sector supported by the Flemish Government. 'I’m thinking about education and training. We will look at what we can do on that front. It may also be possible to involve our export agency Flanders Investment & Trade.' The round table will be chaired by Flemish Economic Affairs Minister Fientje Moerman (VLD).

JOHAN VAN GYEYE • GAZET VAN ANTWERPEN 16 JUNE

'The diamond sector is facing some major challenges,' says Leterme. 'Competition from Dubai, India and South Africa is extremely tough. We shall therefore have to see how we can make sure this is not to Antwerp's detriment. To do this we have to develop a strategy for the next ten to fifteen years.'

The Antwerp diamond world must urgently arm itself against international competition. The High Diamond Council has been pressing for this for some time. Antwerp is still the most important trading centre in the world for diamonds, but competition is on the rise. Once Antwerp's four diamond fairs were the only ones in the world, now there are around twenty worldwide. Dubai, which offers diamond dealers 90 years' tax exemption, is now trying to threaten to take over Antwerp's role. The Federal Government realised it had to intervene. At the end of May Premier Verhofstadt (VLD) concluded a protocol agreement with the Council of Ministers. It was announced that diamond dealers could launder their illicit stocks. In the present government provision of the penalty for laundering is, in fact, a problem for the government, claims De Tijd (15 June), is that with the laundering operation diamond dealers will see their illicit stocks reduced and can therefore profit massively from the notional interest deduction, which makes it possible for them to deduct a fictitious interest on the equity capital from their taxable income. The government wants to avoid them cashing in twice.

Major competitor Dubai - that is a fact - is mainly targeting the wealthy Indian dealers. These have also acquired a dominant position in the diamond trade in Antwerp over the past twenty years. Whereas 20 years ago around 75% of the trade was still in the hands of Jewish dealers, today that figure is only 25%, according to De Standaard (11 June). The Indians are apparently now in charge of around 85% of Antwerp's trade, and worldwide around 55%.

To the outside world the exotic street image with its high concentration of chassidim (men with corkscrew curls and hats) still gives the diamant district a genuinely Jewish outlook, but in the business it is the Indians who now set the tone. These Indians are not Hindus, but Jains, from the western state of Gujarat. They were long under-represented in the High Diamond Council. But after the latest elections for the Council they won 5 seats for the first time. Vice-Chairman is Kaushik Mehta, who with his company Eurostar Diamond Traders is number two in Antwerp, after Rosy Blue of namesake Dilip Mehta. He runs a company with a turnover of 900 million euros and 10,000 employees, with offices on every continent. He only keeps his headquarters in Antwerp. His rough stones are processed in China and he no longer sells diamonds but also jewels. In Antwerp they have understood that it is vitally important to let the Indians feel at home in the city. 'Antwerp must be more than a workplace, it must also be a home where it is good to live,' said Provincial Governor Camille Paulus recently in De Standaard. The external signs that they are beginning to put down roots are starting to appear: a bust of Mahamatma Ghandi in the Albertpark and a gigantic Jain temple is currently rising up in a wealthy district of Wijgmaal. Although Belgium does not have any diamond mines and hardly any cutters any more, Kaushik Mehta believes the Indians will not be quick to leave Antwerp. Provided the government keeps its eyes open for the competition. This message appears to have got across.

November 9th marks the 100th anniversary of the immunisation of children in Belgium. It is an event which the Government must save 4.5 billion. It is presently organising a round conference with all those involved in the sector (government, dealers, manufacturers, trade unions). But an analysis of strengths and weaknesses first has to be completed, says Flemish Minister-President Yves Leterme (CD&V), who visited the Antwerp Diamond Bank on 15 June.

Johan Van Gyeve • Gazet Van Antwerpen 16 June

'The diamond sector is facing some major challenges,' says Leterme. 'Competition from Dubai, India and South Africa is extremely tough. We shall therefore have to see how we can make sure this is not to Antwerp's detriment. To do this we have to develop a strategy for the next ten to fifteen years.'

Recently Federal Premier Guy Verhofstade (VLD) also visited the Antwerp diamond sector. Among other things, he announced fiscal and social measures. According to Leterme, the Federal Government will be invited to the Flemish round table, just like all other players in the sector. 'As it happens I recently received a delegation from the unions. They will also be involved in the discussions,' says Leterme. Meanwhile the Flemish Minister-President sees several possible ways of having the sector supported by the Flemish Government. 'I’m thinking about education and training. We will look at what we can do on that front. It may also be possible to involve our export agency Flanders Investment & Trade.' The round table will be chaired by Flemish Economic Affairs Minister Fientje Moerman (VLD).

JOHAN VAN GYEYE • GAZET VAN ANTWERPEN 16 JUNE

'The diamond sector is facing some major challenges,' says Leterme. 'Competition from Dubai, India and South Africa is extremely tough. We shall therefore have to see how we can make sure this is not to Antwerp’s detriment. To do this we have to develop a strategy for the next ten to fifteen years.'

Recently Federal Premier Guy Verhofstade (VLD) also visited the Antwerp diamond sector. Among other things, he announced fiscal and social measures. According to Leterme, the Federal Government will be invited to the Flemish round table, just like all other players in the sector. ‘As it happens I recently received a delegation from the unions. They will also be involved in the discussions,’ says Leterme. Meanwhile the Flemish Minister-President sees several possible ways of having the sector supported by the Flemish Government. ‘I’m thinking about education and training. We will look at what we can do on that front. It may also be possible to involve our export agency Flanders Investment & Trade.’ The round table will be chaired by Flemish Economic Affairs Minister Fientje Moerman (VLD).
Wage costs rise more slowly than expected

The Nationale Bank expects wage costs to only rise by 4.2% in 2005-2006. That is a consequence of the new health index that was introduced in January and which puts the brakes on automatic wage indexation. Nevertheless, wages in Belgium continue to rise more quickly than in neighbouring Germany, France and the Netherlands. At the end of last year the Central Economic Council predicted a rise in wage costs this year of 5.2% in Belgium and 3.1% in neighbouring countries. If this wage cost development remains valid today in neighbouring countries, the so-called wage derailment in Belgium has fallen from 2.1 to 1.1%, claims De Tijd (13 June). According to the Governor of the Nationale Bank, Guy Quaden, that has a negative and a positive consequence. Higher wages stimulate purchasing power and consumption, but weigh on competitive strength and exports and encourage businesses to replace people by machines. Only tax cuts can reconcile these two consequences, he maintains.

Finally, he calls on businesses to invest more in Belgium and not only pay out ‘high dividends’ (FF).

Opinion

WOUTER VERVENNE • DE TIJD • 13 JUNE

The forecasts of the Nationale Bank are undoubtedly music to the trade unions’ ears. The unions stress that competitive strength is not only determined by wage costs. They warn that they will have difficulty asking for efforts from their members in 2007-2008 because companies are recording extremely high profits and paying their managers enormous salaries. The Federation of Enterprises in Belgium (FEB) quickly tried to limit the damage, stressing that the wage costs handicap has not disappeared.

It must be clear that our competitive strength is still under pressure. There is therefore no cause for complacency. The Belgian economy is losing market shares and the Nationale Bank expects further decline. The downturn in competitive ability is one of the reasons why unemployment is not falling in Belgium, unlike in the rest of Europe. What has to happen to boost competitive strength? Firstly wage costs must not rise more quickly than in neighbouring countries and the handicap of past years must gradually be removed.

Above all, Quaden is counting on tax cuts. The question is whether there is room for these, as the government has to save as much as 5 billion euros to achieve its budget targets next year. Trade unions also have to accept their responsibility by not making excessive demands.

But employers also have an important role to play. Nowadays Belgian industry mainly produces semi-finished products that are highly subject to competition from low-wage countries. Our industry also mainly sells its products in neighbouring countries, markets that are growing slowly. Businesses must invest more in staff training and research and development to develop hi-tech products. They must also focus more on rapidly expanding regions such as Eastern Europe and Asia.

WWW.NBB.BE

Federal government must save 4.5 billion euros

If its policy remains the same the government is heading for a deficit of 0.3% of Gross Domestic Product in 2006 and 1.2% in 2007

Economic growth in Belgium will remain higher than in the euro zone this year and next. This year the economy will grow by 2.5% and next year by 2%, according to the Nationale Bank’s calculations. For 2006 that is 0.3% higher than the previous forecast. The engine is the purchasing power of families, which has risen due to higher employment, tax reforms and because they got a higher return on their assets. Families are therefore consuming a lot and investing a lot in housing. Exports are also on the up, but overall Belgium is continuing to lose market share. Much less rosy are the prospects for the government budget. If its policy remains the same the government is heading for a deficit of 0.3% of Gross Domestic Product in 2006 and 1.2% in 2007 (FF).

JAN BOHETS • DE STANDAARD • 13 JUNE

In reality the government’s target for 2007 is a financial surplus of 0.3% of GDP. To achieve that, measures amounting to 1.5% of GDP are therefore required. For a GDP of some 300 billion euros, that equates to 4.5 billion euros. Interest on the public debt will continue to fall for the time being, while government income will benefit from the favourable economic climate, especially in 2006. However, these developments will be more than compensated for because this year there will be no ‘one-time operations’ (such as the take-over of a public undertaking pension fund, ed.). Then there are the measures to reduce the tax burden. As a result, government income will fall below 50% of GDP in 2006 and below 49% in 2007. Quaden believes the government must achieve the intended financial surplus at any cost. Economically there is no reason to be satisfied with less. And structurally there is a pressing need to further reduce public debt to be able to support the budgetary costs of the ageing population. By the end of next year the debt will still represent 88.7% of GDP. In 14 years’ time, from 1993 to 2007, the gulf with the average EU debt ratio will have been reduced from 68 to 19% of GDP.

WWW.NBB.BE
Federal council of ministers on purchasing power postponed

A memo summarising the measures will be produced before the summer recess in July

Premier Verhofstadt was forced to postpone the Council of Ministers on purchasing power and competitiveness when preliminary talks between cabinet employees of the various Liberal and Socialist ministers failed to pave the way for a compromise on a number of measures the government still wants to take this summer. The package includes tax cuts, a work bonus, a job discount, a school bonus, extra child benefit, tax incentives for child-minders and other ‘attractive’ gifts. At Sunday’s inner cabinet meeting, senior federal ministers got no further than drawing up a list of all the proposals and setting separate working groups to work. The First Minister had no choice but to blow the whistle on the Council of Ministers scheduled for Wednesday. According to De Standaard, election fever has also slowed down talks. Liberals and Socialists cannot agree on what measures would best boost purchasing power. Vice-Premier Freya Van den Bossche (SP.A) also wanted the measures to be agreed on the make-up of the budget for 2007 in October. However, the inner cabinet did not want to wait that long to publish them. A memo summarising the measures will be produced before the summer recess in July. Figures showing what all these measures will cost will then be produced in September (FT).

Opinion

PETER VANDERMEERSCH • DE STANDAARD • 12 JUNE

After the Generation Pact (on end of career measures, ed.) this government also justifiedly wanted to conclude a competitiveness pact. It would contain the much-needed measures to boost the competitive strength of companies and safeguard the purchasing power of the consumer. On several occasions Guy Verhofstadt was recorded as saying that it was precisely this project that had to become one of the key buttresses of his famous ten-project plan. That broad project plan undoubtedly had something. It was the vehicle that clearly had to enable Verhofstadt and his Purple team to avoid being paralysed after seven years by the double electoral confrontation of this autumn and next spring.

Earlier projects had already met with extremely varied success. In mid-May Verhofstadt bit his teeth to pieces over the project that promised to increase the flexibility of the job market. It did not get much further than the promise that students with part-time jobs can work for longer. The key project on competitiveness has already been postponed once. Last weekend it became clear that the government has still not resolved the issue. The dossier is being put off until July, in other words buried, because the coalition partners cannot reach agreement. It is now clear, therefore, that the projects are indeed in the shadow of the elections. Because this project will not produce a visionary, clear and well-structured construction, just a bran tub full of electoral sweets, some wrapped in blue, the others in red. There is only one possible conclusion: there is no architect on the project. Or better still: there are four DIY enthusiasts on the same project.

| EU=100 | 1 Luxembourg 248 | 2 Ireland 137 | 3 Denmark 124 | 4 Netherlands 123 | 5 Belgium 118 | 6 Germany 110 | 7 France 109 | 8 Italy 103 | 9 Sweden 97 | 10 Spain 93 | 11 Austria 88 | 12 Portugal 87 | 13 Greece 85 | 14 Finland 81 | 15 Netherlands 78 | 16 Denmark 78 | 17 Sweden 77 | 18 Austria 77 | 19 Belgium 72 | 20 Ireland 71 | 21 Germany 68 | 22 Greece 63 | 23 Portugal 61 | 24 Spain 59 | 25 Latvia 47 |

source: Eurostat

Local elections in October: search for women begins

FF EDITOR

The political parties have given themselves a poisoned gift with the new Flemish election decree, notes De Morgen (13 June). One of the provisions states that each list of candidates must contain as many men as women. This rather drastic measure to allow more women to participate in local politics will not cause any immediate problems in towns and cities, but will certainly do so in small municipalities. The search for women who want to figure on the electoral list is not going smoothly there. Women with political ambition are scarce in small municipalities, it appears. And the miserable salary they receive as municipal councillors is unlikely to free up much time for it in their busy lives. In the end lists will be filled up with wives, daughters or sisters of politicians, according to a local politician. Or they will appear together on a joint list because they cannot find enough candidates separately.

In their Brussels headquarters the VLD, SP.A and CD&V are scarcely aware of the problems in the field. Each party anticipated the decree and is claiming that the feminisation of the party is well under way, De Morgen reports.
Enel to make friendly bid for Electrabel?

According to the Italian newspaper Milano Finanza, Italian Premier Romano Prodi’s visit to France’s President Chirac was all to do with the interest shown by the Italian energy group Enel in ‘certain assets of Suez’. According to De Tijd (12 June), this concerns a possible take-over of the Belgian energy subsidiary of Suez, Electrabel. European Competition Commissioner, Neelie Kroes, could demand that Electrabel be sold as a condition for giving the go-ahead for the planned merger between Gaz de France and Suez, suggests the Milan paper. Suez no longer has to fear a hostile take-over bid by Enel, according to De Tijd (13 June). Fulvio Conti, Enel’s Managing Director, has changed his tune. Enel will apparently let Suez choose from a number of options: the full sale of Electrabel, joint control of Electrabel or the sale of parts of Electrabel. In the meantime, however, the merger plans between Suez and Gaz de France have received a telling blow in their own country. The French Parliament had to decide this week whether the State interest in Gaz de France (80%) can be reduced. That and the approval of the EC should clear the way for the merger, in which the French State would end up retaining 34%. But a majority of French MPs are set against the privatisation of Gaz de France (FF).

DE TIJD • 14 JUNE

Following talks between Premier Dominique de Villepin and the members of his neo-Gaullist UMP party in the French Parliament it emerged that there is considerable opposition to the merger not only among the opposition but also within the governing UMP. According to one UMP MP, ‘around two-thirds of parliamentary party members are against the merger of GdF and Suez’. As a result, the privatisation law for GdF required for the merger cannot count on a majority in Parliament and the merger appears off. When GdF was floated on the stock exchange last year it was established in law that the French State must hold at least 70% of the shares in the gas group at all times. The recalcitrant mood among UMP MPs is probably the result of next year’s parliamentary and presidential elections. The privatisation of national concerns such as GdF is extremely unpopular among voters because as owner of the energy groups, the government can also set energy tariffs.

The rebellion of his MPs is a new setback for De Villepin. It was De Villepin who made the merger public at the end of February with the Managing Directors of GdF and Suez at his side. Following talks with Italian Premier Prodi, French President Jacques Chirac said that ‘the French Government prefers friendly bids’. In so doing he fuelled rumours that Enel is working on a friendly bid for Suez at Prodi’s insistence.

De Tijd • 15 June. ‘Whatever happens, they must realise they will be faced with a tough stance from the Belgian Government, which will take measures design to lead to more, not less competition,’ says Verhofstadt in De Tijd.

www.suez.com
www.enel.it

Arcelor rejects Mittal bid as too low

FF EDITOR

Following its meeting on 11 June, the Board of Directors of Luxembourg steel group Arcelor dismissed the bid of Mittal Steel as unsatisfactory. The shareholder is better off with the separate merger project with the Russian Severstal of Alexei Mordasjov, the Board feels. The merger is not only more profitable, it also offers a better geographical spread and greater cyclical resistance, so the reasoning goes. The merger values the Arcelor share at 44 euros, the Board calculated. The Mittal bid - 11.10 euros plus one Mittal share - equates to only 34.69 euros per Arcelor share. For its part, Mittal points out that the bid is already 70% higher than the average price of the Arcelor share in the period preceding the bid. According to De Standaard, many analysts are questioning Arcelor’s own valuation of 44 euros. It is the result of an artificial overvaluation of the assets of Severstal, they claim. The merger will give Mordasjov control over 32% of the company. Arcelor has organised a shareholders’ meeting for 30 June at which the merger will have to be approved. A simple majority will be enough to allow the merger to go ahead.

Verhofstadt warns Enel, Suez and Gaz De France

FF EDITOR

Now that it is becoming uncertain whether the merger of Gaz de France and Enel will go ahead, there are more and more indications that the Italian Enel wants to make a deal with Suez to absorb Suez subsidiary Electrabel. The comments of the French President Jacques Chirac after the visit of the Italian Premier Prodi to Paris suggest this. The fact that Italy and France would decide the fate of Electrabel, the dominant player in the Belgian energy market, is a thorn in the side of Premier Verhofstadt. By his own admission he wants to use the movements on the international energy market to break open competition on the Belgian market. He warns Suez, Gaz de France and Enel against trying to make a deal with each other without consulting Belgium (De Tijd, 15 June). ‘Whatever happens, they must realise they will be faced with a tough stance from the Belgian Government, which will take measures design to lead to more, not less competition,’ says Verhofstadt in De Tijd.

www.premier.fgov.be
Karel Vinck involved in an asbestos case in Sicily

Vinck has a clear conscience. At the time he had no idea asbestos was so dangerous, he claims

Employees of Belgian multinational Eternit have spent years exposed to the carcinogenic effects of asbestos without adequate protection. Hundreds of former workers at the plant are suffering or have died from asbestos-related lung diseases. On Sicily in 2005 the court passed harsh sentences on eight former Eternit executives because they failed to inform their workers of the health risks. This week Knack is devoting a report to the judgment. In the 1970s top Flemish manager Karel Vinck, among other things the former boss of the Belgian Railways, spent three years as general manager of the Eternit plant at Targia near Syracuse on Sicily. He was sentenced by the court of first instance to three years in prison for involuntary manslaughter. Nevertheless, Vinck has a clear conscience. At the time he had no idea asbestos was so dangerous, he claims. He is appealing against the judgment (FF).

Kim Derijck • Het Nieuwsblad • 3 June

Karel Vinck: ‘The asbestos problem led to trials in many places. But the judgments are unjustified, the accusations false. At the time I did everything possible to protect workers, based on the knowledge available to me. I was not aware that asbestos could cause cancer. The health effects were then still compared with silicosis, a lung disease among miners.’ ‘There’s still a lot more to come out of this asbestos case,’ predicts Knack journalist Marleen Teugels. She is working on the asbestos story together with Nico Krols. Solicitor Silvio Alifì, who defended the victims, also wants to take things further, to ‘tackle the real bosses of Eternit’. Among other things, he is planning steps against Eternit Belgium. The conviction in Italy may serve as a precedent. People have also died from asbestos-related diseases around the Eternit site at Kapelle-op-den-Bos in Belgium. Teugels and Krols are surprised by the small number of lawsuits against the company in Belgium compared to the situation in other countries. ‘Since 2000, only one victim has initiated legal proceedings against Eternit Belgium,’ confirms spokesman Verhille.

Nahima Lanjri (CD&V) calls for stricter approach to chain migrants

Figures collected by CD&V MP Nahima Lanjri show that more and more immigrants are settling in Antwerp through family reunification or marriage. In 2202 the number of such chain migrants was 1,751, but in 2005 4,348, she explains in Gazet van Antwerpen (14 June). At her request, Home Affairs Minister Patrick Dewael (VLD) gave the number of applications for family reunification for the whole of Belgium: 31,342. Four out of five applications come from naturalised Belgian citizens or from EU citizens. The Minister’s bill, designed to introduce stricter legislation on family reunification, only applies to non-EU citizens. Following Lanjri’s criticism and that of MP Filip Antheunis from his own party, he wants to amend the bill and also tighten it up for Belgians and EU citizens. The bill also specifies that family reunifiers must be 21 instead of 18, that they must be supervised for three years to see whether the marriage is not a sham and that they have compulsory health insurance, a proper home and sufficient income to also allow the parents or grandparents to come over. Lanjri wants this last condition to also apply to partners and children. She attributes the fact that Belgium is so popular for chain migrants to the tightening up of legislation in neighbouring countries on this point. Lanjri also hits out at the expulsion policy for illegal immigrants. Only 16% of those expelled are repatriated, she notes (FF).

Opinion

Lex Molenaar • Gazet van Antwerpen • 14 June

The law Minister Dewael wants to push through is certainly an improvement compared to the current situation. But he is not making the regulations in our country as strict as in France and the Netherlands, and so is holding our borders wide open to new floods of immigrants. Apparently Dewael himself wants to take stricter measures, which his own VLD voters would not be averse to. But he cannot bring the Walloon PS politicians on board. Why does the new law not specify an income limit anyway? Is it not logical that anyone who brings their family over is able to support that family? In the Netherlands you even have to be able to prove that you have an income from employment. Why can we not do that? The text of the law also fails to impose any integration conditions, such as compulsory learning of our language. And why do the conditions only apply to non-EU citizens (Dewael has since announced that he also wants to extend the bill to Belgians and EU citizens, ed.). Apart from all these objections you may wonder what use all these debates, laws and regulations will actually be without an effective expulsion policy. At present only one fifth of all illegal immigrants who are caught are actually repatriated. More use must also be made of bilateral treaties that force home countries to take their citizens back if they do not satisfy Belgium’s standards for regularisation.
E fforts surrounding the new management agreement to be concluded by the public broadcaster, the VRT, with the Flemish Government are again being stepped up. VRT boss Tony Mary can put away his costly plans for extra digital channels, reported the website of Knack, which had learned the news in government circles. In De Standaard (14 June) the media specialists of the Flemish SP.A and Spirit government parties claim that the entire management agreement has again fallen prey to the usual spin. The government cannot implement Mary’s costly digital plans (180 million euros), but nor can the management agreement preclude digital channels, says Dany Vandenbossche (SP.A).

Carl Decaluwé of the CD&V, on the other hand, believes there should not be the budget the VRT sets aside for digital television must be in proportion to the number of digital subscribers. These currently number just 200,000.

And there’s more. Specifically, the government parties want to curb sponsoring on the VRT and lower the advertising ceiling. This is favoured by the Liberals in particular. The VRT would, however, be largely compensated for the loss of this commercial revenue.

The financial conclusion is that there is no money for digital themed channels. There is therefore likely to be a temporary solution: Sporza (the sport network) will rise from its ashes and again become the third network of the VRT, albeit digital this time. Canvas/Ketnet (the second VRT network) will rise from its ashes and therefore wants to curb sponsoring with the public broadcasting company (FF). The party is mainly concerned about falling advertising revenue from the commercial channel VTM and therefore wants to curb sponsoring with the public broadcasting company (FF).

The Liberal VLD wants to farm out the subsidies for a digital themed channel to the broadcaster with the best project and the best price. The party is mainly devoted to the phenomenon of triple play among telecoms operators. Triple play is where telephone, broadband Internet and TV are provided on the same line. The market research agency Forrester, which specialises in technology and telecoms, has conducted a study of the costs of triple play technology. What does it show? Over a ten-year period, the average extra telecoms monopolist will suffer a cumulative loss of 3,742 euros per customer for triple play, according to Forrester analyst Lars Goddell. That loss is purely down to the sizeable investments in the provision of TV services and the modest extra income generated by the technology.

For a company like Belgacom, which during the past year has offered Belgian viewers its own digital TV package with Belgacom TV via the ASDL network, the results of this study are not particularly comforting. Nevertheless, the forecasts for some other telecoms operators are much less favourable. The differences across Europe are considerable. Deutsche Telekom performs best, with a cumulative loss of 1,330 euros. At the other end of the scale is Telecom Italia with 7,035 euros. With Belgacom TV, the results of this study are not particularly comforting. Nevertheless, the forecasts for some other telecoms operators are much less favourable.

The discussion about the financial chalk marks clearly shows that Managing Director Tony Mary will not get his digital themed channels. But the VRT is going even further on the defensive. Under the current management agreement the Flemish allocation to the public broadcaster - some 250 million euros a year - rises by 4% a year. This automatic indexing is a thorn in the side of commercial broadcasters, who have to rely on the volatile advertising market for their income. The current assumption is that the allocation will grow much more slowly from now on: by 1.5% a year. A slightly higher annual growth should remain possible for staff wages. A separate arrangement will be sought for the costly renovation of the public broadcasting building.

No digital channels for VRT?

No profit for Belgacom TV for next ten years

BART HAECK • DE TIJD • 14 JUNE

De Standaard and De Tijd (13 June) are devoting time to the phenomenon of triple play among telecoms operators.

De Standaard (13 June) are devoting time to the phenomenon of triple play among telecoms operators. Triple play is where telephone, broadband Internet and TV are provided on the same line. The market research agency Forrester, which specialises in technology and telecoms, has conducted a study of the costs of triple play technology. What does it show? Over a ten-year period, the average extra telecoms monopolist will suffer a cumulative loss of 3,742 euros per customer for triple play, according to Forrester analyst Lars Goddell. That loss is purely down to the sizeable investments in the provision of TV services and the modest extra income generated by the technology. For a company like Belgacom, which during the past year has offered Belgian viewers its own digital TV package with Belgacom TV via the ASDL network, the results of this study are not particularly comforting. Nevertheless, the forecasts for some other telecoms operators are much less favourable. The differences across Europe are considerable. Deutsche Telekom performs best, with a cumulative loss of 1,330 euros. At the other end of the scale is Telecom Italia with 7,035 euros. With Belgacom TV, the results of this study are not particularly comforting. Nevertheless, the forecasts for some other telecoms operators are much less favourable.

The differences across Europe are considerable. Deutsche Telekom performs best, with a cumulative loss of 1,330 euros. At the other end of the scale is Telecom Italia with 7,035 euros. With Belgacom TV, the results of this study are not particularly comforting. Nevertheless, the forecasts for some other telecoms operators are much less favourable. The differences across Europe are considerable. Deutsche Telekom performs best, with a cumulative loss of 1,330 euros. At the other end of the scale is Telecom Italia with 7,035 euros. With Belgacom TV, the results of this study are not particularly comforting. Nevertheless, the forecasts for some other telecoms operators are much less favourable. The differences across Europe are considerable. Deutsche Telekom performs best, with a cumulative loss of 1,330 euros. At the other end of the scale is Telecom Italia with 7,035 euros. With Belgacom TV, the results of this study are not particularly comforting. Nevertheless, the forecasts for some other telecoms operators are much less favourable. The differences across Europe are considerable. Deutsche Telekom performs best, with a cumulative loss of 1,330 euros. At the other end of the scale is Telecom Italia with 7,035 euros. With Belgacom TV, the results of this study are not particularly comforting. Nevertheless, the forecasts for some other telecoms operators are much less favourable.
Production house Studio 100 seeks fresh capital

The production house Studio 100, the company behind the children’s amusement parks Plopsaland, Plopsaland Indoor and Telecoo and the immensely popular figures from VRT’s children’s programmes such as Kabouter Plop and (talking dog) Samson & Gert, but also the pop group K3, is looking for a financial partner, reports De Tijd [15 June]. The production house, which according to the most recent information could count on 65 million euros in revenue last year, wants to expand internationally and is currently turning its gaze towards Germany, Poland and Spain. To fund this expansion, Studio 100 wants to push through a capital increase of several tens of millions of euros.

At present Gert Verhulst, the friend of talking dog Samson and Managing Director Hans Bourlon are the only two shareholders in the production house. In 2004 the company made a net profit of 4 million euros and had equity capital of 20 million euros.

Studio 100 has an agreement with the public broadcasting company which runs until 2009. This gives the VRT first choice from all new concepts the production house comes up with for children’s programmes. In addition, it operates the three aforementioned amusement parks, and also produces films, CDs and does the merchandising for its characters.

WWW.STUDIO100.BE

Brother and sister couples in Western art

The history of art numbers many brother- and to a lesser degree sister- couples. ‘Family Affairs’, the new summer exhibition of Bozar, is based around that remarkable phenomenon.

A more German-tinted version of the exhibition was on view earlier in the Haus der Kunst in Munich. Leon Krempel, the curator who put the ensemble together, has investigated the phenomenon of brother and sister couples in Western art. He included not only old, but also contemporary art in his study. Krempel tracked down around 1,500 couples, sometimes involving several artists in one family. He does not consider whether artistic skill is hereditary. He is more interested in the influence of upbringing and surroundings on the brother and sister artists and in their reciprocal psychological influence (FF).

JAN VAN HOVE • DE STANDAARD • 14 JUNE

‘The love-hate relationship is typical of brother-sister couples, although you hear little about it,’ says Krempel. ‘Without doubt they tend to compare themselves to each other. We know of various artists who adopted a pseudonym to distinguish themselves from a well-known brother. That was the case, for example, with the Italian painter Alberto Savinio. His real name was Andrea de Chirico and he was the younger brother of Giorgio de Chirico, one of the pioneers of modern art.’

The Netherlands have a venerable tradition in this area. It all began with Jan and Hubert Van Eyck, who in the exhibition are ranked among the ‘legendary brothers’, because there is hardly any evidence that Hubert existed. Which did not prevent several monuments from being erected to him. The Bruegel and Teniers families are also famous examples of painting dynasties. Two versions of the ‘Wedding Dance’ hang next to each other in the Palace of Fine Arts, painted by Pieter and Jan, the two sons of the elder Bruegel.

The significance of family ties in art changed during the Romantic period. Before this time it was mainly the eldest son who figured. He often took over his father’s studio and younger brothers and sisters had to get by on their own. In the Romantic period the realisation grew that the brotherly relationship is a special bond of friendship and creates a spiritual link between two individuals.

On nineteenth-century portraits of artistic brothers the artists are invariably close by each other, as if they form a single whole. Good examples are the portraits of Paul and Hippolyte Flandrin from Nantes museum and the portrait of the Winterthaler brothers from the Staatliche Kunsthalle in Karlsruhe.

Alongside the historical pieces Family affairs includes several brand-new creations. You can see an installation by the Walloon brothers Benoît and Frédéric Platéus and discover the plans for the Automausoleum for which two sets of brothers - Danny & Richard Venlet and Harald & Erik Thys - joined forces. Their mausoleum for cars looks monumental and efficient on the drawings.

The exhibition does not try to be complete. But the subjects developed in each room have been well chosen and there are many interesting works, such as the abstract paintings of brothers Bram and Geer van Velde or the landscapes of Jacob and Philips Koninck. It is yet another way of looking at art.

Diary

MUSIC, DANCE, THEATRE

• 20, 21 and 23, 24 June: PARTS, students work I and II, dance, Kaaitheaterstudio’s, Brussels; info: www.kaaitheater.be 02/201.59.59

• 24 June: Mozart Choreographies by Alexander Lonquich & Philipp Gehmacher & Salva Sanchis & Johanne Saumier, Kaaitheater, Brussels; info: www.kaaitheater.be 02/201.59.59

• 20 June: Les Ballets C de la B and Akram Khan Company, Zero Degrees, Bozar, Brussels; info: www.bozar.be 02/507.82.00

• 22 June: Orchestre Philharmonique de Liège, Chœur Symphonique de Namur conducted by Louis Langré and choir leader Denis Menier with the 9th symphony by van Beethoven, Bozar Brussels; info: www.bozar.be 02/507.82.00

• 23 June: Laura Burutiana (Rum) and Martin Tchiba (Hung) with compositions by Egen, Flagay, Bruges; info: www.flagay.be 02/641.10.20

• 23 June: Francis Cabrel, Bozar, Brussels; info: www.bozar.be 02/507.82.00

• 27 June: Oscar Peterson, the jazz-legend, Bozar Brussels; info: www.bozar.be 02/507.82.00

• 28 June to 2 July: Abigail’s party by Mike Leigh, performed by Tristero, theatre comedy, Kaaitheater, Brussels; info: www.kaaitheater.be 02/201.59.59

• 29 June: The lobster shop, try out by The Need Company, Kaaitheater, Brussels; info: www.kaaitheater.be 02/201.59.59

• 30 June: Falstaff by WA Mozart, De Munt, Brussels; conductor: Kazushi Ono, director: Willy Decker; info: www.desingel.be

• 24 June: I Pagliacci with tribute by Louis Langrée, Les Ballets C de la B, Conducted by Ivan Törzs, performed by Ivan Törzs; info: www.desingel.be

Symphonic orchestra and Choir conducted by Kazushi Ono and choir leader Piers Maxim, Grand-Place, Brussels; info: www.desingel.be

• 1 and 2 July: Concert by the Symphonic orchestra of the Opera conducted by Ivan Törzs, with Zoltan Kodaly and Johannes Brahms, De Singel, Antwerp and De Bijloke, Ghent, info: www.desingel.be, www.debijloke.be

• Until 30 July: Photo exhibition: Bruegel imaginary, Grand-Place, Brussels; info: www.bruegel06.be

EXPO

• Until 2008: Homo Faber, Jan Fabre and the ancient Masters, KMSKA, Antwerp, info: www.kmska.be 03/238.78.09

• Until 15 August: Homo Faber, Jan Fabre, the early work, Mukha, Antwerp, info: www.mukha.be 02/454.87.54

• Until 30 July: Photo exhibition: Bruxelles-Istanbul-Brussel, Hallepoort, Brussels

• Until 3 September: Long Live Sculpture, open air exhibition, Middelheim, Antwerp; info: www.middelheimmuseum.antwerp

• Until 30 June: Kanalbühne by Praxis für Angewandte Kunst [PAK, Switzerland], Kaaitheater, Sainctelettesquare, Brussels; info: www.kaaitheater.be 02/201.59.59

• Until 2 July: Jana Sterbak (Canada) From here to here, a double multiscreen video installation, Bozar, Brussels; info: www.bozar.be 02/507.82.00

• Until 10 September: Family affairs: brothers and sisters in art, exhibition with work by Jan and Pieter Brueghel, Johannes, Ambrosius and Abraham Bosschaert, Antoine Pevsner and Naum Gabo, Giorgio De Chirico and Alberto Savinio, Marcel and Suzanne Duchamp, Alberto and Diego Giacometti, Koen and Frank Theys and others, Bozar, Brussels; info: www.bozar.be 02/507.82.00

FOCUS ON FLANDERS

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 Lamno nv, Kasteelbraak 97, 8700 Tielt and can also be obtained by e-mail. The website www.focusonflanders.be contains an electronic archive of published articles

DAILY NEWS ON WWW.FOCUSONFLANDERS.BE