



focus on flanders

THE DUTCH SPEAKING PART OF BELGIUM

press review

weekly, does not appear in July • number 34 • 4 October – 10 October

Did State Security Department know about Ford's decision?

Minister-President Somers and the Government of Flanders' Task Force had their first meeting with the management of Ford Europe on 9 October. From those talks Somers was left with the impression that Ford Europe still believes in the Genk plant (*Het Laatste Nieuws*, 10 October). But nonetheless the Ford Genk unions decided to start a 24-hour strike the following day. The reason was an article in *Het Belang van Limburg* and the *Gazet van Antwerpen* (10 October), which reported that the State Security Department had already been aware since June 'that Ford Genk has to be closed down completely'. According to the information from the State Security Department, Ford had decided that the reorganisation in Europe had to be carried out by preference in countries that were hostile to American policy on Iraq. The previous day the same newspapers had revealed that during his summer vaca-

tion Interior Minister Patrick Dewael (VLD) had informed the Ford America and Ford Europe management teams that if necessary extra financing was available (EUR 100 million from the Limburg Redevelopment Company) for the purpose of investing – not directly (for that is not allowed in Europe) but 'indirectly in the form of support measures' – in Ford Genk. But Dewael stressed that he did not have any prior knowledge whatsoever as to Ford Europe's decision. In the course of the day (10 October) on the Works council Ford Europe confirmed that it had no intention to close down the factory (FF).

HET BELANG VAN LIMBURG • 10 OCTOBER

The State Security Department's Committee I discussed the 2002 annual report on the intelligence services in a session behind closed doors in the Senate. It was there that chairman Jean-Claude Delepière revealed the news. According to the information at the State Security Department's disposal, Ford was in serious economic difficulties and restructuring had to be carried through, come what may. However, the opinion had been that this should not occur in countries that had supported the USA either politically or militarily in the Iraq war, but by preference in 'countries that are not very co-operative with the United States' military and political view'. In other words, in Spain, no, but in Germany and Belgium, yes. According to two of our three sources, the State Security Department had secured all this information from an American source. The Committee I will now be investigating whether the State Security Department forwarded this news to the political authorities, and if so, to whom. The State Security Department falls under the competence of the justice minister. At the end of June this portfolio was still held by Marc Verwilghen (VLD), whilst the current justice minister is Laurette Onkelinx (PS). The reaction of both Onkelinx and Interior Minister Patrick Dewael (VLD) was one of total amazement. ■

INTRODUCTION



On Monday 6 and Tuesday 7 October, thousands of Flemish motorists again spent hours in traffic jams. On the E17 between Antwerp and Ghent, the motorway was closed for some eight hours

due to a spectacular accident involving four lorries. The following morning a lorry that had tipped over caused an enormous tailback on the E40, direction Brussels. Tailbacks are becoming longer and longer and traffic bottlenecks and obstructions are threatening to become more commonplace when such accidents occur, simply because the volume of traffic on the motorways is increasing by 2.4% a year. However, there is no all-embracing solution for the problem of traffic jams, even though the authorities are doing their best to prove that they are not throwing in the towel. So it was that this week the Traffic Studies Department of the Flemish Authorities issued the news that it had become 'the first in the world', in collaboration with a car manufacturer and a technology company, to develop an in-car computer that warns the motorist of tailbacks in good time and is able to map out an alternative route (*De Morgen, Het Laatste Nieuws*). It is expected to be brought onto the market within two years. Trains can also lessen the suffering during rush hours. The federal coalition agreement states, for example, that commuters will soon be able to travel to work free of charge, although there is no sign of any agreement in the offing as to who will pick up the bill for this. Flemish Economic Affairs and E-Government Minister Patricia Ceysens (VLD) has for years been advocating another remedy for traffic tailbacks, namely the possibility of working from home and the introduction of 'telehubs' (satellite offices on the outskirts of the city). At the beginning of the year, as member of the Flemish Parliament, she argued in favour of the introduction of telecommuting for Flemish civil servants and, together with a number of companies such as Microsoft, HP and BT, oversaw the birth of the Flanders Telecommuting Platform (*Platform Telewerk Vlaanderen*). Now that she is minister, she can place even more emphasis on the matter, and that is exactly what she is doing in her action plan 'E-working'. Ceysens wants to see the Federal Government swiftly produce a protocol that does away with the legal obstacles to e-work (namely tax disadvantages and maladjusted labour regulations). She wants to pay half the installation costs if companies are fitted out with an infrastructure that permits e-working. There is no doubt that the introduction of e-working calls for a change of mentality for most employers, who do not trust it because it means they lose control over their employees. However, traffic snarl-ups such as those experienced at the beginning of this year are making them face the facts, of which Ceysens is not failing to remind them: according to her calculations (*Het Laatste Nieuws*, 8 October), Tuesday's tailback cost the Flemish economy EUR 165 million.

Frank Vandecaveye | editor in chief

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CAR INDUSTRY

Ford Genk: what can politicians do?

For the moment a Flemish task force is monitoring the matter

FF EDITORIAL TEAM

'How could things have come to this, and what's going to happen now?' Those are the questions to which the press, employers, trade unions, politicians and consultants from the automobile industry have been trying to find an answer in respect of the laying-off of 3,000 employees at Ford Genk. The least well-received answer came from the Limburg provincial governor Houben-Bertrand (CD&V) in *Het Belang van Limburg*, who stated frankly that she feared that Ford Genk would close. She conceded afterwards that it had been a somewhat unfortunate remark, and not exactly liable to boost morale among the Ford workers.

It appears that the reorganisation operation at Ford Genk did not exactly come as a surprise to the Government of Flanders and the Federal Government. Ford's European management had already had a meeting with Flemish Minister Gabriëls (VLD) and the principal private secretaries of Minister-President Patrick Dewael (VLD) and Prime Minister Guy Verhofstadt (VLD) in 2002. On that occasion they explained in great detail that the plant in Genk was the least profitable in Europe (behind those of Saarlouis, Cologne and Valencia). Then the Government of Flanders decided to pump EUR 53 million in expansion support into the Genk plant, as part of an investment programme. The management asked the Federal Government to make an easing of the labour cost possible for shift work, but the government did not accede to the request then.

Not coincidentally, a week ago Prime Minister Verhofstadt insisted on a quick agreement on cost reduction of shift labour at the federal employment conference.

However, not too many hopes should be pinned on this. The well-known automobile consultant Vic Heylen claims that introducing an easing of the labour cost would be of little help and would in fact only be a drop in the ocean. Wage costs make up only 10% of the total production cost. Ford Genk is simply having bad luck that the Ford model it produces - the Mondeo - is selling poorly. Genk has a production capacity of

2,000 cars a day. If only 1100 are rolling off the production line, with three shifts working, the situation is untenable, says Heylen.

According to Peter Heller in *Het Belang van Limburg* (6 October), the former chief executive of Ford Genk who is currently looking into ways of creating more jobs in Limburg on behalf of the Flemish Community, says that there is nothing wrong with the Mondeo. He feels that the problem is one facing all traditional family cars; they are losing market share to people-carriers. Other specialists are of the view that Ford is reacting far too slowly to that European trend, unlike Japanese, Korean or even American car manufacturers such as General Motors (Opel). The chopping measures being taken by Ford Europe CEO Lewis Booth will therefore be of little use, if Ford does not drastically change its policy in Europe (*De Financieel-Economische Tijd*, 7 October).

Jaak Gabriëls, the Flemish Economic Affairs Minister at the time, who promised the expansion support, feels that Ford was guilty of breach of contract and should be prosecuted. Minister-President Bart Somers (VLD), together with the political heavyweights from Limburg - Steve Stevaert (SP.A), Patrick Dewael (VLD) and Jo Van Deurzen (CD&V) - is advocating a more cautious approach. For the moment a Government of Flanders task force is monitoring the matter. Nonetheless

the general drift is that the politicians, certainly at Flemish and federal level, have little control over the affair.

Opinion

RIK VAN CAUWELAERT • KNACK •
8 OCTOBER

In its urge to put Belgium on the map, the government has dealt with its economic interests in a rather nonchalant fashion. The fact that the Flemish Government had an agreement with Ford (as the Federal Government had one at the time with Swissair) makes things all the more painful - and even more so since this kind of agreement appears not even to be legally enforceable. Enforceability would only be possible were the European Union to make the contracts that its Member States or even its regions enter into with companies and multinationals its own. But Europe lives under the totalitarianism of the market. The European commissioners act like guardians of global competition. In the mountains of paper that they produce, the European authorities have not made any provision for the enforceability of a commitment such as Ford's. A federal prime minister, let alone a Minister-President of Flanders, had no influence here. The 'purple' majority can only hope that, with some wage cost reductions and the small amount of savings that it still has (they call it expansion support), they can still convince Ford's bosses to stay on at Genk for a while longer.

Telenet acquires hotspot operator Sinfilo

FF EDITOR

The Flemish telecoms operator Telenet is acquiring the largest Belgian WLAN operator Sinfilo. WLAN stands for Wireless Local Area Network, and provides Internet connections for laptop or handheld computers. Via WLAN, users can gain swift, cable-free access to the Internet in office buildings, hotels, houses, schools or airports. Sinfilo has already set up some 98 WLAN networks, or 'hotspots'. Telenet also announced its half-yearly results. Income rose by 23% to EUR 223 million. This

rise is attributable to the huge increase in the number of residential broadband Internet subscribers. At the end of September Telenet had 384,000 Internet subscribers. The company is still labouring under a very hefty debt burden, and had to write off no less than EUR 279 million in the first half of the year, with the result that it ended up EUR 243 million in the red. Telenet Chief Executive Duo Sickinghe is not expecting to see net profit before 2006.

www.sinfilo.be
www.telenet.be

FORD GENK

Ford Genk management threaten lockout

After a 24-hour strike on Monday 6 October, production at the Genk Ford plant was started up again on Tuesday, but since then the production process has been slowed down considerably due to repeated stoppages, so that only 30 to 40% of daily production is being achieved. The unions are calling on the management to give guarantees that the new Mondeo model will be built in Genk from 2006 onwards. When the Ford Genk management threatened to send the workers home (i.e., a lockout) if the unions did not stop their actions, the unions abandoned their trust in the Ford Genk management. From now on they want to negotiate only with Ford's European management (FF).

Opinion

ERIC DONCKIER • HET BELANG VAN LIMBURG • 9 OCTOBER

The fact that the Ford Genk management is already threatening a lockout ■

now, as a result of which it would be no longer they but the unions that would have to pay the employees, is nonetheless rather surprising. It is the Ford management that went back on its promise to invest in Genk. The Transit is going elsewhere, the Focus is not coming, there is uncertainty surrounding the Mondeo's successor, the night shift is disappearing, and 3,000 people are losing their jobs. There is considerable frustration, and a very great need to give vent to feelings. That the management should show little understanding for all these emotions and already be threatening a lockout this early on is a woeful turn of events, and says something about the lack of empathy among the Ford Genk management. That could cause a lot of problems in the long run.

Trade unions and Flemish government in agreement

In the Flemish Parliament, the opposition of N-VA, CD&V and Vlaams Blok launched an attack on the majority parties. During the negotiations with Ford Europe in 2002, Flemish parties such as the VLD and SPA reportedly gave in to the French-speaking PS, which refused to agree on a cut in the labour cost relating to shift work. This was one of the demands that Ford Europe had made. In a debate in the federal parliament, Budget Minister Vande Lanotte (SP.A) called the accusations levelled at the government unjust. In the same country the Ford group decides to invest in Volvo-Ghent and to axe 3,000 jobs at Ford Genk. With the same legislation, one company is profitable and the other is not. That points to Ford's poor commercial policy being the cause of the restructuring, Vande Lanotte went on to say.

This week the Government of Flanders also set up a task force with representatives from the various government levels (federal, Flemish, provincial). This task force has already had an initial round of talks with the unions. After the talks, Minister-President Bart Somers

showed understanding for the unions' standpoint (FF).

YVES LAMBRIX • HET BELANG VAN LIMBURG • 9 OCTOBER

Somers: 'There is a dilemma. On the one hand the trade unions can provide for a favourable social climate, and the Government of Flanders will do everything possible for the company. On the other hand there is the fear of being put upon. It is clear that the unions are not prepared to negotiate a social agreement on 3,000 retrenchments without there first being an agreement on new investments. That is the starting price in the talks that we are entering into with Ford's European management. From the point of view of the employees and trade unions, in particular, Ford Genk has committed a breach of faith. After all, they made the 1,400 previous early retirements and relocation of the Transit to Turkey possible, in the hope that they would receive a guarantee for the promised investments, which are now being cancelled.'

COMPANIES

Bruges Bombardier plant does not fear closure

The Canadian company Bombardier wants to close at least six of the 37 European plants in its Transportation Division this year. This division produces equipment for trains, trams, buses and underground trains. The announcement was made by general manager Paul Tellier in the Canadian paper La Presse. The only Bombardier plant in Belgium is located in Bruges, and has some 1,000 employees. The Canadian company had already closed its factory in Manage, Hainaut (397 employees) in 2000. However, the management in Bruges has not given any indications that its plant will be one of the victims, particularly since it has an especially well-filled order book (FF).

EMMANUEL VANBRUSSEL • DE MORGEN • 9 OCTOBER

'Bruges will be used as a bait to secure a big order for the Brussels suburban transport network and might close in four to five years' time. Salaries are far too high in Belgium'. Such was the prediction made by socialist trade union member Elie Capron in 2000. Sales manager André Detollenaere recognises that the Brussels suburban transport network is an important contract for Bombardier Bruges, but does not agree with the forecast. 'We have several irons in the fire. Public transport in general is enjoying an upward trend. For example, De Lijn (the Flemish public transport company operating trams and buses) will be producing a fresh specification sheet next year'. In addition to that, Bombardier Bruges is already certain to be supplying 46 new trams to the Brussels transport company MIVB, and is competing for a contract for fifteen 94-metre-long underground trains. The railway company NMBS/SNCB has an option for the order of between 110 and 130 double-decker trains. According to Detollenaere, the Bruges plant need have no fear of it suffering the same fate that befell the smaller Walloon plant in Manage. The Bruges plant is an ideal size and very considerable investment would be needed to develop the Bruges activities elsewhere. 'What's more, as of the beginning of this year, we're the European headquarters for the production of the high-speed train,' said Detollenaere.

www.bombardier.be ■

Belgacom on the stock exchange in 2004

Private shareholders are pulling out of capital

The private shareholders in the Belgian telecoms group Belgacom will be placing their shares for sale on the stock exchange in the first quarter of 2004, further to an agreement signed to this end by the Belgian Government and the private shareholders. The government is the largest shareholder with 50% +1 share. The private shareholders SBC (American), TCD (former Tele Denmark), Singapore Telecom and Financière ADSB (Dexia, KBC and Sofina) are grouped together in the consortium ADSB (50% -1 share), which is pulling out of Belgacom's capital altogether.

Belgacom itself wants to buy ADSB shares to the tune of EUR 1.325 billion and estimates that it will secure 10% in this way. According to Public Enterprises Minister Johan Vande Lanotte (SP.A) they will form a kind of strategic reserve. The telecoms group will be able to use them for acquisitions or to grant stock options to employees.

In a second operation the Federal Government will take over all Belgacom's pension obligations. Belgacom itself will sell a further EUR 1.4 billion in assets (shares and bonds) this year, and thereby pay up the pension fund in full. In total there will then be EUR 5 billion in the pension fund, an amount corresponding to the accumulated pension rights to the end of this year. That amount will be paid to the government by 31 December and will be used, via the so-called Silver Fund (Zilverfonds), for the government's debt reduction. 'We feel that the amount can also be included in the budget but we'll talk about that in further detail with the European authorities,' says Vande Lanotte, who himself is also Budget Minister. ADSB's departure will yield a sizeable revenue for the members of the consortium. In 1996 they paid EUR 1.82 billion for half of Belgacom less one share. On their departure they will be able to collect some EUR 5 billion or more. But the operation is also a godsend for Minister Vande Lanotte's budget (FF).

BERT BROENS • DE FINANCIËEL-ECONOMISCHE TIJD • 4 OCTOBER

The role of the foreign telecoms opera-

tors in the modernisation of Belgacom has finished. Of the dozens of expats that SBC, TDC and SingTel sent to Belgium at the time, there are now only a handful left. However, more important is the fact that the strategy of the foreign partners changed. Instead of unbridled cross-border expansion, they limited their sphere of action. But their Belgian adventure isn't doing them any harm at all. Belgacom has undertaken to take over ADSB shares to the tune of EUR 1.325 billion. That amount alone represents almost three-quarters of ADSB's investment in 1996. How much the circa 40% that ADSB will be realising on the stock exchange will make cannot be stated with any certainty. On the basis of the EUR 10 billion or so valuation tag that merchant banks are hanging on Belgacom, according to one comment by Belgacom CEO Didier Bellens, the 40% would represent some EUR 4 billion. That might be only a minimum, as some analysts are valuing Belgacom at EUR 11 billion and the EUR 1.325 billion for 10% of the shares gives a valuation of as much as EUR 13.25 billion. Based on a valuation of around EUR 10 billion, SBC (17.5% of Belgacom) would collect some EUR 1.75 billion, TDC (16.5%) EUR 1.65 billion and SingTel (13.5%) EUR 1.35 billion. The three Belgian shareholders of Financière ADSB (2.5%) would pocket EUR 250 million. That represents a substantial capital gain in each case.

Opinion

STEFAN HUYSENTRUYT •
DE FINANCIËEL-ECONOMISCHE TIJD •
4 OCTOBER

The government cannot withdraw from the telecom operator's capital now. The 40% of Belgacom that is being floated will represent in excess of EUR 5 billion. It will be a tour de force to have this amount placed in the market in a fair and reasonable manner. It is also for that reason that the current private shareholders have asked the government not to sell its share now. The market would not be able to cope with it. That was also to the benefit of Public

Enterprises Minister Vande Lanotte, for more than one reason. A first reason is that, partly thanks to the government taking over the Belgacom pension fund, a further privatisation is not rendered immediately necessary from a budgetary viewpoint. In the short term Vande Lanotte, who is also Budget Minister, is appreciably better off, in budget terms, as a result. In fact, the operation will result in the public debt being brought below the magic threshold of 100% of GDP.

The fact that a further privatisation is not on the cards at the moment also prevents a confrontation with the trade unions, which have already announced that they would regard that as a declaration of war. And because a war on several fronts is best avoided, social peace on the Belgacom front is more than welcome, since extremely turbulent times are in the offing at the NMBS/SNCB and The Post. Last but by no means least: averting a further privatisation also prevents the 'purple' government from having to carry on an ideological debate on the pros and cons of public enterprises.

But the day that further privatisation becomes a budgetary necessity, there is a good chance that pragmatism will prevail over ideology. And that day of budgetary necessity will certainly come. The Federal Government has committed itself to taking over the NMBS/SNCB's debts as soon as the public debt dips under 100% of GDP. Thanks to the acquisition of the Belgacom pension fund, this will be the case in a few months' time, if everything goes according to plan.

www.belgacom.be

PUBLIC ENTERPRISES

Dutch TPG is interested in De Post

FF EDITOR

The Dutch postal services group TPG is interested in acquiring a majority stake in De (Belgische) Post, according to TPG's Managing Director Peter Bakker. At De Post a restructuring operation is currently under way with a view to the liberalisation of the postal services market. Eight thousand five hundred jobs are to be shed by 2007. TPG itself has already undergone a successful restructuring, is listed on the stock exchange, and recorded a profit of some EUR 600 million in 2002. After the acquisition of the Australian express company TNT, it now also has a strong logistical foundation. TPG's MD Peter Bakker would like to see a partnership up and running as soon as possible.

According to *De Standaard* (8 October), the Dutch are mainly concerned about occupying the market ahead of rivals such as Deutsche Post, since before long there will only be a few large players left in the European postal services sector, and TPG wants to be one of them. Public Enterprises Minister Vande Lanotte (SP.A) reacted cautiously and concentrated on stressing that next year would be crucial in the reform of De Post, which is managed by chief executive Johny Thijs. Vande Lanotte wants 'to make sure our own house is in order' before going along with an offer from a strategic partner. But he claims that TPG's interest shows that the Belgian Post has a future.

WWW.DEPOST.BE

WWW.TPG.NL

FEDERAL ADMINISTRATION

Van Quickenborne enters the fight against red tape

The cost price of administrative jobs for enterprises amounts to 3.4% of the gross domestic product, or some EUR 9 billion

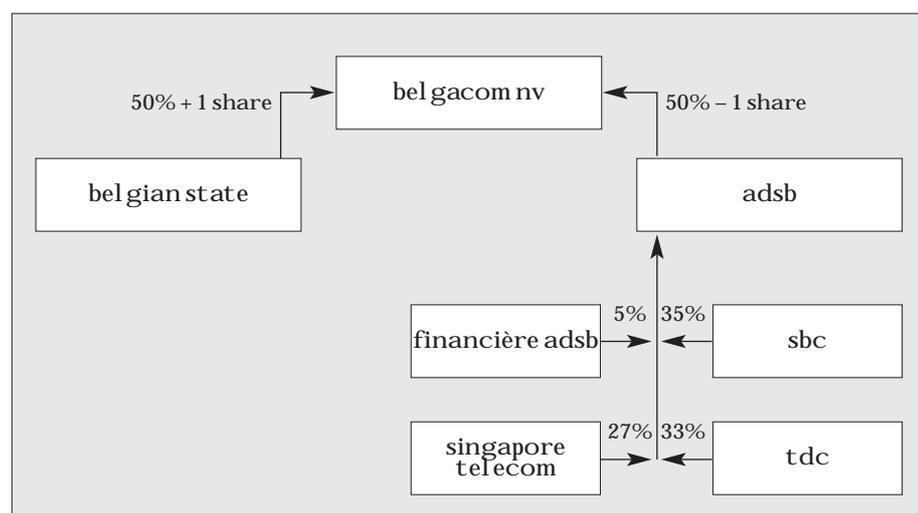
The previous 'Verhofstadt I' government promised a drastic reduction in red tape. It would appear that nothing much has come of that. For those starting up a business, in particular, the mountain of paperwork is complex and time-consuming. Documents have to be collected from various offices and copies of diplomas or passports have to be submitted to departments that are usually only open for half the day. There is also a low level of computerisation. The cost price of administrative jobs for enterprises amounts to 3.4% of the gross domestic product, or some EUR 9 billion, according to a survey by the Federal Planning Bureau. For the tax office the amount of paperwork has been cut, but for employment and environmental matters it has increased. In the space of five years, the number of people starting up a business has fallen from 77,000 to 47,000. That represents 30,000 lost jobs, in the opinion of Vincent Van Quickenborne, once the enfant terrible of the VLD and now state secretary for administrative simplification. In voicing that opinion, he is implicitly criticising the previous Purple-Green government. With his action plan 'the XII tasks', he wants to achieve results by 2007, but he is not ruling out the possibility that a number of objectives in the coalition agreement may already not be attained, partly on account of the failed start-up of the 'Crossroads

Bank for Enterprises', the axis of the reform (FF).

ISABEL ALBERS • DE STANDAARD •
6 OCTOBER

Enterprises and in particular the self-employed are given priority in the fight that Van Quickenborne is waging against 'Kafka'. According to the state secretary, there is considerable bitterness and annoyance among entrepreneurs and the self-employed over the red tape that recent measures such as the 'anti-pestering' act or environmental directives have brought with them. Van Quickenborne attributes the 40% drop in five years in the number of people starting up a business in part to the administrative inconvenience. The current coalition agreement contains detailed objectives and deadlines for administrative simplification. In this respect the new state secretary is already saying that a number of deadlines are impossible to meet. Yet Van Quickenborne does not view his task with pessimism. With his action plan 'The XII tasks', he has set twelve very precise priorities, in respect of which he is also requesting co-operation from all ministers in the government. Van Quickenborne: 'In 2007 someone should be able to open a mini-supermarket within 72 hours with one electronic form and one enterprise number. At the moment there are 220 different forms for a business start-up. That should be reduced to one. In addition to a single enterprise number and a single business start-up form, I also want to reduce the filing obligations. For example, the compulsory Central Book papers in the bookkeeping are to be done away with. The electronic tax declaration 'Tax-On-Web' will be extended and certificates in the case of public orders should also disappear. The authorities will control Mr X or Y themselves, so that an entrepreneur will no longer have to take responsibility for all the correct documents. Finally we have to arrive at a situation of single data collection: an enterprise forwards its data to the authority once, and all administrations should be able to consult them. Entrepreneurs will be entitled to say 'Look it up yourself.'

CURRENT SHAREHOLDERS OF BELGACOM



GIFT TAX RATES

Minister Van Mechelen has a plan to lower gift tax

With the measure, Van Mechelen aims to promote the voluntary transfer of possessions between generations

FF EDITOR

Dirk Van Mechelen (VLD), the Government of Flanders Budget and Finance Minister, has prepared a plan to cut the gift tax for movable property. The tax rates in the case of gifts currently range from 3 to 30% between relatives in direct lineage (parents, children, grandchildren) to 80% in the case of non-relatives. Van Mechelen wants to reduce this to two rates: 3% for gifts in direct lineage and between spouses, and 7% in all other cases. Flanders will hardly lose any income as a result, says the minister, because the 'expensive system' is currently mostly avoided by means of 'gifts in hand', without the intervention of a notary-public. But gifts in hand lead all too often to quarrels, because there is no proof of gifting. With the measure, Van Mechelen aims to promote the voluntary transfer of possessions between generations. A new feature in his plan is also that the same rate applies for cohabiting partners as for married couples. Coalition partner SP.A is behind the minister's proposal, but does not want the person making the gift and the person receiving it to have to go before a notary-public, with all the costs that that entails. Opposition party CD&V also supports the proposal, but feels that the rates are still too high. The gift tax on building land was already lowered at the beginning of the year.

ISABEL ALBERS AND LUC COPPENS •
DE STANDAARD • 4 OCTOBER

Van Mechelen is unambiguous: 'Of course the authorities will benefit from these measures. Now there are practically no gift taxes on moveable property. With a low rate of 3 or 7%, people will consider arranging everything through an official notary's deed.' He points to the success of the measure for an exceptional reduced rate for the gifting of building plots. During the first half of this year, this gift tax brought in EUR 22.3 million, as compared to EUR 17.4 million the previous year.

Very high tax rates on gifts scare people off. To get round that without landing up in the black economy, complicated

and expensive cutting-edge fiscal technology can be resorted to. For smaller fortunes, there is no point in that. In these cases, the person has to resort to making a gift via another country (where more reasonable rates are applied) or a gift in the hand, but then no conditions can be linked to that. Those problems disappear, says the chairman of the Association of Notaries-Public, Karel Tobback, if Van Mechelen's proposal becomes a decree. For Tobback, the proposal also complements the announced tax amnesty. 'A lot of money has gone abroad in order to avoid inheritance tax.' The hefty cut in gift taxes would make it possible first to make the money legal and then to pass that money on to the next generation without too high a cost having to be paid.

The advantage of having the transaction effected via the notary are obvious, according to Tobback. The gift in the hand does have its restrictions. Registered letters in which the gifting party invites the recipient to come and take receipt of the gift, followed by a letter in which the recipient thanks the gifting party for the gift, should provide the proof, in the event of a gift in the hand, that the gift has indeed been given. Moreover, if the gifting party dies within three years after the gift has been given, the recipient has to pay inheritance tax on what he obtained via that gift in the hand. By paying a one-off rate of 3 or 7%, he or she feels relieved.

More than anything, a gift in the hand has to be completely unconditional. With a notary's deed, conditions can be linked to a gift. Thus, someone can give a house to someone else as a gift, but retain the usufruct (i.e., the right to live in it) until his death.

FOREST DEVELOPMENT

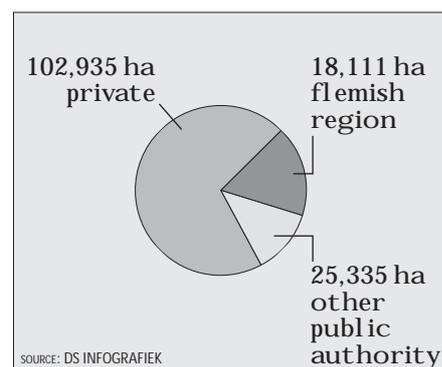
Sannen launches an 'open forrest plan'

FF EDITOR

During the opening of the 25th Week of the Forest (5 October), the Government of Flanders Environment Minister Ludo Sannen (Agalev) launched a plan to urge private owners of forests to open their woodlands to the public. After all, 70% of forest acreage in Flanders, i.e., more than 100,000 ha, is privately owned. The minister is inviting forest owners to come together in forest groups in order to thread together Flanders' fragmented forested areas. They can already count on the advice of bio-engineers for the maintenance of their piece of forest. Sannen is releasing EUR 1 million for this. With his 'Open Forest Plan', Minister Sannen appears to be adjusting his forests policy somewhat. Indeed, the planting of new forests is not exactly gathering momentum, due, among other things, to the difficult negotiations with the landowners. The planting of 10,000 ha extra forests by 2007 has been coloured in on the map in the Flanders Town and Country Planning Structural Plan, but in 2003 barely 280 ha has been added.

www.vbv.be/weekvanhetbos

OWNERSHIP OF FLEMISH FORESTS



BRUSSELS

A defensive buffer against the Blok in Brussels

The risk of the Blok attaining a majority in the Dutch-speaking group with relatively few votes is real

The Flemish parties VLD, CD&V, SP.A-Spirit and possibly Agalev want to enter into an electoral alliance in the forthcoming regional elections in Brussels (2004). This would mean that the votes of the respective lists would be counted together for the distribution of seats, so that no residual votes would be lost. In this way they are hoping to curb the advance of the Vlaams Blok in the Brussels Region. In an electoral alliance, it was stipulated in the most recent state reform of the Brussels Region (the so-called Lombard reform) that no joint lists or programmes have to be submitted. According to simulations carried out by De Financieel-Economische Tijd, an electoral alliance could reckon on twelve instead of eleven seats in the Brussels Parliament, as compared with five instead of six for the Vlaams Blok. The risk of the Blok

attaining a majority in the Dutch-speaking group with relatively few votes, and thereby being able to block the operation of the Brussels Parliament, is real. After all, due to the guaranteed Flemish representation of 17 seats in the Brussels Parliament, a Flemish seat 'costs' only 3,285 votes as compared to 5,225 for a Francophone seat. A seat in the Flemish Parliament on the other hand costs an average of 32,900 votes (FF).

MARK DEWEERDT/

WIM VANDE VELDEN • DE FINANCIËEL-
ECONOMISCHE TIJD • 4 OCTOBER

Fear of the Vlaams Blok in Brussels was given another interpretation in the Lambermont agreement (Lombard agreement). A so-called 'anti-blocking system' (ABS) was established. In the

event of the Brussels institutions being subject to blocking by a majority position of the Vlaams Blok, the Dutch-speaking group would be increased by six representatives, according to the representation ratio in the Flemish Parliament. That should lead to a dilution of the Vlaams Blok's majority position in Brussels. But this 'anti-blocking system' has been brushed aside by the Court of Arbitration. This means that only the electoral alliance is left as a means of countering the 'danger' of a majority position of the Vlaams Blok in the Dutch-speaking linguistic group in Brussels. The VLD, Sp.a-Spirit and CD&V are close to an agreement on an electoral alliance, Brussels minister Vanhengel (VLD) confirmed. We now have to wait and see whether sp.a newcomer Pascal Smet (state secretary) subscribes to this scenario. Another question is whether Sp.a and Agalev will enter into a cartel again in Brussels, although the political tenors in Brussels are already assuming that they will.

FILM

30th edition of Ghent Film Festival

The Alzheimer Affair is a film that has every chance of developing into the Flemish box office hit of the year

The International Film Festival of Flanders - Ghent' celebrates its thirtieth edition this year. There are 160 films on offer, with thirteen opting for prizes. The event will also include film concerts and retrospectives, and living legends such as Vanessa Redgrave, Tony Curtis and Jeanne Moreau will be putting in an appearance. Like every year, the programming team have taken the cream from all the major festivals and made a selection on the basis of the quality of the film and the impact of music on the film, for it is in this area that the festival wants to create its specific profile. Films with an exceptional or unusual soundtrack or films about music are therefore well represented. There will be distribution subsidies for those films in the competition section that win prizes. As always, there will be many avant-premières; previews of films that will be coming to cinemas in a few months' time. The films to be

screened look to be an impressive bunch. In addition to the new Disney movie 'Finding Nemo', there are also the latest films by the Coen brothers ('Intolerable Cruelty'), Robert Altman ('The Company'), Gus Van Sant (Golden Palm winner 'Elephant'), Stephen Frears ('Dirty Pretty Things') or Michael Haneke (Le temps du loup). On the first day most attention obviously focused on the Flemish opening film, De Zaak Alzheimer ('The Alzheimer Affair') - a film that has every chance of developing into the Flemish box office hit of the year, in the opinion of De Standaard (FF).

STEVEN DEFOER • DE STANDAARD •
8 OCTOBER

De Zaak Alzheimer ('The Alzheimer Affair') is not a groundbreaking masterpiece, but a classic, home-grown psychological cop movie. Director Erik

Van Looy worked on writer Jef Geeraerts' story for eight years, so as to give the screenplay his own style, and films it with his usual visual flair. When earlier this year he was dreaming aloud of a film in the spirit of great American examples such as 'Heat', 'Insomnia' or 'Memento', there were those who sniggered, but taking all things into consideration, van Looy has succeeded in his task. De Zaak Alzheimer in which two cops, Vincke and Verstuyft (Koen de Bouw and Werner Desmedt), hunt down a gangster suffering from Alzheimer's, by the name of Angelo Ledda (played by Jan Decler) is exciting, funny and sometimes even moving. Erik Van Looy and his cinematographer Danny Elsen in particular (plus another splendid performance from Jan Decler) have all the ingredients for a box office success. Despite rave reviews, the other promising Flemish film of this year, Tom Barman's 'Any way the wind blows', only succeeded in attracting 55,000 people. It was too strange and innovative. In De Zaak Alzheimer, too, there is some cutting and juggling with images, but the story and style are more conventional, so the chance of people coming in their droves is therefore greater.

WWW.FILMFESTIVAL.BE

Diary

MUSIC, DANCE, THEATRE

- 14 October: *Saxophone summit* with Joe Lovano, Michael Brecker and Dave Liebman, jazz, De Singel, Antwerp; info: 03/248.28.28 www.desingel.be
- 16 October: *Ensemble Omar Metoui*, Arab-andalusian music, De Bijloke, Ghent; info: 09/233.68.78 www.debijloke.be
- 16 October: *Leipzigischer Streichquartet* with Brahms and Zemlinski, De Singel, Antwerp; info: 03/248.28.28 www.desingel.be
- 17 October: *Defilharmonie* conducted by Philippe Herreweghe, Ludwig van Beethoven Symphonies nr 1 and 3, De Bijloke, Ghent; info: 09/233.68.78 www.debijloke.be
- 18 October: *Flemish Radio Orchestra* conducted by David Atherton with Olivier Missiaen, Symphony Turangalila De Bijloke, Ghent; info: 09/233.68.78 www.debijloke.be
- 17 October: *Abdullah Ibrahim Solo*, Arenbergschouwburg, Antwerp; info: 070/222.192
- 15 October: *Jean-Louis Murat*, Ancienne Belgique, Brussels; info: 02/548.24.24 www.abconcerts.be
- 17 October: *Blur*, Ancienne Belgique, Brussels; info: 02/548.24.24 www.abconcerts.be
- 18 October: *Vinicius Cantuaria*, Flagey, Brussels; info: 02/641.10.20 www.flagey.be
- 18 October: *Tryo*, Ancienne Belgique, Brussels; info: 02/548.24.24 www.abconcerts.be
- 19 October: *Stephan Eicher*, Ancienne Belgique, Brussels; info: 02/548.24.24 www.abconcerts.be
- 10 to 15 October: *Teorema* by Emio Greco and PC, dance, Kaaithheater, Brussels; info: 02/201.59.59 www.kaaithheater.be
- 24 and 25 October: *Emio Greco....*, De Vooruit, Ghent; info: 09/267.24.24 www.vooruit.be
- 17 to 19 October: *Music@venture* with London Sinfonietta, Prometheus Ensemble, *I solisti del vento*, *Champ d'action*, *Danel Kwartet*, *Jan Michiels* and *Collegium Vocale*, De Singel, Antwerp; info: 03/248.28.28 www.desingel.be
- 7 to 18 October: 30th edition of *Film Festival Ghent*, www.filmfestival.be
- 14 to 16 October: *Deep Blue with Closer (dance)*, De Vooruit, Ghent; info: 09/267.24.24 www.vooruit.be
- 15 October: Chicago Underground/Assif Tsahar & Cooper Moore, Jazz, De Vooruit, Ghent; info: 09/267.24.24 www.vooruit.be
- 17 & 18 October: *Ipem 40!*, contemporary music by Berio, Goeyvaerts, Mantague, Feldman, De Vooruit, Ghent; info: 09/267.24.24 www.vooruit.be
- 23 October: *Paolo Conte*, Royal Circus, Brussels; info: 02/507.82.00 www.audijazz.be
- 23 October: *Pharaoh Sanders Group*, jazz, Théâtre 140, Brussels; info: www.audijazz.be
- 23 October: *Hiromi*, Flagey, Brussels; info: 02/641.10.20 www.audijazz.be

- 24 and 25 October: *Sergent Garcia Sound System*, Botanique, Brussels and N9 Eeklo www.audijazz.be
- 26 October: *The Cinematic Orchestra*, jazz, Concertgebouw, Brugge; info: 0900/00600 www.concertgebouw.be www.audijazz.be
- 26 October: *Carla Bley*, Flagey, Brussels; info: 02/641.10.20 www.audijazz.be
- 16 to 18 October: *Marc Vanrunxt, Unspeakable*, dance, Kaaithheaterstudio's, Brussels; info: 02/201.59.59 www.kaaithheater.be
- 21 to 23 October: *Vincent Dunoyer with Solos for others*, dance, Kaaithheaterstudio's, Brussels; info: 02/201.59.59 www.kaaithheater.be
- 23 to 25 October: *Jan Lauwers & Needcompany, No Comment*, Kaaithheater, Brussels; info: 02/201.59.59 www.kaaithheater.be
- 16 October: *Ensemble Filharmonica della Scala* conducted by *Ricardo Muti* with Verdi and Brahms, PSK, Brussels; info: www.bozar.be
- 21 October: *Polish Chamber Orchestra* with *Piotr Anderszewski*, with Haydn and Mozart, PSK, Brussels; info: www.bozar.be
- 23 October: *Ensemble intercontemporain* conducted by *Pierre Boulez* with compositions by *Alban Berg, Boulez* and *Carter*, PSK, Brussels; info: www.bozar.be
- 25 October: *XVIII-21 Musique des Lumières - Jean-Christophe Frisch*, Mariavespers in 17th century China, Musica Antiqua, De Bijloke, Ghent; info: www.bijloke.be
- 23 to 26 October: *Flanders Symphony Orchestra* directed by *David Angus* with *Beethoven*, symphony nr. 5, *Imperial Concerto* and *Westerlinck*, Bruges (Concertgebouw), Ghent (Bijloke), Brussels (Conservatory) and Antwerp (De Singel); www.symfonieorkest.be
- 15 and 18 October: *Chromatic art in the Renaissance* with *Huelgas Ensemble*, conducted by *Paul Van Nevel*, Cathedral Hasselt and Kapellekerk, Brussels; info: 02/507.82.00
- Until 25 October: *October'Oktober* by *Dito Dito*, Beursschouwburg, Brussels; info: 02/513.82.90
- 19 to 25 October: *International week of the Organ*, different churches in Brussels; info: 02/219.26.61

EXPO

- From 22 March to 17 January: *Jacques Brel, 'The right to dream'*, exhibition, Schildknaapstraat 50, Brussels; reservation required; info: www.jacquesbrel.be 02/511.10.20
- Until 9 November: *Guided by Heroes*, exhibition, Z33, Hasselt
- Until 18 December: *The museum evenings*, every Thursday; www.museumvereniging.be
- Until 26 October: *Maya-textile*, mirror of a world vision, ethnographical museum, Antwerp; info: 03/220.86.00
- Until 9 November: *L'Amour toujours*, Wedding pictures from the 20th Century in Antwerp, Museum van Volkskunde, Antwerp; info: 03/248.15.77
- 11 September to 30 November: *Urban Dramas*, photo and film exhibition on urban life, De Singel, Antwerp; info: 03/248.28.28 www.desingel.be
- Until 2 November: *Fashion, evening and party dress, exhibition*, CC, Knokke-Heist; info: 050/630.430
- Until 28 March: *Genovanversaevicaversa*, exhibition about Fashion, Antwerp and Genova, Fashion Museum, Antwerp; info: 03/470.27.70 www.momu.be
- Until 9 November: *John Isaacs (UK)*, exhibition with sculptures, installations and video-shows, CC, Bruges www.west-vlaanderen.be/brok
- Until 29 February: *Vietnam*, Art and culture from Prehistorical times to today, exhibition, Royal Museum of Art and History, Jubelpark, Brussels; info: www.kmkg-mrah.be
- 3 October to 11 January: *Europalia, Italy: a particular Renaissance, Ferrara and the dukes of Este*, exhibition, PSK, Brussels; info: www.bozar.be
- 4 October to 4 January: *Anversa e Genova, A summit in Baroque art*, exhibition, Royal Museum of Fine Arts, Antwerp; info: www.europalia.be
- 4 October to 30 November: *Michelangelo Pistoletto and Cittadellarte*, exhibition, Muhka, Antwerp; info: www.muhka.be/www.europalia.be
- 7 October to 4 January: *The breath of soul. Morandi and still life*, exhibition, Groeningemuseum, Bruges; info: www.europalia.be
- Until 30 November: *Fort Wheeling* by *Hugo Pratt - Guido Buzzelli*, exhibition, Centre Belge de la Bande dessinée, Brussels; info: 02/219.19.80 www.europalia.be
- Until 10 January: *Nel Mezzo del cammin.... Dante in seven centuries of texts and images*, Bibliotheca Wittrockiana, Brussels; info: 02/770.53.33 www.europalia.be
- Until 30 November: *Il Nuovo Rit-tratto d'Europa, new horizons of Italian contemporary art*, exhibition, Anciennes Ecuries Royales, Brussels; info: 02/550.22.55 www.europalia.be
- Until 15 November: *Questions of women, Jef Geys*, exhibition, Kunsthal, Loppem; info: www.kunsthalleloppem.be
- Until 16 November: *Travellings* by *Ann Veronica Janssens*, Open Air Museum Middelheim, Antwerp
- Until 16 November: *2003 Beaufort*, Seascapes in painting with *Turner, Courbet, Monet, Ensor, Spilliaert, Magritte, Permeke, Tuymans, Kiefer* and others, PMMK, Ostend; info: 059/70.11.99 www.pmmk.be
- Until 31 December: *Art-deco Jewels*, Diamond museum, Antwerp; info: 03/202.48.90
- Until 10 March: *Icons of Flemish Design*, Lokettenzaal, Flemish Parliament, Brussels; info: www.vlaamsparlement.be

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- 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.



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, 8700 Tielt and can also be obtained by e-mail.

- Translation: Eurologos
- Printing: Drukkerij Lannoo nv, Tielt
- Responsible editor: Luc Demeester, Marke
- Subscription rate by post and e-mail: 220 euro
- 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: 051/40.11.52 E-mail: frank.vandecaveye@lannoo.be