

FLANDERS INVESTMENT & TRADE



Flanders
State of the Art

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Financial challenges
For a small open economy
anno 2015

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Vlaanderen
is Internationaal Ondernemen

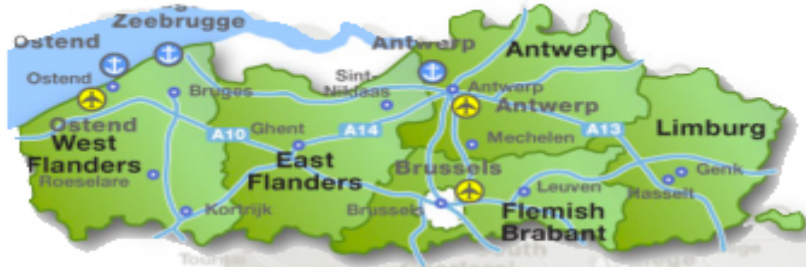


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Challenges for an open economy

Flanders, a strong and innovative open economy

Breeding ground for promising and disruptive startups



ZEW Global Innovation Indicator, 2014

*“Belgium **fourth** as most innovative country worldwide in 2014 (just behind Switzerland, Singapore and Finland)”*

EU Industrial scoreboard and Batelle Global R&D Funding Forecast, 2014

*“Belgium **one of the best** locations for R&D investments”*

World Bank Logistics Performance Index, 2014

*Belgium improves year by year and now ranks **third** worldwide*

AT Kearney (Global Retail E-Commerce Index)

*“Belgium **ninth** (first of smaller) economic market(s) whose potential in e-commerce growth cannot be neglected” (well before Netherlands, Denmark, Finland Austria, Switzerland and Ireland)*



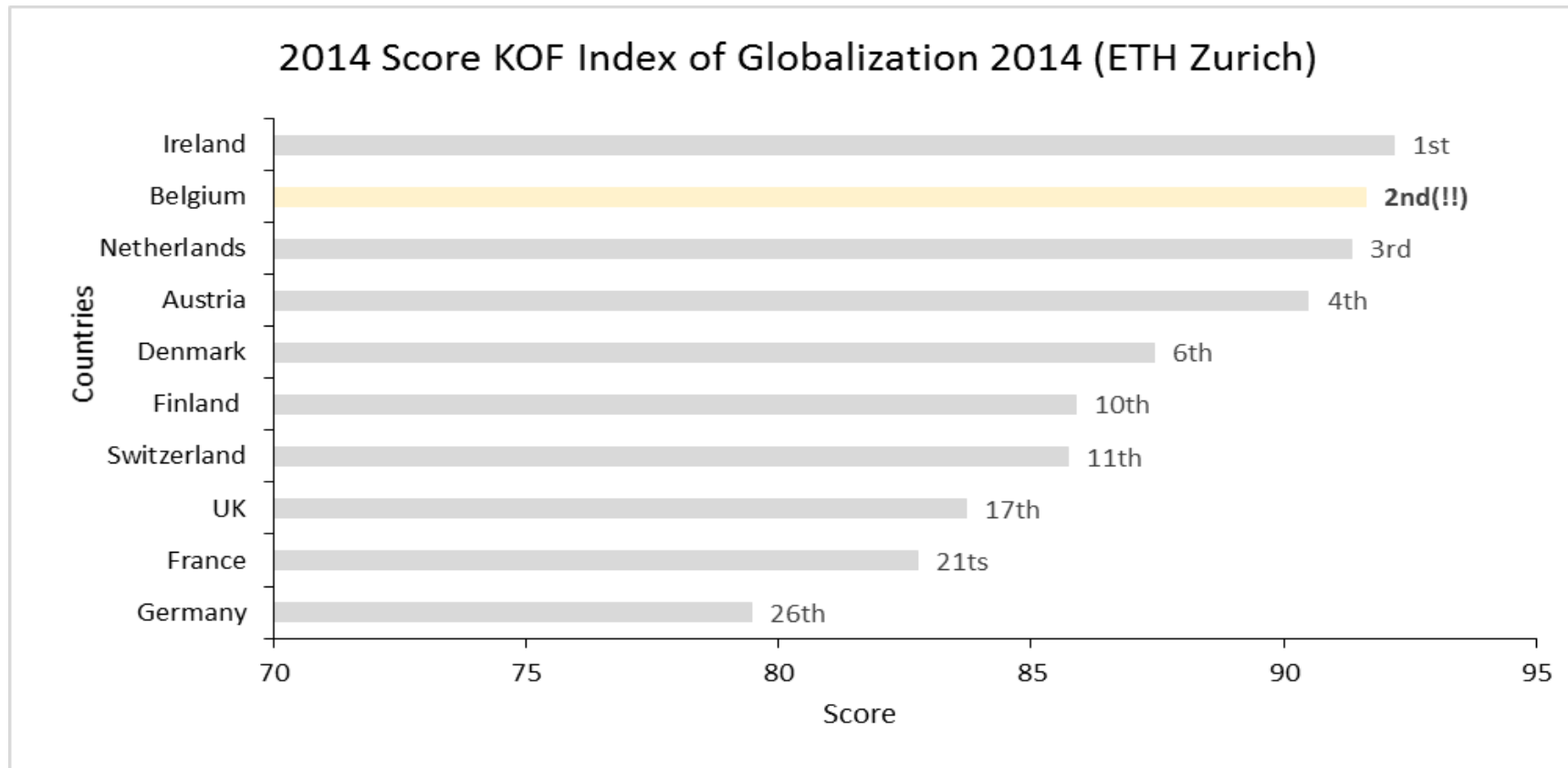
Flanders, absolute world top on R&D, innovation and collaboration between industry, academic and governmental institutions

Ranking	Availability of latest technology	Capacity for innovation	Company spending on R&D	University-industry collaboration	Quality of scientific research institutions
Belgium	12	14	11	6	5
Netherlands	9	11	17	9	6
Germany	17	4	5	10	8
France	19	21	15	29	12
UK	4	10	14	4	2

(The Global Competitiveness Report World Economic Forum 2014-2015)



As 2nd most globalized economy: internationalization economic fabric Flanders essential



Consequence: need for upscaling within an international perspective

(OK) **For start ups** enough capital and infrastructure available in Flanders

(BUT) **In order to upscale start ups with growth ambitions**

-> **need local funding opportunities with:**

- **an international perspective**
- **sufficient sales en marketing knowhow on board**

WHY? Promising start ups **move their activities too easily** towards home markets of their foreign capital market partners

Recent examples

- Sign2Pay (Flanders) -> Netherlands
- Engagor (Flanders) -> USA
- Collibra (Brussels) -> USA





Financial resources and governmental support in Flanders

Need for financial resources in Flanders

☐ Anyone who wants to realize a project

-> **necessity of appropriate funding**

☐ **Budget of entrepreneur in most cases insufficient therefore:**

- (traditional) **bank funding** -> still facing several “crisis 2009” related effects
- **alternative funding opportunities** and **governmental support**
-> companies insufficiently aware of how to obtain access to capital.

☐ 1st question always: **lifecycle stage in which a company is**
(start ups, growth, innovative driven,..)



Influence lifecycle of company on funding opportunities

❑ Starters

- Own capital, FFF (Friends, Family & Fools), Business angels
- Banking funding only if sufficient guarantees

❑ Growing companies

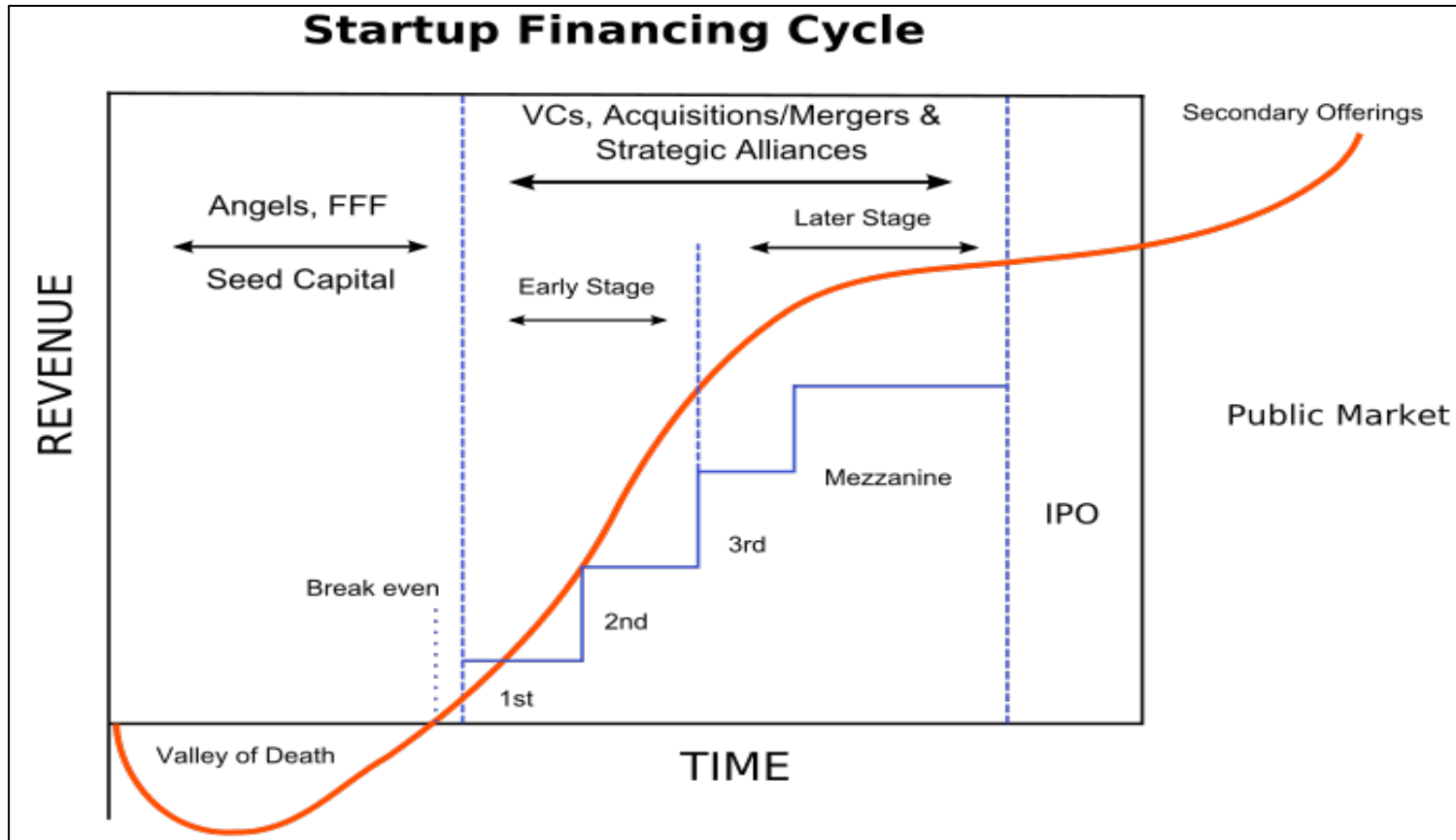
- Need and easier access to debt capital

❑ Innovative projects

- Venture capital



Influence lifecycle of company on funding opportunities



Financial opportunities and government support in Flanders

Financing Method

1. Own Funds
2. Friends, Family and Fans
3. Crowdfunding
4. Bank and Non-Bank Financing

5. Venture capital



Government Support

- **Notional Interest Deduction**
- **PMV: WINWIN Loan**

- **PMV: Optimeo – Starteo**
- **EIB investment credits**
- **PMV: Guarantee Scheme– Gigarant**
- **BAN Flanders**
- **PMV: BAN+ loan**

- **PMV: Seed & Early Stage – Innovation Mezzanine**
- **PMV: Arkimedes**
- **Specific funds for specific sectors: CultuurInvest, Biotech Fund, Flanders’ Care Invest**
- **PMV: Growth Mezzanine**





FIT's role in all this?



Twofold mission of Flanders Investment & Trade

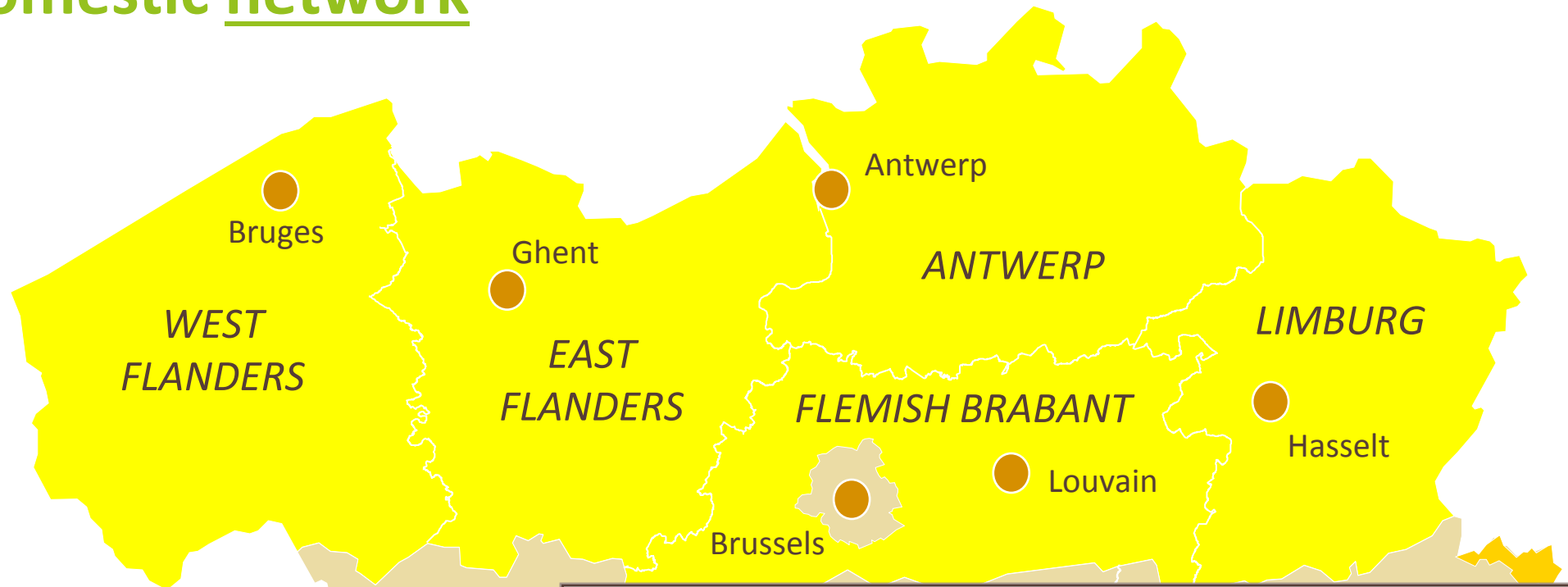
With help of a **domestic and a foreign network**

- **sustainably promote international enterprise... by providing high quality and specific services to all businesses in Flanders**
- **attract foreign investments to Flanders**

FIT **founded** by issue of decree on **7 May 2004**

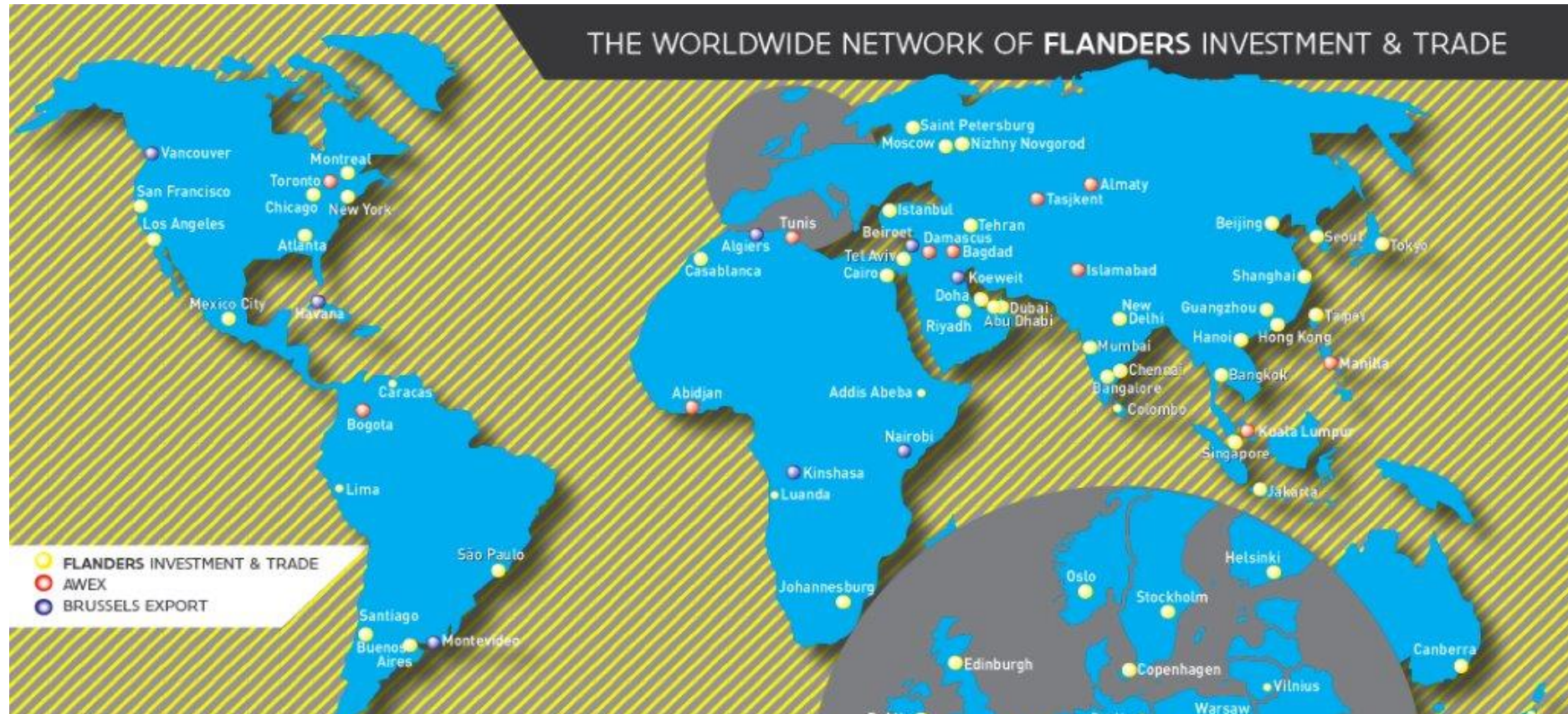


FIT's domestic network



- 5 offices, one in every Flemish province
- HQ in Brussels
- 1 point of contact for Flemish companies
- Experts in international business development (Trade)
- Account Managers (Invest)
- 155 FTE in Flanders

FIT's foreign network



- 69 offices worldwide (94 with partnering regions)
- 199 FTE's abroad
- Flemish & local employees
 - Flemish Economic Representatives
 - Technology Attachés
 - Invest & Trade Deputies
 - Local staff



Central role in internationalization strategy Flanders

New Government's agreement (2014)

FIT coordinating role in a **focused internationalization strategy** for Flander's economy

- **based on long term transversal policy (Industry 4.0 / Vision 2050)**
- **uniting all Flemish stakeholders** under this one consistent strategy



FIT plays also its part in financing international activities of Flemish companies and in attracting foreign capital towards Flanders...



... by adding up to financial resources already available
(not only in Flanders, also in Belgium and Benelux)

- Bring up at relevant authority level: arguments for **removal of legal or administrative barriers for capital market players**
- Dedicated governmental support: new product “**Finmix International**”
- Guidance towards specialized partners in **M&A opportunity cases**
- Analyse **how to attract more easily foreign capital funds, equity towards Flanders... and go for it(!)** *(fund-in-fund, fund generation,...)*





We do this with high-quality and tailor made professional support

Our local and international **network**

Our **expertise** in international trade and attracting FDI

our integrated **strategy** Invest and Trade

Support of industrial and R&D clusters



IV

**FINMIX
INTERNATIONAL**

What

- Advisory board – Search for optimal financing mix
- No subsidy
- Projectfinancing
 - Risk
 - Complexity
 - International purpose
 - Also for foreign investors in Flanders (later on)
- Information about financial aid providers
 - private
 - public



How - whom

- Expert panel
 - AO, Finexpo, PMV, Delcredere, public venture capital (BIO/BMI), private credit insurers (ex. Coface, Atradius, etc.), private consultant, Febelfin, Voka, Unizo, FIT, private venture capital, etc ...
- Flemish companies on export purpose
 - Starters, growing companies, big companies
- All sectors



General

- Startdate: 01/01/2016
- Assistance from FIT (support: advisor international business)
- Cooperation with AO – Finmix team
- Minimal financial needs: 150,000 euro
- Promotion: flyers, website AO, FIT, Roadshow...
- Contact: Flanders Investment & Trade (FIT)



Information

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