

# The Importance of US Companies in Belgium



# LOGISTICS

AmCham Belgium's Year of Logistics  
is kindly supported by:



Published May 2018

# INTRODUCTION

**For many US companies, Belgium is the gateway to the European market and an important hub in global supply chains.** This flow of goods and materials from one location to another, in and out of the country – the **function of logistics** – is essential to our modern, globalized economy.

With its central geographic location, decent transport infrastructure and skilled workforce, **Belgium's strength in logistics is internationally recognized:** the country ranks 6<sup>th</sup> in the World Bank's *Logistics Performance Index* and 10<sup>th</sup> in the World Economic Forum's *Enabling Trade Index*.

Although often overlooked, **the logistics sector is vital to the Belgian economy** – it is an important source of job creation and economic activity, and volumes are only increasing. **Within the Belgian logistics sector, US and other international companies are key players.**

In early 2018, AmCham Belgium conducted a survey of US companies in Belgium about their logistics activities, the results of which are presented in this report. US companies in Belgium are active in different capacities throughout the supply chain, from **industrial companies** which manufacture and distribute from here to **logistics service providers** which offer their transport, storage and fulfillment services to other companies. We tell their stories throughout this publication.

Belgium's strength in logistics is another reason why US companies say **#Yes2Belgium**. As part of our *Importance of US Companies in Belgium* series, this report highlights the country's attractiveness for logistics activities as well as the significant contribution of US companies to the Belgian logistics sector. Building off its strong position, Belgium has the opportunity to further develop as a logistics gateway, with the growing volumes and new technological developments that are reshaping the industry. AmCham Belgium is committed to working with all levels of the Belgian Government to ensure Belgium remains a logistics leader.

**Marcel Claes,**  
Chief Executive

# AN IMPORTANT LOGISTICS ECOSYSTEM

When viewed as a complete ecosystem, accounting for both direct and indirect effects, the logistics sector generates **€18.8 billion of added value or 7.6% of GDP** and **217,000 jobs or 8% of total employment**, according to the National Bank of Belgium. Due to the complexity of modern supply chains, jobs are created at all skill levels – and there is **intense collaboration** throughout the supply chain between companies of all sizes. Nearly all of the respondents to our survey (97.4%) operate on a B2B, or business-to-business, level for their logistics activities in Belgium.

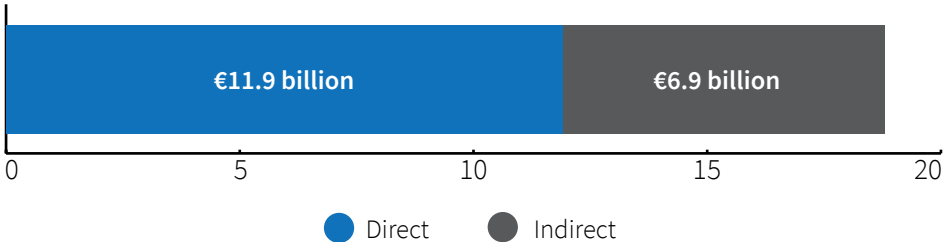
The indirect effects of logistics operations are substantial. More than 77% of survey respondents use ‘third-party’ logistics providers, while 38.7% participate in regional clusters and 25.8% collaborate with SMEs. Belgium’s logistics ecosystem is thriving, with this dense network of international and local companies, manufacturers, suppliers, service providers, consultants and public institutions.

## ECONOMIC IMPORTANCE OF THE LOGISTICS SECTOR

### Employment



### Added Value



Source: National Bank of Belgium, Working Paper Document No. 325, July 2017.

# BELGIUM: LOGISTICS GATEWAY

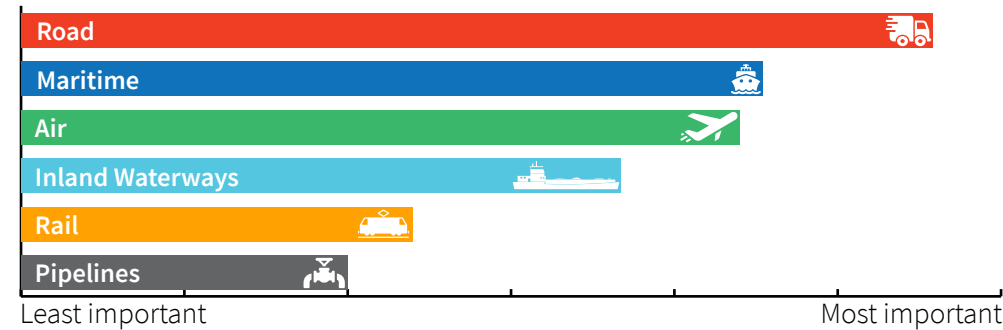
## Location, location, location.

International companies are not typically located in Belgium for the local market but for the **gateway service** that Belgium provides in and out of Europe through its ports and airports. With 60% of European purchasing power within a 500-kilometer reach, geographic location and **proximity to customers** are the two most important factors that attract US companies to invest in logistics operations in Belgium.

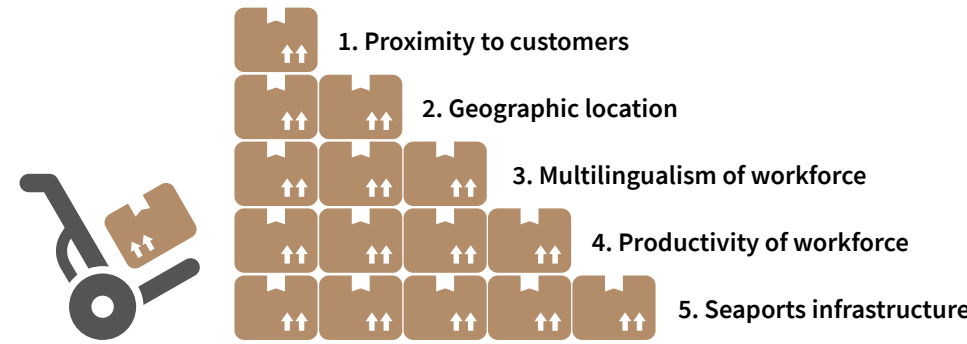
As a logistics gateway, companies need to be able to swiftly and efficiently

transport goods and materials through the country. Belgium's world-class **seaport infrastructure** – another one of the top five reasons to invest – and airports are complemented by a dense network of roads, railways, inland waterways and pipelines, which provide onward connections. Road, air and maritime are the most frequently used modes of transport by US companies in Belgium, and they are often combined throughout the supply chain: 50% of the US companies surveyed rely on **intermodal transport**.

## MODES OF TRANSPORT, RANKED BY RELATIVE IMPORTANCE



## TOP REASONS TO INVEST IN BELGIUM



US companies are attracted, moreover, by the logistics expertise that Belgium has developed in certain industries, which depend not only on **specialized infrastructure** but also on the **unique know-how**, skills and productivity of the workforce. The commitment to excellence and innovation has made Belgium a **global leader for pharmaceutical and chemicals logistics operations**, among others, as illustrated step-by-step below.

Belgium's airports are the **preferred pharma gateway to Europe and the**

**world**, with state-of-the-art infrastructure for temperature-sensitive goods. Through the cold chain process, pharmaceutical products are transported in the safest and fastest way, using different means of transport.

The cluster of Belgian ports is internationally renowned for its storage, handling and distribution of all types of **chemical products and gases**, applying the highest safety, security, health, environment and quality standards (SSHEQ).

# LOOKING AHEAD

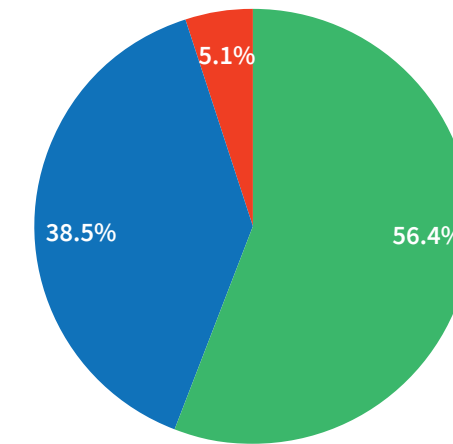
Nearly two thirds of the survey respondents value Belgium as **very or extremely important** for their logistics operations. More than half reported an **increase in the strategic importance** of the country for their logistics business in the past five years. US companies also plan to **continue their investments in Belgium**, although only incremental investments are expected over the next five years.

Belgium has strong foundations – location, infrastructure and know-how – but to attract even more jobs and investment, preserve its position and benefit from the rapid growth of logistics volumes, not least driven by e-commerce, it will have to respond to a number of challenges.

US companies in Belgium are particularly concerned about **mobility and labor market issues** negatively impacting their logistics operations. Belgium's

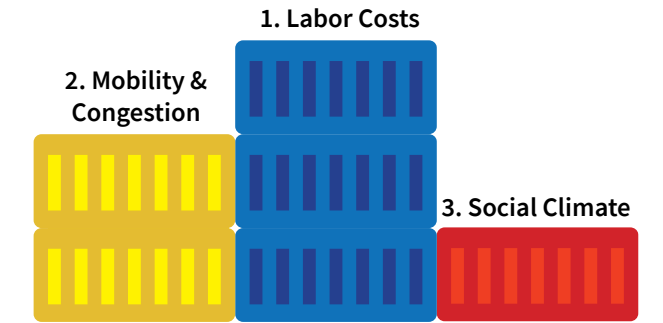
## STRATEGIC IMPORTANCE OF BELGIUM FOR LOGISTICS OVER LAST FIVE YEARS

(% of respondents)



- Gained importance
- Remained the same
- Lost importance

## TOP CONCERNS ABOUT BELGIUM



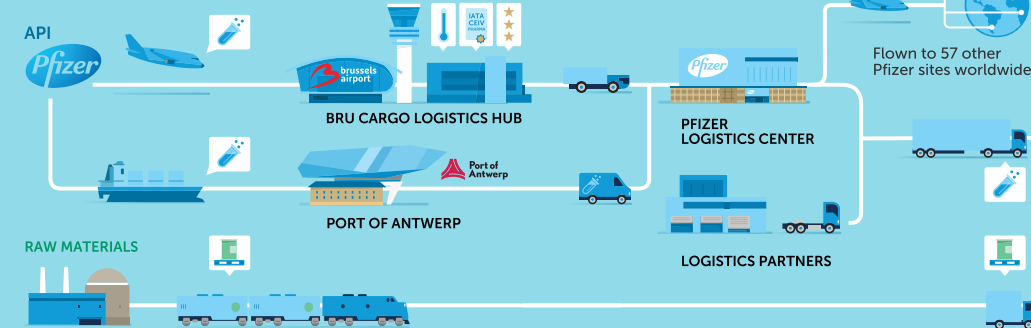
central geographic location and transport network are losing their value due to **increased congestion and deteriorating infrastructure**. The lack of flexibility in the organization of work and high labor costs are also driving companies to neighboring countries.

Looking at logistics from a long-term perspective, there is also an opportunity for Belgium in **sustainable transportation**. Belgium has a dense network of waterways and railways, so investing in these parts of the

network, increasing the accessibility to the network's entry points such as sea ports and airports, and working with companies to increase the usage of those modes of transportation would help attract companies that are committed to sustainable growth.

The Belgian logistics sector has **enormous potential**, but it will only be by investing and innovating that Belgium can develop its strengths, address the weaknesses and become a true world leader for logistics.

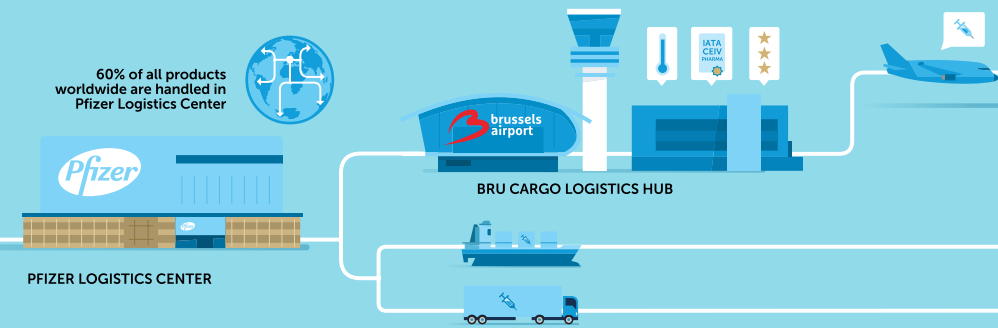
### STEP 1: IMPORT RAW MATERIALS



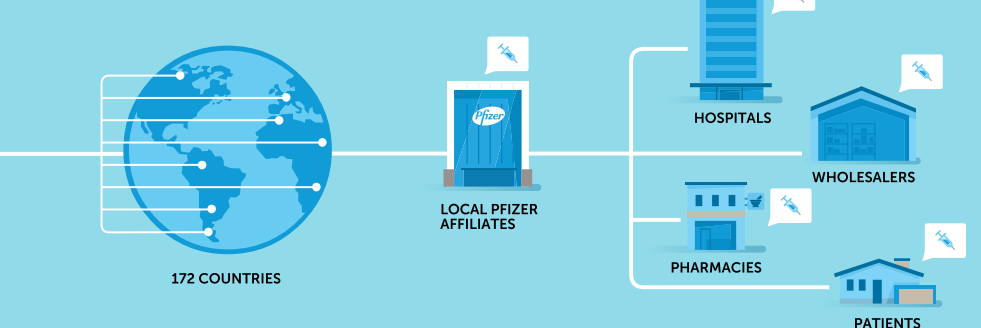
### STEP 2: MANUFACTURING & PACKAGING



### STEP 3: PFIZER LOGISTICS CENTER / BRUSSELS AIRPORT



### STEP 4: DELIVERY TO THE PATIENT





Belgium is a hub for logistics, thanks to its central location and its good infrastructure network. Many companies, in sectors such as chemicals, food and pharmaceuticals, make use of Belgium as an important part of their global supply chains. Here, we showcase ten different member companies with significant logistics activities in Belgium and the important contributions they make to the country's economy.

**LEGEND**

- 1 Caterpillar
- 2 Chevron Phillips International
- 3 Coca-Cola European Partners
- 4 JLL
- 5 Skechers
- 6 UPS
- 7 United Cargo
- 8 Unilin (Mohawk Group)
- 9 McDonald's
- 10 Dow



**PROFILE IN BELGIUM**  
 Locations: Grimbergen, Zeebrugge  
 Established: 1964  
 1000 employees (750 in logistics)  
 200,000 m<sup>2</sup> of warehouse and yard space

Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. With important logistics centers

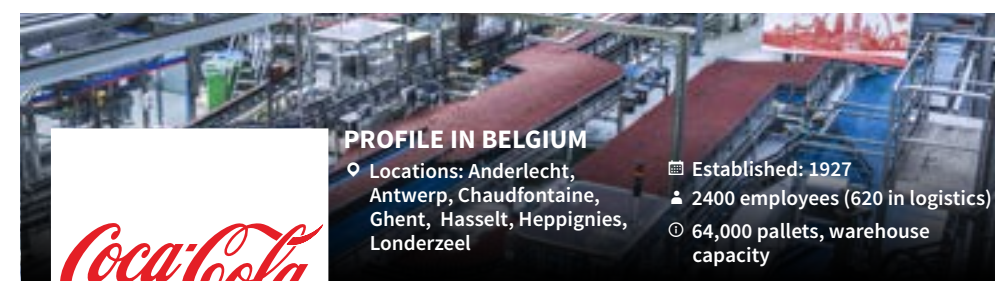
in Grimbergen and Zeebrugge, Belgium is a key portal for Caterpillar's activities. Grimbergen provides Cat service parts to its dealers in EMEA and acts as an entry point for deliveries from European suppliers into the global network. At Zeebrugge, Caterpillar stores and processes machines from overseas production sites for distribution to the European market. Its connections to global ocean and air networks are essential for a high velocity and cost-effective distribution chain. Belgium's logistics strengths are vital to Caterpillar's distribution activities in the country.



**PROFILE IN BELGIUM**  
 Locations: Beringen, Diegem, Tessenderlo  
 Established: 1968  
 275 employees (53 in logistics)  
 755,000 mt transiting through Belgium per year

The Chevron Phillips International office in Diegem is the company's EMEA HQ - thanks to Belgium's strategic location. With two manufacturing locations and warehouses in Belgium, the company's logistics

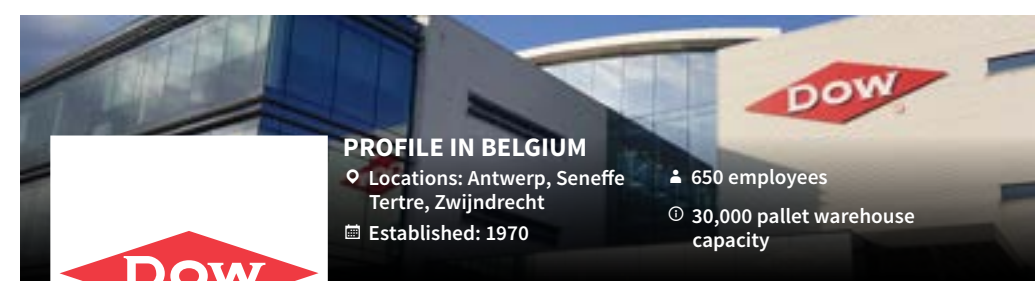
activities are widespread. The excellent partnership with the Belgian logistics network, using road, rail and maritime transportation, and customs authorities is key for a competitive advantage. The types of products and packaging are diverse, and range from chemicals in drums to bulk in portable tanks and polymers in bags. Moving these products requires an excellent coordination along the supply chain. Following a 'target to zero' safety philosophy, Chevron Phillips International ensures safe operations of company assets and products in distribution.



**PROFILE IN BELGIUM**  
 Locations: Anderlecht, Antwerp, Chaufontaine, Ghent, Hasselt, Heppignies, Londerzeel  
 Established: 1927  
 2400 employees (620 in logistics)  
 64,000 pallets, warehouse capacity

Coca-Cola may be known for its international brands, but it is also a true Belgian company that has been active in the country for 90 years, and continues to invest in local production, distribution and sales.

In addition to its three production sites in Antwerp, Ghent and Chaufontaine, Coca-Cola European Partners has its HQ in Anderlecht, and six distribution centres spread out over Belgium, as well as a technical service centre in Londerzeel. Coca-Cola European Partners is the world's largest independent bottler of Coca-Cola. In Belgium, more than 2,400 people work at Coca-Cola. Local production is key, as 70% of all beverages are produced locally.



**PROFILE IN BELGIUM**  
 Locations: Antwerp, Senefte Tertre, Zwijsdrecht  
 Established: 1970  
 650 employees  
 30,000 pallet warehouse capacity

Belgium is a key country for Dow in terms of logistics. For its operations in Belgium and the south of the Netherlands, the company uses all transport modalities available – including the ports of Antwerp and Ghent, Zaventem

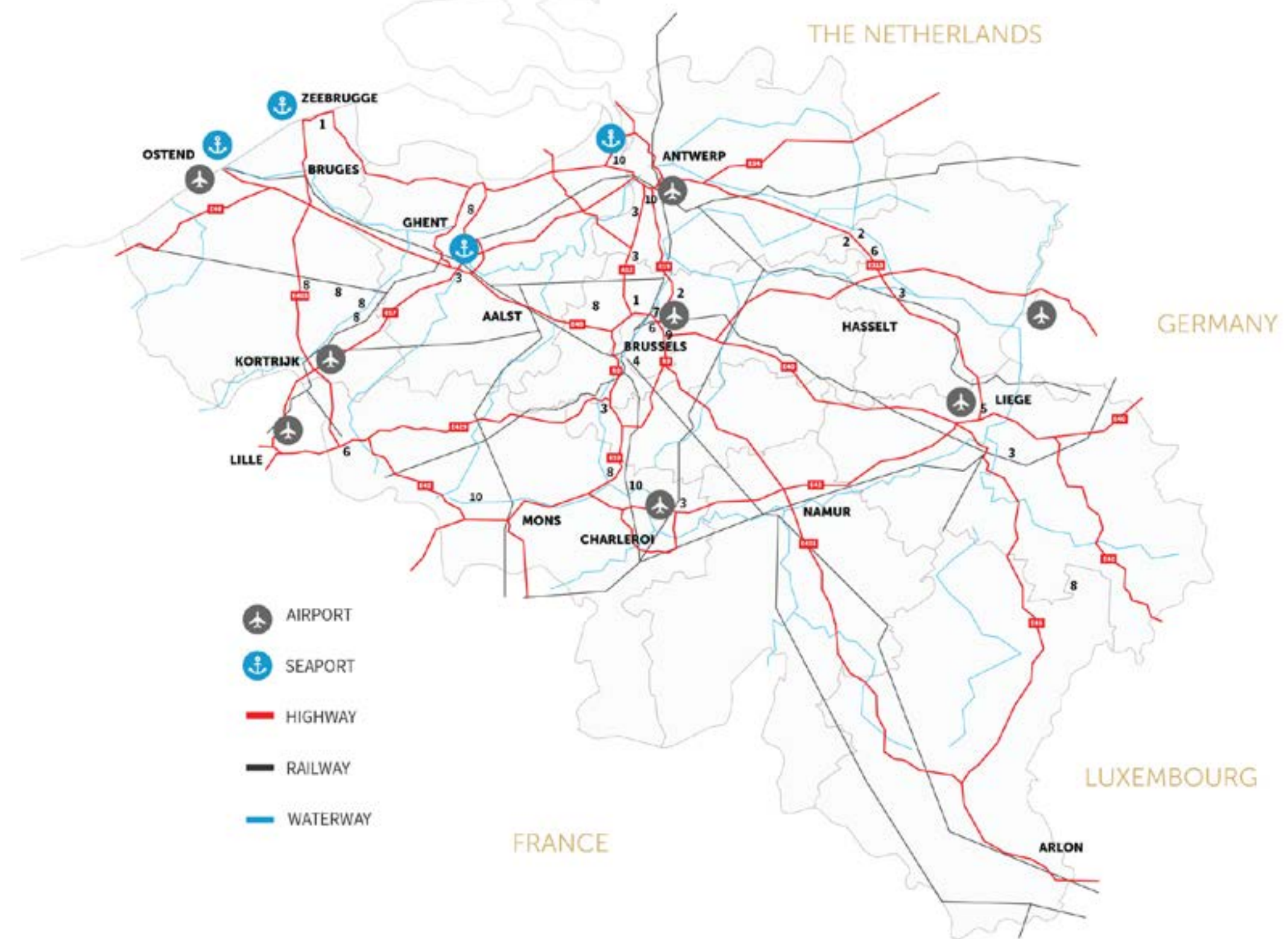
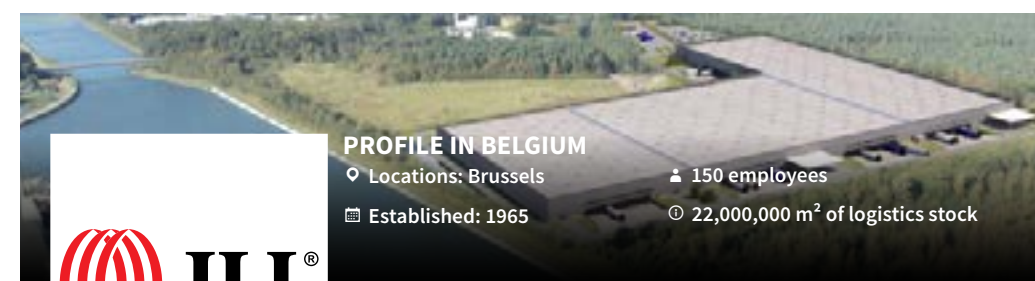
Airport, and the road and rail networks – to connect to markets in Europe and beyond and to other Dow sites in neighboring countries. The quality of the infrastructure therefore is critical to Dow's future business success. Investing in the different networks will enhance Belgium's position as an international logistic hub.



**PROFILE IN BELGIUM**  
 Location: HQ in Machelen  
 Established: 1978  
 4446 employees  
 25,000 cases handled per day

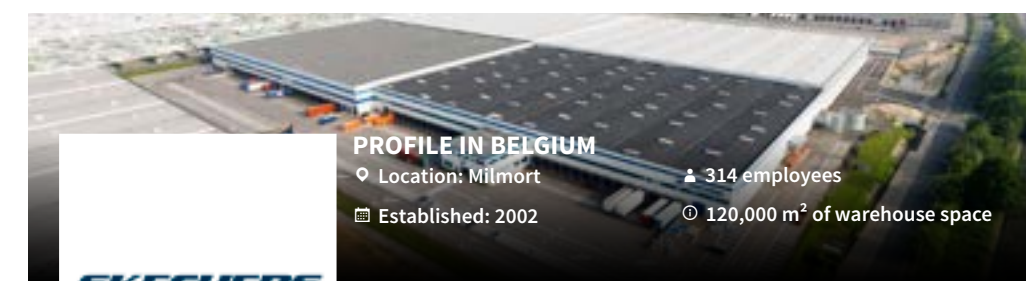
For more than 20 years, McDonald's can rely on Havi Logistics as its logistics service provider in Belgium, by working together for procuring (stock ownership), warehousing and distribution of food and non-food

products. McDonald's is achieving great results on the Belgian market and has created more than 2,500 jobs in the last five years, and plans to create another 2,000 jobs in the coming five years, by opening 40 new restaurants. McDonald's has put down strict quality standards for its logistics service provider. Together, they continuously aim to innovate, having already enhanced their recycling and waste process along the supply chain.

**PROFILE IN BELGIUM**  
 Locations: Brussels  
 Established: 1965  
 150 employees  
 22,000,000 m<sup>2</sup> of logistics stock

JLL entered the Belgian market in 1965 and is a market leader in the industrial and logistics leasing market. Belgium benefits from its central geographic location in between the biggest European economies (Germany, France and the UK), and lies at the heart of the so-called logistics 'blue banana', that unites prime distribution hubs in Europe: stretching from Milan and Turin in Italy to the Ruhrgebiet in Germany, the Randstad in the Netherlands and the West Midlands in the UK. With an existing logistics stock of almost 22 million square meters, the Belgian market is part of the top five in Europe.



**PROFILE IN BELGIUM**  
 Location: Millmort  
 Established: 2002  
 314 employees  
 120,000 m<sup>2</sup> of warehouse space

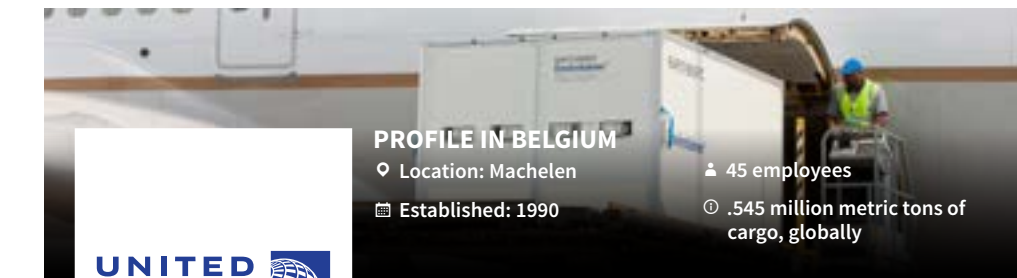
Skechers designs, develops and markets a diverse range of lifestyle and performance footwear. The company opened its European Distribution Centre (EDC) in Liège in 2002. The choice for Belgium was easy, as it's an excellent location at the heart of Europe, with highly developed road, rail and waterway infrastructure, ensuring quick and easy transport. Moreover, there's a high availability of skilled workers in Belgium, which ensures a flawless distribution throughout Europe for the organization. The continued growth in the European market and installment of automation technologies in the EDC resulted in increased efficiency: in 2017, 23 million pairs of shoes were shipped!



**PROFILE IN BELGIUM**  
 Locations: Desselgem, Feluy, Ghent, Izegem, Merchtem, Oostrozebeke, Vielsalm, Wielsbeke  
 Established: 1960  
 2400 employees  
 €1.5 billion global sales

Unilin, part of the Mohawk Group, produces laminate, engineered parquet and luxury vinyl flooring (Quick-Step, Pergo and Balterio), as well as wood-based panels, decorative panels, roof systems and insulation

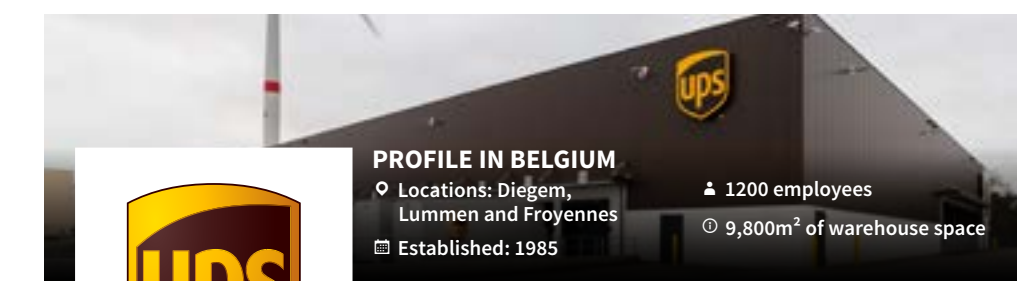
boards. There are nine production sites in Belgium. Driven by innovation, Unilin invests in technologies that differentiate its brands, and provide added value to the market. With the expansion of the warehouse in Wielsbeke, Unilin invested heavily in automation, by installing six spherical robots to deal with picking, packing and pallet change. The robots not only optimize the workflow, but also ensure a highly flexible ordering system for the client.



**PROFILE IN BELGIUM**  
 Location: Machelen  
 Established: 1990  
 45 employees  
 545 million metric tons of cargo, globally

United Cargo is deeply anchored in Belgium, and operates three non-stop widebody flights per day from Brussels Airport to its key US hubs in Chicago, New York and Washington DC. These flights have the capacity

to connect cargo customers in Belgium with virtually every major cargo market worldwide. United Cargo delivers superior shipping solutions, using the world's most comprehensive route network, with 4,500 flights a day, to 388 airports. United has its own fleet of 744 aircrafts, which carried more than 3 billion cargo ton miles in 2017.



**PROFILE IN BELGIUM**  
 Locations: Diegem, Lummen and Froyennes  
 Established: 1985  
 1200 employees  
 9,800m<sup>2</sup> of warehouse space

UPS is a global leader in logistics, offering a broad range of solutions, including transporting packages and freight, facilitating international trade and deploys advanced technology to move the world of business

in the most efficient way. UPS has seven locations in Belgium, including the UPS Europe Region HQ in Brussels. A fleet of 150 vehicles is managed in Belgium. With a network of more than 900 Belgium-based UPS access point locations, customers all over the country can conveniently pick up and drop off their packages.



AmCham Belgium thanks its 2018 Strategic Sponsors

**Deloitte.**

**Janssen**  
PHARMACEUTICAL COMPANIES OF  
*Johnson & Johnson*



**pwc**

**3M • Alpha Card • Cisco • Donaldson • ExxonMobil • EY  
hub.brussels • ING Belgium • Isabel Group • KPMG  
Management Centre Europe • Mastercard • McKinsey & Company  
Medtronic • Pfizer • Port of Antwerp  
Wallonia Export & Investment Agency**



**AMCHAM BELGIUM**

AMERICAN CHAMBER OF COMMERCE IN BELGIUM

rue du Trône 60/6 Troonstraat – 1050 Brussels  
Tel. +32 (0)2 513 67 70 | Fax +32(0)2 513 35 90  
info@amcham.be | www.amcham.be

**Connect with us on:**

 @AmChamBE

 facebook.com/AmChamBelgium

 linkedin.com/company/amcham-belgium