

# Luncheon with Alain Zenner

## at the Hilton Hotel

**A**t a luncheon organized by the Chamber's Legal and Taxation Committee in June, former federal finance minister Alain Zenner highlighted the key factors behind Belgium's strong economic performance and detailed some of the issues that the country still faces.

In an often humorous speech, Zenner told attendees that in terms of relative purchasing power, Belgium is one of the top five countries in Europe, behind Iceland, Luxembourg, Switzerland and Norway. Belgium also ranks above the European average in gross domestic product and employment. "We deserve a better image of our country than that which we perceive ourselves," he said at the June luncheon.

It may come as a surprise to some, net income in Belgium is among the highest in the world, according to Zenner. "At a government seminar in Grand-Leez, in January, the governor of the National Bank stated that our country is one of the most prosperous in the world," Zenner said.

In addition, Belgium ranks fourth in the world in terms of quality of education, literacy and life expectancy.



Lunch at the Hilton, Boulevard de Waterloo.

### Long-term planning

Desirable political goals can also be reached if you are willing to take the long-term view, Zenner believes. "Since 1999, and for the first time since 1950, the balance of our accounts and our budgets has been re-established and maintained in spite of the economic recession and even though we based our budgets on reasonable forecasts of economic growth," he said. "One



Zenner: "The corporate tax rate should be brought down quickly to 30 percent."

often considers that a long-term effort is impossible in politics. That is not necessarily true, even if it is hard to attain."

The government has also taken a long-term approach to taxes. "Tax policy should be conceived not only to ensure the financing of the objectives of the state, but also with the will to preserve, if not establish, a basis for lasting growth. And, if there is one thing that is indispensable to this effect, it is to converge our level of taxation and social costs to that of the European average, and moreover to do even better," Zenner said.

"I am convinced that the corporate tax rate should be brought down quickly to 30 percent, as the prime minister has proposed.

In the long term, Zenner is convinced that Belgium should reduce corporate taxes even further. The example of Ireland, with its corporate tax rate of 12.5 percent, shows how success can be obtained by creating corporate start-ups and attracting foreign investments through a restraint of imposing taxes, he said.

"With a rate around 15 percent, all the sophisticated tax techniques, qualified as harmful practices by the European Union, such as the former rules on coordination

centers, would not be necessary," he said.

Believing that too much taxation ultimately reduces tax revenue, Zenner said, the Flemish government has reduced or eliminated registration tax, radio and tele-



Sharing views: Alain Zenner with lawyer Robert Savoye.

vision taxes, estate taxes and taxation on gifts of movable property.

The former finance minister concluded his remarks by inviting AmCham members to meet with Belgian politicians and put forward their ideas for improving the country's image as a place for investment. "It is the lazy people who change the world, because the others do not have the time," he said.