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PORTRAIT OF A TERRITORY

Belgium - France

COMPARISON OF FRAMEWORK CONDITIONS

The differences between framework conditions in France and Belgium are not very pronounced, and each side of the border has its advantages. In terms of taxation, the situations are not fundamentally different. In Belgium, income tax is higher than in France (notably for those with an average income). On the other hand, labour costs are lower in Belgium, both in terms of employee contributions (13% of gross pay, compared with 22% in France) and in terms of employers' contributions (25%, compared with 25%-42% in France). Lastly, corporation tax rates in both countries stand at around 33%. Property prices are lower in France, except in the Lille conurbation, where we see higher prices than in urban centres on the other side of the border.

ECONOMIC FABRIC

The economy in the Walloon region has already embarked on a widespread expansion of the tertiary sector, while the Flemish region has retained a dynamic industrial sector. West Flanders is characterised by a high density of small and medium-sized businesses and industries and the presence of only a few large companies. Some of the sectors

most represented in the Flemish border regions are textiles, new materials (plastics processing) and agri-food (particularly frozen products).

On the French side of the border, the proportion of large companies is greater due to the larger role played by the industrial sector (agri-food, healthcare). The main competitive clusters are in the sectors of innovative materials (MAUD), textiles (Up-Text), agri-nutrition-healthcare (NSL) and ICT.

SECTORS OF ECONOMIC COOPERATION

Historically, the most integrated sector from the cross-border perspective was the textile industry. Even today, the players in this sector know and interact with each other.

- **Centexbel** (the Belgian centre for research into textiles) and **Up-tex** (a French competitiveness centre for the textile industry) have representatives on one another's executive boards. There are other sectors where cross-border synergies are developing: ICT and the imaging sector, food and healthcare, new materials, transport and logistics, as well as clean technologies.