

INNOVATION



LEADER

# Belgium

## *A mixed bag for the sharing economy*

Belgium takes a mixed approach to innovation — especially concerning the sharing economy — landing it a spot as an Innovation Leader. For instance, short-term rentals face no restrictive policies, but ridesharing services do.

In all three regions of the country, rules require ride-share trips to last a minimum of three hours and cost at least €90. In Brussels, drivers must also meet certain vehicle requirements and pass an exam before accepting passengers. These rules protect the taxi industry from competition and stifle widespread use of an increasingly popular service.

Short-term rentals get a warmer welcome in Belgium, and are legal on the national level. In Brussels, however, hosts have to register as tourist accommodations and comply with several other onerous rules. Hosts in the capital region must also meet numerous costly regulatory requirements, which make it more difficult to rent out their homes.

Over the past several years, national spending on research and development has increased. In 2015, the country spent nearly 2.5 percent of its GDP on R&D — the highest amount in more than a decade.

Sources: (RTBF) (Brussels Times) (Global Innovation Index)

## WHAT DID WE DO RIGHT?

More than 30 percent of undergraduate degrees awarded by Belgian universities are in STEM programs.

## WHAT CAN WE DO BETTER NEXT YEAR?

Belgium should ease its restrictions on drone operations and ridesharing services, and lower its corporate tax rates, which are currently some of the highest in the world.

Diversity	B
Freedom	A
Broadband	B+
Human Capital	B+
Tax Friendliness	F
R&D Investment	B+
Entrepreneurial Activity	B
Drones	D
Ridesharing	D
Short-Term Rentals	B
Self-Driving Vehicles	C
Environment	B



### Human Capital

Nearly a third of all degrees awarded in Belgium go to graduates of STEM programs, and 44.8 percent of the Belgian workforce is highly educated.



### R&D Investment

Starting in 2005, Belgium invested more in research and development and now spends nearly 2.5 percent of its GDP on R&D.



### Entrepreneurial Activity

Belgium has an annual new business entry rate of 2.05 per 1,000 people, but has no unicorns.



### Broadband

Average fixed and mobile broadband speeds above 16 mbps aren't especially affordable, costing residents about \$21.25 a month.

## BRUSSELS

The financial technology industry has built itself into a multibillion-dollar behemoth in Europe, and despite having a relatively small market compared to its neighbors, Belgium is positioning itself as a new home for financial institutions and startups. The Belgian government recently set aside €13 million to support fintech ventures, with additional plans to push for an increased presence in the industry in coming years.



The financial technology industry has strong roots in Belgium and, with a €13 million pledge from the government to support fintech ventures, likely will enjoy a healthy future in the country. Brussels in particular is a welcoming the industry; the city is home to programs like B-Hive, a platform developed by the Belgian government to support up-and-coming fintech ventures.

Among other things, Belgium is home to the financial messaging system SWIFT, upon which many international financial transactions rely, which was founded in 1977 just outside Brussels. In the past four decades, the society has grown from approximately 240 banks into an international network serving more than 11,000 financial institutions across the world.

The city is also home to B-Hive, a platform funded in part by the Belgian government to support fintech startups and position Brussels as a fintech alternative to London, in anticipation of the United Kingdom's exit from the European Union.

In early 2016, B-Hive reached an agreement with a London-based trade group to create a fintech bridge between the two organizations, promoting Brussels as a prospective home for finance companies looking to establish a foothold on the European continent.

Sources: (Pymnts) (Invest in Brussels) (Fintech Belgium) (Reuters) (Medium) (Coin Telegraph) (B-Hive) (Swift)