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## Toespraak Verhofstadt-Clean Technologies

Toespraak door eerste minister Guy Verhofstadt op de studie dag Clean Car Technology. Brussel, 2 februari 2004

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Your highness,Ladies and Gentlemen,As this session of parliament got under way, this government decided that we had one key priority: create more jobs.In recent months, we have already taken a series of measures to this end. These decisions can be divided into two main groups. The first group of decisions aims to eliminate handicaps. After all, Belgium - like any other country - has room for improvement. Let me give you an example. Belgium has what may be the most productive workforce in the world, but we also have a long-standing problem of high labour costs. Accordingly, the government decided to implement a drastic tax cut in order to make Belgian wage costs more competitive. We've also done a great deal to make the relationship between the government and business more flexible.With the second group of decisions we aim to trace out a strategy for the future.Tracing out a strategy means making choices. And the automotive sector plays a major role in the choices that Belgium has to make. After all, the automotive sector currently accounts for a total of 120,000 jobs. I'm not just talking about car assembly, but also distribution, delivery, refining and allied research activities. In other words, the automotive industry is very important to Belgium. Until recently the Belgian government's automotive industry strategy was defensive. What did we need to do to keep car assembly plants in Belgium? What did we have to do to make sure that automotive firms would not want to move elsewhere? But just like in football, playing defensively does not score any goals.So, in January 2004 the Belgian government opted for another, more offensive strategy. This strategy will not only keep the automotive industry in Belgium, but will also attract new industrial growth. In this strategy we opted to focus on clean technology, and more specifically clean car technology. We are convinced that clean car technology will provide a secure future for the automotive industry in Belgium. We are also convinced that Belgium is an ideal location for fresh growth and development. There are four reasons supporting our approach:1. Belgium has a relatively large number of carmakers concentrated in a relatively small area. A dense concentration of companies in the same sector not only ensures healthy competition, but also a synergy of new ideas. To make Belgium even more attractive to industrial companies, including the automotive industry, the decision was recently taken to lower taxes on bonuses for shift work and night work.2. Antwerp is home to the world's second largest cluster of petrochemicals firms - second only to Houston, Texas. This sector is a key partner in creating and applying clean technology.3. Belgium is the European hub for battery manufacturing. Belgium produces more than half of all batteries consumed in Europe. Naturally, this is very important with respect to electric and hybrid vehicles.4. Belgium has a tradition of advanced applied research. For years, our country has turned out leading experts in pharmaceuticals and biotechnology. These sectors are also closely linked to our universities, which are among the best in Europe. In order to further encourage research, the government decided two weeks ago to enhance the status of researchers, making it a bit more attractive.But the benefits brought by Belgium's location are not the only reason we've opted for clean car technology. Clean technology is closely linked to the Belgian government's planned strategy for complying with the international standards set out in Kyoto. In this connection, the government recently decided to transpose the biofuels directive into national legislation. Under this directive, we will encourage the use of biological and therefore environmentally friendly fuels. And to this end we will encourage the use of these fuels via a tax incentive, meaning that we will impose low or no excise duties on these fuels - in contrast with ordinary fuels. In so doing, we aim to encourage research into clean technology and to encourage as many people as possible to drive 'clean' cars. The government must set an example by

systematically replacing its fleet of cars with clean, environmentally friendly cars. In fact, we've already started doing just that. Official government cars now coming to the end of their lease are being replaced by hybrids. Clean technology has benefits for military applications too. In fact, a great deal of research and testing is being done in this area - including on tanks. But this is just the beginning. I aim to have a full study carried out into the size of the fleet operated by the government and related companies, into the number of cars eligible for replacement in the short term, into the scope for reducing harmful emissions and into the impact this will have on the budget. A first glance at the potential of this project reveals that it is very promising indeed. Belgian public bus companies alone could reduce their harmful emissions by nearly 100,000 tonnes of CO<sup>2</sup> per year. If we systematically replace government vehicles with clean cars then there is enormous potential for the environment, for research and for industry - even in the short term. Ladies and Gentlemen, Many of the participants here today have long called for a symposium on clean car technology. The fact that this meeting is finally being held in Brussels is a sign of our interest in and commitment to this project. In other words, this symposium is important to us. The government will study the conclusions of the symposium and set up a task force to examine how we can continue to encourage and develop clean technology in Belgium. Expectations are high and the effort being is great - for the environment, for industry and for employment. I wish you a successful symposium. Thank you.