Record levels of foreign investment projects and resulting new jobs in Flanders driven by mergers, acquisitions and expansions

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In 2021, Flanders – the northern region of Belgium – once again saw a solid influx of foreign direct investment. **Flanders’ Minister-President Jan Jambon** shares this announcement based on analyses by Flanders Investment & Trade (FIT), the region’s government agency responsible for attracting and supporting foreign investors. Last year, international firms launched **295 new investment projects** and announced the creation of **6,233 additional jobs** in Flanders, both historically high figures. These record-setting results are respectively due to a sharp increase in the number of mergers & acquisitions and a hefty rise in the number of R&D jobs. In total, foreign companies channeled **EUR 2.86 billion** into their activities on Flanders’ soil.

**5 striking trends**

Looking closely at the 2021 figures, the following five trends stand out.

1. The number of investment projects by American and British companies is skyrocketing. Consequently, **the US and the UK** have moved up to first and second place respectively in the list of top foreign investors in Flanders.
2. **North America** is making its comeback. Companies based in this part of the world are responsible for just under a quarter of all foreign investments in Flanders.
3. Almost two-thirds of all British investments in Flanders are linked to **Brexit**.
4. 1 in 3 new foreign investment projects is a **merger or acquisition**.
5. The number of jobs related to **Research & Development** (R&D) has doubled. This activity accounts for 1 in 4 jobs created through foreign investment in Flanders.

**US and UK firms top the list of foreign investors in Flanders**

Various familiar faces pop up in the ranking of top foreign investors in Flanders. After a year in second place, businesses from the **US** regained their traditional leading position with 64 investment projects, or 21.69% of all foreign investments in the region in 2021. The number of British investments also rose sharply, for the fourth year in a row. As such, the **UK** takes second place in the list with 49 projects (16.61%), the highest number of direct British investments in Flanders ever in a single year.

The top 5 is further rounded out by the **Netherlands** (48 projects or 16.27%), **France** (24 projects or 8.14%) and **Germany** (17 projects or 5.76%), thus confirming the reputation of Flanders’ neighboring countries as loyal investors. But the region is also attracting investment from other European countries. Companies from **Switzerland**, for example, started 12 new projects (4.07%) in the region, placing them sixth in the ranking. **Sweden** follows closely with 10 projects (3.39%), while **Italy** takes tenth place with 7 projects (2.37%).

**Japan** – which shares seventh place with Sweden – and **China** – in ninth place – are the only Asian countries in the top 10. Last year, Japanese companies launched 10 investment projects (3.39%) on Flanders’ soil, while Chinese firms kicked off 9 projects. A notable newcomer to the ranking compared to the previous year is **Canada**, which shares the tenth place with Italy, having initiated 7 projects (2.37%) in Flanders.

**The Americas are making their comeback in the region**

The comeback of the Americas is particularly striking in Flanders’ foreign investment figures. In 2021, almost a quarter (24.75%) of foreign investments in the region came from companies based in **North America**. This is a strong increase compared to 17.86% in 2020. In absolute terms, the number of projects rose from 40 to 73.

The number of **European** investments also went up: from 151 to 189. This corresponds to a share of 64.07% in 2021 compared to 67.41% in 2020 when the share of European investments was historically high. The number of projects from **Asia-Pacific, the Middle East and Africa** remained at 33 in 2021, representing 11.19% of the total number of foreign investments in Flanders compared to 14.73% in 2020.

**Brexit further boosts British investments in Flanders**

At the start of 2021, the UK officially left the EU, and Flanders immediately reaffirmed itself as an important gateway to the European single market for UK businesses. As such, Brexit was the deciding factor in crossing the Channel for no fewer than 30 of the 49 British companies that invested in the region in 2021. That is the highest number ever in a single year: **almost 2 out of 3 British investments in Flanders were Brexit-related**.

Since 2016, 95 foreign companies indicated that they decided to invest in Flanders to safeguard their business from the impact of Brexit. To date, these projects have generated 3,097 jobs in the region and represent a total investment value of EUR 2.21 billion.

**1 in 3 foreign investments is a merger or acquisition**

In the case of more than half of the foreign investments in Flanders, companies started their operations from scratch. These **greenfield projects** clocked in at a share of 51.19% in 2021 compared to 67.41% in the previous year. The share **of expansion projects** remained more or less stable at 16.61% compared to 13.84% in 2020.

**Mergers and acquisitions**, on the other hand, made solid headway as a form of investment in the wake of the COVID crisis. Last year, 32.20% – almost 1 in 3 – of new foreign projects in Flanders were mergers or acquisitions, up from 18.75% in 2020. On the investor side, we encounter mostly companies from the UK, the US and Flanders’ neighboring countries. They account for about three-quarters of all M&As in the region.

In terms of economic activity, there aren’t many shifts. As in previous years, 2021 saw foreign companies mainly investing in Flanders-based **sales and marketing** activities (28.47% versus 30.36% in 2020), **logistics** (25.08% versus 20.54%), **production** (20% versus 23.66%) and **R&D** activities (20% versus 19.20%).

**1 in 4 jobs created through foreign investment is linked to R&D**

In 2021, foreign companies announced **a record number of 6,233 new jobs** in Flanders. This is an increase of 32.14% over the previous year when foreign investments generated 4,717 additional jobs. The increase is strongest among American, British, and Swedish investors.

The rise in the number of newly created **jobs linked to R&D** is particularly striking. These went from 898 in 2020 to 1,700 in 2021, accounting for over 1 in 4 jobs announced by foreign companies in Flanders. Two other important business activities that fueled job creation in the region last year are manufacturing (2,217 jobs) and logistics (1,717 jobs).

Quotes

**Claire Tillekaerts** (CEO of Flanders Investment & Trade): “2021 was another challenging year for the international business community. In addition to the ongoing COVID crisis, Brexit, which became a reality at the beginning of 2021, also threatened to throw a spanner in the works. Nevertheless, Flanders once again managed to convince numerous international companies of its economic strengths. The number of new foreign investment projects in the region even reached an absolute record last year. It’s crystal clear that Flanders continues to be seen as a top investment location around the world.”

**Jan Jambon** (Minister-President of Flanders): “In 2021, foreign companies announced a historically high number of new jobs in Flanders. It’s clear that international firms find a solid talent pool in our region to support their business ambitions. But investing in Flanders also offers many other benefits, not in the least for companies looking to shield their business from the impact of Brexit. For example, our strategic location and logistical expertise, among other strong suits, convinced a record number of companies from the UK to invest in our region, and almost 2 out of 3 British investments in Flanders were Brexit-related.”

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Websites

* [www.investinflanders.com](http://www.investinflanders.com) – for more information on international business and investing in Flanders
* [www.flandersinvestmentandtrade.com](http://www.flandersinvestmentandtrade.com) – for more information about FIT

About FIT and foreign direct investment in Flanders

International companies reap diverse rewards when deciding to invest in Flanders. As a major logistics crossroads at the heart of Europe’s purchasing power, Flanders is the place to be for companies with pan-European ambitions. The region is also known for the close collaboration between its private, public and academic sectors – making it fertile ground for innovative research and development activities in some of the most advanced technological niches. Flanders Investment & Trade introduces international players to Flanders, informs them of interesting financial incentives and offers tailored guidance for investment projects.

Flanders Investment & Trade (FIT) actively promotes sustainable international business in Flanders as a key element of the region’s socio-economic development. FIT accomplishes this by supporting Flanders-based companies in their international business ventures and by attracting foreign investors. FIT assists businesses across Flanders in their international endeavors and provides custom advice and support. Companies can rely on the agency’s local and international networks of contacts, while FIT also offers financial support and information about the financial incentives available.