

FEDERATION OF EUROPEAN & INTERNATIONAL ASSOCIATIONS

2013 Socio-Economic Survey



The FAIB is the Federation of European & International Associations based in Belgium. Its membership currently covers around 280 International Associations (IAs), 23 associate members, offering their expertise in matters impacting IAs, such as fiscal (VAT & other), auditing & accounting, human resources, statutory & other legal provisions, public & EU-affairs...

Report Danièle Vranken, Secretary General FAIB

Early 2013, the FAIB launched its quinquennial enquiry amongst some 1.600 international associations based in Belgium, selected from the 2.200 IAs recorded in the UIA database corresponding to specific criteria. For the first time, an online (Fluidsurveys) questionnaire was used rather than the traditional paper questionnaire sent to IAs since the first edition of the survey in 1983.

The exhaustive results - analysed with the support of Alain Costantini, Partner and Vanessa De Muyer, Accounting & Finance Manager, Bird & Bird - were presented at the 28 June FAIB General Assembly attended by some 75 participants. In his keynote speech, the recently appointed Minister-President of the Brussels Capital Region, Rudy Vervoort, referred on several occasions to data quoted in the survey.

The **major elements** of the report are summarised below.

BASIC DATA:

- The number of international not for profit associations (INPAs) based in Belgium is constantly increasing: **2.265 in 2013** vs. 1.972 in 2008 which ranks Brussels number one in the number of IAs hosted
- **94%** of INPAs are based in the Brussels-Capital region representing a 9% increase vs. 2008
- Most international associations (73%) have chosen the AISBL status
- VAT registrations went from 35% in 2008 to 67% in 2013
- European Transparency Registrations reported by 57% of respondents

- Estimated direct employment: **31.400**, including volunteers (paid staff: 13.400 FTE);
- Place of residence of staff: **64% Brussels region**, 13% Flemish region, 11% Walloon region;
- Indirect employment (hotel, restaurant, service providers, etc.): +/- 1250 per association / year;
- Office space occupied by INPAs: 205.000 m², of which 75.000 m² of meeting space;
- Associations generate some **114.000 day visits** to Belgium & approximately **260.000 overnights** per year.

INCOME AND EXPENSES

- **Total estimated income / expenditure: 2.9€ billion.**

Income range from 100.000€ to 250.000€ for 28% of IA's, 33% between 250.000€ and 1.000.000€ and 30% between 1.000.000€ and 3.000.000€, a minority of 9% income reported being higher than 3.000.000€.

STATISTICS SHOW THE NUMBER OF INTERNATIONAL NOT FOR PROFIT ASSOCIATIONS BASED IN BELGIUM IS CONSTANTLY INCREASING

Revenues mainly originates from **'abroad'** for **84%**, **5% from the EU** and **11% from Belgium**. Yet **84%** of this income is **spent in Belgium** of which the breakdown is: personnel cost accounting for 56%, office running costs for 12%, events & meetings for 14%.

This results in a considerable transfer of external resources to Belgium and the Brussels Capital region in particular, given that this is where 94% of IA is established.

EVALUATION OF BELGIUM AS A HOST COUNTRY

The survey also lists a series of questions pertaining to the perception of Belgium as a host country (bearing in mind that the large majority of IAs operates in the Brussels-region).

Public transport (international as well as national) is generally considered *'adequate'* whereas road infrastructures are assessed as *'poor'* by 46%. Availability of skilled staff, in 2013, was felt *'excellent'* by 54% of respondents compared to 40% in 2008.

Generally speaking, fiscal charges for employers and income tax for individuals are considered too high in more than 85% of responses, whereas the possibilities of compensating with non-fiscal benefits are felt adequate (pension plan, company car, mobile phone, etc.) for 74% of respondents.

Availability and quality of outsourced services, including accounting and auditing, are largely rated adequate, accounting/auditing having moved from (58%) *'adequate'* in 2008 to (54%) *'excellent'* in 2013.

Quality of telecommunication is felt (90%) adequate, whilst its cost ranges between 51% *'acceptable'* and 49% *'very high'*, representing a slight shift in appreciation compared to 2008; postal services were assessed for the first time and considered adequate in their quality (71%) at acceptable cost (71%).

In 2013 the perception of Belgian administration, remains *'adequate'* but varies between federal (62%), regional (45%) and municipal

(71%) administrations, the regional administration having dropped from 65% in 2008 to 45% in 2013, whereas municipal administration went from 64 to 71%. Appropriate conclusions can be drawn from these data.

Under the heading « Quality of Life », the four criteria proposed for housing facilities are felt adequate by an average of 57% (value for money of private housing showing the lowest score of 49%) whereas environment, sport, shopping and cultural infrastructures score very differently: cleanliness of street regarded as poor by 66%, availability of green zones excellent by 48% and air quality adequate by 65%.

Office space is generally considered as excellent to adequate, both from the availability and the value for money, space for sale being felt as adequate in 70% of responses. Meeting and congress facilities assessment ranges from 'excellent' for 54% for meeting of less than 100 participants to 'adequate' for meeting sized between 100 and 2.500 participants (+/-52%), value for money of meeting & congress facilities being positively (adequate) perceived for 71% of respondents.

Availability of hotel facilities, are considered as 'adequate' in the majority of answers (ranging from 55% to 69% depending on the number of rooms needed) as well as value for money (60% 'adequate'). Restaurants, also score between 'excellent' (39%) to 'adequate' (58%) and remain at the 2008 level.

Amongst the most difficult and time consuming issues associations / individuals are facing in Belgium: obtaining visas, work and residence permits is put at the forefront as are the cumbersome relationships with various Belgian administrations that are considered 'over-administrative', demanding and providing contradictory information depending on issuing authority. The language issue in dealing with administrations is also underlined as well as the difficulties identifying the right interlocutors to obtain grants and support for non-commercial activities.

The intermediate report and/or the slides of the presentation of the survey can be obtained from the FAIB secretariat: faib@faib.org. A printed version of the report and analysis is under preparation.

