

CBI MARKET SURVEY

THE FOOTWEAR MARKET IN BELGIUM

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**Report summary**

This CBI market survey discusses the following highlights for the footwear market in Belgium:

- Belgian consumption of footwear was € 1.2 billion in 2008, or 38 million pairs, up by an annual average of 0.7% over the period, while production fell by 2.3% to € 21 billion or about 1 million pairs.
- In 2008, Belgium imported footwear valued at € 1.9 billion, or 219 million pairs. Since 2004, values were up by 6.5% but volumes are up by an average annual rate of 9.2%.
- More than 58% of imports by value (1.0 billion) came from developing countries (81% by volume or 177 million pairs). The share of imports by developing countries was up from 52% in 2004 in value (€ 747 million), and up from 71% (110 million pairs) in volume terms. Belgium’s reliance on imports and its important role as an entry point for onward supplies to other EU countries makes this an important country for exporters.

This survey provides exporters of footwear with sector-specific market information related to gaining access to Belgium. By focusing on a specific country, this survey provides additional information, complementary to the more general information and data provided in the CBI market survey ‘The footwear market in the EU’, which covers the EU market in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.eu/marketinfo>

**1 Market description: consumption and production**

**Consumption**

**Total market size**

The Belgian market for footwear was valued at € 1.2 billion in 2008, registering an average annual increase of 0.7% since 2004, just ahead of the EU average of 0.3% over the same period. Belgium was the eighth largest footwear market in the EU, behind Poland, but ahead of Greece and Austria.

By volume, Belgian people bought 38 million pairs in 2008, which meant 3.9 pairs per capita, spending € 115 per year, being above the EU average of € 100 per capita (4.2 pairs). Please note the differences in expenditure between the more affluent region of Flanders, the international Brussels area, and the poorer region of Wallonia (see further ‘Geographic segmentation’).

**Table 1.1 Consumption of footwear in Belgium, 2004-2008**  
€ million / millions of pairs

2004		2006		2008		Population (million)	Consumption per capita €
value	volume	value	volume	value	volume		
1,208	39	1,256	38	1,247	38	10.8	115

Source: Gfk, Euromonitor (2010)

The footwear market has been growing substantially between 2004 and 2007, but fell considerably in 2008. The market increased consistent with other leading EU economies, especially since 2005. However, sales in 2007 were more disappointing with a minor growth of 0.3%, being due to the recession. Many people were worried about the rising unemployment as well as a possible break up of Belgium. Particularly in Wallonia, home of the Belgian heavy industry, families cut down their expenditure using their footwear longer.

The first half of 2008 and the summer was a very difficult year for footwear retailers. However, as oil prices came down and holidays were postponed, consumers in the major cities still wanted to treat themselves in buying new clothing and footwear. Although the majority of Belgian people were looking for footwear at the lowest possible prices. This has benefited the sales by clothing chains, discounters, hypermarkets and street markets. The footwear sold here was mainly cheap imports from China and Vietnam. This explains the volume of pairs remaining unchanged between 2006 and 2008, while values of footwear sold decreased.

In addition, the phenomenon of buying second hand footwear gained popularity in Belgium. High stock levels in the footwear trade were forcing retailers to keep prices down in order to move their stocks. This was good news for Belgian consumers, even if much of the stock relates to older designs/models. Still, consumers preferred to wait until sale periods, particularly the winter sales season.

Despite the upswing in the last quarter of 2008, Belgian consumers remained very concerned about the effect of the financial crisis. According to the Centre for Consumer Research (OIVO), one in three consumers was still cutting his/her expenditure on non-essential items, which included travel, clothing and footwear.

**Popular footwear in 2008 were:** boots (knee, ankle and Western style), ballerinas, pumps (low, high or wedged heels), sneakers, moccasins, sandals, outdoor slippers, flip-flops, loafers, laces shoes and indoor slippers. Next to the usual popular brands in the Netherlands, Germany and France, *Dunlop, Blikkenbergs, Ambiorix, Hush Puppies, Faits Divers, Epox, Terre Bleue, Ronny, Verony, Stonefly, Be Sax, Softwaves, Sandro Mori, Bamanellos, Grünland, Animal, Chevignon, Chipie, Tribal, Elle, Sensori and Mathias* are seen in Belgium.

Most Belgian consumers tend to be less interested in brand names, as branded footwear is more expensive.

### **Market outlook**

Footwear sales fell in 2009 by 2% to a value of € 1,221 million (37 million pairs) due primarily to the global economic slowdown. Consumers remained more price conscious about their expenditure. The greater part of footwear sales was generated by younger consumers who have been buying lower priced fashionable footwear. The fast-fashion offered by the chains H&M, Zara or Mango) proved to be very popular among Belgian women. This also applies to, middle-aged Belgian working women who have shown an increased appreciation of fashion.

Although the Belgian economy started to slowly recover in the first half of 2010, any recovery in the footwear sector will be minimal. A stronger recovery in sales is not expected before 2011.

### **Market segmentation**

There are a number of ways in which this market can be segmented. For Belgium, geographic segmentation and the common segmentation by user are important ways to look at the market.

- Geographic segmentation

Geographic segmentation is essentially based on linguistic and cultural differences between the Dutch speaking Flanders, which incorporates the international-focused capital Brussels, and the French speaking Wallonia.

- *The Flanders region* to the north tends to be more affluent and would be more likely to have greater numbers of purchases of fashionable footwear. It also incorporates the capital Brussels, which has a very affluent, international population. The Flanders region would be more likely to have greater numbers of purchases of fashionable footwear. In 2008, consumers in Flanders spent € 122 per person (compared to € 115 by all Belgians). Higher levels of disposable income and more young people in this region make it the part of Belgium most likely to attract investment, new fashion trends and a wider variety of footwear styles.

- *Wallonia* to the south and west is more rural and less populated. Tastes tend to be more conservative, the population is older on average and income levels are lower. This would tend to suggest that footwear demand in this part of the country would be more traditional, and consumers here are more likely to choose lower priced footwear. In 2008, consumers in Wallonia spent € 94 per person this could suggest that low priced imported footwear may be in demand here.

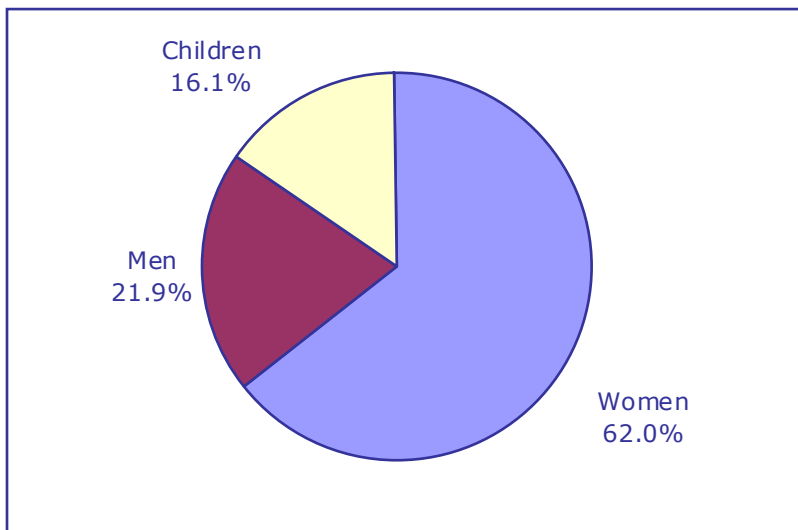
• Segmentation by user

Another common way to segment the market is by *user*. As Figure 1.1 indicates, women’s footwear is the largest segment. **Women’s footwear** accounted for a slightly increasing share since 2005, and was valued at € 773 million in 2008.

*The number of working women* has grown since 2005 in Belgium. According to Eurostat, the ratio of working women rose from 52.6% to 56.2% of all Belgian women between 2004 and 2008, and is getting closer to the EU average of 59.1%. The largest increase was in the middle aged group (25 to 54 years).

Formal dress remains important at work, people regard style and fashion important and look for elegant/comfortable footwear matching their outfit. In the main cities of Antwerp, home of the well-known designers (referred to as ‘Antwerp Six’) and Brussels, women still extensively shop around in the numerous small clothing and footwear boutiques.

**Figure 1.1 Belgian footwear consumption by user % value 2008**



Source: Euromonitor (2009)

**Men’s footwear** was valued at € 273 million, a marginally increasing share since 2003. According to the barometer of the Fashion Trade association, Mode-Unie, boots remained most popular among women, while men preferred black or brown shoes. Men are more interested in functionality and performance, while design has greater significance for women. According to Gfk, people of over 50 years old were the biggest spenders of clothing and footwear in value.

**Children’s footwear** was valued at € 187 million in 2006, showing a decrease in share since 2003. Due to the recession, children had to be satisfied with cheaper footwear.

**Market trends**

Here are some major trends and characteristics that influence demand for footwear in Belgium:

- **The growing political differences between Flanders, Brussels and Wallonia** will create more pronounced differences in culture, lifestyle and attitudes towards fashion. This development makes an approach to the Belgian footwear market more diverse.
- **The ageing population is affecting product design and styling in this sector.** 23% of the Belgian population is now over 60 years old. In general, people over 50 have a 20% higher purchasing power than those under 50. This economic power is being reflected in

new products designed specifically for this age group. This may be more classical design styles, or more comfortable footwear.

- **Ethical issues continue to grow.** The interest in how products are produced, including respect for animal welfare, fair trade, environmental concerns and working conditions has grown consistently over the last few years. Older consumers are expressing a greater interest in this than younger consumers, although these people are also reflecting such issues in their purchase behaviour.
- **More casual styles.** There is a trend away from more formal fashion styles for footwear towards more casual and relaxed styles, for both work and leisure. This has also resulted in a trend to more sales through non-traditional outlets.
- **The 'Bobo-style' continues to be popular.** The Bobo style, or Boho-chic style (UK) is a gypsy or peasant look that was introduced by Sienna Miller, Jade Jagger, Kate Moss. Clothing is looser and it allows women to mix different styles of designer/branded clothing with cheaper casual style footwear (or vice-versa) to create their own personal look.
- **More sales through hypermarkets.** This results from the economic slowdown when consumers are moving to retailers that have a lower priced range of products. It also appeared that the less spending consumers were spending more time shopping to ensure they are getting the best value for money.
- **Seasonal trends** - see the Annexes of the CBI market surveys covering the French, Italian, German and Danish footwear markets and Appendix E of the EU market survey.

**Production**

**Total production**

Belgian footwear production was valued at € 21 million in 2008, or around 1 million pairs. As Table 1.2 indicates, this has fallen by an average annual change of 2.3% since 2004. However, by volume Belgian footwear production has remained broadly unchanged over the period. This indicates lower prices of Belgian footwear destined for the home market and neighbouring countries, especially the Netherlands and France.

**Table 1.2 Production of footwear in the Belgium, 2004-2008**  
**€ million / millions of pairs**

2004		2006		2008		Number of companies 2008	Number of employees 2008
value	volume	value	volume	value	volume		
23	1	24	1	21	1	16	169

Source: Eurostat, StatBel - Belgian Statistics (2009)

Belgium has a small footwear industry compared to many other EU countries. Belgium is the sixth smallest footwear producer in the EU after Estonia and has a similar production value as Ireland. Although there has been a long-term decline in production, in line with the general trend seen in many EU countries, the remaining Belgian footwear industry produces high quality footwear of a good reputation.

There has been a gradual reduction in the number of footwear enterprises, but the remaining companies have a very clear focus on quality and added value. Companies are remaining competitive by avoiding competition with low priced imports. For example, the manufacturer Ambiorix has developed a strong reputation based on the quality of their stitching.

According to Eurostat, all Belgian production is **outdoor leather footwear**. However, the Belgian Statistical Office, which provides data to Eurostat, chooses to keep details of some production confidential. It is understood there is also some production of **sports footwear and sneakers** that is not declared in the official figures.

Leather remains an important symbol of quality for many Belgians. Although there is now some outsourcing of leather footwear production, local producers retain significance, perhaps disproportionate to the industry's importance in the economy.

### **Main and interesting players**

- Guma Plus Bvba, located in Saint-Amands, (<http://www.guma.com>) producer of fashion and high quality children's footwear under the Guma, Gumsporter and Rodgers brands. Mareno Bvba, located in Izegem, (<http://www.mareno.be>) with their own brand Mareno that uses 100% natural materials, especially cork. Other brands in their collection are Stonefly, Be Sax, Softwaves, Sandro Mori, Bamanellos and Grünland.
- Brako, located in Ronse, is a manufacturer of high quality footwear. They offer fashion and classic items (<http://www.brako.be>).
- De Beyne, located in Brussels, is a designer and a manufacturer of very fashion footwear. They produce leather footwear for children, women or men. This company was created in 1907 (<http://www.debeyne.be>).
- Exit, located in Brussels, produces comfortable women footwear. They offer different styles: fashion, modern or classic (<http://www.exit-and-co.be>).

### **Trends in production**

The major trends in and characteristics of footwear production in Belgium are:

- **More outsourcing** in order to maintain a market presence for smaller manufacturers. This trend has seen a significant shift in production to lower cost producers, particularly to China.
- **Focus on exports.** Belgian producers are more exposed to the international footwear trade due to the role of the port of Antwerp, an important location in the footwear trade, particularly attracting low cost imports from China. The importance of Belgium's location is further highlighted by the fact that Nike have established their distribution centre here for Europe and North Africa.
- **More concentration on assembly of parts.** Some domestic firms have been transforming from manufacturing companies to companies assembling parts from imported shoes, in order to continue to remain competitive and adapt to changing market conditions.

### **Opportunities and threats**

- + Belgium is an entry point to the EU and as such can provide good connections to other countries. It is important for exporters from developing countries to identify contacts in Belgium.
- + The low level of consumer confidence is providing more opportunities for lower-priced footwear, but Belgian consumers are still quality conscious and look for good value. DC exporters will find that brand names are less important in buying decisions, and their products may be more receptive to consumers as long as the quality is also evident.
- + Demographic changes in the Belgian population means that more opportunities will be found in the older consumer groups that have more disposable income and leisure time.
- + Market opportunities emerging as a result of changing social trends means consumers expect products to comply with environmental and social protection standards.
- + Despite the recession, the Belgian market gradually becomes more fragmented which is an opportunity in better economic times. It is important to target specific consumer groups such as Belgian women or men in the older age groups in Flanders, or to address to foreign residents in the Brussels area.

Many exporters will also be viewing the opportunities available on the Belgian market. Any of these trends can equally be an opportunity for one exporter but a threat to another.

See chapter 7 of the EU survey "The footwear market in the EU" for more information on opportunities and threats.

### **Useful sources**

- There are a number of commercial research organisations that produce reports on the Belgian footwear market, but these can only be obtained at a cost. They include the Market Research Bureau Euromonitor (<http://www.euromonitor.com>), as well as Mintel (<http://www.mintel.co.uk>) and Just Style (<http://www.just-style.com>).
- Production information can be obtained from Eurostat as well as Belgian National Statistics (<http://www.statbel.fgov.be>).
- See chapter 6 for details of trade associations in Belgium.

## 2 Trade channels for market entry

### Trade channels

The footwear specialists distribution is still well represented in Belgium. They accounted for almost two-third of all footwear distribution. Despite the fact that footwear is now being sold through an increasing number of non-specialists, such as hypermarkets and clothing retailers.

The other key characteristic of footwear distribution in Belgium is the high presence of international retailers on the market, much higher than in any other EU country. Chain stores, especially foreign footwear operators from the Netherlands, Germany and France increasingly are taking control of specialist footwear distribution.

The role of importers and agents remains important, although their influence continues to decrease. Changes in distribution, including the growth of non-specialist stores, have resulted in more price competition and have put pressure on specialist outlets to become more innovative and to try to find a distinctive market niche.

For smaller exporters from developing countries, the wholesale sector that serves smaller outlets, or the use of an agent, who would also work for other manufacturers, would be the most appropriate channels. They often do not require large quantities and if the working relationship is successful, usually more business will follow.

There were 1,324 agents involved in the sale of textiles, clothing, footwear and leather goods in 2007. There were a further 1,442 wholesalers of clothing and footwear. The Union of Commercial Agents in Belgium can be contacted via <mailto:ubac@skynet.be>. The Federation of Commercial Agents is at <http://www.bfh-fbr.be>. Agents and wholesalers tend to specialise in one of the geographic areas, depending on whether they are French or Flemish speaking.

**Interesting importers and wholesalers** include:

- Belsohe, located in Chanly, is an importer and exporter of footwear since 1987. They offer women, men and children's casual shoes in different brands (<http://www.belshoe.be>).
- Cortina, located in Oudenaarde, is a wholesaler of women, men and children's footwear. This company was established in 1950. They import their products from several countries (<http://www.cortina.be>).
- Little David, located in Herentals, is an importer and a wholesale of fashion footwear. They sell modern and coloured footwear for women and children (<http://www.littledavid.be>).
- Brands Unlimited, located in Antwerp, is a wholesaler of leather footwear. This company was founded in 1998 (<http://www.brandsunlimited.be>).
- Ragazzi, located in Bonheiden, is an importer of Italian footwear. They sell fashion leather women footwear (<http://www.ragazzi.be>).

### Retail trade

The Belgian retail trade is relatively fragmented and the number of buying groups increased as small independents struggle to survive against the arrival of large foreign chains. According to market research specialist Mintel, there were 1,667 footwear and leather goods retail enterprises in 2006 (7,650 employees), a decrease by nearly 20% compared with 1,981 in 2004. Twice as many of these outlets were in the Flanders region, compared to Wallonia.

The trend towards more casual footwear is also working against specialist independents. Their strength has been in more formal and classic footwear, but sports retailers and clothing specialists have benefited from this change. In addition, the growing importance of a complete outfit with matching footwear has meant that clothing retailers have been in a better position to respond to this trend.

**Table 2.1 Share of footwear retail distribution in Belgium, % value 2008**

Outlet type	% share
<b>Footwear specialists</b>	<b>61%</b>
Chain stores and franchise operations	46%
Independent stores	15%
<b>Non-specialists</b>	<b>39%</b>
Department stores	3%
Super and Hypermarkets	6%
Sports retailers	12%
Clothing stores	6%
Home Shopping (Internet, mail order)	3%
Others (factory outlets, market stalls etc.)	9%
<b>Total</b>	<b>100%</b>

Source: GfK, Euromonitor (2009)

Brantano is the leading footwear **chain store** in Belgium (<http://www.brantano.be>). They started off in manufacturing but have expanded into other countries with their store network. They had 122 outlets in Belgium, and have been taken over by the Dutch retail group Macintosh. The chain is likely to be repositioned as a mid-priced retailer, as it has been struggling because of competition from hypermarkets that sell low priced footwear, usually imported.

The Euro Shoe Group (<http://www.euroshoe.com>) operates a number of different retail formats in Belgium, including Avance, with 48 outlets selling stylish comfortable footwear; Shoe Discount, with 157 outlets selling family footwear at competitive prices; Shoes in the Box, with 56 outlets, and Primo with 38 outlets, which is a sports retailer.

Not all retailers are locally owned. In some cases, purchasing decisions may be taken elsewhere. However, in the first instance it is advised to approach the local point of contact. Other international retail chains in Belgium include Salamander, Eram, Deichmann, Clarks and Geox, which now has seven outlets in Belgium and sales are increasing rapidly. Other specialists include Cortina, Berca, Bent, Scapino (Macintosh) and Torfs.

**Leading clothing retailers** have been forced to focus on discount and value. This also applies to their footwear ranges. Leading retailers in this segment include C&A – <http://www.c-et-a.be> - with 119 outlets, the Swedish owned H&M with 55 outlets and Zara with 25 outlets. JBC - <http://www.jbc.be> - is the leading domestic clothing retailer with 106 outlets. E5-Mode - <http://www.e5mode.be> - sells a range of accessories in its 73 clothing outlets. However, each of these is losing share to the major international players, particularly from H&M and Inditex.

**Leading sports specialists** were Disport, Intersport and Go Sport, which also sell high volumes of sports footwear.

**Hypermarkets** tend to sell lower-priced products in this market sector, but their wide availability of outlets and the convenience they represent means they are a major challenge to specialist outlets. The leading super/hypermarkets are Delhaize (<http://www.delhaize.be>) with 738 outlets, Carrefour with 120 food and non-food outlets (<http://www.hypercarrefour.be>) and Cora (<http://www.cora.be>) with 671 outlets.

**The department store sector is small.** In recent years, more companies have left this sector than entered it. A wide range of footwear brands are sold here. The leading department store chain is the German-owned Inno, which has 15 outlets (<http://www.inno.be>).

**Home shopping** has been traditionally strong in Belgium, particularly Trois Suisses - <http://www.3suisses.be> - and La Redoute -<http://www.laredoute.be>. Much of this business is now done online, as they have to compete with the online operations of the major retailers, as

well as the rapid growth of specialist Internet retailers such as Aura - <http://www.aura-online.be> - that has a single retail outlet but does most of its business online. Internet sales (including mail order) accounted for 3% of the Belgian footwear market in 2008.

### **Finding a suitable trading partner**

There are a number of ways to look for a suitable trading partner in Belgium. The first place to look would be to contact the main trade association(s), followed by trade fairs, which tend to feature a list of exhibitors, many of which may be potential partners – see Chapter 6. In addition to these sources, there are often a number of general or specific information portals that will be useful. The following organisations may be worth looking at:

- There are several associations for footwear and some of their members could be interested in contact with exporters from developing countries. Addresses and websites of these associations can be found in Chapter 6.
- Contacts in Belgium can also be found at trade magazines for the footwear and leather goods industry, which are mentioned in Chapter 6.
- The International Trade Centre (<http://www.intracen.org>) or the Federation of Belgian Distributors (<http://www.fedis.be>) could be a good source of general advice. The Belgian Chambers of Commerce and Industry which can be reached at <http://www.cci.be> are also a useful organisations to find contacts in the Belgian market.

More information can be found in chapter 4 of 'From survey to success - exports guidelines' for footwear.

## **3 Trade: imports and exports**

### **Imports**

#### ***Total imports***

In 2008, Belgium imported footwear valued at € 1.9 billion, or 219 million pairs. This accounted for 7% of all EU imports by value, and 7% by volume. This represented an average annual increase in value of 7% since 2004 from € 1.4 billion (9% in volume from 154 million pairs). Belgium was the fifth largest importer of footwear after Germany, Italy, France and the UK. Countries with similar levels of imports were Spain and the Netherlands. It ranked sixth in volume terms, behind Spain and Italy.

This growth in imports compared with a 9% growth in exports (12% by volume). Export values were 1.3 times greater than import values but import volumes were almost 1.3 times greater than export volumes. Production continued to fall in Belgium and the consumer market has grown lower than the EU average. The Belgian market is dominated by imports, but as has been noted elsewhere, most of these imports are bound for onward transit to other EU countries. The increase in the volume of exports is a clear indicator of this as domestic production is negligible.

The share of imports by developing countries was up from 52% in 2004 in value, and up from 71% or 110 million pairs in volume. Increases were registered in the footwear supplies of China, Vietnam, Indonesia, India, Brazil (!) and Bosnia Herzegovina (!). There were falling supplies from Thailand, Bangladesh and Turkey. See further in Annex 2 for more information.

#### ***Imports by product group***

##### ***Leather footwear***

This was the largest footwear product group. Valued at € 1.1 billion in 2008, it represented 59% of all footwear imports to Belgium. This product group was increasing in significance in its value and volume contribution to imports. Intra-EU accounted for 49% of the value supply (25% by volume or 19 million pairs), but this decreased from 64% in 2004 (43% by volume or 20 million pairs). Italy's share was down from 21% in 2004.



**Table 3.1 Belgian imports of footwear with leather uppers, 2004 - 2008, € million / million pairs\***

	2004		2006		2008		Average annual % change in value
	value	volume	value	volume	value	volume	
<b>Total Belgium, of which from</b>	<b>733</b>	<b>46</b>	<b>933</b>	<b>58</b>	<b>1,104</b>	<b>76</b>	<b>10.8</b>
Intra-EU	468	20	507	20	538	19	3.5
Extra-EU	1	2	8	0	8	1	68.2
Developing countries	247	24	418	37	557	56	22.5
Sports	46	2	61	3	62	3	7.7
Indoor	10	1	7	1	8	1	-5.4
Outdoor leather outer soles	116	4	122	3	150	5	6.6
Outdoor other outer soles	561	38	744	50	883	66	12.0

Source: Eurostat (2009) \*See Annex for more detail

Developing country suppliers represented 50% of all imports by value (74% by volume or 56 million pairs), up from 34% in 2004 (52% by volume or 24 million pairs). See Table 2 in the Annex for more information. *Outdoor leather footwear with other outer soles* was the largest sub-sector, accounting for 80% of all leather footwear in 2008 (87% by volume). This sub-group was increasing in importance.

#### Rubber or plastic footwear

This group was valued at € 381 million in 2008, accounting for 20% of all footwear imports to Belgium. This group has increased its importance in terms of both value and volume. Intra-EU trade accounted for 25% of imports by value (9.8% by volume or 9 million pairs). This compared with a position of 27% by value in 2004 (17% by volume or 9 million pairs).

**Table 3.2 Belgian imports of footwear with plastic/rubber uppers, 2004 - 2008, € million / million pairs\***

	2004		2006		2008		Average annual % change in value
	value	volume	value	volume	value	volume	
<b>Total Belgium, of which from</b>	<b>346</b>	<b>53</b>	<b>364</b>	<b>88</b>	<b>381</b>	<b>92</b>	<b>2.4</b>
Intra-EU	93	9	82	8	96	9	0.8
Extra-EU	6	1	3	0	1	0.4	-36.1
Developing countries	246	43	279	80	284	83	3.7
Sports	106	10	67	6	86	9	-5.1
Indoor	6	2	8	4	10	5	13.6
Outdoor	69	41	289	78	284	78	42.4

Source: Eurostat (2009) \*See Annex for more detail

Developing country suppliers represented 74% of all imports by value in 2008 (90% by volume or 83 million pairs), up from 71% in 2004 (81% by volume or 43 million pairs). *Rubber or plastic outdoor footwear* was the largest sub-sector, accounting for 74% of this group in 2008 (85% by volume). See Table 3 in Annex for more information.

#### Textile footwear

This group was valued at € 327 million in 2008, accounting for 18% of all footwear imports to Belgium. This group has marginally increased in importance since 2006 but had decreased in importance since 2004. Intra-EU trade accounted for 29% of imports by value (23% by volume or 11 million pairs). This position compared with 25% by value in 2004 (19% by volume or 10 million pairs).

**Table 3.3 Belgian imports of footwear with textile uppers, 2004 - 2008, € million / million pairs**

	2004		2006		2008		Av. annual % change in value
	value	volume	value	volume	value	volume	
<b>Total Belgium, of which from</b>	<b>334</b>	<b>52</b>	<b>268</b>	<b>41</b>	<b>327</b>	<b>48</b>	<b>-0.5</b>
Intra-EU	84	10	75	9	95	11	3.1
Extra-EU	2	1	1	0	2	0.3	0.0
Developing countries	247	41	193	32	230	37	-1.8
Sports	236	20	174	13	200	17	-4.1
Indoor rubber/plastic outer soles	20	8	16	7	18	9	-2.6
Indoor other outer soles	7	5	6	4	6	3	-3.8
Outdoor rubber/plastic outer soles	62	17	65	14	97	18	11.8
Outdoor other outer soles	8	1	7	1	6	1	-6.9

Source: Eurostat (2009)

Developing country suppliers represented 70% of all imports by value in 2008 (77% by volume or 37 million pairs), up from 74% in 2004 (79% by volume or 41 million pairs).

*Textile sports footwear* was the largest sub-sector, accounting for 61% of this group in 2008 (35% by volume). Its share has decreased since 2004.

#### Other footwear

This was the smallest product group, valued at just € 46 million in 2008 (2.5% by value and 1.4% by volume or 3 million pairs). Intra-EU supplies accounted for 72% of the value of this group (67% of volume), and that share has decreased from 76% in value and 50% in volume over the period. Brazil was the leading developing country value supplier while China dominated the developing country volume supply.

**Table 3.4 Belgian imports of other footwear, 2004 - 2008, € million / million pairs**

	2004		2006		2008		Average annual % change in value
	value	volume	value	volume	value	volume	
<b>Total Belgium, of which from</b>	<b>29</b>	<b>2</b>	<b>34</b>	<b>3</b>	<b>46</b>	<b>3</b>	<b>12.2</b>
Intra-EU	22	1	27	2	33	2	10.7
Extra-EU	1	0	1	0	0.3	0.5	-26.0
Developing countries	6	1	6	1	13	1	21.3
Other uppers	10	2	12	1	14	1	8.8
Waterproof	6	0.9	7	1	10	1	13.6
Parts	14	0.3	15	0.2	22	0.3	12.0

Source: Eurostat (2009)

#### **Exports**

In 2008, Belgium exported footwear valued at € 2.4 billion, or 174 million pairs. This represented an average annual increase in value of 9.4% from € 1.7 billion, and an average annual increase of 12% in volume since 2004 from 110 million pairs.

In 2008, Belgium was the third largest exporter by value after Italy and Germany. It was also third in volume, behind Italy and Spain. This large figure, also bearing in mind the small and diminishing footwear production in Belgium, was primarily accounted for by re-exports many

of which were Nike (sports) footwear. Around 95% of Belgian exports were intra-EU (98% by volume).

In terms of product groups, leather footwear was valued at € 1.3 billion or 53 million pairs, up an annual average of 22% from € 578 million and up 19% by volume from 26 million pairs in 2004. Outdoor leather footwear with other outer soles dominated this group of exports. The main destinations were France, Italy and the UK. Rubber or plastic footwear was valued at € 557 million or 81 million pairs. This was up 1.5% from € 525 million and up 18% by volume from 42 million pairs in 2004. Outdoor plastic footwear was the largest sub-group. France, Germany, Italy, Spain and the Netherlands were the main destinations.

The next largest group of exports were textile footwear, which was valued at € 502 million or 38 million pairs, down 2.1% from € 547 million and down 1.3% by volume from 40 million pairs in 2004. Textile sports footwear was the leading sub-group. France, Germany, UK and Spain were the main destinations. Other footwear accounted for € 24 million or 2 million pairs. This was up 11% from € 16 million and up 5.7% by volume from 1.6 million pairs in 2004. Other parts of footwear was the largest sub-group. Germany, France and the Netherlands were the principle destination countries.

### Opportunities and threats

- + Belgium should be viewed as a potentially interesting market for exporters from developing countries. It has a mature domestic retail market, combined with the fact that local production plays a very small part of this. Therefore, the Belgian market is reliant on imports. A market such as Belgium, in which re-exports play such a major part, needs to be considered in a different way to other export markets, where only the consumption of that country is important. For Belgium, an exporter needs to understand the dynamics and the linkages with the other countries to which the exports are ultimately destined.
- + The greatest opportunities have been seen in imports of rubber or plastic footwear from a volume perspective, whilst the greatest value opportunities have been experienced in the leather footwear sector. Conversely, the textile footwear sector has not been growing with the rest of the market.
- + The fact that the value share of imports from developing countries was only marginally up over the period while the volume share has increased a lot indicates strong downward pressure on prices. This indicates opportunities for lower-priced footwear.
- However, exporters should take care not to trade at a loss or with unsustainably low margins over a prolonged period. This may be justifiable for a limited period to gain market entry, but it is neither advisable nor feasible to trade in this way in the long run.

It is also important to note that an opportunity for one developing country can also be a threat to another. Many EU countries switch country sources purely for competitive advantage, rather than moving supplier because of changes in demand for other reasons. Exporters should read carefully the trends and developments outlines on other parts of this survey before establishing whether Belgium offers a genuine export opportunity.

See also chapter 7 of the CBI market survey covering the EU for a more general analysis.

### Useful sources

- EU Expanding Exports Helpdesk
  - <http://exporthelp.europa.eu>
  - go to: trade statistics
- Eurostat – official statistical office of the EU
  - <http://epp.eurostat.ec.europa.eu>;
  - go to 'themes' on the left side of the home page
  - go to 'external trade'
  - go to 'data – full view'
  - go to 'external trade - detailed data'
- Understanding eurostat: Quick guide to easy comext
  - [http://www.eds-destatis.de/en/database/download/Handbook\\_Comext\\_Database.pdf](http://www.eds-destatis.de/en/database/download/Handbook_Comext_Database.pdf)

#### 4 Price developments

##### **Consumer prices**

Prices of footwear in Belgium are above the EU average. This is partly explained by the popularity of leather-made footwear that tend to attract a price premium. This also applies to sports footwear, but not to boots. Consumer prices in general were above the EU average in 2008, with increases of 4.5%, but below the EU average in 2009 when there was no increase to the all-price index. This compared with the EU average of 3.7% in 2008, and 1% in 2009.

Prices of footwear over the same period increased in Belgium by 2.3% in 2008, and by 2.0% in 2009, while EU prices increased by 0.2% in 2008 and by 0.3% in 2009. Table 4.1 shows the prices of some footwear, which are tracked on a monthly basis by the National Bank of Belgium.

**Table 4.1 Average price movements of various types of footwear, €, 2006 – 2009**

	Oct 2005	Oct 2006	Oct 2007	Oct 2008	Oct 2009
Leather shoes (men)	na	94.59	95.55	98.86	99.62
Jogging shoes (men)	na	85.61	85.64	87.08	88.34
Tennis shoes (women)	68.46	67.38	67.89	68.05	69.17
Leather shoes (women)	80.42	79.78	80.83	82.83	83.09
Leather boots (women)	107.74	110.49	113.04	117.00	116.65
Sports shoes (children)	na	65.23	66.19	68.19	68.88
Low boots (children)	na	62.71	64.09	65.83	64.06

Source: National Bank of Belgium (2010)

The central location of Belgium in Europe also means that footwear prices are also influenced by prices in neighbouring countries, such as France, Germany and the Netherlands. Price comparability via cross-border retailing and Internet shopping also act as a limiting factor for price increases and encourage convergence of prices between countries.

As well as the National Bank of Belgium (see above), consumer price indices can also be found on the Belgian National Statistical website (<http://www.statbel.fgov.be>). See chapter 2 for a list of main retailers, many of which feature prices on their websites. Brantano is a leading footwear retailer where prices of a wide range of footwear products can be found (<http://www.brantano.be>). The Euro Shoe Group has a number of different retail formats, some of which feature prices (<http://www.euroshoe.com>).

##### **Import prices**

Import prices to Belgium have been falling during the period, as Table 4.2 indicates. Total import prices to Belgium were up to the EU average of € 8.49, although developing country prices are slightly higher than the EU average (€ 5.13). Prices from developing countries have

**Table 4.2 Development in Belgian average import values/prices, 2004 - 2008**

	2004	2006	2008	ave. Annual % change
	ave price per pair	ave price per pair	ave price per pair	
Total imports	9.37	8.43	8.50	-2.4
Intra-EU	16.45	17.57	18.93	3.6
Developing countries	6.79	6.01	6.12	-2.3

Source: Eurostat (2009)

been falling at a similar rate than total import prices. These prices will not have a major bearing on domestic retail prices as a large proportion of Belgian imports are re-exported. Nevertheless, these price movements reinforce the trend seen elsewhere of increasing

purchases of lower-priced footwear from Asian manufacturers. Please note that these trends should be interpreted with care, as changes in imports do not reflect the demand in Belgium.

There are quite different import prices for the different product groups. For example, the import price for leather footwear was significantly higher than import prices for other types of footwear.

**Price structure**

Footwear retailers’ margins have been severely affected by anti-dumping tariffs. However, larger retail organisations have been less affected and more capable of withstanding such additional costs.

Footwear margins have been falling in Belgium in recent years, because of intense competition in the supply chain and an intensification of competition between retailers. In general, there are some national differences, however, footwear is a global business and margins tend to become more similar in most EU markets.

There are also differences in margin levels between different types of footwear, with generally higher retail margins for (branded) formal or evening footwear, and lower margins for more casual or sports footwear.

In each trade channel different margins and prices apply, with a total mark-up (including VAT) of 2.3 up to 2.9 of the export (CIF) price.

**Table 4.3 Overview of margins in footwear**

	<b>Low</b>	<b>High</b>
Importers/wholesalers' margins	30%	40%
Agents' margins	10%	15%
Retailers' margins	45%	75%
Mark-up CIF price - Consumer price	<b>2.3</b>	<b>2.9</b>

These margins will vary depending on which market segment is being approached. The higher the market segment, the higher the margins that can be commanded. Buying groups and chain stores ask for large-volume discounts, which are then passed on to their affiliated stores. VAT of 21% is added to retail prices.

More information can be found in chapter 3.2 of the CBI market survey ‘The footwear market in the EU’.

**5 Market access requirements**

As a manufacturer in a developing country preparing to access Belgium, you should be aware of the market access requirements of your trading partners and the Belgian government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. You need to comply with EU legislation and have to be aware of the additional non-legislative requirements that your trading partners in the EU might request.

For information on legislative and non-legislative requirements, go to ‘Search CBI database’ at <http://www.cbi.eu/marketinfo>, select footwear and Belgium in the category search, click on the search button and click on market access requirements.

The new EU regulation on chemical substances, called REACH, has been in force since 2007. For more information on REACH, see the document on the CBI website at <http://www.cbi.eu/marketinfo>.

Additional information on packaging can be found at the website of ITC on export packaging: <http://www.intracen.org/ep/packit.htm>

Information on tariffs and quota can be found at <http://exporthelp.europa.eu>

## 6 Doing business

The most important ways to develop a business relationship are either to exhibit at one of the main footwear trade fairs, or to make a direct approach to wholesalers or major retailers. In Belgium, many business people still prefer a formal style of communication, both in the way a presentation is put together, and in the way contact is made. A very aggressive price driven approach will not be effective. Belgians are very interested in price, but it is also important to appreciate from the outset the importance of retaining your customers. Many buyers are not always loyal and it is much easier to lose a customer than to find a new one.

General information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) can be found in CBI's export manuals 'Export Planner' and 'Your image builder'. Furthermore, cultural awareness is a critical skill in securing success as an exporter. Information on cultural differences in the EU can be found in chapter 3 of CBI's export manual 'Exporting to the EU'. These manuals can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications.

### **Trade magazines**

Advertising in trade magazines can sometimes be an effective means of reaching a small target group. Some of the main Dutch shoe trade magazines are on sale in Belgium. See the CBI market survey 'The footwear market in the Netherlands' for details.

However, there are the following two magazines specifically for the Belgian market.

- One is De Voorlichter/L'Informateur, which is the newsletter of Shoes Magazine, and Shoes Magazine itself. Both are published by VDK Press (<http://vdkpress.be>).
- Squadra Media - <http://www.squadramedia.be> - is another Belgian publisher that has some fashion publications in its portfolio.
- Retail Update - <http://www.retailupdate.be> - is published five times a year, targeting organised retailers in many segments, including footwear and leather goods.

### **Trade Fairs**

The main trade fair for the footwear industry in Belgium is called the Shoe Show and Leather Fair, which takes place in January at Trade Mart Brussels (<http://www.trademart.be>).

### **Trade associations**

There is much information on the footwear industry in Belgium at the website of the Belgian Federation of the Footwear Industry (<http://www.febic.be>). Some Belgian manufacturers featured may be looking to develop relationships with developing country exporters. Other useful contacts are:

- The Federation Nationale de la Chaussure represents footwear retailers (<mailto:ramelot@skynet.be>).
- The National Association of Footwear and Leather Goods Retailers - <mailto:sofie.vanpouck@unizo.be>.
- The Federation of Belgian Enterprises (<http://www.vbo-feb.be>).
- The Belgian Fashion Federation (<http://www.belgianfashion.be>).

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**ANNEX ADDITIONAL STATISTICAL TABLES**
**Table 1 Belgian imports and leading suppliers of footwear, 2004-2008, € million/million pairs, average annual changes**

	2004		2006		2008		%	%	%	%
	value	volume	value	volume	value	volume	value share	change value	volume share	change volume
<b>Tot. Belgium</b>	<b>1,442</b>	<b>154</b>	<b>1,600</b>	<b>190</b>	<b>1,858</b>	<b>219</b>	<b>100.0</b>	<b>6.5</b>	<b>100.0</b>	<b>9.2</b>
<i>of which from</i>										
<b>Intra-EU</b>	<b>669</b>	<b>41</b>	<b>691</b>	<b>39</b>	<b>761</b>	<b>40</b>	<b>41.0</b>	<b>3.3</b>	<b>18.3</b>	<b>-0.6</b>
<i>of which</i>										
Netherlands	167	14	213	15	228	14	12.3	8.1	6.4	0.0
Italy	197	8	200	7	207	7	11.1	1.2	3.2	-3.3
France	105	6	95	6	109	7	5.9	0.9	3.2	3.9
<b>Extra-EU</b>	<b>26</b>	<b>3</b>	<b>13</b>	<b>1</b>	<b>13</b>	<b>1</b>	<b>0.7</b>	<b>-15.9</b>	<b>0.5</b>	<b>-24.0</b>
(ex. DC)										
<b>Developing countries</b>	<b>747</b>	<b>110</b>	<b>896</b>	<b>149</b>	<b>1,084</b>	<b>177</b>	<b>58.3</b>	<b>9.8</b>	<b>80.8</b>	<b>12.6</b>
<i>of which</i>										
China	291	55	429	99	490	108	26.4	13.9	49.3	18.4
Vietnam	247	28	246	27	325	38	17.5	7.1	17.3	7.9
Indonesia	104	12	92	10	142	19	7.6	8.1	8.7	12.2
Thailand	68	8	81	8	64	6	3.4	-1.5	2.7	-6.9
India	12	1	19	2	20	1	1.1	13.6	0.5	0.0
Brazil	2	0.6	6	1	15	1	0.8	65.5	0.5	13.6
Malaysia	4	1	0.5	0.1	8	0.9	0.4	18.9	0.4	-2.6
Bosnia Herzegovina	0.2	0.01	0.7	0.02	6	0.1	0.3	34.0	0.05	77.8
Bangladesh	7	2	3	0.6	4	0.6	0.2	-13.1	0.3	-26.0
Turkey	3	1	2	0.4	2	0.3	0.1	-9.6	0.1	-26.0

Source: Eurostat (2009)

**Table 2 Belgian imports and leading suppliers of footwear with leather uppers, 2004-2008, € million/million pairs, average annual changes**

	2004		2006		2008		%	%	%	%
	value	volume	value	volume	value	volume	value share	change value	volume share	change volume
<b>Tot. Belgium</b>	<b>733</b>	<b>46</b>	<b>933</b>	<b>58</b>	<b>1,104</b>	<b>76</b>	<b>100.0</b>	<b>10.8</b>	<b>100.0</b>	<b>13.4</b>
<i>of which from</i>										
<b>Intra-EU</b>	<b>468</b>	<b>20</b>	<b>507</b>	<b>20</b>	<b>538</b>	<b>19</b>	<b>48.7</b>	<b>3.5</b>	<b>25.0</b>	<b>-1.3</b>
<i>of which</i>										
Italy	155	6	173	5	177	4	16.0	3.4	5.3	-9.6
Netherlands	104	5	141	7	143	5	12.9	8.3	6.6	0.0
France	65	3	61	2	64	2	5.8	-0.4	2.6	-9.6
<b>Extra-EU</b>	<b>18</b>	<b>2</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>1</b>	<b>0.7</b>	<b>-18.4</b>	<b>1.3</b>	<b>-15.9</b>
(ex. DC)										
<b>Developing countries</b>	<b>247</b>	<b>24</b>	<b>418</b>	<b>37</b>	<b>557</b>	<b>56</b>	<b>50.4</b>	<b>22.5</b>	<b>73.7</b>	<b>23.6</b>
<i>of which</i>										
China	61	5	164	14	199	18	18.0	34.4	23.7	37.7
Vietnam	98	10	104	9	156	16	14.1	12.3	21.0	12.5
Indonesia	40	4	61	6	114	15	10.3	29.9	19.7	39.2
Thailand	29	3	55	5	47	4	4.3	12.8	5.3	7.5
India	7	0.7	16	1	18	1	1.6	26.6	1.3	9.3
Brazil	1	0.08	2	0.1	7	0.7	0.6	62.7	0.9	72.0
Bosnia Herzegovina	0.2	0.01	0.4	0.01	3	0.08	0.3	96.8	0.1	68.2
Bangladesh	4	0.4	2	0.2	3	0.2	0.3	-6.9	0.3	-15.9
Morocco	0.5	0.03	1	0.06	1	0.07	0.09	18.9	0.09	23.6
Tunisia	2	0.1	3	0.2	1	0.08	0.09	-15.9	0.1	-5.4

Source: Eurostat (2009)

**Table 3 Belgian imports and leading suppliers of footwear with plastic/ rubber uppers, 2004-2008, € million/million pairs, average annual changes**

	2004		2006		2008		%	%	%	%
	value	volume	value	volume	value	volume	value share	change value	volume share	change volume
<b>Tot. Belgium</b>	<b>346</b>	<b>53</b>	<b>364</b>	<b>88</b>	<b>381</b>	<b>92</b>	<b>100.0</b>	<b>2.4</b>	<b>100.0</b>	<b>14.8</b>
<i>of which from</i>										
<b>Intra-EU</b>	<b>93</b>	<b>9</b>	<b>82</b>	<b>8</b>	<b>96</b>	<b>9</b>	<b>25.2</b>	<b>0.8</b>	<b>9.8</b>	<b>0.0</b>
<i>of which</i>										
Netherlands	28	4	38	4	40	4	10.5	9.3	4.3	0.0
Italy	31	2	16	1	17	0.8	4.5	-14.0	0.9	-20.5
France	15	1	12	1	15	2	3.9	0.0	2.2	18.9
<b>Extra-EU</b>	<b>6</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>0.4</b>	<b>0.3</b>	<b>-36.1</b>	<b>0.4</b>	<b>-20.5</b>
(ex. DC)										
<b>Developing countries</b>	<b>246</b>	<b>43</b>	<b>279</b>	<b>80</b>	<b>284</b>	<b>83</b>	<b>74.5</b>	<b>3.6</b>	<b>90.2</b>	<b>17.9</b>
<i>of which</i>										
China	114	23	173	64	165	64	43.3	9.7	69.6	29.1
Vietnam	65	9	77	11	96	15	25.2	10.2	16.3	13.6
Indonesia	44	5	17	2	14	2	3.7	-24.9	2.2	-20.5
Thailand	14	2	6	1	2	0.5	0.5	-38.5	0.5	-29.3
Bosnia Herzegovina	0	0	0.3	0.008	2	0.04	0.5		0.04	
Malaysia	2	0.9	0.4	0.1	2	0.5	0.5	0.0	0.5	-13.7
Brazil	1	0.6	2	0.9	0.9	3	0.2	-2.6	3.3	49.5
Bangladesh	3	0.6	0.1	0.02	0.2	0.04	0.05	-49.2	0.04	-49.2
Turkey	1	0.6	0.7	0.2	0.2	0.08	0.05	-33.1	0.09	-39.6
Cambodia	1	0.2	0.2	0.03	0.07	0.01	0.02	-48.8	0.01	-52.7

Source: Eurostat (2009)