CBI MARKET SURVEY

The natural stone and stone products market in Belgium

Publication date: April, 2010

Report summary

This CBI market survey discusses the following highlights for the natural stone and stone products market in Belgium:

- In 2008, Belgian consumption of monumental & funeral products was € 213 million and production was € 109 million. Belgium is ranked 6th in the EU based on consumption and 10th based on production. Between 2004 and 2008 consumption of monumental & funeral products decreased at an annual average rate of 1.6% per year. Over the same period Belgian production dropped by 14% per year.
- In 2008, Belgium imported about € 317 of natural stone products making it the 5th biggest importer in the EU. Total Belgian imports increased by 8.5% per year between 2004 and 2008.
- Developing countries (DC) are becoming increasingly important as suppliers of low priced products. Between 2004 and 2008 the market share of DC increased from 59% to 67%. In 2008, China, India and Vietnam were the most important DC supplying to Belgium with a market share of 29%, 15% and 6.2% respectively.
- The Belgian natural stone market in coming years is expected to decline in coming years. The main reason is the economic crisis affecting the construction sector and the consumer market. Natural stone however remains a popular building and finishing material ensuring the recovery of the market when the economy recovers.

This survey provides exporters of natural stone and stone products 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 natural stone and stone products 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

Note: In Chapter 1 Market description: consumption and production, the following product groups are addressed:

- blocks & slabs
- landscape design
- monumental and funeral

Monumental & funeral is an aggregate of flooring & cladding and funeral & other arts sub products groups which are disaggregated and dealt with separately in the Import/Export section. For more information about the product groupings, please refer to Appendix A in the CBI survey 'The natural stone and stone products market in the EU'.

1 Market description: consumption and production

Consumption

Belgium is inhabited by 10 million people making it the 11th most populated country in Europe. In 2008, the Belgian consumption of finished stone products was € 230 million. Belgian consumption has dropped at an average rate of 2.5% per year. Belgium is ranked 6th accounting for 3.4% of total EU consumption of finished stone[1], above Ireland (3.0%) and The Netherlands (2.9%) and below the UK (10%) and Germany (9.0%).

Table 1.1 Belgian consumption of natural stone and stone products per product group 2004 – 2008, € million / 1,000 tonnes

	2004		2006		2008		CAGR*
Product group:	**Value**	**Volume**	**Value**	**Volume**	**Value**	**Volume**	
Blocks & slabs	15	133	17	247	n.a.	n.a.	n.a.
Landscape design	27	246	21	310	17	123	-11%
Monumental & funeral	227	487	257	559	213	536	-1.6%

*CAGR: Compounded annual growth rate
Source: Eurostat (2009)

Economic growth in Belgium has gone down from 3.2% in 2004 to 1.0% in 2008. Therefore, the demand for natural stone has been driven forward by the strong growth in the construction sector, the largest consumer of natural stone, between 2003 and 2008 (6.2% per year).[2] Growth in the construction remained strong until the last quarter of 2008 (-8.7% compared to 2007). As a result the consumption of natural stone in the construction sector dropped by 20% in 2008.

Although reliable figures are missing for blocks & slabs it can be said that Belgium, as in other EU countries, is consuming more finished stone products at the expense of intermediate products. With the growing amount of foreign suppliers on the Belgian market this is expected to continue.

The short-term future for the natural stone market does not look good. The economic slowdown is heavily affecting the construction sector. In the third quarter of 2009 the output was 6.1% lower than in the previous year. Although expectations are that the economy will recover in 2010, the growth in the construction sector will remain negative. With a growing need for housing however it is expected that the construction sector will grow by 1.5% in 2011. However the renovation has been growing in 2009 (1.1%) and forecasts are that it will increase by 1.5% in 2010.

Some companies have already reported a slowdown in demand especially for products used indoors like flooring products. Consumers are becoming more price conscious and are looking for cheaper materials like laminate and ceramic. The market for natural stone products used outdoors seems to be less affected by recent developments. This can have something to do with the anti-cyclical nature of the non-residential construction sector. The projects now carried out have been planned in years when economic conditions were better. Although the Belgian government is trying to improve conditions in the construction sector by investing in renovation and new construction, some projects are being postponed or cancelled at the moment. This might still negatively influence the natural stone market in time to come.

In short, the Belgian demand for natural stone is expected to slow down significantly in the next years, however it is not known to what extent.

Market segmentation

The Belgian natural stone and stone products market can be divided into the following user segments:

- Building industry; by far the biggest consumer of natural stone in Belgium. The Belgian building sector can be divided into three segments: residential (43%) and non-residential

[1] Finished stone products is the sum of the product groups landscape design and monumental & funeral. Due to incomplete data of other countries comparison in this section is only possible for finished stone products.
[2] Source: World Market Intelligence

buildings (57%). The construction sector is one of the main industrial sectors in Belgium and employs an approximate workforce of 193,000.
- Natural stone processing industry; still plays an important role in the domestic market because of Belgium's appreciation for craftsmanship. The technological know-how and focus on quality of the Belgian industry are world-renowned.
- Funeral industry; a large retail sector selling funerary art to the consumer, such as tombstones, gravestones and urns. Natural stone for funeral art is very common in Belgium especially tombstones. The increased popularity of cremation in Belgium has led however to an increased demand for urns.
- Consumer market; other retailers including Do-It-Yourself (DIY) outlets, garden centres and tiles specialists continue to gain importance in selling directly to the consumer.

The segmentation is generally similar to the trade channels discussed in this survey. Therefore for more information regarding these segments in Belgium please refer to chapter 2. For more information on market segmentation in the EU please refer to chapter 1 of the CBI survey 'The natural stone and stone products market in the EU'.

Consumption trends and developments

- **Different regions:** Belgium is divided into three regions; Flanders, Wallonia and Brussels. Each region is different from each other in numerous ways, i.e. culture, language, demography, economy etc. The most populated region is Flanders (58%), followed by Wallonia (32%) and Brussels (10%). The average income per inhabitant per region shows large differences: Brussels (€ 55,100) Flanders (€ 27,900) and Wallonia (€ 20,100).

Regional preferences
You should be aware of these differences. Because natural stone is considered a luxury article the difference in living standards per region does have an influence on the consumption of natural stone, for private consumption as well as consumption by the construction sector. Moreover, there are differences between colour preferences, trends and trade channels (see chapter 3).

- ***Ageing population:*** Belgium's population is slowly ageing; almost 17.4% now is over 65 years. Especially the Flanders region is rapidly ageing. By 2030, Belgian demographers project their country will have 8.5 million more people of retirement age. This population generally is substantially wealthy, which can have a positive influence on the consumption of natural stone in one form or another (interior design, art or gardens). In the long term there will be an increased demand for funerary art (i.e. tombstones and urns).
- ***Renovation on the rise:*** recently house prices have been under pressure. However, house owners will be reluctant to sell their current house to upgrade to a newer and/or more expensive house. Renovations are therefore expected to increase. Natural stone products often used in renovations will therefore likely be more in demand. For example, importers are buying more 10mm tiles that can be laid on existing floors without having to make adjustments to the doors.
- ***Authentic colours and finish*****:** Belgians like a natural look with an authentic feel. Like in other Western European countries dark colours remain popular in Belgium. Beltrami, a large Belgian importer, estimates that 80% of the products in their assortment consist of grew, black and blue. Belgians prefer a rough finish. This gives the stone a more natural feel and is easier in maintenance.
- ***Blue stone imitations:*** Belgian blue stone has been used in Belgium for centuries. It often used for door thresholds and steps but also in kitchen and bathroom countertops. Its main disadvantages are its sensitivity for scratches and acid. Although Belgian blue stone is only available in Belgium, there are an increasing number of countries (e.g. Vietnam and China) offering similar blue stone. Although there is some debate about the quality of the alternatives they are cheaper than the original product. Therefore DC exporters with blue stone in assortment might be able to find willing importers in the Belgium. However,

research on the actual comparison of the different types is advised. For the technical characteristics of Belgian blue stone refer to the website of the Federation Blue Stone (http://www.federationpierrebleue.be/karakteristieken.htm)

- ***Larger tiles***: although this the popularity of larger-sized tiles has past its highest point, there is still a large demand for them. Especially for interior and exterior flooring and cladding, including exceptionally large square (90 cm x 90 cm) or rectangular tiles (60 cm x 120 cm). See the box below for other popular sizes in Belgium.

Common measurements of natural stone products in Belgium:

- Tiles are often 8, 10, 12, 15 and 20 mm thick. The measurement of tiles differs:
  - Square tiles: 300 x 300, 400 x 400, 500 x 500 and 600 x 600 mm;
  - Rectangular tiles: 300 x 150, 400 x 200, 600 x 300, 600 x 400 mm;
- Baseboards: 60-80 mm high and 8-10 mm thick;
- Flagstones: irregulars shaped and between 12-25 mm thick;
- Slabs: 20, 30 and 40 mm thick are most common when used in the construction sector. For the funerary sector slabs 60, 80 and 100 mm thick are often used. New techniques allow 3 mm slabs to be cut that can be adjusted to other materials;
- Blocks: 1 x 1 x 2 and 2 x 2 x 3 m.

- ***Alternatives***: alternatives materials have been growing in popularity; such as composite materials like quartz for tiles and kitchen. The advantages of composite include a wider colour range, its durability and weight (lighter than natural stone). Although the price is often similar or even higher than natural stone quartz is becoming a serious competitor for natural stone. The quartz market is dominated by two brands Silestone and Caesarstone. Composite is processed by the same machines as natural stone and often has the same trade channels as natural stone. Processors in DC can therefore decide to focus on both markets.
- ***Sustainability***: Belgian consumers are increasingly interested in authentic, natural and sustainable production and sourcing. The Belgian government is trying to support the environmental friendly renovation of houses and building by providing tax cuts. Another initiative on sustainable production and sourcing of natural stone is the Belgian Working Group on Sustainable Natural Stone, which developed a code of conduct for natural stone (http://www.indianet.nl/pdf/codeofconductnaturalstone.pdf), that lays down sustainability criteria on societal, labour, and environmental issues, and sets operational requirements. One of the largest Belgian importer, Beltrami, is also active in this working group. DC exporters that take a pro-active approach to the issue sustainability might find market openings easier.

Sustainable supply chain

A sustainable natural stone supply chain demands large investments by multiple parties and is a long process. You can take a pro-active approach to the matter and map out the sustainability issues related to their own organisation and of possible suppliers. In this way it is possible to work towards a better situation and be able to respond to possible questions coming from importers and consumers in Belgium.

Production

In 2008, the Belgian production of monumental & funeral products amounted to € 109 million. Belgian production has decreased at an average rate of 14% per year. Belgium is ranked 10th accounting for 1.7% of total EU production of finished stone, above Austria (1.3%) and The Netherlands (1.1%) and below Ireland (1.8%) and Poland (1.5%).

Table 1.2 Belgian production of natural stone and stone products per product group between 2004 – 2008, € million/1,000 tonnes

	2004		2006		2008		CAGR*
Product group:	**Value**	**Volume**	**Value**	**Volume**	**Value**	**Volume**	
Blocks & slabs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Landscape design	32	399	25	337	n.a.	n.a.	n.a.
Monumental & funeral	198	261	194	213	109	140	-14

*CAGR: Compounded annual growth rate
Source: Eurostat (2009)

In recent years, Belgian processing companies have had fierce competition from suppliers of finished natural stone products from developing countries (DC). Low prices (low wages), improved quality (improved technology) and the increasing number of suppliers have made it difficult for natural stone processing companies in Belgium to maintain their market positions. Production has especially suffered after 2006.

Forecasts for the Belgian industry are not positive. The dire economic outlook and expectation for the construction market is expected to give foreign suppliers even more hold on the Belgian market. Although Belgium is trying to promote use of its own natural stone as much as possible this is true for all regions in Belgium.

Production trends and developments

- ***Computer numerical control (CNC)***: Belgian processing companies are increasingly working with slates of natural stone that have been calibrated in such a way that they are ready to be processed by CNC machines. CNC machines can do labour-intensive work more accurate and faster and thereby open up new markets. DC exporters should therefore look into the possibilities of supplying calibrated slates and/or in invest CNC machines to compete with their EU counterparts.
- **Popular stone in Belgium**: the Belgian companies however still plays an important role in Belgium. Most large companies own domestic quarries. Natural stones that originate from Belgium are described on the website of Pierres et Marbres de Wallonie and include
  - Calcerous stone such as blue limestones (e.g. Belgian blue stone), marbles (e.g. golzinne and dinant black marble) and sandy limestones (e,g. fontenoille and gobertange).
  - Sileceous stone such as sandstone, quartzite and arkose

  DC exporters that offer similar stone can compete wit local suppliers on price. Therefore it good to be well informed before approaching buyers. For specifics visit the website of Pierre et Marbres de Wallonie (http://pierresetmarbres.be/-Stones-.html).
- **Blue stone still wide-spread in Belgium:** Although DC exporters supply different types of stone they are in competition with Belgian producers. Belgian Blue Stone, a Belgian quarry owner and processor, states the reasons why their stone is superior to similar products from Asia on their website.

Belgian Blue Stone

Belgian Blue Stone (http://www.pierrebleuebelge.be) advises the visitors of their website not to use imitation blue stone but the original Belgian products. It states that the stones do not have the same appearance nor technical properties as Belgian blue stone. Furthermore, they do not meet the same quality criteria and seldom comply to the specifications of our sites. The company gives other reasons to only buy for Belgian blue stone:

- **Uniformity of deliveries:** the diverse and uncontrollable supply sources of the Asian stones frequently result in deliveries composed of inconsistent stones.
- **Aesthetic:** the stones have neither the same shades nor the same patina as Belgian Blue Stone. They do not contain crinoids. Since they are often mixed with Belgian Blue Stone on the same site the differences in appearance and quality are immediately apparent.
- **Mechanical and Chemical Characteristics:** the compressive strength and the chemical composition of the Asian stones are extremely variable. Tests for frost resistance are not

performed in the same climatic and construction conditions as in Belgium.
- **Quarrying methods:** blocks are often extracted using explosives causing micro-cracks which are undetectable at the time of taking delivery.
- **Selection criteria:** while in Belgium only 15 to 20 % of quarried stones are selected for marketing as ornamental stone, Asian stones are not selected according to the same quality requirements.
- **Certification:** while Belgian Blue Stone has certifications guaranteeing its quality (ATG with certification, ISO, Designation of Local Origin), the imported products are only subjected to a few tests and therefore do not comply with all the criteria. The Belgian Blue Stone quarries are also ISO 9001-2000 certified.
- **Ethical:** Asian stones are produced in human and social conditions which are very different to the Belgian conditions in terms of safety, working hours and child labour. They do not produce any consequences in relation to employment, on the contrary they threaten many direct and indirect jobs in the Belgian quarrying industry.

Although these points can be debated, you should be know that these issues can be important for Belgian buyers. Therefore, it is advised to study these prejudices and take action wherever possible to reassure your buyer these problems do not occur with your company.

Find listed below some Belgian natural stone processing companies:
- Brachot-Hermant - http://www.brachot.be - a quarry-owner, manufacturer and wholesaler in natural stone with an extensive product range of slabs and tiles for various applications
- Carrières du Hainaut- http://www.carrieresduhainaut.com - the largest blue stone producer in Belgium and is one of the forerunners of environmentally sound produced natural stone
- Belgian Bluestone - http://www.pierrebleuebelge.be – one of the leading companies in quarrying, sawing and crafting blue stone in Europe
- Steenhouwerijen - http://www.steenhouwerijen.be - website with natural stone processing companies throughout the region of Flanders in Belgium

Opportunities and threats

+ In recent years the demand for finished stone products is increasing at the expense of intermediate stone products. This trend is expected to extend into the future.
+ The growth of consumer and governmental awareness has lead to an increased interest in products from sustainable sources. DC manufacturers who take a pro-active approach to environmental and social production norms will have a competitive advantage.
+ DC exporters that calibrate slabs in such a way that they can be processed by CNC machines have better chances of supplying the Belgian processing industry.
+ Belgium has a long tradition with natural stone and therefore quality standards in Belgium are high. Suppliers of high quality and especially exclusive stone will therefore be able to find market openings easier.
+ Belgium is quite open to foreign trade. Added to a sophisticated system of distribution, it turns Belgium into a test market, where many foreign companies launch new products.

± The position of the Belgian processing industry has weakened significantly in the last decade however they are highly professional and increasingly working together to fend off competition.

- The economic crisis will have a great impact on the natural stone market mainly due to the drop in construction activity and consumer spending.

Note that the above-mentioned developments and trends can be an opportunity for one exporter and a threat for another. Therefore, exporters should analyse the developments and trends discussed in the previous chapters to make their own analyses. For an example of such an analysis, please refer to Chapter 7 of the CBI market survey ‘The natural stone and stone products market in the EU’.

Useful sources

- Pierres et Marbes de Wallonie Association - http://pierresetmarbres.be - association of stone quarries throughout the Walloon region in Belgium.
- In Wonen - http://www.inwonen.be – website includes interior design trends
- Habitos - http://www.habitos.be - website includes interior design trends
- Vakblad Natuursteen - http://www.vakbladnatuursteen.nl – monthly magazine for professionals on the Belgian, Dutch and Luxembourg natural stone market

2 Trade channels for market entry

Trade channels

Wholesaler and importers buy their natural stone directly from supplying countries. In recent years, Antwerp (Flanders) has become an important port for blocks & slabs, not only for the Belgian market but for Central Europe (namely Germany, The Netherlands, Austria, Switzerland and France). 80% of the heavy stone blocks are still sawn into gravestones, but an increasing number of the blocks are used in the building sector. A large part of the blocks are sent to Germany and other Central European countries. At least three times a month a ship docks in Antwerp to unload granite blocks from India, Brazil, South Africa, Scandinavia or China. An average of over 5,000 blocks is stored here. A total of 51 companies have their warehouse in Antwerp.

Recently a large Belgian importer/wholesaler Beltrami has formed an alliance with a Dutch colleague Natuursteen Holland. They are going to work together in the area of assortment and logistics. In this way they are able to offer a broader assortment of natural stone and stone products and provide a better service for the professional Benelux market (Belgium, The Netherlands and Luxembourg). Some importers active on the Belgian market are listed below:

- Beltrami - http://www.beltrami.be – second largest importer with a large supply of natural stone and stone products
- Nijst Natuursteen - http://www.nijst-natuursteen.be - importer of natural stone and stone products used in and around the house
- VM-tegels - http://www.vm-tegels.be - natural stone tile importer
- BMB - http://www.bmb.be - wholesaler/importer and processor of blocks & slabs
- Den Dam - http://www.dendam.be – importer and processor of blocks & slabs

Travelling importers
There are natural stone importers in Belgium that have staff that travel the world in search of good priced quality natural stone and new materials. These importers are usually larger companies with a large network and resources. A lot of the business therefore takes place in DC and **not** in Belgium. Therefore setting up warehouses and investing heavily in establishing yourself in Belgium is not always the best way of working. It might be easier to find out what importers are active in your country and invite them to your facility. They might be able to drop by on their next visit to your country.

The processing industry processes raw material and/or semi-finished products and supplies the retail market. The natural stone processing industries in Belgium buy from wholesalers/importers, quarry their own stones or, depending on the size of the company, buy directly from supplying countries. The natural processing industry in Belgium is still very important largely due to the appreciation of craftsmanship by Belgian consumers. Therefore, the industry is often an important link between importer and retailer. In recent years however, Belgium is importing more semi-finished products instead of processing raw material locally. Some specialized processing companies are given below:

- Brachot Herman - http://www.brachot.com – one of the largest quarry owners and producers in Belgium which also deals with stones directly from developing countries
- Steenimex - http://www.steenimex.com – producer of a large variety of natural stone products for indoor and outdoor

- V.V.D.B. - http://www.grafzerkenvvdb.be – small scale natural stone processor for funerary art located in Borsbeek

Retailers like DIY stores and tiles specialists mainly buy from wholesalers/importers although the larger DIY are also known for buying from exporters directly. Because the natural stone processing industry in Belgium is declining, Belgian retailers are increasingly buying finished products from wholesalers/importers. Retailers mainly focus on the consumer market but installers and contractors also get their material from retailers.

A recent trend towards building and renovating one's own home is expected to increase significantly in the next four years. Whereas in earlier years most DIY purchases were made at small, local stores or specialist retailers, now superstores dominate the market. As a result DIY store chains like Brico, Gamma and Hubo are currently growing. The DIY market in general is extremely price competitive and offers a wide variety of products against low prices. The increased popularity of DIY trade channel favours products from DC. The economic crisis is expected to expand the market share of the DIY channel. Below some retailers active in the Belgian market are listed:

- Hubo - http://www.hubo.be **–** DIY chain active throughout Belgium and The Netherlands
- Brico – www.brico.be – DIY chain with natural stone products in its assortment active in throughout Flanders, Brussels and Luxembourg
- Gamma – www.gamma-belgique.be **–** large DIY chain with stores in Belgium and The Netherlands
- Leroy Merlin – www.leroymarlin.com **–** French DIY chain with branches throughout Europe including Belgium
- Seeger natuursteen - http://www.seegersnatuursteen.be - retailer of natural stone products for in and around the house
- Erinstone - http://www.courtois.be - supplier of natural stone and stone products for the professional and private market
- Crul Nature Stone - http://www.crul.be - retailer of different types of natural stone used in and around the house
- Vinckier - http://www.vinckier-nv.be – supplier of building material including finished stone products

Independent buyers in Belgium are major companies (e.g. construction companies) or governmental organisations often buying directly from supplying countries for large building projects. Find below some large independent buyers:

- Belgian Federal Building Agency - http://www.buildingsagency.be
- CFE - http://www.cfe.be/cfe/ewcm.nsf - biggest Belgian building company

Price structure

Throughout the various trade channels, different prices and margins apply. Most large importers have gross margins of 25-30%. Smaller or more specialised importers often have higher margins. The margins are greatly influenced by the size of order: the bigger the order the cheaper the price per square meter. Margins are under pressure due to the current economic turndown. Most large importers however are not reducing there margins because they have the financial reserves to wait for better for better times. Moreover, the large surplus of unsold stone means that products are being offered for less. Some importers might even be able to increase their margins. Smaller importers with few financial reserves are more likely to lower their margins.

For more information about price structure please refer to chapter 3 of the CBI survey 'The natural stone and stone products market in the EU'.

Selecting a suitable trading partner

Selecting a suitable trading partner can be initiated by contacting a Chamber of Commerce (http://www.enterprise-europe-network.ec.europa.eu/countries/belgium_en.htm) or a related business support organisation. If you want be represented on the Belgian market you can appoint a distributor. A distributorship arrangement might prove hard to arrange but the Belgian associate will purchase the product which is to be sold, thus sharing the marketing risk. Please note however that under Belgian law it can be difficult and costly to terminate the arrangement.

Regional differences
Please be advised that the three different Belgian regions might have different legislation concerning agent- and distributorship so therefore before entering into an agreement additional research is advised. Moreover, the language differences that exist in the different regions in Belgium should also be taken into account when choosing a distributor. Be sure to appoint a representative that knows the region you want to focus on well.

Larger importing parties might be interested in investing in a long-term relationship but will demand exclusive rights to sell the stone. The focus will be on more efficient extraction methods and quality improvement by investing in technology and know-how.

There are various ways to come into contact with importers and other possible trading partners on the Belgian market. Attending trade fairs is one of the most important ways to get exposure. Visiting trade fairs in related markets is also a way to get into contact with Belgian companies. You can either choose between specific trade fairs for natural stone products or more general fairs (e.g. construction, home decoration).

In a market where competition is fierce and margins are small it is becoming increasingly important to be a reliable partner. Delivery time is an important issue for Belgian buyers. Delivering according to agreements and effective communication are crucial for your trading partner and necessary for developing a long-term business relationship.

DC exporters are often constrained by long delivery times (often 12 weeks) which might cause problems (i.e. liquidity) for their Belgian buyers, especially Belgian-buying new comers. In order to avoid problems later, it might be useful to know as much about the company as possible before sending off products. The local Chamber of Commerce is able to provide general information about the company as well as annual reports. There are also commercial companies specialised in company information with respect to its credit and debtor management.

Listed below are websites where you can find possible trading partners:

- Nature Stone site with database on natural stone companies in Belgium - http://www.natuursteen-be.com ➔ go to ‘Zoekscherm’ ➔ select one of the first four categories
- Web guide – http://www.webbel.be ➔ go to ‘N’ ➔ go to ‘Natuursteen’
- Bouwen en Wonen – http://www.bouwenwonen.net ➔ go to ‘ Bedrijvengids/Producten’ ➔ go to ‘Vloeren’
- Building sector website (including links to important building sites) - http://www.cobosystems.be ➔ go to databank ➔ go to ‘Bouwlinks’ (Dutch) or ‘Liens Construction’ (French)
- Confederatie bouw - http://www.confederatiebouw.be ➔ go to ‘Leden’
- FEMA - http://www.fema.be ➔ go to ‘Bouwhandelaren’ (Dutch) or ‘Negociants en materieux de construction’ (French)
- Stone contact - http://www.stonecontact.com ➔ go to ‘Companies’ ➔ write down ‘Stone’ and press ‘Search’ ➔ go to the box that says ‘All countries’ and click on it to select Belgium for an overview of a several natural stone companies
- Europages - http://www.europages.com – international directory that includes natural stone companies in Belgium ➔ fill in ‘natural stone’ and select Belgium

3 Trade: imports and exports

Imports

Total imports

Belgium imported € 317 million worth of natural stone and stone products in 2008, a little under 1.2 million tonnes. Belgian imports increased by an annual average of 8.5% between 2004 and 2008. In comparison, EU imports increased at a slower pace (+4.7% per year). Belgium is the 5th largest importer in the EU, above Spain (7.2%) and below France (13%), accounting for 8.5% of total EU imports.

Table 3.1 Belgian imports of natural stone and stone products between 2004 - 2008, € million / 1,000 tonnes

2004		2006		2008		CAGR*
Value	Volume	Value	Volume	Value	Volume	
229	1’017	276	1’374	317	1’171	8.5%

*CAGR: Compounded annual growth rate
Source: Eurostat (2009)

When comparing figures it becomes clear that despite a drop in consumption (-1.6%) between 2004 and 2008, imports of monumental & funeral products (+12%) grew significantly. Belgian production however dropped by 14% per year. This supports the assumption that Belgium is becoming more reliant on imported natural stone at the expense of Belgian processors.

30% of the total value of Belgian imports comes from intra-EU countries. This comes down to € 95 million with a volume of nearly 249 thousand tonnes. The most important intra-EU suppliers in value are: Spain (6.8%), Italy (6.6%) and France (4.0%). The market share of intra-EU countries has gone down by 6% between 2004 and 2008. Of the large suppliers France has lost the most market share (-2.1%).

Imports by product group

Please find below a table with imports of natural stone and stone products divided into different product groups:

Table 3.2 Imports by leading suppliers to Belgium, 2004 - 2008, share in % of value

	2004 € mln	2006 € mln	2008 € mln	Leading suppliers in 2008 Share in %	Share (%)
Total natural stone and stone products	83	92	95	Intra EU: Spain (6.8%); Italy (6.6%); France (4.0%); The Netherlands (2.9%); Germany (2.3%)	30%
	11	9.3	8.9	Extra EU ex. DC*: Canada (1.5%); Norway (0.6%); USA (0.4%); Israel (0.3%); U.A.E. (0.02%)	2.8%
	134	174	213	DC*: China (29%); India (15%); Vietnam (7.2%); South Africa (5.3%); Turkey (5.0%); Brazil (3.3%); Indonesia (0.9%); Lebanon (0.2%); Egypt (0.2%); Morocco (0.1%)	67%
Funeral & other art	27	34	29	Intra EU: Italy (5.5%); Finland (5.5%); Spain (3.8%); France (2.7%); The Netherlands (1.7%)	22%
	0.3	0.3	0.4	Extra EU ex. DC*: Israel (0.1%); Canada (0.1%); USA (0.1%); Singapore (0.02%); Japan (0.01%)	0.3%

	2004 € mln	2006 € mln	2008 € mln	Leading suppliers in 2008 Share in %	Share (%)
	44	66	101	DC*: China (38%); India (20%); Vietnam (8.0%); Turkey (7.4%); Indonesia (1.9%); Brazil (0.7%); South Africa (0.6%); Lebanon (0.5%); Thailand (0.2%); Egypt (0.1%)	78%
Flooring & cladding	34	35	38	Intra EU: Spain (18%); Ireland (7.9%); Italy (7.7%); France (3.2%); Germany (3.1%)	47%
	6	7.1	7.3	Extra EU ex. DC*: Canada (5.9%); Norway (1.6%); USA (1.1%); Israel (0.3%); U.A.E. (0.1%)	9.1%
	23	37	36	DC*: China (18%); Vietnam (10%); Brazil (5.8%); Turkey (5.3%); India (3.9%); Indonesia (0.6%); South Africa (0.1%); Lebanon (0.1%); Pakistan (0.1%); Egypt (0.1%)	44%
Blocks & slabs	16	20	26	Intra EU: Italy (13%); France (11%); The Netherlands (6.9%); Germany (4.9%); Spain (3.4%)	45%
	4.9	1.7	0.8	Extra EU ex.DC*: Norway (0.9%); USA (0.3%); Israel (0.2%); Canada (0.03%); Hong Kong (0.002%)	1.4%
	36	38	32	DC*: South Africa (27%); India (14%); Brazil (7.9%); China (2.7%); Turkey (0.8%); Morocco (0.5%); Vietnam (0.3%); Egypt (0.2%); Tunisia (0.2%); Indonesia (0.04%)	54%
Landscape design	4.9	4.1	2.8	Intra EU: The Netherlands (3.2%); Germany (1.1%); France (0.8%); Portugal (0.3%); Luxembourg (0.3%)	5.8%
	0.1	0.2	0.4	Extra EU ex. DC*: Israel (0.6%); Hong Kong (0.1%); USA (0.03%); Switzerland (0.003%)	0.7%
	31	33	45	DC*: China (58%); India (22%); Vietnam (7.9%); Turkey (3.3%); Egypt (0.7%); Argentina (0.5%); Tunisia (0.4%); Brazil (0.4%); Thailand (0.1%); Morocco (0.1%)	93%

Source: Eurostat (2009)
*Developing Countries

The most imported intermediate stone products in 2008 were siliceous blocks & slabs (14%) and calcareous blocks & slabs (3.5%). Imports of finished stone products mostly consisted of siliceous funeral art (23%), sets, curb stones and flagstones (15%) and calcareous funeral art (9.5%).

The total imported value increased by 8.5% per year between 2004 and 2008. This strong growth can be accredited mostly to the growth of funeral and other arts (+16% per year). Other groups also grew but not as fast; landscape design (+7.6%), flooring & cladding (+6.3%) and blocks & slabs (+0.4%). Blocks & slabs now account for only 19% (25% in 2004) of total Belgian imports. The reason behind this is that DC are supplying the EU market with finished stone products at the expense of Belgian producers and processors.

Import from DC

In 2008, more than € 213 million (67%) originated in DC with a volume exceeding 848 thousand tonnes (72%). The overall market share of DC has grown from 59% to 67% over the period from 2004 to 2008. Moreover, the market share of DC in Belgium is higher than the DC share in the EU (53%). China, India and Vietnam are the most important DC suppliers to the Belgian market with a market share of 29%, 15% and 6.2% respectively. Most of the important DC supplying to Belgium have increased their imports substantially between 2004 and 2008: China (+16% per year), Vietnam (+12%) and India (11%). Table 3.2 shows the growth of DC imports per product group between 2004 and 2008. Identified is the average growth per year between 2004 and 2008:

- Funeral and other art (+23% per year)
- Flooring & cladding (+12%)
- Landscape design (+10%)
- Blocks & slabs (-3.3%)

The dropping demand will also influence the level of imports. However, DC imports have grown well above the average level of growth. Therefore, imports of DC are expected to be affected by the downturn of the Belgian market but not as much as imports from other countries.

Exports

In 2008, Belgium exported a total of 729 thousand tonnes of natural stone products which represented a value of € 204 million. This makes Belgium the 4th largest exporter in the EU with a market share of 5.2%. Neighbouring countries Germany and The Netherlands account for 4.2% and 1.9% respectively.

Table 3.3 Belgian export of natural stone and stone products between 2004 - 2008, € million / 1,000 tonnes

2004		2006		2008		CAGR*
Value	Volume	Value	Volume	Value	Volume	
189	810	200	808	204	729	1.9%

*CAGR: Compounded annual growth rate
Source: Eurostat (2009)

It does not seem like re-export has increased between 2004 and 2008. Exports have grown less than consumption and imports. Nevertheless, Belgium is still an important transit country with several major ports. Therefore, getting access to the Belgian market might also be a way of finding your way to other European and global markets.

Future growth will depend on the development of foreign markets. Since almost 97% of Belgian exports go to other EU countries expectations are that exports will go down due to the negative economic situation in the most important EU markets.

Opportunities and threats

+ The market share of DC has increased in all product groups, mostly notable in the finished stone products categories. This development is expected to extend into the future.
+ The imports from DC have increased at a faster pace in Belgium than they have in most other EU countries. Moreover, market share of DC in Belgium is also higher than the EU average.
+ The Belgian market is increasingly becoming reliant on imports from DC.
± The negative prospects for the Belgian natural stone market are also expected to affect the import of natural stone. DC imports are however not going to be affected as much as imports from other countries.
± The average price of imported natural stone form DC has risen in contrast to products from many other countries. However, prices of imported stone in general decreased indicating a growing pressure on prices.

<u>Note that</u> the above-mentioned developments and trends can be an opportunity for one exporter and a threat for another. Therefore, exporters should analyse the developments and trends discussed in the previous chapters to make their own analyses. For an example of such

an analysis, please refer to Chapter 7 of the CBI market survey 'The natural stone and stone products market in the EU'.

Useful sources

- EU Expanding Exports Helpdesk - http://exporthelp.europa.eu ➔ go to: trade statistics
- Eurostat – http://ec.europa.eu/eurostat - official statistical office of the 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

4 Price developments

Import figures show that the average price of natural stone and stone products increased by 4.8% per year. In comparison, prices in the EU increased by only 6.3% per year. Belgian prices increased in the following product groups: blocks & slabs (8.7% per year), landscape design (+4.2%) and funeral & other art (+1.0%). Prices dropped however in the product group flooring & cladding (-0.4% per year). In general prices of natural stone imported from DC has grown above slightly above average (+5.5% per year). In comparison imports from intra-EU and extra-EU countries increased by 8.1% and dropped by 11% respectively.

Despite the increase price of imports from DC, prices are under pressure because of the increased international competition. The openness of the Belgian is however attracting a large number of foreign suppliers. DC exporters are slowly taken over the market and are putting pressure on prices. In recent years technology and know-how have slowly transferred to low-wage countries. Some manufacturers of raw material in important supplying countries like China and India are now able to produce according the quality demands of the Belgian market. These countries are also in the comfortable position of having the first pick of raw material providing them an important competitive advantage. As a result, Belgium will increasingly import cheap but quality stone.

The current economic slowdown, especially in the EU and the US, is also affecting the natural stone market. It has lead to a large surplus of natural stone that now is being dumped on the EU market. This is true for low as well as high quality stone. The Belgian consumer benefits from this development.

Providing price information is not common on Belgian websites. However, find some websites for price information below:

- Stone projects - http://www.stoneprojects.be ➔ go to 'prijzen'
- Impermo - http://www.impermo.be ➔ go to 'Promoties ➔ go to 'Natuursteen'
- Stone contact - http://www.stonecontact.com ➔ go to 'Pricelist' ➔ write down 'Stone' and press 'Search' ➔ go to the box that says 'All countries' and click on it to select the UK for an overview of a several the UK natural stone companies that display there prices online
- Find Stone - http://www.findstone.com ➔ go to 'Price List´ in the 'For buyers' section ➔ select the type of material, then scroll down to Belgium

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 your market sector and Belgium in the category search, click on the search button and click on market access requirements.

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

Tariffs and quota
In general, products entering the EU are subject to import duties. For beneficiary countries under the Generalised System of Preferences (GSP), however, reduced tariffs, or no tariffs, are applied. The list of beneficiary countries is regularly updated. For natural stone and stone products devices and disposables, a zero-tariff applies for exports from beneficiary countries of the GSP. Information on the required value added tax (VAT), please consult the following website: http://ec.europa.eu/taxation_customs/common/about/welcome/index_en.htm.

Information on tariffs and quota can be found at http://export-help.cec.eu.int

6 Doing business

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 promotion
Agents, importers and wholesalers promote the products of their clientele at trade shows. Producers can also participate in these trade shows, however often indirectly through a Belgian player. There are two important trade fairs in Belgium: Technipierre and Stone Expo. The former is important for the entire Benelux market (Belgium-The Netherlands-Luxembourg). Both fairs are visited by important players and decision makers. There are also several important fairs that are related to natural stone products. The 2010-edition of the Technipierre show was however cancelled as a result of the economic downturn. This shows that the Belgian market for natural stone and stone products is under pressure.

Surrounding markets
The Belgian market is related to several surrounding markets. Therefore, displaying products at Dutch or German trade shows might also help to establish a relationship with players in the Belgian market.

Another way to get your product/company noticed is advertising in magazines. The most important magazine for the Belgian market is Vakblad Natuursteen. This magazine for professionals in the stone sector is also published in The Netherlands and Luxembourg.

Other ways to promote your company is to build and invest in relationships. Companies are often approached with offers so therefore randomly contacting possible trading partners is not always the best way to get into contact with new business relationships. It usually means taking a personal approach and a careful selection of the partners that are suitable for you.

Trade associations
- Pierres et Marbes de Wallonie Association - http://pierresetmarbres.be - association of stone quarries throughout the Walloon region in Belgium
- Federation Blue Stone - http://www.federationpierrebleue.be

- Febenat - http://www.febenat.be – federation of Belgian natural stone wholesalers
- The Belgian Association of producers of materials for construction - www.bmpmc.be
- Confederatie Bouw - http://www.ncb.be/index.nl.asp - confederation of construction companies
- FEMA - http://www.fema.be – association of trader in construction materials

Trade fairs
- Technipierre - http://www.technipierre.be – natural stone expo for the Benelux market held annually Liege; next event 31 March–03 April 2011
- Stone Expo - http://www.flandersexpo.be/en.activity_detail.orb?fex=328 - large Belgian biannual trade show held in Gent; next fair 23-25 January 2010
- Stone Tec - http://www.stone-tec.com – largest European trade fair held biennially in Nuremberg Germany: next expo 22-25 June 2011
- Interior design trade show - http://www.bois-habitat.com - the largest European fair for constructions, renovations, interior and exterior decorations and renewable energy, held annually in Namur; next event expected in March 2011
- Batimons –http://www.batimons.be **-** building materials, including natural stone and stone products held annually in Mons; next fair expected February 2011
- Batibouw – http://www.batibouw.com **-** building materials, renovation, and design held every year in Brussels; next fair expected February/March 2011
- Bouw & Reno – www.bouwreno.be **-** building materials & renovation held every year in Antwerp; next event 15-23 January 2011

Trade press
- Vakblad Natuursteen - http://www.vakbladnatuursteen.nl – monthly magazine for professionals in the Belgian, Dutch and Luxembourg natural stone market

This survey was compiled for CBI by CREM BV

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