CBI MARKET SURVEY

THE TOYS AND GAMES MARKET IN BELGIUM

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments in the toys and games market in Belgium. The information is complementary to the information provided in the CBI market survey 'The toys and games market in the EU', which covers the EU 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

Consumption of traditional toys and games in 2005 was € 320 million at retail prices as estimated by industry sources. There was an average annual increase of 0.3% between 2001 and 2005. Belgium is one of the larger EU markets with a share of 2.4%. Sales of traditional toys are expected to continue to improve as a result of good economic conditions and an improving birth rate.

The main trends in the EU market for toys and games, like the popularity of learning toys, toys with electronics and licensed toys, also apply to Belgium. Refer to the CBI survey covering the EU market for a detailed description of trends in the traditional toy market.

The Dutch-speaking Flanders region is more prosperous than the French speaking south. This is evidenced by the expenditures on toys per family, which were 17% higher in Flanders in 2004. The Brussels region has the lowest expenditure at 60% of the Flemish average.

In 2005, the average expenditure on toys and games per child in the age group of 0-14 years was € 178. This is higher than the EU average of € 168. The expenditure per child is expected to grow in the next five years.

In Belgium, 49.5% of purchases is made during the Christmas season (November and December), and another 8.4% in October. Sales in the other months are distributed relatively equally.

Prodcom data show a market for traditional toys of € 289 million (at manufacturer's prices) in 2005, an average annual increase of 11.6% between 2001 and 2005. However, the trend for the past two years has been negative. The most important statistical product categories are other toys (40% share in 2005, +1.4% average annual change since 2001); learning (36%, +6.7%); and games and puzzles (5.9%, +14.7%).

Important product groups were picture and drawing books (34.8% share in 2005, 0% average annual change between 2001 and 2005), toys of plastic (non-mechanical; 20%, -9.1%); playing cards (5%, +16%). Wooden toys made up 0.3% of the market in 2005, increasing 1.9% during the past four years. The various plastic toys made up 24%, an annual decrease of 13%.

The most important segmentation in the toy market is by age and gender. Kids play with different toys in different age groups, and there is a clear distinction between toys for girls and toys for boys. In 2004, the total number of children (0-14 years) in Belgium was 1.8 million, an average annual decrease of 0.2% since 2002. As it has 1.6% of the EU youth, Belgium is one of the medium-sized member states. The number of kids will decrease during the next five years, as the number of kids between 0-5 years is 90% of the number of kids between 10-14 years. This is better than the EU average of 89%, indicating a lower drop in the number of kids than generally in the EU. During 2004, girls accounted for 48.9% of the child population.

Production

Production, according to the Prodcom dataset, reached € 129 million in 2005, the same as in 2004. All of the registered production was realised with toys for learning (100% share in 2005, 2.9% average annual change since 2003). No production is given for the other product categories. Production is expected to show a downward trend as a result of continued outsourcing. However, some companies do exist, for instance Toykimo, which has fully automated production facilities.

Opportunities and threats

+ The combination of increasing birth rates and a growing economy will result in market growth.
+ Educational toys offer interesting opportunities, as do electronic toys.
+ Green consumerism and Fair Trade is still on the rise, offering possibilities for products within that category and fulfilling the requirements posed. For more information, see the CBI market survey covering the EU.
+ Belgium does not have much production; most of market demand therefore needs to be imported.

Refer to chapter 7 of the CBI market survey covering the EU for more information on opportunities and threats.

2 Trade channels for market entry

For an overview of the trade structure and important trends in the distribution chain, please refer to Chapter 3 'Trade channels for market entry', of the CBI market survey covering the EU. Distributors, importers and agents are the most common trade channels for developing country exporters.

Toy specialists have a comfortable lead with 60% of all sales. No detailed figures were available, however, of the 'All other' category, most of the sales being realised in the large food and hypermarkets like Carrefour and Colruyt. Mail-order sales are nominal. Independent toy shops are continuing to group themselves around buying associations, in order to be able to remain competitive.

Specialist shops are the most popular in the Dutch-speaking north, while people in the south mostly frequent hypermarkets.

Interesting distributors and importers

- DOHO International Import Toys - http://www.doho.be - importer.
- G.M.Promotions B.V.B.A - http://www.gmpromotions.be - importer.

Interesting retailers

- Dutch Blokker Group:
    - Fun - 25 shops - http://www.fun.be - part of Dutch Blokker Group.
    - Intertoys - 17 shops - http://www.intertoys.be - part of Dutch Blokker Group.
    - MaxiToys - 26 shops - http://www.maxitoys.be - part of Dutch Blokker Group.
    - Bart Smit - 43 shops - http://www.bartsmit.com - part of Dutch Blokker Group.

- Top1Toys - 50 shops - http://www.top1toys.be - formerly known as De Speelboom - affiliated with the Vedes Group.
- Dreamland - 21 shops - http://www.dreamland.be - toy specialists part of Colruyt.
- Jouets Broze - 16 shops - http://www.broze.be - toy specialist in Flanders part of Belgium.
- Le Grand Recré - 9 shops - http://www.lagranderecre.be - toy specialists, part of French group.
- Delhaize - 570 shops - http://www.delhaize.be - hypermarket.
- Carrefour - 516 shops - http://www.carrefour.be - hypermarket - also the chain super GB.
- Colruyt - http://www.colruyt.be - hypermarket.
- Cora - http://www.cora.be - hypermarket.

Contract manufacturing and outsourcing
Belgium has only a very small toy manufacturing industry. It is very difficult for a manufacturer in a small country to compete on the extremely competitive international market. Companies are being squeezed between the heavily marketed products of multinationals and the cheap imports from China. Most of the Belgian toy companies have either already outsourced production, gone bankrupt or turned into a distributor. Some possibilities for contract manufacturing could be present with toy product development companies.

- Liliputiens - http://www.lilliputiens.be - plush toys product developer / distributor.
- Carta Mundi - http://www.cartamundi.com - largest global playing cards maker
- Amtoys - http://www.noukies.com - plush toys product developer / distributor.

Margins
Margins vary widely. Imports from China often have higher margins than branded products from multinational companies. Retailers aiming at large volumes have lower margins than specialist shops, still the following are some general indications. The total mark-up from manufacturer's price to final consumer price including VAT can easily reach 400%, especially when taking into account costs of logistics.

	Average margin
o Agent	2-5%
o Importer / distributor	15-25%
o Wholesaler	30-40%
o Retail	50-100%

Useful sources
- Fedis - Federation of traders in wholesale and retail - http://www.fedis.be
- OIVO - http://www.oivo-crioc.org - consumer interest organisation with market information about the toy retail environment.
- Federation of Agents - http://www.bfh-fbr.be
- Union of commercial agents - mailto:ubac@skynet.be
- Association for purchasing and logistics - http://www.bevib.be

3 Trade: imports and exports

Imports
Imports of traditional toys reached € 658 million in 2005, an average annual increase of 3.4% between 2001 and 2005. This makes Belgium one of the medium-sized EU importers, with 7.2% of total imports. Imports are expected to increase.

In 2005, imports for the various product categories were: other toys (share of 34% of total imports, +7.1% average annual change between 2001 and 2005); plush (11%, -0.8%); mechanical toys (11%, -0.3%); outdoor (8.8%, +8.3%); motorized toys (6%, +15%); construction sets (5.9%, +1.9%); dolls (5.7%, -11%); models and trains (5.1%, +5.9%); learning (4.8%, +10%); animal and fantasy figures (4%, -6.6%); games and puzzles (3.2%, +12%). Imports of wooden toys reached € 263 million in 2005, a decrease of 0.3% between 2001 and 2005.

The share of developing countries in total imports was 51% (€ 335 million) in 2005. This is lower than the EU average, which was 52% in 2005. The growth of DC imports, at an average annual increase of 6.1% during the period covered, was higher than the EU average increase of 3%.

The main supplying developing countries were China (46%); Pakistan (2.1%); Malaysia (0.9%); Vietnam (0.7%); Thailand (0.7%); India (0.2%); Mexico (0.1%); Philippines (0.1%); Indonesia (0.1%). Imports from China were therefore lower than average in the EU (48%). The share of Chinese imports shows an upward trend, moving from 40% in 2001 to 46% in 2005.

DC countries showing growth were Malaysia (49% growth); India (46%); Mexico (30%); Turkey (16%); Pakistan (6.3%).

Product categories with an above average supply from developing countries (apart from China) were models and trains; motorised toys; and outdoor.

Exports

Exports of traditional toys reached € 516 million in 2005, an increase of 4% between 2001 and 2005. Due to the importance of the Antwerp port, re-exports are expected to form a significant part (over 50%) of total exports.

The most important product categories are other toys (30% share in 2005, +7.5% average annual change between 2001 and 2005); plush (13%, +2.2%); learning (11%, -3.8%); and construction sets (10.5%, +9.2%).

Opportunities and threats

+ Taking into account re-exports, Belgium has a considerable import surplus, indicating a dependency on imports from other countries to satisfy its demand.
+ Total imports increased substantially during the period reviewed.
+ Imports from developing countries are increasing strongly, though most of this is realised by China.
+ The individual product groups showing strongest import growth were: electric trains not on scale (+47% annual growth, share of 0.3%); other toys n.e.s. (+24%, 6.9%); motorized toys not of plastic (+22%, 0.9%); toys of rubber (+20%, 1.2%); puzzles of wood (+19%, 0.3%).

Refer to chapter 7 of the CBI market survey covering the EU for more information on opportunities and threats.

Useful sources

- EU Expanding Exports Helpdesk - http://export-help.cec.eu.int/
- Eurostat - http://epp.eurostat.cec.eu.int - official statistical office of the EU
- Eurostat Prodcom and trade data - http://fd.comext.eurostat.cec.eu.int/xtweb - data can be accessed through the Internet directly using the Prodcom or HS category numbers as detailed in the CBI market survey covering the EU.

4 Price developments

The change in harmonised consumer prices for games, toys and hobbies in Belgium was 1.8% in 2006 (EU average: -2.7%). This is not fully in line with the average annual price changes between 2001 and 2005 based on the costs of import volumes in tonnes. These were -1.4% for imports sourced in the EU, -6.1% for DC imports, and -4.2% for all imports. This could be explained by cheaper re-exports and the difference between import price and retail price.

According to Fedis, retail prices are expected to remain stable during the next two years.

Due to the large number of different products, it is not possible to give an overview of prices which offers a general insight into pricing. It is advisable to search the Internet or directly call wholesalers and retailers for individual prices.

- Bart Smit - http://www.bartsmit.com
- Dreamland - http://www.dreamland.be

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

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

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

6 Business practices

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) and cultural differences can be found in CBI's export manuals 'Export Planner', 'Your image builder' and 'Exporting to the EU'. These can be downloaded from http://www.cbi.eu/marketinfo - go to search publications.

Trade associations
- Belgium Toy Association - Rue de Mont Saint Pont 63, 1440 Braine-le-Château
- Vereniging van Speelgoedfabrikanten in de Benelux - telephone:+ 31 (0) 20 626 7141- association of toy manufacturers in Belgium, Netherlands, Luxembourg

Trade shows
- Sea Side Show - Oostende - http://www.seasideshow.be

The major international trade shows are also of great importance to the Belgian trade.

Trade press
No trade press exists in Belgium, but international publications, from France, The Netherlands and Germany are read.

Other sources
- OIVO-CRIOC - http://www.oivo-crioc.org/teksten/pdf/1816nl.pdf - market report available in Dutch and French
- Duracell - http://www.duracell.com/toys%5Feurope/results_belgium.asp - toy consumption trends, research by Duracell and NPD

- Federation of Belgian Enterprises - http://www.vbo-feb.be
- Kwintessential - business culture - http://www.kwintessential.co.uk/resources/global-etiquette/belgium-country-profile.html
- BuyUSA - business culture - http://www.buyusa.gov/belgium/en/

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