CBI MARKET SURVEY

THE OUTERWEAR MARKET IN BELGIUM

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Report summary
This CBI market survey discusses, amongst others, the following highlights for the outerwear market in Belgium:

- The Belgians remained among the highest spenders per capita on clothing but the size of the population limited the outerwear market to € 6.9 billion in 2005 in consumer prices, which is 85% of total clothing consumption.
- Outerwear imports by Belgium amounted to € 4,731 million in 2004, of which 46% was sourced in EU countries and 45% in developing countries (DCs). China, The Netherlands, France and Germany were the leading suppliers of outerwear to Belgium; 47% of total imports came from these four countries in 2004.
- Imports from developing countries grew 4% to the detriment of imports from other non-EU countries; imports from Asian developing countries grew by 12% (two third of this growth came from China).

This survey provides exporters of outerwear with sector-specific market information related to gaining access to Belgium. By focusing on a specific country, the survey provides additional information, complementary to the more general information and data provided in the CBI market survey 'The outerwear 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.nl/marketinfo.

1. Market description: consumption and production

Consumption

Total market size
The share of clothing in total consumer spending in Belgium has been high and the Belgians remained among the highest spenders per capita (€ 785) on clothing. Despite the high spending per consumer, the clothing market is limited by the number of 10.4 million inhabitants.
Belgium is the seventh largest clothing market in the EU, with € 8.3 billion or 3% of total EU consumption.
The outerwear market in Belgium increased to € 6.9 billion in 2005 in consumer prices (including VAT), which is 85% of total clothing consumption. On the basis of lower average consumer prices, the volume of consumption increased by almost 4%. Prices of woven outerwear were more under pressure than knitted outerwear.

Table 1.1 Consumer expenditure in outerwear in Belgium in € million, 2002-2007

	2002	2003	2004	2005 e	2006 f	2007 f
Women's outerwear	3,677	3,593	3,678	3,789	3,844	3,915
Men's outerwear	2,001	2,003	2,061	2,122	2,156	2,200
Children's outerwear	915	919	926	944	965	990
- Girls' outerwear	*438*	*442*	*451*	*462*	*474*	*485*
- Boys' outerwear	*286*	*284*	*281*	*285*	*289*	*297*
- Babies' outerwear	*191*	*193*	*194*	*197*	*202*	*208*
Leather garments	60	58	56	55	58	60

Total outerwear	**6,653**	**6,573**	**6,721**	**6,910**	**7,023**	**7,165**
Total clothing	7,990	7,896	8,078	8,304	8,435	8,610
Yearly change	+2.0%	- 1.2%	+ 2.3%	+ 2.8%	+ 1.6%	+ 2.1%

e= estimates; f= forecasts
Sources: Gfk and Euromonitor

Forecasts for women's and men's outerwear show a higher growth in volume than in value. Intense competition is also likely to continue to put pressure on clothing prices. Growth in the smart casual wear segment grew further, at the expense of formal wear, while growth in leisurewear and sportswear will increase to a lower degree than in the period 2002-2004. The Belgian market for outerwear is expected to show steady growth between 2005 and 2007.

Product groups
Detailed figures for consumer expenditure on product types were not available at the time of compiling this report. For that reason, developments are based on trade statistics.
In the slightly increasing expenditure in the women's sector, the skirt can be described as bestseller. In all segments (young fashion, trendy and classic) this product group was very popular and sales boomed in volume and in value.
Expenditure on leisurewear varied strongly between the several products; jeans decreased in volume but increased in value while expenditure on trousers (other than jeans) grew strongly. Sales of outdoor T-shirts and polo shirts increased during the whole period under review, just like jerseys, sweaters, cardigans etc. Expenditure on sweaters etc. for men grew more than sweaters etc. for women.
Purchases of outdoor jackets grew strongly in 2004 and to some lesser degree in 2005, caused by the popularity of indoor jackets, which are also worn outdoor in summertime.
Consumer expenditure on more formal products like coats, suits and ensembles stabilised in 2005.
The following developments in the children's wear segment can be observed:
- Sales of babies' wear and boys' wear grew to a lesser degree than girls' wear;
- Sales of outdoor jackets for children aged 2-11 years showed the biggest growth in 2005. Other product groups stabilised or slightly increased;
- Among boys, the popularity of sports and skate wear brand is growing;
- Experts expect more positive developments in spending on children's outerwear including babies' wear in the coming years.

Market segmentation
The general criteria for market segmentation of outerwear are: by demographic factors, such as age, gender etc.; by type of product and type of activity resulting in specific clothing behaviour, like formal, casual, leisure and active sports dress; and by product/quality ratio. Other criteria are based on special events (weddings, parties, communion etc.; in these cases dress can be considered as formal wear) or other circumstances, like maternity wear.

Segmentation by demographic factors
The size and age structure of the population is one of the basic determinants of how much will be spent on clothing.
- The Belgian population increased from 10.2 million in 1999 to 10.4 million in 2005. Growth was the result of a growth in the number of births and a fall in the number of deaths. The population in Belgium is projected at 10.2 million in 2050.
- Just like in other major EU countries, the category below 20 years has decreased in Belgium, while the categories 40 and older have increased substantially. In 2000, 16.7% of the total population was older than 65. Following the trend in other European countries of an ageing population, in 2010 17.6% of the Belgian population will be 65 or over.
- Another important demographic development is the increase of one- and two-person households. The persons in such households do not have many household or family obligations, so they have a lot of leisure time. Besides that, the two-person households have rather high incomes. Both factors are stimulating clothing consumption.

Segmentation by type of product and type of activity
In general, the outerwear market can be divided into several segments based on type of product combined with type of activity, resulting in a specific clothing behaviour.
The active sports segment (now 6% of total men's and 5% of total women's outerwear market) will continue to expand its influence on the leisure (segments of 23% of men's and 21% of women's outerwear) and casual (resp 32% and 30%) segments. Formal wear (resp 39% and 44%) will lose out to these sectors but 'smart casual' will be further influenced by the workplace.

Trends in consumption

- In addition to being price and quality-conscious, Belgian consumers are also brand-conscious. A recent trend, however, is the diminishing brand-loyalty: branded clothing is more and more combined with private labels of H&M or Zara.
- Belgian designers play an important role in the fashion shows in Paris. They have a different style compared to the Italian or French designers. These collections are successfully sold worldwide, this will also influence the more lower price range collections. The women's collection are more feminine and the men's collections are often more stylish.
- Belgian consumers spend more at outerwear and pay more attention for clothing in special occasions (wedding, communion etc) as in other EU-countries, for all members of the family.
- The hype of casual and leisure wear came over the top; smart casual becomes more popular, resulting in higher expenditure on fashionable suits; however, jeans are still very popular, especially among young people.
- Like in other major EU countries, people have become larger in length and width, which is valid for men and women and in the younger age groups, too.
- Men have an increasing affinity with fashion in clothing as well as in cosmetics and enjoy buying their own clothes.
- Just like in Italy, there is a relatively big market for luxury clothes.
- Belgian citizens are high spenders on leather garments.
- Babies' and children's wear is becoming as susceptible to fashion trends as adult clothing. Among boys, the popularity of sports and skate wear brands is growing. There is a trend in women's brands to offer the same garments in smaller sizes for girls.
- Sales of babies' clothing will increase by offering more trendy clothing for newborns.

Production

Total production
The structural decline in the production of clothing articles, continued in Belgium but was, however, less marked in 2004, both in terms of volume and in terms of value. In volume terms, production declined by 10% in 2004 as compared with 16% in 2003 and 15% in 2002. Total turnover amounted to € 2.6 billion in 2004, of which 70-75% was exported. Belgium ranked 8th in clothing production and the share in total EU turnover was 2.5% in 2004. Between 2000 and 2004, Belgium production declined by 40% in volume and 14% in value. In value terms, the decline in domestic production is less marked because there is a high added value. The number of employees in the clothing sector was around 17,000 in 2004 and 95% of the companies employed less than 50 workers.

Major players
In the jeans sector: Levi Strauss Europe (http://www.levi.com); Vijverman (http://www.threestarsjeans.be/lang_eng/home.html).
In women's wear: Andres (http://www.andres.be); Wesco (http://www.wesco.be) and Mayerline.
In sports (outdoor) sector: Seyntex (http://www.seyntex.com)

Trends in production

- Several global operating companies (mainly jeanswear) produced in Belgium for the continental market. However, nearly all production has been replaced to lower cost countries. Many manufacturers in Belgium have developed an outsourcing policy.

Useful sources

Euratex Bulletins (http://www.euratex.org); Apparel Retailing in Western Europe, Retail Forward (http://www.retailforward.com); Clothing Retailing Europe, Retail Intelligence/Mintel (http://www.mintel.com); Euromonitor (http://www.euromonitor.com); national statistics (http://www.statbel.fgov.be/home_en.asp) and websites of organisations mentioned in this survey.

2. Trade: imports and exports

Imports

Total imports

Outerwear imports by Belgium grew almost 10% during the period 2000-2004 to € 4,7 billion in 2004. 45% of total imports came from developing countries in 2004, these percentages did only slightly changed during this period. Belgium ranked 6th in outerwear imports behind Germany, UK, France, Italy and Spain. An increasing part of Belgian outerwear consumption concerned imported products. The market share of imports in the domestic market was 47% in 2004.

Imports of total outerwear increased 1.5% (in value terms) in 2003 and the same percentage in 2004; in volume terms, imports increased by 24% during the review period, which indicates 17% lower import prices in 2004 than in 2002.

Imports of knitted outerwear showed a strong growth in the period 2002-2004, while imports of woven outerwear, just like imports of leather garments, decreased in the same period.

Table 2.1 Outerwear supplied to Belgium, 2000–2004 € million/'000 tonnes

	2000		2002		2004		DC share 2004 in % of value
	value	volume	value	volume	value	volume	
Total outerwear	**4,302**	**183.0**	**4,591**	**200.5**	**4,731**	**248.2**	**45%**
Knitted outerwear							
- overcoats/outdoor jackets	24	0.4	33	0.7	47	1.0	26%
- suits/jackets/trousers	218	7.3	198	7.1	223	11.5	49%
- shirts/blouses	113	4.1	100	3.7	105	3.8	44%
- T-shirts	523	28.2	513	24.0	646	36.1	49%
- jerseys/pullovers	629	15.8	698	20.1	710	26.0	39%
- babies garments	81	3.7	84	4.2	88	6.1	58%
- sportswear	85	4.1	79	4.6	96	6.8	57%
- accessories	58	4.6	45	3.2	96	7.6	64%
Total knitted outerwear	**1,731**	**68.2**	**1,750**	**67.6**	**2,011**	**98.8**	**46%**
Woven outerwear							
- overcoats/outdoor jackets	338	13.2	377	19.9	416	33.6	56%
- suits/ensembles	122	4.1	119	3.4	111	4.2	33%
- indoor jackets	243	8.5	248	8.6	198	5.7	21%
- trousers	1,030	53.2	1,162	58.2	1,048	57.5	41%
- dresses	87	2.5	68	2.2	57	1.8	39%
- skirts	120	4.0	135	5.3	162	8.1	41%
- shirts/blouses	334	12.5	340	11.9	335	13.0	38%
- babies garments	33	1.5	44	2.2	49	2.9	71%
- sportswear	103	4.9	126	5.8	101	6.0	62%
- accessories	49	2.0	50	2.8	52	3.9	44%
- other	46	6.7	74	9.9	107	10.0	60%

Total woven outerwear	**2,505**	**113.1**	**2,743**	**130.2**	**2,636**	**146.9**	**44%**
Leather garments	**66**	**1.7**	**98**	**2.7**	**84**	**2.5**	**56%**

Source: Eurostat, 2005

Main developments in the area of origin of outerwear imports by Belgium in the period 2003-2004 were:
- Imports from other EU countries and from developing countries grew (respectively +5.2% and +4.1%) to the detriment of imports from other non-EU countries (-10.9%);
- Imports from Mediterranean developing countries decreased by 16% (caused by strongly reduced imports from Tunisia and Morocco).
- Imports of Asian developing countries grew by 12% (two thirds of this growth came from China, much higher imports came also from Bangladesh, India, Sri Lanka and Cambodia); imports from Central & South America grew 15% (mainly Honduras and Mexico); imports from ACP countries grew by12% (mainly Mauritius) and imports from developing CEECs grew 23%, although imports remained very limited.

Table 2.2 Leading suppliers of outerwear to Belgium in 2004, share in % of value

	Total share
Total outerwear	
Intra EU : Netherlands (12%); France (11%); Germany (10%); Italy (5%); Spain (2%).	46%
Extra EU excl DCs : Romania (4%); Bulgaria (1%); Hong Kong (1%); USA (1%); South Korea (< 1%).	9%
DCs : China (14%); Turkey (6%); Bangladesh (6%); Tunisia (4%); India (3%); Morocco (2%); Indonesia (2%); Pakistan (2%); Thailand (1%); Sri Lanka (1%).	45%
Woven outerwear	
Intra EU : Netherlands (11%); Germany (11%); France (10%); Italy (4%); Spain (2%).	44%
Extra EU excl DCs : Romania (6%); Bulgaria (1%); USA (1%); Hong Kong (1%); Ukraine (< 1%).	12%
DCs : China (17%); Tunisia (6%); Turkey (5%); Bangladesh (3%); Morocco (3%); India (3%); Pakistan (1%); Indonesia (1%); Vietnam (1%); Thailand (1%).	44%
Knitted outerwear	
Intra EU : Netherlands (13%); France (11%); Germany (9%); Italy (6%); Portugal (3%).	49%
Extra EU excl DCs : Hong Kong (1%); Romania (1%); South Korea (1%); Bulgaria (1%); Taiwan (1%).	5%
DCs : China (11%); Bangladesh (9%); Turkey (8%); Indonesia (3%); India (3%); Thailand (2%); Pakistan (1%); Tunisia (1%); Sri Lanka (1%); Malaysia (1%).	46%
Leather garments	
Intra EU : France (11%); Germany (10%); Netherlands (10%); Italy (5%); Spain (3%).	42%
Extra EU excl DCs : USA (1%); Switzerland (1%); other countries such as Hong Kong, Romania and South Korea less than 1%.	2%
DCs : China (16%); Turkey (8%); Pakistan (12%); India (33%); Indonesia (1%); other DCs < 1% such as Argentina, Morocco, Uruguay, Mexico.	56%

Source: Eurostat, 2005

China, The Netherlands, France and Germany were the leading suppliers of outerwear to Belgium. 47% of total imports came from these four countries in 2004. Imports from the three EU countries concerned for an important part re-exports. However, the source of these re-exports cannot be derived from trade statistics.
Fast-growing suppliers (exports valued more than € 20 million and a growth of more than 10%) of outerwear during the period 2003-2004 were: China, Germany, Bangladesh, Romania, India, Sri Lanka, Lithuania, Mauritius and USA.
Other very fast-growing suppliers were (among others): Cambodia, Honduras, Mexico, Egypt, Macedonia, Oman, Madagascar and Serbia Montenegro.
The number of new suppliers was very limited, as was the imported value from these countries.

Imports by product group

During the period 2000-2004, the volume of Belgian imports of the following outerwear products grew; particularly noted is the growth in imports of jerseys (T-shirts, sweaters etc.). and woven trousers, shirts and skirts, mostly made of cotton.
There was a fall in imports of denim trousers for men (30.7 million in 2002 against 23.7 million in 2004), while denim trousers for women increased (11.8 million in 2002 against 12.8 million in 2004. Other products with decreasing imports were: woven indoor jackets for women and dresses.
The volume of Belgian imports of outerwear products, which grew significantly more than average during the period 2000-2004, are mentioned in table 2.3.

Table 2.3 Imports into Belgium of products with growing import shares, 2000-2004 (in million units)

	2000	2002	2004
KNITTED			
Cotton anoraks for women	0.1	0.2	0.5
Cotton trousers for men	1.9	2.3	4.2
Synthetic trousers for men	0.9	1.1	2.2
Synthetic shorts for men	0.9	0.9	2.2
Synthetic ensembles for women	1.6	1.6	3.7
Cotton trousers for women	6.8	5.5	9.7
Cotton blouses for women	4.1	4.2	6.6
Cotton T-shirts	174.5	152.7	227.3
T-shirts of man-made fibres	13.3	16.1	22.0
Cotton jerseys etc. for men	13.6	11.7	16.8
Cotton jerseys etc. for women	14.8	21.2	24.1
Man-made jerseys etc. for women	21.9	30.6	34.2
WOVEN			
Man-made anoraks for men	5.6	6.6	12.2
Man-made anoraks for women	3.2	7.4	14.5
Cotton trousers for men *)	14.2	13.4	15.7
Synthetic trousers for men	4.7	5.7	9.9
Cotton skirts	3.5	7.6	15.0
Cotton trousers for women *)	15.3	15.8	20.3
Cotton shirts for men	16.5	16.7	21.8
Cotton shirts for women	5.4	6.8	9.5

*) other than denim or corduroy.
Source: Eurostat, 2005

Exports

Belgium ranked 4th in EU outerwear exports, after Italy, Germany and France. Exports amounted to € 4.1 billion or 8% of the total EU exported value in 2004. Exports by Belgium increased 19% in terms of value during the period 2000-2004, of which a limited 2% during 2002-2004.
Woven outerwear accounted for 59% of Belgian exports (in terms of value), knitted outerwear for 40% and leather garments for 1% in 2004.

Table 2.4 Exports by Belgium of product groups and by destination, 2004 in € million

	Intra-EU	Extra-EU	Total
Woven outerwear	2,301	102	2,403
Knitted outerwear	1,614	29	1,643
Leather garments	46	1	47
Total	**3,961**	**132**	**4,093**

Source: Eurostat, 2005

A very small share of 3% went to countries outside the European Union, which is far below the EU average of 26%. Leading destination of exports remained neighbouring country France (42% of total exports), followed by other EU countries: Germany (12%), United Kingdom (10%), The Netherlands (9%), Italy (8%), Spain (7%), Luxembourg (2%) and Sweden (2%).

The main destinations outside the EU were: Japan (ranked 14th with 1%), Tunisia (16th with < 1%), Switzerland, Romania and USA. The role of re-exports by Belgium has become more important and increased to 54% of total exports in 2004, which is lesser than in countries like The Netherlands and Germany.

Opportunities and threats

- A slightly increasing share of 45% of outerwear imports into Belgium came from developing countries in 2004 (43% in 2003). This percentage was significantly higher in the following product groups: knitted and woven garments for babies (resp 58% and 71%), knitted and woven sportswear (resp 57% and 62%), clothing accessories (64%), woven outdoor jackets (56%) and leather garments (56%) and significantly lower for the product groups: knitted outdoor jackets (26%), woven suits and ensembles (33%), indoor jackets (21%), woven shirts and blouses (38%).
- Imports of woven clothing increased by 11% in 2005 compared with the previous year and imports of knitted clothing increased by 9%. Clothing imports from China increased 35% in terms of volume and 29% in terms of value in the first nine months of 2005 compared to the same period in 2004.
- Import prices will be under pressure and the decrease in average import prices will put further pressure on Belgian producers, forcing them to source more abroad.
- The fast changing demand in the clothing market is a significant factor. Because of the higher dynamics of the clothing markets in terms of quicker changing consumer preferences and more seasons per year, there is a general tendency in the clothing branch to demand shorter delivery times and smaller volumes of series and orders. It should be noted that for this statement, it is a case of: an opportunity if you can respond, a threat if you can't!

Useful sources

- Euratex bulletins.
- EU Expanding Exports Helpdesk - http://export-help.cec.eu.int/ Go to: trade statistics.
- Eurostat – official statistical office of the EU - http://epp.eurostat.cec.eu.int
  Go to: 'themes' on the left side of the home page - 'external trade' - 'data – full view' - 'external trade - detailed data'.

3. Trade structure

Trade channels

Importers on the outerwear market in Belgium are:

- domestic manufacturers, often with production activities abroad (see also chapter 2);
- agents or selling offices for foreign manufacturers;
- wholesalers/importers, selling to retail organisations;
- retailers, of which the larger players import by themselves.

For more general information we refer to the survey 'The outerwear market in the EU'.

There are 271 active clothing manufacturers. In addition, several brand-agencies are expanding their activities to different branches, especially in the case of distributors of jeans and sportswear. A list of wholesalers in clothing can be found (after free registration) on http://www.modenet.be search for 'groothandel kleding', which results in more than1,600 hits.

Retail trade

Belgium is the smallest retail market for outerwear (after The Netherlands) of the seven major EU countries in terms of consumer expenditure. In terms of sales per inhabitant, on the other hand, the Belgian figure is among the highest in the EU. The influence of foreign countries is important in the distribution on retail level, for example: clothing multiples like C&A, H&M, Zara, Etam, M&S Mode, We (a detailed overview is given below), discounters like Zeeman and Wibra, variety store Hema and supermarkets like Aldi and Lidl.

Table 3.1 Market shares of retail distribution of clothing in Belgium, 2001-2005 (in % of value)

	2001	2003	2005
Specialists	**72**	**71**	**70**
- Clothing multiples	27	28	29
- Independent retailers	45	43	41
Non-specialists	**28**	**29**	**30**
- Sports shops	5	5	5
- Home shopping companies	3	4	4
- Hyper- and supermarkets	4	4	5
- Department/variety stores	6	6	6
- Textile discounters	3	3	4
- Other	7	7	6
Total	**100**	**100**	**100**

Source: Trade estimates

In 2005, about 9,200 clothing shops were active in Belgium. Specialised retailers dominate the Belgian clothing retail sector and account for 70% of clothing sales, of which independent retailers account for almost 30%.

Table 3.2 Major specialised clothing multiples in Belgium, 2005

Retail chain	Parent company	Sector	Number of outlets	More information on:
C&A	C&A (Netherlands)	Family	75	http://www.c-and-a.com
H&M	Hennes & Mauritz (Sweden)	Family	48	http://www.hm.com
JBC	JBC NV (Belgium)	Family	90	http://www.jbc.be
Zara	Inditex (Spain)	Family	18	http://www.zara.com
Massimo Dutti	Inditex (Spain)	Family	19	http://www.massimodutti.com
Damart	Damart T.S.D. (France)	Family	41	http://www.damart.com
Mexx	Liz Clayborne (USA)	Family	47	http://www.mexx.com
Promo Fashion	Fabrimode NV	Family	44	http://www.promofashion.be
Vögele	Charles Vögele (Switzerland)	Family	25	http://www.charles-voegele.be
E-5 Mode	SCF	Family	72	http://www.e5-mode.be
WE Men	WE Group (Netherlands	Men	27	http://www.wefashion.com
WE Women	WE Group (Netherlands	Women	20	http://www.wefashion.com
M&S Mode	Vendex KBB (Netherlands)	Women	63	http://www.vendexkbb.nl
Etam	Etam Group (France)	Women	54	http://www.etam.com
Cassis	MG Finance	Women	45	http://www.cassis.be
Mango	Punto Group (Spain)	Women	14	http://www.mango.com
Lola & Liza	Blue Stores NV	Women	25	http://www.bluestores.be
Springfields	Cortefiel (Spain)	Women	21	http://www.grupocortefiel.com
Promod	Promod (France)	Women	11	http://www.promod.com
Intersport	Intersport international	Sports	30	http://www.intersport.com
Primo	Euro Shoe Unie	Sports	42	http://www.primo.be

The growth of the market share of the specialized chains is important and is detrimental to the independent retailers (with less than five stores) and a decreasing market share in outerwear. Influences from abroad will be expanded further by activities by, among others, Witteveen, Perry Sport, Aktie Sport from The Netherlands and the Spanish Cortefiel, all of which have opened one or more pilot shops in Belgium.
In 2004, 35 Marca stores were changed into C&A stores. Superconfex (Belgian market leader in the 90's) operated in 2004 with a remaining 44 stores, of which 20 were sold to C&A per 1 January 2006, the other 24 were sold outside the clothing branch.
Except in the sports branch, there are no important buying groups active in the Belgian clothing sector. In the sports sector, a part of the independent sport shops has joined a buying group, of which the most important are mentioned in table 5.2.
The leading **department store** is Inno (15 stores, and part of the German Kaufhof, http://www.inno.be). An important **variety store** is Hema from The Netherlands with 34 stores.
Dominant **hyper- and supermarkets** in Belgium are:

- Carrefour Belgium: sells textiles (since 2004 under the brand name TEX) in its 56 Carrefour Hypermarkets, 77 GB Supermarkets and 361 franchise GB supermarkets.
- Delhaize Group operating with 728 stores under a variety of banners all over Europe. Under the name Delhaize (http://www.delhaizegroup.com), 43 stores are active in Belgium
- Colruyt (http://www.colruyt.be) operates with 170 outlets including clothing under the same name
- Group Louis Delhaize (http://www.delhaize.be) is besides its international activities (Hungary, among others), active in Belgium through Match supermarkets and Cora hypermarkets.

Textile discounters like Zeeman (170) and Wibra (63) operate in a lower (price/quality) segment.
International **home shopping** organisations, active in Belgium are among others: La Redoute (http://www.redoute.be), Les 3 Suisses (http://www.3suisses.be), Damart (http://www.damart.be) and Quelle (http://www.quelle.be).
Factory outlets, market stalls and wholesaler Makro (6 stores) are classified under 'Other outlets' in table 3.1.

Trends
- Foreign retailers dominate the marketplace in the clothing sector and their role will even be more important in the future.
- Clothing multiples will grow to the detriment of independent retailers, while in the lower priced segments the role of textile discounters and hypermarkets will become more important.

Opportunities
- Wholesalers, importing manufacturers, clothing multiples and non-specialised chains, like hypermarkets and sports chains are potential trade channels for exporters in developing countries.

The decision of an exporter, which market entry strategy can be chosen, depends on many internal (own manufacturing and organisational capabilities etc.) and external factors (resulting in the choice of direct or indirect exporting and, in the latter case, deciding which intermediaries are the most suitable).
Nearly all of the above mentioned retail organisations are active in the mid-market and/or lower-market segments. The chapters 8 and 11 of CBI's 'The outerwear market in the EU' give detailed information on this subject.

Useful sources
Clothing Retailing Europe, report published by Mintel (http://www.mintel.com); websites of mentioned companies; Gfk Retail Monitor (http://www.gfk.com/index.php?lang=en); national statistics (http://www.statbel.fgov.be/home_en.asp).

4. Prices and margins

Prices and margins
- Analysis of clothing prices in 2004 relative to 2000:
  Consumer prices + 2.8%
  Import prices - 19.1%
  Developments in the period 2004-2005 have been given in the previous chapters.
- The clothing market in Belgium has shown an increase in consumption, while consumer prices have increased above the EU average accompanied by a relatively sharp cut in import prices.
- Preliminary figures for 2005 indicated a stabilisation in consumer prices in 2005 (+0.1%) despite much lower imports (-4%) in this year.

The market is intensively competitive and prices vary widely according to the product and type of outlet. A rough indication of differences in price levels by types of outlets has been given in chapter 4 of 'The outerwear market in the EU' and an overview of margins valid for the levels distinguished in the clothing market can be found in chapter 9 and 11.5 of the same survey. Price is an important selling factor, especially in the lower segments of the clothing market, whereas in the higher segments (higher added value) factors like quality and fashion are more important than price. In the lower segments of the clothing market, retailers have little room to manipulate prices because competition is very fierce and margins are low.

Useful sources
Window-shopping in the prospective market place, at several retail shops is a good way of obtaining information about prices at retail or consumer level, but also about fashion, colours and qualities.
Alternatively, an impression of average prices can be formed by browsing through the catalogues of home shopping companies on Internet. Comparisons can also be found in the prices given in catalogues from large multiples, department stores or from company websites. For websites we refer to the previous chapter.

5. Market access requirements

As a manufacturer in a developing country preparing to enter the Belgian market, 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.

Legislative requirements
National legislation in EU countries is compulsory for all products traded within the country concerned. Therefore, as an exporter in a developing country you have to comply with the legislative requirements that are applicable to your products. For information on legislation for outerwear go to 'Search CBI database' at http://www.cbi.nl/marketinfo, select your market sector, and the EU country of your interest in the category search, click on the search button and click on legislative requirements for an overview of all documents on legislation in your country of interest.

Non-legislative requirements
Social, environmental and quality related market requirements are of growing importance in international trade and are often requested by European buyers through labels, codes of conduct and management systems. For information on non-legislative requirements applicable to outerwear, go to 'Search CBI database' at http://www.cbi.nl/marketinfo, select your market sector and the EU country of your interest in the category search, click on the search button and click on your subject of interest under non-legislative requirements for an overview of all documents on the subject concerned in your country of interest.

Packaging, sizing and labelling
A detailed overview of these aspects, which are valid for all EU countries or for groups of EU countries, can be found in the CBI market survey 'The outerwear market in the EU'.

Tariffs and quota
Detailed information about tariffs and quota can be found in the CBI market survey 'The outerwear market in the EU'.
The VAT tariff for clothing for adults and for children in Belgium is 21%.

Useful sources
Euratex Bulletins (http://www.euratex.org); National Customs of European Committee (http://ec.europa.eu).

6. Business practices

General information on business practices can be found in the CBI market survey *The outerwear market in the EU* and in CBI's *Export Planner.*
Belgians are excellent linguists and many are sufficiently fluent to conduct meetings in English. Belgians are careful and prudent, taking time before they trust others, be they individuals or representatives of companies. Business dealings tend to be bureaucratic, there are many procedures and a great deal of paperwork.
Clothing exporters to Belgium need to be aware of cultural issues when doing business in this country and to establish an effective and committed relationship at a personal level.
Several websites, providing practical tips on business culture and etiquette in Belgium can be found, such as http://www.kwintessential.co.uk/resources/global-etiquette/belgium-country-profile.html

Selecting a suitable trading partner
The main Belgian trade fairs take place in Brussels: the Brussels Fashion Fairs for men's and women's wear and the Kid's Fashion/Mode Enfantine. This would be a good place to make contacts. The clothing trade association will also be able to provide advice on selecting the type of contacts best suited to your own business.
Another possibility for selecting potential trading partners is an orientation on Internet; the website http://www.modenet.be offer you addresses (including links to websites if available) of several hundreds of wholesalers.

Reaching an agreement with your trade partner
Ensure that you are confident and know the organisation you are dealing with before you attempt to finalise any agreement.
Much business is now conducted via e-mail, although some smaller companies may still prefer to use the fax or normal post. Be sure you use the medium most suited to your potential partner.

Drawing up an offer
Provide as much detail as possible when drawing up the offer. A sample may be required, depending on the specification of the items. This is preferable for the first order, but good photography of items may be acceptable thereafter.

Methods of payment
It is advisable to obtain bank references before undertaking business in Belgium. You may also wish to run a credit check on the organisation. Before agreeing on a method of payment, contact the international division of your bank. Payment can sometimes be secured in 60 days or less. The payment method depends on the degree of trust between the parties.

- Open account is the simplest and most flexible method. Payments are made via electronic funds transfer (e.g. SWIFT), banker's draft or the buyer's own cheque.
- Cash against documents is done through a bank and is a more secure method. Documents are only released in accordance with the exporter's instructions.
- Letters of credit are the most effective way of ensuring payment, in particular for SMEs and doing business for the first time.

Terms of delivery
FOB (Free on Board) terms and CIF (Cost, Insurance, Freight) terms are the most usual terms of delivery in the outerwear sector, as discussed in chapter 14.4 of CBI market survey *The outerwear market in the EU* . For details on delivery terms please check appendix 2 of CBI's *Export Planner*.

Sales promotion
In the clothing trade, personal communication is highly rated. This is not a substitute for formal written or printed communication, but it is an important part of the overall sales and

communication process. The communication value of a website cannot be understated, but the printed medium is particularly well used.
Trade fairs, as mentioned above, are also important. For more details about fairs in Belgium contact http://www.bff.be. The Belgian trade association Creamoda Belgian Fashion can be reached at http://www.creamoda.be .
There are two clothing trade journals in Belgium: Mode Flash (http://www.modeflash.be) and Texbel (http://www.texbel.be).

More information can also be found in CBI's *Export Planner* and *Your Image Builder.*

This survey was compiled for CBI by Fashion Research & Trends