CBI MARKET SURVEY

THE STATIONERY, OFFICE AND SCHOOL SUPPLIES MARKET IN BELGIUM

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments in the stationery[1] market in Belgium. The information is complementary to the information provided in the CBI market survey *'The stationery, office and school supplies market in the EU' (2006)* 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

- The total consumption of stationery in 2005 in Belgium amounted to € 430 million at Manufacturing Selling Prices (excl. Greeting Cards and Cases & Satchels).
- The Benelux market accounts for 7% of the total stationery consumption of the reviewed countries[2]. Compared to the other researched markets, Benelux is one of the medium-sized stationery markets of the countries discussed in this survey. The Belgian market itself accounted about for 2.7% of the total stationery consumption.
- Between 2004 and 2005, total stationery consumption decreased by -1.5%.
- Consumption is expected to grow by about 0.5 - 1% annually until 2008.
- In 2005, Office furniture was the largest product group in the Belgium stationery market, accounting for about 53% and € 227.4 million at MSP. The next largest segment was Paper-based items with 17% of the Belgian stationery market, worth € 71.8 million.
- In third place by market share was Writing & Drawing Instruments with 10% of the total Belgian market and value of € 41.8 million.
- Storage & Filing products, Office & Desk Accessories and Presentation & Planning materials were the smallest segments with relative shares of 8.4%, 7% and 6% and values of consumption respectively of € 36.1, € 28.1 and € 24.7 million at MSP.
- The Paper-based items segment is forecast to decrease by more than 6.5% by 2008. Storage & Filing products and Writing & Drawing Instruments are the two groups forecast to decline marginally up to the end of the decade.
- The best-performing segments are Office & Desk Accessories and Office Furniture, which are expected to increase by more than 8% by 2008.

Production

- In absolute value the estimated total production of the Belgian stationery market for 2004 was € 630 million (including Cases & Satchels and Greeting cards).
- In 2004, Belgium accounted for 2% of the stationery production of the reviewed countries, based on Eurostat statistics, which made it one of the small producers in the EU.
- In comparison to previous years, overall production is increasing. In comparison to 2002, overall production has increased by more than 55%.
- However, the forecasts for 2007 onwards are not so positive. Increased price competition from imports and stagnating consumption may impact production growth negatively.

[1] Please, note that with 'stationery' in the whole survey, it is meant 'stationery, office and school supplies'.
[2] The reviewed countries are: France, Germany, Italy, The Netherlands, Spain, UK, Austria, Belgium, Cyprus, Czech Rep., Denmark, Finland, Greece, Hungary, Ireland, Poland, Portugal, Sweden.

Trends

- Competition among producers is tough and some of them are pricing aggressively to stay in the local market. The Belgian stationery market is however not increasing fast enough to give space to all the players. So some consolidation on the manufacturing side is expected and smaller entities may leave the market.
- The aggressive pricing should also increase the outsourcing trend amongst producers and many of them have already started to place their production facilities near/in China and other Asian countries.
- Manufacturers who are more export-oriented will be positively affected by the economic revival of their biggest trade partners, which are the other EU countries.
- In Benelux, producers have tried to fight the competition in the market by developing better quality products and more fashionable state-of-the-art designs.

Opportunities and threats

- Unfortunately, there are not a lot of opportunities in the Belgian stationery market, especially when looking at the prospective consumption figures. Consumption is increasing so slowly that the market is almost static.
- On the other hand, cheaper products were the trend in the recession years. This could be an opportunity and also a threat. An opportunity because private households will continue to seek cheaper products in the coming years due to their decreased disposable income. That in turn may give exporters from the developing countries some scope for their non-labelled imports.
- On the other hand, static consumption is always an impediment to trade. Even Belgian producers and selling agents will also try to exploit more the export side of trade and search for foreign markets.

Useful sources

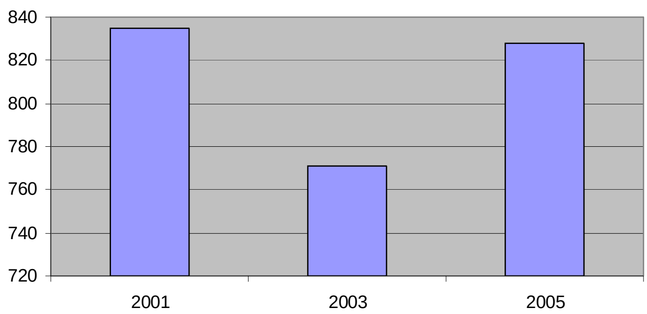
- In this country, the organization ‘Bosta is the Belgian trade association of all companies active in the office and school products industry. On the Bosta website can be found an exhaustive list of stationery companies active in the Belgian market: (http://www.bosta.org/goals/index_EN.html).
- Belgian Chambers of Commerce and Industry: (http://www.cci.be/cgi-bin/WebObjects/cci.woa/wa/default?language=EN)
- MPA International (http://www.mpainternational.com/)
- Institute European of Information and Professional Economic situations: (http://www.iplusc.com/uk/index.html)
- KOMPASS - The Business to Business Search Engine (giving company information on producers and importers): (http://www.kompass.com/en/BE0024492)

2. Trade: imports and exports

Imports

- Total imports into Belgium in value and volume were respectively € 828[3] (million) and 228 thousand tonnes in 2005.
- In 2005, Belgium took 8% of the total EU stationery imports and was one of the medium importers in the EU.
- In comparison to 2003, imports have increased by more than 7.5%.

Figure 2.1: Import in the Belgian stationery market, total imports, by value (€ millions)

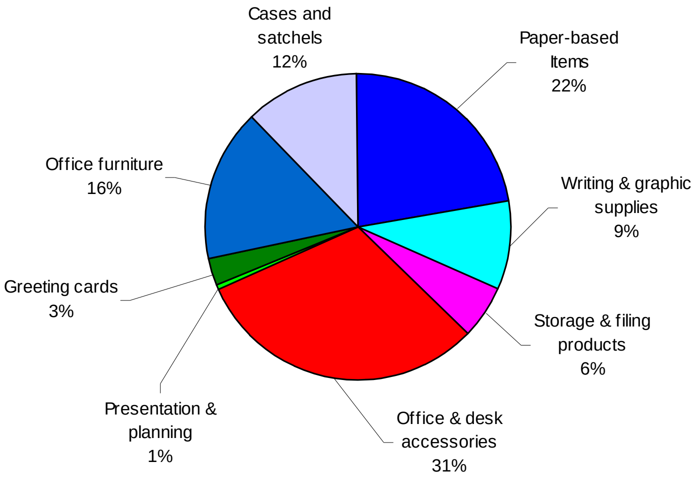


Source: Eurostat database

[3] Including Cases & Satchels and Greeting Cards

- Import growth is forecast to accelerate slightly into 2007 especially if imports keep their price competitiveness. Import growth in Benelux is directly correlated with export growth as in Benelux re-exports have an important impact. For more information see 'Exports' later in this chapter.
- For the year 2005, the percentage of imports in Belgium coming from the developing countries was more than 17%. For a comparison, this same percentage was 13.5% back in 2003.
- Major developing country suppliers in Belgium are: *China (13.4%), Vietnam (2.1%), Malaysia (1.2%), Turkey (0.6%), etc.*
- For the relative size of the product groups in Belgium import see Figure 2.2.

Figure 2.2: Import in the Belgian stationery market, segmentation by product group, % share, by value, 2005



Source: Eurostat database

Exports

- Total exports from Belgium in value and volume were respectively € 802 million and 200 thousand tonnes (including Cases & Satchels and Greeting cards) in 2005.
- In 2005, Belgium supplied 7.5% of the total EU stationery exports and it one of the medium exporters in the EU.
- In comparison to year 2003, the exports have decreased by more than 1%.
- Exports should continue to recover in 2006 mainly due to the revival of Belgian trading partners. There is also a correlation between exports in imports of stationery in Belgium due to re-exporting. In short, if the exports further increase, this will affect imports positively.

Opportunities and threats

- The whole EU region is experiencing economic revival. The Stationery trade, and consumption, are very cyclical, according to Datamonitor. As Belgium is re-exporting some part of its imports that would impact imports from developing countries in a positive way.
- Segments in which developing countries have strong positions are Cases & Satchels, Presentation & Planning materials, Writing & Drawing Instruments, etc.
- Local consumption is stagnating and domestic consumption will probably remain static over the coming years.

Useful sources

- EU Expanding Exports Helpdesk - http://export-help.cec.eu.int/
- Eurostat – official statistical office of the EU - http://epp.eurostat.cec.eu.int
- European Commission - official publication (http://ec.europa.eu/economy_finance/index_en.htm)
- Page of the Belgian Chamber of Commerce (http://www.gatewaytooz.com/)

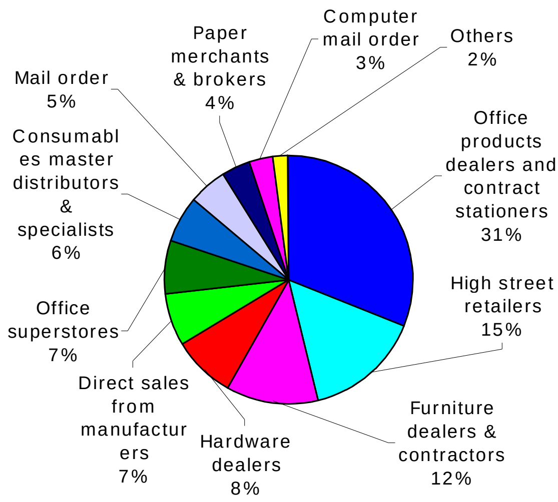
3. Trade structure

Traditionally, exports from the developing countries took place through a set of importers who have then marketed the product to wholesalers, end-users, or retailers. On the other hand, *exporting on your own generally requires more of the resources of your company than exporting through an agent or importer/wholesaler*. In this chapter, most important distribution and retailing channels are given so that both types of exporters (ones which are using/not using intermediaries) can select the best channel for them.

The Office product dealers and the contract stationers having the biggest share in the distribution structure in Benelux. However, those two distribution channels are also competing strongly with each other. Contract stationers will continue to pressure Benelux Office Products dealers. Examples in this channel are Lyreco Benelux B.V. serving the large Professional users market (http://www.lyreco.be).

QUANTORE EUROPE B.V. (http://www.quantore.com) is the biggest buying group in Benelux. It offers a full variety of more than 12,000 products and is a large-scale trade channel. Another important intermediary for the exporters from developing countries are Office products wholesalers, who are also active as importers. Examples here are I.D.C. sa (http://www.idc.be), TIMMERMANS N.V. (http://www.timmermansnet.com), etc.

Figure 3.1: Distribution of Stationery in Benelux, segmentation by format, % share, by value, forecasts 2005



Source: MPA International

N.v. Timmermans is the representative in Benelux of Spicers (http://www.spicers.net) and is quite influential in Belgium - a dynamic manufacturer, importer and wholesaler of office and school supplies. As regards the department stores, Hema is one of the most famous sellers: (http://www.hema.be/Site/HEMA-BE/default.aspx). The range of the Hema is generally smaller, mainly consists of good quality, lower–priced items. Most of the players in the Belgian stationery market are members of Bosta. A full list of its members with company emails are available on the site (http://www.bosta.org/goals/index_EN.html).
Websites with interesting information on the trade structure of Belgium are:

- MPA International - A global consultancy specializing in marketing research and analysis in the office products industry: (http://www.mpainternational.com/)
- Office Products International Magazine (http://www.opi.net/index.asp?)
- Page of the Belgian Chamber of Commerce (http://www.gatewaytooz.com/)

4. Prices

Price is an important selling factor, especially in the lower segments of the stationery 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 stationery market, retailers have little room to manipulate prices because competition is very fierce and margins are low.

Table 4.1 Developments in import prices per product group in the period 2003-2005, % change

Paper-based Items	Writing & Drawing Instruments	Storage & Filling Products	Office & Desk Accessories	Presentation & Planning	Greeting Cards	Office Furniture	Cases Satchels
-20%	-5.50%	-4.20%	8.80%	N.A.	6.20%	-8.50%	N.A.

For examples of prices see for more information *'The stationery, office and school supplies market in the EU'* (2006) *Chapter 9 'Prices'* and the web addresses provided under '*Useful sources*' of this chapter.

As far as up-to-date information about prices is concerned, below are mentioned some useful techniques for finding relevant information on prices:

- the CBI survey Guide for Market Research has a wide variety of good advice on how to use the internet for doing research;
- in general, one should always at least search for information in trade journals, at exhibitions, from competitors, potential and existing customers, exporters in your own country that sell products in the same market
- Other sources of price information are the local producers and suppliers. Above are given some examples important Belgian players.

5. Market access requirements

- Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country government. Requirements are determined through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.
- For more information go to 'Search CBI database' at http://www.cbi.nl/marketinfo. A detailed overview of important packaging, marking and labelling aspects which are valid for all EU countries or for groups of EU countries as well as of more information about the countries to which tariffs apply, can be found in the CBI market survey *'The stationery, office and school supplies market in the EU' (2006).* More information about packaging can be found as well in the web site of ITC Export packaging: http://www.intracen.org/ep/packaging/packit.htm. The VAT in Belgium is currently 21%.

Important sites:
Taric database at http://europa.eu.int/comm/taxation_customs/index_en.htm
European Union (http://europe.eu.int/)
European Committee for Standardization (http://www.cenorm.be)
European Committee for Standardization (CEN) and http://www.iso.org/

6. Business practices

Bosta is the Belgian trade association of all companies active in the office and school products industry. It defends the interests of the industry by offering a tool for the exchange of information, standards and statistics. Bosta also offers the possibility of promoting the industry by means of conferences, trade fairs or marketing activities. Every two years, Bosta organises a professional fair "Paper Show" in Haasrode (Leuven). Also other activities are organised to promote the industry e.g. "Office Box" or specific actions are organised such as e.g. in writing instruments or others. Finally, the trade association is the spokesman with the authorities and represents Belgium in the European Stationery and Office Products Trade Association (ESOTA). (http://www.bosta.org/goals/index_EN.html)

- Trade shows in Belgium (http://www.biztradeshows.com/belgium/)
- Belgian Exhibitions, Conferences & Trade Shows (http://www.eventseye.com/fairs/event_l491.html)
- For trade press and related articles: Office Products International Magazine (http://www.opi.net/index.asp?)
- For more information on Belgian business culture and practices, check: (http://www.executiveplanet.com/business-etiquette/Belgium.html)

This survey was compiled for CBI by DCT B.V. in collaboration with Ms. Y.Netto