CBI MARKET SURVEY

THE ELECTRONIC COMPONENTS MARKET IN BELGIUM

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments concerning the electronic components market in Belgium. The information is complementary to the information provided in the CBI market survey 'The electronic components 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 : industrial demand and production

Industrial demand

Belgium has a medium-sized diversified electronic industry, mainly active in telecoms, industrial equipment and automotive. The Belgian industry is mostly specialised in sub-systems assembly rather than in complete final products. Previously, it has been suffering from major divestures in consumer products operated by Philips.

As shown in table 1.1, after a strong recovery in 2004, the Belgian component market growth is now showing the same trend as other EU15 markets. In fact, one can observe a growth some 0.2 point more than the average for the EU15, due to a good position in IT professional equipment and automotive. Belgium & Luxemburg together were the thirteenth European component market in the EU, far after Ireland and behind the Netherlands but ahead of Estonia and Austria.

Table 1.1 Belgium and Luxembourg market of electronic components, 2003-2010, € million

	Market value				Growth rates (%)	
	2003	**2004**	**2005**	**2010**	**04/05**	**05/10 (annual)**
Active components	831	913	897	1 110	-1.7	4.3
Passive components	105	104	100	95	-3.7	-1.0
Electromechanical components	398	408	417	471	2.3	2.4
Total	**1,334**	**1,425**	**1,415**	**1,676**	**-0.7**	**3.4**

Source: Decision (July 2006)

End users

Barco is the most significant Belgian corporation in electronic industry, being a world leader in professional monitor and display solutions. Other main actors are mostly European or American:

- Many European leaders such as Philips, Siemens or the Dutch OCE (an image and printing solution company) have plants in Belgium.
- Various US companies, from IT sectors such as Honeywell, IBM, HP, selected Belgium to be one of their Western Europe plant locations earlier in the 80s or 70s and many of them are still running.

Production

Table 1.2 shows an indication of production of electronic components in Belgium. Please note that reliability of Eurostat data is limited. However, they can be used to analyse the development over years. The total production value in Belgium declined fast in recent years: 73% in the period 2000-2004. This is in line with the European trend. In total production value, Belgium was one of the smaller producers in Europe in 2004, far behind Sweden, but ahead of Portugal and Ireland. Domestic electronic assemblies also decreased: 43% in value in the period 2000-2004.

Table 1.2 Belgian production of electronic components, 2000-2004, € million and million units

	2000		2002		2004	
	value	**volume**	**value**	**volume**	**value**	**volume**
Active components	-	-	-	-	-	-
Electromechanical components	153	796	113	553	79	31
Passive components	141	121	113	27	-	-
Electronic components (excl ass)	**295**	**917**	**226**	**580**	**79**	**31**
Electronic assemblies	181	26	158	22	103	13

Source: Eurostat (2006)

Some examples of component producers are Alcatel (http://www.alcatel.be; passives and PCB), Ami Semiconductors (http://www.amis.com; actives and PCBs), Barco (http://www.barco.com; PCB production and assembly), CDM (http://www.bicom-steckverbinder.com; connectors), C-mac Electromag (http://www.cmac.com; passives and PCBs) and Macq Electronique (http://www.macqel.be; PCBs). Also, there are some EMS-providers (such as Jabil Circuit (http://www.jabil.com)) in Belgium, but operations are especially in the area of new product introduction and technology services such as design.

Trends

- The industry has been characterized by a slowdown in the communications sector in recent years, resulting in many foreign-owned groups scaling back operations in Belgium.

Opportunities and threats

\+ Market for components is expected to grow in the coming years.
− Local production of components and assemblies was down in the period 2000-2004.
− Small market compared to other EU countries.

Useful sources

- Federation for the technology industry - http://www.agoria.be

2. Trade: imports and exports

Imports

In 2005, Belgium's imports of components and assemblies totalled € 999 million and € 630 million respectively. The country was a medium sized importer of electronic components in Europe, behind Slovakia and Austria but ahead of Poland and Sweden. In line with the market trend, the total import value of components in Belgium declined fast in recent years: almost 70% in the period 2001-2005. Electromechanicals (51%) accounted for the largest share of total imports, followed by actives (29%) and passives (20%). Assemblies imports declined almost 60%. DCs' shares in 2005 were respectively 10% (components) and 7% (assemblies). China was by far the most important DC components supplier (7%), followed by Malaysia and Mexico (both 1%). China was the largest supplier in assemblies (4%) too, followed by Mexico and Indonesia (both 1%).

Exports

The total export value of Belgium declined fast in recent years: almost 60% in the period 2001-2005, totalling € 990 million in 2005. In the same period, electronic assemblies exports decreased almost 50%, totalling € 690 million in 2005. Unfortunately, the value of re-exports is unknown, as Eurostat doesn't allow such detailed analysis.

Opportunities and threats

\+ Considerable import shares for DCs.

− Import value of components and assemblies has been declining fast in recent years.
− Export value of components and assemblies has been declining fast in recent 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

3. Trade structure

Generally, the intermediary channels (importers, agents, distributors) are the most suitable trade channels for DCs. Some examples of distributors in Belgium are Acal (http://www.acal.be), Alcom (http://www.alcom.be), Decamp Group (http://www.decamp.be) and Elproma (http://www.elproma.com). Please refer to the CBI market survey "The Electronic Components market in the EU" for general information on trade structures in Europe. For more information on finding prospects in this country, please refer to section 6.

4. Prices

Prices of electronic components and assemblies continue decreasing year after year. While electromechanicals and assemblies are down by 5-10% annually, semiconductors and most passive components decrease 10-30% annually. However, there might be exceptions, depending on supply in relation to demand and raw material costs. Both websites of distributors (refer to section 3) and websites of associations (refer to section 1) may include prices of components. One example is the site of distributor Spoerle (http://www.spoerle.com; click on the icon of the shopping cart).

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 demanded 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
- EU Expanding Exports Helpdesk - http://export-help.cec.eu.int/
- In Belgium, the VAT tariff is 21%. More VAT tariffs: http://www.expatax.nl/vatrates.

6. Business practices

Finding prospects
Among the helpful websites that can be used to identify prospects are the company databases such as Europages - http://www.europages.com, KellySearch - http://www.kellysearch.co.uk, Kompass - http://www.kompass.com and Thomas Global Register - http://www.trem.biz. Refer to the manual "Digging for Gold" for guidelines on searching with these databases. Also, the exhibitor database of trade fair Electronica (refer to trade fairs; below) can be used to identify key players in the industry.

Trade press
In general, German trade magazines contain very good information, also for this country. Another good option might be the magazines of neighbouring countries. To find relevant European trade magazines, visit Components Source (http://www.componentssource.com; click 'magazines') or consult the CBI market survey "The Electronic Components Market in the EU".

Trade fairs
The largest components trade fair in Europe is Electronica (http://www.global-electronics.net). Visiting trade fairs in neighbouring countries could be an option as well. Please refer to Auma (http://www.auma.de) and EventsEye (http://www.eventseye.com) to find relevant fairs.

This survey was compiled for CBI by Facts Figures Future in collaboration with Mr. G. Fandrich.