

## CBI MARKET SURVEY

## THE CUT FLOWERS AND FOLIAGE MARKET IN BELGIUM

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**Introduction**

This CBI market survey gives exporters in developing countries information on some main developments on the market for cut flowers and foliage in Belgium. The information is complementary to the information provided in the CBI market survey 'The market for cut flowers and foliage 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**

- Belgium is the seventh largest market for cut flowers and foliage in the EU. The value of the market decreased from € 458 million in 2001 to € 440 million in 2003, then increased again to € 449 million in 2004. The fluctuation roughly resembles the economic development of the country. Consumption is estimated to increase slowly, by 1% annually, to € 472 million in 2009.
- Per capita consumption is high compared to other EU countries. Belgians spent € 44 on average on cut flowers and foliage in 2004. The EU average is only € 26. Belgian people also purchase flowers relatively often: 11.3 times in 2002.
- Rosa is the most popular flower, with a 20% market share in 2002. Other popular flowers were Dendranthema (4%), Freesia (2%) and Gerbera (1%).
- Quality and freshness are the major criteria when purchasing flowers.

**Production**

- Belgium is the seventh largest producer of cut flowers in the EU, with a production value of € 80 million in 1999.
- A total area of 150 hectares was used for production of flowers in 2005. Approximately 60 hectares were open land. This area has remained at the same level since 1999. The number of companies producing flowers and plants in the open air decreased by approximately 3% annually between 1999 and 2005, amounting to around 1,800 companies in the latter year. In general, company scales have increased. The covered area for the production of flowers amounted to approximately 90 hectares in 2005. This area had decreased by 3% annually since 1999. The number of companies producing flowers and plants under glass also decreased. In 2005 there were around 1,700 companies producing flowers and plants under glass.
- Rosa is the most important product produced in Belgium.

**Trends**

- Belgium is a saturated market with little growth potential. Unless major marketing initiatives are undertaken to increase the share of disposable incomes spent on flowers, per capita consumption will only increase at the same rate as the average disposable income.
- Production increases in scale. However, total output remains approximately the same.

**Opportunities and threats**

- Belgium is a small and slowly growing market. Consolidation has already been in process for a number of years. Nonetheless, domestic production is insufficient to answer demand.

### Useful sources

- General Association of Belgian producers of flowers and plants (AVBS): [www.avbs.be](http://www.avbs.be)
- Search Belgian florist database:  
<http://www.ufbel.org/index.php?p=visiteurs&lang=nl&q=search&det=cp>
- Information on areas and number of growers:  
[http://www.statbel.fgov.be/figures/agriculture\\_nl.asp](http://www.statbel.fgov.be/figures/agriculture_nl.asp)

## 2. Trade: imports and exports

### Imports

- Belgium is one of the larger EU importers of cut flowers and foliage. Belgium is the 6<sup>th</sup> largest EU importer of cut flowers and foliage, accounting for 3.5% of total EU imports. Its imports remained stable between 2001 and 2005, amounting to € 115.5 million in 2005.
- Being a neighbouring country of The Netherlands, the Belgian market is supplied mainly by The Netherlands (79%), followed at a distance by Israel (10%).
- Developing countries account for 5% of the supply of cut flowers. This is not large compared to other EU countries of similar sized import markets. However, the developing countries' supply increased considerably by 33% annually in the period revised, amounting to € 6 million in 2005.
- Belgium mainly trades with African developing countries. Their main suppliers are Kenya (2%) and Côte d'Ivoire (1.5%). Kenyan supplies increased annually by 110% between 2001 and 2005. Kenya started exporting Dianthus and Dendranthema to Belgium in 2003 and now it is the only developing country supplier of these two product groups. Kenya accounts for 24% of the supply of Dianthus, valued at € 462 thousand and accounts for 6% of the supply of Dendranthema, valued at € 218 thousand in 2005. Côte d'Ivoire is the main developing country supplier of 'other fresh cut flowers and foliage' (3%). Its supply increased annually by 58% amounting to 51.8 million in 2005.
- The largest product groups imported into Belgium are 'other fresh cut flowers' (€ 68.2 million), Rosa (€ 21.3 million) and 'prepared cut flowers' (€ 10.5 million). The Netherlands is by far the main supplier. Imports of these product groups remained stable in the period reviewed.

### Exports

- Belgium is the third largest EU exporter of cut flowers and foliage, although its exports decreased by 6% between 2001 and 2005, amounting to € 57 million in 2005. Belgium is a net-importer of cut flowers.
- Belgium's exports are mainly composed of 'other fresh cut flowers' (€ 34.1 million) and Rosa (€ 11.2 million).
- Its main export destinations are France (€ 33.3 million) and The Netherlands (€ 9.6 million). Approximately three quarters of Belgian exports are destined to these two countries.

### Opportunities and threats

- Belgium could be an interesting market for developing country suppliers, since the country is an important player in the EU market of cut flowers and foliage. Furthermore, the share of developing countries suppliers is small, but increasing at fast pace.
- On the other hand, overall imports remained unchanged in the period revised and the Belgium cut flower market shows signs of saturation. Furthermore, solely Kenya and Côte d'Ivoire account for the lion's share of developing countries' supply.

### 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

- There are 2 specialised flower auctions in Aalst and Brussels. The Euroveiling auction in Brussels (<http://www.euroveiling.be/>) has an annual turnover of € 31 million. The auctions experience competition from Cash & Carry outlets which are the major purchasing channel for florists; they often have broader and deeper assortments, better opening hours and lower prices. Currently, the market for Cash & Carry is saturated.
- Direct purchases from suppliers in The Netherlands are increasing. The increasing scale of retailers favours large-scale sourcing directly from suppliers.
- The leading sales channel for flowers in Belgium is the florist, accounting for 57% of sales. Other sales channels are: supermarkets (30%), street markets and kiosks (10%), garden centres (2%) and growers (1%). Belgian florists are organised in the Royal Union of Belgian Florists (KUFB) ([www.kufb-urfb.be](http://www.kufb-urfb.be)).

### 4. Prices

- In general, price development is in line with the other Northern European markets. Most flower importers have direct lines with suppliers who buy at the Netherlands auctions. The Netherlands auctions therefore have an important role to play in price-setting in Belgium (<http://www.vbn.nl>).
- Prices of flowers achieving the highest sales at the auction in Brussels can be found at <http://www.euroveiling.be>.

### 5. Market access requirements

- Growers 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.
- The general VAT rate in Belgium is 21%. The VAT rate generally applied to flowers is 6%.
- For more information go to 'Search CBI database' at <http://www.cbi.nl/marketinfo>

### 6. Business practices

#### *Trade associations*

- General Association of Belgian producers of flowers and plants (AVBS): [www.avbs.be](http://www.avbs.be)
- Royal Union of Belgian Florists (KUFB) <http://www.ufbel.org>
- VLAM (Flanders' Agricultural Marketing Board): <http://www.vlam.be>

#### *Trade press*

- Fleur Magazine and Fleur creatief: <http://www.happenings.be/rekad/magazines.html>
- Echo: <http://www.ufbel.org>
- Verbondsnieuws voor de Sierteelt en Groenvoorziening: <http://www.avbs.be>

This survey was compiled for CBI by ProFound – Advisers in Development and Milco Rikken of ProVerde in collaboration with Mr. Jan Lanning.

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