

CBI MARKET SURVEY

THE NATURAL COLOURS, FLAVOURS AND THICKENERS
MARKET IN BELGIUM

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments in the natural colours, flavours and thickeners market in Belgium. The information is complementary to the information provided in the CBI market survey 'The natural colours, flavours and thickeners 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: industrial demand and production**Industrial demand**

- Industrial demand for natural colours, flavours and thickeners depends for a large part on the presence of a food ingredient industry in a given country. Belgium accommodates several production facilities of some multinational food ingredient companies such as Danisco, which has a flavour and essential oil producing facility in Belgium. Therefore Belgium can be considered to have a medium-sized industrial demand for natural colours, flavours and thickeners in the EU.
- As regards the consumer market for end-products, increased demand for healthier food and natural ingredients is expected to result in increased industrial demand for natural colours, flavours and thickeners.

Production

- Production of raw materials for natural colours, flavours and thickeners is negligible in Belgium compared to other EU countries. The main reason for this is that the climate does not support the cultivation of raw material needed for the production of natural colours, flavours and thickeners. It is not expected that production of these products will increase in the future.

Trends

- Increased demand for low-energy, low-fat food. Hence, more demand for healthy (organic) ingredients.
- Increased demand for convenience food with longer shelf-life.
- Increased demand for exotic and ethnic flavours.
- The growing health awareness of Belgian consumers stimulates the demand for natural food ingredients.

Opportunities and threats

- The growing demand for natural ingredients offers opportunities for developing country suppliers.

Useful sources

- FEVIA (<http://www.fevia.be/>): Federation of Food Industries
- AROMA (viviane.vijverman@danisco.com): member of European Food & Flavour Association

2. Trade: imports and exports

Imports

- Belgium can be considered as a medium-sized importer of natural colours, flavours and thickeners, accounting for 4.5% of EU imports (in terms of value). In 2005, total imports amounted to € 79.8 million / 15.9 thousand tonnes. In the period 2001 – 2005, Belgian import value increased by 3% annually.
- In 2005, 21% of total Belgian imports was supplied by developing countries. The leading developing country supplier was India, accounting for 7% of total imports, followed by the Philippines (4%), Congo Dem. Rep. (2%), China (2%) and Peru (2%).
- Belgian imports of natural colours, flavours and thickeners consisted of pectates, agar-agar, mucilages and thickeners (44%), essential oils (25%), natural colours (18%), natural gums, resins and balsams (7%), flavours (6%) and manioc starch (1%).

Exports

- Belgium accounts for 3% of total EU export and can therefore be considered as a medium-sized exporter. In 2005, export amounted to € 42.8 million / 10.6 thousand tonnes.
- In the period between 2001 and 2005 export value increased by 70%, whereas for the EU as a whole export value decreased by 4% over the same period.
- In 2005, Belgian exports of natural colours, flavours and thickeners consisted of pectates, agar-agar, mucilages and thickeners (44%), natural colours (22%), natural gums, resins and balsams (19%), essential oils (12%), flavours (2%) and manioc starch (0%).

Opportunities and threats

- Belgium is a strong net importer of natural colours, flavours and thickeners and Belgian import value and volume sourced in developing countries increased in the period 2001 – 2005. Therefore, being a medium-sized importer, the Belgian market can be of interest for developing country suppliers.
- However, please note that the Belgian food industry is for a large part supplied by multinational food ingredient companies with production facilities in surrounding countries, like The Netherlands.

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

Belgium is a relatively small market. In general, the multinational flavour houses and traders active in the EU market have not paid much attention to the Belgian market. They only sell their products through sales offices in nearby countries, but also supply the Belgian market through local distributors.

- Taste Development S.A. (e-mail: taste@skynet.be): producer of natural flavours.
- I.F.K.O. (<http://www.ifko.be>): importer-exporter of food additives.
- Danisco Belgium SA (<http://www.danisco.com>): producer of natural flavours.
- The following multinational food ingredient companies have sales offices in Belgium: CP Kelco, Cargill, Sensient Technologies Corporation and Döhler.

4. Prices

- In general, prices for natural colours, flavours and thickeners are the same as in the rest of the EU.
- If any price differences exist, they are related to product origin and buyer preferences (quality demanded, order size etc.), and on negotiations with partner companies. Prices provided in the market survey covering the EU should be used as a reference point only.

- Prices for most natural colours, flavours and thickeners are decreasing in the long term. However, much of the price decrease is realized by less expensive processing. Prices of raw materials have decreased less, as they already became commodities decades ago.
- Seasonal price differences will remain common, due to the dependency of harvests on the weather.

For more detailed information on prices, refer to the survey covering the EU or to:

- The Public Ledger (<http://www.public-ledger.com>): Prices for selected colours, flavours and thickeners
- MCX India (<http://www.mcxindia.com/>): Prices for menthol and guar
- Quarterly Review of Food Hydrocolloids: Prices for hydrocolloids

5. Market access requirements

- Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country's 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.eu/marketinfo>

6. Business practices

For information on business practices in Belgium, please refer to the following sources.

Trade Associations

- Food Industry Federation / Fédération de l'Industrie Alimentaire - Federatie Voedingsindustrie (FEVIA): <http://www.fevia.be>
- Belgian Federation for food supplements, dietary and organic products (Naredi): <http://www.naredi.be>
- National Federation of Processors and Distributors of Organic Products (PROBILA-UNITRAB): <http://www.probila-unitrab.be/>
- Bioforum – umbrella organisation for the organic sector: <http://www.bioforum.be/>

Trade press

- Horecamagazine: <http://www.horecamagazine.be/nl/index.php>

Trade fairs

- No trade fairs of interest were encountered in Belgium

This survey was compiled for CBI by ProFound - Advisers in development.

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