

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.eu/marketinfo/cbi>.

1 Market description: consumption and production**Consumption**

- Belgium is the seventh largest market for cut flowers and foliage in the EU. In 2006, consumption amounted to € 401 million. The market value increased steadily from € 262 million in 2000 to € 359 million in 2003. A small decrease of € 1 million occurred between 2003 and 2004. But from 2004 to 2006, the market in Belgium increased again by 12% annually.
- Per capita consumption increased from € 29 in 2002 to € 39 in 2006.
- In 2005, the most popular flower was Rosa with a share of 24.5%. Other popular flowers were Tulip (5.3%), Freesia (2.1%), Dianthus (1.9%) and Lilium (1.8%). Rosa and Tulipa fortified their positions in 2005. The share of consumers purchasing these flowers slightly increased compared to the previous year.
- Another interesting fact about the assortment of flower sales in Belgium is that mono-bunches, mixed bouquets and compositions have more or less equal market shares of 32%, 33%, and 35% respectively. The share of compositions is relatively large compared to other EU countries. In Belgium, the Christmas season causes considerable peaks in the sales of (expensive) compositions. These sales noticeably affect total flower sales.
- Major criteria when purchasing flowers are quality, scent and freshness.

Trends

- It is expected that consumption of cut flowers will continue to increase in the coming years. Good economic prospects stimulate domestic consumption and sales to companies in particular. The Flower Council of Holland forecast a market value of € 465 million in 2011.
- There are indications that the share of mono-bunches in flower sales is increasing slowly. This could be the result of the increasing market share of supermarkets. A major part of the flower sales of supermarkets consists of mono-bunches, as these are relatively cheap and as consumers purchasing flowers at supermarkets generally look for simple bunches for own use.

Production

- Belgium is the seventh largest producer of cut flowers in the EU, with a production value of € 33 million in 2006. Production has been stable since 2001.
- In 2005, the production was realized on 64 hectares of open area and 83 hectares under glass. The number of companies active in the flower production was 138 in 2005. These companies mainly produce Rosa. Rosa production accounts for 44% of the area for flower production under glass.
- Note that Belgium is a far more important producer of pot plants, for which some 640 ha are used. Please refer to the CBI market survey 'The plants and young plant material market in the EU' for more information.

Trends

- Although production under glass is more common than production in the open, the latter is increasing, whereas production under glass is decreasing. The decrease of production under glass is mainly accounted for by Rosa production.

Table 1.1 Flower production in Belgium, area and size in ha, 2001 - 2005

	Open area			Under glass		
	Area (ha)	Number of companies	Average size of companies	Area (ha)	Number of companies	Average size of companies
2001	62	173	0.36	97	n.a.	n.a.
2002	62	160	0.39	93	n.a.	n.a.
2003	61	143	0.43	90	n.a.	n.a.
2004	61	140	0.44	87	n.a.	n.a.
2005	64	138	0.46	83	n.a.	n.a.

Source: Statbel (2007)

Opportunities and threats

- /+Belgium is a small and saturated market with little growth potential. Consolidation has already been in process for a number of years. Nonetheless, domestic production is insufficient to answer demand.
- 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.

Also refer to Sections 1.4 and 2.3 of the CBI market survey 'The cut flowers and foliage market in the EU' for general information on opportunities and threats in the EU.

Useful sources

- General Association of Belgian producers of flowers and plants (AVBS): www.avbs.be
- Search the Belgian florist database: <http://www.ufbel.org>. Go to 'Ingang', click on 'Een florist opzoeken per plaatsnaam' (find a florist per municipality) and then choose a municipality of your interest.
- Information on areas and number of growers: <http://www.statbel.fgov.be>. Go to 'Nederlands' and select 'Statistieken' → 'Landbouw en aanverwante activiteiten' → 'Tuinbouw'

2 Trade channels for market entry

- Flowers from developing countries typically enter Belgium through The Netherlands, after which they go to Cash & Carry outlets, where they are sold to florists.
- There are also 2 specialised flower auctions, in Aalst and Brussels. The Euroveiling auction in Brussels (<http://www.euroveiling.be>) has an annual turnover of € 31 million. This is relatively small when taking the total (retail) market value of € 401 million into account. The main competition for the auctions comes 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. One of these Cash & Carry outlets is Allflor: <http://www.allflor.be>. Note that, currently, the market for Cash & Carry is saturated.
- The Belgian trade channels also include wholesale markets and independent wholesalers. For information on the wholesale market in Brussels: <http://www.mabru.be>. A major importing wholesaler is Van der Lans: <http://www.vanderlans.be>.
- 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 62% of sales in 2006. Other sales channels are: supermarkets (16%), markets (13%) and garden centres (3%).

- Belgian florists are organised in the Royal Union of Belgian Florists (KUFB) (www.kufb-urfb.be). The most important supermarkets in Belgium are Carrefour, Delhaize, and Colruyt. Supermarkets are becoming an increasingly important channel.
- Cut flowers and foliage pass through various intermediaries from the moment of export to the moment that the final consumer purchases the product. All of the intermediaries add value to the product and the prices paid for the product are thus different at every stage. For example, Euroveiling charges a 12% commission to foreign suppliers. Please refer to the survey covering the EU market for more specific information on margins.

3 Trade: imports and exports

Imports

- Belgium is the 6th largest EU importer of cut flowers and foliage, accounting for 4% of total EU imports. Belgian imports remained stable between 2002 and 2006, amounting to € 121 million / 26 thousand tonnes in 2006. Countries with comparable flower imports are Italy and Austria, which have import shares of 5% and 3% respectively.
- As consumption has been increasing since 2004 and local production and exports remained stable, it is expected that imports of cut flowers will increase in the near future.
- Being a neighbouring country of The Netherlands, the Belgian market is supplied mainly by The Netherlands (71%), followed at a distance by Israel (13%). Imports from The Netherlands decreased by 3% annually, whereas imports from Israel increased by 1% annually during the review period. The third supplier to Belgium is Kenya with a market share of 7%. Imports from Kenya increased by 154% annually between 2002 and 2006, amounting to € 8.8 million in the latter year.
- Developing countries account for 10% of the supply of cut flowers. This is not a large share compared to the share in total EU imports of 22%. However, the supply by developing countries increased considerably, by 61% annually in the period reviewed, amounting to € 12 million / 4 thousand tonnes in 2006.
- Belgium mainly trades with African developing countries. The leading suppliers are Kenya (7%), Ivory Coast (1%), and Cameroon (1%). Kenya started exporting Dianthus, Rosa and Dendranthema to Belgium in 2006 and now it is the only developing country supplier of these three product groups. Kenya accounts for 64% of the supply of Dianthus, valued at € 2.1 million, accounts for 18% of the imports of Rosa, and accounts for 13% of the supply of Dendranthema in 2006. Ivory Coast is a supplier of 'other fresh cut flowers and foliage', such as summer flowers, accounting for 2% of Belgian imports. Its total supply increased annually by 66% amounting to € 1.7 million in 2006. Cameroon has a share of 1% in Belgian imports of 'other fresh cut flowers, with supplies amounting to € 627 thousand in 2006.
- The largest product groups imported by Belgium are 'other fresh cut flowers' (€ 72.3 million), Rosa (€ 22 million) and 'prepared cut flowers' (€ 9.5 million). Imports of Rosa and 'other fresh cut flowers' slightly increased by 1% annually during the review period, while imports of 'prepared cut flowers' decreased by 7% annually.

Exports

- Belgium is the third largest EU exporter of cut flowers and foliage with a share of 2% in total exports by EU countries. Belgian exports increased by 1% annually between 2002 and 2006, amounting to € 64 million / 10 thousand tonnes in 2006. Although Belgium is a relatively large exporter of flowers in the EU, it is still a net importer.
- Belgium's exports are mainly composed of 'other fresh cut flowers' (€ 40.2 million) and Rosa (€ 10.8 million).
- Its main export destinations are France (€ 29.5 million), The Netherlands (€ 16.9 million), and the United Kingdom (€ 11.2 million).

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 a fast pace.
- On the other hand, overall imports remained unchanged in the period reviewed and the Belgium cut flower market shows signs of saturation. Three countries (Kenya, Ivory Coast and Cameroon) account for the lion's share of flower supplies by developing countries.
- The Belgian flower market is supplied for a large part by Netherlands export wholesalers. Furthermore, Belgian retailers often purchase their products directly in Netherlands Cash & Carries.

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>

4 Prices

- In 2005, average prices paid for mixed bouquets and mono-bunches stood at € 11.81 and € 4.10 respectively.
- In general, price development is in line with the other North 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>).
- Euroveiling in Brussels can also provide information about prices on request: <http://www.euroveiling.be>.

5 Market access requirements

- As a manufacturer in a developing country preparing to access Belgium, you should be aware of the market access requirements of your trading partners and the Belgian government. For information on legislative and non-legislative requirements, go to 'Search CBI database' at <http://www.cbi.eu/marketinfo>, select 'cut flowers and foliage' and Belgium in the category search, click on the search button and click on market access requirements.
- Detailed information on packaging can be found at the website of ITC on export packaging: <http://www.intracen.org/ep/packaging/packit.htm>
- Information on tariffs and quota can be found at <http://export-help.cec.eu.int/>. The general VAT rate in Belgium is 21%. The VAT rate generally applied to flowers is 6%.

6 Business practices

Information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) and cultural differences can be found in CBI's export manuals 'Export Planner', 'Your image builder' and 'Exporting to the EU'. These can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications. For more information on doing business in Belgium, visit the following websites:

Trade associations

- General Association of Belgian producers of flowers and plants (AVBS): 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>

Trade fair

- Europacado Florex Decoforce is a fair for florists: <http://www.europacado.be>

This survey was compiled for CBI by ProFound – Advisers in Development and Milco Rikken of ProVerde.

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