CBI MARKET SURVEY

The market for leather garments in Belgium

(including Luxembourg)

Publication date: March 2010

Report summary
This CBI market survey discusses, amongst others, the following highlights for the market for leather garments in Belgium:

- The Belgians remained among the higher EU spenders per capita on leather garments, although the size of the population limited the leather garments market to € 155 million in 2008. Average spending per person amounted to € 17.55, which was far above the EU average of € 13.75.
- Production of leather garments decreased from € 2.6 million in 2005 to € 2.0 million in 2006. Figures for 2007 and 2008 have not been encountered but it can be assumed that production value decreased further and was very limited.
- During the period 2004-2008, imports of leather garments by Belgium grew on average 0.7% annually in terms of value to € 91 million. Belgium ranked seventh in imports of leather garments, behind the other major EU countries.
- A decreasing share of Belgian imports came from DCs: 52% of total imported value in 2008, against 55% in 2006 and 54% in 2004. India (16% of total imports) became the leading supplier of leather garments to Belgium in 2008, by passing China (16%). China was the leading supplier to Belgium for many years. These countries were followed by Pakistan, The Netherlands, Germany, France and Turkey.
- The most interesting trade channels for exporters in DCs are domestic manufacturers (which often have production activities abroad), importers/wholesalers, clothing multiples in the low to middle price segment.

This survey provides exporters of leather garments with sector-specific market information related to gaining access to Belgium; the information includes Luxembourg, unless otherwise indicated. By focusing on a specific country, the survey provides additional information, complementary to the more general information and data provided in the CBI market survey 'The market for leather garments 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: consumption and production

Consumption

The leather garments market in Belgium decreased to € 155 million in 2008 in consumer prices (including VAT), which was 2.1% of total outerwear consumption. Volume of consumption increased annually by 2.0% during the period 2006-2008 and consumer prices increased by an annual 0.6%.

The share of clothing in total consumer spending in Belgium was high and the Belgians remained among the highest EU spenders. In 2008, per capita expenditure on leather garments in Belgium was € 17.55, which is far above the EU average of € 13.75. Despite the high spending per consumer, the market was limited by the number of inhabitants.

Belgium was the 8th largest leather garments market in the EU behind the six major EU countries and Austria, but above Sweden (9th) and Greece (10th) and accounted for 2.6% of total EU consumption.

Table 1.1 Consumption of leather garments in Belgium, 2004-2010, in € million

	2004	2006	2008	AAGR*	2010 forecasts
Total leather garments	**161.2**	**156.8**	**155.1**	**-0.9%**	**152.0**
Total outerwear	6,838	7,021	7,409	+2.1%	7,160
Consumption of leather garments in % of total outerwear	2.4%	2.2%	2.1%		2.1%

* Average annual growth
Sources: Eurostat (2009) and Euromonitor (2009)

Spending on leather garments is expected to decrease by 2% in the period 2008-2010.

Market segmentation

Common ways to segment the leather garments market are by demographic factors; type of products; type of activity resulting in specific clothing behaviour; attitude of consumers towards fashion; by product/quality ratio; economic factors, such as income and spending power; brand awareness and preferences and geographic factors. Some of these segmentation criteria for Belgium will be discussed below. For more detailed information about these and other criteria, and their consequences for the leather garments market, we refer to chapter 2 of the CBI market survey 'The market for leather garments in the EU'.

Demographic segmentation

The size and age structure of the population is one of the basic determinants of which products will be bought and how much will be spent on leather garments.
The Belgian population increased from 10.2 million in 2000 to 10.6 million in 2008. The population in Belgium has shown a steady growth rate over the last few years. A rising birth rate along with a declining death rate has contributed to this, although net migration has also helped through the arrivals from other EU countries and from Africa.

Just like in other major EU countries, the category below 15 years has decreased in Belgium, while the categories 50 and older have increased substantially. In 2004, 17.1% of the total population was older than 65, following the trend in other European countries of an ageing population; 17.3% of the Belgian population will be 65 or over in 2010. The share of people younger than 15 years in total population decreased from 17.3% in 2004 to 16.9% in 2008.

Table 1.2 Consumption of leather garments in Belgium, 2004-2008 in € million

	2004	2006	2008	AAGR*
Leather coats and jackets for				
- men	71.8	70.1	68.4	-1.2%
- for women	68.5	67.1	67.2	-0.5%
Other leather garments for				
- men	5.6	5.1	4.4	-3.6%
- for women	15.3	14.5	15.1	-0.3%
Total leather garments	**161.2**	**156.8**	**155.1**	**-0.9%**

* Average annual growth
Source: Trade estimates

The Belgian market for women's leather garments grew annually by 0.9% in the period 2006-2008 to reach a value of € 82.3 million. The share of women's leather garments in total leather garments expenditure increased slightly in the period under review, from almost 52% in 2004 to 53% in 2008.

Type of products

A detailed breakdown of the different product types of leather garments is not available, as explained in appendix A of the CBI market survey 'The market for leather garments in the EU'.

Total spending on leather garments amounted to € 155 million in 2008, of which 87% concerned coats and jackets. Average prices of leather jackets were 4.2% higher in 2008 than in 2006.
The most preferred leather for women's fashion is lambskin, very soft leather with a pleasing handle. Jackets and coats for men are mainly made of sheepskin, goatskin or grain split cowhide.
Leather, mainly full grain nappa, is popular with motorcyclists, both for the protection it offers and its style or fashionable look.

Attitude of consumers towards fashion

Just like in Italy, there is a relatively big market for luxury products, including leather garments. There is still a market among more affluent Belgian consumers for luxury items. Middle-class consumers, however, are expected to buy fewer of these products (or at least less expensive products) over the forecast period, particularly in light of the economic slowdown.

Belgian designers play an important role in the fashion shows in Paris for leather garments, especially Dries van Noten and Ann Demeulemeester can be mentioned. They have a different style compared to the Italian or French designers. The Belgian collections are successfully sold worldwide and will also influence the lower price range collections.

In addition to being price and quality-conscious, Belgian consumers are also brand-conscious. However, branded clothing is more and more combined with private labels of H&M, Zara or other retail chains.

Economic segmentation

Real GDP growth in Belgium increased until 3.0% in 2006, fell to 2.6% in 2007 and to 1.1% in 2008. After contracting by an estimated 3.4% in 2009, a moderate growth of 1% in 2010 and 1.2% in 2011 is expected.
Private consumption growth in 2007 (+2.0%) was followed by a lower growth in 2008 (+1.0%), contracted by 1.9% in 2009 while for 2010 a growth of 0.9% is forecasted. Consumer demand will be constrained by low consumer confidence and rising unemployment rates. In 2010 and 20111, private consumption should grow slightly, as employment stabilises and consumer confidence continues to improve.
Price inflation in Belgium accounted for 1.9% in 2004, 2.3% in 2006, 4.5% in 2008 and 0.0% in 2009. Inflation should rise moderately to 1.2% in 2010.

Geographic segmentation

Geographic segmentation is one of the most common bases for market segmentation in Belgium. This is due to the two different languages spoken in the two main areas of the country. The Dutch-speaking Flanders area tends to be more affluent. It also incorporates the capital Brussels, which has a very affluent, international population. The Flanders region would be more likely to have greater numbers of purchases of fashionable clothing. Higher levels of disposable income and more young people in this region make it the part of Belgium most likely to attract investment, new fashion trends and a wider variety of clothing styles.
On the other hand, the French speaking Wallonia is more rural. Tastes tend to be more conservative, the population is older on average and income levels are lower. This could suggest that low-priced leather garments may be in demand here.

Trends in consumption

- Trends in winter leather garments for women are skinny tight with striking shoulders. Biker jackets lead the way, complete with zips and studs, followed by trousers, with stretch elements for an ultra-tight fit, and a series of little crystal encrusted dresses. Luxurious coats form part of a more classic theme which also includes sack dresses with plunging necklines.
- Like in other major EU countries, people have become larger, in length and width, which is valid for men and women and for the younger age groups, too.
- Consumers become more aware of sustainability issues.

More general trends and fashion trends related to leather garments can be found in chapter 1 of the CBI market survey 'The market for leather garments in the EU'.

Production
According to Eurostat/Prodcom, production of leather garments decreased from € 2.6 million (8,238 tonnes) in 2005 to € 2.0 million in 2006. Figures for 2007 and 2008 were not available.

Major players
Most of the Belgian clothing and apparel producers, classified by sector, can be found on the website of Creamode: http://www.belgianfashion.be. However, manufacturers of leather garments have not been encountered on this website.
Companies registered as manufacturers of leather garments in Belgium are Salko Leather (http://www.salkoleather.com) a Pakistan-based company; VDM a small producer of leather garments, including production abroad (http://www.dellago.be) and Richa importer of motor cycle gear (http://www.richa.eu). Other companies can be found, besides the general sources, at BSearch (http://www.bsearch.be).

Trends in production
- Nearly all production has been relocated to lower cost countries. Many manufacturers in Belgium have developed an outsourcing policy.
- CSI (Corporate Sustainable Issues) are becoming more important.

Opportunities and threats
\+ Belgium can be considered as a pilot market for companies intending to expand their export activities in the EU to countries like France, The Netherlands or Germany.
\+ Strong competition on the Belgian clothing market and rising labour costs have led to a further sourcing of products in low-cost countries, even for products with high design content. The largest middle range market segment may offer good opportunities for exporters in DCs.
± To satisfy the requirements of importing companies in Belgium and other EU countries, exporters in DCs will be faced with increased demands for higher quality and environmentally friendly products.

> The same development or trend can be an opportunity for one exporter and a threat to another. Exporters should therefore analyse if the developments and trends discussed in this survey provide opportunities or threats. The outcome of this analysis depends on each exporter's specific circumstances.

See chapter 7 of the CBI survey 'The market for leather garments in the EU' for more information on opportunities and threats.

Useful sources
- National statistics - http://www.statbel.fgov.be
- Euratex Bulletins - http://www.euratex.org
- Creamode - http://www.belgianfashion.be

2. Trade structure

Trade channels
Suppliers on the leather garments market in Belgium, which are the most interesting trade channels for exporters in DCs, are importers/wholesalers and retail organizations, like clothing multiples and non-specialised chains, like hypermarkets.

Which channel will be chosen, depends on factors like (among others):

- Which type of leather garments producer (CMT, FOB, private label or own brand producer) tends to export to Belgium. These types of producer are described in chapter 1 and 2 of the CBI survey 'Guidelines for exporting leather garments to the EU'.
- The resources available and the priority given to the Belgian market.

Manufacturers

Production has been discussed in chapter 1 of this survey. A short list has been given of possible manufacturers. Most of them have production activities abroad. Opportunities exist for exporters who are interested in forming relationships or partnerships with Belgian producers. There are about 270 active clothing manufacturers in Belgium. More general information can be found in chapter 2 of the CBI market survey 'The market for leather garments in the EU'.

Importers/wholesalers

A list of wholesalers in clothing can be found (after free registration) on http://www.modenet.be search for 'groothandel kleding', which results in more than 1,600 hits.
A distributor of many brands in the mid- and high segments of the clothing market is Fashion Club 70 (http://www.fashionclub70.com) operating as wholesaler/agent. Other examples are Oostendorp (http://www.oostendorp.be) and Ebotex (http://www.ebotex.be).

Retail trade

Belgium is the smallest retail market for leather garments of the seven major EU countries in terms of consumer expenditure. In terms of sales per inhabitant, on the other hand, the Belgian figure is among the highest in the EU.

The influence of foreign countries is important in the distribution on retail level, for example: clothing multiples like C&A, H&M, Zara, Etam, M&S Mode, We (a detailed overview is given below), discounters like Zeeman and Wibra, variety store Hema and supermarkets like Aldi and Lidl. Influences from abroad will be expanded further by activities by, among others, New Yorker (Germany), Mim (France/UK) and the Spanish Cortefiel, all of which have opened one or more (pilot) shops in Belgium.

Table 2.1 Market shares of retail distribution of leather garments in Belgium, 2004-2008, in % of value

	2004	2006	2008
Specialists	**73**	**73**	**71**
- Clothing multiples	32	34	34
- Independent retailers	41	39	37
Non-specialists	**27**	**28**	**30**
- Department/variety stores	10	11	12
- Home shopping companies	6	7	6
- Hypermarkets and discounters	3	3	4
- Other	8	7	8
Total	**100**	**100**	**100**

Source: Euromonitor (2009) and trade estimates

In 2007, about 9,000 clothing shops were active in Belgium. Specialised retailers dominate the Belgian clothing retail sector and account for 71% of leather garments sales, of which independent retailers account for a decreasing 37%.
The growth of the market share of the specialized chains is important and is detrimental to the independent retailers (which have less than five stores). In the outerwear sector (excluding sports) no important buying groups are active in Belgium.

Table 2.2 Major clothing multiples in Belgium, 2009

Retail chain	Parent company	Number of outlets	More information on:
Family clothing			
C&A	C&A (Germany)	120	http://www.c-and-a.com
H&M	Hennes & Mauritz (Sweden)	70	http://www.hm.com
JBC	JBC NV (Belgium)	101	http://www.jbc.be

Retail chain	Parent company	Number of outlets	More information on:
Zara	Inditex (Spain)	25	http://www.zara.com
Damart	Damart T.S.D. (France)	62	http://www.damart.com
Promo Fashion	Fabrimode NV	62	http://www.promofashion.be
Vögele	Charles Vögele (Switzerland)	46	http://www.charles-voegele.be
E-5 Mode	SCF	72	http://www.e5-mode.be
WE Men/women	WE Group (Netherlands)	11	http://www.wefashion.com
Esprit	Esprit Europe (Germany)	20	http://www.espritholdings.com
Men's clothing			
WE Men	WE Group (Netherlands)	15	http://www.wefashion.com
Springfields	Cortefiel (Spain)	26	http://www.grupocortefiel.com
Jack & Jones	Bestseller (Denmark)	24	http://www.bestseller.com
Women's clothing			
WE Women	WE Group (Netherlands	10	http ://www.wefashion.com
M&S Mode	Maxeda (Netherlands)	72	http://www.msmode.com
Lola & Liza	Blue Stores NV	50	http://www.lola-liza.com
Didi Fashion	Coltex (Netherlands)	14	http://www.didi.be
Vero Moda	Bestseller (Denmark)	29	http://www.bestseller.com
Only	Bestseller (Denmark)	9	http://www.bestseller.com
Etam	Etam Developpement (France)	69	http://www.etam.com

The leading department store is Inno (15 stores, and part of the German Kaufhof, http://www.inno.be). An important variety store is Hema from The Netherlands with 60 stores.

International home-shopping organisations, active in Belgium are among others: La Redoute (http://www.redoute.be), Les 3 Suisses (http://www.3suisses.be) and Bonprix (http://www.bonprix.be).

Dominant hypermarkets in Belgium are Carrefour Belgium, selling clothing under the brand name TEX in its 56 Carrefour Hypermarkets (http://www.hypercarrefour.be); Delhaize Group (http://www.delhaizegroup.com) with 43 stores is active in Belgium; Colruyt (http://www.colruyt.be) and Group Louis Delhaize (http://www.delhaize.be) includes Cora hypermarkets.
Textile discounters like Zeeman and Wibra (both from The Netherlands) operate in a lower (price/quality) segment, just like the German-based food discounters Aldi (421 stores) and Lidl (270 stores). Hypermarkets and discounters offer leather garments, though not a regular basis.

Factory outlets, market stalls and cash and carry wholesaler Makro/Metro (10 stores, part of the German Metro Group) are classified under 'Other' in table 2.1.

Nearly all of the above-mentioned retail organisations are active in the mid-market and/or lower-market segments.

Price structure
Margins have been falling in Belgium in recent years, as a result of intense competition in the supply chain and an intensification of competition between retailers. There are now signs that margins are stabilising and prices are slowly starting to increase again. Although there are some national differences, outerwear is a global business and margins tend to be similar in most markets.
Different margins and prices apply in each trade channel, with a total mark-up (including VAT) of 2.5 up to 4.2 of the export (CIF) price.

Table 2.3 Overview of margins in outerwear in Belgium

	Low	High
Importers/wholesalers' margins	20%	40%
Agents' margins	10%	15%
Retailers' margins	60%	140%
Ratio CIF/Consumer price	**2.5**	**4.2**

These margins will vary, depending on which market segment is being approached. Price is an important selling factor, especially in the lower segments of the clothing market (hyper- and supermarkets and discounters), whereas in the higher segments (higher added value) factors like quality and fashion are more important than price. In the lower segments of the clothing market, retailers have little room to manipulate prices because competition is very fierce and margins are low. The market is intensively competitive and prices vary widely, according to the product and type of outlet.

An indication of differences in price levels by types of outlets has been given in chapter 1 of 'The market for leather garments in the EU' and an overview of margins valid for the levels distinguished in the leather garments market can be found in chapter 3 of the same survey.

Finding a suitable trading partner
In relation to how to find a trading partner, the usual trade sources are an important point of contact. The Belgian trade association Creamoda Belgian Fashion can be reached at http://www.creamoda.be.

The best place to meet potential trading partners is at a trade fair. However, an international clothing trade fair has not been encountered in Belgium. For more details about national trade fairs in Belgium, contact http://www.bff.be.

Another possibility for finding potential trading partners is an orientation on Internet and/or consulting the general trade directories. Other sources are the Federation of Belgian Distributors (http://www.fedis.be) and the Belgian Chambers of Commerce and Industry (http://www.cci.be).
More information can be found in the CBI manuals 'EU marketing guidelines for leather garments' and 'Export Planner'.

3. Trade: imports and exports

3.1 Imports
During the period 2004-2008, imports of leather garments by Belgium grew on average 1.0% per year in terms of volume to 2,626 tonnes and 0.7% annually in terms of value to € 90.5 million. Belgium ranked seventh in imports of leather garments, behind Germany, France, Italy, Spain, UK and The Netherlands. An increasing part of Belgian leather garments consumption concerned imported products.
Average import prices fluctuated during the period 2006-2008: an increase of 11% in 2007 and a fall of 4% in 2008, mainly caused by the intensive competition, both at trade level and at suppliers' level.

Important supplying countries
A decreasing share of Belgian imports came from DCs: 52% of total imported value in 2008, against 55% in 2006 and 54% in 2004.
India (16% of total imports) became the leading supplier of leather garments to Belgium in 2008, bypassing China (16%); China had been the leading supplier to Belgium for many years. These countries were followed by Pakistan (13%), The Netherlands (11%), Germany (11%), France (9%) and Turkey (7%).
Imports from the EU countries mentioned concerned re-exports for an important part. However, the source of these re-exports cannot be derived from trade statistics.

Main developments in the area of origin of leather garments imports by Belgium in the period 2006-2008 were:

- Imports from other EU countries (+11%) and other non-EU countries excluding DCs (+30%) increased to the detriment of imports from DCs (-4%), which resulted in a total growth of 3%;
- Imports from India increased by 165% to a market share of 16% of total imports or 30% of total imports from DCs in 2008, against respectively 6% and 11% in 2006;

- Imports from China decreased by 38% to a market share of 16% of total imports or 30% of total imports from DCs, against respectively 26% and 46% in 2006;
- Imports from Asian DCs (except India and China) increased 11% to a market share of 13% of total imports, mostly caused by much higher imports from Pakistan;
- Imports from European DCs (CEECs) decreased by 31%, caused by strongly falling imports from Turkey (-31%), to a market share of 7%.
- Imports from other DCs were very limited in the period under review, namely less than 0.4% of total imports from DCs in 2008.

Table 3.1 Imports of leather garments by and leading suppliers to Belgium 2004-2008, share in % of value

	2004 € mln	2006 € mln	2008 € mln	Leading suppliers in 2008 (share of total imports in %)	Share (%)
Total	**87.9**	**87.9**	**90.5**		**100**
Intra-EU:	39.1	38.3	42.4	Netherlands (11), Germany (11), France (9), Italy (6), Spain (4), Denmark (2), Sweden (1), UK (1), Portugal (1).	47
Extra-EU ex. DCs:	1.3	1.0	1.3	USA (1), Switzerland (<1), Hong Kong (<1), Canada (<1), South Korea (<1).	1
DCs:	47.5	48.6	46.8	India (16), China (16), Pakistan (13), Turkey (7), Mexico (<1), Bangladesh (<1), Uruguay (<1), Vietnam (<1), Morocco (<1), Indonesia (<1).	52

Source: Eurostat (2009)

3.2 Exports

Belgium ranked seventh in EU leather garments exports behind Italy, Germany, France, Spain, The Netherlands and Denmark. Belgium exported almost 1,300 tonnes of leather garments valued € 45.0 million, which was 4.2% of the total EU exported value in 2008. However, an important part of these exports concerned transit trade. Belgian exports decreased by an average of 1.3% per annum (in terms of value) during the period 2004-2008.

A very small share of 3% went to countries outside the EU, which is far below the EU average of 33%. The leading destination of exports remained neighbouring country France (63% of total exports). Other export destinations are the UK (8%), The Netherlands (5%), the Czech Republic (5%), Italy (4%) and Germany (4%). The main destinations outside the EU were Russia (ranked 12th with 1%), Switzerland, the USA, Hong Kong and Turkey (each country far below 1%).

Re-exports

Exports as described above include the so-called re-exports. Re-exports are imported products which are then exported to other (mainly other EU) countries. Re-exports can be classified as export of products with any form of added value and transit trade products (products exported in the same quality as imported).

Average export prices were lower than average import prices in Belgium during the review period. It can be assumed that ‘cheap’ imports have been exported to other EU countries (mainly as transit trade) and imports from other EU countries were mainly traded on the Belgian domestic market.

The volume of re-exports can be calculated when national production statistics are available and the destination of production can be divided into domestic sales and exports by industry. For that reason, re-exports by Belgium cannot be determined. However, the function of Belgium as a transit trade country increased considerably in recent years and it can be assumed that almost 50% of Belgian leather garments imports is re-exported.

3.3 Opportunities and threats

± A decreasing share of 52% of Belgian leather garments imports came from DCs in 2008 (55% in 2006 and 54% in 2004).
+ Developments in import prices will put further pressure on Belgian producers, forcing them to source more abroad.
+ During the period January-November 2009, imports of leather garments by Belgium increased 0.2% in terms of value (compared to the same period in 2008), while total EU imports fell by 11.2%. Belgium was the only EU country accounting for positive growth in this period under review.
± The fast-changing demand in the clothing market is a significant factor. Because of the higher dynamics of the clothing markets in terms of more rapidly changing consumer preferences and more seasons per year, there is a general tendency in the clothing branch to demand shorter delivery times and smaller volumes of series and orders. It should be noted that, for this statement, it is a case of: an opportunity if you can respond, a threat if you can't!

Useful sources
- EU Expanding Exports Helpdesk - http://exporthelp.europa.eu ➔ go to: trade statistics
- Eurostat – official statistical office of the EU - http://epp.eurostat.ec.europa.eu ➔ go to 'themes' on the left side of the home page ➔ go to 'external trade' ➔ go to 'data – full view' ➔ go to 'external trade - detailed data'
- Understanding Eurostat: Quick guide to easy Comext ➔ http://www.eds-destatis.de/en/database/download/Handbook_Comext_Database.pdf
- Euratex bulletins - http://www.euratex.org

4 Price developments

Consumer prices
Inflation varied in Belgium from 2.1% in 2004 to 1.8% in 2006 and in 2007, which was lower than the EU average. In 2008, the annual inflation rate rose to 4.5%, followed by 0.0% in 2009. The growth of inflation for 2010 is forecasted at 1.0%.

Despite tough competition on the Belgian clothing market and decreased import prices, consumer prices increased slowly by 0.7% in 2008 after a similar trend in 2007 (+0.4%).

According to a price level study by Eurostat, clothing prices in Belgium were far above (+13%) the EU average in 2008. Prices were similar to the Czech Republic, Greece, Luxembourg, Slovenia and Slovakia.

The VAT tariff for clothing for adults and for children in Belgium is 21%.

Import prices
Prices of imports into Belgium increased in 2007 (+11%) and fell (-4%) in 2008, as table 4.1 indicates. Prices of imports from DCs showed the same pattern, while intra-EU prices fell in 2007 and increased in 2008.
Import prices from DCs are 47% of the level of intra-EU import prices.

Table 4.1 Average import prices of leather garments in Belgium (in € per kg.), 2006-2008

	2006	2007	2008	AAGR*
Total imports	32.36	35.82	34.46	+3.2%
Intra-EU	52.33	51.34	54.52	+2.1%
DCs	24.70	27.15	25.53	+1.7%

* Average annual growth
Sources: Eurostat (2009)

Please note that these trends should be interpreted with care, as changes in imports do not reflect the demand in Belgium.

Useful sources:
The market is intensively competitive and prices vary widely according to the product and type of outlet. A rough indication of differences in price levels by types of outlets has been given in chapter 1 of 'The market for leather garments in the EU' and an overview of margins valid for the levels distinguished in the market can be found in chapter 5 of the same survey. Developments in consumer prices can also be derived from national statistics: http://ecodata.mineco.fgov.be

Shopping in the prospective market place, at several retail shops is a good way of obtaining information about prices at retail or consumer level, but also about fashion, colours and qualities. Alternatively, an impression of average prices can be formed by browsing through the catalogues of home-shopping companies on Internet, for example http://www.redoute.be. Comparisons can also be found in the prices given in catalogues from chains (among others: http://www.jbc.be) or on (manufacturing) company websites. For other websites, we refer to chapters 1 and 2 of this survey.

Prices charged by competitors can be found by browsing their Internet sites or looking for general sites like http://www.globalsources.com or http://www.alibaba.com.

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. 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. You need to comply with EU legislation and have to be aware of the additional non-legislative requirements that your trading partners in the EU might request.

For information on legislative and non-legislative requirements, go to 'Search CBI database' at http://www.cbi.eu/marketinfo, select garments and Belgium in the category search, click on the search button and click on market access requirements.

An overview of market access requirements, which are valid for all EU countries or for groups of EU countries, can be found in the CBI Market Survey 'The market for leather garments in the EU'.

Labelling
There are several main aspects to the labelling of leather garments besides sizing and brand name, of which you should be aware.
- Labelling has to be formulated in the Flemish (i.e. Dutch) and French language.
- Outer material, lining and accessories or other parts must be mentioned separately. A product cannot be labelled as 100% leather if some components of the product are made of non-leather materials, such as polyurethane or PVC. Products fulfilling the definition of coated leather or laminated leather cannot be labelled as leather.
- In the case of leather garments, labels of 'genuine leather' also indicated as 'real leather' are found on most products.
- Country of origin labelling is, generally speaking, not compulsory. However, it is necessary to have an origin label if, without such a label, the consumer would be misled as to the true origin of the garment.
- Care labelling, i.e. the inclusion of cleaning instructions is not mandatory in Belgium. However, it is strongly encouraged. It is recommended to use Ginetex symbols, the system used throughout Europe (see: http://www.ginetex.net). Leather garment care can give information like storage, drying, cleaning, advice to prevent damage.

Packaging
Leather garments are usually individually placed in ventilated bags and then packed in a cardboard box containing several items. The box is wrapped in a plastic foil and put into a waterproof textile bag. The use of anti-bacteria or anti-fungus chemicals on the finished product is recommended. Additional information on packaging can be found at the website of ITC on export packaging: http://www.intracen.org/ep/packaging/packit.htm

Tariffs and quota
Information on tariffs and quota can be found at http://exporthelp.europa.eu.

6 Doing business

General 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) can be found in CBI's export manuals 'Export Planner' and 'Your image builder'. Furthermore, cultural awareness is a critical skill in securing success as an exporter. Information on cultural differences in the EU can be found in chapter 3 of CBI's export manual 'Exporting to the EU'. These manuals can be downloaded from http://www.cbi.eu/marketinfo - go to search publications.

Trade fairs
An international outerwear trade fair has not been encountered in Belgium. For more details about national trade fairs in Belgium, contact http://www.bff.be.

Trade association
The Belgian trade association Creamoda Belgian Fashion can be reached at http://www.creamoda.be.

Trade magazines
There are two clothing trade journals in Belgium: Mode Flash (http://www.modeflash.be) and Texbel (http://www.texbel.be).

Other forms of communication
The most important ways to develop a business relationship are to either exhibit at one of the international trade fairs, or to make a direct approach to wholesalers or major retailers. In Belgium, many business people still prefer a formal style of communication, both in the way a presentation is put together, and in the way contact is made. A very aggressive price-driven approach will not be effective, although price is very important in the Belgian leather garments market.

This survey was compiled for CBI by ***Fashion Research & Trends***