

CBI MARKET SURVEY

The pipes and process equipment market in Belgium

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Report summary

This CBI market survey discusses, amongst others, the following highlights for the pipes and process equipment sector in Belgium:

- Belgian industrial demand for pipes and process equipment is medium-sized compared to the other EU countries. Belgian demand increased annually by 5% in value in the period 2002-2006.
- Belgian production output in 2006, except for the product group pumps ranked seventh in the EU, behind the Czech Republic and Denmark, but ahead of the Netherlands and Austria.
- In general, Belgian industrial demand showed strong results between 2002 and 2006, except for the product groups valves and pipes and fittings. Belgian production showed a general decrease in the period 2004-2006.
- As a result of increasing global demand for energy and in order to meet European water directives, major investment projects have been planned in Belgium in both the oil and gas industry as well as in the water (treatment) industry. This will lead to an increasing demand for pipes and process equipment.
- Some major trends affecting Belgian production and industrial demand are increasing globalisation, resulting in price pressure in the industry and specialisation of production, and environmental awareness, leading to an increased use of innovative production techniques and a growing demand for innovative products. Meanwhile, the production of commodities has been shifting to low cost countries (LCCs) in Central and Eastern Europe (CEE) and Asia, and this trend will continue.
- Belgium was a large importer, ranking sixth in the EU, behind Spain, but ahead of the Netherlands. Total import value increased by 7% per year in the period 2002-2006. Compared to 2002, the total share of imports from developing countries (DCs) grew from 5% to 10% in 2006. DC shares in Belgian imports grew rapidly in all product groups except for valves. In 4 out of the 6 product groups, China was the most important DC supplier, while other countries well represented in the different product groups were South Africa (10% in process equipment), Turkey (6% in pipes and fittings) and the Philippines (10% in instruments). The DCs that saw the largest increase in exports to Belgium were China, the Philippines, Lebanon, Oman and Egypt.

This survey provides exporters of pipes and process equipment with sector-specific market information related to gaining access to Belgium. By focusing on a specific country, this survey provides additional information, complementary to the more general information and data provided in the CBI market survey 'The pipes and process equipment 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

This section discusses the industrial demand for and production of the six relevant product groups; instruments, pipes and fittings, process equipment, pumps, storage equipment and valves. In the subsection on market segmentation the highlights of three important end-user segments are described. Please note that industrial demand is calculated by using Prodcom data for production, exports and imports (demand = production + imports – exports). These are the best detailed data available.

Industrial demand

Table 1.1 shows an indication of the demand for pipes and process equipment in Belgium. In 2006, total demand value in Belgium amounted to €2.8 billion. The country ranked eight in the EU in 2006 with a share of 3% of total EU demand, behind the Netherlands and Poland, but ahead of Sweden and Austria. In the period 2002-2006, demand increased annually by 5% in value, which showed a better growth rate than in the EU on average (+3%).

Table 1.1 Belgian demand for pipes and process equipment, 2002-2006, € million

	2002	2004	2006	Change (CAGR*) '02-'06	Share
Total	2,278	2,585	2,821	5%	
Pumps	542	589	770	9%	27%
Process equipment	570	650	666	4%	24%
Storage equipment	375	455	540	10%	19%
Instruments	231	297	289	6%	10%
Valves	293	316	285	-1%	10%
Pipes and fittings	267	278	272	0%	10%

Source: Eurostat Prodcorn (2008)

*CAGR - Compound Annual Growth Rate

The largest product groups were pumps (€770 million), process equipment (€666 million) and storage equipment (€540 million). Together these groups had a share of over 70% of total demand. In the period 2002-2006, storage equipment recorded the highest annual growth (+10%). Other product groups that saw a strong increase were pumps (9%), instruments (+6%) and process equipment (+4%). The only product group that saw a decrease in demand was valves (-1%). In 2006, the share of the different product groups, in total EU demand and compared to other EU countries, was as follows:

- Pumps: ninth position with a share of 3% of total EU demand, behind Sweden and Austria, but ahead of Hungary and the Netherlands.
- Process equipment: ninth position with a share of 3%, behind Finland, but ahead of Austria.
- Storage equipment: eighth position with a share of 4%, behind Poland and the Netherlands, but ahead of Denmark and Portugal.
- Instruments: ninth position with a share of 2%, behind the Netherlands and Poland, but ahead of Denmark and Austria.
- Valves: ninth position with a share of 2%, behind Sweden and Poland, but ahead of the Netherlands and Finland.
- Pipes and fittings: eleventh position with a share of 2% behind Poland and Sweden, but ahead of the Czech Republic and Greece.

Although it is difficult to predict the influence of the world, EU and Belgian economy forecasts for 2008 (+3.8%, +1.7% and +1.9% respectively) and 2009 (+3.9%, +1.8% and +1.9%), expected growth, in combination with investments in the years to come (refer to 'Market segmentation'), is likely to secure a stable to slightly increasing demand for pipes and process equipment in the country. Please also note that, although the EU is far from the risk of recession, the EU and Belgian economy is and will be clearly affected by the housing and credit crisis in the United States.

Market segmentation

The Belgian market has a mature character and mainly consists of replacements and the maintenance of existing equipment. However, due to its central location in Western Europe and the many new projects being planned in Belgium, many opportunities will arise for the pipes and process equipment industry.

Gas and oil

The port in Zeebrugge was one of the first in Europe to have a liquefied natural gas (LNG) receiving terminal. Nowadays, Zeebrugge is Europe's largest LNG terminal. Its underground pipelines are connected to Norway and Great Britain, which has made Zeebrugge a spider in the gas web of Western Europe. In 2006 it was estimated that the supply of LNG had increased by about 37% in comparison to 2005. Several major companies including Qatar Petroleum, ExxonMobil and Suez LNG booked capacity in Zeebrugge. Therefore, the working capacity of the terminal was doubled and has reached 9 billion m³ in 2008.

Fluxys (<http://www.fluxys.net>) serves the Belgian market in the transporting of natural gas. To anticipate increasing demand (Belgian demand for natural gas is expected to rise up to 40% in 10 years time), the company is planning to invest about €1.2 billion between 2006 – 2015. At the moment, Fluxys plans to invest about €430 million in new infrastructure in the following projects among others:

- The construction of a compressor station for the Zelzate entry point (2008)
- The laying of a second pipeline between Eynatten and Opwijk (2009)
- The expansion of the underground storage facility in Loenhout (in use by 2009-2010)

Besides the above mentioned projects, the company is exploring storage facilities in other parts of the country.

Another large project which has been planned involving Belgium is the construction of a gas pipeline between the Czech Republic and Belgium by the German company RWE. The €1 billion link is scheduled to come on-stream in autumn 2011 and should transport an annual volume of five billion cubic meters of gas.

The oil and gas industry is confronted with the environmental challenge on a daily basis. Because of this, companies in this sector have to invest in researching new technologies for CO₂ solutions, such as carbon capture and storage (CCS), clean coal and renewable technologies.

Water processing

European legislation stipulates that in 2015 all surface water and ground water needs to be of good quality. In 2006 the Flemish government hired the company Aquafin (<http://www.aquafin.be>) to execute optimisation programmes. Investments in Belgium are mainly focused on optimising the existing infrastructure, instead of adding new connections to the existing system. Furthermore, investments have been made to disconnect non-polluted water of the sewage system and further sanitation of the most rural areas in Belgium. In 2006 and 2007, €100 million was available for these programmes and in 2008, the Flemish government will invest another €150 million.

Food processing equipment

Increasing environmental awareness in the EU is also influencing the food and beverage industry. Companies are being stimulated or even forced to utilise technologies that are clean, produce less sludge and offer the option of re-use. In 2006, Belgium accounted for the 11th largest industrial demand in the EU, behind Finland and Hungary, and was in 14th position as regards production, behind Hungary, but ahead of Portugal. Table 1.2 shows that in the period 2002 and 2006, industrial demand increased by 9.5% and production by 1.8%.

Table 1.2 Belgian demand for and production of machinery for food, beverage and tobacco processing, 2002-2006, 1,000 tons

	2002	2004	2006	CAGR '02-'06
Industrial demand	132	177	190	9.5%
Production	152	152	163	1.8%

Source: VDMA (2006)

Trends in industrial demand

These are the major trends and characteristics that influence demand for pipes and process equipment in Belgium:

- **Investment in water distribution and treatment.** In order to meet the requirements of the EU Water Framework Directive by 2015, investments in Belgium are mainly focused on optimising the existing water and sewage infrastructure, leading to an increasing demand for pipes and process equipment.
- **Increasing demand for energy results in large investments.** Large investments in pipelines and infrastructure have to be made in order to meet the increasing demand for energy. In Belgium, most investments will be related to maintaining the existing infrastructure, building new storage facilities and constructing new pipelines. Because sources in and around the EU are becoming exhausted the EU will need to buy energy carriers such as natural gas and oil from distant countries and store these close to home.
- **Increasing environmental awareness in food and beverage industry.** Due to increasing environmental awareness, the Belgian food and beverage industry is being forced to utilise clean technologies, produce less sludge and offer the option of re-use.

Good opportunities in Belgian food processing sector

A European producer of pumps with a sales office in Belgium indicates that the food processing segment offers good opportunities. In countries like Belgium, Germany and in Eastern Europe demand will continue to grow. This trend is powered by increasing environmental awareness resulting in higher demand for cleaner pumps. A spokesman indicates that DC exporters have a chance to benefit from this trend should they increase their quality standards and hire European employees to guide the production process. Another important piece of advice he has for DC exporters is to value your relations with EU buyers and make sure promises are kept.

Production

Table 1.3 shows an indication of the production of pipes and process equipment in Belgium, as derived from Eurostat. In 2006, total production value of pipes and process equipment in Belgium amounted to €2 billion. Whereas Belgian demand showed better growth than in the EU on average, production in the country could not keep with this high pace. Belgium ranked fourteenth in the EU in 2006 with a share of 2% of total EU production, behind Hungary and Finland, but ahead of Ireland and Slovakia. Although production value has declined strongly ever since the peak in 2004, over the period 2002-2006 on average, production slightly increased annually by 1% in value, which was below average EU growth (+6%).

Table 1.3 Belgian production of pipes and process equipment, 2002-2006, € million

	2002	2004	2006	CAGR '02-'06	Share
Total	1,906	2,464*	1,992	1%	
Pumps	905	1,040	836	-2%	42%
Process equipment	343	668	433	6%	22%
Storage equipment	275	307	323	4%	16%
Valves	200	193	197	0%	10%
Pipes and fittings	158	87	153	-1%	8%
Instruments	24	169	49	20%	2%

* This figure probably is a statistical inaccuracy.

Source: Eurostat Prodcom (2008)

The largest product group was pumps (€836 million) with a share of 42% of total production. Between 2001 and 2004, Belgian production of pumps recorded steady growth, but since 2004 production value has declined strongly. Pumps was followed by process equipment (€433 million) and storage equipment (€323 million). Between 2002 and 2006, process equipment recorded strong growth (+6% per year). The other product group that saw a strong increase was storage equipment (+4%). In 2006, the position of Belgium in the EU, with respect to production in the several product groups, was as follows:

- Pumps: seventh position with a share of 3% of total EU production, behind the Czech Republic and Denmark, but ahead of the Netherlands and Austria.
- Storage equipment: eleventh position with a share of 2%, behind Denmark and Austria, but ahead of Portugal and Greece.
- Process equipment: fourteenth position with a share of 1% of total EU production, behind Ireland and the Czech Republic, but ahead of Hungary and Slovakia.
- Valves: thirteenth position with a share of 1%, behind the Czech Republic and Austria, but ahead of Hungary and Luxemburg.
- Pipes and fittings: sixteenth position with a share of 1%, behind Slovakia and Denmark, but ahead of Ireland and Slovenia.
- Instruments: twentieth position, behind Slovakia and Greece, but ahead of Romania and Bulgaria.

Interesting players

Some interesting Belgian producers in the pipes and process equipment industry are:

- Emerson Process Management - <http://www.emersonprocess.com> - instruments, valves, actuators
- Fabricom GTI - <http://www.fabricom-gti.com> - solutions
- Icarus - <http://www.icarus-be.com> - pipes, valves
- Iwaki Belgium - <http://www.iwaki.be> - pumps
- KNF Verder - <http://www.knf.be> - pumps
- Longtain - <http://www.longtain.com> - pipes, part of Spanish Grupo Condesa - <http://www.condesa.com>
- Kme Benelux - <http://www.kme-benelux.com> - pipes
- Remi Claeys Aluminium – <http://www.remi-claeys.be> - pipes
- Sanha – <http://www.sanha.be> - pipes and fittings
- Seepex België - <http://www.seepex.com> - pumps
- Stork MEC - <http://www.stork.com> - pipes and tubing

Although consolidation and rationalisation lead to fewer independent manufacturers, it is not uncommon for a single plant belonging to a large multinational supplier to have – at least to a large degree – its own purchasing function.

Trends in production

The major trends in and characteristics of pipes and process equipment production in Belgium are:

- **Increasing globalisation leads to specialisation.** To escape the general price pressure in the market, Belgian manufacturers are being stimulated or even forced to specialise and to focus on customised products because the more standard products are bought from LCCs. Meanwhile, the production of commodities is gradually shifting to DCs, which may be underlined by the fact that imports from DCs, such as China, the Philippines and Lebanon rose quickly in the period 2002-2006. To compete on the world market, more Belgian companies are now focussing on their technological skills, selecting niche markets which require complex products with high precision, specific quality requirements, or those that need a quick or just-in-time delivery.
- **Manufacturers join forces to offer a broad range of products.** Global competition and the desire of suppliers to create as broad a mix of products as possible are the driving factors behind a number of mergers and acquisitions in the industry. In Belgium for example, Vector International (<http://vectorint.com>), a global supplier of compact connection and sealing technology for piping, vessel and pressure containment, has merged with Belgium-based Icarus (pipes and valves).
- **Increased use of innovative and efficient production.** Growing environmental awareness has led to a search for energy efficient production with a limited emission of CO₂ and NO_x. Moreover, increasing energy prices, raw material prices and environmental taxes are also encouraging the industry to improve production efficiency and generate less waste.

Opportunities and threats

Trends and market developments offer opportunities and threats to exporters. A given trend can be a threat to some and an opportunity to others at the same time. The following trends should, therefore, always be analysed in relation to your specific circumstances. The main opportunities and threats for DC exporters are the following:

- + Between 2002 and 2006, Belgian demand showed strong results (+5%).
 - + For the coming years, the high level of investments and a growing economy are expected to secure a stable to slightly growing demand. Clean water shortages and environmental legislation in the EU result in many Belgian investments in water treatment equipment and optimising the existing infrastructure.
 - + Price pressure on standard products as a result of increasingly global competition is leading to increased sourcing in LCCs.
 - + Since Belgian companies can hardly keep up with increasing demand, the supply of good quality material from DCs is becoming more interesting as shipment from far-away destinations can sometimes be faster than waiting for fully booked Belgian suppliers.
 - Higher demand for more sophisticated products requiring advanced technological skills.
- Refer to Section 7 of the CBI market survey covering the EU market for more information on opportunities and threats.

Useful sources

- Eurogas - <http://www.eurogas.org>
- European Committee for the Valve Industry - <http://www.ceir-online.org>
- European Confederation of Iron and Steel Industry - <http://www.eurofer.org>
- International Tube Association - <http://www.itatube.org>

2 Trade channels for market entry

Trade channels

The most common distribution channels in the industry are importers, subcontractors and system suppliers, agents and direct sourcing. The role of the importer is less important with regard to complex products than standard products, but still remains the most important channel for DC exporters. A major trend is the changing focus of importers. Their activities are increasingly focused on additional services around the product itself, in a way to compete with the system suppliers who are increasingly offering service packages.

Some examples of Belgian intermediaries are:

- Dylan - <http://www.dylan.be> - pipes and fittings
- Empo-Verder - <http://www.empo-verder.be> - pumps
- FBF - <http://www.fbf.be> - pipes and fittings
- Wasco Anbuma - <http://www.wasco-anbuma.be> - pipes
- Sidero - <http://www.sidero.be> - pipes
- Transmark - <http://www.transmark-group.com> - valves and process equipment
- Van Leeuwen Buizen - <http://www.vanleeuwenbuizen.be> - part of Dutch van Leeuwen pipe and tube group (<http://www.vanleeuwenbuizen.com>) - pipes, fittings and valves

Some examples of end-users who may be interesting to DC exporters are:

- Aquafin - <http://www.aquafin.be> - water
- Fluxys - <http://www.fluxys.net> - gas
- Sun Oil Company N.V. - <http://www.sunoco.be> - oil

Refer to the CBI market survey covering the EU market for a detailed explanation of relevant trade channels in this market.

Working with a Belgium distributor in practice

A Belgian distributor of pipes and fittings indicates that he is interested in buying from DC exporters, but only after they have already proven themselves on the European market. A reliable image and a good reputation are basic needs for exporters. European fairs like 'Tube' in Düsseldorf are an important step

towards credibility, but only when you are there with representative staff. Besides trade fairs communication skills also contribute to creating a reliable image. Good knowledge of English, a professional website and reliable means of communication should be used. Furthermore, DC exporters should always treat information about their current business partners confidentially. Many EU buyers only value European quality inspections and consider DC authorities to be inferior. Therefore, this distributor makes use of a Belgian inspection agency to examine the quality of the products at the plants in China and India.

Price structure

It is very difficult to give a general idea of the price structure in this industry, as prices and margins differ to a great extent. Firstly, the margin depends on the type of product. For one thing, standardised products have lower margins than customised products. Furthermore, important factors will be the price agreement made, the size of the order, and the terms of delivery. Bearing this in mind, some rough indications of margins in the chain can be given. As a rule of thumb, importers mark up their landed cost price by 10-35% when they sell a product. The mark up of agents generally varies between 1 and 8%.

Selecting a suitable trading partner

There are many ways to find potential trading partners in Belgium. In this section, the focus will be on country-specific sources. Refer to Section 3 of the CBI market survey covering the EU market for a list of general sources and sources in your own (DC) country. Refer to Section 6 for main sales promotion tools.

- Aqua Belgica – <http://www.aquabelgica.be> - Belgian water treatment federation. Click on 'ledenlijst' or 'liste de membres'.
- Belgian Oil & Gas Group (BOG) - <http://www.agoria.be/bog> - click on 'members'.
- Belgian Petroleum Federation (FPB-BPF)- <http://www.petrolfed.be> - click on 'De federatie' and select 'Aangesloten maatschappijen'
- Federation of the Technology Industry - <http://www.agoria.be> - this federation is divided into 12 sectors that include all pipes and process equipment.
- Pompenkring (pumps) - <http://www.pompenkring.be> - in order to access the member database you have to register first.

Furthermore, the websites of relevant trade fairs often contain a list of exhibitors. An example of this is the exhibitor list of the Belgian trade fair Pumps & Valves (<http://www.pumps-valves.com>) which is held biennially (even years in October) in Antwerp. Refer to Section 6 for other relevant trade fairs.

Becoming a supplier in practice

One of the major players on the Belgian gas market has a clear policy concerning sourcing from developing countries. Currently, the company has no DC suppliers, but due to high raw material prices they are now, more than ever, interested and are already investigating the Indian market. Their three steps from first contact to becoming supplier are:

1. Paper audit
2. Audit in DC country
3. Product sample

To establish first contact a DC company has to apply by letter or fax. The company approached will then determine whether the potential supplier can meet the technical, legal and environmental requirements. This is done by filling in a document. If the information is to the satisfaction of the company, the factory may be audited. After that, the supplier is officially authorised to supply this big player on the Belgian gas market..

3 Trade: imports and exports

Imports

In 2006, Belgium was a large importer of pipes and process equipment, ranking sixth in the EU, behind Italy and Spain, but ahead of the Netherlands and Austria. Between 2002 and 2006, total import value increased annually by 7% to €4.5 billion in 2006 (EU: +8%). The product group shares were as follows:

- Pumps: 29% of total imports. Annual increase in import value of 6%.
- Pipes and fittings: 20% of total. Annual increase of 15%.
- Process equipment: 18% of total. Annual increase of 5%.
- Storage equipment: 12% of total. Annual increase of 6%.
- Instruments: 11% of total. Annual increase of 5%.
- Valves: 10% of total. Annual increase of 4%.

Of all intra EU imports some 10-15% may be re-exports, but the exact value of re-exports is unknown because Eurostat does not allow for such a detailed analysis.

Table 3.1 Imports by and leading suppliers to Belgium, 2002 - 2006, share in % of value

Product	2002 € mln	2004 € mln	2006 € mln	Leading suppliers in 2006 (share in %)	Share (%)
Pipes and pipe related process equipment	2,604	2,873	3,410	Intra EU : Germany (22), France (13), Netherlands (13), Italy (8), UK (6)	76
	653	574	630	Extra EU ex. DC : USA (8), Japan (4), Switzerland (1), Taiwan (<0.5), South Korea (<0.5)	14
	172	333	463	DC : China (3), South Africa (2), Turkey (2), Philippines (1), India (1), Mexico (1), Thailand (<0.5), Lebanon (<0.5), Brazil (<0.5), Malaysia (<0.5)	10
Pumps	679	780	964	Intra EU : Germany (19), France (14), Netherlands (10), UK (7), Italy (7)	75
	320	292	264	Extra EU ex. DC : USA (12), Japan (6), Switzerland (1), Singapore (1), South Korea (<0.5)	20
	23	39	65	DC : China (2), Mexico (1), Thailand (1), Turkey (1), India (<0.5), Serbia (<0.5), Indonesia (<0.5), Brazil (<0.5), South Africa (<0.5), Algeria (<0.5)	5
Pipes and fittings	401	453	635	Intra EU : Germany (21), Netherlands (16), Italy (12), France (7), UK (5)	70
	45	63	72	Extra EU ex. DC : USA (5), Taiwan (1), U.A.Emirates (<0.5), Japan (<0.5), South Korea (<0.5)	8
	69	141	203	DC : China (10), Turkey (6), India (3), South Africa (1), Lebanon (1), Oman (<0.5), Malaysia (<0.5), Vietnam (<0.5), Thailand (<0.5), Egypt (<0.5)	22
Process equipment	523	506	617	Intra EU : Germany (24), France (16), Netherlands (9), UK (7), Italy (7)	75
	107	74	111	Extra EU ex. DC : USA (8), Japan (4), Switzerland (<0.5), Canada (<0.5), Taiwan (<0.5)	13
	53	94	99	DC : South Africa (10), China (1), India (<0.5), Mexico (<0.5), Turkey (<0.5), Brazil (<0.5), Thailand (<0.5), Saudi Arabia (<0.5), Croatia (<0.5), Chile (<0.5)	12
Storage equipment	389	416	491	Intra EU : Netherlands (32), France (25), Germany (16), Italy (5), UK (5)	94
	24	15	16	Extra EU ex. DC : USA (1), Switzerland (1), Japan (<0.5), Taiwan (<0.5), Canada (<0.5)	3
	4	7	15	DC : China (2), Turkey (<0.5), Thailand (<0.5), India (<0.5), Mexico (<0.5), South Africa (<0.5), Malaysia (<0.5), Serbia (<0.5), Morocco (<0.5), Egypt (<0.5)	3
Instruments	344	377	371	Intra EU : Germany (33), France (10), UK (8), Spain (7), Netherlands (6)	73
	72	59	72	Extra EU ex. DC : USA (7), Japan (5), Switzerland (1), Liechtenstein (1), South Korea (<0.5)	14
	5	36	65	DC : Philippines (10), China (1), Mexico (1), Turkey (<0.5), Thailand (<0.5), India (<0.5), Oman (<0.5), Croatia (<0.5), South Africa (<0.5), Malaysia (<0.5)	13

Product	2002 € mln	2004 € mln	2006 € mln	Leading suppliers in 2006 (share in %)	Share (%)
Valves	270	342	332	Intra EU : Germany (24), France (11), Netherlands (11), Italy (10), UK (6)	75
	86	71	96	Extra EU ex. DC : Japan (10), USA (8), Switzerland (1), South Korea (1), Taiwan (1)	22
	18	14	18	DC : China (2), Mexico (1), Thailand (1), Brazil (<0.5), Turkey (<0.5), India (<0.5), Malaysia (<0.5), Venezuela (<0.5), Iran (<0.5), Argentina (<0.5)	4

Source: Eurostat (2007)

Imports from DCs

Between 2002 and 2006, imports from DCs increased annually by 28% in value. Compared to 2002, the total share of DCs in total import value increased from 5% to 10% in 2006. DC shares in imports of some product groups showed better growth compared to other product groups, as can be seen below:

- Instruments: growing from 1% to 13% in value.
- Storage equipment: growing from 1% to 3%.
- Pumps: growing from 2% to 5%.
- Pipes and fittings: growing from 13% to 22%.
- Process equipment: growing from 8% to 12%.
- Valves: declining from 5% to 4%.

China accounted for 32% of all pipes and process equipment imports coming from DCs and for 3% of total imports. China was followed by South Africa (20%), Turkey (15%), the Philippines (11%), India (7%) and Mexico (5%). In addition to the fast growing Chinese share of DC exports to Belgium (+184% in the period 2002-2006), other DCs that saw a large increase of their share were the Philippines, Lebanon, Oman and Egypt.

Exports

In 2006, Belgium was a medium-sized exporter, ranking seventh in the EU, behind the Netherlands and Austria, but ahead of the Czech Republic and Spain. Total export value of Belgium showed an annual increase of 4% in the period 2002-2006, totalling €3.7 billion in 2006. Exports consisted of:

- Pumps, accounting for 36% of total exports (€1.4 billion). Export value remained stable.
- Process equipment, 20% of total exports (€753 million). Annual increase of 7%.
- Pipes and fittings, 18% of total exports (€679 million). Annual increase of 14%.
- Valves, 10% of total exports (€360 million). Annual increase of 5%.
- Storage equipment, 8% of total exports (€305 million). Annual decrease of 1%.
- Instruments, 7% of total exports (€279 million). Annual increase of 9%.

A small part of exports may consist of re-exports to other EU countries, but the exact value of re-exports is unknown because Eurostat does not allow for such detailed analysis.

Opportunities and threats

- + Belgium was the sixth largest importer in the EU in 2006, also caused by the transit function of the Antwerp harbour.
- + In 2006, Belgium was a net-importer, running trade deficits for process equipment (€75 million), valves (€85 million), storage equipment (€217 million), instruments (€228 million) and pipes and fittings (€230 million).
- + Total import value of all product groups increased in the period 2002-2006 (+7%).
- + The import share of DCs increased from 5% in 2002 to 10% in 2006, above the EU average (9%).
- ± China accounted for 32% of all imports coming from DCs, comparable to the EU on average (33%).
- ± The Chinese share of DC exports to Belgium grew fast in the period 2002-2006 (+184%), but several other DCs also saw a large increase in their share.
- Belgium ran trade surpluses for pumps (€60 million).

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://epp.eurostat.ec.europa.eu/newxtweb/assets/User_guide_Easy_Comext_20080117.pdf

4 Price developments

Prices and price developments in Belgium are the same as in other EU countries. 2000-2004 saw a period of heavy price pressure which has eased since then. Upward price pressure from increasing energy and raw material prices was already visible in that period, but became really serious in 2005 and the years thereafter. This has resulted in a declining share of wage costs in total production costs, nevertheless wage costs still account for a large share of the cost price in the industry. On average, manufacturers have been able to pass on the higher cost prices to their customers, especially with regard to customised products. However, the global competitive pressure has remained very strong with regard to standard products. Importers, agents, subcontractors and system suppliers will continue to keep on looking for opportunities to reduce sourcing costs for these standard products.

Useful sources

Sources of prices include, among other things:

- Eurofer – <http://www.eurofer.org/statistics/scrap.htm>
- European Engineering Industries Association – <http://www.orgalime.org>
- Eurostat - official statistical office of the EU - <http://epp.eurostat.ec.europa.eu>. By comparing import value and volume, it is possible to get an idea of development of import prices.
- London Metal Exchange – <http://www.lme.co.uk>

Furthermore, section 5 of the CBI market survey covering the EU market offers links to websites with price lists.

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 on legislation and on 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 pipes and process equipment and Belgium in the category search, click on the search button and click on market access requirements.

Useful sources

- Additional information on packaging can be found on the ITC website under export packaging: <http://www.intracen.org/ep/packaging/packit.htm>
- Information on tariffs and quota can be found at <http://exporthelp.europa.eu>

6 Doing business

General information on doing business, such as 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.

Sales promotion

For DC exporters, trade press, trade fairs and website promotion are among the most important promotional tools; they are briefly discussed below. For more information, also refer to CBI's Export Planner and Your Image Builder – <http://www.cbi.eu>, as well as the CBI market survey covering the pipes and process equipment market in the EU.

Trade fairs

Visiting and participating at a trade fair abroad can be an efficient means to communicating with prospective customers. It provides more opportunities to convey one's message than any other promotional tool. It can also be an important source of information on market development, production techniques and new product applications. Relevant trade fairs in Belgium are:

- Aquarama TNAV Workshop/trade fair - <http://www.aquarama.be> - water processing, held annually (May/June) in Leuven.
- EasyFair - <http://www.easyfairs.com> - industrial maintenance, safety and security, held annually (March) in Antwerp.
- Pumps & Valves - <http://www.pumps-valves.com> - held biennially (even years in October) in Antwerp.
- Sub-contracting - <http://www.subcontracting.be> - metal and synthetic material industry, held annually (October) in Antwerp.

In addition, visiting trade fairs in neighbouring countries may be an option as well. An interesting fair in the Netherlands is Valve World (<http://www.valve-world.net>), which is held biennially (even years in November) in Maastricht, the Netherlands. An important fair in Germany is Tube and Wire - <http://www.tube.de> - held biennially (even years in March/April) in Düsseldorf. Find more trade fairs at <http://www.eventseye.com> and <http://www.auma.de>.

Trade press

An interesting story about your company or new product introduction will boost the company's image and increase user awareness. In that respect, building up contacts with the trade press will be helpful and should be used whenever possible. Some relevant Belgian magazines are:

- Aquarama - <http://www.aquarama.be> - water technology
- Fluids Processing Benelux – <http://www.fluidsprocessing.be>
- Ingenieursblad - <http://www.kviv.be/hetingenieursblad> - building, infrastructure, energy.
- Pumps Magazine - <http://www.mainpress.com/english/magazines/pumps.htm>
- Technique and Management – <http://www.technique-et-management.be> (French) or <http://www.technisch-management.be> (Dutch) – hydraulics, metals, pumps, process equipment.

Website promotion

These days, it is an absolute must to have a professional website aimed at your main target groups. Make it interactive and promote it in the right way. More information can be found in the CBI Export Manual 'Website Promotion', available at <http://www.cbi.eu/marketinfo>.

Business culture

Cultural awareness is a critical skill in securing success as an exporter. Information on cultural differences in the EU can be found in Section 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. Furthermore, refer to Kwintessential for practical tips on business culture and etiquette in Belgium: <http://www.kwintessential.co.uk>. Click on 'Country Profiles' at the section 'Intercultural resources and tools' and click on 'Belgium'.

Other useful sources

In addition to a number of relevant sources already mentioned in previous sections, other useful sources that contain information on doing business in Belgium are:

- Belgian Petroleum Federation (FPB-BPF) - <http://www.petrolfed.be>
- Eurogas - <http://www.eurogas.org>
- European Chemical Industry Council - <http://www.cefic.be>
- European Committee of Compressors, Vacuum Pumps and Pneumatic Tools
<http://www.pneuop.com>
- European Committee of Industrial Furnace and Heating Equipment Associations -
<http://www.cecof.org>
- European Federation of Associations of Steel, Pipe and Metal Merchants -
<http://www.eurometal.net>
- European Petroleum Industry Association - <http://www.europia.com>
- Europump - <http://www.europump.org>
- Pompenkring - <http://www.pompenkring.be> - pumps
- Pumps Directory - <http://www.pumps-directory.com>
- Tubenet - <http://www.tubenet.org.uk> - Industry news, market place and members list.

This survey was compiled for CBI by Facts Figures Future in collaboration with Kommanet.

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