

BELGIUM

OVERVIEW

Market Size: The office furniture market for 1992 is approximately C\$ 270 million.

The expected annual rate of growth is 8-10% for free-standing furniture, and 15% for the systems furniture sector, which is a growing market. The increase in demand for systems furniture is a result of the increasing prices of office space, so pieces have to be integrated harmoniously and in an efficient manner. Free-standing furniture will become relatively less important in the office furniture market.

The reasons for growth in this market can be attributed to several trends. First, the fact that more companies are relocating, mainly to Brussels. Second, the service sector, a rapidly growing sector, requires more offices. Third, there is a growing market of people who want to have a work space at home. Thus the market is mainly in the private sector; the public sector represents only 10-15%. This private sector generally buys more expensive furniture (wood), and can be broken into two main groups: SMEs (companies with less than 500 employees), which spend approximately \$2,200 per workstation, and renew their furniture on average, every 15 years; and multinational and large (more than 500 employees), which spend \$4,200 per workstation and renew their furniture every 5 to 10 years. For these companies, office furniture is part of their corporate identity and a status symbol for the employees.

The main trends in the market include the demand that office furniture has to be space-saving and designed to take ergonomic factors into account; the ergonomic design factor is becoming a decisive competitive factor. Service is also becoming more and more important, in terms of after-sale service and helping the customer choose his/her furniture. Thus there is a need for show-room facilities. Manufacturers are now selling entire interiors instead of separate pieces of furniture (i.e., dividing walls which match desks and chairs), which has spawned a trend towards selling projects, which incorporate studying the space available and matching the furniture to meet the space specifications.

Belgium is recognized by most marketing experts as being the ideal test market in Europe due to its cultural duality, its central geographical location, the availability of multilingual staff, and excellent communication, financial, and other support services. It is not surprising then, that the number of Canadian firms present in Belgium has quadrupled since 1985, amounting to approximately 85 firms which are established and doing investment.

SOURCES OF SUPPLY

Approximately 35-40% of office furniture consumption is local production; this domestic production is in the hands of the Belgian owned companies. There are 6 major Belgian manufacturers: MEWAF, BARRO, TDS ACIOR, MDC, CNCO AND BULO. The