

Belgium — *Continued from page 8*

also major competitors, the latter increasingly so for the TFC market. After having experienced a strong boom in residential construction (up 20 % in both 1988 and 1989), Belgium has been experiencing a slowdown during 1990 (3 % increase) in housing construction related to economic conditions throughout Western Europe. Longer term opportunities for sales of higher valued wood products are also significant. These include wood for joinery products, flooring, decorative panelling and siding, as examples.

Seafood : Belgians are great meat eaters; they also relish fresh fish, consuming annually more than 8.2 kilos per capita. Yet it is estimated that local fish products can satisfy only 35 per cent of the country's sea fish needs and five per cent of its shellfish requirements. Belgium is therefore definitely a net importer of fish and shellfish, mainly from neighbouring countries such as Denmark, the Netherlands, Great Britain, France, Norway and Iceland.

The Belgian seafood market is valued at some \$600 million a year, with a 3.5 per cent annual growth rate since 1986. Market share is based on product quality, availability and price. Products showing the greatest demand include plaice, cod, sole, shrimp, mussel, lobster, salmon, trout and herring. Two out of three Belgians still buy their fish from "traditional" local fish stores, but fish shelves at large supermarkets take an increasing bite of the market.

Telecommunications : The sector is undergoing a major reform whereby the current Regie (RTT) will be replaced by a type-approval body (IBT) and a state-owned telecom company (Belgacom). The latter will continue to enjoy a monopoly over basic services such as telephone, telegraph, fax, telex, packet switching, and the future ISDN but terminal equipment, "value-added" and information services will be supplied in competition with the private sector. As Belgium lags somewhat behind its neighbours, large investments will have to be made if the country is to regain its competitiveness in such a vital sector. Canadian telecommunications companies should be able to capitalize on these developments.

Informatics : Belgium is almost totally dependent upon foreign suppliers for its computer equipment needs. The market is dominated by American suppliers but there are more and more European and Asian suppliers. The most promising opportunities are in the market for minicomputers, workstation, DTP, LAN, laser printers, portable equipment and CAD/CAM. The standard software packages market is also dominated by US suppliers, while a fast growing number of local firms have

developed customized software applications. Total Belgian expenditures on computers are still relatively low (1.7% of GNP as compared with 2.4% for the Netherlands), but the demand for computer products and services is expected to increase. Internationally competitive and innovative Canadian firms, a few of which have already met with some success, should be able to capture a larger share of this market.

Industrial Machinery and Environmental Protection Equipment: With the sustained high level of industrial investment in Belgium over the last five years (20 % annual increase), the market for industrial machinery and equipment has reached Cdn \$10 billion with pretty much all types of industrial machinery being in demand. While the pace of industrial investment is slowing down, the demand is likely to remain fairly strong. Canadian manufacturers of world class industrial machinery and equipment would be well advised to cultivate this market.

Despite serious pollution problems, Belgian environmental laws and regulations have not yet reached the level of severity of European regulations. However, rising pressure from public opinion and political parties might force the central and regional governments to adopt tougher legislation.

The Ministry of Environment of Wallonia has already published a plan to tackle the solid waste problem while Flanders is in the process of setting up its own Environment Ministry.

If there was, until recently, no significant market for environmental protection equipment and no strong environmental industry in Belgium, the situation might change quickly as a result of tougher regulations which have been announced by all three regional governments.

Transport Equipment and Services: Ports facilities in Antwerp (already the second largest in Europe), Zeebrugge and Ghent are being expanded. New rail links including a TGV Paris-Brussels-Koln-Amsterdam link will be built. The Brussels airport, to which one of the largest and most efficient cargo terminals in the EC was recently added, is being expanded to accommodate twice as many passengers, putting it in a much better position to meet the rapidly increasing demand for airlinks to and from the capital of Europe. Rail and public transportation are well developed in Belgium and companies such as Bombardier, through its Belgian subsidiary BN, captured a large share of the market. Belgium is also host to a large number of car assembly plants whose total production is equivalent to 10 % of the production of the US. Most transportation sector needs are met by local and European suppliers but opportunities exist for internationally competitive

Continued on page 10— Belgium