

Gastronomy Favored Pastime in Belgium

By Marie-France Rogge

With sales of \$34.3 billion in 2003 (\$1=0.886 euro), the Belgian food industry has maintained its No. 2 place among Belgium's industrial sectors. The HRI (hotel, restaurant and institutional) segment of the industry, with sales near \$10 billion in 2003, has 45,223 outlets with 145,000 employees.

Total HRI sales posted an estimated 6.4-percent increase in 2003, compared to an economic growth rate of 1.1 percent in the same time period. Restaurant sales grew by 7 percent, cafés by 6 percent, catering and canteens by 4 percent, while the hotel subsector sales remained unchanged.

Investments, though, dropped by 8.5 percent in 2003, after a 9.7-percent increase in 2002. Restaurant investment tends to originate nationally, while hotel establishments receive national and international funding.

Restaurants Account for Half of Sales

Restaurant sales dominate the HRI sector—22,677 restaurant outlets had sales approaching \$5 billion in 2003. Cafés represent 17 percent of HRI sales, or \$1.7 billion.

Although traditional Belgian cuisine is still popular, a trend toward ethnic and health food consumption is being fed by younger consumers. Also, time-honored home cooking is falling prey to time-starved consumers who have less opportunity to prepare meals and tend to use convenience items or eat away from home.

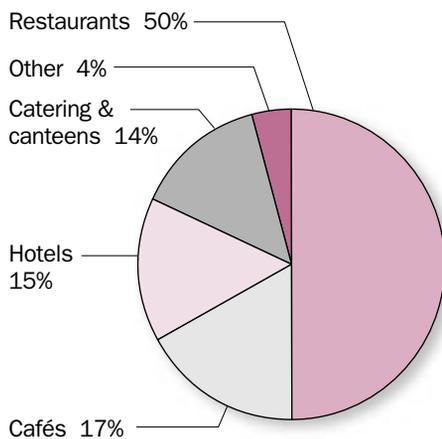


While the total number of food outlets has been decreasing about 1 percent each year, café numbers have fallen the most—some converting to the restaurant

category, which permits them to offer more menu choices and more easily conform to food preparation guidelines.

Restaurant buyers tend to purchase at

Restaurants Dominate Belgian HRI Sales



2003 Sales Almost \$10 Billion.

early morning markets from one importer/distributor for fresh fruits and vegetables. Meats and seafood are usually bought from small companies. For dry goods and other products, they purchase from large, specialized HRI wholesalers, supermarkets or local or regional suppliers.

Value-Added Products Lead Prospects

Belgian food industry buyers are accustomed to importing, and internationalization of the food culture could fuel demand for U.S. ingredients.

While some products face significant barriers—beef from cattle treated with growth promotion hormones, poultry and products derived from biotechnology—there are proven U.S. best sellers:

- Wines
- Seafood
- Nuts
- Beef certified to be from cattle not treated with growth hormones
- Processed fruits and vegetables
- Sauces and condiments
- Game meats

Hotels and Resorts

About 1,500 companies operate hotels in Belgium. The top five have a 19-percent market share, or nearly \$1.5 billion for 2003. Food sales in hotels accounted for 15 percent of HRI sales.

Large hotel chains tend to centralize their purchases, working on a national level with a limited number of wholesalers or distributors for meats, fish and other grocery items. Some products, such as beverages, fruits and vegetables, are purchased through regional or local suppliers.

Catering for Retirees

Catering and canteen sales accounted for 14 percent (\$1.4 billion) of the HRI sector in 2003. Only retirement homes have posted significant growth in the Belgian catering sector. As life expectancy continues to rise, growth is assured for this population category.

Within other catering categories, school meals remain stable, while hospital meals are decreasing due to shorter stays and a cap on the number of beds.

Though fresh products are still bought locally, caterers increasingly are buying from international rather than local suppliers. Another trend is for smaller, less competitive companies to make joint purchases.

Entry Strategies for U.S. Suppliers

The fragmentary nature of the restaurant and hotel subsectors erects barriers to foreign firms hoping to enter the market. The lack of organized distribution further limits broad market access.

Depending on product and company size, exporters should contact importers, distributors, wholesalers or specialized HRI retailers. A note for new exporters: besides competitive pricing, a focus on



17141

innovation and quality is vital to attracting consumers.

The Belgian food industry is very international, and has access to many food product providers. Imports from other European Union countries, mainly next-door France, the Netherlands and Germany, represent 84.4 percent of total imports. ■

The author is an agricultural assistant with the FAS Office of Agricultural Affairs at the U.S. Embassy, Brussels, Belgium. Tél.: (011-32-2) 508-2437; Fax: (011-32-2) 508-2148; E-mail: AgBrussels@fas.usda.gov

For details, see FAS Report BE4006. To find it on the Web, start at www.fas.usda.gov, select **Attaché Reports** and follow the prompts.

