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MARKET ACCESS SECRETARIAT
Global Analysis Report

Sector Trend Analysis

Sugar Confectionery

In Belgium

January 2017

EXECUTIVE SUMMARY

This report brings together consumer insight and market data to provide a comprehensive brief of the sugar confectionery sector in Belgium to Canadian exporters. This allows for the rapid identification of key growth opportunities across major sugar confectionery categories. It also provides market share of the key distribution channels. Finaly, the report includes brand share data of the Confectionery market in Belgium.

Currently, imports of sugar confectionery into the European Union (E.U.) face tariffs starting at 6.2%. Canadian sugar confectionery exports will enter the E.U. duty free immediately upon entry into force of the Comprehensive Economic and Trade Agreement (CETA). Under CETA, certain exports of Canadian sugar confectionery will also have access to Origin Quotas (which provide more liberal rules of origin), including an Origin Quota of 10,000 tonnes for Sugar Confectionery and Chocolate Preparations such as bubble gum, sugar candies, and chocolate confectionery.

According to Euromonitor, the Belgian sugar confectionery sector reached US$317.4 million in 2015. This represents 7.9% growth or US$23.1 million since 2010. In the forecast, the sugar confectionery sector is predicted to reach close to US$325.1 million by 2021, with an estimated growth of 1.8%. High growth categories in the forecast include medicated confectionery, mints losanges and pastilles, gums, jellies and chews.

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CONSUMER ATTITUDES AND ECONOMIC DRIVERS

As in other European countries, the population in Belgium is aging, which is having a major impact on consumption trends. People in Belgium are expected to continue to live longer, while birth rates are expected to continue to decline. Another particularity of the Belgian market is that the number of single-person households is expected to increase.

According to Euromonitor, the purchasing habits of the Belgian consumers are becoming more in line with the rest of European nations, and this is reflected in the increased demand for indulgence and luxury products, including confectionery items.

While pleasure, indulgence and impulse remain key demand drivers for sugar confectionery in Belgium, the importance of on-the-go consumption is paradigm for the sector. Furthermore, smaller portions do not only drive value, they also give manufacturers significant room for innovation and new products introduction.

While manufacturers focus on new launches of sugar-free products, interest in gluten-free sugar confectionery increased in 2016. The gluten-free segment is still a niche; however, it is set to grow rapidly according to Euromonitor.

RETAIL SALES

Sugar confectionery in Belgium saw several new launches in 2015. At the same time, the category's growth potential was negatively affected by increasing health concerns and rising obesity. As a result, sugar confectionery posted only moderate current value growth of 1% in 2015, while volume sales remained flat.

Historic Retail Value Sales of Sugar Confectionery in Belgium, in US$ Millions

Category	2010	2011	2012	2013	2014	2015	Market Share (%)	CAGR (%) 2010-15
Sugar Confectionery	294.3	300.7	307.9	312.5	315.1	317.4	-	1.5
Pastilles, gums, jellies and chews	106.4	108.9	111.4	113.1	114.0	115.0	36.2	1.6
Mints	45.3	46.9	48.0	49.2	50.1	50.8	16.0	2.3
Medicated confectionery	47.2	47.7	48.8	49.7	50.1	50.5	15.9	1.4
Toffees, caramels and nougat	41.7	42.0	43.1	43.5	43.4	43.4	13.7	0.8
Boiled sweets	25.3	26.5	27.2	27.5	27.8	27.9	8.8	2.0
Other sugar confectionery	19.1	19.4	19.8	19.9	20.0	20.1	6.3	1.0
Lollipops	7.6	7.7	7.8	7.9	7.9	8.0	2.5	1.0
Liquorice	1.8	1.8	1.8	1.8	1.8	1.8	0.6	0.0

Source: Euromonitor, 2016

Historic Retail Volume Sales of Sugar Confectionery in Belgium, in 000' Tonnes

Category	2010	2011	2012	2013	2014	2015
Sugar Confectionery	29.6	29.5	29.2	29.0	28.8	28.6
Pastilles, gums, jellies and chews	16.3	16.0	15.9	15.8	15.6	15.5
Mints	4.6	4.6	4.5	4.4	4.3	4.3
Medicated confectionery	2.3	2.4	2.4	2.4	2.4	2.4
Toffees, caramels and nougat	2.0	2.1	2.1	2.1	2.1	2.1
Boiled sweets	2.0	2.0	2.0	2.0	2.0	1.9
Other sugar confectionery	1.8	1.7	1.7	1.7	1.7	1.7
Lollipops	0.6	0.6	0.6	0.6	0.6	0.6
Liquorice	0.1	0.1	0.1	0.1	0.1	0.1

Source for both: Euromonitor, 2016

Euromonitor forecast that the sugar confectionery volume sales are likely to stay static over the 2016 to2021 period. However, pleasure-seeking and health and wellness products will become increasingly appealing and indicate margin for growth for sugar confectionery, especially in terms of retail value sales.

Forecast Retail Value Sales of Sugar Confectionery in Belgium, in US$ Millions

Category	2016	2017	2018	2019	2020	2021	Market Share (%)	CAGR (%) 2016-21
Sugar Confectionery	319.4	325.3	330.9	337.7	345.9	354.4	100.0	2.1
Pastilles, gums, jellies and chews	115.8	118.0	120.1	122.5	125.5	128.5	36.3	2.1
Mints	51.5	52.7	53.9	55.3	56.9	58.6	16.5	2.6
Medicated confectionery	51.0	52.3	53.6	55.1	56.7	58.3	16.5	2.7
Toffees, caramels and nougat	43.3	43.7	44.0	44.5	45.3	46.2	13.0	1.3
Boiled sweets	28.1	28.6	29.0	29.6	30.3	31.1	8.8	2.0
Other sugar confectionery	20.0	20.2	20.4	20.6	20.9	21.2	6.0	1.2
Lollipops	8.0	8.1	8.1	8.3	8.4	8.6	2.4	1.5
Liquorice	1.8	1.8	1.8	1.8	1.9	1.9	0.5	1.1

While Euromonitor data shows slow volume growth in the Belgian market, the values are still reporting modest growth indicating a move to higher priced products.

Forecast Retail Volume Sales of Sugar Confectionery in Belgium, in 000' Tonnes

Category	2016	2017	2018	2019	2020	2021
Sugar Confectionery	28.40	28.20	27.90	27.70	27.50	27.40
Pastilles, gums, jellies and chews	15.40	15.30	15.30	15.20	15.10	15.00
Mints	4.20	4.20	4.10	4.10	4.10	4.00
Medicated confectionery	2.40	2.30	2.30	2.30	2.30	2.30
Toffees, caramels and nougat	2.10	2.10	2.10	2.10	2.10	2.10
Boiled sweets	1.90	1.90	1.90	1.90	1.90	1.90
Other sugar confectionery	1.60	1.60	1.60	1.50	1.50	1.50
Lollipops	0.60	0.60	0.50	0.50	0.50	0.50
Liquorice	0.10	0.10	0.10	0.10	0.10	0.10

Source for both: Euromonitor, 2016

Globally, consumers are becoming ever more demanding of their sweets. Belgian consumers want premium indulgence with health benefits. Manufacturers are certainly eager to add value to their products, but while some of their health and wellness-oriented offerings enjoy global appeal, others remain confined to niche markets.

Key Functional Ingredients Historical Retail Value Sales (%) breakdown

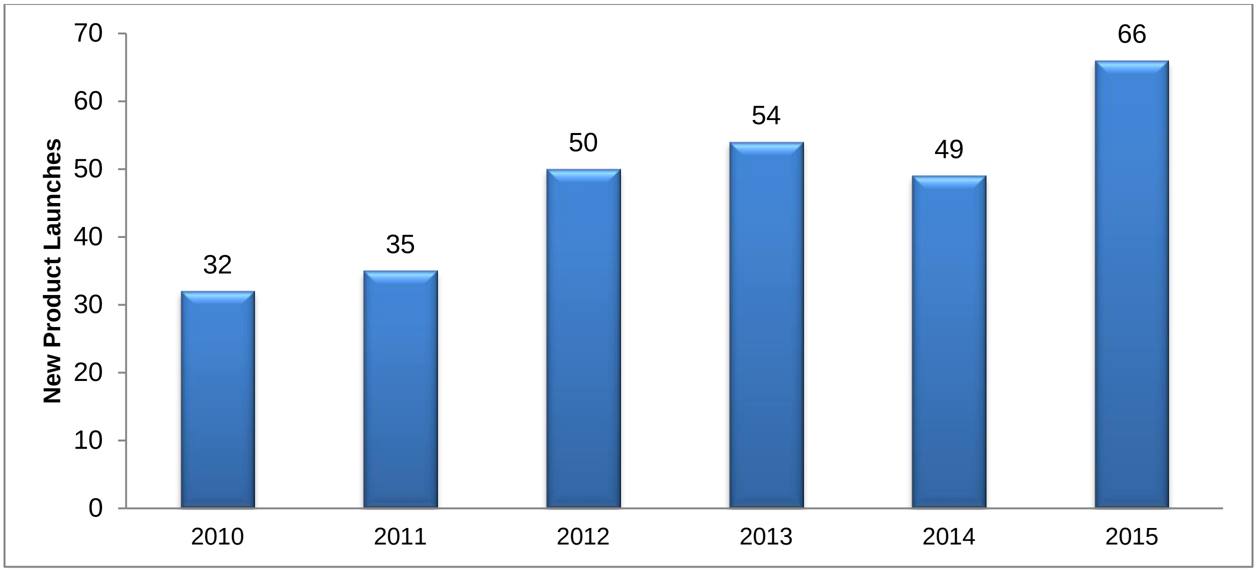
Key Functional Ingredients	2010	2011	2012	2013	2014	2015
Herb extracts	19.0	18.9	18.9	18.8	18.6	18.5
Multivitamins	10.0	10.1	10.2	10.3	10.4	10.5
Vitamin C	7.0	7.2	7.3	7.4	7.6	7.7
Calcium with/without vitamin D	4.7	4.6	4.6	4.4	4.3	4.3

Source: Euromonitor, 2016

NEW SUGAR CONFECTIONERY PRODUCTS IN BELGIUM

From January 2010 to December 2015, there were 286 sugar confectionery new products launched in Belgium. The number of sugar confectionery new product introduction in Belgium has fluctuated over the last five years, and has increased in 2015 to a high of 66 new products. In 2010, 32 new product were launches.

New Sugar Confectionery Products Launches by Year, from January 2010 to December 2015



Source: Mintel GNPD, 2016

In 2015, the low/no/reduced allergen and gluten-free claims saw the largest number of new product introductions with ten new products for each claim. The “low/no/reduced sugar”, “age group specific” and “no additives/preservatives” claims includs five new products each. These 5 claims represented 53% of all sugar confectionery launches in 2015.

New Sugar Confectionery Products Launches by Claim, from January 2010 to December 2015

Claim	2010	2011	2012	2013	2014	2015
Total new products	32	35	50	54	49	66
Low/no/reduced allergen	4	0	5	0	7	10
Gluten-free	4	0	5	0	6	10
Low/no/reduced sugar	15	18	29	14	11	5
Children (5-12)	4	2	0	2	11	5
No additives/preservatives	2	1	2	2	7	5

Source: Mintel GNPD, 2016

Increasing concerns regarding sugar consumption may have an impact on sugar confectionery. However, sugar-free products, medicated confectionery and mints are expected to grow steadily.

As Belgian consumers become more health-conscious, the development of broader sugar-free offerings will be very important for the success of sugar confectionery. Gluten-free sugar confectionery is also attracting an increasing demand, and represents an interesting growth driver for manufacturers.

When it comes to new flavours and ingredients, Belgian consumers are fairly conservative, traditional flavours remain popular in Belgium, with fruit varieties dominating the market, followed by mint and strawberry.

Top 10 New Sugar Confectionery Products Launches by Flavour, from January 2010 to December 2015

Flavour	2010	2011	2012	2013	2014	2015
Fruit	2	3	3	8	9	7
Mint	5	3	8	2	2	5
Strawberry	2	2	6	2	7	6
Orange	0	1	4	4	2	6
Peppermint	1	2	6	1	1	0
Apple	1	0	2	0	3	5
Sour	0	1	1	1	5	2
Multiple Flavour	0	1	1	1	1	6
Cola	0	1	2	1	2	3
Lemon	1	0	2	1	1	4

Source: Mintel GNPD, 2016

The price growth rate has been slow and modest, but remained in positive territory because these products can deliver on indulgency at a modest price.

Historic Retail Value Sales of Sugar Confectionery in Belgium, Unit Price in US$ per Kilogram

Category	2010	2011	2012	2013	2014	2015	2016
Medicated confectionery	23.6	23.9	24.7	25.3	25.7	26.0	26.4
Mints	23.1	23.4	23.7	24.1	24.5	24.7	25.1
Lollipops	13.6	13.7	14.1	14.4	14.6	14.8	14.9
Liquorice	13.4	13.6	14.0	14.2	14.4	14.6	14.8
Other sugar confectionery	10.9	11.2	11.5	11.8	12.0	12.1	12.3
Boiled sweets	11.1	11.3	11.6	11.7	11.9	12.0	12.1
Sugar confectionery	10.0	10.3	10.6	10.9	11.0	11.2	11.3
Toffees, caramels and nougat	9.3	9.3	9.8	10.0	10.2	10.3	10.3
Pastilles, gums, jellies and chews	6.6	6.8	7.0	7.2	7.3	7.4	7.5

Source: Euromonitor, 2016

DISTRIBUTION CHANNELS

The purchase of sugar confectionery relies on classic impulse triggers. Almost three out of four consumers admit to buying the sugar confectionery on impulse, thus at the point-of-sale indicating that the product visibility and strategic in-store positioning are paramount.

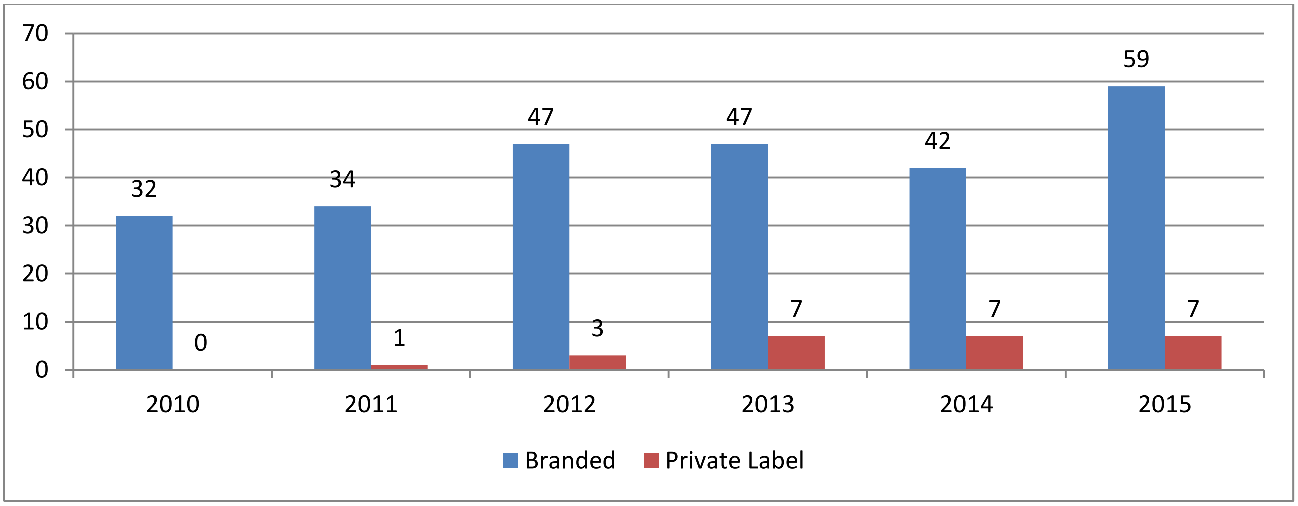
The internet-retailing channel accounted for just 3% of sugar confectionery’s total retail value sales in 2016. However, the importance of the internet-retailing channel is growing rapidly.

Distribution Channels of Sugar Confectionery Products by %

Outlets	2011	2012	2013	2014	2015	2016
Store-Based Retailing	89.6	89.5	89.2	88.9	88.8	88.7
Grocery Retailers	75.3	75.2	74.8	74.4	74.4	74.2
Modern Grocery Retailers	64.3	64.2	64.2	64.0	64.1	64.1
Convenience Stores	6.3	6.2	6.0	5.9	5.9	6.0
Discounters	10.6	10.7	10.7	10.8	10.9	10.9
Forecourt Retailers	3.3	3.2	3.2	3.0	2.9	2.8
Hypermarkets	5.8	5.5	5.2	5.2	5.1	5.1
Supermarkets	38.4	38.7	39.0	39.2	39.3	39.3
Traditional Grocery Retailers	11.1	10.9	10.7	10.4	10.3	10.1
Food/drink/tobacco specialists	4.7	4.6	4.6	4.5	4.4	4.4
Independent Small Grocers	5.0	4.9	4.8	4.8	4.8	4.7
Other Grocery Retailers	1.5	1.4	1.3	1.1	1.1	1.1
Non-Grocery Specialists	14.2	14.3	14.4	14.4	14.5	14.5
Health and Beauty Specialist Retailers	14.2	14.3	14.4	14.4	14.5	14.5
Mixed Retailers	0.0	0.0	0.0	0.0	0.0	0.0
Non-Store Retailing	10.4	10.5	10.8	11.1	11.1	11.3
Vending	8.9	8.8	8.8	8.8	8.7	8.6
Internet Retailing	1.5	1.7	2.0	2.3	2.5	2.8

Source: Euromonitor, 2016

New Sugar Confectionery Products Launches by Branded vs Private Label, from January 2010 to December 2015



Source: Mintel GNPD, 2016

In Belgium, premium brands strive for innovation with products that are mainly geared to adults and young adults demographics, while value for money brands focus on younger target groups, with products such as lollipops and boiled sweets.

Discounters' private label products, in particular, experienced steady growth in 2015 and projected to increase even more 2016 as their low prices and strong promotions proved to be very attractive to low- to middle-income households according to Mintel.

Example of Price Point of Sugar Confectionery Products as of February 2016

Category	Brands	Company name	Outlets	Pack size	Price (EUR)	Price (US$)
Boiled Sweets	Carrefour	Carrefour Belgium SA/NV	Supermarket	250 g	1.29	1.44
Boiled Sweets	Colruyt	Etn Franz Colruyt NV	Internet retailing	600 g	3.17	3.55
Boiled Sweets	Delhaize	Delhaize 'Le Lion' SA	Supermarket	120 g	2.19	2.45
Boiled Sweets	Fruit-tella Cream	Perfetti Van Melle Group	Internet retailing	160 g	1.95	2.18
Boiled Sweets	Kathy	Confiserie Kathy	Supermarket	200 g	2.25	2.52
Liquorice	Carrefour	Carrefour Belgium SA/NV	Supermarket	150 g	1.49	1.67
Liquorice	Curix	Usines Jean Warnimont SA	Supermarket	42 units	1.49	1.67
Liquorice	Delhaize	Delhaize 'Le Lion' SA	Supermarket	225 g	1.69	1.89
Liquorice	Look-O-Look Réglisse	Look-O-Look International BV	Supermarket	135 g	1.99	2.23
Lollipops	Carrefour	Carrefour Belgium SA/NV	Supermarket	200 g	1.99	2.23
Lollipops	Chupa Chups	Chupa Chups (Grupo) SA	Supermarket	192 g	1.53	1.71
Lollipops	Colruyt	Etn Franz Colruyt NV	Supermarket	500 g	1.98	2.22
Medicated Confectionery	Anta Flu	Pervasco BV	Supermarket	300 g	2.71	3.04
Medicated Confectionery	Ricola	Solinest SA	Supermarket	50 g	1.70	1.90
Medicated Confectionery	Vichy	Cadbury Belgium NV	Supermarket	125 g	1.69	1.89
Medicated Confectionery	Vicks	Procter & Gamble Eurocor NV SA	Supermarket	75 g	1.85	2.07
Power Mints	Delhaize	Delhaize 'Le Lion' SA	Supermarket	175 g	1.49	1.67
Power Mints	Frisk	Frisk International NV	Supermarket	35 g	2.09	2.34
Power Mints	King Extra Strong	Lamy Lutti NV	Supermarket	4 x 44 g	1.09	1.22
Standard Mints	Carrefour	Carrefour Belgium SA/NV	Supermarket	150 g	1.49	1.67
Standard Mints	Delhaize	Delhaize 'Le Lion' SA	Supermarket	175 g	1.49	1.67
Standard Mints	Hartmint	Confiserie Trefin NV	Supermarket	200 g	1.35	1.51
Pastilles, Gums, Jellies and Chews	Aldi	Aldi NV/SA	Supermarket	250 g	0.99	1.11
Pastilles, Gums, Jellies and Chews	Carrefour	Carrefour Belgium SA/NV	Supermarket	250 g	1.09	1.22
Pastilles, Gums, Jellies and Chews	Colruyt	Etn Franz Colruyt NV	Supermarket	500 g	1.34	1.50
Pastilles, Gums, Jellies and Chews	Delhaize	Delhaize 'Le Lion' SA	Supermarket	250 g	1.69	1.89
Pastilles, Gums, Jellies and Chews	Fruit-tella	Perfetti Van Melle Group	Supermarket	500 g	3.69	4.13
Toffees, Caramels and Nougat	Aldi	Aldi NV/SA	Supermarket	400 g	1.69	1.89
Toffees, Caramels and Nougat	Caramel Van Melle	Frisk International NV	Supermarket	250 g	1.05	1.18
Toffees, Caramels and Nougat	Carrefour	Carrefour Belgium SA/NV	Supermarket	280 g	1.85	2.07
Other Sugar Confectionery	Delhaize	Delhaize 'Le Lion' SA	Supermarket	500 g	1.39	1.56
Other Sugar Confectionery	Dulcia	Haribo GmbH & Co KG	Supermarket	400 g	3.68	4.12

Source: Euromonitor, 2016

NEW PRODUCT EXAMPLES

Product Description
Napoleon Sinaspur Orange (orange flavoured boiled sweets) is an orange flavoured candy layered with sherbet powder

Orange Flavoured Boiled Sweets

Company:	Confiserie Napoleon
Brand:	Napoleon
Category:	Sugar & Gum Confectionery
Sub-Category:	Boiled Sweets
Country:	Belgium
Store Name:	AD Delhaize
Date Published:	Dec 2015
Launch Type:	New Variety/Range Extension
Price in US$:	2.09

Product Description
Mentos NOWmints Micro-confiserie (sugar-free mini mints) has a sweet mint flavour. It retails in a 18g pack.

Sugar-Free Mini Mints

Company:	Perfetti Van Melle
Brand:	Mentos NOWmints
Category:	Sugar & Gum Confectionery
Sub-Category:	Standard & Power Mints
Country:	Belgium
Store Name:	AD Delhaize
Launch Type:	New Product
Price in US$:	1.83

Product Description

Sweet Cuberdons (Handcrafted belgian cuberdon) is typical cone-shaped Belgian candy with a slightly firm exterior and very smooth heart.

Handcrafted Belgian Cuberdon

Company:	Les Bonbons à l'Ancienne
Brand:	Sweet Cuberdons
Category:	Sugar & Gum Confectionery
Sub-Category:	Other Sugar Confectionery
Country:	Belgium
Country of Manufacture:	Belgium
Launch Type:	New Product
Price in US$:	4.38

Product Description

Look O Look mixed assortment confectionery sweets are potato chip shaped candy.

Mixed Assortment Confectionery Sweets

Company:	Look-O-Look
Brand:	Look O Look
Category:	Sugar & Gum Confectionery
Sub-Category:	Mixed Assortments
Country:	Belgium
Launch Type:	New Variety/Range Extension
Price in US$:	2.52

Product Description

Dills Pastilles à la Menthe sans Sucre (Digestive Sugar-Free Mints) have been repackaged with a new design. The product is said to make things digestible, and retails in a pack containing two 15g units.

Digestive Sugar-Free Mints

Company:	DILLS
Distributor:	DILLS
Brand:	Dills
Category:	Sugar & Gum Confectionery
Sub-Category:	Standard & Power Mints
Country:	Belgium
Country of Manufacture:	Belgium
Launch Type:	New Packaging
Price in US$:	3.78

TARRIF SCHEDULE

Please note: Certain sugar confectionery goods are subject to additional EU tariffs determined on the basis of the content of milkfat, milk proteins, sucrose, invert sugar, isoglucose, glucose and/or starch of the products.

HS Code	Description	Conventional rate of duty (%)
1704	Sugar confectionery (including white chocolate), not containing cocoa	
1704 10	– Chewing gum, whether or not sugar-coated	
1704 10 10	– – Containing less than 60 % by weight of sucrose (including invert sugar expressed as sucrose)	6,2 + 27,1 €/100 kg/net MAX 17,9
1704 10 90	– – Containing 60 % or more by weight of sucrose (including invert sugar expressed as sucrose)	6,3 + 30,9 €/100 kg/net MAX 18,2
1704 90	– Other	
1704 90 10	– – Liquorice extract containing more than 10 % by weight of sucrose but not containing other added substances	13,4
1704 90 30	– – White chocolate	9,1 + 45,1 €/100 kg/net MAX 18,9 + 16,5 €/100 kg/net
	– – Other	
1704 90 51	– – – Pastes, including marzipan, in immediate packings of a net content of 1 kg or more	9 + EA MAX 18,7 + AD S/Z*
1704 90 55	– – – Throat pastilles and cough drops	9 + EA MAX 18,7 + AD S/Z*
1704 90 61	– – – Sugar-coated (panned) goods	9 + EA MAX 18,7 + AD S/Z*
	– – – Other	
1704 90 65	– – – – Gum confectionery and jelly confectionery, including fruit pastes in the form of sugar confectionery	9 + EA MAX 18,7 + AD S/Z*
1704 90 71	– – – – Boiled sweets, whether or not filled	9 + EA MAX 18,7 + AD S/Z*
1704 90 75	– – – – Toffees, caramels and similar sweets	9 + EA MAX 18,7 + AD S/Z*
	– – – – Other	
1704 90 81	– – – – – Compressed tablets	9 + EA MAX 18,7 + AD S/Z*
1704 90 99	– – – – – Other	9 + EA MAX 18,7 + AD S/Z*

Source: http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L:2010:284:FULL&from=EN *additional duties for sugar (AD S/Z)

CONCLUSION

It is likely that Belgian confectionery sector will continue to be interested in innovative sugar confectionery products with added benefits. More and more Belgian consumers are willing to pay a premium price for quality food with healthy ingredients and especially impulse products, as these consumers are increasingly interested in their health. This makes Belgium a potentially attractive market for Canadian exporters of high-quality sugar confectionery products.

Euromonitor data indicates that opportunities for Canadian confectionery products may reside with products focused on health-related positioning, such as naturalness (organic or no additives and preservatives) and purity (simple and clear ingredient lists with limited or no chemicals added).

FOR MORE INFORMATION

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in Belgium**
  http://tradecommissioner.gc.ca/belgium-belgique/index.aspx?lang=eng

- **Find a Trade Commissioner**
  www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp

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- ats-sea.agr.gc.ca

RESOURCES

Euromonitor International, 2016. *Consumer Lifestyles in Belgium*.

Euromonitor International, 2016. *Sugar Confectionery in Belgium.*

Mintel Global New Products Database, 2016.

EU regulations:
http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=OJ%3AL%3A2010%3A284%3ATOC

Sector Trend Analysis: **Confectionery in Belgium**

Global Analysis Report

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