

The floral industry is one of the major industries in many developing and underdeveloped countries. Floriculture as an industry began in the late 1800s in England, where flowers were grown on a large scale on the vast estates. The present day the floral industry is a dynamic, global, fast-growing industry, which has achieved its significant growth rates during the past few decades. In the 1950s, the global flower trade was less than 3 billion dollars. By 2007, it had grown to 6 billion dollars. In recent years, the floral industry has grown by six percent annually.

The world flower trade is characterized by a high degree of concentration by products and sources. Roses are the main commercial product, Germany is the main import market, and the Netherlands the world leading exporter (the Netherlands is also a big importer but it re-exports most of its import, primarily to Europe).

The world flower business can be divided into four groups.

Producers in the first group of countries (the United States, Japan, India and China) have in common that they mainly, if not exclusively, produce for the domestic market. In Japan, 95 per cent of demand is met by local producers. In India and China, purchasing power is too low for sizeable import to take place and quality is too low for sizeable export to develop.

The second group of countries is those which have sizeable markets where import satisfy most demand. For example, Germany, where 70 per cent of total demand is import.

The third group, which includes Colombia and Kenya, is opposite of the second; they have a small home market but a large volume of export. Colombia is typical of this group – with export amounting for 95 per cent of production in recent years.

Finally, there is a group with a large home market combined with a large export share. The Netherlands is the best example here.

Belarus is the typical example of the second group with import making up 80 per cent of total demand.

Belarusian floral industry began to develop dynamically twelve years ago. Flowers are grown throughout the republic of Belarus but the industry was originally confined only to a few growers. In the last few years, an increasing awareness and recognition of high return on investments, higher standard of living, more hotels and restaurants, influx of tourists have led to more demanding and choosy clients. An increased demand triggered more production but despite the larger area devoted to cut flower, there is still a short fall in the supply. The demand for the domestic market is so big that the country has no option but to import some cut flowers. This is strongly evident during Valentine's Day, the 8th of March, School Graduation, the 1th of September.

Because of this fact the value of flower import is increasing year by year. For example the trade volume of cut flowers and potted plants in 2008 was about 14 million dollars, the total value of import was 9,126 million dollars. Approximately 60 per cent of all flowers sold in Belarus come from the Netherlands. Other major flower importers include Germany, Poland, Russia, Ecuador, Colombia, Costa Rica, Tanzania, Kenya, Turkey. For example, on the share of Colombia falls 16% of all the volume of import of flowers to Belarus (1,5 million dollars).

In Belarus flowers are grown for commercial purposes for the domestic market, although the size of the market is difficult to assess given the lack of consumption and production data. There are no reliable figures about the domestic production values of cut flowers and potted plants. Figures for both area and production value are not very accurate. In many cases, the different statistics give different figures. Nevertheless, it is possible to give an indication of competitiveness of the main producers in Belarus by looking at the strength and weakness of Belarusian growers.

The high cost of structures like greenhouse, irrigation and postharvest facilities are some of the major constraints to the producers of cut flowers potted plants.

In Belarus flower production is year-round in various areas, and is usually under protected conditions. The acreage of flower production under protected conditions is larger than that in open fields. Generally, during fall-spring, flowers are produced in greenhouses; and during spring-summer, they are produced out doors. Tunnels covered with plastic are widely used in growing flowers throughout the country. Modern greenhouses are also used, especially in Brest, Mogilev and Minsk. In the last few years, new greenhouses and modern equipment have been introduced into Belarus from the Netherlands. With new production technology comes the introduction of new agricultural chemicals which are not readily available locally and work out very expensive when imported. This is coupled with high import duties on other input too.

Access to credit sources is also another major problem confronting the growers. The interest rates on loans offered by institutions are high. Growers are in need of financial support at the initial stages of production.

The lack of willingness to make arrangements for longer periods, poor assortment, bad quality and relatively high cost prices are also the weaknesses of the Belarusian business.

However the transport component is one of the strengths. Because Belarusian flowers are not transported through some borders and Belarusian flowers have a longer term of realization. Thus the transport component is a real way of economy for local producers.

Hence, Belarusian floral industry is still in its juvenile stage and little information on the feasibility and prospect of the business is available. The Belarusian floriculture business should combine its actual strategy mainly based on price with demand-oriented strategy. Long-term agreements, guarantees based on a 'Code of Good Practice' and specificity of the Belarusian flowers are obligatory elements for the future strategy.

Example of strategy is «A price oriented strategy ». A price oriented approach fits better to Belarusian market, where the import florists have an important market share.