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MARKET FACT SHEET

Benelux

✎ **CREATION DATE** 2024   🗓 **LAST UPDATE DATE** 11/2024

INTRODUCTION

The **Benelux region** (comprised of Belgium, Netherlands and Luxembourg) offers a promising market for Canadian cybersecurity companies looking to expand their operations overseas. This region places a strong emphasis on digitalization and the adoption of technology, creating a growing number of opportunities for Canadian cybersecurity solutions. Furthermore, the size of the Benelux market provides ample room for Canadian companies to achieve growth and establish a strong presence.

In particular, Luxembourg and Belgium have solidified their positions as leading global financial centers. This presents a significant opportunity for cybersecurity companies who can cater to the unique needs and demands of financial institutions. By offering tailored solutions that address the specific challenges faced by the financial sector, Canadian cybersecurity companies can position themselves as trusted partners in safeguarding critical financial data and infrastructure.

However, it is essential for Canadian companies to be aware of the complexity of EU regulations and other concerns when entering the Benelux market. Adhering to data protection laws, understanding local business practices, and addressing cultural differences are crucial factors for successful market entry.

MAIN DATA

GENERAL DATA	
Area	› A collective name for Belgium, the Netherlands, and Luxembourg, especially with reference to their economic union › Located in Western Europe › 75,000 square kilometers
Capital	Benelux has no capital. The capitals of the individual countries in this union are Brussels (Belgium), Luxembourg City (Luxembourg) and Amsterdam (Netherlands).
Time Zone and Time Difference with Ottawa	Central European Time (CET) – 6 hours ahead of Ottawa
Languages	› Dutch › English › French › German
Population	29.55 million (2022)
Religions	› Christianity (Majority) › Non-religious › Islam
Major Holidays	N/A

Typical Working Hours	›	Standard working 40 hours
	›	5-day workweek, Monday to Friday
Entry Requirements	›	**Passport Validity**: passport must be valid at least three months beyond your planned departure date from the Benelux area.
	›	**Visa Requirements**: Tourist visa not required for stays up to 90 days. This applies to all three countries.
Tax Treaties	›	Canada has tax treaties with all three countries forming Benelux (Double Taxation).

POLITICAL DATA

Type of Political System	The Benelux Union is an intergovernmental organization established in 1944. It serves as a platform for dialogue and collaboration on various issues of common interest.
Leaders	The Council of Ministers is the highest decision-making body within the Benelux Union. It consists of the ministers from the respective governments of Belgium, the Netherlands, and Luxembourg.
	Benelux Parliament is a consultative body composed of members of the national parliaments of Belgium, the Netherlands, and Luxembourg. It provides a forum for parliamentarians to exchange views and make recommendations on matters related to Benelux cooperation.
Regime Stability	Extremely stable

ECONOMIC DATA (MAIN ECONOMIC INDICATORS)

Economic Situation	**Entire economy:** › USD $1.5 trillion GDP (2023) **Cybersecurity market:** › USD $3.8 billion (Value)
Financial Situation	› **Currency**: Euro (€) › $1 CAD equals $0.68 Euro (as of *date*)
Economic Policies Relating to IT Sector	**BELGIUM** Cyber Security Strategy Belgium 2.0 2021-2025 (BCSS) – focuses on six specific objectives: strengthening the digital environment and building trust; empowering users and administrators; protecting vital operators against cyber threats; responding to cyber threats; enhancing cooperation between public/private, and academic sectors; making clear international commitments. **NETHERLANDS** The Netherlands Cybersecurity Strategy 2022- 2028 (NLCS) focuses on cyber resilience, innovation of products and services, countering cyber threats and the cybersecurity labour market/education. **LUXEMBOURG** National Cybersecurity Strategy – focuses on areas such as risk management, incident response, awareness raising, and collaboration with public and private stakeholders. In addition to these national strategies, the Benelux countries also collaborate on cybersecurity initiatives through organizations like the Benelux Cyber Security Centre (BCSC).
Digital Transformation › Internet penetration rate › Digital literacy ranking › Cybersecurity investments	**BELGIUM** Internet penetration Rate: 94% **NETHERLANDS** Internet penetration Rate: 96% **LUXEMBOURG** Internet Penetration Rate: 99% - › **Digital literacy ranking:** N/A › **Cybersecurity investments:** N/A › **Other relevant data:** N/A

POLITICAL AGREEMENTS AND RELATIONS WITH CANADA

Political Agreements and Relations with Canada	›	Canada-European Comprehensive Economic and Trade Agreement (CETA).
	›	NATO members

MAJOR PLAYERS

🏛 Government

BELGIUM
Centre for Cybersecurity Belgium (CCB)

CCB is the national authority for cybersecurity in Belgium. It is responsible for coordinating and supervising cybersecurity activities, providing advice and support to public and private organizations, and promoting cybersecurity awareness and education.

NETHERLANDS
National Cyber Security Centre (NCSC)

The NCSC is the central government organization responsible for cybersecurity in the Netherlands. It provides advice, guidance, and support to government agencies, critical infrastructure operators, and other organizations. The NCSC also coordinates cybersecurity incident responses and manages the national cybersecurity crisis management framework.

LUXEMBOURG
Luxembourg House of Cybersecurity

The Luxembourg House of Cybersecurity is a public-private initiative that aims to position Luxembourg as a leading global hub for cybersecurity. The primary objectives of the institution are to foster collaboration, promote knowledge sharing, and support the development of cybersecurity expertise in Luxembourg.

🏢 Private Sector

BELGIUM
Thales Cybersecurity

Thales Cybersecurity, a division of Thales Group, is a global leader in providing comprehensive cybersecurity solutions and services. They offer encryption and key management solutions for data protection, identity and access management solutions, advanced security analytics and monitoring, as well as security consulting and managed services.

NETHERLANDS
Orange

Orange is a leading telecommunications operator and digital service provider. Orange acquired SecureLink in 2019. SecureLink was the leading independent cybersecurity player in Europe. SecureLink offered a wide range of services, including managed security services, network security, identity and access management, and security consulting.

LUXEMBOURG
Excellium

A Luxembourg-based cybersecurity company offering a range of services, including managed security services, penetration testing, security audits, and incident response. They cater to both national and international clients. Acquired by French company, Thales.

🎓 Academic

KU Leuven

KU Leuven has a dedicated research group, Computer Security and Industrial Cryptography (COSIC). COSIC focuses on the protection of digital information. Our group develops advanced cybersecurity solutions to protect data in the cloud and on the Internet of Things (IoT), and to protect the privacy of users.

NETHERLANDS
Delft University of Technology

Delft University of Technology has a strong research focus on cybersecurity and offers various programs and courses related to this field. The Cybersecurity Group at Delft conducts research in areas like secure software, network security, and cryptography.

LUXEMBOURG
University of Luxembourg

The University of Luxembourg is known for its research expertise in cybersecurity. It has a dedicated Interdisciplinary Centre for Security, Reliability, and Trust (SnT) that conducts research in areas like secure communications, network security, and privacy-enhancing technologies. This research center is driven primarily by its partnerships with the industry. The University inaugurated a CyberHub in November 2023.

👥 Association

BELGIUM
Information Systems Audit and Control Association (ISACA) (Belgium Chapter)

The information Systems Audit and Control Association is a global professional association focused on IT governance, risk management, and cybersecurity. The Belgium Chapter of ISACA organizes events, conferences, and training programs to enhance cybersecurity knowledge and skills among professionals in Belgium.

Cybersecurity Coalition Belgium

The Cybersecurity Coalition Belgium is a collaborative platform that brings together various stakeholders, including government agencies, businesses, and academia, to address cybersecurity challenges in Belgium.

NETHERLANDS
Netherlands Cyber Security Association (NCSA)

NCSA is a leading cybersecurity association in the Netherlands. It brings together professionals, organizations, and academia to promote cybersecurity awareness, knowledge sharing, and collaboration.

INTERNATIONAL COMPETITION

United States[1], France and China have a significant presence in the Benelux market.

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1. 14% of EU-based cybersecurity companies are among the world's top-500 fastest growing cybersecurity companies. The vast majority of high-growth companies in the region are headquartered in the United States, with representative offices in the EU.

STRENGTHS AND WEAKNESS OF CYBER SECURITY ECOSYSTEM

STRENGTHS

› **Robust Ecosystem**: Belgium, Netherlands and Luxembourg have robust cybersecurity ecosystems.

› **Market Opportunity**: Luxembourg has established itself as a leading financial centre in Europe. These institutions need security support.

› **International Prescence**: Numerous international companies operate and sell their products or services in the Benelux market indicating the opportunities that exist in this region.

WEAKNESS

› **Complexity of EU Regulations**: Corporations must adhere to EU and National regulations including, strong rule of law, and intellectual property rights protection.

› **Lack of Cybersecurity Awareness**: Insufficient cybersecurity awareness and understanding among individuals and organizations impede the adoption of advanced protective measures.

› **Shortage of Skilled Labour**: Shortage of skilled cybersecurity professionals in Benelux region.

MAIN NEEDS/END CUSTOMERS/MAJOR PROJECTS IN PROGRESS TO COME

In the European Union, the ICT services sector constitutes the largest segment of the cybersecurity market. However, Canadian companies may have greater potential for success by offering solutions outside of this particular sector. Belgium in particular is seeking niche tech and management services.

In addition to the financial sector, which is of great interest to Canadian solution and service providers targeting this vertical in particular - especially with the DORA regulation, new European regulations - such as the NIS2 Directive and the CyberResilience Act, present interesting market opportunities in Europe for Canadian companies.

Also, cybersecurity companies in Benelux have developed their offer for large customers, such as banks, while the need for solutions and services tailored for SMEs is crying out, and many Canadian cybersecurity companies have developed expertise in deserving this clientele.

MARKET PENETRATION: OPTIMAL APPROACH AND OTHER CONSIDERATIONS

Benelux is a regional cooperation between member countries that promotes collaboration and the sharing of regulations and policies. This cooperation extends to various areas such as trade, transport, and agriculture. Each country within Benelux also maintains its own distinct regulations and business environment. Therefore, organizations intending to enter a particular country within Benelux must be prepared to adapt and comply with the **specific regulations of that country**.

It is also crucial to **establish a strong partnership with a local representative**. This representative should have a deep understanding of the regional market and be able to provide valuable insights on various aspects of doing business in the country. They can offer guidance on adapting products to meet local technical requirements and consumer preferences, as well as provide advice on logistics and marketing strategies.

It is common for foreign companies, particularly those from the United States, to **first establish themselves in the**

United Kingdom before entering the Benelux market. This can serve as a steppingstone to gain experience in the European market and better understand the dynamics of doing business in the region.

Luxembourg offers strong incentives for companies to establish in their country as a strategy to penetrate the European market. The SnT also has a softlanding and acceleration program.

To establish a strong presence and effectively promote their products or solutions in the European market, **Canadian corporations should engage with EU institutions** such as the European Commission and EU agencies. This engagement serves multiple purposes, including building brand recognition, persuading end-users about the benefits of their offerings, and influencing future tender requirements.

EVENTS

›   **Benelux Cyber Summit**   October 5 –6, 2024

BUSINESS ENVIRONMENT AND PRACTICAL ADVICE

The EU cybersecurity market is characterized by moderate competition and significant fragmentation. In this market, 74% of companies are micro and small enterprises and their market share is only 10%. Despite this fragmentation, strategic partnerships and mergers/acquisitions are becoming more common, although they are counterbalanced by the continuous emergence of new players in the market.

Regulatory frameworks at both the EU and national levels are also influential in shaping the cybersecurity market. These regulations impose new requirements on companies, creating new business opportunities for cybersecurity firms. For instance, compliance with the General Data Protection Regulation (GDPR) has been a major driver for the growth of the cybersecurity market in the EU. Companies must invest in cybersecurity solutions to ensure compliance with GDPR and protect sensitive data, leading to increased demand for cybersecurity services.

European governments and major vendors actively participate in projects within the cybersecurity market. They provide support and resources to drive innovation and development in this field. Similarly, EU institutions play a role in supporting various cybersecurity projects, demonstrating their commitment to enhancing cybersecurity measures within the EU.
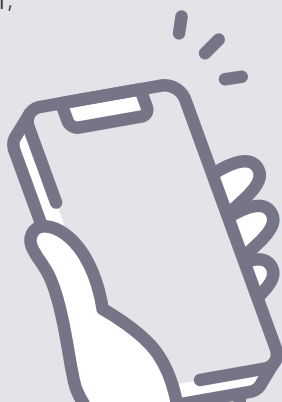
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Find Out More

›   Canada-European Comprehensive Economic and Trade Agreement (CETA)
›   Canadian cybersecurity companies exporting to the EU
›   Cybersecurity Strategy Belgium 2.0 2021–2025
›   The European Cybersecurity Market
›   The Netherlands Cybersecurity Strategy 2022–2028

In-Sec-M's Mission Report 2024