What is the demand for home decoration and home textiles in the European market?

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The European market for home decoration and home textiles (HDHT) has rebounded from an import dip due to international trade disruptions, but rising prices and low consumer confidence are posing a challenge. Many imports come directly from developing countries. As European importers often distribute products across the continent, you should focus on segments rather than countries. Opportunities are especially good in the middle to high-end markets. If you can meet the need for sustainability and add unique value to make your products stand out, there is potential across the sector.

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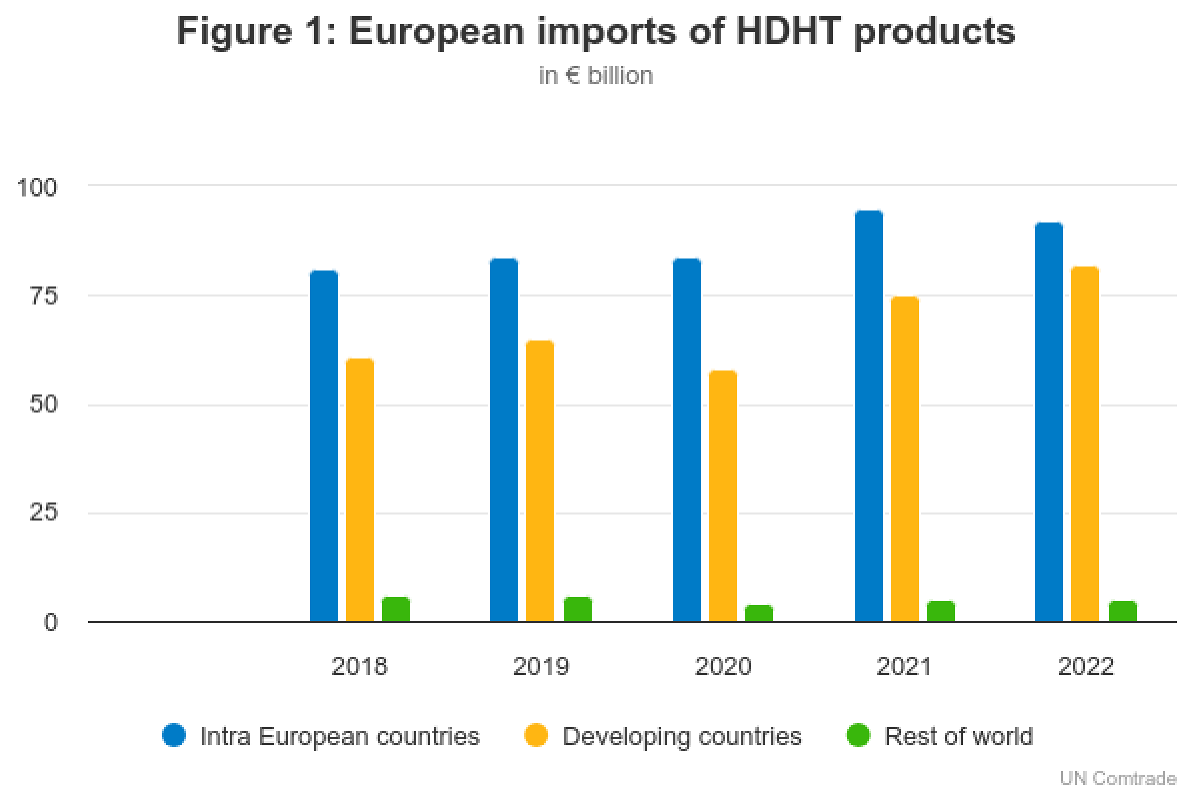
1. What makes Europe an interesting market for home decoration and home textiles?

European HDHT imports have come back strong from their dip in 2020. The renewed consumer focus on home and garden is expected to keep driving demand, with sustainability becoming increasingly important. At the same time, rising prices and low consumer confidence may make people less eager to spend. Developing countries play a key role in the European HDHT market. The middle to high-end segments offer good opportunities and make it possible to avoid competing with mass-production from countries like China in the low-end market.

The European import market continued to grow between 2018 and 2022

Marketing and services for the European HDHT market generally take place within Europe. At the same time, however, a large amount of production takes place in lower-cost countries outside of Europe.

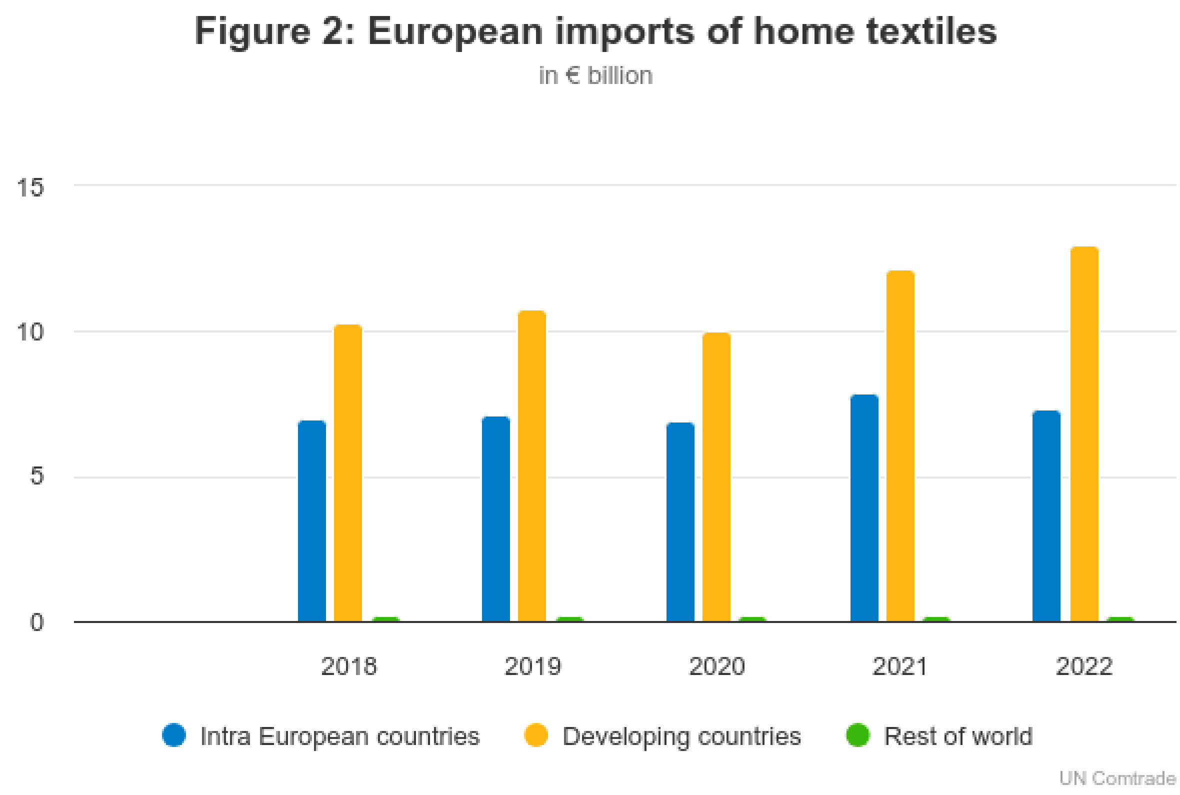


Source: UN Comtrade

Between 2018 and 2022, European HDHT imports grew from €148 billion to €179 billion. After a drop of -6.2% in 2020 due to the COVID-19 pandemic, imports bounced back with 19% growth in 2021. Modest growth followed in 2022, resulting in a total average annual growth rate (CAGR) of 4.9% for the period 2018–2022. It is obviously possible that some of the imports in 2021 may have been delayed shipments from 2020. The worldwide HDHT import market exhibited a similar pattern. With a stable global market share of about 38%, Europe is a key market for HDHT products.

Direct imports from developing countries increased from €61 billion in 2018 to €82 billion in 2022, with a CAGR of 7.8%, thus making it possible to reach a market share of 46% in 2022. Given that a large share of all intra-European trade consists of re-exported products from developing countries, the actual market share is probably much higher. This makes Europe an interesting market for you.

These data mainly reflect home-decoration imports, which account for a fairly stable 88–89% of all European HDHT imports. Upon closer examination, however, home-textile imports reveal a different pattern.



Source: UN Comtrade

Unlike the situation with home decoration, most European home-textile imports come directly from developing countries. Between 2018 and 2022, their direct import-market share grew from 59% to a strong 63%. This translated to €13 billion worth of home textiles, out of a total value of €20 billion in 2022.

Rising prices and low consumer confidence pose a challenge

The effects of the COVID-19 pandemic and the war in Ukraine have disrupted international trade. At the same time, lockdowns led to an increased focus on the home and trends like wellness and 'home sweet home'. In general, the importance of home and garden is expected to remain high, driving demand for HDHT in the coming years. This could partially compensate for the pressure that the cost-of-living crisis is exerting on consumer spending.

Figure 3: Impact of cost increases on HDHT companies, January-February 2022

Source: Maison et Objet Barometer – Issue 3

The pandemic caused increases in the cost of raw materials, energy and transport. In January/February 2022, key HDHT stakeholders estimated their costs to be 19% higher. After that, costs continued to rise in response to the war in Ukraine. By October 2022, 42% reported that their businesses had been strongly impacted by the energy crisis. These longer-term cost increases forced HDHT companies to raise their prices, thereby leading to higher consumer prices. Now that costs are starting to come back down, some companies are lowering their prices as well, although they generally continue to be higher than they were before the pandemic.

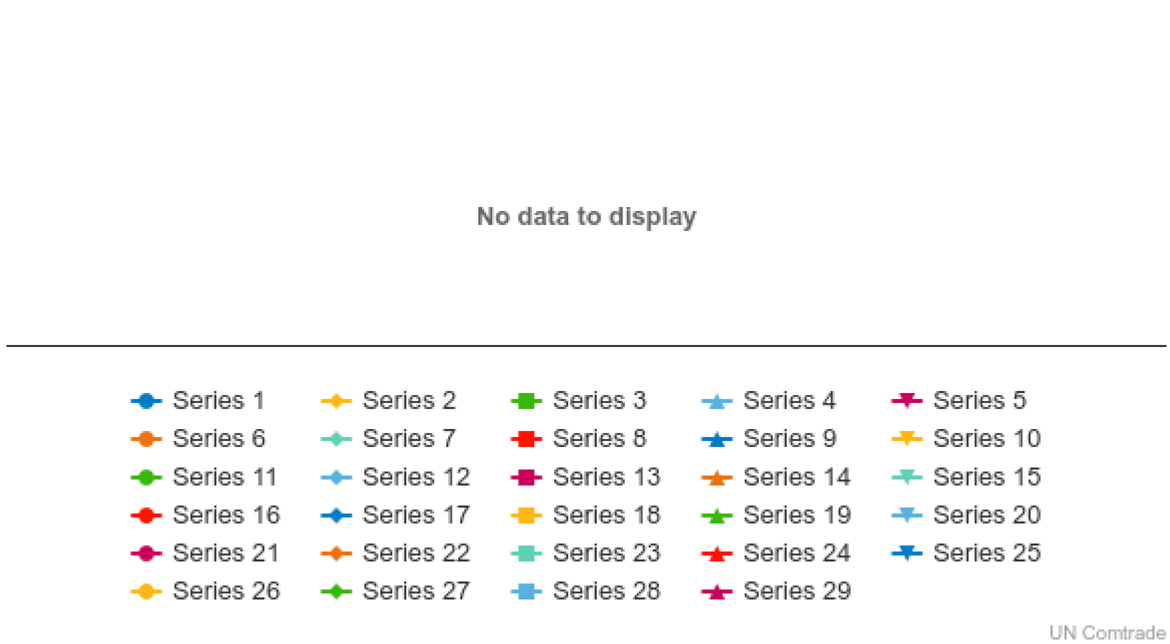
Consumer spending and confidence are under pressure

The HDHT sector is sensitive to economic cycles. When economic circumstances and prospects are down, consumers postpone buying items that they do not urgently ‘need’. When economic conditions are good, purchases of such non-essential products tend to rise.

European consumer confidence fell sharply in March 2022 due to the situation in Ukraine and the subsequent energy crisis. This reflected a large drop in the expectations of households concerning the general economic situation in their country, as well as about their own future financial situation. Consumer intentions to make major purchases also fell. In a consumer survey conducted in Europe in Autumn 2022, about half of all respondents reported a decrease in spending on home and furniture. Since then, consumer confidence has been gradually recovering towards its long-term average.

Figure 4: Forecast real growth in private consumption expenditures for 2024

in %



Source: OECD

Before the COVID-19 pandemic, consumer spending (‘private consumption expenditures’) in the leading European markets grew by about 1–3% per year. This trend was broken in 2020, due to the pandemic. Forecasts for 2023/2024 are modestly positive, in line with consumer confidence. The results of the April 2023 Maison & Objet Barometer seems to reflect this, with most HDHT professionals reporting that sales had remained the same (45%) or increased (29%) in the preceding 4 months, as compared to the same period in 2022.

Example: the Netherlands

Data from the Netherlands illustrate the effect of rising prices and low consumer confidence on demand for HDHT. Dutch consumer confidence reached an all-time low in June 2022, and consumer prices for furniture and home decoration increased by 13% compared to June 2021. This was reflected in a -7% drop in turnover for Dutch furniture and home furnishings retail in the same period (or -19% when adjusted for price developments). Overall, this resulted in a -5.7% adjusted drop from 2021/2022. Due to rising prices, however, turnover actually grew by 5.4%.

Tips:

- Be prepared for potential future trade disruptions. See our study on how to respond to COVID-19 for information on how to prepare your business for the future.
- Visit CBI News & Stories for the latest news in the sector, including our article about how increasing prices affect the HDHT market. To stay up to date, subscribe to our newsletter.
- For more insight into the effect of rising prices, see sources like Ogilvy's ideas on how brands can swim against the inflation stream.
- See our study on the trends in the European HDHT market for an overview and an analysis of their effect on demand.

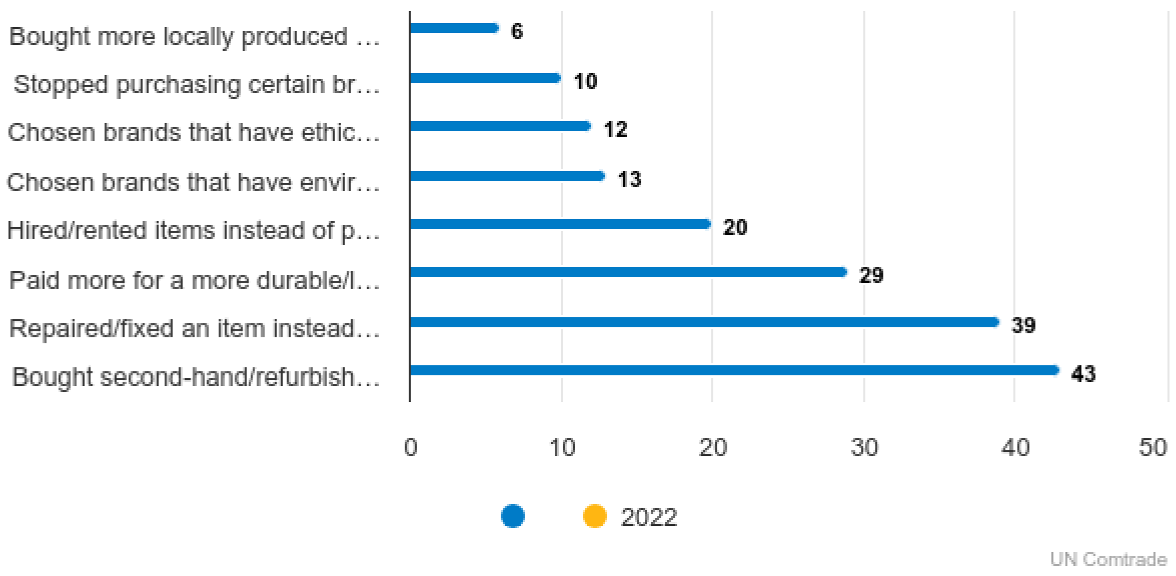
Demand for sustainable HDHT is growing

European consumers are increasingly adopting more sustainable lifestyles, and this trend was boosted by the COVID-19 pandemic. Especially for younger generations, the pandemic made it more important for consumers and companies to improve their sustainability. An impressive 86% of all European consumers consider sustainability either important or very important, and 29% buy sustainable products deliberately and consciously. At the same time, the current cost-of-living crisis is driving a need for sustainable products to be affordable.

Although there are no official trade data on sustainable HDHT, surveys have shown that HDHT retailers have noticed that their customers are becoming increasingly interested in ethical products, including items made with natural or recycled/recyclable materials, with socially responsible modes of production. They have also noted increased demand for recycled products, upcycled products and second-hand/pre-owned items. Interest in these products is reflected in consumer behaviour in other countries as well, including Great Britain.

Figure 5: Actions adult British consumers have taken in furniture and homeware for a more sustainable lifestyle

in %



* in the previous 12 months

Source: Deloitte

Sustainability is becoming a requirement in the European HDHT market. This is not only because consumers and buyers are asking for it, but also because of updates in legislation. The new European Green Deal includes both environmental and social requirements. Within this context, many European laws are under revision, and new legislation is being developed. Some of this legislation will apply to you directly, and some will affect you indirectly, through your buyers.

For example, the new deforestation regulation bans wooden products that contribute to deforestation and forest degradation, and the proposed forced labour regulation bans products made with forced labour. The proposed Directive on corporate sustainability due diligence requires larger companies to identify and prevent, end or reduce the negative impacts of their activities on human rights and the environment throughout their value chains. The proposal for an Ecodesign for Sustainable Products Regulation aims to ensure that products are designed to last longer, are easier to reuse, repair and recycle, and incorporate recycled raw materials wherever possible.

If you prepare well and can meet the requirements, this new legislation creates opportunities.

Tips

Use sustainable solutions for raw materials, production, transport and distribution, consumer use and waste disposal.

Clearly communicate your sustainable values through your marketing materials. If your products have a unique origin and/or story, communicate the special techniques, materials, producers, processes or meanings. This may add value to your concept, as well as that of your importer.

For more information, see our special study on sustainability in HDHT, our tips for going green and tips for becoming more socially responsible , and our webinars on sustainability in the European HDHT market and sustainable innovations for your HDHT business.

Prepare for the impending legislation. Discuss with your buyers what they need from you, as well as how you can help each other in the process.

For more information on relevant legislation, see our study on buyer requirements.

China continues to be Europe’s leading HDHT supplier

Source: UN Comtrade

China is Europe’s main HDHT supplier, accounting for 33% (€58 billion) of the total import value in 2022. This is more than the direct suppliers of all other developing countries combined, which add up to an also considerable market share of 13% (€24 billion).

The other 6 leading suppliers are all European countries trading within Europe. Germany is the largest, with 10% of the 2022 HDHT imports, followed by Poland with 6%, Italy with 6% and the Netherlands and France with 4% each.

Roles of countries in the European market

European countries fulfil different roles in the market. Some are mainly importers, and others are mainly manufacturers. Western European countries are mainly importers, and most Western European importers are re-exporters. They do not sell their products only in their own country, but distribute them across the entire continent.

Most European production takes place in Eastern Europe, primarily because of relatively low transport and labour costs. This can make these countries a good alternative for European buyers to source low to mid-end products. Western and Southern Europe also produce some high-end products from well-known premium brands with a long history.

In general, your focus should be on the middle to high-end market. Although rising prices may cause increased competition in the mid-end market, these segments offer good opportunities in terms of added value. This makes it possible to avoid competition from low-cost, mass-producing countries in the lower ends of the market, like China.

Other developing countries are performing well

China’s large-scale and highly mechanised production systems, availability of raw materials (especially human-made) and efficient shipping to Europe (as compared to other Asian countries) make it a competitive supplier. The country’s rising labour costs have affected its price competitiveness, however, and trade wars and other disruptions may influence exports. European importers also want to become less dependent on China as a single supplier, and they are ordering shorter runs to reduce stock risk. This could benefit companies from other developing countries, like you.

In 2022, Europe sourced €24 billion of its total HDHT imports directly from developing countries other than China. Of these countries, the 6 leading suppliers are:

1. India - €4.5 billion
2. Vietnam - €4.4 billion
3. Turkey - €4.2 billion
4. Pakistan - €2.8 billion
5. Indonesia - €1.6 billion
6. Bangladesh - €1.4 billion

Categorising these imports reveals that China focuses almost exclusively on home decoration (93%). The supply from other developing countries is more balanced, with 64% home decoration products and 36% home textiles. Individual countries clearly differ in the categories on which they focus.

Home decoration supplies from developing countries other than China

Source: UN Comtrade

Vietnam is the largest of these suppliers, accounting for about a quarter of Europe’s direct home decoration imports from ‘other’ developing countries in 2022. India and Turkey followed with 17% and 14%, respectively, and Indonesia supplied a further 10%. Thailand and Serbia accounted for about 4% each. All these countries have increased their home decoration exports to Europe in recent years.

Like producers from China, Vietnamese suppliers are very productive and can produce at low cost. They generally have a good idea of what is commercially successful and trendy, and they effectively combine handmade and mechanised production. They can therefore be an effective (second-sourcing) alternative to China. Although there are obviously exceptions, Vietnam produces mainly for lower-end segments with limited design value. This should not be your focus.

In general, manufacturers from India, Indonesia and Thailand are more likely to be your direct competitors. These producers often have access to a wide range of natural materials and skilled artisanry. This allows them to compete in the middle to high-end segments of the European market. Each has its own offerings and established place in the market. For example, Indonesia is Europe’s leading supplier of rattan furniture, producing 80% of the world’s rattan.

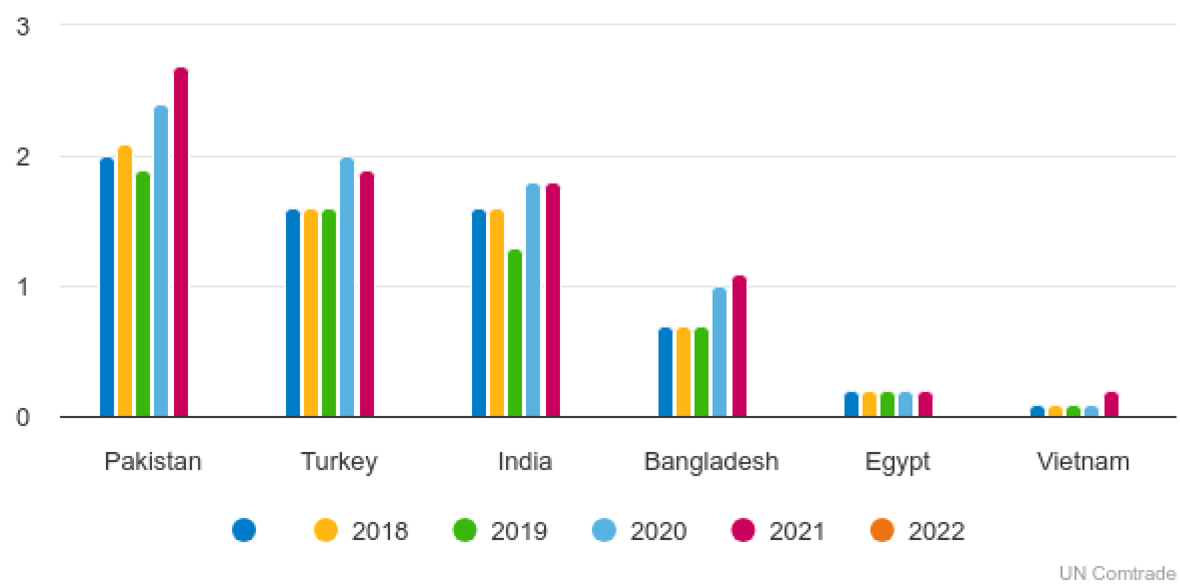
Turkish suppliers provide a mix of industrial and handmade production, at relatively low cost. They benefit from their close proximity to Europe, which allows them to offer short delivery times.

Although Europe’s home decoration imports from developing countries are dominated by South and Southeast Asia, Eastern European countries are becoming more prominent. Like Turkey, these countries benefit from their convenient location and relatively low labour costs. Serbia entered the 6 leading suppliers from ‘other’ developing countries in 2022 — overtaking Ukraine, which is now in eighth place, followed by Bosnia Herzegovina. Most of Ukraine’s supplies consist of furniture, mainly exported to Germany and Poland. Although exports have decreased since the Russian invasion, Ukraine’s furniture industry has continued to perform well.

Home-textile suppliers from developing countries other than China

Figure 8: Selected leading suppliers of home textiles to Europe

in € billion



Source: UN Comtrade

Pakistan, Turkey and India are key players in the market for home textiles. Together, these countries directly accounted for nearly a third of Europe's total home-textile imports in 2022. Bangladesh supplied another 6%, followed by Egypt and Vietnam, with about 1% each. All these countries increased their home-decoration exports to Europe between 2018 and 2022, with the exception of Egypt, which kept its supplies fairly stable.

The leading suppliers (Pakistan and India) are high-volume, low-price sourcing hubs for home textiles, with access to cheap labour. These countries are world leaders in cotton production, with a large spinning capacity to transform this cotton into textile products. The producers in these countries also have the wider power looms that are required to efficiently manufacture items of larger width. In addition, Vietnam specialises in high-volume, low-cost production. As is the case for home decoration, you should avoid competing with these countries on price and focus on the middle to high-end segments of the home-textiles market instead.

Bangladesh poses more direct competition for you. With its reasonable prices, large skilled workforce and abundance of renewable natural materials, this country can produce home textiles for the middle to high-end market. Famous for its high-quality cotton, Egypt is a strong player in high-end cotton products. As is the case for home decoration, Turkish home-textile manufacturers benefit from their convenient location and relatively inexpensive labour.

South and Southeast Asia dominate the supplies of home textiles to Europe — not just from developing countries but from all around the world. In contrast to the home-decoration segment, Eastern European developing countries play a relatively minor role in home textiles. Cambodia and Tunisia are relatively large suppliers of home textiles, but their exports to Europe declined sharply in 2020. They now seem to be back on track, however, with CAGRs of 23% and 19%, respectively, for the period 2020–2022, and they are likely to regain their place amongst the 6 leading suppliers in the coming years.

Tips:

Compare your products and your company to the competition. The ITC Trade Map could help you find exporters in each country in order to compare various aspects, including market segment, price, quality and target countries.

See our studies on specific HDHT product groups to determine the competition for the products you offer.

For more information about segments in HDHT, see our study on market channels and segments.

2. Which European markets offer the most opportunities for home decoration and home textiles?

The larger Western European economies are the main importers of HDHT products. In general, however, importers in these countries sell their products across Europe. Your best strategy is therefore to focus on specific segments, rather than specific countries.

Source: UN Comtrade

Europe's leading importer of HDHT products is Germany, which accounts for 17% of the market in 2022, followed by France (14%) and the United Kingdom (13%). Together, these 3 countries account for almost half of all European HDHT imports. Smaller markets with shares of less than 10% — albeit still amongst the 6 leading importers — are the Netherlands (9%), Italy (7%) and Spain (7%). All these markets have recovered from the trade disruptions of 2020, with imports now exceeding those of 2019.

As noted previously, most Western-European importers re-export their imported products across Europe, or to specific European subregions (for example, Scandinavia or the Benelux). This explains why small countries (for example, the Netherlands) often import a much greater volume of HDHT products than they consume.

Focus on segments

In terms of marketing, you should be aware that countries are not markets. The HDHT market consists of several different segments, ranging from low-end to high-end (see our study on market channels and segments). Every European country has these segments, although their size may vary. It therefore makes much more sense to focus on segments within which your product group falls and connect to importers in those segments, instead of in specific countries. These importers will then sell your products in that segment across Europe.

Source: UN Comtrade

Germany is Europe's largest importer

Europe's leading HDHT importer is Germany. With the largest economy in Europe, Germany is home to nearly one fifth of the European Union's (EU) population. Its large domestic market, role as a trade hub and relatively high volume of HDHT imports from developing countries make this an interesting market for you.

Between 2018 and 2022, German HDHT imports grew from €26 billion to €31 billion, with a CAGR of 4.2%.

During the various international trade disruptions of 2020, they decreased by -0.5%, which was much less than the European average. The country's ability to maintain a strong performance might have been due to its role as a key trade hub in Europe.

Due to strong performance in 2022, the direct market share for developing countries grew to 64% — one of the largest shares in Europe. These imports grew from €12 billion in 2018 to €17 billion in 2022, with a strong CAGR of 9.9%. Germany's main suppliers from developing countries are China, Turkey, Vietnam and India, followed by Pakistan, Bangladesh and Indonesia.

In 2022, the total value of German HDHT imports consisted of €27 billion worth of home-decoration products (88%) and €3.8 billion worth of home textiles (12%). More than half (52%) of all home-decoration imports came straight from developing countries, and the share for home textiles was much larger (73%). This is consistent with patterns for Europe as a whole.

France relies on intra-European imports

The second-largest European importer of HDHT products is France. Its HDHT imports grew from €20 billion in 2018 to €24 billion in 2022. Although they fell by -8.8% in 2020, they rebounded strongly in 2021, resulting in a CAGR of 4.5% between 2018 and 2022. Given the country's relatively heavy reliance on intra-European trade, however, your opportunities for entering the market may be limited. If you are fluent in French, this could be a competitive advantage.

The direct market share of developing countries dropped from 41% in 2019 to 29% in 2020. Although it has since recovered to 34%, remains relatively low, and far below the European average. France has apparently replaced some of its direct imports from developing countries with supplies from European trade hubs (for example, Germany, Belgium and the Netherlands).

China, India, Vietnam, Turkey and Pakistan are France's leading suppliers from developing countries. Opportunities for nearby French-speaking countries (for example, Tunisia or Morocco) are relatively good, as the shared language makes it easier for French importers to do business with them.

French imports generally consist of around 90% home-decoration products and 10% home textiles. In this case as well, the direct market share for developing countries was much higher for home textiles (55%) than it was for home decoration (32%), although both were relatively low.

Brexit may stimulate direct trade with the United Kingdom

The United Kingdom (UK) could well offer opportunities for you, given its high volume of imports from developing countries and a potentially growing interest in direct sourcing. The United Kingdom's withdrawal from the European Union (Brexit) has led to relatively low consumer confidence levels since 2016. At the same time, Brexit seems to have led British buyers to import more directly from developing countries, rather than through European importers. This allows them to avoid additional fees, now that they are no longer part of the EU single market.

The United Kingdom's HDHT imports grew from €20 billion in 2018 to €23 billion in 2022. Although they fell by -12% in 2020, they recovered in 2022. This translates to a CAGR of 3.7%. This growth came from developing countries, as imports from Europe (and the rest of the world) dropped.

Imports from developing countries grew from €11 billion in 2018 to €15 billion in 2022, with a strong CAGR of 8.0%. The direct share of developing countries (65%) in the British import market is larger than in any other leading market. It is important to note, however, that a relatively large proportion of these imports come from China — the United Kingdom's leading supplier, with a direct market share of 48%. Other leading suppliers from developing countries include India, Vietnam, Pakistan and Turkey, followed by Indonesia and Bangladesh.

In 2022, British imports were made up of 87% home-decoration products (€20 billion) and 13% home textiles (€3.0 billion). Although developing countries were the main source for both segments, their direct market share of home-textile imports (73%) was particularly large.

The Netherlands is an important European trade hub

Although the Netherlands is a relatively small country, it is Europe's fourth largest HDHT importer. This is because the country is also a key trade hub, re-exporting imports across Europe and relying on the 'Port of Rotterdam effect'. Like its fellow trade hub, Germany, the Netherlands maintained relatively stable imports in 2020. Dutch imports grew from €12 billion in 2018 to €15 billion in 2022, at an impressive CAGR of 7.2%. This is by far the highest amongst the leading importers. Growth was particularly strong in 2021.

Dutch imports from developing countries grew from €4.8 billion in 2018 to €6.9 billion in 2022, at a strong CAGR of 9.7%. This translates to a direct import-marketshare of 45%. China, Vietnam and India are the country's main suppliers from developing countries, followed by Turkey, Pakistan and Indonesia.

In 2022, Dutch HDHT imports consisted of 91% home-decoration products (€14 billion) and 9.2% home textiles (€1.4 billion). The direct share for developing countries was 44% for home decoration and 56% for home textiles. This is consistent with the general European pattern.

Given that the Netherlands is heavily dependent on international trade, Brexit and international trade disputes could potentially have a major impact on the country. For this reason, Dutch imports are difficult to predict.

Italy's imports recover from dip

Italy could offer you opportunities, given the strong recovery of its HDHT imports. Having been particularly strongly affected by the pandemic, the country experienced a GDP drop of -8.8% in 2020. Its imports had been hovering around €10 billion, before falling by -15% in 2020. Strong performance in 2021 and 2022 has nevertheless led to an overall increase from €10 billion in 2018 to €11.8 billion in 2022. This translates to a CAGR of 4.3%.

Italian imports from developing countries grew from €4.1 billion in 2018 to €5.6 billion in 2022, at a CAGR of 7.6%. This resulted in a direct import-market share of 47%, comparable to the European average. Italy's leading suppliers from developing countries are China, Turkey, India and Vietnam, followed by Pakistan and Myanmar.

In 2022, Italian HDHT imports consisted of €10 billion worth of home decoration (89%) and €1.3 billion (11%) worth of home textiles. The direct import-market share for developing countries for home decoration was average (44%), in contrast to a relatively high share (71%) for home textiles.

Spain increases its imports despite economic struggles

Spain is the sixth-largest European HDHT import market. In 2020, the Spanish economy experienced the largest drop in Europe, with a GDP decrease of -11%. A return to pre-pandemic levels is expected in the second half of 2023, making the Spanish economy the slowest to recover in Europe. Although this could obviously limit your opportunities in Spain for the coming years, the country's HDHT imports are currently performing well.

Spain's HDHT imports dropped by an astonishing -17% in 2020, but they rebounded strongly in 2021. This led to an overall increase from €8.3 billion in 2018 to €10 billion in 2022, at a CAGR of 4.7%. Imports from developing countries grew from €4.2 billion in 2018 to €5.5 billion in 2022, at a CAGR of 6.9%. This represents a direct import-market share of about 55%, which is well above the European average of 46%. China, India, Pakistan and Vietnam are Spain's main suppliers from developing countries, followed by Turkey, Bangladesh and Indonesia.

In 2022, home decoration made up 87% (€8.7 billion) of all Spanish HDHT imports, with home textiles accounting for 13% (€1.3 billion). The direct import-market share for developing countries was especially large for home textiles (73%).

Tips:

Do not restrict your focus to specific European countries. Specific market segments (high, middle or low) tend to behave similarly across countries, regardless of whether they are major importers or emerging markets. Your best approach is to identify the appropriate segment for your products and have your buyers distribute your products across Europe within this segment.

Use European HDHT trade associations to find buyers. Key associations include EURATEX (textiles) and EFIC (furniture). National associations — like HWB (Germany), the Giftware Association (United Kingdom) and VIIA (the Netherlands) — could also be useful.

Visit European trade fairs (either online or in person) to find buyers. The main European HDHT trade fairs are Ambiente,Heimtextil (home textiles) and imm cologne in Germany and Maison & Objet in France. Other interesting events in the key markets include the Autumn Fair and Spring Fair in the United Kingdom, showUP and Design District in the Netherlands, spoga+gafa (garden) in Germany ,Salone del Mobile in Italy and Intergift in Spain.

See our studies on particular HDHT product groups for more specific trade statistics relating to your products.

3. Which products from developing countries have the most potential on the European market?

Opportunities in the European HDHT market are generally good. Particularly promising product groups include basketry, home furniture, carrying products (bags), bed textiles, wooden tableware and kitchenware, and homewear. These groups show good potential, based on trade statistics and sector trends.

The HDHT sector is large and very diverse, even within the individual sub-sectors of home decoration and home textiles. These sub-sectors are further divided into categories, consisting of various product groups. Analysing these product groups could provide you with a broad idea of the most promising products for the European market. It is important to note, however, that the true potential of a product also depends on other factors, including quality, price, style, design and, consequently, the segment with which you target it.

In general, the European HDHT market offers good opportunities, especially in the middle to high-end segments. To appeal to consumers in these segments, your products will need to stand out. You should use design, decoration, artisanry and the story behind your products to distinguish them from those of your competitors. Using special (sustainable) materials, techniques and patterns are good ways to add value. If you support these efforts with an active sales strategy, you could be successful.

We highlight 6 promising HDHT product groups to illustrate the potential in the European market: basketry, home furniture, carrying products (bags), bed textiles, wooden tableware and kitchenware, and homewear. Opportunities are obviously not limited to these products —potential exists across the sector.

Basketry

One particularly well-performing product group is basketry. European basketry imports nearly doubled between 2018 and 2022, from €494 million to €924 million. This included a 2.5% increase in 2020, despite the worldwide trade disruptions. Impressive growth followed in 2021 and 2022.

Developing countries directly supply about 82% of Europe's basketry imports. With an import-market share of 44%, China is the leading supplier. The combined direct import-market share for other developing countries (for example, Vietnam, Indonesia and Bangladesh) grew from 35% in 2018 to 38% in 2022. This translates to an astonishing CAGR of 20%.

In addition to being decorative, baskets are functional storage items. They therefore help consumers create both physical and mental space. Such ‘decluttering’ fits in well with the long-term sector trends of shared living and wellness. The pandemic boosted these trends, as restrictions forced people to spend more time together at home. In a 2021 survey conducted by IKEA, 27% of all respondents described their ideal home as being ‘easy to clean’ and ‘kept clutter-free’, and that this was more important to them than it had been 12 months before. This suggests that the prospects for basketry are good for both the short and the long term.

Source: UN Comtrade

Basketry is also well-suited to the growing importance of sustainability. About 82% of all basketry that Europe imports is made from natural materials: 10% bamboo, 12% rattan and 59% ‘other’ natural materials (for example, sea grass, jute, water hyacinth, abaca). It is important to note, however, that the use of natural materials does not automatically make a product sustainable. The raw materials must come from sources that are responsibly managed and renewable. In addition, any paints and dyes should also ideally be natural.

Figure 12: West Elm – Handwoven rattan baskets

Source: West Elm @ YouTube

Home furniture

A much broader product group than basketry is home furniture made from wood, metal or other natural (wood-like) materials. These items include various types of chairs, tables, beds, stools and sofas. This is the largest product group amongst Europe’s HDHT imports, which grew from €32 billion in 2018 to €42 billion in 2022, at a CAGR of 7.7%.

The direct import-market share for developing countries grew from 34% in 2018 to 41% in 2022. China supplied

€13 billion worth of furniture in 2022, with €5.2 billion coming from other developing countries (for example, Vietnam and Indonesia). The other developing countries performed particularly well in 2021, possibly due to catching up on delayed shipments from 2020. Although China’s supplies dropped by -2.4% in 2022, supplies from the other developing countries grew further by a promising 4.3%.

Source: UN Comtrade

Europe imports primarily wooden furniture (63%), including upholstered pieces with wooden frames. Other natural materials (for example, rattan, bamboo and cane) are increasingly popular as well, although these materials form a much smaller category (about 2%). Indonesia is a particularly strong player in rattan, supplying nearly half of all European imports of rattan home furniture.

Figure 14: H&M Home – Rattan lounge chair

Source: H&M Home @YouTube

Based on the trends of shared living and smaller living spaces, flexible furniture has especially good potential. Pieces that are easy to move and/or modular (with individual components) allow consumers to rearrange their furniture according to their current needs. Items that are collapsible and/or can easily be stored offer extra space and flexibility. This type of furniture is also well suited to consumers’ need to keep their homes free of clutter.

Bags

Carrying products (or, bags) are another large product group with good potential. They constitute the second largest product group amongst all of Europe’s HDHT imports. Most bags marketed within the HDHT segment are functional, ranging from shoppers and travel bags to office and school bags. More fashion-oriented personal accessories belong to the personal accessories or fashion segments, rather than HDHT.

When the COVID-19 pandemic restricted travel and forced people to stay home, they had less need for bags in which to carry their items around. This led to a sharp drop in imports. When the restrictions were lifted, people once again needed bags again for travelling, commuting, playing sports, shopping and other activities. European imports rebounded to €23 billion, which translates to a CAGR of 1.8% between 2018 and 2022.

The direct import-market share for developing countries grew from 47% in 2018 to 51% in 2022. The leading supplier, China, accounted for about 34% of imports. During the same period, the combined direct import-market share for other developing countries (for example, Vietnam, Turkey and Indonesia) grew from 14% in 2018 to 17% in 2022. This translates to a CAGR of 6.7%.

The largest category in this product group comprises textile travelling bags, rucksacks and shopping bags. Such textile items are a good alternative to disposable plastic bags, which are being used less and less, due to the restrictions set by the Plastic Bags Directive. Most consumers use their own shopping bags, with the share increasing from 63% in 2019 to 68% in 2022. The growing demand for sustainability is also expected to boost long-term interest in bags made of jute, sea grass, mela leaf, catkin or other natural materials, as well as recycled materials. This offers opportunities for countries that are rich in these types of resources (for example, Bangladesh).

Sustainable alternatives to disposable plastic bags

According to a new Euroconsumers study, reusable plastic shopping bags (low-density polyethylene, or LDPE) sold at supermarket checkouts are the most environmentally friendly option, but context is essential. A lifecycle analysis of different types of shopping bags considered all the resources used to make, ship, use and dispose of them.

For an LDPE bag, 1–2 uses are enough to compensate for its environmental impact, depending on whether it contains recycled materials. To outperform LDPE bags, jute bags must be used 36–68 times and, due to the water and energy used to produce them, cotton bags must be used slightly more than 100 times. Because organic cotton cultivation requires more land, organic cotton bags would need to be used 154 times. As suggested by the study, however, up to 90% of the energy footprint of textile bags comes from shipping them from Asia to Europe.

Bags obviously become more sustainable the longer consumers continue to use them. You can facilitate this in your design: by making your bags durable and attractive, you invite consumers to keep reusing them.

Figure 15: Loqi – OEKO-TEX certified reusable shopping bag

Source: Loqi @ YouTube

Bed textiles

Bed textiles constitute another large product group, comprising products like duvet covers, bedspreads and pillowcases. European imports of these products grew from €4.1 billion in 2018 to €4.9 billion in 2022, at a CAGR of 4.7%.

As is common in the home-textiles sub-sector, China plays a relatively modest role in this market, with a share of 12%. The direct import-market share for other developing countries grew from 59% in 2018 to 61% in 2022, at a CAGR of 5.7%. Pakistan is a particularly important player, directly supplying more than one third of Europe’s bed-textile imports.

Trendy sustainable materials for bed textiles include organic cotton, hemp and bamboo. Ramie and soy silk are popular for duvet covers as well. Bed textiles also play a role in the wellness trend. Because a good night’s sleep is vital to an individual’s sense of well-being, comfortable bed textiles that create a relaxed atmosphere in the bedroom are a must. In fact, sleeping is one of the most important activities for achieving a sense of well-being at home. As a continuing consumer trend, wellness is expected to continue driving demand in the long term.

Figure 16: Care By Me – GOTS-certified organic cotton bed textiles

Source: Care By Me @ YouTube

Wooden tableware and kitchenware

Like basketry, a relatively small but popular product group is that of wooden tableware and kitchenware. European imports of these products grew from €472 million in 2018 to €846 million in 2022, at a CAGR of 16% — the second highest rate of any HDHT product group.

The direct import-market share for developing countries grew from 67% in 2018 to 71% in 2022. Most of these imports came from China, making it Europe's leading supplier. Imports from other developing countries (for example, India and Vietnam) had a combined direct-market share of about 13%. Their supplies to Europe grew from €72 million in 2018 to €108 million in 2022, at a CAGR of 11%.

Wooden tableware and kitchenware products are becoming a popular alternative to products made from unsustainable materials (for example, 'virgin' plastics) due to the growing importance of sustainability. Although it is technically a wood-like grass, bamboo is included in this product group as well. This material is often used to replace single-use plastic plates, cutlery and straws, now that they have been banned from the European market. Because it grows fast and is a naturally renewable resource, bamboo is considered sustainable. For true sustainability, however, any type of wood or bamboo must be farmed and processed responsibly.

Figure 17: bambu - Bamboo plates and cutlery

Source: bambu @ YouTube

Kitchenware and tableware play an important role in the 'home-sweet-home' trend, where friends and family enjoy cooking and dining together. To create the perfect 'slow-dining' experience, they invest in quality cookware and dinnerware. During the pandemic, people spent more time cooking and socialising as a family/household. Many expect this change to be permanent. Due to the current cost-of-living crisis, 44% plan to cook at home more. This could further stimulate demand for wooden kitchenware and tableware.

Homewear

Homewear has a special place in home textiles. This large product group consists of sleepwear and bathrobes, which are products that are worn rather than used (for decorative purposes) around the house. Europe's homewear imports grew from €2.9 billion in 2018 to €3.8 billion in 2022, at a CAGR of 7.4%.

Accounting for 24% of all imports, China is Europe's leading individual homewear supplier. Other developing countries are nevertheless playing a much larger role in this product group, particularly those that specialise in textiles and clothing (for example, Bangladesh: 18%). The combined direct-import market share for other developing countries grew from 48% in 2018 to 50% in 2022, at a CAGR of 8.4%, as compared to a CAGR of 5.8% for China.

Although large volumes of mass-produced home textiles sector are imported from countries such as India, there are opportunities for smaller-scale producers with more attention to detail. Cotton is the most common material, accounting for 57% of all European imports. Other natural materials account for about 9%. This includes more luxurious fabrics (for example, silk, cashmere or blends of these fibres). Popular sustainable options include organic cotton and bamboo fibres.

Homewear is also well suited to the wellness trend. Like cosy bed textiles, comfortable sleepwear is essential to a good night's sleep. In addition, a soft, luxurious bathrobe can enhance the relaxing spa experience that many consumers are recreating in their own homes. Simple and affordable products that help consumers unwind and improve their well-being at home can make a big difference.

Figure 18: Yawn – GOTS, OEKO-TEX and SA8000 certified homewear

Source: Yawn @ YouTube

Tips:

See our studies on specific HDHT product groups for an analysis of the potential of the products you offer. These include studies on such products as basketry, bed textiles, occasional furniture and homewear.

See our study about trends in the European HDHT market for an overview and in-depth analysis of their effect on demand.

For more information about the European ban on single-use plastics and other legislation, see our study about the requirements your products must meet to be allowed on the European HDHT market.

Keep in mind that, for most product groups, potential is highest in the middle to high-end market segments. Avoid having to compete on price at the lower ends of the market, unless you specialise in low-cost/high-volume production. For more information, see our study about market channels and segments in HDHT.

Globally Cool B.V. carried out this study in partnership with GO! GoodOpportunity and Remco Kemper on behalf of CBI.