

# Entering the European market for garden pots

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The European market for garden pots offers good opportunities, but competition is strong. The mid- to high-end segments offer you good opportunities. To supply to these segments, you need to focus on decoration and craftsmanship. Sustainability can also add value to your garden pots. You need to comply with the European Union's mandatory legal requirements, as well as any additional or niche requirements your buyers may have.

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## 1. What requirements must garden pots comply with to be allowed on the European market?

The following requirements apply to garden pots on the European market. For a more detailed overview, see our study on [buyer requirements for HDHT](#).

### What are mandatory requirements?

When exporting to Europe, you have to comply with the following legal requirements:

- General Product Safety Directive
- REACH
- Timber Regulation
- Packaging and packaging waste legislation

### General Product Safety Directive

Europe's [General Product Safety Directive](#) mandates all products marketed in Europe to be safe to use. It provides a framework for all legislation regarding specific products and issues. If there are no specific legal requirements established for your product and its use, the General Product Safety Directive still applies. If specific requirements do apply, the Directive applies in addition to those, covering other safety aspects that may not have been described specifically.

Unsafe products are rejected at the European border or withdrawn from the market. The European Union has introduced a rapid alert system ([RAPEX](#)) to list such products.

### Tips:

Read more about the [General Product Safety Directive on the EU Trade Helpdesk](#) page.

Use common sense to ensure normal use of your product does not cause any danger.

Search the [RAPEX database](#) for garden pots for an idea of what issues may arise.

## Restricted chemicals: REACH

The [REACH](#) regulation lists restricted chemicals in products that are marketed in Europe. REACH (EC 1907/2006) aims to improve the protection of human health and the environment through better and earlier identification of the properties of chemical substances. This is done by the four processes of REACH, namely the registration, evaluation, authorisation, and restriction of chemicals. REACH also aims to enhance the innovation and competitiveness of the European chemicals industry.

Restricted chemicals with regards to garden pots include:

- cadmium compounds in various applications
- arsenic and creosotes as wood preservatives
- lead in paints and ceramics glazing

### Tip:

For useful information and tips from the European Chemical Agency, see [REACH Annex XVII](#) (a list of all restricted chemicals), [information on REACH for companies established outside Europe](#) and [questions and answers on REACH](#).

## Timber Regulation

The European Union's [Timber Regulation](#) states the obligations of operators that place timber products on the European market. The regulation counters the trade of illegally harvested timber and products through three key obligations.

When placing timber on the European market for the first time:

1. illegally harvested timber and products derived from such timber are prohibited
2. European traders must exercise [due diligence](#)

Once on the market, the timber and timber products may be sold or transformed before they reach the final consumer. To facilitate traceability of timber products, economic operators in this part of the supply chain (referred to as traders in the regulation) have an obligation to keep records of their suppliers and customers.

The Regulation covers a wide range of [timber products](#) listed in its Annex, using EU Customs code nomenclature. It also applies to wooden garden pots. Products with a [FLEGT](#) or [CITES](#) license comply with the Timber Regulation.

### Tips:

For more information, see the [Frequently Asked Questions about the Timber Regulation](#).

Check the [EU FLEGT Facility](#), which has more information about FLEGT licensing.

For more information on CITES permits, you can contact your [national CITES management authority](#).

## Packaging

Europe has specific [packaging and packaging waste legislation](#). EU Directive 2015/720 was adopted to harmonise measures concerning the management of packaging and packaging waste and to prevent or reduce its impact on the environment at European level. Buyers may therefore request you to minimise the use of packaging materials (paper, carton, plastic) or to use a different kind of material, possibly recycled.

Europe also has [requirements for wood packaging materials](#) (WPM) used for transport, such as:

- packing cases
- boxes
- crates
- drums
- pallets
- box pallets
- dunnage

All wood packaging material and dunnage from non-European Union countries must be:

- either heat treated or fumigated in line with ISPM15 procedures;
- officially marked with the ISPM15 stamp consisting of three codes (country, producer and measure applied) and the IPPC logo;
- debarked.

These requirements do not apply to:

- wood 6 mm thick or less;
- wood packaging material made entirely from processed wood produced using glue, heat and pressure, such as plywood, oriented strand board, and veneer;
- wood packaging material used in trade within the European Union.

The objective of this Directive is to prevent organisms that are harmful to plants or plant products from being introduced into and spreading within the European Union. It also regulates imports from third countries in line with international plant health standards. Keep this in mind when you decide on the packaging of your garden pots.

### Tip:

Read more in the [overview of EU rules on wood packaging material](#).

## What additional requirements do buyers often have?

### Sustainability

Adopting social and environmental sustainability practices makes your products stand out in the European market. Think of sustainable raw materials and production processes, as well as the impact your company has on the environment, the well-being of workers and society as a whole. Buyers appreciate good storytelling to

create an emotional connection with their customers.

An increasing number of European buyers now require the following certification schemes:

- **Business Social Compliance Initiative (BSCI)**: European retailers developed this initiative to improve social conditions in sourcing countries. They expect their suppliers to comply with the BSCI Code of Conduct. To prove compliance, the importer can request an audit of your production process. Once a company is audited, it is included in a database for all BSCI participants.
- **Ethical Trading Initiative (ETI)**: This initiative is an alliance of companies, trade unions, and voluntary organisations that aims to improve the working lives of people across the globe that make or grow consumer products.

You can use standards such as [ISO 14001](#) and [SA 8000](#) to read up on sustainable options. However, only niche market buyers demand compliance with these particular standards.

A recent study by the International Trade Centre concluded that, irrespective of the product, [retailers in the major European markets are putting more environmentally and socially sustainable products on their shelves](#) simply because consumers ask for it. According to the survey, 98.5% of retailers consider sustainability as a factor in their product sourcing decisions.

### Tips:

Optimise your sustainability performance. Reading up on the issues included in initiatives such as [BSCI](#) and [ETI](#) will give you an idea of what to focus on.

If you can show your sustainability performance, this may be a competitive advantage. For instance, with a self-assessment like the [BSCI Producer Self-Assessment](#), or a code of conduct such as the [ETI base code](#).

For more information, see our special study on [sustainability](#).

## Crystalline Silica in ceramics

[Respirable crystalline silica](#) (RCS) can cause lung cancer through inhalation. The ceramics industry mostly uses crystalline silica in the form of quartz and cristobalite. Although European legislation cannot regulate working conditions in non-European countries, European buyers care about worker safety. They may demand good handling of crystalline silica during production.

### Tip:

See the [European Network on Silica](#) for access to materials, such as the [Agreement on Workers Health Protection through the Good Handling and Use of Crystalline Silica and Products containing it](#), a [good practice guide](#) and the national [occupational exposure limits](#) in European countries.

## Labelling

The information on the outer packaging of garden pots should correspond to the packing list sent to the importer. The external packaging labels should include:

- producer name
- consignee name
- quantity
- size
- volume
- caution signs

Your buyer will specify what information they need on the product labels or on the item itself, such as logos or 'made in' information. This is part of the order specifications. It is common in Europe to use EAN or barcodes on the product label. Labelling should be in English, unless your buyer indicates otherwise.

## **Packaging**

### **Importer specifications**

You should pack garden pots according to the importer's instructions. They have their own specific requirements for the use of packaging materials, filling boxes, palletisation, and stowing containers. Always ask for the importer's order specifications, which are part of the purchase order.

### **Damage prevention**

Properly packaging garden pots minimises the risk of damage caused by shocks. How an item is packed for export depends on how easily it can be damaged. Packaging should make sure the items inside a cardboard box cannot damage each other. It should also prevent damage to the boxes when they are stacked inside the container. Packaging therefore usually consists of outer and inner cardboard boxes filled with protective materials like bubble wrap or paper.

Wooden garden pots can mould or crack, so you need to properly dry the wood after production. Condensation inside the container during transport can cause mould. This is caused by humid air that becomes colder at night and warmer during the day. You need proper air ventilation inside the container to prevent this. Before shipment, you must inspect containers for air holes, and you can place products to reduce humidity amongst the cargo. Make sure to follow the importer's instructions here.

### **Dimensions and weight**

Packaging must have easy-to-handle dimensions and weight. Standards are often related to labour regulations at the point of destination. The buyer must specify these.

### **Cost reduction**

Boxes are usually palletised for air or sea transport. You have to maximise pallet space. Nesting or stacking garden pots inside the container reduces costs.

Packaging has to provide maximum protection, but you also have to avoid using excess materials or shipping 'air'. Waste removal is a cost to buyers. You can reduce the amount and diversity of packing materials by:

- partitioning inside the cartons, using folded cardboard;
- matching inner and outer boxes by using standard sizes;
- considering packing and logistical requirements when designing your products;
- asking the buyer for alternatives.

### **Material**

Importers are increasingly banning wooden crating and packaging due to their unsustainability and high material and disposal costs. Economical and sustainable packaging materials are more popular. Using biodegradable packing materials can be a market opportunity. For some buyers, it can even be a requirement.

## Tips:

Always ask for the importer's order specifications, packaging, and labelling requirements.

See [Packaging Europe](#) for more information on the latest packaging developments, including regular news articles about biodegradable packaging.

## Payment and delivery terms

Payment terms are usually agreed upon with the buyer in the order contract. They vary from buyer to buyer and are related to the volume and value of the order, the type of distribution partner, whether or not an agent is involved, and what delivery terms apply.

Delivery terms, officially known as Incoterms, depend on the type of distribution partner and their preferences regarding physical distribution. Importers generally prefer free on board (FOB) or free carrier (FCA) arrangements.

FOB is restricted to goods transported by sea or inland waterway. It means that the seller pays for transportation of the goods to the port of shipment, plus loading costs. The buyer pays the cost of marine freight transport, insurance, unloading, and transportation from the arrival port to the final destination. FCA can be used for any transportation mode. In this type of arrangement, the seller fulfils his obligation to deliver when he has handed over the goods, cleared for export, into the charge of the carrier named by the buyer at the specified place or point.

Retail multiples can ask for cost insurance freight (CIF). That means that they will ask you to include the shipping and insurance charges in your quote. Small retailers may go a step further and ask you to arrange that the goods be delivered to their doorstep via a delivered duty paid (DDP) arrangement. For importers that consolidate orders in your country, ex works (EXW) terms are often best.

## Tips:

For a more elaborate overview of the various terms and conditions, and how to work with these, see our study on [terms and conditions](#), which also explains the benefits of having your own terms and conditions.

Study the different types of [Incoterms](#), including what your and your buyer's rights and obligations are.

## What are the requirements for niche markets?

### Fair trade

The concept of fair trade supports fair pricing and improved social conditions for producers and their communities. Especially when the production of your products is labour intensive, for example, hand-knitting, fair trade certification can give you a competitive advantage. Common fair-trade certifications include those from the [World Fair Trade Organisation](#) (WFTO) and [Fair For Life](#).

### Tips:

Ask buyers what they are looking for. Especially in the fair-trade sector, you can use the story behind your product for marketing purposes.

Check the [ITC Standards map database](#) for more information on voluntary standards and their requirements, including fair production.

## FSC certification

FSC (Forest Stewardship Council) certification is the most common label for sustainable wooden products, including wooden garden pots. The FSC label guarantees that a product's source material comes from responsibly managed forests. These products are especially popular in Western European markets.

### Tip:

For more information, see the [three steps towards FSC certification](#).

## 2. Through what channels can you get garden pots on the European market?

The garden pot market is segmented into low, mid and high-end (premium) market segments. The pots are put on the market through the traditional channels: importers and wholesalers that supply to retailers, as well as retailers that buy directly from suppliers.

### How is the end market segmented?

Figure 1: Garden pot market segmentation in Europe



#### Low-end market

The lower end of the market tries to keep prices friendly and design accessible. Garden pots for this market are generally functional basics with undistinguished design. Because this segment is dominated by low-cost, lightweight, and mass-produced items, opportunities are limited for smaller manufacturers.

#### Mid-end market

Garden pots for the mid-end market come at a reasonable price and are more decorative. This segment follows trends, mainly through design and colour. The higher end of this segment (the mid-high market) also offers considerable craftsmanship in terms of material use and surface techniques. Indoor plant pots are a very good option too in this segment.

## High-end or premium market

Pots for the garden and indoor plants for the high-end or premium market are generally 'statement' pieces that draw attention. They offer premium materials, design and craftsmanship.

## Through what channels do garden pots end up on the end-market?

The channels through which garden pots are put on the market follow the traditional patterns: import takes place via importers and wholesalers that supply to retailers. Larger retail chains often bypass importers and wholesalers and import themselves, while more and more smaller retailers have also started buying directly from suppliers. In some cases, buying agents play a role. We highlight below the main actors in the market for garden pots.

### Importers and wholesalers

Importers and wholesalers sell products to retailers in their own country or region, or re-export to the broader European continent. Some European markets are therefore supplied by wholesalers and importers from other European countries (intra-European trade). Supplying to buyers in the project market can be considered as a secondary distribution flow for European importing wholesalers.

These importers and wholesalers take care of the importation procedures. They take ownership of the goods when they buy from an exporter (as opposed to agents), taking the risk of the onward sale of the products. Developing a long-term relationship can lead to a high level of cooperation on appropriate designs for the market, new trends, use of materials, type of finishing, and quality requirements.

### Importing retailers

Some retailers, especially the larger chains, import directly from their suppliers in developing countries. Many large retail chains even have their own buying offices in developing countries. Others, mainly the smaller independent stores, order in Europe from wholesalers.

Retailers come in many sizes: large and part of a chain, or small and independent. There is a tendency for consolidation in European retail, with large retail brands becoming more spread out over Europe and becoming more lifestyle-centred, offering home decoration and textiles as well as fashion accessories and furniture.

### Buying agents

Buying agents do not import, but they represent European buyers in the sourcing country. Sometimes, agents have a more limited role, for example, checking the quality of the shipments in your warehouse on behalf of a specific importer, or checking the codes of conduct that exporters agreed with the buyer. Agents can work individually or as part of purchasing companies. They mostly act on the base of commission.

### E-commerce

E-commerce in the HDHT sector is growing and can help you reach a broader range of customers. Retailers often combine online and offline channels. Consumers research and purchase products online, shopping around and comparing prices on HDHT items. Relatively small and lightweight garden pots are especially suitable for this. To supply to e-commerce, you must offer small batches, fast delivery, and be able to work with individual packing and labelling.

#### Tips:

To find potential buyers, search the list of exhibitors or visit the main trade fairs in Europe: [Ambiente](#) in Frankfurt (February), [Maison et Objet](#) in Paris (January and September) and [spoga + gafa](#) in Cologne (August).



Search the member lists of relevant industry associations to find potential buyers, such as [Cerame-Unie](#) (European Ceramic Industry Association), which represents the European Federation of Ceramic Table- and Ornamentalware (FEPP).

See our [tips for finding buyers](#) in the European HDHT market.

For more information about trading directly with smaller retailers, see our special study about [alternative distribution channels](#).

Figure 2: Trade channels for garden pots in Europe



## What is the most interesting channel for you?

Wholesale importers are the main channel between exporters in developing countries and European retailers. They are interesting if you want to develop a long-term relationship and they usually have good knowledge of the European market. They can provide you with valuable information and guidance on European market preferences and will normally provide you with design input.

However, as the market is becoming more and more competitive, large retailers are increasingly importing for themselves instead of through European wholesale importers. The obvious advantages are cutting out the margins of the wholesaler and reducing delivery time to the market. In the lower-end market segments, self-importing retailers might want to drive a much harder bargain with you. However, in the higher middle segment, which offers you the most opportunities, price is less of an issue.

Smaller, independent European retailers continue to purchase mainly from domestic wholesalers and importers. As in other European market sectors (such as food or clothing), independent HDHT retailers struggle to compete with retail chains. They need to differentiate on value-added service, as well as specialised assortment and authenticity. They typically prefer small order quantities per item, small total order volumes and delivery to their doorstep, with a limited likelihood of repeat orders. You need to calculate if this is cost-effective for you.

The trend of direct sourcing is expected to continue in the future and may create more opportunities for you. The pool of buyers may increase if more retailers become importers, possibly resulting in an improvement of your bargaining position. Importing retailers order for their own shops and can therefore place orders much more quickly than some importers and wholesalers, who first need to show samples to their retailers before exporters receive their orders.

### Tips:

Consider targeting retailers directly, to improve your bargaining position and increase your chance to close deals faster.

Relate your offer and terms to the targeted retailer (large or small). Ask your existing buyers how they operate, if you are unsure. The better informed you are about this aspect, the better you will be able to set prices.

Offer suitable services, such as fast delivery and after sales support, to build a relationship based on mutual benefits.

When you participate in international trade fairs, especially in Europe, make sure that you have a policy for small, independent retailers coming to your booth. If you choose to sell to them, you must

have appropriate terms of trading, such as low minimum order quantities, delivery to the doorstep of the retailer or pre-stocking.

### **3. What competition do you face on the European garden pots market?**

The [COVID-19 pandemic](#) and the measures taken against it worldwide are having a large impact on international trade and the European market for many products and services, including home decoration and home textiles (HDHT). Please note that the below analysis is based on the statistics that are currently available (2015–2019). Therefore, the expected impact of the pandemic on the European market and global supply chains have not been taken into account in this report. For the latest news in your sector, please check [CBI News](#).

There is no relevant trade or production data available specific for garden pots. According to industry experts, China and Vietnam are the leading suppliers of garden pots to Europe, with German and Dutch traders dominating distribution across Europe. In addition, Italy, France, and Portugal are traditionally strong producers of terracotta pottery, while Eastern European countries are emerging as suppliers of industrially produced planters.

#### **Which countries are you competing with?**

##### **China mainly supplies low-priced, mass-produced items**

Low wages, availability of raw materials and efficient shipping to Europe compared to other Asian countries make China a competitive supplier. In the coming years, however, disruptions following China's trade war with the United States and the COVID-19 pandemic may negatively impact the country's trade performance. This could benefit companies from other developing countries.

Chinese producers mainly supply the lower ends of the market with low-priced products, as product development and creativity are not their core strengths. To avoid having to compete with Chinese suppliers on costs, you should differentiate and stay away from mass-produced cushion covers. Focus more on design, craftsmanship, sustainability, and storytelling, which allows you to enter the mid and higher-end markets, where your best opportunities are.

##### **Vietnam**

Like suppliers from China, Vietnamese producers are very productive and can produce against low cost. This puts them in a promising position to potentially benefit from the trade war between the United States and China.

However, Vietnamese suppliers often lack creativity when it comes to new concepts and design and have difficulties understanding the European culture and consumer. Again, your best strategy is to focus on the mid- and higher-end markets by adding value to your products through design, craftsmanship, sustainability, and storytelling.

##### **Competition from producers within Europe**

Products that are made in Europe are increasingly popular. European-produced garden pots offer lower transport emissions and costs, as well as short delivery times, often making them a relatively sustainable option. In addition, buying local provides greater control over quality and logistics. European suppliers generally also have a good understanding of the European consumer.

Italy, France, and Portugal have strong traditions in the production of terracotta pottery. At the same time, Eastern European suppliers are emerging as fierce competition in the lower-end segments. Polish producers, for example, have set up well-established and efficient production lines. To compete with suppliers within Europe, you should focus on design, craftsmanship, material use and the unique story behind your product. Make sure you offer a high level of service to build strong relationships.

### Tips:

Compare your products and company to the competition from China, Vietnam, and European suppliers. Use the [ITC Trade Map](#) to find exporters per country and compare on market segment, price, quality, and target countries.

To stand out from your main competitors, focus on design, craftsmanship, quality, and storytelling.

## Which companies are you competing with?

### Doan Potters - Vietnam

A typical example of the dominance of Vietnam in this category, [Doan Potters](#) offers glazed and semi-glazed earthenware planters for indoor and outdoor uses. They are a large-scale manufacturer in the lower segments of the market. As an experienced mainstream manufacturer and exporter, they are aware of the need to communicate their social and environmental values and practices, which they summarise as 'certified with all standard of compliance for every customer'.

### Vasart - Brazil

The unique selling point of [Vasart](#) is product innovation. They offer a broad palette of design options in lightweight outdoor and indoor planters, competing in the volume segments of the mid-end market. This Brazilian exporter represents a relatively new manufacturing country in garden pottery, where China and Vietnam are the main players. To stand out in this very competitive category, Vasart are adding value by introducing a sustainable material, labelled green polyethylene.

## Which products are you competing with?

Competition for manufacturers of garden pots is mostly within the category itself and can be fierce. Buyers have enormous options in materials for garden pots, ranging from synthetic to natural materials, and price is often a determining factor.

### Tip:

Follow developments in garden accessories and planters specifically. For example, you can find relevant trends and resellers to follow via the website of trade fair [spoga + gafa](#).

## 4. What are the prices for garden pots on the European market?

Prices for garden pots vary across market segments, ranging from low end to high end. After adding logistics costs, wholesaler and retail margins and VAT, European consumer prices amount to 4-6.5 times your selling price.

Table 1 gives an overview of the prices of garden pots in the low, middle and high-end market segments.

Table 1: Indicative consumer prices of garden pots in Europe

	Low end	Mid end	High-end or premium
Garden pots	€15–€50	€50–€150	€150–€375

Consumer prices depend on the value perception of your product in a particular segment. This is influenced by your marketing mix:

- product benefits (design, material, techniques, brand value, dimensions)
- promotion (brand or not, sustainable values, designer names)
- points of sale (reseller positioning)
- price

The following percentages give an indication of a price breakdown for garden pots in the supply chain:

- shipping, import, handling costs: +25%
- wholesaler: +100%
- retail: +100%–150%
- VAT\*: +20%

\*VAT percentages in Europe range from 18% in Malta to 27% in Sweden. On average, these percentages are approximately 20%.

For example, in Table 2 the FOB price is set at €10. Depending on the market segment your product is designed for, the consumer price ranges from €41 in the low-end market to €65.50 in the high-end market.

Table 2: Example of the price breakdown per market segment

	Low margin	Middle margin	High margin	
FOB price	€10.00	€10.00	€10.00	Your FOB price
Transport, handling charges, transport insurance, banking services (20%, 15%, 15%)	+2.00 €12.00	+1.50 €11.50	+1.50 €11.50	Landed price for the wholesale importer
Wholesalers' margins (50%, 75%, 90%)	+6.00 €18.00	+8.60 €20.10	+10.40 €21.90	Selling price from the wholesale importer to the retailer

Retailers' margins (90%, 110%, 150%)	+16.20 €34.20	+22.20 €42.30	+32.70 €54.60	Selling price excluding VAT from the retailer to the end consumer
Selling price incl. VAT (20%)	+6.80 €41.00	+8.50 €50.80	+10.90 €65.50	Selling price including VAT from the retailer to the end consumer

Some examples of online garden pot prices (excluding shipment) across Europe are:

- Stackable garden pot of sustainable wood, [Ikea](#): €27
- Rattan garden pot with recycled plastic liner, [The Garden Shop](#) (Germany): €69
- Handmade raised planter of cement and wood, [Intratuin](#) (Netherlands): €219

### Tips:

Study consumer prices in your target segment to determine your price and adjust your cost accordingly. Your garden pots' quality and price must match what is expected in your chosen target segment.

Understand your segment. Offer a correct marketing mix to meet consumer expectations. Adapt your business model to your position in the market.

This study was carried out on behalf of CBI by [Globally Cool B.V.](#) in collaboration with GO! GoodOpportunity.

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