

Entering the European market for blankets and throws

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There are good opportunities for exporters of blankets and throws in the mid- and higher-end segments of the European market, but competition is fierce. Added value needs to be offered through design, craftsmanship, sustainability, and storytelling. In order to be allowed to enter the European market, the European Union's (legal) requirements must be complied with, as well as any additional or niche requirements buyers may have.

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1. What requirements must blankets and throws comply with to be allowed on the European market?

Blankets and throws must satisfy certain requirements in order to be allowed on the European market. For a more detailed overview, see our report on [buyer requirements for Home Decorations and Home Textiles \(HDHT\)](#).

What are the requirements?

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

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

General Product Safety Directive

Europe's [General Product Safety Directive](#) (2001/95/EC) is a legislative framework, stating that all products marketed in the European Union (EU) must be safe to use. Unsafe products are rejected at the European border or withdrawn from the market. The EU uses the [Safety Gate](#) system to list and share information about such products.

In 2021 the European Commission adopted a [proposal for a General Product Safety Regulation](#), to replace the current directive. This new legislation would be applied in its entirety across the EU.

Tips:

Read more about the [General Product Safety Directive](#) and stay up to date on the proposed rollout of a new [General Product Safety Regulation](#).

Use your common sense to ensure that normal use of your product is not dangerous.

Search the [Safety Gate alerts](#) for blankets and throws to get an idea of what kinds of issues may arise.

Restricted chemicals: REACH

The [REACH](#) regulation (EC 1907/2006) lists restricted chemicals in products that are marketed in Europe.

Restricted chemicals in the production of textiles include:

- [azo dyes](#) that release [prohibited aromatic amines](#)
- certain flame retardants, such as TRIS, TEPA and PBBs

Tips:

Make sure you comply with the restrictions for the use of chemicals as laid down in [REACH](#).

Do not use azo dyes that release forbidden aromatic amines. This includes checking with your own suppliers and asking for certified azo-free dyes. Be aware of the fact that the legislation lists the aromatic amines, not the azo dyes that release them.

Keep track of developments in the field of flame retardants, as new alternatives are being developed. You can do so through [pinfa](#), for instance.

Familiarise yourself with the full list of restricted substances in products marketed in Europe via the [Access2Markets](#) platform.

For information and tips from the European Chemical Agency (ECHA), see [REACH Annex XVII](#) (a list of all restricted chemicals), [information for non-EU companies](#) and [questions & answers](#), for instance.

Textile Regulation

The European [Textile Regulation](#) states that textile products must be labelled or marked, to ensure that consumers know what they are buying. The regulation applies to all products that contain at least 80% (by weight) of textile fibres. These products must have a label that states their full fibre composition and, if applicable, the presence of non-textile parts of animal origin. The label needs to be durable, easily legible, visible, accessible, and printed in all the official national languages of the European countries the product is sold in.

There is no EU-wide legislation on the use of symbols for washing instructions and other care aspects of textile articles. To give consumers clear information, you should follow the [ISO 3758:2012](#) standard for the use of graphic symbols in care labelling.

Tips:

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

Make sure you know your product and how it should be labelled in Europe. For example, if you use the name of a type of cotton, trademark, or other term that implies the presence of a type of cotton, the generic fibre name 'cotton' must be used. Find out more about [textile labelling rules](#) from

Packaging legislation

The [Packaging Directive](#) (94/62/EC) is aimed at preventing or reducing the impact of packaging and packaging waste on the environment. Buyers may therefore ask exporters to minimise the use of packaging and/or to use sustainable (recycled) materials. The EU's new [Circular Economy Action Plan](#) identifies packaging as one of the sectors that uses the most resources, with a high potential for circularity. All packaging on the European market should be reusable or recyclable in an economically viable way by 2030. To help achieve this, the Packaging Directive is under review.

Europe also has [requirements for wood packaging materials](#) (WPM) used for transport, such as packing cases and pallets. The goal is to prevent organisms that are harmful to plants or plant products from entering and spreading within the EU.

Tips:

For more information, see the EU's [packaging and packaging waste legislation](#) and [wood packaging material factsheet](#).

Stay up to date on the [review of the Packaging Directive](#).

What additional requirements do buyers often have?

Sustainability

Requirements with regard to social and environmental sustainability are becoming more and more common on the European market. These include requirements with regard to sustainable raw materials and production processes, as well as the impact a company has on the environment and the wellbeing of its workers and the community. These topics can be included in the "story" behind a product and company. Buyers appreciate good storytelling as it helps create an emotional connection with their customers.

Consumers value sustainability

The increasing importance of sustainability is reflected in a recent Maison et Objet Barometer, in which [62% of HDHT retailers said they had noticed growing interest from their customers in ethical products](#).

They indicated that 92% of their customers think natural materials are (very) important, 77% value socially responsible production methods, and 71% care about recyclable/recycled materials.

An increasing number of European buyers prefer to work with exporters which comply with the following schemes:

- [Business Social Compliance Initiative \(BSCI\)](#): an initiative of European retailers to improve social conditions in sourcing countries. They expect their suppliers to comply with the [BSCI Code of Conduct](#).

- **Ethical Trading Initiative (ETI)**: an alliance of companies, trade unions and voluntary organisations. ETI aims to improve working conditions in global supply chains via their [ETI Base Code of labour practice](#).
- **Sedex**: a membership organisation striving to improve working conditions in global sourcing chains. The [Sedex Advance](#) platform allows you to share your sustainability performance, based on a self-assessment.

Standards such as [ISO 14001](#) and [SA 8000](#) can be consulted to find out more about on sustainable options. However, only niche market buyers demand compliance with such standards.

Greenwashing - be honest about your sustainability

[Half of green claims are not supported by evidence](#), according to a recent screening of websites by the European Commission and national consumer authorities. With this so-called 'greenwashing', companies pretend to be doing more for the environment than they really are. In 42% of the cases the claims were believed to be exaggerated, false or deceptive and could potentially qualify as unfair commercial practices under EU rules. Unsurprisingly, many consumers (and importers) do not trust generic sustainability claims. In a 2021 study, [just 20% of Western European respondents had a great deal a lot of trust in claims about sustainable business practices](#).

Clearly, being honest yet effective is key. For help with communicating about sustainability performance, see the [guidelines sustainability claims](#) published by the Netherlands Authority for Consumers and Markets. The British Competition and Markets Authority's [guidance for businesses on making environmental claims](#) also lists 6 principles which should be followed.

Organic cotton is becoming an increasingly popular sustainable option for home textiles. Although this is not (yet) a mainstream requirement, you can research your options for certification from the [Global Organic Textile Standard \(GOTS\)](#). The easiest way to use certified organic cotton is by sourcing certified organic yarn or fabric.

The European Commission has adopted the [Circular Economy Action Plan](#), as a main building block of the [European Green Deal](#). The action plan includes the intention to launch a new [strategy for textiles](#). One goal of this strategy is to boost the European market for sustainable and [circular textiles](#).

Tips:

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

If you can show your sustainability performance, for instance with a self-assessment like the [BSCI Producer Self-Assessment](#) and [Sedex's Self-Assessment Questionnaire](#), or a code of conduct such as the [ETI Base Code of labour practice](#), this may give you a competitive advantage.

Stay up to date on the launch of the [strategy for textiles](#). For more information on European developments in the field of human rights and sustainability, also see the [proposal for a Directive on corporate sustainability due diligence](#). This Directive requires larger companies to identify and - where necessary - prevent, end or mitigate the negative impacts of their activities on human rights and the environment.

For more information, see our special report on [sustainability in the HDHT sector](#) and our webinar on [the sustainable transition in apparel and home textiles](#).

See the ITC Standards Map for more information on [BSCI](#), [ETI](#), [Sedex](#), [SA8000](#) and [GOTS](#).

Labelling

The information on the outer packaging of blankets and throws should correspond to the packing list sent to the importer.

External packaging labels should include:

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

The most important information on the product labels of blankets and throws is composition, size, origin and care labelling. The buyer will also 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. In Europe [EAN or barcodes](#) are often included on the product label. For more information, please refer to the chapter on the Textile Regulation.

Packaging specifications

Importer specifications

You should pack blankets and throws 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 packaging specifications, which are part of the purchase order. Packaging usually consists of plastic wrapping to protect the fabric from water, solar radiation and staining.

Damage prevention

Proper packaging minimises the risk of damage as a result of dirt, temperature or humidity. Packaging should ensure the items inside a cardboard box stay clean. This is particularly important for textiles. The packaging should also prevent damage to the boxes when they are stacked inside the container. Packaging therefore usually consists of an outer cardboard box lined with protective material like plastic wrapping. The actual products are usually packed in polybags, either individually or in relatively small quantities, depending on the size of the product.

Dimensions and weight

Packaging must be easy to handle in terms of size and weight. Standards are often related to labour regulations at the point of destination, as specified by the buyer.

Cost reduction

Boxes are usually palletised for air or sea transport, and it is important to maximise the use of pallet space. Nesting or stacking blankets and throws inside the container reduces costs. Keep this in mind when designing your products.

While packaging has to provide maximum protection, it is essential to avoid using excess materials or shipping 'air'. Buyers incur costs for waste removal.

You can reduce the amount and variety of packaging materials by:

- matching inner and outer boxes by using standard sizes
- considering packing and logistical requirements when designing your products
- asking the buyer for alternatives

Materials

Importers are increasingly banning wooden crating and packaging. Economical and sustainable packaging materials are more popular. Using biodegradable packaging materials can be a market opportunity. Some buyers may even require it.

Consumer packaging

Blankets and throws are usually displayed unpacked, making attractive consumer packaging less important. Consumer packaging generally needs to be protective but the design can be simple. In the mid-high or high-end segments, you should provide consumer packaging that matches the design, quality and price of the product. Often the buyer will often also inform the exporter about the required packaging.

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, 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.

Tips:

See our [tips on how to organise your exports](#) for more information on payment and delivery terms.

Research the different types of Incoterms, including what your and your buyer's rights and obligations are.

For a more detailed overview of the various terms and conditions, how to work with them, and the benefits of having your own, see our report on [terms and conditions](#).

What are the requirements for niche markets?

Fair trade

According to the World Economic Forum, [86% of people want significant change in order to make the world a fairer and more sustainable place after COVID-19](#). The concept of fair trade supports fair pricing and improved social conditions for producers and their communities. A competitive advantage can be gained with fair trade certification, especially if the production of the items is labour intensive.

Well-known fair-trade certifications are issued by the [World Fair Trade Organisation \(WFTO\)](#) and [Fair for Life](#). For most fair trade-oriented buyers in Europe, however, simply complying with WFTO's [fair trade principles](#) is enough.

Tips:

Ask buyers what they are looking for. In the case of fair trade products, the story behind the product is especially useful for marketing purposes.

Determine which certification programme would be the best fit for your products and apply for it if you can.

If certification is not feasible, you can work according to [fair trade principles](#) without being officially guaranteed or certified. You should carefully document your company processes so you can support your story.

Check the ITC Standards Map database for more information on [Fair for Life](#).

Sustainable textile certification

While sustainability is becoming more and more common in this sector, the actual use of certification is lagging behind. However, buyers are increasingly interested in certification to “prove” their sustainability – particularly organic certification.

Some of the most popular certification processes for home textiles are:

- [Global Organic Textile Standard \(GOTS\)](#) – a textile-processing standard for organic fibres that ensures environmental and social responsibility throughout the production chain of textile products.
- [OEKO-TEX Standard 100](#) – certification that guarantees textile articles are free of harmful substances.

See an example of [GOTS-certified organic cotton baby blankets](#).

Other options include the [Nordic Swan eco-label](#) (used in the Nordic countries) and the [EU Ecolabel](#). The Ecolabel is only awarded to products with the lowest environmental impact in a product range.

Tips:

Research the possibility of sourcing organic cotton. The easiest way to do this is to use certified organic cotton yarn if you are weaving fabric, or certified organic cotton fabric if your processes involve CMT (Cutting Making Trimming). Textile products containing a minimum of 70% organic fibres can be GOTS-certified.

Read more about [GOTS](#), [OEKO-TEX](#) and the [EU Ecolabel](#) in the ITC Standards Map.

Determine which certification programme would be the best fit for your products and apply if possible.

Woolmark

Woolmark certification provides consumers with guaranteed wool fibre content and an assurance of quality. Focusing on Australian wool, the Woolmark certification mark includes specific standards for several product groups, including blankets and throws.

Tip:

If you supply woollen products, find out [how to become Woolmark-certified](#).

2. Through what channels can you get blankets and throws on the European market?

The European market for blankets and throws is segmented into low-, mid- and high-end (premium) market segments. The blankets and throws are bought and sold through the traditional channels: importers/wholesalers that supply to retailers, as well as retailers that buy directly from suppliers.

How is the end market segmented?

Figure 1: Segmentation of the European market for blankets and throws



Source: Globally Cool, GO! Good Opportunity & Remco Kemper

Low-end market

In the low-end segment, simple and inexpensive blankets and throws are common. Typical retailers include [Aldi](#) and [HEMA](#). The throws and blankets are usually made of man-made fibres such as polyester, acrylic, polyamide (nylon), or blends of these fibres such as microfibre. These may be blended with cotton, but there are no blankets or throws made of 100% natural fibres available in the low-end segment. Even in the middle-low-end segment, the selection is relatively limited.

The majority of the products on the low-end market come from China. Competing with this type of cheap mass production is almost impossible. Instead, the middle- and high-end markets hold the most opportunities for small or medium-sized enterprises (SME) from developing countries. If your production is mechanised (power looms, knitting machines, etc.) you can also target the middle-low-end market.

Mid-end market

In the middle-end segment, there is more emphasis on design and finish, while prices are still reasonable. [Zara Home](#) is an example of a key player in this segment. To supply goods to the middle-high-end segment, you need to offer added value in terms of materials and/or craftsmanship. Sustainability is increasingly important to consumers in this segment. This makes natural and/or recycled materials an interesting option, as well as natural dyes. Fashion and trends also play a role, especially for throws.

High-end/premium market

In the high-end segment, designer quality is common and private labels are standard. The designs in this market tend to be timeless and the focus is on the quality of the material and finish. These blankets and throws

can also be made with high-end materials such as silk, cashmere, other high-quality types of wool, and blends of these fibres. Luxury department stores such as [Harrods](#) play an important role in this market.

Through what channels do blankets and throws end up on the end-market?

The channels through which blankets and throws are bought and sold on the market follow the traditional patterns: importation takes place via importers/wholesalers that supply to retailers. Larger retail chains often bypass the importers/wholesalers and import blankets and throws themselves, while more and more smaller retailers have also started buying directly from suppliers. In some cases, buying agents play a role.

Figure 2: Trade channels for blankets and throws in Europe



Source: Globally Cool, GO! Good Opportunity & Remco Kemper

Importers/wholesalers

Importers/wholesalers sell products to retailers in their own country or region, or re-export across Europe. Some European markets therefore source the products from importers/wholesalers from other European countries (intra-European trade). Supplying to buyers in the project market (such as hotels and spas) can be considered a secondary distribution flow for them.

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

Importing retailers

Retailers come in many sizes: they can be large and part of a chain, or small and independent. Larger retail chains, in particular, often import directly from exporters in developing countries. Many even have their own buying offices in developing countries. Others, mainly the smaller independent stores, order goods in Europe from wholesalers.

There is a tendency towards consolidation in European retail. Large retail brands are becoming more widespread and more 'lifestyle-centred', offering home decoration items and textiles in addition to fashion accessories and furniture.

Buying agents, buying houses and sales agents

European buyers work through various types of intermediaries. In developing countries, there may be buying houses, and in Europe there are both buying agents and sales agents.

- European buying agents represent European buyers in sourcing countries. They act as intermediaries, meaning they do not import products themselves. Sometimes they have a more limited role, such as checking the quality of the products. They can work individually or as part of a purchasing company.
- Buying houses are comparable to buying agents, but they are based in the exporting country and usually offer more services. These can range from the sourcing of raw materials to design and sampling services.
- European sales agents can help you find European buyers. However, you should be careful about entering into agreements with commercial agents, because [European legislation protects their position](#).

Agents and buying houses mostly work on commission. They may contact exporters directly, or a buyer may indicate they prefer using an intermediary. However, it is always best to try to work directly with the buyer. That way, no commission is charged and the buyer can be communicated with directly.

E-commerce

E-commerce is growing, particularly since the start of the COVID-19 pandemic. The best way to benefit from this, is to focus on finding a European importing wholesaler or retailer with a strong online presence to supply products to. For most producers, this is not a separate channel. Catering to buyers that sell online does not differ from doing business offline. Retailers often combine online and offline channels, but the way of supplying to them is the same. Companies that only sell online also need to take inventory before they can sell their products.

Direct business-to-consumer (B2C) sales

Selling directly to European consumers via an exporter's own website can be complicated and costly. The exporter bears responsibility for factors like aftersales obligations and payment systems, among other things. For most exporters from developing countries this is not manageable. In addition, according to the Consumers' Association [Dutch consumers have been buying less from non-EU web shops](#) since [new EU VAT rules](#) were rolled out in July 2021. This makes direct online sales even less appealing.

Tips:

To find potential buyers, search the list of exhibitors or attend the main (online) trade fairs in Europe: [Ambiente](#) (February) and [Heimtextil](#) (January) in Frankfurt, and [Maison et Objet](#) (January and September) in Paris.

Search the member lists of relevant industry associations to find potential buyers, such as [EURATEX](#) (European Apparel and Textile Confederation).

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

What is the most interesting channel for you?

Importers/wholesalers are the main channel between exporters in developing countries and European retailers. Working with them can be a good option if the goal is to develop a long-term relationship. These importers usually know the European market well, so they can provide valuable information and guidance on market preferences.

However, as the market becomes more and more competitive, large retailers are increasingly importing goods directly instead of through wholesale importers. Cutting out the margins of the wholesaler and reducing delivery time to the market are obvious advantages of this. In the lower-end market segments, self-importing retailers might drive a much harder bargain. However, price is less of an issue in the mid-high segment, which offers the most opportunities.

Smaller, independent European retailers continue to buy mainly from domestic wholesalers/importers. As in other sectors, independent HDHT retailers struggle to compete with retail chains. They need to differentiate themselves based on value-added service, specialised offers and authenticity. These buyers typically prefer to order small quantities of each item and small total volumes and to have the items delivered to their doorstep. Repeat orders are also less likely with these buyers. This may not be cost effective for all exporters.

The trend of direct sourcing is expected to continue and may create more opportunities for exporters in

developing countries. The pool of buyers will grow if more retailers become importers, which could improve exporters' bargaining position. Importing retailers order items for their own shops and can therefore place orders much more quickly than some importers/wholesalers, who may need to show samples to their retailers before ordering.

Tips:

Consider targeting retailers directly to improve your bargaining position and potentially close deals faster.

Communicate 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, the better able you will be to set prices.

For more information on the pros and cons of dealing directly with smaller retailers, read our report on [alternative distribution channels](#).

Build a mutually-beneficial relationship by offering services such as fast delivery and after sales support.

When you participate in international (European) trade fairs, make sure you have a policy for small, independent retailers which may visit your booth. If you choose to sell to them, you must have the appropriate terms of trading, such as low minimum order quantities or pre-stocking.

3. What competition do you face on the European blankets and throws market?

Europe mainly imports its blankets and throws directly from China. To avoid competing with these manufacturers, it is best to focus on the mid- to high-end market.

China is by far the leading supplier of blankets and throws to Europe, with a direct import market share of 56%. Germany trails behind at 6.8%. The remaining countries in the top 6 are India (5.3%), Poland (3.1%), Italy (3.0%) and Belgium (2.9%).

Re-exporters or producers

It is important to be aware of the fact that European countries play different roles in the market. Some are mainly importers and others are mainly manufacturers. Western European countries are mainly importers (and re-exporters). Most Western European importers do not just sell their products in their own country, but they also distribute them across the continent.

European production mainly takes place in Eastern Europe, mostly because of relatively low transport and labour costs. These countries can therefore be a good alternative for sourcing low- to mid-end products. Some high-end products from well-known premium brands with a long history are also produced in Western and Southern Europe.

Mass-produced blankets and throws are produced at the lower end of the market and in the most cost-effective country. It is best not to try to compete with these countries, but rather to focus on the mid- to high-end market.

Which countries will you compete with?

China dominates the lower-end market

With a direct import market share of more than 50%, China is Europe's main supplier of blankets and throws. However, the country's dominance seems to be slightly decreasing. After already declining between 2017 and 2019, Chinese exports of blankets and throws to Europe fell by another 15% in 2020. In 2021 they recovered to €535 million, but this is likely to have included a significant quantity of delayed shipments that carried over from 2020.

Its low-cost workforce, availability of raw materials and efficient shipping to Europe compared to other Asian countries make China the most competitive supplier. However, the country's rising labour costs in the last 10 years have affected its price competitiveness. In the coming years, disruptions following China's trade war with the United States and the COVID-19 pandemic may also negatively impact the country's trade performance. This could benefit companies from other developing countries.

Chinese producers mainly supply inexpensive products to the lower ends of the market, as product development and creativity are not their key strengths. To avoid having to compete with them in terms of cost, it is important for a company to differentiate itself and avoid selling mass-produced items.

India is a key player in cotton

Imports of blankets and throws from India to Europe have been fluctuating in recent years. They reached €51 million in 2021, which amounts to average annual growth of 2.1% since 2017.

India offers skilled labour and transport at a relatively low cost. As one of the biggest cotton producers in the world, manufacturers have direct access to high-quality cotton at relatively low prices. In addition, the Indian government's recent efforts to reach out to the leading nations in the world have resulted in strong bilateral trade relationships.

Poland strengthens its position as a regional supplier

As an Eastern-European country, Poland benefits from its proximity to the Western-European market. This enables suppliers to offer short delivery times. At the same time, labour in Poland is relatively affordable compared to Western Europe. Suppliers have a good understanding of the European consumer and have well-established and efficient production lines. In addition, products that are 'Made in Europe' are becoming increasingly popular.

These advantages may have helped Poland keep its blanket and throw exports to Europe fairly stable in recent years. The value of the country's exports to Europe grew from €23 million in 2017 to €30 million in 2021. This amounts to a market share of about 3%.

Turkey has lost some of its market share

Between 2017 and 2019 Turkey's blanket and throw exports to Europe were booming, making Turkey Europe's second largest supplier with a value of €52 million. However, this figure fell 66% in 2020 and has yet to return to the previous level. Whereas the values of other suppliers were relatively high in 2021, Turkey's was just €24 million. This put them in seventh place among Europe's leading suppliers.

Turkey offers low-cost labour and is conveniently located close to the European market, allowing for relatively easy and affordable transport. The low costs and short lead times make locations in Turkey appealing for the manufacture of blankets and throws.

Latvia is another regional supplier

Like Poland, Latvia is an Eastern European country that benefits from its proximity to the Western European market. The country's blanket and throw supplies to Europe have been fluctuating around €11 million in recent years. This included a decline of 14% in 2020, followed by considerable growth (31%) in 2021. Latvia is known for its (handwoven) linen, handcrafted pieces, and skills in weaving, knitting and embroidery.

Lithuania focuses on linen

Lithuania is another Eastern European player. Because it produces its own linen, the country is home to quite a lot of suppliers of linen products. A strong selling point of linen is that it can be produced much more sustainably than cotton. This appeals to the mid- and higher-end segments, which exporters in developing countries should also focus on. Lithuanian producers also work with (imported) wool.

Like Latvia, Lithuania's exports to Europe have been fluctuating around €11 million. It is among the few supplying countries that managed to increase its exports in 2020, but this may be due to its relatively poor performance in 2019.

Which companies are you competing with?

Ock Pop Tok - Laos

Lao [Ock Pop Tok](#) ('East Meets West') brings eastern tradition together with western innovation to keep local textile traditions culturally and commercially viable. The artisan social enterprise was founded and is also run by women, and is based on fair trade and sustainable values. Its mission is clear: "to elevate the profile of Lao textiles and artisans, to increase economic opportunities for artisans, and to facilitate creative and educational collaboration in Laos and worldwide".

Figure 4: [Ock Pop Tok - Tradition to innovation: Our design journey](#)

Ock Pop Tok specialises in handmade items made of locally sourced natural and organic raw materials. Its blankets and throws are made primarily of hand-spun cotton and are coloured with natural dyes such as indigo (blue), sapaan (pink) and rosewood (brown). They are produced via the [Village Weavers Project](#) – which employs about 400 artisans from 17 different ethnic groups – and at the [Living Crafts Centre](#). Travellers can also visit the centre to learn about the textiles and take classes.

Pueblo - Peru

[Pueblo](#) focuses on textiles made of alpaca wool, a typically Peruvian fibre. They mainly produce blankets and scarves/shawls in various styles. Pueblo works with various Andean communities, whose traditions serve as inspiration for the designs. The company's dedicated "why alpaca" webpage provides information on alpaca herding/farming (the 'story') and highlights the benefits of the material. Pueblo emphasises its support for communities that work with the alpacas, "protecting the animal species, promoting respect for the environment and fair working conditions".

Janavi - India

Luxury brand [Janavi](#) produces scarves, blankets and cushion covers for the premium market. To cater to this segment, it uses high quality materials – particularly ethically sourced cashmere. Their team of artisans specialises in a range of key production processes, from weaving, dyeing and hand-painting, to knitting, crocheting and traditional hand-embroidering. See an example of [handmade blankets](#).

Janavi's finely woven or knitted blankets are made of cashmere, merino wool, or Egyptian cotton. These handmade blankets generally come in plain colours, with a woven motif such as herringbone and a (contrasting) cross-stitched rib. Their main selling point is the quality of the materials, providing "comfortable warmth, and easy breathability". Prices range from about \$250 (cotton) to \$1,100 (cashmere).

Which products will you compete with?

Because blankets and throws have both practical and decorative purposes, most of the competition comes from products within the same group. For example, blankets and throws are in competition with bed textiles, in particular bedspreads and duvet covers, made specifically for the bedroom.

Tips:

Compare your products and company to the competition. You can use the [ITC Trade Map](#) to search for exporters by country and compare them based on market segment, price, quality and target countries.

To differentiate your company from your main competitors, focus on design, craftsmanship, quality and the story behind your products.

For more information on competing products, see our report on [bed textiles](#).

4. What are the prices for blankets and throws on the European market?

Prices for blankets and throws vary across market segments, which range from low-end to high-end. After adding in logistics costs, wholesaler and retail margins, and Value Added Tax (VAT), European consumer prices amount to about 4 to 6.5 times your selling price.

Table 1 provides an indication of the prices of blankets and throws in the low-, mid- and high-end market segments. The key word here is 'indication', since prices for blankets and throws vary depending on the technique, size, material, design, brand and other methods for adding value, including a strong sustainable concept.

Table 1: Indication of consumer prices of blankets and throws in Europe

	Low-end	Mid-end	High-end/premium
Blankets	€35 - €55	€60 - €200	€200 or more
Throws	€15 - €25	€30 - €120	€125 or more

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

Figure 5: Marketing mix - the 4 Ps



Source: Globally Cool, GO! Good Opportunity & Remco Kemper

The European consumer price of blankets and throws is about 4 to 6.5 times the selling (FOB) price. In addition to energy, labour and transport costs, FOB prices depend greatly on the availability and cost of raw materials. Occasional cost increases are not passed directly on to the consumer, so they squeeze the margins of exporters, importers and retailers. The recent pandemic-related disruptions have resulted in longer-term cost increases. Because of this continuing pressure, some European retailers have now decided to increase their consumer prices.

Consumer prices generally consist of:

- the FOB price
- shipping, import and handling costs
- wholesaler margins
- retail margins
- VAT, which varies per country, but is about 20% on average

Figure 6: Indication of price breakdown for blankets and throws in the supply chain



Source: Globally Cool, GO! Good Opportunity & Remco Kemper

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

Table 2: Example of the price breakdown by 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

The FOB price of €10 includes the margins of the producer. These margins will depend on efficiency and the way in which prices are determined. Margins in the lower-end segment, in which large volumes are sold at low prices, are generally smaller than in the middle- and higher-end segments.

The following are a few examples of prices of blankets and throws sold across Europe:

- polyester woven throw, 130x150cm, [HEMA](#) (Netherlands), €6.50
- recycled cotton and jute throw, 160x210cm, [Maisons du Monde](#) (France), €59.99
- handmade blanket of recycled plastic bottles, 130x230cm, [The Haven](#) (United Kingdom), about €60
- WFTO-guaranteed alpaca-blend blanket, 130x190cm, [Chic Ethic](#) (Austria), €199

Tips:

Research consumer prices in your target segment to determine your price and adjust your costs accordingly. The quality and price of your blankets and throws must match what is expected in your chosen target segment.

Calculate your prices regularly and carefully, especially if the prices of your raw materials fluctuate. If the prices of raw materials squeeze your margin for a longer period of time, you should consider increasing your price or finding an alternative.

Understand your segment and use the right 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 Remco Kemper.

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