

Entering the European market for teaware

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Competition is strong in the European market for teaware, particularly at the lower end of the market, which is dominated by low-cost, mass-producing countries. But there may be opportunities for you in the mid-end to high-end segments. To attract consumers in these segments, you should focus on design, craftsmanship, sustainability and storytelling. The most interesting trade channels for you are importers/wholesalers and importing retailers. You must meet the mandatory legal requirements, as well as any additional requirements your buyers may have.

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

The following requirements apply to teaware on the European market. For a more detailed overview, see our study on [buyer requirements for Home Decorations and Home Textiles \(HDHT\)](#).

What are the mandatory requirements?

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

- Food Contact Materials legislation;
- General Product Safety Directive;
- Restricted chemicals: REACH;
- Packaging legislation;
- Intellectual property rights.

Food contact materials

Teaware for the European Union (EU) must meet the EU legislation on [Food Contact Materials](#) (FCMs). All FCMs must meet [Regulation \(EC\) No 1935/2004](#). This states that they must be labelled 'for food contact' or have a specific indication of their use or the 'food safe' symbol. In addition, all FCMs must be manufactured in accordance with Regulation (EC) No 2023/2006 on [Good Manufacturing Practices](#).

FCM legislation also includes the [Ceramic Articles Directive](#) (84/500/EC) and its amendment [Directive 2005/31/EC](#). This sets lead and cadmium limits for ceramic food contact materials. Lead is used in glazes and decorations, to make the ceramics durable and the glazes bright and shiny. Cadmium is used to give ceramics bright colours. Ceramic items can leach lead or cadmium when used, especially if they come into contact with acidic food. Food and beverages can absorb these leached metals, which can be harmful.

Tips:

For more information, see the European Food Safety Authority's [Frequently Asked Questions on the Food Contact Materials legislation](#).

Stay up to date on the most recent lead and cadmium limits via the [roadmap on the initiative to lower metal limits for ceramic FCMs](#). This initiative may also introduce limits for aluminium, arsenic, barium, cobalt, chromium and nickel. It may also expand the scope to include glass, crystal and enamelled metals.

Note that there is currently no certification for lead-free or cadmium-free ceramics in Europe. If your teaware is lead-free, promote this clearly, especially if you make products for children.

General Product Safety Directive

Europe's [General Product Safety Directive](#) (2001/95/EC) is a framework legislation. It states that all products marketed in the 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. When this new regulation is approved, it will apply 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 will not cause any danger.

Search the [Safety Gate alerts](#) for teaware to find out what issues may arise.

Restricted chemicals: REACH

The [REACH](#) regulation (EC 1907/2006) lists which chemicals are restricted in products that are marketed in Europe. For teaware, this applies to chemicals used in the production of the teaware and in glazes and enamel.

In addition to lead and cadmium, restricted chemicals in the production of teaware include:

- Boric acid
- Arsenic acid.

Tips:

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

Make sure you have the full list of substances that are restricted in products marketed in Europe. This list is available via the [Access2Markets](#) platform.

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

Packaging legislation

The EU's [Packaging Directive](#) (94/62/EC) aims to prevent or reduce the impact of packaging and packaging waste on the environment. Buyers may therefore ask you to use less packaging and/or to use sustainable materials.

The EU's [Circular Economy Action Plan](#) states that packaging is the sector that uses the most resources. It also states that packaging has a high potential for circularity. By 2030, all packaging on the EU market should be reusable or recyclable in an economically viable way. To help achieve this, experts are preparing a new Packaging and Packaging Waste Regulation (PPWR).

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

Tips:

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

Stay up to date on the [proposal for a new regulation](#).

Intellectual property rights

When you develop teaware for the European market, you must make sure that you do not copy an existing design. [Intellectual property \(IP\) is protected in Europe](#), and products that violate IP rights are banned from the market. In November 2020, the European Commission adopted a new [IP action plan](#). The goal of this plan is to give European companies easier access to fast, effective and affordable protection tools.

Tips:

For more information, see the [European Union Intellectual Property Office](#) (EUIPO) and the [World Intellectual Property Office](#) (WIPO).

Keep track of developments in Europe via the [state-of-play of the implementation of the key actions](#) mentioned in the 2020 IP action plan.

What additional requirements do buyers often have?

Buyers often have additional requirements relating to sustainability, crystalline silica, labelling, packaging, and

payment and delivery terms.

Be more sustainable

Social and environmental sustainability are becoming more and more common requirements in the European HDHT market. Environmental sustainability focuses on the impact your company has on the environment. For example, how sustainable are your raw materials and production processes? You can use renewable and sustainably produced natural materials and dyes to minimise the negative impact your company has on the environment.

Social sustainability focuses on the impact your company has on the wellbeing of your workers and the community. Key topics include fair wages and safe working conditions.

You can highlight your sustainable activities and policies in the “story” behind your product and company. Buyers appreciate good storytelling because it helps their customers to develop an emotional connection with your products.

Consumers value sustainability

The increasing importance of sustainability is shown in a recent Maison et Objet Barometer. **62% of HDHT retailers said they have noticed that their customers are becoming more interested in ethical products.** They indicate that 92% of their customers think natural materials are important or very important, 77% value socially responsible production methods, and 71% care about recyclable/recycled materials.

A growing number of European buyers will expect you to 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 the 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. You can self-assess your sustainable performance and share it on the **Sedex platform**.

See here an example: [Marimekko – BSCI-compliant stoneware mugs](#)

You can learn about sustainable options by studying standards such as **ISO 14001** and **SA 8000**. However, be aware that only niche market buyers demand compliance with such standards.

Avoid greenwashing - be honest about your sustainability

It is very important to be honest about your sustainability. Buyers and consumers must be able to trust you. Unfortunately, companies often pretend to be doing more for the environment than they really are. This is called greenwashing. In a recent European screening of websites, **many green claims appeared to be exaggerated, false or deceptive**. This explains why **Europeans do not have much faith in sustainability claims**.

Sources that can help you communicate your sustainable performance honestly and effectively include:

- The **guidelines on sustainability claims** published by the Netherlands Authority for Consumers and Markets;

- The [guidance for businesses on making environmental claims](#) published by the British Competition and Markets Authority.

Tips:

Optimise your sustainability performance. Study the issues referred to in initiatives such as [BSCI](#) and [ETI](#) to learn what to focus on.

If you can present your sustainability performance, this may give you a competitive advantage. You can use self-assessments like the [BSCI Producer Self-Assessment](#), or a code of conduct such as the [ETI Base Code of labour practice](#).

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

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

For more information on European developments in the field of human rights and sustainability, see the [proposal for a Directive on corporate sustainability due diligence](#). This Directive requires larger companies to identify any negative impacts of their activities on human rights and the environment. It then requires them to prevent, end, or reduce those negative impacts.

Handle crystalline silica with care

[Respirable Crystalline Silica](#) (RCS) can cause lung cancer if you inhale it. The ceramics industry uses crystalline silica in the form of quartz and cristobalite. European buyers care about worker safety and may demand that you handle crystalline silica responsibly in ceramics production.

Tip:

See the [European Network on Silica](#) for access to materials such as a [Good Practice Guide](#).

Label products and packaging correctly

The information on the outer packaging should match the packing list sent to the importer.

Outer packaging labels should include the:

- Producer's name;
- Consignee's 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 information is part of the order specifications. In Europe, [EAN or barcodes](#) are commonly used on the product label.

Package your products properly

Importer specifications

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

Damage prevention

Proper packaging minimises the risk of damage caused by shocks. How an item is packaged for export depends on how easily it can be damaged. The packaging should stop the items inside a cardboard box from damaging each other. It should also prevent damage to the boxes when they are stacked inside the container. This is why packaging usually consists of outer and inner cardboard boxes. The inner boxes are filled with protective materials or corrugated cardboard partitioning.

Dimensions and weight

Packaging must be easy to handle. It should not be too big or too heavy. Packaging standards are often related to the labour regulations at the point of destination. The buyer needs to tell you which standards apply.

Cost reduction

Boxes are usually palletised for air or sea transport. You need to maximise pallet space. For teaware, stacking the items can reduce costs. Consider this when designing your products.

Packaging should provide maximum protection, but you should also avoid using excess materials or shipping 'air'. It costs buyers money to dispose of the waste.

You can reduce the quantity and diversity of packing materials by:

- Placing partitioning inside the cartons, using folded cardboard;
- Matching inner and outer boxes by using standard sizes;
- Taking packing and logistical requirements into account when designing your products;
- Asking your buyer about alternatives.

Material

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

Consumer packaging

At retail level, teaware is usually displayed unpacked. Consumer packaging often consists of a wooden or carton box, with a picture on it of the tea set. A gift box can add value, especially in the mid-end to high-end segments.

Tips:

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

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

Agree payment and delivery terms with your buyer

The order contract usually specifies the payment terms you have agreed on with the buyer. These terms vary from buyer to buyer, depending on 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. HDHT importers generally prefer Free On Board (FOB) or Free Carrier (FCA) arrangements.

Tips:

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

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

See our study on [terms & conditions](#) for a more detailed overview. This document also explains how to work with terms and conditions and what the benefits are of having your own terms and conditions.

What are the requirements for niche markets?

The most common requirement for niche markets is fair trade practices.

Fair trade

Fair trade means supporting fair pricing and improved social conditions for producers and their communities. Fair trade certification can give you a competitive advantage, especially if the production of your items is labour intensive. This certification is often also linked to environmental sustainability.

2 organisations that regularly issue fair trade certifications are the [World Fair Trade Organisation](#) (WFTO) and [Fair For Life](#). Most fair trade-oriented buyers in Europe do not require certification. They will be satisfied if you comply with the WFTO's [10 principles of fair trade](#).

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.

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

If certification is not feasible, work according to the WFTO's [principles](#). Carefully document your company processes so that you can support your story.

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

2. Through what channels can you get teaware on the European

market?

Teaware is put on the market through the traditional channels. Either importers/wholesalers supply to retailers or retailers buy directly from suppliers. There are different segments. The mid-end to high-end segments offer you the most opportunities.

How is the end-market segmented?

The market for teaware consists of low-end, mid-end and high-end (premium) market segments.

Figure 1: Teaware market segmentation in Europe



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

Low-end market

The low-end market focusses mainly on functional everyday basics, used for drinking tea 'on the go'. Consumers in this segment are generally looking for value for money and convenience, rather than design. Typical retailers include hypermarkets such as [Carrefour](#). Competing with basic private label products, most of which come from Chinese suppliers, is difficult. These products are based on high volumes against low prices. The mid-end and higher-end markets will offer you better opportunities.

Mid-end market

Prices in the mid-end market are accessible. [H&M Home](#) and [Habitat](#) are examples of players in the mid-end. Teaware for this segment is trendier, using decoration to fit into the existing style of the interior (such as a romantic style or a French cottage style). This is often achieved using transfer prints. Sustainability, handmade craftsmanship and products with a story play a role, especially in the upper end of this segment. Mid-market teaware also has good gift value.

High-end/premium market

In the high-end/premium market, teaware is characterised by high-quality design, craftsmanship and brand names. Teaware in this segment can include statement pieces. Luxury department stores such as [Harrods](#) play an important role in this segment.

See here an example: [OKA - hand-painted porcelain teapot](#)

Through what channels does teaware end up on the end market?

Teaware used to be offered only by dinnerware specialists and tea suppliers but is becoming increasingly mainstream. The channels through which teaware is put on the market now follow the traditional HDHT patterns. Import takes place via importers/wholesalers that supply to retailers. Larger retail chains often bypass the importers/wholesalers and import themselves. Recently, more and more smaller retailers have also started buying directly from the supplier. In some cases, buying agents play a role.

Figure 2: Trade channels for teaware 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. This means that some European markets are supplied by wholesalers/importers from other European countries. This is referred to as intra-European trade. Supplying to buyers in the project market (such as hotels and spas) can be considered as a secondary distribution flow for European importers/wholesalers.

The importers/wholesalers handle the import procedures. They take ownership of the goods when they buy them from you and take on the risk of the onward sale of the products. If you develop a long-term relationship with importers/wholesalers, this can lead to a high level of cooperation on appropriate designs for the market, new trends, use of materials, types of finishing, and quality requirements.

Importing retailers

Retailers come in many sizes. Some retailers are large and are part of a chain. Others are small and independent. Larger retail chains often import directly from their suppliers in developing countries. Many even have their own buying offices in developing countries. Smaller independent stores order 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 and textiles as well as fashion accessories and furniture.

Buying agents, buying houses and sales agents

When doing business with European buyers, you may encounter several types of intermediaries. In your own country, there may be buying houses. In Europe, there are both buying agents and sales agents.

- European buying agents represent European buyers in sourcing countries. They act as intermediaries, meaning that they do not import products themselves. Some buying agents have a specific, 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 your country and usually offer more services. These services can range from raw material sourcing to design and sampling services.
- European sales agents can help you find European buyers. However, you should be careful before entering into agreements with commercial agents, because [European legislation protects their position](#).

Agents and buying houses usually work on commission. They may approach you directly, or your buyer may indicate that they prefer to use an intermediary. However, you should always try to work directly with your buyer. This saves on commission and allows you to communicate with your buyer directly.

E-commerce

E-commerce has grown in recent years. It became particularly popular during the pandemic, which forced consumers to buy their HDHT products online. The best way for you to benefit from this trend is to supply to a European wholesaler or retailer with a strong online presence. For most producers, this is not a separate channel. 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 stock before they can sell.

Direct business-to-consumer (B2C) sales

Selling directly to European consumers via your own website can be complicated and costly. You are responsible for factors like aftersales obligations and payment systems for consumer use. For most exporters from developing countries, this is not feasible. The Dutch consumer association

Consumentenbond has identified another problem: since new EU VAT rules were introduced in July 2021, [Dutch consumers have started buying less from non-EU web shops](#). This makes direct online sales even less attractive for you.

Tips:

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

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

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

What is the most interesting channel for you?

The most interesting trade channels for you are importers/wholesalers and importing retailers.

Importers/wholesalers are the main channel between exporters in developing countries and European retailers. They are interesting if you want to develop a long-term relationship. These importers usually know the European market well, so they can provide you with valuable information and guidance on market preferences. They generally prefer Free on Board (FOB) or Free Carrier (FCA) Incoterms.

Figure 3: Incoterms



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

More and more large retailers are importing for themselves instead of through importers/wholesalers. 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 fight very hard with you during negotiations because they want to keep prices as low as possible. Price is a bit less sensitive in the mid-end segment, so the mid-end segment offers you better opportunities. Large retailers may prefer Cost Insurance Freight (CIF) Incoterms.

Most smaller, independent retailers still buy most of their products from domestic importers/wholesalers. But independent HDHT retailers are finding it difficult to compete with retail chains. They need to differentiate on value-added service, specialised offers and authenticity. An interesting way for them to do this is by buying directly from producers in developing countries. They usually prefer small order quantities per item, small total order volumes and delivery to their doorstep via Delivered Duty Paid (DDP) or Delivery At Place (DAP). The likelihood of repeat orders is limited.

The trend of direct sourcing is expected to continue and may create more opportunities for you. The pool of buyers will grow if more retailers become importers. This could improve your bargaining position. Importing retailers order for their own shops. This means that they can place orders much more quickly than some importers/wholesalers, who may need to show samples to their retailers before ordering. You need to calculate whether trading directly with smaller retailers is cost-effective for you.

Tips:

Consider targeting retailers directly to improve your bargaining position. This may also help you to close deals faster.

Make sure that your offer and terms are appropriate for the targeted retailer (large/small). Ask your existing buyers how they operate if you are unsure. The better informed you are, the better you will be able to set prices.

Build a relationship based on mutual benefits by offering services such as fast delivery and after-sales support.

If you are interested in selling to small independent retailers, prepare a policy before you participate in international trade fairs. You will need appropriate terms of trading, such as low minimum order quantities and fast delivery by pre-stocking.

3. What competition do you face on the European teaware market?

China supplies more than a third of Europe's ceramic and glass tableware and kitchenware imports. Most Chinese producers provide mass-produced teaware. Instead of competing with them, your best opportunities are in the mid-end market. There, you will be competing with manufacturers from countries such as Portugal, Poland and Turkey.

Because no specific product codes are available for teaware, the statistics below cover examples of ceramic and glass tableware and kitchenware in general. The group of ceramics other than porcelain or china also includes other household articles and toilet articles.

China is by far the leading supplier of ceramic and glass tableware and kitchenware to Europe. It provides 39% of the imports. Germany follows with 9.9%. Together, these countries directly supply about half of Europe's imports. France (6.0%), Portugal (5.2%), the Netherlands (4.4%) and Poland (4.4%) are next on the list.

Re-exporters or producers

Different European countries have different roles in the HDHT market. Some are mainly importers and others are mainly manufacturers. Western European countries are mainly importers. Most Western European importers are re-exporters. They do not just sell their products in their own country. They also distribute them across the continent.

Most European production takes place in Eastern Europe, where transport and labour costs are relatively low. 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.

Which countries are you competing with?

China dominates the lower-end segments. Your best opportunities are in the mid-end to high-end market, where you will be competing with manufacturers from countries such as Portugal, Poland and Turkey.

Source: UN Comtrade

China dominates the lower-end market

China has become the ceramic factory of the world. It handles the production of many of the old European brands. Nearly all Chinese production is low-cost contract manufacturing for private labels, meaning that these Chinese producers do not have their own brands. Chinese ceramic and glass tableware and kitchenware exports to Europe grew from €1.0 billion in 2017 to €1.3 billion in 2021, at an average annual rate (CAGR) of 6.4%. Exports dropped to €969 million in 2020. The 2021 export figures probably include delayed shipments from 2020.

China is a competitive supplier because of its low-cost workforce, availability of raw materials and efficient shipping to Europe compared to other Asian countries. However, rising labour costs in the last 10 years have affected China's price competitiveness. In the coming years, China's trade war with the United States and other disruptions may affect the country's exports. European importers also want to become less dependent on China as a single supplier. This could benefit companies from other developing countries, like you.

Chinese teaware is manufactured by large-scale industrialised manufacturers, as part of an overall offer of tableware or general ceramics. Chinese producers use advanced techniques and have access to a variety of materials, so they can produce low-end or high-end styles. The importer will develop different designs to match the specific needs of their target segment. But large volumes are always a requirement.

More and more smaller teaware importers with smaller orders are looking for second sources in Asia, such as Vietnam, Indonesia, India, or Thailand. The same applies to importers whose designs require some handwork. To avoid having to compete with Chinese suppliers on cost, you should stay away from mass-produced, industrially manufactured teaware. Focus on a more handmade product, special materials, sustainability, and the story behind your product. This will allow you to enter the mid-end to high-end market, where your best opportunities are.

Portugal is strong in design and quality

Portugal's key strengths are stoneware and earthenware. The Portuguese supply is backed by hundreds of years of experience, innovative designs and quality styling. Portuguese ceramic suppliers have become key players in the more rustic styles for the mid-end and high-end segments of the European market.

Portuguese exports of ceramic and glass tableware and kitchenware to other European countries grew from €127 million in 2017 to €174 million in 2021, with a CAGR of 8.2%. The decline in 2020 was limited to -5.2%. This was possibly because trade within Europe was less disrupted than trade with countries outside Europe.

Portugal has created its own niche in this category. Its pottery is traditionally a bit chunky and often quite colourful. It has a handmade look, even though it is not always made by hand. Portuguese manufacturers can also produce for private labels, with importers providing the designs. Portugal's own brand strategy can serve as a good example of how to use specific elements of your original ceramics culture, such as colour, raw materials, or craftsmanship. You can highlight these in your export ranges and create a new niche segment, just like Portugal has.

Poland competes on convenience and cost

Poland mainly supplies industrially produced, mass-market items for the volume markets. As an Eastern-European country, Poland can offer short delivery times and relatively affordable labour costs compared to Western European countries. Polish exports of ceramic and glass tableware and kitchenware to other European countries grew from €109 million in 2017 to €148 million in 2021, with a CAGR of 8.0%. More than a third of these exports go to Germany, where traditional Polish pottery – or Polish stoneware – is relatively well known. Germany is also an important European trade hub. Poland benefits from being a direct neighbour.

Most Polish suppliers are private label suppliers. The service they provide to their buyers has an excellent reputation. As a result, Poland is becoming a major alternative to China for buyers who are looking to diversify. To avoid direct competition with Poland, you should move into the more handmade segments in the mid-high and premium markets.

Turkey is conveniently located

Like Poland, Turkey also has the advantage of being located close to the European market. Turkey has a long tradition of tea drinking. It is a key part of the country's culture. Turkish tea is served in small, elegant glass cups. The country is a relative newcomer in the ceramic teaware market. Its ceramic and glass tableware and kitchenware supplies to Europe have declined in recent years, with the exception of a rebound in 2021 after the disruptions of 2020. Exports decreased from €117 million in 2017 to €114 million in 2021, with a negative CAGR -0.7%. As a result, Turkey's direct import market share dropped from 4.3% to 3.3%.

Turkey still has to find its place in the teaware market. It needs to discover whether its main focus should be on price/volume or on design value. To compete with this relative newcomer, you should focus on your own unique strengths and occupy the right niches before others do.

Thailand has lost some of its market

Traditionally, Thailand has always been a private-label supplier of stoneware. However, producers have struggled to innovate and have become quite expensive for the country's original customer base in Europe. The country's direct import market share dropped from 4.2% in 2017 to 3.0% in 2021. Thailand's exports of ceramic and glass tableware and kitchenware to Europe fluctuated, declining from €114 million in 2017 to €102 million in 2021, with a CAGR of -2.8%.

Thailand specialises in stoneware and earthenware ceramics. Most Thai players are small and medium-sized manufacturers, supplying medium-grade products for the mid-end market. They produce teaware with traditional Thai patterns or with modern designs, under their own brand or via contract manufacturing.

Bangladesh is turning toward the lower-end segments

Bangladesh's glass and ceramics industry is relatively young (1950s) and modest. It is becoming more export-oriented due to foreign investments from China and some Middle Eastern countries. These heavily industrialised exporters compete in the more price-sensitive mass segments of the international teaware market. After a decline, Bangladesh's ceramic and glass tableware and kitchenware exports to Europe returned to their 2017-value of €30 million in 2021. All of these exports are made from porcelain or china. Most of the raw materials are imported.

Bangladesh is a huge tea-drinking nation, but most of its domestic demand for teaware is met by imports from China and India.

Your best option is to avoid direct competition with Bangladesh's producers in the lower-end segments. Instead, focus on your own strengths in the more handmade mid-high and premium segments of the teaware market.

Which companies are you competing with?

In the mid-end to high-end segments, you are competing with companies that excel in aspects such as sustainability, craftsmanship, design and/or storytelling. The companies outlined below are good examples.

Jenggala, Indonesia

[Jenggala](#) was established in the 1970s on Bali. The company's factory on this holiday island is also a tourist shopping destination. They produce functional and decorative ceramics, including well-known ranges of teaware. Jenggala's stoneware is always influenced by local culture, which is reflected in the shapes and the

iconic celadon-green colours. The teapots often have handles and decorations made from other materials, such as wood or rattan weaving. Some of Jenggala's teaware ranges include matching cups and tealight holders.

See here an example: [Jenggala - handmade ceramic tea set with woven rattan detail](#)

The company can export in small quantities, which is convenient for smaller retailers. Customisation is 1 of their selling points. They comply with [ISO 9001:2015](#) on quality management systems. With its hand-made elements, cultural style and price level, Jenggala's teaware can be placed in the mid-high segment.

Midaya Ceramic Company, Sri Lanka

Established in 1968, this family-owned business is still a preferred option for international buyers who need a customised offer and design flexibility. Uniquely, [Midaya](#) makes different types of ceramics, including earthenware, stoneware, terracotta and porcelain. They are also known for adding hand-finished decorations and their willingness to customise their products. They even offer short runs in any product category, including teaware. The in-house design team is very good at understanding and applying customer design needs.

Midaya's management extends the feeling of a family business to its workforce with fair rewards, open attitudes towards social inclusion, and social events. The company positions itself at the upper end of the market for teaware and general ceramics for the home. They are also [ISO 9001:2015](#) certified.

Ceramika Artystyczna Bolesławiec for Bunzlau Castle, the Netherlands and Poland

[Bunzlau Castle](#) teaware is popular, and their teapots are collectable. The brand is famous for its cobalt colour. The teaware's handmade elements and retro-ethnic patterns place it in the mid-mid to mid-high market. Bunzlau Castle works according to strict social and environmental standards. The brand is Dutch, but the producer is Polish. [Ceramika Artystyczna](#) is over a century old, with a reputation for hand-finished functional stoneware made using a stamping technique. The raw materials are local, and the company has a long tradition of artisan training in ceramics.

The collaboration is strong and balanced, combining Dutch skills in marketing and distribution with Poland's traditional craftsmanship. [Ceramika Artystyczna](#) is a producer with a long history and high brand value. This makes them unusual. In most outsourcing arrangements between a Western European importer and an Eastern European producer, the producer is usually much younger, hi-tech and anonymous.

Which products are you competing with?

Most competition for teaware comes from within the teaware category and can be fierce. All materials have alternatives. Options in ceramics include bone china, porcelain, stoneware and earthenware. Consumers can also choose glass, metal, or plastics.

Tips:

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

Focus on design, craftsmanship, quality and the story behind your products to stand out from your competitors.

4. What are the prices for teaware on the European market?

Prices for teaware vary across market segments, ranging from low-end to high-end. After adding 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 gives an overview of the prices of teaware in the low, middle and high market segments. Be aware that these are just an indication. Prices for teaware vary, depending on technique, size, material, design, brand, and other value addition factors.

Table 1: Indicative consumer prices of teaware in Europe

	Low-end	Mid-end	High-end / premium
Teapots	€15-30	€30-75	€75 or more
Teacups & saucers / mugs	€3-10	€10-20	€20-45

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

Figure 5: Marketing mix - the 4 Ps



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

The European consumer price of your teaware is about 4 to 6.5 times your **FOB** price. FOB prices depend heavily on energy, labour and transport costs, but also on the availability and cost of raw materials. Occasional cost increases are not directly passed on to the consumer, so they put pressure on the margins of exporters, importers and retailers. However, recent disruptions have resulted in longer-term cost increases. This continuing pressure has forced many retailers to raise their consumer prices. Now that costs like shipping rates are dropping again, consumer prices may also fall.

Consumer prices generally consist of:

- Your FOB price;
- Shipping, import and handling costs;
- Wholesaler margins;
- Retail margins;
- VAT - this varies per country but is about 20% on average.

Figure 6: Price breakdown indication for teaware in the supply chain



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

The table below shows an example, in which the FOB price is set at €10. Depending on the market segment your 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 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

The FOB price of €10 includes your own margins as a producer. These margins depend on your efficiency and price setting. Margins in the lower segment, which deals with high volumes for low prices, are generally smaller than those in the middle and higher segments.

Some examples of teaware prices across Europe are:

- Porcelain teapot (matching teaware sold separately), [H&M Home](#), €15.99;
- Glass teapot with glass filter, [Thee.be](#), €46.95;
- Ceramic teapot with bamboo handle and 2 cups, [Ukiyo](#), €73.38.

Tips:

Study consumer prices in your target segment to determine your price. Adjust your cost accordingly. The quality and price of your teaware 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 raw material prices pressure your margin for a longer period, consider increasing your price or finding an alternative.

Understand your segment. Offer a correct marketing mix that meets 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! Good Opportunity.

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