

# Entering the European market for trays

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The European market for trays offers opportunities, but competition is strong. Mass-producing countries dominate the lower ends of the market, so the mid-end to high-end segments are your best option. To appeal to consumers in these segments, you should focus on design, craftsmanship, materials, sustainability, and the story behind your trays. The most interesting trade channels for you are importers/wholesalers and importing retailers. You must meet mandatory legal requirements, as well as any additional requirements your buyers may have.

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

The following requirements apply to trays in 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:

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

### 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 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 Unsafe products are rejected at the European border or withdrawn from the market.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. 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 trays 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. Relevant restrictions for trays depend on the materials you use. For example, REACH restricts the use of arsenic and creosotes as wood preservatives.

### Tips:

Make sure you meet 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 [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 trays 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, 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 to 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 meet 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](#).

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.

## 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; and
- 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 trays 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.

Wooden trays must be dried thoroughly after production to prevent mould or cracks. Condensation inside the container during transport can also cause mould if the air ventilation is not good enough. You should therefore inspect containers for air holes before shipment. You can also place products that reduce humidity ('desiccants') amongst the cargo. Make sure to follow the importer's instructions.

### **Cost reduction**

Boxes are usually palletised for air or sea transport. You need to maximise pallet space. Trays are fairly flat, which allows for efficient packing. Grips or loops should be level with the trays. Nesting can also reduce costs.

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 partitions 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; and
- 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

Consumer packaging for trays often comes in the form of branding. A tag with background information (storytelling) about the tray or brand also adds value. This can include details about the material, production methods, or the artisans/community that made the tray.

### 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 with the buyer. These terms 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. 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 requirements for niche markets are fair trade practices and sustainability certification.

### 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.

Two 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](#).

## Sustainable wood

FSC (Forest Stewardship Council) certification is the most common label for sustainable wooden products. The [FSC chain of custody certification](#) guarantees that a product's source material comes from responsibly managed forests. These products are especially popular in Western European markets. Non-timber forest products like rattan and bamboo can also be certified.

See an example here: [Søstrene Grene – FSC-certified and BSCI-compliant pinewood tray](#)

Source: [Søstrene Grene @ Instagram](#)

PEFC (Programme for the Endorsement of Forest Certification) is another option. Like with FSC, the [PEFC chain of custody certification](#) verifies that the forest-based material in a product comes from sustainably managed forests.

### Tips:

For more information, see the [five steps towards FSC certification](#) and/or [how to become PEFC Certified](#).

If you use recycled wood, you can apply for the [FSC Recycled label](#).

Read more about [FSC](#) and [PEFC](#) in the ITC Standards Map.

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

Trays are 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 trays consists of low-end, mid-end and high-end (premium) market segments.

Figure 1: Trays market segmentation in Europe



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

## Low-end market

Trays for the low-end market are functional everyday basics. Consumers in this segment want value for money. They generally prefer cheaper options and are often less aware of specific materials. Typical retailers include general department stores like [Action](#) and hypermarkets such as [Carrefour](#). Industrialised producers from countries like China dominate this segment. These mass-produced items are difficult to compete with. Instead, the mid-end and higher-end markets offer you the most opportunities.

## Mid-end market

In the mid-end market, there is more emphasis on decorative value. Design and material play an important role, and trays for this segment are trendier. At the same time, prices must be accessible. [Zara Home](#) and speciality stores like Oldenhof's [kookwinkel](#) are examples of players in the mid-end market. Sustainability, handmade craftsmanship and products with a story play a role in this segment, especially at the higher end. Consumers in this mid-high market are a bit less focussed on price and appreciate special materials and techniques.

See an example here: [Liviza - handwoven seagrass tray](#)

Source: [Liviza @ Instagram](#)

## High-end/premium market

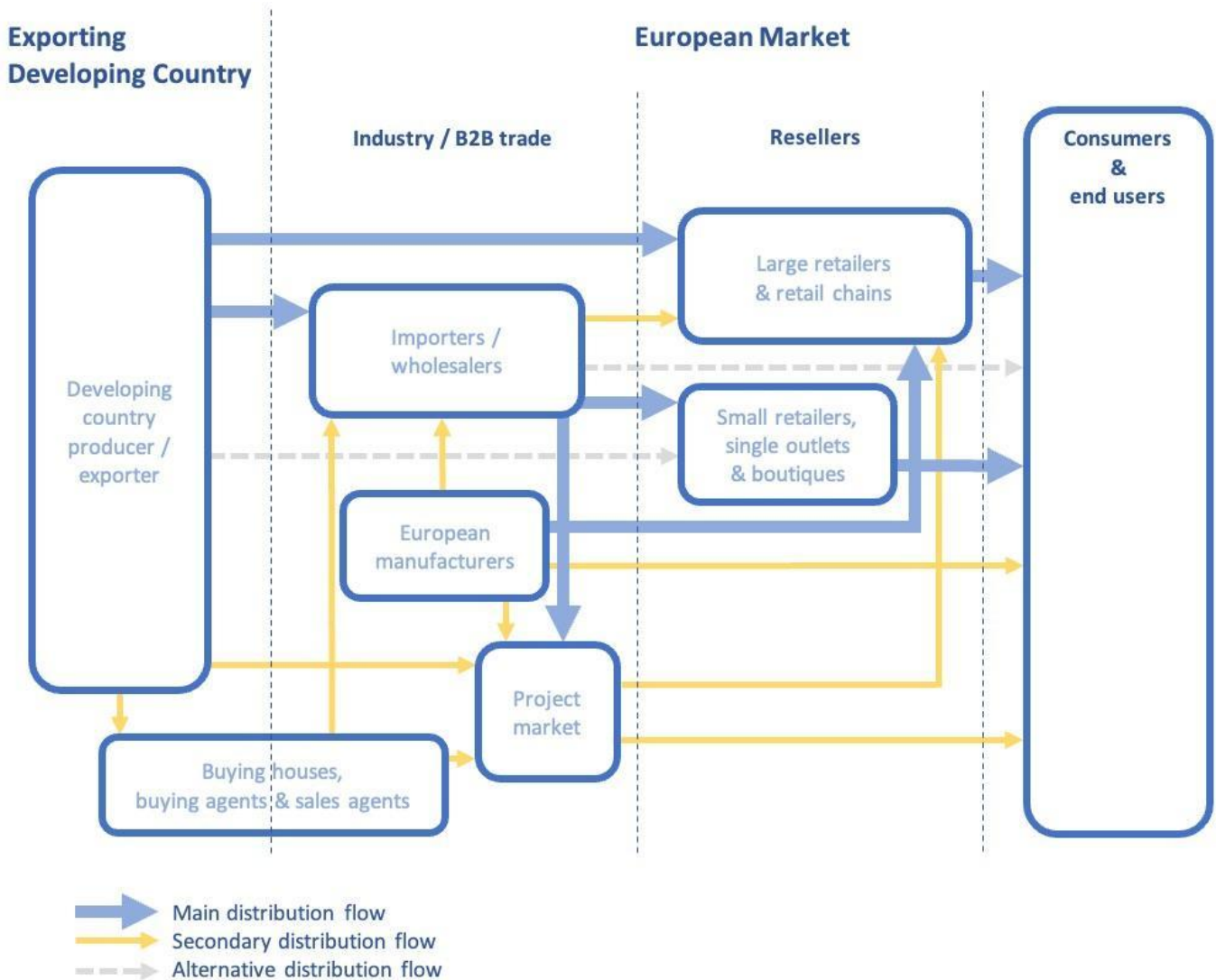
Trays for the high-end/premium market are characterised by high-quality design, craftsmanship (such as marquetry) and brand names. They are made from interesting wood species or other premium materials such as marble or copper. These high-end trays can be eye-catching home accessories, making prices less sensitive. Luxury department stores such as [de Bijenkorf](#) play an important role in this segment.

## Through what channels do trays end up on the end market?

The channels through which trays are put on the market 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 trays 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.

These 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 also 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

		 SELLER	 Export haulage	 Export customs clearance	 Origin handling	 Sea freight	 Import customs clearance	 Destination handling	 Import haulage	 BUYER
<b>EXW</b> Ex Works	Risks									
	Costs									
<b>FCA</b> Free Carrier	Risks									
	Costs									
<b>FOB</b> Free on Board	Risks									
	Costs									
<b>CIF</b> Cost Insurance Freight	Risks									
	Costs									
<b>DAP</b> Delivery At Place	Risks									
	Costs									
<b>DDP</b> Delivered Duty Paid	Risks									
	Costs									

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 trays market?**

China supplies more than half of Europe's wooden tableware and kitchenware imports. Most Chinese producers provide mass-produced trays for the lower-end segments. Instead of competing with them, your best opportunities are in the mid- to high-end market. There, you will be competing with manufacturers from countries such as India, Poland and Indonesia.

Because no specific product codes are available for trays, the statistics below cover wooden tableware and kitchenware in general. Bamboo is included, although this is technically a wood-like grass.

China is by far the leading supplier of wooden tableware and kitchenware to Europe. It provides 52% of the imports. Germany follows with 9.2%. India (4.8%), the Netherlands (4.5%), Poland (4.2%) and Vietnam (2.8%) 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 India, Poland and Indonesia.

Source: UN Comtrade

#### **China dominates the lower-end market**

Chinese producers mainly supply the lower ends of the market with low-priced products. This is contract

business: Western brands provide the design and branding for the trays, which the Chinese manufacturers then mass produce. Chinese wooden tableware and kitchenware exports to Europe rose fast in 2021. They grew from €183 million in 2017 to €337 million in 2021, at an average annual rate (CAGR) of 16%. China is particularly dominant in bamboo tableware and kitchenware, supplying more than 70% of Europe's imports.

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.

To avoid having to compete with Chinese suppliers on costs, you should stay away from mass-produced trays. Focus more on design, craftsmanship, 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.

## **India more than doubles its exports to Europe**

India's exports of wooden tableware and kitchenware to Europe grew from €13 million to €32 million in 2021, with a CAGR of 25%. This was due to a consistently strong performance, with the exception of 2020. India supplies almost no bamboo tableware and kitchenware, focusing instead on 'true' wood.

With skilled labour and transportation at competitive costs, India could be well positioned to take a bigger share of the market. Indian producers have easy access to natural materials and specialise in craftsmanship. This allows them to target higher market segments than the mass-produced products from China. India is also becoming better and better at offering an effective combination of handmade and more mechanised production techniques. As it becomes more difficult for buyers to order short runs from China, India is becoming a favourite alternative source for trays.

## **Poland is strengthening its position as a regional supplier**

In recent years, Poland has more than doubled its wooden tableware and kitchenware exports to other European countries. These exports grew from €12 million in 2017 to €27 million in 2021. Even in 2020, Poland's exports increased by 15%. Less than 20% of Polish supplies are made from bamboo. Nearly 40% of Polish supplies were destined for Germany, Poland's direct European neighbour and an important trade hub.

As an Eastern-European country, Poland benefits from its closeness to the Western-European market. This allows suppliers to offer short delivery times. At the same time, labour 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 increasingly popular.

To compete with Polish suppliers, you should focus on design, craftsmanship, material use, and the story behind your product. Make sure that you offer a high level of service so that you can build strong relationships.

## **Vietnam is another low-cost producer**

Like producers from China, Vietnamese suppliers are very productive and can produce at low cost. Between 2017 and 2021, Vietnamese exports of wooden tableware and kitchenware to Europe were fairly stable at about €16 million per year. Nearly half of these exports were made of bamboo. About 40% of Vietnam's supplies were destined for Germany, Europe's leading market and an important trade hub.

Vietnamese suppliers generally have a good idea of what is commercial and trendy. They effectively combine handmade and mechanised production and can cater to a wide range of lower-end and mid-end markets. Most Vietnamese producers specialise in a particular material (such as water hyacinth) or a particular technique (like lacquerware). They offer a complete lifestyle collection, including trays. This makes them a potential alternative

to suppliers from China.

## **Thailand has lost some of its market share**

In recent years, Thai exports of wooden tableware and kitchenware have been declining, with the exception of a rebound in 2021 after the disruptions of 2020. Exports decreased overall from €11.1 million in 2017 to €10.7 million in 2021, with a negative CAGR of -0.9%. As a result, Thailand's direct import market share dropped from 3.0% to 1.6%. Thailand supplies almost no bamboo tableware and kitchenware.

Most Thai players are small and medium-sized manufacturers, supplying medium-grade products for the mid-end market. However, Thai producers have struggled to innovate their manufacturing systems. They have become quite expensive for their original customer base and have often been replaced with other suppliers in the Asian region. With their rich and varied craft sector, they should be able to re-position to higher segments of the home accessories and serveware market.

## **Indonesia is leading in rattan trays**

Indonesia mainly supplies 'true' wooden tableware and kitchenware. The wood it uses includes a lot of reclaimed teak. Indonesia is also famous for its rattan products. It is Europe's leading supplier of rattan basketry and other plaited articles. Indonesian producers have access to a variety of other natural materials as well, ranging from palm leaf to water hyacinth and several types of grass. Their ability to combine these materials is attractive to buyers. For example, they can add wooden handles to rattan trays or decorate wooden trays with shells.

Like India and Poland, Indonesia has more than doubled its wooden tableware and kitchenware exports to Europe in recent years. Its exports grew from €4.1 million in 2017 to €10 million in 2021, with an impressive CAGR of 25%. About 40% of these exports were destined for the Netherlands, a country that Indonesia has historical ties with and that is a key trade hub.

Wages in Indonesia are relatively high for the region. This means that suppliers have to target the mid-end to high-end markets to be able to compete. Trays are not a specialisation, but often form part of an overall offer of home accessories and serveware of a particular material. This allows lifestyle buyers to do some convenient one-stop shopping in Indonesia and fill containers with a complete offer of storage units, furniture and accessories. The logistical structure and business climate in Indonesia are good, making the country accessible to European importers.

## **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 named below are good examples.

### **Urang Furniture, Indonesia**

This manufacturer on the Indonesian island of Java positions itself as a complete one-stop shop for the lifestyle buyer. [Urang Furniture](#) supplies outdoor and indoor furniture, basketry, serveware, and home accessories. They use a wide variety of materials, including different wood types and rattan. Their iconic range of products made from recycled boat wood (reclaimed from fishing boats) includes colourful trays on stands. The company also offers trays made from materials like teak and rattan.

Urang Furniture combines a centralised workshop (where furniture is made) with production in villages, where the main product is basketry. This makes them uniquely flexible in terms of design, materials, techniques, and home products in different categories. Although they market themselves as a brand, most of their export business takes place under private labels, following design directions received from the importer.

## Turquoise Mountain, Jordan

**Turquoise Mountain** Jordan produces high-end wooden and metal home decorations, using premium techniques and materials. The organisation is reviving traditional crafts, providing jobs and skills to a new generation of artisan entrepreneurs. The aim is not only to drive economic development, but also to preserve unique local culture and traditions. Turquoise Mountain links artisans with designers to bring their products to the international market.

See an example here: [Turquoise Mountain – lacquered walnut tray and matching box with mother-of-pearl inlay](#)

Source: [Turquoise Mountain @Instagram](#)

Their range of trays includes intricate inlay and mosaic designs, made from materials like walnut and cherry wood and mother-of-pearl. Artisans often specialise in one step of the inlay process, meaning that multiple people may have worked on an item. Both wood-mosaic and inlaying have a long history in the region. Turquoise Mountain runs apprenticeship programmes in traditional crafts like woodwork, including a training programme at the Zaatari refugee camp. They also offer their artisans training in capacity building for business management, design skills and entrepreneurship.

## By Native, Germany & Malawi

**By Native** combines timeless design with traditional craftsmanship and natural materials. Their items are ethically produced in small communities, through initiatives, and by handicraft businesses, in countries such as Argentina, India, Malawi and Peru. By Native's fair trade approach ensures that each person involved in the production process is treated with respect, works in a safe environment, and receives a living wage. The artisans work in their own environment, helping to preserve their communities, their culture and heritage, and their traditional crafts.

See an example here: [By Native – fair trade handwoven palm leaf tray](#)

Source: [By Native @ Instagram](#)

By Native's palm leaf trays are handwoven in Malawi, combining centuries-old craft traditions with modern design. International collaboration and innovative designs are helping to revive these traditions and make them suitable for the European market. This provides local artisans with new economic opportunities for their traditional crafts.

## Which products are you competing with?

Most of the competition for trays comes from within the trays category and can be fierce. Consumers can choose from various materials and designs, based on their personal preferences. Special materials, techniques and designs can make your product stand out, as well as the story behind your product and your sustainable values.

### 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 trays on the European market?

Prices for trays 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 types of trays in the low, middle and high market segments. Be aware that these are just an indication. Prices for trays vary, depending on technique, size, material, design, brand, and other value addition factors.

Table 1: Indicative consumer prices of trays in Europe

	Low-end	Mid-end	High-end / premium
Wooden trays	Up to €15	€15-55	€55 and over

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 trays is about 4 to 6.5 times your **FOB** price. FOB prices depend heavily on energy, labour and transport costs, and on the availability and cost of raw materials. Occasional cost increases are not directly passed on to the consumer, so they put pressure on exporters', importers' and retailers' margins. 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 trays 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 trays prices across Europe are:

- Rattan tray, [Kwantum](#), €19;
- Set of 2 teak trays, [MUST Living](#), €79;
- Hand-painted and silk-screen printed wooden tray, [Ethnicraft](#), €99.

### Tips:

Study consumer prices in your target segment to determine your price. And adjust your cost accordingly. The quality and price of your trays 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 on behalf of CBI.

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