

Entering the European market for basketry

The European market for basketry is dominated by low-cost mass production. The mid-mid and mid-high segments offer you the most opportunities. To appeal to consumers in these segments, you should pay attention to design, decoration, craftsmanship, and the story behind your baskets. Sustainability can also add value to your product. Entering the European market means you need to comply with the European Union's mandatory and legal requirements, as well as any additional or niche requirements your buyers may have.

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1. What requirements must basketry comply with to be allowed on the European market?

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

What are mandatory requirements?

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

- General Product Safety Directive
- REACH
- packaging and packaging waste legislation

General product safety

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

Unsafe products are rejected at the European border or withdrawn from the market.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

Tips:

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

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

Search the [RAPEX database](#) for basketry for potential issues that may arise.

Restricted chemicals: REACH

The [REACH](#) regulation lists restricted chemicals in products that are marketed in Europe. REACH (EC 1907/2006) aims to improve the protection of human health and the environment through the better and earlier

identification of the properties of chemical substances. This is done through the four processes of REACH, namely the registration, evaluation, authorisation, and restriction of chemicals. REACH also aims to enhance the innovation and competitiveness of the European chemicals industry. For basketry, chemicals are mainly used in dyes and paints.

Tip:

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

Packaging

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

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

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

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

- either heat treated or fumigated in line with ISPM15 procedures;
- officially marked with the ISPM15 stamp consisting of 3 codes (country, producer and measure applied) and the IPPC logo;
- debarked.

These requirements do not apply to:

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

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

Tip:

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

What additional requirements do buyers often have?

Sustainability

Social and environmental sustainability make your products stand out in the European market. Think of sustainable raw materials and production processes, as well as the impact your company has on the environment, the well-being of your workers and society as a whole. Buyers appreciate a strong story to create an emotional connection with their customers.

Nowadays, an increasing number of European buyers demand the following certification schemes:

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

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

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

Tips:

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

If you can show sustainability performance, it may give you a competitive advantage. For instance, use a self-assessment tool like the [BSCI Self-Assessment for Producers](#) or a code of conduct, such as the [ETI base code](#).

Labelling

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

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

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

Packaging

Importer specifications

You should pack basketry 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

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

Dimensions and weight

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

Cost reduction

Boxes are usually palletised for air or sea transport, and you have to maximise pallet space. Nesting, stacking or flat-packing baskets inside the container reduces costs. Consider this when designing your products.

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

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

Material

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

Consumer packaging

At retail level, baskets usually come without any packaging. This allows consumers to try the item out and feel the material. Basketry often functions as packaging itself for foodstuffs, such as tea and wine bottles, or for gifts, like teapots and nativity sets.

Tips:

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

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

Payment and delivery terms

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

involved, and what delivery terms apply.

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

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

Retail multiples can ask for Cost Insurance Freight (CIF). That means that they will ask you to include the shipping and insurance charges in your quotation. Small retailers may go a step further and ask you to arrange that the goods be delivered to their doorstep via a Delivered Duty Paid (DDP) arrangement. For importers that consolidate orders in your country, Ex Works (EXW) terms are often best.

Tips:

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

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

What are the requirements for niche markets?

Fair trade

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

Tips:

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

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

Through what channels can you get basketry on the European market?

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

How is the end market segmented?

Figure 1: Basketry market segmentation in Europe



Low-end market

In the low-end market, the focus is on convenience and high volumes. Baskets in this segment are purely functional, with a basic shape, material, and price.

A few large-scale suppliers from Asia dominate this segment. In exchange for volume, they are able to accept small margins by fine-tuning their processes or squeezing production costs. This has driven overall price levels down and led the consumer to see these baskets as low-priced items, expecting to get 'a lot for little'. This makes the room for differentiation in the low-end market very small.

Mid-end market

Products for the mid-end market are trendier, responding to general colour and decoration trends in HDHT. Some attention is devoted to new innovative shapes and handmade effects.

Prices are also under pressure in the mid-end market, where the basket has become an image item for some typical mid-market styles, like cottage, colonial, romantic, and nostalgic. Players in this segment often struggle to differentiate from their competitors. As a consequence, products in this segment tend to look alike, with their typical whitewash, lettering, and inside fabric lining. This has resulted in price pressure, a marked decrease in product quality and a lower value perception.

Despite this pressure, the mid-mid and mid-high markets offer you the most opportunities. To gain a competitive edge in this segment you need to pay special attention to design, decoration, hand weaving, and sustainability.

High-end or premium market

Design, decoration and brand names are the main sales arguments in the high-end or premium market. Baskets for this segment are decorative pieces in their own right, where they can almost lose their practical purpose and just become a fun or beautiful object to look at.

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

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

Importers and wholesalers

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

secondary distribution flow for European importing wholesalers.

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

Importing retailers

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

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

Buying agents

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

E-commerce

E-commerce in the HDHT sector is increasing and can help you reach a broader range of customers. However, it is important to understand that for most producers this is not a completely separate channel in itself and that catering to buyers that sell online does not differ from your regular business. 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.

Channeling online sales via your own website would mean:

- supplying small batches or individually packaged items and being prepared to pre-stock and offer more just-in-time supply concepts.
- needing to be found in a crowded space of European and producer country wholesalers and retailers that are ahead of the game in understanding and responding to online consumers' needs.
- being able to deal with aftersales on a B2C level, including returns and replacing items.

For these reasons, selling online to consumers in Europe is not feasible for most exporters from developing countries.

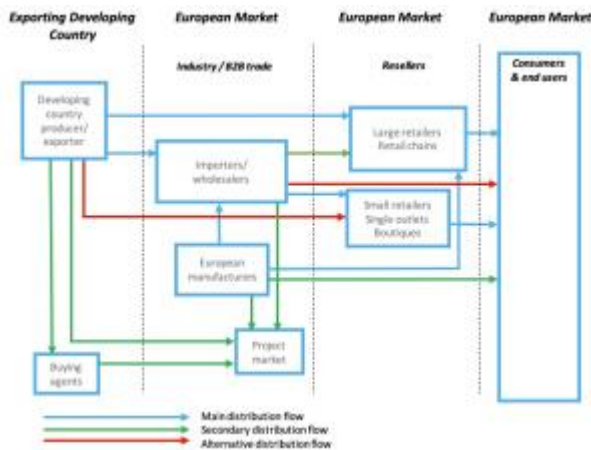
Tips:

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

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

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

Figure 2: Trade channels for basketry in Europe



What is the most interesting channel for you?

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

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

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

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

Tips:

Consider targeting retailers directly, to improve your bargaining position and increase your chances of closing deals faster.

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

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

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

When you participate in international trade fairs, especially within Europe, make sure that you have a policy for small, independent retailers coming to your booth. If you choose to sell to them, you must have appropriate terms of trading, such as low minimum order quantities, delivery to the doorstep of the retailer or pre-stocking.

2. What competition do you face on the European basketry market?

China and Vietnam supply more than half of European basketry imports. These countries mainly provide mass-produced baskets for the lower-end segments. Instead, your best opportunities are in the mid-end market, where you compete with manufacturers from countries such as Indonesia, Bangladesh, and India.

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

China is by far the main basketry supplier to Europe, providing 42% of the imports. Vietnam follows at a distance with 16%. Together, these countries supply more than half of European basketry imports. Indonesia (7.3%), Germany (5.9%), the Netherlands (4.7%), and Poland (3.7%) are next on the list.

However, you should be aware that in the European market, countries have different roles. You can make a rough distinction between countries that are mainly importers and countries that are mainly manufacturers. Most importers in western European countries do not just sell their products in their own country, but across Europe. This explains why in HDHT, small countries like Denmark and the Netherlands often import much more than the demand in their own domestic markets.

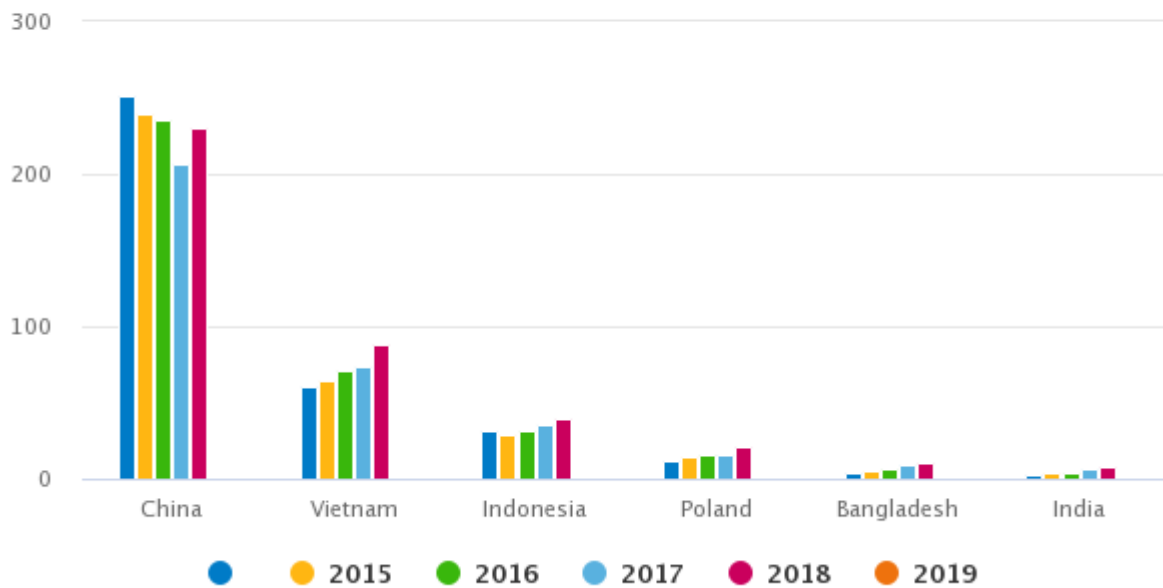
European production mainly takes place in Eastern European countries. This is mostly because of their location already in the European market and their relatively low labour costs. This sometimes makes them a good alternative to sourcing from Asia.

In general, western European countries are mainly re-exporters, countries in Asia are the manufacturers and eastern European countries are the new manufacturers. Mass-produced basketry is segmented in the lower ends of the market and produced in the most cost-effective country. You do not compete with these countries, as your focus should be on the mid- to high-end market. Western European countries could therefore be interesting trading partners for you.

Which countries are you competing with?

Figure 3: Competing suppliers of basketry to Europe

in € million



Source: Trademap

China dominates the market

Chinese basketry supplies to Europe decreased from €251 million in 2015 to €230 million in 2019, with a dip in 2018 at €206 million, resulting in an average annual growth rate of -2.1%. Although China continues to be Europe's main basketry supplier with these values, these numbers do illustrate that there are opportunities for suppliers from other developing countries.

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

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

Vietnam is another low-cost producer

Vietnamese basketry exports to Europe increased considerably, from €61 million in 2015 to €88 million in 2019, at a strong average rate of 9.5% per year. Like suppliers from China, Vietnamese producers are very productive and can produce against low cost. This puts them in a promising position to potentially benefit from the trade war between the United States and China.

However, Vietnamese suppliers often lack creativity when it comes to new concepts and design and have difficulties understanding the European culture and consumer. In the low-end market, these issues are less relevant, but for the mid- to higher-end markets they are key.

Indonesia is leading in rattan basketry

Indonesian basketry supplies to Europe increased from €31 million in 2015 to €40 million in 2019, at an average

annual rate of 6.7%. More than a quarter of these exports were destined for the Netherlands, a country that Indonesia has historical ties to.

The country is famous for its rattan products. In fact, Indonesia is the leading supplier of rattan basketry to Europe, providing nearly half of all European imports of these items. Indonesian basketry producers also have access to a variety of other natural materials, ranging from water hyacinth to Pandanus, to several types of grass. They export hardly any synthetic basketry.

Wages in Indonesia are relatively high for Asia, which means suppliers have to target the mid- to high-end markets to be able to compete. They do so by delivering good-quality, decorative and functional baskets that are often handwoven; Indonesian basket weavers are known for their quality weaving. The logistical structure and business in climate Indonesia are good, making the country accessible for European importers. Several European entrepreneurs are active in the country as designers, owners or co-owners of a production facility, such as [Danindo Jensen](#).

Poland is strengthening its position as a regional supplier

Although Poland is a relatively small player on the basketry market, it is quickly increasing its exports. Polish supplies to other European countries grew from €12 million in 2015 to €21 million in 2019, at a considerable average rate of 14% per year.

The country's strength is its geographical location within the European market, allowing suppliers to offer short delivery times to other countries in Europe. Compared to western European countries, labour in Poland is relatively affordable. Suppliers have a good understanding of consumers in other European countries and have well-established and efficient production lines. In addition, products that are 'Made in Europe' are increasingly popular.

To compete with Poland, you should focus on design, craftsmanship, material use and storytelling. Make sure you offer a high level of service to build a strong relationship.

Bangladesh almost triples its basketry exports to Europe

Another smaller supplier quickly increasing its basketry exports to Europe is Bangladesh. The country's supplies nearly tripled from €4 million in 2015 to €11 million in 2019, representing an impressive average annual growth of 29%.

Basketry from Bangladesh is mostly made of natural materials, such as jute, hogla (sea grass) and mela grass. Recycled materials are also possible, such as cotton and even plastic. The country is especially leading in jute. Bangladesh produces the highest quality jute in the world, being responsible for about three-quarters of the world's jute exports. Naturally, Bangladesh also has the world's best jute processing industry, which allows producers to create beautifully soft yet strong home products.

Bangladesh's main selling points are its reasonable prices, a large skilled workforce, and an abundance of natural materials from renewable sources. This combination is fairly unique. In addition, importers generally perceive the country as relatively accessible and customer oriented.

However, freighting can be more expensive than from other countries in the region as ships from Bangladesh to Europe have to make a detour via Colombo because the Bay of Bengal is shallow. Damage to Bangladesh's reputation from previous safety issues in the textile sector poses a challenge, although its accessible home decoration sector actually has a history of ethical business.

Indian basketry supplies to Europe are surging

With an import market share of 1.5%, India is also rapidly increasing its basketry supplies to Europe. Indian

exports to Europe grew from €3.1 million in 2015 to €8.4 million in 2019, also at an impressive average rate: 28% per year.

With skilled labour and transportation at competitive costs, India could be well positioned to take a bigger share of the European basketry imports market. Indian producers have easy access to natural materials and specialise in craftsmanship, allowing them to target higher market segments than the mass-produced products from China.

Tips:

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

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

Which companies are you competing with?

Halinh Rattan & Bamboo, Vietnam

[Halinh](#) is an example of a company that can supply large quantities for reasonable prices, operating in the mid-mid segment. The company uses a variety of locally sourced natural raw materials that include bamboo, rattan, and seagrass. Its designs are well executed but not exceptional, in line with what other volume producers in this product sector develop. The company has been BSCI-certified since 2018 and works with artisan producer groups from villages in rural Vietnam.

Mifuko, Finland and Kenya

[Mifuko](#) is a collaboration between two Finnish designers and rural Kenyan women. The company has been Fair Trade certified and has also founded a trust to improve the living conditions of Kenyan artisans. The combination of Finnish design, traditional Kenyan handcraft and the use of sustainable materials results in contemporary products with a strong story.

Mifuko directly supplies to retailers and actively helps them promote their products by providing high-quality images and strong storytelling. They also offer the possibility of customisation and co-creation.

Tashinda Putraprima, Indonesia

[Tashinda Putraprima](#) produces fine-crafted basketry from locally available, renewable materials, such as water hyacinth, pandanus, bamboo, mendong, palm leaf, and seagrass. The company has a village-based manufacturing system that allows the artisans to work at home. The use of different raw materials allows for a wide variety of design options and the company cleverly uses the same techniques for decorative products such as vases and wall hangings. Tashinda Putraprima is committed to low-impact production methods and is BSCI certified.

Which products are you competing with?

At the lower to lower-middle ends of the market, you compete with industrially produced baskets, usually made of plastic. When moving towards the higher-middle segment, competing products are baskets made from other materials, such as felt and mesh metal, as well as other storage solutions, like small storage furniture.

Tip:

Try to stay away from competing on price only, since the competition is particularly fierce in basketry,

both from handmade and industrially produced items.

3. What are the prices for basketry on the European market?

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

Table 1 gives an overview of the prices of basketry in the low, middle and high market segments. 'Indicative' is key here, since prices for baskets vary depending on technique, size, material, design, brand, and other ways of value addition.

Table 1: Indicative consumer prices of basketry in Europe

	Low end	Mid end	High end or premium
Basket	Below €10 (usually in sets)	€10 to €55	Over €55

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

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

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

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

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

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

Table 2: Example of the price breakdown per market segment

	Low margin	Middle margin	High margin	
FOB price	€10	€10	€10	Your FOB price

Transport, handling charges, transport insurance, banking services (20%/15%/15%)	+€2 €12	+€1.50 €11.50	+€1.50 €11.50	Landed price for the wholesale importer
Wholesalers' margins (50%/75%/90%)	+€6 €18	+€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	+€8.50 €50.80	+€10.90 €65.50	Selling price including VAT from the retailer to the end consumer

Some examples of online basketry prices (excluding shipment) are:

- bamboo storage basket, [Intratuin](#) (Netherlands): €9.99
- beaded palm leaf basket, [The Basket Room](#) (United Kingdom): €22
- fair trade seagrass laundry basket, [Contigo](#) (Germany): €79

Tips:


Study consumer prices in your target segment to determine your price and adjust your cost accordingly. The quality and price of your basketry must match what is expected in your chosen target segment.

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


This study has been carried out on behalf of CBI by [Globally Cool B.V.](#) in collaboration with Remco Kemper.

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