

# Entering the European market for ceramic dinnerware

The European market for ceramic dinnerware offers opportunities, but competition is strong. Mass-producing countries dominate the lower ends of the market, so the mid-end segment is your best option. In this segment, countries with a strong tradition in ceramic dinnerware are key players. You need to add value to your products to compete. Entering the European market means you need to comply with the European Union’s mandatory legal requirements, as well as any additional or niche requirements your buyers may have.

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

The following requirements apply to ceramic dinnerware in the European market. For a more detailed overview, see our study on [buyer requirements for home decoration and home textiles \(HDHT\)](#).

### What are the mandatory requirements?

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

- Food Contact Materials Directive
- General Product Safety Directive
- REACH
- Packaging and packaging waste legislation

### Food contact materials

Dinnerware for the European market must comply with the European legislation on [Food Contact Materials](#). This contains [Directive 84/500/EC](#) and the amendment [Directive 2005/31/EC](#) for ceramic articles intended to come into contact with foodstuffs. This legislation states that the packaging of products that come into contact with food must be labelled with specific symbols, such as the food safe symbol. It also regulates lead and cadmium limits in ceramic food contact materials.

Lead is used in the glazes or decorations on the surface of dishes (including earthenware, stoneware and porcelain) to make dishes durable and to make coloured glazes bright and shiny. Cadmium is used to give dishes bright colours. These dishes can leach lead or cadmium when food is served in them, especially if they come into contact with acidic food. Microwaving food in dishes that contain lead will also accelerate leaching of the lead. Because food substances can absorb lead and cadmium, this can be harmful.

Therefore, the European Union has set the following limits:

Table 1: Limits for lead and cadmium in ceramic dinnerware

	Lead	Cadmium

Category 1: Articles which cannot be filled and articles which can be filled, the internal depth of which, measured from the lowest point to the horizontal plane passing through the upper rim, does not exceed 25 mm	0.8 mg/dm <sup>2</sup>	0.07 mg/dm <sup>2</sup>
Category 2: All other articles which can be filled	4.0 mg/l	0.3 mg/l
Category 3: Cooking ware; packaging and storage vessels having a capacity of more than three litres	1,5 mg/l	0,1 mg/l

Following increasing concerns about the health effects of heavy metals like lead and cadmium, plans have been proposed by the European Commission to lower the maximum limits. Stricter limits are expected to be announced in 2020.

### 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 potential new limits for lead and cadmium via the [roadmap on the initiative to lower metal limits for ceramic food contact materials](#).

Note that there is currently no certification for lead-free and cadmium-free dinnerware in Europe. If your products are lead-free, promote this clearly. This is especially relevant when it comes to dinnerware for children.

## 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. The Directive applies in addition to the Food Contact Materials Directive in case of additional safety issues, for example in relation to the risk of burns when dishes are put in an oven. 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 in the EU Trade Helpdesk](#).

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

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

## Restricted chemicals: REACH

The [REACH](#) regulation lists restricted chemicals in products that are marketed in Europe. REACH (EC 1907/2006) aims to improve the protection of human health and the environment through 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 ceramic dinnerware, this applies to certain substances used in the manufacturing of ceramics and dyes and enamel used for decoration. The use of the following substances is restricted:

- sodium dichromate, dihydrate
- boric acid
- disodium tetraborate, anhydrous
- tetraboron disodium heptaoxide
- hydrate
- potassium chromate
- arsenic acid
- diboron trioxide
- lead oxide
- lead tetroxide
- pyrochlore, antimony lead yellow
- cadmium oxide
- cadmium nitrate

### Tip:

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

## Packaging

Europe has specific [packaging and packaging waste legislation](#). EU Directive 2015/720 was adopted to harmonise measures concerning the management of packaging and packaging waste and to prevent or reduce its impact on the environment at European level. Buyers may therefore ask you to minimise the use of packaging materials (paper, carton, plastic) or to use a different kind of (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 three codes (country, producer and measure applied) and the IPPC logo
- debarked

These requirements do not apply to:

- wood 6mm 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 dinnerware.

### 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 on 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 prove compliance, the importer can request an audit of your production process. Once a company is audited, it is included in a database for all BSCI participants.
- [Ethical Trading Initiative \(ETI\)](#): This initiative is an alliance of companies, trade unions and voluntary organisations. It aims to improve the working lives of people across the globe that make or grow consumer goods.

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 are asking for it. According to the survey, 98.5% of retailers consider sustainability as a factor in their product sourcing decisions.

### Tips:

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

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

## Crystalline Silica

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

### Tip:

See the [European Network on Silica](#) for access to materials such as the [Agreement on Workers Health Protection through the Good Handling and Use of Crystalline Silica and Products containing it](#), a [Good Practice Guide](#) and European national [Occupational Exposure Limits](#).

## Labelling

The information on the outer packaging of dinnerware 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 dinnerware according to the importer's instructions. They have their own specific requirements for the use of packaging materials, filling boxes, palletisation and stowing containers. Always ask for the importer's order specifications, which are part of the purchase order.

### Damage prevention

Properly packaging ceramic dinnerware 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. For dinnerware, stacking the items 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

Retailers often consider it important to gift-pack dinnerware items. Such consumer packaging can be developed by the dinnerware brand and produced by the manufacturer or by the brand, depending on cost and the technical options available at the place of origin. Sometimes the retailer itself provides packaging or wrapping in their own brand identity. In those cases, this material is developed at the destination. It is good service by the manufacturer to make the importer aware of the options in consumer packaging and include the details in the terms of trading.

#### Tips:

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

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

## Payment and delivery terms

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

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

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

Retail multiples can ask for Cost Insurance Freight (CIF). That means that they will ask you to include the shipping and insurance charges in your quotation. Small retailers may go a step further and ask you to arrange that the goods will be delivered to their doorstep via a Delivered Duty Paid (DDP) arrangement. For importers who 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](#). This 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. For ceramic dinnerware, a lot of labour goes into decorating (by hand). Especially when the production of your dinnerware 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 the story behind your product for marketing purposes.

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

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

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

### How is the end-market segmented?

The European dinnerware market is mature and highly segmented. There are broad and deep low-, mid- and high-end market segments. These can be subdivided into even more sub-segments based on differentiating propositions. This may make dinnerware the most challenging home decoration category of all, as many propositions have already been tried. It also the most inviting category, however, as anything is possible and the consumer is open to change.

Figure 1: Dinnerware market segmentation in Europe



## Low-end market

These are the everyday basics in dinnerware. The low-end market consumer is not very focused on the design of the product and considers it a convenience good. Dinnerware for this segment should be functional, basic in its design, easy to replace, inexpensive, and quick and easy to buy. Direct confrontation with these basic private-label dinnerware products from (mostly) Chinese suppliers is not recommended. It will be hard to achieve a competitive edge in the low-end segment in terms of pricing and volume at a reasonable margin.

## Mid-end market

Dinnerware in the mid-end market is still standardised, but trendier, with some interest in new innovative shapes or handmade effects. These products are reasonably priced. The endorsement of a celebrity (such as a TV cook) can stimulate sales in this segment. In terms of product quality, fitting in with the trends (such as millennial style), sustainability and products with a story, this segment is suitable for you. Especially in the upper end of the middle market where semi-handmade propositions are possible.

## High-end/premium market

In the high-end/premium market, dinnerware is characterised by high-quality design, craftsmanship and brand names. It is very hard to compete with the products of these reputable well-established brands. Effective branding for the high-end segment requires not only excellent quality, but also a big marketing budget. In terms of craftsmanship, however, this is a segment where handmade dinnerware is also highly appreciated and can achieve decent margins, although volumes might be limited.

## Hospitality market

Besides the consumer market, the hospitality market (hotels, restaurants and catering) represents a separate segment. Key features here include durability, functionality and price. Suppliers need to offer the option to add branding to the product, according to the importer's or retailer's specifications. In most cases, the dinnerware in this market is price sensitive and requires fast turnaround and considerable volumes.

## Through what channels does a product end up on the end-market?

The channels through which ceramic dinnerware 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 small retailers have also started buying directly from the supplier. In some cases, buying agents play a role. Below, we highlight the main actors in the market for ceramic dinnerware.

## 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.

The hospitality industry is also fed by importer/wholesalers. Several wholesalers, such as [Gastro-Inn](#) in Germany, are specialised in supplying to hotels and restaurants.



## 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 small 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.

Online sales have become an increasingly prominent sales channel for dinnerware, via well-established and quite diversified web shops. Specialised providers offer multiple brands of dinnerware (such as Oldenhof's [kookwinkel](#) in the Netherlands), while some brands also have their own channels (such as [Villeroy & Boch](#)). Mega-furniture stores like [IKEA](#) and multi-brand, multi-product online retailers like [Amazon](#) mainly focus on the low- and mid-end segments. Department stores also sell their offer online, usually in the mid- and higher-end segments.

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 trade fairs in Europe: [Ambiente](#) in Frankfurt (February), [Maison et Objet](#) in Paris (January and September) and [Tendence](#) in Frankfurt (August).

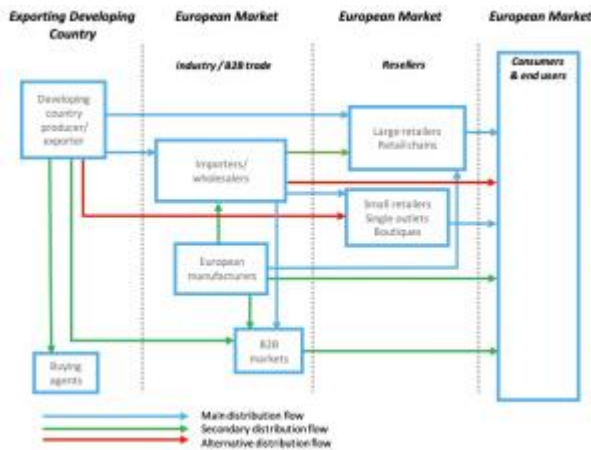
Search the member lists of relevant associations to find potential buyers, such as [Cerame-Unie](#) (European Ceramic Industry Association), which represents the European Federation of Ceramic Table- and Ornamentalware (FEPP).

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

For more information about trading directly with smaller retailers, see our special study about

alternative distribution channels.

Figure 2: Trade channels for dinnerware 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.

### **3. What competition do you face on the European ceramic dinnerware market?**

China supplies more than a third of European ceramic dinnerware imports, consisting mainly of mass-produced low-cost items. Eastern European countries are also emerging as strong competitors in the lower-end segments. Instead, your best opportunities are in the mid-to-high end market, where you compete with manufacturers from countries such as Portugal and Thailand.

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 Europe's main ceramic dinnerware supplier with 37% of the imports, followed by Germany (12%). Together, these countries supply about half of the European imports. Portugal (6%), the Netherlands (5%), Thailand (5%) and the United Kingdom (4%) are next on the list.

However, be aware that in the European market, different countries have different roles. You can make a rough distinction between countries that are mainly importers and countries that are mainly manufacturers. Most western European importing countries do not just import products for sales within their own country, but also to re-export to other countries in Europe. This explains why countries with small HDHT markets, like Denmark and the Netherlands, often import much more than the demand in their own domestic markets.

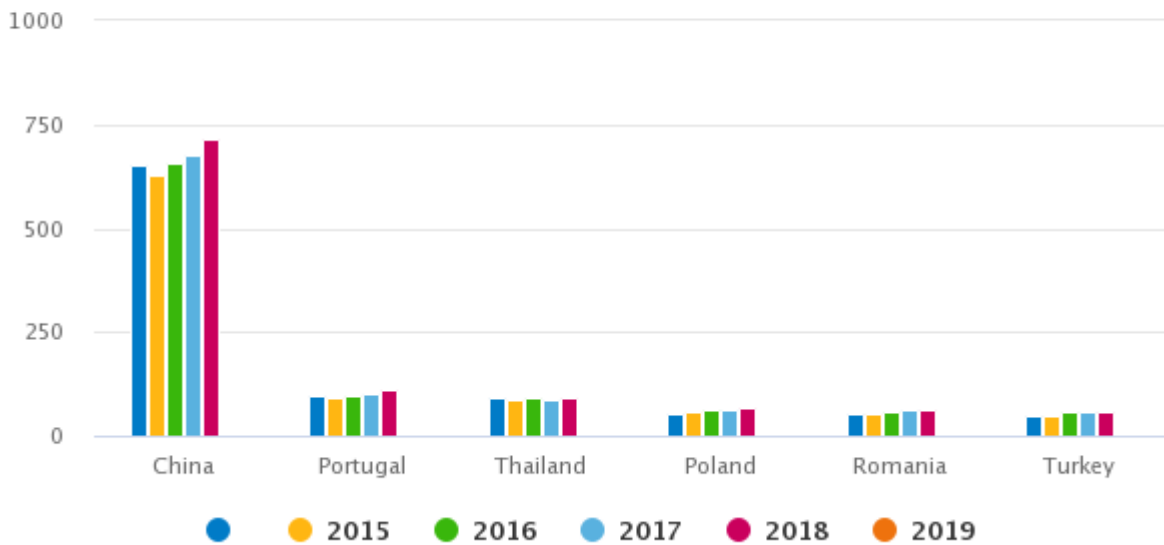
European production mainly takes place in eastern European countries. This is mostly because of their location already in the European market and their relatively low labour costs. This sometimes makes them a good alternative to sourcing from Asia.

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 ceramic dinnerware suppliers to Europe**

in € million



Source: Trademap

### China dominates the low-end market

China has become the ceramic dinnerware ‘factory of the world’, handling the production of many of the old European brands. Virtually all Chinese production is private label (meaning they do not have their own brands), low-cost contract manufacturing. Chinese ceramic dinnerware supplies to Europe increased from €651 million in 2015 to €717 million in 2019, at an average annual rate of 2.5%.

The country’s 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, which could create opportunities for 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 dinnerware. Focus more on products with high emotional value, sustainability and the story behind the product.

### Portugal is strong in design and quality

Portuguese ceramic dinnerware supplies to other countries in Europe increased from €97 million in 2015 to €100 million in 2019, at an average annual rate of 3.4%. Portugal’s key strengths are stoneware and earthenware. The Portuguese supply is backed by hundreds of years of experience, innovative designs and quality styling. As such, Portuguese ceramic suppliers have become key players in the more rustic, ‘country’ styles for the mid- and high-end segments of the European market.

As a manufacturing country, Portugal has created its own niche in the dinnerware category, providing pottery that is traditionally a bit chunky and often quite colourful. This typically caters to so-called cottage style concepts in the mid-market. Portugal’s strategy can serve as a good example for manufacturers in developing countries, which might similarly use specific elements in their original culture (colour, raw material, craftsmanship). You can bring those out in your export ranges and similarly open up a new segment.

## Thailand is a traditional mid-segment supplier

Thailand is also an important supplier, more so of stoneware and earthenware than of porcelain. Between 2015 and 2019, the country's exports of ceramic dinnerware to Europe were relatively stable at around €90 million. Most Thai players are small and medium-sized manufacturers, supplying medium-grade products for the mid-end market. They can produce ceramics with traditional Thai patterns as well as with modern designs, under their own brand or via contract manufacturing.

Thailand has traditionally been mostly a private label supplier of stoneware. However, Thai manufacturers have struggled to innovate and have become quite expensive for the country's original customer base. To take Thailand's role as a potential second-sourcing destination to China, you need to be able to provide small runs and favourable pricing. Much of this business has however been moved to eastern European manufacturers.

## Poland competes on convenience and cost

Polish supplies of ceramic dinnerware to other countries in Europe increased from €54 million in 2015 to €67 million in 2019, at an average rate of 5.6% per year. Most of these exports are destined for Germany and eastern European countries, such as the Czech Republic. Traditional Polish pottery, or Polish stoneware, is mainly known in these countries.

Polish ceramics are industrially produced mass-market items for the volume markets. Labour costs are relatively affordable, and Poland is near to its main western European markets, allowing for short delivery times. Polish suppliers are mainly private label suppliers, with an excellent reputation in service to their buyers. As such, they are becoming a major second-sourcing destination to China. To avoid direct competition with eastern European manufacturing, you should move into the more handmade segments in the mid-high and premium markets.

## Romania steadily increases supplies to Europe

Romania is an up-and-coming destination for outsourced production. The country increased its ceramic dinnerware exports to other European countries from €54 million in 2015 to €65 million in 2019, comparable to the developments in Poland. Romania also benefits from its location close to the western European markets and its relatively low-cost production opportunities.

## Turkey also benefits from location

Between 2015 and 2019, Turkish supplies of ceramic dinnerware to Europe increased from €50 million to €60 million. This added up to a decent average annual growth rate of 4.8%. Turkey also has the advantage of being located close to the European market. The country still has to find its footing in the dinnerware market, to discover whether its positioning should be on price-volume or more on design value. To compete with Turkey, a relative newcomer, you should focus on your own unique strengths and occupy the right niches before others do.

### Tips:

Compare your products and company to the competition. Use [ITC Trade Map](#) to find exporters per country and compare them 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?

## Chrisko, Thailand

Thailand used to be an important sourcing destination for private label importers and brands in stoneware and porcelain dinnerware. It lost that edge somewhat due to the rising price levels in the country.

[Chrisko](#) (established in 1991) are combining Thailand's broad crafts culture and the existence of a more industrial manufacturing sector. They can produce dinnerware both for middle and premium market segments; offer dinnerware in a range of different materials; and present a one-stop-shopping opportunity, covering a broad spectrum of dinner, cooking, and serving dishes. This is probably made possible by a well thought out make-and-buy strategy.

## Karaca, Turkey

As a supply base, Turkey is quite a newcomer in the dinnerware market. [Karaca](#), a family business, has started from a strong position at home: they are a recognised house of brands, and a retailer and wholesaler in tableware in Turkey, with a seemingly good mix of own and outsourced manufacturing.

They virtually offer a one-stop shop for Turkish consumers and retail, and are now also approaching exports. Their strength lies in a broad offer of homeware, price, style, and target marketing, but they may need to improve to find a profitable slot in a very crowded European and global marketplace for dinnerware.

## Dankutowa, Sri Lanka

Although Sri Lanka is by no means a major sourcing country for dinnerware, [Dankutowa](#) has nevertheless found a structural niche as a reliable private label (and sometimes branded) supplier of porcelain dinnerware, especially to retail. Not being able to win just on price, Dankutowa's B2B values are excellent: buyers can personalise, have exclusivity assurance, colours and decals are of high quality, porcelain is a specialisation, and small runs are a not a problem. Sometimes these are enough to spawn a long-term relationship between suppliers and buyers.

## Which products are you competing with?

Competition for manufacturers of dinnerware is mostly within the category itself and can be fierce. All materials have straight alternatives. Options in ceramics include porcelain, stoneware, and earthenware, but beyond that consumers can choose dinnerware in glass or crystal, a variety of metals, plastics, and now also bamboo and woods.

## 4. What are the prices for ceramic dinnerware on the European market?

Prices for ceramic dinnerware 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 4-6.5 times your selling price.

Table 1 gives an overview of the indicative prices of ceramic dinnerware in the low-, mid- and high-end market segments. 'Indicative' is key here, since prices for dinnerware vary depending on technique, material, design, brand, and other ways of value addition.

Table 1: Indicative consumer prices of ceramic dinnerware in Europe

	Low-end	Mid-end	High-end
12-piece set	Up to €80	€80-150	€150 and over

Plates – set of 4	Up to €30	€30-80	€80 and over
Cereal/pasta bowl – set of 4	Up to €30	€30-80	€80 and over

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

- product benefits
- promotion (brand or not, communication of product benefits)
- points of sale (reseller positioning)
- price

The following percentages give an indication of a price breakdown for ceramic dinnerware 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
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Examples of ceramic dinnerware prices across Europe (excluding shipment) are:

- Hand-painted Thai ceramic salad bowl, [Wanthai](#) (Germany): €6.95
- Five-piece stoneware place setting, [Costa Nova](#) (Portugal): €65
- Handmade ceramic dinnerware set of 12, [Nkuku](#) (United Kingdom): €150 (approx.)

### Tips:


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


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


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

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