



CBI
Ministry of Foreign Affairs

CBI Product Factsheet Cotton Floor coverings

'Practical market insights into your product'

Although consumption of cotton floor coverings in Europe has slightly declined, the European market for cotton floor coverings remains a large and interesting market for exporters from developing countries. In order to succeed, exporters should have two increasingly important trends in mind: sustainability and the revival of traditional techniques.

Product definition

This section provides an overview of the products within the range of the general product view, as well as mentioning the common trade names of the product.

Cotton floor coverings are textile articles laid upon the floor of a room to provide comfort, durability, safety, and decoration.

Classification of cotton floor coverings:

- **Harmonised System (HS)** Within the EU / EFTA, the following HS codes are used as indications for trade in cotton floor coverings:
 - 5701.1900: carpets and floor coverings, knotted, of other textile materials
 - 5702.3900: carpets and floor coverings of other textile materials, not made up
 - 5702.5900: carpets and floor coverings of other textile materials not made up
 - 5703.9000: carpets and floor coverings of other textile materials, tufted
 - 5705.0000: other carpets and other textile floor coverings
- **Prodcom:** the following prodcom codes are used to indicated European production of cotton floor coverings:
 - 1393.1100: knotted carpets and other knotted textile floor coverings
 - 1393.1200: woven carpets and other woven textile coverings (excluding tufted or flocked)
 - 1393.1300: tufted carpets and other tufted textile floor coverings, needle-felt carpets and other needle-felt textile floor coverings (excluding tufted or flocked)

Examples of cotton floor-coverings



Source: houzz.com



Source: apartmenttherapy.com

Product specification

This section gives an overview of the product's key specifications regarding quality requirements, labelling, materials, design and packaging.

Quality:

Quality:

- **Functionality:** Floor coverings are mostly used as decorative articles and as a way to brighten up the empty floors with patterns and colours. Next to

this, comfort and warmth are also important functionalities of floor coverings.

- **Technique:** Carpets and rugs may be classified as handmade or machine-made. Handmade carpets and rugs are usually woven or knotted. Mainly produced in Asia and the East, woven types are often given the general name of Oriental carpets or more specific names, such as durries, which are thick flat-woven rugs traditionally from India. Machine-made carpets and rugs include such woven types as tufted, knitted, flocked and woven. Flocked types are produced by systems in which adhesives are used to bind fibres or yarns to the backing fabric.
- **Raw materials:** Floor coverings can be constructed using different materials, such as cotton, wool, jute, silk and synthetic fibres. However, the product factsheet concerns cotton floor coverings, thus the focus is on cotton materials.
- **Thickness and sizes:** Most floor coverings are available in varying degrees of thickness, usually from 1/16 to 3/16 inches, and may have some form of backing. Standard rug and carpet sizes include: 1.15 x 1.6m, 1.2m X 1.7m, 1.7 x 2.4m, 2.2 x 3.2m, 2.5 x 3.5m, and 3m x 4m. Other sizes are also possible; it is good to communicate, to your potential European buyer, the sizes (or ranges) that you are able to produce during the early stages of collaboration.

Labelling:

- Labels for transport normally include information on the producer, consignee, composition of the product and the size of the product, number of pieces, roll/bale identification and total number of rolls/bales, net and gross weight.
- The most important information on the product or packing labels of floor coverings is: style, colour, size, country of origin and care labelling. For more information and illustrations of product labelling please refer to Labelling of home textiles under Legal Requirements.

Packaging:

- Floor coverings should be packed according to the instructions of the importer. Carpets are transported both as bales and rolls, in each case wrapped in plastic film or jute/hessian sacking. They are rolled up with the backing inside and often packaged in transparent plastic film bags. Runners are often protected at the ends with hardboard disks to stop them from slipping and thus telescoping.
- Floor coverings are displayed unpacked, usually hanging, thus attractive consumer packaging is not important.

Buyer Requirements

This section provides an overview and analysis of requirements that DC exporters face in the market for cotton floor coverings. The analysis includes legal requirements and non-legislative requirements.

Example of shipment packaging



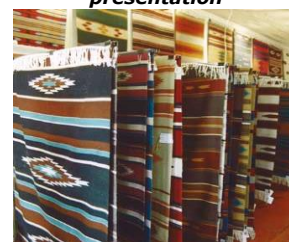
Source: mathhombre.blogspot.nl

Example of packaging

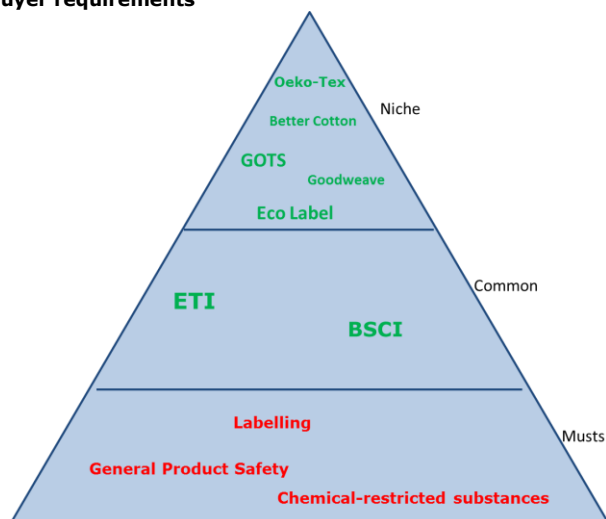


Source: carpetnwood.co.uk

Example of store presentation



Source: newfarm.org

Figure 1: Buyer requirements

Requirements you must meet

General Product Safety: The general product Safety directive states that all products marketed in the EU must be safe to use, so that it forms a network for all specific legislation established for specific products and issues. Even if no specific legal requirements have been established for your product and its uses, the General Product Safety Directive still applies. If there are specific requirements applicable to cotton floor coverings, the general Product Safety Directive applies in addition, covering all other safety aspects which may not have been described specifically.

CONSIDERATIONS FOR ACTION: Study the specific legal requirements listed, but also use your common sense to ensure the product does not cause any danger in its normal use. Most buyers will require proof of the exporter's compliance with legal requirements and most large retailers have their Codes of Conducts. You can read more about the [General Product Safety Directive in the EU Export Helpdesk](#).

Chemicals-Restricted Substances: The EU has restricted a great number of chemicals in products that are marketed in the EU. These are listed in the so-called REACH regulation (Regulation (EC) 1907/2006). If you dye your products, make sure you do not use any of the [azo dyes](#) that release any of the 22 aromatic amines which are prohibited. The EU legislation lists the aromatic amines, not the azo dyes which release them. The vast majority of azo dyes is therefore legally acceptable. Furthermore, the [flame retardants](#) which can be used have been restricted, where Tris (2, 3 dibromopropyl) phosphate (TRIS); Tris (aziridiny) phosphineoxide (TEPA) and; Polybromobiphenyles (PBB) have been prohibited in products intended to come into contact with the skin.

CONSIDERATIONS FOR ACTION: In the case of dyeing: Make sure your products do not contain any of the [azo dyes](#) which release the forbidden aromatic amines. This includes checking your own suppliers. To test your products, use the official tests. You can find the tests on the [CEN website](#): CEN Textiles – Methods for the determination of certain aromatic amines derived from azo-colourants – Part 1: Detection of the use of certain azo-colourants accessible without extraction. Reference: EN 14362:2003 / EN 14362-1:2012. Follow the new development in the field of [flame retardants](#), as new alternatives are being developed. You can do so for instance through the [European Flame Retardants Association \(EFRA\)](#). The addition of other flame retardants and proofing agents is only permitted for products that are intended for use in

commercial buildings where they are subject to and fulfil the appropriate fire protection regulations. Familiarise yourself with the full list of restricted substances in products marketed in the EU by checking out [restricted chemicals in textile products in the EU Export Helpdesk](#).

Labelling-specific rules for textiles: Textiles should be labelled or marked indicating fibre composition whenever they are made available on the market and should be durable, easily legible, visible and accessible. The main purpose of the EU Regulation is to ensure that consumers, when purchasing textile products, are given an accurate indication of their fibre composition. Specifically for cotton floor coverings, the fibre content statement should include the name of a type of cotton, cotton trademark, or a term that implies the presence of a type of cotton, as long as it's not deceptive. There is no EU-wide legislation on the use of symbols for washing instructions and other care aspect of textile articles, while consumers consider care information to be the second most important information on a product's label (after size). You are therefore advised to follow ISO standards on this matter.

CONSIDERATIONS FOR ACTION: Know your own product and study the EU labelling rules to find out how it should be labelled in the EU. If you use a cotton name, trademark, or other term that implies the presence of a type of cotton, the generic fibre name "cotton" must be used with it. Find out more about [textile labelling rules in the EU Export Helpdesk](#). You are advised to follow [ISO 3758: 2012](#) on care labelling code using symbols for textiles.

Common requirements

Social performance: Sustainability is one of the ways for companies to differentiate themselves, and the means of offering sustainable products are numerous, ranging from recycling to certification and use of labels. Specifically for cotton floor coverings, sustainability issues are very relevant. The processes of manufacturing cotton and component materials are energy intensive and require significant water use and disposal of by-product waste. Two retail initiatives have gained quite some ground in (particularly) Western Europe countries:



The [Business Social Compliance Initiative \(BSCI\)](#) is developed by European retailers to improve social conditions in sourcing countries. Suppliers of BSCI participants are expected to comply with the BSCI Code of conduct. To prove compliance, your production process can be audited at the request of the importer. Once a company has been audited, it will be included in a database which can be used by all BSCI participants.



The [Ethical Trading Initiative \(ETI\)](#) is an alliance of companies, trade unions and voluntary organisations working in partnership to improve the working lives, across the globe, of people who make or grow consumer goods.

CONSIDERATIONS FOR ACTION: Since more and more European importers participate in BSCI and ETI, you can expect that complying with the BSCI and ETI codes of conducts will be seen as basic requirements. If you haven't done so already, you may want to look into the possibilities of improving your sustainability performance. This may not always include immediate certification or application of a label, but familiarising yourself with issues included in the initiatives will give you an idea on what to focus on. Also see the CBI publication '[CBI Tailored Intelligence: the Sustainable Design market for Home Decoration and Home Textiles](#)'.

Niche requirements

While sustainability is gaining ground, the actual use of certification is still not widely spread in this sector. Nevertheless, there are several eco-labels used for textiles, including cotton floor coverings. As this is a means of showing sustainability, it is attracting increasing interest from buyers.



The [Better Cotton Initiative](#) is a holistic approach designed to ensure the exchange of good practices, and to encourage the scaling up of collective action to establish Better Cotton as a sustainable mainstream commodity.



[GoodWeave certification](#) requires producers and exporters to ensure that no child labour is used in the production of carpets, also to allow unannounced random inspections by local inspectors.

CONSIDERATIONS FOR ACTION: Check the possibility of sourcing sustainable cotton for your cotton floor coverings. Together with members and funding partners all over the cotton supply chain, the Better Cotton Initiative can boost the sustainable performance of your product.

CONSIDERATIONS FOR ACTION: Consider the possibility for your company to obtain a GoodWeave certification, since it is an important certification when you want to show that your hand-made cotton floor coverings are not made by children.



The [Global Organic Textile Standard \(GOTS\)](#) is a textile processing standard for organic fibres; [OEKO-TEX](#) stands for no use of hazardous chemicals; and the [EU Ecolabel](#) also look to chemicals environmentally-friendly options.



CONSIDERATIONS FOR ACTION: Explore the possibilities of sourcing organic cotton. Textile products that contain a minimum of 70% organic fibres can become GOTS certified.

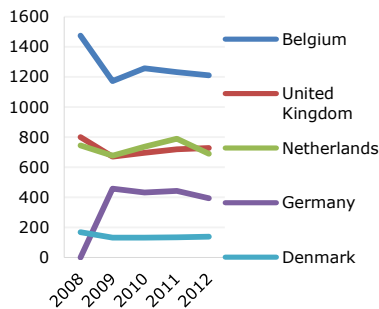
CONSIDERATIONS FOR ACTION: Consider applying for the Oeko-Tex® Standard 100 for your product. The certification provides textile and clothing companies with more transparent supplier relationships and facilitates the flow of information regarding potential problematic substances.

CONSIDERATIONS FOR ACTION: Consider applying for the EU Ecolabel for your product. Note that the label is awarded only to products with the lowest environmental impact in a product range.

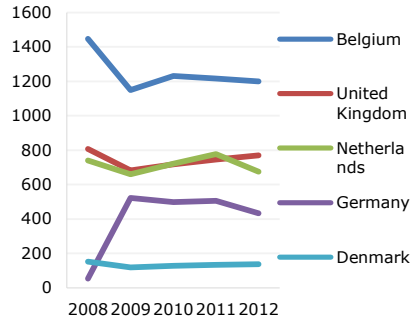
For a complete overview of certifications for textiles please turn to [ITC's Standards Map](#)

Trade and Macro-Economic Statistics

A statistical analysis of the major product developments and forecasts will be given, based on trade and macro-economic statistics. The statistical indicators that are being analysed are import, export, production and consumption statistics for cotton floor coverings.

Figure 2: Leading producing countries of cotton floor coverings in EU/EFTA, values in € million

Source: Eurostat Prodcom (2014)

Figure 3: Leading consuming countries for cotton floor coverings in EU/EFTA, values in € million

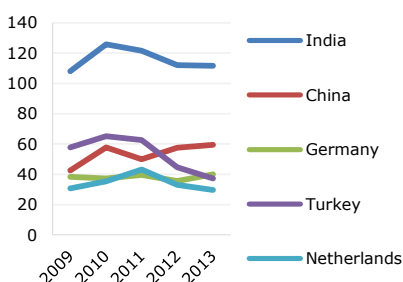
Source: Eurostat Prodcom (2014)

Between 2008 and 2012, **European production of cotton floor coverings** fluctuated slightly, amounting to € 3.7 billion in the latter year. In the period 2008-2009, there was a decrease in production, followed by an increase in 2010-2011. Belgium was the main EU producer with a production amounting to € 1.2 billion, leaving the other major EU suppliers far behind.

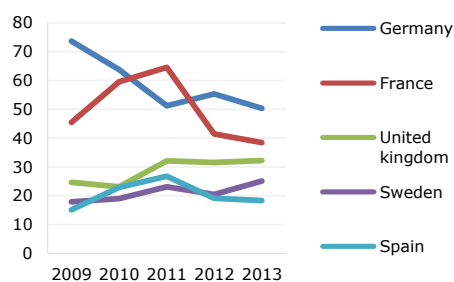
CONSIDERATIONS FOR ACTION: Determine your options for exporting cotton floor coverings to European countries. Be aware that you can expect competition from European suppliers which are mostly located in Western Europe.

Total European consumption of cotton floor coverings decreased by 0.9% per year in the period 2008-2012, amounting to € 3.8 billion in 2012. European consumption fluctuated slightly between 2008 and 2012 as a result of the economic crisis. After a significant decrease in consumption after 2008, consumption levels increased in 2010-2011, but declined again in 2012. However, some European markets, such as Germany and Austria experienced significant increases in their consumption during the period 2008-2012.

CONSIDERATIONS FOR ACTION: GDP & consumer confidence are expected to increase in 2014, as mentioned in the [CBI Trade Statistics for Home Textiles](#). This will positively affect consumption of cotton floor coverings.

Figure 4: Leading suppliers of cotton floor coverings to Europe, value in € million

Source: Eurostat 2014

Figure 5: Leading export destinations of cotton floor coverings, value in € million

Source: Eurostat 2014

European imports of cotton floor coverings remained stable in the period 2009-2013, amounting to € 512 million in 2013. 47% of total imports was sourced in DCs. India has been the leading supplier for the last 4 years, accounting for almost 22% of total imports. Imports from other major DC suppliers such as China and Turkey and emerging DC suppliers such as Indonesia and Thailand also increased.

CONSIDERATIONS FOR ACTION: Competition from developing country exporters is fierce. Make sure that you stand out from the crowd by offering added value, i.e. craftsmanship and hand-made products.

Between 2009 and 2013, **European exports of cotton floor coverings** grew by 1.8% per year, amounting to € 393 million in 2013. The main destinations were other mature markets in the European Union. However, there is a declining trend in exports to the major export destinations, such as Germany, France and Spain. Nevertheless, we see a reversing trend in the exports to the United Kingdom and Sweden, showing a steady increase in the period under review.

Market Trends

This section provides an overview of relevant market trends and forecasts in the market for cotton floor coverings.

Carpets can be one of the easiest ways to personalise an environment by bringing warmth and style into a home. Currently, most interesting are mid-sized cotton carpets, i.e. approximately 2x3 metres to be placed in between the sofas or under the table. They create an island of colour, and connect the different home products in a room.

Revival of traditional craft techniques

Small cotton carpets are increasingly used as wall decoration, combining traditional techniques with modern styles and colours. Traditional craftsmanship is highly appreciated in the cotton floor covering market, offering opportunities to DC suppliers. Characteristic examples made of cotton are the durries from India, or [Kilims](#), [Soumaks](#), [Cicims](#), [Zilis](#) from Turkey.

CONSIDERATIONS FOR ACTION: Storytelling can be a very influential marketing tool. Consider promoting the story behind the traditional production method of your culture, which gives the product the uniqueness that consumers are looking for. Make sure the promotion strategy of your product is consistent with the story, also that the language used to describe it is more personal than abstract.

Growing demand for sustainability

Sustainability is a growing trend in the floor covering market, since consumers consider very important to avoid a negative environmental impact due to their consumption. One manner to bring sustainability into your cotton floor coverings is using organic or Goodweave certification (also see: Buyer Requirements).

CONSIDERATIONS FOR ACTION: You can address this trend by using and promoting recycled fibres or by obtaining certifications such as GOTS and Better Cotton Standard System.

Please refer to [CBI Trends for Home Decoration & Textiles](#) for more information on general trends in home textiles.

Example of traditional craft techniques



Source: adwalweaving.com

Example of organic floor coverings



Source: kingsoleil.com

Market Channels and Segments

A description of the characteristics of different segments within the channel will be given.

Separate trade channels: The trade channels for carpets were traditionally separate from other home textile products; however, carpets have now established themselves in the mainstream trade channels for home textiles. Cotton floor coverings have become a lifestyle product. Whereas top class kilims were previously only sold in speciality shops, they can currently be found in department stores as well. Also large retail chains, like Ikea, currently sell cotton floor coverings.

CONSIDERATIONS FOR ACTION: Please refer to [CBI Home Textile Channels and Segments](#) for more information, as the market channels and segments for cotton floor coverings do not differ significantly from this general overview.

E-commerce is growing in importance for cotton floor coverings. Consider targeting online retailers, in order to reach a broader range of customers. This means, however, supplying small batches / individually packed items, prepared to pre-stock and offering more just-in-time supply concepts. Since E-commerce is expected to grow explosively in the coming years, this is a strategy for exporters, giving them the opportunity to scale up in a short span of time. In sourcing E-tailers, exporters can consider several options: brick-and-mortar retailers adding E-commerce to their concept; wholesalers developing an on-line platform; E-tailers in other sectors moving into home textiles. You are advised to keep an eye on these developments.

CONSIDERATIONS FOR ACTION: For more information on E-commerce, please refer to the CBI Trend Special E-commerce.

Prices

This section provides an overview of the product's consumer prices on the European market.

There is a very wide price range within the European market for cotton floor coverings. Retail prices can vary from €16 to €257. The prices vary based on the size and composition of the product, as well as the brand of the floorcovering.

Your products will be sold to European consumers for a price that is significantly higher than your selling price. The consumer price is approximately 4-6.5 times the FOB price in the country of origin.

Table 1: Indicative consumer prices per m²

	Low end	Middle-low end	Middle-high end	High end
Cotton floor coverings	€16-€36	€46-€65	€68-€83	€107 or more

CONSIDERATIONS FOR ACTION: It is recommended to focus on the middle-high segment if one can offer some added value offering traditional craftsmanship or on the middle-low end if one offers mechanised production which is less expensive.

Rising raw material prices pressure on margins

Besides energy, labour and transport costs, FOB prices depend heavily on the availability and prices of the raw materials. In 2013 the average prices for many of the raw materials used for cotton floor coverings noted a moderate decrease.

During the first months of 2014, this trend has changed and the prices have continued to increase. Incidental hikes in the price of raw materials are not directly passed on to the consumer, but exert pressure on exporters, importers and retailers' margins.

CONSIDERATIONS FOR ACTION: Calculate your prices regularly and carefully, especially when you know that prices of your raw materials are regularly fluctuating. When prices of your raw materials pressure your margin for a longer period, you have to consider to increase your price or find another suitable alternative.

Figure 8: Indicative price breakdown



Source: ProFound 2014

Field of Competition

Please refer to [CBI Home Textile Field of Competition](#), as the competitive field for cotton floor coverings does not differ significantly from this general overview.

Useful sources

Useful sources provides an overview of valuable references for DC exporters relevant to cotton floor coverings.

Trade fairs

Visiting and especially participating in trade fairs is highly recommended as one of the most efficient methods for testing market receptivity, obtaining market information and finding prospective business partners. The most relevant trade fairs in Europe for exporters of cotton floor coverings are:

- [Domotex](#) - Hannover, Germany
- [Maison & Objet](#) - Paris, France
- [Heimtextil](#) - Frankfurt, Germany
- [Ambiente](#) - Frankfurt, Germany
- [Indigo Paris](#) - Paris, France
- [Texworld](#) - Paris, France
- [Indigo Brussels](#) - Brussels, Belgium

More information

CBI market information: Promising EU export markets.

EU Expanding Exports Helpdesk - <http://exporthelp.europa.eu> - go to 'trade statistics'.

Eurostat - <http://epp.eurostat.ec.europa.eu/newxtweb> - statistical database of the EU.

Several queries are possible. For trade, choose 'EU27 Trade Since 1995 By CN8'. Use the guide 'Understanding Eurostat: Quick guide to easy comext'

(<http://epp.eurostat.ec.europa.eu/newxtweb/setuphelp.do?keepsessionkey=true>) for instructions.

International Trade Statistics - <http://www.trademap.org> - you have to register

This survey was compiled for CBI by ProFound – Advisers In
Development in collaboration with CBI sector expert Steve Pepper

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