CBI Product Factsheet:

Candles, candle holders and Christmas articles from Egypt in Eastern Europe
**Introduction**

Exporters of candles, candle holders and Christmas articles from Egypt can find the most opportunities in the mid and high-end market segments, where they can differentiate themselves from competitors. Natural, hand-made, designer and green products are of the utmost importance when targeting these segments. Products made of environmentally-friendly materials are predicted to be promising products.

**Introduction**

This product factsheet is created for small and medium-sized exporters in Egypt who want to target the market for candles, candle holders and Christmas articles. This factsheet discusses the market opportunities in six Eastern European countries: Estonia, Latvia, Lithuania, Croatia, Slovenia and Poland. Generally, these are all growing consumer markets, with an increasing focus on the middle and mid-high market segments. Therefore, they can offer interesting opportunities for Egyptian candles, candle holders and Christmas articles.

**Product description**

This product factsheet discusses candles, candle holders and Christmas articles. For the classification of these products, please refer to Annex I. These product groups are defined as follows:

**Candles:** A candle is a block of wax with an embedded wick, which is ignited to provide light, heat, and sometimes scent. The flame on the candle is formed because wax vaporises while burning. Within the category of home decoration, candles are usually categorised under home accessories. Candles can be placed in three product groups:

- **Basic candles:** functional candles with a diameter of 2.2 cm that fit in most standard candle holders.
- **Fancy candles:** decorative candles with a ‘fancy’ shape or form.
- **Scented candles:** candles with an added scent.

Basic candles come in sets, while fancy or scented candles are usually sold individually.

**Candle holders:** Candle holders are holders with sockets securing a candle or candles. Candle holder materials should not be flammable. Although electric lighting has phased out candles in many parts of the world, candle holders are still used in some Western countries’ homes as a decorative element or to add atmosphere on special occasions.

**Christmas articles:** Christmas articles are all products that contribute to the decoration of the home – especially the living room – during Christmas. These products are low-tech (simple technology, traditional or non-mechanical), made by hand and are of natural character.

Christmas articles can be classified as:

- shopping goods rather than everyday commodities
- decorative accessories bringing forward the typical associations and character of Christmas
- gifts
- related to cooking and eating.
Quality

The quality of candles is strongly related to the functionality of the candles, whereas for Christmas articles functionality plays a minor role. Instead, product range, design and accessibility of design are more important.

Candles

- **Functionality:** The main function of a candle is to provide light and heat and, more recently, scent. Nevertheless, in the European market, candles are no longer just a functional item but have become a decorative home accessory in their own right, influenced by trends in home decoration. Besides appearance, scent has also gained in importance. Candles can enhance the atmosphere of a room, changing both the decoration and the scent of the room. According to the European Candle Association, a good candle has impeccable burning characteristics:
  - bright, calm flame
  - ideal wick curvature
  - no carbon blackening in the home from candles burning
  - no dripping
  - adherence to the burning time
  - minimum wax remainder

- **Material:** Most candles are made from paraffin wax. However, other raw materials can be used for manufacturing candles. Some of them include beeswax, soy and other plant waxes. Gel candles are made from a mixture of mineral oil and a polymer.

- **Size:** Candle sizes have not been standardised; still, most candlesticks have a diameter of 2.2 cm. Smaller candles, often called tapers to distinguish them from dinner candles, are 25 cm long with a 1.27 cm base. Thick and cylindrical candles, called pillars, are also available with their diameter varying from 1.3 cm to 10.1 cm.

- **Product design:** Candles for the mid-market need to respond to colour trends in interior decoration. Fancy candles need to have imaginative shapes and decorations. Scented candles require added value through well-designed containers.

Candle holders

- **Functionality:** The primary function of candle holders is to support the candle which goes inside; their functionality depends on how well they fit (see sizes below). For safety reasons, candle holders must be protected from fire hazards by ensuring that the flame of the candle cannot burn the holders and that the holder is stable. Often a metal cap is inserted into wooden candle holders to prevent a fire.

- **Material:** Candle holders come in a wide range of materials, ranging from wood, ceramics and metal to synthetics. The material used forms an aspect of the design and look and feel of the item. They can be produced both by hand and industrially.

- **Size:** The diameters of candles determine the size of the hole of the candle holders. The most popular types of candles are tapers (dipped candles), with a diameter of 22 mm, pillar candles (cylindrical, moulded candles), measuring 6.8 cm or more, and tea lights, with a 59 mm diameter. Needless to say, to offer a relevant product, manufacturers of candle holders must be aware of what the candle industry offers in terms of types of candles.

- **Design:** From functional basics, candle holders have become an expressive home accessory, with an increased level of design, supported by shape, decoration and material use. Top designers and brands are making their mark on this product group and they have pushed the candle holder from the lower end of the market up into mid and premium market segments.

Christmas articles

- **Product range:** Christmas articles are seasonal and trendy: in most cases, consumers want to ‘update’ their Christmas ‘look’ every year, and much of the collection of Christmas accessories is, therefore, replaced by the latest on offer. Durability is, therefore, a less prominent quality norm than normally in home decoration. Also, because of the emphasis on atmosphere in the home, the product quality of individual items receives less focus than how they fit into the theme.

- **Accessible designs:** As a consumer event, Christmas is a mass market and essentially a mid-end market in terms of its consumer values. This means that prices and designs need to be accessible for the majority of consumers. Moreover, they are often offered in convenient collections and sets, to reduce consumers’ choice anxiety.

- **Product design:** As consumers want a large range of choices, Christmas articles come in different sizes, shapes, colours and materials, but within the themes and styles. Examples are religion/spiritual (angels, bells), winter season (snowflakes) and Santa Clause (reindeers, socks, sleigh). In the more premium niches, product and aesthetic quality are both of prime importance.
Labelling

Information on the outer packaging of candles, candle holders and Christmas articles from Egypt should correspond to the packing list sent to the importer. Labels on the outer box should include the following information:

- Producer
- Consignee
- Material used
- Quantity
- Size
- Volume
- Caution signs

European Article Number (EAN) or barcodes on the product label are widely used within Europe. Please note, your buyer will specify what information they need on the product labels or on the item itself (logos, 'made in..'). This forms part of the order specifications.

For all glassware and porcelain articles it is strongly recommended to label all boxes with warning notices such as “FRAGILE!” or “Handle with care!”.

Use the English language for labelling unless your buyer has indicated otherwise.

Packing and packaging

- Candles, candle holders and Christmas articles should be packed in agreement with the importer’s instructions. Every importer will have their own specific requirements related to the use of packing materials, the filling of cartons, palletisation, and the stowing of containers. Always ask for the importer’s order specifications, which are part of the purchase order.
- Proper packing of candles, candle holders and Christmas articles can minimise the risk of breaking through shocks. The fragility determines the packing of the products for export. Packing should prevent that individual items inside a carton damage each other and the cartons themselves when they are stacked inside the container.
Packing needs to be of easy-to-handle dimensions and weight. Standards here are often related to labour regulations at the point of destination and will have to be specified by the buyer. Cartons are usually palletised for air or sea transport and exporters are requested to maximise pallet space.

- For candles, candle holders and Christmas articles, reducing transport and transportation emissions by flat-packing the items in the container is key. Such considerations need to be part of the design phase of this product group.
- In packing materials, the balance is between using maximum protection and avoiding excess materials (waste removal is a cost to buyers) or shipping ‘air’. Exporters can reduce the amount and diversity of packing materials by:
  - partitioning inside the cartons with the help of folded cardboard,
  - matching inner boxes and outer cartons better and standardising the sizes of each,
  - considering packing and logistical requirements already at the design stage of the products,
  - asking their buyer for alternatives.

As a suitable gift item, any of the non-basic candles/Christmas articles will benefit from consumer packaging. This non-basic scented candle, for example, comes in a re-fillable cedar wood container and a gift box.

**What is the demand for candles, candle holders and Christmas articles in Eastern Europe?**

Imports of candles, candle holders and Christmas articles by Eastern European countries have increased on average by 7% annually, between 2010 and 2014, amounting to €107 million. The leading importer in 2014 was Poland, accounting for 55% of total imports. Lithuania followed at a great distance with imports amounting to €11.9 million in that same year, indicating a considerable average annual growth of 14.8% since 2010.

![Figure 1: Imports, production and apparent consumption of candles, candle holders and Christmas articles by Eastern Europe, in € million*](image)

*Apparent consumption = Imports + Production – Exports
Source: Eurostat (2015)

One third of total Eastern European imports is supplied by developing countries, which has shown an annual increase of 9% on average in that same period. China takes the lead, with an 85% share of imports from developing countries in 2014. Egypt is ranked as one of the smaller suppliers of candles, candle holders and Christmas articles to Eastern Europe, yet, it has witnessed a considerable growth of 35% in the reviewed period.

Between 2010 and 2014, exports by Eastern European countries increased by on average 9% annually, reaching €526 million in 2014. Poland, as the leading exporting country, accounted for 87% of total exports. Main destinations are other European countries such as Germany (25%), the United Kingdom (5.7%) and Sweden (5.6%).
The total production of the reviewed countries amounted to € 586 million in 2014, showing an average annual growth of 10% between 2010 and 2014. The largest European producing country, Poland, accounted for 90% of total Eastern European production and witnessed a growth by 10.9% in the same period. Lithuania showed also remarkable growth with a production worth € 4.5 million in 2010, increasing to € 6.9 million in 2014.

Between 2010 and 2014, apparent consumption increased on average by 6% annually, amounting to € 170 million in 2015. Poland is the leading consuming country and accounted for 75% of total consumption in 2014. Remarkable increases are seen in Estonia (17%), Poland (12.8%) and Lithuania (9.7%).

**Tips:**
- Determine your options to export candles, candle holders and Christmas articles to Eastern European countries, where consumption has shown significant increases.
- Find out how you can use existing trade relationships between Egypt and Eastern European countries.
- Be aware of competition from Chinese and Polish producers and make sure that you stand out from the crowd by offering added value, that is, craftsmanship and hand-made products.
- Refer to the CBI Trade Statistics for Home Decoration for more information.

**What trends offer opportunities on the East-European market for candles, candle holders and Christmas articles?**

**Trends that offer opportunities for candles**

The candle and candle holders have moved away from being a functional commodity to a home accessory with **emotional appeal.** Through scent, colour and shape they can bring or change the atmosphere and mood all over the house, including the bathroom, garden and dining table.

Nowadays some light-emitting diode (LED) imitations are entering the market, which are often advertised as candles. Although these products are offered everywhere, they do not affect the popularity of real candles as electric light cannot easily substitute the warm, cosy light and familiar scent of a burning candle.

**Tips:**
- Reflect on these various uses of the candle and holders and position yourself well in one or more of these segments. To enter a segment successfully, coordinate the product (for example scented/non-scented; basic/fancy; shape and size; colour; packaging or not), price (price-sensitive or not, price bandwidths), place (target distributor), and promotion (what features to communicate).
- Study trends in interior accessories generally, during Christmas or other festive moments, to understand what the consumer values. Trends in decorative accessories for Christmas will provide pointers for trends in fancy candles too. Any such neighbouring product groups (for example garden accessories or vases) in home accessories will enlighten you further.

Due to their meaningful contribution to atmosphere and mood, candles and candle holders have become a **popular gift,** to family and friends, and oneself.

Home perfumes and soaps can be a ‘threat’ to candles as they have equally moved into a more emotional and gift-related value set, including wellness.
Related to the desire to add to one’s personal wellbeing, and that of the planet at large, is the growing popularity of socially and environmentally sustainable home decoration products. For candles, options include recycling, re-use, certification of materials and processes (for example palm wax). Traditionally, fair trade importing wholesalers mention that candles are ideal products for small-scale producers and hand-made production.

**Tips:**

- Make an inventory of what you are doing in terms of ‘green’ and (social) sustainability and communicate this to your (potential) buyer. Always discuss options for further improvements and certifications regarding sustainability with your buyer to make sure that additional investments are worthwhile. Communicate your values so that the reseller can build it into their proposition.
- If you decide to certify sustainability aspects of your product, please have a look at standards and their requirements.

**Trends that offer opportunities for Christmas articles**

Regardless of the part of the world, the market for Christmas items is already quite universal. It appeals to the masses and emphasises a limited set of atmospheres and styles. Eastern Europe deviates slightly from the norm, as the region values religious influences more and ethnic or hand-made influences less, but this can be expected to converge with Western Europe even more in the coming years.

A major factor for this convergence is the increasing presence and marketing power of European or global players such as Carrefour, IKEA or Metro, driving the available Christmas concepts even more towards a unified look and feel. Magazines, internet blogs, TV and other influences on consumer behaviour will further stimulate consumers’ awareness of and desire for what is available in the wider European region.
With rising disposable incomes and the entry of retailers in the upper-mid and premium segments in Eastern Europe, the landscape of Christmas accessories will gradually become more diversified. This will lead to the emergence of consumer needs based on such typical home decoration values as: ‘natural’, ‘hand-made’, ‘designer’ and ‘green’ and their related price differentials. The malls in the major urban centres of Poland, for example, already offer brands using added value in fashion and beauty, but not yet in home decoration.

**Tip:**
- Look into options to develop Christmas decorations if you are already manufacturing nostalgic or romantic products. These fit well with the market for Christmas accessories in Eastern Europe.

**What requirements should candles, candle holders and Christmas articles comply with to be allowed on the Eastern European market?**

**Legal requirements for all products**

The General Product Safety Directive applies to all consumer products. It states that all products marketed in the European Union should be safe to use and forms a framework for all specific legislation on specific products and issues.

**Tips:**
- 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 that you comply with legal requirements. You can read more about the General Product Safety Directive in the European Commission Export Helpdesk.
- For a full overview of legislative requirements for candles, candle holders and Christmas articles, please consult the European Commission Export Helpdesk.
- Check the rapid alert system for non-food dangerous products (RAPEX). This database provides information on safety risks in consumer products notified by European countries and the measures taken to alleviate these risks.

To market your candles, candle holders and Christmas articles in the European Union, you need to make sure that they do not contain hazardous substances as defined by the **Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals** (REACH). This regulation lists restricted chemicals in products that are marketed in the European Union, such as the use of flame retardants.

**Tips:**
- For more information on the use and restrictions of chemicals on the market in the European Union, please refer to Annex XVII in the REACH legislation [EC Regulation 1907/2006](https://eur-lex.europa.eu/).  
- Refer to the European Commission Export Helpdesk for more information on [REACH](https://ec.europa.eu/).
Legal requirements for candles

When designing your candles for the European market, bear in mind that decorative items that look like food and could be confused with real food products are not allowed in the European market. A variety of products fall into this category, and candles are one of these. The risk identified with non-edible products which could be mistaken for food products is choking, and the requirements are established in Directive 89/357/EEC.

Tip:
- If you aim to bring candles that look like food onto the market, pay attention to the design process. Make sure that the product’s appearance, colour, size, form, labelling, scent, packaging and volume do not resemble food products to the extent that it could be confused with food. To get an idea of when a product looks like food, you can check the RAPEX database. Enter ‘Food-imitating products’ in the product category. For more information on the legislation, see the relevant European Union website.

Legal requirements for wooden candle holders and Christmas articles

European companies that place timber or timber products on the European market need to ensure that the timber is harvested and traded legally. In turn, your European buyers will expect you to offer sufficient information and documentation so that they can comply with this legislation. Consequently, you need to be able to trace the timber you use back to the source and prove this with documentation. This traceability can be achieved with certifications (for example, Forest Stewardship Council – FSC) or by providing your buyers with documentation on the origin, species and legality of the timber you use.

How much information you need depends greatly on the country of origin of your timber. For countries with a high risk of illegal harvesting, you need to provide more documentation to demonstrate that timber has been harvested legally.
- Under the EU Timber Regulation (EUTR), you need to prove that the timber you use in your products is harvested legally before it is allowed to be imported into the European Union. Wood carrying a FLEGT license, or a CITES permit, is considered to comply with the EUTR.
- The Convention on International Trade in Endangered Species (CITES) regulates the trade in endangered plants collected in the wild (among other things) and derived products, such as wood. CITES provides a detailed list of species for which trade is prohibited, restricted or bound by certain rules. If the source of your product is listed on Annex A or B of Regulation (EC) 338/97 you must obtain export and import permits before you can export it.
- Timber that is imported into the European Union needs to have a Forest Law Enforcement, Government and Trade (FLEGT) license, to show that the timber has been legally harvested. This action plan is designed to control the entry of timber into the European Union.

Tips:
- Gather information on your product, such as product’s details, species used, origin, legality, et cetera, and be ready to provide your buyers with this information.
- Check in the Annexes if import and export permits are required for your product. Another resource is the Cites Checklist. You can also contact your local CITES authority for more information. Check the European Commission Export Helpdesk for more information on the CITES requirements and procedures in Europe.
Common requirements for all products

Social and environmental sustainability offers ways for companies to differentiate their products on the European market. Opportunities range from sustainable raw materials, production, certification and use of labels (see Additional standards below). The following certification schemes are increasingly demanded by buyers:

- The Business Social Compliance Initiative (BSCI) has been 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, which can be proved with an audit at the request of the importer. Currently, there are four participants in Eastern Europe (Poland), but this is expected to grow in the future.
- Standards such as ISO 14001 and SA 8000 can be used to meet buyer demands for sustainability. However, only in niche markets compliance with these specific standards will be demanded.

Tips:
- Anticipate the increasing importance of the BSCI Code of Conduct by performing a self-assessment to find out how far you are from complying with this initiative. As more and more European importers participate in BSCI, compliance with this code of conduct will increasingly be seen as a basic requirement.
- Look into the possibilities for improving your performance in sustainability. Even if immediate compliance with certifications is beyond your scope, familiarising yourself with issues included in these certification schemes will give you an idea of what to focus on regarding sustainability.
- For more information on sustainable design, please refer to CBI’s Tailored Intelligence: the Sustainable Design market for Home Decoration and Home Textiles.
- For more information on sustainability, please refer to CBI Trends Special Sustainability for Home Decoration and Textiles.

Additional standards

- Although the ‘fair trade’ concept is less common in Eastern Europe than in Western Europe, interest in fair trade is growing in these countries as activists are raising awareness. Poland represents the largest market for fair trade products in Eastern Europe. Fairtrade certification is not common in the home decoration segment, but some brands and shops specialise in fairly traded products.

Tips:
- Demonstrate how you implement fair trade values if you want to target this sector. Compliance to fair trade norms will also make it easier to acquire other social and environmental norms, as it is the most integrated system for sustainability.
- Build trade relationships with your buyers of fairly traded products. Often, brands and shops in this segment want to have a close relationship with their suppliers.

Additional standards for candles

Ecocert recommends complying with its ‘Natural origin and organic candles and home fragrances’ standard. The aim is to promote the use of natural origin and/or organic ingredients. The standard also guarantees that producers implement environmentally-friendly practices throughout the production line. Non-scented candles can also be controlled.

Tip:
- Consider applying the Ecocert standard or its guidelines to your manufacturing process, especially if you are targeting the Eastern European market, where the standard is already popular. Even if you do not pursue the Ecocert certification, it is useful to be informed about different sustainability standards.

Additional standards for wooden candle holders and Christmas articles

Forest Stewardship Council (FSC) is the most common label to certify timber. This standard is used to certify forests that are sustainably managed. Wood from certified forests is labelled throughout the value chain and as final products. FSC-certified products are especially popular in Western European markets, such as the Netherlands, Germany and the United Kingdom.
What competition do I face on the Eastern European market for candles, candle holders and Christmas articles?

Market entry
To enter the market, your products need to be safe, as determined by European legislation. These requirements are becoming increasingly strict. Sustainability is increasingly important in Eastern Europe, and you can expect stricter environmental requirements in the future as well. Compared to Western Europe, volume requirements are expected to be lower, which may make it easier for smaller producers to reach the Eastern European market. However, this can also increase the threat of new entrants.

Tips:
- Stay up to date on developments in legal and non-legal requirements in Europe.
- For more information on entry barriers, refer to the buyer requirements listed above.

Position in the market
Depending on the segment you target in Eastern Europe, you will face competition from different sources:
- For **low and middle segments**, competition will be strong from other developing countries. Examples include China and Thailand, the main developing country suppliers of candles, candle holders and Christmas articles on the Eastern European market. These suppliers are strong competitors in terms of high-volume and low-priced products. Russia and Belarus are strongly growing suppliers of low-segment products as well. Competition is expected to increase in these segments, as consumers want more value for their money.
- For **middle and high segments**, you will face competition from Eastern and Western European producers. Eastern European consumers value the quality and design of products made in Europe. Of the two, the image of Western European products is better. To illustrate, Polish consumers prefer to buy German products. This is the largest Western European supplier, followed by the Netherlands (mainly re-exports). At the same time, Poland is also an important competitor for candles.

Position in the supply chain
Eastern European buyers are especially powerful in the high-volume and low-end segment, because they can choose from a wide range of suppliers. In higher segments there is a greater interdependence between exporters and buyers, but buyers also expect a higher quality and design.

Tips:
- Invest time and money in market research. Investigate your target market to understand it and its buyers, as well as other suppliers on the market.
- If you want to target the high-end segment, ensure great quality and design and dare to be different. Build a distinctive identity based on your own unique history, skills, material, inspiration and values.
- If you want to target the low-end segment, set competitive prices and increase your productivity and flexibility to compete with high-volume producers in Asia.
- See our study on competition on the European home decoration market for more information.
What do the trade channels and interesting market segments in Eastern Europe look like for candles, candle holders and Christmas articles?

Market channels

According to industry sources, the trade channels for Egyptian candles, candle holders and Christmas articles do not differ significantly from the home decoration sector. Please refer to the CBI Market Channels and Segments for a general overview. Moreover, online sales are becoming increasingly important in Eastern Europe. Online, consumers find exactly the candles or Christmas articles they are looking for, which fit perfectly with their individual furnishing style.

According to industry sources, very few Eastern European retailers import directly. It is more common to trade through wholesalers, importers or manufacturers. Polish wholesalers play an important role in the region. Buyers are commonly smaller than in Western Europe.

In terms of brands, a wide range of middle and low-segment brands is present on the Eastern European market, but only few luxury brands. There are few Eastern European brands. Examples include **Artufex** (hand-made carved candles), **Vintage Candella** (natural soy wax in vintage style, using an organic wooden wick).

**Tip:**
- See our study on trends in E-commerce for more information on online sales.

Market segments

Candle, candle holders and Christmas articles are well segmented:
- At the lower end, products are functional and basic, usually mass-produced and inexpensive.
- At mid-market, trend (especially colour) and decorative value at affordable prices are important buying motives. Consumers are creating a specific atmosphere in their homes (for example a nostalgic 'cottage' style or a natural style), and their candle holders need to fit with this style. Price is still important, although in the mid-high segment consumers choose what expresses their identity and are therefore less focused on price.
- Products in the premium market are often eye-catchers, branded, and strong identity markers for the consumers allowing him/her to tell a story. Innovation and aesthetic quality are more important than price.

Candles

Opportunities for you as an exporter from Egypt are mostly to be found in the mid-high market segment, meaning that you have to pay special attention to design and use a large degree of manual labour in the production of your candles. A certain level of craftsmanship (hand decorated), natural or sustainable values and some branding play a role, while prices should remain affordable.

Candles in containers or holders produced from precious materials, or with superb craftsmanship, occasionally move in the premium direction. In this case, the container is more often the element that adds the value rather than the candle inside. New candles based on environmentally-friendly materials (for example palm wax) are seen as promising products as they fit the ‘go green’ eco-friendly trend. Scented and unscented tea lights, dinner candles, pillar candles, filled container candles and ball candles are amongst the bestselling articles in the candles sector, according to the European Candle Association.

Candle holders

Regarding candle holders, all segments are open. To position yourself effectively, your marketing mix (product features, pricing, distribution strategy and marketing communication) must be coherent and appropriate for the chosen segment. Thorough and consistent study of the target market is therefore required. Market trends described earlier (for example gifting, fun) apply in all segments, yet in different degrees. Such trend elements form part of the product offer and add more or less value in each segment – this too, must be studied to position yourself effectively.
Christmas articles

As China dominates the lower and mid-market segments, you should focus on more premium, niche segments with the help of supreme craftsmanship, origin or any differentiating values (‘natural’, ‘design’, ‘green’ and ‘price differentials’). Eastern European buyers appreciate branded products perhaps a bit more than elsewhere in Europe, as brands are considered to provide status to the collection and to the consumer, and are seen as offering superior quality and service.

Tip:
- Develop your brand/product identity if you want to enter the market with your own designs. Most importantly, your brand needs to show the uniqueness of your company, designs and products. What is your unique selling point when compared to European designs? What makes your product different? For example, look at the design or techniques used.

What are the end market prices for candles, candle holders and Christmas articles?

Consumer prices depend on the consumer’s value perception in a particular segment. This is influenced by the marketing mix: product benefits, promotion (brand or not, communication of product benefits), points of sale (reseller positioning), and a matching price.

Table 1 below gives an indication for end market prices for candles in Eastern Europe for the low, middle and high segments. You need to ensure that you can offer products at a competitive price on this market.

Table 1: Indicative consumer prices for candles

<table>
<thead>
<tr>
<th>Product</th>
<th>Low-end</th>
<th>Mid-end</th>
<th>High-end</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic candle</td>
<td>€ 0.05-0.65</td>
<td>€ 0.65-1.00</td>
<td>€ 1.00-2.50</td>
</tr>
<tr>
<td>Fancy candle</td>
<td>€ 1.15-4.50</td>
<td>€ 4.50-10.00</td>
<td>€ 11.00-30.00</td>
</tr>
<tr>
<td>Scented candle</td>
<td>€ 3.00-8.00</td>
<td>€ 8.00-20.00</td>
<td>€ 20.00-50.00</td>
</tr>
</tbody>
</table>

Tips:
- Study the range of consumer prices in your target segment and adjust your costing accordingly.
- Offer a correct marketing mix to meet consumer expectations.
- Adapt your business model to your positioning in the market.
- Offer what is expected in the market segment you have chosen, in terms of design and other values, at a price that matches similar products. Make sure your Terms of Trading and Payment reflect the different realities of wholesalers and retailers, whose value chains are shorter if you export to them directly. Different price lists may be needed for both types of importers (retail prices are normally 2.5 to 3 times the price of wholesale). Some buyers may prefer to combine different orders in your country and will then require a different set of Terms, based on ex-works (where the seller is required to make goods ready for pickup at his/her place of business, buyer assumes transportation costs and risks) or other arrangements.
- In your pricing, also take into account that agents, if they are involved, typically receive a commission of a few (2-5) percent. However, their actual profit margin strongly depends on volumes sold and gross margin. They will normally lower their gross margin for big volumes.

Useful sources
- Aid to Artisans, international non-profit organisation for the craft sector
- EFTA, European Fair Trade Organisation
- WFTO, World Fair Trade Organisation
- ICC, chamber of commerce for international trade and business
- ECA, European Candles Association
Trade fairs

Visiting and, more importantly, 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 candles and Christmas articles are:

- **Maison et Objet**: every January and September, Paris, France
- **Ambiente**: February, Frankfurt, Germany
- **Tendence**: August, Frankfurt, Germany
- **Spoga Gafa**: August-September, Cologne, Germany
- **Xmas world**: January-February, Frankfurt, Germany
### Annex I

Classification of candles, candle holders and Christmas articles from Egypt:

- **Harmonised System (HS):** within the European union / European Free Trade Association (EU / EFTA), the following HS codes are used as indications for trade:
  - **Candles:** 3406.00.00: Candles, tapers and the like
  - **Christmas Articles:**
    - 9505 10 10: Christmas articles, of glass (excluding electric lighting sets).
    - 9505 10 90: Christmas articles (excluding of glass, candles and electric lighting sets, natural Christmas trees and Christmas tree stands).
- **Prodcom:** the following prodcom code is used to indicate European production of candles, candle holders and Christmas articles:
  - **Candles:**
    - 3299.5400: Candles, tapers and the like (including night lights fitted with a float) (excluding anti-asthmatic candles, wax matches or vestas, sulphur-treated bands, wicks and candles).
  - **Christmas Articles:**
    - 32.99.51.30: Articles for Christmas festivities (excluding electric garlands, natural Christmas trees, Christmas tree stands, candles, statuettes, statues and the like used for decorating places of worship).