The European market potential for candles

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Europe accounts for about 60% of the worldwide candle import market. This makes it an interesting market for you. As European trade hubs are major players in this market, these could be your easiest way to enter the European candle market. By providing ambience, candles play a key role in the important sector trends of wellness and cocooning at home. You can further add value to your candles with sustainable elements, ingredients, craftsmanship, gift packaging and fun designs.

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1. Product description

A candle is a block of wax with an embedded wick. When lit, it provides light and heat and sometimes releases scent.

In Home Decoration and Home Textiles (HDHT), there are several categories consisting of various product groups. Candles are usually categorised as home accessories.

There are 3 types of candles:

- Basic candles: functional candles – mostly tapers with a diameter of 2.2 cm that fit most standard candle holders, and pillars with a variety of widths;
- Fancy candles: decorative candles with a “fancy” shape or form; and
- Scented candles: both basic and fancy candles with an added scent.

Basic candles often come in sets, whereas fancy or scented candles are also sold in small units.

This study uses the following codes to indicate trade in candles:

Table 1: Product codes

Harmonised System (HS)	Description
3406	Candles, tapers and the like

Functionality

Traditionally, a candle’s main function is to provide ambience through its light, heat and scent.

Good candles should:

- Show a bright, calm flame;
- Have a slight wick curvature (arch);
- Not produce a visible release of soot when burning ;
- Not drip;
- Burn for the amount of time indicated; and
- Leave a minimum wax remainder.

Material

Most candles are made of paraffin wax, which is a petroleum-based wax derived from crude oil. Natural waxes are becoming increasingly popular as a more environmentally friendly option. They include plant-based waxes like soy and rapeseed wax, as well as beeswax and stearin. Palm wax is also on offer as a more sustainable option, but because it can be related to deforestation, this is not uncontroversial. Gel candles are made from a mixture of mineral oil and a polymer.

Size

Candle sizes are not standardised, but most candlesticks have a diameter of 2.2 cm. Smaller candles (tapers) are around 25 cm long, with a base of around 1.27 cm. Thick and cylindrical candles (pillars) have diameters varying from 1.3 cm to 10.1 cm. Size and shape are important design elements in the decorative candle segment.

Design

Candles for the mid-market should match colour trends in interior decoration. Fancy candles must have creative shapes and decorations. Well-designed containers (such as ceramic, glass or metal jars and tins) can add value to candles, which are often scented.

Figure 1: IKEA – Scented plant-based wax candles in glass and ceramic jars

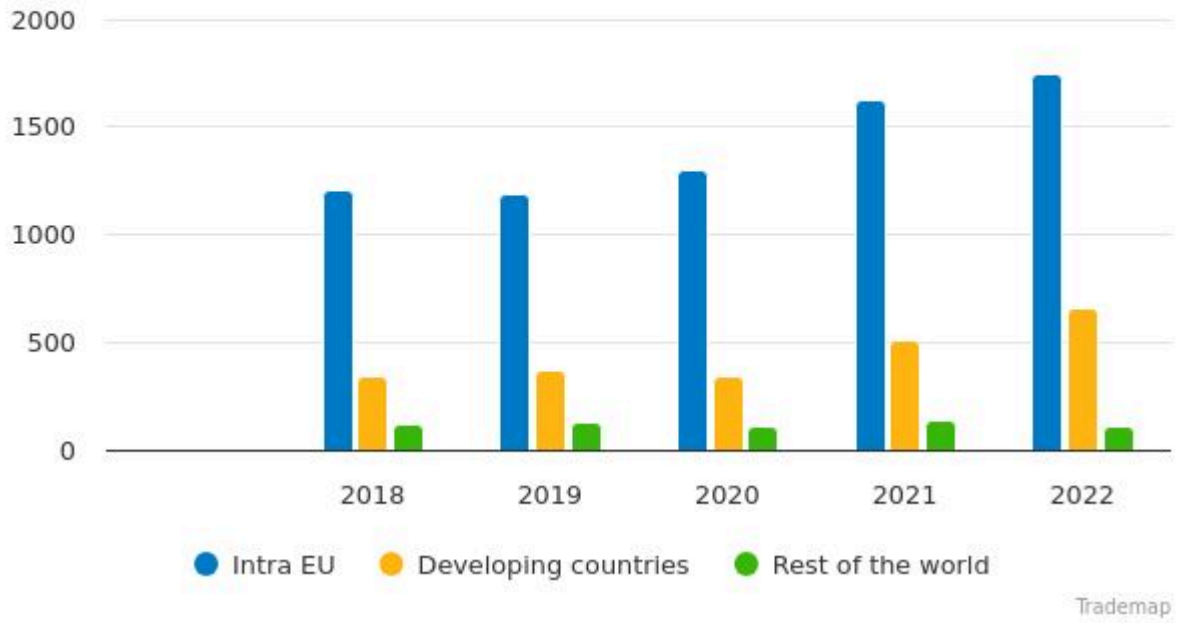
Source: IKEA @ YouTube

2. What makes Europe an interesting market for candles?

European candle imports have grown considerably, especially those coming directly from developing countries. About a quarter of the import value now comes directly from developing countries.

Figure 2: European imports of candles

in € million



Source: UN Comtrade

The European Candle Manufacturers Association estimates that 700 million kilograms of candles are consumed each year in the European Union (EU) [source: 'Fuel' section]. Home wellness products such as scented candles are popular in Europe, with 59-73% of survey respondents in 2023 regularly buying/using them.

European candle imports grew from €1.7 billion in 2018 to €2.5 billion in 2022, at an average annual rate (CAGR) of 11%. Similarly, worldwide candle imports grew from €2.5 billion to €4.1 billion. This means Europe accounts for about 60% of global imports.

About a quarter of Europe's candle import value came directly from developing countries. These imports grew from €338 million in 2018 to €656 million in 2022, at a strong CAGR of 18%. Altogether this makes Europe an interesting market for you as an exporter from a developing country.

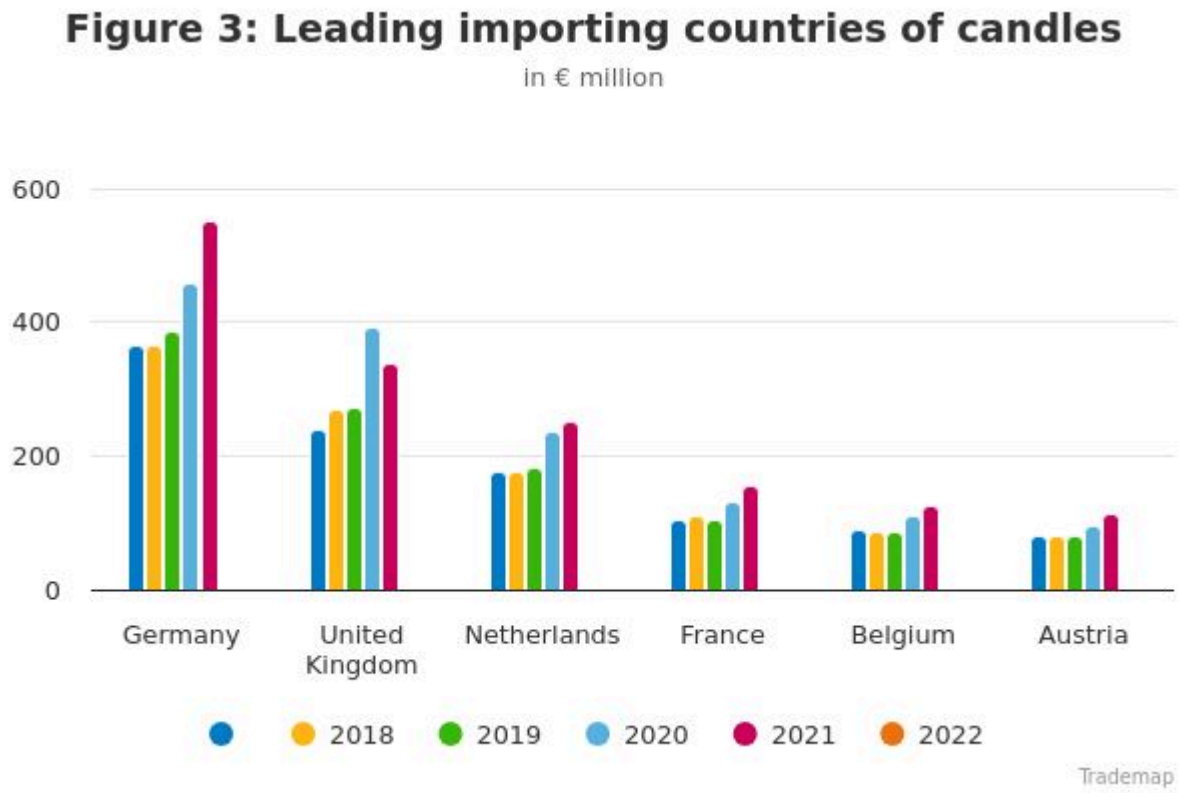
The COVID-19 pandemic and the war in Ukraine have disrupted international trade, affecting the costs and availability of raw materials, energy and transport. At the same time, lockdowns have led to an increased focus on the home and trends like wellness and 'home sweet home'. Candles fit in with these trends by providing ambience-enhancing dim lighting and fragrance. This may (at least partially) compensate for the pressure that the cost of living crisis puts on consumer spending. For more drivers of demand, see the section on trends.

Tip:

Be prepared for potential future trade disruptions. See our study on how to respond to COVID-19 for information on how to future-proof your business.

3. Which European countries offer the most opportunities for candles?

The larger Western European economies are the main importers of candles. However, importers in these countries generally sell their products across Europe. Your best strategy therefore is to focus on a particular segment, rather than a specific country.



Source: UN Comtrade

In 2022, Germany remained Europe's leading candle importer with 22% of imports, followed by the UK (14%) and the Netherlands (10%). Smaller markets with a share of less than 10%, but still in the top-6 leading importing countries, are France (6.2%), Belgium (5.0%) and Austria (4.6%).

Focus on segments

European countries have different roles in the HDHT market. Some are mainly importers and others are mainly manufacturers. Western European countries are mainly importers, and most Western European importers are re-exporters. They don't just sell their products in their own country, they also distribute them across the continent. This explains why in HDHT, small countries like the Netherlands often import much more than they consume.

In terms of marketing, you should know that countries are not markets. The HDHT market consists of different segments, ranging from low- to high-end (see our study on market entry for candles). Every European country has these segments, although their size may vary. Therefore, it makes much more sense for you to focus on a segment in your product group and connect with importers in that segment. These importers will then sell your products in that segment across Europe.

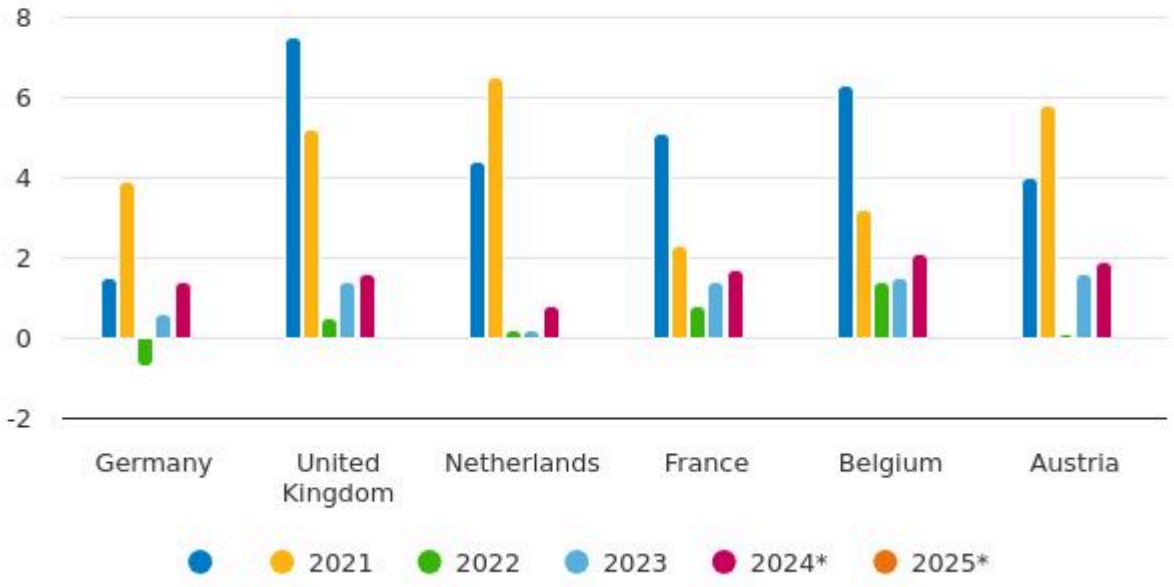
Consumer spending under pressure

Candle sales are sensitive to economic cycles. When economic circumstances and prospects are down, consumers postpone buying items that they don't urgently 'need'. When economic conditions are good, purchases of such non-essential products tend to rise.

European consumer confidence fell sharply in March 2022 due to the situation in Ukraine and the ensuing energy crisis. Although it has improved since then, consumer confidence still scores below its long-term average. This may well lead to lower spending.

Figure 4: Real private consumption expenditure growth

In percentage



Source: OECD

Before the COVID-19 pandemic, consumer spending ('private consumption expenditure') in the leading European markets grew by about 1-3% per year. Due to the pandemic, 2020 broke this trend. In 2021, growth bounced back into positive figures.

Forecasts for 2024-2025 are modest, reflecting consumer confidence. In line with this, about half of respondents intended to decrease their spending on home and furniture products, according to an Autumn 2022 European consumer survey. This continued in 2023, when 60-66% claimed to 'trade down' when shopping for home and furniture items – for example by shopping around for the best deals. At the same time, 14% intended to splurge on home decoration, suggesting they may save up first so they can spend more later.

Germany is Europe's largest importer

Germany is Europe's leading candle importer. According to a 2023 survey, 90% of German consumers have bought home wellness products such as scented candles before and 59% regularly buy/use them. The country's large domestic market, role as a trade hub, and relatively high imports of these product groups from developing countries make this an interesting market for you.

German candle imports grew from €366 million in 2018 to €550 million in 2022 (CAGR 11%). This was mainly due to strong growth in 2021 and 2022. Germany's role as a key trade hub in Europe may have helped the country boost its performance. Poland supplied about half of Germany's candle imports.

The direct import market share for developing countries grew from 14% in 2018 to 23% in 2022. Although this is slightly below the European average, the actual import value of €127 million is the second-highest in Europe. These imports mainly come from China and Vietnam.

Brexit may boost direct trade with the United Kingdom

The UK could well offer you opportunities, with high imports from developing countries and a potentially increased interest in direct sourcing. Brexit (the country's withdrawal from the EU) has led to relatively low consumer confidence levels since 2016. At the same time, it may result in British buyers importing more directly from developing countries, rather than from European importers. This allows them to avoid additional fees now

that they are no longer part of the EU's single market.

An estimated 94% of British consumers have bought home wellness products such as scented candles before, and 64% regularly buy/use them. The UK's candle imports grew from €240 million in 2018 to €339 million in 2022 (CAGR 9.1%). Developing countries' direct market share reached 47%, which is nearly double the European average. China (34% in 2022), Poland (14%), Vietnam (13%) and the Czech Republic (12%) are the UK's main candle suppliers.

The Netherlands is an important European trade hub

The Netherlands is an important European trade hub, with a fast-growing import market for candles. As in Germany, this role as a key trade hub may have helped the country boost its performance. This could make the country an interesting market for you.

Dutch candle imports grew from €175 million in 2018 to €251 million in 2022 (CAGR 9.4%). Growth was particularly strong in 2021. Imports from developing countries grew at an even stronger average annual rate of 26%, and more than doubled from €23 million in 2018 to €57 million in 2022. This represents a 23% share, which is just slightly below the European average. About 32% of 2022 imports came from Poland, the leading supplier. China and Belgium followed with 21% each.

France focuses on Chinese and European suppliers

According to a 2023 survey, 91% of French consumers have bought home wellness products such as scented candles before [source: Full Report download] and 57% regularly buy/use them. In 2020 and 2021, France turned to European countries like the Netherlands for its candle imports. This may have been an effect of the international trade disruptions after the COVID-19 outbreak.

France's candle imports grew from €105 million in 2018 to €154 million in 2022 (CAGR 10%). This included particularly strong growth in 2021 and 2022. The direct import market share of developing countries returned to 38% in 2022, which remains above the European average. These imports grew from €41 million in 2018 to €59 million in 2022 (CAGR 9.5%). However, most of this came from China, France's leading candle supplier (36% in 2022), followed by the Netherlands (19%), Italy (11%) and Belgium (10%).

Belgium is another trade hub

Like the Netherlands, Belgium is a relatively small country that functions as an important trading centre in Europe. Belgian candle imports grew from €90 million in 2018 to €125 million in 2022, at an average annual rate of 8.5%. The country's leading candle supplier is Poland, at more than a third of the imports. This shows that Poland has become a strong partner for the key European trade hubs.

Belgium's direct candle import market share for developing countries is relatively low, at about 11%. Almost all of these imports come from China. Considering the limited direct imports from other developing countries, opportunities to enter the Belgian market may be modest.

Austria mainly imports via European trade hubs

In recent years Austrian candle imports have been relatively stable, at about €80 million – even during the pandemic-related trade disruptions of 2020. After strong growth in 2021 and 2022, they reached €114 million. This resulted in a CAGR of 9.6% per year since 2018.

The country imported just €2.6 million worth of candles from developing countries in 2022, representing an import market share of 2.3% and almost all of it coming from China. Austria imports mainly from European trade hubs Germany (54% in 2022) and the Netherlands (9.0%), which suggests that indirect trade via those countries could be your best way into the Austrian market. Nearby Eastern European countries like Poland and Slovenia also have a considerable market share, at 13% each.

Tip:

Do not focus exclusively on specific European countries. Instead, identify the appropriate segment and let your buyers distribute your products across Europe within that segment.

4. What trends offer opportunities or pose threats in the European candle market?

The market for candles is shaped by various trends, often related to the trends for HDHT on a sector level. Key topics are ‘home sweet home’, wellness (including playfulness) and sustainability.

Home sweet home: cocooning with candles

In this trend, the home functions as a shelter – often for the older consumer with a relatively high disposable income. This consumer makes the home a retreat from a stressful world outside by creating a comfortable, quite luxurious interior. However, ‘home sweet home’ is also about families or groups of friends enjoying each other’s company, entertaining each other, cooking and dining, or just relaxing. The COVID-19 pandemic has strengthened these 2 aspects of inside living. Items that create a cosy atmosphere, like candles, play an important role.

Candles make consumers feel at home in the following ways:

Atmosphere and mood

When the lights are dimmed and the music is on, candlelight can add to an atmosphere of togetherness, romance and warmth.

Candle design features that are especially important in creating a specific mood and style are:

- Shape – taper, pillar or ‘fancy’;
- Finish – ‘rustic’ or glossy;
- Colour;
- Scent.

The most popular types of candles worldwide are:

1. Container candles;
2. Tapers;
3. Pillars.

The most popular candle scents worldwide include:

1. Vanilla;
2. Citrus/lemon;
3. Rose;
4. Lavender;
5. Pumpkin;
6. Coconut;
7. Cranberry.

All over the house

Consumers use candles to create ambience across the living room: in a nice candleholder on the dinner table, on the mantelpiece, or in the windowsill. Larger candles can even go in eye-catching candle holders on the floor. The same goes for tealights, often displayed in small glass containers. Candles can be found in other parts of the house too, from the bedroom to the bathroom.

Celebration

Feeling connected is a key part of 'home sweet home'. This is strengthened during moments of celebration.

Candles can brighten up special occasions, such as:

- Christmas or other holidays;
- Personal celebrations, such as birthdays or weddings; and
- The tea-drinking ritual, which often includes tea lights (in attractive holders).

The ideal gift

Gifting means connecting with a person that is near to you. Candles have become perfect gifts, especially when the giver can customise their candle according to the favourite colour or scent of the receiver. Consumer packaging can add value in adding a further message or story. This is also possible when candles are poured into nice, labelled containers.

Brand story

An older, slightly wealthier consumer may be quite open to the status that comes with a branded product. In candles, branding is an established form of marketing communication. The original brand stories came from European manufacturer brands with a great heritage, such as Trudon. Now, newer lifestyle brands such as Anthropologie or Jo Malone also tell their brand story – not just in their lines of candles, but across their full collection of home items.

Figure 5: Trudon – Luxury vegetable wax & paraffin candles in handcrafted glass containers

Source: Trudon @ YouTube

‘Home sweet home’ is a long-term trend, and the underlying need to connect to other people is a deep-seated driver. The uses for candles are plenty, ranging from gifting to celebration. This makes the market for candles strong but competitive. New entrants will need to differentiate (stand out) and there seems to be room to do so based on ‘origin’.

Tips:

- Think of rituals and product ingredients (especially scents) that have their basis in your own culture and could be adapted to appeal to a more global consumer.
- Emphasise the gift potential of your candles, for example by highlighting the origin, scents or accessories you pack with your candles. Think of items that are specific to your area, such as bark, seeds, shells or beads. A key aspect of this is to add containers, or actually produce your candle inside a container. Make sure your packaging matches the design value of your candles and adds value.
- Offer a high level of craftsmanship in moulding and/or hand-finishing if you wish to enter the market for fancy candles. Candles have moved from purely functional items to desirable decorative accessories and gifts. Fancy candles have become especially sophisticated when it comes to decoration and surface techniques (such as embossing, bas relief effects, accessorising), textures and colours.
- Clearly communicate your values and stories, especially on your website. As an exporter from a developing country, you are not likely to become an established brand in the competitive European market. However, your stories and identity elements arestill very welcome. Even if you supply to an existing, established European brand name. They might not use your company’s branding, but your storytelling will add value to their brand.
- Offer a wide range of shapes, sizes and colour options to appeal to both the older and younger

customer bases in ‘home sweet home’.

Wellness: Candles and happiness

Wellness is a dominant consumer trend. European consumers are constantly trying to improve themselves, both in body and mind. Two-thirds of consumers are more conscious of looking after their physical/mental health than they were before the pandemic. In fact, over 67% of people worldwide say they make wellbeing a top priority. At the same time, 44% feel this is impossible to achieve and only 12% say they think their level of wellbeing is where it should be.

The home plays an important role in this. In a Life at Home survey, 40% of respondents who felt more positive towards their home also saw a positive impact on their mental health. Sleeping and relaxing are the most important activities for achieving a sense of wellbeing at home. Candles can facilitate this.

According to a recent survey, 75% of HDHT retailers also sell fragrances, scents & perfumes, including scented candles. 53% of these retailers have noticed increased demand for such products.

At-home wellness rituals

To boost their mental and spiritual wellness, European consumers are increasingly turning to at-home spa and yoga practices. Candles add a lot to these rituals aimed at health and happiness. This is due to the calming, relaxing or invigorating effect of candles, facilitated by their scent and colour. Thanks to these properties, tea lights and small pillars in particular have found their way into the bathroom, bedroom and any other area used for meditation and wellness.

Scents can play an important role in wellness, as they are known to have an effect on people’s wellbeing. Selecting candles, based on their scent or fragrance, can be a great way to improve your mood, reduce anxiety, and even combat fatigue or loneliness, according to the National Candle Association. For example, lavender is generally relaxing, peppermint invigorating, citrus uplifting, and jasmine is considered to promote sleep.

Figure 6: Rituals Cosmetics Global – Massage candle

Source: Rituals Cosmetics Global @ YouTube

In search of nature

Another key part of the wellness trend involves urban consumers getting in touch with nature, both inside and outside the home. Closeness to nature makes them feel healthier, more relaxed, and less concerned about the environment. Consumers do this, for example, by breaking down the barriers between the indoors and outdoors and by using natural materials. They also use materials and shapes that are similar to those found in nature (biomimicry).

Sparked by this trend, the garden has become an extension of the home. The lines between the indoor and outdoor areas of the home are blurring, so the garden looks like part of the living room. This has also given the sales of garden candles a boost, often in chunky pots.

Playful candles

Play is a deeply rooted human desire, bringing the consumer into a light-hearted, relaxed mood. Today's consumers – both young and old – play a lot. They do so in private as well as in public places, online and offline, to acquire new insights at work and at school, in teams, alone, face-to-face or with virtual friends.

Fancy candles hold a firm place in the product group, adding an element of playfulness. With fancy candles, anything goes – bright colours, surprising shapes, or an unexpected smell. The buzzword is fun! Especially at Christmastime, candles are often figurative: sets of wax angels, a complete Disney story in candles, or tiny wax houses that burn from the inside for a nice effect. Figurative or fancy candles are quickly becoming decorative accessories in their own right, competing with items such as ceramic or wooden figurines.

Candle-making kits

Offering consumers both a relaxing activity and an opportunity to learn new skills, at-home candle-making fits in with the wellness trend. Using do-it-yourself (DIY) candle-making kits, consumers can be creative with shapes,

colours and scents.

These kits come with a variety of materials and tools, and should also include step-by-step instructions. They generally come with natural wax, like soy wax or beeswax, or encourage you to use the remains of burnt candles – which is perfectly in keeping with the wellness trend. Options range from simple kits with roll-up wax sheets and wicks to more elaborate kits with containers/jars, fragrance oils, dyes, moulds, decoration, stirrers and/or other tools and accessories. There are even kits that come with air-dry clay to make pots.

Tips:

Use style to cater to the wellness needs of consumers. In a spa context, a neutral colour palette with light tones often works best in support of basic cylindrical shapes. For the playful side, bright and expressive colours and shapes are preferred.

To create a sense of closeness to nature, use natural tones and soft or earthy colours. You can also add scents of the forest, countryside, or plants and flowers.

For more information, see our article on how the COVID-19 pandemic boosted the importance of the wellness trend in HDHT.

Sustainability: People and planet

Social and environmental sustainability are quickly becoming a more central consumer need in HDHT and the product group of candles. The internet has made global consumers much more aware of production processes and working conditions. It has also made them more vocal in their need for greater transparency.

Especially for younger generations, the pandemic has made it more important that consumers and companies improve their sustainability. An impressive 86% of European consumers consider sustainability (very) important. 29% deliberately and consciously buy sustainable products. In addition, most people want significant change to make the world fairer and more sustainable after COVID-19. Millennialsand Gen Z will soon be the dominant generation of consumers. They care about sustainability and express this by buying products that contribute to a better world and from companies that do the same.

Sustainability relates to social and environmental aspects of the value chain. This includes:

- The use and sourcing of raw materials;
- The processing and manufacturing phase;
- Transport;
- Consumer use; and
- Waste and disposal .

Candles are usually produced in a controlled, factory environment. A variety of SA- or BSCI-based forms of social compliance is becoming the norm. In the more handmade segment, candles are traditionally a popular fairtrade product. The World Fair Trade Organization (WFTO) Guarantee System is a major label for this part of the industry.

Upcoming EU sustainability legislation

The European Green Deal also provides a legal aspect to social and environmental sustainability. The

European Commission has started working on various proposals for new and updated green and social legislation. Particularly relevant proposals for the candle industry include:

- Corporate Sustainability Due Diligence Directive
- Forced Labour Regulation
- Green Claims Directive
- Packaging and Packaging Waste Regulation

Well-known sustainable initiatives (like BSCI, ETI, Sedex or the WFTO Guarantee System) and certifications (like Ecocert candles and home fragrances certification) can help you prove your sustainability to buyers and consumers.

More eco-friendly materials

There has been much debate about replacing paraffin with renewable raw materials, as paraffin wax is derived from petroleum products. The rising prices of petroleum and the declining oil and gas industry due to concerns about non-renewable energy sources, are expected to negatively impact the candle market. This has become more pressing since the war in Ukraine drove prices up further and caused shortages.

Palm wax is an option, but palm oil is not automatically sustainable. The Roundtable on Sustainable Palm Oil (RSPO) was created to develop and implement environmental and social standards for the industry. Although still under scrutiny for its effectiveness, its system of certification is gaining many followers, not only in the candle industry but also in industries like food and cosmetics. 20% of the world's palm oil is now RSPO certified. Nevertheless, palm oil is a focus product of the new EU Deforestation Regulation (EUDR).

Plant-based ingredients and organic wax are increasingly used to offer a more sustainable alternative. For example, soy wax has become a popular option. Beeswax candles have secured a niche position in the product group. They often offer a mix of natural ingredients and handmade production.

Tips:

Use recycled or (sustainably produced) natural materials. Also look into other ways to reduce your impact on the environment, for example in your production or transport. If you also offer consumer packaging, make sure that is sustainable as well. You could use recycled paper or other re-used or biodegradable materials.

Clearly communicate your specific sustainable values and practices. These do not need to be perfect, but giving your buyers specific information can help them greatly.

Make sure you can prove your environmental and/or social sustainability claims by showing your recipes, processes and/or certification.

If your importer is interested, consider certification. For more information on this and the upcoming EU sustainability legislation, see our studies on market entry for candles and buyer requirements for HDHT.

For more information, see our special study on sustainability in HDHT, our tips to go green and tips to become socially responsible, and our webinars on sustainability in the European HDHT marketand sustainable innovations for your HDHT business.

Example company

Wax Industri from Indonesia produces candles with a high emotional value, in a wide variety of shapes and colours. In a small rural factory, more than 150 craftspeople hand-pour and mould the company's palm wax candles. Most of these candlemakers are women. They use local and renewable materials as much as possible. This approach reflects Wax Industri's commitment to both social and environmental sustainability, as a WFTO Fair Trade Guaranteed company. In 2012, they won a CBI SME award for Social Impact.

Globally Cool B.V. carried out this study in partnership with GO! GoodOpportunity on behalf of CBI.

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