

The European market potential for candles

Last updated:
24 April 2023

Europe accounts for about two-thirds of the total worldwide candle imports. This makes it a particularly 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. 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, 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 three 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)	Prodcom	Description
3406	32 99 54 00	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. Other raw materials include beeswax, soy and other plant waxes. Palm oil is also on offer as a more sustainable raw material, but 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

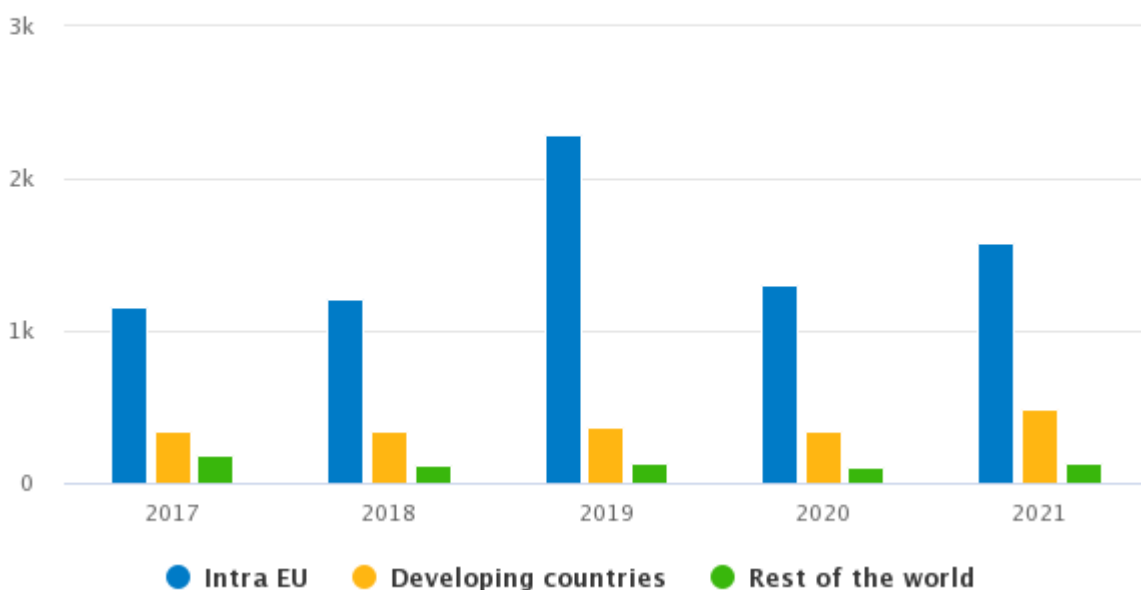
Candles for the mid-market should match colour trends in interior decoration. Fancy candles must have creative shapes and decorations. Well-designed containers (such as ceramic, glass or metal jars and tins) can add value to candles, which are often scented. See an example of [variety of candles and a recycled plastic frame](#) by Ester & Erik.

2. What makes Europe an interesting market for candles?

The European candle market has grown in recent years. It represents around 60% of the global candle market. About a fifth of Europe’s candle imports comes directly from developing countries. This makes Europe an interesting market for you.

Figure 1: European imports of candles

in € million



European candle imports grew from €1.7 billion in 2017 to €2.2 billion in 2021, at an average annual rate of 6.6%. Similarly, worldwide candle imports grew from €2.6 billion to €3.7 billion. This means Europe accounts for about 60% of the global imports.

The direct European import market share for developing countries was between 20-22%. These imports grew from €342 million to €481 million, at an average rate of 8.9% per year. This makes Europe an interesting market for you, as an exporter from a developing country.

The COVID-19 pandemic and the war in Ukraine continue to disrupt international trade. Rising oil prices may limit the demand for paraffin candles. At the same time, people are focusing more on the home, and trends like wellness and “home sweet home” due to the lockdowns. Candles fit in with these trends by providing dim light and fragrance to enhance the ambience. This may partially (or fully) compensate for the negative effects of the cost-of-living crisis. For more drivers of demand, see ‘which trends offer opportunities?’ below.

Tip:

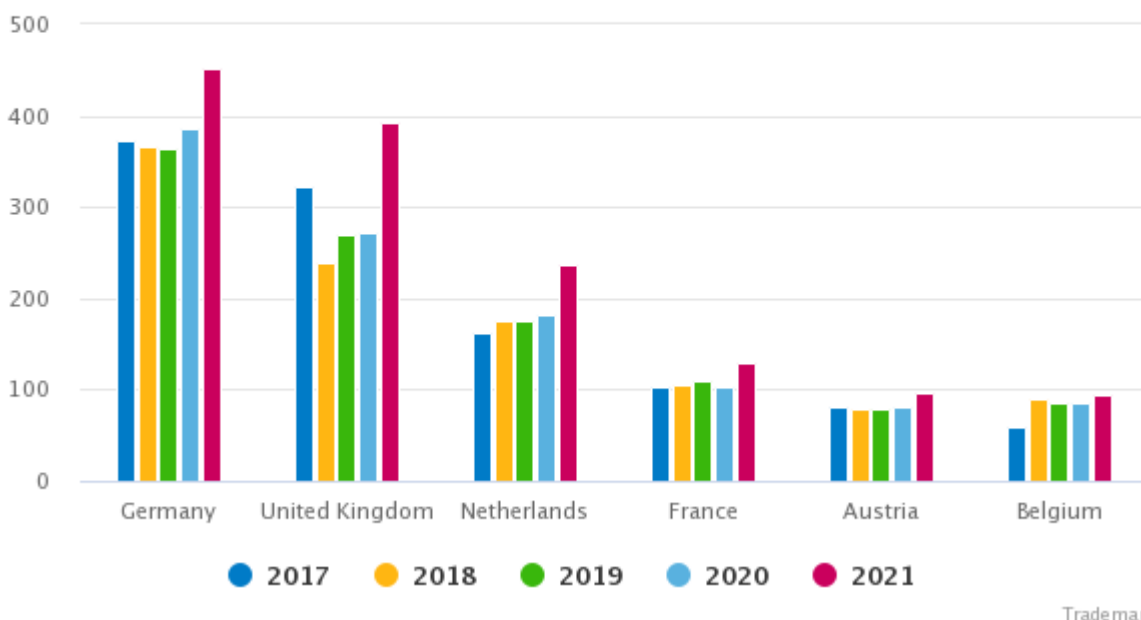
For more information on the short-term and long-term impact of the pandemic on the HDHT sector, see our study on [how to respond to COVID-19](#).

3. Which European countries offer 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.

Figure 2: Leading importing countries of candles

in € million



Source: UN Comtrade

In 2021 Germany remained Europe’s leading candle importer with 21% of imports, followed by the United Kingdom (18%) and the Netherlands (11%). These countries managed to increase their imports in 2020, despite pandemic-related trade disruptions. France (5.9%), Austria (4.4%) and Belgium (4.3%) complete the top six of

leading importing countries. All these markets performed well in 2021, but some of those imports may be delayed shipments carried over from 2020. Whether new patterns from 2021 are here to stay, is not yet clear.

Focus on segments

Be aware that European countries have different roles on the market. Some are mainly importers and others are mainly manufacturers. Western European countries are mainly importers (and re-exporters). Most Western European importers do not just sell their products in their own country, but they distribute them across the continent. This explains why in terms of HDHT, small countries like Denmark and the Netherlands often import much more than they consume.

In terms of marketing, you need to know that countries are not markets. In HDHT there are different market segments, ranging from low to high (see our study on [market entry](#) for candles). Every European country has these segments, although their size may vary per country. Therefore, it makes much more sense for you to select a segment in your product group and connect to the importers and distributors in that segment, instead of in a specific country. These distributors will then sell in that segment across Europe.

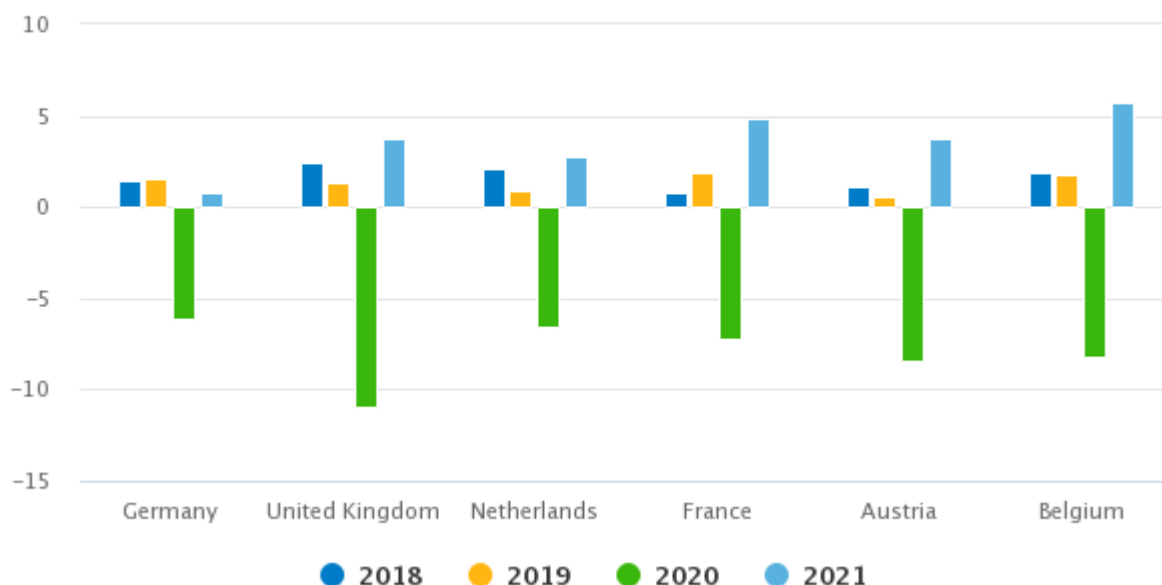
Consumer spending and confidence are under pressure

Because of the COVID-19 pandemic and the war in Ukraine, consumer spending and confidence are under pressure. This could lead to lower demand for HDHT products.

The HDHT sector is sensitive to economic cycles. When economic circumstances and prospects are down, consumers postpone buying items that they do not urgently 'need'. When economic conditions are good, purchases of such non-essential products tend to rise.

Figure 3: Real private consumption expenditure growth

In percentage



Source: OECD

Until the outbreak of COVID-19, the leading European markets showed an annual growth in consumer spending ('real private consumption expenditure') of around 1-3%. Due to the pandemic, this trend broke in 2020. In 2021, growth bounced back into positive figures.

In December 2021 the forecasts for 2022 and 2023 were also positive, particularly for 2022. However, in March 2022 European [consumer confidence fell sharply](#) due to the situation in Ukraine and the following energy crisis. This was reflected in a large drop in households' faith in the general economic situation in their country, and their own future financial situation. Consumers' intent to make major purchases also fell. This lower consumer confidence may well lead to lower spending.

Germany is the largest European importer

Germany is the largest economy in Europe, home to nearly a fifth of the European Union's (EU) population. The [German GDP was back at pre-COVID-19 levels](#) in the second quarter of 2022. This is somewhat behind most other Northern and Western European countries, whose economies recovered in 2021.

German candle imports grew from €373 million in 2017 to €451 million in 2021, at an average annual rate of 4.8%. This included strong growth rates of 5.8% in 2020 and 17% in 2021. Germany's role as a key trade hub in Europe may have helped the country maintain a strong performance. Poland supplies almost half of Germany's candle imports. This illustrates how Polish exporters can benefit from being so close to the Western European market, especially Germany.

The direct import market share for developing countries grew from 15% in 2017 to 18% in 2021. Although this is below the European average, the actual import value of €82 million is the second highest in Europe. These imports mainly come from China and Vietnam.

Germany's large domestic market, role as a trade hub, and growing candle imports from developing countries make this an interesting market for you.

Brexit may promote direct trade with the United Kingdom

British candle imports rose sharply to €391 million in 2021, after a relatively slow recovery from a drop of -26% in 2018. This translates to an average annual growth rate of 5.0% between 2017 and 2021. Particularly encouraging is the fact that most of this growth comes directly from developing countries. These imports grew from €107 million in 2017 to €162 million in 2021, at an average yearly rate of 11%. Developing countries' direct market share reached 41%, which is nearly double the European average.

China (26%), the Czech Republic (23%), Poland (11%) and Vietnam (10%) are the United Kingdom's main candle suppliers. The Czech Republic and Vietnam performed particularly well. For the Czech Republic, this is probably due to the opening of popular Yankee Candle's first European production plant in 2016.

The United Kingdom's withdrawal from the EU ([Brexit](#)) has led to relatively low consumer confidence levels since 2016. At the same time, Brexit 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.

The [British GDP decreased by -9.9% in 2020](#), a record decline. Like in most Northern and Western European countries, the [British economy returned to pre-pandemic levels in 2021](#). Considering the country's high imports from developing countries and the potential increased interest in direct sourcing, the United Kingdom could be an interesting market for you.

The Netherlands is an important European trade hub

Dutch candle imports grew from €162 million in 2017 to €236 million in 2021, at an average rate of 9.8% per year. This included strong growth rates of 4.0% in 2020 and 30% in 2021. Like in Germany, the Netherlands' role as an important European trade hub may have helped the country maintain a strong performance. About 30% of these imports come from Poland, the leading supplier. Belgium follows with 18%.

Imports from developing countries increased at an even stronger average annual rate of 22%. They more than

doubled from €20 million in 2017 to €45 million in 2021. This represents a 19% share, which is comparable to the European average. Most of this comes from China, with an import share of 17%.

Like in other Western European markets, the Dutch GDP was back at 2019-levels in 2021. Brexit and various international trade disputes may have a big impact on the Netherlands, since the country heavily depends on international trade. Because developments in other European countries play a key role, Dutch imports are difficult to predict. However, its strong performance as a European trade hub makes the Netherlands an interesting market for you.

France imports less from developing countries

After a -5.9% dip in 2020, French imports recovered with a 25% growth in 2021. They reached €129 million, which probably includes some delayed shipments carried over from 2020. This translated to an average annual growth rate of 5.5%.

The direct import market share of developing countries has dropped from 40% in 2017 to 33% in 2021, which continues to be above the European average. It seems France has substituted some of its direct imports from developing countries with supplies from European countries like the Netherlands. China (28%) remains France's leading candle supplier, followed by the Netherlands (18%) and Italy (11%).

Economic growth in France had already slowed down before dropping to -8.3% in 2020 due to the pandemic. Global uncertainties and the effects of social unrest weighed on consumer confidence and affected the consumption of non-essential products. Although the French GDP returned to its pre-pandemic level in 2021, the country seems to be shifting its focus towards intra-European trade, possibly limiting opportunities to enter the market.

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 a strong 18% growth in 2021, they reached €96 million. This resulted in an average growth rate of 3.9% per year since 2017.

However, Austria imported just €1.2 million worth of candles from developing countries in 2021. This represents an import market share of 1.7%. Almost all of this comes from China. Instead, Austria mainly imports from European trade hubs Germany (56%) and the Netherlands (13%). This suggests that indirect trade via those countries could be your best way onto the Austrian market.

Belgium is another trade hub

Like the Netherlands, Belgium is a relatively small country as well as an important trading centre in Europe. Belgian candle imports grew from €59 million in 2017 to €95 million in 2021, at an average annual rate of 12%. The country's leading candle supplier is Poland, supplying 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 12%. Almost all of these imports come from China (11%). Because the country's role on the European market is similar to that of the Netherlands, Belgian imports are also difficult to predict. Considering the limited direct imports from developing countries, opportunities to enter the Belgian market may be limited.

Tip:

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

4. What trends offer opportunities on the European candle market?

The market for candles is shaped by various trends, often related to the [trends for HDHT](#) on a sector-level. The main developments are outlined below, starting with the effects of the COVID-19 pandemic on the HDHT market.

COVID-19's effect on trends in HDHT

The COVID-19 pandemic has resulted in an increased focus on the home. Areas such as wellness and working from home have become hot topics since lockdown measures were introduced.

Spending a lot of time at home has also motivated consumers to:

- Make their homes more pleasant, practical and comfortable;
- Merge the outdoors and indoors;
- Declutter; and
- Care about sustainability

These are mainly consumer trends that were already ongoing and have been accelerated.

Home Sweet Home: cocooning with candles

In this trend, the home functions as a shelter for a consumer. This consumer makes the home a retreat with a comfortable, quite luxurious interior – a world in itself, as it were. 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 two aspects of inside living.

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; and
- Scent

All over the house

Consumers now use candles to create ambience all over 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 [Cire Trudon](#). Now, newer lifestyle brands such as [Anthropologie](#) also tell their brand story – not just in their lines of candles, but across their full collection of home items.

Home Sweet Home is a long-term trend, and the underlying need to connect to one's fellow human being 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 a developing country exporter, probably you are not and will not be an established brand in the competitive European market. However, your stories and identity elements are very welcome. Even if you supply to an existing, established European brand name. They might not use your company's branding, but your content 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

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 a 2021 global Young Living survey, 48% of respondents report they are making [wellness and self-care a top priority](#). The home plays an important role in this. In a recent Life at Home survey, 40% of respondents who felt more positive towards their home also saw a [positive impact on their mental health](#).

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 on the consumer, 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. See how candles can be used to [create a spa experience at home](#) with Anthropologie EU candles.

In search of nature

A key part of this 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 given 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 or with friends (possibly virtual).

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 Christmas time, candles are often figurative. For example, 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.

Tips:

Use style to cater to the wellness needs of consumers. For a spa application, 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 needed.

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

See our article on how [the COVID-19 crisis boosts the importance of the wellness trend in HDHT](#) for more information.

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.

The COVID-19 pandemic has boosted this trend. For most (especially the younger generations), the pandemic has made it more important that both [consumers and companies improve their sustainability](#). In addition, most people want significant [change to make the world fairer and more sustainable](#) after COVID-19. [Millennials](#) will soon be the dominant consumer group. They care about sustainability and are used to expressing their preferences through their consumption. They buy products that contribute to a better world.

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. WFTO's fair-trade system is a major certification in this part of the industry.

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 has driven 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 the food and cosmetics industries, for example. 19% of the world's palm oil is now RSPO certified.

Plant-based ingredients and organic wax are used more and more, to offer a more sustainable alternative. [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. For example, by using recycled paper or other re-used or biodegradable materials.

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

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.

If your importer is interested, consider certification. For more information on this, see our studies on [market entry for candles](#) and [buyer requirements for HDHT](#).

See our special study on [sustainability in HDHT](#) for more information, as well as our webinar on [sustainability in the European HDHT market](#).

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 by hand 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.

Figure 4: CBI SME Awards – Wax Industri Nusantara PT

This study was carried out on behalf of CBI by [Globally Cool BV](#) in collaboration with GO! GoodOpportunity.

Please review our [market information disclaimer](#).