

The European market potential for decorative objects

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After a period of steady growth, the COVID-19 pandemic has caused the European market for decorative objects to decline. Nonetheless, almost two thirds of the imports are directly sourced from developing countries, making Europe an interesting market for you. Demand is driven by consumers' desire to decorate their home and surround themselves with things they love. Key trends include adding functionality, humour, collectability and cultural touches. While decorative objects are often made of non-sustainable composite materials, sustainable options are on the rise.

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1. Product description

In Home Decoration and Home Textiles (HDHT), decorative objects are categorised under home decor items. They are figurines and abstract objects to decorate the home, and they can be standing or hanging ('wall decoration'). Different styles allow consumers to choose decorations that matches their personal taste and fit in with the overall style of their home or room. This makes decorative objects in the home rather personal.

Themes are varied, but usually include:

- animals, especially birds, cats, elephants
- human or humanoid figures, especially Buddhas and fantasy figures, such as fairies
- abstract objects

Most decorative objects have a relatively permanent place in the home, except for decorations related to specific occasions, such as Christmas, which are usually removed after the event. Souvenirs are another specific category. These are visual memories of the places people have visited, such as Delft Blue objects from the Netherlands.

Figure 1: Various types of Buddha figurines



Source: [Pexels](#)

This study uses the following codes to indicate trade in decorative objects:

Table 1: Product codes for decorative objects

Harmonised System (HS)	Prodcom	Description
3926 40	22 29 26 20	Statuettes and other ornaments, of plastics
4420 10	16 29 13 00	Statuettes and other ornaments, of wood (excluding wood marquetry and inlaid wood)
6913 10	23 41 13 30	Statuettes and other ornamental ceramic articles of porcelain or china, not elsewhere specified
6913 90	23 41 13 50	Statuettes and other ornamental ceramic articles, not elsewhere specified (excluding of porcelain or china)
7018 90 90		Statuettes and other ornaments of lamp-worked glass (excluding imitation jewellery)
8306 21	25 99 24 00	Statuettes and other ornaments, of base metal, plated with precious metal (excluding works of art, collectors' pieces and antiques)
8306 29		Statuettes and other ornaments, of base metal, not plated with precious metal (excluding works of art, collectors' pieces and antiques)

Although these codes use the term ‘statuettes’, this product group is known as ‘decorative objects’ in the trade. European consumers use decorative objects in any room in the house. This study focuses on indoor decorative objects. It discusses items produced in series (from mass to limited edition), rather than one-offs and art.

Functionality

Decorative objects have no specific function, other than being beautiful. As this depends on personal taste, consumers often buy these items for themselves. However, decorative objects can also be nice gifts.

Material

Decorative objects come in a wide variety of materials, from natural materials, such as ceramics, glass, metal and wood, to synthetic materials, such as plastics, resins, or composite materials. They can be produced industrially, by hand, or with the help of simple power tools.

Figure 2: Set of metal deer figurines



Source: [Pexels](#)

Design

Most importantly, decorative objects are designed to be beautiful. Innovative design can increase the value of a decorative object. At the same time, the items have to be well constructed and should not come apart easily. Especially in mature markets, consumers can choose the level of quality that suits them best.

2. What makes Europe an interesting market for decorative objects?

Before the COVID-19 pandemic, the European decorative objects market was growing steadily. Almost two thirds of the import value is sourced directly from developing countries, making Europe an interesting market for you.

Between 2016 and 2019, European imports of decorative objects increased from €2.1 billion to €2.5 billion. In 2020, however, the [outbreak of the coronavirus](#) (COVID-19) pandemic led to an -10% decrease. This added up to a total average annual growth rate of 1.0% for the 2016-2020 period, reducing the market to a size comparable to 2016/2017.

Nearly two thirds of the total European import value of decorative objects was sourced directly from developing countries. Because of this, these imports showed a similar pattern to the overall imports, increasing until 2019 and then falling back to 2016/2017 levels. Nevertheless, Europe is an interesting market for you, as an exporter from a developing country.

In 2021, the COVID-19 pandemic and the measures taken against it worldwide continue to affect international trade. At the same time, lockdowns have resulted in an increased focus on the home and garden. This may partly or fully offset the negative effects on the market. Demand is driven by consumers' need to decorate their home and surround themselves with things they love. 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 sector, see our study on [how to respond to COVID-19 in the HDHT sector](#).

3. Which European countries offer most opportunities for decorative objects?

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

In 2020, Germany remained Europe's leading importer of decorative objects with 22% of imports, followed by the Netherlands (13%), the United Kingdom (12%) and France (11%). Together they accounted for more than half of the European total. Smaller markets with a share of less than 10%, but still in the top six of leading importing countries, are Italy (4.6%) and Belgium (4.5%).

However, you should be aware that in the European market, countries have different roles. A rough distinction can be made between countries that are mainly importers and countries that are mainly manufacturers. Most Western European importers not only sell their imported products in their own country, but also distribute them across Europe. This explains why in HDHT, imports into small countries like Denmark and the Netherlands often far exceed the demand in their own domestic market.

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

Real private consumption expenditure

Real private consumption expenditure is an important indicator for growth in demand. The HDHT sector, which includes the market for decorative objects, is sensitive to economic cycles. When economic circumstances and prospects are poor, consumers postpone buying non-essential items. Conversely, when economic conditions are favourable, private consumption expenditure and purchases of non-essential HDHT products tend to increase.

Until the outbreak of the COVID-19 pandemic, the leading European markets showed an annual growth in real private consumption expenditure of around 1-3%. Due to the pandemic, this trend was reversed in 2020. However, because lockdowns increased consumers' focus on their home, the effect of this on the HDHT sector may have been limited. For the coming years, growth is expected to bounce back into positive figures.

Germany continues to be the largest European importer

Germany is the largest economy in Europe, home to nearly a fifth of the European Union's population. It is widely considered the stabilising force within the European Union. The Economist forecast [Germany to be the first major European economy to recover from the current crisis](#). This was based on both the country's healthy finances before the crisis and its large industrial sector, the resurgence of which also benefits suppliers abroad. Indeed, the European Commission projects [German GDP will return to pre-COVID-19 levels by the end of 2021 or early 2022](#).

Between 2016 and 2019, German decorative objects imports increased from €466 million to €487 million, at an average annual rate of 3.6%. In 2020 they decreased by -6.0%, a considerably smaller decrease than the European average. On balance, this represented an overall average growth of 1.1% per year.

Germany sources about three quarters of its import value directly from developing countries, which is above the European average. These imports decreased by -8.5% (€33 million) in 2020, returning to their 2016 levels. However, most of this decline related to China, the leading supplier to the German market. Other developing countries like Vietnam and Indonesia managed to increase their exports to Germany in 2020. This suggests there could be opportunities for you.

In addition to having a large domestic market, Germany is also a key trade hub within Europe. Combined with a relatively stable market for developing countries and the forecast economic recovery, this makes Germany an interesting market for you.

The Netherlands is an important European trade hub

Dutch imports of decorative objects increased at an average annual rate of 3.9% between 2016 and 2019. In 2020 they decreased by -12%, coming to €293 million. This is €5 million less than in 2016, representing an overall average decline of -0.4% per year. Direct imports from developing countries decreased by -13% in 2020, coming to €239 million. Despite this decline, their average annual growth rate between 2016 and 2020 was

2.0%. 81% of Dutch imports come from developing countries, which is their highest import market share in Europe.

China is by far the leading supplier to the European market (66%), followed at a distance by India (6.2%) and Germany (5.9%). Export performances varied considerably in 2020. For example, while China's and India's exports decreased, Thailand increased its exports to the Netherlands.

[Dutch GDP is projected to return to 2019 levels by the end of 2022](#), lagging slightly behind the European average. As well as the COVID-19 pandemic, [Brexit](#) (the United Kingdom's withdrawal from the European Union) and international trade disputes between the United States and China and between the United States and Europe may have a big impact on the Netherlands. Because the country heavily depends on international trade, negative developments in that area strongly affect its economic performance. This, in turn, affects consumption of decorative objects.

Since the Netherlands is a big re-exporter of goods, the impact on the imports of HDHT products goes beyond the country itself. Developments in other European countries will also play a role, making total Dutch imports difficult to predict. However, its large market for developing countries does continue to make the Netherlands a relatively interesting market for you.

Brexit may boost direct trade with the United Kingdom

British imports of decorative objects also decreased in 2020, by -9.5%. Overall, however, between 2016 and 2020 the average annual growth rate was 3.0%. This is the result of a strong increase of 7.5% per year on average over the 4 years leading up to 2020.

Around three quarters of the €257 million worth of imports into the United Kingdom was sourced directly from developing countries, which is more than the European average. China continues to be the main supplier of decorative objects to the UK, accounting for 66% of British imports in 2020. Germany follows at a considerable distance with 8.6%.

Brexit has led to [relatively low consumer confidence levels](#) since 2016. At the same time, Brexit may lead to British buyers importing more items 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 European Union's single market. The devaluation of the British pound since the Brexit referendum has also made direct trade more attractive.

[British GDP decreased by -9.9% in 2020](#), a record decline. At the start of 2021, a Financial Times survey among leading economists projected the [British economy to be one of the last to recover](#). Since then, however, the Bank of England governor Andrew Bailey has indicated he expects the economy to [return to pre-COVID levels by the end of 2021](#). Considering this positive development and the potentially increased interest in direct sourcing from developing countries, the United Kingdom could well offer you good opportunities.

France's economy is set to recover in 2022

Between 2016 and 2019, French imports of decorative objects increased at an average annual rate of 6.2%. In 2020 however, they fell by -8.6% to €249 million. This added up to an average annual growth rate of 2.3%.

Interestingly, France's direct imports of decorative objects from developing countries only decreased by -2.8% in 2020, keeping them fairly stable at €125 million. This adds up to a 50% market share, which is far below the European average. However, an overall average annual import growth of 4.7% despite the pandemic is promising. With a 40% market share, China is the leading supplier of decorative objects to France. The Netherlands follows at a distance, with 15%.

Economic growth in France had already slowed down before plummeting to -8.3% in 2020 due to the pandemic.

Global uncertainties and the effects of social unrest weighed on consumer confidence and the consumption of non-essential products. However, [French GDP is expected to return to its pre-pandemic level in the first half of 2022](#), slightly ahead of the European average. Combined with the relatively low decrease in imports of decorative objects from developing countries, this could make France an interesting market for you.

Italy's economy is expected to recover particularly slowly

Being particularly affected by the pandemic, Italy experienced a GDP decline of -8.8% in 2020. [Italian GDP is not projected to reach its 2019 level by the end of 2022](#), as Italy is still forecast to have the slowest economic recovery in Europe. This is expected to affect consumer confidence and the consumption of non-essential products in the coming years.

Italian imports of decorative objects were already fluctuating before COVID-19 disrupted global trade. In 2020, they plummeted by -20%. The decrease from €130 million in 2016 to €101 million in 2020 represented an average annual decrease of -6.1%. Direct imports from developing countries made up around three quarters of the market, and thus followed a similar pattern. While they reached €98 million in 2019, they fell to €75 million in 2020.

China and Vietnam are the leading suppliers of decorative objects to Italy, with market shares of 53% and 12% respectively. While some developing countries managed to keep their exports to Italy fairly stable, prospects on this market are likely to be limited for the coming years.

Belgium is another trade hub

With the exception of a peak in 2019, Belgian imports of decorative objects have generally hovered just above €100 million in recent years. This added up to an average annual decline of -0.2% between 2016 and 2020. Direct imports from developing countries fluctuated considerably in this period. Their 2020 value of €59 million was comparable to 2018, although it represents an average annual decrease of -2.2% since 2016.

China is the leading supplier of decorative objects to Belgium, accounting for 49% of Belgian imports. About a quarter of Belgian decorative object imports are supplied from the Netherlands, suggesting this may be a good route to enter the market.

After a decline of -6.2% in 2020, [Belgian GDP is expected to return to pre-pandemic levels in the second half of 2022](#). Like the Netherlands, Belgium is an important trading hub in Europe. Therefore, given the economic difficulties in Europe as a whole, total Belgian imports in the coming years will also be difficult to predict.

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. Which trends offer opportunities or pose threats on the European decorative objects market?

The market for decorative objects is shaped by various trends, often related to the [trends for HDHT](#) on a sector level. We will outline the main developments below, starting with the potential effects of the COVID-19 pandemic on the HDHT market.

COVID-19 and trends in HDHT and decorative objects

An expected outcome after the COVID-19 crisis is that people will be more focused on the home, having been in lockdown. A major factor in consumer spending will be the disposable income consumers may or may not have after the pandemic. The level of concern about this is expressed in consumer confidence, which continues to be relatively low. This makes some consumer groups reluctant to spend on anything beyond food, cleaning products and other household essentials.

However, the pandemic has boosted consumer interest in some areas of HDH, such as:

- wellness / fitness at home
- working from home
- cooking

Spending a lot of time at home has also moved consumers towards:

- a reappraisal of their homes and the desire to make their home more pleasant, practical and comfortable overall
- bringing the outdoors inside and vice versa
- removing clutter

These trends are partly a continuation of consumer trends that were already ongoing, some of which have been accelerated as a direct consequence of COVID-19 and subsequent lockdowns. In addition, the pandemic has demonstrated the fragile balance on this planet. As such, it is another important demonstration of the fact that we need to produce more sustainably, taking care of our resources, our people and the planet in general. This underlines the importance of the existing trend of sustainability in the decorative objects market.

Home sweet home: decoration and playfulness

In HDHT, trends and countertrends happen. On the one hand, there is a strong tendency among consumers to want to 'declutter' the home. This is expressed by buying only what is functional and essential, and by the large demand for storage products. At the same time, there is a countertrend based on the demand for objects to decorate the home which are not strictly necessary but fulfil a strong and deep-seated need among consumers.

At the heart of the 'home sweet home' trend is the idea of 'cocooning' – the need to surround yourself with the people and things you love, inside the warmth and familiarity of your own home. Decorative objects, which you have chosen yourself or received as a present from a loved one, are items you put on display anywhere in your home. They are objects that you like for what they represent, such as a fantasy figurine or a favourite animal, or for the craftsmanship and special materials. The appeal is emotional, which is extremely suited to the cosiness of cocooning.

'Home sweet home' is an ongoing trend and the underlying need to connect with one's fellow human being and feel secure in one's own home are deep-seated drivers. Decorative objects take a central place in this theme, making the product group a lasting but competitive market segment.

From functional to decorative

Playfulness is a powerful form of escapism, distracting consumers from worries in their daily lives. This can be a particularly pressing need in times of crisis, such as during the COVID-19 pandemic. A popular way for European consumers to express this need in their home decor is by buying functional objects with decorative designs.

Examples are:

- door handles shaped like birds
- wall hooks in the shape of branches
- a desk tidy/organiser shaped like a ship

a cable container in the shape of a dog

Figure 6: Wall hooks shaped (and functioning) like clothes pegs



Source: [Unsplash](#)

From decorative to functional

In the same way, European consumers like decorative objects to be functional. They have a rational need for interior products to 'work'.

For example, figurines can function as:

- tea lights or lamps
- clocks
- paperweights
- doorstops

As decoration merges with functional areas like cooking, decorative objects become more and more cross-category.

Figure 7: Fox figurine that functions as a plant pot



Source: [Unsplash](#)

Humour

Decorative objects are also a way to express playfulness and humour. European consumers like fun and light-hearted objects. If done well, humour can be a good way to connect with consumers. However, it is not easy to apply humour, as it is often personal or cultural.

Good options include the use of:

- quirky shapes
- parody
- subtle or risqué (design) jokes

Figures 6 and 7 are examples of how to include humour in your products.

Collecting

There is perhaps no stronger emotional appeal than objects that are part of a collection. To complete your set and display your collectibles in a special cabinet adds additional emotional charge to a decorative object. European consumers like to create their own collections and will often try very hard to find missing items through offline and online auctions.

Seasonal decoration

Christmas, in particular, is the time of year when European consumers make a real effort to decorate the home and the garden. During the festive season, consumers usually go to great lengths to decorate the home with standing or hanging items. But other public and private celebrations can also be an occasion for displaying

decorative objects and presenting them as gifts.

Tips:

Use design to make your decorative objects stand out. To this end, you can design objects in any shape, from figurative to abstract, in any material, and for all market segments. You can offer your objects as single items or in sets, and you can specialise in decorative objects or include them in a broader offering. A focus on Christmas and specific occasions or target groups (such as baby room decoration) can be part of your marketing.

For more information on Christmas-related items, see our studies about [nativity sets](#) and [Christmas tree decorations](#).

Develop separate lines of functional products, using your specific materials and techniques. For instance, manufacturers offering wooden figurines can add wooden doorknobs in decorative shapes.

Sustainability: A more sustainable value chain

Both the HDHT industry and consumers are becoming more concerned about the environmental and social effects of production and consumption. Sustainability is a priority for [millennials](#). For them, sustainability is about their future wellbeing. Millennials are much more likely than previous generations to 'vote with their wallets'. This means they buy products that contribute to a better world.

The COVID-19 pandemic has further emphasised the importance of sustainability. For most consumers (particularly the younger generations), [the COVID-19 crisis has made it more important that both consumers and companies improve their sustainability](#).

After a slow start, this trend is now influencing decorative objects too. Decorative objects are often made of non-sustainable composite materials, but environmentally friendly options are becoming more widely available. The fair trade segment also continues to be strong in this product group. This fits in well with the general trend that [most people want significant change to make the world fairer and more sustainable after COVID-19](#).

Preserving cultural heritage

A renewed interest in culture leads to ethnic influences in decorative objects. Think of traditional patterns and designs, or actual cultural objects, such as Japanese Kokeshi good luck dolls. The fair trade segment offers decorative objects close to the traditional designs of particular ethnic groups, such as African statuettes or masks.

Figure 8: Japanese Kokeshi dolls



Source: [Pixabay](#)

Decorative objects related to cultural occasions and celebrations such as Easter are also popular. An example is the traditional Peruvian retablo, a piece of folk art in the form of a colourful box depicting religious, historical or everyday events with the help of handmade figurines in a traditional setting.

Tips:

Use sustainable solutions for raw materials, production, transport and distribution, consumer use and waste disposal to make a positive or less harmful environmental impact. Slow down the lifecycle of decorative objects by offering designs that are more timeless and less based on short-lived trends. Creating collectables, as discussed in the previous section, also gives your items a longer lifespan.

Add a touch of your local context or culture to your decorative objects. However, be aware that the more ethnic your items, the more niche they will be.

Clearly communicate your sustainable values through your marketing materials. If your products have a unique origin and/or story, communicate the details in terms of special techniques, materials, producers, processes or meanings. These 'maker and making' stories will add value both to the importer and at retail level, as they will help your resellers in their storytelling.

If your importer is interested, consider certification options like fair trade. For more information, see our study about [buyer requirements](#).

For more information, see our special study on [sustainability](#).

Example company:

Nepalese manufacturers [Everest Fashion](#) are well known for their figurines in felted wool, knitwear or crochet. They are an active participant in [Ambiente](#) and supply to wholesale and retailer multiples globally. Although their styles are varied, ranging from ethnic to 'cute', they have been a consistent choice among importers for Christmas decorations. Everest Fashion is both WFTO and Fair Trade USA certified. Thank to this, they are included in Messe Frankfurt's [Ethical Style Guide](#), allowing buyers looking for sustainable value to source them easily.

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

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