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INTERNATIONAL BUSINESS MADE EASY

European market study for Home Decoration & Home Textiles

BANGLADESH, GHANA & INDONESIA

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Contents

Introduction

The European market for Home Decoration and Home Textiles (HDHT) shows a healthy demand. European consumers are increasingly interested in ethically produced items with a good story. By focusing on these types of products, exporters avoid the fierce competition from relatively cheap mass-produced goods.

The CBI (Centre for the Promotion of Imports from Developing Countries) has selected Bangladesh, Ghana and Indonesia for an analysis of their HDHT value chain. This study focuses on the European market side of that chain to provide insights into key elements like requirements and demand. It will also provide input for the local VCA studies of those three value chains.

The contents of this study are based on both desk research, using sources such as existing CBI studies and Trademap, and primary research. The latter consisted of extensive interviews with HDHT sector experts and European importers with experience in one or more of the source countries.

Management summary

The following product groups per supplier country were selected for this study:

Bangladesh
- Basketry
- Rugs and mats
- Decorative home textiles
- Shopping bags and totes

Ghana
- Basketry
- Wooden home accessories
- Home accessories made of other materials

Indonesia
- Small wooden and rattan furniture
- Basketry
- Cushion covers and throws

The focus is on handmade products of natural and/or recycled materials, as there is an increased interest in these materials on the European market. These products are particularly suitable for the European mid-market segments, up to the premium segments in some cases. Key distribution channels are importers/wholesalers (varying from specialists to those with a general lifestyle concept), as well as various types of importing retailers.

Both industry experts and importers agree that European demand for ethically made products is on the rise. Consumers are increasingly interested in the story behind the items they buy. For mainstream buyers, however, looks and price continue to be the deciding factors, along with product quality, of course. The socially responsible background of the products and their producer can add value, but first and foremost the proposition of the items in terms of quality, material, design, etc. has to be strong.

Each country has its own specialties and challenges, but they all have a strong tradition of handmade home decoration products. Combining traditional styles and techniques with contemporary designs can create interesting and unique items. Producers and importers often work together to co-create suitable designs for the European market.

Corporate Social Responsibility (CSR) certification can add value, but is usually not a must on the European market, even for importers with a fair trade or eco-friendly concept. Many smaller-scale producers cannot afford certification, because the costs of applying and sometimes additional membership fees are disproportionately high for their business.

The most important areas the CBI could set up interventions for include:
- Positioning
- Design
- Marketing
- CSR

If ethically responsible producers in Bangladesh, Ghana and Indonesia can meet European importers' needs, a flourishing market awaits.

1. Product group selection

This selection of promising product groups and accompanying market segments is based on an Export Potential Map analysis as well as expert input and other desk research. The ITC's Export Potential Map estimates export potential values per product or product group and per supplying country, based on data regarding supply, demand and ease of trade. The outcomes were validated and fine-tuned further through expert interviews, resulting in the following groups with a focus on handmade products of natural and/or recycled materials.

Bangladesh

Basketry

Market segment: mid-mid to mid-high

Handwoven basketry from Bangladesh is made of natural materials such as jute, seagrass or mela grass. Recycled materials are also used, e.g. cotton or even plastic. Combining materials can add value to a design.

Basketwork is inherently a mid-mid market product. However, adding value through quality designs, techniques and materials offers potential for the mid-high segment. Using their basket weaving techniques, producers can also branch out into other product groups, such as lampshades. Multifunctional designs are an interesting option as well.

These products are suitable for all types of international wholesale distribution, from specialists to lifestyle concepts and chains of interior/homeware shops, as well as importing department stores.

Picture 1: Large jute basket with handles

Source: Maison Bengal

Picture 2: Hogla and jute baskets

Source: Globo Fair Trade Partner GmbH

Rugs and mats

Market segment: mid-mid to mid-high

Handwoven or handknotted rugs and mats from Bangladesh are made of natural fibres such as jute. Recycled materials are also a good option, e.g. recycled sari strips or leftover fabric pieces from textile manufacturing. The material for mats can be relatively coarse.

Smaller rugs like sotranjis are generally limited to the mid-mid segment due to their size. Larger handwoven carpets and rugs can move into the mid-high segment. The quality of the design, material and finishing is key.

Distribution channels range from for all types of international wholesale distribution (especially for sotranjis) to smaller importing retail chains, smaller wholesalers, independent retailers and brands/lifestyle concepts.

Decorative home textiles

Market segment: mid-high

This product group contains handmade table linen, kitchen towels, throws and cushion covers. They can be made of natural materials, recycled materials, blended yarn or mixed fabrics. For home textiles made of recycled materials, fabrics are often woven with newly spun yarns of e.g. recycled cotton.

The mid-high market segment requires added value through quality materials, techniques and designs. Techniques like handweaving, embroidery (such as Kantha), block-printing and screen-printing offer opportunities.

The distribution of these more highly positioned products relies on smaller importing retail chains, small wholesalers with lifestyle concepts, independent retailers and brands.

Picture 3: Tablecloth & throw made of recycled cotton
Source: [Original Home]

Picture 4: Table linen set with gift box
Source: [Ctm Altromercato]

Shopping bags and totes

Market segment: low-mid to mid-high

With the existing or impending ban on plastic shopping bags in many European countries, the popularity of reusable shopping bags is increasing. More decorative bags can target the low-mid, mid-mid or mid-high market segments. The specific segment depends on the use of materials, techniques, design and different ways of value addition. Think of shoppers, beach bags and totes made of natural materials such as jute, seagrass, mela leaf, catkin, or recycled materials.

The distribution of these mid-segment products relies on importing retail chains, wholesalers with lifestyle concepts, independent retailers and brands.

Ghana

Basketry

Market segment: mid-mid to mid-high

Ghanaian (Bolga) basketry can be either mainly decorative in design or more functional, like shoppers. Ghana's high production capacity makes it possible to supply the mid-mid market as well as the mid-high market. The baskets are made of natural materials, usually in bright colours. As Bolga basketry is a traditional fair trade product, there is an established fair trade segment. Basketwork also offers potential for expansion into a broader category of products, like lampshades and packaging for e.g. gifts or food (corporate).

Bolga baskets' colourful designs make them particularly suitable for distribution through Africa specialists and fair traders. The mid-mid market products appeal to the well-known Scandinavian brands as well.

Picture 5: Ghanaian Bolga basket
Source: Globo Fair Trade Partner GmbH

Picture 6: Ghanaian Bolga basket shopper
Source: EZA Fairer Handel GmbH

Wooden home accessories

Market segment: mid-high to premium

Wooden home accessories are a well-known product for Ghana. The focus should be on developing high-value low-volume products for higher market segments. Because wood is becoming increasingly scarce in the country, recommending larger-scale production of lower-priced items would not be responsible. However, producers must be aware that demand for such high-end and relatively expensive products is limited.

This group contains a variety of handmade wooden products, including stools, statuettes, and kitchen-/tableware. These products are currently mainly made for tourists, but have potential on the European market as well. To appeal to the mid-high market, their design value needs to be upped from kitsch to trendy. There is also a market for pure, traditional designs with a direct link to the material culture of the various ethnic groups in Ghana, such as Ashanti stools. Real statement pieces can even move into the premium segment. In addition, quality wooden instruments (mainly drums) for playing as well as decoration may offer crossover potential.

These products are best suited for distribution through Africa specialists and fair traders.

Home accessories made of various materials

Market segment: mid-high

This category contains product groups that are too small to target individually, but hold promise nonetheless. It includes textiles, metalwork, glassware and pottery. A particular focus should be on products from recycled materials and/or mixed materials to add value.

There is a growing market for recycled/upcycled products using waste materials. Fashion accessories, such as mixed-material bags and recycled glass beads (which can be used for e.g. candleholders or decoration) may offer potential. Ghanaian glass beads are actually a rather high-value product. It could be interesting to invest in some innovation to develop new and interesting products using the beads. Recycling material such as brass to create new home accessories with the so-called 'lost wax' method may also offer opportunities.

Ghana has a rich tradition of handweaving textiles, using rough cotton fabrics, which could produce high-end products with a cultural story. Interesting home textile products could be table linen, cushion covers and throws made of African woven or printed fabrics.

Other promising accessories include candleholders, frames, statuettes and terracotta pots. Ghanaian pottery is usually not glazed, but painted. As a result, the outdoor market offers good possibilities for planters and flowerpots with an interesting shape and finish. Traditional pots could be interesting as decorative items for niche markets. Because they are fired at low temperatures, they are not very robust, but they are beautiful.

These products' handmade, limited-edition character places them in the mid-high market. This makes design a key feature, which needs to be either highly commercial or traditional. They are also particularly suitable for distribution though Africa specialists and fair traders.

Indonesia

Although three product groups were selected for the purpose of this study, it is important to note that Indonesia's strength is its broad offer, spanning various HDHT product groups, materials and techniques. As per the CBI's request, the selection includes a home textile product group for production on the East Nusa Tenggara (NTT) islands. Otherwise, (semi-)handmade wooden home accessories would have been included as a generally more feasible third product group.

Small wooden and rattan furniture

Market segment: mid-mid to mid-high

This product group contains both indoor and outdoor furniture. The focus should be on small and side furniture such as stools, side tables, easy chairs and rocking chairs. European consumers like this type of furniture, which they can easily move around the house for different occasions. Wooden dining tables are also a good option, albeit somewhat larger, as Indonesian manufacturers already produce good-quality tables.

Indonesian wooden furniture is suitable for the higher end of the mid market, as there is too much lower-priced competition on the European mid-mid market from Eastern Europe and other high-volume producers in Asia. In the mid-high segment, the use of natural materials (e.g. special wood types, combinations of various materials) and the finishing of the furniture are key. The most commonly used type of wood is teak, so local types of wood can make the furniture stand out. Using reclaimed or recycled wood is an interesting option as well. Rattan furniture can also target the mid-mid market.

The main distribution channels for wooden furniture are individual retailers and small wholesalers. Rattan furniture is particularly suitable for retail chains specialising in furniture, as well as wholesalers with a lifestyle concept that supply a complete range of home decoration.

Picture 7: Rattan chair with metal frame & wooden armrests Picture 8: Stool of reclaimed & branch wood

Source: One World Interiors

Source: Original Home

Basketry

Market segment: mid-mid to mid-high

Indonesian handwoven baskets can be both decorative and functional, and are suitable for both the consumer market and the project market. They are made from natural materials, ranging from water hyacinth, to pandan, to various types of grass and rattan. As with basketry from Bangladesh and Ghana, this product group offers potential for expansion. Multifunctional designs, such as sturdy baskets that can double as poufs or stools, may again add value.

These products are suitable for all types of international wholesale distribution, from specialists to lifestyle concepts.

Cushion covers and throws

Market segment: mid-high to premium

For a new, to-be-developed home textile export sector of the NTT islands, handwoven cushion covers and throws could be a good option. These should be fairly exclusive products focused on the mid-high to premium market, to create a niche. Traditional styles such as batik and lurik offer potential, in combination with more contemporary European looks. However, as the islands have not consistently exported before, this type of product requires particular attention to health and safety issues (azodyes etc.), quality management and reliable delivery.

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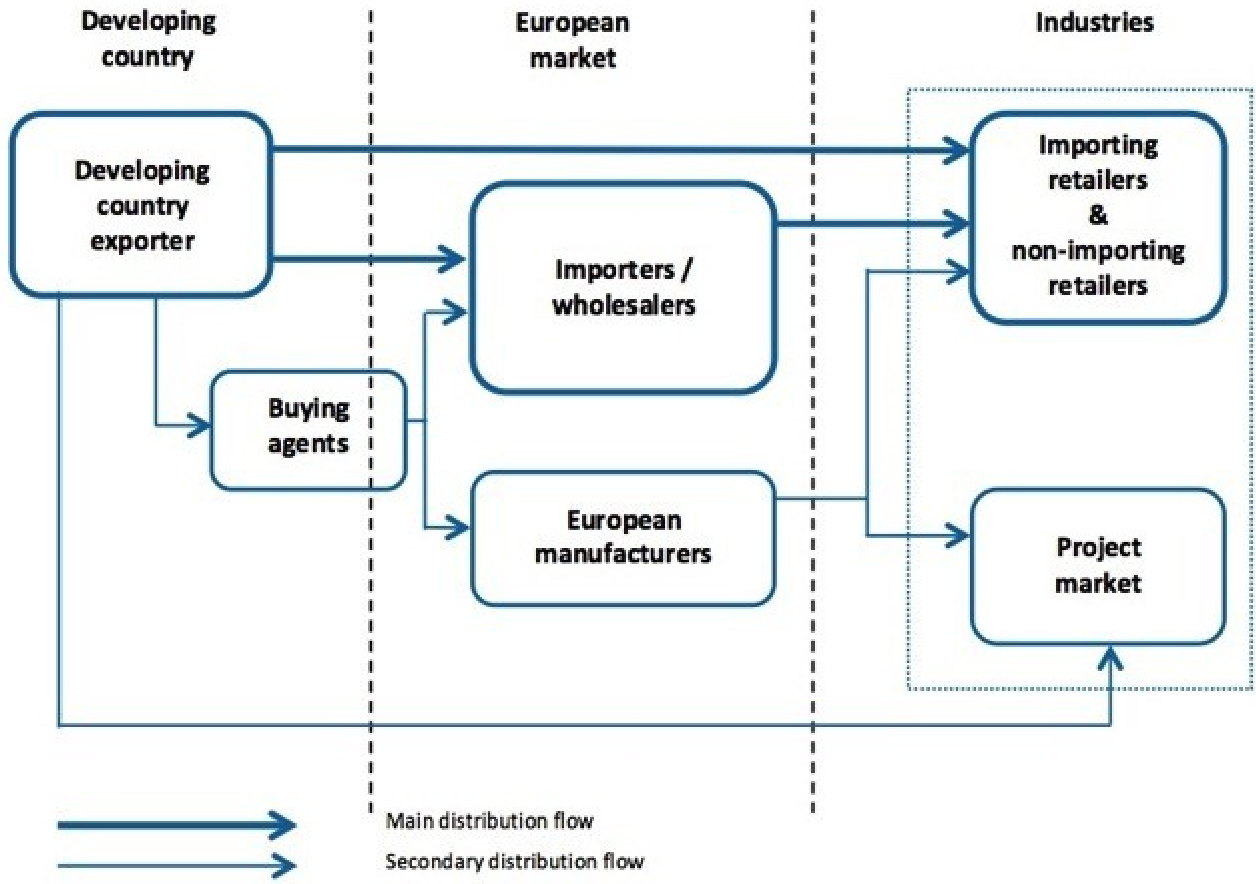
The distribution of such luxury products relies on exclusive retailers and brands that are interested in developing special products/lines through co-creation. High-end retailers could stock a limited number of designs. E-commerce through a European partner could also be an option.

2. European market structure

For the selected home decoration and home textile products, the European market structure is as follows. This does not differ significantly per product group or supplying country.

Figure 1: European market structure



The most important players for suppliers in Bangladesh, Ghana and Indonesia are:

- Importers and wholesalers
- Retailers
- Buying agents

Importers and wholesalers

European importers and wholesalers sell products to retailers across Europe. They take ownership of the goods when they buy from an exporter (as opposed to agents), taking the risk of the onward sale of the products. Traditionally, their margins range between 50-90%.

Importers and wholesalers are interesting for suppliers who want to develop a long-term relationship. They usually have good knowledge of the European market and can supply you with valuable information and guidance on European market preferences. Long-term relationships can lead to co-creation: a high level of cooperation on appropriate designs for the market, new trends, use of fabrics, type of finishing and quality requirements.

Retailers

Retailers are the resellers of the imported product to the final consumer. Big retail brands are spreading throughout Europe and becoming more 'lifestyle' centred, offering home decoration and textiles as well as fashion accessories and furniture. Smaller independent retailers are more specialised and carry collections that are closer to the needs of local consumers.

Importing retailers

Especially larger retail chains are increasingly importing directly from suppliers in developing countries. Cutting out the 'middle man' gives them a higher margin and/or allows them to pay slightly higher prices to suppliers. Smaller independent stores usually order in Europe from wholesalers or brands. However, they often also buy from local manufacturers.

Importing retailers are increasingly integrating their suppliers in their value chain and selling internationally. Either they outsource production to selected manufacturers, who produce according to their specifications, or they import through buying groups.

When targeting a retailer, suppliers must develop and design their own product range that retailers can add to their collection. Especially larger importing retailers/chains can also develop their own products together with the producers (co-creation), to coordinate products with the existing range and distinguish themselves from the competition.

Non-importing retailers

Non-importing retailers are independent interior retailers and smaller retail chains that buy indirectly through wholesalers, agents or domestic manufacturers. Slowly, some non-importing retailers have also become interested in buying directly from smaller producers. This allows them to distinguish their collection from the larger retail chains and create their own unique niche.

Buying agents

Buying agents are located in the supplying country and represent European buyers on the local market. They do not import, take ownership of the products or keep stock themselves. Sometimes agents have a limited role, for instance checking the quality of the shipments or checking the codes of conduct that were agreed with the buyer. They can work individually or as part of purchasing companies.

Suppliers that do not have any experience in exports may consider using a buying agent to open up export markets and facilitate export logistics and quality management. Agents connect suppliers to buyers they work for on the basis of a commission (15% on average, depending on the extent of the services provided).

However, suppliers should consider the disadvantages of working with agents carefully. Unlike importers/wholesalers, agents are very well protected under European legislation. Once suppliers engage with agents, it is hard to bypass them and deal directly with their clients.

For more information on the European market structure, see the CBI studies for home decoration and home textiles.

3. European demand

An exact estimate of European demand is tricky for most of these product groups. Because they are so specific, for example due to their handmade character or materials, there are no relevant statistics available. HS categories are simply too broad to offer insight into these individual product groups.

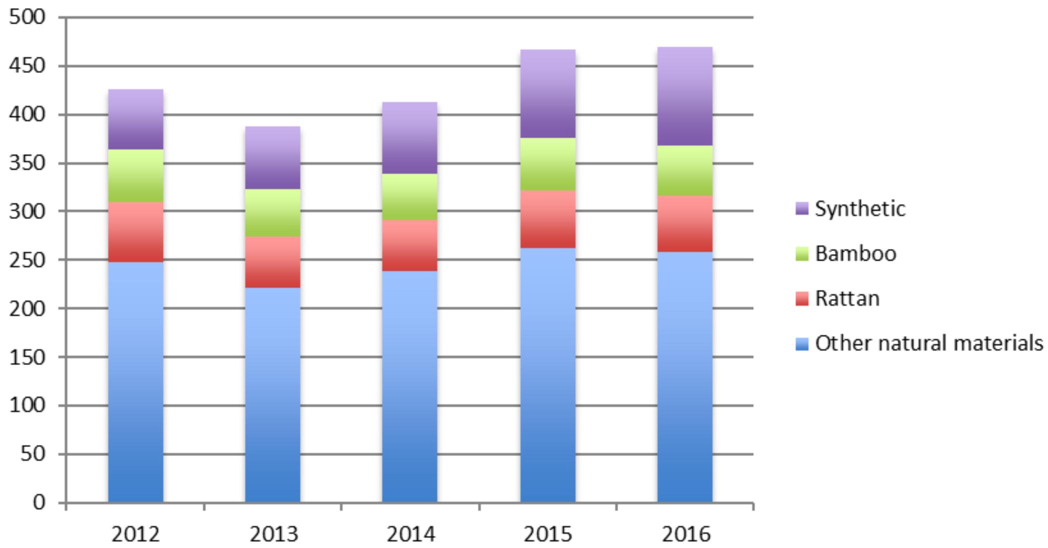
There is, however, a general consensus among HDHT experts and importers that European demand for ethically produced home decoration products is healthy and increasing. This trend is expected to continue in the coming years, which is a promising development for the selected product groups. The key is to claim a share of this market for yourself and create a niche. This makes potential general market fluctuations relatively irrelevant.

African products are also in demand, especially in Western European markets. On the other hand, buyers are becoming a bit more hesitant to buy wooden products, which can pose a future challenge for wooden home accessories and small furniture.

Some more detailed information about European demand per product group (where available) follows.

Basketry – Bangladesh, Ghana and Indonesia

Figure 2: European imports of basketry, by material, in millions of euros



Source: Trademap

Around 80% of European basketry imports are made of natural materials. This considerable demand fluctuates around €350 million per year. 14% of this is bamboo, 16% rattan and 70% ‘other’ natural materials such as seagrass, jute, water hyacinth or abaca. How much of these basketry products are handmade is unknown.

The demand for relatively luxurious products like handmade basketry made of natural materials is generally higher in Western Europe than in Eastern Europe, where there is more demand for functional, lower-end products. This is reflected in the main importer analysis per country, although this may include some international resellers that distribute the basketry across Europe.

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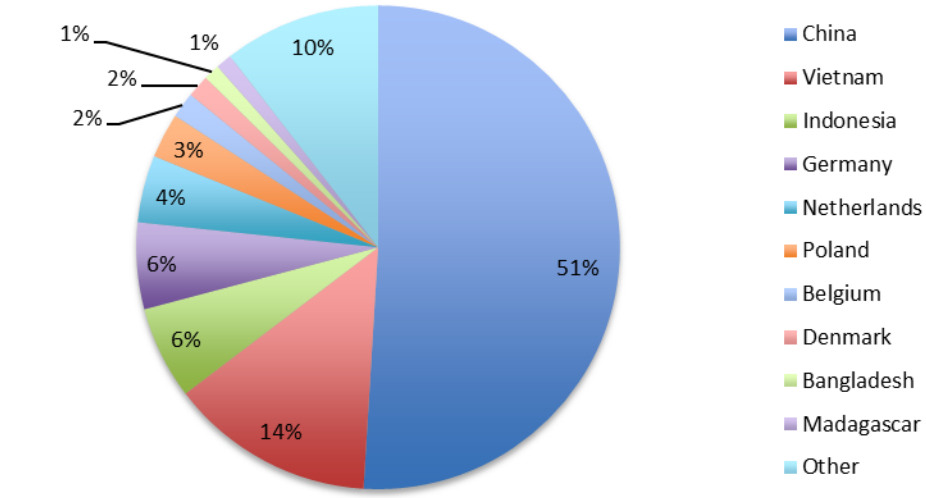
Figure 3: Leading suppliers of European imports of basketry, in %, 2016

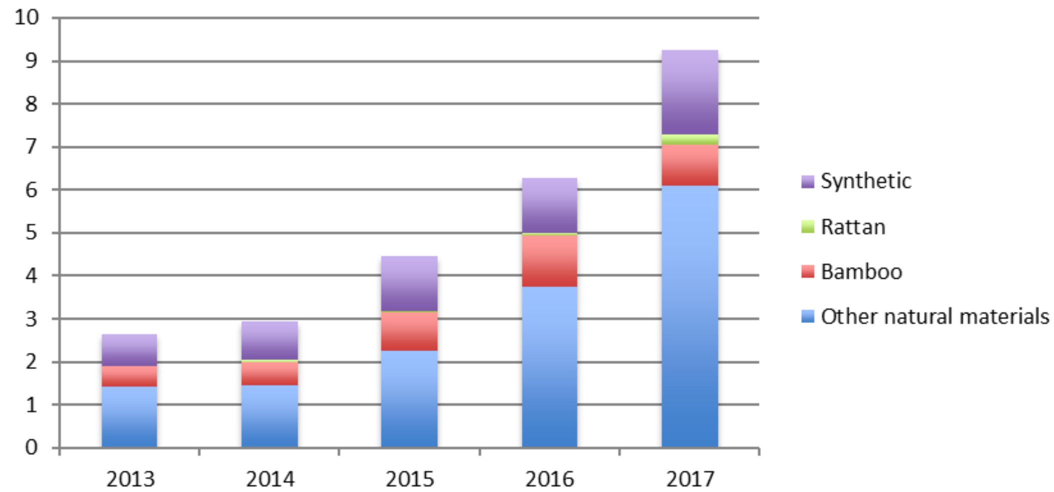


Source: Trademap

Of these baskets made of natural materials, at least about 80% is imported from developing countries. This added up to €290 million in 2016. Much of the other €60 million probably consists of re-exports of products manufactured in developing countries. Europe’s leading suppliers of basketry are China and Vietnam, who mainly provide mass-produced items for the lower-end segments of the market.

Bangladesh

Figure 4: European imports of basketry from Bangladesh, by material, in millions of euros



Source: Trademap – European import data

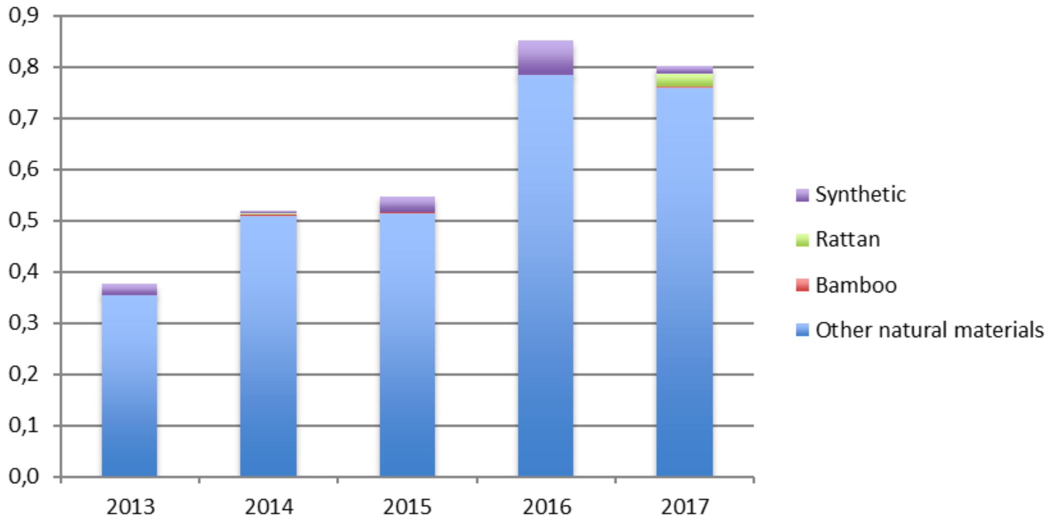
Bangladesh is the #9 leading supplier of European basketry imports. It comes after e.g. mass-producers China and Vietnam and European trade hubs like Germany, the Netherlands and Belgium.

The country mainly exports basketry made of ‘other natural materials’, such as jute and hogla (seagrass), to Europe. These exports have grown exponentially in recent years, reaching €6.1 million in 2017. They are mainly destined for Germany (€1.6 million). Other key importers include Spain (€1.0 million), the Netherlands (€0.7 million), Poland (€0.7 million), France (€0.5 million) and Sweden (€0.4 million).

The United Kingdom is by far the main European importer of bamboo basketry from Bangladesh. With €0.7 million out of a total €1.0 million, it is responsible for more than 70% of these European imports.

Ghana

Figure 5: European imports of basketry from Ghana, by material, in millions of euros



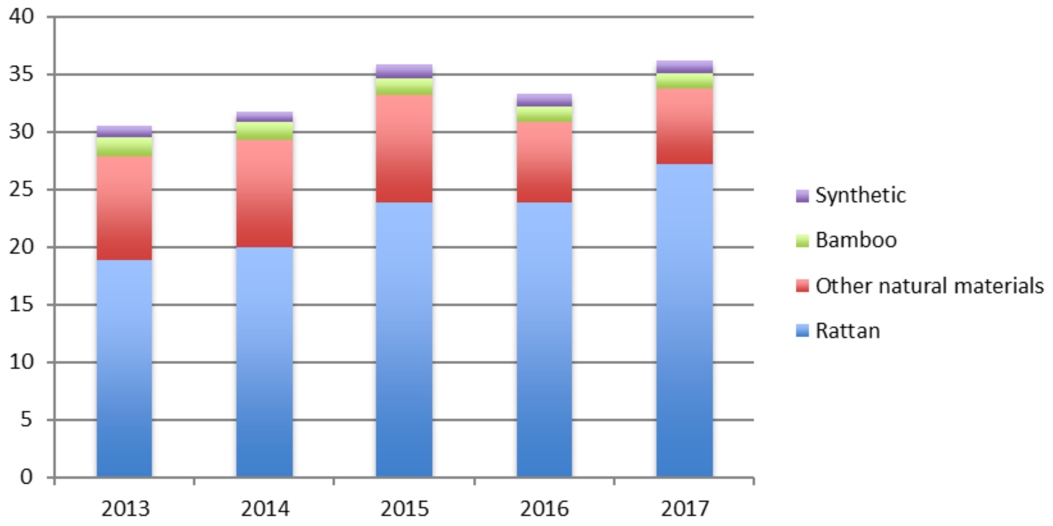
Source: Trademap – European import data

Ghana is a relatively small supplier of basketry to Europe. Its Bolga baskets are niche products, which have had to endure fierce competition from cheap mass-produced copies from Vietnam. Luckily for Ghanaian producers, the tide seems to be turning. European consumers are starting to prefer original, authentic designs of relatively good-quality grass to cheaper imitations. This is reflected in the steadily increasing European imports of Ghanaian basketry.

The country almost exclusively exports basketry made of 'other natural materials', such as elephant grass, to Europe. These exports have more than doubled since 2013, reaching €0.8 million in 2017. They are mainly destined for France (€0.6 million). Germany and Denmark also import a maximum of €0.1-0.2 million per year. However, Ghana's exports to France are the drivers behind the increase in total basketry exports.

Indonesia

Figure 6: European imports of basketry from Indonesia, by material, in millions of euros



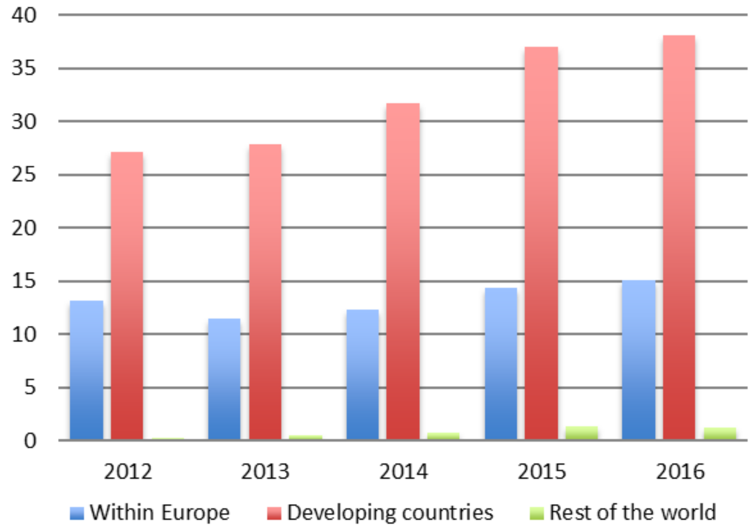
Source: Trademap – European import data

Indonesia is Europe's third leading supplier of basketry, after mass-production giants China and Vietnam. Unlike Bangladesh and Ghana, Indonesia mainly exports basketry made of rattan to Europe. In fact, when it comes to rattan basketry, Indonesia is Europe's leading supplier.

Its exports of rattan basketry have steadily increased in recent years, reaching €27 million in 2017. These exports are mainly destined for the Netherlands (€7.9 million). Other key importers include Germany (€4.9 million), the United Kingdom (€3.1 million), France (€1.6 million), Spain (€1.6 million), Switzerland (€1.5 million) and Sweden (€1.4 million).

Rugs and mats – Bangladesh

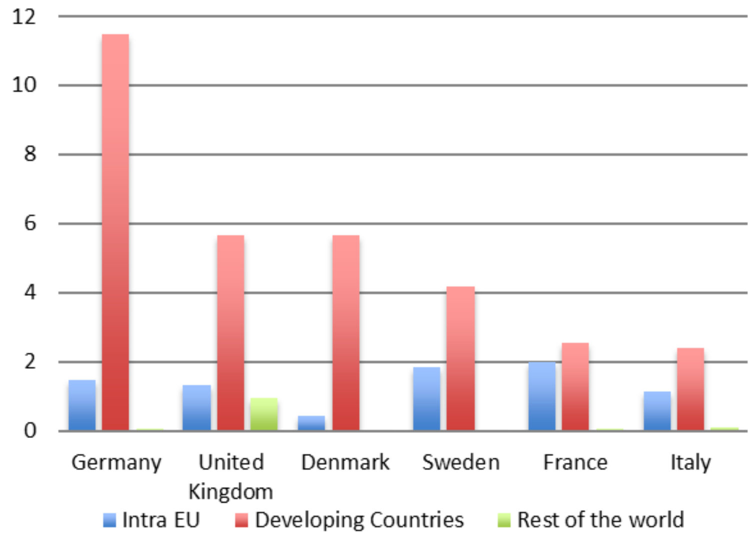
Figure 7: European imports of handwoven and handknotted rugs, by source region, in millions of euros



Source: Trademap

Handwoven and handknotted rugs are the only products in this study of which the handmade aspect is reflected in the trade statistics. European imports of these rugs have grown considerably since 2012. With an average annual growth rate of 7.6%, they reached €54 million in 2016. However, in this case the type of material is unclear.

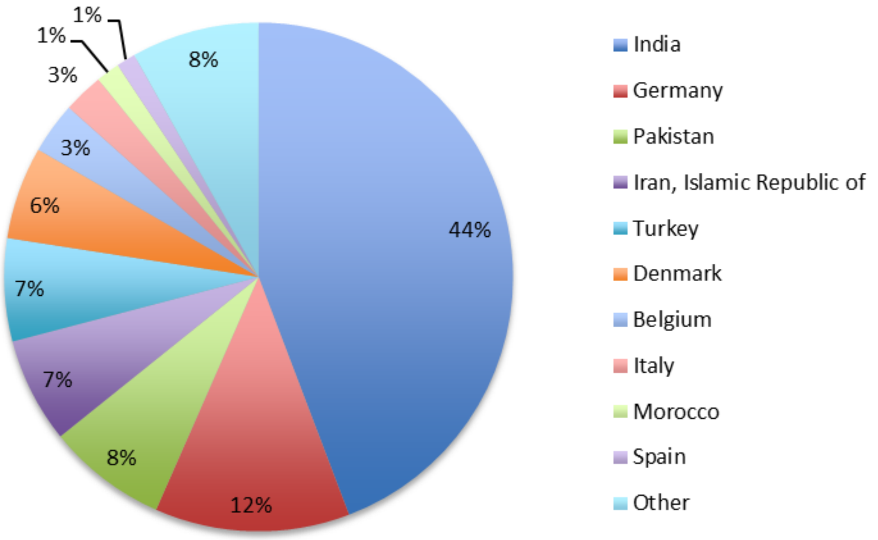
Figure 8: Main European importers of handwoven and handknotted rugs, by source region, in millions of euros



Source: Trademap

Germany, the United Kingdom and Scandinavian countries Denmark and Sweden are by far the main importers of handwoven and handknotted rugs from developing countries. Although this may include some international resellers, it illustrates that demand for relatively luxurious products like these rugs is generally higher in Western Europe than in Eastern Europe.

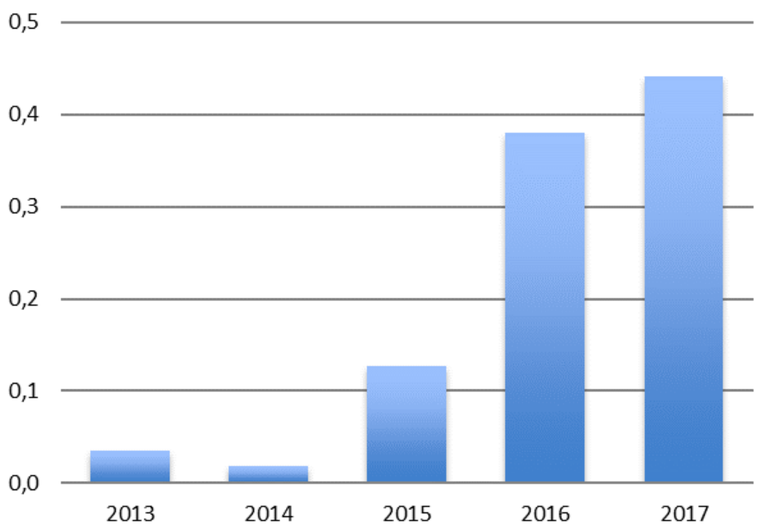
Figure 9: Leading suppliers of European imports of handwoven and handknotted rugs, in %, 2016



Source: Trademap

Bangladesh is a relatively small player on the European market for handwoven and handknotted rugs. It comes in at around #25 in the list of leading suppliers. Neighbouring countries India and Pakistan dominate this market, together with the Islamic Republic of Iran, Turkey and Morocco. These countries have strong traditions in handmade rugs. Again, much of the trade within Europe is likely to consist at least partly of re-exports of items manufactured in developing countries.

Figure 10: European imports of handwoven and handknotted rugs from Bangladesh, in millions of euros



Source: Trademap – European import data

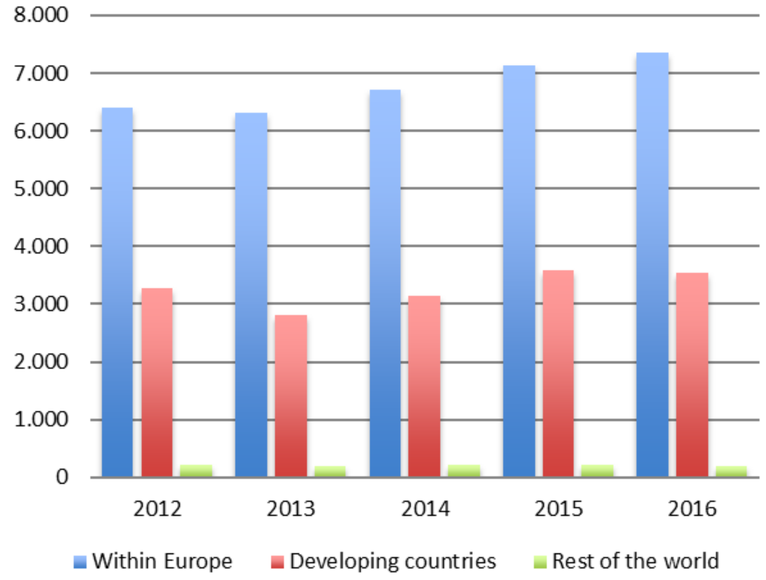
Although Bangladesh' export of handwoven and handknotted rugs are relatively low in volume, their growth in recent years has been impressive. In 2017 they reached €0.4 million, almost 13 times the value of 2013! Almost all of these exports were destined for Germany (€0.3 million).

Small wooden and rattan furniture – Indonesia

Small furniture is a healthy, trendy product group. European consumers like flexible furniture that can be moved around easily and is suitable for smaller housing as well.

Wood

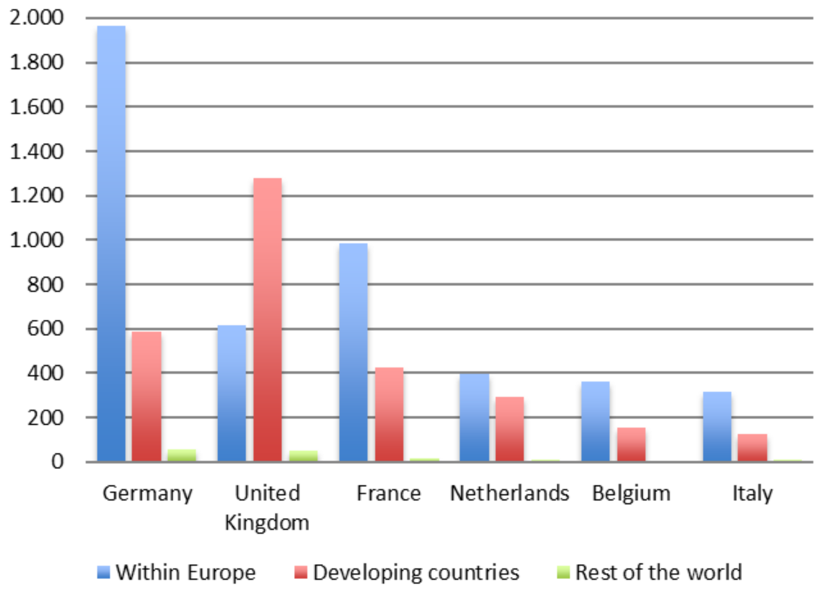
Figure 11: European imports of wooden home furniture, by source region, in millions of euros



Source: Trademap

European imports of wooden home furniture are substantial, amounting to €11 billion in 2016. How much of this consists of small or side furniture is unclear, but around 7-8% are seats.

Figure 12: Main European importers of wooden home furniture, by source region, in millions of euros



Source: Trademap

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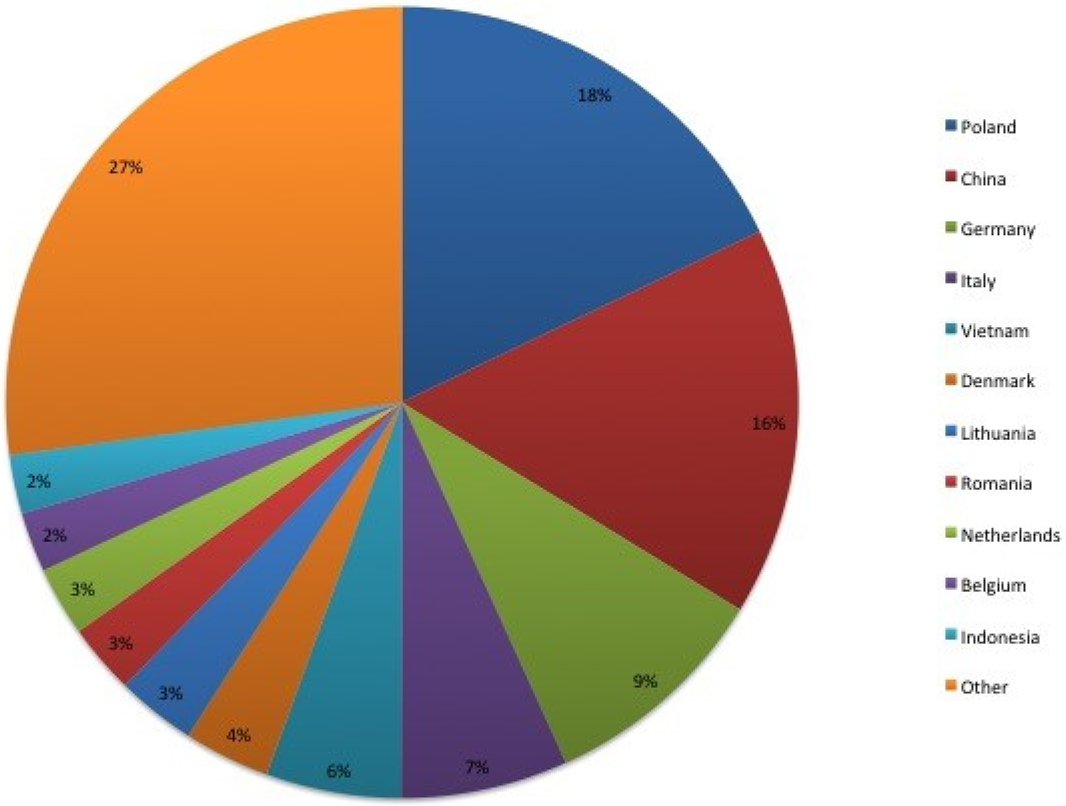
Germany is Europe's leading importer of wooden home furniture, although this mainly comes from within Europe. This illustrates the stiff competition from Eastern Europe for Indonesian wooden furniture. Some European importers produce their own furniture in Eastern Europe, e.g. with European oak. This makes it key for Indonesian producers to add value and differentiate on types of wood, design and the story behind their products if they want to gain a foothold on the European market.

Figure 13: Leading suppliers of European imports of wooden home furniture, in %, 2016



Source: Trademap

Poland is Europe's leading supplier of wooden home furniture, ahead of China. Other Eastern European countries such as Lithuania and Romania also perform well. Indonesia comes just outside of the top 10, after some of the leading European trade hubs.

Figure 14: European imports of wooden home furniture, in millions of euros

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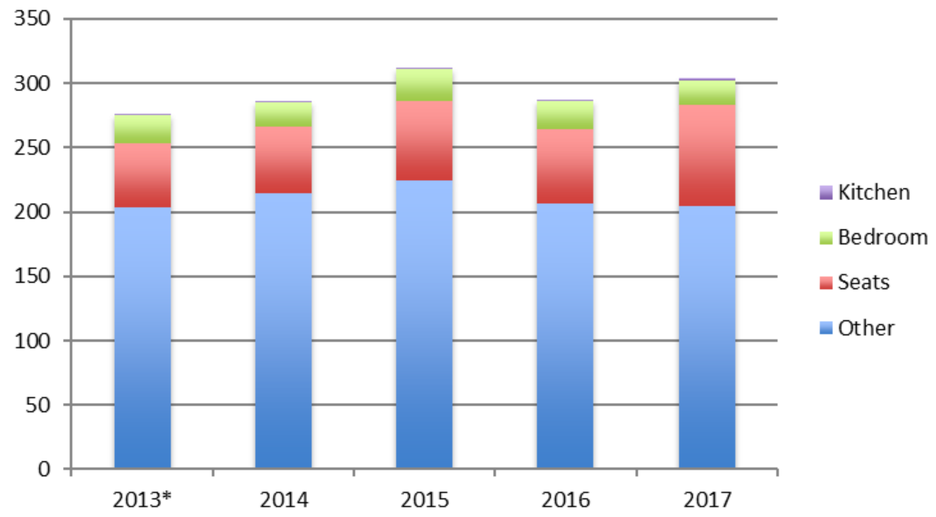


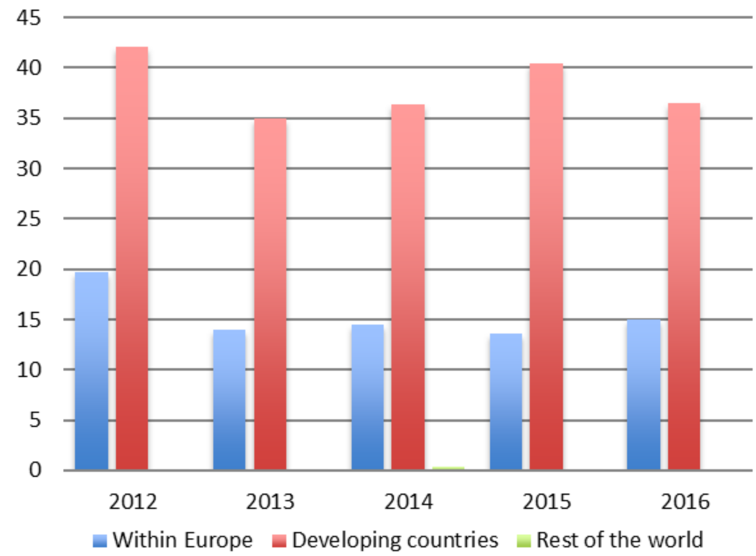
Source: Trademap – European import data
* Corrected for unreliable data from Belgium

Indonesia's exports of wooden home furniture to Europe fluctuate at around €290-300 million per year. They consist mainly of home furniture that is not specifically intended for the kitchen or bedroom, as well as an increasing percentage of seats (26% in 2017). Although these categories are not conclusive, they fit in well with the concept of small or side furniture.

Most of these exports are destined for the Netherlands, the United Kingdom, France, Germany and Belgium. While exports to these countries generally fluctuate, those to the Netherlands showed a strong increase in 2017. Whether this is a structural development is not yet clear.

Rattan

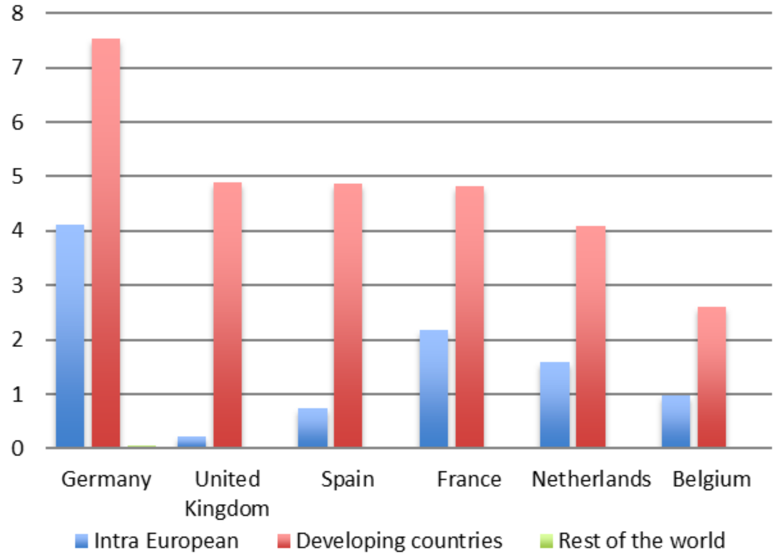
Figure 15: European imports of rattan and bamboo seats, by source region, in millions of euros



Source: Trademap

Trade statistics for rattan furniture are limited to rattan seats, the main type of rattan furniture. Until 2016, these statistics also included trade in bamboo seats. European imports of these rattan and bamboo seats generally fluctuated between €50 million and €60 million. The potential for rattan furniture is limited by the pressure from other materials and its relatively conservative image. To benefit from the growing market for small furniture, positioning through design is key.

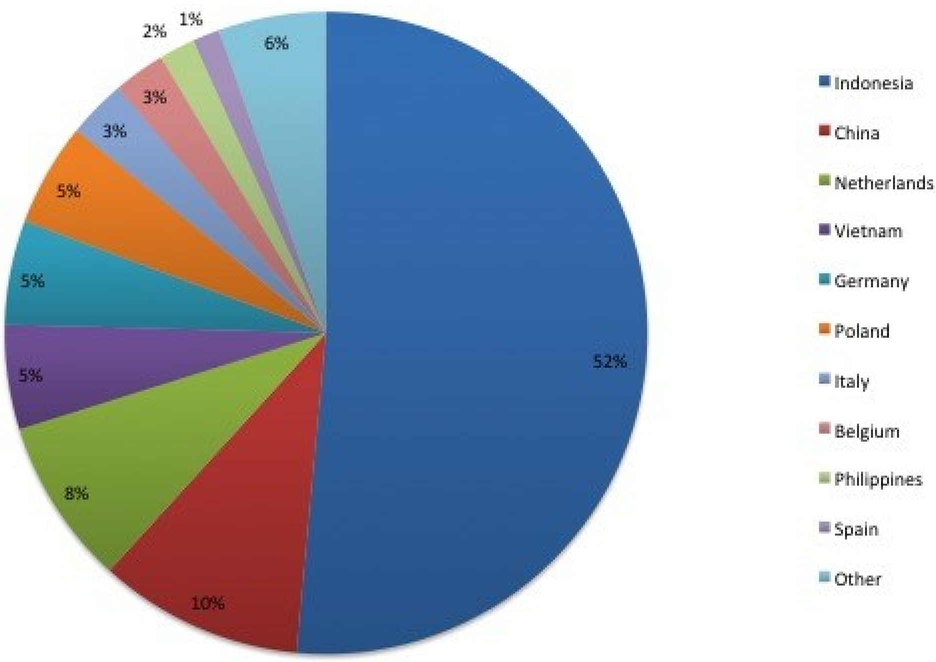
Figure 16: Main European importers of rattan and bamboo seats, by source region, in millions of euros



Source: Trademap

Europe's main importers of rattan and bamboo seats are its large markets Germany, the United Kingdom and France, as well as key trade hubs the Netherlands and Belgium. Spain also imports a considerable number of these seats, potentially because rattan and bamboo furniture is popular for outdoor use.

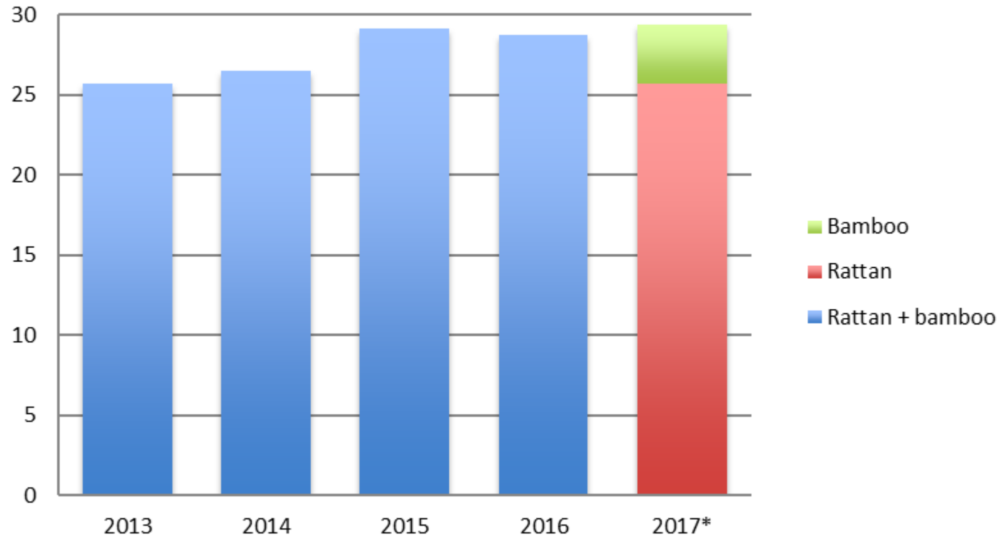
Figure 17: Leading suppliers of European imports of rattan and bamboo seats, in %, 2016



Source: Trademap

Indonesia is by far Europe's leading supplier of rattan and bamboo seats, accounting for more than 50% of European imports. According to Indonesian export statistics, this is almost exclusively rattan. Most of the trade coming from hubs like the Netherlands, Germany and Belgium probably also consists of re-exports of Indonesian furniture.

Figure 18: European imports of rattan and bamboo furniture, in millions of euros



Source: Trademap – European import data
* New separate data for rattan and bamboo seats

In recent years, European imports of Indonesian rattan and bamboo seats have been fairly constant at around €29 million. The new coding system for 2017 reveals that around €26 million of this is rattan. Most of these seats are destined for Germany (€4.7 million) and the Netherlands (€4.1 million). While Indonesia's exports to other main European importers fluctuate, those to the Netherlands have almost tripled since 2013. Industry experts confirm this increased demand and expect it to continue, as the material offers good opportunities to keep adjusting and tweaking designs to keep them fresh. The flourishing exports to the Netherlands in particular may be due to the relative ease of trade because of the historic connections between the countries.

4. Prices

Because there are no specific trade statistics available for these products, prices and price developments cannot be calculated. Prices for the decorative products in the mid-mid to mid-high segments are fairly constant, whereas those for purely functional items are under pressure.

Margins for producers are relatively low, especially in lower segments. In the fair trade segments, they are generally somewhat higher. For the producers, prices should ideally become more realistic in the future to reflect the time and work it requires to make products by hand. For now, however, price continues to be a deciding factor for mainstream buyers.

This means producers should have a good idea of who their target buyer is. Wholesalers need to buy at competitive prices to be able to sell on their products to non-importing retailers. Importing retailers and retail chains that sell directly to the consumer can possibly afford to pay (slightly) more, as there is no 'middle man' in their process.

Rising raw material costs can affect the price of finished products. The extent of the effect depends on how much of the total price consists of raw material costs as opposed to e.g. labour costs. If raw material costs just make up a small part of the price, then the effect is limited. For natural materials, rising costs can be caused by scarcity through e.g. failed harvests, over-harvesting of slow-growing crops, insufficient replanting, increasing demand or tightening regulations. For example, wooden products are expected to steadily become more expensive.

Bangladesh

Prices in Bangladesh are relatively low compared to Indonesia and Ghana. As the country develops further and wages increase, prices may follow suit. Producers need to compensate for this by producing more smartly or adding value to appeal to the appropriate market segments for their prices.

Ghana

There is a common misconception that African products, like their Asian counterparts, are cheap. Ghanaian Bolga baskets are also an exception to the fairly stable prices. Over the last 5-10 years, these baskets have become considerably more expensive. Some European buyers report up to a doubling of the price. This is due to not only the increasing living costs in Ghana, but also scarcity of the raw materials. The grasses used to make the baskets are a seasonal crop. Their production and storage is not always managed well, causing shortages especially in the off-season. Because of the relative inexperience in exports, there are also many inefficiencies in the chain with a negative impact on the cost of production.

Indonesia

Prices in Indonesia are higher than in countries like Bangladesh. This is due to e.g. a higher standard of living and generally higher cost of labour, materials and transport in Indonesia, which countries with cheaper labour have yet to catch up to. Buying close to the source usually offers importers the lowest prices. Rattan and wooden furniture production usually takes place in Java. Exporters on Bali often purchase finished or semi-finished products there and add value through their design skills, marketing and/or experience in logistics. Importers should determine whether they prefer to invest in this added value or buy directly from the manufacturer.

5. Buyer and market requirements

For all products, the focus should be on the proposition as a whole. Producers should start with creating a good product in terms of quality, design, material, etc., at a reasonable price. They can then use storytelling to strengthen their offer.

Good communication of this proposition is of vital importance in the mid-market segments. Having a website for B2B (business-to-business) promotion is key. Producers need to present their products and emphasise their clear advantages. Their price should be appropriate for the mid-market, meaning products should be neither cheap nor expensive. Showcasing such features as renewable raw materials, responsible production, etc. illustrates that they offer some of the benefits of high-end products at a reasonable price.

Of course, importers require on-time and secure delivery of the products they buy. This can be an issue, especially when it comes to handmade products. Producers should be realistic and honest about the order volumes they can handle and the time they need for production.

Communication in general can be an issue, ranging from miscommunications to differences in style. For example, it is not uncommon for items to be a different size than ordered. This can be due to an honest mistake, or producers not realising the specified size was that exact. Importers may work with trial runs to sort out any potential issues before placing a large order.

For more information about the requirements, including legal requirements, that all products for the European market have to meet, see the CBI study on requirements for home decoration and home textiles.

Bangladesh

Design is a well-known challenge for Bangladesh, which is confirmed by both experts and importers. Many producers are incapable of creating designs of their own that would appeal to the European market. Ideally, European buyers supply the designs or co-create new designs with the producers. This happens quite often. Tweaking an existing design that the producers are familiar with is a good way to start, especially with relatively new exporters.

Basketry

Price is particularly important when it comes to baskets from Bangladesh, especially for mid-mid (and lower) segment baskets. As a great many countries have a tradition in basket weaving, competition can be fierce. Design, quality, raw materials and storytelling are also major components. They allow producers to distinguish their products from the competition, especially in mid-mid markets where they would otherwise have to compete solely on price.

There is a market for both traditional designs, which are rather neutral, and more contemporary designs. Combining materials is also an interesting option. The baskets have to be dry and clean before shipment. Producing several sizes that can be nested for shipment saves space (and costs).

For more information on general product specifications and requirements for basketry on the European market, see the CBI study on baskets and boxes.

Rugs and mats

Handwoven or handknotted rugs and mats made from recycled saris or other leftover fabrics are usually inherently quite colourful. When made of jute or hogla, they can be more neutral, but these materials can also be dyed. Neutral designs that reflect the natural properties of the material are a clear trend on the European market, but requirements may vary per buyer or even per order. When colouring materials, producers need to use azo-free dyes, as azodyes are banned under REACH. The rugs and mats also need to be colourfast, so they do not stain the floor or lose their colour when exposed to light. This can sometimes be an issue for producers.

For rugs specifically, GoodWeave is a leading certification programme. This type of certification is especially relevant when buyers are rug/carpet specialists. Among the increasing number of general lifestyle buyers, this type of product-specific certification is less well known and usually not required.

For more information on general product specifications and requirements for these types of rugs and mats on the European market, see the CBI study on handwoven rugs.

Picture 9: Rugs from leftover bedlinen production fabric
Source: Ikea – Tånum

Picture 10: Various styles of rugs
Source: Classical Handmade Products BD

Decorative home textiles

For textile products, using azo-free dyes is especially important. This is generally not a problem for producers in Bangladesh, as they are familiar with this from the clothing industry. Working with natural dyes could add value to decorative home textiles, especially for buyers with an eco-friendly concept. This is not very common in Bangladesh and should be developed further.

Designs should be adjusted to the European market. The standard designs for the domestic market are often rather colourful and intricate. In fact, some are so intricate that they look like they must be machine-made. This is actually an issue, because if items do not look handmade, people do not want to pay the price of a handmade product. Relatively simple designs generally appeal to a wide audience in Europe, particularly North-West Europe.

For more information on general product specifications and requirements for decorative home textiles on the European market, see the CBI studies on table linen, blankets and throws and cushion covers.

Shopping bags and totes

Low-end jute shoppers can be project market products, e.g. for shops to sell or give to their customers. For these products, price is the determining factor. Jute is an ideal material for these bags, as it is eco-friendly and fairly cheap.

Globally

For the middle market, the design of the bags has to be interesting enough to warrant the price. There obviously is a lot of cheap competition for relatively plain shoppers. The bags should be strong and sturdy, as well as beautiful. Lining them with natural fibres and/or recycled fabric is a good option. Trimmings and/or handles in leather or other special materials, accessories and interesting techniques (embroidery, special weaving, block printing, etc.) add value as well.

Like baskets, bags should be dried properly before shipment to prevent mould.

For more information on general product specifications and requirements for bags on the European market, see the CBI study on textile travel accessories.

Picture 11: Jute shopper with batik print

Source: EZA Fairer Handel GmbH

Picture 12: Jute bag with woven stripes

Source: Maison Bengal

Ghana

Basketry

Bolga baskets have to be functional, especially when they are used as bags. This means the handles, often with leather wrapped around them, should be stable and strong. Unfortunately, this often goes wrong. A common issue is that the grass fibres inside the handles are not attached properly to the basket itself.

European buyers want innovative designs, with regular new collections using different colours or patterns. The designs should be a mix of traditional and contemporary. Some buyers engage in co-creation, providing producers with clear directions or even complete designs. To attract new buyers, being able to develop your own contemporary lines is key. However, look and feel are often very much influenced by the traditional use of the Bolga basket, rather than overseas consumer taste.

Another key requirement is consistency in the colour, pattern, shape, etc. of the baskets. This is a challenge, because the baskets are made by multiple individual women. These women also dye the straw they use, which of course may lead to variations in colour. Some companies try to solve this by dying the straw centrally and then give this to the women. However, this strategy requires some pre-financing, which is a risk: you do not know for sure whether the straw you supply is used for your baskets.

Communication of the story behind the production of these baskets is key. Producers should present it as an advantage that every product is unique. This kind of 'branding' gives buyers a good story to communicate to their customers.

A related issue is the quality and safety of the dyes. The dyes are difficult to trace, as they are sold to the women in small packs and there are no certificates on file. Because these baskets are classified as handicrafts, they are not always checked as strictly by customs. Nevertheless, producers should try and find proper dye sources.

The baskets should also be dried properly, as they might become mouldy during shipment if the moisture content is too high. Normally the baskets are dried in the sun, but in the rainy seasons this is not an option. The sector needs to address this more innovatively, for example by trying out solutions like drying chambers.

For shipment, baskets are often stuffed into rice sacks before being put in containers. This type of packaging squeezes the baskets together, so the buyers have to re-shape them individually. As a result, buyers are increasingly asking for the Bolga baskets to be packed in boxes, so their shape is not affected. As this means fewer baskets fit into a container, this raises the shipping costs. However, it also saves time and money because the baskets do not have to be re-shaped after shipment, nor re-packed when they are re-distributed to retailers.

For more information on general product specifications and requirements for basketry on the European market, see the CBI study on baskets and boxes.

Wooden home accessories

For wooden home accessories, certification and the specific wood types are important. Again, because handicrafts are somewhat of a grey area with relatively low export volumes, controls are not always strict. Obviously, this is not an ideal way forward. Ghana has a Voluntary Partnership Agreement (VPA) with the European Union to improve forest governance and promote trade in legal timber. The goal of this agreement is for Ghana to export only Forest Law Enforcement, Governance and Trade (FLEGT) licenced timber products to Europe, but this process takes time.

Many of the tropical hardwoods that Ghana used to export have become so scarce that the crafts industry does not have access to them anymore. Sometimes producers are forced to use cheaper, less suitable wood types that crack more easily.

To avoid these issues, producers should focus on high-value, low-volume products for the mid-high market and/or combine wood with other materials. The industry also has to explore more sustainable, faster-growing alternative wood types, such as teak and bamboo.

Properly drying wood is an even bigger issue than with grass/straw, as it can crack as well as mould. Importers indeed report that they received a lot of broken items and demand decreased. Some producers have tried to speed up the drying process with bread ovens, but then the wood also tends to crack.

Wood treatments such as lacquers, paints, stains, etc. must be safe. European consumers in the mid-high market actually prefer natural wood, so producers could use treatments such as natural waxes to avoid issues with chemicals.

To tap into the considerable European demand for small furniture, the design needs to be interesting and contemporary, again mixing innovative and authentic design. A standard contemporary stool could be produced anywhere, so it needs the authentic element to stand out. This is a challenge for many producers, who often depend on input from their buyers. Combining materials is an interesting way to create unique products and use wood as a more precious resource. For example, a metal stool with a wooden seat.

Musical instruments such as wooden drums can be high-value crossover products. They represent cultural heritage, a lot of which Ghana has yet to exploit. Importers report no specific problems with these products.

For more information on general product specifications and requirements for small furniture on the European market, see the CBI study on stools and side tables.

Home accessories of various materials

In general, these home accessories are produced in low volumes and need to be scaled up for export. The quality needs to be consistent, which is often not the case.

For textiles, dyes and colours are the main issue. Controls are much stricter there. The dyes must be azo-free, which can be problematic. Availability of raw materials is also an issue, as they have to be imported, which drives up the price. In addition, producers generally are not used to supplying large volumes and the textiles often have a limited width, as they are woven on small looms.

Pottery needs to be shipped in a container, meaning they have to be bought in particular volumes. However, buyers are hesitant to stock products nowadays. Because this type of earthenware is low-fired (800–900° C) and often cold-painted, it is not food safe.

Indonesia

Small wooden and rattan furniture

Requirements for small wooden furniture are similar to those for small rattan furniture. First and foremost, of course, it has to be sturdy and functional. Robust styles are popular, as well as combinations of different materials and colours. Combining materials not only makes designs interesting, it is also a good way to keep the furniture affordable now that wood is becoming more expensive.

Indonesia has a VPA with the European Union to combat illegal logging and strengthen forest governance. Since November 2016, wooden furniture from Indonesia needs a FLEGT license to enter the European Union. To supplier of the wood needs to provide an export license that guarantees legal logging, replanting and traceability to a specific plot of forest (usually state-owned). Furniture manufacturers need to keep records of the wood they source and the accompanying licenses. FLEGT licensing does not apply to rattan furniture.

Good management of the drying process, etc. is crucial for wooden furniture, as wood is prone to splitting and moulding. It is usually worked when wet, so it needs to be dried thoroughly, e.g. using drying installations and hygrometers. The design and construction of the furniture also influences whether the wood is likely to crack. Producers who are used to the local Indonesian market are not always familiar with these issues, as products for the local market are not as seriously affected, due to Indonesia’s humid climate. They have no or limited experience in how to protect the items from what happens to them during the weeks they are inside the shipping container.

Rattan should also be dried properly and treated to prevent mould and cracks in the material, for example through fumigation and/or silica in the shipping containers. This also makes sure the rattan design stays true to its original measurements.

Although wood can be coated in oil, varnish or paint, consumers prefer to be able to feel its natural properties. If an importer does prefer a particular type of finish, Indonesian producers are generally able to provide this.

Rattan furniture usually comes in the material’s original yellowish shade, or in white or grey. For this material, design is especially important as it can sometimes feel a little dated. Again, combining materials offers opportunities. For example, metal legs can give rattan chairs a more contemporary look. Although Indonesian producers are generally very capable of manufacturing this type of furniture, they often have trouble creating their own designs or restyling existing models for the European market. Instead, they tend to copy popular designs, not always successfully. A common solution is for buyers to provide them with ideas and/or designs.

Using recycled and/or reclaimed wood offers interesting opportunities, with a good eco-friendly story. It also gives furniture that rustic, natural feel that European consumers like. This type of furniture does have to comply with FLEGT, and importers may visit the production location to verify the wood is really recycled.

For more information on general product specifications and requirements for small furniture on the European market, see the CBI studies on stools and side tables, armchairs and easy chairs, rocking chairs and garden furniture.

Basketry

Indonesian basketry should be mainly decorative, with good-quality weaving, design and material. This should match their relatively high price. Competition is fierce from both cheaper countries (e.g. Bangladesh or India) and countries with traditionally interesting designs (e.g. African countries). Multifunctional designs and/or unusual shapes could be interesting options to add value.

Again, producing several sizes that can be nested for shipment saves space (and costs). The baskets should be dried before shipment to prevent mould.

For more information on general product specifications and requirements for basketry on the European market, see the CBI study on baskets and boxes.

Picture 13: Multi-coloured baskets

Source: Indo Risakti

Picture 14: Seagrass baskets with handles

Source: Original Home

Cushion covers and throws

Producers must use azo-free dyes for these colourful products, both in sourcing and processing. The buying process needs to be consistent, e.g. from European sources that can guarantee a stable supply. The textiles also have to be colourfast, which requires controlled production according to a standardised process. Using azo-free dyes poses a challenge and has proved difficult in previous CBI projects. Natural dyes could be an interesting alternative worth investigating.

Fabrics as used in lurik are often quite rigid, so producers need to consider carefully which fabrics to use for which types of products. For these exclusive cushion covers and throws, cotton is the most appropriate material. Traditional patterns that are traceable to specific local cultures make products unique, but also mean they must be positioned very well.

Consistent production may pose an issue, as well as sampling. Production needs to be organised so that producing a sample does not require a full loom to be set up. A management structure should be set up to regulate and oversee these issues and processes. Producers' being spread out across various islands also means that investing in an efficient distribution structure is a must.

Fair trade certification could add value to these exclusive handmade products. Production and producer stories are essential.

For more information on general product specifications and requirements for these types of home textiles on the European market, see the CBI studies on cushion covers and blankets and throws.

6. Corporate Social Responsibility

For mainstream buyers in the home decoration industry, looks and price continue to be the deciding factors when selecting products. However, a good Corporate Social Responsibility (CSR) performance can definitely be of added value. Although certification continues to be a niche requirement, attention to CSR is becoming increasingly common.

For example, some main home decoration trade fairs are now curating ethical style guides that list responsible exhibitors and products. For example, the Ambiente Ethical Style Guide contains over 200 exhibitors that use environmentally friendly materials, resource-friendly manufacturing, fair and socially responsible production, re- or upcycled design, handmade manufacturing and/or sustainable innovation. This shows the industry as a whole is moving towards a more responsible approach.

Producers need to emphasise their good CSR performance in their marketing. Many, especially those in the CBI programme, perform quite well. However, having the required documentation in order can be an issue for smaller companies. They do not always have the management capacity or know-how to meet such requirements as drawing up a Code of Conduct.

Certification

The key advantage of obtaining internationally renowned CSR certification is that producers do not have to explain or 'prove' their CSR performance anymore. Their certification tells (potential) buyers exactly what they need to know.

However, a major issue with most types of certification is the high costs involved. The price is usually the same regardless of company size, putting small-scale producers at a clear disadvantage. For many of them, applying for certification is not feasible because they simply cannot afford it.

Fair Trade Guaranteed

The most common fair trade certification for home decoration products is WFTO – Fair Trade Guaranteed. Although adhering to fair trade principles is becoming increasingly important, the size of the exclusively certified fair trade home decoration market is limited. Interestingly, in the home decoration industry the term 'fair trade' and adhering to its principles seem to have become more important than the actual certification. Being Fair Trade Guaranteed is not a must for most buyers, except for some traditional Fair Trade companies (but not all!).

Many companies, both producers and importers, prefer to work according to the fair trade principles, but not invest in the expensive audits and membership fee involved in becoming Fair Trade Guaranteed. Instead, importers may have their own Code of Conduct based on fair trade principles and/or select suppliers with a social programme in place. They visit the production sites regularly to make sure their CSR is in order.

For producers who can afford to become Fair Trade Guaranteed, this can obviously add value to their products. In addition, its requirements are so extensive that being Fair Trade Guaranteed makes applying for other types of certification a lot easier.

Handmade basketry is a traditional fair trade product, made by small-scale producers. For producers who struggle with relatively high prices, like in Ghana, this type of certification can make buyers and/or consumers more willing to pay those prices.

BSCI

Another popular CSR programme is BSCI, the Business Social Compliance Initiative. Originally developed by European retailers to improve social conditions in sourcing countries, this internationally renowned label is well known among both mainstream and fair trade buyers. In fact, it may well be the leading CSR programme for industrial production for mainstream buyers. Suppliers must comply with the BSCI Code of Conduct. To prove compliance, the importer can request an audit of the production process. Once a company is audited, it is included in a database for all BSCI participants. Although the fees for this programme depend on a producer's annual turnover, they can be considerable nonetheless.

FSC

To combat illegal logging, all timber and timber products on the European market must be traceable to a legal source. The FSC (Forestry Stewardship Council) operates the leading certification programme for these products, which ensures that the raw material comes from responsibly managed forests. To certify their products, producers have to obtain Chain of Custody certification. There is also a FSC Recycled certification for products made from recycled/reclaimed wood and in 2017 FSC certified its first rattan from Indonesia.

However, FSC certification, too, is expensive and certified wood can be hard to obtain due to obviously limited supply. Both these issues put smaller-scale producers at a disadvantage. This can be a reason for European importers not to require FSC certification, especially when there is uncertified (recycled) wood available that meets their standards.

For more information and/or other types of certification, see the CBI study on requirements for home decoration and home textiles.

7. Unique selling points of the supplying countries

Bangladesh

Bangladesh has three clear selling points:

- A large (and still growing) workforce, skilled at handicrafts
- An abundance of various natural materials, mostly from renewable sources
- Reasonable prices

The combination of these three factors is a fairly unique combination. In addition, importers generally perceive Bangladesh as relatively accessible and customer-oriented.

Bangladesh' renewable natural materials include hogla (seagrass), mela leaf, catkin and bamboo. The country is especially leading in jute. It produces the highest-quality jute in the world, is responsible for about 75% of the world's jute exports and consequently is home to the best jute processing industry. This allows producers to create beautifully soft yet strong home products.

A disadvantage is that freighting from Bangladesh can be more expensive than from countries such as India, because the Bay of Bengal is shallow. Ships go from Bangladesh to Europe via Colombo, making shipment more complicated.

The country has a strong textile tradition of handweaving and embroidery techniques. The damage to Bangladesh' reputation from previous incidents in the textile sector poses a challenge. However, its accessible home decoration sector actually has a history of ethical business, employing a lot of women. It often offers women the opportunity to work from home, so they can combine paid work with the care for their families. This should be communicated well.

Ghana

Ghana has one of the most culturally diverse crafts heritages of Africa. There are more than 100 different languages and ethnic groups, with their own crafts and styles of items such as basketry, textile, furniture and musical instruments.

Insufficient management of the supply of raw materials poses a challenge. However, there is a relatively well-educated middle class, who are the businesspeople of the future. This new generation has often had training abroad, giving them a good understanding of the concepts of authenticity, sustainability, fair trade and social enterprises. They position themselves in a much higher end of the market than traditional companies, so they do not have to compete with mass production at low prices.

Ghana also has a good geographical location for exports to Europe. It has two ports and an airport, making shipping relatively easy. Costs are also not that high. Importers do report some difficulties transporting Bolga baskets from the production location in the north to the harbour.

Indonesia

Indonesia has a rich crafts culture, with a great diversity of handmade products from natural materials. It offers a one-stop shop for home decoration buyers. Indonesian products are of high quality, as its craftsmen are technically skilled and flexible. For example, Indonesian basket weavers are known for their quality weaving.

The country is famous for its rattan, producing much more refined furniture than potentially cheaper competitors. It also offers a wide range of other renewable natural materials, such as bamboo, seagrass, water hyacinth and abaca, as well as (recycled) wood and metal. Combined with the skilled and flexible workforce, this offers opportunities to combine materials and create interesting new products.

As with most developing country suppliers, there is always room for improvement in marketing communication, particularly when it comes to the online sourcing of potential buyers and market information. Importers suggest Indonesian suppliers could be more proactive in their communication. Larger Indonesian companies are usually very active at the local trade fairs in Jakarta, but this varies among smaller-scale producers.

The logistical structure and business climate are good, making the country accessible for European importers. Several European entrepreneurs are active in the country already, e.g. as designers or as (co-)owners of a production facility.

8. Opportunities, obstacles and possible interventions

As European demand for ethically produced goods is clearly growing, handmade products made of natural materials offer producers in Bangladesh, Ghana and Indonesia a good potential. The opportunities are best in the mid-mid to mid-high market, where well-made items with a good story can fetch a reasonable price.

For a strong proposition, producers should start with developing a good product in terms of quality, design, material, etc., and use storytelling to strengthen their offer. In general, they have access to the raw materials and skilled craftspeople to produce a good-quality product.

However, awareness of the European market is lacking in all three countries. Producers could greatly benefit from a CBI Export Coaching Programme (ECP) that strengthens their knowledge of the European market and provides them with new insights and skills. To optimise CSR performance, additional interventions at the producer level would also be useful.

Positioning

To position their products on the European market successfully, the CBI could help producers and the sector in general to:

- create a business and marketing concept that is different and attractive;
- carry out market research and identify which market segment is most suitable;
- develop an appropriate price/value offer for the selected segment;
- determine what distribution and sales strategies are needed.

An ECP would be an excellent tool for this specific type of intervention, using the available (or new) market intelligence from the CBI platform. It would also be interesting to investigate what kind of role other stakeholders could play, such as national and international associations, foreign trade representatives and trade promotion organisations. To determine this, individual parties should be approached to discuss their potential contributions and the scope of their organisation. Examples of successful collaborations in Bangladesh are those with the Export Promotion Bureau Bangladesh and the Dutch organisation PUM. One could envisage the CBI ECP format becoming localised as an export training programme to be partly or wholly executed independently by a national organisation. In Indonesia, a first attempt at this was started with local NGO BEDO.

Design

Producers often struggle to create commercially viable designs for the European market because of their limited knowledge of this market. Again, an ECP could be of great use to teach them what the market needs, what their position is and what type of design would be suitable for this.

European stakeholders in the HDHT sector could also play an important role in this. For example, importers could let their European designers train their suppliers’ designers to educate them about the European market. Independent design agencies such as DDiD could also give advice and develop training programmes. European design schools/students could provide similar services. Another option would be to assist local design institutes in training their students to become relevant designers for the HDHT export market, to ensure the longer-term future of the sector. It would be interesting for the CBI to study the options and facilitate such initiatives.

Although market-oriented design may be weak, producers’ ability to ‘design from the material’ is generally fine. Local institutes may be able to help them further with innovation in terms of materials, colours and shapes. The CBI could bring producers into contact with organisations such as Bekraf, an Indonesian NGO that focuses on the possibilities of Indonesian craftsmanship and design.

Marketing

In addition, producers may need help with the effective communication of their proposition. An ECP could also assist producers in:

- creating or becoming aware of producers' own unique value sets;
- developing a good website to showcase their proposition with high-quality pictures of their products;
- presenting themselves at local and international trade fairs, such as Ambiente and Maison & Objet;
- developing a social media strategy for local and international marketing on platforms such as Pinterest and Instagram;
- incorporating storytelling into their marketing.

This type of marketing can also benefit the home decoration subsectors as a whole for each source country. A similar intervention can focus on communicating the unique value proposition of the country/sector, in addition to promoting the individual producers. A strong image of the sector also helps producers to attract buyers, both at trade fairs and online.

CSR

With the increasing attention to ethical production, socially and environmentally responsible production is a clear added value for home decoration products. Although the relatively high costs of CSR certification may be a considerable obstacle for smaller-scale producers, being certified is not always a must as long as ethical values are communicated well. To support producers in their CSR efforts, useful interventions could assist them with:

- setting up a system to document their social and environmental CSR performance in all relevant areas of the product lifecycle: raw material purchasing and processing, production, transport, the use (e.g. greater durability) and disposal of the product (make it easily disposable), as well as e.g. fair wages, working conditions and working hours;
- considering certification;
- communicating the sustainable vales well, and using them actively in marketing;
- collaboration with third parties specialised in clean & lean production that are already active in the value chain.

This requires institutional interventions at the producer level, beyond the standard ECP programme. However, the CBI already has its Sustainable Design programme, which can complement an ECP or be deployed independently. The CBI should involve international or local partners that specialise in CSR in this process. European importers could share their knowledge and experience, for example through best practices.

At the same time, many European importers are struggling themselves with how to give their positioning a 'green' aspect, how to find and train suppliers in becoming sustainable, and which certifications work. In such cases, useful co-creations can be considered between exporters in the three countries, European importers and the CBI and/or specialised institutions that teach sustainability in the value chain and the market. This is a model the CBI has trialled already and could now consider rolling out by themselves or through associated, specialised institutions in Europe. The RVO should be able to play an active role in this too, making the development of green propositions attractive through subsidies and other support instruments.

Ghana

In addition to these interventions, Ghanaian producers require extra attention. The Ghanaian home decoration sector is not very export-oriented yet. For producers to become export-ready, they need to learn about key topics such as improving productivity, creating stable production systems and quality management. Technical support programmes such as PUM could be essential here, which the CBI could coordinate and facilitate. Similar programmes are available in other European countries.

There are no formal crafts education standards in Ghana. It is an informal industry in which the skills are passed on from parent to child. To formalise the sector, companies need to be supported by local governments as well. The CBI should investigate whether the climate is right to convince local governments to become involved.

European importers

When it comes to successful communication, European importers could also use support. Miscommunications are common, for example regarding design, order specifications or planning. These could be prevented, or at least reduced, with the help of some interventions. The CBI could educate importers on how to best communicate with their suppliers and provide insights into cultural differences, making use of such tools as examples of best practice and instructional videos.