

Market Development

MARKET BRIEF ON ARTIFICIAL FLOWERS

OVERVIEW OF THE EUROPEAN COMMUNITY
1993

ITC



INTERNATIONAL TRADE CENTRE UNCTAD/WTO

Artificial flowers and plants - EC overview

Product description

CN 6702.10	Artificial flowers, foliage and fruit and parts thereof, articles made of plastic
CN 6702.90	Artificial flowers, foliage and fruit and parts thereof, articles made of textile

Production

Statistics on EC production of artificial flowers and plants are not available, however the production of high quality silk flowers is found to be significant. EC production of artificial plants faces strong competition from products made in developing countries.

Trade

V: ECU '000	1990		1991		1992	
Q: metric tons	V	Q	V	Q	V	Q
Total Imports	318,475	34,625	424,572	46,062	407,168	46,618
CN 6702.10	134,412	14,824	184,332	20,630	171,613	20,527
CN 6702.90	184,063	19,801	240,240	25,432	235,555	26,091
Total Exports	87,573	5,958	108,754	8,080	101,483	8,509
CN 6702.10	44,599	3,377	50,652	4,089	44,859	3,937
CN 6702.90	42,932	2,581	58,102	3,991	56,624	4,572

ECU 1 = US\$
1.27
1.23
1.29

Source: Eurostat.

Germany is by far the largest import market, followed by France, Spain, Italy, the Netherlands and the United Kingdom.

Main origins of imports (1992, % value)

CN 6702.10	China (72), Belgium-Luxembourg (9), Netherlands (8), Thailand (2). Other suppliers among developing countries: Republic of Korea, Philippines, Sri Lanka, Bangladesh, Indonesia, Pakistan.
CN 6702.90	China (75), Thailand (4), Netherlands (3), Belgium-Luxembourg (3). Other suppliers among developing countries: Philippines, Sri Lanka, Indonesia, Bangladesh, French Polynesia, Malaysia, Haiti.

Market characteristics

According to trade sources, over the past few years the demand for artificial flowers and plants made of plastic declined, while that for flowers and plants made of textile increased. The overall demand for artificial plants, in particular, increased as new niches developed. Imported products were predominant.

Within this market sector, textile materials have proved to be more versatile than plastic in meeting modern design and color requirements, and at the same time more ecologically desirable. It is important to note that artificial flowers and plants are increasingly referred to as "semi-natural" flowers and plants. Artificial flowers tend to follow the same trends as that of fresh flowers regarding species in

demand, colors and peak sales periods. The carnation is by far the most popular artificial flower followed by the chrysanthemum and the rose. Among the most requested artificial plants are the ficus and the palm varieties.

There is a large demand for artificial flowers and plants in the rental business. Plants and floral arrangements are rented to decorate exhibition halls, offices and banks, as well as for special occasions such as weddings. The majority of artificial flowers used by rental companies are of "silk polyester", because they are washable, colorfast and retain their shape better.

Market access

The EC Common External Tariff for artificial flowers and plants is 7.7% (ad valorem). Imports from developing countries enter duty free under the Generalized System of Preferences (GSP).

Packaging

Artificial flowers and plants are wrapped individually in plastic to avoid their getting dusty, and then placed inside cardboard boxes prior to shipping. The cardboard boxes are then placed inside shipping containers. Special attention is given to artificial flowers in order to ensure that they do not get crushed.

Distribution channels

Nearly all EC imports are made by sea and are delivered to major European ports, particularly Marseilles and Rotterdam. From their entry points, containers are transported by trucks to importers and distribution centres throughout Europe. These importers and distributors in turn supply wholesalers and retail outlets such as specialist shops, florists, interior decorators, department and chain stores and supermarkets. Although large distribution chains are playing an increasingly important role in the import and distribution of these products, sales from specialized traders are still substantial (a list of EC importers of artificial flowers and plants is provided in annex I).

Prices

Import prices for artificial flowers and plants in the EC vary considerably depending on the size and type of product as well as the quality of material used. Artificial flowers made of silk are much more expensive than the ones made of "silk polyester". The prices of artificial plants made of polyester are more uniform. The following is a sample import price list for polyester artificial plants manufactured in China:

<u>Description</u>	<u>FOB Unit Price (US\$/piece)</u>
Canadian Maple (210 cm)	50.00
Bamboo (150 cm)	11.00
Ficus Argent (210 cm)	41.00
Ficus Nitida (240 cm)	45.00
Dracaena (150 cm)	27.00
Palm Tree (210 cm)	40.00

Retail prices are usually marked-up 300 % from the import price.

Commercial practices

Many EC importers of artificial flowers and plants make on-site visits to exporters periodically. These visits usually entail a tour of the facilities, followed by ordering from samples. A delivery time of two to three months is common.

Another form of ordering takes place by the exporting companies sending high quality photographs of their samples along with a product description and price list. These individual pictures are used instead of catalogues because the styles change quite frequently.

Market opportunities

Due to the economic recession experienced by EC member states, sales of artificial flowers and plants have stabilized over the past few years. However, there is growing optimism among importers and retailers regarding 1994. The trend towards the increase in sales of artificial plants will continue, therefore providing an opportunity for developing countries to enter this market.

The major factors involved in being successful in this market are the availability of good designers, cheap labor and quality textile materials.

Trade fairs

Europacado (biennial)
Foire Internationale de Bruxelles
ASBL, Parc des Expositions
1020 Brussels, Belgium
Fax: (2) 4770391

Mustermarkt-Leipzig (biennial)
Heinz Kohl Fachausstellungen GmbH
Postfach 1304
73645 Winterbach, Germany
Fax: (7181) 700955

Expohogar (annual)
Feria de Barcelona
Av. Reina Ma. Cristina s/n
08004 Barcelona, Spain
Fax: (3) 4238651

MIC (biennial)
SPAS
86, rue de Lille
75007 Paris, France
Fax: 44189900

Macef Primavera (annual)
Manifestazioni Srl
Via Caracciolo, 77
20155 Milan, Italy
Fax: (2) 33100094

Sources of information

- Flower Trade Journal, various issues
- EUROSTAT, Analytical Tables of Foreign Trade
- Official Journal of the European Communities, Volume 35, 6 July 1992
- Contacts with traders and market experts

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This market brief has not been formally edited by ITC.
Annex I

List of importers

(non-exhaustive)

Germany

Gaspar GmbH
Niederkasseler Strasse 22
Postfach 906042
5000 Cologne 90
Tel: (2203) 69044
Fax: (2203) 69135

Rodermund GmbH & Co. KG
Schmiedweg 6-8
7638 Mahlberg
Tel: (7825) 902-0
Fax: (7825) 902-57

Deco Artikel GmbH
Ritzfeldstrasse 158-166
5190 Stolberg
Tel: (2402) 20070
Fax: (2402) 23436

Raab Karcher AG
Grugaplatz 2
Postfach 103164
4300 Essen 1
Tel: (201) 459-01
Fax: (201) 4594308

Acksteiner GmbH & Co. KG
Sudfenstrasse 73
8950 Kaufbeuren-Neugablonz
Tel: (834) 62014
Fax: (834) 64815

Kaut-Bullinger GmbH & Co. KG
Nockherstrasse 2
8000 Munich 90
Tel: (89) 6226-0
Fax: (89) 6226-349

United Kingdom

Chatsworth Ltd
13, Carlisle road
Colindale
London NW9 0HD
Tel: (81) 2009300
Fax: (81) 2053622

Gainsborough Flowers (Porth) Ltd
Ynyshir Industrial Estate
Porth, Mid Glamorgan
Wales CF39 0HU
Tel: (443) 682347
Fax: (443) 685864

Sino Trading Co. Ltd
Shaw Road, Prescott
Liverpool L24 9JT
Tel: (51) 4481414
Fax: (51) 4481122

Dalebrook Display Co. Ltd
16, Bermondsey Trading Estate
Rotherhite New Road
London SE16 3LL
Tel: (71) 2317722
Fax: (71) 2312373

Prices Patent Candle Company
Solent House
1258 London Road, Norbury
London SW16 4EE
Tel: (81) 7640640
Fax: (81) 6791551

Sunnytoys (Distributors) Ltd
Cowley Works, Cowley Road
Blackpool FY4 4NE
Tel: (253) 65214
Fax: (253) 696710

Spain

Euroflor SA
Apdo. 4, Santa Maria 9-11
08340 Vilassar Mar
Tel: (93) 7590600

Bazaco SA
Alcala 76
28039 Madrid
Tel: (91) 4352185

Galerias Preciados SA
Travesia de Costa Brava 4
28034 Madrid
Tel: (91) 5368000
Fax: (91) 5368098

Albada SA
Rois de Corella 20
08205 Sabadell
Tel: (93) 7105936

Galerias Tarragona SA
Rosellon 154
08036 Barcelona
Tel: (93) 2533469
Fax: (93) 3235968

Padvana SA
Plaza Concepción 24
46870 Onteniente de Valencia
Tel: (96) 2380200
Fax: (96) 2380883

Casa Barros
Real 96
15003 La Coruña
Tel: (981) 228524

Belgium

2W - BOS NV
Kruisboomstraat 1
3400 Overwinden
Tel: (11) 885366
Fax: (11) 885368

Van Hoeymissen Bvby
Brabantsdal 20
1780 Wemmel
Tel: (2) 4661000
Fax: (2) 4630350

Hessels NV
Nijverheidslaan 41
3290 Diest
Tel: (13) 333295
Fax: (13) 333230

Flora Decor Bvba
Vennestraat 325
3600 Gent
Tel: (11) 356160
Fax: (11) 361312

Antwerp Plastic Merchandise NV-SA
Vaarkant Links 14
2960 Brecht
Tel(3) 3116880
Fax: (3) 3116048

Casa SA
Karel Govaertstraat 14
2598 Itegem
Tel: (15) 244661

France

Jourdan Ets
11, rue de la Praderie
06321 Cannes la Bocca Cedex
Tel: 93472112
Fax: 93481527

Baheux Fleurs
ZI, rue François Jacob
62800 Levin
Tel: 21296927
Fax: 21298156

France Sélection
9-13, rue de la Nouvelle France
93303 Aubervilliers Cedex
Tel: (1) 48331818
Fax: (1) 48332160

Poudres Industrielles du Nord
280, rue Julels-Guesde
59510 Hem
Tel: 20756507
Fax: 20027446

Liotard
29, chemin de Chassieu
69800 Saint-Priest
Tel: 78906502

Safrimpex
103, rue Colbert
62100 Calais
Tel: 21369090
Fax: 21364343

Emilio Robba Diffusion
20-33, Galerie Vivienne
75002 Paris
Tel: (1) 42617143
Fax: (1) 4261353

Blauchet Frères Ets
ZI, chemin des Arpents 2
95210 Saint Gratien
Tel: (1) 39894465
Fax: (1) 34126932

Netherlands

Saval Kronenburg BV
Westrik 17
4841 BM Prinsenbeek
Tel: (76) 487000
Fax: (76) 417922

Mur-Kostverloren BV
Lakenbkekerstraat 41
1431 GE Aalsmeer
Tel: (2977) 29611
Fax: (2977) 29073

B-G Holland BV
Videostraat 21
1322 AA Almere
Tel: (36) 5361544
Fax: (36) 5361494

Euro Decor BV
De Steiger 77
1351 AE Almere
Tel: (36) 5312394
Fax: (36) 5318456

Hojas BV
De Steiger 44
1351 AC Almere
Tel: (36) 5311104
Fax: (36) 5312254

Niba BV
Legmeerdijk 313
1431 GB Aalsmeer
Tel: (2977) 27405
Fax: (2977) 43485

Antrosmi
Rijksweg 96
9422 Smilde
Tel: (5927) 59227
Fax: (5927) 59873

Coralin BV
Oostelijke Handelskade 29
1019 BL Amsterdam
Tel: (20) 6254341
Fax: (20) 6207046

Fleurella Art
Duinoordstraat 86 ZW
2023 WE Haarlem
Tel: (23) 250260

Kaemingk BV (HAJ)
Broekerstraat 13
7122 MN Aalten
Tel: (5437) 98800
Fax: (5437) 73468

Italy

Magazzini Mercerie Spa
V. Senna 20-24 – Osmannoro
50019 Sesto Fiorentino (FI)
Tel: (55) 319090
Fax: (55) 300033

Enrico Brambilla
Via Filippo da Desio, 51
20033 Desio, Milan
Tel: (362) 623606
Fax: (362) 623609

Area International
Via Nuova Valassina, 20
20048 Carate Brianza, Milan
Tel: (362) 903861
Tlx: 340473 area I

Saporiti Italia Spa
Via Gallarate, 23
21010 Besnate (VA)
Tel: (331) 274198

Department and chain stores, retail buying groups

Germany

Hertie Waren und Kaufhaus GmbH
Postfach 70461
6000 Frankfurt
Tel: (69) 66811
Fax: (69) 4121280

Sütex-Textil-Verbund
Eschenbrünnle Strasse 12-14
Postfach 460
7032 Sindelfingen
7032 Sindelfingen
Tel: (7031) 61020
Fax: (7031) 6102266

Kaufhof Holding AG
Leonhard Tietz Strasse 1
Postfach 101000
5000 Cologne
Tel: (221) 22301
Fax: (221) 2232800

Wertkauf GmbH
Durlacher Allee 109
Postfach 6869
7500 Karlsruhe
Tel: (721) 60960
Fax: (721) 6096625

France

Groupe Auchan
40, ave. de Flandres
59170 Croix
Tel: 20816800
Fax: 20816909

Galleries Lafayette
40, bd. Haussmann
75446 Paris Cedex 09
Tel: (1) 42748212
Fax: (1) 280357

SAPAC Printemps
102, rue de Provence
75009 Paris
Tel: (1) 42825000
Fax: (1) 42825803

La Samaritaine
19, rue de la Monnaie
75001 Paris
Tel: (1) 40412020
Fax: (1) 40412828

Netherlands

Kwantum Nederland BV
Belle van Zuylenstraat 10
5032 MA Tilburg
Fax: (13) 637979
Cebeco-Handelsraad
Blaak 31
3011 GA Rotterdam
Fax: (10) 4113889

Artificial flowers and plants - France

V: ECU '000	1990		1991		1992	
Q: metric tons	V	Q	V	Q	V	Q
Total imports	52,915	5,813	55,172	5,954	53,629	6,205
Total exports	6,826	547	7,782	710	6,942	599

Source: Eurostat.

Main origin of imports (1992, % value)

CN 6702.10	Belgium-Luxembourg (50), China (29), Germany (6), Netherlands (3). Other suppliers among developing countries: Republic of Korea, Philippines.
CN 6702.90	China (65), Belgium-Luxembourg (14), Germany (6), Italy (4). Other suppliers among developing countries: Sri Lanka, Bangladesh.

Market characteristics

In 1992 France accounted for 13% of total EC imports (in terms of value) of artificial flowers and plants. French consumers have a strong preference for artificial flowers and plants made of textile. Synthetic fibres are the most popular materials as they are washable, durable and less expensive than other natural materials such as silk. The most popular colors are pink and several shades of pink, white and other pastels. Peak demand is during holiday periods such as Christmas and Easter.

Distribution channels

Imported goods are delivered from major French ports, particularly Marseille, to importers and distribution centers throughout France. Specialized shops and department stores are the two major retail outlets.

Commercial practices

Retail outlets, such as florists, often buy artificial flowers by unit and create the floral arrangements themselves. This being a more cost-effective practice with the advantage of creating customized floral arrangements.

Trade promotion

The most important trade fair for promoting artificial flowers and plants held in France is the "Arhompe" in Orléans which takes place annually in September.

Market opportunities

As opposed to the decline in sales of artificial flowers, demand for artificial plants have significantly increased in France during the period under review. This trend is expected to continue in the short and medium terms. French consumers are demanding and price conscious. New exporters wishing to enter the French market should take into consideration the high quality requirements and creative designs together with competitive prices.

Artificial flowers and plants - Germany

V: ECU '000 Q: metric tons	1990		1991		1992	
	V	Q	V	Q	V	Q
Total Imports	90,647	9,297	159,702	16,384	147,004	16,288
Total Exports	21,630	1,209	24,178	1,341	24,113	1,542

Source: Eurostat.

Main origin of imports (1992, % value)

CN 6702.10	China (73), Netherlands (12), Belgium-Luxembourg (4), Thailand (3). Other suppliers among developing countries: Republic of Korea, Philippines, Bangladesh, Indonesia, Pakistan.
CN 6702.90	China (77), Thailand (7), Netherlands (5), Italy (1). Other suppliers among developing countries: Philippines, Sri Lanka, Indonesia.

Market characteristics

Germany was the largest EC importer of artificial flowers and plants in 1992, accounting for 36% of total EC imports (in terms of value). Artificial plants are becoming increasingly important in Germany due to the growing popularity of these products among decorators and interior designers. On the other hand, the bulk of the demand for artificial flowers is from the funerary sector. Although the market for products made of textile materials is rapidly increasing, artificial flowers and plants made of plastic are still very popular in Germany because of their durability.

Distribution channels

Most German imports are made by sea through Northern European ports. Imports by central buying groups and large retail chains are growing.

Commercial practices

Some German importers of artificial flowers and plants visit producing countries to discuss new product lines or to become acquainted with new supply sources. However, the most usual sale practice is through formal offers with samples along with product description and price list.

Trade promotion

One of the most important trade fairs for exhibiting artificial flowers and plants in Germany is the "Plantec" held in Frankfurt annually during September/October.

Market opportunities

After years of continuous growth, the German market for artificial flowers and plants has stabilized. However, the market for artificial plants, which in recent years was the most dynamic, is expected to continue to grow due to the demand created by commercial businesses such as banks, offices, etc. As for artificial flowers, good prospects exist for plastic flowers given the preference accorded to them by the funerary sector. Sales of high quality artificial flowers made of textile are also seen to grow substantially in the near future, however they still will account for a minor proportion of the market.

Artificial flowers and plants - Switzerland

V: SF '000 Q: metric tons	1990		1991		1992	
	V	Q	V	Q	V	Q
Total Imports	19,883	671	21,087	720	20,307	745
CN 6702.10	3,300	133	2,801	136	3,128	170
CN 6702.90	16,583	538	18,286	584	17,179	575
Total Exports	892	22	461	8	785	20
CN 6702.10	166	5	139	2	202	5
CN 6702.90	726	17	322	6	583	15

Source: Statistique annuelle du commerce extérieur de la Suisse.

Main origin of imports (1992, % value)

CN 6702.10 China (53.6), EC (22.5), Thailand (4.9).

CN 6702.90 China (54.9), EC (21), Rep. of Korea (2.9), Philippines (2), Singapore (1.4), Thailand (1.3).

Market characteristics

Despite its small population, Switzerland is one of Europe's most important markets for artificial flowers and plants. The market relies heavily on imports and there is a growing interest in artificial plants, which are sold throughout the year irrespective of the season.

The demand for artificial flowers, which declined slightly in recent years, usually follows the different seasons, with geranium in summer, dahlias in autumn and Christmas stars in winter. Red and pink roses, on the other hand, are popular year round. Artificial flowers made of synthetic fibres and cotton, called "washable silk", are among the most popular as they are reusable and can be cleaned easily.

There is a large demand for the rental of artificial flowers and plants. Artificial flowers are most often rented for special occasions such as weddings, while artificial plants are used in banks and offices.

Market access

The duty rates levied on imports are the following (SF/100kg):

<u>Tariff heading</u>	<u>Normal</u>	<u>EC/EFTA</u>
CN 6702.10	105	free
CN 6702.90	255	free

Under the Generalized System of Preferences (GSP) imports from developing countries enter duty free.

Packaging

Artificial flowers are wrapped individually in plastic and then packed in 12 to 14 pieces per box. Artificial plants, depending on the size, are wrapped individually and boxed individually.

Distribution channels

Nearly all the Swiss imports are made by sea and are delivered to major European ports. From their entry points, containers are transported by trucks to importers and distributors, who in turn supply wholesalers and retail outlets such as specialist shops, florists, interior decorators, department and chain stores and supermarkets.

The share of imports of large department stores is constantly increasing.

Prices

Prices of artificial flowers and plants vary considerably from product to product depending on the origin and the material used in their production. Artificial plants have a more stable price range, some retail prices can be as high as Sw F 500 per plant.

Details given in "Artificial flowers and plants - EC Overview" also apply to Switzerland.

Commercial practices

Credit terms depend on exporters. Most importers pay cash against documents. Artificial flowers and plants are always sold by the number of units than by weight.

Market opportunities

The substantial increase in imports of artificial plants recorded in Switzerland in recent years is one of the most relevant facts within this market sector (overall imports of artificial flowers and plants remained stable).

The demand, particularly for artificial plants, is expected to increase in the near future stimulated by innovative and competitive imported products from developing countries.

List of importers

(this list is not exhaustive)

PLASTIFLOR AG
Silostrasse 503
5606 Dintikon
Fax: (57) 244433

A & L PRODUCTS AG
Brauereiweg 7
Postfach 71
5033 Buchs Ag
Tel: (64) 248181

DECO FLORA AG
Dammstrasse 36
4142 Münchenstein
Fax: (61) 411 27 66

DECORAMA AG VERKAUF
Neustadtstr 3
6003 Luzern
Tel: (41) 233653
Fax: (41) 233285

FALLER FLORISTENBEDARF
Korbwaren
Gewerbezone Haltelhus
9402 Mörschwil
Tel: (71) 962255
Fax: (71) 962257

VAN SPYK GERB. AG
Hauptstrasse 2
5027 Herznach
Tel: (64) 481204
Fax: (64) 481555

LE JARDIN D'HIVER
44, rue de la Coulouvrenière
1204 Genève
Tel: (22) 3290308
Fax: (22) 3218672

Sources of information

- Office suisse d'expansion commerciale (OSEC)
- Flower Trade Journal, various issues
- EUROSTAT, Analytical Tables of Foreign Trade
- Official Journal of the European Communities, Volume 35, 6 July 1992
- Contacts with traders and market experts

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