CBI MARKET SURVEY

THE PLANTS AND YOUNG PLANT MATERIAL MARKET IN FINLAND

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments on the plants and young plant material market in Finland. The information is complementary to the information provided in the CBI market survey 'The plants and young plant material market in the EU' which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.nl/marketinfo.

1. Market description: consumption and production

Consumption

- The Finnish consumption of plants amounted to € 179 million in 2005. Compared to other EU markets Finland ranks 11th and is a relatively small-to-medium market for plants. Finnish consumption has been increasing since 1997. Between 2001 and 2005, consumption increased by 38%. The per capita consumption showed the same development. It increased by 36% in the same period and amounted to € 34 in 2005.
- These are relatively high growth figures compared to other EU countries. The prognosis for the Finnish market in the period 2005 to 2009 is a small decrease to a value of € 166 million and a per capita consumption of € 32. However, this prognosis was made on the basis of figures from 2004 which underestimated the positive development of the market in 2005.
- Flowering plants are more popular than foliage plants. Approximately 75% of expenditures on indoor plants was spent on flowering plants in 2001. Only 25% was spent on pot plants.

Table 1.1 Top 10 flowering plants in Finland, 2001, in % of total expenditure

	Flowering plants
Erica	11
Pelargonium	9
Begonia	7
Poinsettia	7
Dendranthema	6
Rosa	5
Hyacint	4
Kalanchoe	4
Marketta	4
Saintpaulia	3
Other	40
Total	**100**

Source: Netherlands Product Board for Horticulture (2002)

- Popular foliage plants were Fern and Palm.
- People younger than 35 have decreased their expenditures on plants, in contrast to the older age groups.

Production

- Finnish production of plants was worth € 35 million in 2002. The value of the production increased by 22% between 2000 and 2002. Compared to other EU countries, Finland is only a small producer. It ranked 12th in the EU.
- Finland produces mainly small to medium-sized flowering plants. Flowering plants account for 96% of total plant production. Production of foliage plants was already low and decreased even further between 2000 and 2002.

Table 1.2 Production in Finland, 2002, in thousand pieces

Plant species	Number of pieces
Poinsettia	2,333
Begonia	2,203
Dendranthema	1,157
Saint Paulia	1,277
Rosa	832
Rododendron (Azalea)	406
Other	4,657
Total	**12,865**

Source: Ministry of Agriculture and Forestry (2003)

Trends

- Popularity of plants, hanging baskets in particular, has increased in recent years. This was partly due to the increasing offer of plants by local producers and has resulted in higher expenditures on plants.
- The Finnish population cares increasingly about a healthy life. Plants and gardening fit in very well with this lifestyle. This leads to more purchases of both indoor and outdoor plants.

Opportunities and threats

- Although the Finnish market for plants is small, current trends in consumption lead to increases in sales. Local production is also increasing. However, this comprises mainly flowering pot plants and it is not sufficient to answer the demand of the market.

Useful sources

- Maa-ja metsätalous ministeriö (Ministry of Agriculture): http://www.mmm.fi
- Finnish Statiscial Bureau: http://www.stat.fi

2. Trade: imports and exports

Imports

- Finnish imports amounted to € 33 million in value or 9.4 thousand tonnes in volume in 2005. Compared to other EU countries, Finland ranks 12th and is a small importer. Nonetheless, imports increased by 39% between 2001 and 2005.
- The leading suppliers of Finland are The Netherlands (38%), Denmark (32%) and Germany (16%).
- Kenya is the only developing country with a leading role in Finnish imports. It supplies 33% of the imports of unrooted cuttings. However, unrooted cuttings only represent 6.6% of total imports. Most imports consist of flowering plants (36.6%) and foliage plants (22.2%).

Exports

- Finland is one of the smallest exporters in the EU. Exports of plants and young plant material amounted to € 350 thousand in 2005. This represents only 1% of Finnish production, indicating that almost the entire production is directed at the internal market.
- Exports consist for 89% of outdoor plants.

Opportunities and threats

- Finland is largely dependent on imports for its plants. Approximately 81% of total Finnish consumption is supplied by other countries. Domestic production is increasing. However, the absolute growth of consumption is increasing faster than production. As a result, absolute imports increase.

Useful sources

- Keskuskauppakamari (Finnish Chambers of Commerce): http://www.wtc.fi
- EU Expanding Exports Helpdesk: http://export-help.cec.eu.int
- Eurostat – official statistical office of the EU: http://epp.eurostat.cec.eu.int

3. Trade structure

Wholesale

- There are only approximately 35 wholesalers in Finland. Most of them are located in the south and west of Finland.
- The current trend in the Finnish wholesale sector is a shift to more modern sales channels in response to changes in the retail market.
- The European market for tropical young pot plant material is for a large part dominated by Dutch importers. Finland and other Scandinavian countries are an exception. The Danish company Gasa Young Plants which also imports young pot plant material has an estimated 80-90% market share in the Scandinavian markets. Gasa imports mainly from Central America, but also from China, Taiwan, Sri Lanka and other countries.

Retail

- The long-term trend is an increasing importance of large retail chains in Finland. Traditional retail channels are losing market share to them. They need to specialise in order to remain competitive.

Table 3.1 Market shares of retail channels, 2001, in % of expenditures

Retail channel	Share
Garden centre	27%
Florist/kiosk	21%
Department store	15%
Supermarket	13%
Market	6%
Other	18%

Source: Netherlands Product Board for Horticulture (2003)

- The retail market is dominated by Kesko and SOK. Both offer one-stop-shopping possibilities in their popular hypermarkets and also have various retail formulas in their supermarkets.
- Pelargonium and Begonia are most often purchased at garden centres. Cyclamen, Hyacint, Poinsettia, Rosa and Rhododendron are most often purchased at florists. The cactus, Saint Paulia and Dendranthema plants are preferably purchased at department stores.

4. Prices

- Average plant prices have increased slightly in the long-term. Prices fluctuate more in the short-term, as a result of fierce competition in the retail sector.

Table 4.1 Average plant prices in Finland

	1998	2001
Flowering plants	3.53	3.78
Foliage plants	4.87	4.82

Source: Flower Council of Holland (2006)

5. Market access requirements

- Growers in developing countries should be aware of the market access requirements of their trading partners and the country's government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.
- For more information, go to 'Search CBI database' at http://www.cbi.nl/marketinfo

Useful sources

- Barents information page on Finnish Customs procedures: http://www.barentscustoms.org/fi/index.asp

6. Business practices

Trade associations
- Finnish Glasshouse Growers' Association: http:// www.kauppapuutarhaliitto.fi

Trade fairs
- Spring Garden 2007 (Bi-annual garden trade fair): http://www.finnexpo.fi

Trade press
- Puutarha Kauppa: http://puutarha.net/kauppa/

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