

## The European market potential for notebooks

Whilst the outsourcing of notebook manufacturing has increased over the years, the trend has not gone as far as in other sectors like apparel. Countries like Germany, France and the United Kingdom are still important producers and, in fact, their production expanded during the 2014 to 2018 period. The depreciation of the British currency and trade uncertainties due to the [Brexit](#), may cause buyers from the United Kingdom to start [to seek a more local supply](#). Despite increasing European production creating competition for suppliers from developing countries, the demand for notebooks is strong, with imports growing significantly and consistently in recent years.

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## 1. Product description

In the home sector, notebooks are part of the category “office and school” and “leisure”. In this study the following codes are used in reference to the trade of notebooks:

Table 1: Product codes

Harmonised System (HS)	Prodcom	Description
4820.1030	1723.1315	Notebooks, letter pads and memorandum pads without calendars, made of paper or paperboard

Apart from the purely functional notebooks used in offices and schools, the notebooks discussed here are mainly used for leisure. Consumers write down their thoughts, scrapbook and doodle or draw in them, usually as a hobby or pastime. They make great gifts, for men, women and children.

Notebook covers can be made from various raw materials including:

- textiles, such as cotton
- leather
- paper
- paperboard

The pages are usually made of handmade or industrially-produced paper, textile fibres (e.g. cotton), or alternative fibres such as bark, banana fibre, mulberry, lokta and argeli, or even elephant excrement. Because consumers prefer a white or off-white colour, paper is often bleached. It is standard for notebooks to have at least 30 unlined pages. Common sizes are A4 – A7 paper, based on [ISO 216:2007 trimmed sizes of writing paper and certain classes of printed matter](#).

Notebooks come in an endless variety of sizes, designs and colours, depending on:

- the use of the notebook

- whether or not it is a gift
- the preferred style

You can add character with:

- colour and decoration
- material
- accessorising
- small extras such as pens or pencils
- sustainability aspects

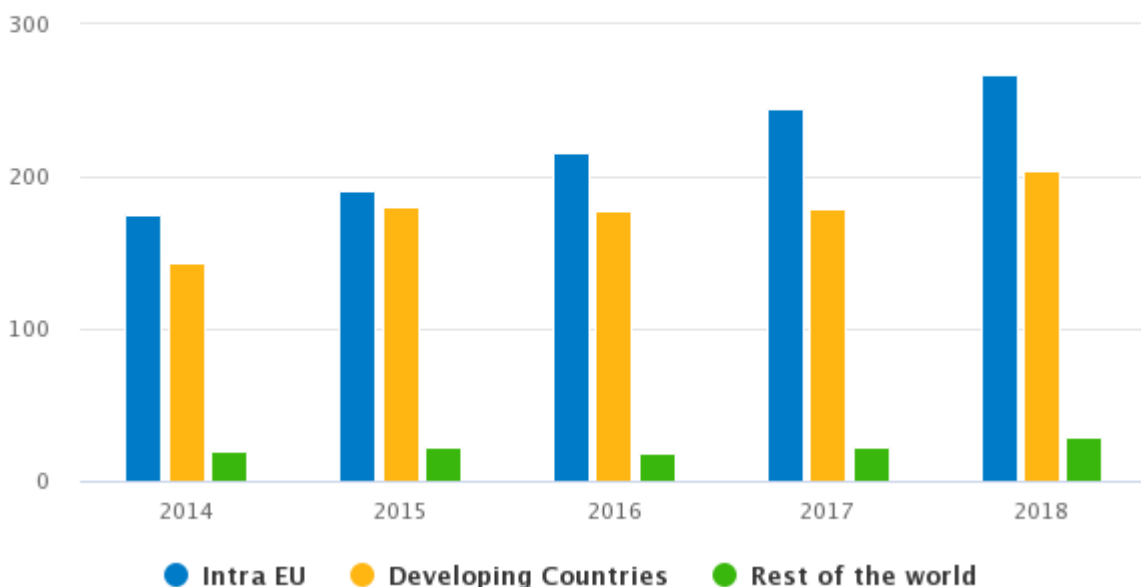
## 2. What makes Europe an interesting market for notebooks?

### The European market is growing fast

The European market for notebooks is worth €500 million. The annual growth averaged more than 10% between 2014 and 2018. This is considered a high growth rate.

Figure 1: European imports of notebooks

in € million



Source: Eurostat

The urge felt by European consumers to escape from the electronic overload in their lives, is driving the rapidly increasing popularity of notebooks. According to the Financial Times, the awareness of stationery and appeal of luxury paper is unprecedented and could approach the levels seen in Japan and Korea in terms of an obsession with luxury paper. This is paving the way for more growth to come.

European paper notebook consumers are showing an appreciation for something unique, opening doors for smaller producers in developing countries to add value to the product with a story behind it. However, it should be noted that there is less emphasis on handmade items in the market and more on quality and design, particularly of the notebook cover (e.g. leather bound), but also of functional attributes.

### Production is mostly outsourced to lower cost countries

Outsourcing production to lower cost countries within and outside of Europe, particularly China, remains the main pattern. This means there is a significant supply of manufactured products from developing countries, but the European suppliers take care of the marketing. Additional value addition may take place in Europe, for

example, in cases where the pages of the notepad are imported but are added in Europe to the specially designed cover made of various materials.

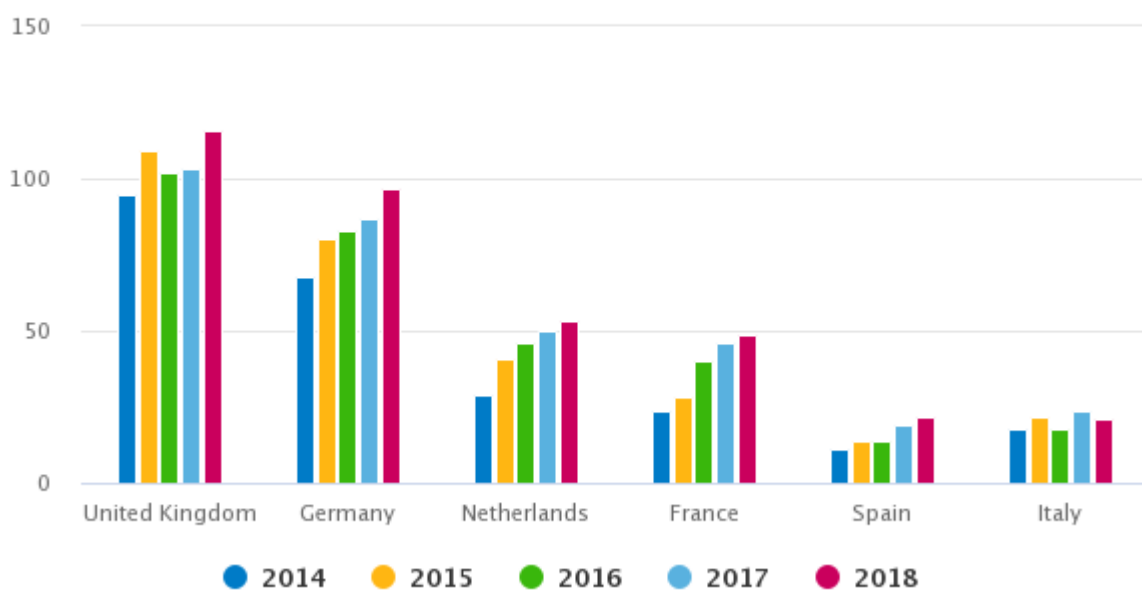
Overall, supply from within the European Union still dominates. As illustrated in Figure 1, imports from both European and developing countries are growing, though it should be added that the gap between the two sources is expanding. The share of intra-European imports is increasing. The import value from developing countries still increased significantly from €143 million in 2014 to €204 million in 2018. Imports from the rest of the world – primarily Japan and the United States – are also increasing slightly in response to increasing European demand.

### 3. Which European countries offer most opportunities for notebooks?

The two European countries that offer the most opportunities for notebook producers from developing countries are the leading importing countries the United Kingdom and Germany, followed at some distance by the Netherlands, France, Spain and Italy.

Figure 2: Leading European importers of notebooks

in € million



Source: Eurostat

### Production of notebooks

The leading importers are also among the largest producers in Europe. Germany and France are by far the biggest producers, followed at some distance by the United Kingdom and Spain. The United Kingdom imports more than twice the value it produces. German imports are at about the same level as the country’s production. France, the Netherlands, Spain and Italy produce more than they import. Austria and Poland are also among the leading notebook producing countries.

Table 2: Production of notebooks by leading European producers (€ million)

	2014	2015	2016	2017	2018
Germany	92.4	113.4	95.4	99.2	100.8

France	84.2*	84.2*	86.7*	83.4*	93.5
United Kingdom	36.9	45.4	47.3	47.6	43.8
Spain	27.1	29.2	27.3	32.6	31.0
Austria	16.9	18.0	18.0	17.5	19.0
Poland	6.6	8.0	7.7	8.1	9.7
Italy	8.0	6.6	5.1	5.3	8.3
The Netherlands	5.6	6.2	6.2	5.6	6.7

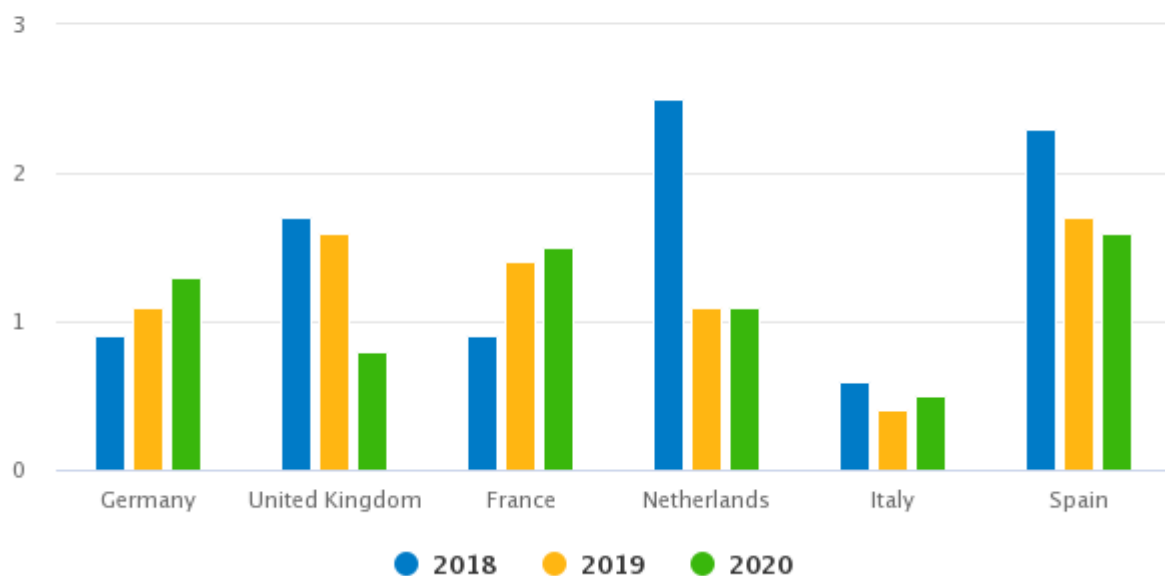
\*value of quantity data estimated based on 2018 price

Source: Eurostat, PRODCOM

### **Growth of real private consumption expenditure**

Private consumption expenditure includes all purchases made by consumers, such as food, housing (rents), energy, clothing, home accessories, health, leisure, education, communication and transport, as well as hotel and restaurant services. It is an important indicator for the European home accessories market. The sector is closely linked to economic conditions. When economic circumstances and prospects are dim, consumers postpone buying non-essential (luxury) items. Conversely, when economic conditions are favourable, private consumption expenditure and purchases of non-essential (luxury) home accessories surge. Looking at the six markets illustrated in Figure 3, the six largest European import markets described above, we see that private consumption expenditure growth is forecast to be most pronounced in Germany and France (though modest between 1% and 1.5%) whilst Spain, the Netherlands and the United Kingdom will face a slowdown. The outlook for Italy remains bleak in terms of consumption expenditure.

Figure 3: Real private consumption expenditure growth in % (year on year)



Source: Eurostat

### Brexit could negatively impact demand in Europe's biggest market

The United Kingdom is the largest European import market for notebooks. It surpassed the value of €100 million and is seeing robust growth: more than €22 million since 2014. A significant proportion (66%) of imports originate from developing countries. At the same time, the United Kingdom is a relevant producer and exporter of notebooks, as shown in Table 2. On the whole, it is a large and attractive market from a developing country perspective.

As the British pound sterling weakens due to the Brexit process, the situation may change as buyers sourcing from abroad see costs rising and may resort to sourcing more locally. On the other hand, purchasers from the United Kingdom could also switch from buying from European importers to buying more directly from developing countries. If the latter occurs, there will be greater opportunity for developing country suppliers. The United Kingdom is home to several well-known brands including [Smythson](#), [Stamford](#) and [Faber&Faber](#).

Although modest economic growth is projected for 2019 and 2020, [the withdrawal of the United Kingdom from the European Union](#) (Brexit) will have a major impact on the United Kingdom's consumer confidence throughout 2019 and in the years to follow. This is also reflected in the downward trend of consumer expenditure as shown in Figure 3. It is likely that the uncertainties related to Brexit and the resulting economic slowdown will impact the consumption of notebooks.

### Germany is the leading producer and supplier of notebooks in Europe

The German import market has expanded rapidly over the last five years, seeing an increase of 43% since 2014 to a value of €97 million in 2018. At the same time, Germany is a leading producer and supplier to the world as well as to the rest of the European Union. That means that German production does compete with developing country suppliers.

China and Poland are key sources of German imports. A significant proportion of these imports German designs are produced through contract or outsourced manufacturing. Only 25% of German imports originate from developing countries. It is likely that a significant proportion are German brands like [Semikolon](#), [Gmund](#) and [Milligram.](#), of which production is outsourced to other countries. Between 2014 and 2018, Poland has responded the strongest to increased German demand and has taken over a share of production from of developing

countries.

Between 2019 and 2020, private consumption expenditure in Germany is expected to increase, meaning that consumption of (luxury) products such as notebooks is likely to rise.

## **The Netherlands is a fast-growing importer of notebooks**

Since 2014, the Netherlands has seen imports grow at an impressive rate of 83%, with an import value up from €29 million in 2014 to €53 million in 2018. It should be noted that almost half of the imports are re-exported. As such, the country is more of a redistributing gateway to Europe. Not surprisingly, a high proportion (61%) of Dutch imports originate from developing countries. The notebooks are sourced primarily from China and India. As illustrated in Table 2, the Netherlands is not a significant producer of notebooks.

However, the economy and private consumption expenditure growth are slowing down. Growth in private consumption expenditure is projected to drop from 2.5% in 2018 to 1.1% in 2020. The Brexit, as well as the international trade disputes between the United States and China have a big impact on the Netherlands. The country relies heavily on international trade and negative developments in that respect have an amplified effect on the country's economic performance. This may have an effect on the country's consumption of notebooks.

The impact on the imports of notebooks might extend beyond the country itself, since the Netherlands is a big re-exporter of goods. As such, developments in other European countries will also play a role. Given the economic slowdown in Europe as a whole, a sharp increase in imports is not expected. On the other hand, a decrease is not likely, either, since the economies will still grow, albeit at a slower pace.

## **France more than doubled its imports over a five-year period**

France is a leading and high value producer of notebooks, only second to Germany. Some well-known brands include [La Petite Papeterie Française](#) and [Calepino](#). As an import market, it is significantly smaller than the United Kingdom and Germany, although imports more than doubled between 2014 and 2018, reaching a value of €49 million in 2018. The French market imports a relatively small and stable share from developing countries, amounting to 20% in 2018.

The economic growth in France has slowed down after a gradual recovery. Global uncertainties and the effects of social unrest weighed on consumer confidence and consumption of luxury products in 2018. However, 2019 saw a strong increase in private consumption expenditure growth compared to 2018. In 2020, the growth is expected to stabilise and increase slightly. The impact on consumers spending on luxury products such as notebooks will likely be moderate.

## **Spain imports half of its notebooks from developing countries**

Spain is one of the smaller countries among the top six import markets, importing notebooks worth €22 million in 2018. At the same time, as shown in Table 2, Spain is the fourth-largest producer of notebooks. Some 50% of its imports originate from developing countries, mainly China. A significant proportion of this amount consists of outsourced production. [Miquelrius](#) is a Spanish brand well known through the world. With regard to the country's private expenditure, the growth is forecast to stabilise at a reasonable level in 2020, the highest of the top six import markets.

## **Italy is a small but steady market**

The Italian notebook import market is relatively small with values fluctuating around €20 million per year. It also manufactures a relatively small quantity of notebooks. Having said that, there are some well-known Italian brands such as [Moleskine](#), [Tassotti](#), [CIAK](#). Like Spain, more than half (53%) of Italian paper notebook imports originate from developing countries, in particular China and Vietnam.

The Italian economy has been broadly stagnant for the last five quarters and projections for the near future are not very cheerful. The European Commission's forecast indicates that Italy will record economic growth of just

0.1% this year and 0.7% in 2020, which would make it the slowest-growing European Union economy in both years. In line with the economic performance, Italian private expenditure growth is forecast to increase slightly in 2020 compared to 2019. Since the difference is minimal, it is not expected to have a significant impact on the demand for notebooks.

### **Tips:**

Consider targeting Germany, the United Kingdom, France and the Netherlands (re-export). These are interesting markets in terms of size and growth.

If you are doing business with the United Kingdom, or intend to do so in the future, keep a close eye on the developments surrounding the [Brexit](#).

Weigh your position with respect to outsourcing of production versus having your own brand.

Study your competition in these markets by using [Trade Map](#) and by visiting trade fairs like [Ambiente](#), Frankfurt (February), [Maison et Objet](#), Paris, (January and September), [Paperworld](#), Frankfurt (January/February), [Toy Fair](#), School Articles, Stationery, Creative Design section, Nuremberg (January/February) and [Papergift](#), Lisbon (March).

## **4. What trends offer opportunities on the European market for notebooks?**

Notebooks play a key role in two major consumer trends that dominate today's European society: the desire to live more offline and to live more sustainably. They also tap into the trends of being more personal and giving meaningful presents. For more information, see our study about [trends for Home Decoration & Home Textiles](#). We will outline each trend below.

### **Wellness: living offline**

European consumers want to embrace the here and now. They make the most of every moment and experience, record it and move on. Average attention spans have fallen to eight seconds. Internet offers the perfect platform to follow, connect, record and review, share and to create an individual identity. The notebook and everything it represents provides a small but firm countertrend to all of this. It celebrates offline existence, introspection, "slow" communication and a moment of "me-time".

Interestingly, the youngest generation amongst the Millennials (a generation generally noted for its online life) tends to be offline more. They are showing a renewed interest in paper-based communication and reflection.

### **"Me time"**

In their notebooks, consumers put their thoughts on paper, draw and illustrate or scrapbook. These activities create moments of reflection and introspection, real quality time, or "me time". Stressed-out European consumers also occasionally want to be offline, alone or with their nearest and dearest. The notebook can be a meaningful tool in this process.

### **Triggering the senses**

The look and feel of the materials and techniques used enhances these "Me time" moments. This can include:

- the texture of natural fibres
- accessories, such as beads
- embossed surfaces

- fabrics
- colour effects, such as gradient or marbled effects

Image 1: Example of a notebook with marble effect



## Closer to nature

European consumers want to feel closer to nature, including at home. Handmade notebooks can reflect nature through the use of:

- fibrous paper
- notebook covers made of wood or fabric
- imagery from nature

### Tips:

Consider different colours, textures and accessories when developing new ranges of notebooks.

Use natural materials for the cover of (handmade) paper notebooks. Do not use a coating on your paper or cover, as it will make the (handmade) paper notebook not feel natural anymore.

Use themes from nature to decorate your notebook covers. You can also add accessories from nature.

## Personalisation

Notebooks invite personal reflection. This makes the choice of notebook extremely individual. For this reason,, notebook users care about detail. Some websites even allow consumers to decorate their own notebooks.



Image 2: Example of a notebook that can be used as a travel journal



### **Tips:**

Offer a choice in your range of notebooks. For example, you can offer multi-use notebooks, such as those which can be used as a notebook, notepad, travel journal or scrapbook. You can also make these lockable. You can consider different types of binding, as well, such as stitched, case bound, spiral or wire bound methods. You can also offer various sizes, ranging from A4 to A7.

Consider eco-friendly aspects, relating to production or materials, for example.

Be creative with the design element and incorporate variation on a specific theme, involving colour ranges or shapes. You can also supply notebooks that consumers can easily personalise. For example, plain notebooks that consumers can decorate, or accessories that consumers can attach.

### **Gifting**

Gifting is a form of bonding, which is very much part of wellness, as human beings are social creatures and happiness comes through connecting. Stationery, including notebooks, used to be considered a separate product within the school and office supplies category. Because of its gift potential, stationery is now often included in home decoration. Retailers of general home decoration and lifestyle segments now also offer ranges of notebooks.

### **Tips:**

Do not limit your search for new distribution partners to the paperware industry. You should also include home decoration importers.

As home products, your notebooks need to make attractive gifts. Think of accessorising your notebooks using your knowledge of home decoration or home textile products and trends in your design.

Extend your range of notebooks to include related paperware products, such as colouring or address books. You can add an extra gift, such as a pencil, or create notebooks for children.

## Sustainability

European consumers are increasingly adopting more sustainable lifestyles. Especially the Millennials (people born between 1981 and 2000) are quite passionate about combatting climate change and promoting fair working conditions for everyone. They increasingly prefer products and brands that are people- and planet-friendly. They do not just want to make “guilt-free” purchases, which is essentially a defensive attitude, but they are looking for ways to actively contribute to a better planet.

### Tips:

Revise your process to develop green values. This can include changes in the use of materials (recycling, reusing or reducing materials, as well as using local or renewable materials) or the production process (health and safety, energy consumption, waste management, fair wages). You could also consider distribution (such as reducing transport volume) and the use and disposal of your product (biodegradable).

Clearly communicate your green values. For instance, if you produce notebooks from elephant dung, link this to the animal welfare. This will attract additional interest. Obtain social and/or environmental certifications, if necessary.

Avoid bleached paper. There are plenty of alternatives available.

Use an environmentally-friendly paper bleaching method. The [Environmental Paper Network](#) and the [Confederation of Paper Industries](#) have more information on chlorine-free bleaching.


A good example of a company tapping into these trends and integrating meaningful sustainability practices into its products is [Pepaa](#) from India. It produces notebooks and other stationery items made of recycled paper and plantable seed paper made of organic seeds, which it markets as special gift items.


For more information, see our study about [trends for home decoration & home textiles](#).


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

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