

IPD information:

Covid-19 crisis hits European cut flower markets hard again

Bonn/Berlin – 27 November 2020

In May we last reported on the massive restrictions imposed by the COVID-19 crisis on the European market for cut flowers. At that time, social distancing, lockdowns and other measures had influenced the sale of flowers and in some cases even suspended it. Especially the Easter season, which is so important for the industry, had to struggle with a drop in sales of around 70%.

The real economic impact will also depend on how the flower industry as a whole has responded during the crisis months or will do so in the coming months. For example, some pot plant traders are likely to see high profit growth, even though weddings and other celebrations have been cancelled in large numbers. Against this background, the question arises to what extent retailers have developed new sales concepts (e.g. web shops) and were able to compensate for COVID-related declines in sales in this way. From this point of view, the coming year is likely to see a wave of takeovers in which large, financially strong investors take over smaller, distressed companies.

New severe restrictions after temporary recovery

The brief recovery over the past summer months is now being abruptly halted. As a result, the situation of the florists and traders is now also worsening again. Following a recent increase in the number of cases across Europe, national governments have from November onwards made further efforts and severely restricted the freedom to travel. The European flower business has been hit hard by this.

The Netherlands: [Royal Flora Holland](#) (13.11.) reports that the European floricultural sector would be severely affected by these newly adopted measures. In the Netherlands, the number of infections decreased by an average of 191 per day over the last 7 days. This decline began at the end of October, two weeks after the cabinet announced a partial closure. In addition, zoos, cinemas and museums were closed last week and the maximum group sizes were further reduced. An easing of the restrictions at the end of November is highly questionable at this stage.

Germany: In Germany, the restrictions are not so much aimed at the retail trade but rather at leisure time and the restriction of contacts. For example, cinemas, bars and swimming pools are closed for one month. In addition, [no major events may take place and no spectators are allowed at sporting events](#). Public buildings are also closed. All these factors can have an impact on the floriculture sector, particularly as regards products for events and the location of

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closed companies and institutions. The partial lockdown will continue at least until 30 November.

France: From the point of view of the floricultural sector, the restrictions in France are currently the most serious. The French government has decided that flowers are not essential products. For this reason, flower shops have been closed since 1 November, as have all floricultural departments in garden centres, supermarkets (if smaller than 400 square metres) and DIY stores. Field and indoor plants, fertilizers, potting soil and gardening tools can still be purchased. Here too, the partial lockdown will continue until at least 30 November.

Supplier markets are also heavily affected

These measures and restrictions on trade in cut flowers are already having a global impact. [Kenya's flower industry](#) (12.11.) will lose \$7.3 million in sales in a second wave of massive losses which could trigger another round of job losses as orders from key markets in the European Union collapse due to a resurgence of COVID-19, according to the Kenya Flower Council (KFC). After losing \$300,000 a day between April and July during the first wave of COVID-19, the flower companies laid off around 80 per cent of their staff, and the airlines also felt the impact of low or lost cargo business. The industry is preparing for another tough time as countries go into lockdown.

Further events cancelled

The effects for the last two months of the year, as well as for the coming year, cannot be estimated at this stage. [IPM ESSEN](#), which was planned for 26th to 29th January 2021, has been cancelled by Messe Essen. The reason given for the cancellation is that against the background of the increasingly dynamic situation and the worldwide travel restrictions, there is currently not the necessary planning security for the serious preparation of the international trade fair. The cancellation of further events must still be expected.

Important websites for information about the current COVID-19 crisis:

- + **Royal Flora Holland** [gives](#) overviews about the current developments in the different European countries. The updates are from the Dutch Ministry of Agriculture, Nature and Food Quality (LNV), who are involved in the crisis measures surrounding the Coronavirus and informs Royal Flora Holland about the impact of the virus on the export market.
- + **Union Fleurs** [informs](#) about new developments and supports in the floricultural industry.

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- + The Colombian producers association **Asocolflores** [has created](#) a website about decrees of the Colombian Government, campaigns and analyses.
- + The producers association **Expoflores** [informs](#) about COVID-19 measures in Ecuador.
- + Travel advices and border measures between European countries you can see [here](#).
- + The regional office 'Europe' of the **World Health organization** (WHO) [informs](#) about the development of the corona disease in the different European countries.
- + The **World Trade Organization** (WTO) [informs](#) about COVID-19 and global trade.
- + The **United Nations** Conference on Trade and Development (UNCTAD) [publishes](#) news, analyses and resources.

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