灼识咨询 China Insights Consultancy

Industry Report on Global Kitchenware Industry

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CIC introduction, methodologies and assumptions

China Insights Consultancy was commissioned to conduct research, provide an analysis of, and produce a report on the global kitchenware industry at a fee of approximately RMB670,000. The commissioned report has been prepared by China Insights Consultancy independent of the influence of Carote and other interested parties.

China Insights Consultancy is an investment consulting company initially established in Hong Kong. Its services include industry consulting services, commercial due diligence, strategic consulting, and so forth. Its consultant team has tracked the latest market trends in consumer goods, healthcare, marketing and advertising, culture and entertainment, energy and industry, agriculture, chemicals, finance and services, TMT, and transportation. It possesses relevant and insightful market intelligence regarding these industries.

China Insights Consultancy undertook both primary and secondary research using various resources. Primary research involved consumer survey, interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from multiple publicly available data sources, including the National Bureau of Statistics of China, government releases, annual reports published by relevant industry participants, industry associations, China Insights Consultancy's own internal database, etc.

The market projections in the commissioned report are based on the following key assumptions: (i) that the overall global social, economic, and political environment is expected to maintain a stable trend over the next decade; (ii) that related key industry drivers are likely to continue driving growth in the global kitchenware industry during the forecast period; and, (iii) that there is no extreme force majeure or set of industry regulations in which the market situation may be affected either dramatically or fundamentally. All forecasts concerning market size are based on the general economic conditions as of the Latest Practicable Date.

All statistics are reliable and based on information available as of the date of this report. Other sources of information include those from the government, industry associations, and market participants. These may have provided some information on which the analysis or its data is based.

All the information about Carote is sourced from Carote’s own audited report or management interviews. China Insights Consultancy is not responsible for verifying the information obtained from Carote.

Terms and abbreviations

Baby food pots: 辅食锅

CAGR: Compound Annual Growth Rate 复合年均增长率

CIF: Cost Insurance and Freight成本保险费+运费

COVID-19: Coronavirus 新冠病毒肺炎

DDP: Delivered Duty Paid完税后交货

DTC: Direct to Consumer 直接面向消费者的销售模式

FOB: Free on Board 装运港船上交货

KOL: Key Opinion Leader 指互联网上特别有影响力的人

Non-stick pans: 不粘锅

RMB: Renminbi 人民币

SKU: stock keeping unit 单品

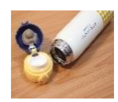
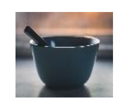
Western Europe: Composed of 25 countries: Andorra, Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom.

Contents

Kitchenware is essential in food preparation, covering a wide variety of products, including cookware, drinkware, kitchen utensils, and other kitchenware.

Kitchenware

- Kitchenware encompasses a wide range of tools and utensils used in various culinary settings, both in residential and commercial establishments. It mainly includes cookware, kitchen utensils, and drinkware.

Definition of sub-segment market	Demand characteristics	Product form
1 Cookware • Cookware consists of essential vessels utilized in the culinary process.	• Cookware is necessity product with astable demands. • The market demand for aluminium-based cookware is experiencing rapid expansion.	*Wok*  *Frying pan*  *Milk pot*  *Breakfast pan*  *Steamer* 
2 Kitchen utensils • Kitchen utensils encompass a wide range of tools used alongside cookware for food preparation, including food storage containers and kitchen tools such as knives, spatulas, and graters	• Cooking utensils are commonly used with cookware. • To meet the varied needs of consumers, the categories of kitchen storage products keep diversifying.	*Storage rack*  *Food container*  *Knives*  *Tong*  *Peeler* 
3 Drinkware • Drinkware comprises receptacles for various beverages, such as thermal flasks, glassware, and sports bottles.	• The elegance and uniqueness in the design of drinkware is increasingly valued in the market.	*Thermos*  *Sports bottle*  *Glassware*  *Mug*  *Wine glass* 
4 Others • kitchenware also comprises implements such as spoons, forks, bowls, and plates, which are indispensable throughout the culinary process.	• With the improvement of home decor tastes, consumers pay more attention to the aesthetics and functionality of the products.	*Spoon*  *Forks*  *Chopstick*  *Bowl*  *Dish* 

Kitchenware, being essential for meeting basic survival needs, exhibits strong resilience to economic fluctuations.

Breakfast | Brunch | Lunch | Afternoon coffee | Dinner | Late-night snacks

The use of household kitchenware runs through the whole process of dish preparation, cooking and serving:

- **Food Preparation:** Kitchenware facilitates food preparation tasks such as cutting, chopping, and slicing.
- **Cooking and Baking:** Kitchenware participate in the cooking and baking process, providing the necessary surfaces and heat.
- **Utensils for Eating and Serving:** Kitchenware includes utensils for eating and serving meals, including Forks, spoons, and knives.
- **Food Storage and Preservation:** Examples include kitchenware encompasses storage containers, and food storage bags.

Consumer

Business

Restaurants, hotels, and canteens also need a lot of kitchenware, which is often larger and contains more specialty kitchenware, which refers to kitchenware designed for specific cooking techniques or food types. Examples include pressure cookers for fast and efficient cooking, pasta makers for homemade pasta.

The global kitchenware keep evolving, driven by technology advancements, changing consumer preferences and changing market dynamics.

Historical development of kitchenware industry

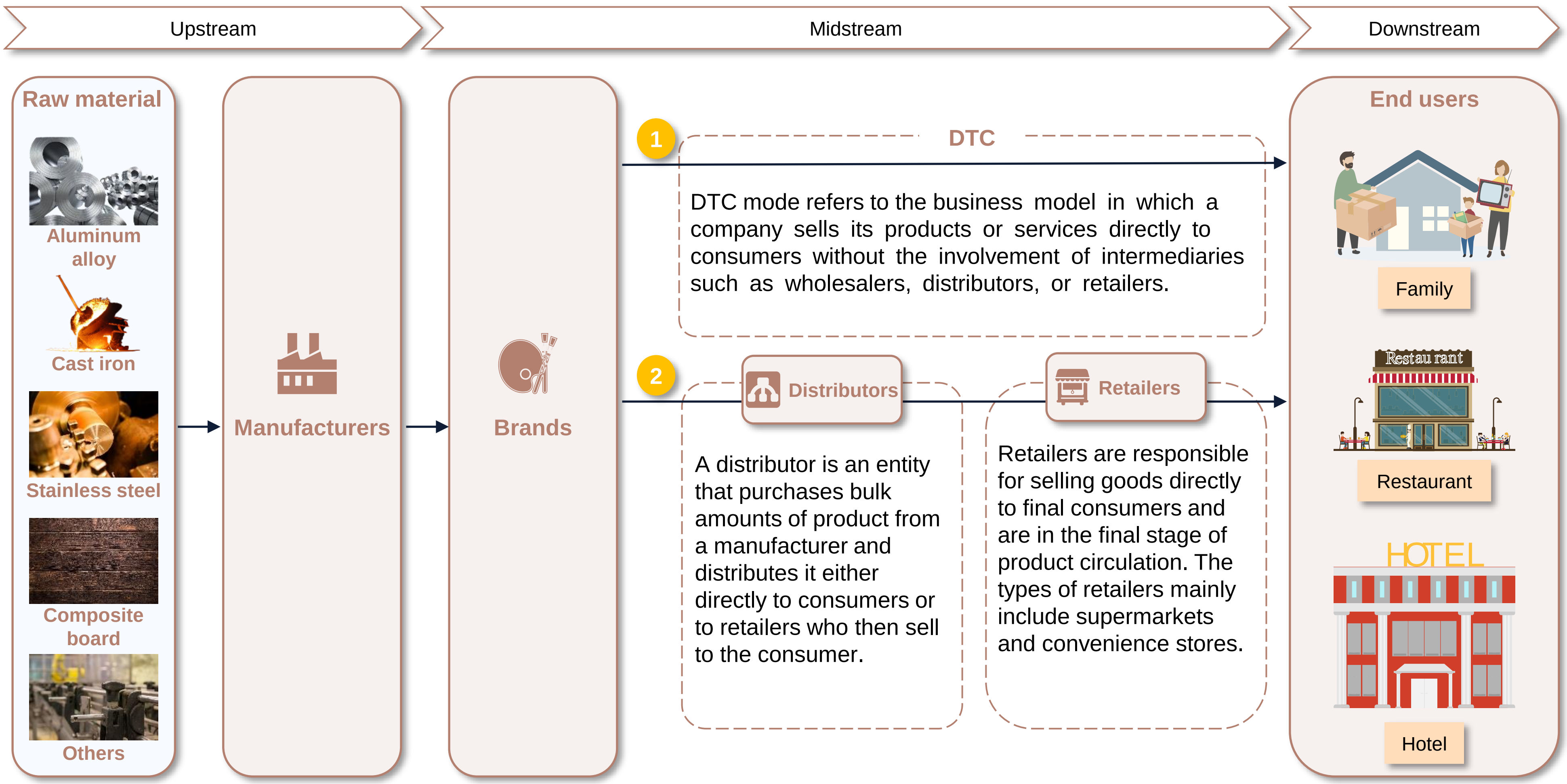
	Initial exploration phase (before 1950)	Rapid growth phase (1951-1970)	Brand transformation phase (1971-2000)	Comprehensive development phase (2001-present)
Technology level	• With the rise of industrial revolution, the **mass production** of kitchenware became possible	• New materials such as **stainless steel** and **Teflon** were developed	• Rise of **non-stick coatings** and induction cookers, cookware of more specific uses was developed	• Concept of smart kitchen appliances was developed, more focus on energy-saving features
Consumer preferences	• Consumers prefer **durable and practical** products for daily cooking and food preparation	• More attention on the **functionality**, such as non-stick properties, high-temperature resistance, fast heat-up capability	• Growing demand for **customization** and **personalization**	• Eating habits and culture continues to merge around the world • **Gen-Z** focus more on creativity and design
Market dynamics	• **Unstable competition landscape** as the market is still at its early stage	• **Increased competition** among manufacturers • New technology applied	• **More emphasise on brand** • More product differentiation and marketing	• Increasing importance of **online sales channels**

Key development directions

• In human history, the use of kitchenware can be dated to thousands of years ago, but the evolution of kitchenware industry was relatively late. The history of kitchenware industry can be divided into four phases, which brought the industry into a large and mature phase from 2001 onwards, with more advanced technology, new materials, more diverse consumer preferences as well as larger online sales.

The value chain of the kitchenware industry includes raw material procurement, production and manufacturing, brand building, sales channels, and end consumer segments.

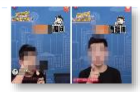
Value chain of the kitchenware industry



Brands in the kitchenware industry usually find a reliable manufacturer to produce products designed by themselves. In the process of selling products to end users, Most Brands sell products through distributors and retailers, while some Brands have tried the DTC mode to sell products directly to end users.

Kitchenware brands need to establish multi-matrix marketing channels to accurately acquire customers and reduce marketing costs.

Evolution of advertising formats

Advertising media	Traditional media	Internet media	Mobile Internet media
Advertising format	 TV advertising  Magazine advertising	 Long video  Search engine	 Information flow  Live streaming
Marketing cost	**High**, advertisers need to pay the advertising fee in one lump sum. ✓ TV advertising ✓ Magazine advertising ✓ Outdoor advertising	**Comparatively high**, advertisers pay based on performance. ✓ Information flow: CPM/CPC payment ✓ Search advertising: CPM/CPC payment ✓ Display advertising	**Comparatively low**, advertisers pay based on content output and performance. ✓ Media platform ✓ KOL ✓ Live streaming: Varies depending on KOL's followers
Content requirements	An advertisement can be displayed across various channels for many years.	An advertisement can be displayed across various channels for many years. • Display format begins to diversify.	Different channels and KOLs require different content and schemes. • A wide variety of display formats and ad placements.
Marketing difficulty	High advertising cost, **less competitors.** • **Low requirements** on advertising content. • **Broad audience.**	Medium advertising cost, **some competitors.** • Need innovative display formats and slogans. • **Relatively broad audience.**	Low advertising cost,**intense competitors.** • Need continuous innovation in content creation. • **Dispersed audience.**

Low high

Multi-matrix marketing customer acquisition logic examples

① Word-of-mouth Marketing
Continuously improving customer satisfaction through providing better products and after-sales service helps brand build up good reputation, which further establishes a positive corporate image.

Carote builds its brand reputation through high-quality products and excellent cost-effectiveness.

② KOL Marketing
Attracting more customers by recruiting KOLs on official websites and social media platforms and offering monthly free trial packages

KOLs promote products on YouTube, with purchase links provided in description box.

③ Alliance Marketing
By offering commission and incentives to alliance members, they are encouraged to promote the brand and attract potential users to the official website through rebate website links.

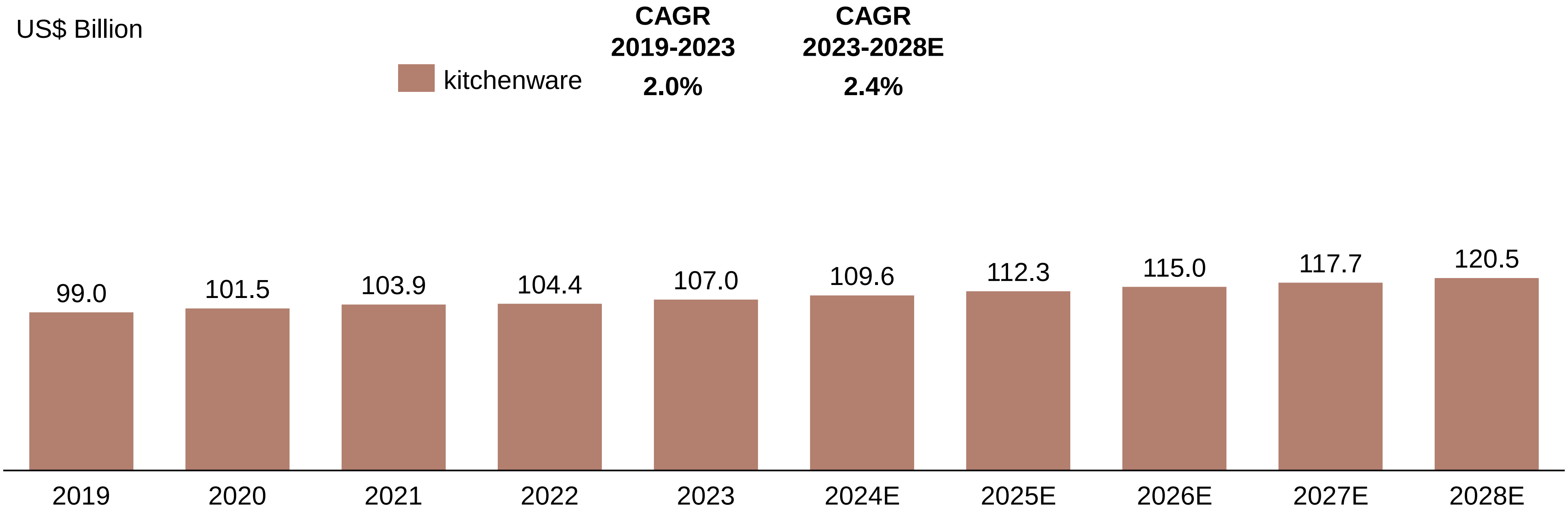
Rebate websites

④ Social media content Marketing
By utilizing various social media platforms, the brand exposure would reach a wider audience, which attracts more potential customers.

Marketing strategies vary depending on the platform used.

As the industry continues to grow, there is also a graduate shift in distribution channels from traditional offline sales to online sales.

Market size of kitchenware industry, Global, 2019-2028E



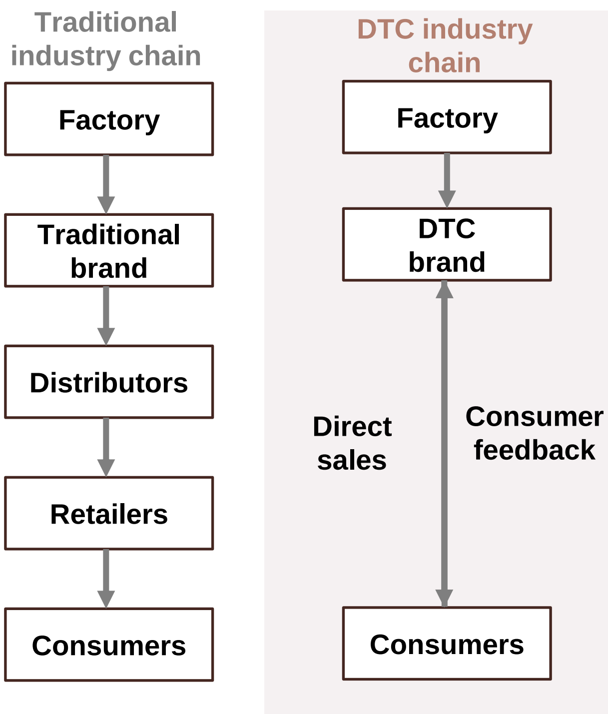
Key Analysis

- The global kitchenware industry had a market value of US$107.0 billion in 2023 and is one of the largest consumer segments.
- The industry continues to grow steadily amid the evolution of cooking preferences influenced by increasingly hectic urban schedules, heightened dietary consciousness, and the perception of kitchenware as lifestyle consumer products. Such trends are particularly noticeable among the middle-class population with rising disposable income.
- As the industry continues to grow, there is also a gradual shift in distribution channels from traditional offline sales to online sales. The shift is mainly attributed to the increased efficiency of online sales, thanks to the popularity of the online marketplace that promotes higher efficiency in logistics and delivery. While traditional offline sales continue to account for most of the kitchenware sales, there has been a noticeable shift towards online purchasing, especially in countries such as China and the United States.

The increase in online sales has also led to the growing popularity of the DTC model.

Comparison between traditional and DTC industry chain models for kitchenware products

Traditional and DTC industry chain



- With direct access to more sales data, brands utilizing the DTC model can leverage CRM systems to manage their customers more efficiently, enhance user experiences, and more effectively to convert user needs into sales. In terms of product R&D, brands adopting the DTC model can also design more relevant products through responding to direct customer feedback at a much faster speed, allowing them to strategically time the launch of new products.

Advantages of the DTC Model for Kitchenware

	Sales channels	Marketing
Traditional brand	• Kitchenware brands have little control over sales channels and heavily rely on distributors, outsourced customer service teams, and e-commerce operational teams to support online and offline sales.	• Marketing focuses on traditional channels such as TV, newspapers, magazines, and mail. • Marketing aims to promote the brand rather than evaluated based on performance.
Change in markets	• The rapid development of online social media drives sales growth through online channels.	• A marketing model based on Internet with high cost-effectiveness has emerged. • The ability of the platform to track consumers, analyse data, and produce content enables brands to reach more target customers.
DTC Brand	• The low entry barrier enables the brand to quickly reach out consumers at a lower customer acquisition cost in the early stages, and quickly capture the market.	• Low-cost online marketing methods are more effective, especially when using ROI-driven marketing strategies such as live streaming. • The effectiveness of marketing can be enhanced by integrating marketing and content deeply.
Competitive advantage	• By directly accessing sales data, brands can manage end users within their private traffic pool.	• Marketing and sales data are closely related. Sales data provides guidance for marketing, and marketing further boosts sales growth.

DTC model helps kitchenware brands to establish direct connections with consumers, and thus gain greater control over sales channels and reduces reliance on distributors compared to traditional brands.

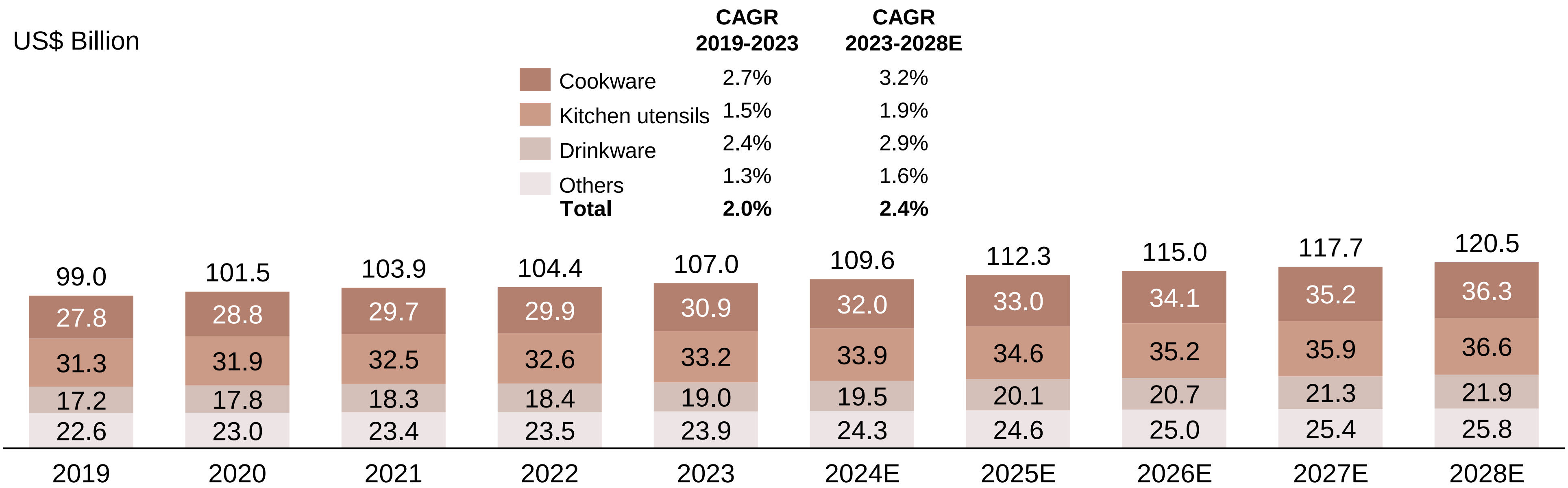
Comparison between traditional and DTC industry chain models for kitchenware products

Advantages of the DTC Model for Kitchenware

	CRM	Product R&D	Supply chain
Traditional brand	• Apart from membership information collected from consumers at offline counters and member registration information, there is almost no way to manage customer relationships.	• Research direction mainly based on R&D teams' subjective judgments, supplemented by consumer feedback. • The research direction highly depends on the supervisors' judgements. • The frequency of new product releases is low.	• The quality control and production efficiency are ensured by own factories. • The production has economies of scale, and the supply of raw materials is stable.
Change in markets	• The continuous improvement of the CRM system makes customer relationship management more convenient and structured. • In addition to customer communication, the ecosystem simplifies online purchase decisions for consumers.	• Businesses can access to more data sources, including interactions on social media platforms and online consumer behavior. • The cost of entry into e-commerce channels is lower than that of traditional channels.	• The production capacity and localization ability of kitchenware manufacturers have been enhanced, which allows emerging brands to not have to build their own factories. • The ODM manufacturers have greater flexibility in production scheduling.
DTC Brand	• The CRM system improves user experiences and focuses on converting user needs and sales leads into purchasing behaviours. • An efficient CRM system reduces customer acquisition costs, improves retention rates, and enhances user loyalty.	More structured data analysis methods and algorithms enable brands to: • Develop products more strategically by aligning with industry trends and consumer demands; • Improve the efficiency of prototype product testing; • Improve the frequency of new product releases.	Collaborating with leading kitchenware manufacturers enables brands to: • Enhance the flexibility and efficiency of products R&D; • Avoid the initial expenses on building a factory; • Accelerate the speed of improving economies of scale.
Competitive advantage	• The CRM system has efficient consumer management capability. • It has strong IT construction and related capabilities.	• The data sources and algorithms are more structured. • The companies may offer more adapted and innovative products with fast response	• Economies of scale can reduce procurement costs, improve the priority of production scheduling, and prioritize formula selection.

In terms of product category, the cookware segment plays an irreplaceable role in the cooking process and makes it a standout category within the kitchenware industry.

Market size of kitchenware industry, Global, by category, 2019-2028E



Key Analysis

- In terms of product categories, the cookware segment plays an irreplaceable role in the cooking process and stands out within the kitchenware industry. This presents an opportunity for kitchenware brands to leverage cross-selling strategies and offer complementary products together with cookware, thereby strengthening their market presence. In 2023, the global cookware market reached US$30.9 billion, accounting for 28.9% of the overall global kitchenware market. Kitchen utensils accounts for 31.1% of the overall global kitchenware market in 2023.
- Being a major component of the kitchenware industry, the global cookware industry has witnessed a substantial increase in market size, reaching US$30.9 billion in 2023. With rising disposable income and growing demand for diverse and sophisticated cookware, the market size of the global cookware industry is projected to reach US$36.3 billion in 2028. Notably, prominent enterprises in the cookware industry have embraced flexible supply chains, enabling shortened production cycles to swiftly adapt new products to evolving consumer preferences. This fosters a broader range of cookware categories and accelerated product iteration.
- In terms of cookware categories, as the younger generation of consumers are more likely to prioritize high-quality lifestyles and value relaxed cooking experiences, consumers now seek high-quality, trendy cookware, spurring product innovation such as baby food pots and breakfast pans. In addition to these advancements, challenges in traditional cookware have also been addressed.

Die-cast cookware often exhibits strong competitiveness but comes with higher production costs, resulting in increased selling prices.

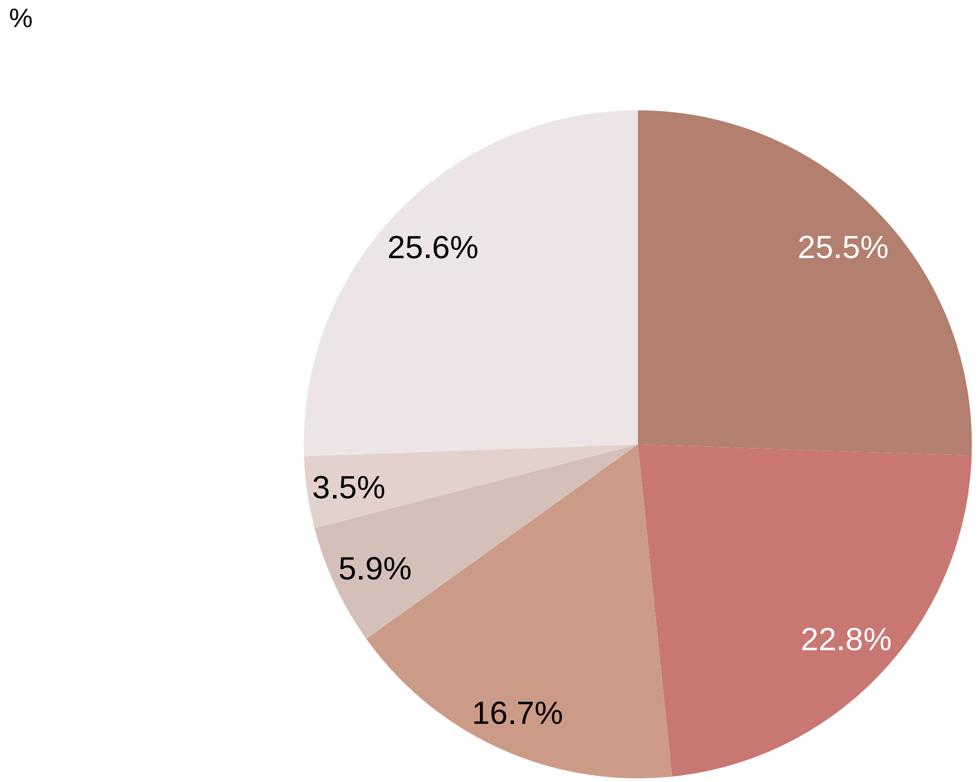
Preparation	Injection	Cooling	Ejection	Trimming
• Design the desired shape and size of the cookware, and manufacture precise die-casting molds	• Insert the molten liquid into the die from an upright, vertical position	• Left the molten metal to cool and solidify	• Remove the cast parts carefully	• Perform necessary surface treatments and polishing process

Key Analysis

- In terms of processing technology, die-casting, a method wherein cookware is shaped under pressure after molten metal is injected into a pre-designed mold, can minimize material waste, thereby enhancing material utilization efficiency.
- Furthermore, the die-casting process enables precise control of dimensions and shapes, reducing the risk of product deformation and damage, resulting in enhanced durability for cookware.
- Additionally, die-cast cookware typically features a sturdy base and thin walls, promoting more uniform heating of food over an open flame.
- Consequently, die-cast cookware often demonstrates strong competitiveness. However, die-cast technology generally entails higher production costs, leading to increased selling prices in the final products.

Western Europe, China and the United States still serves as the most important geographic markets.

Market size of cookware industry, Global, by geography, 2023



	CAGR 2019-2023	CAGR 2023-2028E
China	1.6%	3.3%
Western Europe	0.7%	2.1%
United States	2.0%	2.0%
Southeast Asia	4.2%	4.9%
Japan	1.1%	1.4%
Others	6.4%	4.7%
Total	**2.7%**	**3.2%**

Key Analysis

- From a global standpoint by geographic mix, China, Western Europe, and the United States enjoy substantial global strategic significance, representing a market share of 25.5%, 22.8%, and 16.7% respectively, in the global cookware market in terms of retail sales value in 2023.
- The introduction of non-stick technology revolutionized cooking by providing a surface that prevents food from sticking and reducing the need for excessive oil. Consequently, non-stick cookware quickly gained popularity due to its convenience and even heat distribution, making it a popular choice for both home cooks and professionals. The global market size of non-stick cookware reached US$12.6 billion in 2023, accounting for 40.7% of the overall cookware market.

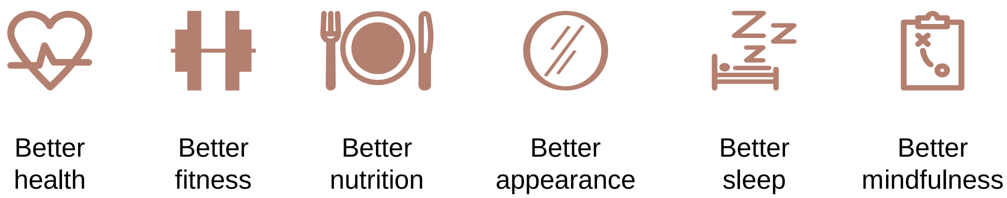
Market Drivers of the Global Cookware Industry

Market Drivers of the Global Cookware Industry

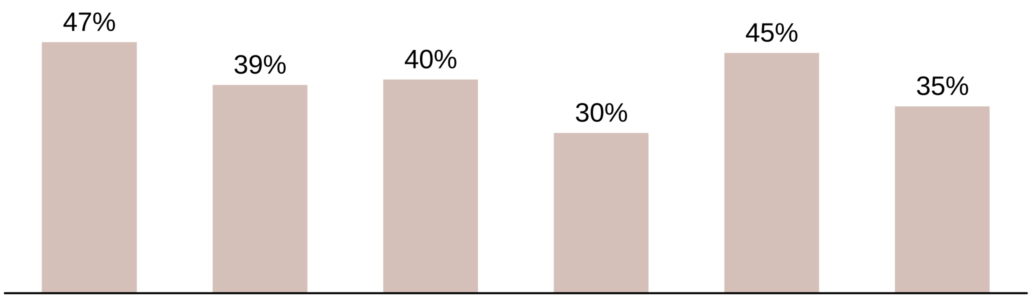
Changing home cooking requirements and lifestyles	• The ever-increasing demand for better features or functions of products amid rising living standards such as easy cleaning and higher performance products, will lead to an increase in cookware sales. Furthermore, home cooking is no longer just about food preparation but also viewed as a lifestyle choice, particularly among the rising middle class, who are trending toward the usage of more stylish cookware. These increasing demands propel the industry to launch more innovative and practical cookware.
Diversification of consumer dietary habits	• The increased use of social media has promoted greater global diversification of cooking habits and cooking methods, with consumers are trying a greater variety of cuisines that require different types of cookware. For instance, consumers may use different tools to cook Chinese dishes and American cuisine. As a result, consumers are more likely to purchase a broader variety of cookware to cater to their diverse cooking needs.
More selections available for customers at online marketplace	• The emergence of social media such as Facebook, Instagram, TikTok, and major e-commerce marketplaces such as Tmall and Amazon, have further promoted the growth of cookware sector. Nowadays customers can have much easier access to cookware products, and experience new product features more easily via videos shown on the platform. The improved logistics has also made it much more accessible to customers.

With an increasing focus on health consciousness and food safety concerns, more and more households are choosing to cook at home, leading to a broader user base for cookware.

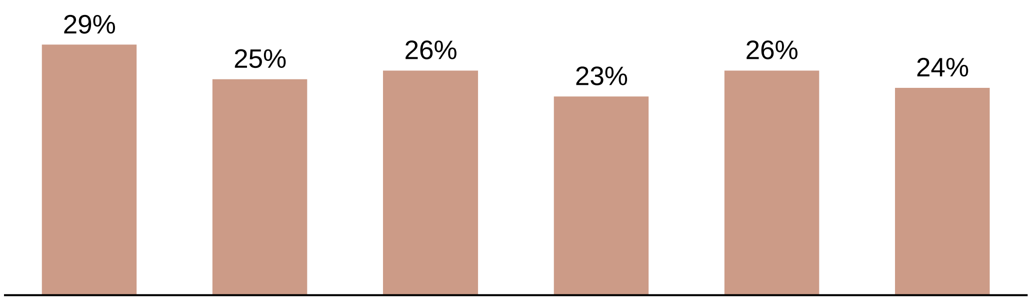
Consumers prioritize health and wellness nowadays



Percentage of respondents who said they currently place a very high priority on a given attribute

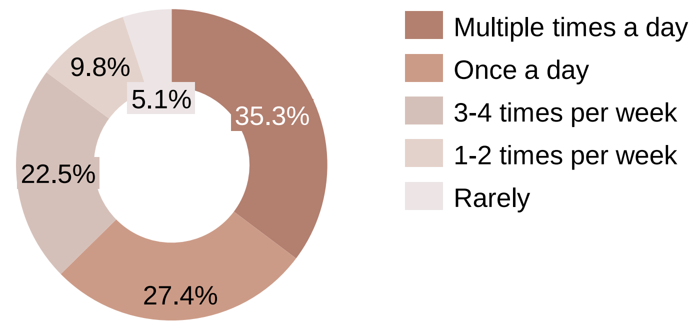


Percentage of respondents who said they will definitely place a very high priority on an given attribute in the near future



Home cooking is a growing trend

The frequency of Chinese people using the kitchen



Choice of cookware become a topic about fashion

Note [1]: <Future of Wellness Survey>, 2022, McKinsey; <2022 China Kitchen & Appliance Embedded/Integrated/Unified Trend Report>, 2022, Cheaa

Diversification of consumer dietary habits has stimulated the sales of cookware specialized for specific cooking methods, and the fusion of global culinary culture further propelled this process of diversification.

Demand for cookware varies among different regions

- Diversification of consumer dietary habits has driven the design and technological integration of cookware suitable for different cooking methods. As a result, consumers now have a wider range of dining options to choose from, which has stimulated the sales of cookware specialized for specific cooking methods in that region.

Japan

- Frying pans
- Donabe
- Teppanyaki grill pans
- Iron pot
- Tamagoyaki pan


Western Europe

- Cast iron skillets
- Roasting pans
- Bakeware
- Stew pot
- Sauté Pan


China

- Woks
- Steamers
- Stockpots
- Pressure cookers
- Casserole pot



India

- Tawa
- Kadai
- Pressure cookers
- Griddle
- Handi


U.S.

- Non-stick pans
- Bakeware
- Grill pans
- Sheet pan
- Slow cooker


The cuisines of various countries are merging

Fusion Cuisine


Sushi Pizza


Korean Burrito


Pancit Palabok

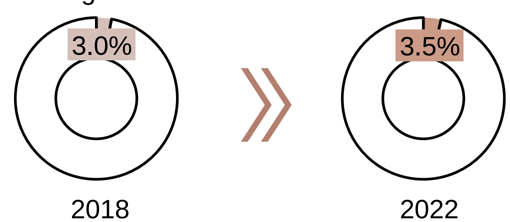
Food streets of other countries


Koreatown, Shanghai


Chinatown, London

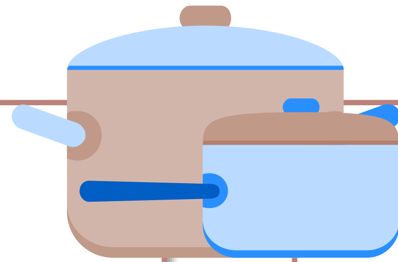
Foreign foods are increasingly popular [1]

The percentage of international chain restaurants in China



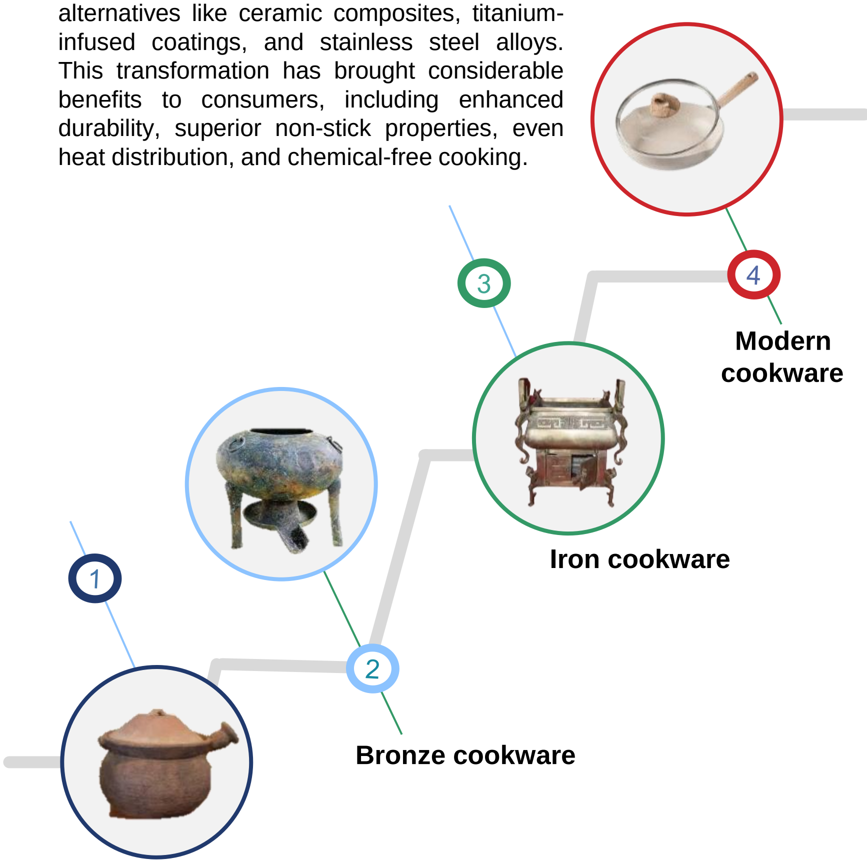
Note [1]: <2023 China Restaurant Franchise Industry White Paper>, Meituan

Continuous expansion of cookware categories in terms of breadth and depth provides consumers with more choices and has become an important driver of the global cookware market's development.



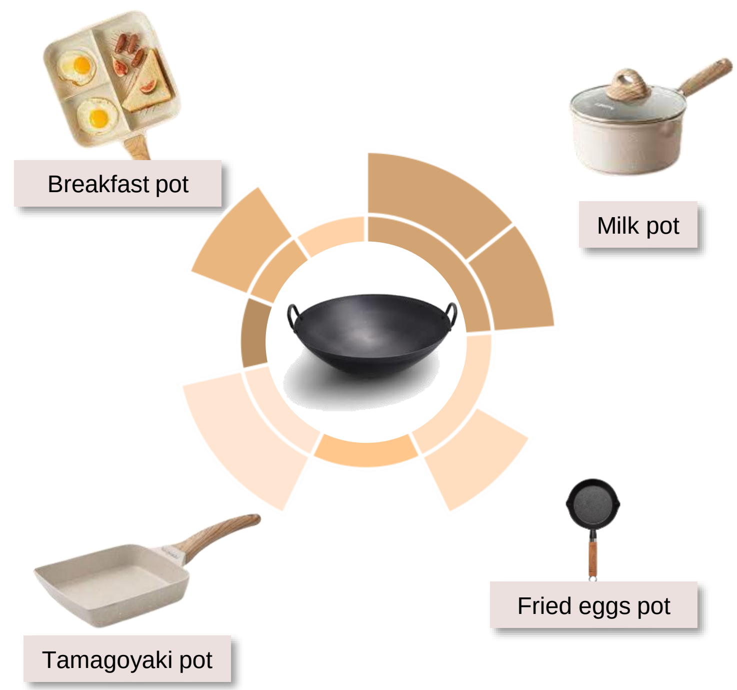
Material upgrade

- The cookware industry has undergone a significant material upgrade. Traditional materials have been replaced with advanced alternatives like ceramic composites, titanium-infused coatings, and stainless steel alloys. This transformation has brought considerable benefits to consumers, including enhanced durability, superior non-stick properties, even heat distribution, and chemical-free cooking.



Variety enrichment

- The cookware market has witnessed a significant enrichment in variety, which has empowered consumers to experiment with different cooking styles, enhance their culinary experiences, and cater to specific dietary requirements. With options such as non-stick coatings, cast iron, copper, and ceramic, consumers can confidently pursue healthier, more efficient, and aesthetically pleasing cooking, leading to an overall more enjoyable and creative cooking journey.



Embracing flexible supply chains allows brands to receive real-time feedback from consumers, leading to shortened production cycles and the ability to promptly adjust new products based on consumer demands.

Transformation from traditional rigid supply chain to flexible supply chain

	Merchandising Plan	Designing	Production	Delivery	Channel Sales	Terminal Sales
Rigid supply chain (Enterprise-driven)	• Develop and implement production plan	• Complete sampling of new products	• Complete procurement and production on schedule	• Transport of finished products to distributors	• Select different sales channels	• Sell to end customers
Flexible supply chain (Market-driven)	**Master sales dynamics**	**Shorten development cycle**	**Quickly feedback to production**	**Supporting logistics system**	**All-channel operation**	**Application of intelligent terminal inventory management system**
	• Real-time market feedback • Conduct sales analysis, target adjustments, and departmental coordination	• Digitized and efficient design capabilities • Adjust product development based on terminal demand	• coordinated production scheduling and cost control. • Plan and standardize production activities based on forecasts	• Smooth and quick logistics resource matching and response • Intelligent warehouse operation and management	• Collaborated integration of multiple channels • Collaborative planning of the full-channel lifecycle	• Flexible and transparent logistics transfer and visualization of sales data. • Flexible mobilization and operation of reverse logistics.

Terminal demand feedback

Mid-term feedback

Consumption trend insight

Traditional cookware continues to evolve, and innovative products such as baby food pots and milk pots continually emerge, reflecting a growing trend towards diversified categories and specialised functionalities in cookware

Different consumer behaviours among different generations

1 Generation X

- People born between 1965 and 1980.
- X Generation consumers place a greater emphasis on the **practicality and fundamental functionality** over consumer goods. They prefer purchase **essential items** and prioritize the quality, functionality, and durability of products.

2 Generation Y

- People born between 1981 and 1994.
- Y Generation consumers have a mindset that is characterized by openness and diversity. They focus more on efficiency and convenience and prefer products that can meet multiple needs. As a result, when it comes to their purchasing decisions, they are more inclined to buy products that offer **multiple functionalities.**

3 Generation Z

- People born between 1995 and 2009.
- Z Generation consumers pay more attention to **the appearance and aesthetics of the products**. Also, cost-effectiveness is an important consideration for them when shopping. They hope to buy products with high quality at a relatively low price.

- The changing consumer behaviour and mindset across generations demonstrate a transition in people's expectations of products. Rather than solely seeking practicality, there is now **a greater emphasis on added values including multifunctionality and aesthetics.**

Innovative products continue to emerge

Traditional cookware

Cookware with greater aesthetic appeal

Cookware with more creativity

- To meet changing consumer needs and the gradual prevalence of the lazy economy, cookware are no longer mere basic tools. The quality and convenience of cookware are increasingly valued, and innovative cookware is emerging that combines aesthetics and functionality, such as omelette pans, tamagoyaki pans, heart-shaped pans and many more.

Entry Barriers to the Global Cookware Market

1 Global reach and sales channels

- With the rapid expansion of cross-border logistics services and the global e-commerce industry, global B2C cross-border e-commerce revenue has achieved a CAGR of 24.6% between 2019 and 2023. Well-established sales channels are key for leading cookware brands to scale up business, especially for online retail players to expand into international markets. To meet the diverse cookware demands of consumers worldwide, these internationalized cookware brands must possess strong global operational capabilities, efficient product delivery systems and close collaboration with leading e-commerce marketplaces. New entrants can hardly expand into international markets due to their limited industry experiences.

2 Brand awareness

- Consumer awareness and brand loyalty is highly important for cookware as it relates to food, health and everyday use. Successful cookware brands typically employ distinctive product design, engage in proactive brand promotion, and prioritize enhancing product quality to bolster brand awareness. While they prioritize product quality, price competitiveness is also highly important. To achieve this goal, they usually enhance manufacturing techniques, like utilizing advanced die-casting processes to improve thermal conductivity, heat retention, and durability. Their commitment to delivering high-quality products at competitive prices through the adoption of advanced production techniques not only ensures customer satisfaction but also bolsters their brand recognition and market position. New entrants will face a challenge to convince customers of their product's quality compared to well-known brands and may not be competitively positioned in terms of pricing.

Entry Barriers of Global Cookware Market

3 Product development and innovation

- Consumer preferences in the global cookware industry are constantly evolving, underscoring the importance for cookware companies to respond to market demand quickly by introducing new products that can attract the modern consumer. The ability to shorten the time frame will test the capabilities of companies, where those that can address market demand more quickly stand to benefit. Hence it is also important for cookware brands to complete on the basis of their ability to come up with new innovative products quickly and their capability to efficiently manufacture the product. This is typically a very high entry barrier for newcomers.

4 Supply chain management

- The ability to manage supply chain and to ensure a sustainable profit market is a key entry barrier. Brands with their own manufacturing capabilities typically can manufacture products at lower cost but have high capital expenditure requirements which may face pressures to maintain their production utilization rate. Brands with an asset-light model will have higher flexibility but their ability to lower their costs will depend on their capability to source from cost-competitive manufacturers. Lower Minimum Order Quantities allows them to test market waters before placing large orders. Moreover, compared to other consumer products, cookware items are typically heavier and larger in size, which can lead to higher logistics and inventory costs. Therefore, it is crucial to possess the ability to effectively manage these costs.

5 Consumer communication

- The emergence of online sales has revolutionized consumer communications. Effective communication with consumers helps cookware brands better understand consumer needs, foster brand loyalty, enhance customer satisfaction, and promote their products. Traditional companies relying on distributors generally lack the ability for direct consumer communication, resulting in slower response to market demand. In contrast, companies embracing the DTC model can interact with consumers more effectively. New entrants may encounter challenges in promptly comprehending insights from customers and adeptly customizing their communication strategies.

With the development of China's cookware manufacturing capabilities and the formation of industrial clusters, the recognition of cookware manufactured in China continues to grow in the global market. (1/2)

China's manufacturing enterprises: From the world's factory to internationally recognized brands with affordable prices and superior quality

	Traditional OEM Model 2000-2012	Distribution Model 2013-2020	Brand-oriented Model After 2021
Description	• After China's accession to the WTO, the country mainly adopted the OEM model, taking on large orders from overseas brands and distributors for large-scale, mass production.	• With improvement of cross-border e-commerce, **Chinese sellers use B2C sales model to directly reach oversea consumers.**	• Cross-border e-commerce, social media, and marketing channels drive sellers to **transit from distribution-oriented to brand-oriented models.**
Owner of goods control rights	• Downstream foreign brand owners or distributors.	• Upstream domestic traders/industrial and trading integrated factories.	• Upstream domestic brand manufacturers.
Order characteristics	Order with **large quantities, low frequency, and strong periodicity.**	Order with **moderate quantities, high frequency, with a tendency to cluster in small batches.**	Order with **small quantities, extremely high frequency, with characteristics of fragmentation, dispersal, and quick responsiveness.**

Key Analysis

- With the development of China's cookware manufacturing capability, Chinese cookware manufacturers have extensively adopted the OEM model for overseas markets. As the recognition of cookware manufactured in China continues to grow in the global market, leading Chinese cookware players are establishing their own brands to further seize global market share. Meanwhile, the growth of cross-border e-commerce platforms has further fueled this trend, resulting in a continuous increase in the export scale of Chinese cookware.

China developed industry belts such as Yongkang, significantly empowering leading Chinese cookware manufacturers to establish their own brands and gain a stronger foothold in the global market. (2/2)

The development history of Yongkang

2021
- The first World Hardware Development Conference was held in Yongkang.

2015
- With more than 500 kitchenware enterprises, an annual output value of over 10 billion yuan of cookware, and total exports of over US$500 million, Yongkang was awarded the title of "Cookware Capital of China“.

2013
- The "China-Yongkang Hardware Index" was officially released and has gradually become an important parameter to reflect the trend of product price changes in the national hardware industry.

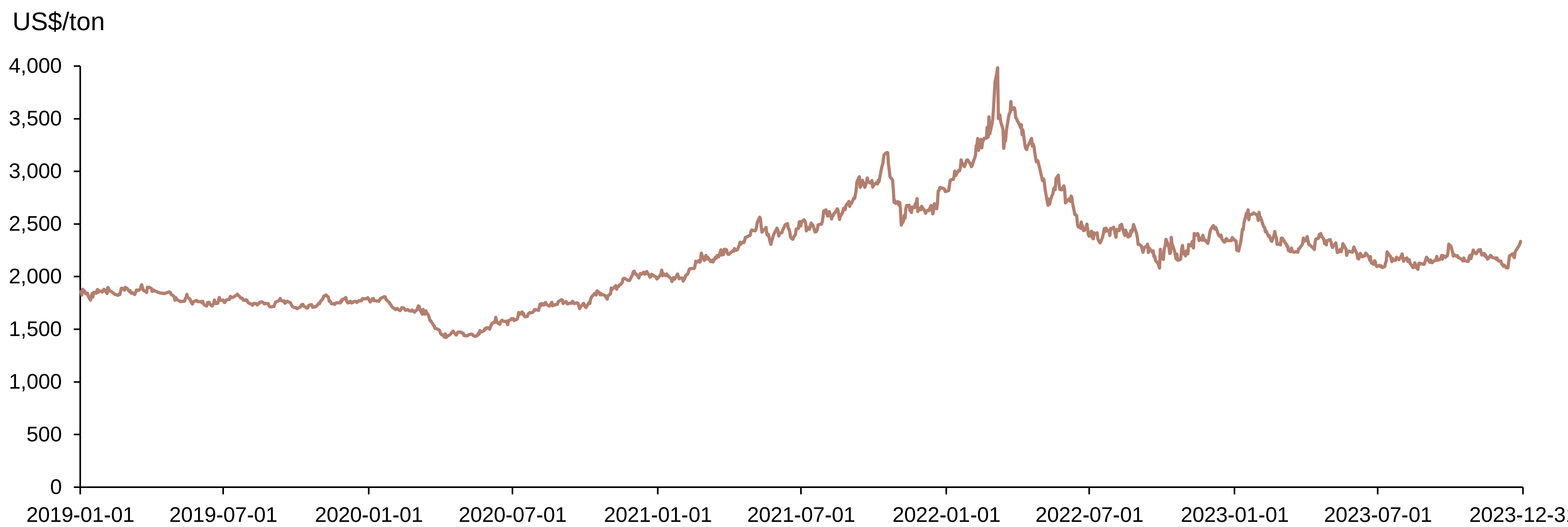
1996
- Yongkang hosted the first CHINA HARDWARE FAIR and has continuously hosted the event for 27 sessions.

Yongkang has formed a well-established industrial cluster

- **Diverse Supplier Base:** Yongkang has a vast network of suppliers, offering a wide selection of options for cookware producers. This diversity allows for greater customization, flexibility, and innovation in product design and development.
- **Well-established logistics system:** Yongkang has well-established logistics networks, facilitating the smooth movement of goods within the country and globally, which ensures timely delivery of raw materials to cookware manufacturers and cookware products to the mass market.
- **Market Integration:** Yongkang has effectively integrated itself into both national and global supply chains, allowing its cookware products to effectively compete in the global market.

Historical Trends of Prices on Major Raw Materials of the Global Cookware Industry

The current price of Aluminum on the LME, 2019-2023



Key Analysis

- Aluminum is the core raw material used in cookware manufacturing. Over the period from 2019 to 2023, aluminum prices experienced fluctuations due to macroeconomic conditions and supply-demand dynamics. Since 2020, the global economic recovery and disruptions in the aluminum supply chain have intensified aluminum shortages in specific regions. China is a major supplier of aluminum globally and has been implementing carbon-neutral strategies and production regulations among aluminum manufacturers, intensifying the shortage. The price of aluminum peaked in the first quarter of 2022 and has declined since then, with signs of stabilizing in 2023.
- In the cost breakdown of cookware, primary raw materials typically represent approximately 40% of the cost breakdown of cookware. Minor fluctuations in raw material prices usually do not substantially affect the final selling price of finished products. However, significant fluctuations in raw material prices may lead to price adjustments, either upward or downward, for cookware.

Contents

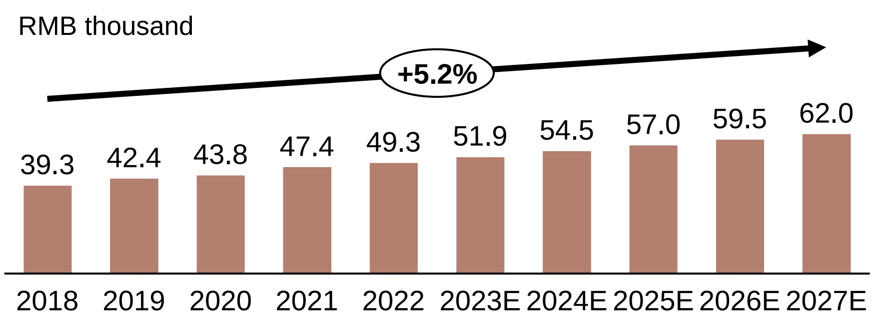
The demand of China's cookware industry are diverse and are constantly upgrading.

Analysis of typical demand characteristics of cookware Industry, China

- China's rich culinary culture has contributed to the emergence of diverse cookware with distinct Chinese dining culture characteristics. With the rising economy driven by the growing urbanization rate from 60.6% in 2019 to 66.2% in 2023, coupled with the growth in the per capita disposable income from RMB42,359 in 2019 to RMB51,812 in 2023, China's cookware market expanded.

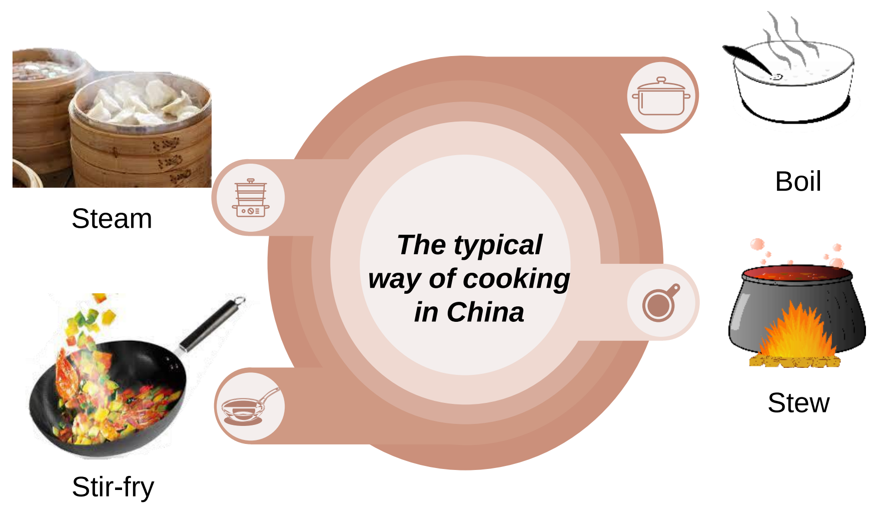
Rising standard of living in China

Per capita urban disposable income, China, 2018-2027E



- Cookware is a product of immediate need in daily life, therefore, there is a close relationship between population and demand for cookware. China is one of the most populous countries in the world and therefore has a huge demand for cookware.
- With the rapid development of China's economy and the improvement of people's living standards, people are demanding more quality and comfort in their kitchen life. This has led to the rapid growth of the cookware market, with various types of cookware products popping up.

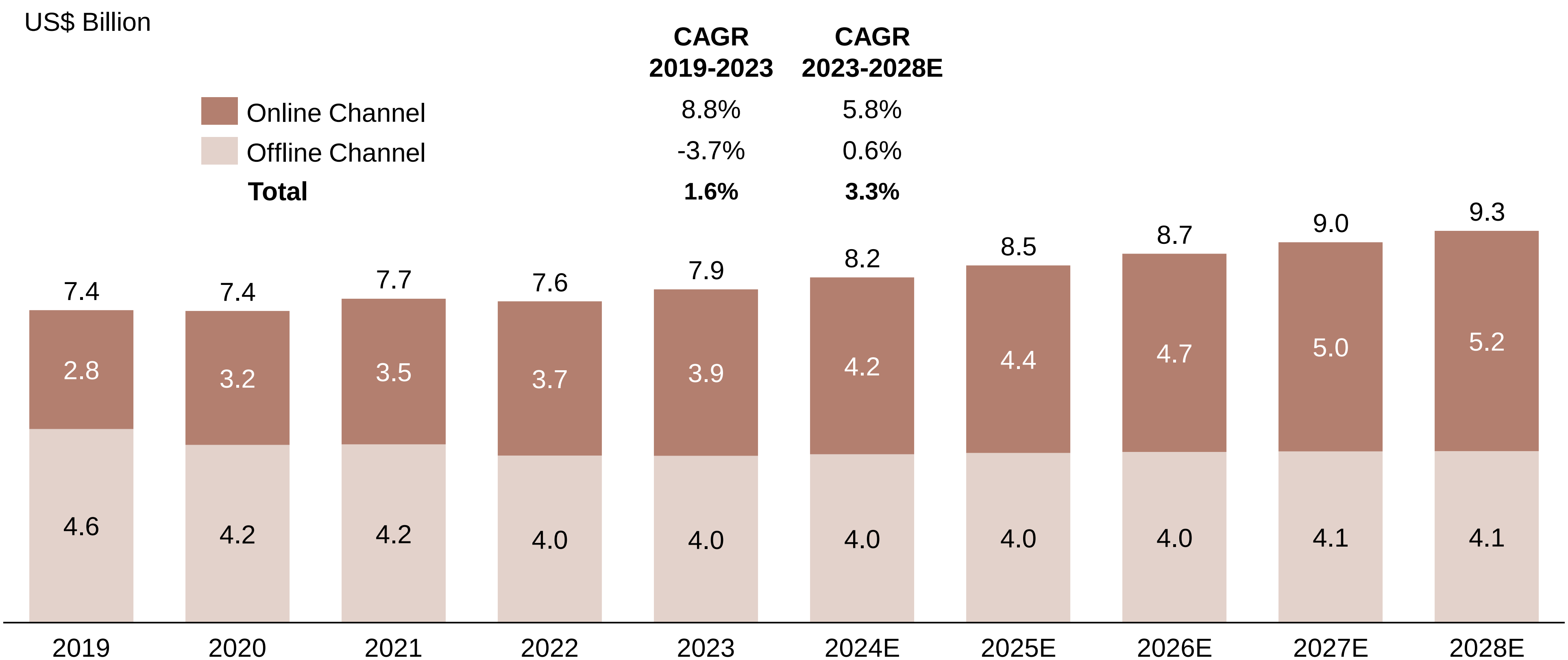
Diversified Chinese catering culture



The national catering culture of China has a long history. In the past decades, a variety of cooking methods like stir-frying and steaming have been invented, and plenty of cuisines have been formed. Food has always occupied a very important position in Chinese life.

The online channel has become a crucial sales channel in China's cookware market, with a consistently expanding market size.

Market size of cookware industry, China, by sales channel, 2019-2028E



Key Analysis

- China's cookware market expanded from US$7.4 billion in 2019 to US$7.9 billion in 2023.
- The development of e-commerce platforms and advanced online payment systems have also further accelerated the development of online sales channels in China. The online penetration rate of the cookware market grew from 38.0% in 2019 to 50.0% in 2023. China has become the largest online cookware market globally amid its massive online user base. The market size of online sales channels for cookware in China reached US$3.9 billion in 2023 and is expected to further increase to US$5.2 billion by 2028.

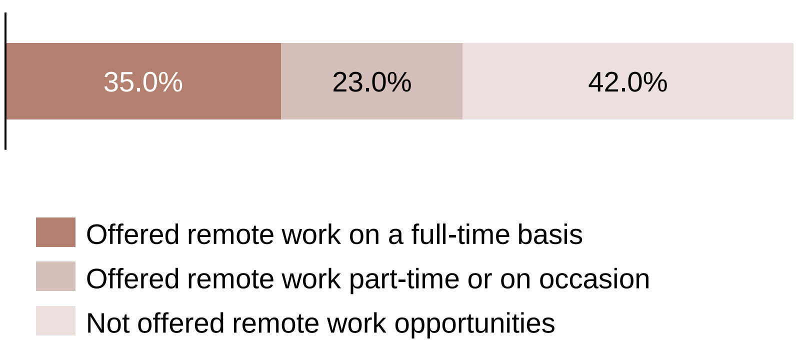
Cookware suitable for induction cookers is widely used in the US, and the trend of remote-work has boosted the development of the U.S. cookware market.

Analysis of typical demand characteristics of cookware Industry, the U.S.

- Open kitchen designs are prevalent in the U.S., with a strong preference for induction cooktops, leading to a higher demand for cookware suitable for induction stoves. Additionally, the growing prevalence of remote working has reshaped the work and lifestyle habits of white-collar workers in the United States.

Remote-work becomes increasingly popular in the U.S.

Availability of remote work options for job holders in America[1]



- 58% of respondents in the U.S. reported having access to remote work opportunities.
- This trend has consequently led to a rise in home cooking, fueling the expansion of the cookware market.

Typical cookware in the U.S.

American kitchens are mainly open kitchens, where induction cooker stoves are often installed, so there is a high demand for cookware suitable for induction cookers

In recent years, there has been a noticeable trend in America towards colourful pans in the kitchen, which reflects the growing emphasis on style and functionality in modern cookware choices across American households. This shift is driven by vibrant aesthetics, making the culinary space visually appealing and inviting.

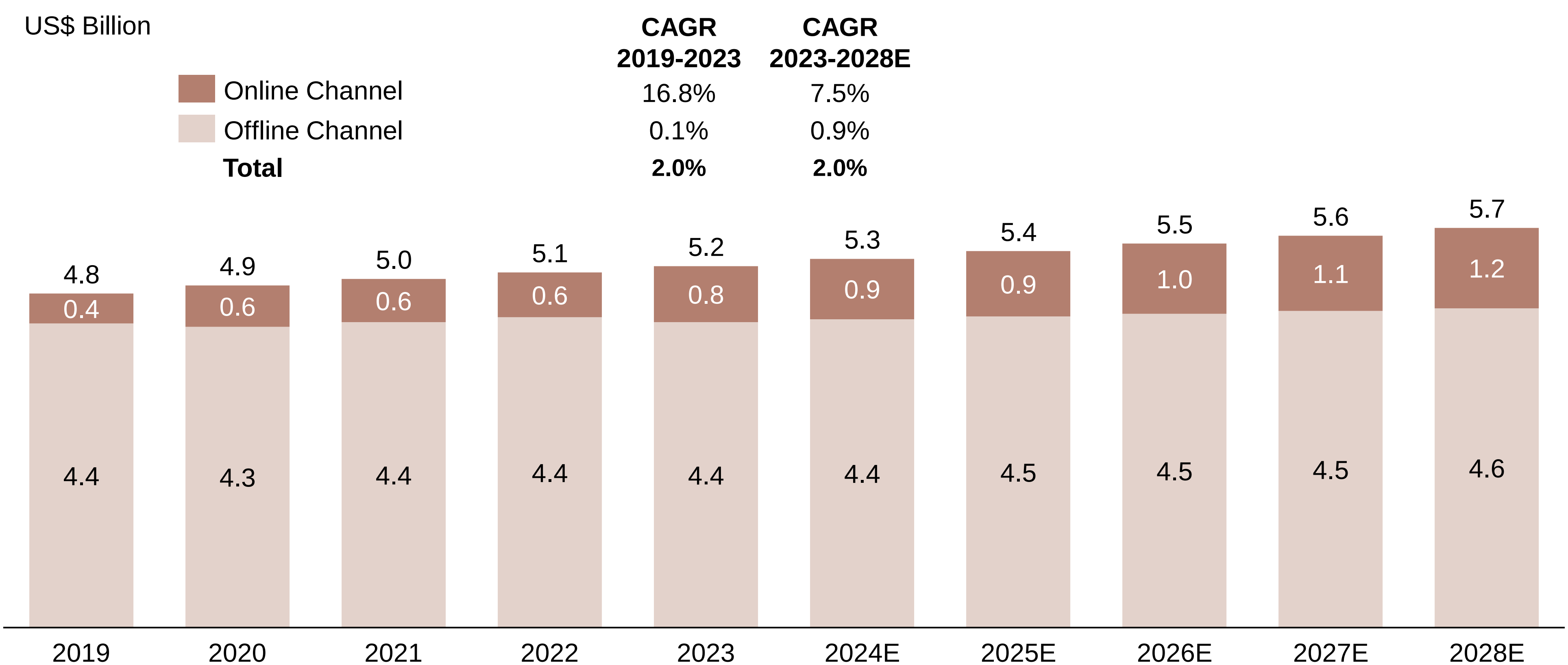
Colourful cookware manufacturers

Caraway Great Jones Our Place

Note [1]: <Americans are embracing flexible work—and they want more of it>, June 2022, McKinsey

The online channel segment in the U.S. cookware industry keeps growing at a high rate, representing a huge potential in the market.

Market size of cookware industry, the U.S., by sales channel, 2019-2028E



Key Analysis

- The market size of the cookware industry in the U.S. reached US$5.2 billion in 2023 and is expected to increase to US$5.7 billion by 2028.
- The development of e-commerce platform technologies has driven the increase in online sales as a proportion of the U.S. cookware market. In 2023, the market size of online sales in the United States accounted for 15.5% of the total market size, demonstrating significant growth potential with a projected online cookware market size of US$1.2 billion by 2028.

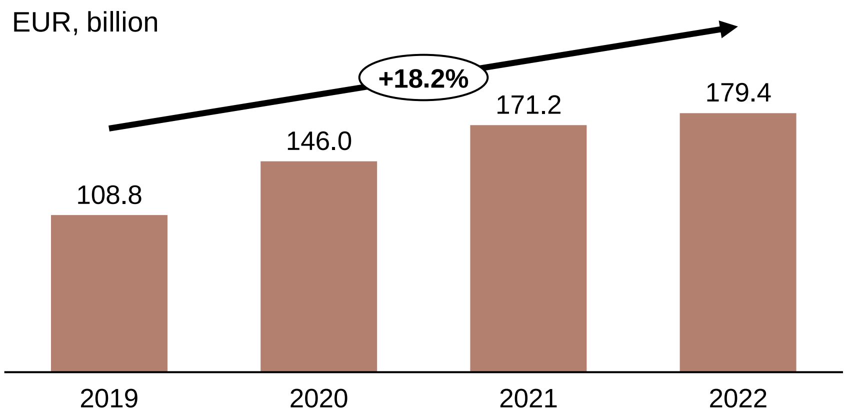
The cookware market presents a trend of polarization in Western Europe, wherein there is an increase in the popularity of cost-effective alternatives.

Analysis of typical demand characteristics of cookware industry, Western Europe

- In recent years, the introduction of products from other regions has compelled Western European branders to implement price reductions to maintain competitiveness, inevitably impacting their mid-range offerings. Conversely, consumers who value enduring quality, meticulous craftsmanship, distinctive classic designs, and longevity continue to seek high-quality options for their homes. Consequently, the market reflects an increasing preference for cost-effective products.

Cross-border e-commerce is growing rapidly in Western Europe

Cross-border turnover EU16, 2019-2022 [1]



- The rapid growth of cross-border business has placed significant pressure on local Western European branders, and they are forced to contemplate price reductions to maintain competitiveness.

Typical outstanding European cookware brands place a strong emphasis on product design

LE CREUSET

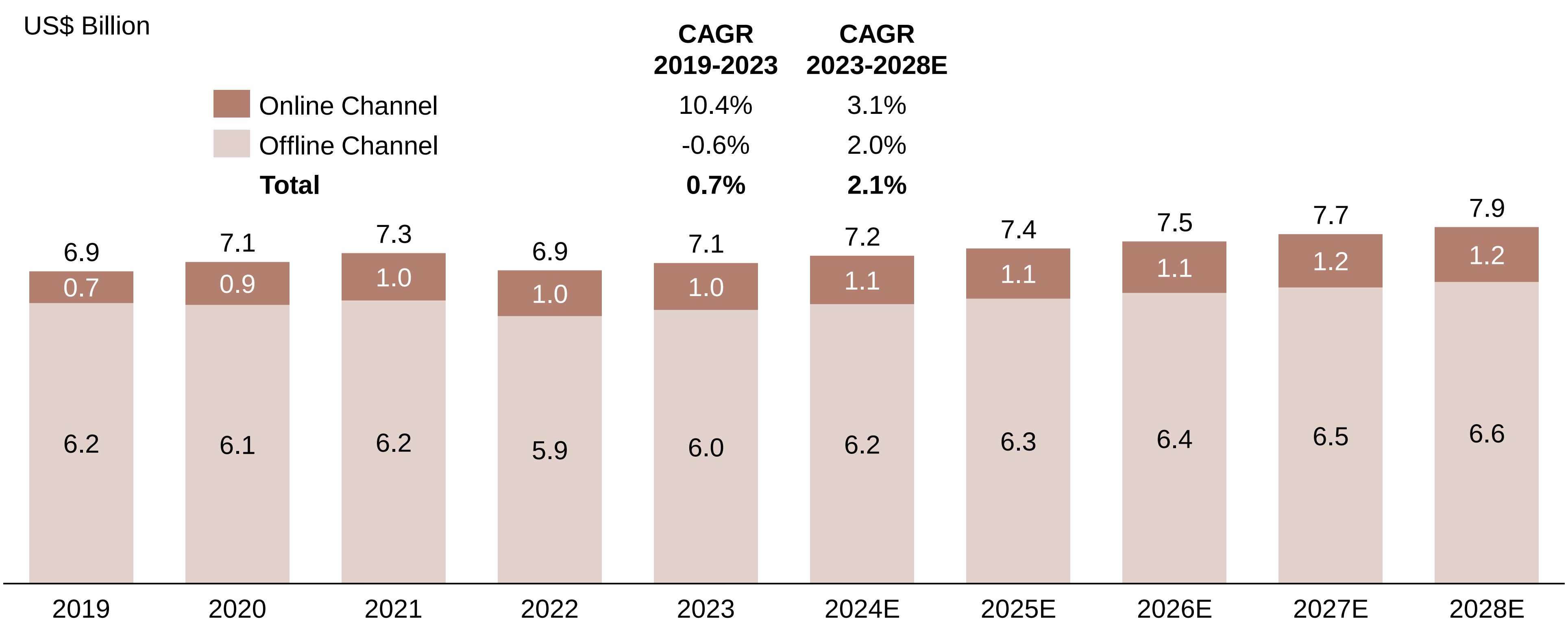
staub

HESTAN

Note[1]: <TOP 16 Countries Cross-Border Europe 2nd-5th >, CBcommerce.eu

The expansion of online distribution channels in Western Europe aligns with consumer preferences for cookware characterized by innovation and distinctiveness, fostering rapid growth.

Market size of cookware industry, Western Europe, by sales channel, 2019-2028E



Key Analysis

- In 2023, the cookware market in Western Europe is US$7.1 billion. The market is expected to reach US$7.9 billion by 2028.
- In Western Europe, consumers prefer cookware products that embody innovation and distinctiveness with more color choices and customized designs. The development of online channels in this region caters to these preferences and provides local consumers with the opportunity to select the most cutting-edge and exquisite cookware products. As a result, the market size of the online cookware industry in Western Europe is expected to grow from US$1.0 billion in 2023 to US$1.2 billion in 2028.

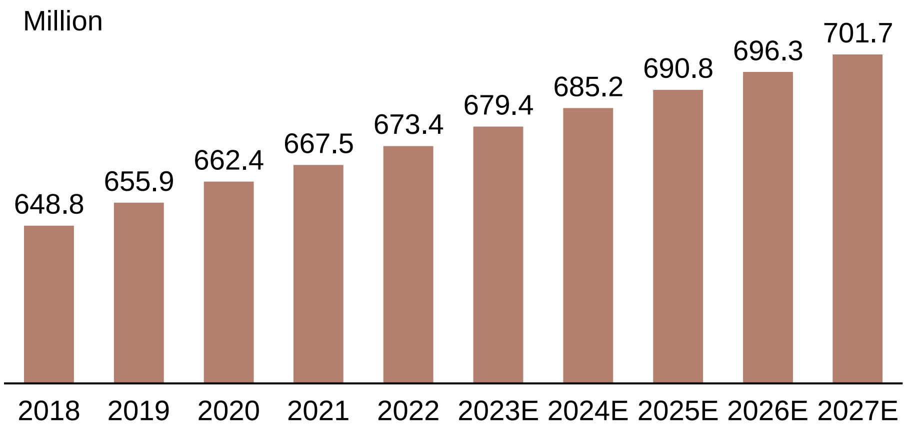
The cookware market in Southeast Asia is diverse due to different eating habits in different countries, and population growth drive its cookware market to continually grow.

Analysis of typical demand characteristics of cookware industry, Southeast Asia

- Southeast Asia, with a projected population of 707.0 million by 2028, presents a significant consumer base for the cookware industry. The market size of the cookware industry in Southeast Asia has experienced growth due to several factors, including the continuous increase in consumer purchasing power, variations in culinary preferences across different countries, the gradual influence of Western dietary habits, and significant improvements in the regional supply chain.

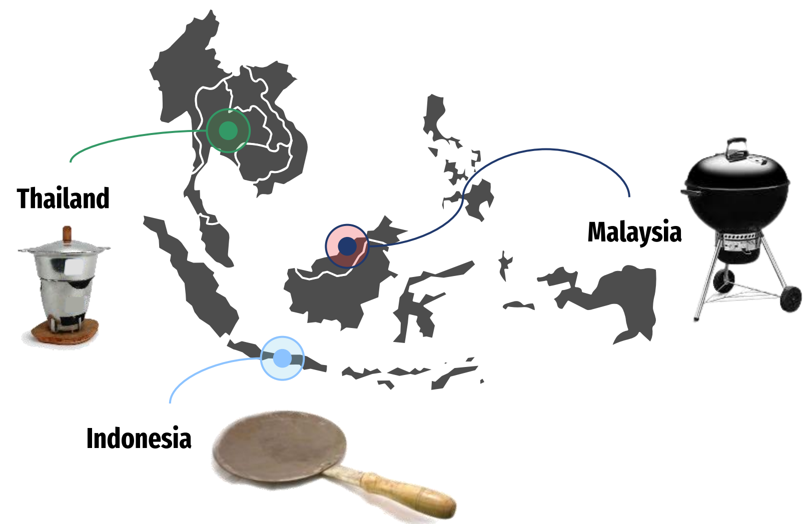
The cookware market in Southeast Asia has great potential

Total population of South-eastern Asia, 2018-2027E



- The population of Southeast Asia is growing rapidly, and the average household size of Southeast Asian families is generally large, so their cookware is used more frequently and their demand for cookware is greater.

The cookware in different countries present a variety of characteristics due to their unique food culture

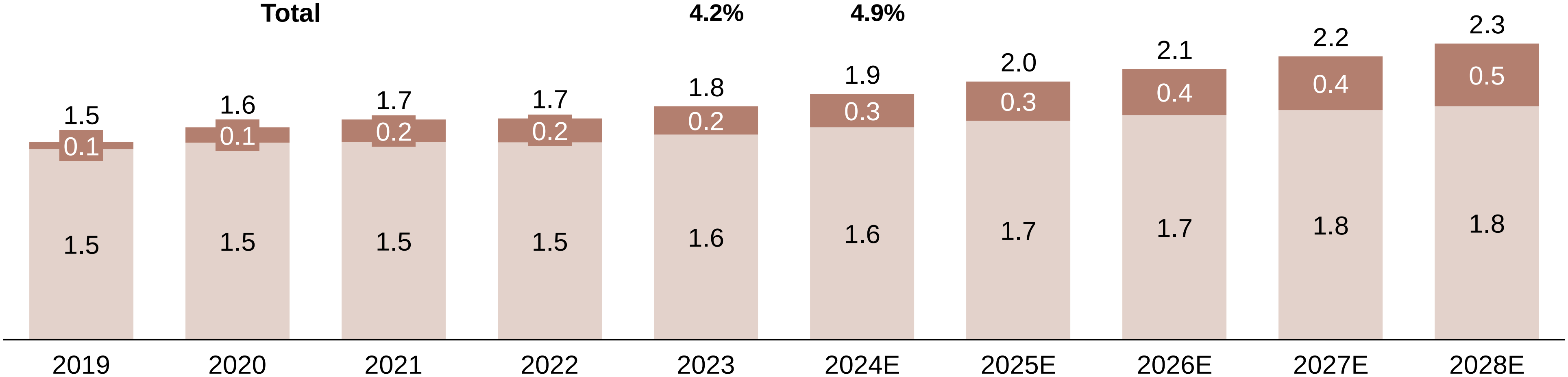


The online sales channel grew rapidly in recent years due to the rise of e-commerce platforms and shifting consumer behaviors.

Market size of cookware industry, Southeast Asia, by sales channel, 2019-2028E

US$ Billion

	CAGR 2019-2023	CAGR 2023-2028E
Online Channel	39.4%	17.4%
Offline Channel	1.9%	2.6%
Total	**4.2%**	**4.9%**



Key Analysis

- The market size of the cookware industry in Southeast Asia is expected to increase from US$1.8 billion in 2023 to US$2.3 billion by 2028.
- The increasing adoption of smartphones and internet connectivity in Southeast Asia has spurred a surge in consumers turning to online platforms for their cookware purchases. In terms of retail sales value, the e-commerce penetration rate in Southeast Asia has escalated from 3.7% in 2019 to 10.9% in 2023. The COVID-19 pandemic further accelerated this shift towards online shopping, as consumers prioritized safety and convenience when buying cookware from the comfort of their homes. In response to this rising demand, e-commerce platforms actively collaborated with cookware brands, expanding their product offerings, enhancing logistics and delivery services. As a result, the market size of the online cookware industry in Southeast Asia is projected to reach US$0.5 billion in 2028 from US$0.2 billion in 2023.

The Japanese cookware market presents significant growth opportunities, featuring a diverse array of specialty cookware.

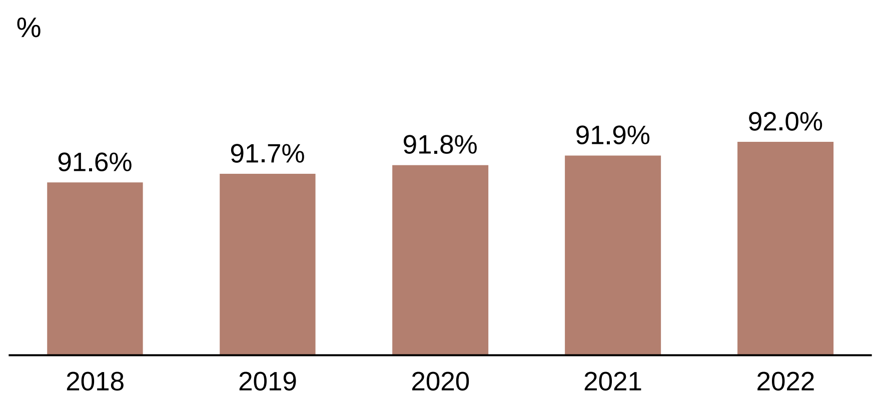
Analysis of typical demand characteristics of cookware industry, Japan

- Japan's culinary culture is renowned for its diverse range of unique dishes, which has created a demand for specialized cookware in specific categories. Notable examples include the Donabe pot, Sukiyaki, and Tamagoyaki pans.

Escalating modernization is fueling steady growth in Japan's cookware market

The Japanese market offers specialized cookware tailored to their culinary traditions

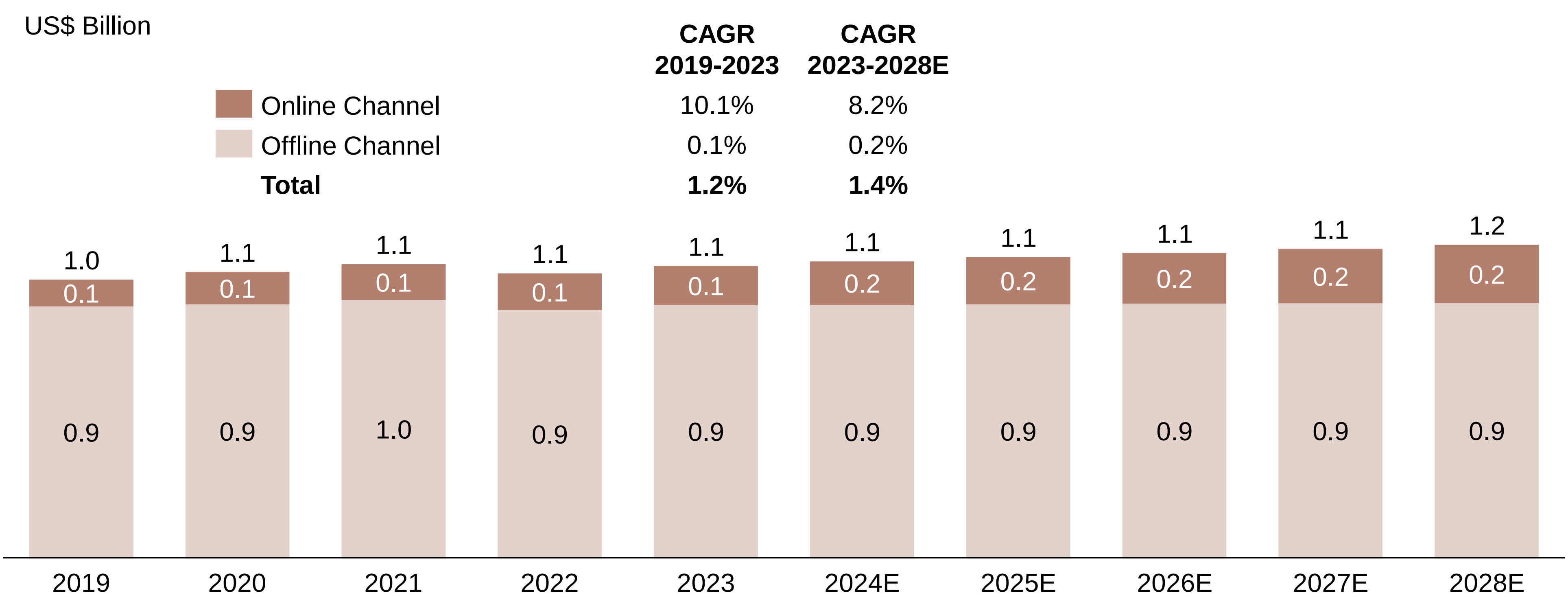
Degree of urbanization in Japan, 2018-2022



- With busy schedules becoming commonplace, consumers are seeking convenient and time-saving cookware solutions that complement their contemporary lifestyles.

The online kitchenware market in Japan expands due to the allure of convenience, diverse product offerings, and excellent value for money provided by digital shopping channels.

Market size of cookware industry, Japan, by sales channel, 2019-2028E



Key Analysis

- In 2023, the market size of the cookware market in Japan was US$1.1 billion and is projected to reach US$1.2 billion by 2028.
- Driven by the wide product selection, competitive pricing, and convenience of doorstep delivery provided by online retailers, the online cookware market in Japan has experienced significant growth. With the increasing popularity and convenience of online shopping, more consumers are turning to online platforms for their cookware needs. The COVID-19 pandemic further accelerated the shift towards online shopping, as consumers prioritized safety and convenience. As a result, the market size of the online cookware industry in Japan is expected to witness rapid growth, and it is projected to grow from US$0.1 billion in 2023 to US$0.2 billion in 2028.

Contents

In terms of market share, the online cookware market in which the Group is engaged is highly fragmented and no player has a dominant market share.

Ranking of China's online cookware industry, by retail sales value, 2023

Rank	Company	Market share in terms of retail sales value generated from the cookware business in 2023, %
1	SUPOR	~7.9%
2	KOBACH	~2.9%
3	COOKER KING	~2.2%
4	CAROTE	1.2%
5	JOYOUNG	~1.1%
	Sum of top 5 players	~15.2%

Key analysis

- In terms of market share, the online cookware market in which the Group is engaged is highly fragmented and no player has a dominant market share. The top five cookware brands in China accounted for less than 15.2% market share in 2023 in terms of online retail sales value and the Group is one of the top five brands with a market share of approximately 1.2%. The Group is also one of the top five players in China's largest e-commerce marketplace and has one of the fastest growth pace

The differences in market share among leading players in US's online cookware industry are relatively small. Carote was the second largest cookware brands in the U.S. online cookware industry in terms of online revenues as of December 31, 2023.

Ranking of the online cookware industry in the US, by retail sales value, 2023

Rank	Company	Market share in terms of retail sales value generated from the cookware business in 2023, %
1	Lodge	~14.9%
2	**CAROTE**	13.1%
3	T-fal	~6.0%
4	Tramontina	~5.6%
5	Cuisinart	~2.5%
	Sum of top 5 players	~42.1%

Key analysis

- The online cookware market in which the Group is engaged is highly fragmented and no player has a dominant market share. The top five cookware brands in the U.S. only accounted for less than 42.1% market share in 2023 in terms of online retail sales value and the Group is one of the top two brands with a market share of approximately 13.1%. The Group is also one of the top two players in the U.S.'s largest e-commerce marketplace with one of the fastest growth rates.

Carote was the largest Chinese cookware brand in the Western Europe online cookware industry in terms of online revenues in 2023.

Ranking of Western Europe's online cookware industry, by retail sales value, 2023

Rank	Company	Market share in terms of retail sales value generated from the cookware business in 2023, %
1	Tefal	~8.7%
2	WMF	~3.4%
3	**Carote**	1.3%
4	Lagostina	~1.0%
5	Zwilling	~0.6%
	Sum of top 5 players	~15.0%

Key analysis

- The online cookware market in which the Group is engaged is highly fragmented and no player has a dominant market share. According to CIC, the top five cookware brands in Western Europe only accounted for less than 15.0% market share in 2023 in terms of online retail sales value and the Group is one of the top three brands with market share of approximately 1.3%.

The Southeast Asia market is relatively fragmented. Carote was one of the leading cookware brands in the South-eastern Asia online cookware in terms of online revenues as of December 31, 2023.

Ranking of Southeast Asia's online cookware industry, by retail sales value, 2023

Rank	Company	Market share in terms of retail sales value generated from the cookware business in 2023, %
1	Tefal	~10.1%
2	**Carote**	8.6%
3	WMF	~6.2%
4	Hongzhuo	~5.9%
5	TKIS	~5.0%
	Sum of top 5 players	~35.8%

Key analysis

- The online cookware market in which the Group is engaged is highly fragmented and no player has a dominant market share. The top five cookware brands in Southeast Asia accounted for approximately 35.8% market share in 2023 in terms of online retail sales value and the Group is one of the top two brands with a market share of approximately 8.6%.

Carote acts as the largest Chinese cookware brand in the Japan online cookware industry in terms of online revenues as of December 31, 2023.

Ranking of Japan's online cookware industry, by retail sales value, 2023

Rank	Company	Market share in terms of retail sales value generated from the cookware business in 2023, %
1	ティファール(T-fal)	~17.9%
2	サーモス(THERMOS)	~10.3%
3	**CAROTE**	8.1%
4	和平フレイズ(Wahei freiz)	~4.5%
5	ドウシシャ(DOSHISHA)	~3.4%
	Sum of top 5 players	~44.3%

Key analysis

- The online cookware market in which the Group is engaged is fragmented but relatively more concentrated compared to other regions.
- The top five cookware brands in Japan accounted for approximately 44.3% and the largest player, which is an international brand headquartered in France, has a market share of approximately 17.9%, in terms of online retail sales value in 2023. The Group is one of the top five players with a market share of approximately 8.1%.

Contents

China Insights Consultancy

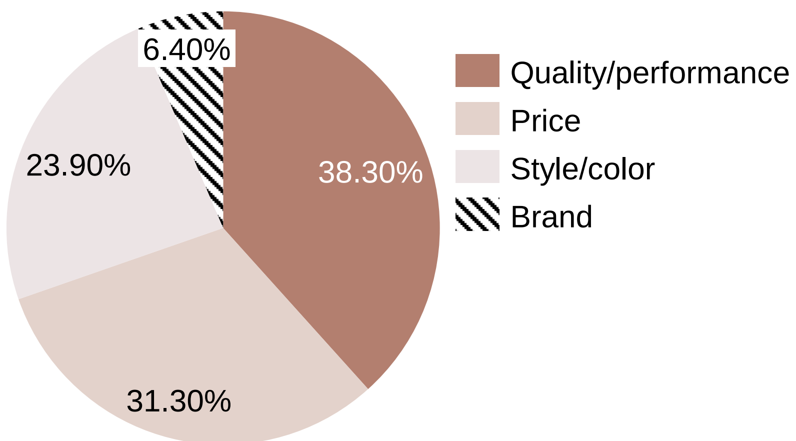
Beverageware finds versatile applications, with consumers showing a strong preference for stylish water fixtures.

Analysis of typical demand characteristics of Global and China’s drinkware industry

- Drinkware constitutes one of the most indispensable categories of kitchenware in everyday life.

Stylishly designed drinkware holds a competitive edge

Top consideration for consumers when buying glass beverageware[1]



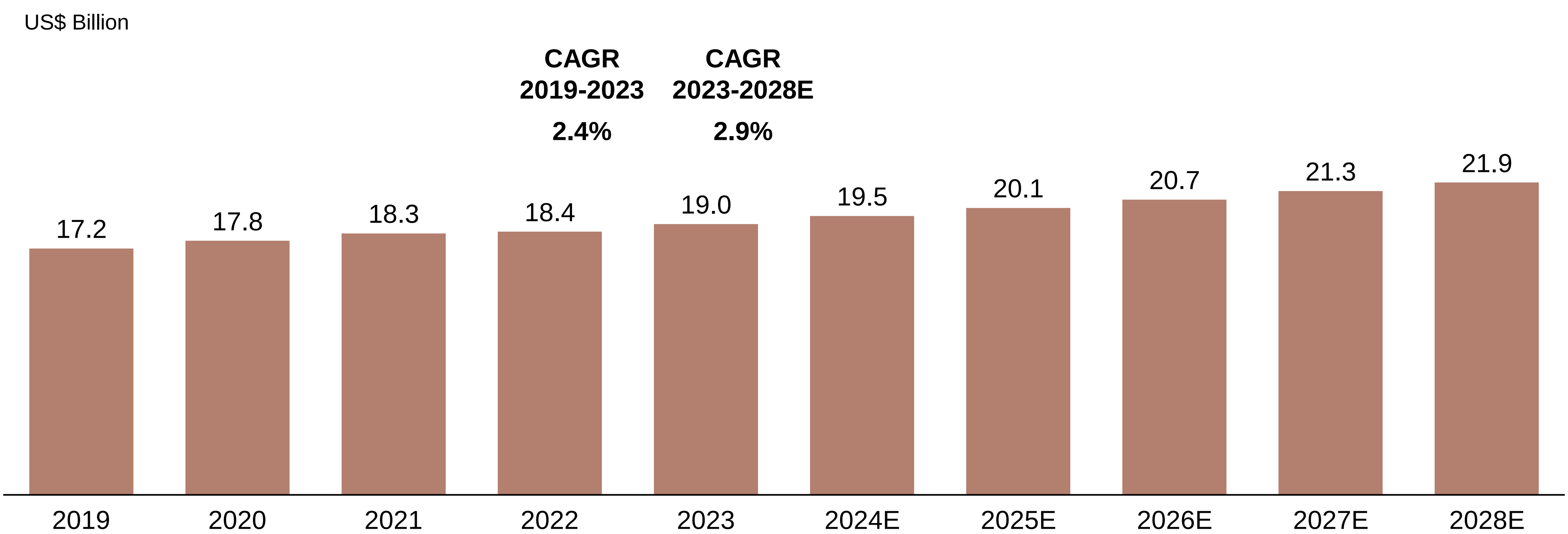
- Beyond functionality, consumers seek elegant and unique items that reflect their modern lifestyles. Aesthetically appealing drinkware captures attention, fosters brand loyalty, and allows manufacturers to command premium pricing and stand out in the market.

Drinkware is versatile for all life scenarios

Note [1]: NPD Group, Statista

The drinkware market experiences exponential growth, driven by the rising demand for specialized and aesthetically designed items, as drinkware constitutes one of the most indispensable categories of kitchenware in everyday life.

Market size of drinkware industry, Global, 2019-2028E

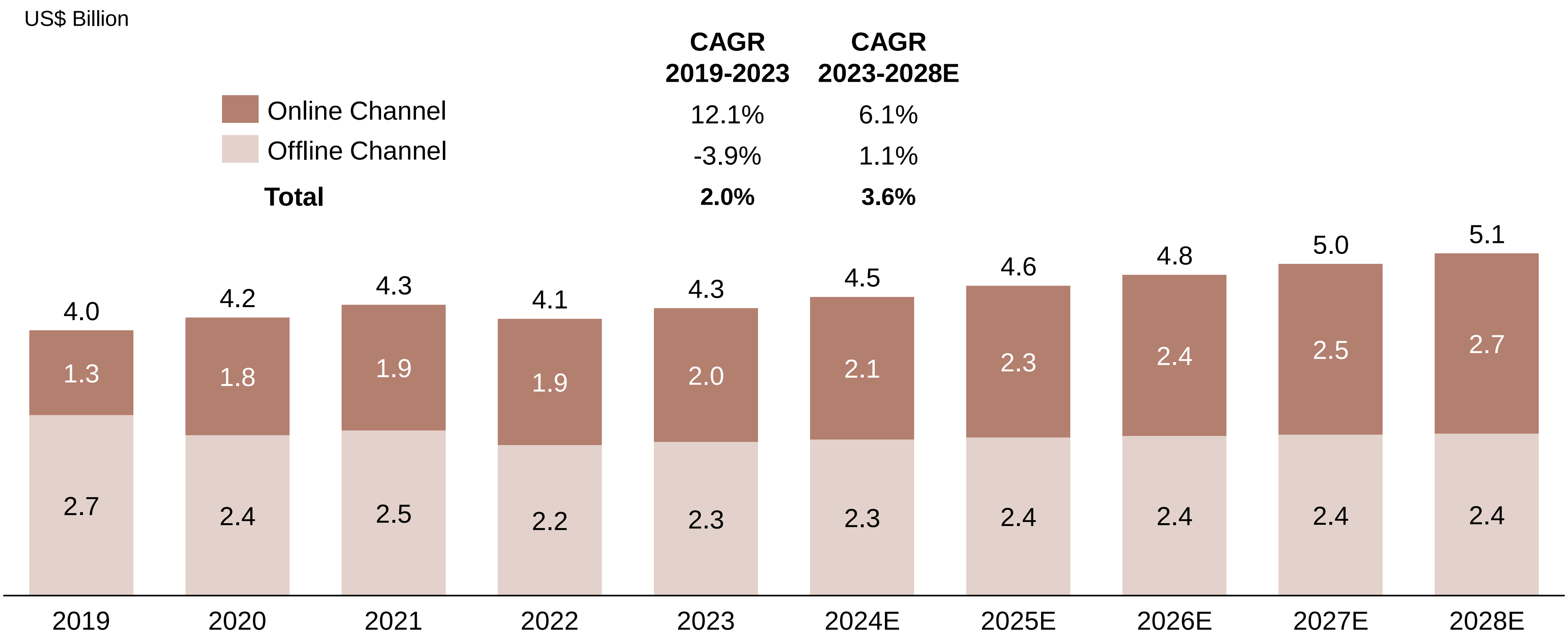


Key Analysis

- As consumers upgrade their lifestyle, they increasingly gravitate towards the refined aesthetics and distinctive designs of drinkware items. Manufacturers endowed with the agility to innovate swiftly and align with market dynamics enjoy a discernible advantage.
- Moreover, the burgeoning demand for specialized drinkware across varied contexts has propelled the exponential growth of the drinkware market.
- Consequently, the global drinkware market is expected to grow from US$19.0 billion in 2023 to US$21.9 billion in 2028. The chart below illustrates the actual and forecast market size of the global drinkware industry for the period indicated.

The drinkware online market has experienced significant expansion, driven by its lightweight nature and low demand for experiential shopping, both of which make it highly suitable for online sales.

Market size of drinkware industry, China, by sales channel, 2019-2028E



Key Analysis

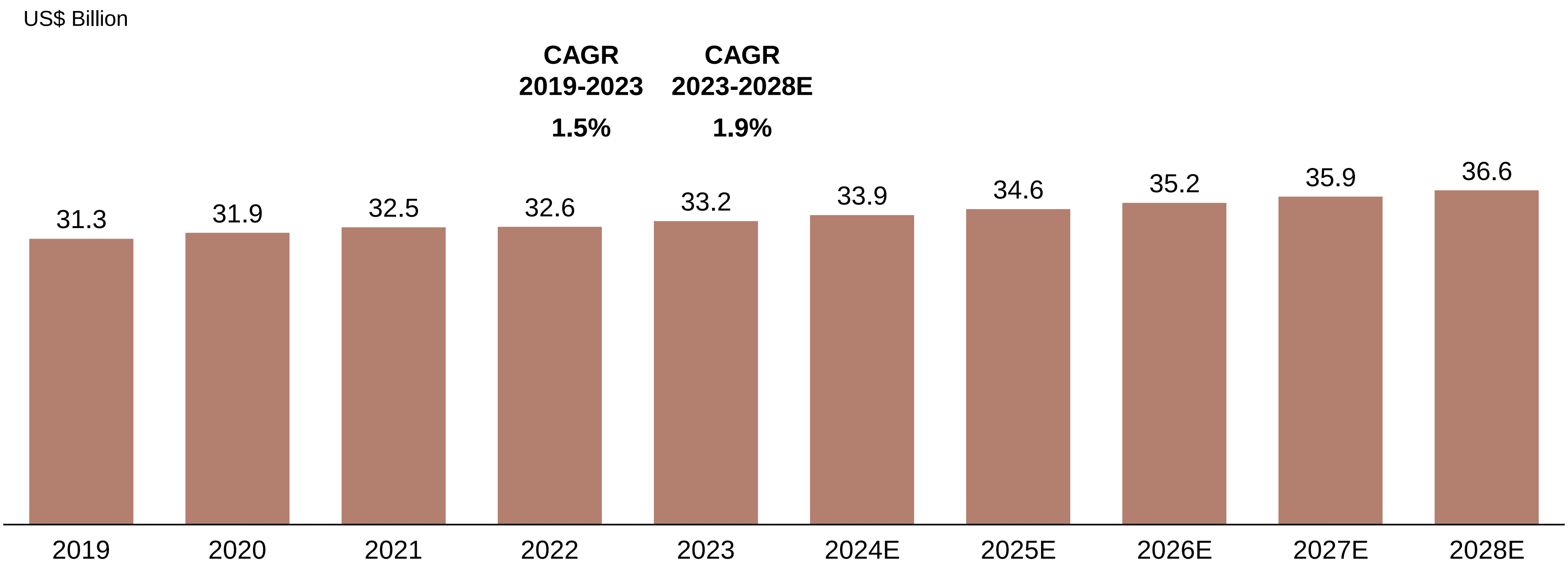
- China's drinkware market is expected to grow from US$4.3 billion in 2023 to US$5.1 billion in 2028.
- The distinctive attributes of drinkware, characterized by its inherent lightweight design and reduced reliance on offline experiential shopping, render it well-suited for online retail channels. These qualities translate into lower delivery costs, particularly evident in non-glass drinkware, and facilitate seamless online purchases without the necessity for physical tryouts at brick-and-mortar establishments. Leveraging these advantages, China's online drinkware market is projected to rise from US$2.0 billion in 2023 to US$2.7 billion by 2028.

Contents

灼识咨询
China Insights Consultancy

The kitchen utensils market is expected to continue growing amidst changing consumer preferences, technological advancements, and shifting market trends.

Market size of kitchen utensils industry, Global, 2019-2028E



Key Analysis

- In addition to cookware, chefs also rely on essential kitchen utensils to assist them in the cooking process. These utensils facilitate a variety of food preparation tasks, featuring ongoing innovation in materials, designs, and functionalities to meet the evolving needs of both home cooks and professional chefs.
- Given changing consumer preferences, technological advancements, and shifting market trends, the kitchen utensils market is expected to continue growing, projected to increase from US$ 33.2 billion in 2023 to US$ 36.6 billion in 2028.

Verifications

- Carote began cooperating with Amazon in the United States as early as 2017, establishing a first-mover advantage over many PRC-based cookware brands.

- Carote have achieved a prominent presence in the online kitchenware segment across key markets, including China, the United States, Western Europe, Southeast Asia and Japan, making us one of the fastest-growing renowned kitchenware brands globally.

- The following practice is in line with the industry norm:
  For non-cookware products, the contract manufacturers typically offer a 12-month warranty from the date of the cookware brands' acceptance. This warranty covers quality issues and obligates the contract manufacturer to undertake repairs, returns, or replacements as needed. For cookware products, the cookware brands' purchase agreements with contract manufacturers do not include a provision that specifies the scope and duration of warranty from the contract manufacturers. Instead, the agreement provides that if the quality does not meet requirements due to reasons such as the quality of the materials, coating performance, or exterior stains on the products, the contract manufacturers will be responsible for the liabilities.

- The outbreak of COVID-19 drastically altered consumer behavior patterns, proving the feasibility of remote working across various industries and boosting its acceptance among employers and consumers. This shift has led to a continued rise in home cooking and demand for kitchenware products, and this trend is expected to persist due to changes in consumers' lifestyles brought about by COVID-19,

- The cookware market is highly fragmented, and a market-oriented pricing model allows companies like Carote to manage competitive pressures effectively, balancing profitability with market competitiveness.

- Carote's pricing model is substantially similar to those of its competitors.

- The five top-selling brands on Tmall in 2023 offered portable coffee cups of similar material, design, and capacity like Carote at prices mainly ranging from RMB55.0 to RMB220.0

Verifications

- Carote's granite non-stick cookware series has become one of the best-selling cookware in terms of retail sales on China's Tmall platform since 2021.

- The pricing of Carote's non-stick pan is 24.0% and 50.9% lower than that of the other top five players in the same category on Amazon US and Tmall, respectively as of the end of 2023

- In 2023, there were approximately more than 100 target companies in the PRC and more than 200 outside the PRC, respectively, fulfilling the below requirements:
  (i) have a top-ten ranking within their online category for companies whose sales channels are predominantly online, or have at least a 5% market share in the local market for those operating mainly offline.
  (ii) demonstrate a positive cash flow, with inventory turnover not exceeding 70 days and average accounts receivable turnover days within two months

- The pricing of Carote's non-stick pan is 24.0% and 50.9% lower than that of the other top five players in the same category on Amazon US and Tmall, respectively as of the end of 2023

- The size of the global online kitchenware market is expected to reach US$22.6 billion by 2028, with a CAGR of 7.5% from 2023 to 2028.

- Carote's core cookware lines have an average product development cycle of 50 days from concept to market, outpacing the industry average of 60 days.

- The market size of certain geographic regions such as Western Europe may not grow as much compared to other geographic regions

Thank you !