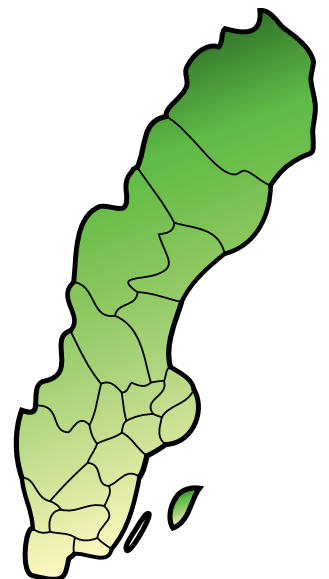




# Exporting to Sweden

A Guide for Exporters from Developing Countries



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**Published by:** The Swedish Chambers of Commerce, April 2011



This document has been financed by the Swedish International Development Cooperation Agency, Sida. Sida does not necessarily share the views expressed in this material. Responsibility for its content rests entirely with the author.

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# Foreword

The Millennium Development Goals, which were agreed upon by the 176 Heads of State and Government during the United Nations' Development Summit in New York in September 2000, have established a global agenda to reduce poverty. As member of the UN, Sweden has committed itself to striving to achieve the goal of halving poverty in the developing countries by the year 2015.

Development of the private sector in the developing countries, and growth in their trade, are of paramount importance for poverty reduction in the third world countries. The industrialised countries are working at several levels to facilitate developing countries' access to their markets.

However, the obstacles for developing countries are numerous. Rules and regulations are complicated and many countries are not yet in a position to profit from the competitive advantages that they have acquired, for instance through the preferential customs schemes.

Sweden has a long tradition of promoting trade development in developing countries and involving their own business community in the process. For many years, Sweden as well as the other Nordic countries, has had import promotion activities directed toward exporters from developing countries wanting to enter the Swedish market. This has resulted in an ongoing cooperation and coordination of these activities among the Nordic countries.

This cooperation makes sense as the Nordic countries – if looked upon individually – are small markets, but with many similarities. Apart from the many linguistic, cultural and historical similarities, the social welfare

development in each country makes it relevant to talk about a Scandinavian model of society that is unique at the international level.

Business culture, consumption patterns and consumer preferences are basically similar. Hence, exporters from developing countries that want to export to Sweden can consider it a gateway to the Scandinavian market. Sweden's geographical position makes it also a favourable exporting destination for exporters from developing countries as it has close connections to the Baltic market, Germany and the rest of the European Union (EU).

The purpose of this guide is to provide exporters in developing countries with an overview of the various issues that they will most likely encounter when setting up an export business in Sweden. The guide provides basic information on Sweden and the Swedish market as well as references to numerous sources for in-depth information.

It is the hope of the authors that this guide will pave the way for exporters in developing countries wishing to enter the Swedish market.



# 1. The Swedish Market

## – Get to Know the Conditions and Details

Sweden is member of the European Union, which means that exporting to Sweden gives the exporter access to the rest of the EU market with its 495 million consumers.

Sweden belongs to the Nordic region, together with four other countries: Denmark, Norway, Finland and Iceland. These countries have an inter-linked historical background and many cultural similarities. The Nordic countries also have language similarities and understand each other rather well, with the exception of Finnish and Icelandic.

Sweden is home to many multinational companies and several internationally recognised universities and colleges. Its highly ranked education system has contributed to a climate where companies make large investments in research and development (R&D).

### Life and Consumption Patterns

Swedish consumers are characterised by high awareness in purchase and high purchasing power. They are used to a relatively high standard of living and tend to make sure that they are well informed before making any purchasing decision. The key determinants of consumer behaviour are price and quality and a common expression is “value for money”.

### Population

Sweden is a multicultural society. Approximately 20 % of the population have roots in foreign countries. Despite problems with segregation, the multicultural society makes the Swedish population more open-minded and internationally orientated.

Sweden is known to be one of the world’s most developed countries in terms of gender equity and it becomes more common to see both men and women in corporate leadership. One aspect of this is that the Swedish system with parental leave is becoming increasingly more popular, and men take about 22 % of the total parental leave (in 2009).

Moreover, it is becoming more common that Swedish people, especially in the big cities, tend to postpone childbirth to an older age. In 1973, the mean age of women giving birth to their first child

#### Distribution of private consumption (%) per household

- Consumers spend most of their income on housing. Housing accounts for about 29 % of household expenditure in Sweden in 2009
- The second largest expenditure item is culture and leisure which represent approximately 17.8 % of the household expenditure
- Other important expenditure items are transports 14.5 %, foodstuffs 13.2 % and beverage (including alcohol) 2.6 %

*Source: Statistics Sweden (SCB)*

was 24 years old. Today, the mean age has risen to 28 years old.

Another demographic trend is the increasing proportion of elderly in Sweden. The large generation of the 1940s will retire during the coming decade, which will affect the economic conditions and the dependency ratio.

## Geography and Climate

Sweden is the largest of the Scandinavian countries and it is similar in size to the state of California or Thailand, but has only 9.4 million inhabitants. Approximately 85 % of the population lives in the southern half of the country and the most densely populated areas are around the three largest cities; Stockholm, Gothenburg and Malmö. Sweden has a variety of landscapes and is characterised by its long coastline, dense forest and numerous lakes. The forest covers about 55 % of the total land area, whilst farmland only covers about 9 %. Coniferous forests such as pine dominate the Swedish forests, but there are also deciduous trees, e.g. birch and aspen.

Thanks to the Gulf Stream, Sweden has a milder climate than other areas on the same semi-arctic latitude, but due to the length of the country, the climate varies considerably in different parts of the country. Sweden has four distinct seasons. In the north of Sweden, the winters are long and cold and the summers are often sunny with moderate temperatures. In June and July, the sun never sets and daylight lasts 24 hours. The temperatures in the summer are higher in the southern parts, but only occasionally exceed 30°C. In winter, the temperatures often fall below zero all over the country.

### Demography in 2009

- Average monthly wage: ca. 3,000 EURO
- Fertility rate: 1.94
- Life expectancy: 79.4 years for men, 83.4 years for women
- Number of households: 4,555,000 (in 2008)
- Average number of persons per household: 2
- Age structure, percentage of population
  - 0 – 20 years old: 25 %
  - 21 – 60 years old: 52 %
  - 60 – years old: 23 %

*Source: Statistics Sweden (SCB)*

## The Swedish Economy

### An industrial country moving away from industry to a large knowledge-based service sector

Natural resources such as timber, hydropower and iron are used to constitute the resource base of the Swedish economy. The manufacturing industries still have a strong position due to the availability of raw material; they constitute about 13 % of total employment. At the same time, historically important sectors such as agriculture and forestry now only account for approximately 2 % of the employment in Sweden.

Thanks to a deliberate transformation of industry, Sweden is now one of the leading nations in terms of knowledge-based industry and technology development. Information and communication technology (ICT), life science and environmental engineering are examples of prominent sectors in Sweden.

Another area that has become increasingly important in recent years is the service sector. The service sector is the largest employer in Sweden and accounts for approximately 75 % of total employment. Notably, a substantial

increase in growth is occurring in the creative and knowledge-intensive industries. The major service areas are retail and wholesale, business services and real estate. Moreover, it is more and more common that Swedish companies outsource parts of their operation, which has spurred the growth of staffing companies and the consulting business. The service sector is also growing in terms of exports and accounts for about 33 % of total export value.

The concept *servicification* is gaining ground in trade analysis and the Swedish economy. Servicification refers to integration of manufacturing goods and services. The manufacturing is servicified not only on the production level but also on the sales level, in terms of development, research and additional services such as maintenance.

The Swedish economy is also characterised by a significantly higher tax incidence than equivalent countries. In 2009, the Swedish tax incidence was more than 47 % of GDP despite the downward trend that Sweden has experienced in recent years.

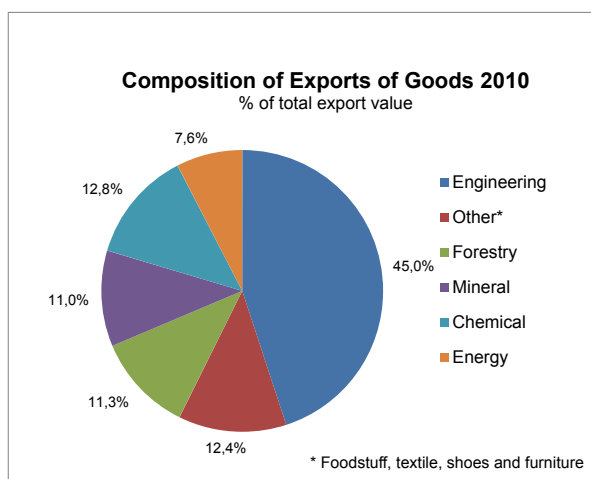
### Well-developed foreign trade

Globalisation is a key-concept in the Swedish economy. Internationalisation has made Sweden successful in

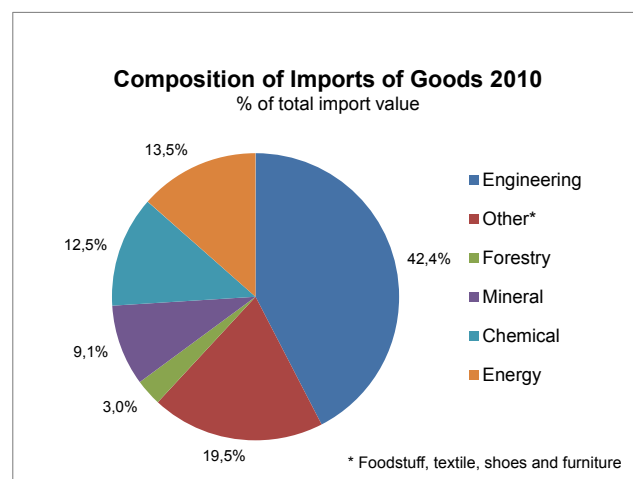
attracting foreign investment and the country houses a large number of multinational corporations. The vast majority of export commodities constitute machinery, electronics and telecommunication, paper, pharmaceuticals, petroleum products, iron and steel and foodstuffs. Most exports go to countries within the EU (58 %), but other important export destinations are Norway (10.6 %), the US (6.4 %), China (3.1 %), Russia (1.4 %) and Japan (1.3 %).

In terms of imports, the Swedish industry is to a great extent an assembly industry, depending on imported raw materials and components. The major imports are machinery, electronics and telecommunication, chemicals, pharmaceuticals and petroleum products, foodstuffs, crude oil, textile and footwear. Sweden imports mainly from the EU (68 %), Norway (9 %), China (3.8 %), the US (3.8 %) and Russia (3.8 %).<sup>1</sup>

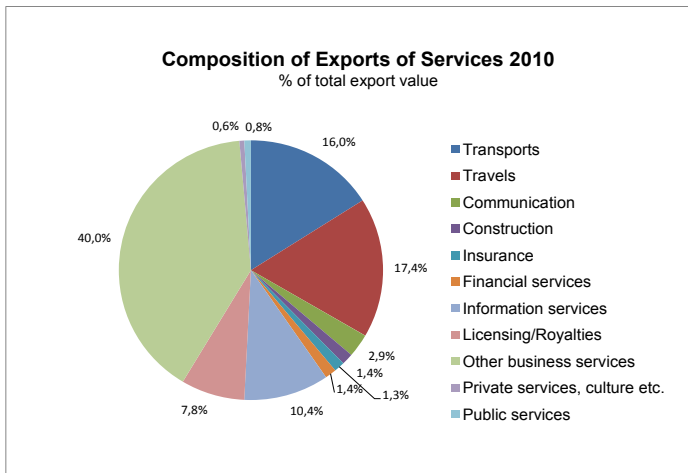
<sup>1</sup> Import statistics from EU countries is often overestimated due to statistic measuring methods. The imports are measured by the country of despatch and not country of origin. Hence, imports from countries outside the EU, that make intermediate landing and are cleared by the customs in another EU country before continuing to Sweden, is not registered as imports from a third country.



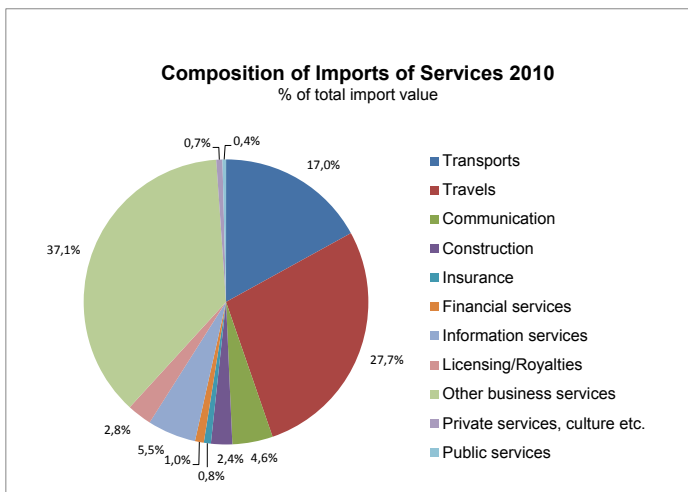
*Swedish exports of goods divided into product categories*



*Swedish imports of goods divided into product categories*



*Swedish exports of services divided into product categories*



*Swedish imports of services divided into product categories*

*Note: Other business services = Services related to trade in goods, e.g. legal, technical and environmental services, accounting, marketing and R&D.*

## Business Culture

When talking about business cultures, the first thing to remember is that there is no “true” right or wrong. Just as different countries speak different languages, people do business differently in different places. This section describes Swedes as others see them. The norms and behaviour are not written in stone, but it gives you a hint on what to be expected.

Studying the Swedish business culture from a foreign perspective is in many cases necessary in order to avoid miscommunication, which can be devastating for your business. Sweden is a small country in size, but big in terms of business. The country has a wide spectrum of well-developed industries and a strong position as a welfare state based on egalitarianism – a concept that

has influenced the Swedish business culture. Hence, if you would like to do successful business with Sweden, there are certain unwritten rules you should memorise and apply.

### DOs and DON'Ts when doing business with Sweden

#### All agreements in writing and signed

Your Swedish contact will want any agreement you have made with him or her put in writing and signed. Do not see this as a sign that the Swede distrusts you or your countrymen. In general, it is simply company policy to always get all agreements in writing and signed.

#### Come to all meetings on time

If you have booked a time for a meeting with a Swede, be there on time. Punctuality is a sign of respect

and efficiency. Being exactly on time will make a good impression and it will indicate that you are reliable and trustworthy.

#### **Be honest in all things**

Swedes expect everyone they work with to be honest. If you should not keep your word, try to cheat the Swede or try to get a bribe of some sort, this will most likely ruin the business relationship with the Swede. Swedish companies avoid doing business with any person considered dishonest or not trustworthy.

#### **Be well prepared for meetings and speak in turns**

Meetings with Swedish companies usually have the characteristics of an open debate. However, this does not mean that they are spontaneous. The meetings are expected to be well prepared with a clear agenda. Showing up without any preplanning is considered disrespectful to the members present and a waste of their time and work. Take time to speak in turns and try not to interrupt others.

#### **Do not be over-ambitious when estimating delivery times and inform of delays right away**

If you are estimating a time plan as to when an order can be delivered to Sweden, it is best not to give an



unrealistically early date in the hope of impressing your Swedish business contact. Deadlines are set to keep and Swedes often expect the delivery exactly when you promised. If there is an unexpected delay in delivery, you must inform your Swedish business contact immediately. Otherwise you risk lose their trust and they might not want to deal with you again.

#### **Uncommon to give and receive valuable gifts**

The giving and receiving of valuable gifts is not common among business contacts in Sweden. The tax laws in Sweden make it difficult for someone to give or receive valuable gifts as a part of doing business and the tax authorities often consider such gifts as bribes.

#### **Swedes' way of doing business with you**

##### **Quickly get down to business**

Swedes prefer to quickly start dealing with other companies based on product, price and quality rather than on their personal relationship with their contacts. Efficiency has a high value.

##### **Swedes often do not use titles**

In English-speaking countries, business people often use the titles Mr, Mrs, Ms and Miss before a person's last name. Do not be insulted if your Swedish contacts quickly start using your first name. They are not being rude or disrespectful. This is simply because the modern Swedish language does not use that approach.

##### **Clothing tend to vary with type of business**

Clothing is not a sign of respect in Sweden. In general, Swedish business people are often relatively informally dressed. However, informally clothing is not set in stone and dress codes tend to vary with sector and industry, e.g. people working in finance tend to wear more formal clothing like a suit. For special occasions and business dinners, Swedes often dress up.

### **Flat business organisation**

Do not be surprised if you meet representatives and employees from different organisational levels in a meeting with a Swedish company. The business organisation in Sweden is normally relatively flat, and business ideas are commonly discussed across all levels. It is to be expected that the person you are meeting has been delegated the decision-making power. In Sweden, it is common that a manager is considered to have a facilitating or coaching role.

Other aspects of the flat organisation structure are gender equality and age neutrality. In general, the aim is that men and women work under equal conditions. Somewhat similar to Swedes conviction of gender equality, the ultimate goal is to be judged by one's skills and experiences rather than by the age. Therefore, it is becoming more and more common that a person at a fairly young age has been delegated full negotiation responsibility or product responsibility.

### **Stick to the negotiated agreement**

When you negotiate with Swedish business people, they expect the negotiation to take place during the "official negotiating time". Once the negotiations are complete and an agreement has been reached, the Swede will expect you to stick to the agreement that was made. They do not like any more adjustments to the contract once it is agreed upon. This is different from some countries where agreements are constantly adjusted as time goes and things change.

### **Everything must be fair**

As mentioned, equity tends to be highly valued in Sweden. They will often look for win-win solutions and will try to find a fair solution to everything, even if the fair solution is complicated.

### **A proud impression**

Swedes are very proud of their country,

their social system, their standard of living, their way of doing things, their environmental concerns and their political neutrality. Therefore, they tend to express themselves with a superior attitude. Do not be insulted if Swedes give you this impression. Remember, truly experienced business persons know that there are many ways of doing things and they are willing to learn from other people as well as other countries and cultures. Most likely your contact does not mean to give this impression.

## Sweden at a glance

**Government:** The Moderate Party

**Constitution:** Monarchy with a multi-party, parliamentary democracy. King Carl XVI Gustaf

**Population:** ca. 9.4 million

**Number of households:** 4,555,000 (in 2008)

**Population density:** 22.8 inhabitants/km<sup>2</sup>

**Number of registered businesses:** 976,790 (in November 2009)

**Area:** 450,294 km<sup>2</sup>

**Climate:** Four distinct seasons with large variations between south and north. Average temperature and precipitations: **Stockholm:** January – 3°C and 30-40 mm, July 18°C and 80mm. **Malmö:** January 0°C and 50 mm, July 18°C and 70 mm. **Kiruna:** January – 16°C and 30 mm, July 14°C and 80 mm.

**Business language:** Swedish and English

**Weights & Measures:** the Metric system

**Currency:** Swedish krona (SEK)

**Capital:** Stockholm

**Time Zone:** Central European Time Zone – one hour ahead of GMT. From the end of March to the end of October two hours ahead of GMT.

**Business hours:** Monday to Friday: 8 or 9 a.m. – 5 p.m.

**Banking hours:** Monday to Friday: 10 a.m. – 3 or 4/5.30 p.m. (banks close at 6 p.m. in the bigger cities)

**Public holidays:** New Year's Day: 1 January, Twelfth night: 5 January, Twelfth day: 6 January, Easter: (Maundy Thursday, Good Friday, Easter Monday), Walpurgis Night: 30 April, Labour Day: 1 May, Ascension Day, National Day: 6 June, Midsummer's Eve: Friday between 20-26 June, Christmas: 24-26 December, New Year's Eve: 31 December

### Not very religious

Although many of Sweden's national holidays are religious holidays, a lot of Swedes today are not actively religious. If certain traditions, days, holidays etc. are important for you, it can be advisable to express how you feel so that there are no misunderstandings.

### Swedes do not like conflicts

The Swedish culture is known for avoiding conflict. This can be good sometimes and bad sometimes. In many places negotiations and discussions can get emotional and appear to be a conflict. Many Swedes would feel uncomfortable if someone raised their voice, slammed the table, or haggled

aggressively. They prefer things to be calm and to calmly reach an agreement. Haggling is not a traditional part of the Swedish culture. On the other hand, Swedes communicate directly rather than diplomatically, which can be perceived as rude and aggressive. Do not be offended by the direct and outspoken language.

### Personal space and body contact

Swedes have a large personal space and do not usually have much bodily contact. Shaking hands quickly is a good greeting. The Swede might feel uncomfortable with greetings that are common in other cultures such as hugging or kissing or pats on the back.

## The Nordic market at a glance

### Some Basic Facts

Country	Language	Business language
Sweden	Swedish	English
Denmark	Danish	English
Norway	Norwegian	English
Finland	Finnish	English
Iceland	Icelandic	English

### Population and Geographical Area

Country	Population	%	Area km <sup>2</sup>	Density
Sweden	9,418,700	46	450,294	23 inh./km <sup>2</sup>
Denmark	5,534,700	27	43,098	126 inh./ km <sup>2</sup>
Norway	4,858,200	0	385,155	16 inh./ km <sup>2</sup>
Finland	5,375,300	26	390,903	16 inh./ km <sup>2</sup>
Iceland	318,500	2	103,000	3 inh./ km <sup>2</sup>
<b>TOTAL</b>	<b>25,505,400</b>	<b>100</b>	<b>1,372,450</b>	

### Economy

Country	EU member state	Currency	Other
Sweden	Yes	Swedish Krona, SEK	
Denmark	Yes	Danish Krone, DKK	
Norway	No	Norwegian Krone, NOK	Member of EEA (European Economic Area) January 1994
Finland	Yes	EURO, EUR	
Iceland	No	Icelandic Króna, ISK	Member of EEA January 1994. Applied for EU-membership in July 2009

## 2. How to Access the Swedish Market

Sweden is a high-developed country with a saturated market. Before entering the Swedish market, long-term planning and substantial efforts are required. The competition is fierce and Swedish companies get plenty of business enquiries from hopeful suppliers. Therefore, it is wise to be well prepared in order to stand out in the competition.

Besides learning about the business culture and commercial practices, analysing the market characteristics, major players and opportunities is crucial. Newcomers also have to make sustained effort to keep up with market demands. It is advisable to learn what the Swedish buyer values when doing business: efficient negotiations, explicit offers and terms, high quality, punctuality, compliance with law etc. However, once the Swedish company find a reliable partner and a functioning customer relationship is established, there are good chances of long-term commitment from the Swedish side.

When entering the Swedish market, the exporter needs to identify its objectives in relation to production capacity and sustainable business practises. Imports from developing countries consist mainly of foodstuffs and textile. If you wish to enter the Swedish foodstuffs and/or textile market, see sector specific information in chapter 8. However, below you will find some basic practical advice on how to enter the Swedish market.

### COMPETITOR ANALYSIS

Where are your competitors from (domestic as well as foreign)? How many? What is the quality of your competitors?

### HOW TO PREPARE FOR EXPORTING TO SWEDEN

1. Are you ready to export? Analyse your company's strengths and weaknesses (e.g. SWOT-analysis) Expansion plans? What is your ability to increase production capacity? What export experience do you have? How should you position yourself?
2. How is your financial situation? Can you afford the major investments that are required to enter a new market?
3. Define your strategies for meeting your objectives.
  - Set up milestones
  - Set up a budget: exporting to a new market requires huge investments!
4. If you are ready to export, based on the analysis above, write a project description and choose market entry strategy. How do you manage potential risks, e.g. in payment, delivery, customs, foreign exchange rates, interest rates, cultural and language differences etc.? What market segment are you targeting? High-end (competition based on quality and brand) or low-end (competition based on price)? Geographical segment? Is it a mature or growth market?

### RECEIVE RECOGNITION ON THE SWEDISH MARKET

1. By doing a market research, including:

- Potential products in the Swedish markets
  - Relevant information such as certifications, standards etc.
  - Socio-economic elements
  - How does the distribution network in Sweden look like? Centralised/ decentralised system?
2. If necessary, upgrade your products and personnel so that they meet international norms and requirements

4. How do you plan to market your product in Sweden?
  - Sales promotion
  - Advertising
  - Personal selling
  - Public relations (PR)

## MARKETING AND DISTRIBUTION

1. What means of transportation are you planning to use?
2. What entry options are there?
  - Direct exporting
  - Via distributor
  - Via agent
  - Partnerships/joint ventures
3. How do you distribute your products? Intensively to all possible channels? Exclusively to on single buyer? Selectively to a small number of buyers?

## Contacting Potential Business Partners

### Internet

Today, Internet is the major source of information on new markets. It is an easy and cheap tool to screen the market, find potential gateways etc. Either you use a search engine or any available business and market database. Despite the benefits of Internet, it can be time-consuming and difficult to identify relevant facts due to the infinite amount of information. To find the right information or potential business partner, you need to specify your search and define the keywords.

Most Swedish companies have websites that can be translated into English and publish information on their product

### Search platforms for entering the Swedish market

#### Invest Sweden

[www.investsweden.se](http://www.investsweden.se) - provides information on establishment in Sweden. Invest Sweden is a Swedish government agency providing information and contact services for foreign investors evaluating investment opportunities in Sweden.

#### Open Trade Gate Sweden

[www.opentradegate.se](http://www.opentradegate.se) - provides foremost developing countries with information on trade rules and regulations.

#### Swedish Association of Agents

[www.agenturforetagen.se](http://www.agenturforetagen.se)

#### Kompass

[www.kompass.com](http://www.kompass.com) - Worldwide directory with detailed search criteria.

#### Europages

[www.europages.com](http://www.europages.com) - European business directory



range and distribution network. However, they tend to be less open with details on their purchasing practises. Contact details are often found more accessible in online databases, such as Kompass and Europages (see fact box on page 13).

### Trade fairs and missions

Taking part in and visiting trade fairs is an efficient way of getting acquainted with a new market. The main actors in the sector will be present at the leading fairs. Before exhibiting it is often advisable to participate in the fair as a visitor – there can even be requirements that must be met in order to be allowed to participate. A thoroughly prepared and well-executed visit to a trade fair can be a cost-efficient market research. At the Swedish fairs, many exhibitors are wholesalers and importers and their target group is retailers. Approaching the exhibitors with information on new products is a very efficient way of getting in contact with the buyer.

Visiting a trade fair will also provide the exporter with information on the latest development, trends and fashions of the sector. This will enable the exporter to compare their offer with the competitor's, and thus adapt their offer in order to make it relevant for Swedish importers.

To get more information on Swedish fairs, visit the Swedish Exhibition & Congress Centre, Fairlink - the



### Why visit trade fairs?

#### Direct contact

- Platform for direct meetings and communication with customers, partners and suppliers
- Provides information on the market and the competition: you can identify trends and new innovations and compare with the competition

#### The customers

- You can demonstrate and test new products
- Find and search for new customers
- Show your presence

#### Sales

- Increase sales and the turnover

#### Generates information

- Sector specific
- Market niche, trends, and innovations
- Competition
- Competitiveness

= Great opportunity to expose the company!

Scandinavian Trade Fair Council, or Stockholmsmässan (the Stockholm Exhibition and Congress Centre). All fairs in Sweden are listed on these websites that can also be translated to English. Links to the different fairs are presented in chapter 9.

### Business trips

Once the market opportunity has been examined, the exporter needs to approach the buyer, preferably for a personal meeting. The importer will expect the exporter to be prepared for the meeting on a level where he can answer all relevant questions regarding price, quality, terms of delivery etc. An exporter may have to meet the potential buyer several times before a deal is concluded. Before the business trip, the exporter should investigate the relevant legislation and market requirements applying to his products.

Exporters from most developing countries will need a visa to enter the Scandinavian countries. Visas should be applied for at Swedish embassies several months before departure. Before issuing a visa, many embassies require substantial documentation, and sometimes an invitation from the business partner in Sweden. The procedure needs to be initiated in due time. Arranging business trips to Sweden between the middle of June and the

middle of August is not advisable, as this is the summer holiday season.

There is a growing trend that Swedish importers visit producers in developing countries before starting a new cooperation. Many import promotion offices are active in organising group tours for interested business people.

The trade promotion programme of the Swedish Chambers offer some useful services; find contact information in chapter 9.

## 3. Customs Duties, Preferences and Rules of Origin

### EU Customs Duties

Importing products to the EU from a country outside the EU may be subject to customs duties and in some case also to import quotas, although these are often at a modest level. However, there are free trade arrangements between non-EU countries and the EU, as well as autonomous preferences given by the EU. The duties are often applied as a percentage of the customs' value of the products. For agricultural products, specific duties based on quantity or weight or a combination of percentage and weight-based duties may be applied. Once products originating from outside the EU have arrived to the EU area and the customs formalities have been completed, the products are released into free circulation in the single market area (= all EU member states).

### Preferential Treatment for DCs and LDCs

Developing countries have benefited from preferential treatment of their exports to the developed countries for nearly 40 years. One of the arrangements is the Generalized System of Preferences (GSP), which applies not only to Sweden but also to all Nordic countries, although there are slight differences between the Norwegian and the EU GSP. Under the GSP regime, products imported to Sweden from developing countries are granted tariff reductions. Products within the regime are divided into a sensitive and a non-sensitive category. Industrial goods – with the exception of textile – are primarily non-sensitive products and subject to zero duty. Most agricultural products belong to the sensitive category where limited tariff reductions are applied.

In addition, countries that are beneficiaries of the special incentive arrangement for sustainable development and good governance (named GSP+) enjoy duty-free access for all products, including sensitive products.

The best terms are granted for the Least Developed Countries (LDCs), which receive duty and quota free access for all products with exception of arms under the EU's Everything But Arms arrangement. This also includes duty and quota free access for agricultural products.

In addition to these, the EU gives autonomous preferences also to the Overseas Countries and Territories (OCTs)<sup>2</sup>. This usually means duty-free access to the EU market.

There are also free trade arrangements between the EU and the ACP countries (ACP = Africa, Caribbean, Pacific) that are based on the Economic Partnership Agreements (EPAs) or temporary market access arrangements preceding EPAs, earlier known as the Cotonou Agreement. In addition, there are preferential duty regimes under the Free Trade Agreements (FTAs) for example with Mexico, Chile, South Africa and some Mediterranean countries (Euro Mediterranean agreements).

## Classification of goods

Correct and accurate classification of goods is of outmost importance for obtaining the preferences. All products that are being traded globally are classified according to an international classification system called the Harmonized Commodity Description and Coding System (HS codes). When

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<sup>2</sup> The 21 overseas countries and territories (OCTs) belong to four EU member states: Denmark, France, the Netherlands and the United Kingdom.

the correct HS code is known, the preferences and duties can be checked at the EU Export Helpdesk. The database can also be searched by product name. Exporters of food products are also advised to make themselves familiar with the rules on import licenses and securities in Sweden. The relevant authority is *The Swedish Board of Agriculture* (Jordbruksverket).

Find contact information to EU Export Helpdesk and The Swedish Board of Agriculture in chapter 9.

For certain agricultural products there may be duty-free quotas, while full or reduced duty applies if the quotas are exceeded. There are also seasonal regulations and defined procedures (such as auctions) for allocating the quotas to importers.

## Which countries benefit from preferences?

In total, the EU GSP covers 176 developing countries and territories. Within the GSP-system, developing countries are divided into three groups: LDCs, Ordinary GSP Countries and GSP+ countries. As mentioned, the LDCs are given more favourable conditions than the other GSP countries.

### Authority of rules and regulations in Sweden

If exporters from non-EU countries have questions, or experience problems, with rules and regulations or trade barriers it is possible to have some guidance from **Open Trade Gate Sweden**, located at the National Board of Trade, which is Sweden's governmental agency for foreign trade and trade policy.

The purpose of Open Trade Gate Sweden is to provide exporters with information on rules and regulations, to investigate and try to solve barriers to trade, as well as influencing Swedish and EU trade policies and development strategies.

Find more information on: [www.opentradegate.se](http://www.opentradegate.se).

### Check-list: How to benefit from lower customs duties

- The importer must request (claim) preferential treatment at the time of customs clearance
- The product must originate from a developing country for which the EU GSP scheme has been implemented
- The product must be covered by the scope of products contained in the relevant GSP scheme
- The product must satisfy the Rules of Origin
- The product must be covered by satisfactory documentation (proof of origin)
- Transportation must go directly from the country of origin to Sweden (or via another EU country or Switzerland)

In order for a country to obtain the GSP, it is not enough to be entitled to the preferences. The GSP must also be implemented by the country for the preferential rules to apply. Annex 1 indicates which countries qualify at present under the EU GSP schemes.

## Rules of Origin

To benefit from preferential treatment, the export product must originate from a country covered by a free trade arrangement or a preferential arrangement. A product is generally considered as originating from a beneficiary country if it is *wholly obtained* or *sufficiently processed* in that country. If



it contains elements from other countries or is processed partially elsewhere, the rules of origin define the origin of the product.

Countries belonging to certain groups: ASEAN (South East Asia), SAARC (South Asia) and the Andean Community (in South America), have the right to use material from other countries in their group without losing the country of origin status. This is called cumulation. In some cases, exports from LDCs, EPA countries or OCTs to the EU can be granted relaxation of the rules of origin.

The concept of *wholly obtained* often refers to an agricultural product grown in the country and not further processed. For manufactured goods, with inputs from other countries, it is necessary to check the so-called list rules that are available for each product/HS code and to determine whether the product has undergone sufficient processing.

## Proof of origin

To prove that the rules of origin are fulfilled, the exporter has to provide necessary documentation. A GSP proof of origin must be issued by the exporter in the developing country and certified by the customs authorities of the exporting country. The following documents of origin are valid:

- Certificate of Origin Form A
- Invoice declaration

For other preferential treatment regimes mainly EUR.1 certificate or an invoice declaration are valid.

The Internet addresses to Form A and instructions on how to complete the certificate are included among the websites in chapter 9.

The EU Commission is expected to renew the Rules of Origin when deciding on the GSP until 2012. This may lead to some changes to what has been explained above. The EU Export Helpdesk also provides information on the rules of origin.

# 4. Legal Requirements

When exporting to Sweden, compliance with legal requirements is a prerequisite. The aim of the requirements is to ensure the quality and safety of the product placed on the market or to reduce the negative impacts on the environment. Products that do not meet the legal requirements will be rejected from the market. Several mechanisms are established to withdraw non-compliant products and communicate about it throughout the whole EU.

Sweden is a member of the EU. Therefore, most legal requirements for products placed on the Swedish market are based on European legislation. However, in some cases, Sweden has set additional requirements that are more stringent.

The EU uses several legal instruments to harmonise legislation, of which the following two are the most important:

- **Directive:** Requires individual Member States to bring their national laws in line with EU requirements, by transposing the requirements into national law (implementation). Directives allow Member States to establish requirements that are additional to the EU requirements. However, they may never contradict the EU requirements.
- **Regulation:** Applies throughout the EU directly. Therefore transposition of the EU requirements into the national laws of the Member States is not necessary.

The sections below give a brief description of some important legal requirements that exporters to Sweden should take into account. The list of requirements described below is not exhaustive. For more information on the

## Product liability

Your Swedish buyer (importer) can be held responsible by consumers if a product is defective and the defect causes damage, according to EU Directive 85/374/EC. This is called product liability. Claims for financial compensation for injuries caused by defective products may be passed on to you by your buyer, if he expected a certain level of product safety (often established in agreed contracts) and these expectations were not fulfilled. For example, if you declare in writing that your products are produced conform safety requirements and they do not contain certain dangerous substances, your buyer may expect that this is true. Furthermore, your Swedish buyer can expect a certain quality level that is guaranteed by a certificate. If it appears that you provided your Swedish buyer with a false or incorrect certificate, you infringed your Swedish client's expectations.

exact legal requirements regarding your business, it is advised to check the given useful sources.

Find useful sources and contact information in chapter 9.

## Product Safety

The legal requirements for products placed on the Swedish market are established to ensure a high level of product safety. For many sectors, specific legislation is established (e.g. toys, chemicals, cosmetics and machinery). If this is not the case, the EU General Product Safety Directive ([Directive 2001/95/EC](#)), in Sweden implemented by the so-called *Produktsäkerhetsförordning*, states that all products placed on the market should be safe. Furthermore, it provides instruments to use when unsafe products are discovered. The requirements concern the physical aspects of the product (e.g. dangerous substances, electrical safety, etc.), but

## Labelling

In order to guarantee safe use and to allow consumers to make deliberate decision when buying a product, there is legislation establishing that certain products must be labelled with particular information. Examples of product groups with specific labelling requirements are:

- Textile products ([Directive 2008/121/EC](#))
- Footwear ([Directive 94/11/EC](#))
- Energy using products ([Directive 2010/30/EU](#))
- Cosmetics ([Directive 76/768/EEC](#))
- (Mixtures of) chemicals ([Regulation \(EC\) No 1272/2008](#))

The requirements often relate to the composition of the materials used and the safe use of the product. It also sets requirements on the wording (easy to understand) and the language.

also requirements on how consumers should be informed (e.g. labelling requirements). *The Swedish Consumer Agency* (Konsumentverket) is the state agency whose task is to safeguard consumer interests.

Unsafe products can be withdrawn from the market. Sweden operates through an EU rapid alert system (RAPEX) for



dangerous consumer products. When unsafe products are discovered alerts go out across the EU.

## Dangerous Substances

To protect people from dangerous substances, the use of several substances in products is restricted. The EU REACH [Regulation \(EC\) No 1907/2006](#) regulates the placing on the market of chemicals and sets requirements for specific substances. The use of some substances is restricted and must be authorised and notified, while the use of certain other substances is restricted in specific applications. Examples of restrictions that are often a reason for product recalls are azo-dyes in textile and leather products and phthalates in children's products. The Swedish competent authority regarding REACH is *The Swedish Chemicals Agency* (KemI).

### Recall of t-shirts containing dangerous substances.

At the end of 2010, several children's t-shirts were recalled from the Swedish market. The prints on the t-shirts contained phthalates as plasticisers. Phthalates can be dangerous and are restricted according to the REACH regulation.

Examples of other requirements relating to dangerous substances concern Biocides ([Directive 98/8/EC](#)) and Volatile Organic Compounds (VOCs) ([Directive 2004/42/EC](#)). An example of an additional Swedish requirement, which is more stringent than the EU legislation, is the overall ban on the use of mercury in products.

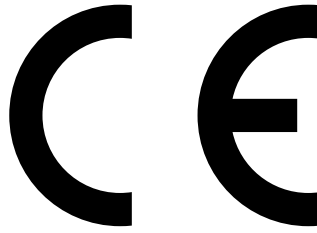
Examples of restrictions of chemicals in products, in order to avoid spreading them in the environment after use are: heavy metals in car parts (in the 'ELV' [Directive 2000/53/EC](#)) and electronics (in the RoHS ([2002/95/EC](#)) and the WEEE ([2002/96/EC](#)) Directives).

## CE marking

The CE marking is a mandatory conformance mark on many products that certifies that a product has met EU consumer safety, health or environmental requirements. These requirements are laid down in separate EU Directives (the so-called *New Approach Directives*) for several products, such as toys, electronics, personal protective equipment and medical devices. The legislation on CE marking is harmonised in all EU member states and thus also mandatory in Sweden.

The EU defined six steps for manufacturers to comply with the legislation on CE marking:

1. *Identify the directive(s) and harmonised standards applicable to the product.*  
The Directives describe the requirements in general terms, but the technical specifications are laid down in harmonised standards. (See textbox below).
2. *Verify the product-specific requirements.*  
You have to make sure that your product complies with the essential requirements of the Directive. Full compliance of a product to the harmonised standards gives a product the “presumption of conformity”.
3. *Identify whether an independent conformity assessment is required from a Notified Body.*  
Each directive specifies if an authorised third party (Notified Body) must be involved in the conformity assessment procedure necessary for CE marking.
4. *Test the product and check its conformity.*  
It is the responsibility of the manufacturer to test the product and check its conformity to the EU legislation (Conformity Assessment Procedure).



5. *Draw up and keep available the required technical documentation.*  
Technical documentation is required for the assessment of the product's conformity to the relevant requirements, and for the risk assessment.
6. *Affixation of the CE marking to your product and EC Declaration of Conformity.*  
The manufacturer must affix the CE-mark to the product and EC declaration of conformity must be drawn up.

### Declaration of conformity

During the process of conforming to the EU Directives, information is gathered to prove compliance with the requirements. If the manufacturer is convinced that the essential requirements in the Directive(s) are met, he must state this in a so-called EC Declaration of Conformity. With this document, the manufacturer officially declares that the product complies with essential requirements of the applicable Directives and it implies that the manufacturer is responsible for the safety of the product. If test institutes are involved in the CE marking process, they may also write or advise on the declaration. However, the manufacturer signs the declaration and is responsible. The declaration of conformity must include:

- Manufacturer's details
- Essential characteristics of the product
- Any European standards and performance data
- If relevant the identification number of the Notified Body
- A legally binding signature on behalf of the organisation

## Standards



Standards are used to prove conformity with technical requirements. They are not official legislation, but broadly accepted norms (and therefore often required by buyers). Standards are developed by standardisation bodies.

**ISO** – at a global level

**CEN** - at an EU level

**SIS** (Swedish Standards Institute) – at national level



Meeting the required standards will improve your credibility, especially when conformance is certified by an independent accredited organisation. Compliance with European harmonised standards gives the presumption of conformity. This means that if the relevant harmonised standards are applied, the requirements of the relevant directives are 'presumed' to be met. The easiest way to find out what standards are applicable to your product is to contact your buyer or the standardisation institute in Sweden.



The national standardisation bodies can be contacted to order the text of the standards. Often you can buy the standards online.

## Legal Requirements for Food

When exporting food to Sweden, food safety is the most important concern. The Swedish food safety policy (based on EU legislation) is comprehensive and one of the strictest in the world. It applies to all stages of production, processing and distribution of food

and feed (the so-called 'farm-to-fork' approach). The basis of the requirements is the [Regulation \(EC\) 178/2002](#), the so-called 'General Food Law', which sets out the principles behind the idea of safe food. This is further elaborated on in specific legislation establishing requirements on the safety of the food itself and on enforcement and control.



*EU organic logo*



*Well-known Swedish organic logo - KRAV*

### Organic food

The demand for organic food products is growing annually in the EU. In 2008, over 51 % of global sales of organic food took place in Western Europe and Sweden is one of the forerunners. 'Organic' is a labelling term used for products that are produced using methods and materials that respect or contribute to nature and animal welfare and make responsible use of energy and natural resources. Prices for organic products are in general higher, so marketing your products as organic may therefore be an opportunity, but you should be aware that you may only sell your products as organic when they meet the strict requirements. Your products should be:

- Produced according to methods that are at least equivalent to the production methods agreed upon and anchored in EU (and thus Swedish) legislation;
- Certified organic by an independent state or private inspection organisation that, according to EU authorities, has a good reputation; and
- Labelled as prescribed by EU legislation.

The provisions on food safety can be divided in two kinds of requirements. The first category consists of requirements that cover particular types of food products that due to their product-specific characteristics require specific safety precautions. Examples are:

- Baby food ([Directive 2006/125/EC](#))
- Coffee extracts ([Directive 1999/4/EC](#))
- Fresh fruit and vegetables ([Regulation \(EC\) 1234/2007](#) in conjunction with [Regulation \(EC\) 1580/2007](#))
- Fruit juices ([Directive 2001/112/EC](#))
- Frozen food ([Directive 89/108/EEC](#))
- Honey ([Directive 2001/110/EC](#))
- Olive oil ([Regulation \(EEC\) 2568/91](#))
- Sugars([Directive 2001/111/EC](#))
- Organic food ([Regulation \(EC\) 834/2007](#), [Regulation \(EC\) 889/2008](#) and [Regulation \(EC\) 1235/2008](#))
- Food supplements ([Directive 2002/46/EC](#))

The second category includes specific regulations that apply to a wide range of food products when specific consumer protection is considered necessary. Examples of important issues that are covered are:

- Residues pesticides ([Regulation \(EC\) 396/2005](#))
- Food labelling ([Directive 2000/13/EC](#))
- Microbiological contamination ([Regulation \(EC\) 2073/2005](#))
- Contaminants ([Regulation \(EC\) 1881/2006](#))
- Additives ([Regulation \(EC\) 1333/2008](#))
- Irradiation (Directives [1999/2/EC](#) and [1999/3/EC](#))
- Flavourings ([Regulation \(EC\) 1334/2008](#))

The measures on enforcement and control do not contain actual requirements for products, but set measures to ensure safety of food products placed on the market. They cover hygiene (HACCP) ([Regulation \(EC\) 852/2004](#)), official controls on food products ([Regulation \(EC\) 882/2004](#))

and traceability. There are different control procedures for food of animal origin and food of non-animal origin. Imported animal products are controlled very strictly. Both the country and the food processing establishment in the exporting country must be approved by the EU. Furthermore, all shipments must be accompanied by a health certificate, must enter Sweden through a designated Border Inspection Post (BIP) and are subject to physical inspections.



## Food packaging and labelling

It is unusual for food not to have some form of packaging. The most important requirements on the materials used for packaging are laid down in the legislation on so-called food contact materials. The legislation covers materials (e.g. ceramics and plastics) as well as specific substances (e.g. Vinyl chloride monomer, Nitrosamines, BADGE, BFDGE and NOGE and Bisphenol A). Please note that this legislation in addition to packaging also applies to articles that are intended to come in contact with food, such as: bottles (plastic and glass), containers, cutlery, dishes, domestic appliances (e.g. coffee makers) and adhesives and inks for printing labels.

Labelling rules are established to enable consumers to get comprehensive

information on the contents and the composition of food products. The general provisions on food labelling are laid down in [Directive 2000/13/EC](#). The Directive sets requirements for, among others, the name of the food, the ingredients (including food allergens), the amount of an ingredient that is named or associated with the food, an appropriate durability indication (e.g. 'best before' or 'use by'), any special storage conditions or instructions for use (if necessary), the name and address of the manufacturer, packer or retailer and the place of origin (if necessary). In any case, labelling information must be easy to understand (in Swedish), clearly legible, visible and inerasable.

Furthermore, the legislation on specific food products often lays down specific labelling requirements and there are also specific labelling requirements for specific ingredients or treatments (e.g. GMOs or irradiated food).

### Unsafe food

In case of non-compliance, products can be withdrawn at any point in the supply chain. Sweden operates through the EU's

rapid alert system for food and feed (RASFF) to avoid exposure to food poisoning by consumers. When a threat is spotted in any EU country, alerts go out across the other countries, including Sweden.

*The National Food Administration* (Livsmedelsverket) is the central administrative authority for matters concerning food. It is also the Swedish RASFF contact point.

### Packaging Waste

In order to protect the environment from the waste of packaging of products placed on the Swedish market, Sweden has laid down

requirements on packaging. Those requirements are based on EU [Directive 94/62/EC](#) and cover: the manufacturing and composition of packaging and its reusable and recoverable nature (recycling, energy recovering, composting and biodegradable packaging). Most of the requirements involve obligations for your Swedish importer (which may be indirectly passed to you). However, the legislation also restricts the use of several heavy metals in packaging, which is a direct requirement. Please note that packaging of food must also meet the requirements on food contact materials while wooden packaging materials must also meet phytosanitary requirements.

## Plant Health - Phytosanitary Requirements

To protect the Swedish environment from organisms that are harmful to plants (e.g. insects, mites, bacteria, fungi or viruses), Swedish legislation (based on EU [Directive 2000/29/EC](#)) sets requirements for plants (and plant products) imported into Sweden. Wood used as packaging material must be treated and marked according to ISPM 15 (International Standard for Phytosanitary Measures No. 15). The plant protection service of the *Swedish Board of Agriculture* (Jordbruksverket) is the competent authority in this matter.

## Endangered Species

In an attempt to ensure that no species of wild fauna and flora become or remain subject to unsustainable exploitation, the EU implemented the Convention on International Trade in Endangered Species (CITES, [Regulation \(EC\) No. 338/97](#)). This means that endangered plants and animals, or products made from them, are strictly restricted in Europe and thus in Sweden.

### Border rejection of pistachios

In February 2011, Pistachio nuts originating in Turkey were rejected at the Swedish border. They contained aflatoxins. Aflatoxins are restricted under the legislation on contaminants in food. Products containing aflatoxins above the levels permitted are considered unsafe and are therefore rejected from the European market.

# 5. Market Requirements

Further to legal requirements, the market itself has developed a number of standards and requirements. Although their specific nature can differ from sector to sector, an exporter targeting the Swedish market must live up to a set of standard expectations from buyers in order to enter the market successfully. Often it is stakeholders who put pressure on legislators to produce more rules and regulations to control companies.

The competition is likely to be fierce, no matter which market you are targeting in Sweden. A new business relationship with a Swedish importer often means that the importer will be switching from an existing supplier to the new one. If the exporter, in the importer's view, represents a more distant and potentially risky supplier, a professional and well-prepared approach will do much to enhance buyer confidence.

Besides stakeholders, media play an active role in keeping the companies' behaviour in the spotlight, especially if they find non-compliance with the rules or other unethical behaviour. In addition, consumers pay more and more attention to the conditions in the supply chain, especially to the effects of production and delivery on environment and labour. Even if compliance with private sector standards is not required by law, private companies often see it as a precondition of business in practice.

## Certification and Ecolabels

In addition to, for instance, the CE mark, which is mandatory for many products, the market has developed a large number of different certifications and Ecolabels. These certifications and Ecolabels are in principle voluntary and can refer to different aspects of a

product and service or to procedures and standards in the company.

In many cases, buyers use standards as part of their basic requirements to the suppliers. Even if not officially required, a certified supplier or someone who has one of the official Ecolabels is almost always favoured compared to a non-certified supplier. Certifications are always carried out by specialised, trained auditors of a neutral standard certification body. Standardisation bodies of ISO (International Organisation of Standardisation) standards is published on the ISO website (see chapter 9 for contact information). ISO certification is also a valuable tool in a company's international marketing to attract Swedish buyers seeking effective and reliable business partners.

## Corporate Responsibility

The growing consumer awareness in Sweden has led to the emergence of the concept of corporate responsibility (CR)<sup>3</sup>. CR is a strategic tool for businesses to take responsibility, but also to make profit through sustainable business practises. CR lies on three pillars: economic, environmental and social responsibility. It has become a strategic investment for companies, rather than a norm. CR involves taking more responsibility for a sustainable development and use of resources than required by law.

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<sup>3</sup> In many cases, CR is referred to as *Corporate Social Responsibility (CSR)*, but the term CR is becoming increasingly common. The reason for this is that contributing to a sustainable development involves much more than only the social dimension, i.e. the CSR concept is too narrow to reflect companies' actual work and efforts in the social, environmental and economic areas.



*Bra Miljöval*



*Svanen*



*EU EcoLabel*



*KRAV*



*TCO Certified*



*Fairtrade*

Swedish companies are to a large extent adopting CR as a part of their strategic business plan, and demanding their partners and suppliers to do the same. Therefore, businesses from developing countries and emerging markets can gain financial benefits by adopting CR. There are great potentials for your company if you manage to meet the social and environmental business requirements of Swedish companies, as it not only provides access to the Swedish market but also to the world's largest market area – the EU-27<sup>4</sup>.

In general, CR is based on three regulatory frameworks: UN Global Compact, OECD's Guidelines for Multinational Enterprises and ILO's eight core conventions. In 2003-2004, the EU Commission set up a working group, called EU Multistakeholder Forum on Corporate Responsibility, in order to get all relevant stakeholders together to tackle the social, environmental and ethical issues. The outcome of these discussions was a statement that all necessary rules already exist: national laws, EU Directives, international environmental agreements, conventions of the International Labour Organisation (ILO), Universal Declaration of Human Rights, Convention on the Rights of the Child, etc. The basic problem is that many of the internationally agreed conventions and agreements aimed at protecting the environment and employees have not been implemented efficiently enough in the national legislation of many developing countries.

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<sup>4</sup> EU-27 includes the following countries: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom. The reason for this is that Swedish business practises in CR is in accordance with EU regulations.

An increasingly important part of CR and supply chain management is social quality control of suppliers. This is especially true in developing countries. Social quality refers to decent working conditions, including health and safety, and fair terms of employment. The list of working condition issues to be monitored consists of freedom of association, child labour, forced labour, working hours, compensation, discrimination as well as health and safety. The most important and internationally recognised sustainability-reporting framework is *Global Report Initiative (GRI)*.

CR is not a new phenomenon. It has been discussed ever since industrialisation started. But the information on how different companies behave is so much easier to get in the era of globalisation. From time to time the major newspapers have published scandalous articles about the working conditions in textile and clothing factories in the developing world. Swedish consumers are quite conscious about these issues, and Swedish businesses are therefore forced to revise their routines and comply with these rules and norms. Hence, an exporter to Sweden is advised to have a socially, environmentally and ethically sound production in order to stand out in the competition.

Find more information on CR, practical advice and how Swedish companies work with it in the Swedish Chambers of Commerce's publication on Corporate Responsibility (can be downloaded on the Chambers' website – see chapter 9).

## Codes of Conduct

One aspect of corporate responsibility is Codes of Conduct. A code of conduct is a voluntary written policy, committing the supplier to social, environmental and ethical business operations. Each company often has their own codes of

conduct and use them as a means of promotion and marketing. However, often the codes of conduct are based on standards since companies do not want to deviate from such internationally accepted principles. Moreover, the codes are also auditable by either an independent body or the buyer company.

*Occupational Health and Safety (OHS or HSE)* systems are intended to prevent injuries and diseases related to work conditions. Most countries have legal requirements regarding this effect, but the requirements are highly variable. In Scandinavia, the standard of HSE is very high, and Scandinavian consumers are very sensitive to substandard working conditions in companies producing for export to Scandinavia. In recent years, international standards including basic labour standards based on ILO Conventions have been developed in an attempt to harmonise requirements.

## Quality Management

There are different forms of management systems, describing how the organisation works. They involve requirements and systematic approaches in order to improve the process quality as well as the resulting product. The most common form is *quality management systems* and works in accordance with the international ISO 9000 standard. Worldwide, more than 500,000 organisations have been certified according to ISO 9000. The standard relates to both manufacturing and service industries. There are requirements regarding management and organisation, resource management, process control and improvement. Successful implementation of the standard improves product and process quality, efficiency and reliability.

Especially in the food sector, product safety is an extremely important issue throughout the chain. The *Hazard Analysis and Critical Control Point (HACCP)* system is in many cases a

legal requirement but, due to increasing market pressure, it is also applied voluntarily. Further, food suppliers are advised to make themselves familiar with the principles and standards of the Global Food Safety Initiative run by The Consumer Goods Forum (CIES). The Global Food Safety Initiative is a global forum of food retail groups and food industry. All the big companies – altogether 400 of them – are members of CIES.

## Environmental Management

As a measure of environmental performance in business and products, there is the second best known ISO standard, ISO 14000, with almost 70,000 certifications. In accordance with the environmental management standard ISO 14000, organisations must identify and monitor their relevant environmental aspects, develop an environmental policy and programme, and improve performance. However, specific targets are not required, for example pollution levels. *Environmentally Sound Production (ESP)* may be a part of an environmental management

### **An integrated management system for foodstuffs**

The *GLOBALG.A.P.* (formerly known as *EUREPG.A.P.*), initiative has been developed by the main European retailers, based on the concepts of *Good Agricultural Practice (GAP)*. GAP has evolved as a result of the concerns and commitments of a wide range of stakeholders about foodstuffs production and security, food safety and quality, and the environmental sustainability of agriculture. GAP applies recommendations and available knowledge to addressing environmental, economic and social sustainability for on-farm production and post-production processes. *GLOBALG.A.P.* includes specific standards for the production of fruits and vegetables, combinable crops, livestock, feed, flowers and coffee. The system specifically targets producers outside Europe.



In the foodstuffs sector, food safety is the object of much attention along the entire chain from farming, to processing, to the shelves of Swedish supermarkets. Besides GLOBALG.A.P. (see fact box above), you will find smaller certification schemes in some food products, such as Rainforest Alliance (mainly coffee and fruit) and UTZ CERTIFIED coffee etc. The EU and most other countries also have detailed criteria for organic production, specifying the preconditions under which the producer can be granted the

system, or it may be a separate system. Regardless, it is necessary for a producer from a developing country to use ESP in order to be able to gain market access in Sweden or the EU.

organic label. The HACCP system described earlier is a legal requirement in certain cases but increasingly, the market requires much wider application of HACCP systems.

## 6. From Export Price to Retail Price

### Terms of Delivery and Transportation

The importance of fast and reliable delivery as a competitive parameter has increased steadily over the last decades. There is often zero tolerance of delays. Therefore, (as mentioned in chapter 1) it is of the utmost importance that the

exporter states a realistic delivery time from the start of a new cooperation. Importers often plan a long time ahead and it may not be a problem that the delivery time is long, when this is made clear from the outset.

The transportation of goods from developing countries to Scandinavia represents a considerable cost. The cost and the importance of safe and reliable transport make research necessary in order to find the best possible means of transport.

The importer often pays for the transport and, if new on the market, may want information and advice from the supplier on existing options. Regardless, in order to specify who pays for which

**Incoterms 2010** is an updated version of Incoterms 2000, an internationally recognised tool developed by the International Chamber of Commerce (ICC). Incoterms 2010 clarifies the responsibility for arranging and paying for the transport and insurance. The chosen type of Incoterm will be reflected in the export price. More information can be found on Incoterms' website – see chapter 9.

parts of the transport, and where the liability transfers from the one party to the other, the Swedish importers will normally refer to the Incoterms 2010.

In most cases it is recommended for all but the most experienced exporters to work through a forwarding agent or shipping agency when initialising export to Sweden. Most international freight forwarders have offices in Sweden and are able to provide a range of different services. The use of local post services for international transport of goods tends to be slow and unreliable and should be avoided, unless specifically agreed with the importer.

## Pricing and Trade Margins

In calculating the export price, a number of factors, apart from your own costs and profit, must be taken into account. Some of the most important are:

- What market segment are you planning to target? People have different demands regarding price and quality of your product.
- The type of market and product
  - What is the supply situation? Surplus or shortage?
  - Are there any substitutes for your product? Complementary products?
  - Product categories tend to have different price structures. Is your product a luxury product, a consumer product, inferior good or a necessity product? Daily necessity products have lower mark-ups than more durable consumer products, e.g. clothes or accessories.
- The competitive situation in the market
  - What is the price level of competitive products?
  - What distinguish your product from the competitors? Advantages and disadvantages of your product?

- The number of intermediaries
  - Lower number of intermediaries often keep prices down

In order to give some idea of the pricing structure, this example will show how the mark-ups and trade margins are calculated when the trade goes over an importer/wholesaler to a retailer.

	SEK
Retail price to consumer, including VAT	<b>200.00</b>
Value added tax (VAT), 25 % of retail price	40.00
Retail price excluding VAT	<b>160.00</b>
Retailer's mark-up, 80-120 % of wholesale price	80.00
Wholesale price	<b>80.00</b>
Importer's/wholesaler's mark-up 100 %	40.00
Landed cost	<b>40.00</b>
Duty 12 % on most items	App. 4.50
CIF price	<b>35.50</b>
Insurance, freight etc.	App. 5.50
FOB price	App. <b>30.00</b>

**Figure 1**

Quantity discounts and cash discounts come out of the wholesaler's gross margin. Retailers traditionally have two big sales every year, in January and in the summer, when they sell off slow-moving articles but also lots of specially purchased discounted goods. These discounts make the average margins in the trade considerably lower than what they appear to be in the example above.

### OBS!

- In general, prices should reflect the quality level of your company and products
- Take into account monetary risks in terms of fluctuating exchange rates
- It is not easy to increase price at a later stage
- Your pricing strategy should depend on your objectives (e.g. maximise profit, revenues, quantities, margins, survival or maintaining status quo)

## Value Added Tax

Value Added Tax (VAT) is levied on practically all products in Sweden, imported as well as domestic. The general rate is 25 % (2010), but Sweden has reduced rates for certain goods, such as foodstuffs and transportation.

Exporters often quote CIF Stockholm prices to Swedish importers (see figure 1). The CIF price thus includes all domestic freight costs, ocean/air freight and insurance, but not import duty or VAT. The rate of duty usually ranges from 5-14 % on industrial products (except imports from LDCs, which are normally duty-free). Based on the landed cost, the importer will calculate his mark-up, depending on the type of product etc.

In order to be competitive in price, it is increasingly common that the importer sells directly to the retailer and skips the wholesaler link – in other words, the importer and the wholesaler are merged into one link.

## Terms of Payment

Terms of payment are normally an issue of negotiation between the importer and the exporter. The importer will be interested in getting the best possible conditions in terms of credit, whereas the exporter will be interested in fast and reliable payment. The most commonly used terms of payment are: Cash in Advance, Letter of Credit, Documentary Collections and Open Accounts.

### **CASH IN ADVANCE**

Cash in advance provides 100 % reliability for the payments, and the time of payment occurs before shipment. However, this term is rarely used if the business relationship is new, since it requires complete trust from the importer without prior experience of the supplier's dependability. In other words, the buyer bears the entire risk. Cash in advance is sometimes used when the exporter produces an exclusive range of products based on the importer's specification. However, if the cooperation continues, the importer will normally require a period of credit.

### **DOCUMENTARY COLLECTIONS**

When using the term Documentary collections, the exporter presents a set of documents (invoice, transport documents etc.) to his bank, after shipping the goods. The bank forwards the documents to a bank in the importer's country. The documents are then released to the importer against his acceptance of a Bill of Exchange (Documents against Acceptance) or his payment (Documents against Payment/Cash against Documents). Using Documentary Collections can represent a risk for the exporter if the importer for one reason or another chose not to receive the documents and the products. In this case, the exporter could find his goods stranded in the import country.

### **LETTER OF CREDIT**

Letter of Credit (L/C) is a frequently used term of payment. The importer instructs his bank to issue an L/C in favour of the exporter's bank. Payment is made to the exporter against the presentation of documents that comply with L/C. An L/C favours both parties in the sense that the exporter is sure to receive his payment after having met his obligations, while the importer avoids the risk of paying in advance. However, an L/C is quite costly in terms of high banking fees for the importer. Normally, the importer will accept a request for an L/C for the first few deliveries but will subsequently wish to negotiate smoother, cheaper and less bureaucratic terms of payment.

### **OPEN ACCOUNT**

The least bureaucratic, but also the most risky term from the exporter's perspective, is an Open Account. After shipping the goods, the exporter sends a set of documents (invoice, transport documents etc.) directly to the importer. The importer makes payment when it is due, as specified in the invoice.

Most transactions are made electronically in Sweden. The dominant payment system is the giro systems, the so-called Bankgiro system and the Postgiro system. In contrast to other countries, the use of cheques is not very common in Sweden. Instead, an increasingly popular payment method is debit cards that are linked to bank accounts.



## 7. Assistance to Exporters

### Sida

*The Swedish Agency for International Development Cooperation (Sida)* is a government agency under the Ministry for Foreign Affairs. The goal of the Swedish development cooperation is to help create conditions that will enable poor people to improve their lives. Therefore, Sida's trade support aims to assist developing countries to integrate into the world economy in a way that makes it possible for them to benefit from trade, promoting sustainable, poverty-reducing growth.

In this work, Sida supports trade development, including the capacity to fulfil quality requirements of export markets and export promotion, which is closely related to the activities in terms of private sector development. It also includes establishing regulations and structures to ensure that imports meet national consumer health and safety standards.

### Trade Promotion Programme of the Swedish Chambers of Commerce

*The Swedish Chambers of Commerce* have a specific programme in order to support exporters from developing countries. The programme is funded by Sida and the basic services are open to all developing countries in Africa, Asia, Latin America, Eastern and Central Europe.

The programme assists business support organisations in developing countries and the embassies based in Sweden with trade promotion. Sector and product development projects are also carried out in a number of developing countries.

For contact information – see chapter 9.

**Market information.** The Swedish Chambers of Commerce produce market information for a large number of sectors and product groups. The market briefs provide information on import patterns, product descriptions, distribution channels and business

opportunities and can be downloaded at the website.

**Incoming delegations.** The Swedish Chambers can assist in coordinating programmes for incoming business delegations from a number of developing countries. Special matchmaking with Swedish importers can be arranged as well as specific training arrangements.

## Open Trade Gate Sweden

Open Trade Gate Sweden is a special facility set up by the Government of Sweden to strengthen the capacity of developing countries to trade and export to Sweden. Open Trade Gate Sweden provides exporters in developing countries with free information on trade rules and regulations applicable to the Swedish and the EU market. Exporters will also get assistance to interpret trade rules and regulations that exporters need to comply with.

Open Trade Gate Sweden will also investigate and help overcoming any trade barriers in the Swedish trade regulations, if applicable.

For contact information – see chapter 9.

## Other Actors

### ITC: International Trade Centre

ITC is the technical cooperation agency of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organisation (WTO) for operational, enterprise-oriented aspects of trade development. ITC supports developing and transition economies, and particularly their business sectors, and works in six

areas: Product and market development; development of trade support services; trade information (including market surveys); human resource development; international purchasing and supply management; needs assessment, programme design for trade promotion.

ITC regularly issues a *World Directory of Trade Promotion Organisations and other Foreign Trade Bodies*. More information is available on ITC's website, see chapter 9.

### CBI: Centre for the promotion of imports from developing countries

This agency of the Dutch Ministry of Foreign Affairs was established in 1971 and promotes import to the European market through a range of products. More information on CBI is available on the website which is frequently updated and free of charge; however, you are required to register.

CBI services

- Market Information
- Company Database
- Exporting Coaching
- Training (trade promotion, export marketing and management, trade fair participation and developing client-oriented market information systems)
- BSO Development

For more information, visit the CBI website (see chapter 9).



## 8. Sector Cases

### Case 1 - The Swedish Market for Home Textiles and Garments

Sweden has 9.4 million inhabitants who need bed linen, towels and other home furnishing textiles. In general, the domestic production is very small or non-existing. The garment and home textile market in Sweden are similar to all Nordic markets.

The Swedish market is characterised by seasonal changes of climate. The changing of seasons influences the home decoration. Some people change curtains, kitchen linen and cushion covers etc. according to the season. Lighter fabrics and sparkling colours are more popular during spring and summer than during autumn and winter.

The market also experiences quick changes due to trend-sensitivity. Information on Scandinavian fashion trends can be obtained at *the Swedish Fashion Council* (Moderådet) – see contact information in chapter 9.

#### Consumption

The sector for interior decoration in Sweden is expanding and there has been a great interest in home styling for several years now. The spending on home furnishing articles has increased for ten years in a row, except for a small dip in 2008.

Trend analysts foresee an increased demand for environmental-friendly materials. Some consumers are willing to pay extra to protect the environment, while many are not. Swedish consumers are both demanding and aware. Their knowledge of materials, care and the environmental impact is generally good. There is for example an increased interest in buying products of organic

cotton. The manufacture and the dyeing should be as compatible as possible with nature and the environment.

Handloom fabrics are also in fashion again, and hand-made products in general are appreciated.



#### Distribution channels

Clothing and home textile products are imported into the Swedish markets mainly by retailers and wholesalers (traditional, brand suppliers and sourcing companies). In most cases the initiative to trade is coming from the import side.

Another way to enter the market is to sell directly to an importer. This method could work well for an exporter selling made-ups. The importers that need to be visited and sold to would be retail chain stores, importing wholesalers or mail order companies. Made-up home furnishing textiles are retailed through home furnishing stores, department stores, mail order companies and IKEA, the furniture and home furnishing hypermarket chain. Specialist home furnishing stores and IKEA have taken a growing share of the market from the traditional department stores.

The institutional markets, such as hospitals, hotels, restaurants and laundry service companies are best covered by an importer/wholesaler that is specialised in this trade.

Some of the important actors in the home textile sector are IKEA, Jysk, Hansen & Dysvik. International chains are steadily increasing their presence but still represent a small share.

### **Trade fairs**

The most important trade fair, which Swedish importers and agents regularly visit, is Heimtextil in Frankfurt in January every year. Two other important international trade fairs that also take place in Frankfurt are Ambiente and Tendance. Furthermore, Maison & Objet in Paris is frequently visited.

In Sweden, there is a trade fair for home furnishing articles called Formex, held twice a year in January and August in Stockholm. There is also the Nordic Fabric Fair, a Swedish trade fair for fabrics, which is held in Borås, Sweden, twice a year in March and October. An exporter must have an agent or representative in Sweden to exhibit at the Swedish fairs.

For more information on the Swedish market for garments and home textile, download our market reports “Home Textiles” or “Garments” on the Swedish Chambers’ website (see chapter 9).

## **Case 2 - The Swedish Market for Foodstuff**

Sweden’s geography limits agricultural production and makes food products a key and necessary import. Thus, a large part of imports consists of products that cannot be grown economically in Sweden, or products that are not produced at all, such as wine, certain vegetables and fruits, sweet corn, rice, oils, raw coffee, tea and cocoa, as well as a range of seafood.

### **Consumption and market characteristics**

Swedish consumers spent about 16 % of their household budget on food

and beverages in 2009. Of the total expenditure, purchases in food stores accounted for 70 % and meals out of home for 30 %.

Consumption of fish and seafood, meat products, coffee, fresh fruit and vegetables, and cereal products has increased considerably in recent years. On the other hand, dairy products and fats have experienced a negative trend.

Swedish food consumption consists of 90 % processed foods. This is internationally a very high figure. The remaining 10 % is composed of non-processed products, such as fresh fruit and vegetables, fresh fish, fresh meat and eggs.

The food market has for a number of years been influenced by consumer awareness of health, environmental, and social issues. A major development is the introduction of certified organic (also called ecological or biodynamic) foods, as well as Fair Trade labelled products, especially within “natural” product groups such as fresh fruit and vegetables, cereals and coffee.

At the same time the increased interest in healthy foodstuffs has expanded sales of products that are regarded as nutritious, e.g. nuts, cereal grains, and health bars.

There is also a high interest for food products from other countries, especially for so called ethnic foods, such as Italian, Chinese, Indian, and Mexican style products. This has led to significant sale increases especially of ethnic products such as oils and vinegar, condiments, spicy sauces and dressings.

### **The industrial market**

The majority of foodstuffs imported from developing countries to Sweden are raw materials and food ingredients that are meant for the processing industry, where the products are further processed before being exported or sold locally.

In general, Sweden's foodstuff sector is currently experiencing a process of internationalisation where the tendency is fewer and larger players, a tendency that is very significant on the industrial market. The import of foodstuffs to the foodstuff processing industry is often handled by specialised buying companies and to a lesser degree by the industry itself. Non-stocking sales agents are also common in this sector. The purchasing is dominated by a very high degree of professionalism. The buyers are specialised and therefore have in-depth knowledge of the products.

### **The reseller market**

Internationalisation affects both the structure and range of goods on offer in the foodstuff sector. There is a strong trend towards fewer and larger players, with growing integration between wholesaling and retailing.

### **Distribution channels**

Four trade groups, ICA, Coop, Axfood and Bergendahls, with both retail and wholesale activities, dominate the Swedish distribution of food and beverages to the retail sector. All four groups have also built up their own buying and import departments.

These trade groups import some of their general food supplies by themselves, especially items bought in high volumes, and some through independent wholesalers acting as importers or agents.

There are also wholesalers for different segments of the food sector. Thus, the convenience store segment is mainly supplied by specialised wholesalers, of which the leading ones are Axfood Närliv, Menigo and Privab.

The food service sector (hotels, restaurants and catering establishments) is supplied by several wholesalers, of which four dominate the market; Servera, Menigo, Svensk Cater and Martin Olsson.

Besides these groups, imports are also conducted by importing wholesalers specialised in certain food items such as fresh fruit & vegetables, cheese & egg, fish, meat products, health foods, confectionary or alcoholic beverages.

Specialised wholesalers may distribute their goods either via the large retail groups, catering or convenience store wholesalers, or directly to independent chains, large food stores, or catering chains and large units.

There are also some importers specialised in selling to the food industry, including bakeries. However, large food manufacturers often conduct their own buying.

## **Food importers/wholesalers**

A selection of the largest importers and wholesalers within the Swedish food wholesale trade.

### **Retail groups with integrated retailing and wholesaling activities**

- ICA Group
- Coop Group
- Axfood
- Bergendahls Group

### **Convenience store wholesalers**

- Axfood Närliv
- Menigo
- Privab

### **Food service wholesalers**

- Servera (Axel Johnson)
- Menigo
- Svensk Cater
- Martin Olsson

### **Fresh fruit & vegetables wholesalers**

- Saba Trading (Dole)
- Everfresh (Total/Fyffes)
- ICA Frukt & Grönt (ICA)
- Ewerman

### **Bakery ingredients wholesalers**

- KåKå (Orkla Group)
- Kobia



### Specialised wholesalers

The distribution of foodstuffs to certain segments is carried out through specialised wholesalers, of which some are integrated with the large retail groups and some independent. As a rule, these wholesalers also act as importers.

Several of the larger retail chains are also their own importers. The imports of fresh fruit and vegetables from outside Europe is dominated by three large importers: Lembcke in Denmark, Bama in Norway and the Saba Group (owned by Dole) in Sweden. Other large importers are DSG and NAF International in Denmark, and the ICA Group in Sweden and Norway. The hotel, restaurant and institution foodstuff service sector has grown considerably over the past decade. This is attributed to a changing lifestyle and reflects an increasingly convenience-oriented and time-conscious population.

Today, it is estimated that more than 20 % of meals are eaten outside of the home. Moreover, sales in this sector are expected to increase by 10 % per year in the next five years. Supply of groceries to this sector is dominated by Axfood/Servera and the ICA Group in Sweden.

In addition, there is a flourishing group of medium-sized wholesalers that import and trade foodstuffs and beverages. Some of these independent wholesalers are focused on products to the growing market for ethnic and certified organic food products.

### Consumer trends and business prospects

Swedish consumers have a taste for new food styles, which has increased the demand for ethnic food products from around the world as well as exotic fruits and vegetables, especially those that can be supplied all year round.

Swedish consumers are also health conscious, with a strong concern for the environment, which has translated into a growing demand for organic foodstuffs and health foodstuffs. Ethical values are also high on the agenda, not the least in the media, resulting in increased consumer awareness and a growing pressure on trade to implement Code of Conduct programmes and to introduce Fair Trade labelled products.

Furthermore, Sweden possesses one of the highest food safety standards in Europe, with regulations sometimes stricter than EU requirements (chapter 4). In addition, all large wholesalers have introduced quality programmes covering the products from raw material requirements, through processing and handling, to packaging demands.

The best prospects for exporters are in areas where domestic production is not sufficient or non-existent. Additionally, there is a growing demand for ethnic foodstuffs that are uniquely associated with different parts of the world.

Trade Fairs	Place	Time
GastroNord	Stockholm, Sweden	April, every 2 <sup>nd</sup> year
International Food Fair of Scandinavia	Copenhagen, Denmark	Feb/Mars, every 2 <sup>nd</sup> year

## Case 3 - The Swedish Market for Handicrafts

Swedes will attach a different value to handicrafts from Sweden than to handicrafts imported from developing countries. Swedish handicrafts are often of excellent quality, but due to the high labour costs, they are also quite expensive. The high prices, though, also limit the size of this consumer segment. Consequently, the large majority of handicraft products are imported from countries where labour costs are lower; often adapted and developed to fit Swedish consumer preferences. There are mainly four market segments for handicrafts in Sweden but also in the other Nordic countries:

### Seasonal products

Seasonal products constitute the largest segment in terms of import value. They cover decorating products used on special festive occasions. The most important holidays in Sweden are Christmas and Easter, when homes are decorated with seasonal ornaments; contrasting with the otherwise simple and practical home decorating style favoured by Swedish consumers. The types of product used on these occasions are only sold around Christmas and Easter and are therefore subject to great seasonality.

### The utility segment

The utility segment is the second largest in terms of import value, and by far the most important. Swedish consumers prefer decorative articles that also serve a practical purpose. People buy products for personal use that address a practical need in the home environment. The articles are bought when the need arises. Examples are baskets in which to store other items, flower pots, and candle holders etc.

The purchase of products within this category can be done in a variety of shops, from supermarkets and department stores to specialised gift



shops. Value for money is the key factor for consumers when purchasing utility products.

### Art objects

The art objects segment contains products with an artistic, but no functional value, such as woodcarvings, masks or statuettes. Depending on artistic quality these objects can be purchased in specialised stores, art galleries, in retail or gift stores. As Swedish consumers tend to favour functionalism, this segment is of a very limited size.

### The souvenir segment

Swedish consumers may pay a high price for handicrafts domestically produced, while traditional handicrafts from far-away countries tend to be perceived as 'ethnic' and fetch low prices. Tourists on holiday will buy products that they would never buy at home; as a memento of the time, place and people they want to remember. Therefore, exporters should

not draw the conclusion that best-selling articles to tourists in their local market could be exported. Export price levels are also much lower than the local prices paid by visiting tourists.

Consequently, the market for souvenir products from developing countries is very limited in Sweden, unless, by chance, they fit into a current fashion or seasonal trend.

### **Trends and fashion**

Most handicraft articles are subject to seasonal changes in fashion. The Swedish market is considered to be among the most trend sensitive in the world, and buyers are always looking for novelty. For example, a traditional basketry design will not be attractive to a buyer who has already had the same design on sale in a former season. Market information and product development are essential to stay attractive in a market where styles, colours and materials change by the season and the year.

Exporters need to collaborate with importers in order to develop and adapt their products to fit current market trends. Handicrafts are often displayed and marketed to consumers in collections, where one product matches the other through a unifying theme, pattern, colour, etc. Apart from making an attractive presentation when the products match, they also help to sell each other. This should

be kept in mind when new products are being developed, since the increased sales generated by such matching collections also make them more appealing to importers.

### **Distribution channels**

Importing wholesalers selling to retailers dominate the import of handicrafts to Sweden.

Some of the bigger retailing groups do their own importing. Agents are very seldom used in this business. Many Swedish buyers visit trade fairs in the Far East to meet suppliers and look for new products. Many wholesalers exhibit at the leading fairs. In Sweden, the most important fair is Formex, held in Stockholm twice a year. In addition, the European fairs Ambiente/Tendance in Frankfurt, Germany, and Maison & Objet in Paris, France, are important venues for many Swedish handicraft importers.



# 9. Internet Information Sources

General and specific websites that are relevant and/or mentioned in this guide are listed below:

## 1. The Swedish Market – Get to Know the Conditions and Details

[www.investsweden.se](http://www.investsweden.se)  
Invest Sweden

[www.scb.se](http://www.scb.se)  
Statistics Sweden (SCB)

[www.sweden.se](http://www.sweden.se)  
General information on Sweden

[www.sweden.gov.se](http://www.sweden.gov.se)  
Official information from the Swedish government

[www.visitsweden.com](http://www.visitsweden.com)  
Official tourism and travel information

## 2. How to Access the Swedish Market

[www.agenturforetagen.se](http://www.agenturforetagen.se)  
Swedish Association of Agents (Agenturföretagen)

[www.europages.com](http://www.europages.com)  
Europages – European business directory

[www.fairlink.se](http://www.fairlink.se)  
The Scandinavian Trade Fair Council

[www.investsweden.se](http://www.investsweden.se)  
Invest Sweden

[www.kompass.com](http://www.kompass.com)  
Kompass – world wide directory with detailed search criteria

[www.opentradegate.se](http://www.opentradegate.se)  
Open Trade Gate Sweden – provides foremost developing countries with information on trade rules and regulations

[www.stockholmsmassan.se](http://www.stockholmsmassan.se)  
Stockholm Exhibition and Congress Center (Stockholmsmässan)

[www.svenskamassan.se](http://www.svenskamassan.se)  
The Swedish Exhibition & Congress Centre (Svenska Mässan)

[www.svenskhandel.se/Om-Svensk-Handel/](http://www.svenskhandel.se/Om-Svensk-Handel/)  
Swedish-Trade-Federation---Svensk-Handel-/  
The Swedish Trade Federation (Svensk Handel)

[www.svensktnaringsliv.se](http://www.svensktnaringsliv.se)  
Confederation of Swedish Enterprises (Svenskt Näringsliv)

[www.swedishtrade.se](http://www.swedishtrade.se)  
Swedish Trade Council (Exportrådet) – promoting Swedish export

## 3. Customs Duties, Preferences and Rules of Origin

<http://europa.eu/>  
European Union Official Website

[http://ec.europa.eu/trade/wider-agenda/development/generalised-system-of-preferences/EU-information-about-the-Generalised-System-of-Preferences-\(GSP\)](http://ec.europa.eu/trade/wider-agenda/development/generalised-system-of-preferences/EU-information-about-the-Generalised-System-of-Preferences-(GSP))

<http://ec.europa.eu/trade>  
Directorate General Trade of the European Commission

[http://ec.europa.eu/taxation\\_customs/index\\_en.htm](http://ec.europa.eu/taxation_customs/index_en.htm)  
Directorate General Taxation and Customs of the European Commission, including rules of origin and documentation on the EU

[http://ec.europa.eu/taxation\\_customs/customs/customs\\_duties/rules\\_origin/preferential/article\\_839\\_en.htm](http://ec.europa.eu/taxation_customs/customs/customs_duties/rules_origin/preferential/article_839_en.htm)  
Rules of Origin guide and Form A

<http://exporthelp.europa.eu>

EU Export Helpdesk

[www.konsumentverket.se](http://www.konsumentverket.se)

The Swedish Consumer Agency (Konsumentverket)

[www.tullverket.se](http://www.tullverket.se)

Swedish customs (Tullverket)

[www.wto.org](http://www.wto.org)

World Trade Organization (WTO)

### Sector specific websites

[www.jordbruksverket.se](http://www.jordbruksverket.se)

Swedish Board of Agriculture (Jordbruksverket) provides information on the rules on import licenses and securities on food products in Sweden.

## 4. Legal Requirements

[www.cbi.eu](http://www.cbi.eu)

Centre for the Promotion of Imports from Developing Countries (CBI)

[http://ec.europa.eu/consumers/dyna/rapex/rapex\\_archives\\_en.cfm](http://ec.europa.eu/consumers/dyna/rapex/rapex_archives_en.cfm)

EU rapid alert system for dangerous consumer products - RAPEX

[http://ec.europa.eu/enterprise/policies/single-market-goods/cemarking/index\\_en.htm](http://ec.europa.eu/enterprise/policies/single-market-goods/cemarking/index_en.htm)

EU pages on CE marking

<http://eur-lex.europa.eu/en/index.htm>

European legislation database (Eur-lex)

[www.kemi.se](http://www.kemi.se)

The Swedish Chemicals Agency (KemI)

[www.kommers.se](http://www.kommers.se)

The Swedish National Board of Trade (Kommerskollegium) includes the WTO enquiry point for Technical Barriers to Trade (TBT) and sanitary and phytosanitary (SPS) measures and issues

[www.newapproach.org](http://www.newapproach.org)

The 'New Approach Standardisation in the Internal Market' provides information on the standardisation process

[www.sis.se](http://www.sis.se)

Swedish Standards Institute (SIS) the national standards body of Sweden

### Sector specific websites

[http://ec.europa.eu/food/food/index\\_en.htm](http://ec.europa.eu/food/food/index_en.htm)

The EU food safety website "From the Farm to the Fork". The website contains information on e.g. food contact materials and food labelling

[www.efsa.europa.eu](http://www.efsa.europa.eu)

European Food Safety Authority

[www.naturvardsverket.se](http://www.naturvardsverket.se)

Swedish Environmental Protection Agency (Naturvårdsverket)

[www.jordbruksverket.se](http://www.jordbruksverket.se)

The Swedish Board of Agriculture (Jordbruksverket)

[www.slv.se](http://www.slv.se)

Swedish National Food Administration (Livsmedelverket)

<https://webgate.ec.europa.eu/rasff-window/portal>

EU rapid alert system for food and feed - RASFF Portal database

## 5. Market Requirements

[www.cbi.eu](http://www.cbi.eu)

Centre for the Promotion of Imports from Developing Countries (CBI)

[www.ciesnet.com/2-wwedo/2.2-programmes/2.2.foodsafety.asp](http://www.ciesnet.com/2-wwedo/2.2-programmes/2.2.foodsafety.asp)

CIES Global Food Safety Initiative

[http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/multi-stakeholder-forum/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/multi-stakeholder-forum/index_en.htm)

EU Multistakeholder Forum on Corporate Social Responsibility

[www.globalgap.org](http://www.globalgap.org)

GLOBALG.A.P., (formerly known as EUREPG.A.P)

[www.globalreporting.org](http://www.globalreporting.org)  
Global Reporting Initiative (GRI) a sustainability reporting framework

[www.ilo.org](http://www.ilo.org)  
ILO's Eight Core Conventions

[www.iso.org](http://www.iso.org)  
International Organisation for Standardisation (ISO)

[www.oecd.org](http://www.oecd.org)  
OECD Guidelines for Multinational Enterprises

[www.swedishchambers.se](http://www.swedishchambers.se)  
The website of the Swedish Chambers offers a number of guides to different products and business sectors

[www.rainforest-alliance.org](http://www.rainforest-alliance.org)  
Rainforest Alliance

[www.unglobalcompact.org](http://www.unglobalcompact.org)  
UN Global Compact

[www.utzcertified.org](http://www.utzcertified.org)  
UTZ CERTIFIED *Good Inside* – Certification programmes for agricultural products

### **Different Certification Labels**

[http://ec.europa.eu/agriculture/organic/consumer-confidence/logo-labelling\\_en](http://ec.europa.eu/agriculture/organic/consumer-confidence/logo-labelling_en)  
The EU organic label

<http://ec.europa.eu/environment/ecolabel>  
The EU Ecolabel

[www.fairtrade.se](http://www.fairtrade.se)  
Fairtrade Certification Mark

[www.krav.se](http://www.krav.se)  
KRAV – organic label in Sweden

[www.naturskyddsforeningen.se/in-english/Ecolabelling](http://www.naturskyddsforeningen.se/in-english/Ecolabelling)  
Bra Miljöval – Ecolabel of the Swedish Society for Nature Conservation (SSNC) – (Naturskyddsföreningen)

[www.svanen.se](http://www.svanen.se)  
Svanen – Ecolabelling Sweden

[www.tcodevelopment.com](http://www.tcodevelopment.com)  
TCO Certified – an eco-label for IT products

## **6. From Export Prices to Retail Price**

[www.iccwbo.org/incoterms](http://www.iccwbo.org/incoterms)  
Incoterms 2010 – clarifies the responsibility for arranging and paying for the transport and insurance

[www.foreign-trade.com/reference/payment.cfm](http://www.foreign-trade.com/reference/payment.cfm)  
International Terms of Payment

[www.tullverket.se](http://www.tullverket.se)  
Swedish Customs (Tullverket)

## **7. Assistance to Exporters**

[www.cbi.eu](http://www.cbi.eu)  
Centre for the Promotion of Imports from Developing Countries (CBI)

[www.intracen.org](http://www.intracen.org)  
International Trade Centre (ITC)

[www.sida.se](http://www.sida.se)  
Swedish International Development Cooperation Agency (Sida)

[www.swedishchambers.se](http://www.swedishchambers.se)  
Swedish Chambers' trade promotion programme

[www.opentradegate.se](http://www.opentradegate.se)  
Open Trade Gate Sweden

## **8. Sector Cases**

### **The Swedish Market for Home Textiles and Garments**

<http://ambiente.messefrankfurt.com>  
Ambiente – Interior Trade Fair, in Frankfurt, Germany

[www.formex.se](http://www.formex.se)  
Formex – International Interior Design Trade Fair, in Stockholm, Sweden

<http://heimtextil.messefrankfurt.com>  
Heimtextil – International Trade Fair for Home  
and Contract Textiles in Frankfurt, Germany

[www.maison-objet.com](http://www.maison-objet.com)  
Maison & Objet – International Interior Trade Fair,  
in Paris, France

[www.moderadet.se](http://www.moderadet.se)  
Swedish Fashion Council – Moderådet

[www.nordicfabricfair.se](http://www.nordicfabricfair.se)  
Nordic Fabric Fair, in Borås, Sweden

[www.swedishchambers.se](http://www.swedishchambers.se)  
Swedish Chambers of Commerce

<http://tendence.messefrankfurt.com>  
Tendence – Interior and Decoration Trade Fair, in  
Frankfurt, Germany

### **The Swedish Market for Foodstuff**

[www.axfood.se](http://www.axfood.se)  
Axfood

[www.bergendahls.se](http://www.bergendahls.se)  
Bergendahls Group

[www.coop.se](http://www.coop.se)  
Coop Group

[www.ewerman.se](http://www.ewerman.se)  
Ewerman

[www.gastronord.se](http://www.gastronord.se)  
GastroNord – Food and Beverage Trade Fair

[www.ica.se](http://www.ica.se)  
ICA Group

[www.kaka.se](http://www.kaka.se)  
KåKå (Orkla Group)

[www.kobia.se](http://www.kobia.se)  
Kobia

[www.martinolsson.se](http://www.martinolsson.se)  
Martin Olsson

[www.menigo.se](http://www.menigo.se)  
Menigo

[www.privab.se](http://www.privab.se)  
Privab

[www.sabatrading.se](http://www.sabatrading.se)  
Saba Trading (Dole)

[www.servera.se](http://www.servera.se)  
Servera (Axel Johnson)

[www.svenskcater.se](http://www.svenskcater.se)  
Svensk Cater

[www.totalproducenordic.se/everfresh](http://www.totalproducenordic.se/everfresh)  
Everfresh

### **The Swedish Market for Handicrafts**

(see contact information for “The Swedish Market  
for Home Textiles and Garments”)

### **Other Sector Specific Websites**

[www.branschgrupperna.se](http://www.branschgrupperna.se)  
Trade Association within the Swedish Engineering  
Industries (Branschgrupperna)

[www.lif.se](http://www.lif.se)  
Swedish Trade Association of the Pharmaceutical  
Industry (Lif)

[www.plastkemiforetagen.se](http://www.plastkemiforetagen.se)  
Swedish Plastics and Chemicals Federation (Plast-  
& Kemiföretagen)

[www.teko.se](http://www.teko.se)  
Swedish Textile and Clothing Industries’  
Association (Teko)

[www.textileimporters.se](http://www.textileimporters.se)  
Textile Importers’ Association in Sweden  
(Textilimportörerna)

[www.transportgruppen.se](http://www.transportgruppen.se)  
The TransportGroup (Transportgruppen)

# Annex 1. Least Developed Countries and Countries of Preferences

The EU GSP is granted to

Name of Country	The EU GSP system is applicable	GSP +
Afghanistan	X	
Angola	X	
Armenien		X
Azerbaijan		X
Bangladesh	X	
Benin	X	
Bhutan	X	
Bolivia		X
Burkina Faso	X	
Burundi	X	
Cambodia	X	
Cape Verde Islands	X	
Central African Republic	X	
Chad	X	
Colombia		X
Comoros	X	
Congo, Democratic Republic of	X	
Costa Rica		X
Djibouti	X	
East Timor	X	
Ecuador		X
El Salvador		X
Equatorial Guinea	X	
Eritrea	X	
Ethiopia	X	
Gambia	X	
Georgia		X
Guatemala		X
Guinea	X	
Guniea-Bissau	X	
Haiti	X	
Honduras		X
Kiribati	X	
Laos	X	
Lesotho	X	
Liberia	X	
Madagascar	X	
Malawi	X	
Maldives	X	
Mali	X	
Mauritania	X	
Mongolia		X
Mozambique	X	
Myanmar	X	
Nepal	X	
Nicaragua		X
Niger	X	
Paraguay		X
Peru		X
Rwanda	X	
Samoa	X	
Sao Tomé and Principe	X	
Senegal	X	
Sierra Leone	X	
Solomon Islands	X	
Somalia	X	
Sri Lanka		X
Sudan	X	
Tanzania	X	
Togo	X	
Tuvalu	X	
Uganda	X	
Vanuatu	X	
Venezuela		X
Yemen	X	
Zambia	X	

Source: <http://ec.europa.eu/trade/wider-agenda/development/generalised-system-of-preferences/>

# Facts about Sweden



**Area:** 450,294 sq.km  
**Population:** 9.4 million

**Capital:** Stockholm.  
Stockholm city: 847.100 inh.  
Greater Stockholm: 2 mil. inh.

**Business language:**  
Swedish, English

**Religion:**  
Lutheran

**Largest cities:**  
Stockholm city 847.100 inh.  
Gothenburg 513.800 inh.  
Malmö 298.900 inh.  
Uppsala 197.800 inh.  
Linköping 146.400 inh.  
Västerås 137.200 inh.  
Örebro 135.500 inh.  
Norrköping 130.100 inh.  
Helsingborg 129.200 inh.  
Jönköping 127.400 inh.

**Form of government:**  
Constitutional monarchy,  
parliamentary democracy

**Some distances:**  
Stockholm-Malmö 640 km  
Stockholm-Gothenburg 490 km  
Stockholm-Sundsvall 400 km  
Stockholm-Kiruna 1310 km

**Currency:**  
1 krona (SEK) = 100 öre

## The European Union

- Austria
- Belgium
- Bulgaria
- Cyprus
- Czech Rep.
- Denmark
- Estonia
- Finland
- France
- Germany
- Great Britain
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxemburg
- Malta
- Netherlands
- Poland
- Portugal
- Romania
- Slovak Rep.
- Slovenia
- Spain
- Sweden

**The EES/EEA area**  
EU-countries, Iceland,  
Liechtenstein and Norway

**EFTA**  
Iceland, Liechtenstein,  
Norway and Switzerland





*Swedish Chambers*

**Swedish Chambers of Commerce**

Trade promotion

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The production and distribution of this report is funded by  
Sida (Swedish International Development Cooperation Agency).