Swedish Chambers

Market Brief

Focus on the Swedish Market

Garments

December 2009

Facts about Sweden

Area: 449,964 sq.km
Population: 9.3 million

Capital: Stockholm.
Stockholm city: 810.100 inh.
Greater Stockholm: 2 mil. inh.

Business language:
Swedish, English

Religion:
Lutheran

Largest cities:
Stockholm city 810.100 inh.
Gothenburg 500.200 inh.
Malmö 286.500 inh.
Uppsala 190.700 inh.
Linköping 141.900 inh.
Västerås 134.700 inh.
Örebro 132.300 inh.
Norrköping 128.100 inh.
Helsingborg 126.700 inh.
Jönköping 125.200 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

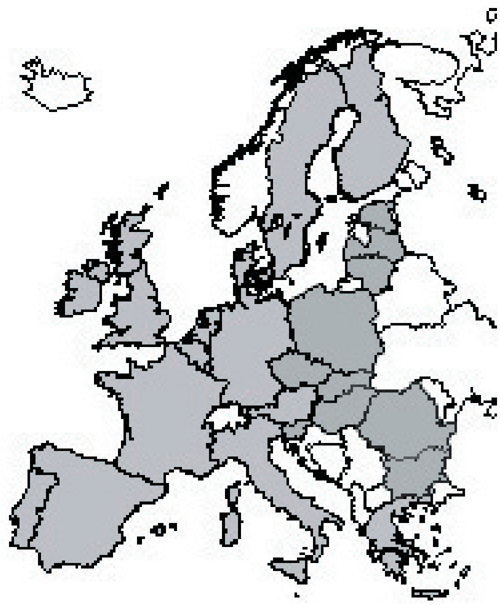
Currency:
1 krona (SEK) = 100 öre

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



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This Market Brief has been updated in 2009 by Ms Maria Karlberg at the Chamber of Commerce of East Sweden.

We owe our sincere thanks to **Mr Åke Weyler** for valuable information, comments and support in writing this Market Brief.

Another source of information have been the fashion textile magazine **Habit** published by Mentor Communication AB in Stockholm.

Published by: Swedish Chambers / The Chamber of Commerce of East Sweden
December 2009 (Seventh revised edition)

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 contents rests entirely with the author.

1 Summary

The year 2008 was full of contrasts. It began well, but ended with a weakening of the garments sector when the financial crisis hit. Least affected were sports and leisure garments. The total sales of garments, footwear and accessories were approx. SEK 75.1 billion in 2008, an increase of 1.7 % compared to 2007, but also the lowest growth rate in more than ten years. For the first time since 2004, garments prices fell in 2008, but to a certain extent the fall was compensated by increased sales volumes.

Many Swedish consumers want the latest fashion at the lowest price. The primary high-purchasing group consists of fashion-conscious young people. But the rapidly expanding age group of 50-and-over is also an increasingly attractive target group. However, the consumers are not interested in the absolutely cheapest clothes, since a favourable price/quality relationship is what many are really looking for. A number of dominant chain stores are leaders in terms of both fashion and price. Due to the intense competition in the trade, buyers have become extremely skilful in making sure that the price/quality relationship is good.

The Swedish clothing imports are well over supply to the Swedish domestic market. This is possible thanks to the large re-exports. In 2008, fashion imports to Sweden decreased from most of the bigger import countries. However, they increased from China (which is the biggest import country by far), Poland and India. China’s position was further strengthened when the quotas were abolished at the end of 2007. Bangladesh is one of the few LDCs that has managed to become an important player on the EU market.

More and more, a Nordic market (Denmark, Finland, Norway and Sweden) for garments evolves. Finland, Denmark and Norway are the destinations of two thirds of the total Swedish exports. The biggest Swedish players, H&M, Lindex and KappAhl, are all active in several countries.

It is very common for the garment importers to **deal directly with manufacturers** for price and communication reasons. The large retailers and wholesalers have efficient purchasing operations involving designers and buyers. They seldom buy ready-made collections. Instead, they usually have their own designs and require manufacturers to make up garments on a contract basis. This applies in particular to volume goods and basic garments.

2 The Market

2.1 General Background

2.1.1 Population

Sweden has a population of 9.3 million people of which approx. 90% is living in the southern part of the country. As a result of the baby boom in recent years, the number of young people is increasing in the years ahead. On the other hand, the average lifespan is also high, meaning that the number and age of pensioners is increasing. In addition, pensioners remain active long into old age and have a relatively good purchasing power.

2.1.2 Climate

Companies intending to export clothes to Sweden ought to be aware of the temperate climate. Winters are cold with snow and sub-zero temperatures (Celsius) over a period of several months, especially in the northern provinces. Summers are warm. Spring and autumn are frequently cool and require different types of clothes. Winter, which can be both cold and wet, requires clothes that are warm, windproof and preferably water-repellant.

Swedes are very fond of outdoor life and spend a great deal of their time in the countryside. People invest a relatively large amount of money in life style clothes i.e. quality sports clothes like golf, hunting clothes etc. These casual garments are expected to be comfortable, robust and preferably wind- and waterproof.

2.1.3 High Indoor Temperatures

It is important to realise that all housing and workplaces, etc. are centrally heated. Indoor temperatures are always regulated (normally around 20-22ºC). In winter, warm outer clothing is required but people wear light garments indoors. Warm garments such as thick knitted woolen jumpers are not needed indoors. Instead, thick jumpers are used outdoors, frequently combined with a windproof outer garment.

2.1.4 Fabrics / Textile

In Sweden, cotton is by far the most popular fibre, both in knitted and woven garments. Wool and wool mixtures are also common, particularly for the autumn and winter seasons. Cotton and wool are relatively often combined with synthetic fibres in order to keep a perfect fit. Common mixtures are cotton/polyester, wool/polyester or wool/acrylic fibre. Viscose and other regenerated fibres are not as popular as they were a few years ago. However, mixtures of viscose and other fibres are frequent. Many "new" fibres have come into clothing with high fashion content, especially for women. Silk and linen are used for more exclusive garments.

2.2 Consumption

The fashion textile magazine Habit describes 2008 as a year of contrasts. It began well, but ended with a weakening of the garments sector when the financial crisis hit. Least affected were sports and leisure garments.

Clothing sales in 2008 amounted to SEK 61 billion (i.e. 61,000 million), which was an increase of 2.2 % from 2007. The total sales of garments, footwear and accessories were approx. SEK 75.1 billion in 2008, an increase of 1.7 % compared to 2007, but also the lowest growth rate in more than ten years. However, the consumers continued to prioritise fashion, spending a little over 5 % of their disposable income on fashion articles, i.e. the same share as in 2006 and 2007.

For the first time since 2004, garments prices fell in 2008, but to a certain extent the fall was compensated by increased sales volumes.

2009 has seen some ups and downs in garments sales. The first three months they decreased, they rose in April but fell again in May. The summer months were quite good, probably because many Swedes spent their vacation at home and foreign tourists came to shop, attracted by the weak Swedish krona. According to the Swedish Trade Federation, retailers have adjusted to the state of the market by focusing on low-cost products.

It should be noted that extremely low-priced, low quality goods cannot be sold in Sweden. A low price, however, does not always indicate low quality. Medium low price is more the case in Sweden. This is the niche occupied by the large chain companies, mail order companies and importers/wholesalers, and these companies account for a large share of imports from low-price countries, including some of the Central and Eastern European countries.

The market for luxury goods is small.

2.3 Trends

Swedish consumers have a lot of money to spend, but also many alternatives for spending it. To persuade the consumers to spend more money on clothing rather than on other consumer goods, the clothing companies must work on advertising and promotional activities to achieve greater impact on the market. By offering club memberships, with discounts and special events, they try to create a more loyal clientele. They collaborate with celebrities as well as famous designers (e.g. H&M with Jimmy Choo and Sonia Rykiel in 2009) in campaigns to attract attention.

Since traditional shopping is no longer the first choice of time usage, the focus has increased on shopping ”experience” and brand values. The consumers want:

- quality and brands they can trust,
- preselected range, not endless choice,
- to have clothes for varying occasional needs, from sportswear to garments for special occasions,
- clothes that fit well and are possible to combine,
- service, advice and information.

Nowadays it is a lot more than just price and quality that appeals to the consumer which means that the major operators have to invest a lot to get a brand accepted and well known by the consumers. Therefore the number of brands decreases. On the other hand, the number of so-called private labels, i.e. retailer’s own brands, increases, especially at big retailers’.

All in all the following development trends can be discerned:

- the big market players get bigger,
- new players enter the market, resulting in hardening competition for the consumers’ good graces,
- wholesalers and brands integrate forwards into retail and retailers integrate backwards (to control as much as possible of the supply chain),
- towards flagship stores,

- from many local brands to a few ”world brands”,
- from local shopping to external malls and centres,
- to niche concepts,
- a decrease in mass production for the benefit of branded stores (“the store is the brand”, H&M is a great example of this),
- constant growth (internationalisation and economy of scale),
- development of new concepts for special target groups (Sisters, Brothers, etc.),
- more international competition in recent years in Sweden (e.g. Vero Moda from Denmark, Dressman from Norway, Zara from Spain and New Yorker from Germany),
- to multiple channel strategies of traditional retailers (e.g. Varner from Norway and the Swedish company RNB).

2.4 Consumer Characteristics

2.4.1 Single Households, Older Parents, Active Older People

There are many people living in single households in Sweden, especially in the big cities. Many people postpone childbirth and having a family. The mothers of today are older and better financially positioned than before. As a result of this, the consumption of children’s wear has increased in recent years. Parents buy larger quantities and more expensive clothes for their young. A survey by Polarn O. Pyret in August 2009 shows that the recession has not affected the sales of children’s wear to any large extent.

At the same time elderly people are living a life different from that of earlier generations. Many of the Swedish (and European) pensioners are very active and travel often and for long periods.

2.4.2 High Purchasing Power and Fashion Consciousness

The primary high-purchasing group consists of fashion-conscious young people. The rapidly expanding age group of 50-and-over is also an increasingly attractive target.

Generally speaking, young people in Sweden are fashion-conscious. Advertisements, films and music from the USA affect their behaviour and demand. The jeans culture and other American leisure and sports fashions serve as examples to be emulated. As already mentioned, the market for expensive luxury clothes is small.

Many people in Sweden take an interest in fashion and are quick to pick up new trends.

2.4.3 Low-cost Fashion Garments

Fashion changes continuously and particularly young people want to buy new clothes often, which tends to mean buying low-cost garments. What many consumers crave is the latest fashion at the lowest price. However, they are not interested in the absolutely cheapest clothes, since a favourable price/quality relationship is what many are looking for. A number of dominant chain stores are leaders in terms of both fashion and price. Due to the intense competition in the trade, buyers have become extremely skilful in making sure that the price/quality relationship is good.

Generally speaking, women are more fashion and clothes-conscious than men. In times of recession, men reduce their clothes purchases, whereas women continue to buy. In poor times, mail order sales and sales of low-priced goods usually increase. Nevertheless, the quality of the garments must be at an acceptable level.

2.4.4 Jeans Brand Is Important

In contrast to many relatively cheap fashion garments, young people are generally very brand-conscious when it comes to jeans. Many of them are willing to pay a high price for the right label and the latest fashion. Sweden has several highly appreciated local jeans brands.

In the case of adult consumers, brand awareness is not equally significant. Instead, the important point is to get value for money. Life style and long-lived high quality products in classic designs means much more than a nice label. It is also important that the garments are well sewn, of good quality and comfortable.

2.4.5 Clothes for Work and Leisure

Swedish consumers are very interested in clothes that are suitable for both work and leisure. Swedes seldom dress formally. The market for party clothes has, admittedly, increased somewhat, but attractive leisure and work clothes dominate the supply. Also, the fashion and sports garment segments are becoming increasingly integrated and many sports stores sell leisure clothing.

2.4.6 Working Clothes, Uniforms

Part of the Swedish garment market also includes working clothes, which can be divided into four subgroups:

- **General working clothes** used in retail stores, restaurants, hotels, medical care, industry, construction work, workshops etc.
- **Uniforms** (mainly heavy garments) used by the police force, military, customs staff, railway staff, airline staff, etc.
- **Protective clothing** with extra protection when working in cold environment, with water, fire and rescue work, chemicals etc.
- **Profile clothing** which is specially designed to promote a company's image (see also **Section 2.4.8** below).

The fabrics used in working clothes are mostly cotton, polyester or cotton-polyester mixtures.

In the public sector (e.g. medical care, police, post office, customs) the employer normally provides the staff with the necessary clothes and also takes care of the laundry-works. Purchase of uniforms etc. within the public sector is done through public procurement according to EU regulations. Public procurement is always a difficult business for foreign suppliers, but the public procurement in Sweden is more transparent than in most other countries.

In the private sector it is also the employer that provides his or her staff with proper working clothes. The employer may buy these clothes and give them to the employees, or lease the working clothes from a larger service company which also takes care of the laundry-work.

Furthermore, there is a growing market for workwear and workwear stores selling to individual craftsmen and the general public.

2.4.7 Underwear

The sales volumes of women's and men's underwear continue to grow. This market is not very sensitive to recession and 2008 was actually a very good year, according to interviews with several brand representatives in online magazine Dagens Handel. A number of retail stores are specialising in women's underwear. Men's and women's briefs are an increasingly attractive market, especially for quality cotton goods. Design and materials are extremely important and a relatively large amount of money is spent on good quality garments (even though more people hesitate to buy the most expensive brands due to the financial crisis). For women, thongs have been losing in popularity to hipsters.

New brands have to be launched with high-profile and expensive marketing if they are to have a chance. But the major chains and import companies often have their own private brand for men's and women's underwear which they buy outside Sweden.

2.4.8 Company Profile Clothes

There is another market sector in which clothes are sold through channels other than shops or mail order companies. This sector is represented by company clothes profile garments. Companies present their logotypes or other advertisements on all types of garments. These kinds of garment are sold to personnel at subsidised prices, or are distributed as advertisements or give-aways. Restaurants, hotels and other service companies, etc. want to have their logo on aprons, blouses and shirts, etc.

The company profile clothing industry continued its positive development during 2008. Sales increased by 6.4 % for the big suppliers and this was the only garments segment where profitability was not reduced. For the first half of 2009, sales decreased, but in the autumn the prospects were getting brighter.

2.4.9 Environmental Concerns

As mentioned earlier, Swedish consumers are both demanding and aware. Their knowledge of materials, care and the environmental impact is generally good. Discussions concerning the environment have been in progress throughout Europe for several years and Sweden is in the forefront of this debate. 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.

It is not required, for example, that cotton is environmental friendly in every respect. But one requirement, particularly among younger people, is that the manufacture and the dyeing should be as compatible as possible with nature and the environment.

2.4.10 Corporate Social Responsibility – CSR

Scandinavian consumers demand that garments companies should demonstrate awareness of Corporate Social Responsibility (CSR) issues, such as decent conditions for the workers, workplace safety and no child labour. The big chains work actively with CSR and the issues are regularly highlighted in the media.

2.4.11 Blog Influences

A rather new phenomenon are the many Swedish and international fashion blogs: websites where people express their personal views about clothes and fashion.

Swedes are practised Internet-users and through the blogs new trends can be quickly disseminated.

3 Imports and Exports

3.1 Imports to Sweden

The Swedish clothing imports are well over supply to the Swedish domestic market. This is possible thanks to the large re-exports. In recent years, several companies have more than doubled their exports. Imports by country of origin (for EU country of export) for all countries are presented in **Appendix 1.** The total import value in 2008 was SEK 24.1 billion. The top ten exporters of clothing to Sweden 2008 were in per cent of total import value:

Country	% of total import value 2008
1. China	29.3%
2. Denmark	10.7%
3. Turkey	7.1%
4. Germany	5.2%
5. Bangladesh	5.0%
6. Italy	4.6%
7. India	3.4%
8. Poland	3.3%
9. Netherlands	3.0%
10. Belgium	2.5%

Source: Textile Importers' Association in Sweden

China is by far the biggest exporter. Denmark is second but this does not mean that all the goods are manufactured in Denmark. Most of the exports from Denmark come from wholesale companies that sell brand products. IC Company and Bestseller are a couple of leading examples in this respect. The same accounts for Germany, the Netherlands and Belgium.

The top ten exporters in the year 2008 to **Denmark** were:

1. China
2. Turkey
3. Italy
4. Sweden
5. Germany
6. India
7. Bangladesh
8. Netherlands
9. Poland
10. Austria

In 2008, fashion imports to Sweden decreased from most of the bigger import countries. However, they increased from China, Poland and India. The latter has become an increasingly strong player in the last 2-3 years. Imports from China have increased since quotas were terminated the 31 December 2007 (the requirement for import licence was removed in December 2008).

The long-term tendencies for the import to Sweden show a decreasing share for Western European countries. Bangladesh is one of the few LDCs that has managed to become an important player on the EU market.

European Outlook

According to CBI (Centre for the Promotion of Imports from developing countries), imports from developing countries to the EU grew considerably between 2003 and 2007. This can mainly be ascribed to low-cost suppliers in Asia, such as China, India, Bangladesh, Sri Lanka, Vietnam and Cambodia.

Germany is still the most important European market for garments. However, the difference compared with other major countries, like the UK, Italy and France, has become smaller. Italy is the largest producer of garments within the EU. There is a hardening competition among all kinds of suppliers. Other trends are increasing internationalisation, integration in the value chain and concentration to fewer suppliers.

3.2 Exports from Sweden

The Swedish garments exports have increased considerably during the past few years, but in 2008 they decreased by 0.3%. However Finland, which is Sweden's most important market, increased its import from Sweden. Most of the textile exports from Sweden are actually re-exports, i.e. the larger chain stores import garments from their suppliers abroad and then re-export these garments to their own shops in other European countries. The Nordic market is the most important since Finland, Denmark and Norway are the destinations of two thirds of the total Swedish exports. The biggest Swedish export product within the clothing sector is jeans. Swedish wholesalers/brands are also important exporters.

Swedish Clothing Exports 2007-2008 (MSEK = million SEK)

	Export in MSEK		Change in %	In percent
Country	**2008**	**2007**	**2007-2008**	**of total 2008**
Finland	2 825.1	2 732.1	3.4	29.1
Denmark	1 471.5	1 484.7	-0.9	16.0
Norway	1 450.8	1 501.2	-3.4	15.8
Germany	679.5	621.2	9.4	7.2
Great Britain	455.6	451.5	0.9	6.6
The Netherlands	404.5	673.5	-39.9	4.8
Poland	236.2	188.7	25.2	2.0
France	155.0	149.6	3.6	1.8
Italy	153.9	139.2	10.5	1.6
Estonia	149.2	168.2	-11.3	1.5
Belgium	131.5	131.6	-0.1	1.4
USA	119.8	108.1	10.8	1.2
Spain	112.6	99.9	12.7	1.1
Switzerland	109.6	104.1	5.3	1.1
Austria	104.5	103.5	1.0	1.1
Others	811.6	739.8	9.7	8.7
TOTAL	**9 371.1**	**9 397.0**	**-0.3**	

Source: Habit

There is a strong tendency that the Swedish market players are expanding through establishments in other Nordic countries. More and more a Nordic market (Denmark, Finland, Norway and Sweden) evolves with Denmark and Sweden as gateways for Norway and Finland.

It has to be said that the Varner Group in Norway is an important Nordic player. Several of its chain stores, such as Dressmann, Bik Bok, Carlings, Solo and Cubus, are big in Sweden. The same can be said about the Danish company Bestseller with their concepts Vero Moda and Jack & Jones.

4 Distribution of Garments

4.1 Distribution Channels

In 2008 the number of garments stores in Sweden increased to 8,997. The largest Swedish chain store is **H&M Hennes & Mauritz** with 150 shops and total sales in 2008 of SEK 6.0 billion in Sweden. Purchases are made in Sweden at the Stockholm headquarters. H&M also has some twenty production offices in Europe and Asia, handling contacts with their 800 independent suppliers. **Lindex**, the second largest chain, is part of the Finnish Stockmann group since December 2007. In 2008 Lindex' total sales amounted to SEK 5.5 billion (no separate figures for Sweden available). Lindex had 195 shops in Sweden by the end of 2008 and over 200 suppliers. The headquarters are located in Gothenburg. The third biggest company, **KappAhl**, sold for SEK 2.6 billion in 2008 and had 138 shops in Sweden. KappAhl have their headquarters in Gothenburg as well.

H&M, KappAhl and Lindex are all international companies. H&M is a world player established in 35 countries. Germany is the biggest market, followed by Great Britain and Sweden. Lindex has stores in ten countries. KappAhl stores can be found in Sweden, Norway, Finland, Poland and, since October 2009, the Czech Republic. Exports from Swedish companies often mean that the products are re-exported to Finland, Norway, Denmark and Germany. The smaller retailers in Sweden and their suppliers lose market shares little by little, year by year to the large players.

The few remaining Swedish textile manufacturing companies have their administration, design, warehouses etc. in Sweden, while manufacturing is conducted abroad, mostly in the Baltic countries (Estonia, Latvia and Lithuania) and Poland.

The major mail order companies are **Ellos**, **Haléns**, **Cellbes**, **Gudrun Sjödén Design** and **La Redoute Sverige (Sweden) AB**. They have their head offices in Borås. Ellos and La Redoute Sweden are parts of the French Redcats Group (a part of PPR). Several chain stores, e.g. H&M and Lindex, also offer the opportunity to shop online and get the goods delivered.

4.1.1 Major Retailers in Sweden

The list below shows the major retailers and their number of stores in Sweden:

Retailer	Number of stores in Sweden 2008	Internet
H&M Hennes & Mauritz	150	www.hm.com
Lindex	195	www.lindex.com
KappAhl	138	www.kappahl.com
RNB Retail and Brands	340	www.rnb.se
Gina Tricot	82	www.ginatricot.com
MQ Holding	95	www.mq.se
Åhléns	241	www.ahlens.se
Dressmann	179	www.dressmann.com
Indiska Magasinet	85	www.indiska.se
Cubus	43	www.cubus.se

Notes:

- *The above statistics for RNB includes JC, Brothers, Sisters and Polarn O. Pyret.*
- *Åhléns is a department store selling, besides garments, home textiles, household goods, beauty products, books, etc.*
- *Indiska Magasinet also sells interior design.*
- *Dressmann and Cubus are parts of the Varner Group.*

Sources: Habit, company websites.

5 Requirements and Expectations

5.1 Market Know-how

The exporting companies should have a certain general knowledge concerning the Swedish consumer. It is important that the exporter attempts to view the garment from a Swedish perspective.

5.1.1 Visits to Fairs

For an exporter who is not familiar with the Swedish market, it can be beneficial to visit any fashion fair in the Nordic countries or some of the smaller exhibitions in Sweden. The fairs offer a good overview of fashions, trends and the types of garments purchased by Swedish consumers. Note that the spring fair presents autumn/winter fashions and, accordingly, the autumn fair presents spring/summer fashions. Visits to Sweden to get to know the Swedish market are recommended. A couple of days of "window shopping" and visits to a few import companies gives a good overview of the Swedish market.

5.2 Buyers' Expectations

The Swedish import companies have full access to all necessary information regarding the Swedish market for garments. If, for instance, the garment needs to be tested, the importer may have his own testing laboratory or he/she will direct the exporter to apply to an approved body.

Irrespectable of whether the supplier comes to Sweden or the Swedish buyer visits the factory abroad, there are certain important points to be remembered:

The potential importer will prefer to see an entire collection of finished garments. This is the easiest way of monitoring the supplier’s capability.

In addition, the importer will be highly interested in the price and supply capacity. All topics to be discussed at a meeting should be carefully prepared.

5.2.1 Order for Samples

If the importer is pleased with the exporter's samples, the common procedure is for him to order his own samples. In this case, the importer provides a sample or sketch which the manufacturer is to follow. The exporter then has to produce a counter sample which should be accepted by the importer before an order can be placed. The larger Swedish buyers would like to visit the factories before placing larger orders. They want to see how the factory operates, check the machinery and see how modern and efficient the manufacturer is. Importers also want to see if the factories, where the goods are produced, are safe (fire exits, etc.), the working environment is acceptable (enough light, if it is clean, etc.) and if working conditions are acceptable (trade unions, no child labour, etc.). See also **Section 6.3.2,** Production Requirements).

5.2.2 Punctual Trial Orders

Before it is time to place an order, the importer checks that size, quality, washability and colour fastness of the samples comply with the buyer's requirements.

It is especially important that the first trial order arrives in time and is of good quality. Buyers are careful in seeing that delivery conditions are fulfilled and instructions followed.

In case of delay in delivery, the exporter must inform the importer about this in good time. The major Swedish importers maintain constant contact with their suppliers or agents in order to always have complete control and be able to solve any problems that may arise.

5.2.3 Quality Expectations

Garments should be well sewn with high quality stitching. The importer will require that the sewing factories are well managed and that the machinery is modern and in good condition. The accessories must be adapted to suit the garment. The requirements regarding finish must also be observed.

A quality control should be undertaken at each stage of the manufacturing process and before the goods are shipped to Sweden. This quality control should be included in the price. A shipping sample, corresponding to the counter-sample, should be send to the importer for approval before acceptance of shipment. This procedure is normally stated in the Letter of Credit (L/C).

5.3 Rejects

When an order is made, the parties agree on a delivery date. If the goods are considerably delayed, the importer either cancels the order or renegotiates a substantially reduced price. A two-week delay in delivery can be disastrous for the sales.

If the goods do not live up to the agreed quality in one way or another, they will be rejected. In the event of invisible faults, the importer usually requests a considerable price reduction. The faults may be, for instance, that the garment shrinks by more than the permissible degree, sheds its colour or that the fancy stitching is incorrect. Visible faults, for example, wrong colour tone or buttons that are badly positioned are regarded as more serious. In such cases, the Swedish store will be compelled to sell the product at a very low price.

5.3.1 Warning for Bright or Vivid Colours

Occasionally, certain colours can result in rejection. This applies in particular to wine-red, red or black. These colours require large amounts of dyestuffs and there is a substantial risk that the garment will shed its colour.

For example, if a consumer wearing a new black jumper sits on an white couch, the store is liable to replace the entire couch if the jumper sheds its colour and damages the furniture. These are the rules prescribed in the Swedish Consumers' Sales Act. Since mistakes can be expensive for the particular store, the garment is carefully tested, frequently before the order is placed as well as after delivery.

5.4 Chemicals

Clothes exported to Sweden should not be hazardous in any way. Importers are responsible for their products.

The chemical legislation is harmonised within the EU. 1 June 2007 the new EU Chemicals Legislation REACH came into operation. It has given the companies increased responsibilities to investigate dangers, report to authorities and inform their customers.

Within the EU, the treatment of textile articles such as garments with azo dyes that can release carcinogenic arylamides has been prohibited. Other substances that should be avoided include formaldehyde and heavy metals, such as cadmium, chromium and nickel. Nickel can be found in for example buttons or zippers. Please refer to **Section 2.4.9**.

Since 1 May 2009, the strongly allergenic mould toxin dimetylfumarat is banned in the EU and thus in Sweden.

6 Purchasing in Practise

6.1 General Information

It is very common for the garment importers to **deal directly with manufacturers** for price and communication reasons. The large retailers and wholesalers have efficient purchasing operations involving designers and buyers. They seldom buy ready-made collections. Instead, they usually have their own designs and require manufacturers to make up garments on a contract basis. This applies in particular to volume goods and basic garments such as women's blouses, men's shirts and children's clothes.

Some of the bigger chains may contract manufacturers on a CMT basis, i.e. the manufacturer perform Cutting, Making (sewing) and Trimming, while the importer provides all or most of the materials required, such as fabrics, thread, accessories and packaging materials.

Mail order companies have to plan their purchases in good time. They buy in large volumes and look for competitive prices.

In the case of more expensive high quality garments, retailers (especially smaller and medium-sized) usually conduct their purchases via **agents or at fashion fairs**.

An exporter may also contact **commission agents** in Sweden that sell to chain stores, supermarkets and department stores. These agents usually charge a commission. They can also provide assistance concerning design, patterns, colours etc. as well as participation in fairs.

Many of the approximately 5,400 small shops may also be worth considering as buyers. In such cases contact one or a few of the Swedish **importers/wholesalers**. It also happens that chain stores purchase from major importers/wholesalers. However – as stated above – since price and delivery times are of the utmost importance the chain stores prefer to purchase directly from manufacturers. But even if the smaller independent clothing retailers lose importance as customers to Swedish importers/wholesalers, Swedish wholesalers and import companies can be of interest for exporters from developing countries as they in turn export to other European countries as shown in the Swedish export statistics for clothing.

6.2 Purchasing Periods

In the past, the fashion year was normally divided into autumn and spring seasons. The seasons are now becoming four or more and are overlapping, so the stores prefer to have deliveries at least every month. These delivery periods are clearly distinguished. Normally, the purchasing period starts one year before the goods reach the consumer. However, in the case of fashion-sensitive goods, this period must be shortened considerably. Sometimes the importer requests to have the delivery within a few months. This applies in particular to the major chain stores focusing primarily on the young consumers.

The price and time factors are always decisive. The competition among the Swedish stores is intense and prices and quality must always be controlled.
But the most important point is that the goods arrive on time.

6.3 How to Find Buyers

The major clothing operators are constantly looking for new suppliers. In general they need to find 10-15% new suppliers annually because of expansion of the company, performance of old suppliers, price competition, new products/fashion, new markets or compliance (the quota situation can also be an issue, but has been significantly less important since the quotas for China ended). However, the number of suppliers exceeds the demand. In 2010, the importers will look for the most competitive suppliers for 2011.

At the same time several of the major clothing companies are reducing the number of suppliers which seems rather contradictory. The major clothing companies want to have a better control of the production process in order to follow up on the Corporate Social Responsibility (CSR) and to survey that the environmental work at the manufacturers conforms to the company's policy.

One way to get in touch with importers is through trade fairs. The two most important fairs for the Swedish market are both located in Denmark:

- Copenhagen International Fashion Fair (www.ciff.dk), and
- Copenhagen Vision (www.cphvision.dk).

6.3.1 Sourcing

To give a picture of how the major actors find new suppliers we will describe the different steps.

Step 1 Searching	– Active search by own offices in Sweden, Europe and the Far East – Taking care of proposals and visits – Visits to important fairs (3-4 every year) – Commercial offices – Web site search – Benchmarking – New employees
Step 2 Important questions when a contact is established	When a contact is established with a new supplier the following questions are important and will be thoroughly discussed: – Description of the product – Production capacity – Price range – Quality level, sample – Lead times – (Quota holding) – References, other customers – CSR (Corporate Social Responsibilty)
Step 3 Final evaluation and contract	– Give price quotations based on the company's inquiry (volumes, size specification, ratio etc.) – Production of counter sample – Visit to production site – Signment of general agreement (last for a specific period) – Receipt of IFS "Instructions for Suppliers" (is handed out to all new suppliers) – Placement of trial orders

The major actors usually evaluate the suppliers twice a year.

During recent years, the purchase volume has increased for the larger clothing chain stores. They want delivery every week or every fortnight. Very often the retailers supply the manufacturers with their own patterns. Usually, the clothing companies test the garments in laboratories in the country of export. Short lead-times are crucial for these kinds of companies.

6.3.2 Production Requirements

When the buying companies select and evaluate new suppliers, focus is set on the following:

- That the supplier fulfils the basic requirements (i.e. product quality, compliance, delivery on time, packing, CSR and environmental issues).

- To what extent the supplier fulfils competitive factors (i.e. price, short delivery time, design and fast replenishment).

When it comes to basic requirements, the key word is "compliance" which includes:

- **CSR (Corporate Social Responsibility)**
  which among other things states minimum wages, no child labour and workplace safety.
- **Environmental Policy**
- **Product Quality**
  Important issues are for example shrinkage, pilling, dry and wet rubbing, staining and chemical restrictions. All tests should be conducted at counter sample stage and in bulk fabric and confirmed before cutting the fabric.

Corporate Social Responsibility (CSR)

In a time when the consumers' demands imply that moral aspects and marketing often go hand in hand, companies have introduced Codes of Conduct. It is the larger clothing chain stores that stand up for and pursue this development. From time to time the larger newspapers have published scandalous articles about the working conditions in textile and clothing factories in Asia. The Scandinavian garment consumers are quite conscious about these issues, and the small chain stores and importers will also be forced to revise their routines and comply to the common system.

A recent development within European CSR is the BSCI (Business Social Compliance Initiative). BSCI is a collaboration platform where over 400 members (December 2009), mostly from the garments sector, strive to accomplish better working conditions in their supplying companies. 30 Swedish companies are members of BSCI. BSCI has developed a common monitoring system simplifying and standardising the requirements and individual monitoring procedures.

The BSCI is based on the labour standards of the International Labour Organization (ILO) and other important international regulations like the UN Charta for Human Rights, as well as on national regulations. The initiative aims at continuously improving the social performance of suppliers, leading to Best Practice like SA8000 certification or equivalents and thus sustainably enhancing working conditions in factories worldwide. Information about BSCI can be found at www.bsci-eu.org.

Environmental Policy

Environment marking schemes, such as the Nordic Swan or the EU flower, are of limited importance in Sweden. Öko-Tex is an international textile marking for low content of hazardous substances, see www.oeko-tex.com for more information.

6.4 Marking and Labels

Sweden has some of the most stringent requirements worldwide regarding marking of clothes. Most importers provide detailed and exact specifications concerning the information that is to be included on the label of the garment: type of material, washing and care instructions as well as size indications.

The **specification of the fibre** is important. According to EU regulations it has to be correct. For example, if the label states 50% cotton and 50% viscose, the fabric must not contain the slightest amount of polyester. It is also important that the specification is correct for accessories such as wadding and intermediate layers.

The **washing and care instructions** must be carefully expressed. Swedish consumers have a strong position vis-a-vis the retailers. For example, if the garments bleed or shrink, the consumer has the right to complain and get the money back. Stores that are concerned about their reputation are extremely cautious with purchases and always indicate on the care label whether or not the garment can be expected to change colour after washing. (See **Appendix 3** on washing and care symbols).

Dry cleaning is today relatively expensive in Sweden so the garments should preferably be washable in water. Bear the fact in mind, that most of the Swedish households have installed their own private washing machine at home, and that people living in blocks of flats also have access to washing machines installed by the landlord.

The **size** should be expressed in Swedish measures, the importer usually states this carefully in the form of a table. There are standardised size systems. However, most importers use their own size markings to suit each target group. It should be mentioned that the European Standardization Organization (CEN) together with representatives from the different business organisations/companies, is working on a common European standard for sizing. Three out of four parts of this new standard (which primarily will be based on sizes in centimetres) have been published.

Many importers expect exporters to price-tag the garment. The major distributors also request that the clothes are tagged with their own brands.

6.5 Packaging

Labour costs in Sweden are high. Consequently, the import companies want the import handling to be as inexpensive as possible. Most goods are distributed directly from the importer's central warehouse to the stores. Accordingly, it is important that the garments have already been provided with all the necessary information, such as care instructions and price tags. Other garments should also be sorted on the basis of colour and size into sets which can be sent directly to the retail shops.

In order to satisfy the environmental demands, many importers require clothes with a minimum amount of packaging operations. For example, a plastic bag is not required for each individual jumper or cardigan, as used to be the case a few years ago.

It is important that the clothes are packed as smoothly as possible in order to avoid ironing or any other form of conditioning after unpacking. It is also important that the clothes are stored properly prior to shipping. In warm humid climates, mildew will form easily if the goods are left too long in sealed plastic bags.

7 Prices and Mark-ups

The price structure for garments varies with the type of garments, the type of retail outlet and whether they are imported by a large retail company or by an importer/wholesaler. Highly fashionable or heavily advertised brands carry higher mark-ups. The **example** below will serve as a general outline of the pricing structure of garments imported by an importer/wholesaler. The example below is moderate.

If the garments are imported by a large retail company or a mail order company, the structure in the example will of course be different. The retailers then fulfil the wholesale function and include the wholesale mark-up in their own calculations.

It is often the case that the big retailers, competing with price on the consumer market, still have the biggest mark-ups and therefore strive for very low buying prices.

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

8 Duties and Quotas

8.1 EU Rules Apply

As a member of the European Union, Sweden follows the rules and regulations and applies the integrated customs tariffs of the European Communities.

8.2 WTO Agreement

Free trade, or at least quota-free trade with textiles, was enforced in 2005 with the expiration of the Agreement on Textiles and Clothing in GATT 1994, one of the most important results of the multilateral trade negotiation called the Uruguay round. The quota-free trade system includes those countries who are members of the World Trade Organization (WTO).

When, in 2005, all quotas in the clothing sector were eliminated, imports from China boomed. Complaints from Southern and Eastern European garments producers led to a temporary reintroduction of some of the quotas. On 1 January 2008, the Chinese quotas ended and were replaced by a license surveillance system for eight of the ten products that had been subject to quotas. This surveillance was removed at the end of 2008.

8.2.1 Licensing (only a few countries)

Products under quota require both an export licence and an import licence, a system known as double checking. The exporter applies for an export licence from the licensing authorities in his country. When the exporter has been given the licence, he or she sends it to the importer in Sweden. In the case of North Korea, the administration of the quota takes place in the EU.

The importer must enclose the original of the export licence when applying for an import licence. The import licence will only be granted after the licensing authority has checked with the database in Brussels that the appropriate quota has not been exceeded. Only after the import licence has been granted, the goods can be released from customs in the import country. The quota system is normally based on past performance of the exporters, which means that quotas are allotted in proportion to earlier export performance.

Import licenses are required for the following countries:

- Belarus (21 categories)
- North Korea (import licensing in respective EU country)
- Uzbekistan (8 categories)

8.3 Generalised System of Preferences (GSP)

The EU's GSP scheme grants products imported from developing countries either duty-free access or a tariff reduction. For the period 1 January 2009 to 31 December 2011, there are three types of arrangement in force:

- most beneficiary countries enjoy the benefit of the general GSP arrangement,
- the special incentive arrangement for sustainable development and good governance (GSP+) provides additional benefits for certain countries,
- the special arrangement for the least developed countries (LDCs), also known as the Everything But Arms (EBA) initiative, grants duty-free and quota-free access to the EU market.

Under the general GSP system, textiles and clothing enjoy a reduction of 20% of the conventional rate of duty for textile products. The GSP for most other products are more favourable. Products from beneficiary countries which in a given sector account for more than 15% of EU imports from GSP countries are "graduated" and their preferences are removed. In the case of clothing the "graduation threshold" is set at 12.5%.

The products must have a GSP certificate of origin (Form A), which for garments of woven cloth and for knitwear requires production in two stages (weaving and sewing or knitting and sewing) in the country of origin. The certificate is issued by the competent governmental authorities. An invoice declaration may be made out for a consignment of which the total price does not exceed 6,000 Euro. LDCs can after application get derogation from the origin requirements. At the moment this applies only to Nepal, Laos and Cambodia.

The “GSP+” special incentive arrangement for sustainable development and good governance provides duty-free entry to the EU for about 6,300 products, including textiles and clothing, for countries implementing 27 international standards in human and labour rights, environmental protection, the fight against drugs and good governance. The following countries have this GSP+ rating (the actual use of GSP+ is, however, limited):

Armenia	El Salvador	Paraguay
Azerbaijan	Georgia	Peru
Bolivia	Guatemala	Sri Lanka*
Colombia	Honduras	Venezuela
Costa Rica	Mongolia	
Ecuador	Nicaragua	

** The EU Commission made an investigation during 2009 whether or not Sri Lanka fulfilled the requirements in the conventions it has signed to achieve GSP+ status. As a result the EU Commission proposed to exclude Sri Lanka from the GSP+ scheme. No final decision had been made in December 2009, but Sri Lanka most probably will lose its GSP+ status some time during the second half of 2010.*

The least developed countries enjoy duty-free entry for textile products as stated above.

Other countries have other preferences on the EU market. The EU – and thereby Sweden – have free trade agreements with the EFTA countries (Norway, Iceland, Switzerland and Lichtenstein). All imports from Turkey is since 1998 duty-free and quota-free. Imports from most Central European and Mediterranean countries is also duty-free and quota-free. The European Union has concluded a free trade agreement with South Africa and Chile, as well as with Mexico, which is regarded to be more liberal and trade promoting than NAFTA (the free trade agreement signed by Canada, USA and Mexico). Negotiations are in progress between EU and ACP (76 countries in Africa, the Caribbean and Pacific Ocean) regarding new partnership agreements for free trade, EPAs.

8.4 EPAs

The trade part of the EPAs is in force in relation between the EU and most of the ACP countries. The practical impact is that the origin requirements are more generous than for GSP. For clothing only one processing stage is required. For example, any ACP country can use fabric from any source, for example China or Japan, for the clothes it exports to the EU duty free.

8.5 Open Trade Gate

In order to facilitate for exporters from non-EU countries to enter the Swedish market the Swedish government has created Open Trade Gate, 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 is to provide exporters with information about rules and regulations, to investigate and try to solve barriers to trade, as well as influencing Swedish and EU trade policies and development strategies.

8.6 Rates of Duty 2009

CN number	Goods	Rate of duty
	Knitted Garments	
6101 / 6102	Outer garments, both men's and women's	12.0%
6103 / 6104	Suits, jackets, etc. both men's and women's	12.0%
6105	Men's shirts	12.0%
6106	Women's blouses and shirts	12.0%
6107	Men's underwear, pyjamas, etc.	12.0%
6108	Women's underwear, pyjamas etc.	12.0%
6109	T-shirts etc.	12.0%
6110	Pullovers, jersey etc.	12.0%
	- except heavy woollen jerseys (no. 6110.1110)	10.5%
6111	Baby clothes	12.0%
	- except mittens	8.9%
6112	Track-suits, ski-suits	12.0%
	- except swimwear containing > 5% rubber thread	8.0%
6113	Garments, certain knitted or crocheted fabrics	12.0%
	- except textile category 67	8.0%
6114	Other garments, knitted or crocheted	12.0%
6115	Hosiery	12.0%
	-except stockings for varicose veins	8.0%
6116	Mittens	8.9%
	- except certain impregnated gloves	8.0%
	Garments of woven fabrics	
6201 / 6202	Outer garments, both men's and women's	12.0%
6203	Men's or boys' suits, ensembles, jackets, blazers and trousers	12.0%
6204	Women's or girls' suits, jackets, dresses and skirts	12.0%
6205	Men's shirts	12.0%
6206	Women's blouses and shirts	12.0%
6207	Undergarments, both men's and women's	12.0%
6208	Bath robes and dressing gowns of terry cloth	12.0%
6209	Baby clothes	10.5%
6210	Garments, certain materials	12.0%
6211	Track-suits, ski-suits, working clothes, aprons, etc.	12.0%
6212	Brassières, girdles, corsets	6.5%
6214	Shawls, scarves, etc.	8.0%
6215	Neck-ties etc.	6.3%
6216	Gloves, mittens, etc.	7.6%
6217	Other accessories	6.3%
	- except parts	12.0%

9 Some Useful Addresses

Textile Importers' Association in Sweden
Box 92073, SE-120 07 Stockholm
Phone: +46-8-505 970 92
Fax: +46-8-505 970 95
E-mail: info@textileimporters.se
Internet: www.textileimporters.se

Swedish Trade Federation Stil (Shoe, Textile and Clothing Retailers)
SE-103 29 Stockholm
Phone: +46-10-4718639
Fax: +46-8-10-4718665
E-mail: maria.sandow@svenskhandel.se
Internet: www.svenskhandel.se

Swedish Textile & Clothing Industries' Association
Box 5510, SE-114 85 Stockholm
Phone: +46-8-762 68 80
Fax: +46-8-762 68 87
E-mail: teko@teko.se
Internet: www.teko.se

The Textile & Leather Laboratory Stockholm AB
Box 4707, SE-116 92 Stockholm
Phone: +46-8-615 83 80
Fax: +46-8-644 77 60
E-mail: info@textillab.se
Internet: www.textillab.se

The Swedish Association of Agents
Box 3146, SE-103 62 Stockholm
Phone: +46-8-411 00 22
Fax: +46-8-411 00 23
E-mail: mail@agenturforetagen.se
Internet: www.agenturforetagen.se

Swedish Distance Sellers (SDS)
(Mail order companies)
Torggatan 19, SE-503 34 Borås
Phone: +46-33-13 17 70
Fax: +46-33-12 53 17
E-mail: bo.lindell@distanshandel.se
Internet: www.postorder.se

Swedish Trade Federation
SE-103 29 Stockholm
Phone: +46-10-471 85 00
Fax: +46-10-471 86 65
E-mail: info@svenskhandel.se
Internet: www.svenskhandel.se

National Board of Trade
Box 6803, SE-113 86 Stockholm
Phone: +46-8-690 48 00
Fax: +46-8-30 67 59
E-mail: kommerskollegium@kommers.se
Internet: www.kommers.se

Open Trade Gate Sweden
Box 6803, SE-113 86 Stockholm
Phone: +46-8-690 49 40
Fax: +46-8-690 49 41
E-mail: info@opentradegate.se
Internet: www.opentradegate.se

Statistics Sweden
PO Box 24 300, SE-104 51 Stockholm
Phone: +46-8-506 948 01
E-mail: information@scb.se
Internet: www.scb.se

Swedish Customs
Box 12 854, SE-112 98 Stockholm
Phone: +46-771-520 520
E-mail: Contact form via website
Internet: www.tullverket.se
Customs tariffs: http://taric.tullverket.se

The Swedish Consumer Agency
Box 48, SE-651 02 Karlstad
Phone: +46-771-42 33 00
Fax: +46-54-19 41 95
Internet: www.konsumentverket.se

Appendix 1

Sweden's Imports of Garments 2007-2009 (HS No. 61-62)

Figures on the total imports and the imports from EU refer to country of dispatch whereas for external trade the figures refer to country of origin.

*members since Jan 2007	2007			2008			January-June 2009		
	Ton	MSEK	%	Ton	MSEK	%	Ton	MSEK	%
Total	119,249	22,974.7	100.0	121,841	22,082.1	100.0	52,560	12,148.8	100,0
EU (27) 1)	**32,907**	**10,382.2**	**45.2**	**31,287**	**10,068.2**	**43.8**	**14,187**	**4,587.7**	**37.8**
Austria	387	117.6	0.5	272	76.6	0.3	140	34.4	0.3
Belgium	2,150	573.9	2.5	2,063	566.1	2.5	981	302.6	2.5
Bulgaria *	245	39.3	0.2	248	41.0	0.2	157	27.0	0.2
Czech Republic	636	283.2	1.2	486	232.0	1.0	156	76.5	0.6
Cyprus	0	0.6	0.0	0	0.5	0.0	0	0.0	0.0
Denmark	8,062	2,591.4	11.3	7,560	2,462.5	10.7	2,883	1,045.4	8.6
Estonia	759	336.1	1.5	653	288.7	1.3	236	139.3	1.1
Finland	1,033	353.7	1.5	1,012	365.1	1.6	462	171.6	1.4
France	611	256.1	1.1	404	189.8	0.8	168	92,0	0.8
Germany	3,506	1,121.9	4.9	3,516	1,190.2	5.2	1,857	665.4	5.5
Greece	747	172.5	0.8	493	109.9	0.5	115	46.0	0.4
Hungary	183	61.4	0.3	225	60.0	0.3	133	23.4	0.2
Ireland	54	10.0	0.0	65	14.8	0.1	26	4.6	0.0
Italy	2,542	1,052.9	4.6	2,339	1,059.0	4.6	2,013	488.8	4.0
Latvia	875	240.1	1.0	668	168.3	0.7	256	54.5	0.4
Lithuania	1,667	456.7	2.0	1,149	353.0	1.5	379	135.3	1.1
Luxemburg	23	3.3	0.0	23	2.7	0.0	5	1.3	0.0
Malta	8	3.6	0.0	8	3.6	0.0	6	1.5	0.0
Netherlands	2,016	735.7	3.2	1,788	679.2	3.0	765	256.8	2.1
Poland	3,008	582.8	2.5	3,899	747.0	3.3	1,741	376.7	3.1
Portugal	1,870	469.1	2.0	1,852	504.1	2.2	673	227.6	1.9
Romania *	445	169.3	0.7	409	149.2	0.6	149	46.6	0.4
Slovakia	151	29.4	0.1	134	40.6	0.2	11	5.4	0.0
Slovenia	33	11.6	0.1	99	11.1	0.0	75	5.5	0.0
Spain	609	237.1	1.0	600	274.8	1.2	233	134.9	1.1
United Kingdom	1,287	473.0	2.1	1,319	478.4	2.1	566	224.8	1.9
External trade	**86,342**	**12,592.5**	**54.8**	**90,554**	**14,013.9**	**61.0**	**38,373**	**7,561.1**	**62.2**
EFTA	**494**	**194.1**	**0.8**	**515**	**203.3**	**0.9**	**203**	**84.3**	**0.7**
Iceland	3	2.2	0.0	7	1.5	0.0	0	0.3	0.0
Norway	465	180.7	0.8	492	192.4	0.8	193	79.0	0.7
Switzerland	26	11.2	0.0	16	9.4	0.0	9	5.0	0.0
East/Central Europe	**300**	**65.3**	**0.3**	**359**	**70.3**	**0.3**	**66**	**21.6**	**0.2**
Bosnia-Herzegovina	208	31.7	0.1	219	33.7	0.1	43	8.8	0.1
Croatia	42	20.1	0.1	58	30.1	0.1	15	10.8	0.1
Macedonia	36	5.3	0.0	73	2.6	0.0	7	1.5	0.0
Serbia	14	8.2	0.0	9	3.9	0.0	1	0.5	0.0

	2007			2008			January-June 2009		
	Ton	MSEK	%	Ton	MSEK	%	Ton	MSEK	%
Other countries	**85,549**	**12,333.1**	**53.7**	**89,680**	**13,740.2**	**59.8**	**38,104**	**7,455.1**	**61.4**
Argentina	1	0.5	0.0	1	0.4	0.0	0	0.2	0.0
Australia	9	4.0	0.0	5	3.8	0.0	2	0.9	0.0
Bangladesh	12,745	1,091.2	4.7	13,271	1,138.1	5.0	6,166	723.2	6.0
Belarus	219	29.2	0.1	152	20.8	0.1	18	3.5	0.0
Bolivia	0	0.3	0.0	0	0.2	0.0	0	0.1	0.0
Brazil	41	9.7	0.0	12	3.4	0.0	2	1.1	0.0
Burkina Faso	0	0.0	0.0	0	0.0	0.0	21	1.1	0.0
Cambodia	711	98.7	0.4	903	110.5	0.5	251	42.4	0.3
Canada	91	43.9	0.2	87	40.4	0.2	10	6.4	0.1
Chile	0	0.1	0.0	0	0.1	0.0	0	0.3	0.0
China	43,130	5,653.7	24.6	48,154	7,722.3	29.3	19,331	3,645.8	30.0
Colombia	2	0.6	0.0	0	0.1	0.0	0	0.1	0.0
Cook Islands	0	0.0	0.0	2	0.4	0.0	0	0.0	0.0
Dominican Republic	3	1.3	0.0	0	0.1	0.0	0	0.0	0.0
Ecuador	8	0.3	0.0	8	0.2	0.0	2	0.1	0.0
Egypt	16	2.5	0.0	56	12.2	0.1	99	18.0	0.1
El Salvador	19	2.5	0.0	4	1.3	0.0	1	0.3	0.0
Guatemala	3	0.8	0.0	3	0.6	0.0	0	0.1	0.0
Honduras	11	1.2	0.0	10	1.9	0.0	2	0.6	0.0
Hong Kong	2,679	465,2	2.0	1,333	255.1	1.1	380	107.5	0.9
India	3,751	657.1	2.9	4,080	791.5	3.4	2,326	607.7	5.0
Indonesia	1.650	198.5	0.9	953	121.8	0.5	275	49.4	0.4
Iran	4	0.6	0.0	3	0.5	0.0	1	0.3	0.0
Israel	10	3.3	0.0	3	2.7	0.0	1	0.5	0.0
Japan	11	4.5	0.0	10	4.8	0.0	3	1.5	0.0
Jordania	1	0.1	0.0	1	0.1	0.0	1	0.0	0.0
Kenya	0	0.0	0.0	0	0.0	0.0	1	0.2	0.0
Kosovo	0	0.0	0.0	0	0.0	0.0	1	0.2	0.0
Laos	48	8.6	0.0	12	1.5	0.0	0	0.0	0.0
Lebanon	94	14.2	0.1	67	8.9	0.0	37	5.8	0.0
Macao	355	68.2	0.3	214	40.4	0.2	19	4.9	0.0
Madagascar	6	1.0	0.0	9	1.7	0.0	2	0.4	0.0
Malaysia	160	33.5	0.1	137	20.8	0.1	52	10.6	0.1
Mauritius	14	1.7	0.0	6	1.2	0.0	5	1.8	0.0
Mexico	30	7.3	0.0	20	4.4	0.0	10	2.3	0.0
Mongolia	0	0.3	0.0	0	0.3	0.0	0	0.1	0.0
Morocco	72	15.0	0.1	77	22.4	0.1	50	17.1	0.1
Myanmar (Burma)	7	1.4	0.0	18	2.6	0.0	18	4.1	0.0
Nepal	10	1.3	0.0	11	2.1	0.0	4	1.0	0.0
New Zealand	0	0.3	0.0	0	0.3	0.0	0	0.2	0.0
North Korea	8	0.7	0.0	0	0.0	0.0	0	0.0	0.0
Pakistan	2.053	176.1	0.8	2,264	204.5	0.9	1,227	157.9	1.3
Peru	9	1.5	0.0	10	1.8	0.0	3	0.7	0.0
Philippines	30	4.2	0.0	25	2.1	0.0	7	0.7	0.0
Russia	836	121.4	0.5	709	110.9	0.5	113	22.9	0.2

	2007			2008			January-June 2009		
	Ton	MSEK	%	Ton	MSEK	%	Ton	MSEK	%
Other countries cont									
Saudi Arabia	12	0.5	0.0	4	0.1	0.0	0	0.0	0.0
Singapore	7	1.2	0.0	13	2.4	0.0	4	0.8	0.0
South Africa	5	1.9	0.0	5	2.3	0.0	3	1.8	0.0
South Korea	841	121.6	0.5	649	104.7	0.5	228	44.7	0.4
Sri Lanka	368	42.4	0.2	488	66.0	0.3	253	42.6	0.4
St Kitts and Nevis	1	0.2	0.0	0	0.0	0.0	0	0.0	0.0
Syria	30	1.6	0.0	32	2.7	0.0	25	2.7	0.0
Taiwan	106	14.6	0.1	98	15.6	0.1	35	6.9	0.1
Thailand	990	141.8	0.6	827	140.9	0.6	445	90.0	0.7
Tokelau	0	0.0	0.0	0	0.2	0.0	0	0.0	0.0
Tunisia	196	35.6	0.2	64	13.6	0.1	26	7.6	0.1
Turkey	8,443	1,633.5	7.1	8,159	1,641.1	7.1	4,006	897.4	7.4
Turkmenistan	2	0.3	0.0	6	0.6	0.0	0	0.0	0.0
Ukraine	915	159.5	0.7	980	180.9	0.8	182	36.9	0.3
United Arab Emirates	38	2.2	0.0	40	3.0	0.0	23	1.1	0.0
USA	248	94.1	0.4	268	119.7	0.5	109	56.4	0.5
Vietnam	2,472	292.7	1.3	2,676	336.7	1.5	921	150.4	1.2

1) The shown import figures include all import from other EU-countries (dispatch countries) and may thus include goods which originate not only in these countries but also in other EU-countries and third countries.

Source: SCB / Textile Importers' Association in Sweden

Appendix 2

Some Useful Links

Official Gateway to Sweden	www.sweden.se
Open Trade Gate Sweden *provides information and helps exporters to solve bureaucratic obstacles that might occur when trading with Sweden.*	www.opentradegate.se
eMarketServices *guide to electronic market places.*	http://www.emarketservices.com
European Union	http://europa.eu
European Commission	http://ec.europa.eu
European Standardization Organization	http://www.cen.eu
European Customs	http://ec.europa.eu/taxation_customs/customs/index_en.htm
European Statistics - EuroStat	http://epp.eurostat.ec.europa.eu
Exporting to the EU - Advice for Developing Countries	http://exporthelp.europa.eu
BSCI – Corparate Social Responsibility (CSR) initiative	www.bsci-eu.org

Appendix 3

Labelling and Care Instruction Symbols

Textile Materials
All textile goods must be labelled with information about the material. The information must be in the Swedish language. Wording in another Nordic language with essentially the same content and spelling as Swedish may be used. Information about material shall include detailes of natural fibres, synthetic fibres, filling material, etc.

Care Instructions
Care instructions should as a rule be firmly attached to the article and stand for the same treatment as the goods itself. Information on care (care instructions) shall include information on washing and dry-cleaning procedures, ironing and, where appropriate, chlorine bleaching and drying. The information shall be given in the following order:

- Washing
- Bleaching
- Ironing
- Dry-cleaning
- Drying

If necessary, the care instructions shall be supplemented by additional information, e.g. if the article changed dimension and/or colour and/or discolours other articles. Care instructions shall be given with recognised symbols or in Swedish text.

Example of care instruction symbols:

Symbol	Washing (in water) Temperature	Mechanical Handling	Capacity Level	Dewatering
	max. 95 °C Other temperatures may occur, e.g. 60 °C	normal	1/1	Normal spin-dry
	max. 40 °C	short washing time	1/2	Short spin-dry
	max. 40 °C	Hand wash		Do not wring
	Do not wash in water			
	Bleach when needed		Do not bleach	
	Iron, high temperature (max. 200 °C)		Iron, low temperature (max.110 °C)	
	Tumble-dry, normal, medium heat		Do not tumble dry	

Sizes

Information on size shall include:

- for garments a code according to a recognised system, or body-measurements in centimetres (cm), or body-weight in kilogrammes (kg)
- for garments marked with designations of the type small/medium/large (S, M, L), or body-measurements in inches, explanations through the provision of a code/scale or measurement-scale shall be presented in the retail shop.

Appendix 4

Exchange Rates 2003-2009

Average exchange rate of
the Swedish currency SEK

	Average rate in SEK						
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009***
1 US Dollar	8.09	7.35	7.48	7.38	6.83	6.58	7.69
1 Euro	9.13	9.13	9.28	9.26	9.23	9.61	10.64

** Average rate January-November 2009*

Source: Swedish Central Bank (Riksbanken)

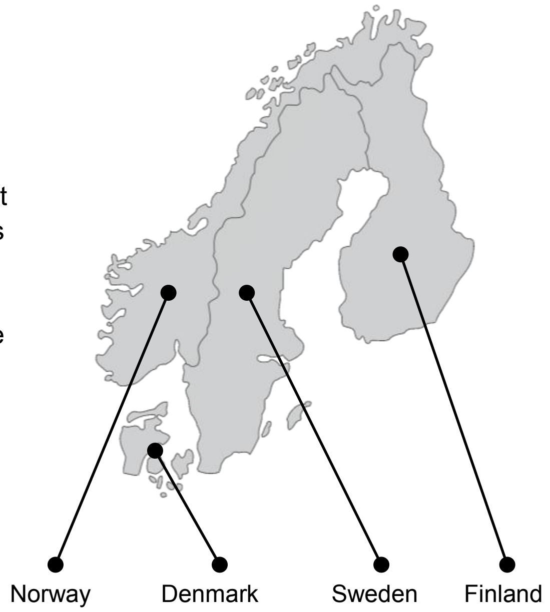
The Nordic Market

There are many similarities among the Nordic countries with regard to culture, language, political and social systems etc. Also when it comes to consumer behaviour and product preferences you find many similarities.

When entering one of the Nordic markets it therefore might be relevant to consider the possibilities in the other countries as well.

Three of the Nordic countries work with trade and import promotion aktivities. Below you will find contact details of the import promotion organisations in Finland, Norway and Sweden.

Population:	Denmark	5.5 million
	Finland	5.3 million
	Norway	4.8 million
	Sweden	9.3 million



Denmark

As from January 2010, Denmark has no trade promotion programme. The earlier programme (DIPP), which was financed by Danida (the Danish International Development Assistance), ended on 31 December 2009.

Norway

Department of international trade cooperation (DITC) is established according to an agreement between NORAD (Norwegian Agency for Development Cooperation) and HSH (Federation of Norwegian Commercial and Service Enterprises). DITC promotes imports from developing countries.

Contact details:
HSH – Department of International Trade Cooperation (DITC)
P.O. Box 2900 Solli,
NO-0230 Oslo, Norway
Phone: +47-2254 1700
Direct phone: +47-2254 1752
Fax: +47-2256 1700
E-mail: ellen.gjeruldsen@hsh-org.no
Internet: www.hsh-org.no

Finland

The Finnish business partnership programme, Finnpartnership, provides advisory services for business activities of Finnish companies in developing countries and financial support in the planning, development and implementation phases of a project.

Contact details:
Finnpartnership - Finnish Business Partnership Programme
c/o Finnfund
P.O. Box 391
FI-00121 Helsinki, Finland
Phone. +358-9-3484 3314
Fax +358-9-3484 3346
Internet: www.finnpartnership.fi

Sweden

The programme is carried out in cooperation with Sida (Swedish International Development Cooperation Agency). It focuses on business contacts, market information, training and extended contacts in order to promote export from developing countries.

Contact details:
Swedish Chambers of Commerce
Trade Promotion
P.O. Box 16050
SE-103 21 Stockholm, Sweden
Phone: +46-8-555 100 00
Fax: +48-8-566 316 30
E-mail: info@chambertrade.com
Internet: www.swedishchambers.se

Swedish Chambers of Commerce
Trade promotion
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info@chambertrade.com

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