Swedish Chambers

TRADE PROMOTION PROGRAMME
OF THE SWEDISH CHAMBERS

Market Brief

Focus on the Swedish Market

Health Food Products

November 2008

Facts about Sweden

Area: 449,964 sq.km
Population: 9.1 million

Capital: Stockholm.
Stockholm city: 780,800 inh.
Greater Stockholm: 1.9 mil. inh.

Business language:
Swedish, English

Religion:
Lutheran

Largest cities:
Stockholm city: 780,800 inh.
Gothenburg 489,400 inh.
Malmö 275,100 inh.
Uppsala 185,200 inh.
Linköping 138,400 inh.
Västerås 132,800 inh.
Örebro 128,700 inh.
Norrköping 125,300 inh.
Helsingborg 123,100 inh.
Jönköping 121,300 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

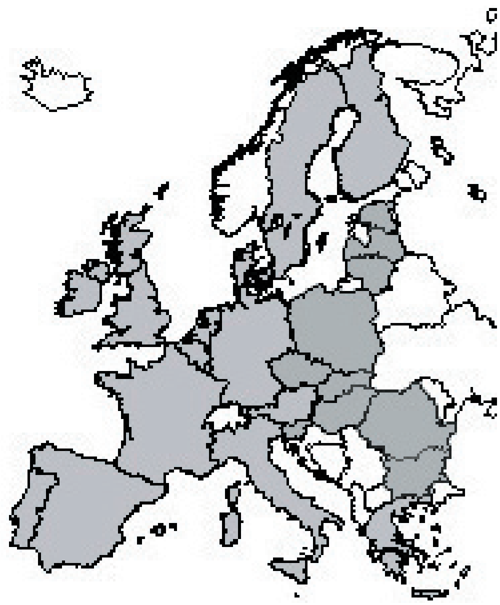
Currency:
1 krona (SEK) = 100 öre

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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1 Introduction

The purpose of this market brief is to provide exporters in developing countries with information about the size and development of the health food market in Sweden.

Sweden has a population of about 9.3 million inhabitants. Since 1990, the population has grown with 0.7 million (+8%). Population growth during the last few years has depended some 70 per cent on immigration and some 30 per cent on population surplus.

Since 1995, Sweden is a full member of the European Union (EU), which has abolished all trade barriers between the member countries and therefore can be described as a single, unified market. The EU has approx. 500 million inhabitants in 27 countries. The total population of Europe is about 850 million, of which the 27 EU-countries account for 60% and other countries for 40% of the total.

Within the EU, Sweden's share of the total population is about 2%, which means that it is one of the smaller national markets. However, the four Scandinavian countries - Denmark, Norway, Sweden and Finland - with 25 million inhabitants combined, are more and more regarded as the "home market" for companies within the Swedish food trade and industry.

2 Market Information

2.1 Market Definition

The term *health food* is in Sweden, as in many other European countries, referred to as specific products claimed to be especially beneficial to health. But it should be noted, that the term health food is generally only used for those products that are found in specialized health food stores and on the health food shelves in grocery stores.

As a rule, health food stores also offer nutritional supplements, such as vitamins and dietary minerals, herbal medicinal products and other natural remedies, as well as natural skin care products. For this reason, these products are generally also included in the health food concept.

It should be noted that fresh produce and so-called functional food has not been included in this report, since these products are generally sold together with conventional foods in the supermarkets.

Here follows a brief introduction of the different health food categories. Please also refer to the homepages of the Swedish Self-care Association and the Medical Products Agency for more information about how to classify health food products.

Health Food Products

In general, health food products are foods that are minimally processed, and that do not include ingredients such as refined sugars, refined flours, milled grains, hydrogenated oils, sweeteners, food colours, or flavourings. Furthermore, raw materials used should have been grown without chemical pesticides and artificial fertilizers.

Preferred sweeteners are non-refined cane sugar, raw honey and maple syrup. Instead of table salt, sea salt is often used. Below is a list of the most popular health food items presently available in specialized health food stores or the health food shelves in grocery stores.

Popular Health Food Products

Product Groups	Product specification
Beverages	Recovery beverages; Fruit juices, especially Pomegranate juice (also organic), Cranberry juice, Goji juice, Noni Juice, Mangosteen juice; Vegetable juice, especially Carrot juice, Mixed vegetables juice,
Cereals	Amaranth (also organic), Alfalfa seeds, Soybeans, Quinoa (black and red, also organic), Quinoa flakes and meal, Buckwheat, whole, meal and flakes (also organic), Guarana Puro, powder and concentrate Bran flakes and Cornflakes, sweetened with non-refined cane sugar and seasoned with sea salt (mostly organic), Husked rice and Wild rice (organic)
Health snacks	Dried, natural, unsweetened fruits and nuts (mostly organic) Banana chips, Quinoa snacks, Beans with chilli, Natural peanuts Macadamia nuts, roasted and salted Fine dark chocolate 70%, sugar-free, Energy bars, sugar-free
Tea	Herbal tea, Jasmine tea, Green tea, Green lemon/mint tea (mostly organic) Mate guarana tea
Weight reduction	Very low calorie ready-to-eat formulas for reducing weight, Diet snacks
Other products	Non-refined cane sugar, Natural honey Natural herb seasonings, Herbal salt and natural sea salt Soy products, Natural apple cider vinegar, Lin seed oil

Source: Fox Research

Herbal Medicinal Products & Natural Remedies

A natural remedy generally denotes a medicinal product in which the active ingredients derive from natural sources, have not been processed too highly and consists of plant or animal parts, bacterial culture, mineral, salt or salt solution. Natural remedies should be developed for self-care when the user is able to make a diagnosis and not against complaints that should be diagnosed by a doctor.

Since 2008, however, all natural remedies that contain active ingredients of *plant origin* are referred to as herbal medicinal products, divided in two sub-groups: herbal medicinal products *with well-established medical use* and herbal medicinal products *with a traditional use*. Herbal medicinal products *with well-established medical use* are not considered different from conventional medicinal products in the new legislation.

For herbal medicinal products *with a traditional use* however, the required documentation on efficacy and safety should be based on long-standing use. Neither are they approved in the same way as conventional medicinal products, but registered for sale according to a simplified registration process (see also chapter 5.2).

On the next page is a list of approved indications for authorized herbal medicinal products and other natural remedies. A list of all authorized products can be obtained from the Swedish Medical Products Agency, see the More Information box at the end of this chapter.

Nutritional Supplements

A nutritional supplement, also known as food supplement or dietary supplement, is a preparation intended to supply nutrients, such as vitamins, minerals, fatty acids or amino acids, that are missing or are not consumed in sufficient quantity in a person's diet.

Official import data for health food products only exists for vitamins, which fall under the Combined Nomenclature (CN) headings 2936 and 3004. The CN is based on the Harmonized System (HS). The statistical HS numbers for vitamins and medicaments that contain vitamins are presented below.

Approved Indication for Authorized Herbal Medicinal Products and Other Natural Remedies

Traditionally used:
- for the relief of symptoms of cold in the nose and sinus
- for temporary insomnia
- for heartburn.
- for minor nervous tension and in case of slight mood lowering
- to relive symptoms of PMS
- in case of minor climacteric symptoms such as hot flushes, and sweating.
- for the treatment of occasional mild migraine attacks
- against temporarily exaggerated sweating
- for temporary constipation, indigestion to relive symptoms like feeling bloated, flatulence and stomach ache.
- as a tonic in case of decreased performance such as fatigue and sensation of weakness
- as a tonic in case of loss of appetite.
- for the treatment of superficial, non-infected wounds
- as a remedy containing omega-3-fatty acids which can contribute to the protection against cardiovascular disease.
- as a remedy for the treatment of long-standing symptoms in elderly people such as difficulties of memory and concentration, vertigo, feeling of tiredness and tinnitus.

Source: Medical Products Agency 2008

Vitamins and Medicaments containing Vitamins	
Hs Nos.	**Product**
29	**Organic chemicals**
2936	**Provitamins and vitamins,** natural or reproduced by synthesis (incl. natural concentrates), derivatives thereof used primarily as vitamins, and intermixtures of the foregoing, whether or not in any solvent.
	Vitamins and their derivatives, unmixed
2936.2100	Vitamin A
2936.2200	Vitamin B1
2936.2300	Vitamin B2
2936.2400	Vitamin B3 and B5
2936.2500	Vitamin B6
2936.2600	Vitamin B12
2936.2700	Vitamin C
2936.2800	Vitamin E
2936.2910	Vitamin B9
2936.2930	Vitamin H
2936.2990	Other vitamins
	Other, incl. natural concentrates
2936.9011	Natural concentrate of vitamin A+D
2936.9019	Other concentrates
	Other
2936.9080	Mixture and solution
30	**Pharmaceutical products**
3004	**Medicaments, which contain vitamins and other products** according to HS Nos 2936
3004.5010	Put up in forms or in packing intended for the retail trade
3004.5090	Other

Source: EU Statistics Eurostat

Find More Information Here		
Medical Products Agency	www.mpa.se	Herbal Medicines/Remedies
Swedish Self-care Ass.	www.svenskegenvard.se	Trade association

2.2 Market Size and Development

The Swedish market for health food is relatively small compared to many other European countries. The per capita consumption in Germany and France, for example, is more than twice as big as in Sweden.

However, the Swedish health food business is still quite young, and the market has grown significantly during the last couple of years. The positive development can be attributed to a higher awareness of health issues within the Swedish society, which has increased the interest for leading a healthier lifestyle.

The positive market trend is shown by the fact that since year 2000, the health food market has increased 28%, or on average 5.5% per year. This means that there are few lines of business within the Swedish food sector that are growing as fast as the health food trade.

Health Food Market Development 2000 - 2007
Consumer prices in SEK million, incl. VAT

2000	2001	2002	2003	2004	2005	2006	2007
2 725	2 850	3 050	3 175	3 330	3 430	3 700	4 050
	+4.5%	+7.0%	+4.0%	+5.0%	+3.0%	+8.0%	+9.5%

Source: Svensk Egenvård

During 2007, the health food market reached about SEK 4,000 million, an increase of 9.5% compared to the previous year. Nutritional supplements accounted for almost half the market volume, while food items had about one quarter of the market. The remaining quarter was made up of herbal medicines and natural remedies, as well as natural skin care products.

Even though the market trend in general is very positive, there is quite a large difference in development between the different health food segments. Sales within the food category, for example, decreased about 25% during 2007, while nutritional supplements, increased 46%.

Sales of food items amounted to SEK 1,050 million in 2007. The most popular products were green and herbal teas, natural juices, puffed rice cakes, vegetal and cereal products such as sunflower kernels, linseeds, buckwheat, green lentils, non-refined cane sugar, soy products, and weight reduction products.

Examples of newly introduced food items are black quinoa, rich in protein, vitamins and minerals, and amaranth, with high halts of minerals and omega 3 and omega 6 fatty acids. Both are also available as organic.

Sales of nutritional supplements have shown a steady growth during the past years, especially during 2007. The main reason for the rapid growth is the increased interest in omega 3 fatty acids, where sales have more than doubled in past years. Also Q10 products are important in this category.

On the other hand, the market for vitamins and dietary minerals has shown a negative trend for a number of years. During 2007, sales of vitamins and minerals decreased 16%.

The main single vitamins are vitamin C and vitamin B, while the most popular mineral is iron. There is however an increased demand for products containing a combination of both multi-vitamins and minerals.

Sales of herbal medicines and other natural remedies can be estimated to about SEK 700 million during 2007, which was about 13% less than the year before. The most popular items within this category were products containing omega 3, followed by cold remedies, immune system boosters (Echinacea), ginseng products, and stomach and intestines products.

Sales of Health Food Products 2006-2007
Consumer prices in SEK million, incl. VAT

Product group	2006	2007	±	06-07	%
Nutritional supplements	1 300	1 900	+	600	46
Food products, incl. weight loss	1 400	1 050	-	350	25
Herbal Medicines/Natural remedies	800	700	-	100	13
Natural skin care products	200	400	+	200	100
• Total	**3 700**	**4 050**	**+**	**350**	**9.5**

Source: Svensk Egenvård

Market shares for Different Types of Health Food Products 2000-2007					
Product group	**2000**	**2006**	**2007**	**±**	**00-07**
Nutritional supplements	28%	38%	47%	+	19
Food products, incl. weight loss	29%	35%	25%	-	4
Herbal Medicines/Natural remedies	37%	21%	17%	-	20
Natural skin care products	6%	6%	10%	+	4
• Total	100%	100%	100%	±	0

Source: Svensk Egenvård

Sales of Nutritional Supplements 2006-2007
Estimated consumer prices in SEK million

Product group	**2006**	**2007**	**±**	**%**
Multi-vitamins and minerals	325	335	+	3 %
Single Vitamins	300	235	-	22 %
- of which Vitamin C	*100*	*85*	-	*15 %*
Single Minerals	260	170	-	35 %
• Sum	**885**	**740**	**-**	**16 %**
Other products	415	1 160	+	180 %
• Total	**1 300**	**1 900**	**+**	**46 %**

Sources: Svensk Egenvård

Sales of Selected Herbal Medicines/Natural Remedies 2005 - 2007
Estimated consumer prices in SEK million

Type of Products	**2005**	**2006**	**2007**	**±**	**05-07**
Fish oil (incl. nutritional supplements)	195	200	310	+	59 %
Cold remedies	205	215	170	-	17 %
Ginseng, extra energy	145	160	140	-	3 %
Stomach & intestines products	95	100	100	+	5 %
Gingko Biloba preparations	65	55	30	-	54 %
Garlic	35	25	20	-	43 %
Valerian root	--	--	15		--
Hypericum/St. John's wort	20	15	10	-	50 %

Source: Svensk Egenvård+

Find More Information Here		
Swedish Self-care Ass.	www.svenskegenvard.se	Trade association
Pharmacies	www.apoteket.se	Information about the drug market
Board of Agriculture	www.sjv.se	Food consumption data

2.3 Market Segments

For exporters of health food products, the Swedish market can be divided into four main segments; general grocery stores, specialized health food stores, pharmacies, and other channels (including mail order/internet shops).

The different segments had the following shares of the total sales of health food products during 2007:

- General grocery stores 31 %
- Specialized health food stores 36 %
- Pharmacies 17 %
- Mail-order firms, internet shops and others 16 %

In general, retail food stores have a relatively large share of sales of food items, while health food stores and internet shops have a relatively high share of sales of herbal medicines and natural remedies. On the other hand, the pharmacies have a relatively large share of sales of nutritional supplements, especially vitamins and minerals.

Grocery Stores

There are about 6,000 grocery stores around the country, of which about 2,000 are larger supermarkets and the remainder smaller neighbourhood and convenience stores. It should be noted, that even if health food shelves are found in both large and small food stores, only the larger grocery stores carry a wide assortment of health foods, herbal medicines and nutritional supplements.

The Swedish grocery sector is characterized by a very high degree of concentration, with regards to both the number of stores and number of companies. This is shown by the fact that four retail groups - ICA, Coop, Axfood and Bergendahls - control about 70% of the total food retail and wholesale market, see also chapter 4.1 Retail Groups.

Health Food Stores

There are 500 specialized health retail stores in Sweden. Of these, about 300 are part of national chains, while about 200 are independent retailers. The largest health food chains are:

- Life - 200 stores collaborating within purchasing and marketing.
- Hälsokraft (Health Power) – 80 stores collaborating within purchasing and marketing.
- Hälsa för Alla (Health for All) - 15 stores, mainly around Stockholm

Pharmacies

Sweden has about 900 pharmacies with a full range of drugs and about 800 smaller pharmacy shops, which only sell non-prescribed drugs, commonly known as over the counter (OTC) drugs. At present, all pharmacies are owned by Apoteket AB (Pharmacy Ltd), a state-owned company with the sole right to sell prescribed and OTC drugs to the consumers.

According to a government proposition, the pharmacy market will be deregulated from July 2009. The intention is that sales of OTC drugs will no longer be restricted to the Apoteket monopoly and that a part of the pharmacy chain will be sold to private owners. It is therefore expected that several international drug retailers will be present on the Swedish pharmacy market in the near future.

Other Retail Formats

Mail order and on-line health food shops have in recent years taken a relatively large share of the health food market, especially regarding nutritional supplements and herbal medicines. There are about 50 web-shops selling health foods, of which the largest are Bodystore, Hälsokostgrossisten, Hälsorutan (Life Europe), and Bringwell.

Find More Information Here		
ICA	www.ica.se	Retailing group
Coop Sweden	www.coop.se	Retailing group
Axfood	www.axfood.se	Retailing group
Bergendahls	www.bergendahls.se	Retailing group
Life Europe	www.lifeeurope.no	Health food retailer
Hälsokraft	www.halsokraft.se	Health food retailer
Apoteket	www.apteket.se	Pharmacies
Bringwell	www.bringwell.se	Health food retailer/supplier

3 Production, Imports and Exports

There is a general lack of information on production, imports and exports of health food products, since these products are generally not separated from conventional products in industry and trade statistics. For this reason, only imports of vitamins can be presented.

3.1 Domestic Production and Exports

Domestic manufacturers of health food are an important buyer of natural ingredients. Since Sweden has a limited production of medicinal and aromatic herbs (mostly cultivated and wild-collected blueberries), imports are necessary for a large number of ingredients and raw materials.

As is the case in the other food sectors, the food manufacturing industry is characterized by a high degree of concentration, with a few large companies within each type of food branch.

Another market characteristic is that the domestic companies have a very strong market position. An important factor is that the consumers are quite traditional and prefer to buy products that have been manufactured within their own country.

In total, there are about 2,000 manufacturers and packers of food and beverages, but only some 50 companies have more than 200 employees. Among the largest packers and manufacturers of health food products are Friggs, Risenta, and Go Green.

Sweden also has quite a large pharmaceutical industry with some 80 active companies, of which the largest is Astra Zeneca. However, domestic production of herbal medicines and nutritional supplements is relatively low. Among the leading packers and manufacturers in this field are Meda, Recip, Macronova, Vitamex, MaxMedica, Miwana and Petefa.

Exports of conventional food and pharmaceutical products have become quite substantial in recent years, especially to other EU member countries. However, regarding health food items, exports are rather insignificant and are mainly focused on the neighbouring Scandinavian countries.

Food and Drug Manufacturers 2007

Industry Branch	Total number of companies	Companies with > 200 employees
Food and Beverage Industry	1 974	47
Pharmaceutical Industry	85	8

Source: SCB

3.2 Imports

Even though the demand for health food and natural pharmaceuticals is growing, the production plants are mostly located outside Sweden. This means that imports are vital for the development of this sector. But as has been stated earlier, trade data concerning health food products only exists for vitamins and other medicaments containing vitamins.

Concerning vitamins, the two three largest import items are multivitamins (containing a combination of vitamins and minerals), Vitamin C and Vitamin E, accounting for about two thirds of all imports. In 2007, imports increased 13% to 2,980 tonnes. By value, imports increased 20% to SEK 317 million.

The main exporters to Sweden are other European countries, which account for about 95% of total supplies. The main exporter from outside Europe is China, followed by the USA , Japan, India, Australia and Israel, see also **Appendix 1**.

Imports into the EU amounted to about €33 million (SEK 300 million) in 2007. The largest four exporters were China, Japan, the USA, and India, accounting for over 90% of total imports. Among developing countries, the main exporters were Malaysia, Argentina, Uruguay, Colombia, Brazil, Mexico, Egypt, South Africa, and Indonesia.

Regarding natural ingredients for the pharmaceutical industry, imports amounted to about €25 million (SEK 230 million), of which 15% consisted of medicinal and aromatic plants, 70% of vegetable saps, 15% of vegetable alkaloids.

Imports of Vitamins 2005 - 2007, by Quantity

	Quantity in tonnes					
Products	2005	2006	2007	±	05-07	%
Vitamins	2001	1943	2278	+	277	14
Medicaments containing Vitamins	642	828	701	+	59	9
• Total	2643	2771	2979	+	336	13

Source: Market Access Database, European Commission

Imports of Vitamins 2005 - 2007, by Value

	Value in SEK million					
Products	2005	2006	2007	±	05-07	%
Vitamins	125	158	144	+	19	15
Medicaments containing Vitamins	139	171	173	+	34	23
• Total	264	329	317	+	53	20

Source: Market Access Database, European Commission

4 Distribution Channels

Distribution of health food products on the Swedish market is carried out both by the large retail groups and by specialized health food wholesalers. In addition, there are many suppliers that have their own distribution systems.

4.1 Retail Groups

The Swedish food-retailing sector is highly concentrated. Four trade groups, with both integrated retail and wholesale activities, dominate the market. Together, they account for about 70% of the total market for retailing and wholesaling of food products within the country:

- ICA AB is by far Sweden's largest food retailer with 1,000 stores and a market share of about 37%.
- Axfood has 900 stores and 18% of the market.
- Coop Sweden has 900 stores and 17% of the market.
- Bergendahls has 140 large stores and a market share of 6%.

These four groups have built up their own buying and import departments. General food supplies are usually imported by themselves, especially items bought in high volumes, but imports are also done through independent wholesalers acting as importers or agents.

All these groups are also cooperating with retailing groups in other Scandinavian or EU-countries, especially regarding imports.

4.2 Specialized Health Food Wholesalers

The health food market is to a large degree supplied by four specialized wholesalers. However, all four of them belong to large integrated trade groups that are also engaged in retailing and manufacturing.

There are four distributors and wholesalers for the specialized health retail trade with a full assortment:

- HKC Egenvård, part of the Midelfart Sonesson group
- Hans Frejborg, part of the Life-chain
- Egenvårddistribution (EDV), part of the Hälsokraft chain
- Tamro, part of Phoenix, Germany

HKC Egenvård

HKC Egenvård AB is Sweden's largest wholesaler within the health food sector. The company is part of the Midelfart Sonesson group, which also includes large suppliers, such as Friggs (health food), and MaxMedica, Miwana and Vitamex (nutritional supplements and herbal medicines).

The main customers are found among the specialized health food stores, but the company also supplies general grocery stores.

Hans Frejborg

Hans Frejborg AB, the second largest health food wholesaler in Sweden, is part of the Life Europe group, Scandinavia's leading retail chain for health food. Hans Frejborg supplies both the stores within the group as well as independent stores.

The Life Europe group also owns the Internet shop Hälsorutan, as well as several suppliers and production facilities, including Macronova and Petefa.

EDV

EDV is the distribution arm for stores belonging to the Hälsokraft chain, the second largest health food retailer.

Tamro/Phoenix

Tamro AB is Sweden's leading distributor of pharmaceuticals to pharmacies, health food stores and hospitals. Tamro is part of the Phoenix Group with headquarters in Germany, Europe's third largest pharmaceutical wholesaler. In addition Phoenix also runs pharmacies, for example in Norway.

Tamro is also pharmacy retailer with operations in several Nordic and Baltic countries, and Poland. Tamro is also expected to enter the Swedish pharmacy market, when it is deregulated in July 2009.

4.3 Other Large Suppliers

Importers, suppliers, and manufacturers of health food products generally distribute their merchandise through the specialized health food wholesalers, but many also distribute their products directly to their end customers.

Imports of raw materials and food ingredients to food manufacturers is conducted either by importers and agents specialised in selling to this sector, or in the case of large manufacturers, by the companies themselves.

Among the leading suppliers of health food products on the Swedish market are Friggs, Risenta, Kung Markatta, BioFood, Eneboga Nötter, Saltå Kvarn, Sweden Herbs & Spices, Hela Pharma/Bringwell, Lindroos, Macronova, MaxMedica, Nyform, Pharma Nord, Sport & Fitness Nordic, and Svenska Bioforce.

Some of the largest specialised importers of food ingredients are Norfoods, Boden & Lindeberg, B. Engelhardt, and Smith & Son. Regarding bakery ingredients, also KåKå and Kobia are important.

Svensk Egenvård (the Swedish Self-care Association) organizes about 75% of the suppliers of health foods, plant-based pharmaceuticals and nutritional supplements on the Swedish market. A full list of these companies and their products, as well as market information, can be obtained from their homepage, see box below.

Find More Information Here	
ICA	www.ica.se
Coop Sweden	www.coop.se
Axfood	www.axfood.se
Bergendahls	www.bergendahls.se
HKC Egenvård	www.hkc.se
Life Europe	www.lifeeurope.no
Hälsokraft / EDV	www.halsokraft.se
Tamro (Phoenix)	www.tamro.com, www.phoenix-group.eu.com
Midelfart Sonesson	www.midelfartsonesson.com
Apoteket	www.apoteket.se
Swedish Self-care Ass.	www.svenskegenvard.se

5 Market Access

5.1 Customs Duties and Import Regulations

As a full member of the European Union (EU), Sweden is also a part of the EU customs union. This means that there are no trade barriers between Sweden and other EU countries.

Customs tariffs for countries outside the EU are approx. between 0% and 30%. Furthermore, some of these imports have to be delivered to the EU on a quota basis. Products from ACP countries and Least Developed Countries are exempted from duty. For other developing countries GSP agreements may lower the applicable customs tariffs.

EU regulations regarding labelling, nutritional information, additives and food control are in effect in Sweden. However, some national regulations are still applicable.

More information about customs tariffs and import regulations can be obtained from Open Trade Gate Sweden or the EU Helpdesk for Developing Countries, see info box below.

5.2 Special Regulations regarding Health Food

According to newly adopted EU legislation, natural remedies that contain active ingredients of plant origin are referred to as herbal medicinal products *with well-established medical use* or herbal medicinal products *with a traditional use*.

Herbal medicinal products with well-established medical use are not considered different from conventional medicinal products in the new legislation. For herbal medicinal products with a traditional use however, the required documentation on efficacy and safety should be based on long-standing use. Neither are they approved in the same way as conventional medicinal products, but registered for sale according to a simplified registration process.

If uncertainty exists whether a product can be classified as a medicinal product or not, a query can be sent to the Medical Products Agency. This service is presently provided free of charge. The query must include:

- A list of content where the ingredients are noted both by quality and quantity
- A description of how the product will be marketed, including its intended usage
- Directions for dosage, if applicable
- The name of the product

To fulfil the requirements regarding safety and efficacy the applicant must be able to verify that the product in question or a corresponding product has been used for medicinal purposes for a period of at least 30 years at the time of the application, including at least 15 years of use within the European Union.

With the new EU legislation the definition of natural remedies is somewhat different than before. Natural remedies are now referred to as medicinal products containing active ingredients derived from natural sources, plant products excluded, i.e. from parts of animals, bacterial cultures, minerals, salts or salt solutions. The active ingredients may not be too highly processed.

At present, there are no special restrictions concerning the sales of natural remedies – they are sold in pharmacies as well as in health food shops, grocery stores etc.

The EU rules regarding nutritional supplements, and preparations containing vitamins and minerals, describe which vitamins and minerals may be part of nutritional supplements, which vitamins and minerals may be used when making them, maximum and minimum content per day and labelling regulations.

5.3 Product Control

Svensk Egenvård, Sweden’s trade association for health food products, has its own product control of health food products, ”the Health Food Council Product Control”. This should be seen as complementary to the controls of the manufacturers. All edible products are controlled, with the exception of fresh vegetables and fresh bread.

The following areas are controlled:

- Heavy metals – content of lead, cadmium, aluminium and mercury
- Micro-organisms – presence of bacteria, mould and yeast
- Text on packages – objectivity and completeness of details
- Declared substances – special tests for lactose, gluten and cholesterol
- Information – detailed information to retailers
- Product safety – cleanness, secondary effects and texts on packages

A folder on product control and a list of all controlled products can be downloaded from the homepage of the Swedish Self-care Association. A current list is also published on the Health Food Councils website.

The selling of herbal medicines in Sweden is controlled by the Medical Products Agency. Like with traditional medicine, it is carefully regulated and controlled.

The basic demands for herbal medicines are the same as for an ordinary medicine. It should be of good quality, safe and effective to its purpose.

The manufacturing should be carried out according to GMP – good manufacturing practices for medicine. It should have a complete list of constituents and be distinctly marked.

On the homepage of the Medical Products Agency, see info box below, there are downloadable files for approved fields of application, the application for approval, lists of approved preparations, general guidelines, etc.

Find More Information Here		
Swedish Self-care Ass.	www.svenskegenvard.se	Market and product information
Health Food Council	www.halsokostradet.se	Consumer information
Medical Products Agency	www.mpa.se	Medical rules and legislation
National Food Adm.	www.slv.se	Food rules and legislation
Open Trade Gate Sweden	www.opentradegate.se	Information for exporters
EU Export Helpdesk for Developing Countries	http://exporthelp.europa.eu	Information for exporters
EU Market Access	http://mkaccdb.eu.int	Database for exporters

6 Market Opportunities

Even though the Swedish market for health food is relatively small compared to those of many other European countries, the market has grown significantly during the last couple of years. Since year 2000, the health food market has seen an average increase of 5-6% per year, which is substantially more than any other major food segment.

The positive trend is mainly a result of consumer's increased awareness of health issues. It is apparent by the growing existence of fitness and weight control centres, massage and spa facilities, books about low-calorie food, as well as the interest in joining alternative food programs and in teachings such as yoga, Tai Chi, Qi Gong and stress management.

But even though the market trend in general is very positive, some product groups are gaining more popularity than others. Food products with the biggest potential are different kinds of herbal and green teas, natural juices of exotic fruit, cereal products with exceptional high nutritional value (such as products based on quinoa), as well as high energy and weight reduction products.

Regarding nutritional supplements, consumers seem to prefer more and more products that combine both vitamins and minerals, to single item products. Also products with a high share of omega 3 and 6 fatty acids have gained a widespread popularity.

Among herbal medicines and other natural remedies there is a relatively large and increasing market for Echinacea and other immune system boosters, and ginseng products. Furthermore, also products that are felt to be soothing and help against e.g. stress symptoms and insomnia, as well as overweight seem to have a great potential.

Although this market brief shows that exporters in developing countries have many possibilities to enter the Swedish market, it should be noted that the control and regulations for especially herbal medicines are quite extensive.

Nevertheless, since a healthier lifestyle certainly will continue to be of importance to the consumers, many different kinds of health food should have potential for higher sales in the near future.

Appendix 1:
Imports to Sweden and the EU 2006-2007

- Imports 2006 and 2007 of vitamins and medicaments containing vitamins, according to the Harmonized System (HS).
- Imports into Sweden includes both intra-trade from other EU & EEA-member countries and imports from outside the EU.
- Imports into the European Union do not include intra-trade between EU/EEA-member countries.
- HS 2936.0000: Vitamins and pro-vitamins, natural or reproduced by synthesis (including natural concentrates), derivatives thereof used primarily as vitamins, and intermixtures of the foregoing, whether or not in any solvent
- HS 3004.5000: Medicaments containing vitamins or other products of heading 2936, consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packing for retail sale
- For each product, the most important non-EU exporters are listed.
- Value of imports is presented in Euro, for currency conversion, please refer to **Appendix 3**.

Imports to Sweden

		Quantity in tonnes		Value in 1000 Euro	
HS No.	**Country**	**2006**	**2007**	**2006**	**2007**
2936.0000	**Total Imports**	**1 942.7**	**2 278.0**	**17 081.5**	**15 612.0**
	of which from:				
	• other EU member states*	**1 651.1**	**1 859.4**	**15 827.5**	**14 119.7**
	• outside of EU	**291.6**	**418.6**	**1 254.0**	**1 492.3**
	- China	271.2	400.7	826.5	1 158.6
	- USA	11.3	8.2	355.8	229.3
	- Croatia	6.2	5.9	31.3	31.3
	- Japan	-	0.0	-	22.2
	- India	0.5	2.1	11.9	16.2
	- Australia	2.3	1.7	17.6	8.5
	- Israel	0.0	0.0	3.9	4.1
	- Singapore	0.0	0.0	0.3	1.7
	- Hong Kong	-	0.0	-	0.3
	- Taiwan	0.1	-	6.4	-
	- Canada	0.0	-	0.2	-
	- Panama	0.0	-	0.1	-
3004.5000	**Total imports**	**828.3**	**700.7**	**18 427.0**	**18 659.9**
	of which from:				
	• other EU member states*	**828.0**	**699.7**	**18 343.2**	**18 621.5**
	• of which from outside of EU	**0.3**	**1.0**	**83.8**	**38.4**
	- Hong Kong	-	0.9	-	31.3
	- Japan	0.0	-	33.9	-
	- Canada	0.0	-	1.5	-
	- USA	0.3	0.1	47.5	7.2
	- Argentina	0.0	-	1.0	-

* Including imports from EEA-member states (Norway, Iceland and Switzerland).
Source: Market Access Database, European Commission

Imports into the European Union (EU)

HS No.	Country	Quantity in tonnes 2006	Quantity in tonnes 2007	Value in 1000 Euro 2006	Value in 1000 Euro 2007
2936.0000	**Total Imports into the EU***	**58 905.0**	**65 997.1**	**361 325.9**	**439 270.7**
	Largest exporters:				
	- China	48 926.1	54 792.9	232 773.0	305 772.5
	- Japan	3 777.4	4 241.9	40 027.5	43 160.7
	- USA	2 345.6	2 571.2	44 763.0	41 215.1
	- India	1 847.8	1 827.7	16 164.2	16 266.7
	- Korea, Rep. of	812.3	780.0	10 194.8	9 569.5
	- Israel	75.4	42.9	6 280.8	5 705.3
	- Hong Kong	486.7	400.7	2 205.7	2 996.1
	- Taiwan	6.0	96.9	537.6	2 305.4
	- Canada	140.4	155.8	2 031.5	2 285.9
	- Turkey	214.4	169.3	1 675.3	1 652.8
	- Australia	28.5	18.3	1 267.4	952.4
	- Malaysia	5.3	11.2	522.2	611.6
	- Argentina	6.8	38.1	89.9	316.6
	- Uruguay	52.0	24.0	334.8	245.2
	- Colombia	9.7	14.2	37.4	155.3
	- Croatia	8.1	22.5	104.2	154.2
	- Brazil	17.6	16.3	106.9	151.6
	- South Africa	23.6	8.6	303.3	114.0
	- United Arab Emirates	43.8	19.6	111.0	99.4
	- Indonesia	7.1	20.3	394.6	62.3
	- Singapore	1.6	1.4	28.1	52.8
3004.5000	**Total imports into the EU***	**2 381.4**	**2 423.0**	**65 779.7**	**32 297.3**
	Largest exporters:				
	- USA	558.9	505.8	26 580.7	13 656.7
	- India	295.9	481.9	4 151.0	5 072.8
	- Canada	1 154.1	178.1	25 393.7	4 549.2
	- New Zealand	6.9	77.4	107.7	1 889.1
	- China	100.4	885.2	692.2	1 642.4
	- Israel	64.6	35.0	4 002.7	1 303.3
	- Mexico	3.2	5.4	1 594.8	934.4
	- Egypt	86.7	96.5	805.2	633.3
	- Australia	8.7	5.1	323.4	466.8
	- Russia	1.6	41.3	89.1	276.1
	- Kazakhstan	-	3.3	-	243.2
	- Brazil	0.0	2.1	1.2	200.1
	- Ukraine	19.1	7.8	291.4	156.0
	- Turkey	2.6	3.1	56.3	152.5
	- Colombia	21.8	30.9	137.3	150.5
	- Croatia	5.4	4.0	180.0	127.3
	- Serbia	0.1	15.3	1.0	120.0
	- United Arab Emirates	29.6	30.0	118.0	118.7

* Not including imports from EEA-member states (Norway, Iceland and Switzerland).
Source: Market Access Database, European Commission

Appendix 2 - Useful Internet Links

Name	E-mail	Internet
Trade Organizations		
Health Food Council Hälsokostrådet	info@halsokostradet.se	www.halsokostradet.se
Swedish Self-care Association Svensk Egenvård	info@svenskegenvard.se	www.svenskegenvard.se
Swedish Association of Agents Agenturföretagens Förbund	mail@agenturforetagen.se	www.agenturforetagen.se
Swedish Federation of Trade Svensk Handel	info@svenskhandel.se	www.svenskhandel.se
Government Agencies		
National Board of Trade Kommerskollegium	registrator@kommers.se	www.kommers.se
Open Trade Gate Sweden	info@opentradegate.se	www.opentradegate.se
Medical Products Agency Läkemedelsverket	Contact form via Internet	www.mpa.se
National Food Administration Statens Livsmedelsverk	livsmedelsverket@slv.se	www.slv.se
Statistics Sweden (SCB) Infoservice - Eurostat Data Shop	information@scb.se	www.scb.se http://europa.eu.int/comm/eurostat
Swedish Customs Tullverket	Contact form via Internet	http://www.tullverket.se http://taric.tullverket.se
EU Export Information		
EU Helpdesk for Developing Countries	Contact form via Internet	http://exporthelp.europa.eu
EU Market Access Database	Contact form via Internet	http://mkaccdb.eu.int
Trade Companies		
ICA AB	info@ica.se	www.ica.se
Coop Sverige AB	info@coop.se	www.coop.se
Axfood AB	info@axfood.se	www.axfood.se
BergendahlsGruppen AB	info@bergendahls.se	www.bergendahls.se
Life Europe AB	info@lifeeurope.se	www.lifeeurope.no
Hälsokraft/EDV	info@halsokraft.se	www.halsokraft.se
HKC Egenvård AB	eva.linden@hkc.se	www.hkc.se
Friggs AB	See internet page	www.friggs.se
Bringwell	info@bringwell.se	www.bringwell.se
Tamro	tamroab.info@tamro.com	www.tamro.com
Apoteket AB (Pharmacies)	inkop@apoteket.se	www.apoteket.se

Appendix 3 - Exchange Rates 2000-2008

Average exchange rate
of the Swedish currency SEK

	Average rate in SEK						
Currency	**2000**	**2004**	**2005**	**2006**	**2007**	**2008***	**Nov 2008****
1 US Dollar	9.17	7.34	7.48	7.38	6.76	6.47	7.97
1 Euro	8.45	9.12	9.29	9.26	9.25	9.52	10.31

**) Average rate Jan-November 2008*
***) Ultimo rate 30 November 2008*
Source: Sveriges Riksbank

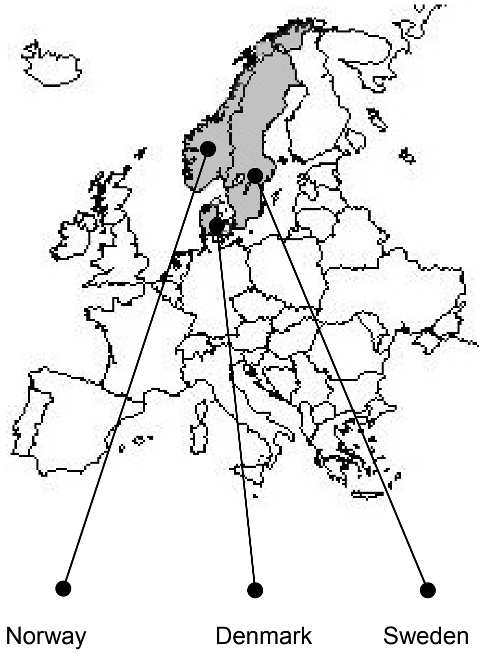
The Scandinavian Market

There are many similarities among the Scandinavian 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 Scandinavian markets it therefore might be relevant to consider the possibilities in the other Scandinavian countries as well.

All three Scandinavian countries have import promotion facilities. Below you will find a short presentation of the import promotion organisations in Denmark, Norway and Sweden who have jointly published "Exporting to Scandinavia - a guide for exporters from developing countries".

Inhabitants:	Denmark	5.4 million
	Norway	4.7 million
	Sweden	9.1 million



Denmark

The Danish Import Promotion Programme (DIPP) is integrated in the Danish Chamber of Commerce and operates under a contract between the Danish International Development Assistance (DANIDA) and the Danish Chamber of Commerce.

The objective of DIPP is to assist exporters/producers in Africa, Asia and Latin America to enter the Danish market.

At DIPP's website www.dipp.eu you can read more about DIPP and its activities, download or order market information material regarding the Danish market or register your business offer to be advertised on the website.

Contact details:
The Danish Chamber of Commerce / DIPP
Boersen, Slotsholmsgade
DK-1217 Copenhagen K, Denmark
Phone: +45-3374 6000
Fax: +45-3374 6080
E-mail: dipp@danskerhverv.com
Internet: www.dipp.eu

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 is integrated in HSH - but is fully sponsored by NORAD. DITC promotes imports from developing counries.

From the website www.hsh-org.no you can read more about the programme. Through the website you can also access a database where suppliers in developing countries interested in the Norwegian market can register. Studies of the Norwegian market for specific sectors can be downloaded from the website.

Contact details:
HSH – Department of International Trade Promotion
P.O. Box 2900 Solli,
NO-0230 Oslo, Norway
Tel: +47-2254 1700
Direct tel: +47-2254 1752
Fax: +47-2256 1700
E-mail: edg@hsh-org.no
Internet: www.hsh-org.no

Sweden

Within the trade promotion programme of the Swedish Chambers assistance is provided to exporters from Africa, Asia and Latin America. The overall aim of the programme is to contribute to sustainable economic growth in developing countries by strengthening the capacity and competitiveness of exporters.

From the website www.cci.se/trade you can learn more about the programme, download or order market reports as well as register your business inquiry free of charge in the database Chamber Trade (www.chambertrade.com).

The prgramme is funded by the Swedish International Development Cooperation Agency (Sida) and the Swedish Chambers of Commerce.

Contact details:
Swedish Chambers of Commerce
Trade Promotion
PO Box 16050
SE-103 21 Stockholm, Sweden
Phone: +46-8-555 100 00
Fax: +48-8-566 316 30
E-mails: tradeoffice@chamber.se
tradeoffice@chambertrade.com
Internet: www.cci.se/trade

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www.cci.se/trade
www.chambertrade.com

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