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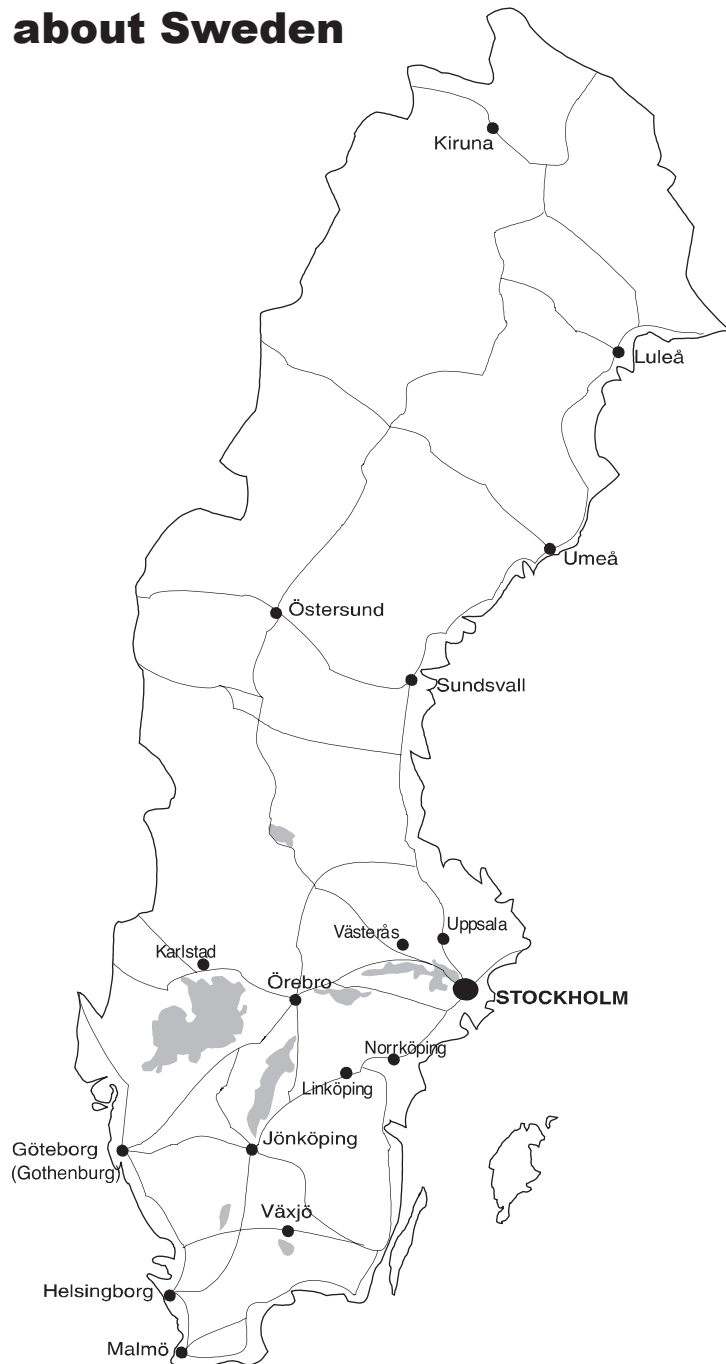
Market Brief

Focus on the Swedish Market

Home Textiles

September 2007

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 General Background and Definitions

This market brief deals with fabrics and home furnishing textiles as defined by the Combined Nomenclature (CN) under Chapter 50, heading 07; Chapter 52, heading 08; Chapter 53, heading 09; Chapter 58, heading 02 and Chapter 63, headings 01 through 04. Chapter 63, and thus this market brief, does not cover home furnishings such as mattresses, pillows and quilts, which fall under CN Chapter 94.

Most home furnishings are made of cotton and to a lesser degree of flax. Silk is also used for cushion covers and other decorative home furnishing items. For this reason this market brief also covers the market for some fabrics made of these raw materials. Only medium weight cotton fabrics, weighing between 100 and 200 g/sqm, are covered as most home furnishing fabrics of cotton fall within this weight bracket. Upholstery fabrics and synthetic fabrics are not included in this market brief.

The following products are included and found under the CN headings given below:

5007 5007.10 5007.20 5007.90	Woven fabrics of silk or silk waste Fabrics of noil silk Other fabrics, containing 85% or more by weight of silk or of silk waste Other fabrics (containing less than 85% of silk)
5208 5208.22 5208.32 5208.42 5208.52	Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing not more than 200 g/sqm Bleached plain weave, weighing more than 100 g/sqm Dyed plain weave, weighing more than 100g/sqm Of yarns of different colours, plain weave, weighing more than 100 g/sqm Printed fabrics, plain weave, weighing more than 100 g/sqm
5309 5309.11 5309.19 5309.21 5309.29	Woven fabrics of flax Containing 85% or more by weight of flax, un-bleached or bleached Other (i.e. dyed or of yarns of different colours or printed) Containing less than 85% by weight of flax, un-bleached or bleached Other
58.02.11-19	Terry towelling of cotton, bleached, dyed or printed
6301 6301.30	Travelling rugs and blankets Of cotton
6302 6302.21 6302.31 6302.51 6302.52 6302.60 6302.91 6302.92	Bed linen, table linen, toilet linen, kitchen linen and similar products Printed bed linen of cotton Other bed linen of cotton (not printed) Table linen of cotton Table linen of flax Toilet linen, kitchen linen and similar products of cotton terry cloth Other (toilet linen, kitchen linen etc. not made of terry cloth), of cotton Other (toilet linen, kitchen linen etc. not made of terry cloth), of flax
6303 6303.91	Curtains, blinds and draperies Of cotton
6304 6304.19 6304.92	Other home furnishing articles Bedspreads Other home furnishing articles, of cotton

It is not possible to distinguish between the end uses of different types of fabrics as classified in the Combined Nomenclature. A fabric of a specified fibre content and weight may be used for a number of different end uses depending on other characteristics of the fabric. Thus a lightweight cotton fabric could be used for curtains or for garments, depending on other properties of the fabric.

Home furnishing articles are usually made from medium weight cotton fabrics but similar fabrics are also used for a great number of other textile articles. Because curtain fabrics are often made of man-made fibres, this market brief deals with such curtains, but in general concentrates on natural materials, especially cotton.

In some cases fabrics of wool or synthetic fibres as well as mixed fabrics are used in home furnishing. The importance of different raw materials for each product group is presented below under the heading Market Characteristics.

CN heading 5208.42 includes most of the hand-loom cotton fabrics, although mill made cotton fabrics make up a large proportion of the trade with fabrics under this heading.

1.1 A Word about Statistics

When trade takes place between Sweden and other EU members, trade figures are submitted to the Statistics of Sweden by the exporters and importers themselves and not by the Customs. Small companies that trade for less than SEK 2.2 million per year with the EU need not submit trade statistics at all. This has made statistics less accurate.

Not only are the figures a little less accurate, but also trade statistics do not inform about the country of origin of a product when imported from an EU country, only from which EU country the product came to Sweden. Many products that originate in countries outside the EU are imported to Sweden via another EU country. This fact will most likely result in too low figures for imports from developing countries.

The size of the market for a hand-woven and hand-printed product is not possible to calculate. The reason is that within a product group falling under a specific 6 or even 8 digit CN number, there will be both industrially produced articles and hand-made articles as long as they are made of the same raw material.

2 Market Size

Sweden has 9 million inhabitants who need bed linen, towels and other home furnishing articles. There are no consumption figures available at retail prices. 2006 domestic production figures are not available for many of the products in this market brief.

2.1 Fabrics

The market for silk fabrics in Sweden is small. The main reason is that Sweden has no domestic garment industry that uses silk fabrics. The bulk of the silk fabrics imported to Sweden is sold through retail outlets as piece goods. Silk sold over-the-counter is mainly used for garments and decorative home furnishing items sewn at

home. In 2006 the apparent consumption of silk fabrics was 165,000 square meters worth SEK 10.6 million, down from 192,000 sqm worth SEK 10.4 million in 2005.

There was no domestic production of cotton fabrics type included in this market brief in 2006. In 2005 domestic production of these cotton fabrics was worth SEK 21 million. The apparent consumption of medium weight plain weave cotton fabrics, with a weight over 100 g/sqm but less than 200g/sqm, with over 85% cotton content, was 5.1 million sqm worth SEK 70 million in 2006 and SEK 68 million in 2005.

The most important cotton fabrics in this weight bracket are cotton prints followed by dyed cotton fabrics and fabrics woven of yarns of different colours. The market for bleached cotton fabrics was small.

The apparent consumption as calculated in this market brief is a poor measure of the real consumption of fabrics even if the domestic production figures were available. The reason is that a large part of the fabrics that are imported to or woven in Sweden are cut and exported to be machined into made-ups or garments outside Sweden. Most of the finished products are then imported back to Sweden. Cut but not sowed fabrics are regarded as fabrics and not as garments.

Cotton terry towelling is a small product on the Swedish market. In 2006 exports were bigger than imports so apparent consumption could not be calculated. In 2005 apparent consumption was 50,000 sqm. Most terry towelling is imported as made-ups.

Domestic production figures of fabrics of flax are not published for 2006 but here was some production of unbleached flax fabrics and printed flax fabrics. In 2005 the value of domestic production was SEK 21 million. Quantities were not published.

The market in Sweden for fabrics of flax is small. In 2006 the net between imports and exports was 2.6 million sqm worth SEK 44 million, down dramatically from 3.5 million sqm worth SEK 57 million in 2005.

2.2 Home Furnishing Articles

Official statistics do not give any figures for production for 2005 or 2006. There seems to have been domestic production of some of the items under chapter 63 in Sweden, but it is not possible to calculate the apparent consumption of these.

The apparent consumption of travelling rugs and blankets of cotton was worth SEK 10 million in 2006, up from SEK 8.8 million in 2005.

Bed linen is the most important home furnishing item. The apparent consumption in 2006 was worth SEK 358 million, and SEK 367 million in 2005. About 65% of the bed linen sold in Sweden is made of printed cotton.

Imports less exports of cotton table linen was worth SEK 83 million in 2006, up from SEK 63 million in 2005.

Imports minus exports of table linen of flax were worth SEK 1.2 million in 2006. In 2005 exports were SEK 2.6 million more worth than imports.

Terry towels are a rather large product group with imports worth SEK 237 million more than exports in 2006, up from a net of SEK 195 million in 2005.

Other towels, made of cotton, had an apparent consumption worth SEK 20 million in 2006 and SEK 15 million in 2005. Towels made of flax have a small share of the market with an apparent consumption in 2006 worth SEK 2.2 million, down from SEK 4 million in 2005.

In 2006 the net of imports less exports of made-up curtains and draperies of woven cotton was 12.5 million sqm worth SEK 129 million and of knitted cotton fabrics 443,000 sqm. The value of the exports was one third higher than imports. The corresponding figures for 2005 were 9.4 million sqm worth SEK 115 million of woven cotton curtains and 480,000 sqm of knitted cotton fabrics. Cotton curtains account for 42% of the curtain market, synthetics and other fibres for the rest.

In 2006 the apparent consumption of bedspreads was 646,000 pieces worth SEK 16 million, down from 746,000 pieces worth SEK 37 million in 2005.

Other home furnishing articles made of cotton is a mixed product group containing all such articles made of cotton that do not belong under any of the headings above. In 2006 apparent consumption was worth SEK 59 million.

3 Domestic Production and Exports

3.1 Fabrics

Sweden has no silk processing industry; all silk fabrics are imported. Sweden re-exported 23,000 sqm of silk fabrics worth SEK 2 million in 2006 and 34,000 sqm worth SEK 2.3 million in 2005.

There is no mill in Sweden weaving cotton fabrics of the types covered by this market brief. Re-exports of these of cotton fabrics were 3 million sqm worth SEK 45 million in 2006 and 4 million sqm worth SEK 70 million in 2005.

Cotton fabrics and silk fabrics were exported to the neighbouring countries, Denmark, Finland and Norway, but also to countries where Swedish companies have contracted for CMT production. Such countries are Estonia, Poland and Lithuania.

There was production of cotton terry towelling in Sweden.. The terry towelling woven in Sweden is used for bathrobes and similar products rather than towels. In 2006 the exports of terry towelling were 150,000 sqm worth SEK 10.7 million and 62,000 sqm worth SEK 4.7 million in 2005. Exports went to Estonia and Norway.

There is still production of fabrics of flax in Sweden, but exports are chiefly re-exports of imported fabrics. Exports were 759,000 sqm worth SEK 35 million in 2006 and 810,000 sqm worth SEK 37 million in 2005. The fabrics were exported to 50 countries and the big importers were the same as for cotton fabrics plus Spain and Japan in 2006.

3.2 Home Furnishing Articles

There is a significant domestic production of several home furnishing articles and very small or no production at all of others.

There was no production of travelling rugs and blankets of cotton in Sweden in 2006. Exports were 67,000 pieces worth SEK 4.8 million in 2006 and 47,000 pieces worth SEK 3.5 million in 2005.

There is only printed cotton bed linen produced in Sweden. Sweden exported bed linen for SEK 295 million in 2006 and for SEK 270 million in 2005. Two thirds of the bed linen was printed. The exports went to Finland, Denmark Norway, and Spain.

Sweden produced table linen of both cotton and flax. Exports of table linen of cotton were worth SEK 48 million in 2006 and SEK 47 million in 2005. The cotton table linen was exported to Finland, Norway, Denmark and Italy.

In 2006 the exports of table linen of flax were worth SEK 28 million and in 2005 SEK 32 million. They were exported to Norway, Germany, Spain, Estonia, Denmark and Finland.

Terry towels are still made in Sweden. The exports of terry towels were worth SEK 91 million in 2006 and SEK 90 million in 2005. The exports went to Finland, Norway, Denmark and Spain.

There was no production of other towels of cotton or flax in the past several years. Exports of other cotton towels of cotton were worth SEK 23 million in 2006 and SEK 22 million in 2005.

Exports of flax towels were worth SEK 1.3 million in 2006 and 13 tons worth SEK 1.2 million in 2005. Norway, Finland and Denmark were the main export markets for both cotton and flax towels.

There was domestic production of made-up curtains of cotton hosiery fabric, woven cotton fabric, woven synthetic fabrics and of woven fabrics of other fibres. Exports were 13 million sqm worth SEK 250 million in 2006 and 12 million sqm worth SEK 239 million in 2005. The biggest importers of Swedish curtains were Finland, Norway and Denmark but Spain, France, Germany, The Emirates and Saudi Arabia were also big importers.

There were no cotton bedspreads produced in Sweden in 2005 and 2006. Exports were 523,000 pieces worth SEK 40 million in 2006 and 589,000 pieces worth SEK 35 million in 2005, which means that all exports were re-exports of imported bedspreads. The main importers of bedspreads were Finland, Denmark, Spain, Norway and Turkey.

The exports of other home furnishing articles, not mentioned above, was worth SEK 36 million in 2006 and SEK 32 million in 2005.

Other home furnishing articles were mainly exported to the neighbouring countries, Denmark, Finland and Norway.

4 Imports

4.1 Fabrics

All silk fabrics are imported. In 2006 the imports of **silk fabrics** of 85% or more pure silk amounted to 188,000 sqm worth SEK 12.6 million. In 2005 imports were 226,000 sqm worth SEK 12.7 million. India was the biggest exporter of pure silk fabrics to Sweden with 45% of Sweden's imports by value in 2006, followed by Italy with 23%. Germany, Belgium, China, and Great Britain accounted for most of the balance. The more expensive silk fabrics, especially prints, came from Italy.

Imports of **mixed silk fabrics** (with less than 85% silk content) were 24,000 sqm valued at SEK 1.4 million in 2006. In 2005 Sweden imported 32,000 sqm worth SEK 2 million. The main exporter by value of these fabrics in 2006 were USA and India followed by Great Britain, Hong Kong and Italy.

The cotton fabrics included in this market brief are plain weave fabrics weighing between 100 and 200 grams per square meter.

Sweden imported 3 million sqm of **unbleached cotton fabrics** worth SEK 21 million in 2006. In 2005 imports were 3.1 million sqm worth SEK 20 million. The main exporters to Sweden of these fabrics were Estonia, Turkey, Denmark and Russia.

Sweden imported 1.2 million sqm of **bleached plain weave cotton fabrics** in 2006 at a value of SEK 11 million. In 2005 Sweden imported 1.4 million sqm worth SEK 13 million. The main exporters by value of these fabrics were Switzerland, Estonia, Pakistan, France and Italy.

Imports of **dyed cotton fabrics** were 3.4 million sqm worth SEK 36 million in 2006. In 2005 imports were 3.6 million sqm and the value SEK 36 million. Imports came from a great number of countries. In value terms the biggest exporters to Sweden were Turkey, Germany and Estonia followed by India, Norway and Great Britain.

In 2006 imports of **cotton fabrics woven of yarns of different colours**, typical of many handloom fabrics, were 812,000 sqm worth SEK 24 million. In 2005 Sweden's imports were 728,000 sqm at a value of SEK 23 million. By value Italy, Portugal and the Czech Republic were the leading exporters of this fabric to Sweden.

Imports of **printed cotton fabrics** were 4 million sqm worth SEK 44 million in 2006. In 2005 Sweden imported 4.5 million sqm worth SEK 48 million. Cotton prints came from over 40 countries. In 2006 the biggest exporters to Sweden by value were Pakistan, Estonia, India, Italy, Norway and The Netherlands followed by Germany and Spain.

Imports of cotton **terry towelling** are very small as most terrycloth imports came as made-ups. In 2006 Sweden imported 80,000 sqm worth SEK 2.1 million and in 2005 1.1 million sqm worth SEK 4 million. The imports came from Turkey with 50% of Sweden's imports in 2006. The balance came from Vietnam, China, Great Britain and Pakistan.

In 2006 imports of **fabrics of flax** with a flax content of over 85% were 2.3 million sqm worth SEK 36 million. In 2005 the imports were 3.3 million sqm worth SEK 70 million. The biggest exporters by value were Russia and Lithuania followed by Denmark, Byelorussia, Belgium and Great Britain.

In 2006 Sweden imported 1.1 million sqm worth SEK 24 million of fabrics of **flax mixed** with other fibres. In 2005 the imports were 1 million sqm worth SEK 24.3 million. The main exporters by value of these fabrics were Lithuania, Norway and Russia followed by Italy and Belgium.

4.2 Home Furnishing Articles

Imports of **travelling rugs and blankets of cotton** were 161 tons worth SEK 12.4 million in 2005. In 2006 Sweden imported 208 tons worth SEK 14.9 million. In 2006, the main exporters by value were China with 34%, India with 16%, Latvia and Portugal both with 14% of Sweden's imports, followed by Hongkong, Germany and USA.

In 2006 Sweden imported 7,345 tons worth SEK 404 million of **printed bed linen**. In 2005 the imports were 7,508 tons worth SEK 390 million. Recently Bangladesh became the biggest printed bed linen exporter to Sweden, accounting for 24% of the imports by value in 2006. Bangladesh was followed by Pakistan and India, Latvia, Turkey, Denmark and Estonia.

Imports of **bleached or dyed bed linen** are smaller than the imports of printed bed linen. In 2006 Sweden imported 4,584 tons worth SEK 249 million of such bed linen. In 2005 the imports were 4,468 tons worth SEK 247 million. The main exporting countries by value were Turkey with 24%, India with 19% and Indonesia with 16% of Swedish imports followed by Pakistan, Bangladesh and Portugal.

In 2006 the imports of **table linen of cotton** were 1,940 tons worth SEK 131 million. In 2005 imports were 1,746 tons valued at SEK 110 million. India, with exports worth SEK 72 million, supplied over 55% of the Swedish market by value in 2006. Other big exporting countries were Estonia and Denmark.

In 2006 imports of **table linen of flax** were 251 tons worth SEK 29 million and in 2005 270 tons also worth SEK 29 million. Lithuania has 66% of Sweden's imports of table linen of flax. China and Italy account for most of the balance.

Imports of **towels of cotton terry cloth** were 6,674 tons worth SEK 328 million in 2006. In 2005 imports were 5,610 tons worth SEK 286 million. Imports came from over 50 countries. By value the biggest exporters were Indonesia with 22%, Turkey with 21%, and China with 18% of Sweden's imports followed by Pakistan, India and Portugal.

Imports of **other cotton towels** were 857 tons worth SEK 43 million in 2006. In 2005 imports were 699 tons worth SEK 38 million. India with 49% of Sweden's imports by value was by far the biggest exporter to Sweden, followed by Turkey, Bangladesh and Pakistan.

In 2006 imports of **towels of flax** was 45 tons worth SEK 3.5 million and in 2005 54 tons worth SEK 5.3 million. The imports came mainly from China and Lithuania, which together accounted for 72% of Sweden's imports.

Imports of **curtains of cotton hosiery fabrics** were relatively small, only 1.3 million sqm worth SEK 29 million in 2006 and 1.1 million sqm worth SEK 27 million in 2005. In 2006 49% of these curtains by value came from Denmark and 24% from Germany. The balance came from India, Poland, and Estonia.

Imports of **curtains of synthetic hosiery fabrics** were 2.5 million sqm worth SEK 8.2 million in 2006. In 2004 imports were 1.8 million sqm worth SEK 8.1 million. Vietnam and China accounted for 49% and 45% respectively. Most of the balance came from Poland and Indonesia.

In 2006 imports of **made-up curtains and blinds of woven cotton** were 17.7 million sqm worth SEK 231 million. In 2005 imports were 14.9 million sqm worth

SEK 226 million. By value the biggest exporters to Sweden were Poland with 32%, and India with 24% of Sweden's imports, followed by Bangladesh, China, Pakistan and Estonia.

The imports of **curtains of woven synthetic fabrics** were 17.3 million sqm worth SEK 204 million in 2006. In 2005 the imports were 11.8 million sqm worth SEK 13.2 million. The two biggest exporters of these curtains were China with 22% and Turkey with 12% of Sweden's imports followed by Portugal, Pakistan, Taiwan and Denmark.

In 2006 imports of **bedspreads** of cotton were 1.2 million pieces worth SEK 55 million. In 2005 imports were 1.3 million pieces worth SEK 69 million. In 2004 82% of the imports by value came from India. The balance came from China, Great Britain and Denmark.

In 2006 imports of **other home furnishing articles** of cotton were 1,071 tons worth SEK 95 million. In 2005 imports were 961 tons worth SEK 73 million. Over 32% of these articles were imported from Portugal and 27% from India. Most of the balance came from Poland and China.

5 Market Characteristics

5.1 Fabrics

Swedish families usually buy their home furnishing articles as made-ups ready to use. Thus there is very little over-the-counter trade in piece goods for bed linen or table linen fabrics. For the exporter to Sweden, the market for fabrics suitable for these articles consists of Swedish factories making the articles.

Curtain fabrics have two markets in Sweden. The first consists of curtain manufacturers who import fabrics for their own production. The second is the over-the-counter trade in piece goods. There is still a market for curtain fabrics for home sewing, particularly of simple curtains for second homes in the country etc. There is also an over-the-counter retail market for fabrics for curtains for offices, hotels and other public places as well as for expensive home curtains. These curtains are sewn and fitted by professional curtain makers, who are often employed by home furnishing retailers or interior decorating firms.

Handloom cotton fabrics are almost exclusively sold as piece goods to consumers. Curtain manufacturers are weary of using handloom fabrics in their production because of uneven quality and the often low resistance to sunlight of the dyes used.

Terry towelling has hardly any market in Sweden today. Terry towels are imported as made-ups while local manufacturers who use terrycloth for bathrobes etc. buy domestic fabrics or weave their own.

Silk fabrics are mostly sold as piece goods for garments. There are no garment factories left in Sweden who would buy silk fabrics for their production. Only small quantities end up as cushion covers, tablecloth or curtains. The exporter will find customers among importers/wholesalers of fabrics.

5.2 Bed Linen

Bed linen is almost exclusively made of 100% cotton fabric. Satin made out of cotton is increasingly popular.

Bed linen is usually sold in two-piece sets with a quilt-cover, usually printed, and a pillowcase. Sheets, white or dyed, are usually sold separately, but there are also three-piece sets including sheets.

White bed linen is not popular in homes and is mainly sold to hotels, hospitals etc. During the past several years quilt-covers have replaced the upper sheets in most Swedish homes.

Bed sheets must stand up to washing at 60 degrees Celsius (°C), and many consumers prefer sheets that can be washed in 95°C. Shrinkage should be modest and preferably stated on the label.

The weight of the fabrics used for bed linen varies between 115 g/sqm and 150 g/sqm. The price of the bed linen sets follows the weight of the fabric, the heavier the fabric is, the better the quality usually is and the higher the price. There are some well-known Swedish and Scandinavian brands that, because of their strong brand names, can charge a higher price than equally good un-branded bed linen.

In Sweden products tend to be standardised and bed linen is no exception. The most common sizes are:

Pillowcases	50 x 60 cm
Quilt-covers	150 x 210 cm
Single-bed sheets	150 x 260 cm or 180 x 260 cm
Double-bed sheets	220 x 260 cm

There may be other sizes on the market, but for the exporter to Sweden the important thing is to be able to match the standard widths. Looms must be wide enough to weave 150 cm, 180 cm or 220 cm wide fabrics.

5.3 Table Linen

Table linen is mainly made of cotton or flax. Table linen is sometimes sold in sets with a tablecloth and six or twelve napkins, depending on the size of the tablecloth.

Standard sizes are not as strictly adhered to as for bed linen but the exporter is well advised to follow the standard sizes when possible.

Small sizes:	90 x 90 cm
	130 x 180 cm
Normal sizes:	150 x 250 cm
	150 x 300 cm

Tablecloths come in both white and plain colours, but not often in prints. They should stand up to laundry at 60°C and white ones at 95°C.

5.4 Towels

For use at home and in hotels etc. terry towels have become standard. Other towels, also known as kitchen towels, are used in kitchens and in public wash-rooms. In the latter, towels have to a large extent been replaced with towel dispensers where the towel is rewound into the dispenser or by paper towels.

Almost all terry towels are imported. There are some well-known brands on the Swedish market which sell at premium prices, but most of the towels are un-branded or sold under the retailer's or importer's brands.

Terry towels should stand up to laundry temperatures of 60 °C if dyed or printed and 95°C if white.

Standard sizes are:

Guest towels:	30 x 50 cm
Hand towels:	50 x 70 cm
Shower towels:	70 x 130 cm
Bath towels:	90 x 180 cm

One big retail chain has substituted a single size 90 x 150 cm for the two largest standard sizes.

Standard sizes are becoming more and more common while other sizes begin to disappear although they can still be found in the trade. Towels are usually not sold in sets but gift-packaged towel sets have been tried.

5.5 Curtains

Curtains are made of many different fabrics. The majority is made of cotton and different mixed fabrics. Curtains are a fashion item and materials and colours change from one year to the next.

Cotton curtains have a drawback in that they shrink and that they need to be ironed after washing. But for many purposes cotton curtains have maintained their popularity despite these drawbacks. Swedes often prefer cotton curtains in their second homes in the country, for instance.

Made-up curtains have become more and more popular as home sewing has waned and as professional curtain-makers have become more expensive. A large part of made-up curtains sold in Sweden is also manufactured in Sweden. But for cotton curtains imports play an important part.

Standard sizes for made-up curtains are:

Full length, narrow:	115 x 240 cm
Full length, wide:	150 x 240 cm
Kitchen curtains:	ca 85 x 170 cm

The weight of the fabrics used for curtains is usually between 120 g/sqm and 130 g/sqm. Shrinkage is expected but should not be excessive.

5.6 Other Home Furnishing Articles

The most important item under this heading is bedspreads. This is also a fashion item and is sometimes bought in colours and prints to match the bedroom curtains. Fitted bedspreads are not very common in Sweden.

Common bed sizes in Sweden that the bed-spreads should cover are 200 x 90 cm and 200 x 100 cm for single beds and 200 x 160 cm and 200 x 180 cm for double beds.

5.7 Market Trends

There is an overall **increased interest** in interior decoration and home textiles. For the past few years there has been an explosion of interior decoration magazines and books, popular television programmes helping out with both the interior and exterior architecture. Television programmes that do “Home-styling” and “Home makeover” have many viewers. Due to the latest boom in the economy, Swedes are investing in real estate (houses, apartments, country cottages), which also has had an effect on their interest in home furnishing.

Sustainability is another important trend in Sweden. Consumers are starting to demand that the products sold on the market are produced under humane conditions and that there are minimal environmental impacts during production. This tendency is also seen through increased **corporate social responsibility** (CSR) where Swedish companies not only follow the rules and laws in the country but also try to improve the quality of life for employees and their families as well as for the local community and society at large. Also, there are many consumers in Scandinavia that see an advantage in purchasing products produced in developing countries as they feel that this is a way they can support the development in these countries.

More information on trends in this area can be found in the Scandinavian market report “Interior Decoration” published in September 2007.

6 Channels of Distribution

An exporter of home furnishing textiles can enter the Swedish market through different channels. It cannot be generally stated which channel is the best.

The traditional way is to use a commission agent. Commission agents are still very important in the trade with fabrics. Manufacturers of home textiles usually import their fabrics directly from weavers abroad, but agents play an important part in this trade. The foreign weavers cannot visit all potential customers in Sweden and must rely on agents to represent them. The commission varies between 2% and up to 10%, depending on the type of fabric.

Another way to enter the market is to sell directly to an importer. This method could work well for an exporter selling made-ups. The importers he would have to visit and sell to would be large retail chain stores, importing wholesalers or mail-order companies.

Made-up home textiles are retailed through home furnishing stores, department stores, mail-order companies and IKEA, the furniture and home furnishing hypermarket chain. Specialist home furnishing stores and IKEA have taken a growing share of the market from the traditional department stores.

It is of course possible for an exporter to sell directly to these retail companies without necessarily visiting Sweden. IKEA and some of the others have purchasing offices abroad. Buyers usually want to see their suppliers' plants and they often visit factories when they travel around the world visiting international trade fairs.

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

Which channel to choose depends on the product and on the effort and expense the exporter can spend on selling and marketing in Sweden. It is important, however, for the exporter to stay with one agent or importer/wholesaler once he has chosen. The Swedish market is small and an agent or an importer/wholesaler expects to be the sole representative of the exporter.

The most important trade fair, which Swedish importers and agents regularly visit, is Heimtextil in Frankfurt in January every year. There is a Swedish trade fair for fabrics, Nordic Fabric Fair, which is held in Borås, Sweden, twice a year in March and October. This fair is arranged by the Swedish Association of Agents and visited by Swedish manufacturers of garments and home furnishing made-ups, as well as retailers selling piece goods. There is also a trade fair for home furnishing articles called Formex & Textilmässan, held twice a year in January and August in Stockholm. An exporter must have an agent or representative in Sweden to show at the Swedish fairs.

7 Trade Margins and Pricing Structure

Since home furnishing articles are sold through so many different types of outlets, the mark-ups vary considerably.

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

Retail price including VAT	100.00	
VAT (Value Added Tax)	20.00	20% of retail price
Retail price excl. VAT	80.00	100% mark-up
Wholesale price	40.00	40 - 60% mark-up
Wholesaler's gross margin	12.00 to 15.00	depending on mark-up
Landed cost	28.00 to 25.00	

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

8 Customs Duty and Import Regulations

8.1 The GSP System and Other Preferential Duty Agreements

As a member of the European Union the same duty and import regulations apply in Sweden as in the rest of the Union. Ten new members joined the European Union in May 2004: Cyprus, the Czech Republic, Estonia, Latvia, Lithuania, Malta, Poland the Slovak Republic and Slovenia. Another two countries joined in 2007: Bulgaria and Romania.

The least developed GSP countries, called SPGC countries, enjoy duty-free entry for their textile exports to the European Union. The other GSP countries, called SPGI countries, have a preferential duty 20% lower than the conventional duty on fabrics and made-ups, except India and Pakistan, which in case of fabrics do not enjoy preferential treatment while China does not enjoy the preferential 20% duty deduction on neither fabrics nor made-ups.

The products must have a GSP certificate of origin, which for made-ups of woven fabrics requires domestic production in two stages, weaving and sewing, and for knitted goods in three stages, spinning, knitting and sewing. For woven fabrics spinning and weaving must be performed within the country.

Under separate agreements, the following countries and groups of countries enjoy duty-free entry for their textile products into the EU: ACP (Lomé convention) countries; OCT territories; BMC (ex-Yugoslavian) countries except Kosovo and Montenegro; the EES countries; and the countries around the Mediterranean.

At the time of writing, economic partnership agreements (EPA's) are being negotiated between EU and the ACP countries. The aim is to further harmonize the rules of trade with WTO's rules. The outcome will most likely give more favourable conditions for exporters from developing countries and will substitute the Cotonou agreement.

8.2 Hand-made Products

Products classified as hand-made or hand-printed by the batik method, will enjoy duty-free quotas from a number of developing countries with which the EU has signed handicraft agreements.

Similarly fabrics woven on handlooms enjoy duty-free quotas from countries with which the EU has signed handloom agreements.

8.3 Quotas and Licensing

Many of the products in this market brief are under quota from China and North Korea in Asia, Uzbekistan and Byelorussia of the countries of the former Soviet Union, as well as Kosovo and Montenegro. Other products are under surveillance.

Products under quota, and in some cases also products under surveillance, need both an export license and an import license, a system known as double-checking. The exporter applies for an export license from the licensing authorities in his country. When the exporter has been given the license, he sends it to the importer in Sweden. The importer must show the original of the export license when applying for the import license from the proper authority. The import license will 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 license has been granted should the goods leave the exporting country, or even be manufactured.

The quota system is normally based on past performance of the exporters, which means that quotas are allotted in proportion to earlier export performance. But a part of the quotas are given to new exporters, and in that case licenses are granted on a first-come-first-served basis until the quota has been filled. All quotas are common for all the EU countries.

8.4 Rates of Duty in 2007

Product	Duty
Fabrics	
Natural silk fabrics	3.0-7.5%
Cotton fabrics, containing 85% or more of cotton	8.0%
Cotton terry towelling	8.0%
Fabrics of flax	8.0%
Made-ups	
Cotton blankets, of knitted fabric	12.0%
Cotton blankets, of woven fabric	7.5%
Bed linen, table linen, terry towels & kitchen towels	12.0%
Curtains, drapes & bed valances	12.0%
Other home furnishings, bedspreads etc.	12.0%

8.5 Open Trade Gate Sweden

In order to facilitate for exporters from non-EU countries to enter the Swedish market the Swedish government decided to create Open Trade Gate, located at the National Board of Trade which is Sweden's governmental agency for foreign trade and trade policy.

The purpose with 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.

9 Guarantees

According to the Swedish Consumer Sales Act there is a general two-year limit for complaints, which applies to the relationship between retailer and consumer. This is not a guarantee but gives the consumer the right to complain about malfunctioning or bad quality up to two years after purchase, and get compensation if the fault lies with the retailer or manufacturer. An example of the type of complaint covered by the law could be running colours or excessive shrinking. The law puts the burden of proof on the consumer, however.

This law has not made formal manufacturer's guarantees less important from a retailer's point of view. Many retailers insist on including in the purchase contract a stipulation granting them compensation by the importer/manufacturer if they become liable to claims from customers.

Although it is the responsibility of the importer to see to it that the goods he sells comply with laws and regulations, it is recommended that the exporter familiarises himself with these laws and regulations in order to avoid surprises and disputes later on.

There is a recommendation about the maximum acceptable amount of formaldehyde released from textile products which the manufacturer or exporter must comply with.

Most of the import to Sweden is covered by the buying terms in "Guide to buying terms for the chemical content of textiles, clothing, leather goods and shoes". This

guide can be ordered from the Textile Importers' Association in Sweden – for contact details please refer to **Appendix 1**.

10 Delivery Times, Terms and Packaging

The home furnishing trade is seasonal in Sweden. Many articles are sold during a special time of the year. Curtains have their seasons, usually in the spring or autumn, when people want to buy new curtains. "White goods" have their summer and winter sales. Terry towels have a gift-season at Christmas time. For this reason it is very important that delivery times are honoured. Late deliveries are very difficult to sell and may have to be kept in a warehouse for a year before they can be sold.

It is of course still more important for industrial customers to receive their deliveries of fabrics in time, or their factories will come to a standstill.

Swedish importers usually give very specific packaging and delivery instructions, which the exporters must adhere to. It is especially important that textiles from warm and humid countries are packaged and stored in such a way that mildew and bad odour cannot develop while the goods are in dockside warehouses or aboard ships.

Labelling of goods is regulated in the EU and of course in Sweden and the exporter must follow the instructions of the importer.

Payment for imports from overseas countries is normally against Letter of Credit, although long-term trading relationships may lead to other terms. Exporters in Europe usually sell against invoice.

11 Market Prospects

The home furnishing business is in rapid development. Fashion trends seem to play a more important role in people's choices and natural fibres are coming back in favour despite the more difficult care involved.

An exporter to this market must have good feed back from his agent or importer to be able to keep abreast of changes in fashions. New exporters, not least from Eastern Europe, have entered the competition. This means that prices and margins may become still lower. Consistent quality, reliable deliveries and competitive prices are the keys to success on the Swedish market.

Appendix 1 – Some Useful Addresses and Links

A selection of organisations and authorities involved in the Swedish home textile trade.

Clothing and Textile Trade Organisations

Svensk Handel Stil
(Swedish Shoe, Textile & Clothing Retailers' Association)
SE-103 29 Stockholm
Phone: +46 8 762 77 00
Fax: +46 8 762 77 77
E-mail: info@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

Textile Importers' Association in Sweden

Box 17599, SE-118 91 Stockholm
Phone: +46 8 505 970 92
Fax: +46 8 505 970 95
E-mail: info@textileimporters.se
Internet: www.textileimporters.se

Other Organisations

Association of Swedish Chambers of Commerce and Industry

Box 16050, SE-103 21 Stockholm
Phone: +46 8 555 100 00
Fax: +46 8 556 316 30
E-mail: tradeoffice@chamber.se
Internet: www.cci.se/trade

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 Federation of Trade

SE-103 29 Stockholm
Phone: +46 8 762 77 00
Fax: +46 8 762 77 77
E-mail: info@svenskhandel.se
Internet: www.svenskahandel.se

Swedish Distance Sellers (SDS)

Torggatan 19, SE-503 34 Borås
Phone: +46 33 13 17 70
Fax: +46 33 12 53 17
Internet: www.postorder.se

Authorities

Swedish Consumer Agency

Box 48, SE-651 02 Karlstad
Phone: +46 54 19 41 50
Fax: +46 54 19 41 95
Internet: www.konsumentverket.se

National Board of Trade

Box 6803, SE-113 86 Stockholm
Phone: +46 8 690 48 00
Fax: +46 8 30 67 59
Internet: www.kommers.se

Statistics Sweden (SCB)

Box 24300, SE-104 51 Stockholm
phone: +46 8 506 948 01
Fax: +46 8 506 948 99
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 Internet
Internet: www.tullverket.se
Customs tariffs: <http://taric.tullverket.se>

Some Useful Links

Official Gateway to Sweden	www.sweden.se
Open Trade Gate Sweden <i>provides information and helps exporters to solve bureaucratic problems that might occur when trading with Sweden.</i>	www.opentradegate.se
Swedish Customs	www.tullverket.se
Statistics Sweden	www.scb.se
Swedish Chambers of Commerce	www.cci.se/trade
Swedish Distance Sellers (mail order)	www.postorder.se
Scandinavian Trade Fair Council <i>trade fairs in the Nordic countries.</i>	www.fairlink.se
Association of German Trade Fair Industry <i>trade fairs in Europe and the world.</i>	www.auma.de
European Union	http://europa.eu
European Commission	http://ec.europa.eu
European Customs	http://ec.europa.eu/taxation_customs/index_en.htm
European Statistics - EuroStat	http://epp.eurostat.ec.europa.eu
Exporting to the EU - Advice for Developing Countries	http://export-help.cec.eu.int
Chamber Trade <i>business inquiry database</i>	www.chambertrade.com
Kompass <i>business to business search engine for 70 countries including Sweden</i>	www.kompass.com

Appendix 2 – Currency Conversion

Average exchange rate of the Swedish currency SEK

	Average rate in SEK							
	1995	2000	2002	2003	2004	2005	2006	2007 *
1 US Dollar	7.13	9.17	9.72	8.09	7.35	7.48	7.38	6.90
1 Euro	8.65	8.45	9.16	9.13	9.13	9.28	9.26	9.23

*) Average rate January-August 2007

Source: Swedish Central Bank (Riksbanken)

The following EU-countries use the Euro as their daily currency:

Austria	Greece	Portugal
Belgium	Ireland	Slovenia
Finland	Italy	Spain
France	Luxembourg	The Netherlands
Germany		

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 countries.

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 programme 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: +46-8-566 316 30
E-mails: tradeoffice@chamber.se
tradeoffice@chambertrade.com
Internet: www.cci.se/trade

Swedish Chambers of Commerce
Trade promotion
PO Box 160 50
103 21 Stockholm, Sweden

Phone: + 46 (0)8 555 100 00
Fax: + 46 (0)8 566 316 30
www.cci.se/trade
www.chambertrade.com



Swedish Chambers
