



Swedish Chambers



Market Brief

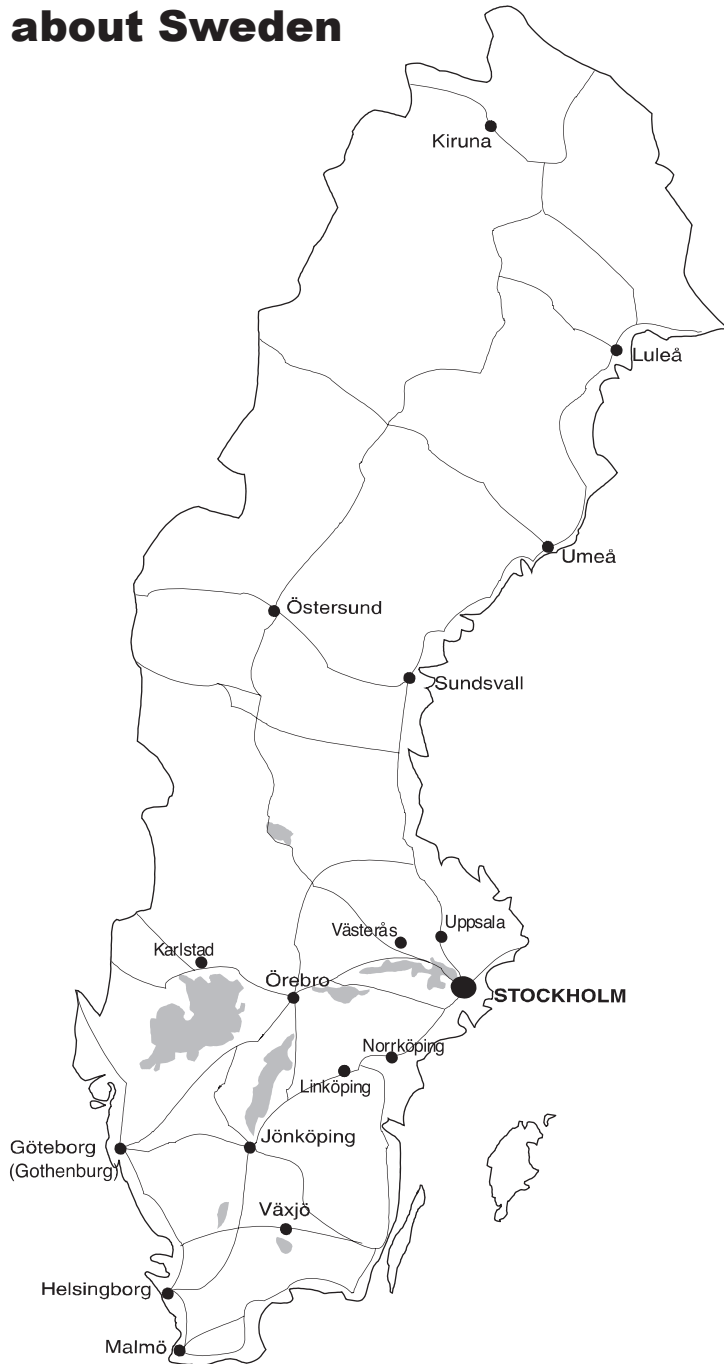
Focus on the Swedish Market



Natural Colours, Flavours and Thickeners

June 2010

Facts about Sweden



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

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

Business language:
Swedish, English

Religion:
Lutheran

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

Form of government:
Constitutional monarchy,
parliamentary democracy

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

Currency:
1 krona (SEK) = 100 öre

The European Union

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

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

EFTA
Iceland, Liechtenstein,
Norway and Switzerland



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Author: This survey was compiled for CBI by ProFound – Advisers In Development

Published by: Swedish Chambers / The Chamber of Commerce of East Sweden
June 2010



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

Report Summary

This CBI market survey discusses, amongst others, the following highlights for the natural colours, flavours and thickeners market in Sweden:

- Sweden is a small market for natural colours, flavours and thickeners in the EU. Industrial demand for these product groups in Sweden is small compared to other EU countries, as the Swedish food industry is relatively small.
- Sweden is a small producer of raw material for natural colours, flavours and thickeners. This is largely due to the climatic conditions of this country. The country does, however, produce some potato starch.
- Sweden is a small to medium-sized importer of natural colours, flavours and thickeners in the EU, with imports amounting to € 32 million in 2008. The value of imports increased by 7.1% annually during the review period.
- Developing countries accounted for a small share of Swedish imports (12%). However, imports of essential oils and manioc starch from developing countries increased strongly during the review period and there is considerable interest in gum Arabic.

This survey provides exporters of natural colours, flavours and thickeners with sector-specific market information related to gaining access to Sweden. By focusing on a specific country, this survey provides additional information, complementary to the more general information and data provided in the CBI market survey ‘The natural colours, flavours and thickeners market in the EU’, which covers the EU market in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.eu/marketinfo>.

1 Market Description: Industrial Demand and Production

1.1 Industrial Demand

1.1.1 Total Market Size

Sweden is a small market for natural colours, flavours and thickeners in the EU. The value of the total food and drink market in Sweden amounted to € 16 billion in 2007, which is 1.7% of the total food and drink market in the EU.

Industrial demand for natural colours, flavours and thickeners is, for a large part, dependent on the presence of a food ingredient industry. Although there are production facilities located in Sweden, the food ingredient industry cannot be compared to that of Denmark, Germany and the UK, for example.

Many natural colours, flavours and thickeners are primarily used in one or a few particular sub-sectors of the food industry. Please refer to Section 1.2 of the CBI market survey ‘The natural colours, flavours and thickeners in the EU’ for more information on segmentation. The relation between natural colours, flavours and

thickeners, and sub-sectors implies that the leading markets for these products are found in countries where the respective sub-sectors are big.

Table 1.1 Manufacturing of food products, beverages and tobacco in Sweden

Food and drink industry sectors	Share in EU food industry, 2006 (%)	Share in Swedish food industry, 2007 (%)	Average annual change in Swedish food industry, 2003-2007
Total	100.0	100.0	1.4%
Meat	*19.1	23.1	0.7%
Dairy	12.7	16.1	-4.3%
Beverages	14.1	11.9	2.0%
Fruit and vegetables	5.6	6.0	-4.1%
Animal feeds	*5.5	4.1	3.8%
Oils and fats	4.4	**3.8	0.3%
Grain mill products and starch	3.5	3.6	2.3%
Fish	2.4	3.3	n.a.
Tobacco	7.1	n.a.	n.a.
Other food products	24.7	25.8	6.2%

Source: Eurostat (2009)

* Data for 2005

** Data for 2006

Compared to other EU countries, Sweden has relatively big meat, fish and dairy industries. This indicates demand for natural colours, flavours and thickeners used in these products, is relatively large in Sweden.

Demand for many natural colours, flavours and thickeners slowed down during the first year of the economic crisis, as traders and users reduced their stocks and working capital, and shortened their contracts. Since the second half of 2009, however, trade has picked up again, as inventories ran low and had to be replenished.

1.1.2 Product Groups

Colours

Sweden is a small market for natural colours. The country has a small demand for raw materials for natural colours, because of the absence of production facilities of large (multinational) food ingredient companies.

Flavours

According to industry sources, Sweden is a small to medium-sized market for natural flavours. Due to the presence of some flavour processing facilities, demand for essential oils is larger than in the majority of EU countries. Companies with processing facilities in Sweden are International Flavours & Fragrances (IFF), a multinational flavour manufacturer, and Einar Willumsen, a Danish flavour producer. Demand for exotic flavours is relatively high, as consumers want new and complex flavours.

Demand for liquorice is considerable, compared to other EU countries, as Sweden has a major confectionery industry. A leading confectionery producer using liquorice is Malaco, part of Leaf (<http://www.leaf.eu>).

Thickeners

Due to the absence of a large food industry in Sweden, industrial demand for thickeners such as gum Arabic, guar gum, locust bean gum, xanthan gum, carrageenan and agar-agar is small.

1.1.3 Market Segmentation

The market segmentation in Sweden is similar to the market segmentation in other EU countries. Therefore, please refer to the CBI survey on 'The natural colours, flavours and thickeners market in the EU' for an elaborate description of the market segmentation.

Sweden is the tenth largest market for organic food in the EU. Per capita expenditure on organic food amounted to € 53 in 2007, compared to the EU average of € 34. The value of the total organic food market in Sweden was estimated at € 487 million, representing 3% of the total domestic food market. The organic market is expected to grow further in the coming years, although the economic crisis slows down the growth. KRAV is the best-known organic label in Sweden.

1.1.4 Trends in Industrial Demand

- The trend to substitute synthetic colours, flavours and thickeners by natural products is strong in Sweden.
- Swedish consumers are becoming more interested on the content of product labels, thus stimulating demand for healthy, traceable and natural ingredients.
- The market for functional foods is increasing strongly, and was forecasted to show one of the highest growth rates in Europe in the period 2006-2011.

For more information on trends, please also refer to the CBI survey covering the EU market for natural colours, flavours and thickeners.

1.2 Production

The production described here focuses on the production of raw materials, since the processing into end-products has already been described in the previous section.

1.2.1 Total Production

Sweden is a small producer of raw materials for natural colours, flavours and thickeners. A major reason for this is that climatic conditions in Sweden are inappropriate for the production of the raw materials. Consequently, Sweden depends on imports of raw materials from countries where production of these materials takes place.

1.2.2 Product Groups

Colours

BioReak, one of the leading EU producers of the natural colour astaxanthin is located in Sweden. Chr. Hansen, the leading colour manufacturer in the EU, also sources skins of berries in Sweden. This material is used to produce anthocyanins.

Thickeners

Sweden is a medium-sized EU producer of potato starch, with a production quota of 62 thousand tonnes for the marketing years 2007/2008 and 2008/2009. Potato

starch is a competitive product to manioc starch. There are about 840 starch potato growers in Sweden, which are associated together, selling under the brand Lyckeby Staerkelsen (PotatoPro, 2009).

Further reliable information on Swedish production of raw materials for natural colours, flavours and thickeners was not found. We are inclined to assume that the absence of data either means negligible registered production or a minor importance of Sweden in this product group, relative to other EU countries.

1.2.3 Major Players

- Lyckeby Staerkelsen – <http://www.lyckeby.com> – potato starch producers in Sweden
- BioReal - <http://www.bioreal.se> – a producer of astaxanthin (a carotenoid)

Refer to Chapter 2 for a list of companies with processing facilities in Sweden.

1.2.4 Trends in Production

Due to the negligible production of raw materials for natural colours, flavours and thickeners in Sweden, there is no specific information about production trends which can be presented.

For more information on trends, please also refer to the CBI survey covering the EU market for natural colours, flavours and thickeners.

1.3 Opportunities and Threats

- Sweden is a small market for the products investigated in this survey, which limits the opportunities for exporters in developing countries. The market for natural colours and thickeners is expected to be particularly small, due to the absence of a large processing industry.
- + Demand for natural food ingredients and imported produce is increasing in Sweden, which offers opportunities for developing country suppliers of natural colours, flavours and thickeners. Moreover, the country does not produce many raw materials itself.
- + The market for natural flavours, and specifically essential oils, offers most opportunities, because this is the largest industry segment.
- The potato starch production in Sweden poses a threat to developing country suppliers of manioc starch, as potato starch is a potential substitute.
- + The demand for organic products is increasing, which offers opportunities for developing country suppliers which want to address this segment.

Exporters should take into account that the same trend can be an opportunity for one exporter and a threat to another. Please review these opportunities and threats according to your own situation. Chapter 7 of the CBI market survey ‘The market for natural colours, flavours and thickeners in the EU’ presents an example of an analysis of whether a trend/development is an opportunity or a threat.

1.4 Useful Sources

- LI - <http://www.li.se> - Swedish Food Manufacturing Industry
- FiBL - <http://www.fibl.org/> - Research Institute for Organic Agriculture
- KRAV – <http://www.krav.se> – organic label

2 Trade Channels for Market Entry

2.1 Trade Channels

Natural colours, flavours and thickeners are traded at an EU level. A small number of compounders, traders and agents internationally trade most of the Swedish and EU production. The Swedish trade structure has to be viewed in conjunction with EU trade structure. Please refer to the CBI survey on ‘The natural colours, flavours and thickeners market in the EU’.

2.1.1 Compounders

The market for colours and flavours is dominated by compounders, which supply the largest food manufacturers. These multinational compounders are often vertically integrated including import, production/processing, marketing and sales. Moreover, they are often integrated horizontally as well to include different products within the group of food additives (i.e. colours and flavours).

Although production facilities are located in just one or only a few locations, sales offices of compounders are spread out more widely. They are located in many different countries in order to cover specific countries or regions. International Flavours and Fragrances Inc. (IFF), for example, has sales offices in 11 EU countries. Whereas larger markets such as France are generally covered by one office dedicated solely to that market, smaller markets such as Sweden are often covered by sales offices located in other countries. By having offices in many different countries, compounders are able to increase their market coverage and their knowledge of customer requirements. In this manner, they can also reach more buyers and gather more information about national, regional and company specific requirements. This enables them to compete more successfully with other suppliers.

2.2.2 Distributors

The multinationals sometimes use a separate distributor. There are two main reasons for the existence of distribution intermediaries in the market for ready-to-use natural colours, flavours and thickeners: the need for readily available customer service and for just-in-time delivery. Distributors enable exporters to enter a foreign market without specific operational knowledge or experience in this market, and to provide customers with a consistent, quality supply of raw materials.

2.2.3 Traders and Agents

Smaller food manufacturers in Sweden are in many cases supplied by independent traders and agents. Similar to compounders, some traders have set up local offices in different countries from where they sell their products. Sometimes, local sales offices have their own purchasing department. They basically operate independently, but under the same flag as the mother trading company.

The EU-wide scope of the multinational compounders, traders and agents requires that developing country exporters carefully assess the channels through which country and company products reach end-users. The location of end-users is often different from where the products are imported. Products sold by the sales office of IFF in Sweden, for example, might come from one of the production facilities in France, The Netherlands or the UK. This means that products from a developing country exporter aiming to supply large food manufacturers in Sweden might first have to go through these countries.

Major compounders, traders and agents active in the Swedish market for colours, flavours and thickeners are listed below. Many of the major players are multinational companies, which are mentioned in the survey covering the EU market. For each company, an indication is given of the location of the headquarters, production facilities or sales offices. Only offices and facilities active in this market are shown:

- International Flavours & Fragrances - <http://www.iff.com> - supplier of flavours. Has a manufacturing plant, a creative laboratory and a sales office in Sweden.
- NordArom - <http://www.nordarom.se> - Swedish manufacturer of flavours and colours.
- Einar Willumsen - <http://www.einarwillumsen.dk> - Danish flavour manufacturer with a processing facility in Sweden.
- Aromatic - <http://www.aromatic.se> - Sweden-based manufacturer of bakery ingredients.
- CP Kelco - <http://www.cpkelco.com> - manufacturer of pectins. Has a manufacturing plant and a sales office in Sweden.
- Broste - <http://www.broste.com> - distributor of food additives in Northern Europe.
- Univar Food Ingredients - <http://www.univareurope.com> – distributor of colours, flavours and thickeners.

Other companies active in the Swedish market for natural colours, flavours and thickeners are: Givaudan (creative office and sales office), Sensient Food Colors Europe (sales office for flavours and sales of colours through distributor AB R. Lundberg), Firmenich (through agent Nordic flavours AB), Chr. Hansen, Danisco, and Döhler (through sales office in Denmark).

2.2 Trends

- The Swedish market for natural colours, flavours and thickeners reflects the consolidation which exists for this sector at the EU level.
- The production scale of natural colours, flavours and thickeners in Sweden is going through a sharp increase. The trend is particularly applicable to the large companies which are making further investments in their production facilities.

For more information on trends, please also refer to the CBI survey covering the EU market for natural colours, flavours and thickeners.

2.3 Price Structure

Different prices and margins apply throughout the various trade channels. In general, margins

in Sweden follow those in the EU. Prices paid for materials increase significantly along the value chain. However, the market is not transparent at the different levels, which makes it impossible to provide margins.

The margins charged by different intermediaries in the trade of natural colours, flavours and thickeners are influenced by many different factors. These include the product type, the current and expected future harvest situation, the availability or number of sources for the particular product, the level of demand and the trend in prices.

Importers and traders generally take a margin of 10-25%, while agents take a margin of 5-10% in any market. However, due to the often very specific expertise needed in this sector, the margins for these trade channels might be higher when compared to other sectors. Moreover, the margins differ widely between the different product groups. In general, margins at processing level by compounders are larger for flavours and colours than for thickeners.

2.4 Finding a Suitable Trading Partner

Finding a trade partner in Sweden does not deviate from the general EU method as described in the CBI survey on 'The natural colours, flavours and thickeners market in the EU'. Swedish importers look for new suppliers in developing countries by visiting the country of interest, through recommendations or through trade fairs. The most common ways for developing country exporters to approach Swedish customers are through direct (e-)mail, personal visits as follow-up, inviting potential Swedish customers to visit them, building a network and visiting international trade fairs.

After obtaining contacts, evaluating potential trade partners should be done according to criteria such as information quality, geographic coverage; the kind of trade relation the partner is interested in, the position of the partner and the financial status and credibility.

The following websites can be of use when finding a trading partner in Sweden:

- For more suppliers of colours, flavours and thickeners - <http://www.thomasglobal.com>.
- Europages - <http://www.europages.com> - online business directory, with full EU coverage.
- Food Ingredients suppliers search engine - <http://www.food-ingredients.com>
- Kompass - <http://www.kompass.com/> - Supplier directory
- LI - <http://www.li.se> - Swedish Food Manufacturing Industry

3 Trade: Imports and Exports

3.1 Total Imports

Sweden is a small EU importer of natural colours, flavours and thickeners. Imports amounted to € 32 million or 9.2 thousand tonnes in 2008, representing 1.6% of total EU imports. Between 2004 and 2008, imports increased by 7.1% annually in terms of value, and by 10% annually in terms of volume. The small, but increasing, imports coincide with the small, but growing, market in Sweden.

Most supplies come from neighbouring Norway and Denmark. Moreover, the value of imports from these countries increased by 12% and 3.4% respectively in the period 2004-2008. Developing countries accounted for 12% of the Swedish imports, which was a small share compared to the average in the EU of 37%. Between 2004 and 2008, imports from developing countries fluctuated strongly, resulting in a net increase of 43%. The fluctuation was primarily caused by supplies from Sudan and Chad, which supplied considerable amounts of gum Arabic. Chad supplied considerable amounts of gum Arabic in 2006 and 2007. However, in 2008, supplies from Chad were discontinued again. In 2008, the leading developing country supplier was Thailand, which primarily supplies manioc starch. The value of imports from Thailand increased by 25% annually in the period 2004-2008.

3.2 Imports by Product Group

The most important product group imported by Sweden is essential oils, accounting for 42% of the imports. The other product groups are thickeners of natural gums and seaweeds (29%), natural colours (18%), menthol, liquorice and locust beans (10%) and manioc starch (1.8%). Swedish imports of menthol, liquorice and locust beans from developing countries are negligible and are therefore not discussed in detail.

Table 3.1 Imports by and leading suppliers to Sweden 2004-2008, share in % of value

Product	2004 € mln	2006 € mln	2008 € mln	Leading suppliers in 2008 Share in %	Share (%)
Total market sector	14	14	17	Intra-EU: Denmark (24), Germany (10), Italy (4.4), UK (3.3), The Netherlands (2.9)	52
	8.0	7.3	12	Extra-EU ex. DC*: Norway (33), USA (2.8), Australia (0.5)	36
	2.6	7.6	3.7	DC*: Thailand (6.3), India (2.9), Sudan (1.9)	12
Natural food colours	2.2	2.3	2.0	Intra-EU: Spain (25), Germany (22), Denmark (20), UK (19), Italy (2.1)	92
	0.1	0.1	0.0	Extra-EU ex. DC*: USA (2.0)	2
	0.1	0.2	0.1	DC*: India (4.2), Peru (1.5)	6
Menthol, liquorice and locust beans	1.5	1.5	1.9	Intra-EU: Germany (25), The Netherlands (16), Finland (11), Denmark (8.6), Spain (8.4)	76
	0.5	0.1	0.6	Extra-EU ex. DC*: USA (23), Switzerland (0.6), Norway (0.6)	24
	0.0	0.0	0.0	DC*: -	0
Essential oils	1.7	2.5	2.2	Intra-EU: France (13), Denmark (13), The Netherlands (12), Germany (7.8), UK (7.3)	60
	0.7	0.5	0.5	Extra-EU ex. DC*: USA (7.3), Australia (4.5), Singapore (0.9), Switzerland (0.7)	14
	0.3	0.5	0.9	DC*: India (20), Thailand (4.7), South Africa (0.4), Iran (0.4), China (0.3)	26
Manioc starch	0.0	0.1	0.2	Intra-EU: Denmark (5.4), The Netherlands (1.2), UK (0.8), Germany (0.7)	8
	0.0	0.0	0.0	Extra-EU ex. DC*: -	0
	0.8	0.9	1.8	DC*: Thailand (92)	92
Thickeners of natural gums and seaweeds	8.2	7.8	10	Intra-EU: Denmark (29), Germany (8.5), Italy (5.7), UK (1.6), France (1.1)	48
	6.7	6.0	10	Extra-EU ex. DC*: Norway (48)	48
	1.4	6.0	0.8	DC*: Sudan (2.9), India (0.5)	4

Source: Eurostat (2009)

*Developing Countries

Natural Food Colours

Sweden is a small EU importer of natural food colours, accounting for 0.9% of the total EU imports of this product group. Between 2004 and 2008, the value of imports decreased by 2.5% annually to an amount of € 2.1 million or 199 tonnes. Supplies from developing countries remained relatively small at 5.8%. The leading developing country suppliers were India and Peru. Whereas the value of supplies from India increased by 20% annually, supplies from Peru decreased by 8.8% annually during the review period.

Essential Oils

Sweden accounted for only 0.5% of total EU imports of essential oils in 2008. Between 2004 and 2008, the value of Swedish imports of essential oils increased by 7.0% annually to an amount of € 3.6 million / 233 tonnes. Total imports consisted of herb and spice oils (72%), orange oil (13%), oleoresins (8.9%), peppermint oils (4.8%), 'other citrus oils' (0.9%), lemon oil (0.1%), and mint oils other than peppermint oil (0.1%).

Developing countries accounted for only 26% of the supplies, which is significantly lower than the average in the EU of 41%. However, the value of imports from developing countries increased strongly, by 35% annually during the review period. India is the leading supplier of essential oils to Sweden. Indian supplies, which consist almost entirely of oleoresins, increased by 34% annually in terms of value.

Manioc Starch

Sweden is a medium-sized EU importer of manioc starch, accounting for 9.8% of the value of total EU imports of this product group. In 2008, Sweden imported € 2.0 million / 5.0 thousand tonnes of manioc starch, showing an annual growth rate of 26% between 2004 and 2008. Thailand, the only developing country supplier of manioc starch to Sweden accounted for 92% of the supplies. The value of supplies from Thailand increased at an annual rate of 24% during the review period.

Thickeners of Natural Gums and Seaweeds

Sweden is a small importer of thickeners natural gums and seaweeds. In 2008, Sweden imported € 22 million or 3.2 thousand tonnes of thickeners of natural gums and seaweeds, accounting for 2.5% of total EU imports of this product group. Between 2004 and 2008, the value of imports increased by 7.3% annually on average.

Between 2004 and 2008, supplies from developing countries fluctuated strongly, resulting in a net decrease of 41%. The strong fluctuation was the result of fluctuations in supplies of gum Arabic from Sudan, Chad and Nigeria. The net decrease in supplies from developing countries, coupled with the increase in supplies from Norway, Denmark and other EU countries, indicates a substitution of gum Arabic by seaweed-derived thickeners, which are generally more reliable in terms of supply stability.

3.3 Exports

Sweden is a small EU exporter of natural colours, flavours and thickeners, with exports amounting to € 16 million / 1.7 thousand tonnes in 2008, representing a share of 1.0% in total EU exports in that year. Between 2004 and 2008, the value

of Swedish exports increased by 12% annually. Most exports were destined to France, Norway and Finland.

The exports primarily comprise re-exports of seaweed-based thickeners. In 2008, exports consisted mostly of thickeners of natural gums and seaweeds (79%), followed by essential oils (14%). The 10% annual increase in the value of re-exports of thickeners of gums and seaweeds accounted for most of the increase in total exports.

3.4 Opportunities and Threats

- Sweden is a small EU importer of natural colours, flavours, and thickeners. The processors of the raw materials for natural colours, flavours and thickeners are located elsewhere and the food industry needs relatively small amounts of ready-to-use ingredients. Moreover, most of the natural colours, flavours and thickeners are sourced in other EU countries.
- + The considerable imports of gum Arabic in 2006 and 2007 indicate interest from Swedish companies in the natural gum. Developing countries can benefit more from this interest if supplies are stabilised.
- + The increase in direct imports of essential oils from developing countries, notably oleoresins from India, indicate good opportunities for developing country suppliers of these products.
- + Sweden is a leading importer of manioc starch in the EU and imports most manioc starch directly from developing country Thailand. Other developing countries can also benefit from the interest in manioc starch in Sweden.
- Although Sweden has a significant confectionery industry using liquorice, demand is entirely met by developed countries.
- Sweden is a major re-exporter of seaweed-derived thickeners, a competitive product for natural gums.

Exporters should take into account that the same trend can be an opportunity for one exporter and a threat to another. Please, review these opportunities and threats according to your own situation. Chapter 7 of the CBI market survey 'The natural colours, flavours and thickeners market in the EU' presents an example of an analysis of whether a trend/development is an opportunity or a threat.

3.5 Useful Sources

- EU Expanding Exports Helpdesk - <http://exporthelp.europa.eu>
→ go to: trade statistics
- Eurostat – <http://epp.eurostat.ec.europa.eu> - official statistical office of the EU
→ go to 'themes' on the left side of the home page
→ go to 'external trade'
→ go to 'data – full view'
→ go to 'external trade - detailed data'
- Understanding Eurostat: Quick guide to easy comext - http://epp.eurostat.ec.europa.eu/newxtweb/assets/User_guide_Easy_Comext_20090513.pdf

4 Price Developments

Please refer to the CBI market survey ‘The natural colours, flavours and thickeners market in the EU’. The price indications given there are the best reference point for prices in Sweden. If any price differences exist, they are the result of differences in transport costs and individual buyer preferences for product origin, quality, packaging, etc. These differences are considerable, both between countries and within countries. Nonetheless, global market prices as mentioned in the CBI market survey ‘The natural colours, flavours and thickeners market in the EU’ are the basis for price calculations in every country. Actual prices are dependent on negotiation with partner companies.

Useful Sources

- The Public Ledger - <http://www.public-ledger.com> - prices for selected colours, flavours and thickeners
- MCX India - <http://www.mcxindia.com> - prices for menthol and guar
- Organic Trade Services - <http://www.organicts.com> - prices for organic products

5 Market Access Requirements

As a manufacturer in a developing country preparing to access Sweden, you should be aware of the market access requirements of your trading partners and the Swedish government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. You need to comply with EU legislation and have to be aware of the additional non-legislative requirements that your trading partners in the EU might request.

For information on legislative and non-legislative requirements, go to ‘Search CBI database’ at <http://www.cbi.eu/marketinfo>, select ‘food ingredients’, and ‘Sweden’ in the category search, click on the search button and click on market access requirements. Another interesting source of information could be the Open Trade Gate Sweden (<http://www.opentradegate.se/>).

Packaging requirements are different for each type of product that you export, so please refer to the CBI market survey covering the EU market for more information on this. Additional information on packaging can be found at the website of ITC on export packaging: <http://www.intracen.org/ep/packit.htm>

Information on tariffs and quota can be found at <http://exporthelp.europa.eu>

6 Doing Business

General information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) can be found in CBI’s export manuals ‘Export Planner’ and ‘Your image builder’. Furthermore, cultural awareness is a critical skill in securing success as an exporter. Information on cultural differences in the EU can be found in chapter 3 of CBI’s export manual ‘Exporting to the EU’.

These manuals can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications.

In Chapter 2, the importance of networks, trade fairs and company visits was expressed in terms of promoting your company and finding trade partners. Trade fairs also offer useful information on trends, potential competitors and the products and services they offer. Trade press should not be underestimated, both as a source of information (e.g. trends and companies) and as a means of promoting your company and your products.

Trade Associations

- LI - <http://www.li.se> - Swedish Food Manufacturing Industry
- KRAV – <http://www.krav.se> – organic certification

Trade Press

- Food & Drink International Sweden - <http://www.fdimagazine.net/sweden.html>

Trade fairs

- Interfood Sweden - <http://www.swefair.se> – trade fair for the Nordic food industry. The next event will be held 14-16 April, 2011.

Appendix 1 - Currency Conversion

Average exchange rate	Average rate in USD				
	2004	2006	2007	2008	2009
1 Euro	1.243	1.256	1.370	1.471	1.394

Source: www.oanda.com

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

- Austria
- Belgium
- Cyprus
- Finland
- France
- Germany
- Greece
- Ireland
- Italy
- Luxembourg
- Malta
- Portugal
- Slovak Republic
- Slovenia
- Spain
- The Netherlands

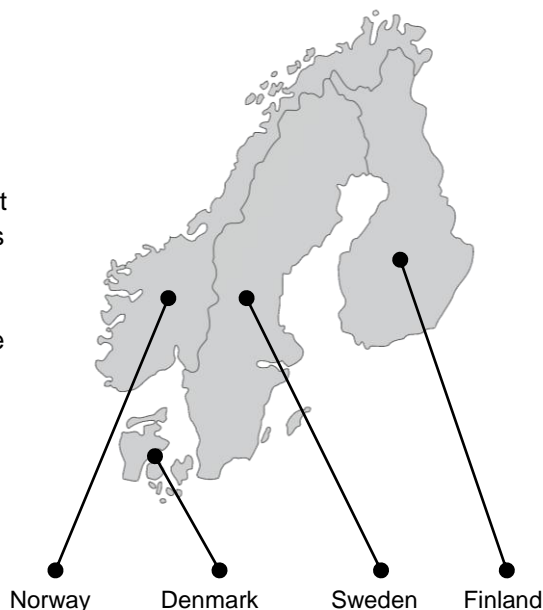
The Nordic Market

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

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

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

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



Denmark

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

Norway

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

Contact details:

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

Finland

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

Contact details:

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

Sweden

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

Contact details:

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



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