



Danish Import Promotion Office
for Products from Developing Countries

A wide horizontal band of a close-up photograph of dark brown coffee beans, filling the width of the page.

Coffee

A survey of the market for coffee in Denmark

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A short, horizontal decorative line with a repeating pattern of red and yellow triangles.

DIPO is part of the Danish Chamber of Commerce and is financed by Danida (the programme for international development cooperation, Ministry of Foreign Affairs). The task of the office is to assist companies in developing countries in their export endeavours.

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 Scandinavian countries have import promotion facilities. Below you will find a short presentation of the import promotion organisations in Denmark, Norway and Sweden.

| | | |
|--------------|---------|-------------|
| Inhabitants: | Denmark | 5.2 million |
| | Norway | 4.5 million |
| | Sweden | 8.9 million |



Denmark

The Danish Import Promotion Office, DIPO, 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 DIPO is to assist exporters/producers in Africa, Asia and Latin America to enter the Danish market.

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

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The Norwegian Import Promotion office, HSH IPO Service, operates under a contract between HSH (The Federation of Norwegian Commercial and Service Enterprises) and NORAD (Norwegian Agency for Development Cooperation). HSH IPO Service is integrated in HSH - but are fully sponsored by NORAD.

From the website www.hsh-org.no you can read more about HSH. We are currently working on developing a matching platform between selected Norwegian importers/wholesalers and professional exporters from developing countries. This website is in collaboration with CBI in Holland and is expected to be working from March 2004. Access to the importer/exporter matching platform will be through our www.hsh-org.no.

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Sida (Swedish International Development Cooperation Agency), which is the Swedish government's agency for international development cooperation, has signed an agreement with the Swedish Chambers of Commerce for cooperation on trade promotion services. The objective is to increase and upgrade business contacts between Swedish companies and exporters in Africa, Asia, Latin America and certain countries in Central and Eastern Europe.

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

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DIPO

The Danish Import Promotion Office DIPO operates in accordance with an agreement between the Danish Chamber of Commerce and The Danish International Development Assistance, DANIDA. The office is situated in the Danish Chamber of Commerce but is financed by DANIDA.

The aim of DIPO is to provide service to exporters in the developing countries in their endeavours to enter the Danish market. The office can assist with market information and with establishing means of contact to Danish importers. Business offers are published free of charge at DIPO's website (www.dipo.dk) and/or directly mediated by email to relevant Danish importers.

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Map of Denmark



The European Union:

| | |
|---------------|-------------|
| Austria | Ireland |
| Belgium | Italy |
| Denmark | Luxembourg |
| Finland | Netherlands |
| France | Portugal |
| Germany | Spain |
| Great Britain | Sweden |
| Greece | |

Accessionary countries to join the EU by May 1st 2004:

| | |
|----------------|-----------|
| Cyprus | Lithuania |
| Czech Republic | Malta |
| Estonia | Poland |
| Hungary | Slovenia |
| Latvia | Slovakia |

Facts about Denmark

Area: 43,095 sq. kilometers
Population: 5.4 million
Capital: Copenhagen; 1.5 million inhabitants
Language: Danish
Business Language: English
Government: Democracy
GDP (2002): DKK 1,324,000 million
GDP per capita (2002): DKK 220,975
Currency: Krone, DKK (1 DKK = 100 øre)
 Denmark has not adopted the common currency EURO
Exchange Rate, US\$: 1US\$ = 6.63 DKK (Nov 11: 2003)
Time Zone: Central European Time Zone
 One hour ahead of GMT
Business Hours: Monday to Friday
 9.00 a.m. to 5.00 p.m.
Weight and Measures: The Metric System
Climate: 4 seasons: spring, summer, autumn, and winter
Member of International Organizations:
 EU, NATO, WTO, OECD, UN

Other Large Cities:

Aarhus: 500,000 inhabitants
 Odense: 200,000 inhabitants
 Aalborg: 160,000 inhabitants

Distances

Copenhagen – Aarhus: 300 kilometers
 Copenhagen – Odense: 165 kilometers
 Copenhagen – Aalborg: 400 kilometers

Public Holidays, 2004:

| | |
|------------------|-------------|
| New Year's Day | January 1 |
| Maundy Thursday | April 8 |
| Good Friday | April 9 |
| Easter Monday | April 12 |
| Prayer Day | May 7 |
| Ascension Day | May 20 |
| Whitsunday | May 30 + 31 |
| Constitution Day | June 5 |
| Christmas Eve | December 24 |
| Christmas Day | December 25 |
| Boxing Day | December 26 |

1. Introduction to Denmark

Standard of Living

With a high GDP per capita as well as a highly prioritized welfare system, the Danish standard of living is among the highest in the world. Income is evenly distributed among the population and, normally, both men and women work full time.

Membership of the EU

As a member of the EU, Denmark enjoys open market access to the other EU countries. Within the EU a Customs Union has been formed, allowing goods to move freely across borders without customs or taxes. For non-EU countries, however, specific rules apply (please refer to chapter 7 "Customs Duty and Import Regulations"). By May 1st 2004 an expansion of the EU will take place by 10 countries: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia, and Slovakia.

Denmark also enjoys membership of international organizations such as the OECD and the WTO and is traditionally striving to actively remove obstacles to free trade within these frameworks.

General Trade Figures

The Danish economy is highly dependent on trade with other countries due to the country's size and location in one of the world's most dynamic regions.

More than two thirds of the Danish foreign trade is carried out with other EU countries. With regard to total imports to Denmark (only goods) in 2002, imports from other EU countries accounted for 71.8 percent. Other European countries accounted for 12.9 percent, Asia accounted for 8.5 percent, the Americas for 6.3 percent, and only 0.5 percent of total imports came from Africa.

Industrial Pattern

Small and medium sized companies characterize the Danish industry. Compared to other industrialized countries, even the largest Danish companies are -with few exceptions- only medium sized.

Except for heavy industries such as mining, car and plane industries etc., practically all business sectors exist in Denmark. Due to an increasing specialization, division of tasks, and seasonality, however, a large range of products is also imported to Denmark. The Danish industry is mainly constituted of light manufacturing and reprocessing, and production is often characterized by a high degree of specialization in a particular, well-defined field. Products, which have made Denmark known internationally, are primarily meat and dairy products, pharmaceuticals, furniture, beer, electronic products and advanced metal industry.

Infrastructure

The Danish infrastructure is highly developed. The road network is of high standard, the railway system connects almost every town with more than 10,000 inhabitants, there are many easily accessible harbours, and Denmark has several domestic airports. Copenhagen Airport is the largest airport in Northern Europe being served by most international carriers. Ferries, tunnels and a number of bridges interconnect the islands of Denmark and furthermore, a bridge connects Denmark to Sweden (see map on page 3).

Means of communication are excellent as well. The postal service is efficient and reliable, and telephone, fax service and Internet access are widely available throughout the country.

Climate

The Danish climate consists of four seasons: spring, summer, autumn and winter. The average temperature in July ranges from 12 to 20 degrees Celsius, opposed to the average temperature of January, which ranges from -3 to +2 degrees Celsius. Some snow can be expected from December to March, and rainfall is common with about 700 mm precipitation annually.

Households

Approximately 11.5 percent of total household income is spent on food and food products. It is estimated that coffee can be found in 98 percent of all households in Denmark. Moreover, Denmark has one of the highest per capita consumption of coffee in the world.

2. Market Definition

This market survey covers coffee.

In order to avoid misunderstandings the classification of coffee in this market brief will be based on the Combined Nomenclature.

The Combined Nomenclature (CN) is the 8-digit trade classification system used by the European Union for tariff purposes. The system is directly linked to the 6-digit Harmonized System (HS) used by the vast majority of trading nations throughout the world. The CN codes that will be used in this market brief are:

| CN Code | Description |
|-------------|---|
| 09.01.11.00 | Coffee, not roasted, not decaffeinated |
| 09.01.12.00 | Coffee, not roasted, decaffeinated |
| 09.01.21.00 | Coffee, roasted, not decaffeinated |
| 09.01.22.00 | Coffee, roasted, decaffeinated |
| 09.01.90.10 | Coffee Husks and Skins |
| 09.01.90.90 | Coffee substitutes containing coffee |
| 21.01.11.00 | Instant coffee (extracts, essences, and concentrates of coffee) |
| 21.01.12.00 | Instant coffee (with a basis of coffee extracts, essences or concentrates or with a base of coffee) |

When exporting to countries within the EU, it is necessary to state the exact CN number of the specific category of coffee. More information and details on the Combined Nomenclature is available on http://europa.eu.int/comm/taxation_customs.

3. Market Analysis

Total Danish Market for Coffee

In this section the total Danish market for coffee is estimated. The section includes all categories of coffee (CN Codes: all within 09.01 + 21.01.11.00 + 21.01.12.00) described in the previous chapter "Market Definition".

Table 3.1 shows the developments in the market for coffee from 1998 to 2002 in value (Danish kroner (DKK)). Table 3.2 illustrates the same developments, but in volume (tonnes). The reason that the two means of measurement do not follow the same trend is that coffee prices have fluctuated significantly in the periode.

The market size is calculated using the established formula:

$$\text{Market size} = \text{Own production} + \text{Imports} - \text{Exports}$$

However, as Denmark does not grow coffee the variable 'Own production' equals zero, and the market size is therefore calculated only as imports - exports. Furthermore, it should be noted that the market size in volume (tonnes) might be overrated by 10-15 percent. The reason is that imports are primarily of raw coffee beans, whereas exports mostly consist of roasted and grinded coffee. In the process of importing the raw coffee beans, processing these and re-exporting the grinded coffee, a 'shrinkage' in volume takes place. Hence, 1.2-1.5 kilos of raw beans (approximately 7,000 beans) are required to produce just one kilo of roasted and grinded coffee. Exports therefore weigh comparatively less than imports making market size appear larger than it really is.

Table 3.1
Total Imports of Coffee to Denmark, Developments 1998-2002

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|
| Imports* (1,000 DKK) | 1,280,128 | 1,022,604 | 1,023,852 | 819,742 | 690,287 |
| Index (1998 = 100) | 100 | 80 | 80 | 64 | 54 |
| Exports* (1,000 DKK) | 311,383 | 346,255 | 371,373 | 367,498 | 378,999 |
| Index (1998 = 100) | 100 | 111 | 119 | 118 | 122 |
| Market Size (1,000 DKK) | 968,745 | 676,349 | 661,479 | 452,244 | 311,288 |
| Index (1998 = 100) | 100 | 70 | 68 | 47 | 32 |

Source: Statistics of Denmark
*Current prices

Table 3.2
Total Exports of Coffee from Denmark, Developments 1998-2002

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Imports (tonnes) | 58,881 | 63,789 | 59,286 | 63,158 | 61,858 |
| Index (1998 = 100) | 100 | 108 | 101 | 107 | 106 |
| Exports (tonnes) | 8,257 | 11,363 | 11,452 | 12,153 | 13,251 |
| Index (1998 = 100) | 100 | 138 | 139 | 147 | 160 |
| Market Size (tonnes)* | 50,624 | 52,426 | 47,834 | 51,005 | 48,607 |
| Index (1998 = 100) | 100 | 104 | 94 | 101 | 96 |

Source: Statistics of Denmark
*Overrated 10-15 percent

In value terms, the Danish market size has declined significantly in the last five years. Hence, from 1998 to 2002 the value of imports has been reduced with two thirds. This is partly explained by an almost halving in the value of imports, and partly by an increase in exports of 22 percent over the last five years. In volume, however, the trend is less radical, with a slight decrease of four percent from 1998 to 2002. The decrease can be ascribed a relatively large increase in exports, whereas imports have only increased by six percent.

The reason why the market for imports has decreased in value but increased in volume can be ascribed the falling world prices on coffee. During the last 40 years the prices on coffee have been declining with an all time low in 2001 (source: www.ico.org). Since then coffee prices have risen again from a composite world price of 45.60 US cents pr lb to 47.74 US cents pr lb in 2002. However, it is still too early to predict whether the coffee prices will continue to rise in the future.

It should be noted that more than 90 percent (in volume) of the coffee imported is raw, unprocessed coffee beans. Hence, Danish importers prefer to do the processing themselves. Of the coffee distributed to the Danish market approximately 80 percent goes to private consumers, while hotels, restaurants, and catering firms consume the rest.

Private Consumption

Denmark is the third most coffee consuming country in the world, only surpassed by Sweden and Finland. Table 3.3 describes the developments in Danish private consumption. The total private consumption generally follows the same trend as the total market for imports. In value, the market has decreased significantly from 1998 to 2002, while in volume the market is relatively stable. The developments are similar on a household level. The decline in coffee expenditures can be explained by falling world prices, however, the fact that as much as 80 percent of the coffee consumed is purchased on offer, may also be part of the reason (source: www.ms.dk (Danish NGO named "Danish Association for International Co-operation")).

Table 3.3
Private Consumption, Developments 1990-2002 (value and volume)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|----------------------------------|--------|--------|--------|--------|--------|
| Total private consumption | | | | | |
| DKK (million) | 1,856 | 1,493 | 1,289 | 1,461 | 1,318 |
| Tonnes | 31,671 | 30,106 | 28,665 | 31,174 | 30,139 |
| Consumption per household | | | | | |
| DKK | 655 | 524 | 549 | 548 | 503 |
| Kilos | 11.18 | 10.57 | 11.00 | 11.70 | 11.50 |

Source: www.kaffeinfo.dk

Countries with Exports of Coffee to Denmark

The majority of the coffee imported to Denmark stems directly from raw material producing countries, such as Brazil, Columbia, and Peru. However, as table 3.4 indicates, increasingly more coffee is imported from other EU countries, including Germany, France, and the Netherlands. The imports from EU countries mostly consist of roasted coffee, instant coffee, and other coffee related products, which have been subject to value adding processes. Imports from coffee producing countries, on the other hand, are mainly in the form of green beans, which have only been through a minimum of processing, such as drying and threshing. Thus, in value terms, imports from other EU countries may be relatively large compared to the imports from

producing countries. Furthermore, the reason why EU countries have generally experienced an increase in exports, while third countries have witnessed a fall on their part, is mainly because processed products are less vulnerable to changing world prices as the raw material is.

Nonetheless, as no EU countries produce coffee, all coffee must be imported from third countries in the first place. Hence, all coffee imported to Denmark from other EU countries originates from coffee producing countries. Exporters from producing countries may therefore find it equally interesting to export to other EU countries than Denmark. For more information on the opportunities in other EU countries, see, for instance, www.gtz.de (German market) or www.cbi.nl (Europaen market).

Table 3.4
Countries with Largest Exports of Coffee to Denmark, 2000 – 2002 (1,000 DKK)

| Country | 2000 | 2001 | 2002 | % Change* |
|------------------|---------|---------|---------|---------------|
| Brazil | 353,058 | 268,848 | 204,839 | -42 |
| Colombia | 135,652 | 100,870 | 91,673 | -32 |
| Germany | 53,045 | 74,755 | 61,402 | +16 |
| Peru | 45,330 | 56,051 | 55,677 | +23 |
| France | 25,237 | 35,507 | 36,480 | +45 |
| Honduras | 39,498 | 32,457 | 35,626 | -10 |
| Netherlands | 23,749 | 23,019 | 26,508 | +12 |
| Mexico | 67,494 | 40,924 | 25,841 | -62 |
| Belgium | 21,772 | 17,160 | 19,771 | -9 |
| Sweden | 14,741 | 17,737 | 18,584 | +26 |
| Total | 779,576 | 667,328 | 576,401 | -33 (Average) |
| % of Total World | 76 | 81 | 84 | |

Source: Statistics of Denmark

* Change in percentage between 2000 and 2002

Developing Countries' Share of Exports

Although the developments in exports to Denmark currently favour EU countries, five out of the top ten exporting countries are still developing countries. The below table gives an overview over the developing countries with the largest export to Denmark.

Table 3.5
Developing Countries with Most Exports to Denmark, 2000 – 2002 (DKK)

| Country | 2000 | 2001 | 2002 | % Change* |
|-----------------|---------|---------|---------|-----------|
| Brazil | | | | |
| DKK (1,000) | 353,058 | 268,848 | 204,839 | -42 |
| Tonnes | 23,137 | 25,387 | 26,855 | +16 |
| Colombia | | | | |
| DKK (1,000) | 135,652 | 100,870 | 91,673 | -32 |
| Tonnes | 6,534 | 6,424 | 6,794 | +4 |
| Peru | | | | |
| DKK (1,000) | 45,330 | 56,051 | 55,677 | +23 |
| Tonnes | 2,821 | 4,552 | 5,113 | +81 |

| | | | | |
|--|---------|---------|---------|-----|
| Honduras | | | | |
| DKK (1,000) | 39,498 | 32,457 | 35,626 | -10 |
| Tonnes | 2,327 | 2,778 | 3,217 | +38 |
| Mexico | | | | |
| DKK (1,000) | 67,494 | 40,924 | 25,841 | -62 |
| Tonnes | 3,585 | 2,646 | 1,686 | -53 |
| Uganda | | | | |
| DKK (1,000) | 35,362 | 21,824 | 15,392 | -56 |
| Tonnes | 3,297 | 3,030 | 2,354 | -29 |
| Indonesia | | | | |
| DKK (1,000) | 17,878 | 12,225 | 12,475 | -30 |
| Tonnes | 1,242 | 1,364 | 1,561 | +26 |
| Guatemala | | | | |
| DKK (1,000) | 35,142 | 19,001 | 11,774 | -66 |
| Tonnes | 1,895 | 1,476 | 868 | -55 |
| Vietnam | | | | |
| DKK (1,000) | 13,050 | 11,683 | 10,934 | -16 |
| Tonnes | 1,788 | 2,464 | 2,623 | +46 |
| India | | | | |
| DKK (1,000) | 16,621 | 8,737 | 8,231 | -50 |
| Tonnes | 1,565 | 975 | 780 | -50 |
| Kenya | | | | |
| DKK (1,000) | 10,635 | 11,091 | 6,948 | -35 |
| Tonnes | 657 | 837 | 895 | +36 |
| Ethiopia | | | | |
| DKK (1,000) | 11,765 | 2,681 | 4,157 | -65 |
| Tonnes | 734 | 178 | 321 | -56 |
| Rwanda | | | | |
| DKK (1,000) | 7,224 | 3,899 | 3,959 | -45 |
| Tonnes | 467 | 342 | 389 | -17 |
| Nicaragua | | | | |
| DKK (1,000) | 11,142 | 9,499 | 3,528 | -68 |
| Tonnes | 692 | 933 | 198 | -71 |
| Tanzania | | | | |
| DKK (1,000) | 6,413 | 5,195 | 3,424 | -47 |
| Tonnes | 462 | 547 | 580 | +26 |
| Total | | | | |
| DKK (1,000) | 824,630 | 604,985 | 494,478 | -40 |
| Tonnes | 51,203 | 51,433 | 54,234 | +6 |
| Share of World exports to Denmark | | | | |
| Percent of value | 81 | 74 | 72 | |
| Percent of volume | 86 | 81 | 88 | |

* Change in percentage between 2000 and 2002
Source: Statistics of Denmark

As the table shows, Brazil is by far the largest supplier of coffee to the Danish market followed by Colombia, Peru, Honduras, and Mexico. It is obvious that Latin American countries constitute the main part of the developing countries that export to Denmark. An explanation of their high market share is that Latin American countries have a comparative advantage in producing relatively high quality Arabica coffee, which can be sold at competitive prices. Hence, Arabica coffee is the absolute most used coffee type in the coffee mixtures, which are sold on the Danish market (source: www.ms.dk).

The rest of the exporting countries consist of African and Asian countries. Added together, the 15 countries in the table constitute a solid part of the Danish market for imports with a value share of more than 70 percent and an even higher volume share, approaching 90 percent. The reason for the difference in share is, as previously mentioned, primarily due to the fact that the developing countries export raw coffee with a minimum of value added.

A glance at the right column of the table reveals a singular trend: the exported volume has risen more than the related value, or in the case of a decline in volume, value has decreased even more. Hence, the total figures show that in the last three years, the value of the exports has decreased 40 percent while volume has increased six percent. The fall in world prices has had a significant impact on producers from developing countries.

Besides the countries that appear in the table, other developing countries also export coffee to Denmark. Among these are Syria, Papua New Guinea, Guinea, Jamaica, and Costa Rica. Imports from these countries may be low due to their limited geographical size, or the imports may be characterized by irregularity mostly taking the form of one-off shipments.

Types of Coffee Imported by Denmark

The different categories of coffee imported to Denmark in 2002 are presented in the table below. The table shows the coffee imports categorized according to their respective CN codes.

Table 3.6
The Most Common Types of Coffee Related Imports (2002)

| CN code | Imports in DKK | % of total imports | Imports in tonnes | % of total imports |
|---|----------------|--------------------|-------------------|--------------------|
| Coffee, not roasted, not decaffeinated | | | | |
| 09.01.11.00 | 508,307 | 73.7 | 57,134 | 92.5 |
| Coffee, roasted, decaffeinated | | | | |
| 09.01.12.00 | 3,202 | 0.4 | 280 | 0.4 |
| Coffee, roasted, not decaffeinated | | | | |
| 09.01.21.00 | 64,776 | 9.4 | 2,683 | 4.4 |
| Coffee, roasted, decaffeinated | | | | |
| 09.01.22.00 | 1,722 | 0.2 | 61 | 0.1 |
| Coffee Husks and Skins | | | | |
| 09.01.90.10 | 0 | 0 | 0 | 0 |
| Coffee substitutes containing coffee | | | | |
| 09.01.90.90 | 2,007 | 0.3 | 43 | 0.1 |
| Instant Coffee (extracts, essences and concentrates of coffee) | | | | |
| 21.01.11.00 | 103,489 | 15 | 1,469 | 2.5 |

| Instant Coffee Preparations (with a basis of coffee extracts, essences or concentrates or with a coffee base) | | | | |
|--|---------|--------------|--------|-----|
| 21.01.12.00 | 6,784 | 1.0 | 188 | 0 |
| | | Total | | |
| | 690,287 | 100 | 61,858 | 100 |

Source: Statistics of Denmark

Non-decaffeinated coffee, which has not been roasted, constitutes by far the largest part of the imports of coffee to Denmark covering almost three quarters of the total value. The second largest product group, instant coffee, has a share of 15 percent in value, though its low weight composition makes it insignificant in volume terms. The third and last category, which makes up an important part of the coffee imports is non-decaffeinated, roasted coffee, with 9 percent. Combined these three product categories cover 98 percent of the imports in value terms and 99 percent in volume terms. The development in imports of the three categories (in tonnes) is illustrated in figure 3.1.

Figure 3.1

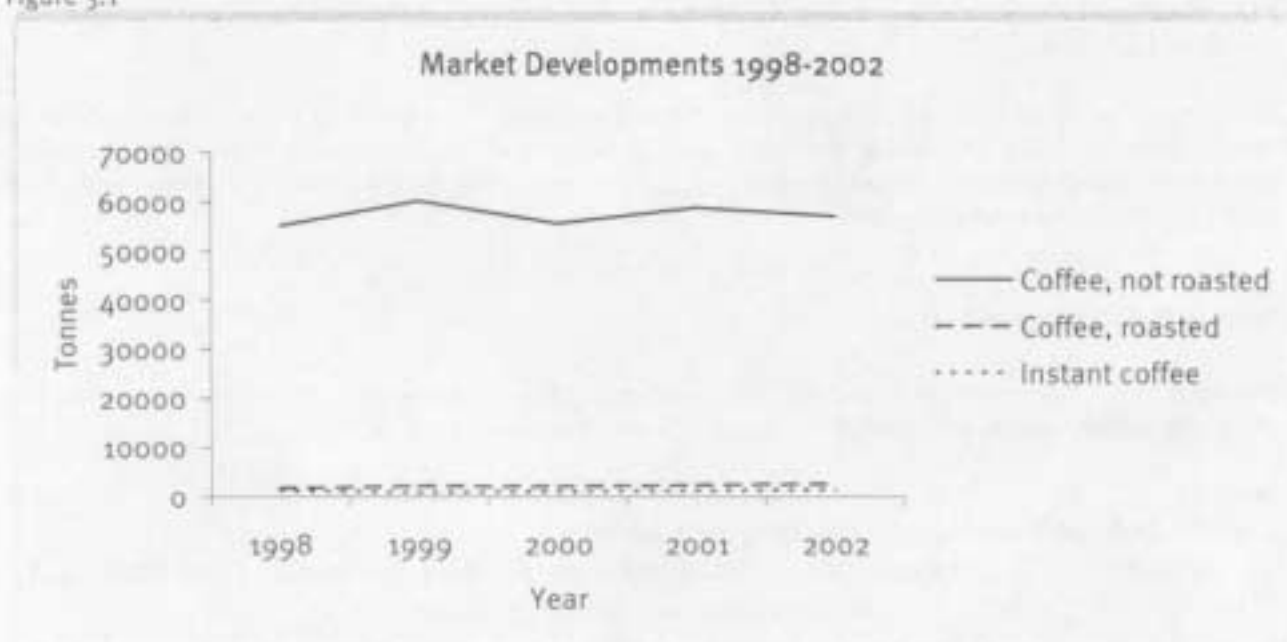


Figure 3.1 shows that the Danish market for non-roasted coffee is relatively stable, with imports fluctuating between 55,000 and 60,000 tonnes per year. It is also clear that non-roasted coffee is very dominant on the import market compared to instant and roasted coffee. As the weight of instant coffee is very low compared to coffee beans, however, this may also explain the low position of the instant coffee curve. Although difficult to see, the market for instant coffee and roasted coffee has been increasing in the five-year period. However, except from Colombia, no developing countries export these types of coffee to Denmark.

4. Consumption Pattern and Tendencies

Approximately, 60 different sorts of coffee exist, but the coffee industry usually distinguishes between three main sorts of coffee. These are *Coffea Arabica*, *Coffea Robusta*, and *Coffea Liberica*. 95% of total import to the Danish market is of the sort *Coffea Arabica*. Within the *Coffea Arabica* sort, Brazil coffee (which is grown in Brazil, as the name implies) is the most commonly consumed coffee type and make up 40 % of total coffee consumption on the Danish market.

The consumption of coffee in Denmark is among the highest in the world measured per capita. On average, every Dane drinks four cups of coffee every day. Only in Finland and in Sweden is the consumption of coffee larger than in Denmark. Coffee can be found in 98% of all Danish households, 85% of all Danes over the age of 30 drink coffee, whereas 50% of the population under the age of 30 enjoy coffee.

Generally, Danes are very conservative in their choice of coffee. This is reflected in their consumption pattern, as most Danes tend to stick to drinking just one brand of coffee throughout the day, whereas in other European countries it is normal to drink one brand in the morning and another in the evening.

Despite the Danes' overall conservative consumption pattern, a development in the coffee market in Denmark has been noticed over the last decade. Today it is possible for a consumer to choose among many different coffee types and coffee products on the shelves in the supermarkets. For example, instant coffee has grown in popularity as have coffee products, such as cappuccino and coffee products with aroma added (e.g. chocolate, orange, cinnamon).

However, it is estimated that of the total amount of coffee sold on the Danish market, approximately 90% of all coffee is sold as regular coffee whereas the remaining 10 % is sold as instant coffee, ecological coffee, fair trade coffee (Max Havelaar) and coffee with aroma added (e.g. fair trade coffee and ecological coffee only constitute 2 - 3 % respectively of all coffee sold on the Danish market, a percentage which has been fairly stable over the last five years). Moreover, at least 80 % of all coffee sold in Denmark is sold on offer in supermarkets meaning that coffee is an extremely price sensitive product.

One noticeable tendency in Denmark is the opening of more coffee bars in the larger Danish towns. According to Statistics of Denmark 93 coffee bars were present on the Danish market at the end of year 2001. In comparison to 1993 this is a significant increase, as only 33 coffee bars existed ten years ago. Lately, the first Danish chain of coffee shops has opened up with the aim of establishing 100 new coffee bars within a five-year period.

The opening of numerous coffee bars around Denmark indicates that coffee is increasingly perceived as a sort of lifestyle product. Coffee is increasingly perceived as a product which should be enjoyed and which should be an experience in taste. This tendency is also reflected in the coffee products offered in the various coffee bars. Today it is possible to choose from a broad variety of coffee blends, coffee beans from different countries, brewing methods, coffee products and complementary products to the coffee drink such as coffee syrups.

(Source: interviews with selected Danish importers, www.kaffeinfo.dk, www.ms.dk)

5. Commercial Practice

Due to the increasing use of the Internet, Danish importers of coffee receive many offers on a daily basis from foreign suppliers who wish to do business in Denmark. Therefore, a foreign exporter of coffee must be aware that a Danish importer can pick and choose among many uninvited offers from qualified suppliers. The new supplier will often have to replace an already existing relationship with competent suppliers and therefore, the first impression and the first contact is of great importance to the subsequent success of entry into the Danish market.

Contacting the Importer

First step is to send a business offer containing a precise product description along with samples of the coffee. Generally, before a Danish roastery will place an order with a foreign exporter, samples of green coffee beans will be roasted, grounded and brewed into coffee by the roastery in Denmark and thereafter tasted for acceptance or rejection.

Price should also be introduced as close to the best price possible by the coffee exporter. It is of vital importance that contact details such as phone and fax number and e-mail address are stated correctly as inaccurate information will give a bad first impression and might cause the Danish importer to immediately lose interest in the product. Some importers also stress that fast communication through e-mails is important as well as having an English-speaking staff.

It should never be assumed that the Danish importer will follow up on the business offer – the follow up is always expected to be made by the exporter. A follow up call will give an idea of the need and purchase pattern of the Danish importer, which can help evaluate the compatibility of the product.

Meeting with the Importer

Personal contact established through a business visit is also important sometimes. Danish importers travel widely and most likely will also at some point in time want to visit the supplier for an inspection of the location and facilities.

If the product is of relevance to the importer's line of business, it will normally not be a problem to set up meetings directly. Danish business people are generally result oriented and well versed within their particular field. Therefore, it is advisable to be well prepared and ready to respond to very direct questions about quality, prices, quantities and deliveries.

It is often said that Danes are informal, which is true to some extent. The informality does not, however, apply to being careless in respecting appointments.

Delivery

Once a business deal has been settled, it is important that the condition of the products corresponds to that agreed with the importer. For example, if samples of coffee beans have been sent to the Danish importer, the quality of the delivery must of course correspond to the same quality as the samples introduced.

Reliability concerning delivery time is another important factor in the business relationship with a Danish importer and therefore it is of paramount importance that the exporter states the realistic delivery time right

from the very beginning of a new co-operation. The tolerance towards delay and products which do not live up to agreements is very limited and may lead to orders being cancelled.

Ethics and Codes of Conduct

Over the last decade, consumers in Denmark have increasingly paid more attention to the ethical conduct of business, which has given rise to the term "political consumers." This term implies that there is a strong tendency towards Danish consumers placing greater demand on Danish importers and manufacturers. They must be able to guarantee that the products imported from developing countries have not been subject to, for example, child labour, has caused pollution or otherwise harmed the environment when produced. Therefore, by getting involved with Danish importers suppliers from developing countries may be asked to sign a contract or statement guaranteeing that the production is carried out without violating the above mentioned issues.

Furthermore, bribery is almost non-existent in Denmark. Recent studies have shown that Denmark is at the bottom of the list of countries in which bribery or corruption is found.

The Danish legal, regulatory and accounting systems for the business sector can be described as transparent and consistent with EU directives.

Visitor's Visa

For visitors from overseas countries a visa is usually required to visit Denmark. A letter of invitation from the Danish business partner will often help in obtaining the visa. The exporter must apply for a visa at the Danish Embassy or Consulate in the home country. The visa issued will usually be for entry into the Schengen Area as a whole.

6. Channels of Distribution

Green Coffee Beans

The market for coffee in Denmark can be characterized as a buyer's market as Danish importers can pick and choose from many uninvited offers from foreign exporters all over the world who want to gain foothold in Denmark.

As noted in chapter 3, Market Analysis, 92 % of all coffee imported to Denmark in 2002 was green coffee beans (measured in kilos). When green coffee beans -rather than roasted coffee beans- are imported to Denmark, Danish roasteries thereby become capable of adapting roasting methods and coffee blends to the Danish consumers' preferences.

Green coffee beans are being imported to Denmark directly by the Danish roasteries. In Denmark, the market for green coffee beans is characterized by oligopoly, meaning that few dominant players hold the majority of the market share. Danish coffee processing is dominated by four major roasteries -of which two are multinational corporations- holding 80-85 % of the total market. The remaining market share is held by smaller roasteries. In Denmark only 7-8 roasteries are present today compared to 25 years ago when more than 100 roasteries were found on the Danish market. This means that competition among Danish coffee roasteries is intense and that price becomes a decisive factor.

Danish roasteries generally make use of three different means of purchasing green coffee beans:

- Purchasing through own international purchasing offices located in Europe
- Purchasing via European agents or European trading houses
- Direct purchasing of coffee beans from the coffee houses in the country of origin

Some Danish roasteries prefer purchasing through the European trading houses as they perceive their purchasing possibilities to be larger due to the greater variety of coffee exporters represented through the trading houses.

The purchasing of coffee by Danish importers takes place all year round, and the coffee prices are quoted in US dollars.

Most coffee is shipped directly to Denmark from the country of origin. Once the green coffee beans arrive at the roasteries the beans are being cleaned, roasted, grinded, blended into the right mix of coffee beans in order to suit the Danish consumers' taste, and eventually packed before the final coffee products are sent out to the customers. The roasteries normally produce their own special coffee blends as well as private labels of coffee customized to meet the demand of their specific customers.

The Danish roasteries supply the retail market as well as the hotel, restaurant and catering (HoReCa) market in Denmark.

Roasted and Instant Coffee

As demonstrated in chapter 3, Market Analysis, the amount of roasted and instant coffee, which is imported, is considerably smaller than the import of green coffee beans. Measured in value, the market for roasted and instant coffee constitutes 24 % of the total market, and measured in volume it only adds up to approximately 6 % of the total market.

Two market segments for roasted and instant coffee in Denmark exist, namely the retail sector and the HoReCa sector. It is estimated that approximately 80 % of all coffee is sold to the retail sector and the remaining 20 % to the HoReCa market. It is normal, though, that smaller companies and offices in Denmark purchase their coffee in supermarkets.

With regard to roasted and instant coffee, small and medium sized wholesalers or agents normally import this type of coffee to Denmark. These companies are normally specialised within certain product groups or in selling to specific customers on the Danish market. None of the four big supermarket chains that dominate the Danish wholesale and retail trade in the food sector import coffee directly, but mainly purchase the coffee via the Danish roasteries.

The majority of all coffee consumed is purchased in supermarkets. The customers' loyalty towards this segment is very low, and the purchasing of coffee in supermarkets highly depends on price. As previously mentioned more than 80 % of all coffee is purchased on offer in supermarkets.

In summary, the typical steps that coffee has to go through in order to reach the Danish consumer are:

Foreign coffee grower → (European trading house →) Danish roastery → Danish retail store → Danish consumer.

Price Structure

The price structure of coffee throughout the supply chain naturally varies depending on the intermediary buying and selling, the quantities, and the type and processing of coffee in question. The margins charged by the different intermediaries in the trade are also influenced by different factors such as the current and expected future harvest situation, the availability of the coffee, the level of demand, the fluctuation in prices etc. Therefore, it is very difficult to state the exact margins for the different groups of coffee importers. However, an impression of the level of mark-up throughout the distribution chain can be given: In 2002 the world price for green coffee beans was app. 47.74 US cents per pound. In Denmark, the most common coffee brands (grounded and blended products) on the Danish market are sold in retail stores to the end consumers for approximately 20 – 25 DKK per 500 g* (equivalent to app. 3.7 US\$). This means that there is a total value-added by more than 700 % from the first part to the last part in the value chain.

* 1 pound is equivalent to 450 g / 500 g is equivalent to 1.1 pound.

Success Factors

The different importers of coffee on the Danish market already have a wide net of suppliers with whom they have had close co-operation for several years. Danish importers emphasize long-lasting business relationships with the foreign suppliers as it takes a long time to build up the necessary trust and to ensure that the quality of the coffee lives up to expectations. This, however, does not mean that they are not open to new suppliers. Often the enquiries from potential suppliers are kept in the importer's database for a possible future business contact. Please refer to chapter 5 "Commercial Practice" on how to contact Danish importers.

Danish importers of coffee often stress the combination of price and quality. This, however, does not mean that a low price is the most important factor for the purchasing decision - a reasonable price combined with a product of high quality is just as important. Generally, the main quality factors considered for coffee are flavour, aroma, size of coffee beans as well as the cleanliness of the products. Internationally accepted definitions of grades of coffee beans are being used when quoting prices and taking orders.

In general it can be stated that living up to delivery time and agreements regarding quality, price and quantity is of paramount importance if successful cooperation should be established with Danish importers of coffee. In other words: normal standards of good business behaviour are strongly encouraged.

As it is the case in many different business relationships mutual trust and reliability between the exporter and importer of coffee are also of paramount importance if a fruitful relationship should be established. Increasingly, Danish importers stress the importance of a foreign exporter being certified (for example ISO certification or following an approved HACCP system (Hazard Analysis and Critical Control Point, see for example: <http://vm.cfsan.fda.gov/~lrd/haccp.html>)), as it is an indicator of the foreign supplier's professionalism and trustworthiness. Therefore, if the foreign exporter of coffee can refer to any of the above-mentioned factors this should be communicated to the Danish importer targeted as it can heighten the possibility of getting the attention of the importers. This type of communication effort will help the professional and qualified coffee exporter to stand out from the crowd.

If the foreign exporter is dealing with organic coffee, the producer of organic products must be subject to control from government authorities and hold the proper documentation and certification for being an organic producer. For more information on rules and regulation, see also the internet site: http://europa.eu.int/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=31991R2092&model=guichett

In order to get the attention of the Danish importers it is important that the exporter is able to actively and professionally communicate what his competencies are and being able to deliver samples of the coffee sold. Another way of getting the attention of Danish importers is to visit or exhibit at trade fairs. Most Danish importers visit different trade fairs all over the world to meet with potential suppliers and to get an impression of the possibilities in the market. As close, personal relationships are often stressed within the coffee industry, this is a very good way to meet potential business partners for both importers and suppliers and moreover, the foreign supplier has the best possible opportunity to show the Danish importer his products and skills. Please refer to chapter 8 "Trade Fairs".

(Source: Interviews with selected Danish importers)

7. Customs Duty and Import Regulations

EU Trade Agreements and GSP

As a member of the EU, Denmark follows the rules and regulations and applies the Common Customs tariff of the EU. An extended set of trade agreements between the EU and the non-EU countries represent a complex set of exceptions to the general rules.

The EU grants a non-reciprocal trade preference to all developing countries. Under the General System of Preference (GSP) Least Developed Countries (LDC)* are granted duty free imports into the EU of all goods except from arms and ammunition as well as rice, sugar and bananas. Countries under the special program to fight narcotics also enjoy duty free access to the EU markets for most goods. (Please refer to Appendix 1)

Moreover, the EU has also entered into separate agreements with different groups of countries in order for them to enjoy duty-free access for selected products into the EU, for example the ACP (African, Caribbean and Pacific) countries and the OCT (Overseas Countries and Territories).

*Classified by the OECD Development Assistance Committee, DAC. See www.oecd.org

Documentation

In order to obtain preferential customs treatment when exporting to the EU, it has to be documented that the product originates in a country, which has a preferential agreement with the EU. In order to claim GSP-status, a GSP certificate of origin (Form A), signed and stamped by the authorities in the exporting country, must accompany the products. The certificate is valid for 10 months.

It is the responsibility of the exporter to ensure that these requirements are met. It is very important to have settled all documents, as prior to importation of the product, the Community Customs administration will verify that the goods satisfy the rules of origin. If the goods are not entitled to preferential treatment, the importer becomes liable for duty at full rate.

For full customs clearance, a customs declaration form must also be filled out with information about the importer, the customs value, the tariff position number etc.

Rates of Duty

The rates for import duties as of January 2003 are shown in the following table. These rates of duty cover the sub-categories within the CN-numbers 0901 as well as the CN-number 2101.11 and 2101.12, and apply to all countries, which are not subject to preferential trade.

Table 7.1

Rates of Duty, January 2003

| | CN-Number | Rate of Duty, % |
|--|-------------|-----------------|
| Coffee, not roasted, not decaffeinated | 09.01.11.00 | 0 |
| Coffee, not roasted and decaffeinated | 09.01.12.00 | 8.3 |
| Coffee, roasted, not decaffeinated | 09.01.21.00 | 7.5 |
| Coffee, roasted and decaffeinated | 09.01.22.00 | 9 |
| Coffee husks and skins | 09.01.90.10 | 0 |
| Coffee substitutes containing coffee | 09.01.90.90 | 11.5 |
| Instant Coffee (extracts, essences, concentrates of coffee) | 21.01.11.00 | 9 |
| Instant coffee (with a basis of coffee extracts, essences or concentrates with a base of coffee) | 21.01.12.00 | 11.5 |

Source: Customs & Excise, Denmark

However, special rates of duty apply to countries under the GSP scheme. Countries, which are classified as least developed countries as well as countries included in the special program to fight narcotics, all enjoy duty free entry of their coffee to the European market. For other developing countries under the GSP system it is possible to obtain a reduction of the normal duty rate – a reduction of 2.6 percentage points. Please refer to appendix 1 for a list of countries eligible for preferential treatment.

In the case of Brazil, the above-mentioned rules do not apply, as Brazil does not benefit from the preferential treatment.

It must be stressed, though, that rules and regulations regarding duty are sometimes changed. It is therefore advisable to always check the rate of duty in the individual case, based on the product and the country of origin. GSP duty rates should, for example, be checked with your local customs authorities or the EU database on import regulations: http://europa.eu.int/comm/taxation_customs.

Value Added Tax –VAT

The Danish VAT constitutes 25 percent and is among the highest rates within the EU. The 25 percent VAT is levied on all sales, regardless of product type, country of origin etc. Consequently, the high tax rate will in the end influence the retail prices and the consumers' desire and ability to purchase the product.

Moreover, a special tax is levied on all sorts of coffee by the Danish government:

- A tax of 5.45 DKK is levied on every 1 kg of non-roasted coffee
- A tax of 6.54 DKK is levied on every 1 kg of roasted coffee
- A tax of 14.17 DKK is levied on every 1 kg of instant coffee

Regulations

Especially, two types of food legislations laid down by the EU Commission are relevant to exporters of coffee:

- Directive 93/43/EEC deals with general rules for food hygiene stating explicitly that food products cannot be sold in the EU if they are not safe and moreover, the regulation also emphasizes that it should always be possible to trace the origin of the food product.

- Regulation EC 178/2002 known as the General Food Law, adopted in 2002, deals with the general requirements and principles of food legislation in the EU. As this regulation will only come into force by January 2005, the exportation of coffee to Denmark –or another EU country– should until then continue to comply with the rules of the particular country.

For an elaboration of the different types of regulations, the following internet sites could be helpful:

- For information on EU directives and regulations:
<http://europa.eu.int/eur-lex/en/search/index.html>
- For information on different aspects of EU food safety regulations:
http://europa.eu.int/comm/food/index_en.html

Packaging and Labelling

Green beans are traded in jute or sisal sacks of 60 kg. The sacks are loaded in containers in the country of origin and shipped off to its final destination in Denmark or other parts of Europe. It could be an advantage to ship the coffee beans in air-conditioned containers, as this would ensure a stable temperature and humidity in the container thereby preventing the coffee beans from getting mouldy.

With regard to the labelling of the products when exporting coffee to Denmark, it should always be possible to trace the coffee back to the foreign producer and exporter of the products. As a minimum, labels should therefore contain information about the country of origin, the date, month, year of packaging as well as the name of the producer and exporter of the coffee.

However, the requirements regarding packaging and labelling should always be agreed upon and specified in the contract between the exporter and the Danish importer in order to meet expectations and to comply with EU regulations. Usually, the importer informs the foreign supplier of the requirements to packaging and labelling.

As regards all food imports to Denmark, the goods imported in consumer packages have to be especially marked displaying the content of the product, weight, country of origin, and whether the product contains additives, colorants etc.

All consumer products marketed in Denmark must contain the following information:

- Labels in Danish
- Estimated shelf life
- Storage instructions
- List of ingredients in order of weight
- Net weight/ net volume
- Name and location of producer/ packer

8. Trade Fairs

Participating in international trade fairs is an important activity in order to create contact to future business partners. Before exhibiting it is often advisable to participate in the fair as a visitor. A well-prepared and properly executed visit to a trade fair can constitute a very cost-effective market research. At the fair it is possible to meet both future competitors and potential customers.

If you choose to exhibit in a trade fair it is important to know in advance who the target groups of the fair are. Moreover, relevant Danish importers should be contacted prior to the trade fair in order to set up meetings during the fair, as some of these importers are likely to exhibit themselves. By looking at the list of exhibiting companies printed in trade fair catalogues from previous years it is possible to get a good impression of which companies to contact in order to set up meetings (The catalogue can often be obtained by contacting the trade fair organizers or via the Internet). Some of these companies might not have time for meetings during the fair if they are exhibiting themselves and therefore it is important to allow yourself to stay a few days after the fair in order to conduct these meetings.

One trade fair held in Denmark, which could be of interest to companies in the coffee industry, is the International Food Fair of Scandinavia, which is held in Copenhagen every year. The next International Food Fair of Scandinavia will take place on March 23 - 26 2004.

Besides the fair held in Denmark a number of important international trade fairs for coffee are held in the EU. Danish companies frequently visit fairs outside Denmark, and therefore visiting these also represents an opportunity to meet Danish importers.

In order to ensure the best possible match between your products and the target group of the fair it is highly recommendable to investigate a fair closely before contemplating a visit.

Table 8.1

Trade Fairs in the EU

| Name | Where | When | Web-site |
|---|------------------|------------------------|--|
| SCAE World Specialty Conference & Exhibition | Rimini, Italy | Jan 31 - Feb 3 2004 | www.scae.com |
| Alimentaria | Barcelona, Spain | 8 - 12 March 2004 | www.alimentaria.com |
| SIAL | Paris, France | 17 - 21 October 2004 | www.sial.fr |
| 2 nd Trieste Espresso Expo | Trieste, Italy | 5 - 7 November 2004 | www.fiera.trieste.it |
| Tea & Coffee World Cup Exhibition & Symposium | Hamburg, Germany | 11 - 13 September 2005 | www.tcworldcup.net |
| ANUGA | Cologne, Germany | 8 - 10 October 2005 | www.anuga.com |

9. Market Prospects

The Danish market for coffee is relatively stable with imports of approximately 60,000 tonnes per year. The majority of this coffee is imported directly from developing countries. There are no indications that this pattern is going to change in the near future. While the size of imports of green beans has been fairly uniform in the last five years, there has been an increase in the imports of roasted coffee and instant coffee, but as these two categories of coffee are almost exclusively imported from other Western countries, this increase is not to the benefit of the developing countries.

Danes are very avid coffee drinkers. Traditionally, Danes have been very conservative in their choice of coffee type. They tend to drink the same type of coffee all day long. They are, however, not particularly brand loyal but tend to purchase their coffee on offer in supermarkets. There are no indications that this general characteristic of the Danish market will change in the coming years.

On a smaller scale, however, there is a tendency towards coffee being perceived as a lifestyle product. Hence, in the last decade, Denmark has experienced the opening of a large number of coffee bars. Furthermore, supermarkets have expanded their product line with more coffee brands, hereunder organic and Max Havelaar coffee. The special selection in supermarkets also includes high quality coffee from a single district, for instance Jamaican Blue Mountain. Hence, developing country suppliers may have an opportunity if they can offer a sort of specialty coffee.

As mentioned in chapter 6 "Price Structure" the retail price of the roasted and granted coffee is more than 7 times higher than the export price of the raw coffee beans. The there are no indications that the Danish market will grow in terms quantity consumed, and the best opportunities for exporters in developing countries might therefore be, over a period of time, to try to shift the export from raw coffee beans to roasted and granted coffee ready for the consumers.

This is not an easy task; the Danish market is very established with a few roasteries dominating the market. These roasteries generally have stable and long-term agreements with suppliers from developing countries and they prefer to do the roasting and blending of the coffee to suit the taste of the Danish consumers, themselves.

Nonetheless, as the import of roasted and instant coffee shows an increasing tendency and there is a trend towards coffee being perceived as a lifestyle product there might be possibilities for exporters of high quality "ready to drink" coffee.

10. Important Addresses

Danish Chamber of Commerce/ DIPO -Danish Promotion Office

Boersen
DK -1217 Copenhagen K
Phone: +45 70 13 12 00
Fax: +45 33 12 05 25
E-mail: dipo@hts.dk
www.dipo.dk

Danish Ministry of Foreign Affairs

Asiatisk Plads 2
DK- 1448 Copenhagen K
Phone: +45 33 92 00 00
Fax: +45 33 12 37 78
E-mail: um@um.dk
www.um.dk

Statistics of Denmark

Sejrøgade 11
DK -2100 Copenhagen Ø
Phone: +45 39 17 39 17.
Fax: +45 39 17 39 99.
E-mail: dst@dst.dk

The Danish Customs Authority

Østbanegade 123
DK -2100 Copenhagen Ø
Phone: +45 35 29 73 00
Fax: +45 35 43 47 20
www.toldskat.dk

The Danish Veterinary and Food Administration

Mørkhøj Bygade 19
DK -2860 Søborg
Phone: +45 33 95 60 00
Fax: +45 33 95 60 01
E-mail: fdir@fdir.dk
www.foedevaredirektoratet.dk

Danish Coffee Information

Købmagergade 60
1150 Copenhagen K
Phone: +45 33 18 72 85
E-mail: info@kaffeinfo.dk
www.kaffeinfo.dk (only available in Danish)

See also:

- International Coffee Organization: www.ico.org
- Specialty Coffee Association of Europe: www.scae.com

Trade Fair in Denmark and the EU relevant to the coffee industry:

International Food Fair of Scandinavia

Bella Center A/S
Center Boulevard 5
DK - 2300 Copenhagen S
Phone: +45 32 52 88 11
Fax: +45 32 51 96 36
E-mail: bc@bellacenter.dk
www.bellacenter.dk

Alimentaria

Ronda Universidad 14, 4 A
08007 Barcelona, Spain
Phone: +34 93 4520722
Fax: +34 93 4516637
www.alimentaria.com

Anuga

Messeplatz 1
D-5000 Köln, Germany
Phone: +49 221 821-0
Fax: +49 221 821-3410
info@koelnmesse.de
www.koelnmesse.de

SCAE World Specialty Conference & Exhibition

Adria Congrex
Via Sassonia, 30
47900 Rimini, Italy
www.scae.com/rimini

SIAL

39, Rue de la Bienfaisance
75008 Paris, France
Phone: +33 1 4289 4687
Fax: +33 1 4289 4694
www.sial.fr

Tea & Coffee World Cup Exhibition and Symposium

Hans Muehle 7
12587 Berlin, Germany
Phone: +49 30-645-7212
Fax: +49 30-6409-1350
E-mail: f.schuetze@teaandcoffee.net
www.tcworldcup.net

Trieste Espresso Expo

FIERA TRIESTE
Piazzale de Gasperi, 1
34139 Trieste, Italy
Phone: +39 040 9494111
Fax: +39 040 393062
E-mail: info@fiere.trieste.it
www.fiera.trieste.it

Appendix 1

Preferential Trade Agreements

| Classification | Country |
|--|--|
| Least Developed Countries | Afghanistan, Angola, Bangladesh, Burkina Faso, Burundi, Benin, Bhutan, Chad, The Democratic Republic of Congo, The Republic of Central Africa, Cap Verde, Djibouti, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Cambodia, Kiribati, Comoro, Laos, Liberia, Madagascar, Myanmar*, Mongolia, Montserrat, Maldives, Malawi, Mozambique, Niger, Nepal, Rwanda, Solomon Islands, Sierra Leone, Sudan, Senegal, Somalia, São Tomé and Príncipe, Togo, Tuvalu, Tanzania, Uganda, Vanuatu, Samoa, Yemen, Zambia |
| Other Developing Countries | Albania, Algeria, Antigua and Barbuda, Argentina, Armenia, Azerbaijan, Bahrain, Barbados, Belize, Bolivia, Bosnia-Herzegovina, Botswana, Brazil, Cameroon, Chile, China, Colombia, Cook Islands, Costa Rica, Côte D'Ivoire, Croatia, Cuba, Dominica, The Dominican Republic, Ecuador, Egypt, El Salvador, Fiji, Gabon, Ghana, Georgia, Grenada, Guatemala, Guyana, Haiti, Honduras, India, Indonesia, Iran, Jamaica, Jordan, Kazakhstan, Kenya, Korea (North), Kyrgyzstan, Lebanon, Macedonia, Malaysia, Malta, Marshall Islands, Mauritius, Mexico, Micronesia, Moldavia, Mongolia, Morocco, Namibia, Nauru, Nicaragua, Nigeria, Niue, Oman, Pakistan, Palau Islands, Panama, Papua New Guinea, Paraguay, Peru, Philippines, R.P. Congo, Saudi Arabia, Seychelles, Slovenia, South Africa, Sri Lanka, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Surinam, Syria, Swaziland, Tajikistan, Thailand, Tonga, Tunisia, Turkey, Turkmenistan, Tuvalu, Uruguay, Uzbekistan, Venezuela, Vietnam, Yugoslavia, Zimbabwe |
| Countries under the special program to fight narcotics | Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru, Venezuela, Pakistan |
| ACP Countries | Angola, Antigua and Barbuda, Bahamas, Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Cabo Verde, Cameroon, Chad, Comoro, Congo, D.R. Congo, Cook Islands, Côte D'Ivoire, Djibouti, Dominica, Eritrea, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guinea, Guinea Equatorial, Guinea-Bissau, Guyana, Haiti, Jamaica, Kenya, Kiribati, Lesotho, Liberia, Madagascar, Malawi, Mali, Marshall Islands, Mauritania, Mauritius, Micronesia, Mozambique, Namibia, Nauru, Niger, Nigeria, Niue, Palau, Papua New Guinea, Dominican Republic, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, Solomon Islands, Somalia, South Africa, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Sudan, Suriname, Swaziland, Tanzania, Togo, Tonga, Trinidad and Tobago, Tuvalu, Uganda, Vanuatu, Western Samoa, Zambia, Zimbabwe |
| OCT Territories | Anguilla, Aruba, British Antarctic Territory, British territories in the Indian Ocean, British Virgin Islands, Cayman Islands, Falkland Islands, French Polynesia, Greenland, Mayotte, Montserrat, New Caledonia, Pitcairn, St Helena, St Pierre and Miquelon, South Georgia and the South Sandwich Islands, The Dutch Antilles, Wallis and Futuna Islands, |

*Myanmar is currently excluded from the EU's General System of Preference

Source: Customs & Excise, Denmark

Appendix 2

Abbreviations used in this Market Survey

- ACP countries: American, Caribbean, African Countries
- CN: Combined Nomenclature
- EBA: Everything But Arms Initiative
- EU: European Union
- GSP: Generalized System of Preference
- HACCP System: Hazard Analysis and Critical Control Point
- HS: Harmonized System
- ICO: International Coffee Organization
- LDC: Least Developed Countries
- OCT: Overseas Countries and Territories
- OECD: Organisation for Economic Co-operation and Development
- SCAE: Specialty Coffee Association of Europe
- VAT: Value Added Tax