DIPO

Danish Import Promotion Office
for Products from Developing Countries

Dried fruits

A survey of the market for dried fruits in Denmark

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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.

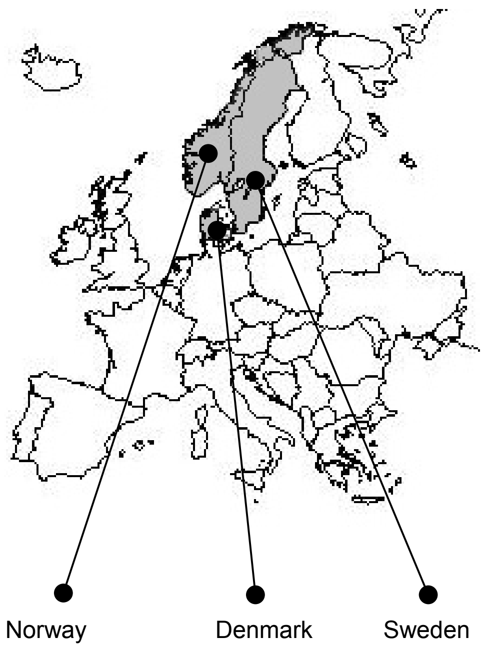
The Scandinavian Market

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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Norway

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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Sweden

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 projet, 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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This market survey is published by DIPO, December 2004.

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	Luxemburg
Finland	Netherlands
France	Portugal
Germany	Spain
Great Britain	Sweden
Greece	Slovakia
Cyprus	Lithuania
Czech Republic	Malta
Estonia	Poland
Hungary	Slovenia
Latvia	

Facts about Denmark

Area: 43,095 sq. kilometers
Population: 5,397,640
Capital: Copenhagen: 1.5 million inhabitants
Language: Danish
Business Language: English
Government: Democracy
GDP (2003): DKK 1,398,332 million
GDP per capita (2003): DKK 259,064
Currency: Krone, DKK (1 DKK = 100 øre) Denmark has not adopted the common currency EURO
Exchange Rate, US$: 1US$ = 5.70 DKK (Nov 18 2004)
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, 2005:

New Year's Day	January 1
Maundy Thursday	March 24
Good Friday	March 25
Easter Monday	March 28
Prayer Day	April 22
Ascension Day	May 5
Whitsunday	May 15+16
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 the EU was expanded with the following 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 2003, imports from other EU countries accounted for 74.9 percent. Other European countries accounted for 8.3 percent, Asia and Oceania accounted for 10.4 percent, the Americas for 5.6 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 11.3 percent of total household income is spent on food and food products. During the last 10 years the amount of dried fruits consumed by private households has increased continuously year by year. With relation to the, in chapter 3 described, increase in the imported amount of dried fruits it can also be concluded that the industrial demand has increased during this period.

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.

2. Market Definition

CN code classification of dried fruits

In order to avoid misunderstandings the classification of dried fruits 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.

Dried fruits fall under chapter 8, subheadings 3, 4, 6 and 13 of the Combined Nomenclature. More specifically, the CN codes that will be covered in this market brief are:

CN codes	CN code classification of dried fruits
08 03 00 90	Dried Bananas
08 04 20 90	Figs
08 06 20 11/91	Currants
08 06 20 12/92	Sultanas
08 06 20 18/98	Other dried grapes
08 13 10 00	Apricots
08 13 20 00	Prunes
08 13 30 00	Apples
08 13 40 10	Peaches, including nectarines
08 13 40 30	Pears
08 13 40 50	Papayas
08 13 40 60	Tamarind fruits
08 13 40 70/95	Other dried fruits
08 13 50 11/ 12/15/19/91/99	Mixtures of dried fruits

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

Statistics Denmark does not distinguish between fresh and dried products when it comes to the two types of fruits: dates and pineapples. If information is required on these two species in relation to the Danish market please refer to the DIPO market survey 'Fresh Fruits and Vegetables' published in April 2004.

3. Market Analysis

Market size

The Danish home production of dried fruits accounted for only 0.3 % of the total market consumption in 2003, so the market heavily relies on import.

Dried fruits can be divided into vine fruits and tree fruits. The best-known vine fruits species are raisins, sultanas and currants, whereas apples, apricots, bananas, dates, figs, papayas, peaches, pears and prunes are the most important tree fruits.

Table 3.1 highlights the developments in the market for dried fruits from 2000 to 2003 in tonnes, while table 3.2 displays the same development for dried fruits but measured in value as the two means of measurement may not always follow the same trend due to variation in price from the exporting countries.

Table 3.1

Imported Dried Fruits in tonnes				
	2000	2001	2002	2003
Import (tonnes)	9.971	10.664	10.871	11.425
Change (index: 2000=100)	100	107	109	115

Source: Statistics Denmark

Table 3.2

Imported Dried Fruits in DKK				
	2000	2001	2002	2003
Value (DKK)	150.894.431	141.793.426	146.899.825	146.350.321
Change (index: 2000=100)	100	94	97	97

Source: Statistics Denmark

Over the last four years the Danish market for imported dried fruits has experienced a 15% increase measured in volume from 9,971 tonnes in 2000 to 11,425 tonnes in 2003. The reason for this is to be found in the relatively higher consumption by the industrial sector, reflecting a growing production of ready-to-eat healthy snacks, muesli, and processed foods using more healthy ingredients like dried fruits. During the same period the market measured in value has declined by 3%. This indicates an overall trend in the market going towards a lower price per kilo.

Table 3.3

3.3 Imported dried fruits by exporting country in 2003 (in tonnes)				
CN Code	Product Group	Tonnes	% Total Import	Exporting Countries
08062018/98	Other Dried Grapes	5,500	48.14	USA, Turkey, Chile, South Africa, Germany
08132000	Prunes	2,042	17.87	USA, Chile, France, Germany, Argentina
08062012/92	Sultanas	1,326	11.61	Turkey, South Africa, Germany, USA, the Netherlands
08042090	Figs	1,135	9.93	Turkey, Germany, Spain, the Netherlands, Iran
08131000	Apricots	858	7.51	Turkey, Germany, the Netherlands, Iran, France
08134070/95	Other Dried Fruits	175	1.53	Germany, USA, Thailand, Poland, France
08135011/12/ 15/19/91/92	Mixtures of Dried Fruits	111	0.97	Turkey, Germany, the Netherlands, Italy, Thailand
08133000	Apples	84	0.74	Germany, Italy, Austria, Sweden, Chile
08062011/91	Currants	78	0.68	Germany, South Africa, Argentina, Cyprus
08134050	Papayas	56	0.49	Thailand, Germany, Philippines, the Netherlands
08030090	Dried Bananas	51	0.45	Turkey, Germany, Philippines, Italy, Belgium
08134010	Peaches	6	0.05	Germany, China
08134030	Pears	2	0.02	Germany, Italy
08134060	Tamarind Fruits	2	0.02	Thailand, UK, India, Sri Lanka, Lebanon
	Total	11,426	100	

Source: Statistics Denmark

As table 3.3 shows the category ‘Other dried grapes’ is accounting for almost half of the Danish import of dried fruits equivalent to 5,500 tonnes. Due to insufficient data availability it has not been possible to differentiate this category further but the majority of the dried fruits covered by this definition is raisins, which is in great demand both as a snack, and as a part of processed food products in general. The major exporter is the US, which accounts for almost 98% or 4,888 tonnes of the Danish import of ‘other dried grapes’.

Besides raisins etc. the market is primarily dominated by prunes, sultanas, figs, and apricots, which have a market share of nearly 47% or approximately 5,300 tonnes. Prunes are the second most imported dried fruits category to Denmark and again the US is the largest exporter with 75% of the import. Dried sultanas come for the most part from Turkey and South Africa whereas both dried figs and dried apricots in 80% of the time origin from Turkey.

The remaining part of the market for imported dried fruits is divided into several smaller parts that neither in volume nor value have any significant importance in relation to the total amount imported. Several European countries, particularly Germany and the Netherlands, are seen as exporters of different types of exotic dried fruits that are not domestically grown. Often the dried fruits are imported to a central EU country and from there distributed to other EU countries, including Denmark. The reason for this is the relatively high costs of food safety control and documentation associated with the import of dried fruits (and food products in general) into the EU regardless of the amount imported. Therefore, the fruits are in some cases imported by one EU country in a large quantity and from there re-exported in smaller quantities to other EU countries. Suppliers from producing countries may therefore find it equally interesting to explore the opportunities in Germany and the Netherlands. For more information on these two countries, visit www.gtz.de (German market) or www.cbi.nl (Dutch market). Within the limitations of this survey it is therefore important to notice that these countries should primarily be regarded as distributors in relation to the exotic fruits categories.

The US and Turkey account for 48% and 25% respectively of the Danish market for imported dried fruits with very little internal competition between the two of them. The US focuses mainly on the 'other dried grapes' category and prunes while Turkey is the dominating part within dried bananas, figs, sultanas and apricots.

Import from developing countries

Table 3.4

Developing Countries with Largest Export of Dried Fruits to Denmark 2000-03 (tonnes)

	2000	2001	2002	2003	% change 2000-03	Primary Drired fruits exported
South Africa	130	146	289	419	221	Sultanas, Other dried grapes
Chile	55	88	437	378	586	Prunes, Sultanas, Other dried grapes
Thailand	36	63	51	55	53	Papayas, Mixtues of dried fruits
Iran	8	20	45	27	242	Apricots, Prunes, Figs
Argentina	5	0	0	21	319	Prunes, Currants
Total	**234**	**317**	**822**	**900**	**284**	
% of total DK import	2	3	8	8		

Source: Statistics Denmark

Although most dried fruits is imported from developed countries there is also some direct trade between Danish importers and developing countries' exporters. The developing countries' share of the total Danish import has experienced a 284% increase over the last four years and now accounts for almost one tenth of the imported dried fruits. It is especially South Africa and Chile that contribute to the import. South Africa's export to Denmark consists primarily of sultanas and has increased by 221% over the last four years – from 130 tonnes in 2000 to 419 tonnes in 2003. As for Chile, the export has during the same period grown astonishingly by 586% to 378 tonnes in 2003. Compared to the developed countries it is still fairly small amounts of dried fruits that are being imported from developing countries. However as the overall trend indicates for the developing countries in table 3.6 the volume is rapidly growing, which again results in a growing market share. Taken together with the fall that especially the EU countries have experienced, this indicates a shift in the import pattern from developed countries towards developing countries.

Market structure

There are three market segments for imported dried fruits, the retail market, the food processing market and the catering market. The food processing market is by far the largest segment for imported dried fruits. The dried fruits are used for breakfast cereals, baking purposes, candy bars and other manufactured foodstuff products. There are no specific data available, but it is estimated that the food processing industry accounts for approx. 80% of the total Danish import of dried fruits.
Dried fruit products ready for the retail market are mainly sold as snacks.

Distribution

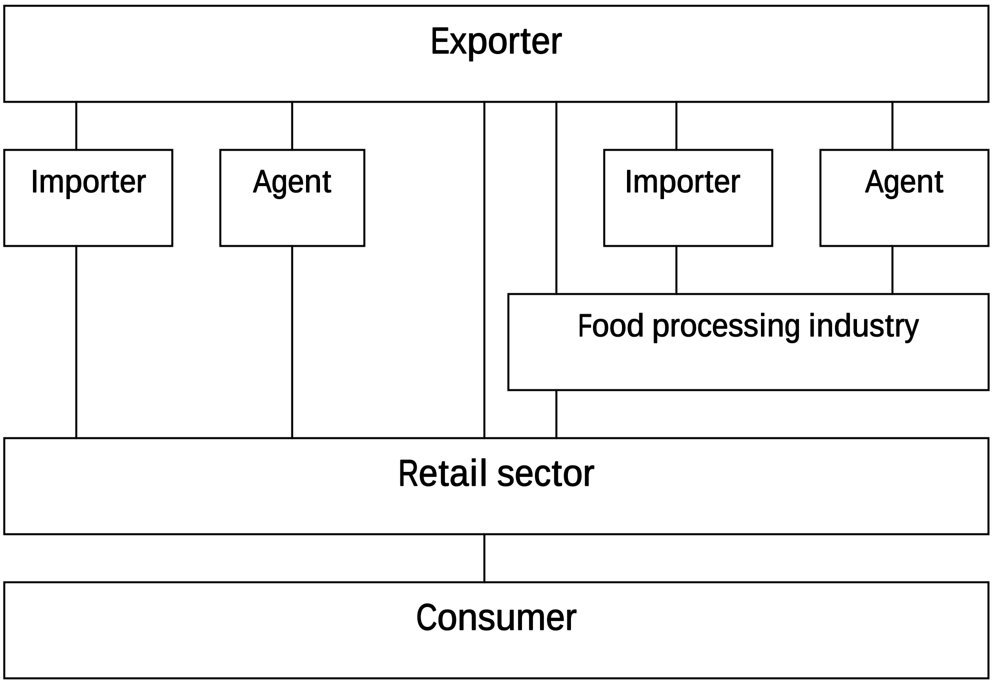
Imported dried fruits are distributed through different channels:

- "Classic" importers which import and resell the imported dried fruits to the retail sector, the catering sector or the food industry.

- Independent agents who source for products and work as intermediaries between the exporter and the food processing industry or the retail business.

- Larger companies in the food processing industry or the retail business which import dried fruits themselves. The import is sometimes handled through appointed agents or local purchasing offices.

Table 3.5



Price and Mark-ups

The price structure of dried fruits throughout the distribution chain naturally varies depending on the number of intermediaries buying and selling, the quantities, and the type of dried fruits in question. Margins in the international trade in dried fruits are under pressure due to increased globalisation, subsequently there is room for fewer players in the distribution chain and larger retailers and when possible companies will import themselves to cut costs.

The market price for dried fruits is determined by market conditions and the individual supplier does not have the possibility to influence prices. No detailed price information on the Danish market for dried fruits is available, but the following homepages can be used as sources of information with regard to the EU price structure on dried fruits: The Public Ledger (www.public-ledger.com), Foodnews (www.foodnews.co.uk/commodity) and Market News Service (www.intracen.org).

The Danish VAT constitutes 25 percent and is among the highest rates within the EU. The 25 percent VAT is fixed and levied on all sales, regardless of product type, country of origin etc. and is added to the retail price.

Source: Interviews with selected Danish importers

4. Trends and tendencies

Market trends

Based on interviews with Danish importers of dried fruits, a number of tendencies regarding the Danish consumption pattern of dried fruits can be identified:

Broad Variety

Globalisation has resulted in an increasing interest in purchasing a broad variety of dried fruits among the Danish consumers. Generally, Danish consumers are interested in a great variety of different kinds of fruits, and Danes are becoming prone to supplementing their eating habits when being exposed to exotic foods through television cooking programmes, recipes, or when travelling abroad. Culinary traditions from other continents, stimulated by a greater presence of ethnic minorities in Denmark, also influence Danish consumption patterns and increase the demand for ethnic and exotic ingredients.

Convenience Food

As most Danes –both men and women– have jobs outside their home and the number of single households increases, less time is left for cooking and the preparation of meals. Therefore, a clear tendency is that Danes increasingly choose to buy convenience meals, spurring the demand for e.g. ready meals, canned soup and preserved fruits and vegetables.

Product Development

Development in the food market is closely linked to innovation and many new products and product types enter the market every year. This development also means that some products, which were traditionally bought by Danish consumers, are now to some degree being substituted by other products. For example are mixtures of dried fruits in breakfast mueslis becoming increasingly popular compared to the more traditional breakfast cereals.

Organic Food

A general increase of interest in organic food on the Danish market has been noticeably over the last decade, which also affects the consumption of organic fruits. It is estimated that Danish retail stores approximately sold for worth DKK 2.5 billion organic food products in 2002, which is equivalent to a market share of 5 % of the total market for food products.

When it comes to dried fruits, this development has been very modest as only few dried fruits products are sold as organic. But the trend is clearly going towards an increasing amount consumed.

Health Food

Finally, a greater awareness of building up healthy eating habits can be noticed among private consumers. Fruits and vegetables are among the product groups generally associated with health food as they contain vitamins and natural antioxidants, which are supposed to help prevent, for example, heart diseases and cancer.

Different initiatives from public and private institutions have been taken in order to promote healthy eating habits among the Danish population. For example, the Danish Ministry of Food, Agriculture and Fisheries launched a national campaign in 2001 in order to encourage the consumption of fruits and vegetables. The campaign is still in force with the aim of spurring every Dane to increase his/her consumption of fruits and vegetables to 600 grams of fruits and vegetables on a daily basis (today, the average per capita consumption is 380 grams/day).

5. Commercial Practice

Due to the increasing use of the Internet, Danish importers of dried fruits receive many offers on a daily basis from foreign suppliers who wish to do business in Denmark. Therefore, a foreign exporter of dried fruits 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. Generally, before a Danish importer will place an order with a foreign exporter, samples of the dried fruit must be evaluated by the Danish importer for acceptance or rejection. The exporter of dried fruits should also introduce a price for the products as close to the best price possible.

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 loose interest in the product. Some importers also stress that fast communication through e-mails is important as well as the exporter has 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 exporter 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.

Quality and Certification

Once a business deal has been settled, it is important that the condition of the fruit and vegetable products corresponds to that agreed with the importer.

Certification is not a legal demand by Danish law but due to the high number of certified producers the ones without certification are rarely used. If a foreign supplier is certified this is often taken as a proof of the supplier's professionalism and trustworthiness. Therefore, if the foreign exporter of dried fruits can refer to any of the above-mentioned factors this should be communicated to the Danish importer as it can heighten the possibility of getting the attention of the importers. This type of communication effort will help the professional and qualified dried fruits exporter to stand out from the crowd.

If the foreign exporter is dealing with organic fruits, 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.

Delivery

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 that 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.” Danish consumers place 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, for example through the use of pesticides banned by EU regulations. 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.

6. Customs Duty and Import Regulations

EU Trade Agreements and GSP

As a member of the EU, Denmark follows the rules and regulations that applies to 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 exports to the EU of all goods except 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

Certificate of Origin

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. For ACP countries the certificate is the Movement Certificate EUR 1. The competent authorities in the exporting country issue these certificates once they have ensured that the products fulfil the rules of origin requirements.

The importer will hold the exporter responsible that these requirements are met. 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 conventional rates for import duties as of November 2004 are shown in table 7.1. These rates of duty cover dried fruits under chapter 08, subheadings 03, 04, 06 and 13, and apply to all countries, which are not subject to preferential trade.

Table 6.1

Rates of Duty, November 2004				
CN Codes	Product Group	General Tariffs	Developing Countries	LDC
08 03 00 90	Dried Bananas	16	0 - 12.5	0
08 04 20 90	Figs	8	0 - 4.5	0
08 06 20 11/91	Currants	2.4	0 - 1.1	0
08 06 20 12/92	Sultanas	2.4	0 - 1.1	0
08 06 20 18/98	Other dried grapes	2.4	0 - 1.1	0
08 13 10 00	Apricots	5.6	0 - 2.1	0
08 13 20 00	Prunes	9.6	0 - 6.1	0
08 13 30 00	Apples	3.2	0	0
08 13 40 10	Peaches, including nectarines	5.6	0 - 2.1	0
08 13 40 30	Pears	6.4	0 - 2.9	0
08 13 40 50	Papayas	2	0	0
08 13 40 60	Tamarind fruits	0	0	0
08 13 40 70/95	Other dried fruits	0 - 2.4	0	0
08 13 50 11/12/15/19/91/99	Mixtures of dried fruits	4 - 9.6	0 - 6.1	0

Source: http://europa.eu.int

Special rates of duty apply to countries under the GSP scheme. Countries, which are classified as least developed countries, all enjoy duty free entry of their products to the European market. For other developing countries under the GSP system it is possible to obtain a reduction off the normal duty. Please refer to appendix 1 for a list of countries eligible for preferential treatment.

It must be stressed, though, that rules and regulations regarding duty are sometimes changed as these depend on trade agreements between EU and developing countries and the sensitivity of the product for EU producers. It is therefore mandantory 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.

EU and National Regulations

As a member of the EU, Denmark follows the common rules and regulations regarding the importation of dried fruits into the EU market.

But when it comes to food safety Danish legislation is in some areas still more comprehensive than the one of the EU. By January 1st 2006 the goal is, within the EU, to completely harmonise the food safety regulations. Until then it is strongly advisable to contact the Danish Veterinary and Food Administration or the European Food Safety Authority (www.fvst.dk), before any import is completed.

Maximum Residue Levels (MRLs) / Pesticides

Imports of dried fruits to Denmark must comply with the regulations for maximum values for the content of residuals of a large number of pesticides. Regulations on the approved level of pesticides to be found in imported dried fruits to the EU market are stated in Council Directive 90/642/EEC. For a comprehensive overview of the approved levels of pesticides, please refer to: http://europa.eu.int/comm/food/plant/protection/pesticides/index_en.htm. Moreover, Denmark has additional regulations for a number of pesticides. Please contact the Danish Veterinary and Food Administration for more information: www.fvst.dk

Approved Additives Regulation

The Approved Additive Regulation is based on Directive 95/2/EC and deals with the non-nutritive substances, which can legally be added to some or all food products. Only specific additives may be applied to certain groups of dried fruits. Table 7.2 below lists the permitted additives in dried fruits and the maximum concentration thereof. For further information please refer to: http://europa.eu.int/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=en&numdoc=31995L0002&model=guicheti.

Table 6.2

Permitted Additives in Dried Fruits and the Maximum Concentration Thereof		
Apricots, peaches, grapes, plums, figs	Sulphur dioxide	2000 mg/kg
Bananas	Sulphur dioxide	1000 mg/kg
Apples, pears	Sulphur dioxide	600 mg/kg
Others	Sulphur dioxide	500 mg/kg

Source: www.europa.eu.int

The additives should be mentioned in the list of ingredients on the label of the dried fruits in the consumer packs. It is important to notice that the legislation concerning food is continuously changing and it is therefore strongly advised to check with the Danish Veterinary and Food Administration (www.fvst.dk) before any import process is commenced.

Contaminants in Foodstuff

According to environmental legislation and toxicity, certain requirements have to be fulfilled in relation to the use of packaging material, see ‘Packaging and Labelling’ below. Commission Regulation (EC) No 466/2001 sets the maximum levels for certain contaminants in foodstuffs. Foodstuff cannot be sold on the Danish market if the maximum level of, for example, mercury, cadmium, and lead are exceeded. For more information on maximum values for contaminants in foodstuff, please refer to http://europa.eu.int/eur-lex/en/consleg/pdf/2001/en_2001R0466_do_001.pdf

HACCP

All food processors in the EU are legally required to follow an approved Hazard Analysis and Critical Control Point (HACCP) system, which is a system that deals with the handling and treatment of foodstuff in order to ensure that foodstuff do not pose a risk to human health under normal use.

The HAACP regulation is also important for exporters of foodstuff outside the EU as responsibility of the production is passed all the way throughout the distribution chain. As a consequence of the General Food Law, from 2005 the EU will require that foreign producers, who want to export foodstuff to the EU, must have a quality control system similar to the principles of the HAACP system so that they can track the origin of the products. For more information on the General Food Law and the EU general food safety requirements, please refer to: http://europa.eu.int/eur-lex/pri/en/oj/dat/2002/l_031/l_03120020201en00010024.pdf

Organic Production

If dried fruits are to be sold as organic products, it must comply with the rules and regulations laid down in the Council Regulation (EEC) 2092/91. In this regulation the main principles for organic production as well as the rules to be followed for the processing, sale and import of organic products from non-EU countries are established. Foreign exporters must be aware that the whole distribution chain – from agricultural unit to exporting company – must be certified by a recognised EU control body before the products can be sold in Denmark in order to ensure that the EU and national standards are met.

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

Other regulations

Moreover, two other types of food legislations laid down by the EU Commission could be of relevance to exporters of fruits:

- 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. This regulation will come into force by January 2005.

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

The Centre for the Promotion of Imports from developing countries (CBI) located in the Netherlands administrates a database on European non-tariff barriers called AccessGuide. Exporters in developing countries can check relevant non-tariff barriers for dried fruits, as well as for many other products, by logging on to www.cbi.nl/accessguide.

Packaging and Labelling

It is important that the foreign producers pay attention to the demands of the importer in Denmark regarding the packaging of the dried fruits. In Denmark there is a trend going towards recycling and the legislation on the area requires that packaging for consumer products is taken back and collected by retailers and producers. If the products are packed in a material which is not recyclable a contribution has to be paid. Generally, packaging policy does not affect foreign producers because the importer will be held responsible for the packaging.

Bulk-packaged, dried tropical fruits are usually packaged in export carton boxes lined with polyethylene, containing two or four 5 kg boxes. Nowadays dried fruits are mostly packed in polyethylene. It is generally used in the form of a closed bag inside paperboard cartons, fibreboard corrugated boxes (bag-in-box system) or multi-wall sacks. Polyethylene liners may be heat-sealed to give an airtight closure, although some air permeates gradually through the polyethylene itself. Vacuum packaging is also used, but on a small scale.

Packages suitable for palletisation are gaining in popularity, since they reduce handling costs and damage to the product. Rectangular boxes are more suitable for palletisation than paper sacks or drums. Packages normally vary between 5 kg and 25 kg.

Concerning the labelling of the products when exporting to Denmark, it should always be possible to trace the dried fruits 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 dried fruits.

If the products are imported in consumer packages more extensive information has to be provided. All consumer products sold on the Danish market must be labelled in Danish and contain the following information:

- Name and address of the producer, packager or importer within the EU
- List of ingredients, including additives, colorants etc.
- The quantity of the ingredients (QUID - Quantitative Ingredient Declaration)
- Net weight/ net volume
- Expiration date of the product
- Storage instructions

It is recommended that 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.

7. Opportunities for Exporters from Developing Countries

With the help from national marketing campaigns Danes have become more focused on leading a healthy lifestyle with a large consumption of fruits and vegetables and furthermore Danes have become more interested in exotic and organic fruits. The total Danish market for imported dried fruits has grown by 15% measured in volume over a four-year period, 2000 - 2003. During the same period imports from developing countries have grown from 2 to 8% of total Danish imports. The reason for the small amount imported from developing countries compared to total imports can be found in the very strict food regulations dominating the Danish market and the conservative trade patterns with long-lasting partnerships.

With an increased focus from developing countries on meeting certification and legal matters regarding food safety, the increased consumer interest in exotic fruits, and of course the lower prices offered, there is a good potential for the developing countries to increase their market share at the expense of the developed countries. There is a general assumption among the market players that the growth pattern of the previous years will continue and maybe increase over the next 3-5 years.

Due to the characteristics of the Danish market for dried fruits, opportunities for exporters from developing countries especially lie within two areas of the supply chain:

1) Supplying to wholesalers, importing agents or directly to supermarkets in Denmark. This way of supply often includes that the dried fruits are processed and packed in the exporting country according to the specifications given by the Danish customers.

2) Supplying dried fruits directly to the food manufacturers/industry in Denmark.

As stated earlier there are many different channels of distribution on the Danish market for dried fruits as well as a large variety of different importers. In relation to this, it is notable that the majority of the imported dried fruits is delivered to the food industry, and it is therefore advisable that exporters from developing countries focus their attention towards the food industry instead of dried fruits for private consumption, where the possibilities are more limited. In order to establish winning relationships with Danish importers and gaining success with exports to the Danish market it is imperative that the exporter holds the proper certifications. Food safety is of outmost importance in the relationship between foreign producers and Danish importers and therefore, a foreign producer capable of meeting these requirements will have an improved competitive position in the Danish market for dried fruits.

According to leading Danish importers, new products are generally welcomed by the Danish consumers though in comparison to the rest of the EU the Danish market is regarded as a fairly conservative one. New products will therefore have the best chance profit-wise if the marketing costs are minimised and the products to some degree are related to an already established one. There is a continuous product development in the industry and the best opportunities for a foreign exporter is therefore to be found in the corporation with the actors in the food industry or even the retail sector. Quite often the new consumer hits are redevelopments of old big sellers, which make extensive market information a crucial factor. This information is very difficult to obtain for a foreign exporter without the co-operation of a domestic player. The foreign producers' ability to stand out from the crowd is also emphasized by the trade structure in the Danish food industry. Danish importers of fruits mainly consist of large and highly professional wholesalers and supermarket chains. Today, a relatively fixed number of importers are present on the import market and these players already have a wide net of suppliers with whom they have had close co-operation for several years. Therefore, it is crucial that the exporter is highly professional and service-minded in all aspects of the trade operations if successful business relationships are to be established with Danish importers.

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, as well as gaining an idea of future market trends.

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 organisers or via the Internet).However, 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 prior or after the fair in order to conduct these meetings.

One trade fair held in Denmark, which could be of interest to companies in the fruit industry, is the **International Food Fair of Scandinavia,** which is held in Copenhagen every second year. The next International Food Fair of Scandinavia will take place from February 27 - March 2 2005.

Besides the fair held in Denmark a number of important international trade fairs for fruit products are held in the EU. Danish companies frequently visit fairs outside Denmark, and therefore visiting these also represents an opportunity to meet Danish importers. Especially the trade fairs ANUGA in Cologne, Germany and SIAL in Paris, France are popular with 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. The following trade fairs are among the largest in Europe and are targeted at retailers, wholesalers, importers, agents and exporters of the food industry in general, including the dried fruit industry.

Table 8.1

Trade Fairs in the EU			
Name	Where	When	Web-site
Bio Fach	Nurnberg, Germany	24 - 27 February 2005	www.biofach.de
IFE	London, United Kingdom	13 - 16 March 2005	www.ife.co.uk
ANUGA	Cologne, Germany	8 - 10 October 2005	www.anuga.com
Food Ingredients Europe	Paris, France	29 Nov - 1 Dec 2005	www.fi-events.com
SIAL	Paris, France	22 - 26 October 2006	www.sial.fr

9. Important Addresses

Organisations, institutions, ministries in Denmark:

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 Denmark
Sejrøgade 11
DK –2100 Copenhagen Ø
Phone: +45 39 17 39 17,
Fax: +45 39 17 39 99,
E-mail: dst@dst.dk
www.statbank.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: fvst@fvst.dk
www.fvst.dk

Fruits and Vegetables Trade Fairs in Denmark and the EU:

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

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

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

Bio Fach
NürnbergMesse GmbH
Messezentrum
90471 Nürnberg
Phone:+49 (0) 9 11. 86 06-0
Fax +49 (0) 9 11 86 06-82 28
biofach@nuernbergmesse.de
www.biofach.de

Food Ingredients Europe
CMP Information
PO Box 200
3600 AE Maarssen
The Netherlands
Phone: + 31 346 559 444
Fax: + 31 346 573 811
Fi@cmpinformation.com
www.fi-events.com

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, Côtes 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, Naura, 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, 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, Côtes 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 Brief

- ACP countries: American, Caribbean, African Countries
- CITES: the Convention on International Trade in Endangered Species of Wild Fauna and Flora
- CN: Combined Nomenclature
- EBA: Everything But Arms initiative
- EU: European Union
- GSP: Generalized System of Preference
- HACCP: Hazard Analysis and Critical Control Point
- HS: Harmonized System
- LDC: Least Developed Countries
- OCT: Overseas Countries and Territories
- OECD: Organisation for Economic Co-operation and Development
- VAT: Value Added Tax