



Handicrafts

A survey of the market for handicrafts in Denmark

This market survey is published by DIPO, June 2004.

DIPO

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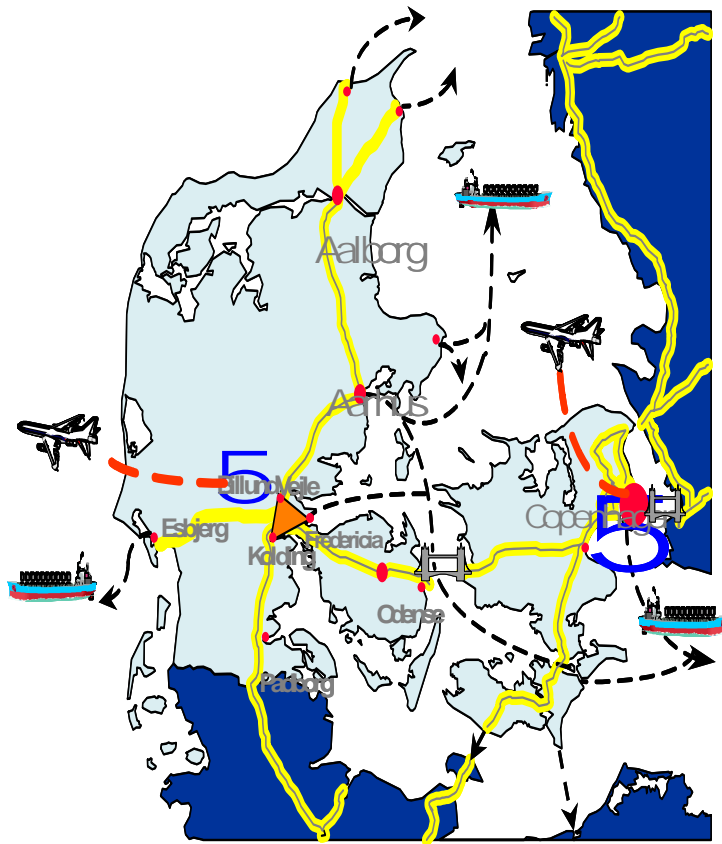
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Map of Denmark



The European Union:

Austria	Italy
Belgium	Latvia
Denmark	Luxembourg
Cyprus	Netherlands
Czech Republic	Portugal
Estonia	Spain
Finland	Sweden
France	Lithuania
Germany	Malta
Great Britain	Poland
Greece	Slovenia
Hungary	Slovakia
Ireland	

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 (2003): DKK 1,391 billions
GDP per capita (2003): DKK 258,000
Currency: Krone, DKK (1 DKK = 100 øre)
 Denmark has *not* adopted the common currency EURO
Exchange Rate, US\$: 1US\$ = 6.23 DKK (June 1- 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, 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 has taken place by 10 countries: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia, and Slovakia. Today, the EU embraces 25 member countries.

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

Danes spend the majority of their time in-door and, generally, much attention is given to furnishing and decorating the home. No exact numbers for spending on gift and handicraft articles exist for the Danish market, but the houseware sales figures can be used as an indicator of the potential market for gift and handicraft articles. Approximately six percent of total household income is spent on furnishing and domestic services in Denmark.

2. Market Definition

This market survey covers gift and handicraft articles. No set definition of the product group “gift articles” can be given as this term can cover a broad range of very different products. Handicrafts can be categorized as a sub-category to gift articles, and for the purpose of defining the product group “handicrafts” in this survey, we make use of the term as defined by UNESCO:

“Produced by artisans, either completely by hand, or with the help of hand-tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. These are produced without restriction in terms of quantity and using raw materials from sustainable resources. The special nature of artisan products derives from their distinctive features, which can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant.”

(Defined at the UNESCO/ ITC International Symposium on “Crafts and the International Market: Trade and Customs Codification”, Manila, 1997)

The Combined Nomenclature (CN) for statistics in the European Union 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 Combined Nomenclature does not clearly specify gift or handicraft articles. Nonetheless, for this market brief we have carefully selected a number of relevant chapters and CN codes, which cover a broad range of products of which some are true handicraft articles as defined above, whereas other articles cannot be classified as handicrafts but rather as gift articles. In this market brief the following product categories will be dealt with:

Table 2.1

CN code classification of gift and handicraft articles	
CN codes	Commodity description
4419	Tableware and kitchenware of wood
4420	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in Chapter 94 (furniture)
4602	Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or made up from goods of heading 4601; articles of loofah
6702	Artificial flowers, foliage and fruit and parts thereof; articles made of artificial flowers, foliage or fruit
6912	Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china
6913	Statuettes and other ornamental ceramic articles
6914	Other ceramic articles
741819	Table, kitchen or other household articles of copper
830621-30	Statuettes and other ornaments, of base metal; photograph, picture or similar frames, of base metal; mirrors of base metal
9505	Festive, carnival or other entertainment articles, including conjuring tricks and novelty jokes

Source: http://europa.eu.int/comm/taxation_customs

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

3. Market Analysis

The Total Danish Market for Imports of Gifts and Handicrafts

This section introduces the total Danish market for imported gifts and handicrafts. The section includes all categories of gifts and handicrafts (CN Codes 4419-9505) as described in the previous chapter "Market Definition".

Table 3.1 highlights the developments in the market for imported gifts and handicrafts from 1999 to 2003. The market size is only measured in value (Danish Kroner), as the statistics do not account for the products by unit.

Table 3.1

Size of Danish market for imported handicrafts and gifts (DKK 1,000)*							
CN Category	Commodity Description**	1999	2000	2001	2002	2003	Change in % 1999-2003
4419	Table- and kitchenware, wood	39430	51942	46784	44807	51405	30
44201000- 19	Statuettes, ornaments, wood	43223	42055	32194	44488	38009	-12
44209010-99	Caskets, etc., wood	27080	32994	36449	41245	38428	42
4602	Basketwork	47791	60455	77755	78803	102322	114
6702	Artificial flowers	32276	37195	38501	38653	31053	-4
6912	Tableware, etc., ceramic	63133	84059	77586	119866	128913	104
6913	Statuettes, etc., ceramic	184057	253152	230493	187970	145242	-21
6914	Other articles, ceramic	81076	74803	85290	82711	80785	0
74181900	Household articles, copper	1113	1098	979	2085	2035	83
830621-30	Statuettes, etc., base metal	76718	180149	173182	188499	177993	132
9505	Entertainment articles	175158	228532	195378	202000	203988	16
Total		771055	1046434	994591	1031127	1000173	30

Source: Statistics of Denmark

* Current prices

** For an elaborate commodity description, see chapter 2 "Market Definition"

The table shows that there has been a general increase in imports of gift and handicraft articles over the last five years, from approximately DKK 770 million in 1999 to more than DKK one billion in 2003. The largest import category is entertainment articles such as Christmas and other festive articles followed closely by metal and ceramic statuettes, and basketwork. Basketwork, ceramic tableware, household articles of copper, and statuettes of base metal account for the largest increases in imports. Only categories such as wooden statuettes and ornaments, artificial flowers, and ceramic statuettes have experienced a decline.

The following sections in this chapter analyses the market for each of the above-mentioned product categories as well as the export countries of the different products.

It should be noted that, many products which originate from outside the EU, are imported to the Danish market through other EU countries. Subsequently the Danish import figures might give an incorrect picture when it comes to the origin of the products, and developing countries indirectly account for a larger amount of Danish imports.

Tableware and Kitchenware of Wood

The imports of table- and kitchenware amounted to more than DKK 51 million in 2003, which was a ten percent market increase from 2001. The increase in imports of wood-ware corresponds with a trend in Denmark towards substituting plastic kitchenware with similar articles made of wood. Wooden utility articles are generally perceived to be more natural, classical, and oftentimes of a better quality than their plastic equivalents. Table- and kitchenware on the Danish market is typically made of lighter woods, such as beech and maple, but it is also possible to encounter products made of darker woods, such as olive or teak. The darker types of woods are often perceived as more exclusive and are more expensive than the lighter wood articles.

As table 3.2 shows, the developing country Thailand is the largest exporter of wooden table- and kitchenware articles to Denmark. Two other developing countries that appear on the top ten list are China and Vietnam. While Thailand and China have experienced substantial growth in the last three years, Vietnam has experienced a decline of 42 percent. Among the other top ten exporting countries are mostly European countries, such as Sweden, Poland, and France. Although these exports to some extent stem from the countries' own production of wooden articles, a proportion also originates from developing countries. Thus, the European Union has substantial intra-trade, in which products are imported by one member state only to be re-exported to a neighbouring country.

Although the top ten exporting countries share 90 percent of the market, there are a number of other developing countries that also enjoy some exports to Denmark of wooden table- and kitchenware articles. These countries are Indonesia, Malaysia, Philippines, India, Pakistan, Syria, Egypt, Tunisia, Kenya, Zimbabwe, Sierra Leone, South Africa, Brazil, and Mexico.

Table 3.2

Imports of table and kitchenware of wood (DKK 1,000)					
	2001	2002	2003	% 2001-2003	Market share 2003
Total imports to Denmark	46784	44807	51405	10	
Index (2001 = 100)	100	96	110		
Top 10 exporting countries					
Thailand	12547	10696	16852	34	33
Sweden	5568	6211	8101	45	16
Slovenia	6520	6298	4386	-33	9
China	3043	3223	4055	33	8
Poland	3989	3268	3644	-9	7
France	186	25	2881	1449	6
Germany	609	1425	2093	244	4
New Zealand	1298	3000	1646	27	3
The Netherlands	204	496	1423	598	3
Vietnam	2069	2273	1194	-42	2
Top 10 total exports to DK	36033	36915	46275	28	90

Source: Statistics of Denmark

Statuettes and Other Ornaments of Wood

The Danish market for imports of statuettes and other ornaments of wood was worth DKK 38 million in 2003. The market has experienced substantial growth in the last three years with a peak in 2002 where the market amounted to more than DKK 44 million. However, if we compare the market size in 2003 with that in 1999 it turns out that there has been a 12 percent decline. Furthermore, the market for decorative wood articles continues to be relatively small.

Most of Denmark's imports of statuettes and other ornaments of wood originate in developing countries. Seven out of the top ten countries displayed in table 3.3 are developing countries. The largest exporter is China, which has experienced an almost explosive growth of more than 500 percent over the last three years. Indonesia has seen its market share decrease, while India, which did not have a market in 2001, now enjoys DKK 2 million of exports. Other exporting developing countries include Vietnam, Malaysia, Philippines, Nepal, Sri Lanka, Kenya, South Africa, Ghana, Togo, Tanzania, Zimbabwe, Nigeria, Gambia, Guatemala, Brazil.

Table 3.3

Imports of statuettes and other ornaments of wood (DKK 1,000)					
	2001	2002	2003	% 2001-2003	Market share 2003
Total imports to Denmark	32194	44488	38009	18	
Index (2001 = 100)	100	138	118		
Top 10 exporting countries					
China	3043	3223	18408	505	48
Sweden	5568	6211	6056	9	16
Indonesia	3934	2424	2673	-32	7
Thailand	12547	10696	2253	-82	6
India	20	351	2012	9960	5
Kenya	-	66	1721	-	5
The Netherlands	204	496	1334	554	4
Germany	609	1425	714	17	2
Vietnam	2069	2273	621	-70	2
Sri Lanka	-	-	416	-	1
Top 10 total exports to DK	27994	27165	36208	29	95

Source: Statistics of Denmark

Caskets of Wood

The import market for caskets is just as the market for statuettes dominated by developing countries, except from Sweden, which has a market share of close to 50 percent. China, Thailand, Indonesia, the Dominican Republic, and the Philippines are present on the top ten list. The market has been rather stable from 2001 to 2003 with a slight increase of five percent. However, a glance at the figures from 1999 shows that over the last five years the market has grown with 42 percent.

Besides the countries mentioned in table 3.4, other developing countries exporting caskets to Denmark include Papua New Guinea, Cambodia, India, Pakistan, Sri Lanka, Nepal, Syria, Egypt, Kenya, Guatemala, Ecuador, and Chile.

Table 3.4

Imports of caskets of wood (DKK 1,000)					
	2001	2002	2003	% 2001-2003	Market share 2003
Total imports to Denmark	36449	41245	38428	5	
Index (2001 = 100)	100	113	105		
Top 10 exporting countries					
Sweden	18285	20583	18538	1	48
China	3779	6477	9792	159	25
Thailand	3958	4294	2019	-49	5
Portugal	731	1042	1367	87	4
Germany	26834	2165	1106	-96	3
Poland	158	660	970	514	3
Indonesia	521	256	903	73	2
Dominican Republic	809	930	688	-15	2
Philippines	170	339	654	285	2
Taiwan	809	493	365	-55	1
Top 10 total exports to DK	56054	37239	36402	-35	95

Source: Statistics of Denmark

Basketwork

Basketwork comprises a large number of products ranging from plant pots, laundry baskets, shopping nets, and chairs to bags and cases. Basketwork is becoming increasingly popular in Denmark. In the last three years the imports of basketwork have increased more than 30 percent and the market has now surpassed DKK 100 million. The market for baskets has seasonal peaks around Christmas and in the summertime when Danes use them for picnics.

Developing countries dominate the top ten list in table 3.5. Especially China stands out as the most dominant player on the market with a market share of 67 percent. It seems that China's share is growing, as the country has witnessed an almost 50 percent increase over the last three years. Vietnam also experiences growth, while it appears that Indonesia is on its way to lose the market.

Other developing countries that export basketwork to Denmark, apart from those on the top ten list, are Bangladesh, Malaysia, Nepal, Morocco, Tunisia, Ghana, Zimbabwe, Kenya, Tanzania, and Guatemala.

Table 3.5

Imports of basketwork (DKK 1,000)					
	2001	2002	2003	% 2001-2003	Market share 2003
Total imports to Denmark	77755	78803	102322	32	
Index (2001 = 100)	100	101	132		
Top 10 exporting countries					
China	47084	50763	68863	46	67
Vietnam	6399	5994	7468	17	7
Poland	2951	2986	6326	114	6
Indonesia	10593	5161	3798	-64	4

Madagascar	1334	1741	2767	107	3
Germany	1377	2166	2420	76	2
Philippines	3058	2105	1840	-40	2
Sweden	1593	1709	1659	4	2
Rumania	1186	1312	1279	8	1
India	12	517	1123	9258	1
Top 10 total exports to DK	75587	74454	97543	29	95

Source: Statistics of Denmark

Artificial Flowers

While artificial flowers are popular in some countries in the European Union, especially in the Mediterranean, they are less popular in the Nordic countries, including Denmark. Although the market is still worth more than DKK 30 million it has declined almost 20 percent over the last three years. The negative trend may change again in the future as the quality of artificial flowers improves, but generally Danish consumers have always had a strong preference for fresh flowers.

The most dominant exporter of artificial flowers to the Danish market is China with a market share of 58 percent. Sweden is second on the top ten list shown in table 3.6, but Swedish exports are still only about a quarter of China's. Other developing countries on the list are India, Sri Lanka, and the Philippines each with a one percent share of the imports. Other developing countries exporting artificial flowers to Denmark are Thailand, Vietnam, Malaysia and Egypt.

Table 3.6

Imports of artificial flowers (DKK 1,000)					
	2001	2002	2003	% 2001-2003	Market share 2003
Total imports to Denmark	38501	38653	31053	-19	
Index (2001 = 100)	100	100	81		
Top 10 exporting countries					
China	20580	22210	18042	-12	58
Sweden	4364	5077	4705	8	15
Hong Kong	4728	4099	3278	-31	11
The Netherlands	2262	2275	1902	-16	6
Germany	4917	2530	1310	-73	4
Austria	3	535	415	13733	1
India	192	211	195	2	1
France	66	148	165	150	1
Sri Lanka	-	4	164	-	1
Philippines	211	399	161	-24	1
Top 10 total exports to DK	37323	37488	30337	-19	98

Source: Statistics of Denmark

Ceramic Tableware, Kitchenware, and Toilet Articles

The market for imports of ceramic tableware, kitchenware, and toilet articles is rather large and growing. The market has more than doubled since 1999 with an increase alone of 66 percent from 2001 to 2003. Since the nineties there has been a growing trend in Denmark towards investing more in people's private homes. Especially kitchens and bathrooms are being renovated and redecorated. This trend also benefits the producers of ceramic articles, as people also wish to replace or add to their existing collection of ceramic utilities.

As the production of ceramics is rather investment-heavy, it is typically industrial nations that are at the forefront of this market. Thus, EU countries, such as Italy, Germany, Portugal, Sweden, and the UK, cover 70 percent of the market for imports. However, developing countries, such as Malaysia, the Philippines, and China are also present at the top ten list. Especially exports from Malaysia and the Philippines are increasing fast experiencing three-digit growth rates these years. Other developing countries exporting ceramic utility articles to Denmark include Thailand, Vietnam, Columbia, India, and Indonesia.

Table 3.7

Imports of ceramic tableware, kitchenware, and toilet articles (DKK 1,000)					
	2001	2002	2003	% 2001-2003	Market share 2003
Total imports to Denmark	77586	119866	128913	66	
Index (2001 = 100)	100	154	166		
Top 10 exporting countries					
Italy	16855	20859	30538	81	24
Germany	4598	29596	24615	435	19
Malaysia	365	4744	16163	4328	13
Portugal	15432	17358	15526	1	12
Sweden	13309	17293	12706	-5	10
UK	7486	7814	6500	-13	5
Philippines	819	3703	3792	363	3
China	4318	6274	3584	-17	3
Taiwan	911	3148	3056	235	2
The Netherlands	538	427	2518	368	2
Top 10 total exports to DK	64631	111216	118998	84	92

Source: Statistics of Denmark

Statuettes and Other Ornamental Ceramic Articles

Though the market for statuettes and other ornamental ceramic articles is still rather large, the market has declined significantly over the last three years. As this type of articles does not have any functional value, the demand for them is almost entirely influenced by people's tastes. In the latter years the taste of the Danish consumers has increasingly moved away from ceramic ornaments. However, comparing the figures from 2003 with those of 1999 reveals that it is equally likely that there has been a boom in the demand for ceramic ornaments at the beginning of the new millennium, and now the demand is moving back to its normal position.

The top ten list of countries exporting ceramic ornaments to Denmark is dominated by developing countries. China and Vietnam top the list, but countries such as Malaysia and Indonesia are also present. Together these four countries cover more than 60 percent of the market for imports. Other developing countries that

operate in this market include Mali, Thailand, the Philippines, Pakistan, India, Iran, Egypt, Morocco, Tunisia, South Africa, Guatemala and Chile.

Table 3.8

Imports of statuettes and other ornamental ceramic articles (DKK 1,000)					
	2001	2002	2003	% 2001-2003	Market share 2003
Total imports to Denmark	230493	187970	145242	-73	
Index (2001 = 100)	100	82	63		
Top 10 exporting countries					
China	77707	64773	58896	-24	41
Vietnam	25929	22588	21686	-16	15
Sweden	33151	34211	20462	-38	14
Portugal	16012	10674	8876	-45	6
Germany	10358	11490	8196	-21	6
Malaysia	25110	10851	5759	-77	4
The Netherlands	10238	4632	4551	-56	3
Hong Kong	4844	3567	2617	-46	2
Indonesia	1613	1298	1686	5	1
Taiwan	592	1182	1503	154	1
Top 10 total exports to DK	205554	165266	134232	-35	92

Source: Statistics of Denmark

Table, Kitchen or Other Household Articles of Copper

Although the market for imports of household articles of copper is very small, it has experienced more than a doubling since 2001. There is a trend in Denmark towards investing more in household articles, and this trend also benefits the exporters of copper utilities. In Denmark, copper products are purchased more for their aesthetic looks than for their functional value.

India tops the list of exporters of household copper articles to Denmark with a little more than DKK 1 million worth of exports in 2003. Other developing countries sharing the market for copper imports are China, Turkey, and Nepal.

Table 3.10

Imports of table, kitchen or other household articles of copper (DKK 1,000)					
	2001	2002	2003	% 2001-2003	Market share 2003
Total imports to Denmark	979	2002	2085	113	
Index (2001 = 100)	100	204	213		
Top 10 exporting countries					
India	143	477	1142	699	55
Italy	-	61	204	-	10
France	182	211	165	-9	8
China	16	1059	151	844	7
Portugal	-	1	139	-	7
Czech Republic	-	-	138	-	7
Germany	9	33	69	667	3
Turkey	-	-	31	-	1

Taiwan	-	1	24	-	1
Sweden	117	12	12	-90	1
Top 10 total exports to DK	467	1855	2075	344	100

Source: Statistics of Denmark

Statuettes and Other Ornaments of Base Metal

The import market for statuettes and other ornaments of base metal, such as picture frames and mirrors, is rather stable. Thus, over the last three years there has only been a small increase of three percent in the value of imports. These base metal articles are only purchased because of their decorative value, and many of the products are hand-made.

By far the largest exporting country of base metal ornaments to Denmark is Sweden. However, Sweden has gradually lost its market share over the three-year period displayed in table 3.11. Instead, the two developing countries, China and India, have gained momentum with two-digit growth rates in the same period, and now cover more than a quarter of the market. Also Vietnam and Thailand can be found on the top ten list, though their market share is considerably smaller. Indonesia, the Philippines, Bangladesh, India, Nepal, Armenia, Turkey, Morocco, South Africa, Cuba, and Brazil are among the developing countries that also enjoy some exports of base metal ornaments to Denmark.

Table 3.11

Imports of statuettes and other ornaments of base metal (DKK 1,000)					
	2001	2002	2003	% 2001-2003	Market share 2003
Total imports to Denmark	173182	188499	178552	3	
Index (2001 = 100)	100	109	103		
Top 10 exporting countries					
Sweden	104414	108548	90667	-13	51
China	19503	22878	27263	40	15
India	12315	13333	20168	64	11
Germany	6798	3555	6633	-2	4
The Netherlands	5916	5949	5891	0	3
Slovakia	5041	5494	4925	-2	3
Vietnam	1685	4980	3540	110	2
Thailand	4298	3771	3384	-21	2
Estonia	921	2166	1758	91	1
UK	822	1083	1560	90	1
Top 10 total exports to DK	161713	171757	165789	3	93

Source: Statistics of Denmark

Festive, Carnival or Other Entertainment Articles

The market for festive, carnival or other entertainment articles is stable with a relatively small growth. Compared to the other gift and handicraft articles, the market for entertainment articles is rather large. It is characterised by a large seasonal peak around Christmas, where most articles are sold. The articles vary in terms of raw materials, and it is not possible to state how large a fraction of the imports that are handmade.

The largest exporter of entertainment articles to Denmark is China with a market share of more than 60 percent. China has also experienced a large growth in its exports in recent years. The other countries at the top of the list are mostly EU countries. However, it may well be that the products imported from these countries originally stem from China or other developing countries. Hence, there is much intra-trade in the EU, where European importers import articles from non-EU countries only to re-export them to other member states. Developing countries exporting directly to Denmark include Indonesia, Vietnam, Thailand, Malaysia, Philippines, Laos, Sri Lanka, Pakistan, Nepal, Iran, Egypt, Turkey, Tunisia, Madagascar, and Chile.

Table 3.12

Imports of festive, carnival or other entertainment articles (DKK 1,000)					
	2001	2002	2003	% 2001-2003	Market share 2003
Total imports to Denmark	195378	202000	203988	4	
Index (2001 = 100)	100	103	104		
Top 10 exporting countries					
China	95579	104712	123598	29	61
The Netherlands	18121	22506	25727	42	13
Sweden	21609	22861	15064	-30	7
Germany	22786	13619	10676	-53	5
UK	2285	2277	5030	120	2
Czech Republic	5138	5142	3891	-24	2
Hong Kong	11616	9231	2574	-78	1
Taiwan	2168	3973	2360	9	1
India	2804	1828	1774	-37	1
Poland	2375	2243	1544	-35	1
Top 10 total exports to DK	184481	188392	192238	4	94

Source: Statistics of Denmark

4. Market Characteristics

Segments

The products falling under the labelling “gifts and handicrafts” are difficult to label. Practically any product can be used as a gift and today the label “handicraft” should not be taken at face value, as so-called handicrafts can be (partly) machine made.

The common feature for all the articles grouped within this label is their decorative or emotional value as well as their functionality. The basic criteria for purchasing these articles are based on whether the product will fit into the consumer’s personal life style, or whether the product represent a certain image that may be considered a suitable gift.

The market for gift and handicraft articles can be segmented roughly into four different product groups based on the functionalities of the products:

1. The utility products

The articles in this segment have a functional value and are mostly bought for a day-to-day use. The articles are bought when the need arises and are therefore purchased throughout the year. Examples of products are wooden utensils or bowls for the kitchen, but generally the products in the utility segment has been adapted to the needs of the Danish consumer. Utility articles should live up to industrial standards, meaning that for example vases for holding flowers should not leak water and candle holders should not topple easily.

The purchase of products within this category can be done in a variety of shops, from supermarkets and department stores to specialised gift shops. Value for money is the key factor for consumers when purchasing utility products.

2. The art objects

This smaller segment contains products with an artistic value. The category includes items, which are mostly handmade, authentic, “ethnic”, and exclusive and sometimes made in a limited number or in signed series. Examples of such products could be woodcarvings, masks or statuettes, which are made in developing countries using traditional methods.

These objects can be purchased in specialised stores, in art galleries or in artisans’ studios at a premium price as consumers are often willing to pay a higher price due to the handmade appearance of the original articles. Moreover, the products are not only purchased as gifts but even more often bought by collectors for their own homes.

3. The souvenirs

The souvenir segment includes two groups of products, namely “Danish” souvenirs and “ethnic” souvenirs.

Products within the first category are “Danish” souvenir articles produced by foreign manufacturers in low-wage countries and exported to Denmark to be sold to foreign tourists as a memento of their holiday in Denmark. The products sold as souvenirs are usually products, which cannot be purchased in the tourists’ home country, and the products can differ distinctly from the souvenirs produced in other countries and directed at Danish tourists in that particular country.

The second groups of products are “ethnic” souvenirs, which are souvenirs from developing countries traditionally sold to foreign tourists in the particular country. This type of ethnic souvenirs are often imported in great quantities by large retail chains and sold at a low price to the Danish consumer. In this context it must be emphasised that Danish tourists on holiday abroad buy souvenirs, which they would not buy at home, as the souvenirs mainly serve as memento of the holiday. Therefore, gift and handicraft producers in these tourist destinations should not draw the conclusion that every souvenir article, which sells well to the foreign tourists, could also be easily sold for exports to Denmark.

4. The festive products

The last category covers products, which are used for decorations at special occasions. The most important festivals in Denmark are Christmas and Easter, where people decorate their homes with different types of ornaments. The types of product used at these occasions are only sold around that time of the year and are therefore subject to great seasonality.

Trends

Within the last five to ten years the interest in home furnishing and decoration has increased considerably among Danes. Today, Danish television programmes are swamped with shows focusing on interior decoration, remaking of homes, and furnishing of homes. To a much greater extent, the home has become a place through which people will try to reflect their individual style and display their identity and consequently, Danes increasingly take great interest in making their homes cosy and inviting.

With a greater interest in interior decoration and home furnishing, the focus on handicrafts and gift articles has also increased as these items also serve to personalize homes. Today, there is a tendency towards people adding small pieces of new decorative articles in order to change the look of their homes rather than purchasing large pieces of furniture. This also means that the purchasing of handicrafts and gift articles has become more fashion oriented rather than based on functionality purpose. Moreover, consumers also increasingly prefer unique, one-of-a-kind items to mass-produced articles.

A tendency is that many producers often work within diverse assortments and themes. This means that different types of products are designed so that they match, for example having the same patterns or shapes. This especially holds true for kitchenware and utensils.

A trend for the future influencing the purchasing of handicrafts and gift articles is that people increasingly prefer products of organic materials, such as wood, rather than products made of plastic or other artificial materials. According to the Society of Craft Designers (www.craftdesigners.org) the new trend is likely to be products with a generic ethnic look. This will include influences such as products made of bamboo, rattan, wicker, warm woods, soft earth tones and ethnic prints. Thereby it is both a tropical and an ethnic look, which will come into fashion in the near future.

Moreover, the same organisation predicts that decorative articles with a functional value will be continuously popular, such as boxes, tin and wood baskets and other types of containers, which can provide storage. For example, different kinds of boxes made of bamboo or rattan have been very popular items in Denmark for the last couple of years.

5. Commercial Practice

Due to the increasing use of the Internet, Danish importers receive many offers on a daily basis from foreign suppliers who wish to do business in Denmark. Therefore, a foreign exporter of gifts and handicraft articles 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, perhaps along with brochures and photographs. The exporter 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 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 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.

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 have been sent to the Danish importer, the standard of the delivery must of course correspond to the same standard of the samples introduced.

Reliability concerning packaging standards and 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.” 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. Moreover, products made of endangered plants or species, such as hardwoods from rain forests or ivory, will be rejected by Danish importers as trade with these kinds of products violates the CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, www.cites.org). 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

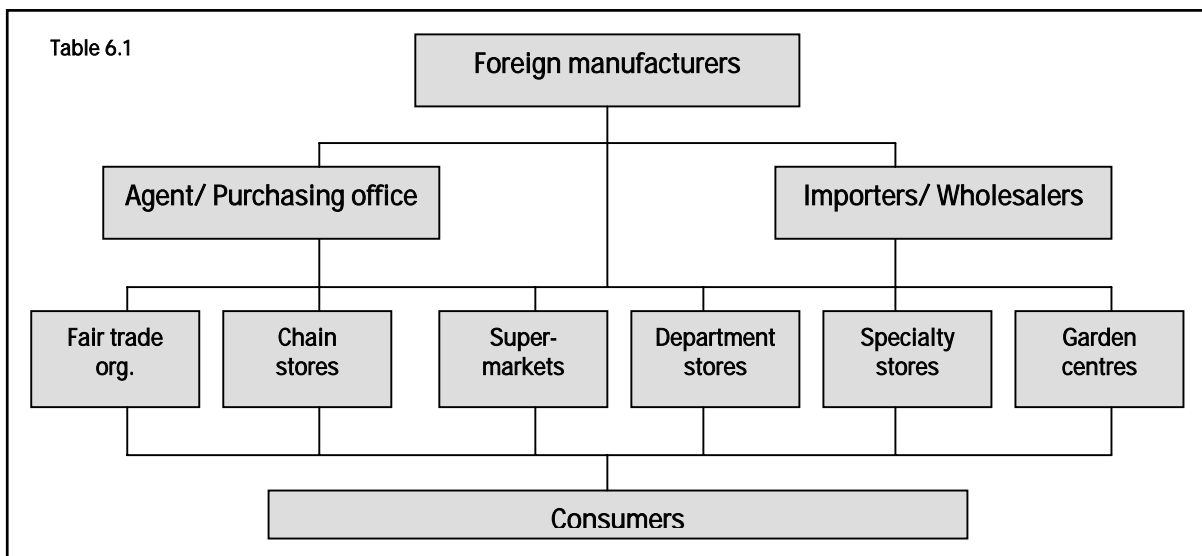
Danish Importers of Gift and Handicraft Articles

The market for gift and handicraft articles can be characterized as buyer's market as Danish importers can pick and choose among many uninvited offers from foreign exporters from all over the world that want to gain foothold in Denmark. In Denmark, the two most import groups of importers of gift and handicraft articles are the retail chains and the specialised importers:

- The large retail chains are an important group of importers. This group consist of department stores, chain stores, supermarkets and garden centres. Often the focus of this group is on purchasing large quantities of low-priced handicraft and gift articles, which are sold directly to end users. Retail chains are sometimes organised in large purchasing associations, which enables the individual retailer to reduce his high costs for small orders. The larger retail chains import the handicraft and gift articles directly themselves, but retailers also sometimes make use of agents or have their own purchasing offices.
- The second group of importers consist of more specialised importers such as wholesalers, specialty stores, home decorations stores, gift article stores or independent retailers, which have strong local contacts in the exporting country. Often this group of importers mainly purchase goods according to specific designs especially adapted to the European style and taste, or high quality handicraft of ethnic value characteristic for the specific country. This focus could for example be handmade products from Indonesia, laquerware from Vietnam, or basket and figures from Kenya.

Another group of importers, though relatively small, can also be mentioned, namely the Danish fair trade organizations. The Danish fair trade movement consists of several NGOs, which have different angles on fair trade: Some are retailers, some are importers, and others promote fair trade goods in general. The aim of these organizations is to provide the best possible trade options for manufacturers in developing countries. They buy directly from cooperatives or manufacturers in the developing countries and thereby try to ensure that they receive a fair share of the profit. In Denmark, these fair trade articles are normally sold in supermarkets and in fair trade shops. For more information, please refer to www.fairtrade.dk.

In summary, the trade distribution channels for gift and handicraft articles are:



Price and Mark-ups

The price structure of gift and handicraft articles naturally varies throughout the supply chain depending on the gift or handicraft article in question. Prices for handicrafts and gift articles vary considerably, where the price is affected, for example, by the intermediaries buying and selling, the quantities, the material used, originality etc.

The margins vary for the different intermediaries in the supply chain and therefore it is almost impossible to state the exact margins for the different groups of intermediaries trading with handicraft and gift articles. Normally, the lower the value of the article is, the higher will be the mark-up in the wholesale and retail trade. To serve as a *general* guideline, examples of the level of mark-up of handicraft and gift articles is given:

- Manufacturer's mark-up: 15-20%
- Importer's/ wholesaler's mark-up: 40 – 100%
- Retailer's mark-up: 90 – 125 %

Success Factors

The different importers of handicraft and gift articles 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 articles lives up to expectations. This, however, does not mean that they are not open to new suppliers, but the exporter must prove that their company and products are absolutely reliable before a Danish importer will consider them as new suppliers. Often 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.

As it is the case in many different business relationships mutual trust and reliability between the exporter and importer of gift articles and handicrafts are of paramount importance if a successful relationship should be established. The key to successful penetration of the Danish market for gift articles and handicrafts is delivering products of consistently good quality and for the exporter to be reliable when it comes to delivering the gift articles and handicrafts. The Danish importers set their own, and often high, quality standards, and producers should take into account that quality and value for money are still the most important parameters when a Danish importer decide to purchase gift and handicraft articles. In order for these articles to being able to compete in terms of value for the money, the articles ought to be well constructed, professionally finished and have a decorative appeal.

Moreover, it is also very important that the foreign manufacturer will be able to adapt the products according to the Danish importers' recommendations and wishes in order to better meet the demand of the Danish consumers.

The majority of gift articles are presented to the consumers in small series or collections. It is therefore a strength if the exporter can produce series of products that supplement each other both in terms of design, colour and function.

Some gift articles and handicrafts can also be very seasonal, for example if the articles are to be used as Christmas decorations. Keeping delivery time for such products is crucial, as there will be no market for delayed shipments. Other kinds of gift articles and handicrafts, for example articles of original ethnic value, are normally less sensitive to shipment delays.

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

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 gift and handicraft articles upon request. An important and challenging task for the foreign exporter is to present and market his products as quality products worth purchasing for the Danish importer. A general assumption among consumers in western countries is that products originating from a developing country are of an inferior quality and therefore should be considerably cheaper than a product from a western country –an assumption which also holds true for handicraft articles. It should therefore be in the greatest interest of the foreign exporter to present his products in a professional and appealing manner in order to overcome this prejudice.

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 in international trade relations, this is a very good way of meeting 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" too.

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

A handicraft certificate is required for importation of a range of handmade goods into the EU if the products are to be given preferential treatment. This type of certificate is also issued by the appropriate authorities in the exporting country.

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 conventional rates for import duties as of January 2004 are shown in the following table, where the rates of duty cover the sub-categories within the CN-numbers specified in Chapter 2.

Table 7.1

Rates of Duty, January 2004			
CN Codes	General Tariffs	Developing Countries	Least Developed Countries
4419	0	0	0
4420	0 - 4	0	0
4602	1.7 – 3.7	0	0
6702	4.7	0	0
6912	5 – 9	1.5 – 5.5	0
6913	3.5 – 6	0	0
6914	3 – 5	0 – 1.5	0
74181900	3	0	0
830621 - 30	0 – 2.7	0	0
9505	0	0	0

Source: http://europa.eu.int/comm/taxation_customs

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 of the normal duty. Please refer to appendix 1 for a list of countries eligible for preferential treatment.

China and Myanmar are excluded from preferential treatment within many of the categories, and also Indonesia and Malaysia are exempted from preferential treatment when it comes to articles of wood and basketwork.

If a product is certified as being hand made by the appropriate EU authority, the handicraft article can be given preferential customs treatment given that it originates in a country with which the EU has signed handicraft agreements.

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.

Regulations

No specific regulations exist for gift and handicraft articles as this term covers a broad variety of very different products. However, some gift and handicraft articles could be subject to the EU product legislation concerning the content of hazardous substances, especially if the products are to be used in connection with provisions. According to the CBI market survey (2003) on gift and decorative articles, the most important dangerous substances that an exporter of gift and handicraft articles should be aware of are:

- Azo dyes
- Benzene used as stabilizers in plastic
- Formaldehyde used as glazing or bonding agent

- Pentachlorophenol (PCP) used to prevent fungal growth in wooden toys
- Polychlorinated biphenyl (PCB) and terphenyl (PCT) used as softeners in plastic products
- Phthalates added to PVC
- Asbestos used as filling material in plastics
- Cadmium used as pigment or stabilizer in paints, plastics, ceramics and glassware
- Nickel
- Mercury
- CFCs and halons used as foaming agents

For more information on the allowed use of chemicals, please refer to the Danish Environmental Protection Agency:

<http://www.mst.dk/chemi/PDF/Whatdoes.pdf> (brochure), or

<http://www.mst.dk/chemi/01070000.htm> (Chemical fact sheet)

Packaging and Labelling

Packaging and labelling are important parameters when dealing with gifts and handicrafts.

The packaging of products has two functions: A functional purpose when the products are transported from one country to another, and a presentational purpose directed at the end consumer.

As products from developing countries often has a long distance to travel great care should be given to the packaging of products in the country of origin before the items are shipped to Denmark. The means of transporting handicraft and gift articles depend on the size of the order, the commodities in question, and how quickly the importer needs the articles, however gift articles and handicrafts are usually transported by sea. Shipment per container is usually the safest means of transport, especially for fragile articles such as ceramics. The articles should be packed in such a way that they would not be affected by rough transport handling or damaged by varying weather conditions. For example, the articles can be packed in solid boxes of smaller size and with cushioning for protection, and thereafter placed on pallets to minimize the risk of damage during the transportation.

Consumer packing could also be an issue for the foreign exporter to take into consideration, as an attractive consumer packing is a good sales argument. The quality of the product can be underlined by the way the gift or handicraft article is displayed, meaning that the packing should match the design, image, quality and price of the product.

Marking and labelling requirements applying to products sold in Denmark are numerous and vary from item to item, and both Danish and EU laws and regulations influence requirements. The correct labelling of the product is important as the information is to be used upon importation to Denmark. A customs declaration always have to be filled out containing information such as the TARIC code, country of origin, name of the consignor, the value of the products etc.

In the retail trade some handicraft articles and decorative articles can be marked with a FAIRTRADE mark, thereby indicating that the products are traded with concern for the social, economic and environmental well being of the producers in developing countries. The FAIRTRADE mark can serve to distinguish the gift and handicraft items positively from other products. Any company can apply to obtain the rights of using the mark, though the procedures to obtain the right to use the mark can be time consuming and is related with costs. For more information on the FAIRTRADE label, please refer to the Fair Trade Labelling Organisation International (FLO): www.fairtrade.net

Generally, 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. The responsibility for compliance with Danish labelling and marking regulations rests with the importer and consequently, the Danish importer usually informs the foreign supplier of his requirements to packaging and labelling.

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 since it is possible to meet both future competitors and potential customers at the fairs.

If you choose to exhibit in a trade fair it is important to know in advance who the target groups of the fair are. In Denmark, the exhibitors are often wholesalers or importers and the target group is the retailers. 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 you should allow yourself to stay a few days after the fair in order to conduct these meetings.

Danish trade fairs, which could be of interest to companies in the gifts and handicraft business, are:

Table 8.1

Trade Fairs in Denmark			
Name	Where	When	Web-site
Formland	Herning	Aug 13-16 2004 + Feb 4-7 2005	www.formland.dk
G & B	Roskilde	Sep 5-7 2004 + Jan 8-11 2005	www.gogb.dk (only in Danish)

Besides the fairs held in Denmark a number of important international trade fairs for gift and handicraft articles are held in the EU. Danish companies frequently visit fairs outside of 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 8.2

Trade Fairs in the EU			
Name	Where	When	Web-site
Harrogate Home & Gift	Harrogate, UK	July 18-21 2004	www.homeandgift.co.uk
Tendence Lifestyle	Frankfurt, Germany	Aug 27-31 2004	http://tendence-lifestyle.messefrankfurt.com/global/en
MACEF	Milan, Italy	Sept 3-6 2004	www.macefautunno.biz
Autumn Fair	Birmingham, UK	Sep 5-8 2004	www.autumnfair.com
Florence Gift Market	Florence, Italy	Sept 10-13 2004	www.florencemart.it
Expohogar Regalo	Barcelona, Spain	Sept 18-21 204	www.expohogar.com
Ambiente	Frankfurt, Germany	Feb 11-15 2005	http://ambiente.messefrankfurt.com/frankfurt/en/home.html

For a number of good tips and ideas about how to get the most out of an exhibition, please refer to www.fairlink.se

9. Market Prospects

Generally, the Danish market for imports of gifts and handicrafts has grown substantially since 1999. However, since 2001 growth rates have declined considerably and are no longer double-digit. This may indicate that the overall market is becoming saturated. Nonetheless, for the individual product categories the tendencies are much more varied.

The market for table- and kitchenware made of wood is showing considerable growth rates. The Danish consumers have started changing their preferences for kitchen- and table utilities away from plastics and towards woods instead. As part of a major European trend towards favouring more natural products, there are currently no indications that the market for wooden utility articles will stop growing in the near future. Developing country exporters have a large share of this market and will presumably gain from its growth.

The relatively small market for wooden statuettes and other ornaments has decreased slightly over the last five years. The market for decorative articles such as wooden statuettes is very sensitive to changing consumer preferences, and therefore it is difficult to predict this market's development in the future. However, the imports of wooden caskets show a slight upward trend. As the production of wooden caskets is labour-intensive, developing country producers should have a competitive advantage in this market.

Basketwork is the handicraft market, which has experienced largest growth rates in Denmark over the last five years. In five years the market has doubled, and it seems that this development will continue in the near future. Basketwork is very popular in Denmark and poses large opportunities for developing country exporters. Already countries, such as China, Vietnam, and Indonesia, enjoy a strong foothold on the Danish market.

The market for artificial flowers has declined slightly over the last five years. Opposed to the majority of the European consumers, Danes are not that fond of artificial flowers. However, as the quality of the artificial flowers gradually improves, the tendency may change.

Ceramic tableware, kitchenware and toilet articles are all part of a market that has seen double-digit growth rates and a doubling of the demand over the last five years. Prospects are very positive for this market, as there is a trend in Denmark towards focusing more on household utilities. Although old European industrial nations have a significant share of this market, developing countries, such as Malaysia and the Philippines demonstrate impressive growth rates. If this development continues, developing countries may overtake the position of these European countries in the future. Statuettes and other ornamental ceramic articles experience a substantial decline in demand these years, however, as consumer preferences do not favour these articles at the moment.

Imports of table, kitchen and other household articles of copper are very small. Nonetheless, the market has more than doubled over the last three years. As Danish consumers are on the lookout for unique and exclusive articles for their households, this market may continue to grow in the future. Statuettes and other ornaments of base metal is a relatively large market that has grown impressively over the last five years. However, in the last three years growth rates have been more moderate, which may be a sign that the market is maturing.

Entertainment articles, especially Christmas decorations, are a relatively large, but also stable market. It seems that Chinese exporters will continue to increase their already large market share. But the market may also be interesting to other developing country producers.

All in all, good opportunities for expanding their current markets and making business in Denmark exist for exporters in developing countries. Various distribution channels are available for exporters on the Danish

market as a number of different importers, wholesalers and retailers all import gift articles and handicrafts. The key for success on the Danish market, though, is a close cooperation with the Danish importers and the exporter's constant reliability with regard to delivery, design, quality and price of the products. Exporters, which can live up to these criteria, will have a fair chance of gaining success on the Danish market.

10. Important Addresses

Danish Chamber of Commerce/ DIPO -Danish Promotion Office

Boersen
DK –1217 Copenhagen K
Phone: +45 33 95 05 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

Danish Environmental Protection Agency

Strandgade 29
DK-11401 Copenhagen K
Phone: +45 32 66 01 00
Fax: +45 32 66 04 79
E-mail: mst@mst.dk
www.mst.dk

Fair Trade Import

Østre Stationsvej 42, o.g.
5000 Odense C
Phone: +45 63 13 00
Fax: 63 13 90 45
E-mail: info@fairtrade-import.dk

Trade Fairs for gifts and handicraft articles in Denmark and the EU:

Formland and G&B

Exhibition Centre Herning
Vardevej 1
DK-7400 Herning
Tlf.: +45 9926 9926
Fax: +45 9926 9900
info@formland.dk
www.messecenter.dk
www.formland.dk and www.gogb.dk

Tendence Lifestyle and Ambiente

Messe Frankfurt GmbH
Postfach 15 02 10
Phone: +49 69 75 75-0
Fax: +49 69 75 75-64 33
www.messefrankfurt.de

Autumn Fair

Organised by Trade Promotion Services Ltd, part of Emap Business Europe
19th Floor
Leon House
233 High Street
Croydon CR0 9XT, UK
www.autumnfair.com/visitor/html/contact_us.html

Harrogate Home & Gift

Organized by Clarion Events Limited
Earls Court Exhibition Centre
London, SW5 9TA
Phone: 020 7370 8341
Fax: 020 7370 8235
homeandgift@eco.co.uk
www.homeandgift.co.uk/

Florence Gift Market

Organized by FLORENCE MART S.R.L.
Via Trieste, 53
I 50139 FIRENZE
Phone: +39-055477841
Fax: +39-055480110
florencemart@florencemart.it
www.florencemart.it/

MACEF

Organized by FMI - Fiera Milano International Palazzina FMI
Largo Domodossola 1
20145 Milano, Italia
Phone: +39 0248550.1
Fax +39 0248004423
macef@fmi.it
www.macefautunno.biz

Expohogar Regalo

Organized by Fira Barcelona
Avda. M^a Cristina, s/n - 08004 BARCELONA
Phone 902.233.200
Fax - 93.233.22.72
expohogar@firabcn.es
www.expohogar.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, 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 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
- HS: Harmonized System
- LDC: Least Developed Countries
- OCT: Overseas Countries and Territories
- OECD: Organisation for Economic Co-operation and Development
- VAT: Value Added Tax