Posto/SECOM	**Copenhague**
Data de preenchimento	**14/ junho/ 2007**
Código NCM	**0901, 2101**
Descrição do produto	**Café**
País importador	**Dinamarca**
Responsável pela elaboração	**(Programa Dinamarquês para Promoção de Exportações - DIPP) -** www.dipp.eu
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COFFEE

A survey of the market for Coffee in Denmark

The Danish Import Promotion Programme DIPP offers free services to exporters in developing countries in terms of contact mediation to Danish importers and market information about the Danish market. DIPP is operated by The Danish Chamber of Commerce and financed by The Danish International Development Assistance, DANIDA

April 2006

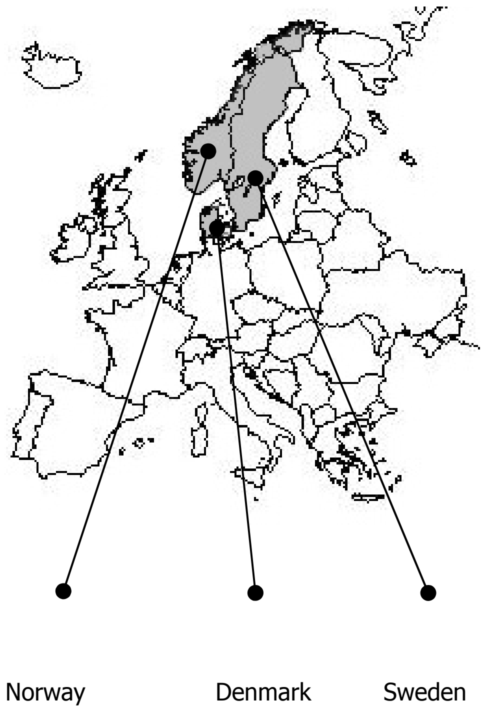
The Scandinavian Market

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	5.4 million
	Norway	4.6 million
	Sweden	9.1 million



Denmark

The Danish Import Promotion Programme (DIPP) is integrated in the Danish Chamber of Commerce and operates under a contract between The Danish International Development Assistance (DANIDA) and the Danish Chamber of Commerce.

The objective of DIPP is to assist exporters/producers in Africa, Asia and Latin America to enter the Danish market.

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

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Norway

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

From the website www.hsh-org.no you can read more about HSH. HSH OIP promotes imports from developing counries. www.hsh-org.no gives access to a database where suppliers in developing countries interested in the Norwegian market can register. Studies of the Norwegian market for specific sectors can be downloaded from the website.

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Sweden

Within the trade promotion programme of the Swedish Chambers assistance is provided to exporters from Africa, Asia and Latin America. The overall aim of the programme is to contribute to sustainable economic growth in developing countries by strengthening the capacity and competitiveness of exporters.

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

The prgramme is funded by the Swedish International Development Co-operation Agency (Sida) and the Swedish Chambers of Commerce.

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This market brief is published by DIPP, April 2006.

DIPP

The Danish Import Promotion (DIPP) Programme 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 Chamber of Commerce but is financed by Danida.

The aim of DIPP 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 contacts to Danish importers. Business offers are published free of charge at DIPP's website (www.dipp.eu).

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Acronyms

ACP	African, Caribbean and Pacific States
ASEAN	Association of South East Asian Nations
CIF	Cost, Insurance and Freight
CN	Combined Nomenclature
EBA	Everything But Arms
EFSA	European Food Standards Authority
EU	European Union
EUR	Euro (European Union Common Currency)
FLO	Fair Trade Labelling Organisations International
FOB	Free On Board
GATT	General Agreement on Tariffs and Trade
GM	Genetically Modified
GDP	Gross Domestic Product
GSP	Generalised System of Preference
HoReCa	Hotels, Restaurants, and Cafés
HS	Harmonized System
IFAT	The global network of Fair Trade Organizations
ICO	International Coffee Organisation
ILO	International Labour Organisation
IMF	International Monetary Fund
LDC	Least Developed Countries
NATO	North Atlantic Treaty Organisation
NGO	Non-governmental Organisation
OECD	Organisation for Economic Co-operation and Development
OTA	Ochratoxin A
RSA	South Africa
SAARC	South Asian Association for Regional Cooperation
SP	Special Pension
TBT	Technical Barriers to Trade
UN	United Nations
USD	United States Dollar
VAT	Value-Added Tax
WTO	World Trade Organisation

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Map of Denmark and the European Union

Facts about Denmark

Area:	43,095 sq. kilometres
Population:	5,411,405
Urban population:	85%
Life expectancy:	77.62 years
Capital:	Copenhagen County (618,529 inhabitants)
Language:	Danish English is the predominant second language
GDP (2004):	EUR 194,680 million
GDP per capita (2004):	EUR 35,976
Currency:	Krone (DKK) (1 DKK = 100 øre) Denmark has not adopted the EURO, but prices are stated in EURO and EURO is an accepted form of payment.
Exchange rate:	US$: 1 US$ = 6.15 DKK EUR: 1 EUR = 7.46 DKK (as per 2 January 2006) Denmark's currency is pegged to the euro.
Time Zone:	CET (GMT + 1)
Business hours:	Monday to Friday, 9.00 am to 5.00pm
Weight and measures:	The metric system
Climate:	Temperate; humid and overcast; mild, windy winters and cool summers. 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.
Member of international organisations:	EU, UN, NATO, OECD, WTO, IMF and the Nordic Council

Other large counties:	
Aarhus:	661,370 inhabitants
Funen (Odensen):	478,347 inhabitants
North Jutland (Aalborg):	495,090 inhabitants

Distances:	
Copenhagen – Aarhus	300 kilometres
Copenhagen – Odense	165 kilometres
Copenhagen – Aalborg	400 kilometres

Ports and harbours:	Aalborg, Aarhus, Asnaesvaerkets, Copenhagen, Elsinore, Ensted, Esbjerg, Fredericia, Frederikshavn, Graasten, Kalundborg, Odense, Roenne

Public Holidays (2006):	
News Year's Day	January 1st
Palm Sunday	April 9th
Maundy Thursday	April 13th
Good Friday	April 14th
Easter	April 16th
Easter Monday	April 17th
Common Prayer Day	May 12th
Ascension Day	May 25th
Whit Sunday	June 4th
With Monday	June 5th
Constitution Day	June 5th
Christmas	December 24th
Christmas Day	December 25th
Boxing Day	December 26th

2. Introduction to Denmark

Denmark is the southernmost country of both Scandinavia and of the so-called Nordic Region (which additionally includes Finland and Iceland). Denmark's geography contrasts with its northern neighbours in being characteristically non-mountainous with a flat and fertile terrain.

The form of government is a parliamentary democracy. Elections are conducted according to proportional representation, with every citizen over the age of 18 entitled to vote. The present government, formed after a general election in November 2001, is a coalition of the Liberals and the Conservatives.

The system of production is capitalist (economic liberalism) with private ownership of businesses and production. The state and other public authorities, however, exercise a considerable regulatory control and provide comprehensive services for the citizens.

This thoroughly modern market economy features high-tech agriculture, up-to-date small-scale and corporate industry, extensive government welfare measures, comfortable living standards, a stable currency, and high dependence on foreign trade. Denmark is a net exporter of food and energy and enjoys a comfortable balance of payments surplus. Government objectives include streamlining the bureaucracy and further privatization of state assets.

Economic Outlook

New national accounts data point to strong gross domestic product (GDP) growth in 2005, approximately 3.2%. Strong momentum going into 2006 means that GDP should grow by 2.8%. As a consequence, the unemployment rate will fall to approximately 5.5% of the labour force this year, expected to level off in 2007 at about 5.1% of the labour supply (See table 1).

The expected large economic surpluses in 2005 and 2006 are affected by unusual factors, not least the large income from oil fields in the North Sea and a greater tax base following suspension of Special Pension (SP)-contributions.

The increase in oil prices will cause an increase in inflation and thus a slight decrease in household income growth. This will affect household consumption, but the effect will be offset by lower interest rates, stronger growth in house prices, and a further suspension of the SP-contributions into 2007. The growth in household consumption is expected to be 2.5% in 2006.

Table 1 – Forecast Summary

Forecast Summary (% unless otherwise indicated)				
	2004	**2005**	**2006**	**2007**
Real GDP growth	2.1	3.2	2.8	2.1
Industrial production growth	0	1.6	2.5	1.3
Unemployment rate (average)	6.4	5.4	5.5	5.1
Consumer price inflation (average; national measure)	1.2	1.8	2.1	2
Short-term interbank rate	2.2	2.2	2.6	3.3
Government balance (% of GDP)	1.7	3.3	1.9	1.1
Exports of goods fob (USD billion)	75.1	89.9	98.1	105.4
Imports of goods fob (USD billion)	65.5	78.3	87.2	94.7
Current-account balance (USD billion)	5.9	7.8	6.3	5.8
Current-account balance (% of GDP)	2.4	3.1	2.4	2
Exchange rate DKK:USD (average)	5.99	5.99	5.97	5.57
Exchange rate DKK:¥100 (average)	5.54	5.44	5.25	5.33
Exchange rate DKK:EUR (average)	7.45	7.45	7.45	7.45

Source: Economist Intelligence Unit 2006

Standard of Living

On the basis of a high GDP per capita, welfare benefits, a low income distribution, and political stability, the Danish people enjoy high living standards.

As evident from table 2 below, households consisting of either 2 adults (Married or cohabitant) or a family with children have the highest average annual income. Married and cohabiting couples as a group also constitute the largest number of households in Denmark in 2005 according to table 3.

Table 2 – Average Income per Year per Family Type (2003)

Family Type	DKK
Couples	337,993
Singles	143,081
Households with no children	102,104
Households with children	167,620

Source: Statistics Denmark

Table 3 – Number of Households according to Type of Household (2005)

Number of Households according to Type of Household (2005)	
Single Male	450,127
Single Female	611,069
Married Couple	864,223
Couples (excl. married couples)	279,419
Family with children living at home	158,778
Households incl. more than one family	133,808

Source: Statistics Denmark

Household Consumption

According to the latest statistics, consumer spending remained buoyant throughout 2005. This reflects several factors, such as new mortgage products and the continued effects of the spring fiscal package of tax cuts in June 2004.

Table 4 – Private Consumption Spending

Private Consumption Spending	2003	2004				2005		
(% change year on year unless otherwise indicated; seasonally adjusted; at 1995 prices unless otherwise indicated)	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr
Private consumption	2.3	3.2	3.8	3.5	4.6	4.7	5	4.5
Durable goods	2.6	4.6	4.3	5.7	9.1	4.8	7.7	6
Semi-durable goods	4.5	6.1	5.9	8.3	10	4.6	7.3	4.9
Non-durable goods	2.4	1.8	1.7	1.2	1.1	0.2	0.4	-0.2
Purchase of vehicles	-11.6	26.5	39.3	33.3	40	31.5	24.5	23.5
Services	1.9	1.1	1.4	1.5	1.6	1.5	1.5	1.9
Consumer confidence indicator (net balance; %)	2	3	8	8	7	8	7	10
Households' financial situation (net balance; %)	6	7	12	13	12	13	11	13

Source: Statistics Denmark

In comparison to many other European citizens, Danes tend to use a relatively large part of the income on housing and relatively less on other areas. Housing accounts for over 20% of household expenditure, whereas foodstuffs and beverages only represent 15-16%, clothing 4.9% and furniture and domestic goods 6.2% of the average household expenditure.

Table 5 – Distribution Private Consumption

Distribution of Private Consumption (%) (2003/2004)	
Food	11.1
Beverage and tobacco	4.8
Clothing	4.9
Housing	22.7
Electricity and heating	7.6
Furniture and domestic goods	6.2
Healthcare	2.6
Transportation and communication	16.2
Culture and leisure	11
Other goods and services	12.9

Source: Statistics Denmark

See Appendix 1 for a Distribution of Private Consumption by level of income.

Infrastructure

Denmark has a well-developed network of motorways. The high-quality motorway network means swift and easy access to all markets in the Northern European region. Through the opening of the Oeresund bridge in July 2000 Denmark is now the gateway to the Scandinavian countries and the Baltic area. There is direct access from Copenhagen to the city of Malmoe in Sweden either by train or car via the Oeresund bridge.

Copenhagen Airport is the main hub in Northern Europe. It is the national airline carrier's principal airport and it has been retained by DHL (the international courier) as its Northern European hub. Besides Copenhagen, Denmark has three other international airports, Aarhus, Aalborg, and Billund, all located in the peninsula of Jutland.

The major industrial ports offer daily connections to overseas destinations and regular connections to major ports in Europe, freeport and bonded warehousing facilities and ro-ro/lo-lo facilities. The international port in Copenhagen has the shortest turnaround times, 24-hour service, some of the cheapest rates in Europe and cooperates closely with Malmoe Port of Sweden.

Denmark has one of the most advanced telecommunication infrastructures in Europe and the network is fully digitalized. Denmark's penetration of mobile telephone subscriptions is ahead of the average European level.
Denmark is also characterised as a top-ranked country with regard to penetration rates for PCs and household Internet (broadband) access.

Membership of the European Union

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 on "Customs Duty and Import Regulations").

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

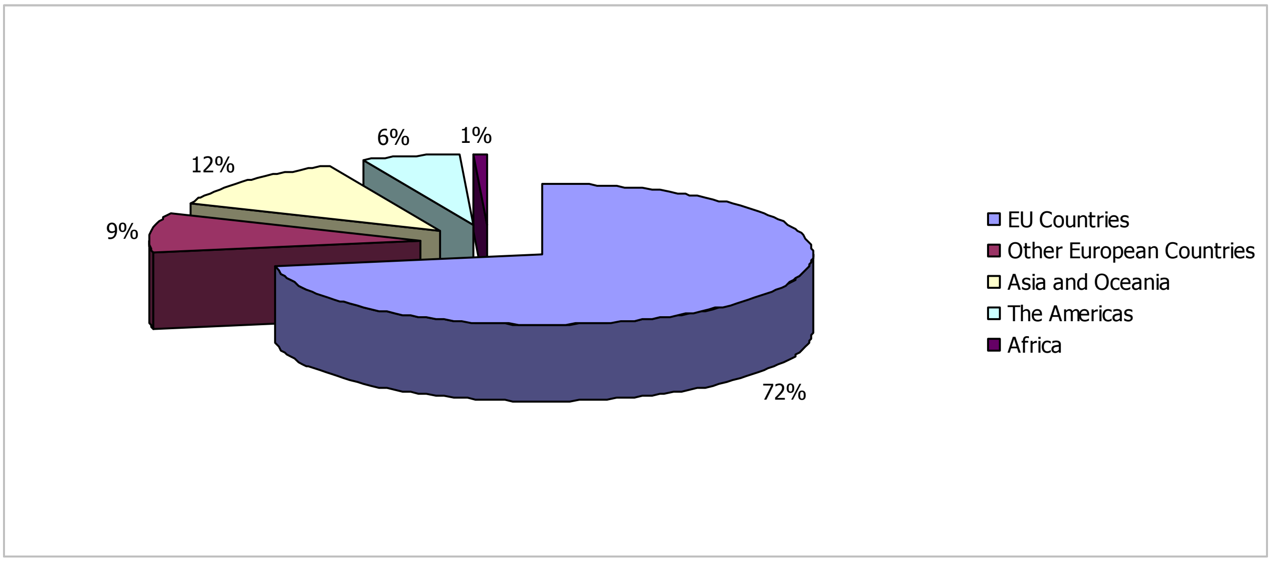
Denmark has a small, open economy highly dependent on trade with other countries. As foreign trade accounts for most of the GDP, Denmark has a strong interest in the free exchange of goods and services between countries.

Foreign trade accounts for 2/3 of GDP and around 2/3 of the total foreign trade is with other EU countries. Germany is Denmark's main trading partner, but Sweden and Great Britain are also important. Outside the EU, Norway, the US and Japan are important trading partners. Among the new market economies in Central and Eastern Europe, the trade with Poland has grown particularly rapidly in recent years.

Consumer goods constitute around 30% of imports, while raw materials and semi-manufactured products, including energy, machinery, other capital equipment and means of transport, account for the rest.

With regard to total imports to Denmark in 2004, imports from other EU countries accounted for 72.3%. Other European countries accounted for 9.2%, Asia and Oceania accounted for 11.8%, the Americas for 5.8%, and only 0.9% of total imports came from Africa.

Figure 1 – Imports to Denmark, % of total imports by geographic region, 2004



Source: Statistics Denmark

Table 6 - Danish Imports from Danida Programme Countries* incl. South Africa (All Products, DKK)

(*All Danida's Programme Countries are eligible for financial support provided by the Danish Government)				
Country	**2003**	**2004**	**2005**	**% Change****
South Africa	1,121,937,989	1,044,838,169	1,093,460,076	4.65
Vietnam	730,867,828	737,152,339	695,065,408	-5.71
Bangladesh	692,227,101	775,618,896	534,408,765	-31.10
Ghana	85,593,682	201,606,021	105,310,021	-47.76
Egypt	67,057,105	64,176,022	74,971,688	16.82
Uganda	21,974,502	25,685,207	18,598,593	-27.59
Kenya	27,163,951	24,942,663	18,382,680	-26.30
Zambia	807,350	1,640,971	7,441,487	353.48
Mali	2,929,211	9,597,831	6,767,060	-29.49
Benin	29,463,018	55,811,615	4,693,059	-91.59
Tanzania	7,780,421	4,132,826	4,538,058	9.81
Burkina Faso	28,284,388	4,707,966	3,381,856	-28.17
Bolivia	7,529,534	3,194,151	3,122,063	-2.26
Nicaragua	3,677,745	3,719,383	1,592,593	-57.18
Mozambique	561,984	236,831	26,504	-88.81
Bhutan	28,571	131,347	6,244	-95.25

**From 2004 to 2005
Source: Statistics Denmark

Industrial Pattern

The Danish production industry is dominated by small and medium-sized niche productions of a high technical standard. 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 specialisation, 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.

Language Skills

Denmark's international outlook is reflected in the fact that the population commands excellent language skills, English being considered a natural second language. Cross-border communication in Scandinavia is aided by the fact that Danes, Norwegians and Swedes are highly adept at understanding each other's languages. Among the younger generations especially, it is common to be skilled in several European languages, including German, French and Spanish.

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 his or her home country.

A visa is issued for the purpose of a short stay (less than 3 months) in Denmark and other Schengen countries. Parties to the Schengen Agreement are: Austria, Belgium, Denmark, France, Finland, Germany, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain and Sweden.

Employment is not permitted during the stay covered by the visa.

Foreign citizens who are exempted from basic visa requirements can stay, but not work, in the Schengen region up to 3 months.

According to the Schengen Agreement, a visitor's or business visa allowing the holder to stay up to 90 days per six-month period, transit or airport visa granted by one Schengen country entitles the holder, for the same purpose and for the duration of the visa's validity, to enter without border checks other Schengen countries as well.

Visit the Danish Ministry of Foreign Affairs' website (www.um.dk) for further information on visa rules and regulations.

3. Market Definition

This market survey covers coffee including instant coffee.

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

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

Table 7 – Overview of CN Codes

CN Code	Description
09.01.11	Coffee, not roasted, not decaffeinated
09.01.12	Coffee, not roasted, decaffeinated
09.01.21	Coffee, roasted, not decaffeinated
09.01.22	Coffee, roasted, decaffeinated
09.01.90.10	Coffee Husks and Skins
09.01.90.90	Coffee substitutes containing coffee
21.01.11.11	Instant coffee (extracts, essences, and concentrates of coffee, with a coffee-based dry matter content of 95% or more by weight)
21.01.11.19	Instant coffee (extracts, essences, and concentrates of coffee, with a coffee-based dry matter content of less than 95% by weight)
21.01.12.92	Instant coffee (preparations with these extracts, essences or concentrates of coffee)

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

4. Market Analysis

Denmark occupies third place when it comes to the consumption of coffee per capita only surpassed by Sweden and Finland. Coffee is a national drink only topped by milk. A Danish household spends on average 524 DKK on coffee annually, while it spends 872 DKK on milk, 473 DKK on soft drinks, 870 DKK on wine and 484 on beer. However, measured according to quantity the average Dane consumes most of milk and coffee. On average, Danes consume 4 cups of coffee per day or 240 litres annually. On an annual basis every Dane purchases approximately 6.5 kilograms of coffee amounting to a total of 3.5 billion DKK for the entire population. Coffee can be found in 98% of all Danish households. 85% of all Danes over the age of 30 drink coffee, whereas 50% under the age of 30 drink coffee.

As evident from tables 8, 9 and 10 below, the consumption of coffee has been declining the last 15 years. Whereas every household consumed 15.4 kilo grams in 1985 on average, it only consumed 12.95 kilo grams in 1990 and 10.6 kilo grams in 1999. Measured in DKK the decline is even bigger due to the decrease in coffee prices the past few years. In 1985 an average household spent 1,021 DKK on coffee. In 1999 it was only 524 DKK. The decline can be attributed to changing drinking habits, especially among the young generation.

Table 8 – Annual Total Consumption per Household (DKK)

	2000/2001	2002/2003	% Change (2000 – 2003)	% Share of Total Consumption (2002/2003)
Annual Total Consumption per Household	229,234.4	233,606.7	2	
Food	25,803.2	26,030.6	1	11
Beverages and Tobacco	11,584.8	11,195.9	-3	5
Coffee	786.5	749.4	-5	n/a

Source: Statistics Denmark

Table 9 – Annual Danish Consumption of Coffee in Volume Terms (tons)

	2000	2001	2002	2003	2004		2005	
						1st QR	2nd QR	3rd QR
Coffee	28,665	31,113	30,084	29,057	28,317	6,475	6,750	6,802
Instant Coffee	586	631	754	995	1,098	301	312	290
Total Market Volume (Tons)	29,251	31,774	30,838	30,052	29,415	6,776	7,062	7,092
Instant coffee share of total market (%)	2	2	3	3	4	4	4	4

Source: GfK ConsumerScan

Table 10 – Annual Danish Consumption of Coffee in Value Terms (million DKK)

	2000	2001	2002	2003	2004		2005	
						1st QR	2nd QR	3rd QR
Coffee	1,289	1,458	1,316	1,218	1,192	285	325	325
Instant Coffee	141	151	175	178	200	55	58	55
Total Market Value (Million DKK)	1,430	1,609	1,491	1,396	1,392	340	383	380
Instant coffee share of total market (%)	11	10	13	15	17	16	15	15

Source: GfK ConsumerScan

Table 11 - Price Level Index for Coffee

	2002	2003	2004
Actual Individual Consumption			
Price Level Index (Index EU-15 = 100)	130,00	133,20	132,60
GNP per capita (Index EU-15 = 100))	104,00	103,60	..
Food			
Price Level Index (Index EU-15 = 100)	128,00	129,80	127,40
Non-alcoholic Beverages			
Price Level Index (Index EU-15 = 100)	147,00	168,10	160,30

Source: Statistics Denmark

Market Size

Denmark does not grow coffee, thus the small "own production" as well as "export" listed in table 13 below refer to the roasting and grinding of coffee. In the process of importing the raw coffee beans, processing these and re-exporting the grinded coffee, "shrinkage" in volume takes place, since 1.2 - 1.5 kilo grams of raw beans (approximately 7,000 beans) are required to produce just one kilo gram of roasted and grinded coffee. Exports therefore weigh comparatively less than imports.

Table 12 - Trade Statistics (DKK)

	2003	2004	2005	% Change (2003 – 2005)
Own Production and Sale to Home Market	4,393,000	5,222,000	3,360,000	-23.51
Export	13,694,582	12,703,197	8,065,462	- 41.10
Import	628,387,763	749,145,026	934,184,064	48.66
Import from Developing Countries	412,296,784	439,771,046	438,098,573	6.26
Import from Danida Programme Countries incl. RSA	39,859,424	42,197,993	38,144,050	- 4.50

* Own production refers to re-processing of imported goods, since coffee is not grown locally, and sale of coffee to home market.
Source: Statistics Denmark

The majority of the coffee imported to Denmark stems directly from raw material producing countries, such as Brazil, Colombia, and Peru. However, as table 14 indicates, increasingly more coffee is imported from other EU countries, predominantly Sweden, Germany, Belgium, Italy and the Netherlands. The imports from EU countries mostly consist of roasted coffee, instant coffee, and other coffee related products, which have been subject to value adding processes. Imports from coffee producing countries, on the other hand, are mainly in the form of green beans, which have only been through a minimum of processing, such as drying and threshing. Thus, in value terms, imports from other EU countries may be relatively large compared to the imports from producing countries. Furthermore, processed products tend to be less vulnerable to changing world prices compared to raw material.

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

Although the developments in exports to Denmark currently favour EU countries, the vast majority of the top exporting countries to the Danish market are still developing countries. As table 14 shows, Brazil is by far the largest supplier of coffee to the Danish market followed by Colombia, Peru and Honduras. An explanation for these countries' high market shares is that Latin American countries have a comparative advantage in producing relatively high quality Arabica coffee, which can be sold at competitive prices. Arabica coffee is the absolute most used coffee type in the coffee mixtures, which are sold on the Danish market (source: www.ms.dk). The rest of the exporting countries, outside the EU, consist of African and Asian countries.

Table 13 - Top Exporting Countries to the Danish Market, 2003-2005 (DKK)

Country	2003	2004	2005	% Change (2003 – 2005)	% Share of Total Import (2005)
Brazil	177,505,079	204,768,615	218,910,636	23.33	23.43
Sweden	14,133,051	57,728,416	218,036,159	1442.74	23.34
Germany	91,006,594	82,523,510	90,263,179	-0.82	9.66
Colombia	76,175,886	81,129,675	75,509,864	-0.87	8.08
Belgium	14,414,375	23,486,755	27,893,728	93.51	2.99
Italy	18,825,235	20,222,278	22,663,858	20.39	2.43
The Netherlands	19,561,850	25,241,161	22,150,303	13.23	2.37
Peru	28,908,196	26,911,785	21,570,125	-25.38	2.31
Honduras	24,061,921	20,977,349	18,882,053	-21.53	2.02
Vietnam	16,444,649	23,281,857	18,494,577	12.47	1.98
Uganda	9,858,278	8,497,203	11,246,239	14.08	1.20
Ethiopia	8,028,657	8,451,508	10,850,316	35.14	1.16
Indonesia	7,919,490	9,785,429	9,711,462	22.63	1.04
Mexico	20,889,246	14,756,336	6,861,225	-67.15	0.73
Kenya	8,296,750	5,253,036	4,966,486	-40.14	0.53
Rwanda	4,215,402	4,900,284	3,135,130	-25.63	0.34
Guatemala	8,022,538	4,765,924	2,997,157	-62.64	0.32

Source: Statistics Denmark

Table 14 - Imports to the Danish Market from Danida Programme Countries incl. RSA, 2003 – 2005, DKK

Country	2003	2004	2005	% Change (2003 - 2005)	% Share of Total Import by Developing Countries (2005)
Bangladesh	0	0	0	n/a	n/a
Benin	0	0	0	n/a	n/a
Bhutan	0	0	0	n/a	n/a
Bolivia	0	0	0	n/a	n/a
Burkina Faso	0	0	0	n/a	n/a
Egypt	0	0	885	n/a	n/a
Ghana	0	0	59,978	n/a	n/a
Kenya	8,296,750	5,253,036	4,966,486	-40.14	1.13
Mali	0	0	0	n/a	n/a
Mozambique	0	0	0	n/a	n/a
Nicaragua	1,357,241	2,768,020	970,052	-28.53	0.22
South Africa	0	94,632	0	n/a	n/a
Tanzania	3,396,629	1,771,983	1,296,839	-61.82	0.30
Uganda	9,858,278	8,497,203	11,246,239	14.08	2.57
Vietnam	16,444,649	23,281,857	18,494,577	12.47	4.22
Zambia	505,877	531,262	1,108,994	119.22	0.25

Source: Statistics Denmark

Table 15 - Top 5 Coffee Import Articles, 2005 (DKK)

CN Code	Articles	DKK	Top 5 Export Countries (2005)
09.01.11.00	Coffee, not roasted, not decaffeinated	465,057,515	Brazil Colombia Peru Vietnam Honduras
09.01.21.00	Coffee, roasted, not decaffeinated	259,439,078	Sweden Germany Italy Netherlands Belgium
21.01.11.11	Instant coffee (extracts, essences, and concentrates of coffee, with a coffee-based dry matter content of 95% or more by weight)	174,311,447	Switzerland France Germany Sweden Colombia
21.01.12.92	Instant coffee (preparations with these extracts, essences or concentrates of coffee)	19,785,472	United Kingdom Italy Germany Sweden Belgium
09.01.12.00	Coffee, not roasted, decaffeinated	10,289,739	Germany Netherlands Belgium Turkey Italy

Source: Statistics Denmark and EU External Trade

Given the import figures from table 14 above, it is no surprise that non-roasted and non-decaffeinated coffee constitutes 50% of the total import value to Denmark, since the producing export countries, such as Brazil, Colombia, Peru etc., take up 43% of total imports. Similarly, it is no surprise that the second largest product group - coffee, roasted and non-decaffeinated - takes up more than 25% of the total import value given the strong presence of EU countries in the top, i.e. Germany, Sweden, Belgium and Italy. As evident from table 10 and 12 above, instant coffee consumption is on the rise following changing consumption habits. Instant coffee now constitutes 15% of the total market value and approximately 19% of total imports.

Consumer Trends

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

It is estimated that of the total amount of coffee sold on the Danish market approximately 75-80% is sold as regular coffee whereas the remaining is sold as instant coffee, ecological coffee, fair trade coffee (Max Havelaar) and coffee with aroma added. Moreover, at least 80 % of all coffee sold in Denmark is sold on offer in supermarkets meaning that coffee is an extremely price sensitive product.

Whereas coffee tended to be a natural focus between family members, friends and colleagues for the older generation, the young tended to meet for a soft drink or beer. But today, the whole coffee shop/café culture has changed drinking habits. Coffee is no longer just black coffee but a plethora of different blends, beans, brewing methods, types and complementaries, from the small espresso to the grand caffe latte with added cinnamon syrup.

Product Characteristics

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

Table 16 – Breakdown of Exports of Arabica and Robusta for Countries Exporting both Types of Coffee (000 Bags)

		2005	**2005**
Brazil	**Total**	**25,959,491**	**26,411,711**
	Brazilian Naturals (A)	22,277,689	24,111,786
	Robutas (R)	3,681,802	2,299,925
Cameroon	**Total**	**704,395**	**734,325**
	Other Milds (A)	116,664	83,627
	Robustas (R)	587,731	650,698
Congo, Dem. Rep. of	**Total**	**141,195**	**232,910**
	Other Milds (A)	33,310	73,523
	Robustas (R)	107,885	159,387
Ecuador	**Total**	**981,210**	**703,920**
	Other Milds (A)	483,453	390,355
	Robustas (R)	497,757	313,565
India	**Total**	**2,742,952**	**3,647,333**
	Other Milds (A)	1,020,267	1,445,012
	Robustas (R)	1,722,685	2,202,321
Indonesia	**Total**	**6,081,970**	**5,455,599**
	Other Milds (A)	743,986	902,195
	Robustas (R)	5,337,984	4,553,404
Madagascar	**Total**	**73,260**	**127,034**
	Other Milds (A)	5,861	10,162
	Robustas (R)	67,399	116,872
Papua New Guinea	**Total**	**1,198,917**	**1,047,665**
	Other Milds (A)	1,181,843	1,044,572
	Robustas (R)	17,074	3,093
Tanzania	**Total**	**694,350**	**552,832**
	Colombian Milds (A)	486,055	444,460
	Robustas (R)	208,295	108,372
Uganda	**Total**	**2,369,140**	**2,627,011**
	Other Milds (A)	284,861	361,242
	Robustas (R)	2,084,279	2,265,769

(A) Arabic, (R) Robusta
Source: International Coffee Organisation

Market Access

The Danish coffee market is characterized as a buyer's market as Danish importers either buy on the two main commodity trade centres in New York and London or directly from the coffee estates. All transactions in the coffee trade are based on US dollars, so product price is very dependent on the dollar exchange rate.

Distribution

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

Green coffee beans are imported to Denmark directly by the Danish roasteries. In Denmark, the market for green coffee beans is characterized by oligopoly, meaning that few dominant players hold the majority of the market share. Danish coffee processing is dominated by 6 major roasteries – of which 1 is a multinational corporation – holding 80-85 % of the total market. The remaining market share is held by smaller roasteries. In Denmark only 7-8 roasteries are present today compared to 25 years ago when more than 100 roasteries were found on the Danish market. This means that competition among Danish coffee roasteries is intense and that price becomes a decisive factor.

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

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

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

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

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

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

The majority of all coffee consumed is purchased in supermarkets. The customers' loyalty towards this segment is very low, and the purchasing of coffee in supermarkets highly depends on price.

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

Foreign coffee grower ⇨ European trading house ⇨ Danish roastery ⇨ Danish retail store ⇨ Danish consumer

Price and Mark-Ups

Coffee is not a uniform product. The price of each shipment is determined by quality as well as supply and demand. It is therefore not possible to talk about "the" price of coffee.

In the last year green coffee prices have continued to increase. In May 2005 the monthly average of the ICO (International Coffee Organisation) Composite Indicator Price stood at 99,78 cts/lb, an increase of over 140% compared to the lowest monthly average in recent years, being 41,17 cts/lb in September 2001. As can be seen in the graph of the ICO Composite Indicator Prices, the increases have been most pronounced for the Arabica coffees. Robustas were slower to follow, but since January 2005 Robusta prices have risen considerably and in May 2005 the highest level of the last five years was recorded. Inevitably, the higher green coffee prices have resulted in increases of the retail prices of roasted and soluble coffee. The green coffee price increase continues to be fuelled by a global production which in 2005/2006 is expected to be below the level of global consumption. The ICO estimates world production in crop year 2005/2006 to be approximately 106 million bags, 7% lower than the

114 million bags in crop year 2004/2005. This compares to an annual global consumption of around 113-114 million bags.

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

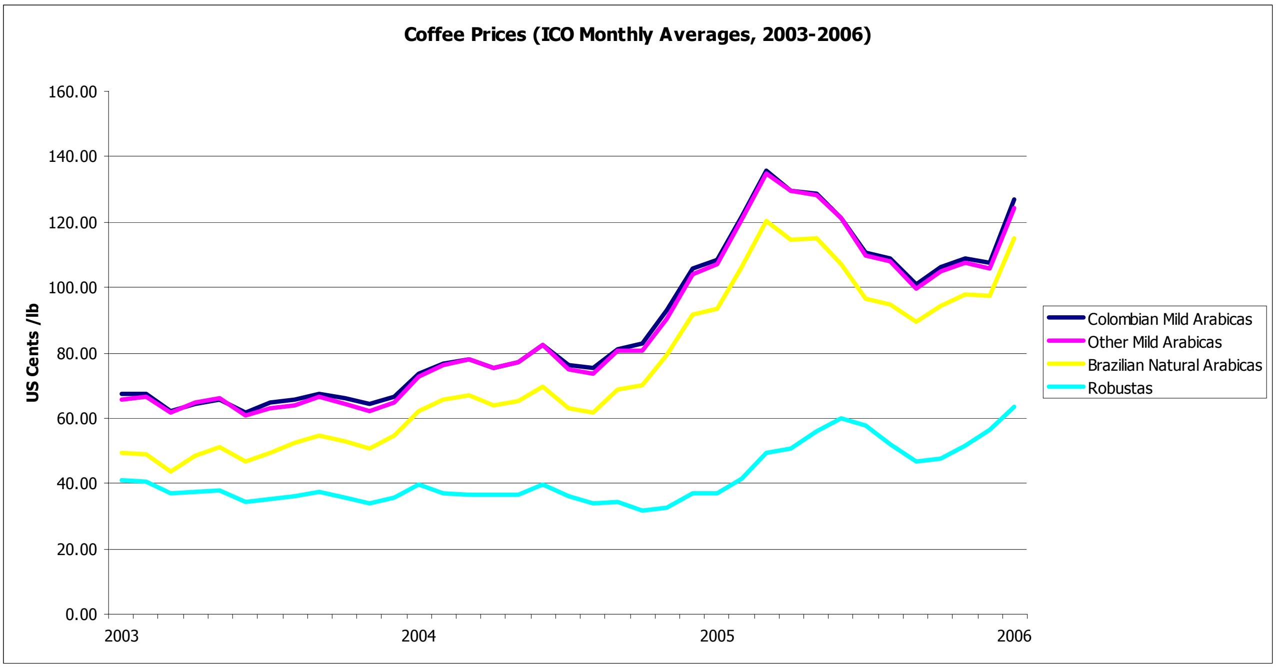
* 1 pound is equivalent to 450 g/ 500 g is equivalent to 1.1 pound.

Table 17 – Average Price of Regular Coffee and Instant Coffee (DKK/Kilo Grams)

	2000	2001	2002	2003	2004	2005 1st QR	2005 2nd QR	2005 3rd QR
Regular Coffee	49.96	46.85	43.73	41.90	42.10	44.0	48.1	47.7
Regular Coffee Index (1990 = 100)	131	123	114	110	111	116	126	125
Instant Coffee				178.3	182.3	181.3	186	188

Source: GfK ConsumerScan

Figure 2 – Coffee Prices (ICO Monthly Averages, 2003-2006)



Source: International Coffee Organisation

5. Commercial Practice

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

Business Appointments

Danes work shorter hours than many other nationalities. The standard work week is 37 hours. Mandatory vacation is five weeks. At least three weeks are taken during summer. School summer vacation is from around June 20 to around August 8 and business is generally slow during this period with many executives out and some companies closed. It is not advisable to schedule business meetings or other business activities in Denmark from late June to early August, from December 20 - January 5, or in the week of Easter.

Danish business people can appear somewhat formal at first, but are likely to quickly show a more informal side of themselves, just as the dress code sometimes may seem a little relaxed to a foreign business person. However, they are likely to get down to business right away and are generally conservative and efficient in their approach to business meetings. Handshakes are the accepted form of greeting. Danes shake hands both for greetings upon arrival and departure from a meeting. Business entertaining is usually done at lunch, and more rarely at dinner in a restaurant.

The following lists a number of key points worth studying when starting co-operation with a Danish partner:

Rules before Relations
In business, Danes put rules before relations and normally there is a clear distinction between personal and professional relations. The Danes may not seem very interested in getting to know their trade partners personally, but this does not mean that they are not interested in doing business with them.

Punctuality
Being punctual is not only regarded as a sign of respect but also of efficiency. Being late for an appointment is regarded as lack of respect for the person you are meeting and his time. Danish businessmen will have little understanding for the cultural variations on this subject. Punctuality in arriving at meetings will be looked upon as an indicator of the punctuality of supplying the goods. Should a delay occur, it is important to give notice as soon as possible.

Negotiating Business Terms
The Danish business partner is likely to be totally frank regarding what he expects from you and what he himself can contribute with. It is important to be very precise when negotiating terms. Exporters should not accept any terms that they are unable to fulfil. "No", is a perfectly acceptable word in Denmark and nobody will be offended by an explanation that delivery according to a certain specification is not possible as long as the specification has not been agreed on. It is of paramount importance, however, not to make promises that cannot be kept 100%.

The Contract
Danes like written contracts. In some cultures a contract is a letter of intent, and the business partner is satisfied if the exporter does his best to live up to the terms. This is not the case in Denmark where the business contract is considered irrevocable and a partner will expect the contract to be fulfilled to the letter. If the trade partner does not comply, he will be considered unprofessional or even dishonest. Do not sign a contract unless you are 100% sure that you can live up to all terms for as long as the contract stands.

Gifts
It is not common for business associates to give each other gifts. In Denmark bribery is an illegal form on conduct. Therefore, in order not to embarrass your Danish business partner the best choice is to only present gifts of low value.

Contacting the Importer

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

Price should also be introduced as close to the best price possible by the coffee exporter. It is of vital importance that contact details such as phone and fax number and e-mail address are stated correctly as inaccurate information will give a bad first impression and might cause the Danish importer to immediately loose 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.

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

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

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

Meeting with the Importer

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

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

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

Delivery and Transport of Goods

Delivery

Reliability with respect to delivery is essential. Danish importers are operating on tight schedules and they will expect the order to be complete, the quantities as agreed, and the delivery on time. An exporter's ability to secure safe and reliable deliveries is increasingly becoming a competitive advantage equal in importance to price. The future of a new business relationship will therefore depend on the exporter's ability to state a realistic delivery time that can be kept. It is therefore necessary that the exporter states the realistic delivery time right from the very beginning of a new co-operation. The tolerance towards delay and products, which do not live up to agreements, is very limited and may lead to orders being cancelled.

Transport of Goods

The transport of goods from developing countries to Denmark represents a considerable cost. The cost and the importance of safe and reliable transport make research necessary in order to find the best possible means of transport. In order to specify who pays for which parts of the transport, and where the liability transfers from the one party to the other, the Danish importers will normally refer to the Incoterms.

The *Incoterms 2000* form an internationally recognized tool, developed by the International Chamber of Commerce, clarifying the responsibility for arranging and paying for the transport and insurance. A good descriptive presentation of the various forms and definitions can be found on www.iccwbo.org/index_incoterms.asp.

The chosen type of Incoterm will be reflected in the export price. Often the importer will be responsible for paying the transport and, if new to the market, may want information and advice from the supplier on relevant options. In most cases it is recommended for all but the most experienced exporters to work through a forwarding agent or shipping agency when initialising export to Denmark.

Ethics and Code 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."

A code of conduct is a voluntary written policy committing the supplier to social and ethical business operations. Companies often base their social codes of conduct on the conventions of the *ILO (International Labour Organisation)*. A wide variety of social codes of conduct has been developed over the years. Many companies use their codes as a means of promotion and marketing.

The European Coffee Federation 4C Group, SECO and GTZ has supported and facilitated a Common Code for the Coffee Community. The Common Code for the Coffee Community (4C) is a joint initiative of coffee producers, trade & industry, trade unions and social as well as environmental NGOs to develop a global code of conduct aiming at overall sustainability in the production, post-harvest processing and trading of mainstream green coffee. For more information see http://www.sustainable-coffee.net/.

The "political consumers" 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 or has caused industrial pollution or otherwise harmed the environment when manufactured. Therefore, by getting involved with Danish importers many suppliers from developing countries will 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.

6. Legal Requirements, Customs Duty, Import Regulations and Trade Agreements

Goods imported to Denmark are governed by a complex set of EU and national directives, laws, regulations and standards. The aim is to ensure consumer safety, to protect the environment and limit other risk factors. The importer is responsible for compliance with the legislation, and local authorities in Denmark will check compliance. Consequently, the importer will require from suppliers that products meet requirements. The following list of requirements is not all inclusive and requirements should always be checked by the exporter – for example with the importer.

EU Regulations can among others be found by searching the EU Official Journals using the below OJ references. See http://europa.eu.int/eur-lex/lex/JOIndex.do?ihmlang=en for journals from 1998 to present and http://europa.eu.int/eur-lex/lex/RECH_reference_pub.do for other years.

Product Requirements

In the EU, legislation is passed in the form of Directives. Denmark has implemented the directives in its national legislation as laws or regulations. For many products, the specific requirements are included in European standards. In order to check the requirements regarding your product you may need to consult the WTO Enquiry Point for Technical Barriers to Trade Agreement (TBT) which is situated at Dansk Standard, the Danish national standards body (www.ds.dk). Here you can also buy technical standards for your product group.

General Regulations

Two types of overall EU regulations are important to bear in mind when exporting coffee to Denmark:

- Regulation 178/2002/EC (OJ L-031 01/02/2002) known as the General Food Law, adopted in 2002, deals with the general requirements and principles of food legislation in the EU. The regulation came into force in January 2005. It addresses amongst others, risk analysis, precautionary principle, food safety requirements, traceability. Furthermore, in view of fulfilling food and feed safety conditions in the EU, specifically in relation with requirements for traceability, importers are required to keep documentation available that can identify the exporter in the country of origin.
  See also http://www.europa.eu.int/comm/food/food/foodlaw/principles/index_en.htm

- The general rules of hygiene for foodstuffs and procedures for verification of compliance with these rules are laid down in Directive 93/43/EC (OJ L-175 19/07/1993). All imported foodstuffs must comply with these rules so that they ensure their safety and wholesomeness. These measures cover preparation, processing, manufacture, packaging, storage, transport, distribution, handling, sale and supply of foodstuffs.

Health inspection in Denmark has to be applied for by the importer or his representative prior to the importation, accompanied by an enclosure of the mandatory certificates related to the goods in question. In addition to the verification of the documents, the authorities at the customs points of entry will inspect the products upon arrival by identity and/or physical checks. Sampling procedures for quality analyses can be carried out at designated control laboratories. Additional checks can be executed at all stages of the supply chain. If the results of the inspection procedures have been proven to be favourable for the importation of the goods, the commodities can be released for free circulation.

It is the responsibility of the exporter to provide the importer with relevant information and to ensure that the products live up to appropriate standards. The importer will inform the exporter about the information needed.

In the absence of European legislation Danish food legislation is applicable.

Coffee extracts and chicory[1] extracts

Directive 99/4/EC amended by Regulation 1882/2003/EC lays down requirements relating to coffee extracts and chicory extracts. The Directive lays down manufacturing specifications and labelling requirements for each of the products covered by the legislation. For labelling requirements see Labelling.

The Directive lays down requirements for the following products:

[1] An herb, the roots of which are dried, ground; roasted and used to flavour coffee

1. Coffee extract, soluble coffee extract, soluble coffee and instant coffee.
This means the concentrated product obtained by extraction from roasted coffee beans using only water as the medium of extraction and excluding any process of hydrolysis involving the addition of an acid or a base. Apart from those insoluble substances which it is technically impossible to remove, and insoluble oils derived from coffee, coffee extract must contain only the soluble and aromatic constituents of coffee.

The coffee-based dry matter content must be:
a) not less than 95 % by weight in the case of dried coffee extract;
b) from 70 % to 85 % by weight in the case of coffee extract paste;
c) from 15 % to 55 % by weight in the case of liquid coffee extract.

Coffee extract in solid or paste form must contain no substances other than those derived from the extraction of coffee. Liquid coffee extract may contain edible sugars, whether or not roasted, in a proportion not exceeding 12 % by weight.

2. Chicory extract, soluble chicory and instant chicory.
This means the concentrated product obtained by extraction from roasted chicory using only water as the medium of extraction and excluding any process of hydrolysis involving the addition of an acid or a base.

The chicory-based dry matter content must be:
a) not less than 95 % by weight in the case of dried chicory extract;
b) from 70 % to 85 % by weight in the case of chicory extract paste;
c) from 25 % to 55 % by weight in the case of liquid chicory extract.

Chicory extract in solid or paste form may contain not more than 1 % by weight of substances not derived from chicory. Liquid chicory extract may contain edible sugars, whether roasted or not, to a proportion not exceeding 35 % by weight.

For more information see http://europa.eu.int/eur-lex/en/consleg/pdf/1999/en_1999L0004_do_001.pdf

Ochratoxin A
In September 2004 it was decided to amend Regulation 466/2001/EC to establish a maximum level of ochratoxin A in coffee, wine and grape juice. Ochratoxin A (OTA) is a mycotoxin which has been shown to have carcinogenic and other toxic properties that can among others cause cancer.

The following limits were agreed:
- Roasted beans and ground roasted coffee: 5.0 micrograms/kg
- Soluble coffee: 10.0 micrograms/kg

The Regulation also states that the Commission shall consider setting a maximum level for OTA in green coffee no later than June 30th 2006. This should be based on an up-to-date risk assessment on OTA to be performed by the European Food Standards Authority (EFSA), and taking into account prevention measures applied to reduce OTA.

See also Regulation 123/2005/EC of 26 January 2005 amending Regulation No 466/2001/EC as regards ochratoxin A. http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/l_025/l_02520050128en00030005.pdf

Packaging Requirements

The objective of packaging is to make sure that the product you have produced arrives safely and undamaged at its destination. However, a number of legal requirements are connected to packaging. The requirements depend on the nature of the goods and whether the product is destined for industrial use or direct consumer use.

A number of EU requirements have been developed to protect consumer health and safety and aims at providing consumers with relevant information about the products. Among the EU requirements there are limits for the presence of heavy metals (lead, cadmium, mercury and hexavalent chromium) in packaging material.

Packaging includes all products made of any materials of any nature to be used for the containment, protection, handling, delivery and presentation of goods, from raw materials to processed goods, from the producer to the user or the consumer.

The EU Directive for packaging and packaging waste 94/62/EC was adopted in 1994. Packaging marketed within the EU must comply with the general requirements which aim at protecting the environment as well as with the specific provisions designed to prevent any risk to the health of consumers. To read more about the Directive which has been amended by commission decision 1999/177/EC and 2001/171/EC see http://www.newapproach.org/Directives/DirectiveList.asp

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

Specific provisions related to package sizing are established in Directives 75/106/EC and 80/232/EC.

Labelling

All foodstuffs marketed in the European Union must comply with EU labelling rules, which aim at ensuring that consumers get all the essential information to make an informed choice while purchasing their foodstuffs.

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

Labels of foodstuffs according to the general rules laid down by Council Directive 2000/13/EC (OJ L-109 06/05/2000) must contain the following particulars[2]:

- The name under which the product is sold. No trademark, brand name or fancy name may substitute the generic name but rather may be used in addition. Particulars as to the physical condition of the foodstuff or the specific treatment it has undergone (powdered, freeze-dried, deep-frozen, concentrated, smoked, irradiated or treated with ionizing radiation) must be included in cases where leaving out such information may confuse the purchaser.
- The list of ingredients, preceded by the word "Ingredients", must show all ingredients (including additives) in descending order of weight as recorded at the time of their use in the manufacture and designated by their specific name. In the case of those products that may contain ingredients liable to cause allergies or intolerances a clear indication should be given on the label by the word "contains" followed by the name of the ingredient. However, this indication will not be necessary provided the specific name is included in the list of ingredients.
- The net quantity of pre-packaged foodstuffs in metric units (litre, centilitre, millilitre) for liquids and (kilogram, gram) for non-liquids.
- The date of minimum durability consisting of day, month and year in that order and preceded by the words "best before" or "best before end" or the "use by" date for highly perishable goods.
- Any special conditions for keeping or use.
- The name or business name and address of the manufacturer, packager or importer established in the EU.
- Place of origin or provenance.
- Instructions of use, where appropriate.
- Lot marking on pre-packaged foodstuffs with the marking preceded by the letter "L".

Information intended for the final consumer must be inscribed in Danish on the label and on the product package, if applicable. In addition, the product information may be provided on the label in other languages, too.

In order to facilitate trade it has been decided that, at stages prior to sale to the ultimate consumer, only information on the essential elements (the name under which it is sold, the date of durability or use-by-date and the name of manufacturer) should appear on the outer packaging and the above mandatory particulars that must appear on a pre-packaged foodstuff need appear only on commercial documents.

Provisions in relation with the labelling of certain products are established in specific EU legislation. User-friendly fact sheets which summarise EU legislation are available in the ScadPlus website (http://europa.eu.int/scadplus/), see among others food safety.

Surveillance and inspection of the conformity of foodstuffs to the information provided on their labels are to be carried out at different stages of the supply chain which, in case of imported products, ranges from customs clearance to retail outlets. Checks are also carried out at the premises of companies dealing in foodstuffs.

2 See also – see http://europa.eu.int/eur-lex/en/consleg/pdf/2000/en_2000L0013_do_001.pdf

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.

Labelling requirements related to coffee
Directive 99/4/EC on coffee extracts and chicory extracts also sets out requirements for labelling. These include:

- Coffee product in which the anhydrous caffeine content does not exceed 0.3% by weight of the coffee-based dry matter must include the word "decaffeinated" on the label.
- In the case of liquid coffee extract and liquid chicory extract, the label must include the terms "with…", "preserved with …", "with added…" or "roasted with" followed by the name(s) of the types of sugar(s) used.
- In the case of liquid coffee extract and liquid chicory extract, as well as in the case of coffee extract paste and chicory extract paste, the label must include the minimum coffee- or chicory-based dry matter content as applicable. The contents should be expressed as a percentage by weight of the finished product.

For coffee producers the Commission Directive 2002/67/EC of 18 July 2002 on the labelling of foodstuffs containing caffeine and quinine is of special importance. See http://europa.eu.int/scadplus/leg/en/lvb/l21140.htm

Organic Production

A number of specific rules and regulations are attached to organically produced food. An important regulation is the Regulation 2092/91/EC of 24 June 1991 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs (O.J. L 198, 22. 7. 1991).

For more information please see DIP's Market Brief on organic foods.

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

See also http://europa.eu.int/comm/food/international/trade/interpretation_imports.pdf

Custom Duty and Import Regulations

Rates of Duty

The rates for import duties as of January 2006 are shown in the following table. These rates of duty cover the sub-categories within the below CN-numbers and apply to non-preferential trade.

Table 18 – Rates of Duty, January 2006

	CN-Number	Rate of Duty, %
Coffee, not roasted, not decaffeinated	09.01.11	0
Coffee, not roasted, decaffeinated	09.01.12	8.3
Coffee, roasted, not decaffeinated	09.01.21	7.5
Coffee, roasted, decaffeinated	09.01.22	9.0
Coffee husks and skins	09.01.90.10	0
Coffee substitutes containing coffee	09.01.90.90	11.5
Instant coffee (extracts, essences, and concentrates of coffee)	21.01.11	9.0
Instant coffee (with a basis of coffee extracts, essences or concentrates or with a base of coffee)	21.01.12	11.5

Source: http://export-help.cec.eu.int/

However, special rates of duty apply to countries under the GSP scheme. Countries, which are classified as least developed countries as well as countries included in the special program to fight narcotics, all enjoy duty free entry of their coffee to the European market. For other developing countries it is possible to obtain a reduction of the normal duty rate. Please refer to Appendix 3 for a list of countries eligible for preferential treatment. The section on import tariffs at http://export-help.cec.eu.int/ provides information to take full advantage of the EU's preferential trade regimes. Here you can get information on import tariffs related directly to your product and country.

It must be stressed, though, that rules and regulations regarding duty are sometimes changed. It is therefore advisable always to 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. Another source of information is the above-mentioned helpdesk homepage http://export-help.cec.eu.int/.

Import Quotas
Currently, there are no quotas on coffee imported to Denmark from Danida's programme countries. However, as is the case concerning import duty rates, it is of equal importance that the foreign exporter stays updated with regard to the latest changes in import quota regulations.

It is the specific CN number (8 digits) regarding coffee, which determines if the particular coffee product is subject to import quotas. Therefore, import quotas should always be checked, for example with your local customs authorities.

The Commission shall publish a notice announcing the opening of quotas in the Official Journal of the European Communities, setting out the allocation method chosen, the conditions to be met by licence applications, time limits for submitting them and a list of the competent national authorities to which they must be sent.
http://europa.eu.int/scadplus/leg/en/s05020.htm

Import and Export Licenses
Import or export licences authorise the import or export of products which are subject to quotas. Licences are issued immediately by the Member States when the "first come, first served" principle is used. In other cases, they are issued within ten days of notification of the Community decision indicating the quantities to be distributed.

They are valid throughout the Community, except in situations where a quota is limited to one or more regions of the Community, in which case these licences are only valid in the Member State(s) of the region(s) in question. These licences are valid for four months.

http://europa.eu.int/scadplus/leg/en/s05020.htm

Value-Added Tax (VAT)
Value Added Tax (VAT) is levied on practically all products in Denmark, imported as well as domestic. The Danish Value-Added Tax constitutes 25 percent (2006) 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. For further information on VAT and duties in Denmark for specific products see http://export-help.cec.eu.int.

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

CN-Code	Description	Tax per kilo (DKK)
09.01.11-12	Non-roasted coffee	5.45
09.01.21-22	Roasted coffee	6.54
21.01.11-12	Instant coffee	14.17

Trade Agreements

As a member of the EU, Denmark follows the rules and regulations and applies the Common Customs tariff of the EU.

The European Union
The EU economy is already one of the most open to trade: the EU average level of customs duty protection amounts to around 4% on industrial goods. EU tariffs for industrial products are among the lowest in the world. Moreover imports from many of the EU's suppliers of industrial products enter the Community at preferential rates under the terms of bilateral agreements, the Generalised System of Preference (GSP) or tariff suspension regimes.

The EU has the most open regime vis-à-vis Sub-Saharan Africa and the other African, Caribbean and Pacific countries: in 2003 African Caribbean and Pacific countries paid full duty on only 3% of their exports to the EU. The remaining 97% entered at zero duty or at reduced rates of duty. See more on
http://europa.eu.int/comm/trade/issues/sectoral/industry/tntb/index_en.htm

For an overview of import tariffs, requirements and taxes related directly to your product please see http://export-help.cec.eu.int/

The Generalised System of Preferences (GSP)
The EU GSP is the system of preferential trading arrangements through which the EU extends preferential access to its markets to developing countries and economies in transition.

The GSP allows manufactured products and some agricultural products exported by developing countries access to the Community market with total or partial exemption from customs duties.

On 21 December 2005, the EU granted important preferences (duty and quota-free access) to an additional 15 vulnerable developing countries that have implemented sustainable development and good governance policies under the "GSP+" incentive. The GSP+ benefits have been granted to the 5 Andean countries (Bolivia, Columbia, Ecuador, Peru and Venezuela), 6 Central America countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama), Moldova, Georgia, Mongolia and Sri Lanka.

Countries under the special program to fight narcotics also enjoy duty free access to the EU markets for most goods. (Please refer to Appendix 3)

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, such as the ACP (African, Caribbean and Pacific) countries covered by the Cotonou Agreement and the ASEAN (Association of South East Asian Nations) countries covered by the TREATI framework.

Everything but Arms Initiative (EBA)
In February 2001, the Council of the European Union adopted the so-called Everything But Arms (EBA) Regulation (Regulation (EC) 416/2001), granting duty-free access to imports of all products from least developed countries (LDC) without any quantitative restrictions, except to arms and munitions. Only imports rice and sugar are not fully liberalised immediately. Duties on those products will be gradually reduced until duty free access will be granted for sugar in July 2009 and for rice in September 2009. In the meantime, there will be duty free tariff quotas for rice and sugar. These quotas will increase annually.

The EBA Regulation foresees that the special arrangements for LDCs should be maintained for an unlimited period of time and not be subject to the periodic renewal of the Community's scheme of generalised preferences.

Preferences under the EBA apply to imports into the customs territory of the EU, of products from the LDCs. The products have to originate in the beneficiary country. To be considered as originating in the exporting country, products have to meet certain requirements which are laid down in the rules of origin (See section "Rules of Origin" below).

See Appendix 2 for additional trade agreements.

Classification of Goods
Correct and accurate classification of goods is of utmost importance for obtaining the preferences. All products that are being traded globally are classified according to an international classification system called the *Harmonized Commodity Description and Coding System*, normally referred to as the Harmonized System, or simply the HS. When the exporter knows the correct HS code he can then check the product coverage in the relevant agreement or arrangement to see whether the product is eligible for a preference or not. You can find help on http://export-help.cec.eu.int. Customs duties are often applied on a percentage basis with reference to the customs value of the goods.

If a country or product is not covered by any free-trade agreement or other preferential arrangements, the importer has to pay the normal customs duty applicable for the product. If more than one agreement or arrangement is applicable, the exporter is free to choose the one that is most favourable to him.

Rules of Origin
Rules of Origin are a set of rules to determine in which country the products have originated. To benefit from lower customs duties, the export product has to originate in a country covered by a free-trade agreement or a

preferential arrangement. A product is generally said to confer origin in a country if it is *wholly obtained or sufficiently processed* in that country.

A product can contain elements from other countries than the country where the goods are produced. In such cases, the rules of origin are applied to determine how much of the materials can come from other countries, or how much the product must be processed in order to allow the product to have originated status in the producing country.

Countries belonging to certain groups: ASEAN (South East Asia), SAARC (South Asia) and the Andean Community (in South America) have the right to use materials from other countries in their group in the production without losing the status as country of origin. This is called cumulation. Exporters from LDCs to the EU can in some cases be granted exemption from the rules of origin.

The concept of *wholly obtained* often refers to an agricultural product grown in the country and not further processed. For manufactured goods, with inputs from other countries, it is necessary to check the so-called list rules which are available for each product (HS code) and to determine whether the product has undergone sufficient processing. It is essential that the exporter makes sure that the product meets the rules of origin, in order to benefit from preferential treatment. If the rules of origin are not met, the importer has to pay the normal duty. It is advisable to check details on the websites – see among others http://export-help.cec.eu.int.

Proof of Origin
To prove that the rules of origin are fulfilled, the exporter has to provide the necessary documentation. A *GSP proof of origin* must be issued by the exporter in the developing country and certified by the customs authorities of the exporting country. The following documents of origin are valid:

- Certificate of origin *Form A*
- Invoice declaration

Certificates of origin Form A are issued by the EU-recognised competent governmental authorities of the exporting country (usually ministerial bodies) if they find that the exports meet the requirements of the rules of origin.
The internet address to Form A is included among the websites listed the end of the brief. Instructions on how to complete the certificate can be found on http://export-help.cec.eu.int The invoice declaration is a standard text (also to be found on the websites), which is made on an invoice (or any other commercial document) by any exporter. At the time of writing, this is valid only for shipments not exceeding a total value of EUR 6,000 in the EU.

The exporter should make sure that the information given to certify the origin of the goods is accurate and that the certificate or the invoice declaration is filled in correctly. Also check that the required authorisation, for example a stamp, has been obtained.

If a product contains material originating from a country within the European Union, a EUR 1 certificate proving the origin of the goods must be included in the documentation.

The importer must request the relevant preferential tariff treatment at the time of customs clearance. There is no automatic consideration. GSP preferential rates of duty applied must always be documented by a valid proof of origin issued in the GSP country concerned.

Fair Trade
Objectives and Principles
Fair trade is an alternative way of practising international trade and relates mainly to developing countries. The concept of fair trade applies in general to trade operations which strengthen the economic position of small-scale producers and landowners in order to ensure that they are not marginalised in the world economy. The umbrella organisation of fair trade in Denmark is Fair Trade Denmark.

The objectives and key principles of the Fair Trade Denmark are:

Objectives
- To improve market conditions for disadvantaged producers
- To promote social equality
- To protect the environment
- To increase the awareness of unequal trade relations between North and South

- To influence the public through campaigns

Principles for fair trade

1) Respect and consideration for humans and the environment.
2) A fair price to producers and other trading partners. A fair price should ensure the producer a better pay than what producers would normally obtain for similar products at the local market.
3) Promote decent working conditions. The working environment should as a minimum comply to local conditions and rules.
4) Participation. Producers, volunteers and employees should be included in decision processes that may concern them.
5) Protection and promotion of human rights.
6) Special attention should be given to improve conditions for especially poor and marginalised groups within production and trade, e.g. women and children.
7) Consideration for the environment and sustainable development within all links of the fair trade chain.
8) Furthering of sustainable development by aiming at long-lasting and stable trade relations.
9) Prioritising products where as many steps in the manufacturing process have taken place in the country of origin.
10) Openness and transparency in all part of the organisation. All parties of the fair trade chain are obliged to pass on information on their products, marketing methods to each other and on how they comply with the fair trade criteria.
11) Obligation to contribute to information, education and campaign activities.

Demands to Producers and Export Organisations
Producers and exporters delivering products to the members of Fair Trade Denmark should endorse the above principles.

Specific demands

1) The production of fair trade products should particularly ensure employment and improved income for poor and vulnerable persons.
2) The children of the producers should attend school.
3) Child labour that constitutes a threat for the health, development or education of the child is not accepted.
4) The organisation should ensure equal treatment of all and work against discrimination.
5) The organisation should be structured in a way so that the producers have a say.
6) The production should affect the environment as little as possible. Scarce resources should not be exploited.
7) The producer should not be dependent on only one buyer.
8) Fair trade should not only have a positive effect on the specific trading partner but should have a positive effect on the local community as well.

See www.fairtrade.dk - here you can also find information about companies importing or selling fair trade products.

Fair Trade Labels
There are several fair trade labels and each has a certification agency which verifies all the stages in the production process to ensure that the product respects fair trade principles. The certification bodies also set the criteria that must be respected in order for a product to carry a fair trade label. These criteria are harmonised at international level.

Producers and importers who have been assessed as complying with the fair trade criteria are included in international fair trade registers. Fair trade labelling schemes are financed by licence fees paid by importers and traders. These fees are related to turnover and volume of sales.

In Denmark there are two levels of Fair Trade products:

- Max Havelaar labelled controlled products and
- Fair trade products approved on the basis of public information. These products have to be produced according to IFAT criteria for fair trade and are approved by Fair Trade Denmark before import to the Danish market. http://www.u-landsimporten.dk

It is the Max Havelaar Foundation which is the labelling organisation in Denmark. It was founded in 1994 by six NGOs. It has 15 licensees who trade bananas, cocoa/chocolate, coffee, sugar/sweets, and tea under the fair trade label of the foundation. These labelled products are currently available in more than 2,700 supermarkets in Denmark.

Max Havelaar work closely with the Fair Trade Labelling Organizations International (FLO). All fair trade labels are members of the FLO which is responsible for coordination at EU and international level. The point of reference for FLO Certification is the International Fairtrade Standards. These Standards are developed by the FLO Standards Committee, in which stakeholders from FLO's member organisations, producer organisations, traders and external experts participate. The FLO Fairtrade Standards are regularly reviewed by FLO, in close co-operation with all relevant stakeholders. See also www.fairtrade.net

Fair Trade and Coffee
Coffee is the best known Fair Trade labelled product among consumers in Europe and was the first labelled product introduced. Coffee was also the first product that was Max Havelaar-labelled.

In Denmark, approximately 2,5% of coffee sales are fair trade labelled coffee brands. Fair Trade labelled coffee is sold in a number of fair trade shops as well as in many supermarket chains all over Denmark. In Denmark approximately 6 out of 10 consumers are familiar with the Fair Trade/Max Havelaar label; an awareness that is increasing.

7. Trade Fairs

Participation in trade fairs can provide valuable insight into overseas markets, product trends and competition and can serve as an important marketing communications tool for exporters. Furthermore, trade fairs are important in order to create contact to future business partners as the main actors in the sector will be present at the leading fairs. The presence of other people in your trade is one of the major advantages of specialized trade fairs as it gives you a chance to examine the products of your competitors and meet potential customers.

You must consider trade fairs in relation to the total marketing mix and any decision to exhibit should therefore be based on careful analysis. 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.

If you choose to exhibit at a trade fair it is important to know in advance who the target groups of the fair are. In Denmark, exhibitors are often wholesalers or importers and the target group is the retailers. When this is the case you might gain more by participating as a visitor and approach suitable exhibiting importers with written/printed material about your company and products.

If you choose to exhibit, you should contact relevant importers prior to the trade fair in order to set up meetings during the fair. Some of the relevant importers will be exhibiting themselves. By looking at the list of exhibiting companies (list can be downloaded via the organiser's homepages – see below), you will get a fair impression of which companies to contact in order to set up meetings. Some of these might not have time for meetings during the fair if they are exhibiting themselves, so it is important to allow yourself to stay a few more days after the fair in order to conduct the meetings.

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

International Food Fair of Scandinavia
Tema
Bo Rasmussen
c/o Bella Center A/S
Center Boulevard 5
DK – 2300 Copenhagen S
Denmark
Phone: +45 32 47 21 34
E-mail: bo.rasmussen@bellacenter.dk
www.tema05.dk

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

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

SCAE World Specialty Conference & Exhibition
Adria Congrex
Via Sassonia, 30
47900 Rimini
Italy
www.scae.com/rimini

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

Tea & Coffee World Cup Exhibition and Symposium
Hans Muehle 7
12587 Berlin
Germany
Phone: +49 30-645-7212
Fax: +49 30-6409-1350
E-mail: f.schuetze@teaandcoffee.net
www.tcworldcup.net

Trieste Espresso Expo
FIERA TRIESTE
Piazzale de Gasperi, 1
34139 Trieste
Italy
Phone: +39 040 9494111
Fax: +39 040 393062

Intersuc
Exposium
1, rue du Parc
92593 Levallois-Perret Cedex
France
Phone: +33 (0) 1 49 68 52 26
Fax: +33 (0)1 49 68 56 30

E-mail: info@fiera.trieste.it
www.fiera.trieste.it

SALON DU CHOCOLAT
LuxExpo
10, Circuit de la Foire Internationale
L-1347 Luxembourg-Kirchberg
Luxembourg
Phone: +352 43 99 1
Fax: +352 43 99 315
E-mail: fil@pt.lu
www. www.luxexpo.lu

E-mail: intersuc@exposium.fr
www.intersuc.com

SIC
Salone Internazionale del Caffe'
c/o Expocts spa
Via Generale Govone 66
20155 Milano
Italy
Phone: +39 02 34 98 41
Fax: +39 02 33 60 04 93
E-mail: sic@expocts.it
www.sic.expocts.it

8. Important Addresses

Organisations, institutions, ministries in Denmark:

DIPP–Danish Import Promotion Programme
Boersen
1217 Copenhagen K
Denmark
Phone: +45 70 12 13 00
Fax: +45 70 12 13 01
E-mail: dipp@htsi.dk
www.dipp.eu

Danish Ministry of Foreign Affairs
Asiatisk Plads 2
1448 Copenhagen K
Denmark
Phone: +45 33 92 00 00
Fax: +45 33 12 37 78
E-mail: um@um.dk
http://www.um.dk

Statistics of Denmark
Sejrøgade 11
2100 Copenhagen Ø
Denmark
Phone: +45 39 17 39 17
Fax: +45 39 17 39 99
E-mail: dst@dst.dk
http://www.statbank.dk

International relevant organisations:

International Standardisation Institute (ISO)
E-mail: central@iso.org
Internet: www.iso.org

SGS European Quality Certification Institute E.E.S.V.
E-mail: inquiries@sgs.com
Internet: www.sgs.com

9. Useful Internet Sites

Government of Denmark
www.denmark.dk

Invest in Denmark
www.investindk.dk

EU Export Helpdesk for Developing Countries
http://export-help.cec.eu.int/thdapp/index.htm

Market Acces Database
Database of European Commission on import regulations, duties and trade barriers.
http://mkaccdb.eu.int

Directorate General Taxation and Customs of the European Commission
http://europa.eu.int/comm/taxation_customs/customs/customs_duties/rules_origin/index_en.htm
Includes information about rules of origin and documentation in the EU

http://europa.eu.int/comm/taxation_customs/resources/documents/guide-annex_4-en.pdf
Certificate of origin Form A

The World Trade Organisation (WTO)
http://www.wto.org

The International Fair Trade Association
http://www.ifat.org/

The International Coffee Organisation
http://www.ico.org

The Economist Intelligence Unit
www.economist.com

Tscentral
Overview of international trade fairs worldwide
http://www.tscentral.com

Max Havelaar
Ryesgade 3F
2200 Copenhagen N.
Phone: +45 70 23 13 45
Fax: +45 35 24 78 68
E-mail: info@maxhavelaar.dk
www.maxhavelaar.dk

Appendix 1 – Distribution of Private Consumption

Distribution of private consumption (%) by level of income (Annual)

Below 150,000 DKK	**2000/2001**	**2003/2004**
Food	12.4	12.1
Beverage and Tobacco	5.8	5.7
Clothing	3.9	4.6
Housing	29.9	28.7
Electricity and Heating	10.1	10.4
Furniture and Domestic Goods	4.2	4.6
Healthcare	3.7	3.0
Transportation and Communication	9.2	9.6
Culture and Leisure	10.2	10.3
Other Goods and Services	10.6	11

150,000 to 299,999 DKK	**2000/2001**	**2003/2004**
Food	11.2	11.3
Beverage and Tobacco	5.7	5.5
Clothing	4.8	4.2
Housing	26.6	27.1
Electricity and Heating	9.0	8.8
Furniture and Domestic Goods	5.0	5.3
Healthcare	2.5	3.2
Transportation and Communication	12.6	12.8
Culture and Leisure	10.6	10.7
Other Goods and Services	12.1	11.0

300,000 to 499,999 DKK	**2000/2001**	**2003/2004**
Food	11.4	11.3
Beverage and Tobacco	5.2	4.9
Clothing	5.1	4.8
Housing	22.3	22.4
Electricity and Heating	7.6	7.5
Furniture and Domestic Goods	6.4	5.5
Healthcare	2.5	2.9
Transportation and Communication	14.9	16.3
Culture and Leisure	12.2	11.5
Other Goods and Services	12.5	12.9

500,000 to 799,999 DKK	**2000/2001**	**2003/2004**
Food	11.5	11.2
Beverage and Tobacco	4.9	4.5
Clothing	5.2	4.8
Housing	20.4	19.9
Electricity and Heating	6.7	7.1
Furniture and Domestic Goods	7.2	6.9
Healthcare	2.3	2.3
Transportation and Communication	17.5	18.3
Culture and Leisure	10.6	11.3
Other Goods and Services	13.8	13.6

Above 800,000 DKK	**2000/2001**	**2003/2004**
Food	10.3	10.4
Beverage and Tobacco	4.2	4.2
Clothing	6.2	6.0
Housing	19.7	20.9
Electricity and Heating	5.8	6.4
Furniture and Domestic Goods	6.8	7.0
Healthcare	1.7	1.9
Transportation and Communication	18.8	18.2
Culture and Leisure	12.0	10.7
Other Goods and Services	14.6	14.3

Appendix 2 – Additional Trade Agreements

Below are listed additional trade agreements not listed in Chapter 5.

Cotonou Agreement

Relations between the EU and the ACP States are today governed by the ACP-EU Partnership Agreement, signed in Cotonou on 23 June 2000 and concluded for a period of 20 years.

At present, 78 ACP countries are signatories to the Cotonou Agreement: 48 African states, covering all of sub-Saharan Africa, 15 states in the Caribbean and 15 states in the Pacific (the Democratic Republic of East Timor acceded to Cotonou Agreement in May 2003; ratification by East Timor is still pending). Out of the 50 least developed countries (also covered by the EU's Everything But Arms initiative of February 2001), 41 are ACP countries.

The objective of the Agreement is to promote and expedite the economic, cultural and social development of the ACP States, with a view to contributing to peace and security and to promoting a stable and democratic political environment. http://europa.eu.int/comm/development/body/cotonou/agreement_en.htm

EU-ASEAN Bilateral Trade Relations

The ASEAN encompasses 10 South East Asian countries (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Burma/Myanmar, Philippines, Singapore, Thailand and Vietnam).

In 2003, EU-ASEAN trade represented 5.8% of total EU trade, and the enlarged EU is currently ASEAN's 3rd largest trading partner, accounting for 14% of ASEAN trade. Significantly, 15% of ASEAN exports are destined for the EU, which makes it ASEAN's 2nd largest export market after the US.

TREATI is a framework for dialogue and regulatory co-operation developed to enhance EU trade relations with ASEAN. The initiative was officially launched as a key component of the Commission's Communication on "A New Partnership with South East Asia" in July 2003. The priority areas for co-operation under TREATI are closely linked to ASEAN's own drive for economic integration and comprise sanitary and phytosanitary standards in agro-food and fisheries products, industrial product standards and technical barriers to trade, and forestry and wood-based products.

http://europa.eu.int/comm/trade/issues/bilateral/regions/asem/index_en.htm

World Trade Organisation (WTO)

The World Trade Organization (WTO) deals with the rules of trade between nations at a global or near-global level. The WTO Agreements provide the legal ground-rules for international commerce. They are essentially contracts, binding governments to keep their trade policies within agreed limits.

The General Agreement on Tariffs and Trade (GATT, which deals with trade in goods) has a special section (Part 4) on Trade and Development which includes provisions on the concept of non-reciprocity in trade negotiations between developed and developing countries — when developed countries grant trade concessions to developing countries they should not expect the developing countries to make matching offers in return.

Binding tariffs, and applying them equally to all trading partners (most-favoured-nation treatment) are key to the smooth flow of trade in goods. The WTO agreements uphold the principles, but they also allow exceptions — in some circumstances. Three of these issues are:

- actions taken against dumping (selling at an unfairly low price)
- subsidies and special "countervailing" duties to offset the subsidies
- emergency measures to limit imports temporarily, designed to "safeguard" domestic industries

Anti-Dumping Actions
If a company exports a product at a price lower than the price it normally charges on its own home market, it is said to be "dumping" the product.

GATT (Article 6) allows countries to take action against dumping. The Anti-Dumping Agreement clarifies and expands Article 6, and the two operate together. They allow countries to act in a way that would normally break the GATT principles of binding a tariff and not discriminating between trading partners — typically anti-dumping action means charging extra import duty on the particular product from the particular exporting country in order to bring its price closer to the "normal value" or to remove the injury to domestic industry in the importing country.

Subsidies and Countervailing Measures
This agreement says a country can use the WTO's dispute settlement procedure to seek the withdrawal of the subsidy or the removal of its adverse effects. Or the country can launch its own investigation and ultimately charge extra duty (known as "countervailing duty") on subsidized imports that are found to be hurting domestic producers.

Safeguards
A WTO member may restrict imports of a product temporarily (take "safeguard" actions) if its domestic industry is injured or threatened with injury caused by a surge in imports. Here, the injury has to be serious.

In principle, safeguard measures cannot be targeted at imports from a particular country. However, the agreement does describe how quotas can be allocated among supplying countries, including in the exceptional circumstance where imports from certain countries have increased disproportionately quickly. A safeguard measure should not last more than four years, although this can be extended up to eight years, subject to a determination by competent national authorities that the measure is needed and that there is evidence that the industry is adjusting. Measures imposed for more than a year must be progressively liberalized.

When a country restricts imports in order to safeguard its domestic producers, in principle it must give something in return. The agreement says the exporting country (or exporting countries) can seek compensation through consultations. If no agreement is reached the exporting country can retaliate by taking equivalent action.

See Appendix 4 for a list of WTO Member countries

http://www.wto.org

Appendix 3 – Classification of Countries

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,
ACP Countries Party to the Cotonou Agreement	Angola, Antigua and Barbuda, Bahamas, Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoro Islands, Congo (Brazzaville), Congo (Kinshasa), Cook Islans, Djibouti, Dominica, Dominican Republic, East Timor, Ethiopia, Eritrea, Federated States of Micronesia, Fiji, Gabon, Gambia, Ghana, Grenada, Guinea, Guinea (Bissau), Guinea (Equatorial), Guyana, Haïti, Ivory Coast, Kenya, Jamaica, Kiribati, Lesotho, Liberia, Madagascar, Malawi, Mali, Marshall Islands, Mauritania, Mauritius, Mozambique, Namibia, Nauru, Niger, Nigeria, Niue, Palau, Papua New Guinea, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Sâo Tome and Principe, Senegal, Seychelles, Sierra Leone, Solomon Islands, Somalia, South Africa, Sudan, Suriname, Swaziland, Tanzania, Tonga, Trinidad and Tobago, Tuvalu, Togo, Uganda, Vanuatu, Zambia, Zimbabwe

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

Source: Customs & Excise, Denmark

Appendix 4 – WTO Member Countries

149 members on 11 December 2005, with dates of membership.

Albania 8 September 2000
Angola 23 November 1996
Antigua and Barbuda 1 January 1995
Argentina 1 January 1995
Armenia 5 February 2003
Australia 1 January 1995
Austria 1 January 1995
Bahrain, Kingdom of 1 January 1995
Bangladesh 1 January 1995
Barbados 1 January 1995
Belgium 1 January 1995
Belize 1 January 1995
Benin 22 February 1996
Bolivia 12 September 1995
Botswana 31 May 1995
Brazil 1 January 1995
Brunei Darussalam 1 January 1995
Bulgaria 1 December 1996
Burkina Faso 3 June 1995
Burundi 23 July 1995
Cambodia 13 October 2004
Cameroon 13 December 1995
Canada 1 January 1995
Central African Republic 31 May 1995
Chad 19 October 1996
Chile 1 January 1995
China 11 December 2001
Colombia 30 April 1995
Congo 27 March 1997
Costa Rica 1 January 1995
Côte d'Ivoire 1 January 1995
Croatia 30 November 2000
Cuba 20 April 1995
Cyprus 30 July 1995
Czech Republic 1 January 1995
Democratic Republic of the Congo 1 January 1997
Denmark 1 January 1995
Djibouti 31 May 1995
Dominica 1 January 1995
Dominican Republic 9 March 1995
Ecuador 21 January 1996
Egypt 30 June 1995
El Salvador 7 May 1995
Estonia 13 November 1999
European Communities 1 January 1995
Fiji 14 January 1996
Finland 1 January 1995
Former Yugoslav Republic of Macedonia (FYROM) 4 April 2003
France 1 January 1995
Gabon 1 January 1995
The Gambia 23 October 1996
Georgia 14 June 2000
Germany 1 January 1995
Ghana 1 January 1995
Greece 1 January 1995
Grenada 22 February 1996
Guatemala 21 July 1995
Guinea 25 October 1995
Guinea Bissau 31 May 1995
Guyana 1 January 1995
Haiti 30 January 1996
Honduras 1 January 1995
Hong Kong, China 1 January 1995
Hungary 1 January 1995
Iceland 1 January 1995
India 1 January 1995
Indonesia 1 January 1995
Ireland 1 January 1995
Israel 21 April 1995
Italy 1 January 1995
Jamaica 9 March 1995
Japan 1 January 1995
Jordan 11 April 2000
Kenya 1 January 1995
Korea, Republic of 1 January 1995
Kuwait 1 January 1995
Kyrgyz Republic 20 December 1998
Latvia 10 February 1999
Lesotho 31 May 1995
Liechtenstein 1 September 1995
Lithuania 31 May 2001
Luxembourg 1 January 1995
Macao, China 1 January 1995
Madagascar 17 November 1995
Malawi 31 May 1995
Malaysia 1 January 1995
Maldives 31 May 1995
Mali 31 May 1995
Malta 1 January 1995
Mauritania 31 May 1995
Mauritius 1 January 1995
Mexico 1 January 1995
Moldova 26 July 2001
Mongolia 29 January 1997
Morocco 1 January 1995
Mozambique 26 August 1995
Myanmar 1 January 1995
Namibia 1 January 1995
Nepal 23 April 2004
Netherlands — For the Kingdom in Europe and for the Netherlands Antilles 1 January 1995
New Zealand 1 January 1995
Nicaragua 3 September 1995
Niger 13 December 1996
Nigeria 1 January 1995
Norway 1 January 1995
Oman 9 November 2000
Pakistan 1 January 1995
Panama 6 September 1997
Papua New Guinea 9 June 1996
Paraguay 1 January 1995
Peru 1 January 1995
Philippines 1 January 1995
Poland 1 July 1995
Portugal 1 January 1995
Qatar 13 January 1996
Romania 1 January 1995
Rwanda 22 May 1996
Saint Kitts and Nevis 21 February 1996
Saint Lucia 1 January 1995
Saint Vincent & the Grenadines 1 January 1995
Saudi Arabia 11 December 2005
Senegal 1 January 1995
Sierra Leone 23 July 1995
Singapore 1 January 1995
Slovak Republic 1 January 1995
Slovenia 30 July 1995
Solomon Islands 26 July 1996
South Africa 1 January 1995
Spain 1 January 1995
Sri Lanka 1 January 1995
Suriname 1 January 1995
Swaziland 1 January 1995
Sweden 1 January 1995
Switzerland 1 July 1995
Chinese Taipei 1 January 2002
Tanzania 1 January 1995
Thailand 1 January 1995
Togo 31 May 1995
Trinidad and Tobago 1 March 1995
Tunisia 29 March 1995
Turkey 26 March 1995
Uganda 1 January 1995
United Arab Emirates 10 April 1996
United Kingdom 1 January 1995
United States of America 1 January 1995
Uruguay 1 January 1995
Venezuela (Bolivarian Republic of) 1 January 1995
Zambia 1 January 1995
Zimbabwe 5 March 1995

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