

# **CUT FLOWERS AND FOLIAGE**

## **A Survey of the Market for Cut Flowers and Foliage 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

December 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](http://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](http://www.hsh-org.no) you can read more about HSH. HSH OIP promotes imports from developing countries. [www.hsh-org.no](http://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](http://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](http://www.chambertrade.com)).

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

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## **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](http://www.dipp.eu)).

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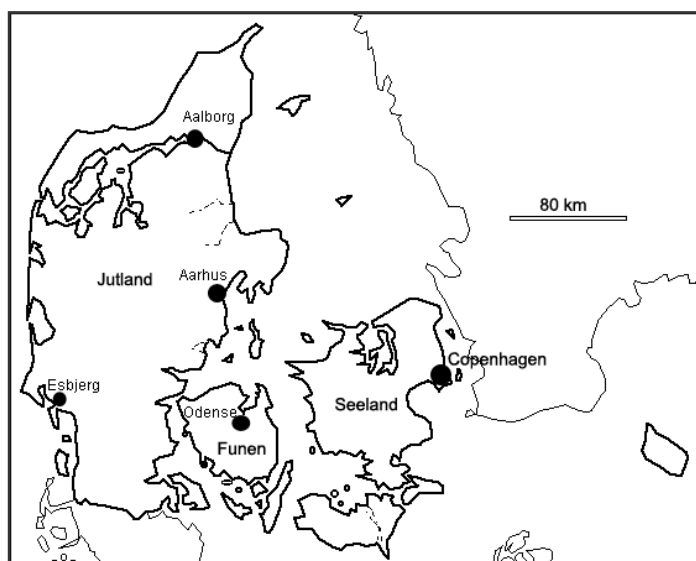
## Acronyms

<b>ACP</b>	African, Caribbean and Pacific States
<b>ASEAN</b>	Association of South East Asian Nations
<b>CBI</b>	Centre for the Promotion of Imports from Developing Countries
<b>CITES</b>	The Convention on International Trade in Endangered Species
<b>CN</b>	Combined Nomenclature
<b>DKK</b>	Danish Krone (Danish currency)
<b>EBA</b>	Everything But Arms
<b>EU</b>	European Union
<b>EUR</b>	Euro (European Union Common Currency)
<b>FFP</b>	Fair Flowers and Plants
<b>FLO</b>	Fair Trade Labelling Organisations International
<b>GATT</b>	General Agreement on Tariffs and Trade
<b>GSP</b>	Generalised System of Preference
<b>HS</b>	Harmonized System
<b>ICC</b>	International Code of Conduct for Cut Flowers
<b>IFAT</b>	The global network of Fair Trade Organizations
<b>ILO</b>	International Labour Organisation
<b>IMF</b>	International Monetary Fund
<b>IPPC</b>	International Plant Protection Convention
<b>ISMP</b>	International Standards for Phytosanitary Measures
<b>ITC</b>	International Trade Centre
<b>LDC</b>	Least Developed Countries
<b>MPS</b>	Milieu Project Sierteelt ( <i>Floriculture Environmental Project</i> )
<b>NATO</b>	North Atlantic Treaty Organisation
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>SAARC</b>	South Asian Association for Regional Cooperation
<b>SP</b>	Special Pension
<b>UN</b>	United Nations
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>USD</b>	United States Dollar
<b>VAT</b>	Value-Added Tax
<b>WTO</b>	World Trade Organisation

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## Map of Denmark and the European Union



### Facts about Denmark

<b>Area:</b>	43,095 sq. kilometres
<b>Population:</b>	5,411,405
<b>Urban population:</b>	85%
<b>Life expectancy:</b>	77.62 years
<b>Capital:</b>	Copenhagen County (618,529 inhabitants)
<b>Language:</b>	Danish English is the predominant second language
<b>GDP (2004):</b>	EUR 194,680 million
<b>GDP per capita (2004):</b>	EUR 35,976
<b>Currency:</b>	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.

### Other large cities:

Aarhus:	661,370 inhabitants
Odense:	145,500 inhabitants
Aalborg:	163,500 inhabitants

### Distances:

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

<b>Exchange rate:</b>	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.
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<b>Ports and harbours:</b>	Aalborg, Aarhus, Asnaesvaerkets, Copenhagen, Elsinore, Ensted, Esbjerg, Fredericia, Frederikshavn, Graasten, Kalundborg, Odense, Roenne
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<b>Time Zone:</b>	CET (GMT + 1)
<b>Business hours:</b>	Monday to Friday, 9.00 am to 5.00pm
<b>Weight and measures:</b>	The metric system
<b>Climate:</b>	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.

### Public Holidays (2007):

News Year's Day	January 1 <sup>st</sup>
Palm Sunday	April 1 <sup>st</sup>
Maundy Thursday	April 5 <sup>th</sup>
Good Friday	April 6 <sup>th</sup>
Easter	April 8 <sup>th</sup>
Easter Monday	April 9 <sup>th</sup>
Common Prayer Day	May 4 <sup>th</sup>
Ascension Day	May 17 <sup>th</sup>
Whit Sunday	May 27 <sup>th</sup>
With Monday	May 28 <sup>th</sup>
Constitution Day	June 5 <sup>th</sup>
Christmas	December 24 <sup>th</sup>
Christmas Day	December 25 <sup>th</sup>
Boxing Day	December 26 <sup>th</sup>

<b>Member of international organisations:</b>	EU, UN, NATO, OECD, WTO, IMF and the Nordic Council
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# 1. Introduction to Denmark

Denmark is the southernmost country of both Scandinavia (Denmark, Sweden, and Norway) 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 (EUR 35,976), 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)**

<b>Family Type</b>	<b>DKK</b>
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)**

<b>Number of Households according to Type of Household (2005)</b>	
Single Male*	450,127
Single Female*	611,069
Married Couple*	864,223
Couples (excl. married couples)	279,419
Family with adult children living at home	158,778
Households incl. more than one family	133,808
Children below 18 not living at home	1,197
<b>Total number of households</b>	<b>2,498,621</b>

Source: Statistics Denmark

\*For families of couples or single persons the family can include one or more children living with the parent(s).

## **Household Consumption**

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



**Table 4 – Private Consumption Spending**

<b>Private Consumption Spending</b> (% change year on year unless otherwise indicated; seasonally adjusted; at 1995 prices unless otherwise indicated)	<b>2003</b>	<b>2004</b>				<b>2005</b>		
	<b>4 Qtr</b>	<b>1 Qtr</b>	<b>2 Qtr</b>	<b>3 Qtr</b>	<b>4 Qtr</b>	<b>1 Qtr</b>	<b>2 Qtr</b>	<b>3 Qtr</b>
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**

<b>Distribution of Private Consumption (%) (2003/2004)</b>	
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.

### Industrial Pattern

The Danish production industry is dominated by small and medium-sized enterprises<sup>1</sup> with 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.

### General Trade Figures

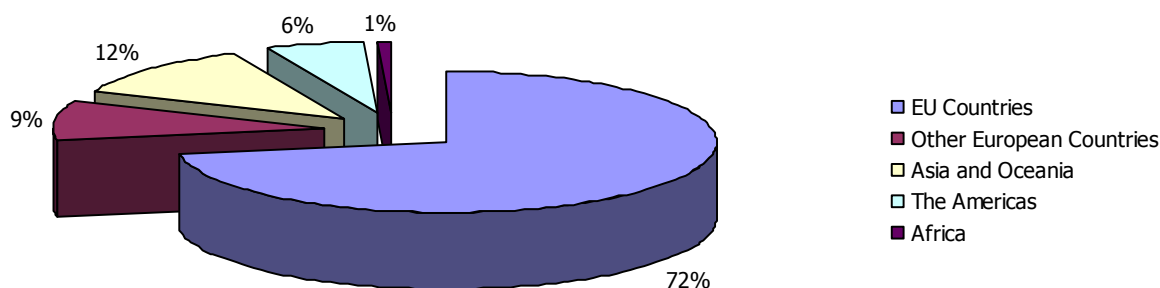
Denmark has a small, open economy highly dependent on trade with other countries. As foreign trade accounts for most of the GDP, Denmark has a strong interest in the free exchange of goods and services between countries.

Foreign trade accounts for 2/3 of GDP and around 2/3 of the total foreign trade are 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 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

<sup>1</sup> Small enterprise: <50 employees; Medium-sized enterprises: <250 employees

The below table provides figures for imports into Denmark from the so-called Danida Programme Countries. These are the countries eligible for Danish bilateral development assistance, which has since 1985 been focused on a limited number of countries. There are currently 17 Programme Countries.

**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
Nepal	8,657,233	10,576,308	13,626,769	28.84
Bhutan	28,571	131,347	6,244	-95.25

\*\*\*) From 2004 to 2005

Source: Statistics Denmark

The percentage change in the import may in some cases such as Zambia seem very large. It should, however, be taken into consideration that in 2004, Denmark did not import many products from Zambia and hence an additional order or two in 2005 may show a large percentage change.

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

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. According to the Schengen Agreement, a visitor's or a business visa allowing the holder to stay up to 90 days per six-month period, and a 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.

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

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

## 2. Market Definition

This market survey covers cut flowers and foliage for ornamental purposes as defined by the Combined Nomenclature (CN) for statistics in the European Union as follows:

- a) 0603: Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, dried, bleached, impregnated or otherwise prepared;
- b) 0604: Foliage, branches, and other parts of plants, without flowers or flower buds, and grasses, mosses and lichens, being goods of a kind suitable for bouquets or for ornamental purposes, fresh, dried, bleached, impregnated or otherwise prepared.

The reason for dealing with the two categories jointly resides in the fact that markets and marketing channels for cut flowers and foliage respectively are to a large extent identical. The main use of foliage other than mosses, lichens, and parts of Christmas trees is for bouquets in combination with fresh or prepared cut flowers. Within the two main categories emphasis in this survey is placed on species of cut flowers and foliage relevant to developing country producers (please refer to table 7 below).

CN is an 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. When exporting to countries within the EU, it is necessary to state the exact CN number of the specific product category. More information and details on the Combined Nomenclature is available on [http://europa.eu.int/comm/taxation\\_customs](http://europa.eu.int/comm/taxation_customs) and <http://export-help.cec.eu.int>

**Table 7 – Overview of CN Codes**

CN Code	Description
<u>0603</u>	<u>Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, dried, bleached, impregnated or otherwise prepared</u>
<i>0603 10</i>	<i>Fresh Cut Flowers</i>
0603 10 10	Roses
0603 10 20	Carnations ( <i>Dianthus</i> )
0603 10 30	Orchids
0603 10 40	Gladioli
0603 10 50	Chrysanthemums ( <i>Dedranthema</i> )
0603 10 80	Other fresh cut flowers
<i>0603 90</i>	<i>Other/prepared cut flowers</i>
<u>0604</u>	<u>Foliage, branches and other parts of plants, without flowers or flower buds, and grasses, mosses, and lichens, being goods of a kind suitable for bouquets or for ornamental purposes, fresh, dried, bleached, impregnated or otherwise prepared</u>
<i>0604 99</i>	<i>Foliage other than mosses, lichens, and parts of Christmas trees</i>
0604 99 10	Not further prepared than dried
0604 99 90	Other

Source: [http://europa.eu.int/comm/taxation\\_customs](http://europa.eu.int/comm/taxation_customs) and <http://export-help.cec.eu.int>

### 3. Market Analysis

#### Market size

This section deals with the total Danish market for imported cut flowers and foliage as defined in the previous chapter "Market Definition".

Total imports of cut flowers have increased over the period 2003-2005 from DKK 528,445,000 to DKK 601,193,000 or by 13% over the entire period. By contrast, imports of foliage have decreased over the period 2003-2005 from DKK 54,704,000 to DKK 41,640,000 or by 24%<sup>2</sup>. Please also see appendix 2, tables 1 and 2. Table 8 below depicts developments in imports of cut flowers and foliage into Denmark from 2001 to 2005 by selected species. The volume of imports is only measured in value (Danish Crowns - DKK) as statistics do not account for the products by unit.

**Table 8 – Value of Total Imports of Flowers and Foliage into Denmark (DKK 1,000)\***

CN Category	Commodity Description	2001	2002	2003	2004	2005	Change in % 2001-2005
<u>0603</u>	<u>Cut flowers and flower buds</u>						
<i>0603 10</i>	<i>Fresh Cut Flowers</i>						
0603 10 10	Roses	99.309	99.207	110.550	117.638	133.593	13%
0603 10 20	Carnations ( <i>Dianthus</i> )	11.871	12.529	11.212	11.292	13.917	17%
0603 10 30	Orchids	2.983	2.606	5.736	3.441	2.869	-4%
0603 10 40	Gladioli	619	1.031	820	568	742	-9%
0603 10 50	Chrysanthemums ( <i>Dedranthema</i> )	18.776	25.847	23.009	26.303	32.026	71%
0603 10 80	Other fresh cut flowers	240.032	210.922	210.285	250.968	249.750	4%
<i>0603 90</i>	<i>Other/prepared cut flowers</i>						
<u>0604</u>	<u>Foliage, branches and other parts of plants</u>						
<i>0604 99</i>	<i>Foliage other than mosses, lichens, and parts of Christmas trees</i>						
0604 99 10	Not further prepared than dried	9.424	4.848	6.786	5.296	5.202	-45%
0604 99 90	Other	6.170	5.920	10.005	4.971	6.174	0%
<b>Total</b>		<b>389.184</b>	<b>362.910</b>	<b>378.403</b>	<b>420.477</b>	<b>424.273</b>	<b>9%</b>

Source: Statistics of Denmark

\* Current prices

It is worth noting that Denmark is a production country itself, as well as an exporter. The main production countries in Northern Europe have in recent years seen scale-enlargement and productivity increasing while total production area is slowly declining as is the number of growers<sup>3</sup>. Total domestic production of cut flowers in Denmark has decreased by app. 32% over the period 2000 to 2005<sup>4</sup>. This decrease may reflect the current overproduction of flowers and plants on

<sup>2</sup> It does seem, though, as if 2003 featured an exceptional peak. If looking back two more years, i.e. to 2001, the trend has been an upward one over the entire period, with an increase of 19% over the period 2001-2005.

<sup>3</sup> CBI, EU Market Survey 2005. Cut Flowers and Foliage, CBI Centre for Promotion of Imports from Developing Countries, November 2005.

<sup>4</sup> Statistics Denmark. No separate figures are available for foliage concerned by this survey (i.e. CN category 0604 99), nor are figures for production by individual species of cut flowers available. Figures of domestic production of cut flowers (all species) are as follows for the period 2000-2005 (mio. DKK):

a worldwide basis which has led to fierce price competition and reduced profitability in most producing countries. In response to this situation the trend might be towards growing flowers in low-cost countries, including developing countries enjoying duty-free status, and flying them into distribution centres in Europe at the expense of European growers' market share.<sup>5</sup>

## Imports

While the European Union is in general characterised by substantial intra-trade in which products are imported by one member state only for the purpose of re-exporting to another, this is a particularly outstanding feature when it comes to cut flowers and foliage. Thus, the Netherlands plays a massive trading role in distributing imported flowers throughout Europe and enjoys a gateway function into the European market for imports from developing countries as displayed by the fact that developing countries account for a larger share of imports in the Netherlands than in the imports of other EU countries.

The Netherlands is the leading importer when it comes to imports originating from outside of the EU, with 56% of all cut flowers and foliage imported from outside of the EU in terms of value, and 61% in terms of volume. Its exports of cut flowers and foliage account for app. 55-60% of total world trade, and constitute 89% of total EU trade in 2004<sup>6</sup>.

However, once a product is imported into Denmark through another EU country such as the Netherlands, its country of origin is no longer featured in the statistics. Hence Danish import statistics are generally likely to give an incomplete picture when it comes to the share of imports from countries outside of the European Union; and even more so in the case of imports of cut flowers where intra-trade with the Netherlands is dominant. Thus, in 2005 the Netherlands enjoyed a market share of 94% of total imports of cut flowers into Denmark<sup>7</sup>.

The only developing countries featuring among the Top 10 in total Danish imports of cut flowers are Thailand which account for 0.05% of total imports of cut flowers in 2005, and India with 2% of foliage (all types) in 2005. Please also refer to tables 1 and 2 in appendix 2 for aggregated import statistics, and to tables 3 to 10 for Top 10 countries by selected species.

Consequently, although consumption patterns may vary strongly among EU member states, import statistics from the Netherlands may provide some useful indications and insights which might be taken as indicative of the origin of products imported into the EU in general. Leading developing country exporters of cut flowers and foliage into the Netherlands were in 2004 Kenya, Ecuador, Zimbabwe, Uganda, and Colombia. Kenya accounted for 48% of the value of total imports originating from developing countries, followed by Ecuador, Zimbabwe, Uganda, and Colombia with 14%, 12%, 7%, and 6% of total cut flowers imports respectively.

The total share of developing countries in the supply to the Netherlands of all main flower species increased over the period 2002-2004 from app. 65% to 72%. Although the share declined for a few species (prepared cut flowers, chrysanthemums, and gladioli), developing countries retained a dominant share for most species with 94% of total imports of roses into the Netherlands in 2004, 72% of orchids, 67% of foliage, 62% of carnations, and 45% of other fresh cut flowers.<sup>8</sup>

According to a Dutch market survey<sup>9</sup>, sales prospects for non-EU cut flowers lie essentially in the European winter months as is also reflected in the fact that a very high proportion of imports from developing countries is delivered from November to May, whereas European growers are mostly able to satisfy demand both in quantitative and qualitative terms during the rest of the year. Consequently, demand for imports from developing countries during European summer months is mainly for species not grown in the EU. Note in this connection that tropical flowers are also cultivated in greenhouses in Europe and the USA and that high transportation costs (due to exceptionally heavy weight or volume of many tropical species) make imports from developing countries relatively less attractive.

Therefore, although tropical flowers constitute a growing niche market, it is far from a captive market for developing country exporters. Similarly, although developing country exporters are generally characterised by low labour costs and hence enjoy a comparative advantage when it comes to labour intensive specialty products such as bouquets, two major

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2000: 92; 2001: 74; 2002: 69; 2003: 65; 2004: 62; 2005: 61.

<sup>5</sup> Chamber of Commerce of East Sweden on behalf of Sida, Market Brief. Horticultural Products, March 2004.

<sup>6</sup> CBI, op. cit..

<sup>7</sup> Statistics Denmark.

<sup>8</sup> CBI, op.cit.

<sup>9</sup> Ibid.

difficulties need to be taken into account, viz. ever-varying fashions/trends with regards to colours and combinations; and the strong negative influence on quality of dense packing in order to reduce freight costs.

The major foliage species imported into the Netherlands are: Asparagus, Hedera, Leather Leaf Fern, Eucalyptus, and Ruscus, with leading suppliers to the EU market being India and certain Central American countries also having gained a strong position. Demand for different foliage varieties (particularly small-leaved foliage for cheap bouquets) seems still to be increasing and importers keen to use tropical foliage<sup>10</sup>.

To sum up, with price competition becoming still more pronounced there seems to be a trend towards growing flowers and foliage in low-cost countries, in particular developing countries enjoying duty-free status. However, with a view to minimising high air freight costs it is more economical to send large quantities to one single destination, primarily Amsterdam when it comes to exports into Europe. Thus, the prospects for direct exports to Denmark may be both very limited and not very profitable as demonstrated by the fact that even the largest supermarket groups in Denmark do not import directly but rather through wholesalers in the Netherlands or from the Netherlands auctions.

### **Consumption Patterns**

The market for cut flowers and foliage for use in bouquets can be meaningfully segmented by purpose:

- a) Gifts and special occasions; and
- b) own use

The purpose of buying flowers is often to present them as gifts, either to the hostess when being invited to someone's home, or on personal, festive occasions such as birthdays, exams, anniversaries, and others. Flowers are also offered as a symbol of emotion and compassion, e.g. in connection with death, illness or accident, or as a sign of affection for anniversaries, Mothers' Day, Valentine's Day etc. Flowers bought for the aforementioned purposes face competition from products such as chocolates, jewellery, and wine, and consumers may switch to these potential substitutes if the price of flowers is perceived as being excessively high in a relative perspective.

Flowers bought for own use play a relatively larger role in higher-income countries such as Denmark as compared with other countries. In this connection it is worth mentioning that Danes generally pay much attention to interior decoration, an interest which has even increased over the last five to ten years. To a much greater extent than before has the home become a place through which people will try to demonstrate their individual style and identity. Fresh flowers are an important element in interior decoration in Denmark, and as opposed to the majority of European consumers Danes are not that fond of artificial flowers, the market for which has declined considerably over the last five years. The ever-changing fads in interior decoration seem to set the trend and cut flowers in fashionable colours and rare species forms are priced higher than the average crop of traditional colour.

### **Market Trends**

Although the European market may show signs of saturation this does not apply to Denmark most likely due to a combination of strong growth in gross domestic product and declining unemployment rates coupled with the increasing interest in interior decoration mentioned above. However, Danish importers note that consumers demand ever more sophisticated products in terms of e.g. innovative wrappings and colour combinations. This is felt even by supermarkets which used to offer a very narrow assortment (with single-species bunches) but are now increasingly offering ready-made bouquets. Notwithstanding, flowers purchased in supermarkets are generally perceived as being of inferior quality as compared to flowers from a florist. It is worth noting that supermarket sales are exceptionally high in Denmark as opposed to other European countries<sup>11</sup>.

Thus, the trend seems to be towards more expensive and diversified products with an add-on, e.g. mixed bouquets as opposed to simple bunches of one species of flowers, possibly even sold in conjunction with an assorted vase. According to Danish importers the current limitations to tapping this potential lie in resolving the logistical problems in handling such products, as well as in identifying reliable and competitive business partners capable of taking charge of the additions to the basic product.

Although currently a very small niche in the Danish market, there are a limited number of florists offering ecological flowers. Ecological products (primarily food) have in recent years gained considerable popularity in Denmark and a currently being offered on a permanent basis even by some of the discount supermarket chains, even if the range of

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<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

ecological products permanently on offer there is somewhat limited. It is not unlikely that this trend in customer demand will spread also to cut flowers, not only in reflection to customer demands but also as a marketing brand with a view to differentiate one's products from those of the competitors. For more information on ecolabels please refer to the section "Ethics and Code of Conduct" in chapter 4.

## **Distribution**

The important factors determining chances of success on the European market for flowers, in addition to price and quality (and closely linked with these), are dependable air freight services and adequate packaging and handling facilities in the exporting country. Cut flowers being a highly perishable product, maintaining a cold chain (including cold storage and transportation) is a major determinant of quality and hence price as the product arrives at the retailer.

Although the market for cut flowers is highly competitive and importers are on the look-out for new specialty products to gain market niches from the currently dominant species, they tend not to swap easily from one flower supplier to another.

Three options are open to developing country exporters seeking to enter the European market, at least in theory:

- 1) via one of the Netherlands auctions
- 2) via an import/export wholesaler, or
- 3) directly via a European retail chain

It is of paramount importance to recognize in this connection, however, that the Danish market is a very small one. In practical terms, one air carrier of e.g. roses corresponds to two to three weeks' sales by one of the major supermarket chains. Thus, with the limited size of the market it would be difficult for importers importing directly from developing countries to place large quantities of perishable flowers within the short time span available before quality deteriorates excessively. At the same time, due to the intensity of price competition all cost elements must be slashed to the extent possible, and shipping large shipments into one destination such as Amsterdam in the Netherlands is of course economically more advantageous. Similarly, even large retail chains (supermarkets) who have recently taken over considerable market shares from florists cannot support the cost of quality controlling produce (including packaging and storage) on the spot as would be required on a recurrent basis in order to ensure stable and high quality, the volumes imported being too small to justify the expense. And even if developing country producers were to associate themselves and invest in value-added activities as has been seen e.g. among large, Kenyan growers beginning to supply British supermarkets directly<sup>12</sup>, this does not seem to be a viable option for exporting to Denmark at present, taking into account the limited size of the Danish market.

Hence, even the major Danish importers continue to import via the Netherlands although they may have specific agreements as to what producers (including developing country producers) to source from. There are app. 10-20 major importers in Denmark, including the two large supermarket chains (*Dansk Supermarked* and *Coop*). Of these importers, one or two are import wholesalers the sole purpose of whom is to redistribute to other, domestic wholesalers.

Thus, as described above in the section on imports the Netherlands (auctions and importing/exporting wholesalers alike) play a gateway function into the Danish market.

### **The Netherlands Auctions**

There are currently app. 10 flower auctions in Europe, four of which are in the Netherlands. The Netherlands auctions, however, dominate global trade in fresh, cut flowers and are price setting in Europe where they have a 30-40% market share. The Netherlands auctions handle app. 70% of flowers imported into the Netherlands. The Federation of Dutch Flower Auctions (VBN) is the co-ordinating centre<sup>13</sup>.

Auctions are wholesale markets. The primary customers of the Netherlands auctions are the Netherlands' wholesalers which in turn typically focus on exports all over Europe and have developed their infrastructure to co-ordinate product flows accordingly.

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<sup>12</sup> Ibid.

<sup>13</sup> Ibid.



## Wholesalers

Import/export wholesalers arrange for the products to be prepared for shipping in the right form, quantity, and packaging and re-export them to their clients abroad (wholesalers or retailers). The importance of export wholesalers is increasing. Indeed, especially export wholesalers from the Netherlands (the so-called “Flying Dutchmen”) have taken over the distribution function from (import) wholesalers in other European countries, meaning that they supply directly to foreign-based retailers.<sup>14</sup>

The big import/export wholesalers send their purchasing agents to all important flower auctions with a view to buying the best products at the best prices. In Europe there is a marked tendency for the wholesale trade to become still more concentrated, with the fastest growing wholesalers being those supplying supermarkets chains. Although there is in some European countries an increasing share of exporters and retailers trading directly as mentioned above, the wholesalers do in general still play an important role in the distribution chain due to their strong relationship with their suppliers and their ability to assemble a broad variety of species.

For more information on the Netherlands auctions and importing wholesalers please refer to the CBI market survey “Cut Flowers and Foliage” (2005). Please refer to chapters 7 and 8 of the present survey for addresses and websites of the major Danish wholesalers as well as the Netherlands auctions.

## Prices and Mark-ups

In general, imported products fetch lower prices than domestically produced ones owing, among others, to the higher quality of the latter particularly in terms of freshness. In addition, a clear seasonal pattern exists with prices being lowest during the European summer months and highest in November and December, reflecting the ability of European producers to match demand.

According to the CBI market survey on “Cut Flowers and Foliage” regularity of supply is a key parameter of competition, to such an extent that developing country exporters may have to accept to continue supplying during periods of low prices: “Unless exporters maintain a regular supply to the EU market, even during periods of low prices, they will not succeed in developing a sustainable market in the EU.”<sup>15</sup>

Mark-ups in the trade may vary from day to day and in particular on a seasonal basis. On average, however, importers’ mark-up (i.e. from importers/wholesaler to retailers) may vary around 25-35%. Retailers’ mark-ups are characterized by considerable variation, but likely to be minimum 100%, depending among others on quality and with florists’ mark-ups obviously in the much higher range (200% or more) due to add-ons in terms of combined bouquets, wrappings, etc.

Sources of information on EU wholesale prices for flowers encompass the following:

1. ITC’s Market News Service (MNS): Information on prices of flowers on a weekly/monthly basis. Internet site: <http://www.intracen.org>
2. Federation of Dutch Flower Auctions (VBN): Prices of products traded at the Netherlands auctions. Internet site: <http://www.vbn.nl>
3. Auction NBV/UGA (Germany): Prices at the German NBV/UGA Auction. Internet site: <http://www.nbv-uga.de>
4. International Association of Horticultural Producers (AIPH): Statistical yearbook.
5. Other internet sites:
  - <http://www.agriholland.nl>
  - <http://www.florvertical.com>

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<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

## 4. Commercial Practice

With quality being a major sales parameter, Danish importers emphasize long-lasting business relationships with the foreign suppliers as it takes a long time to build up the necessary trust and to ensure that quality of the produce live up to expectations.

This chapter contains some general advice on commercial practice in Denmark.

### Searching the Internet

Today, the internet is a major source of information on new markets. Many companies publish information on their product range and distribution networks, but are less open with details on their purchasing practices. Contact details are often found more accessible in online databases, such as [www.kompass.com](http://www.kompass.com) and [www.europages.com](http://www.europages.com). The major Danish supermarket chains also have web pages in English where you can familiarize yourself with their product ranges.

### Business Appointments

The standard work week in Denmark is 37 hours. Mandatory vacation is five weeks. At least three weeks are taken during summer. School summer vacation is from around late June to early August 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 2, or in the week of Easter. Furthermore many Danes are on vacation in week 7 and 42 due to school holidays.

Danish business people may appear somewhat formal at first, but are likely to quickly show a more informal side of them, 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/her 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 of conduct. Therefore, in order not to embarrass your Danish business partner the best choice is to present gifts of only low value.

## **Contacting the Importer**

Most Danish importers visit different trade fairs in order to meet with potential suppliers and to get an impression of the possibilities in the market (please also refer to chapter 6 "Trade Fairs" for information on important trade fairs). As close, personal relationships are often stressed in international trade relations, this is a very good way of meeting potential business partners for both importers and suppliers. Danish importers are, however, approached rather aggressively by exhibitors at the trade fairs and may receive as many as some 40 invitations for one single fair.

As mentioned in chapter 3 "Market Analysis", the Netherlands is the leading importer in the EU as regards imports of cut flowers and foliage from outside of the EU and play a gateway function into the Danish market as even the major Danish importers import via the Netherlands, either through the Netherlands auctions or through import/export wholesalers based in the Netherlands. For an exporter seeking to export into Denmark it might therefore be recommendable to start by approaching the Netherlands auctions or the import/export wholesalers based in the Netherlands (please also refer to chapter 7 "Important addresses").

It is of vital importance that contact details such as phone and fax number and e-mail address are stated correctly as inaccurate information will give a bad first impression and might cause the Danish importer to immediately lose interest in the product. Some importers also stress that fast communication through e-mails is important as well as having an English-speaking staff. All marketing information, brochures and websites must be in English and professional assistance when translating is recommended. Poor translation will convey an unprofessional impression of the company. Furthermore, importers also increasingly place importance on the existence of a website of the exporter.

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 may help evaluate the compatibility of the product.

## **Meeting with the Importer**

Personal contact established through a business visit may also be important. Danish importers travel widely and will most likely 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, in addition to being very frank and direct, 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 with quantities as agreed and delivery on time. An exporter's ability to ensure safe and reliable delivery 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 fail to live up to agreed standards is very limited and may lead to orders being cancelled.

This is especially important as the retailers often print advertising brochures for various campaigns well in advance and it is therefore crucial that they have received the products at the point in time when they plan to introduce them into the shops.

### **Transport of goods**

The fundamental importance of maintaining an adequate cold chain during transport as well as the need for reliable air services have been touched upon above (please refer to chapter 3). In case of direct imports, Danish importers usually refer to Incoterms in order to specify who pays for which parts of the transport, and where liability transfers from the one party to the other.

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](http://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**

On a general level, it should be noted that 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.

### **Social and Environmental Standards and Labels**

Over the last decade, consumers in Denmark (and internationally) have increasingly paid more attention to the ethical conduct of business, which has given rise to the term “political consumers.” Socially accountable production has attracted enhanced attention among European consumers in general, emphasising issues such as respect of basic workers’ rights, occupational health and safety, and general improvements in social and labour conditions in flower production. Similarly, a relatively strong consumer movement is found especially in Northern Europe in favour of environmentally sound production. Consequently, when doing business 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 principles.

Various labelling and certification schemes have been developed in response to these movements and potential exporters might consider these in terms of marketing measures which could be used to distinguish oneself from competitors and thereby improve one’s market position. It should also be emphasized; however, that implementation of the various codes and standards is not uncomplicated<sup>16</sup>.

The most important ecolabel in connection with exports of cut flowers and foliage into the EU, and into the Netherlands in particular, is “Floriculture Environmental Project” (MPS). MPS is an international, accredited environmental standard used at the level of traders. Being an initiative of the Netherlands Floricultural sector (incl. the auctions), it has existed since 1995 with the purpose of promoting the use of environmentally sound methods in the cultivation of flowers and other plants. Presently it has added on social requirements (safety, health, and working conditions) so that a producer can become certified on various parameters.

It should be stressed, though, that it is quite expensive for growers to obtain MPS certification. The cost involved may be up to EUR 5,000 per year<sup>17</sup>. At the same time, MPS flowers are generally sold at prices equalling those of produce from other sources; however, they are generally perceived as being of superior quality. Hence, MPS labelling may be considered by large-scale growers as a marketing (and management) instrument.

Outright organic growing is the most environmentally sound production method and requires adherence to quite vigorous standards requirements. The Netherlands is virtually the only country with significant organic production<sup>18</sup> and

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<sup>16</sup> For more detailed information on various social and environmental labelling and certification schemes please refer to CBI, op.cit.

<sup>17</sup> CBI, op.cit.

<sup>18</sup> Ibid.

the market remains small as organic flowers – unlike organic foods – are not related to the increased health concern of many European consumers driving the boost in demand for organic foods.

While MPS is a business-to-business label with commitments being made within the sector without the costumers' knowledge, "Fair Flowers and Plants" (FFP) is the first international label for flowers and plants that is used at consumer level. It was introduced in November 2005 and its criteria are based on existing standards, including the International Code of Conduct for Cut Flowers (ICC).<sup>19</sup>

#### **The International Code of Conduct for the Production of Cut Flowers (ICC)**

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 ICC for the Production of Cut Flowers was developed mainly to improve social standards in the flower sector, but also deals with environmental standards.

The code provides a concise statement of minimum labour, human rights, and environmental standards for the international cut-flower industry, based on the core ILO standards. Companies should pledge to require their suppliers, contractors and sub-contractors to observe these standards. The company also pledges to make observance of the code a condition of any agreement that it makes with contractors and suppliers and to require them to extend this obligation to their sub-contractors. The company accepts that the implementation of the code is subject to independent verification. The text of the code, which is intended to be posted where workers can see it, shall also include a means by which workers can report failure to comply with the code in a confidential manner.

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<sup>19</sup> Ibid.

## 5. 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. Of particular importance in connection with imports of flowers and plants are phytosanitary issues, e.g. regulations intended to prevent the introduction of plant pests and diseases which are not present in the EU. The importer is responsible for compliance with relevant legislation, and local authorities in Denmark will check compliance. Consequently, the importer will require from suppliers that products meet requirements.

Generally, it is recommended that specific product requirements and requirements regarding e.g. packaging and labelling 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. Responsibility for compliance with Danish regulations rests with the importer and consequently, the Danish importer usually informs the foreign supplier of his specific product requirements as well as requirements to packaging and labelling.

### Regulations

#### Plant Health Control

The relevant EU legislation appears from Directive 2000/29/EC on protective measures against the introduction and spread into the Community of organisms harmful to plants or plant products such as certain insects, mites, bacteria, fungi, and viruses. The annexes to the Directive contain a full list of harmful organisms and contaminated plants or plant products. When floricultural products appearing on the lists are imported into the EU from non-EU member countries, all consignments will be checked. It is essential for potential exporters from developing countries to be aware that certain organisms are banned from introduction into the EU and that certain product groups will always be inspected.

Also note that all cuttings (*in vitro*) must be accompanied by a phytosanitary certificate which is an official document issued by the exporting country's pertinent authorities to the effect that the shipment meets the phytosanitary legislation of the importing country. Areas covered by the certificate thus depend on the requirements of the importing country, but may include specification of applied treatment methods against certain diseases, the product's origin from certain disease-free geographical areas, growing methods, etc. In the absence of such a certificate a shipment may be denied entry into the importing EU country. For more detailed information on phytosanitary regulations the national phytosanitary inspection of the EU country in question should be contacted. In Denmark this is the Danish Plant Directorate, and in the Netherlands the '*Plantenziektenkundige Dienst*'. Please refer to Chapter 7 'Important Addresses'.

#### CITES

The Convention on International Trade in Endangered Species (CITES) lays down provisions for the protection of endangered species of flora and fauna. In addition, an EU Regulation (Regulation (EC) No 338/97) harmonises implementation of CITES in the EU, expanding the number of species concerned and adding import restrictions. For some species trade is prohibited while for others import permits must be applied for with the competent management authority of the EU country in question. For additional information on CITES please refer to <http://www.cites.org>.

#### Protection of Breeders' Rights

A set of protection frameworks (including protection laws and penalties for infringement) and royalty payments have been created, applicable to the development of new varieties. It should be expected that such property rights schemes will gain still more importance in the future. If an exporter wants to grow a variety which is protected by a patent, he must apply for breeder's rights and the young plant material can only be obtained from the one company (grower) holding the patent<sup>20</sup>.

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<sup>20</sup> For more information please refer to CBI, op. cit.

## Quality Standards

EU Regulation No 316/68 specifies minimum quality requirements to floricultural products. However, the quality standards of the Netherlands auctions (issued by the Federation of the Netherlands Flower Auctions, VBN) are more detailed and specific in terms of quality, packing, and marking standards applicable to each product and are of course compulsory if exporting via one of the Netherlands auctions. Thus, potential exporters must familiarise themselves with these standards which are available on the internet site of the VBN: <http://www.vbn.nl>.

For more information on quality requirements, please also refer to CBI's AccessGuide. Please also see the section "Ethics and Code of Conduct" in the previous chapter for information on social and environmental standards and relevant voluntary certification schemes.

## Packaging and labelling requirements

The main objective which packaging of flowers and foliage seeks to fulfil is twofold, viz. a) protection against mechanical damage during transport; and b) conservation of a favourable micro climate during transport. In addition, in the light of fierce price competition transport costs must be minimized, hence the transport volume must be as efficient as possible. In order to optimise transportation it is recommended to use uniform boxes with measurements according to EU standards for pallets and/or the airfreight pallets (specific provisions related to package sizes are established in Directives 75/106/EC and 80/232/EC).

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>.

In addition it should be noted that EU Directives 2004/102/EC and 2005/15/EC require heat treatment or fumigation and marking of wooden packaging materials. This means that:

- The wood packaging material must have undergone either heat treatment or fumigation with methyl bromide in accordance with ISPM (International Standards for Phytosanitary Measures) no. 15.
- The wood packaging material must be marked with three codes for country, producer and treatment applied and the logo of the IPPC (International Plant Protection Convention). As a transitional measure for packing material that was produced before 1 March 2005, marking with the three codes but without IPPC logo will be accepted until 31 December 2007.
- The wood packaging material must be made from debarked wood.

See also [http://ec.europa.eu/food/resources/import\\_conditions/woodpackaging.pdf](http://ec.europa.eu/food/resources/import_conditions/woodpackaging.pdf)

Apart from the above quality and safety related aspects of packaging, attention should be paid to environmentally friendly transport and in particular to the use of recyclable materials. Since the early 1990s the EU has attempted to harmonise national member state measures concerning the management of packaging and packaging waste. Thus, no later than 30 June 2001, the Member States (excluding Ireland, Portugal and Greece) were supposed to reprocess between 50 and 65% of the packaging waste. Member states are allowed to set higher percentages as objectives, as long as intra-EU trade is not hampered. A Directive followed in 1994 (94/62/EC) emphasising the recycling of packaging material. These environmental requirements will be transposed to the exporter. That means that packaging (transport packaging, surrounding packaging and sales packaging) materials should be limited and be re-usable or recyclable. Otherwise, the importer will be confronted with additional costs, thus reducing the competitiveness of the exporter. Exporters in developing countries targeting the European market have to be aware of these agreements and take appropriate measures in order to become or remain interesting trade partners for European businesses.

Since changes in environmental policy follow each other at a rapid pace, exporters are advised to ask the importer about the latest regulations and/or requirements related to packaging. Marking and labelling requirements applying to products sold in Denmark are numerous and vary from item to item, and both Danish and EU laws and regulations influence requirements. The correct labelling of the product is important as the information is to be used upon importation to Denmark. A customs declaration always have to be filled in containing information such as the TARIC code, country of origin, name of the consignor, the value of the products etc.

## Customs Duty and Import Regulations

### Rates of Duty

The rates for import duties as of January 2006 are shown in the below table. These rates of duty cover the subcategories within the CN-numbers mentioned.

**Table 9 Rates of Duty**

Rates of Duty, November 2006				
CN Codes		General Tariffs (3 <sup>rd</sup> Country Duty)	Developing Countries	Least Developed Countries
0603 10	<i>Fresh</i>	0	0	0
0603 10 10	Roses	8,5	0	0
0603 10 20	Carnations ( <i>Dianthus</i> )	8,5	0	0
0603 10 30	Orchids	8,5	0	0
0603 10 40	Gladioli	8,5	0	0
0603 10 50	Chrysanthemums ( <i>Dedranthema</i> )	8,5	0	0
0603 10 80	Other fresh cut flowers	8,5	0	0
0603 90	<i>Other/prepared cut flowers</i>	10	0	0
0604	<u>Foliage, branches and other parts of plants, without flowers or flower buds, and grasses, mosses, and lichens, being goods of a kind suitable for bouquets or for ornamental purposes, fresh, dried, bleached, impregnated or otherwise prepared</u>			
0604 99	<i>Foliage other than mosses, lichens, and parts of Christmas trees</i>			
0604 10 99	Not further prepared than dried	0	0	0
0604 90 99	Other	10,9	0	0

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

The rates of import duties for each specific product can be found under the section on import tariffs at <http://export-help.cec.eu.int/>. This website provides information on EU's preferential trade regimes. Here you can find information on import tariffs related directly to your product and country. You can either search by product name or CN-code (see Market Definition).

A general tariff is applied to countries outside of the EU (so-called 3<sup>rd</sup> countries). However, special, reduced rates of duty apply to countries under the GSP (General System of Preferences) scheme. Countries classified as least developed countries as well as countries included in the special program to fight narcotics all enjoy duty free entry of their products to the European market. For other developing countries it is possible to obtain a reduction of the normal duty rate. Please refer to Appendix 4 for a list of countries eligible for preferential treatment.

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/>.

There are no import quotas on products included in this report.

### **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 (VAT) constitutes 25% (2006) and is among the highest rates within the EU. The 25% 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>

### **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](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 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 4)

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 (please refer to appendices 3 and 4).

### **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 import of 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 3 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.

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.

## 6. Trade Fairs

Participating in international trade fairs is an important activity in order to create contact to future business partners. As mentioned above (Chapter 3) the Netherlands plays a massive trading role in distributing imported flowers throughout Europe and Danish importers point to the Horti Fair in the Netherlands as one of the most important ones to attend for potential exporters into Denmark (whether exporting via the Netherlands or attempting to export directly), in addition to IPM in Germany<sup>21</sup>.

Before considering to exhibit it is often advisable to participate in the fair as a visitor. A well-prepared and properly executed visit to a trade fair may constitute a very cost-effective means of both market research and promotion since it is possible to meet both future competitors and potential customers at the fairs.

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

**Table 10 Trade Fairs in Denmark and Europe**

<b>Trade Fairs in Denmark</b>				
<b>Name</b>	<b>What</b>	<b>Where</b>	<b>When</b>	<b>Web-site</b>
<b>Fagmessen for Havecentre</b>	Horticultural technology & supplies, flowers and lifestyle products, garden furniture, tools etc. for sale in so-called garden centres	Odense, Denmark	January	<a href="http://www.danskehavecentre.dk/fagmessen/default.asp">www.danskehavecentre.dk/fagmessen/default.asp</a>
<b>European Trade Fairs</b>				
<b>International Horti Fair</b>	Equipment, flowers, and plants	Amsterdam, Netherlands	October/ November	<a href="http://www.hortifair.nl">www.hortifair.nl</a>
<b>IPM</b>	Plants, floristry, technology, sales promotion	Essen, Germany	January	<a href="http://ipm.messe-essen-de">http://ipm.messe-essen-de</a>

For a number of good tips and ideas about how to get the most out of an exhibition, please refer to [www.fairlink.se](http://www.fairlink.se)

<sup>21</sup> Danish fairs are mostly garden centre fairs or fairs primarily focused on production technology.

## 7. Important Addresses

### A. Organisations, Institutions, and Ministries in Denmark:

#### **DIPP–Danish Import Promotion Programme**

Boersen

DK –1217 Copenhagen K

Phone: +45 33 74 60 00

Fax: +45 33 74 60 80

E-mail: [dipp@danskerhverv.com](mailto:dipp@danskerhverv.com)

[www.dipp.eu](http://www.dipp.eu)

#### **Danish Ministry of Foreign Affairs**

Asiatisk Plads 2

DK- 1448 Copenhagen K

Phone: +45 33 92 00 00

Fax: +45 33 12 37 78

E-mail: [um@um.dk](mailto:um@um.dk)

[www.um.dk](http://www.um.dk)

#### **Statistics of Denmark**

Sejrøgade 11

DK - 2100 Copenhagen Ø

Phone: +45 39 17 39 17

Fax: +45 39 17 39 99,

E-mail: [dst@dst.dk](mailto:dst@dst.dk)

[www.dst.dk](http://www.dst.dk)

#### **The Danish Customs Authority**

Østbanegade 123

DK –2100 Copenhagen Ø

Phone: +45 35 29 73 00

Fax: +45 35 43 47 20

[www.toldskat.dk](http://www.toldskat.dk)

#### **The Danish Plant Directorate**

Skovbrynet 20

DK-2800 Lyngby

Phone: +45 4526 3600

Fax: +45 4526 3610

E-mail: [pdir@pdir.dk](mailto:pdir@pdir.dk)

[www.pdir.dk](http://www.pdir.dk)

#### **Danish Environmental Protection Agency**

Strandgade 29

DK-11401 Copenhagen K

Phone: +45 32 66 01 00

Fax: +45 32 66 04 79

E-mail: [mst@mst.dk](mailto:mst@mst.dk)

[www.mst.dk](http://www.mst.dk)

#### **GASA Odense (auction)**

Lavsenvænget 1

DK-5200 Odense V

Phone: +45 66 25 60 00

E-mail: [fg@gasa-odense.dk](mailto:fg@gasa-odense.dk)

[www.gasa-odense.dk](http://www.gasa-odense.dk)

**GASA Aalborg (auction)**

Frederikstadvej 15,  
DK-9200 Aalborg SV  
Phone: +45 9818 5179  
Fax: +45 9818 8299  
E-mail: [clb@gasa-odense.dk](mailto:clb@gasa-odense.dk)  
[www.gasa-odense.dk](http://www.gasa-odense.dk)

**B. Institutions and Organisations Abroad.****Plantenziektenkundige Dienst** (*Dutch phytosanitary service*)

P.O. Box 9012  
NL-6700 HC Wageningen  
The Netherlands  
Phone: +31 (0)317 49 69 11  
Fax: +31 (0)317 42 17 01  
Internet: [www.mininv.nl/pd](http://www.mininv.nl/pd)

**Bloemenveiling Aalsmeer (VBA)** (international flower auction in Aalsmeer, Netherlands)

E-mail: [info@bva.nl](mailto:info@bva.nl)  
[www.vba.nl](http://www.vba.nl)

**Bloemenveiling Floraholland** (international flower auction with branches in five dutch cities)

Middel Broekweg 29  
Postbus 220  
2670 AE Naaldwijk  
Phone: +31 174 63 33 33  
Fax: +31 174 63 22 22  
E-mail: [info@floraholland.nl](mailto:info@floraholland.nl)  
[www.floraholland.nl](http://www.floraholland.nl)

## 8. Useful Internet Sites

### A. Danish Sites

#### **Government of Denmark**

[www.denmark.dk](http://www.denmark.dk)

#### **Invest in Denmark**

[www.investindk.dk](http://www.investindk.dk)

### B. International Sites

#### **EU Export Helpdesk for Developing Countries**

<http://export-help.cec.eu.int/thdapp/index.htm>

#### **CBI – Centre for the Promotion of Imports from Developing Countries**

[www.cbi.nl/](http://www.cbi.nl/)

#### **ITC – International Trade Centre**

[www.intracen.org/](http://www.intracen.org/)

#### **The World Trade Organisation (WTO)**

<http://www.wto.org>

#### **Kompass - The Business to Business Search Engine**

[www.kompass.com](http://www.kompass.com)

#### **Europages – The European Business Directory**

[www.europages.com](http://www.europages.com)

#### **Market Access Database**

Database of European Commission on import regulations, duties and trade barriers.

<http://mkacddb.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](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](http://europa.eu.int/comm/taxation_customs/resources/documents/guide-annex_4-en.pdf)

Certificate of origin Form A

#### **The Economist Intelligence Unit**

[www.economist.com](http://www.economist.com)

#### **Tscentral**

<http://www.tscentral.com>

Overview of international trade fairs worldwide

#### **Agriholland**

[www.agriholland.dk](http://www.agriholland.dk)

Information about latest news on the European horticultural market. Language: Dutch

**Flowerweb**

[www.flowerweb.nl](http://www.flowerweb.nl)

Links to various useful national and international internet sites or traders, importers/exporters, but also other organisations. Languages include English.

**COLEACP**

[www.coleacp.org](http://www.coleacp.org)

Interprofessional Association of exporters, importers, and other operators from the ACP-EU industry. COLEAP aims to promote competitive ACP exports of fresh flowers and others. Languages: English and French.

**FloraCulture International**

[www.floracultureintl.com](http://www.floracultureintl.com)

Information on import/export trade, international growing techniques, new varieties, and labour-saving equipment. Language: English.

**VDN**

<http://www.vdn.nl/en/index.asp>

The Dutch Flower Auctions Association – umbrella for the Dutch auctions. Languages: English, French, Spanish, German, Italian.

**MPS (Milieu project Sierteelt)**

[www.st-mps.nl](http://www.st-mps.nl)

Most important ecolabel for export of flowers and foliage into the EU and the Netherlands in particular.

**Fair Flowers and Plants**

<http://www.fairflowersfairplants.com/home-en.aspx>

Home page of Fair Flowers and Plants. Also in English.

## Appendix 1 – Distribution of Private Consumption

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

<b>Below 150,000 DKK</b>	<b>2000/2001</b>	<b>2003/2004</b>
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
<b>150,000 to 299,999 DKK</b>	<b>2000/2001</b>	<b>2003/2004</b>
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
<b>300,000 to 499,999 DKK</b>	<b>2000/2001</b>	<b>2003/2004</b>
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
<b>500,000 to 799,999 DKK</b>	<b>2000/2001</b>	<b>2003/2004</b>
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
<b>Above 800,000 DKK</b>	<b>2000/2001</b>	<b>2003/2004</b>
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 – Imports of Cut Flowers and Foliage

**Table 1 – Total Imports of Cut Flowers (DKK 1,000)**

<b>CN 0603</b>	2003	2004	2005	% 2003-2005	Market share 2005	Change in % from 2003-2005
<b>Total imports to Denmark</b>	528.445	566.644	601.193			13%
Index (2003 = 100)	100	107	114			
<b>Top 10 exporting countries</b>						
The Netherlands	499.575	532.926	564.816	13%	94%	
Italy	4.486	10.183	10.424	132%	2%	
UK	9.903	9.666	8.812	-11%	1%	
Poland	104	938	5.119	4817%	1%	
Sweden	1.881	2.848	4.532	141%	1%	
Germany	5.332	3.433	3.200	-40%	1%	
Lithuania	0	1.374	1.439		0%	
Belgium	2.630	779	1.019		0%	
Spain	2.461	1.929	933	-62%	0%	
Thailand	1.032	824	291	-72%	0%	
<b>Top 10 total exports to DK</b>	<b>527.404</b>	<b>564.902</b>	<b>600.585</b>		100%	

Source: Statistics Denmark

**Table 2 – Total Imports of Foliage (DKK 1,000)**

<b>CN 0604</b>	2003	2004	2005	% 2003-2005	Market share 2005	Change in % from 2003-2005
<b>Total imports to Denmark</b>	54.704	43.075	41.640			-24%
Index (2003 = 100)	100	79	76			
<b>Top 10 exporting countries</b>						
The Netherlands	15.007	16.875	17.772	18%	43%	
Poland	7.342	6.997	6.976	-5%	17%	
Lithuania	3.793	3.972	4.182	10%	10%	
Germany	14.443	3.855	3.542	-75%	9%	
Latvia	2.196	1.762	1.820	-17%	4%	
Italy	4.402	1.404	1.501	-66%	4%	
UK	2.223	2.251	1.493	-33%	4%	
Sweden	1.015	1.075	1.367	35%	3%	
India	972	1.072	881	-9%	2%	
Czech Republic	102	115	485	376%	1%	
<b>Top 10 total exports to DK</b>	<b>51.495</b>	<b>39.378</b>	<b>40.019</b>		96%	

Source: Statistics Denmark

**Table 3 –Total Imports Roses (DKK 1,000)**

<i>CN 0603 10 10</i>	2003	2004	2005	% 2003-2005	Market share 2005	Change in % from 2001-05
Total imports to Denmark	110,550	117,638	113,593			35%
Index (2003 = 100)	100	106	121			
<b>Top 10 exporting countries</b>						
Netherlands	110,049	116,863	131,821	20%	99%	
Sweden	467	628	1,414	67%	1%	
United Kingdom	0	0	358		0%	
France and Monaco	0	0	0		0%	
Belgium + Luxembourg (-1998)	0	0	0		0%	
Germany	4	133	0	-100%	0%	
Italy	0	0	0		0%	
Ireland	0	0	0		0%	
Greece	0	0	0		0%	
Portugal	0	0	0		0%	
<b>Top 10 total exports to DK</b>	<b>110,521</b>	<b>117,623</b>	<b>133,593</b>			

Source: Statistics Denmark

**Table 4 – Total Imports Dianthus (DKK 1,000)**

<i>CN 0603 10 20</i>	2003	2004	2005	% 2003-2005	Market share 2005	Change in % from 2001-05
<b>Total imports to Denmark</b>	11,212	11,292	13,917			17%
Index (2003 = 100)	100	101	124			
<b>Top 10 exporting countries</b>						
Netherlands	9,701	9,344	12,844	32%	92%	
Spain	1,347	1,361	861	-36%	6%	
Sweden	163	297	193	18%	1%	
Italy	0	254	14		0%	
Czech Republic	0	0	3		0%	
Germany	0	31	2		0%	
France and Monaco	0	0	0			
Belgium and Luxembourg (-1998)	0	0	0			
United Kingdom	0	0	0			
Ireland	0	0	0			
<b>Top 10 total exports to DK</b>	<b>11,212</b>	<b>11,287</b>	<b>13,917</b>			

Source: Statistics Denmark

**Table 5 – Total Imports Orchids (DKK 1,000)**

<i>CN 0603 10 30</i>	2003	2004	2005	% 2003-2005	Market share 2005	Change in % from 2001-05
<b>Total imports to Denmark</b>	5,736	3,441	2,869			-4%
Index (2003 = 100)	100	60	50			
<b>Top 10 exporting countries</b>						
Netherlands	4,789	1,804	2,513	-48%	88%	
Thailand	727	759	253	-65%	9%	
Taiwan	208	853	96	-54%	3%	
Australia	0	1	3		0%	
New Zealand	7	0	3	-59%	0%	
Peru	0	0	1		0%	
France and Monaco	0	0	0		0%	
Belgium and Luxembourg (-1998)	0	0	0		0%	
Germany	0	0	0		0%	
Italy	0	0	0		0%	
<b>Top 10 total exports to DK</b>	<b>5,731</b>	<b>3,417</b>	<b>2,869</b>			

Source: Statistics Denmark

**Table 6 – Total Imports Gladioli (DKK 1,000)**

<i>CN 0603 10 40</i>	2003	2004	2005	% 2003-2005	Market share 2005	Change in % from 2001-05
<b>Total imports to Denmark</b>	820	568	742			-9%
Index (2003 = 100)	100	69	91			
<b>Top 10 exporting countries</b>						
Netherlands	819	568	739	-10%	100%	
Australia	0	0	3		0%	
France and Monaco	0	0	0			
Belgium and Luxembourg (-1998)	0	0	0			
Germany	0	0	0			
Italy	0	0	0			
United Kingdom	0	0	0			
Ireland	0	0	0			
Greece	0	0	0			
Portugal	0	0	0			
<b>Top 10 total exports to DK</b>	<b>819</b>	<b>568</b>				

Source: Statistics Denmark

**Table 6 – Total Imports of Chrysanthemums (DKK 1,000)**

<i>CN 0603 10 50</i>	2003	2004	2005	% 2003-2005	Market share 2005	Change in % from 2001-05
Total imports to Denmark	23,009	26,303	32,026			71%
Index (2003 = 100)						
<b>Top 10 exporting countries</b>						
Netherlands	21,521	25,565	31,104		45%	97%
Belgium	1,329	721	890		-33%	3%
Norway	0	0	32			
France and Monaco	0	0	0			
Belgium and Luxembourg (-1998)	0	0	0			
Germany	0	17	0			
Italy	0	0	0			
United Kingdom	0	0	0			
Ireland	0	0	0			
Greece	0	0	0			
<b>Top 10 total exports to DK</b>	<b>22,850</b>	<b>26,303</b>	<b>32,026</b>			

Source: Statistics Denmark

**Table 7 – Total Imports of Other Fresh Cut Flowers (DKK 1,000)**

<i>CN 0603 10 80</i>	2003	2004	2005	% 2003-2005	Market share 2005	Change in % from 2001-05
Total imports to Denmark (1,000 DKK)	210,285	250,968	249,750			4%
Index (2003 = 100)	100	119	119			
<b>Top 10 exporting countries</b>						
Netherlands	191,996	226,427	224,312	17%	90%	
Italy	4,377	9,574	9,673	121%	4%	
United Kingdom	6,906	9,645	8,288	20%	3%	
Poland	0	891	3,946		2%	
Germany	3,209	2,122	2,095	-35%	1%	
Sweden	677	1,041	1,036	53%	0%	
France and Monaco	371	522	210	-43%	0%	
Spain	1,033	563	57	-95%	0%	
Thailand	304	25	37	-88%	0%	
South Africa	63	38	32	-49%	0%	
<b>Top 10 total exports to DK</b>	<b>208,935</b>	<b>250,849</b>	<b>249,687</b>			

Source: Statistics Denmark

**Table 8 – Total Imports of Dried Foliage (other than mosses, lichens, and parts of X-mas trees) (DKK 1,000)**

<b>CN 0604 99 10</b>	2003	2004	2005	% 2003-2005	Market share 2005	Change in % from 2001-05
Total imports to Denmark (1,000 DKK)	6,786	5,296	5,202			-45%
<b>Top 10 exporting countries</b>						
Index (2003 = 100)	100	78	77	-53%	29%	
				-9%	17%	
Poland	3,186	2,265	1,505	284%	14%	
India	972	1,072	881	1191%	13%	
Netherlands	195	310	751	47%	10%	
Latvia	53	0	683	28%	9%	
Lithuania	345	369	506	124%	3%	
Italy	352	86	451	21%	1%	
Sweden	70	23	157	430%	1%	
Turkey	62	0	74	-92%	1%	
South Africa	12	350	65			
Germany	726	286	60			
<b>Top 10 total exports to DK</b>	<b>5,977</b>	<b>4,762</b>	<b>5,133</b>			

Source: Statistics Denmark

**Table 9 – Total Imports of Foliage, Other (DKK 1,000)**

<b>CN 0604 99 90</b>	2003	2004	2005	% 2003-2005	Market share 2005	Change in % from 2001-05
Total imports to Denmark	10,005	4,971	6,174			0%
Index (2003 = 100)	100	50	62			
<b>Top 10 exporting countries</b>						
Poland	807	792	2,669	231%	43%	
Italy	3,939	1,312	1,247	-68%	20%	
Latvia	1,621	1,556	1,076	-34%	17%	
Netherlands	2,557	650	659	-74%	11%	
Germany	33	40	236	615%	4%	
China	10	39	156	1455%	3%	
Sweden	87	94	71	-18%	1%	
Philippines	0	6	54		1%	
Spain	0	5	6		0%	
United Kingdom	0	0	1		0%	
<b>Top 10 total exports to DK</b>	<b>9,054</b>	<b>4,493</b>	<b>6,174</b>			

Source: Statistics Denmark

## Appendix 3 – 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](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/asean/index\\_en.htm](http://europa.eu.int/comm/trade/issues/bilateral/regions/asean/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 4 – Classification of Countries Eligible for Preferential Treatment

Preferential Trade Agreements	
Classification	Country
<b>Least Developed Countries</b>	Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Laos, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar*, Nepal, Niger, Rwanda, Samoa, São Tomé and Príncipe, Senegal, Sierra Leone, Solomon Islands, Somalia, Sudan, Tanzania, Togo, Tuvalu, Uganda, Vanuatu, Yemen, Zambia
<b>Other Developing Countries</b>	Algeria, American Samoa, Anguilla, Antigua and Barbuda, Antilles (Netherlands), Argentina, Armenia, Aruba, Azerbaijan, Bahamas, Bahrain, Barbados, Belarus, Belize, Bermuda, Bolivia, Botswana, Bouvet Islands, Brazil, British Indian Ocean Territory, Brunei Darussalam, Cameroon, Cayman Islands, Chile, China, Christmas Islands, Cocos Islands, Colombia, Republic of Congo, Cook Islands, Costa Rica, Côte D'Ivoire, Cuba, Dominica, The Dominican Republic, Ecuador, Egypt, El Salvador, Falkland Islands and Dependencies, Fiji, French Southern and Antarctic Territories, Gabon, Georgia, Ghana, Gibraltar, Greenland, Grenada, Guam, Guatemala, Guyana, Heard Island and MacDonald Islands, Honduras, India, Indonesia, Islamic Republic of Iran, Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lebanon, Libyan Arab Jamariyya, Macao, Malaysia, Marianas Islands (North), Marshall Islands, Mauritius, Mayotte, Mexico, Micronesia, Republic of Moldova, Mongolia, Montserrat, Morocco, Namibia, Nauru, New Caledonia and Dependencies, Nicaragua, Nigeria, Niue, Norfolk Island, Oman, Pakistan, Palau, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Pitcairn Island, Qatar, Russian Federation, Saudi Arabia, Seychelles, South Africa, Southern Sanwich Islands and Dependencies, Sri Lanka, St Helena and Dependencies, St Kitts and Nevis, St Lucia, St Pierre and Miquelon, St Vincent and the Grenadines, Surinam, Swaziland, Syrian Arab Republic, Tajikistan, Thailand, Timor-Leste, Tokelau Islands, Tonga, Trinidad and Tobago, Tunisia, Turkmenistan, Turks and Caicos Islands, Ukraine, United Arab Emirates, United States Minor Outlying Islands, Uruguay, Uzbekistan, Venezuela, Vietnam, Virgin Islands (United Kingdom), Virgin Islands (United States), Wallis and Futuna Islands, Zimbabwe.
<b>Countries under the special program to fight narcotics</b>	Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru, Venezuela, Pakistan.
<b>ACP Countries</b>	Angola, Antigua and Barbuda, Bahamas, Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cabo Verde, Central African Republic, Chad, Comoros, Congo, D.R. Congo, Cook Islands, Côte D'Ivoire, Djibouti, Dominica, Dominican Republic, 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, Rwanda, Samoa, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, Solomon Islands, Somalia, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Sudan, Suriname, Swaziland, Tanzania, Togo, Tonga, Trinidad and Tobago, Tuvalu, Uganda, Vanuatu, Zambia, Zimbabwe.
<b>OCT Territories</b>	Anguilla, Antilles (Netherlands), Aruba, British Antarctic Territories, British Indian Ocean Territory, British Virgin Islands, Cayman Islands, Curaçao, Falkland Islands and Dependencies, French Southern and Antarctic Territories, French Polynesia, Mayotte, Montserrat, New Caledonia and Dependencies, Pitcairn Island, Southern Sandwich Islands and Dependencies, St Helena and Dependencies, St Pierre and Miquelon, Turks and Caicos Islands, Wallis and Futuna Islands.
<b>ACP Countries Party to the Cotonou Agreement</b>	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 Islands, Djibouti, Dominica, Dominican Republic, East Timor, Ethiopia, Eritrea, Federated States of Micronesia, Fiji, Gabon, Gambia, Ghana, Grenada, Guinea, Guinea (Bissau), Guinea (Equatorial), Guyana, Haiti, 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, São Tomé and Príncipe, 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: UNCTAD/ITCD/TSB/Misc.62/Rev.1 (2005)



## Appendix 5 – WTO Member Countries

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

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



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