



**EUROPEAN TRADE POLICY AND INVESTMENT SUPPORT PROJECT
(EU- MUTRAP)**

*Support Vietnamese enterprises to understand distribution processes and market demand
in the EU and to adjust to such processes and demand*

**Guidebook on the Organization and Operation of the
Distribution Sector in the European Union**

Revised version further to the “Peer Review” by DM Expert 2

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This document has been prepared with the assistance of the European Union. The views expressed herein are those of the authors and therefore in no way reflect the official opinion of the European Union nor the Ministry of Industry and Trade

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Acronyms

ASEAN	
DIY	Do-It-Yourself
EU	European Union
FMCG	Fast moving consumer goods
FTA	Free Trade Agreement
MOIT	Ministry of Industry and Trade
SME	Small and medium sized enterprise
TFEU	Treaty on the Functioning of the European Union
TBT	Technical barriers to Trade
UNECE	United Nations Economic Commission for Europe

1. Foreword

The European Trade Policy and Investment Support Project (EU-MUTRAP) was launched on 11 December 2012 to assist the Ministry of Industry and Trade (MOIT) in furthering Vietnam's integration into the global, regional (ASEAN) and sub-regional trading systems, and in enhancing trade and investment relations between the European Union and Vietnam. The EU-MUTRAP Project is the continuation of 15 years of successful cooperation between the European Union (EU) and the Ministry of Industry and Trade in the field of trade related technical assistance within the previous Multilateral Trade Policy Assistance Projects (MUTRAP) and a milestone of a new and important era of cooperation relationship between Viet Nam and the EU.

The present Guidebook was prepared as part of the activity titled "*Support Vietnamese enterprises to understand distribution processes and market demand in the EU and to adjust to such processes and demand*", which in turn is part of the first component of EU-MUTRAP to "strengthen EU-Viet Nam trade and investment relations through enhanced dialogue and co-operation, and the negotiation and implementation of a future EU-Viet Nam FTA".

The rationale of this Guidebook resides in the increased need of Vietnam to shift the focus of EU trade-related technical assistance towards deeper integration and behind the border issues and in particular the expressed wish of MOIT to provide more capacity building by EU consultants to create better understanding of EU regulatory requirements for the importation of Vietnam's major products into the EU. The Guidebook also directly support the achievement of MOIT's *Industrial Production Development Plan and Trade Activities for 2011-2015 (IPDP)* which set "*boost[ing] export of goods with competitive advantages such as taking advantage of bilateral trade agreements*" as one of the major goals of the Vietnamese government.

The Guidebook gains crucial importance for Vietnamese exporters in the light of the forthcoming Free Trade Agreement between Vietnam and the European Union. Indeed, the reduction and elimination of EU import tariffs, the market access conditions of Vietnamese goods in the EU will be increasingly determined by behind-the-border governmental regulations and private marketing conditions imposed by distributors. While for addressing TBTs there already exists a well functioning information system in Vietnam, the "Vietnam TBT Network" whose portal¹ has been developed with the assistance of MUTRAP II, much less is known about EU private standards. However, it is widely recognized that private standards developed of large distributors (e.g. product standards developed hypermarket chains, or by collective bodies, e.g. retail organizations) can operate as *de facto* regulatory barriers to trade, affecting the distribution capabilities of Vietnamese products.

2. Introduction

The Guidebook is a collection of key information on the distribution sectors of the European Union, in general and for main product groups of interest to Vietnam. It describes the typical distribution channels and segments of various products of interest to Vietnamese exporters - food, clothing and footwear, as well as furniture – as well as information on the major distributors/retailers operating in these various sectors. It also includes information on the general legal framework and main legal provisions relating to the marketing of the products

¹ <http://www.tbtvn.org/EnglishTBT/Pages/VietnamTBTNetwork.aspx>

concerned, and also addresses issues of technical regulations with particular focus on private standards.

The Guidebook is intended to serve as primary source of information for Vietnamese exporters in their investigation of export business opportunities in the European Union. The Guidebook's objective is to assist MOIT to foster understanding among Vietnamese companies of distribution processes and market demand in the EU and to facilitate their adjustment to such processes and demand. As such the Guidebook is a useful tool for Vietnamese producers, exporters, trade lawyers and scholars who want to acquire better insights into market channel dynamics.

The information contained in the Guidebook serves orientation purposes only, and in no way can that information be considered as advice for a particular marketing strategy. Indeed, Vietnamese exporters are advised to conduct their own research into their specific product, their target markets and target consumers.

3. Overview of the EU distribution sector

The European Union's distribution sector is comprised of a huge number of players present in all segments of the value chain.² The distribution channels linking production and importation at one end and the consumer at the other end, are very diverse and vary according to a great number of factors, such as types of products, levels of sophistication of the products (from bulk products to niche products), the segmentation of targeted consumers, the level of development of various Member States, the level of vertical integration of the supply chain, etc. Therefore it is not possible to provide a single description of distribution channels for the entire EU.

For statistical purposes, the EU's distribution services sector is classified in three broad categories: motor, wholesale and retail trade and is traditionally subdivided in six sub-sectors:

1. Motor trades³;
2. Wholesale trade:
 - a. commission agents
 - b. own account wholesalers
3. Retail trade:
 - a. automotive fuel retailing
 - b. other (specialised) retail trade,
 - c. non-specialised retailers (such as department stores, general stores and supermarkets).

The distribution sector is dominated by two sub-sectors, namely own account wholesaling and other (specialised) retail trade; together they account for around two thirds of distributive trades' value added and employment.⁴

Wholesale trade companies generally do not sell directly to consumers, but rather to businesses and retailers. Retailers generally sell directly to consumers, but not necessarily exclusively so.

The wholesale segment of the distribution sector is one of the largest sectors within the EU-27⁵, particularly when measured in terms of output. It comprised 1.8 million enterprises in 2010, which generated EUR 5 258 billion of trade turnover, equivalent to 22.2 % of the non-financial business economy total. There were 10.4 million people employed in the EU-27's wholesale trade sector in 2010 accounting for 7.9 % of the persons employed in the non-financial business economy. Among the activities that compose the wholesale trade sector, own-account wholesale trade accounted for 93.2 % of the EU-27's wholesale trade value added in 2009, while wholesale on a fee or contract basis accounted for the remainder; in terms of turnover the share for own-account wholesale trade was 95.5 %.

The largest own-account wholesale trade sub-sector in the EU-27, in value added terms, was the wholesale trade of household goods, which contributed 28.1 % of the sectoral total in

² This section mainly draws on Eurostat: Business economy by sector - NACE Rev. 2, found at http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Wholesale_trade_statistics_-_NACE_Rev._2

³ Motor trade is considered to be a separate sub-sector as it has quite different characteristics, partly because of the close link between the companies in this field and the automotive industry.

⁴ Eurostat SBS

⁵ In the following, EU refers to EU 27, i.e. the European Union less Croatia, unless otherwise indicated.

2009. The sub-sector for other specialised wholesale trade had the second highest value added share (21.6 % in 2009). Only two other sub-sectors contributed more than one tenth of wholesale trade value added or employment, namely food, beverages and tobacco wholesaling (Group 46.3) and other machinery, equipment and supplies wholesaling (Group 46.6).

The number of enterprises with wholesaling of consumer goods as their main activity exceeds 550 thousand, representing some 38 % of wholesale trade. SMEs (enterprises with less than 250 persons employed) contributed just over three quarters (77.2 %) of the value added in the EU-27's wholesale trade sector in 2006. The largest own-account wholesale trade sub-sector in the EU-27, in value added terms, was the wholesale trade of household goods, which contributed 28.1 % of the sector's total in 2009. Only two other sub-sectors contributed more than one tenth of wholesale trade value added or employment, namely food, beverages and tobacco wholesaling and other machinery, equipment and supplies wholesaling.

Key indicators of EU-27 wholesale trade, except of motor vehicles and motorcycles, year 2010

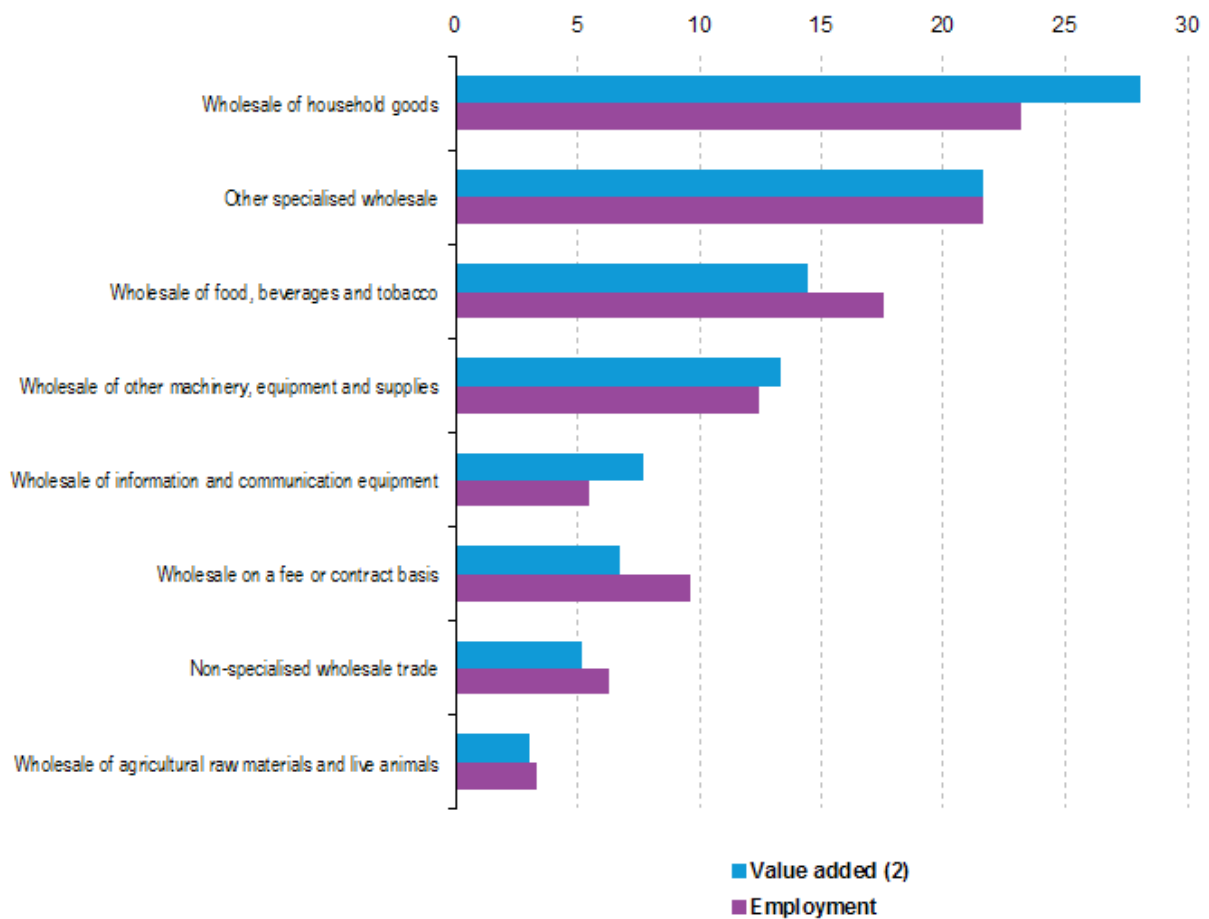
	Number of enterprises	Number of persons employed	Turnover	Value added (1)	Personnel costs
	(thousands)			(EUR million)	
Wholesale trade, except of motor vehicles and motorcycles	1 786.9	10 434.2	5 257 689	549 881	324 556
Wholesale on a fee or contract basis	579.7	1 004.4	236 261	37 100	17 277
Wholesale of agricultural raw materials and live animals	63.3	348.3	229 009	16 650	9 000
Wholesale of food, beverages and tobacco	207.8	1 831.9	910 000	79 255	46 462
Wholesale of household goods	319.6	2 419.2	1 003 073	154 307	86 118
Wholesale of information and communication equipment (2)	60.0	574.4	310 000	42 182	28 576
Wholesale of other machinery, equipment and supplies	:	1 300.0	400 000	73 134	51 726
Other specialised wholesale (2)	274.0	2 260.0	1 577 908	119 000	70 000
Non-specialised wholesale trade	115.5	655.8	225 000	28 220	14 300

(1) 2009.

(2) Turnover, 2009.

Source : Eurostat (online data code: sbs_na_dt_r2)

Sectoral analysis of wholesale trade, except of motor vehicles and motorcycles, EU-27, year 2010



(1) Ranked on value added.

(2) 2009.

Source: Eurostat (online data code: sbs_na_dt_r2)

Within the EU, Germany has the largest wholesale trade sector (EUR 121.9 billion of value added in 2010), followed by France (EUR 77.2 billion), the United Kingdom (EUR 68.7 billion) and Italy (EUR 58.2 billion). In value added terms, Italy is the largest Member State in the wholesale on a fee or contract basis subsector, followed by France and the United Kingdom. For non-specialised wholesale trade, the United Kingdom had the highest level of value added, followed by Poland and Germany. In the remaining six subsectors, Germany was the largest Member State, in value added terms, while France was the second largest in most, but not all, of these activities. For the wholesale of agricultural raw materials and live animals, the Netherlands was the second largest Member State, while for the wholesale of information and communication equipment the United Kingdom was the second largest Member State, followed by the Netherlands in third place.⁶

⁶ Source:

http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Wholesale_trade_statistics_-_NACE_Rev._2

Largest and most specialised Member States in wholesale trade, except of motor vehicles and motorcycles, EU-27, year 2010

	Highest value added	Most specialised	(% share of non-financial business economy value added) (2)
Wholesale trade, except of motor vehicles and motorcycles	Germany	Netherlands	13.7
Wholesale on a fee or contract basis	Italy	Slovakia	2.9
Wholesale of agricultural raw materials and live animals	Germany	Netherlands	1.0
Wholesale of food, beverages and tobacco	Germany	Romania	2.5
Wholesale of household goods	Germany	Sweden	3.4
Wholesale of information and communication equipment	Germany	Ireland	2.5
Wholesale of other machinery, equipment and supplies	Germany	Netherlands	2.2
Other specialised wholesale	Germany	Bulgaria	4.3
Non-specialised wholesale trade	United Kingdom	Poland	3.0

(1) The data set is incomplete with some missing combinations of Member State, activity, indicator; the information presented is drawn from available data; for more details refer to the data set online.

(2) Estimates made for the purpose of this publication.

Source : Eurostat (online data code: sbs_na_dt_r2)

Retail trade is divided roughly evenly into grocery trade (primarily food and certain household items) and non-grocery trade (clothing and footwear, household furnishings and electronic goods). These two parts of the sub-sector differ substantially in terms of their main economic characteristics, with grocery trade being somewhat more homogeneous than non-grocery trade. The enterprise population of the EU-27's retail trade sector was 3.6 million in 2010 generating a turnover of EUR 2 592 billion, and EUR 432.0 billion of value added (respectively 10.9% and 7.9% of the total for the non-financial business economy). These enterprises employed 18.6 million persons. The main characteristics of the retail trade and repair sector is the presence of a very large number of enterprises, having a small average size, producing relatively high turnover but less value added. Retail trade is, by definition, a household-oriented service activity and retail trade enterprises often serve a local market. As such, there is relatively little specialisation in the activity as a whole and it is unsurprising that the five EU Member States with the largest populations also generated the most value added: Germany (EUR 86.5 billion), the United Kingdom (EUR 76.8 billion), France (EUR 72.6 billion), Italy (EUR 50.1 billion) and Spain (EUR 43.1 billion).

Within the EU-27 as a whole, retail sale in non-specialised stores contributed more than one third (34.8 %) of retail trade value added in 2009, while retail trade in specialised stores accounted for 60.2 % and retail sale not in stores the remainder (5.1 %). In employment terms, the shares were broadly similar, with a slightly lower share for retail sale in specialised stores and higher shares for the other two aggregates.

Within retail trade in specialised stores, the largest activity in the EU-27 was the retail sale of other goods in specialised stores with 31.1 % of all retail trade value added in 2009 — as such, this activity accounted for more than half of the value added generated in specialised store retailing; it includes, for example, the retailing of clothing, footwear, jewellery, pharmaceuticals, cosmetics, medical products, garden products and second-hand goods. Among the remaining in-store specialised retail activities, the largest — again in terms of value added — concerned the retailing of other household equipment, food, beverages and tobacco, and cultural and recreation goods. The two remaining activities for in-store specialised retailing, which were both relatively small, concerned the retail of information and communication (ICT) equipment and automotive fuel.

Retail trade outside of stores was split between retail sale via stalls and markets (Group 47.8), which contributed about 1.0 % of the EU-27's value added in the retail trade sector in 2010, and the larger activity of retail trade not in stores, stalls or markets, which includes, for example, mail-order retailing whose contribution to sectoral value added is estimated at around 4 %.

Key indicators of retail trade, except of motor vehicles and motorcycles, EU-27, year 2010⁷

	Value
Main indicators	
Number of enterprises (thousands)	3 648
Number of persons employed (thousands)	18 562
Turnover (EUR million)	2 592 034
Purchases of goods and services (EUR million)	2 156 187
Personnel costs (EUR million)	291 953
Value added (EUR million) (1)	432 013
Gross operating surplus (EUR million)	160 245
Share in non-financial business economy total (%)	
Number of enterprises	16.8
Number of persons employed	14.0
Value added (1)	7.9
Derived indicators	
Apparent labour productivity (EUR thousand per head)	24.4
Average personnel costs (EUR thousand per head)	19.4
Wage-adjusted labour productivity (%)	125.7
Gross operating rate (%)	6.2

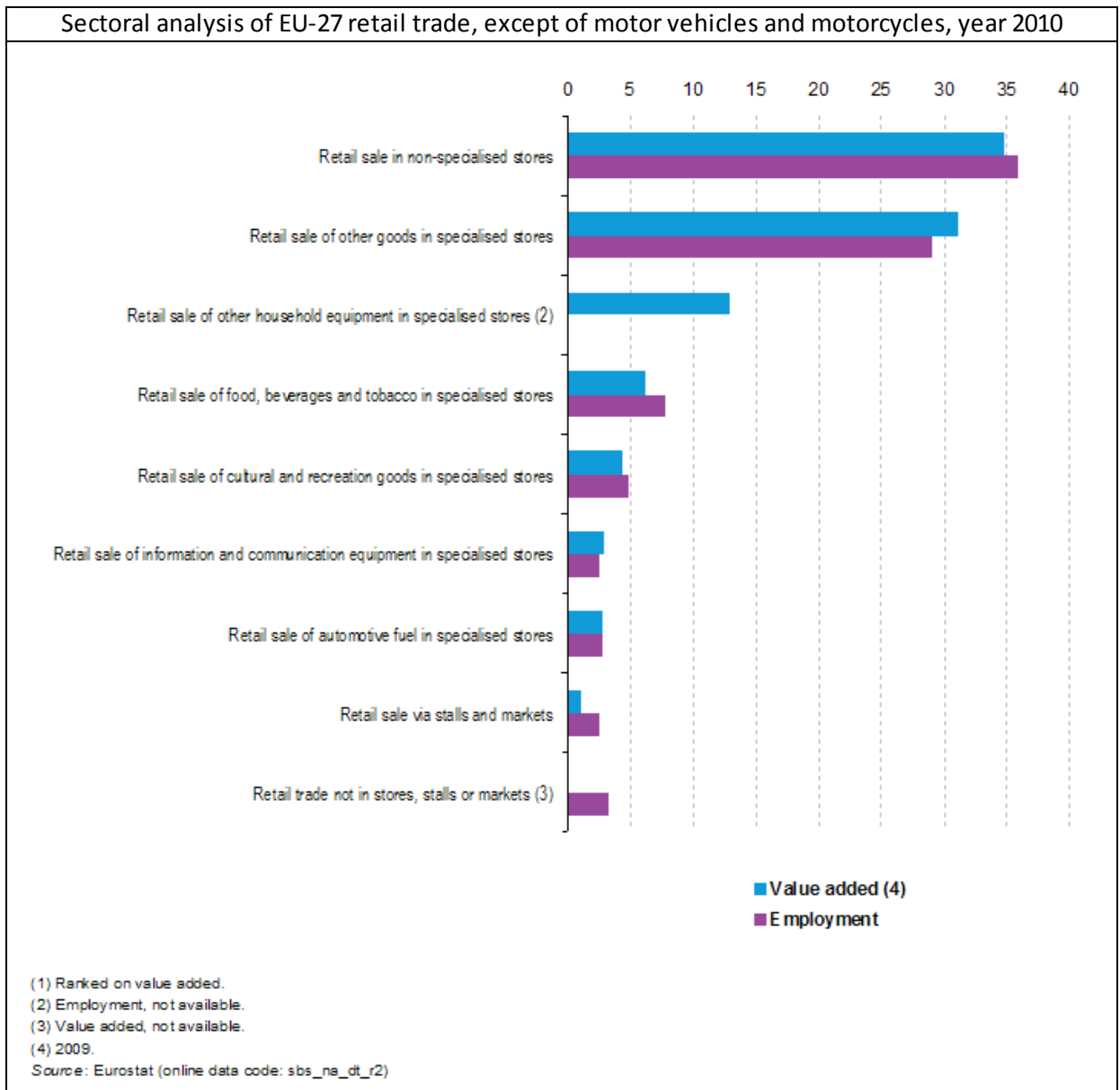
(1) 2009.

Source : Eurostat (online data code: sbs_na_dt_r2)

Retail sales in non-specialised stores contributed 34,8% of retail trade value added of EU-27 in 2009, while retail trade in specialised stores accounted for 60,2% and retail sale not in stores provided 5,1%. Within retail trade in specialised stores, the largest activity was retail sale of other goods in specialised stores providing 31,1% of all retail trade value addition in 2009, accounting for more than 50% of the value added generated in specialised store retailing. This activity includes e.g. the retailing of clothing, footwear, jewellery, pharmaceuticals, cosmetics, medical products, garden products and second-hand goods. Among the remaining in-store specialised retail activities, the largest were (in value added terms) retailing of other household equipment, food, beverages and tobacco, and cultural and recreation goods. The two remaining activities for in-store specialised retailing, which were both relatively small, concerned the retail of information and communication (ICT) equipment and automotive fuel. Retail trade outside of stores was split between retail sale via stalls and market, which contributed only about 1,0% of the EU-27's value added in the retail trade sector in 2010, and the larger activity of retail trade not in stores, stalls or markets, which includes, for example, e-retailing and mail-order retailing, whose contribution to sectoral value added is estimated at around 4%.⁸ The relative importance of these activities within EU-27's retail trade is analysed in the following figure.

⁷ http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Retail_trade_statistics_-_NACE_Rev_2

⁸ Source: http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Retail_trade_statistics_-_NACE_Rev_2



The key indicators of retail trade in the EU-27 in 2010 are the following:

Key indicators of EU-27's retail trade (except of motor vehicles and motorcycles), year 2010

	Apparent labour productivity	Average personnel costs	Wage-adjusted labour productivity	Gross operating rate
	(EUR thousand per head)		(%)	
Retail trade, except of motor vehicles and motorcycles	24.4	19.4	125.7	6.2
Retail sale in non-specialised stores	23.5	18.2	129.1	4.3
Retail sale of food, beverages and tobacco in specialised stores	19.6	15.6	125.6	10.0
Retail sale of automotive fuel in specialised stores	30.0	16.0	190.0	4.4
Retail sale of information and communication equipment in specialised stores (1)	26.0	21.6	120.0	5.5
Retail sale of other household equipment in specialised stores	:	22.7	120.0	6.0
Retail sale of cultural and recreation goods in specialised stores (2)	22.0	18.5	120.0	7.5
Retail sale of other goods in specialised stores	26.0	20.2	130.0	8.8
Retail sale via stalls and markets	10.0	14.7	70.0	15.9
Retail trade not in stores, stalls or markets (1)	30.9	25.8	130.0	8.0

(1) Wage-adjusted labour productivity and gross operating rate, 2009.

(2) Gross operating rate, 2009.

Source : Eurostat (online data code: sbs_na_dt_r2)

Given that Vietnam's processed export goods are likely to reach the final consumers in grocery stores, this section focuses on the grocery trade. An additional and non-negligible reason why this section is concentrating on this segment lies in the lead role of the grocery retailers in the whole distribution channel. Indeed, within the retailing industry it is food and related 'fast moving consumer goods' (FMCGs) sold through 'grocery' outlets, which provide the largest element of total sales. This is not surprising given that large modern retailers (supermarkets and more importantly hypermarkets), while still providing traditional grocery services, increasingly become general retail traders. In the UK for example, retail sales through "grocery outlets" include food and drink, non-food groceries (e.g. health and beauty products) and non-groceries (e.g. electrical goods and housewares), and accounted in 2005 for almost half (48.8%) of total UK retail sales and 13.1% of total household expenditure. Moreover, it is the food-retail/grocery-retail industry, which has led the transformations discussed above.

Top 10 Food retailers in Europe, 2012

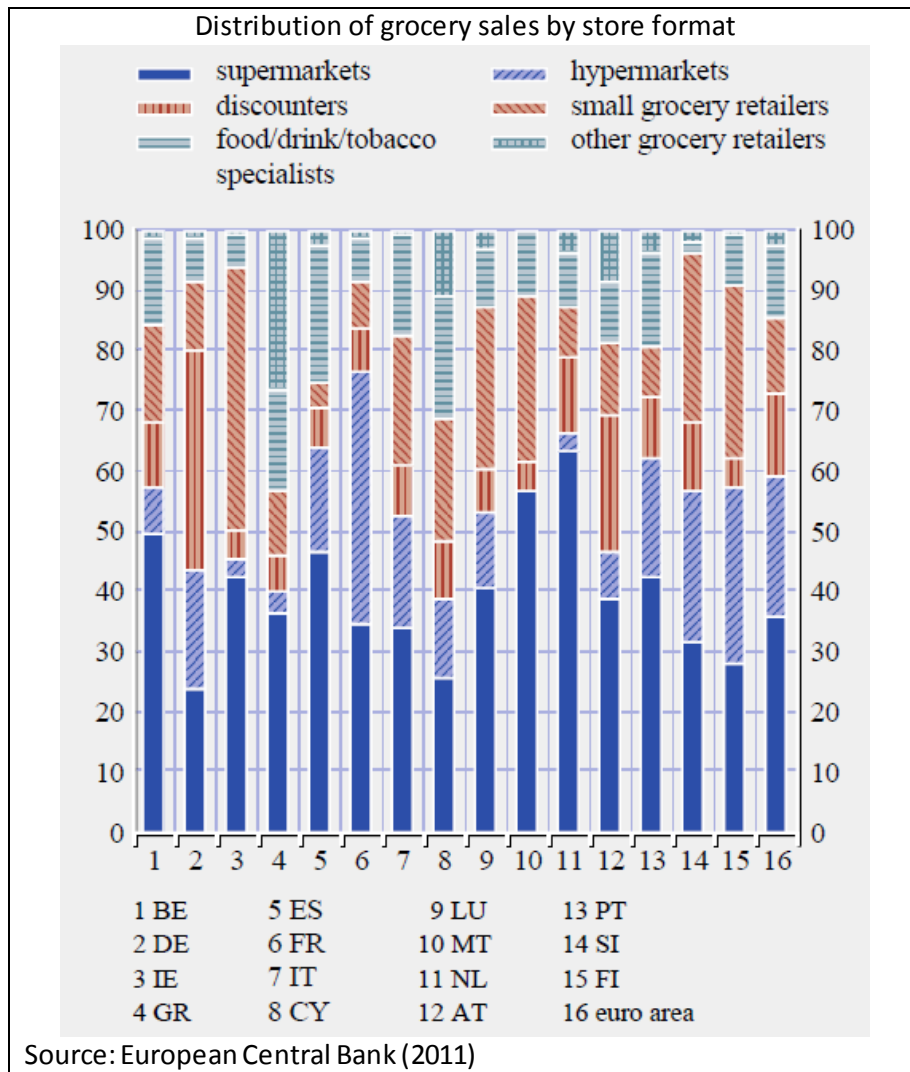
Rank	Company	Turnover in billion € 2012	Headquarter
1	Carrefour	87	France
2	Tesco	85	UK
3	Metro	67	Germany
4	Schwarz	64e	Germany
5	Aldi	59e	Germany
6	Rewe	50	Germany
7	Edeka	47	Germany
8	Auchan	47	France
9	ITM	39	France
10	E.Leclerc	35	France

Source: <http://www.retail-index.com/Portals/59/Newsletters/Focus%20on%20Retailers%20in%20Europe%20-%20April%202013.pdf>

From the perspective of most Vietnamese exporters to the EU, analysing EU "grocery" retailers have a particular importance because all but one⁹ of the world's ten largest retail TNCs were "grocery"-retailers who may provide good opportunities for accessing, through their global purchase EU and global markets.

The following chart presents the distribution of grocery sales by store format across countries.

⁹ The exception being IKEA the Swedish-based global furniture retailer.



On average, supermarkets accounted for just over 33% of grocery sales in 2009. However, at the country level, their market share was lowest in Germany (at around 25%), where hard discounters dominate grocery sales, and in Cyprus, where smaller, traditional retailers account for a relatively large proportion of sales. The market share of supermarkets was relatively high in the Netherlands and Malta, where hypermarkets account for a relatively small proportion of grocery sales. In the Netherlands, planning restrictions explain the absence of hypermarkets.

On average, hypermarkets accounted for approximately 25% of grocery sales. Their market share was highest in France, the “home” of the hypermarket, at over 40%, but also relatively high in Finland and Slovenia. Hard discounters accounted for nearly 14% of grocery sales, but this figure was much higher for countries such as Germany and Austria. More traditional retail formats, for example small grocers and specialist retailers, account for a relatively large proportion of retail sales in Ireland, Greece and Cyprus. Overall, the market share of discounters has risen, while that of smaller grocers and specialist retailers for food, drink and tobacco has fallen.

In the EU, as in developed countries in general, due to various factors, the traditional structure of the distribution segmented into wholesalers buying from producers and selling goods to either other producers or to retailers, who in turn sell products to the final consumer, no longer characterizes the value chain. The EU distribution systems, although not in all product markets or not to the same extent, recently underwent profound

structural changes characterized by increasing concentration and vertical integration. The borders between the traditional segments became blurred, and many of the traditional functions of one segment is now performed by the other.

The borders between production, wholesale and retail have always been fluctuating, depending on the economic conditions of the time and on the individual decisions and strategies of the firms. Firms are continuously integrating or “disintegrating” (downwards or upwards) activities, either directly or indirectly through contracts which amount to sophisticated “quasi-integration” devices. For instance, Promodès (France) is a wholesale firm, which has expanded its activities downwards (to retail) directly through its own large scale outlets (supermarkets or hypermarkets) and indirectly through providing logistics to many independent retailers. Conversely, Carrefour is a retailer that has integrated certain wholesale and production (through “own-brand” products) activities in order to enhance its profitability. These fluctuating borders also involve services used by participants of the supply chain, as well as services produced by them.

Due to a greater demand for service and quality, the distribution chain from producer to consumer has become more integrated, with the roles of the different parts (manufacturer, wholesaler, retailer) becoming more difficult to separate.

In the trend towards greater vertical integration, larger retail chains increasingly bypass wholesalers and deal directly with manufacturers. Information technology has contributed to this trend as it allows retailers to fine-tune their inventory needs and reduce the warehousing role of traditional wholesalers (also a result of the outsourcing of logistic services). Large retail buying groups often integrate wholesale and retail functions. At the same time, some wholesalers have moved away from traditional activities by offering additional services and moving into specialized retailing markets.

The adoption of just-in-time distribution methods, single or dual sourcing policies, transnational sourcing, increased use of contract manufacturing, assembly to order and the shortening of product life-cycles are increasing the scope, complexity and importance of distribution and logistics, and transform the relationship between manufacturers, wholesalers and retailers (which were traditionally ones of independence to increased co-operation). To compete in an increasingly concentrated industry, small companies engage in co-operative arrangements (buying groups, strategic alliances and franchise agreements).

The key European grocery buying groups and their membership rosters are as follows:

Group	Countries of operation	Members		
Alidis	10	Edeka Eroski Intermarché		
AMS	24	Ahold Booker Dansk Supermarked Delhaize Elomas	Esselunga Hagar ICA Jerónimo Martins Kesko	Migros Morrisons Superquinn Système U
BIGS	13	SPAR franchise holders in:		
		Austria Belgium Croatia Czech Republic Denmark	Eire Finland Greece Hungary Italy	Netherlands Slovenia Switzerland UK
Coopernic	23	Rewe Group E.Leclerc Colruyt Conad Coop Schweiz		
EMD	21	Axfood Casino Euromadi Markant	SuperGros Musgrave Group Tuko Logistics ESD Italia	Mercator Norgesgruppen Superunie
Source: http://www.igd.com/our-expertise/Retail/retail-outlook/3395/Grocery-Buying-Groups/				

The increasing concentration and vertical integration has determined a strengthening of the power of large distributors over their suppliers and the growth of own-brand product distribution.

4. The distribution sectors of selected Member States

Overall, the distribution sectors of the EU Member States follow the main characteristics that the “EU” as a whole. The main differences lie in general in the diverging characteristics at the retail level mainly due to consumer habits and Member States’ regulations affecting large retailers, e.g. construction codes and zoning regulations. Therefore this section focuses on the retail segments of the distribution sectors of the three Member States: France, Germany, and the Netherlands.¹⁰

As in the previous sub-section and for the same reason, the focus will be on the grocery retail sub-sector.

¹⁰ Due to a recommendation of the Beneficiary, the U.K is excluded of this sample.

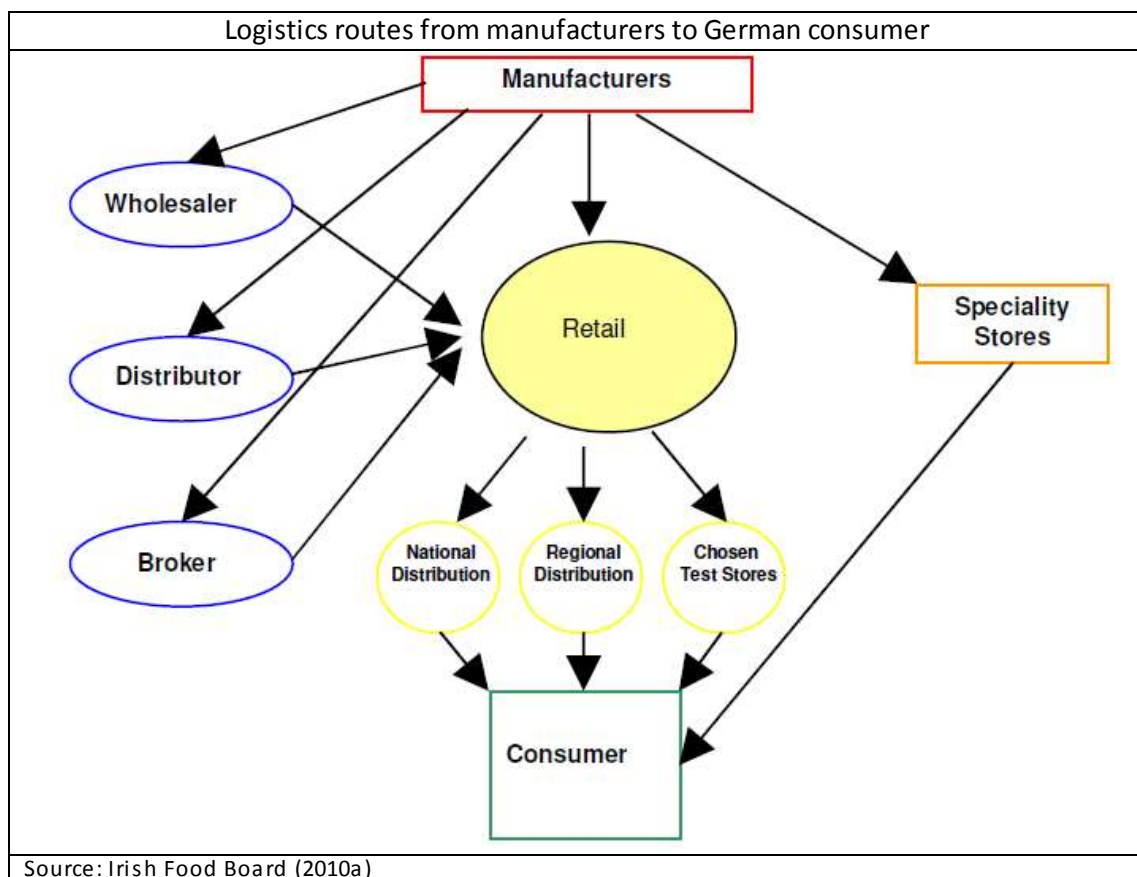
4.1 Germany's distribution sector

Germany has the largest food and beverages market in Europe. Part of Germany's demand of food and drinks is met with domestic products; however, overall Germany is a net importer of all major categories of food products. Germany's main trading partners in the sector are other EU countries followed by Russia, the United States, Switzerland, and China (2013). In the past ten years, food imports have steadily increased, thus underlying the rising demand for foreign as well as exotic foods.

Germany's food retail sector is highly fragmented: the structure of the sector is characterised by a high number of small independent stores and a low level of concentration compared with France or the UK. The hypermarket model is not widespread. However, the relatively lower number of "independent stores" from the fact that most of them belong to cooperatives or associated buying groups such as Rewe and Edeka (cf supra). In the same way, the hypermarkets are less widespread because of the important number of "hard discount" stores.

The market shares in the food retailing market by outlet types were the following in 2005¹¹:

- Small supermarkets (sales area between 400 and 1,000 m²): 42%;
- Large supermarkets (sales area between 1,000 and 2,500 m²): 18%;
- Hypermarkets (sales area of over 2,500 m²): 27%;
- Convenience stores (stores with sales areas of less than 400 m²) and traditional shops: 13%



¹¹ Hanne (2013)

German food and beverages distribution channels

The German grocery retail sector is dominated by five large retailers that claim more than 75 percent of the market.¹² Germany has the highest share of discounters in food retailing, whose overall market share in 2011 was 41%. These discounters offer a limited selection of mainly private label goods at low prices. Aldi is the leading German discounter, followed by Lidl and Netto. , In recent years, there has also been a trend in consumer preference toward smaller grocery formats, including convenience stores, small grocery retailers and independents.

Few German retailers import products directly from other countries. Most food retailers rather buy from central buyers/distributors specialized in the import of food products. In general, these wholesalers have specialized in products or product groups; some are even experts in food products from a specific country of origin. These specialized importers have in-depth knowledge of all importing requirements such as the necessary product certificates, labelling and packaging and also take care of the shipping, customs clearance, warehousing and distribution of the products within the country. It is advisable that foreign exporters find a local representation in order to place and promote their products successfully within Germany.



Source: Irish Food Board (2010a)

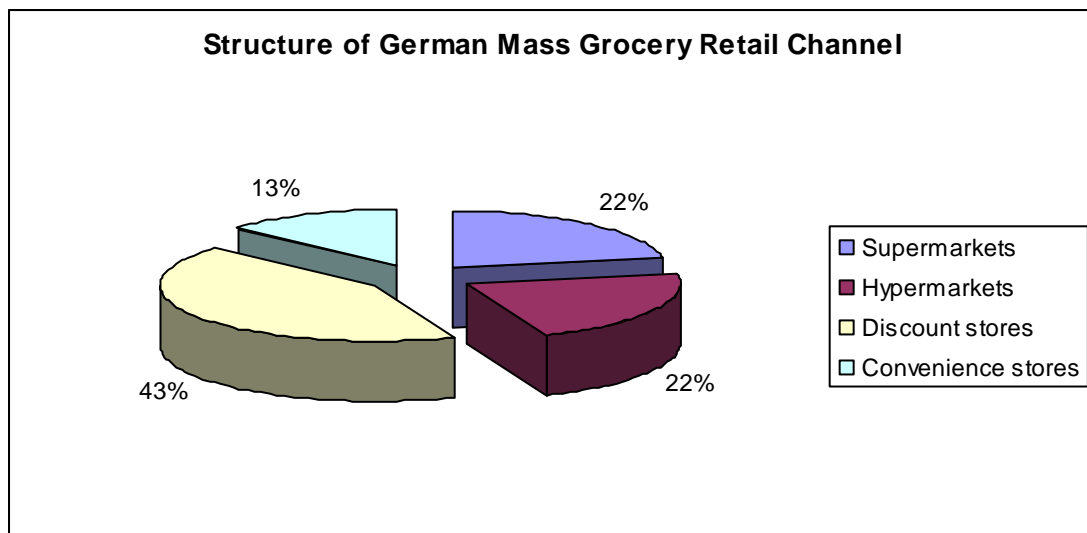
Each of Germany's leading retail groups has a different business structure, purchasing, and distribution system. Many of the leading retailers have multiple retail chains, often with various types of retail formats such as large hypermarkets, discount and small neighborhood stores, or perhaps beverage and/or delicatessen outlets. Large retailers' purchasing departments may also be divided by retail format and, sometimes, by region of the country.

Cash & Carry wholesalers operate large stores with food and non-food products. They sell to retailers, restaurants, and other food service operators. C&C stores offer a variety of

¹² According to the German cartel office these 5 large retailers claim more than 90% of the market.

products to competitive prices. They are not open to the average consumer. Specialized distributors to the food service sector buy from processing companies, importers and occasionally, foreign exporters.

Direct sale to Germany's leading retail companies is very difficult. As mentioned above, all these retailers rely on specialized distributors/wholesalers for their products. However, some supermarkets will sometimes contract directly with a foreign supplier and appoint an importing company of their choice to bring the products into Germany accordingly. Retail buyers may only be interested in importing products directly if they are unique, possess some specific attribute, or offer significant advantages in terms of quality, price, or financial promotional support.



Source: Author's calculations from data in BMI: Germany Food & Drink Report Q4 2010

For foreign food and beverages companies, another useful way of finding the right distribution for their products is to participate in the various food trade fairs taking place in Germany. Trade shows like ANUGA, the Green Week or BioFach in Germany enjoy an exceptional reputation among industry experts worldwide. Participating in any of these events facilitates the direct contact with German food brokers, importers and wholesalers.

4.1.1 Focus on METRO Group

Germany's METRO Group has over 280,000 employees and an annual turnover of 66 billion Euro making it the fourth largest retailer in the world behind Wal-Mart (a turnover of 271 billion Euro), Carrefour (82 billion Euro) and Tesco (68 billion Euro).¹³ Approximately 60% of METRO Group's revenues come from outside Germany, which indicates its high level of internationalisation. Over the past 50 years, it has grown and transformed from its humble beginnings in the Ruhr valley of Germany to its present size and scope as a global retailing throughout Europe, Africa and Asia.

The METRO Group is comprised of four major sales divisions: The "Cash & Carry" (C&C) stores of the affiliated "Metro" and "Makro" companies which make this Group the worldwide leader in self-service wholesaling selling to professionals, the "Real" chain of food hypermarkets, the non-food specialty stores chains "MediaMarkt" and "Saturn", which are the leading consumer electronic retailers in Europe and the "Galeria Kaufhof" department

¹³ Zygmunt Mierdorf, et.al (2010)

store chain. Altogether, METRO Group now has a presence in 32 countries and its four sales divisions together have almost 2,243 locations distributed as follows: 789 Metro and Makro Cash & Carry outlets in 32 countries; 439 Real outlets in five countries; 942 Media Markt and Saturn outlets in 16 countries; 137 Kaufhof outlets in two countries, Germany (Galeria Kaufhof) and Belgium (Galeria Inno).

METRO/MAKRO Cash & Carry

METRO Cash & Carry is the leading international player in self-service wholesale. The concept is oriented towards helping customers to successfully run their own businesses. International expansion is a significant element of the corporate strategy, sourcing system: up to 90% of METRO Cash & Carry goods are purchased from local producers and suppliers. It achieved these improvements by developing a systematic form of target group management and taking new approaches to reaching its customers.

Media-Saturn

Media-Saturn captured tremendous market share. It is a European market leader in consumer electronics retailing.

Real

Real hypermarket provides a board range of food products with a great and attractive price and well-considered format -thanks to a sophisticated logistics system. The Real stores' selling space can cater from 5,000 to 15,000 square metres, with store assortments including up to 80,000 items. Real's balanced combination of self-service and service booths distinguishes it from discounters as well as competing hypermarket operators.

Galeria Kaufhof

Galeria Kaufhof GmbH is the management company of the department stores operated by METRO GROUP. These department stores are mostly located in city centres - above all in prime inner-city locations.

Metro Cash & Carry Expansion in Germany

The first Metro Cash & Carry self-service wholesale store opened its doors in 1964 in Mülheim/Ruhr, Germany, followed shortly by a second in Essen the same year. The first one in Mülheim had a much larger selling space (14,000 sqm) than the traditional wholesale store at that time, enabling it to offer a distinctly more comprehensive and diverse assortment, over 20,000 food items and 30,000 non-food products, under one roof.

Metro Cash & Carry opened another three stores in Germany in 1967 and continuously extended the network in the following years. Today, with 126 outlets throughout Germany make it at least one wholesale store that can be found in every major German city. Metro Cash & Carry also does not face any major competitors in the Cash & Carry trade segment.

International Expansion of Metro's Cash & Carry

METRO Group's global growth is led by its Metro Cash & Carry operation which allows the Group to learn very quickly how to do business in each new country, thereby providing it a solid competitive advantage and platform for the expansion of METRO Group's other retailing formats in that country.

International Activities of Metro Cash & Carry			
Country	Brand	Outlets	Market Entry
Netherlands	Makro Cash & Carry	17	1968
Austria	Metro Cash & Carry	12	1971
Denmark	Metro Cash & Carry	5	1971
France	Metro Cash & Carry	93	1971
Great Britain	Makro Cash & Carry	33	1971
Italy	Metro Cash & Carry	49	1972
Spain	Makro Cash & Carry	37	1972
Belgium	Makro Cash & Carry	11	1973
Portugal	Makro Cash & Carry	11	1990
Turkey	Metro Cash & Carry	13	1990
Morocco	Makro Cash & Carry	8	1991
Greece	Makro Cash & Carry	9	1992
Hungary	Metro Cash & Carry	13	1994
Poland	Makro Cash & Carry	41	1994
China	Metro Cash & Carry	75	1996
Romania	Metro Cash & Carry	24	1996
Czech Republic	Makro Cash & Carry	13	1997
Bulgaria	Metro Cash & Carry	14	1999
Slovakia	Metro Cash & Carry	6	2000
Croatia	Metro Cash & Carry	7	2001
Russia	Metro Cash & Carry	73	2001
Japan	Metro Cash & Carry	9	2002
Vietnam	Metro Cash & Carry	19	2002
India	Metro Cash & Carry	16	2003
Ukraine	Metro Cash & Carry	33	2003
Moldova	Metro Cash & Carry	3	2004
Serbia	Metro Cash & Carry	10	2005
Pakistan	Makro Cash & Carry	9	2007
Total		663	
Germany	Metro Cash & Carry	126	1964
Total		789	

Source: *Metro C&C*

Strategy for Success in International Expansion

Sustainability: One of success factors in Metro C&C's international expansion is that it has perfected and refined the Cash & Carry concept, over several decades and across many countries, into an easily understood and communicated business "blueprint" to guide managers in new countries.

Customer orientation: Metro C&C has catered to and satisfied local customer preferences and tastes. Based on its early experience, Metro Cash & Carry now buys up to 90% of its food product assortments from local suppliers in the individual countries. This is especially true in fresh food and dairy product segments. For example in China, fresh food could also mean alive animals, and a retailer has to adapt and add this assortment to its structure. Assortment in the non-food segment is, however, much more standardized across Metro Cash & Carry's country markets.

Innovation: In addition, "localized" merchandise assortment is also a key factor to success. This particular feature of the distribution concept of Metro Cash & Carry is the range of goods it offers which is geared to the needs of the respective regional customer habits and local customer expectations. For example, in Germany Metro Cash & Carry offers numerous Turkish food products because of Germany's large minority of Turkish inhabitants.

Efficiency: Thanks to having efficient logistics systems, regional purchasing, and the group-wide quality assurance guarantee, Metro Cash & Carry wholesale stores are the freshness of the food on offer. Further, through its local sourcing, Metro Cash & Carry is actively supporting the local farmers, manufacturers and suppliers in developing modern cultivation, production and distribution methods.

In Hong Kong

METRO GROUP Buying Hong Kong Ltd. (MGB HK) is the METRO GROUP's 100% subsidiary established in 1976 with its headquarters in Hong Kong. It is the parent company's worldwide agent for Non-Food sourcing. As the Non-food purchase organization of the Group, it is responsible for the international procurement of direct imports of the sales divisions and runs representative offices in China, India, Bangladesh, Vietnam and Turkey.

The products purchased by MGB HK range from Sporting goods, Foot-wears, Children, Men and Ladies Wears, Underwear and Nightwear, to Kitchen Utensils, Office Equipment, Indoors and Outdoors, Toys, Pens and Computers and similar goods.

In Vietnam

MGB HK has a Liaison Office in Vietnam located at Ho Chi Minh City which is handling all the export business METRO is doing in Viet Nam. The office is responsible for carrying out market research activities, building up close cooperation with existing and new suppliers, and organizing the buying trips for difference buyers out of 31 different countries who are coming to Vietnam on regular basis.

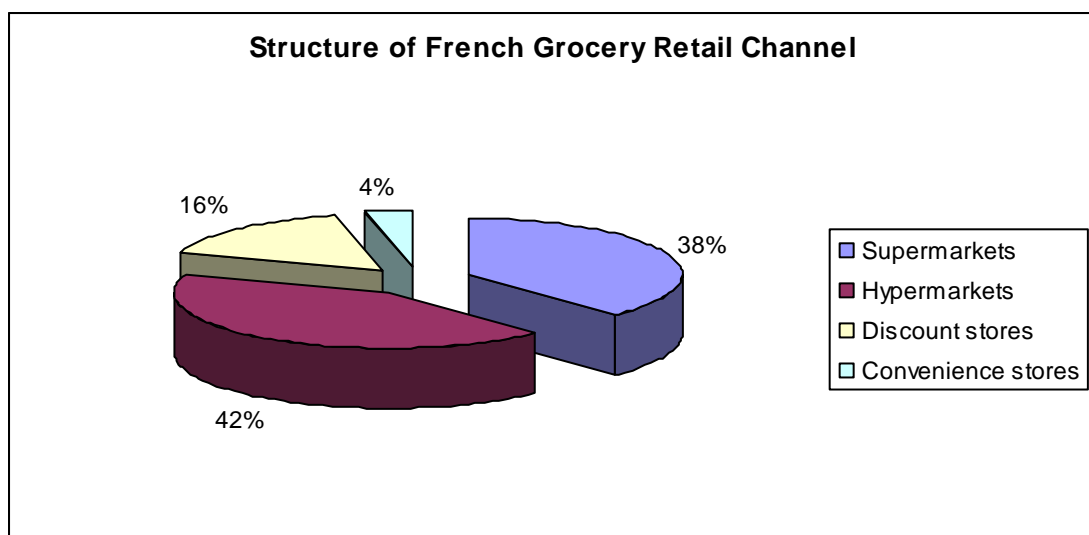
How to become a supplier of MGB?

Information on how to become a supplier of MGB can be found at <http://www.metro-mgb.com/Supplier.html> and <https://supplychain.metro-link.com.hk/portal/>

4.2 The French retail sector

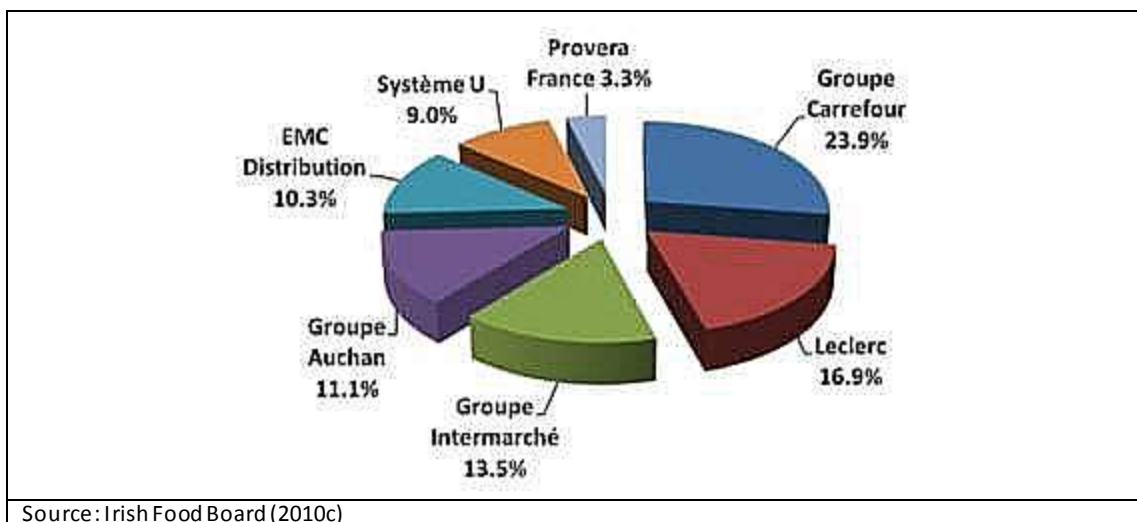
France's retail distribution network is diverse and very sophisticated. Wholesale trade represents 172,000 companies and a 53.6 billion EUR turnover. The retail trade represents 350,000 companies and a 360 billion EUR turnover. The setting up of hypermarkets is regulated by the Royer Law of 1973 and the Raffarin Law of 1996 ; they aim to protect local shops, rapidly losing grounds to hypermarkets.

Mass marketing dominates the retail trade sector in France with, in 2009, 5,437 supermarkets and 4,531 hard discount stores. The French grocery retail sector is dominated by large-scale retailers, mainly hypermarkets as shown in the breakdown by retail outlet types below:



Source : Author's calculations from data in BMI : France Agri business Report Q4 2011

The breakdown of the sector by major retailer groups is shown in the chart below. Over the past decade, major retailers have gone through an ongoing concentration process resulting in the emergence of increasingly large -scale retail outlets. There are currently 7 retail buying groups which manage several different store types.



Source : Irish Food Board (2010c)

For the past couple of years, mainstream retailers have followed a trend of brand/banner harmonization and simplification (mono-brand multi-format concept stores). In reaction to the bad result of hard discounts in 2008-2009, retailers are adapting their hard discount concepts towards soft discount: ex Leclerc launched Leclerc Express soft discount concept, Netto the hard-discount chain of Intermarché Group is now selling branded products...

Breakdown between hyper markets, super markets and convenience stores			
RETAILER	HYPER	SUPERMARKET	CONVENIENCE STORES
CARREFOUR GROUP	Carrefour: 231	Carrefour Market: 987 Carrefour Planet: 2	Carrefour City, Carrefour Contact: 150 8 à Huit, Shopi: 2000+
INTERMARCHÉ GROUP *		Intermarché: 1494	Ecomarché: 298
GALEC/ LECLERC	Leclerc: 467	Leclerc: 115	Leclerc Express: 50
AUCHAN GROUP	Auchan: 134	Simply Market: 414	Halles d'Auchan (discount/ chilled): 7 Auchan City: launched end 2010
EMC DISTRIBUTION	Géant Casino: 120	Casino: 380 Monoprix: 276	Eco Service, Petit Casino: 2500+ Monop' : 40+, Daily Monop: 10
SYSTEME U	Hyper U: 61	Super U: 718	Marché U: 112 U Express: 47
PROVERA	Cora: 59	Match: 149	Delitrateur

France's hard discount groups are the following:

Hard Discounters	Number of stores
LIDL	1436
DIA (Carrefour)	49
ED (Carrefour)	882
ALDI	858
LEADER PRICE* (Casino)	559
NETTO (Intermarché)	387
LE MUTANT	228
NORMA	122
Source:	

With an international turnover of €85.7 billion* (-0,8%), Carrefour is the largest retail group in France and Europe, and the second largest in the world after Walmart. The Group has a strong international presence. More than 55% of Carrefour's turnover is generated outside of France, throughout 34 countries. In France, Carrefour Group has a 24% market share on food.

- Hypermarkets: 231
- Supermarkets (Carrefour Market): 987.
- Convenience (Proxi/ 8 à Huit / Shopi): 2000+
- Premium Convenience (Carrefour City / Carrefour Contact): 150

- Hard discount: (ED progressively switching to Dia): 900+

4.2.1 Focus on Groupe Casino

Casino Guichard-Perrachon S.A. (hereinafter: Casino Group) is the oldest leading French retailer and one of the world's foremost food retailers who won the 2012 ESSEC Grand Prize for responsible distribution. It owns and operates retail outlets in various formats such as hypermarkets, supermarkets, discount stores and convenience stores in Europe, Asia and Latin America. It is headquartered in Saint Etienne, France, and employed about 318,600 people as of December 31, 2012.

Over time, Casino group has grown around a constant vision and has developed activities favoured by the main consumption trends which enable it to cater to a large customer base and also effectively cater to the varied customer preferences. Among the formats, Casino is heavily skewed towards convenience format, which has been appealing to a broader customer base in recent times.

Casino recorded revenues of EUR 48,645 million during the financial year ended December 2013, an increase of 15,9% over 2012. The trading profit of the company was EUR 2,363 million in 2013, an increase of 18,1% over 2012. The net profit was EUR 618 million in 2013, an increase of 9,7% over 2012.¹⁴

Growth in French Activity

Casino Group is the undisputed leader in the French non-food e-tailer market with C-discount, and has built several grocery e-tailing solutions. Today, it runs roughly 2,500 supermarkets with its multi-format strategy heavily weighted towards convenience format in France.

Main Casino banners:

- Géant Casino (Hypermarkets, 100 %)
- Hyper Casino (Large supermarkets, 100 %)
- Casino Supermarchés (Supermarkets, 100 %)
- Monoprix (Citymarkets, 50 %)
- Franprix (Convenience stores, 100 %)
- Petit Casino, Spar, Vival, Casino Shop, Casino Shopping (Convenience stores, 100 %)
- Leader Price (Discount stores, 100 %)

Banners of others activities:

- Banque Casino (50 %)
- Casino Restauration, Casino Vacances, carburants (100 %)
- Cdiscount (Non-food E-commerce, 100 %)

Casino retail operations span across multiple formats with hypermarkets, supermarkets, city market concept through Monoprix, convenience stores and discount stores. By the end of 2012, the company operated a total of 9,461 stores covering all food retailing formats in France. Convenience and discount stores are the most popular formats, accounting for 64% of revenue in France. In 2013, Monoprix performed well, growing compared to 2012,

¹⁴ See Full Year Results from the website of Casino Group <http://www.groupe-casino.fr/en> (Accessed by 11 April 2014).

benefiting from continued expansion and resilient same-store sales. E-commerce grew again over the year (+16.1% in business volume at C-discount including the marketplace). Géant hypermarkets' and C-discount's cumulative non-food business volumes grew

By the end of 2012, the Casino product portfolio comprised more than 13,000 items including 6,150 food items, thereby providing a segmented offering tailored to the latest consumer trends and designed to meet each consumer's specific needs. The ranges include Casino Delice for gourmet food lovers, Casino Ecolabel for shoppers sensitive to sustainable development issues, Casino Bio for consumers looking for organic products and Casino Famili for family shoppers, which also covers non-food items.¹⁵

Casino is building a strong portfolio of products through competitive pricing, broad product range and ability to regularly renew its product lines. Casino brand products were sold in more than 7,200 stores in 2012, making Casino one of the leading private labels in FMCG and refrigerated products in terms of sales penetration.

International Expansion of Casino Group

Outside France, the Casino Group is constantly introducing new concepts and banners to its international markets including Argentina, Brazil, Columbia, Uruguay, Thailand, Vietnam and Indian Ocean.

Casino's Positions in International Markets

- South America
 - Libertad (Argentina, 100%, 24 stores)
 - Grupo Pao de Acucar, GPA (Brazil, 38 %, 1,571 stores)
 - Grupo Exito* (Colombia, 55 %, 351 stores)
 - Disco (Uruguay, 52 stores)
 - Devoto (Uruguay)
- Asia
 - Big C* (Thailand, 59 %, 221 stores)
 - Big C (Vietnam, 100%, 23 stores)
- Indian Ocean
 - Vindémia (100%, 57 stores)

In Brazil, the operations of Casino Group achieved strong growth of 50.7% driven by host country economic trends. The Group confirmed its No. 1 ranking in food and non-food retailing and its No. 2 ranking in e-commerce.

In Colombia, Grupo Exito pursued its rapid expansion and strengthened its leadership in the most promising formats

In Southeast Asia, it achieved strong organic sales growth of 10.8% lifted by sustained expansion and an excellent performance in Thailand and Vietnam, where Big C is continuing to build its leadership position.

In all of these countries, the emergence of a larger middle class and rising purchasing power are creating a favourable environment in which the Group intends to fully deploy its strengths to speed growth. These strengths include well-known banners, buoyant formats

¹⁵ See Company Profile Casino Guichard-Perrachon S.A.(2013)

that are expanding, attractive private labels, a good price image, strengthened e-commerce operations and effective management of retail properties.

Opportunities to become a supplier of Casino Group

Casino exports directly products in her subsidiaries mainly for private labels, by ensuring quality control process from origin to the consumer and by negotiating the best price and solutions with suppliers.

Casino Global Sourcing Vietnam office operates within Big C Vietnam. The main objective of Big C Vietnam office is to source and export products from agriculture and industry to all the countries in the World where Casino has stores and to promote Vietnamese products. Today, Big C has a total of 26 stores all around Vietnam.

In Vietnam, Big C has partnered with academic institutes to train future employees in fields hovering around the food industry and retail business. Big C Vietnam has exported for USD 20 Mio in 2013 of Vietnamese goods, and has the objective to reach USD 25 Mio exports in 2014. Fifty percent of BIG C exports are made of food products and the other 50% of textile and various small items. Big C's exports of Vietnamese products represents around 1000 containers a year, 700 products and more than 60 suppliers.

Big C Vietnam are developing some partnerships with external customers in others countries like in Africa (Senegal, Ivory Coast, etc.), the Middle-East (Qatar) and in Asia (Hong-Kong and the Philippines).

Even though Vietnam remains small in comparison with the main sourcing areas of Casino Group, e.g. China for textiles, it is a strong player for food sourcing thanks to seafood activities, rice and fresh fruits, e.g. dragon fruits. Every year, many buyers of the Group visit Vietnam to select exportable products and to negotiate the purchase of Vietnamese products. Big C Vietnam has a team of 25 people, fully dedicated for these export activities.

4.3 The Netherlands' retail sector

The Dutch retail sector is comparable to that of other European countries. Approximately 80% of the Dutch food retail outlets are full service supermarkets, operating on floor space between 500 and 1,500 square meters located downtown and in residential areas. The remaining 20 percent includes mainly convenience stores, some wholesalers and just a few superstores (convenient located alongside highways in shopping malls and industrial parks). The retail sector is dominated by big groups like Ahold (owner of the Albert Heijn food retail brand), followed by Laurus with 17% market share.

Top 3 food retailers in the Netherlands include Albert Heijn (which alone controls 42% of the food distribution market), Jumbo (C1000, Jumbo and Super de Boer) and Aldi, with a total market share of 64%. The market for discounters is shared by the German Aldi and Lidl (together 13.5% market share) and the Dutch discounters Bas van der Heijden, Dirk van den Heijden and Digros.

Despite the development of large supermarkets, Dutch consumers continue to prefer neighborhood stores which allow small supermarkets and specialized stores to retain a considerable share in the Dutch distribution market. In the non-food sector, international

and Dutch brands co-exist and all of them are well established. The textile sector is dominated by C&A and Maxeda, and the furnishing sector by the national brand Blokker.¹⁶

Market Shares of Leading Food Retailers in the Netherlands

Company	Market share (%)
Albert Heijn	33.6
C1000* (Jumbo)	11.5
Aldi	7.9
Plus	6.0
Lidl	5.6
Jumbo	5.5
Super de Boer (Jumbo)	5.5
Other	24.4
Total	100.0

Source: USDA: The Benelux Food Retail Market GAIN
Report No. NL2014

¹⁶ <https://en.santandertrade.com/analyse-markets/netherlands/distributing-a-product>

Leading Food Wholesalers and Distributors in the Benelux

<p>Deli XL Frankeneng 18 6710 BK, Ede, the Netherlands www.delixl.nl</p>	<p>Hanos / ISPC Stadhoudersmolenweg 37 7301 GJ, Apeldoorn, the Netherlands P: +31-(0)55-5294444 F: +31-(0)55-5224621 www.hanos.nl</p>
<p>JAVA Wingepark 10 B-3110 Rotselaar, Belgium www.jave-coffee.be</p>	<p>De Kruidenier Foodservices Nederland Sluisjesdijk 111 3087 AE Rotterdam, the Netherlands www.kruidenier.nl</p>
<p>De Kweker Jan van Gaalenstraat 4 1040 KH, Amsterdam, the Netherlands www.kweker.nl</p>	<p>Makro (Metro Cash & Carry) Diermervijver, Gebouw Vijverpoort, Dalsteindreef 101-139 1112 XC Diemen, the Netherlands www.makro.nl</p>
<p>Sligro - VEN Corridor 11 5460 AA, Veghel, the Netherlands www.sligro.nl</p>	<p>VHC – MAXXAM 3340 AB Hedrik-Ido-Ambacht, the Netherlands www.vhc.nl www.maxxam.nl</p>

Source: USDA GAIN Report Number NL3040 dated 12/20/2013

4.4 The retail sectors of other Western and Northern EU Member States

4.4.1 *Austria*

Despite being a relatively small country, Austria is an important strategic player in the European Union's retail industry because it is geographically located at the crossroads of the EU. The Austrian market is saturated in all major sectors. Nearly 80% of the retail market in Austria is controlled by foreign companies, with German companies having a strong presence, owning more than 15% of the capital invested in some 500 companies. Two groups dominate the Austrian retail market:

- Rewe Austria (German origin) has a 30.2% market-share and is the market leader in the food distribution.
- Spar (Austrian origin) has 28.2% of the market-share.

Food distribution is dominated by a few big groups, which control 2/3rd of total sales. Amongst these, the major foreign groups are Bipa (drugstores), Lutz and Ikea (furniture). Discount stores account for 25.6% of the total turnover of the retail food market with Hofer having 16.2% of the market, followed by Lidl with only 2.6% market share.

4.4.2 *Belgium*

Belgium has a sophisticated distribution system characterized in foodstuff distribution by a high level of concentration (a few chains with many selling points especially for Delhaize, Carrefour and less importantly for Colruyt), and by a strong development of the co-operation among the distributors. The distribution of other consumer goods, on the contrary, is carried out through specialized traditional retailers. It is also characterized by the increasing part of the non-food distribution in hypermarkets and, in a lesser way, of department stores (Inno).

The pride for Belgian distributors is Carrefour (ex- GB group), which manages a union of distribution companies, grouped around four sectors: super and hypermarkets, do-it-yourself, fast foods, and specialized distribution.¹⁷

Market Shares of Leading Food Retailers in Belgium

Company	Market share (%)
Colruyt	27.1
Delhaize	22.8
Carrefour	22.2
Aldi	11.1
Louis Delhaize	5.4
Lidl	4.6
Makro	4.5
Other	2.3
Total	100.0

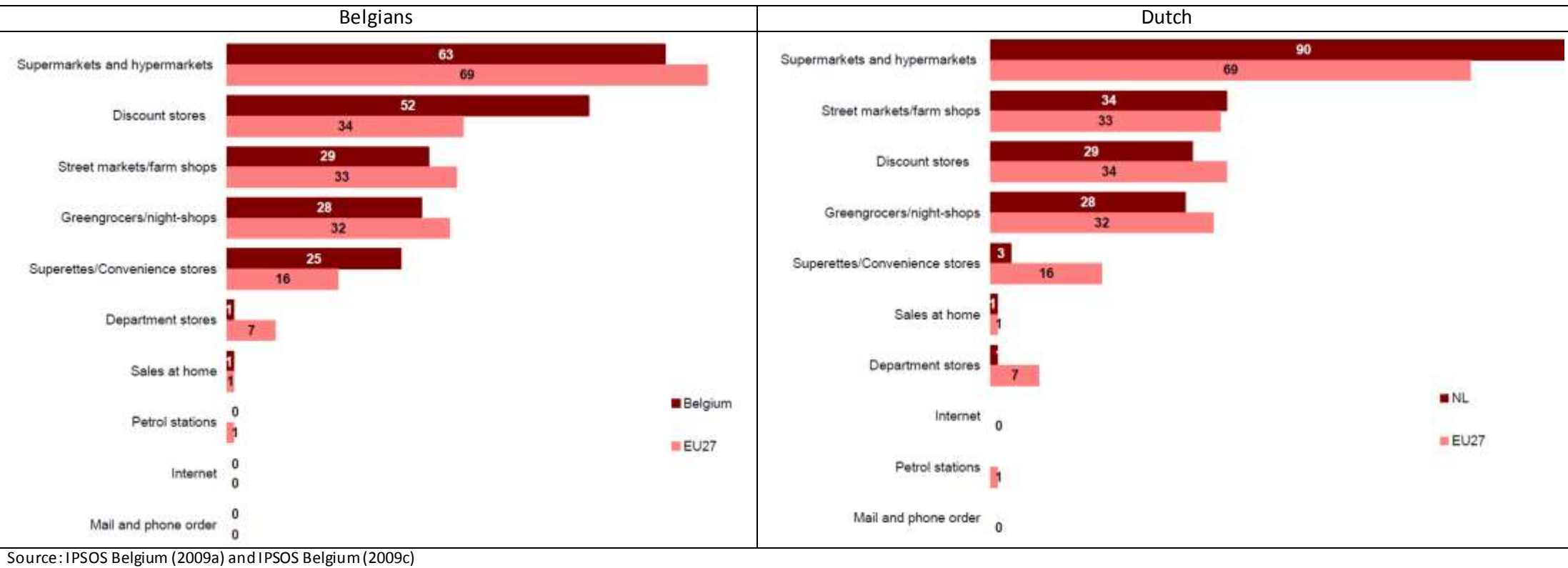
Source: USDA: The Benelux Food Retail Market GAIN
Report No. NL2014

Compared to Dutch consumers, Belgians have a different shopping pattern. They prefer large supermarkets and superstores that are easy to access by car. In addition they increasingly appreciate having much smaller convenience stores, or superettes, close to their homes. In Belgium, full service supermarkets therefore account for an estimated 55 % of the market. The share of convenience stores, superstores and wholesalers in Belgium is much higher than in the Netherlands, an estimated 45 %.¹⁸ The following two sets of charts show the different buying habits per retail outlets of Belgian and Dutch consumers for fresh fruit and vegetables, and clothing and footwear.

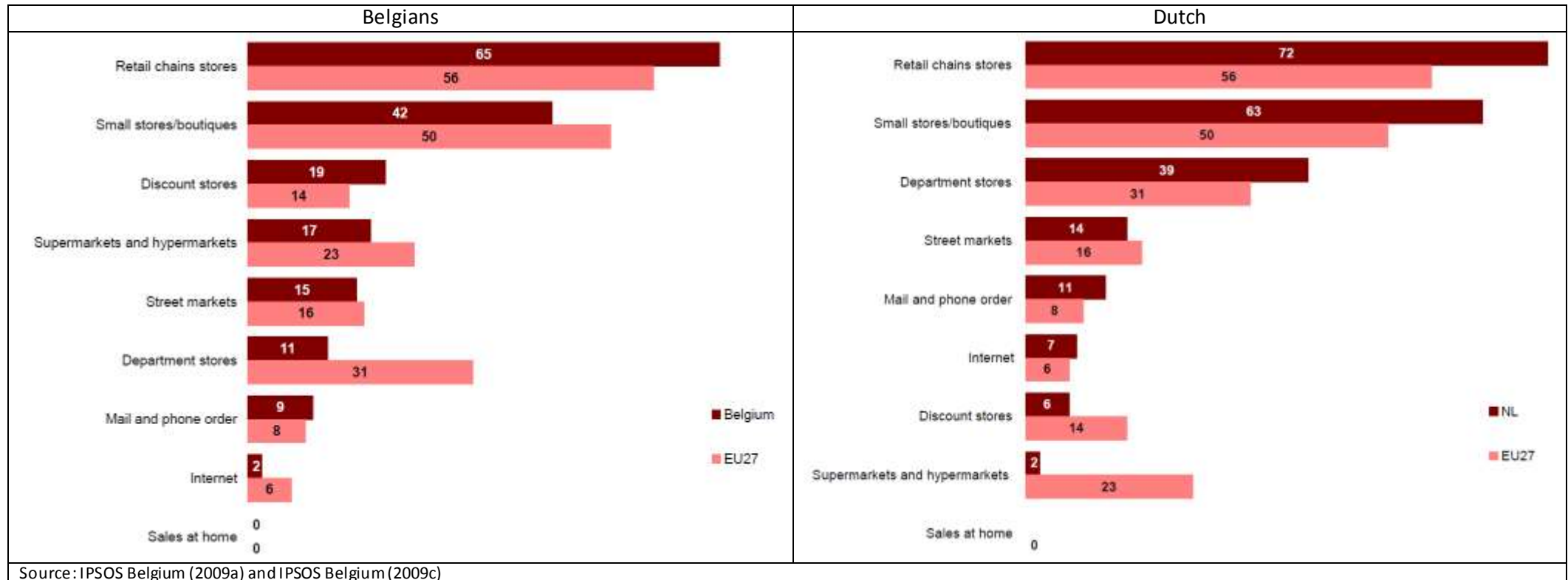
¹⁷ USDA: The Benelux Food Retail Market GAIN Report No. NL2014

¹⁸ USDA: The Benelux Food Retail Market GAIN Report No. NL2014

Belgian and Dutch consumer habits compared: Where do Belgians and Dutch buy fresh fruit and vegetables most?



Belgian and Dutch consumer habits compared: Where do Belgians and Dutch buy clothing and footwear most?



4.4.3 Denmark

The Danish retail market shows the characteristics of the well developed countries' with mature traders in all segments of the industry. The retail sector has seen significant consolidation over the past decade, including large retail chains, to the detriment of small and independent specialty stores, particularly in the food trade and clothing. Contrary to other European countries, neighborhood stores play an important role in the Danish distribution market. In 2004 there were 23,573 legal entities registered in the wholesale trade and 26,335 entities in the retail trade.

The mass-market sector is dominated by two groups:

- The consumer co-op F.D.B, which is the leading Danish distributor (with 33% of the market-share in 2003) and owner of many stores like Kvickly, Brugsen, OBS, Irma and Fakta. F.D.B supplies 1,200 points-of-sale (hypermarkets, supermarkets, mini-markets and discount stores).
- The group Dansk super-market with 465 points-of-sale; its main stores being Bilka and Netto.

The three largest chain stores are:

- Magasin du Nord
- Illum. Although competitors to one another, Illum and Magasin du Nord belong to the same group of Icelandic origin known as Baugur Groupe.
- Salling, part of the Dansk Supermarked group.
- Shopping centers and malls representing 20% of the retail trade. The main shopping center is Field's Copenhagen with an area of 115,000 square meters.

4.4.4 Finland

Finland has increasingly integrated distribution networks, with the development of big malls and hypermarkets making the survival of small retail firms and boutiques more difficult. A few central wholesalers (S-Group, K-Group, Suomen Lähikauppa) together dominate the food distribution industry with an aggregate market share of nearly 90%. These chains have closely knit wholesale and retail arrangements comprising a compact and efficient goods delivery system and a nationwide network of retail shops as well as department stores and supermarkets. They also have hotel and restaurant chains and catering services. The centralized system makes distribution economical; purchases from abroad can be made in viable quantities considering the relatively small size of the market. Almost one-third of the total wholesale trade in Finland is transacted through these wholesale organizations.

In 2011, large supermarkets and hypermarkets accounted for about 78% of retail food sales. In the past year, the concentration of Finnish food retailers has increased even further due to the liberalized regulation of extended opening hours of outlets less than 400 square meters. Large operators, such as S Group and Kesko have become even more dominant as the new opening hours benefit supermarkets the most.¹⁹

In Finland goods may be sold through an agent, a distributor, an established wholesaler, or by selling directly to retail organizations. As the main sectors of the Finnish economy are

¹⁹ USDA: Retail Food Sector Report for Sweden and Finland, GAIN Report no. FI1201, dated 6/9/2012

dominated by oligopolies, consumables for everyday use are marketed by an integrated system of distribution dominated by three big groups mentioned above.

Finland's Major Food Retailers' Profile (2011)						
Retailer/Type of Outlet	Ownership	Sales (US\$ Mill)	Number of Outlets	Location	Market Share (%)	Purch/ Agent Type
S-Group - hyper-markets - dept stores - supermarkets - self-service - small shops - discount stores	Finnish	8,639	987	Finland Estonia Latvia Lithuania	45.2	Importer/ wholesaler (Inex)
Kesko (K-Group) - hyper-markets - dept stores - supermarkets - self-service - small shops - discount stores	Finnish	6,751	983	Finland Sweden (hardware) Estonia Latvia Lithuania Russia	35.3	Importer/ wholesaler (Kesko Food)
Lähikauppa OY - hyper-markets - dept stores - supermarkets - self-service - small shops	Finnish	1,482	671	Finland Russia	7.8	Importer/ wholesaler (Tuko Logistics)
Lidl - hard discount	German	1,192	140	Finland Sweden	6.2	Importer/ wholesaler
Stockmann Group -department stores	Finnish	268	7	Finland Russia Estonia	1.4	Importer/ Wholesaler (Tuko Logistics)

Source: USDA: Retail Food Sector Report for Sweden and Finland, GAIN Report no. FI1201, dated 6/9/2012

4.4.5 Sweden

Sweden's retail distribution system has overall followed the same pattern of evolution as other Western EU countries over the last 20 years, with the appearance of large shopping malls on the outskirts of towns, and smaller stores continuing to lose market share to the larger supermarkets and hypermarkets. In 2011, half of the Swedish retail food sales went through large supermarkets and hypermarkets.²⁰

Sweden's distribution is highly structured, dominated by a few large groups, supplemented with a large number of specialized retailers offering top of the range goods. The Swedish market often serves as a bridgehead for reaching the Scandinavian markets and the Baltic countries.

Sweden's wholesale and retail food sector is mainly supplied by four groups:

²⁰ Ibid.

- Ica Sverige AB (Ahold group) with 1883 outlets representing 49.4% share in the wholesale and retail market;
- Axfood AB, with 883 very large discount stores, which is specialized in “soft discount”, 15% share in the wholesale and retail market;
- Coop Sverige AB (KF), with 879 outlets and 21.4% share in the wholesale and retail market.
- Bergendalhs Group, with 273 outlets, mainly active in Southern Sweden, representing 7.4% of the wholesale and retail market.²¹

Together these four groups account for over 90 percent of the food retail market. Each group has developed a tight integration of purchasing, importing, wholesaling, distribution and retailing. Imports of foods are either handled by the chains themselves or through specialized importers and agents. In the process of restructuring, these groups have moved to centralized purchasing and are also engaged in joint Nordic buying groups.²²

The ICA Group is one of the Nordic region’s leading grocery retail groups with stores in Sweden, Norway and the Baltic countries. ICA Sweden is the leading food retail company in Sweden. It is the principal supplier to ICA retailers, who own and manage their stores as independent businesses. In 2011, sales in the 1,373 ICA stores accounted for 49.4% of Sweden’s retail food sales in 2011.

COOP represents the cooperative movement in Sweden and operates chains such as Coop Forum, Coop Extra, Coop Konsum, Coop Nära and Coop Bygg. In Sweden, Coop operates 790 outlets and accounted for 21.4% of Sweden’s retail food sales in 2011.

Axfood AB conducts food retail and wholesale trade in Sweden. Retail business is conducted through the wholly owned Willys and Hemköp chains. The Group owns 252 stores. In addition, Axfood collaborates with a large number of proprietor-run stores that are tied to Axfood through agreements.

retail operations are conducted through the wholly owned Willys, Hemköp and PrisXtra chains, totalling 314 stores. In addition, Axfood collaborates with a large number of proprietor-run stores that are tied to Axfood through agreements. These include stores within the Hemköp and Willys chains as well as stores run under the Handlar’n and Tempo trademarks. In all, Axfood collaborates with approximately 820 proprietor-run stores. Wholesale business is conducted through Dagab and Axfood Närlivs. Axfood had a market share of 15% of Sweden’s retail food sales in 2011.²³

BergendahlsGruppen AB is a regional group with a strong base in the Southern part of Sweden. Bergendahls has a total of 273 outlets (food retail, discount, supermarkets) and a market share of 7.4%. In 2002, BergendahlsGruppen entered the Stockholm market with Eko Lanna and City Gross outlets. The City Gross outlets have, in general, a sales area of 7,000-12,000 square meters.

²¹ Ibid.

²² Ibid.

²³ <http://www.axfood.se/en/About-Axfood/>

Sweden's Major Food Retailers' Profile (2011)						
Retailer/Type of Outlet	Ownership	Sales (US\$ Mill)	Number of Outlets	Location	Market Share (%)	Purch/Agent Type
ICA AB -food retail -supermarkets -hyper-markets -gas marts/convenience -discount (joint)	Swedish/ Norwegian/ Dutch	15,360	1,373	Sweden Norway Baltics	49.4	Direct/ importer/ wholesaler
Coop -food retail -gas marts/convenience -supermarkets -hyper-markets	Swedish	6,404	790	Sweden Norway Denmark	21.4	Direct/ importer/ wholesaler
Axfood -food retail -convenience -discount stores -supermarkets -gas marts/convenience	Swedish	5,496	1,016	Sweden Norway Denmark	15.0	Direct/ importer/ wholesaler
Bergendahls -food retail -discount stores -supermarkets	Swedish	2,271	273	Southern Sweden Stockholm	7.4	Direct/ importer/ wholesaler
Lidl -hard discount stores	German	920	158	Sweden Finland	3.2	Direct/ importer/ wholesaler
Netto -discount stores	Danish	614	146	Denmark Sweden	2.2	Direct/ importer/ wholesaler

Source: USDA: Retail Food Sector Report for Sweden and Finland, GAIN Report no. FI1201, dated 6/9/2012

The non-food distribution sector is dominated by Swedish groups, mainly H&M in clothing and Ikea in furniture. However, foreign brands such as Mango and Zara (both in clothing) are also setting up progressively in the country.

4.4.6 United Kingdom

Food retailing in the UK, which is the world's third largest in terms of turnover after the US and Japan, represents 20% of GDP and nearly 50% of the country's retail sector. Unlike Germany's food distribution, the UK has a retail system that is much closer to the French model, i.e. more concentrated with large integrated chains of supermarkets and hypermarkets, although the UK is more focused on hypermarkets. The UK has some 100,000 large-scale food retailing outlets, which account for a third of all retail outlets.

The market shares in the food retailing market by outlet types were the following in 2005²⁴:

²⁴ Hanne (2013)

- Hypermarkets (sales area of over 2,500 m²): 56%;
- Large supermarkets (sales area between 1,000 and 2,500 m²): 21%
- Small supermarkets (sales area between 400 and 1,000 m²): 11%
- Convenience stores (sales areas under 400 m²) and traditional shops had a 12%

The British food retail sector is dominated by six supermarket and hypermarket chains: Tesco, Sainsbury's, Asda (a subsidiary of WalMart), WM Morrison Supermarkets, Marks & Spencer and John Lewis.

The six largest UK food retailing groups (2010)		
Group	Global turnover 2012 in billions of euros (UK and the rest of the world)	Number of retail outlets in the UK
Tesco	84.5	3,146
Sainsbury's	29.2	1,100
Asda	27.2	600
WM Morrison Supermarkets	21.6	436
Marks & Spencer	11.9	656
John Lewis	10.4	Nearly 600, including department stores
Source: Hanne (2013)		

The “Big Four” – Tesco, Asda (a subsidiary of Walmart), Sainsbury's and WM Morrison, which accounted for 76.2% of total retail food sales in 2013.²⁵

The role of Own Label²⁶

Own label products account for a significant share of UK retailer sales as high as 50% in some cases and significantly more in the case of Marks & Spencer. Own Label allows UK retailers to differentiate their products from their competitor's ranges, and offer products are finely tuned to meet their specific consumer's requirements often providing unique and innovative ranges. Some UK retailers such as Marks & Spencer, Sainsbury's and Waitrose often lead where supplier brands ultimately follow. Own label products also provide UK retailers the flexibility to compete with supplier brands product prices and to develop product tiers of differing product quality which range from a “value” to a “premium” range and can include Organic, Kids, Fairtrade, Healthy and designer product tiers too. Own label products offers food and drink manufacturers the opportunity to develop close, long-term working partnerships with UK retailers and help suppliers gain a closer insight and understanding of the buying behaviours and priorities of UK consumers, which could ultimately benefit their business in the future development of the suppliers own brands.

²⁵ Hanne (2013)

²⁶ Irish Food Board (2010b)

4.5 The retail sectors of Mediterranean EU Member States

4.5.1 Italy

Unlike other European countries, the Italian food retail and distribution sector is characterised by the significant role of small, traditional grocery stores (so-called Mom and Pop stores), which represent the largest segment of sector, followed by open-air (“wet”) markets. Nonetheless, the emergence of modern distribution since a few years ago is progressively leading to consolidation, as a few large Italian and foreign operators such as Auchan/Rinascente and Carrefour took advantage of a relaxing of retail legislation.

The leading distributor in Italy is the Coop Italia group which is based on a network of more than 1 000 outlets in Italy and which had 17.7% of market share in 2004. Carrefour Italia had 10% and Auchan/Rinascente 9.5%. Generally speaking, foreign names represent 47% of hypermarkets. In 2004, there were 469 hypermarkets, 990 supermarkets, and 6 627 small supermarkets. The foodstuff distribution market is very concentrated as the leading 10 groups have 77% of market share. However, there is an imbalance between the north and the south of the country, however: more than 50% of supermarkets and 65% of hypermarkets are concentrated in the north.

The discount store format remains quite marginal in Italy, as in general, Italian consumers remain hesitant to shop at discount stores and purchase private label products. Coop Italia, Italy's largest retailer, however, has decided to invest in private label products. Coop has used private label products to drive down the price of staple foods and develop its group identity. Coop Italia now accounts for around 30% of all the private label products sold in Italy. However, the private label market is still very immature.

4.5.2 Spain

Like in Italy, distribution in Spain is still characterized by a large number of retailers and traditional stores. The distribution structure for food products is diversified, ranging from traditional distribution methods (wholesalers selling to small shops that cater directly to the public) to large multinational supermarkets and retail stores. Hypermarkets/supermarkets, convenience stores, major discount stores and specialized stores coexist with traditional corner grocery stores and open-air (“wet”) markets.

Organized distribution is dominated by:

- El Corte Ingles (super stores, hypermarkets, supermarkets and all types of specialized brand names with 25% of the turnover from 10 leaders,
- Carrefour (hypermarkets, supermarkets, discount stores) with 20%,
- Mercadona (supermarkets) with 15%,
- Eroski-Caprabo (hypermarkets and supermarkets) with 12.7%,
- Inditex (ready-made garments : Zara, etc.) with 11%,
- Alcampo (hypermarkets and supermarkets) with 7.3%, etc.

4.6 The retail sectors of Central European EU Member States

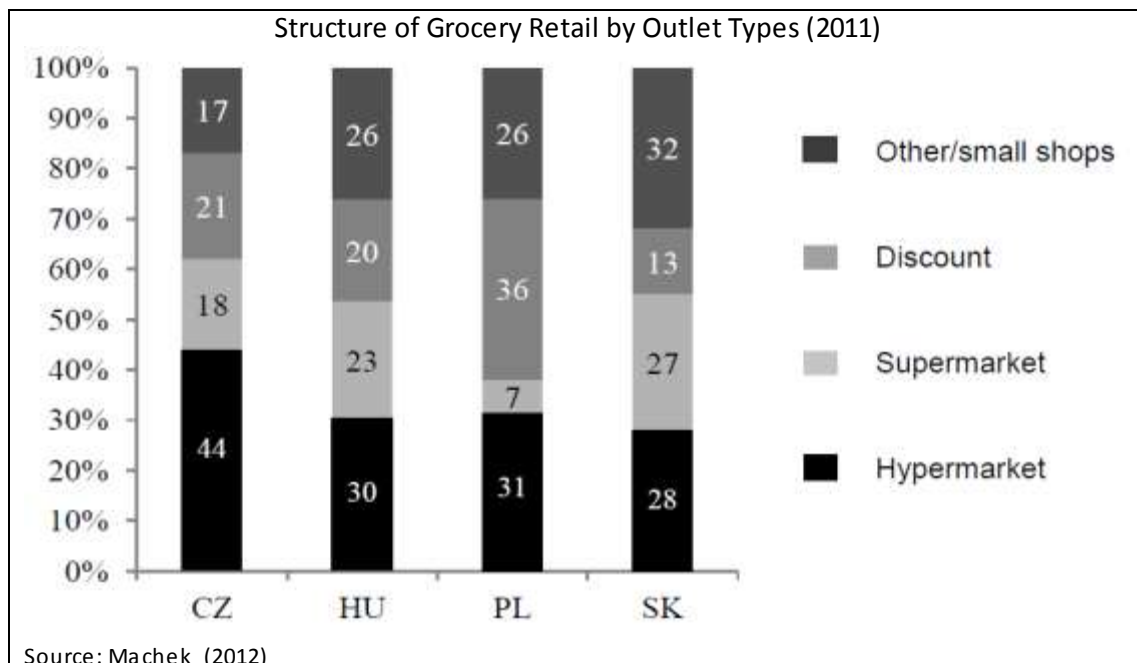
The retail industry in Central Europe, namely in the Czech Republic, Hungary, Poland and Slovakia, has changed dramatically in the last two decades, and has become a model for successful transformation of emerging markets. With the exception of Poland, the retail

market is highly concentrated and dominated by Western European retail chains. International retail chains are using all formats of modern distribution. The internationalization process of the Central European retail market was very fast. Today, there is strong concentration in the retail market. In 2010, the share of the Top 10 retailers in the Czech Republic was 76.5%, in Hungary 65.4%, and in Poland 57.9%. The Central European retail market is dominated by 16 international retail chains, but only two retailers, Tesco and Schwarz Group (with its discount format Lidl) are present in all four countries.

International retail chains operating in Central Europe (2010)				
Retail Chain (Country of Origin)	CZ	HU	PL	SK
Lidl (Germany)	X	X	X	X
Tesco (UK)	X	X	X	X
Kaufland (Germany)	X	-	X	X
Billa (Germany)	X	X	-	X
Penny Market (Germany)	X	X	-	X
Spar (Austria)	X	X	X	-
Ahold (Netherlands)	X	-	-	X
Aldi (Germany)	-	X	X	-
Auchan (France)	-	-	X	X
Carrefour (France)	-	-	X	X
Intermarché (France)	-	-	X	-
Cora (France)	-	X	-	-
Globus (Germany)	X	-	-	-
J. Martins (Portugal)	-	-	X	-
Leclerc (France)	-	-	X	-
Reitan (Norway)	-	-	-	X

Notes: CZ = Czech Republic, HU = Hungary, PL = Poland, SK = Slovakia

Source: Machek (2012)



4.6.1 Czech Republic

The Czech distribution sector is rapidly modernizing and increasingly resembles the distribution sectors of western EU countries, i.e. characterised by the dominance of big groups of modern retailers that disadvantages the traditional trade. until 1989, commercial distribution was under State control, but today it is entirely in private hands. In 1997, the hypermarkets represented only 1% of retail business while traditional businesses represented 49%. Today, the trend has completely changed and hypermarkets largely dominate with 44% of retail trade, while the market-share of traditional traders is still falling down. The distribution sector is dominated by UK, Austrian, and German companies which were the first ones to enter the Czech market. The biggest retail operators are: TESCO, METRO (Makro), AHOLD (represented by brand Hypernova and Albert), KAUF LAND, REWE (Billa, Penny), LIDL, and PLUS DISKONT.

4.6.2 Hungary

Until recently, small, family-owned shops dominated Hungary's retail sector especially rural areas, posing logistical challenges for distributors and suppliers. In urban areas, foreign owned shopping malls have expanded rapidly, so much so that as of January 2012, a protectionist law was enacted that requires all retail developments of above 300 square meters to be personally approved by the Minister for National Economy. In addition, in its fight against foreign-owned retail businesses, the Government has imposed since 2010 special additional taxes on retail outlets of firms owned by companies of other EU Member States, a discriminatory measure that goes against the Treaty on the Functioning of the European Union (TFEU).²⁷

Despite the ad hoc prior approval system introduced for the building of retail outlets above 300 square meters, distribution networks for consumer goods are fast developing and small and medium sized local businesses and especially small independent retailers are losing their market-share to foreign competition. Indeed, international stores are attracted to the country due to the increasing demand by Hungarian consumers for western products. The presence of several foreign groups can thus be noted:

- Auchan group,
- Tesco,
- Tengelmann
- Baumax
- Metro.

The food distribution market also consists of a few big groups, the leader being Tesco (UK), CBA (domestic), Coop (domestic), Spar (Austria), Auchan (France), Reál (domestic), and Lidl (Germany). The main players in the discount business are Lidl with 159 retail outlets and Penny Market with 143 retail outlets.

²⁷ <http://curia.europa.eu/jcms/upload/docs/application/pdf/2014-02/cp140014en.pdf>

Grocery Retailer Market Shares					
(Percentage of sales value, excluding sales tax)					
	2008	2009	2010	2011	2012
Tesco-Globál Áruházak Zrt	16.1	16.3	16.9	17.2	17.1
CBA Kereskedelmi Kft	12.3	12.7	13.3	13.3	13.1
Coop Hungary Zrt	9.7	10.3	11.0	11.2	11.3
Spar Magyarország Kereskedelmi Kft (belongs to Austrian SPARASPIAG)	7.6	10.4	9.8	9.6	9.4
Auchan Magyarország Kft	6.0	6.1	6.2	6.4	8.2
Reál Hungária Élelmiszer Kft	6.0	6.1	6.3	6.3	6.0
Lidl Magyarország Kereskedelmi Bt	4.0	4.3	5.0	5.3	5.4
Penny Market Kft	3.8	3.8	3.9	4.1	4.0
Aldi Magyarország Élelmiszeripari Kereskedelmi Bt	0.5	1.0	1.3	1.6	1.8
Coop Csoport	1.0	1.2	1.0	0.9	0.9
Csemege-Match Kereskedelmi Zrt	1.3	1.2	1.0	1.0	0.9
Profi Magyarország Kereskedelmi Zrt	0.8	0.6	0.5	0.5	0.5
Magyar Hipermarket Kft	2.5	2.1	1.9	1.8	-
Plus Élelmiszer Diszkont Kft (now belongs to Spar Hungary)	2.2	-	-	-	-
Others	24.5	22.4	20.4	19.3	20.2
Source: USDA: Exporter Guide to the Hungarian Market, GAIN Report No. HU1307, dated 19/12/2013					

In the non-food distribution sector, foreign groups dominate especially in the ready to wear sector (C&A, Mango, etc).

4.6.3 Poland

With an annual sale of over EUR 40 billion, Poland is the largest Eastern EU grocery retail market. In a few years, distribution has been fully privatised and the number of outlets has risen considerably. However, this sector remains unstructured with small shops being predominant in rural areas where hypermarkets have not yet set up business. The fragmentation of distribution, and the predominance of private independent stores in the Polish retail market contrast with neighbouring countries such as Hungary or Slovakia. Although small privately-owned shops in Poland have a market share comparable with that of big store chains, their number is still decreasing (by 3,000 – 4,000 per year). Despite that large format stores are not able to win this market. Poles like buying in smaller shops with the area less than 1,000 m² and are used to having a small grocery store round each corner.²⁸ Nevertheless, in large towns, big foreign groups have moved in, and out of the 900 supermarkets, 432 are of foreign-owned, that include supermarkets/hypermarkets, and Cash & Carry warehouses. Modern distribution (hypermarkets, supermarkets, discount) has a market share in the food trade of 35%. It is estimated that, ten years from now, Poland will

²⁸ Flanders Investment and Trade: Food distribution in Poland, 2011

have an identical distribution system to that existing in western countries. The top 9 retailers account for 40% of the market with the balance being made up of independents and small groups.

Wholesalers and their supply chains:

The Polish wholesale distribution market includes a few big international players, such as Eurocash, Emperia Holding, Makro Cash and Carry, Selgros, Bomi, and Bać-Pol. These distributors effectively consolidate the Polish wholesale market by focusing on the establishment of strong retail chains which operate in all Poland through wholesale outlets.

The Portuguese Eurocash Group, a leader among wholesale distributors, focuses on wholesale distribution of FMCG products to traditional retail stores in all Poland through a variety of distribution formats. A chain of cash & carry discount wholesale outlets provides retail shops with a wide range of FMCG products satisfying 80% demand of target customers. Eurocash has 127 discount wholesale outlets. Moreover, the group supplies products to restaurant chains (including KFC, Pizza Hut, Burger King, Coffee Heaven) and petrol stations and also offers franchise opportunities for retail stores which operate under such brands as: ABC (4,000 shops), Delikatesy Centrum, Nasze Sklepy and IGA. The store chain Delikatesy Centrum is the leader with 524 stores, located in 11 voivodeships.

Makro Cash & Carry has 29 wholesale outlets in Poland with a total area of 10 thousand m² and ranks second in the branch. In 2009 Makro Cash & Carry introduced a new shopping format called Makro Punkt (currently there are 4 such outlets), which differs from others in terms of its size and special range of products dedicated primarily to customers from the retail sector. Makro is also developing a chain of small franchise stores called Odido (there are over 250 of them in operation and it is planned to reach in two years a total number of 3,000). Makro also supplies Sfinks Polska, a restaurant company which manages restaurant chains such as Sphinx, WOOK and Chłopskie Jadło.

Tradis Distribution Group (owned by EMPERIA Group) sells and delivers goods to its clients through 39 self-service cash & carry warehouses in eight macro-regions covering the whole territory of Poland. The Group includes such companies as Tradis, DEF (FMCG distribution), Ambra (distribution of cosmetics and chemical products), Detal Koncept (developer of franchise chains Groszek and Milea), Euro Sklep and Lewiatan (both franchise chain developers), Koliber (a drugstore chain) and Partnerski Serwis Detaliczny (a company which organizes cooperative trade in Poland in joint effort with Spółem co-operatives). The number of sales outlets within the franchise chains totals 4,158.

Selgros Cash&Carry is a part of the holding company transGourmet, which trades in food products on a wholesale basis. Currently Selgros has 14 wholesale outlets in Poland and plans to have 20 in total.

Rabat Service (previously Rabat Pomorze) is one of the leading FMCG distributors in the north of Poland supplying retail companies of Bomi Group and also operating three franchise chains, Sieć 34, eLDe and Livio (about 1,400 stores in total). The structure of Bomi Group includes three store formats: delicatessen stores (33 stores), supermarkets (39 sales outlets) and neighbourhood grocery stores (40 shops).

BAĆ-POL Capital Group, a distributor of food products, also ranks among the biggest trading companies of Poland. It cooperates with wholesale outlets, retail chains and stores. Its offer includes over 6,000 products of both major foods companies (Unilever, Zott, Hochland) and smaller regional firms. The group operates in the Podkarpackie, Małopolskie, Świętokrzyskie, Lubelskie, Mazowieckie and Lubuskie Voivodeships. The company has its branches in all

these voivodeships and distributes products throughout Poland. Bać-Pol also has 9 cash & carry sales floors. In the retail sector the company operates through the franchise chain Słoneczko and Spar (60 retail outlets).

POLSKA SIEĆ HANDLOWA UNIA S.A., established in 1998, is a major purchasing group on the Polish market and runs 16 food wholesale outlets. It manages a chain of 540 franchised stores operating under the following well recognized brands Poziomka, Dobry Sklep, Zielony Koszyk and Sklep Polski. Sklep Polski is the biggest chain comprising about 240 sales outlets mostly in the Wielopolskie Voivodeship.

The still scattered consumer co-operatives 'SPOŁEM' make joint purchases of selected products from a number of producers. In the first quarter of 2011 the group represented as many 1,000 stores. In Poland there are about 270 'Spotem' cooperatives which operate approximately 3,500 stores with the total annual turnover of EUR 1.8 billion.

Main retailers:

Poland's main food retailers include Real, which belongs to the German Metro AG group, Hypernova (which belongs to the Dutch Ahold group), Tesco (UK), Auchan, Geant and Carrefour (all French-owned) Biedronka (Portuguese-owned), and Plus. Surprisingly, the biggest player in the retail market is the Portuguese company Jeronimo Martins Group, which operates only Poland outside Portugal. This group acquired the Polish company Biedronka in 1997 and it is the only international chain keeping the local brand and using the "local passport strategy". This strategy consists of local positioning and is efficient in countries where consumers tend to prioritize domestic firms over international ones. Biedronka has a 17.5% market share, nearly 2,400 stores and 98% spontaneous recognition, a very successful format.²⁹

²⁹ Machek (2012)

Main players in modern distribution in Poland		
Hypermarkets	All types of products	Carrefour (88 hypermarkets) Auchan (30 hypermarkets) Tesco (446 stores, incl. supermarkets) Real (54 hypermarkets) E.Leclerc (40 hypermarkets)
Supermarkets		Aldi (24 stores) Alma (29 stores) Carrefour (139 stores) Auchan (24 "Simply Market" and "Simply City" supermarkets) Bomi (39 stores) Delikatesy Centrum (524) Eko (224 + 35 Inter Kram) Intermarché (150 stores) MarcPol (53 stores) Mini Europa (8 stores) Piotr i Paweł (73 stores) Polomarket (301) Rast (19) Spar (82) Stokrotka (172) Top Market (180)
Department Stores	All types of products	Galeria Centrum
Large shopping centers	All types of products	Targowek, Manhattan, Ptak, Arkadia
Discount stores	Mainly for foodstuffs	Biedronka (nearly 2,400 shops; Biedronka sells mainly Polish products, but also a variety of Portuguese-made products) Lidl (525 stores)
Specialized stores	Specialized in one family of products: gardening, DIY, sport, etc.	
	Gardening and DIY:	Leroy Merlin, Obi
	Everything for the house:	Ikea, Domoteka
	Sport:	Décathlon, Go sport
	Perfume and cosmetics:	Sephora, Douglas, Rossmann
	Books, discs:	Empik
Source: santandertrade.com and Flanders Investment and Trade (2011)		

5. Main distribution channels by sectors and by Member States

5.1 Fresh fruit and vegetables

5.1.1 European Union

The European import values of fresh fruits and vegetables are contained in Annex 1.

Germany, the United Kingdom, France and The Netherlands are the biggest importers of fresh fruit and vegetables from developing countries (DCs), while Greece, Bulgaria, Slovenia and Italy have the highest import share of FFV from DC. The Netherlands is a major trade hub for fresh produce from DCs destined for other European markets. European countries import a wide range of fresh products from DCs: besides, for example, bananas, they also import out-of-season vegetables such as green beans and tropical fruits like mango and avocado.

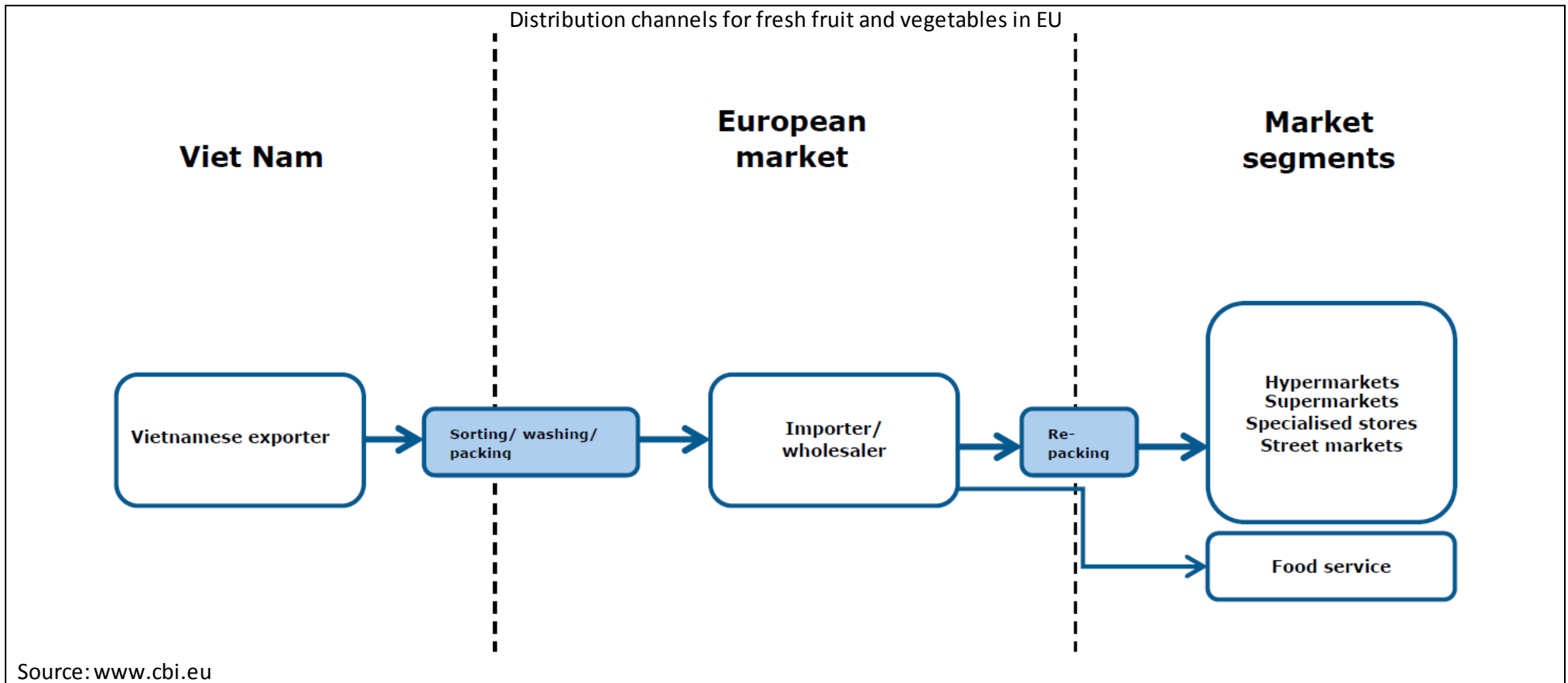
The schematic structure of the distribution channels of the EU market for fresh fruits and vegetables is shown in Figure 1.

The main market segments for fresh fruit and vegetables are the retail and the food service sector (restaurants, hotels, institutional market).

The retail market is dominated by the hypermarkets and supermarkets (in the following we use supermarket to include also hypermarkets). Besides these, there are also specialised stores and street markets for vegetables and fruit. For organic produce, speciality organic shops and organic supermarkets are an important sales channel. However, the retail segment (and in general the entire distribution sector) is dominated by supermarkets, where about 60-90% of produce sold by supermarkets, depending on the product and country. The market share of supermarkets tends to be higher in Northwest Europe than in Southern Europe. Traditional specialist stores and street markets have seen their market shares decrease to about 10% in most countries.

The out-of-home market (cafés, restaurants, hotels, pubs & bars, etc.) experiences difficulties because of the economic crisis, especially restaurants. This market channel is supplied by the same importers as the retail. The market share of out-of-home varies from about 10 to 30% in the different European countries.

The importance of the supermarkets in the distribution chain is even more important than as their share in the retail sales because of vertical integration of the sector organized by the bus supermaketers. The dominance of the major supermarkets and centralised buying has increased supermarkets' power within the market and product requirements throughout Europe.



The main suppliers of fresh fruit and vegetables to supermarkets are wholesalers and importer-wholesalers. Some large supermarket chains have special service providers who – together with importers and local producers – attend to the smooth delivery and sourcing of good quality products. Supermarkets and importers can choose from many suppliers – especially for undifferentiated products – a feature that necessitates relentless efforts from producers and exporters to become and remain a valued partner in the supply chain.

The EU retail market formats consist of hyper and supermarket retail chains, smaller supermarket chains and independent food grocers, specialist fruit and vegetables stores, and street markets. Large supermarket chains dominate the market with market shares for fruit and vegetables of up to 85%. The market shares of supermarkets are somewhat lower for fruit than they are for vegetables. Specialist stores and street markets have somewhat higher market shares in Eastern and Southern Europe, although large retail chains are increasing market shares in these locations too.

There are over 420,000 non-specialised food retail stores in the EU. Nevertheless, this market segment is dominated by a relatively small number of large retail chains with concentrated buyer organisations. It is estimated that there are approximately 220 larger supermarket chains in the European market operating almost 600 different supermarket stores (brands). Retailers like Rewe in Germany operate different brands and target different segments of consumers: Billa, BIPA, Merkur, and Penny. Other examples of large European food retailers are Carrefour (France based hyper/supermarket, over 100 billion euro turnover), Metro AG (Germany, over 100 billion euro turnover), Tesco (UK, approx. 100 billion euro turnover), Schwarz Group and Aldi GMBH (discount supermarkets, Germany), and Koninklijke Ahold N.V. (supermarket, the Netherlands).

The Trade Structure of the European Distribution of Fresh Fruits & Vegetables

Importers/wholesalers: the importing wholesale companies buy produce from abroad and resell to domestic retailers, or re-export to other countries. They take care of the necessary administrative formalities and often provide services such as (re-)packaging, ripening, transportation and logistics. These importing wholesalers provide your best access to the European markets, with an extended network of customers, from retail buying centres, domestic wholesalers to food service companies. Importers usually have longstanding relationships with customers and excellent knowledge of quality requirements, logistics and the formal administrative processes. Some wholesalers use agents to facilitate transactions.

Sorting/washing/packing: post-harvest treatments include sorting, grading, cleaning or washing, cutting or slicing, ripening, and packaging and labelling. The treatments depend heavily on the type of produce and the supply chain requirements. Usually, but not always, sorting and cleaning of fruit and vegetables is done in the country of origin, as well as packing in wholesale containers (boxes or crates). Some produce, such as avocados, ripens during transport and distribution.

Re-packing: after importing into the EU or EFTA market, some produce needs to be repacked in retail size packaging. Wholesalers and specialised companies perform this task if required by the wholesalers.

Supermarkets: European supermarkets are divided into the large supermarket chains such as Carrefour, Rewe and Ahold, and smaller independent stores. The larger supermarkets have by far the largest market shares and operate their own (sometimes combined) buying centres and distribution centres. Although supermarkets may be involved in sourcing their

fresh produce, they usually rely on the services of importing wholesalers and service providers. Supermarket service providers are wholesalers and logistics service providers who take care of much of the sourcing and distribution process on behalf of the supermarket. They cooperate with importers and are responsible for importing, contracting and combining products from different countries. Directly dealing with supermarkets requires a high degree of business professionalism as well as access to logistics service providers and your own importing experience and facilities. Usually DC exporters access the supermarket channels through the use of European importers.

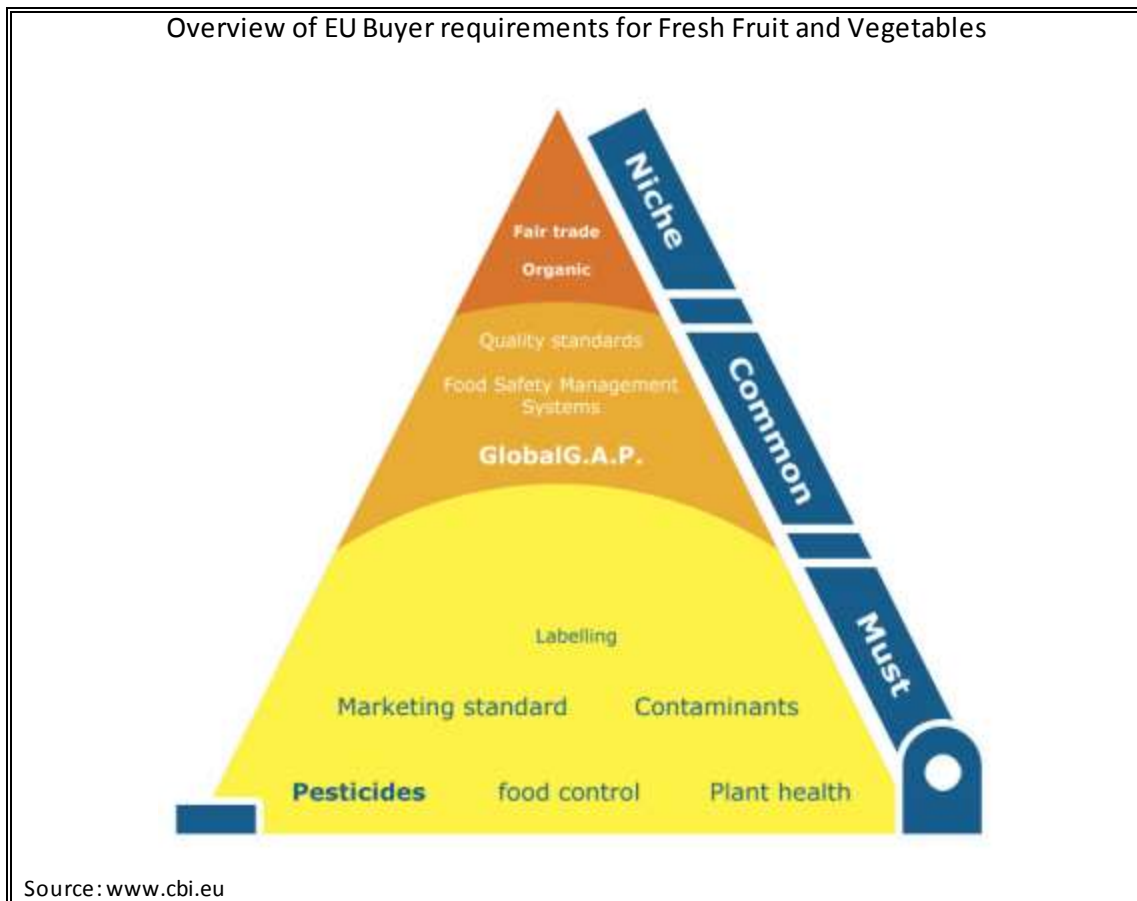
Specialised shops: specialised fruit and vegetable shops exist throughout the European market, although their market share has decreased to about 10 per cent. Most of them are family-owned, small independent shops that sell fresh fruit and vegetables as well as some related food items. They buy primarily from local wholesalers.

Street markets: most European cities have regular (sometimes daily) fruit and vegetable markets. Traders rent stalls and sell fresh produce that they usually source from local wholesalers or producers. The street markets have a decreasing market share of only a few per cent in most countries.

Food service: the food service channel includes restaurant, hotels, business catering and hospitals. These organisations usually procure fresh fruit and vegetables from local wholesalers. The food service channel has an estimated market share of about 10-15% for fruit and about 20% for vegetables.

European buyer requirements for fresh fruit and vegetables

Buyer requirements are those that a supplier needs to meet in order to sell to the buyer. Buyer requirements can be divided into (1) *musts*, requirements that Vietnamese exporters of fresh fruit and vegetables must meet in order to enter the market, such as legal requirements, (2) *common* requirements, which are those most of Vietnam's competitors have already implemented, in other words, the ones Vietnamese exporters of fresh fruit and vegetables need to comply with in order to keep up with the market, and (3) *niche* market requirements for specific segments.



Legal musts: Pesticide management is essential. The EU requirements for fresh fruit and vegetables are strict and food safety is top priority. The most important being the legislation regarding the residue limits of pesticides. Other important issues are hygiene, contaminants and labelling. Furthermore some fresh fruit and vegetables must be accompanied by a plant health certificates and certain products must have a certificate of conformity with the market standards.

Common requirements: GlobalG.A.P., food safety management and quality standards. Since the quality and safety of the food upon entry in the EU heavily depends on the procedures practiced during the handling of the product from production site to the borders of the EU, many EU buyers require their suppliers outside the EU to follow Good Agricultural Practices (GAP) and to practice hygiene procedures equivalent to those established in the EU. Certification against the GlobalG.A.P. standards (for on-farm practices) or/and food safety management system is a common requirement. Regarding quality, compliance with an UNECE or Codex Alimentarius standard is often required.

Niche requirements: The EU is a growing market for organic and Fair Trade fruit and vegetables. There is a considerable niche market for organic and Fair Trade fruit and vegetables, with an extra focus on environmentally friendly and socially responsible production.

Support organizations in the European Union for fresh fruits and vegetables. Vietnamese exporter of fresh fruits and vegetables might wish to get support from European sector organisations, which can provide them with information on product standards, certification requirements, export channels, distributors, etc. The most important ones are the following:

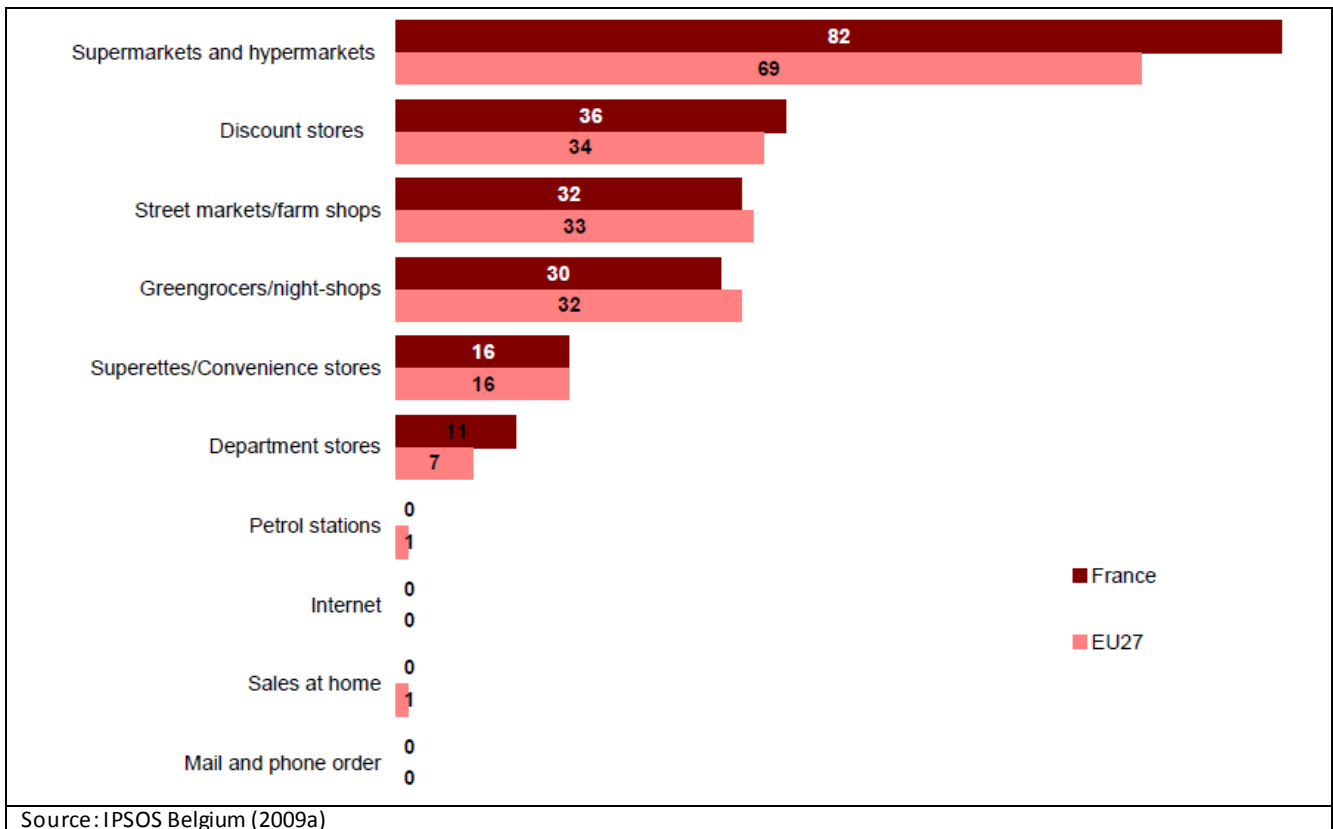
Support organization's name	Member State	Website
Freshfel	EU (Belgium)	www.freshfel.org
Fresh Trade Belgium	Belgium	www.freshtradebelgium.be
Trade for Development Centre, BTC	Belgium	www.befair.be
EUCOFEL (European Fruit and Vegetables Trade Association)	EU (Belgium)	www.eucofel.org
Interfel	France	www.interfel.com
BioFach	Germany	www.biofach.com
FruitLogistica	Germany	www.fruitlogistica.de
Deutscher Fruchthandelsverband e.V. (DFHV)	Germany	www.dfhv.de
GlobalGAP ³⁰	Germany	www.globalgap.org
Fruitimprese	Italy	www.fruitimprese.it
Frugi Venta	The Netherlands	www.frugiventa.nl
FruitAttraction	Spain	www.fruitattraction-ifema.es
Swedish Association of Agents	Sweden	www.agenturforetagen.se
Fresh Produce Consortium (FPC)	United Kingdom	www.freshproduce.org.uk
BRC Global Standards ³¹	United Kingdom	www.brcglobalstandards.com
FAIRTRADE Labelling Organization (FAIRTRADE FLO)	United Kingdom	www.fairtrade.org.uk

³⁰ Voluntary standards setting private organisation for the certification of agricultural products

³¹ Safety and quality certification

5.1.2 France

The French distribution system of fresh fruits and vegetables in the upstream and midstream segment (i.e. from production/sourcing of imports up to retail) does not differ fundamentally from the general picture of that of the EU. However, the retail segment is characterized by a sensitively larger share of supermarkets and hypermarkets than in EU in general. The following chart shows consumers' buying habits of fresh fruits and vegetables in comparison with EU average.³² This is in line with the fact that supermarkets and hypermarkets contributed 82% in 2012 of the total sales of the French mass grocery retail sector.

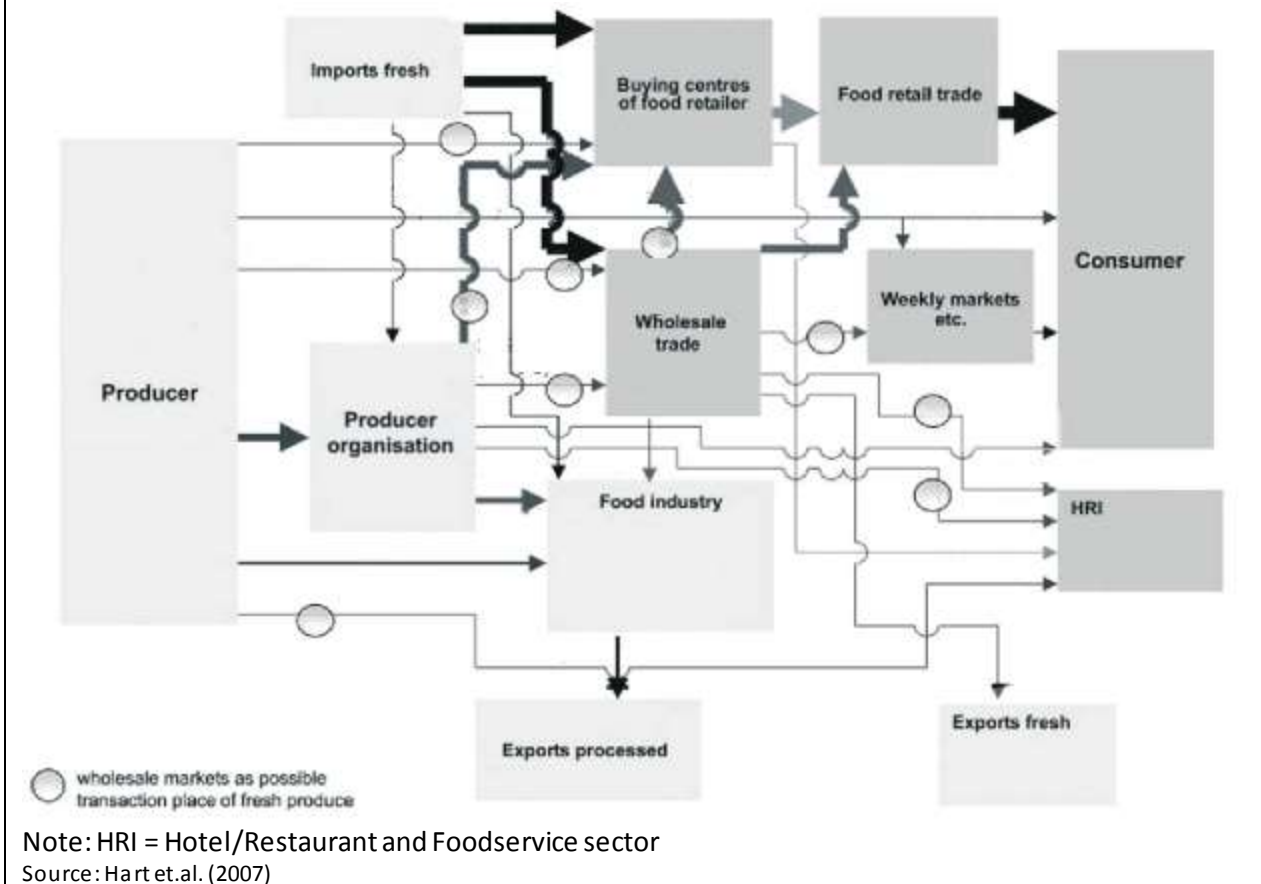


5.1.3 Germany

The supply chain of fruit and vegetables is characterised by a large number of participating agents and consequently with a wide range of different distribution channels. The following Figure illustrates the product flow in the supply chain for fresh fruit between the different agents.

³² The indicator used in the above chart is based on consumer satisfaction analysis which explains why the figures shown in most of the chart do not add up to 100%.

Supply chain map for fresh fruit and vegetables in Germany, 2003



As it can be seen from both the above flowchart of the supply chain, many transactions can potentially be made at wholesale markets like the famous ones in Hamburg, Munich or Berlin. At these wholesale markets, the supply (producers, importers, producer organisations, wholesale and retail traders) and demand (traders of weekly markets, specialised fruit and vegetable stores, large scale consumers and branches of food retail) meet physically under one common roof. This provides important information for the players on the market and creates market transparency.

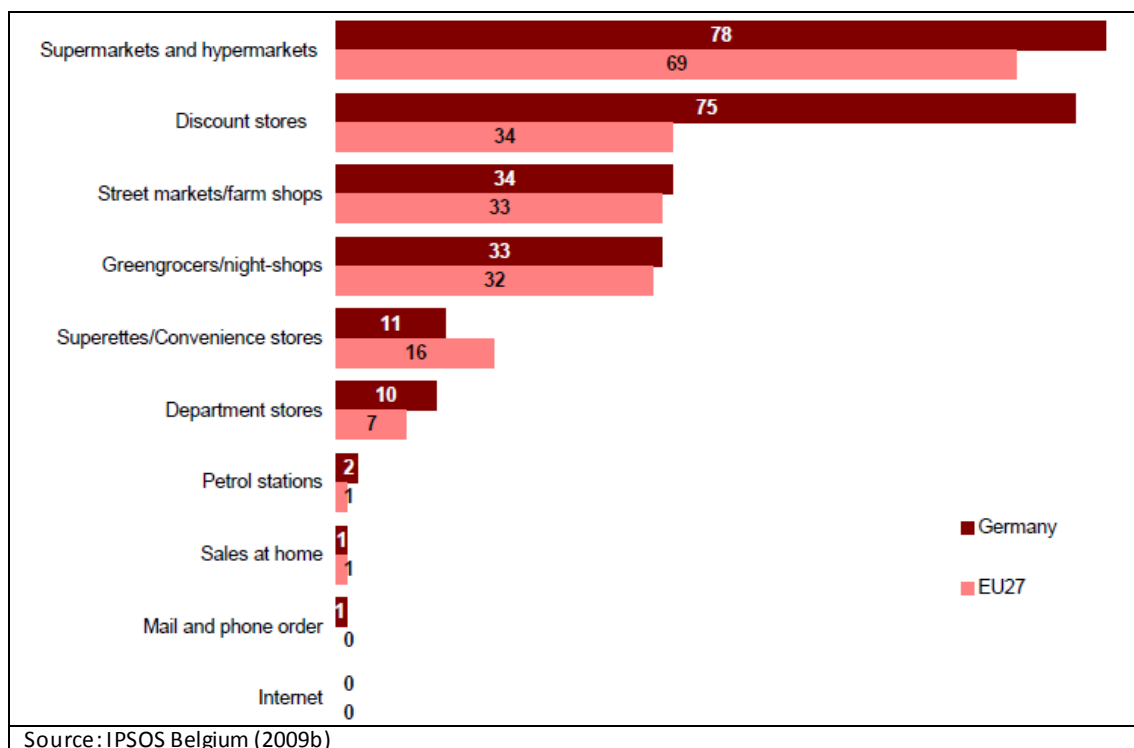
The domestic production is by far not sufficient to meet the demand for fruit and vegetables in Germany. The self-sufficiency ratios for 2002/2003 were 20.9% for fresh fruit and 50.1% for fresh vegetables (much lower than the average ratio for all foods of 96%), and these ratios have not changed substantially since then. Consequently imports of fresh fruit and vegetables are essential to satisfy the domestic demand.

Potential recipients of the imported commodities are producer organisations, the food industry and every partner in the wholesale/retail sector. The producer organisations are for both product groups of marginal importance with a maximum of 1% of the imported quantities. Another minor share of the imported quantity of fruit and vegetables enters the food industry. In total, about 5% of the total fruit imports are intended for industrial uses. The remaining imported quantities are handled by the wholesale trade or the buying centres of retailers, each channel receiving about 40-50% of the total imports.

The producer organisations are the first marketing stage between domestic producers and wholesale trade. Important customers of the producer organisations are buying centres of

food retailers, wholesale trade, food industry, large scale consumers like hotels and catering enterprises and via direct selling to the consumers.

The food retail sector has a dominant position in the supply chain of fruit and vegetables. More than 85% of fresh fruit and 87% of fresh vegetables are sold by the food retailers to the consumers. The structure of the German retail segment for fresh fruits and vegetables in terms of consumers' buying habits in comparison with that of the EU³³ is shown in the following chart. When comparing to other Member States, especially the other two countries covered by this chapter, namely France and the Netherlands, the almost equal importance of discount stores and supermarkets/hypermarkets is striking.

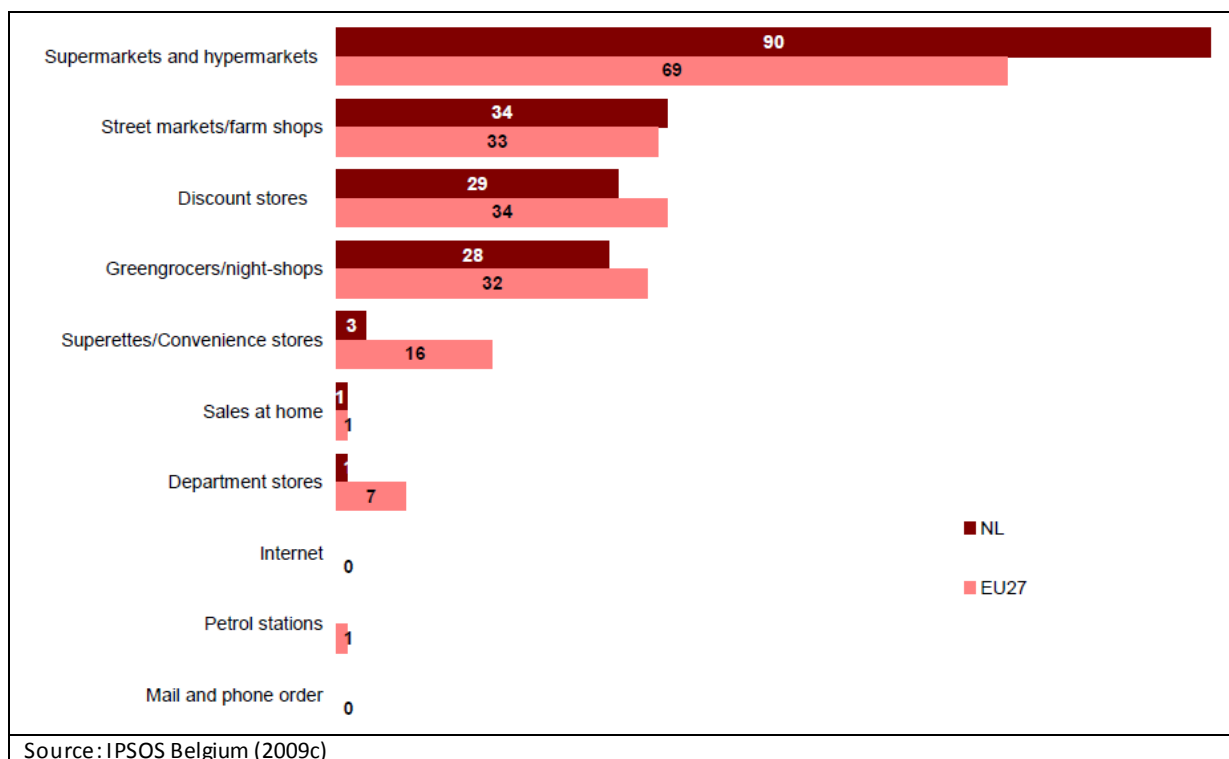


5.1.4 The Netherlands

The Dutch distribution has one distinguishing specificity in the EU market for fresh fruits and vegetables: it is a very important gateway to the European market. A great deal of produce is imported through the Rotterdam port only to be re-exported to other European markets such as Germany and the United Kingdom. Therefore, the importance of supply chain logistics in terms of the quality of the final product must not be underestimated.

Regarding the structure of the retail segment, the role of supermarkets/hypermarkets is even more important in consumers' preference than in France, while discounters rank 3rd, behind street markets and farm shops. (While street markets and farm shops retail format is ranked 2nd in both France and Germany.)

³³ The indicator used in the above chart is based on consumer satisfaction analysis which explains why the figures shown in most of the chart do not add up to 100%.



5.2 Processed Fruit and Vegetables

5.2.1 European Union

The European import values of processed fruits and vegetables are contained in Annex 2.

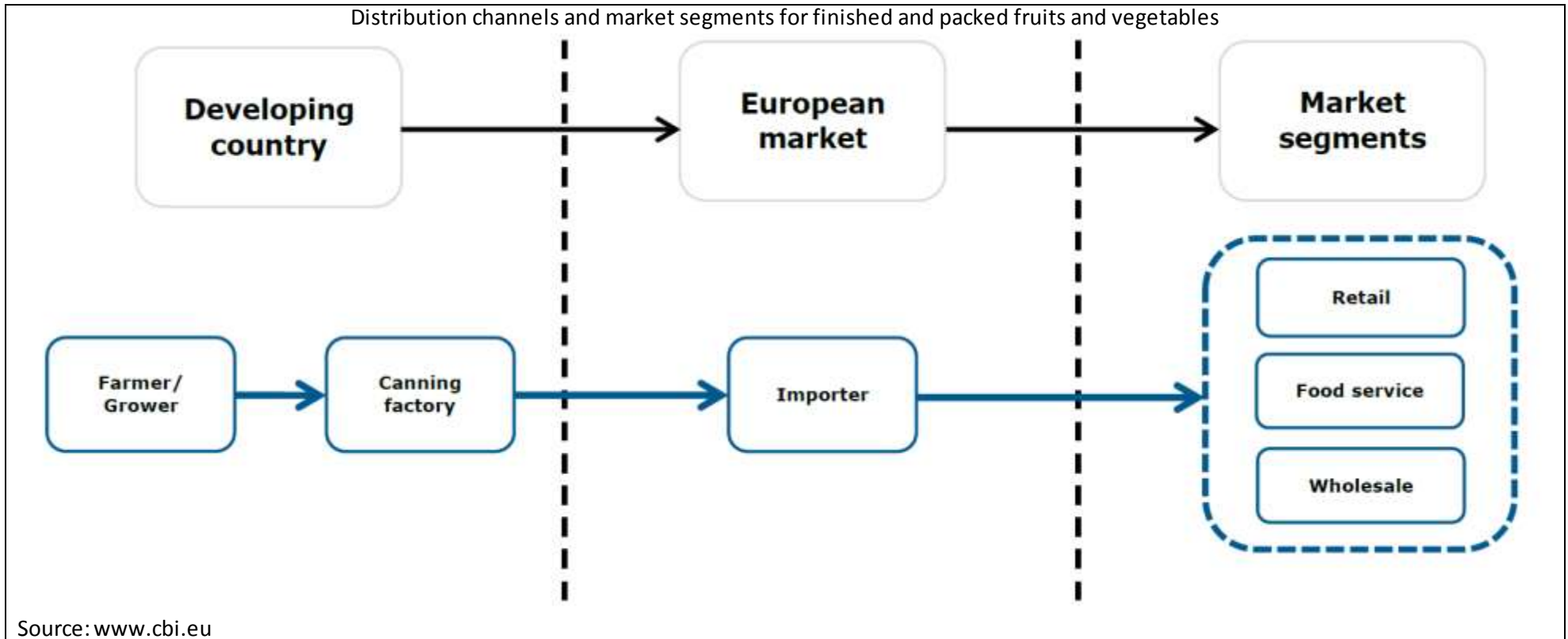
The average value of EU imports of processed fruit during the 2009-2011 period was €4 billion, with fruit juices constituting the largest category, accounting for 43% of all EU imports of processed fruit. EU imports of processed vegetables averaged €1.5 billion in 2009-2011 and were dominated by prepared or preserved tomatoes, mushrooms and asparagus. They made up almost half of EU imports of processed vegetables.

With respect to the structure of the distribution channels of the EU market for processed fruits and vegetables we distinguish between distributions of finished products, such as such as canned and deep-frozen items, and products used as ingredients³⁴ for the production of end-products such as ice cream, dairy and fruit juices.

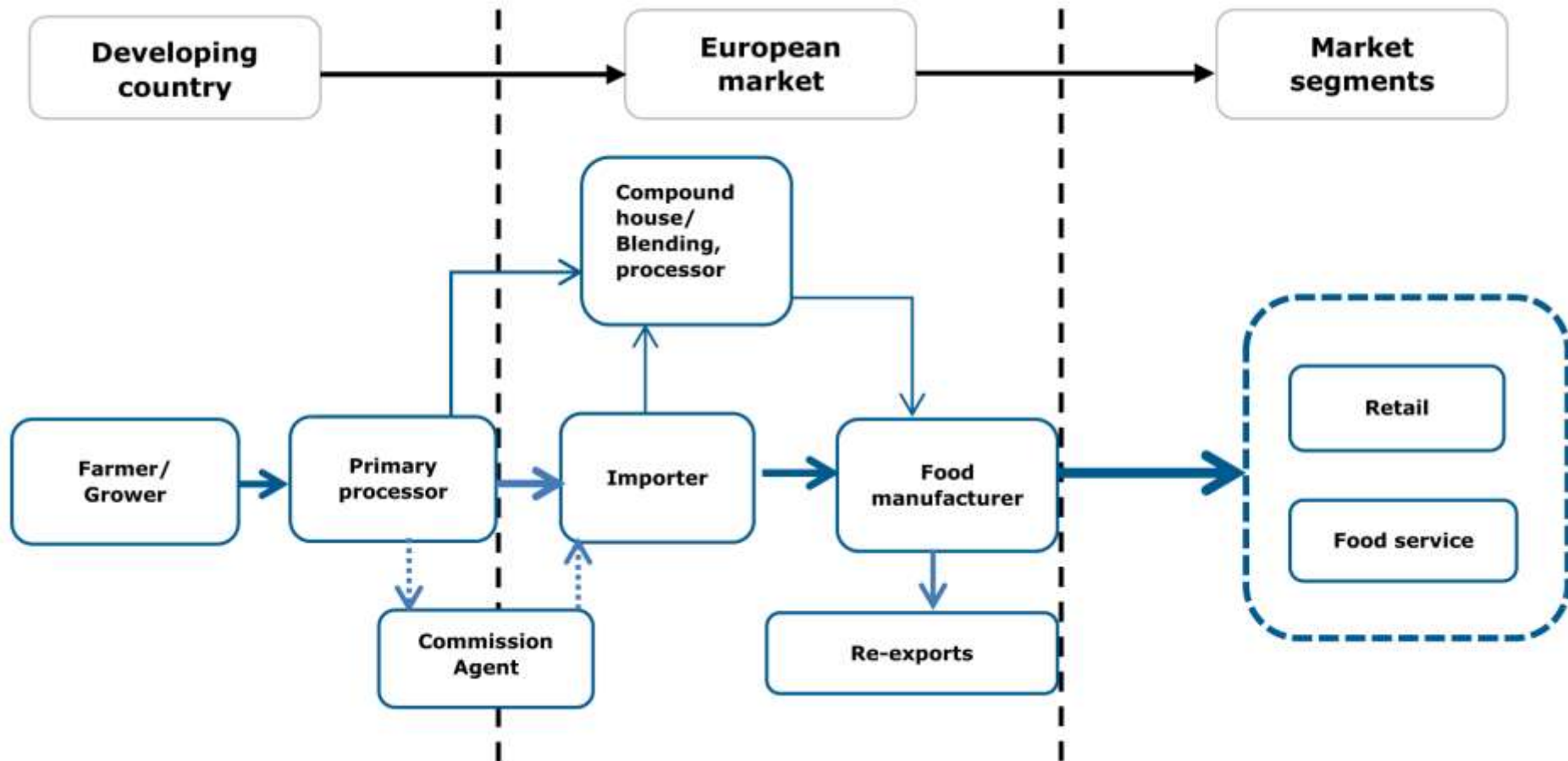
The schematic structures of the distribution channels for these two categories of products are shown respectively in the following two flowcharts.

³⁴ The mostly used products used as ingredients for the food manufacturing industry include dried and frozen fruit, dried vegetables, fruit juice concentrates and provisionally preserved fruits and vegetables.

Distribution channels and market segments for finished and packed fruits and vegetables



Distribution channels and market segments for ingredients for processed end-products



Processed fruit and vegetables undergo initial processing in the exporting country and generally will be exported to the EU through a more powerful European importer. Once within the EU, the exported ingredients are subjected to a second round of processing by the EU food manufacturing industry. The most important processing companies in the EU include Nestlé, Unilever, Ponomo, Bochi group/ Univeg, Bokkavör, Bonduelle, Franz Zentis GmbH. and Rauch Fruchtsafte GmbH.

In the case of canned product (figure above), processing occurs only in the exporting country and thus the supply chain is less complex throughout the value chain: the importer buys the products in the exporting country (either from the producer or an intermediate exporter) and sells the processed products directly to the different segments, i.e. to wholesalers, retailers, and food services. In any case, the role of the importer remains prominent.

Within the processed fruit and vegetables supply chain as a whole, European importers and food manufacturers play the most important role. Furthermore, because of the imperative of maintaining constant product quality and regular supplies, reliable partner relationships is required in order to ensure a year-round supply around the world.

The main actors of the distribution chain are the following:

Commission Agents: The use of this type of agent is becoming less common, but a relatively small percentage of producers still use commission agents who look for European buyers, mostly importers. Commission agents have the required knowledge, as an intermediary, to sell products from developing countries to the European market.

Importers: The importing wholesale companies buy processed fruit and vegetables from abroad. They sell the goods to domestic buyers such as food manufacturers (the biggest buyers) or compound houses/blending processors (see below). They have a market to which they provide products in their own network. Services such as logistics and transportation are also organised within this network. Importers usually have long-standing relationships with their suppliers and excellent knowledge of quality requirements, logistics and the formal administrative processes.

Compound house / Blending processor: Sometimes, although this is not very common, products from an importer or primary processor are sent to a compound house or blending processor which import goods directly. They then blend the produce, according to special recipes, to create an end-product. This means there is a relationship between the food manufacturer (who will make end products) and the compound house/ blending processor.

Food manufacturer: The food manufacturer is one of the most important actors in the chain. They re-export end-products or sell them to different market segments; the retail market is the biggest buyer. They tend to buy their products directly from importers. Food manufacturers need a regular supply of high quality goods, maintain close relations with importers and often work under long-term contracts or partnerships.

Retailers/ Food service: Exporters from developing countries do not usually supply the retail or food service market segments. Nevertheless, retailers are able to increase their power and product requirements throughout the chain. Besides quality requirements, they need constant availability of supplies at a short notice. The food service industry includes restaurants, hotels, business catering and hospitals. Their demand is less insistent than retail.

5.2.2 France

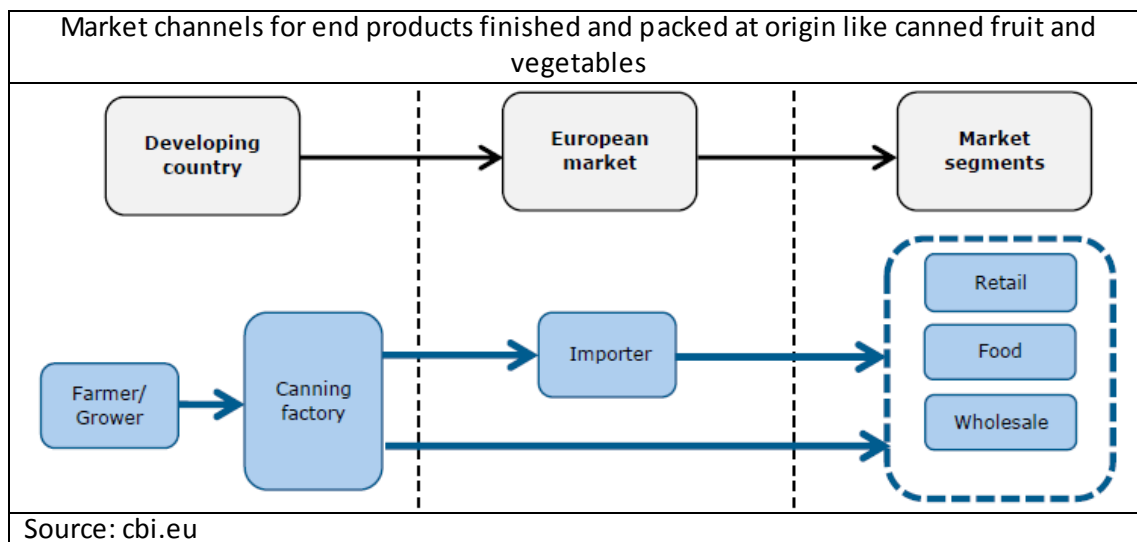
5.2.2.1 Fruit juices and concentrates

The distribution channels of the fruit juices and concentrates markets are very similar across the EU. The schematic description of these channels are described in the section 5.2.3.1 relating to the German markets, but it equally applies to France.

5.2.2.2 Canned fruit and vegetables

With a 14% share of the EU's total imports of canned fruit and vegetables, France is the third largest importer in terms of volume after Germany and the UK.³⁵

The market channels and segments for processed fruit and vegetables are similar across the European Union. Its schematic structure is shown in the following figure:



In the canned industry supply chain, the importer sells end products directly to the different segments. In addition, many multiple retailers also import directly from producers including from developing countries. Manufacturers of branded products own factories where these products are manufactured. A recent development is that brand owners outsource production to cheaper third-party production plants that are able to produce at lower costs, for example private-label suppliers that are already operational. In this case, the marketing and production become split among different companies.

A retailer ensures the marketing, but contracts producers to supply products manufactured in accordance with the requirements of the retailer. Commonly, the retailers look for manufacturers that are able to supply at the cheapest price given the retailer's conditions.

The number 1 retailer of canned fruit and vegetables in France is Carrefour, which is also among the Top 5 largest EU retailers.³⁶

There are approximately 10,000 enterprises across the EU-27 whose main activity is the processing and preserving of fruit and vegetables. The largest EU player within this segment

³⁵ Source: cbi.eu

³⁶ The other Top 5 being Schwartz, Aldi, Rewe (all three Germany), and Tesco (UK).

is the French Bonduelle SA with production presence in 18 countries employing 10'000 people, and who works with the the contract-growing concept. Bonduelle's main 4 brands include Bonduelle, Cassegrain (France), Arctic Gardens (Canada), and Globus (Russia and Central and Eastern Europe). It is number 1 in France, Germany, Benelux, Poland, and Czech Republic), with 30per cent of the market (source: Bonduelle.com, 2013) and one of the top-10 canned food producers in the world.

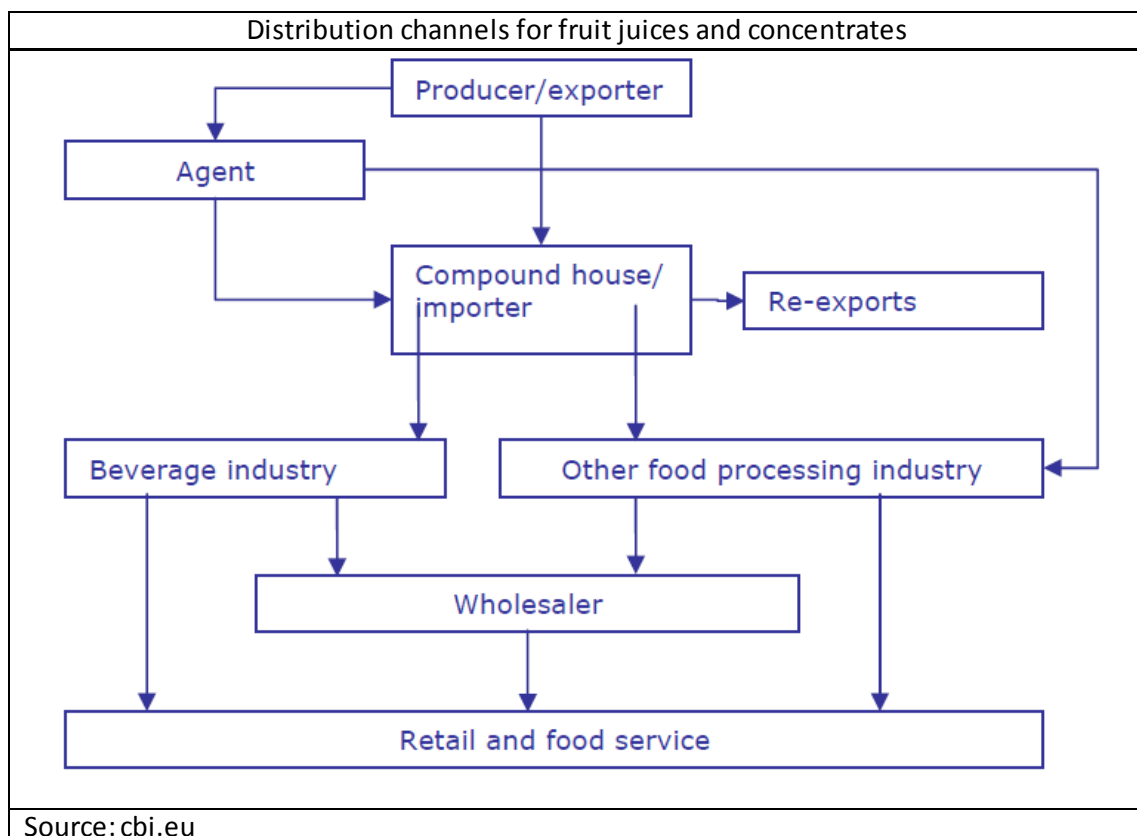
5.2.3 Germany

5.2.3.1 Fruit juices and concentrates

The schematic structure of the distribution chain in the fruit juices and concentrates market include the following segments:

Compound houses

Compound houses are specialised importers of fruit juices and concentrates and have specialised warehousing facilities. They often process the imported fruit juices and concentrates (mix or standardised, and may pack juice) before they are sold to their customers in the beverage industry and to ice cream and bakery industry. These compound houses possess specialised storage and processing facilities from where they ship the processed fruit juices and concentrates to their customers.



In the EU only a few large compounders of fruit juices and concentrates supply the market, one of the three biggest being the German company Döhler-Eurocitrus.^{37 38} The compound

³⁷ www.doehler.com

³⁸ The other two being SVZ (<http://www.svz.com>), and Cargill (http://www.cargill.com/products/food/ps_beverages.htm).

houses supply to both small and large beverage companies. The activities of agents and other importers of fruit juices and concentrates are generally focussed on purchases and searching for different or special quality products.

Manufacturers of end-products

Beverage manufacturers using large quantities of juice concentrates on a regular basis purchase their ingredients directly from producers abroad or compound houses. Many small and medium-sized manufacturers use processing importers or agents based in the EU; direct purchasing from foreign countries by small and medium-sized manufacturers may occur incidentally.

Retail and food service organisations

Multiple retailers and food service organisations are the final stage of the value chain for fruit juices and concentrates. Eventually, almost all food sales are made through these channels. The retail sector hardly ever imports fruit juices directly, but buys from wholesalers and retail buying groups, importers and the food manufacturing industry. In Germany, major multiple retailers (with their own buying groups) are Metro and Aldi.³⁹ Like the multiple retailers, the food service organisations rarely buy directly from overseas sources.

5.2.3.2 Canned fruit and vegetables

For the schematic description of the market channels and segments of canned fruit and vegetables, see section 5.2.2.2 (France). Germany is the largest producing country of canned fruit and vegetables in Europe. Its canning industry includes a wide range of products supplying both the domestic market and many other EU countries.

Germany is also the the largest EU importer country of canned fruit and vegetables in terms of volume (24% of total EU imports).⁴⁰

Three of the 5 biggest EU reatilers of canned fruits and vegetables are located in Germany: Schwartz, Aldi, and Rewe.

5.3 Fish and Seafood

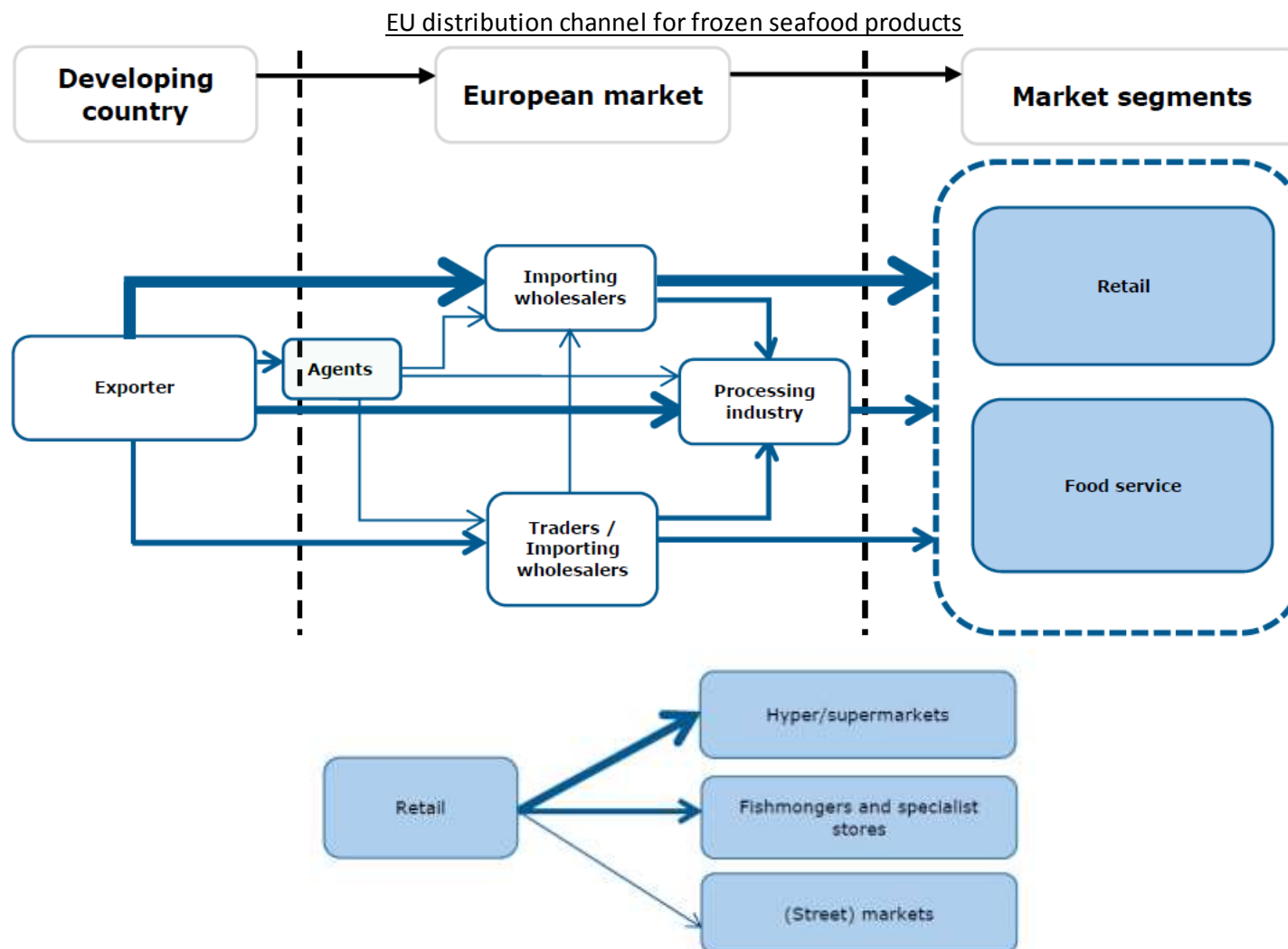
5.2.1 European Union

The EU market for fish and seafood has two main segments: retail and food service. While food service is mostly supplied by importing wholesalers and traders, retail is mostly supplied by importing wholesalers and the processing industry. Although in most cases fish and seafood exporters' partner will still be a buying agent or an importer, the length of supply chains is expected to become shorter in the future as a result of a shortage of supplies, quality requirements and sustainability issues.

The market channels for imported seafood vary greatly from one EU country to another depending mostly on seafood consumption habits. In some countries, mainly in the north and west, large retail stores have a greater role in selling to consumers, while in the Mediterranean countries consumers prefer buying fresh products and therefore would also prefer the traditional retail format.

³⁹ Other major EU multiple retailers are Carrefour (France), Tesco (UK), and Ahold (Netherlands).

⁴⁰ Source: cbi.eu



While the role of agents in the supply chain is declining, direct sourcing by retailers and wholesalers is on the rise. Increasingly, buyers need to have more control over the quality of the product and, therefore, need to invest in direct relationships with suppliers and thus bypass agents more often. In some cases, however, depending on the product, agents will continue to keep their role as the facilitators of trading relationships between European buyers and exporters. This is especially the case when services involving greater complexity are necessary, such as specific import requirements or when buyers need to source low volumes from many small-scale suppliers in order to consolidate supply. Large retailers and wholesalers (e.g. the Metro Group in Germany or Sligro in the Netherlands) are increasingly importing directly from exporters. This is particularly true of bulk products. Compared with retailers, wholesalers more commonly source directly from exporters. One of the reasons for this is that, at present, seafood products for the retail segment are repacked by importing wholesalers.

5.2.2 *France*

In the fish and seafood market, France is the fourth-largest importer in the world with US\$6.5 billion in 2011, an increase of 10.5% from 2010. Top suppliers were Norway (11.7%), the United Kingdom (9.0%), Spain (7.3%), the United States (4.8%) and the Netherlands (4.5%). France's supply is very diversified, importing fish and seafood from more than 124 countries. France's main fish and seafood imports include frozen fish fillets (US\$916 million), frozen shrimp and prawns (US\$735 million), fresh salmon (US\$706 million), canned tuna (US\$554 million), and other fish, excluding fillets (US\$441 million). France was a net importer of fish and seafood in 2011, exporting just over US\$1.7 billion, an increase of 7.3% from the previous year. Most of France's exports were comprised of frozen fish with bones (US\$274 million), fresh fish fillets excluding steaks (US\$97 million), prepared fish (US\$87 million), live cuttlefish and squid (US\$79 million), and smoked salmon (US\$77 million). Top export destinations in 2011 included Italy (21.6%), Spain (17.7%), and Belgium (12.8%).

Top 10 Countries Supplying France with Fish and Seafood and Top Imported Products in 2011

Rank	Country	Total Import Value in US\$	Top Import Supplied	Top Import Value in US\$
	World	6,508,039,341	Frozen fish fillets	915,839,043
1	Norway	762,267,227	Fresh/chilled salmon, with bones	476,554,430
2	United Kingdom	586,058,844	Fresh/chilled salmon with bones	147,547,361
3	Spain	475,336,720	Prepared/preserved tuna/skipjack/bonito	155,680,896
4	United States	312,141,501	Frozen/dried/salted scallops	58,018,653
5	Netherlands	289,462,297	Prepared/preserved shrimp and prawns	35,181,499
6	China	286,473,725	Frozen fish fillets	231,962,413
7	Denmark	262,245,276	Fresh/chilled cod	40,422,840
8	Ecuador	258,760,318	Frozen shrimp and prawns	163,939,607
9	Ireland	170,687,631	Frozen/chilled salmon with bones	36,945,948
10	Poland	169,416,966	Smoked salmon	83,345,677

Source: Global Trade Atlas, 2012, quoted in <http://www.ats-sea.agr.gc.ca/eur/6230-eng.htm>

With an import value of US\$ 157 million, Vietnam was France 12th supplier of fish and seafood in 2011.

In 2011, the chilled fish and seafood market was led by coated fish/seafood (representing 41.7% of the total value for chilled fish), followed by raw seafood (32.2%) and raw fish (26.1%). The frozen fish and seafood market was led by raw seafood (representing 40.1% of the total value) followed by raw fish and coated fish and seafood, with shares of 36.4% and 23.0%, respectively. Other fish and seafood accounted for the remaining 0.5% share in 2011. In 2011, the canned fish and seafood market was led by tuna (representing 69.0% of the total value) followed by other canned fish and seafood (21.0%) and mackerel (10.0%).⁴¹

The structure of the French distribution sector for fish and seafood according to retail outlet types is the following:

⁴¹ <http://www.ats-sea.agr.gc.ca/eur/6230-eng.htm>

Chilled Fish and Seafood Distribution Channel Shares
in France by Value, 2010

Channel	% Share
Supermarkets / hypermarkets	75.5
Independent retailers	13.5
Specialist retailers	6.1
Convenience stores	2.5
Service stations	1.2
Department stores (Incl. duty-free shops)	1.1

Source : Source : Agriculture and Agri-Food Canada (2012a)

The structure of the French distribution channels for fish and seafood according their degrees of processing are the following:

Chilled fish and seafood distribution is dominated by large retailers representing 3/4th of the domestic market in value terms is indicated in the following table.

Chilled Fish and Seafood Distribution Channel Shares
in France by Value, 2010

Channel	% Share
Supermarkets / hypermarkets	75.5
Independent retailers	13.5
Specialist retailers	6.1
Convenience stores	2.5
Service stations	1.2
Department stores (Incl. duty-free shops)	1.1

Source : Source : Agriculture and Agri-Food Canada (2012a)

In terms of labels, for canned fish and seafood the company market shares by volume (%) were the following in 2010: Connetable 48.5%, Petit Navire 15.5%, Saupiquet 3.6%, Own Label (i.e. supermarkets / hypermarkets' labels) 24.8%, Others 7.6%.

In the case of processed/chilled fish and seafood, the company market shares by volume (%) were the following in 2010: Fleury Michon 17.5%, Coraya 14.3%, Own Label 66%, Others 2.2%.

5.2.3 Germany

In 2011, Germany imported over US\$5.4 billion worth of fish and seafood products, representing 88% of the total fish and seafood sold in Germany. In the global seafood market, Germany is a major importer. Top suppliers were Norway (13.4%), Poland (13.3%), China (10.6%), Denmark (9.4%), the Netherlands (9.1%) and the United States (5.0%). Germany's main fish and seafood imports include frozen fish fillets (US\$1,538 million), smoked salmon (US\$551.1 million), fresh salmon (US\$315.3 million), frozen shrimp and prawns (US\$297.4 million), prepared tuna/skipjack/bonito (US\$294.8 million), and other fresh fish, excluding fillets (US\$284.0 million). In 2011, Germany exported just over US\$2.4 billion of fish and seafood products, an increase of 13.3% over 2010. Most of Germany's fish and seafood exports were from the frozen fish category.

Top 10 Countries Supplying Germany with Fish and Seafood and Top Imported Products in 2011

Rank	Country	Total Import Value in US\$	Top Import Supplied	Top Import Value in US\$
	World	5,407,504,683	Frozen fish fillets	1,538,492,442
1	Norway	727,526,778	Frozen/chilled salmon	278,482,714
2	Poland	720,338,416	Smoked salmon	413,785,453
3	China	572,262,220	Frozen fish fillets	513,168,159
4	Netherlands	501,640,327	Frozen fish fillets	81,627,670
5	Denmark	492,545,170	Frozen fish fillets	74,649,622
6	United States	268,411,722	Frozen fish fillets	179,817,286
7	Vietnam	241,310,978	Frozen fish fillets	101,783,303
8	Thailand	147,478,078	Prepared shrimp and prawns	78,501,211
9	United Kingdom	142,402,326	Frozen fish fillets	23,522,683
10	Lithuania	107,857,958	Smoked salmon	71,280,669

Source : Source : Agriculture and Agri-Food Canada (2012b)

In terms of consumption, frozen fish, which has a very positive image in Germany, demonstrated the best results. Fresh fish also had good results, reaching a 9% share of total fish consumption. Alaskan salmon, herring, salmon, tuna, pangasius and tilapia remained the most sought-after fish varieties in Germany.

Fresh fish continues to face stiff competition from frozen and packaged/processed products. Packaged and processed fish are more cost-effective and more widely available than fresh fish, which influences consumption volume. In fact, the availability of fresh fish in Germany is somewhat limited, as most supermarkets do not have fresh fish departments. Nevertheless, health-conscious consumers will always tend to buy fresh or at least frozen unprocessed fish, which is also perceived as healthy.

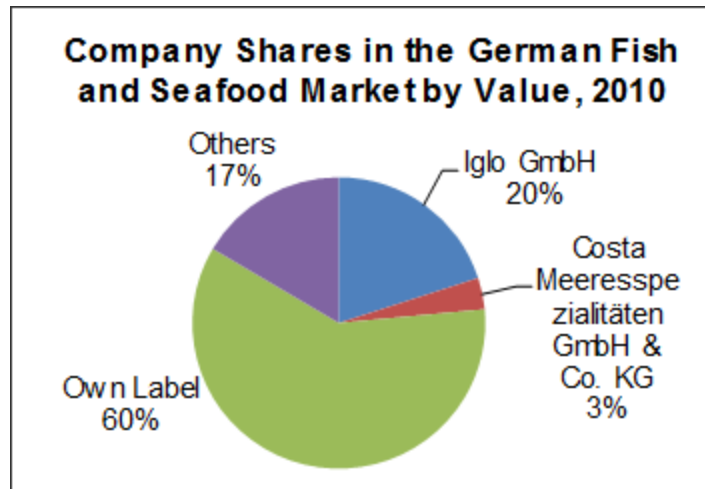
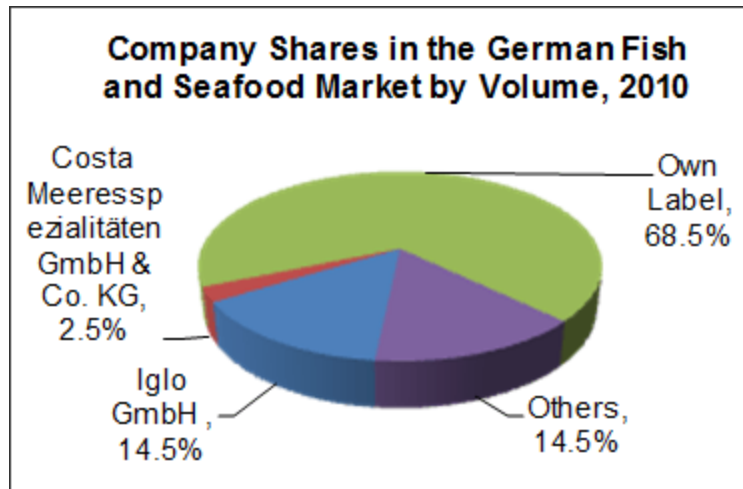
In Germany, the importation and distribution of fish products from countries outside the EU are usually handled by specialized importers.

The structure of the German retail distribution sector for fish and seafood according to outlet types is the following:

Fish and Seafood Distribution Channels
in Germany by Value, 2010

Channel	% Share
Supermarkets / hypermarkets	82.5
Independent retailers	8.8
Specialist retailers	3.9
Convenience stores	2.6
Service stations	1.4
Department stores (Incl. duty-free shops)	0.7
Cash and Carry and Warehouse clubs	0.1

Source: Source: Agriculture and Agri-Food Canada (2012b)



Source: Agriculture and Agri-Food Canada (2012b)

5.2.4 United Kingdom

The United Kingdom (U.K.) is the eighth-largest importer of fish and seafood in the world, importing more than US\$4.1 billion in 2011. The country mainly imports its fish and seafood from Iceland, with 11% of total imports in 2011, followed by Thailand (7.8%), China (7.1%), and Germany (6.6%). In 2011, the U.K.'s main fish and seafood imports from all countries included frozen fish fillets (US\$892.5 million), prepared/preserved tuna/skipjack/bonito (US\$482.8 million), frozen shrimp and prawns in-shell (US\$423.1 million), prepared or preserved shrimp and prawns (US\$405.1 million), and fresh or chilled fish fillets and other meat, excluding steak (US\$287 million).

Top 10 Countries Supplying the United Kingdom with Fish and Seafood and Top Imported Products in 2011

Rank	Country	Total Import Value in US\$	Top Import Supplied	Top Import Value in US\$
	World	4,138,765,450	Frozen fish fillets	892,463,238
1	Iceland	445,421,535	Frozen fish fillets	162,341,733
2	Thailand	323,927,023	Shrimp and prawns, prepared or preserved	113,044,365
3	China	293,372,146	Frozen fish fillets	203,112,705
4	Denmark	291,158,843	Whole fish, prepared or preserved	60,196,117
5	Germany	274,456,654	Prepared/preserved fish, whole or in pieces	105,504,322
6	Faroe Islands	249,151,202	Fresh/chilled salmon with bones	161,521,799
7	Norway	159,910,934	Frozen fish fillets	77,135,464
8	United States	146,471,436	Salmon, prepared or preserved, whole or pieces	77,669,028
9	Netherlands	141,845,361	Frozen fish fillets	31,126,242
10	Canada	136,471,503	Shrimp and prawns, prepared or preserved	85,586,671

Source: Agriculture and Agri-Food Canada (2012c)

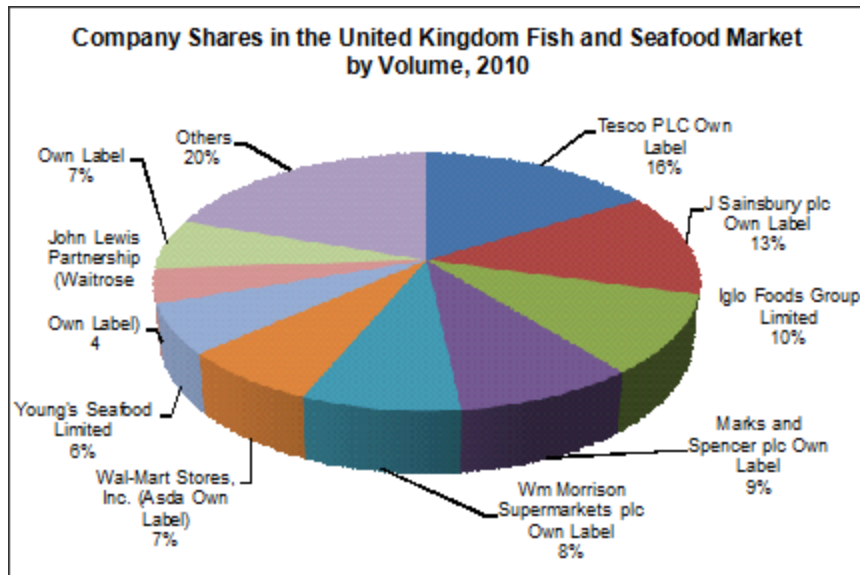
Similarly to France, fish and seafood distribution is dominated by large retailers representing more than 3/4th of the domestic market in value terms is indicated in the following table

Fish and Seafood Distribution Channel Shares in the United Kingdom by Value, 2010

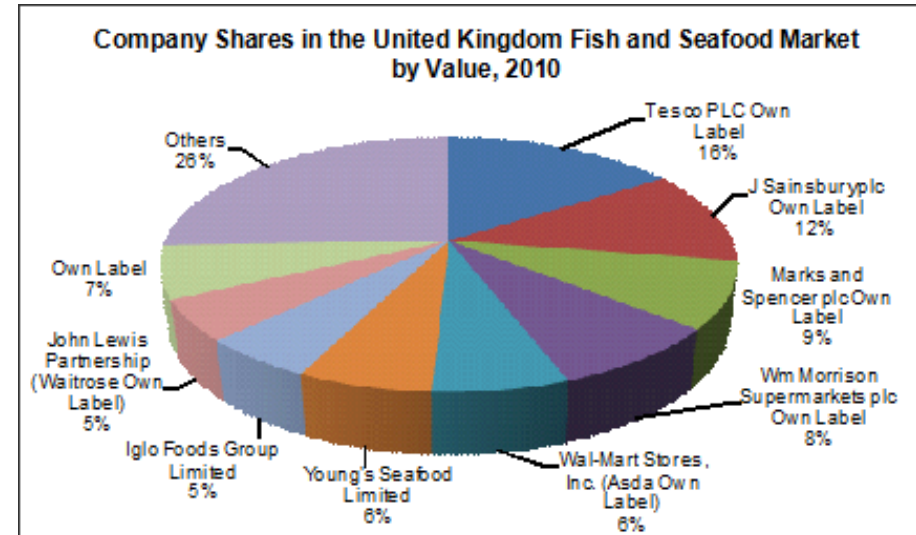
Channel	% Share
Supermarkets / hypermarkets	78.6
Convenience stores	11.6
Specialist retailers	3.6
Independent retailers	3.0
Service stations	2.9
Department stores (Incl. duty-free shops)	0.3

Source: Agriculture and Agri-Food Canada (2012c)

As far as company shares by volume (2010) are concerned, the fish and seafood market is shared by a much larger number of distributors than in France or Germany: Tesco Own Label 16%, Sainsbury Own Label 13%, Iglo Food Group 10%, Marks and Spenscer Own Label 9%, Wm Morrison Supermarkets Own Label 8%, Wal-Mart Asda Own Label 7%, Young's Seafood Limited 6%, John Lewis Own Label 4%, Own Label 7%, Others 20%. In terms of value the shares were the following in 2010: Tesco Own Label 16%, Sainsbury Own Label 12%, Marks and Spenscer Own Label 9%, Wm Morrison Supermarkets Own Label 8%, Wal-Mart Asda Own Label 6%, Young's Seafood Limited 6%, Iglo Food Group 5%, John Lewis Own Label 5%, Own Label 7%, Others 26%



Source: Agriculture and Agri-Food Canada (2012c)

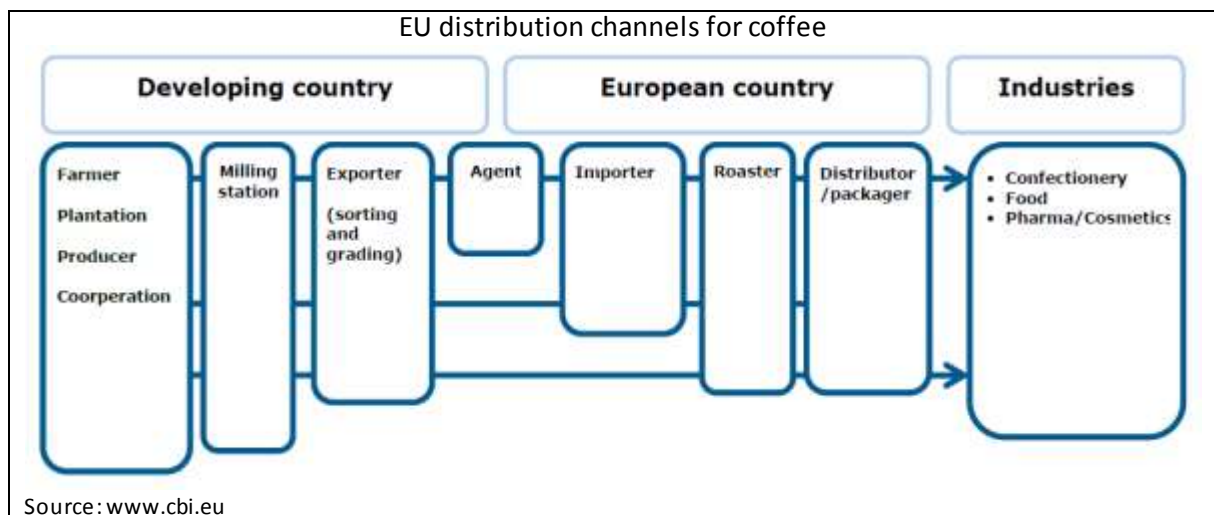


5.4 Coffee

The EU is the world's largest importer of coffee, accounting for 66% of world imports and around 30% of total worldwide consumption. The European imports of coffee from developing countries is constantly growing: the European green coffee import in 2012 was 3.6 million tons or € 4.7 billion in value. Import from developing countries accounts for 93% of the quantity (3.3 million tons) and 89% (€ 8.4 billion) of the value.

Market opportunities arise in the production and sale of roasted coffee for on-trade (bars, restaurants and similar premises) and household consumption. Insight in the segments and chain dynamics can help Vietnamese exporters to develop and market both their green and processed coffee in the EU.

The structure of most of international coffee distribution channels is very similar across main importing countries. The schematic structure of trade channels of international coffee⁴² distribution is the following:



Coffee is generally purchased from the exporting countries by international trade houses, dealers and traders. At the centre of the international distribution channel lie the roasters. The very largest roasters in Europe maintain their own in-house buying companies, which may buy directly from the exporters or even the producers, thereby bypassing a series of middlemen. In the main, however, roasters tend to buy their coffee from international trade houses or from specialized import agents who represent specific exporters in producing countries.

Small roasters often prefer to buy in small lots on a delivered in-store or ex-store basis. This allows plenty of scope for the various middlemen involved in the trade to operate and perform useful functions, although the increasing concentration at the roasting end of the industry has led to a substantial reduction in their number. Not all coffee is always immediately sold to a roaster. Before arrival an individual parcel of coffee may be traded several times before it is eventually sold to a roaster. Given the variability of supply, the coffee market is inherently unstable. Whilst the structure of the trade in most importing countries is broadly similar, there are variations. In some countries, such as the Nordic

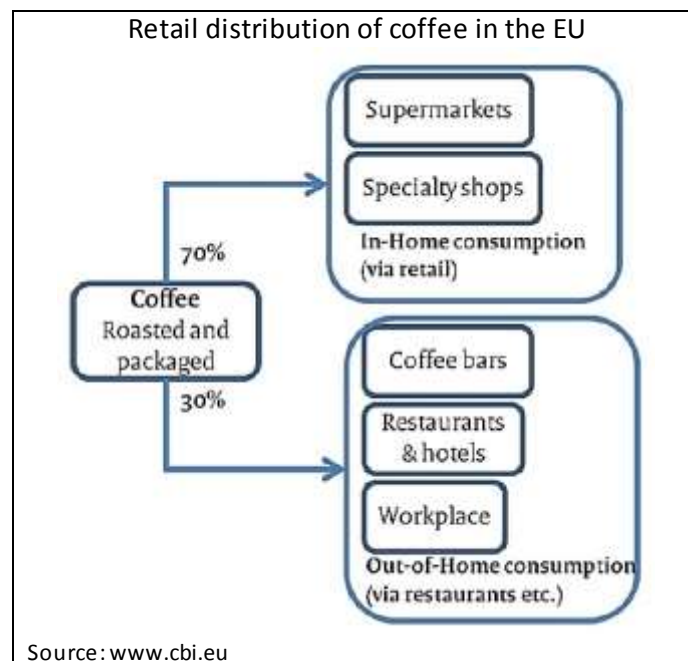
⁴² The schematic structures of the distribution channels for coffee, tea and cocoa are identical.

countries, there are no main traders or importers as such, but rather just roasters and brokers/agents. In others, such as in Eastern Europe, importers either import directly or increasingly via the international trade houses based in the main coffee centres of Hamburg, Antwerp, Le Havre and Trieste.

Roasters have a decisive role in coffee distribution. They serve two distinct market segments:

- The retail (grocery) market, where coffee is purchased largely, but not exclusively for consumption in the home;
- The institutional (catering) market, where coffee is destined for the out-of-home market e.g. restaurants, coffee shops and bars, hospitals, offices, and vending machines.

The coffee retail segment is divided in two segments: in-home consumption and out-of-home consumption. Most of the coffee is destined for the retail industry, to sell to consumer for in-home consumption.



Retail is the main coffee market segment: (a) retail consumption (supermarkets, grocery stores, (internet) specialty shops) account for 70% of coffee consumption and (b) out-of-home consumption (coffee bars, restaurants, work place) accounts for 30%. The major part of the retail market is, however, controlled by a handful of huge multinational roasters and the degree of concentration is increasing. Indeed, almost 45% of the world's green coffee imports is purchased by the five largest roasters, that mainly sell their processed coffees in the European, American and Japanese markets.

Company	Affiliated companies and brands
Philip Morris	Kraft Foods, Jacob Suchard, Maxwell House, Splendid, Grand Mere, Carte Noir, Lyons, Birds, Brim, Gevalia, Maxim
Nestlé	Taster's choice, Nescafé, Hills Brothers, Lite, Sarks, MGB
Sara Lee / Douwe Egberts	Douwe Egberts, Merrild, La Maison du Café, Café do Ponte, Caboclo, Café Pilao, Seletto, Uniao, Marcilla, Sole
Procter & Gamble	Folgers, Millstone, Highpoint
Tchibo	Eduscho, Tchibo Privatkaffee

Nestlé and Philip Morris/Kraft each process 13%, while Tchibo purchases 4% for the German market. Procter & Gamble sells most of its share (4%) in the United States. Sara Lee/Douwe Egberts roasts 10%, which is sold mainly in the European and Brazilian markets. Nestlé dominates the soluble coffee market with a market share of over 50%.

Top Ten World Coffee Roasters: Fair Trade Certified and Non-Fair Trade Purchases, 2008



Daniel Jaffee & Phil Howard, 2011
Data: Tropical Commodity Coalition, Coffee Barometer 2009

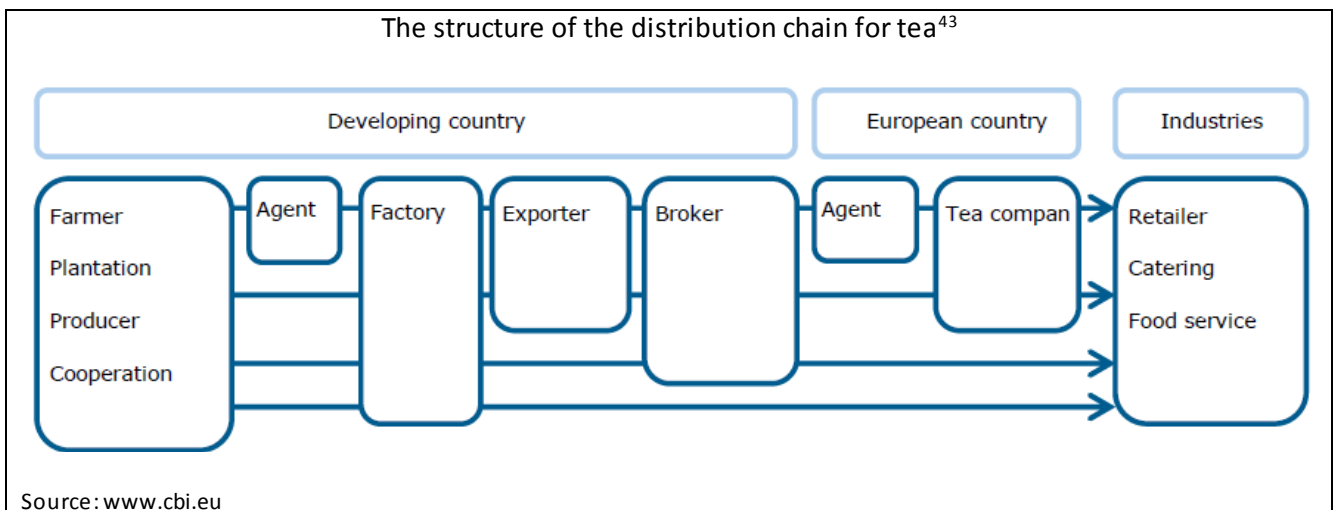
Source: <https://www.msu.edu/~howardp/coffee.html>

Aldi, Lavazza, Segafredo, Melitta, and Tchibo are well-known European roasters and, in the first three also retail distributors. Note that whilst the world's two biggest roasters, namely Nestlé and Kraft (Philip Morris) are originating respectively in Switzerland and the US, in fact they are global companies with significant operations in the EU, which means that their purchases in coffee producing countries also result in exports to the EU.

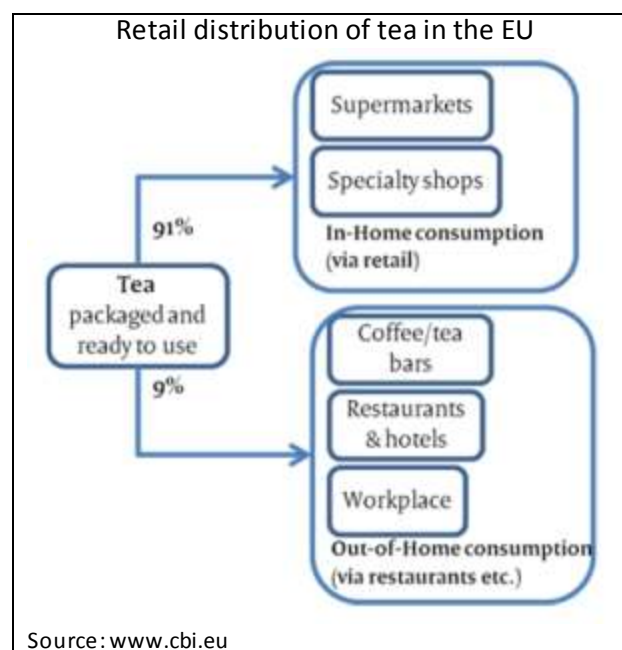
5.5 Tea

The European imports of tea from developing countries is constantly growing: total European tea import in 2012 was 1.6 million tons in volume or € 1.2 billion in value. Import from developing countries accounts for 59% of the quantity (0.9 million tons) and 56% (€ 6.4 million) of the value.

The tea value chain is characterized by a high level of vertical integration, which means that major companies control various production stages upstream and downstream, including the ownership of plantations and manufacturing operations. Tea is generally exported with minimal processing to importing consumer countries, where it is blended and packaged by the tea companies.



Most of the tea is destined for the retail industry, which is divided in two segments: in-home consumption and out-of-home consumption, which are similar to those of the coffee sector.



⁴³ The schematic structures of the distribution channels for coffee, tea and cocoa are identical.

The in-home retail, i.e. supermarkets, grocery stores, e-commerce (internet), specialty shops, account for 91% of coffee consumption while the out-of-home consumption (coffee bars, restaurants, work place) accounts for 9%.

The characteristics of the retail industry are:

- Retail sales are highly concentrated. In Europe, the top three processors (often called packers) control most of the tea market, for example 60% in the UK, 67% in Germany and 66% in Italy (Fairtrade Labelling Organisation 2010).
- Roughly 70% of global tea production is traded at auctions. The rest is effectuated through private sales, mostly by small companies, selling their own brand. If a supermarket buyer needs to cut costs they may put the whole of their tea range, or a sub-sector within it, out to tender. This process is sometimes run through e-auctions. Bids are often live which drives the price down.
- Important players in the European tea industry are implementing sustainability policies. The most important industry initiatives so far are:
 - Unilever - with an estimated market share of 12% the biggest player on the global tea market - has committed to certify by 2015 all its tea products according to the Rainforest Alliance (RA) certification system on a global level.
 - Sara Lee - with their Pickwick brand by far the largest tea company in the Netherlands but only a small player on a global scale - has made a commitment to 100% sustainable tea sourcing. At the moment Ethical Tea Partnership (ETP) and UTZ Certified are the production standards of their choice.
 - 20 other international tea-packing companies - such as Twinings and Tetley - are also committed to ETP.
 - Major European supermarkets - such as Marks and Spencer in the UK - have decided to source all their house brand teas from fair trade certified producers.

5.6 Cashew nuts

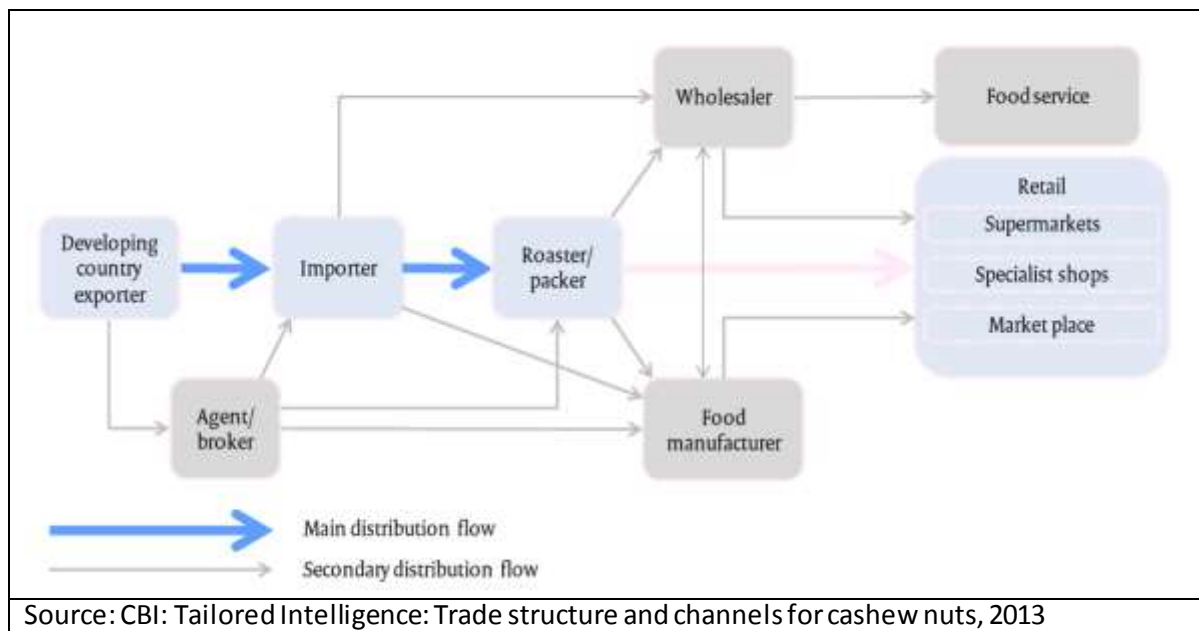
In Europe, most edible nuts are processed and/or packed by the manufacturing industry and then sold onto the retail industry. Common nuts that are traded with Europe include hazelnuts, groundnuts, almonds and cashew nuts together with coconut, walnut, macadamia and pecan nuts. All of these products are, to a large extent, interchangeable in terms of end use and can be consumed directly as 'cocktail' nuts or in mixed ingredient snacks or used as food ingredients in the confectionery and bakery trades. A key dynamic is the increasing power of the manufacturing industry, which is increasingly buying directly from developing countries. This means that the position of the importer is under pressure and creates opportunities for exporters.⁴⁴

The main point of entry of cashew nuts into Europe is the Netherlands, which is a trading hub for edible nuts in general and cashew kernels in particular. Around 75% of cashew nuts entering the Netherlands is re-exported (whether or not further processed), mainly to Germany (53% in 2011) and, to a lesser extent, to France (10%), Belgium (9%) and the UK (8%). The UK, Germany and Belgium, in turn, re-export themselves as well. Other European markets are supplied through these re-exporting markets, but also source an important share of their cashew needs directly in developing countries.

⁴⁴ CBI: Market channels and segments for edible nuts and dried fruit, 2013

The distribution channels linking Vietnamese exporters to the EU cashew nut markets contain various trade actors. Most of EU imports of cashew nuts are sourced through specialized importers, but agents also play an important role in linking exporters to the EU markets. Some larger developing country exporters trade directly with EU food manufacturers, however this is not very common, yet increasing.

Cashew nuts are distributed throughout Europe in many different ways, depending on the sourcing strategy of the buying companies. The following figure is a stylised overview of the most common distribution flows to the EU market.



Cashew nuts are mainly imported by specialized importers who deal with a wide range of tree nuts, groundnuts, dried fruit, seeds, but often specialise in one product out of the range. Importers buy cashews on own account goods, and re-sell them to roaster/packers or the food processing industry, or re-export them to other countries. Importers give access to a whole range of potential users of cashew kernels. They often have long-standing contacts with their suppliers and buyers and can advise exporters on many issues, including law, quality requirements, as well as market trends. Today there remain only a few large multinational importers, which, together, represent the larger share of total European imports of cashew kernels. Importers increasingly perform packing activities as well, with the aim of supplying the retail industry directly.

Agents/brokers: they trade cashews independently or represent a EU roaster/packer or food manufacturer. Agents establish contact between exporters and importing roasters/food manufacturers, and facilitate buying or selling orders. They typically act as commission agents. Agents/brokers are not as common as importers, but still play an important role.

Roasters/packers: several companies are specialised in packing, mainly dealing with branded products, including private labels for large retailers. Large snack food roasters and packers, such as Intersnack, source cashew kernels directly from exporters, whether or not through agents. Other roasters also often buy from importers/traders as a way to manage risks.

Wholesalers: due to the size of the EU market, extra intermediaries are sometimes required to distribute cashew nuts to smaller and more remote end-users. However, the food service

sector (which includes hotels, restaurants and catering institutions, such as hospitals and other public places where food is consumed, are most commonly supplied by wholesalers. Wholesalers purchase cashews from agents, importers and packers and break the bulk into smaller amounts. Due to the limited value addition by distributing wholesalers and increasing competition from agents and importers, the number of distributing wholesalers is decreasing.

Food manufacturers: Like most edible nuts, cashews are 'processed' and/ or packed by the manufacturing industry. Within this chain, the food manufacturer plays a significant role, which is increasing in importance. Direct trade between exporters and the food industry is mostly done through agents. Larger exporters also prefer direct trade with food manufacturers, as it is more profitable for them. Important food manufacturers buying directly from exporters from developing countries include Intersnack, Duyvis and Calvé.

Retailers rarely import cashew nuts directly from producing exporters. Instead, they buy cashew kernels from importers, wholesalers and processors/packers or through the food industry (in this case, as part of final food products). Very large retailers like Ahold (Netherlands), Metro (Germany) and Tesco (UK) have their own buying groups. Cashew nuts are sold to consumers through supermarkets, specialist (nut) shops and the traditional market. It is estimated that 70% of the snack nuts are sold under private labels.

5.7 Rice ⁴⁵

The EU plays a relatively marginal role in global rice consumption (0.6%), due to the fact that rice is not a staple food in the region. EU rice per capita consumption was 5.2 kg in the period 2010-12, it is projected to reach only 6.2 kg by 2022, less than half of that of the US. (The US figures are respectively 12.5 and 12.8 kg.) The EU itself is a producer of rice, however, domestic production cannot meet demands. Production in the period 2010-12 reached 1.731 kt, which is forecasted to reach 1.771 kt in the year 2022. The respective trade figures are 1.008 kt and 1.550 kt (for imports) and 168 kt and 151 kt (for exports). ⁴⁶

The total retail value of rice in Western EU reached US\$3.314,8 billion in 2010. Leading rice-consuming EU markets are Italy, France, the United Kingdom, Germany and Portugal, which together account for approximately two-thirds of EU consumption. European rice consumption is divided between human consumption (85%), animal feed (7%), industry and seeds (4% each). Human consumption is increasing, whilst the use of rice as animal feed is decreasing, due to the availability of cheaper and better alternatives. The most widely consumed rice in the retail market is milled, Indica, long-grain rice. ⁴⁷

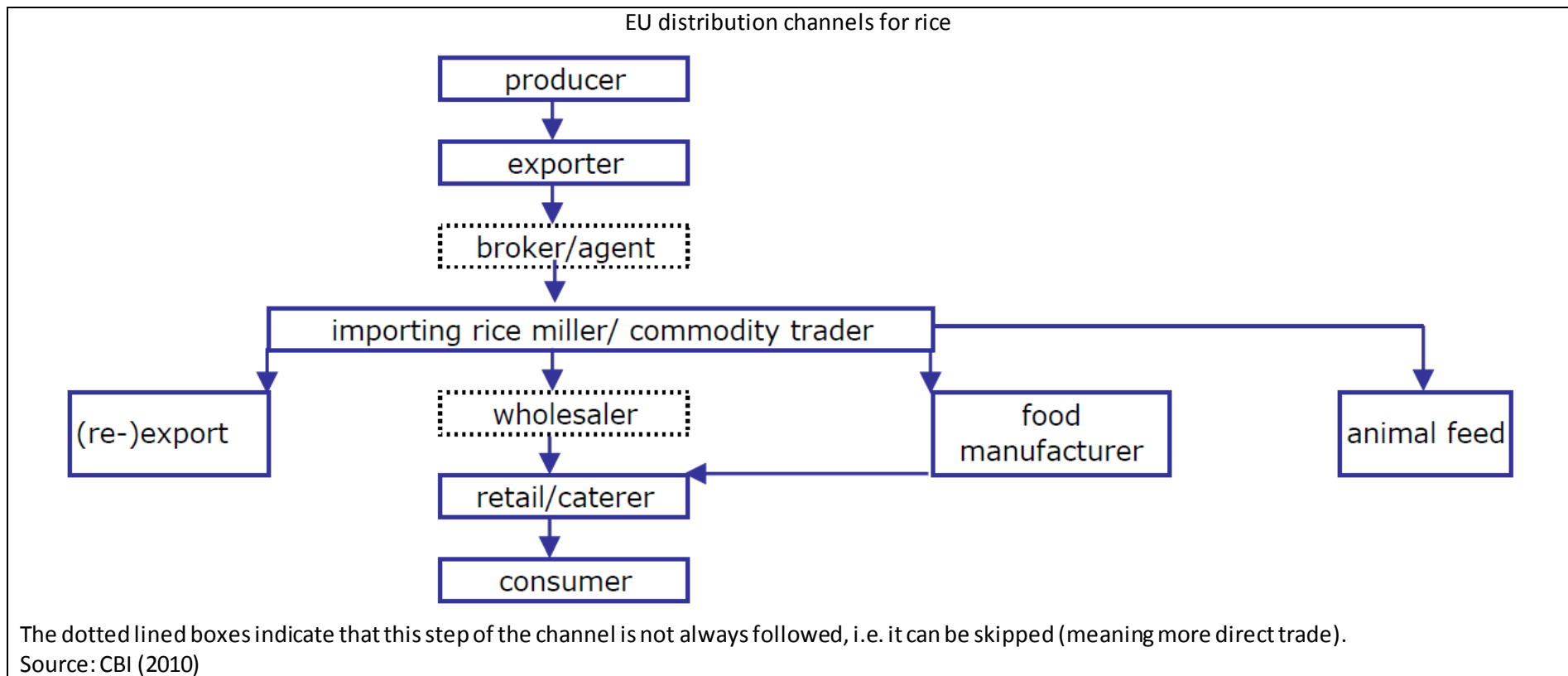
In terms of consumer preferences, there is a noticeable difference between South Europeans and North-European consumers. South Europeans traditionally prefer sticky, wet rice whilst Northern Europeans generally prefer dry cooked rice. However, North-European consumers show a growing interest in special rice varieties such as waxy or glutinous rice, jasmine rice, wild rice, and coloured rice (red, black). Furthermore, there is an increasingly growing demand for Fair Trade.

The trade channels for rice are depicted in the following chart.

⁴⁵ This section draws on CBI (2010)

⁴⁶ OECD-FAO Agricultural Outlook 2013-2022

⁴⁷ CBI (2010)



Direct exports of mainstream rice to the EU by small and medium-sized producers or exporters are not usual, as rice millers and traders demand high volumes and consistent quality and supply. Therefore, mainstream rice is normally traded through domestic or regional traders, which are better suited for these requirements. Certifiable products, such as organic or Fair Trade products, can be exported through specialised traders, which can be Vietnamese as well as European.

The main players in the EU trade for rice are commodity traders, rice millers and food manufacturers. Approximately 70% of rice derived from extra-EU sources is directly imported by rice millers and the remaining 30% by rice importers, mainly commodity traders. Food manufacturers are not significant importers, but are main players further down the chain. It is important to note that the rice may have already gone through a processing stage in the country of origin, before it is exported.

Most imported rice has already been brown, milled to cargo rice or is fully milled before exporting. There is no relation between the processing stage and the type of importer (rice millers and commodity traders). Rice millers also import milled rice to add to their own production and to pack it, while commodity traders import all products for which they can find a buyer. However, the packaging into final retail packages is mostly in the hands of European rice millers. The millers, also commonly referred to as rice processors, sell the rice to food manufacturers who transform the rice into frozen products, pre-cooked dishes, special packages, or directly sell to a retail outlet (supermarket chain and/or wholesalers) before the rice finally reaches to the customer and/or end-user.

Most EU rice millers, which are not (yet) integrated into a larger group and not vertically integrated into producing, make the largest amount of their purchases via a broker or after negotiation with millers in countries of origin. Particularly when the exporter is not familiar with the miller, a broker will be used as an intermediary. The broker draws up the contract for the buyer and the seller, but is never the owner of the shipment. The seller then ships the rice to the importer, after which brokers generally receive a commission of 1%.

The major part of EU sales of rice for human consumption is realised through the supermarket channel. Supermarkets buy their rice from food manufacturers and/or from rice millers. As is the case with many (food) products, the market share of private label rice has increased considerably over the last ten years. Rice increasingly finds its way through the processing industry to the supermarket shelves. Most often, the processing industry does not directly trade with exporters in developing countries, but through brokers, agents or importers. The latter prefer to outsource the risks and costs, such as import licences and certification involved in trading.

The main players in the European rice trade are the following:

1. Brokers:

- Schepens (Belgium) - <http://www.schepens.be>
- Jackson Son & Co (UK) - <http://www.jackson.co.uk/rice.php>
- Marius Brun et Fils (France) - <http://www.brunrice.com/index2.html>

2. Commodity traders:

- Nidera (Netherlands) - <http://www.nidera.com>
- The Rice Company (U.S.A) - <http://www.riceco.com>

- ADM (U.S.A) - <http://www.adm.com/en-US/Pages/default.aspx>
- Novel Commodities (Switzerland) - <http://www.novelcommodities.ch>

All four are leading agricultural commodity traders serving the global market place, including a strong presence in the European market for rice.

3. Rice miller groups:

- Ebro Foods (Spain) - <http://www.ebrofoods.es>
- Groupe Soufflet (France) - <http://www.soufflet.fr>

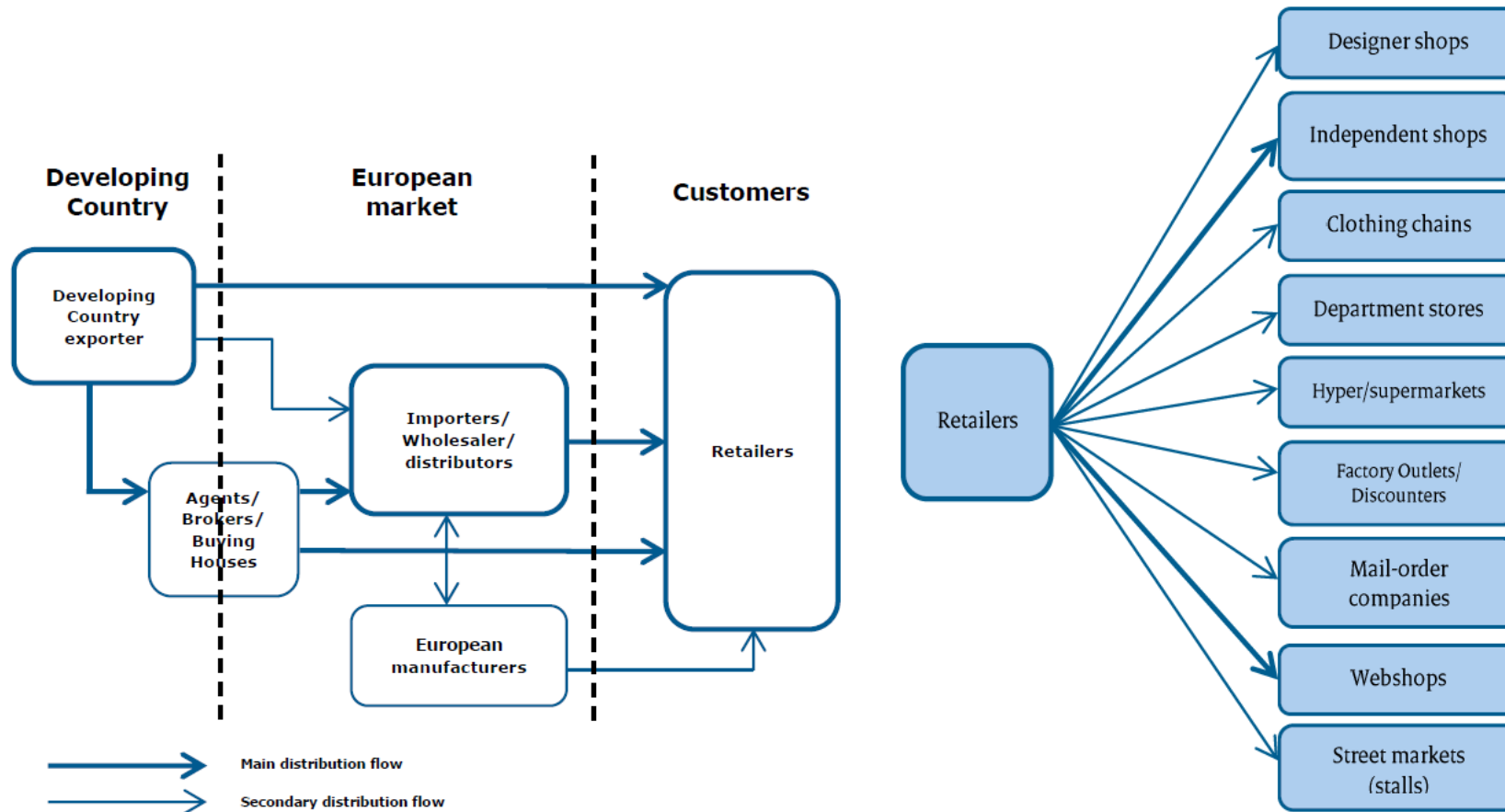
4. Independent rice millers:

- Van Sillevoldt Rijst (Netherlands) - <http://www.vsr-rice.com> - part of the French Marbour group since October 2003.
- The Alesie Group of Companies (U.S.A) - <http://www.alesierice.com> - consists of a network of ricemills in the Caribbean.
- Veetee Rice (UK) - <http://www.veetee.com>
- Risco Scotti (Italy) - <http://www.risoscotti.it>
- Riso Gallo (Italy) - <http://www.risogallo.it>
- Muellers-muehle (Germany) - <http://www.muellers-muehle.de>
- EuroBasmati (Germany) - <http://www.eurobasmati.com>
- Nouvelle Rizerie Du Nord (France) - <http://www.nouvellerizeriedunord.com>
- Tilda (UK) - <http://www.tilda.com>

5.8 Clothing and footwear

The distribution channels and segments for clothing (the distribution channels for as footwear is similar) are shown in the following flowchart:

Distribution channels for clothing



The clothing sector is a consumer-oriented industry. Clothing suppliers and retailers are the driving force behind the adoption of modern, efficient consumer response concept, which makes supply timely and according to “instant” demand. Retailers and producers are as a result closely integrated and the wholesale function is integrated in this cooperation, thus traditional wholesalers are often bypassed as they are not necessary.

Consequently, large retailers are increasingly controlling the supply chain, which is making harder for independent retailers (the largest buying group of developing country exporters’ products) to compete with them.

The main actors of the clothing distribution chain are the following:

Agents/brokers/buying houses:

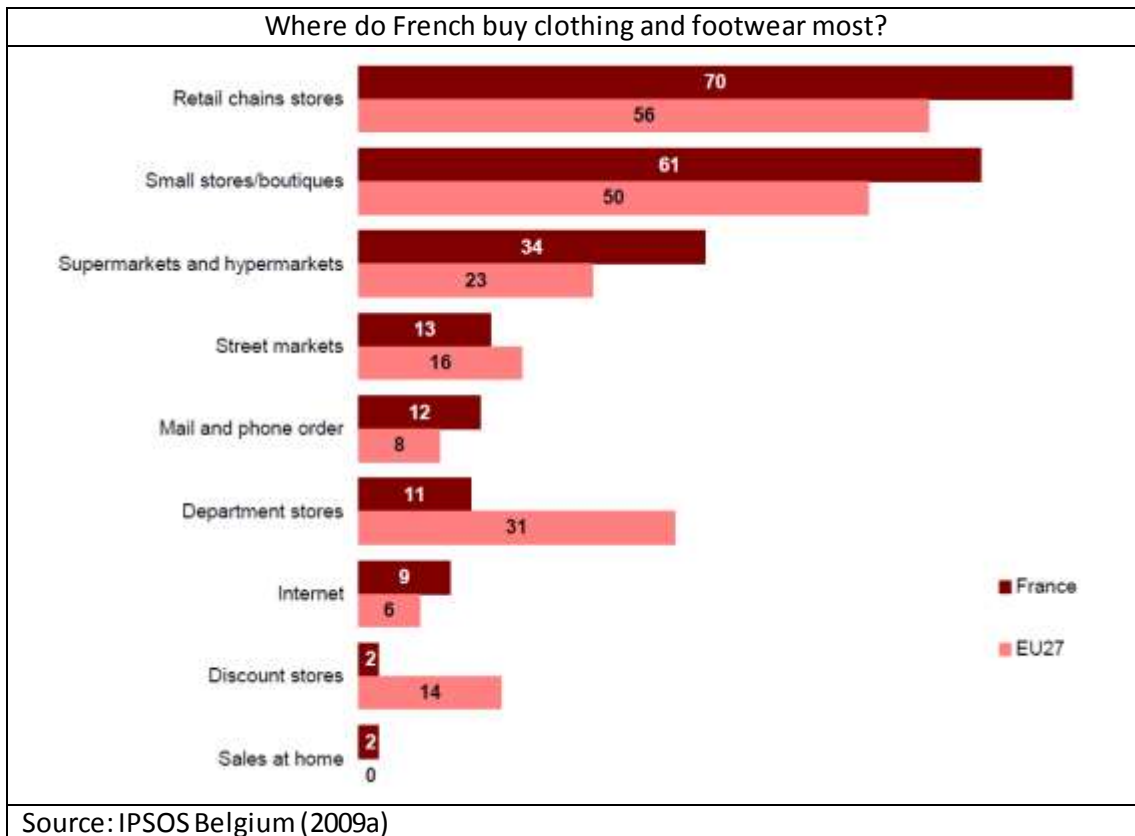
Agents (sometimes called brokers) are independent intermediaries who work between buyers and sellers and negotiate on behalf of their clients. They work for commission and do not take ownership of the goods. We distinguish purchasing and selling agents.

Importers/wholesalers/distributors:

Importers and wholesalers sell Vietnamese products to retailers in their own region. Unlike agents, they take ownership and responsibility of the products they are trading with.

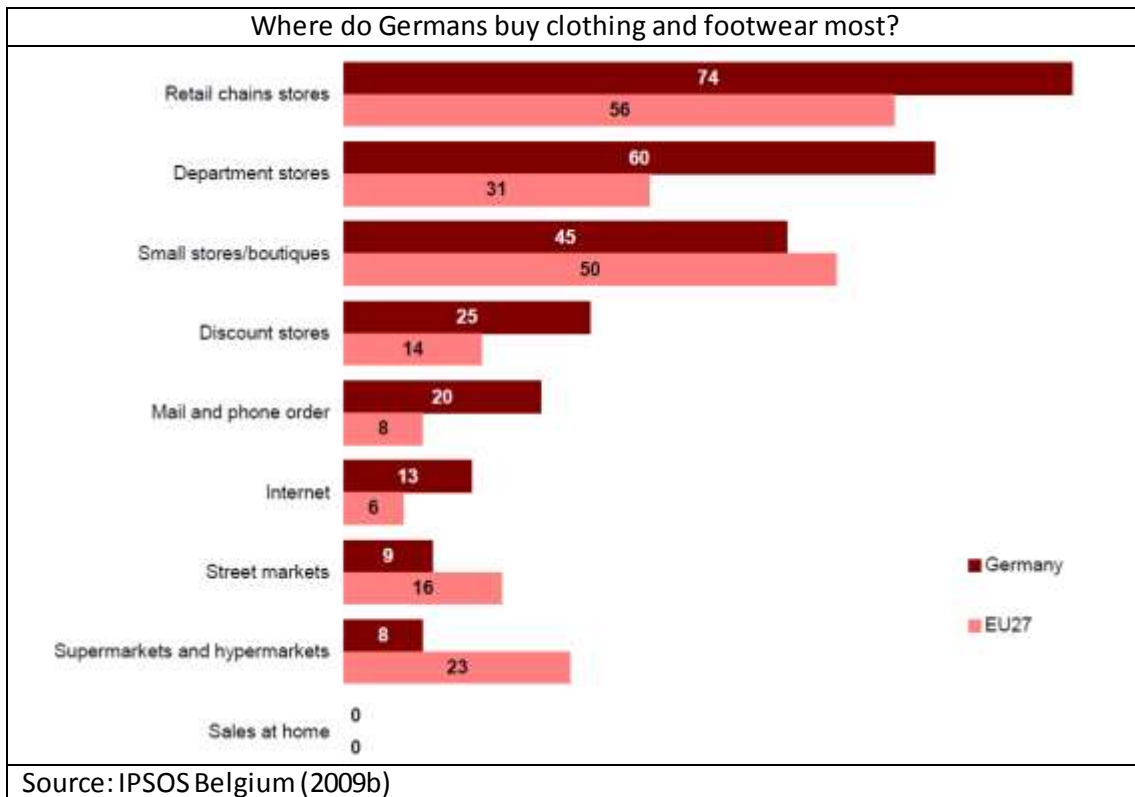
5.8.1 France

The distribution channels mostly used by French consumers of clothing and footwear are shown in the following graph. It is striking that, compared to German consumers (see point 5.8.2), French dislike buying in discount stores but prefer buying more in supermarkets and hypermarkets than their German counterparts (



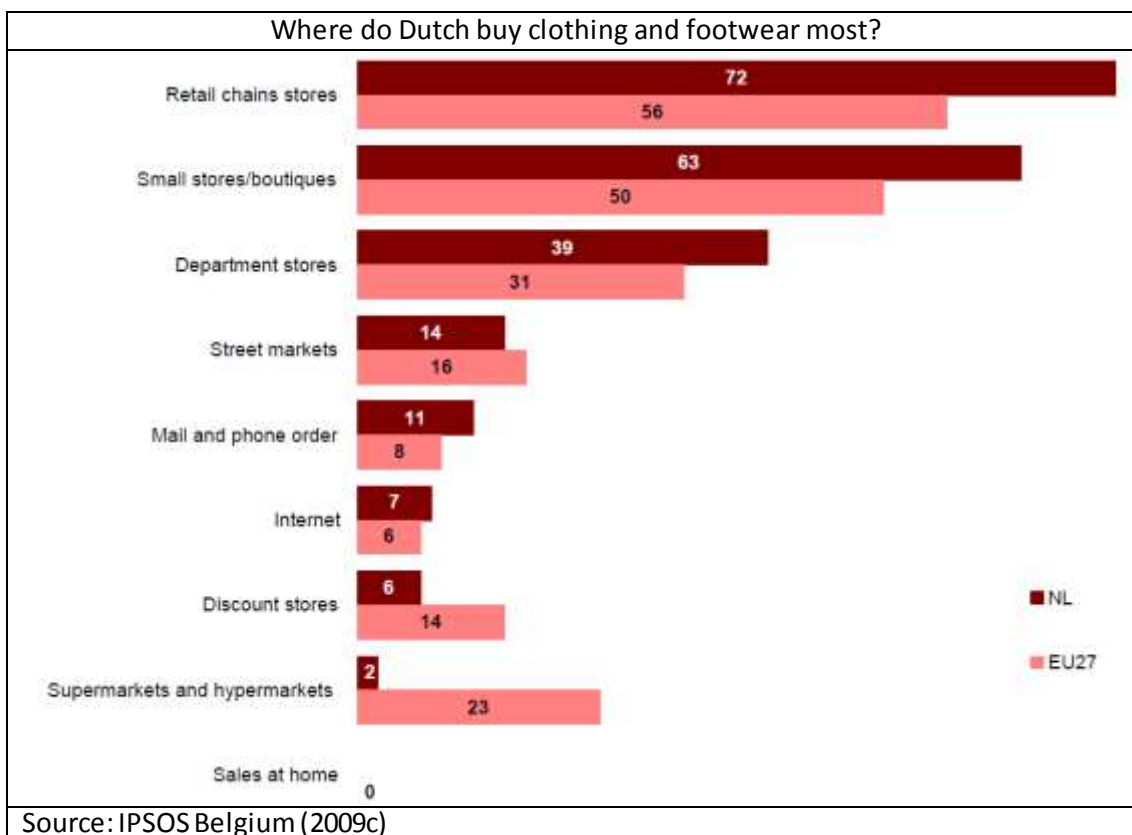
5.8.2 Germany

The following graph shows German consumers' preferences among the various retail channels of clothing and footwear. There is no major difference between French and German consumers buying frequency in retail chain stores. Germans' have higher preference to buy clothing and footwear in department stores than their French counterparts.



5.8.3 Netherlands

Like their French and German counterparts, Dutch consumers of clothing and footwear prefer buying most in retail chain stores. Buying frequency in small stores and boutiques is similar to France as is the dispreference for buying in discount stores. . Like Germans, Dutch dislike buying clothing and footwear in supermarkets and hypermarkets.



5.9 Furniture and wooden home decoration

5.9.1 Furniture

The products covered in this section are domestic or household furniture items. We excluded the specially traded items of the contract sector, which includes furniture for civil aviation, offices, hospitals, schools, hotels and other similar purposes.

In the EU, furniture is usually divided by function into the following major sub-sectors:

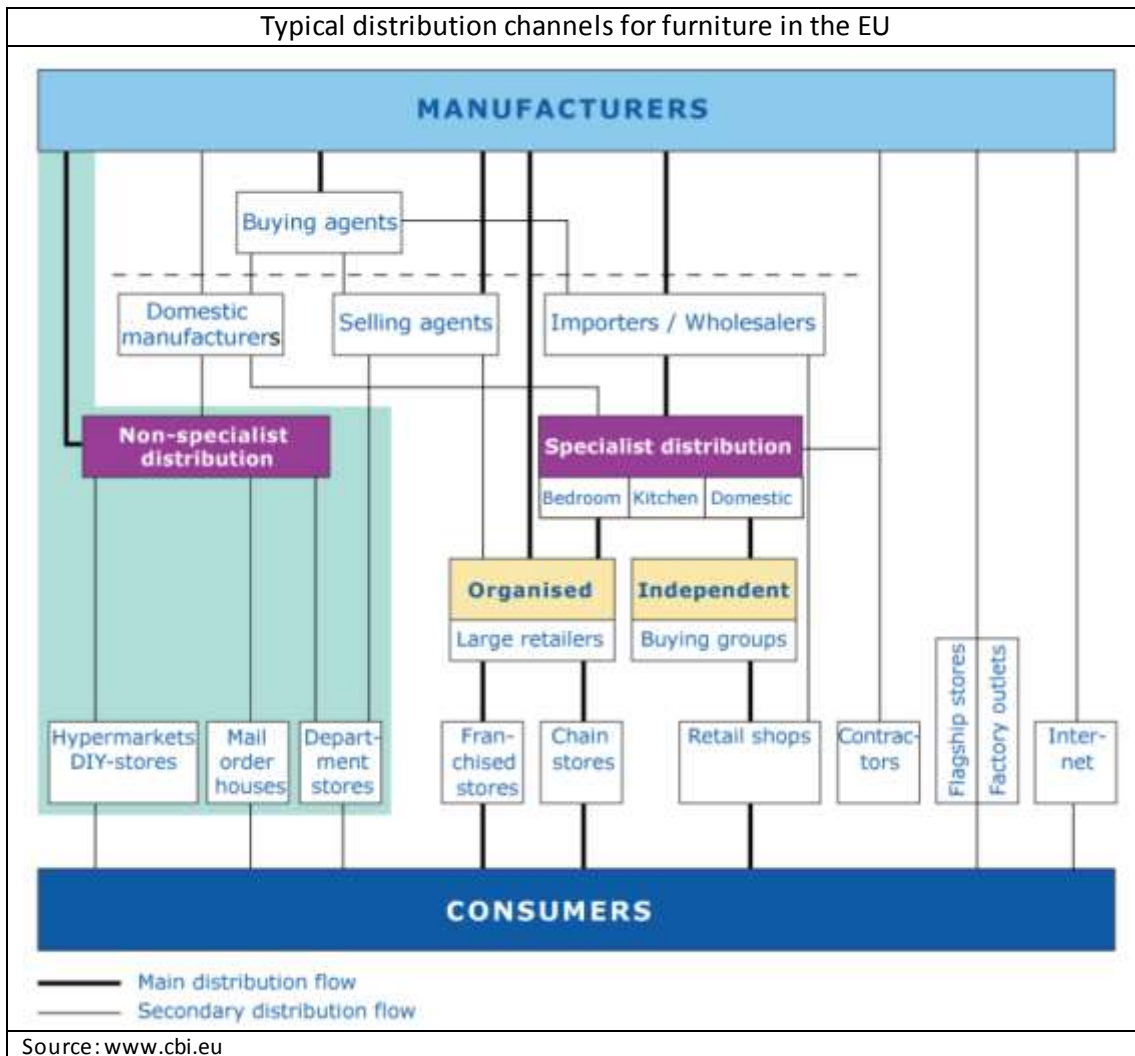
Sub-sectors	Product groups
Upholstered seating	-Armchairs, reclining chairs, couches, sofas, divans, footstools, seating elements upholstered with leather, wool, synthetic material, cotton etc;
Non-upholstered seating	-Seats, armchairs, rocking chairs, seats convertible into beds, stools;
Dining and living room furniture	-Dining sets (tables and chairs), dressers, coffee tables, sideboards, shelf systems, room dividers, television/video/music system storage units;
Kitchen furniture	-Fitted cabinets and kitchen units, kitchen tables and chairs, free-standing pieces such as moveable trolleys and butcher blocks;
Bedroom furniture	-Beds, headboards, bedside tables, dressing tables, chests of drawers, wardrobes (fitted or free-standing);
Home office furniture	-Desks, chairs, drawer unit, filing cabinets, integrated workstations, also known as <i>SOHO</i> (Small Office Home Office);
Other furniture	-Cupboards, bookcases and wall units, -Occasional furniture like small tables, desks, mirrors, hall-stands, -Bathroom furniture such as storage cabinets, baskets etc.;
Furniture parts	-Parts of furniture or seats, also including semi-finished furniture.

The EU-27 production of furniture in 2008 reached a value of EUR 101.3 billion⁴⁸, while imports amounted to some EUR 47 billion. (Detailed import statistics by product categories are contained in Annex 9.)

The majority of furniture sold in the EU market is in ready-assembled form. Since the 1970's, the expansion of IKEA and other furniture chain stores (MFI) has stimulated sales of furniture bought for self-assembly by the consumer. Despite the dominance of Ikea, furniture retailing in the EU is still quite regional. A major segment of domestic furniture is bedroom furniture whose market was valued at EUR 7.3 billion, constantly decreasing since 2003. The biggest producers are Italy (EUR 1.8 billion), Germany (EUR 1.6 billion), Spain (EUR 898 million) and France (EUR 629 million). EU imports of bedroom furniture totalled EUR 1.9 billion in 2009, the largest importers being the UK (EUR 455 million) and Germany (EUR 302 million). However, the fastest growing markets for developing country bedroom furniture have recently been the new EU Member States, i.e. Bulgaria (41.5% increase per year), Romania (30.9%), Slovakia (28%), Lithuania (24.3%) and Slovenia (23%). Kitchen furniture is also a sizeable segment in the EU furniture market (EUR 12 billion in 2008), whose supply is dominated by Italian and German producers, who offer short lead times, good after-sales service and are able to keep up with fast changes in designs. Kitchen furniture is often made in Eastern European countries. Most furniture items are made of capital-intensive material such as chipboard, plywood, multiplex and MDF (Medium Density Fibreboard), produced in large volumes and at low cost. In most EU countries, newly built homes come complete with fitted kitchen and appliances.

The EU distribution channels for furniture are shown in the following flowchart:

⁴⁸ Union Européenne de l'Ameublement, <http://www.ueanet.com>



Importers: By buying on his own account the importer takes title to the goods and is responsible for their onward sale and distribution in his country and/or in other EU markets. Those importers who are not exclusively tied to a brand manufacturer, usually buy and sell the goods, take care of import/export procedures and hold items in stock. Many importers sell directly to specialist retailers (see below) and department stores through permanent exhibition centres, while others have their own sales staff who visit retailers on a regular basis and take orders.

Wholesalers: wholesalers often supply independent or specialist furniture shops and play a major role in the supply of furniture. They usually specialise but often carry a wide variety of products. The trend of bigger retailers and buying groups going outside the traditional distribution system has caused wholesalers to reconsider their position in the distribution structure. This has encouraged wholesalers to operate on a regional basis or in a more product-specific manner.

Agents: agents are independent players who negotiate and settle business on the instructions of their principals and act as intermediaries between buyer and seller. They do not buy or sell on their own account, but work on a commission basis and represent one or more larger manufacturers/suppliers/retailers. Often the buying agent has his office in the supplying country. In the target country, there are selling agents, which also are (specialised) independent companies. They work on a contract and commission basis for one or more manufacturers.

Buying groups: these groups act as purchasing agents for their individual members (smaller furniture retailers) and financial intermediaries between producers and retailers. They minimise the costs of middlemen by purchasing directly from a supplier. This channel is used for large-scale requirements, where direct dealing with well-known suppliers is essential.

In the retail segment two main groups of distributors dominate: specialist distribution, where all retailers specialise in furniture or in sub-sectors such as kitchen, bedroom or bathroom, and non-specialist distribution that include all retail formats that sell mainly other items including furniture. There is a clear distinction between specialist distribution where the product is handled by intermediaries and furniture retailers, and non-specialist distribution where furniture is just one of a wide range of products handled by the companies in question.

Specialist retailers: Specialists represent approximately 80% of the distribution of furniture in the EU markets, and they are either organised in the form of large chain stores with large showrooms or buying groups (this tends to be most common in northern Europe), or independent shops with small showrooms (predominantly in southern European countries such as Italy, Spain and Portugal), and some new Member States. There are three key types of specialist retailer:

Non- specialist retailers: they buy from specialised intermediaries, through their own intermediaries or direct from manufacturers. This channel represents about 20% of furniture retail sales in the EU. Furniture sales by non-specialist outlets are increasing, driven by consumers who want more choice in the places where they can buy furniture, but also due to the buying power of some large operators that are able to offer good value furniture at attractive prices. The main types of non-specialist retailers are:

- Department stores
- DIY stores, hypermarkets and discounters
- Mail order and Internet retailers

In each trade channel different margins and prices apply depending on which channel the furniture is sold through. Generally speaking, higher margins are applied in specialist independent retailers and lower margins will be found in large multiple retailers, particularly non-specialist retailers. Some retailers that deal exclusively via the Internet may operate with lower margins, as they do not carry the same overheads as traditional retailers.

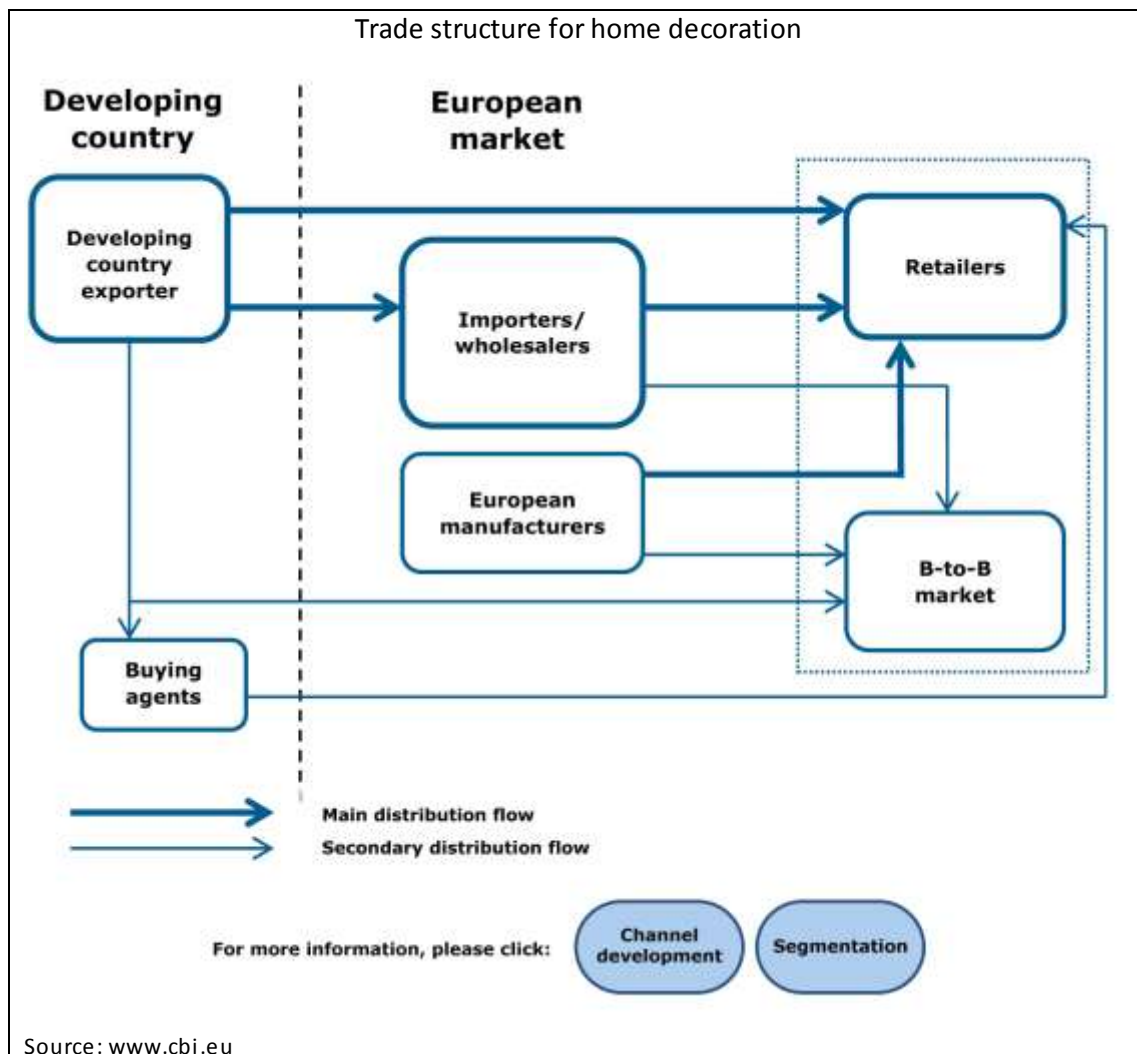
5.9.2 *Wooden home decoration*

In the European distribution for home decoration products the main links between exporters and the end consumer are wholesale importers and, increasingly, self-importing large retailers who are bypassing the former. Nevertheless, smaller, independent European retailers continue to purchase mainly from domestic wholesalers/importers. Independent retailers in home decoration are struggling to compete with retail chains and need to differentiate on value-added service, as well as specialised offers, and authenticity. When approaching smaller retailers, it is important to understand that these buyers typically prefer orders for small quantities of each item, small total order volumes, and delivery to their doorstep (COD/CIF). Such retailers have a short horizon and will buy for the nearest selling season. This may mean that exporters may to a certain extent need to pre-stock to cater for smaller retailers. Also it needs to be borne in mind that, with this group, there is a limited

likelihood of repeat orders. Exporters need to calculate whether such small orders are cost-effective.⁴⁹

The distribution system is increasingly segmented, especially in the upper middle and higher markets, while there is an increasingly diversified market for sustainable products. The market is also characterised by the emergence of on-line retail.

The stylised description of the EU distribution system for wooden home decoration is shown in the following chart:



Purchasing agents: Mostly, these buyers are retailers who are not importing themselves. Sometimes agents have a more limited role, for instance in checking the quality of the shipments in the exporter's warehouse on behalf of a specific importer, or checking the codes of conduct agreed by the exporter with the buyer. Agents can work individually or as part of purchasing companies.

Importers/wholesalers: Importers and wholesalers sell products to retailers in their own country or region. They often take care of the import procedures. Importers and wholesalers take ownership of the goods when they buy from an exporter (as opposed to agents), taking the risk of the onward sale of the textile products. The development of a long-term relationship can lead to a high level of co-operation with regard to appropriate designs for

⁴⁹ http://www.cbi.eu/marketintel_platform/home-decoration/136093/channelsandsegments

the market, new trends, use of materials, type of finishing and quality requirements. Importers and wholesalers usually have good knowledge of the European market, and provide exporters with valuable information and guidance on European market preferences.

Retailers: Some retailers, especially the larger chains, are importing directly from their suppliers in developing countries; others order in Europe from wholesalers of brands. Retailers come in many sizes: some are big, part of a chain, others are small and independent. There is a tendency for consolidation in retail in Europe, with big retail brands becoming more spread out over Europe and becoming more 'lifestyle' centred (offering home decoration and textiles, as well as fashion accessories and furniture). Smaller independent retailers will be more specialised and carry collections that are closer to the needs of the local consumer. They buy from wholesalers or agents representing European brands, and usually do so by visiting trade fairs. They will also buy from local manufacturers. These specialists still represent the highest proportion of distribution in most European countries.

B-to-B market (or B2B = business-to-business, or contract market): This mostly covers the market of the interior designers, who will decorate corporate markets such as public buildings (the project market) and the hospitality market (hotels etc), but also people's private homes, both in Europe and globally. Interior decorators need displays of material and techniques as inspiration for the process of designing for this market. They will go to specialised wholesalers to find such product and material collections, or work for such companies on a fixed or project basis.

6. Requirements to meet in order to sell Vietnamese goods

The requirements that Vietnamese products must meet in order to enter the market are divided into two categories: (1) legal requirements that the product concerned must meet in order to enter the market, and (2) additional requirements imposed by distributors to demonstrate compliance with consumer's preferences for higher environmental or social standards, such as eco-labelling or fair-trade and ethical certifications.

In the European Union there exist a host of EU and Member State level regulations that affect the marketability of Vietnamese products such as food laws, labelling requirements, packaging and container requirements, food additive regulations, regulations on pesticides and contaminants, certification and documentation requirements, specific product standards, marketing standards copyright and/or trademark laws, special advertising regulations, which apply on top of import regulations, such as import duties and tariff quotas. Addressing all these requirements and regulations would go beyond the scope of this Guidebook. Nevertheless, Vietnamese exporters should be aware of their existence and adapt their marketing strategies accordingly. This is made easier by importing partners, who are knowledgeable about local regulatory requirements and will transmit the necessary information throughout their business cooperation to their Vietnamese counterparts.

In the following, we provide brief basic information on the content of the most important requirements for the products covered in section 5 with Internet links where Vietnamese exporters can find more detailed information and the legal texts of the regulations

For a full overview of all legal requirements for any Vietnamese export product exporters are advised to visit the EU Export Helpdesk at

http://exporthelp.europa.eu/thdapp/display.htm?page=form%2fform_MyExport.html&docT

[ype=main&languageId=en](#) where they can identify their product code to get a list of applicable requirements.

6.1 Food products

6.1.1 General requirements on food

6.1.1.1 EU Food Law

In the European Union the principle of the single market implies the principle of mutual recognition to ensure that a food product, whether produced in the EU or imported from a third country, can move freely throughout the EU if it complies with the requirements of the Member States where the product in question was first put on the market. This requires the harmonisation of Member States' national food laws, which is an ongoing process. According to a European Commission, around 98% of food legislation has already been harmonized at the EU level by December 2012. Nevertheless, for the remaining part 2%, where EU-wide legislation is incomplete or absent, the laws of Member States continue to apply, often resulting in different rules in different Member States.

The EU Food Law is contained in "Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety"⁵⁰.

This Regulation ensures the quality of foodstuffs intended for human consumption and animal feed. It guarantees the free circulation of safe and secure food and feed in the internal market. In addition, the European Union's (EU) food legislation protects consumers against fraudulent or deceptive commercial practices. This legislation also aims to protect the health and well-being of animals, plant health and the environment.

Safety standards

No foodstuff dangerous to health and/or unfit for consumption may be placed on the market. To determine whether a foodstuff is dangerous, the following are considered:

- the normal conditions of use;
- the information provided to the consumer;
- the probable immediate or delayed effect on health;
- the cumulative toxic effects;
- the specific sensitivity of certain consumers.

Where any food, which is unsafe, is part of a batch, lot or consignment, it is assumed that the whole batch, lot or consignment is unsafe.

In addition, animal feed deemed to be unsafe cannot be placed on the market or fed to any food-producing animals.

Responsibilities of operators

⁵⁰ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002R0178:EN:NOT>

Operators are responsible among others for ensuring the traceability of products at all stages of the production, processing and distribution, including with regard to substances incorporated into the foodstuffs.

If an operator considers that a food or feed is harmful to human or animal health, they immediately initiate the procedures to withdraw the product from the market and inform the competent authorities. Where the product may have reached the consumer, the operator informs the consumers and recalls the products already supplied.

Emergencies

Where food or feed, including those imported from a third country presents a serious and uncontrollable risk to human health, animal health or the environment, the Commission puts in place protective measures and:

- suspends the placing on the market or use of products originating from the EU;
- suspends imports of products originating from third countries.

More information can be found at:

http://europa.eu/legislation_summaries/consumers/consumer_safety/f80501_en.htm

6.1.1.2 Food labelling

General provisions on food labelling are laid down in European Parliament and Council Directive 2000/13/EC on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs⁵¹, which is the main EU legislation on the subject. It applies not only to foodstuffs intended for sale to the ultimate consumer but also for supply to restaurants, hospitals and other mass caterers.

The EU Legislation on food labelling applicable until 12 December 2014 covers:

- General rules on food labelling
- Rules for specific foods e.g. beef or chocolate.

Key points of Directive 2000/13/EC include:

- Consumers get all the essential information on composition, manufacturer, storage methods and preparation, etc.
- Substances known as allergens must always be indicated on the label. (EU list of allergens or substances causing intolerances - Annex IIIa).
- Informal guidelines on how manufacturers must label such substances

Detailed information can be found at:

http://ec.europa.eu/food/food/labellingnutrition/foodlabelling/index_en.htm

As of December 13, 2014, Directive 2000/13/EC will be repealed by European Parliament and Council Regulation 1169/2011 on the "Provision of Food Information to Consumers".⁵² This regulation establishes new horizontal food labelling requirements, which will become applicable on December 13, 2014, except for the new mandatory nutrition declaration

⁵¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2000L0013:20110120:EN:PDF>

⁵² <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2011R1169:20111212:EN:PDF>

requirement which will apply from December 13, 2016. Part B of Annex VI to Regulation 1169/2011 setting out specific requirements for the designation of minced meat will apply from January 1, 2014.

The new EU Regulation on food information to consumers applicable as from 13 December 2014 will change existing legislation on food labelling including:

- Mandatory nutrition information on processed foods;
- Mandatory origin labelling of unprocessed meat from pigs, sheep, goats and poultry;
- Highlighting allergens e.g. peanuts or milk in the list of ingredients;
- Better legibility i.e. minimum size of text;
- Requirements on information on allergens also cover non pre-packed foods including those sold in restaurants and cafés.

Information on the new EU regulation can be found at http://ec.europa.eu/food/food/labellingnutrition/foodlabelling/proposed_legislation_en.htm

The European Commission has also published a “Questions and Answers on the Application of Regulation 1169/2011 on the Provision of Food Information to Consumers” document on its website at http://ec.europa.eu/food/food/labellingnutrition/foodlabelling/docs/qanda_application_reg_1169-2011_en.pdf

Information on labelling requirements for specific products is covered in sections 6.1.2 to 6.1.10.

Note that in addition to EU requirements, additional labelling requirements might be imposed by Member States.

The European Union also regulates Geographical Indications and Designations of Origin⁵³ through Council Regulation (EC) No [510/2006](#).⁵⁴ This Regulation sets out provisions on agricultural products and foodstuffs (excluding all wine-sector products, except wine vinegar) from a defined geographical area. If there is a link between the characteristics of certain products and their geographical origin, they may qualify for either a protected geographical indication (PGI) or a protected designation of origin (PDO). The use of corresponding EU symbols on the labels of such products provides consumers with clear and concise information on their origin. The introduction of these two terms also benefits the rural economy, since it boosts farmers' income and maintains the population in less favoured or remote areas. The two types of geographical description are different. A PDO (Protected Designation of Origin) covers the term used to describe foodstuffs which are produced, processed and prepared in a given geographical area using recognised know-how (such as Mozzarella di Bufala Campana). A PGI indicates a link with the area in at least one of the stages of production, processing or preparation (such as Turrón de Alicante). The link with the area is therefore stronger for PDOs. In order to obtain a PDO or PGI, agricultural products or foodstuffs must comply with the product specification, which must include the following aspects:

⁵³ See in detail at

http://europa.eu/legislation_summaries/internal_market/businesses/intellectual_property/l66044_en.htm

⁵⁴ Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs.

- the name of the PDO or PGI;
- the description of the product, with an indication of its main physical, chemical, microbiological and organoleptic properties;
- definition of the geographical area;
- information proving that the product originates from that area;
- information justifying the link between the product and the geographical area;
- description of the production method and, if appropriate, the authentic and unvarying local methods as well as information concerning packaging that takes place in the defined geographical area in order to safeguard quality, ensure the origin or ensure control;
- the name and address of authorities or bodies that verify compliance with the provisions contained in the product specification;
- any specific labelling rule for the product in question;
- any requirements laid down by Community or national provisions.

6.1.1.3 Packaging and container requirements

The EU first introduced measures on the management of packaging waste in the early 1980s. Directive 85/339/EEC covered the packaging of liquid beverage containers intended for human consumption only but it was too vague to bring about the effective harmonisation of national policies. As a consequence, diverging national legislation appeared in several Member States.

Only some EU Member States introduced measures on packaging and packaging waste management with a view to reducing their environmental impacts. Serious Internal Market problems arose when cheap secondary materials from countries with recycling schemes that provided funding for collection and recycling appeared on the markets of other Member States where no such schemes were in place. Collection and recycling activities that relied on cost recovery through the sale of secondary raw material were threatened by collapse.

This Directive aims to harmonise national measures in order to prevent or reduce the impact of packaging and packaging waste on the environment and to ensure the functioning of the Internal Market. It contains provisions on the prevention of packaging waste, on the re-use of packaging and on the recovery and recycling of packaging waste.

In 2004, the Directive was reviewed to provide criteria clarifying the definition of the term “packaging” and increase the targets for recovery and recycling of packaging waste. In 2005, the Directive was revised again to allow new Member States transitional periods for attaining the recovery and recycling targets.

For any further information or clarification, please contact:
http://ec.europa.eu/environment/contact/contact_en.htm

More information on the new EU Packaging regulation can be found at
http://ec.europa.eu/environment/waste/packaging/index_en.htm

6.1.1.4 Food additives regulations

Food additives are authorised at EU level for all the Member States, as well as for Iceland, Liechtenstein and Norway. The text of the following legislations can be retrieved from
http://ec.europa.eu/food/food/chemicalsafety/additives/index_en.htm:

- General scheme;
- Authorised colorants;
- Authorised colouring matters;
- Authorised sweeteners;
- Authorised additives;
- Verification of purity criteria for certain authorised additives.

6.1.1.5 Pesticides and contaminants

EU food legislation aims at the establishment of the right balance between risks and benefits of substances that are used intentionally and at the reduction of contaminants in accordance with the high level of consumer protection that is required in Article 152 of the Treaty establishing the European Community. To achieve this high level of health protection for the consumer, a risk analysis procedure that is based on sound scientific evaluation and takes into account other factors, such as the feasibility of control, underpins Community legislation.

- The legislation on contaminants is based on scientific advice and the principle that contaminant levels shall be kept as low as can be reasonably achieved following good working practices. Maximum levels have been set for certain contaminants (e.g. mycotoxins, dioxins, heavy metals, nitrates, chloropropanols) in order to protect public health. More information on contaminants regulation can be found at http://ec.europa.eu/food/food/chemicalsafety/contaminants/index_en.htm
- The legislation on residues of veterinary medicinal products used in food producing animals and on residues of plant protection products (pesticides) provides for a scientific evaluation before respective products are authorised. If necessary, maximum residue limits (MRLs) are established and in some cases the use of substances is prohibited. More information on pesticides regulation can be found at http://ec.europa.eu/food/plant/plant_protection_products/max_residue_levels/index_en.htm
- The legislation on food contact materials provides that these materials shall not transfer their components into food in quantities that could endanger human health or change the composition, the taste or the texture of food. More information on regulation on food contact materials can be found at http://ec.europa.eu/food/food/chemicalsafety/foodcontact/index_en.htm

Contaminants are substances that may be present as a result of the various stages of its growing, processing, packaging, transport or storage.

The different forms of contamination are:

- a) Nitrate: a maximum level of 2,000 mg NO₃/kg applies for frozen spinach (see section 1 of Annex of Regulation (EC) No 1881/2006)
- b) Aflatoxin: limits have been set for aflatoxins B₁, B₂, G₁ and G₂ in most edible nuts and dried fruit (see section 2 of Annex of Regulation (EC) No 1881/2006)
- c) Ochratoxin A: applies to dried vine fruit (currants, raisins and sultanas) and grape juice (see section 2 of Annex of Regulation (EC) No 1881/2006). OTA is hard to prevent as it has a lot to do with climatic conditions.
- d) Patulin: for different types of fruit juices limits between 10 and 50 µg/kg apply (see section 2 of Regulation (EC) No 1881/2006).

- e) Heavy metals: there are restrictions for lead (fruit, fruit juices, various kinds of vegetables), cadmium (fruit and vegetables) and tin (canned food and beverages) (see section 3 of Annex of Regulation (EC) No 1881/2006)
- f) Microbiological: according to EU legislation salmonella is an important source of contamination in unpasteurised fruit and vegetable juices and cannot be present. For E-coli of the 5 samples only two can have a value between 100 cfu/g and 1 000 cfu/g. For other processed fruit and vegetables and edible nuts there are no EU requirements. Food safety authorities however can withdraw imported food products from the market or prevent them from entering the EU when salmonella is found present.
- g) Pesticides: the EU has set maximum residue levels (MRLs) for pesticides in and on food products. Products containing more pesticides than allowed will be withdrawn from the EU market.
- h) Foreign matter: contamination by foreign matter like plastic and insects are a threat when food safety procedures are not carefully followed.

Harmonized EU maximum levels for contaminants are set in the Annex of Commission Regulation 1881/2006⁵⁵. The Annex to Regulation 1881/2006 includes maximum levels for

- Nitrates in lettuce, spinach and infant food (section 1)

- Mycotoxins (section 2):

- aflatoxins in nuts, dried fruit, cereals, maize, spices, milk and infant food
- ochratoxin A in cereals, cereal products, dried vine fruit, roasted coffee, soluble coffee, wine, grape juice, spices, infant food and licorice
- patulin in fruit juices, spirit drinks, solid apple products, apple juice and infant food
- deoxynivalenol in cereals, cereal products, maize, pasta and infant food
- zearelenone in cereals, cereal products, maize, refined maize oil, bread and small bakery wares and infant food
- fumonisins in maize and maize based products

T-2 and HT-2 toxin in cereals and cereal products

- Heavy metals (section 3):

- lead in milk, infant food, meat, offal, seafood, vegetables, fruit, wine and food supplements
- cadmium in meat, seafood, cereals, soybeans, vegetables, fruit, fungi and food supplements
- mercury in seafood and food supplements
- tin in canned foods, canned beverages and canned baby foods

- 3-MCPD in vegetable protein and soy sauce (section 4)

- Dioxin and PCBs in meat, liver, fishery products, milk, eggs and oils & fats (section 5)

- Polycyclic aromatic hydrocarbons (PAH) in oils & fats, infant foods, (smoked) meat, fish and infant food (section 6)

- Melamine in infant food (section 7)

6.1.1.6 Private standards

Standards for products sold on domestic or international markets provide information. Depending on the reliability of the information and conformity with the standard, buyers are given an assurance that the product meets certain requirements and possesses certain attributes. This information is of value to the buyer, particularly in cases where there is no previous history on which to base a judgment. But providing that assurance is also useful to

⁵⁵ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2006R1881:20121203:EN:PDF>

the seller who might otherwise have to find alternative ways to reassure the buyer. And standards can be used for product differentiation, useful in monopolistic industries and with the potential to develop specialized market segments

Private standards have been high on the international trade policy agenda since 2005 when Saint Vincent and the Grenadines raised in the WTO a specific trade concern regarding EurepGAP (now called GLOBALGAP) requirements for bananas destined for sale in the United Kingdom. Since then, international agricultural and food trade has been greatly impacted by the rapid growth in the number and scope of private standards both in the EU, as well as other developed and developing countries alike. These standards have arisen as a result of a variety of factors, but mainly due to developments in the markets for and the marketing of foods, but also as a response to the evolution of public standards, notably those regulating health and safety. These factors include amongst others:

- High profile food safety concerns and problems of confidence in regulatory agencies;
- Legal requirements on companies to demonstrate due diligence in the prevention of food safety risks;
- Growing attention to corporate social responsibility and a drive by companies to minimize reputational risks;
- Globalisation of supply chains and a trend towards vertical integration through the use of direct contracts between suppliers and retailers;
- Expansion of supermarkets in food retailing both nationally and internationally; and
- Global expansion of food service companies.

Private standards are not mandatory. Suppliers are not required by law to meet private standards. Compliance with private standards is a choice on the part of the supplier. Where private standards become the industry norm, however, choice is limited. Consolidation in food retailing may be a key factor to consider in this context. Where a small number of food retailers account for a high proportion of food sales, the options for suppliers who do not participate in either an individual or collective retailer standard scheme can be considerably reduced. Furthermore, the retailer scheme may be de facto applied as the industry norm by all actors in the supply chain. Thus the choice of whether or not to comply with a voluntary standard becomes a choice between compliance or exit from the market. In this way, the distinction between private “voluntary” standards and mandatory “official” or “public” requirements can blur.

Compliance with private standards can have trade creation effects. Compliance with a private standard can open access to multiple markets if the private standard is used internationally or if a firm operating a scheme is trading internationally. Private standards can thus be trade creating. Furthermore, voluntary self-regulation of this nature should reduce food safety risks for consumers. However, compliance with private standards can have trade creation effects. Compliance with a private standard can open access to multiple markets if the private standard is used internationally or if a firm operating a scheme is trading internationally. However, for some developing country exporters meeting the requirements of private standards may be challenging due to the costs of implementing the schemes and the costs of demonstrating compliance.

Private standards can be grouped along several lines:

Standard:	Type
Applies to specific segment of the value chain	<ul style="list-style-type: none"> • Production of farm products (“pre-farm gate”) • Handling and processing (“post-farm gate”)
Applies to specific types of firms in the value chain (post-farm gate)	<ul style="list-style-type: none"> • Retail firms • Processing firms
Individual vs. collective	<ul style="list-style-type: none"> • Standards limited to individual firms • Standards collectively set and administered
Relationship with public standards	<ul style="list-style-type: none"> • Specifically tied to public standards • Has stricter provisions than public standards
Consumer visibility	<ul style="list-style-type: none"> • “Business-to-business” standards and as a consequence are generally invisible to the consumer • “Business-to-consumer” standards, usually with an identifying label and accompanying information through promotions

There have been more than 400 private schemes in operation identified by the WTO, of which the following are just illustrative examples:

Examples of Private Standards		
Individual firm schemes	Collective national schemes	Collective international schemes
Tesco Nature's Choice (pre-farm gate standards) Carrefour Filière Qualité (individual own standard)	Assured Food Standards British Retail Consortium Global Standard - Food QS Qualitat Sicherheit Label Rouge Food and Drink Federation/British Retail Consortium Technical Standard for the Supply of Identity Preserved Non-Genetically Modified Food Ingredients and Product	EurepGAP International Food Standard Global Food Safety Initiative ISO 22000: Food safety management systems Safe Quality Food (SQF) 1000 and 2000 ISO 22005: Traceability in the feed and food chain

Of major interest to Vietnamese exporters are the collective pre-farm gate standards of GlobalGAP. GlobalGAP was developed from the EurepGAP standard adopted by several European firms in 1997. The GlobalGAP standard is a code of Good Agricultural Practice that covers a range of factors, including food safety, animal welfare, environmental impacts and worker health and safety. It was originally retailer-driven, but has now broadened to include other parts of the food industry. It remains in the realm of business-to-business standards and is not identified by a label at the consumer level. It also relies on independent certification bodies in several countries. GlobalGAP has clearly filled a need for the food sector and undoubtedly facilitated a growth in the use of imported foods in major markets. It has attracted the participation of such market players as Walmart and McDonalds. The increase in exports of fruit and vegetables to the European market has demonstrated the usefulness of recognized standards in expanding trade to developing countries. Vietnamese exporters can retrieve particular GlobalGAP standards among the 16 standards available for

certification for 3 scopes of production, namely crops, livestock, and aquaculture, at http://www.globalgap.org/uk_en/for-producers/.

In France the retailer Carrefour has established its own Filière Qualité (Quality Chain) to provide assurance to consumers. Such firm-level schemes rarely cross the line between public and private functions when it comes to health and safety: they build on existing public standards rather than attempting to supplant them. But they are also willing to take credit for the existence of public standards even if they have no choice but to accept them.

The German retailer-based quality standard is the Qualitätsicherung (or QS-Quality Assurance) certification system that started with meat quality certification in 2001 and expanded to include fruit and vegetables in 2004. German and French retail federations (joined later by the Italian federation) initiated a food certification scheme in 2003 (International Featured Standards or IFS) that attracted support from many of the largest retailers in Europe.

As by definition private standards fall outside the jurisdictions of countries, there is no central registry or Government websites where such schemes can be exhaustively and authoritatively retrieved. In general, Vietnamese exporters will receive information directly from their business partners in the importing country, for example the buying centres of Groupe Casino and Metro Group.

Website addresses for private standard-setting schemes listed in the above table are the following:

- Assured Food Standards: www.redtractor.org.uk
- British Retail Consortium Global Standard – Food: www.brc.org.uk/standards/about_food.htm
- Carrefour Filière Qualité: www.carrefour.fr/etmoi/fqc/
- Food and Drink Federation/British Retail Consortium Technical Standard for the Supply of Identity Preserved Non-Genetically Modified Food Ingredients and Product: www.brc.org.uk/standards/about_nongm.htm
- Global Food Safety Initiative: www.ciesnet.com/2-wwedo/2.2-programmes/2.2.foodsafety.gfsi.asp Tesco Nature's Choice: www.tescocorporate.com
- GlobalGAP (formerly EurepGAP): <http://www.globalgap.org>
- International Featured Standards: www.food-care.info
- ISO 22000: Food safety management systems and ISO 22005: Traceability in the feed and food chain: www.iso.org
- Label Rouge: www.label-rouge.org
- Qualitätsicherung (QS): https://www.q-s.de/home_gb.html
- Safe Quality Food (SQF) 1000 and 2000: www.sqfi.com

Other sources of information relevant to Vietnamese exporters include the following (not exhaustive):

Documents available from the FAO website:

- A Practical Manual for Producers and Exporters from Asia: Regulations, Standards and Certification for Agricultural Exports (2007), available in English, Bahasa, Myanmar, Thai, Vietnamese and Chinese at: <http://www.fao.org/docrep/010/ag130e/ag130e00.htm>.

- A Qualitative Assessment of Standards and Certification Schemes Applicable to Aquaculture in the Asia–Pacific Region (2007), available in English at: <http://www.fao.org/docrep/010/ai388e/ai388e00.htm>.
- Private Standards in the United States and European Union Markets for Fruit and Vegetables: Implications for Developing Countries (2007), available in English at: <http://www.fao.org/docrep/010/a1245e/a1245e00.HTM>.

Documents available from Agrifoodstandards.net

- The agrifoodstandards.net website contains many useful resources on small-scale producers and standards in agrifood supply chains, including the Fresh Insights and Fresh Perspectives series (in English): <http://www.agrifoodstandards.net>.

Documents available from Global Food Safety Initiative

- The Global Food Safety Initiative has published a position paper on standards, cooperation and harmonization in the global food industry. It is available in English at: <http://www.ciesnet.com/pfiles/programmes/foodsafety/2008-GFSI-Position-Paper.pdf>.

Documents available from Trade Standards Practitioners Network

- The Trade Standards Practitioners Network website contains articles and much useful information on standards-related projects, as well as on standards schemes on different issues and products (in English): <http://www.tradestandards.org>.

6.1.2 *Fresh fruit and vegetables*

6.1.2.1 Pesticides regulations:

Regulation 1107/2009 lays down the rules for the authorization of plant protection products (PPPs). Rules cover pesticides currently or formerly used in agriculture in or outside the EU.

Commission implementing Regulation 540/2011⁵⁶, establishes a list of approved active substances. Only PPPs containing active substances included in the list may be authorized for use in the EU. Member States can approve PPPs containing the active substances. According to the new Regulation, the EU is divided in three different zones. Once a Member State approves the PPP it can be mutually recognized and thus authorized within the same EU zone as set out in Annex I of the Regulation. The Maximum Residue Levels (MRLs) for substances not on the list will be set at default level of 0.01 mg/kg. The legislation allows exporters to request an "import tolerance" for active substances not yet evaluated or in use in the EU. Besides the framework Regulation above, the so called pesticide package also contains a Directive for the sustainable use of pesticides.

Rules on Maximum Residue Limits (MRLs) in food or feed of plant and animal origin, including implementing rules can be found in Regulation 396/2005⁵⁷. Pesticide MRLs for processed or composite products are based on the MRLs of the raw agricultural ingredients. MRLs apply to 315 fresh products and to the same products after processing. See http://ec.europa.eu/food/plant/pesticides/legislation/max_residue_levels_en.htm for the latest updates.

⁵⁶ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:153:0001:0186:EN:PDF>

⁵⁷ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2005R0396:20121026:EN:PDF>

6.1.2.2 Contaminants

EU food legislation aims at the establishment of the right balance between risks and benefits of substances that are used intentionally and at the reduction of contaminants in accordance with the high level of consumer protection that is required in Article 152 of the Treaty establishing the European Community. To achieve this high level of health protection for the consumer, a risk analysis procedure that is based on sound scientific evaluation and takes into account other factors, such as the feasibility of control, underpins Community legislation.

- The legislation on contaminants is based on scientific advice and the principle that contaminant levels shall be kept as low as can be reasonably achieved following good working practices. Maximum levels have been set for certain contaminants (e.g. mycotoxins, dioxins, heavy metals, nitrates, chloropropanols) in order to protect public health. More information on contaminants regulation can be found at http://ec.europa.eu/food/food/chemicalsafety/contaminants/index_en.htm
- The legislation on residues of veterinary medicinal products used in food producing animals and on residues of plant protection products (pesticides) provides for a scientific evaluation before respective products are authorised. If necessary, maximum residue limits (MRLs) are established and in some cases the use of substances is prohibited. More information on pesticides regulation can be found at http://ec.europa.eu/food/plant/plant_protection_products/max_residue_levels/index_en.htm
- The legislation on food contact materials provides that these materials shall not transfer their components into food in quantities that could endanger human health or change the composition, the taste or the texture of food. More information on regulation on food contact materials can be found at http://ec.europa.eu/food/food/chemicalsafety/foodcontact/index_en.htm

Contaminants are substances that may be present as a result of the various stages of its growing, processing, packaging, transport or storage.

The different forms of contamination are:

- i) Nitrate: a maximum level of 2,000 mg NO₃/kg applies for frozen spinach (see section 1 of Annex of Regulation (EC) No 1881/2006)
- j) Aflatoxin: limits have been set for aflatoxins B₁, B₂, G₁ and G₂ in most edible nuts and dried fruit (see section 2 of Annex of Regulation (EC) No 1881/2006)
- k) Ochratoxin A: applies to dried vine fruit (currants, raisins and sultanas) and grape juice (see section 2 of Annex of Regulation (EC) No 1881/2006). OTA is hard to prevent as it has a lot to do with climatic conditions.
- l) Patulin: for different types of fruit juices limits between 10 and 50 µg/kg apply (see section 2 of Regulation (EC) No 1881/2006).
- m) Heavy metals: there are restrictions for lead (fruit, fruit juices, various kinds of vegetables), cadmium (fruit and vegetables) and tin (canned food and beverages) (see section 3 of Annex of Regulation (EC) No 1881/2006)
- n) Microbiological: according to EU legislation salmonella is an important source of contamination in unpasteurised fruit and vegetable juices and cannot be present. For E-coli of the 5 samples only two can have a value between 100 cfu/g and 1 000 cfu/g. For other processed fruit and vegetables and edible nuts there are no EU requirements. Food safety authorities however can withdraw imported food products from the market or prevent them from entering the EU when salmonella is found present.

- o) Pesticides: the EU has set maximum residue levels (MRLs) for pesticides in and on food products. Products containing more pesticides than allowed will be withdrawn from the EU market.
- p) Foreign matter: contamination by foreign matter like plastic and insects are a threat when food safety procedures are not carefully followed.

Harmonized EU maximum levels for contaminants are set in the Annex of Commission Regulation 1881/2006⁵⁸. The Annex to Regulation 1881/2006 includes maximum levels for

- Nitrates in lettuce, spinach and infant food (section 1)

- Mycotoxins (section 2):

- aflatoxins in nuts, dried fruit, cereals, maize, spices, milk and infant food
- ochratoxin A in cereals, cereal products, dried vine fruit, roasted coffee, soluble coffee, wine, grape juice, spices, infant food and licorice
- patulin in fruit juices, spirit drinks, solid apple products, apple juice and infant food
- deoxynivalenol in cereals, cereal products, maize, pasta and infant food
- zearalenone in cereals, cereal products, maize, refined maize oil, bread and small bakery wares and infant food
- fumonisins in maize and maize based products

T-2 and HT-2 toxin in cereals and cereal products

- Heavy metals (section 3):

- lead in milk, infant food, meat, offal, seafood, vegetables, fruit, wine and food supplements
- cadmium in meat, seafood, cereals, soybeans, vegetables, fruit, fungi and food supplements
- mercury in seafood and food supplements
- tin in canned foods, canned beverages and canned baby foods

- 3-MCPD in vegetable protein and soy sauce (section 4)

- Dioxin and PCBs in meat, liver, fishery products, milk, eggs and oils & fats (section 5)

- Polycyclic aromatic hydrocarbons (PAH) in oils & fats, infant foods, (smoked) meat, fish and infant food (section 6)

- Melamine in infant food (section 7)

6.1.2.3 Marketing standards

EU regulations promote product quality by applying marketing standards to certain products. The relevant rules are laid down in EU Regulation 1221/2008⁵⁹ as modified by EU Regulation 543/2011⁶⁰.

The general marketing standard (GMS) introduces a definition of "*sound, fair and of marketable quality*" for these products and requires them to bear the full name of their country of origin. It covers all produce covered by the regime, except those for which there is a specific standard (see below). Produce must meet the general standard or the applicable UNECE standard⁶¹ (which sometimes are less strict than the EU standard). Operators are free to choose which.

Specific marketing standards apply to:

- apples

⁵⁸ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2006R1881:20121203:EN:PDF>

⁵⁹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32008R1121:en:NOT>

⁶⁰ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32011R0543:en:NOT>

⁶¹ <http://www.unece.org/trade/agr/welcome.htm>

- citrus fruit
- kiwifruit
- lettuces, curled-leaved and broad-leaved endives
- peaches and nectarines
- pears
- strawberries
- sweet peppers
- table grapes
- tomatoes.

Approved non-EU countries: Any country exporting to the EU that has performed its own compliance checks may ask the Commission to judge whether those checks meet the specific EU marketing standards, or at least equivalent standards. If they do, that country may be granted “approved” status for products originating on its territory that have passed these checks. The EU Commission may suspend approval if it finds that, in a significant number of batches/quantities, the goods don't correspond to the information in the conformity certificates issued by the non-EU inspection body. For more details, see article 15 of EU Regulation 543/2011 (quoted above).

For more detailed information on marketing standards, please visit http://ec.europa.eu/agriculture/fruit-and-vegetables/marketing-standards/index_en.htm or <http://exporthelp.europa.eu/thdapp/taxes/show2Files.htm?dir=/requirements&reporterId1=EU&file1=e hir eu13 03v003/eu/main/req mktfrvegke eu 010 1103.htm>

6.1.2.4 Phytosanitary requirements

Fruit and vegetables exported to the EU, must comply with the EU legislation on plant health. The EU has laid down phytosanitary requirements to prevent introduction and spread of organisms harmful to plants and plant products in the EU. The requirements mainly imply that:

- Certain listed organisms are not allowed to be imported into the EU, unless specific circumstances apply.
- Plants or plant products specified in Part B, Annex V of Directive 2000/29/EC⁶² must be accompanied by a plant health certificate.

6.1.2.5 Labelling requirements

Pre-packaged foodstuffs must comply with the rules on labelling, presentation and advertising of foodstuffs. These rules are harmonised at European Union (EU) level to enable European consumers to make informed choices and to remove obstacles to the free circulation of foodstuffs and unequal conditions of competition. The general provisions of Directive 2000/13/EC⁶³, which relates to the labelling, presentation and advertising of foodstuffs apply.

6.1.3 Processed Fruit and Vegetables

⁶² <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2000L0029:20130411:EN:PDF>

⁶³ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32000L0013:EN:NOT>

It is compulsory to observe all EU food safety and consumer information requirements when marketing Vietnamese processed fruit and vegetables in the EU.

6.1.3.1 Food safety

Food safety requirements, which include traceability, hygiene and control of products, is a key issue in EU food legislation. The requirements for processed fruit and vegetables are the same as for other food products, as the General Food Law⁶⁴, which is the legislative framework regulation for food safety in the EU, applies to these products as well. (See section 6.1.1.1 on EU Food Law). To guarantee food safety and to allow appropriate action in cases of unsafe food, food products must be traceable throughout the entire supply chain and risks of contamination must be limited. An important aspect to control food safety hazards is defining critical control points (HACCP)⁶⁵ by implementing food management principles. Another important aspect is subjecting food products to official controls. Products that are not considered safe will be denied access to the EU.⁶⁶

6.1.3.2 Contaminants

EU food legislation aims at the establishment of the right balance between risks and benefits of substances that are used intentionally and at the reduction of contaminants in accordance with the high level of consumer protection that is required in Article 152 of the Treaty establishing the European Community. To achieve this high level of health protection for the consumer, a risk analysis procedure that is based on sound scientific evaluation and takes into account other factors, such as the feasibility of control, underpins Community legislation.

- The legislation on contaminants is based on scientific advice and the principle that contaminant levels shall be kept as low as can be reasonably achieved following good working practices. Maximum levels have been set for certain contaminants (e.g. mycotoxins, dioxins, heavy metals, nitrates, chloropropanols) in order to protect public health. More information on contaminants regulation can be found at http://ec.europa.eu/food/food/chemicalsafety/contaminants/index_en.htm
- The legislation on residues of veterinary medicinal products used in food producing animals and on residues of plant protection products (pesticides) provides for a scientific evaluation before respective products are authorised. If necessary, maximum residue limits (MRLs) are established and in some cases the use of substances is prohibited. More information on pesticides regulation can be found at http://ec.europa.eu/food/plant/plant_protection_products/max_residue_levels/index_en.htm
- The legislation on food contact materials provides that these materials shall not transfer their components into food in quantities that could endanger human health or change the composition, the taste or the texture of food. More information on regulation on food contact materials can be found at http://ec.europa.eu/food/food/chemicalsafety/foodcontact/index_en.htm

Contaminants are substances that may be present as a result of the various stages of its growing, processing, packaging, transport or storage.

The different forms of contamination are:

⁶⁴ http://ec.europa.eu/food/food/foodlaw/index_en.htm

⁶⁵ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2004R0852:20090420:EN:PDF>

⁶⁶ Source: CBI Market Information Database, www.cbi.eu

- q) Nitrate: a maximum level of 2,000 mg NO₃/kg applies for frozen spinach (see section 1 of Annex of Regulation (EC) No 1881/2006)
- r) Aflatoxin: limits have been set for aflatoxins B1, B2, G1 and G2 in most edible nuts and dried fruit (see section 2 of Annex of Regulation (EC) No 1881/2006)
- s) Ochratoxin A: applies to dried vine fruit (currants, raisins and sultanas) and grape juice (see section 2 of Annex of Regulation (EC) No 1881/2006). OTA is hard to prevent as it has a lot to do with climatic conditions.
- t) Patulin: for different types of fruit juices limits between 10 and 50 µg/kg apply (see section 2 of Regulation (EC) No 1881/2006).
- u) Heavy metals: there are restrictions for lead (fruit, fruit juices, various kinds of vegetables), cadmium (fruit and vegetables) and tin (canned food and beverages) (see section 3 of Annex of Regulation (EC) No 1881/2006)
- v) Microbiological: according to EU legislation salmonella is an important source of contamination in unpasteurised fruit and vegetable juices and cannot be present. For E-coli of the 5 samples only two can have a value between 100 cfu/g and 1 000 cfu/g. For other processed fruit and vegetables and edible nuts there are no EU requirements. Food safety authorities however can withdraw imported food products from the market or prevent them from entering the EU when salmonella is found present.
- w) Pesticides: the EU has set maximum residue levels (MRLs) for pesticides in and on food products. Products containing more pesticides than allowed will be withdrawn from the EU market.
- x) Foreign matter: contamination by foreign matter like plastic and insects are a threat when food safety procedures are not carefully followed.

Harmonized EU maximum levels for contaminants are set in the Annex of Commission Regulation 1881/2006⁶⁷. The Annex to Regulation 1881/2006 includes maximum levels for

- Nitrates in lettuce, spinach and infant food (section 1)

- Mycotoxins (section 2):

- aflatoxins in nuts, dried fruit, cereals, maize, spices, milk and infant food
- ochratoxin A in cereals, cereal products, dried vine fruit, roasted coffee, soluble coffee, wine, grape juice, spices, infant food and licorice
- patulin in fruit juices, spirit drinks, solid apple products, apple juice and infant food
- deoxynivalenol in cereals, cereal products, maize, pasta and infant food
- zearalenone in cereals, cereal products, maize, refined maize oil, bread and small bakery wares and infant food
- fumonisins in maize and maize based products

T-2 and HT-2 toxin in cereals and cereal products

- Heavy metals (section 3):

- lead in milk, infant food, meat, offal, seafood, vegetables, fruit, wine and food supplements
- cadmium in meat, seafood, cereals, soybeans, vegetables, fruit, fungi and food supplements
- mercury in seafood and food supplements
- tin in canned foods, canned beverages and canned baby foods

- 3-MCPD in vegetable protein and soy sauce (section 4)

- Dioxin and PCBs in meat, liver, fishery products, milk, eggs and oils & fats (section 5)

- Polycyclic aromatic hydrocarbons (PAH) in oils & fats, infant foods, (smoked) meat, fish and infant food (section 6)

- Melamine in infant food (section 7)

⁶⁷ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2006R1881:20121203:EN:PDF>

6.1.3.3 Labelling

Vietnamese exporters of consumer labelled processed fruit and vegetables (for example in cans, jars or boxes) need to take into account the labelling requirements laid down in European Parliament and Council Directive 2000/13/EC on general provisions on food labelling.⁶⁸ This is the main EU legislation on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs intended for sale to the ultimate consumer but also for supply to restaurants, hospitals and other mass caterers.

The EU Legislation on food labelling applicable until 12 December 2014 covers:

- General rules on food labelling
- Rules for specific foods.

Key points of Directive 2000/13/EC include:

- Consumers get all the essential information on composition, manufacturer, storage methods and preparation, etc.
- Substances known as allergens must always be indicated on the label. (EU list of allergens or substances causing intolerances - Annex IIIa).
- Informal guidelines on how manufacturers must label such substances

Detailed information can be found at:
http://ec.europa.eu/food/food/labellingnutrition/foodlabelling/index_en.htm

A label should inform consumers about composition of the product, its manufacturer, storage methods used and preparation. In addition, for fruit juices⁶⁹ and fruit jams, jellies, marmalade and sweetened chestnut puree⁷⁰ specific provisions are adopted in order to improve consumer information. For quick frozen food, specific labeling and quality requirements apply.

As of December 13, 2014, Directive 2000/13/EC will be repealed by European Parliament and Council Regulation 1169/2011 on the “Provision of Food Information to Consumers”.⁷¹ This regulation establishes new horizontal food labelling requirements, which will become applicable on December 13, 2014, except for the new mandatory nutrition declaration requirement which will apply from December 13, 2016. Part B of Annex VI to Regulation 1169/2011 setting out specific requirements for the designation of minced meat will apply from January 1, 2014.

The new EU Regulation on food information to consumers applicable as from 13 December 2014 will change existing legislation on food labelling including:

- Mandatory nutrition information on processed foods;
- Better legibility i.e. minimum size of text;
- Requirements on information on allergens also cover non pre-packed foods including those sold in restaurants and cafés. Pre-packed products that contain

⁶⁸ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2000L0013:20110120:EN:PDF>

⁶⁹ http://europa.eu/legislation_summaries/consumers/product_labelling_and_packaging/l21132_en.htm

⁷⁰ http://europa.eu/legislation_summaries/consumers/product_labelling_and_packaging/l21134_en.htm

⁷¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2011R1169:20111212:EN:PDF>

allergens (such as nuts i.e. peanuts, almonds, hazelnuts, walnuts, cashews, pecan nuts, Brazil nuts, pistachio nuts, macadamia nuts and Queensland nuts and products thereof) have to be labelled in such a way that it is clearly visible to consumers that they contain allergens.

Information on the new EU regulation can be found at http://ec.europa.eu/food/food/labellingnutrition/foodlabelling/proposed_legislation_en.htm

The European Commission has also published a “Questions and Answers on the Application of Regulation 1169/2011 on the Provision of Food Information to Consumers” document on its website at http://ec.europa.eu/food/food/labellingnutrition/foodlabelling/docs/qanda_application_reg_1169-2011_en.pdf

Information on labelling requirements for specific products is covered in sections 6.1.2 to 6.1.10.

Note that in addition to EU requirements, additional labelling requirements might be imposed by Member States.

6.1.4 Fish and seafood

There are great many requirements that fishery products must meet, but in general most of them are related to hygiene. These include the health standards of the fish, including contaminants and microbiological contamination (see below). In addition, packaging and storage are also regulated, also during transport.

6.1.4.1 Approved country and establishment

An exporter's country must be on the list of EU-approved countries in order for to export fish to the EU market. The approval is granted based on equivalence of public health and control systems.

Once the exporting your country has been approved, its competent authority has to approve establishments and factory vessels. The exporter's establishment must be approved in order to be able to export to the EU. Approved establishments receive a unique identification code.

More detailed information can be found at http://ec.europa.eu/food/food/biosafety/establishments/third_country/information_en.htm

6.1.4.2 Catch certificate

To combat illegal fishing, (wild caught) fish imported or transshipped in the EU must be accompanied by a catch certificate. The exporter needs to request the catch certificate for catches destined for the EU market, and submit the request to the competent authority of the Flag State of the fishing vessel.

More detailed information can be found at

http://exporthelp.europa.eu/thdapp/taxes/show2Files.htm?dir=/requirements&reporterId1=EU&file1=ehir_eu13_02v001/eu/main/req_spilfish_eu_010_1003.htm

6.1.4.3 Health certificate

The fishery products exported to the EU must be accompanied by a health certificate. As the competent authority in of the exporter country guarantees that the health and control system is equivalent to that of the EU, it also guarantees the consignments shipped to the EU comply with EU requirements. This is done by means of the health certificate.

More detailed information of health safety regulations of fishery products can be found at

http://exporthelp.europa.eu/thdapp/taxes/show2Files.htm?dir=/requirements&reporterId1=EU&file1=ehir_eu13_02v001/eu/main/req_heafishc_eu_010_0612.htm

6.1.4.4 Contaminants

EU food legislation aims at the establishment of the right balance between risks and benefits of substances that are used intentionally and at the reduction of contaminants in accordance with the high level of consumer protection that is required in Article 152 of the Treaty establishing the European Community. To achieve this high level of health protection for the consumer, a risk analysis procedure that is based on sound scientific evaluation and takes into account other factors, such as the feasibility of control, underpins Community legislation.

- The legislation on contaminants is based on scientific advice and the principle that contaminant levels shall be kept as low as can be reasonably achieved following good working practices. Maximum levels have been set for certain contaminants (e.g. dioxins, heavy metals, nitrates,) in order to protect public health. More information on contaminants regulation can be found at http://ec.europa.eu/food/food/chemicalsafety/contaminants/index_en.htm
- The legislation on residues of veterinary medicinal products used in food producing animals and on residues of plant protection products (pesticides) provides for a scientific evaluation before respective products are authorised. If necessary, maximum residue limits (MRLs) are established and in some cases the use of substances is prohibited. More information on pesticides regulation can be found at http://ec.europa.eu/food/plant/plant_protection_products/max_residue_levels/index_en.htm
- The legislation on food contact materials provides that these materials shall not transfer their components into food in quantities that could endanger human health or change the composition, the taste or the texture of food. More information on regulation on food contact materials can be found at http://ec.europa.eu/food/food/chemicalsafety/foodcontact/index_en.htm

Contaminants are substances that may be present as a result of the various stages of its growing, processing, packaging, transport or storage.

Harmonized EU maximum levels for contaminants are set in the Annex of Commission Regulation 1881/2006⁷². The Annex to Regulation 1881/2006 includes maximum levels for - Mycotoxins (section 2):

⁷² <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2006R1881:20121203:EN:PDF>

- Heavy metals (section 3):
 - lead in seafood
 - cadmium in seafood
 - mercury in seafood
 - tin in canned foods
- Dioxin and PCBs in fishery products (section 5)
- Polycyclic aromatic hydrocarbons (PAH) in fish (section 6)

6.1.5 *Coffee and tea*

It is compulsory to observe all EU food safety and consumer information requirements when marketing Vietnamese coffee and tea in the EU. Food safety requirements, which include traceability, hygiene and control of products, are a key issue in EU food legislation. The requirements for coffee and tea are the same as for other food products, as the General Food Law⁷³, which is the legislative framework regulation for food safety in the EU, applies to these products as well. (See section 6.1.1.1 on EU Food Law). To guarantee food safety and to allow appropriate action in cases of unsafe food, food products must be traceable throughout the entire supply chain and risks of contamination must be limited. An important aspect to control food safety hazards is defining critical control points (HACCP)⁷⁴ by implementing food management principles. Another important aspect is subjecting food products to official controls. Products that are not considered safe will be denied access to the EU.⁷⁵

6.1.5.1 Pesticides and contaminants

EU food legislation aims at the establishment of the right balance between risks and benefits of substances that are used intentionally and at the reduction of contaminants in accordance with the high level of consumer protection that is required in Article 152 of the Treaty establishing the European Community. To achieve this high level of health protection for the consumer, a risk analysis procedure that is based on sound scientific evaluation and takes into account other factors, such as the feasibility of control, underpins Community legislation.

- The legislation on contaminants is based on scientific advice and the principle that contaminant levels shall be kept as low as can be reasonably achieved following good working practices. Maximum levels have been set for certain contaminants (e.g. mycotoxins, dioxins, heavy metals, nitrates, chloropropanols) in order to protect public health. More information on contaminants regulation can be found at http://ec.europa.eu/food/food/chemicalsafety/contaminants/index_en.htm
- The legislation on residues of veterinary medicinal products used in food producing animals and on residues of plant protection products (pesticides) provides for a scientific evaluation before respective products are authorised. If necessary, maximum residue limits (MRLs) are established and in some cases the use of substances is prohibited. More information on pesticides regulation can be found at http://ec.europa.eu/food/plant/plant_protection_products/max_residue_levels/index_en.htm
- The legislation on food contact materials provides that these materials shall not transfer their components into food in quantities that could endanger human health or change the composition, the taste or the texture of food. More information on

⁷³ http://ec.europa.eu/food/food/foodlaw/index_en.htm

⁷⁴ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2004R0852:20090420:EN:PDF>

⁷⁵ Source: CBI Market Information Database, www.cbi.eu

regulation on food contact materials can be found at http://ec.europa.eu/food/food/chemicalsafety/foodcontact/index_en.htm

Contaminants are substances that may be present as a result of the various stages of its growing, processing, packaging, transport or storage. The different forms of contamination are:

- a) Pesticides: the presence of pesticides is the most common reason for border authorities to reject CTC. Tea, and in particular green tea, is especially often refused for this reason. Products containing more pesticides than allowed will be withdrawn from the EU market.
- b) Mycotoxic: moulds and fungi are an important reason for many border rejections. For roasted coffee beans and ground roasted coffee the maximum level of OTA is set at 5 µg/kg. There are no specific limits for green coffee beans as they are not consumed as such.
- c) Poly-aromatic hydrocarbons (PAH) - which can result from cocoa beans coming into direct contact with smoke, for example during artificial drying using badly designed or poorly maintained driers. For benzo(a)pyrene there is a limit of 5.0 µg/kg of fat and a limit of 35 µg/kg for the total sum of PAHs. The limit for the latter will become stricter (30 µg/kg) as per 1 April 2015.
- d) Salmonella: is a very serious form of contamination and occurs occasionally as a result of incorrect harvesting and drying techniques. Cocoa and coffee beans are considered low-risk commodities. Tea, especially herbal and rooibos tea, is most prone to contamination. However in the current EU legislation, no microbiological criteria for CTC have been set. Food safety authorities however can withdraw imported food products from the market or prevent them from entering the EU when Salmonella is found present. Irradiation is a way to combat microbiological contamination but this is not allowed by EU legislation for CTC.
- e) Foreign matter: contamination by foreign matter like plastic and insects are a threat when food safety procedures are not carefully followed.⁷⁶

6.1.5.2 Labelling and packaging requirements

Coffee and chicory extracts must be labelled in accordance with the provisions of Directive 2000/13/EC⁷⁷, which relates to the labelling, presentation and advertising of foodstuffs. However, only the above-mentioned descriptions may be used in trade in these products, possibly accompanied by information concerning the form ("paste", "liquid", "concentrated", etc.), any added substances, and the caffeine content. An indication of the minimum coffee- or chicory-based dry matter content as a percentage by weight of the finished product is also obligatory. Further information can be found at http://europa.eu/legislation_summaries/consumers/product_labelling_and_packaging/l21131_en.htm

6.1.7 *Cashew nuts*

See processed fruit under 6.1.3

6.1.8 *Rice*

See processed fruit under 6.1.3

⁷⁶ Source: CBI Market Information Database, www.cbi.eu

⁷⁷ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32000L0013:EN:NOT>

6.2 Clothing and footwear

6.2.1 Product safety regulations

The General Product Safety Directive basically states that all products marketed in the EU must be safe to use and forms a framework for all specific legislation established for specific products and issues. If no specific legal requirements have been established for a product and its uses, the General Product Safety Directive still applies. If there are specific requirements, the General Product Safety Directive applies in addition, covering all other safety aspects which may not have been described specifically.

In addition there is a specific standard regarding the safety clothes intended for children up to the age of 14.

Detailed information on the Product Safety regulation and the Directive can be read at the EU Export Helpdesk at

http://exporthelp.europa.eu/thdapp/taxes/show2Files.htm?dir=/requirements&reporterId1=EU&file1=ehir_eu13_02v001/eu/main/req_safeprod_eu_010_0612.htm

6.2.2 Restricted chemical substances

The EU has restricted a great number of chemicals in products that are marketed in the EU. These are listed in the REACH regulation (Regulation (EC) 1907/2006)⁷⁸.

6.2.3 Labelling requirements

Textile products must be labelled with the fibre composition and using the fibre names in accordance with EU rules. The aim of this common set of labelling rules is to ensure that the consumer knows what he is buying. Detailed information on legal labelling requirements are to be found at the EU Export Helpdesk at http://exporthelp.europa.eu/thdapp/taxes/show2Files.htm?dir=/requirements&reporterId1=EU&file1=ehir_eu13_02v001/eu/main/req_lbltexti_eu_010_0612.htm

⁷⁸ <https://osha.europa.eu/en/legislation/directives/exposure-to-chemical-agents-and-chemical-safety/osh-related-aspects/regulation-ec-no-1907-2006-of-the-european-parliament-and-of-the-council>

6.3 Furniture and similar other wooden products

There are a great number of EU legislative requirements for furniture and similar other wooden products. These include among others:

6.3.1 Product safety and Liability

The General product safety Directive (GPSD) [Directive 2001/95/EC of the European Parliament and of the Council of 3 December 2001 on General Product Safety]⁷⁹, applies. It states that all products marketed in the EU should be safe. The purpose of the legislation is to ensure consumer safety. The Liability Directive states that the EU importer is liable for the products put on the European market. However, the EU importer can in principle pass on a claim to the producer/exporter. The Guidance on application of the PPSD Directive can be found at http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

More information can be found at http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/general-product-safety/index_en.htm

6.3.2 Packaging

Packaging and packaging waste EU packaging legislation restricts the use of certain heavy metals, among other requirements. Wood packaging materials used for transport The EU sets requirements for wood packaging materials (WPM) such as packing cases, boxes, crates, drums, pallets, box pallets, and dunnage (wood used to wedge and support non-wood cargo). WPM is therefore subject to international phytosanitary requirements⁸⁰ (ISPM 15). Currently, the EU requires only the WPM imported into the EU from Third Countries to comply with the ISPM 15⁸¹. So far, the ISPM 15 has not been applied to the WPM originating in the EU and moving within the Union.

6.3.3 Timber regulations

Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market – also known as the (Illegal) Timber Regulation counters the trade in illegally harvested timber and timber products through three key obligations:

1. It prohibits the placing on the EU market for the first time of illegally harvested timber and products derived from such timber;
2. It requires EU traders who place timber products on the EU market for the first time to exercise 'due diligence';

Once on the market, the timber and timber products may be sold on and/or transformed before they reach the final consumer. To facilitate the traceability of timber products economic operators in this part of the supply chain (referred to as traders in the regulation) have an obligation to

⁷⁹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0095:en:NOT>

⁸⁰

[https://www.ippc.int/index.php?id=1110798&tx_publication_pi1\[showUid\]=133703&frompage=13399&type=publication&subtype=&L=0#item](https://www.ippc.int/index.php?id=1110798&tx_publication_pi1[showUid]=133703&frompage=13399&type=publication&subtype=&L=0#item)

⁸¹ See related information at

http://ec.europa.eu/food/plant/plant_health_biosafety/trade_non_eu/wood_packaging_dunnage_en.htm

3. Keep records of their suppliers and customers.

The Regulation covers a wide range of timber products listed in its Annex using EU Customs code nomenclature.

More detailed information can be found at http://ec.europa.eu/environment/forests/timber_regulation.htm

6.3.4 FLEGT licensing

In order to export timber products to the EU, one should make sure that the timber is logged legally. The Action Plan on Forest Law Enforcement, Government and Trade (FLEGT) is designed to control the entry of timber into the EU from those countries that have entered into Voluntary Partnership Agreements (VPA) with the EU. It makes it illegal to import certain types of timber from these countries unless that timber has a FLEGT licence, which evidences that the timber has been legally harvested. The rules on FLEGT licensing is contained in Regulation (EC) 2173/2005⁸². The Annex of the Regulation contains a list of products subject to FLEGT licensing. Under the EU Timber Regulation (EUTR), placing illegally harvested timber and products on the EU market is prohibited. Only when your timber is proven legal, it is allowed to be imported into the EU. Wood carrying a FLEGT licence, or a CITES permit, is considered to comply with the EUTR.

7. Recommendations to foster the direct partnership between Vietnamese exporters and main retail and wholesale distributors in EU

Boosting the export of any Vietnamese product through direct partnerships with European wholesalers or retailers is a good idea, but before making the first steps it is strongly advised to consider a series of market facts and carefully design a marketing strategy.

1st recommendation: do not establish direct partnership without developing your vision for the target market and product development.

2nd recommendation: develop a strategy to challenge the target market.

3rd recommendation: study the segments and supply chain dynamics, which will help market your product to the EU and to recognise opportunities for value adding. Identify the best distribution channel to work with directly for marketing your product, i.e., supermarkets, importer, distributor, or a foreign agent.

4th recommendation: when design marketing strategies, build strategic alliances with similar entrepreneurs;

5th recommendation: Consider building direct partnerships with retailers other than large retailers / wholesalers, to better foster the exports of products with higher added value. Smaller specialized retailers bring more value to your quality product than general retailers. For example, there are increasing opportunities to sell own tea brands in the upper-end

⁸² <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:347:0001:0006:EN:PDF>

market directly to small specialised retailers in Europe, while middle range teas could be sold to large international retailers (if they are also packers), and in the lower-end segment regular black teas would be sold through auctions.

6th recommendation: Consider that international retail companies' purchasing departments source products from, and have subsidiaries in, a variety of locations around the world. These business partners are advantageous for companies desiring to sell goods to a subsidiary in the home country of the retailer. In Vietnam the French Casino and the German METRO Group have their purchasing units and this allows businesses to communicate in Vietnamese and without having to leave the country. But Vietnamese exporters are not confined to foreign retailers with local presence. In today's globalised world other international retailers are also accessible.

7th recommendation: Consider participating in food trade shows, many of which are in fact global marketing opportunities. In many instances finding the right distribution for Vietnamese products is not through approaching international retailers present in the region, but through specialised trade fairs. For example a successful way is to participate in the various food trade fairs (and other trade fairs) taking place in Europe. By participating in product specific trade fairs, the conditions of partnerships with the different retailers/wholesalers is easier to compare, and the time of interacting with partners is dramatically reduced.

8th recommendation: Study the internal structure of buying groups and the levels of purchasing independence of its constituents. For example, while Casino Group has a global purchasing service, Monoprix, which belongs to Casino Group also works both directly with suppliers and via specific importers/distributors. Monoprix targets young professionals and middle-aged urban consumers and is particularly open to foreign products and international suppliers. This differentiates it from the Casino supermarkets that cater the general public with lower value products. By selecting the right partner for the right product the Vietnamese exporter can maximize its terms of trade.

9th recommendation: Looking for partners and market opportunities is not conducive to success, if Vietnamese export products, e.g. food products, do not meet EU legal requirements, industry standards, and private standards. There is little room for compliance errors with stringent EU and Members States' rules. Therefore the success depends mainly on knowledge of the market and personal contacts that help overcome knowledge gaps. The Vietnamese exporter should analyse EU and local food laws, packaging and labelling requirements, business practices and trade-related laws and tariffs, potential importers and the distribution system.

10th recommendation: Conduct basic market research and review export statistics for the past five years. Have SWOT analyses made of your target partner, but also of its competitors. Analyse the results and make final decision on whom to choose as your partner accordingly.

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Annex 1: European imports of fresh fruits and vegetables

European imports of fresh fruits and vegetables (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
TOTAL	All products	6,359,345,477	4,786,027,077	5,420,312,703	6,317,968,118	6,007,558,535
	Fresh fruits and vegetables	44,474,314	38,511,331	41,002,804	43,806,254	51,524,915
'080390	Fresh or dried bananas (excl. plantains)					5,646,757
'070200	Tomatoes, fresh or chilled	4,490,607	4,152,485	4,564,975	4,500,527	4,537,084
'080610	Grapes, fresh	3,651,565	3,239,824	3,161,803	3,603,294	3,363,050
'080810	Apples, fresh	3,430,253	2,542,508	2,520,075	2,919,765	2,771,722
'070960	Peppers of the genus Capsicum or of the genus Pimenta, fresh or chilled	2,540,746	2,122,887	2,489,950	2,732,790	2,520,527
'080510	Oranges, fresh or dried	2,600,041	2,320,314	2,429,570	2,326,939	2,299,968
'080520	Mandarins(tang&sats) clementines & wilkgs & sim citrus hybrids, fresh/dried	2,199,978	2,238,470	2,187,421	2,276,973	2,219,064
'070190	Potatoes, fresh or chilled n.e.s.	1,889,763	1,479,781	1,725,633	2,181,645	1,797,342
'081010	Strawberries, fresh	1,297,299	1,225,647	1,232,624	1,465,782	1,473,632
'080930	Peaches, including nectarines, fresh	1,650,247	1,290,581	1,420,452	1,363,553	1,445,279
'070700	Cucumbers and gherkins, fresh or chilled	1,274,986	1,225,005	1,347,762	1,204,068	1,250,835
'080550	Fresh or dried lemons "Citrus limon, Citrus limonum" and limes "Citrus	1,594,139	1,051,974	1,272,545	1,127,049	1,242,060
'080430	Pineapples, fresh or dried	1,421,717	1,210,698	1,206,974	1,314,868	1,169,415
'080830	Pears					1,143,442
'070999	Fresh or chilled vegetables n.e.s.					1,096,552
'080719	Melons, fresh, other than watermelons	1,032,586	937,473	931,254	1,011,971	991,858

European imports of fresh fruits and vegetables (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
'081050	Kiwi fruit, fresh	1,343,945	1,034,926	988,624	1,113,270	964,411
'070519	Lettuce, fresh or chilled n.e.s.	695,467	699,817	765,339	751,064	819,573
'080440	Avocados, fresh or dried	668,668	680,592	708,625	807,740	806,635
'070310	Onions and shallots, fresh or chilled	886,717	723,986	974,987	1,043,387	767,255
'070951	Mushrooms, fresh or chilled	825,168	696,438	735,372	808,667	710,000
'080450	Guavas, mangoes and mangosteens, fresh or dried	612,115	511,143	577,900	677,920	698,756
'070993	Fresh or chilled pumpkins, squash and gourds					629,689
'070820	Beans, shelled or unshelled, fresh or chilled	635,182	598,532	594,983	673,318	622,509
'070511	Cabbage lettuce (head lettuce) fresh or chilled	636,513	543,244	642,534	562,841	601,262
'070410	Cauliflowers and headed broccoli, fresh or chilled	518,588	512,570	574,851	580,079	586,092
'080711	Watermelons, fresh	572,066	513,995	581,431	592,144	585,741
'081090	Fruits, fresh n.e.s.	621,078	557,043	611,032	756,811	580,964
'080540	Grapefruit, fresh or dried	628,076	565,937	562,087	558,387	544,224
'081040	Cranberries, bilberries and other fruits of the genus Vaccinium, fresh	269,470	255,242	331,594	442,521	497,681
'070610	Carrots and turnips, fresh or chilled	496,721	506,010	423,594	472,847	481,098
'070920	Asparagus, fresh or chilled	463,720	403,643	426,532	453,808	468,931
'081020	Raspberries, blackberries, mulberries and loganberries, fresh	388,736	349,754	359,378	407,851	460,792
'070320	Garlic, fresh or chilled	366,410	364,915	544,581	614,376	441,088
'080940	Plums and sloes, fresh	543,974	389,669	375,763	418,936	428,137
'080929	Fresh cherries (excl. sour cherries)					420,004

European imports of fresh fruits and vegetables (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
'070490	Cabbages, kohlrabi, kale and sim edible brassicas n.e.s., fresh or chilled	486,978	417,202	483,478	501,786	410,282
'070959	Fresh or chilled edible mushrooms (excl. mushrooms of the genus "Agari	375,998	354,967	380,579	439,692	401,046
'080310	Plantains					335,877
'070110	Potatoes seed, fresh or chilled	367,088	320,664	304,292	397,582	322,109
'080910	Apricots, fresh	290,382	262,683	272,947	281,291	301,466
'070690	Salad beetroot, salsif, celeriac, radish & sim edible roots, fresh/chilled n.e.s.	284,816	246,313	280,760	342,668	284,171
'070930	Aubergines (egg-plants), fresh or chilled	256,347	240,919	259,783	270,332	278,752
'080410	Dates, fresh or dried	238,110	236,162	253,939	264,949	244,373
'070390	Leeks and other alliaceous vegetables, fresh or chilled	230,188	238,422	255,464	223,725	233,296
'080420	Figs, fresh or dried	249,964	229,969	220,714	232,430	220,861
'070810	Peas, shelled or unshelled, fresh or chilled	217,423	198,873	158,800	198,666	208,376
'070529	Chicory, fresh or chilled, n.e.s.	163,681	146,947	152,462	132,302	138,836
'081070	Persimmons					116,581
'071420	Sweet potatoes, fresh or dried, whether or not sliced or pelleted	79,918	74,613	84,630	108,553	107,618
'070940	Celery, other than celeriac, fresh or chilled	100,612	94,193	102,597	95,831	101,103
'080720	Papaws (papayas), fresh	111,472	98,398	95,109	110,679	99,793
'070521	Witloof chicory, fresh or chilled	102,778	94,749	96,557	92,452	89,319
'070970	Spinach, N-Z spinach & orache spinach (garden spinach), fresh or chilled	87,779	78,757	78,690	84,544	89,118
'070420	Brussels sprouts, fresh or chilled	86,475	74,568	81,212	80,086	87,386
'070991	Fresh or chilled globe artichokes					59,664

European imports of fresh fruits and vegetables (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
'070890	Leguminous vegetables, shelled or unshelled, fresh or chilled n.e.s.	40,230	40,875	40,576	50,895	44,710
'081030	Black, white or red currants and gooseberries, fresh					41,595
'080921	Sour cherries (Prunus cerasus)					41,095
'070992	Fresh or chilled olives					39,982
'080590	Citrus fruits, fresh or dried, n.e.s.	32,044	28,350	35,244	32,873	37,319
'071410	Manioc (cassava), fresh or dried, whether or not sliced or pelleted	347,250	32,831	27,501	36,254	33,710
'071490	Arrowroot, salep etc fro dried whether or not sliced or pelleted & sago pith	72,598	51,347	63,130	59,902	31,348
'071430	Yams, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets					22,628
'080840	Quinces					10,083
'081060	Fresh durians	5,642	4,426	4,095	3,571	4,312
'071440	Taro, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets					4,171
'071450	Yautia, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets					506

Source: ITC Trade Map

Annex 2: European imports of processed food and vegetables

European imports of processed food and vegetables (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
TOTAL	All products	6,359,345,477	4,786,027,077	5,420,312,703	6,317,968,118	6,007,558,535
	Processed food and vegetables	46,235,997	40,762,226	41,171,702	47,923,299	35,878,797
200919	Orange juice & n.e.s., unfermented not spirited, whether or not sugared or sweet	2,213,791	1,884,843	1,786,765	2,265,694	2,153,290
071080	Vegetables, frozen n.e.s.	1,849,360	1,714,381	1,767,040	1,984,118	1,759,547
080212	Almonds, fresh or dried, shelled or peeled	1,381,466	1,194,713	1,323,480	1,602,674	1,753,980
200819	Nuts & seeds n.e.s. ind mx, o/w prep o preserved, sugared, sweetened, spirited o not	1,310,803	1,135,574	1,299,126	1,524,258	1,523,203
200979	Apple juice, unfermented, Brix value > 20 at 20°C, whether or not cont	1,417,977	770,717	832,936	1,343,420	1,307,684
200912	Orange juice, unfermented, Brix value <= 20 at 20°C, whether or not co	1,269,351	1,045,605	1,024,046	1,182,276	1,238,055
200599	Vegetables and mixtures of vegetables, prepared or preserved otherwise	1,002,619	1,008,272	1,038,392	1,202,190	1,095,066
200290	Tomatoes n.e.s., prepared or preserved oth than by vinegar or acetic acid	1,128,060	1,266,641	1,130,886	1,173,396	1,091,154
080222	Hazelnuts or filberts, fresh or dried, shelled or peeled	1,106,630	976,929	1,077,935	1,161,589	1,057,114
080620	Grapes, dried	781,884	704,691	865,969	1,021,916	1,007,488
200799	Jams, fruit jellies, fruit/nut purée&paste,ckd prep, sugard, sweetened/not	847,595	756,857	799,871	947,007	990,457
200899	Fruits & other edible pts of plants n.e.s., prep/ preserved, sug, sweet/spir/not	919,428	860,308	883,960	1,050,977	922,477
080132	Cashew nuts, without shell, fresh or dried	698,687	681,049	674,719	904,223	893,504
200210	Tomatoes, whole/in pieces prepard/preservd o/t by vinegar/acetic acid	875,824	914,364	843,005	879,567	874,231
200911	Orange juice,unfermentd¬ spiritd,whether not sugard sweet,frozen	817,321	585,077	618,258	862,128	780,711

European imports of processed food and vegetables (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
200990	Mixtures of juices unfermented & not spirited whether or not sugared or sweet	841,590	732,813	726,871	848,506	748,508
200570	Olives prepared or preserved, other than by vinegar or acetic acid, not frozen	740,455	662,611	667,056	737,263	682,169
080232	Walnuts, fresh or dried, shelled or peeled	454,174	331,172	436,908	632,937	616,019
071333	Kidney beans & white pea beans dried shelled, whether or not skinned or split	576,227	492,913	487,751	542,604	591,557
071290	Vegetables and mixtures dried, but not further prepared n.e.s.	558,497	506,037	558,553	636,069	591,094
081110	Strawberries, uncooked or steamed or boiled in water, sweetened or not, frozen	527,731	383,041	409,153	588,440	588,498
081120	Raspberries, mulberries, etc uncooked, steam/boil in water sweetened/nt, frozen	706,057	597,057	561,447	624,680	580,393
200811	Ground-nuts n.e.s. o/w prep or preserved, sugared, sweetened, spirited or not	472,998	455,542	429,287	518,085	578,458
200580	Sweet corn prepared or preserved, o/t by vinegar or acetic acid not frozen	539,913	476,812	485,318	555,635	567,973
200190	Veg, fruit, nut & edible parts of plants n.e.s., prep/ preserved by vin/acetic acid	582,746	547,633	559,838	613,941	566,098
200820	Pineapples n.e.s., o/w prep or preserved, sugared, sweetened, spirited or not	604,294	473,615	430,075	586,705	496,116
200490	Veg n.e.s. & mx of veg prep or preserved, o/t by vinegar or acetic acid, frozen	353,193	349,412	394,378	483,022	453,905
080290	Nuts edible, fresh or dried, whether or not shelled or peeled, n.e.s.	389,536	355,848	503,459	530,309	452,720
071090	Mixtures of vegetables, frozen	457,111	440,271	417,351	460,189	434,558
200310	Mushrooms prepared or preserved other than by vinegar or acetic acid	574,626	445,358	395,696	414,089	387,544
200870	Peaches n.e.s., o/w prep or preserved whether or not sugared, sweetened or spirited	407,208	361,589	309,222	357,125	339,450
071310	Peas dried, shelled, whether or not skinned or split	282,597	236,336	244,673	293,507	333,233
200110	Cucumbers and gherkins, prepared or preserved by vinegar or acetic acid	325,367	367,495	324,571	331,131	316,087
200971	Apple juice, unfermented, Brix value <= 20 at 20°C, whether or not con	271,410	219,334	226,100	306,295	308,522
071021	Peas, frozen	347,722	281,631	253,318	276,730	305,331

European imports of processed food and vegetables (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
200939	Single citrus fruit juice, unfermented, Brix value > 20 at 20°C, wheth	195,793	224,073	271,789	295,963	256,783
080231	Walnuts in shell, fresh or dried	217,205	187,052	217,263	274,840	253,768
200560	Asparagus prepared or preserved, o/t by vinegar or acetic acid, not frozen	406,522	261,637	235,637	294,416	251,350
080410	Dates, fresh or dried	238,110	236,162	253,939	264,949	244,373
200559	Beans n.e.s. prepared or preserved, o/t by vinegar or acetic acid, not frozen	277,063	245,662	242,803	275,123	243,231
200949	Pineapple juice, unfermented, Brix value > 20 at 20°C, whether or not	247,778	291,632	317,797	311,629	240,469
200969	Grape juice, incl. grape must, unfermented, Brix value > 30 at 20°C, w	237,294	164,637	148,266	213,044	239,459
200830	Citrus fruits n.e.s., o/w prep or preserved, sugared, sweetened, spirited or not	196,611	183,694	180,741	220,671	236,154
200860	Cherries n.e.s., o/w prep or preserved whether or not sugared, sweetened or spirited	210,092	193,874	170,715	213,164	230,673
200551	Beans, shelled prepared/ preserved, o/t by vinegar/acetic acid, not frozen	173,219	186,662	191,809	224,838	229,918
071340	Lentils dried, shelled, whether or not skinned or split	233,617	202,630	238,292	253,127	223,541
071022	Beans, frozen	216,748	194,458	181,780	201,483	222,310
080420	Figs, fresh or dried	249,964	229,969	220,714	232,430	220,861
080111	Coconuts, desiccated	184,700	144,085	143,115	279,713	212,742
200880	Strawberries n.e.s., o/w prep/ preserved, whether/ not sugared, sweet/spirited	202,389	171,572	163,191	216,543	212,592
081320	Prunes, dried	273,646	245,951	220,949	215,491	212,059
200961	Grape juice, incl. grape must, unfermented, Brix value <= 30 at 20°C,	171,482	110,554	140,040	183,240	209,694
071320	Chickpeas, dried, shelled, whether or not skinned or split	174,991	122,973	144,141	168,163	195,600
081340	Fruits, dried n.e.s.	162,851	148,196	171,417	198,345	191,609
071220	Onions dried but not further prepared	211,473	182,844	190,390	214,587	186,620

European imports of processed food and vegetables (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
081350	Mixtures of edible nuts or dried fruits of this chapter	186,756	161,159	152,668	174,229	184,655
200941	Pineapple juice, unfermented, Brix value <= 20 at 20°C, whether or not	164,021	192,261	185,474	180,114	182,035
081310	Apricots, dried	201,648	172,088	197,401	220,788	171,934
071040	Sweet corn, frozen	153,975	129,845	138,193	160,643	163,445
200710	Homoprep (jams, fruit jellies etc) ckd prep whether/nt sugared/sweetened	215,412	137,666	130,357	153,813	158,555
200540	Peas prepared or preserved, other than by vinegar or acetic acid, not frozen	156,373	158,226	159,356	160,194	152,846
071239	Dried mushrooms and truffles, whole, cut, sliced, broken or in powder,	173,046	138,231	141,601	155,216	144,472
200850	Apricots n.e.s., o/w prep or preserved whether or not sugared, sweetened or spirited	189,859	161,989	147,426	172,628	142,951
071030	Spinach, N-Z spinach and orache spinach (garden spinach), frozen	136,118	128,230	123,143	136,501	136,741
200929	Grapefruit juice, unfermented, Brix value > 20 at 20°C, whether or not	102,575	97,403	100,186	129,861	134,471
200931	Single citrus fruit juice, unfermented, Brix value <= 20 at 20°C, whet	118,063	132,475	116,188	128,976	130,115
200840	Pears n.e.s., o/w prep or preserved whether or not sugared, sweetened, spirited	152,124	142,652	133,613	137,066	129,342
200600	Fruit, nut, fruit-peel&pts of plant preserved by sugar (draind, glacé/cryst)	124,655	115,873	120,896	134,602	124,447
080122	Brazil nuts, without shell, fresh or dried	84,255	65,325	100,656	142,895	112,079
200921	Grapefruit juice, unfermented, Brix value <= 20 at 20°C, whether or no	112,890	101,336	98,630	108,827	109,558
081330	Apples, dried	123,035	99,109	101,919	127,547	99,471
200390	Mushrooms, prepared or preserved otherwise than by vinegar or acetic a	49,844	49,830	62,023	74,000	83,703
200791	Citrus fruit (marmalades, purée, etc) ckd prep whether/not sugared/sweetened	68,684	58,240	58,847	64,008	59,679
200591	Bamboo shoots, prepared or preserved otherwise than by vinegar or acet	68,912	57,036	51,211	59,191	56,729
200510	Homogenised vegetables prep/ preserved ,o/t by vinegar/acetic acid, not frozen	70,231	59,649	53,609	67,461	56,717

European imports of processed food and vegetables (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
200891	Palm hearts n.e.s., o/w prep o preserved, whether o not sugared, sweet or spirited	64,697	45,580	47,879	53,454	55,317
071350	Broad beans & horse beans dried, shelled, whether or not skinned or split	50,722	40,120	45,533	56,371	51,080
071029	Leguminous vegetables frozen n.e.s.	61,431	48,897	44,663	50,522	49,735
071339	Beans dried, shelled, whether or not skinned or split, n.e.s.	52,046	40,310	44,911	45,815	43,619
080221	Hazelnuts or filberts in shell fresh or dried	31,124	33,266	32,084	36,729	38,897
080211	Almonds in shell fresh or dried	24,130	22,608	30,852	39,949	38,098
071231	Dried mushrooms of the genus "Agaricus", whole, cut, sliced, broken or	33,899	20,348	24,907	32,363	36,198
071331	Urd,mung, black/green gram beans dried shelled, whether/not skinned/split	36,638	32,528	43,748	49,819	35,489
200950	Tomato juice unfermented ¬ spirited, whether or not sugared or sweet	39,352	41,977	37,013	36,903	30,841
080131	Cashew nuts, in shell, fresh or dried	23,673	22,394	29,997	32,039	23,977
071390	Leguminous vegetables dried,shelled,whether or not skinnd or split,n.e.s.	18,715	17,714	20,651	15,408	16,790
080121	Brazil nuts, in shell, fresh or dried	5,680	6,732	6,552	7,067	9,495
071232	Dried wood ears "Auricularia spp.", whole, cut, sliced, broken or in p	7,894	8,073	7,672	8,588	7,901
071332	Beans, small red (Adzuki) dried, shelled, whether or not skinned or split	4,824	5,759	5,856	5,918	6,389
071233	Dried jelly fungi "Tremella spp.", whole, cut, sliced, broken or in po	1,189	1,303	1,842	1,383	1,026
071230	Mushrooms and truffles dried but not further prepared					
080240	Chestnuts, fresh or dried, whether or not shelled or peeled	118,381	88,771	93,938	114,003	
080250	Pistachios, fresh or dried, whether or not shelled or peeled	901,000	927,343	966,420	979,550	
080260	Macadamia nuts, fresh or dried, whether or not shelled or peeled	91,229	87,995	107,878	127,139	
080300	Bananas including plantains, fresh or dried	7,043,555	6,425,415	6,016,306	6,454,981	

European imports of processed food and vegetables (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
120210	Ground-nuts in shell not roasted or otherwise cooked	175,918	134,987	149,692	156,948	
120220	Ground-nuts shelled, whether or not broken, not roasted or otherwise cooked	930,843	735,335	751,420	1,046,386	
200320	Truffles prepared or preserved other than by vinegar or acetic acid	11,800	11,948	10,539	13,403	
200892	Fruit mixtures n.e.s., o/w prep o preserved, whether o not sugared, sweet o spir	502,989	465,334	438,313	508,597	
200980	Fruit & veg juice n.e.s. (exc mx) unfermented inspirited, whether/not sug/sweet	1,235,996	994,008	1,007,438	1,166,950	

Source: ITC Trade Map

n.e.s. = not elsewhere specified

Annex 3a: European imports of fishery products

European imports of fishery products (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
TOTAL	All products	6,359,345,477	4,786,027,077	5,420,312,703	6,317,968,118	6,007,558,535
	Fishery Products	7,951,791	6,845,622	7,540,980	8,923,246	20,231,594
'030617	Other frozen shrimps and prawns					3,630,975
'030749	Cuttle fish and squid, shelled or not, frozen, dried, salted or in brine	1,225,574	984,982	1,265,352	1,512,817	1,348,366
'030541	Salmon, Pacific, Atlantic and Danube, smoked including fillets	746,809	854,835	934,207	1,193,574	1,073,105
'030441	Fresh or chilled fillets of Pacific salmon, Atlantic and Danube					911,953
'030481	Frozen fillets, Pacific salmon, Atlantic and Danube					895,241
'160420	Fish prepared or preserved, except whole or in pieces	878,462	804,836	833,181	975,924	874,730
'030759	Octopus, frozen, dried, salted or in brine	866,654	663,536	653,132	1,000,642	747,088
'030551	Cod dried, whether or not salted but not smoked	471,714	474,352	559,036	656,443	637,420
'030444	Fresh or chilled fillets, Fish of the fam. Bregma cerotidae, Euclichthyidae, Gadidae, Macro					582,077
'030616	Frozen cold-water shrimps and prawns					535,386
'030474	Frozen fillets, Hake					501,158
'030389	Frozen fish, n.e.s.					495,046
'030562	Cod, salted and in brine, but not dried or smoked	730,766	473,265	506,535	580,758	477,182
'030363	Frozen Cod					471,064
'030449	Fresh or chilled fillets, n.e.s.					449,171
'030462	Frozen fillets, Catfish					437,039
'030342	Tunas, yellowfin, frozen excluding heading No 03.04, livers and roes	300,870	218,851	267,752	340,985	402,395
'030251	Fresh or chilled Cod					370,589

European imports of fishery products (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
'160413	Sardines, sardinella & brisigo sprats prep o presvd, whole o piece ex minced	372,120	336,301	313,871	271,193	314,213
'030622	Lobsters nes, not frozen, in shell or not, including boiled in shell	310,937	276,152	285,525	311,858	276,554
'030472	Frozen fillets, Haddock					244,748
'030254	Fresh or chilled Hake					225,496
'030615	Frozen Norway lobsters					219,425
'030366	Frozen Hake					209,538
'030433	Fresh, chilled fillets: Nile Perch					198,905
'160416	Anchovies, prepared or preserved, whole or in pieces, but not minced	178,811	173,808	167,453	168,344	197,533
'030626	Cold-water shrimps and prawns not frozen					189,104
'030532	Fillets, dried, salted or in brine, but not smoked, of fish of the families Bregmacerotida					182,526
'030539	Fish fillets, dried, salted or in brine, but not smoked, nes					177,926
'030741	Cuttle fish and squid, shelled or not, live, fresh or chilled	160,670	134,720	154,202	173,922	173,187
'030627	Other shrimps and prawns not frozen					154,942
'030487	Frozen fillets, Tunas, skipjack or stripe-bellied bonito					154,141
'030611	Rock lobster&oth sea crawfish,frozen in shell/not,incl boil in shell	207,798	133,870	180,273	210,105	153,912
'030495	Frozen meat, whether or not minced, Fish of the fam. Bregmacerotidae, Euclichthyidae, Gadi					150,228
'030614	Crabs frozen, in shell or not, including boiled in shell	164,118	134,045	153,538	157,993	146,841
'030494	Frozen meat, whether or not minced, Alaska Pollack					134,485
'030313	Frozen Atlantic salmon and Danube salmon					126,052

European imports of fishery products (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
'160432	Caviar substitutes					120,314
'030619	Crustaceans nes, frozen, in shell or not including boiled in shell	359,319	285,683	301,022	354,638	105,727
'030625	Norway lobsters not frozen					105,591
'030259	Fresh or chilled fish of the fam. Bregma cerotidae, Euclichthyidae, Gadidae, Macrouridae, M					96,611
'030252	Fresh or chilled Haddock					93,487
'030612	Lobsters nes, frozen, in shell or not, including boiled in shell	88,254	71,632	92,572	117,433	87,850
'030624	Crabs, not frozen, in shell or not, including boiled in shell	101,777	91,482	94,724	94,192	86,756
'030364	Frozen Haddock					74,211
'030461	Frozen fillets, Tilapias					73,632
'030629	Crustaceans nes, not frozen, in shell or not, including boiled in shell	238,313	187,172	194,084	200,870	69,422
'030243	Fresh or chilled Sardines, sardinella, brisling or sprats					68,833
'030311	Frozen sockeye salmon [red salmon] "Oncorhynchus nerka"	63,569	64,267	73,858	75,750	62,855
'030463	Frozen fillets, Nile Perch					61,592
'030751	Octopus, live, fresh or chilled	70,676	53,347	50,371	66,390	55,415
'030559	Fish nes, dried, whether or not salted but not smoked	59,190	53,206	48,447	51,794	53,135
'030432	Fresh, chilled fillets: Catfish					50,054
'030569	Fish nes, salted and in brine, but not dried or smoked	53,649	45,109	57,553	51,551	49,511
'030312	Frozen Pacific salmon other than red salmon					43,352
'030256	Fresh or chilled Blue whittings					41,233
'160431	Caviar					39,743
'030520	Livers and roes, dried, smoked, salted or in	37,528	31,060	44,365	47,790	38,110

European imports of fishery products (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
	brine					
'030369	Frozen fish of the fam. Bregmacerotidae, Eulichthyidae, Gadidae, Macrouridae, Melanonidae					33,863
'030563	Anchovies, salted and in brine, but not dried or smoked	47,545	49,829	45,722	48,728	33,812
'030323	Frozen Tilapias					29,718
'030621	Rock lobster&oth sea crawfish not fz,in shell/not,incl boild in shell	44,659	37,190	35,418	36,734	28,841
'030344	Frozen bigeye tunas "Thunnus obesus"	17,900	10,359	15,931	23,369	21,533
'030235	Fresh or chilled bluefin tunas "Thunnus thynnus"	18,973	24,268	19,324	17,555	15,157
'030510	Fish meal fit for human consumption	14,976	10,842	13,030	14,885	12,922
'030234	Fresh or chilled bigeye tunas "Thunnus obesus"	3,135	2,091	3,152	5,771	11,717
'030469	Frozen fillets, carp, eels and snakeheads					9,909
'030324	Frozen Catfish					9,711
'030367	Frozen Alaska Pollack					9,684
'030239	Tunas nes,fresh or chilled,excluding heading No 03.04,livers and roes	15,676	14,646	14,193	17,259	8,318
'030531	Fillets, dried, salted or in brine, but not smoked, of tilapia, catfish, carp, eels, Nile					7,890
'030272	Fresh or chilled Catfish					7,622
'030452	Fresh or chilled meat, whether or not minced, Salmonidae					7,521
'030255	Fresh or chilled Alaska Pollack					6,590
'030544	Smoked tilapia, catfish, carp, eels, Nile perch and snakeheads, incl. fillets (excl. offal)					6,365
'030493	Frozen meat, whether or not minced, Tilapias, catfish, carp, eels, Nile perch and snakehea					5,321
'030271	Fresh or chilled Tilapias					4,320

European imports of fishery products (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
030451	Fresh or chilled meat, whether or not minced, Tilapias, catfish					4,264
030349	Tunas nes, frozen, excluding heading No 03.04, livers and roes	9,043	5,565	5,579	5,933	3,801
030345	Frozen bluefin tunas "Thunnus thynnus"	1,860	1,442	1,532	1,972	3,594
030236	Fresh or chilled Southern bluefin tunas "Thunnus maccoyii"	2,843	2,579	2,027	1,302	938
030346	Frozen Southern bluefin tunas "Thunnus maccoyii"	992	885	802	729	608
030564	Salted or in brine only (excl. fillets and offal), Tilapia, catfish, carp, eels, Nile perc					400
030371	Sardines, sardinella, brislg or sprats, frozen ex hd No 03.04, livers&roes	86,611	139,415	153,217	134,043	

Source: ITC TradeMap

Annex 3b: Major Fish And Seafood Suppliers of France, Germany and UK

TOP TEN FISH AND SEAFOOD SUPPLIERS OF FRANCE, 2011	
<p>1. Imports from Norway</p> <ul style="list-style-type: none"> • Fresh/chilled salmon, with bones \$476.6M • Fresh/chilled fish fillets and other meat \$116.5M • Frozen fish fillets \$81.3M • Dried/salted cod \$18.2M • Fresh/chilled cod, except fillets \$15.7M 	<p>2. Imports from the United Kingdom</p> <ul style="list-style-type: none"> • Fresh/chilled salmon, with bones \$147.5M • Fresh/chilled fish fillets and other meat \$56.6M • Fresh/chilled/live scallops \$46.4M • Fresh/chilled/live/steamed crustaceans \$45.1M • Fresh/chilled fish with bones \$44.8M
<p>3. Imports from Spain</p> <ul style="list-style-type: none"> • Prepared/preserved tuna/skipjack/bonito \$155.7M • Fresh/chilled fish, with bones \$46.2M • Frozen shrimp and prawns \$26.2M • Prepared/preserved mollusks \$25.2M • Frozen/dried/salted cuttlefish and squid \$17.8M 	<p>4. Imports from the United States</p> <ul style="list-style-type: none"> • Frozen/dried/salted scallops \$58.0M • Frozen fish fillets \$57.3M • Frozen fish meat \$48.0M • Fresh/chilled/live scallops \$36.9M • Live/fresh/dried/salted/cooked lobsters \$29.1M
<p>5. Imports from the Netherlands</p> <ul style="list-style-type: none"> • Prepared shrimp and prawns \$35.2M • Live, fresh, or chilled mussels \$30.4M • Frozen fish fillets \$29.6M • Fresh/chilled fish fillets and other meat \$27.8M • Fresh/live/chilled/dried/salted shrimp/prawns \$25.7M 	<p>6. Imports from China</p> <ul style="list-style-type: none"> • Frozen fish fillets \$232.0M • Frozen fish with bones \$16.8M • Frozen fish meat \$8.7M • Frozen/dried/salted cuttlefish and squid \$5.3M • Prepared/preserved crustaceans \$3.9M
<p>7. Imports from Denmark</p> <ul style="list-style-type: none"> • Fresh/chilled cod, except fillets \$40.4M • Fresh/chilled fish fillets and other meat \$39.5M • Frozen fish fillets \$22.4M • Prepared/preserved fish, whole or pieces \$21.7M • Fresh/chilled salmon, with bones \$16.8M 	<p>8. Imports from Ecuador</p> <ul style="list-style-type: none"> • Frozen shrimp and prawns \$163.9M • Prepared/preserved tuna/skipjack/bonito \$75.5M • Frozen fish fillets \$8.0M • Prepared shrimp and prawns \$2.6M • Fresh/chilled fish fillets and other meat \$2.5M
<p>9. Imports from Ireland</p> <ul style="list-style-type: none"> • Fresh/chilled salmon, with bones \$36.9M • Frozen/live/fresh/chilled oysters \$17.6M • Frozen mackerel \$14.1M • Cooked/raw/live crabs \$13.6M • Fresh/chilled fish, with bones \$8.5M 	<p>10. Imports from Poland</p> <ul style="list-style-type: none"> • Smoked salmon \$83.3M • Frozen fish fillets \$35.9M • Fresh/chilled fish fillets and other meat \$17.3M • Frozen cod, excluding fillets, livers and roes \$5.2M • Prepared/preserved fish, whole or pieces \$4.6M
Source: Global Trade Atlas, 2012 quoted in	

TOP TEN FISH AND SEAFOOD SUPPLIERS TO GERMANY, 2011	
<p>1. Imports from Norway</p> <ul style="list-style-type: none"> • Fresh/chilled salmon with bones \$277.3M • Frozen fish fillets \$147.8M • Dried cod, whether or not salted \$83.3M • Frozen fish meat except steaks and fillets \$65.3M • Fresh/chilled fish fillets and other meat \$45.0M 	<p>2. Imports from Poland</p> <ul style="list-style-type: none"> • Smoked Pacific, Atlantic and Danube Salmon \$413.4M • Prepared/preserved herring, whole or pieces \$84.3M • Frozen fish fillets \$77.1M • Smoked fish, including fillets \$48.4M • Prepared/preserved fish, whole or in pieces \$32.6M
<p>3. Imports from China</p> <ul style="list-style-type: none"> • Frozen fish fillets \$512.6M • Prepared/preserved fish, whole or pieces \$7.0M • Frozen shrimp and prawns, including in shell \$6.8M • Prepared/preserved salmon, whole or pieces \$6.5M • Frozen/salted/dried cuttlefish and squid \$6.0M 	<p>4. Imports from the Netherlands</p> <ul style="list-style-type: none"> • Frozen fish fillets \$80.8M • Prepared/preserved shrimp and prawns \$63.3M • Frozen fish fillets and other meat \$56.5M • Prepared/preserved tuna/skipjack/bonito \$41.4M • Prepared or preserved fish \$18.2M
<p>5. Imports from Denmark</p> <ul style="list-style-type: none"> • Frozen fish fillets \$74.2M • Frozen fish fillets and other meat \$64.0M • Prepared/preserved fish, whole or pieces \$29.4M • Smoked fish, including fillets \$28.4M • Smoked salmon \$27.8M 	<p>6. Imports from the United States</p> <ul style="list-style-type: none"> • Frozen fish fillets \$179.8M • Caviar and caviar substitutes \$20.8M • Frozen sockeye salmon, excl. fillets \$16.2M • Frozen fish meat, except steaks and fillets \$13.2M • Frozen cod, excluding fillets \$9.2M
<p>7. Imports from Vietnam</p> <ul style="list-style-type: none"> • Frozen fish fillets \$101.6M • Frozen shrimp and prawns \$78.5M • Prepared/preserved shrimp and prawns \$30.5M • Prepared/preserved tuna/skipjack/bonito \$15.0M • Frozen/dried/salted cuttlefish and squid \$5.6M 	<p>8. Imports from Thailand</p> <ul style="list-style-type: none"> • Prepared/preserved shrimp and prawns \$78.5M • Frozen shrimp and prawns \$31.5M • Frozen/dried/salted cuttlefish and squid \$11.4M • Prepared/preserved tuna/skipjack/bonito \$9.8M • Frozen fish fillets \$3.9M
<p>9. Imports from the United Kingdom</p> <ul style="list-style-type: none"> • Frozen fish fillets \$23.3M • Frozen shrimp and prawns \$15.6M • Smoked salmon \$13.7M • Fresh/chilled fish fillets and other meat \$9.0M • Salmon, fresh or chilled with bone \$9.0M 	<p>10. Imports from Lithuania</p> <ul style="list-style-type: none"> • Smoked salmon \$71.3M • Frozen fish fillets \$21.9M • Prepared/preserved herrings, whole or pieces \$3.8M • Prepared/preserved fish whole or pieces \$2.9M • Fish and seafood, details unknown \$2.5M
<p>Source: Global Trade Atlas, 2012 quoted in http://www.ats-sea.agr.gc.ca/eur/pdf/6229-eng.pdf</p>	

TOP TEN FISH AND SEAFOOD SUPPLIERS TO the UK, 2011	
<p><i>1. Imports from Iceland</i></p> <ul style="list-style-type: none"> • Frozen fish fillets \$162.3M • Frozen/fresh fish fillets and other meat \$136.6M • Prepared/preserved shrimp and prawns \$52.3M • Fresh/chilled fish with bones \$23.6M • Fresh haddock, except fillets \$23.4M 	<p><i>2. Imports from Thailand</i></p> <ul style="list-style-type: none"> • Prepared/preserved shrimp and prawns \$113.0M • Frozen shrimp and prawns, including in-shell \$81.9M • Tuna/Skipjack/Bonito, prep./pres., not minced \$72.8M • Prepared/preserved fish \$30.3M • Prepared sardines \$5.8M
<p><i>3. Imports from China</i></p> <ul style="list-style-type: none"> • Frozen fish fillets \$203.1M • Dried/salted cuttlefish and squid \$16.8M • Frozen shrimp and prawns, including in-shell \$13.0M • Prepared/preserved shrimp and prawns \$12.2M • Smoked fish, including fillets \$9.4M 	<p><i>4. Imports from Denmark</i></p> <ul style="list-style-type: none"> • Frozen fish fillets \$60.2M • Prepared/preserved mackerel, not minced \$59.0M • Prepared/preserved shrimp and prawns \$36.9M • Prepared/preserved fish, whole or pieces \$31.7M • Frozen shrimp and prawns, including in-shell \$18.5M
<p><i>5. Imports from Germany</i></p> <ul style="list-style-type: none"> • Prepared/preserved fish, whole or in pieces \$105.5M • Frozen fish fillets \$93.0M • Frozen shrimp and prawns, including in-shell \$15.9M • Tuna/Skipjack/Bonito, prep./pres., not minced \$6.6M • Prepared/preserved fish \$6.2M 	<p><i>6. Imports from the Faroe Islands</i></p> <ul style="list-style-type: none"> • Fresh/chilled salmon with bones \$161.5M • Frozen fish fillets \$44.5M • Fresh/chilled haddock, except fillets \$9.9M • Fresh fish \$9.8M • Fresh/chilled cod, except fillets \$7.7M
<p><i>7. Imports from Norway</i></p> <ul style="list-style-type: none"> • Frozen fish fillets \$77.1M • Frozen haddock, except fillets \$26.0M • Prepared/preserved shrimp and prawns \$25.5M • Frozen cod, excluding fillets \$11.1M • Fresh/chilled salmon with bones \$4.7M 	<p><i>8. Imports from the United States</i></p> <ul style="list-style-type: none"> • Prepared/preserved salmon, whole or pieces \$77.7M • Frozen fish fillets \$23.2M • Frozen/dried/salted scallops, incl. Queen \$9.0M • Live/fresh/chilled scallops incl. Queen \$7.8M • Frozen fish meat, except steaks and fillets \$5.5M
<p><i>9. Imports from the Netherlands</i></p> <ul style="list-style-type: none"> • Frozen fish fillets \$31.1M • Fresh/chilled fish, with bones \$16.7M • Fresh/chilled fish fillets and other meat \$15.0M • Fresh/chilled salmon with bones \$11.3M • Prepared or preserved fish, whole or pieces \$10.0M 	<p><i>10. Imports from Canada</i></p> <ul style="list-style-type: none"> • Prepared/preserved shrimp and prawns \$85.6M • Prepared/preserved salmon, whole or pieces \$21.5M • Frozen/dried/salted scallops \$7.8M • Frozen fish fillets \$6.3M • Fresh/live/chilled lobsters \$5.4M
Source: Global Trade Atlas, 2012 quoted in	

Annex 4a: European coffee imports

European coffee imports (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
090111	Coffee, not roasted, not decaffeinated	8,852,104	7,811,266	9,258,849	13,757,966	11,949,330
090121	Coffee, roasted, not decaffeinated	3,289,519	3,281,262	3,685,159	5,211,901	5,302,594
090122	Coffee, roasted, decaffeinated	219,492	217,716	236,695	331,485	310,896
090112	Coffee, not roasted, decaffeinated	182,800	187,302	241,954	319,256	280,790
090190	Coffee husks and skins, coffee substitutes	39,069	38,713	51,821	63,010	67,621

Source: ITC TradeMap

Annex 4b: Major EU Coffee Markets and their Main Suppliers and Roasters

EU Members State	Net imports (million bags (green bean))	Main suppliers (green bean)	Major Coffee Roasters
Belgium/ Luxembourg	1.60	Brazil 28% Viet Nam 16% Honduras 10% Peru 7%	One roaster, Sara Lee / Douwe Egberts, accounts for around half of the market. Belgium also has many small roasters, particularly in the specialty sector
France	4.28	Brazil 21% Viet Nam 11% Ethiopia 5% Honduras 4%	Kraft Foods and Sara Lee/Douwe Egberts account for 60% or more of the roast coffee market by volume. Nestlé accounts for almost two-thirds of the soluble market.
Germany	12.69	Brazil 35% Viet Nam 19% Peru 7% Honduras 6%	Two roasters, Kraft Foods and Tchibo, account for about 55% of the market.
Italy	7.71	Brazil 34% Viet Nam 19% India 13% Indonesia 6%	Five roasters, of which Lavazza is the largest, account for around 70% of the market. Italy re-exports 28% of what it imports – reflecting its success in marketing Italian espresso brands overseas.
Poland	1.65	Viet Nam 4% Lao P. D. R. 3% Unidentified via Germany 83%	99% of its roasted coffee imports and 65% of its imports of soluble coffee originate in the EU.
Spain	4.02	Viet Nam 35% Brazil 21% Uganda 6% Colombia 5%	The top three roasters control about 60% of the market. Some 300 smaller roasters cover the remainder and dominate the out-of-home market.
Sweden	1.66	Brazil 44% Peru 10% Colombia 8%	Dominating roasters are Kraft Foods with about 40% of the

EU Members State	Net imports (million bags (green bean))	Main suppliers (green bean)	Major Coffee Roasters
		Ethiopia 7% Kenya 7%	market, Zoegas 20%, Lofbergs Lila 15% and Arvid Nordquist 10%. A small number of roasters share the balance.
United Kingdom	2.21	Viet Nam 19% Brazil 16% Indonesia 15% Colombia 12%	Soluble coffee accounts for around 80% of the market. Nestlé accounts for around 50% of the soluble coffee market; Kraft Foods just over 20%.
Source: ITC: The Coffee Exporter's Guide, 2011			

Annex 5: European imports of tea

European imports of tea (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
090240	Black tea (fermented) & partly fermented tea in packages exceeding 3 kg	599,358	593,867	668,027	750,077	679,753
090230	Black tea (fermented)&partly fermented tea in packages not exceeding 3 kg	466,872	426,324	458,604	513,662	496,774
090210	Green tea (not fermented) in packages not exceeding 3 kg	155,387	149,245	162,071	181,627	182,541
090220	Green tea (not fermented) in packages exceeding 3 kg	105,378	90,371	107,593	123,164	111,337

Source: ITC TradeMap

Annex 6: European imports of cashew nuts

European imports of cashew nuts (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
080131	Cashew nuts, in shell, fresh or dried	23,673	22,394	29,997	32,039	23,977
080132	Cashew nuts, without shell, fresh or dried	698,687	681,049	674,719	904,223	893,504

Source: ITC TradeMap

Annex 7: European imports of rice

European imports of rice (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
100630	Rice, semi-milled or wholly milled, whether or not polished or glazed	1,672,476	1,525,281	1,386,860	1,608,016	1,483,650
100620	Rice, husked (brown)	1,104,090	859,290	759,952	921,700	750,669
100640	Rice, broken	332,451	339,351	270,044	336,280	329,894
100610	Rice in the husk (paddy or rough)	115,404	98,108	70,062	98,163	86,400

Source: ITC TradeMap

Annex 8a: European imports of apparel

Clothing and footwear

Imports of products in HS 61: Articles of apparel, accessories, knit or crochet (US Dollar thousand)						
Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
6101	Men's overcoats, capes, etc, knitted/crochetd, o/t of hd 61.03	643,168	653,590	705,617	879,856	817,142
6102	Women's overcoat, cape, etc, knitted/crochetd, o/t of hd 61.04	1,327,201	1,244,172	1,368,897	1,688,518	1,367,601
6103	Men's suits, jackets, trousers etc & shorts, knit/croch	1,401,298	1,319,941	1,463,747	1,740,999	1,689,690
6104	Women's suits, dresses, skirt etc & short, knit/croch	6,423,566	6,892,807	8,504,422	9,890,761	9,325,539
6105	Men's shirts, knitted or crocheted	3,065,899	2,672,751	2,796,481	3,497,469	3,217,133
6106	Women's blouses & shirts, knitted or crocheted	3,367,275	2,859,253	2,724,324	2,934,097	2,764,241
6107	Men's underpants, pyjamas, bathrobes etc, knit/croch	2,316,545	2,098,541	2,193,778	2,633,961	2,320,737
6108	Women's slips, panties, pyjamas, bathrobes etc, knitted/crocheted	4,729,080	4,239,859	4,349,068	4,885,657	4,141,792
6109	T-shirts, singlets and other vests, knitted or crocheted	18,420,585	16,501,779	17,480,993	19,694,460	17,826,079
6110	Jerseys, pullovers, cardigans, etc, knitted or crocheted	22,340,840	20,641,049	20,594,518	23,224,622	20,347,444
6111	Babies' garments, knitted or crocheted	2,840,425	2,685,252	2,818,088	3,566,387	2,855,598
6112	Track suits, ski suits and swimwear, knitted or crocheted	2,305,950	2,095,800	2,066,024	2,420,301	2,047,095
6113	Garment, made up of knitted/crochetd fabric of hd no 59.03, 06, 07	246,195	238,883	263,378	346,997	301,087
6114	Garments, knitted or crocheted, nes	1,963,894	1,843,197	2,069,105	2,258,331	2,191,725
6115	Panty hose, tights, stockings & other hosiery, knitted or crocheted	5,363,541	4,993,732	5,283,149	6,123,850	5,173,600
6116	Gloves, mittens and mitts, knitted or crocheted	1,198,091	970,006	1,226,608	1,619,730	1,413,192
6117	Clothing accessories, knitted/croch	925,768	899,325	1,078,810	1,236,058	1,056,060

Source: ITC TradeMap

Imports of products in HS 62: Articles of apparel, accessories, not knit or crochet (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
6201	Men's overcoats, capes, windjackets etc o/t	5,079,136	4,437,467	4,549,881	5,770,985	4,989,608

	those of hd 62.03					
6202	Women's overcoats, capes, wind-jackets etc o/t those of hd 62.04	7,281,024	6,390,975	6,590,714	8,038,035	6,934,974
6203	Men's suits, jackets, trousers etc & shorts	20,286,334	17,163,780	17,458,844	20,497,694	18,863,015
6204	Women's suits, jackets, dresses skirts etc&shorts	25,832,230	22,591,571	22,456,227	25,719,650	23,600,574
6205	Men's shirts	6,205,253	5,288,245	5,542,705	6,555,177	5,909,728
6206	Women's blouses & shirts	6,241,236	5,784,800	5,942,154	6,523,585	5,881,658
6207	Men's singlets, briefs, pyjamas, bathrobes etc	531,892	467,262	459,893	530,435	423,487
6208	Women's singlets, slips, briefs, pyjamas, bathrobes etc	977,693	850,167	811,933	869,702	709,425
6209	Babies' garments and clothing accessories	1,347,225	1,263,561	1,307,468	1,675,074	1,265,210
6210	Garment made up of fabric of heading no 56.02,56.03,59.03,59.06/59.07	3,739,005	3,470,517	3,776,390	4,676,112	3,924,352
6211	Track suits, ski suits and swimwear; other garments	3,815,640	3,266,155	3,288,863	3,746,130	3,256,444
6212	Brassieres, girdles, corsets, braces, suspenders etc&parts	4,326,641	3,855,096	3,945,424	4,519,641	4,136,166
6213	Handkerchiefs	45,054	38,423	33,089	39,054	40,904
6214	Shawls, scarves, mufflers, mantillas, etc	1,145,990	1,304,929	1,566,834	1,879,382	1,764,931
6215	Ties, bowties and cravats	522,301	395,284	379,121	408,546	346,919
6216	Gloves, mittens and mitts	374,948	342,858	398,089	499,305	397,655
6217	Clothing accessories nes; o/t of hd 62.12	834,525	663,911	662,150	705,151	623,180

Source: ITC TradeMap

Annex 8b: European imports of footwear

Imports of products in HS 64: Footwear, gaiters and the like, parts thereof (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
6401	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes	477,442	446,242	580,951	760,438	577,324
6402	Footwear nes, outer soles and uppers of rubber or plastics	8,267,224	8,025,943	9,388,362	10,604,512	9,704,453
6403	Footwear, upper of leather	25,925,117	22,330,708	23,208,942	26,219,471	24,550,705
6404	Footwear, upper of textile mat	5,891,641	5,851,251	6,946,714	8,584,432	8,660,785
6405	Footwear, nes	989,999	1,051,379	1,190,056	1,503,185	1,479,103
6406	Part of footwear; removable in-soles, heel cushion etc; gaiter etc	3,216,658	2,612,458	3,030,948	3,673,286	3,178,409

Source: ITC TradeMap

Annex 9: European imports of furniture

Imports of products in HS 94: furniture (US Dollar thousand)						
HS Code	Product label	Imported value in 2008	Imported value in 2009	Imported value in 2010	Imported value in 2011	Imported value in 2012
9401	Seat (o/t dentists' & barbers' chairs, etc), & part thereof	27,931,782	22,359,546	24,933,880	27,851,489	25,792,154
940110	Seats, aircraft	173,929	136,597	133,846	214,265	202,568
940120	Seats, motor vehicles	1,280,849	846,642	1,259,969	1,500,692	1,296,372
940130	Swivel seats&variable height adjustment oth than those of headg 94.02	1,476,532	1,157,286	1,244,273	1,321,051	1,248,105
940140	Seats exclugd garden seats or campg equipment,convertible into beds	726,562	614,900	610,072	742,163	703,949
940150	Seats of cane, osier, bamboo or similar materials					
940151	Seats of bamboo or rattan	153,848	115,483	114,794	97,059	85,999
940159	Seats of cane, osier or similar materials (excl. of bamboo or rattan)	60,431	45,321	50,013	51,501	51,165
940161	Seats with wooden frames,upholstered nes	7,186,407	6,026,984	6,256,543	6,414,815	6,155,394
940169	Seats with wooden frames, nes	1,441,967	1,180,699	1,218,340	1,165,197	1,047,173
940171	Seats w metal frames,upholsterd nes,oth than those of headg No 94.02	1,648,664	1,408,371	1,566,120	1,769,977	1,677,598
940179	Seats with metal frames, nes, other than those of heading No 94.02	2,019,970	1,747,972	2,039,068	2,281,744	2,068,556
940180	Seats nes, other than those of heading No 94.02	1,222,247	1,057,926	1,248,417	1,310,221	1,249,047
940190	Parts of seats other than those of heading No 94.02	10,540,377	8,021,370	9,192,424	10,982,796	10,006,233
9402	Med, surg, dental furniture (e.g. dentists' & barbers' chairs)	1,279,382	1,158,700	1,188,959	1,255,365	1,103,040
940210	Dentists', barbers' or similar chairs and parts thereof	223,828	173,101	169,906	174,771	155,312
940290	Medical, surgical, dental or veterinary furniture and parts nes	1,055,558	985,602	1,019,051	1,080,589	947,732
9403	Other furniture and parts thereof	35,724,729	28,279,348	28,967,342	31,184,004	28,914,640
940310	Office furniture, metal, nes	1,448,139	978,813	945,190	998,601	897,987
940320	Furniture, metal, nes	4,777,025	3,644,510	4,015,437	4,544,517	4,339,811
940330	Office furniture, wooden, nes	1,524,940	1,015,202	943,297	1,107,759	1,104,939
940340	Kitchen furniture, wooden, nes	3,003,940	2,477,129	2,322,032	2,547,085	2,435,918

940350	Bedroom furniture, wooden, nes	3,499,059	2,953,227	2,938,483	3,178,390	2,982,803
940360	Furniture, wooden, nes	12,785,011	10,207,216	10,686,510	10,920,310	10,059,258
940370	Furniture, plastic, nes	921,355	751,004	844,500	937,045	915,331
940380	Furniture of oth materials, includg cane, osier, bamboo/similar materials					
940381	Furniture of bamboo or rattan (excl. seats and medical, surgical, dent	189,165	125,068	107,796	82,523	73,717
940389	Furniture of cane, osier or similar materials (excl. of bamboo, rattan	512,234	452,298	444,020	458,089	432,688
940390	Furniture parts nes	7,063,854	5,674,887	5,720,067	6,409,682	5,672,192

Source: ITC TradeMap

Annex 10: Major European Food Trade Fairs of Interest to Vietnamese Exporters

This Annex lists some of the major food trade fairs organised in European countries in the remainder of 2014 that may interest exporters of Vietnamese products. The source of the list is the trade fair database maintained by the Association of the German Trade Fair Industry (AUMA) which provides detailed information on trade fairs and exhibitions taking place in Germany and worldwide. It may be accessed at <http://www.auma.de/en/Messedatenbank/Seiten/Default.aspx> where fairs may be searched by products, countries, years etc. This Annex is only for informational purposes and exporters are advised to complete the information with the sectors of their choice and update the actual list at the above-mentioned website.

Date	Title	Place & Country
05.05.- 08.05.2014	CIBUS	Parma, Italy
05.05.- 08.05.2014	DOLCE ITALIA	Parma, Italy
19.05.- 20.05.2014	EuroTab - International Tobacco Products & Accessories Fair	Cracow, Poland
20.05.- 21.05.2014	PLMA'S 'World of Private Label'	Amsterdam, the Netherlands
06.06.- 07.06.2014	Slavnosti piva – Beer Festival	České Budějovice, Czech Republic
06.06.- 08.06.2014	BIONAZUR 2014 - Organic Food Show	Nice, France
12.06.- 15.06.2014	SALIMAT - Atlantic Food Show	Silleda, Spain
17.08.- 20.08.2014	FARMER EXPO - International Exhibition of Agriculture and Food Industry	Debrecen, Hungary
17.08.- 20.08.2014	HORTICO - Fruit-Vegetable Horticultural Exhibition	Debrecen, Hungary
05.09.- 07.09.2014	FA!R TRADE & FRIENDS - the trade fair for fair trade!	Dortmund, Germany
06.09.- 09.09.2014	SANA - International Exhibition of Natural Products, Nutrition, Health, Environment	Bologna, Italy
07.09.- 09.09.2014	Specialty & Fine Food Fair	London, United Kingdom
13.09.- 15.09.2014	Inoga - Trade Fair for the Hotel, Catering and Hospitality Sector	Erfurt, Germany
21.09.- 23.09.2014	InterMopro, InterCool, InterMeat - International Trade Fair for Meat, Sausage, Convenience Product	Düsseldorf, Germany
24.09.- 26.09.2014	COTECA - Tea, Coffee, Cocoa - Global Industry Expo	Hamburg, Germany
25.09.- 28.09.2014	EUROFRUIT - International Exhibition of Suppliers to the Fruit-Growing Industry	Lleida, Spain
29.09.- 02.10.2014	POLAGRA FOOD: International Trade Fair for Food	Poznań, Poland
03.10.-	NATURA FOOD - International fair of organic and	Lódz, Poland

Date	Title	Place & Country
05.10.2014	traditional Food	
07.10.- 09.10.2014	CONXEMAR - International Frozen Products Exhibition	Vigo, Spain
19.10.- 23.10.2014	SIAL - Food Exhibition, Innovation Marketplace	Paris, France
19.10.- 23.10.201	IN-FOOD - Food Industry Exhibition & Conference	Paris, France
26.10.- 27.10.2014	Natural Products Scandinavia	Malmö, Sweden
26.10.- 27.10.2014	Nordic Organic Food Fair	Malmö, Sweden

Annex 11: Types of Distribution Outlets and Leading Distributors in Selected EU Member States

Type of Outlet	Main products traded	Leading Distributors
Austria		
Department stores	Clothes, Cosmetics, Jewelry, Food.	<ul style="list-style-type: none"> • Woolworth • Steffl
Supermarkets and hypermarkets	Groceries, general merchandise	<ul style="list-style-type: none"> • Billa • MPreis • Interspar
Convenience stores	General food, drink, everyday products	<ul style="list-style-type: none"> • Metro Cash and carry
Discount stores	Variety of goods including clothes, cosmetics, and general merchandise of daily use	<ul style="list-style-type: none"> • Hofer • Tengelmann
Cooperative stores	Food products, convenience goods	<ul style="list-style-type: none"> • Konsum Österreich (KÖ)
Drug Stores	Cosmetics, perfumes	<ul style="list-style-type: none"> • Bipa
Specialized stores	Designer clothes and wares-furniture, home accessories	<ul style="list-style-type: none"> • Imperial Court • Lugner City • Lutz
Belgium		
Hypermarkets, supermarkets and mini-markets	Located on the outskirts of towns. They sell food and non-food products. Mini-markets are smaller and located in town	<ul style="list-style-type: none"> • Colruyt • Delhaize • Carrefour
Department stores	Located in the town center on several floors. They have various specialized departments.	<ul style="list-style-type: none"> • Galeria Inno
Specialized hypermarkets, supermarkets	Hypermarkets specialized in one family of products.	<ul style="list-style-type: none"> • Vanden borre • FNAC • Casa • Waterstone's
Hard discount	Mainly for food. They sell products of the distributor's own brand or no brand at all. People prefer them for their discount prices.	<ul style="list-style-type: none"> • Aldi • Lidl
Small shops	Specialized local shops: grocer's, butcher's etc.	
Cash and carry	Hypermarkets reserved for professionals.	<ul style="list-style-type: none"> • Makro (Metro Group)
Czech Republic		
Department stores (in big cities)	Clothing, Cosmetics, Jewelry, Food. No parking possibilities. Sometimes with restaurants. In city centers	<ul style="list-style-type: none"> • Bila Labut (Prague) • Kotva (Prague) • Laso (Ostrava)
Hypermarkets	Mostly in the framework of big shopping centers; on the side of many other shops, restaurants and also combined, in last few years, with entertainment centre. On the outskirts of bigger cities.	<ul style="list-style-type: none"> • Tesco • Hypernova • Globus

Type of Outlet	Main products traded	Leading Distributors
Supermarkets	Main assortment of food, drinks, cosmetics. Also in smaller cities.	<ul style="list-style-type: none"> • Billa • Albert • Kaufland
Discount stores	No brands, strong accent on price, possibility of parking. Usually in smaller cities or in less important locations of big cities	<ul style="list-style-type: none"> • Lidl • Plus Discount (Rewe Group) • Penny market
Home centers	Wide assortment of goods concerning building, gardening, house. Possibility of parking. Sometimes in the framework of shopping centers.	<ul style="list-style-type: none"> • OBI • Bauhaus • Baumax • HornbachBaumarkt
Drug Stores	Very popular. Personal hygiene products, Cosmetics, Beauty products, Detergents, Sweets and Drinks. Mostly around city centers. Almost all offer also photo service.	<ul style="list-style-type: none"> • Schlecker • Rossmann • DM
Electro devices	TV, audio, video, DVD, household devices. Mostly they are situated to the shopping centers.	<ul style="list-style-type: none"> • Datart • Electro World • Okay
Specialized shops	Situated to the shopping centers.	
	Shoes:	<ul style="list-style-type: none"> • Bata • Deichmann • Reno
	Fashion:	<ul style="list-style-type: none"> • Kenvelo, H&M
	Toys:	<ul style="list-style-type: none"> • Pompo
	Sport equipment:	<ul style="list-style-type: none"> • Sportissimo • Drapa • GigaSport
Furniture	Big shopping areas on the suburbs of big cities	<ul style="list-style-type: none"> • IKEA • ASKO • KIKA • Sconto
Denmark		
Hypermarkets, supermarkets and mini-markets	Located on the outskirts of towns. They sell foodstuffs and non food products. Mini-markets are smaller and located in town.	<ul style="list-style-type: none"> • Bilka • Dansk Supermarket
Specialized hypermarkets	Hypermarkets specialized in one family of products	
Department stores	Located in the town center on several floors. They have various specialized departments.	<ul style="list-style-type: none"> • Illum • Magasin du Nord
Hard discount	Mainly for food. They sell products of the distributor's own brand or no brand at all. People prefer them for their discount prices.	<ul style="list-style-type: none"> • Lidl • Aldi

Type of Outlet	Main products traded	Leading Distributors
Small shops	Specialized local shops: grocers, butchers, fishmongers, greengrocers, cheese shops, delicatessens, bakers, cake shops, florists. People prefer them for the quality of their products, human contact and advice.	
Cash and Carry	Hypermarkets reserved for professionals.	<ul style="list-style-type: none"> • Metro
Finland		
Department stores	Clothing, Cosmetics, Jewelry, Food	<ul style="list-style-type: none"> • Stockmann • Sokos • Anttila
Hypermarket	Food supermarkets with varying range of other product categories	<ul style="list-style-type: none"> • Prisma • Citymarket • Euromarket
Supermarkets	Food (+ limited range of other products)	<ul style="list-style-type: none"> • S-market • K-market • Valintatalo • Alepa • Lidl • Sale
Convenience stores	Supermarkets or kiosks with extended opening hours.	<ul style="list-style-type: none"> • R-kioski • Siwa • ABC (in connection with gas stations)
General stores	Home equipment, tableware, casual clothing, cosmetics, sweets etc.	<ul style="list-style-type: none"> • Hong Kong • VapaaValinta • Tarjoustalo
Alcoholic beverages	Retail of alcohol (monopoly)	<ul style="list-style-type: none"> • Alko
Specialized stores	Specialized by product or by type of customer targeted.	
	Clothing:	<ul style="list-style-type: none"> • Halonen • Alekski 13
	Footwear:	<ul style="list-style-type: none"> • Andiamo • K-kenkä
France		
Hypermarkets, supermarkets and minimarkets	Located on the outskirts of towns. They sell foodstuffs and non food products. Mini-markets are smaller and located in town.	<ul style="list-style-type: none"> • Carrefour • Auchan • E.Leclerc
Specialized Hypermarkets	Hypermarkets specialize in one family of products.	
	DIY:	<ul style="list-style-type: none"> • Leroy Merlin
	Culture:	<ul style="list-style-type: none"> • Fnac
	Sport:	<ul style="list-style-type: none"> • Decathlon
	Electrical appliances:	<ul style="list-style-type: none"> • Darty
	Toys:	<ul style="list-style-type: none"> • Toys'r'us

Type of Outlet	Main products traded	Leading Distributors
Department stores	Located in the town center on several floors. They have various specialized departments.	<ul style="list-style-type: none"> • Les Galeries Lafayette • Printemps • La Samaritaine • Le Bon Marché
Hard discount	Mainly for food. They sell products of the distributor's own brand or none brand at all. People prefer them for their discount prices.	<ul style="list-style-type: none"> • E.D • Lidl • Aldi • Leader Price
Small shops	Specialized local shops: grocers, butchers, fishmongers, greengrocers, cheese shops, delicatessens, bakeries, cake shops, florists. People prefer them for the quality of their products, human contact and advice.	
Cash and Carry	Hypermarkets reserved for professionals.	Metro
Gas station marts	Small self-service food store frequently used for stop-gap purchases.	
Central buying offices		
Germany		
Kaufhäuser	Non specialized department stores, located in the city center.	<ul style="list-style-type: none"> • Kaufhof • Karstadt • Kadewe
Einkaufszentrum	Shopping malls, located in the city center, bringing stores together on areas of 10 000m ² to 50 000m ² .	<ul style="list-style-type: none"> • Arcaden • Passagen • Carré
Textil-Kaufhäuser	Large stores specialized in textiles.	<ul style="list-style-type: none"> • Peek & Cloppenburg • H&M • C&A
Fach-Kaufhäuser	Specialized department stores: for example electronics, DIY (Baumarkt)	<ul style="list-style-type: none"> • Saturn • Media-Markt • Conrad Electronic • Bauhaus • Obi • Hellweg
Supermärkte	Supermarkets, located in the city center, specialized in foodstuffs.	<ul style="list-style-type: none"> • Kaiser • MiniMal • Edeka • Rewe • Extra
Getränkemarkt	Supermarkets specialized in beverages, located in the city center.	<ul style="list-style-type: none"> • Frito • Hol'ab
Biosupermärkte	Organic supermarkets, located in the city center	<ul style="list-style-type: none"> • LPG-Biomarkt • Bio-Company • Naturkostladen

Type of Outlet	Main products traded	Leading Distributors
Märkte	Fruit and vegetable markets, in the city center, open air or covered markets.	<ul style="list-style-type: none"> • Markthalle • Frische Märkte
Einzelhandel	Small local shops, grocery stores, located in the city center, often selling regional specialties (Turkish, Italian, Greek).	<ul style="list-style-type: none"> • Verdi
Discounter	Hard discount stores located in the city center and on the outskirts.	<ul style="list-style-type: none"> • Lidl • Aldi • Plus • Netto
Cash & Carry	Hypermarkets and fresh produce markets reserved for professionals.	<ul style="list-style-type: none"> • Métro • Frische Paradies • Beussel Markt
Hungary		
Department stores	Situated in town centers on several stores with specialized departments	<ul style="list-style-type: none"> • Skála • Luxus áruház • Fontana
Hypermarkets	Situated at the entrance of towns. Alimentary and non alimentary.	<ul style="list-style-type: none"> • Tesco • Auchan • Cora
Supermarkets	Similar to hypermarkets but situated more in the center of towns and smaller surface	<ul style="list-style-type: none"> • Spar • Interspar • Kaiser • CBA • Match
Hard Discount supermarkets	Mostly own label products at very affordable price	<ul style="list-style-type: none"> • Aldi • Plus • Lidl
Specialized supermarkets	Specialized in one family product	
	DIY:	<ul style="list-style-type: none"> • Praktiker • Baumax,
	Sports wear:	<ul style="list-style-type: none"> • Decathlon • Intersport
Drug stores	Drugs and beauty products:	<ul style="list-style-type: none"> • DM • Rossmann • Marionnaud
Italy		
Department Stores	Clothes, Cosmetics, Jewelry, Foodstuffs	<ul style="list-style-type: none"> • La Rinascente • Coin
Supermarkets and hypermarkets	Supermarket and hypermarket	<ul style="list-style-type: none"> • Pam • Conad • Panorama • Auchan
Discount	Foodstuffs and beverages	<ul style="list-style-type: none"> • Dico • Lidl
Home centers	Furnishings and decoration	<ul style="list-style-type: none"> • Ikea • Ovvio
Cooperative	80% foodstuffs and 20% everyday products and clothes	<ul style="list-style-type: none"> • Coop all over Italy

Type of Outlet	Main products traded	Leading Distributors
The Netherlands		
Department stores	Clothing, Cosmetics, Jewelry, Food, biggest type of Dutch stores, can only be found in the centre of big cities	<ul style="list-style-type: none"> • Bijenkorf • Vroom & Dreesmann • C&A • HEMA • Blokker
Supermarkets	Food supermarkets, supermarkets are small in comparison to other countries and usually centrally located	<ul style="list-style-type: none"> • Albert Heijn • C1000 • Super de Boer • Spar • Plus • Aldi • Lidl
Drug stores	Personal hygiene products, Cosmetics, Beauty products, Detergents, Sweets and Drinks. Relatively small stores	<ul style="list-style-type: none"> • Kruidvat • DA
Specialized stores	Specialized by product, they all have a big assortment for a fair price. Stores can be found in big cities as well as in some smaller ones	
	Clothing:	<ul style="list-style-type: none"> • Zeeman • H&M • CoolCat • WE
	Shoes:	<ul style="list-style-type: none"> • Schoenenreus • Footlocker • Scapino
	Electronics:	<ul style="list-style-type: none"> • Mediamarkt
	Alcohol:	<ul style="list-style-type: none"> • Gall & Gall
Cash and carry	Hypermarkets reserved for professionals.	<ul style="list-style-type: none"> • Makro (Metro Group)
Poland		
Hypermarkets and supermarkets	All types of products	Carrefour, Auchan, Tesco, Real, Leclerc
Department Stores	All types of products	Galeria Centrum
Large shopping centers	All types of products	Targowek, Manhattan, Ptak, Arkadia
Discount stores	Mainly foodstuffs.	Biedronka, Lidl
Specialized stores	Specialized in one family of products: gardening, DIY, sport, etc.	
	Gardening and DIY:	<ul style="list-style-type: none"> • Leroy Merlin • Obi
	Everything for the house:	<ul style="list-style-type: none"> • Ikea • Domoteka
	Sport:	<ul style="list-style-type: none"> • Décathlon • Go sport

Type of Outlet	Main products traded	Leading Distributors
	Perfume and cosmetics:	<ul style="list-style-type: none"> • Sephora • Douglas • Rossmann
	Books, discs:	<ul style="list-style-type: none"> • Empik
Spain		
Hypermarkets, supermarkets and superettes	Located in city outskirts. Both food and non-food products are found here. Superettes are smaller retail outlets than supermarkets and are located in cities.	<ul style="list-style-type: none"> • Carrefour • Eroski • Alcampo ("Auchan")
Specialized superstores	Hypermarkets specializing in a family of products.	<ul style="list-style-type: none"> • Pronovias (wedding dresses) • Fnac Spain (cultural products) • Decathlon (sports goods).
Department stores	Located downtown on several floors. There are different specialized departments.	<ul style="list-style-type: none"> • El Corte Inglés
Shopping centers	Located in city outskirts or downtown. Usually you find a hypermarket and a shopping mall here.	<ul style="list-style-type: none"> • Madrid Shopping Centers • Barcelona Shopping Centers.
Discount	Mainly for food products. They offer distributor brand products or unbranded products. They are preferred for their discount prices.	<ul style="list-style-type: none"> • Lidl • Aldi • Dia
Retail traders	Local specialized stores: grocery store, butcher's store, fish shop, fruits and vegetables store, cheese store, delicatessen, baker's store, cake store, florists. Preferred for the quality of their products, the human touch and their suggestions and advice.	
Sweden		
Supermarkets	They sell foodstuffs and non food products.	<ul style="list-style-type: none"> • Coop Norden • ICA Grupp
Discount	Mainly for food. They sell products of distributors' own brands or no brand at all. People prefer them for their discount prices.	<ul style="list-style-type: none"> • Lidl • Netto
Specialized hypermarkets	Hypermarkets specialized in one family of products.	<ul style="list-style-type: none"> • Ikea
Shopping malls	Located on the outskirts of towns.	<ul style="list-style-type: none"> • Täby Centrum
United Kingdom		
Department stores	Clothing, cosmetics, jewellery, food	<ul style="list-style-type: none"> • Marks & Spencer • John Lewis • House of Fraser • Selfridges • Harrod's

Type of Outlet	Main products traded	Leading Distributors
Supermarkets and hypermarkets	Food supermarkets and specialized department stores – Some opened 24/7 Monday morning to Sunday 4pm.	<ul style="list-style-type: none"> • Tesco • Sainsbury • Asda • Morrisons • Waitrose
Convenience stores	General food, drink and everyday products	<ul style="list-style-type: none"> • Budgens • Tesco Metro/Express • Sainsbury Local
Discount stores	Miscellaneous goods offered at an attractive price (opportunistic purchases)	<ul style="list-style-type: none"> • Aldi • Netto
Home centres	Gardening, decoration, products for the home	<ul style="list-style-type: none"> • B&Q • Homebase • Do it all DIY • Currys
Cooperatives	General food and everyday items, plus pharmacy, travel, financial services, funeral services etc.	<ul style="list-style-type: none"> • The Co-operative Society
Drug stores	Cosmetics, toiletries, pharmaceuticals	<ul style="list-style-type: none"> • Boots
Source: santandertrade.com		

Annex 12: Glossary of Terms

Automotive fuel retailing	
Brand Products	<p>Consumer goods that are marketed under an individual label, or brand, by producers or trading and retailing companies. A brand can be a name, emblem, design, symbol or a combination of these elements that serves to identify a product or service. The brand helps distinguish a product from its competitors. Further characteristics are:</p> <ul style="list-style-type: none"> • consistent quality, • intensive advertising, • widespread distribution and • comparatively high name recognition. <p>A distinction is made between producer's brands, retail brands, house brands and private labels/own-brand products. In the case of producer's brands, the brand is created by the manufacturer. In the case of the other labels, it is created by the retailer. Retail brands, house brands and private labels are often regarded as synonyms. While house brands and private labels/own brands are typically associated with an individual retailing company, retail brands may also be created by large retail groups.</p>
Branded Stores	Exclusive showrooms either owned or franchised by a manufacturer.
Business for Own Account	<p>The sale of merchandise and products in one's own name and for one's own account. Example: the head office of a trading company with outlets imports merchandise and pays for it, distributes it to the outlets and promotes sales through centrally controlled trade marketing. If the merchandise is not sold or sold below the landed price, the loss will be borne by the outlet itself, not by the supplier or an intermediate importer. Conversely, the trading company may also retain all income rather than share profits with the supplier. Business for own account is a main characteristic of merchants. In contrast to a merchant, a commercial agent conducts business in a third party's name and for a third party account. For example, a commercial agent may exhibit collections of branded products from foreign producers in his business rooms, which trading companies can order from him. In this case, the commercial agent acts as an intermediary. The merchandise will be delivered by the manufacturers of the branded products. The consignment will also be paid to the manufacturer. The commercial agent receives a commission for his agent activity.</p>

Business for Third Party Account	Transactions of the procurement centre of a purchasing cooperative or a wholesaler in the name of a third party and for its own account or the account of a third party. The buyers of the merchandise are the member companies of the cooperative or the commissioning retailers. For example, a commercial agent may present the fashion collection of an Italian brand in his rooms, which interested retailers may order from him for sale to end-consumers in their own stores. The retailers settle their bills with the manufacturer of the branded product. The commercial agent receives a commission for acting as intermediary. The opposite term is business for own account.
Cash+Carry	A form of wholesaling where customers pick the products they need from a wide-ranging assortment in a market, pay for them and then carry them away according to the self-service principle. The offer is available only to commercial customers and bulk consumers, such as hospitals.
Central Warehouse	Warehousing facility shared by several outlets and/or sales brands of a retailing company at one location. In the trading and retailing sector, the question of central or decentralised warehousing depends on a multitude of aspects. Advantages of central warehouses include lower space costs at peripheral locations as well as the pooling and control of flows of goods. This contrasts with the costs of warehousing and merchandise distribution to the outlets. An intensification of Electronic Data Interchange with the industry leads to lower process costs and allows for a reduction of inventory in central warehouses.
Chain Store Company	A retailing company that operates sales outlets (chain stores) at different locations under a central management. A distinction is made between small chain store companies that maintain up to 10 outlets and large multiples. The latter operate several hundred – some even more than 1,000 – outlets. They operate nation-wide and frequently also internationally. Over the past years, chain store companies have substantially gained importance. Their characteristic feature is a basic concept multiplied in a number of outlets.
Commission agents	The functions of commission agents are that of a middleman, and thus are close to wholesalers'. Commission agents are distinguished from the other categories in that they trade on behalf of others, i.e. they do not take ownership of the goods traded, rather they only handle the paperwork for a transaction, from which they earn a commission. Within domestic trade, commission agents play a prominent role as brokers between farmers and the market. Commission agents' services can be traded cross-border and through commercial presence.
Convenience Store	An organisational form that is characterised by a limited assortment of commodities for everyday usage as well as a service offering that may even include gastronomy. These stores' business hours frequently exceed standard store opening hours. Price levels tend to be high. Typical convenience stores include service station shops or neighbourhood stores.
Department Stores	Large stores having a wide variety of products; organized into different departments, such as clothing, house-wares and toys.

Discount Stores	Stores offering discounts on the retail price by selling high volumes and through economies of scale.
Distribution Channel	he chain of businesses or intermediaries through which a good or service passes until it reaches the end consumer. A distribution channel can include wholesalers, retailers, distributors and other service providers. Channels are broken into direct and indirect forms, with a "direct" channel allowing the consumer to buy the good from the manufacturer and an "indirect" channel allowing the consumer to buy the good from a wholesaler. Direct channels are considered "shorter" than "indirect" ones.
Fast Moving Consumer Goods (FMCG)	Fast Moving Consumer Goods (FMCG) are common high volume products such as food, hygiene product, or cleaning supplies. These would be products that the average consumer would frequently purchase such as soda, toothpaste, or dish soap.
Franchising	Franchising is a particular case of retailing. Franchising is not a distinct operation in the value chain, but a particular private contract linking the retailer (the franchisee) to the owner of the retail concept (the franchiser), and most of the times the equipment of the latter. Franchising is a contractual agreement between a franchiser and a franchisee that allows the franchisee to operate a retail outlet using a name and format developed and supported by the franchiser. In a franchise contract, the franchisee pays a lump sum plus a royalty on all sales for the right to operate a store in a specific location. The franchisee also agrees to operate the outlet in accordance with procedures prescribed by the franchiser.
Hypermarket	Self-service stores with a broad range of food and non-food products, car parking facilities and a sales floor space of more than 2,500 m ² . (French definition)
Motor trade	In the EU trade statistics, "motor trade" covers NACE Division 50, which is the wholesale, retail sale and repair of motor vehicles and motorcycles, as well as the retailing of automotive fuels and lubricants.
Multi-Level Marketing (MLM)	A specific form of direct sales in which MLM companies encourage their existing distributors to recruit new distributors by paying the existing distributors a percentage of their recruits' sales. The recruits are known as a distributor's "downline". All distributors also make money through direct sales of products to customers. MLM is controversial because of the pyramidal selling schemes they involve in which money are channelled from new recruits to sellers at higher levels of the pyramid.
Non-specialised retaile	Non-specialised retailers offer consumers the opportunity to buy a broader range of products at a sole point of purchase, for example in supermarkets, hypermarkets or convenience stores.

Retaile(r)	Retailers (individuals and companies) sell finished products to individuals or households for end-use consumption. Retailers were merely seen in the past as conveyors/distributors of merchandise, adding little value for consumers or suppliers. However, in recent years the role of the retail sector has changed dramatically. Retailers create value for consumers by providing more services (e.g. financial services, leisure) and a broader range of products. The distinction between retail (sales for personal or household consumption) and wholesale (sales to retailers, to industrial, commercial, institutional or other professional business users, or to other wholesalers) is not always clear as many firms in the different segments of the distribution chain may perform the same functions and manufacturers can also perform distribution.
Shopping Malls	An enclosure having different formats of in-store retailers all under one roof.
Supermarket	Self-service stores with a broad range of predominantly food products, and a floor space of 400–2,500 m ² . (French definition)
Wholesale(r)	Wholesale trade's meaning and functions have different meanings within different parts of the world. Wholesaling has been constantly changing and different types of wholesale organizations coexist in various phases of development. The traditional perception of wholesaling within the distribution chain is that of the function of the "middle-man": the wholesaler buys products supplied by others (i.e. manufacturers or other wholesalers) and subsequently resells them to a retailer. While this definition still mirrors the activities of wholesalers in some sectors and some countries, it does not provide an adequate definition of the full spectrum of services that wholesalers provide in a modern and rapidly changing economy. Though wholesalers buy primarily from manufacturers and sell mostly to retailers, industrial users, and other wholesalers, they also perform many value-added functions, including selling and promoting, buying and assortment building, bulk-breaking, warehousing, transporting, financing, risk bearing, supplying market information, and providing management services. As a more sophisticated definition, wholesale trade service is described by some as a function which bridges differences in the distribution chain between place, time period, quantities and price requirements.