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Retail Food Sector Report for Sweden and Finland

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Retail Foods

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Report Highlights:

The consolidation and restructuring of the Nordic retail food sector offers interesting opportunities for U.S. suppliers in terms of volume and variety of products in demand. Best prospects include tree nuts, dried fruits, processed fruits and vegetables, organic food and products appealing to the health conscious. A major impediment to increased U.S. sales is retailers concerns about the possibility of negative consumer reactions to products containing genetically modified (GMO) ingredients.

General Information:

SECTION I. MARKET SUMMARY

SWEDEN AND FINLAND

Food retail sales did not perform up to expectations in 2011, largely due to household uncertainty. Swedish food retail sales rose by 1 percent to US\$ 39 billion and Finnish food retail sales were up by 4 percent to US\$ 19 billion.

The food retail sector in these markets is predominantly integrated and concentrated. In both Sweden and Finland, the three largest import/wholesale groups supply over 80 percent of the market.

Restructuring of the Nordic retail food sector continues as pan-Nordic mergers and cooperative agreements seek to achieve greater efficiencies and economies of scale to fend off other European competitors. Swedish and Finnish retail chains are meeting the stiff competition through increased efficiency -- centralizing purchases, forming international alliances and expanding operations within the Nordic/Baltic region. In these concentrated markets where retailers have such large market share, growth at home becomes virtually impossible. Looking abroad, in the form of mergers and cooperation at the international level, has become the only possible path to growth.

The continued weakness and uncertainty in the economic climate in the past few years have resulted in a more price-oriented grocery retailing landscape. This has encouraged the growth of the discount chains. While discount stores currently only account for about 10-13 percent of the retail trade in Sweden and Finland, volumes have tripled over the last ten years. This has stirred interest among foreign players to enter the domestically dominated Nordic food retail market. The German hard discounter Lidl has established a presence both in Sweden and Finland a couple of years ago. The entry of Lidl has undoubtedly changed the dynamics of food retailing and is putting pressure on the previously unthreatened Swedish and Finnish grocery conglomerates. Swedish and Finnish retailers are responding by refocusing their stores to a more price-oriented basis and introducing new private label items to match Lidl's low prices. Also, many retailers have opened up their own discount stores.

The trend throughout Europe of fewer but larger players continues. The general trend remains unchanged in Sweden and Finland, with hypermarkets and large supermarkets increasing sales volumes, while small and medium-sized stores lag behind. The number of retail outlets continues to decline, although at a somewhat slower pace.

Swedish and Finnish consumers are gravitating towards fresher, more convenient and more nutritious foods. High demands are made on food quality, origin and environmental concerns. Consumer interest in organic food products and locally grown food has been increasing rapidly. The major retailers in Sweden and Finland are actively promoting organic products and their own organic labels have gained broad recognition. Also, the retailers are continuously improving the offering of other sustainable products such as Fair Trade products, Nordic Swan Eco labeled products, Marine Stewardship Council (MSC) -certification and products with Forest Stewardship Council (FSC) label in order to respond to the increased demand.

Functional foods are gaining in popularity with significant consumer awareness in the area of food safety and healthy eating habits. This includes not only products with low fat benefits, but also those with nutritional advantages, such as added fiber, vitamins and minerals, or ingredients with perceived disease-preventative qualities. There are many functional food products either on the shelves or under development, especially in Finland, which has become the “Silicon Valley” of the functional food industry for Europe. Consumers are willing and able to pay higher prices for food and drink products that fall into these categories.

The ongoing socio-demographic changes with busier life styles and increasing single-person households are affecting food retailing to a high degree. Retailers are shifting their product ranges towards an increasing share of healthier, ready-to-eat foods and home meal replacements. Retailers are facing stronger competition from fast food chains, lunch restaurants, and other service establishments. American-style fast food chains, sushi bars and coffee shops are extremely popular in these markets. During the past decade, sales within the restaurant sector have increased faster than in the retail sector. Eating out has come to include both weekdays and weekends. Nevertheless, Swedes and Finns still spend the bulk of their food dollars in retail stores rather than eating out.

A few years ago, the concept of dinner solution deliveries entered the Swedish market. The companies provide their subscribers with a bag of groceries, with recipes and ingredients for 3-5 five dinners per week. The aim is to relieve the pressure on families regarding dinner planning and shopping. Also, there is a strong emphasis on the environmental benefits by reducing the need to drive to the store. This new Swedish version of online shopping is growing rapidly, especially in Sweden’s larger cities, and has a turnover of about US\$ 225 million today. In addition, some of the companies have made their service available in other neighboring countries.

Average exchange rate 2011 in Sweden: US\$ 1 = SEK 6.496.9

Average exchange rate 2011 in Finland: US\$ 1 = EUR 0.7962

Advantages and Challenges Facing U.S. Products in Sweden and Finland

Advantages	Challenges
Sophisticated markets. High acceptance of new products and concepts. U.S. products are considered high quality and trendy.	U.S. products at a price disadvantage compared to competitors based in the European Union.
Growing consumer demand for value-added products, convenience foods, international/ethnic cuisine, "functional" and organic foods.	High distribution and shipping costs.
Location gives access to a Nordic/Baltic market comprising 25 million consumers.	Strong hesitation with respect to genetically modified products.

High standard of living, well-educated workforce, growing incomes. English is widely spoken.	Trend toward more sustainable certification. Movement toward reducing the carbon foot print.
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SECTION II. ROAD MAP FOR MARKET ENTRY

As stated above, these markets are dominated by only a few import/wholesale/retail groups, and therefore, U.S. exporters have a relatively easy job of locating potential buyers. However, for the same reason, it may be difficult to get in the door. Depending on the product and the volume, there are different ways for American exporters to penetrate these markets:

retailers/wholesale groups (large quantities, private label products)
specialized importers/distributors (niche and select brand name)
agents (products with strong brand names)

Market entry strategies for U.S. food products should include:

Market research in order to assess product opportunities and existing competition.

Advance calculation of the landed cost of a product in order to make price comparisons vis-a-vis competitors.

Locating an experienced distributor or independent reliable agent with strategic distribution channels to advise on import duties, sanitary regulations, and labeling requirements. It is advisable to initiate personal contact in order to discuss marketing matters such as funding for advertising, slotting allowance, in-store promotions and tasting events. Suppliers may also want to consider trade fair participation to raise awareness of their products.

4) Exploration of the purchasing arrangements of the larger retail chains.

Market Structure and Trends

Looming international competition has increased the role of volume dynamics in the Nordic food retail sector. All major players are seeking to minimize costs by coordinating central purchasing and taking advantage of economies of scale. Also, Nordic retailers are aggressively promoting the development of private label product lines.

Sustainability: For the Nordic retailers, sustainable development and environmental issues have been high on the agenda for quite a number of years and they have managed to convert consumer awareness into growing sales of sustainable products. Products such as, Fair Trade products, Nordic Swan Eco labeled products and products with MSC and FSC label are constantly showing increased sales and food retailers are expanding the range of these products. The retailers are actively working on supplier requirements for sustainable products and packaging and they all have sustainable supply chain programs. For Nordic retailers with a high sustainability profile it is most important to work pro-actively with sustainability issues in order to preserve and improve corporate image and brand.

Store size: Smaller stores continue to lose market share to the larger supermarkets and hypermarkets.

In 2011, half of the Swedish retail food sales of approximately US\$ 39 billion went through large supermarkets and hypermarkets. In Finland, large supermarkets and hypermarkets accounted for about 78% of retail food sales of US\$ 19 billion. There were about 6,200 food retail outlets in Sweden in 2011 compared to 13,000 in 1970. In Finland, the number of outlets dropped to 3,964 in 2011, slightly fewer than previous year.

Discount stores: While discount food stores in Sweden and Finland currently only account for 10-13%, volumes have tripled over the last ten years. The retail chains have developed discount store concepts in order to meet the increased competition from European discount chains such as German Lidl and Danish Netto which entered the Nordic market a few years ago.

Organic Products: Swedish and Finnish consumers' interest in organics continue to increase and is gaining market shares on behalf of conventional food products. Food retailers are actively promoting organic products and are increasing the number of products in their stores. Sweden has among the highest consumption of organic foods and the three largest retail groups account for about 50% of the organic market in Sweden. In Finland, the major retailer, S Group, reported a 50% increase in sales of organic products in 2011 and more than 700 new products were added to the assortment.

Private Label: Retailers are aggressively promoting their own private label brands through TV commercials and newspaper ads. Many of them have set a goal of 25 percent market share in each product segment for their private label products. This is especially true for far-away-imported products. For some popular categories in retail stores the figure is 50 percent. This development portends good potential for suppliers with private label capacity. The retail chains' comprehensive coverage of the whole country, combined with their vertically integrated structure (often imports, wholesale and retail trade are carried out within the same company), makes Sweden and Finland an interesting market for U.S. exporters seeking long-term stable and predictable sales.

Convenience shopping: As the consumers increasingly eat outside their homes, the large retailers find themselves not only to be competing with each other, but also with the HRI sector. To face this new competitor, supermarkets have developed deli sections in their stores with either ready-to-eat food products or partially cooked dishes. Menu suggestions next to the food products are also popular. The display of products has also become more consumer-oriented. For example, dressings and bread croutons can be found next to the pre-mixed salads, and coffee cakes may be placed next to the coffee section. Manufacturers with the capability to supply convenience foods may find interesting opportunities in this market.

Promotions/Marketing: Direct marketing in the form of newspaper-format advertisements is one of the most regularly used forms of communication in the Swedish retail market, and almost all the retail groups use this method as a means of conveying information to consumers. These are sent on a weekly basis to all the households in the immediate marketing area of the individual stores. The retailers also invest in advertising, primarily through their newspaper flyers, while producers and manufacturers spend most of their budgets on television advertising. Retail chains are also promoting their own private label products aggressively through TV commercials and advertisements.

Internet sales: Even though the computer/IT penetration in the Nordic countries is exceptionally high, retail food sales on the web have been very limited. The positive outlook that the large retailers had at the end of 1990's regarding selling food online changed rather quickly. The major food retail chains all

terminated their internet grocery web sites during 2001-2003 due to few customers and low profitability. However, it seems that customers have overcome earlier suspicions to online food purchases and retailers have again started to offer food online.

Dinner Solution Deliveries: A few years ago, the concept of dinner solution deliveries entered the Swedish market. The companies provide their subscribers with a bag of groceries, with recipes and ingredients for 3-5 five dinners per week. The aim was to relieve the pressure on families regarding dinner planning and shopping. Also, there is a strong emphasis on the environmental benefits by reducing the need to drive to the store. This new Swedish version of online shopping is growing rapidly, especially in Sweden's larger cities and has a turnover of about US\$ 225 million today. In addition, some of the companies have made their service available in other neighboring countries. Also, the major retailers have started to offer similar services.

A. Super stores, supermarkets, hyper markets, discount stores

Sweden - Company Profiles

The Swedish wholesale and retail food market is dominated by three nationwide groups - ICA (49.4%), Coop (21.4%) and Axfood (15.0%) – while a fourth, Bergendahlsgruppen (7.4%), is mainly active in Southern Sweden. Together they 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.

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.

In 2011, sales of ICA's organic line "I love Eco" products rose by 23%. Products in the ICA "I love Eco" brand are certified according to the EU's organic criteria and sometimes also according to Swedish organic KRAV regulations. Animal-based ingredients in ICA "I love Eco" products must be approved according to KRAV, which place more stringent requirements on animal welfare than the EU. ICA's aim is to offer a high proportion of eco-labeled, organic and Fair Trade products and to constantly reinforce environmental awareness in the assortment processes. The range is continually expanding with environmentally sound products as well as more regional and locally produced alternatives.

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.

Coop has the largest selection of sustainable foods in Sweden and Coop's organic private label "Änglamark" is the leading trademark for organic products in Sweden. Coop's goal is that sales of sustainable products will be at least 10% in 2012.

Axfood AB's retail operations are conducted through the wholly owned Willys, Hemköp and PrisXtra

chains, comprising 314 stores totally. In addition, Axfood collaborates with a large number of proprietor-run stores that are tied to Axfood through agreements. Wholesale business is conducted through Dagab and Axfood Närlivs. Axfood had a market share of 15% of Sweden's retail food sales in 2011.

In 2011, sales of organic products in Axfood stores increased by 6.3%. Garant is Axfood's own organic brand. Coffee, tea and chocolate are examples of Fair Trade certified products sold under the Aware private label. The aim of the Aware private label is to offer organic and Fair Trade Certified everyday foods at a reasonable price. The products are sold in all of Axfood's store concepts.

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.

SWEDEN – MAJOR FOOD RETAIL PROFILE

Retailer/Type of Outlet	Ownership	Sales CY11 (\$-Mill)	No. of Outlets	Location	Mkt 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
BergendahlsGruppen -food retail	Swedish	2,271	273	Southern Sweden	7.4	Direct/ importer/

-discount stores -supermarkets				Stockholm		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

Finland - Company Profiles

A few central wholesalers (S-Group, K-Group, Suomen Lähikauppa) together dominate the food 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.

The past few years have been characterized by increasingly intensifying competition in the Finnish food retail market as the Finnish retail chains responded to the entry of international competitors. Foreign competition and the enlargement of the EU have made the Finnish food retail trade part of the EU common market. A number of major mergers and acquisitions have taken place, which have led to fewer but much larger and more powerful domestic players.

Retailers have reacted to the price competitive market and to the German hard discounter Lidl's rapid expansion in Finland by lowering prices of their private label brands and by offering services such as bakeries, cafeterias, fresh meat and fish service points that aren't offered by discounters such as Lidl. Private label products increased their share in all retail chains.

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. The new law that came into force in December 2009 has resulted in stronger competitions between retailers in Finland. Large operators, such as S Group and Kesko have become even more dominant as the new opening hours benefit supermarkets the most. These developments have prevented new chains from entering the Finnish market.

S Group

The S Group and Suomen Lähikauppa represent the cooperative movement in Finland. The S Group consists of member-owned regional cooperative societies and their subsidiaries and the Finnish Cooperative Wholesale Society (SOK). The S Group operates department stores, supermarkets, hypermarkets, discount grocery stores, service stations, hotels and restaurants, hardware and agricultural stores as well as several specialty stores. Through its subsidiaries and associated companies, the S Group also conducts food trade in the Baltic countries and Russia. The S Group's grocery store chains have, during recent years, been extremely successful. This success can be measured by a market share increase from 15.9% in 1990 to 45.2% in 2011.

S Group's grocery stores are the largest sellers of organic products in Finland and in 2011, sales increased by 50% and more than 700 new organic products were added to the assortment. The S Group grocery stores carried 83 Fair Trade products, 116 products with the Nordic Swan label (new Swan labelled products are frequently added to the private label product ranges), 147 EU eco-label products, 25 fish products with MSC certification and 62 products with FSC label.

Kesko OY consists of the parent company Kesko Ltd. and its four subsidiaries of which Kesko Food Ltd. is the largest. The key businesses of Kesko Food Ltd. are the chain operations of the K-Food stores in Finland, Kespro's catering sales to HRI customers and wholesaling and retailing in the Baltic countries and Russia. The K-food stores are privately owned and buy most of their products from the Kesko wholesale organization. Centralized purchasing provides a competitive advantage by creating volume and synergy benefits. Also, Kesko works in cooperation with major European food chains in AMS (Associated Marketing Service). Kesko continues to expand its operations in the Nordic and Baltic countries. Total sales of the Kesko-affiliated retailers accounted for 35.3% of retail food sales in Finland in 2011.

The K-food stores have Finland's largest selection of Fair Trade products. In 2011, Kesko Food had 222 Fair Trade products in its selection, of which 38 were Pirkka (private label) products. The most popular Pirkka Fair Trade products are flowers, bananas, coffee, juices, cocoa and chocolate. Procurement of fish products according to WWF Finland's fish guide and MSC certified suppliers. Kesko has sustainability statements on fish and shellfish, timber and palm oil. Country of origin is indicated on private label products, Finnish Pirkka products always carry the Swan label. In 2011, Kesko had 1,073 organic products in its selection. These selections are being continuously developed and expanded on the basis of customers' preferences. In 2011, 2,072 Pirkka products of which 70 were organic and 40 Fair Trade products.

Suomen Lähikauppa OY's current business structure was launched at the beginning of 2009 when Tradeka Ltd. became Suomen Lähikauppa OY. Suomen Lähikauppa is the result of many mergers and acquisitions. The latest merger took place in 2005, when Cooperative Tradeka Corporation's retail outlets and Wihuri/Ruokamarkkinat Ltd.'s retail chains joined forces to form a new company. The merger resulted in a strong new player in the Finnish retail sector. Suomen Lähikauppa OY is the third largest actor in Finland's food retail industry and a market leader in the neighborhood shop market. In 2011, Suomen Lähikauppa had a market share of 7.8% of Finland's retail food sales.

Stockmann Group is a Finnish company engaged in grocery retailing through its department stores in Finland, Russia, Estonia and Latvia. Sales in the seven Stockmann department stores accounted for

1.4% of Finland's retail food sales in 2011. The grocery department of Stockmann department stores is known as Stockmann Delicatessen. Stockmann's food purchasing channels include the company's own channel and Tuko Logistics OY.

LIDL, the German hard discounter, entered the Finnish market by simultaneously opening up ten outlets around the country in August 2002. At the beginning of 2011, Lidl had 140 outlets throughout Finland and an estimated market share of 6.2%. Lidl's entry into the Finnish market has undoubtedly increased competition in the Finnish food retail sector. The low-priced products appeal to the Finnish consumer; Finnish retailers were not prepared for the price competition set off by Lidl. According to a market survey, Lidl's products are priced at about 10-15% below the average Finnish food prices and about 80% are private label products.

FINLAND – MAJOR FOOD RETAIL PROFILE

Retailer/Type of Outlet	Ownership	Sales CY11 (\$ Mill.)	No. of Outlets	Location	Mkt Share	Purchasing/ 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)

				Latvia		
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INEX PARTNERS OY is the S-Group's sourcing and logistics company, a subsidiary of SOK.

KESKO FOOD is responsible for the purchasing, logistics and chain management of the K-food stores.

TUKU LOGISTICS is a purchasing and logistics company in charge of grocery purchasing for Suomen Lähikauppa and Stockmann.

B. Convenience Stores, Gas Marts, Kiosks

Entry Strategy

The convenience sector offers more limited opportunities for the U.S. exporter, but certain products could sell well via such outlets. Most of the convenience stores belong to established retail chains, and the same large wholesalers/retailers are suppliers to the convenience sector. Gas marts are either affiliated with gasoline companies or with the large retail food distribution groups. New-to-market exporters should target this sector in the same way as described under the entry strategy section for supermarkets.

Market Structure

Convenience stores have been in a continued decline in Sweden and Finland for the last couple of years, mostly due to tough competition from gas marts and the fact that supermarkets have progressively increased their opening hours to equal those of the convenience stores. However, several of the large retail chains have started a network of convenience stores with a large range of ready-made-meals as a complement to their larger outlets, and thus, can push prices down. This of course means that the large operators are becoming even more dominant. These stores are especially popular in larger cities, where time-pressured lifestyles predominate.

In 2009, Finland's small convenience stores, such as R-kioski, lost its competitive advantage of long opening hours due to the liberalized regulation of extended opening hours for outlets less than 400 square meters. The law came into force at the end of 2009 and its effects could be seen in 2010. R-kioski has chosen to concentrate in busy locations and by increasing products such as deli food. In 2011, grocery sales in convenience stores reached US\$ 4,031 million in Sweden and US\$ 4,880 million in Finland.

Sales through **Gas marts**, which saw rapid growth throughout the 1990s, have begun to slow down. The emergence of discount outlets with long opening hours, low prices and locations close to main roads has increased competition. In the past few years, there has been a large close-down of smaller gas stations and stations have had to leave their contract with the gasoline companies. In 2011, about a hundred gas marts disappeared from the Swedish market, when Shell Select gas marts were transformed into 7-Eleven shops. Fast food is the fastest growing section in gas marts. The major food retailers

have recognized this trend and have focused on expanding the range of products available. In 2011, total sales of grocery products in gas marts amounted to US\$ 1,210 million in Sweden and US\$ 251 million in Finland.

Kiosks offer limited items such as snacks, sweets, cigarettes and magazines. The Rautakirja R-Kiosk is Finland's leading kiosk chain and convenience outlet concept, where kiosks still have about 3% of total grocery sales. In recent years, R-Kiosk has moved to selling more convenience products and enlarging the kiosks to fit changing customer needs. The chain comprises over 600 R-Kiosks in Finland and is also active in Estonia, Latvia, Lithuania, the Netherlands, Romania, Russia and the Ukraine. In Finland, grocery sales in kiosks reached US\$ 337 million in 2011.

SWEDEN - MAJOR GAS MARTS AND CONVENIENCE STORES

Retailer Name/ Outlet Type	Ownership/ Partnership	2011 Grocery Sales (US\$ million)	No. of Outlets	Location	Purchasing Agent Type
Statoil/ICA Express, gas mart	Statoil/ICA (Norwegian/ Swedish)	558	303	Sweden Norway Denmark	Wholesaler/ importer (ICA)
OK/Q8, gas mart	Swedish/ Kuwait Petroleum	530	380	Nationwide	Wholesaler/ importer (Axfood)
Preem, gas mart	Saudi/ Swedish	120	107	Nationwide	Wholesaler/ importer (Axfood)
Pressbyran, Convenience	Reitan Servicehandel (Sweden)	437	321	Sweden Norway Latvia	Wholesaler/ importer (Reitan)
Tempo	Axfood (Swedish)	278	131	Nationwide	Wholesaler/ importer (Axfood)
Handlar'n, Convenience	Axfood (Swedish)	242	227	Nationwide	Wholesaler/ importer (Axfood)
Direkten, Convenience	Axfood (Swedish)	150	300	Nationwide	Wholesaler/ importer (Axfood)

NäraDej Convenience	Menigo Foodservice (Swedish)	145	154	Nationwide	Wholesaler/ importer (Menigo Foodservice)
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FINLAND – MAJOR GAS MARTS AND CONVENIENCE STORES

Retailer Name/ Outlet Type	Ownership/ Partnership	2011 Grocery Sales (US\$ million)	No. of Outlets	Location	Purchasing Agent Type
ABC, gas marts	S-Group	287	109	Nationwide	Wholesaler/ Inex
Neste Quick Shop, gas marts	Neste	195	300	Nationwide	Wholesaler/ Importer
Shell Select, gas marts	Shell Finland	102	200	Nationwide	Wholesaler/ Importer
Esso Snack & Shop, gas marts	Esso Finland	71	70	Nationwide	Wholesaler/ Importer
R-Kioski, kiosk	Reitan Servicehandel	337	652	Finland Estonia Latvia Lithuania	Wholesaler/ Importer
Siwa, convenience store	Finnish Suomen Lähikauppa	756	553	Nationwide	Wholesaler/ Inex
K-Market, convenience store	Finnish Kesko	2.2	487	Nationwide	Wholesaler/ Kesko

C. Traditional Markets - Small Independent Grocery Stores

The small "gourmet food" grocery stores offer limited possibilities for U.S. exporters. These stores are usually located in larger cities and sometimes carry a wide range of imported products, but they tend to buy in very small quantities.

SECTION III. COMPETITION

European Union (EU) member states provide the main competition to U.S. consumer-oriented food imports. EU-origin products have a natural advantage in many product categories simply because they enter Sweden and Finland duty free, while American exporters have to face the EU's external duty/tariff structure as well as non-tariff barriers to trade (e.g. beef hormone ban, sanitary restrictions on poultry and GMO policies).

A. Sweden's Imports of Consumer-Oriented Agricultural Products, 2009-2011

Country Sweden	Import 2009 (\$1,000)	Import 2010 (\$1,000)	Import 2011 (\$1,000)	Market Share %
Denmark	1,448,157	1,472,154	1,664,946	18
Netherlands	1,242,979	1,331,023	1,520,173	17
Germany	1,085,169	1,107,151	1,301,905	14
Italy	461,697	453,339	538,420	6
France	418,842	383,606	460,552	5
Spain	347,190	394,201	426,599	5
Belgium	338,270	341,805	380,211	4
Ireland	250,324	242,247	330,891	4
Finland	201,963	264,539	296,661	3
Poland	201,963	225,340	245,775	3
United Kingdom	198,255	203,512	230,509	3
United States	117,831	132,845	156,760	2
Norway	88,658	109,295	106,313	1
South Africa	99,596	101,475	105,270	1

Austria	69,303	70,472	94,812	1
Other	948,646	998,650	1,165,068	13
World	7,564,553	7,831,654	9,024,865	100

Source: Global Trade Atlas

Note: Imports from the U.S. are understated due to transit trade via other EU countries such as the Netherlands and Germany.

B. Finland's Imports of Consumer-Oriented Agricultural Products, 2009- 2011

Country Finland	Import 2009 (\$1,000)	Import 2010 (\$1,000)	Import 2011 (\$1,000)	Market Share %
Sweden	570,532	580,712	664,652	17
Germany	543,272	545,153	651,803	17
Netherlands	533,244	542,520	649,504	16
Denmark	257,066	243,482	279,896	7
France	224,262	220,397	274,235	7
Spain	185,084	190,879	195,588	5
Belgium	179,539	182,344	190,738	5
Italy	127,533	126,873	148,689	4
Estonia	70,740	89,799	124,276	3
Poland	86,562	97,629	113,718	3
United Kingdom	64,318	73,320	87,899	2
Chile	44,435	42,970	46,108	1
Switzerland	33,645	33,396	37,922	1
Austria	23,345	28,788	32,550	1

United States	22,240	23,210	24,400	1
Other	341,340	349,605	416,876	10
World	3,318,525	3,371,077	3,938,854	100

Source: Global Trade Atlas

Note: Imports from the U.S. are understated due to transit trade via other EU countries such as the Netherlands and Germany.

SECTION IV. BEST PRODUCT PROSPECTS

A. Products Present in the Markets Which Have Good Sales Potential

Processed Fruits & Vegetables

Tree Nuts

Dried Fruit

Wine

Beer

Fish and Seafood

Fruit Juice

Sauces/Seasonings

Pancake/Cake Mixes

Rice (most U.S. rice currently packaged in other European countries)

Confectionery

B. Products Not Present in Significant Quantities but Which Have Good Sales Potential

Fresh Fruits and Vegetables

Organic Food

Ethnic Food

Snack Food

Niche Market/Specialty Food Products

Frozen Food

Rice Mixes

Vegetarian Food

Ready-Made/Convenience Meals

Pet Food

Non-Hormone Beef

Baby Food

C. Products Not Present Because they Face Significant Barriers

Poultry (sanitary restrictions)

SECTION V. POST CONTACT AND FURTHER INFORMATION

Foreign Agricultural Service
American Embassy, The Hague
AgTheHague@fas.usda.gov

SECTION VI. OTHER RELEVANT REPORTS

Report	Link
SW1106 Exporter Guide	http://www.fas.usda.gov