

THE NORDIC COUNTRIES

*A Guide
for Canadian Exporters*

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THE NORDIC COUNTRIES:

*Finland, Iceland,
Norway, Sweden*

*A Guide
for Canadian Exporters*

(Publié également en français)

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*Finland, Iceland,
Norway, Sweden*

*A Guide
for Canadian Exporters*

(Denmark is found in *European Economic
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Exporters*)

European Northern and Southern Tier Countries
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I. FINLAND

The Country

Finland is bounded in the west by Sweden, in the north by Norway and in the east by the U.S.S.R. It has a total area of 337,000 square kilometres (130,000 square miles), which includes some 30,000 islands off the Finnish coast, mainly in the south and southwest. There are approximately 60,000 lakes and these comprise 9 per cent of the total area; another 57 per cent is forest and 8 per cent cultivated land. About one third of Finland's total length lies above the Arctic Circle.

The Government

Finland is a republic with a unicameral Parliament and is a democracy in the Western context. The 200 members of Parliament are elected by universal suffrage every four years. Legislative power lies with Parliament, whose confidence the Government must enjoy. The President is elected for a 6-year period. The present Head of State, Dr. Mauno Koivisto has held office since 1982.

The People

Finland's population of 4.8 million people has been relatively static for many years. The Finnish language is not an Indo-European language but together with Hungarian and Estonian belongs to the Fenno-Ugrian group. There is a Swedish-speaking minority of 6.3 per cent. Most businessmen speak English. The population density is 16 inhabitants per square kilometre. About 40 per cent of the population lives in rural areas and 60 per cent in towns and urban districts.

There is complete freedom of worship in Finland. Some 90 per cent of the population belongs to the Evangelical Lutheran denomination, 1.3 per cent to the Orthodox Church, and 6 per cent does not belong to any established church but is on the civil register. The balance are members of other denominations.

Helsinki has 483,000 inhabitants and is the capital of Finland. An important port, it is the administrative, cultural and business centre of Finland and has

become internationally known for its conferences. Espoo and Vantaa with 142,000 and 133,000 inhabitants respectively, are located close to Helsinki and are becoming examples of sound modern urban planning. Tampere which has 167,000 inhabitants is a centre for industry, culture and sports. The most important industries here are metal, textile, paper and footwear. Tampere has a university and is well known for its open-air theatre. Turku has a population of 164,000 and is a historical maritime city and the former capital of Finland. Its harbours are kept open throughout the year. Turku is an active industrial city, especially in the fields of shipbuilding, food, textiles and chemicals. Two universities are located in Turku, one Finnish-speaking the other Swedish-speaking. Lahti with its 95,000 inhabitants is a young industrial city and business centre. The largest furniture factories are located here. Oulu has 94,000 inhabitants and is the centre of commercial and cultural life in northern Finland. Wood and paper products, as well as chemicals and electronics, are shipped through the large Oulu harbour.

General Information

Climate — The effect of the Gulf Stream is such that temperatures in Finland are considerably higher throughout the year than in other countries at the same latitude. At midsummer there are 19 hours of daylight in the south of Finland and constant daylight in Lapland. The temperatures during the summer months range from +14 to +25°C (55–87°F) and in winter from –3 to –14°C (+26 to –7°F). Finland is generally covered with snow from mid-December to end of March, or mid-April.

Local Time — Finland is two hours ahead of Greenwich mean time. There is seven hours difference between Ottawa and Helsinki. Time is expressed in terms of 24 hours.

Measures — The metric system is used in Finland.

Electricity — The domestic electricity supply in Finland is 220 volts, single phase, 50 cycles AC. Plugs are two-pin continental size.

Currency — The unit of currency in Finland is the Markka (FIM). As of February 1984, Can \$1.00 was equivalent to FIM 4.70.

Business Hours — Most offices are open from 0800 to 1630 hours (8:00 a.m. to 4:30 p.m.) Monday to Friday. Offices are usually closed or operate with minimum staff during the lunch hour from 1200 to 1300 (12:00 p.m. to 1:00 p.m.). Summer office hours are 0800 to 1600 (8:00 a.m. to 4:00 p.m.). As a rule, government offices are open Monday to Friday from 0800 to 1615 (8:00 a.m. to 4:15 p.m.) in winter and 0800 to 1515 (8:00 a.m. to 3:15 p.m.) in summer. Banks are open from 0915 to 1615 hours (9:15 a.m. to 4:15 p.m.) Monday to Friday throughout the year. The post office is open from 0900 to 1700 hours (9:00 a.m. to 5:00 p.m.) Monday to Friday, with a closing time of 1800 (6:00 p.m.) on Friday in summer. Shops are open from 0900 to 2000 (9:00 a.m. to 6:00 p.m.) Monday and Friday (in centre of cities) from 0900 to 1800 (9:00 a.m. to 6:00 p.m.) Tuesday and Thursday and from 0900 to 1500 (9:00 a.m. to 3:00 p.m.) on Saturday. The Canadian Embassy observes general business hours 0830 to 1630 (8:30 a.m. to 4:30 p.m.) during the winter months and from 0800 to 1600 (8:00 a.m. to 4:00 p.m.) Monday to Friday during June, July and August.

Holidays — The following is a list of official public holidays in Finland:

New Year's Day — *January 1*

Good Friday

Easter Monday

May Day — *May 1*

Mid Summer Eve — *June (Friday)*

Independence Day — *December 6*

Christmas Eve — *December 24*

Christmas Day — *December 25*

Boxing Day — *December 26*

Economic Information

The economic system in Finland is based on private ownership and free enterprise with the government acting primarily as a regulatory force and setting the broad parameters for economic development. There are some wholly state-owned companies and others where government has an equity position. Finnish

banks are permitted equity positions in limited liability companies. This has led many companies to obtain financing traditionally through debt, not equity.

Finnish industry has a high degree of vertical integration, up-and down stream, reflecting the small population and limited domestic market. Companies often concentrate on specialized market segments in which they can develop world-class products; the ship-building industry is a good example of this phenomenon.

In general, Finland has weathered the recession reasonably well due, in large part, to its export performance first in Western markets and, later, through increased exports to the East. Fiscal policy has been mildly stimulative and domestic interest rates have been kept low. However, unemployment is worrisome as it hovers around the 7 per cent mark and likely will turn moderate only toward the end of 1983. Also of concern is the fact that foreign obligations are assuming an increasing proportion of the national debt, now some 60 per cent.

Industry

Finland possesses a diversified highly-competitive industrial base despite its small domestic market. Forestry remains the "greengold" of Finland although the recession has severely constrained its profitability. Finnish producers of sawn goods, pulp and paper have invested in modern specialized equipment in order to be ready for an anticipated rise in demand for these products.

Economically, 1982 was not a bad year for the engineering and metal industries with output growing some 2 per cent over 1981 although orders declined sharply in the latter part of the year, particularly from the forestry sector. Mainly because of Soviet demand, orders in the shipbuilding sub-sector remained firm. The electronics sector continues to grow with increased diversity and development of world-class specialty products in areas ranging from diagnostic to atmospheric sampling equipment. Nokia Electronics is the dominant company in the field although many smaller companies are also successful.

Agriculture and Fisheries

In 1982, agricultural output was 5 per cent higher than in 1981 which is not surprising since in 1981 the crop had failed. As poor harvests are not an unusual occurrence in Finland, seasonal opportunities arise for Canadian suppliers.

Finland is not a major fishing nation; nevertheless, imports of various varieties are limited by a quota system. Canada has been a supplier of whitefish and herring although sales of the latter have declined through lack of supply from Canada.

Foreign Trade

Exports — In 1982 Finland's total exports were FIM 75.5 billion. This, however, represents a volume decrease of some 3.5 per cent as demand from western countries fell and Finland's competitive position deteriorated. To partially offset the impact of the massive Swedish devaluation, Finland devalued its currency by some 10 per cent in October 1982.

Exports to the Soviet Union are governed by a bilateral trade protocol which specifies that exports and imports should balance over 5 years. However, since 1981 a considerable clearing-account surplus has built up in Finland's favour. This, coupled with a decline in the price of Soviet oil, a major import item to Finland, and drop in local energy consumption has contributed to a continuing trade surplus with the U.S.S.R.

Imports — Total imports in 1982 were some FIM 74 billion, a growth of 1 per cent over 1981. Major items included raw materials (including food), crude oil and investment and consumer goods. Given the general rise in import prices resulting from devaluation and the relative slackness of domestic demand, the import volume is likely to fall slightly in 1983.

Canada-Finland Trade — Trade relations between Canada and Finland are governed by an exchange of notes effective November 17, 1948 and by the General Agreement on Tariffs and Trade (GATT) effective May 25, 1950. Canada and Finland accord each other most-favoured-nation (MFN) tariff treatment.

In practice, this is of extremely limited value to Canada given the various preferential tariff groupings in which Finland participates through trade agreements such as with the European Free Trade Association (EFTA) and with the European Economic Community (EEC). Finland also accords EFTA tariff rates to the Soviet Union and has a trade agreement with the Council for Mutual Economic Assistance (CMEA) countries (east-bloc). Finland also grants the General Preferential Tariff (GPT) to developing countries.

Although Canadian exports have continued to increase, two-way trade remains at a relatively modest level (of approx. \$200 million), with the balance over the past few years in Canada's favour which is a reversal of the pattern throughout much of the 1970s. To some extent this low volume of trade is a reflection of traditional trading relations with other partners, tariff and non-tariff barriers, small domestic markets and, in certain areas, similarity of products. It is also, perhaps, a reflection of perception, lack of knowledge and, concomitantly, lack of interest and/or enthusiasm on both sides.

Table 1a. Canadian Exports to Finland

| | (Can \$ thousands) | | | | |
|---------------------|--------------------|--------|---------|---------|---------|
| | 1978 | 1979 | 1980 | 1981 | 1982 |
| Canadian statistics | 30,491 | 54,552 | 138,135 | 100,789 | 110,588 |
| Finnish statistics | 43,161 | 91,385 | 128,687 | 116,314 | 147,000 |

Main export items in 1982 were: nickel (Can \$21.2 million); barley (Can \$14.8 million); sulphur (Can \$13.3 million); dissolving wood pulp (Can \$7.02 million); wheat (Can \$6.2 million); zinc ore (Can \$4.2 million); rye (Can \$3.6 million); papermakers' felts (Can \$3.4 million).

Table 1b. Canadian Imports from Finland

| | (Can \$ thousands) | | | | |
|---------------------|--------------------|--------|--------|---------|---------|
| | 1978 | 1979 | 1980 | 1981 | 1982 |
| Canadian statistics | 43,342 | 54,117 | 66,660 | 97,261 | 96,400 |
| Finnish statistics | 53,740 | 62,837 | 75,622 | 110,367 | 110,000 |

Main import items in 1982 were: paper mill machinery and parts (Can \$25.2 million); rock drills and parts (Can \$6.9 million); copper, refinery shapes (Can \$4.4 million); pulp mill machinery and parts (Can \$2.9 million); sheet specialty steel (Can \$2.6 million).

Table 2a. Finland's major import products in 1982

| | per cent of all imports |
|----------------------------------|-------------------------|
| Machines and transport equipment | 28.2 |
| Mineral fuels (crude oil) | 27.3 |
| Basic manufactures | 14.4 |
| Chemical manufactures | 8.8 |
| Misc. manufactured goods | 7.5 |
| Food products | 6.6 |
| Crude materials except fuels | 6.0 |
| Other | 1.2 |

Table 2b. Finland's major export products in 1982

| | per cent of all exports |
|--------------------------------------|-------------------------|
| Basic manufactures (paper and metal) | 37.9 |
| Machines and transport equipment | 25.2 |
| Crude materials (wood) | 13.4 |
| Misc. manufactured goods | 11.0 |
| Chemical manufactures | 5.1 |
| Mineral fuels, lubricants | 4.1 |
| Food products | 3.0 |
| Other | 0.3 |

Table 3. Finland's foreign trade with main trading partners in 1982

| | Exports f.o.b. approx. | | |
|---------------|---------------------------|-----------|--------|
| | Million | FIM/Can\$ | share% |
| U.S.S.R. | 16,805 | 4,309 | 26.7 |
| Sweden | 7,461 | 1,913 | 12.0 |
| F.R.G. | 5,700 | 1,462 | 9.0 |
| Britain | 6,829 | 1,751 | 10.8 |
| United States | 2,008 | 515 | 3.2 |
| France | 2,487 | 638 | 3.9 |
| Norway | 3,059 | 784 | 4.9 |
| Netherlands | 1,926 | 494 | 3.1 |
| Denmark | 2,283 | 585 | 3.6 |
| Italy | 1,134 | 291 | 1.8 |
| Belgium | 869 | 223 | 1.4 |
| Canada | 441 | 113 | 0.7 |
| | Imports c.i.f. approx. | | |
| | Million | FIM/Can\$ | share% |
| U.S.S.R. | 15,898 | 4,076 | 24.6 |
| Sweden | 7,780 | 2,127 | 12.2 |
| F.R.G. | 8,586 | 2,202 | 13.3 |
| Britain | 4,712 | 1,208 | 7.3 |
| United States | 3,949 | 1,013 | 6.1 |
| France | 2,023 | 519 | 3.1 |
| Norway | 1,386 | 355 | 2.1 |
| Netherlands | 1,715 | 440 | 2.6 |
| Denmark | 1,504 | 386 | 2.3 |
| Italy | 1,708 | 438 | 2.6 |
| Belgium | 1,148 | 294 | 1.8 |
| Canada | 573 | 147 | 0.9 |

Note: Conversion rate used Can\$1 = FIM 3.9

Business Information

Marketing Opportunities

The primary industries in Finland are largely the same as those in Canada i.e., wood processing and metal manufacturing with production of machinery and equipment for the forest industry. This excludes the possibilities for extensive trade in end products of the

wood processing industry and some metal industry products but opens up opportunities for specialty machinery and equipment for the needs of these industries. Finland is also an extensive importer of raw materials and machinery for secondary industries. The electronic industry is largely dependent on imported components. The import of grains and foodstuffs is dependent on the outcome of the domestic crop as Finland is theoretically self-supporting in food production.

Grains and Foodstuffs

In the agricultural and food sectors, there is demand for the following:

- high quality rye for baking purposes;
- wild and cultivated berries which are imported for the needs of the food processing industry;
- fish, primarily cured herring and frozen whitefish which have established a market in Finland.

Primary and Forest Industries

Opportunities in the metal and forest sectors are for:

- ores and metal concentrates which have a significant role in Finnish imports;
- hardwoods, primarily oak, which are in demand for the furniture industry and flooring;
- pulpwood although only occasional sales have occurred.

Chemicals

Demand for chemical products in Finland includes:

- plastic raw materials;
- pharmaceutical raw materials.

Electronics

The electronic sector in Finland is a growing field; there is demand for:

- components for the electronic industry which have a steady market;
- computer and data processing equipment together with software systems which offer an increasing market;
- marine electronics.

Machinery and Transport Equipment

Heavy machinery and transportation equipment needs in Finland are:

- specialized machinery for packaging and materials handling;
- road and off-road vehicles;
- pulp and paper industry auxiliaries;
- general industrial machinery.

Representation

The key to a successful export trade with Finland is the appointment of a resident local agent or importer. Recognized agents maintain frequent contacts with industry and are aware of future developments and sales possibilities. Calls for tender by government often are not publicly advertised but distributed among potential agents and suppliers. In Finland, agents and importers do not specialize to the same extent as in some other countries. The most successful importers and agents handle a variety of products and are constantly looking for new lines.

Business Contacts

All forms of import and sales businesses exist in Finland. For consumer goods there are four large competing groups of wholesale-retail organizations. Agents play an important role in marketing technical products because they may themselves import, stock and distribute, the products.

Newcomers to the market should contact the Commercial Division of the Canadian Embassy. The Commercial Division is equipped to function as a liaison between Canadian firms and local business and industry. It actively seeks business opportunities for Canada and relays these to firms considered interested and capable. Potential buyers and sellers are introduced with guidance provided to each as required. Market surveys of reasonable proportions are conducted on behalf of Canadian firms. Agents, distributors or other outlets for Canadian products may be recommended.

Businessmen can also be helped in locating promising contacts through the Finnish Foreign Trade Association or the Central Chamber of Commerce. Exporters should bear in mind that personal contacts

are most important, therefore visits to Finnish companies should be fairly frequent. Specialized European trade fairs are another point of contact since they are frequently attended by agents, distributors and buyers from Finland.

Chambers of Commerce are located in every sizeable city. The central Chamber of Commerce in Helsinki is the joint organization for the 21 regional chambers.

There are associations for all important industry sectors and these are members of the Federation of Finnish Industries (see Useful Addresses section).

The Finnish Foreign Trade Association serves foreign suppliers by informing member companies in the import or agency business of opportunities offered from abroad.

Advertising

The 89 daily papers in Finland are a popular advertising medium. It is also possible to approach the consumer directly through television commercials (Mainos TV). All cinemas usually begin their feature programmes with advertisements. There are some legal restrictions regarding the advertisement of pharmaceuticals, alcoholic beverages, tobacco and certain other goods.

Price Quotations

Price should be quoted on a c.i.f. rather than f.o.b. basis. Quotations may be made in Canadian or U.S. dollars.

Methods of Payment

Most common methods of payment are cash against documents or 30 days draft. The demand for an irrevocable letter of credit is often regarded as an insult after a trading relationship has been established.

Transportation Services

All types of forwarding services are offered by sea, air, rail and road to and from all countries. There is, however, no direct liner service by sea between Canada and Finland. The regular air cargo service handled by Air Canada is from Copenhagen.

Patents and Trademarks

Manufacturers and traders are advised to patent their inventions and register their trademarks in Finland. Applications should be made through a patent or trademark agent in Finland.

Patents are granted for a term of 20 years from the date of filing. Applications may be made by the inventor or his assignee. The invention must not have been made available to the public anywhere by written or oral description or any other way prior to the filing date or the convention date of the application.

The first applicant is entitled to the registration of a trademark but a prior user may contest the registrations within a period of five years from registration date. Registrations last for ten years and may be renewed for the same period. Applications for renewal should be made not more than one year before or six months after expiration of the registration period.

Investment

There are no written official rules concerning foreign investments; individual applications are considered on their merits in the light of general government policy. Application for investment in Finland is to be made in writing to the Bank of Finland.

Your Business Trip to Finland

A business trip to Finland, particularly the first one, should be planned well in advance with the co-operation of the Canadian Trade Commissioner in Helsinki.

The Canadian Embassy staff is prepared to make various appointments and hotel reservations because of very limited hotel space and similar arrangements for visiting businessmen — provided sufficient notice is given. Full information on the purpose of your trip, contacts you may have established, detailed product information and your exact time of arrival are, of course, essential. Last minute changes in plans are difficult to accommodate and can result in great inconvenience to the visitor.

The Trade Commissioner can inform you of holidays that might coincide with your planned trip, of local regulations and standards regarding your product as

well as give you information on competitive product prices and marketing possibilities.

When to Visit Finland

Finnish industry comes to an almost complete standstill in July. Business firms work with limited manpower resources during the summer months (June, July and August). It is advisable to ensure that the business contact is not on holidays before arriving in Finland at that time of year.

How to Get There

The main international airport in Finland is Helsinki-Vantaa which is situated about 20 kilometres (12 miles) from the centre of the city. There are non-stop flights from Montreal to Helsinki operated by Finnair three times a week.

Travel in Finland

Frequent internal flights operate in Finland which connect with the main international services. Business visitors with limited time at their disposal are advised to travel by air. Internal services are provided by Finnair between Helsinki and Ivalo, Joensuu, Jyväskylä, Kajaani, Kemi, Kittilä, Kokkola, Kuopio, Kuusamo, Lappeenranta, Maarianhamina, Mikkeli, Oulu, Pietarsaari, Pori, Rovaniemi, Savonlinna, Tampere, Turku, Vaasa and Varkaus. Timetables are subject to seasonal variation. Internal air fares in Finland are among the cheapest in Europe.

There are over 6,000 kilometres (3,800 miles) of railway connecting Finland with Sweden and the Soviet Union. Most trains in Finland are powered by diesel engines.

Express services operate from Helsinki to Tampere, Vaasa, Oulu, Jyväskylä, Kuopio, Joensuu and Savonlinna. Seat reservations must be made in advance. On express trains refreshments are served at each seat. First class accommodation is available only on the main routes. There is also a car train service between Helsinki and Rovaniemi.

There are about 75,200 kilometres (47,000 miles) of road in Finland. The main roads are generally good,

although some roads in the extreme north of the country may be impassable during November and March owing to frost damage.

There are adequate bus services connecting most of the main towns. In northern Finland buses are the principal form of transportation. Within the town areas of Helsinki, a flat rate of FIM 4.20 is charged on trams and buses, and a 10-journey ticket is available for FIM 38. There are more than 300 express bus services departing daily from Helsinki to various parts of Finland. Rental cars are available in most cities.

Visitors bringing their own cars or renting cars will find that the roads are generally in good condition all year round. Winter tires should be used from mid-October to mid-April. Every foreign driver in Finland must have his own driving licence. Drivers should be aware of the very strict law which is enforced forbidding anyone from driving a car after drinking alcohol. There is no exception to this law and severe punishment is handed out to drivers convicted of motoring offences, even though in comparison with the standards of other Western European countries, the amount of alcohol consumed may be very little. The use of seat belts is compulsory. There are parking meters in the cities which are in operation from 0800 to 1700 hours Monday to Saturday.

As in Canada, traffic travels on the right.

Taxis are easy to hire by telephone or from taxi stands. The basic fare in Helsinki is FIM 9.00. Charge per kilometre for 1 or 2 persons is FIM 2.68, for 3 or 4 persons FIM 3.22. There is an extra night charge of FIM 3.00 (from 1800 to 0600 hrs). The waiting charge is FIM 75.30 per hour. Rates outside Helsinki are slightly lower.

Accommodation

There is a shortage of hotel facilities in Finland and in the Helsinki area in particular. Therefore it is to your own advantage to book hotels well in advance. If you find yourself stranded in Helsinki try the central hotel booking office (tel: 171 133) at the railway station.

If your travel plans change you should remember to cancel your hotel reservations as otherwise you will be charged for the room(s).

Passport

A valid Canadian passport is the only travel document you need to enter Finland.

Duty Free Import

Visitors to Finland resident outside Europe may bring two litres of beer, one litre of mild alcoholic beverage and one litre of strong alcoholic beverage plus 400 cigarettes or 500 g (17.6 ozs) tobacco products, in addition to personal luggage.

Travel Tips

Seasoned business travellers will include the following among their supplies:

- company stationery
- business cards
- small giveaways with firm's name printed on them.

Business Call

A complete presentation on the first call is most important. This should include literature, specifications, samples if possible, and all the price, delivery and quality control information a buyer needs to compare the capabilities with current competition.

Follow-up

It is good practice to follow up on business discussions and interviews. A thank-you letter to the business contact is essential and should contain reference to any agreements discussed or completed during the visit. Letters should be sent airmail. Telexes may be used as most Finnish firms are equipped with telex machines.

If in your follow-up work you would like to have the assistance of the Trade Commissioner's office, please provide copies of all relevant correspondence.

Customs and Exchange Regulations

Documentation

A bill of lading must be submitted in one original, one negotiable copy plus the number of extra copies indi-

cated by the consignee. Two copies of commercial invoices are required.

Certain goods require a health certificate from the veterinary or plant protection authorities of the export country.

Commercial Invoice

The entry must be accompanied by a copy of the invoice. The invoice shall indicate: the name, address and place of residence of the exporter and of the buyer; the date of invoice; the number, type, weight, marks and numbers of packages; the name and quantity of the goods in conformity with the valid commercial practice; the price of each type of goods, price reductions, if any, and their reasons; terms of delivery and payment.

If products in a consignment to be cleared for home use fall within more than one heading, the applicable headings or other taxation bases must be clearly indicated on the invoice. Brochures, packing lists and other documents specifying the goods can be enclosed with the invoice.

Custom Duties

Finland uses a four-column customs tariff with different customs duties chargeable according to Finland's trade agreements with specific trade areas and individual countries. The general import duty is applicable to products produced in countries which have no special trade agreement for reduced rates of duties with Finland. In practice this means all countries outside Europe, including Canada. Second column indicates the preferential import duties agreed with the European Economic Community (EEC). The rates are considerably lower than the general duty, usually only 20-30 per cent of it. The third column lists rates of duty for the CMEA (COMECON) countries. These are in most cases, the same as for the EEC countries. The fourth column is for the European Free Trade Agreement (EFTA) countries and the U.S.S.R. with which the trade is free of import duties with a few exceptions.

This system creates a handicap for certain Canadian products by giving considerable preference to competing products from Europe. For example, for outer

garments the general duty is 35 per cent while the rate for EEC and CMEA is only 7 per cent and imports from EFTA are free of import duty. General import duties for cosmetics range between 20 and 40 per cent but there are no duties for imports from the EEC, CMEA or EFTA countries.

Other Charges

At the import stage an import equalization tax ranging from 1.8 to 5.8 per cent is levied on most imported processed products. Imported and domestic products are subject to a 19.05 per cent turnover tax. However, a reduction of 80 per cent of this tax is allowed for industrial production machinery and equipment during the present recession period. Excise taxes are applied to articles such as tobacco; food products containing sugar; beverages and automobiles. In addition, variable import fees are applied to most basic agricultural products.

Import Licences

Most goods do not require an import licence for entry to Finland. However, Finland is very protective of its agricultural industry, licences are required for agricultural product imports which are in direct or indirect competition with domestic production.

Import licences are granted only if the domestic agricultural supply is proved insufficient by a committee comprising of farmers, consumers and government representatives.

Labelling

As a general rule, all packaged consumer products should bear a label indicating the content by commonly used tradename. The label should also indicate the name of the manufacturer, the country of manufacture and the name and address of the importer. When relevant, the weight of the contents should be indicated. Labelling of foodstuffs must further indicate the ingredients and additives in the foods. All required information should be given in both Finnish and Swedish. In principle, the labelling should be in place when the goods are imported to Finland.

When responsibility for compliance with the local regulations rests with the importer, the prudent Canadian exporter should follow the importer's directions. Failure to do so can delay customs clearance with loss of sales and goodwill.

Insurance

There are numerous cargo insurance companies operating in Finland.

The Customs Laboratory

The Customs Laboratory is responsible for ensuring that imported products conform with existing health hazard and purity regulations. By taking samples for analysis, the Customs Laboratory monitors poisonous substances in painted and plastic toys, glazed earthenware, etc. Foodstuffs are analyzed for the presence of pesticides, herbicides and other unwanted substances. If samples are found to be unacceptable, the whole shipment will be denied entry to Finland. The monitoring of imports in Finland is said to be the most rigid in Europe.

The Electrical Inspectorate

All electrical appliances and equipment which are intended for public use must be approved prior to importation by a compulsory safety testing procedure by the Electrical Inspectorate. Testing may be time-consuming and costly. Testing certification can only be signed by a firm registered in Finland or a Finnish citizen.

Ministry of Agriculture and Forestry

The Ministry has several departments which restrict the importation of animals and plants to prevent the spread of diseases, insects or other harmful material.

A health certificate from the country of origin is often required.

II. ICELAND

The Country

Iceland is a volcanic island located in the North Atlantic mid-way between Canada and Europe. Its total area is 102,828 km², about the same size as the island of Newfoundland. About four-fifths of the country is barren and largely uninhabitable; the lowlands and cultivated areas are situated mainly near the coasts.

General Information

Climate — The Gulf Stream keeps the temperature warmer than might be expected in a country so far north. The average temperature in Reykjavik in July is 11 degrees C, and in January 1 degree C. There is often considerable rainfall, especially in the south, but it can be warm in the summer and the air is clear of pollutants.

Local Time — Local time is the same as Greenwich Mean Time throughout the year.

Population — The population is approximately 232,000 (December 1981), 53 per cent of which live in Reykjavik and district. Before 1939, a large proportion of the inhabitants were either farmers or small scale fishermen. Since then, the urban population has increased and more than 85 per cent now live in towns or village communities. Other population centres are Akureyri (14,000) and Keflavik (6,500).

Language — The language is Icelandic but most businessmen speak English well.

Political System — Iceland, one of the smallest self-governing countries in the world, is an independent republic.

Telephone — The telephone service operates 24 hours a day and is mostly automatic. It is used a great deal for daily business.

Transportation — There is plane service between the principal towns. Generally, flights occur between principal towns at least once daily in the summer, less frequently in the winter.

There are no railways in Iceland. Roads connect main centres but most, except in towns, are unpaved. In winter, some routes, especially to the north, are impassable. Bus services operate throughout the year. Car rental facilities are available, but because there are dangerous pitfalls in Iceland for drivers accustomed to reliable roads and road markings, etc., taxis, buses and air travel are recommended.

Weights and Measures, Electricity — The domestic supply is 220 volts AC, 50 cycles, single phase. The industrial supply is 380 volts AC, 50 cycles, 3 phases. Plug fittings are 2 pin with round section pins 4 mm in diameter with centres 2 cm apart. Lamp fittings are of the screw type.

Icelanders use the metric system.

Currency — The Icelandic monetary unit is the Króna (plural Krónur). The following denominations are in circulation: Notes, 10.00, 50.00, 100.00 and 500.00 Krónur. Coins: 5 Aurar, 10 Aurar and 50 Aurar, 1 Króna and 5 Krónur. Businessmen are advised to consult their banks for the current rate of exchange. As of February 1984, Can \$1.00 was equivalent to 23 Krónur. There is a very high rate of inflation, 60 per cent in 1982. All wages are indexed to the consumer price index. Credit terms are indexed to the inflation rate, and, as a result, currency devaluations are frequent. Credit cards are generally accepted.

Currency Regulations — Iceland is in the overseas sterling area. Only kr. 2.100.00 in Icelandic banknotes may be taken into Iceland and the same amount may be taken out. There are no restrictions on foreign currency, but the amount taken out of the country must not exceed that taken in.

Public Holidays — The official public holidays are:

New Year's Day
Maundy Thursday

Good Friday
Easter Sunday
Easter Monday
First day of summer — *3rd week of April*
Labour Day — *May 1*
Ascension Day
Whit Monday
Icelandic National Day — *June 17*
August Bank Holiday — *1st week of August*
Christmas Eve — *half day*
Christmas Day
Boxing Day
New Year's Eve — *half day*

When a public holiday falls on Saturday or Sunday, the following Monday is *not* observed instead.

Hours of Business — Government offices and business houses: 09:00 to 12:00 and 13:00 to 17:00 Monday to Friday. Some firms close down completely for the annual 3 weeks holiday. The period during which this holiday is taken varies, but it is usually sometime in July or August. Banks: 09:15 to 16:00 Monday to Friday and 17:00 to 18:00 on Thursday. Shops: 09:00 to 18:00 Monday to Wednesday; 09:00 to 20:00 Thursday and Friday; 09:00 to 15:00 Saturday (some only in winter).

Business Etiquette and Social Customs — Hand-shaking on arrival and departure is a general custom. Formal entertainment is rarely given.

Icelanders are customarily meticulous in thanking their host when they next meet, for hospitality shown and visitors should observe this courtesy.

A person's name in Iceland is his fore or Christian name, to which is appended his father's fore-name. A man whose fore-name is Jon and whose father's fore-name was Magnus, would be known as Jon Magnusson. His sister, whose fore-name is Sigrun, would be known as Sigrun Magnúsdóttir, and she retains this name after marriage. The telephone directory is listed by Christian name.

Economic Information

Iceland has few natural resources and the economy revolves around fishing, which provides about 75 per

cent of foreign exchange earnings. Primary aluminum normally provides another 15 per cent, and skins and woollens most of the remainder.

The fishing fleet is equipped with high technology stern-trawlers and purse-seiners and consists of about 300 vessels of over 100 tons and 600 smaller boats. About 110 freezing plants produce mostly white fish fillets, principally for the U.S. market. Other main products are capelin and other fish meal, saltfish, stockfish, salt herring, frozen capelin, scampi, shrimps and scallops, fish oil and roes (caviar). There are about 25 fish meal factories.

Industrial diversification based on plentiful hydro-electric and geothermal energy is proceeding steadily. Cement, nitrate fertilizer and diatomite have been produced for many years. A new aluminum smelter, a growing yarn and wool industry, and manufacturing facilities for fishing gear contribute to the industrial diversification of the country.

Iceland is self-sufficient in meat (mostly lamb), milk, poultry, eggs, cheese and butter. Her grassland farming provides good opportunities for sales of farm machinery, particularly tractors. Production costs of farm produce, are, however, high and exports, except for skins and wool, have to be heavily subsidized to compete in world markets.

Foreign Trade

Largest suppliers for Iceland are traditionally U.S.S.R. (mostly oil), West Germany, U.S.A., U.K., Denmark, Netherlands and EFTA countries. Iceland's principal export markets in 1980 were the U.K., U.S.A., U.S.S.R., West Germany and Nigeria. Iceland is a member of EFTA and has a free trade agreement with the EEC.

Canadian Trade with Iceland

Canadian exports in 1982 were Cdn \$6.2 million compared with Cdn \$9.7 million in 1981. Icelandic exports to Canada were Cdn \$4.9 million in 1982, a decrease over 1981 exports of Cdn \$6.5 million.

Canadian exports to Iceland include grain, telecommunications and related equipment, construction machinery, passenger car tires and lumber.

Business Information

Market Characteristics

The standard of living is relatively high in Iceland, as are standards of housing. Most households have a wide range of electrical appliances, a telephone, and a car.

Scandinavian styles and design have prevailed for the past 20 years. This is most apparent in furniture, household utensils and cutlery.

Labour-saving devices for housekeeping are very popular. Offices are fitted with up-to-date equipment and labour-saving devices find favour with the limited number of light industrial firms. The fishing industry is particularly well-equipped, and new devices which save labour and time will always be considered.

Marketing and Distribution

Because of the relatively small size of the market, most wholesalers and agents have to take on a number of lines, and foreign firms cannot normally expect to find an agent who specializes only in their particular line. But with so small a community, the agent, whatever his business, will probably have useful connections in other branches of commerce.

Agency Legislation

There are no special agency laws and no known hazards of which principals should be aware. In the absence of a written contract, it is understood that three months' notice of termination of an agency would be considered reasonable and sufficient.

Import Procedure

Iceland tariffs are based on the Customs Co-operation Council Nomenclature. Documentation: Original invoice + 1 copy, original Bill of Lading + 1 copy. Eur 1 or 2 when appropriate. In case terms are CIF insurance certificates must be produced. Shipping terms: FOB, C&F, CIF. Methods of payment: CAD, Letter of Credit.

Advertising and Promotion

Many Icelandic firms are small concerns with insufficient resources to do much in this field. It is essential, therefore, for the exporter to give his agent as much advice and assistance as possible on advertising and any other forms of trade promotion.

The small and gregarious nature of the population makes word-of-mouth advertising particularly important. The introduction of a first-class product on the market quickly becomes known, since most of the agents, wholesalers, and retailers know one another personally. Short television films are effective and relatively cheap.

Banking

There are six principal commercial banks in Iceland: National Bank, the Fisheries Bank, Agricultural Bank, Industrial Bank, Co-operative Bank and Commerce Bank. There are also several Savings Banks and a Central Bank which also acts as treasurer and financial and economic adviser to the Government. Only the first three banks are authorized to deal with the public in foreign currency. Interest rates are high.

Patents and Trade Marks

An application for a patent may be made by the inventor or by his assignee, whether an individual, firm, or corporation. Prior to the filing date (or the convention date) of the application, an invention must not have been publicly disclosed in Iceland or described or shown in publications, illustrations, etc., generally accessible anywhere. Patents are granted for a term of 15 years from the date of grant. If a patented invention is not adequately worked in Iceland within 5 years from the date of issue, the patentee may be required to grant compulsory licences.

Trade Marks

The first user of a trade mark is entitled to registration and exclusive use of the mark. Registration lasts for a period of 10 years and may be renewed for similar periods. Trade marks may be registered for services offered as well as for goods.

Forms of Establishing a Business in Iceland

Legislation requires that most businesses be licenced and normally only Icelandic nationals qualify for registration.

Corporate Taxes

Resident corporations are taxed on world income. The tax rate is a flat 65 per cent of taxable income. There is also a State Property Tax of 1.2 per cent of the net worth of the corporation, and there may be a municipal tax payable.

Government Monopolies

The State Wine, Spirit and Tobacco Authority
The State Fertilizer Plant
Iceland State Cement Works

(Vegetables Trading Centre is a producers co-operative with a monopoly on the import of: potatoes, turnips, carrots and onions).

Customs and Exchange Regulations

i) Customs Duties

Icelandic tariff classifications are based on the Customs Co-operation Council Nomenclature (formerly Brussels Nomenclature) system. Nearly all duties are on an ad valorem basis. Iceland is reducing her protective tariffs on industrial products from EEC and EFTA. Free trade was reached on January 1, 1980.

All goods, except foodstuffs, whatever the source, are subject to a Retail Sales Tax of 23.5 per cent.

Goods imported direct by end-users, however, are subject to a Sales Tax of 25.85 per cent levied on import.

A Special Goods Tax of 24 per cent of the duty-paid value is also levied on many imported and locally produced goods.

ii) Exchange Control

For liberalized goods, foreign currency is normally automatically supplied on production of the shipping documents. For goods subject to licensing, the issue of an import licence generally carries with it authority to purchase foreign exchange for payment of the

goods concerned. Goods may be cleared through Customs upon presentation of an invoice properly endorsed by the Agricultural Bank, National Bank, or the Fisheries Bank to the effect that the goods have been paid for or that payment has been arranged through a bank.

Most importers work on CAD or letter of credit terms. The usual credit terms are payment in 90 days but for some luxury, semi-luxury and other goods, the government restricts the availability of credit. Special permission of the Agricultural Bank, National Bank, or Fisheries Bank is required for credit exceeding three months but not exceeding one year, whilst government permission must be obtained for credit exceeding one year. It is usually allowed only on durables and capital goods such as industrial machinery, aircraft and ships. Where credit is allowed for these categories of goods, the government committee concerned imposes a minimum credit period in order to conserve foreign exchange. State guarantees of payment may sometimes be obtained by big firms or public corporations for projects which the Icelandic Government considers to be in the interest of the national economy.

Visitors should ascertain the credit regulations in force at the time as they are liable to change.

Import Licensing

About 90 per cent of imports are liberalized. Of the remaining 10 per cent, licences are not normally issued for dairy produce, eggs, margarine, tomatoes, animals and animal products. Licences for the bulk of the petrol, diesel oil and fuel oil imported are normally granted only for imports from the Soviet Union and for coffee beans only for imports from Brazil, both under bilateral trading arrangements. Licences are issued according to global quotas for roasted coffee, sugar and chocolate confectionery, biscuits and brushes. Import licences are issued by the Agricultural Bank, National Bank, Fisheries Bank and the Joint Currency Department.

Commercial Samples

Import licences are not required for samples. A deposit to cover import duty is normally required when

samples of commercial value are taken in. This is refundable if the samples are taken out of Iceland by the time appointed. A list is required showing the items and their value. Duty is not chargeable on samples having no commercial value.

Alternatively, samples may be imported under the ATA Carnet. This is an International Customs clearance document which allows samples to be temporarily imported without duty, or the need for raising bonds or depositing duty with Customs Posts in different countries. Under this procedure a deposit of a percentage of the total value of the goods, or a guarantee for the amount of the deposit, must first be lodged with the issuing Chamber of Commerce.

Free Port

Duty-free bonded warehouse facilities are available in Reykjavik, Keflavik and Akureyri where agents can store goods until required. Storage charges are normally met by the importer. Shipping companies of which the Icelandic Steamship Company is the largest also have warehouse facilities.

CANADIAN EXPORTS TO ICELAND
(\$ 000's)

| | 1980 | 1981 | 1982 |
|--|-------|-------|-------|
| TOTAL EXPORTS | 8,234 | 9,694 | 6,155 |
| Major Export Items - 1982 Ranking | | | |
| Hard spring wheat flour | 700 | 727 | 795 |
| Telecommunications and related equipment | 349 | 216 | 781 |
| Construction machinery and equipment | 365 | 38 | 545 |
| Passenger car tires, pneumatic, new | 288 | 608 | 468 |
| Barley | 651 | 178 | 182 |
| Trucks, truck tractors and chassis | 213 | 158 | 169 |
| Potato products, frozen | 124 | 221 | 165 |
| Lumber, softwood | 1,259 | 2,118 | 153 |
| Meat, fresh, chilled or frozen | — | — | 146 |
| Apples and crab apples, fresh | 177 | 167 | 141 |
| Nylon yarn | 110 | 198 | 129 |
| Yarn, thread, cordage, twine and rope | 110 | 246 | 129 |
| Insulated wire and cable | 324 | 212 | 112 |
| Motor vehicles, n.e.s. | 67 | 195 | 112 |
| Carpets, in rolls | 93 | 169 | 84 |
| Passenger automobiles | 104 | 217 | 83 |
| Aluminum, including alloys | — | 1,159 | — |
| Fishery foods and feeds | 518 | 499 | — |

MAJOR

COMMODITY

CATEGORIES

1980

1981

1982

| | | | |
|-----------------------------------|--------------|--------------|--------------|
| Food, Feed, Beverages and Tobacco | 2,686(32.7%) | 2,414(24.9%) | 1,907(30.9%) |
| Crude Materials, Inedible | 26(.3%) | 78(.8%) | — |
| Fabricated Materials, Inedible | 2,407(29.2%) | 4,576(47.2%) | 639(10.4%) |
| End Products, Inedible | 3,102(37.7%) | 2,621(27.0%) | 3,601(58.8%) |

Source: Statistics Canada

CANADIAN IMPORTS FROM ICELAND
(\$ 000's)

| | 1980 | 1981 | 1982 |
|---------------|-------|-------|-------|
| TOTAL IMPORTS | 6,016 | 6,511 | 4,931 |

Major Import Items - 1982 Ranking

| | | | |
|---|-------|-------|-------|
| Outerwear, knitted | 3,242 | 3,006 | 1,304 |
| Fish Nets | 117 | 279 | 782 |
| Wool Yarn, Worsted Spun | 642 | 716 | 654 |
| Commercial fishing equipment and parts, nes | 169 | 428 | 575 |
| Wool Yarn, Woollen Spun | 415 | 586 | 407 |
| Fish Netting | 200 | 364 | 144 |
| Cordage and twine of man-made fibre | 4 | 131 | 122 |
| Horses | 60 | 109 | — |

**MAJOR
COMMODITY
CATEGORIES**

| | 1980 | 1981 | 1982 |
|---|--------------|--------------|--------------|
| Live Animals | — | 113(1.7%) | — |
| Food, Feed, Beverages and Tobacco | 261(4.3%) | 105(1.6%) | 94(2.0%) |
| Crude Materials, Inedible | 52(.9%) | 78(1.2%) | 7(—) |
| Fabricated Materials, Inedible | 1,321(22.0%) | 1,961(30.1%) | 1,335(27.0%) |
| End Products, Inedible | 4,160(69.1%) | 4,207(64.6%) | 3,261(71.0%) |

Source: Statistics Canada

III. NORWAY

The Country

Norway forms the western and northern part of the Scandinavian peninsula and is bordered by Sweden, Finland, and the U.S.S.R. It has a total of 323,886 square kilometres (125,000 square miles) excluding Svalbard (Spitzbergen) and Jan Mayen. About half of the country's north-east length lies above the Arctic Circle. Along its 2,750 kilometres (1,700 miles) of coastline (with approximately 17,000 indentations) are numerous small islands.

| Distribution of area: | Percentage |
|------------------------------|---------------------------------|
| cities | 0.04 |
| glaciers | 1.40 |
| cultivated agricultural land | 3.10 |
| islands | 6.90 |
| forests | 25.00 |
| | (only 21.3 per cent productive) |
| mountains, etc. | 62.10 |

Government

Norway is a constitutional monarchy with executive power nominally vested in the King. Legislative power lies with Parliament (Storting) which is elected for a four-year term by universal suffrage.

The Norwegian flag is red with a white bordered blue upright cross.

The People

At the end of 1980 the population of Norway totalled 4,100,000 and of this number approximately 66 per cent of inhabitants live in urban areas with the balance residing in sparsely populated areas. The population density is 13 persons per square kilometre.

Evangelical Lutheran is the national church, endowed by the State, but there is complete freedom of worship.

Oslo, the capital, has a population of 450,000. It is the seat of the King, the Government, the Parliament

(Storting), and the Supreme Court. It is the country's leading industrial and cultural centre and is the most important commercial and shipping city.

Bergen, the second largest city, has a population of 208,000 and is the cultural centre of western Norway. It is a large fish exporting centre.

Trondheim, with a population of 135,000 is an important centre of agriculture, trade, industry and shipping for the central part of Norway.

Stavanger, has a population of 91,000 and is Norway's oil capital and serves as headquarters of the Petroleum Directorate, STATOIL, and most offshore operators. It is surrounded by an important agricultural area.

Kristiansand S. has a population of 61,000 and lies at the southern tip of Norway. It is the "capital" of the southern coastal region and the centre of its industry. Its principal exports are nickel, copper (Falconbridge) and ferro-silicon.

General Information

Climate — Norway has a moderate climate despite her northern latitude because of the moderating influence of the Gulf Stream. Eastern Norway, including Oslo, has an annual mean temperature of 5°C. The temperature ranges from -18°C in winter to 29°C in summer. The climate of the coastal region is considerably milder than that of the interior. Precipitation is much greater in the west than in the east with a rainfall of 2,000 mm or more in Bergen.

Electricity — the domestic electricity supply is 220/230 volts single phase, 50 cycles AC. Plugs are continental two-pin round type and light bulbs have screw fittings.

Currency — The unit of currency is the Norwegian kroner (NOK) which is further divided into 100 øre. In February 1984, the exchange rate was Can \$1 = NOK 6.25.

The following denominations of Norwegian currency are in circulation:

notes — NOK 10, 50, 100, 500 and 1,000
coins — 5, 10, 25 and 50 øre, NOK 1 and 5.

There is no restriction on the amount of Norwegian kroner which may be brought into Norway. Up to NOK 2,000 in bank-notes may be taken out and foreign currency must not exceed that declared on entry.

Credit cards are not as widely accepted as in Canada.

Customs — In addition to personal luggage, each visitor may bring one bottle of liquor, one bottle of wine, 200 cigarettes, cameras, radios, etc. for personal use into Norway free of duty.

Measures — Norway follows the metric system.

Holidays — The following is a list of the official public holidays in Norway:

New Year's Day — *January 1*
Maundy Thursday
Good Friday
Easter Monday
Labour Day — *May 1*
National Independence Day — *May 17*
Ascension Day (*a Thursday in May — variable*)
Whit Monday
Christmas Eve — *December 24*
Christmas Day — *December 25*
Boxing Day — *December 26*

Business Hours — Most offices are open 8:00 a.m. to 3:30 p.m. Monday to Friday (flexible office hours exist in many offices).

The Canadian Embassy is open from 8:00 a.m. to 4:15 p.m. September to April; 8:00 a.m. to 3:30 p.m. May to August; Monday to Friday. The Embassy is closed during some Canadian statutory holidays and some Norwegian holidays.

Government offices are normally open to the public between 10:00 a.m. to 2:00 p.m.

Banks are open from 8:15 a.m. to 3:30 p.m. Monday, Tuesday, Wednesday and Friday. On Thursday the hours are extended to 5:00 p.m. In summer (May 15 - August 31) the hours are 8:15 a.m. to 3:00 p.m. during

most of the week and 8:15 a.m. to 5:00 p.m. on Thursday.

The following Canadian banks have resident offices in Europe covering Scandinavia:

Banque Canadienne Nationale, Canadian Imperial Bank of Commerce, Bank of Montreal, The Bank of Nova Scotia (representative office in Oslo), The Royal Bank of Canada, Toronto Dominion Bank.

Shops are open from 9:00 a.m. to 5:00 p.m. Monday, Tuesday, Wednesday and Friday and from 9:00 to 1:00 p.m. on Saturday. Some shops are open to 7:00 p.m. on Thursday.

Economic Information

Within one generation Norway has been transformed into a highly industrialized country. In terms of GNP per capita it ranked *third* in 1980 among the nations of the industrial world. Inexpensive and abundant hydroelectric power was mainly responsible for this transformation. It allowed a spread of high energy consuming industries and attracted foreign investment to this sector. However, development of hydroelectric resources is expected to level off by the mid-1980s so that new high energy consuming industries are no longer encouraged.

Industry

The small business enterprise is typical for Norway. Of an estimated 13,000 industrial facilities, nearly 8,000 employ less than 10 persons. However, these firms contribute less than 8 per cent of the total industrial output, whereas the relatively few large plants provide almost half of the industrial output. Plants in the medium to small range are mostly in the urban area while larger plants are on sites close to hydroelectric power sources in the more remote regions.

Norwegian industry used to be based on the processing of minerals, raw materials (Falconbridge), timber and fish. These activities continue but do not form as important a part of the economy as previously. Exploitation of cheap sources of hydroelectric power led to the development of power-intensive industries of

international significance, such as aluminum production, and contributed to the establishment of a much broader-based industry. These new plants included engineering and electro-technical industries which developed on specialized lines making use of Norwegian expertise, such as power generating and distribution equipment. The shipbuilding sector generated a successful manufacturing industry for ships' equipment. Many shipyards are engaged in building rigs and platforms for North Sea oil activities.

Oil Industry

In 1967, oil was discovered in the Norwegian sector of the North Sea, and its exploitation in the ensuing years has become the country's major object of investment.

As of July 1, 1982, approximately NOK 70.5 billion had been invested in permanent installations and pipelines. Total investments in these fields (excluding exploration costs) and pipelines is expected to reach approximately NOK 180 billion. These amounts do not include development costs of fields presently being explored.

In 1981, the petroleum sector contributed approximately 16 per cent of Norway's GNP. In 1982, total production of oil and gas was approximately 49 million tons of oil equivalent (t.o.e.), while consumption was less than 10 million t.o.e. Production is approximately evenly divided between oil and gas. Total recoverable reserves are estimated to be approximately 5 billion t.o.e.

Norwegian government policy with respect to the allocation of exploration and production concessions is directly tied to industrial co-operation in Norway, including research and development. Co-operative schemes are not restricted to the oil sector, but have involved such diverse activities as fish-farming and onshore mineral exploration.

The state-owned oil company, STATOIL, which has its main office in Stavanger, has become the dominant company. As a result of legislation, it has a minimum 50 per cent interest in all concessions awarded since 1974.

Shipping Industry

The Norwegian merchant fleet is the world's sixth largest with a total of 33.9 million tdw. About 61 per cent of the fleet consists of tankers. Shipping contributes about 20 per cent of Norway's total annual foreign income. At present, approximately 30 per cent of Norway's shipping tonnage is laid up as a result of a worldwide oversupply of tonnage.

Gross National Product

In 1980, Norway's GNP growth was 3.9 per cent, and there was a surplus balance of payments on current account of NOK 17,400 million.

Foreign Trade

Norway is a member of the European Free Trade Agreement (EFTA), Organization for Economic Cooperation and Development (OECD), GATT, and other international economic organizations. A Free Trade Agreement between Norway and the EEC came into force on July 1, 1973. With the exception of certain products (e.g. paper, for which a longer period has been renegotiated) industrial free trade with the EEC was reached July 1, 1977.

Norway's credit abroad is good and foreign exchange reserves are increasing. It is foreseen that income from oil exports will result in the country becoming a net exporter of capital by the mid-1980s.

Table 1. Value of Norwegian Imports and Exports
by Commodity Groups, 1981

| | (Can \$ thousands) | |
|---|--------------------|------------|
| | Imports | Exports |
| Food, live animals | 1,067,083 | 1,341,660 |
| Beverages, tobacco | 112,291 | 11,041 |
| Inedible raw materials (excl. fuels) | 1,546,250 | 903,125 |
| Fuels, lubricants, electricity | 2,703,750 | 11,072,291 |
| Animal, vegetable fats, oils and waxes | 27,916 | 122,917 |
| Chemical products, n.e.s. | 1,182,708 | 1,254,166 |
| Semi-manufactured goods | 3,168,541 | 3,665,416 |
| Machinery, means of transport | 6,396,250 | 2,738,958 |
| Finished goods, n.e.s. | 2,414,791 | 540,625 |
| Other transactions | 65,416 | 70,833 |
| Total | 18,684,996 | 21,721,032 |

Can \$1 = NOK 4.80

Source: Norwegian Central Bureau of Statistics

Table 2. Norwegian Export Trade with Main Trading
Partners in 1981

| | (Can \$ thousands) |
|---------------|--------------------|
| Britain | 8,678,750 |
| West Germany | 3,895,416 |
| Sweden | 1,953,541 |
| Denmark | 865,833 |
| United States | 806,666 |
| Netherlands | 798,541 |
| France | 462,708 |
| Liberia | 392,500 |
| Finland | 268,125 |
| Italy | 210,625 |
| Nigeria | 210,000 |
| Japan | |

Source: Norwegian Central Bureau of Statistics

Exports Countries of destination with trade of
NOK 1 billion or more converted to Can
Dollars at Can \$1 = NOK 4.80

Table 3. Norwegian Import Trade with Main Trading Partners in 1981

| | (Can \$ thousands) |
|-----------------------------|--------------------|
| Sweden | 3,070,200 |
| Federal Republic of Germany | 2,745,620 |
| Britain | 2,540,620 |
| United States | 1,723,330 |
| Japan | 1,219,580 |
| Denmark | 1,135,620 |
| Finland | 815,410 |
| France | 653,120 |
| Netherlands | 598,120 |
| Belgium/Luxemburg | 517,080 |
| Italy | 393,750 |
| Canada | 363,950 |
| Switzerland | 280,000 |
| U.S.S.R. | 212,290 |

Source: Norwegian Central Bureau of Statistics

Imports: Countries of origin with trade of NOK
1 billion or more converted to Can Dollars at
Can \$1 = NOK 4.80

Table 4. Canadian Trade with Norway

| Canadian Imports from Norway | (Can \$ thousands) | | |
|---|--------------------|--------|--------|
| | 1978 | 1979 | 1980 |
| TOTAL IMPORTS | 56,709 | 89,074 | 80,373 |
| Major Import Items, 1980 ranking | | | |
| Nickel, including alloys | 2,147 | 9,524 | 15,400 |
| Iron, steel products | 7,848 | 9,990 | 8,038 |
| Ships and parts, except engines | 2,566 | 15,044 | 6,795 |
| Special industry machinery | 2,833 | 4,932 | 4,797 |
| Hoisting machinery | 2,402 | 1,381 | 2,653 |
| Dairy product, eggs, honey | 2,170 | 2,803 | 2,611 |
| Fish, marine animals | 3,434 | 2,777 | 2,541 |
| Fertilizing machinery | 2,017 | 2,070 | 2,343 |
| Fur skins, undressed | 1,294 | 2,726 | 2,200 |
| Pulp and paper industries machinery | 159 | 337 | 2,144 |

| | | | |
|---|-------|-------|-------|
| Telecommunication, related equipment (other than telephone, television, electronic tubes) | 1,179 | 1,343 | 1,662 |
| Measuring laboratory equipment (other than navigation equipment) | 1,581 | 1,227 | 1,498 |
| Abrasive basic products | 2,165 | 831 | 1,483 |
| Navigation equipment | 79 | 139 | 1,453 |
| Conveyors, conveying systems | — | 4 | 1,400 |
| Aluminum, including alloys | 664 | 2,024 | 1,224 |

**MAJOR
COMMODITY
CATEGORIES**

| | 1978 | 1979 | 1980 |
|--------------------------------|---------------|---------------|---------------|
| Food, feed, beverages, tobacco | 5,890(10.4%) | 5,976(6.7%) | 6,270(7.8%) |
| Crude materials, inedible | 4,062(7.2%) | 6,045(6.8%) | 3,198(4.0%) |
| Fabricated materials, inedible | 18,759(33.1%) | 29,218(32.8%) | 32,090(40.0%) |
| End products, inedible | 27,317(48.2%) | 47,377(53.2%) | 38,137(47.5%) |

Source: Statistics Canada

Canadian Exports to Norway

(Can \$ thousands)

| | 1978 | 1979 | 1980 |
|---------------|---------|---------|---------|
| TOTAL EXPORTS | 149,271 | 279,321 | 334,897 |

Major Import Items, 1980 ranking

| | | | |
|--|--------|---------|---------|
| Nickel ores | 75,976 | 103,628 | 157,389 |
| Copper ores | 12,264 | 25,522 | 50,203 |
| Petroleum coal products | 4,985 | 37,478 | 36,605 |
| Other metal ores | 5,792 | 34,409 | 31,821 |
| Oil seed, cake, meal | 4,593 | 8,108 | 11,001 |
| Fish (all preparations) | 5,628 | 4,744 | 4,665 |
| Aircraft, complete with engines | 899 | 3,520 | 2,732 |
| Wheat | 5,365 | 12,073 | 2,040 |
| Telecommunication, related equipment (other than television and radio) | 1,922 | 1,066 | 1,981 |
| Chemical elements, other inorganic chemicals | 3 | 47 | 1,975 |
| Firearms, ammunition | 59 | 189 | 1,970 |
| Construction machinery, equipment | 453 | 1,285 | 1,781 |
| Oils, fats, waxes, extracts, derivatives | 1,450 | 1,435 | 1,692 |
| Fur skins, undressed | 4,202 | 3,760 | 1,536 |
| Office machines | 815 | 1,622 | 1,496 |

MAJOR

COMMODITY

CATEGORIES 1978

1979

1980

| | | | |
|--------------------------------|---------------|----------------|----------------|
| Food, feed, beverages, tobacco | 17,163(11.5%) | 26,860(9.6%) | 20,326(6.1%) |
| Crude materials, inedible | 99,272(66.5%) | 168,783(60.4%) | 242,224(72.3%) |
| Fabricated materials, inedible | 11,096(7.4%) | 44,241(15.8%) | 46,550(13.9%) |
| End products, inedible | 21,692(14.5%) | 39,420(14.1%) | 25,526(7.6%) |

Source: Statistics Canada

Table 5. Norway's 10 Largest Industries in 1980

| | | (Can \$1 = NOK 4.24) |
|--|--------------|--------------------------|
| Company and Activity | Sales | (Can \$ millions) |
| 1. NORSK HYDRO petrochemicals, fertilizers, petroleum, metals | 3,325 | |
| 2. STATOIL State Oil Company | 2,026 | |
| 3. NORSKE SHELL petroleum | 1,110 | |
| 4. ELKEM A/S steel, ferro-alloys, mining, aluminum | 723 | |
| 5. NORSKE ESSO petroleum | 875 | |
| 6. ÅRDAL OG SUNNDAL VERK (ASV Gruppen) aluminum | 847 | |
| 7. BORREGAARD A/S paper, pulp, food, chemicals | 753 | |
| 8. KVAERNER INDUSTRIER A/S engineering, shipbuilding, shipping, consulting | 720 | |
| 9. NORCEM A/S cement, building materials | 621 | |
| 10. AKER GRUPPEN shipyards, engineering | 537 | |

Table 6. Norway's 10 Largest Trading Companies
in 1980

| | | (Can \$1 = NOK 4.24) |
|---|--|----------------------------|
| Company and Activity | | Sales (Can \$ millions) |
| 1. NORSK OLJE A/S petroleum products | | 1,086 |
| 2. STATENS KORNFORRETNING grain/feed monopoly | | 957 |
| 3. NORGES KOOPERATIVE LANDSFORENING consumer goods co-operative | | 843 |
| 4. ASPELIN-STORMBULL GRUPPEN A/S steel building materials | | 521 |
| 5. JOH. JOHANNSON groceries | | 453 |
| 6. FELLESKJØPET (OSLO) agricultural supplies | | 341 |
| 7. NORSKE MEIERIERS SALGSSENTRAL butter, cheese | | 332 |
| 8. NORGES KJØTT OG FLESKESENTRAL meat, hides, wool | | 300 |
| 9. FELLESKJØPET (TRONDHEIM) agricultural supplies | | 293 |
| 10. NORSILDMEL herring meal/oil | | 291 |

Business Information

Business Organizations

These may be divided into three types: Chamber of Commerce, trade associations and employers' associations and trade unions.

A limited number of Chambers of Commerce (Handelskammer) are organized on a local basis such as the Oslo Chamber of Commerce, or on a national basis like the Norwegian-American Chamber of Commerce (for which there is no Canadian equivalent).

Trade associations are organized on both a national and local basis and encompass practically every aspect of trade and industry. Many trade associations are members of national federations such as the Federation of Norwegian Industries (manufacturing) and the Federation of Norwegian Commercial Associations (trading).

Imported goods are most often marketed through agents, although some retailers may buy through a centralized purchasing office. Most agents work on a commission basis and cover the whole country. However, many larger firms act as importers and distributors, maintaining stocks on their own account with exclusive distribution rights. Products which require servicing are best marketed through firms already engaged in the distribution of similar equipment.

Representation

It is common practice for foreign companies to appoint a local representative and it is usually necessary when selling to local or federal government agencies. A local representative is mandatory when selling electrical consumer appliances which require approval by NEMKO (the Norwegian equivalent to the Canadian Standards Association).

Whenever possible Canadian firms should appoint Norwegian local agents rather than those of other nationalities. Agents work either on a commission basis, or import and sell on their own account.

Oslo is the most important centre of Norwegian commerce and it is usually necessary to appoint an agent resident there. It is not usually expedient to employ an agent for the whole of Scandinavia, as Norwegian buyers have a general preference for dealing with Norwegian agents, but there are cases where the market is covered competently by agents situated in other Nordic countries. The leading Oslo agents either have sub-agents in the provinces or have a number of travellers capable of covering the whole country.

The majority of agents dealing with the offshore petroleum sector are located in Stavanger and, increasingly, in Bergen.

Trade associations are often helpful in locating suitable agents. Manufacturers wishing to export should

give consideration to exhibiting their products at trade fairs. This is often simplified through the services of an agent or distributor acting for the manufacturer.

Agency Legislation

The activity of Norwegian agents, whether they represent domestic or foreign companies, are subject to government regulations. A rule of notice of termination specifies that compensation may be claimed by an agent if notice of termination of his agency is shorter than three months, or one month if the contract has been in force less than a year.

An agent whose agreement has been terminated may also claim deferred commission on contracts closed after the termination of his agency, where it can be shown that negotiations were conducted while the agency was in force.

Trading Methods

A number of crown companies have a monopoly on trade in their particular sector:

Statens Kornforretning (The State Grain Corporation) purchases Norwegian and foreign grain (devised as means of supporting local grain production);

Vinmonopolet A/S (The State Liquor Board) is responsible for the importation, production, distribution, and sales of all wines and liquor;

Norsk Medisinaldepot is responsible for the importation and distribution of manufactured and non-manufactured drugs and medicines;

Norges Fiskeredskapsimport (Norwegian Fishing Gear Monopoly) is responsible for import of commercial fishing gear.

Price Quotations

Price quotations should, in nearly all cases, be submitted on a c.i.f. Norway basis, and may be quoted in Canadian, U.S. dollars or Norwegian kroner.

Terms and Methods of Payment

Letters of credit are not popular. Companies usually prefer a minimum of 30 days net or cash against documents.

Patents and Trademarks

It is recommended that manufacturers wishing to export goods to Norway, patent their inventions and register their trademarks before entering the market. Patent and trademark registration should be made through a local patent or trademark agent.

Patents are granted for a term of 17 years from the date of application subject to the payment of annual renewal fees. An application for a patent should be made before it has been generally accessible in any country, whether by means of a written or oral description, by use, or in any other manner prior to the filing date or convention date. A patentee may be required to grant a licence if his invention is not worked in Norway within three years of the grant of the patent, or four years from date of application, whichever is the longer. The marketing Control Act has been extended to protect copying beyond the scope of patent law.

The first applicant is entitled to registration and exclusive use of a trademark, but a prior user may oppose the registration within a period of five years. The life of a trademark is 10 years and it is renewable for additional 10-year periods. Application for renewal must be made not earlier than one year before and not later than six months after the expiration of the previous period.

Technical Assistance Contracts and Joint Ventures

Norway's industrial trade policy is based on the liberal principal of a "free market economy", and Norwegian industrial firms are at liberty to negotiate technical assistance contracts, licensing agreements or joint ventures with foreign firms or businessmen without state supervision and without limitation of foreign exchange transactions. However, the export of capital is subject to government approval.

Although many Norwegian firms have extended their business activities to foreign countries under such agreements, foreign firms are also very active in Norway, and Canadian companies interested in finding partners for joint ventures may expect to meet heavy competition from the United States, and from British and other Common Market firms.

The Trade Commissioner at the Canadian Embassy in Oslo can advise Canadian businessmen on the situation in certain industrial fields and can be of assistance in establishing suitable contacts. Some of the larger Norwegian banks maintain their own "contact services" by circulating notices of business opportunities including offers for co-operation among their branch offices and customers. Canadian banks (The Bank of Nova Scotia, Oslo) can also be of assistance, either directly or through correspondent banks in Norway.

Exchange Control

Foreign exchange is provided automatically for imports not subject to import licensing and for goods for which import licences have been issued. Norges Bank (Bank of Norway), is responsible for foreign exchange operations, but it has authorized the Norwegian commercial banks to approve and conduct exchange transactions. Companies wishing to export capital in connection with the establishment of subsidiaries abroad must seek approval of Norges Bank.

Import Licencing

Import licences are required for many agricultural goods, including live animals, animal products, plants and plant parts, fruit and vegetables and products thereof, etc. A complete list may be obtained from the Commercial Division of the Canadian Embassy in Oslo.

The Ministry of Agriculture regulates the importation of certain live plants and animals in order to facilitate control of animal and plant diseases.

Customs Duties

Ad valorem rates apply to nearly all manufactured and semi-manufactured items and are assessed on the c.i.f. value. Some items are assessed duty on the basis of weight.

Preferential tariff rates apply to most imports originating in both EFTA and EEC.

Requests for information in connection with specific import duties must be accompanied by samples of the goods in question, or by a full description of the

goods and of the materials used in the manufacture thereof.

Taxes

A value added tax (MOMS) of 20 per cent is added to all goods and services whether imported or locally produced. Before addition of the MOMS, a number of excise and other internal taxes are levied on certain domestic and imported goods, such as tobacco products, wines and spirits, toilet articles, sugar and sweets, petrol, and motor vehicles.

Samples

Commercial samples may be admitted free of duty if such goods have no significant commercial value or a declaration is made that they will be re-exported. All other samples are liable to duty which will be refunded provided that: (a) the samples are presented on departure, and (b) the correct customs formalities were complied with when the duty was paid.

Documentation

When goods are imported into Norway, the Norwegian Customs Administration bases its customs control on the relevant documents and declarations which are presented at customs clearance. To make a proper and rapid assessment of the submitted declarations, it is essential that the information submitted be as comprehensive as possible.

Your Business Trip to Norway

When planning a business trip to Norway it is advisable to inform the Commercial Division of the Canadian Embassy in Oslo of the purpose of your visit as well as giving information on your product. This will enable the Embassy staff to make appointments for you and also supply any prospective importer with advance information about your products.

The Trade Commissioner is in a position to inform you of public holidays that might coincide with your trip, of local regulations and standards regarding your product, as well as giving you information on marketing possibilities.

Accommodation

It is best to book hotels well in advance. These reservations can be made for you by the Embassy staff if they are advised of your flight arrival time. Prices range from approximately NOK 300 to NOK 700 for single with bath per night. Breakfast is generally included.

One point to keep in mind, you will be charged for hotel bookings made but not used if cancellation is not confirmed before 6:00 p.m.

Clothing

Canadian winter and summer clothes are suitable for wear in Norway. Hotels, houses, office buildings are usually centrally heated.

Transportation

Air Canada offers a regular freight and passenger service to Scandinavia via direct flights from Canada to London and has offices in Copenhagen, Oslo and Stockholm.

CP Air offers a regular freight and passenger service to Sandinavia via direct flights from Canada to Amsterdam and has offices in Copenhagen.

Domestic Air service to all parts of the country is excellent.

There is no direct sea liner service between Norway and Canada. ACL has regular sailings via the container port of Gøteborg (Gothenburg), Sweden, for transshipment to Norway. Other lines transship either at European or British ports. Between ports in Norway, there is a regular coastal traffic.

The rail network consists of five main lines from Oslo to the various centres. Train service is efficient, and passengers are urged to make seat and sleeper reservations well in advance.

Visitors taking their own cars should consult motor associations in advance. An international driving licence is required in Norway.

Taxis are fairly easy to hire by telephone or from taxi stands. In Oslo there may be delays during morning and afternoon rush hours. For city driving in Oslo the

fare starts at NOK 12 plus NOK 4 per kilometre. For out-of-town driving, fares start at NOK 12 plus NOK 3.10 per kilometre. (Fares are calculated from the time the driver leaves the taxi stand if summoned by telephone.)

U-Drives — Small four passenger compacts cost approximately NOK 315 per day (including 100 km free) plus gas. Gasoline costs approximately NOK 4.60 per litre.

IV. SWEDEN

The Country

Sweden covers an area of 450,000 km² occupying the eastern half of the Scandinavian peninsula between Norway on the west and Finland on the east. After the Soviet Union, France and Spain, it is the fourth largest country in Europe. The capital of Sweden, and its largest city, Stockholm, is on the same latitude as Churchill, Manitoba. Almost 50 per cent of the area is covered by forests. Less than 10 per cent is farmland.

The Government

Sweden is a constitutional monarchy with a parliamentary government system. Political power is concentrated in the Cabinet and Parliament (Riksdag). The role of the monarch is representative and symbolic.

Since 1971, Sweden has had a unicameral Parliament. The 349 members of the parliament are elected for a three-year period using a proportional system of representation.

In the September 1982 elections, the socialist parties were re-elected to power. The present government is headed by Prime Minister Olof Palme, the party leader of the Social Democratic Party.

The People

The population of Sweden is 8.3 million. Except for some coastal regions, northern Sweden is very sparsely settled. The country's most populated area is a belt which runs roughly from Stockholm on the east to Göteborg on the west and down to Malmö in the south. Ninety per cent of the population live in the southern half of the country.

The three largest cities are:

| | |
|--------------------------|-----------|
| Stockholm (with suburbs) | 1,380,000 |
| Göteborg (with suburbs) | 694,000 |
| Malmö (with suburbs) | 453,000 |

Industry is spread over the entire country. It has grown up naturally along Sweden's extensive coastline, and along the many rivers in the interior. Sweden lacks the concentrated industrial areas common in other developed countries. In fact, the government has actively pursued a policy encouraging decentralization. Therefore, visitors to Sweden cannot expect to meet everyone by just visiting the three largest cities, but must be prepared to travel within the country to reach their appointments.

Language

The official language is Swedish. However, many Swedes, including hoteliers in the principal cities and towns, can speak English. Also most firms can conduct business in English.

Religion

By birth, all Swedes are members of the State Church (Lutheran). However, since the state guarantees religious freedom, anyone is free to leave and join any other denomination.

General Information

Climate — Thanks to the moderating influence of the Gulf Stream, Sweden enjoys a temperate climate. There are considerable variations in climate between the north and south of the country. It is generally colder and drier in the north and milder and wetter in the south and west. In Stockholm, the average temperature during the summer is 17°C and -2°C during the winter.

Local Time — Swedish time is generally Greenwich Mean Time (GMT) plus one. Daylight saving time advances this to GMT plus two from approximately April to September. A general rule of thumb is that Sweden is about six hours ahead of Eastern Time in Canada. Therefore, for most of the year when it is 9:00 a.m. in Ottawa, it is 3:00 p.m. in Sweden.

Communications — Swedes are the second largest users of the telephone after the Americans. All of Sweden, most European countries, the U.S.A. and

Canada may be dialed direct. The use of telex and other data transmission equipment is common.

Measures — Sweden uses the metric system of weights and measures. In addition to kilometres, the term, "A Swedish Mile", equal to 10 kilometres, is commonly heard.

Electricity — For domestic use electricity is supplied at 220 V, 50 cycles AC and for industrial use 220-380 V, 3 phase, 50 cycles. Continental type round 2-pin plugs and screwtype lamp fittings are used.

Currency — The Swedish monetary unit is the Krona (Kr, SKr, or SEK), plural kronor, divided into 100 öre. As of February 1984, CAN \$1 is equivalent to 6.5 SEK.

Denominations of the currency in circulation are:

notes: 5, 10, 50, 100, 1,000 and 10,000

coins: 5, 10, 25 and 50 ore; and 1 and 5 Kronor.

Swedish notes and coins up to a maximum of 6,000 SEK per annum per person in all denominations may be freely taken into or out of the country. Other means of payment, whether Swedish or foreign, may be taken in without any limitations.

Tipping —

Hotel and Restaurant: Usually 12-15 per cent is included in the bill except for the hotel porter attending to the transport of luggage.

Taxi Drivers: Ten to 15 per cent of the metred fare.

Holidays — The following public holidays are observed:

| | 1984 |
|-----------------------|-----------|
| New Year's Day | 1 January |
| Epiphany | 6 January |
| Good Friday | 20 April |
| Easter Monday | 22 April |
| May Day | 1 May |
| Ascension Day | 31 May |

| | |
|-----------------------|--------------------|
| Whit Monday | <i>10 June</i> |
| Midsummer Day | <i>23 June</i> |
| All Saints Day | <i>3 November</i> |
| Christmas Day | <i>25 December</i> |
| Boxing Day | <i>26 December</i> |

It is quite common that additional half-holidays are observed in Swedish government and in many business offices on the day preceding public holidays and most particularly on the days preceding All Saints Day, Christmas, and Midsummer Day. Similarly, many executives (at least in spring and summer) will frequently combine a public holiday falling on a Thursday with an extra day of holiday on the Friday (or Monday if the public holiday falls on a Tuesday).

Summer vacations are very religiously observed by Swedes. Canadian businessmen are advised to avoid visiting Sweden during July as Sweden is virtually closed down during this month. Also, business slows considerably during the period of Mid-June to July, the month of August and from Christmas/New Year until well into January.

Business Hours —

- Offices: 8:30 a.m. to 5:00 p.m.
(weekdays, closed Saturdays)
- Factories: 8:00 a.m. to 5:00 p.m.
(weekdays, closed Saturdays)
- Shops: 9-9:30 a.m. to 6:00 p.m. (weekdays)
9-9:30 a.m. to 2:00 p.m. (Saturdays)
- Banks: 9:30 a.m. to 3:00 p.m. (weekdays)

Offices generally work a five-day week. Visitors will find it difficult to secure business appointments on Saturdays or, during the summer, on Friday afternoons. Many offices open and close an hour earlier during the summer and flexible hours are common.

Some factories close down completely during the summer.

Shop hours may vary, especially in the larger cities. During the summer, hours tend to be reduced and many stores, particularly smaller ones, do not open on weekends at all.

In the larger urban centres a few bank branch offices are open from 9:30 a.m. to 6:00 p.m. and others provide services during the evening between 4:30 p.m.

and 6:00 p.m. Banks in smaller towns are normally open from 10:00 a.m. to 3:00 p.m. On the eve of a public holiday, banks close at 1:00 p.m.

Canadian Embassy 8:15 a.m. to 12:15 p.m.
1:00 p.m. to 4:30 p.m.
(weekdays, closed Saturdays)

The Embassy observes a mixture of Swedish and Canadian statutory holidays.

Emergency — For any emergency requiring the assistance of the police, fire brigade, or an ambulance, dial 90 000. The Embassy may also be contacted at 23 79 20.

Economic Information

Sweden's Gross National Product (GNP) was Can. \$102.8 billion in 1982 and is projected to increase in real terms by 1.4 per cent in 1983.

Resource Industries

Sweden has abundant supplies of iron ore, forests and water power, but lacks oil and coal deposits.

The largest iron ore deposits are in Lapland, in northern Sweden, where the ore contains 60–70 per cent iron. At the present rate of mining, the iron ore reserves are expected to last over 150 years. Most of the iron is exported. Sweden accounts for about 5 per cent of world production of iron ore and for 5 per cent of world exports. So far, the iron industry in Sweden is mainly aimed at the production of high-quality steel based on domestic ore supplies, skilled technology and research. About one-tenth of the iron mined in Sweden is refined domestically as pig iron which is used directly in the production of steel.

Specialty steel comprises nearly one-third of Sweden's total steel production, which represents a higher proportion than in any other country. Specialty steels have contributed to the progress of the domestic engineering industry, and are exported to be used in instruments, machines and tools in many countries. The nuclear industry is a market of growing importance for the specialty steel industry.

Forests, consisting mainly of softwood, cover 50 per cent of Sweden's land area. The forest industry has a long tradition as a major Swedish export sector. In 1982, the net contribution made by the Swedish forest industry exceeded every other sector.

Swedish forest products are almost exclusively based on virgin wood material, but waste paper is growing in importance. Sawn wood, pulp, paper and panels are major products. The industry's structure is characterized by a high degree of integration with many firms owning forests and transportation facilities as well as manufacturing plants.

The production capacity of the Swedish industry is expected to remain unchanged during the next few years. Specialized pulp and paper qualities will gradually replace unprepared wood products and simple pulp qualities.

Sweden is the world's fourth largest pulp producer. High quality bleached sulphate pulp accounts for most of the rise in production in recent years, while the output volume of sulphite pulp has decreased even in absolute figures. Wood supply limitations in the future may result in diverting some of the Swedish pulp production from the export to the domestic market.

The Swedish sawmill industry is the largest in Europe and its share of world output is about 3.5 per cent.

Energy consumption per capita in Sweden is among the highest in the world. Oil imports account for around 70 per cent of total energy supply. Sweden does not possess huge indigenous energy resources.

What it has, covers one-fifth of Sweden's energy needs. Hydro-electric power is the most important indigenous source accounting for 13 per cent of total energy consumption and two-thirds of total electricity production.

Ten nuclear power plants are operating at present. The March 1980 referendum on nuclear power provided the government with the mandate to operate up to 12 nuclear reactors which would then be phased out as their economic lives come to an end.

Manufacturing

The dominant trend in Sweden's industry in recent years has been a shift from the traditional dependence on wood and iron ore to a heavy emphasis on advanced technology resulting in the manufacture of motor vehicles, electrical equipment and chemical products.

Engineering is Sweden's largest and fastest growing industrial sector. Over the past 20 years, its production has increased fourfold and now contributes to 45 per cent of manufacturing output.

Engineering is generally looked upon as involving modern capital equipment. The sector is heavily dependent on foreign markets which is reflected both in its heavy exports and in the large proportion of its production which is located abroad. Several of Sweden's largest industrial companies belong to the engineering industry producing such classic Swedish engineering products as ball bearings, beacons, refrigerators, separators, etc.

The Swedish motor vehicle industry is one of the country's leading industries with Volvo and Saab-Scania as the two domestic producers. The Volvo Group is the largest in the Swedish manufacturing sector with more than 100 different products mainly in transportation.

For many years Sweden has ranked second after Japan as a shipbuilding nation. International excess capacity, however, has forced the Swedish shipyards to cut back their output. Efforts are being made to shift the emphasis away from shipbuilding and towards alternative engineering products such as drilling rigs.

The electrical engineering and electronics industry accounts for about 6 per cent of total manufacturing output. The most important product groups are telecommunications products including telephone systems, electric generators, transmission equipment, electric appliances for industry and consumers, computer hardware and software, consumer electronics products such as TV and stereo sets and electrical and electronic components.

The chemical industry is relatively new in Sweden. Much of its output supports the metal and pulp and

paper industries. Although about one-third of the production goes for export this is lower than in other industrialized countries. A large share of domestic demand is fulfilled by imports.

Agriculture and Fisheries

Agriculture contributes about 2.5 per cent of the country's GNP. Overall, Sweden is approximately 80-85 per cent self-sufficient. However, in certain products such as butter, beef and pork, and especially in bread grains and some feed grains, the self-sufficiency rate is over 100 per cent resulting in surpluses for export.

Despite a long coastline, the country's fishery is very small. Its output only represents a few thousandths of one per cent of the GNP. With annual per capital consumption at 17.4 kg, imports play an important role in the industry.

Foreign Trade

The Swedish economy is heavily influenced by international economic trends. About a quarter of the country's total production of goods and services is exported, while a similar amount is imported.

The trend in exports has been toward more processed goods with Swedish engineering products accounting for half the volume.

The value of total Swedish exports in 1982 amounted to Can \$32,872 million, an increase of 7 per cent over 1981. During the same period, Swedish imports increased by 9 per cent to Can \$33,958 million.

On a per capita basis, Swedes are among the largest importers in the world. In addition, the country's imports are far more differentiated than its exports. During 1982 machinery imports amounted to Can \$6,428 million. Other major groups of imports included chemicals, foodstuffs, textile and clothing articles and transport equipment.

Western Europe is Sweden's most important trading partner accounting for almost 70 per cent of its trade.

Table 1. Value of Swedish Exports by Commodity Groups in 1982

| | (Can \$ millions) |
|---|-------------------|
| Foodstuffs | 958 |
| Wood, lumber, cord | 1,377 |
| Pulp, waste paper | 1,261 |
| Iron ore | 301 |
| Petroleum products | 1,634 |
| Other raw materials | 621 |
| Chemicals | 1,895 |
| Paper, paper products | 3,159 |
| Iron, steel | 2,126 |
| Non-ferrous metals | 664 |
| Manufactures of metal | 1,186 |
| Machinery | 8,563 |
| Passenger cars | 1,769 |
| Other road vehicles | 2,587 |
| Ships | 804 |
| Textiles, clothing | 730 |
| Other manufactured, miscellaneous goods | 3,237 |
| Total exports | 32,872 |

Table 2. Value of Swedish Imports by Commodity Groups in 1982

| | (Can \$ millions) |
|---|-------------------|
| Foodstuffs | 2,360 |
| Raw mineral oils | 3,878 |
| Products of mineral oil | 3,973 |
| Fuel excluding oils | 465 |
| Other raw materials | 1,313 |
| Chemicals | 3,003 |
| Textile yarn, fabrics | 881 |
| Iron, steel | 1,310 |
| Non-ferrous metals | 762 |
| Manufactures of metal | 873 |
| Machinery | 6,965 |
| Passenger cars | 897 |
| Other road vehicles | 1,320 |
| Ships | 87 |
| Clothing, shoes | 1,619 |
| Other manufactured, miscellaneous goods | 4,252 |
| Total imports | 33,958 |

Table 3. Swedish Imports by Principal Countries of Origin in 1982

| | Per cent of total | Value (Can \$ millions) |
|--------------------------------|-------------------------|-------------------------------|
| 1. Federal Republic of Germany | 17.3 | 5,868 |
| 2. Britain | 12.3 | 4,167 |
| 3. United States | 8.4 | 2,861 |
| 4. Norway | 7.2 | 2,432 |
| 5. Denmark | 5.8 | 1,958 |
| 6. Finland | 5.7 | 1,930 |
| 7. Netherlands | 4.5 | 1,539 |
| 8. France | 4.0 | 1,369 |
| 9. Japan | 3.7 | 1,252 |
| 10. Italy | 3.1 | 1,058 |
| 11. Belgium and Luxemburg | 3.0 | 1,035 |
| 12. U.S.S.R. | 2.9 | 979 |
| 13. Switzerland | 1.9 | 640 |
| 14. Austria | 1.5 | 522 |
| 15. Saudi Arabia | 1.5 | 502 |
| | | |
| 24. Canada | 0.7 | 225 |

Table 4. Swedish Exports by Principal Countries of Destination in 1982

| | Per cent of total | Value (Can \$ millions) |
|--------------------------------|-------------------------|-------------------------------|
| 1. Norway | 10.6 | 3,477 |
| 2. Federal Republic of Germany | 10.5 | 3,441 |
| 3. Britain | 10.0 | 3,300 |
| 4. Denmark | 7.7 | 2,542 |
| 5. United States | 7.1 | 2,337 |
| 6. Finland | 6.5 | 2,137 |
| 7. France | 5.7 | 1,863 |
| 8. Netherlands | 5.0 | 1,636 |
| 9. Belgium and Luxemburg | 3.6 | 1,174 |
| 10. Italy | 3.1 | 1,029 |
| 11. Saudi Arabia | 2.1 | 678 |
| 12. Switzerland | 1.9 | 618 |
| 13. Iraq | 1.8 | 578 |
| 14. Spain | 1.4 | 460 |
| 15. U.S.S.R. | 1.3 | 434 |
| 16. Japan | 1.2 | 405 |

| | | |
|-------------|-----|-----|
| 17. Austria | 1.2 | 386 |
| 18. Canada | 1.1 | 356 |

Canada-Sweden Trade

Traditionally, Sweden has enjoyed a surplus in her trade with Canada. In 1982, the value of Canadian exports to Sweden was Can \$225 million, an increase of 2 per cent over 1981, and represents 0.7 per cent of total Swedish imports.

Table 5. Canadian Exports to Sweden by Main Commodity Groups in 1982

| | (Can \$ millions) | |
|---|-------------------|------|
| Food and live animals | 34.3 | |
| fish, fish preparations | | 23.2 |
| cereals, grain products | | 4.5 |
| Beverages | 1.7 | |
| Crude materials, inedible, except fuels | 28.1 | |
| wood pulp, waste paper | | 9.7 |
| metalliferous ores, metal scrap | | 9.4 |
| hides, skins and fur skins, undressed | | 3.9 |
| oil seeds | | 2.9 |
| Mineral fuels, lubricants | 29.3 | |
| coal | | 16.9 |
| petroleum products | | 12.4 |
| Chemicals | 14.0 | |
| organic chemicals | | 5.0 |
| plastic materials | | 6.2 |
| Manufactured goods | 37.2 | |
| non-ferrous metals | | 17.2 |
| iron, steel | | 6.3 |
| Machinery and transport equipment | 66.8 | |
| electrical machinery, apparatus | | 26.3 |
| non-electrical machinery | | 21.8 |
| road vehicles | | 14.1 |
| Miscellaneous manufactured articles | 13.3 | |
| clothing | | 3.2 |
| Other goods | 0.07 | |
| Total exports | 225 | |

In 1982, Canada imported goods from Sweden to a value of Can \$356 million which is an increase of 6 per cent over 1981, and represents 1.1 per cent of total Swedish exports.

Table 6. Canadian Imports from Sweden by Main Commodity Groups in 1982

| | (Can \$ millions) | |
|---|-------------------|-------|
| Food and live animals | 1.3 | |
| milk, dairy products, eggs | | 0.5 |
| cereals, grain products | | 0.4 |
| Tobacco and related products | 1.2 | |
| Crude materials, inedible, except fuels | 5.0 | |
| wood pulp and waste paper | | 4.1 |
| Chemicals | 12.7 | |
| medical and pharmaceutical preparations | | 7.1 |
| plastic materials | | 2.8 |
| Manufactured goods | 83.9 | |
| iron and steel | | 38.1 |
| metal products | | 16.1 |
| paper, paperboard, related products | | 13.8 |
| Machinery, transport equipment | 216.2 | |
| non-electric machinery | | 112.5 |
| road vehicles | | 63.3 |
| electrical machinery, apparatus | | 36.9 |
| Miscellaneous manufactured articles | 29.8 | |
| furniture | | 11.1 |
| professional scientific and controlling instruments | | 6.5 |
| Other goods | 5.9 | |
| fire arms of war, ammunition | | 5.8 |
| Total imports | 356 | |

Business Information

Distribution

Goods are distributed in Sweden through one of the following:

- (a) wholesalers
- (b) agents
- (c) subsidiary sales company
- (d) retailing organizations
- (e) direct to Swedish industry

A major part of Swedish wholesaling is carried out by the 1,114 members of the Federation of Swedish Wholesale Merchants and Importers. Thirty-one per cent of the goods handled by the Federation consisted of produced goods (building materials, machines, instruments, chemicals and plastics), 22 per cent fuels and 19 per cent consumer goods, such as food-stuffs, leisure and domestic articles, etc.

Many agents in Sweden are members of the 500 strong Federation of Commercial Agents of Sweden.

There are three large retailing organizations in Sweden: ICA, DAGAB/ASK and KF. ICA is the principal supplier of convenience goods to some 4,000 private retailers. DAGAB serves the large department store group SABA, which includes department store chains such as NK, Åhléns-Tempo, B&W and a number of smaller independent retail chains (VIVO, Favör). Two-thirds of all retail trade sales in the convenience goods sector are made through private companies. Much of the remainder goes through local consumer co-operatives who buy from KF, the Co-operative Union.

The procedure for the purchase of commodities and services by government institutions is regulated by special legislation which generally conforms with the GATT requirements (the Government Purchasing Proclamation of 1973). The legislation describes tender procedures for large scale purchases and is non-discriminatory with respect to the supplier's nationality. The purchasing authority for hospitals is the county councils and for schools, the municipalities.

Agency Legislation

Legislation in 1974 strengthened the level of protection for Swedish agents/sales distributors and made it more difficult for principals to unilaterally terminate agreements. Some highlights of current agency legislation follow.

The minimum notice period for termination of a contract is three months. Although if the term of an agreement has been less than one year, the notice period is one month. If the parties have agreed on a longer notice period, this shall apply.

Agents are entitled to supplementary commissions on sales made after the termination of the contract if the

agent has contributed to the closing of the sales. If the amount of the supplementary commission cannot be determined, the agent is entitled to a commission corresponding to the amount received during a normal three-month period based on the average monthly commission during the last year. This stipulation exists only if the agency agreement has been in place for at least one year and if notice for termination has not been given within a six-month period prior to expiry of the agreement.

The agent is also entitled to compensation for any investments made to meet the requirements specified under the agreement provided such investments will become useless for the agent after the termination of the agreement. If the principal terminates the agreement because of a serious breach of contract, the agent forfeits his rights to be reimbursed for his investments.

Advertising

Advertising and promotion in Sweden is principally through the printed media. Sweden has a large number of daily and weekly newspapers, as well as, general, trade and technical magazines. Nine dailies are published in the metropolitan regions of Stockholm, Göteborg and Malmö along with 100 provincial newspapers printed four to six days per week and 87 newspapers one to three days a week. There are 48 popular and some 300 business, trade and technical magazines. Sweden leads the world in the publication of daily newspapers with a total circulation of 4,886 million; some 146 copies per 100 households a day.

All broadcasting in Sweden is operated by the government without advertising. However, movie theatres run about 10 minutes of television style commercials prior to the feature presentation.

Direct mail is very popular in Sweden.

It is advisable to use a Swedish advertising agency in order to ensure that ads are adapted to Swedish tastes. Direct translations, in general, do not always work.

Banking

The banking system in Sweden is similar to the one in Canada.

Sweden's central bank, called the Riksbank, is responsible to parliament. It performs the same function as most central banks in that it develops and implements monetary policy, acts as the bank of the state and as the lender of last resort to the banking system.

Besides the Central Bank, there are basically three types of banks in the Swedish system: commercial, savings and co-operative banks accounting for 62, 31 and 7 per cent respectively, of total bank deposits. Traditionally, the commercial banks have focused their activities around industry and commerce; the savings banks around personal savings and lending in the housing market, to agriculture and small scale industry; and the co-operative banks around credit societies owned by various organizations of individuals. However, after the 1969 banking legislation, the different types of banks are permitted to operate in substantially identical areas. In addition, through mutual service agreements, customers may use not only the 3,700 different bank branches, but also, for certain services, the 2,300 post offices. In general, Sweden is considered to have one of the most sophisticated retail banking systems in the world.

Foreign banks are not permitted in Sweden. Shares in Swedish banks may only be acquired by Swedish citizens, companies and associations. However, a few foreign banks have been granted permission by the government to open representative offices in Sweden.

The following Canadian banks have representative offices in Europe covering Sweden: Royal Bank of Canada, Canadian Imperial Bank of Commerce, Bank of Montreal, Bank of Nova Scotia, Toronto-Dominion Bank.

Method of Payment

Companies usually prefer cash against documents. However, it is always advisable to begin a relationship with letters of credit until sufficient confidence is built up to allow better and improved terms.

Credit Information

Credit information is generally available from a number of agencies in Sweden who perform many of the same functions as Dun & Bradstreet. Also many Canadian banks have correspondents in Sweden who are

able to obtain bank reports. The Embassy uses a Swedish company, Justitita International, for credit reports and will obtain one on request. The cost is approximately Can \$60 billed through the Department of External Affairs in Ottawa. In addition, every incorporated Swedish company must file annual financial reports with the government. Copies of these are available on request for a small fee to cover photocopying costs.

Pricing

Although most Canadian companies would prefer to quote f.o.b. factory, many importers in other countries are not sufficiently aware of Canadian transportation services to convert such quotations into delivered prices. Often Canadian companies exporting to Sweden must compete with European suppliers. Therefore, Canadian exporters could be at a disadvantage if their prices are not easily comparable to European based prices. Thus it is advisable to quote prices c.i.f. Göteborg, the main ocean-based gateway into Sweden.

Patents

Application for a patent should be filed with the National Patent and Registration office, Box 5055, S-102 42 Stockholm, Sweden. Patents are protected for a period of 17 years.

Trademarks

Trademarks, brand names, labels and packages, etc., are protected by law if they are registered with the National Patent and Registration Office, or if not registered, they have become established by use. Registration of a trademark is valid for a period of 10 years but can be successively renewed for further 10-year periods.

Copyrights

Protection by copyright is granted for works created by authors, dramatists, composers, stage and film directors, architects, painters, sculptors and designers of artistic consumer goods. Copyright protection is granted to the creator for life and extended for

50 years after death. Where an artist's performance is recorded in a motion picture, a phonograph record or similar device, further transmission to some other medium is prohibited for 25 years. Copyrights of photographs are protected for 25 years.

Industrial Designs

New designs and models for products of the manufacturing industry can be registered with the National Patent and Registration Office. The protection granted is valid for a period of five years and can be renewed for a further five-year period.

Table 7. Major Shipping Lines to Sweden from Canada

(a) DIRECT SERVICE

| Canadian Port of Loading | Shipping Line and Canadian Agent(s) |
|---------------------------------|---|
| Halifax | ATLANTIC CONTAINER LINE (ACL) |
| Montreal | Atlantic Container Line |
| Toronto | (Canada) Ltd., Montreal, Toronto, Halifax |
| Main Ports in British Columbia | CANADIAN TRANSPORT CO. Canadian Transport Co., Vancouver |
| Vancouver | JOHANSON SCANSTAR Johnson Walton Steamships Ltd., Vancouver |
| | The Robert Redford Co. Ltd. Montreal, Toronto |
| Vancouver | LAURITZEN-PENINSULAR REEFERS LTD Beaufort Navigation (Western) Ltd., Vancouver |
| Sorel, Quebec | SCOL LINE |
| Port Hawkesbury, N.S. | (Scandinavian Continental Line AB) S/S Steamship Co. Ltd., Montreal |
| | I.H. Mathers & Sons Ltd., Halifax |

(b) TRANS-SHIPMENT SERVICE

| Canadian Port of Loading | Shipping Line and Canadian Agent(s) |
|---------------------------------|---|
| Quebec | CP SHIPS/CP NAVIGATION CP SHIPS, Montreal, Toronto, Winnipeg, Calgary, Vancouver |
| Halifax | DART CONTAINERLINE Dart Containerline Ltd., Montreal, Toronto, Hamilton |
| Toronto | FALLINE (Federal Atlantic Lakes Line) Federal Commerce & Navigation Co. Ltd., Montreal R.G. Redburn Ltd., Toronto Hamilton Shipping, Hamilton |
| Montreal | MANCHESTER LINES LTD Manchester Liners Ltd., Montreal, Toronto, Winnipeg CP Ships, Calgary Furness Withy & Co. Ltd., Vancouver |
| Saint John, N.B. | SYLVIAN SHIPPING CO. J.T. Knight Co. Ltd., Saint John, N.B. |

Your Business Trip to Sweden

How to Get There

Air Canada operates regular direct flights from Canada to Paris, Frankfurt, Düsseldorf and London from which connections can be made to Stockholm and other urban centres in Sweden. Canadian Pacific offers flights to Amsterdam. Other airlines can be used for onward travel to Sweden.

Travelling within Sweden

Air — Stockholm's international airport is at Arlanda, 40 km (25 miles) north of the city. It can be reached by bus in 40 minutes from the terminal in the city centre. Landvetter, Göteborg's airport, is 24 km (15 miles) from the city's air terminal and Sturup, Malmö's airport, is 10,4 km (19 miles).

Certain domestic flights from Stockholm use Arlanda while others use Bromma, the city's second and original airport. The latter is located 15 minutes from the city centre. It is wise to check air tickets to see which airport should be used.

There are daily air services connecting the main urban centres. Flying time by jet on the major routes between Stockholm and Göteborg or Malmö is one hour, and Kiruna in the north 2½ hours.

The major international and domestic airline in Sweden is SAS. A smaller airline operating domestically only is Linjeflyg, or LIN.

Rail — Sweden has the largest per capita railway network in Europe with daily services connecting major urban centres. Although fares are somewhat higher than other European lines, the trains are clean and punctual. On main lines, first and second class accommodation is available. Sleeping compartments are provided on main line night trains consisting of 1-berth, 2-berth (first class), and 3-berth (second class) accommodations.

The reservation of seats on express trains is compulsory.

It is difficult to obtain a porter but luggage barrows are available free of charge for the use of passengers.

Travelling time from Stockholm to Göteborg is four hours and 40 minutes and to Malmö six hours and 45 minutes.

Road — There are about 62,000 km of generally good quality roads in Sweden.

Good local bus services are available throughout the country. Most are operated by the State Railways and connect with the railway network.

Cars can be hired in the main urban centres.

If driving a car in Sweden, one should be aware that the laws against driving under the influence of alcohol are not only extremely strict, but are diligently enforced by the police.

Passports

Holders of valid Canadian passports do not require visas for visits which do not last longer than three months. A passport should always be kept current. Also, it is always advisable that a proof of citizenship and information such as when the passport was issued, where and its number should be kept in a safe place in case the passport is stolen or lost.

Health Insurance

Sweden has a comprehensive, modern and sophisticated health care system which is offered free to its citizens. However, foreigners must pay for health services. Visitors from Canada will be reimbursed from their provincial health plans, but only up to scheduled amounts normally allowed for the services if they were provided in Canada. The costs for similar services provided to foreigners in Sweden may or may not exceed the scheduled amounts. Therefore, it is always useful to purchase out-of-Canada supplemental health insurance to avoid the possibility of having to pay the additional costs.

Customs

Visitors may bring into Sweden duty-free, 200 cigarettes or 250 g of tobacco, one litre spirits, one litre wine and two litres of beer. Medicine may be brought in, if for personal use, and narcotics, if accompanied by a medical certificate and personal use is not to exceed five days.

Hotels

There are good hotels in all of the large towns. Provincial and county hotels are less elaborate, but always clean. Motels on the outskirts of most large towns provide good value for persons travelling by car.

Customs and Exchange Controls

Documentation — Customs regulations for import to Sweden are few. Only regular invoices, bills of lading or airway bills are necessary. Consular or special customs invoices are not required, nor are there any special stipulations as to the form of bills of lading, commercial invoices or other shipping documents.

Certificates of origin are required to qualify for duty-free entry from countries who are signatories to the European Free Trade Agreement, from the European Economic Community and the European Coal and Steel Community. The same is true for preferential treatment of imports from developing countries.

In addition, imported machines, electrical equipment, building materials, chemicals, etc. must often comply with various standards and regulations. Foods must meet the regulations of the National Food Administration which inter alia requires a listing of the ingredients in food products.

Customs Duties — Sweden is a country highly dependent on exports; its policies, therefore, are directed towards trade liberalization. Accordingly, its industry is not overly protected by high customs duties.

The Swedish customs tariff is based on the Brussels Nomenclature. Most duties are ad valorem calculated on the c.i.f. value determined on the basis of the invoiced price. The specific duties are mostly calculated on the real net weight. Raw materials, basic inorganic chemicals, pharmaceuticals, wood pulp, newsprint, pig iron and some finished goods, including ships and aircraft, are free of duty. Duties of 2.5 to 10 per cent are levied on imports of most semi-manufactured and finished products. Duties of 10 to 15 per cent are levied on textiles and clothing. Almost all imports, as well as most domestic transactions, are subject to a value-added tax of 23.46 per cent and some products to special taxes.

Exchange Control — Payment for all imports and exports may be made freely through authorized banks and without the formality of presenting an import or export licence, if such is required, to the bank. Com-

mercial credits in connection with imports and exports are permitted, provided they do not exceed what is regarded as customary.

Trade Agreements — Sweden is a signatory to the GATT agreement and is a member of EFTA, the European Free Trade Association. The other member countries are Austria, Finland, Iceland, Norway, Portugal and Switzerland. As a member of EFTA, Sweden abolished her import duties against the other EFTA countries in 1967.

In 1972, trade agreements were signed between Sweden and the European Economic Community (EEC) as well as the European Coal and Steel Community (ECSC). Both agreements came into effect in 1973. The essential feature of the agreements is that a free trade area is created for manufactured goods excluding agricultural products, while at the same time maintaining the abolition of tariffs already achieved with EFTA.

Sweden is a member of the United Nations (UN), and its subordinate agencies. These include, in addition to the GATT, the International Monetary Fund (IMF), the International Bank of Reconstruction and Development (IBRD), the United Nations' regional banks and the United Nations' Conference on Trade and Development (UNCTAD). Sweden takes part in the meetings of the Group of Ten and is also a member of the Organization for Economic Co-operation and Development (OECD) and its specialized agencies.

About 90 per cent of Sweden's imports from the developing countries and 99 per cent of the imports from the underdeveloped countries are free of duty. Sweden's Official Development Aid (ODA) disbursements amount to 1 per cent of GNP.

Trade with Eastern Europe is regulated by long-term bilateral agreements.

Import Licences — All commodities, except certain foodstuffs, textiles and footwear, are free of import licensing requirements and control. In general, import licences when required are issued by the Swedish Board of Trade. Those for food and live animals are issued by the National Agricultural Marketing Board.

Importation of apples and pears is limited to certain periods of time as announced by the Agricultural Marketing Board. No imports are allowed entry after the closing date without a licence.

Instead of duties, special variable import levies are applied to a large number of agricultural imports in order to make them conform to the Swedish agricultural price regulation system. When the Swedish price on certain agricultural products falls below a fixed level, agricultural import levies are increased accordingly.

Samples — Commercial samples of no commercial value may be admitted into Sweden free of duty. Those regarded by customs to be otherwise are dutiable at regular commodity rates. Alternatively, they may be admitted if a deposit or bond equal to the normal duty payable is provided. The deposit or bond will be refunded when the goods are re-exported.

Samples of commercial value may also be imported using a Carnet. This is an international customs clearance document allowing personally accompanied samples to be temporarily imported without duty, deposit or bonds. However, a deposit equal to the percentage of the value of the goods, or a guarantee for the amount of the deposit, must be given to the Canadian Chamber of Commerce in exchange for the Carnet.

Free Ports — The ports of Göteborg, Stockholm and Malmö have been designated as free ports in Sweden. All have large and well-equipped facilities where goods may be placed without payment of duty and with a minimum of formalities. No import licence is required. Goods may be sorted and repacked, but any operation which in the opinion of the customs authorities is of a processing nature is not permitted without approval.

Labelling — The word "Import", or alternatively the name of the country of origin, the indication "Made in Canada" being acceptable, must be affixed to the article when the same, or its immediate container, is provided with any text or name which may convey the impression that the article is a Swedish product. This mark must be placed conspicuously and in such a

manner that its removal cannot easily be accomplished without injury to the goods.

Certain articles are subject to special regulations in order to avoid the importation of sub-quality products. For example, meat must be appropriately marked to indicate that it is suitable for human consumption. Containers of pharmaceutical preparations must be marked before they are sold in the retail trade with the name of the manufacturer, the registration number supplied by the National Board of Health and Welfare and, if applicable, the date after which the preparation should not be used.

Barrels or other containers of inflammable oils should be marked with the word "very inflammable oil" (Mycket eldfarlig olja) or "very inflammable" (Mycket eldfarligt). This marking is not a necessary condition for importation, but only for transportation in Sweden. Inflammable oils may not be sent by post in Sweden.

With the exception of commodities which are inflammable and certain meat products, no regulations are in force respecting the marking of cases or other outside containers of goods. Any convenient method of marketing is permissible. However, the gross weight must be marked on packages exceeding one metric ton in weight.

V. FEDERAL EXPORT PROGRAMS AND SERVICES

To further Canadian export development objectives, two federal trade promotional programs are available, namely:

- a) the Promotional Projects Program (PPP) through which the Department of External Affairs plans and implements promotional projects abroad; and
- b) the Program for Export Market Development (PEMD) through which repayable loans are made to individual companies to cover costs in developing export business which might otherwise not be undertaken.

Through the PPP, Canadian trade fairs abroad, trade missions and trade visits are initiated, organized and implemented by the department. The range of these activities includes participation in international trade fairs, solo shows and in-store promotions; the organizing of technical seminars and trade missions abroad; and the sponsoring of foreign visits to Canada to stimulate the sale of Canadian products in various export markets.

Program for Export Market Development

In contrast to the PPP projects, proposals under PEMD are made by Canadian industry rather than the government. Through PEMD, repayable loans are made to individual companies to cover costs in developing export business which, because of the risks involved, might otherwise discourage such initiatives. PEMD is made up of several sections each of which is designed to deal most effectively with a particular market in terms of the regions, products or services and marketing techniques concerned. Section A deals with Canadian participation in capital projects abroad; Section B, with the export of Canadian products and services; Section C, with participation in trade fairs

abroad; Section D, with the bringing of foreign buyers to Canada; and Section E, with the formation of export consortia. In all sections, companies are encouraged to develop self-sustaining export markets for their products. (*For details, see the PEMD brochures.*)

For further information regarding both the PPP and PEMD programs, please contact the European Northern and Southern Tier Countries Trade Development Division (RST), Department of External Affairs.

Export Development Corporation

Of importance to Canadian businessmen is the Export Development Corporation (EDC), a crown corporation that reports to Parliament through the Minister of International Trade.

The main functions of EDC are:

1. to ensure the Canadian exporter against non-payment due to credit or political risks beyond the control of either the exporter or the buyer when export sales are made on normal credit terms. Almost all export transactions are insurable, not only those involving invisible exports such as managerial services, advertising programs, the licensing or sale of patents, trademarks or copyrights;
2. to issue appropriate guarantees to chartered banks or to any person providing non-recourse supplier financing in respect of an export sale; guarantees may also be issued in connection with a loan made to a foreign buyer for the purchase of Canadian goods and services;
3. to finance foreign buyers of Canadian capital goods and related services when extended credit terms are necessary and not available from commercial lenders; major engineering and other technical services may be financed, even when such sales are not related to the export of goods;
4. to ensure Canadian investments abroad against non-commercial risks such as loss through confiscation, expropriation, war or revolution or the inability to repatriate capital or earnings.

For further information on EDC services contact:

Export Development Corporation

Head Office

110 O'Connor Street

Ottawa, Ontario

K1P 5T9

Tel: (613) 237-2570

Telex: 053-4136

VI. USEFUL ADDRESSES

For Finland

**Canadian Embassy
Commercial Division**

P.O. Box 779
00101 Helsinki 10
Finland

Telex: 121 363

The Central Chamber of Commerce

Fabianinkatu 14A
Helsinki, Finland

The Federation of Finnish Industries

Etelaranta 10
00130 Helsinki, 13
Finland

The Finnish Foreign Trade Association

Arkadiankatu 4-6B
00100 Helsinki 10
Finland

Embassy of Finland

222 Somerset Street West
Ottawa, Ontario
K2P 2G3

Tel.: (613) 236-2389

For Iceland

Trade enquiries concerning Iceland should be directed to the Canadian Embassy in Oslo, Norway.

For Norway

Canadian Embassy

Oscars Gate 20
Oslo 3

Postal address

Postuttak
Oslo 1

Tel.: 46 69 55
Telex: 71880 DOMCAN

Norges Bank (Bank of Norway)
Bankplassen 4
Oslo 1

Royal Norwegian Embassy
140 Wellington Street
Ottawa, Ontario
K1P 5A2

Tel.: (613) 235-4569
Telex: 053-4239 (NORAMB OTT)

Trade Commissioner of Norway
503-20 Eglinton Avenue East
Toronto, Ontario
M4P 1A9

Tel.: (416) 482-6226
Telex: 06-23492 (NORTRADE TOR)

For Sweden

**Canadian Embassy
Commercial Division**
Tegelbacken 4, 7th floor
P.O. Box 16129
S-103 23 Stockholm 16

Tel.: (08) 23 79 20
Telex: 10687 DOMCAN S

Air Canada
Kungsgatan 34, 4th floor
S-111 35 Stockholm
Tel.: (08) 24 03 50
Telex: 11084

CP Air
Vesterbrogade 6 D
DK 1620 Copenhagen V
Denmark
Tel.: in Sweden only (08) 21 30 66
Telex: 15868

Stockholm Chamber of Commerce

Västra Trädgårdsgatan 9

Box 16050

S-103 22 Stockholm

Tel.: (08) 23 12 00

Telex: 15638

Gothenburg & Western Sweden Chamber of Commerce

Föreningsgatan 19

Box 53062

S-400 14 Göteborg

Tel.: (031) 17 76 60

Telex: 27430

Swedish Patent and Registration Office

Valhallavägen 136

Box 5055

S-102 42 Stockholm

Tel.: (08) 22 55 40

Telex: 17978

For patent and trademark registration. Also registration of corporations.

Swedish Institute for Testing and Approval of Electrical Equipment (SEMKO)

Torshamnsgatan 43, Kista

Box 1103

S-163 12 Spånga Stockholm

Tel.: (08) 750 00 00

Telex: 12284

Equivalent to CSA for testing and approval of electrical equipment. Almost all electrical equipment and appliances require SEMKO approval.

Federation of Swedish Industries

Storgatan 19

Box 5501

S-114 85 Stockholm

Tel.: (08) 63 50 20

Telex: 19990

The Federation consists of 26 trade associations with combined membership of over 3,000 manufacturers.

The Federation of Swedish Wholesalers and Importers

Grevgatan 34
Box 5512
S-114 85 Stockholm
Tel.: (08) 63 52 80
Telex: 19673

Central organization for independent wholesale and import trade with approx. 1,000 member companies grouped into 59 trade associations and one general department.

The Federation of Commercial Agents of Sweden

Hantverkargatan 46
S-112 21 Stockholm
Tel.: (08) 54 09 75

Federation's purpose is to safeguard the professional interests of its 450 members.

The Swedish Board of Commerce

Birger Jarls torg 5
Box 1209
S-111 82 Stockholm
Tel.: (08) 22 36 00
Telex: 11835 komkoll s

Issues import-licences when required

The National Agricultural Marketing Board

S551 82 Jönköping
Tel.: (036) 16 94 80

Issues import-licenses for food when required

Regional Offices

If you have not marketed abroad before, you should contact a regional officer of the Department of Regional Industrial Expansion at one of the addresses listed below:

Newfoundland

P.O. Box 8950
Parsons Building
90 O'Leary Avenue
St. John's, Newfoundland
A1B 3R9
Tel.: (709) 772-4884
Telex: 016-4749

Manitoba

P.O. Box 981
400 - 3 Lakeview Square
185 Carlton Street
Winnipeg, Manitoba
R3C 2V2
Tel.: (204) 949-4090
Telex: 075-7624

Prince Edward Island

P.O. Box 1115
Confederation Court Mall
134 Kent Street
Charlottetown, P.E.I.
C1A 7M8
Tel.: (902) 566-7400
Telex: 014-44129

Nova Scotia

P.O. Box 1320
11th Floor, Queen Square
45 Alderney Drive
Dartmouth, Nova Scotia
B2Y 4B9
Tel.: (902) 426-2018
Telex: 019-22525

New Brunswick

P.O. Box 1210
Assumption Place
770 Main Street
Moncton, New Brunswick
E1C 8P9
Tel.: (506) 388-6400
Telex: 014-2200

Québec

Case postale 247
Bureau 3709, Tour de la
Bourse
800, place Victoria
Montréal (Québec)
H4Z 1E8
Tel.: (514) 238-7907
Telex: 055-60768

Ontario

P.O. Box 98
Suite 4840,
1 First Canadian Place
Toronto, Ontario
M5X 1B1
Tel.: (416) 365-3737
Telex: 065-24378

Saskatchewan

8th Floor
Bessborough Tower
601 Spadina Crescent
East
Saskatoon, Saskatchewan
S7K 3G8
Tel.: (306) 665-4400
Telex: 074-2742

Alberta

Suite 505
Cornerpoint Building
10179 - 105th Street
Edmonton, Alberta
T5J 3S3
Tel.: (403) 420-2944
Telex: 037-2762

British Columbia

P.O. Box 49178
Bentall Postal Station
Room 1101, Tower IV
Bentall Centre
1055 Dunsmuir Street
Vancouver,
British Columbia
V7X 1K8
Tel.: (604) 666-1434
Telex: 04-51191

Northwest Territories

P.O. Bag 6100
Yellowknife,
Northwest Territories
X1A 1C0
Tel.: (403) 873-6227

Yukon

301-108 Lambert Street
Whitehorse, Yukon
Y1A 1Z2
Tel.: (403) 668-4655

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Iceland, Norway, Sweden : a guide
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External Affairs
Canada

Affaires extérieures
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