Market Research – Eastern Europe

Confectionery and milling in the Czech Republic
Proexport – Colombia
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Estimado Empresario:

La búsqueda de acuerdos comerciales que nos permitan como país ampliar los escenarios y mercados de exportación, nos reta como PROEXPORT a apoyar en forma directa a los empresarios en sus iniciativas exportadoras, ofreciendo servicios dentro de un modelo del gestión comercial y compartiendo un conocimiento más detallado sobre los mercados y sus oportunidades.

Para lograr lo anterior, PROEXPORT, con inversión de recursos propios y de cooperación técnica no-reembolsables del BID-FOMIN, emprendió una labor de recolección y análisis de información de primera mano en los principales mercados de interés a través de la contratación de consultorías internacionales especializadas en investigaciones de mercados. Los resultados de estos trabajos permitieron analizar y conocer la dinámica comercial de los sectores en los cuales existe un potencial para nuestras exportaciones, así como detallar aspectos de competitividad, información valiosa para la orientación de las iniciativas exportadoras de nuestros empresarios.

La información que contiene este estudio, sobre la dinámica del sector, la demanda y consumo, la situación competitiva de los productos, estructura y características de la comercialización y logística de acceso al mercado, es una contribución e invitación a profundizar y conocer aspectos que nos permitan avanzar en la realización de negocios en escenarios internacionales.

Cordialmente,

[Signature]

Luis Guillermo Plata P.
Presidente PROEXPORT
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1. Introduction

1.1 Introduction

The hereby presented report was elaborated on behalf of PROEXPORT Colombia, according to its instructions and specifications. The main objective of the report is to provide the exporters of confectionery and milling products from Colombia with detailed information about the Czech confectionary and milling market, as well as to present an overview of potential business partners. The report has to help to understand the key trends and issues in confectionery and assess the competitive landscape of the Czech confectionery and milling industry.

The report is structured as a practical guidebook for the Colombian entrepreneur who plans to approach the Czech confectionery market. The report contains data about specific segments of the market, its size and consumption specifics, major competitors, distribution chains, as well as practical information on import to the Czech Republic including information on packaging and transport. The chapters are concluded by a recommendation for potential exporters. The practical recommendations and the summary of main market features are provided also in the final chapter.

Note: All numbers stated in this report are in either EURO (€) or Czech crowns (CZK). Current exchange ratio 30 September: € 1 = 29,47 CZK

1.2 Methodology

During the elaborations on this report, numerous organizations, institutions and companies were contacted in order to provide detailed information about the potential of the Czech confectionery and milling market. Information from the Ministry of Agriculture, Ministry of Trade and Industry, the Czech Statistical office were employed in order to provide a detailed description of the particular market features. Numerous entrepreneurs dealing with milling and confectionery were interviewed and various internal researches on the important suppliers were done. Additional information was acquired via the relevant Czech and foreign web pages and drawn from major daily newspapers (Hospodářské noviny, Lidové noviny).

As the category of the confectionery of milling products is very wide and it is not used consistently even in the data of the Czech Statistical Office, we had to work with various existing categories and explain their content.
Not all data of the past years are available yet and could therefore not be used. For example, the official statistical survey of the year 2004 done by the Czech Statistical Office is to be closed by the end of November 2005, and will be published next year. Similarly, the Ministry of Agriculture will finish its Panorama of Food industry for 2004 during this fall. However, this report contains all the latest data and the most detailed data available, some of it was provided on our request, and some of it is based on estimations and knowledge of professionals active in the market.

The Czech food market in general, is significantly influenced by the Czech accession to the European Union in May 2004. Connected changes and trends are not very clear yet from the available data. In order to analyse the impact of the Czech accession, we have to wait for more recent data to be published.
2. General sector data

2.1 Current market developments within the specified sector

The sector of food manufacturing is and has been, even after 2000, amongst the key industrial branches, even though it has experienced a slower growth in comparison to some other manufacturing branches. The food sector participated, in 2003, in receipts from sales of own products and services, in current prices, within the manufacturing with 12.4%, in the value added, in current prices, with 11.2% and in the number of employees with 10.3%.

In the period from 1998 to 2002, the food sector was the most strongly affected branch by liquidations and bankruptcies within the manufacturing industry. The food industry belonged to the branches with the highest number of disappearing entities in that period. This development was a result of the entry of the Czech Republic to the European Union; the parameters of some companies did not correspond with the EU standards and some of the facilities could not be modernised. Those companies had become an economic burden, because they could not equal the labour productivity level, the effectiveness, and the performance of similar subjects in advanced EU countries, especially in neighboring countries like Germany and Austria.

The second important feature in the development of the food manufacturing, particularly significant for the confectionary and milling sector, was the continuing dominance of the bigger, multinational companies, (like Nestlé, Danone, Kraft Foods, Ferrero etc.) which bought and aggregated the smaller production facilities. These enterprises significantly influence the consumption, but also the advertising and pricing policy within the market.

The manufacturing of food as such is supposed to be significantly influenced by the accession to the EU in 2004. Unfortunately, the most recent figures showing the connected changes are not available yet.

In Czech statistical data, the manufacture of food products and beverages – NACE 15 is divided into 9 categories. The manufacturing of confectionery and bakery products belongs to the category 15.8. “Manufacture of other food products”, which includes the manufacture of bakery and confectionery products, sugar, chocolate, sweets and other food products like condiments etc. Considering the shares of the categories in receipts from sales of own products and services in 2003, the category 15.8. was the strongest one with 24% of total food manufacturing receipts. Where possible, the most detailed data concerning the category 15.8. and its sub-categories will be provided. In some cases the only available data are on category 15 or on other, specified categories.
2.2 Sector’s participation in total GDP

The sector of confectionery and milling is not particularly detailed in national accounts. In this section only the general data for the group “Manufacturing of food beverages and tobacco”, which includes a wider range of products, can be provided. This group’s share in total GDP was 2.98% in 2002, the most recent date of publication of these numbers.

![Figure 2.2.1 Total GDP in the Czech Republic](image)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>In mld €</td>
<td>80,0</td>
<td>84,4</td>
<td>91,1</td>
</tr>
<tr>
<td>In € per capita</td>
<td>7838</td>
<td>8273</td>
<td>8919</td>
</tr>
<tr>
<td>Index</td>
<td>104,3</td>
<td>105,6</td>
<td>107,9</td>
</tr>
</tbody>
</table>

Source: Czech Statistical Office

2.3 Sector’s participation in employment

![Figure 2.3.1 The number of employees in sector 15.8 in the Czech Republic (in ‘000)](image)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>In total</td>
<td>No of employees</td>
<td>4 764,90</td>
<td>4733,2</td>
</tr>
<tr>
<td>In sector 15.8</td>
<td>No of employees</td>
<td>57,354</td>
<td>57,942</td>
</tr>
<tr>
<td>In percentage</td>
<td>1,2</td>
<td>1,2</td>
<td>1,2</td>
</tr>
</tbody>
</table>

Source: Czech Statistical Office
The sector’s participation in employment remains stable and it makes up 1.2% of the number of employees in total. However, a decrease of the number of employees in 2004 can be seen, which reflects general trends in the food processing industry – the transformation process decreased employment in almost all food groups with the exception of the production of meat and meat products.

Figure 2.3.2 The development of average wages in the sector of the manufacturing of food and beverages in 2001 – 2005 (in CZK)

Source: Czech Statistical Office

1 Current exchange ratio 30 September: 1 EUR = 29,47 CZK
21,000 CZK = 712,49 EUR
17,000 CZK = 576,78 EUR
15,000 CZK = 508,92 EUR
13,000 CZK = 441,07 EUR
11,000 CZK = 372,63 EUR
2.4  Developments in production

Figure 2.4.1 Receipts from sales of own products and services in current and constant prices

<table>
<thead>
<tr>
<th>Year</th>
<th>Sector 15.8 current prices</th>
<th>Sector 15.8 constant prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>64,000,000 CZK</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>62,000,000 CZK</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>60,000,000 CZK</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>58,000,000 CZK</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>56,000,000 CZK</td>
<td></td>
</tr>
</tbody>
</table>

Source: MIT

The development in receipts from sales of own products and services is presented in the figure above. The figure shows increased receipts in the assessed branch. However, this indicator decreased in 2003 because of the lower volume of the receipts in all important food production industries, with the exceptions of the processing of meat and meat products. This resulted from a lower domestic consumption.

In 2002, the share of receipts from sales of own products and services in current prices of the branch 15.8. made 23.5% of the overall receipts of sector 15 (food processing in general). In 2003 it was 24%.

The value added in current prices (the cumulative index in the entire sector reached 110.6%) showed bigger dynamics in 2000 – 2003, when compared with the indicator of receipts from sales of own products and services in constant prices.

---

2 Current exchange ratio 30 September: 1 EUR = 29.47 CZK
64,000 CZK = 2.171,14 EUR
60,000 CZK = 2.035,45 EUR
56,000 CZK = 1.897,83 EUR
52,000 CZK = 1.762,27 EUR

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In 2002, the share of receipts value added in current prices of the branch 15.8 amounted to 31.9% of the overall value added of the sector 15 (food processing in general). In 2003 it was 33.5%.

The following figure clearly shows lower total costs of the production in 2000 – 2003 (the cumulative index was 96.9%). The lower total costs were caused, especially in recent years, by growing competition and by a pressure applied in the area of prices by multinational marketing chains. Growing costs in 2004 probably relate to the requirements of higher safety and quality in accordance with the EU standards and connected investments.

---

3 Current exchange ratio 30 September: 1 EUR = 29.47 CZK
19,000 CZK = 644.40 EUR
17,000 CZK = 576.78 EUR
15,000 CZK = 508.92 EUR
The labour costs, in current prices in 2000 – 2004, within the assessed branch, experienced permanent growth. This development related to the progressively increasing wages in the production of food and beverages during the assessed period.

Source: MIT, Ministry of Agriculture

Figure 2.4.3 Total costs in current prices in 2000 – 2004

Source: MIT, Ministry of Agriculture

Figure 2.4.4 Labour costs in current prices in 2000 – 2004

Source: MIT, Ministry of Agriculture

---

4 Current exchange ratio 30 September: 1 EUR = 29,47 CZK
95.000 CZK = 3.219,11 EUR
85.000 CZK = 2.880,25 EUR
75.000 CZK = 2.541,40 EUR

5 Current exchange ratio 30 September: 1 EUR = 29,47 CZK
11.500 CZK = 389,66 EUR
10.700 CZK = 362,56 EUR
9.900 CZK = 335,37 EUR
The labour productivity from value added both in current and constant prices reported, in the assessed period showed a positive trend. Detailed data are shown in the following figure. This trend results both from the growing value added and from the decrease in the number of employees. However, the labour productivity in the sector 15.8 remains below the average labour productivity in sector 15 in general.

Figure 2.4.5 Labour productivity from production value added for the sector 15. 8 and the sector 15 in general

Source: MIT

2.5 Sales-, import- and export activities

As you can see in the following figure, both the export and import of products in manufacturing category 15.8. are increasing, however during the assessed period, imports reached a significantly larger volume. The index 2003/2002 in the export of products in category 15.8 amounted to 118.8 and in import to 111.6. The foreign trade balance remains negative, but a slow increase is visible. The similar trend occured in all other categories of the food and beverages market with the exception of dairy products, which were significantly supported in export and beverages, which belong to the traditional export commodities (especially beer and malt). A further growth in the export of the confectionery and bakery products is forecasted. The figures below show the developments in foreign trade in the past few years.

---

6 Current exchange ratio 30 September: 1 EUR = 29,47 CZK  
400 CZK = 13,56 EUR  
350 CZK = 11,85 EUR  
300 CZK = 10,16 EUR  
250 CZK =  8,47 EUR
In 2004, the Czech Republic imported confectionery and bakery products for a value of € 286 million. This was made up mainly of cocoa confectionery (41.3 %) and bakery products (40 %). The import of cocoa confectionery amounted to 18.7 % of the total import in EUR. The confectionery and milling products being imported into the Czech Republic mainly originate from Germany, Poland and Slovakia, which are shown by the table below by order of importance.

<table>
<thead>
<tr>
<th>Sugar confectionery (CN 1704)</th>
<th>Total value imports Czech Republic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Germany</td>
<td>€ 23.7 million</td>
</tr>
<tr>
<td>2) Spain</td>
<td>€ 5.7 million</td>
</tr>
<tr>
<td>3) Poland</td>
<td>€ 5.2 million</td>
</tr>
<tr>
<td>4) Netherlands</td>
<td>€ 4.7 million</td>
</tr>
<tr>
<td>5) Slovakia</td>
<td>€ 2.9 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chocolate confectionery (CN 1806)</th>
<th>Total value imports Czech Republic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Germany</td>
<td>€ 40.3 million</td>
</tr>
<tr>
<td>2) Poland</td>
<td>€ 22.5 million</td>
</tr>
<tr>
<td>3) Slovakia</td>
<td>€ 14.0 million</td>
</tr>
<tr>
<td>4) Belgium</td>
<td>€ 12.3 million</td>
</tr>
<tr>
<td>5) Hungary</td>
<td>€ 7.8 million</td>
</tr>
</tbody>
</table>

7 Current exchange ratio 30 September: 1 EUR = 29,47 CZK
18.000 CZK = 609,56 EUR
14.000 CZK = 474,62 EUR
10.000 CZK = 339,02 EUR

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In the same year the Czech Republic exported confectionery and bakery products for € 242 million, particularly non-cocoa confectionery, which represented 47,1% of total export value-wise. The export of cocoa confectionery amounted to 27,8% of the total export and the export of bakery products to 25,1%.

Table 2.5.2 Total import of confectionery and bakery products in 2004

<table>
<thead>
<tr>
<th></th>
<th>Netto (in tonnes)</th>
<th>EUR (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cocoa confectionery</td>
<td>73 133</td>
<td>118 212</td>
</tr>
<tr>
<td>Non-cocoa confectionery</td>
<td>36 004</td>
<td>54 463</td>
</tr>
<tr>
<td>Bakery products</td>
<td>60 844</td>
<td>113 362</td>
</tr>
<tr>
<td><strong>In total</strong></td>
<td><strong>169 981</strong></td>
<td><strong>286 037</strong></td>
</tr>
</tbody>
</table>

*Source: Czech Statistical Office*

Figure 2.5.3 Total export of confectionery and bakery products in 2004

<table>
<thead>
<tr>
<th></th>
<th>Netto (in tonnes)</th>
<th>EUR (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cocoa confectionery</td>
<td>34 152</td>
<td>67 335</td>
</tr>
<tr>
<td>Non-cocoa confectionery</td>
<td>43 958</td>
<td>114 112</td>
</tr>
<tr>
<td>Bakery products</td>
<td>36 687</td>
<td>60 701</td>
</tr>
<tr>
<td><strong>In total</strong></td>
<td><strong>114 797</strong></td>
<td><strong>242 148</strong></td>
</tr>
</tbody>
</table>

*Source: Czech Statistical Office*

In the tables below, detailed trade statistics are given for a selected range of confectionery and milling products.

Figure 2.5.4 Trade statistics Czech Republic 2004 for sugar confectionery not containing cocoa, incl. white chocolate (excl. chewing gum) (CN 1704.90)

<table>
<thead>
<tr>
<th></th>
<th>Import value to the Czech Republic (1000 Euro)</th>
<th>Import quantity to the Czech Republic (1000 kg)</th>
<th>Export value from the Czech Republic (1000 Euro)</th>
<th>Export quantity from the Czech Republic (1000 kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentia</td>
<td>470340</td>
<td>316400</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Brazil</td>
<td>524020</td>
<td>526300</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Colombia</td>
<td>94010</td>
<td>57000</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th></th>
<th>Import value to the Czech Republic (1000 Euro)</th>
<th>Import quantity to the Czech Republic (1000 kg)</th>
<th>Export value from the Czech Republic (1000 Euro)</th>
<th>Export quantity from the Czech Republic (1000 kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mexico</strong></td>
<td>157740</td>
<td>68200</td>
<td>1680</td>
<td>1000</td>
</tr>
<tr>
<td><strong>Source:</strong> Comext, last updated 01/07/2005</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Figure 2.5.5 Trade statistics Czech Republic 2004 for chewing gum, whether or not sugar-coated (CN 1704.10)

<table>
<thead>
<tr>
<th></th>
<th>Import value to the Czech Republic (1000 Euro)</th>
<th>Import quantity to the Czech Republic (1000 kg)</th>
<th>Export value from the Czech Republic (1000 Euro)</th>
<th>Export quantity from the Czech Republic (1000 kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brazil</strong></td>
<td>18080</td>
<td>6900</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>People’s Republic of China</strong></td>
<td>540300</td>
<td>10600</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Colombia</strong></td>
<td>2220</td>
<td>0500</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Mexico</strong></td>
<td>31710</td>
<td>8300</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Source:</strong> Comext, last updated 01/07/2005</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Figure 2.5.6 Trade statistics Czech Republic 2004 for sugar confectionery and substitutes therefore made from sugar substitution products, containing cocoa (CN 1806.90.50)

<table>
<thead>
<tr>
<th></th>
<th>Import value to the Czech Republic (1000 Euro)</th>
<th>Import quantity to the Czech Republic (1000 kg)</th>
<th>Export value from the Czech Republic (1000 Euro)</th>
<th>Export quantity from the Czech Republic (1000 kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brazil</strong></td>
<td>1810</td>
<td>1400</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Republic of Korea</strong></td>
<td>9560</td>
<td>1600</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Russian Federation</strong></td>
<td>-</td>
<td>-</td>
<td>1151850</td>
<td>297300</td>
</tr>
<tr>
<td><strong>Turkey</strong></td>
<td>78330</td>
<td>18100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Ukraine</strong></td>
<td>0640</td>
<td>0600</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Source:</strong> Comext, last updated 01/07/2005</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Figure 2.5.7 Trade statistics Czech Republic 2004 sweet biscuits (CN 1905.31)

<table>
<thead>
<tr>
<th></th>
<th>Import value to the Czech Republic (1000 Euro)</th>
<th>Import quantity to the Czech Republic (1000 kg)</th>
<th>Export value from the Czech Republic (1000 Euro)</th>
<th>Export quantity from the Czech Republic (1000 kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>998970</td>
<td>461200</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Croatia</td>
<td>578610</td>
<td>283300</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Peru</td>
<td>1170</td>
<td>0700</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mexico</td>
<td>-</td>
<td>-</td>
<td>1040</td>
<td>0300</td>
</tr>
<tr>
<td>Switserland</td>
<td>1024200</td>
<td>137700</td>
<td>151390</td>
<td>20500</td>
</tr>
<tr>
<td>Turkey</td>
<td>1166030</td>
<td>867400</td>
<td>0030</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Comext, last updated 01/07/2005

Figure 2.5.8 Foreign trade balance for confectionery and milling products in EUR ('000)

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-cocoa confectionery</td>
<td>24 572</td>
<td>38 167</td>
<td>51 591</td>
<td>56 649</td>
</tr>
<tr>
<td>Cocoa confectionery</td>
<td>-39 071</td>
<td>-36 293</td>
<td>-36 340</td>
<td>-50 870</td>
</tr>
<tr>
<td>Bakery products</td>
<td>-30 399</td>
<td>-34 200</td>
<td>-39 513</td>
<td>-52 660</td>
</tr>
</tbody>
</table>

Source: Czech Statistical Office

The foreign trade balance is positive only for non-cocoa confectionery and this trend has been strengthening in the assessed period. The negative balance for cocoa confectionery and bakery products has been growing as well.
As the previous figure shows, the import of cocoa confectionery reached a significantly larger volume compared to the import of other commodities and is steadily increasing. The same trend occurred in the import of biscuits, while the import of non-cocoa confectionery fluctuated in the assessed period. The import volume of wafers, gingerbread and chewing gum started of at a low value, but is steadily increasing.

8 The category “Non-cocoa confectionery” includes white chocolate, the category “Chewing gum” includes chews

20 Proexport Colombia
The previous figure shows that the main export commodity in confectionery and milling products is non cocoa confectionery and cocoa confectionery, while the export volume of gingerbread and chewing gum remains low. The Czech Republic also exports biscuits and wafers. Export volumes are significantly increasing for non-cocoa confectionery and cocoa confectionery and slowly increasing for wafers, while the export volume for biscuits decreased in 2004.

The category “Non-cocoa confectionery” includes white chocolate, the category “Chewing gum” includes chews.
Market Researches in Eastern Europe

The overview of the territorial distribution of foreign trade clearly shows, that the decisive export and import territories are EU countries, especially the neighboring ones. The largest portion in import belonged to Germany, Slovakia and Poland. Spain, Belgium, Italy and the Netherlands are important import territories for particular commodities as well. The main export territories for the confectionery and milling products are Slovakia, Belgium, Germany, UK and Hungary.

Figure 2.5.12 Sugars and sugar confectionery – import and export overview

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports (in euros)</th>
<th>Exports (in euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>3,120,590</td>
<td>23,138,770</td>
</tr>
<tr>
<td>1997</td>
<td>9,631,060</td>
<td>22,172,660</td>
</tr>
<tr>
<td>1998</td>
<td>9,910,610</td>
<td>21,614,390</td>
</tr>
</tbody>
</table>
### Figure 2.5.13 Preparations of cereals, flour, starch or milk; pastry-cooks' products – import and export overview

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports to EUR-15 (in euros)</th>
<th>Exports from EUR-15 (in euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>5,920,050</td>
<td>40,214,670</td>
</tr>
<tr>
<td>1997</td>
<td>6,231,460</td>
<td>48,946,770</td>
</tr>
<tr>
<td>1998</td>
<td>8,108,500</td>
<td>50,415,200</td>
</tr>
<tr>
<td>1999</td>
<td>8,574,480</td>
<td>55,382,310</td>
</tr>
<tr>
<td>2000</td>
<td>9,378,720</td>
<td>60,266,920</td>
</tr>
<tr>
<td>2001</td>
<td>14,293,090</td>
<td>65,722,950</td>
</tr>
<tr>
<td>2002</td>
<td>18,387,290</td>
<td>72,854,640</td>
</tr>
<tr>
<td>2003</td>
<td>19,236,490</td>
<td>77,671,280</td>
</tr>
</tbody>
</table>

Source: Statistical Tradeflow Database

### 2.6 Available data about the sub-sectors

According to the data of the Czech Statistical Office, an average Czech consumer ate more than 20 kilograms of confectionery in 2003: 1.5 kg of chocolate, 3.1 kg of chocolate confectionery, 2.3 kg of non chocolate confectionery, 7.6 kg of gingerbread, biscuits and crackers and 5.6 of cakes and other sweetshop products. The consumption of chocolate and chocolate confectionery is twice as much as the consumption of non-chocolate confectionery.
As is shown in the previous figure, the Czech Republic confectionery market is dominated by the chocolate confectionery market, which accounts for almost 45% of the market in value terms. Boxed chocolates are the smallest sector of the market, with just under 5% of the market in value terms. The sugar confectionery market is the second largest category in the Czech confectionery market whilst the gum confectionery market accounts for around 15% of the Czech confectionery market. Cereal bars account for less than 2% of the Czech Republic confectionery market.

Considering wafers and biscuits market, the most consumed are countline wafers, sponges, family wafers and dry biscuits, while the consumption of covered sponge, boxes/assortments and wafer specialities remains marginal (below 5% of the total market volume). Details are provided by following figure.
2.7 Recommendations

In a report about the potential of the Czech food manufacturing sector, prepared for the period from 2004 to 2013 by the Ministry of Agriculture, the Czech food manufacturing is characterised as an industry with a relatively significant potential for further development.

Future development will probably strengthen the existing trends in production; growth in receipts from sales of own products and services, especially in current prices, and in value added, while the employment will further decline. This results from the fact that the food sector has still not fully utilised its economic potential.

This is especially true for the groups involved in higher processing stages of agricultural production, among them confectionery production. Thanks to changes in the style of living, they will increase its performance in a medium term while the groups focusing on the basic agricultural production will close down surplus capacities and will concentrate the production in more modern technological units.

Where it concerns foreign trade, an increase in exports is forecasted particularly for the chocolate confectionary and durable bakery products. The import intensity will probably not change much.

However, further strengthening of competitiveness will be connected with a continuing transformation of the entire industry and its production groups, and
also with the closure of non-viable companies, as well as with a concentration of production and with a capital interconnection creating larger economic units. More diversified presence in the market will require stronger innovative activities of companies. This has been connected with the faster implementation of research and technological development results in the enterprising practice.

Perspectives in the development dynamics within the manufacture of food in the Czech Republic, after the accession to EU, depend on efficient marketing strategies, which will be based on high quality and safety products presenting a higher level of the processing of agricultural produce, on a flexible adjustment to demanding requirements of Czech consumers, used to the European goods and on the achievement of the necessary level of efficiency.
3. Market composition and characteristics

3.1 Market size

The Czech confectionery market grew by 4.1% in 2003 value-wise to reach a value of € 240 million. The compound annual growth rate (CAGR) of the market in the period 1999-2003 was 4.5%. The strongest growth was in 2000 when the market grew by 7.9%.

Table 3.1.1 Czech Republic confectionery market value (€ million, 1999-2003)

<table>
<thead>
<tr>
<th>Year</th>
<th>€ million</th>
<th>% growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>201.1</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>216.9</td>
<td>7.9%</td>
</tr>
<tr>
<td>2001</td>
<td>223.7</td>
<td>3.1%</td>
</tr>
<tr>
<td>2002</td>
<td>230.7</td>
<td>3.1%</td>
</tr>
<tr>
<td>2003</td>
<td>240.2</td>
<td>4.1%</td>
</tr>
<tr>
<td><strong>CAGR, 1999-2003</strong></td>
<td><strong>4.5%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Datamonitor

The Czech confectionery market grew by 1.4% volume-wise in 2003 to reach a volume of 86 million kg. The compound annual growth rate of the market volume in the period 1999-2003 was 1.5%. The strongest growth was in 2000 when the market grew by 4.4%.

Table 3.1.2 Czech Republic confectionery market size (kg million, 1999-2003)

<table>
<thead>
<tr>
<th>Year</th>
<th>Kg million</th>
<th>% growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>81.2</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>84.8</td>
<td>4.4%</td>
</tr>
<tr>
<td>2001</td>
<td>84.8</td>
<td>-0.1%</td>
</tr>
<tr>
<td>2002</td>
<td>85.1</td>
<td>0.4%</td>
</tr>
<tr>
<td>2003</td>
<td>86.2</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>CAGR, 1999-2003</strong></td>
<td><strong>1.5%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Datamonitor

---

Proexport Colombia
3.2 Analysis of the apparent consumption dynamics

Table 3.2.1 Apparent consumption of confectionery & milling in 2003 in million kgs

<table>
<thead>
<tr>
<th></th>
<th>Sugar confectionery</th>
<th>Chocolate confectionery</th>
<th>Bakery products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic production</td>
<td>35.5</td>
<td>38.3</td>
<td>122.1</td>
</tr>
<tr>
<td>Import</td>
<td>19.1</td>
<td>18.1</td>
<td>53.4</td>
</tr>
<tr>
<td><strong>Total supply</strong></td>
<td><strong>54.6</strong></td>
<td><strong>56.4</strong></td>
<td><strong>175.5</strong></td>
</tr>
<tr>
<td>Export</td>
<td>31.0</td>
<td>14.4</td>
<td>33.5</td>
</tr>
<tr>
<td><strong>Apparent consumption</strong></td>
<td><strong>23.6</strong></td>
<td><strong>42.0</strong></td>
<td><strong>142.0</strong></td>
</tr>
</tbody>
</table>

Source: Own calculations

The apparent consumption analysis of the confectionery and milling branch shows a very diverse picture. In the sugar confectionery market a large part of domestic production is being exported to various countries and the domestic consumption is largely dependent on the import of candies from third countries, mainly Germany.

The domestic chocolate production is mainly consumed within the Czech Republic. The same goes for the bakery products. Both categories are somewhat dependent on the import of confectionery and milling products as well.

3.3 Governmental plans and programs

There is no special governmental program considering the support of export of confectionery. The Ministry of Agriculture implements (with the help of massive medial campaign) the protective marks “Klasa” and “Czech Made,” in order to motivate the Czech consumer for the preference of food products produced in the Czech Republic.

3.4 Demand in the market

As you can see in the following figures, the expenditures for confectionery and bakery products are slowly increasing. Considering the specific categories of confectionery production, the consumption of chocolate and chocolate confectionery is slowly increasing over the last two years, while the consumption of non-chocolate confectionery is decreasing. Generally these changes concern the volume of consumption, while the receipts in all categories of the confectionery market are slowly increasing. The confectionery market is very
segmented and to be able to assess its development, it is necessary to pay attention to the particular product groups.

Figure 3.4.1 The expenditures for chosen groups of food (in CZK / per capita)$^{10}$

![Figure 3.4.1](image1)

Source: Czech Statistical Office

Figure 3.4.2 Consumption of chocolate and confectionery in the Czech Republic; 1990-2003; annual per capita averages (in kg)

![Figure 3.4.2](image2)

Source: Czech Statistical Office

$^{10}$ Current exchange ratio 30 September: 1 EUR = 29.47 CZK
3.500 CZK = 118.49 EUR
2.500 CZK = 84.64 EUR
1.500 CZK = 50.78 EUR
According to a research done by Nestlé Czech Republic, the Czech consumers consider the chocolate as a delicacy, while candies are perceived as a means of refreshment. Because of this reasoning, the confectionery consumption in Czech Republic has quite a seasonal character: during the fall and winter the sale of chocolate increases. Peaks in chocolate sales can be observed also during Eastern, St. Nicholas’ Day (the 5th of December) and Christmas because of the long tradition of chocolate gifts. Hollow chocolate eggs or bunnies for Eastern; various chocolate products for St. Nicholas’ Day; Christmas chocolate used for decorating Christmas trees and sold usually in boxes as Christmas selections as well as Advent calendars made from paper and filled with small chocolates. The seasonal character of sales is also apparent for milling products and especially biscuits; the more expensive types (usually packed in canisters) are sold mainly during the winter. Box chocolate is bought during the whole year – as a gift (for birthdays, on the occasion of the visit at the hospital or in someone’s place or as an expression of thanks).

Czech consumers still prefer milk chocolate – which is consumed three times as much as plain chocolate. Plain chocolate with a large share of cocoa is not very often consumed yet, but it is starting to get offered by Czech shops. The filled types of chocolate are not very popular either. In contrast, very popular are the chocolates with additions, mainly with nuts, but also with raisins or succade. The milk chocolate and chocolate with additions are preferred by women as well as by men, while men more often consume plain chocolate and women filled one. Children like very sweet white chocolate. The biggest consumption of chocolate is generally reported for the age group 15 – 19, with consumption lowers as age increases. Chocolate is bought mainly by young women with children.

Regarding the size of products, the most preferred are classical chocolate slabs of 100 grams and small chocolate boxes (below 200 grams). The slabs of 100 grams have become bigger and thinner, with a luxurious packaging to emphasize the quality of product.

Younger people prefer various chocolate sticks because of their lower price and quicker consumption. Younger people frequently change brands and more often buy novelty products.

The representatives of the supplying company Wissa report the decreasing consumption of very sweet types of chocolates in favour of the “sugarfree” ones or the types with bigger share of cocoa, milk, and additional ingredients. The growth of consumption of products for diabetics, sticks with coconut and filled types of chocolate, is forecasted.

For non-chocolate confectionery the trend is: the importance of various types of softer products is increasing while the hard types of candies are consumed less. The demand for so-called functional products, that fulfil some specific need (oral...
hygiene or fresh breath, for help in case of cough, supplying the body with vitamins or herbal ingredients and sugar-free products) is increasing. The consumers are more often willing to buy more expensive types of chocolate and confectionery.

3.5 Recommendations

Regarding the consumption of confectionery, an average Czech consumer is a rather conservative one: he or she prefers Czech and well-tried products and usually does not change its preferences for chocolate (mainly the milk one, sometimes enriched by nuts). The brand of the product or its trendiness is not regarded to be very important. Large supermarket chains satisfy this typical Czech need and additionally offer novelties to the most flexible consumer: to teenagers or to the most influential ones – the young mothers.

Apparent from the statistical data as well as from the internal researches of the confectionery suppliers, the most promising segment of confectionery market is that of chocolate (including the more luxurious types) or functional confectionery products, while the market for hard candies will probably at least stagnate.

The slowness of the increase in the consumption of confectionery can be compensated by concentrating on quality, which is more and more appreciated by the Czech consumer.

It is very hard to succeed without having built a good position within the selling lists of the net of super- and hypermarkets, which are the most important purchasing places in the Czech Republic. Although the Czech respondents do not admit the influence of the advertisements on their purchasing decisions, the role of publicity, especially of direct mails, which inform about the current discounts of retail chains, is considered to be important.
4. Competition analysis

4.1 Main trademarks available in the market

The complete Czech confectionery industry was privatised in 1992. Companies Nestlé and Danone purchased all Czech confectionery companies and joint-stock company Čokoládovny a.s. was founded. Among other confectionery factories Čokoládovny possessed these Czech chocolate factories: Diana, Maryša, Orion, Sfinx and Zora. Production of chocolate bars and slabs became concentrated in Zora in next years. Only chocolate mass is produced in Orion now. Diana and Maryša, two Czech confectionery producers were closed down. Chocolate with the brand NESTLÉ was produced in the Czech Republic in 1992-8.

1. DANONE

Financial results:
- Net sales in 2004: 13,700 million Euros (+ 7.8% at comparable scope)
- Operational Income 1,705 million Euros
- Operating Margin: 12.4% (+22 base points in relation to 2003)
- Net Income (excluding minorities): 317 million Euros

Cereal biscuits and snack crackers is a sector with strong growth potential. Consumer habits are evolving. The dynamism and recognition of its brands are the primary source of the success of the Groupe DANONE in this sector: LU, an international brand, accounts for more than 50% of sales (outside Asia).

Contact:
Seat of company: Danone, a. s.
Konopištěská 905
256 37 Benešov

Central office: Danone, a. s.
Palác Flora
Vinohradská 2828/151
130 00 Praha 3

Info line: +420-2-466 029 777

11 Source: www.danone.com
2. **OPAVIA LU**\(^{12}\)

OPAVIA-LU is a member of group DANONE.

The largest producer of cereal biscuits and snack food in Central and Eastern Europe, Opavia-LU, realised moderately increased net profits of 2% to CZK 550m (€18.1m) in 2003. Revenues, on the other hand, slumped from CZK 4.46bn (€147m) in 2003 to CZK 4.28bn (€141m) in 2004, the company confirmed in a news release cited by the Czech News Agency.

At its May annual general meeting, Opavia-LU resolved to pay out dividends worth CZK 512m (€16.9m), i.e. CZK 176 (€5.8) per share. Opavia-LU is a Czech company; its majority owner is the food group Danone of France, which holds 99.71% of the shares.

**Contact:**

Address: Vinohradska 2828/151, 130 11 Praha 3
Postal address: P. O. Box 41, 130 11 Praha 3
Infoline: +420-2-844 111 115

For examples of products, prices and packaging of products, we refer to the annexes.

3. **NESTLE**\(^{13}\)

The company's sales surpassed € 288 million in 2004, a growth of 6,4% in comparison to the previous year. Position of “best in class” confectionery company in Central Europe gives Nestlé confidence about their ability to successfully compete in the enlarged EU.

\(^{12}\) Source: Retail portal for Central and Eastern Europe (http://www.ceeretail.com)
\(^{13}\) Source: Nestle company
Net profit reached almost € 8.6 million. While Nestlé portfolio offers a number of food categories, about 2/3 of Nestlé Česko sales performance – some € 178.7 million – comes from sales of Czech made chocolate and sugar confectionery to both domestic and export markets. Exports rose an impressive 26.5% over the previous year and represent an ever more important factor for the future of Czech factories. The Nestlé Česko exports reached almost € 76 million – while the most important export markets remain Slovakia, Hungary and Poland. The Czech confectionery also reached its customers in the UK, the Baltic States, Ukraine, Russia, USA and Australia. Sales of Nestlé international brands - NESCAFÉ, KIT KAT bars, MAGGI products – also rose significantly. Dehydrated soups, bouillons, instant coffee and cocoa beverages, infant nutrition, chocolate wafers, mayonnaise, mineral water, petfood and cereal bars– branded products from other Nestlé companies placed by Nestlé Česko on the Czech market totalled almost € 109 million and grew by one fifth.

Indicator (data from accounting, data not to be added) In million €

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales total</td>
<td>288.0</td>
</tr>
<tr>
<td>Sales domestic – total</td>
<td>212.2</td>
</tr>
<tr>
<td>Export</td>
<td>76.1</td>
</tr>
<tr>
<td>Sale of imported goods</td>
<td>109.3</td>
</tr>
<tr>
<td>Total sales of own production</td>
<td>179.4</td>
</tr>
<tr>
<td>Value added</td>
<td>55.3</td>
</tr>
<tr>
<td>After tax profit</td>
<td>8.5</td>
</tr>
<tr>
<td>Assets total</td>
<td>140.0</td>
</tr>
<tr>
<td>Liabilities</td>
<td>102.7</td>
</tr>
<tr>
<td>Employees (average number of persons)</td>
<td>2150</td>
</tr>
</tbody>
</table>

Contact:
Address: Nestlé Česko s.r.o.
         Mezi Vodami 27
         143 20 Praha 4
Internet: http://www.nestle.cz/
E-mail: consumer.service@cz.nestle.com
Infoline : 800 135 135

For examples of products, prices and packaging of products, we refer to the annexes.

4. **KRAFT FOODS**

Kraft Foods Czech Republic, a part of the international company Kraft Foods International, has opened its first office in Prague in 1992 after the takeover of the Czechoslovak chocolate producer Figaro in Bratislava.

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14 Source: www.kraft.com
Kraft Foods' international confectionery business is concerned foremost with chocolate production. With a powerful portfolio of world famous brands, the company is the third largest seller of chocolates globally, leading the way in Latin America and a strong number two in Europe.

The number one brand, Milka, with its well-recognized lila packaging, is approaching € 800 million in sales. Another favorite, Toblerone, with its triangular-shaped nougat and milk chocolate bars, is familiar to people in 110 countries. Toblerone is a truly global brand that has an in-market presence supplemented by a high profile, large-volume, duty-free business.

Chocolate products introduced in the past two years now represent approximately 11% of the total confectionery sales volume, the triple of the level of only a few years ago.

Best-selling Confectionery brands in the Czech Republic:

**Milka**, the leading European chocolate confectionery brand in volume and growing globally, known for its delicious tender taste and lilac cow and packaging.
Major Markets: Argentina, Austria, Balkan States, Belgium, Brazil, Bulgaria, Czech Republic, France, Germany, Hungary, Italy, Netherlands, Poland, Portugal, Slovakia, Spain, Switzerland, Turkey.
Bar 200 g. Average price 45 CZK (1,52 EUR)

**Prince Polo & Siesta**, exceptionally crunchy wafers covered with real chocolate, especially appealing to adult candy lovers.
Major Markets: Czech Republic, Poland, Slovakia
Pack 200 g. Average price 40 CZK (1,35 EUR)

**3-Bit**, combines a crunchy biscuit and smooth creamy filling, covered in delicious Figaro chocolate.
Major Markets: Czech Republic, Greece, Hungary, Poland, Slovakia
Pack 150 g. Average price 25 CZK (0,85 EUR)

The recent acquisition of Nabisco catapults Kraft Foods to a leadership position in the biscuit market, adding some of the world's most well-known brands to Kraft Foods' international portfolio, making it a leading manufacturer of sweet cookies and savory crackers. Kraft Foods’ biscuits are well known all over the world, but are not exported to the Czech Republic. The best-selling international biscuits brands include OREO, Chips Ahoy!, RITZ, Club Social, Express, Lucky, Trakinas and Kraker.
5. **I.D.C. HOLDING, a.s**

I.D.C. Holding, a.s., is the most important producer of biscuits and other confectionery in Slovakia. The production is concentrated in three production plants (Figaro Trnava, Pecivárne Sered, and Pecivárne Holíč) with the tradition reaching back almost 100 years. The company altogether employs over 1500 employees. The annual production represents approx. 30 thousand tons of products, the turnover amounting to approx. €32.5 million.

The portfolio of the I.D.C. Holding products include over 20 kinds of candies, world-renowned rock-candy lollipops, refreshing jelly and frappé chocolate-coated products, special Christmas and Easter sweets, fine filled wafers, chocolate-coated and non-coated biscuits, crispy wafer rolls, crackers, gingerbread and chocolate bars.

The successful reputation of I.D.C. Holding is also proven by the fact that it has a share on the Slovak confectionery market higher than 50% in biscuits and cookies, and an approx. 30% market share in the sale of candies. About half of the total production is exported.

The high quality and exceptional taste of the products wins more and more satisfied customers not only in Slovakia but also abroad. This increasing interest has so far led to founding three subsidiary companies in the Czech Republic, Poland and Hungary. Successful sales have also been achieved in many other European and overseas countries. Sales are accomplished in the largest retail chains all over Europe. I.D.C. Holding becomes a major Central-European food-producing company.

**Contact:**

I.D.C. Praha, a.s.
Address: Stitneho 388/18, 13000 Praha 3
Phone: +420-222 814 411
Fax: +420-222 780 392
E-mail: idc@idcpraha.cz
Internet: www.idcholding.com

For examples of products, prices and packaging of products, we refer to the annexes.
4.2 **Features of the commercialized products**\(^{15}\)

The Czech market is using the same styles of packaging as the rest of Europe, and has to comply with general European standards. Especially in the case of products offered by international companies, the way of packaging has clear international style features. Pictures of products packaging can be observed directly on the websites of particular producers. For photo material of packaging, we kindly refer you to the annexes.

Custom labels:
It is possible to add easily a white sticker with the company name or message. It is also possible to attach a label as long as it provided prior to the order being placed.

\(^{15}\) For examples of confectionery wrappers and packaging, please see the annexes
Types of pack

Each company provides different types of packs of confectionery:

- Vertical Flowpack
- Horizontal Flowpack
- Stick packs
- Blisters
- Pouches
- Thermoformed shells
- Novelties and bars
- Twisting
- Wrapping
- Thermobunched packaging
- Decorative tin plate containers
- Multipacks
- Promotional items

Product range:

- Heatseal laminates
- Cold seal monofilm or laminates
- Patterned hotmelt laminates
- Pre-made stand-up pouches (Doypacks), shaped or not
- Twisting plastic film, colored or transparent
- Plain, embossed, printed and/or lacquered foil
- Neutral or printed Waxed paper
- Promotional packs, including Holograms, coin reveal instant win, and laminates printed and registered on both sides
- Thermochromic or metallic inks printed laminates
- Easy opening solutions such as laser scoring
- Reclosable solutions with Zip
- Transversal controlled tear laminates
- Blister foil, including child proof
Figure 4.2.1 Popular sortiment packaging of Orion company

For rules and regulations concerning labeling and information about packaging, please refer to chapter 6.9.

4.3 Marketing and advertising strategies

The International Food Fairs are traditionally the place of meeting of the top representatives of state administration, professional associations, and entrepreneurs. The fairs are held under the auspices of the Ministry of Agriculture of the Czech Republic, the Chamber of Food and Drink Industries of the Czech Republic, and the State Agricultural Intervention Fund of the Czech Republic.

The high professional and expert value of the fairs and especially of their accompanying programme is provided by the close co-operation with professional guarantors, which are the Association of Cooks and Confectioners of the Czech Republic, Association of Producers of Delicacies, the Czech-Moravian Union of Viniculture, Czech-Moravian Dairy Association, Czech-Moravian Association of Viticulture Enterprises, Czech Union of Small and Independent Breweries, Czech Meat Processors Association, Fruit Farming

\[16\] Source: www.bvv.cz

40 Proexport Colombia

The International Food Fairs are the most important exhibition project aimed at food industry and gastronomy in Central and Eastern European countries. Since 2002, they are held bi-annually, which better reflects their professional and contracting character, as well as the innovation cycle of the presented technologies. The next year of the fair will be held between March 7th and 10th 2006, comprising the following events: SALIMA – the 25th International Food Fair, MBK – the 3rd International Fair of Milling Industry, Bakery, and Confectionery, INTECO – the 22nd International Fair of Equipment for Retail Trade, Hotels and Catering Facilities, and VINEX – the 12th International Wine Fair.

**SALIMA - 25th International Food Fairs**

In 2006 the international food fair SALIMA will celebrate its 25th anniversary. Over the time of its existence SALIMA has become the biggest specialized trade fair in the countries of Central and Eastern Europe. SALIMA presents a complete range of products and services in the areas of food processing and drinks industry, which includes food-processing machines, technologies and packaging equipment. The previous SALIMA trade fair held in 2004 surpassed all expectations in terms of numbers of exhibitors as well as visitors and proved that the decision to transfer to a two-year interval was a right one. There were 713 exhibitors from 34 countries presenting their products and services within the area of 14 354 m2.

**SALIMA 2004 - Basic statistical data**

<table>
<thead>
<tr>
<th>Number of participating Czech firms</th>
<th>428</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of participating foreign firms</td>
<td>285</td>
</tr>
<tr>
<td>Number of participating countries</td>
<td>34</td>
</tr>
<tr>
<td>Net exhibition area in m2</td>
<td>14 354</td>
</tr>
<tr>
<td>Number of visitors</td>
<td>38 218</td>
</tr>
<tr>
<td>Number of accredited journalists</td>
<td>415</td>
</tr>
</tbody>
</table>

*The industries represented at SALIMA*

- Milk and milk products
- Oils, fats, eggs and egg products
- Spices, additives, salt, rice, pasta
- Meats and additives, poultry, fish, meat products
Market Researches in Eastern Europe

- Ready meals, soups, sauces, cold buffet products, frozen dishes
- Sugars and sweeteners, sweets and chocolate
- Fruit and vegetables, well-balanced nutrition, special foods
- Alcoholic and non-alcoholic drinks (with the exception of wine, coffee and tea)
- Coffee, tea, cocoa
- Machinery and technology for the dairy industry
- Machinery and technology for the food processing industry
- Machinery and technology for the processing of fruit and vegetables
- Machinery and technology for the production of pasta and sweets
- Machinery and technology for alcoholic and non-alcoholic drinks production
- Food-processing machinery, technologies and other types of equipment
- Packaging engineering and wrapping technologies
- Weighing, measurement and laboratory technology
- Refrigeration equipment
- Hardware and software for food processing
- Financial and promotion services, institutions, literature

Target groups

- Producers, distributors and importers in the food and drinks industries, technologies and equipment, logistical equipment in the food processing industry, HW and SW equipment for the food industries, laboratory technologies.
- Owners, operators, management workers and other professionals in the branches of meat processing and meat products, dairy industry, canning industry, and further manufacturers of alcoholic and non-alcoholic drinks, fruit and vegetable growers and traders from retail and wholesale chain stores.

MBK - 3rd International Milling Industry, Bakery and Confectionery Fair

A separate specialized event was started in response to the requirements by exhibitors and professional associations. The bakery and confectionery are businesses where the trends of automation and use of new technological processes are increasingly wide-spread, and they are usually presented in the form of separate trade fairs. The MBK trade fair is prepared in collaboration with the Business Association of Bakers and Confectioners, the Czech Republic Union of Industrial Mills and other associations and it is distinctly developing as one of the biggest professional bakery trade fairs in Central Europe. The MBK is a comprehensive presentation of products, services and technologies designed for the miller’s, baker’s and confectioner’s trades and it takes place at the time tied in with the chain of the main European bakery trade fairs, i.e. EUROPAIN Paris and IBA Düsseldorf.
The industries represented at MBK

- Machinery and equipment for the mills
- Milled cereal products
- Raw materials and additives used in bakery and confectionery
- Machinery and equipment for bakeries
- Machinery and equipment used in confectioneries
- Accessories for bakeries and confectioneries
- Bakery products
- Pastry
- Services, literature, institutions

Target groups

- Bakers, millers, confectioners, operators of catering facilities, company representatives specializing in food processing technologies

MBK – trade fair of industries that have a great export potential

The milling industry, bakery, and confectionery are usually presented at separate trade fairs held all over the world. The MBK fair held in Brno is different – its term incorporates it into the chain of the main European bakery-industry fairs EUROPAIN Paris and IBA Düsseldorf.

The variability that the Czech market offers in this field, has substantially increased in the past 15 years, but in comparison to the west of Europe, there is still plenty of space for further growth. Product groups are enlarged by special types of bread and pastries, such as organic bread or bakery products for diabetics. The relatively low prices offer a good export opportunity to the Czech producers.
The scope of the MBK fair comprises milling products, grain, bakery and confectionery products, additives and ingredients, machines and equipment for mills, bakeries, and confectionery production.

### 4.4 Participation in the market and segments that are served

Complete modernization of bakery production and confectionery is the current issue in the sector. There are 2,000 producers of bakery products registered in the Czech Republic and almost 300 producers of confectionery products, numbers that include small workshops. A trend towards property concentration is pushing forward, as some new capacities are created directly within the large distributors. The consumption of bakery products, which consumers prefer over bread, is at around 42 kilograms per person per year. Consumption of whole-meal and granary products is growing as the population becomes aware of their positive effects on human health.\(^{17}\)

The market for confectionery in the Czech Republic performed somewhat badly between 1998-2003, declining at an average annual rate of -0.4%. The leading company in the market in 2003 was Barry Callebaut. The second-largest player was Cadbury Schweppes plc, with Chupa Chups SA in third place.

There are three graphs below showing the participation of different marks in the market. The first figure presents the volume of wafers and biscuits in thousands of kilograms. In comparison with other companies Opavia has the biggest volume. In the next figure it is also possible to see the highest numbers of wafers and biscuits produced by Opavia.

Buyers of wafers do not change preferences for brands of confectionery, which is visible in the last figure. In the past two years buyers prefered Opavia next to Seredč, Kraft and Nestlé.

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\(^{17}\) Czech trade focus
Figure 4.4.1 Volume of wafers and biscuits (ths. kg) according to different producers

Source: GfK Group

Figure 4.4.2 Number of wafers and biscuits (mil. pcs) according to different producers

Source: GfK Group
4.5 Quality of the product

Quality of confectionery products is determined by ingredients, size, packaging, texture, flavor and color. These features are described below for chocolate products, cookies and candies.

The most popular among consumers are chocolates in tablets. The most popular are 100 g, but they are also produced in following sizes: 70 g, 125 g, 180 g, 250 g, 300 g. Chocolates are also sold as pralines, so called boxed chocolates. They occur in different sizes 100 – 500 g. The chocolate tablet is usually wrapped in tinfoil and then in paper. Boxes for chocolates are made of cardboard paper or metal tin. Packaging is usually in the shape of box, heart, candy or coffer and is colorful, which is to draw attention of potential customers. The name of the brand and logo are situated horizontally in most cases, so it is easier to display on the shelf. Boxes are designed to be stylish and elegant. There is usually a picture of pralines shapes, flowers, views, occasional pictures during Christmas, Eastern or Valentine’s Day.

Available flavors of solid chocolates are: milk, bitter and dessert. Chocolate with delicacies: nuts, raisins and different types of filling: strawberry, blackcurrant, yoghurt, cherry, raspberry, kiwi, orange, pistachio, coconut, almond, toffee, coffee, hazelnut and alcohol.

Chocolate wafers and bars are sold in sizes: 23 g – 60 g. Popular are XL weights, usually of 100 g (in case of bars) and 60 g (wafers). On the other hand, sales of light, crunchy bars is rising dynamically, which is the main trend in the market. Bars and wafers are impulse purchases and colors used for the
Packaging are to draw attention and cause hunger. The colors are very warm and instant: red, yellow, orange, brown. Beside chocolate (milk and white), the bar often contains wafer, caramel, peanuts, different delicacies or biscuit.

Cookies occur in various shapes, sizes and flavors. There are several types of cookies on the market: biscuits, sponge cakes, crunchy cookies, cream-filled biscuits, gingerbread.

Candies are sold as hard caramels, solid or with filling, sweet dragees, jellies, toffee, coffee and milk candies, chewsies and lollipops. The most popular flavors are fruit: lemon, orange, strawberry, blackberry, apple, cherry, grapefruit, lime. More popular become herbal, vitamin, mint candies and sugarfree ones. They are usually sold in bags of 50 g, 100g, 125 g, 150 g and in the paper or folio wrapping of 20 - 50g.\(^{18}\)

### 4.6 Expansion plans

Although we have spoken to several confectionery companies active on the market, representatives are determined not to share their strategies for the future, since they consider it to be a business secret.

### 4.7 Pricing strategy

The development in price indices, presented in the table below, shows fluctuation in 2000 – 2003. While the prices in 2001 increased in all food groups, even with varied intensities, when compared with 2000, the prices of these products decreased in 2002. In contrast, in 2003, some increases in prices was reported, compared to 2002.

<table>
<thead>
<tr>
<th>(%)</th>
<th>Year-on-year index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>01/00</td>
</tr>
<tr>
<td>NACE 15.8</td>
<td>102,1</td>
</tr>
</tbody>
</table>

Source: Manufacture of food products and beverages

The biggest price increase was reported in 2003, when compared with 2002, in the category “other food products, in the production of feeds, and mill and starch products”. This related to a lower harvest of grains in that year and to increased prices of this commodity.

\(^{18}\) For examples of confectionery wrappers and packaging, please see the annexes
Each producer of confectionery has its own prices. The differences in prices per piece are presented in the figure below. It shows that Opavia has the highest prices of wafers and biscuits in comparison with Sereď, Kraft and Nestlé.

**Figure 4.7.2 Price per piece of wafers and biscuits (CZK) according to different producers**

Source: GfK Group

The information source GfK Group unfortunately does not offer prices per piece of chocolate and sugar confectionery sector according to different producers. For price lists of these products, please refer to annex 3.

### 4.8 Segmentation of enterprises by sectors and its categorization

Within the confectionery market there is growing trend towards the outsourcing of production. Cost differentials in labour and sugar prices in many parts of the world mean confectionery contractors in Turkey, the Czech Republic and Egypt are now selling to the US and European markets.

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19 Current exchange ratio 30 September: 1 EUR = 29,47 CZK  
8 CZK = 0,27 EUR  
6 CZK = 0,20 EUR  
4 CZK = 0,13 EUR
Growing wages in Western Europe are pushing production out to Central and Eastern Europe. In particular the Czech Republic is emerging as a new centre for the European confectionery production.

Confectionery consumption is also growing within the domestic markets of Central and Eastern Europe. Confectionery is often marketed as a luxury good and the wealth increase in the emerging markets, coincides with an appetite for sweets and chocolates.

The overview below shows the ownership of main confectionery producers in the Czech Republic. Danone and Nestlé own 90% of Opavia. Nestlé owns Orion, Zora, Sfinx and Carpathia.

**Figure 4.8.1 Ownership scheme of confectionery producers**

As is clear from the figures below, the biscuits and wafers market is dominated by Opavia. Its share on total market fluctuates between 59,2 and 70,0 % and it is steadily decreasing. Opavia LU is followed by two other companies Sered and Nestle. Their shares are significantly smaller. Both of them have a relatively stable market share with only small fluctuations.

*Source: Internal information of mentioned companies*
Figure 4.8.2 Volume market share on total biscuits & wafers market (Czech Republic)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Opavia</td>
<td>70,0</td>
<td>69,9</td>
<td>70,6</td>
<td>65,5</td>
<td>66,2</td>
<td>64,3</td>
<td>64,4</td>
<td>64,9</td>
<td>67,7</td>
</tr>
<tr>
<td>Sered</td>
<td>9,5</td>
<td>10,0</td>
<td>8,7</td>
<td>10,0</td>
<td>8,9</td>
<td>9,6</td>
<td>9,8</td>
<td>10,4</td>
<td>9,0</td>
</tr>
<tr>
<td>Nestle</td>
<td>3,0</td>
<td>3,5</td>
<td>3,4</td>
<td>4,8</td>
<td>4,3</td>
<td>5,6</td>
<td>4,7</td>
<td>6,4</td>
<td>5,9</td>
</tr>
</tbody>
</table>

Source: Opavia LU

Figure 4.8.3 Volume market share on total biscuits & wafers market (Czech Republic)

In the next figure the average value share of trade marks is displayed for the period between February 2004 and January 2005. The highest average value share 33% is owned by Nestle, the second highest share is in the possession of Opavia LU (24%) and the third highest share is owned by Sedita and Kraft Foods with 11%.
The following figure presents the development of the value shares of trade marks. As a pattern, the seasonal fluctuations are not very significant, usually they are below 5%. The only visible trend is the decrease of the Opavia value share during summer and, in contrast, the increase of the Nestle share during the same period.

Source: Opavia LU
4.9 Recommendations

The interests of the Czech food industry are vigorously defended by the Federation of the Food and Drink Industries of the Czech Republic, which represents the sector at both national and European level.

The country has already been successfully penetrated by a number of foreign companies. Nestlé for example has had a presence in the Czech Republic for over ten years, which has allowed it to consolidate its hold on the confectionery market. According to a Nestlé project manager, the firm owns many local brands, but is slowly pushing in well-known international brands such as Kit-Kat and Crunchy.

The Czech confectionery and milling market is a very competitive one and is strongly dominated by several trade marks. These factors should be taken into account during the process of price setting.

When establishing an overseas price, it is necessary to consider many of the same factors involved in pricing for the domestic market. These factors include costs such as production, packaging, transportation and handling, promotion and selling expenses; and most important in the confectionery market: the demand for your product and the maximum price the market is willing to pay.

It is recommended to constantly monitor your price including your costs of production, your competition and your customers and be prepared to make adjustments. In competitive businesses like the confectionery and milling trade, the most successful company is the one that can adapt and continue to operate profitable.
5. Distribution channels

The Czech Republic has a developed, European-style distribution system and a strong and growing number of professional sales agents and distributors in most market segments. The Czech Republic is geographically small, with 10 percent of the population and most decision-makers concentrated in the capital city of Prague. It is a market where good personal relationships are crucial, and everyone seems to know one another. Foreign firms attempting, from a distance, to build the close network of contacts and relationships needed to penetrate this market will usually find it a time-consuming and expensive process. Therefore, we recommend basing your approach on finding and supporting a Czech partner.

One way into the market is to find a distributor with an existing distribution system who may welcome a new foreign product that supplements an existing line. The best distributors work closely with their foreign suppliers to develop strategies tailored to the nuances of the local market, drawing on the distributor’s knowledge of local pricing strategies, promotion techniques, and competition. In most cases, one distributor can provide coverage throughout the entire country for a related line of products. However, a strategy of using multiple distributors who cover only specific regions should also be considered.

5.1 Distribution channels

There are several ways to distribute confectionery and milling products to the final consumers:

1. Wholesalers:

   - Anirex
   - BELVEC s.r.o.
   - Gareno s.r.o.
   - Asena s.r.o.
   - Bornet spol. s r.o.
   - Gold Stella spol. s r.o.
   - Importex Plzeň s.r.o.
   - Windsor Chocolates
   - Zamaco s.r.o.
   - Allmond s.r.o.
   - Arko - cz s.r.o.
   - Bohemia - Kent spol. s r.o.
   - Chocoland s.r.o.
   - Clip s.r.o.
   - Dursun Ali Genc
Of these wholesalers, Winkelman, Violet kangaroo, Molla and Kaumy have a good reputation. However, the number of wholesalers in the Czech Republic is substantial, and therefore, no differences of considerable amount exist between the wholesalers listed above. It is therefore recommended to contact a wholesaler that trades in the types of products the Colombian exporter is specialized in instead of focusing on the market share. This information can be found on the wholesaler’s websites.

2. Retailers:

- Belgium’s Best CZ s.r.o.
- Eduard Kempe
- Koruna Pralines s.r.o.
- Novicom Praha s.r.o.
- Radomír Sýkora
3. Supermarkets and hypermarkets

(Delvita a.s., Globus ČR, k.s., Carrefour s.r.o., Kaufland Česká republika v.o.s., oops.) - they strengthen their position now as it is apparent also in other areas. These retail chains try to enlarge their offer nowadays but nevertheless mainly bigger producers are supplying them with their products.

On the other hand the supermarkets try to be more focused on the customers that are interested in high-quality, specialized products.

**Figure 5.1.1 Distribution network of confectionery trade in the Czech Republic**

Source: Eunite Czech Republic s.r.o. – individual research

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For overview of business chains in the Czech Republic see figure 5.1.2 below
Figure 5.1.2 Overview of business chains in the Czech Republic

<table>
<thead>
<tr>
<th>Order</th>
<th>Company</th>
<th>Turnover (bil. EUR)</th>
<th>Number of outlets</th>
<th>http://</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Makro Cash&amp;Carry ČR, s.r.o.</td>
<td>1,2</td>
<td>Makro(10)</td>
<td><a href="http://www.makro.cz">www.makro.cz</a></td>
</tr>
<tr>
<td>2</td>
<td>Ahold Czech Republic, a.s.</td>
<td>1,1</td>
<td>Hypernova (43), Albert (177)</td>
<td><a href="http://www.ahold.cz">www.ahold.cz</a></td>
</tr>
<tr>
<td>3</td>
<td>SCHWARZ ČR (Kaufland, Lidl)</td>
<td>0,95</td>
<td>Kaufland (53), Lidl (50)</td>
<td><a href="http://www.kaufland-online.cz">www.kaufland-online.cz</a>, <a href="http://www.lidl.cz">www.lidl.cz</a></td>
</tr>
<tr>
<td>4</td>
<td>REWE ČR (Penny Market, Billa, Teppich Frick)</td>
<td>0,77</td>
<td>Penny market (142), Billa (72), Teppich Frick (6)</td>
<td><a href="http://www.penny.cz">www.penny.cz</a>; <a href="http://www.billa.cz">www.billa.cz</a></td>
</tr>
<tr>
<td>5</td>
<td>Tesco Stores ČR, s.r.o.</td>
<td>0,66</td>
<td>Tesco (16), Tesco OD (6)</td>
<td><a href="http://www.tesco-shop.cz">www.tesco-shop.cz</a></td>
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<tr>
<td>6</td>
<td>Globus ČR, k.s.</td>
<td>0,62</td>
<td>Globus (10), Baumarkt Globus (6)</td>
<td><a href="http://www.globus.cz">www.globus.cz</a></td>
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<tr>
<td>7</td>
<td>TENGEIiMANN ČR (Plus Discount, OBI)</td>
<td>0,60</td>
<td>Plus diskont (107), OBI (16)</td>
<td><a href="http://www.obi.cz">www.obi.cz</a></td>
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<tr>
<td>8</td>
<td>Carrefour ČR, s.r.o.</td>
<td>0,34</td>
<td>Carrefour (9)</td>
<td><a href="http://www.carrefour.cz">www.carrefour.cz</a></td>
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<tr>
<td>9</td>
<td>Delvita, a.s.</td>
<td>0,34</td>
<td>Delvita (76), Delvita City (1), Proxy (9), Sama (9)</td>
<td><a href="http://www.delvita.cz">www.delvita.cz</a></td>
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<td>10</td>
<td>Julius Meinl, a.s.</td>
<td>0,24</td>
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<td><a href="http://www.julius-meinl.cz">www.julius-meinl.cz</a></td>
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<tr>
<td>11</td>
<td>SPAR ČR (Spar Česká obchodní, Spar Šumava)</td>
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<td>Interspar (14)</td>
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<td>Západočeské konzumní družstvo Sušice</td>
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</tr>
<tr>
<td>14</td>
<td>Jednota SD České Budějovice</td>
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<td>Termo (2), Tempo, Tip, Tuty (22), Jednota (10)</td>
<td><a href="http://www.jednotacb.cz">www.jednotacb.cz</a></td>
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<tr>
<td>15</td>
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<td>Konzum (83), COOP Diskont (7)</td>
<td><a href="http://www.konzumu.cz">www.konzumu.cz</a></td>
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<tr>
<td>16</td>
<td>Lekkerland O.K.Foods, s.r.o.</td>
<td>0,01</td>
<td></td>
<td><a href="http://www.lekkerland.cz">www.lekkerland.cz</a></td>
</tr>
<tr>
<td>17</td>
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<td>Tuty (67), COOP Diskont (3), Jednota (28)</td>
<td><a href="http://www.jednota.opava.cz">www.jednota.opava.cz</a></td>
</tr>
<tr>
<td>18</td>
<td>JAS ČR, a.s</td>
<td>0,037</td>
<td>JAS (9)</td>
<td><a href="http://www.jas-ji.cz">www.jas-ji.cz</a></td>
</tr>
<tr>
<td>19</td>
<td>Jednota SD Mikulov</td>
<td>0,037</td>
<td>Jednota (NA)</td>
<td><a href="http://www.jednota.cz">www.jednota.cz</a></td>
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<tr>
<td>20</td>
<td>Pramen CZ, s.r.o.</td>
<td>0,037</td>
<td>Samka (44)</td>
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<td>21</td>
<td>Družstvo Jednota Kladno</td>
<td>0,0338</td>
<td>Jednota (58)</td>
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<tr>
<td>22</td>
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<td>Jednota (35)</td>
<td></td>
</tr>
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<td>23</td>
<td>Jednota SD ve Vsetíně</td>
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<td>Jednota (75), COOP Diskont (1)</td>
<td><a href="http://www.jednota.cz">www.jednota.cz</a></td>
</tr>
</tbody>
</table>

Source: INCOMA Research.

56 Proexport Colombia
The retail chain also includes confectioneries, foodstuff outlets, pharmacies, kiosks, hotels, restaurants, school cafeterias, stalls. Seasonally the goods are distributed also to castles, lidos, zoological gardens and recreational centers.

In the map below the brands of confectionery that are imported by Belvec s.r.o. company are presented.

**Figure 5.1.3 Distribution of confectionery**

![Map of confectionery distribution](image)

*Source: Belvec s.r.o. company*

BELVEC s.r.o. imports its chocolate confectionery from Belgium. The company exclusively focuses on cookies.
BELVEC s.r.o. distributes to the following business chains:

- Ahold Czech a.s.
- Delvita a.s.
- Julius Meinl a.s.
- Tesco Stores ČR a.s.

Their main subscribers includes:

- Berentzen s.r.o.
- Gastrostella group a.s.
- IMPEX Čechynce s.r.o.
- Fischer Air (airline)
- Agip
- Aral
- OMV

KAUMY supplies more than 10,000 retailers, confectioneries, gift shops, kiosks, restaurants, petrol stations and pharmacies.

Figure 5.1.4 Subscribers of company KAUMY

Source: KAUMY company

WISSA, spol. s r.o deals with the distribution of chocolate and non chocolate confectionery, biscuits, cookies, cereals oops.
Main suppliers:

- VAN NETTEN / WISSOLL (DE), RIEGELEIN (DE), VAN HOUTEN (DE), DE-VAU-GE Kostwerk (DE), CHOCO DRAGEE (DE), ESA (DE), SWEET POINT (HU), CANDY / FUNDY (CZ / HU), PEČIVÁRNÉ Lipt. Hrádok (SK), DRU (SK), AGROHOLDING a.s. Trebišov (SK), SACHR (CZ), RUPA (CZ), JH J. HOLZER (CZ), GEKO CEREAL (CZ), Čokoládovny FIKAR (CZ); ALBI (DE), HAWESTA (DE), SEEBERGER (DE).

Main subscribers:
PLUS-DISCOUNT, AHOLD, MAKRO, COOP centrum, COOP Morava, PENNY, DELVITA, TESCO, BILLA, SPAR, GLOBUS, CARREFOUR, EDEKA; petrol stations, pharmacies.

Distribution storehouses for confectionery:

- **Company:** PRODES-Říčany a.s.
  **Address:** Černokostelecká 1794
  Říčany u Prahy, 251 01
  **Tel.:** + 420 323 601 996
  **Fax:** + 420 323 604 225
  **E-mail:** prodes@prodescz.net

- **Company:** TRIAL a.s.
  **Address:** Jateční 12
  Plzeň, 301 00
  **Tel.:** + 420 377 265 927
  **Fax:** + 420 377 260 267
  **E-mail:** trial@trial-as.cz

- **Company:** TEXIMPEX a.s.
  **Address:** Hulínská 2193
  Kroměříž, 767 01
  **Tel.:** + 420 573 337 209
  **Fax:** + 420 573 334 608
  **E-mail:** teximpex@teximpex.cz

- **Company:** I.D.C. Holding, a.s. - Slovak republic
  **Address:** Drieňová 3
  Bratislava, 821 08
  **Tel.:** + 421 248 241 711
  **Fax:** + 421 248 241 729
  **Http:** www.idcholding.com
### Figure 5.1.5 Overview of market share of business chains in the Czech Republic

<table>
<thead>
<tr>
<th>Order</th>
<th>Company</th>
<th>Turnover (bil. EUR)</th>
<th>Market share (%)</th>
<th>Order</th>
<th>Company</th>
<th>Turnover (min EUR)</th>
<th>Market share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Makro Cash&amp;Carry ČR, s.r.o.</td>
<td>1,2</td>
<td>15,5</td>
<td>13</td>
<td>Západoděčské konzumní družstvo Sušice</td>
<td>40,62</td>
<td>0,5</td>
</tr>
<tr>
<td>2</td>
<td>Ahold Czech Republic, a.s.</td>
<td>1,1</td>
<td>14,1</td>
<td>14</td>
<td>Jednota SD České Budějovice</td>
<td>64,38</td>
<td>0,8</td>
</tr>
<tr>
<td>3</td>
<td>SCHWARZ ČR (Kaufland, Lidl)</td>
<td>0,95</td>
<td>12,1</td>
<td>15</td>
<td>Konzum, OD v Ústí nad Orlicí</td>
<td>50,83</td>
<td>0,6</td>
</tr>
<tr>
<td></td>
<td>REWE ČR (Penny Market, Billa, Teppich Frick)</td>
<td>0,77</td>
<td>9,9</td>
<td>16</td>
<td>Lekkerland O.K.Foods, s.r.o.</td>
<td>111,82</td>
<td>1,4</td>
</tr>
<tr>
<td>4</td>
<td>Tesco Stores ČR, s.r.o.</td>
<td>0,66</td>
<td>8,4</td>
<td>17</td>
<td>Jednota Opava, SD</td>
<td>44,05</td>
<td>0,6</td>
</tr>
<tr>
<td>5</td>
<td>Globus ČR, k.s.</td>
<td>0,62</td>
<td>7,9</td>
<td>18</td>
<td>JAS ČR, a.s</td>
<td>37,27</td>
<td>0,5</td>
</tr>
<tr>
<td></td>
<td>TENGEHLMAN N ČR (Plus Discount, OBI)</td>
<td>0,60</td>
<td>7,7</td>
<td>19</td>
<td>Jednota SD Mikulov</td>
<td>37,27</td>
<td>0,5</td>
</tr>
<tr>
<td></td>
<td>Carrefour ČR, s.r.o.</td>
<td>0,34</td>
<td>4,3</td>
<td>20</td>
<td>Pramen CZ, s.r.o.</td>
<td>37,27</td>
<td>0,5</td>
</tr>
<tr>
<td>6</td>
<td>Delvita, a.s.</td>
<td>0,34</td>
<td>4,3</td>
<td>21</td>
<td>Družstvo Jednota Kladno</td>
<td>33,89</td>
<td>0,4</td>
</tr>
<tr>
<td>7</td>
<td>Julius Meinl, a.s.</td>
<td>0,24</td>
<td>3,0</td>
<td>22</td>
<td>Jednota SD v Nymburce</td>
<td>33,89</td>
<td>0,4</td>
</tr>
<tr>
<td>8</td>
<td>SPAR ČR (Spar Česká obchodní, Spar Šumava)</td>
<td>0,3</td>
<td>3,9</td>
<td>23</td>
<td>Jednota SD ve Vsetíně</td>
<td>33,89</td>
<td>0,4</td>
</tr>
<tr>
<td>9</td>
<td>Peal, a.s.</td>
<td>0,17</td>
<td>2,2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: INCOMA Research.

The highest market share amongst hypermarkets belongs to Makro Cash&Carry ČR, s.r.o. (15,5%), Ahold Czech Republic, a.s. (14,1%) and SCHWARZ ČR (Kaufland, Lidl) (12,1%). For detailed information see table above. Most of the hypermarkets (Spar, Delvita, Tesco, Lidl) offer next to common products also products for a lower price under their own trade mark. These products are usually made by famous confectionery companies in large amounts and different ingredients which allows to sell them cheaper. Therefore, we would recommend to consider an opportunity to become potential producer of confectionery for a large hypermarket.
The prices of confectionery correspond to the quality of products, however hypermarkets are cheaper than retailers.

Another way of entering the market could be as a supplier of hypermarkets, as mentioned above, as well as a supplier for bakeries, sugar and chocolate confectioneries. There are many small confectioneries in the Czech Republic. The largest bakeries (mostly joint stock companies) have spread its subsidiaries all over the Czech Republic or in an appropriate region. They are focused on large retail chains and supermarkets as well as on operating their own network of sales outlets. The most important bakeries are mentioned in the table below.

**Figure 5.1.6 The most important bakeries in the Czech Republic**

<table>
<thead>
<tr>
<th>Bakery</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEAS a.s.</td>
<td><a href="http://www.beas.cz">www.beas.cz</a></td>
</tr>
<tr>
<td>BETINA spol. s r.o.</td>
<td><a href="http://www.betina.cz">www.betina.cz</a></td>
</tr>
<tr>
<td>DELTA PEKÁRNY, a.s.</td>
<td><a href="http://www.delta-pekarny.cz">www.delta-pekarny.cz</a></td>
</tr>
<tr>
<td>DK OPEN spol. s r.o.</td>
<td><a href="http://www.dkopen.cz">www.dkopen.cz</a></td>
</tr>
<tr>
<td>DOMAPEK s.r.o.</td>
<td><a href="http://www.domapek.cz">www.domapek.cz</a></td>
</tr>
<tr>
<td>DOMITA, a.s.</td>
<td><a href="http://www.domita.as">www.domita.as</a></td>
</tr>
<tr>
<td>ENPEKA spol. s r.o.</td>
<td><a href="http://www.enpeka.cz">www.enpeka.cz</a></td>
</tr>
<tr>
<td>HEPEK s.r.o.</td>
<td><a href="http://www.hepek.cz">www.hepek.cz</a></td>
</tr>
<tr>
<td>HRADECKÁ PEKÁRNA, s. r.o.</td>
<td><a href="http://www.hradeckapekarna.cz">www.hradeckapekarna.cz</a></td>
</tr>
<tr>
<td>INPEKO spol. s r.o.</td>
<td><a href="http://www.inpeko.cz">www.inpeko.cz</a></td>
</tr>
<tr>
<td>JAPEK s.r.o.</td>
<td><a href="http://www.japek.cz">www.japek.cz</a></td>
</tr>
<tr>
<td>JIZERSKÉ PEKÁRNY s.r.o.</td>
<td><a href="http://www.jipek.cz">www.jipek.cz</a></td>
</tr>
<tr>
<td>KARLOVA PEKÁRNA s.r.o.</td>
<td><a href="http://www.karlova-pekarna.cz">www.karlova-pekarna.cz</a></td>
</tr>
<tr>
<td>KLS KLIMENTOV s.r.o.</td>
<td><a href="http://www.klpek.cz">www.klpek.cz</a></td>
</tr>
<tr>
<td>KONTINUA spol. s r.o.</td>
<td><a href="http://www.kontinua.cz">www.kontinua.cz</a></td>
</tr>
<tr>
<td>MICHELSKÉ PEKÁRNY, a.s.</td>
<td><a href="http://www.pekarny-michle.cz">www.pekarny-michle.cz</a></td>
</tr>
<tr>
<td>MORAVEC PEKÁRNY, s.r.o.</td>
<td><a href="http://www.moravecpekarny.cz">www.moravecpekarny.cz</a></td>
</tr>
<tr>
<td>NOPEK spol. s r.o.</td>
<td><a href="http://www.nopek.cz">www.nopek.cz</a></td>
</tr>
<tr>
<td>ODKOLEK, a.s.</td>
<td><a href="http://www.odkolek.cz">www.odkolek.cz</a></td>
</tr>
<tr>
<td>PANE spol. s r.o. pekařství</td>
<td><a href="http://www.pane.regin.cz">www.pane.regin.cz</a></td>
</tr>
<tr>
<td>PEKÁRNA RACEK</td>
<td><a href="http://www.pekarnepacek.cz">www.pekarnepacek.cz</a></td>
</tr>
<tr>
<td>PEKÁRNY A CUKRÁRNY KLATOVY, a.s.</td>
<td><a href="http://www.pecukt.cz">www.pecukt.cz</a></td>
</tr>
<tr>
<td>PEKÁRNY A CUKRÁRNY NÁCHOD, a.s.</td>
<td><a href="http://www.pekarneynachod.cz">www.pekarneynachod.cz</a></td>
</tr>
<tr>
<td>PEKARSTVI SUMAVA s.r.o.</td>
<td><a href="http://www.pekarstvi-sumava.cz">www.pekarstvi-sumava.cz</a></td>
</tr>
<tr>
<td>PENAM spol. s r.o.</td>
<td><a href="http://www.penam.cz">www.penam.cz</a></td>
</tr>
<tr>
<td>SEMAG spol. s r.o.</td>
<td><a href="http://www.semag.cz">www.semag.cz</a></td>
</tr>
<tr>
<td>SEVAL spol. s r.o.</td>
<td><a href="http://www.seval.cz">www.seval.cz</a></td>
</tr>
<tr>
<td>STABO a.s.</td>
<td><a href="http://www.stabo.cz">www.stabo.cz</a></td>
</tr>
<tr>
<td>TRITIA spol. s r.o.</td>
<td><a href="http://www.tritia.cz">www.tritia.cz</a></td>
</tr>
</tbody>
</table>

*Source: Individual research*
Mainly big bakeries offer a wide range of products that deal with confectionary industry too. Next to the ordinary fresh bakery products, they produce various pastries, rolls, biscuits, cookies, cakes, pies, puffs, strudels, etc. Producers of bakery and confectionary products use sweet ingredients (especially chocolate, jams, various nuts, coconuts, poppy seeds) for fillings, glazing or toppings of various kinds of sweets and desserts. Therefore Colombian exporters might also enter the Czech confectionary and milling market through bakeries and confectionaries.

The joint stock companies Delta Pekárny a.s. and Odkolek a.s. are the two main producers and suppliers of complete assortment of bakery and pastry products on the Czech market. Therefore they might be interested in all kinds of semi-manufactured products they need for their production.

1. DELTA PEKÁRNY a.s.

Delta Pekárny, a.s. is a leader company of Delta Group, which is the number one baking company in the Czech bakery market (fresh, long-shelf-life and frozen bakery products).

Scope of activities of Delta Group:
- Bakery, confectionery
- Wholesale
- Specialized retail sale
- Inn keeping
- Accommodation services
- Business, management and financial counseling
- Production of machines and machinery for specific branches of economy

The complete list of offered products includes 600 items. The division “Fresh” offers a wide range of fresh products for all occasions (various types of breads and rolls, sweet pastry, donuts with various fillings, turnovers, tea-cakes etc.). “Long-life products” are since 1999 offered by Lotus-Delta a.s. which is a joint venture of Delta Pekárny and the Belgian Lotus Bakeries. At the same year Delta Pekárny a.s. took over the distribution of Dan Cake Company products. It specializes in the production of sweet baked products with prolonged shelf life (Swiss rolls, biscuits and cookies, muffins and soft confectionary products).

Plants of Delta Pekárny a.s. employ around 2,800 people in the Czech Republic and Slovakia. The Delta Group associates eleven industrial bakeries in the Czech Republic and four in Slovakia. Delta Pekárny a.s. distributes to distribution chains, such as Ahold (Albert and Hypernova divisions), Billa, Carrefour, Delvita, Eurest, Interspar, Lidl, Makro, Norma, Plus Discount, Sodexho, and Tesco. Delta delivers its products to around seven thousand sales points.
Figure 5.1.7. Bakeries of Delta Pekárny a.s.

Source: Delta Pekárny a.s.

Contact:
Address: DELTA PEKÁRNY a.s.
Bohunická 24
Brno – Horní Heršpice, 619 00
Internet: www.delta-pekarny.cz
E-mail: sekretariat@delta-pekarny.cz
Tel.: + 420 543 535 111
Fax: + 420 543 232 251

2. ODKOLEK a.s.

Odkolek a.s. is the second biggest producer and supplier of flour and bakery and pastry products in the Czech Republic. Odkolek a.s. produces and supplies mostly bakery and pastry products but the offer is wider.

Next to the bakery and pastry products Odkolek a.s. offers through its daughter companies different types and packages of flour (UNIMILLS a.s.), pasta (SPOJENÉ TĚSTÁRNY CZ, s.r.o.) and all kinds of raw materials, additives, package materials, professional services and consultancy in the food industry provided by EMKA a.s.. Odkolek a.s. is a member of the RAMILL concern associating grain processing companies, spanning from the purchase, storage and milling of grain to processing flour in bakeries, pastry and dough production plants.

Odkolek a.s. produces a wide scale of breads, rolls and baguettes, pies, plaited Christmas cakes, products with lowered sugar contents, doughnuts, fruit and

Proexport Colombia
crème rolls, both soft pastries including gateaux made to order as well as lasting products, 10 kinds of gingerbread and gingerbread pastries.

Odkolek a.s. has over one thousand employees. The company distributes its products all over the Czech Republic. Four bakeries (in Brandýs nad Labem, Prague - South-West Town, Pardubice and Karviná) form the parent company of ODKOLEK, a.s. With a view to ensure a uniform regional coverage, the trading and manufacturing activities have been interlinked with other independent companies (Pekárna Žatec, a.s., Pekárna Liberec, a.s.) and with the establishments of Pekárna Rumburk and Pekárna Chomutov, a.s., in which the parent company RAMILL a.s. holds the majority interest.

Figure 5.1.7. Bakeries of Odkolek a.s.

Source: Odkolek a.s.

Contact:
Address: ODKOLEK a.s.
Pekařská 1
Praha 5, 155 00
Internet: www.odkolek.cz
E-mail: info@odkolek.cz
Tel.: + 420 251 175 111

6.1 Preferential tariffs

All goods entering the EU are subject to import duties. External trade conditions are mostly determined by EU regulations. The Czech Republic also uses the EU’s Harmonized Tariff Schedule (Nomenclature) on the TARIC (Integrated Tariff of the European Community) which is issued by the Commission and the Member States for the purpose of applying Community measures relating to import and exports. The level of the tariffs depends on the country of origin and the product. If there is not a special trade agreement in force, the general import tariff (conventional duty) applies.

In January 2005 Commission Regulation (EC) No 1810/2004 entered in force which is binding in all Member States. In its Part Two “Schedule of Customs Duties”, subcategories 1704,1806 and 1905 deal with "Sugar confectionery", “Chocolate and other food preparations containing cocoa” and “Bread, pastry, cakes, biscuits and other bakers’ wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products”.

Colombia is included in the general system of preferences – GSP. This agreement allows products originating in the countries concerned to be imported at preferential tariffs or, for the least developed countries, duty-free. A “Certificate of Origin Form A” has to be filled in by the exporter and issued by the competent authorities. Tariff contingents and tariff ceilings do not exist anymore.

According to international agreements Colombia is included in the SPGE group of preferences and therefore benefits from 0% tariff preference on the basis on Regulation (EC) No 2501/2001 and Commission Regulation (EC) No 2331/2003. Untill July 1st 2005, this meant that Colombian exporters could introduce so-called “non-sensitive” products at a 0% tariff rate and “sensitive” products, such as all products under nomenclatures code 1704, 1806 an 19 at a 3.5% reduced rate.

However since July 1st 2005, Colombia is a member of the GSP Plus program, which assists the countries of the Andean Community, such as Colombia, in their battle against drugs. The GSP Plus will officially enter into force on the 1st January 2006, but has already started to run in its preliminary form for 14 countries on the 1st July 2005. Exporters based in one of the GSP Plus programs are also exempt from duties on sensitive products. Therefore all confectionery and milling products can be imported into the European Union from Colombia duty free.
6.2 Tariffs imposed by major competitors

The tariffs for different countries are according their membership in the tariff group. In some cases there are exceptions and the preferences are not valid for certain countries, in which case the full amount of these tariffs has to be paid. An overview of those tariffs is presented below. All the preferential tariffs are applicable only with the Certificate of origin.

The major competitors in the confectionery and milling branch are all European Union memberstates, such as Germany, Poland, Slovakia and Spain. They do not face any tariffs or duties of any kind, because they all belong to the European common market.

Figure 6.2.1 EU Tariff schedule for Colombia

<table>
<thead>
<tr>
<th>CN code</th>
<th>Description</th>
<th>Conventional rate of duty (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1704 10</td>
<td>Chewing gum, whether or not sugar-coated:</td>
<td></td>
</tr>
<tr>
<td>1704 10 11</td>
<td>Containing less than 60 % by weight of sucrose (including invert sugar expressed as sucrose)</td>
<td></td>
</tr>
<tr>
<td>1704 10 11 00</td>
<td>Gum in strips</td>
<td>0 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>1704 10 19 00</td>
<td>Other</td>
<td>0 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>1704 10 91 00</td>
<td>Gum in strips</td>
<td>0 % + 30.9 EUR / 100 kg MAX 16 %</td>
</tr>
<tr>
<td>1704 10 99 00</td>
<td>Other</td>
<td>0 % + 30.9 EUR / 100 kg MAX 16 %</td>
</tr>
<tr>
<td>1704 90</td>
<td>Other:</td>
<td></td>
</tr>
<tr>
<td>1704 90 10 00</td>
<td>Liquorice extract containing more than 10 % by weight of sucrose but not containing other added substances</td>
<td>0 %</td>
</tr>
<tr>
<td>1704 90 30 00</td>
<td>White chocolate</td>
<td>0 % + 45.1 EUR / 100 kg MAX 18.9 % + 16.5 EUR / 100 kg</td>
</tr>
<tr>
<td>1704 90 51 00</td>
<td>Other</td>
<td>0 % + EA(1) MAX 18.7 % + ADSZ(1)</td>
</tr>
<tr>
<td>1806 20</td>
<td>Other preparations in blocks, slabs or bars weighing more than 2 kg or in liquid, paste, powder, granular or other bulk form in containers or immediate</td>
<td></td>
</tr>
<tr>
<td>CN code</td>
<td>Description</td>
<td>Conventional rate of duty (%)</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1806 20 10 00</td>
<td>Containing 31 % or more by weight of cocoa butter or containing a combined weight of 31 % or more of cocoa butter and milk fat</td>
<td>0 % + EA(1) MAX 18.7 % +ADSZ(1)</td>
</tr>
<tr>
<td>1806 20 30 00</td>
<td>Containing a combined weight of 25 % or more, but less than 31 % of cocoa butter and milk fat</td>
<td>0 % + EA(1) MAX 18.7 % +ADSZ(1)</td>
</tr>
<tr>
<td>1806 20 50</td>
<td>Other</td>
<td>0 % + EA(1) MAX 18.7 % +ADSZ(1)</td>
</tr>
<tr>
<td>1806 31</td>
<td>Other, in blocks, slabs or bars</td>
<td></td>
</tr>
<tr>
<td>1806 31 00 00</td>
<td>Filled</td>
<td>0 % + EA(1) MAX 18.7 % +ADSZ(1)</td>
</tr>
<tr>
<td>1806 32</td>
<td>Not filled</td>
<td></td>
</tr>
<tr>
<td>1806 32 10 00</td>
<td>With added cereal, fruit or nuts</td>
<td>0 % + EA(1) MAX 18.7 % +ADSZ(1)</td>
</tr>
<tr>
<td>1806 32 90 00</td>
<td>Other</td>
<td>0 % + EA(1) MAX 18.7 % +ADSZ(1)</td>
</tr>
<tr>
<td>1806 90</td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>1806 90 11</td>
<td>Chocolate and chocolate products</td>
<td>0 % + EA(1) MAX 18.7 % +ADSZ(1)</td>
</tr>
<tr>
<td>1806 90 50</td>
<td>Sugar confectionery and substitutes therefor made from sugar substitution products, containing cocoa</td>
<td>0 % + EA(1) MAX 18.7 % +ADSZ(1)</td>
</tr>
<tr>
<td>1806 90 60</td>
<td>Spreads containing cocoa</td>
<td>0 % + EA(1) MAX 18.7 % +ADSZ(1)</td>
</tr>
<tr>
<td>1905</td>
<td>Bread, pastry, cakes, biscuits and other bakers’ wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products:</td>
<td></td>
</tr>
<tr>
<td>1905 20</td>
<td>Gingerbread and the like</td>
<td></td>
</tr>
<tr>
<td>1905 20 10 00</td>
<td>Containing by weight of sucrose less than 30 % (including invert sugar expressed as sucrose)</td>
<td>0 % + 18.3 EUR / 100 kg</td>
</tr>
<tr>
<td>1905 20 30 00</td>
<td>Containing by weight of sucrose 30 % or more but less than 50 % (including invert sugar expressed as sucrose)</td>
<td>0 % + 24.6 EUR / 100 kg</td>
</tr>
<tr>
<td>1905 20 90 00</td>
<td>Containing by weight of sucrose 50 % or more (including invert sugar expressed as sucrose)</td>
<td>0 % + 31.4 EUR / 100 kg</td>
</tr>
<tr>
<td>1905 31</td>
<td>Sweet biscuits; waffles and wafers</td>
<td></td>
</tr>
<tr>
<td>1905 31</td>
<td>Sweet biscuits</td>
<td></td>
</tr>
<tr>
<td>1905 31 11 00</td>
<td>Completely or partially coated or covered with chocolate or other preparations containing cocoa</td>
<td>0 % + EA(1) MAX 24.2 % +ADSZ(1)</td>
</tr>
</tbody>
</table>
### Market Researches in Eastern Europe

<table>
<thead>
<tr>
<th>CN code</th>
<th>Description</th>
<th>Conventional rate of duty (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1905 31 30 00</td>
<td>Other</td>
<td>0 % + EA(1) MAX 24.2 % +ADSZ(1)</td>
</tr>
<tr>
<td>1905 32</td>
<td>Waffles and wafers</td>
<td></td>
</tr>
<tr>
<td>1905 32 05 00</td>
<td>with a water content exceeding 10 % by weight</td>
<td>0 % + EA(1) MAX 20.7 % +ADFM(1)</td>
</tr>
<tr>
<td>1905 32 11 00</td>
<td>Other</td>
<td>0 % + EA(1) MAX 24.2 % +ADSZ(1)</td>
</tr>
</tbody>
</table>

*Source: TARIC, Simulation date 13/10/2005*
### Figure 6.2.1 Overview of examples of import tariffs countries similar to Colombia or potential competitors

<table>
<thead>
<tr>
<th>Country</th>
<th>Group of preferences according international agreements</th>
<th>Examples of products according TARIC numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1704101100 1806 15 1905 20 10</td>
<td></td>
</tr>
<tr>
<td>Colombia</td>
<td>SPGE</td>
<td>0 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>Argentina</td>
<td>SPGL</td>
<td>2.7 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>Bolivia</td>
<td>SPGE</td>
<td>0 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>Brazil</td>
<td>SPGL</td>
<td>2.7 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>Chile</td>
<td>CL/SPGL</td>
<td>0 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>China</td>
<td>SPGL</td>
<td>2.7 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>EU countries</td>
<td>EEA</td>
<td>0 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>India</td>
<td>SPGL</td>
<td>2.7 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>Indonesia</td>
<td>SPGL</td>
<td>2.7 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>Mexico</td>
<td>MX, Latin America</td>
<td>0 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>Peru</td>
<td>SPGE</td>
<td>0 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>SPGL</td>
<td>2.7 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>USA</td>
<td>No Preferences</td>
<td>6.2 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
<tr>
<td>Venezuela</td>
<td>SPGE</td>
<td>0 % + 27.1 EUR / 100 kg MAX 17.9 %</td>
</tr>
</tbody>
</table>

Source: EU tariff schedule – TARIC
6.3 Norms of origin

To be able to benefit from the GSP Plus 0% duties on sensitive and non-sensitive products it is necessary to prove that the product that is being imported is really from Colombia or another GSP (Plus) country. Some products clearly originate in a given country, e.g. because they are grown there from local seed. These are called “wholly obtained” goods. But increasingly in today’s world, others are not produced in a single country.

In general terms, products are wholly obtained in a particular beneficiary country (or in the EC, in the case of cumulation) if only that country has been involved in their production. Even the smallest addition or input from any other country disqualifies a product from being “wholly obtained”.

In practice, except for naturally-occurring and related products, situations where only a single country is involved in the manufacture of a product are relatively rare. Globalisation of manufacturing processes has resulted in many products being made from parts, materials etc. coming from all over the world. Such products are not of, course, wholly obtained, but they can nevertheless obtain originating status.

The condition is that the non-originating materials used (in practice: the materials imported into the beneficiary country) have undergone sufficient working or processing. It must be stressed that only the non-originating materials need to be worked or processed sufficiently. If the other materials used are by themselves already originating (either by virtue of being wholly obtained, or by having been worked or processed sufficiently), they do not have to satisfy the conditions set out.

What can be considered as sufficient working or processing, depends on the product in question. For the products that belong under subcategory 1704, all sugar confectionery products, the requirements are that the working or processing carried out on non-originating materials, which confers originating status is manufacture from:

- Materials of any heading, except that of the product, and in which the value of all the materials of Chapter 17 used does not exceed 30% of the ex-works price of the product

For the products that belong under subcategory 1806, all chocolate products, the requirements are that the working or processing carried out on non-originating materials, which confers originating status is manufacture:

- from materials of any heading, except that of the product, and
- in which the value of all the materials of Chapter 17 (sugars and sugar confectionery) used does not exceed 30% of the ex-works price of the product
For the products that belong under subcategory 1905, all bread, pastry, cakes, biscuits and other bakers' wares, the requirements are that the working or processing carried out on non-originating materials, which confers originating status is manufacture:

- Manufacture from materials of any heading, except those of Chapter 11 (milling products)

There are three principal forms of proof used in the context of the EC GSP:

- The certificate of origin Form A\(^{21}\), used as proof of origin at import into the EC and in regional cumulation.
  - Regional cumulation can be present between the countries of one of the regional groups recognised by the EC GSP\(^4\).\(^{22}\) Materials originating in one country of the group which are further worked or processed in another beneficiary country of the same group are considered to originate in the latter country.
- The Invoice Declaration, which can be used for goods whose total value does not exceed € 6000 (Article 89).
- The Movement Certificate EUR1, which may be used as may an invoice declaration, when goods are exported to beneficiary countries from the EC in the context of bilateral cumulation. (Article 90a).
  - Under bilateral cumulation, materials originating in the EC, within the meaning of the EC GSP RoO, and further worked or processed in a beneficiary country, are considered to originate in the beneficiary country.

The period of validity of a proof of origin is 10 months.

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\(^{21}\) We kindly refer you to the annexes for an example of Form A

\(^{22}\) The regional groups (listed in Article 72) are:
- Group I: Brunei-Darussalam, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Vietnam;
- Group II: Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru, Venezuela;
- Group III: Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka.
6.4 Barriers

Levying of any customs duty or charge having an equivalent effect and the application of any quantitative import restriction or measure having an equivalent effect are prohibited in trade with third countries.

For exporters in developing countries legislative standards enforced through EU legislation and possibly through EU member states, increasingly pose obstacles when exporting to the EU. Although standards are developed in order to protect consumers, environment or improve the harmonization of the internal EU market; they are often seen as technical, non-tariff barriers to trade or as a green wall protecting the fortress of Europe when looking at environmental standards.

When looking at the situation of exporters in developing countries who would like to access the EU market, there are many differences to overcome. Differences between the EU and third countries in their technical regulations and conformity assessment procedures are based on legitimate origins, such as differences in local preferences regarding health, safety and the environment, and differences in levels of income and labour conditions.

Moreover, exporters in developing countries often are critically constrained by the lack of important issues such as:
- Access to credit and insurance and investment climate
- Human and physical capital, management and marketing skills
- Sufficient facilities for transport and storage infrastructures
- Transparent legal and regulatory framework
- Awareness and knowledge
- Participation in the development of standards
- Certifying bodies, test laboratories, standardization institutes etc.

Therefore, the standards in the EU could be seen as obstacles when accessing the EU market, though official barriers do not longer exist.

6.5 Licences

There are no specific licences stated on confectionery and milling products.

6.6 Quotas

There are no import quotas stated on confectionery and milling products.
6.7 Approvals & 6.8 Technical standards

Health control of foodstuff of non-animal origin

Imports of foodstuffs of non-animal origin into the European Union (EU) must comply with general conditions and specific provisions designed to prevent risk to public health and protect consumers’ interests.

The general rules applicable to these products are as follows:

1. General rules of hygiene for foodstuffs
2. General conditions concerning contaminants in food
3. Special provisions on Genetically Modified (GM) food and Novel food
4. General conditions of preparation of foodstuffs
5. Official control of foodstuffs

Besides, in view of fulfilling food and feed safety conditions in the EU, specifically in relation with requirements for traceability, importers are required to keep documentation available in order to identify the exporter in the country of origin, as established by Regulation (CE) 178/2002.

1. General rules of hygiene for foodstuffs

The general rules of hygiene for foodstuffs and procedures for verification of compliance with these rules are laid down in Directive 93/43/EEC (OJ L-175 19/07/1993).

All imported foodstuffs must comply with these rules so that they ensure their safety and wholesomeness. These measures cover preparation, processing, manufacture, packaging, storage, transport, distribution, handling, sale and supply of foodstuffs.

Member States may introduce more specific hygiene provisions if they are not less stringent and do not constitute a restriction to trade in foodstuffs.

If a hygiene problem likely to pose a serious risk to human health arises or spreads in the territory of a third country, the European Commission may suspend imports from all or part of the third country concerned or take interim protective measures regarding the foodstuffs concerned, depending on the seriousness of the situation.
EU legislation on protective measures

2. General conditions concerning contaminants in food

Contaminant substances may be present in food as a result of the various stages of its production and marketing or due to environmental pollution. Since they represent a real risk for food safety, the EU has taken measures to minimise the risk by setting maximum levels for certain contaminants in foodstuffs.

a) Maximum levels of certain contaminants in foodstuffs

Certain foodstuffs (i.e. fruit, vegetables, nuts, cereals, fruit juices, etc…) must not, when placed on the market, contain higher contaminant levels than those specified in Regulation (EC) 466/2001.

This Regulation covers four different categories of contaminants: nitrates, aflatoxins, heavy metals (lead, cadmium, mercury) and 3-monochloropropane-1,2diol (3-MCPD).

The maximum contaminant levels relate to the edible part of the foodstuffs but apply also to the ingredients used for the production of compound foodstuffs.

b) Maximum levels of pesticide residues in and on food

Member States may restrict the putting on the market within their territories of certain products containing pesticide residues if the quantity of these residues exceeds the maximum levels permitted. These limits depend on the toxicity of the substance in question.


This legislation is also applied to the same products after being dried or processed or after their inclusion in a composite food in so far as they may contain pesticide residues.

c) Maximum levels of radioactive contamination of foodstuffs

Regulations (EC) 3954/1987 (OJ L-371 30/12/1987) and 944/1989 (OJ L-101 13/04/1989) lay down the maximum permitted levels of radioactive contamination of foodstuffs (either immediately or after processing) which may be placed on the market following a nuclear accident or any other case of radiological emergency.

There is a list of minor foodstuffs (i.e. those which are consumed least) for which the maximum permitted levels are considerably higher (ten times higher)
**d) Materials intended to come into contact with foodstuffs**

Materials and articles intended to come into contact with foodstuffs must be manufactured so that they do not transfer their constituents to food in quantities which could endanger human health, change the composition of the food in an unacceptable way or deteriorate the taste and odour of foodstuffs.

The Regulation (EC) 1935/2004 establishes a list of groups of materials and articles (such as plastics, ceramics, rubbers, paper, glass, etc.) which may be covered by specific measures that include a list of the authorised substances, special conditions of use, purity standards, etc. Specific measures exist for ceramics, regenerated cellulose and plastics.

**3. Special provisions on Genetically Modified (GM) food and Novel food**

In order to ensure the highest level of protection of human health, EU legislation provides for a single authorisation procedure for the placing on the market of food containing, consisting of or derived from **Genetically Modified Organisms**.

An application must be sent to the competent authority of a Member State and then referred to the European Food Safety Authority (EFSA) which carries out a risk assessment.

On the basis of the opinion of EFSA, the Commission drafts a proposal for granting or refusing the authorisation, which must be approved by the Standing Committee on the Food Chain and Animal Health. The authorised food and feed are entered in the Community Register of GM food and feed.

GM food lawfully placed on the EU market prior to 18 April 2004 may continue to be placed on the market, used and processed provided that they are notified to the Commission before 18 October 2004.

**Novel foods** (i.e. foods and food ingredients that have not been used for human consumption to a significant degree within the EU before 15 May 1997) must also undergo a safety assessment before being placed on the EU market.

Companies that want to place a novel food on the EU market must submit their application to the competent body of a Member State for risk assessment purposes. As a result of this assessment, an authorisation decision may be taken. The authorisation decision defines the scope of the authorisation, the conditions of use, the designation of the food or food ingredient, its specification and the specific labelling requirements.

Novel foods or novel food ingredients considered by a national food assessment body as substantially equivalent to existing foods or food ingredients may follow a simplified procedure, only requiring notifications from the company.
4. General conditions of preparation of foodstuffs

EU legislation lays down the rules relating to treatment of foodstuffs, food ingredients and their conditions of use in order to protect the health of consumers and guarantee the free circulation of foodstuffs in the European Union market.

Moreover, specific provisions for groups of foods are laid down in specific Directives. These include compositional requirements, hygiene requirements, list of additives, purity criteria, specific labelling requirements, etc.

a) Authorized food additives and flavorings

The scope of the Directives covers food additives and flavorings used as ingredients during the manufacture or preparation of food and which are part of the finished product.

The only substances which may be used as food additives are those included in the approved common lists and then only under the conditions of use mentioned in those lists (e.g. colorants, sweeteners, preservatives, emulsifiers, stabilisers, raising agents, etc.).

b) Preparation and treatments of certain foodstuffs

Rules in relation with the manufacture, marketing and importation of foods and food ingredients that are subject to specific treatments (e.g. ionising radiation or quick-freezing) must be fulfilled.

c) Specific provisions for certain groups of products and for foodstuffs for particular nutritional purposes

Specific provisions are applied to certain groups of products (such as cocoa, sugar, etc.) and to foodstuffs intended for particular nutritional uses (baby foods, dietary foods, gluten-free foods...). These may include specific requirements on composition, hygiene, labelling (e.g. declaration of the energy value, carbohydrate, protein and fat content), list of additives, purity criteria, etc.

The Directives establish the procedures to be followed if a particular foodstuff, though complying with the relevant specific Directive, is believed to endanger human health.

5. Official control of foodstuffs.

Directive 89/397/EEC (OJ L-186 30/06/1989) provides for official inspections of foodstuffs, food additives, vitamins, mineral salts and other elements as well as materials or articles intended to come into contact with foodstuffs to ensure that they comply with the provisions designed to protect the health and interests of consumers.

The control may apply to import into the EU and/or to any other stage of the food chain (manufacture, processing, storage, transport, distribution and trade).
and may include inspection, sampling and analysis, inspection of staff hygiene, examination of written and documentary material, examination of verification systems set up by the food operator and of the results obtained.

Inspection will be carried out by the Member State competent authorities regularly, and/or where non-compliance is suspected.

The general methods of sampling and analysis that must be carried out by official laboratories for the monitoring of foodstuffs are established in Directive 85/591/EEC (OJ L-372 31/12/1985) and their implementing measures.

**Additional information for the Czech Republic**

**Inspection Procedure**

Health inspection has to be applied for by the importer or his representative prior to the importation, accompanied by an enclosure of the mandatory certificates related to the specific goods. In addition to the verification of the documents, the authorities at the customs points of entry will inspect the products upon arrival by identity and/or physical checks.

Sampling procedures for quality analyses can be carried out at designated control laboratories. Additional checks can be executed at all stages of the supply chain.

If the results of the inspection procedures have been proven to be favorable for the importation of the goods, the commodities can be released for free circulation. Health controls of foodstuffs are only carried out at designated Border Inspection Posts - BIPs (Stanoviště hraniční kontroly).

**Competent authority / competent bodies**

Czech Agriculture and Food Inspection Authority  
Internal and External Communication Unit  
Květná 15  
CZ-60300 Brno  
Tel: (+420) 5 4242 6625  
Fax: (+420) 5 4242 6645  
E-mail: info@szpi.gov.cz  
Website: http://www.szpi.gov.cz
6.9 Packaging

Packaging EU

Care must be given to the packaging of products if one intends to export to the EU countries. It is obvious that the packaging must be travel-resistant. As required, products should also be protected against the elements, changes of temperature, rough handling and theft. Besides these basics issues, some importers may have specific demands concerning packaging, like information concerning the order printed on the boxes (order number, box number, name department or contact person etc.).

For environmental reasons packaging made from materials like PVC is less popular with consumers and in some cases is or will be forbidden by governments. Exporters in developing countries should be prepared to discuss this issue with potential clients and should anticipate the cost of special packaging in their selling price, if required.

The European Directive on Packaging and Packaging Waste (94/62/EC) establishes overall legislation for the treatment of packaging waste, consisting of quantitative objectives to be achieved by each of the EU member states. The member states have the responsibility to translate the Directive into national legislation.

It is becoming increasingly difficult and expensive to dispose of waste in Europe. In principle, the importer is held responsible for disposal of the packaging waste for all goods from outside the EU. It is therefore crucial, when planning exports to the EU, to take the packaging of your products (both sales packaging and transport packaging) into consideration. To fulfil the requirements of the target market, good communication with the importer about packaging is necessary.

Outer containers should bear the consignee's mark and port mark and be numbered, in accord with packing list, unless the contents can be otherwise readily identified. The following items must appear on the two vertical sides of each outer container:

- the sales contract number
- the consignee's instruction number
- the import licence number (if applicable)
- gross and net weights

A number of issues must be addressed when selecting packaging. Broadly, they can be grouped into questions of containment for the logistics of distribution; protection to ensure the produce arrives at the point of sale in the best possible condition; marketing to present the produce in a preferred style; and environmental impact relating to the handling of the used packaging.
The manual on the Packaging of Fresh Fruit and Vegetables ITC UNCTAD/GATT introduces overseas exporters to the packaging requirements of the European markets. In particular, it deals with the questions of containment, protection and marketing which have hitherto dominated the requirements of the trade.

There is now increasing pressure to create a more environmentally friendly means of handling packaging waste. Some EU governments, rather than wait for an EU wide directive, have already enacted legislation regarding packaging and packaging waste. Their common objectives include the minimisation of waste, reuse by re-cycling and safe disposal where no other use is possible.

Labeling

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

Hence, the applicable labelling provisions are as follows:

- General rules on food labelling
- Specific provisions for certain groups of products:
  - Labelling of Genetically Modified (GM) food and Novel Food
  - Labelling of foodstuffs for particular nutritional purposes
  - Labelling of materials intended to come into contact with food
  - Labelling of particular foodstuffs

Besides these mandatory rules, there is also additional information that may be included by the manufacturers on a voluntary basis provided that it is accurate and does not mislead the consumer. For example, nutritional labelling is not obligatory unless a nutritional claim (e.g. "low fat", "high fibre") is made on the label or in advertising material. In this case, nutritional claims must comply with a standardised format, pursuant to Council Directive 90/496/EEC (OJ L-276 06/10/1990). Similarly, Council Regulation (EEC) 2092/91 (OJ L-208 24/07/1992) sets out rules governing the use of the organic label.

General rules on food labelling

Labels of foodstuffs according to the general rules laid down by Council Directive 2000/13/EC must contain the following particulars:

- The name under which the product is sold. No trademark, brand name or fancy name may substitute the generic name but rather may be used in addition. Particulars as to the physical condition of the foodstuff or the

23 Source: DG Trade
specific treatment it has undergone (powdered, freeze-dried, deep-frozen, concentrated, smoked, irradiated or treated with ionizing radiation) must be included where omission of such may confuse the purchaser.

- The list of ingredients, preceded by the word "Ingredients", must show all ingredients (including additives) in descending order of weight as recorded at the time of their use in the manufacture and designated by their specific name. In the case of those products that may contain ingredients liable to cause allergies or intolerances, such as alcoholic beverages, a clear indication should be given on the label by the word "contains" followed by the name of the ingredient. However, this indication will not be necessary provided the specific name is included in the list of ingredients.
- The net quantity of pre-packaged foodstuffs in metric units (litre, centilitre, millilitre) for liquids and (kilogram, gram) for non-liquids.
- The date of minimum durability consisting of day, month and year in that order and preceded by the words "best before" or "best before end" or the "use by" date for highly perishable goods.
- Any special conditions for keeping or use.
- The name or business name and address of the manufacturer, packager or importer established in the EU.
- Place of origin or provenance
- Instructions of use, where appropriate.
- Indication of the acquired alcoholic strength for beverages containing more than 1.2% by volume.
- Lot marking on pre-packaged foodstuffs with the marking preceded by the letter "L".

These particulars must appear on the packaging or on a label attached to pre-packaged foodstuffs. In the case of pre-packaged foodstuffs intended for mass caterers (foodstuffs sold in bulk), the compulsory labelling particulars must appear on commercial documents while the name under which it is sold, the date of durability or use-by-date and the name of manufacturer must appear on the external packaging.

The labelling must not mislead the purchaser as to the foodstuff’s characteristics or effects nor attribute the foodstuff special properties for the prevention, treatment or cure of a human disease. The information provided by labels must be easy to understand, easily visible, clearly legible and indelible and must appear in the official language(s) of the Member State where the product is marketed. However, the use of foreign terms or expressions easily understood by the purchaser may be allowed.

Specific provisions for certain groups of products

There are also labelling provisions which apply to specific groups of food products in order to give the consumers more detailed information on the contents and the composition of these products:
Labelling of Genetically Modified (GM) food and Novel food

Products consisting of or containing Genetically Modified Organisms (GMOs) and food products obtained from GMOs which have been authorised for the placing on the EU market are subject to labelling requirements pursuant to Regulations (EC) 1829/2003 and 1830/2003.

In the case of pre-packaged products, operators are required to state on a label that “This product contains genetically modified organisms”. This labelling obligation also applies to highly refined products (e.g. oil obtained from genetically modified maize) as well as GM additives and flavourings.

Labelling of foodstuffs for particular nutritional purposes

In addition to the rules applicable to foodstuffs in general, specific provisions (e.g. declaration of the energy value, carbohydrate, protein and fat content, etc.) for groups of foods for particular nutritional uses (baby foods, dietary foods for special medical purposes, foods for weight reduction, foods for sportspeople, etc.) are laid down in specific Directives.

These products must be suitable for their claimed nutritional purposes and marketed in such a way as to indicate their suitability.

Labelling of materials intended to come into contact with food

According to Regulation 1935/2004, articles intended to come into contact with foodstuffs, including packaging materials and containers shall be labelled “for food contact” or shall bear the symbol with a glass and fork.

Competent authority / competent bodies

Czech Agriculture and Food Inspection Authority - Internal and External Communication Unit.

6.10 Required documentation for import

When importing products from a third country, like Colombia, into the European Union six different documents are required;

1) Commercial invoice

The commercial invoice is a record or evidence of the transaction between the exporter and the importer. Once the goods are available, the exporter issues a commercial invoice to the importer in order to charge him for the goods.
The commercial invoice contains the basic information concerning the transaction and it is always required for customs clearance.

It is similar to an ordinary sales invoice, though some entries specific to the export-import trade are added. The minimum data generally included are the following:

- Information on the exporter and the importer (name and address)
- Date of issue
- Invoice number
- Description of the goods (name, quality, etc.)
- Unit of measure
- Quantity of goods
- Unit value
- Total item value
- Total invoice value and currency of payment. The equivalent amount must be indicated in a currency freely convertible to EUR or other legal tender in the importing Member State
- The terms of payment (method and date of payment, discounts, etc.)
- The terms of delivery according to the appropriate Incoterm
- Means of transport

No specific form is required. The commercial invoice is to be prepared by the exporter according to standard business practice and it must be submitted in the original along with at least one copy. It generally needs not be signed. In practice, the original and the copy of the commercial invoice are often signed. The commercial invoice may be prepared in any language. However, a translation into English is recommended.

2) Customs Value Declaration

The Customs Value Declaration is a document which must be presented to the customs authorities where the value of the imported goods exceeds EUR 10 000. The Customs Value Declaration must be draw up conforming to form DV 124, laying down provisions for the implementation of the Community Customs Code. This form must be presented with the Single Administrative Document (SAD).

The main purpose of this requirement is to assess the value of the transaction in order to fix the customs value (taxable value) to apply the tariff duties.

The customs value corresponds to the value of the goods including all the costs incurred (e.g.: commercial price, transport, insurance) until the first point of entry in the EU. The usual method for establishing the Customs value is using the transaction value (the price paid or payable for the imported goods).

24 Please see the annexes for a sample of a DV1 form
In certain cases the transaction value of the imported goods may be subject to adjustment which involve additions or deductions. For instance:

- commissions or royalties may need to be added to the price;
- the internal transport (from the entry point to the final destination in the Community Customs Territory) must be deducted.

The customs authorities shall waive the requirement of all or part of the customs value declaration where:

- the customs value of the imported goods in a consignment does not exceed EUR 10 000, provided that they do not constitute split or multiple consignments from the same consignor to the same consignee,

or

- the importations involved are of a non-commercial nature; or
- the submission of the particulars in question is not necessary for the application of the Customs Tariff of the European Communities or where the customs duties provided for in the Tariff are not chargeable pursuant to specific customs provisions.

3) Freight insurance

The insurance is an agreement by which the insured is indemnified in the event of damages due to a risk covered in the policy. Insurance is all-important in the transport of goods because of its exposure to risks during handling, storing, loading or transporting cargo, and other rare risks, such as riots, strikes or terrorism.

There is a difference between the goods' transport insurance and the carrier's responsibility insurance. The transport insurance is a contract whose covered risks, fixed compensation and indemnity are let to the holder's choice. Nevertheless, the haulier's responsibility insurance is determined by different regulations depending on the means of transport, indemnity is limited by the weight and value of the goods and is only given if the transporter was unable to evade responsibility.

The insurance invoice is required for customs clearance only when the relevant data do not appear in the commercial invoice indicating the premium paid for insuring the merchandise.

The standard extent of the transporter's responsibility is laid down in the following international conventions:
1. **Road freight**

International transport of goods by road is governed by the *Convention for the Contract of the International Carriage of Goods by Road* (CMR Convention) signed in Geneva in 1956.

Under this Convention, the road haulier is not responsible for losses of or damages to the goods if he proves that they arise from:

- the merchandise's own defect(s);
- force majeure;
- a fault by the loader or consignee.

There is no European Union's regulation regarding indemnifications for road freight.

2. **The rail carrier**

International transport of goods by rail is regulated by the *Convention concerning Intercarriage by Rail* (CIM Convention), signed in Bern in 1980.

The rail carrier is not responsible for losses of or damages to the goods if he proves that they arise from:

- the merchandise's own defect(s);
- force majeure;
- a fault by the loader or consignee.

With reference to compensation, there is currently no European regulation. Indemnification is normally limited to a maximum amount per gross kilo lost or damaged. This system means that, for the most part, the company is unlikely to receive anything approaching the value of its goods.

3. **The shipping company**

The 1968 *International Convention on Bill of Lading*, better known as "The Hague Rules" or the "Brussels Convention" dictates the marine carrier's responsibilities when transporting international goods.

The shipping company is not responsible for losses of, or damage to, the goods if it proves that they arise from:

- the merchandise's own defects and loss in weight during transport;
- a nautical mistake by the crew;
- a fire;
- if the ship is not seaworthy;
• force majeure;
• strikes or a lock-out;
• a mistake by the loader;
• hidden defects on board ship, which went unnoticed during rigorous inspection;
• an attempt to save lives or goods at sea.

As far as compensation is concerned, there is currently no harmonisation at the European Union level. It is normally limited to a certain sum per kilogram of lost or damaged goods. This system causes the same problems as with rail accidents, the exporter is likely to lose much of the value of the goods.

4. The air carrier

The 1929 Warsaw Convention as well as the Montreal draft Treaty of 1975 determine that the air carrier is not responsible for damages or loss of goods if it is proved that:

• the carrier and associates took all the measures necessary to avoid the damage or that it was impossible for them to be taken (force majeure);
• the losses arise from a pilotage or navigation mistake;
• the injured party was the cause of the damage or contributed to it.

Concerning the injured party's indemnification, there is no European standard. Compensation is normally limited to a set amount per gross kilogram of damaged or lost goods.

The air carrier can state specific reservations at the time of receiving the cargo. These reservations will be written on the air consignment note (ACN) (air transport contract) and will be used as evidence. However, airlines will normally refuse dubious packages or those not corresponding to the ACN.

4) Customs Import Declaration (SAD)

All goods imported into the European Union (EU) must be declared to the customs authorities of the respective Member State using the Single Administrative Document (SAD)\(^25\), which is the common import declaration form for all the Member States, laid down in the Community Customs Code (Regulation (EEC) 2913/92.

The declaration must be drawn up in one of the official languages of the EU which is acceptable to the customs authorities of the Member State where the formalities are carried out.

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\(^{25}\) See annexes
The SAD may be presented either by:

- Using an approved computerised system linked to Customs authorities; or
- Lodging it with the designated Customs Office premises.

The main information that shall be declared is:

- Identifying data of the parties involved in the operation (importer, exporter, representative,....)
- Custom approved treatment (release for free circulation, release for consumption, temporary importation, transit,....)
- Identifying data of the goods (Taric code, weight, units), location and packaging
- Information referred to the means of transport
- Data about country of origin, country of export and destination
- Commercial and financial information (Incoterm, invoice value, invoice currency, exchange rate, insurance...)
- List of documents associated to the SAD (Import licenses, inspection certificates, document of origin, transport document, commercial invoice...)
- Declaration and method of payment of import taxes (tariff duties, VAT, Excises, etc)

The SAD set consists of eight copies, the operator completes all or part of the sheets depending on the type of operation.

In the case of importation generally three copies shall be used: one is to be retained by the authorities of the Member State in which arrival formalities are completed, other is used for statistical purposes by the Member State of destination and the last one is returned to the consignee after being stamped by the customs authority.

**Documents associated to the SAD**

According to the operation and the nature of the imported goods, additional documents shall be declared with the SAD and shall be presented together with it. The most important documents are:

- Documentary proof of origin, normally used to apply a tariff preferential treatment
- Certificate confirming the special nature of the product
- Transport Document
- Commercial Invoice
- Customs Value Declaration
- Inspections Certificates (Health, Veterinary, Plant Health certificates)
- Import Licenses
- Community Surveillance Document
- Cites Certificate
Documents to support a claim of a tariff quota
Documents required for Excises purposes
Evidence to support a claim to VAT relief

5) Freight documents

Depending on the means of transport used, the following documents are to be filled in and presented to the customs authorities of the importing European Union (EU) Member State (MS) upon importation in order for the goods to be cleared:

- Bill of Lading
- FIATA Bill of Lading
- Road Waybill (CMR)
- Air Waybill (AWB)
- Rail Waybill (CIM)
- ATA Carnet
- TIR Carnet

**Bill of Lading**

The Bill of Lading (B/L) is a document issued by the shipping company to the operating shipper which acknowledges that the goods have been received on board serving as proof of receipt of the goods by the carrier obliging him to deliver the goods to the consignee. It contains the details of the goods, vessel and port of destination. It evidences the contract of carriage and conveys title to the goods, meaning that the bearer of the Bill of Lading is the owner of the goods.

The Bill of Lading may be a negotiable document. A number of different types of bills of lading can be used. "Clean Bills of Lading" state that the goods have been received in an apparent good order and condition. "Unclean or Dirty Bills of Lading" indicate that the goods are damaged or in bad order, in this case, the financing bank may refuse to accept the consignor's documents.

**FIATA Bill of Lading**

The FIATA Bill of Lading is a document designed to be used as a multimodal or combined transport document with negotiable status which has been developed by the International Federation of Forwarding Agents' Associations (FIATA).

**Road Waybill (CMR)**

The road waybill is a document containing the details of the international transportation of goods by road, set out by the Convention for the Contract of the International Carriage of Goods by Road 1956 (the CMR Convention). It
enables the consignor to have the goods at his disposal during the transportation. It must be issued in quadruplicate and signed by the consignor and the carrier. The first copy is intended for the consignor; the second remains in the possession of the carrier; and the third accompanies the goods and is delivered to the consignee. Usually, a CMR is issued for each vehicle.

The CMR note is not a document of title and is non-negotiable.

**Air Waybill (AWB)**

The air waybill is a document proving the transport contract between the consignor and the carrier's company. It is issued by the carrier's agent and falls under the provisions of the *Warsaw Convention*. A single air waybill may be used for multiple shipment of goods, it contains three originals and several extra copies. One original is kept by each of the parties involved in the transport (the consignor, the consignee and the carrier). The copies may be required at the airport of departure/destination, for the delivery and in some cases, for further freight carriers. The air waybill is a freight bill which evidences a contract of carriage and proves receipt of goods.

The **IATA Standard Air Waybill** is used by all carriers belonging to the *International Air Transport Association* (IATA) and it embodies standard conditions associated to those set out in the Warsaw Convention.

**Rail Waybill (CIM)**

The rail waybill (CIM) is a document required for the transportation of goods by rail. It is regulated by the *Convention concerning International Carriage by Rail 1980* (COTIF-CIM). The CIM is issued by the carrier in five copies, the original accompanies the goods and the duplicate of the original is kept by the consignor and the three remaining copies are intended for internal purposes of the carrier. It is considered the rail transport contract.

**ATA Carnet**

ATA carnets are international customs documents issued by chambers of commerce in most major countries throughout the world for the purpose of allowing the temporary importation of goods, free of customs duties and taxes. ATA carnets can be issued for the following categories of goods: commercial samples and advertising film, goods for international exhibition and professional equipment.26

**TIR Carnet**

TIR carnets are customs transit documents used for the international transport of goods a part of which has to be made by road. They allow the

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26 [Further information may be obtained in the International Chamber of Commerce's website: http://www.iccwbo.org/index_ata.asp](http://www.iccwbo.org/index_ata.asp)
transport of goods under a procedure called the TIR procedure, laid down in the 1975 TIR Convention, signed under the auspices of the United Nations Economic Commission for Europe (UNECE)\textsuperscript{27}

The TIR system requires that the goods travel in secure vehicles or containers, all duties and taxes at risk throughout the journey are covered by an internationally valid guarantee, the goods are accompanied by a TIR carnnet, and customs control measures in the country of departure are accepted by the countries of transit and destination.

6) Packing list

The packing list (P/L) is a commercial document accompanying the commercial invoice and the transport documents, and providing information on the imported items and the packaging details of each shipment (weight, dimensions, handling issues, etc.). It is required for customs clearance as an inventory of the incoming cargo.

The data generally included are:

- Information on the exporter, the importer and the transport company
- Date of issue
- Number of the freight invoice
- Type of packaging (drum, crate, carton, box, barrel, bag, etc.)
- Number of packages
- Content of each package (description of the goods and number of items per package)
- Marks and numbers
- Net weight, gross weight and measurement of the packages

No specific form is required. The packing list is to be prepared by the exporter according to standard business practice and it must be submitted in the original along with at least one copy. It generally needs not be signed. However, in practice, the original and the copy of the packing list are often signed. The packing list may be prepared in any language. However, a translation into English is recommended.

\textsuperscript{27} Website; http://www.unece.org/trans/bcf/tir/welcome.html.
6.11 Import modalities or regimes involved in the process

There are various customs regimes available for the import of goods to the Czech Republic, depending on the type of goods and the purpose of their use.

Free circulation

Goods released for free circulation are subject to the applicable customs duty rate and import VAT. Once released to free circulation, goods are considered as Community goods for VAT purposes, i.e., their further sale is subject to VAT provisions.

Customs free zones

For certain transactions, import to a customs free zone is advantageous, as no customs duty or import VAT is payable at the time of transfer to a customs free zone.

A customs free zone is a precisely determined area within the country that is not considered part of the Czech Republic for VAT purposes. Import from abroad to a customs free zone is not considered as an import to free circulation and is therefore not subject to Czech customs duty or VAT. Czech goods exported to a customs free zone are considered as exported, and therefore no VAT applies (zero-rated).

A customs free zone can be operated by a Czech business entity under the conditions stipulated in the Customs Code. A special license to operate a customs free zone is required, and only a few zones have been licensed. It is unusual for a license to operate a customs free zone to be granted solely for the internal use of the licensee. Customs free zones are generally operated by companies that provide the services of the zone to other business entities. Customs free zones are operated in Prague, Ostrava, Hradec Králové, and Pardubice.

Customs free zones are used primarily for warehousing, sales operations, and to carry out simple manufacturing operations or packaging.

Customs bonded warehouse

The Czech Customs Code also allows goods to be imported from abroad without customs duty or VAT to a customs bonded warehouse in a number of ways. Non-EU goods imported to a customs bonded warehouse are subject to customs duty and import VAT if the goods are released into free circulation in the Czech Republic.
There is generally no limit to the length of time in which goods can remain in a customs bonded warehouse; however, in certain cases, the Customs Office may state that goods can remain only for a specified time, after which they must be classified under another customs regime.

The transfer of ownership to goods in a customs bonded warehouse is possible only in a public bonded warehouse. Any transfer of ownership must be announced to the Customs Office without delay and supported with appropriate documentation.

On import to a customs bonded warehouse, the importer must provide the Customs Office with a guarantee for the customs debt, i.e., the amount of customs duty and VAT that would apply under free circulation.

Transit regime

In general, goods under customs control are transported under the transit regime. Transport of such goods between EU customs offices takes place under the Community Transit regime (either external or internal). Transport of such goods from the Czech Republic to Ireland, Iceland, Norway, and Switzerland takes place under a Common Transit document. The transit regime ends when the goods reach the Customs Office and the import regime is declared. During the transit regime, the customs debt must be guaranteed.

6.12 Requirements for import of samples and accompanied luggage

The requirements for the import of samples are the same as for the general import of confectionery and milling products, because they are perishable and consumable goods.28

6.13 Website links to rules and regulations

- The quotas page of EU
- The page of TARIC – duty rates can be calculated here
- Regulation (CE) 178/2002
- EU legislation on protective measures

28 Source: Dutch Customs Office

Proexport Colombia
6.14 Flow chart of the process and related costs

Figure 6.14.1 Flow chart of the process and related costs\(^{29}\)

Source: Calculation by EUNITE BV

\(^{29}\) All the exact prices are available on request at the customs agencies – see the contacts in Chapter 7.
In general, only EU entities can clear goods for customs in the Czech Republic. Non-EU entities can carry out customs proceedings only on goods under the transit regime or under temporary admission. In other cases, foreign entities can clear goods for Czech customs only in exceptional cases with the permission of the Customs Office.

A foreign company exporting to the Czech Republic and wishing to import into the country must either establish a Czech subsidiary to handle importation or engage a customs agent to handle customs proceedings. It is usual practice that the Czech purchaser of imported goods will handle the customs proceedings.

When imported goods reach the EU border, they are released to the transit regime. The customs debt (all import duties that would apply on import under free circulation) must be secured with a customs guarantee at this time. The goods must then be transported to the inland Customs Office of final destination without delay. Here the goods are declared for the chosen customs regime based on the customs declaration filed by the importer (or his customs agent). The final customs debt assessed by the Customs Office is either paid or guaranteed, depending on the import regime and the conditions negotiated with the Customs Office.

If import duties are properly paid (or the customs debt is secured), the Customs Office issues a confirmed customs declaration, which serves as a VAT document for the reclaiming of import VAT. In general, import VAT is applied on the total declared customs value of imported goods and the applicable amount of customs duty and any other charges levied by the Customs Office (e.g., excise duty).

From 1st January 2005, importers can reclaim the amount of import VAT paid, by including the amount in their regular VAT returns, provided the importer is registered for Czech VAT.

VAT rates are the same as for domestic products, currently 19% or 5%. Importers registered for Czech VAT can normally recover import VAT costs, provided a valid customs declaration (tax document) is obtained from the Customs Office.
Table 6.14.2 VAT rates for confectionery and milling products

<table>
<thead>
<tr>
<th>Groups of Goods according TARIC</th>
<th>VAT rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 – Sugar confectionery</td>
<td>19%</td>
</tr>
<tr>
<td>18 – Chocolade and other food preparations</td>
<td>19%</td>
</tr>
<tr>
<td>19 – Mill products</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Czech Ministry of Finance

6.15 Recommendations

To get a general orientation of all principles and ordinances required is quite complicated when getting started. As a company wanting to export to the Czech Republic it is very important to know which TARIC number applies to the goods that are being exported. By tracking this number in the EU pages it is possible to determine the exact tariffs and quotas that will apply to those products. After all this information is gathered, the procedure to get the correct approvals and to obtain the correct technical standards can begin.

When the price indication of the goods and all the correct certification are present (and, of course, the Certificate of origin), the recommended easiest way to start the import activity is begin to cooperate with some of the wholesalers in Czech Republic. They usually take care of all the import procedures and help you to recover the VAT.
7. Physical Access

7.1 Available transportation infrastructure

There are four ways of transport in the Czech Republic:
- Road transport
- Rail transport
- Air transport
- Water (river) transport

In freight transport the development trend did not show any unforeseeable changes in 2003 in terms of carried goods, freight transport performance has again increased. A marked rise is to be seen in air transport.

As regards freight transport, the growth of transport performance in 2003 amounted to 2.5% in total and the increase in transport volume was still higher, i.e. 4.5%. The growth has been recorded in all transport modes except inland waterway transport where the transport performance fell by 13% and the transport volume even by 24%. The largest growth has been recorded by air cargo, where the transport performance increased by more than 30%. After two years, the carriage by rail went up slightly again: the volume by 1.4% and the performance by 0.23%. The permanent road freight transport increase showed a slight downtrend in 2003, the volume of goods carried decreased by 5.7% and the performance increased by 3.3% “only”. The transport performance declined only in the 1st quarter, while the transport volume declined in all quarters as against 2002.

Figure 7.1.1 Road Transport Infrastructure (Km)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total road / motorways network</strong></td>
<td>55 500</td>
<td>55 432</td>
<td>55 408</td>
<td>5 427</td>
<td>5 422</td>
<td>55 447</td>
</tr>
<tr>
<td>of which European road network, type E</td>
<td>2 655</td>
<td>2 655</td>
<td>2 644</td>
<td>2 637</td>
<td>2 599</td>
<td>2 599</td>
</tr>
<tr>
<td><strong>Motorways in operation</strong></td>
<td>414</td>
<td>499</td>
<td>499</td>
<td>517</td>
<td>518</td>
<td>518</td>
</tr>
<tr>
<td><strong>Expressways</strong>&lt;sup&gt;30&lt;/sup&gt;</td>
<td>*</td>
<td>*</td>
<td>299</td>
<td>300</td>
<td>305</td>
<td>320</td>
</tr>
<tr>
<td><strong>Other roads</strong>&lt;sup&gt;31&lt;/sup&gt;</td>
<td>55 086</td>
<td>54 933</td>
<td>54 909</td>
<td>4 910</td>
<td>4 904</td>
<td>54 929</td>
</tr>
<tr>
<td>of which I. Class roads</td>
<td>6 459</td>
<td>6 005</td>
<td>6 031</td>
<td>6 091</td>
<td>6 102</td>
<td>6 121</td>
</tr>
<tr>
<td>II. Class roads</td>
<td>14 273</td>
<td>14 686</td>
<td>14 688</td>
<td>4 636</td>
<td>4 668</td>
<td>14 667</td>
</tr>
<tr>
<td>III. Class roads</td>
<td>34 354</td>
<td>34 242</td>
<td>34 190</td>
<td>4 183</td>
<td>4 134</td>
<td>34 141</td>
</tr>
<tr>
<td><strong>Local roads</strong></td>
<td>66 449</td>
<td>72 300</td>
<td>72 300</td>
<td>2 300</td>
<td>2 300</td>
<td>72 300</td>
</tr>
</tbody>
</table>

Source: RSD, ČSU

<sup>30</sup> Length of expressways is included in the length of I. Class roads
<sup>31</sup> In 1997 the renumbering of I, II and III class roads was carried out
Figure 7.1.2 Air Transport Infrastructure

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of airports</td>
<td>73</td>
<td>84</td>
<td>86</td>
<td>85</td>
<td>85</td>
<td>87</td>
</tr>
<tr>
<td>of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public International Airport</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>12</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>Public Domestic Airport</td>
<td>58</td>
<td>59</td>
<td>57</td>
<td>57</td>
<td>56</td>
<td>59</td>
</tr>
<tr>
<td>Private International Airport</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Private Domestic Airport</td>
<td>3</td>
<td>11</td>
<td>11</td>
<td>10</td>
<td>9</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: Ministry of transport of the Czech Republic – Transport yearbook (www.mdr.cz)

Figure 7.1.3 Combined Transport Infrastructure

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of combined transport transshipment points</td>
<td>23</td>
<td>14</td>
<td>14</td>
<td>13</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>according to types of combined transport</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>rail – road</td>
<td>19</td>
<td>10</td>
<td>10</td>
<td>9</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>rail - road – water</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>according to possibility of handling with loading units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>large containers</td>
<td>22</td>
<td>13</td>
<td>13</td>
<td>12</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>swap bodies</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Ro-La</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>by maximum capacity of handling equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>less than 34 tonnes</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>over 34 tonnes</td>
<td>12</td>
<td>13</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Ministry of transport of the Czech Republic – Transport yearbook (www.mdr.cz)

7.2 Identification of ports, airports, roads – border passes – railways, waterways

Figure 7.2.12 Distances from the most important places in the Netherlands to Prague.

<table>
<thead>
<tr>
<th>Place</th>
<th>Country</th>
<th>Distance to Prague (km)</th>
<th>Driving time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amsterdam</td>
<td>The Netherlands</td>
<td>884</td>
<td>8 h. 48 min.</td>
</tr>
<tr>
<td>Rotterdam</td>
<td>The Netherlands</td>
<td>913</td>
<td>9 h. 09 min.</td>
</tr>
</tbody>
</table>

Below a map is displayed showing the road from Amsterdam to Prague (the center of distribution within the Czech Republic).
Figure 7.2.2 Route Amsterdam – Prague
Figure 7.2.3 Czech road and motorway network

Motorways

Planned motorways

Expressways

Planned expressways

Source: www.rsd.cz

Main airports in the Czech Republic:

Brno-Turany Airport (BRQ/LKTB),
Tel: +420 5 4552 1111, (Handling) +420 5 4552 1310-12
Fax: (Admin) +420 5 4521 6357, (Handling) +420 5 4521 6346
e-mail: commercial.dept@airport-brno.cz or handling@airport-brno.cz,
Website: www.airport-brno.cz

Karlovy Vary Airport (KLV/LKKV)
Tel: +420 353 360611, +420 353 360610
Fax: +420 353 360636, +420 353 360637
e-mail: vaclav.cerny@airport-k-vary.cz or handling@airport-k-vary.cz

98 Proexport Colombia
Letiste Ostrava as (OSR/LKMT)
Tel: +420 597 471 136
Fax: +420 597 471 118
e-mail: hanicinec@airport-ostrava.cz
Website: www.airport-ostrava.cz

Ostrava Int’l Airport (OSR/LKMT)
Tel: +420 59 747 1136
Fax: +420 59 747 1123
e-mail: handling@airport-ostrava.cz
Website: www.airport-ostrava.cz

Pardubice Int’l Airport (PED/LKPD)
Tel: (Airport Director) +420 46 631 0155, (Handling) +420 46 631 0115,
(Commercial Director) +420 46 631 0150
Fax: +420 46 631 0166
e-mail: eba@airport-pardubice.cz
Website: www.airport-pardubice.cz

Uherské Hradiste - Kunovice Airport (UHE/LKKU)
Tel: +420 572 817600
Fax: +420 575 759789
e-mail: airport@let.cz

Vodochody Airport (LKVO)
Tel: +420 2 8603 2615
Fax: +420 2 2747 3216
e-mail: vl@aero.cz or ats.lkro@aero.cz
Website: www.aero.cz
Figure 7.2.4 Czech airports
Figure 7.2.5 Czech railway network
Figure 7.2.6 Map of water ways in Western Europe (including Czech Republic)
It is not convenient to use water ways in the Czech Republic for transport of confectionery and milling products, it is used just for transport of heavy materials such as metals, big pieces of wood, cars, sand, stones, coal, oops.

Once imported to Czech Republic most of the freight forwarders have their own storehouses or unload the freight at a wholesaler’s storehouse. Most of these are located around Prague.

7.3 Description of status, operation, security, costs, distances, transportation arrangements and intercommunity customs

The European competitors mainly use roads and rails to transport their goods. The transportation infrastructure is below the level of the Western countries, however still reliable and secure.

Shipping costs of one container of confectionery and milling from Rotterdam (Netherlands) to Prague per rail and road:

<table>
<thead>
<tr>
<th></th>
<th>20´ DC</th>
<th>40´ DC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 16.5 t</td>
<td>720 Euro</td>
<td>800 Euro</td>
</tr>
<tr>
<td>Up to 22 t</td>
<td>950 Euro</td>
<td>960 Euro</td>
</tr>
<tr>
<td>Up to 25 t</td>
<td>960 Euro</td>
<td>1140 Euro</td>
</tr>
</tbody>
</table>

Another very popular and cheap way for importers is via the port of Hamburg:

<table>
<thead>
<tr>
<th></th>
<th>20´ DC</th>
<th>40´ DC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 14 t</td>
<td>370 Euro</td>
<td>410 Euro</td>
</tr>
<tr>
<td>Up to 25 t</td>
<td>530 Euro</td>
<td></td>
</tr>
</tbody>
</table>

These are just the shipping cost and all the other costs are excluded.

Prices of transportation within Europe by road depend on the offer made by a transporting company. It is quite difficult to obtain a price indication from any of these companies, when quantity, distance, requirements cannot be specifically given. Competition in the transport world after the accession of the new member states has been murdering and therefore prices and rates are guarded as company secrets to protect them from exposure to competing companies.

However we have obtained an example of prices provided to us by Read S.r.o.;

<table>
<thead>
<tr>
<th></th>
<th>Up to € 165.56</th>
<th>Up to € 231.79</th>
<th>€ 231.79 - € 330.91</th>
<th>€ 330.91 - € 827.27</th>
<th>€ 827.27 – € 1158.17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 5Kg</td>
<td>€ 4.14</td>
<td>€ 4.96</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>5 – 10 Kg</td>
<td>€ 6.45</td>
<td>€ 7.61</td>
<td>Free of charge</td>
<td>Free of charge</td>
<td>Free of charge</td>
</tr>
<tr>
<td>10 – 15Kg</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>€ 8.27</td>
<td>€ 9.93</td>
</tr>
</tbody>
</table>

Source: Read S.r.o.

Proexport Colombia
Some less vital, but detailed costs are given below, to provide an alternative form of price indication:

**Figure 7.5.2 Detailed costs of storage and handling**

<table>
<thead>
<tr>
<th><strong>The storage in a general warehouse</strong></th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>The storage</td>
<td>€ 0,23 / m² / day</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>The storage in a public bonded warehouse</strong></th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>The storage</td>
<td>€ 0,30 / m² / day</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>The penalty storage in an international groupage service</strong></th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>The storage for 0 - 5th day</td>
<td>free</td>
</tr>
<tr>
<td>The storage for 6 - 10th day</td>
<td>€ 0,33 / 100kg / day</td>
</tr>
<tr>
<td>The storage for 11 - next day</td>
<td>€ 1,00 / 100kg / day</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>The handling</strong></th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>The unloading of palletized goods from a road vehicle</td>
<td>€ 0,66 / 100kg</td>
</tr>
<tr>
<td>The unloading of non-palletized goods from a road vehicle</td>
<td>€ 0,82 / 100kg</td>
</tr>
<tr>
<td>The unloading of palletized goods from a rail wagon</td>
<td>€ 0,49 / 100kg</td>
</tr>
<tr>
<td>The unloading of non-palletized goods from a rail wagon</td>
<td>€ 0,66 / 100kg</td>
</tr>
<tr>
<td>The loading of palletized goods from a road vehicle</td>
<td>€ 0,66 / 100kg</td>
</tr>
<tr>
<td>The loading of non-palletized goods from a road vehicle</td>
<td>€ 0,82 / 100kg</td>
</tr>
<tr>
<td>The loading of palletized goods from a rail wagon</td>
<td>€ 0,49 / 100kg</td>
</tr>
<tr>
<td>The loading of non-palletized goods from rail wagon</td>
<td>€ 0,66 / 100kg</td>
</tr>
</tbody>
</table>

*Source: Setto CZ s.r.o.*

**7.4 Identification of other handling / distribution infrastructure**

The freight forwarders have their own storehouses, most of the storehouses below belong to a forwarding company. Below a list of storage, logistic and custom service providers is showed.

- [www.whitetrans.cz](http://www.whitetrans.cz),
- [www.arvato-services.cz](http://www.arvato-services.cz),
- [www.ctj.cz](http://www.ctj.cz),
- [www.esa.cz](http://www.esa.cz),
- [www.weisslogistics.cz](http://www.weisslogistics.cz),

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Most of the Storehouses and Customs warehouses are located around Prague as already mentioned. The list shows all the customs warehouse providers:

- http://www.cess.cz
- www.adico.cz
- www.goldservice.cz/
- www.icstransport.cz
- www.jubel.cz
- www.sv-stock.cz
- www.servant.cz
- www.a-1.cz
- www.gerlach.cz
- www.cantoncs.cz
- www.expeditors.comr-c-d.cz
- www.merx.cz/st-stakon.com
- www.vcs.cz

7.5 Identification of carriers that transport goods imported from Colombia

There is an Association of forwarding and logistics in the Czech Republic. Big transport companies are members of the association. They could be potential transporters of goods from Colombia. A list of members of this association is divided according to symbols for services provided by the members. Services provided by individual members are indicated by following letters. When transporting goods from the big Dutch harbours to the Czech Republic, it will always be cheaper to use a Czech over a Dutch transporting company.
Figure 7.5.1 Members of the Association of forwarding and logistics in CZ

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Company Name</th>
<th>Address</th>
<th>Region</th>
<th>Contact Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Full load shipments by road</td>
<td>Argo Bohemia s.r.o.</td>
<td>Nádražní 365, 356 94 Sokolov</td>
<td>Western Bohemia</td>
<td>tel: ++420 352 605 970 (Plzeň 377 446 514, 377 444 268)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>fax: ++420 352 605 969 (Plzeň 377 445 171)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>e-mail: <a href="mailto:iva.dvorakova@afgholding.cz">iva.dvorakova@afgholding.cz</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><a href="http://www.afgholding.cz">www.afgholding.cz</a></td>
</tr>
<tr>
<td>B. Full load shipments by rail</td>
<td>Argo Internationale Spedition, s.r.o.</td>
<td>U vlečky 2, 617 00 Brno</td>
<td>Southern Moravia</td>
<td>tel: ++420 545 425 921, 545 425 911</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>fax: ++420 545 425 919</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>e-mail: <a href="mailto:randysek@afgholding.cz">randysek@afgholding.cz</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><a href="http://www.afgholding.cz">www.afgholding.cz</a></td>
</tr>
<tr>
<td>C. Consolidated service by road</td>
<td>ARGO TRANS s.r.o.</td>
<td>Sokolská 33, 772 00 Olomouc</td>
<td>Northern Moravia</td>
<td>tel: ++420 585 209 010, -11, -13, -14, -15</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>fax: ++420 585 209 012, 585 209 017</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>e-mail: <a href="mailto:roman.spacek@argotrans.cz">roman.spacek@argotrans.cz</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><a href="http://www.afgholding.cz">www.afgholding.cz</a></td>
</tr>
<tr>
<td>D. Consolidated service by rail</td>
<td>DFDS Transport a.s.</td>
<td>K Vypichu 1119</td>
<td>Prague and Central</td>
<td>tel: ++420 311 331 444, 311 331 461</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Komerční centrum</td>
<td></td>
<td>fax: ++420 311 331 440</td>
</tr>
<tr>
<td></td>
<td></td>
<td>252 19 Rudná u Prahy</td>
<td></td>
<td>e-mail: <a href="mailto:jekl@dfdstransport.cz">jekl@dfdstransport.cz</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><a href="http://www.dfdstransport.cz">www.dfdstransport.cz</a></td>
</tr>
</tbody>
</table>

Main orientation: A, B, E, F, G, H, J, K
### Confectionery and milling in the Czech Republic

#### Bohemia

**Main orientation:** A, B, C, E, F, G, H, I, J, K

<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
<th>Region</th>
<th>Orientation</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gebrüder Weiss spol. s r.o.</strong></td>
<td>Terminál MENZIES</td>
<td>Prague and Central Bohemia</td>
<td>A, B, C, E, F, G, H, I, J, K, L, M</td>
<td>Weiss next Day - Inter System</td>
</tr>
<tr>
<td><strong>GYP LOGISTICS, s.r.o.</strong></td>
<td>Příkop 838/6</td>
<td>Southern Moravia</td>
<td>A, B, C, E, F, H, I, J, K, L</td>
<td></td>
</tr>
<tr>
<td><strong>HANSEATIC TRANSPORT s.r.o.</strong></td>
<td>Vršovická 9</td>
<td>Prague and Central Bohemia</td>
<td>A, B, C, D, E, F, G, H, I, J, K, M</td>
<td></td>
</tr>
<tr>
<td><strong>HILTRANS spol. s r.o.</strong></td>
<td>Peroutkova 1778/55</td>
<td>Prague and Central Bohemia</td>
<td>A, B, E, F, G, H, K</td>
<td></td>
</tr>
<tr>
<td><strong>Kühne &amp; Nagel s.r.o.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Proexport Colombia**
### Market Researches in Eastern Europe

<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
<th>Region</th>
<th>Contact Details</th>
</tr>
</thead>
</table>
| Pekařská 4                   | 155 00 Praha 5                               | Prague and Central Bohemia    | **fax:** +420 257 090 099  
**e-mail:** pavel.sepakj@kuehne-nagel.com  
www.kuehne-nagel.com |
| Lagermax spedice a logistika | s.r.o.                                        | Prague and Central Bohemia    | **tel:** +420 220 196 111  
**fax:** +420 220 196 196  
**e-mail:** drusped@lagermax.cz  
www.lagermax.cz |
| MaM Militzer a Münch CS, s.r.o.| 25101 Modletice 98                           | Prague and Central Bohemia    | **tel:** +420 220 113 350, 220 113 984  
**fax:** +420 220 113 378  
**e-mail:** martin_motl@mumnet.cz  
www.militzer.com |
| Mitsui - Soko (Europe) B.V.  | Pražská 180                                  | Prague and Central Bohemia    | **tel:** +420 296 503 214  
**fax:** +420 296 503 201  
**e-mail:** lubos@mitsui-soko.cz  
www.mitsui-soko.cz |
| NHN s.r.o.                    | Kateřínská 13                                | Northern Moravia              | **tel:** +420 585 571 125 / 137 / 111 / 121  
**fax:** +420 585 571 110 / 120 / 130  
**e-mail:** mail@nhn.cz, daniel.krusoft@nhn.cz, jana.maholiakova@nhn.cz  
www.nhn.cz |
| O.T.E.C. CR, s.r.o.           | Logistic Park Tulipán                        | Prague and Central Bohemia    | **tel:** +420 235 001 113, 602 658 258  
**fax:** +420 311 330 333 / 444 / 666  
**e-mail:** otec@otec.cz  
www.otec.cz |

**Main orientation:** A, B, C, E, F, H, I, J, K  
**Special services:** 3PL, JIT
<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
<th>Region</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>SETTO CZ, s.r.o.</td>
<td>Jana Želivského 2, 130 00 Praha 3</td>
<td>Prague and Central Bohemia</td>
<td>tel: +420 222 802 111, fax: +420 222 729 905, e-mail: <a href="mailto:setto@setto.cz">setto@setto.cz</a>, <a href="http://www.setto.cz">www.setto.cz</a></td>
</tr>
<tr>
<td>Main orientation: A, B, C, D, E, F, H, I, J, K</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRANS-SPED-CONSULT spol. s r.o.</td>
<td>Lukavecká 1, 410 02 Lovosice</td>
<td>Northern Bohemia</td>
<td>tel: +420 416 532 340 / 234, 602 623 107, fax: +420 416 533 329, 416 532 902, e-mail: <a href="mailto:jan.zidka@telecom.cz">jan.zidka@telecom.cz</a></td>
</tr>
<tr>
<td>Main orientation: A, B, E, F, G, H, I, J, K, M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Welz Internationale Spedition s.r.o.</td>
<td>U silnice 949, 161 00 Praha 6</td>
<td>Prague and Central Bohemia</td>
<td>tel: +420 274 021 051, fax: +420 274 819 913, e-mail: <a href="mailto:spedition@welz.cz">spedition@welz.cz</a></td>
</tr>
<tr>
<td>ZOOM CARGO s.r.o.</td>
<td>Jugoslávských partyzánu 23, 160 00 Praha 6</td>
<td>Prague and Central Bohemia</td>
<td>tel: +420 233 321 777, fax: +420 233 321 770, e-mail: <a href="mailto:info@zoom-cargo.com">info@zoom-cargo.com</a>, <a href="http://www.zoom-cargo.com">www.zoom-cargo.com</a></td>
</tr>
<tr>
<td>Main orientation: A, B, C, E, F, H, K</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 7.6 Alternatives of transport and carriers providing services from Colombia

Figure 7.6.1 Carrier aircrafts from Bogota (Colombia) to Prague (Czech Republic)

<table>
<thead>
<tr>
<th>Airlines</th>
<th>Frequency</th>
<th>Aircraft</th>
<th>Change of aircraft</th>
<th>Notes</th>
<th>Driving time</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIR FRANCE</td>
<td>MA, JU, VI, SA, DO</td>
<td>A-340-300</td>
<td>PAR</td>
<td>CAP. 2-5 TONS. Conexión en 24-48 horas.</td>
<td></td>
</tr>
<tr>
<td>ALITALIA</td>
<td>LU, MA, MI, JU, VI, SA, DO</td>
<td>MD - 80</td>
<td>MIL</td>
<td>CAP. 1,2 TONS. Tiempo de Transito Bogotá - Praga 60 horas.</td>
<td></td>
</tr>
<tr>
<td>BRITISH AIRWAYS</td>
<td>LU, MA, MI, JU, VI, SA, DO</td>
<td>B-747-400</td>
<td>MIA</td>
<td>CAP. 25 TONS. Conexión en 14 - 22 horas. (Desde Londres conecta en un B-767 CAP. 15 TONS, con conexión a Praga en 3 horas). IMPORTANTE: A partir de febrero 6 opera a través de intermediarios.</td>
<td></td>
</tr>
<tr>
<td>CARGOLUX</td>
<td>Tue, Fri, Sun</td>
<td>B-747-400</td>
<td>Luxemburg</td>
<td>CAP. 60 - 120 Tons. Conexión to all European countries</td>
<td>24 – 60 hours</td>
</tr>
<tr>
<td>K.L.M. 32</td>
<td>Tue, Fri, Thu, Sat, Sun</td>
<td>B-737-300</td>
<td>Curacao</td>
<td>CAP. 300 Kg</td>
<td>60 hours</td>
</tr>
<tr>
<td>LUFTHANSA</td>
<td>MA, JU, VI, SA</td>
<td>B-727-200</td>
<td>CCS</td>
<td>CAP. 15 TONS. Tiempo de Transito Bogotá - Praga 72 - 96 horas.</td>
<td></td>
</tr>
<tr>
<td>MARTIN AIR</td>
<td>Mo, Wed, Fri, Sat, Sun</td>
<td>MD-11 B-747</td>
<td>Amsterdam</td>
<td>CAP. 60 - 80 Tons. From Amsterdam are goods transported by trucks to Prague</td>
<td>Bogota - Prague 96 hours</td>
</tr>
</tbody>
</table>

Source: www.proexport.com

---

32 Layover in Amsterdam

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➢ TAMPA - Transportes Aéreos Mercantiles Panamericanos S.A  
Address: Aeropuerto José María Córdova, Medellin, Colombia  
Tel: (57-4) 569-9200  
e-mail: information@tampacargo.com  
Fleet: DC-8F, Boeing 767F  
Activity: cargo to South America, USA

➢ Lineas Aereas Suramericanas S.A.  
Address: Av. El Dorado Entrada 2, Interior 7, Bogotá, Colombia  
Tel: (57-1) 413-8084  
Fax: (57-1) 413-9608  
e-mail: marthagutierrez@lascargo.com  
Fleet: Boeing 727, DC-9  
Activity: cargo domestic, Caribbean, Mexico, USA

➢ Aerolineas ATC S.A.  
Address: Terminal de Carga International, Bogota, AA81001, Colombia  
Tel: (57-1) 414-8070  
Fax: (57-1) 413-5431  
e-mail: atcgot@colomsat.net.co  
Fleet: Lockheed L1011F, DC-8  
Activity: cargo in South America, USA, Europe

7.7 Modes and systems of transport used for carrying merchanides from the main competing foreign countries.

<table>
<thead>
<tr>
<th>Country</th>
<th>Transport Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>Sea transport to the main European ports (see 7.2), than road transport to Czech Republic.</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Sea transport to the main European ports (see 7.2), than road transport to Czech Republic.</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Sea transport to the main European ports (see 7.2), than road transport to Czech Republic.</td>
</tr>
<tr>
<td>Italy</td>
<td>Road transport to Czech Republic</td>
</tr>
<tr>
<td>Poland</td>
<td>Road and rail transport to Czech Republic</td>
</tr>
</tbody>
</table>

For maps see section 7.2

7.8 International Freight or Transportation Costs

Information on this can be given by forwarders. Unfortunately they were not able to determine the price without knowing the exact amount of the freight. They are able to give all desired information on costs to potential customers within a week.
7.9 Other costs involved in international physical distribution

<table>
<thead>
<tr>
<th></th>
<th>Hamburg/Bremerhaven</th>
<th>Rotterdam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sluice fee</td>
<td>EUR 80</td>
<td>EUR 36-120</td>
</tr>
<tr>
<td>Container return</td>
<td>EUR 180-290/20´</td>
<td>EUR 430-509/20´</td>
</tr>
<tr>
<td></td>
<td>EUR 330-510/40´</td>
<td>EUR 690-840/40´</td>
</tr>
<tr>
<td>Drop off</td>
<td>EUR 100-330 cont.</td>
<td>EUR 100-330/cont.</td>
</tr>
<tr>
<td>THC in the port</td>
<td>EUR 170</td>
<td>EUR 170</td>
</tr>
<tr>
<td>+ the costs for processing the container approx. 100 Euro</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Custom storehouse storage – 0,5 EUR/m2 per day
Loading/Unloading – 0.3 EUR + VAT/ 100 Kg
Tariff costs – apr. 300 EUR
### 7.10 Physical distribution services address book

<table>
<thead>
<tr>
<th>Name</th>
<th>Contact</th>
<th>Phone</th>
<th>Email</th>
<th>Web page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Airlines</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Customs Storehouses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cess</td>
<td>Miroslav Förster</td>
<td>2227300000</td>
<td><a href="mailto:m.forster@cess.cz">m.forster@cess.cz</a></td>
<td><a href="http://www.cess.cz/">http://www.cess.cz/</a></td>
</tr>
<tr>
<td>Intercontinental Cargo Services</td>
<td>Miroslav Nipča</td>
<td>272700460</td>
<td><a href="mailto:mirek@icstransport.cz">mirek@icstransport.cz</a></td>
<td><a href="http://www.icstransport.cz/">http://www.icstransport.cz/</a></td>
</tr>
<tr>
<td>SV - Stock</td>
<td>Unknown</td>
<td>312686137</td>
<td><a href="mailto:sv-stock@sv-stock.cz">sv-stock@sv-stock.cz</a></td>
<td><a href="http://www.sv-stock.cz/">http://www.sv-stock.cz/</a></td>
</tr>
<tr>
<td><strong>Customs Agents</strong></td>
<td></td>
<td></td>
<td></td>
<td>These services are provided by the freight forwarders or custom Storehouses, see the section Surface carriers or Custom storehouses.</td>
</tr>
<tr>
<td>Authorized Banks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Insurance Companies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allianz</td>
<td>Milan Švarc</td>
<td>+42060266 1000</td>
<td><a href="mailto:milansvarc@volny.cz">milansvarc@volny.cz</a></td>
<td><a href="http://www.zastupci-allianz.cz/milan.svarc">www.zastupci-allianz.cz/milan.svarc</a></td>
</tr>
<tr>
<td><strong>Surface Carriers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maersk Agency sro.</td>
<td>Unknown</td>
<td>+420 257182300</td>
<td><a href="mailto:czesal@maersk.com">czesal@maersk.com</a></td>
<td><a href="http://www.maersksealand.com/czech">www.maersksealand.com/czech</a> republic</td>
</tr>
<tr>
<td>Schenker-BTL</td>
<td>Unknown</td>
<td>+42031171111, 501</td>
<td><a href="mailto:marketing@schenker.cz">marketing@schenker.cz</a></td>
<td><a href="http://www.schenker.cz/">http://www.schenker.cz/</a></td>
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<tr>
<td>Cetrans, a.s.</td>
<td>Jiří Šťastný</td>
<td>420-477 107 180</td>
<td><a href="mailto:jiri.stastny@cetrans.cz">jiri.stastny@cetrans.cz</a></td>
<td><a href="http://www.cetrans.cz">http://www.cetrans.cz</a></td>
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### Government Entities Involved in the Process

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<tr>
<th>Entity</th>
<th>Contact Information</th>
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<tr>
<td>Czech custom office</td>
<td>+420261331111 <a href="mailto:podatelna@cs.mfcr.cz">podatelna@cs.mfcr.cz</a></td>
</tr>
<tr>
<td>Free Zone Ostrava a.s.</td>
<td>069/6659536 Unknown Unknown</td>
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### Logistics Operators

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<tr>
<td>AFG Holding</td>
<td>Mgr. Jiří Kráčmar 585 209 011 <a href="mailto:argotrans@argotrans.cz">argotrans@argotrans.cz</a> <a href="http://www.argogroup.cz">www.argogroup.cz</a></td>
</tr>
<tr>
<td>Cechofracht</td>
<td>Unknown +420281004313 <a href="mailto:obchod.prah@cechofracht.cz">obchod.prah@cechofracht.cz</a> <a href="http://www.cechofracht.cz/">http://www.cechofracht.cz/</a></td>
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<tr>
<td>NH-Trans</td>
<td>Unknown +420-596279411 <a href="mailto:infoline@nh-trans.cz">infoline@nh-trans.cz</a> <a href="http://www.nh-trans.cz/">http://www.nh-trans.cz/</a></td>
</tr>
<tr>
<td>Danzas</td>
<td>Unknown +420 800103000 <a href="mailto:prginfo@dhl.com">prginfo@dhl.com</a> <a href="http://www.danzas.cz">www.danzas.cz</a></td>
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### Free Zones

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<td>Ing.Miroslav Laciok 069/6659536</td>
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</table>

**Source:** See internet pages in the table

### 7.11 Others

The freight forwarders provide full service; including paperwork, tariffing and storing. They communicate pretty fast, so once given an order they are able to present their offer within 2 days. In this offer, all information and prices are listed. All other information concerning particular cargo can be gained upon request by email.
8. **Recommendations to the exporter**

The Czech confectionery market can be characterized as relatively stable with limited future growth and dominated by strong international brands like Nestlé, Kraft foods, etc. To sell successfully new, non-European products within such market can seem very difficult. There are some recommended commercial strategies that should help to the exporter to penetrate the Czech confectionery market.

Generally there are two product strategies: to accommodate the products to the Czech taste and preferences (in the field of the most consumed products or the products with the biggest potential for the future growth, see paragraph 3.4) or to offer the novelties taking advantage of the gaps in the market (paragraph 5.1) – the second one involves large investments and good advertising strategy.

Although there is an apparent trend of buying higher quality products, the exporting company has to be aware of the pricing strategy; the Czech food market is still extremely price sensitive.

It is necessary to be very flexible in the offer and to accommodate the offer to the seasonal trends of consumption.

The accommodation of the products to the conservative Czech consumer who prefers domestic marks involves the implementation of Czech packaging.

Generally, there are a lot of ways to enter the Czech market; to establish an own subsidiary, to cooperate with a local independent food importer/wholesaler, to offer the production under the private label of a local partner etc. In any case, finding a reliable and capable partner on the market is essential.

In order to reach the biggest turnover it is necessary to enter the most powerful sales channel – large retail chains, but it is as well extremely difficult. Retailers have acquired a lot of power over their suppliers, imposing strict supply conditions, including special – unofficial - charges for adding new products on their product lists or for the placing the products in the shops as well as big pressure applied in the area of prices.

The possibility of the ensuring the production for big European retail chains within their own labels or the possibility to distribute not only in the Czech Republic would be very advantageous. It might be worthwhile for potential exporters to take the neighboring market of consumers in Slovakia into account as well, since it has similar consumer behaviour as well as almost identical language.
Another way of entering the market could be as a supplier for bakeries, sugar and chocolate confectioneries. There are many small confectioneries in the Czech Republic. The largest bakeries are focused on large retail chains and supermarkets as well as on operating their own network of sales outlets. Therefore Colombian exporters might also enter the Czech confectionary and milling market through bakeries and confectionaries.

It is strongly recommended to participate in or just visit the food trade fair in Cologne (Germany) to investigate the situation within the European confectionery market.
## Annexes

### Annex 1: Certificate of Origin Form A

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**EUROPEAN COMMUNITY**

**CERTIFICATE OF ORIGIN**

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<tr>
<th>Transport details (Optional)</th>
<th>Remarks (Space reserved for translation)</th>
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</table>

<table>
<thead>
<tr>
<th>Item number, marks, numbers, number and kind of packages, description of goods</th>
<th>Quantity</th>
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8. **The undersigned authority certifies that the goods described above originate in the country shown in box 3**

Place and date of issue, name, signature and stamp of competent authority

---

Proexport Colombia
## Annex 2: DV1 Form

**EUROPEAN COMMUNITY DECLARATION OF PARTICULARS RELATING TO CUSTOMS VALUE**

### 1. Name and address of seller (block letters)

### 2a. Name and address of buyer (block letters)

### 2b. Name and address of declarant (block letters)

### Important Note

By signing and lodging the declaration the declarant accepts responsibility for the accuracy and completeness of the particulars given on the form and an any continuation sheet lodged with it and the authenticity of any document produced in support. The declarant also accepts responsibility to supply any additional information or documents necessary to establish the customs value of the goods.

### 3. Terms of delivery

### 4. Number and date of invoice

### 5. Number and date of contract

### 6. Number and date of any previous Customs decision concerning boxes 7 to 9

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<thead>
<tr>
<th>Enter X where applicable</th>
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<tbody>
<tr>
<td>☐ YES ☐</td>
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</table>

7.(a) Are the buyer and seller RELATED in the sense of Article 143(1) of Regulation (EEC) No 2454/93?

- YES
- ☐
- ☐

8.(a) Are there any RESTRICTIONS as to the disposal or use of the goods by the buyer, other than restrictions which:

- are imposed or required by law or by the public authorities in the Community,
- limit the geographical area in which the goods may be resold, or
- do not substantially affect the value of the goods?

- YES
- ☐
- ☐

<table>
<thead>
<tr>
<th>Specify the nature of the restrictions, conditions or considerations as appropriate</th>
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</table>

If the value of conditions or considerations can be determined, indicate the amount in box 11(b).

### 8b. Are any ROYALTIES and LICENSE FEES related to the imported goods payable either directly or indirectly by the buyer as a condition of the sale?

- YES
- ☐

### 9. Is the sale subject to an arrangement under which part of the proceeds of any subsequent RESALE, DISPOSAL or USE accrues directly or indirectly to the seller?

- YES
- ☐

### Notes to Box 6:

1. PERSONS SHALL BE DEEMED TO BE RELATED ONLY IF:
   - They are officers or directors of one another's businesses;
   - They are legally recognised as business partners;
   - They are employees and/or shareholders of the same business;
   - Any person directly or indirectly owns, controls or holds 5% or more of the outstanding voting stock or shares of both of them;
   - Any one of them individually or collectively owns, controls or holds 5% or more of the outstanding voting stock or shares of the other;
   - Both of them individually or collectively control a third person;
   - Together they, directly or indirectly control a third person; or
   - They are members of the same family.

2. The fact that the buyer and the seller are related shall not constitute the use of a transaction value (see Article 26 (2) of Regulation (EEC) No 2913/82 and the interpretative notes on that provision in Annex 2).

### Table

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<tr>
<th>D.V. 1 BIS attached</th>
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<tbody>
<tr>
<td>Place:</td>
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<td>Date:</td>
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<td>Signature:</td>
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<tr>
<td>Item</td>
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</table>

A. Basis of calculation

11a. Net price in CURRENCY OF INVOICE (Price actually paid or price payable for settlement at the material time or valuation for customs purposes)

11b. Indirect payments

(see box 9b)

11c. Date of exchange: ________________

12. Total A in NATIONAL CURRENCY: ______________________

B. ADDITIONAL:

13. Costs incurred by the buyer:

(a) Commissions, except buying commissions

(b) Brokerage

(c) Containers and packing

14. Goods and services supplied by the buyer free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods:

The values shown represent an apportionment where appropriate:

(a) Materials, components, parts and similar items incorporated in the imported goods

(b) Tools, dies, moulds and similar items used in the production of the imported goods

(c) Materials consumed in the production of the imported goods

(d) Engineering, development, artwork, design work and plans and sketches undertaken elsewhere than in the Community and necessary in the production of the imported goods

15. Royalties and licence fees

16. Proceeds of any previous sales or of the sale to the seller

17. Costs of delivery to grace of introduction:

(a) Transport

(b) Loading and handling charges

(c) Insurance

18. Total B: ______________________

C. DEDUCTIONS:

19. Costs in NATIONAL CURRENCY INCLUDED in A above (*)

20. Charges for construction, erection, assembly, maintenance or technical assistance undertaken after importation

21. Other charges (specify)

22. Customs duties and taxes payable in the Community by reason of the importation or sale of the goods

23. Total C: ______________________

24. VALUE DECLARED (A - B - C): ______________________

(*) Where amounts are payable in FOREIGN CURRENCY, indicate in this section the amount in foreign currency and the rate of exchange by reference to each relevant element and item.
### Annex 3: Single Administrative Document (SAD)

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<td>8. Company</td>
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### EU Declaration

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<tr>
<td>2.</td>
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<tr>
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*Proexport Colombia*
Annex 4: Cargo agents

- **ABC European Air & Sea Cargo Distribution CR sro**, Prague Airport, PO Box 20, Aviaticka 12/1048, CZ-160 08 Praha 6, Ruzyne
  Tel: +420 2 2224 0970, Fax: +420 2 2011 3661, e-mail: prg@abc-airsea.com, Website: www.abc-airsea.com
  Branch Offices -
  **Brno**, Provozovna Brno, Turanka 115, 62700 Brno-Slatina
  Tel: +420 5 3101 1751, Fax: +420 5 3101 1752, e-mail: brq@abc-airsea.com

- **A-Line sro**, Brno, Tel: +420 5 4323 2012, +420 5 4323 9237, Fax: +420 5 4321 1152, e-mail: a-line@telecom.cz, Website: www.web.telecom.cz/A-LINE

- **AES Cargo**, Prague, Tel: +420 2 2271 0064, e-mail: czechrepublic@aescargo.com, Website: www.aescargo.com

- **Air-Sea sro**, Prague,
  Tel: +420 2 4608 6429, +420 2 4608 6430, +420 2 4608 6432, Fax: +420 2 4608 6431, e-mail: info@airsea.cz, Website: www.airsea.cz

- **Alfacargo**, Prague, Tel: +420 2 2011 4646, Fax: +420 2 2011 4647, Website: www.alfacargo.cz

- **Alfasped Logistik sro**, Jablonec, Tel: +420 428 311996/7, Fax: +420 428 311998

- **Alfons Köster, spol sro**, Prague, Tel: +420 2 5732 2501/4, Fax: +420 2 5732 2551/2, e-mail: sped@alfons-koester.cz, Website: www.alfons-koester.cz

- **Argo Bohemia sro**, Plzen, Tel: +420 377 466514, +420 377 444268, Fax: +420 377 445171, e-mail: feifrlik@argobohemia.cz, Website: www.afgholding.cz

- **Argo Internationale Spedition**, Brno,
  Tel: +420 5 4542 5921, +420 5 4542 5911, +420 5 4542 5951, +420 5 4542 5961, Fax: +420 5 4542 5919, +420 5 4542 5939, +420 5 4542 5959, +420 5 45 42 5969, e-mail: randysek@afgholding.cz or adamova@afgholding.cz, Website: www.afgholding.cz

- **Argo Kombi S R O**, Plzen, Tel: +420 19 744 4153, Fax: +420 19 744 5171, Website: www.afgholding.cz

- **Argo Trans sro**, Olomouc, Tel: +420 5 8520 3010-5, Fax: +420 5 8520 9012, +420 5 8520 9017, e-mail: roman.spacek@argotrans.cz, Website: www.afgholding.cz

- **Asset Cargo sro**, Prague, Tel: +420 267 997715, Fax: +420 267 997702, e-mail: svobodova@asset-cargo.cz, Website: www.asset-cargo.cz

- **Astra X spol sro**, Brno, Tel: +420 5 4522 2564, Fax: +420 5 4522 2565, e-mail: th_astra@cmail.cz
Market Researches in Eastern Europe

- **Autosped Jabor a syn - International Spedition**, Decin,  
  *Tel: +420 412 526555/7, Fax: +420 412 526555/7, +420 412 526520, e-mail: autosped@autosped.cz, Website: www.autosped.cz*

- **Birkart Czech Republic sro**, Brno,  
  *Tel: +420 5 4812 5290, +420 5 4812 5289/90, +420 5 4812 5305, Fax: +420 5 4521 6449, e-mail: info@birkart.cz, Website: www.birkart.cz*

- **Bohemia Cargo sro**, Decin,  
  *Tel: +420 412 432121, +420 412 432112, Fax: +420 412 432144, e-mail: spedice@bohemiacargo.cz, Website: www.bohemiacargo.cz*

- **Bohsped spol sro**, Prague,  
  *Tel: +420 2 2414 2031-5, Fax: +420 2 2414 2038, e-mail: bohsped@bohem-net.cz or bohsped@volny.cz*

- **cargo partner CR sro**, Prague Airport,  
  *Tel: +420 2 2011 6500, Fax: +420 2 2011 3543, e-mail: prg@cargo-partner.com, Website: www.cargo-partner.com*

- **Cargo Transport Int Sped sro**, Prague,  
  *Tel: +420 2 4411 2200, +420 2 4411 2288, Fax: +420 2 4411 2220, e-mail: novak@cargotrans.cz or ct@cargotrans.cz, Website: www.cargotrans.cz*

- **Cargoline**, Prague Airport,  
  *Tel: +420 2 2210 1242, +420 2 2210 1240/1, Fax: +420 2 2210 1212, +420 2 2210 1244, e-mail: logistics.prg@cargoline.com*

- **CB Sped a s**, Ceske Budejovice,  
  *Tel: +420 38 702 0320/9, Fax: +420 38 702 0327, e-mail: cbsped@cbsped.cz, Website: www.cbsped.cz*

- **Cechofracht as Praha**, Prague,  
  *Tel: (Operational) +420 2 2011 4241, (Export) +420 2 2011 3430/3432, (Import) +420 2 2011 4562, Fax: (Export) +420 2 2056 1825, (Import) +420 2 2056 2577, e-mail: radomil.rozum@cechofracht.cz or zora.kasova@cechofracht.cz, Website: www.cechofracht.cz*

- **Centrumsped (Brno) sro**, Prague,  
  *Tel: +420 2 2010 3377, Fax: +420 2 3337 5625, e-mail: centrumsped@centrumsped-praha.cz, Website: www.centrumsped-praha.cz*

- **Cesmad Camion Servis sro**, Prague,  
  *Tel: +420 2 2252 1076, +420 2 691 1904, Fax: +420 2 691 0762, +420 2 691 1310, e-mail: info@cesmad.cz, Website: www.cesmad.cz*

- **CMKS Holding as**, Ceska Trebova,  
  *Tel: +420 465 532436, +420 465 505030, Fax: +420 465 532658, e-mail: cmks@cmks.cz, Website: www.cmks.cz*

- **Corstjens Worldwide Movers Group**, Prague,  
  *Tel: +420 2 3552 0545/6, Fax: +420 2 3552 0547, e-mail: info@corstjens.cz, Website: www.corstjens.com*

- **CSKD Intrans as**, Prague,  
  *Tel: (Reception) +420 220 193 200, (Secretariat) +420 220 193 401, (Sales & Marketing) +420 220 193 211,
Fax: (Reception) +420 222 422 123, (Secretariat) +420 220 193 220, e-mail: cskd@intrans.cz, Website: www.intrans.cz

- **Danzas as**, Ostrava, Tel: +420 59 627 9211, Fax: +420 59 627 0019, Website: www.cz.danzas.com

- **Delta International Cargo sro**, Prague, Tel: +420 2 3335 6046, Fax: +420 2 3335 7605

- **DFDS Transport as**, Rudna u Prahy, Tel: +420 311 331444, +420 311 331461, Fax: +420 311 331440, e-mail: info@dfdstransport.cz, Website: www.dfdstransport.cz

- **DHL International**, Prague, Tel: +420 2 2030 0270, Fax: +420 2 2151 2424

- **DM Express, div Air Cargo**, Prague, Tel: (Customer Service) +420 2 2011 3861, (Sales) +420 2 2011 3862, +420 2 2011 4703, +420 2 2011 4701/2, Fax: +420 2 2011 4705, e-mail: aircargo@dmexpress.cz, Website: www.dmexpress.cz

- **E.A.S.I. East European Central sro**, Prague, Tel: +420 2 5155 2348, Fax: +420 2 2445 2225, e-mail: info@easi.cz, Website: www.easi.cz

- **EFT Eurofreight Brno Spol sro**, Brno, Tel: +420 5 4818 3070/1, Fax: +420 5 4818 3072, e-mail: karin.zelena@eurofreight.at, Website: www.eurofreight.cz

- **EMPAT Service sro**, Prague, Tel: +420 2 2281 2218, Fax: +420 2 2281 2219, e-mail: mila.dobrovolny@empat.cz, Website: www.empat.cz

- **ESA Transporte s.r.o**, Kladno, Tel: +420 312 628765, +420 312 662139, Fax: +420 312 628671, e-mail: info@esa.cz, Website: www.esa.cz

- **EST as**, Kladno, Tel: +420 312 291811, Fax: +420 312 291841, e-mail: est@est.cz, Website: www.est.cz

- **Euro-Logistik Spol sro**, Ceske Budejovice, Tel: +420 38 701 1511-7, Fax: +420 38 725 0016, e-mail: logistik@mbox.vol.cz

- **Eurogate Bohemia Spol sro**, Prague, Tel: +420 2 2019 1191-5, Fax: +420 2 2019 1196-8, e-mail: prague@eurogategroup.net or pavel.cobl@eurogategroup.net, Website: www.eurogate.co.uk

- **Expeditors International CR**, Prague, Tel: +420 2 3309 0300, Fax: +420 2 3309 0333, +420 2 3309 0334, e-mail: rene.grabmuller@expeditors.com, Website: www.expeditors.com

- **Farmtrans as**, Prague, Tel: +420 2 6679 3251, +420 602 232197, Fax: +420 2 6679 3277, e-mail: farmtrans@farmtrans.cz, Website: www.farmtrans.cz

- **FTL - First Transport Lines as**, Prostejov, Tel: +420 582 320200, +420 582 320314, +420 582 320217, +420 582 32 0311, Fax: +420 582 330695, +420 582 346009, e-mail: nejezchleb@ftl.cz or spedice@ftl.cz, Website: www.ftl.cz

- **Geis CZ sro**, Ejpovice, Tel: +420 378 778103, +420 371 707103, Fax: +420 378 778105, e-mail: spedice@geis.cz, Website: www.geis.cz
Market Researches in Eastern Europe

- **Generali Pojistovna as**, Prague, Tel: +420 2 2109 1000, Toll Free: +420 800 150155, Fax: +420 2 2109 1300, e-mail: servis@generali.cz, Website: www.generali.cz
- **Gestiv Bohemia sro**, Prague, Tel: +420 2 2011 6511, +420 2 2011 6245, Fax: +420 2 2011 5382, e-mail: petr.plzak@gestivbohemia.com, Website: www.gestivbohemia.com
- **Gondrand as**, Prague, Tel: +420 2 8092 11, +420 2 6671 2331, Fax: +420 2 804532, +420 2 808382
- **GYP Logistics Ltd**, Brno, Tel: +420 5 4517 5911, Toll Free: +420 800 122746, Fax: +420 5 4517 5913, e-mail: gyp@gyp.as or martin.spunda@gyp.as, Website: www.cargo.as
- **Hamann International sro**, Rudna u Prahy, Tel: +420 311 712111, Fax: +420 311 712105, +420 311 712138, e-mail: info@hamann.cz, Website: www.interspe-hamann-group.com
- **Hanseatic Transport sro**, Prague, Tel: +420 2 7174 7290, Fax: +420 2 7174 7291, e-mail: transport@hanseatic.cz, Website: www.hanseatic.cz
- **Hasped GmbH**, Prague, Tel: +420 2 8308 2419, +420 2 8308 2420, Fax: +420 2 8308 2420, e-mail: hasped.praha@volny.cz
- **Hellmann-Pkz sro**, Prague, Tel: +420 2 2224 5967, +420 2 2011 3470, +420 2 2011 4827, Fax: (Sales & Operations) +420 2 2224 5968, e-mail: linhart@pkz.cz or sedlacek@pkz.cz or kohout@pkz.cz, Website: www.hellmann-pkz.cz
- **Hiltrans spol sro**, Prague, Tel: +420 2 5156 0223, +420 2 5156 4848, +420 2 5156 0224, Fax: +420 2 5156 3838, e-mail: hiltrans@hiltrans.cz, Website: www.hiltrans.cz
- **Horizon Air Freight**, Prague, Tel: +420 2 2011 5019, Fax: +420 2 2011 5020, e-mail: info@airfreight.cz, Website: www.airfreight.cz
- **International Logistic Gateway sro**, Prerov, Tel: +420 581 706077, Fax: +420 581 706074, e-mail: david.kosina@ilg-group.com, Website: www.ilg-group.com
- **Intersped Svitavy sro**, Pardubice, Tel: +420 461 541066, Fax: +420 461 530674, e-mail: intersped@intersped.cz, Website: www.intersped.cz
- **ISH Nocni Express sro**, Prague, Tel: +420 206 670 680, Fax: +420 206 625 762, e-mail: obchod.odd@ish.cz, Website: www.ish.cz
- **JAS Forwarding (Czech) sro**, Prague, Tel: (General Sales) +420 220 105722, (Airfreight) +420 220 105570, (Finance) +420 220 105202, Fax: +420 220 105723, e-mail: general@jasczech.com, Website: www.jasczech.com or www.jasczech.cz
- **KD Transport Mezinarodni Zasiltelstvi spol sro**, Olomouc, Tel: +420 58 730 1311, +420 58 730 1329, +420 58 730 1331,
Fax: +420 58 730 1337, +420 58 730 1304, e-mail: kd-transport@kd-transport.cz, Website: www.kd-transport.cz

➢ Kopecky Express Transport sro, Mladá Boleslav,
Tel: +420 326 370076, Fax: +420 326 370060, e-mail: ket@ket.cz, Website: www.ket.cz

➢ Kühne & Nagel, Prague, Tel: (Head Office) +420 2 5709 0011, (Airfreight) +420 2 2011 4422, (Airfreight) +420 2 2056 0380, Fax: (Head Office) +420 2 5709 0099, (Airfreight Office) +420 2 2056 0379, e-mail: knprg.fa@kuehne-nagel.com, Website: www.kuehne-nagel.com

➢ Lagermax spedice a logistika sro, Prague,
Tel: (Head Office) +420 2 2019 6403, (Import) +420 2 2056 0436, (Export) +420 2 2019 6322, Fax: (Head Office, Export) +420 2 2019 6411, (Import) +420 2 2056 0434, e-mail: franz.lang@lagermax.cz, Website: www.lagermax.com

➢ Letrans s.r.o, Liberec, Tel: +420 48 510 4367, +420 48 511 0343, Fax: +420 48 510 4367, e-mail: info@letrans.cz, Website: www.letrans.cz

➢ Maersk Logistics Czech Republic sro, Hostivice,
Tel: +420 220 397810, +420 220 397871, Fax: +420 220 397802, +420 220 397803, e-mail: prhlogair@maersk-logistics.com, Website: www.maersk-logistics.com

➢ MaM Militzer a Munch CS spol sro, Prague, Tel: +420 2 4144 4453/6/7, Fax: +420 2 4144 4470, e-mail: j.kudrna1@tiscali.cz, Website: www.mumnet.com

➢ Maurice Ward & Co sro, Stoedokluky, Tel: +420 2 3309 7793, Fax: +420 2 3309 7777, e-mail: info@mauriceward.com, Website: www.mauriceward.com

➢ Mediasped spol sro, Prague,
Tel: (Inland Transport Dep) +420 2 6610 7530, (Int’l Transport Dept) +420 2 6610 7546, (Airfreight Dept) +420 2 2011 3272, Fax: +420 2 6610 7542, e-mail: info@mediasped.cz or subr@mediasped.cz, Website: www.mediasped.cz

➢ Menlo Worldwide Forwarding Czech Republic sro, Prague, Tel: +420 2 2011 6058, Fax: +420 2 2011 5026, e-mail: malanik.milos@menloworldwide.com, Website: www.menloworldwide.com

➢ Mespedo sro, Brno, Tel: +420 624 221112/3, Fax: +420 624 221113, e-mail: spedice@mespedo.cz, Website: www.mespedo.cz

➢ M & M Militzer & Münch CS spol sro, Prague,
Tel: +420 2 4606 6812, +420 2 2011 3350, +420 2 2011 3984, Fax: +420 2 4144 4470, +420 2 2011 3378, e-mail: j.kudrna@tiscali.cz, Website: www.militzer.com

➢ NHN spol sro, Olomouc,
Tel: +420 58 557 1125, +420 58 557 1137, +420 58 557 1111, Fax: +420 58 577 1110, +420 58 557 1120, Website: www.nhn.com.pl
Market Researches in Eastern Europe

- **OK Trans Praha spol sro**, Hostivice,  
  *Tel:* +420 311 679666, +420 311 679777,  
  *Fax:* +420 311 679606, +420 311 679607, *e-mail:* oktrans@oktrans.cz,  
  *Website:* www.oktrans.cz

- **OTEC CR sro**, Hostivice, *Tel:* (Sales) +420 235 001500,  
  (Logistics) +420 235 001101, *Fax:* +420 235 001444, +420 235 001777,  
  *e-mail:* otec@otec.cz, *Website:* www.otec.cz

- **Overbruck Spedition GmbH**, Prague,  
  *Tel:* +420 2 9637 1337, +420 2 9637 1331, *Fax:* +420 2 9637 1262,  
  *e-mail:* david@overbruck.cz, *Website:* www.overbruck.cz

- **P & O Trans European Praha sro**, Prague,  
  *Tel:* +420 205 744411/2, +420 205 744486,  
  *Fax:* +420 205 744483, +420 205 744442

- **P & P Spedition Trading sro**, Prague, *Tel:* +420 2 4100 2111,  
  *Fax:* +420 2 4100 2443, +420 2 4100 2221, *e-mail:* praha@p-p.cz,  
  *Website:* www.p-p.cz

- **Paul Gunther Cargo GmbH**, Prague, *Tel:* +420 2 2489 1276-8,  
  *Fax:* +420 2 2489 1274

- **Radius sro**, Prague,  
  *Tel:* +420 2 2252 2080, +420 2 2252 2264, +420 2 2251 5459,  
  *Fax:* +420 2 2251 2254, +420 2 2251 6084, *e-mail:* radius@radius-sped.cz,  
  *Website:* www.radius-sped.cz

- **Ravi Puls sro**, Prague,  
  *Tel:* +420 2 4608 6411, +420 2 4608 6424, +420 2 4608 6426,  
  *Fax:* +420 2 4608 6414, +420 2 4608 6425

- **RGW Express Ltd**, Prague, *Tel:* +420 2 2431 0537,  
  *Fax:* +420 2 2431 0388, *e-mail:* info@rgw-express.cz, *Website:* www.rgw-express.cz

- **Schenker spol sro**, Rudna u Prahy,  
  *Tel:* (Reception) +420 311 711111, +420 311 711301,  
  (Sales) +420 311 711505,  
  *Fax:* +420 311 711593, +420 311 711399, +420 311 711599, *e-mail:* head@schenker.cz or marketing@schenker.cz,  
  *Website:* www.schenker.cz


- **Sea Cargo Service spol sro**, Prague,  
  *Tel:* +420 2 2489 1227, +420 2 2489 1206, *Fax:* +420 2 2489 1206, *e-mail:* team@seacargo.cz, *Website:* www.mfgrp.com


- **Setto Spedition sro**, Prague,  
  *Tel:* +420 2 2280 2101/2, +420 2 2280 2111,  
  *Fax:* +420 2 697 5714, +420 2 2272 9905, *e-mail:* setto@setto.cz,  
  *Website:* www.setto.cz
Skoda Tatra Forwarding as, Plzen, Tel: +420 37 812 5544, Fax: +420 37 813 4802, e-mail: pwolf@slu.ln.skoda.cz, Website: www.skoda-sluzby.cz

Spedition Franz Welz sro, Prague, Tel: +420 2 781 2718, Fax: +420 2 781 9913, e-mail: spedition@welz.cz, Website: www.welz.cz

Spedos sro, Prague, Tel: +420 2 3531 8768, +420 2 3531 7566, +420 2 353 1239, +420 2 353 5715, Fax: +420 2 302 5715, e-mail: tycova@spedos-praha.cz, Website: www.spedicespedos.cz

Toptrans Air Cargo Service, Prague, Tel: +420 2 2011 3221, Fax: +420 2 2011 3772, e-mail: phanusova@tppraha.cz, Website: www.tppraha.cz

TPF Forwarding Network, Prague, Tel: +420 2 7174 7290, Fax: +420 2 7174 7291, e-mail: transport@hanseatic.cz, Website: www.tpfnetwork.org

Tradeship as, Prague, Tel: +420 2 2422 9034, Fax: +420 2 2421 1685

Trans-sped-consult sro, Usti Nad Labem, Tel: +420 419 532340, +420 419 532234, Fax: +420 419 533329, +420 419 532902, e-mail: jan.zidka@telecom.cz

Transco Bohemia sro, Decin, Tel: +420 412 510803, +420 412 512807, Fax: +420 412 512802, +420 412 512808, e-mail: infodc@transco.cz, Website: www.transco.de

Transconsult International sro, Prague, Tel: +420 2 2500 0120, Fax: +420 2 2500 0101, e-mail: transconsult@tci.cz, Website: www.transconsult-int.cz

Transforwarding as, Ceske Budejovice, Tel: +420 38 770 3111, +420 38 770 3208, +420 38 741 1536, Fax: +420 38 770 3222, +420 38 770 3333, e-mail: info@transforwarding.cz, Website: www.transforwarding.cz

Transforwarding Bohemia, Prague, Tel: +420 2 2598 2624, +420 2 2598 2626, Fax: +420 2 2598 2612, e-mail: trafo@trafobohemia.cz, Website: www.transforwarding.com

Transped-SOC spol sro, Prague Airport, Tel: (Sales & Marketing) +420 220 113 740, (Imports) +420 220 114 687, (Exports) +420 220 114 034, Fax: +420 220 113 730, e-mail: airfreight@transped-soc.cz, Website: www.transped-soc.cz

Upasped sro, Liberec, Tel: +420 499 841571/3, Fax: +420 499 841571

UPS SCS (Czech Republic) sro, Prague, Tel: +420 2 7100 6222, Fax: +420 2 7100 6223, Website: www.fritz.com

Yusen Air & Sea Service (Czech) sro, Prague, Tel: +420 233 012 444, Fax: +420 233 012 450

ZOOM-CARGO sro Logistic International, Prague, Tel: +420 2 3332 1777, +420 2 3332 1771, Fax: +420 2 3332 1770, e-mail: info@zoom-cargo.com, Website: www.zoom-cargo.com
Annex 5: Member companies’ warehousing capacities

This list contains the following information:

1. Owner of the warehouse
2. Place
3. Capacity
4. Transport Connection
5. Contact Person
6. Telecommunication

1. BOHEMIASPED s.r.o., Mrázova 30, 412 01 Litoměřice
2. Lovosice
3. 1000 m2
4. International road E 55, rail (Terminal Lovosice), container terminal, customs office, rever harbour, airport Roudnice
5. Mr. Knotte, Mr. Matys
6. tel: 0416/735726-8, 732653, fax: 0416/732655, 735728

1. DFDS Transport a.s., K Vypichu 1149, 252 19 Rudná u Prahy
2. Rudná u Prahy
3. 3000m2, storage in bulk and racks (3500 pallet locations), 10 loading doors with adjustable dock levellers, complex logistic services, integral office space, fire control system with water sprinklers
4. Highway D5 Prague-Nürnberg, exit 5 Rudná
5. Mr. Uhlíř, Mr. Kunz
6. tel: +420 311 331 467, 497, e-mail: muhlir@dfdstransport.cz, jkunz@dfdstransport.cz

1. ČECHOFRACHT a.s., Praha 10
2. Pekárenská 77, 370 01 České Budějovice
3. 970 m2 in two halls, status of public custom warehouse, 200 m2 of open area, usual terminal services
4. road
5. Mr. Pavel Bošanský
6. tel: 038/7720418, fax: 038/7720413, 7720421
1. ČECHOFRACHT a.s., K Hrušovu 2/293, 102 03 Praha 10
2. Na Návrši 1, 350 99 Cheb
3. to 2000 m² (covered area), custom office within the facility, complete terminal services služby v oblasti skladování, freight forwarding and international groupage, providing phyto and veterinary services
4. road
5. Mrs. Helena Seidlová
6. tel: 0166/364205, 432807, 0602 240179 , fax: 0166/434176-7

1. ČECHOFRACHT a.s., Praha 10
2. Sladkovského 41, 772 97 Olomouc
3. 1000 m² of covered area for national and custom goods, custom office within the facility, usual terminal services, providing phyto and veterinary services
4. road
5. Mr. Radek Malina, Mr. Josef Heinz (operation)
6. tel: 068/5108346, 51181111 , fax: 068/5312411, 5312461

1. ČECHOFRACHT a.s., Praha 10
2. Osvobození 168, 289 01 Dymokury
3. 500 m² of covered area, 700 m² open area and further in two double coat halls, status of public custom warehouse, providing of custom - declaration services, custom office in Nymburk
4. own rail siding, road
5. Mrs. Věra Javoříková
6. tel: 0324/951193, 95197-8 , fax: 0324/95203

1. Česmad Camion Servis s.r.o., Perucká 5, 120 47 Praha 2
2. Hořovice
3. 1500 m²
4. Highway D 5 Plzeň-Praha
5. Mr. Rataj, Mrs. Janská
6. tel: 02/ 22519036, 6911904 lin. 123 , fax: 02/6910326
1. ČSAD Hodonín a.s., pob. Brno, Dornych 47, 617 00 Brno  
2. Eastern part of Brno  
3. 4500 m2, 6,5 m high, 3200 palet places, ramp with bridges, train siding warehousing software  
4. From the highway Brno-Olomouc - Exit Slatina  
5. Mr. Jiří Hruška  
6. tel: 05/43513392-3, 45535392-3, fax: 05/43513392, 45535392

1. ESATRANS Jihlava s.r.o., Školní 17, 586 01 Jihlava  
2. Jihlava  
3. 2000 m2  
4. road, rail  
5. Mr. Jiří Smazal, Mr. Petr Fatrdla  
6. tel: 066/7211491, fax: 066/7211494, 0602418518, 0603456024

1. HELLMANN PKZ, Chodovská 3, 145 00 Praha 4  
2. Praha 4  
3. 2500 m2  
4. very near to highway D1, Southern conjunction "Jižní spojka" and rail siding  
5. Mrs. Hana Němečková  
6. tel: 02/24617471, fax: 02/24617180, e-mail: pkz@hell-prg.cz

1. INCOMTRANS CZ s.r.o., Vráto 89, 370 01 České Budějovice  
2. České Budějovice  
3. 1/ 500 m2, 2/ 2000 m2  
4. railway  
5. Mrs. Hana Zimmelová  
6. tel: 038/38622, fax: 038/38680

1. MEDIASPED s.r.o., Poděbradská 189, Praha 9  
2. Praha 9  
3. 1000 m2  
4. road  
5. Mr. Petr Dařílek  
6. tel: 02/66107546, fax: 02/66107542, e-mail: darilek@mediasped.cz
1. MERKA SPEDITION s.r.o., Vážní 857, 500 03 Hradec Králové
2. Hradec Králové
3. 1000 m2
4. near to the town road ring, rail siding
5. Mr. Milan Šafář
6. tel: 049/5410121, fax: 049/5410130, e-mail: hk@merka.cz

1. TNT Logistika s.r.o., Pod Šachtou, 267 12 Loděnice u Berouna
2. Loděnice u Berouna
3. Up to 6000 sqm
4. Highway Praha - Plzeň - Nuernberg Exit No 10
5. Mr. Václav Uhlík
6. tel: 0311/371660, fax: 0311/371660, e-mail: tnt_log@telecom.cz

Source: Association of Forwarding and Logistics of the Czech Republic
Annex 6: Photo documentation of the packaging

The complete Czech confectionery was privatised in 1992. Companies Nestlé and Danone purchased all Czech confectionery companies. Joint-stock company Čokoládovny a.s. was founded. Among other confectionery factories Čokoládovny included these chocolate factories: Diana, Maryša, Orion, Sfinx and Zora. Production of chocolate bars and slabs was concentrated in Zora in next years. Only chocolate mass is produced in Orion now. Chocolate factories Diana and Maryša were closed down. Chocolate with the NESTLÉ brand was introduced in the Czech Republic in 1992-8.

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</tbody>
</table>

Chocolate slabs ZORA from 80´s and early 90´s. Production of chocolate slabs Orion was moved to Zora in 90´s.
Confectionery and milling in the Czech Republic

Design of ORION wrappers from years 1994 - 1996.

Proexport Colombia
Best selling brands in the Czech Republic

Best-selling Confectionery brands of OPAVIA-LU in the Czech Republic:

<table>
<thead>
<tr>
<th>Brand</th>
<th>Description</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Zlate Oplatki</strong></td>
<td>Zlate Wafers consist of three layers of crispy wafers, filled with creamy filling. Delicious wafers come in a variety of flavours. Choose from: hazelnut, nougat, vanilla, coconut, walnut, chocolate, and lemon.</td>
<td>12 wafers, Average price 49 CZK (EUR 1,64)</td>
</tr>
<tr>
<td><strong>3DcokoTatranky</strong></td>
<td>Crisp wafers with large pieces of hazelnut on the surface, coated with delicious chocolate. The name &quot;3D&quot; should communicate a new dimension of taste provided by the hazelnuts. The wafers are offered in the following flavors: nut, peanut, chocolate, milk and coconut in a bitter chocolate coating.</td>
<td>Pack 75 g. Average price 22 CZK (EUR 0,73)</td>
</tr>
</tbody>
</table>
Confectionery and milling in the Czech Republic

Prince, cream filled cookies in three different flavors: chocolate, milk and hazelnut.
Pack 14 pieces (185 g.)
Average price 39 CZK (1,30 EUR)

Best-selling Confectionery brands of Nestlé in the Czech Republic:

Kitkat, chocolate bar with biscuit 33 g.
25 CZK (EUR 0,80)

Jojo, fruit jellies, 90 g.
32 CZK (EUR 1,07)
BonPari fruit bonbons, 90 g.  
34 CZK (EUR 1.07)  

Studentska, chocolate bars, 200 g.  
86 CZK (EUR 2.88)  

Best-selling Confectionery brands of I.D.C. in the Czech Republic:

Andante  
Soft centred fruit bonbons  
40 CZK (1.35 EUR)  

Verbena Active  
Crispy Wafers filled with cream (various flavors)  
17 CZK (0.47 EUR)  

Gradimento Selection  
Chocolates with liqier filling (various flavors)  
69 CZK (2.33 EUR)
Annex 7: List of useful contacts

- **Company:** Federation of the Food and Drink Industries of the Czech Republic  
  **Contact:** Mr SADJL  
  **Address:** Počernická 96/272  
  108 03 Praha 10  
  **Tel:** +420 296 41 11 90  
  **Fax:** +420 296 41 11 87  
  **Email:** caobisco@caobisco.be  
  **Website:** sajdl@foodnet.cz

- **Company:** Association of the Chocolate, Biscuit & Confectionery Industries of the EU  
  **Address:** 1 rue Defacqz,  
  B-1000 Brussels,  
  Belgium  
  **Tel:** +32 (2) 539 18 00  
  **Fax:** +32 (2) 539 15 75  
  **Email:** caobisco@caobisco.be  
  **Website:** http://www.caobisco.com/

- **Company:** Institute of Agriculture and Food Information  
  **Address:** Slezska 7  
  120 56 Praha 2  
  **Phone:** (+420) 2.2701.0113  
  **Fax:** (+420) 2.270.1014  
  **Email:** uzpi@uzpi.cz  
  **Website:** www.agronavigator.cz  
  www.uzpi.cz

- **Company:** Czech and Moravian Association of Independent Food Producers  
  **Address:** Nam. W. Churchilla 2  
  113 59 Praha 3 - Zizkov  
  **Phone:** (+420) 2.2271.6415  
  **Fax:** (+420) 2.2271.6415

- **Company:** Czech Food Products Union
Market Researches in Eastern Europe

Address: Dlouha 13
116 78 Praha 1
Phone: (+420) 2.2489.8315

Company: Association of Czech and Moravian Mills and Bakers
Address: Na Pankraci 30
140 00 Praha 4
Phone: (+420) 2.6100.1116

Company: Association of Chefs and Confectioners of the Czech Republic
Address: Pocernicka 168
100 99 Praha 10
Phone: (+420) 2.6720.7356
Fax: (+420) 2.6720.7356
Email: akc.cr@volny.cz

Company: Entrepreneurs Association of Bakers and Confectioners
Address: Ke Klicovu 1
190 02 Praha 9
Phone: (+420) 2.6602.8452
Fax: (+420) 2.8389.2186
Email: cukrar@volny.cz
## Annex 8: Companies Directories

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<tr>
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<tbody>
<tr>
<td><strong>Directorios Europeos</strong></td>
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<td><a href="http://www.kompas.com/">http://www.kompas.com/</a></td>
<td>E</td>
<td>E; I; O</td>
<td><strong>Contenido:</strong> Nombre de la empresa; País; Dirección; Teléfono; Fax; Sitio Web; Número de empleados; Fecha de constitución; Capital; No de registro; Identificación del IVA. <strong>Descripción:</strong> Información de empresas para 70 Países. <strong>Opciones de Búsqueda:</strong> País; Productos/Servicios; Empresa; Sector; Subsector; Marcas; Dirigentes; Códigos.</td>
<td>SI</td>
<td>SI</td>
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<tr>
<td><a href="http://worldyellowpages.com/">http://worldyellowpages.com/</a></td>
<td>I</td>
<td>I</td>
<td><strong>Contenido:</strong> Nombre de la empresa; País; Dirección; Teléfono; Fax; Email; Sitio Web; Descripción corta de la empresa y sus productos. <strong>Descripción:</strong> Páginas amarillas - Lista alfabética de productos y servicios; lista de empresas; Permite acceder a las páginas amarillas de cada país; Acceso a una página de Información de negocios con algunos países entre los que se encuentran Polonia y República Checa. <strong>Opciones de Búsqueda:</strong> País; Productos/Servicios; Empresa; Listado de productos; Listado de países; Oportunidades de negocio con algunos países.</td>
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<td>NO</td>
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<td><a href="http://www.europages.com/">http://www.europages.com/</a></td>
<td>E; I</td>
<td>E; I; O</td>
<td><strong>Contenido:</strong> Nombre de la empresa; País; Dirección; Teléfono; Fax; Sitio Web; Productos/Servicios. <strong>Descripción:</strong> Directorio en línea (en 25 idiomas) de la empresas europeas mas dinámicas; Consulta gratuita de las licitaciones publicadas en el diario oficial de la Unión Europea; Directorio impreso (en 6 idiomas) de los compradores europeos mas dinámicos; Directorio en CD-Rom (en 14 idiomas) de la empresas europeas mas dinámicas. Permite contactar las empresa vía intra mail. <strong>Opciones de Búsqueda:</strong> Productos/Servicios; Empresa; Temática; País; Sector.</td>
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<tr>
<td><strong>Directorios Checos</strong></td>
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<td><a href="http://www.wlw.de">www.wlw.de</a></td>
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<td><strong>Contenido:</strong> Nombre de la Empresa; Dirección; Código postal; Ciudad; Teléfono; Gerente/Administrador; Productos/Servicios; Tipo de empresa. <strong>Descripción:</strong> Portal de contacto para negocios entre empresas. <strong>Opciones de Búsqueda:</strong> Productos/Servicios; Empresa.</td>
<td>NO</td>
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## Companies Directory

**Country:** Czech Republic  
**Sector:** Confectionery and milling

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<tr>
<td><a href="http://www.edb.cz/">http://www.edb.cz/</a></td>
<td>C; I; A</td>
<td>C; I; A</td>
<td>Contenido: Nombre de la empresa; Dirección; Ciudad; Distrito; País; Código postal; VAT; Marcas registradas; Empleados; Retorno; Teléfono; Fax; E-mail; Sitio Web; Contacto; Productos/Servicios; Clasificación de la producción. Descripción: Información de empresas checas. Permite contactar las empresa vía mail; Permite solicitar Información adicional de las empresas. Opciones de Búsqueda: Nombre; Actividad; Región; Tipo de empresa.</td>
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<td><a href="http://www.inform.cz/">http://www.inform.cz/</a></td>
<td>I</td>
<td>C; I</td>
<td>Contenido: Nombre de la empresa; Dirección; Ciudad; Distrito; País; ID; VAT; Teléfono; Fax; Celular; E-mail; Sitio Web; Contacto y Cargo; Descripción de la actividad; Productos/Servicios; Categorías; Estructura; Palabras clave; Registro comercial; Certificación; Información de importación y exportación; Información financiera (Cifras de Capital, Retorno, Numero de empleados, Importación, Exportación); Información de Mercadeo (Fecha de constitución, Tipo de empresa). Descripción: Información de empresas checas general e Información de empresas de importación y exportación. Tiene un link de acceso al registro comercial de la empresa. Opciones de Búsqueda: Empresa; Exportación/Importación; Texto; Región.</td>
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Confectionery and milling in the Czech Republic

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<tr>
<td><a href="http://www.spcr.cz/">http://www.spcr.cz/</a></td>
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<td>Contenido: Nombre; Dirección; Ciudad; Teléfono; Fax; E-mail; Sitio Web; Contacto/Representante; Teléfono del contacto; Fax del contacto; Tipo de empresa; Oficina de registro; Retorno; Capital; Numero de empleados; Numero de registro; Impuestos ID; Productos/Servicios; NACE; Rama de la asociación a la que esta adscrita la empresa.</td>
<td>NO</td>
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<tr>
<td><a href="http://zlatestranky.cz/">http://zlatestranky.cz/</a></td>
<td>C; I</td>
<td>C; I</td>
<td>Contenido: Nombre; Dirección; Ciudad; Distrito; Teléfono; Celular; Información adicional para algunas empresas (E-mail, Sitio Web). Descripción: Directorio telefónico idnes.cz. Opciones de Búsqueda: Directorio; Negocios; Texto; Ciudad; Distrito; Dirección; Información requerida; Sector.</td>
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<td><a href="http://www.seznam.cz/">http://www.seznam.cz/</a></td>
<td>C</td>
<td>C</td>
<td>Contenido: Nombre; Descripción corta de la empresa; Productos/Servicios; Dirección; Ciudad; Mapa; Teléfono; Fax; E-mail; Sitio Web; Contacto; Teléfono del contacto; E-mail del contacto. Descripción: Buscador con Información sobre las empresas Checas. Permite contactar las empresa vía intra mail. Opciones de Búsqueda: Empresa; Texto; Región; Sector; Productos/Servicios.</td>
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Directorios por Sector

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### Companies Directory
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**Sector:** Confectionery and milling

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| [http://www.foodnet.cz/](http://www.foodnet.cz/) | C; I   | C; I                 | Contenido: Nombre de la empresa; Dirección; Teléfono; Fax; E-mail; Sitio Web; Numero de Identificación; Contacto; Cargo del contacto; Teléfono del contacto; E-mail del contacto; Campos de negocio; Links; Fecha de registro; Fecha de constitución; Descripción; Tipo de empresa.  
**Descripción:** Página de la Federación Checa de Alimentos y Bebidas (FFDI). Se encuentra la Información de las empresas miembro de la FFDI.  
**Opciones de Búsqueda:** FFDI DR; Lista de miembros; Empresas. | NO | NO |
**Descripción:** Página de noticias de Alimentos y Bebidas en Europa. Hay una suscripción gratuita para recibir vía e-mail noticias sobre las 100 empresas top de la industria de bebidas y alimentos.  
**Opciones de Búsqueda:** Noticias de Productos y proveedores; Por patrocinador. | NO | NO |

**Idioma:**  
E: Español; I: Inglés; A: Alemán; C: Checo; H: Húngaro; P: Polaco; O: Otros; W: Idioma del Sitio Web