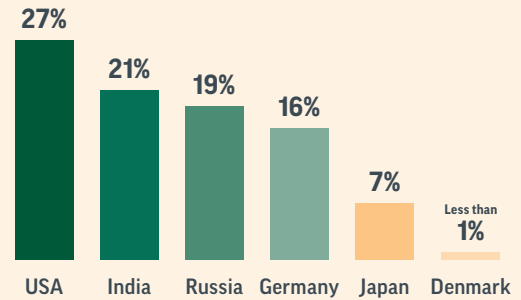


TRADING WITH CHINA

Denmark is a small trading partner for the Chinese decision makers. Part of the reason is, that seven out of ten Chinese decision makers are locally orientated and trade with their countrymen. Nevertheless, they associate Denmark with e.g. **fresh food**, **deliciousness** and **food safety**. As 70% of their associations are positive, there is a potential for the Danish food sector to increase export to China.

CHINESE TRADING PARTNERS*

Chinese decision makers are buying food products, materials, equipment or solutions from major exporting countries.



*Based on interviewed decision makers in the food industry. Not actual trade flows.

IMPORTANT ASPECTS FOR CHINESE DECISION MAKERS

When producing, purchasing, selling or handling food products and solutions, the following values are important to Chinese decision makers:

TOP 5

78%
RELIABILITY



75%
FLEXIBILITY

71%
GOOD TASTE



69%
FOOD SAFETY

68%
LOW ENVIRONMENTAL IMPACT



UNIQUE POSITION FOR DANISH PRODUCTS

Decision makers in the Chinese food industry associate *reliability*, *good taste* and *food safety* more with Danish food products and solutions than with the products and solutions of their own country. Since Danish food products tend to be rated significantly higher than the Chinese counterparts on these parameters, Danish exporters communicating *reliability*, *good taste* and *food safety* have a unique advantage on the Chinese market.

Food facts

DENMARK IS PUNCHING ABOVE ITS OWN WEIGHT

In general, Danish goods account for 0,1% of China's total import from other countries, but on the food scene, Denmark is punching above its own weight. Denmark has a fair share of China's animal import (2,3%), and other Danish food products account for 1,6% of the Chinese food import.

Source: The World Bank, WITS, 2017.

REMEMBER TO COMMUNICATE OUR STRONGHOLDS

In foreign markets far from Denmark, a lack of knowledge may prevent trading partners from choosing Danish food products and solutions. In China, for example, *low environmental impact* is significantly more associated with Chinese products and solutions, although Danish products and solutions are extremely competitive on this parameter. This poses a communication challenge for Danish exporters.

FOOD SAFETY IS A BASIC NEED IN CHINA

China has had several food-related safety scandals in recent years, which has led to a decline in confidence in Chinese products. Therefore, it is important to communicate the high level of food safety we have in Denmark. The Chinese demand high quality products with high traceability, and they already associate Danish products with food safety and reliability. This presents great opportunities for Danish food products and solutions on the Chinese market.

“ Both the Danish public authority and the Danish agricultural and food companies have put a lot of effort and energy into communicating the Danish excellence within food quality and safety in the Chinese market. And that has paid off.

Esben Egede Rasmussen, Director of the Danish Veterinary and Food Administration.



THE IMPORTANCE OF TASTE

It is difficult to communicate (good) taste because taste is subjective. However, by emphasizing quality, production methods and design in sales and marketing material, one can stimulate the perception of good taste.

- In China, 71% find that good taste is decisive or very important.
- Products from Denmark are frequently associated with deliciousness by the Chinese.

FOCUS ON DANISH STRONGHOLDS TO ESTABLISH AN UNDERSTANDING OF THE PRICE

Affordability is decisive or very important to 44% of Chinese decision makers, and some even mention the term 'expensive' as a negative association when thinking about Danish food products and solutions. Accordingly, it is important to target decision makers selling to consumers with the right purchasing power. To establish acceptance of a potentially higher price, Danish food companies should carry out the narrative of Denmark as a food nation and focus on premium quality.

