

PATRICIA TUOMELA-MILLAN

FAIR TRADE BETWEEN URUGUAY AND FINLAND

Business Opportunities

Thesis

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Thesis abstract

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Author/s: Patricia Tuomela-Millan

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The purpose of the final thesis was to find out potential business opportunities under the Fair-trade philosophy between Uruguay and Finland. Why Fair Trade and what products could be more interesting to commercialize. The first objective was to describe general information about both countries. The second objective was to introduce and analyze the Fair-trade and its development in both countries. The third objective was to find out the products that could be more interesting to the Finnish Fair-trade.

The final thesis consists of two theoretical parts, one analysis and a study case. The history, culture and society, the economy and the bilateral treaties between the two countries make up the first part. The second part is focused on Fair-trade and its development in both countries along with an analysis of it. The third part is focused on Agrarian Cooperative of Canelones "CALCAR" study case in Uruguay with the aim to study the commercialization and market entry opportunities in the Finnish Fair-trade.

As a result of the investigation it can be said that Finnish Fair-trade has a very solid structure and is constantly growing. Uruguay still lacks a solid structure and organization even it has huge potential opportunities in Fair-trade commercialization. Despite this lack the organization "CALCAR" can be affected in the distribution of their products.

Keywords: Fair-trade, Uruguay, Finland, business opportunities, culture

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Opinnäytetyön tiivistelmä

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Opinnäytetyön tarkoituksena oli tutkia mahdollisuudet liiketoimintaan Reilun kaupan filosofiaan perustuen Uruguayn ja Suomen välillä. Miksi reilun kaupan ja mitä tuotteita voisi olla mielenkiintoista kaupallistaa. Ensimmäinen tavoite oli kuvata molemmissa maissa yleisiä tietoja. Toinen tavoite oli esitellä ja analysoida Reilua kauppaa ja sen kehitystä molemmissa maissa. Kolmas tavoite oli selvittää mitkä tuotteet voisivat olla mielenkiintoisia Suomen Reiluun kauppaan.

Opinnäytetyö koostuu kahdesta erillisestä teoriaosuudesta, analyysistä ja tutkimus osiosta. Historia, kulttuuri ja yhteiskunta, taloudellinen tilanne ja kahdenväliset sopimukset kahden maan välillä muodostavat ensimmäisen osan. Toisessa osassa keskitytään Reiluun kauppaan ja sen kehitykseen molemmissa maissa sekä sen analyysiin. Kolmas osa on Uruguaysta tutkimus tapauksesta Caneloneksen Maa-laisliitto Osuuskunta "CALCAR" tavoitteena tutkia kaupallistamista ja markkinoille pääsyn mahdollisuuksia Suomen Reiluun kauppaan.

Työn tuloksena sanottakoon että Suomen Reilulla kaupalla on erittäin vankka rakenne ja se kasvaa jatkuvasti, koska muita vaihtoehtoja ei ole liiketoimintaan. Uruguaysta puuttuu yhä vankka rakenne ja organisaatio, vaikka sillä on valtavaa potentiaalia Reilun kaupan kaupallistamiseen. Tästä syystä voidaan vaikuttaa "CALCAR" in kaupallistamisessa.

Asiasanat: Reilu Kauppa, Uruguay, Suomi, yrityskulttuuriin, kulttuuri

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1 INTRODUCTION

I based my final thesis in Fairtrade. As a business student is important to be aware that economy and trade has always been necessary tools for development and growth of humanity. But in recent decades, there have been some important changes in the economic system that had led us a model that currently rules the world. The reality of this model is the creation of extreme wealthiest and absolute poorness situations. But trade is not a nature force; unfettered and unchecked it governed by rules and institutions that reflect policy options and these options can choose to side with the weak or the powerful but to stay the economic value of things or think about their social value. In my thesis I want to present another form of understand the trade, based on respect and human dignity, which allows not only to countries but also to all people grow and develop.

After an intensive research of Fairtrade its history, its standards, its principles, its shape in general I decided to take two countries in order to find out their business potential and opportunities to mach under the Fairtrade philosophy. Finland was North Country I did choose, the first reason is I am leaving on it and the second reason is the growing and fast well structured of Finland Fairtrade in 10 years has been amazing despite its Fairtrade activity has been established before. The second and South Country chooses was Uruguay, it took my attention and interest to find out that this country does not has strong present in Finnish market under the Fairtrade. The general facts and information of both countries are present in the beginning of the investigation follow by a research of their Fair trade practices and analyze whether they can mach.

The end of the investigation is focus in a study case of one Uruguayan Agrarian Cooperative "CALCAR" its products could be the beginning of a Fairtrade relationship between both countries and give a guideline of the trade process.

2 ORIENTAL REPUBLIC OF URUGUAY MAP



The World Bank, 2009

3 FINLAND MAP



Online Maps 2009

4 URUGUAY AND FINLAND FACTS

4.1 Basics facts about Uruguay

Official name	Oriental Republic of Uruguay
Independency	25 August 1825 (from Brazil)
Surface	176,215 sq Km
Population	3,494,382 (July 2009 est.)
Capital	Montevideo
Other bigger cities	Salto, Ciudad de la Costa, Paysandú, Las Piedras, Maldonado (Punta del Este)
Form of Government	Constitutional Democracy
President	Tabaré Vázquez Rosas
Official language	Spanish
Other languages	Guaraní, Portuñol (Portuguese and Spanish mixed) English (all of them are not official)
Religion	Roman Catholic 47.1%, non-Catholic Christians 11.1%, nondenominational 23.2%, Other 18.6%

Currency	Uruguayan Peso (UYU) 1 UYU = 0.033 €/1 UYU= 0.048 USD
Time zone	UYT (UTC -3)Summer (DST) UYST (UTC -2)
Internet country code	.uy
Literacy rate	98%
Natural resources	Arable land, minor minerals, hydro-power and fisheries.
Predicted inflation for the year 2008	7.9%
GDP (2008)	32.187 billion USD
HDI	0.859 (high)
Dept- external	10.74 billion USD
Poverty rate	27.4%
Unemployment rate	7.6%
Foreign trade	Member of UN, WTO, FAO, UNIDO, IMF, UN-CTAD, MERCOSUR, UNASUR
Value of exportation	7.1 billions USD

Value of importation	8.654 billion USD
Exports – commodities	meat, rice, leather products, wool, fish, dairy products
Exports - partners	Brazil 18.2%, China 9%, Argentina 7.1%, Germany 6.3%, Mexico 5.5%, Netherlands 4.4%, Russia 4.2%
Imports - commodities	Crude petroleum and petroleum products, machinery, chemicals, road vehicles, paper, plastics
Import - partners	Brazil 17.3%, Argentina 16%, China 11.9%, US 10.4%, Paraguay 6.9%, Nigeria 4.8%
Important economical sectors	Agriculture 9.5%, industry 23.4% and services 67.1%

4.2 Basic facts about Finland

Official name	Republic of Finland
Independency	06 December 1917 (From Russia)
Surface	338,424,38 sq Km
Population	5.3 million (est. 2009)
Capital	Helsinki
Other bigger cities	Espoo, Tampere, Turku, Oulu
Form of Government	Democratic, parliamentary republic
President	Tarja Halonen
Prime Minister	Matti Vanhanen
Official language	Finnish, Swedish
Other languages	Sami
Religion	Evangelical Lutheran 82.5%, Orthodox Church 1.1%, other 15.1%
Currency	Euro
Time zone	EET (UTC+2) EEST (UTC +3)
Internet use rate	.fi
Literacy rate	100%
Natural resources	Timber, iron ore, copper, lead, zinc, chromite, nickel, gold, silver, limestone

Predicted inflation for the year 2009	4.10% est.
GDP	191,406 billion USD (est. 2008)
HDI	0.959 (very high)
Foreign dept	332.2 billion USD (31 December 2008)
Poverty rate	NA%
Unemployment rate	6.4% (2008 est.)
Foreign trade	EU, OECD, WTO, COE
Value of exportation	96.62 billion USD (2008 est.)
Value of importation	87.51 billion USD (2008 est.)
Export - commodities	Electrical and optical equipment, machinery, transport equipment, paper and pulp, chemicals, basic metals, timber
Exports - partners	Russia 11.6%, Sweden 10%, Germany 10%, US 6.4%, UK 5.5%, Netherlands 5.1% (2008)
Imports - commodities	Foodstuffs, petroleum and petroleum products, chemicals, transport equipment, iron and steel, machinery, textile yarn and fabrics, grains
Imports - partners	Russia 16.3%, Germany 15.7%, Sweden 13.6%, Netherlands 6.3%, China 5.1%, UK 4.2% (2008)
Important economical sectors	Services, manufacturing, electronics, machinery vehicles, forest industry, agriculture

5 URUGUAY AND FINLAND GENERAL INFORMATION

5.1 Uruguay's History

The roots of Uruguay's history first started being built by its native people known as the Charrúas. The Charrúas were Uruguay's original population and were the people who brought to life the first characteristics of the country, giving shape to its future personality and being always somehow present in Uruguay's culture.

Next in Uruguay's history and following some of its most relevant data, at beginnings of the 16th century, Spanish and Portuguese forces started fighting for Uruguay's lands, and kept Uruguay over two centuries under their domains. This way, some of the country's main historical spots, buildings and even towns were founded by Portuguese or Spanish people. An example of this is the historical town of Colonia del Sacramento, which was founded by the Portuguese forces at the 17th century and which is, nowadays, one of Uruguay's main attractions.

A very important moment within the history of Uruguay happened at August 25, 1825. At this date, and after being able to finally being successful at fighting against the Spanish and Portuguese forces which had taken the country, Uruguay became an independent Republic. Later, at July 18 of 1830, a new step into Uruguay history was taken and Uruguay's first Constitution was created and established.

During the last century, Uruguay's history has gone through several important transitions and events. During the beginning of the 20th century, the country became prosperous and lived what is known as an "Estado de bienestar" or "Welfare State" which endured until the 1950's when Uruguay started losing some of such prosperity.

In 1973, Uruguay's government was taken by military forces and the country entered into a very hard military dictatorship which continued for 12 years and during

which the population lived under constant terror and oppression. In 1985, and once the military dictatorship was finally over, the civilian rights were restored and the country started to normalize again, giving end to such anguishing moment in the history of Uruguay.

During 2001 and 2002, Uruguay went through another anguishing moment in which the country had to suffer the worse economic crisis of its history due to which many people became unemployed, businesses closed, and the population in general went through the hardest economic moments of the country's history. After 2004, Uruguay history started gradually changing again and it seems to be slowly coming out of this deep crisis that affected it.

5.1.1 Uruguay's culture and society

Uruguay is a very beautiful small sized South American country, often known as the heart-shaped country. Although the geographical size of Uruguay is very small, it is a faithful representation of the fact that quality can not be measured based on quantity, since its people, its lands, its attractions and its coastlines are of a very good quality.

The complete name of Uruguay is República Oriental del Uruguay, and its capital is Montevideo. Uruguay has a population of about 3.5 million people, and 1.4 million of them live in the capital. This country's population, composed by Charrúa natives in its origins, nowadays is mainly composed by European descendants and concentrates a variety of different ethnics and races as well.

The **Uruguay society and culture** is characterized by comparatively liberal and free thinking, when compared with its more strait laced South American neighboring states. The Uruguay culture has a surprisingly large number of literary and artistic traditions compared to its small size. The tango is an intrinsic part of Uruguayan culture. It is a joyful mix of music, lyrics and artful movement.

The main language of Uruguay is Spanish, although many of its inhabitants are able to communicate in a secondary language as well. This country has a very high educational level population from which about 98% of the males and 97% of the females are literates, while 77% of them reach a high school educational level.

There are several main aspects which could be seen as having an important influence in Uruguay's culture. In order to learn and have a clear approach of how a country's culture is, it is very important to consider a variety of factors, such as its past and main historic events, its geography, its art expression forms, and its traditions among many others. Although a country's culture could never be accurately described through a few lines and maybe not even described with words at all; I will try to give an approach to the main aspects of Uruguay's culture within the next lines.

Its past several major events in the history of Uruguay have had a very important influence in this country's culture and the identity of its population. Uruguay culture was built through centuries of historical facts and events such as being invaded by foreign forces and fighting for the land back, receiving important amounts of European immigrants, going through a very severe dictatorship, recovering the democracy state, and suffering very a hard economical crisis, among others, have had a major role in molding the country's culture and the personality of its people.

Its traditions Uruguayans are united by several traditions which are one of the main factors giving shape to the country's culture. Among these traditions it can name, for example, drinking "mate". The "mate", a beverage typical of the region, is a way through which Uruguayans socialize, and through it they could even recognize another fellow-citizen at any other spot in the world. Some other traditional elements of Uruguay are its music, the typical meals, and the "rambla" walks, among many more.

Other Factors. The geography of a country has a strong relationship with its people, their traditions, and their culture. This country, located towards the southern area of South America, does not have any mountains or important elevations from ground level. It goes through a rather cold winter and hot summer time, al-

though not very extreme, and with moderate temperatures through spring and autumn.

Some seasons are very important in relation with Uruguay's traditions, like for example summer time. During some summer time weeks, Uruguay goes through "carnaval", and one of the most important events during these époque is the appearance of the "murgas" and their shows at the "tablados". The "murgas" are specifically Uruguayan and consist on a group of people who sang self made letters regarding the society, news, the government, and any important matter regarding actuality in a rather ironic and entertaining way.

The **Uruguayan society** has class distinctions (Map of the World, 2009). The upper class consists of the economically powerful businessmen, politicians and the landed gentry of ranchers. The lower class is a mix of domestic workers, peasants and blue collar workers. The middle classes of Uruguay include white collar workers, professionals, and some farmers. The upper classes constitute about 5% of the total population.

The countryside society of Uruguay stayed much more strictly hierarchical than the urban Uruguay society. Uruguay has the most number of middle class families in the South American continent. For the major part of the twentieth century the middle class people of the country received great profit from the stipulation of free but superb public education through the university.

The urban poor population in Uruguay was intense with the problem of unemployment and of those who worked in the informal sector of the unskilled labor, economy etc. Small farmers in Uruguay accounted for just 5 percent of the total Uruguay land.

5.1.2 Uruguay Business Culture

The majority of the people are middle class; the extremes of wealth and poverty found in most other South American countries don't exist. Uruguayans take a pragmatic, utilitarian and materialistic approach to life. They have an inherent trust of people and a strong belief in social justice. A great deal of emphasis is placed on education. Uruguay has the best-educated workforce on the continent. People enjoy easy access to a good education, compulsory for nine years and free through post-graduate studies. (E-Diplomat, 2009).

For the dressing and appearance business people dress conservatively in Uruguay. Very often the Uruguayan wears a suit and tie of muted, dark colors to meetings and during the summer they may remove their jackets and ties it is important to follow.

Women may not wear nylons during the summer; they should wear blouses with dark suits, skirts and dresses. Though a foreign woman will have no problem doing business in Uruguay this may be an advantage because, men like to be with and enjoy doing business with women but, do not misinterpret with seduction practices.

Keeping with the tradition of South American business meetings Uruguayans are typically tardy for business meetings, it is important to be punctual, but be prepared to wait for the hosts and be ready to have business cards to everyone in a meeting.

Uruguayans prefer to form solid relationship with clients and will want to get know them well e.g. family and friendship are very important in Uruguay; it had to be prepared for the hosts to ask personal questions about family life though be ready to make a small talk before the business discussion begin.

Many Uruguayan business people speak English, but arrange for an interpreter in precaution, though it will be necessary to have all materials in Spanish during having a meeting

For the business meals protocol is important to know that the Uruguayans dine late, after 19.00. It will be appropriate to arrive at least a half hour late than the invitation and be aware that lunch is a typical business meal; dinner is for socializing only so does not talk business unless the hosts initiate the conversation. It is extremely rude to use a toothpick in public while dining.

In the body language Uruguayans stand very close during a conversations not matter if the conversations are socially or business way. Do not be surprised if your host touches shoulders and hold arms while they talk, but be aware never say and do the "OK" sign because, is extremely rude.

Never sit on or put the feet up on a ledge, desk or table Reference: (e-Diplomat, 2009).

5.1.3 Uruguay's economy

Uruguay's economy remains dependent on agriculture and services. Agriculture and agro-industry account for 23% of GDP, and for over two-thirds of total exports. Leading economic sectors include meat processing, agribusiness, wood, wool, leather production and apparel, textiles, and chemicals. Though still small, the information software industry is growing rapidly.

In 2002, Uruguay went through the steepest economic and financial crisis in recent history, which developed mostly from external factors. Devaluation in Brazil in 1999 made Uruguayan goods less competitive and an outbreak of foot and mouth disease in 2001 curtailed beef exports to North America. Starting in late 2001, an economic crisis in Argentina undermined Uruguay's economy, with exports to Argentina and tourist revenues falling dramatically. In mid-2002 Argentine withdrawals from Uruguayan banks started a bank run that was overcome only by massive borrowing from international financial institutions. This, in turn, led to serious debt sustainability problems. A successful debt swap helped restore confidence and significantly reduced country risk (U.S.Department of State, 2009).

Through prudent macroeconomic management and aided by favorable conditions abroad, Uruguay has enjoyed high growth rates since 2004 with an annual growth rate of 6.7% during the 2004-2008 periods, Uruguay's economic performance in the last few years has exceeded expectations, allowing it to consolidate the structural improvements obtained after the 2002 crisis.

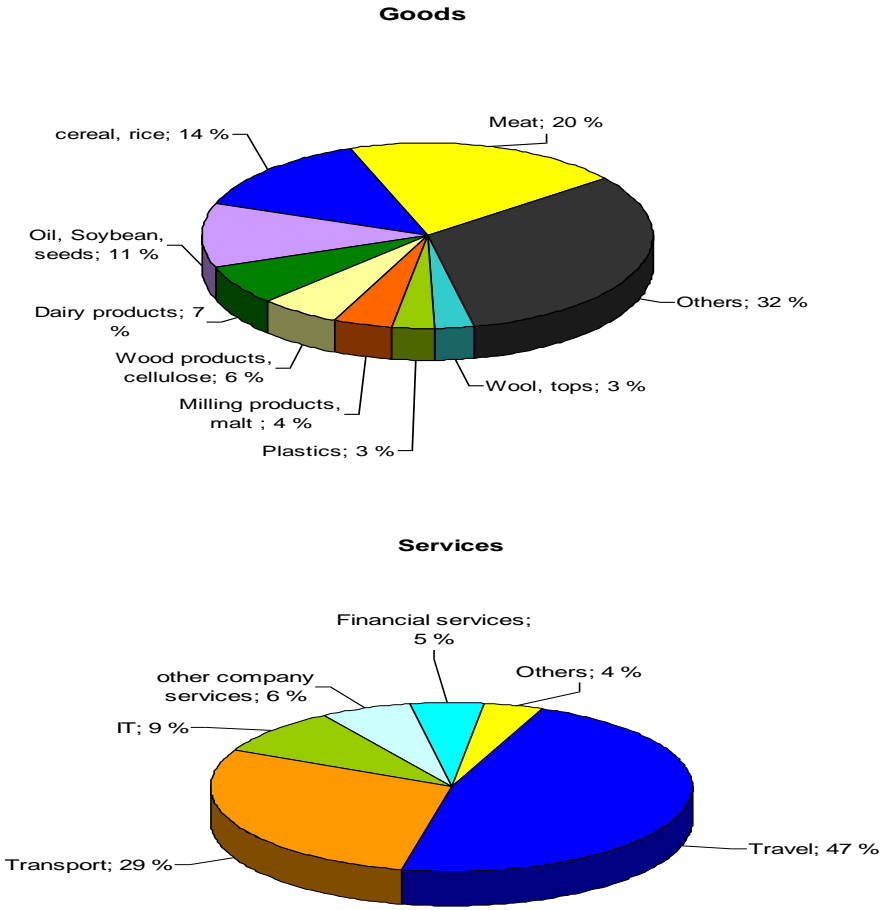
TABLE 1. These Grounds hosted Uruguayan GDP real growth rates on annual basis adjusted for inflation and expressed as a percent. (CIA World factbook, 2009)

Year	GDP – real growth rate	Rank	Percent Change	Date of Information
2003	-10.50%	207		2002 est.
2004	2.5%	128	-123.81%	2003 est.
2005	10.20%	13	308.00%	2004 est.
2006	6.8%	45	-33.33%	2005 est.
2007	7.00%	51	2.94%	2006 est.
2008	7.40%	43	5.71%	2007 est.
2009	8.90%	19	20.27	2008 est.

According with “Uruguay XXI” the Investment and Export Promotion Institute foreign trade report at 2009, Uruguay has been strong growth in export where good represent 73% and service sector 27% of the share and its main destinations are MERCOSUR countries with a sharing of 30%, Europe with 16%, Asia with 14%,

rest of Latin America 12%, NAFTA with 7% and finally the rest of the world sharing 21%.

Figure 1. Export main products and services 2009. (Uruguay XXI, 2009)



The current international scenario poses several challenges, and Uruguay’s government priorities are to attain higher rates of investment and to carry out structural reforms to make the economy more competitive, especially with respect to its productive capacity and infrastructure. At the same time, it has taken shorter term measures to guarantee access to credit as well as to aid those sectors that were hardest hit by the crisis.

5.2 Finland's History

The land area that now makes up Finland was settled immediately after the Ice Age, beginning from around 8500 BCE. Most of the region was part of Kingdom of Sweden from the 13th century to 1809, when it was ceded to the Russian Empire becoming the autonomous Grand Duchy of Finland. In **1917** Finland declares independence from Russia on December 6. In **1919** the constitution is adopted and Finland becomes a republic with a president as head of state. In **1955** Finland joins the United Nations and, in 1956, the Nordic Council. **1995** Finland becomes a member of the European Union (EU).

5.2.1 Finland's culture and society

Finland is bordered on the east by Russia, on the south by the Gulf of Finland and Estonia, on the west by the Gulf of Bothnia and Sweden, and on the north and northwest by Norway. A quarter of its territory is north of the Arctic Circle which makes one notable effect at the four seasons of the year. The climate is marked by cold winters and warm summers.

Finland along with Iceland is Nordic rather than Scandinavian this is reflected in their language which is not Germanic in origin while many social values are the same; there are subtle differences with Scandinavians. The Finnish language is a member of the Finno-Ugric linguistic family that includes, in one branch, Finnish, Estonian and a number of other Finnic tongues, and in the other, Hungarian, by far the biggest language of the Ugric group. Finland has two official languages, Finnish and Swedish (Countries and their Culture, 2009).

"Finland" and "Finns" are external obscure derivations from early (first century C.E.) Roman references to people known as Fenni (probably Lapps or Saami) who occupied lands north of the Baltic Sea. In their own language, Finns generally refer to themselves as Suomalaiset and their land or country as Suomi, which may

derive from suo, the Finnish expression for a bog or swamp. Finns constitute the majority of the citizens of the Republic of Finland, which has a Swedish-speaking minority as well as Saami (Lapp) and Rom (Gypsy) minorities (Countries and their Culture, 2009).

The population of Finland is 5.3 million. Finland is the sixth largest country in Europe in area, with a low population density of 15.5 persons per square kilometers. Most Finns, some two thirds, now live in urban areas, while one third remain in a rural environment. It is important to mention that according to The 2009 Legatum Prosperity Index Finland is ranked the first place where the countries are ranked in nine different subindexes: economic fundamentals; entrepreneurship and innovation; democratic institutions; education; health; safety and security; governance; personal freedom; and social capital.

Finland is an egalitarian society, which is reflected in their language, which employs gender-neutral words. Finns are very modest and downplay their own accomplishments. According to their behavior Finns believe there is a proper way to act in any circumstance. They talk in moderate tones and do not do anything to call attention to the rest of the people. Serial conversation is the rule - i.e. listen to the speaker, wait for them to finish and then reply interrupting is rude. Gritty perseverance (sisu), personal autonomy and independence, and respect for the autonomy of others are central themes in child training and personality formation though the formal education generally is highly valued.

In order to describe Finland culture I took some important elements that tell us what is very Finnish even some of them like sauna and coffee are borrowed from other countries and cultures.

The Kalevala is an epic poem synthesized by Elias Lönnrot in the early nineteenth century, is a powerful literary evocation of Finnish origins, unity, and destiny as a people. It frequently refers to other aspects of Finnish culture that have become significant symbols of identity, such as the savusauna (smoke sauna) and the ancient stringed instrument the kantele (Countries and their Culture, 2009). In Finland there are many Kalevala handicrafts products selling under Fairtrade.

Sauna is an important part of the national identity and its traditional sauna day is Saturday. Saunas are significant visual architectural symbols, especially in the rural landscape but, there is saunas everywhere it is possible to found them in houses, cottages, swimming pools, etc. The act of bathing in the sauna reinforces a web of cultural ideas about sociality, hospitality, cleanliness, health, *sisu* ("gritty perseverance"), and athleticism.

Coffee gets Finns moving on cold, dark winter mornings. It provides strength to last the day and even sends people to sleep. Believe it or not more coffee per person is drunk in Finland than anywhere else in the world. Most Finns drink is light-roasted and slightly bitterer than coffee drunk in continental Europe. Serving coffee is a very important Finnish custom. Finns drink coffee anywhere and everywhere; at home, at work, visiting friends, entertaining friends, doing the shopping, at the filling station, mowing the grass, hunting, shooting and fishing - any excuse will do to get their hands on that coffee cup (This is Finland, 2009).

Coffee is the best-known Fairtrade product sold in Finland. For the year 2008 Fairtrade Finland launched more than 110 different types of Fairtrade coffee including filter coffees, beans, instant and ice coffees to vending machines.

The Nature is an important part of the Finns. It is amazing to see the changes in the attitude of the people during summer time and winter time. During summer people opt to shake the city dust from their feet and head for the countryside. The awakening of nature in the north is an impressive show. Finns enjoy their four to six weeks of summer holiday in the peace of the countryside, preferably by a lake or seashore. Recharging batteries in the sun and near water is a prerequisite for surviving the long, dark winter. The Finnish nature is open to all according to the age-old tradition of "everyman's right".

5.2.2 Finland Business Culture

The Finnish business culture is based on high ethics and standards; the Finns keep their promises and follow rules and legislation. They are committed to a high

level of integrity, and corruption and bribery rate has always been very low. In business negotiations, the Finns do not favour small talk but tend to be rather remote and go very quickly to the point. They are very punctual as too agreed hours and very straightforward in handling issues, and their 'yes' is definitely 'yes' and a 'no' is never a 'perhaps'. Their frankness may sometimes seem a bit indelicate, but after getting used to it, communicating with them is straightforward and easy. If you intend to sell products to Finnish partners, it is advisable to learn what they value when doing business: efficient negotiations, explicit offers and terms, even quality, punctuality, as well as compliance with law, contracts and other specified requirements. If the Finns find reliable suppliers, who see to safe and punctual deliveries and offer excellent price/quality/ ethics relation, they tend to build long-lasting business relations. (Exporting to Finland, 8)

5.2.3 Finland's Economy

Finland has transformed its economy in a matter of decades to become one of the richest countries and most stable societies in the world. In the 1950s the Finnish economy was still largely based on primary production and an agrarian workforce. Today Finland is leading or near the top of most international comparisons in terms of growth and development in the economic, technological and social spheres. According to The Research Institute of the Finnish Economy, the system has combined economic efficiency and growth with a peaceful labor market, an egalitarian distribution of income and social cohesion, backed up by a generous social security system. (Invest in Finland, 2009)

The largest sector of the Finnish economy is services at 65.7%, followed by manufacturing and refining at 31.4%. Primary production is at 2.9%. Finland's main industrial products are paper and board, electronics and metal products and engineering and high technology industries.

“Today, Finland is not only one of the most open economies in the world, but also one of the **leading knowledge-based economies**. Research and development expenditure in relation to GDP is one of the highest in the world – about 3, 5 %. Higher education enrollment is well above the OECD average; number of researchers in relation to population is higher than in any other country. During the 1990s the economy oriented heavily towards ICT (information and communication technologies), and by the end of the decade the country was the most ICT specialized economy in the world”. (Pekka Ylä-Anttila, ETLA’s research director. Helsinki, 2005)

Finland foreign trade as in most small countries, foreign trade accounts for a marked share of the GDP. **In Exports** there are three almost equally important exports sectors in the Finnish economy: electro technical, machinery and transport equipment, wood and paper products and the fourth biggest export sector is the chemical industry. **In imports** raw materials, machinery and components that it needs for manufacturing products for both domestic and export markets, energy, consumer goods including textiles, food, clothing and cars

FIGURE 2. The next chart resume the main Exports and Imports during 2008 according with grounds took from the Statistics Finland (Tilastokeskus, 2009).

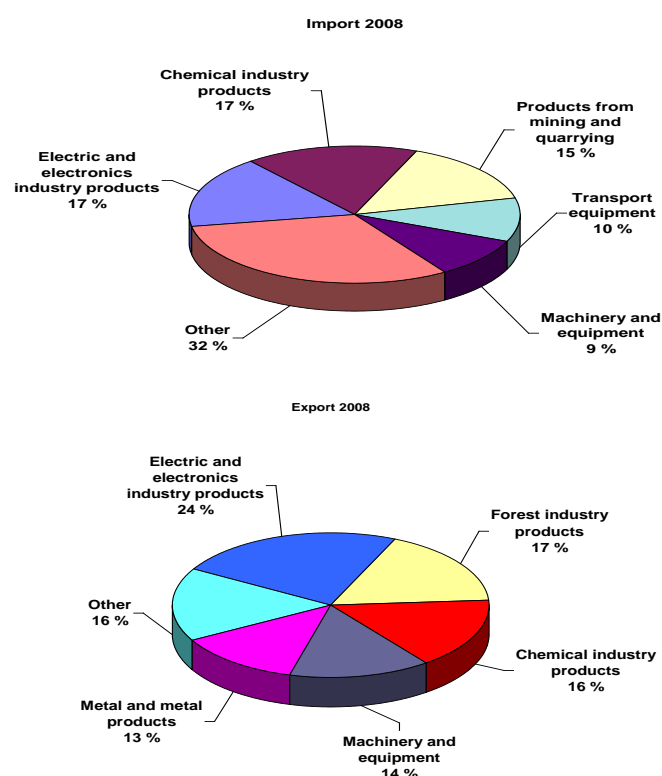


TABLE 2. Import and exports countries share in 2008 by region (This is FINLAND, 2009)

Imports and exports in 2008 by region

Region	exports <i>% share of total</i>	imports <i>% share of total</i>
EU-countries	55.9	54.9
Euro Zone	29.9	30.9
Rest of Europe	17.9	20.9
OECD	67.4	65.8
North America	7.0	4.1
Central and South America	2.4	2.6
Middle East	3.7	0.2
Rest of Asia	9.7	15.4
Africa	2.3	0.9
Oceania	1.0	1.1

Finland has been affected by the current global crisis, but the main threat to its economy goes beyond the crisis. According with Euromonitor International Finland has one of the fastest growing ageing populations in Europe and is expected to have the oldest population in the EU by 2015 as well as the projected decrease in the workforce by 10,000 people a year from 2010. This fact may have a negative impact on productivity growth and will put pressure on the government finances.

5.3 Uruguay-Finland Bilateral Trade

Finland has been present in the Uruguay market since nearly 80' in the forestry sector, but the official bilateral trade is made since 2006 when the CAN (Camara de Comercio Uruguay-Países Nordicos) had establish in order to support the largest private investment in both countries with the project of BOTNIA (pulp mill) and Uruguay Government in the location of Fray Bentos.

This pulp mill has generated conflict between Argentina and Uruguay in environmental, politico-economic battle among business, civil society and governments in the two South American countries. Furthermore the pulp mill is operating totally production since 2007.

This bilateral trade agreement had benefit both countries, since that time many Finnish companies like Forestal Oriental S.A, ABB, Kemira, Stora Enso, Ponsse has enter in the Uruguayan market . On the other side Uruguay hasn't enter in the Finland market so fast and deeply, it is very rare to see Uruguayan products in Finland and the few of them are see through some foreign companies operating in the country like Lidl Finland which is a German retail group and it is possible to find Uruguayan meat.

The next chapters will give an overview of the Fair trade in both countries and later on the analysis of the Uruguay possibilities to invest and enter in the Finland market under the Fair trade concept.

6 FAIRTRADE

“Fairtrade is a trading partnership, based on dialogue, transparency and respect that seek greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producer, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.”

Fair trade advocates typically espouse a number of guidelines. The movement intends to provide market access to otherwise marginalized producers, connecting them to customers and allowing access with fewer middlemen. It aims to provide higher wages than typically paid to producers as well as helping producers develop knowledge, skills and resources to improve their lives. Fairtrade advocates also seek to raise awareness of the movement's philosophies among consumers in developed nations (EFTA, 2006).

The main principles are:

- Equal partnership and respect between producers and consumers
- A fair price for socially just and environmentally sound work
- Healthy working conditions
- Fair market access for poverty alleviation and sustainable development
- Stable, transparent and long-term partnership
- Guaranteed minimum wages and prompt payment

- Financial assistance, when needed (pre-harvest or pre-production financing)
- Premiums on Fairtrade products used to develop community projects
- Encouraging better environmental practices

6.1 Fairtrade history

There are many stories about the history of Fairtrade.

It all started in the United States, where Ten Thousand Villages (formerly Self Help Crafts) began buying needlework from Puerto Rico in 1946, and SERRV began to trade with poor communities in the South in the late 1940s. The first formal “Fair Trade” shop which sold these and other items opened in 1958 in the USA.

The earliest traces of Fair Trade in Europe date from the late 1950s when Oxfam UK started to sell crafts made by Chinese refugees in Oxfam shops. In 1964 it created the first Fair Trade Organization. Parallel initiatives were taking place in the Netherlands and in 1967 the importing organization, Fair Trade Original, was established.

At the same time, Dutch third world groups began to sell cane sugar with the message “by buying cane sugar you give people in poor countries a place in the sun of prosperity”. These groups went on to sell handicrafts from the South, and in 1969 the first “Third World Shop” opened. World Shops, or Fair Trade shops as they are called in other parts in the world, have played (and still play) a crucial role in the Fair Trade movement. They constitute not only points of sales but are also very active in campaigning and awareness-raising.

During the 1960s and 1970s, Non-Governmental Organizations (NGOs) and socially motivated individuals in many countries in Asia, Africa and Latin America

perceived the need for fair marketing organizations which would provide advice, assistance and support to disadvantaged producers. Many such Southern Fair Trade Organizations were established, and links were made with the new organizations in the North. These relationships were based on partnership, dialogue, transparency and respect. The goal was greater equity in international trade.

Parallel to this citizens' movement, the developing countries were addressing international political fora such as the second UNCTAD conference (United Nations Conference on Trade and Development) in Delhi in 1968, to communicate the message "Trade not Aid". This approach put the emphasis on the establishment of equitable trade relations with the South, instead of seeing the North appropriate all the benefits and only returning a small part of these benefits in the form of development aid (WTOF, 2009).

6.2 Fairtrade Structure

There are basically four types of established Fairtrade organizations, which all assume different roles within the trading chain from producers in the South to consumers in the North (Fair trade facts and figures report, 2007)

Producer organizations cultivate or produce a wide variety of marketable products (food products like coffee, cocoa, tea, fresh and dried fruit, spices, etc. as well as a wide variety of handicrafts including baskets, glassware, jewelers, musical instruments, toys, etc.) and export them to the consumer countries. The producers are at the very heart of the Fair Trade system.

Fairtrade importing organizations buy products from producer organizations, sometimes from marketing organizations working very closely with producer organizations, at a "fair price". In their respective home countries the importing organizations operate as wholesalers or retailers, or sometimes as a combination of both. Importing organizations assist their producer partners in many different

ways: they advise them on product development; they help them with skill and management training; or offer them additional support in difficult economic and social conditions.

In their home markets they sell the products through a wide variety of different channels: often through specialist shops (“Worldshops”) and local groups or representatives. Many of them also use other channels such as commercial stores, organic or whole food shops, gift shops, supermarkets, mail order catalogues, or internet based online shops. A growing number is also active in what has been labeled as the “out-of-home market”, i.e. restaurants, cafés, canteens, companies, etc.

Worldshops in some countries also called Fair Trade shops are specialist shops for Fair Trade products. They sell Fair Trade products to consumers, but they also organize informative and educational Fair Trade promotional activities for the public. They encourage their customers to join campaigns on North-South issues and to lobby their local and/or national decision-makers.

Fairtrade labeling initiatives: the success of Fairtrade in recent years can largely be attributed to the developments which have taken place within Fair Trade labeling, allowing many commercial companies to become new Fair Trade partners. Under their worldwide umbrella organization “Fair trade Labelling Organizations International” (**FLO**) the national initiatives are continuously extending the Fair trade labeled product range. This is important because it creates new opportunities for producers of existing products and it also allows new producers and workers to join the Fair Trade system (Fair trade facts and figures report, 2007).

Table 3. International Fairtrade network source Fairtrade 2007 report.

INTERNATIONAL FAIR TRADE NETWORKS IN THE CONSUMER COUNTRIES

Association	In brief
IFAT international Fair trade Association	It is a global association of more than 300 Fair Trade organizations in 70 countries, who have the concept of Fair Trade at the heart of their mission and at the core of what they do.
EFTA European Fair Trade Association	It is an association of 11 importing Organizations in 9 European countries. Its membership includes some of the oldest and biggest Fair Trade specialist organisations in Europe.
NEWS! Network of European World Shops	At the end of 2007 NEWS! Was a network of 13 national associations of Worldshops, representing about 2,060 shops in 12 countries
FLO International (Fairtrade Labelling Organizations International),	Is a network of 20 national labeling initiatives in 21 countries. Fair Trade labeling organisations exist in 15 European countries as well as in Canada, the United States, Japan, Australia and New Zealand (one organization for both countries), and in Mexico.
Fair Trade Federation in Washington, DC.	It is an international association of Fair Trade retailers, wholesalers and producers, spread over 14 countries, with a very strong focus on the US and Canada.

6.3 Fairtrade (FLO) facts and figures

Table 4. Sales in volume and retail value (FLO annual report, 2009)

PRODUC	CONVENTIONAL	ORGANIC	TOTAL 2008	GROWTH RATE
BANANA	209,400	89,805	299,205	28%
COCOA beans	5,336	4,962	10,299	N/A
CAFFEE roasted	34,135	31,673	65,808	14%
COTTON	25,280	2,292	27,573	94%
FLOWERS and plants	311,685		311,685	31%
FRESH FRUIT	25,288	1,136	26,424	1%
FRUIT JUICE	27,626	593	28,219	11%
HONEY	1,727	328	2,055	22%
RICE	2,615	2,070	4,685	11%
SPORTS BALL	141		141	2%
SUGAR cane sugar	49,673	7,317	56,990	N/A*
TEA	9,515	1,952	11,467	112%
WINE	5,831	3,151	8,982	57%

LI	UNIT	2007	2008	GROWTH RATE
AUS/NZ	EUR	10,800,00	18,567,280	72%*
BELGIUM	EUR	35,000,000	45,780,141	31%
CANADA	EUR	79,628,241	128,545,666	67%*
DENMARK	EUR	39,559,534	51,220,106	40%*
FINLAND	EUR	34,643,000	54,445,645	57%
FRANCE	EUR	210,000,000	255,570,000	22%
GERMANY	EUR	141,686,350	212,798,451	50%
IRELAND	EUR	23,335,678	30,131,421	29%
ITALY	EUR	39,000,000	41,180,027	6%
JAPAN	EUR	6,200,000	9,567,132	44%*
NETHERLANDS	EUR	47,500,000	60,913,968	28%
NORWAY	EUR	18,069,198	30,961,160	73%
SPAIN	EUR	3,928,213	5,483,106	40%
SWEDEN	EUR	42,546,039	72,830,302	75%*
SWITZERLAND	EUR	158,101,911	168,766,526	7%
UK	EUR	704,314,576	880,620,304	43%*
GLOBAL TOTAL	EUR	2,381,127,046	2,894,711,217	22%

By the end of 2008:

- There were 746 certified Fairtrade producers worldwide
- The estimated retail value of Fairtrade products rose 22% to almost € 2.9 billion
- Fairtrade sales grew by 50% or more in seven countries
- Despite the onset of the recession no markets fell back Over 27 million items made of Fairtrade certified cotton were sold, almost double the sales of 2007
- Sales of tea, an established Fairtrade product, doubled
- Sales of bananas grew by 28% to almost 300,000 metric tons
- Almost nine million liters of Fairtrade wine was consumed – an increase of 57%
- Now there are over 2,700 companies licensed to use the FAIRTRADE Mark on products (FLO annual report, 2009).

In order to continue the mainstream of this investigation is important to point out that in 2008 the Fairtrade has created a new strategy in the market called “Making the Difference” and basically consist in demonstrated a different way to doing business by supporting companies doing their products with Fairtrade ingredients. Under this strategy it will be analyze the Cooperativa Agraria de Carmelo (CAL-CAR) in Uruguay.

7 FAIRTRADE IN URUGUAY

The Fairtrade Uruguay born from the critical and purposeful look of a group of institutions and people concerned about the current economic and social situation in the country though from its past crisis. It may be necessary to integrate and give impetus to the different economic enterprises, which were developing as a first reaction to the economic crisis, lack of jobs and bankruptcy. Cooperative institutions are for instance an economic alternative for social development and Fairtrade.

In Uruguay the Fairtrade movement is composing by many public and private associations and its mission is to promote the products of small Uruguayan producers and artisans in the national and international markets. Uruguay Fairtrade is dedicated to fostering relations and marketing schemes to enable the timely distribution of such products. As a key element to achieve a fair market, find a supportive relationship between the producer and the consumer through awareness of state and society in general.

7.1 Principles

Its activities and projects are based by the Fairtrade standards which are.

- Equality of opportunity and treatment for men and women
- Promotion of fully democratic and transparent functioning of the organizations that comprise commitment to environmental protection standards
- Promotion-payments for organic production

- Promotion of additional payments for social projects, cultural or improvements to production
- Failure to use child labor
- Respect the right to organize and decent wages for workers
- Promoting the production of excellent quality
- Establishing a direct relationship between producers and consumers, avoiding as much as possible, brokers and speculators
- Promoting a "fair price" to allow the farmers and their families living from their work
- Approval of partial funding before harvest if the producers so require
- Establish relationships and long-term contracts based on mutual respect and ethical values. These relationships point not only to set a fair price but also to create conditions for sustainable development of the people it produces (Comercio Justo Uruguay, 2009).

7.2 Objectives

- Promote the organization and association of small producers in search of better economic and social partners.
- Jointly seek solutions to various problems affecting directly and indirectly, the production and marketing of typical products of the country.

- Promote the exchange of technical and scientific knowledge about the production process among its members.
- Promote the integration and mutual cooperation between organizations of small producers and consumers.
- Create conditions for improved terms of trade in the marketing of products.
- Build regional solidarity in support of the demands of local and international cooperative organizations.
- Making and marketing initiatives to promote fair and equitable driven by solidarity organizations.
- Fully integrate women into all related tasks.
- Create spaces and economic prospects for young people (Comercio Justo Uruguay, 2009).

It is very important to mention that even many associations in Uruguay and other Latin American countries are working under Fairtrade philosophy, not all of them have present into the World Wide Fairtrade organizations. In Latin America there is still a huge gap in the commercial distribution channels and the capability to make one fusion in order to stimulate the market in a multidirectional ways like North-South and South-South.

7.3 The products and the producers

As it been mentioned before the Fairtrade movement in Uruguay and other countries of Latin America do not commercialized all their products in the biggest net-

work of Fairtrade in the rest of the world. These may be consequences of the different point of view in the Fairtrade culture and also that many producers can not full filled all the requirements for these organizations. Many of these organizations are buying the raw material (commodities) from the south and transform them in a terminal product to be sale mainly in big outlets chains. Meanwhile in the South the commercial trade farther to give a cover charity meaning, give the opportunities to many social groups rather they are poor or not, always respecting and following the same Fairtrade philosophy of doing business.

In this order Uruguay have different and many entities working under this concepts or so called solidary economy movements that do not only produce commodities by many other products like leather, wool, fish leather, handicrafts, jewelry, dairy products, clothing, wood products etc (Appendix 2).

FAIRTRADE IN FINLAND

7.4 Structure

The Structure of Fair Trade in Finland has six importing organisations, of which **Kehityksmaakauppa** known abroad as the Tampere **ATO** is by far the best known. The organization has become widely known through its year-long cooperation with producers in Tanzania. It has not only been instrumental in introducing a coffee roaster and vacuum packing line in Tanzania (Tanzania Tea Blenders Ltd. -TTB) but it has also brought the Africafé instant coffee to consumers in many countries.

Similarly to Tampere ATO, the other smaller organisations simultaneously act as importers, wholesalers and retailers as well. They run Worldshops of their own, like **Juuttiputiikki** in Oulu, Finland's first Worldshop which opened in 1978. Each organization specializes in a few selected sourcing countries to which it keeps close contacts, increasingly through visits to producers and producers being invited to Finland as well.

The Finnish Association of Worldshops **Maailmankauppojen liitto ry** which is 28 members run 19 shops which generally operate independently of one another - a necessity in a huge and sparsely populated country. Apart from their sales activities many Finnish Worldshops also have development cooperation projects with their trading partners or with other counterparts in their trading partners' countries.

The Finnish labelling organisation **Reilun kaupan edistämisyhdistys ry.** (Finnish Association for Promoting Fair Trade) was founded in 1998. It has 29 member associations, including the Worldshop Association, trade unions, as well as environmental, development and church organisations. The Finnish label appears on more than 150 different products available from more than 3,000 outlets all over

Finland. The latest products which were introduced include roses and wine (in 2006) and cotton in 2007.

In its educational and promotional work, the labeling organization is helped by **Pro Fair Trade Finland (Reilun kaupan puolesta ry)** with its 15 local groups with about 400 people ready to volunteer for all kinds of Fairtrade label related activities. The organization has been instrumental in launching Fairtrade cotton through staging a close cooperation with Finland's second largest clothing industry company **Nanso**, involving Fairtrade cotton produced in Cameroon and young Finnish designers.

Pro Fair trade Finland is also engaged in building up a European-wide network for volunteers who are interested in promoting Fairtrade, named **Fairtrade Action Network** (Fairtrade 2007 report).

7.5 Vision and Mission

Its vision is ***“A world where all trade and production is fair”***

Its Mission is ***“To offer fair business opportunities and working conditions for farmers and workers in developing countries. To reduce poverty and support communities in their efforts to improve their own living conditions”*** (Fairtrade Finland 10th anniversary report 1999-2009)

Mentioning other facts about Fairtrade Finland, this country has a very strong culture in consume the Fairtrade products more than the 90% of the population is totally aware of Fairtrade mark displayed on a product, thanks to the excellent marketing, educational and social work that all its members do. Fair trade Finland has approach a growth of retail sales values 57% by year 2008 and now days every person in Finland spent an average of €10.22 on Fairtrade products.

7.6 Product and producers

TABLE 4. Sales of Fairtrade certified products in 2008.

PRODUCT	IN BRIEF
Fruit	Fairtrade fruit sold in Finland were bananas, mangoes, pineapples, grapes, avocados and citrus fruit. Of these, sales of grapes, bananas and pineapples increased the most. Fairtrade pineapples had the biggest market share among all Fairtrade products sold in Finland at 18%, with bananas also up to 17% of the market.
Coffee	Fairtrade coffee is one of the best-known Fairtrade products. In 2008 there were around 110 types of Fairtrade coffee for sale in Finland, with the selection ranging from filter coffee, coffee beans, espresso, instant and iced coffees to vending machine coffees.
Flowers	Fairtrade flowers available in Finland were roses, carnations and mixed bouquets. Flowers were one of the most important Fairtrade products sold in the country and the market for them continued to bloom in 2008.
Juices	The selection of Fairtrade juices increased and comprised orange, orange-mango, apple, pink grapefruit, pineapple and mixed juices as well as herb drinks.
Cotton	New products made from Fairtrade cotton are being launched all the time. At the end of 2008 more than one in three Fairtrade products sold in Finland was made from Fairtrade cotton, with their sales value exceeding €3.9 million
Tea	There were 110 different Fairtrade tea products for sale in Finland. Tea sales continued to grow as new products appeared in shops, with the figure up more than 6% on the previous year
Wine	Finnish consumers could choose from around 15 different Fairtrade wines in 2008, with the selection including reds, whites and sparkling wines. The total volume of Fairtrade wines sold was more than 360,000 liters, equaling a year-on-year rise of more than 190%. The figure will continue to grow as new wines arrive in Finland for retail and restaurant sales.

8 FAIRTRADE ANALYSIS BETWEEN URUGUAY AND FINLAND

The first point analyzed according to data obtained during the present investigation refers economic, social and trade factors in both countries.

Economically Uruguay and Finland have a strong economy based on exports unlike Finland Uruguay has a poverty rate of 27.4% product to the economic crisis during the period of 2002. This crisis created the necessity of implement more economic solidarity and open markets under Fairtrade philosophy to the society.

Finland's exports are based on sale technology and know-how and on the other side even Uruguay has a strong technological base its economy is still based on agriculture exports. According to this: **What can awake the Finland interest to buys Uruguay products under the philosophy of fair trade?** There may be many answers to this question, but since agriculture is back in the center of the issues because the current economic crisis and the dangerous lack of energy world wide the agriculture in the near future it will mark not only the origin of the Green-tech or better know as the Clean-Tech already developed in Finland which a huge commercialization potential. For that instants Finland should be interesting in invest in Uruguay no only by settle down big industries there but, trying to be reciprocal trade balance and created a win-win business.

The Fairtrade is not an easy issue to deal with and less to implement it as it presents more benefits than those who stopped them get so high for others to have a minimal chance to progress economically. But many people do not care only of their interests (in this case economics) and worries about other people and tries to get everyone to get their minimum basic needs. As it can be seen in former chapter, the both countries societies are well develop with a high HDI (Human development Index) and literacy rate that make them aware of this situations and get its societies care about other people with a different social and economical conditions. For Fairtrade made in Finland and Uruguay it could be very positive factor

because, the implementations of knowledge and technologies in producing and commercialization Fairtrade products it may be minimum.

In the way to do business both countries are very flexible. Finland and Uruguay have big support from their Foreign Government affairs and the private sectors, BOTNIA Fray Betos for example is a prove of that.

In the Fairtrade sector it's very important to be aware of many factors which can be positive or negative for Uruguay which unfortunately does not have a strong presence in the Fairtrade market as other countries like Costa Rica, Ecuador, Peru, Colombia, Brazil, etc.

Some positive factors could be that Uruguay produce more than 70% of the Fairtrade commercialized products in addition have many products like fish leather, artisan, diary products (milk derivates) that still are not in the marked, but they are made by cooperatives association and Fairtrade philosophy.

Uruguay is a member of the Latin American Integration Association (ALADI), the largest integration group of Latin America. **ALADI** consists of 12 nations: Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela, it is regulating its operations and established general principles of the group: pluralism in economy and policy issues; progressive convergence of actions for the formation of a common Latin American market; flexibility; differential treatment based on the development of member nations; and multiplicity in trade instrument implementation methods (Uruguay XXI, 2009).

Unlike other countries that require special permits, there are no unusual requirements to export from Uruguay and there are many free ports and free warehouses.

The Fairtrade seeks to promote sustainable development integrating the needs of present generations and future generations. The main objective is to promote Fairtrade expanding every human being and allow everyone to get the best possible, throughout his life, time spent on training, gainful employment, volunteering and family life the Fairtrade is a promising alternative route for the whole society is

based on tolerance, freedom, democracy, transparency, equality and the exit to a better and more economically divided. If the Fairtrade is seems like charity between Norths to South them Uruguay plays very bad position rather than other countries. The real Fair trade is the trade that is fair to everyone and puts both parts (producer/buyers) at the same level.

Uruguay never has to forget the big potential it has in the agriculture rather to leaving it behind.

The next chapter will shows the possibilities of the Canelones Agrarian Cooperative CALCAR to enter to the Finnish market under Fairtrade concept.

9 STUDY CASE “CALCAR”

The purpose of this chapter is to show an example of the possibility that Uruguayan products may have to enter into the Finnish market. Uruguay has a diverse range of products that are commercialized under Fairtrade philosophy as an example we can mention some of them like honey, soybean, wool, etc. The decision to take the Agrarian Cooperative of Canelones **CALCAR** is based on the latest strategies raised by the Fairtrade organization in Europe to diversify its products and provide opportunities for companies to certify their products with the Fairtrade label.

It is very important to mention that according to this investigation Finland has a very strong potential in labeling and commercializing Fairtrade products though the Fairtrade consumer society has very powerful awareness.

9.1 CALCAR in brief

CALCAR is a Cooperative Milk Producers (dairy cooperative) founded in 1956 and from that date worked uninterrupted form as a Cooperative of Dairy Producers. It is located in Carmelo that belongs to the Colonia province.

Its main objective is transferred to milk producer's cooperative members, the largest and better income for their product (milk), sent daily to the cooperative and handled by very professional managing staff. **CALCAR** is working under food safety and total satisfaction in terms of quality standards.

At the moment, the members are 140 producers that remit their production daily to the industrial plant, where the different products are elaborated.

9.2 Products

CALCAR has extensive variety of dairy products special different kind of chesses and other products as well as yogurt Milk Pudding and ricotta. In order to see CALCAR products remit to Appendix 1.

9.3 Foreign trade

The first exports of cheeses were carried out late in the 60's. The destination was Peru. After the commercial agreements with Brazil and Argentina (PEC and CAUCE) the exports began to these countries. Later was incorporated USA, Mexico, Venezuela, Chile and other markets distant as Russia, Canada and at the moment the Asian market is being explored (CALCAR, 2009)

In the international market, the cheeses are:

- Hard, Italian type as Parmesan with ripening of 6 months and 1 year, Sbrinz and Goya.
- Semi – hard Cheese as Gouda, in generally presented in bars of among 2, 5 kgs and 3.5 kgs., Mozzarella with the characteristics of product that are detailed in our technical file. This cheese can be adapted very well for the consumption in slices or grated in pizzerias and for general meals, Provolone Cheese is and Italian type, of filata pasta, in different presentations.
- Maasdam Cheese, typical cheese of Dutch origin and other cheeses as Colonia, Danbo, Cuartirolo.

9.4 Environment and social participation

The whey that results from the cheese production is destined to two establishments, both property of the Cooperative. One of them works with pigs, and has approximately 270 “mothers”, and the other works with bovines that are still drinking milk, and enter the establishment with approximately 70 kg.

The system gives priority to the feeding with whey, which is complemented with grains and pastures. Animals leave the system according to the availability of whey, having stayed an average of 180 days.

Moreover, the cooperative participates, with schools, in a program for the recollection of the polyethylene packages that contain the milk that is sold daily. These bags are then recycled to obtain residuals bags, both for families and institutions.

CALCAR gives support to schools with children with nutritional difficulties, programs for the adult’s men, sports events and local celebrations. **CALCAR** always participates locally in sports cultural, in general recreational and communitarian activities.

This social participation form many years now, is based on the concept of returning to society at least part of what society, in many ways, gives the enterprise, and in the knowledge that these contributions help to overcome the different needs of our society (CALCAR, 2009).

10 SWOT – ANALYSIS

<p style="text-align: center;"><u>Strengths</u></p> <p>Innovative in the Fairtrade products chain</p> <p>Strong culture of consume</p> <p>Big demand as diary product</p> <p>Low cost in technology and educational invest</p> <p>⇒ High educated staff</p>	<p style="text-align: center;"><u>Weaknesses</u></p> <p>No presence in the market</p> <p>⇒ Barrier to build image and trust</p> <p>Many Fairtrade associations without strong fusion</p>
<p style="text-align: center;"><u>Opportunities</u></p> <p>Pioneer in launching new kind of Fairtrade product in Latin America to the Europe market.</p> <p>Uruguayan Fairtrade associations getting to know in international markets</p> <p>Having a real bilateral balanced relation</p>	<p style="text-align: center;"><u>Threats</u></p> <p>Hard competition after launching products</p> <p>Danger to end in a DOG level</p> <p>Loss of interest trade by resentment in social and ecological level product of the BOTNIA pulp mill</p>

10.1 Strengths

The strengths of the CALCAR it is an innovative and new product into the Fair-trade product chain. This market is potential for CALCAR in sense that the people in Finland have a very strong social consume culture. It is a diary product that has big demand. Though the introduction to Finnish markets of the hard Italian type of cheese could be very positive because, the present in the market of this kind of cheese is very low, actually there are only 3 brands of it and only one is sale in the Fairtrade concept. The advantage to have a literacy society and well stand technology make the Fairtrade commercialization process quickly and reliable.

10.2 Weaknesses

The biggest weaknesses for CALCAR are that Uruguayan products have not presents in the Finnish markets and this may be a barrier in order to build the creation of image of the product as well as consumer confidence. Uruguayan Fair-trade associations are still too many everywhere and not make a strategy fusion in order to have enough presents in the Fairtrade market.

10.3 Opportunities

The main opportunity that CALCAR has is to be the pioneer in Latin America in exporting new brand of Fairtrade product to Europe. Give to Uruguayan Fairtrade associations the opportunity to have presence in the Foreign Fairtrade market. And give to Uruguay and Finland the opportunity to have a balance in the bilateral trade.

10.4 Treats

The fact that a company is introducing new concepts of products may bring a lot of competitor in the local market which it could be for the CALCAR products a big treat leaving very far the possibility of future and sustainable business relationship with Finland.

In the social level we can expect that some people in Uruguay does not have any interest in make business with Finland because of all the problematic that the BOTNIA pulp mill has generated in environmental and civil society.

11 CONCLUSION AND RECOMMENDATIONS

As it can be seen in former chapters it can **conclude**.

The Fairtrade is a promising and an alternative route for the society based on tolerance, freedom, democracy, transparency, equality and the exit to a better and more economically divided.

The demand trends in Fairtrade in general agriculture represents over 60% of fair trade, the highlighting products are coffee, tea, cocoa, honey, chocolate, bananas, sugar, tropical fruits (fresh and dried), fruit juices, nuts, jams, candies, species, rice, wine and essences (quinoa, amaranth). Other important include handicrafts (ceramics, pottery, wood), textiles, leather products, musical instruments, paper, jewelry, furniture, cards, masks, balls soccer and volleyball among others. Uruguay has big opportunities to engage the Fairtrade market in sense that still bases its economy in the agriculture service.

The growth of Finnish Fairtrade has raised very important position in sales volume and the certificate products. It is expecting to achieved during next five years the amount of 100€ per person by actively increasing the product selection with new fruits, textiles, wood products, **biofuels**, seafood and **gold**. Uruguay could play and important place by offering its Fairtrade products and creating more bilateral treatments in order to enter at time to the market.

Finland Fairtrade is well structured organization unlike Uruguay is missing a clear organization structure. This makes relation's trade affected between countries in the other hand both countries are very reliable in the making business process and business culture mach very well in this process.

The study case "CALCAR" is just a sample of the possibilities to make business under Fairtrade. The party shared same philosophy and has a big potential to en-

ter in the market through Fairtrade providing an innovative product portfolio however is still missing an organized structure in order to approach this goal.

According to this it can **recommend**:

Farther than interpret the Fairtrade as compulsory act by helping the poor countries and displace its own producers, the most powerful Fairtrade association around the world like FLO, IFAT, EFTA, NEWS! Etc, are forcing in helping them to be in the same level of conditions by **employment** the creation of stables jobs, improvement in the access to disadvantaged people and ensure each staff member decent working conditions. **Environmentally** production by using methods and products that is not harmful for the nature. It is important to be aware that Fairtrade is only fair when all are include.

Uruguay has to promote and participate in coordination and organizations that promote the fair trade for the implementation in forums, roundtables, fairs, or any other activities that promote the principles and values of Fairtrade by encouraging the creation and fusion of cooperatives across the country and only one in order to deal with the biggest associations around the world especially in Europe and in this case Finland.

Finland Fairtrade is well organized in order to achieved their ambition to tenfold 100€ per person in fie years should consider Uruguay as a potential market starting with one to one strategy. Uruguay is agrarian country in a near future could produce biofuels to export.

CALCAR has excellent opportunities to introduce its products in the Finnish Fair Trade market which fall within its new product strategy selection. There is still missing the organized structure that can canalize the distribution channels.

And finally to all entities be aware that the ethical origin of products has to be important to all the people and companies. Despite the current economical crisis the consumption of ethically produced good has increase and day by day people is acquired strong fairer consumer culture.

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APPENDIX 1. CALCAR PRODUCTS

Appendix 1. 1/6



Cooperativa Agraria de Responsabilidad Limitada Carmelo

Address: Ruta 21 Km. 251.500 - Carmelo - Departamento de Colonia - Uruguay - C.P. 70100

Phones: 00598 - 542 - 2844 / 2188 / 3414

HARD CHEESES



	PRODUCT	PRESENTATION	APPROX WEIGHT
1	Grana Premium Cheese	Vacuum packed	225 g
2	Parmesano Cheese	Vacuum packed	250 g
3	Sbrinz Cheese	Vacuum packed	250 g
4	Goya Cheese	Vacuum packed	250 g
5	Exhibitor	Carton	5 g

Semi-hard and Soft Cheeses



	PRODUCT	PRESENTATION	APPROX. WEIGHT
1	Provolone Cheese	Vacuum packed	300 g
2	Provolone with oregano	Vacuum packed	300 g
3	Magro Cheese with or without salt	Vacuum packed	250 g
4	Mozzarella Cheese	Vacuum packed	250 g
5	Gouda Cheese	Vacuum packed	250 g
6	Cuartirolo Cheese	Vacuum packed	250 g
10	Exhibitor	Carton	5 g

Appendix 1. 2/6

**Cuartiolo Cheese**

Condition environmental that the product should be conserved: Temperature of 4°C.

Period during which it stays unalterable: Shelf life 4 months.

Parallelepiped appears in form, with natural crust. The measures of the pieces are: 23.5 cm. in length x 7cm of height approximate weight 2.500kg

Equipped individually in corrugated cardboard boxes.

**Danbo Cheese**

Original cheese of Denmark with one releases tradition of elaboration in our zone.

Semi-soft and elastic paste, with few eyes of medium size uniformly distributed in the mass.

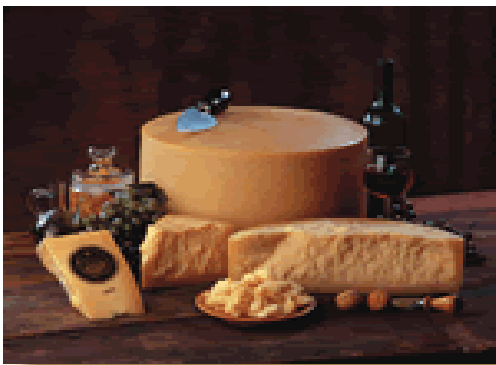
Its flavor delicate and is well defined. It is a very appropriate cheese for "copetin", to accompany cold cuts, candies or to use like ingredient in the meals.

Parallelepiped appears in form, with plastic natural crust. The measures of the pieces are: 24 cm. in length x 24 cm. wide x 9 cm. of height. Approximate weight 6.300kg equipped in corrugated cardboard boxes containing two units each one.

Appendix 1. 3/6

**Gouda or Prato Cheese**

This cheese has flexible and semi hard dough with some very small holes. Its taste is soft and not at all strong. It is especially useful for slicing and use in the kitchen or any kind of sandwiches or hamburgers.

**Grana Calcar**

Parmesan Cheese of 20 Kgs with 1 year maturation.

The production begins with the selection and collection of fresh milk of high quality. The process of elaboration and maturation that extends by 12 months is meticulously followed by the professionals to CALCAR. During this period they are put under severe controls to guarantee the characteristics unmistakable of "GRANA CALCAR ": a perfect granular structure, a particular yellow color; a Fragrance aroma and delicate flavor to the time of maturation.

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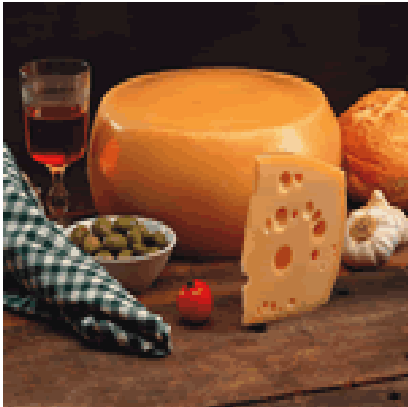
**Goya Cheese**

Environmental conditions in which the product should be kept: 4°C temperature.

Period in which it maintains unalterable: 12 months shelf life. It is presented in 4.5 kg forms, with natural or painted in black rind. In both presentations it is vacuum packed. The cheeses' dimensions are: 25 cm diameter and 10 cm height. The forms are packed in corrugated carton boxes containing four units per box. They can also packed in pallets, separated by corrugated carton pieces.

lets, separated by corrugated carton pieces.

Appendix 1. 4 / 6



Maasdam Cheese. The Maasdam cheese takes its name .from the Maas River at the Netherlands and its main features are semisoft dough, with relatively big holes and softly tasting like hazelnuts because of the propionics ferments it has got. Ideal for snacks, part of the fondue or to go with cold meats and sweets.



Mozzarella Cheese. Special cheese with spinning dough, special to be used with pizza either grated or in slices.



Parmesan

With a typical Italian taste. It's a Calcar specialty. It's been developed by an Italian cheese master with a long career in this kind of product. Our Parmesan, has been approved by Italian experts who support the features of this cheese. It's made with specially selected milk and ferments imported from Italy. It's ripening process is permanently controlled up to its sale, which is only approved after some strict quality standard tests. It's specially recommended to grate and spice pasta as well for your snacks.

It's a product that becomes a pleasure for adults and children as well.

Appendix 1. 5/6

**Provolone Cheese**

It's a spinning dough cheese, original from the south of Italy and its name refers to a local spherical cheese that in the past was called Prova. In this area (Río de la Plata) it's also known as Parrillero Cheese because of its common use at the parrilla (barbecue) together with meat. Its classical shape is cylindrical, with no holes and semi-soft dough. It's also used in slices for sandwiches and cold meat. Due to its melting point conditions it's excellent for meals, especially on the pizza.

**Sbrinz Cheese - Reggianito Cheese**

Originally from Switzerland it's a cheese with a long tradition in our area due to the fact that it has been one of the top specialties of the Dairy Products School in Colonia Suiza City in Colonia zone. Calcar has been producing this cheese for 40 years and has been exporting too many and very demanding markets. It is in fact a trademark of our company all over the world. During the 6 months period of maturing on wood it is carefully sited with controlled temperature, humidity and light. Its flavor; once it's

ripened, is lightly spicy, especially adequate to grate and flavor pasta, as well as being served with snacks.

Appendix 1. 6/6



Yogurt

The fluidity and smoothness of Calcar yoghurt make it a refreshing and pleasant drink, these characteristics are accentuated by the balance obtained between the sweetness and acidity of their flavor. Calcar yoghurt is a rich dairy because of its contribution of alive bacteria to the organism (streptococcus thermopiles, lactobacillus burglarious, and lactoba-

cillus acidophilus and bifid bacterium) that among other qualities maintain and regulate the operation of the intestinal flora, improve the nutritional state, stimulates the immunological system, the vitamin synthesis and contributes to a greater Calcium absorption. It has in addition important nutritious characteristics because of its contribution of proteins, vitamins, calcium and phosphorus. Our lines of drinkable yoghurts, yoghurts with bifidus (bio yoghurts) or skim yoghurt with fruits, are the ideal complement in a balanced diet of children and adults.



Milk Pudding

Traditional Uruguayan product. It's one of Calcar specialties and it's ranked as one of best Dulce de leche in the entire region.

It has a delicate taste, creamy, and with unique color, consistency and brightness. It contains important nutritional values that make it an ideal nutriment for children and adults.



Ricotta The ricotta is desirable for its direct use and high protein supply, and is used as an ingredient for many Italian dishes as well. It has white dough, without rind and a cold-storage structure.

APPENDIX 2. URUGUAYAN FAIR TRADE PRODUCTS

Appendix 2. 1/3

Wool and Alpaca Products

Cooperativa familiar textil (COFATEX)

Address: Pan de Azúcar 2505

Phone: (598) 2 509-4207

Fax: (598) 2 509-4207

Localidad: Montevideo

Department: Montevideo

Postal code: 11400

Email: cofatex@montevideo.com.uy

Web: www.redcoop.net.uy



Lanas de Soriano

Maria Noel Besozzi

Address: Colon 60. Mercedes. Soriano Uruguay.

Phone. +598 5322158

Mobile: +598 99532764/99897717

Email contacto@lanasdesoriano.com

Web www.lanasdesoriano.com



Appendix 2. 2/3

Handicraft, Leather, Wool, Wood and clothes

Manos del Uruguay

UK contact. Tom Coomber

E.V. Haedo 2187 Postal code 11200

Artesano Ltd

Phone: +598 24004839

28 Mansfield Rd.

Fax: + 598 24087840

Reading, Berkshire

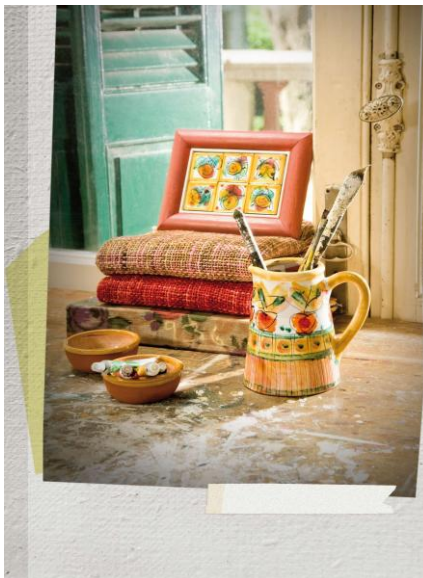
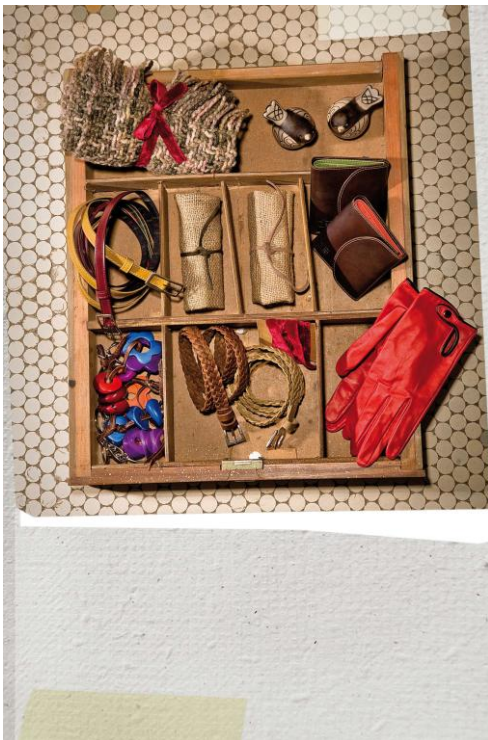
Email: info@manos.com.uy

RG1 6 Aj. England

Web: <http://www.manos.com.uy>

Email: info@artesanoyarns.co.uk

Web: www.artesanoyarns.co.uk



Appendix 2. 3/3

Diary Products

Artesanos del café.

Address: Haití 1500. Montevideo Uruguay

Phone + 598 23147782 / 23112574

Email: mtorres@artesanosdelcafe.com

Web: <http://www.artesanosdelcafe.com>



Ecofruta de Sauce (Canelones)



Conservas de Solis



APPENDIX 3. CONTACT INFORMATION

Appendix 3. 1/3

Fairtrade Associations in Finland

Fairtrade Finland

Postal address:

Paasivuorenkatu 2A, 5th floor
00530 Helsinki
Finland

Phone: +358 (0) 9 5658 680

Fax: +358 (0) 9 5658 6850

E-mail:

reilukauppa@reilukauppa.fi

Personals e-mails

Firstname.lastname@reilukauppa.fi

Web. <http://www.reilukauppa.fi/>

Marketing Manager, Deputy Director Kirsi Tanski
+358 (0)9 56586818/ +358 (0)9 504133001



Tampereen kehitysmaakauppa

Phone: +358 (03) 344 6770,
www.kehitysmaakauppa.org



Juuttiputiikki

Hallituskatu 11 L 4
90100 Oulu, Finland

Contact person: Tatu Matinpuro

phone / Fax +358 8 3115 189

e-mail

putiikki@juuttiputiikki.fi

Web. <http://www.maailmankaupat.fi>



Appendix 3. 2/3

Maailmankauppojen liitto ry
Finnish Association of World Shops



Maailmankauppojen liitto ry
Världsbutikernas förbund rf

Post address:**c/o Tuija Saloranta**

Hakatie 5 B 10

40900 Säynätsalo

phone. +358 (0)45 6705 645**e-mail:** liitto(at)maailmankaupat.fiWeb: <http://www.kansainvalisyyskasvatus.net>

Pro fair trade Finland.
Reilun Kaupan puolesta REPU ry



Address: Töölöntorinkatu 2B, 4th floor

00260 Helsinki

Phone: +358 (0) 50 3495230

E-mail: info@repu.fiWeb: <http://www.repu.fi>**Minister for Foreign Trade and Development**

Staff and Contact information

Postal address: MFA, Merikasarmi, P.O.Box 413, 00023 Government, Finland**Visiting address:** Ministry for Foreign Affairs, Merikasarmi, Laivastokatu 22,
00160 Helsinki**E-mail addresses:** firstname.lastname@formin.fi**Mr. Paavo Väyrynen**, Minister for Foreign Trade and DevelopmentE-mail: paavo.vayrynen@formin.fi**Ms. Airi Aurela**

Secretary to the Minister

Tel. +358-9-1605 6302

Fax: +358-9-1605 6303

Ms. Päivi Nevala

Adviser to the Minister for Foreign Trade and Development

Tel. +358-9-1605 6171 / Fax: +358-9-1605 5358

Appendix 3. 3/3

Contac information in Uruguay**CAMARA DE COMERCIO URUGUAY PAISES-NORDICOS**

Address: Rincón 454, esc, 317
Edificio de la Bolsa de Comercio
Ciudad Vieja
Montevideo 11000 – Uruguay
Contact person: Luis Martinez
Phone: (598 2) 916 0097
E-mail: camaranordica@caun.org.uy

Web: <http://www.caun.org.uy>



URUGUAY XXI
Investment and Export promotion Agency

Address: Yaguarón 1407 Of. 1103
Montevideo, Uruguay
Phone: (5982) 9002912 - Fax: (5982) 9008298
Contact person: Mariana Farias. Export Promotion Manager
Email: mfarias@uruguayxxi.gub.uy
Phone: +598 2 900 29 12 ext. 116

Web: <http://www.uruguayxxi.gub.uy>