

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Greece

**Post:** Rome

### Food Processing Ingredients

**Report Categories:**

Food Processing Ingredients

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**Report Highlights:**

In Greece, there are over 15,000 enterprises engaged in food processing, producing goods valued at approximately \$11 billion. Key market drivers include new economic austerity measures limiting Greek consumers' purchasing ability; an increasing interest in healthy and functional foods; an aging population; and a trend to follow the Mediterranean diet - mostly in order to reduce expenses and receive the best price possible. The major imported ingredients for processing are meat products, milk and dairy products, cereal-based products, confectionary, and beverages and alcohols.

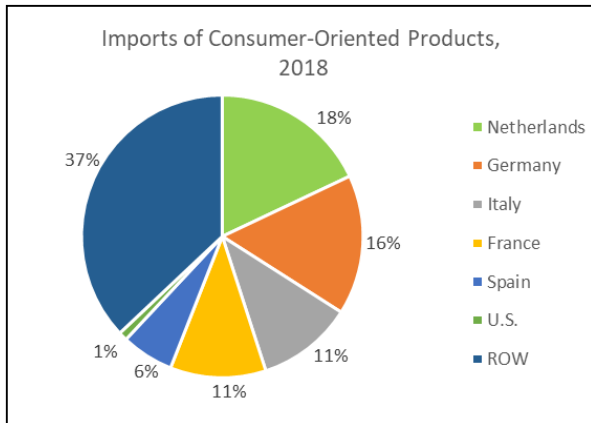
# Market Fact Sheet: Greece

## Executive Summary

With a population of 11 million and a gross domestic product (GDP) of approximately \$218 billion, Greece is a relatively small country. Greece is a part of the EU single market and customs union and is a Eurozone member. Greece continues to break records with the number of tourist arrivals in the country. The Greek Tourism Confederation (SETE) indicated that more than 30 million tourists have visited Greece in 2018, and are forecast to further increase in 2019. Greece imports significantly more food and beverages than it exports and is reliant on imports to meet the demands of consumers for food products. Opportunities to expand U.S. food and beverage sales exist, but U.S. food processors should study the market well in advance.

## Imports of Consumer-Oriented Products

Consumer-oriented food and beverage products remain the most important agricultural imports from the United States. In 2018, the consumer-oriented sector accounted for 41.4 percent of total agricultural, fish and forestry imports from the United States, valued at \$42.6 million. During the same period, fish and seafood imports from the United States were at \$4.8 million.



## Food Processing Industry

Food processing is a key sector in Greece, accounting for 10 percent of employment. The food industry accounts for 26 percent of all manufacturing enterprises in the country. Food processing also holds the biggest share in terms of gross value added (24.6 percent), while it ranks second in value of production (24.3 percent) and turnover (25.2 percent). In 2018, the sector generated a turnover of approximately \$11 billion<sup>1</sup>. The subsectors with the highest revenues are meat products, milk and dairy products, cereal-based products, confectionary, and beverages.

## Food Retail Industry

In 2018, value sales of grocery retailers in Greece declined by 2.3 percent to \$19.7 billion. The effects of the recession were still evident, yet the economy seemed to march towards stability. This was mirrored in retailing, as consumption began to pick up gradually.

## Quick Facts CY 2018

**Imports of Consumer-Oriented Products from USA (US\$ million)**  
\$42.6 million

### List of Top 10 Growth Products from USA exported to Greece

- |                      |                        |
|----------------------|------------------------|
| 1) Almonds           | 2) Food preparations   |
| 3) Fish preparations | 4) Bourbon             |
| 5) Cranberries       | 6) Walnuts             |
| 7) Salmon            | 8) Condiments & Sauces |
| 9) Squid             | 10) Dried prunes       |

### Food Industry by Channels (US\$ billion) 2018

Food Industry Output	11.3
Food Exports	6.6
Food Imports	8.1
Retail	19.7

### Food Industry Gross Sales (US\$ Billion) 2018

Food Industry Revenues  
- Food (Domestic market) approx. \$20 billion

### Top 10 Greek Food Retailers

- |                              |                            |
|------------------------------|----------------------------|
| 1) Sklavenitis J&S SA        | 6) Pente SA                |
| 2) Ahold Delhaize            | 7) Market In SA            |
| 3) Schwarz Beteiligungs GmbH | 8) INKA Coop               |
| 4) Diamantis Masoutis SA     | 9) Marinopoulos SA         |
| 5) Metro SA                  | 10) Internationale Spar BV |

### GDP/Population

Population (millions): 10.8  
GDP (billions US\$): 299  
GDP per capita (US\$): 27,800

## Strengths/Weaknesses/Opportunities/Challenges

Strengths	Weaknesses
Greek importers favor U.S. products because of good quality and wider variety.	Greece's financial situation is sinking domestic demand, while lack of credit creates difficulties to importing companies.
Opportunities	Threats
The scale of the U.S. food industry may offer price competitiveness on large volume orders.	Competition from EU member states is strong and US products must pay import duties while competing EU goods do not.

### Data and Information Sources:

Global Trade Atlas (GTA), Greek official statistics service (ELSTAT), Greek Tourism Confederation (SETE)

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<sup>1</sup> Exchange rate:  
2018: 1 USD = 0.848 Euro

## Section I. Market Summary

Food processing is a key sector in Greece, accounting for 10 percent of employment. The food industry accounts for 26.4 percent of all manufacturing enterprises in the country. Food processing also holds the biggest share in terms of gross value added (24.6 percent), while it ranks second in value of production (24.3 percent) and turnover (25.2 percent). Most of the food manufacturing companies are family-based with more than 97 percent of Greek enterprises categorized as “micro” (less than 10 people employed and an annual turnover under €2 million). Many specialize in the production of food from local agriculture.

The economy is highly dependent on the food and beverage industry. There are more than 15,000 enterprises in Greece’s food processing sector, with an approximate product value of \$11 billion. According to the Foundation for Economic and Industrial Research’s (IOBE) latest study, the turnover for the food sector decreased 1.2 percent, while beverages decreased 2.3 percent. The biggest annual turnover was registered in the dairy (17 percent) and bakery categories (16 percent), followed by beverages (13 percent). Employment for the food and beverage sector decreased 2.6 percent.

### Advantages and Challenges for U.S. Exporters to Greece

Advantages	Challenges
The scale of the U.S. food industry may offer price competitiveness on large volume orders.	Competition from EU member states is strong and U.S. products have import duties while competing EU goods do not.
U.S. has good brand image in Greece. The quality of U.S. food ingredients is highly appreciated.	Labels, including nutritional panels need to be changed. Pack size and pallet sizing may also need changing.
Strong interest in innovative products. Consumer demand for innovative, low fat, healthy, and organic products.	Taste buds differ in Greece. Greek food is not complicated with many herbs or ingredients, and spicy does not mean high chili content.
Food processing industry is one of the least affected sectors of the Greek economy, still showing growth.	Capital controls introduced in July 2015 are limiting imports and are hurting the food market.
Greece’s well developed food processing industry requiring a wide range of ingredients, from low-value, unprocessed foods to high-value, highly processed ingredients.	Non-tariff barriers such as phytosanitary restrictions and COOL labelling requirements can make exporting to Greece complicated.

## Section II: Road Map for Market Entry

- **Entry Strategy**

Entering the Greek market, it is essential to have local and personal contacts. Local representatives provide up-to-date market information and guidance on business practices and trade laws. In general, Greek food processing industry players attend regional and international food ingredient trade shows. The Food Expo Greece and DETROP exhibition are held periodically in Athens and Thessaloniki, respectively. The next Food Ingredient Show will be held in Athens in March 2020.

Eighty percent of Greece's import trade is handled through sales agents or distributors. Distributors generally supply the wholesale sector, and in some cases sell directly to the retail trade, usually based on exclusive sales rights for certain districts or for the entire country. There are over 15,000 food businesses in Greece, often small, family-owned and operated businesses, each of which deals in a narrow range of foods. For example, the bread and baked goods business is the leading category (61 percent), followed by oils and fats (10 percent), dairy products (6 percent), and all other food categories combined (remaining 23 percent).

Food and beverage products of U.S. origin, which comply with EU rules and regulations, do not require special permits for commercialization in Greece, since Greece applies EU-harmonized legislation. For more information on product trade restrictions, food standards and regulations, please refer to Post's [FAIRS GAIN Report](#).

- **Import Procedure**

Tariffs are based on the Harmonized System, with duties levied on imports from non-European Union (EU) countries on an ad valorem cost, insurance, and freight (CIF) basis. On average, the import duty is five to seven percent for most products. Most raw materials for manufacturing input can be imported without duties, or with very minimal duties. Preferential tariffs and EU tariff rate quotas may apply. For more information, please refer to Post's Greece [Exporter Guide GAIN Report](#).

Greece is a World Trade Organization (WTO) member and applies both European Union (EU) mandated and Greek government-initiated technical requirements. Greece has fully harmonized its requirements with EU regulations, directives and legislation pertaining to agricultural production and the trade and sale of agri-food products. Special import permits and sanitary and phytosanitary certificates may apply to imports from third countries. For example, tree nuts, plant propagation materials and seeds, wood and wood packing materials, textiles, meat products, and pet food all have special provisions.

- **Market Structure**

The following diagram gives an overview of the distribution channels for imported food ingredients in Greece.



U.S. firms exporting food to the Greek market contact a trade agent that could be either a direct supplier to local processors or an import/export company that buys U.S. products and sells them to Greek distributors/retailers/wholesalers/HRI. In the Greek market, it is common for larger retailers and wholesalers to be present in more than one stage of the production chain at the same time.

- **Company Profiles**

The domestic food industry covers more than 25 percent of all businesses of Greece’s manufacturing, which ranks food processors first among all Greek manufacturing sectors. At the same time, food processors are the largest employer of domestic processing, accounting for 28 percent of all employees.

Company	Turnover (\$ million)	End-Use Channels	Product
Coca-Cola 3E Hellenic Bottling Company	525.5	Retail and HRI	Non-alcoholic beverages
Nestle Hellas S.A.	404.4	Retail and HRI	Coffee, ice cream. Bottling of natural mineral water
Athenian Brewery S.A.	349.6	Retail and HRI	Beer, beverages
Delta Foods S.A.	342.6	Retail and HRI	Dairy Products, fruit juices, chocolate drinks
Soya Hellas S.A.	275.3	Industry and Retail	Soybean and sunflower oils; soy meal and sun meal; lecithin, seed oils, tropical oils, vegetable fats, and margarine
Nitsiakos Poultry S.A.	252.3	Retail and HRI	Meat products
Soya Mills S.A.	248.1	Industry and Retail	Soybean and sunflower oils; soy meal and sun meal; lecithin, seed oils, tropical oils, vegetable fats, and margarine

Pindos Poultry Cooperative	226.2	Retail and HRI	Meat products
Fage Dairy Industry S.A.	215.5	Retail and HRI	Yogurt and cheese
Olympus Larisa Dairy Industry S.A.	192.6	Retail and HRI	Dairy products and cheese. Production of fruit juices
Nireus Aquaculture S.A.	186.4	Retail and HRI	Seafood products
Tyras S.A.	168.6	Retail and HRI	Yogurt and cheese
Papadopoulos Biscuits S.A.	157.7	Retail and HRI	Biscuits, bakery products, cereal bars
Seloda Aquaculture S.A.	139.1	Retail and HRI	Seafood products
Mevgal S.A. Dairy Product Industry	128.3	Retail and HRI	Dairy products, fruit jelly, and ready-to-drink coffee
Creta Farm S.A.	123.4	Retail and HRI	Meat products

Source: Greek Industry Sources

- **Sector Trends**

The Greek food and drink industry is diverse, with a variety of sectors ranging from dairy production to fruit and vegetable processing and drinks. The top 5 sectors (dairy products, bakery products, drinks and beverages, fruits and vegetables, and meat products) represent three-quarters of total turnover and more than 70 percent of the total number of employees and companies. Compared to other manufacturing sectors, the Greek food and drink industry is a key job provider and a relatively stable employer. The food sector is dominated by small companies: both in food (95 percent) and drinks (87 percent). The vast majority of enterprises are small, employing no more than nine people. By contrast, in terms of turnover, large companies (employing more than 250 people) account for large shares of their respective sector, 36 percent in food and 57 percent in drinks, respectively.

- Quality, food safety, and health concerns of Greek consumers have pushed the food processing industry to continue their actions towards innovation.
- Greece is a net exporter of processed fruits and vegetables, mainly olives, peaches, and tomato paste. In 2018, total exports of processed fruits and vegetables were valued at \$1 billion, an increase of 7.1 percent from 2017.

#### Consumption trends

- The economic crisis and the decrease in Greek household purchasing power have led to increased consumer demand for cheaper food products. In addition, the change in lifestyles and demographic changes have resulted in growth in the consumption of processed products.
- Demographic trends are affecting consumer buying habits, due to bigger households. Single and two-person households are shrinking and households of four or more persons are increasing.

- Also, the increasing percentage of elderly people is another trend that should be considered.
- Private labels are gaining market share, mostly due to the economic difficulties but also due to aggressive promotions carried out by retailers.
  - Consumers are increasingly buying healthy and functional foods, and ‘superfruits’ are gaining popularity in Greece. Superfruits are a marketing term first used in the food and beverage industry in 2005. The fruits may have nutritional significance due to their nutrient content, antioxidant value or anticipated health benefits and commercial significance associated with novelty of taste and color. Superfruits include chokeberries, sea-buckthorn, goji berry, blueberries, cranberries, plums and myrtle.
  - Recent trends suggest that 60 percent of Greek consumers prefer to eat more and more fruit and vegetables, while consuming ever less meat, eggs and milk. This shift in eating habits comes due to the drop in household spending because of the continued crisis.
  - The annual amount that Greek consumers are spending for bakery and meat products is approximately €1.5 billion for bakery and €3.3 billion for meat products. Most of the consumers (66 percent) are buying fresh bread from the small bakery shop in their neighborhood; 17 percent from supermarkets; 11 percent do not have a specific buying place; and 6 percent do not purchase fresh bread. Of note, 74 percent of meat consumers prefer buying from a small-scale family-owned butcher shop, rather than impersonal supermarkets.
  - Despite the recession, a growing number of consumers are willing to pay more for products from smaller-scale manufacturers who are perceived as offering higher quality. These companies are entering mainstream grocery retailers, giving them high growth potential.

### Section III. Competition

Greece’s main trading partner is the European Union. The Netherlands, Germany, France, and Italy are the leading suppliers in food and agricultural trade. The leading importers of Greece’s goods are Italy, Germany, Turkey, Bulgaria, and the United Kingdom. The EU single market makes European products more competitive, particularly for price sensitive goods as even modest duties can affect margins.

Product Category (MT; USD)	Major Supply Sources in 2018 (in volume)	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
<b>Food preparations containing milkfat, sucrose, glucose or starch</b>  <i>Net Imports: 28,000 MT</i> <i>Value: \$108 million</i>	1. Italy - 31% 2. Germany - 19% 3. Belgium - 12%  USA is an insignificant supplier (0.3%)	More than 97 percent of these products are supplied by EU countries having the advantage of proximity and availability.	There is a developed local food processing industry for food preparations containing milkfat, sucrose, glucose or starch.
<b>Cane or Beet Sugar and chemically pure sucrose</b>  <i>Net Imports: 340,000 MT</i>	1. Germany - 41% 2. France - 16% 3. Belgium - 13%	Prices from non-EU suppliers are low, making Mauritius and Serbia the only third countries holding a significant market share, 15% and 4% respectively.	The Greek sugar industry is struggling to reorganize. Local production cannot meet demand.

<i>Value:\$136 million</i>	USA is an insignificant supplier (0.01%)		
<b>Mixtures of Odoriferous Substances</b>  <i>Net Imports:5,700 MT Value:\$159 million</i>	1. Ireland - 28% 2. France - 14% 3. Germany - 12%  USA is a minor supplier (1%)	EU countries are holding the lion's share with more than 96 percent of these products. Proximity and availability are the key advantages.	Local production is limited.
<b>Bread, Pastry, Cakes, Biscuits and Other Bakers' Wares</b>  <i>Net Imports:62,000 MT Value:\$161 million</i>	1. Germany - 22% 2. Bulgaria - 15% 3. Italy - 11% 4. Spain - 11%  USA is an insignificant supplier (0.03%)	EU countries are holding the lion's share with more than 96 percent of these products. Distance and availability are the key advantages.	Bakery is the leading food processing industry in Greece. There are 9,000 local companies with more than 55,000 employees.
<b>Almonds</b>  <i>Net Imports:7,200 MT Value:\$48 million</i>	1. USA - 65% 2. Spain - 21% 3. Germany - 5%	Competition from Spain is high, but Greek demand for almonds is also robust and production in other EU countries is not sufficient to meet demand.	Locally produced almonds are mostly used as a roasted snack. U.S. almonds are further processed domestically, both for sale to Greek industry and re-exported.
<b>Walnuts</b>  <i>Net Imports: 4,000 MT Value:\$23 million</i>	1. Ukraine - 61% 2. Germany - 15% 3. Bulgaria - 8% 4. Moldova - 7%  USA is a minor supplier (3%)	Ukraine and Moldova are traditional suppliers of walnuts. Balkan countries have lower transportation costs.	Greek production is insignificant at the quality level needed. Greece is an attractive market for U.S. walnuts but the competition is tough.
<b>Alcohol Beverages</b>  <i>Net Imports: 28,000 L Imports Value:\$166 million</i>	1. UK - 44% 2. Italy - 10% 3. Germany - 9%  USA is a minor supplier (5%)	EU countries are the major distilled spirits suppliers to the Greek market. Scotch whisky remains very popular and UK dominates the market.	Greek distilled spirits have gained popularity in recent years, affected by tradition but also the economic crisis.
<b>Fish and Seafood</b>  <i>Imports: 109,000 MT Value:\$610 million</i>	1. Turkey - 13% 2. Spain - 12% 3. Netherlands - 9%  USA is a minor	The major suppliers offer good quality fish products at competitive prices.	Large competition from local suppliers and producers. Greek domestic consumption and exports surpass local supply.



	supplier (2%)		
<b>Pulses</b> <i>Imports:31,000 MT</i> <i>Value:\$33 million</i>	1. Canada - 48% 2. USA - 13% 3. Mexico - 10% 4. China - 8%	Strong competition from Canada, who increased its presence in recent years, China and Mexico.	Greece is a traditional consumer of pulses and its local production is not sufficient to fulfill internal demand.

#### Section IV. Best Product Prospects

- **U.S. products in the Greek market that have good sales potential:**
  - Nuts (almonds, walnuts, pistachios) for pastries, confectionary, breakfast
  - Frozen and salted fish (cuttlefish and squid, mollusks, salmon)
  - Alcohol beverages and distilled spirits
  - Pulses
  
- **Products not present in significant quantities, but which have good sales potential:**
  - Processed fruit (dried fruits, especially dried prunes and cranberries)
  - Chocolate, dairy for yogurt or ice cream, and confectionary ingredients
  - Cereals for snack foods
  - Organic foods
  
- **Products not present because they face significant trade barriers:**
  - Turkey and other poultry products
  - Beef meat and products
  - Food products containing biotech ingredients
  - Corn oil

#### Section V. Post Contact and Further Information

##### **FAS Rome, Italy Offers Regional Coverage of Greece**

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Web: <https://gr.usembassy.gov/business/foreign-agricultural-service/>

#### **Key Greek Government Agencies and Associations**

##### **Ministry of Rural Development and Food**

Directorate of Plant Production

Phytosanitary and Plant Protection Division

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