

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Greece

Post: Rome

Food Service - Hotel Restaurant Institutional

Report Categories:

Food Service - Hotel Restaurant Institutional

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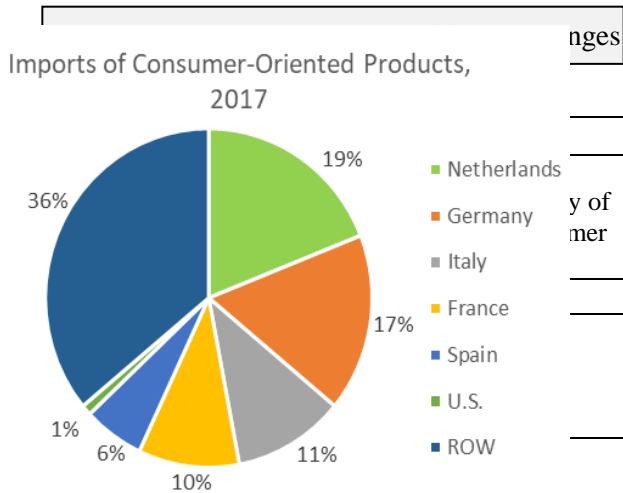
Dimosthenis Faniadis

Report Highlights:

Greece continues to break records with the number of tourist arrivals in the country rising to almost 30 million tourists visiting Greece in 2017, up 10 percent compared to the previous year, and is forecasted to further increase. Surging tourism is expected to help Greece record its highest annual real GDP growth in a decade. This report gives an overview of the Greek foodservice industry and its sectors. It also outlines current market trends and identifies best product prospects.

Market Fact Sheet: Greece

<p>Executive Summary</p> <p>Greece's food and beverage market in 2017, driven by a rebounding population (GDP) of a relatively stable records with The Greek 28.5 million percent consumption more food imports to products. beverage study the market</p>	<p><u>Imports of Consumer-Oriented Products:</u> \$4.5 billion</p> <p><u>Top Growth Products</u></p> <ol style="list-style-type: none"> 1. Cheese 2. Meat products 3. Milk and Cream 4. Bread, Pastries, and Cakes 5. Whiskies <p><u>Top Full-Service Restaurants in Greece</u></p> <ol style="list-style-type: none"> 1. TGI Friday's 2. La Pasteria 3. Pizza Roma <p><u>GDP/Population</u> Population (<i>million</i>): 10.8 GDP in 2017 (<i>billion</i>): \$298.7 GDP per capita: \$27,700</p>
<p>Imports of Consumer-Oriented Products</p>	



Food Retail Sector

Data and Information Sources:
Global Trade Atlas (GTA)

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SECTION I. MARKET SUMMARY

HRI Sector Overview:

- Greece is one of the top tourism destinations in Europe with the number of tourists increasing every year, boosting demand for meals in the HRI sector.
- Despite the economic crisis that created an unfriendly investment climate and a drop in domestic tourism demand, Greece’s hotel industry has managed to emerge as a driver of the economy, contributing 3.5 percent to the country’s GDP in 2016.
- The rise in the VAT rate from 17 to 24 percent that was implemented on 32 islands in 2017, together with the excise taxes imposed on beer and wine, had a negative impact on the consumer foodservice industry.
- Increasing number of women in the workforce. The percentage of women in the workforce is 45 percent and is bolstering the demand for more ready-to-eat foods, as well as eating-out frequency.
- Change in eating patterns and consumer habits are changing consumers’ lifestyles. Currently there is high interest in natural, “wholesome” and “health” food categories.
- Slow population growth and an ageing population are highlighted in the country’s demographics. Greece’s population continues to age with the “over 65” estimated at 2 million (19.5 percent of the population). The number of people aged 85 and over account for 2.1 percent of the total population.

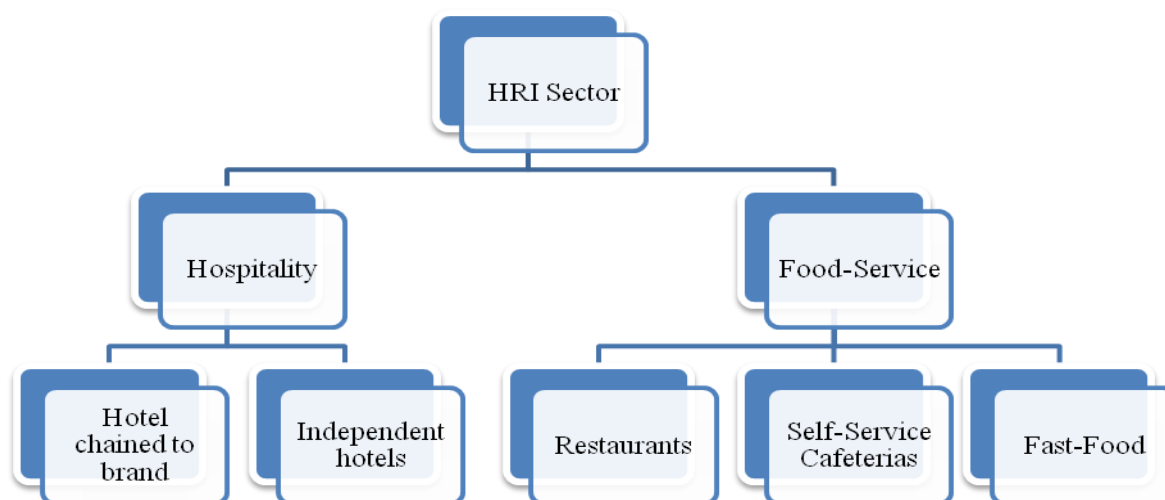
In 2017, the Greek Hotel and Food Service Industry consisted of 9,730 hotels and more than 100,000 restaurants, cafeterias, bars, and entertainment centers. Seasonality is a key characteristic of the sector. Employment in the HRI industry is estimated at 683,000 (about 18 percent of the total labor force), an increase of one percent compared to the previous year. Although the HRI sector is one of the major sources of income for Greece, the economic crisis is severely affecting the profitability of both hotels and food-service outlets. Greeks continued to reduce the frequency of their visits to consumer foodservice outlets. Nonetheless, dining-out as a way of socializing still remains a very important part of Greek culture and numerous consumers have preferred to cut down on other expenses (such as shopping and traveling) rather than further restrict the number of their outings. This has resulted in an impressive rise in the popularity of consumer foodservice businesses that offer low-priced food and drink options, with Greeks increasingly shifting away from full-service restaurants and towards small local coffee houses and fast food operators (Euromonitor International, 2017).

Advantages and Challenges for U.S. Exporters in Greece

Advantages	Challenges
Tourism provides a seasonal boost to retail food and drink sales.	Although Greece’s islands are world famous, the number of cruise ship passengers disembarking at Greek ports was disappointing.
Greek food industry relies on imported ingredients, many from the U.S.	Greece’s acceptance of the EU’s CAP is often grudging. Poultry and red meat are highly regulated from the EU, as are dairy product imports from the U.S.

U.S. has good brand image in Greece. The quality of U.S. products is highly appreciated.	Labels, including nutritional panels need to be changed. Pack size and pallet sizing may also need changing.
Most importers speak English.	Need to develop relationships with Greek trade contacts and invest in marketing the product.
Strong interest in innovative products. Currently there is high interest in natural, “wholesome” and “health” food categories.	Taste buds differ in Greece. Greek food is not complicated by too many herbs or ingredients, and spicy does not mean high chili content.

Figure 1: The Greek HRI Sector



The Greek Hotel Industry

The largest players in the Greek hotel industry are local franchise holders for international brands, such as Sani Resorts, Grecotel, Ionian Hotel Enterprises, Lampsas Hellenic Hotels, and Regency Entertainment. Changes in the hotel sector which will bring more boutique hotels to Greece may affect the composition of tourists. Several hospitality and tourism studies note food and beverage as one of the seven key factors of the hospitality industry, while food and beverage (in terms of quality, atmosphere, room service, variety, and good prices) is noted in the top five elements that create value during a hotel stay. Greek hotels’ turnover registered an increase of 3 percent in 2017, compared to the previous year.

Hotels contribute 3.5 percent to Greece’s GDP. The direct income from total tourism in 2016 was over €13 billion. International tourist arrivals reached 24.8 million in 2016. According to 2017 forecasts, more than 28 million tourists visited Greece, an increase of 12 percent compared to arrivals of 2016. U.S. arrivals in 2016 reached 750,000, slightly down compared to 2015 and the value of their stay was estimated at approximately €900 million. According to the Bank of Greece, British tourists spent more than €2 billion in 2016, while German tourists spent €2.2 billion, registering as the highest source for

Greek tourist income.

Greek Hotels	2016
Total Number of Hotel Units	9,730
Total Number of Beds	788,553
Nights Spent (Million)	195

Source: [SETE](#)

The Greek Food Service Industry

Greeks continued to reduce the frequency of their visits to consumer foodservice outlets. The industry is expected to continue to decline in value terms in 2017, albeit at a slower rate compared to recent years, with Greeks increasingly opting for cheap alternatives and takeaway meal options in order to save money. Operators of full-service restaurants were especially affected, due primarily to their relatively high prices compared to other foodservice types. In the context of this growing insecurity, financially ridden Greeks have shifted towards more economical solutions such as fast food and home delivery/takeaway. As a result, full-service restaurants continued to witness a steep decline in 2016, registering drops of 12 percent in transactions volume and 14 percent in current value terms.

Greeks will increasingly be in need of the “extraordinary” to get them to pay for something they could have done at home; hence unusual formats, outstanding outlet ambience or innovative food items and dishes are also expected to be more necessary in order to attract attention. Consumer studies show that due to the economic crisis, 9 out of 10 consumers developed new buying habits; buying fewer food products, perhaps only the most essential, and began avoiding excesses.

According to Euromonitor, franchising is by far the most prevalent method of outlet network expansion in consumer foodservice in Greece, although it is usually preferred by local players rather than foreign companies operating on Greek soil. Some of the biggest foreign consumer foodservice brands present in the country in 2016, such as TGI Friday’s, McDonalds and Starbucks, have been operating outlets on a company-owned basis rather than via franchising.

Table 2: Full-Service Restaurants in Greece (\$ million)

	2012	2013	2014	2015	2016
European Full-Service Restaurants	3,035	2,844	2,773	2,433	2,106
Pizza Full-Service Restaurants	395	326	286	241	185
Other Full-Service Restaurants	94	77	75	68	65
North American Full-Service Restaurants	46	50	53	52	50
Middle Eastern Full-Service Restaurants	17	13	13	14	14
Asian Full-Service Restaurants	17	11	12	13	13
Latin American Full-Service Restaurants	17	12	11	9	8
Full-Service Restaurants Total	3,621	3,333	3,223	2,830	2,441

Source: Euromonitor

Table 3: Brand Shares of chained Full-Service Restaurant (% value)

Chained Full-Service Restaurants	Global Brand Owner	2013	2014	2015	2016
TGI Friday's	TGI Friday's Inc.	19.1	20.6	21.7	28.0
La Pasteria	Vivartia S.A.	12.8	12.6	12.7	13.5
Pizza Roma	Pizza Roma S.A.	15.9	14.2	13.8	12.8
Palmie Bistro	Palmie S.A.	13.1	11.6	10.5	10.4
Pizza Hut	Yum! Brands Inc.	6.6	6.8	6.6	6.0
Noodle Bar	Athanasios Malliaros	4.9	5.2	5.6	4.9
Wagamama	Wagamama Ltd	1.4	2.1	2.4	2.0
Hard Rock Café	Hard Rock Café Inc.	1.1	0.9	1.0	1.1
Gourmet Burger Kitchen	GBK Restaurants Ltd	0.9	0.9	0.9	0.9
Friday's Bar & Café	TGI Friday's Inc.	6.5	6.9	7.0	-
Others	Others	17.6	18.2	17.7	20.4
Total	Total	100	100	100	100

Source: Euromonitor

Fast Food

In 2016, the performance of the fast food sector significantly improved, as fast food witnessed a 2 percent rise both in transactions and current value terms. Growth was mainly driven by the decline in demand for more expensive full-service restaurants and the subsequent increase in popularity of economy meal solutions as well as the rise of a street food culture that allows consumers to save money.

Operators invested heavily in this category, with many new outlets opening that focus on creating an ambience and high-quality meal options at competitive prices in an effort to attract customers that are trading down from full-service restaurants yet are looking for premium quality in fast food.

Gregory's Microgevmata, Goody's, and Everest are the most popular fast-food chains in the country. There are also many independently owned fast food businesses that offer typical fast food items, such as gyros (Greek-style kebab). Many of these small businesses tend to be open late at night and are popular with younger crowds on their way home from a night out.

Table 4: Fast-Food in Greece by category (\$ million)

Fast-Food	2012	2013	2014	2015	2016
Bakery Products Fast Food	488	436	435	426	435
Burger Fast Food	187	151.6	152.7	138.3	140.5
Ice Cream Fast Food	84.1	66.4	57.5	52.0	48.7
Convenience Stores	-	-	6.9	13.3	16.0
Pizza Fast Food	15.5	14.4	13.3	13.3	13.3
Middle Eastern Fast Food	8.9	8.9	10.0	10.0	8.9
Chicken Fast Food	3.3	4.4	6.6	7.7	6.6
Asian Fast Food	2.7	2.1	2.0	1.9	1.8
Other Fast Food	545.4	504.4	524.9	491.7	504.8
Total	1,335	1,188	1,209	1,154	1,176

Source: Euromonitor

Table 5: Brand Shares of Chained Fast-Food in Greece (% value)

Chained Fast-Food	Global Brand Owner	2013	2014	2015	2016
Gregory's (Microgevmata & Cofferright)	Gregory's S.A.	19.2	19.6	20.6	21.6
Goody's (and Burger House)	Goody's S.A.	23.0	21.9	18.9	18.9
Everest	Vivartia S.A.	17.1	17.4	17.9	18.0
Apollonion Bakery	Apollonion S.A.	4.3	4.4	6.0	5.8
Todaylicious	Protipa Kat. Estiasis	2.5	4.6	5.6	5.7
McDonald's	McDonald's Corp.	4.1	4.5	4.7	4.5
Dodoni	Dodoni Ice Creams	5.8	4.9	4.5	4.3
Simply Burgers	AVK Restaurants S.A.	2.8	2.3	2.2	2.1
Chillbox	Dodoni Ice Creams	2.1	1.9	1.8	1.6
Hot Burger Bar	Charitakis Vasilios Co.	0.3	0.5	0.8	1.3
Pitta tou Pappou	Pitta tou Pappou Ltd.	1.2	1.2	1.0	1.0
KFC	Yum! Brands Inc.	0.6	0.7	0.9	0.8
Haagen-Dazs	General Mills Inc.	0.7	0.7	0.7	0.7
Others	Others	16.3	15.4	15.4	15.4
Total	Total	100	100	100	100

Source: Euromonitor

SECTION II. ROAD MAP FOR MARKET ENTRY

A. Entry Strategy

Local representation and personal contacts are required for successful product introduction in the Greek market. A local representative can provide up-to-date market intelligence, guidance on business practices and trade related laws, sales contact with existing and potential buyers, and market development expertise. The Office of Agricultural Affairs in Rome covering Greece maintains lists of potential importers/distributors by sector.

As a member of the EU, the Common Agricultural Policy (CAP) governs Greece's agricultural sector. Similarly, Greece employs the same tariffs and border measures as the other EU Member States. Products imported into Greece must meet all Greek and EU food safety and quality standards, as well as labeling and packaging regulations. It is important to work with experienced importers, and/or have an agent to work with Greek regulatory authorities to ensure the acceptability of specific products. Personal relationships and language ability are of value when conducting business transactions. It is also advisable for the agent to contact health authorities at the port of entry as interpretation of health directives may vary from port to port. For more information on product trade restrictions, food standards and regulations, please refer to Post's most recent [FAIRS GAIN Report](#).

Agents usually undertake promotional campaigns for the import products they service. Several large organizations in the food service sector, including hotel and fast food chains, either import directly or have their own supply unit. U.S. exporters need to work closely with the industry, focusing on the importers and distributors who can best promote U.S. products to the Greek HRI sector.

Greece has specific and sometimes traditional consumption patterns. Careful planning is required for market entry strategies since the industry is highly competitive, and there are sometimes many categories within a single market segment. The following should be taken into consideration:

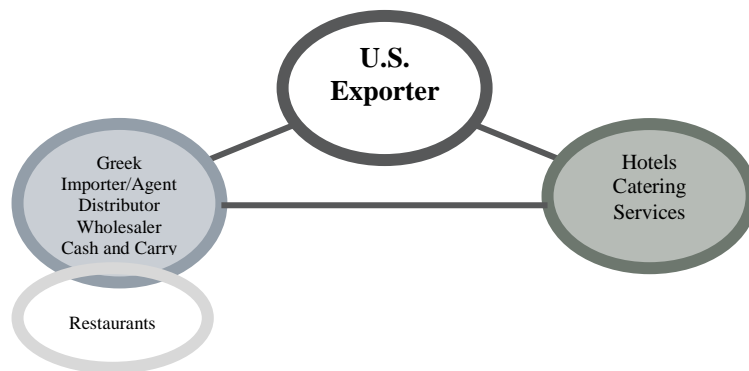
- Competitor analysis

- Segmentation and identification of a specific target market
- Advertising and promotional activities
- Retail price
- Packaging (label in Greek is an important element)
- Distribution channel
- Product itself (complying with the tastes of Greek people)

When choosing and deciding on a distribution partner or an agent, it is good to explain the profile and positioning of the product, since the selected partner can guide U.S. traders through the Greek market and give them the correct advice for marketing the product.

Also, please check the [U.S. Mission to the European Union](#) web page, which will guide you on exporting into the EU.

B. Market Structure



The HRI sector's supply channels are diverse and serve small and large customers with different needs. Beverage suppliers are very specialized since most beverage consumption takes place in bars, cafeterias and restaurants. The most important HRI sector suppliers are:

- An importer or agent, who may also be a wholesaler and/or distributor, usually imports food products. Big hotel chains and catering services have their own central buying departments and act as importers too.
- Most of the distributors have nationwide distribution channels.
- "Cash and Carries" sell to retailers and restaurants at more competitive prices.
- The wholesalers/distributors buy from the local processing industry in addition to importing

III. COMPETITION

Product Category (MT; USD)	Major Supply Sources in 2017 (in volume)	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Dairy <i>Net Imports: 482,000 MT</i> <i>Value: \$1 billion</i>	1. Germany - 38% 2. Netherlands - 18% 3. Romania - 9% USA is an insignificant supplier (0.01%)	More than 99 percent of these products are supplied by EU countries having the advantage of proximity and availability.	Local dairy companies are very strong. Concentrated milk cream sweetened or not, is the major imported commodity. Cheese consumption is growing.
Fish and Seafood <i>Imports: 104,000 MT</i> <i>Value: \$547 million</i>	1. Spain - 14% 2. China - 10% 3. India - 8% USA is a minor supplier (1.5%)	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.
Alcohol Beverages <i>Net Imports: 27,500 MT</i> <i>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.
Snack Foods <i>Net Imports: 30,800 MT</i> <i>Value: \$87 million</i>	1. Germany - 18% 2. Italy - 15% 3. Spain - 13% USA is an insignificant supplier (0.05%)	Prices from non-EU suppliers are low, making Turkey the only third country holding a significant market share, 1.5% of the market.	Cocoa preparations are the leading commodity imported. Companies like Mondelez Hellas, Papadopoulos, ELBISCO, and Chipita are very competitive.
Almonds <i>Net Imports: 6,500 MT</i> <i>Value: \$48 million</i>	1. USA - 61% 2. Spain - 26% 3. Germany - 4% 4. Australia - 3%	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.
Walnuts <i>Net Imports: 3,000 MT</i> <i>Value: \$25 million</i>	1. Ukraine - 55% 2. Moldova - 11% 3. USA - 9% 4. Bulgaria - 7%	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.
Pulses <i>Imports: 34,000 MT</i>	1. Canada - 51% 2. USA - 14% 3. China - 9%	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.

Value:\$38 million	4. Mexico - 8%		
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Source: www.gtis.com

IV.BEST PRODUCTS PROSPECTS CATEGORIES

U.S. products in the Greek market that have good sales potential:

- Nuts (almonds, walnuts, pistachios) for snacks, 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 (cranberries and dried prunes)
- Dairy products (cheese)
- Chocolate and cocoa products
- Condiments and sauces
- Prepared food

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

V. KEY CONTACTS AND FURTHER INFORMATION

FAS Rome, Italy Offers Regional Coverage of Greece

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Key Greek Government Agencies and Associations

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