

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Greece

Exporter Guide

2018

Approved By:

Fred Giles

Prepared By:

Dimosthenis Faniadis

Report Highlights:

This report is written for U.S. companies interested in doing business in Greece. It contains information on the economic situation, consumer buying patterns, and strategies for market entry.

Greece presents market opportunities for many US consumer-orientated products, including tree nuts, distilled spirits, soybeans, forest products, seafood, and hides and skins. There are three major sectors described: retail, food service, and hotel & restaurants, while the best high-value product prospects and key contacts are highlighted.

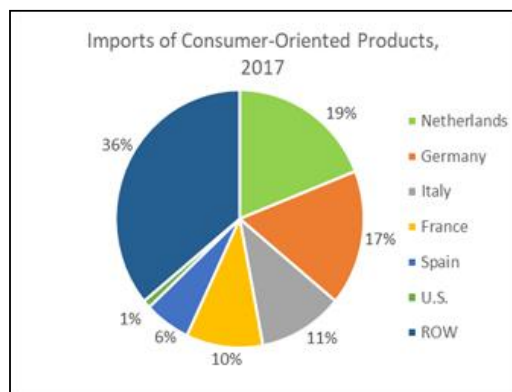
Market Fact Sheet: Greece

Executive Summary

With a population of 11 million and a gross domestic product (GDP) of approximately \$204 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 28.5 million tourists have visited Greece in 2017, and are forecast to further increase in 2018. 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 2017, the consumer-oriented sector accounted for 41.7 percent of total agricultural, fish and forestry imports from the United States, valued at \$38.7 million. During the same period, fish and seafood imports from the United States were at \$6.1 million.



Food Processing Industry

Food processing is a key sector in Greece, accounting for 10 percent of employment. The food industry accounts for 25 percent of all manufacturing enterprises in the country. Food processing also holds the biggest share in terms of gross value added (26.3 percent), while it ranks second in value of production (19.8 percent) and turnover (21.7 percent). In 2017, the sector generated a turnover of approximately \$11 billion¹. The subsectors with the highest revenues are meat products, milk and dairy products, cereal-based products, confectionary, and beverages.

Food Retail Industry

In 2017, 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.

¹ Exchange rate:
2017: 1 USD = 0.8852 Euro

Quick Facts CY 2017

Imports of Consumer-Oriented Products from USA (US\$ million)
\$38.7 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) 2017

Food Industry Output	11.0
Food Exports	6.6
Food Imports	7.8
Retail	19.7

Food Industry Gross Sales (US\$ Billion) 2017

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)

Contact:

FAS Rome, covering Greece
AgRome@fas.usda.gov

Section I. – Market Overview

Greece is the seventeenth largest economy in the EU-28, accounting for 1.2 percent of EU GDP for 2017, the same as Romania and Czech Republic. After a prolonged depression, the economy stabilized in 2017, and GDP grew approximately 1.5 percent in 2017, and is forecast to further increase in 2018. Greece has a capitalist economy with a public sector accounting for about 40 percent of GDP, with tourism providing 18 percent of GDP. Greece is a major beneficiary of EU aid, equal to about 3.3 percent of annual GDP.

In order to better understand Greece's current economic situation it is important to review their past. In 2009, Greece went into a recession because of the world financial crisis, and credit conditions tightened because the government failed to address its' growing budget deficit. By 2013 the economy had contracted 26 percent, compared with the pre-crisis level of 2007. Greece violated the EU's Growth and Stability Pact budget deficit criterion by no more than 3 percent of GDP in 2012, with a deficit reaching 7.3 percent of GDP. Under intense pressure from the EU and international market participants, the government adopted a medium-term austerity program that included cutting government spending, decreasing tax evasion, overhauling the health-care and pension systems, and reforming the labor and product markets. In 2015, Greece updated the agreement with European creditors on the economic measures it needs to introduce so it can receive the €10 billion (\$10.7 billion) cash injection for its crippled banks. Greece's economy will gradually begin to strengthen in 2018; a strong rebound in exports and modest gains in private consumption contribute to the long-awaited recovery.

- **Population and Key Demographic Trends**

According to Eurostat, in 2017, Greece's population was estimated at 10.8 million, down 0.24 percent since 2016. According to the latest data available from the Hellenic Statistical Authority (ELSTAT, 2011), the Region of Attica is home to approximately 3.8 million residents (35.2 percent of the population), followed by the Region of Central Macedonia which has 1.9 million people (17.6 percent of the population). Thus, over half the population lives in Athens and Thessaloniki, the biggest cities in Greece.

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 was more than 200,000 during the last official Greek census in 2011, accounting for 2.1 percent of the total population.

- **Overall Business Climate**

Greece can be a successful market for those companies willing to invest the time and resources to establish stable contacts. Eighty percent of Greece's import trade is handled through sales agents or distributors. Distributors generally supply the wholesale sector, and in some cases directly to the retail trade, usually based on exclusive sales rights for certain districts or for the entire country. There are over 14,000 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%), followed by oils and fats (10%), dairy products (6%), and all other food categories combined (remaining 23%).

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.

The agricultural sector in Greece remains a very important sector of economic activity and employment for Greece. The sector employs 12.6 percent of the total labor force in Greece, amounting to approximately 600,000 people. Agriculture contributes roughly 4 percent to GDP. Exports of agricultural products account for one third of total exports in Greece. Agriculture is characterized by small farms and low capital investment. Greece's utilized agricultural area is close to 5 million hectares, of which 57 percent is in the plains and 43 percent is in mountainous or semi-mountainous areas. There are about 150 million olive trees in the country, either in systematic orchards or scattered across the country. Lower agricultural productivity in Greece is correlated to the smaller average-size of holdings. The economies of scale offered by modern farming practices have limited impact on the small plots of land, typically used in Greece. Agricultural output has steadily declined from 17 percent of GDP in the early 1990's to only 4 percent today.

Greece imports significantly more food and beverages than it exports and is reliant on imports to meet the demands of Greek consumers for food products. Greek agricultural product exports increased 25.2 percent during the first half of 2018, compared to the same period last year. The value of exports reached \$3.9 billion. Cheese and olive oil exports totaled \$630 million, accounting for 17 percent of total Greek product exports in value terms. Greek imports of agricultural goods during the first half of 2018 reached \$4.2 billion, an increase of 12.2 percent compared to the same period last year; cheese and meat products received the lion's share, totaling \$600 million. Products with good sales potential to the Greek market include dairy products, meat, sugar, cereals, alcoholic beverages, some exotic/counter seasonal fruits, planting seeds, feed, tree nuts, and non-GMO food ingredients for the domestic food processing and confectionary/ice cream sectors.

Greece is strongly receptive to U.S. goods and services. In 2017, U.S. agricultural exports were valued at approximately \$92.7 million, and Greece is ranked 14th out of the EU-28 in terms of importance for U.S. exports.

Advantages and Challenges for U.S. Suppliers on the Greek Market

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 US products must pay import duties while competing EU goods do not.
The U.S. and Greece have long-standing cultural and political ties.	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. Spicy does not necessarily mean high chili content.
Greece needs agricultural imports to sustain its food & feed processing industry.	The Greek feed/livestock sectors are not politically strong and resist engaging at the MS level on EU GE approvals.
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 ports are offering a destination point, which covers a big area of the Balkans and can reduce the transportation costs for U.S. exported goods.	Changes in taxation as part of the bailout may affect shipping rates.

Section II. – Exporter Business Tips

When looking at the Greek market the following information should be reviewed:

- Basic market research to form a picture of what kinds of new products and services may prove profitable in the Greek market.
- Greek business partners and terms-local representation and personal contacts are required to successfully introduce a product into the Greek market.
- Import duty and excise tax-unlike other EU Member State suppliers, U.S. products may be subject to levies based on an ad valorem cost, insurance, and freight (CIF) basis.
- Greek Tourism adds 30 million visitors to the market and seasonally affects the total food consumption in the country.
- Labeling-Greece follows EU policies regarding labeling and ingredient requirements. Labels, including nutritional panels need to be changed. Pack size and pallet sizing may also need changing.

General Consumer Tastes and Preferences

Food Safety	As a result of food scares over the past two decades in the EU, the Greek food supply chain
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	is now heavily scrutinized, meaning that Greek retailers, foodservice operators and manufacturers are paying more attention to traceability and quality assurance.
Biotech (GE)	Biotech products or products that contain biotech ingredients can only be sold in the EU if the biotech (GE) trait has gone through the EU approval process. However, Greece has adopted an anti-GE stance not only on the cultivation of GE crops, but also on the use of GE products.
Organic	Greece, unlike most European nations, has suffered from declining organic sales in recent years. Sales peaked in 2008 and have since declined. Greek consumers are unwilling to pay a premium for product labeled as organic.
Health	Consumers in Greece are looking for foods to improve their health. This trend is driving sales of premium, less processed food, functional food, fresh fruit, fruit juices, and low-fat or low-sugar processed food.
Package Sizes	On average, Greek households consist of 3 people. Traditionally, kitchens and refrigerators are small and shopping is a daily occurrence with an average monthly expenditure of \$270 in 2017, down 8.7 percent compared to 2016.
Agriculture Supplies	A growing number of Greeks are relocating from the cities back to their family villages as a result of the economic crisis. Many of the younger farmers are well-educated and are choosing to implement non-traditional agricultural production methods, giving ag-related technology good sales potential.

Section III. - Import Food Standards & Regulations

- **Customs Clearance**

Greece follows EU policies regarding labeling and ingredient requirements. Similarly, Greece employs the same tariffs and border measures as the other EU member states. Product 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 the health authorities at the port of entry as interpretation of health directives may vary from port to port.

Complete information on EU import rules for food products may also be found at:

<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/>

For more food import regulation information see <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/approved-u-s-establishments/>.

- **General Import and Inspection Procedures**

Tariffs are based on the Harmonized System, with duties levied on imports from non-European Union (EU) 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 minimal duties. Preferential tariffs and EU tariff rate quotas may

apply.

Greece is a World Trade Organization (WTO) member and applies both European Union (EU) mandated and Greek government-initiated technical requirements. As a member state of the EU since January 1981, 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.

It is advisable that U.S. exporters to Greece seek advice from local importers regarding the sanitary and phytosanitary requirements and the tariffs/quotas for certain goods. Most agricultural product imports are covered by the Common Agricultural Policy (CAP), under which many items (including cereals, rice, milk and milk products, beef and veal, olive oil, dried fruit, and sugar) are subject to variable levies.

Occasionally, non-tariff barriers are imposed by the Greek government in the form of intensified sampling and laboratory testing for genetically engineered (GE) products, heavy metals, radioactivity, or mycotoxins. Greece also has a de facto ban on the cultivation of GE crops.

For more information on Product Trade Restrictions, Food Standards and Regulations, please refer to Post's [FAIRS GAIN Report](#).

Section IV. – Market Sector Structure and Trends

The Greek crisis has created a completely new retail grocery environment, with conditions in which many retailers and suppliers have never operated. The effects of the recession were still evident in 2017, with low disposable incomes, low consumer confidence and high unemployment; yet the economy seemed to march towards stability, and this was mirrored in retailing, as consumption began to pick up gradually. Greece's retail grocery market was valued at \$19.7 billion in 2017, a 2.3 percent decrease from 2016. Amongst the most important changes was the major supermarket chains are entering into strategic agreements with each other and the number of mergers and acquisitions is increasing in an attempt to maximize their profits in a negative environment.

The most important development in the competitive landscape was the bankruptcy of Marinopoulos Group and its merger with Sklavenitis Group. The new subsidiary of Sklavenitis Group operates a combined network of 560 stores in Greece and Cyprus, employing about 30,000 people. It is the largest supermarket network in Greece. Discounters increased by 1.5 percent in current value terms in 2017, as consumers continued to look for cheaper options for groceries and other items. In this unstable economic environment convenience came as a second priority; however, it was still an important aspect of consumer behavior. As a result, online sales and convenience stores were favored by consumers, with many online shops offering free delivery with a relatively low value of products sold.

The severity and lasting impact of the recession will continue to disrupt trends in retailing, leading

consumers to safe and cheap options; scanning for the best deals and seeking alternative stores and channels in order to achieve this. The crisis and the ensuing fiscal adjustment measures have had a strong impact on demand, resulting in the vital restructuring of the sector. However, retailing is believed to have reached its lowest point; thus being ready to stabilize and even start rising again, should there be no further hits to the Greek economy.

- **Top Five Sectors**

Tree Nuts

In 2017, the United States was the first supplier of tree nuts (in value and quantity) to Greece. Most tree nuts are used as ingredients by the food processing sector (ingredient of most traditional pastries). Almonds are the most important commodity within this category. Greeks consume more tree nuts than other nationalities. Further products with good sales potential include walnuts, pistachios, pecans, and hazelnuts.

Fish and Seafood Products

The good reputation and reliability of U.S. squid and mollusks help to boost exports. In Greece, seasonal consumption increased due to record tourism in 2017 and religious traditions. Fish consumption in Greece is growing as consumers associate fishery products with a modern healthy diet. Best prospects for U.S. fish and seafood exports are squid, smoked and frozen salmon, lobster, shrimp, crabs, catfish, scallops, and pollock.

Soybeans

Greece is a net importer of soybean and soybean meal, which represent the main ingredients in animal feed. In 2017, Greece imported 317,601 MT (metric tons) of soybeans, an increase of 0.7 percent from the previous year, mainly from Paraguay (153,024 MT), and Ukraine (123,194 MT).

Whiskies (Bourbon)

The United States is the third largest supplier to Greece, after the United Kingdom, and Ireland. Despite a negative growth rate for the sector, U.S. Bourbon whiskey exports are on the rise again in 2018. There are still expectations for good export opportunities for U.S. whiskies (bourbons).

Forest Products

Greece's annual log production is estimated at 756,000 m³, comprised 634,000 m³ of softwood and 122,000 m³ of hardwood. Much of the harvested wood is devoted to the manufacture of particleboard or low-grade products, such as pallets. According to industry estimates, Greece produces around 900,000 m³ of particleboard every year. In 2017, Greece imported approximately \$257 million worth of wood products. Bulgaria (\$53 million), Romania (\$28 million), and China (\$18 million) were the leading suppliers to the Greek wood market. Greece imported \$6.2 million worth of wood products from the United States, mainly hardwood lumber (\$4 million), and hardwood veneer sheet (\$1.9 million).

- **Retailer Information**

For more information on Retail Foods in Greece, please refer to Post's [Retail Foods GAIN Report](#).

- **Market Opportunities for Consumer-Oriented Products in the Hotel, Restaurant and**

Institutional, Retail Food and Food Processing Sector

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).

The EU is the main competitor for U.S. consumer-orientated food. EU food exporters have relatively low transportation costs and fast delivery times. Their products do not face import duties, nor do they face major ingredient or labeling changes. Products are sourced mainly from Germany, the Netherlands, Italy, Bulgaria, Romania, and Spain.

The United States ranks 6th largest non-EU supplier to Greece, with around 1.2 percent of all Greek food and drink imports. Argentina, Ukraine, Russia, Turkey and Brazil are some of the other top non-EU suppliers.

Section V. – Agricultural and Food Imports

- [BICO Table for last Five Years](#)

GREECE IMPORTS OF AGRICULTURAL, FISH & FORESTRY PRODUCTS FROM UNITED

STATES
CY 2013 - 2017 AND YEAR-TO-DATE COMPARISON

PRODUCT	CALENDAR YEARS (JAN-DEC)				
	2013	2014	2015	2016	2017
CONSUMER-ORIENTED AGRICULTURAL TOTAL (in millions of dollars)	40.0	43.4	41.6	35.1	38.7
Snack Foods NESOI	1.0	1.3	0.7	0.8	1.0
Beef & Beef Products	1.0	0.5	0.1	0.5	0.1
Poultry Meat	1.0	0.5	0.3	0.3	0.2
Dairy Products	0.0	0.1	0.0	0.4	0.9
Prepared Food	4.0	3.3	2.1	2.1	3.3
Chocolate & Cocoa Products	0.0	0.4	0.4	0.3	0.7
Processed Fruit & Vegetables	3.0	3.8	2.6	3.7	3.2
Condiments & Sauces	1.0	0.6	0.6	1.2	1.1
Tree Nuts	28.0	31.2	33.9	25.2	27.6
Pet Foods (Dog & Cat Food)	0.0	0.4	0.2	0.2	0.1
Other Consumer Oriented Products	1.0	1.2	0.7	0.3	0.4
FISH AND SEAFOOD PRODUCTS AGRICULTURAL TOTAL (in thousands of dollars)	12,041	11,182	7,398	5,298	6,211
Squid	2,631	1,705	1,508	2,622	4,381
Salmon	825	664	945	507	646
Lobster	604	805	319	597	549
Whiting/Hake	106	312	237	163	350
Other Fishery Products	7,731	7,614	4,338	1,273	268
AGRICULTURAL PRODUCT TOTAL (\$ million)	87.0	89.8	73.3	60.4	71.3
AGRICULTURAL, FISH & FORESTRY TOTAL (\$ million)	104.0	110.6	86.5	80.3	92.7

Source: Global Trade Atlas

- **Best High-Value, Consumer-Oriented Product Prospects Categories**

Market opportunities for U.S. products include tree nuts, distilled spirits, soybeans, forest products, fish and seafood products, processed fruits and vegetables, snack foods, high quality beef, and hides and skins.

Section VI. – Key Contacts and Further Information

FAS Rome, Italy covers Greece

Office of Agricultural Affairs, American Embassy

Via Veneto 119a, Rome, 00187, Italy

Tel: +39 06 4674 2396

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

Ministry of Rural Development and Food

2, Aharnon Street

GR-101 76 Athens, Greece

Tel: +30 210 212 5525

Fax: +30 210 524-0860

E-mail: ggram@hq.minagric.gr

Website: <http://www.minagric.gr/index.php/el/>

General Customs and Excise Department

10, Kar. Serbias

GR-105 62 Athens, Greece

Tel: +30 210 3375 714; 210 3375 715

Fax: +30 210 3375 034

E-mail: gdcustom@otenet.gr

Website: <http://www.minfin.gr>

Hellenic Food Safety Authority (EFET)

124, Kifissias Avenue & 2 Iatridou Street

GR-115 26 Athens, Greece

Tel: +30 213 214 5800

Fax: +30 213 214 5860

E-mail: info@efet.gr

Website: www.efet.gr