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Prepared By: Dimosthenis Faniadis

Approved By: Frederick Giles

Report Highlights:

In 2019, value sales of grocery retailers in Greece increased by 0.6 percent to $19.4 billion. The effects of the recession were still evident with low disposable incomes, low consumer confidence and high unemployment; yet the economy seemed to march towards stability. This was mirrored in retailing, as consumption began to pick up gradually. This report overviews the characteristics of Greek retail outlets and how best to place U.S. products in the Greek market.

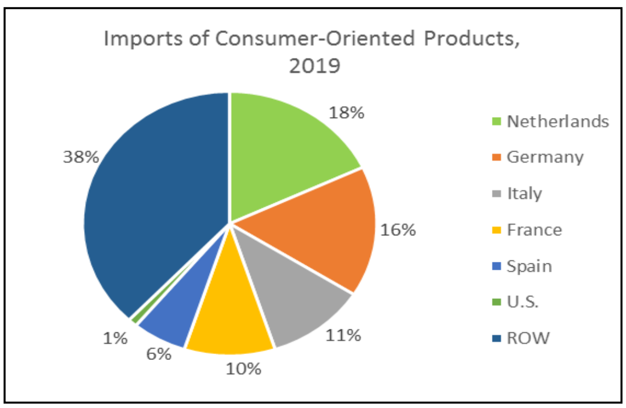
Market Fact Sheet: Greece

Executive Summary

With a population of 11 million and a gross domestic product (GDP) of approximately $222 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 2019. However, the tourism economy has been heavily hit by the COVID-19 pandemic in 2020. 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 2019, the consumer-oriented sector accounted for 57.7 percent of total agricultural, fish and forestry imports from the United States, valued at $51 million. During the same period, fish and seafood imports from the United States were at $2.7 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. In 2019, the sector generated a turnover of approximately $11 billion. The subsectors with the highest revenues are meat products, milk and dairy products, cereal-based products, confectionary, and beverages.

Food Retail Industry

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Quick Facts CY 2019

Imports of Consumer-Oriented Products *(US $million)*
$51 million

List of Top 10 Growth Products in Host Country

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

Food Industry by Channels (U.S. billion) 2019

Food Industry Output	11.5
Food Exports	6.9
Food Imports	8.3
Retail	19.8

Food Industry Gross Sales (US $Billion) 2019
Food Industry Revenues
- Food (Domestic market) approx. $20 billion

Top 10 Host Country Retailers

Top Greek Food Retailers

1) Sklavenitis J&S SA
2) Ahold Delhaize
3) Metro SA
4) Schwarz Beteiligungs GmbH
5) Diamantis Masoutis SA
6) Pente SA
7) Market In SA
8) INKA Coop

GDP/Population
Population *(millions)*: 10.8
GDP *(billions USD)*: 222
GDP per capita *(USD)*: 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.

Data and Information Sources:
Trade Data Monitor (TDM), Greek official statistics

Contact:
FAS Rome Covering Greece, AgRome@fas.usda.gov

SECTION I. MARKET SUMMARY

Overview

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 decreased 4.3 percent in 2019, compared to the previous year. The value of exports reached $7 billion. Cotton, cheese and olive oil exports totaled $470 million, accounting for 21 percent of total Greek product exports in terms of value. Greek imports of agricultural goods in 2019 reached $8.2 billion, a decrease of 1.8 percent compared to the previous year; cheese and meat products comprised the lion's share, totaling $1 billion. 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.

The Greek crisis 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 2019 with low disposable incomes, low consumer confidence and high unemployment; yet the economy seemed to march towards stability. This was mirrored in retailing, as consumption began to pick up gradually. Major supermarket chains are entering into strategic agreements among themselves, and the number of mergers and acquisitions is increasing in an attempt to maximize profits in a negative environment.

Online grocery shopping is rapidly growing in Greece and experienced a significant surge during the COVID-19 emergency, growing by 134 percent in the first quarter of 2020 compared to the same period last year. Fear amongst many consumers of being in crowded spaces like supermarkets, combined with a desire to increase their stock of food, have sent online supermarket sales soaring even though they are usually at particularly low levels in Greece.

The Retail Food Sector

In 2019, value sales of grocery retailers increased by 0.6 percent to $19.4 billion. The Hellenic Statistical Authority (ELSTAT) reported that Greek retail sales by volume rose 11.6 percent in 2019 compared to the previous year. The data showed that retail sales were led higher by food, beverage, and supermarkets. As disposable incomes remained under pressure in 2019, Greek consumers continued to be price-sensitive, and focused on reducing the cost of their grocery shopping. Consumers remained focused on buying only what they consider essential, and in a routinely unstable economic environment they tended to choose cheaper products. Supermarkets posted an increase of 2 percent in current value in 2019. Until May 24, 2020, supermarket turnover grew 14.7 percent year-on-year, with the increase in that period's last three months (February 24 - May 24) coming to 21.5 percent on an annual basis. The fact that the sales growth in both scenarios is expected to be below 10 percent for the whole year is to a great extent attributed to the recession expected in the Greek economy, which is already reflected in consumer confidence.

Greece is also witnessing a remarkable shift in how and where the consumer chooses to buy their food. According to Euromonitor, Greeks remained highly interested in price levels and general value offers, yet also opted for proximity, as a secondary way to save money. Consumers tending towards smaller but more frequent shops.

Another money-saving trend was the increased demand for options to replace consumer foodservice. According to IELKA, the Greek Institute of Retail Consumer Goods, the economic crisis has brought a change in the dietary patterns of the Greeks, who are ordering out less and eating at home more. These shifts in consumer behavior translated to changes in grocery store layouts, as packaged snacks and cold drinks became more easily available, while stores also increased their ready-to-eat food options. New regulations also benefited these trends, for instance, stores such as butchers or tobacco shops were allowed to sell ready-to-eat meals.

Advantages and Challenges for U.S. Exporters in Greece

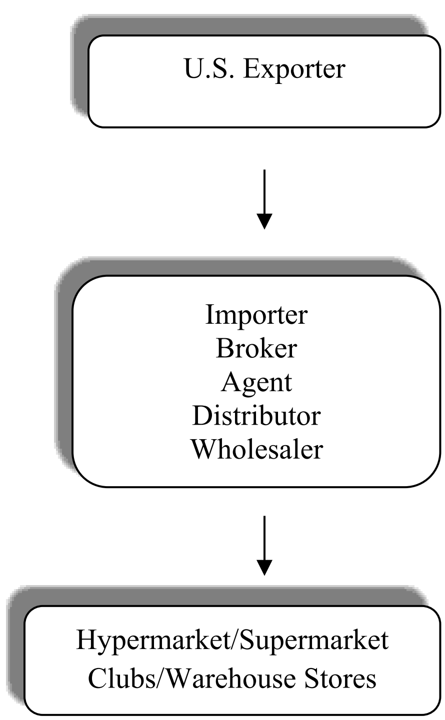
Advantages	Challenges
Greek importers favor U.S. products because of good quality and wider variety.	Greece's financial situation is sinking domestic demand, while lack of credit creates difficulties for importing companies.
Tourism is a seasonal boost to retail, food and drink sales.	Greek financial crisis and social disturbances have damaged Greece's reputation as a tourist destination.
Good image and reputation of U.S. products.	Competition from neighboring EU countries, where tastes and traditional products may be well known.
Convenience stores and discounters are increasing their market share, which means that customers have access to a wider product range.	Geographical challenges, including a large rural and island-based population, will continue to hamper the development of larger retail formats that can stock wider varieties of food products.
Consumers are increasingly health conscious, demanding innovative food products.	Greek consumers' limited purchasing ability forced them to cut down food spending.
Food products in the market are becoming more diversified. Consumers are becoming more open, creating opportunities for new and foreign products.	High marketing costs (advertising, discounts, etc.)

SECTION II. ROAD MAP FOR MARKET ENTRY

Entry strategy

Greek business partners and personal contacts are required to successfully introduce a product into the Greek market. 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. An overview of EU food laws currently in force can be found on the FAS USEU website http://www.usda-eu.org/
For more information on Product Trade Restrictions, Food Standards and Regulations, please refer to Post's FAIRS GAIN Report.

Market Structure



- Food products are usually imported in Greece by an importer or agent, who may also be a wholesaler and/or distributor. The importer is responsible for the delivery of products to their distribution center.
- Supermarkets act as importers too.
- The agents usually undertake promotional campaigns for the products they import.
- Most of the distributors have nationwide distribution channels.

Table 2. Supermarkets – Company Profiles

Retailers and Outlet Types	Ownership (Local or Foreign)	% Sales 2019	Location	Type of Purchasing Agent
Sklavenitis Supermarkets, Hypermarkets	Greek	29.4	Nationwide	Importer, Wholesaler
AB Vassilopoulos Supermarkets	Belgian	23.7	Nationwide	Importer, Wholesaler
Metro Supermarkets	Greek	14.9	Attica, Nationwide	Importer, Wholesaler
Masoutis Supermarkets	Greek	9.9	North Greece	Importer, Wholesaler
Pente Supermarkets	Greek	5.5	Attica, Nationwide	Importer, Wholesaler
Market In Supermarkets	Greek	3.7	Attica, West Greece, South Greece	Importer, Wholesaler
INKA Coop Supermarkets	Greek	2.4	Crete	Importer, Wholesaler

Source: Euromonitor

SECTION III. COMPETITION

Product Category (MT; USD)	Major Supply Sources in 2019 (in volume)	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Dairy *Net Imports:464,000 MT*	1. Germany - 32% 2. Netherlands - 18% 3. Romania - 7%	More than 99 percent of these products are supplied by EU countries having the	Local dairy companies are very strong. Concentrated milk cream, sweetened or

Value:$1 billion	USA is an insignificant supplier (0.01%)	advantage of proximity and availability.	not, is the major imported commodity. Cheese consumption is growing.
Snack Foods *Net Imports:35,000 MT* *Value:$97 million*	1. Germany - 19% 2. Spain - 16% 3. Italy - 14% 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, 3% of the market.	Cocoa preparations are the leading commodity imported. Companies like Mondelez Hellas, Papadopoulos, ELBISCO, and Chipita are very competitive.
Almonds *Net Imports:8,200 MT* *Value:$54 million*	1. USA - 60% 2. Spain - 29% 3. Germany - 4%	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 *Net Imports: 5,000 MT* *Value:$26 million*	1. Ukraine - 53% 2. USA - 11% 3. Moldova - 9% 4. Germany - 9%	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.
Alcohol Beverages *Net Imports: 23,000 hL* *Imports Value:$169 million*	1. Spain - 53% 2. Germany - 19% 3. UK - 10% USA is a minor supplier (1%)	EU countries are the major distilled spirits suppliers to the Greek market. Scotch whisky remains very popular.	Greek distilled spirits have gained popularity in recent years, affected by tradition but also the economic crisis.
Fish and Seafood *Imports: 103,000 MT* *Value:$542 million*	1. Turkey - 17% 2. Spain - 14% 3. India - 8% USA is a minor supplier (1%)	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.
Pulses *Imports:31,000 MT* *Value:$30 million*	1. Canada - 52% 2. Mexico - 10% 3. USA - 10% 4. Turkey - 6%	Strong competition from Canada, who increased its presence in recent years, Mexico and Turkey.	Greece is a traditional consumer of pulses and its local production is not sufficient to fulfill internal demand.

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 IV. BEST PRODUCT 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

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

FAS Rome, Italy Offers Regional Coverage of Greece
Office of Agricultural Affairs, American Embassy
Via Veneto 119a, Rome, 00187, Italy
Tel: +39 06 4674 2396
E-mail: AgRome@fas.usda.gov
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
150, Sygrou Avenue
17671 Kallithea, Athens, Greece
Phone: +30 210 9287232; +30 210 9287233
E-mail: syg059@minagric.gr; phyto18@otenet.gr
Web: http://www.minagric.gr/index.php/en/

Hellenic Food Safety Authority (EFET)
124, Kifissia's Avenue & 2, Iatridou Street
GR 11526 Ambelokipi, Athens, Greece
Tel: +30 213 2145 800
Fax: +30 213 2145 860
E-mail: info@efet.gr
Website: www.efet.gr

Federation of Greek Food Industries (SEVT)
340, Kifissias Avenue
GR-154 51 Neo Psychiko, Athens
Tel: +30/210/ 671-1177, 672-3215
Fax: +30/210/ 671-1080
E-mail: sevt@sevt.gr
Web: www.sevt.gr

Attachments:

No Attachments.