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Consumer Foods-Patterns of Food Expenditures and Imports in Croatia

Report Categories:

Product Brief

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Report Highlights:

The Croatian Bureau of Statistics (CBS), 2014 Household Budget Survey of just over 2,000 households shows trends in Croatian household expenditures for the 4.3 million inhabitants. This survey found that Croatia's average annual household expenditure was HRK81,054 (\$11,498) of which HRK23,934 (\$3,395) was spent on food and beverages. In 2014, Croatia imported approximately \$2 billion (\$1.5 billion during Jan-Oct 2015) in consumer foods. Croatia's main trading partners are other EU member states and its neighbors. Nevertheless, products mentioned herein represent interesting opportunities as they are foods that are regularly found on Croatian tables.

General Information:

Market Overview

The Croatian Bureau of Statistic's (CBS), 2014 Household Budget Survey of just over 2,000 households shows trends in Croatian household expenditures for the 4.3 million inhabitants. This survey found that Croatia's average annual household expenditure was HRK81,054 (\$11,498) of which HRK23,934 (\$3,395) was spent on food and beverages. Food expenditures by product category were as follows: meat (HRK6,746 or \$957), bread and cereals (HRK3,751 or \$532), milk, cheese and eggs (HRK3,429 or \$486), vegetables (HRK2,705 or \$384), and fruits (HRK1,514 or \$215). While average annual beverage expenditures were as follows: non-alcoholic drinks (HRK1,778 or \$252) and alcoholic beverages (HRK1,045 or \$148).

In addition, the statistics show that Croatian households commonly serve bread and milk, poultry meat or pork and potatoes as a side dish. In 2014, consumption of bread per household member (not counting dining out) averaged 61.6 kilograms (kg) with other baked goods averaging 7.8 kg. In addition, approximately 20.3 kg of flour, 7.8 kg of pasta and 4.4 kg of rice were consumed per Croatian household member. The most common vegetables on the plates of the average Croatian household member were potatoes (37.2 kg), root vegetables (15.6 kg) and leafy vegetables (10.9 kg). Average annual per capita fruit consumption was 18.2 kg, with the most beloved fruit being apples (14.6 kg), citrus (13.8 kg), bananas (9.4 kg), stone fruit (4.2 kg), berries (2.4 kg), pears (1.5 kg), dried fruits and nuts (1.7 kg) and frozen fruit (0.1 kg). Each Croatian consumed 1.4 liters of olive oil and 11.6 liters of other edible oils. When it comes to meat consumption, household members prefer poultry (18.5 kg), pork (15.5 kg), and then dried, salted or smoked meat (14.8 kg), beef or veal (7.5 kg), and finally lamb (under 1 kg). It is evident that Croatian consumers are meat lovers, as market research agency Henda also confirmed during a spring 2015 survey that 98.2% of adults aged 15 years or older eat meat, with just over a third eating it daily.

Statistics show relatively low consumption of fish: fresh/salt water fish (only 6.2kg), canned and processed fish (0.8 kg) and other seafood (0.7 kg). In 2014, the average Croatian citizen drank 66.5 liters of milk, consumed 17.5 kg of dairy products and 8.2 kg of cheese. Each Croatian ate 153 eggs in one year.

Regarding beverages, the preferences were as follows on an annual per capita basis: mineral water (26.8 liters), beer (15.7 liters), soft drinks (14 liters), fruit juice (10.4 liters), wine (9.1 liters), syrups for beverage preparation (3.3 liters), and coffee (3.5 kg).

When it comes to sweets, the annual per capita average was 10.9 kg of sugar, 2.5 kg of ice-cream, 2.2 kg of chocolate, 1.3 kg of jams and marmalades, 1 kg of honey and 1 kg of confectionery products. Each household member also consumed 2.6 kg of sauces (mustard, mayonnaise, ketchup) and 1.4 kg of spices.

Table 1. Advantages and Challenges

Advantages	Challenges
The food and beverage sector is well established, offering a modern retailing and distribution network across the country.	Croatia is a very price sensitive market. Croatian buyers demand quality, but also low prices and shipping costs are high for US products.
Most importers speak English.	Retailers rarely import US products into Croatia; they prefer to purchases from central buyers including other EU member states.
Urban population growth	EU-27 member states benefit from common market allowing the free movement of products.
EU membership means sourcing U.S. products from another member state that serves as a hub may be more cost effective than direct imports.	Croatian consumers are leery of some of the advanced food technologies employed in the United States and may perceive domestically produce goods or those from other EU member states to be more natural or wholesome.

Imports

Croatia's total imports of consumer foods are substantial. In 2014, Croatia imported approximately \$2 billion (\$1.5 billion during Jan-Oct 2015) in consumer foods. Furthermore, Croatia is a net fruit, vegetable and meat (except poultry) importer. In 2014, imports of fresh fruits and vegetables together with processed fruits and vegetables were valued at approximately \$397 million (\$328 million during Jan-Oct 2015). In 2014, pork imports reached \$237 million (\$162 million during Jan-Oct 2015). However, most cereals, bread and eggs are produced locally. Milk and dairy products also are sourced locally, although imports reached \$213 million in 2014 (\$161 million during Jan-Oct 2015). In 2014, Croatia also imported significant amounts of: beef \$67 million (\$58 million during Jan-Oct 2015); fruit and vegetable juices \$16.5 million (\$15 million during Jan-Oct 2015); almonds \$8.6 million (\$6 million during Jan-Oct 2015), hazelnuts \$6.1 million (\$7 million during Jan-Oct 2015), walnuts \$5 million (\$3 million during Jan-Oct 2015), and pistachios \$1.3 million (\$1 million during Jan-Oct 2015). Although Croatia is a net-exporter of fish and seafood products, it imported over \$115 million in 2014 (\$100 million during Jan-Oct 2015).

Trade statistics on U.S. food shipments to Croatia in most categories are severely understated due to transshipment via other EU member states. Croatia's main trading partners are other EU member states and its neighbors. Nevertheless, products mentioned herein represent interesting opportunities as they are foods that are regularly found on Croatian tables.

Entry Strategy

Trade shows are excellent venues for the U.S. exporters to make contact with potential Croatian business partners, to conduct product introductions and to gauge buyers' interest.

Trade shows in Croatia that could be of an interest are Gast Split, <http://gastfair.com/en/> and Zagreb Fair, Hotel Gastro Tech, <http://www.zv.hr/default.aspx?id=1099> . These are good places to visit during the exhibition to meet potential partners.

In addition, large international fairs like SIAL and ANUGA attract a lot of Croatian buyers.

Information about USDA's endorsed shows in Europe can be found at

<http://www.fas.usda.gov/international-trade-shows-2015> or at

<http://zagreb.usembassy.gov/business/doing-business-in-croatia-agro-food-products.html> .

Section II. Market Access

Import Procedures

Incoming goods must go through customs storage at transport terminals or airports. After the goods arrive at the customs storage, the importer or freight forwarder should start procedures for checking and clearing goods after filing an import customs declaration with the Croatian customs authorities. The procedure starts at the Veterinary/Sanitary Inspection which checks the goods. From time to time samples are taken for food safety testing. If the products are of a suspicious quality or health standard their sale will be banned until an analysis is conducted. Customs clearance and removal from storage is carried out under the supervision of a customs officer who compares the documents with the commodities after they were checked by a veterinary/sanitary inspector. It is of the utmost importance for the exporter to have a reliable freight forwarder and/or a friendly and trustworthy partner for the import procedure.

Requirements for Import

Croatia is part of the European Union, which is a common market and customs union. Therefore, Croatian imports and exports are subject to EU regulations. Detailed import requirements can be found in FAS Zagreb's Food and Agriculture Import Regulations and Standards –Narrative ([FAIRS 2015](#)) report.

Tariffs 2016 and VAT

The latest applied custom rates can be found at the following web page:

http://ec.europa.eu/taxation_customs/customs/customs_duties/index_en.htm

The value added tax (VAT) in stores is 25%. If food is consumed in a restaurant, the VAT is only 13%.

Section III. Key Contacts and Further Information

A list of Croatian importers is available to U.S. exporters and can be obtained by contacting:

U.S. Embassy
Office of Agricultural Affairs
Thomas Jefferson Street 2
10 010 Zagreb, Croatia
Telephone: (385-1) 661-2467
Fax: (385-1) 665-8950

E-mail: AgZagreb@fas.usda.gov

Web: <http://zagreb.usembassy.gov/business/doing-business-in-croatia-agro-food-products.html>