

Ελληνικές Εξαγωγές
Greek Exports
Exportations Grécques
Griechische Exporte



TRADE BALANCE

Greek **exports** continued their **upward** trend in **2019**, as they increased (albeit marginally) by 0.8% compared to 2018.

The country's export sector has managed to retain its strength and present positive rates of change over the last year. Particularly, total exports (including oil products) amounted to € **33.36 billion** versus € 33.09 billion during the previous year (increase by €268.2 million.). The country's total exports registered a rise, for the **third consecutive year** (2017-2019), while they had recorded a decrease in the period 2013-2016.

Exports recorded a significant rise even if oil products are excluded, amounting to €22.68 billion in 2019 from €21.60 billion over the previous year, registering a rise of 5%.

At the same time, in 2019 total imports registered an increase (2.3%), amounting to €54.01 billion. As a result of the developments in the foreign trade of the country, **trade balance** registered a fall of 4.9% over the last year (2019: € -20.65 billion 2018: € -19.69 billion).

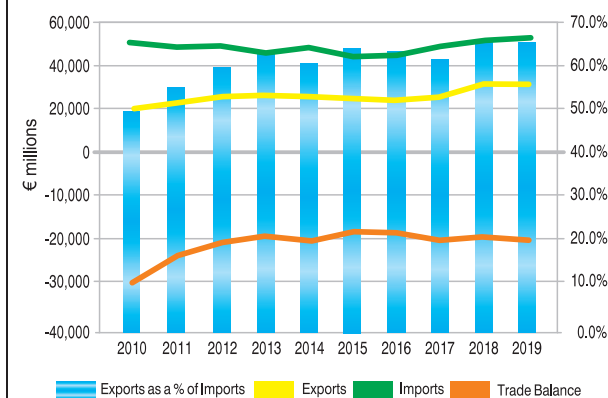
Despite the adverse economic conditions, Greek companies managed to strengthen their extroversion in recent years, supporting the national economy.

Regarding the development of Greek exports during the current year (**2020**) the following is noted:

Pandemic conditions due to Covid-19 disease that has hit the world economy and Greece (since March 2020) affected Greek exports as well. The restrictive measures taken by major European countries (which constitute the destination for the majority of Greek exports) to reduce the spread of the disease have hit the export potential of Greek products. According to the latest (provisional) data of the Hellenic Statistical Authority (ELSTAT) over **the first five months of 2020** the total **value of exports** (including oil products) reached € **12.17 billion** versus € 14.06 billion during the respective period of 2019, registering a **fall of 13.5%**. If oil products are excluded, the respective value of exports has registered a slight decrease of 1.7%, reaching €9.47 billion.

As regards the destination countries, the total value of exports (including oil products) to EU countries registered a **fall of 3.1%**, while exports to Third Countries reported a remarkable **decrease of 24.5%**.

Diagram 1
Greek Export Performance



Source: Hellenic Statistical Authority (ELSTAT)

Over the same period, the total value of **imports** amounted to €19.62 billion registering a fall of 16.7%. If oil products are excluded, the value of imports has dropped by 10%, reaching €15.45 billion.

The aforementioned data show there is a **fall in trade deficit** by €2.03 billion (**-21.4%**) over the first five months of 2020. If oil products are excluded, trade deficit has decreased by 20.7%.

GEOGRAPHICAL EXPORT DISTRIBUTION

The total Greek exports registered a slight rise (+0.8%) over the last year due to the rise of exports to E.U. countries, while exports to Third Countries decreased. Particularly, **exports to E.U. countries increased by 6.9%**, accounting for 55.5% of total exports. The respective share in the total value of exports in 2018 was 52.3%. Exports to **Third Countries dropped by 5.8%** over the last year, accounting for 44.5% (2018: 47.7%).

Italy remains the most important destination of Greek exports (in terms of value) and ranks first again in 2019 among destination countries. Germany ranks second followed by Cyprus (3rd) and Turkey (4th) which ranked 3rd in

Table 1
Trade Balance
(€ mil.)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Exports	21,140.4	24,295.5	27,342.7	27,316.0	26,894.0	25,482.4	25,150.0	28,510.6	33,088.2	33,356.4
Imports	50,948.7	48,616.8	48,623.9	46,138.6	47,236.0	42,655.6	43,124.2	49,127.3	52,773.9	54,007.3
Trade Balance	-29,808.3	-24,321.3	-21,281.2	-18,822.6	-20,342.0	-17,173.2	-17,974.2	-20,616.7	-19,685.7	-20,650.9
Exports as a % of imports	41.5%	50.0%	56.2%	59.2%	56.9%	59.7%	58.3%	58.0%	62.7%	61.80%

Source: Hellenic Statistical Authority (ELSTAT)

Table 2
Geographical export distribution
Share (%) in total exports

	2015	2016	2017	2018	2019
EU-28	53.3%	55.7%	53.1%	52.3%	55.5%
Balkans and Turkey ¹	12.4%	11.2%	12.7%	12.2%	12.1%
Central and Eastern Europe, CIS ²	2.5%	2.5%	1.4%	1.8%	1.7%
North America ³	6.1%	5.6%	5.1%	4.9%	4.9%
Northern Africa and Middle East ⁴	14.8%	14.6%	15.0%	14.3%	14.1%
East and South-East Asia ⁵	4.3%	4.2%	5.4%	6.1%	5.2%
Rest of the world	6.7%	6.1%	7.3%	8.4%	6.5%
Total exports	100.0%	100.0%	100.0%	100.0%	100.0%

1 Albania, Croatia, Bosnia-Herzegovina, Serbia - Kosovo, Montenegro, FYROM and Turkey.

2 Ukraine, Belarus, Moldova, Russia, Georgia, Armenia, Azerbaijan, Kazakhstan, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan.

3 USA, Canada, Mexico.

4 Morocco, Algeria, Tunisia, Libya, Egypt, Lebanon, Syria, Iraq, Iran, Israel, Jordan, Saudi Arabia, Kuwait, Bahrain, Qatar, UAE, Oman and Yemen.

5 Thailand, Indonesia, Singapore, Philippines, South Korea, Taiwan, Hong Kong, Japan, India, China.

Sources: Hellenic Statistical Authority (ELSTAT), Pan-Hellenic Exporters Association, Export Research Centre (KEEM)

2018. Bulgaria ranks 5th followed by the United States, the United Kingdom, France, Lebanon and Spain.

As regards the major destinations of Greek exports, the following is noted: Exports to France registered the highest rise (17.6%) followed by exports to Bulgaria (9.7%), Cyprus (8.2%), Germany (6.4%), Italy (5.1%) and the United Kingdom (2.2%). Exports to Spain recorded a marginal increase (0.1%). On the contrary, exports to Lebanon registered a fall (21.8%)

Table 3
The 20 major export markets of Greece in 2019
(€ mil.)

A/A				
2019	2018	Countries	2019	Share
1	1	Italy	3,659.0	11.0%
2	2	Germany	2,290.1	6.9%
3	4	Cyprus	2,058.4	6.2%
4	3	Turkey	1,973.5	5.9%
5	5	Bulgaria	1,638.9	4.9%
6	7	USA	1,305.2	3.9%
7	8	United Kingdom	1,242.4	3.7%
8	11	France	1,196.9	3.6%
9	6	Lebanon	1,165.3	3.5%
10	10	Spain	1,114.0	3.3%
11	12	Romania	1,040.4	3.1%
12	9	Egypt	942.6	2.8%
13	13	China	892.5	2.7%
14	14	Northern Macedonia	794.4	2.4%
15	15	Saudi Arabia	745.4	2.2%
16	16	Netherlands	709.2	2.1%
17	18	Albania	572.6	1.7%
18	21	Slovenia	520.8	1.6%
19	19	Poland	503.7	1.5%
20	23	Belgium	486.4	1.5%
Exports of the top 20 countries			24,851.7	74.5%
Other Countries			8,504.7	25.5%
Total Greek exports			33,356.4	100.0%

Sources: Hellenic Statistical Authority (ELSTAT), Pan-Hellenic Exporters Association, Export Research Centre (KEEM)

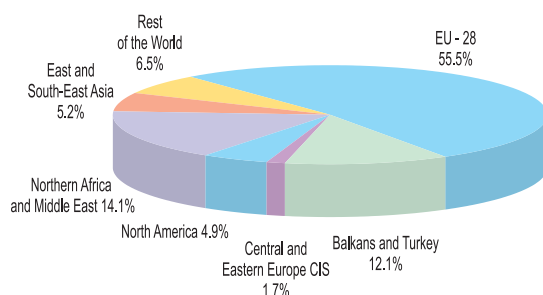
as well as exports to the United States (4.8%) and Turkey (3.0%).

The first twenty (20) countries accounted for **74.5%** of the total export value in 2019.

By broader **geographical area**, the following is noted:

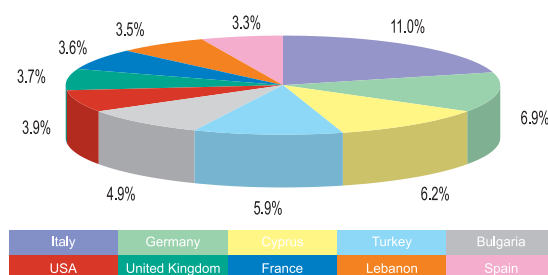
The value of exports to **EU - 28 countries** amounted to € 18.5 billion in 2019 from € 17.3 billion in 2018 (6.9% rise). Exports to other European countries registered a fall of 2.1%.

Diagram 2
Geographical export distribution (2019)



Sources: Hellenic Statistical Authority (ELSTAT), Pan-Hellenic Exporters Association, Export Research Centre (KEEM)

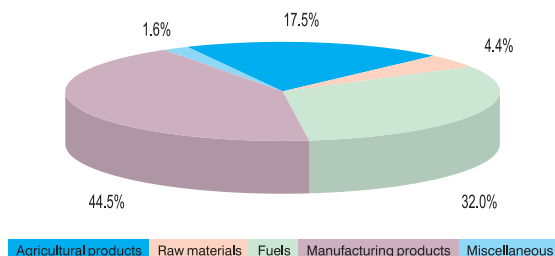
Diagram 3
Top 10 export markets* in 2019



* Exports over € 1.1 billion

Sources: Hellenic Statistical Authority (ELSTAT), Pan-Hellenic Exporters Association, Export Research Centre (KEEM)

Diagram 4
Distribution of exports by product category (2019)



Source: Hellenic Statistical Authority (ELSTAT), Pan-Hellenic Exporters Association, Export Research Centre (KEEM)

Exports to the countries of **North America** (USA, Canada, Mexico) decreased by 3.8%, accounting for 4.9% of total exports in 2019. On the contrary, exports to the remaining countries of America reported a significant increase (17.1%).

Exports to the **Middle East & North Africa** registered a fall (by 12.1%) accounting for 14.1% of total exports in 2019. It should be noted that a large part of the products that are directed to most of the countries in the region are petroleum products.

As regards exports to the countries of **Asia**, they dropped by 12.0% accounting for 5.2% of exports in 2019. The major destination countries are China and Singapore.

DISTRIBUTION OF EXPORTS BY PRODUCT CATEGORY

Manufacturing products (chemicals and related products, machinery etc.) had the lion's share (44.5%) in the country's total exports (in value). Their exports increased by 7.9% in 2019/2018.

Exports of **fuels** accounted for 32.0%, while their exports value dropped by 7.1% during the same period. Exports of

Table 4
Distribution of exports by product category
Share (%) in total exports

	2015	2016	2017	2018	2019
Agricultural products	20.5%	22.4%	19.5%	18.0%	17.5%
Food and livestock	15.1%	16.8%	15.1%	13.7%	14.1%
Beverages and Tobacco	2.6%	2.9%	2.5%	2.2%	2.2%
Animal or plant fats and oils	2.8%	2.7%	2.0%	2.1%	1.2%
Raw materials	4.0%	4.0%	4.5%	4.1%	4.4%
Non-food raw materials (excluding fuels)	4.0%	4.0%	4.5%	4.1%	4.4%
Fuels	29.8%	27.4%	31.5%	34.7%	32.0%
Minerals, fuels, lubricants etc.	29.8%	27.4%	31.5%	34.7%	32.0%
Manufacturing products	43.4%	44.0%	42.6%	41.5%	44.5%
Chemical and related products	10.5%	10.7%	10.6%	10.4%	12.1%
Industrial products classified by raw material	16.0%	15.6%	16.0%	15.6%	14.8%
Machinery and transport equipment	10.1%	10.2%	8.9%	8.6%	9.3%
Miscellaneous manufacturing products	6.8%	7.5%	7.1%	6.8%	8.2%
Miscellaneous	2.4%	2.2%	1.9%	1.7%	1.6%
Products and transactions without classification	2.4%	2.2%	1.9%	1.7%	1.6%
Total exports	100.0%	100.0%	100.0%	100.0%	100.0%

Sources: Hellenic Statistical Authority (ELSTAT), Panhellenic Exporters Association, Export Research Centre (KEEM)

agricultural products registered a slight fall (by 1.5%) accounting for 17.5% of the country's total exports over the last year.

As regards individual product categories, exports of oil products rank first in 2019. Medicines rank second followed by aluminum products which rank third and cotton exports which rank fourth.

CHEESE PRODUCTS

STRUCTURE AND BREAKDOWN OF THE SECTOR

The sector of cheese products in Greece consists of several manufacturers. Large industries own organized distribution networks, covering almost the entire Greek territory. Medium and small sized manufacturers mainly cover the needs of local and regional markets, but also channel some of their products to other (geographical) markets. The sector also includes a significant number of small family cheese dairies which are exclusively of local scope.

The manufacturing sector has been significantly upgraded, focusing on the standardization of production and enhancement of competitiveness, by offering a variety of cheese products.

The sector of imports consists of a large number of companies, many of which operate in the sector of dairy and cheese products or in the wider sector of foodstuff. Some of them also cooperate with multinational companies in the dairy / cheese industry. Also, several smaller companies import cheese intended for professional use (e.g. restaurants, processing, catering, etc.).

In the retail sector, the rapid growth of supermarkets, which had the lion's share in total sales, was a major development. This has led sector industries to turn to the standardization - packaging of their products even more so as to better meet market trends.

PRODUCTION

Greece ranks 10th as regards the total production of cheese among EU-28 countries (2018 data). The overall domestic cheese production (from manufacturing businesses as well as dairy farms) has registered slight annual fluctuations over the last five years. The share of dairy farms in the total cheese production has reached 23%-28% in recent years. Respectively, the share of manufacturing businesses has been increasing in recent years amounting to 70%-77%, which is due to the increase in the degree of industrialization

of the sector, as well as the increase in the production capacity of companies.

The category of soft cheeses has held the largest share in the total production of cheese over time. Particularly in 2018 soft cheeses accounted for 73.5% of the total cheese production from manufacturing businesses. Feta cheese accounts for the largest part of soft cheeses. The category of hard and semi-hard cheeses follows with a share of 15.4% in 2018. The production of P.D.O. (Protected Designation of Origin) products from manufacturing businesses presented a cumulative increase of 47% in the period 2012-2018. In 2018, PDO cheese products accounted for 64% of industrial production.

EXTERNAL TRADE

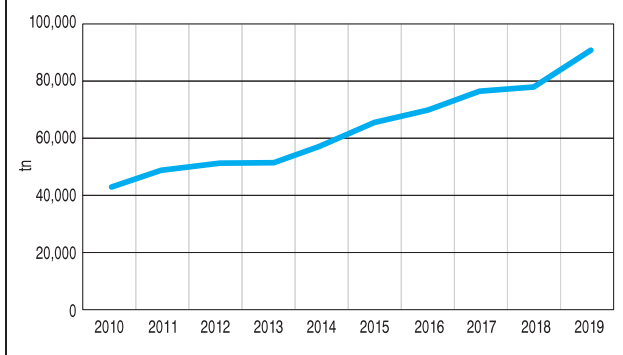
Overall imports (in quantity) of cheese products followed an upward trend during 2013-2018, with an average annual growth rate of 4.2%. Imports registered a fall of approximately 8% in 2019 compared to 2018. Semi-hard cheeses have accounted for 57% of total imports in recent years. Hard cheeses follow with a share of 21%-22%. Soft cheeses account for the remaining share.

The main countries of origin of cheese products are the Netherlands and Germany which have accounted for 64%-65% of total imports in recent years.

Exports of cheese products have registered a rise over the last decade (2010-2019), with an average annual growth rate of 8.4%. "Feta cheese and teleme" have the largest share, accounting for 85%-86% of total exports over the last two years. Hard and semi-hard cheeses follow, accounting for 7%-8%. Germany has accounted for the largest part of exports in recent years, with a share of approximately 33%, followed by the United Kingdom (15%-16%) and Italy (11%-12%).

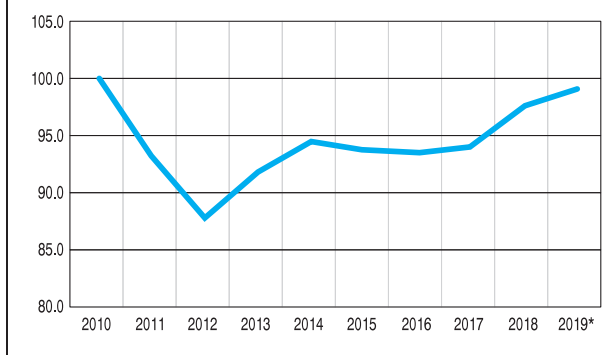
The sector export performance has been around 24%-27% in recent years. The certification of 21 Greek cheeses and mainly of feta cheese as P.D.O. (Protected Designation of Origin) products has been crucial as regards the ascending

Diagram 5
Exports of cheese products
(2010-2019)



Source: (Hellenic Statistical Authority) EL.STAT.

Diagram 6
Market Index of cheese products in Greece
(2010=100)



* Estimates

Source: ELGO-DEMETRA, EL.STAT., ICAP S.A.

course of cheese exports in the last few years and the further development of export performance.

DOMESTIC MARKET

The total domestic consumption of cheese products (in quantity) presented an upward trend in the period 2004-2010 with an average annual rate of 3.5%, which, however, halted over the period 2011-2012, while during 2013-2014 the market started increasing again. Over the three-year period 2015-2017 consumption started stabilizing. Over the next two years (2018-2019) cheese consumption is estimated to have increased by an average annual rate of 2.5%-3%.

The largest part of the total consumption of cheese products is covered by Greek cheeses over time. Their share in the total market has been around 60% in recent years while imported cheese accounts for the remaining 40%.

Standardized cheese products have accounted for approximately 13%-14% of domestic cheese consumption in recent years.

Supermarkets and other retail stores are estimated to account for 54%-55% of total cheese sales. Catering businesses, restaurants etc. account for the remaining 45%-46%.

Cheese products are among the most important foodstuff of the Greek diet. Nevertheless, due to the pandemic conditions (Covid-19) that have also affected Greece (since March 2020) the consumption of cheese in 2020 is estimated to decline, due to the reduction of demand mainly from the wider food service sector (restaurants, catering companies, hotel units, etc.).

SECTOR PROSPECTS

Cheese products constitute a main component of daily diet and report high per capita consumption. Cheese consumption shows relatively low annual rates of change, compared to other foodstuff, showing resilience during the period of severe economic recession.

Regarding the consumption of cheese in 2020, as already mentioned, the pandemic conditions (Covid - 19) that

affected Greece and its consequences (lockdown, significant reduction of tourist traffic, etc.) are expected to negatively affect the sector in question, mainly cheese sales to the food service sector (decrease in sales to restaurants, hotel units, catering companies).

The sector shows remarkable export activity. Exports are an important means for domestic sector manufacturers to strengthen their market position and expansion to new countries/ markets is a key strategic choice.

PROPOSALS TO STRENGTHEN COMPANY COMPETITIVENESS

The main lines which sector companies are expected to follow in order to strengthen their competitiveness, are:

- Adaptation of their commercial and price policy in the current market conditions.
- Development of "innovative" products with high added value, competitive in the market and with higher profit margins.
- Further increase of the export activity and greater promotion of the products in the international market.
- Expansion in new markets taking advantage of new consumer needs (low fat-low lactose products etc.).
- Cooperation among companies (production and distribution of products), in order to reduce costs.
- Expansion of the distribution network of products, seeking presence in more retail outlets.

COSMETICS

STRUCTURE AND BREAKDOWN OF THE SECTOR

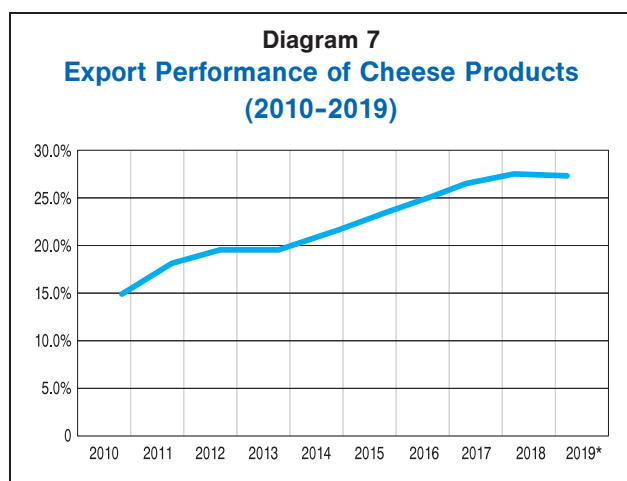
The cosmetics sector in Greece is comprised of a great number of companies, both manufacturers and importers, the majority of which are engaged in more than one product categories (body cosmetics, face cosmetics, hair cosmetics etc.).

Some sector importers are large-scale companies, subsidiaries of well-known foreign groups, which have significant market shares in the international market.

The distribution channels serve as an element to distinguish sector companies from one another. In the mass market and selective distribution channel, competition is particularly intense, as most products are distributed via these channels. The mass market involves supermarkets and self-service departments of cosmetic stores. The selective distribution channel consists of specialized cosmetic stores. Companies also distribute their products via pharmacies, a channel which has shown particular growth in recent years.

PRODUCTION

The value of the domestic production of cosmetics (in wholesale prices) followed a downward trend during 2007-2013, registering an average annual decline rate of 2.5%. Nevertheless, in 2014 this trend reversed and in recent years it has been growing at a faster pace, as a result of growing



* Estimates

Source: ELGO-DEMETRA, EL.STAT., ICAP S.A.

demand from abroad, since a significant part of domestic production is channeled to several foreign countries. In 2019 the value of total production increased by 4.2% compared to 2018.

Skin care products had the lion's share in total production as they accounted for approximately 44% in 2019, followed by hair care products with a share of 30%.

EXTERNAL TRADE

Total imports of cosmetics (in value) followed a downward trend during the period 2009-2013, with an average annual reduction rate of -8%. Nevertheless, since 2014 imports have gradually started recovering, while in 2019 their value increased by 8.3% compared to 2018.

The category of skin care products had a share of 44% in total imports (in value) in 2019 followed by perfumes and hair care products with a share of 20% and 19% respectively.

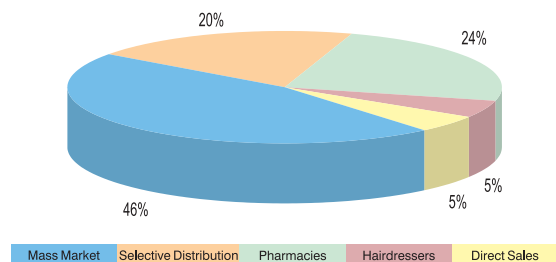
According to the data of EL.STAT., exports of cosmetics registered a rise during 2012-2019, increasing by an average annual growth rate of 8.3%. In 2019 their value increased by 11.5% compared to the previous year. Skin care products accounted for 72% of total exports in 2019 followed by hair care products with a share of 14%. The major destination countries of cosmetics in 2019 were Cyprus, United Kingdom, Germany and the United States which jointly accounted for 40% of total exports.

DOMESTIC MARKET

The domestic market of cosmetics (in wholesale prices) followed a downward trend during 2010-2013, registering an average annual rate of -7.7%. This decline is due to the reduction in the consumers' demand. However, over the following years (2014-2019) the market started recovering, while it is estimated to have increased by 2.5% in 2019 compared to the previous year. Nevertheless, its upward trend is expected to be halted in 2020, due to the pandemic (Covid-19) and its effects and the cosmetics market is estimated to record significant losses.

Skin care products have constituted the major category of

Diagram 9
Structure of the domestic cosmetics market by distribution channel (2019)



Source: ICAP S.A.

cosmetics over time. In 2019 they are estimated to have accounted for approximately 53% of total sales (in value), followed by hair care products with a share of 24%.

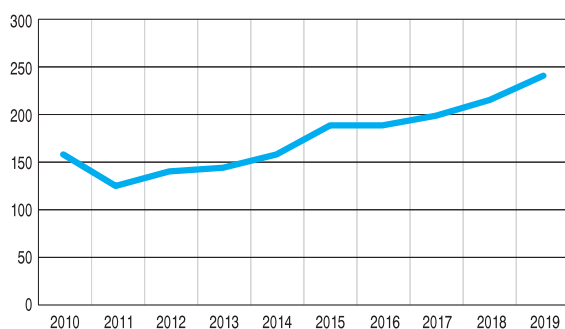
The mass market distribution channel is estimated to have accounted for 46% of the market in 2019 followed by the channel of pharmacies with a share of 24%. Selective distribution had a share of approximately 20%.

SECTOR PROSPECTS

The domestic cosmetics market continues to develop in an environment of intense competition. After a period of economic recession in Greece (2009-2016) with negative effects on the sector in question, the cosmetics market has recovered and returned to positive growth in recent years. The prospects at the beginning of 2020 were considered particularly favorable by market insiders, as the households' disposable income showed signs of stabilization. However, the consequences of the health crisis (Covid - 19) and the impending recession are such that they have negatively affected the market size of the sector.

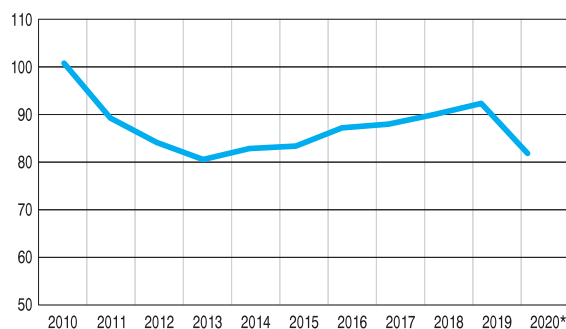
The aforementioned developments enhanced the overall uncertainty in the domestic economy and the cosmetics sector. As a result, the growth rate of recent years has been halted. For 2020, the market is projected to decrease by more

Diagram 8
Exports of cosmetics 2010-2019
(in million €)



Source: Hellenic Statistical Authority (EL.STAT.)

Diagram 10
Domestic market index of cosmetics
(2010=100)



* Forecast

Source: ICAP S.A.

than 10%. The recovery of the cosmetics market is inextricably linked to the evolution of the consumers' disposable income. According to the same sources, it is certain that the reduced household income will once again turn the consumers' buying interest to cheaper products and products that are offered on discount.

PROPOSALS TO STRENGTHEN COMPANY COMPETITIVENESS

Regardless of the sector's development this year, the main lines which sector companies are expected to follow in order to strengthen their position in the market, are:

- Adaptation of their commercial policy in the current market conditions (promotion actions, discounts to consumers).
- Use of e-commerce taking advantage of new technologies and trends in retail sales.
- Development of new qualitative and more affordable products.
- Investments in Research and Innovation.
- Stronger extroversion in order to enter new markets abroad.
- Cooperation with renowned and established companies abroad.

OLIVE OIL

STRUCTURE AND BREAKDOWN OF THE SECTOR

Greece is one of the most important olive - oil producing countries in the EU. Domestic production exceeds demand, while large quantities are exported.

A large number of companies operate in the sector of olive oil production. The production process, from receiving raw material (olives - olive pomace) to the disposal of the final product, consists of different phases. Olive oil mills realize the first phase of olive-oil production, which is then either marketed directly for consumption (edible) in bulk or

promoted to wholesalers for resale in Greece or abroad or channeled to processing / standardization businesses. Furthermore, many cooperatives operate in the sector, the main activity of which is the collection of their members' products, their marketing, processing and standardization. According to data from the Ministry of Rural Development and Food, throughout the country the approved olive oil standardization units amount to 659. Approximately 48% of them are located in the regions of Peloponnese and Crete.

The competition among companies that market a "branded" standardized product is quite intense. An important problem for the sector remains the fact that olive oil standardization companies face strong competition from producers who sell olive oil in bulk.

PRODUCTION

Olive-oil production depends on weather conditions which greatly affect the production size of olive groves and, consequently, the production of olive oil. Thus, there are significant fluctuations as regards the annual production.

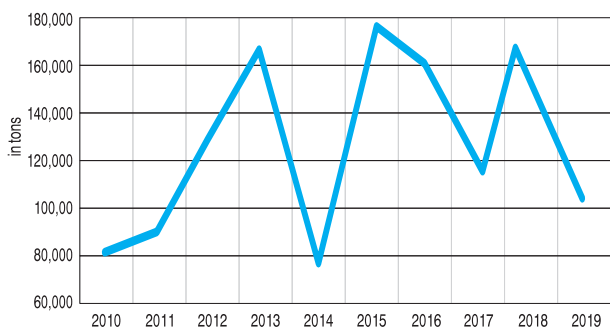
According to data from the International Olive Oil Council, over the last six years (olive crop year 2013/14 - 2018/19) the average annual domestic olive oil production decreased by 3.8% compared to the previous six year-period. The largest part of the total production is sold in bulk, either in the domestic market or abroad.

EXTERNAL TRADE

Annual imports of olive oil are low as domestic production is high and exceeds demand. Olive oil imports fluctuate from year to year and they usually regard products with special characteristics intended for impurity. In 2019 olive oil imports increased by 57.6% in terms of quantity and by 34% in value.

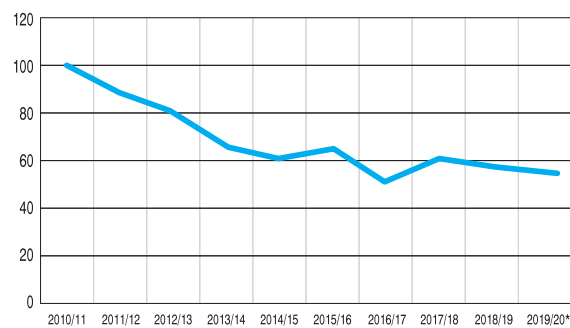
Exports account for a significant percentage of domestic production, which is estimated to reach 50%-55% of the production volume in recent years. In particular, the sector's export performance amounted to 54% as a five-year average. The size of olive oil exports depends on the domestic production as well as the demand from foreign countries. Thus, olive oil exports usually fluctuate significantly from year to year.

Diagram 11
Exports of olive oil
(2010-2019)



Source: Hellenic Statistical Authority (EL.STAT.)

Diagram 12
Market Index of olive oil in Greece
(2010/11=100)



* ICAP forecast, Market Estimates
Olive crop year 1/10-30/9

Source: International Olive Oil Council

Most of the exported quantities concern bulk olive oil, while the rest is available in standardized form. Regarding the destination countries of exports, Italy had the lion's share followed by Spain and Germany.

DOMESTIC MARKET

The domestic consumption of olive oil has reported fluctuations in recent years. According to data from the International Olive Oil Council, the overall domestic consumption dropped by approximately 5% over olive crop year 2018/19 compared to the previous period (2017/18). As regards the current year (2019/20) a further fall of olive-oil consumption is expected, due to the consequences of the pandemic conditions (Covid - 19) that have also affected Greece since March 2020 (reduced demand from the wider sector of food service, etc.).

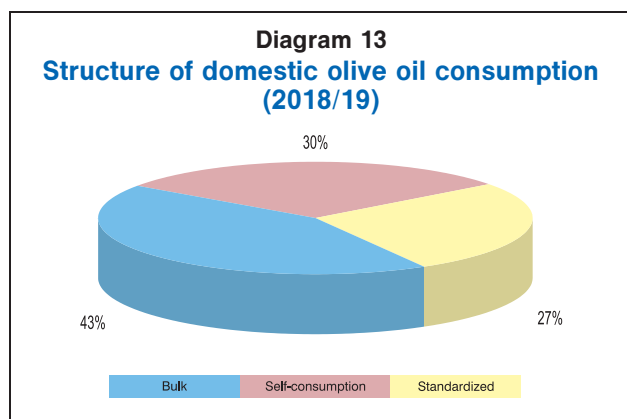
As regards the structure of the domestic olive oil market, bulk olive oil accounts for the largest part of the overall consumption with an estimated share of 73% (olive growing season 2018/2019, including the share of self-consumption). Standardized olive-oil accounts for approximately 27% of total consumption. Private label products sold in supermarkets have a significant share in the consumption volume of the standardized products and have been on the rise in recent years.

SECTOR PROSPECTS

Olive growing and olive oil production are important sectors of the domestic agricultural economy. Greece is the third largest producer of olive oil in the European Union. Several sector companies are export oriented and their exports account for a significant percentage of the domestic olive oil production. In a changing international environment, the high quality of Greek olive oil constitutes its main "driving force" for its penetration in foreign markets

The domestic consumption of olive oil (in quantity) is considered "mature", thus it presents no significant changes annually.

Regarding the consumption of olive oil for the period 2019/20, it is pointed out that the pandemic conditions (Covid - 19) that have hit Greece since March 2020 (lockdown, significant reduction of tourist traffic, etc.) will negatively affect the sector in question, mainly the sales of olive oil to the food service sector (reduction of sales to restaurants, hotel units, catering companies).



ICAP, Market Estimates

PROPOSALS TO STRENGTHEN COMPANY COMPETITIVENESS

The main lines which sector companies are expected to follow in order to strengthen their position in the market, are:

- The increase of business extroversion and their entrance in new markets abroad.
- Advertising and emphasis on the high quality of Greek olive oil.
- Synergies among companies, creation of economies of scale, reduction of production costs.
- Coordinated efforts to increase exports of standardized olive oil and create recognized brands.
- Promotion of Greek olive oil in foreign countries and to foreign tourists visiting Greece in order to enhance recognition.

TABLE OLIVES

STRUCTURE AND BREAKDOWN OF THE SECTOR

A large number of Greek companies operate in the table olive industry, being involved in table olive processing and/or standardization, either for own account or for third parties. The majority of these companies have developed a thriving export activity since the majority of their products are marketed to foreign markets (in bulk or as standardized products).

There are also many agricultural cooperatives operating in the sector that collect the products of their members and then trade them and / or process - standardize them.

Despite the fact that table olives are among the basic and traditionally consumed food products in Greece, their promotion is limited. This is mainly due to the fact that the largest part of table olives is sold in bulk. Demand for olives mainly focuses on the different varieties of olives (Kalamata olives, dry olives etc) and not on specific brands.

PRODUCTION

The domestic production of table olives exceeds demand, while large quantities are channeled abroad. The volume of domestic production presents annual fluctuations, as it depends largely on weather conditions in oil producing regions.

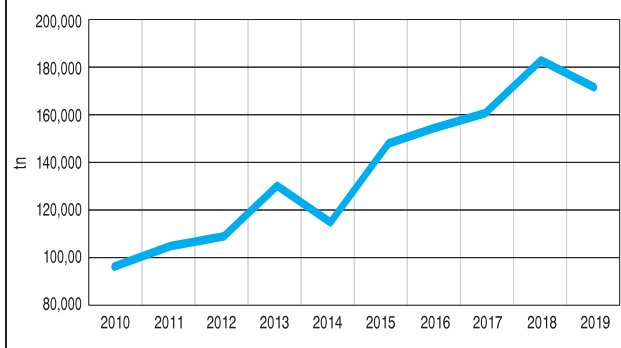
According to data from the International Olive Oil Council, over the last six years (2013/14 - 2018/19) the average annual table olives production registered a significant rise of approximately 57%, compared to the previous six-year period.

Exports of table olives accounted for 79% (as an average) of total production over the last six years.

EXTERNAL TRADE

Imports of table olives are low as domestic production exceeds domestic demand. Imports of table olives mainly regard standardized olives, while a significant part of imported quantities is re-exported. According to the data of EL.STAT., olive imports have registered a remarkable rise over the last decade (2010-2019), though reporting significant annual fluctuations.

Diagram 14
Exports of table olives
(2010-2019)



Source: Hellenic Statistical Authority (EL.STAT.)

Exports of Greek olives in contrast with imports, are on a high level. Over the last decade, total exports of olives registered an annual rise. Particularly, prepared - preserved olives (this category regards edible table olives) had the lion's share in the total exports of olives (85% in 2019), registering an average annual rise of 7% during the period 2010-2019.

Regarding the countries of destination, the USA, Germany and Italy jointly accounted for 42.6% of the total exports of table olives in 2019.

Over the last decade exports far exceed imports, thus leading to a trade surplus which has been growing at a remarkable rate in recent years.

DOMESTIC MARKET

The domestic consumption of table olives is considered "mature" thus it has presented no significant changes in recent years. The largest part of table olives consumed in the domestic market are available in bulk form.

According to the data of the International Olive Council, the domestic consumption of table olives has reported relative stagnation in recent years (from the period 2015/16 onwards). However, according to market estimates consump-

tion of table olives is expected to register a fall for the current period (2019/20), due to the consequences of the pandemic conditions (Covid - 19) that have also affected Greece since March 2020 (reduced demand from the wider sector of food service etc.).

SECTOR PROSPECTS

The sector of table olives is one of the most extrovert sectors of the Greek economy. Domestic production of table olives presents fluctuations from year to year, mainly due to uncontrolled weather conditions. Over time, however, the volume of domestic production has increased significantly, especially in recent years. This increase is due to increased demand from abroad and exports have recorded a significant increase in recent years. As a result, sector companies place great emphasis on boosting their exports and penetrating new foreign markets.

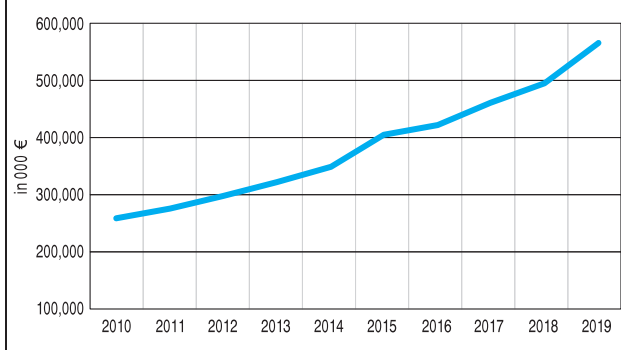
On the other hand, the domestic market consumption of table olives is considered "mature" and as a result it has not shown significant changes in recent years. As already mentioned, for the current year the domestic consumption of table olives is expected to decrease due to the pandemic conditions (Covid - 19), which have affected the wider food service sector (reduced sales to restaurants, hotels, catering companies, etc.).

PROPOSALS TO STRENGTHEN COMPANY COMPETITIVENESS

The main lines which sector companies are expected to follow in order to strengthen their position in the market, are:

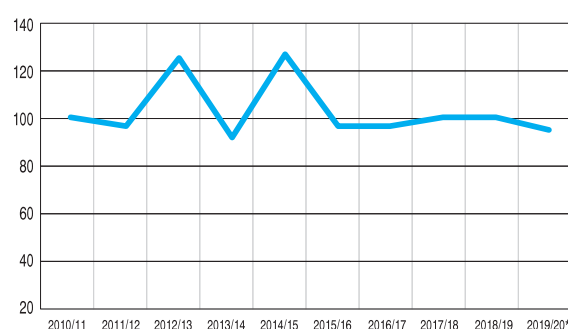
- Increase the market share of standardized olives.
- Targeted and systematic promotion - advertising of Greek olives abroad.
- Taking advantage of the potential to substitute other types of crops for intensive type olive cultivation.
- Further increase of business extroversion and penetration into new foreign markets.
- The development of olive products with high added value.

Diagram 15
Trade balance of table olives
(2010-2019)



Source: Hellenic Statistical Authority (EL.STAT.)

Diagram 16
Market Index of table olives in Greece
(2010/11=100)



* ICAP forecast, Market Estimates,
Olive crop year 1/9-31/8

Source: International Olive Council