

AGRICULTURE *and* AGRI-FOOD

OPPORTUNITIES

OPPORTUNITIES: The Greek food industry is very strong and aggressive, and there has been an increase in Greek investments in Balkan countries, where many food companies now have production facilities. Greece's major trade partner is the European Union, both for imports (60%) and exports (55%).

In the relatively small but very sophisticated and competitive Greek market, Canadian agriculture and agri-food products do not have a strong representation. Although some products do well such as lentils, beans, smoked herring and other fish or shellfish products, items such as maple syrup and wild rice are still completely unknown. Opportunities exist for flours, which have been deregulated, and for food ingredients, organically grown foods (because of the general opposition to genetically modified organisms) and easy-to-prepare meals. There has also been a significant increase in the number of fast-food outlets. Working couples and families, with less time for cooking, can now easily get food delivered at home or eat fast food out at a very reasonable price.

MARKET CONSIDERATIONS

MARKET CONSIDERATIONS: The food sector, which is one of the strongest industries in Greece, is fast becoming export-oriented. The market is being dominated by large supermarket chains such as Continent and Carrefour from Europe, which are becoming continuously stronger through mergers and acquisitions, and the subsequent closure of smaller retail outlets. This domination has led to an increase in competition, as the chains scramble to open as many stores as possible.

The rate at which new stores open creates delays in payment to suppliers, which may take as long as seven to eight months. Entry fees for a supermarket chain ranges around \$40,000 per bar code item. There is also a large price war going on between food manufacturers and suppliers, and supermarket or retail chains, regarding profit margins, and this ultimately pushes prices up for the consumer. Multinationals with brand names do well because of large advertising budgets and product promotions, and they and the Greek companies listed on the stock exchange are making it very difficult for smaller companies to survive. Ready-made dinners haven't been successful in Greece, since they are very expensive, and, since people do not usually have freezers, frozen food consumption is steady. Also, Greece has a good climate, so fruits and vegetables can be found fresh all year round.

The economic crisis in Greece has decreased the buying power of the consumer, so own label products are gaining ground as are discount stores such as the French Promodes chain Dia, which now has 50 stores in Greece. Consumer loans, which were not readily available in the past, have also recently influenced the shopping priorities of the consumer. Now people can get a consumer loan to purchase a home, car, renovations or trips. To pay these loans, less is spent on food. Other expenses have also recently entered the lives of the consumer such as private insurance coverage and mobile phone expenses. Increases in salaries are usually less than the inflation rate, and purchasing power is reduced. Thus, less money is spent on gourmet premium food and beverage products.

For more information, contact:

Marianna Saropoulos,
Commercial Officer
Canadian Embassy
4, Ioannou Ghennadiou Street
Athens, Gr115-21, Greece

Tel.: (011-30-1) 727-3351
Fax: (011-30-1) 727-3460
E-mail: marianna.saropoulos@dfait-maeci.gc.ca
Web Site: www.infoexport.gc.ca/gr

There are two exhibitions to note: the Food and Beverage Show to be held in Athens, February 2001, and Detrop, which is taking place in Thessaloniki, March 2001.