



USDA Foreign Agricultural Service

# GAIN Report

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## Croatia

### Retail Food Sector

### Market Update

## 2004

**Approved by:**

Sarah Hanson  
U.S. Embassy

**Prepared by:**

Andreja Misir

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**Report Highlights:**

Croatia's supermarket sector has been growing rapidly with supermarkets representing 50% of total food retailing in 2002. Foreign chains such as Billa, Kaufland, DM, Ipercoop, Metro, and Mercator have all invested in this market and are present. Croatia's supermarket growth represents an opportunity for U.S. exporters. Best prospects include snack foods, processed fruit, tree nuts, wine, beer, and pet food.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Vienna [AU1]  
[HR]

According to industry sources, Croatia's supermarket sector grew rapidly in 2001/2002, and at present, only 3 percent of Croatians shop regularly in neighboring countries, a 27 percent drop from 2000. This represents a reversal in shopping habits with citizens from neighboring countries (Hungarian, Serbs, Slovenes and Bosnians) shopping in Croatia. During the summer, the number of foreigners (mostly tourists) in some supermarkets reaches 50 percent.

In seven years time, supermarkets have been introduced and developed rapidly in Croatia, leaving the traditional retail system for food far behind. In 2002, the share of supermarkets in overall food retailing reached 50% according to a study entitled "Rapid Raise of Supermarkets" put out by the U.S. Agency for International Development in September 2003. Until recently, small shops dominated food retailing in Croatia. However, currently most consumers shop at supermarkets.

Multi-nationalization in this sector began a few years ago when foreign firms perceived the investment climate in Croatia had improved and stabilized. Currently, foreign supermarket chains like: Billa, Kaufland, DM, Ipercoop, Metro, Mercator, Lidl (coming soon to the market) are present. Domestic supermarket chains include Konzum, Getro, KTC, CBA (group), NTL, CBA, and NTL. (for related information, see GAIN Report HR2008 on Supermarkets and Market Research Firms).

Along with the increase in supermarkets, consumer food imports have grown from \$431 million in 1999 to \$580 million in 2002. For U.S. food exporters, good prospects include the following:

Croatian imports of:	1999 world	1999 U.S.	2002 world	2002 U.S.
Snack Foods	\$ 35,998,000	\$ 86,000	\$ 59,543,000	\$ 540,000
Processed Fruit	\$ 45,732,000	\$ 308,000	\$ 59,250,000	\$ 522,000
Tree Nuts	\$ 4,506,000	\$ 499,000	\$ 6,554,000	\$ 988,000
Wine & Beer	\$ 10,250,000	\$ 37,000	\$ 20,545,000	\$ 30,000 (in 2001 \$ 164,000)
Pet Food	\$ 10,721,000	\$ 618,000	\$17,638,000	\$ 518,000 (in 2001 \$1, 170,000)