



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.08

Required Report - public distribution

Date: 10/12/2004

GAIN Report Number: GR4027

Greece

Exporter Guide

Annual

2004

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Report Highlights:

Greece is an import dependent country with total CY 2003 agricultural imports from the U.S. of \$127.5 million. Significant market opportunities exist in a number of areas such as frozen products, tree nuts and dried fruits, snack foods, wines and spirits.

This report prepared by the FAS/Athens Office for U.S. exporters provides information on Greece's economic situation, market structure, exporter tips and best prospects for high-value food and agricultural products.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Rome [IT]
[GR]

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SECTION I. MARKET OVERVIEW

Greece, a member of the European Union (EU) joined the EU Economic and Monetary Union (EMU) on January 1, 2001. The Euro was introduced on January 1, 2002. Greece's participation in the Eurozone was the result of the implementation of a six-year convergence program designed to meet EMU entry requirements. However, a real convergence of the Greek economy with the other EU countries has not yet been achieved and the government aims to meet that target by 2010.

Greece is an import dependent country (\$4.2 billion of agricultural products in 2002) with a population of 11 million people. A new government elected in March, and hosting the Athens Olympic Games in August were the milestones for the country in 2004. The growth prospects of the Greek economy remain positive, although a slowdown is expected in 2005 since the rate of increase in investment expenditure will weaken compared to the high increase rates registered over the past two years, according to reports from National Bank of Greece. This same source reports that the Greek economy's prospects remain favourable and its growth rate is expected to reach 4 percent in 2004 and 3-3.5 in 2005, which are almost double the figures expected for the eurozone. Services make up the largest and fastest growing sector of the Greek economy, accounting for 69.0 percent of GDP, followed by trade and financial services (21 percent), transportation and communications (7.5 percent), and health and education (9.0 percent). Real property management (16.5 percent) and tourism are the largest service sectors.

Inflation in 2005 is expected to be slightly higher than 3 percent due to strong domestic demand, high labour costs and second round effects from oil price hikes. Inflation in August 2004 fell to 2.8 percent from 3.1 percent in July, recording the third highest inflation rate (2.3 percent eurozone average) in the eurozone according to Eurostat data. Greece's fiscal deficit is reported to reach 5.3 percent of Gross Domestic Product in 2004, reflecting increased spending related to the Athens Olympic Games compared to fiscal deficit in 2003 which totalled 4.6 percent of GDP. However, it is expected to fall below 3% of next year's GDP as a result of government's financial measures including reduction of public spending compared with 2004, and implementation of a stability pact on fiscal discipline. The weaknesses in the competitiveness of the Greek economy are also recognized by the government. The GOG is expected to announce measures to boost economic activity and to attract investment through the revision of the development law.

Wage increases of around 3-3.5 percent in real terms and rising household borrowing will continue to maintain private consumption in 2005, as was the case in 2004. Greek banks' unpaid debt from housing and consumer loans totals €2.5 billion, approx \$3 billion. According to banking officials, around €1.2 billion, approx \$1.4 billion, or 8 percent of a total of €14.5 billion, approx \$17.7 billion, of the country's outstanding consumer credit, was showing delay in repayment. The annual growth rate of consumer loans ended 2003 at 25.4 percent, and reached 37 percent in June 2004. The unemployment rate in 2004 is 8.4%. The supermarkets are the top employer in the trade sector with a share of 27%, followed by transportation means with 9% and clothing-footwear with 7.6%. Per capita GDP in 2004 is estimated at \$17,780.

According to financial reports, the Greek commercial sector continued to grow during 2002. Consumer demand kept rising due to the increase in disposable income and the expansion of credit. Thus, the volume of retail sales expanded by 4.5%, matching the respective volume of 2001. The business confidence index for the retail sector improved by 1.2%. As regards tourism, although no final data has been published yet, 2002 was a year of recession for the tourism industry. This was mainly due to the deceleration in the growth of the international economy and the events of 9/11. Sales in 2002 reached €3.6 billion, approx \$3.9 billion.

The tourism sector in the Olympic year was affected by competition from neighboring countries and increased uncertainty internationally. A seven-month survey carried out by a private company among 11 European cities in the period before the Olympic Games showed that Athens had the lowest occupancy rate (60.7 percent), the fourth lowest average price per room at €117.5, approx \$145, and the lowest yield per room, despite providing the most complete range of services in Europe. With record 95 percent occupancy rates in August, this average was pushed up to 85 percent. According to a recent international survey, Athens is included in the list of the 100 most expensive cities ranking 50th, now with the Olympics, from the 71st position before the Olympics. Brussels, Madrid and Lisbon remain cheaper than Athens according to this survey.

According to a bank market report, the favourable impact of the Athens 2004 Olympics on the country's gross domestic product is likely to total more than €25 billion, approx \$30.5 billion, in 2000-2008, if domestic firms seize opportunities offered by Greece's exposure during the Games and the infrastructure that has been built in connection with the Games. Exports in 2004-2008 are expected to rise by an annual average of 4.5-5.5 percent due to the Olympics against an increase of 2.2-2.5 percent in normal times. At the same time, growth in imports of goods will rise but not as high as exports. Tourist arrivals could rise to 18-20 million annually towards the end of the decade from 14 million at present as a result of improvements in infrastructure and accommodations made for the Games, especially in the Attika area. This optimistic scenario will counterbalance the impact of the final cost of the Olympics, estimated to be close to €7 billion, approx \$8.5 billion, versus the €4.6 billion, approx \$5.6 billion, initially projected.

The National Statistical Service (NSS) data show CY 2002 total imports at €33 billion, approx \$36.3 billion, with EU countries being the main suppliers. CY 2002 total exports were €10.9, approx \$11.9 billion. Total imports from the U.S. were almost \$2.1 billion, of which \$123 million being agricultural and food products, compared to \$115 million in 2001. CY 2003 imports of U.S. origin agricultural and food products were \$127.5 according to FAS data.

Greek/EU food safety concerns over biotech, hormone-treated beef, and poultry processing methods limit U.S. imports for the Greek market (imports for international cruise lines are not subject to the EU regulations). Demand for soy and corn products, and cotton seed are being constrained because of cumbersome import requirements for GMO products and a reluctance by the retail sector to market a product that is labeled as containing GMOs. The U.S.-EU hormone dispute and the current exclusion of the U.S. processing methods for poultry under the Veterinary Equivalence Agreement are long-term issues that need to be resolved so U.S. exporters can take advantage of growing demand for U.S. high quality beef (estimated to be \$ 2 million) and U.S. poultry in the retail market (historically \$ 2 million prior to the import ban), particularly in the resort areas.

Despite the poultry ban, an estimated \$18 million in U.S. poultry products are transhipped from Greece to the Balkan countries annually. However, as of on Jan 1, 2005, Greece in accordance with EU Reg (EU/79/542, amended by 2004/212, 2004/372 for meat products and EU/94/984, amended by 2004/436 for poultry products), will prohibit transits by land to products of US origin destined to Balkan countries, resulting in dramatic decrease of transshipments through Greece.

Socio-economic changes have significantly affected food trends in Greece. Trends show that Greek consumers although bombarded by many products, state control mechanisms and consumer organizations, are more conscious than ever about food safety matters, demanding food industry to be more precise on labeling information. Higher incomes allow room for higher quality foods. In addition, the working population has no time to prepare

meals. Consequently, preferences are moving toward easy-to-prepare meals and foods delivering more health benefits.

Advantages and Challenges facing U.S. exporters

Advantages	Challenges
Greek per capita income is increasing	A limited number of importers and distributors are aware of the variety and innovative U.S. food products that can be exported to Greece.
Increased demand for food products due to the increase in tourism expected in the aftermath of the Olympics.	Educate the catering sector representatives about the high quality, variety and availability of U.S. food products.
HRI and retail trade is expanding	U.S. exporters are not fully aware of the existing market opportunities in the Greece market.
Greek importers favor U.S. products because of good quality and wider variety.	Average tariff levels remain high increasing products' price. GM labeling requirements on the other hand result in consumer concern.

SECTION II. EXPORTER BUSINESS TIPS

Eighty per cent of Greece's import trade is handled through sales agents or distributors. Sales agents operate as brokers without taking legal possession of product or making imports on their own account. Agency agreements are not required to be exclusive and can cover any time period. Distributors operate on a wholesale (and in some cases, retail) basis with exclusive sales rights for certain districts or for the entire country. Retail and wholesale trade is characterized by small, family-owned and operated businesses, each of which deals in a narrow range of goods. There are 300,000 trading establishments in Greece. There are 7,000 corporations and limited liability companies engaged in wholesale trade and 3,200 corporations and limited liability companies handling retail trade.

In Greece there are several department stores, supermarkets and chains. There are about 3,100 supermarkets, of which 2,010 belong to supermarket chains, while 687 of them are located in the Athens metropolitan area. Supermarket sales in 2002 reached €6.8 billion, approx \$7.5 billion, compared to €6.0 billion, approx \$6.7 billion, in 2001. Of the total \$6.8 billion, €5.7 billion, approx \$6.3 billion, were achieved by the 10 largest groups. The "shop-within-a-shop" concept is applied to successful department stores.

As Greek consumers' needs evolve, their food purchase patterns are changing. The average size household is 2.6 persons, compared to 3.5 persons 10 years earlier, while 22% of the population is over 60 years old. Increased disposable income, larger numbers of dual-income families, an increase in one-member households, and an increase in single parent households have resulted in expanded demand for consumer-ready products and restaurant meals.

A Greek consumer goes shopping 3.1 times on average per month and spends, on all consumables, approximately 600 euros and his main criterion in choosing a store is not product price, but quality, convenience and the speed of purchasing. Food and beverage items represent 22.7% of total household expenditures. Milk and yogurt are purchased on average 14 times per month, followed by bread (13.8), snacks (6.1), fruits and vegetables (5.5), soft drinks, juices (5), cheese, processed meat products (4.8), meat, and fish (4.6

purchases per month). The study on shopping behavior surveyed 753 women aged 18-64, who are responsible for doing the household shopping. Over 80% had visited supermarkets and hypermarkets in the last three months, 7% of the sample shop twice a week, 39% once a week, 22% twice a month, 7% every ten days, and 21% of the sample shop once a month.

Changes in Consumer Spending										
1999/2000, 2000/2001, 2001/2002 (% change in difference between increase and reduction of spending)										
Years	Food	Beverages, Tobacco	Clothing, Footwear	Housing	Seasonal goods	Health	Transportation, Communications	Recreation, Hotels, Restaurants	Education	Other
99/00	15.3	-0.5	2.3	4.9	2.2	5.2	7.2	-8.8	4.2	1.6
00/01	16.8	1.9	2.8	4.6	1.2	2.7	9.3	-13.5	3.2	0.7
01/02	22.7	1.6	4.1	5.0	3.1	3.4	8.9	-8.3	3.9	0.1

Source: Money and Tourism Magazine, Jan 2004

Consumer loyalty to well-known brands, which have dominated the market for a number of years, seems to be weakening due in part to economic recession and also to an increase in lower-priced private label products. Packaging appears to be the secondary factor affecting demand, followed by special offers for various products.

Convenience and other small stores that cater to every day needs exist throughout the neighborhoods of Athens and its suburbs. These are branches of convenience shop chain, recently introduced in Athens, beverage shops, mini markets, and kiosks, most of which have grown into small general stores. The main reason for their existence is to cater to the emergency needs of an area's inhabitants for products of everyday consumption, particularly when big stores are closed or when it is impractical to pay a visit to the supermarket. These shops can be called "small points of sale" and constitute an integral traditional part of the Greek market.

During the last year sales of private label brands have spread very rapidly and are expected to occupy bigger shares in the current year. Practically all chains have their own private labels on their shelves. It is estimated that private labels cover 10% of total sales. The Greek consumer, according to marketing executives, has not yet fully accepted their quality, therefore, the development rate by which private label codes contribute to the chain's turnover does not exceed 1% per year. According to a recent study, seven chains that were surveyed carried two thousand private label items and they had plans to develop another 670 private labels. It is estimated that all big chains together carry more than five thousand private labels.

Food safety, although not neglected by the average consumer, is still not as big an issue in Greece as in some other EU countries. The Hellenic Food Authority (HFA), is the authority which has full responsibility for setting and implementing a control system for companies producing, manufacturing and processing food products as well as companies trading and distributing them up until the point they reach the consumer. Food products including biotech ingredients should indicate the presence of genetically modified organisms on their labels, based on EU rules. Bulk ingredients, such as vegetable oil sourced from GM crops, must be accompanied by certification by the exporter that the product includes only EU-approved varieties. If the exporter makes a good faith effort to exclude GM entirely, this too should be certified. Non EU-approved GM varieties are not admissible. The GOG will conduct its own testing to verify exporter certification.

Greece, as a member of the European Union (EU), follows about 90% of EU regulations. Labeling and ingredient legislation for all food and agricultural products is based on EU rules and regulations. Additionally, Greece maintains specific labeling and ingredient rules for

some food products under the Greek Food Code. Greece requires that labels be in the Greek language. Multi-language labels are accepted.

Specific agricultural and food products which are subject to inspection and to Greek trade restrictions include:

- **Poultry, Meat, Fish, Dairy, Egg:** Products of third country origin must originate from plants included in the list of EU approved plants.
- **Enriched/Bleached flour:** Greek regulations prohibit the import of any products made or including enriched/bleached flour.
- **Nuts:** Imported nuts are subject to a random aflatoxin test at entry stage or at selling points. At port, usually one out of ten containers are sampled to be tested for aflatoxin. Phytosanitary certificates for row nuts imported into Greece are required in accordance with EU legislation in effect.
- **Seeds:** Greek authorities require non-presence of transgenic material for imported cotton seeds, while for corn seeds the tolerance level set is 0.5% for EU approved corn varieties. Wheat seeds are checked for Karnal bant.
- **Products derived from genetic modification**

Exporters are advised to have an experienced agent or joint venture partner, with a suitable background, experience and extensive sales/service network, who can offer full support to the end-user.

Food and beverage products of U.S. origin complying with EU rules and regulations would not require special permits (nor they are subject to special rules or regulations) for commercialization in Greece. However, biotech products are handled quite strictly. If a U.S. food product, other than food supplements, conforms to any single EU member state's rules and regulations it can then be transhipped and sold in any other EU member state. For additional information on trade restrictions, food standards and regulations, please refer to Athens Food and Agricultural Import Regulations and Standards Report (FAIRS), available on internet website: <http://www.fas.usda.gov>, and to EU-25 FAIRS report available on: www.useu.be/agri/label.html.

Greece, as all EU member states, is responsible for carrying out inspections on a regular basis. Random checks are performed at import or at later stages of trading. Imported foods are not subject to registration.

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

The food and beverage industry retains a leading position among Greece's sectors as regards profits, productivity, innovation and dynamism. Greek companies in the sector are characterized by high standards regarding production processing, safety, packaging, and certification. Undertaken investments in machinery and modernization in general have placed them higher than other sectors. The sector's contribution to the growth of the Greek economy is therefore significant. However, compared to their international competitors, they are still behind, showing a number of shortcomings as regards export marketing, distribution networks abroad, promotion of their products, and prestige. The end result is that the international competitiveness of the sector's products remains low. Food and beverage exports represent 25% of total Greek exports. Greece's main export products are olive oil, processed fruits, grapes and raisins, and fresh fish.

The retail sector in Greece is rapidly increasing and concentrating, especially in metropolitan Athens. The sector is facing rapid changes and competition as a result of the emergence of new international grocery store chains and mergers of existing companies and food

processors. Aggressive takeovers, coalitions with multi-national giants, and mergers within the domestic industry characterize continuing trends in the coming years. The family structure of many Greek companies adapt to new, advanced forms of organization to better exploit the opportunities of the market. The use of electronic trade and new techniques and tools is another goal of food enterprises.

CY 2002 Greece's total imports of food and agricultural products amounted \$4.2 billion, of which \$123 million were of U.S. origin (latest data available). Greece's imports of U.S. origin consumer-oriented products continued to increase reaching \$60.3 million in 2003 (USDA data), compared to \$39.6 million in 2002. During the period of January-July 2004, U.S. exports of consumer-oriented products reached \$32.9 million, compared to \$26.1 in the same period of 2003. This trend is believed to be a boost from the Olympics.

The Hotel and Restaurant industry, in addition to the food and beverage sector, is also one of the fastest growing sectors, representing earnings of \$6.3 billion in 2001 (latest available data). Greece is among the most popular tourist destinations, ranking 15th in the world. Nearly 14 million tourists visited Greece in 2003. Although data on tourist arrivals during the Olympic year have not been published yet, the anticipated increase in tourism in conjunction with the Olympics was not materialized. The newly established Ministry of Tourism is preparing a draft bill to improve the tourism policy of the country. According to sources in the sector, the sector needs restructuring and renovation as well as improving its efforts in tourism attraction and tourism development.

Greek food habits in the home are mostly traditional with a heavy emphasis on the Mediterranean diet. Traditional foods, barrel feta, Greek yellow cheeses, local desserts, olives, wine, traditional pasta products, butter, cod, oil and salt preserved products are still a large part of chains' sales. On the other hand, other trends are transforming eating habits outside the home and are replacing the traditional tavernas. There are changes in diet, more women working outside the home (40% of women are in the work force), and there is more disposable income, altogether combining to create a growing demand for convenience and new and diverse eating opportunities outside home.

Ready meals in urban centers have in many cases replaced the traditional way of preparing lunch or dinner at home. According to a recent survey published in a food magazine, more than 50% of those included in the sample (1,200 men and women, aged 18-64 years) , buy ready meals to eat at home, with men leading with 62%. Of those consumers buying ready meals, the majority (69%) prefer pizzas, followed by souvlaki (Greek traditional food) (45%), chicken (22%), hamburgers/fast food (9%), pasta (8%), and Greek cooked food (5%). Ordering take out food for home is common in urban areas and especially in Athens. People of middle to upper income, aged 18-40 are the peak take out consumers. In addition, the survey showed that fresh food is preferred to frozen food, since the majority of people believe it is of better quality, better taste and is preservative-free. Nevertheless, the advantages of frozen foods such as their shelf life, economy, and availability compared to fresh foods were admitted by the survey participants. Another point of the survey, mentioned in the above paragraph, was that the majority of the population believe that olive oil is an essential part of their diet. Olive oil comes first among consumer preferences with 96%. It also should be noted that percentages for consumption between Athens, Thessaloniki and urban centers show a big diversification.

Demand for frozen foods, a market which is favoured by modern lifestyle, characterized by shortage of free time, is in an upward trend, especially among consumers with restricted purchasing power. Time required for shopping leads households to seek long-life foodstuffs which are quick and easy to prepare and usually cheaper compared to the fresh product. The frozen foodstuffs sector in Greece is a growing sector and highly competitive. Frozen

meat, fish and seafood products, vegetables, dough, bakery products, french fries and finger foods are favoured by Greek consumers. Sales of frozen vegetables in 2002 amounted €46.4 million, approx \$51 million, compared to €39.5, approx \$44.12 million, in 2001 with supermarkets been the major selling point. The dough category shows a 8% annual increase in sales reaching €61.9 million, approx \$68.09 million, in sales in 2002 compared to €55.7, approx \$62.21 million, in 2001. French fries market remains stable the last couple of years with annual sales amounting €5.6 million, approx \$6.16 million, in 2002. The frozen meals market is estimated at €6 million, approx \$7.2 million, with a 15% annual increase anticipated the next couple of years. Greece's per capita consumption of ready meals is the lowest in Europe, less than 1 kg.

The meat processing sector is also going through a transition to adapt to new conditions. The Greek meat sector seems to be unable to meet the market's demand and consumers' increasing attention to matters of quality. Almost 90% of beef consumed in Greece is imported. Considering that meat holds an important place in the Greek diet, its demand returned to normal levels after the various food crises, with consumers paying more attention to matters having to do with safety and hygiene and in general requesting products labeled by HACCP and ISO quality control certificates. Pork meat is the leader in consumer's preference with the annual consumption at 280,000 tons, followed by beef at 230,000 tons annually. Greek consumption of red meat is the highest among EU countries, with a per capita average of 100 grams per day, followed by Italy (71 grams). Consumption of poultry products is approximately 200,000 tons and goat and lamb meat consumption is 140,000 tons annually. Organic meat is in an upward trend, although only a limited population can afford it.

Frozen fish and seafood needs are mainly covered by imported products as regards raw material. The frozen seafood market records a steady growth in recent years as a result of new product introductions and higher quality standards as well as consumers' preferences to healthier foods. The frozen seafood market showed an increase of 6% the last 2-3 years, mainly in squids, octopus, cuttlefish. CY 2003 Greek consumption of frozen seafood exceeded 65,000 tons, of which 35,000 tons were processed products, while 30,000 were products in bulk. The per capita consumption of fish in Greece is 24 kg. First in preference is codfish. Fish in tins, however, and especially tuna, followed by tinned sardines seem to be in an upward trend with sales of €39 million, approx \$42 million, and €10 million, approx \$10.8 million, respectively in 2003.

Dairy products hold a prominent place in the Greek foodstuff sector, since dairy products represent a significant part of the Greek diet in addition to their significant contribution to the Greek food and beverage industry, with shares exceeding 15% of the total. Per capita cheese consumption in Greece exceeds 26 kg. The turnover from cheese corresponds to 52% of the total dairy product sales. Feta cheese is the leader of the market, according to trade sources, with sales amounting 140,000 tons. The sales of the yogurt category have been increasing dramatically. Its total sales reached €310 million, approx \$335 million, 65,000 tons recording an increase in sales of 11.5% and in volume 5.4% compared to last year (2002). The sub-categories of dairy desserts and children's yogurt have been showing the same trend. The market share of the packaged white yogurt increased to 75.3% in 2002 compared to 73.1% in 2000. Dessert sales also increased to 5.2% from 4.8% in 2000. Milk, of all types, sales in 2003 amounted €529 million, approx \$571.8 million, compared to €502 million, approx \$552 million in 2002 with highly pasteurized milk having a share of 36.5% of total sales. White milk has the biggest share (94.8% versus 5.2% of chocolate-milk.

The market for packaged ice cream has in recent years shown a marginal increase of 2-3% in both volume and value terms. The total value of packaged ice cream at retail prices is at €350 million, approx \$426 million, translated to 300 million portions per year, and its market

share represents about 75% of the total market. Imports represent about 25% of the total market. The per capita consumption is relatively low (5.5 liters) compared with other European countries (in excess of 10 liters).

The dried fruit and nut sector is also in an increasing trend. The market favors companies that offer high quality products at fair prices. Greeks are reported to be the largest consumers of tree nuts (and all kinds of nuts) in the world (8 kg per capita), thus there is a potential market for further development for high quality nuts, including almonds, hazelnuts and pecans in particular. Greek consumers are beginning to use nuts in cooking in addition to snack food which is expected to lead to an expansion of the market. In CY 2003 U.S. origin tree nuts imported into Greece amounted \$28.2 million, while during January - July 2003 U.S. origin tree nuts exported to Greece amounted \$9 million compared to \$15.2 during the same period in 2004.

Sales of juices in Greece have been showing an increase, and are expected to expand in the coming years, since the adoption of a healthier diet has a beneficial effect on this category. CY 2003 sales amounted €166 million, approx \$179.5 million, compared to €147 million, approx \$161.7 million, in 2002 with long life juices dominating the sector.

In the last two years, the chocolate market has shown an upward trend, especially due to the new products and the considerable increase in sales of multi-packs available at supermarkets. The change of sales between 2002 and 2003 show an increase in value of 61%, and 51% of chocolate is sold in supermarkets.

Greece is last among the European countries as far as production of organic farming is concerned. However, while in 1993 organically farmed land per producer was 35,780 square km, in 2002 it was 47,410 square km, most of which was olives. Greece cultivates 1% of cultivated land with organics, while the Ministry of Agriculture target for 2011 is the organics to reach 5% of total cultivated area. 35% of consumers with higher income and better education say they would buy organic products if they could find a complete range of such products at a shop.

The alcoholic beverage market was affected by the financial slump remaining stable contrary to the promising prospects. The turnover of the 21 biggest companies in the sector in 2002 was €686 million, approx \$754.6 million, compared to €624, approx \$686 million, in 2001. Whisky remains first in Greek consumer preferences by 62.1%, followed by vodka (19.4%). The sales of beer in the Greek market have been stable for a number of years, while it shows a seasonal increase in consumption during May and September (60% of total yearly sales). Sales in 2002 and 2003 amounted to €134 million, approx \$145 million, with a per capita consumption of 42 liters, relatively low compared to other European countries (72 liters in Spain). About 65-70% of beer consumption takes place in the "cold" market (bar, cafes) and 30-35% is sold in the "warm" market (supermarkets, hypermarkets).

Greece is a \$430 million wine market with wine consumption on an upward trend. With limited local production and high production cost, Greece is a promising market for imported wines. Per capita consumption reaches 26 liters with 86% of the Greek population drinking wine 3.2 times a week. Greeks generally prefer red wine (54%) over white wine (40%) and pink wine (6%). For additional information on the sector, please refer to Post's Wine Market Brief, GR3017.

Pet food imports are steadily rising due to increased pet ownership and improved pet care. In 2003, retail pet food imports totaled €65.4 million, imported mainly from European countries. Supermarkets are by far the largest retailer of pet food products with over 85% sales. As a result of this demand more pet supply stores and veterinary clinics are opening,

broadening the diversity of pet food retailers in Greece. For additional information on this sector, please refer to Post's Pet Food Market Brief, GR4015.

The selling factors and techniques that are applicable to Greece are generally the same as those in other Western European countries. Advertising and sales promotion are usually handled by one of many local or locally stationed international companies. Advertising companies use all types of media to reach target groups.

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

The Greek market provides good potential for U.S. products in the retail and HRI market. The following product categories and products are considered to have the best prospects. Most of the product categories/products were introduced in Section III of this report.

- ◆ Frozen products
 - Seafood
 - Dough
 - Convenience foods
 - Finger foods
 - Vegetables
- ◆ Nuts and dried fruits
- ◆ Dairy Products
- ◆ Meat
- ◆ Snack foods (sweet and salty)
- ◆ Wine
- ◆ Organic Products
- ◆ Breakfast cereals
- ◆ Pulses (beans and lentils)

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

For additional information and lists of private sector contacts, available from our office to exporters of U.S. food products, please contact the Foreign Agricultural Service Office in Athens at the following address:

Foreign Agricultural Service
American Embassy
8, Makedonon Str.
GR-101 60 Athens
Tel. ++30-210-720-2233
Fax: ++30-210-721-5264

Email: AgAthens@usda.gov or fasgr@ath.forthnet.gr

FAS home page: <http://www.fas.usda.gov>

U.S. Embassy Athens home page: <http://www.usembassy.gr>

A list of Food and Agricultural shows taking place in Greece as well as promotional activities organized by our office are available on FAS/Athens page of the U.S. Embassy Athens web page.

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service home page: <http://www.fas.usda.gov>

GREEK GOVERNMENT AGENCIES

Agency responsible for Greek labeling/product ingredient regulations:

General State Chemical Laboratory

Directorate of Foods

Ms. Asimina Papathanasiou, Director

16, A. Tsoha Str, GR-115 21 Athens

Tel.: ++30-210-6479-251

Fax: ++30-210-6467-725

Email: gxk-foodiv@ath.forthnet.gr

Agency responsible for controlling food quality:

Food Control Agency (EFET)

Mr. Nikos Katsaros, President

5, Karystou Str., GR-115 53 Athens

Tel. ++30-210-6971-500

Fax: ++30-210-6971-501

Email: info@efet.gr

Exchange Rates Used:

Average 2001: \$1.00 = €1.117

Average 2002: \$1.00 = €1.100

Average 2003: \$1.00 = €0.925

August 2004: \$1.00 = €0.820

Source: Charleston Financial Management Center

APPENDIX I. STATISTICS

TABLE A. KEY TRADE AND DEMOGRAPHIC INFORMATION

Agricultural Imports from All Countries (\$Mil) / U.S. Market Share (%) 1/	\$4,221 / 3%
Consumer Food Imports from All Countries (\$Mil) /U.S. Market Share (%)1/	\$2,463/ 1%
Edible Fishery Imports From All Countries (\$Mil) /U.S. Market Share (%) 1/	\$ 316 / 1%
Total Population (Millions) / Annual Growth Rate (%)	11.0 / .5%
Urban Population (Millions) / Annual Growth Rate (%)	7.0 / 0.2%
Number of Major Metropolitan Areas 2/	1
Size of the Middle Class (Millions) 5/	6.5
Per Capita Gross Domestic Product (U.S. Dollars)	\$17,780
Unemployment Rate (%)	8.4%
Per Capita Food Expenditures (U.S. Dollars)	\$2,800
Percent of Female Population Employed 4/	43.6
Exchange Rate (US\$1 –EURO) 6/	.925

Footnotes

1/ Use FAS's web-enabled UNTrade database (HS -digit option; Import Market Share BICO 3-Year format)

2/Population in excess of 1,000,000

3/ Middle Class Income: \$19,000-28,000 annual earnings

4/ Percent against total number of women (15 years old or above)

5/ Unofficial data

6/ Charleston Financial Management Center – CY 2003 average

TABLE B. CONSUMER FOOD AND EDIBLE FISHERY PRODUCT IMPORTS

Greece Imports of Agriculture, Fish & Forestry Products
(In Millions of Dollars)

	Imports from the World			Imports from the U.S.			U.S Market Share		
	2001	2002	2003	2001	2002	2003	2001	2002	2003
BULK AGRICULTURAL TOTAL	483	528	NA	56	54	NA	12%	10%	0%
Wheat	92	165	NA	1	1	NA	0.04%	0.01%	0%
Coarse Grains	93	40	NA	1	1	NA	0.59%	0.40%	0%
Rice	10	13	NA	1	1	NA	0.21%	0.14%	0%
Soybeans	77	76	NA	39	37	NA	50%	48%	0%
Other Oilseeds	42	44	NA	11	11	NA	27%	24%	0%
Cotton	5	3	NA	1	0	NA	1%	0%	0%
Tobacco	93	104	NA	2	2	NA	2%	2%	0%
Rubber & Allied Gums	6	5	NA	0	0	NA	0%	0%	0%
Raw Coffee	28	24	NA	1	0	NA	0.02%	0%	0%
Cocoa Beans	5	8	NA	0	0	NA	0%	0%	0%
Tea (Incl. Herb Tea)	3	3	NA	1	0	NA	0.12%	0%	0%
Raw Beet & Cane Sugar	1	1	NA	0	1	NA	0%	0.65%	0%
Pulses	17	29	NA	3	4	NA	17%	13%	0%
Peanuts	9	10	NA	1	1	NA	0.49%	3%	0%
Other Bulk Commodities	3	3	NA	1	0	NA	0.52%	0%	0%
INTERMEDIATE AGRICULTURAL TOTAL	466	490	NA	20	22	NA	4%	5%	0%
Wheat Flour	2	2	NA	1	0	NA	0.12%	0%	0%
Soybean Meal	46	49	NA	5	2	NA	11%	4%	0%
Soybean Oil	1	1	NA	0	0	NA	0%	0%	0%
Vegetable Oils (Excl. Soybean Oil)	57	86	NA	2	3	NA	4%	4%	0%
Feeds & Fodders (Excl. Pet Foods)	60	47	NA	1	1	NA	0.79%	0.75%	0%
Live Animals	68	71	NA	1	0	NA	0.01%	0%	0%
Hides & Skins	55	49	NA	7	11	NA	13%	23%	0%
Animal Fats	1	1	NA	1	1	NA	43%	32%	0%
Planting Seeds	35	34	NA	2	2	NA	6%	7%	0%
Sugars, Sweeteners, & Beverage Bases	20	21	NA	1	1	NA	0.03%	0.23%	0%
Essential Oils	51	47	NA	1	1	NA	2%	2%	0%
Other Intermediate Products	71	82	NA	1	1	NA	2%	1%	0%
CONSUMER-ORIENTED AGRICULTURAL TOTAL	1,980	2,463	NA	17	25	NA	0.84%	1%	0%
Snack Foods (Excl. Nuts)	98	139	NA	1	1	NA	0.12%	0.09%	0%
Breakfast Cereals & Pancake Mix	17	26	NA	1	1	NA	0.01%	0.02%	0%
Red Meats, Fresh/Chilled/Frozen	505	613	NA	1	1	NA	0.01%	0.01%	0%
Red Meats, Prepared/Preserved	37	53	NA	0	0	NA	0%	0%	0%
Poultry Meat	68	86	NA	0	0	NA	0%	0%	0%
Dairy Products (Excl. Cheese)	257	282	NA	0	0	NA	0%	0%	0%
Cheese	220	272	NA	0	0	NA	0%	0%	0%
Eggs & Products	10	10	NA	0	0	NA	0%	0%	0%

Fresh Fruit	106	124	NA	1	2	NA	0.60%	1%	0%
Fresh Vegetables	44	82	NA	0	1	NA	0%	0.06%	0%
Processed Fruit & Vegetables	116	154	NA	2	3	NA	1%	2%	0%
Fruit & Vegetable Juices	35	43	NA	2	2	NA	5%	4%	0%
Tree Nuts	45	65	NA	7	12	NA	16%	19%	0%
Wine & Beer	54	89	NA	1	1	NA	0.16%	0.04%	0%
Nursery Products & Cut Flowers	30	41	NA	1	0	NA	0.02%	0%	0%
Pet Foods (Dog & Cat Food)	45	65	NA	1	2	NA	3%	2%	0%
Other Consumer-Oriented Products	294	320	NA	4	5	NA	1%	1%	0%
FOREST PRODUCTS (EXCL. PULP & PAPER)	293	424	NA	17	20	NA	6%	5%	0%
Logs & Chips	35	31	NA	1	1	NA	0.39%	0.12%	0%
Hardwood Lumber	53	72	NA	9	12	NA	18%	17%	0%
Softwood and Treated Lumber	83	166	NA	3	3	NA	3%	2%	0%
Panel Products (Incl. Plywood)	75	81	NA	4	4	NA	5%	5%	0%
Other Value-Added Wood Products	47	74	NA	1	1	NA	1%	0.54%	0%
FISH & SEAFOOD PRODUCTS	262	316	NA	5	2	NA	2%	0.66%	0%
Salmon	7	11	NA	1	1	NA	7%	0.51%	0%
Surimi	1	1	NA	0	0	NA	0%	0%	0%
Crustaceans	34	32	NA	2	1	NA	7%	2%	0%
Groundfish & Flatfish	60	62	NA	1	1	NA	0.88%	0.74%	0%
Molluscs	64	92	NA	2	1	NA	3%	1%	0%
Other Fishery Products	96	119	NA	1	1	NA	0.04%	0.04%	0%
AGRICULTURAL PRODUCTS TOTAL	2,929	3,482	NA	92	101	NA	3%	3%	0%
AGRICULTURAL, FISH & FORESTRY TOTAL	3,484	4,221	NA	115	123	NA	3%	3%	0%

NA - Data not available (not reported) Data: Harmonized Tariff Schedule (HS 6 Digit)
Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

TABLE C. TOP 15 SUPPLIERS OF CONSUMER FOODS AND EDIBLE FISHERY PRODUCTS

CONSUMER-ORIENTED AGRICULTURAL TOTAL - 400

Reporting Country: Greece Top 15 Ranking	Import		
	2001	2002	2003
	1000\$	1000\$	1000\$
Netherlands	434,292	562,746	0
France	287,554	401,517	0
Germany	351,465	382,366	0
Italy	257,940	310,663	0
Belgium	108,823	123,705	0
Spain	79,210	100,836	0
Denmark	100,720	99,501	0
United Kingdom	46,704	58,582	0
Turkey	32,412	42,868	0
Bulgaria	21,289	32,306	0
Ireland	23,831	31,241	0
Austria	19,216	28,768	0
Ecuador	13,006	28,190	0
Cote d'Ivoire	29,874	26,700	0
United States	16,641	24,872	0
Other	157,230	208,442	0
World	1,980,190	2,463,361	0

NA - Data not available (not reported) Data: Harmonized Tariff Schedule (HS 6 Digit)

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

FISH & SEAFOOD PRODUCTS - 700

Reporting Country: Greece Top 15 Ranking	Import		
	2001	2002	2003
	1000\$	1000\$	1000\$
Morocco	19,052	32,044	NA
Italy	32,296	31,060	NA
Spain	27,840	31,035	NA
Denmark	19,196	21,771	NA
Netherlands	13,354	20,986	NA
Senegal	17,809	19,416	NA

Turkey	9,795	18,725	NA
India	13,167	17,007	NA
Germany	6,809	11,101	NA
Argentina	7,878	9,148	NA
New Zealand	9,356	8,383	NA
United Kingdom	5,378	7,214	NA
France	5,688	6,066	NA
Sweden	6,376	5,880	NA
Tanzania, United Republic of	4,707	5,689	NA
Other	63,031	70,272	0
World	261,749	315,798	0

NA - Data not available (not reported) Data: Harmonized Tariff Schedule (HS 6 Digit)

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office