

# Austrians Acquire Taste for Convenience

By Roswitha Krautgartner

**T**hough Austria's near-term outlook for economic growth is lackluster (an estimated 1.2 percent in 2004), consumer spending remains on the rise. And food expenditures, at \$17.1 billion in calendar 2002, were no exception—up 1.2 percent from the year before, and with expectations of 2-percent yearly growth.

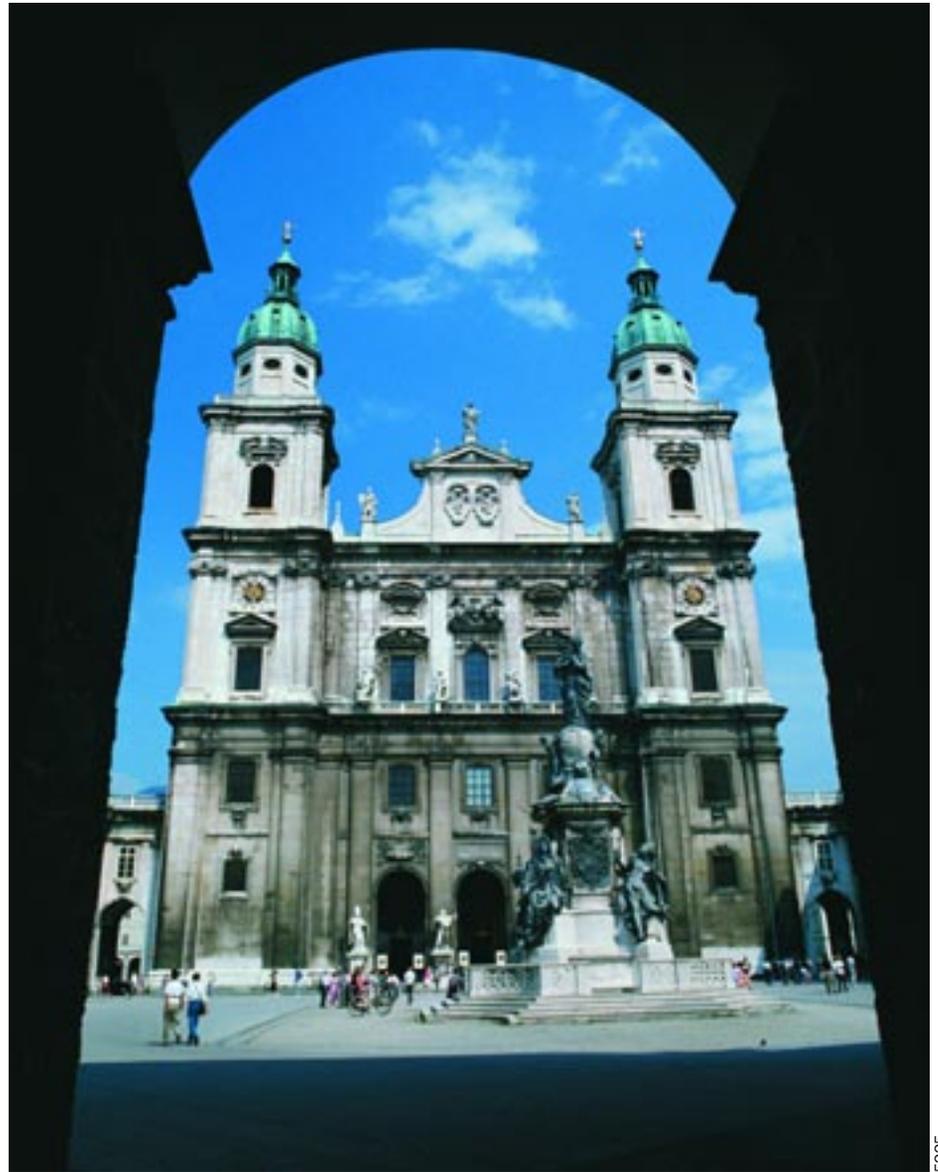
This highly developed country, with strong ties to fellow EU (European Union) countries, ranks 12th worldwide in per capita income and serves as a crossroad between Central and Eastern Europe.

U.S. agricultural exports to Austria were \$15.8 million in fiscal 2003, but there is considerable market potential for value-added foods. Also, official numbers do not include substantial amounts of U.S. products, such as almonds and pistachios, that are transhipped from other EU ports.

Tourism contributes about 4 percent of Austria's gross domestic product and plays an important role in the country's economy and in what foods are in demand. The majority of tourists, who are from Germany, prefer local Austrian cuisine, but other ethnic and seafood restaurants are becoming more popular.

## Selective Consumers Covet Convenience

Since the 1960s, the key demographic that has propelled consumer spending in Austria has been a doubling in the number of single adults and childless working couples. Numbering 1 million, this group



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makes up one-third of all Austrian households and boosts demand for convenience products, meals eaten away from home and high-end, gourmet foods.

Two characteristics of the average Austrian consumer have limited demand for higher-end products. Pricing is a critical factor for the general population, though many still opt for high-value

products for special events. A fondness for traditional cooking has restrained many Austrians from sampling convenience foods.

However, younger people and singles, looking for new and timesaving alternatives, are buying prepared meals that retain freshness and high quality. The growing singles segment includes not only young

urban workers, but also retirees. This graying population, with its attendant disposable income, has created additional demand for health and dietetic foods and for pet foods.

### U.S. Exporter Tips

Generally, retailers buy domestic and imported products from Austrian and German wholesalers, with only large supermarket chains importing products directly.

It is important that, once introduced, new products be promoted. The most efficient advertising medium is television, which is more expensive than in the United States. Supermarkets and hypermarkets have weekly or biweekly flyers that advertise products. In-store promotions are also very successful and highly recommended.

Since Austria's EU accession, food industry mergers have accelerated. Many smaller Austrian food processing companies, in order to survive, have partnered

## Best Sellers Now and Later

**A**ustrians have conservative tastes that are reflected in their cuisine, production methods and marketing. They prefer foods without additives and reject products of biotechnology.

While sales of organic products are now low, consumer interest has been piqued. Organics are eventually expected to make up 10 percent of the total food market.

Beef consumption has been declining, while pork, poultry and lamb are on the upswing. Cheese consumption is expected to continue rising.

With fruit juices, acidity is preferred (as it is in wines). Jams and marmalades hold more appeal than jellies, especially if they are not too sweet. Crunchy cereals sell best.

Popular convenience items below are expected to grow:

- Ready meals and chilled pizza
- Sugar confectionery, chewing gum and chocolate
- Nonalcoholic drinks, including bottled water
- Seafood—frozen cod, hake and flat fish, and canned tuna and sardines
- Pet foods

U.S. products with great promise include:

- Alaska salmon, catfish, lobster and shrimp
- Pecans, walnuts, pistachios and almonds
- Dried fruits, including cranberries
- Cranberry juice
- Wines
- Tobacco



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with larger national or foreign firms, and the trend is continuing.

Throughout this restructuring of the food processing industry, beverage sector sales, especially areas devoted to beer and fruit juices, have been the strongest.

### Import Procedures

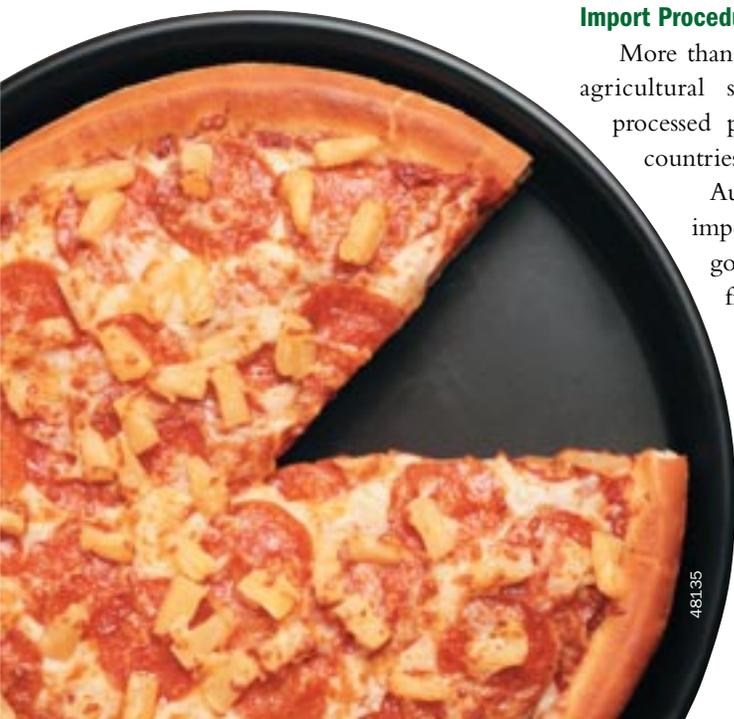
More than three-quarters of Austria's agricultural supplies (90 percent of processed products) come from EU countries.

Austria generally follows EU import rules. Incoming goods go to customs storage or to a freight forwarder's facility at a transport terminal. After customs officers supervise the storage and removal of products, an invoice for import duty is issued. Food inspectors may sample packaged foods at the port of entry.

Veterinary and customs import documents must be in German. Veterinary certificates are usually bilingual. Decisions by the customs office or the veterinary service may not be appealed. If an importer objects to the quality of the product, the case can be brought to an arbitration center. ■

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Key contacts and further information about the Austrian marketplace are available from the FAS Office of Agricultural Affairs in Vienna and FAS report AU3015. To find it on the Web, start at [www.fas.usda.gov](http://www.fas.usda.gov), select **Attaché Reports** and follow the prompts.



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