

Ελληνικές Εξαγωγές
Greek Exports
Exportations Grécques
Griechische Exporte



TRADE BALANCE

Pandemic conditions due to **Covid-19** disease that has hit the world economy and Greece (since March 2020) affected Greek exports. Specifically, the total value of **exports-dispatches** amounted to € **30,774.6 million** in **2020** in comparison with € 33,871.0 million for the corresponding period of the year 2019, recording a **drop of 9.1%**. The corresponding value excluding oil products recorded an increase of € 738.8 million (3.2%) and the corresponding value excluding oil products and ships recorded an increase of € 675.0 million (2.9%), in comparison with 2019.

At the same time, in **2020 total imports** registered a **yearly decrease (12.6%)** amounting to € **48,815.0 million**, as a result of closing borders due to pandemic prevention measures, Greek government takes. The corresponding value excluding oil products recorded a drop of € 2,026.4 million (4.9%) and the corresponding value excluding oil products and ships recorded a drop of € 1,788.0 million (4.4%), in comparison with 2019.

Finally, the deficit of the trade balance amounted to € **18,037.7 million** in **2020**, in comparison with € 21,977.0 million in 2019, recording a **drop of 17.9%**. The corresponding deficit excluding oil products recorded a drop of € 2,765.2 million (15.3%) and the corresponding deficit excluding oil products and ships recorded a drop of € 2,463.0 million (13.9%).

Despite the adverse economic conditions due to Pandemic Covid-19, the latest (provisional) data of the Hellenic Statistical Authority (ELSTAT) show an upward trend of Greek exports during the current year **2021**.

According to the latest (provisional) data, over **the first six months of 2021**:

- The total value of **exports**, for the 6-month period from January to June 2021 reached € **18,591.9 million** versus € 14,807.0 million during the respective period of 2020, registering an **increase of 25.6%**. The corresponding value excluding oil products recorded an increase of € 2,280.3 million (19.8%) and the corresponding value

Diagram 1
Greek Exports and Imports over the period 2011-2021*

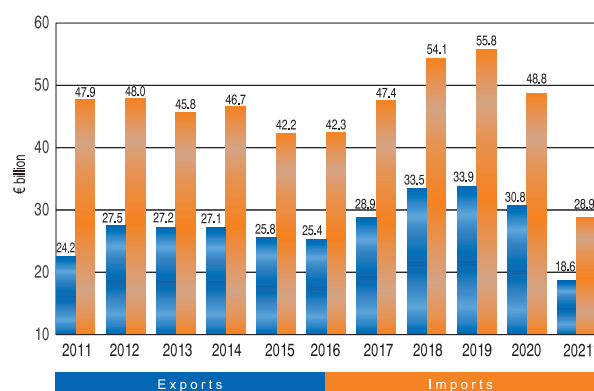
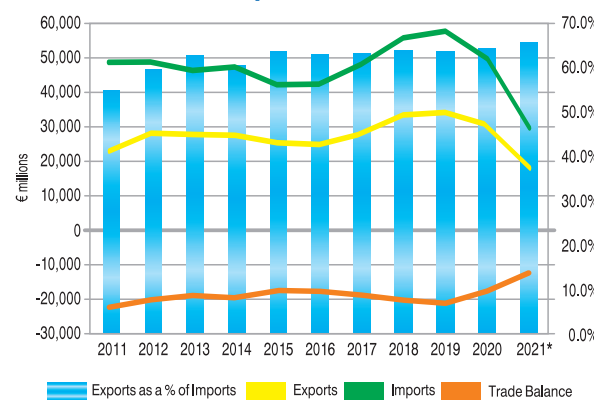


Diagram 2
Greek Export Performance



*Provisional data (01/2021-06/2021) Source: Hellenic Statistical Authority (ELSTAT)

excluding oil products and ships recorded an increase of € 2,257.9 million (19.6%), in comparison with the period from January to June 2020

- The total value of **imports** amounted to € **28,854.0 million** registering an **increase of 21.5%**. If oil products are excluded, the value of imports has increased by

Table 1
Trade Balance
(€ mil.)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021* |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Exports | 27,478.4 | 27,223.0 | 27,085.5 | 25,753.7 | 25,445.8 | 28,865.4 | 33,471.4 | 33,871.0 | 30,774.6 | 18,591.9 |
| Imports | 47,966.7 | 45,823.0 | 46,695.2 | 42,211.3 | 42,317.8 | 47,357.3 | 54,119.7 | 55,847.9 | 48,815.0 | 28,854.0 |
| Trade Balance | -20,488.3 | -18,600.0 | -19,609.7 | -16,457.7 | -16,872.1 | -18,491.9 | -20,648.3 | -21,977.0 | -18,040.4 | -10,262.1 |
| Exports as a % of imports | 57.3% | 59.4% | 58.0% | 61.0% | 60.1% | 61.0% | 61.8% | 60.6% | 63.0% | 64.4% |

* Provisional data (01/2021-06/2021)

Source: Hellenic Statistical Authority (ELSTAT)

Table 2
The 20 major export markets of Greece in 2020
(€ mil.)

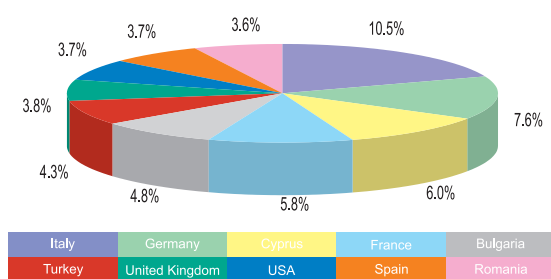
| A/A | | | | | | |
|---------------------------------|------|------------------|----------|----------|--------------|--------|
| 2020 | 2019 | Countries | 2020 | 2019 | % | Share |
| | | | | | Change 20/19 | |
| 1 | 1 | Italy | 3,231.8 | 3,652.2 | -11.5% | 10.5% |
| 2 | 2 | Germany | 2,352.3 | 2,253.2 | 4.4% | 7.6% |
| 3 | 3 | Cyprus | 1,835.8 | 1,906.9 | -3.7% | 6.0% |
| 4 | 8 | France | 1,773.3 | 1,182.7 | 49.9% | 5.8% |
| 5 | 5 | Bulgaria | 1,473.0 | 1,564.3 | -5.8% | 4.8% |
| 6 | 4 | Turkey | 1,338.2 | 1,973.9 | -32.2% | 4.3% |
| 7 | 7 | United Kingdom | 1,179.3 | 1,249.0 | -5.6% | 3.8% |
| 8 | 6 | U.S.A. | 1,136.8 | 1,305.2 | -12.9% | 3.7% |
| 9 | 10 | Spain | 1,131.6 | 1,108.6 | 2.1% | 3.7% |
| 10 | 11 | Romania | 1,093.2 | 1,017.5 | 7.4% | 3.6% |
| 11 | 13 | China | 853.8 | 892.5 | -4.3% | 2.8% |
| 12 | 16 | Netherlands | 687.9 | 699.7 | -1.7% | 2.2% |
| 13 | 9 | Lebanon | 648.2 | 1,165.3 | -44.4% | 2.1% |
| 14 | 23 | Libya | 629.8 | 403.2 | 56.2% | 2.0% |
| 15 | 19 | Poland | 571.5 | 497.7 | 14.8% | 1.9% |
| 16 | 14 | North. Macedonia | 539.6 | 794.4 | -32.1% | 1.8% |
| 17 | 17 | Albania | 509.8 | 572.6 | -11.0% | 1.7% |
| 18 | 12 | Egypt | 497.0 | 942.9 | -47.3% | 1.6% |
| 19 | 20 | Gibraltar | 434.7 | 484.9 | -10.4% | 1.4% |
| 20 | 21 | Belgium | 385.1 | 473.8 | -18.7% | 1.3% |
| Exports of the top 20 countries | | | 22,302.6 | 24,140.4 | -7.6% | 72.5% |
| Other Countries | | | 8,472.0 | 9,730.6 | -12.9% | 27.5% |
| Total Greek exports | | | 30,774.6 | 33,871.0 | -9.1% | 100.0% |

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

18.3%, reaching €3,475.4 million and the corresponding value excluding oil products and ships recorded a rise of €3,491.2 million (18.5%)

- The deficit of the **trade balance**, for the 6-month period from January to June 2021 amounted to **€10,262.1 million** in comparison with €8,942.8 million for the corresponding period of the year 2020, recording an

Diagram 3
Top 10 export markets* in 2020



* Exports over €1 billion

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

Table 3
Geographical export distribution
Share (%) in total exports

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|---------------|---------------|---------------|---------------|---------------|
| EU-28 ¹ | 55.7% | 53.1% | 52.3% | 55.5% | 59.9% |
| Balkans and Turkey ² | 11.2% | 12.7% | 12.2% | 12.1% | 9.9% |
| Central and Eastern Europe, CIS ³ | 2.5% | 1.4% | 1.8% | 1.7% | 1.5% |
| North America ⁴ | 5.6% | 5.1% | 4.9% | 4.9% | 4.7% |
| Northern Africa and Middle East ⁵ | 14.6% | 15.0% | 14.3% | 14.1% | 10.7% |
| East and South-East Asia ⁶ | 4.2% | 5.4% | 6.1% | 5.2% | 6.4% |
| Rest of the world | 6.1% | 7.3% | 8.4% | 6.5% | 6.9% |
| Total exports | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

1 EU-27 and United Kingdom

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

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

4 USA, Canada, Mexico.

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

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

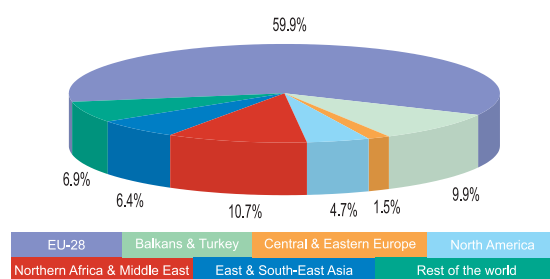
Sources: Hellenic Statistical Authority (ELSTAT), Pan-Hellenic Exporters Association, Export Research Centre (KEEM)

increase of 14.8%. The corresponding deficit excluding oil products recorded an increase of €1,195.1 million (16.1%) and the corresponding deficit excluding oil products and ships recorded an increase of €1,233.3 million (16.7%).

GEOGRAPHICAL EXPORT DISTRIBUTION

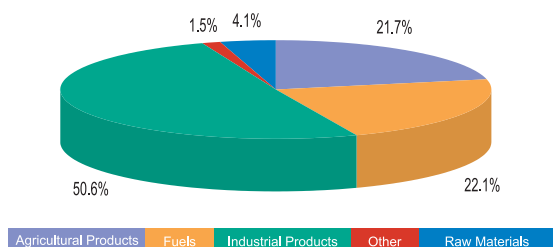
The total Greek exports registered a downturn of 9.1% in

Diagram 4
Geographical export distribution (2020)



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

Diagram 5
Distribution of exports by product category (2020)



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

2020 compared to 2019 due to Pandemic (Covid-19) and difficult market conditions that had taken in Greece from March 2020. In 2020, both exports to E.U. and Third Countries decreased. Particularly, **exports to E.U. countries decreased marginally by 0.6%**, covering 57.5% of total exports. Exports to **Third Countries dropped by 19.0%** over the last year, accounting for 42.5%.

Italy remains the most important destination of Greek exports (in terms of value) and ranks first again in 2020 among destination countries. Germany ranks second followed by Cyprus (3rd) and France (4th) which ranked 8th in 2019. Bulgaria ranks 5th followed by Turkey, the United Kingdom, U.S.A., Spain and Romania.

As regards the major destinations of Greek exports, the following is noted: Exports to Libya registered the highest rise (56.2%) followed by exports to France (49.9%), Poland (14.8%), Romania (7.4%), Germany (4.4%) and Spain (2.1%). On the contrary, exports to Egypt registered the biggest fall (47.3%) followed by Lebanon (44.4%), Turkey (32.2%) and North Macedonia (32.1%). The pandemic Covid-19 affected the Greek exports resulting in the export's reduction for many countries (table 2).

The first twenty (20) countries accounted for **72.5%** of the total export value in 2020.

By broader geographical area, the following is noted:

The value of exports to **EU - 28 countries** amounted to € 18.4 billion in 2020. Although the total value of exports to EU - 28 countries registered a drop of 0.5% in 2020 compared to 2019 (because of the total decrease in Greek exports), the share of exports to EU - 28 increased by 4.4% covering the 59.9% of total exports in 2020. The exports to Balkans and Turkey covered the 9.9% and the rest of Europe only the 1.5% of the total Greek exports in 2020.

Exports to the countries of **North America** (USA, Canada, Mexico) decreased accounting for 4.7% of total exports in 2020.

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

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---------------|---------------|---------------|---------------|---------------|
| Agricultural products | 22.4% | 19.5% | 18.0% | 17.6% | 21.7% |
| Food and livestock | 16.8% | 15.1% | 13.7% | 14.1% | 17.2% |
| Beverages and Tobacco | 2.9% | 2.5% | 2.2% | 2.2% | 2.6% |
| Animal or vegetable oils and fats | 2.7% | 2.0% | 2.1% | 1.2% | 1.8% |
| Raw materials | 4.0% | 4.5% | 4.1% | 4.4% | 4.1% |
| Crude materials inedible, except fuels | 4.0% | 4.5% | 4.1% | 4.4% | 4.1% |
| Fuels | 27.4% | 31.5% | 34.7% | 31.9% | 22.1% |
| Minerals, fuels, lubricants etc. | 27.4% | 31.5% | 34.7% | 31.9% | 22.1% |
| Industrial products | 44.0% | 42.6% | 41.5% | 44.5% | 50.6% |
| Chemicals and related products | 10.7% | 10.6% | 10.4% | 12.1% | 16.5% |
| Manufactured goods classified by raw material | 15.6% | 16.0% | 15.6% | 14.8% | 15.8% |
| Machinery and transport equipment | 10.2% | 8.9% | 8.6% | 9.3% | 10.5% |
| Miscellaneous manufacturing products | 7.5% | 7.1% | 6.8% | 8.3% | 7.7% |
| Other | 2.2% | 1.9% | 1.7% | 1.6% | 1.5% |
| Commodities and transactions without classification | 2.2% | 1.9% | 1.7% | 1.6% | 1.5% |
| Total exports | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

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

Exports to the **Middle East & North Africa** registered a fall accounting for 10.7% of total exports in 2020. 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.

Exports to the countries of **Asia** accounted for 6.4% of exports in 2020. The major destination countries are China and Singapore.

DISTRIBUTION OF EXPORTS BY PRODUCT CATEGORY

Industrial products (Chemical and related products, manufactured goods classified by raw material, machinery and transport equipment, miscellaneous manufacturing products) had the lion's share (50.6%) in the country's total exports (in value). Their exports increased by 3.0% in 2020/2019.

Exports of **agricultural products** accounted for 21.7%, while their exports value increased by 11.7% during the same period. Exports of **fuels** registered a sharp fall (by 37.1%) accounting for 22.1% of the country's total exports over the last year.

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 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. Even though between 2016-2019 the total domestic production of cheese products decreased, in 2020 the market estimated to have increased by 1.6%.

The share of dairy farms in the total cheese production has reached 20%-28% in recent years. Respectively, the share of manufacturing businesses has been increasing in recent years amounting to 72%-80%, 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.

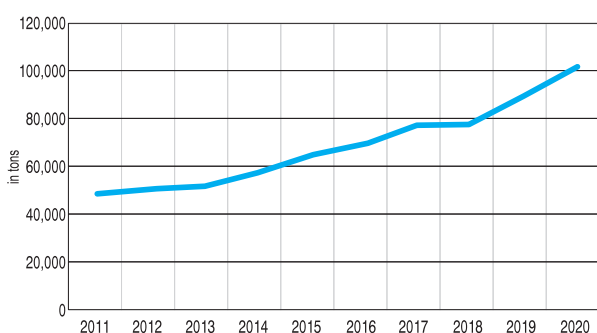
The category of soft cheeses has held the largest share in the total production of cheese over time. Particularly in 2019 soft cheeses accounted for 72.5% of the total cheese production from manufacturing businesses. Feta cheese accounts for the largest part of soft cheeses. The category of hard and semi-hard cheeses follows with a share of 15.4% in 2019. Despite the cumulative increase of 47% in the period 2012-2018, the production of P.D.O. (Protected Designation of Origin) products decreased by 5.9% in 2019 and covered 63.5% 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 4.9%. From 2019 the total Greek imports of cheese products started to decrease, and in 2020 the yearly reduction reached -6.0%. Semi-hard cheeses have accounted for 53.3% of total imports in 2020. Hard cheeses follow with a share of 21.7%; soft cheeses covered the 17.3% of total imports and the other cheeses account for the remaining share. The main countries of origin of cheese products are the Netherlands and Germany which have accounted for 62.6% (in quantity) and 55.9% (in value) of total imports in 2020.

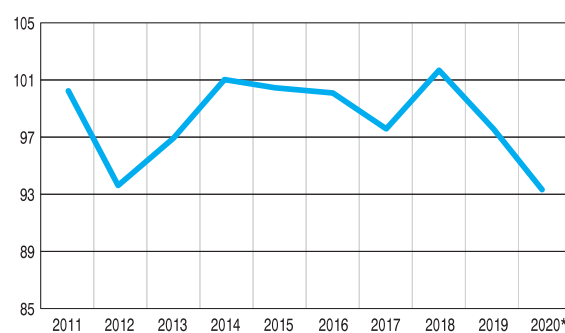
Exports of cheese products have registered a rise over the last decade (2011-2020), with an average annual growth rate of 8.4%. Specifically, in 2020 the total Greek exports of cheese products showed an increase of 13.2% in comparison with 2019. Feta cheese and telemeas have the largest share, accounting for 80.1% of total exports in 2020. Hard and semi-hard cheeses follow, accounting for 11.9%. Germany has accounted for the largest part of exports in recent years, with

Diagram 6
Exports of cheese products
(2011-2020)



Source: (Hellenic Statistical Authority) EL.STAT.

Diagram 7
Market Index of cheese products in Greece
(2011=100)



* ICAP estimates

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

a share of approximately 32.4%, followed by the United Kingdom (11.9%) and Italy (9.8%) in 2020.

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

DOMESTIC MARKET

After a decade of continuous fluctuations (2005-2014), the total domestic consumption of cheese products (in quantity) started stabilizing over the period 2015-2016. In 2017 the cheese's domestic consumption decreased by 2.5% but in 2018 increased by 4.0%. In 2019 there is a decrease in domestic apparent consumption by 3.6% compared to 2018. The domestic consumption had a further decline in 2020, as the business network (restaurants and hotels) recorded significant losses due to measures of suspension or limitation of its operation (the months of total lockdown), as well as of the lowest consumption by the end of the year (reduction of household consumption expenditure, reduction of tourism activity, etc.). The reduction for the examined products is estimated at around 4%-5% in 2020.

The largest part of the total domestic consumption of cheese products is covered by Greek cheeses over time. Their share in the total market has been around 59.1% in 2019 while imported cheese accounts for the remaining 40.9%.

Supermarkets and other retail stores are estimated to account for 47% of total cheese sales followed by wholesalers with 45%. Catering businesses, restaurants etc. account for the remaining 8%.

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:

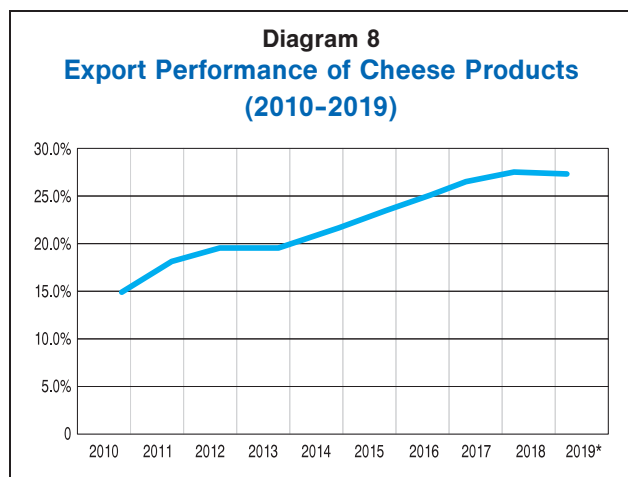
- Adaptation of their commercial and price policy in the current market conditions.
- Development of "innovative" products with high added value, competitive in the market and with higher profit margins.
- Further increase of the export activity and greater promotion of the products in the international 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.
- Investment in the upgrade of infrastructure and equipment in order to further improve the quality of products.

FISH FARMING

STRUCTURE AND BREAKDOWN OF THE SECTOR

In the Greek fish farming market operate large groups of companies and vertical companies, which are engaged in the production and distribution of brood as well as the breeding and trade of large fishes.

Fish farming is one of the most important sectors of Greek primary production, contributing decisively to the country's trade balance. At the same time, the aquaculture sector (with a focus on marine aquaculture), is associated with one of the most important export products of the country, confirming its



* Estimates

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

extroversion and contribution to the national product. Also, the aquaculture sector shows significant growth in both invested capital and production.

The main and most important feature of the fish farming industry is the export orientation. Most of the total domestic production is exported and the main destination countries are Italy, France, Portugal, Germany and the United Kingdom. Greece holds one of the leading positions among European countries in the production of Fish farming, based on the assessment of the favorable conditions of the Greek seas and the structural political support of the European Union.

PRODUCTION

The main products of marine aquaculture in Greece are sea bream and seabass. The total production of brood of sea bream and seabass shows continuous fluctuations the last decade. In 2020, the total production of brood sea bream and seabass decreased by approximately 7.5%. The special conditions caused by the Covid-19 pandemic reduced the demanded quantity and affected the production process. The 56% belong to sea bream brood and the remaining 44% to sea bass brood. However, in the current year 2021, the total fish brood production is expected to recover, recording a significant increase of 9.2%. According to market sources, the increase in exports of Greek fish products to the detriment of the main competitor, Turkey, is going to lead to a rise in prices while boosting production and consequently the country's position in foreign markets.

EXTERNAL TRADE

Total imports of seabass and sea bream showed an obvious increase the last four years (2017-2020). Sea bream imports covered approximately 66% in terms of quantity and 64% in terms of value. Most Greek imports (99,7%) of seabass and sea bream came from Turkey.

The last five years (2016-2020) the total imports of seabass and sea bream increased with average annual growth rate of 6.6% in terms of quantity. At the same time, the total value of sea bream and sea bass exports increased by 10.2% in

2020/19. Sea bream accounted for 56.1% of total exports in 2021. Italy is the main destination country over time and in 2020 accepted 36% of the total exported quantities of Greece.

DOMESTIC MARKET

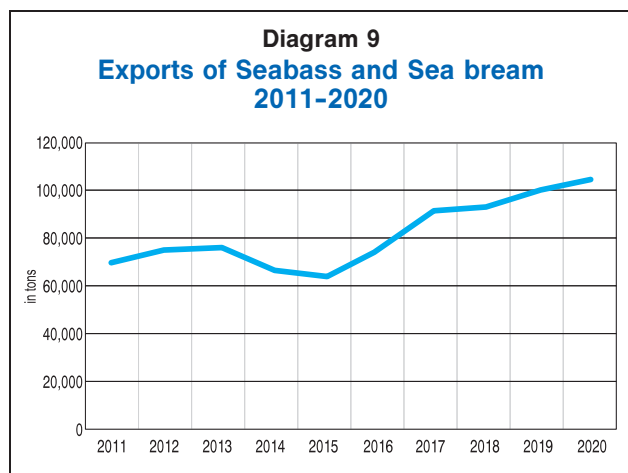
The domestic production of sea bream and seabass has increased rapidly over the past two decades. The increase in domestic production has resulted in over-supply conditions in the industry, with negative impact on sales prices. Compared to the last decade, there is a decline in total production until 2016. The last four years (2017-2020) the fish farming market has stabilized and varies relatively unchanged. In 2020, the total production of brood sea bream and seabass decreased by approximately 7.5%. Regarding the structure of the total production per category of fish, the quantity of sea bream production covered almost 55% and the production of seabass covered the remaining 45% of the total production.

SECTOR PROSPECTS

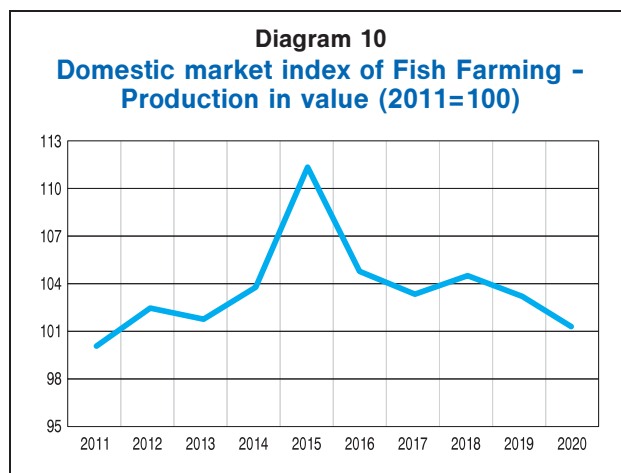
Fish farming is one of the most important productive and export sectors of the Greek economy in the primary sector. The climatic conditions and the geographical position of Greece favor the development of fish farming. Sea bream and sea bass are consistently in the top positions of Greek exports.

The unprecedented conditions of the pandemic (COVID-19) that prevail have significantly affected the fish industry. The pandemic response measures affected every stage from production, processing and packaging to wholesale and retail. However, market sources point out that there are positive prospects for the industry in the coming years. The fact of attracting foreign investors who have already acquired important companies, is indicative of the existence of high interest for domestic companies and the creation of a favorable future for the Greek fish farming market.

According to Globefish, already 2021 seems to be a year of recovery. The Greek fish farming and specifically the sea



Source: Hellenic Statistical Authority (EL.STAT.)



Source: ICAP S.A.

bream and sea bass production, is estimated to increase by 12% in 2021 compared to 2020. Also, based on the current market conditions and trends, the total production of sea bream and sea bass is projected to show an average annual increase of 3%-4% in the three years 2021-2023.

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:

- Utilization of new technologies and innovations, in order to reduce costs and produce products with greater added value.
- Systematic communication and marketing actions for the strengthening of the Greek aquaculture national identity and promotion of the top quality.
- Breeding of new species of fish in order to enrich the supply, in order for domestic aquaculture to penetrate even more into the international market (both in existing countries and in new markets).
- Implementation of investments to use modern methods and technologies with the ultimate goal of reducing mortality and speeding up the production process of fish.

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.

Many 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

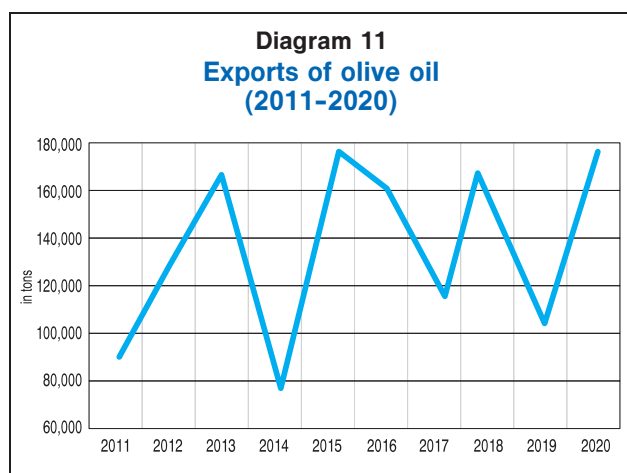
first phase of olive-oil production, which is then either marketed directly for consumption (edible) in bulk or promoted to wholesalers for resale in Greece or abroad or channeled to processing / standardization businesses. Furthermore, many cooperatives operate in the sector, the main activity of which 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 764. Approximately 45% of them are 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.

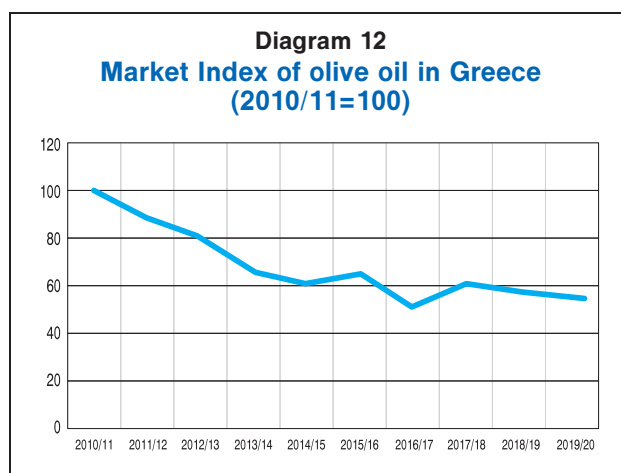
PRODUCTION

Greece is one of the most important oil producing countries in the world and the olive oil is considered very high quality. 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. The largest part of the total production is sold in bulk, either in the domestic market or abroad.

According to data from the International Olive Oil Council, over the 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. However, in 2020 the total production of olive oil (in quantity terms) showed a significant yearly increase of 62%. This year (2021) the production of olive oil is estimated to decline by 11%.

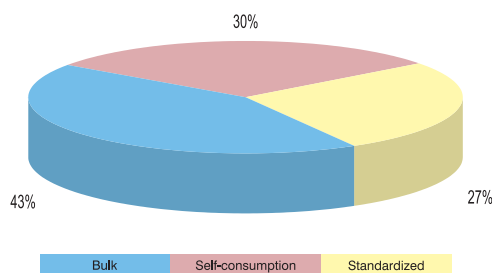


Source: Hellenic Statistical Authority (EL.STAT.)



Source: International Olive Oil Council, ICAP S.A.

Diagram 13
Structure of domestic olive oil consumption (2020)



Source: ICAP, Market Estimates

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 compared to 2018. Nevertheless, in 2020 the total imports of olive oil showed a yearly decrease of 25.3% in quantity and 33.6% 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. 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. In 2020 the total exports of olive oil increased by approximately 40.2% compared to 2019.

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 2019/20 compared to the previous period (2018/19), 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 2019/2020, 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. Despite the pandemic conditions (Covid-19) that have hit Greece since March 2020 (lockdown, significant reduction of tourist traffic, etc.) the consumption of olive oil for 2021 is expected to increase.

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.

MARBLE / GRANITE

STRUCTURE AND BREAKDOWN OF THE SECTOR

The marble industry in Greece consists of a significant number of companies. The Greek marble market includes, among others, several vertical companies. Most of the total production is developed in the region of Macedonia. The most important center of white marbles is located in the prefectures of Drama and Kavala. A key feature of the industry is the strong extroversion and the continuous increase in the total value of marble exports over the last 15 years. The largest percentage of exports is occupied by white and semi-white marbles, such as the whites of Thassos, Dionysos Pentelis and others. In addition, several quantities of colored marbles (mainly green, black and gray) are exported

from various regions. Marbles are mainly exported in slabs and tiles of standard dimensions, frames and other special products of special dimensions. Part of crate slabs are also exported. According to the latest available data of the Greek Ministry of Environment and Energy, the number of active quarries amounts to 215 in 2019.

PRODUCTION

Domestic marble production fluctuated during the last 10 years. In 2019 the total production of domestic marble showed an annual increase of 9.4%. However, the Pandemic Covid-19 which appeared in Greece since March 2020, has affected the economic and business activity. As a result, Greek marble's production reduced dramatically by 22% in 2020 compared to 2019.

EXTERNAL TRADE

Total imports of marble (by quantity) increased dynamically in the period 1991-2007, with an average annual growth rate of 32.6%. From 2008 to 2012 marble's imports show a continuous decrease with an average annual rate of -20.2%. From 2013 the total imports show annual fluctuations. Marble imports in 2020 amounted to 119,761 tons worth € 19.9 million, reduced by 27% in quantity and 33.7% in value, compared to 2019. Greek marble holds a dominant position in the Hellenic market with exports increasing sharply after 2009 both in value and quantity to fill the "gap" from the vertical decline in sales in the Greek market. It is worth noting that marbles belong to the 50 major Greek exported products worldwide in recent years. Total marble exports increased dramatically in the period 2010-2019 with an average annual rate of 11.8% in value and 12.3% in quantity. The Pandemic conditions, prevailing around the world since the beginning of 2020, have negatively affected Greece's export trade. According to the latest data of EL.STAT., in 2020 the total exported quantities amounted to 821,156 tons, reduced by 22.4% compared to 2019. The value of total exports

amounted to approximately € 294.5 million in 2020 with an annual reduction of 26.5%. The most important Greece's trading partner over time, in terms of marble, is China. Marble exports to China in 2020 amounted to 464.8 thousand tons (worth approximately € 132 million), representing 56.6% of the total quantity and 46.0% of the total value. The major destination countries that absorbed Greek marble (after China) in 2020 were:

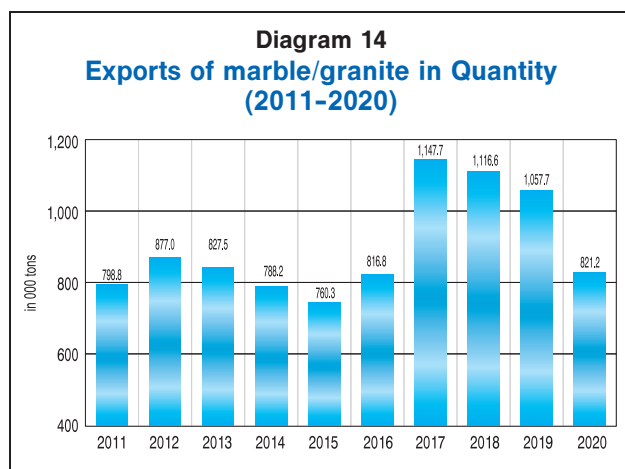
- o In Value: the USA (7.9%) and the United Arab Emirates (5.5%)
- o In Quantity: Algeria (5.5%), Tunisia (3.0%) and Cyprus (2.6%).

DOMESTIC MARKET

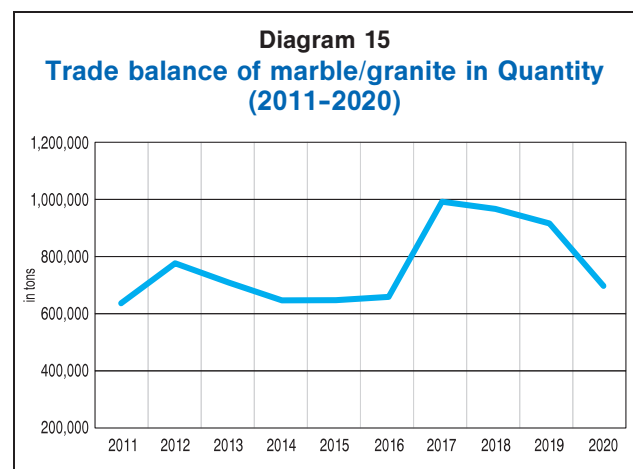
The domestic marble market has generally declined over the last decade (compared to previous years) but has fluctuated from year to year. In 2020, the marble market showed a significant decrease of 18.2% compared to 2019. The difficult market conditions due to Covid-19 have affected negatively the domestic demand for marble. Most of the domestic consumption is covered by the bulk marble mining. The apparent domestic consumption of marble finished products has been fluctuating in recent years. In general, the course has been declining over the last 12 years. The decline in disposable household income during the economic downturn and the substitution with cheaper products has negatively affected demand. The pandemic has also contributed to the significant decrease (approximately -22%) in the market of marble finished products in 2020. The Granite domestic market showed a downward trend from 2008 onwards (except for 2016 and 2018). In 2020, the market decreased by 21.7% compared to 2019.

SECTOR PROSPECTS

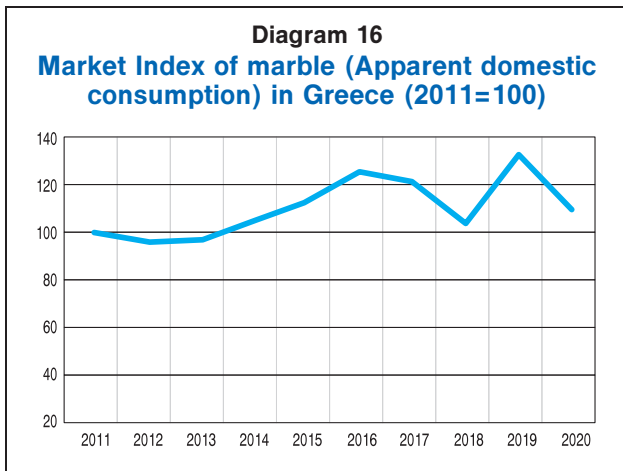
The marble industry in Greece is one of the most important sectors of the Greek economy. Greece is one of the leading



Source: Hellenic Statistical Authority (EL.STAT.)



Source: Hellenic Statistical Authority (EL.STAT.)



exporters of marble in the world (4th place in world exports and 2nd in European). The sudden onset of coronavirus (COVID-19) and its worldwide spread contributed to the global economic downturn. The decline in economic and business activity affected the construction activity, with large, planned projects being postponed. As a result, the demand for marble both (abroad and in the domestic market) decreased in 2020. However, according to the latest developments, the lifting of restrictive measures in many countries and the emerging response to the pandemic (continuous vaccination of the population) foretells an international recovery for 2021. In addition, the estimated

increase in construction activity is expected to increase the demand for marble. Regarding the development prospects of the industry, provided that a new wave of pandemics will be avoided, the marble industry is expected to recover over the next three years 2021-2023. Specifically, the demand for bulk marbles from foreign countries is estimated to follow an upward trend in the three years 2021-2023 with an average annual growth rate of 12%.

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:

- Further expansion of export activity through penetration into new markets.
- Improvement of mining/processing technologies and/or development of new ones.
- Expansion of the distribution networks of the companies in more sale's points in the Greek market (wholesalers).
- Enrichment of the variety of products offered.
- Greater dispersion of sales of companies in the industry, in order to have limited dependence on specific countries and customers.
- Rationalization and reduction of operating costs.
- Systematic and targeted promotion of Greek marbles abroad.