

Ελληνικές Εξαγωγές
Greek Exports
Exportations Grécques
Griechische Exporte



TRADE BALANCE

In **2018** the total **exports** of the country (including oil exports) registered a **significant rise**, for the second consecutive year. Particularly, total exports amounted to **€ 33.02 billion** registering an **increase of 15.8%** from 13.4% in 2017. It is pointed out that the country's total exports registered a decline over the period 2013-2016.

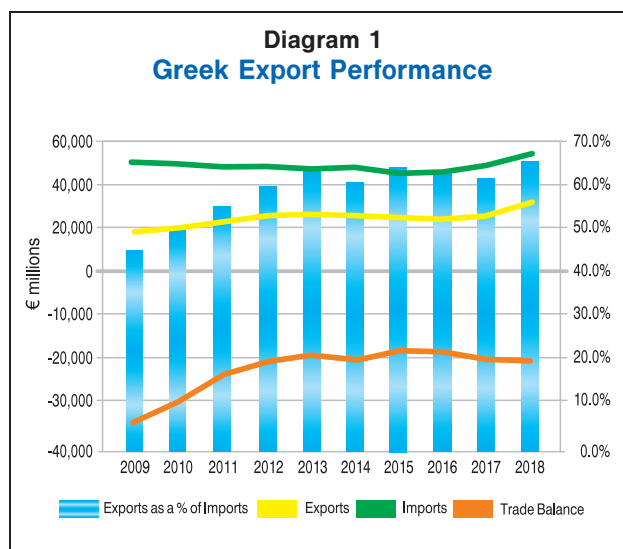
Record exports were recorded even if oil products are excluded. Particularly, the value of exports excluding oil products increased by 10.4% in 2018 (or by € 2.02 billion), reaching € 21.55 billion. At the same time, in 2018 total imports registered a remarkable increase (9.4%), amounting to € 53.75 billion. If oil products are excluded, imports of other goods register a rise of 2.3%. As a result of the developments in the foreign trade of the country, **trade balance** registered a slight fall of 0.6% over the last year (2018: € -20.73 billion 2017: € -20.62 billion).

Despite the extremely adverse economic conditions, Greek companies managed to strengthen their extroversion, supporting the national economy and the country's effort to return to a growth path.

Greek exports retained their strength in 2019 as well. According to the latest (provisional) data of the Hellenic Statistical Authority (ELSTAT) over **the first five months of 2019** the total value of **exports** (including oil products) reached € 14.02 billion versus € 13.43 billion during the respective period of 2018, registering a **rise of 4.4%**. If oil products are excluded, the respective value of exports has registered a rise as well (6.5%). As regards the destination of exports over the first five months of 2019, EU countries accounted for 54.9% of the total value, registering a rise of 8.6% compared to the respective period of 2018. Exports to Third Countries registered a slight change (-0.3%) compared to the respective period of 2018, accounting for 45.1% of total in 2019 (5month-period).

Over the same period, the total value of **imports** amounted to € 23.44 billion registering a rise of 8.9% compared to the respective period of 2018 (€ 21.51 billion). If oil products are excluded, the value of imports has registered a rise of 9.2%.

The aforementioned data show there is **increase in trade deficit** by 16.5% over the first five months of 2019.



GEOGRAPHICAL EXPORT DISTRIBUTION

The total Greek exports (in value) reached € 33.02 billion in 2018, registering a rise of 15.8% compared to the previous year.

This is due to the rise of exports to Third Countries and E.U. countries. Particularly, exports to Third Countries increased by 17.9%, accounting for 47.8% of total exports. The respective share of exports to Third Countries in total exports in 2017 was 46.9%.

Exports to E.U. countries have increased by 14% over the last year. The share of the European Union countries - members in the total value of Greek exports amounted to 52.2% in 2018 (2017: 53.1%).

By broader **geographical area**, the following is noted: The value of exports to **EU - 28 countries** amounted to € 17.25 billion in 2018 from € 15.13 billion in 2017 (14.0% rise). Exports to other European countries increased by 8.1%.

Exports to the countries of **North America** (USA, Canada, Mexico) registered a remarkable rise (17.6%), accounting for 5.1% of total exports in both 2018 and 2017. The aforementioned rise is mainly due to the rise of exports to the U.S.A. (22.1%). Exports to the **Middle East & North Africa** also followed an upward trend (25.5%) accounting for 16.3% of total exports in 2018. 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.

Table 1
Trade Balance
(€ mil.)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Exports	17,673.6	21,140.4	24,295.5	27,342.7	27,316.0	26,894.0	25,482.4	25,150.0	28,510.6	33,021.0
Imports	52,118.0	50,948.7	48,616.8	48,623.9	46,138.6	47,236.0	42,655.6	43,124.2	49,127.3	53,754.7
Trade Balance	-34,444.4	-29,808.3	-24,321.3	-21,281.2	-18,822.6	-20,342.0	-17,173.2	-17,974.2	-20,616.7	-20,733.7
Exports as a % of imports	33.9%	41.5%	50.0%	56.2%	59.2%	56.9%	59.7%	58.3%	58.0%	61.4%

Source: Hellenic Statistical Authority (ELSTAT)

Table 2
Geographical export distribution
Share (%) in total exports

	2014	2015	2016	2017	2018
EU-28	45.6%	53.3%	55.7%	53.1%	52.2%
Balkans and Turkey ¹	18.3%	12.4%	11.2%	12.7%	12.2%
Central and Eastern Europe, CIS ²	3.1%	2.5%	2.5%	1.4%	1.3%
North America ³	4.0%	6.1%	5.6%	5.1%	5.1%
Northern Africa and Middle East ⁵	13.9%	14.8%	14.6%	15.0%	16.3%
East and South-East Asia ⁵	4.3%	4.3%	4.2%	5.4%	6.1%
Rest of the world	10.9%	6.7%	6.1%	7.3%	6.7%
Total exports	100.0%	100.0%	100.0%	100.0%	100.0%

1 Albania, Croatia, Bosnia-Herzegovina, Serbia - Kosovo, Montenegro, Northern Macedonia and Turkey.

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

3 USA, Canada, Mexico.

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

5 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)

In the particular region, the top export destinations are Lebanon which reported a rise of 19.1% in exports, Egypt (remarkable rise of 53.7%) and Saudi Arabia (6.6% increase in exports).

As regards exports to the countries of **Asia**, they increased by 27.5% accounting for 7.0% of exports in 2018. The major destination countries are China and Singapore.

Twenty (20) countries accounted for **74.1%** of the total export value in 2018. Italy remains the most important

Table 3
The 20 major export markets of Greece in 2018
(€ mil.)

A/A	2018	2017	Countries	2018	Share
1	1		Italy	3,453.7	10.5%
2	2		Germany	2,150.7	6.5%
3	3		Turkey	2,035.4	6.2%
4	4		Cyprus	1,891.4	5.7%
5	6		Lebanon	1,489.4	4.5%
6	5		Bulgaria	1,487.9	4.5%
7	8		USA	1,370.7	4.2%
8	7		United Kingdom	1,208.0	3.7%
9	11		Egypt	1,161.4	3.5%
10	12		Spain	1,106.2	3.3%
11	10		France	1,018.0	3.1%
12	9		Romania	967.8	2.9%
13	17		China	901.3	2.7%
14	14		Northern Macedonia	798.5	2.4%
15	13		Saudi Arabia	725.1	2.2%
16	16		Netherlands	666.6	2.0%
17	15		Gibraltar	569.7	1.7%
18	18		Albania	527.5	1.6%
19	19		Poland	503.7	1.5%
20	30		Slovenia	427.7	1.3%
Exports of the top 20 countries				24,460.7	74.1%
Total Greek exports				33,021.0	100.0%

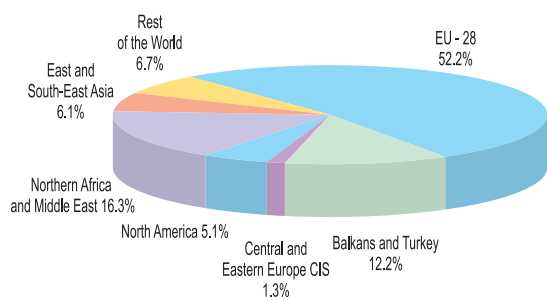
Sources: Hellenic Statistical Authority (ELSTAT), Pan-Hellenic Exporters Association, Export Research Centre (KEEM)

destination of Greek exports (in terms of value) and ranks first again in 2018 among destination countries.

Germany ranks second followed by Turkey (3rd) and Cyprus (4th). Lebanon ranks 5th (ranked 6th in 2017) followed by Bulgaria, the United States, the United Kingdom, Egypt and Spain.

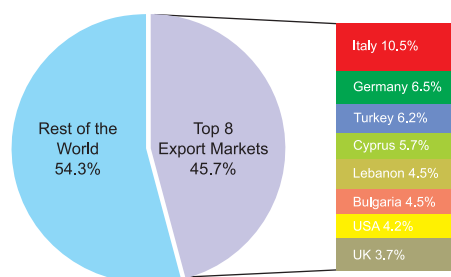
Exports to the ten aforementioned countries amounted to € 17,354.7 million in 2018, having a share of 52.6% in total exports over the last year.

Diagram 2
Geographical export distribution (2018)



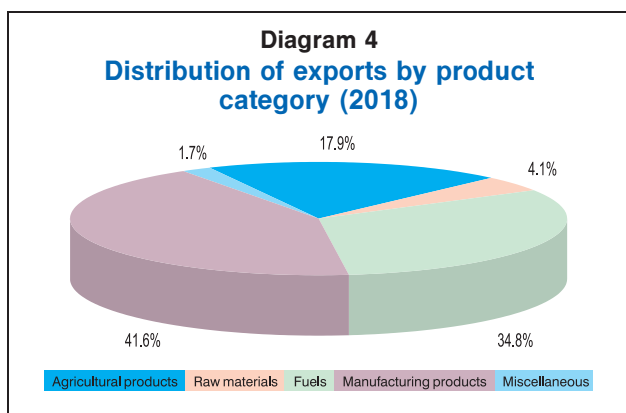
Sources: Hellenic Statistical Authority (ELSTAT), Pan-Hellenic Exporters Association, Export Research Centre (KEEM)

Diagram 3
Top 8 export markets* in 2018



* Exports over € 1.2 billion

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



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

As regards the major destinations of Greek exports, the following is noted: Exports to Spain and Egypt registered a significant rise (57.3% and 53.7% respectively). Exports to the U.S.A. (22.1%), Lebanon (19.1%) and Italy (12.1%) recorded a smaller increase. In the remaining countries, there was a single - digit annual growth rate.

DISTRIBUTION OF EXPORTS BY PRODUCT CATEGORY

Greek exports registered a significant rise in 2018 which is mainly due to the significant increase in the exports of fuels (27.9%) and manufacturing products (12.9%). Exports of others goods registered a lower rise.

Particularly, exports of **fuels** amounted to € 11.48 billion in 2018 from € 8.98 billion in 2017. Their share in the total export value increased by 3.3 percentage points, amounting to 34.8% in 2018 from 31.5% the previous year. Exports of **manufacturing products** amounted to € 13.72 billion in 2018 from € 12.16 billion in 2017 accounting for 41.6% of the country's total exports over the last year (2017: 42.6%).

The respective share of **agricultural products** reached 17.9% in 2018 from 19.5% in 2017. The value of agricultural

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

	2014	2015	2016	2017	2018
Agricultural products	17.2%	20.5%	22.4%	19.5%	17.9%
Food and livestock	13.8%	15.1%	16.8%	15.1%	13.7%
Beverages and Tobacco	2.2%	2.6%	2.9%	2.5%	2.2%
Animal or plant fats and oils	1.2%	2.8%	2.7%	2.0%	2.1%
Raw materials	3.8%	4.0%	4.0%	4.5%	4.1%
Non-food raw materials (excluding fuels)	3.8%	4.0%	4.0%	4.5%	4.1%
Fuels	38.4%	29.8%	27.4%	31.5%	34.8%
Minerals, fuels, lubricants etc.	38.4%	29.8%	27.4%	31.5%	34.8%
Manufacturing products	38.5%	43.4%	44.0%	42.6%	41.6%
Industrial products classified by raw material	13.9%	16.0%	15.6%	16.0%	15.7%
Chemical and related products	9.9%	10.5%	10.7%	10.6%	10.4%
Machinery and transport equipment	8.3%	10.1%	10.2%	8.9%	8.7%
Miscellaneous manufacturing products	6.4%	6.8%	7.5%	7.1%	6.8%
Miscellaneous	2.1%	2.4%	2.2%	1.9%	1.7%
Products and transactions without classification	2.1%	2.4%	2.2%	1.9%	1.7%
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 amounted to € 5.91 billion in 2018. Exports of **raw materials** were lower (4.1% in 2018).

As regards individual **product** categories, after oil products (the exports of which rank first), the top ten also include: medicines, olive oil, copper plates, frozen - processed fish, processed - preserved vegetables, pipes, cheese products etc.

FISH HATCHERIES

STRUCTURE AND BREAKDOWN OF THE SECTOR

The sector of fish hatcheries consists of a few large vertically integrated companies - groups, which deal with both the production of juveniles and fish fattening. However, most sector companies deal exclusively with fish fattening and they are supplied with juveniles from other sector businesses.

The sector of fish hatcheries attracted a large number of businesses in the past, many of which were of small family size. Nevertheless, over the past years concentration has increased in the sector as few large groups control the largest part of the domestic production. These groups have gone through acquisitions and mergers of smaller units which found it difficult to cope with the increasing competition. Concentration is further strengthened by the recent restructuring in the sector, due to the serious economic problems faced by some of the leading fish farming groups.

The sector is strongly export oriented and Greece is top-listed among the countries of Europe in the production of fish from fish farms. Furthermore, it is the largest producer country in the Mediterranean region.

PRODUCTION

The main products of marine aquaculture in Greece are sea bream and sea bass, the production of which increased rapidly during the past two decades. However, during 2009-2016 the total production volume decreased, while over 2017-2018 there has been a recovery. Particularly, over the past two years production volume registered a rise of an average annual rate of 5.5%.

As regards the structure of the total production of fish per category, it is noted that the bream has accounted for most production over time. In recent years its share amounted to approximately 57%, while the remaining was covered by bass production. Few corporate groups account for the largest part of total domestic production.

EXTERNAL TRADE

The sector of fish hatcheries is developing strong export activity as the bulk of domestic production is directed to

foreign markets. The main destinations are the markets of Europe and more particularly the markets of Italy, Spain, France, the United Kingdom, Germany and Portugal. Particularly, Italy has accounted for 45%-50% of total exports in recent years, followed by other countries.

The total exports of sea bream and sea bass have accounted for 78%-80% of the total domestic production in recent years. On the other hand, imports of sea bream and sea bass are very low.

DOMESTIC MARKET

The quantities which are made available by sector companies in the Greek market are low compared to the volume of their production, as the sector is export oriented.

Exports account for the largest part of domestic production, while export performance of the sector has been increasing over the last decade.

The total domestic consumption of sea bream and sea bass has presented fluctuations in recent years, being however low compared to the previous decade.

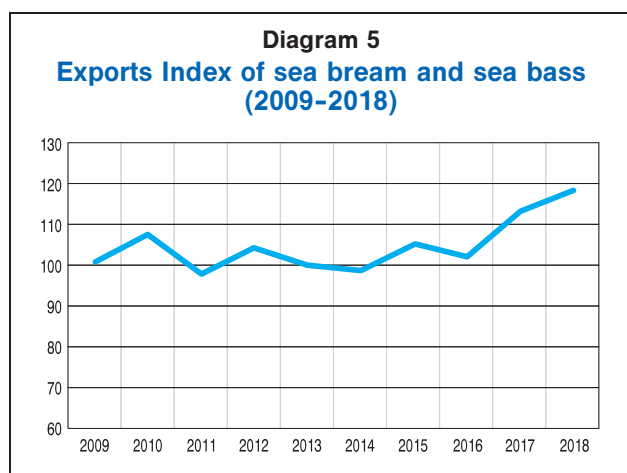
SWOT Analysis

Strengths

- The leading position of Greek fish farming companies in the European market of sea bream and sea bass.
- The strongly export-oriented sector.
- The climatic conditions of the country and its morphology (numerous islands), favor the growth of farmed fish.
- The gradual decline of wild fish stocks and the steady rise of the share of fish farming products in the total of world fish market.
- The experience and expertise of Greek companies as regards the implementation of modern production methods in combination with the high quality of the products.

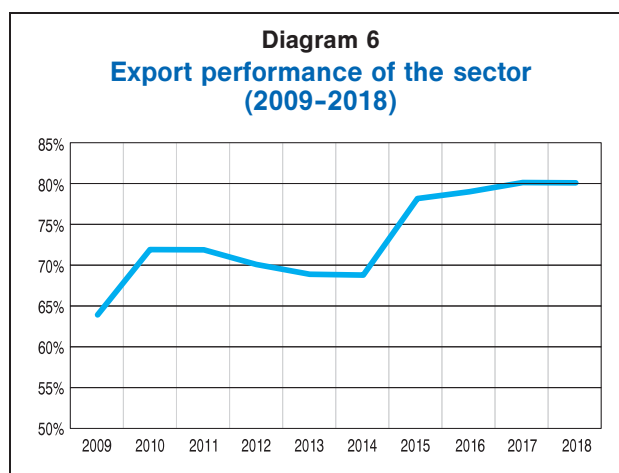
Weaknesses

- The extended fish feeding cycle, which requires high working capital in combination with the limited shelf life of the fish (available as fresh).
- The assessed product is susceptible to bacteria and natural factors (increased risk of mortality).
- Strong fluctuations in selling prices of products.



2009=100

Source: Federation of Greek Maricultures (FGM), ICAP S.A.



Source: Federation of Greek Maricultures (FGM), ICAP S.A.

- Strong competition from substitute products (frozen and wild caught fish).

Opportunities

- Expansion to new markets abroad and the expected long-term increase of demand for fresh fish in "traditional" destination markets (mainly E.U. countries).
- The creation of new "forms" of products and the rise of their added value through processing (e.g. fish fillets, organic fish, etc.).
- The wider acceptance of mariculture species worldwide.
- The current restructuring of the examined sector.

Threats

- The further increase in the cost of raw material for fish feed.
- The strengthening of the competitive position of Turkey (in the international market for fish farming products).
- The threats associated with the natural environment (waste water, more stringent environmental legislation, etc.).

PROSPECTS

In recent years, an effort has been made to reorganize the sector with a variety of actions (liquidity re-establishment, mergers, absorption, etc.). The restructuring process has led to further concentration of production.

According to sector insiders, the prospects are positive for further development of the sector of fish hatcheries in the coming years, provided that the companies will be able to "overcome" the obstacles posed by the domestic economic situation in general and the international conditions.

The total production of sea bream and sea bass is expected to show an increase in the next three years 2019-2021, of an average annual rate of 4%-5%.

Under current market conditions and trends, sector companies are estimated to rely on the following main **axes** for strengthening their position in the market and increasing their competitiveness:

- Increasing their exports in existing countries and entering new countries/markets.
- Targeted efforts on behalf of companies in order to cut operating costs.
- Enhancing competitiveness through innovative cost-cutting methods in general.
- Systematic measures, as regards communication and marketing, the creation of a national identity for Greek fish farming fish.
- Development of high value-added products.
- Breeding new species to enrich supply so that domestic aquaculture gains additional share in the international market.

PHARMACEUTICAL COMPANIES

STRUCTURE AND BREAKDOWN OF THE SECTOR

The pharmaceutical sector has been one of the most significant of the Greek economy. The assessed market consists of a significant number of companies (manufacturers and importers). Many firms have strong long-lasting presence

in the market, while some of them are subsidiaries of multinational groups.

Pharmaceutical companies channel their products into hospitals and pharmaceutical warehouses which then channel sector products into pharmacies and (on a smaller scale) to other pharmaceutical warehouses.

The pricing of medicines is subject to a specific institutional framework and is controlled by the relevant government bodies, which determine the prices of medicines sold (Medicines Price Bulletin).

Large sector companies make significant investments in research programs relating to therapeutic areas with strong margins for progress.

PRODUCTION

The value of domestic production of pharmaceuticals increased by an average annual rate of 10.7% during 2002-2011, while in 2012 production dropped by 9.2%. However, the Greek pharmaceutical industry "adapted" quickly to the new conditions of the domestic market (growing demand for generics, exports, etc.). Thus, over the period 2013-2014 the total value of domestically produced drugs registered a rise by an average annual rate of 6.8%. In the following year (2015) production slightly increased by 1%, while during 2016-2017 it registered a slight fall by an average annual rate of -0.7%.

EXTERNAL TRADE

The total value of imported pharmaceutical products followed a downward trend during 2011-2014, while in the next three years (2015-2017) imports increased by an average annual growth rate of 4.8%.

Imports of medicines from E.U. countries have accounted for the majority of total imports over time (2017:87.0%). The major countries of origin are Germany, Belgium and the Netherlands.

The total value of exports of pharmaceutical products increased during the period 2011-2013, it remained almost at the same levels during 2014-2016 while it registered a significant rise of 13.9% in 2017. According to sector insiders, the low price of Greek medicines makes them particularly attractive in the European and world markets.

The majority of exports are directed to EU countries. Specifically, in 2017 the EU countries accounted for 84.4% of the total value of exported medicines. The major destination countries are Germany, the United Kingdom and France.

The trade balance of medicines was in deficit during 2010-2017, since the value of imports more than offset the respective value of exports.

DOMESTIC MARKET

The value of the domestic market of medicines (sales of pharmaceutical companies to hospitals and pharmaceutical wholesalers/pharmacies, in wholesale prices) registered a fall from 2010 onwards, after a decade (2000-2009) of continuous increase. The course of the Greek economy in recent years (recession period), and the successive reductions in medicine prices, resulted in a reduction in market value. However, over the last three years the market appears

to be slightly strengthened as a result of the increasing hospital expenditure on medicines over time.

During 2017 40.5% of the overall market value regarded medicines sold directly to hospitals, while the remaining percentage regarded medicines sold to pharmacies.

According to estimates, generics only via pharmacies have accounted for approximately 18% in value over the last two years.

SWOT Analysis

Strengths

- The domestic pharmaceutical industry includes powerful business groups that invest in research and development (R&D).
- Medicines are indispensable products with stable demand.
- The increasing demographic ageing ratios of the country.
- The cooperation with developed and well-established distribution channels (pharmaceutical wholesalers) with wide geographic coverage.

Weaknesses

- Controlled profit and the price which is defined by law restrict (to an extent) the growth prospects of the examined companies.
- Long payment delays and accumulated debts on behalf of the Public Sector (hospitals, social Security funds etc.)
- Continuous changes in legislation (implementation of new provisions, delay in approving new medicines, etc.).

Opportunities

- The expansion of business' export activity.
- Evolution of biotechnology and promotion of new pharmaceutical products.
- The further penetration of generics in the domestic market.
- The expansion of the list of OTC medicines (over-the-counter medicines).
- Strengthening of the brand names of the pharmaceutical companies and their products.

Threats

- Revaluation of medicines affects their availability and consequently the revenues of businesses.
- Maintaining low public pharmaceutical expenditure.
- Imposing high rebate/escalated clawback mechanisms on sector companies.

PROSPECTS

Over the period 2010-2018 the State has made continuous reductions in medicine prices within the context of fiscal adjustment, which led to a decline in stocks and sales and affected the profitability of pharmaceutical companies.

Nevertheless, multinational pharmaceutical groups continue to support the presence of their subsidiaries in Greece, while the domestic pharmaceutical industry is making significant investments in modernization and development.

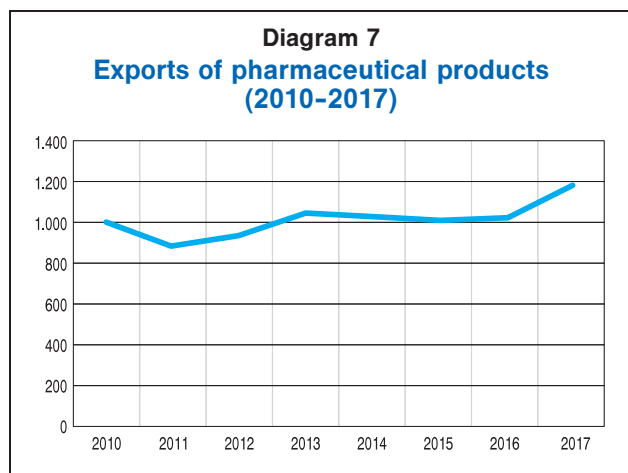
A major emerging problem for pharmaceutical companies is imposing rebate/escalated clawback mechanisms which have been constantly increasing.

Debts of EOPYY (National Organization for the Provision of Health Services) hospitals to pharmaceutical companies have been decreasing, but the level of accumulated debt remains high enough to maintain the problem of liquidity and return on capital.

Generic medicines are expected to have a larger share in the overall domestic consumption of medicines and further enhance their presence in the market in the long run as a result of the following:

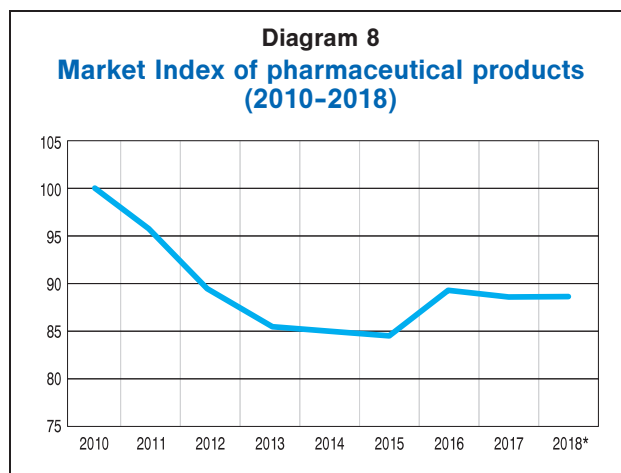
- Setting their maximum price at lower levels than their respective original medicines,
- penetrating the market at similar levels with the respective European average,
- patent expiry of blockbuster original drugs.

According to sector insiders, the pharmaceutical market is expected to record small losses over the period 2019-2020 (at an average annual rate of 1%-3%). Hospital pharmaceutical expenditure is expected to slightly increase, holding back the decline in the overall market of medicines.



€ million

Source: Hellenic Statistical Authority (EL.STAT.)



*estimates 2010=100

National Organization for Medicines, ICAP S.A.

STANDARDIZATION-PACKAGING OF FRESH FRUIT & VEGETABLES

STRUCTURE AND BREAKDOWN OF THE SECTOR

The sector of standardization-packaging of fresh vegetables in Greece consists of a great number of companies and many agricultural cooperatives. Many sector companies own modern sorting lines and certified systems for standardization and packaging.

Furthermore, many companies have export orientation, as the majority of their sales are directed to different countries abroad.

The production facilities of sector companies are usually located close to fruit and vegetable growing areas. In particular, high concentration is found in two wider geographical regions of the country, Central Macedonia and the Peloponnese. The rest of the fruit and vegetable sorting lines are scattered in different regions of the country (Crete, Evros, Larissa etc.).

The companies market their products either directly to retailers or through wholesalers and local dealers.

PRODUCTION

The total domestic production of standardized - packaged fresh fruit and vegetables has been increasing over the last decade, presenting however annual fluctuations.

The production of standardized fruit has accounted for most of the total production volume, with a share of 69%-71% over the last three years, compared to 29%-31% of vegetables.

Citrus fruits account for most of the total production of standardized fruit covering 34%-42% over the last five years. Stone fruit follow with a share of 18%-25%. Potatoes have accounted for the largest part of the total production of standardized vegetables through time (2018:36%) followed by tomatoes (2018:31%).

The sector is fragmented into several businesses and cooperatives. Thus, even large units have very low production shares.

EXTERNAL TRADE

Greece is an exporting country as regards fresh fruit and vegetables (mainly fruit), leading to a positive trade balance.

Overall imports followed an upward course during the period 2014-2018, mainly due to the increase of fruits which have accounted for the largest part of imports over time (both in terms of quantity and value). Their share in the total imports ranged between 54%-56% over the last two years. Vegetables accounted for 44%-46% of total imports.

The overall exports of fresh fruit and vegetables hit decade high in 2016, due to an increase in fruit exports and particularly oranges. Over the following two years (2017-2018) the overall exports were lower. However, in 2018 there was a rise of 4% compared to the previous year.

Exports of vegetables are limited accounting for 11%-12% of the total volume of exports in recent years.

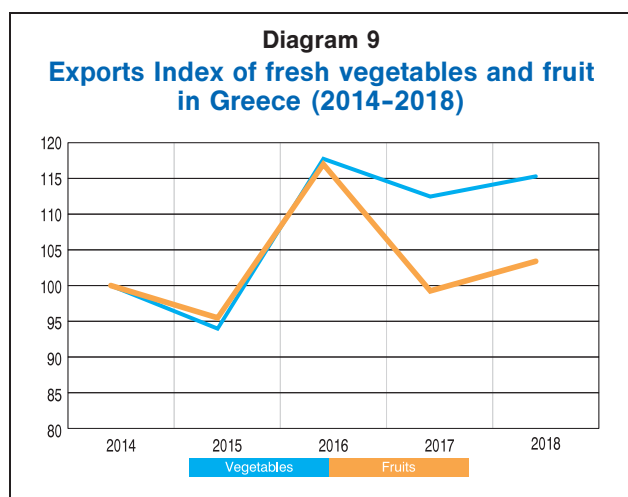
Total exports have accounted for approximately 45% of the total production of standardized - packaged fresh fruit and vegetables over the last two years.

Ecuador is the main country of origin of imported fresh fruit and vegetables, accounting for 30.9% of total imports in 2018. Egypt, Cyprus, France and Italy follow.

The countries of Eastern Europe are the main destination countries for exported fresh fruit and vegetables. In 2018 Bulgaria accounted for 15.3% of total exports (in quantity) and Romania for 14.4%. Germany (12.1%) and Poland (7.8%) also hold leading positions.

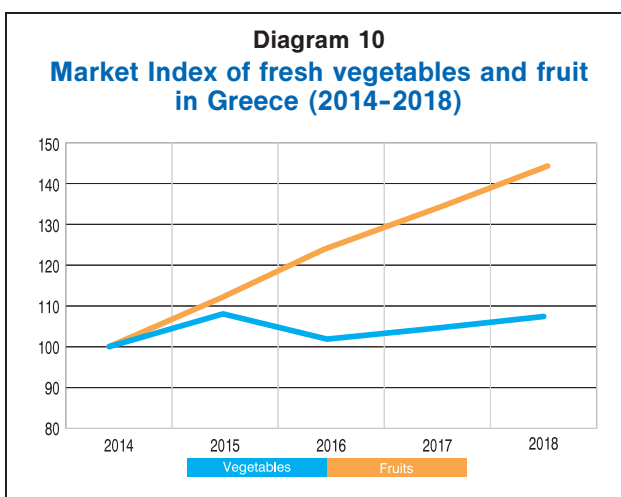
DOMESTIC MARKET

The total domestic consumption of standardized - packaged fresh fruit and vegetables has increased in recent years (2018/2017: 5.5%). Particularly, the consumption of standardized-packaged vegetables registered a rise of 2.6% in 2018 versus 2017 and fruit increased by 8% respectively. Fruit



2014=100

Source: Hellenic Statistical Authority (EL.STAT.), Incofruit



2014=100

Source: ICAP, EL.STAT., INCOFRUIT

accounted for approximately 53% and vegetables for the remaining 47% of total consumption.

Overall imports of standardized fresh fruit and vegetables accounted for approximately 22%-24% of their total consumption in recent years.

Citrus fruit account for the largest part of fruit consumption, followed by stone fruit and pome fruit.

As regards vegetables, standardized potatoes accounted for the largest part of consumption followed by tomatoes.

SWOT Analysis

Strengths

- The good quality of Greek fresh fruit and vegetables.
- Fresh fruit and vegetables are considered basic food-stuff of the daily diet and there are no substitute products.
- Consumers' shift to a healthier diet.

Weaknesses

- Operation of many small businesses which are not technologically advanced.
- Too many intermediaries.
- High transportation costs for exporters. Difficulty (due to cost) for Greek products to enter the markets of remote countries.
- Lack of varieties to keep units operating all year long.

Opportunities

- Further growth of exports and entering new countries - markets.
- Systematic promotion and advertising of Greek products in foreign markets.
- Measures taken by the State to facilitate exports.
- Investing in research to enrich Greek fruit and vegetable cultivation with new crop varieties.

Threats

- The unexpected and uncontrolled weather conditions which affect both the volume of production as well as its quality.
- The rising imports of fresh fruit and vegetables from third countries, which have a low production cost, both to Greece and the EU, are threatening domestically-produced goods and therefore exported ones too.
- Handling non-standardized fruit and vegetables in packaging boxes without the required labeling, without complying with hygiene and safety rules and promoting them to neighboring countries thus "denigrating" Greek products.

PROSPECTS

According to estimates, the total domestic market of fresh fruit and vegetables is expected to register a rise during 2019-2021, by an annual rate of 3%-6%. The businesses' goal is to increase competitiveness in order to maintain their share in the market and strengthen their presence abroad. Under current market conditions, sector companies are estimated to revolve around the following main axes in order to increase their sales:

- Modernization and use of new technologies in processing - standardization of products to reduce their operating costs.

- Enrichment of product varieties.
- Systematic advertising of Greek agricultural products abroad, which will point out the "superiority" of their quality.
- Improvement of business' extroversion and penetration in new markets.

STEEL PIPES

STRUCTURE AND BREAKDOWN OF THE SECTOR

Steel pipe production is characterized by a high degree of concentration as most of it is realized by few units. The leading manufacturers are large sized companies producing pipes (welded) of various diameters, for the transportation of liquids or gases.

Certain sector companies, besides steel pipes, manufacture other products as well (e.g. hollow sections, metal sheets, fittings etc.). Furthermore, some importers also operate in the sector, however these firms are usually engaged not only in the trade and imports of steel pipes but also of other industrial supplies, fittings, plumbing products, etc.

The handling of steel pipes is realized either via wholesalers and construction companies (subcontractors), either directly by the manufacturing companies to the public and private sector (through participation in bids for material purchasing). The main clients of sector companies are construction companies, construction contractors, public works contractors, etc.

PRODUCTION

The Greek production of steel pipes regards exclusively welded steel pipes, while seamless steel pipes come from abroad and are mainly used in situations that require high pressure and temperature. The overall domestic production of steel pipes has registered fluctuations over the last decade. However, production has remained relatively high, due to the increased export activity. Specifically, domestic production more than doubled in 2018 compared to 2017. The skyrocketing production is due to the sector's leading company, which has undertaken a number of important projects (mainly underwater) in the eastern Mediterranean region, as well as the Interconnector between Estonia and Finland.

Large diameter steel pipes have accounted for nearly the total production in recent years. The production of small diameter steel pipes is low.

A relatively small number of companies hold the lion's share in the domestic production of steel pipes.

EXTERNAL TRADE

The total imports of steel pipes (welded and seamless) have registered fluctuations over the last decade. The largest quantities come from E.U. countries and mainly from Germany. As regards Third countries, significant quantities are imported from Turkey.

The overall exports of steel pipes (these actually regard welded steel pipes) have registered great fluctuations in recent years, due to fluctuations in the demand for projects abroad. Over the last year exports have registered a sharp rise, due to the increasing exports of the sector's leading company, which has undertaken a number of projects abroad for underwater pipelines.

In recent years, the majority of steel pipe exports have been directed to Third countries (U.S.A. etc.) as well as to E.U. countries.

DOMESTIC MARKET

The economic situation of the country over the last decade and its consequences (investments decline, significant decline in construction and building activity) have resulted in the shrinking domestic demand for steel pipes. The size of the domestic steel pipe market recorded a cumulative decline of 60% in the period 2008-2018. Welded steel pipes have accounted for more than 90% of total consumption in recent years.

Some businesses due to their inability to cope with the intense competition suspended their operation or stopped the activity under review. The leading industries of the steel pipe sector have now turned to foreign markets in order to boost their income, as they have high expertise. The leading company in the industry has taken over the supply of steel pipes to major construction / energy projects around the world.

The degree of import penetration has fluctuated over the last decade. Particularly, imports of steel pipes have increased in recent years accounting for 60% of the market in 2016.

SWOT Analysis

Strengths

- The involvement of large companies, with high investments in equipment, research and development.
- The intense extroversion of leading industries.
- The expanded product range in terms of size and scopes.

- The increased interest on the part of companies to obtain quality assurance certificates and to comply with international standards.

Weaknesses

- The relatively high operating costs of the production units.
- High transportation cost of goods.
- Intense fluctuations in the price of the main raw material (steel).

Opportunities

- The further increase of exports and the expansion of companies in the international market.
- The implementation of energy projects in Greece and abroad.
- Collaboration among sector companies and creating synergies to undertake large projects.
- Possible rapid recovery of the domestic construction industry.

Threats

- Possible further reduction in building - construction activity.
- Public investment contraction.
- The substitution of the assessed products by pipes made of other materials (e.g. plastic, aluminum).

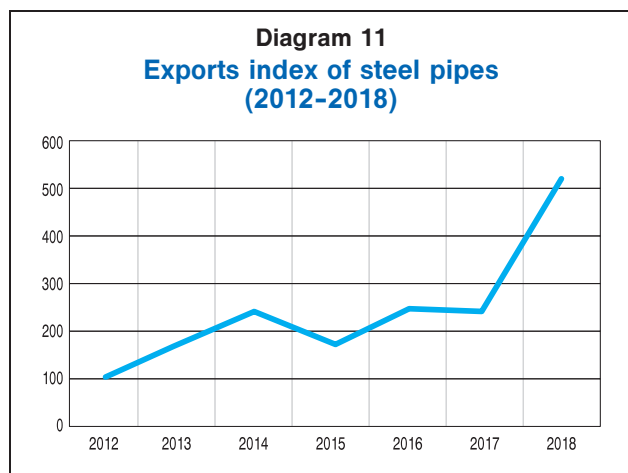
PROSPECTS

The sharp decline in building - construction activity (public / private), resulted in the decline of the domestic demand for steel pipes over the last decade.

The only way out for sector companies in order to increase their revenues is their entry in markets abroad, in order to undertake the procurement (as regards steel pipes) of large construction / energy projects.

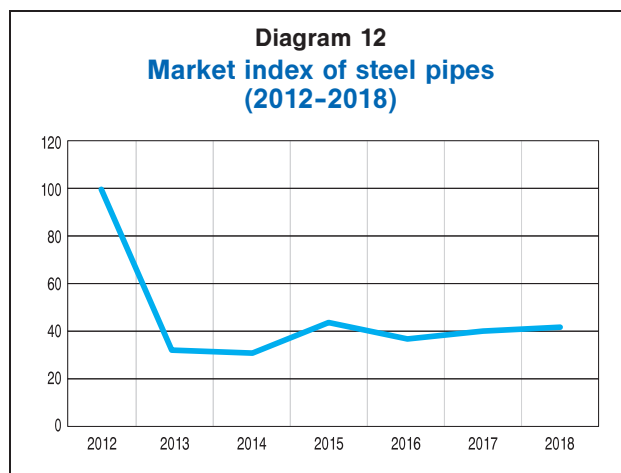
Given the prevailing market conditions, the prospects for the development of the domestic market of steel pipes in the following years are relatively limited and they are not expected to change significantly.

The demand for steel pipes may be revived if the planned energy projects (e.g. gas pipelines, etc.) in Greece and neighboring countries are realized.



2012=100

Source: Market estimates, ICAP S.A.



2012=100

Source: Market estimates, ICAP S.A.