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4. Development policies and sectors

4.1. Export prospects in the fruit and vegetable sector

Georgia Skintzi

4.1.1. International aspects of the fruit and vegetable sector

The fruit and vegetable sector is one of the most dynamic sectors in the international trade arena. International exports of fruits and vegetables reached \$223 billion in 2014, increased by 41% compared to 2010 and almost doubled during the last decade (in 2005 international exports were \$113).¹ The main exporting countries (based on the sum of their exports during the period 2010-2014) are the USA, China, Spain and the Netherlands. These four countries represent 37% of world exports of fruits and vegetables. Table 4.1.1 presents the export value of fruits and vegetables of the ten main exporting countries² and Greece. Among

the ten main exporters are traditional competitors of Greece, such as: Spain, Italy and Turkey. Greece is ranked between the 21st and the 23rd position, in the global ranking, over the period 2010-2014.

The ten main exporting countries present positive growth rates on average as far as the value of exports of fruits and vegetables is concerned. Impressive growth rates are recorded for the USA, China and Mexico, as shown in Table 4.1.2. The average annual growth rate of exports in the USA is 9.6%, in China and Mexico over 10%, while in Greece it is 4.3%, over the period 2010-2014. The value of exports of fruits and vegetables decreased in 2012 in most of the countries under investigation with the exception of the USA and Spain. Global exports also decreased in 2012, while Greek exports remained stable. It should be noted that Greek exports decreased in 2014 by 1.7% (compared to 2013) for the first time during the five-year period under examination (2010-2014).

The main importers of fruits and vegetables are the USA (\$28 billion) and Germany (\$21.8 billion) as shown

TABLE 4.1.1 Value of fruit and vegetable exports (in billion \$) of the ten largest exporters and Greece

	2010	2011	2012	2013	2014
USA	17.8	20.3	22.2	24.2	24.8
China	16.0	19.1	18.4	20.1	20.5
Spain	15.1	16.2	16.6	18.8	19.0
Netherlands	14.6	17.1	16.4	18.5	18.6
Belgium	8.5	9.4	9.2	10.5	9.7
Italy	8.7	9.3	8.9	9.6	9.6
Mexico	7.6	8.7	8.6	10.0	10.7
Turkey	6.2	6.7	6.6	6.9	7.6
France	6.1	6.7	6.3	6.9	6.6
Germany	5.2	5.9	5.7	6.5	6.5
Greece	2.1	2.3	2.3	2.5	2.4

Source: UN Comtrade.

1. The data used are from the UN Comtrade database. It should be noted that for the year 2014 data regarding a number of countries, whose total exports account for 4% of the world exports, have not been incorporated.

2. The ranking of countries is based on the sum of their exports during the period 2010-2014.

TABLE 4.1.2 Fruit and vegetable exports rate of change for the ten main exporting countries and Greece

	2010	2011	2012	2013	2014	Average annual growth rate
USA	13.3	13.7	9.6	8.8	2.4	9.6
China	30.5	19.6	-3.7	9.2	2.0	11.5
Spain	0.6	7.1	2.7	13.2	1.2	4.9
Netherlands	6.2	17.0	-4.4	12.7	1.0	6.5
Belgium	-2.1	10.0	-2.5	14.8	-7.5	2.5
Italy	9.3	6.0	-3.8	7.3	0.5	3.9
Mexico	13.6	15.6	-1.2	15.4	7.5	10.2
Turkey	15.0	8.8	-2.1	4.9	10.0	7.3
France	7.2	9.8	-6.3	9.6	-4.0	3.3
Germany	-1.8	13.6	-3.4	13.6	0.2	4.4
Greece	7.8	7.2	0.1	8.3	-1.7	4.3

Source: UN Comtrade, own calculations.

TABLE 4.1.3 Value of imports of fruits and vegetables for the ten main importing countries (in billion \$)

	2010	2011	2012	2013	2014
USA	20.9	23.6	24.6	26.4	28.2
Germany	17.9	20.3	19.8	21.9	21.8
UK	12.0	13.3	12.7	14.1	14.4
France	11.2	11.9	11.9	13.2	13.1
Netherlands	9.0	11.1	10.9	11.9	12.2
Russia	9.1	10.8	10.3	10.9	10.0
Japan	8.0	9.4	10.0	9.3	9.0
Canada	7.7	8.7	9.0	9.6	9.9
Belgium	6.8	7.6	7.3	8.8	8.4
China	4.2	5.5	6.9	7.4	8.6

Source: UN Comtrade.

in Table 4.1.3 (countries are ranked based on the sum of their imports during the period 2010-2014). The USA, Germany, France, the Netherlands, Belgium and China are in the list of the top ten exporters and the top ten importers. As shown in Table 4.1.4, the main importing countries present a positive rate of change of their exports during the five-year period 2010-2014. China presents the highest average annual import growth rate, which is 22.8%. Russia also records a high average annual import growth rate of 7.5%. Nevertheless, it should be noted that in 2014 Russia recorded the highest year-on-year decline in imports of fruits and vegetables over

a ten-year period (2005-2014); this could be attributed to the Russian embargo on imports from EU countries that started in August 2014.

4.1.2. Greece's performance in the international trade arena

In this section the performance of Greece in the ten largest importing countries is presented. Tables 4.1.5 and 4.1.6 illustrate the value of imports of fruits and vegetables from Greece as far as the top ten import-

TABLE 4.1.4 Fruit and vegetable imports rate of change for the ten main importing countries

	2010	2011	2012	2013	2014	Average annual growth rate
USA	1.9	12.8	4.3	7.4	6.7	6.6
Germany	2.9	13.6	-2.5	10.2	-0.5	4.8
UK	5.8	11.4	-4.7	10.8	2.6	5.2
France	2.6	6.3	-0.1	10.9	-1.1	3.7
Netherlands	4.1	24.0	-2.1	9.8	1.8	7.5
Russia	25.1	18.7	-4.2	5.4	-7.8	7.5
Japan	11.7	17.1	6.8	-6.7	-3.3	5.1
Canada	11.2	12.4	3.8	6.5	3.2	7.4
Belgium	-5.7	12.7	-4.2	20.2	-4.3	3.7
China	32.7	32.5	25.5	7.2	16.2	22.8

Source: UN Comtrade, own calculations.

TABLE 4.1.5 Value of fruit and vegetable imports from Greece for the top ten importers (in million \$)

	2010	2011	2012	2013	2014
USA	130.1	143.8	138.6	160.9	178.0
Germany	439.4	431.8	400.7	443.3	436.1
UK	177.9	201.7	169.0	191.4	204.0
France	63.9	75.4	69.9	74.9	70.6
Netherlands	94.3	119.7	110.0	120.9	116.5
Russia	143.0	197.6	265.1	256.0	186.2
Japan	9.1	12.4	14.1	14.4	11.3
Canada	30.7	38.1	36.8	37.1	40.7
Belgium	24.9	28.2	31.5	36.5	34.5
China	1.1	1.0	2.7	4.5	3.9

Source: UN Comtrade.

ers are concerned and their rate of change. Tables 4.1.7 and 4.1.8 illustrate the market share of Greece and its rate of change. Germany is the most important export destination of Greek fruits and vegetables, both among the ten largest fruit importers and among all trading partners of Greece. Germany is followed by Russia, the UK and the USA. The average annual rate of change of imports from Greece (for the five-year period 2010-2014) is positive for all ten countries concerned, but it should be noted that in 2014 imports from Greece decreased for seven countries (exceptions are the USA, the UK and Canada). High growth rates of imports from Greece are observed in China

(five-year average annual growth rate 39.4%), Russia (22.9%) and Japan (10.6%). It should be highlighted that in China (a very large and growing market) imports from Greece exhibit large fluctuations. Moreover, the Russian embargo seems to have affected Greek exports since the imports of Russia from Greece have dramatically decreased, by 27.4%, in 2014.

The market share of Greece in the top ten fruit and vegetable importers is relatively small. On average (over the five-year period 2010-2014) Greece exhibits the largest market share in Germany (2.2%), Russia (1.9%), the UK (1.4%) and the Netherlands (1%). Although the value of Greek exports of fruits and vege-

TABLE 4.1.6 Rate of change of the value of fruit and vegetable imports from Greece for the top ten importers

	2010	2011	2012	2013	2014	Average annual rate of change
USA	9.9	10.6	-3.6	16.1	10.6	8.7
Germany	5.2	-1.7	-7.2	10.6	-1.6	1.1
UK	9.9	13.3	-16.2	13.2	6.6	5.4
France	3.1	18.0	-7.4	7.2	-5.7	3.0
Netherlands	-2.5	26.9	-8.1	9.8	-3.6	4.5
Russia	73.1	38.1	34.2	-3.4	-27.3	22.9
Japan	22.6	36.5	13.9	1.9	-21.7	10.6
Canada	-3.2	24.4	-3.4	0.7	9.9	5.7
Belgium	-25.8	13.4	11.7	15.9	-5.6	1.9
China	-23.4	-6.4	174.9	65.0	-13.1	39.4

Source: UN Comtrade, own calculations.

TABLE 4.1.7 Greek share of fruit and vegetable imports for the top ten importers (%)

	2010	2011	2012	2013	2014
USA	0.62	0.61	0.56	0.61	0.63
Germany	2.45	2.12	2.02	2.03	2.00
UK	1.49	1.51	1.33	1.36	1.41
France	0.57	0.63	0.59	0.57	0.54
Netherlands	1.05	1.08	1.01	1.01	0.96
Russia	1.58	1.83	2.57	2.35	1.86
Japan	0.11	0.13	0.14	0.15	0.12
Canada	0.40	0.44	0.41	0.39	0.41
Belgium	0.37	0.37	0.43	0.42	0.41
China	0.03	0.02	0.04	0.06	0.05

Source: UN Comtrade.

tables increased over the five-year period 2010-2014, Greek market shares decreased in most of the top ten importers (Table 4.1.8). Therefore, it seems that Greece cannot take advantage of the growth that these markets exhibit and improve its market share. The efforts of Greece to improve its export performance should be twofold: strengthen its market share in the new and dynamic markets such as Russia, China and Japan and maintain its market share in traditional markets such as Germany, the UK and the Netherlands.

4.1.3. Analysis of the Greek exports of fruits and vegetables

In this section the course of Greek exports of fruits and vegetables over the decade 2005-2014 is presented. Fruits and vegetables represent over 35% of agricultural exports,³ on average, during the decade under examination (Table 4.1.9). In 2014 fruit and vegetable exports corresponded to 39.7% of agricultural exports. As shown in Table 4.1.9 the global economic crisis be-

3. As agricultural products are defined, the 0,1 and 4 single-digit classification of the Standard International Trade Classification (SITC rev. 3).

TABLE 4.1.8 Rate of change of the Greek share of fruit and vegetable imports for the top ten importers

	2010	2011	2012	2013	2014	Average annual rate of change
USA	7.8	-2.0	-7.5	8.1	3.6	2.0
Germany	2.3	-13.5	-4.8	0.3	-1.1	-3.4
UK	3.9	1.8	-12.1	2.2	3.9	-0.1
France	0.5	11.0	-7.3	-3.4	-4.7	-0.8
Netherlands	-6.3	2.4	-6.1	0.0	-5.3	-3.1
Russia	38.3	16.4	40.1	-8.4	-21.1	13.0
Japan	9.8	16.6	6.6	9.1	-19.0	4.6
Canada	-12.9	10.6	-6.9	-5.5	6.5	-1.6
Belgium	-21.3	0.6	16.6	-3.6	-1.3	-1.8
China	-42.3	-29.3	119.1	54.0	-25.2	15.2

Source: UN Comtrade, own calculations.

TABLE 4.1.9 Value of the Greek fruit and vegetable exports (in billion \$), rate of change and share

Year	Exports in billion \$	Rate of change	% of agricultural exports
2005	1.34	19.3	35.7
2006	1.51	12.1	36.1
2007	1.79	18.6	38.7
2008	2.25	25.8	38.2
2009	1.97	-12.4	36.4
2010	2.12	7.8	38.8
2011	2.28	7.2	37.5
2012	2.28	0.1	38.6
2013	2.47	8.3	39.0
2014	2.43	-1.7	39.7

Source: UN Comtrade, own calculations.

comes apparent in 2009 when the Greek exports of fruits and vegetables declined significantly by 12.4%. During the next four years (2010-2013) Greek exports of fruits and vegetables increase at a slower pace compared to the year before the economic crisis (2005-2008), while in 2014 exports decrease again by 1.7%. The average annual export rate of change for the decade 2005-2014 is 8.5%, while the average annual export rate of change for the five-year period 2010-2014 is 4.3%. Compared with its main competitors (Spain, Italy and Turkey) Turkey seems to perform better than Greece, the average annual export growth rate of Turkey is 8.7% over the

decade 2005-2014 and 7.3% over the five-year period 2010-2014. On the contrary, Greece, compared to Italy, exhibits higher growth rates of exports of fruits and vegetables (the average annual export growth rate of Italy is 6.1% over the decade 2005-2014 and 3.9% over the five-year period 2010-2014). Compared to Spain, Greece exhibits a higher annual export growth rate over the decade 2005-2014 and a lower annual export growth rate over the five-year period 2010-2014 (the average annual export growth rate of Italy is 5.3% over the decade 2005-2014 and 4.9% over the five-year period 2010-2014). In contrast with Greece, none of the

FIGURE 4.1.1
Annual rate of change of fruit and vegetable exports of Greece, Spain, Italy and Turkey

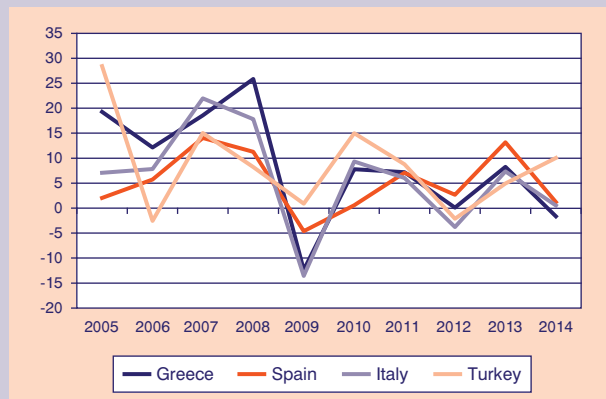


TABLE 4.1.10 Share of Greek exports of fruits and vegetables to the top ten export destinations

	2010	2011	2012	2013	2014
Germany	21.8	20.3	19.0	20.5	19.6
UK	8.4	8.8	7.7	7.9	8.3
Russia	4.2	5.6	8.5	7.4	5.0
USA	5.6	5.7	5.7	6.3	7.0
Bulgaria	4.6	5.3	5.3	5.8	5.8
Romania	5.9	6.0	4.5	4.8	4.9
Italy	5.6	5.0	4.4	4.4	5.1
Netherlands	4.8	4.8	4.1	4.2	3.8
Poland	3.8	3.6	3.3	3.7	3.6
France	2.8	3.0	3.0	3.0	2.9

Source: UN Comtrade.

three countries discussed in this section showed a decline in exports in 2014. Figure 4.1.1 illustrates the annual rate of change of fruit and vegetable exports of Greece, Spain, Italy and Turkey.

Germany is by far the largest export destination of Greek fruits and vegetables (20% of exported fruits and vegetables goes to Germany). Table 4.1.10 presents the percentage of Greek exports of fruits and vegetables that goes to the top ten export destinations (ranking is based on the sum of exports during the period 2010-2014). As shown in Table 4.1.11 Greece has a significant market share only to the two Balkan

TABLE 4.1.11 Greek market share in the top ten export destinations

	2010	2011	2012	2013	2014
Germany	2.45	2.12	2.02	2.03	2.00
UK	1.49	1.51	1.33	1.36	1.41
Russia	1.58	1.83	2.57	2.35	1.86
USA	0.62	0.61	0.56	0.61	0.63
Bulgaria	22.85	28.46	31.83	30.39	25.80
Romania	10.12	11.50	10.27	12.85	11.38
Italy	2.20	1.95	1.84	1.72	1.95
Netherlands	1.05	1.08	1.01	1.01	0.96
Poland	2.93	2.86	2.56	2.86	2.35
France	0.57	0.63	0.59	0.57	0.54

Source: UN Comtrade, own calculations.

countries (Bulgaria and Romania), in the remaining countries under consideration the Greek market share is low. Moreover, the Greek market share decreases in the western and central European countries but it increases in the USA, Russia, Bulgaria and Romania during the five-year period 2010-2011.

4.1.4. Conclusions

In 2014 Greek exports of both fruits and vegetables and agricultural products have decreased for the first time since 2009. The Russian embargo contributed to the decline of exports but exports to other trade partners declined, too. Preliminary data for 2015 are encouraging despite the capital controls imposed and the fact that the Russian embargo continues. According to provisional data by ELSTAT agri-food exports increased by 15% in the first eleven months of 2015 compared to the first eleven months of 2014.⁴

The economic crisis seems to have undermined the Greek exports of fruit and vegetables. While the Greek market share increases in large and dynamic markets such as the USA, Russia, China and Japan and in neighboring countries such as Bulgaria and Romania, it declines in traditional European markets such as Germany, the UK, Italy, the Netherlands, Poland, France and Belgium. Therefore, the targeting of Greece should be twofold: reinforce its presence in the large and growing markets and retain its market share in the traditional European markets.

4. Press release Panhellenic Exporters Association, 7 January 2016.