CBI MARKET SURVEY

The Natural Stone and Stone Products Market in Greece

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments in the natural stone market in Greece. The information is complementary to the information provided in the CBI market survey 'The Natural Stone and Stone Products Market in the EU', which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.eu/marketinfo.

Note: In the chapters about consumption and production, we refer to 3 product groups:

- Blocks and Slabs
- Landscape design
- Monumental and Funeral

The last group (Monumental and Funeral) is an aggregate of 2 sub products groups that will be addressed separately in the Import/ Export section: Flooring and Cladding and Funeral and other arts. For more explanation about the product group segmentation, please refer to the Appendix A of the CBI survey 'The Natural Stone and Stone Products Market in the EU'.

1 Market description: consumption and production

Consumption and industrial demand

- Greece consumed approximately 5,978 thousand million tonnes of natural stone in 2004, of which 298 thousand tonnes of finished products with a total of € 97 million (Reminder: no value data for Blocks and Slabs).
- Greece is a middle-sized consumer accounting for 7% of the total consumption volume of the EU 25 countries. The biggest consumers are: Italy (50%), Spain (18%) and Germany (9%) Nevertheless, Greece does have one of the highest marble and granite consumption rates in the EU with an average of 1.5 square metres per inhabitant.[1]
- Looking strictly at the consumption of finished products, Greece only accounts for 1% of the total EU consumption. Italy, Spain, France and the United Kingdom account for 30%, 19%, 11% and 10% respectively.
- Compared to 2003, Greek consumption in terms of value went up by 2% in 2004. However the average price of consumed stone dropped slightly.

Table 1.1 Greek consumption in 2004 split into product categories, value in € million; volume in 1,000 tonnes

	2003		2004	
Product group	**Volume**	**Value**	**Volume**	**Value**
Blocks and Slabs	5,340	n.a.	5,680	n.a.
Landscape design	6	1	9	0.5
Monumental and Funeral	287	94	289	97

Source: Eurostat (2006)

- Greece has shown a stable economic growth over the years and forecasts are positive for the future. In 2007 an economical growth of 3.9% is expected and in 2008 4%.[2] The annual turnover of the construction industry, the largest consumer of stone in Greece, contributes to 16% of the country's GDP. An annual growth of 5.9% is expected until

[1] Source: Stonereport
[2] Source: Greek Ministry of Economy and Finance

2012.[3] Both developments are foreseen to have a positive impact on the demand for natural stone.

Production

- In 2004, the Greek production of natural stone represented 5,986 thousand tonnes, of which 349 thousand tonnes of Monumental and Funeral products with a total of € 136 million (reminder: no value data for Blocks and Slabs). Figures indicate that Greece does not produce any products falling in the product group Landscape Design.
- The production of Blocks and Slabs, in terms of volume, increased by 5% between 2003 and 2004. Volume decreased with the same percentage. However, the average price of finished products increased slightly.
- Greece is a middle sized natural stone producer in the EU accounting for 8% of the total produced volume of the EU 25 countries and 2% of the total value. In comparison, Italy, Spain, France and the United Kingdom account for 44%, 23%, 7%, and 6% respectively.

Opportunities and threats

\+ Growth of the Greek stone consumption will continue in coming years.

\- Due to increased competition prices of consumed stone have dropped over the years. This development is expected to continue into the future.

Please refer to chapter 7 of the CBI survey 'The Natural Stone and Stone Products Market in the EU' for more opportunities and threats.

2 Trade channels for market entry

The most important trade channels in Greece are:

- Wholesaler/importers: buy their natural stone directly from supplying countries. The market is dominated by a few large companies:
  - Papagiannoulis John Bros: http://www.papagiannoulis.gr
- Retailers: mainly buy from wholesaler/importers; however large retailers are also known to buy from supplying countries directly.
- Natural stone processing industry: buys from wholesalers/importers or depending on the size of the company directly from supplying countries. After processing these companies mainly supply to retailers and consumers.
  - Pavlidis (quarry owner and processor): http://www.pavlidismg.gr/
- Other: major companies (e.g. building) or governmental organisations buying directly from supplying countries for large building projects.
  - Ministry of Development: http://www.ypan.gr

3 Trade: imports and exports

Imports

- In 2005, Greece imported a total of € 65 million worth of intermediate and finished natural stone products which represented a total of 411 thousand tonnes.
- Between 2002 and 2005 the volume of imported natural stone increased with 73% and the value with 56%. Imports grew with an annual growth rate of 16%.
- Greece is increasingly importing finished stone products with a higher added value. The average price of imports is nonetheless dropping.

[3] Source: Capital Link

Table 3.1 Greek imports in 2005 split into different product categories

Product category	Share %
Blocks and Slabs	54
Landscape design	1
Flooring and Cladding	22
Funeral and Other Art	23

Source: Eurostat (2006)

- Only the imports of the product category Landscape Design decreased between (-12%) between 2002 and 2005. Imports of all other product categories increased significantly; Funeral and Other Art (164%) Flooring and Cladding (60%) and Blocks and Slabs (32%).
- Greece is one of the smaller EU importers accounting for 2% of the total value of EU imports. The European top 5 importers in value are Italy (17%) of total EU imports of natural stones), Germany (16%), the UK (15%), France (13%) and Spain (9%).
- The increase of Greek consumption has mainly benefited the import of stone. Greek production has only seen a slight overall expansion and is therefore falling behind. Greece is becoming more dependent on stone from abroad and especially from developing countries (DC).
- In 2005 Greece, in terms of volume, imported 87% of all its stone products from DC. In terms of value however DC accounted for 80% of Greek imports.
- The market share of DC has gone up by 10% between 2002 and 2005. Moreover, the price of imported stone from DC has gone up slightly.
- The most significant DC exporting to Greece are Turkey (23%), Macedonia (20%), China (8%), India (6%), Syria (5%), Morocco (4%) and Egypt (4%).

Exports
- In 2005, Greece exported a total of 359 thousand tonnes of natural stone with a value of € 105 million.
- Between 2002 and 2005, the total value of Greek exports fell with 4%. Volume decreased by 7%. In other words, the average price of exported natural stone has dropped.
- Greek exports consisted of Blocks and Slabs (33%), Flooring and Cladding (25%) and Funeral and Other Art (42%).

Opportunities and threats

\+ The price of imported stone from DC has gone up slightly offering opportunities for suppliers of high quality natural stone and suppliers of products with a high added value.

Please refer to chapter 7 of the CBI survey 'The Natural Stone and Stone Products Market in the EU' for more opportunities and threats.

Useful sources
- EU Expanding Exports Helpdesk: http://export-help.cec.eu.int/ ➔ go to: trade statistics
- Eurostat – official statistical office of the EU: http://epp.eurostat.cec.eu.int ➔ go to 'themes' on the left side of the home page ➔ go to 'external trade' ➔ go to 'data – full view' ➔ go to 'external trade - detailed data

4 Price developments

- The price of natural stone has been dropping globally because of more efficient extraction technologies and more suppliers being active on the global market. The Greek market is no exception. Increased competition has made the prices drop in all areas of trade relevant for suppliers from DC and in both product categories, especially in that of Finished Products. It is not clear whether this development will continue in coming years.

- Listed below are three general websites that include price data for the EU market:
  - http://www.findstone.com
  - http://www.stonesource.com
  - http://www.stone-network.com

5 Market access requirements

As a manufacturer in a developing country preparing to access Greece, you should be aware of the market access requirements of your trading partners and the Greek government.
For information on legislative and non-legislative requirements, go to ‘Search CBI database’ at http://www.cbi.eu/marketinfo, select natural stone products and Greece in the category search, click on the search button and click on market access requirements.

Detailed information on packaging can be found at the website of ITC on export packaging: http://www.intracen.org/ep/packaging/packit.htm

Information on tariffs and quota can be found at http://export-help.cec.eu.int/

6 Doing business

Information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) and cultural differences can be found in CBI’s export manuals ‘Export Planner’, ‘Your image builder’ and ‘Exporting to the EU’. These can be downloaded from http://www.cbi.eu/marketinfo - go to search publications. For more information on doing business in Greece, visit the following websites:

Useful sources
- Floor and Cladding Covering Fair 2007: http://www.dapedofair.gr/index_en.htm
- Marmin 2007 (Exhibition of Marble, Stone, Minerals, Machinery and Equipment): http://www.helexpo.gr/portal/default.aspx?lang=en-US&loc=gr&page=430

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