

## CBI MARKET SURVEY

## THE FRESH FRUIT AND VEGETABLES MARKET IN LUXEMBOURG

Publication date: October 2006

**Introduction**

This CBI market survey gives exporters in developing countries information on some main developments in the fresh fruit and vegetables market in Luxembourg. The information is complementary to the information provided in the CBI market survey 'The fresh fruit and vegetables 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.nl/marketinfo>

**1. Market description: consumption and production****Consumption**

With a population of 455 thousand people in 2005, Luxembourg is the second smallest country in the EU, after Malta. It is also the most affluent country with the highest GDP per caput in the EU. In 2005, fruit consumption was 64 thousand tonnes, an increase of 23% compared to 2001. Vegetables consumption amounted to 40 thousand tonnes, an increase of 8% over the same period.

**Production**

Luxembourg is one of the smallest producer of fruit and vegetables of the EU. In 2005, fruit production was 36 thousand tonnes (FAO 2006). Since 2001, fruit production has increased by 50%, mainly due to a growth in apple production. Grapes, mainly used for producing wine, had the largest share in total production (64%), followed by apples with 30%.

In 2005, production of vegetables was 17 thousand tonnes of almost entirely mushrooms.

**Trends**

The food market is characterised by a strong demand for high-quality products. Luxembourg consumers, who come from many different countries, are interested in new and exotic food products.

**Opportunities and threats**

Production of fruit and vegetables is very limited and Luxembourg therefore depends heavily on imports. There is a clear demand for many exotics and off-season products, but total market size is very small.

**Useful sources**

- USDA, Foreign Agricultural Services. <http://www.fas.usda.gov>
- FAOSTAT, Statistical Database on Agricultural Production - <http://faostat.fao.org>
- Rural Economic Service of Ministry of Agriculture of Luxembourg - <http://www.ser.public.lu>

**2. Trade: imports and exports****Imports**

Luxembourg is a small importer of fresh fruit and vegetables to cover its internal demand. In 2005, fruit imports amounted to €46 million and 30 thousand tonnes, 0.3% of total EU import value (Eurostat 2006). From 2001 to 2005, import value of fruit increased by 8%.

94% of total value was imported from other EU countries; 6% of the imports came from developing countries.

The main imported fruits in 2005 were bananas, tangerines, grapes, apples and oranges. Belgium was by far the largest supplier of these fruits, followed by France and the Netherlands. The main fruits imported from developing countries were pineapples, passion fruit, carambola and pitahaya (Table 2.1). Ghana and Kenya were the main suppliers of these fruits.

In 2005, vegetables import was €43 million and 25 thousand tonnes, 0.4% of total EU import value. From 2001 to 2005, import value of vegetables increased by 21%. In 2005, 94% of total import value in 2005 came from other EU countries while 6% came from developing countries.

The vegetables with the largest import values in 2005 were tomatoes, beans, and onions and shallots. Belgium and France were the main suppliers. The main vegetables imported from developing countries were beans and peas, which were supplied by Kenya.

**Table 2.1 Luxembourg import from developing countries and leading supplying countries with their market share, by import value in thousand euro (€)**

Total fruit	6% of total import value 2005	
<b>Products</b>	<b>DC imports</b>	<b>Leading DC suppliers</b>
Pineapples	1,894	Ghana (98%), Ivory Coast (2%)
Passion fruits, carambola, pitahaya	474	Kenya (97%), Ghana (3%)
Papayas	316	Ghana (100%)
Total vegetables	6% of total import value 2005	
<b>Products</b>	<b>DC imports</b>	<b>Leading DC suppliers</b>
Beans	1,857	Kenya (100%)
Peas	610	Kenya (100%)

Source: Eurostat 2006

## Exports

Exports of fruit by Luxembourg amounted to €3.2 million and 2.2 thousand tonnes in 2005, 0.03% of total EU export value (Eurostat 2006). The main exported fruits were pineapples and passion fruit, carambola and pitahaya.

In 2005, exports of vegetables amounted to €5 million and 2 thousand tonnes, 0.06% of total EU export value. From 2001 to 2005, exports of vegetables increased by 30%. Beans and peas were the main products in exports.

## Opportunities and threats

Due to the limited market size, import quantities are small. Luxembourg is a land-locked country and therefore direct imports from developing countries are transported by air or forwarded by other countries as transit trade. Direct imports are limited to high value products such as beans, peas and minor exotic fruits. These products are re-exported in small quantities to mainly Belgium.

Exporters from developing countries are advised to also look at those countries that supply fruit and vegetables to Luxembourg (Belgium, France and the Netherlands).

## Useful sources

- EU Expanding Exports Helpdesk - <http://export-help.cec.eu.int/>
- Eurostat – official statistical office of the EU - <http://epp.eurostat.cec.eu.int>
- Luxembourg Portal of Public Statistics - <http://www.statistiques.public.lu>

### 3. Trade structure

Multiple retailers in Luxembourg are Belgian or Luxembourg owned. They typically have their own buying groups that manage imports of fruit and vegetables. The largest multiple retailers and buying groups are:

- Delhaize Group – <http://www.delhaizegroup.com> –, purchasing FFV through the Provera buying group – <http://www.provera.fr>
- Colruyt – <http://www.colruyt.be> –, purchasing through Colruyt's own buying group
- Cactus – <http://www.cactus.lu>

### 4. Prices

From 2003 to 2005, the average import price of fruit increased by 2%, to €1.53 per kg. The average price of fruit imported from developing countries increased by 8%, to €1.22. The price levels and developments of selected products from developing countries were: pineapples -6%, €1.11; passion fruit, carambola and pitahaya -3%, €3.42; papayas +2%, €0.84.

Over the same period, the average import price of vegetables decreased by 5% to €1.17 per kg. The average price of vegetables imported from developing countries increased by 7% to €2.99. Price levels and developments of selected products from developing countries were: beans stable, €2.75; peas stable, €3.87.

For price information, please refer to Market New Service 'Fresh Tropical and Off-Season Fruit and Vegetables' of the International Trade Centre (Belgian market) – [www.p-maps.org/mns](http://www.p-maps.org/mns). Alternatively, importers and agents can also give up-to-date information on the price levels of individual products.

### 5. Market access requirements

Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country government. Requirements are defined through legislation and labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. For more information go to 'Search CBI database' at <http://www.cbi.nl/marketinfo>

For fresh fruit and vegetables, the reduced value-added tax (VAT) rate of 3% is applicable.

### 6. Business practices

For information on doing business in Luxembourg, please refer to the Chamber of Commerce Luxembourg - <http://www.cc.lu>

### 7. References

Eurostat. 2006. Statistical Office of the European Communities, COMEXT database on external trade, available at <http://fd.comext.eurostat.cec.eu.int/xtweb/>.

FAO. 2006. FAOSTAT, Statistical Database on Agricultural Production. Available at <http://faostat.fao.org>.

This survey was compiled for CBI by Mercadero in collaboration with Bureau Leeters.

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