CBI MARKET SURVEY

THE CUT FLOWERS AND FOLIAGE MARKET IN GREECE

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments on the market for cut flowers and foliage in Greece. The information is complementary to the information provided in the CBI market survey 'The market for cut flowers and foliage 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

- The Greek market for cut flowers is relatively small. Consumption of cut flowers and foliage in Greece amounted to € 179 million in 2005. This is 2.4% less than in 2004, but 4.2% more than in 2001. Over the long term, Greek consumption has experienced stable growth. However, in 2003, growth stopped.
- Per capita consumption in Greece is low compared to other EU countries. The average consumer spends € 16 annually on flowers. The market is characterized by a high penetration level and a low purchasing frequency.
- The most popular flowers are Rosa, Lilium, Dendranthema, Gerbera and Dianthus. Gerbera and Dianthus are perceived as standard, cheap and simple flowers. The taste for Rosa is classical. Consumers regard them as good for presents. Lilium is unusual, refined, modern and expensive. Greek consumers prefer to purchase flowers in mixed bouquets. Mixed bouquets accounted for 48% of the florists' turnover in 2002. Mono-bunches accounted for 27% and compositions for 24%. Note that florists generally sell more mixed bouquets than other sales channels.

Production

- The Greek production of cut flowers and foliage is underdeveloped. Plans exist to improve quality control and spread production better over the seasons. A lower interest rate is expected to lead to more investments in the sector. However, wholesalers doubt this will happen.
- A total of 1,444 companies is active in flower and plant production in Greece and approximately 478 hectares were assigned to the production of cut flowers in 2002. Most of the area is used for the production of Dianthus or Rosa. Other flowers produced in Greece are Dendranthema, Gladiolus, Dahlia and Tulipa.

Trends

- The number of producers and the production area for cut flowers and foliage are decreasing.

Opportunities and threats

- As domestic production is underdeveloped, Greek wholesalers are open to imports and have developed the competencies to do so. They already import most products from The Netherlands.

Useful sources

- Interflora florists: http://www.interflora.gr/ukindex.phtml
- Kitantzis Plants: http://www.kitantzi.gr
- Papanikolaou Nurseries: http://www.plantsflowers.gr

2. Trade: imports and exports

Imports

- Greece is a small EU importer of cut flowers and foliage. Greece is the 14th largest EU importer of cut flowers and foliage, accounting for 0.7% of total EU imports. Its total imports increased by 46% between 2001 and 2005, amounting to € 23.3 million in 2005.
- Greece's main suppliers are The Netherlands (74%), Italy (7%) and Israel (3%).
- Developing countries account for 13% of the supply of cut flowers. This is quite substantial, compared to other EU countries of similar sized import markets. The developing countries' supply increased by 11% annually in the period 2001-2005, amounting to € 2.9 million in 2005.
- Greece sources flowers in a wide variety of different developing countries. The main suppliers are Turkey (3%) and Malaysia, Colombia and India, the latter three accounting each for 2%. Turkey and Colombia experienced the largest growths in their supplies of cut flowers and foliage; 432% and 30% annually respectively.
- Developing countries hold an exceptional high share in the supply of Dianthus to Greece. They account for 83% of the supply of Dianthus, valued at € 1.2 million in 2005. The main suppliers are Turkey (45%) and Colombia (32%). Furthermore, developing countries account for significant shares in the supply of Orchids (33%), amounting to € 551 thousand, and the supply of foliage (54%), amounting to € 292 thousand.
- The largest product groups imported into Greece are 'other fresh cut flowers', with imports increasing by 15% annually, amounting to € 10 million in 2005. Imports of Dendranthema increased annually by 13% amounting to € 3.6 million in 2005.

Exports

- Greece's exports of cut flowers and foliage are very small. Until recently, there were no exports but this has increased in the period reviewed: from € 267 thousand in 2001 to € 530 thousand in 2005. Greece is a net-importer of cut flowers.
- Greece's exports are mainly composed of Dianthus (€ 211 thousand) and 'other fresh cut flowers' (€ 181 thousand).
- The main export destinations are Bulgaria and Cyprus. More than three quarters of Greece's exports is destined to these two countries.

Opportunities and threats

- Although exports and imports are growing, the market for cut flowers and foliage in Greece remains small compared to other EU countries.
- Opportunities for developing country suppliers could exist, as their share in Greece imports is growing continuously. Also, Greece sources its cut flowers in a wide variety of different developing countries.

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

3. Trade structure

- Wholesale markets perform an important function in the distribution of flowers in Greece. There is also a number of large importers with good facilities, mostly importing directly from The Netherlands. 98% of importers purchase from exporters in The Netherlands. 52% purchases from growers at wholesale markets, 34% from exporters other than The Netherlands, 30% from wholesalers at wholesale markets and 25% from growers outside the wholesale markets.
- Greek wholesalers are increasingly threatened by exporters in The Netherlands supplying directly to retailers. Partly in response to increased competition, Greek wholesalers have become organised in an association (http://www.kase.gr/).

- Florists dominate the retail market in Greece, accounting for 76% of flower sales in 2002. Markets account for another 21%. Supermarkets and other large retailers do not yet play a significant role. Nevertheless, florists are expected to increase in scale.

4. Prices

- There are no sources giving specific information on prices and price development in the Greek market. In general, price development is in line with other European markets. As in many other countries, The Netherlands auctions set the price for most flowers sold in the Greece. This is particularly true, because many of the flowers traded in Greece pass through the auction system or have been supplied by Netherlands wholesalers. Refer to the VBN statistical yearbook for average prices paid for the products auctioned: http://www.vbn.nl.
- In 2002, 49% of mixed bouquets had a value of € 15 or less in retail. 34% had a value of € 15 to € 30 and 17% was worth more than € 30.

5. Market access requirements

- Growers in developing countries should be aware of the market access requirements of their trading partners and the country government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.
- The general VAT rate in Greece is 19%. The VAT rate generally applied to flowers is 9%.
- For more information, go to ‘Search CBI database’ at http://www.cbi.nl/marketinfo

6. Business practices

Trade associations

- Cooperation of Greek Floriculturists Associations: http://www.kase.gr

Trade press

- Interflora: http://www.interflora.gr

This survey was compiled for CBI by ProFound – Advisers in Development and Milco Rikken of ProVerde in collaboration with Mr. Jan Lanning.