

Buyers

FACTSHEET



**CONSUMER
PRODUCTS**

in Greece

Introduction

Greece has been continuously making remarkable efforts to strengthen its position and establish global presence in one of the most important sectors for global trading, i.e. consumer products. Although this sector has a wide variety of product categories, given the country's strengths and the market needs, currently, there is an increasing focus on three key sub-sectors:

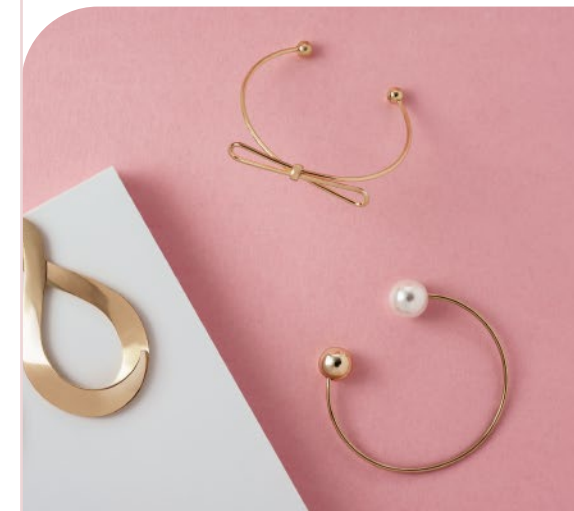
- A. Fashion & Apparel,
- B. Personal care & Cosmetics and
- C. Jewelry

State of Play

The sub-sectors mentioned above are well established in Greece, with multiple international players, solid business activity growth and increasing success rates. Specifically, **more than 6.600 companies** are currently active in Greece in these sectors. From a sample of **142 companies** with annual revenue over €1 mil. in the last available financial year (2021 or 2020)¹ and available data regarding operating profitability, **~70%** reported **positive operating results** during that year, despite general economic instability during the COVID-19 crisis. Even in 2021, after the major part of the crisis, early data shows that the sector is quickly recovering, as leading companies have reported revenue growth of over 5% overall from 2020 to 2021, while also maintaining positive profitability.

¹According to ORBIS database.

Companies in the sub-sectors under review have been leveraging the country's competitive advantage to retain their trading strengths and further enhance their general trading activity. As far as export activity is concerned, the companies have managed to not only **maintain** their export activities on the already **established network**, but also **expand to new geographies**. Overall, Greece has established a **strong worldwide network**, by maintaining its focus on the EU while also working towards expansion to other continents. Specifically, **France, South Korea and Libya** were the **fastest growing** export markets in 2019-2020, according to the center for research and expertise on the world economy (CEPII).



General sources of **competitive advantage** in exports for the sectors under review indicatively include:

- **High product relatedness.** CEPII's complexity-relatedness metric compares the risk against the strategic value of a country's potential export opportunities. Relatedness is predictive of the probability that a country increases its exports in a product, and complexity is associated with higher levels of income, economic growth, less income inequality and lower greenhouse emissions. For the three selected consumer goods sub-sectors, Greece has a high relatedness, indicating **low product complexity** and **high potential for export growth**.

- **Flexible production and supply.** The fact that most of the leading companies **partly produce** in self-owned manufacturing facilities in Greece and **partly outsource production** through contract manufacturing abroad has been proven to be an appropriate risk-mitigation strategy, especially in crisis periods such as the ones related to COVID-19 and recent Russian-Ukrainian war. This strategy is further strengthened by parallel **imports** of products from third parties, thus- on aggregate- ensuring cost optimization as well as ability to continuously supply their customers, even in case of supply chain emergencies.

- **A strong road and maritime supply chain network.** Facilitated by solid infrastructure, the strong water and road transport activity of the country strengthen the country's efforts to enhance trade of goods. According to Eurostat, in 2019 over 194 million tons of goods handled in all **ports (#9 in the EU)** and approximately 354 mil. tons were handled in **road freight transport (#10 in the EU)** in Greece. It should be noted that Piraeus has been the fourth largest port in Europe, in terms of total container for three consecutive years (2019-2021), while privatizations have taken place for Thessaloniki port in 2018 and are planned for other main Greek ports. On the other hand, the road network of Greece is one of the most developed in Southeast Europe and has been recently enhanced, with construction of Ionian Highway (2017), connecting regions of Western Greece with the rest of the country, upgrade of the Athens-Thessaloniki section (2021) and several other planned projects in Central Greece, Crete and other regions.

- **Reforms that enhance strategic investments and international positioning.** Through new **RRP reforms and loan facilities**, the Greek government is forming a legal framework and the required funding schemes to enable companies to scale up, become more competitive, expand to new markets, strengthen exports, digitalize processes, improve operational efficiency and invest on R&D to become more innovative. Specifically, these grants and loans amount to approximately €240 mil.



Fashion & Apparel

In Greece, fashion and apparel is an important sector that is constantly growing in value and expanding in new product categories. It currently has strong presence not only in men's and women's clothes, but also in kids' clothes, footwear and clothing accessories.

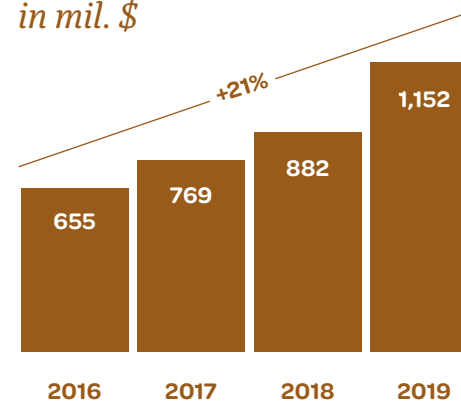
More than **4,500 companies** comprise this sector in Greece. According to data available on Orbis database, **110** of these companies **exceeded revenue of €1 mil.** in the last available financial year.

Exports in Fashion and apparel have increased at a **CAGR** (compound annual growth rate) **of 21%** over the 2016-2019, showing a tremendous growth potential. Export value exceeded \$1 bil. in 2019. In particular, the **highest growth** was recorded in the **footwear category**, with total exports growing by 56% over the 2018-19 period.

Given the potential and the rising business activity in this sub-sector, Greece has created a worldwide network of exports with focus on Europe. Indicatively, **Italy, Spain, France, Germany, and the UK** account for **more than 40%** of total exports. However, North America and Asia have a steadily growing share over the last years.


Leading players in this category are **exporting** on average **30%** of their **total sales**. It is also important to note that out of the top 10 players in revenue, **three** are exporting **over 80%** of total production, by offering from ready-to-ship products to completely tailored solutions based on the buyer's needs.

Value of Clothing exports, in mil. \$



Source: World Trade Organization





Greece's unique selling proposition

- **Unique, timeless design.** Greece has an endless source of inspiration through the country's history, mythology and design principles and patterns. Products inspired by these sources are globally recognized and they are constantly gathering more and more interest in the global market
- **Skilled craftsmanship/traditional techniques.** Greece has a great history regarding the craftsmanship in this field. Sandal-making, weaving, leather and fur products and embroidery are some of the key skills in the country with more than 600 years of experience and local, traditional techniques that add great value to the product and produce output of strong identity.

- **High quality of products.** The combination of unique design and craftsmanship capabilities has led to the global recognition of multiple Greek brands as high quality. This can be demonstrated by the fact that several leading firms have won multiple domestic and **international awards** for outstanding performance (Superbrand award, Marketing Excellence Awards etc.), while also maintaining all required international quality certifications, such as the ISO-related ones.

- **Well-established and expanding sales network.** Currently, Greek companies in this sub-sector benefit from a strong export profile, through a **robust and growing commercial network** all over the world, with primary focus on Western European countries (>40% of total exports as mentioned above), which are characterized by **higher disposable** income per capita, allowing for more premium product positioning. Expansion in promising markets, such as the UAE (e.g. Dubai) has also been noticed recently. The **breath of sales channels** utilized by the Greek companies is also an advantage, as they may offer their product selection both through established partnerships with key wholesalers and retailers abroad as well as through the operation of their own flagship stores in several cases.



Personal care & Cosmetics

According to ELSTAT, approximately **150 companies** in Greece were engaged in manufacturing of personal care products and cosmetics in 2019. Companies specializing in this field offer a very wide selection of products.

Larger size of companies and potential for economies of scale in this sub-sector are evident from the fact that more than 35 companies exceeded €1 mil. sales in the last available financial year. In addition, **top 5 companies** have a **very strong international presence**, with sales and marketing all over the world.

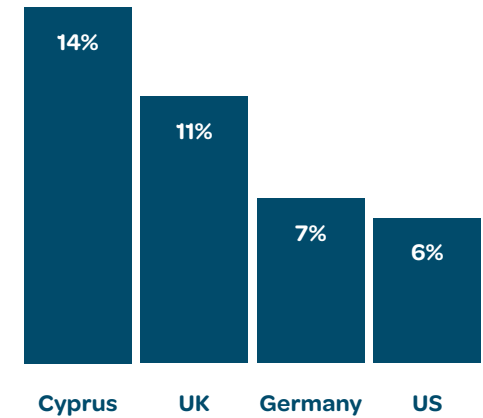
Aligned with the sector's overall production value growth, **export value** of the sub-sector has grown by 25% for the 2016-2019 period, amounting to around **\$320 mil.** in 2019. All leading players are **exporting over one third of their production** on average across the world.



Skin care and hair care are the two **top export categories**, accounting for 72% and 14% of total exports respectively. Within a worldwide-established commercial network, **Cyprus, the UK, Germany and the US** account for almost 40% of total exports, with several of the sector leaders having recently increased their exports in some of these countries at double digits.


Furthermore, based on the CEPII relatedness metric, this sector has one of the **strongest probabilities to grow its exports**.

Split of personal care & cosmetics exports by country, (%)



Source: OEC

B



Greece's unique selling proposition

- **Natural ingredients.** With more than 6,000 plant species 1,000 of which are native to the country, Greece offers a unique opportunity to use some of the best raw materials, such as olive oil, yoghurt and honey, to create high-quality unique products with beneficial properties.

- **Products of premium quality recognized globally.** Greek brands in this field strongly focus on creating safe and high-quality products for the consumers. Each product launch is associated with a numerous number of tests that ensure quality and safety. Tests conducted before launch are approved by all countries, making exports easier and safer. Quality is also recognized by domestic and **international awards** such as Prix de Beauté Beauty Product Awards, Best in Pharmacy awards and others. Greece is gaining more and more attention in this sub-sector worldwide, as a large share and customers abroad is familiar with the Greek brands and maintains **high levels of trust** for these products.

- **Wide product selection & multiple distribution channels.** One of the key differentiation factors for the Greek brand abroad is the great variety of products that the leading companies in the sector offer, including more than 10 different product categories that create a **complete product portfolio**, which -in turn- enables these companies not only to form **strong collaborations with leading retailers worldwide** but also distribute their products in **multiple distribution channels** that cover all market needs, including hotels, spas, e-commerce, travel retail, experience stores, mass retail as well as the fast-growing channel of selective distribution and pharmacies.

- **Continuous improvement & further growth opportunities.** Boosted by current expansion of commercial presence in both local and international markets, top players in personal care and cosmetics have been constantly **re-investing** a significant share of their sales in **R&D activities and operational efficiency**, thus continuously enhancing their potential and staying on the edge of technology. Through this process, they offer up-to-date products that can compete against global brands. Furthermore, M&A deals, such as the acquisition of a Greek-sector leader by a large Spanish cosmetics group in 2021, not only clearly demonstrate the **increasing interest** of foreign players in globally recognized Greek brands but can also provide **commercial network and funding opportunities** for the acquired companies.

Jewelry

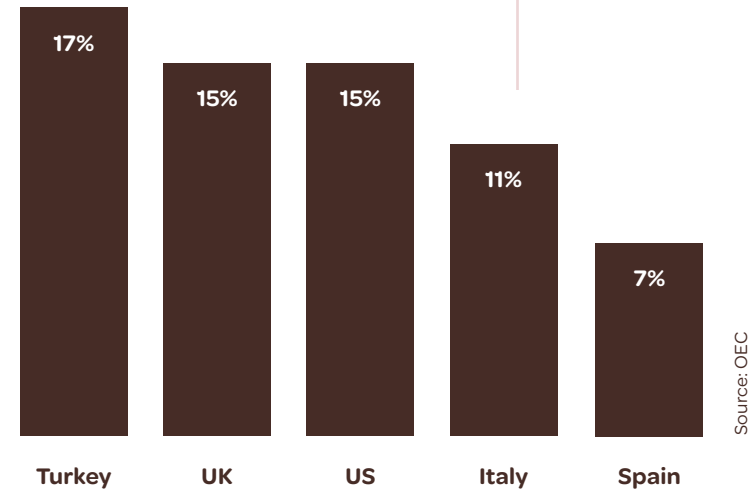
Jewelry sector has been growing in Greece over the last years, creating a significant momentum regarding investments, production and exports. In 2019 the total **export value** of the sector amounted to \$65 mil. (including imitation jewelry), with a CAGR of **8,4%** within the 2016-2019 period.


Regarding export destinations, it is important to note that this sector enjoys a global commercial network incorporating different continents. **Turkey** has the largest share with **17%**, with **the UK** and **the US** following with **15% each**.

Turkey and the UK reported significant year-over-year export value **growth rates of 72% and 34%** respectively from 2018 to 2019.

These findings clearly demonstrate that there is currently a **significant growth momentum and opportunity for new collaborations** for this consumer product sub-sector.

Share of jewelry exports by country, (%)





Greece's unique selling proposition

- **Unique, timeless design inspired by strong cultural heritage.** For this sub-sector, there is also an unlimited inspiration, arising from the **Greek history, mythology and design principles.** Some of the leading brands in this sector are recognized worldwide for their classic designs, inspired by the country's cultural heritage.

- **Skilled craftsmanship combined with experience in modern delivery.** Apart from clothing, Greece has an extensive experience and **craftsmanship of over 3,500 years in goldsmith and metallurgy,** being able to create unique jewelry pieces. Multiple jewelry workshops in Greece focus on the creating pieces with traditional techniques, yet they are also working on the delivery of final output that combines a strong historical identity with relevance and **customization for the modern world.**

- **Strong positioning in premium quality products.** Given the extensive and well-known experience of the top leading Greek players in this sector, products' branding is mainly associated with special design and **top quality.** The fact that most of these players have at least one **boutique store in a metropolitan city abroad,** strengthens the country's positioning and familiarizes international customers with the branding and the high standards of design and quality.

