



Foreign Agricultural Service

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## Greece

### Product Brief

### Greek Wine Market

## 2003

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#### **Report Highlights:**

**Greece is a \$430 million wine market with wine consumption on an upward trend.**

**Greece, the host of 2004 Olympics, expects tourism to reach 25 million people at the time of the Games, providing marketing opportunities for US wines.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
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**General Information:**

Greece is an import dependent country (\$3.5 billion of agricultural products in 2001, of which \$118 million originating from the US), with a population of 11 million people. Greece is among the most popular tourist destination in the world receiving about 12.5 million visitors per year. The per capita GDP in 2002 is estimated at \$12,450. Greece is using its position as host of the 2004 Olympic Games to undertake numerous improvements. Driving much of this development is the tourist industry, which is expected to grow to 25 million visitors at the time of the games. The HRI sector will need to double its supplies before the start of the Olympics to meet the increase demand. This presents good potential for U.S. food and beverages, including wine.

**Market Overview:**

The value of the Greek wine market is estimated at 382 million euros or equivalent to 310 million liters in volume, including bottled and bulk wine. The quality of Greek wine industry has improved recently, while production has declined. Trade sources report that the Greek wine-making industry has made significant strides both in the field of vineyard cultivation as well as in vinification. CY 1996 Greek wine production was 4,109,000 HL, while 2000 was 3,551,000 HL and 2002 was 3,100,000 HL. Red wine products is reported to have better market potential than white wine due to climatic and soil conditions in Greece. Moreover, Greek white wines face tougher competition by European and third country origin wines. Greece is relatively a small wine producer compared to its European counterparts. In 2002, EU wine production totaled 152,655,000 HL while Greece produced 3,100,000 HL.

The Greek National Statistical Service provisional data report that CY 2001 wine imports amounted \$19.4 million. The top wine exporters to Greece in 2001 were France (\$5 million) and Italy (\$10.7 million). US exports amounted \$77,000. Greece's CY 2002 wine imports amounted to \$42.5 million (mainly from France - \$32.3 million) and from Italy (\$4.5 million). US exports amounted \$30,000 in 2002.

Considering the limited local production and the high production cost, Greek wines cannot easily compete with imported wines. Greek wine-making companies are especially concerned about the entry of new-wine products coming from Chile, Argentina, the U.S., South Africa, and Australia which are very good wines that are sold at low prices. These wines can be found in discount supermarkets, which are usually priced lower than French and Italian wines. Wine traders in Greece also point out that wine from these countries is sometimes sold in bulk and bottled in Europe and re-exported at even cheaper prices. These products usually consist of lower quality wine which is produced industrially, and not according to viticultural traditions and practices.

In 2002, Argentina, Chile, Australia, North Africa, New Zealand and the US have increased their market share in Europe from 2% in 1981 to 15% in 2000.

| <b>Advantages</b>   | <b>Challenges</b>  |
|---|--|
| HRI and retail trade is expanding in conjunction with the Olympics    | U.S. exporters are not fully aware of the existing market opportunities in the Greek market. |
| There is a growing interest among Greek consumers for imported wines. | High marketing costs to increase consumer awareness.   |

### **Consumption:**

Wine consumption is on an upward trend both in terms of quantity and more importantly in quality. The per capita consumption is 26 liters with 86% of Greek population drinking wine 3.2 times per week. Men between the ages of 30-44 years old (usually in the upper class) are reported to be the top consumers. 42% of the consumers prefer bottled wine. Greeks consume a lot of locally produced wine and have gradually learned about imported wines, including the inexpensive imported products sold in discount stores. Greeks purchase wine mainly from wine/liquor specialty shops (63%) and from supermarkets (52%). Greeks generally prefer red wine (54%) over white wine (40%). The remaining (6%) represents pink wine consumption.

### **Competition:**

The main competitors of U.S. wine exporters to Greece are the French and Italian. Chile, Australia and North Africa are also becoming formidable competitors. The U.S. companies currently exporting to Greece include Gallo, Wente, Mondavi and Kendall Jackson.

The following is a sample of average prices for locally produced and imported wines sold in specialty wine shops in the Athens area.

| <b>Description</b>                  | <b>Origin</b> | <b>Euro</b> |
|-------------------------------------|---------------|-------------|
| Mantinia Antonopoulos (White)       | Greek         | 7.20        |
| Katogi Averof (red)                 | Greek         | 7.80        |
| Gerovasilou Fume 2002               | Greek         | 12.50       |
| Megas Oinos, Red 1999               | Greek         | 13.50       |
| Palaio Kelari, Nemea (Red)          | Greek         | 15.60       |
| Napa Valley Chardonnay              | US            | 34.50       |
| Meursault Blank 2000                | France        | 36.00       |
| Koonunga Hill Chardonnay (White)    | Australia     | 11.90       |
| Woodbridge Cabernet Sauvignon (Red) | US            | 12.00       |
| Merlot 2001                         | Argentina     | 4.60        |
| Chateau Moulin De La Grave 2000     | France        | 5.60        |
| Cabernet Sauvignon 1998             | S. Africa     | 7.40        |
| Cordillera                          | Chile         | 19.90       |
| Greco di Tufo                       | Italy         | 17.50       |

A medium category Greek wine is priced between 7.00-10.00 euros.

**Distribution/Importing Procedure:**

Greece, as a member of the European Union complies with EU regulations regarding wine imports. Products complying with the terms, regulations and provisions of the Food Code and harmonized with EU regulations, do not require special permits in order to be imported and marketed in Greece. As for other food and beverage products, the key to success in the Greek marketplace is to connect with an experienced agent who will undertake the importing procedures and provide an extensive sales network. A duty of 2.8% cif is imposed on imported wines, while there is 18% VAT on the retail price.

**Key Contacts**

For additional information and a list of private sector contacts, please contact the Foreign Agricultural Service Office in Athens at the following address:

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