COUNTRY FACT SHEET:

SPAIN

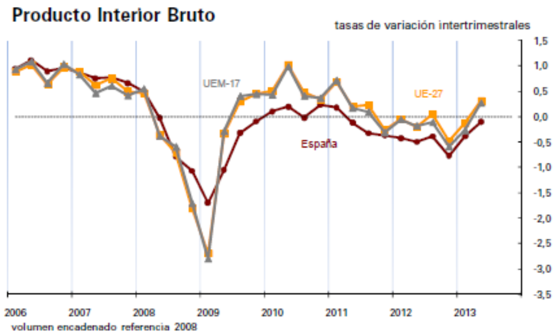
General information

Capital: Madrid
Surface area: 505.992 km2
Official language(s): Spanish
Currency: Euro
Trading language(s): Spanish

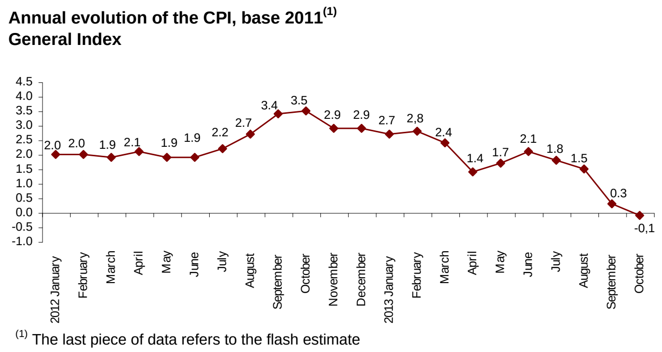
Population: 46, 7 million (2013)
Unemployment rate: 25,98 (2013)
Households: 17.391.500 (2013)
Average household size: 2,6 (2013)

Key macroeconomic indicators

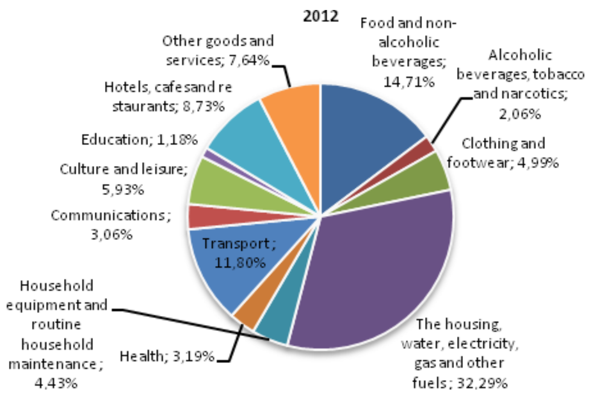
GDP growth



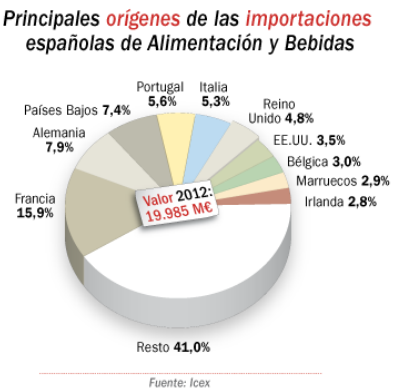
Consumer and food price inflation



Consumer spending breakdown



Principal import sources food & drink



Food industry structure

- Spanish Food and Drinks Industry had in 2012 a turnover of 86.298 million euros.
- First industry in Spanish Economy accounting for a 10% of GDP
- Composed of 30.000 companies (96,2% of which are "pymes" –small and medium-), employing 439.675 people or 20% of manufacturing workforce
- Food and Drinks exports reached in 2012, 22.078 million euros, while imports went to 19.052 million eur.

Grocery retail structure

- High fragmentation of the Spanish Trade channels is the main feature. 65% of consumption takes place in-home while 35 out-of-home
- Top 6 chains account for over 62% of total grocery Modern Retail Market
- Retail environment dominated by Supermarkets: 50% Small/Traditional Supermarkets, 47% Big Supers, 2,4% Hypermarkets.
- Almost 50% of the sector is handled by foreign companies. French and German chains heavily present in Spain: **Hypermarkets / Supermarkets**: *Carrefour, Auchan*; **Discount Stores:** *Lidl, Dia*; **Cash & Carry**: *Makro*
- Food Service highly attractive despite decline in consumption due to changing habits. 300.000 outlets for on-premise consumption.
- Impulse & Convenience growing fast in last 5 years up to 120.000 outlets. Difficult to evaluate.
- On-line purchasing still relatively low market share.

FEVIA Vlaanderen Federatie Voedingsindustrie

Compiled by Green Seed Spain (www.greenseedgroup.es/)
November 2013
Sources: I.N.E., Eurostat, Alimarket and Spanish Ministry of Agriculture

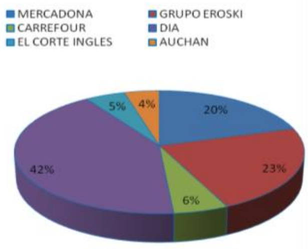
green seed where brands grow

COUNTRY FACT SHEET:

SPAIN

Major grocery retailers

Group	No. of stores -2012-	Food turnover 2012 (in m. EUR)	Market share (%)	Employees #	Positioning
A MERCADONA	1.411	17.522	20,30	74.000	Total buying experience with EDLP
B CARREFOUR	385	8.030	11,90	28.777	Assortment and satisfaction
C DIA	2.925	4.317	11,70	19.392	Proximity discount
D EROSKI	1.571	5.890	9,90	39.862	Adapted locally
E ALCAMPO	301	4.487	5,90	16.400	Price and Assortment



Foodservice structure

- High Fragmentation: 250.000 outlets recognised by Nielsen to 350.000 by FERH
- Almost 95% of the sector is handled by individuals or family owned businesses. Remaining 5% with ZENA, VIPS, RESTALIA, etc.
- Route-To-Market: Distribution environment dominated by local/regional players
- Heavy pressure on margins: increase of Private Label brands, cooking solutions, ready to serve products, flexible working patterns, etc.

Main food shows

- **ALIMENTARIA** - Barcelona (31 March to 3 April)every 2 years in April, international food and drinks trade show.
- **SALÓN DE GOURMETS** Madrid (10, 11, 12 y 13 de marzo de 2014). International Fine Food & Beverage Fair, leader in the Spanish delicatessen sector and one of the world's most renown trade fairs of its kind
- **FENAVIN** - Ciudad Real every 2 years. The Spanish wine industry's most important global trade fair
- **MILLESIME** – Madrid, annual.
- **FRUIT ATTRACTION** once a year (October). Fruit and Vegetables Trade Show

Main trade magazines

- Publicaciones **Alimarket**, S.A. market lider in Spain. Daily and monthly magazine. Annual Reports.
- **Mercasa** edits Distribución y Consumo, bimestral
- **ARAL-**Monthly magazine and web page
- **Trade Spain** and Trade Latin America are published by Market Intelligence Ltd, which also publishes Eurofruit Magazine.

Consumer behaviour today & expected food trends – Opportunities for Flemish food exporters

- **Healthy eating & nutritional** products: development of products offering well being, balanced diets, healthy positioning, gluten-free …
- **Convenience :** covering all categories of products, Convenience is an in-depth trend which can revolutionize a market (E.g : lunch solutions for the Ready meals category)
- **Organic market** +**Natural products** are a growing trend. Consumers are demanding products which promote simple manufacturing processes along with a simple marketing message.

EVALUATION OF MARKET AND OPPORTUNITIES

- Food in Spain is, after housing, the main expenditure for consumers (25% of total spending) with a per cap. consumption of 2.193 eur/head
- Spanish buyers are open to products from abroad as long as they bring something new to the category. Main imports: vegetables, fish products, dairy. Tourists market is highly attractive
- Huge potential in retail, seeking for innovation, which is highly fragmented (5 major players only 55 % of som) mostly due to the regionalization of consumption patterns
- Good balance between branded products and private labels (58% vs 42% approx.)
- Purchasing/logistics are very efficient but Route-to- Market complicated due to trade structure and regionalization

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