



European Commission

DG ENTR Consumer Goods Directorate

# EUROPEAN FOOD INDUSTRY

## Worldwide Competitiveness of the European food industry: *Facts and perspectives*

CAOBISCO CONFERENCE  
Brussels  
27 May 2008

Mr Miguel Garcia Navarro  
European Commission  
Food Industry

# EUROPEAN FOOD INDUSTRY

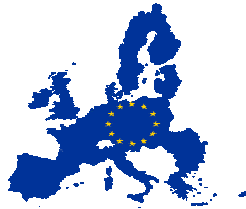
- Food Sector: Biggest sector in Europe



- More than 90% of companies are SME's

## EUROPEAN FOOD INDUSTRY

*Europe is the largest exporter as well as importer of food products with a positive trade balance*



3

## EUROPEAN FOOD INDUSTRY

Today, the world is changing...

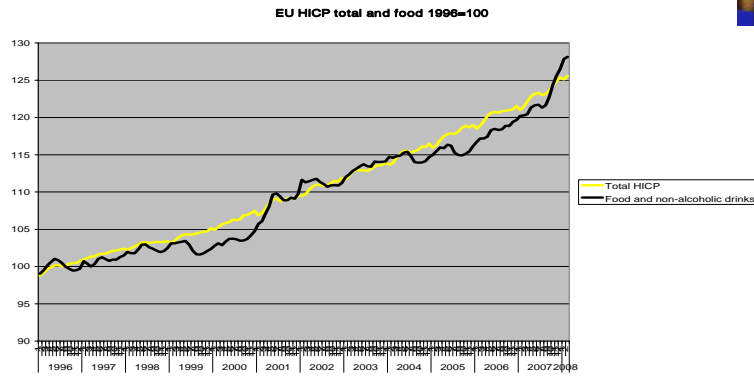
- Globalization
- Population changes
- Consumers' needs and tastes are modified
- Demand for high quality products at affordable prices



4

## EUROPEAN FOOD INDUSTRY

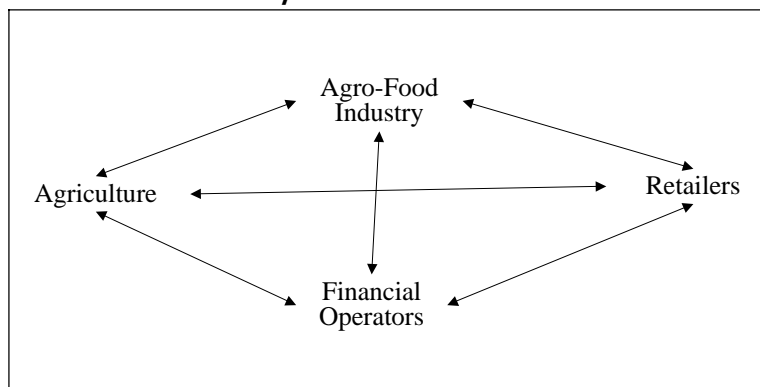
- Prices are increasing:



5

## FOOD CHAIN

*There are multiple interactions:*



6

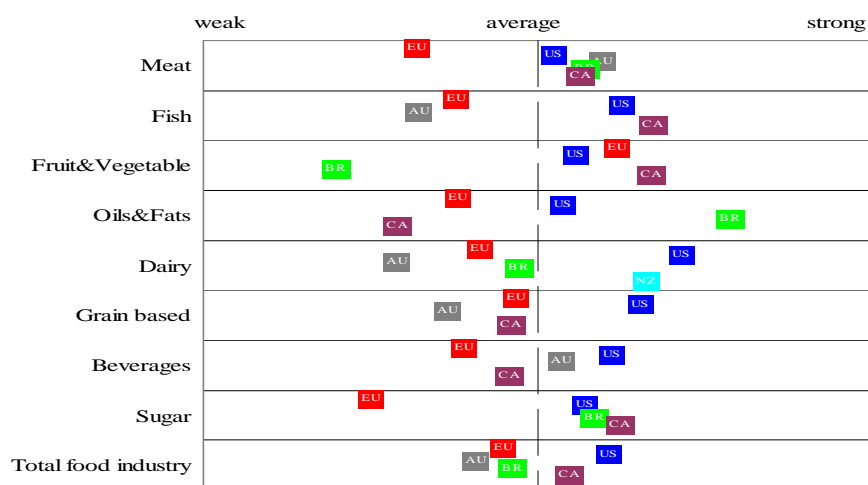
## COMPETITIVENESS

- Lots of constraints that need to be balanced.

The European food industry is highly *competitive*, but competitiveness is a relative good and if we look at the indicators, it might be the case that we are going down with respect to the worldwide competitors.

7

## Competitiveness of the sub-sectors



## SWOT-ANALYSIS

- **STRONG POINTS**
  - SME and cultural differences
  - Sector is able to attract capital, labour
  - Competitive industry
  - Export & import oriented
- **WEAK POINTS**
  - Small scale (room for efficiency)
  - Low labour productivity



9

## SWOT-ANALYSIS

- **OPPORTUNITIES**
  - Exploit economies of scale
  - *Lisbon-agenda related:*
    - Exploit economies of scope: high value
    - Segmentation
    - Health issues
    - New technologies for product differentiation

10

## SWOT-ANALYSIS

- THREATS
  - Population remains stable within EU
  - Retail becomes large scale (buying power)
  - Pre-market approval procedures hurt innovation
  - Enterprise policy
  - Agricultural policy
    - High prices and sourcing raw materials limited
    - Export refunds reduction, ...a transition facility?

11

## Weaknesses of the Food Industry

- Decrease of global world exports
- Difficult access to Raw material
- Heavy and complex regulatory framework
- Sustainable development

12



## COMPETITIVENESS

- Regulatory Environment
- Enterprise Policy
  - Lisbon Process
  - SME's Support incl. Access to Finance, European Enterprise Network
- Innovation
- Instruments
  - HLG: access to raw materials, food chain structure and regulatory framework.

13



Thank you!  
For your attention