Recent developments in the competitiveness of the EU food & drink industry

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Key figures of the EU food & drink industry

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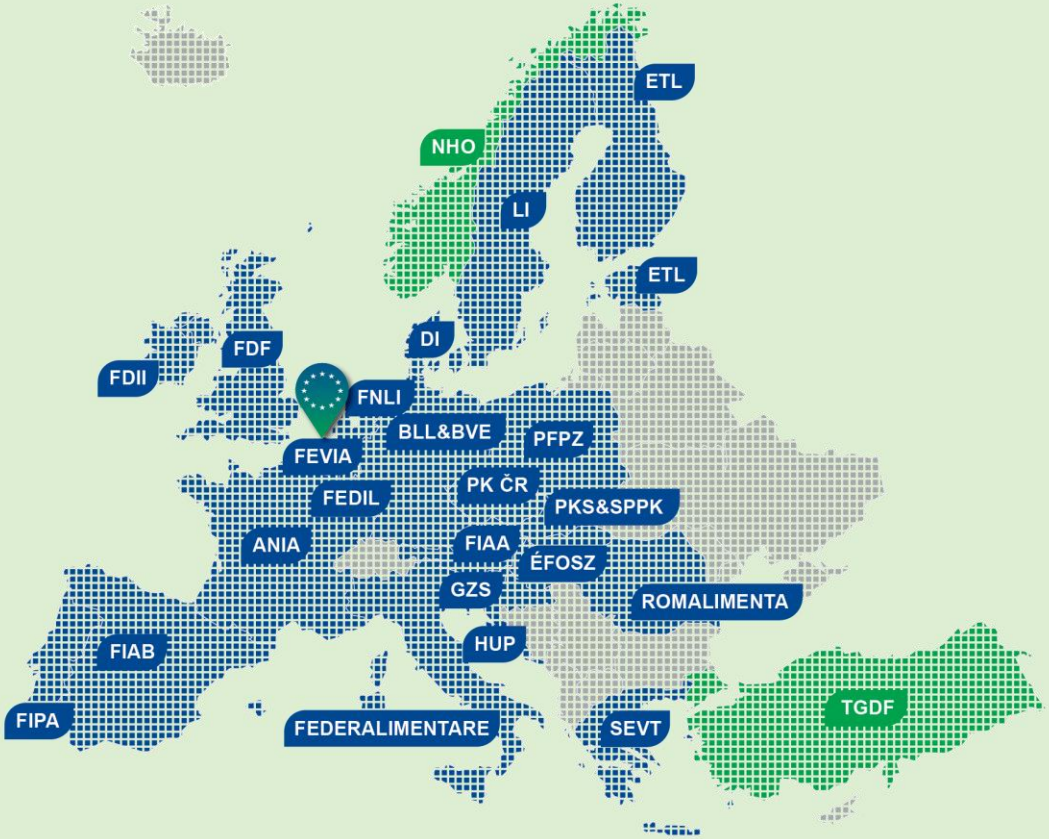
affordability

25	2 OUT OF 25	26	19
National Federations	Observers	European Sector Associations	Large companies



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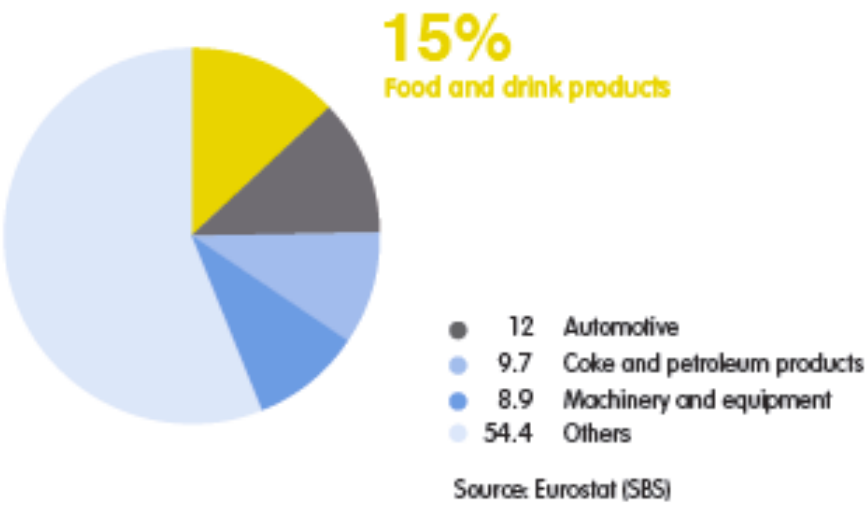
choice

F&D industry: a major contributor to the EU economy

More than €1.2 trillion turnover[1]

Largest manufacturing sector in the EU

Share of turnover in the EU manufacturing industry (2012,%)

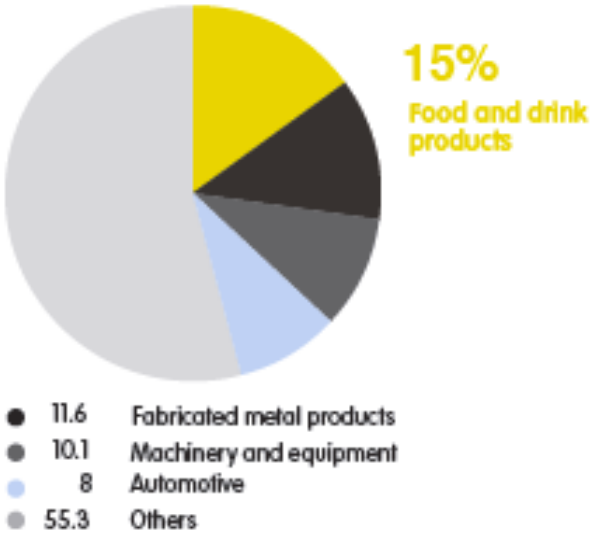


Source: Eurostat (SBS)

4.2 million jobs[1]

Leading employer in the EU

Share of employment in the EU manufacturing industry (2012, %)



Source: Eurostat (SBS)

[1] 2013 data

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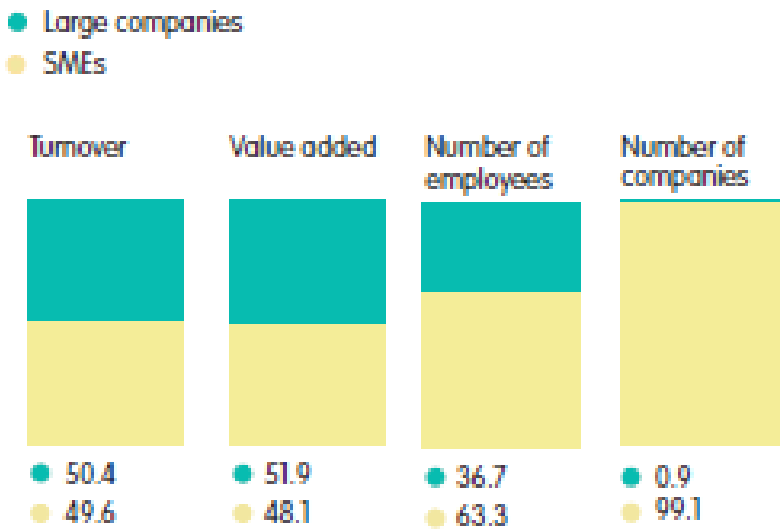
F&D industry: a highly diversified sector

The EU F&D industry is made of large companies and SMEs

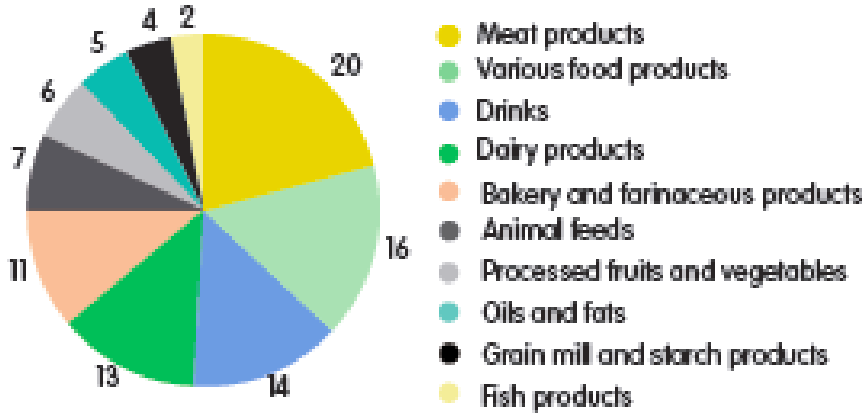
Contribution of SMEs and large companies to the EU food and drink industry (2012,%)



Source: Eurostat (SBS)

Sectors range from meat and dairy products to processed fruit & vegetables and drinks

Turnover of the food and drink industry sub-sectors (2012, %)



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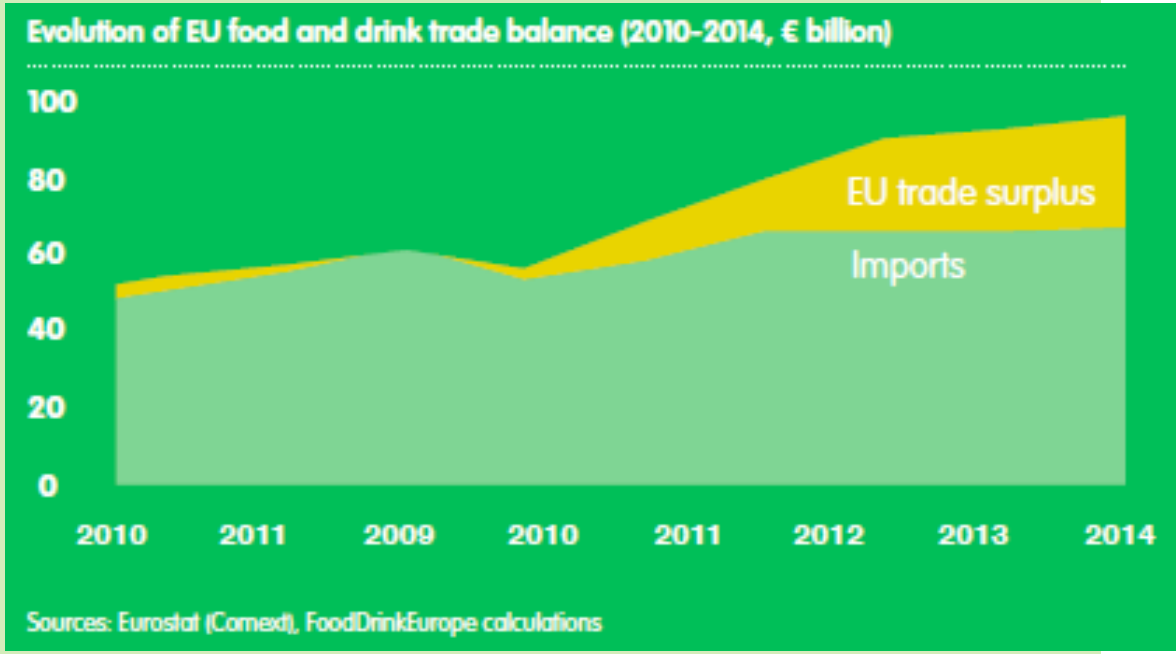
safety

EU F&D industry: a positive trade balance

Extra EU trade in F&D

- EU exports *2 over the past decade
- Exports: €91.7 bln
- Imports: €64.1 bln
- Balance: +€27.6 bln



2014 data

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EU food & drink industry's competitiveness worldwide

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employment

Food & Drink industries worldwide

Distribution of turnover, number of employees and companies in food and drink industries worldwide (2012/2013)

	Turnover (€ billion)	% of total manufacturing turnover	Employees (1,000)	Number of companies
EU	1,244	15	4,220	289,000
China[1]	767	11	6,740	400,000
USA	578	13	1,414	25,798
Japan	466	12	1,427	59,458
Brazil	169	22	1,626	32,000
Mexico	102	12	793	170,000
Russia	99	15[1]	1,300[2]	43,016
India	95	9	1,700	36,881
Canada	72	16	288	6,526
Australia	62	23	220	7,507
South Korea	32	6	179	23,929
New Zealand	27	47	81	3,302

[1] 2011 data
[2] 2009 data

Source: FoodDrinkEurope compilation, based on official national statistics and industry reports

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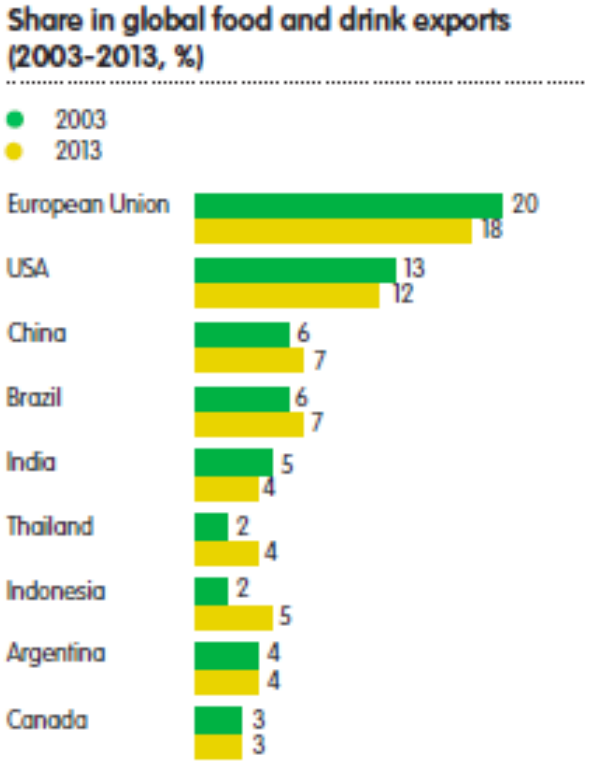
innovation

EU F&D industry: shrinking market shares

EU F&D market share

- #1 exporter worldwide of F&D products
- #2 importer worldwide of F&D products
- 2013 share of world F&D trade down to 18%



Sources: UN COMTRADE, FoodDrinkEurope calculations

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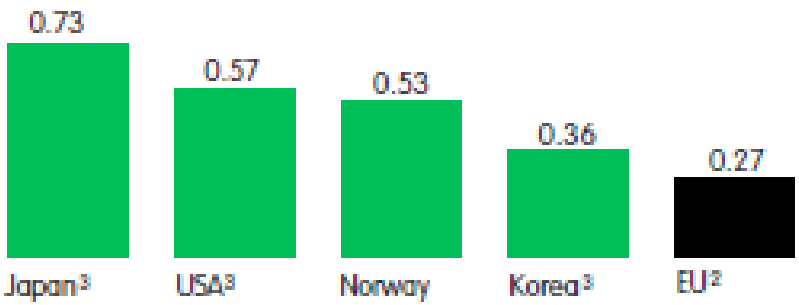
convenience

EU F&D industry: low private investment intensity in R&D

R&D expenditure by EU F&D companies

- Sustained levels of private R&D investment: €2.8 bln
- Corresponding to 0.27% of EU F&D output, well below other F&D industries worldwide

Private investment of the food and drink[1] industry in R&D as a percentage of output (2012, %)



Sources: OECD STAN and Eurostat (National Accounts), FoodDrinkEurope c

[1] Including tobacco
[2] Data refer to 21 of the 28 EU MS
[3] 2009 data for Japan, 2010 for Korea and USA

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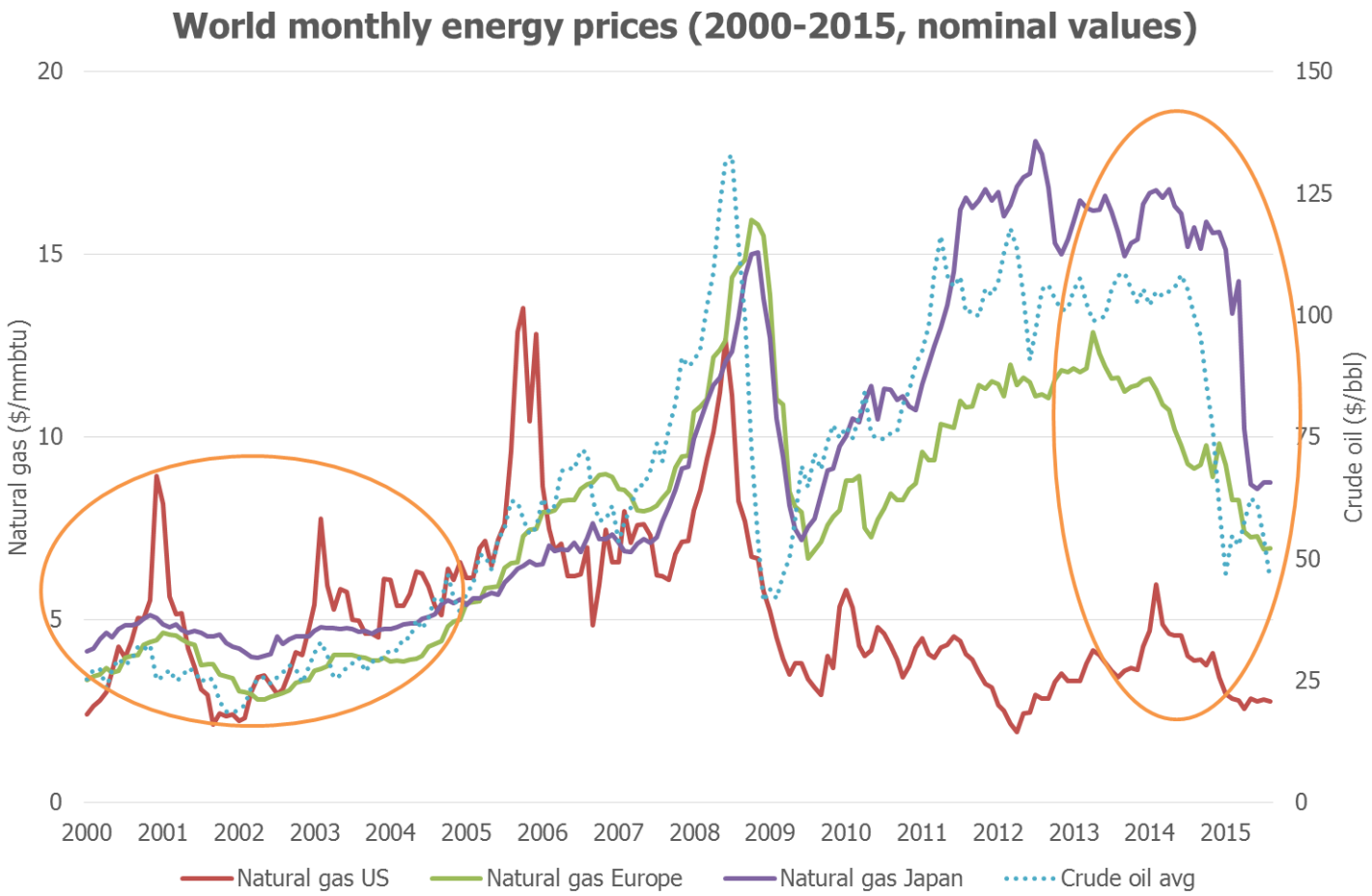
employment

EU F&D industry: widening gap in input costs



Source: World Bank

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FoodDrinkEurope's approach on competitiveness

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diversity

FoodDrinkEurope's approach on competitiveness

In the context of an EU industrial policy strategy:
ensure the sustained growth of Europe's food and drink sector by enhancing the industry's competitiveness

Work towards a better functioning Single Market for food and drink	Foster sustainable production and consumption
Develop sustainable employment and labour productivity	Increase trade opportunities
Support SMEs	Build a real Innovation Union

Develop an ambitious and proactive policy for food and drink and establish a permanent High Level Forum to enforce this policy

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quality

High Level Forum for a better functioning food supply chain

Mandate of the 2012-2014 High Level Forum:

'The High Level Forum shall assist the Commission with the development of industrial policy in the agro-food sector'

FoodDrinkEurope welcomes the renewal of the 'High Level Forum for a Better Functioning Food Supply Chain' for the period 2015-2019

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Thank you for your attention

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