Food and drinks in Catalonia
April 2018

Sector Snapshot
Food and drinks in Catalonia: Sector Snapshot

ACCIÓ
Government of Catalonia

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1. The food and drink industry
The **food and drink industry** encompasses the entire value chain, from the raw materials and equipment suppliers, through the network of stakeholders involved in developing, producing, processing, packaging, distributing and selling food and beverages, and on to the final consumers.

**SUPPLIERS**
- Crop and animal production inputs
- Service providers

**PRODUCTION**
- Meat, grain, horticultural and nursery producers
- Organic producers

**PROCESSING**
- Food and drink processing

**PACKAGING**
- Food and drink packaging

**LOGISTICS**
- Food and drink distribution
- Imports / Exports

**FOOD SERVICE**
- Restaurants
- Catering services
- HORECA

**AGRICULTURAL MACHINERY**

**FOOD AND DRINK PROCESSING MACHINERY**

**WHOLESALE AND RETAIL MARKETS & E-COMMERCE**

**FOOD REVALUATION & FOOD COLLECTION & WASTE MANAGEMENT**

**TECHNOLOGICAL & RESEARCH CENTRES**

**ASSOCIATIONS & TRADE FAIRS AND CONGRESSES**

*Font: Own elaboration.*
The global food and drink industry

Main global countries by production value in € billion (2016)

<table>
<thead>
<tr>
<th>Country</th>
<th>Production Value (€ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>772</td>
</tr>
<tr>
<td>Brazil</td>
<td>187</td>
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<tr>
<td>Indonesia</td>
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<td>China</td>
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<td>Germany</td>
<td>177</td>
</tr>
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<td>France</td>
<td>142</td>
</tr>
<tr>
<td>Spain</td>
<td>124</td>
</tr>
</tbody>
</table>

Note: The use of these trademarks is for informative purposes only. Trademarks mentioned in this document are the registered trademarks of the companies to which they belong and are not owned by ACCIÓ.

The food and drink industry in the world

- **€5,633 bn** Global Turnover (2016)
- **7.2% growth** Global CAGR between 2016-20

10 companies control most of the global production:
- Associated British Foods plc
- General Mills
- Coca-Cola
- Kellogg's
- Nestlé
- Unilever
- Mondelez
- Danone
- Mars
- PepsiCo

The food and drink industry in Europe

- **Largest manufacturing sector.**
- **Turnover of €1.098 bn.**
- **17.3% share of global exports.**
- **EU-28 is the first exporter** of food and drink products in the world.
- **Spain** holds the 5th position by turnover.

2. The food and drink industry in Catalonia
Food and drink industry in Catalonia

The food and drink industry is the Catalan economy’s largest industrial sector. Led by meat industries, this sector is highly developed thanks to a thriving ecosystem and the presence of the entire value chain. The Catalan food and drink industry is well positioned internationally due to its unique gastronomy, featuring renowned products as wine, cava or olive oil.

2,701 COMPANIES (2017)

The number of jobs represents 18% of total industrial workers in Catalonia.

79,802 EMPLOYEES (2015)

22% of whole sector employment in Spain.

€26,000 M TURNOVER (2015)

The number of employees increased to 6.9% between 2011 and 2015.

Meat industries lead the sector by number of employees (41%).

Leading sector in Catalonia, as represents 19.7% of industrial turnover.

22% of whole sector turnover in Spain.

Turnover increased to 8.9% between 2011 and 2015.

Meat industries lead the sector by turnover (31%).

11.9% of Catalan industrial companies.

12.4% of all food and drink companies in Spain.

Bakery and farinaceous products hold the biggest number of companies (23.7%).

Catalan food and drink industry competitiveness (I)

Attractive for foreign investors

From 2013 to 2017…

THE CATALAN FOOD AND DRINK INDUSTRY REGISTERED…

| 27 FDI projects |
| €626.5 M of capital investment |
| 2,459 jobs created |

CATALONIA HAS BEEN THE TOP FOOD AND DRINK FDI DESTINATION IN SPAIN, REPRESENTING…

| 31% of the FDI projects received |
| 34.4% of the capital investment |
| 37.6% of the jobs created |

...within the food and drink industry in Spain.

CATALONIA HAS ALSO BEEN THE…

| 4th region in terms of job creation |
| 5th region in number of FDI projects attracted |
| 7th region in capital invested received |

...within the food and drink industry in Western Europe.

Source: fDi Markets.
Catalan food and drink industry competitiveness (II)

International and open trade
Over the last decade...

CATALONIA FOOD AND DRINK INDUSTRY EXPORTS HAVE REPRESENTED...

- **28.5%** of Spanish food and drink exports
- **11.3%** over total Catalan exports

THE MAIN EXPORTING SUBSECTORS HAVE BEEN...

- Meat products (39.0%)
- Manufacture of beverage (12.9%)
- Vegetable and animal oils and fats (10.8%)

MAIN COMMERCIAL PARTNERS (2017)

- **France, Italy** and **Portugal**, in terms of exports
- **France, Germany** and **Italy**, in terms of imports

Source: ICEX.
Catalan food and drink industry competitiveness (III)

Innovative and entrepreneurial

Catalonia is at the forefront of innovation...

- **1.46%** of its GDP dedicated to R&D.
- **9,282** innovative companies, representing **22.2%** of the Spanish total.
- **ACCIÓ**, Winning Agency for **Best R&D Support** *(FDI Strategy Awards, 2017)*.
- **36** technological centres related to the food and drink industry with **TECNIO** accreditation.
- **Clusters and associations** of the food and drink industry and related sectors.

**LEADING TECHNOLOGICAL CENTERS**

- **Eurecat** is a key player in the Catalan innovative ecosystem as the leader in industrial research.
- **Alicia Foundation** is a research centre devoted to technological innovation in cuisine, the improvement of eating habits and the evaluation of the food and gastronomic heritage.

**BARCELONA...**

- **5th City in Europe in terms of innovation** *(Innovation Cities Index, 2016/2017)*
- **5th City in Europe in terms of scientific academic production** *(Knowledge Cities Ranking, CPVS, UPC, 2017)*

Source: INE.
Catalonia, the ideal place for the food and drink industry

**STRATEGIC LOCATION AND MARKET ACCESS**

Catalonia’s strategic location gives it access to major food and drink markets in Europe and the Mediterranean, as well as its function as a gateway to Latin American markets.

Catalonia counts on excellent infrastructures, including two ports specialized in food and drinks, motorways linked to the European network, trains and an international airport.

**AVANT-GARDE GASTRONOMY**

Catalonia and its cuisine, thanks to the most avant-garde creativity, hold a prestigious international position, attracting visitors from the four corners of the globe.

This universal acclaim has been achieved thanks to many famed chefs being awarded Michelin stars and other accolades by prestigious guides, who are undoubtedly the foremost exponents of contemporary Catalan cuisine.

**FOOD AND DRINK BUSINESS STRUCTURE**

With the presence of the entire value chain for the food and drink industry, Catalonia is chosen by many leading companies, such as Nestle or Unilever.

Catalonia is home to clusters and associations that enrich and invigorate this ecosystem.

**TRADE FAIRS & CONGRESSES**

Barcelona ranks 3rd in the world city International Congresses ranking, only behind Berlin and Paris (ICCA, 2016).

Catalonia hosts international food and drink events, such as Alimentaria and FoodTech, as well of related sector events, such as Hostelco and Hispack.

**LEADING SCIENTIFIC FACILITIES**

Catalan leading scientific facilities, research and technological centres are working at many levels of the food and drink industry value chain, from additives and raw materials, through packaging and manufacturing technologies, and on to nutrition and health (EURECAT, ALICIA FOUNDATION).

**COMPETITIVE TALENT**

Besides its thriving economy for businesses, Catalonia offers quality of life, a cosmopolitan atmosphere and top-notch professionals from all over the world.

**BUSINESS MINDSET**

Catalonia is always open for business, with the government’s business focused policies perfectly complementing and supporting a strong private sector.

Source: ACCIÓ.
The extensive value chain of the food and drink industry in Catalonia

Note: The use of these trademarks is for informative purposes only. Trademarks mentioned in this document are the registered trademarks of the companies to which they belong and are not owned by ACCIÓ. This is a partial and illustrative representation of companies that form part of the food and drink ecosystem in Catalonia; however, there may exist other companies that have not been included in the study.

Font: Own elaboration.
3. Opportunities in the food and drink industry
International market opportunities for Catalan companies

**CANADA**
The production almost covers national demand of processed food and drinks and products are exported to some 190 countries, with a significant proportion exported to the United States, the first destination. The largest subsectors are meat and dairy products.

**AMERICA**

**BELGIUM**
Its primary subsectors are the meat industry and the dairy, chocolate, sugar and beverage sectors. Its efficiency means large quantities of foreign raw materials and intermediate goods flow into Belgium, where they are manufactured and then distributed within the country or exported.

**FRANCE**
Agri-food is the largest industry in France. Its diversity and expertise are the work of large world-renowned corporations and scores of SMEs, being the French agri-food sector the world's fourth largest exporter.

**AUSTRALIA**
Australia is ideally placed to capitalize on new trends due to its international reputation for producing healthy and high quality food, its robust biosecurity system and its location close to fast-growing Asian markets.

**CHINA**
Being the world's largest consumer market for food and drinks, the Chinese market is increasingly appealing for foreign brands, especially as Chinese consumer behaviour shifts.

**HONG KONG**
The food and drink production in Hong Kong is a large-scale business, with most of the output going for local consumption although there has been an increase in food exports thanks to the growing Western interest in Asian food.

**JAPAN**
The Japanese processed food market is very competitive and sophisticated, catering for increasingly quality and price-conscious consumers. Japanese value the country of origin and stories behind products, what attach significant importance to packaging and presentation.

**AMERICA**

**UNITED KINGDOM**
The food and drink is the UK's largest manufacturing sector. UK is a globally recognised centre for R&D in food and drink with an emphasis on new product development, greater convenience and healthier products.

**UNITED ARAB EMIRATES**
Dubai's strategic location as the gateway between Europe, Asia and Africa, the establishment of many free trade zones and its position as a tourist city have all supported the growth in food and drink exports and imports.

**SOUTH KOREA**
Korean food exports have increased due to the popularity of Korean processed foods in East Asian countries. Food manufacturing takes up a small portion of the Korean economy, so there is still room for growth in the future.

Source: ACCIÓ.
Opportunities for foreign companies

THE FOOD AND DRINK VALUE CHAIN

Animal feed & Compounding
Catalonia is one of Europe’s main meat regions, guaranteeing an important domestic market and a place to find the main value chain actors.

Food manufacturing
The presence of a strong industry and research centres make Catalonia the ideal place to face new challenges.

Food logistics
Catalonia is the best place to establish a food and drinks distribution centre thanks to its unique location.

Food AND DRINK TRENDS

Food packaging
71% of the Catalan packaging companies produce for the food and drink industry are internationally recognized.

Food service
A cuisine elevated to the forefront of international gastronomy and a cosmopolitan population open to the latest trends.

Food waste management
Catalonia is home to an industry and population increasingly aware of the importance of reducing, donating or refocusing food.

“Free from” products
There is an increasing demand of mainstream “free from” products and centres and companies able to develop healthier, nutritious and tasty food options.

Healthy food and drinks
Catalonia has a thriving ecosystem filled with companies, research centres and talented professionals ready to formulate healthy and sustainable food.

Gourmet Gastronomy
Catalonia has the talent and means to improve production processes in order to standardize gourmet tastes and characteristics at a lower cost level.

Ready-made meals
Catalonia combines its strong food industry with a global need for shortcut solutions that are still fresh, nutritious and customizable.

Source: ACCIÓ.
The evolving landscape of disruptive technologies is creating new business models and changing the way traditional sectors work, with several breaking technologies identified by ACCIÓ as the main drivers of the future evolution and disruption. Food and drinks is an industry where many of these breaking technologies are expected to be applicable and drive to dramatic changes.
Strategy and Competitive Intelligence Unit

For more information:

Take a look the full report:

More information about the sector and related news:

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