Food and drinks in Catalonia: Sector Snapshot

ACCIÓ
Government of Catalonia

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Barcelona, July 2020
1. Global food and drinks industry overview

2. The food and drinks industry in Catalonia

3. Opportunities in the food and drinks industry
1. Global food and drinks industry overview

2. The food and drinks industry in Catalonia

3. Opportunities in the food and drinks industry
Food and drinks value chain

PRIMARY SECTOR SUPPLIERS
- Animal feed
- Machinery
- Primary sector
  - Livestock
  - Agriculture
  - Fishery

SPECIALIZED LOGISTICS

MANUFACTURING

SPECIALIZED SERVICES
- Laboratories and analysis
- Business consultancies and market research
- Operations engineering, quality standards and specialized consulting
- Media and publicity agencies
- Food Safety and certification

SPECIALIZED FOOD WASTE MANAGEMENT

CHANNEL
- Retail
  - Traditional stores
  - Big groceries chains
  - Specialized chains
- HORECA
  - Independent restaurants
  - Restaurant chains
  - Collectivites Social Channel
- Third Channel
  - Vending, convenience…

INDUSTRY
- Auxiliary industry
  - Packaging
  - Food processing machinery
  - Packaging machinery
- Specialized industry
- Other ingredients and additives
- Food additives
- Ingredients and raw materials
- High added value ingredients
- Specialized logistics
- Specialized food
- Waste management

Source: Cluster Development
The global food and drinks industry

- Global food and drinks production was valued at €6,464 billion in 2019.

- China is the first producer of the global food and drinks industry, with a production value higher than the next five countries’ production value combined.

- The United States, Japan, Germany and Brazil complete the Top 5 of the major food and drinks producers in the world.

- The United States is the main exporter of food and drinks products in the world.

- Germany, the Netherlands, France and China are the following world’s leading exporters of food and drinks products.

Source: Euromonitor 2019
1. Global food and drinks industry overview

2. The food and drinks industry in Catalonia

3. Opportunities in the food and drinks industry
Catalonia, top destination for food and drinks companies

**PRINCIPAL SECTOR OF THE CATALAN INDUSTRY**

- With an overall turnover of €38,205 M and 164,372 employees.
- Four differentiated food and drinks hubs in Catalonia (Lleida, Girona, Tarragona, and Barcelona) with food and drinks industry companies at all different levels of the value chain.
- Robust public-private partnership supporting Catalan food and drinks ecosystem with fourteen clusters & associations across the region.

**WORLD-CLASS INNOVATION ECOSYSTEM**

- Catalonia counts on top research centres devoted to technological innovation in food processing, to the improvement of eating habits and to food security evaluation.
- More than 1,500 startups are located in Catalonia, making it the 1st startup hub in southern Europe (Eu-Startups 2018).
- International companies such as Nestlé have their R&D centres in Catalonia.

**SUPERIOR LOGISTICS INFRASTRUCTURE**

- A logistics network that serves 400 million consumers in Europe and the Mediterranean/ Africa in less than 48 hours.
- Specific infrastructures and services, such as the Mercabarna wholesale market, Barcelona's Port and Airport, are working together to consolidate Barcelona as a key hub for fresh produce from Europe and the Mediterranean.
- The Port of Tarragona maintains an indisputable leadership in the movement of agri-food products, both in Spain and the Mediterranean.

**LEADING EXPORTING REGION IN SPAIN**

- An international and open trade approach. In 2019, 21.3% of Spanish agri-food exports were Catalan and 12.4% of Catalan Exports came from the agri-food Industry.

**FOOD AND DRINKS LEADERS CHOOSE CATALONIA**

- Catalonia is an attractive and leading location for inward food and drinks FDI in Western Europe, being the 8th region in number of projects.
- In Barcelona there’s a welcoming international business climate, with the Catalan capital being the fifth best city in the world to work in. (Boston Consulting Group, 2019).
- The most avant-garde creativity is what has elevated Catalonia and its cuisine to the most prestigious international position.
### Principal sector of the Catalan industry

#### TOTAL € 38,205 M turnover

<table>
<thead>
<tr>
<th>Sector</th>
<th>Turnover</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Sector</strong></td>
<td>€ 4,690 M</td>
<td>57,423</td>
</tr>
<tr>
<td><strong>Agricultural Holdings</strong></td>
<td></td>
<td>55,022</td>
</tr>
<tr>
<td><strong>Auxiliary Industry</strong></td>
<td>€ 5,575 M</td>
<td>436</td>
</tr>
<tr>
<td><strong>Companies</strong></td>
<td></td>
<td>21,318</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Food and Drinks Industry</strong></th>
<th>Turnover</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€ 27,940 M</td>
<td>3,922</td>
</tr>
<tr>
<td></td>
<td>€ 88,032 employees</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Sale and Distribution Channels</strong></th>
<th>Turnover</th>
<th>Companies</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Restaurants</strong></td>
<td>€ 5,502 M</td>
<td>7,283</td>
<td>8,382</td>
</tr>
<tr>
<td><strong>Retail Trade</strong></td>
<td>€ 10,486 M</td>
<td>2,749</td>
<td>52,568</td>
</tr>
<tr>
<td><strong>Wholesale Trade and Intermediaries</strong></td>
<td>€ 18,737 M</td>
<td>3,162</td>
<td>42,659</td>
</tr>
</tbody>
</table>

**Source:** PRODECA, Data 2017
Food and drinks value chain

**Primary Sector**

**Manufacturing**

**Wholesale Trade**

**Channel**

**Retail**

**Specialized Logistics**

**Ingredients and Additives**

**Auxiliary Industry**

**Packaging**

**Packaging Machinery**

**Food Processing Machinery**

**Specialized Food Waste Management**

*Note:* This is a partial illustrative representation of the main companies forming part of the ecosystem.

*Source:* Cluster Development
Catalonia stands out for the diversity of its products

**LLEIDA**
- Fruits and Vegetables
- Prepared animal feeds
- Meat Products
- Vegetable and animal oils and fats
- Livestock and animal products

**GIRONA**
- Meat Products
- Bakery and farinaceous products
- Wine and cava
- Fish processing and preservation
- Fruits and vegetables

**TARRAGONA**
- Wine and cava
- Vegetable and animal oils and fats
- Fruits and vegetables
- Bakery and farinaceous products
- Grains, starches and derivatives

**BARCELONA**
- Wine and cava
- Meat products
- Bakery and farinaceous products
- Fruits and vegetables
- Grains, starches and derivatives

**Note:** The map shows the specialization sectors of each province.

**Source:** EIC (DGI – ACCIÓ). Catalonia Industry Suppliers
An ecosystem supporting the food and drinks industry in Catalonia

Fairs & Congresses

Source: EIC (DGI – ACCIÓ)

Clusters & associations
Catalonia’s dynamic university ecosystem

Universities offering food and drinks industry related degrees and masters

<table>
<thead>
<tr>
<th>Bachelor's Degrees in…</th>
<th>Master's Degrees in…</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Engineering</td>
<td>Aquaculture</td>
</tr>
<tr>
<td>Food Engineering</td>
<td>Enabling Technologies for the Food Industry</td>
</tr>
<tr>
<td>Food and Agricultural Engineering</td>
<td>Fermented Beverages</td>
</tr>
<tr>
<td>Food Innovation and Safety</td>
<td>Food Biotechnology</td>
</tr>
<tr>
<td>Food Science and Technology</td>
<td>Food Development and Innovation</td>
</tr>
<tr>
<td>Gastronomic and Culinary Sciences</td>
<td>Integrated Crop Protection</td>
</tr>
<tr>
<td>Science and Animal Production</td>
<td>Quality of Food of Animal Origin</td>
</tr>
</tbody>
</table>

First-Rate Spot for Business and Executive Studies

Source: EIC (DGI – ACCIÓ). Universities Secretary
World-class innovation ecosystem

Renowned applied and basic research groups supporting technological transfer and a complete network of scientific and technological centres represent the base of Catalonia’s research and innovation programme.

World-class scientific infrastructures

- **ALBA synchrotron**, the largest particle accelerator in Southern Europe.
- **Biomedical Research Park**, Southern Europe’s leader in Biomedical research.
- **Centre for Omic Sciences (COS)**, reference centre in Europe for Omic Sciences.
- **The Institute of Photonic Sciences**, one of the finest research institutions in the world.
- **Mare Nostrum (BSC)**, 3rd Southern European Supercomputer.
- **IDIADA** automotive testing facility.

Technological applications in the food and drinks sector

- Virtual Reality/Augmented Reality
- Artificial Intelligence
- Internet of things
- Blockchain
- 3D / 4D Printing
- Nanotechnology & materials
- Robotics
- Omics sciences

Companies using these technologies

Source: EIC (DGI – ACCIÓ)
Southern Europe’s top startup hub

More than 1,500 startups are located in Catalonia

Barcelona is the 5th European tech hub by volume of investment.

Dealroom, 2019

1st startup hub in Southern Europe.

EU-Startups, 2018

3rd preferred hub by creators of startups.

Startup Heatmap Europe, 2019

- 43% of startups have ecommerce & marketplace as a business model, 29% Software as a Service and 25% Development and manufacturing.

- 3 out of every 4 Catalan startups have obtained financial backing.

- 16,900 jobs related to Catalan startups.

- The technologies attracting more investors are ICT (23%), Big Data (16%) and Cloud Computing (13%).

95 foodtech & drinks startups identified

Note: This is a partial illustrative representation of the main companies

Source: EIC (DGI - ACCIO) based on Barcelona&Catalonia Startup Hub, 2019
Integrated logistics hub

Southern Europe’s largest intermodal logistics hub.

Catalonia is home to two of the Mediterranean’s main ports, a high-speed train station, an awarded international airport and highways seamlessly connected to the rest of the European road system.

Top international ports of Barcelona and Tarragona

- 4M passengers and 95MT in goods traffic
- Connection with more than 825 ports around the world with 100 regular lines connecting directly with 200 overseas ports
- Short maritime transit times and high frequency of ships reduce stock costs.
- The Port of Barcelona is the 3rd most productive in Europe.
- The Port of Tarragona has launched a 2019-2022 Investment Plan of over 160 million euros to expand its logistics activity area.

Barcelona-El Prat, world class airport

- 100 airlines flying to 200 different destinations in 57 countries around the world.
- The Air Freight Facility with 47.1 hectares is integrated in a unique logistics platform in Europe: an area covering a 7 kilometer radius and with 2,000 hectares dedicated to logistics.
- In 2016, Air Cargo in Barcelona achieved its highest traffic volume ever with 132,800 tonnes, an increase of 13% over 2015 due to implementation of new air routes.

An extensive rail network and road infrastructure

- Catalonia is the leading European region in terms of provision of road infrastructure of four or more lanes (48.7 km/ 1,000 km2)
- 1st Spanish region in both volume of intraregional and international road freight transport
- An extensive rail network with almost 1,800 km connecting the main cities in Catalonia with the rest of Spain and France, including 400 km of high speed rail.
- Only location with in Spain with standard gauge goods transport.

Catalonia is the leading exporting region in Spain

€ 10,677 M
Agri-food exports (2019)

21.3%
Catalonia is the 2nd agri-food exporting region in Spain.

12.4%
Over total Catalan exports

2,760
Regular agri-food exporting companies (2019)

31.5%
Over total agri-food exporting companies in Spain.

TOP EXPORTED PRODUCTS
- MEAT PRODUCTS
- FINE FOOD-MULTIPRODUCT
- FRUITS AND VEGETABLES
- VEGETABLE AND ANIMAL OILS
- WINES AND CAVA

546 subsidiaries abroad for Catalan companies in the agri-food sector

EUROPE
- Damm
- BUDweis
- EUROPASTRY
- TORRES

AMERICA
- Damm
- BUDweis
- EUROPASTRY
- TORRES

ASIA OCEANIA
- Damm
- BUDweis
- GB

AFRICA-MIDDLE EAST
- Damm
- BUDweis

SOME OF THE MOST IMPORTANT REGULAR EXPORTERS

Note: Partial and illustrative sample of companies in order of turnover of the parent companies.

Source: EIC (DGI-ACCIÓ), Catalan agri-food exports summary 2019, PRODECA. Spanish exports, codes 01-Agriculture&Livestock, 03-Fishing, 10-Food, 11-Drinks, 2019, ICEX, Catalan agri-food commerce 2019, IDESCAT.
Catalonia, a leading destination for food and drinks FDI

Between 2015 and 2019, Catalonia was the main food and drinks FDI destination in Spain

- 26 FDI projects
- 552 Capex (M€)
- 1,546 Jobs created

24.1% of the FDI projects into Spain
22.8% of the capex into Spain
24.4% of the jobs created into Spain

Data for 2015-2019

- Catalonia is the 8th region in Western Europe in number of projects, ranks the 13th in terms of job creation and 8th in capital investment in the food and drinks industry.
- FDI into Catalonia accounts for 2.7% of the projects, 2.4% of the capital investment, and 2.5% of the jobs created in Western Europe.

Companie's investing in Catalonia during the period 2015-2019

Sector: Food and beverages.

<table>
<thead>
<tr>
<th>Food</th>
<th>18 projects</th>
<th>€360.4 M</th>
<th>1,241 jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beverages</td>
<td>8 projects</td>
<td>€191.6 M</td>
<td>304 jobs</td>
</tr>
</tbody>
</table>
## Pool of talent attraction and competitive costs

### Barcelona talent attraction

One of the world’s top spots to live and work in. A magnet for young professionals and researchers from all over Europe.

1st South European region for the Future in 2020-2021  
FDI Int, 2020

2nd in the European Digital City ranking  
Bloom consulting, 2017

3rd Barcelona is the 3rd best city in Europe  
Resonance Consulting, 2018

4th tech city in the world  
Nesta, 2017

5th preferred city in the world to work  
Boston Consulting Group, 2019

6th world’s city in terms of livability  
Global Power City Index, 2019

### Competitive costs

Barcelona has the 3rd lowest operating costs of all the 10 similar cities compared, at €10.38 M per annum, therefore being 20% lower than the study average of €13 M per annum.

Barcelona also has among the most competitive labour costs, with top-notch professionals from all over the world.

**Annual operating costs of a food & drinks manufacturing plant by cities, in M €**

<table>
<thead>
<tr>
<th>City</th>
<th>Labour costs</th>
<th>Property costs</th>
<th>Utility costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warsaw</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Prague</td>
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<td></td>
<td></td>
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<tr>
<td>Barcelona</td>
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<tr>
<td>Milan</td>
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<tr>
<td>Dublin</td>
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<td>Amsterdam</td>
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<td>Paris</td>
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<td>Berlin</td>
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<tr>
<td>Munich</td>
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<tr>
<td>Brussels</td>
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<tr>
<td>London</td>
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</tbody>
</table>

### Catalonia is gastronomy

The most avant-garde creativity is what has elevated Catalonia and its cuisine to the most prestigious international position, attracting visitors from the four corners of the globe just to sample the finest Catalan cuisine.

This universal acclaim has been achieved thanks to the imagination found all over Catalonia, led by famed chefs awarded Michelin stars and other accolades by prestigious guides, who are undoubtedly the foremost exponents of contemporary Catalan cuisine, renowned the world over.

![Ferran Adrià](image1.png)  
Ferran Adrià

![Carme Ruscalleda](image2.png)  
Carme Ruscalleda

![The Roca Brothers](image3.png)  
The Roca Brothers

![Jordi Cruz](image4.png)  
Jordi Cruz

**Sources:** EIC (DGI – ACCIÓ) Catalan Tourist Board. Catalonia is gastronomy. FDI Benchmark 2020.
COVID-19 impact and response initiatives from food and drinks Catalan sector

- During the health crisis, the food industry was one of the few sectors that operated at full capacity, and it was even necessary to undergo new staff recruitment. However, the lockdown led to instability in the agricultural market, which benefited large chains above small traders and extensive agriculture, since the consumer was forced to make purchases in one single establishment and restaurant closures decreased the consumption of many local products.

- Nevertheless, some small businesses were able to adapt by incorporating the online channel and home delivery.

- The economic situation concern has propitiated an increase of the price factor as a shopping driver (the private label consumption has grown +23% in Spain, according to AECOC).

- HORECA channel expenditure has been deviated to the Retail channel (+1,600 M€ for Retail in Spain, according to Nielsen). On the other side, the HORECA channel got involved into prepared food solidarity initiatives for the most vulnerable collectives.

HIGHLIGHTED INITIATIVES:

- Introduction of a new full range of drugstore and cleaning products in their supermarkets

- Due to the increase of the e-commerce services demand, reinforcement of the online platform (+100 employees)

- “Save our restaurants” initiative, consisting of prepaid vouchers to anticipate liquidity for the restaurants

- Development of a new volumetric and electronically controlled pressure respirator, called “Garrotxa”

Sources: EIC (DGI-ACCIÓ), La Vanguardia, AECOC, Público, Press releases.
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33 International opportunities for Catalan companies

Food and gourmet products: 17 opportunities
Agriculture: 10 opportunities
Wines and cava: 6 opportunities

For more information on these opportunities: Recomanador d’oportunitats de negoci internacionals.

Source: Global trade mapping, 2019 by EIC (DGI – ACCIÓ).
International opportunities related to COVID-19 for Catalan food and drinks companies

Food & gourmet products

Agriculture

Drinks

D2C food home delivery

Due to the demand increase, food companies are looking for new suppliers

Investment in meat industry equipment

Investment to increase dairy production

Investment in machines, equipment and tools for agricultural and livestock production

Machinery, fertilizers, bio-stimulants and seeds for fruit farming

Demand for phytosanitary products, fertilizers, seeds and machinery

Demand for seeds and spare parts

To strengthen local food production, need to set up factories, so machinery will be demanded

Improving the meat industry supply chain

Supply of elements that promote sustainable production

Online inventory tracking and purchase order system

Increase in local production: Machinery, fertilizers, irrigation / storage systems

Source: EIC (DGI – ACCIÓ) based on ACCIÓ International offices
Technological and business opportunities in Catalonia

**INDUSTRIAL & MANUFACTURING**

**Fresh food**
Catalonia is one of the leading meat regions in Europe.

**Drinks: wine and beer**
Catalonia is leader in quality wines and the home of cava.

**Future food**
Healthy and organic food choices are gaining importance in the sector.

**Functional food & probiotics**
The population is concerned about improving health through food gain importance.

**Ingredients, additives and food supplements**
The quality and safety of ingredients and additives gain importance and Catalonia has a very dynamic ecosystem.

**Food and drinks packaging**
Increased consumer interest in sustainable products, especially among the younger population.

**Ready to eat, groceries and delivery**
The digital economy is transforming the food and drinks industry.

**Food waste management**
262,000 tonnes of food thrown away each year in Catalonia.

**LOGISTICS**

**Unparalled distribution capacity**
Catalonia’s excellent geostrategic position allows for efficient intercontinental connections and easy fast distribution.

**Catalonia, the ideal place for e-commerce activities**
Catalonia has a thriving logistics ecosystem, being the leading logistics hub in Southern Europe.

**TECHNOLOGICAL OPPORTUNITIES**

**3D Printing**
Catalonia counts on a dynamic ecosystem and research initiatives in 3D printing.

**Internet of Things (IOT)**
Thanks to our universities and engineers Catalonia is becoming a hot spot for IOT.

**Artificial Intelligence (AI)**
Leading AI companies have productive sites and research centres in Catalonia.

**High pressure processing (HHP)**
Catalonia counts with a facility to carry out tests, and a meeting space from where to develop R&D projects.

Source: EIC (DGI – ACCIÓ)
Take a look the full report:

More information about the sector and related news:

For the full sector report, please send an e-mail to irodriguez@catalonia.com