

THE EUROPEAN PERISHABLE MARKET

Opportunities and threats for South America

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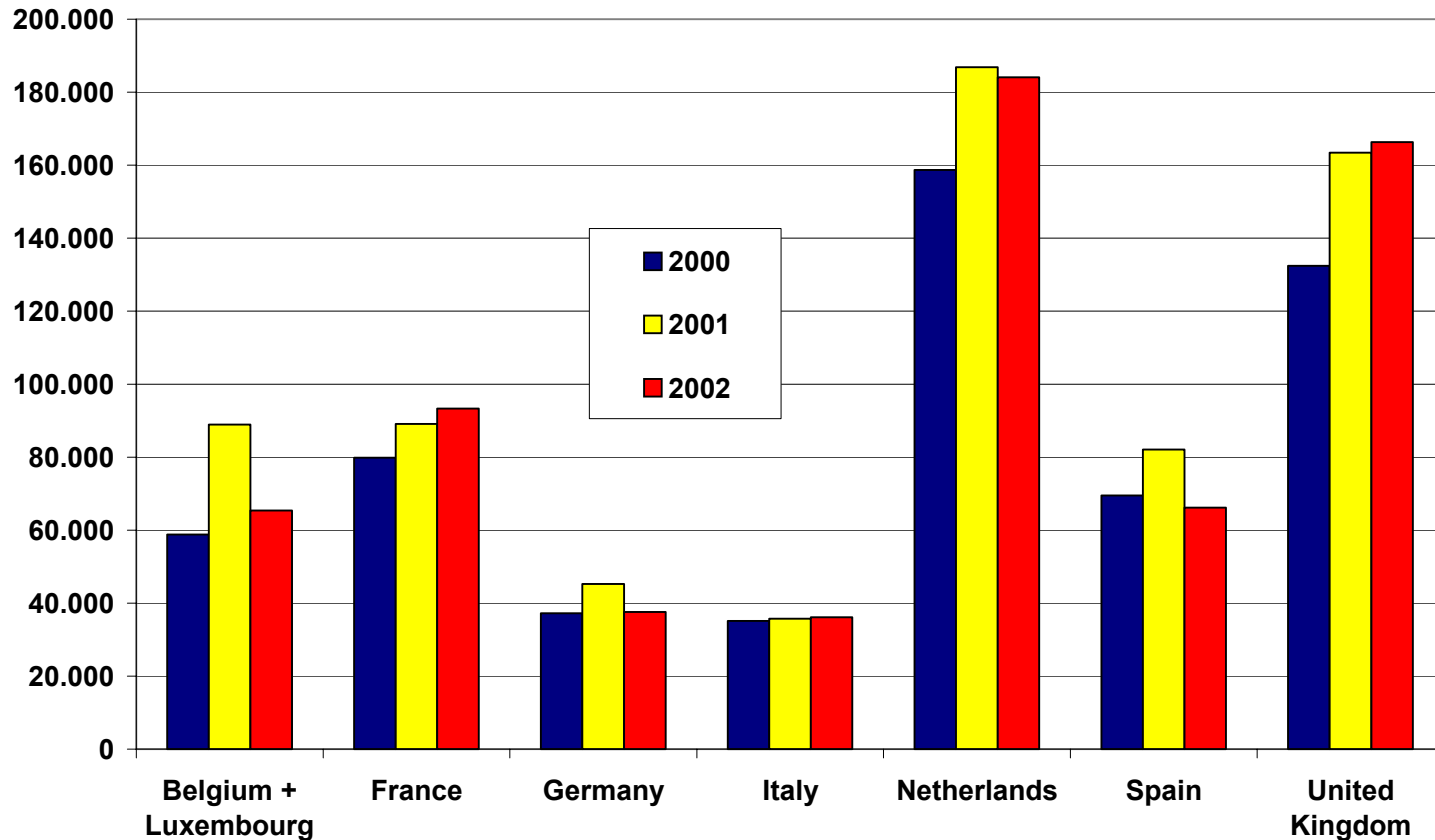


Scope of this Presentation

- **European Air Cargo Import Market of Perishables**
- **Temperature Controlled Goods**
- **Characteristics, Opportunities, Threats, Trends**
- **What Happened in 2002? A Summary of Market Developments**
- **Focus: Recommendations for South/Central American parties**
- **Quantitative research**
- **Source: YDL Global Trade Database**

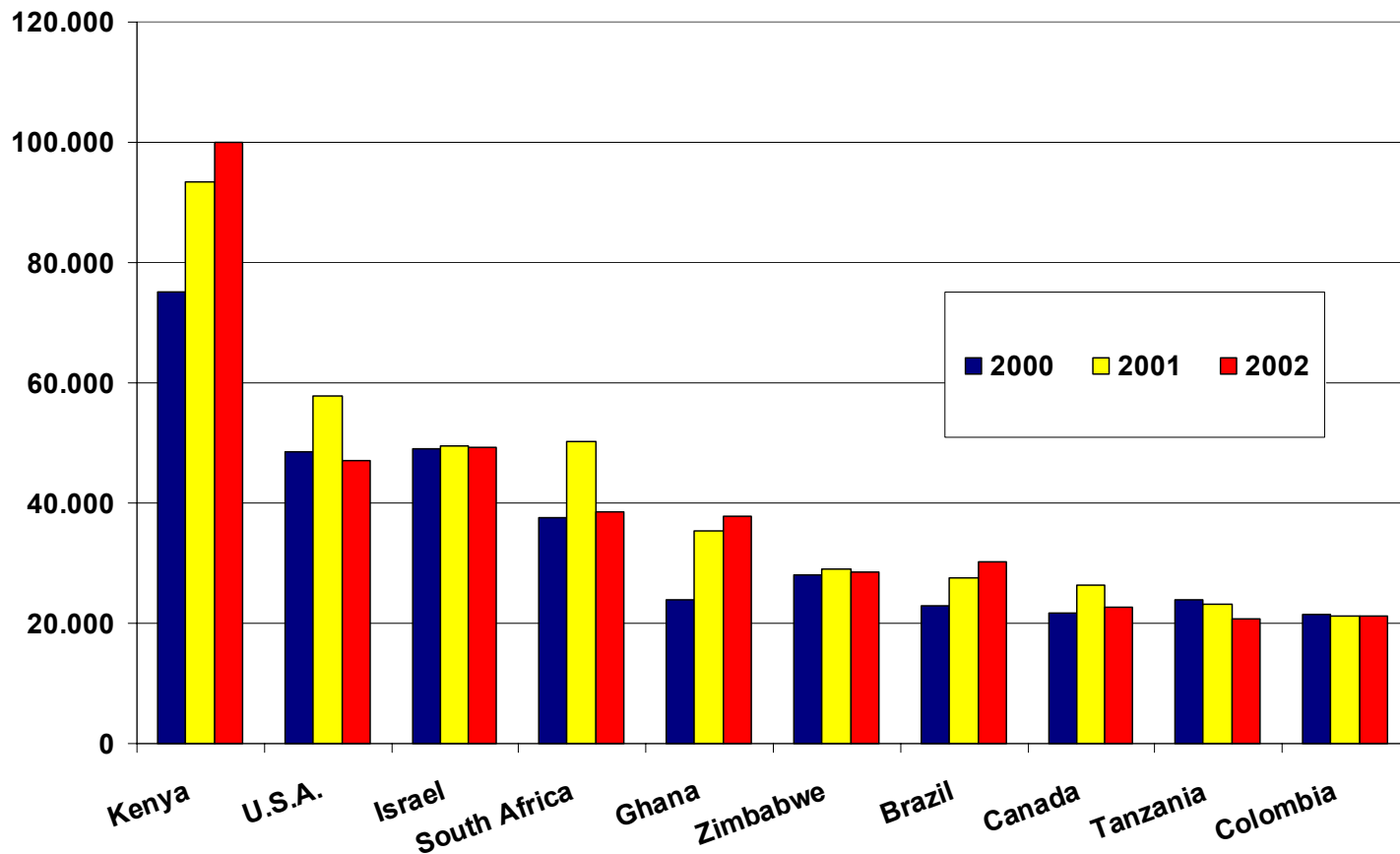
Europe is a highly concentrated market: Netherlands and UK dominant

Europe air imports of perishable goods
per year in tonnes



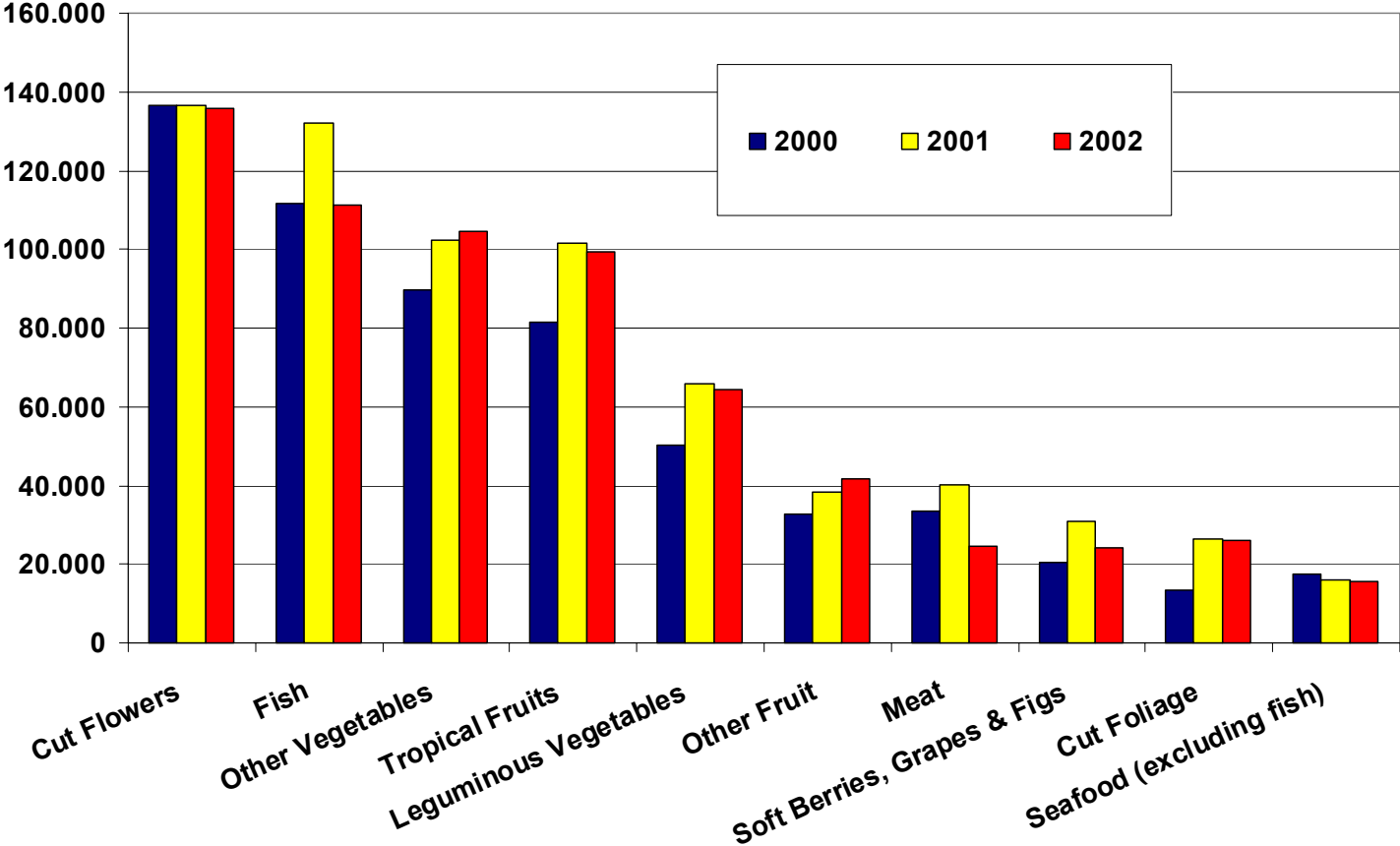
Kenya largest exporter of perishables to Europe. Growth of Ghana and Brazil in 2002

Top-10 perishable exporting countries to Europe
Trade by air in tonnes



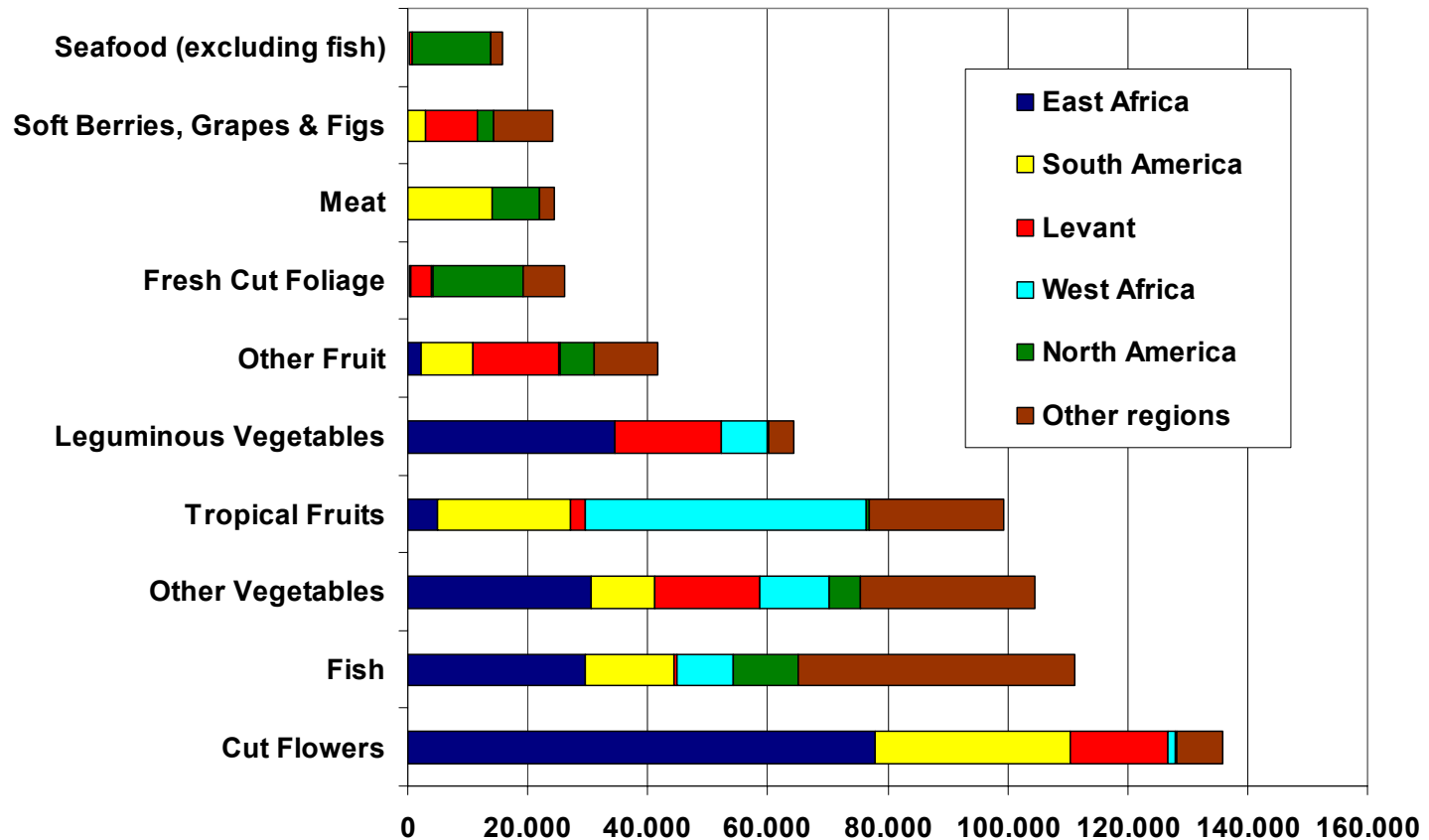
Tropical fruits, beans/peas and other vegetables have shown strong growth

Top-10 commodities imported into Europe
Trade by air in tonnes, 2002



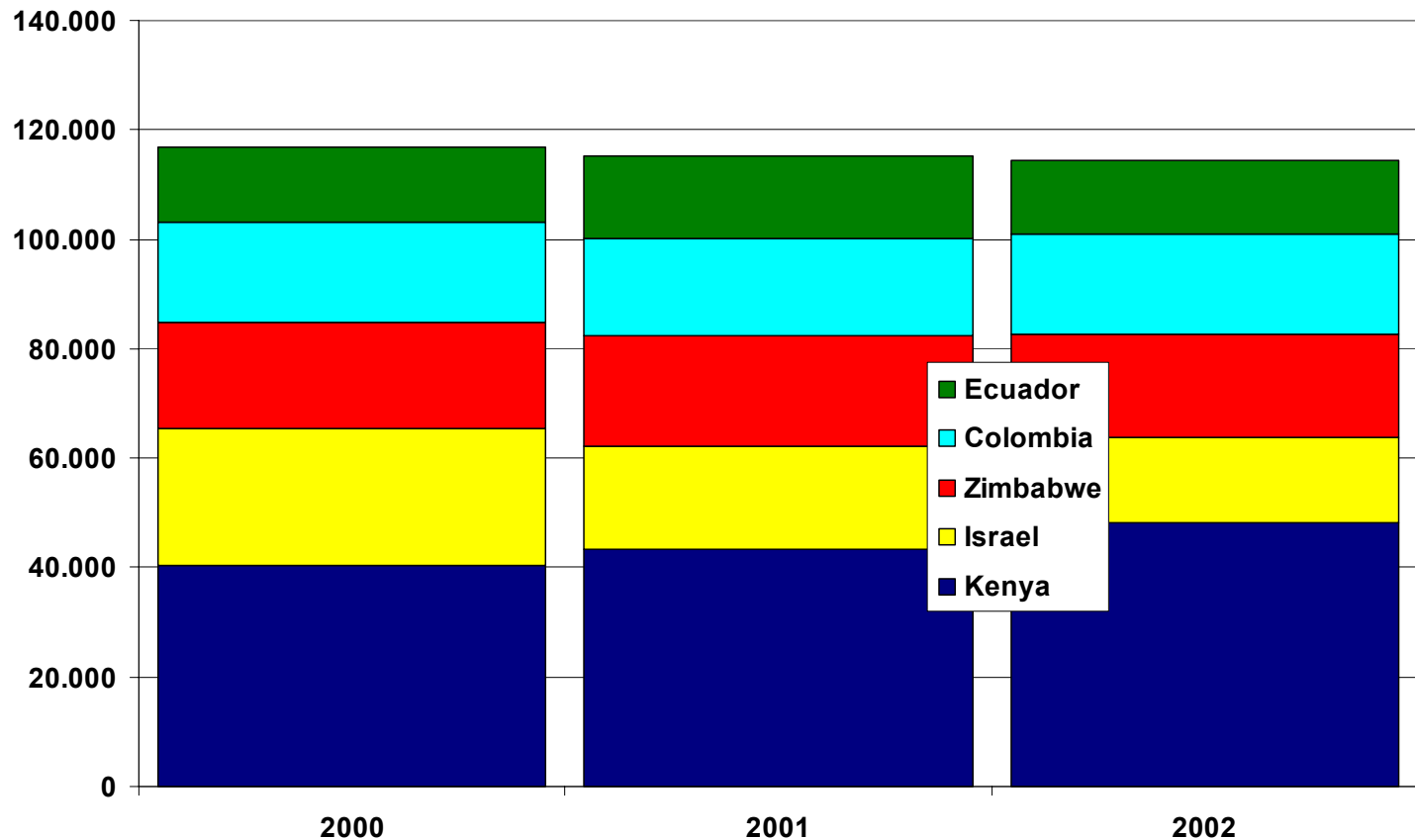
Few regions matter in perishables: strong concentration per commodity

Top-10 commodities imported into Europe
Trade by air in tonnes, 2002



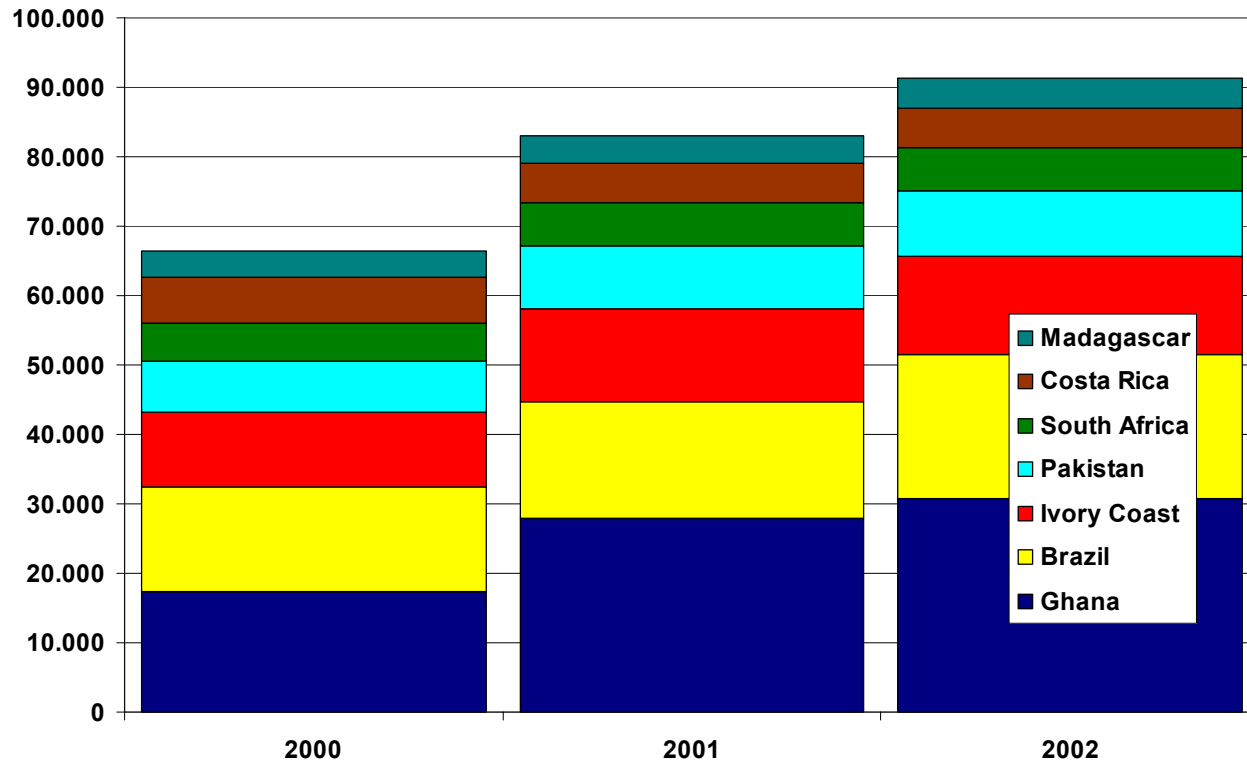
Cut flower imports into Europe is stable business during last three years

Cut flower imports into Europe
Trade by air in tonnes



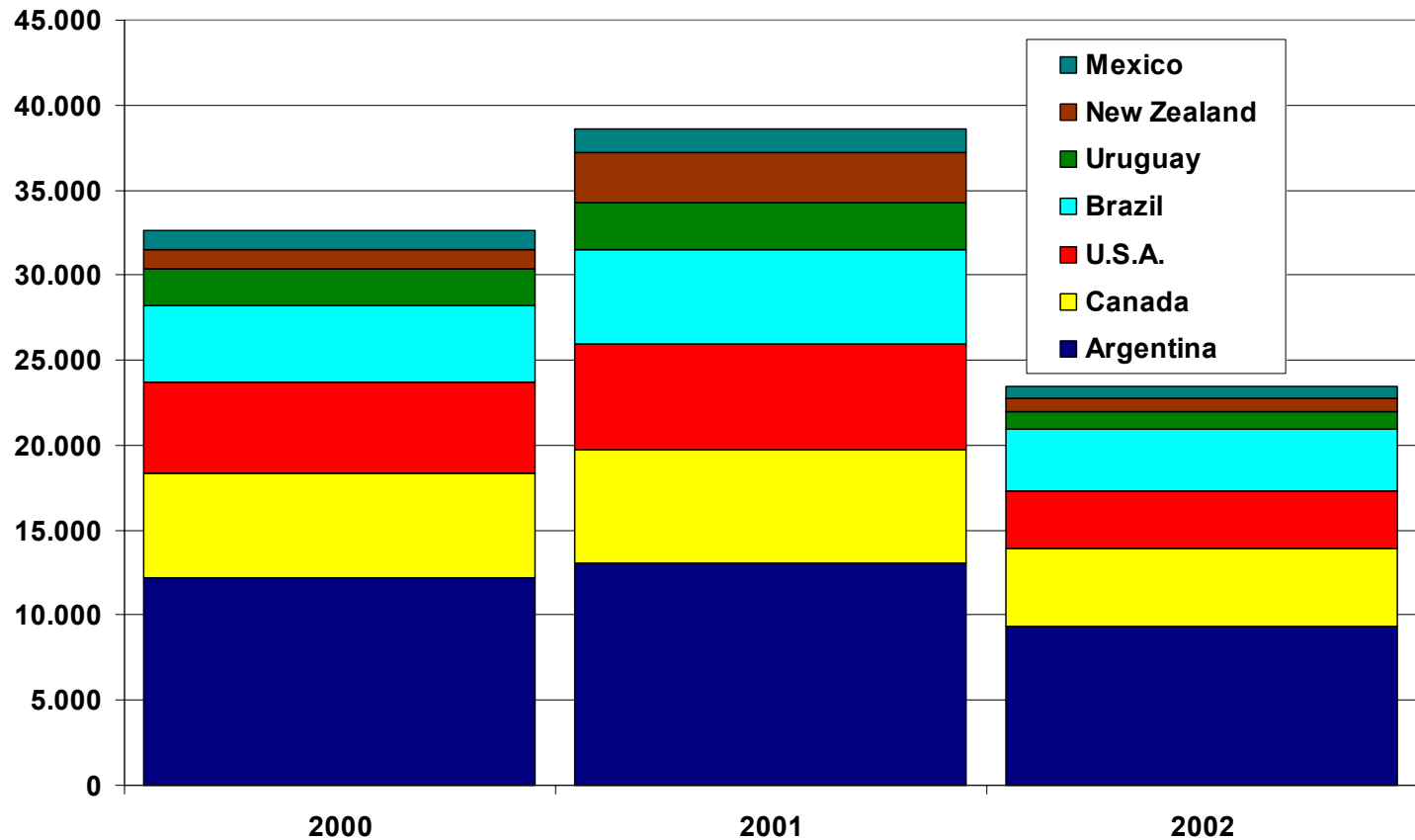
Tropical fruits into Europe: strong growth of volume from main originating markets

**Tropical fruit imports into Europe
Trade by air in tonnes**



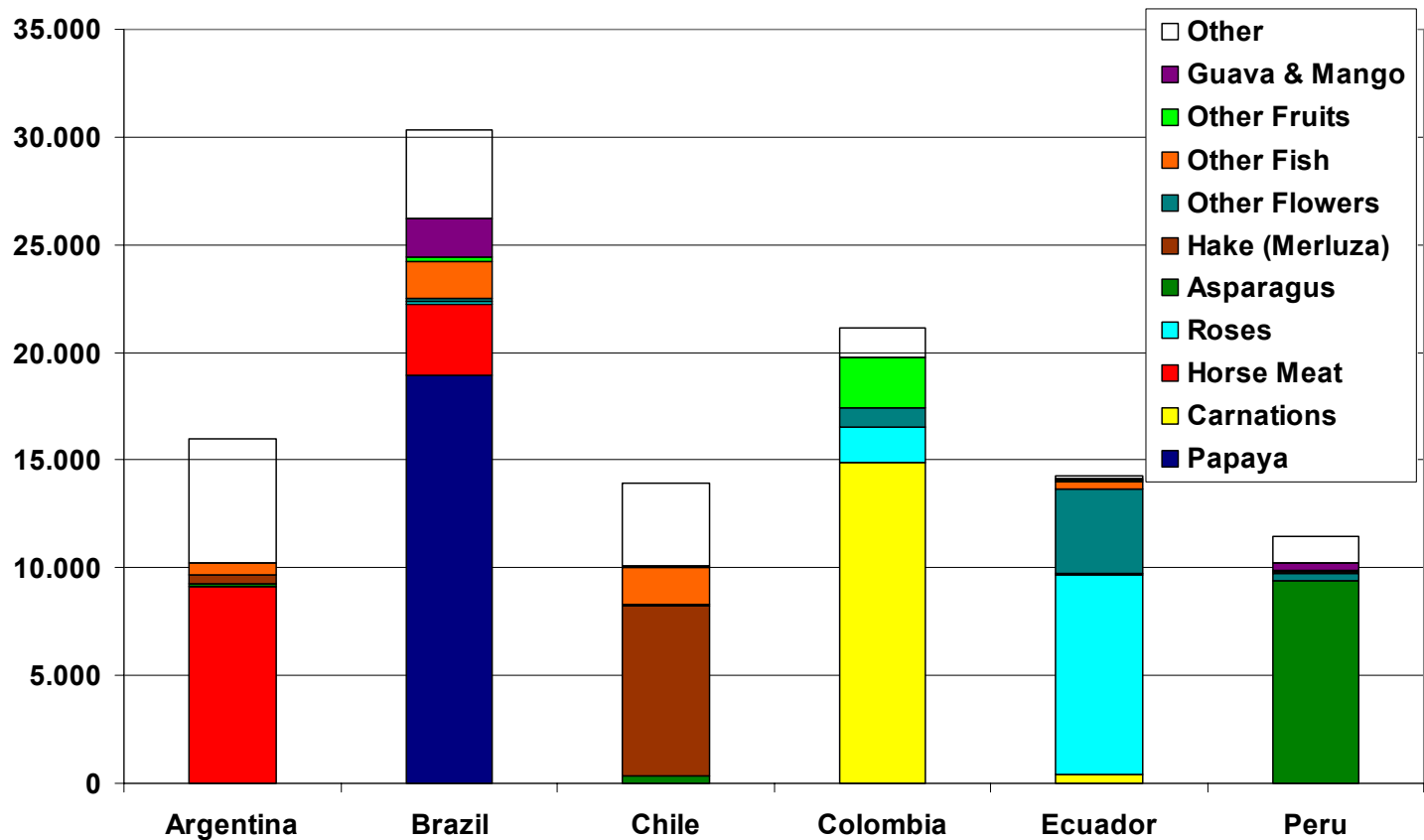
Overall strong decrease in imports of fresh meat into Europe in 2002

**Meat imports into Europe
Trade by air in tonnes**



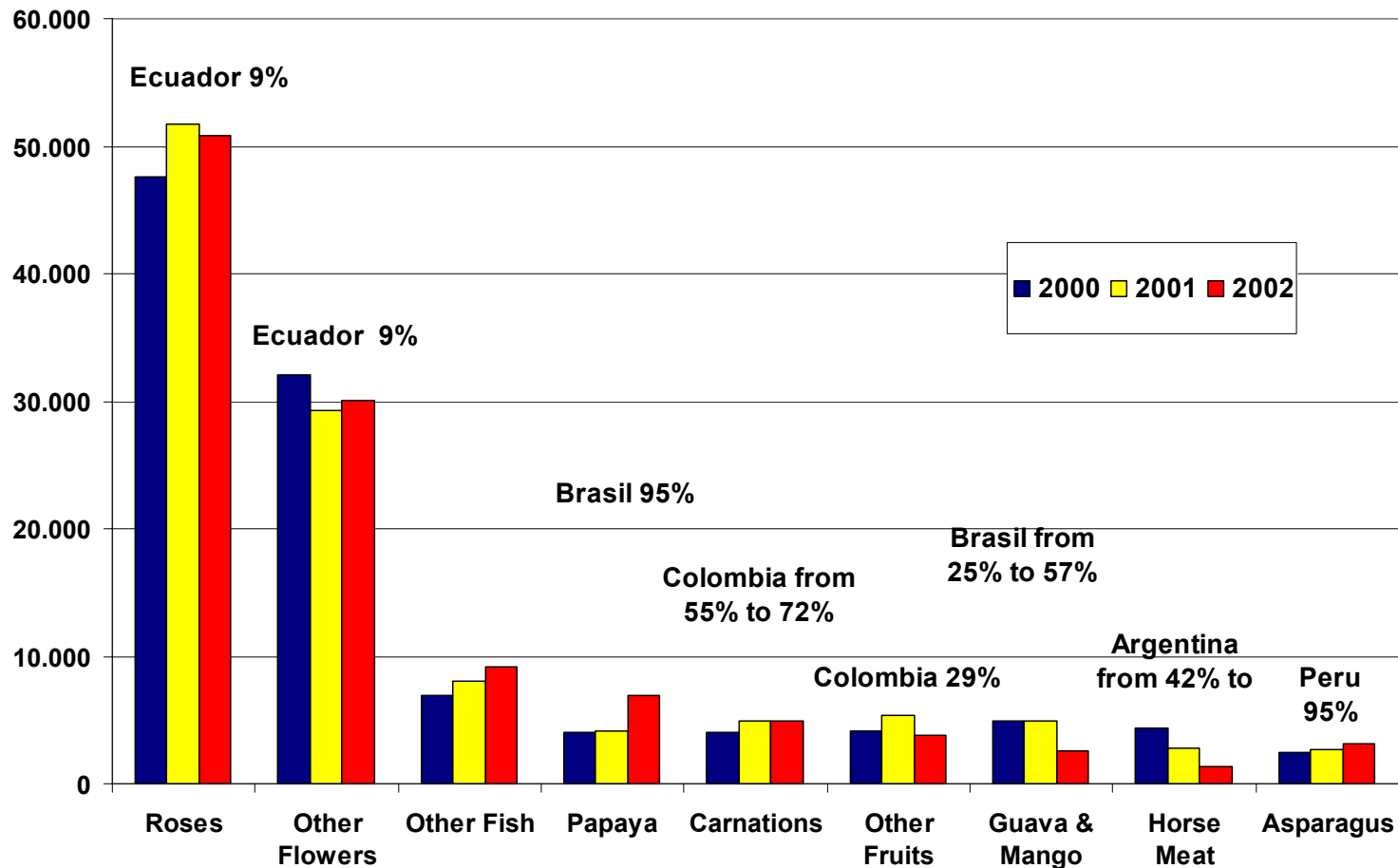
Strong and vulnerable relation between export country and commodity

Top-10 commodities imported into Europe from South America
Trade by air in tonnes, 2002



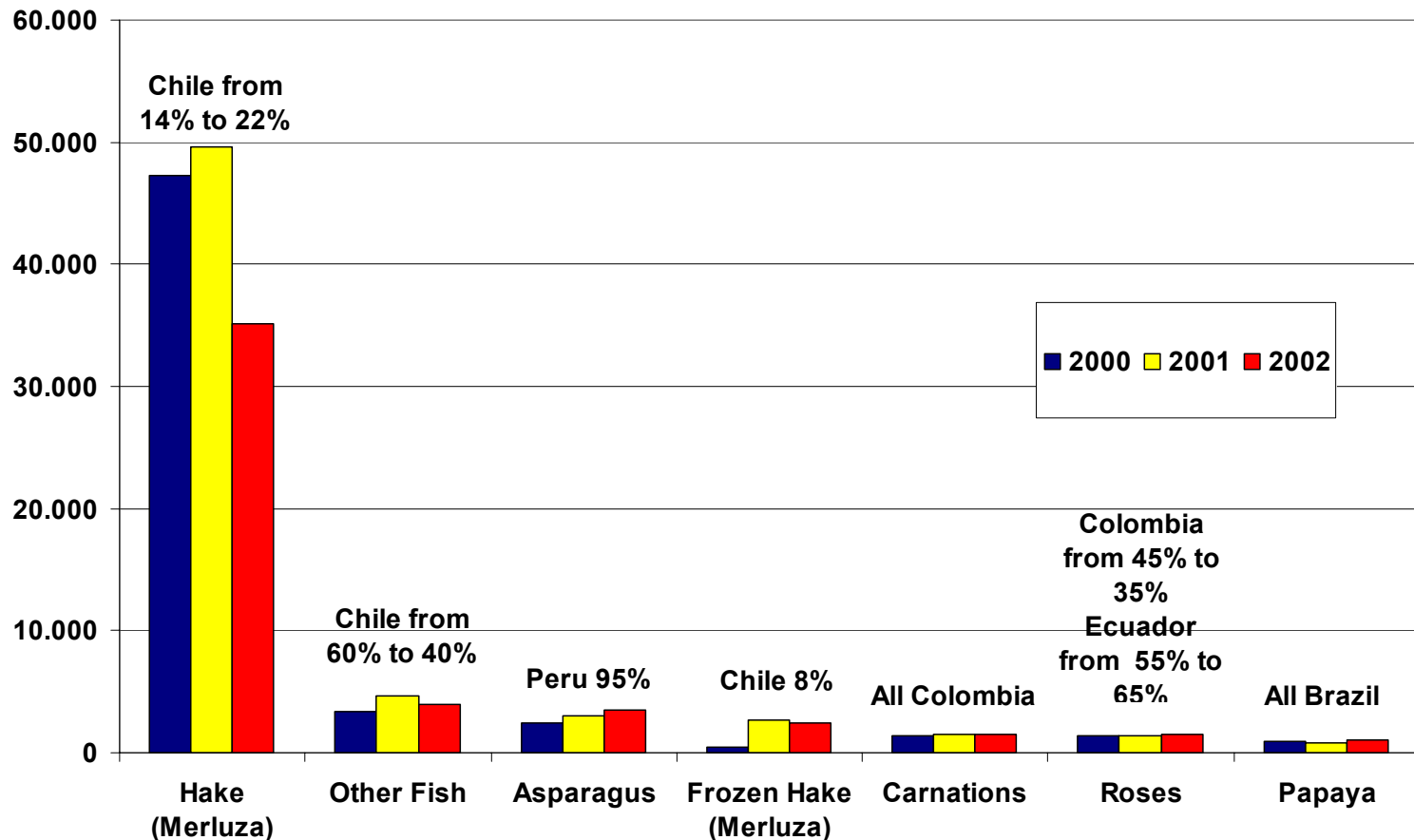
From a quantitative perspective: Ecuador has the best position in the Netherlands

Relevant (for South America) commodities imported into the Netherlands
Trade by air in tonnes, 2002



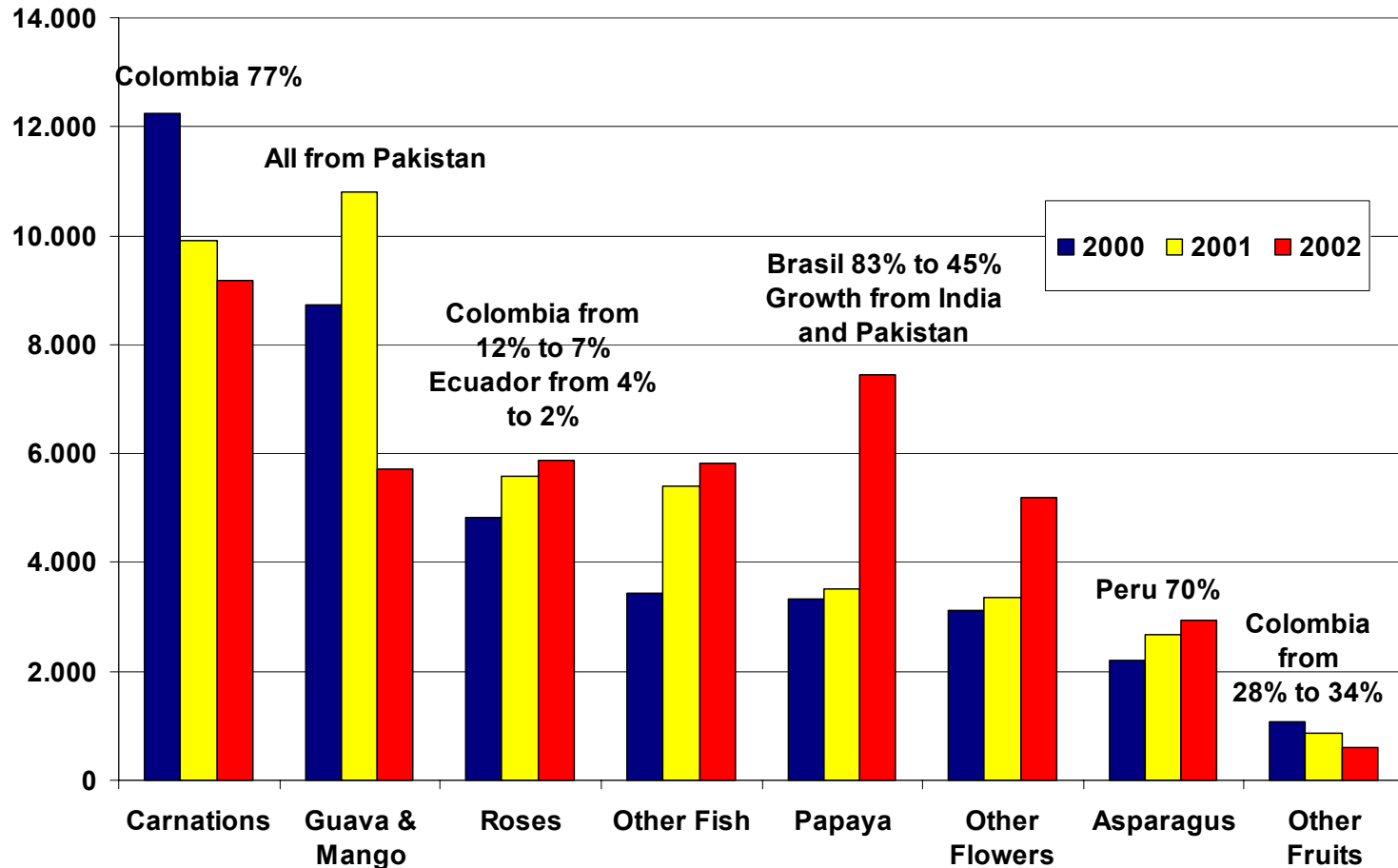
Chile has the best position to increase export volume to Spain

Relevant (for South America) commodities imported into Spain
Trade by air in tonnes, 2002



Brazil faces competition from Pakistan and India on tropical fruits to the UK

Relevant (for South America) commodities imported into the United Kingdom
Trade by air in tonnes, 2002



What happened in 2002?

- **The perishable market decreased with 7%; especially into Spain, Belgium and Luxembourg**
- **Increasing concentration of the Netherlands and UK as Europe's dominant import markets**
- **Kenya strengthened its position as the number one exporter to Europe**
- **Fish and meat have shown a decrease in import volume**
- **On the other hand, tropical fruits, beans/peas and other vegetables have increased**
- **Brazil, Kenya and Ghana were the most successful in growing their exports to Europe**

Opportunities

- **Identified perishable opportunities are country specific**
- **Some examples: tropical fruits from Brazil to the UK, hake from Chile to Spain, roses from Ecuador to the Netherlands, etc.**
- **To identify these opportunities to the other European countries requires research into commodity flows at a detailed level**
- **In general opportunities are: tropical fruits, roses, vegetables, Netherlands and the UK**
- **Learn from existing success stories, like: Kenya, Ghana, Brazil**

Challenges!

- **Increasing competition from Africa, especially in the flower industry**
- **Limited number of commodities per South American country make them vulnerable**
- **The trends shown in this presentation are demand and supply related: affordable air cargo capacity is required**
- **Imbalance between exports and imports does not make it attractive to put direct air capacity to South America**
- **Also due to the long distance (high cost to serve)**
- **Use consolidation points (like Miami) to solve capacity constraints and to create cost efficient pipe-lines to Europe**