

ECONOMIC BULLETIN Q1 2016

Annex

Production and turnover of the EU food and drink industry

Production index

| | 2015 Q2 | 2015 Q3 | 2015 Q4 | 2016 Q1 | 2016 Q2 | y-o-y |
|--------------------------------|---------|---------|---------|---------|---------|-------|
| Total manufacturing | 106.50 | 106.60 | 107.00 | 108.00 | 108.00 | |
| % change | 0.6 | 0.1 | 0.4 | 0.9 | 0.0 | 1.4 |
| Food and drink industry | 103.50 | 104.90 | 104.30 | 104.70 | 104.90 | |
| % change | -0.2 | 1.4 | -0.6 | 0.4 | 0.2 | 1.4 |

Source: Eurostat

The industrial production index (also called industrial output index or industrial volume index) measures the changes in the price adjusted-output of industry.

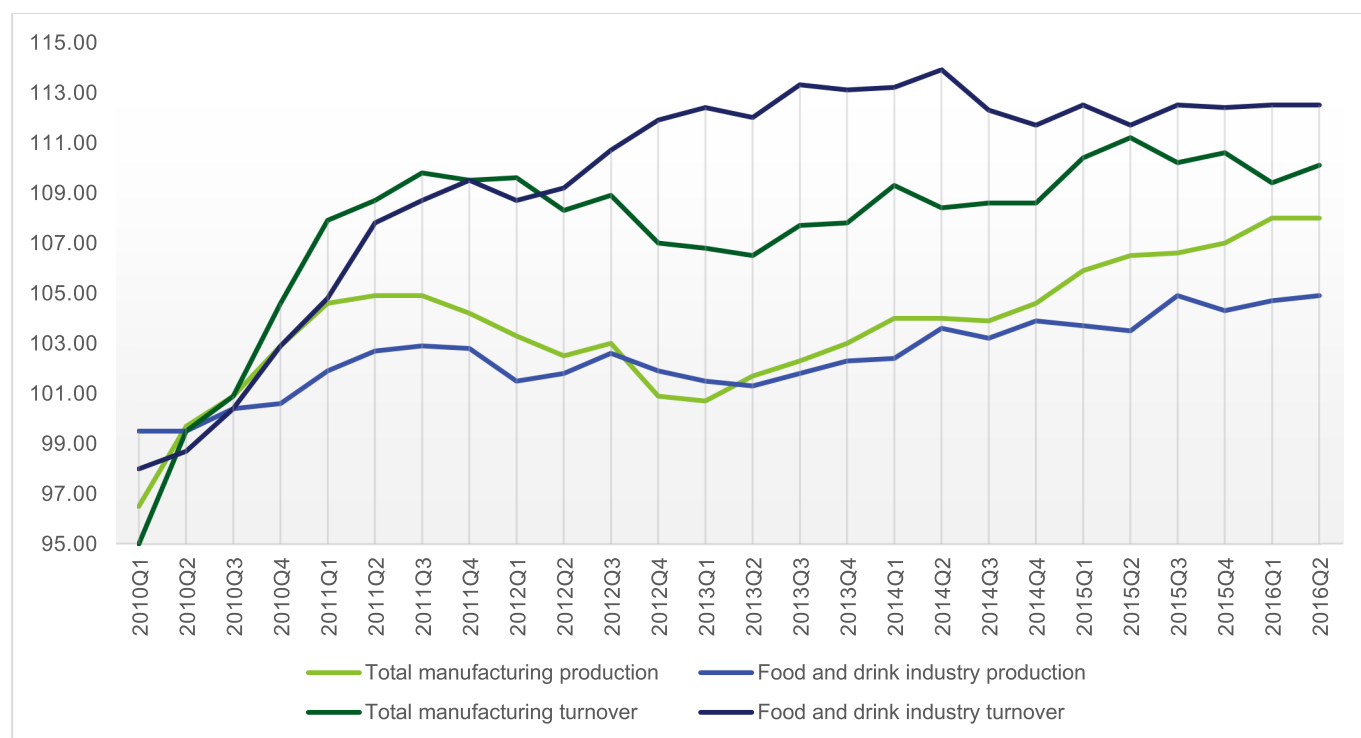
Turnover index

| | 2015 Q2 | 2015 Q3 | 2015 Q4 | 2016 Q1 | 2016 Q2 | y-o-y |
|--------------------------------|---------|---------|---------|---------|---------|-------|
| Total manufacturing | 111.20 | 110.20 | 110.60 | 109.40 | 110.10 | |
| % change | 0.7 | -0.9 | 0.4 | -1.1 | 0.6 | -1.0 |
| Food and drink industry | 111.70 | 112.50 | 112.40 | 112.50 | 112.50 | |
| % change | -0.7 | 0.7 | -0.1 | 0.1 | 0.0 | 0.7 |

Source: Eurostat

The index of industrial turnover measures the development of turnover (sales) in the European industry (it is influenced by changes in prices of the traded industrial goods and by changes of the traded volumes of goods).

EU quarterly manufacturing production and turnover, 2010 - 2016 (2010=100)



Source: Eurostat

Food and drink production by Member State

| Member State | 2016 Q1 / 2015 Q4 (% change) | 2016 Q2 / 2016 Q1 (% change) | 2016 Q2 / 2015 Q2 (% change) |
|----------------|---------------------------------|---------------------------------|---------------------------------|
| EU | 0.5 | 0.1 | 1.4 |
| Austria | -8.2 | 4.5 | 0.0 |
| Belgium | 1.8 | 0.3 | 3.9 |
| Bulgaria | 2.6 | -0.0 | 1.3 |
| Czech Republic | -4.8 | -0.4 | -1.6 |
| Denmark | 0.9 | 1.2 | 5.2 |
| Estonia | -0.7 | -3.3 | -2.1 |
| Finland | 1.9 | 0.2 | 2.9 |
| France | -0.3 | -2.1 | -3.0 |
| Germany | 1.0 | 0.0 | 1.4 |
| Greece | 2.2 | -0.8 | 3.4 |
| Hungary | 2.1 | -3.5 | -0.8 |
| Ireland | 6.1 | -2.6 | -1.8 |
| Italy | 0.8 | 0.5 | 0.8 |
| Latvia | 3.0 | -0.7 | -0.6 |
| Lithuania | -1.9 | 0.5 | 3.3 |
| Netherlands | 1.4 | 0.4 | 4.0 |
| Poland | 0.6 | 2.0 | 7.1 |
| Portugal | -4.1 | 7.2 | -2.6 |
| Romania | 0.8 | 3.9 | 9.3 |
| Spain | 1.2 | -0.2 | 1.7 |
| Sweden | 0.9 | -1.0 | -2.3 |

Food and drink turnover by Member State

| Member State | 2016 Q1 / 2015 Q4 (% change) | 2016 Q2 / 2016 Q1 (% change) | 2016 Q2 / 2015 Q2 (% change) |
|-----------------------|---------------------------------|---------------------------------|---------------------------------|
| EU | 0.3 | -0.1 | 0.8 |
| Austria | 1.4 | -0.7 | -0.7 |
| Belgium | -1.7 | 3.9 | 2.7 |
| Bulgaria | 6.3 | 3.8 | 6.7 |
| Czech Republic | -6.8 | 1.3 | -3.2 |
| Denmark | 1.5 | 1.3 | 4.4 |
| Estonia | -1.5 | -2.8 | -2.2 |
| Finland | -0.7 | -1.3 | -0.9 |
| France | 0.5 | -1.5 | -1.3 |
| Germany | 1.1 | -1.9 | -0.3 |
| Greece | -2.0 | 0.2 | -1.6 |
| Hungary | -0.3 | -1.9 | -0.8 |
| Ireland | 3.6 | -0.5 | -3.0 |
| Italy | -1.4 | 0.2 | -0.1 |
| Latvia | 2.3 | -2.3 | -2.2 |
| Lithuania | -3.7 | 1.2 | -1.5 |
| Netherlands | -0.3 | 1.4 | 1.8 |
| Poland | 0.1 | 1.7 | 6.8 |
| Portugal | -1.8 | 2.4 | 3.9 |
| Romania | -1.3 | 5.3 | 11.3 |
| Spain | 2.1 | -0.2 | 2.5 |
| Sweden | -1.1 | 2.1 | 0.4 |

Source: Eurostat. No data available for Croatia, Cyprus, Luxembourg, Malta, Slovakia, Slovenia, United Kingdom

Employment in the EU food and drink industry

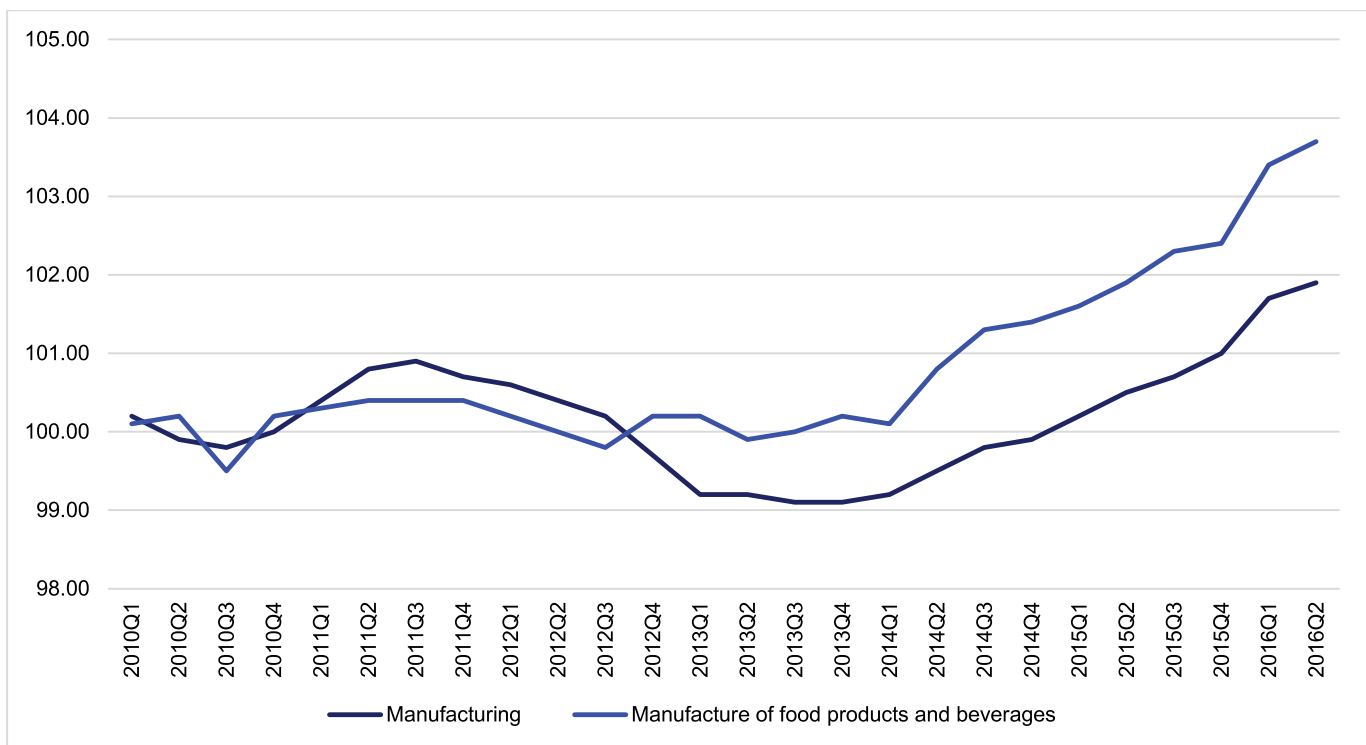
Employment index

| Employment | 2015 Q2 | 2015 Q3 | 2015 Q4 | 2016 Q1 | 2016 Q2 | y-o-y |
|--------------------------------|---------|---------|---------|---------|---------|-------|
| Total manufacturing | 100.50 | 100.70 | 101.00 | 101.70 | 101.90 | |
| % change | 0.3 | 0.2 | 0.3 | 0.7 | 0.2 | 1.4 |
| Food and drink industry | 101.90 | 102.30 | 102.40 | 103.40 | 103.70 | |
| % change | 0.3 | 0.4 | 0.1 | 1.0 | 0.3 | 1.8 |

Source: Eurostat

The labour input measures the number of persons employed in the total manufacturing industry vs. the food and drink industry in the EU, seasonally adjusted.

Employment in the EU food and drink industry compared to total manufacturing, 2010-2016 (2010=100)



Source: Eurostat

Food and drink industry employment by Member State

| Member State | 2016 Q1 / 2015 Q4 (% change) | 2016 Q2 / 2016 Q1 (% change) | 2016 Q2 / 2015 Q2 (% change) |
|-----------------------|---------------------------------|---------------------------------|---------------------------------|
| EU | 1.0 | 0.5 | 2.0 |
| Austria | -2.1 | 0.6 | -1.5 |
| Belgium | -0.1 | 0.6 | 0.5 |
| Bulgaria | 4.3 | -1.6 | 1.6 |
| Croatia | 4.6 | -0.7 | 8.0 |
| Czech Republic | 1.5 | 1.3 | 4.4 |
| Denmark | -0.3 | 1.6 | 1.6 |
| Estonia | -1.3 | -1.4 | -4.1 |
| Finland | 10.0 | -5.0 | -5.6 |
| France | 0.3 | 0.5 | 1.3 |
| Germany | 1.4 | 0.4 | 2.6 |
| Ireland | 1.5 | 7.9 | 3.6 |
| Latvia | 0.1 | -0.1 | -4.7 |
| Lithuania | 2.0 | -0.6 | 0.6 |
| Netherlands | na | na | na |
| Poland | 0.4 | 0.5 | 1.5 |
| Portugal | 0.5 | 0.5 | 1.5 |
| Romania | 2.1 | 0.0 | 4.1 |
| Spain | 1.7 | 3.8 | 0.1 |
| Sweden | -0.1 | 0.2 | -2.3 |
| United Kingdom | -1.0 | -2.3 | 2.3 |

Source: Eurostat. No data available for Cyprus, Greece (discontinued), Hungary, Italy, Luxembourg, Malta, Slovakia, Slovenia

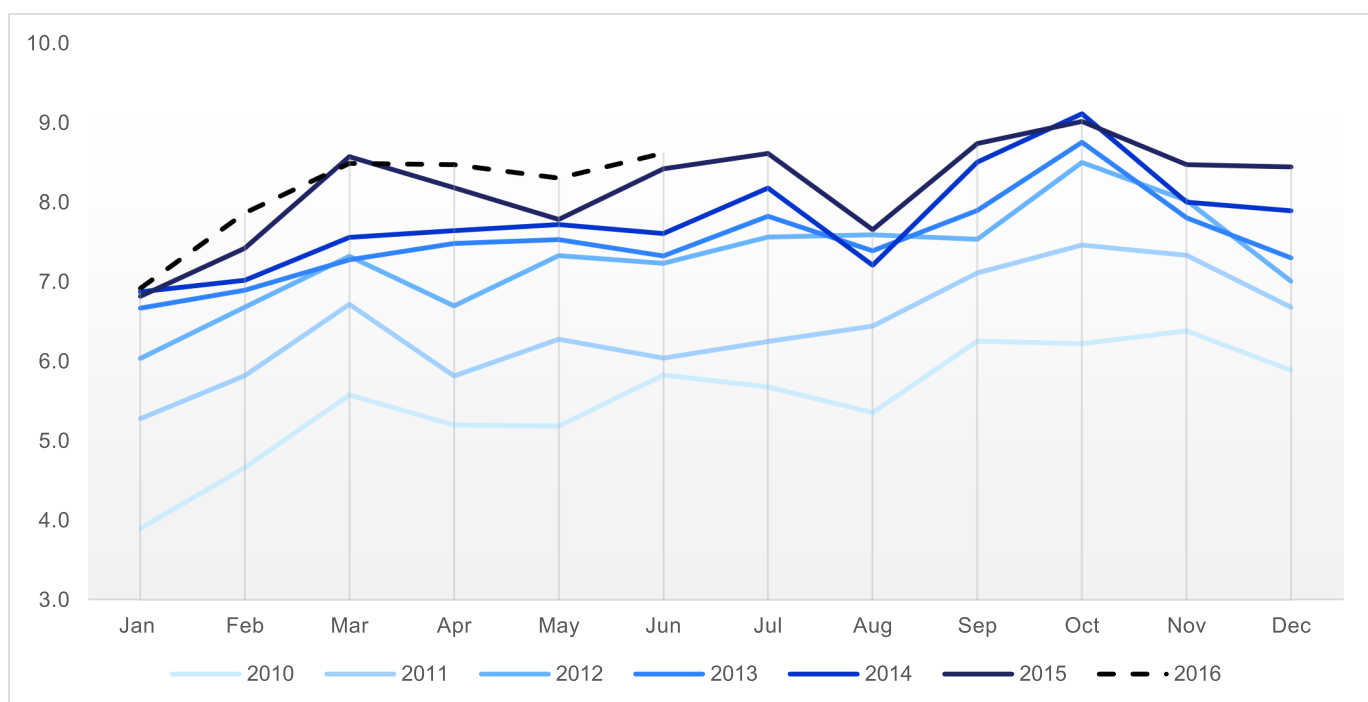
External trade

EU food and drink trade (€ billion)

| | 2015 Q2 | 2015 Q3 | 2015 Q4 | 2016 Q1 | 2016 Q2 | 2016 Q2 / 2015 Q2 % change |
|----------------|---------|---------|---------|---------|---------|----------------------------|
| Exports | 24.4 | 25.0 | 25.9 | 23.3 | 25.4 | 4.1 |
| Imports | 18.5 | 18.4 | 18.7 | 17.5 | 17.8 | -0.9 |
| Balance | 5.9 | 6.6 | 7.3 | 5.8 | 7.5 | 6.2 |

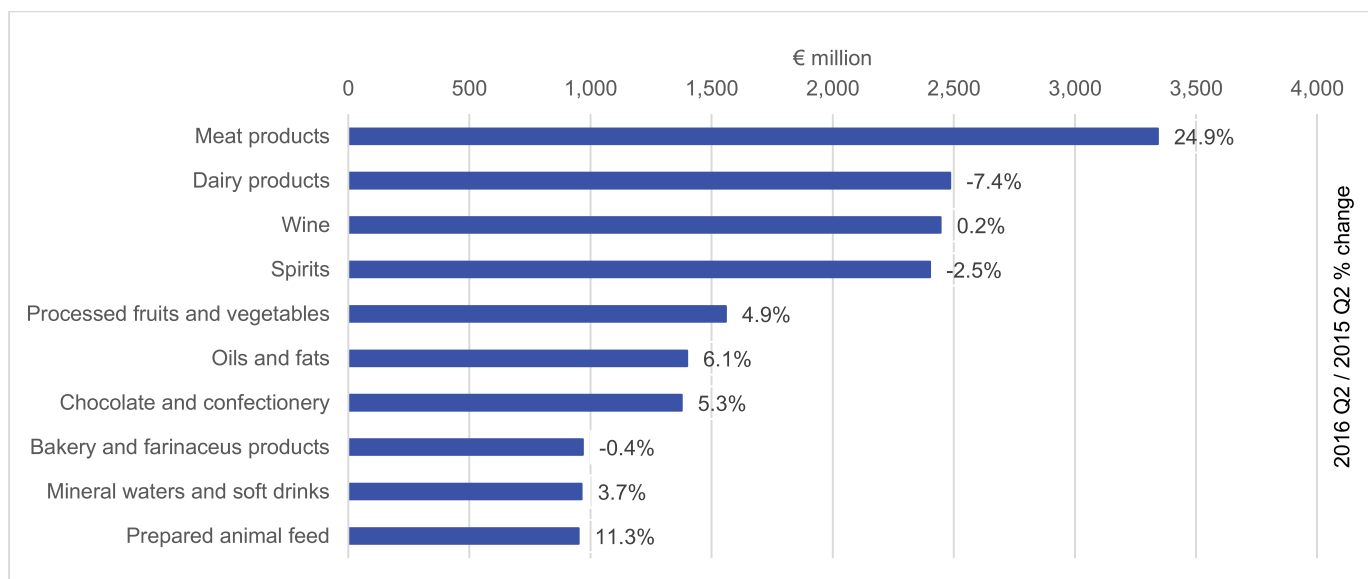
Source: Eurostat

EU food and drink export, 2010-2016 (€ billion)



Source: Eurostat

Export performance by sub-sector in Q2 2016



Source: Eurostat

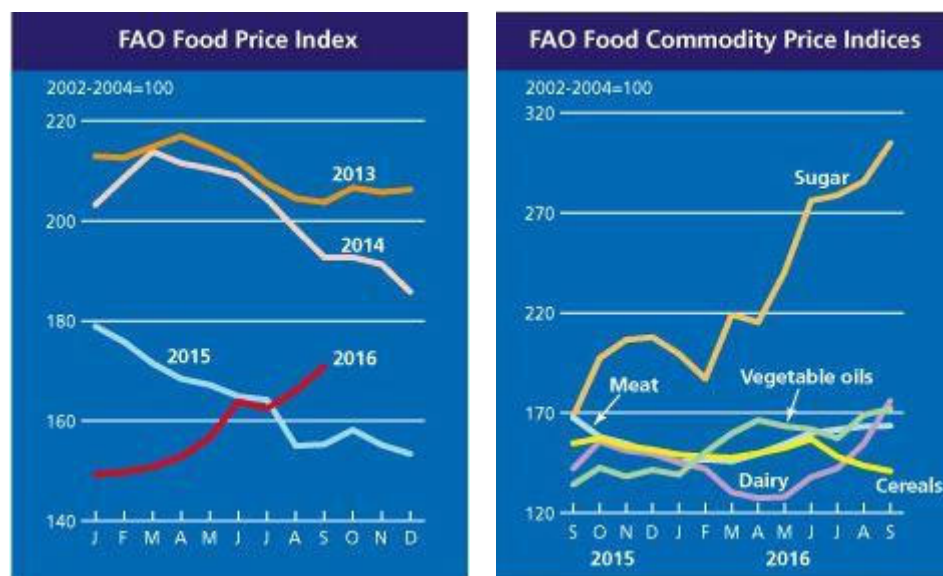
Trade by sub-sector in value and volume in Q2 2016

| FLOW PRODUCT/PERIOD | VALUE_IN_MLN_EUROS | | | | QUANTITY_IN_1000 tonnes | | | | | |
|----------------------------------|--------------------|----------|----------|---------------|-------------------------|----------|----------|---------|----------|--------|
| | IMPORT | EXPORT | IMPORT | EXPORT | IMPORT | EXPORT | IMPORT | EXPORT | | |
| | Q2 2015 | Q2 2015 | Q2 2016 | Q2 2016 | Q2 2015 | Q2 2016 | Q2 2015 | Q2 2016 | | |
| | | % change | % change | | | % change | % change | | % change | |
| | | | | Trade Balance | | | | | | |
| | | | | Q2 2015 | Q2 2016 | Q2 2015 | Q2 2016 | Q2 2015 | Q2 2016 | |
| | | | | | trend | | | | | |
| Food and drink | 18,486 | 17,841 | -3.49% | 24,376 | 25,382 | 4.13% | 7,542 | 13,199 | 14,138 | 7.12% |
| Food | 17,051 | 16,353 | -4.09% | 17,264 | 18,258 | 5.75% | 1,904 | 9,469 | 10,247 | 8.21% |
| Drink | 1,435 | 1,487 | 3.63% | 7,112 | 7,125 | 0.18% | 5,637 | 3,729 | 3,892 | 4.36% |
| Dietary products | 2,016 | 1,840 | -8.75% | 2,677 | 3,343 | 24.87% | 1,503 | 1,606 | 2,160 | 34.51% |
| Dairy products | 175 | 173 | -1.52% | 2,685 | 2,485 | -7.43% | 2,509 | 68 | 1,102 | 5.36% |
| Meat | 702 | 656 | -6.62% | 2,441 | 2,446 | 0.18% | 1,790 | 372 | 571 | 0.66% |
| Cereals | 349 | 386 | 10.75% | 2,465 | 2,402 | -2.53% | 2,016 | 66 | 313 | 1.42% |
| Processed fruits and vegetables | 2,440 | 2,209 | -9.49% | 1,487 | 1,559 | 4.87% | -649 | 1,980 | 1,322 | 6.58% |
| Sugars and fats | 4,188 | 3,879 | -7.37% | 1,319 | 1,399 | 6.07% | -2,481 | 8,461 | 1,026 | -6.30% |
| Chocolate and confectionery | 548 | 546 | -0.44% | 1,307 | 1,377 | 5.31% | 831 | 41 | 330 | 7.10% |
| Beverages and alcoholic products | 194 | 195 | 0.73% | 973 | 969 | -0.39% | 774 | 85 | 427 | 2.14% |
| General waters and soft drinks | 253 | 290 | 14.84% | 930 | 964 | 3.65% | 674 | 547 | 1,217 | 2.87% |
| Prepared animal feed | 269 | 279 | 3.88% | 855 | 951 | 11.28% | 672 | 232 | 769 | 1.28% |
| Other | 117 | 143 | 21.73% | 896 | 929 | 3.64% | 786 | 209 | 994 | 9.09% |
| Grain mill and starch products | 506 | 464 | -8.27% | 841 | 917 | 9.06% | 452 | 672 | 1,128 | 8.63% |
| Fish and seafood products | 4,319 | 4,483 | 3.79% | 886 | 879 | -0.76% | -3,603 | 1,161 | 399 | -9.85% |
| Processed tea and coffee | 395 | 497 | 25.83% | 557 | 545 | -2.17% | 162 | 1,263 | 81 | 8.34% |
| Other | 13 | 8 | -38.94% | 69 | 69 | 0.20% | 61 | 10 | 54 | 8.85% |

Sources: Eurostat Easy Comext, own calculations

Prices of agricultural commodities

FAO Food Price Index



Source: FAO Food Price Index

Main agricultural commodity prices

| Agricultural commodity | Q2 2016 average | EU | | Q2 2016 average | WORLD | |
|---------------------------|-----------------|---------------------|---------------------|-----------------|---------------------|---------------------|
| | | Q2 2016/ Q1 2016 | Q2 2016/ Q2 2015 | | Q2 2016/ Q1 2016 | Q2 2016/ Q2 2015 |
| | EUR/T | % change | % change | EUR/T | % change | % change |
| CEREALS | | | | | | |
| Corn | 164 | 3.8 | 7.9 | 152 | 3.8 | -1.2 |
| Soft Wheat | 152 | -3.6 | -13.9 | 168 | -3.4 | -11.3 |
| DAIRY | | | | | | |
| SMP | 1,664 | 0.5 | -12.0 | 1,566 | -5.0 | -25.0 |
| WMP | 2,024 | -2.9 | -19.9 | 1,836 | -2.2 | -20.0 |
| SUGAR | | | | | | |
| White Sugar | 433 | 0.7 | 3.8 | 427 | 12.5 | 29.0 |
| | | | | USD/T | % | % |
| OILS AND OIL CROPS | | | | | | |
| Soybean oil | | | | 795 | 6.2 | 2.7 |
| Soybean | | | | 424 | 14.5 | 7.7 |
| Soybean meal | | | | 419 | 27.6 | 7.0 |
| Rapeseed | | | | 415 | 5.0 | -2.9 |
| Palm oil | | | | 704 | 11.6 | 6.0 |
| COFFEE & COCOA | | | | | | |
| Cocoa | | | | 3,100 | 4.0 | 1.0 |
| Coffee | | | | 2,681 | 7.2 | -3.3 |

Sources: World prices: FAO (cereals), CIAL (dairy), USDA (sugar); EU prices: DG AGRI; own calculations

Retail trade

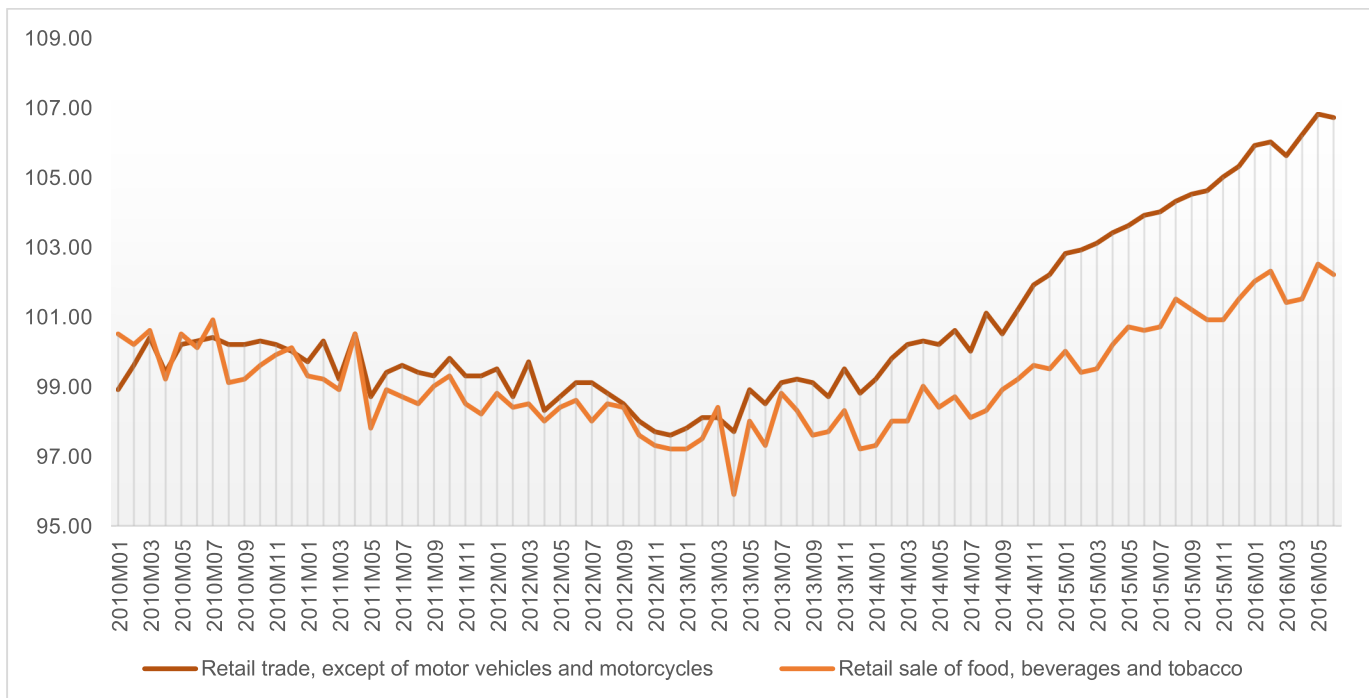
Volume of retail trade (% change)

| | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | y-o-y |
|---------------------------------|--------|--------|--------|--------|--------|-------|
| Total retail | 0.1 | -0.5 | 0.6 | 0.5 | -0.2 | 2.5 |
| Food, drinks and tobacco | 0.3 | -0.9 | 0.1 | 0.9 | -0.4 | 1.5 |

Source: Eurostat

The index of volume of retail trade measures the monthly changes of the deflated turnover of retail trade.

EU monthly retail trade volume by product group, 2010-2016 (2010=100)



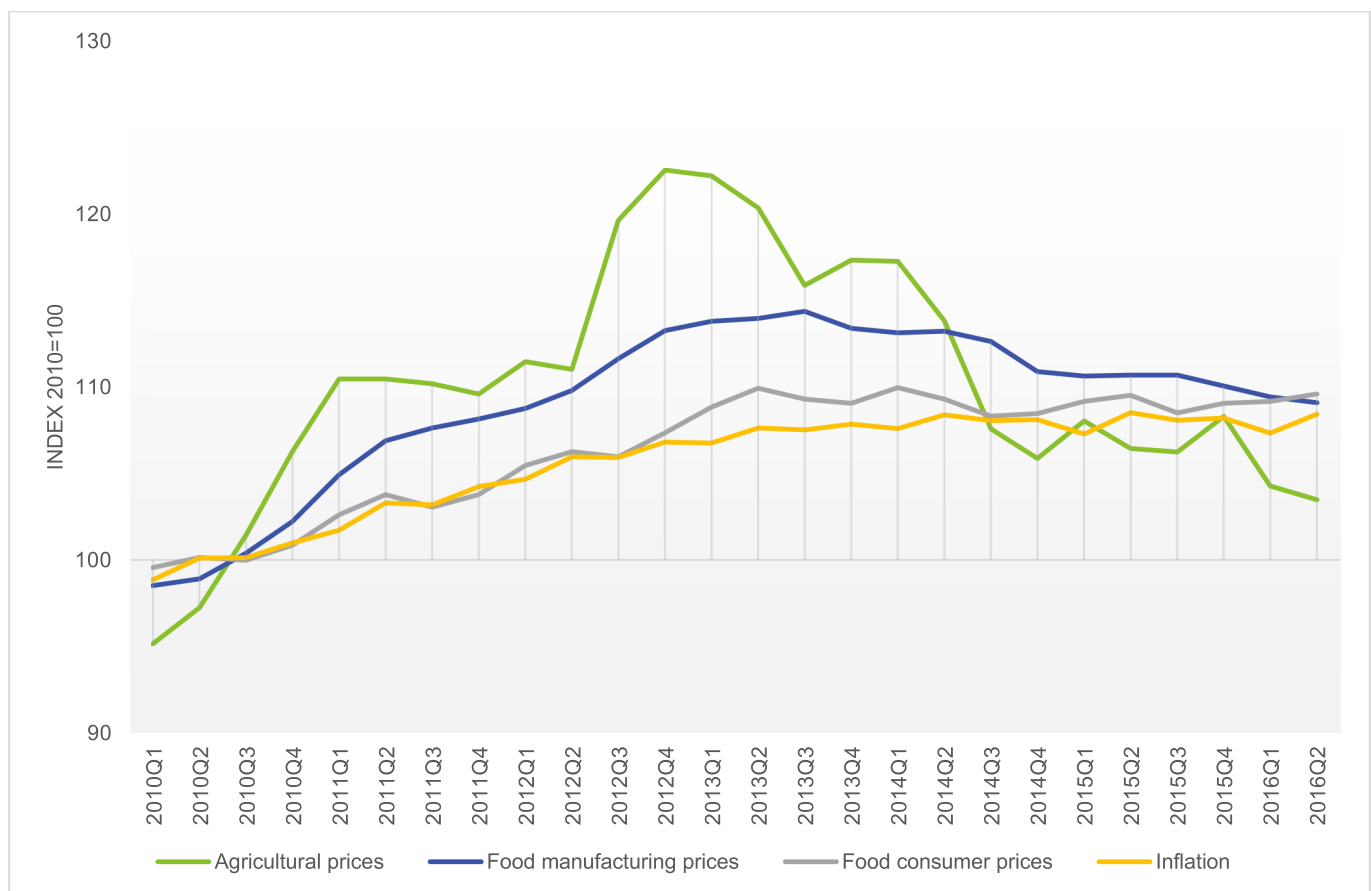
Sources: Eurostat; [Eurostat News Release 167/2016](#)

Price developments along the EU food chain

Price developments (% change)

| | 2015Q2 | 2015Q3 | 2015Q4 | 2016Q1 | 2016Q2 | y-o-y |
|----------------------------------|--------|--------|--------|--------|--------|-------|
| Agricultural prices | -1.5 | -0.2 | 1.9 | -3.7 | -0.8 | -2.8 |
| Food manufacturing prices | 0.1 | 0.0 | -0.6 | -0.6 | -0.3 | -1.4 |
| Food consumer prices | 0.3 | -0.9 | 0.5 | 0.1 | 0.4 | 0.1 |
| Inflation | 1.2 | -0.4 | 0.1 | -0.8 | 1.0 | -0.1 |

Sources: FoodDrinkEurope calculations on DG AGRI and Eurostat data



Note: Eurostat monthly indices for EU farmer prices are not available since 2013. Until March 2015, it is estimated based on Member States data weighted by their share in the agricultural output. Beyond, the index is estimated based on cereal, sugar, milk and meat monthly prices weighted by annual production.

Source: DG Agriculture and Rural Development, based on Eurostat