

2020

Trade Analysis Series

Olive Sector



Turn Potential into Profit!



Small and Medium Enterprises Development Authority (SMEDA)
Ministry of Industries and Production
Government of Pakistan

www.smeda.org.pk

UAN: 111 111 456

Disclaimer

The purpose and scope of this information memorandum is to introduce the subject matter and provide a general idea and information in this regard. All the material included in this document is based on data/ information gathered from various sources and is based on certain assumptions. Although, due care and diligence has been taken to compile this document, the contained information may vary due to any change in any of the factors concerned, and the actual results may differ substantially from the presented information. SMEDA does not assume any liability for any financial or other loss resulting from this memorandum in consequence of undertaking any activity. The prospective user of this memorandum is encouraged to carry out additional diligence and gather any information he / she feels necessary for making an informed decision

For more information on services offered by SMEDA, please contact our website: www.smeda.org.pk



1 Product Description

Olive fruit has been a part of human diet for thousands of years especially in the Mediterranean areas of Europe. Olive belongs to a group of fruits known as drupes or stone fruits and is similar to mangoes, cherries, peaches, almonds pistachios. Olives have a high vitamin E content along with numerous other powerful antioxidants. The most popular types of Olive varieties include Amfissa, Alfonso, Beldi Castelvetro, Cerignola, Gaeta, Gordal, Kalamata, Liguria, Manzanilla, Mission, Nicoise, Nyon and Picholine. By large oil extracted from olive fruit is used for cooking purposes. Additionally, Olives are also consumed as table food in the form of pickles, salads and other delicacies.

The harmonized Commodity Description and Coding System (referred as HS Codes) designated for trade of Olives is classified under various sub-categories of HS Codes 07, 15 and 20. The brief description of products falling under this category include:

Table 1: Olive Product Details

Product Category HS Code	Product Description
Table Olives (Fruit)	
070992	Fresh or chilled olives
071120	Preserved Olives (Not for Immediate Consumption)
200570	Olives Preserved other than by Vinegar or Acetic Acid
Olive Oils	
1509	Olive Oil (Not Chemically Modified)
1510	Olive Oils Fractions (Chemically Modified)

Source: Trade Map

2 Global Trade of Olives

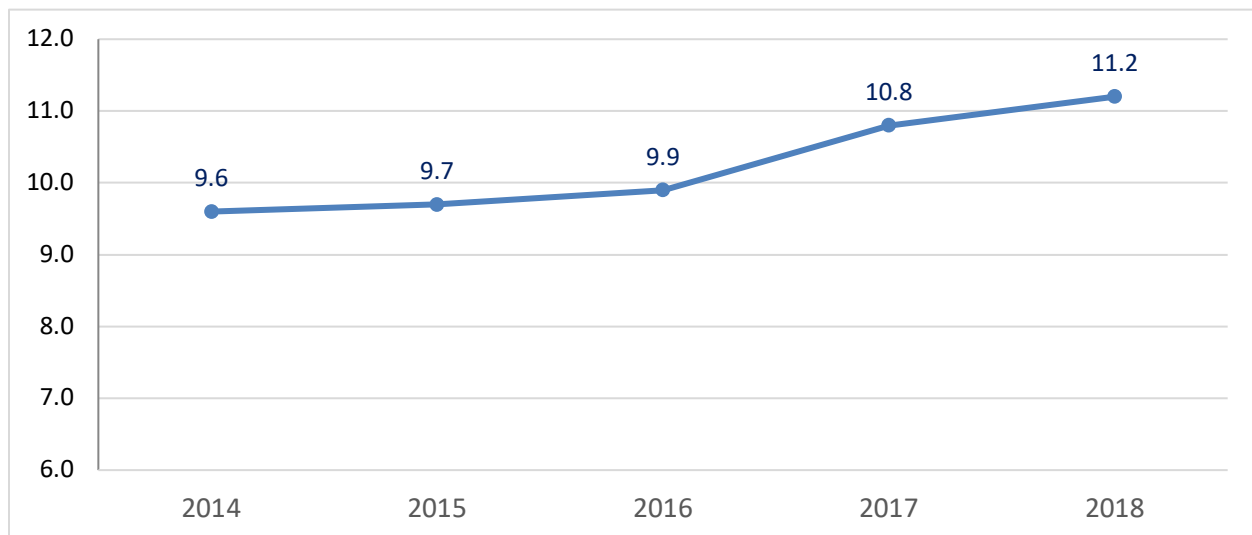
The trade of Olives and Olive Oils are an important agricultural commodity in the global economy with a market size of US \$ 11.2 billion in 2018 which grew by 3.7% compared the previous year. The growth in global Olive trade has shown a consistently upward growth trend from 2014 ~ 2018 recording a CAGR of 3.9% during the last 5-year period.

Table 2: Global Exports of Olives - Last 5 Years

Description	2014	2015	2016	2017	2018
World Exports (Value is US \$ Billion)	9.6	9.7	9.9	10.8	11.2
Growth (%age)	Base Year	1.0%	2.1%	9.1%	3.7%

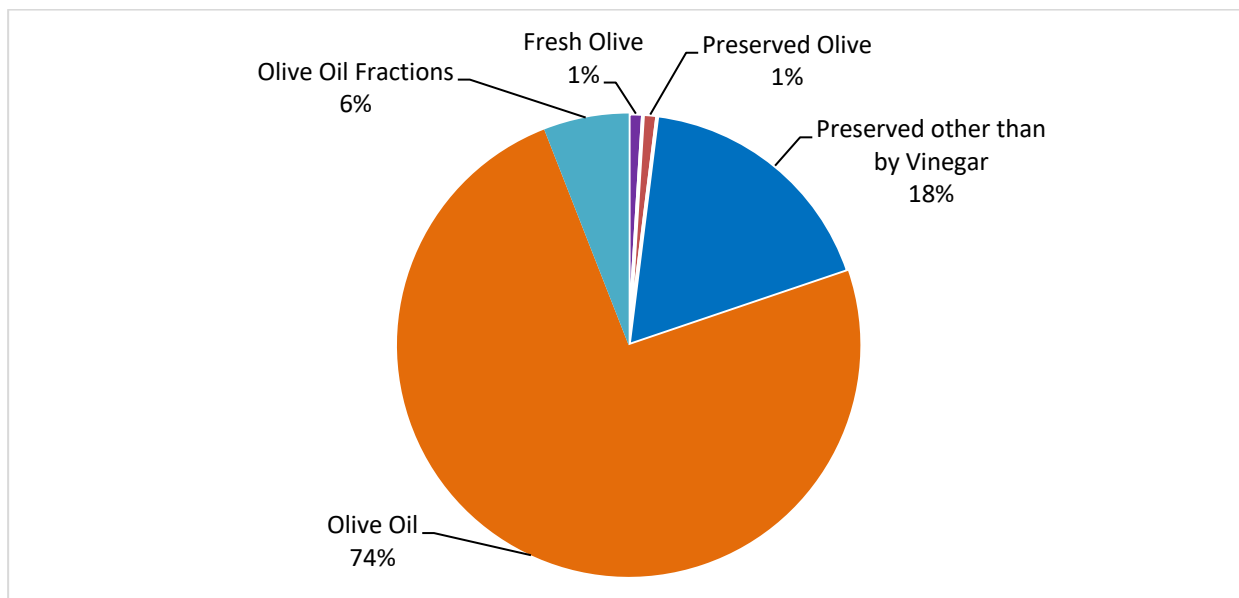
Source: Trade Map



Figure 1: Growth Trend in Global Exports of Olive Product (Value US \$ Billions)

Source: Trade Map

The aggregate share of Olive Oil contributed towards 80% of the total Olive product export during 2018 vis-à-vis the 20% market share of table olives. The graph below breaks down the relative market share of all five HS code categories in the total global value exports of all Olive related products.

Figure 2: World Export Product Mix – 2018

Source: Trade Map

Major Exporters

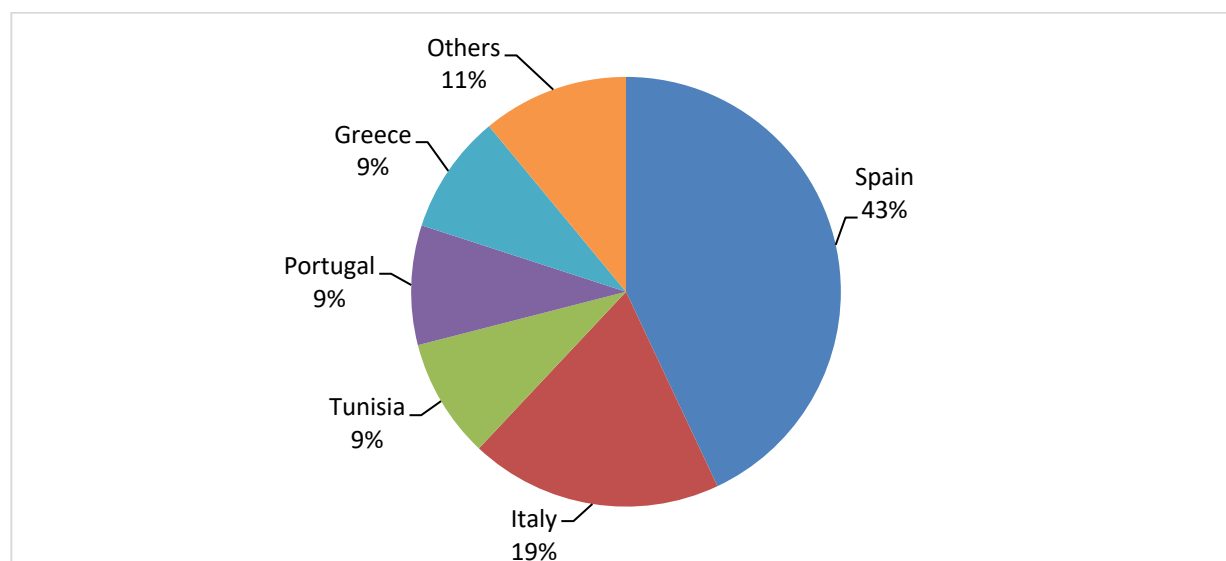
During the last 5 years, the exports of Olive Oils and Olives have been dominated by Spain followed by Italy & Tunisia and Spain, Greece & Morocco respectively. The export value and market share of the five biggest exporting countries in 2018 are provided in the tables and figures below.

Table 3: Major Olive Oil Export Countries in 2018 (HS 1509, 1510)

Sr. No.	Country	Exports (Value in US \$ Billion)	CAGR % (2014 – 2018)
1	Spain	3.9	0.3%
2	Italy	1.7	-1.0%
3	Tunisia	0.8	30.0%
4	Portugal	0.8	11.7%
5	Greece	0.8	20.9%

Source: Trade Map

Figure 3: Market Share of Major World Olive Oil Exporters in 2018 (HS 1509, 1510)



Source: Trade Map

Table 4: Major Olive Export Countries in 2018 (HS 070992, 071120, 200570)

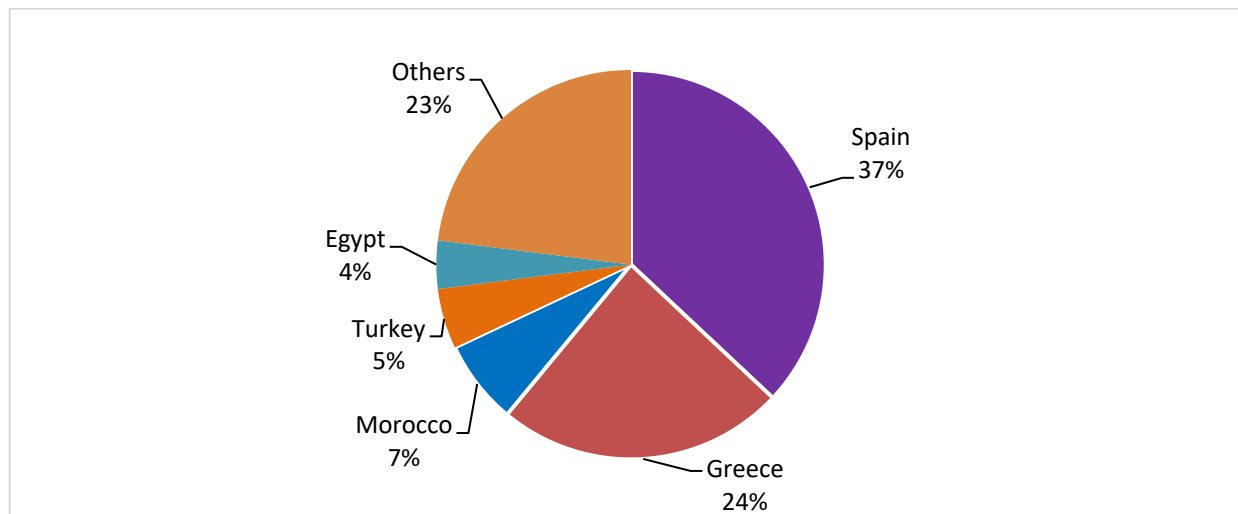
Sr. No.	Country	Exports (Value in US \$ Millions)	CAGR % (2014 – 2018)
1	Spain	816.0	-2.8%
2	Greece	531.1	5.9%
3	Morocco	160.6	-0.8%
4	Turkey	115.6	-0.1%



5	Egypt	93.2	2.3%
---	-------	------	------

Source: Trade Map

Figure 4: Market Share of Major World Olive Exporters in 2018 (HS 070992, 071120, 200570)



Source: Trade Map

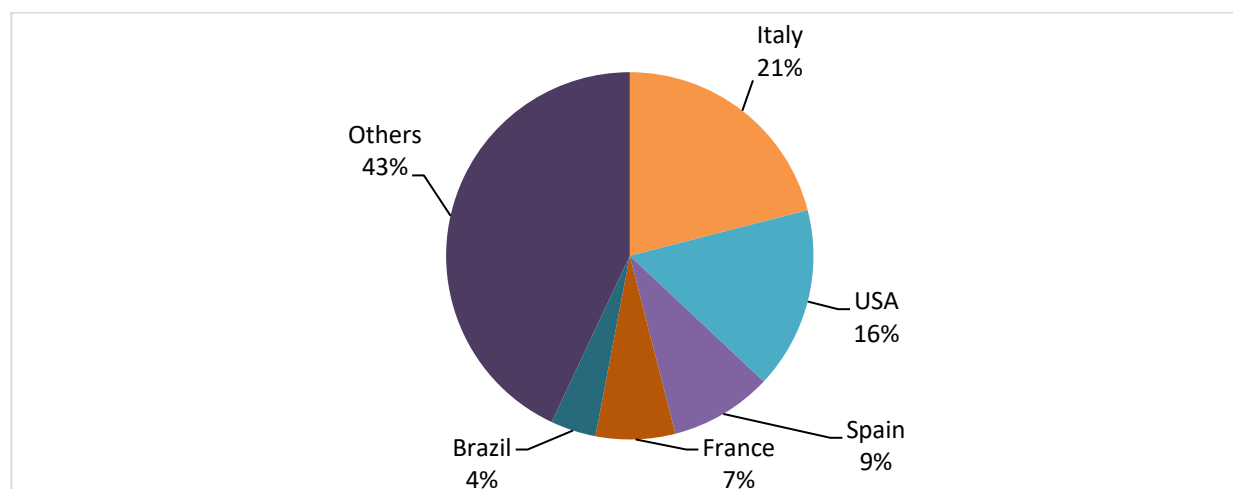
Major Importers

During the last 5 years, the largest importer of Olive Oil and Olives was Italy and United States of America respectively. The import value and market share of the five biggest importing countries in 2018 are provided in the tables and figures below.

Table 5: Major Olive Oil Importing Countries in 2018 (HS 1509, 1510)

Sr. No.	Country	Exports (Value in US \$ Billion)	CAGR % (2014 – 2018)
1	Italy	1.9	-1.3%
2	USA	1.5	7.5%
3	Spain	0.8	40.5%
4	France	0.6	7.3%
5	Brazil	0.4	7.5%

Source: Trade Map

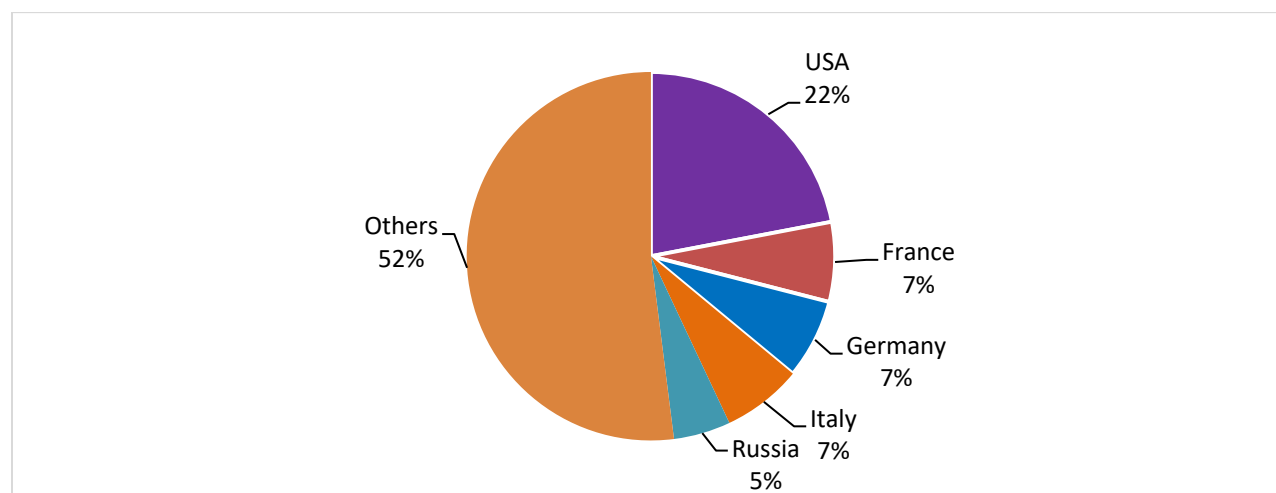
Figure 5: Market Share of Major World Olive Oil Importers in 2018 (HS 1509, 1510)

Source: Trade Map

Table 6: Major Olive Importing Countries in 2018 (HS 070992, 071120, 200570)

Sr. No.	Country2	Exports (Value in US \$ Millions)	CAGR % (2014 – 2018)
1	USA	484.3	1.2%
2	France	164.1	2.8%
3	Germany	156.0	1.5%
4	Italy	152.8	3.2%
5	Russia	101.9	-0.6%

Source: Trade Map

Figure 6: Market Share of Major World Olive Importers in 2018 (HS 070992, 071120, 200570)

Source: Trade Map

3 Pakistan's Exports of Olives

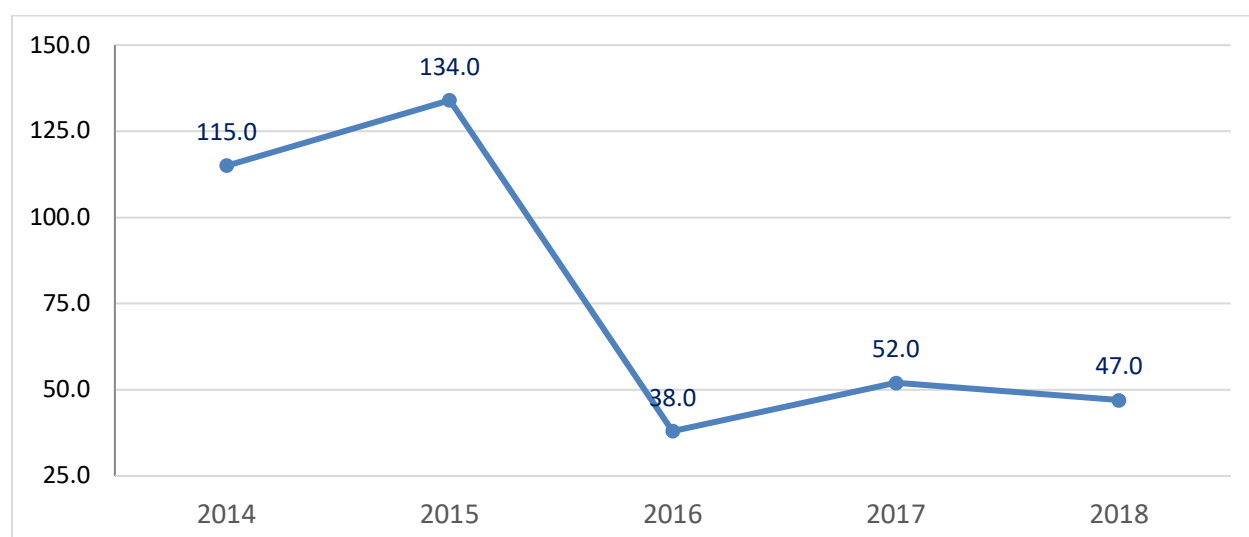
Pakistan is a relatively minor player in the global economy with respect to trade in Olive and Olive Oil products. Pakistan's total export value during 2018 was negligible US \$ 47 thousand and recorded a CAGR of -20% over the last five years. The combined export figures of all five HS code sub-categories of the Olive sector are provided in the table below.

Table 7: Pakistan Olive and Olive Oil Exports – Last 5 Years (Value in US \$ Thousands)

Description	2014	2015	2016	2017	2018
Pakistan's Exports (Value in US \$ Thousands)	115	134	38	52	47
Growth (%age)	Base Year	16.5%	-71.6%	36.8%	-9.6%

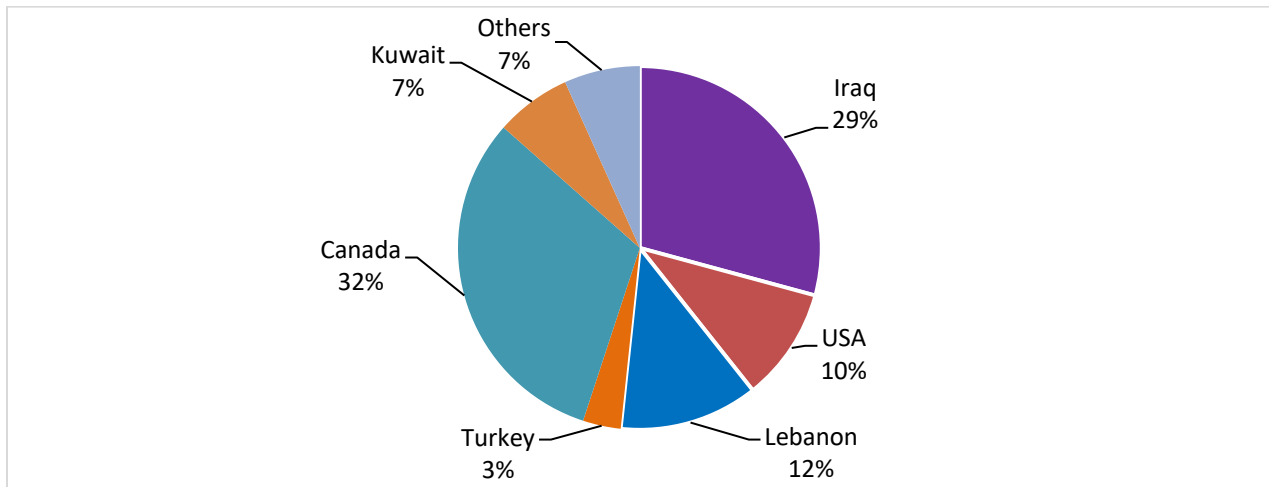
Source: Trade Map

Figure 7: Growth Trend of Pakistan's Olive Exports – Last 5 Years (Value in US \$ Thousands)



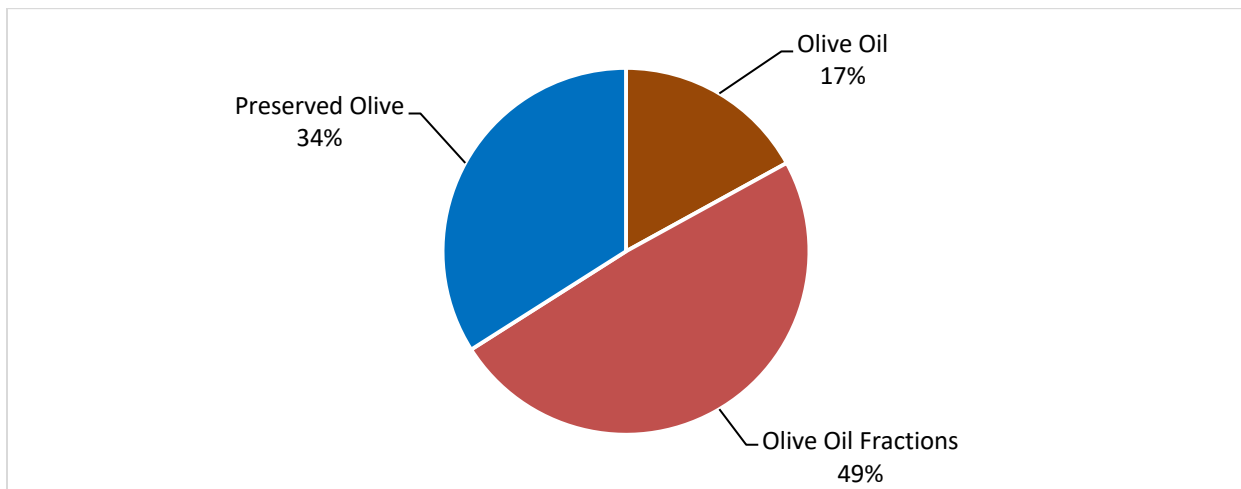
Pakistan's Export Destinations and Major Product Mix

The chart below provides the market share of Pakistan's largest export destinations. The top two countries Canada and Iraq are the country's largest export markets and collectively account for more than 50% of Pakistan's total export trade value.

Figure 8: Market Share of Pakistan's Top Export Destination Countries in 2018

Source: Trade Map

The major product mix of Pakistan's exports in this sector consisted of Olive Oils with this category adding up to 66% of the country's total exports (see figure below).

Figure 9: Segmentation of Pakistan's Exports by Product Category in 2018

Source: Trade Map

4 Pakistan's Import of Olives

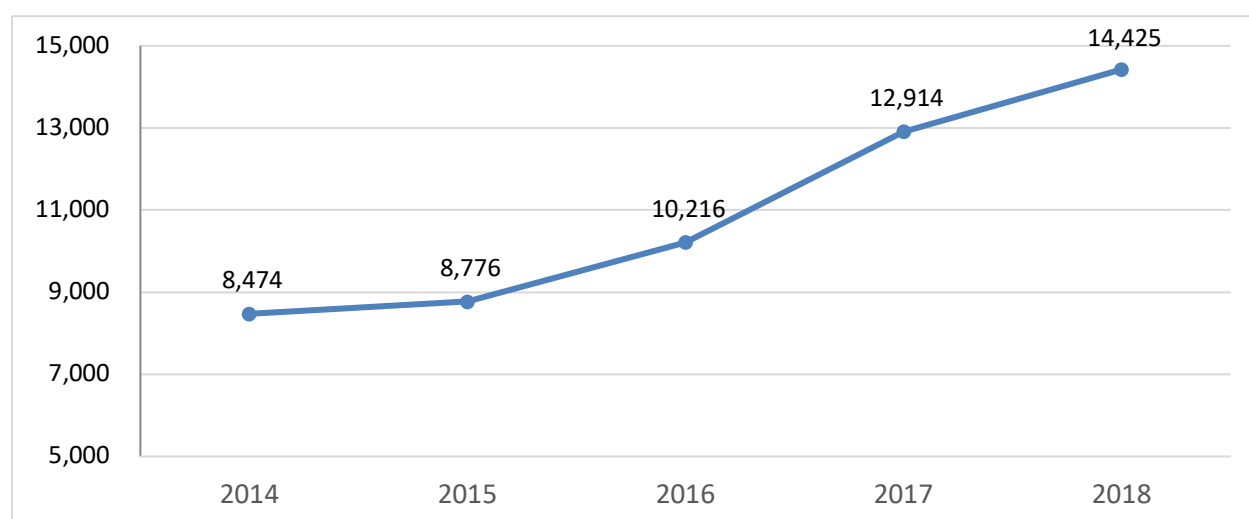
Pakistan's total value of Olive products import in 2018 was a US \$ 14.4 million which has been rapidly growing over the last five years with a recorded a CAGR of 14.2%. The country is a significantly larger net importer of the commodity compared to its exports. The combined import figures of all five HS code sub-categories of the Olive sector provided in the table and graph below.

Table 8: Pakistan Olive and Olive Oil Imports – Last 5 Years (Value in US \$ Thousands)

Description	2014	2015	2016	2017	2018
Pakistan's Imports (Value is US \$ Thousands)	8,474	8,776	10,216	12,914	14,425
Growth (%age)	Base Year	3.6%	16.4%	26.5%	11.7%

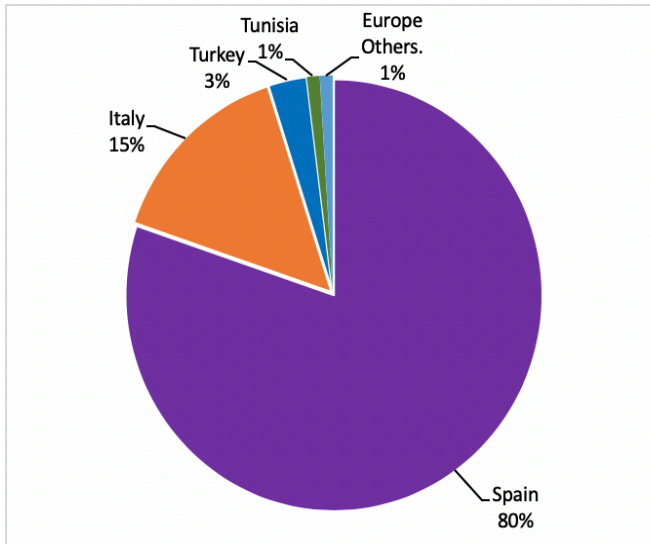
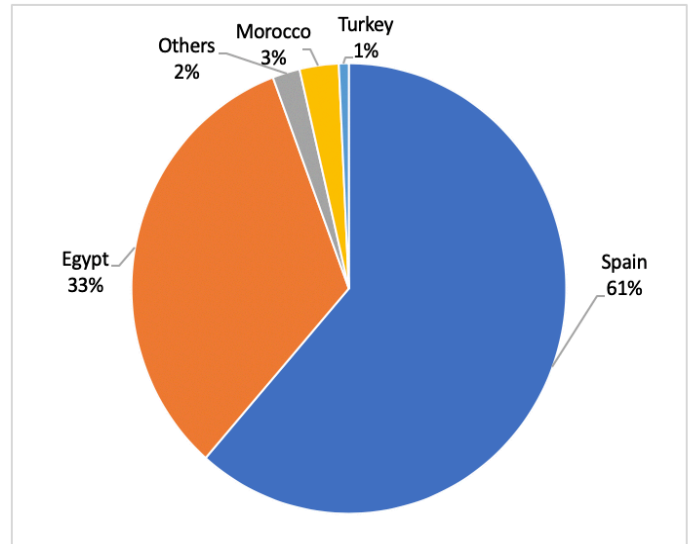
Source: Trade Map

Figure 10: Growth Trend of Pakistan's Olive Imports – Last 5 Years (Value in US \$ Thousands)

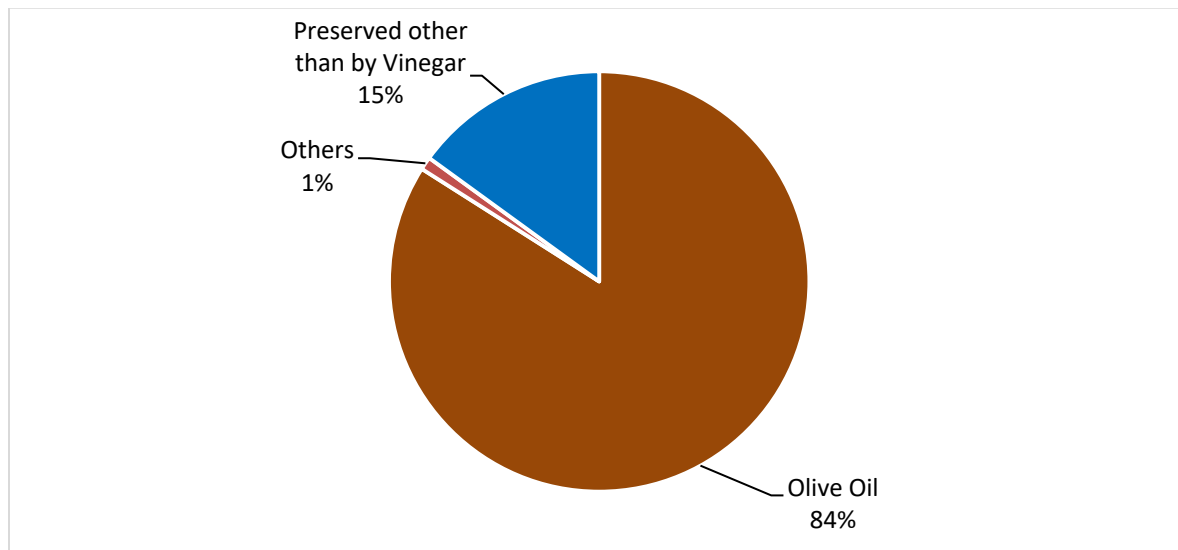


Pakistan's Import Partners and Major Product Mix

Spain was the largest exporter of Olive products to Pakistan in both Olive and Olive Oil categories. Furthermore, the demand for both Olive Oil and Olives imported by Pakistan is exclusively dominated by three countries – Spain, Italy and Egypt as evident and depicted in the figure below.

Figure 11: Market Share of Olive and Olive Oil Exports to Pakistan - 2018**Olive Oil Exporting Countries to Pakistan - 2018****Table Olive Exporting Countries to Pakistan - 2018**

The major chunk of Pakistan's imports of Olive related products comprised of two main sub-categories HS Code 1509 – Olive Oils and HS 200570 – Preserved Olives which cumulatively accounted for 99% of the country's total Imports (see figure below).

Figure 12: Segmentation of Pakistan's Import by Product Category in 2018

Source: Trademap

5 Pakistan's Import Trade and Tariff

There are certain policies and custom duties to be paid on import of olive and olive oil in Pakistan¹.

- Custom duty of 3% on import of HS Code 070992 – Olives
- Custom duty of 16% on import of HS Code 071120- Olives
- Custom duty on import of HS Code 1509 – Olive Oil at a rate Rs. 5000/MT on Virgin Olive Oil varieties and Rs. 6000/Mt on other varieties
- Custom duty on import of HS Code 1510 – Olive Oil at a rate of Rs. 6000/Mt on other varieties
- Custom duty of 20% on import of HS Code 200570

6 Prominent International Trade Fairs

Name of Trade Show	Location	Frequency	Web Links
ArgOlivia	San Juan, Argentina	Annual	www.argoliva.com.ar/
Enoliexpo Adriatica	Bari, Italy	Annual	www.enoliexpo.com/
Expo Azeite	Sao Paulo, Brazil	Annual	www.pieralisi.com/Viewdoc?co_id=2050
FHC Olive Oil Summit	Shanghai, China	Annual	www.fhcchina.com/en/olive/
Gourmet Olive & Delicacies	Thessaloniki, Greece	Annual	www.gourmetexhibition.com/
IOE China	Guangzhou, China	Annual	www.gzmyz.com/
Med Mag Olivia	Sousse, Tunisia	Annual	www.medmagoliva.tn/
Olive Exposium	Adelaide, Australia	Annual	www.oliveexposium.com/
World Olive Oil Exhibition	Madrid, Spain	Annual	www.oliveoil exhibition.com/

¹ FBR Pakistan Handbook