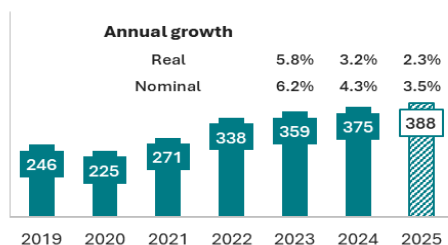


## **Greek food at a turning point: Global challenges as catalysts for growth**

Business sector sales continued their upward trajectory in the first half of 2025, albeit with a noticeable slowdown due to increasing international pressure, according to the latest issue of “Business Trends” by the Economic Analysis Division of the National Bank of Greece. According to the analysis, these global pressures may serve not only as challenges but also as opportunities – particularly for sectors demonstrating resilience and increasing outward orientation, such as the food industry. These conditions could accelerate their shift toward high value-added activities through (i) targeted investments in technology and (ii) collaborative structures that ensure critical mass, economies of scale, and stable integration into global value chains.

**Business sector sales**  
in bn €



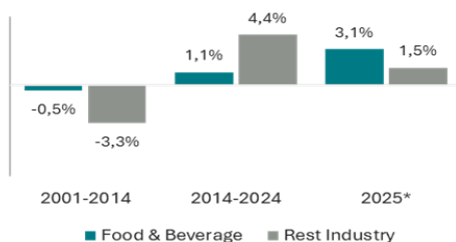
Sources: Elstat | Estimates: NBG

Starting with the overall performance of the business sector, sales in Q1:2025 posted a modest annual increase of 0.9% in real terms. This performance was lower than the 3.2% growth recorded over the previous 12-month period, largely due to unfavourable international conditions (e.g., geopolitical uncertainty and aggressive U.S. tariff policies). Nevertheless, a gradual improvement is anticipated for the remainder of the year.

This estimate is supported by (i) improved business expectations (June’s confidence index exceeds the medium-term average), (ii) early signs from Q2 indicators, and (iii) the recently concluded 15% tariff agreement on European exports to the U.S., which mitigates the risk

of more adverse scenarios. Under these circumstances, overall real growth for 2025 is projected at 2.3% (versus 3% in 2024). Support is expected to be sustained by continued investment in IT and construction (though facing some slowdown due to institutional uncertainties), while mild positive results are expected in industry and trade, which are more affected by international trade turbulence.

**Sales trends over time**  
average annual change for the period (deflated terms)



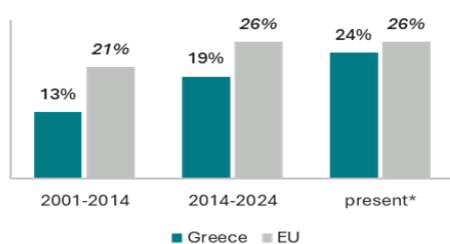
Sources: Elstat, Eurostat | Estimates: NBG

\* Estimate based on the performance of the first 5 months of 2025.

Amid this generally moderate business environment, the food and beverage sector stands out for its strong momentum, registering a real growth rate of +3.1% over the last six months – well above the rest of the industrial sector (+1.5%). This outperformance reflects a long-term strategic effort to strengthen the sector over the past 25 years. Sales have proven resilient, with only mild fluctuations, even during recessionary periods. At the same time, significant progress has been made in key indicators over the last decade:

- ✓ Export orientation has steadily improved, now accounting for roughly 25% of total sales—up from 13% during 2001–2014. This brings the sector close to the European average (a 2 percentage point gap, down from 8 points 25 years ago). Importantly, this growth has taken on a more strategic nature in recent years, no longer being driven by weak domestic demand.
- ✓ The sector’s financial position has also improved over the past decade, with return on assets nearly doubling from pre-crisis levels (3.9% from 2.2%), approaching the European average (4.6%).

### Extroversion as a % of period sales

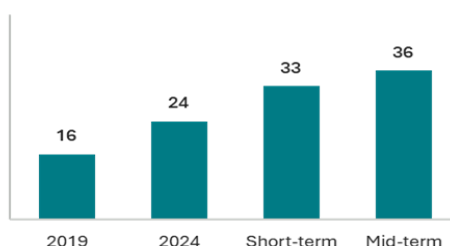


Sources: Elstat, Eurostat | Estimates: NBG

\* Estimate based on the performance of the first 5 months of 2025.

### Food & beverages: sales prospects

in bn €



Sources: Eurostat | Estimates: NBG

In the medium term, growing international demand for Greek food products represents a key strategic advantage. The timing is critical, with increasing geopolitical instability, uncertainty in global trade (U.S. tariff policies, unfavourable euro-dollar exchange rate), and shifts in the EU budget (prioritizing defence and innovation over subsidies and development programs). These challenges should be seen as catalysts for the sector's next leap forward. Two strategic pillars could underpin the medium-term growth of the sector:

✓ First, enhancing the added value of food processing (over agricultural output), which currently stands at just 46% compared to 60% in the EU. Convergence with EU levels could generate an additional €2 billion in added value (+32%).

✓ Second, improving the productivity of the primary sector (per area), currently lagging about 11% behind EU levels. Achieving parity here could add another €3 billion in value (+50%).

To absorb the increased production (expected growth of 40–60% in sales terms), export orientation must also be scaled up: to 31% of sales in the short term and 41% in the medium term – figures consistent with other small but highly export-driven European economies.

This transition to a new production model requires coordinated structural reforms. According to a model developed by the National Bank of Greece, the key factors enabling a high value-added agri-food sector are (i) strengthening research and development (precision agriculture, processing technology, branding), and (ii) creating collaboration schemes (clusters, cooperatives) to achieve economies of scale. In a time of trade tension, global volatility, and shifting European funding priorities, the food and beverage sector has the opportunity – not just the potential – to become a structural growth driver for the Greek economy.

The full study can be found on the National Bank of Greece Group website, in the section “Economic Studies and Analyses” (Category: Greek Entrepreneurship): <https://www.nbg.gr/el/omilos/meletes-oikonomikes-analuseis/reports/sales-2025q3>.

Athens, August 05, 2025