

# Study on the Promotion of Consumption of Olive Oil and Table Olives in China

**Final Deliverable**

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## Table of abbreviations

AOC	Appellation d'Origine Contrôlée
APEC	Asia-Pacific Economic Cooperation
AQSIQ	General Administration of Quality Supervision, Inspection and Quarantine of the PR of China
BBIC	Beijing Business & Intelligence Consulting Co. ,Ltd.
bn.	billion
Co., Ltd.	Company, Limited
CPI	Consumer Price Index
DIN	Deutsches Institut für Normung (German norm Institute)
D.O.P.	Denominazione d'Origine Protetta
DSM	Design Standard Manual
ESCAP	Economic and Social Commission for Asia and the Pacific
etc.	et cetera
EUR / €	Euro (official currency in European Union)
FAO	Food and Agriculture Organization
f.e.	for example
FSL	Food Safety Law
GB	Guo Biao (National Standard)
GDP	Gross Domestic Product
g	gram
h	hours
HACCP	Hazard Analysis Critical Control Point
HS Code	Harmonized System Code
HDL	High Density Lipoprotein
IOC	International Olive Council
ISO	International Organisation for Standardization
kg	kilogram
km	kilometer
l	liter
LDL	Low Density Lipoprotein
Max.	maximum
mg	milligram
mio.	million
ml	milliliter
n.s.	not specified
OFDC	Organisation Food Development Center
PDO	Protected Designation of Origin
PGI	Protected Geographical Indication
PR	People's Republic
PRC	People's Republic of China
QS	Quality Safety
Rep.	Republic

RMB	Renminbi (official currency in China)
RPI	Retail Price Index
S.A.	French : Société anonyme (public limited company)
SFDA	The State Food and Drug Administration
S.L.	Spanish: Sociedad Limitada (limited company)
S.N.C.	French: Société en nom collectif (ordinary partnership)
sqm	square meter
S.R.L.	Italian: Società a Responsabilità Limitata (Limited company)
USD	US-Dollar
VAT	Value Added Tax
ZBB	ZB = Guo Nei Tui Jian Xing Biao Zhun, B = Nong Ye (Mandatory Standard Agriculture)

### **Pinyin Transcription**

The official pinyin transcription will be used for interpretation of the Chinese characters. Therefore in the survey the following cities will be called:

Beijing (Peking)  
Shanghai (Schanghai)  
Guangzhou (Kanton)  
Qingdao (Tsingtao)

Instead of the definition “PR of China” it will be used the definition “China”, which will be described as mainland China, without special administrative regions of Hong Kong and Macao.

## 1. Executive Summary

A general objectives of IOC promotional policy is to promote the consumption of olive oil and table olives, both in traditional consumer markets and in new, high-potential ones. In the first case, the aim is to consolidate and expand consumption in order to counter the recent slowdown caused, amongst other things, by price increases in the long run; in the second case, to exploit the great opportunities offered by fast-growing, new markets.

Since China gains a growing importance as a market place, the study at hand was conducted in order to assess the current market situation for olive consumption in China and, based on those findings, to propose a marketing campaign for consumption promotion. A growing Chinese appetite for foreign foods has prompted the growth in popularity of olives as quintessential Middle Eastern ingredient. Initially served in bars, olive consumption currently gains a growing importance in China. Thus, market research of the study especially tackles these following themes:

- Analysis of types of consumers
- The Development of demand
- The Development of supply
- Supply distribution by importers and countries
- Customs duties and technical barriers to entry

### **Types of consumers**

The consumption of olive products can be seen in line with general food consumption trends in China. Especially households and people who live a fairly comfortable life or who can be described as wealthy according to Engel's coefficient are groups who already consume olive products or who are potential consumers. Their consumption behaviour can generally be characterized by a desire for healthy and high quality food. As income increases, people also show a willingness to adapt a more western lifestyle and consumption pattern and thus, interest in new products grows. Furthermore, these consumers look for well-known and exclusive brands as they suggest credibility and high quality. However, there still is a substantial lack of knowledge about olive products. For example, many Chinese are yet to understand that olive oil can be consumed directly as the many oils currently common in China cannot.

### **Development of demand**

The main regions of demand in China are Greater Beijing, Greater Shanghai, Greater Guangzhou. Quick rises in demand in recent years and the ability of olive products to comply with the main consumption trends give a positive outlook on future demand development. However, the differences between the two main products olive oil and olives must be pointed out.

#### Olive oil:

The consumption of edible oils in general is on the rise and expected to achieve the world-wide average per capita consumption level. Since 2003, olive oil in particular has shown a strong increase in demand with an estimated 16,400 tons in 2009. However, this is still well behind key markets such as Italy (750,000 tons). Predictions for Chinese demand in 2012 suggest a volume at approx. 63,000 tons.

#### Olives:

Generally speaking, olives are seen as a side dish in China. The ratio of private consumption vs. consumption in restaurants and hotels can be estimated to be 5:1 with a total consumption within both distribution channels of 293.2 tons in 2008. The consumption is expected to rise to 488.6 tons in private households and to 97.72 tons in gastronomy until 2011. The demand of factories for olives is 1,172.6 tons in 2008 and is expected to rise to 2,345.28 tons until 2011. Most of the olives demanded by factories are used to produce olive oil. Based on these numbers, total demand for olives in 2008 is estimated at 1,465.8 tons and is expected to rise to 2833,88 tons in 2011.

### **Development of supply**

Domestic production of olives mainly takes place in 3 regions: The low mountain valley of Bailongjiang River with the most potent production area: the Wudu District. The other two regions are the dry-hot valley of Jinsha River and the low mountain valley of Yangtse Gorges.

The domestic olive output was estimated to be 1,621 tons in 2008 with 1,420 tons coming from the Wudu district. In addition the net import was 166.71 tons making a total supply of approximately 1787.71 tons in 2008.

The output of domestic olive oil is only 20 tons per year. In 2008, China imported 10,179 tons and the import predictions for 2009 are at 16,044 tons. The main countries where the imports come from are Spain, Italy and Greece, collectively occupying 61% of total Chinese olive oil imports.

### **Recommendations for the proposed marketing campaign**

The marketing campaign is to be directed at promoting consumption of olive products in China. In order to achieve this, the following steps are proposed:

1. Appeal to the relevant target groups, which are final consumers and opinion leaders.
  - a. Final customers: wealthy households, with a growing purchasing power, usually 30-45 years of age, higher professional education, trying to adapt a Western lifestyle.

In order to appeal to this group, the general food consumption trends have to be translated into messages about olives. These messages have to be adequately adapted to Chinese culture. The communication strategy should

be composed of communicating the high quality and the health benefits of the product and of some kind of “storytelling” combining origin and history with communication of production and use of olive products in order to create emotional attributes and to make consumers become more curious about the product

- b. Opinion leaders: restaurants and locally reputed chefs, journalists, celebrities.

This group can foster communication efficiency through a multiplying effect and cost-efficiency caused by the two-step flow of communication.

## 2. Marketing activities

- a. Trade events to ensure distribution and establish a network of contacts with the trade sector.
- b. Appealing to the gastronomy by special PR measures directed at this group and conducting olive weeks in selected restaurants and hotels. These activities are aimed at promoting consumption in gastronomy and establishing the gastronomy as an opinion leader.
- c. Media: several media activities are to be undertaken. Aside from the generic advertisement in TV, radio and print media, a tour organization for journalists to IOC member states, TV cooking shows, a Chinese cookery book and TV editorials concerning olives are proposed.
- d. Consumers: measures are to be met to ensure image development and image cultivation. This could be achieved through cooperation with seminar providers as there already is a broad offer of seminars directed at food.
- e. Promotion Material: flyers, image brochures
- f. Website and newsletter
- g. Steps aiming at political support and gaining politics as an opinion leader for olive products.
- h. General PR activities

In addition to these campaign activities, the consultants stress the importance of brand name and brand strength. Brand names should be adequately translated into Chinese in order to achieve the intended interpretation. Also there is a significant potential for increasing brand strength especially with edible olives as there are virtually no well-known brands for this kind of product. A strong brand along with a unique demonstration / display of its products is deemed very important as in-store decisions become more and more important and China to a great extent is a brand-driven society.

## 2. Introduction

A growing Chinese appetite for foreign foods has prompted the growth in popularity of the quintessential Middle Eastern ingredient – the olive. Initially served in bars on the end of a toothpick as just an amusing accessory to a famous cocktail, the olive is slowly moving out of China’s posh watering holes and onto the country’s dinner plates. Deemed too bitter by many first time tasters, import and consumption figures suggest middle class China cannot get enough of the Mediterranean fruit and its healthy olive oil.<sup>1</sup>

The Chinese olive oil market, is becoming the focus of attention all over the world and China’s market is fully open to the world. Though there are some adaptable regions of olive growing in western China, but olive in China cannot be planted widely for lack of the planting technology, olive seeds, fund, technicians and many other reasons. At present the olive planting area accounts for 20,000 hectare and those olives trees are young and little olives are fructiferous and in autumn, so at present more than 200-brand olive oil appear in Chinese olive oil market, which nearly 100% will be imported from Spain, Greece, Italy, Turkey, Tunis, Portugal, Jordan, Australia and so on. The main consumption cities of olive oil are Beijing, Shanghai, Shenzhen, Guangzhou, Tianjin and other large and middle cities.<sup>2</sup>

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<sup>1</sup> www.olives101.com, Report: China’s first olive harvest strikes oil, 2009

<sup>2</sup> www.oliveoil.com, Report: Chinese edible oil market, 2009

### **3. Research purpose and objectives of the study**

The general objectives of IOC promotional policy are to promote the consumption of olive oil and table olives, both in traditional consumer markets and in new, high-potential ones. In the first case, the aim is to consolidate and expand consumption in order to counter the recent slowdown caused, amongst other things, by price increases in the long run; in the second case, to exploit the great opportunities offered by fast-growing, new markets.

The Objective of the planned study on the promotion of consumption of olive oil and table olives in China is to conduct market research on olive oil and table olives concerning in particular the following themes:

- The demand for each product over the last ten years.
- The type of consumers - household, hotel, restaurant, etc. - and the distribution of the consumption by each type of consumer and the potential for higher consumption in each country.
- Market supply over the last ten years for the two products.
- Supply distribution by importers and country
- Customs duties and technical barriers to the two products

This study will focus on the target market of China.

Based on this market research a proposal should be put forward by the contractor for promotion activities for implementation by the IOC to increase the demand for the two products in China, together with a budget for each activity and an analysis of the agencies which would be able to carry out the promotion activities in the future.

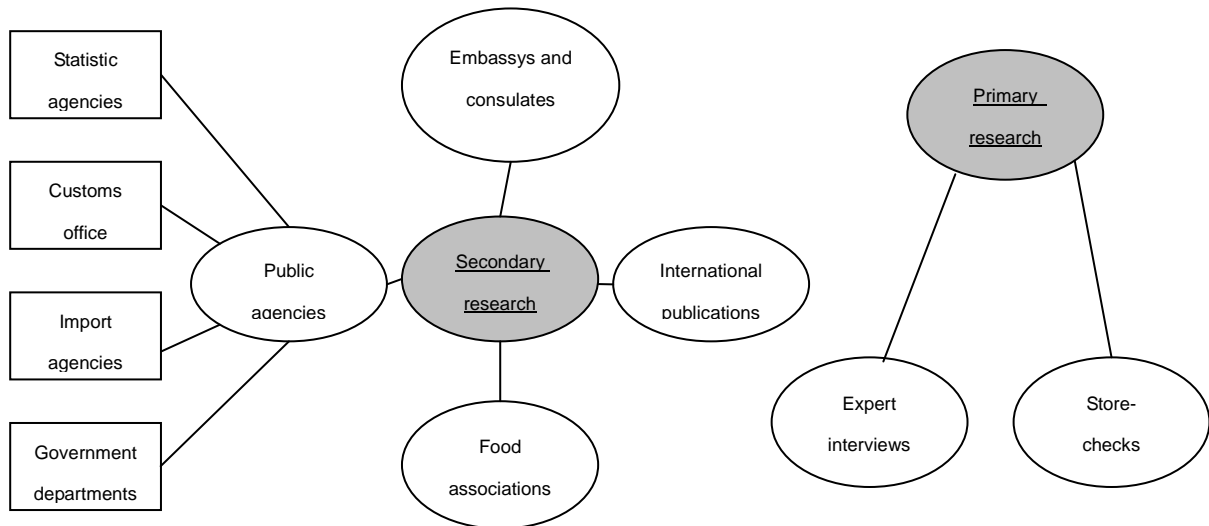
#### **3.1. Editorial deadline**

Editorial deadline of this market survey is September/October 2009. Facts and figures from public Chinese sources have been available till mid of 2009. The information has been researched by primary data collection through expert interviews and store checks and through secondary research.

#### **3.2. Sources**

Facts and figures of this market survey have been evaluated through primary data collection via expert interviews. Furthermore secondary research has been made through custom statistics and information from trade & custom department as well as through Chinese internet. All the necessary information coming from Chinese and English sources and has been included in the market study.





Source: Own illustration

### 3.3. Currency, exchange rate

The Chinese currency is called „Renminbi“ (currency of the nation) and will be officially abbreviated with the letters “CNY”. In the market survey the abbreviation “RMB” will be used according the common use in China. The Chinese RMB is partly convertible and is connected to the US-Dollar through a determined exchange rate. The exchange rate between RMB and EUR is subjected to the same fluctuations like USD and EUR. Due to the strong EUR currency in compare to the USD the exchange rate is 1 : 10 (1 EUR = 10 RMB). This easy reminding exchange rate has been considered at all price declarations in the survey.

## 4. Organisation and Methodology

The general objective of the contract is to provide a market study about the table olives and olive oil market in China and promotion of consumption thereof. In order to plan promotion activities that fit the relevant market best it will be crucial to learn about the main market forces. Thus the study aims at presenting a market analysis focusing on the following aspects:

- **Demand:** The study will indicate the demand for each product over the last ten years. The desired data will be researched for a few important cities. Due to the size of PR China the following 3 main regions will be suggested to research related figures:
  - Greater area Beijing/Tianjin
  - Greater area Shanghai (Yangtze delta)
  - Greater area Guangzhou (Pearl river delta)

The preferences of different consumers and consumer types – f.e. final consumers, restaurants etc. – will be described through a presentation of segmented consumer groups. The consumer segmentation is focussed on consumers living in urban centres.

For both products the following data will be researched:

- Tabularly presentation of purchasing power, cost of living, consumption expenditures for food and other consumer goods, per capita expenditures for olive oil and olives in greater areas of Beijing/Tianjin, Shanghai (Yantze delta) and Guangzhou (pearl river delta).
  - Consumer segmentation and precise description of the target groups for olive and olive oil. Different consumer types will be subject to the research analysis, f.e. final consumers, hotels, restaurants etc.
  - Purchase behaviour and customer preferences (motives, locations, quantity, price sensitivity)
  - Consumer habits (brand supply, brand loyalty, domestic versus foreign olives/olive oils, consumer protection and trust of consumers)
- **Supply:** The market study shows the supply of different table olives and olive oils in China in quantitative and qualitative way. It will introduce the important and biggest producers with international background or international cooperation. Furthermore the im- and export presentation will include most important import and export countries.

For both products the following data will be researched:

- Important domestic and foreign producers of table olives & olive oil in China; Cultivated area in China, description and comparison of countries of origin.

- Production volume/supply situation and structure of the offered range (Definition of product types, own production, import products)
- Concentration trends (Mergers & Acquisitions), competitive environment
- Necessary licences, quality certificates, sales permit
- Import of foreign olive oil and table olives, including import structures
- Price ranges from different representative products in RMB
- **Distribution:** Importers and the whole distribution in China is gaining great importance. In the study will be shown in detail the challenge within the commodity logistics and the cooperation with importers. The controls for fresh products have been intensified, therefore the consequences for distribution will be shown as well.

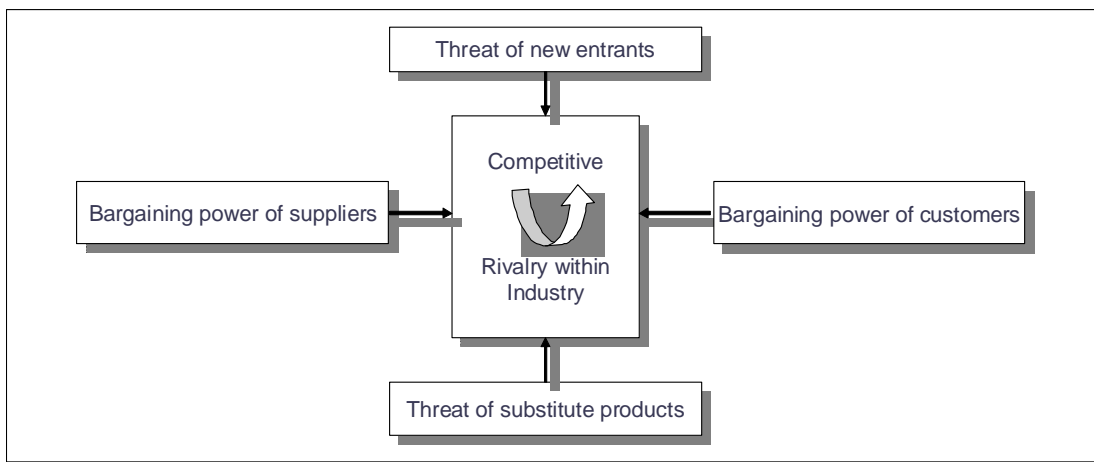
For both products the following data will be researched:

- From importer to retail (licensing fee, logistics, public authority management, networking, critical additives)
- Detailed presentation of distribution structures
- Presentation of the relevance of Chinese importing agencies
- Restrictions at food import, intensified import controls at fresh products
- Labelling
- Public authority management
- **Importer profiles:** At least 10 importer profiles will be presented: distribution, retail trade, food service/catering. Presentation of the profiles will include company name, contact person, website, email, product portfolio, primary markets and already existing supply relationships to international producers.
- **Marketing:** The sale of olives and olive oil is getting more and more popular. Chinese coming from urban cities are used to test new foreign products, that's why domestic suppliers provide similar products in retail markets already. Therefore in the study will be submitted suggestions about marketing and sales promotion of olives and olive oils in China.
- **Trends and Development:** Trends and development will show supply and demand of table olives and olive oils.
  - Development and acceptance of new, until now less requested and less common table olives and olive oil.
  - Packing and offering trends

- Consumption of table olives and olive oils in private households
- Consumption of table olives and olive oil in gastronomy and hotels
- Sales of table olives and olive oils to processing factories

The information provided should be adequate to characterize the market by its main market forces. Based on this information recommendations for marketing activities will be developed which seem appropriate to promote the consumption of olive oil and table olives in China.

**Chart 1: Market's Competitive Environment**



(Source: M. Porter)

Based on the information of the competitive environment of the market, as well as the development of the market demand and supply situation a marketing concept will be developed giving recommendations for an adequate strategy for market entry.

The data collection includes the adoption of secondary research as well as primary research.

**Secondary Research** describes the collection of already existing data from different sources. It involves the summary, collation and/or synthesis of existing research rather than primary research, where data is directly collected from, for example, research subjects or experiments. With regard to the market study on the promotion of consumption of olive oil and table olives in China it is recommendable to begin with the collection of already existing information available from the internet ministry, market research bureaus, custom office, professional database etc. An overview of the availability of information through secondary research sources is provided in chapter 3 of this interim deliverable.

In contrast to secondary research, **primary research** or field research involves the collection of data that does not already exist. Numerous methods can be applied for this purpose, f.e. the implementation of questionnaires and telephone interviews, but also observation as a method for gathering of information. For the market study

on the promotion of consumption of olive oil and table olives in China several interviews with experts will be accomplished. Because of their deep knowledge and expertise these interview partners are able to judge interrelations within the existing markets and to anticipate further market developments.

The requirements the chosen experts have to meet are as follows:

- Current management position
- At least 10 years of job experience in food industry, gastronomy or catering in China
- Experiences with imported products and international food producers

An overview of experts seen as relevant interview partners for the study is given in ANNEX V of this report as well. The information gathered in expert interviews will be completed through retail store checks in Beijing, Shanghai, Guangzhou and Chengdu.

## 5. Overview of the Availability of Information about the Consumption of Olive Oil and Table Olives in China

In order to give an impression of the availability of information about the consumption of olive oil and table olives in China, an overview of the sources for the research concerning the different aspects mentioned in chapter 2 and 3 will be shown.

The **secondary research** will be based on numerous sources. Far Eastern Limited and AFC have an extensive and well-organised network to its disposal and will perform the secondary research at different institutions and organisations. The related topics can be researched in the following sectors:

- Chinese internet
- English internet
- International publications about the food market in China
- Chinese statistics agency
- Euromonitor
- Ostasiatischer Verein (East Asian Association)
- Different European embassies (e.g. Spanish embassy) in China
- Chinese embassy in Madrid
- Publications of chambers of commerce
- Institutions of consumer research in Hongkong (IMI)
- Chinese technical literature
- Food associations in China
- Ministry of Commerce (VR China)
- Ministry of Health (VR China)
- Institutions in China in reference to consumer protection

In order to give an impression of information that will be applicable for the study, main sources for secondary research relating to the different topics shown in chapter 2 are the following:

### 1. Supply

- [www.oliveoil.com](http://www.oliveoil.com)
- [www.oliveoilife.com](http://www.oliveoilife.com)
- [www.eoliveoil.com](http://www.eoliveoil.com)
- [www.regalland.com](http://www.regalland.com)
- <http://en.westfood.com.cn>
- <http://english.peopledaily.com.cn>

- [www.olives101.com](http://www.olives101.com)
- National Standard of PRC 2009, AQSIQ
- [www.presse-meldungen.at](http://www.presse-meldungen.at)
- [www.chinacsr.com.cn](http://www.chinacsr.com.cn)
- [www.customs.gov.cn](http://www.customs.gov.cn)
- <http://german.mofcom.gov.cn>
- Chinese National Food Industry Association
- Chinese Food Association
- China National Vegetable Oil Association

## **2. Demand**

- [www.citymayors.com](http://www.citymayors.com)
- China Statistical Yearbook 2009
- State Food and Drug Administration (<http://eng.sfda.gov.cn/eng/>)
- [www.eoliveoil.com](http://www.eoliveoil.com)
- [www.oliveoilife.com](http://www.oliveoilife.com)
- [www.aboutorganics.co.uk](http://www.aboutorganics.co.uk)
- [www.greenfood.org.cn](http://www.greenfood.org.cn)
- [www.regalland.com](http://www.regalland.com)
- China Cuisine Association
- China Health Care and Nutrition Council

## **3. Trends & development**

- [www.olifeoilife.com](http://www.olifeoilife.com)
- [www.regalland.com](http://www.regalland.com)
- [www.21food.com](http://www.21food.com)
- [www.sfda.gov.cn](http://www.sfda.gov.cn)
- <http://german.mofcom.gov.cn>

## **4. Marketing**

This will be mainly achieved through own primary research and expertise.

## **5. Distribution**

- [www.customs.gov.cn](http://www.customs.gov.cn)
- Food and agriculture alert, Hogan & Hartson LLP

- [www.chinadaily.com.cn](http://www.chinadaily.com.cn)
- New Food Safety Law 2009
- National Standard of PRC 2009, AQSIQ
- [www.auma.de](http://www.auma.de)
- [www.olifeoilife.com](http://www.olifeoilife.com)
- <http://german.mofcom.gov.cn>

## 6. Importer profiles

Own primary research (store checks), completed with secondary research of the following sources.

- [www.21food.com](http://www.21food.com)
- [www.eoliveoil.com](http://www.eoliveoil.com)
- Exhibitor lists from Oil China 2008 & 2009

Information of the annual 'Oil World' statistics will complete the information provided through the sources listed above, f.e. concerning import and export figures.

For the purpose of **primary research** several experts were interviewed. ANNEX V shows a selection of relevant experts in the regions Beijing, Shanghai and Guangzhou. These include the sectors of domestic operating producers, federations and trade magazines, supermarkets/restaurants/catering and food import & export companies.



## 6. Facts and figures about China

Illustration 1: Overview about all the provinces in China



Source: www.map-of-china.org

Chart 2: Preface<sup>3</sup>

<b>Area</b>	9,6 Mio. qkm	
<b>Population</b>	1,33 bn. (2008)	
<b>Population density</b>	138 Residents/km <sup>2</sup>	
<b>Population growth</b>	0,5% (2008)	
<b>Rate of illiteracy</b>	9,3% (2006)	
<b>Languages</b>	Chinese, English	
<b>Capital</b>	Beijing (about 16,3 Mio. inhabitants)	
<b>Membership in regional economic federations</b>	ESCAP, APEC	
<b>Currency</b>	<b>Renminbi Yuan (RMB)</b>	1 RMB = 10 Jiao = 100 Fen

<sup>3</sup> www.gtai.com, Wirtschaftsdaten China, May 2009

**Chart 3: Economic situation<sup>4</sup>**

Year	2006	2007	2008
GDP, nominal in bn. RMB	21,192	25,731	30,067
GDP, nominal in bn. USD	2,658	3,381	4,329
GDP, per capita in RMB	16,165	19,500	22,800
GDP, per capita in USD	2,028	2,560	3,280
Average salary (RMB/year)	20,856	24,721	-
Budget balance (% of GDP)	-0.8	+0.6	-0.4

GDP appearance (2008) Primary sector/agriculture 11.3%  
 Secondary sector 48.6%  
 Tertiary sector/services 40.1%

GDP usage (2007) Private consumption 35.4%  
 Public consumption 13.3%  
 Gross facility investments 40.0%

Economic growth (2008) Primary sector/agriculture +5.5%  
 Secondary sector +9.3%  
 Tertiary sector/services +9.5%

Unemployment rate (2008) 4,2 % (officially), in real: ca. 10% (min. 150 mio. jobless persons)

Inflation rate (%) 2006: 1.5; 2007: 4.8; 2008: 5.9, 2009 (forecast): 1.9

**Chart 4: Foreign trade<sup>5</sup>**

Year	2006	%	2007	%	2008	%
Import cif, in bn. USD	791.5	+19.9	955.8	+20.8	1,133.1	+18.5
Export fob, in bn. USD	968.9	+27.2	1,217.9	+25.7	1,428.5	+17.2
<b>Balance in bn. USD</b>	<b>+177.4</b>		<b>+262.1</b>		<b>+295.4</b>	

Import commodities (2007, %)

Electronics 23.7, Raw materials 12.3, Chemicals 11.3, Fuels and technical oils 11.0, Machines 9.1, Electro technology 6.8, Measuring and control technology 6.2, Iron and steel 2.5, Vehicles and parts thereof 2.3

Export commodities (2007, %)

Electronics 28.5, Textiles and clothing 14.0, Electrotechnology 7.6, Machines 6.8, Chemicals 4.9, Non-ferrous metals 3.9, Metall commodity 3.8.

<sup>4</sup> www.gtai.com, Wirtschaftsdaten China, May 2009

<sup>5</sup> www.gtai.com, Wirtschaftsdaten China, May 2009

Supplying countries (2008, %)

Japan: 13.3, Korea (Rep.): 9.9, Taiwan: 9.1, USA: 7.2, Germany: 4.9, Australia: 3.3, Malaysia: 2.8, Saudi Arabia: 2.7, Others: 46.8

Buying countries (2008, %)

USA: 17.7, Hong Kong: 13.3, Japan: 8.1, Korea (Rep.): 5.2, Germany: 4.1, Netherlands: 3.2, Great Britain: 2.5, Russia: 2.3, Others: 43.6

**Chart 5: Trade balance between EU (EU27) and China<sup>6</sup>**

Year	2006	%	2007	%	2008	%
Import from EU (bn. USD)	194.8	+21.5	232.6	+19.4	247.6	+6.5
Exports to EU (bn. USD)	63.8	+23.1	71.9	+12.7	78.4	+9.1
<b>Balance in USD</b>	<b>-131.0</b>		<b>-160.7</b>		<b>-169.2</b>	

**Chart 6: Foreign trade balance<sup>7</sup>**

Year	2006	2007	2008
Foreign currency reserves (bn. US\$)	1,066	1,528	1,946
Trade balance (in % of GDP)	9.5	11.0	10.1
Foreign direct investment (bn. US\$)	63.0	74.8	92.4
Foreign indebtedness (bn. US\$)	325	374	375

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<sup>6</sup> www.gtai.com, Wirtschaftsdaten China, May 2009

<sup>7</sup> www.gtai.com, Wirtschaftsdaten China, May 2009

## 7. Relevance of sales regions<sup>8</sup>

The main sales regions for foreign food are the coastal provinces, in the eastern part of China, where most of the foreigners are living and most of mid- and high-income Chinese families are located. The average per capita income of the rural population in China in 2008 is 11,198.59 RMB per year. In following three cities the yearly per capita income is more than 25.000 RMB:

Beijing:	25,898,65 RMB
Shanghai:	26,101.54 RMB
Guangzhou:	26,670.99 RMB



Source: Own illustration

The graphic shows three interesting main sales regions for foreign food in China:

- Greater Beijing
- Greater Shanghai
- Greater Guangzhou

In China 36% of the consumption expenditures are spent for food (compared to Germany: only 12,7% will be spent for food).<sup>9</sup>

<sup>8</sup> China Urban Life and Price Information 2008

<sup>9</sup> China Urban Life and Price Information 2008

## 8. Olive Oil

### 8.1. Introduction

#### 8.1.1. Definitions & classifications

##### Trade Standards applying to Olive Oils and Olive-pomaceOils

The International Standard of IOC under resolution COI/T.15/NC no 3-25 (revised June 2003) lists nine grades of olive oil in two primary categories, as defined by the International Olive Council:<sup>10</sup>

- **“Olive oil** is the oil obtained solely from the fruit of the olive tree (*Olea europaea* L.), to the exclusion of oils obtained using solvents or re-esterification processes and of any mixture with oils of other kinds. It is marketed in accordance with the following designations and definitions:
- Virgin olive oils are the oils obtained from the fruit of the olive tree solely by mechanical or other physical means under conditions, particularly thermal conditions, that do not lead to alterations in the oil, and which have not undergone any treatment other than washing, decantation, centrifugation and filtration.
- Virgin olive oils fit for consumption as they are include:
  - (i) Extra virgin olive oil: virgin olive oil which has a free acidity, expressed as oleic acid, of not more than 0.8 grams per 100 grams, and the other characteristics of which correspond to those fixed for this category in this standard.
  - (ii) Virgin olive oil: virgin olive oil which has a free acidity, expressed asoleic acid, of not more than 2 grams per 100 grams and the other characteristics of which correspond to those fixed for this category in this standard.
  - (iii) Ordinary virgin olive oil: virgin olive oil which has a free acidity, expressed as oleic acid, of not more than 3.3 grams per 100 grams and the other characteristics of which correspond to those fixed for this category in this standard.<sup>11</sup>
- Virgin olive oil not fit for consumption as it is, designated lampante virgin olive oil, is virgin olive oil which has a free acidity, expressed as oleic acid, of more than 3.3 grams per 100 grams and/or the organoleptic characteristics and other characteristics of which correspond to those fixed for this category in this standard. It is intended for refining or for technical use.
- Refined olive oil is the olive oil obtained from virgin olive oils by refining methods which do not lead to alterations in the initial glyceridic structure. It

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<sup>10</sup> www.internationaloliveoil.org, International Olive Council; Trade Standards

<sup>11</sup> This designation may only be sold direct to the consumer if permitted in the country of retail sale. If not permitted, the designation of this product shall comply with the legal provisions of the country concerned.

has a free acidity, expressed as oleic acid, of not more than 0.3 grams per 100 grams and its other characteristics correspond to those fixed for this category in this standard.<sup>12</sup>

- Olive oil is the oil consisting of a blend of refined olive oil and virgin olive oils fit for consumption as they are. It has a free acidity, expressed as oleic acid, of not more than 1 gram per 100 grams and its other characteristics correspond to those fixed for this category in this standard.<sup>13</sup>
- **Olive-pomace oil** is the oil obtained by treating olive pomace with solvents or other physical treatments, to the exclusion of oils obtained by re-esterification processes and of any mixture with oils of other kinds. It is marketed in accordance with the following designations and definitions:
  - Crude olive-pomace oil is olive-pomace oil whose characteristics correspond to those fixed for this category in this standard. It is intended for refining for use for human consumption, or it is intended for technical use.
  - Refined olive-pomace oil is the oil obtained from crude olive-pomace oil by refining methods which do not lead to alterations in the initial glyceridic structure. It has a free acidity, expressed as oleic acid, of not more than 0.3 grams per 100 grams and its other characteristics correspond to those fixed for this category in this standard.<sup>14</sup>
  - Olive-pomace oil is the oil comprising the blend of refined olive-pomace oil and virgin olive oils fit for consumption as they are. It has a free acidity of not more than 1 gram per 100 grams and its other characteristics correspond to those fixed for this category in this standard.2/ In no case shall this blend be called "olive oil".<sup>15</sup>

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<sup>12</sup> This designation may only be sold direct to the consumer if permitted in the country of retail sale.

<sup>13</sup> The country of retail sale may require a more specific designation.

<sup>14</sup> This product may only be sold direct to the consumer if permitted in the country of retail sale.

<sup>15</sup> <http://www.internationaloliveoil.org>

### 8.1.2. Current status of olive oil in China

Currently, in the Chinese oil market, besides soybean oil, corn oil, colza oil, peanut oil, sunflower oil and salad oil, some special types and health functional edible oil flood in China market, especially olive oil and camellia oil become more and more popular. The statistics show, that olive oil currently accounts for barely 4% to the total edible vegetable oils production. Referring to the nutrition and health aspects, olive oil is better than other functional edible oil. Thus, more consumers pay attention to olive oil, becoming more quality-conscious and beginning to purchase it. At present, compared to the 20 million tons consumption of vegetable oil, the consumption of olive oil is marginal in China.

The main reasons for this situation are as follows:

- The output of domestic olive oil is very small and only nearly 20 tons and almost domestic olive oil were consumed in local regions, so the domestic olive oil did not really enter into the consumption market. The small output of domestic olive oil causes higher cost than the import of olive oil;
- Currently, olive oil mainly relies on import. Costs are very high and the retail price is 10 times higher than costs of other vegetable oil.
- Chinese consumers are not familiar with olive oil and there is a lack of awareness and knowledge of olive oil among consumers at the moment;
- Most consumers begin to pay more attention to the health and nutrition of food but are not able to distinguish the quality of different olive oil.

Although the above mentioned factors affect the consumption of olive oil, currently information from Chinese olive oil wholesalers indicates, that 90% of olive oil was sold in large & medium-scale cities, for example, Beijing, Shanghai, Guangzhou and Tianjin.<sup>16</sup>

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<sup>16</sup> www.eoliveoil.com, Report: Chinese edible oil market, 2009

## **8.2. Supply**

### **8.2.1. Production of Olive Oil in China**

#### **8.2.1.1. Cultivated area in China, description and comparison of countries of origin**

China belongs to the semi-tropical climate and has found some adaptable regions of olive growing. There is over 40 years history of planting olives in China, but China's geographical environment is unsuitable for mass production and serious lack olive planting technology, professional and fund, all which restrict the development of mass olive planting in China.<sup>17</sup>

Late Chinese Premier Zhou Enlai introduced this plant to China in 1964. Afterwards the region began to plant olive trees in early 1970s and experts approved that the region is the most ideal habitat for olive in the country through 30 years research and experiment. Planted in sub tropical Yunnan province in China's southwest, the trees failed to bear fruit in the humid climate.

The more recent replanting of trees in the Wu Du valley of Gansu, however, has been an inspired choice. After seeing how fast the olive trees grew, local farmers initially began planting them as a means of soil conservation.<sup>18</sup> The southern region of west China's Gansu Province is the largest olive cultivation base in the country.

Sheltered from the sub zero Siberian winds and sandstorms that sweep northern China every winter and spring by a series of 2 km high mountain ranges, Wudu enjoys an ideal olive growing average annual temperature of 15 degree Celsius. Since the local farmers will be shown how to trim the trees, annual harvest shot up from 1kg or 2kg per tree to almost 20kg. But it is still no comparison to the Middle East, where the trees can bear fruit as much as 150 kg.<sup>19</sup>

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<sup>17</sup> <http://www.regalland.com/eoliveoil/oliveoilinfoinchina.htm>

<sup>18</sup> [http://english.peopledaily.com.cn/.../eng20011210\\_86295.shtml](http://english.peopledaily.com.cn/.../eng20011210_86295.shtml), Report: Largest olive cultivation base formed in West China, 9<sup>th</sup> of July, 2009

<sup>19</sup> <http://www.olives101.com/2006/05/24/chinas-first-olive-harvest-strikes-oil/>, Report: China's first olive harvest strikes oil, 24<sup>th</sup> of May, 2008





Source: Own illustration

The region plans to expand olive cultivation area up to 6,700 hectares, according to sources. As a poverty-relief effort, the State Development Planning Commission has earmarked 9 million RMB (1.08 million U.S. dollars) to help local farmers to plant olives.<sup>20</sup>

### Comparison of country of origin

Over 750 million olive trees are cultivated worldwide, about 90% of those in the Mediterranean region. Most of global production comes from Southern Europe, North Africa and Middle East. In olive oil-producing countries, the local production is generally considered the finest. In North America, Italian and Spanish olive oils are the best-known, and top-quality extra-virgin oils from Italy, Spain and Greece are sold at high prices, often in "prestige" packaging. Spain is well-known as the biggest olive grove's in the world.<sup>21</sup>

**1) Spain** with over 320 million olive trees is the number one producer of olive oil and received in season 2008/09 a production volume of 1,027,200 t, which is 37% of world production, with 75% of that coming from Andalusia. The types of olives grown in Spain are the Arbequina and Verdial varieties of Catalonia, and the Hojiblanca, Piqual, Cornicabra, and Lechin varieties of the south. The Piqual variety

<sup>20</sup> [http://english.peopledaily.com.cn/.../eng20011210\\_86295.shtml](http://english.peopledaily.com.cn/.../eng20011210_86295.shtml), Report: Largest olive cultivation base formed in West China, 9<sup>th</sup> of July, 2009

<sup>21</sup> [www.greek-cretan-oliveoil.com](http://www.greek-cretan-oliveoil.com), Report: Greek Olive Oil

of the south accounts for 40% of all olive trees in Spain.

**2)** The second largest producer with 22% of worldwide production is **Italy**. The production volume in season 2008/09 is about 612,800 t. The type of olives grown in **Italy** are the Coratina in Puglia (Bari), Ogliarola Barese in Puglia and Basilicata, Carolea in Calabria, Leccino in Toscana and Umbria, Frantoio and Moraiolo in the centre of **Italy**, Taggiasca in Liguria. Italians who consume 10 quarts of olive oil per person per year do not produce enough oil for their domestic consumption, yet they are one of the largest exporters of olive oil in the world. Much of their oil is imported, bottled and exported as an Italian product.

**3) Greece** is the third largest producer with 11% of the world production, with more than 132 million trees, which produce approximately 305,000 tons of olive oil annually, of which 82% is extra-virgin (see below for an explanation of terms). About half of the annual Greek olive oil production is exported, but only some 5% of this quantity reflects the origin of the bottled product. Greek exports primarily target European Union (EU) countries, the main recipient being Italy, which receives about three-quarters of total exports. Olives are grown for oil in mainland Greece, with Peloponnese being the source of 65% of Greek production, as well as in Crete, the Aegean Islands and Ionian Islands.

And Tunisia the fourth producer with 6% of the world production. The types of olives grown in Tunisia are essentially represented (95%) by two types: Chemlali and Chitoui. Other countries that produce significant amounts of olive oil are Turkey (5%) , Syria (4%) and Morocco (3%). These seven countries alone account for nearly 90% of world production.<sup>22</sup>

#### **8.2.1.2. Production volume/supply situation and structure of the offered range**

China has imported Olive oil since 1960, and most of it is distributed in Sichuan, Gansu, Shanxi, Yunnan provinces and in other provinces. But at present, domestic production of olive oil in China is at an exploratory stage, the market is basically depending on importation. A survey by Beijing International Oil Exposition Association in 2009 shows, that Chinese supermarkets have begun selling olive oil five years ago, although the price is higher than other edible oil (500ml of olive oil generally costs 40 RMB at average, while 5 l of peanut oil costs 60 RMB, 5 l of salad oil only costs 40 RMB). The sales volume is elevated at a rate of 30% annually.<sup>23</sup>

The output of domestic olive oil is very small, only nearly 20 tons per year, and most of domestic olive oil were consumed in local regions, so the domestic olive oil did not really enter into the mass consumption market. The small output of domestic

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<sup>22</sup> International Olive Council, Olive Products Market Report Summary, No. 33, July - September 2008

<sup>23</sup> <http://cy.mofcom.gov.cn/aarticle/ztdy/200906/20090606366582.html>

olive oil causes higher cost than the import olive oil.<sup>24</sup>

In comparison to above mentioned figures, the world production of olive oil is as follows (in 1,000 tons) compared to Spain, the major production country of olive oil:

**Chart 7: World production of olive oil compared to China's production**

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	Forecast 2008/09
<b>World Production</b>	2,374.5	2,565.5	2,825.5	2,495.5	3,174.0	3,913.0	2,572.5	2,767.0	2,633.0	2,746.0
<b>Production of Spain</b>	669.1	973.7	1,411.4	861.1	1,412.0	989.8	826.9	1,111.4	1,221.8	1,150.0
<b>Production of China (approx.)</b>	0,02	0,02	0,02	0,02	0,02	0,02	0,02	0,02	0,02	0,02

Source: International Olive Council, World olive oil figures, Table No. 1 Production, 2009

It will be expected, that the world production will increase gradually over the coming years, because of the maturing olive trees in several countries planted in the last decade, mainly in Argentina, Peru and Australia. As forecasts stand at present for 2009/10 is expected to be better than in 2008/09, provided climatic conditions are favourable and rainfall is adequate.<sup>25</sup>

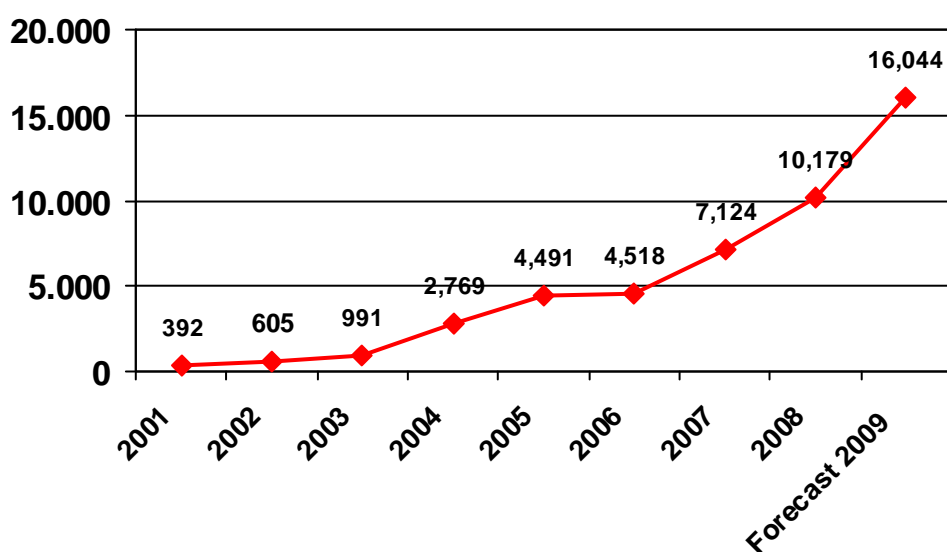
<sup>24</sup> www.eoliveoil.com, Report: Current status of Chinese olive oil, 2009

<sup>25</sup> International Olive Council, Olive Products Market Report Summary, No. 33, July - September 2008

### 8.2.2. Imports

Statistics show a tremendous increase in the imported volume of olive oil to China for the last years. Forecasts for the year 2009 differ. While forecasts of ISTA Mielke assess the same level of import volume as in 2008, China Olive Oil Information Network predicts an import volume of approx. 16.000 tons in 2009, which implies a strong increase of import of 60% between 2008 and 2009.

Chart 8: Olive Oil Import Data in tons (2001 – 2009)



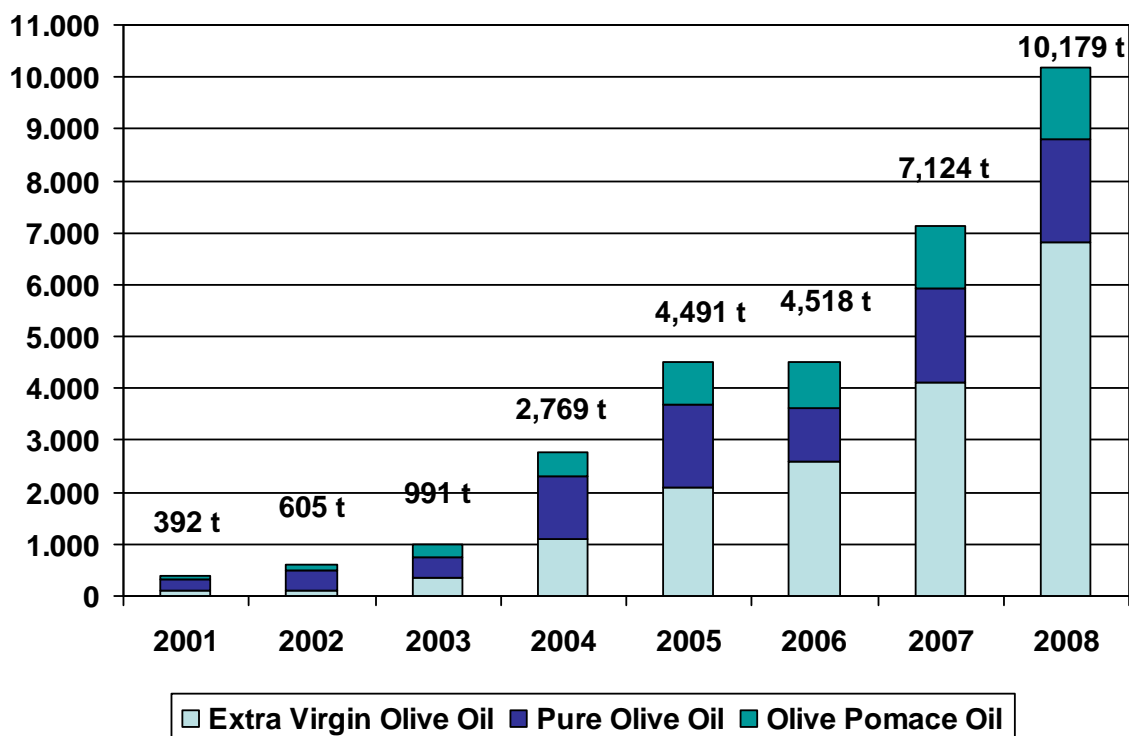
Source: www.eoliveoil.com, 2009

According to these statistics, since 2004 the average proportion of imported olive oil has been increasing a lot. China is the booming market for olive oil and according the scale might become larger.

Customs statistics show, that in recent years an average annual growth rate of importation of olive oil is close to 60%. The China Olive Oil Information Network predicts, olive oil imports volume will be close to about 16.000 tons in 2009. The main importing countries are Spain and Italy. In 2008 Spain exported 454.99 tons (21,931.5 million dollars ) and Italy 3,727.18 tons (17,187.6 million dollars ) to China, the imports occupy nearly 41% in the total amount of importation. Greece occupies nearly 20% of total import volume.<sup>26</sup>

<sup>26</sup> <http://cy.mofcom.gov.cn/aarticle/ztdy/200906/20090606366582.html>

**Chart 9: Imported olive oil, divided into Extra Virgin Olive Oil, Pure Olive Oil and Olive Pomace Oil, between 2001 and 2008 from China's customs**



Source: www.eoliveoil.com, 2009

The statistics show, that in 2004 the first abrupt increase of olive oil imports was discovered. Since 2005 the share of extra virgin olive oil imports exceeded pure olive oil imports for the first time. Since then the share of extra virgin olive oil imports rose higher every year. Extra Virgin Olive oil outbalances with a rate of 50-60% at imported olive oil during the last three years, much more than Pure Olive Oil.

The import volume of olive oil increased at over 60-70% annually on average.

The store checks in Beijing, Shanghai and Guangzhou show a huge variety and selection of all kinds of olive oil grades. Most of the olive oils are supplied from Spain, Italy, Greece, Turkey, Tunis, France and a few from Taiwan and China. The Chinese suppliers offering only olive blended oils (f.e. with sunflower oil etc.). Solely foreign suppliers are offering high qualified Extra Virgin, Virgin and Pure Olive oil. Organic olive oil will be offered only in Shanghai (from Amarilla de Ronda LA, Spain). Very exclusive and expensive olive oils will be offered from Betis (Spain) and Monini (Italy).

The price ranges in all the three cities are nearly the same, based on grades and packing sizes. The foreign brands differs mainly in all 3 cities. Only a few brands are offering the same olive oil in all 3 cities:

- a) Olivoila (Italy)
- b) Mighty (Italy)
- c) Carbonell (Spain)
- d) Hojiblanca (Spain)

The most promoted olive oil brand is Olivoila from Italy. Only a few brands are using only one distributor for all three Chinese cities. The majority of olive oil brands will be distributed by different regional food distributors in Beijing, Shanghai and Guangzhou.

All three cities are very much qualified to sell olive oils in related supermarkets.

### **8.2.3. Exports**

Following export figures from 2000 till 2008 will be demonstrated:

- 1) Virgin olive oil (HS Code 15091000),
- 2) Refined olive oil (HS Code 15099000) and
- 3) Other olive oil products (HS Code 15100000)

According to the Chinese Customs since 2000 export data for olive oil has been gathered. Previous figures are not available.

**Chart 10: Virgin Olive Oil**

Year	Quantity (kg)	Value (USD)
2008	83,196	553,823
2007	55,726	363,874
2006	3,840	8,448
2005	1,419	4,462
2004	0	0
2003	0	0
2002	0	0
2001	0	0
2000	0	0

Source: China Custom Online Database, [www.customs.gov.cn/publish/portal10/](http://www.customs.gov.cn/publish/portal10/)

The main export countries of Virgin Olive oil are USA and Hong Kong.

**Chart 11: Refined Olive Oil**

Year	Quantity (kg)	Value (USD)
2008	29,522	57,348
2007	103,977	397,996
2006	10	20
2005	118,316	556,336
2004	13,579	76,042
2003	29,360	150,834
2002	29,574	47,006
2001	7,715	11,573
2000	51,071	65,983

Source: China Custom Online Database, [www.customs.gov.cn/publish/portal10/](http://www.customs.gov.cn/publish/portal10/)

The main export countries of Refined Olive Oil are Great Britain and Hong Kong.

Due to own investigations and interviews with Chinese Customs the higher prices in 2003, despite the same export quantities between 2002 and 2003, result from the heavy drought in Europe in 2003. Olive harvest in Europe was very little, so the Chinese export prices increased tripled. Furthermore the olive prices in Europe

grew up to 40%. The low export quantity in 2006 has been declared through high olive harvests in Europe (especially in Italy and Spain), therefore export quantity from China was declining.

**Chart 12: Other Olive Oil products**

Year	Quantity (kg)	Value (USD)
2008	19,772	139,542
2007	57,609	257,371
2006	54,862	228,599
2005	14,128	51,684
2004	64,361	147,683
2003	8,684	16,620
2002	3,231	3,600
2001	0	0
2000	0	0

Source: China Custom Online Database, [www.customs.gov.cn/publish/portal10/](http://www.customs.gov.cn/publish/portal10/)

The main export countries of Other Olive Oil products are Germany and France.

In conclusion, the total amount of export volume for the three HS Codes is as follows:

**Chart 13: Total export volume of Olive Oil**

Year	Quantity (kg)
2008	132,49
2007	217,312
2006	68,702
2005	133,863
2004	77,94
2003	38,044
2002	32,805
2001	7,715
2000	51,071

Source: China Custom Online Database, [www.customs.gov.cn/publish/portal10/](http://www.customs.gov.cn/publish/portal10/)

The total export volume is rather low. Therefore some statistics even do not refer to any important export quantities. For example, the publication Oil World Annual

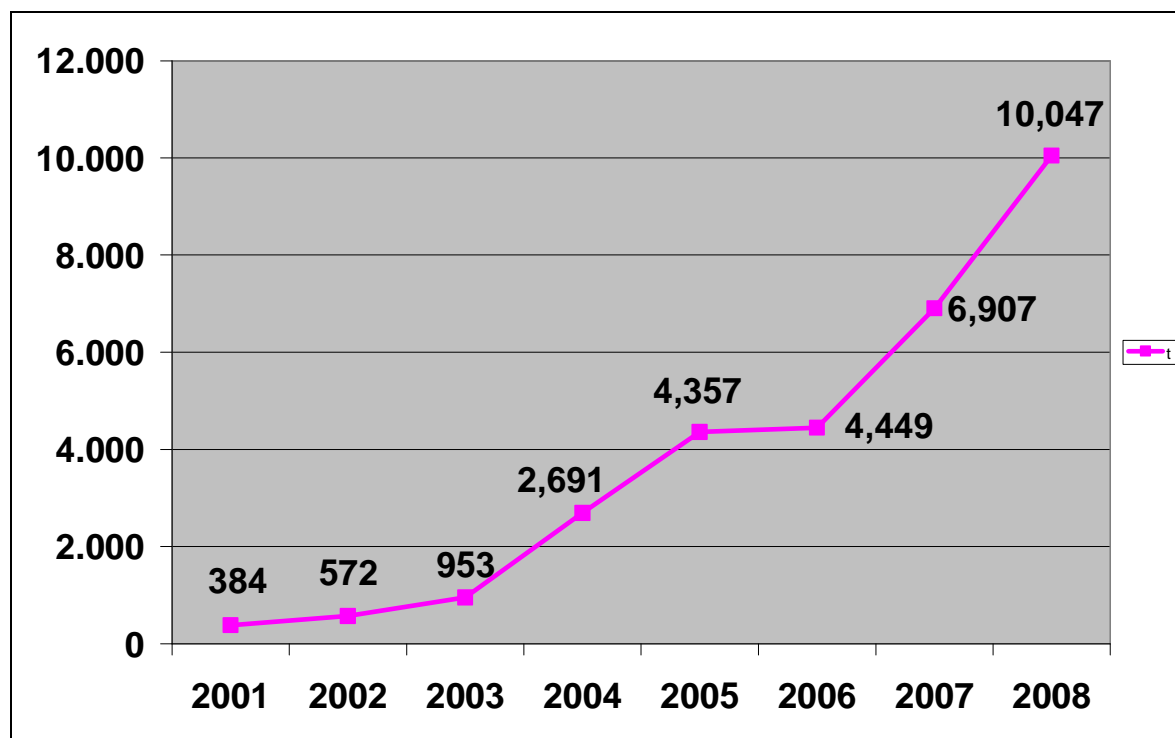


mentions no data showing export figures of olive oil from China to other countries. According to information of ISTA Mielke and to figures of the publication 'Oil World Annual 2009' it can be assumed that the export of olive oil from China is in a very low dimension and can be seen as too marginal to be included in official statistics. Furthermore it can be estimated that the import of olive oil to China nearly equals the consumption.<sup>27</sup>

#### 8.2.4. Conclusion: Supply Situation of Olive Oil in China

Given the statistics showing the development of export and import of olive oil in China, the resulting net import for the years 2001 to 2008 is as follows:

Chart 14: Net Import of Olive Oil to China 2001 – 2008 (in tons)



(Source: Approximation, based on [www.eoliveoil.com](http://www.eoliveoil.com), 2009)

As already stated above, it can be assumed that the supply situation of olive oil in China nearly equals the net import figures.<sup>28</sup> The precise development of the demand will be shown in chapter 8.4 of this report.

<sup>27</sup> Source: Oil World Annual 2009, published by ISTA Mielke 2009; Expert Interview with Mr. Falk, Co-editor at ISTA Mielke GmbH OIL WORLD, on 21<sup>st</sup> October 2009.

<sup>28</sup> Expert Interview with Mr. S. Falk, Analyst and Co-Editor at ISTA Mielke, 21<sup>st</sup> October 2009.

### 8.3. Demand

#### 8.3.1. Consumer Habits

People's living standards are improving constantly which has made the demand for top-grade edible oil, such as olive oil, rise by a large margin.

Five years ago, it was very difficult for Chinese people to understand olive oil would be directly eaten or drunk. Usually in China edible oil can not directly be eaten, so it will need the cognitive process for Chinese people to learn more about olive oil. In fact along with the fact that Chinese people earn more money, they wish to buy more health, nutritional food, and will especially step by step accept imported food.<sup>29</sup>

There is still a lack of information about olive oil among the potential consumers and following questions arise<sup>30</sup>:

- Can't distinguish olive oil of different countries, different colors, different flavor and different grades;
- Can't identify the good or bad olive oil with the label of olive oil
- Can't compare olive oil with other cooking oil;
- Can't fully learn about the history and culture of olive oil;
- Can't get the detailed information through the label attached in the bottle of olive oil;

Since 2005 China has been the largest country of edible oil consumption and the average consumption is about 15 kg per person (in 2008) that is close to 20 kg of the world's average consumption of edible oil per person. From 2002 to 2006, Chinese edible oil consumption keeps the raise of average 10%, and according to this percentage, it is forecasted that in 2015 the consumption of edible oil in China will reach approximately 30,000,000 ton. According to the data of custom, the proportion of import edible oil is rising rapidly and is about 20%-50%, especially, bean oil, palm oil, olive oil, grape seed oil, colza oil, avocado oil and other edible oil.<sup>31</sup>

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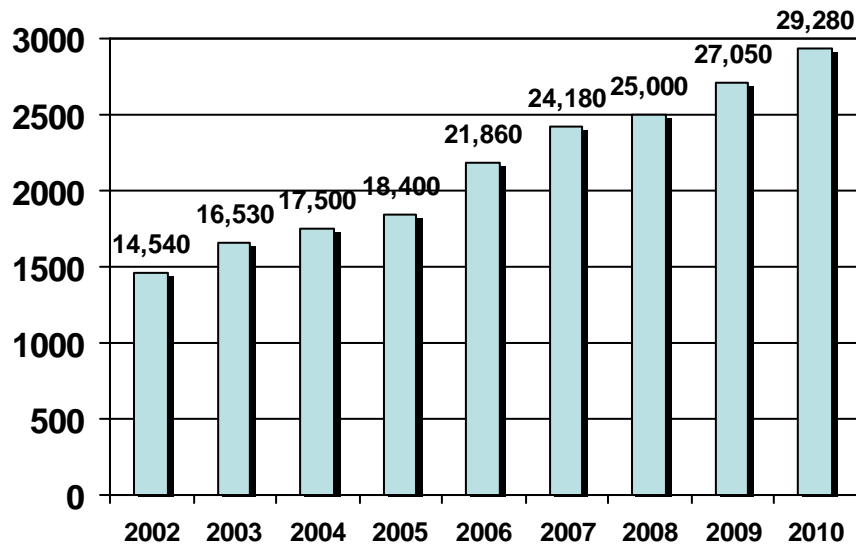
<sup>29</sup> www.eoliveoil.com, Report: Olive oil consumption in China, 2009

<sup>30</sup> www.oliveoilife.com, Report: Questions from olive oil consumers, 2009

<sup>31</sup> www.eoliveoil.com, Report: Chinese Edible Oil Market, 2009

The following graph shows the edible oil consumption till 2010:

Chart 15: Edible Oil Consumption (in 1,000 tons)



Source: www.eoliveoil.com, 2009

According to the above data analysis, Chinese Market will be a larger and noticeable market for edible oil companies in the future.

### 8.3.2. Consumption of olive oil in private households

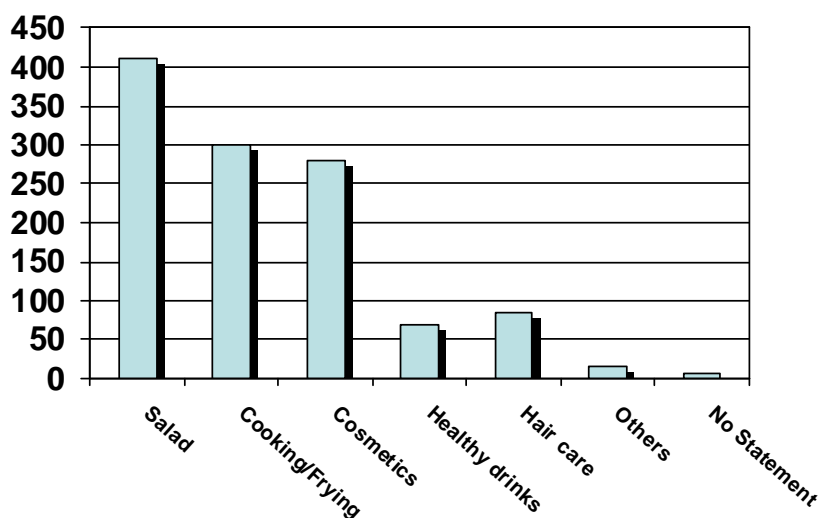
As described in chapter 8.3.1 Consumer habits there is still a huge lack of knowledge about using olive oil in private households. Because usually in China edible oil is not used for direct consumption, like for salads, but only for cooking. So it will have the cognitive process for Chinese people to learn more about the potential use of olive oil. Many consumers wish to buy some healthy, nutritional food and especially step by step accept imported food.<sup>32</sup>

By now consumers have more understanding about the use of olive oil compared to the last years. Especially European and Chinese middle class families in Beijing, Shanghai and Guangzhou prefer to consume dishes prepared with olive oil. According to some recent investigations, 77% of the persons think the main use of olive oil is for the preparation of salad. 57% think the main use of olive oil is for cooking/stir-frying of food and persons, who do not know the use of olive oil are the fewest, with only 0.2 %.<sup>33</sup>

<sup>32</sup> www.eoliveoil.com, Report: Olive oil consumption in China, 2009

<sup>33</sup> China Food Industry Association, 2009

**Chart 16: Consumer's cognition situation to the use of olive oil (number of interviewed persons)**



Source: China Food Industry Association, 2009

Chinese people's consumption concept of edible oil has undergone a great change, from emphasizing hygienic and security standards to paying more attention to the nutrition value and health value of edible oil. Along with the stable development of China's economy, a large-scaled middle class with sound purchasing power is emerging. They account for 22% of Chinese population and intensively need some health kinds of food as well as some top grade and health functional edible oil.

40% of olive oil is purchased as gifts & presents and 60% of olive oil is for own use.<sup>34</sup>

### **Reasons for purchasing different grades of olive oil**

Olive oil has different grades according to their refine procedure. The best olive oil is extra virgin olive oil, second best is pure olive oil, third pomace olive oil and the worst is residual oil. Investigation results indicate the majority of people are buying extra virgin olive oil in Chinese supermarkets due to health benefits and most famous grade. These consumers prefer to prepare their own food at home or if they decide to go out for food, they pay attention to selected restaurants offering high-quality food.<sup>35</sup>

### **Reason for purchasing brands and olive oils with protected designation of origin**

The reason why consumers are buying various brands of olive oil and olive oils with protected designation of origin implies that when buyers making a decision, good quality and popularity are very important factors. Moreover good quality is connected

<sup>34</sup> <http://www.regalland.com/eoliveoil/index1.html>, Report: The Wide Prospect of China's Market, 2009

<sup>35</sup> <http://www.ganlanwang.com/>, China Olive Web, 2009

with brand popularity. The manufacturers should adhere to the road of the importance of brand marketing. This is why major olive oil manufacturers are gradually concerned about their own brand marketing strategy.<sup>36</sup>

### **Reasons for not purchasing olive oil**

Due to our investigations the price for olive oil is relatively high,<sup>37</sup> which is the main reason, that consumers know the product advantages, but hesitate to buy. The second reason is, that consumers do not know product details about olive oil and sometimes are not interested in new products.

### **8.3.3. Consumption of olive oil in gastronomy and hotels**

The chefs of Mediterranean restaurants in Beijing, Shanghai and Guangzhou insist on using Extra Virgin Olive Oil, mainly from Spain and Italy, for preparing salads, combinations with bread, cold dishes, pizza and other Western food. The quality from these countries are the best and the advantages for health are seen as self-explanatory. They are purchasing 1-2 times a month 20-30 bottles of olive oil from agents or METRO supermarket. There is still a lack of using Chinese olive oil due to relatively backward productions and processing equipment.

At Five Star hotels in Shanghai, like the New World Mayfair Hotel, The Intercontinental, Marriott Hotel Extra Virgin and Pure Olive oil will be used mainly for preparing salads, cold & warm dishes (with noodles) and combinations with bread with around 40 - 50 bottles of olive oil per hotel per month, coming from Spain, Italy and Greece.

Finally, gastronomy specialised on Western food and 5 star hotels in first tier cities are very important sales platforms for olive oil in China. In Chinese restaurants mainly other vegetable oils are used for preparing food due to higher heat possibility. Snack bars in China (f.e. placed nearby shopping streets) are offering Chinese hot food prepared with Chinese vegetable oil, which is cheaper and more suitable for Chinese food than olive oil.<sup>38</sup>

## **8.4. Developments and acceptance of olive oil**

Concerning nutrition and health aspects, olive oil is better than other functional edible oil. Therefore, more consumer pay attention to olive oil and begin to purchase it. Thanks to the change of Chinese people health consciousness and the improvement of Chinese people standard level of living, more and more people start to learn about olive oil and buy it. Thus, more consumers are aware that it is generally healthier than most other cooking oils.

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<sup>36</sup> <http://www.emkt.com.cn/article/162/16254.html>

<sup>37</sup> ANNEX III gives an impression of price ranges of olive oil and table olives sold in China.

<sup>38</sup> Source: Expert Interviews

The greatest exponent of monounsaturated fat is olive oil, and it is a prime component of the Mediterranean Diet. Olive oil is a natural juice which preserves the taste, aroma, vitamins and properties of the olive fruit. Olive oil is the only vegetable oil that can be consumed as it is - freshly pressed from the fruit. The beneficial health effects of olive oil are due to both its high content of monounsaturated fatty acids and its high content of antioxidant substances. Studies have shown that olive oil offers protection against heart disease by controlling LDL ("bad") cholesterol levels while raising HDL (the "good" cholesterol) levels. (1-3) No other naturally produced oil has as large an amount of monounsaturated as olive oil -mainly oleic acid.

Olive oil is very well tolerated by the stomach. In fact, olive oil's protective function has a beneficial effect on ulcers and gastritis. Olive oil activates the secretion of bile and pancreatic hormones much more naturally than prescribed drugs. Consequently, it lowers the incidence of gallstone formation.<sup>39</sup>

### **China will become the last and largest consumption country**

International Olive Council forecasts, that China will be the last and largest consumption country in the world and the yearly potential consumption population in China will reach over 30 millions people. According to the person's consumption of 1 kg olive oil per person, 30 millions people demands are also about 30,000 tons. Some international and domestic experts made the most conservative guess at China's consumption of olive oil, which will reach over 100,000 tons in 2010. According to the above-mentioned info to calculate, in China the planting area of olive oil will at least need 2 billion sqm, but currently China has only the planting area of 0,2 billion sqm. So the visible and largest market is in China.<sup>40</sup>

The Chinese consumption will be covered through 98% of the imported olive oil in addition to 2% of Chinese production output.<sup>41</sup> Based on our own forecasts and general assumptions the Chinese consumption of olive oil will reach approximately 65,000 tons in 2012 (in 1,000 tons):

**Chart 17: Consumption of olive oil in China (in 1,000 tons)**

	2001	2002	2003	2004	2005	2006	2007	2008
Consumption in China	0.4	0.62	1.01	3.0	4.6	4.7	7.3	10.4

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<sup>39</sup> [www.oliveoilife.com/en](http://www.oliveoilife.com/en), Olive oil's health benefits, 6<sup>th</sup> of April, 2008

<sup>40</sup> <http://www.regalland.com/eoliveoil/index1.html>, Report: China will become the last and largest consumption country, 2009

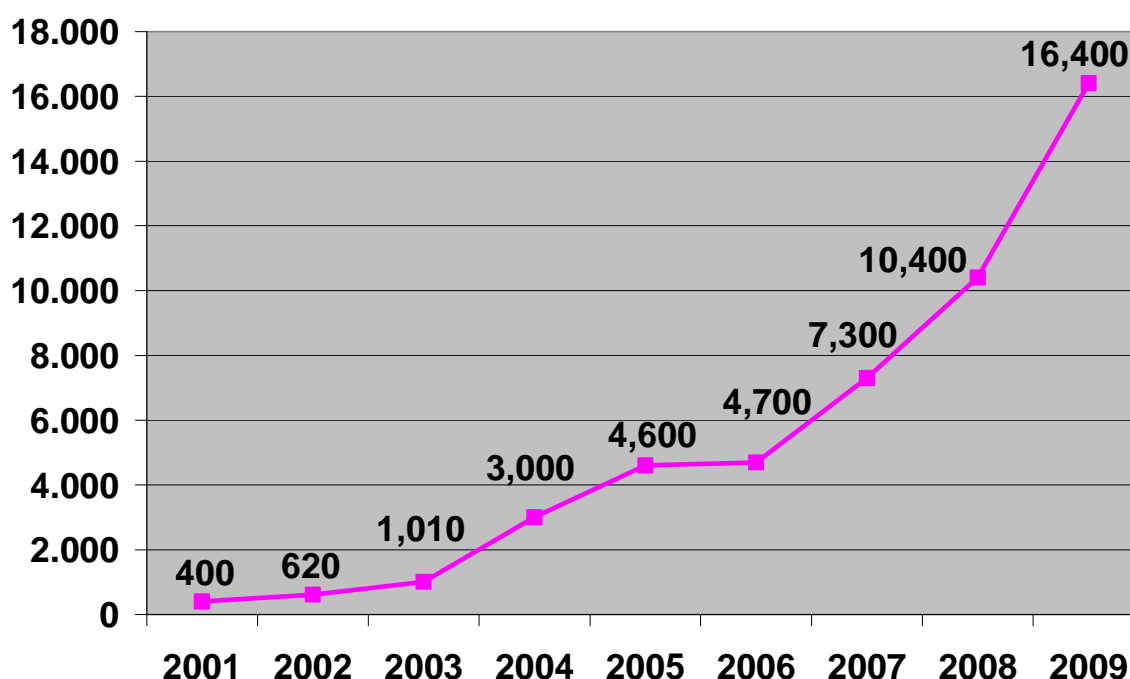
<sup>41</sup> [www.oilcn.com/article/2007/0209/article\\_2864.html](http://www.oilcn.com/article/2007/0209/article_2864.html)

**Chart 18: Consumption Forecasts (in 1,000 tons)**

	2009	2010	2011	2012
Consumption in China	16.4	26.0	41.0	65.0

The consumption in China is expected to continue rising within the next three years due to health advantages and strong demand.

**Chart 19: Olive Oil Consumption in China (in tons, 2001 - 2009)**



The data show a strong growth in the demand, especially between 2003 and 2008. The growth in demand in this period of times fluctuates between 30% to over 60% between two years. This confirms a strong trend of increase in the demand of olive oil in China, encouraging optimistic forecasts of consumption of 16,400 tons in 2009.

In comparison to the above mentioned figures, the world consumption of olive oil is as follows (in 1,000 tons) compared to Italy, the major consumption country of olive oil:

**Chart 20: World consumption of olive oil**

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	Forecast 2008/09
<b>World Consumption</b>	2,442.5	2,590.5	2,606.5	2,677.5	2,882.5	2,923.5	2,690.5	2,798.5	2,778.0	2,875.5
<b>Consumption in Italy</b>	714.0	729.0	735.0	770.0	785.0	840.0	848.2	730.0	740.0	750.0

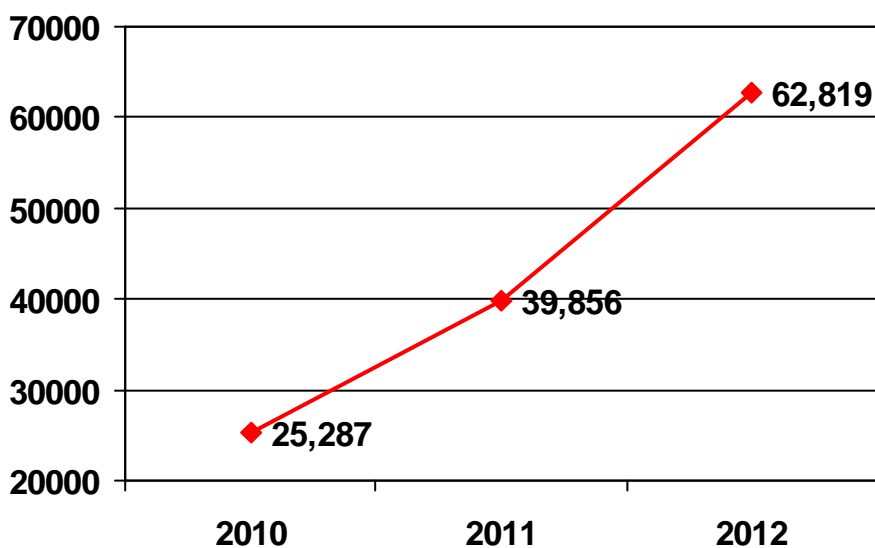
Source: International Olive Council, World olive oil figures, Table No. 4 Consumption, 2009; Oil World Annual 2009; www.eoliveoil.com, 2009

The world consumption is expected to continue rising the next three years due to the health advantages and strong demand.<sup>42</sup>

### Import trends

The imports of olive oil for the next three years (2010 – 2012) is forecasted with high potential (in tons) due to higher popularity of olive oil, higher wages and more promotion activities:

**Chart 21: Import Trends**



Source: www.eoliveoil.com, Report: Current status of Chinese olive oil, 2009

### Consumption trends

It will be expected, that in 2015 the consumption of edible oil will reach 30 m. tons and the average per person consumption will also reach 20 kg (in 2008 15 kg). Over 60% of the mentioned consumption will completely rely on the import of edible oil, because of the decrease of planting area and the limited yield of oil crops. The Chinese market is opened to expand olive oil business in China.<sup>43</sup>

<sup>42</sup> International Olive Council, Olive Products Market Report Summary, No. 33, July - September 2009

<sup>43</sup> Interview with Beijing Regalland Convention & Exhibition Co., Ltd., Sept. 2009



## 8.5. Concentration trends, competitive environment

At present, the Chinese olive oil market is still in the starting stage. Its market scale is bigger than table olives market scale, but still low. The development of the regions still depends on marketing and promotion activities. The brands of olive oil in Chinese market are on the whole imported from European countries, such as Spain and Italy, even some self-proclaimed as domestic production of olive oil also mostly import foreign olive oil in bulk and sale them after the split charging. There are some brands well-known in China: Hojiblanca, Arbolon, Olivoila, Amarilla de Ronda LA, Costa d'or, Muel and YBARRA. Because brands of olive oil in China are still far from forming a monopoly, these companies' investments in China have a value and growth potential.<sup>44</sup>

## 8.6. Necessary licences, quality certificates, sales permission

Domestic olive oil producers must possess following licenses for producing or processing olive oil:

- *Food production licence* (for more information: Beijing Bureau of Quality and Technical Supervision, [www.bjtsb.gov.cn](http://www.bjtsb.gov.cn))
- *Food hygiene licence* (produce according hygienic standards, which will be described below) (for more information: Shanghai Food and Drug Administration, <http://www.shfda.gov.cn/gb/node2/node3/index.html>)
- *HACCP* (Hazard Analysis Critical Control Point) Attestation Certificate: Necessary for export producers for the international market.

Above mentioned preconditions are demonstrating one of the necessary steps in being successful on the Chinese market. These licenses have to be similarly applied from the Chinese *and* foreign side, so these points do not reflect barriers in entering the Chinese market.

### 8.6.1. Hygienic standards for manufacturers in China

The following terms and definitions apply to this standard.

#### **Olive oil includes following classifications:**

Virgin olive oil, which is divided into:

- Extra virgin olive oil
- Medium-grade virgin olive oil
- Lampante virgin olive oil
- Refined olive oil
- Blended olive oil

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<sup>44</sup> <http://ccn.mofcom.gov.cn/spbg/show.php?id=8327&ids>

### Olive-pomace oil

Olive-pomace oil includes:

- Crude olive-pomace oil
- Refined olive-pomace oil
- Blended olive-pomace oil

### Hygiene Index:

The hygiene index is implemented according to GB 2716 and related national standards and requirements.<sup>45</sup>

Chart 22: Hygiene index

Comments	Name of Standards	Standard No.
„GB“ stands for „Guo Biao“ 国标, and is the national Standard in China and will be used similar to DIN or ISO. It exists for all kind of branches, as well as for transit ways, hygiene regulations and all kinds of industrial products. The detailed documents (like for DIN norms) are mainly in Chinese language and has to be bought at AQSIQ (General Administration of Quality Supervision, Inspection and Quarantine of the PRC).	Hygiene Standard for edible vegetable oil	GB 2716
	Standard for food additives	GB 14880
	Standard for packaging	GB/T 17374
	General Standard for the labeling of pre-packaged foods	GB 7718

### 8.6.2. Quality requirements<sup>46</sup>

- *Authenticity requirements:* No other edible oil or non-edible oil should be found in the olive oil and olive-pomace oil, and no essence or flavouring should be added to them.
- *Food additives:* No additives shall be added to the oils. The addition of nutrition enhancers should meet the requirements set out in GB 14880.

<sup>45</sup> National Standard of PRC, issued by AQSIQ, 05/2009, implemented 10/2009

<sup>46</sup> National Standard of PRC, issued by AQSIQ, 05/2009, implemented 10/2009

**Chart 23: Composition of fatty acids in olive oil and olive pomace oil**

Name		Content (%)
Myristic acid (C14: 0)	≤	0.05
Palmitic acid (C16: 0)		7.5 ~ 20.0
Palmitoleic acid (C16: 0)		0.3 ~ 3.5
Heptadecanoic acid (C17: 0)	≤	0.3
Heptadecene acid (C17: 1)	≤	0.3
Stearic acid (C18: 0)		0.5 ~ 5.0
Oleic acid (C18: 1)		55.0 ~ 83.0
Linoleic acid (C18: 2)	≤	3.5 ~ 21.0
Linolenic acid (C18: 3)	≤	1.0
Arachidic acid (C20: 0)	≤	0.6
Eicosenoic acid (C20: 1)	≤	0.4
Behenic acid (C22: 0)	≤	0.2a
Tetracosanoic acid (C24: 0)	≤	0.2
a: Olive-pomace oil	≤	0.3

Source: National Standard of PRC, issued by AQSIQ, 05/2007

**Chart 24: Content of trans fatty acids (%)**

Type of trans fatty acid	Virgin olive oil	Refined olive oil	Olive-pomace oil
C18:1 T	≤0.05	≤0.20	≤0.40
C18:2 T + C18:3 T	≤0.05	≤0.30	≤0.35

Source: National Standard of PRC, issued by AQSIQ, 05/2007

**Chart 25: Unsaponifiable matter content in olive oil and olive pomace oil**

Type of product		Unsaponifiable matter content (g/kg)
Olive oil	≤	15
Olive-pomace oil	≤	30

Source: National Standard of PRC, issued by AQSIQ, 05/2007

**Chart 26: Sterol content in olive oil and olive pomace oil**

Type of product		Sterol content (mg/kg)
Extra virgin olive oil	≥	1,000
Medium-grade virgin olive oil	≥	
Lampante virgin olive oil	≥	
Refined olive oil	≥	
Blended olive oil	≥	
Crude olive-pomace oil	≥	2,500
Refined olive-pomace oil	≥	1,800
Blended olive-pomace oil	≥	1,600
Percentage of several major sterols in the total volume of sterol (%)		
Cholesterol	≤	0.5
Brassicastero	≤	0.2 (for olive pomace) 0.1 (for other levels)
Campesterol	≤	4.0
Stigmasterol	≤	0.5
The total contents of •-sitosterol + •-5-avenasterol + •-5-stigmasterol dienol + Sitosterol + Clerosterol	≥	93.0

Source: National Standard of PRC, issued by AQSIQ, 05/2007

**Chart 27: Erythrodiol and Uvaol content in olive oil and olive-pomace oil**

Type of product		Sterol content (mg/kg)
Extra virgin olive oil	≤	4.5
Refined olive oil	≤	
Blended olive oil	≤	

**Chart 28: Wax content in olive oil and olive pomace oil**

Type of product		Wax content (mg/kg)
Extra virgin olive oil	≤	250
Medium-grade virgin olive oil	≤	
Lampante virgin olive oil	≤	300
Refined olive oil	≤	350
Blended olive oil	≤	350
Crude olive-pomace oil	>	
Refinde olive-pomace oil	>	
Blended olive-pomace oil	>	

Source: National Standard of PRC, issued by AQSIQ, 05/2007

**Chart 29: the maximum difference in actual and theoretical ECN 42 triglycerides content**

Type of product	the maximum difference in actual and theoretical ECN 42 triglycerides content
Extra virgin olive oil	0.2
Refined olive oil	0.3
Blended olive oil	0.3
Olive-pomace oil	0.5

**Chart 30: Triglycerides -2 bit saturated fatty acid content**

Type of product	Triglycerides -2 bit saturated fatty acid content / %
Extra virgin olive oil ≤	1.5
Refined olive oil ≤	1.8
Blended olive oil ≤	
Refined olive-pomace oil ≤	2.2
Blended olive-pomace oil ≤	

**Stigmastadienol content**

Extra virgin olive oil ≤ 0.15 mg/kg

Chart 31: Quality indices of olive oil

Items		Quality indices				
		Premium virgin olive oil	Medium-grade virgin olive oil	Lampante virgin olive oil	Refined olive oil	Blended olive oil
Odour and taste	Sensory judgment	With fixed odour and taste of olive oil, no peculiar odour		—	No peculiar odor	No peculiar odor
	Median of defect <sup>a</sup> (Me)	0	$0 < Me \leq 2.5$	$Me > 2.5$	—	—
	Median of fruit taste characteristic <sup>b</sup> (Me)	$Me > 0$	$Me > 0$	—	—	—
Colour		—			Light yellow to beige	Light yellow / light green
Transparency (20°C, 24h)		Transparent		—	Transparent	
<b>Acid value (KOH) / (mg/g)</b>		<b>1.6</b>	<b>4.0</b>	<b>&gt; 4.0</b>	<b>0.6</b>	<b>2.0</b>
<b>Peroxide value / (mmol/kg)</b>		<b>10</b>	<b>10</b>	—	<b>2.5</b>	<b>7.5</b>
<b>Residual solvent content in oil / (mg/kg)</b>		—			<b>Cannot be detected</b>	
Ultraviolet absorbency 1% ( $E_{1cm}$ )	270 nm $\leq$	0.22	0.25	—	1.10	0.90
	$\Delta K \leq$	0.01	0.01	—	0.16	0.15
	232 nm $\leq$	2.5	2.6	—	—	—
Moisture & volatile matter/(%) $\leq$		0.2		0.3	0.1	0.1
Insoluble impurities/ (%) $\leq$		0.1		0.2	0.05	0.05
Metal content / (mg/kg)	Iron $\leq$	3.0				
	Copper $\leq$	0.1				
Note: 1. The blank marked with “—” indicates that no test has been carried out. When, after testing, the residual solvent content in oil is less than 10mg/kg, it is regarded as unable to be detected. 2. The indices in bold font are mandatory. <ul style="list-style-type: none"> <li>a. Index for evaluation of taste defect in olive oil preset by International Olive Council.</li> <li>b. Index for evaluation of taste characteristic in olive oil preset by International Olive Council.</li> <li>c. When g/ 100g, 5.0 mmol/kg = 5.0/39.4~0.13g/100g.</li> </ul>						
<ul style="list-style-type: none"> <li>c. This test only serves as the dosage restriction implemented by commercial partners on voluntary foundation.</li> </ul>						

Source: National Standard of PRC, issued by AQSIQ, 05/2009

Chart 32: Quality indices of olive oil

Items				Quality indices		
				Crude	Refined	Blended
				olive-pomace oil	olive-pomace oil	olive-pomace oil
Odour and taste				—	No peculiar odour	No peculiar odour
Colour				—	Light yellow to beige	Light yellow or light green
Transparency	(20oC, 24h)			—	Transparent	
Acid value	(KOH)	/	(mg/g)	—	<b>0.6</b>	<b>2.0</b>
Peroxide value	/	(mmol/kg)		—	<b>2.5</b>	<b>7.5</b>
Residual solvent content in oil /			(mg/kg)	≤100	<b>Cannot be detected</b>	
Ultraviolet absorbency 1% (E1 cm)			270 nm	—	2.00	1.70
			E	—	0.20	0.18
Moisture and volatile matter / (%)				1.5	0.1	
Insoluble impurities/			(%)	—	0.05	
Metal content /			Iron	—	3.0	
(mg/kg)		Copper		—	0.1	
Remarks:	1. The blank marked with “—” indicates that no test has been carried out. When, after testing, the residual solvent content in oil is less than 10mg/kg, it is regarded as unable to be detected.					
	2. The indices in bold font are mandatory.					

Source: National Standard of PRC, issued by AQSIQ, 05/2009

### Packaging

Should meet the requirements of GB/T 17374 and related national stipulations and requirements.

### Storage

Products should be stored in a hygienic, cool, dry place, out of direct light. They should not be placed with harmful or poisonous substances and should particularly avoid being placed near to any products with a peculiar odour. If the validity of the product relies on certain special conditions, they should be specified on the label.

### Transportation

When transporting the products, attention should be paid to safety, and the labels should be kept away from sunlight, rainfall, leakage, and pollution or from peeling away. With regard to transportation in bulk, a particular vehicle should be allocated for the transportation of the products; the vehicle should be kept clean and hygienic.

### 8.6.3. Food Safety

The Food Safety Law of the People's Republic of China formally went into effect on June 1.

Finding an appropriate balance between regulation and industry self-regulation on food safety is one of the keys to the success of China's new food safety law, a policy adviser has said. There have been a series of food safety scandals in recent years in China (f.e. melamine scandal in 2008), that have seriously undermined consumers' confidence. The new law aims to restore confidence from domestic consumers and international trade partners on the safety of the food products made in China. The development of the law is a significant step, and improving food safety issues in China will be a long-term process.<sup>47</sup>

#### *Contents of the new law*

According to the new law, any food additives that are not in the approved government catalogue is not allowed to be used. No food products can be sold inspection-free and consumers can claim for ten times of the value of the food they buy once their rights are infringed via poor quality products.

The new law stipulates that food manufacturers shall immediately stop the production of food that is not up to the food safety standards and recall all this food that has already been put into market. They shall pay consumers ten times the value of the products they buy in addition to compensating them for their economic losses. In addition, the law states that healthcare food is not allowed to contain such information as "disease prevention" and "treatment functions" in their tags and specifications. Instead, they must provide information such as which group of people can use the product and which can not in addition to indicating the product's main ingredients.

The new law also states that the food safety inspection department must not exempt food manufacturers from inspection. It states that the food department needs to conduct audits on food samples and do so without charging any fees from the food manufacturers.

The law is said to have integrated all existing food safety standards in China to make the supervision easier. With the implementation of the new law, China will also start adopting a new food license from June 1. However, food suppliers who obtained a food sanitation license before the date can continue using the license until the validity date expires.<sup>48</sup>

The new law has been issued at The State Food and Drug Administration (SFDA), which is directly under the State Council of the PRC, which is in charge of comprehensive supervision on the safety management of food, health food and cosmetics as well as is the competent authority of drug regulation in mainland

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<sup>47</sup> [www.pressemedlungen.at](http://www.pressemedlungen.at), report: Industry self-regulation is key to China food safety success, 1<sup>st</sup> of July, 2009

<sup>48</sup> [www.chinacsr.com/en](http://www.chinacsr.com/en), report: China's food safety law begins now, 1st of June, 2009



China.

#### **8.6.4. Sales Permissions**

##### **1) Manufacturer**

To be able to sell olive oil in China, olive oil manufacturer need to possess following licenses:

##### **a) Business Licence**

The business license indicates, if the manufacturer is able to accomplish domestic and international trading business (like import/export). (own research)

##### **b) Quality Safety Certificate<sup>49</sup>**

Without a valid Quality Safety certificate food manufacturers are not able to sell their products in China. The QS Standard determines the general quality safety regulations in China. Products without QS certification will be imposed with a fine between 50.000 till 200.000 RMB.

##### **c) Food Trading License (for sales and marketing)<sup>50</sup>**

The food trading licence will be applied at the local Administration for Industry and Commerce and are required

- for retail and whole sale and
- for manufacturer selling their food to retail and whole sale.

##### **2) Chinese Import/Export agencies**

Chinese Import/Export agencies are always possessing trading licenses to be able to distribute the products on the Chinese market and to carry out international trading transactions. (own research)

#### **8.7. Custom duties**

##### **Costs during import process in China**

- a) The *hygiene control* will be carried out through General Administration of Quality Supervision, Inspection and Quarantine of PRC. Approximately costs: 500 RMB per shipment.
- b) *Label control* (mainly for gastronomy and food retail) through General Administration of Quality Supervision, Inspection and Quarantine of PRC. Approximately costs: 50 RMB per label.
- c) *Custom duties* according custom tariffs: The Harmonized Commodity Description and Coding System (HS) of tariff nomenclature is an internationally

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<sup>49</sup> National Standard of PRC, issued by AQSIQ, 05/2007

<sup>50</sup> [http://www.gov.cn/fwxx/sh/2009-08/31/content\\_1405460.htm](http://www.gov.cn/fwxx/sh/2009-08/31/content_1405460.htm) and [www.hd315.gov.cn](http://www.hd315.gov.cn), Beijing Administration for Industry and Commerce

standardized system of names and numbers for classifying traded products developed and maintained by the World Customs Organization (WCO) based in Brussels, Belgium. The HS is a six-digit nomenclature. The custom duties for olive oil has been reduced from 10% to 5% in 2008:

Chart 33: Customs

Product group	HS Code No.	Custom duty
Olive oil and olives	150910 Virgin (Olive Oil)	5%
	150990 Olive Oil and its fractions (other than virgin)	5%
	1510 Other oils and their fractions, obtained solely from <i>olives</i>	5%

Source: www.china-customs.com, August 2009

- d) Fee for *customs inspection*: duty free products 1,5%, others 0,4% of value of goods (costs, insurance, freightage). Furthermore VAT (in general 17%) will be added and for special commodities there will arise consumption tax (between 3%-45%), but not for olives and olive oil, according the finance department Shanghai.
- e) *Logistics*: Storage costs during examination (for public or private storage) in duty free areas as well as transport costs, dependent on commodities and harbours.
- f) In general the importer is taking over the process and related costs. In case of direct export (custom duties will be taken over from the agent), the agent asks for a fee of about 1.000 – 2.000 RMB plus 1% of value of goods in addition to other arising costs.<sup>51</sup>

<sup>51</sup> www.customs.gov.cn, China customs

## 9. Table Olives

### 9.1. Introduction

#### 9.1.1. Definitions

*Olea europaea*, olea, belongs to olea casuarinas of Oleaceae. This cultivated variety has higher edible value and contains excellent edible vegetable oil - olive oil. It is a kind of famous subtropical fruit tree and major economic forest.

**Chart 34: Comparison of domestic and foreign olives**

	Chinese variety	Foreign variety
Scientific name in Latin	<i>Canavium album</i> Raeuseh	<i>Olea europaea</i>
English name	Chinese olive	Olive
Chinese name	橄榄	油橄榄
Scientific name in Chinese	Olive	<i>Olea europaea</i>

There are 500 types of olives. Among those, 140 types are extensively planted. They can be divided into 5 main classes which are

1. olives for olive oil
2. olives for edible olive
3. olives for olive oil and edible olive
4. olives for pollination
5. olives for parental stock.

Usually, three years after fix planting, the two-year-old tree can try to blossom and bear fruit. And six years after fix planting, the tree starts to enter the full bearing period. Under normal management, the full bearing period of the olive tree can last more than 100 years.

### TRADE STANDARD APPLYING TO TABLE OLIVES

In the following the trade standard applying to table olives is presented as defined by the International Olive Council according to Resolution No. RES-2/91-IV/04.

#### SCOPE

This standard applies to the fruit of the cultivated olive tree (*Olea europaea* L.) which has been suitably treated or processed and which is offered for trade and for final consumption as table olives.

#### DESCRIPTION

##### Product definition

“Table olives” means the product:

- (a) prepared from the sound fruits of varieties of the cultivated olive tree (*Olea europaea* L.) that are chosen for their production of olives whose volume, shape, flesh-to-stone ratio, fine flesh, taste, firmness and ease of detachment from the stone make them particularly suitable for processing;
- (b) treated to remove its bitterness and preserved by natural fermentation, or by heat treatment, with or without the addition of preservatives;
- (c) packed with or without covering liquid.

### **Types of olives**

Table olives are classified in one of the following types according to the degree of ripeness of the fresh fruits:

- (a) Green olives: Fruits harvested during the ripening period, prior to colouring and when they have reached normal size.
- (b) Olives turning colour: Fruits harvested before the stage of complete ripeness is attained, at colour change.
- (c) Black olives: Fruits harvested when fully ripe or slightly before full ripeness is reached.

### **Trade preparations**

The bitterness of the olives may be removed by alkaline treatment, by immersion in a liquid to dilute the bitter compound, or by biological processes. The product so obtained may be preserved in brine according to its specific characteristics, in dry salt, in a modified atmosphere, by heat treatment, by preservatives, or by acidifying agents. The colour of green olives may vary from green to straw yellow, that of olives turning colour may vary from rose to wine rose or brown, and the colour of black olives may range from reddish black to violet black, deep violet, greenish black and deep chestnut.

Olives shall undergo the following trade preparations:

- (a) **Treated olives:** Green olives, olives turning colour or black olives that have undergone alkaline treatment, then packed in brine in which they undergo complete or partial fermentation, and preserved or not by the addition of acidifying agents:
  - (a-1) Treated green olives in brine;
  - (a-2) Treated olives turning colour in brine;
  - (a-3) Treated black olives.
- (b) **Natural olives:** Green olives, olives turning colour or black olives placed directly in brine in which they undergo complete or partial fermentation, preserved or not by the addition of acidifying agents:
  - (b-1) Natural green olives;
  - (b-2) Natural olives turning colour;

(b-3) Natural black olives.

(c) **Dehydrated and/or shrivelled olives:** Green olives, olives turning colour or black olives that have undergone or not mild alkaline treatment, preserved in brine or partially dehydrated in dry salt and/or by heating or by any other technological process:

(c-1) Dehydrated and/or shrivelled green olives;

(c-2) Dehydrated and/or shrivelled olives turning colour;

(c-3) Dehydrated and/or shrivelled black olives.

(d) **Olives darkened by oxidation:** Green olives or olives turning colour preserved in brine, fermented or not, darkened by oxidation in an alkaline medium and preserved in hermetically sealed containers subjected to heat sterilisation; they shall be a uniform black colour.

(d-1) Black olives.

(e) **Specialities:** Olives may be prepared by means distinct from, or additional to, those set forth above. Such specialities retain the name “olive” as long as the fruit used complies with the general definitions laid down in this standard. The names used for these specialities shall be sufficiently explicit to prevent any confusion, in purchasers' or consumers' minds, as to the origin and nature of the products and, in particular, with respect to the designations laid down in this standard.

### 9.1.2. Current status of olives in China

Since this century, China has started to introduce and cultivate olives. Before 1950, olives were only planted in Fujian, Taiwan, Mengzi (Yunnan), Gansu, Sichuan and Chongqing. From 1956 to 1962, olives have been put on the list of introduction plan. And China introduced 1,800 tree stocks belonging to 12 types and some seeds. In 1964, China introduced 10,000 olive trees and carried out the cultivated experiment. Since 1973, the olives have been cultivated in the areas where the introduction had succeeded.<sup>52</sup>

## 9.2. Supply

### 9.2.1. Production of Table Olives in China: Cultivated area in China, description and comparison of countries of origin

Since 1964, China has started to cultivate olive trees. After visiting 14 countries in Asia, Africa and Europe, Premier Zhou went to the Haikou Forest Farm with Albanian experts on March 3<sup>rd</sup>, 1964 to plant the first olive tree. Afterwards Albania gave 10,000 olive tree seedlings to China. Until now, there are more than 16 million olive trees in China. Wudu District, Longnan City, Gansu Province is the largest

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<sup>52</sup> [http://www.china001.com/show\\_hdr.php?xname=PPDDMV0&dname=UG8N641&xpos=13](http://www.china001.com/show_hdr.php?xname=PPDDMV0&dname=UG8N641&xpos=13)

olive base protected by the Provisions on the Protection of Geographical Indication Products of the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China. Its output is added up to 9.2 million olives which belong to various types of olives, including Frantoio, Leccio, Picholine, Jiufeng 6, Gordal, Picuai, Ascolano, Ezhi 8, Pendolino, Coratina, Zhongshan 24 and Chenggu 32. The planting area exceeds 19,334 hectare and the young plant accounts for 65%. At present, 32% of the plants are in the fruiting period. The planting area of olives in Wudu has reached 11,907 hectare and the output here exceeded 500 tons in 2008. The other olives are planted in Sichuan, Chongqing and Shaanxi around Jialingjiang River.<sup>53</sup>

There are more than 300 recorded types of olives. The famous types include Frantoio, Ascolano and Leccino and etc.. Most of the olives planted in China are Frantoio, Leccino and Kalinjoti. In the full harvest period, the yield per plant is over 50 kg. The major olive types in China are:

a) *Frantoio*: This type is extensively planted after introduced to China. Its ecological suitability is high. It has the features of early fruition, high output and full harvest. The highest output of single plant (11-year) in Sichuan can reach 169.6 kg. The output of this type is the highest in Kaijiang. The output of single 8-year plant (1979 fix planting) is more than 10-20 kg. Its oil content reaches 22% and oil quality is fine. Its fruit is green. And it is delicious. Meanwhile, this type is also self-fertile and pollinated type.

b) *Rosciola*: The tree body is not lush. The harvest time of the fruit is early. Its pit is small. It has high yield. In Guangyuan, it bears fruit earlier. Three years after top grafting, this type starts to bear fruit and the output is steady. The output of single 4-year plant is 5 kg. It has low requirements for the conditions and soil. But its oil content is high. It is self sterile.

c) *Pendolino*: This type is the pollinated tree of Frantoio and Leccio. The tree body is small and the fruit branch is long. Its fruit is smaller. The weight of single fruit is 1.5-2 g and the oil content is 22%. It has good cold resistance and freeze resistance. This type has high yield. But it is self sterile.

d) *Leccio*: The output of this type is the highest in Kaijiang. Meanwhile, it has strong ability to resist diseases, insects and cold. Its oil content is 20%. And the oil quality is excellent. Although the type alternates year bearing and is self sterile, it is still an excellent type.

Information of Chinese forestry indicate that Chinese government plans to increase the cultivation of olives in the provinces of Hunan, Jiangxi, Sichuan and Yunnan within the next years.<sup>54</sup> According to China Vegetable Oil Association the Chinese

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<sup>53</sup> General Plan on Developing Olive Industry in Wudu District, [www.gsjb.com/Get/ly/20081013093800.htm](http://www.gsjb.com/Get/ly/20081013093800.htm)

<sup>54</sup> <http://www.forestry.gov.cn/distribution/2009/11/06/jhyzj-2009-11-06-2494.html>

government will encourage olive and olive oil consumption specifically due to health advantages of consumption.<sup>55</sup>

### 9.2.2. Production volume/supply situation and structure of the offered range

In China, the development of olives does not go well. And the development of the major producing regions is also volatile. For example, there were nearly 10 million olive trees in Sichuan. However, there are only hundreds of thousands of olive trees here at present. Thereby, Gansu has replaced Sichuan to become the most important producing region of olives. According to Far Eastern's and AFC's investigation, **the domestic olive output is 1,621 tons in 2008**. Among that, the output of **Wudu District has reached 1,420 tons**.<sup>56</sup>

In comparison to these figures, the world production of table olives is as follows (in 1,000 tons) compared to Spain, the main production country of table olives:

Chart 35: World production of table olives

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	Forecast 2008/09
<b>World Production</b>	1,351.0	1,343.0	1,473.5	1,773.5	1,602.0	1,852.5	1,762.0	2,088.5	2,153.5	2,060.0
<b>Production of Spain</b>	431.0	415.8	575.4	448.3	579.4	537.5	420.3	499.7	556.1	475.0

Source: International Olive Council, World table olive figures, Table No. 1 Production, 2009

The world production output in 2008/09 for table olives is a little lower than previous year level (but higher than initially expected) due to adverse weather conditions with heavy rains and strong winds causing considerable fruit drop of Spain, the top world producer of olive oil. Due to the strong heat in Greece this year huge fire sources were devastating lots of hectares of olive trees, too.<sup>57</sup>

With years of practice, there are three regions which are suitable for producing olives in China (the mentioned hectare size is not similar to the definition of output).

#### 1. Low Mountain Valley of Bailongjiang River

It takes Wudu as its center covering Kang County, Wen County and Cheng County in Gansu province. There are about 40,000 hectare olive planting area.

#### 2. Dry-hot Valley of Jinsha River (cold zone in winter)

It takes Xichang as its center covering Dechang, Mianning and Miyi of Sichuan province and Yongsheng, Binchuan and Zhongdian of Yunnan. There are 100,000

<sup>55</sup> <http://www.regalland.com/eoliveoil/oliveoilinfoinchina-2.htm>

<sup>56</sup> <http://www.ganlanwang.com/news/zixun/200910/2623.html>, China Olive Web

<sup>57</sup> International Olive Council, Olive Products Market Report Summary, No. 29, 30, 31, 33, 2008 & 2009

hectare olive planting area.

### 3. Low Mountain Valley of Yangtse Gorges

It covers Wan County, Wushan and Fengjie of Sichuan province and Badong, Zigui and Yichang of Hubei province. There are 150,000 hectare olive planting area.<sup>58</sup>

Chart 36: Regions suitable for producing olives



Source: Own illustration

According to the investigation, among the three regions, only Wudu District has developed in recent years. Its olive output accounts for 83% of the national olive output. As of late 2008, in Wudu, there were 5 state-owned olive demonstration gardens, 145 private olive gardens whose planting area was more than 3.3 hectare and 192 farmer's olive gardens. The planting area of the whole district was 9,907 hectare. Among that, 3,000 hectare was in the fruiting period and 1,333 hectare was in the full bearing period. In 2008, the olive output of the district was more than 500 tons. It is expected to manufacture 75 tons olive oil. The output value is expected to be more than 67.5 million RMB.<sup>59</sup>

<sup>58</sup> General Plan on Developing Olive Industry in Wudu District, [www.gsjb.com/Get/ly/20081013093800.htm](http://www.gsjb.com/Get/ly/20081013093800.htm)

<sup>59</sup> General Plan on Developing Olive Industry in Wudu District, [www.gsjb.com/Get/ly/20081013093800.htm](http://www.gsjb.com/Get/ly/20081013093800.htm)

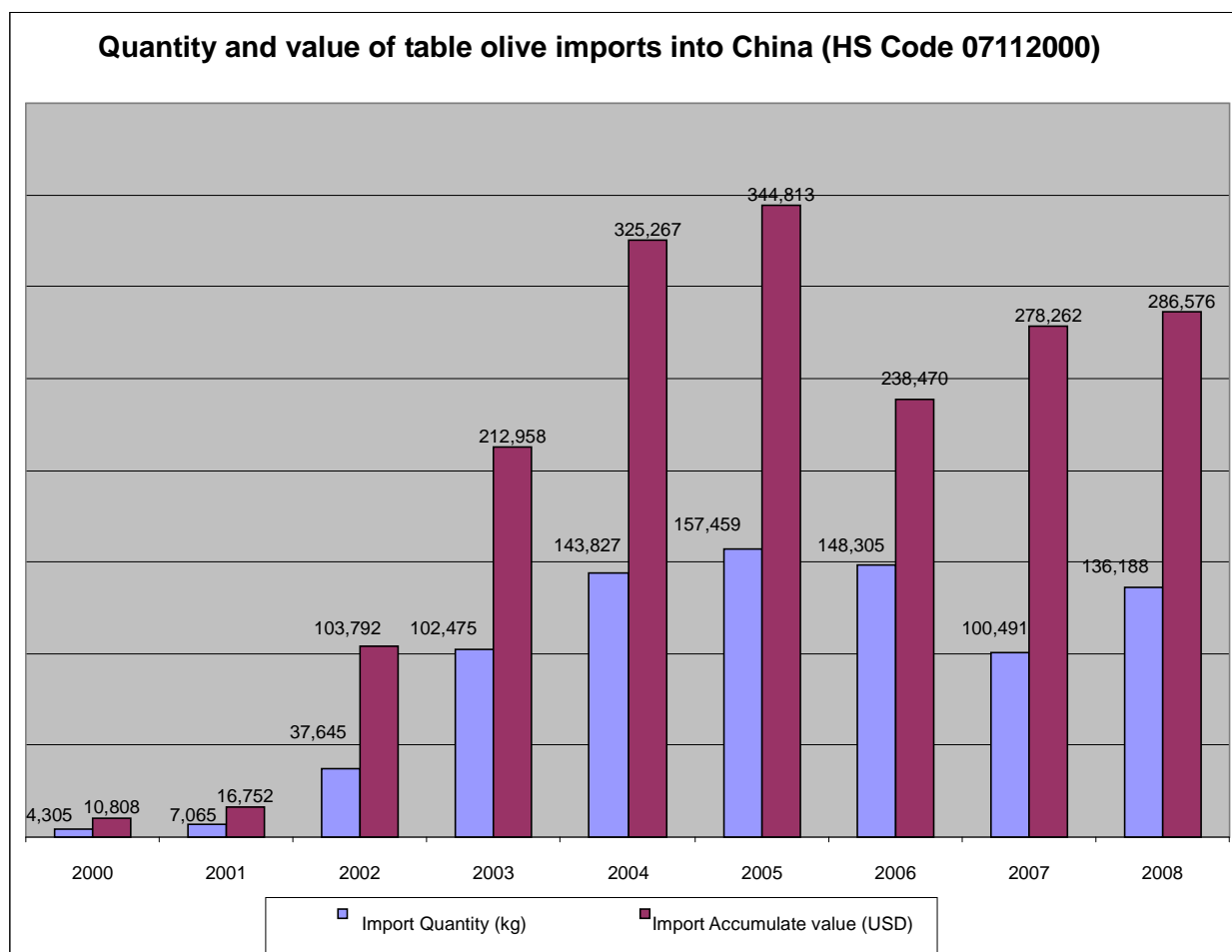


### 9.2.3. Imports

#### 9.2.3.1. Import Volume and Value

#### Import quantity and value of Chinese Olives (provisionally preserved)

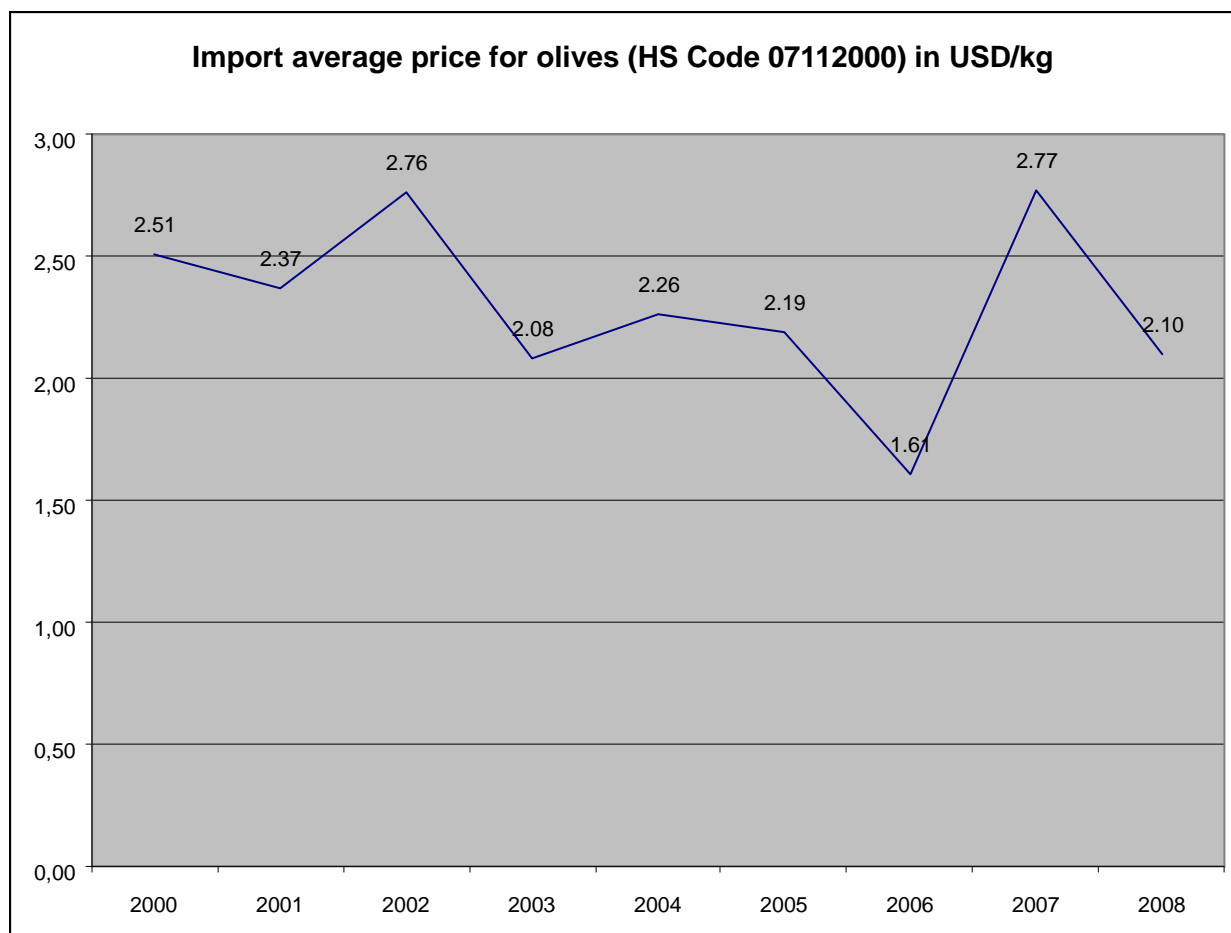
Chart 37: Quantity and value of table olive imports into China (HS Code 07112000)



Source: China customs Internal Database, 2009

The main import country for olives is Spain.

Chart 38: Import average price for olives (HS Code 07112000) in USD/kg



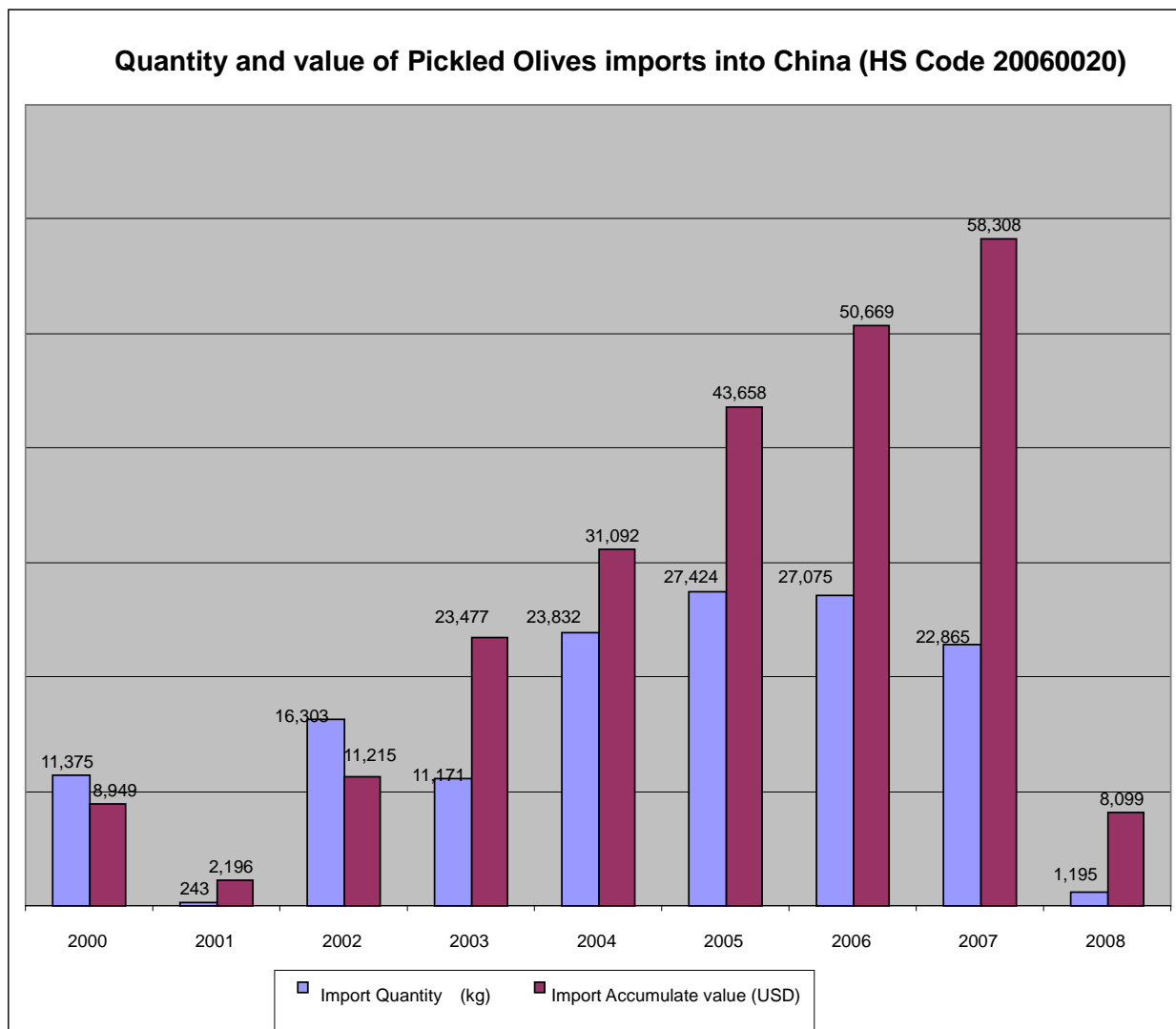
Source: China customs Internal Database, 2009

Since 2002 the export quantity of provisionally preserved olives was rising continuously, except the drop of 48,000 kg in 2007. The import value in 2004 and 2005 was 30% higher than in 2006, despite the same import quantities.

The average price reached his highest peak in 2002 and 2007 with 2.76 and 2.77 USD, since 2008 with a price decrease of 0.67 USD.

### Import quantity and value of Chinese Pickled Olives

Chart 39: Quantity and value of Pickled Olives imports into China (HS Code 20060020)

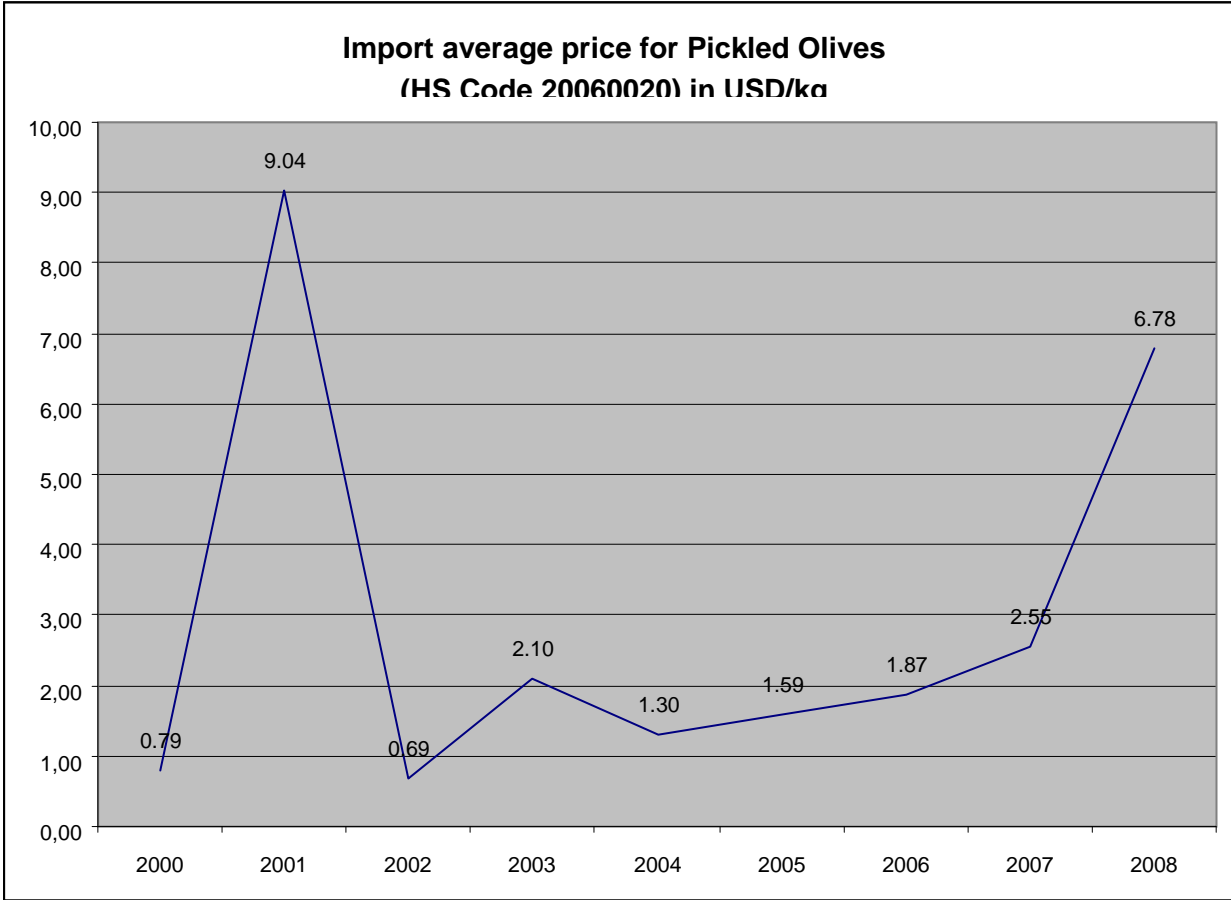


Source: China customs Internal Database, 2009

The main import countries of pickled olives are Greece, Australia and Great Britain.

From 2001 till 2006 the export quantity was rising adequate to the value. Since 2007 the export quantity is declining in the opposite to a rising prices. Finally the average prices are showing an upcoming trend since 2004.

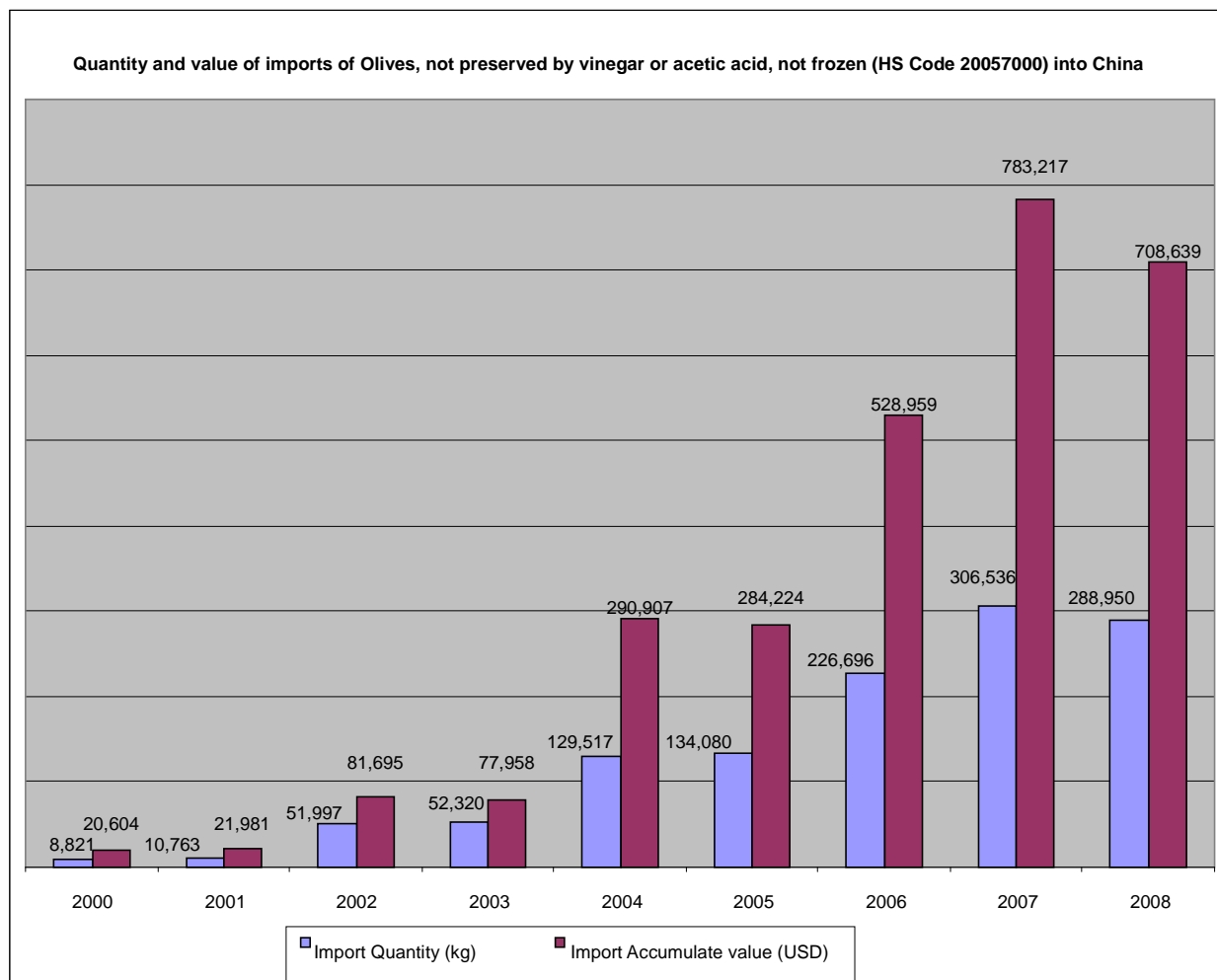
Chart 40: Import average price for Pickled Olives (HS Code 20060020) in USD/kg



Source: China customs Internal Database, 2009

**Import quantity and value of Chinese Olives (not preserved by vinegar or acetic acid, not frozen)**

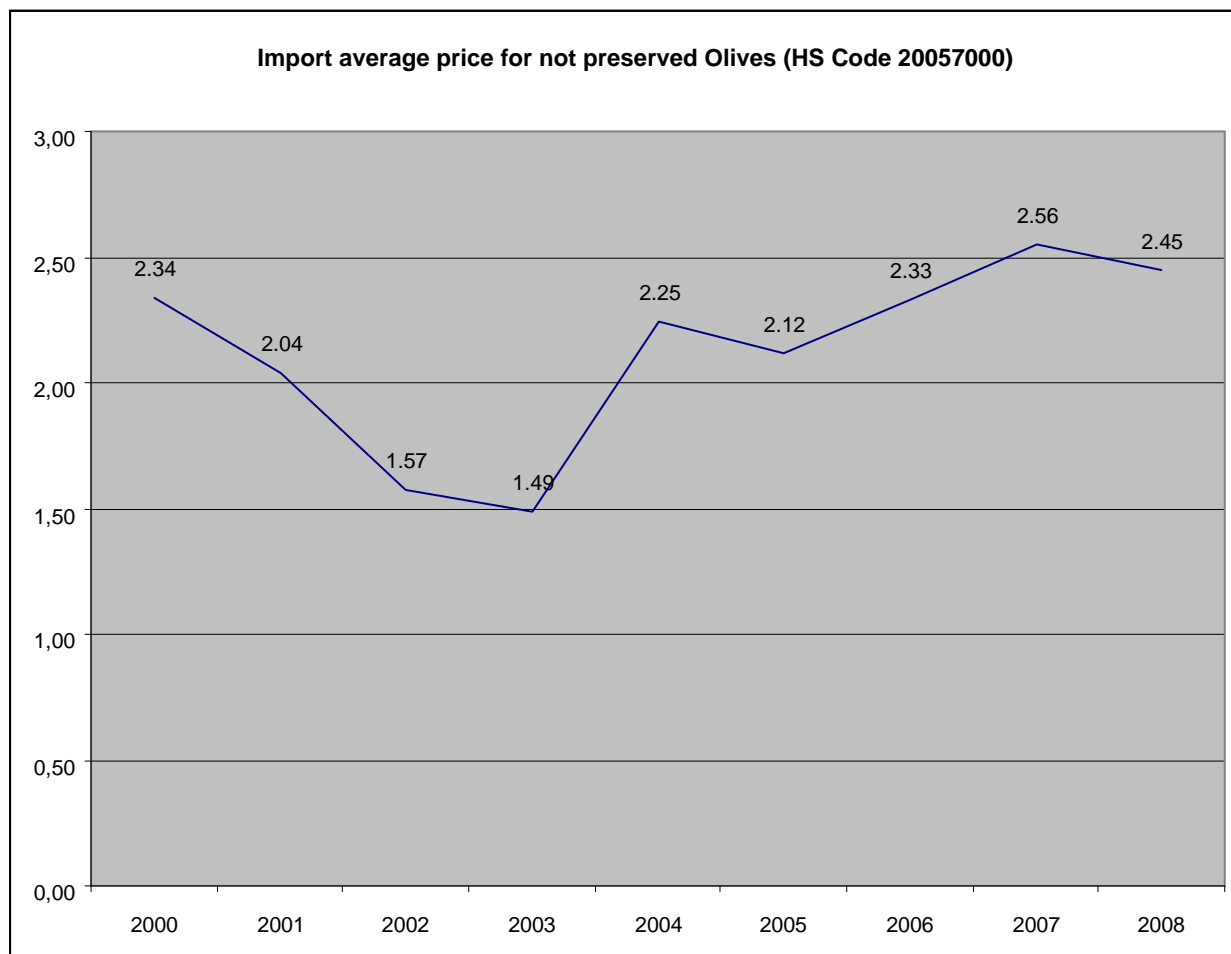
**Chart 41: Quantity and value of imports of Olives, not preserved by vinegar or acetic acid, not frozen (HS Code 20057000) into China**



Source: China customs Internal Database, 2009

The main import countries are Spain, Italy, Australia and South Africa.

**Chart 42: Import average price for Pickled Olives (HS Code 20057000) in USD/kg**



The import quantity of olives (not preserved by vinegar or acetic acid, not frozen) was rising since 2000. In 2007, the import volume has reached 306.54 tons which has exceeded 300 tons. However, this figure declined to 288.95 tons in 2008. From the aspect of price, the import price has maintained the same fluctuation with the import volume.

In recent years, the import value of olives provisionally preserved has had obvious growth trends. In 2008, the import value has increased to 286,600 USD. Recently, the import volume has had certain fluctuation. In 2007, the import volume declined to a certain extent. However, the average price reached 2.56 USD/kg which hit a record high.

## 9.2.3.2. Source of import

**Chart 43: Main source of import of olives (not preserved by vinegar or acetic acid, not frozen)  
from 2006 to July 2009**

Spain	2006	2007	2008	Jan.-July. 2009
Quantity (kg)	195,982	278,738	213,976	201,749
Value (USD)	421,074	657,315	502,108	345,334
Italy	2006	2007	2008	Jan.-July. 2009
Quantity (kg)	2,539	6,242	38,600	5,669
Value (USD)	10,248	32,881	89,903	19,172
Britain	2006	2007	2008	Jan.-July. 2009
Quantity (kg)	-	-	7,993	1,768
Value (USD)	-	-	6,415	1,389
USA	2006	2007	2008	Jan.-July. 2009
Quantity (kg)	2,012	1,829	1,450	1,520
Value (USD)	7,096	8,211	7,865	10,547
Australia	2006	2007	2008	Jan.-July. 2009
Quantity (kg)	3,473	5905	3,892	1,454
Value (USD)	22,404	49,901	39,928	8,341
Greece	2006	2007	2008	Jan.-July. 2009
Quantity (kg)	22,120	600	7,333	1,006
Value (USD)	65,079	1,932	35,248	4,667
Argentina	2006	2007	2008	Jan.-July. 2009
Quantity (kg)	-	-	308	526
Value (USD)	-	-	660	1,410
Turkey	2006	2007	2008	Jan.-July. 2009
Quantity (kg)	-	11,338	15,368	84
Value (USD)	-	25,912	26,358	686
Mexico	2006	2007	2008	Jan.-July. 2009
Quantity (kg)	-	-	30	-
Value (USD)	-	-	154	-
Hong Kong	2006	2007	2008	Jan.-July. 2009
Quantity (kg)	-	349	-	-
Value (USD)	-	634	-	-
South Africa	2006	2007	2008	Jan.-July. 2009
Quantity (kg)	152	96	-	-
Value (USD)	670	167	-	-
Singapore	2006	2007	2008	Jan.-July. 2009
Quantity (kg)	-	8	-	-
Value (USD)	-	31	-	-
France	2006	2007	2008	Jan.-July. 2009

## Study on the Promotion of Consumption of Olive Oil and Table Olives in China

Quantity (kg)	418	1,431	-	-
Value (USD)	2,388	6,233	-	-
<b>Total Quantity (kg)</b>	<b>226,696</b>	<b>306,536</b>	<b>288,950</b>	<b>213,776</b>
<b>Total Value (USD)</b>	<b>528,959</b>	<b>783,217</b>	<b>708,639</b>	<b>391,546</b>

Source: General Administration of Customs of the People's Republic of China and BBIC

**Chart 44: Main source of import of olives provisionally preserved from 2006 to July 2009**

Spain	2006	2007	2008	Jan.-July. 2009
Import volume (kg)	148,305	98,417	118,765	138,980
Import value (USD)	238,470	267,874	254,734	204,851
Italy	2006	2007	2008	Jan.-July. 2009
Import volume (kg)	0	9	23	0
Import value (USD)	0	41	422	0
Holland	2006	2007	2008	Jan.-July. 2009
Import volume (kg)	0	0	11,160	10,440
Import value (USD)	0	0	19,541	15,740
Germany	2006	2007	2008	Jan.-July. 2009
Import volume (kg)	0	0	6,240	0
Import value (USD)	0	0	11,879	0
Greece	2006	2007	2008	Jan.-July. 2009
Import volume (kg)	0	2,000	0	0
Import value (USD)	0	10,029	0	0
Australia	2006	2007	2008	Jan.-July. 2009
Import volume (kg)	0	65	0	0
Import value (USD)	0	318	0	0

Source: General Administration of Customs of the People's Republic of China and BBIC

From the aspect of the source of import, the import volume from Spain ranked on 1<sup>st</sup> position. The import volumes from Italy, Greece and Turkey are large too. These countries together are the main olive producers in the world. Overall, China will only import more than 100 tons of olives from Spain every year. The annual import volume of those two products exceeds 300 tons. The import volume from the other countries has not reached 100 tons.



## 9.2.4. Exports

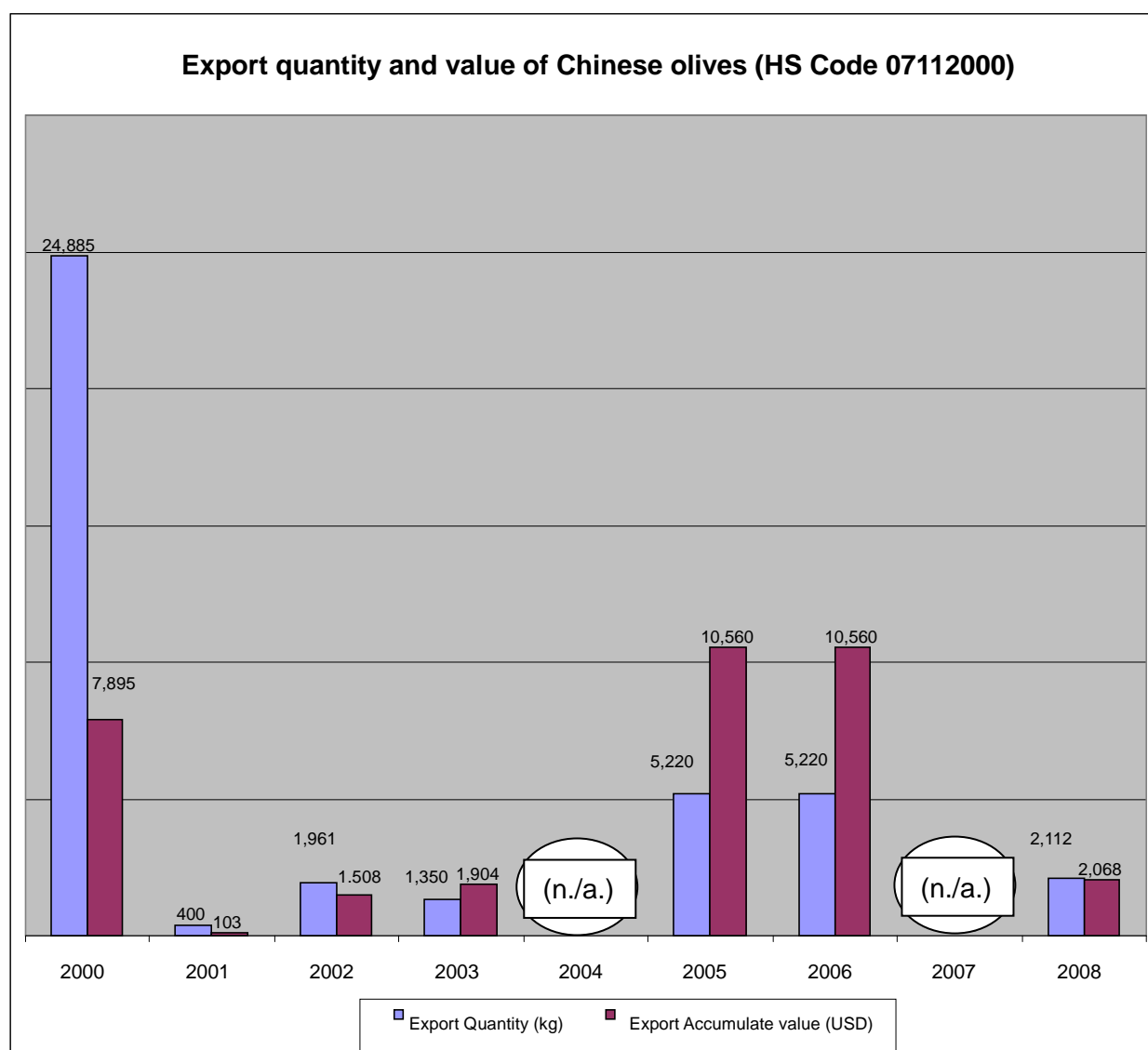
### 9.2.4.1. Export volume and value

There are two HS Codes for olive products:

- a) 07112000: olives provisionally preserved and
- b) 20057000: olives (not preserved by vinegar or acetic acid, not frozen).  
Because China is not the main production area of these products, its export volume is smaller.
- c) 20060020: Pickled Olives

### Export quantity and value of Chinese olives (provisionally preserved)

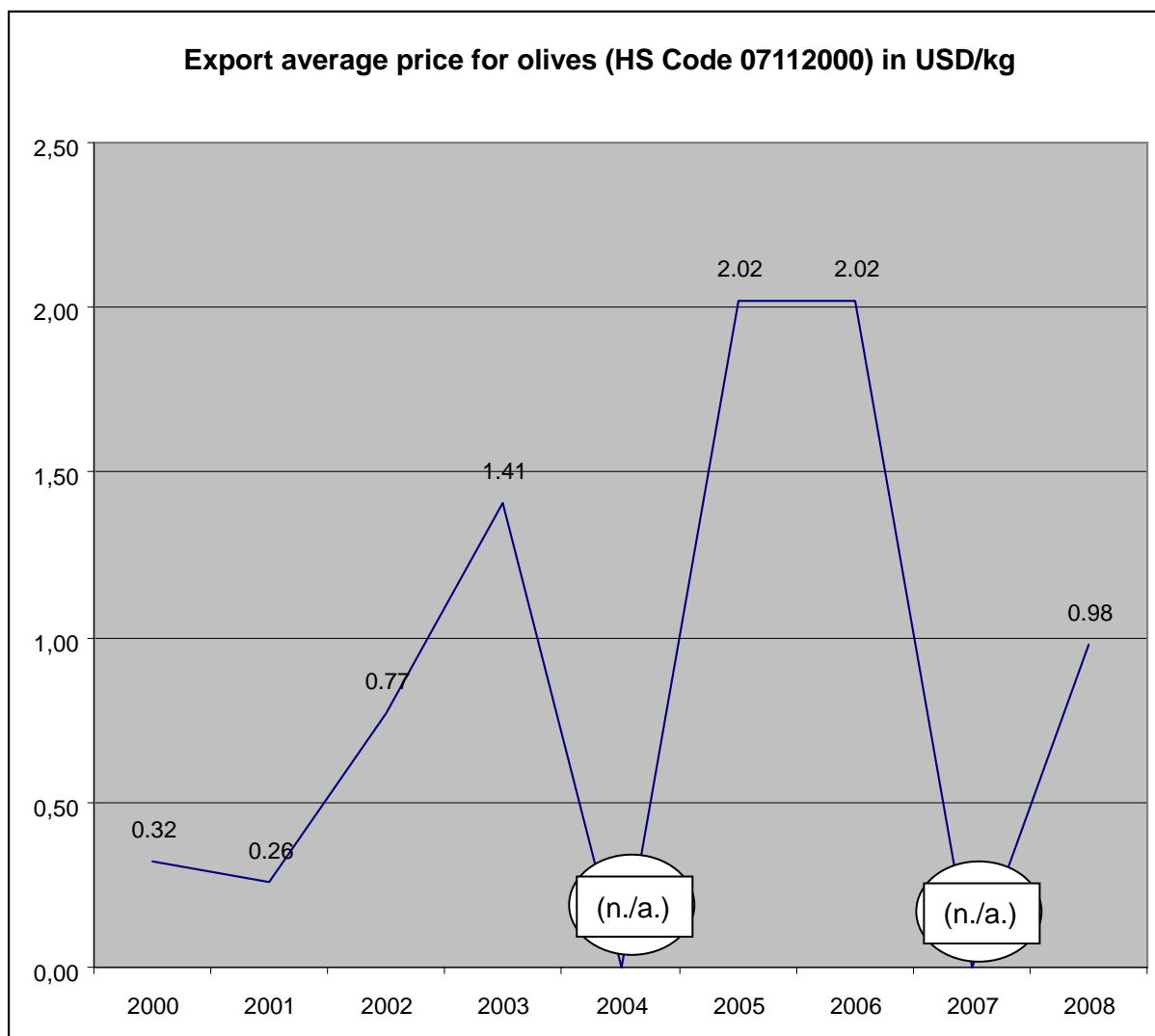
Chart 45: Export quantity and value of Chinese olives (HS Code 07112000)



Source: China customs Internal Database, 2009

The main export countries for olives are Australia and Great Britain.

Chart 46: Export average price for olives (HS code 07112000) in USD/kg



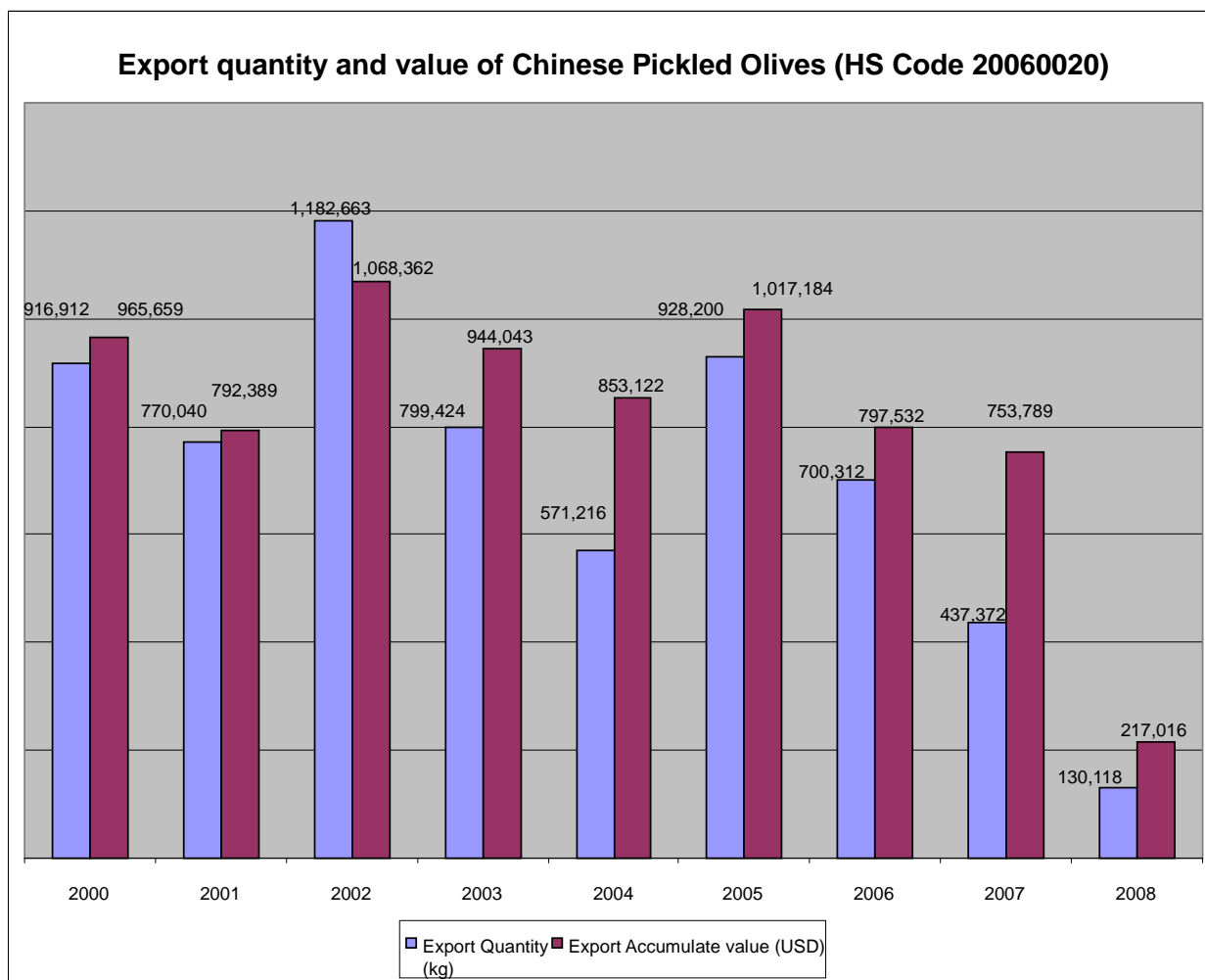
Source: China customs Internal Database, 2009

In 2000 the export of provisionally preserved olives was the highest figure which could be reached since data availability from China Customs. Since 2001 the export quantity declined to 400 kg with little increases in the next years, including zero exports in 2004 and 2007. In 2005 and 2006 the 2<sup>nd</sup> highest export quantity arised with 5.220 kg.

Due to not available price quotations in 2004 and 2007 the average price of provisionally preserved olives was reached their maximum in 2005 and 2006 with 2.02 USD. In 2008 the price declined more than 50%.

### Export quantity and value of Chinese Pickled olives

Chart 47: Export quantity and value of Chinese Pickled Olives (HS Code 20060020)



Source: China customs Internal Database, 2009

The main export countries for pickled olives are Hong Kong, Taiwan, Singapore.

Chart 48: Export average price for pickled olives (HS Code 20060020) in USD/kg



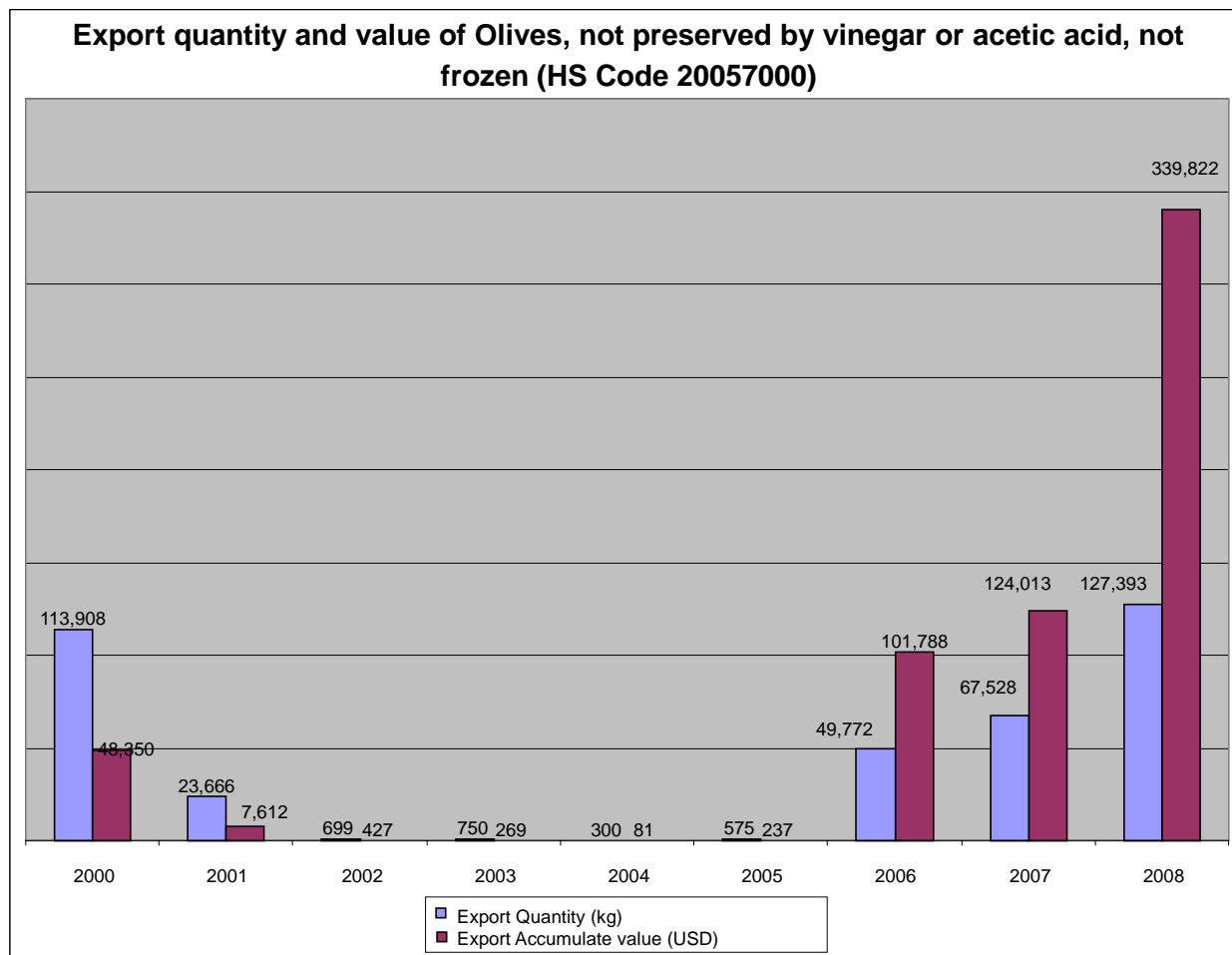
Source: China customs Internal Database, 2009

Since 2000 the export quantity of pickled olives is very high, since 2006 with a slight declining tendency. The export focus is mainly on South East Asian regions due to the sweet taste, which will be preferred by the Asians.

The average price is fluctuating since 2001, with an outlier in 2004 of 1.49 USD and a peak of 1.72 USD in 2007. Since 2008 the average price declined with 1.67 USD.

**Export quantity and value of Chinese Olives (not preserved by vinegar or acetic acid, not frozen)**

**Chart 49: Export quantity and value of Olives, not preserved by vinegar or acetic acid, not frozen (HS Code 20057000)**



Source: China customs Internal Database, 2009

The main export countries are Great Britain and Australia.

Chart 50: Export average price for not preserved Olives (HS Code 20057000)



Source: China customs Internal Database, 2009

Between 2001 and 2005, the export of the olives (not preserved by vinegar or acetic acid, not frozen) was very low obviously. In 2006, the export quantity jumped to 49.7 tons and the export value has reached 101,788 USD due to higher demand. Comparatively speaking, the olive export has begun to take shape since 2006. From the aspect of price, the average price has reached 2.67 USD/kg in 2008, which has been the highest level in recent years. Compared with 2007, the price increased sharply.

### 9.2.4.2. Export countries

**Chart 51: Main export countries and regions of olives (not preserved by vinegar or acetic acid, not frozen) from 2006 to July 2009**

Time	Country	Quantity (kg)	Value (USD)
Jan.-July. 2009	303 Britain	4,743	3,083
	304 Germany	10	7
2008	303 Britain	107,897	257,934
	601 Australia	17,407	73,485
	330 Sweden	1,525	4,354
	244 South Africa	414	3,960
	121 Macao	150	89
2007	303 Britain	67,018	12,3763
	121 Macao	510	250
2006	601 Australia	25,723	48,874
	303 Britain	19,799	40,452
	502 USA	2,550	8,430
	501 Canada	1,040	3,684
	121 Macao	660	348

Source: General Administration of Customs of the People's Republic of China and BBIC

**Chart 52: Main export countries and regions of olives provisionally preserved from 2006 to July 2009**

Time	Country	Quantity (kg)	Value (USD)
Jan.-July. 2009	—	—	—
2008	303 Britain	2,112	2,068
2007	—	—	—
2006	601 Australia	5,220	10,560

Source: General Administration of Customs of the People's Republic of China and BBIC

Regarding the aspect of the export countries, olives in China are mainly exported to Australia and Britain. Only marginal volume is exported to other countries and regions.

### **9.2.5. Conclusion: Total Supply of Olives in China**

The total supply of olives in China can be calculated by comparison of the available figures characterizing the foreign trade and the available figures characterizing the domestic olives production in China. For the latter, valid figures can only be researched for the year 2008, which was 1,621 tons. Given the assumption that the production of olives was on a level comparable to this production output of 2008, a volume of approximately 1,500 tons p.a. could be estimated for the period of 2000 to 2008.

The data of import and export figures show a very marginal dimension. From the consultants' point of view the sources for these figures can however be regarded as reliable. They were delivered from official Chinese sources, namely China Customs Internal database and the General Administration of Customs. These are official and reliable sources, and furthermore the figures were also confirmed through Chinese Business and Intelligence Consulting firm BBIC. Further deepening of research did not lead to any other data of foreign trade which would be in contradiction to the already researched figures. Thus, the presented data is deemed as being valid.

The total net foreign trade is shown in the following table. While the export volume was quite volatile during this period, the import volume nearly constantly increases. Thus, in 2008 a net import can be observed for the first time.

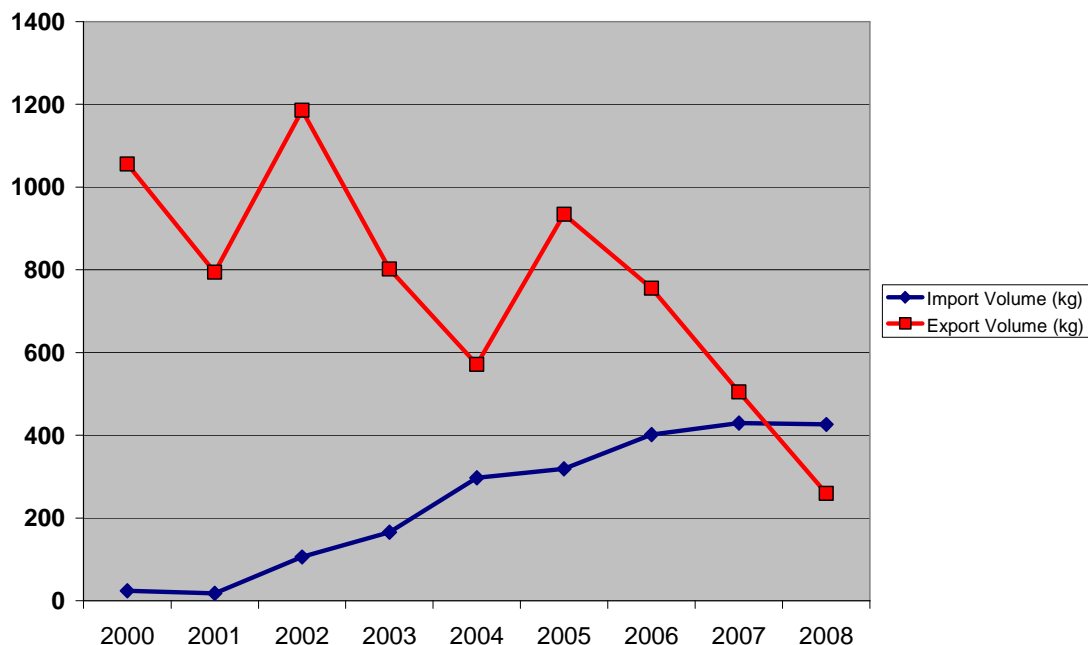


**Chart 53: Net Foreign Trade of Olives in China (in kg, 2000 – 2008)**

<b>Imports of Olives</b>									
HS Code 07112000									
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Volume (kg)</b>	4,305	7,065	37,645	102,475	143,827	157,459	148,305	100,491	136,188
HS Code 20060020									
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Volume (kg)</b>	11,375	243	16,202	11,171	23,832	27,424	27,075	22,865	1,195
HS Code 20057000									
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Volume (kg)</b>	8,821	10,763	51,997	52,320	129,517	134,080	226,696	306,536	288,950
<b>Total Import</b>									
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Volume (kg)</b>	<b>24,501</b>	<b>18,071</b>	<b>105,844</b>	<b>165,966</b>	<b>297,176</b>	<b>318,963</b>	<b>402,076</b>	<b>429,892</b>	<b>426,333</b>
<b>Exports of Olives</b>									
HS Code 07112000									
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Volume (kg)</b>	24,885	400	1,961	1,350	n/a	5,220	5,220	n/a	2,112
HS Code 20060020									
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Volume (kg)</b>	916,912	770,040	1,182,663	799,424	571,216	928,200	700,312	437,372	130,118
HS Code 20057000									
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Volume (kg)</b>	113,908	23,666	699	750	300	575	49,772	67,528	127,393
<b>Total Export</b>									
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Volume (kg)</b>	<b>1055,705</b>	<b>794,106</b>	<b>1,185,323</b>	<b>801,524</b>	<b>571,516</b>	<b>933,995</b>	<b>755,304</b>	<b>504,900</b>	<b>259,623</b>
<b>Net Foreign Trade</b>									
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Volume (kg)</b>	<b>-1,031,204</b>	<b>-776,035</b>	<b>-1,079,479</b>	<b>-635,558</b>	<b>-274,340</b>	<b>-615,032</b>	<b>-353,228</b>	<b>-75,008</b>	<b>166,710</b>
	<b>Net Export</b>	<b>Net Export</b>	<b>Net Export</b>	<b>Net Export</b>	<b>Net Export</b>	<b>Net Export</b>	<b>Net Export</b>	<b>Net Export</b>	<b>Net Import</b>

Regarding the years 2004 and 2007 it must be taken into account that no valid data was available for the export figures of HS Code 07112000. Given this fact, the resulting graph for the import and export trends for the years 2000 to 2008 are shown below.

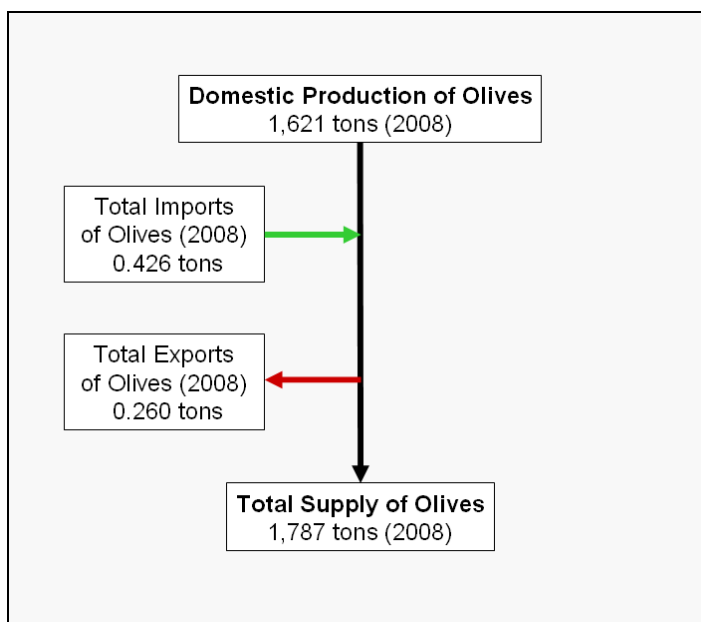
Abbildung 54: Import and Export Trends of Olives 2000-2008 in China



The slowdown in the export of olives might be seen as an indicator for moderate growing domestic consumption. This impression is further confirmed by the growing rate of import of olives to China.

A presentation of total supply of olives in China needs to incorporate the domestic production in China. Based on the available figures for the year 2008 the total supply situation can be characterized as follows:

Chart 55: Total Supply of Olives in China 2008



In order to compare the supply situation to the demand for olives in China, the next chapter informs about the trends and development concerning the demand side.

### 9.3. Demand: Trends and Development

#### 9.3.1. Development and acceptance of olives

The majority of experts, resulting from the interviews, is looking confidently at the development of the olive market in China. On the one hand, the confidence comes from the quick development of this product in recent years. On the other hand, it comes from the excellent features of this product. All parts of the olive can be used. Its fruit can be eaten directly (can be made into can and glace fruit) or converted into excellent oil. Its leaves contain rich biological activity.

##### *Edible olives*

Specific type of olives is cultivated. When they are suitable for processing, the fruits will be picked and processed into edible olives. The edible olives can be divided into green olive, color changing olive and black olive.

The olive product is a kind of high quality food which is very popular in the world. Ordinarily, it is regarded as appetizer. Generally speaking, it is a side dish in China. It has high nutritional value and conserves complete natural nutrient content. It is also a kind of lactic acid product which has the nutrient functions of promoting digestion and producing anti-cancer active substance. Its processing technique is not very complex but required quality is high. As edible olives, the fruits should be fresh, without defects, big, flesh thickness, and show beautiful color.

Generally speaking, with the development of olives, the understanding of olives is

improving gradually. In addition, due to the taste and quality of olives, the demand is expected to develop quickly in China after the introduction period.

### **9.3.2. Packing and offering trends**

The principle of packing, transportation and storage is to assure olives' freshness and good quality.

1. *Packing*: First all of, pick up the impurity mixing in the fresh fruit. And then put the fruits in the ventilate containers like large woven baskets and plastic boxes where the fruits won't be damaged.

2. *Transportation*: The fruits should be transported in time in order to keep them from mildew and rot.

3. *Storage*: The places used to store the fresh fruits should be clean and far away from the goods with unusual odor in order to prevent them from mildew and rot.

a) The fresh olives can be spread on the land and cement floor or bamboo curtain and reed curtain which are ventilate, shady and dry. The advisable thickness of the fruit is 10 cm. The fruits should be regularly flipped in order to prevent the fruits from going bad.

b) The fresh olives for olive oil can be dipped in the solution containing 3% salt and 0.03% citric acid. And the preservation period is less than 1 month.

c) The fresh olives for olive oil can be put in the cool water pool with the circulating water equipment. The water temperature should maintain at 20 degree Celsius and the storage time should be less than 1 month.

The following three chapters show forecasts of olive oil consumption in the three sectors of private households, gastronomy and processing factories. These forecasts are provided by Chinese Business and Intelligence Consulting firm BBIC. They are based on the aforementioned trends of supply of olives in China, as well as on a trend exploration of olive consumption of the past. Assumptions of experts regarding the development of consumption in the future are taken into account as well.

The consumption of olives is a rather new theme in China. Experts predict a continuing, but moderate growth of olive consumption within the next years.

### **9.3.3. Consumption of olives in private households**

In 2008, the domestic olive production was 1,621 tons, the olive import volume was 0.426 tons, and the olive export volume was 0.260 tons in China. According to that,

the apparent consumption was approx. 1,500 tons. Because most of the olives are used for extracting olive oil, the olives for edible olives will meet intensive competition of the other types of olives. It is estimated that 1/5 of this type of product is used to produce edible olives. Based on this assumption, the consumption of this type would be 293.2 tons in 2008 and it can be estimated that among the apparent consumption of 1,465.3 tons, 1,172.6 tons will be sent to factories to produce olive oil and 293.2 tons will be converted into edible products. According to the experience of the other foods, the proportion of the consumption of private households to consumption of olives in gastronomy and hotels is 5:1.<sup>60</sup> Private households consumed about 244.3 tons edible olives and the hotels consumed about 48.9 tons.<sup>61</sup>

According to the General Plan on Developing Olive Industry in Wudu District, the main domestic olive producing region, the total planting area of olive is expected to increase from 10,334 hectare to 20,000 hectare in 2010. And all of the suitable regions will be covered basically.

In 2007, the general office of Sichuan Municipal Government printed the General Plan on Developing Olive Industry in Sichuan. It plans that Sichuan will develop 53,334 hectare from 2007 to 2008. It plans to plant 53,334 hectare olives in four cities (Liangshan, Dazhou, Guangyuan and Mianyang) and 21 counties. Among those, the new planting area is 39,334 hectare and the reform planting area is 14,000 hectare. The total investment for construction is 857.25 million RMB.<sup>62</sup>

Because the cycle of olives from planting to harvest is five years, the olive output in Sichuan won't change a lot in the next five years. The output will still increase in Gansu. The change of the import and export volume clarifies, that the olive market is also affected by the financial crisis. In particular according to the data of the first seven months of 2009, the import price of the olive reduced sharply. It largely affected the domestic market. Therefore, it will be predicted that the Wudu's plan may implement 2-3 years later. The olive consumption is still in a low dimension and the estimated output and apparent consumption can only double in China in the next three years. However, if the Chinese olive industry develops well in 5 years and the olive trees planted in this period are entering the full harvest period, the olive output will change a lot and the annual output of fresh olives can reach 300,000 tons. According to the above estimation, the consumption of olives in private households in the next three years is as follows:

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<sup>60</sup> Approximation provided by BBIC, based on market figures and research.

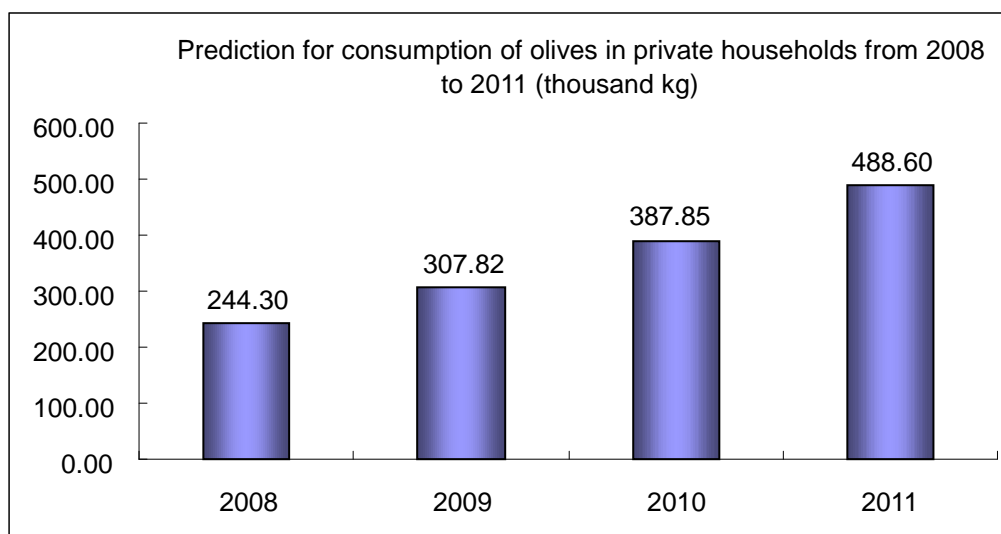
<sup>61</sup> <http://www.gsjb.com/Get/ly/20081013093800.htm>

<http://www.ganlanwang.com/news/zixun/200907/1212.html>

General Administration of Customs of the People's Republic of China and BBIC

<sup>62</sup> General Plan on Developing Olive Industry in Sichuan, <http://news.sohu.com/20070905/n251970511.html>

**Chart 56: Prediction for consumption of olives in private households from 2008 to 2011**



Source: BBIC

In 2011, the consumption of olives in private households is expected to increase to 488.60 tons in China. The main influencing factor of the edible olive consumption is the development of the other olive products and the development of the olive oil market. If the price of olive oil declines sharply, most of the olives originally used for extracting olive oil will be used to produce edible olives.

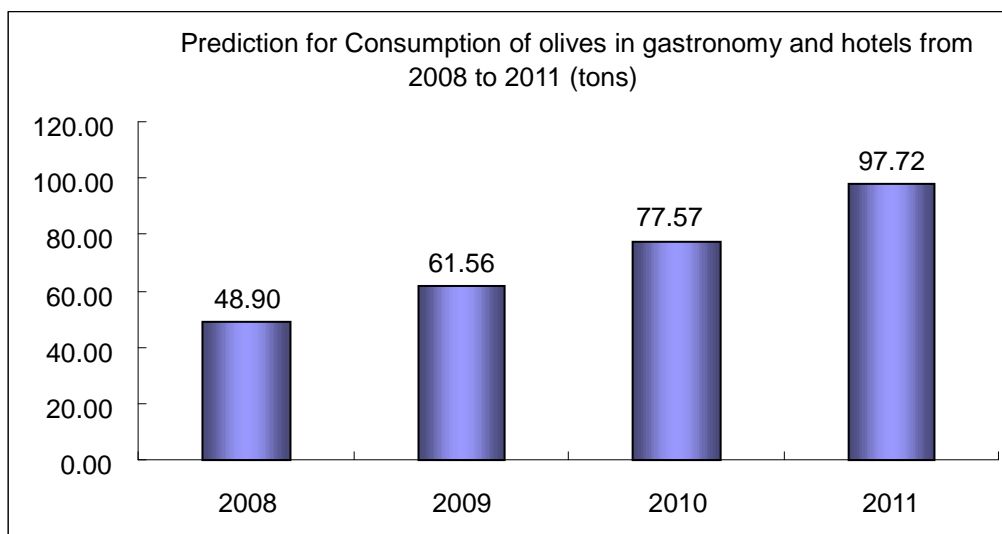
#### 9.3.4. Consumption of olives in gastronomy and hotels

**Illustration: Dish made of edible olives**



At present, olives are not often used in hotels. In famous international hotels or restaurants on the one hand green and black pickled olives are served, when enjoying an aperitif or for preparing cocktails. On the other hand in related Mediterranean restaurants there are some specific dishes made of olives. Overall, the olive consumption in this field is still at a starting stage.

**Chart 57: Prediction for Consumption of olives in gastronomy and hotels from 2008 to 2011**



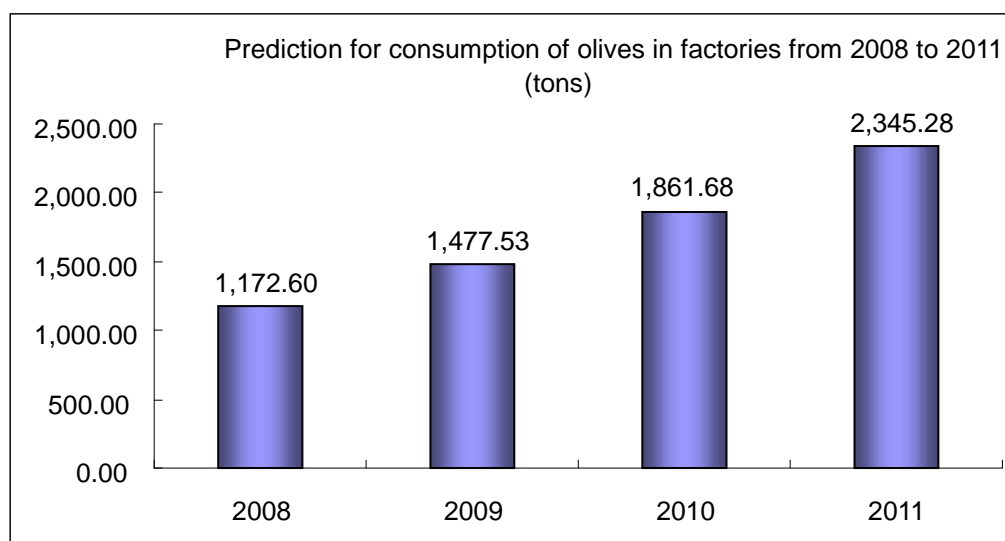
Source: BBIC

In the next three years, it is still hard for the consumption of olives in hotels to break through 100 tons. There are only two reasons which may cause a larger breakthrough. The first one is that a larger demand for dishes made of olives is expected by experts. The second one is that small-sized olive oil extractors will become more popular for hotels and gastronomy.

It might be surprising that the consumption of olives is in a very low dimension in gastronomy especially compared to private households' consumption, which is considerably higher. One major reason is, that on the one hand Chinese consumers like to consume olives especially in the form of snacks and show a growing preference for olive consumption. On the other hand, for gastronomy no major trend towards a massive growth of olive consumption can be observed. The majority of gastronomy still depends on Chinese restaurants, which do not regularly use olives for the preparation of dishes. Western restaurants in contrast still only gain a marginal market share. In Shanghai f.e. this share is only approx. 5,6% of the market, although the proportion of people coming from Western countries like Europe or USA living in Shanghai is considerably high. Higher prices for Western food in restaurants may inhibit a trend of faster growth as well.

### 9.3.5. Sales of olives to processing factories

Chart 58: Prediction for consumption of olives in factories from 2008 to 2011



Source: BBIC

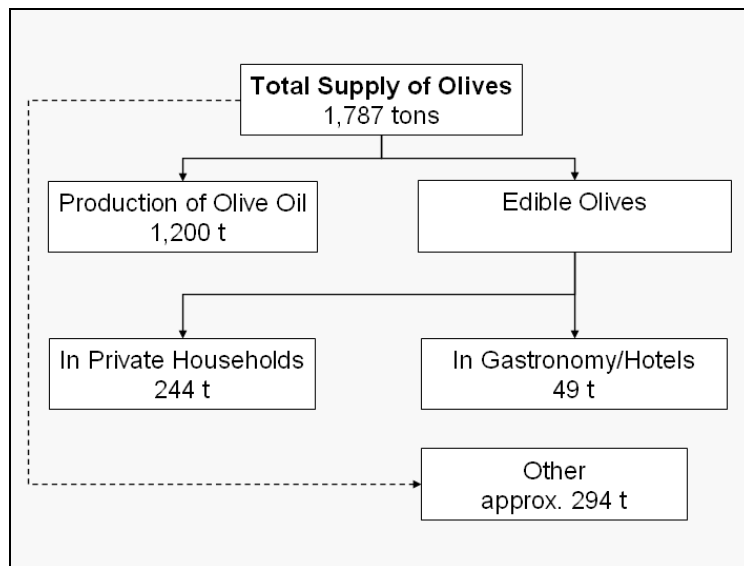
Most of olives are sent to factories to make olive oil in China. It is still the main consumption direction of olives in China. Since 2000, olive oil has started to become popular in China and developed sharply. The recovery of the olive planting is just because local governments have found the wide perspective of the related product market. In 2011, in factories 2,345.3 tons of fresh olives are expected to be converted into olive products in China. These olives can be used to produce approximately 4,200 tons of olive oil. However, there is still a large gap between the total consumption and the factory consumption. It means the domestic olive market still has large development space.

### 9.3.6. Commodity Flow 2008

In chapter 9.2.5 the total supply of olives in China was shown for the year 2008, including domestic production and foreign trade. According to the consumption data of this chapter mentioning the distribution channels of processing factories, private households and gastronomy, the commodity flow can be described as follows.



Chart 59: Comparison of Supply and Demand for Olives in China 2008



According to the comparison of figures of supply and demand for the year 2008 a resulting number of approx. 294 tons remains, which accounts for other consumption.

#### **9.4. Concentration trends, competitive environment**

At present, the Chinese olive market is still in the starting stage. Its market scale is marginal, and the market has not yet formed the advantages of scale. The development of the regions still needs the policy support and policy subsidy. And some larger projects need the government to promote their construction. At present, there are fewer main olive processing enterprises in China. Only several enterprises in Gansu and Sichuan develop well. Compared with the import volume of olives, their output is very small. At present they are not able to compete to major European companies.

At present, the olive planting and processing mainly adopts the mode of “Factory + base + farmer” in China. It establishes olive production bases in order to supply olives for the processing enterprises to produce olive oil and edible olive. Meanwhile, with the enlargement of the factory’s scale, more farmers start to plant olives and the supply of the raw materials increases.

#### **9.5. Necessary licences, quality certificates, sales permission**

There are no licenses for olive planting. Generally speaking, the olive can be planted in the places with suitable climate. There are also no production standards or national standards. There are only some local standards, such as Technical Regulations for Olive Cultivating, Technical Regulations for Extermination of Disease and Insect Pest of Olive, Technical Regulations for Making a Summerwood Cuttage of Olive, and Grading Standards for Fruit Collection of Olive etc.

The series standards of olive products was announced in 2004. It mainly includes four standards:

- 1) ZBB6603-90 Standards for Fresh Fruit of Olive,
- 2) ZBB66004-90 Standards for Edible Olive,
- 3) ZBB660055.1-90 Standards for Olive and Olive-residue Oil and
- 4) ZBB66005.2 ~ 005.19 Acceptance Standards for Olive and Olive-residue Oil.

Chart 60: ZBB Standard

	Name of standards	Content of the standard
ZBB6603-90	Standards for Fresh Fruit of Olive	It was firstly worked out in the world. It fixes quality grading indexes, inspection methods and basic packing, transportation and storage requirements of fresh fruits for olive oil and eating. It applies to the olive fruits which are purchased, sold and processed by the nation, collective and private enterprises.
ZBB66004-90 ZBB660055.1-90	Standards for Edible Olive Standards for Olive and Olive-residue Oil	They are not only adaptive to the Chinese conditions, but also equivalent to the world's standards. They fix product classification, technical requirements, inspection regulations and marks, and all clauses of packing, transportation and storage. They apply to the series products of edible olive oil
ZBB66005.2 ~ 005.19	Acceptance Standards for Olive and Olive-residue Oil	It was firstly worked out in the world. It is specialized in the inspection methods of olive oil features. It fixes the inspection methods for purity, quality, additive and pollutant.

Chart 61: Grading indexes of fresh fruits for olive oil

Grade	Oil content of dried fruit %	I class			II class			Cull fruit %	Decay fruit	Impurity %
		Proportion of different ripening degree of fresh fruit %			Proportion of different ripening degree of fresh fruit %					
		Full-ripe fruit	Ripe fruit	Crude fruit	Full-ripe fruit	Ripe fruit	Crude fruit			
1	>40	Above 90	10 ~ 1	0	-	-	-	≤1		0
2	38 ~ 40	89 ~ 50	10 ~ 40	10 ~ 1	Above 90	10 ~ 1	0	≤1		0
3	35 ~ 37	49 ~ 40	About 50	1 ~ 10	89 ~ 50	10 ~ 40	1 ~ 10	≤1		≤1
4	30 ~ 34	-	-	-	49 ~ 40	About 50	1 ~ 10	≤1		≤1
Substandard	<30	≤30	≤30	≥30	≤30	≤30	≥30	≤9		≤1

Source: Industry Standard Library of the People's Republic of China and BBIC, [http://www.lrn.cn/criterion/AgriculturalCriterion/200708/t20070807\\_136864.htm](http://www.lrn.cn/criterion/AgriculturalCriterion/200708/t20070807_136864.htm)

**Chart 62: Grading indexes of fresh fruits for eating**

Grading of fruits		Average single fruit weight	Average pulp content	Cull fruit	Impurity	Decay fruit
Grade	Name	g	%	%	%	
1	Super fruit	≥8	≥85	0	0	
2	Big fruit	5 ~ 7	≥82	0	0	
3	Medium fruit	3 ~ 4	≥80	≤1	≤1	
4	Small fruit	2	≥75	≤1	≤1	

Source: Industry Standard Library of the People's Republic of China and BBIC

## 9.6. Custom duties

**Chart 63: Customs schedule of related olive products**

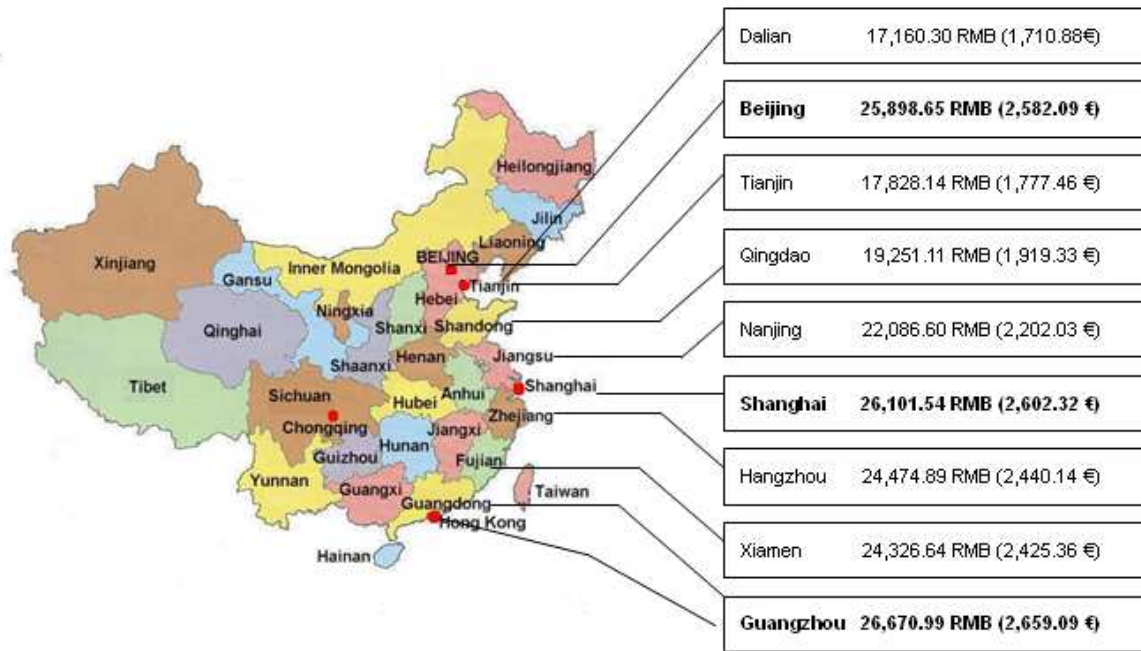
HS Code	Chinese name	Measuring unit	Export rebate	General tariff rate	Preferential Rate	VAT rate	Consumption tax rate	Export tax rate	Supervision condition
071120 00	Olives provisionally preserved, not for immediate consumption	Kg	5%	70%	13%	13%	0%	0%	AB
200600 20	Olives, pickled (preserved by sugar)	Kg	0%	90%	30%	17%	0%	0%	AB
200570 00	Olives, not preserved by vinegar or acetic acid, not frozen	Kg	0%	70%	10%	17%	0%	0%	AB

Source: General Administration of Customs of the People's Republic of China and BBIC

## 10. Description of Consumer Groups

### 10.1 Evaluation of Purchasing Power

Chart 64: Yearly per capita income of coastal cities in China in 2008



Source: China Urban Life and Price Information 2008

**Chart 65: Per capita income of Chinese residents and Engel's coefficient from 1978 to 2007**

Year	Urban per capita disposable income		Rural per capita net income		Urban household	Rural household
	Absolute number (RMB)	Index number (1978=100)	Absolute number (RMB)	Index number (1978=100)	Engel's coefficient (%)	Engel's coefficient (%)
1978	343.4	100.0	133.6	100.0	57.5	67.7
1980	477.6	127.0	191.3	139.0	56.9	61.8
1985	739.1	160.4	397.6	268.9	53.3	57.8
1990	1,510.2	198.1	686.3	311.2	54.2	58.8
1991	1,700.6	212.4	708.6	317.4	53.8	57.6
1992	2,026.6	232.9	784.0	336.2	53.0	57.6
1993	2,577.4	255.1	921.6	346.9	50.3	58.1
1994	3,496.2	276.8	1,221.0	364.3	50.0	58.9
1995	4,283.0	290.3	1,577.7	383.6	50.1	58.6
1996	4,838.9	301.6	1,926.1	418.1	48.8	56.3
1997	5,160.3	311.9	2,090.1	437.3	46.6	55.1
1998	5,425.1	329.9	2,162.0	456.1	44.7	53.4
1999	5,854.0	360.6	2,210.3	473.5	42.1	52.6
2000	6,280.0	383.7	2,253.4	483.4	39.4	49.1
2001	6,859.6	416.3	2,366.4	503.7	38.2	47.7
2002	7,702.8	472.1	2,475.6	527.9	37.7	46.2
2003	8,472.2	514.6	2,622.2	550.6	37.1	45.6
2004	9,421.6	554.2	2,936.4	588.0	37.7	47.2
2005	10,493.0	607.4	3,254.9	624.5	36.7	45.5
2006	11,759.5	670.7	3,587.0	670.7	35.8	43.0
2007	13,785.8	752.3	4,140.4	734.4	36.3	43.1

Source: National Bureau of Statistics of China and BBIC

With the quick growth of the Chinese economy, the purchasing power of the urban and rural residents is growing sharply. In 2007, the urban per capita disposable income has reached 13,785.8 RMB and the rural per capita net income has also reached 4,140.4 RMB. Although there is large gap between China and the developed countries, the urban and rural per capita income has increased more than 7 times in the past 30 years and the purchasing power has improved sharply.

From the aspect of Engel's coefficient, the Engel's coefficient of the Chinese urban and rural households has declined obviously in the past 30 years. The standards issued by the FAO fix that: if the Engel's coefficient is more than 59%, the household is poor; if the Engel's coefficient is 50%-59%, the household only has

enough to eat and wear; if the Engel's coefficient is 40%-50%, the household enjoys a fairly comfortable life; if the Engel's coefficient is 30%-40%, the household is rich; and if the Engel's coefficient is less than 30%, the household is the richest. In China, the urban households have entered the rich stage and the rural households have enjoyed the fairly comfortable life.

## 10.2 Evaluation of Consumption Expenditures

According to the yearly updated index of “The world’s most expensive big cities” from Mercer Consulting *Beijing* is the most expensive Chinese city in 2009 (moved from 20th to the 9th position). To come in the second most expensive Chinese city, Shanghai is on the 12th position, moving from 24th position in 2008. On 22nd position has been placed Shenzhen and Guangzhou on 23rd position (sharing this position with Los Angeles, USA). Hong Kong is on 5th position in 2009, nearly like in 2008 on 6th position.<sup>63</sup>

Chart 66: Cost of living (in RMB)

Cost of Living (in RMB) Indicators	Beijing		Dalian		Guangzhou		Hangzhou		Ningbo		Shanghai		Shenzhen		Zhongshan		Hong Kong	
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Cost of Downtown Office Space (per sqm)	140	280	80	180	80	150	137	195	36	51	150	300	80	200	60	90	331	1,357
Cost of Centrally Located Western Style Apartment (per sqm)	45	100	50	125	40	80	25	75	40	100	50	120	60	100	35	50	173	310
Minimum Legal Wage of Chinese Citizen	580		700		860		960		960		960		900, 1,000		770		2,717	
Monthly Wage of Chinese Blue Collar Worker	1,200	2,000	700	1,200	1,000	1,500	1,200	2,500	1,000	2,100	1,000	1,600	1,200	1,800	800	1,000	2,717	4,655
Monthly Wage of Chinese White Collar Worker	2,700	10,300	3,500	9,000	3,500	8,000	1,800	8,000	2,500	7,000	3,000	10,000	4,000	11,000	2,000	5,000	6,209	23,287
Cost of Taxi (per km)	2	3	2	2.8	2.6		2		1.8		2.1	2.7	2.4		2.2	2.6	5.43	6.59
Cost of Chinese Set Lunch Meal	16	25	15	30	15	25	10	20	10	25	20	40	25	30	15	25	19	39
Cost of Western Set Lunch Meal	40	60	35	100	30	45	30	120	25	50	40	80	40	150	20	30	39	92
Medium Big Mac Meal	20		20		20		20		20		20		20		20		17.07	
Order of Noodles	6	14	8	30	6	10	8	14	6	15	8	16	8	25	5	8	15.49	47
Ticket Price for a Newly Released Western Movie at Cinema	50	60	45	80	80		40	70	30	100	30	50	80		50		31.04	54.33
A Pint of Draught Beer (Tiger/Qingdao/or Equivalent)	15	50	20	35	15	50	20	30	20	35	30	40	20	40	20	30	31	47
Cost of Water - Residential (per Cubic Meter)	1.6	2.4	3	6	1.32		1.85	6	2.2	10	1.84	2.5	1.9	3.8	1.36	1.71	4	7
Cost of Electricity - Residential (per Cubic Meter)	0.495	0.61	0.5	0.88	0.61		0.187	0.584	0.539	0.975	0.307	0.617	0.68		0.64		0.68	1.14

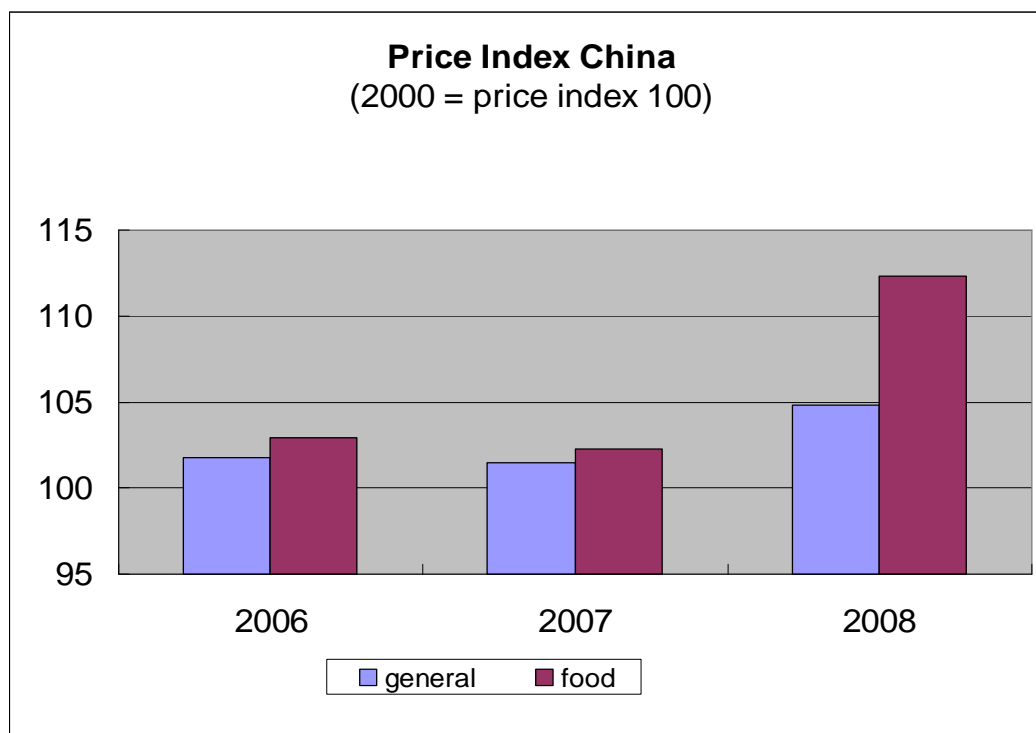
Source: Dezan Shira & Associates, Survey: Cost of Living and Mandatory Welfare Payment, Chart for 2009, 03/2009

According to price indexes, except for several years, the CPI is more than 100 and the prices of main consumer goods maintain to increase. Between 1978 and 2007, the price index tripled. It means the cost of living increased tripled.

<sup>63</sup> www.citymayors.com, Report: Currency movements main factor in deciding ranking of most expensive cities in the world, 07.07.2009

The price indicators of the baskets of goods and services in above mentioned Chinese cities are set in minimum and maximum amounts. The survey showed Shanghai as being the most expensive city to live in, followed by Guangzhou at a close second. The city that pays the lowest minimum net salary for Chinese residents is Beijing at 580 RMB.<sup>64</sup>

Chart 67: Price Index China



Source: China Statistical Yearbook 2008

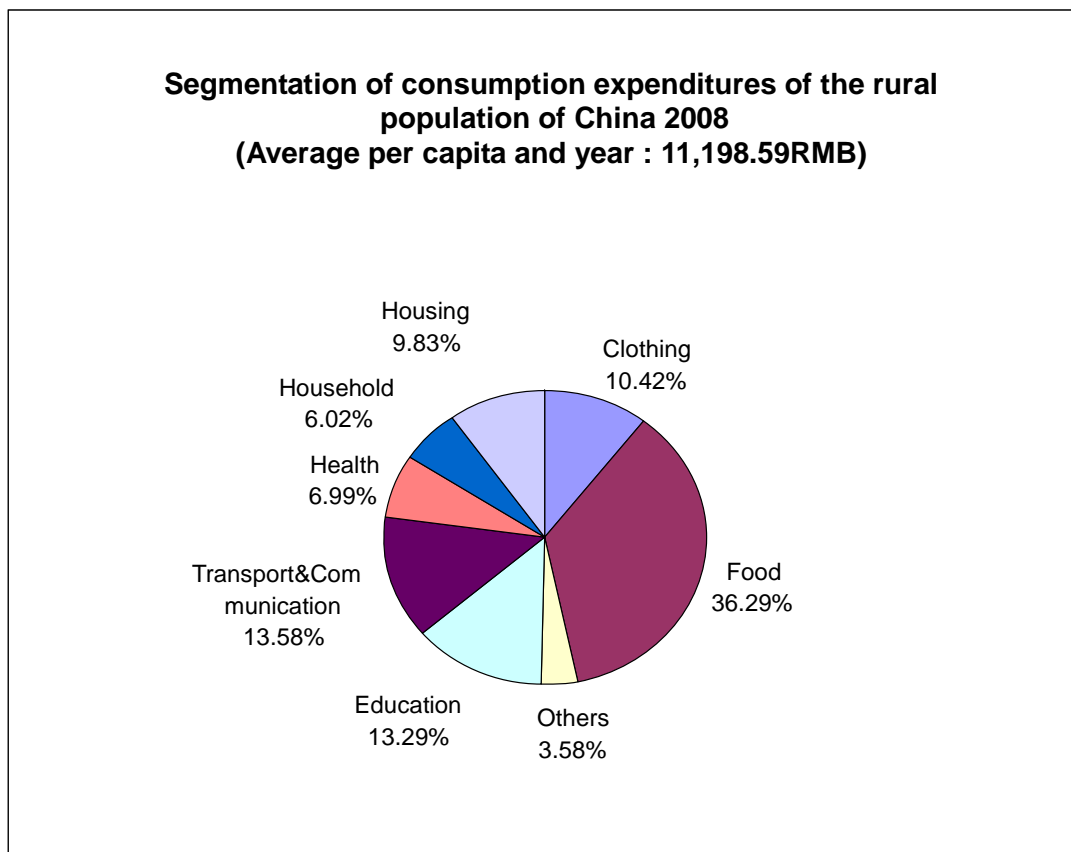
The growing prices of raw materials, fuel and power lead to an increase of costs of farm produce, industrial goods, and lead to higher prices of consumer goods and a rising inflation rate in 2008. In the first quarter of 2009 China's consumer price index (CPI), a major gauge of inflation, rose by 1 percent in January over the same month last year, the National Bureau of Statistics announced. The food prices, which account for around a third of the Consumer Price Index, went up 4.2 percent, while non-food prices were down 0.6 percent.<sup>65</sup>

<sup>64</sup> China Briefing Magazine, March edition 2009, Report: Cost of Living

<sup>65</sup> China View, [http://news.xinhuanet.com/english/2008-06/11/content\\_8345423.htm](http://news.xinhuanet.com/english/2008-06/11/content_8345423.htm) and [http://news.xinhuanet.com/english/2009-02/10/content\\_10793345.htm](http://news.xinhuanet.com/english/2009-02/10/content_10793345.htm)



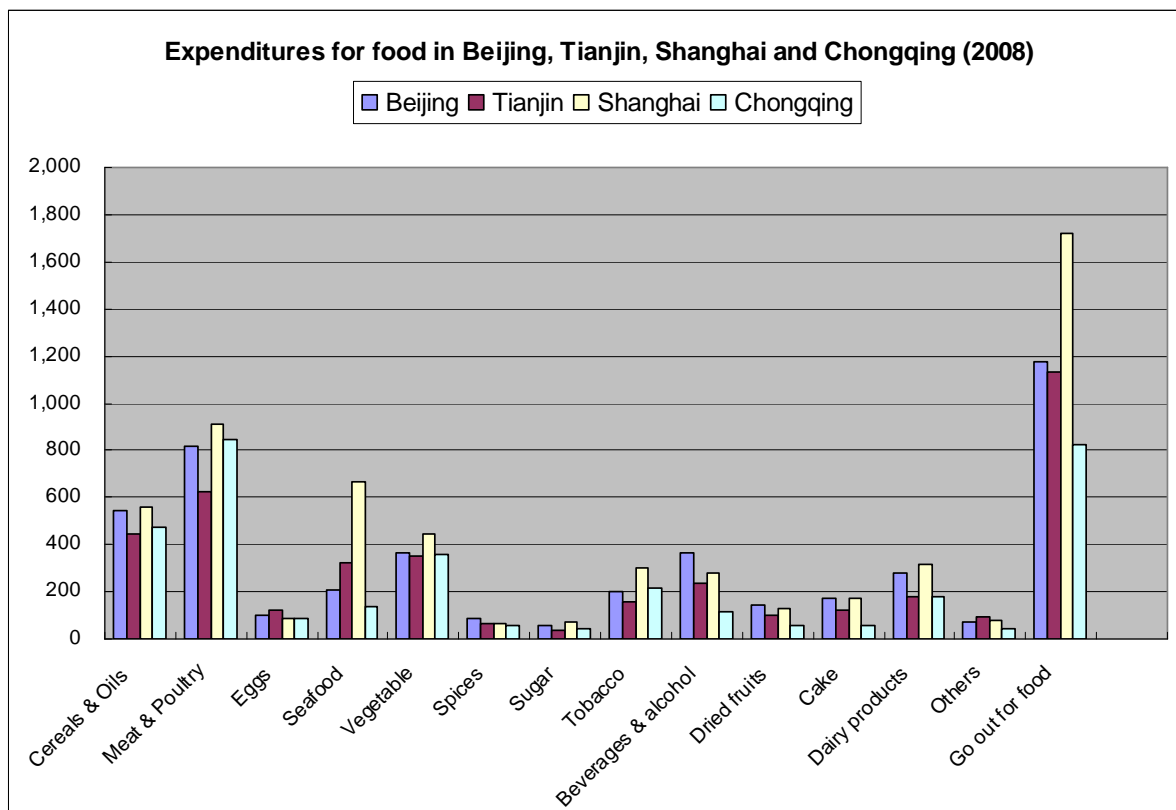
Chart 68: Segmentation of consumption expenditures of the rural population of China



Source: China Urban Life and Price Information 2008

The chart shows, that approximately 11,200 RMB have been spent per capita and year in 2008. Food with about 36% has been the biggest share on the consumption expenditures, followed by transport & communication and education. This result has been influenced by higher food prices (due to inflation) but also shows, that higher amounts will be spent for food in China than for other possible consumption.

Chart 69: Expenditures for food in Beijing, Tianjin, Shanghai and Chongqing 2008



Source: China Urban Life and Price Information 2008

The chart shows, that in residents of Shanghai, followed by Beijing, consumers spend higher amounts, f.e. in cereals & oils, meat & poultry or enjoying food in restaurants than in other cities, like Chongqing and Tianjin.

**Chart 70: Urban per capita consumption expenditure for food in 2007**

Item (RMB)	Overall average	Lowest income family	Family with financial difficulties	Low income family	Less than average income family	Middle income family	Above average income family	High income family	Highest income family
		(10%)	(5%)	(10%)	(20%)	(20%)	(20%)	(10%)	(10%)
Consumption expenditures	9,997.5	4,036.3	3,447.7	5,634.2	7,123.7	9,097.4	11,570.4	15,297.7	23,337.3
Food	3,628	1,904.1	1,672.4	2,451.2	2,942.8	3,538.3	4,229.8	5,062.1	6,439.5
Grain	278.3	223.7	214.7	246.9	263.1	280.5	302.8	319.4	325.9
Poultry and poultry product	703.3	437.7	387.2	552.7	637.5	717.3	806.8	883	958.3
Egg	83.8	58.5	53.2	70.2	78.67	88.2	94.8	97.8	98.9
Marine product	243.8	97.7	81.2	137.6	179.9	229.6	302.7	376.5	491
Milk and milk product	160.7	75.9	62.3	108.9	130.7	165.2	192.2	225.8	263.9

Source: National Bureau of Statistics of China and BBIC

In 2007, the urban per capita consumption expenditure for food was 3,628.03 RMB and the rural per capita consumption expenditure for food was 1,388.9 RMB. The relative value declined obviously, which reflected in the decline of the Engel's coefficient. But the absolute value still maintained to grow. From the aspect of the consumption of different income groups, as the income increased, not only the proportion of food in the consumption expenditures declined, but also the proportion of grain and poultry in the food declined quickly. However, the consumption proportion of high quality products (like marine products) was increasing. It seems likely that high-income families would spend more money in improving the quality of life.

**Chart 71: Consumption of main foods consumed by per person in rural areas from 1990 to 2007**

Product name	1990	1995	2000	2005	2006	2007
Grain (raw grain) (kg)	262.08	256.07	250.23	208.85	205.62	199.48
Wheat	80.03	81.11	80.27	68.44	66.11	64.41
Paddy	134.99	129.19	126.82	113.36	111.93	109.35
Soy bean		2.28	2.53	1.91	2.09	1.74
Vegetable (kg)	134.00	104.62	106.74	102.28	100.53	98.99
Edible oil (kg)	5.17	5.80	7.06	6.01	5.84	5.96
Vegetable oil	3.54	4.25	5.45	4.90	4.72	5.06
Poultry and poultry product (kg)	12.59	13.42	18.30	22.42	22.31	20.54
Pork	10.54	10.58	13.28	15.62	15.46	13.37
Beef	0.40	0.36	0.52	0.64	0.67	0.68
Mutton	0.40	0.35	0.61	0.83	0.90	0.83
Poultry	1.25	1.83	2.81	3.67	3.51	3.86
Egg and egg product (kg)	2.41	3.22	4.77	4.71	5.00	4.72
Milk and milk product (kg)	1.10	0.60	1.06	2.86	3.15	3.52
Marine product (kg)	2.13	3.36	3.92	4.94	5.01	5.36
Sugar (kg)	1.50	1.28	1.28	1.13	1.09	1.07
Wine(kg)	6.14	6.53	7.02	9.59	9.97	10.18
Melon and melon product(kg)	5.89	13.01	18.31	17.18	19.09	19.43
Nut and nut product (kg)		0.13	0.74	0.81	0.89	1.04

Source: National Bureau of Statistics of China and BBIC

From the aspect of the per capita food consumption of the rural and urban residents, the grain consumption declined obviously; the consumption of the other products still maintained stable; and the consumption of edible vegetable oil, marine product, and melon and fruit maintained to grow.

### 10.3 Consumer segmentation and description of target groups

There are 3 consumption classes in China at present:

- a) *The first class* refers to the consumption of self-enjoyment and individualization life and are supported by high income, accounting for 15% of urban residents of target cities investigated. People of this class often go to bars, cafes, clubs, restaurants, cinemas and buy up to date digital and electronic products. They enjoy elite and digital daily life. This is the group with the biggest purchasing power. They take concept of consumerism, but not inhibit their consumption desires. They have high taste for fashions and brands; more than 70% of them once bought vogue magazines, clothes, fancy food, watches, perfumes etc. There is not a large number, but they master the most of consumptive resources, dominating the orientation of consumption society.
- b) *The second class (middle class)*: Those people “struggling white collars” and “white collars youth” belong to the second class. Though they are free of worrying about food and clothing, which is still far from their self-gratification. People of the second class are relatively reasonable and realistic, living as most like other people. Housing, education, health and travelling are their four consumption desires. However, in China, the consumption life of people in this class really reflects the living actuality of Chinese people right now and accounts for 22% of the Chinese population.
- c) *The third class* refers to “poor type” consumption level. People of this class are facing big problems of “desiring to buy but there is not enough money”.<sup>66</sup>

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<sup>66</sup> Living Report of China, China National Conditions Research Association and [www.eoliveoil.com](http://www.eoliveoil.com), Report: Chinese people consumption habit, 2009

**Chart 72: Segmentation of Chinese Consumer Groups**

	<b>First Class</b>	<b>Second Class / Middle Class</b>	<b>Third Class</b>
<b>Quantity</b>	100 m.	360 m.	840 m.
<b>Living area</b>	Urban areas and huge cities on the East coast (first tier cities)	Mainly in cities (first & second tier cities)	Rural areas and smaller cities (second & third tier cities)
<b>Income per month</b>	above 35,000 RMB	7,000 RMB – 34,000 RMB	below 7,000 RMB
<b>Age</b>	30-65	20-60	All age classes
<b>Education</b>	Different	University-entrance diploma & Secondary school level with graduation	Lower secondary modern school level
<b>Typical Occupation</b>	Entrepreneur, Business manager	Technician, Manager Teacher, Administrative officer	Craftsmen, construction worker, etc.
<b>Attitude</b>	Optimistic	Reasonable, realistic	Hesitating, doubtful
<b>Brand consciousness</b>	Modern fashioned and very brand & premium conscious	Interested in brands, but consider best value for money	No possibility
<b>Consumption</b>	Self-enjoyment & individualization	Housing, education, health and travelling are their four consumption desires	Consumption for daily use
<b>Openness for foreign products</b>	high	average	low
<b>Lifestyle</b>	Dine & Wine in exclusive restaurants  Going out in bars, cafes, clubs, restaurants, cinemas	Enjoying external food very often with event character, average willingness to buy	"To live from hand to mouth"

Source: Own illustration

The major consumers of olive oil are some well-educated people and middle-class people. 80% of consumers of olive oil own college diploma and higher diploma and 60% of consumers of olive oil are middle-aged and senior citizens.<sup>67</sup>

In a report of Goldman Sachs (international famous investment bank), China has

<sup>67</sup> [www.oliveoilife.com/en](http://www.oliveoilife.com/en), Report: The colony of olive oil consumption, 2009

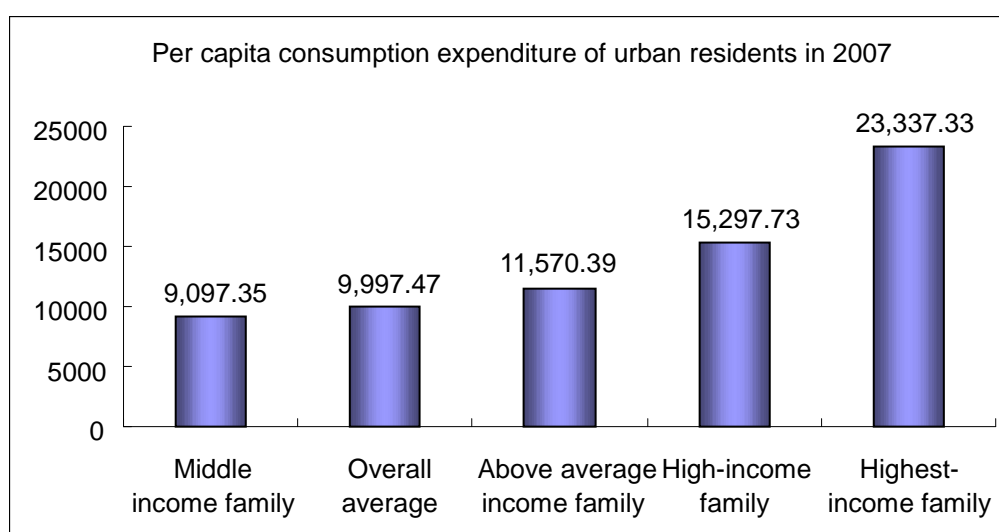
become the fourth biggest country in consumption of luxurious products and is therefore a very attractive market for exclusive brands. China is a brand-driven society. The market for premium products is developing as household wealth rises and choices increase. The actual number of Chinese potential consumption groups for exclusive and very expensive products is only 1% of its population, about 13 million People.

In recent years, consumption of premium products in China (like f.e. olive oil) has actually developed rapidly. There are two stages for consumption of those products: The first is conspicuous consumption and the second is self-gratification consumption. Due to some historical factors, people that have the capacity to buy premium products in China are relatively young mostly, about in their thirties or forties.<sup>68</sup>

According to the income, the target groups for olives mainly concentrate in the average income families, high-income families and the highest-income families. The per capita consumption expenditure of these families exceeded 10,000 RMB in 2007. Among that, the per capita consumption of the highest-income families reached 23,337.33 RMB. These families prefer expensive and western products. Therefore, they will become a main consumer group of these products due to our investigations.

Most of olives are used for extracting oil. After processing, the edible olive is also a kind of high quality product. It purely belongs to a kind of high-end snack which can improve the quality of life.<sup>69</sup>

**Chart 73: Per capita consumption expenditure of urban residents in 2007**



Source: National Bureau of Statistics of China and BBIC

<sup>68</sup> Annual Chinese Consumer Survey 2008, McKinsey&Company and www.eoliveoil.com, Report: Chinese people consumption habit, 2009

<sup>69</sup> National Bureau of Statistics of China

## 10.4 Purchase behaviour

### a) Purchase Behaviour concerning Olive Oil

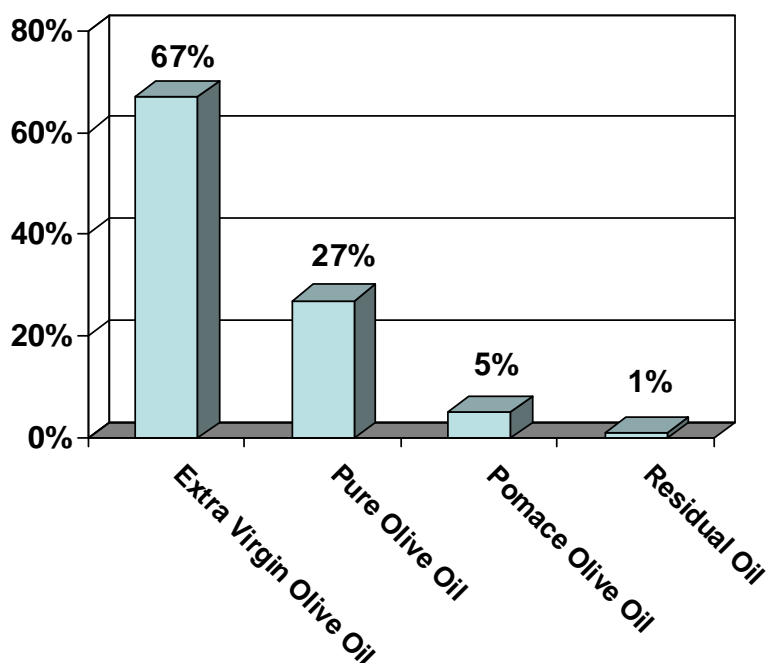
Chinese people's consumption concept of edible oil has undergone a great change, from emphasizing hygienic and security standards to paying more attention to the nutrition value and health value of edible oil. Along with the stable development of China's economy, a large-scaled middle class with sound purchasing power is emerging. They account for 22% of Chinese population and intensively need some health kinds of food as well as some top grade and health functional edible oil.

40% of olive oil is purchased as gifts & presents and 60% of olive oil is for own use.<sup>70</sup>

#### Reasons for purchasing different grades of olive oil

Olive oil has different grades according to their refine procedure. The best olive oil is extra virgin olive oil, secondly is pure olive oil, third pomace olive oil and the worst is residual oil. Investigation results indicate the majority of people are buying extra virgin olive oil in Chinese supermarkets due to health benefits and most famous grade. These consumers prefer to prepare their own food at home or if they decide to go out for food, they pay attention to selected restaurants offering premium-quality food.<sup>71</sup>

Chart 74: Grade distribution situation of Olive Oil



Source: China Food Industry Association, 2009

<sup>70</sup> <http://www.regalland.com/eoliveoil/index1.html>, Report: The Wide Prospect of China's Market, 2009

<sup>71</sup> <http://www.ganlanwang.com/>, China Olive Web, 2009



### Reason for purchasing brands and olive oils with protected designation of origin

The reason why consumers are buying various brands of olive oil and olive oils with protected designation of origin implies that when buyers making a decision about good quality and popularity are very important factors. Moreover good quality is connected with brand popularity. The manufacturers should adhere to the road of the importance of brand marketing. This is why major olive oil manufacturers are gradually concerned to their own brand marketing strategy.<sup>72</sup>

### Reasons for not purchasing olive oil

Due to our investigations the price for olive oil is relatively high, which is the main reason, that consumers know the product advantages, but hesitate to buy. The second reason is, that consumers do not know product details about olive oil and sometimes are not interested in new products. This aspect stresses the need for the planned campaign.

### b) Purchase Behaviour concerning Olives

Chart 75: Purchase behaviour concerning olives and influences of customer preferences

Process of purchase behavior	Specific purchase behavior mode	Olive performance
Various kinds of stimulations	Marketing stimulation	Due to the low output of the domestic olives, there is no marketing propaganda for olives. But the marketing propaganda for the domestic olive oil is larger.
	Other stimulations	With the improving of the economic level, the residents are richer and have higher requirements for the food. Furthermore a western and healthy lifestyle is becoming more and more important for those residents.
Consumer black box	Economic factor	The olive produces will mainly focus on the families that have enjoyed a fairly comfortable life.
	Social factor	It is popular for people to purchase high quality and healthy life.
	Psychological factor	With the social development, people gradually purchase to meet the safe demand instead of the physiological demand. During this period, the demand for health foods is increasing gradually.
Consumer reflection	Product selection	Fresh, good, no defect, big fruit, flesh thickness, and beautiful color
	Brand selection	High-end brand
	Seller selection	Non-mainstream channels and prefer specific high-end channels

<sup>72</sup> <http://www.emkt.com.cn/article/162/16254.html>

## 10.5 Consumer Preferences

### a) Preferences concerning Olive Oil

People's living standards are improving constantly which has made the demand for top-grade edible oil, such as olive oil, to rise by a large margin.

Five years ago, it was very difficult for Chinese people to understand olive oil would be directly eaten or drunk. Usually in China edible oil can not directly be eaten, so it will have the cognitive process for Chinese people to learn more about the knowledge and information of olive oil. In fact along with Chinese people earn more money, they wish to buy some health, nutritional food, especially step by step accept imported food.<sup>73</sup>

There is still a lack of information about olive oil among the potential consumers and following questions arise<sup>74</sup>:

- Can't distinguish olive oil of different countries, different colors, different flavor and different grades;
- Can't identify the good or bad olive oil with the label of olive oil;
- Can't compare olive oil with other cooking oil;
- Can't fully learn about the history and culture of olive oil;
- Can't get the detailed information through the label attached in the bottle of olive oil;

Since 2005 China has been the largest country of edible oil consumption and the average consumption is about 15 kg per person (in 2008) that is close to 20 kg of the world's average consumption of edible oil per person. From 2002 to 2006, Chinese edible oil consumption keeps the raise of average 10%, and according to this percentage, it is forecasting that in 2015 the consumption of edible oil in China will reach approximately 30,000,000 ton. According to the data of custom, the proportion of import edible oil is rising rapidly and is about 20%-50%, especially, bean oil, palm oil, olive oil, grape seed oil, colza oil, avocado oil and other edible oil.<sup>75</sup>

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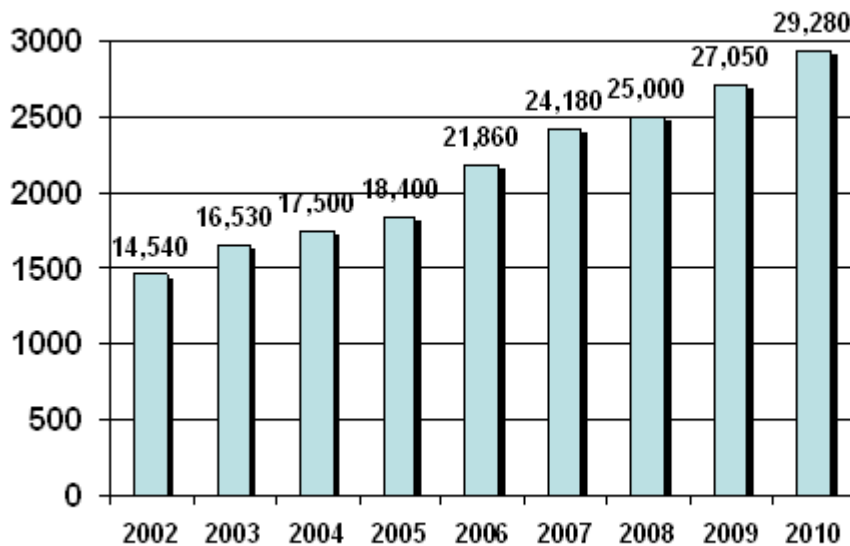
<sup>73</sup> www.eoliveoil.com, Report: Olive oil consumption in China, 2009

<sup>74</sup> www.oliveoilife.com, Report: Questions from olive oil consumers, 2009

<sup>75</sup> www.eoliveoil.com, Report: Chinese Edible Oil Market, 2009

The following graph shows the edible oil consumption till 2010:

**Chart 76: Edible Oil Consumption (in 1,000 tons)**



Source: [www.edliveoil.com](http://www.edliveoil.com), 2009

According to the above data analysis, Chinese Market will be a larger and noticeable market for edible oil companies in the future.

### **b) Preferences concerning Table Olives**

Consumer habit refers to a kind of long-term consumer demand for some commodities or brands maintained by consumers and a kind of stable process used to meet their consumer demand. The theoretical basis comes from the purchase decision process of the consumers. Like the other commodities, the consumer habits of the olives are still depending on product quality, price, packing, brand and the other aspects.

1. *Quality, taste*, is the most important factor for the consumers to select the edible olives. For these commodities, it is possible for domestic foods and foreign foods with unique taste and high quality to occupy the market. Edible olives are made of the olives that are picked in a certain time. If they are made of good olives and taste well, the edible olives may have some loyal customers. (own research)

2. *Price* is one of the important factors influencing customer purchase. Therefore, domestic olives will have exceptional advantages. But the price is not the vital factor for olives in view of higher price acceptance for high quality products. (own research)

3. *Packing*: Nowadays, more young persons request perfect products. Except for

good taste, high quality and moderate price, they also request more beautiful packing. Generally speaking, the consumers usually judge the quality of the product from the package. The better package the product has, the better quality it is. Meanwhile, the packing also reflects the grade of the commodity.

4. *The brand recognition* is also a factor influencing the purchase trend of consumers. The brand recognition is closely related to advertising. For olives, the product recognition needs to be improved. The improving of the product recognition and the formation of brand awareness will supplement each other. At present, there is hardly any famous brand of olive products in the Chinese market.

Except for the above factors influencing the consumer habits, there are some factors changing the consumer habits, for example curiosity. If the price can be accepted, consumers may choose the new product. The market for olives starts to develop late in China. Moreover, the fruits are mainly used for extracting oil. The new released products may be consumed by some consumers with curiosity.

## 11 Marketing Findings

### 11.1 General Communication Aspects

Leading brands of olive oil are making use of possible spread routes such as newspaper, TV, in-store promotions, magazines and network etc. to propagate and influence consumers possibly, in order to improve brand awareness, strengthen one's own competitive power.<sup>76</sup>

#### Connecting with consumers

##### a) Television

TV still dominates the advertising market: A television advertising is a prerequisite for any company serious about succeeding the mass market. Almost half of shoppers say, they will not even consider buying a new product unless they have seen it advertised on TV. Interestingly, the impact of TV ads varies regionally, which could affect the distribution of marketing resources across the country. TV is far more important in the north and central south regions and least important in the southwest and northwest of China.<sup>77</sup>

##### b) In-store promotions: Stand out from the crowd

The shoppers are confronted by an increasing array of options on the shelves. Influencing customers' in-store decisions is becoming vital and consumer goods companies should ensure they make sufficient investments to improve their in-store presence. The survey reveals, that in-store information is the most important factor – be it the display itself, promotions or salespeople – for consumers to consider new products, even ahead of TV advertising. The promotions can be created through large-scale displays and/or special stands within stores that form mini-rooms.

With more and more buying decisions being made in-store, and signs of consumer loyalty to retailers rising, manufacturers and retailers should speed up brand building and differentiation. Differentiation for manufacturers may come from effectively using more creative forms of indirect advertising such as viral marketing and user-generated media such as blogs and online forums.

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<sup>76</sup> China Food Industry Association, 2009

<sup>77</sup> Annual Chinese Consumer Survey 2008, McKinsey&Company

**c) Sponsorship**

One form of indirect advertising – sponsorship – delivers a surprisingly high impact in China. Its success may be based on the same rationale that keeps TV at the forefront of advertising: the investment required for a large sponsorship deal often confers credibility on the brand. Combining the credibility of sponsorship with the reach of TV could be a powerful combination. Sponsorship has a significant and measurable impact on brand awareness too.

**d) Blog and online forums: Understanding new media**

The internet is an increasingly important marketing tool. All the online media vehicles, including

- 1) online advertisements
- 2) product articles
- 3) blogs and forums

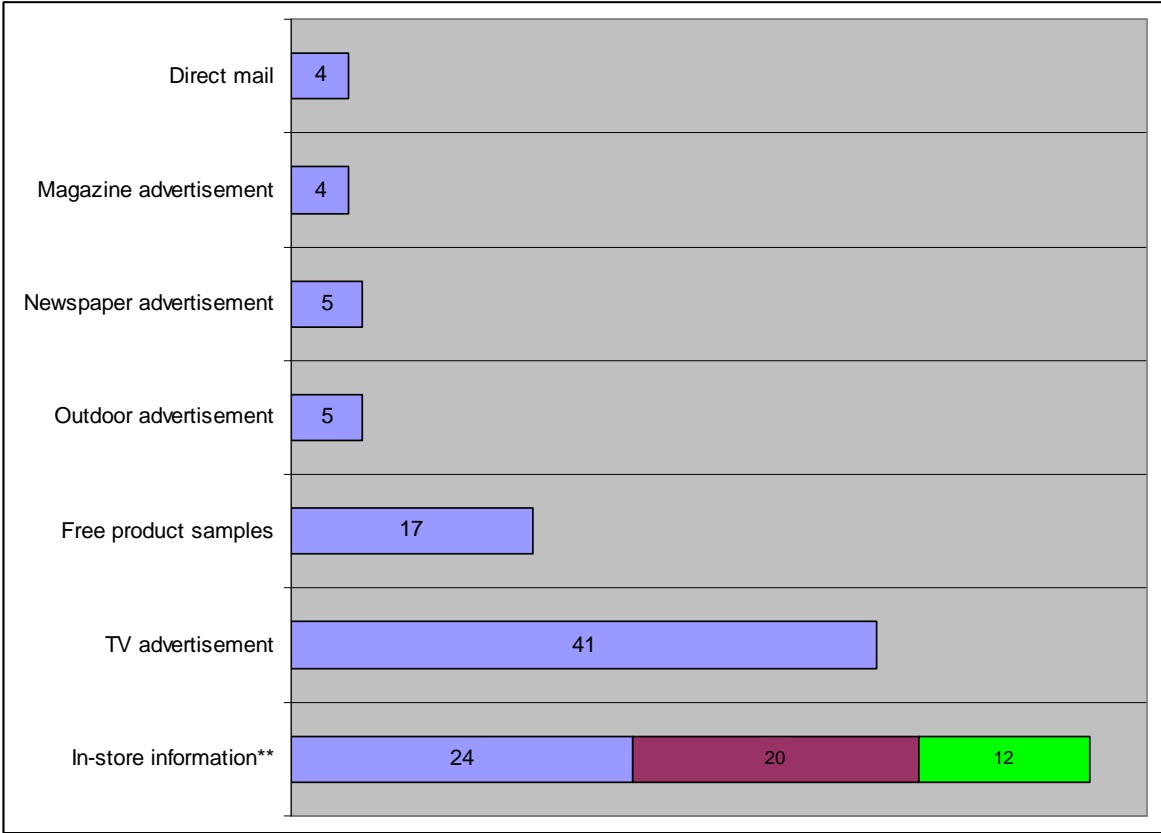
have significantly increased their impact. Consumers even rate the credibility of blogs and online forums higher than traditional TV ads.

While overall penetration still hovers at just 19%, the number of Chinese internet users is rising 56% a year, and stood at 253 m. in July 2008. Chinese consumers are increasingly turning to the internet as a key source of product information. Today, only 9% of consumers would check a blog or online forum before purchasing a consumer electronics item, compared to 25% in the US. However, if internet penetration approaches the levels of developed economies, blogs and online forums will become the second most important media channel by 2020.<sup>78</sup>

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<sup>78</sup> Annual Chinese Consumer Survey 2008, McKinsey&Company

**Chart 77: Must have information before purchasing a new product (Percent\*)**

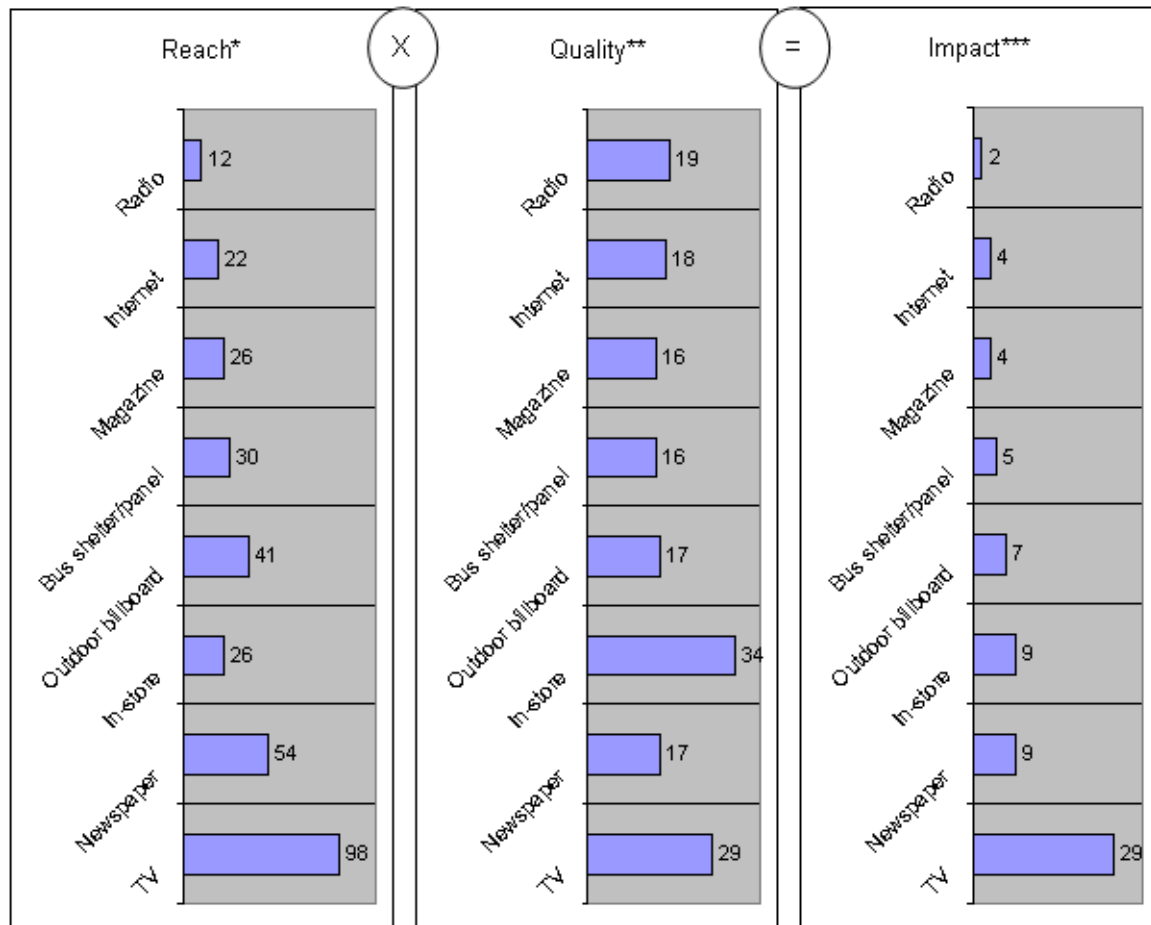


\* Weighted average of 23 food and beverage, consumer electronics, personal care and healthcare categories

\*\* Store display    Store promotions    In-store promotions

Source: Insights China by McKinsey – 2008 Consumer Survey

**Chart 78: The impact of advertising**



- \* Percent of respondents who have received product information from a certain source in the past two months
- \*\* "Credibility" + "level of engagement", percent of respondents who think the product information from a certain source is completely or mostly credible, and are interested in the ads received from a certain source
- \*\*\* Percents of respondents who where exposed to an ad and perceived it as a souch of high quality information

Source: Insights China by McKinsey – 2008 Consumer Survey



Chart 79: Advertisement at China Eastern Flight Magazine from famous Italian Olive oil brand

**Olivoila**



**Olive oil competition in China**

In 2009 the “4th China International Olive Oil Competition” has been held together with the exhibition “5th Oil China 2009” in Beijing. This year the samples came from Australia, Spain, Italy, Peru, Chile, Greece, Portugal, Saudi Arabia and China. This competition will achieve the following purposes:

- To display the best extra virginal olive oil in China & Asia;
- To divulge the best olive oil to consumers, importers, wholesalers, agents;
- To present to the public and media;
- To promote transparency on China’s olive oil market;

Chart 80: Logo Olive oil competition in China



On the occasion of this competition, the first publication of the evaluation results will be announced and prizes awarded on the opening day of Oil China 2010 as well as the official award of the “Golden Olives”, the “Sliver Olives”, the "Copper Olive" the

"Big Mention". The second results of the consumer ranking and the winners of this competition will be published in "China Oil & Fat", in the daily papers as well as in the internet ([www.eoliveoil.com](http://www.eoliveoil.com)). The results of the olive oil competition are as follows:

**Chart 81: Intense Category**

No.	Company Name	Country	Prize	Brand Name
1.	Frantoio Franci S.N.C.	Italy	Golden Olive Intense	Villa Magra
2.	Frantoi Celletti & Cultivar S.R.L.	Italy	Silver Olive Intense	Frantoi Celletti Tonda Iblea
3.	Almazaras De La Subbetica	Spain	Copper Olive Intense	Rincon De La Subbetica
4.	Frantoi Celletti & Cultivar S.R.L.	Italy	Grand Mention Intense	Frantoi Celletti Moraiolo

**Chart 82: Medium Category**

No.	Company Name	Country	Prize	Brand Name
1.	OLIVOS DEL EBRO S.L.	Spain	Golden Olive Medium	HACIENDA Iber Arbequina
2.	La Poderina Toscana	Italy	Silver Olive Medium	Argento
3.	Agroindustrias Gonzales Eirl	Peru	Copper Olive Medium	Vallesur
4.	OLIVOS DEL EBRO S.L.	Spain	Grand Mention Medium	HACIENDA IBER Unico

**Chart 83: Light Category**

No.	Company Name	Country	Prize	Brand Name
1.	Olivaylle Pty. Ltd.	Australia	Golden Olive Light	Olivaylle Olive Nectar
2.	OLIVOS DEL EBRO S.L.	Spain	Silver Olive Light	HACIENDA IBER Arbosana
3.	Kalis Organic Olive Groves Limited	Australia	Copper Olive Light	Kailis Organic
4.	Victor Guedes S.A.	Portugal	Grand Mention Light	Gallo "Grande Escolha"

## Quality Mention

Chart 84: Quality Mention

No.	Company Name	Country	Prize	Brand Name
1.	Fratelli Ferrara Societa Agricola Semplice	Italy	Quality Mention	Posta Locone
2.	Mediplan International S.A.	Greece	Quality Mention	Authentikon
3.	Monte Los Olivos S.A.	Chile	Quality Mention	Monteolivo
4.	The National Agricultural Development company	Kingdom of Saudi Arabia	Quality Mention	Nadec
5.	Atlas Olives Oils sarl	Morocco	Quality Mention	Les Terroirs de Marrakech
6.	Terra Creta S.A.	Greece	Quality Mention	Terra Creta
7.	NAYVE S.L.	Spain	Quality Mention	Monton Alto
8.	Synergatiki S.A.	Greece	Quality Mention	Cretan Mythos

Source: The Committee of China International Olive Oil Competition, 2009 Olive Oil Competition results

### 11.2 Brand translation and brand meaning

At present, the domestic olive market is still in the starting stage. The foreign brands are warming into the Chinese market. Facing this situation, the local olive products can have wider market space and win the competition through enlarging the R & D of the new products and accelerating the improvement of the processing technique. Nowadays, the domestic olive brands mainly concentrate in Gansu and Sichuan. On one hand, the brand construction is the place of origin. On the other hand, it is the establishment of the specific commodity brand.

*1. Construction of producing region brand:* In October 2006, the local olive product of Longnan represented Gansu to participate in the Third China-ASEAN Expo and got good reputation. In the same month, olives of Longnan was rewarded Salability Award in the fourth China Agricultural Trade Fair in Beijing.

*2. Construction of commodity brand:* In 2007, the “Xiangyu” edible olive oil, Mingu soft capsule and olive cosmetic coming from Longnan won the Houji Award in the 16th China Yangling Agricultural Hi-Tech Fair. At present, the Longnan olive industry which takes Xiangyu as the representative has initially formed the industry development chain of “Enterprise (association) + base + farmer”. The olive planting farmers subscribe shares by olive garden. The enterprises unify processing, brand, packing and sales of the fresh olives. The farmers will get the profits and achieve a

win-win situation with the enterprises.

The cognition degree of olive oil brands in China is relatively high and the Chinese customer prefer to buy high quality famous brands. Actually still no brand has already formed the relative leading position that monopolizes. Therefore adequate brand translation is very important for foreign olive oil supplier.

Brand names have the following four functions: distinguishing products, providing information, ensuring guarantee and stimulating consumption. Some companies argue that their original foreign brand names perfectly embody their brand identity, and as they want to communicate their foreignness to Chinese consumers, they do not want a Chinese name, f.e. the olive suppliers Tramier (France) and Natura Verdo (Italy) or the olive oil brand names San Guiliano Alghero (Italy) and Natura VERdo (Italy). Yet, this kind of thinking ignores cultural differences as well as the benefits that might be realized from adapting to local consumer preferences. Furthermore, a Chinese brand name can become the local embodiment of your brand's culture, values, personality and vision, making it a consideration that should not be taken lightly.

An inappropriate or inadequate Chinese name can result in big problems for the European brands. There are many risks involved: The name may not communicate the original brand value; The emotional associations may be completely lost or even goes against the original connections.<sup>79</sup>

### **Criteria for an ideal translated brand name**

#### **a) Phonetic relevance**

The new translated brand name should sound similar, if not exactly the same, to its original name. Transliteration can well reach this criterion. In China, we can find that a large number of foreign brand names for olives are phonetically similar to their translated Chinese brand names. Examples include: YBARRA (YI BA LI), Rioba (LI AO Ba), Eureka (YOU LI KA), YBARRA (YI BA LI), Olivoila (OU LI WEI LAN), Carbonell (KA BO NA TE), Betis (BEI TI SI), Iminos (MI NUO SI TE), Carapelli (KA LA PEI LI), Agric (A GE LI SI) just to name a few.

#### **b) Semantic relevance**

By semantic relevance, we do not necessarily mean literal equivalence; rather we mean the new translated brand name should be semantically meaningful. If the original brand name has a similar positive meaning or cultural connotation in the target language, then literal translation may be a choice. If it is not the case, the new brand name should also be meaningful. Such meaning is not the inherent meaning of the original name, but intentionally is given to the new name by choosing suitable

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<sup>79</sup> [www.labbrand.com](http://www.labbrand.com), Reports: Why does your company need a Chinese Brand name, 01/09/2009 & Brand

Translation: Packaging Design Differences between China and the West, 20/04/2009

morphemes, roots or words by the translator. Examples include: Shuang Xiong Olives = Magnificent and powerful, De Sheng Olives = development with real quality and morality, Bai Wei Lin = natural products with hundreds of tastes, Spartacold (JIN SI BA DA = Jin = Gold, SI BA DA = Sparta, the ancient city of southern Greece), Hojiblanca (BAI YE = White Leaf), Mighty (DUO Li = More Power), Muel (PIN LI = Quality, benefits to people, health), Pietro Coricelli (JIN CHENG BAO = Golden Castle), just to name a few.

### **c) Graphic relevance**

Languages are semiotic, the brand name and its typeface constitute the visual part of brand image. Sometimes, the typeface can suggest or symbolize the features of a product. In translating brand names from one language into another, it is highly recommended to make a similar visual look by adopting the same typeface or font of letters. For example, if the original brand name looks heavy, strong, powerful, then its translated name shall also have similar visual perception. Most foreign brand names are translated into Chinese for both phonetic likeness and effective employment of the meanings of the Chinese characters, as well as graphic conformity.<sup>80</sup>

All the researched brand names of olives and olive oil and their meanings can be found in ANNEX 1 of this report.

### **Chinese translations**

Appropriate translations can be part of the successful market entry in China and positive and logical translations can be easier remembered from the consumer when purchasing in stores. Translation examples with very good meaning and phonetics:

- 1) *Olivoila* sounds beautiful due to the phonetic translation: 欧 stands for Europa, “丽”, “薇” und “兰” = are Chinese characters refers to a pleasant and noticeable smell.
- 2) *Mighty* means powerful and mighty, boosted through the character “多”, which means double.
- 3) *Arbolon* means big tree and provides reliable emotions to the Chinese customer.
- 4) *YBARRA* has a very positive phonetic translations and can be easily kept in mind.
- 5) *Muel* is translated with pin li, which means pin = quality, li = advantage / benefits, which is a ideal translation for food product.

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<sup>80</sup> www.echeat.com, A Study of Brand name translation in China, November 2006

### 11.3 Product presentation and display material

#### 11.3.1 Table Olives

Because the domestic olive market does not develop well, the marketing investment of the related enterprises is not high. According to the propaganda of some enterprises, we can see that most of the propagandas focus on the place of origin and emphasize the grade and scale of their base construction.

**Chart 85: Olives of Longnan Shibolin Olive Growing Co., Ltd.**



Publicity material: “Our company is the largest olive planting base and the national olive demonstration base in China. Our company is located in the Olive County of China - Wudu, Gansu. We supply excellent quality olive seedling and planting technological supporting services. We have advantages of various types of olive trees (nearly 30 types), high oil extraction rate, wide planting area, high survival rate and consummating planting technologies. Welcome to contact and negotiate with us by telephone and network.”

Chart 86: Product propaganda of Sichuan Hua Ou Olive Development Co., Ltd.



四川华欧油橄榄开发有限公司区域规划，将把游仙区小观油橄榄示范园打造成为集苗木选育、示范于农户、游览观光为一体的示范基地，使其成为绵阳一个具有欧洲(地中海)风情的崭新亮点。



华欧油橄榄公司结合游仙区小观示范园的具体情况，在油橄榄树苗种植前，采用挖掘机挖坑，平均每个坑坑深1.2米，底部直径1米，株距4米，行距5米。这样即提高了效率，又确保了挖坑的质量。



苗圃地选择避风向阳、地势平整、排水良好，便于管理看护的土块。确保橄榄苗茁壮成长。

苗圃土壤采取相应的改良措施，如施用有机肥，翻地时掺入

## **a) Beijing**

In 4 supermarkets of Beijing we could research following kinds of olives:

- a) Green pickled olives
- b) Black pickled olives

The country of origin is mainly China. Simply one Spanish supplier YBARRA is offering green pickled olives at WFJ Yokado supermarket.

Following brands of olives could be found in following supermarkets:

### **1) Carrefour**

#### **China**

- Shuang Xiong Olives (black pickled)
- De Sheng Olives (Black pickled)
- Baiweilin Yanjin Olives (green pickled)
- Baiweilin Baked Olives (black pickled)
- Hangzhou Yuhan Yimin Liquorice Olives (green pickled)

### **2) Marrymart**

#### **China**

- Peng Sheng Olives (black pickled)
- Shuang Xiong Olives (black pickled)
- San Jing Olives (black pickled)

### **3) WFJ Yokado**

#### **China**

- Pu Xiang Olives (black pickled)
- Chaoshan Olives (black pickled)
- Shuang Xiong Olives (black pickled)
- Fuhua Savory Olives (green pickled)
- Jiamei Olives (black pickled)

#### **Spain**

- YBARRA Olives (green pickled)

### **4) Lotus**

#### **China**

- De Sheng Olives (black pickled)
- Peng Sheng Olives (black pickled)
- Shuang Xiong Olives (black pickled)
- Baiweilin Savory Olives (green pickled)
- Baiweilin Baked Olives (black pickled)

Olives are in general positioned in the corner of cereals, oil area and dairy products at Carrefour and Marrymart. At WFJ Yokado the snacks are placed at non-stable food area and imported food area, which can easily draw customers attention. At Lotus the olive snacks are placed near snack and beverage area. In all



supermarkets the olives could be found very easily. The olives are already processed and not raw. There are ready for consumption.

There are no special presentations to promote the olives. In general only billboards or price labels will be used to catch the eye of the customer. Solely at Carrefour supermarket it was a price promotion for De Sheng Olives in case of buying 2 packages, getting 2 RMB of discount.

**Chart 87: Olive store-check in Beijing**

				
1. <i>San Jing</i> Olives from Shenbao Sanjing Food Co., Ltd.	2. <i>Peng Sheng</i> Olives from Guangdong Pengsheng Co., Ltd.	3. <i>Ybarra Olives</i> from Beijing Pinli Food Co., Ltd.	4. <i>Shuang Xiong</i> Olives from HK Double Heroes Inter'l Ind. Ltd.	5. <i>Jiamei Zhenzhi</i> <i>Pickled Olives</i> from Jiaye Food Co., Ltd.

## b) Shanghai

In 3 supermarkets of Shanghai we could research for green and black olives in different kinds:

- a) Green Olives
- b) Green Olives Non-Stone
- c) Green Liquorice Olives
- d) Green Non-Stone Olives
- e) Green olives with filling
- f) Green acid olives
- g) Green Plain Manzanilla Olives with Stones
- h) Green Plain Manzanilla Olives Non-Stone
- i) Green Olives with anchovy
- j) Green Olives with pepper
- k) Black Olives
- l) Black Non-Stone Olives
- m) Black Sliced Olives
- n) Black Yanjin Olive (savory taste)

The country of origin is mainly Spain, China and just a few are from France and Italy.

Following brands of olives could be researched in following supermarkets:

### 1) Cityshop

#### China

- A Ji Ichiban (Green Liquorice Olives)

### 2) Metro

#### Spain

- YBARRA (Green Olives Non-Stone, Green Olives with fillings, Black Non-Stone Olives)
- Eureka (Black Sliced Olives)
- Fragata (Green Acid Olives, Black Non-Stone Olives)

#### Italy

- Natura Verdo (Black Non-Stone Olives)
- Rioba (Green Non-Stone Olives)

#### France

- Tramier (Green Olives)

#### China

- Bai Wei Lin (Black Yanjin Olives = savory)
- Tian Wo (Black Yanjin Olives = savory, Black Olives)
- Metro (Green Olives)

### 3) Carrefour

#### Spain

- YBARRA (Green Plain Manzanilla Olives with and without Stone, Green Olives with pepper, Green Olives with anchovy)
- Fragata (Black Non-Stone Olives)

#### China

- Bai Wei Lin (Black Olives, Black Yanjin Olives = savory)
- Tian Wo (Black Olives)

Some European olive oil suppliers offering olives in Chinese supermarkets too, like: YBARRA and Fragata from Spain and Natura Verdo from Italy.

The olives are positioned in the corner of glazed fruits. At Carrefour supermarket the olives are presented at the shelf next to the olive oil. In all supermarkets the olives could be found very easily (except at the Metro supermarket). The olives are already processed and not raw. There are ready for consumption.

There are no special presentations to promote for the olives. In general only billboards or price labels will be used to catch the eye of the customer.

**Chart 88: Olive store-check in Shanghai**

				
<p>1. <i>Aji Ichiban Olives</i> from A Ji Ichiban Co., Ltd.</p>	<p>2. <i>YBARRA Olives</i> from Beijing BinLi Food Co., Ltd.</p>	<p>3. <i>Fragata Olives</i> from Shanghai SanChang Development Co., Ltd.</p>	<p>4. <i>Bai Wei Lin Olives</i> from Shanghai Bai Wei Lin Industrial Co., Ltd.</p>	<p>5. <i>Tramier Olives</i> from Gourmedis (China)Trading Co., Ltd.</p>

### c) Guangzhou

In 3 supermarkets of Guangzhou only green dried olives (some of them are refined with salt and sugar etc.) could be found, which are all manufactured and processed in China.

The ingredients of the processed olives are: Olive, Sugar, Salt, Liquorice, Food additives (Molasses pigment, Saccharin Sodium, Stevia sugar, citric acid, Sodium benzene, Potassium sorbate, Lemon yellow)

Following brands of green dried olives could be researched in following supermarkets:

#### 1) Parknshop

- Jiabao Jiuzhi Olive (Canton Fruits)
- New Too Salty Olive
- Yimin Liquorice Olive
- Yimin Healthy Olive
- Meiyuan Liquorice Olive
- Guo Wei Ping Sheng Olive

#### 2) Carrefour

- Jiuzhi Olive (Canton Fruits)
- Huaweiheng Healthy Olive
- Huaweiheng Salty Olive

#### 3) Vanguard

- Jiabao Jiuzhi Olive (Canton Fruits)
- Zhenqiwei Jiuzhi Olive (Canton Fruits)

The olives are positioned in the corner of dry fruits. In all supermarkets the olives could be found not very easily, because there are often placed in an unclear edge or in the back of the supermarket. The olives are already processed and not raw. There are ready to consume.

There are no special presentations or billboards to promote for the olives.

**Chart 89: Olive store-check in Guangzhou**

				
1. <i>Yimin Liquorice Olive</i> from Hangzhou Yuhang Yimin Food Co., Ltd.	2. <i>New Too Salty Olive</i> from Xinxing Xianxianle Fruits Co., Ltd.	3. <i>Guo Wei Ping Sheng Olive</i> from Haifeng Zhenglong Foods Co., Ltd.	4. <i>Meiyuan Liquorice Olive</i> from Hangzhou Meiyuan Food Co., Ltd.	5. <i>Jiabao Jiuzhi Olive</i> (Canton Fruits) from Guangdong Jiabao Group

### Presentation of olives in shelves

Most of the fresh olives are supplied for the processing factories to produce olive oil (1,172.60 tons in 2008). So there are detailed requirements for their packing. Generally speaking, in order to keep them from rot, the olives need to be packed with bamboo baskets or plastic baskets to make sure the ventilation property. Therefore, they are packed with 1.5 kg bamboo baskets or plastic baskets so as to carry them conveniently.

If they are sent to factories to keep for a long time, the olives need the specific containers. The fresh olives can be put in the cool water pool with the circulating water equipment according to the purchase quantity. The water temperature should maintain at 20 degree Celsius and the storage time should be less than 1 month. They can be dipped in the solution containing 3% salt and 0.03% citric acid too. All of these need larger specific water pool. The detailed packing sizes are designed according to the scale of the factories.

If the olives are processed into edible olives as the residents' snack, the advisable packing size is generally 250 g. On one hand, the price is advisable. And on the other hand, the edible olives in this packing can be eaten at a time. If the olives belong to the high-end products, each olive should be packed in a packing. At present, this kind of product market is more popular.

## Beijing

Chart 90: Olive presentation in Beijing supermarkets



## Shanghai

Chart 91: Olive presentation in Shanghai supermarkets



Guangzhou

Chart 92: Olive presentation in Guangzhou supermarkets



### 11.3.2 Olive Oil

#### 1) Beijing

In the researched supermarkets in Beijing the olive oils country of origin are mainly from:

- a) Spain
- b) Italy
- c) Greece
- d) China

The following brands of olive oil could be found:

**Chart 93: Olive Oil presentation and display material in Beijing**

	<b>Carrefour</b>	<b>Marrymart</b>	<b>WFJ Yokado</b>	<b>Lotus</b>
<b>Spain</b>	<ul style="list-style-type: none"> <li>• Hojiblanca</li> <li>• Lu Hua</li> <li>• YBARRA</li> <li>• Betis</li> <li>• Carbonell</li> <li>• Muel</li> </ul>	<ul style="list-style-type: none"> <li>• Cordoliva</li> <li>• Betis</li> <li>• Fragata</li> </ul>	<ul style="list-style-type: none"> <li>• Echioliva</li> <li>• YBARRA</li> <li>• Muel</li> <li>• Hojiblanca</li> <li>• Sitia</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Betis</li> <li>• Opinion</li> <li>• Musa</li> <li>• Cordoliva</li> <li>• Lu Hua</li> </ul>
<b>Italy</b>	<ul style="list-style-type: none"> <li>• Olivoila</li> <li>• Mighty</li> <li>• Argosy</li> <li>• Carapelli</li> </ul>	<ul style="list-style-type: none"> <li>• Olivoila</li> <li>• Mighty</li> </ul>	<ul style="list-style-type: none"> <li>• Olivoila</li> <li>• Carbonelli</li> <li>• Pietro Coricelli</li> <li>• Grifo</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Olivoila</li> <li>• Mighty</li> </ul>
<b>Greece</b>	<ul style="list-style-type: none"> <li>• Iminios</li> <li>• Minawa</li> </ul>	<ul style="list-style-type: none"> <li>• Agric</li> </ul>	<ul style="list-style-type: none"> <li>• Luglio</li> </ul>	<ul style="list-style-type: none"> <li>• Spartacold</li> <li>• Agric</li> </ul>
<b>China</b>	<ul style="list-style-type: none"> <li>• Hua Yuan Life</li> </ul>	-	-	-

Reflecting above brands in different supermarkets, mainly Italian and Spanish olive oil will be sold in all 4 supermarkets. Solely foreign suppliers offering extra virgin and pure olive oil. The only Chinese Olive blended oil will be presented at Carrefour. Greek olive oils has much higher influence in Beijing supermarkets than in Shanghai and Guangzhou. The olive oil has been sorted by grade and price in the shelves, not according country of origin.

#### **Product presentation Carrefour**

The olive oils have been positioned in the corner of non-staple food and imported food areas, which could be easily found. Strong variety of brands, moderate capacities and prices were discovered. The oils are unfortunately not presented at eye level. There no price promotions or any other activities, just the price labels on

the shelves.

### **Product presentation Marrymart**

The olive oils have been positioned in the corner of special sales and imported food areas, which could be easily found. The selection of brands and capacities are moderate. The prices are midlevel. The olive oils are mainly presented at eye level. Some price activities has been offered at the *Olivoila shelf*:

- Buy one 750 ml Extra Virgin Olive oil, get one 250 ml olive oil for complimentary.
- Buy one 750ml pure olive oil, one 900ml Jinlong Olive oil blended oil for complimentary.

#### *Mighty olive oil:*

- Buy one 750ml extra virgin olive oil, one 250ml extra virgin olive oil for free.

Furthermore with special kinds of price labels, should focus the attention of the customer.

### **Product presentation WFJ Yokado**

The olive oils have been positioned in the corner of non-staple food area, which could be easily found. Strong variety of brands, moderate capacities and prices were discovered. The oils are unfortunately not presented at eye level. There no price promotions or any other activities, just the price labels on the shelves.

### **Product presentation Lotus**

The olive oils have been positioned in the corner of non-staple food area, which could be easily found. Strong variety of brands, moderate capacities and prices were discovered. The oils are unfortunately not presented at eye level. There is a price promotions for Mighty olive oil:

- Buy one 750 ml pure olive oil, one sunflower seed oil with the same brand for complimentary.

For Olivoila the olive oils are presented on a special kind of desk, where the customer can see the presented products.

The packaging of foreign bottles are modern and not Chinese styled. Through the foreign letters and the description of the labels the foreign basics can be discovered at once. There are conspicuous differences to the Chinese oils. According the packaging the price level can be estimated as well.



**Chart 94: Olive oil store-check in Beijing**

			
<p>1. <i>Cordoliva Extra Virgin Olive Oil</i> (Spain) from Beijing Shiji Kangxin Trade Ltd.</p>	<p>2. <i>Agric Extra Virgin &amp; Pure Olive Oil</i> (Greece) from Beijing Shiji Kangxin Trade Ltd.</p>	<p>3. <i>Fragata Extra Virgin Olive Oil</i> (Spain) from Beijing Yuan He HengTai Trade Co., Ltd.</p>	<p>4. <i>Grifo Extra Virgin Olive Oil</i> (Italy) from Tianjin Guangshi International Trade Co., Ltd.</p>
			
<p>5. <i>Spartacold Extra Virgin Olive Oil</i> (Greece) from Beijing Jindongfang Trade Co., Ltd.</p>	<p>6. <i>Musa Extra Virgin &amp; Pure Olive oil</i> (Spain) from Tianjin Kouweike Inter'l Trade Co., Ltd.</p>	<p>7. <i>Lu Hua Extra Virgin Olive Oil</i> (Spain) from Laiyang Luhua Co., Ltd.</p>	<p>8. <i>Opinion Extra Virgin Olive Oil</i> (Spain) from Beijing Jindongfang Trade Co., Ltd.</p>

## 2) Shanghai

In the researched supermarkets in Shanghai the olive oils country of origin is mainly from:

- a) Spain
- b) Italy
- c) Tunis
- d) Turkey
- e) Greece
- f) China
- g) France

Following brands of olive oil could be researched:

**Chart 95: Olive Oil presentation and display material in Shanghai**

	<b>Cityshop</b>	<b>TESCO</b>	<b>Metro</b>	<b>Carrefour</b>
<b>Spain</b>	<ul style="list-style-type: none"> <li>• Borges</li> <li>• DUC</li> <li>• Oillio</li> <li>• Muel</li> <li>• Amarilla de Ronda, LA</li> <li>• Carbonell</li> <li>• Oleaurum</li> <li>• Jin Hai Shi</li> </ul>	<ul style="list-style-type: none"> <li>• Carbonell</li> <li>• YBARRA</li> <li>• Arbolon</li> <li>• Lu Hua</li> </ul>	<ul style="list-style-type: none"> <li>• La Espanola</li> <li>• Carbonell</li> <li>• YBARRA</li> <li>• Muel</li> </ul>	<ul style="list-style-type: none"> <li>• Muel</li> <li>• YBARRA</li> <li>• Betis (</li> <li>• La Espanola</li> <li>• Carbonell</li> <li>• Fragata</li> </ul>
<b>Italy</b>	<ul style="list-style-type: none"> <li>• Monini</li> <li>• Costa d'or</li> </ul>	<ul style="list-style-type: none"> <li>• Monini</li> <li>• Olivoila</li> <li>• Villa Antica</li> <li>• Carapelli</li> <li>• Mighty</li> </ul>	<ul style="list-style-type: none"> <li>• Berio</li> <li>• Natura verde</li> <li>• Carapelli</li> <li>• Olivoila</li> <li>• Basso</li> <li>• Pietro Coricelli</li> </ul>	<ul style="list-style-type: none"> <li>• Villa Antica</li> <li>• Carapelli</li> <li>• Mighty</li> </ul>
<b>Tunis</b>	<ul style="list-style-type: none"> <li>• Terra Delyssa</li> </ul>	-	-	-
<b>Turkey</b>	<ul style="list-style-type: none"> <li>• Taris</li> </ul>	<ul style="list-style-type: none"> <li>• Taris</li> </ul>	-	-
<b>Greece</b>	-	<ul style="list-style-type: none"> <li>• Agric</li> <li>• Jin Hai Shi</li> </ul>	-	-
<b>China</b>	-	<ul style="list-style-type: none"> <li>• Zhu ZhuLe</li> </ul>	<ul style="list-style-type: none"> <li>• Zhu Zhule</li> </ul>	<ul style="list-style-type: none"> <li>• Huang Pin</li> <li>• Jin Long Yu</li> </ul>
<b>France</b>	-	-	-	<ul style="list-style-type: none"> <li>• Agir Bio</li> </ul>

Reflecting above brands in different supermarkets, mainly Italian and Spanish olive oil will be sold in all 4 supermarkets. Chinese Olive oil will only not be presented at City shop. Metro and Carrefour are specialised in Italian and Spanish olive oil, meanwhile at TESCO and Cityshop are presenting olive oils from Turkey, Tunis and Greece too. The olive oil has been sorted by grade and price in the shelves, not according country of origin. At TESCO and Carrefour the special oil “Extra light olive oil” from Carapelli for the calory conscious consumers will be offered.

### **Product presentation Cityshop**

The olive oils have been positioned in the corner of other edible oils and it could be easily found. Strong variety of brands, moderate capacities and prices are higher than in other supermarkets. The oils are presented very professional and are in good order. There no price promotions or any other activities, just the price labels on the

shelves.

### **Product presentation TESCO**

The olive oils have been positioned in the corner of other edible oils and it could be easily found. Strong variety of brands, with small, moderate and large capacities at the same time. The displays are not tidy and there are some price promotions and activities, like:

- a) Villa Antica presents 1 l \* 2 bottles for a cheaper price
- b) Jin Hai Shi presents 500 ml Seeds Oil as a gift, when buying Extra Virgin Oil
- c) Jin Long Yu presents 900 ml Extra Virgin Oil, when buying 5 l of olive blended edible oil

### **Product presentation Metro**

The olive oils have been positioned in the corner of imported products, which can be found very easily. Chinese brands are put in another food area (Chinese edible oils). Strong variety of brands, with moderate and very large capacities. The displays are not tidy too. But there are offering only a few price promotions and activities, like f.e. YBARRA presents 500 g Pasta as a gift, when buying Extra Virgin Oil (1 l)

### **Product presentation Carrefour**

The olive oils have been positioned in the corner of imported products, which can be found very easily. Chinese brands are put in another food area (Chinese edible oils). Strong variety of brands, with small, moderate and large capacities at the same time. There are presented very professional and are in good order. Carapelli and Jin Long Yu have their own display shelf for promotion. There are some price promotions and activities, like f.e. Mighty presents 150 ml \* 2 Extra virgin olive oil as a gift, when buying Sunflower-Olive + Extra virgin oil (5 l).

**Chart 96: Carapelli display shelf / Jin Long Yu display shelf**



The packaging of foreign bottles are modern and not Chinese styled. Through the foreign letters and the description of the labels the foreign basics can be discovered at once. There are conspicuous differences to the Chinese oils. According the packaging you can see the price level as well.

Chart 97: Olive oil store-check in Shanghai

 <p>1. Amarilla de Ronda LA Extra Virgin Organic Olive Oil (Spain) from Shanghai ZIYuan Trading Co., Ltd.</p> <p>2. Monini GP Toscano Extra Virgin Oil IGP (Italy) from Shanghai SanChang Development Co. Ltd</p>	 <p>3. Borges Extra Virgin Olive Oil (Spain) from Beijing DingCheng Food Co., Ltd.</p>	 <p>4. Carapelli Extra Virgine Olive Oil (Italy) from Shanghai Sinodis Food Co., Ltd.</p>	 <p>5. Carbonell Extra Virgin Olive Oil (Spain) from Shanghai Kui Chun Industrial Co., Ltd.</p>
 <p>6. YBARRA Extra Virgin Olive Oil (Spain) from Beijing PinLi Food Co., Ltd.</p>	 <p>7. Agric Extra Virgin Olive Oil (Greece) from Beijing Century KanXin Trading Co., Ltd.</p>	 <p>8. Villa Antica Extra Virgin Olive Oil (Italy) from Beijing Defaxing Trading Co., Ltd.</p>	 <p>9. Pietro Coricelli Extra Virgin Olive Oil (Italy) from Shanghai Foodstuffs Import/Export Corp.</p>

### 3) Guangzhou

In the researched supermarkets of Guangzhou the olives country of origin oil is mainly from:

- d) Spain
- e) Italy
- f) Portugal
- g) Taiwan
- h) Greece

Following brands of olive oil could be researched:

**Chart 98: Olive Oil presentation and display material in Guangzhou**

	<b>Parknshop</b>	<b>Carrefour</b>	<b>Trust Mart</b>	<b>Vanguard</b>
<b>Spain</b>	-	<ul style="list-style-type: none"> <li>• Knife Brand</li> <li>• Hojiblanca</li> <li>• Lu Hua</li> </ul>	<ul style="list-style-type: none"> <li>• Knife Brand</li> <li>• Lu Hua</li> <li>• Hojiblanca</li> </ul>	<ul style="list-style-type: none"> <li>• Knife Brand</li> <li>• Changqingshu</li> <li>• Arbolon</li> </ul>
<b>Italy</b>	<ul style="list-style-type: none"> <li>• Olivoila</li> <li>• Mighty</li> <li>• San Guiliano Alghero</li> </ul>	<ul style="list-style-type: none"> <li>• Mighty</li> <li>• Olivoila</li> </ul>	<ul style="list-style-type: none"> <li>• Mighty</li> <li>• Olivoila</li> </ul>	<ul style="list-style-type: none"> <li>• Olivoila</li> <li>• Mighty</li> <li>• San Guiliano Alghero</li> </ul>
<b>Greece</b>	-	-	<ul style="list-style-type: none"> <li>• Olive - Cooking Olive Oil</li> </ul>	-
<b>Taiwan, ROC</b>	-	-	<ul style="list-style-type: none"> <li>• Uni-President Golden Age</li> </ul>	<ul style="list-style-type: none"> <li>• Jipuyuan</li> </ul>

Reflecting above brands in different supermarkets, Trust Mart and Vanguard are offering most of the Spanish and Italian olive oils, which will be sold in Guangzhou. The olive oil has been sorted by grade, brand and price in the shelves, not according country of origin.

The product olive oil has been positioned in the corner of cereals and oils. Only at Parknshop it was not easy to find. In all other supermarkets the olive oil could be discovered very easily.

Especially in Guangzhou the Italian trademark Olivoila has an own shelf only for presenting its products. An extra billboard on the shelf is showing all the information about this olive oil to the customer.

**Chart 99: Presentation of Olivoila in Guangzhou**



The packaging of foreign bottles are modern and not Chinese styled. Through the foreign letters and the description of the labels the foreign basics can be discovered at once. There are conspicuous differences to the Chinese oils. According the packaging you can see the price level.

Chart 100: Olive oil store-check in Guangzhou

			
<p>1. Spanish Extra Virgin Olive Oil <i>Lu Hua</i> from Shandong Lu Hua Group</p>	<p>2. Spanish Extra Virgin Olive Oil <i>Lu Hua</i> from Shandong Lu Hua Group</p>	<p>3. Spanish Extra Virgin Olive Oil <i>Hojiblanca</i> from Bai Ye Gongsi (Distributor Lu Hua)</p>	<p>4. Italian Extra Virgin Olive Oil <i>San Guiliano Alghero</i> from Domenico Manca S.P.A. (Distributor Ji Pu Yuan)</p>
			
<p>5. Spanish Extra Virgin Olive Oil <i>Arbolon</i> from Beijing Dongfang Wanhua Inter'l Trading Co.</p>	<p>6. Italian Extra Virgin Olive Oil <i>Mighty</i> from Shanghai Standard Food Co.</p>	<p>7. Italian Pure and Extra Virgin Olive Oil <i>Olivoita</i> from Shanghai Kerry Oil &amp; Grains Industrial Co.</p>	<p>8. Portuguese Extra Virgin Olive Oil <i>Changqingshu</i> from Zhuhai Donghong Food Co.</p>

Chart 101: Olive oil presentation in Beijing





Chart 102: Olive oil presentation in Shanghai



Chart 103: Olive oil presentation in Guangzhou



## 12 Marketing Campaign for China

### 12.1 General Objective and Target Groups to be addressed

China is among the most populous and fastest growing economies of the world. According to the main objectives' of IOC to promote the consumption of olives and olive oil in new, high-potential markets, the campaign aims at the further stimulation of olive oil and table olive consumption, which is at a low level recently, but shows a strong predicted increase for the forthcoming years.

In order to achieve this aim, different target groups need to be addressed. Based on the findings of chapter 10 of this report, suggestions for the definition of relevant target groups will be delivered. There are two main target groups that can be taken into consideration:

- a) Final Consumers
- b) Opinion Leaders

Ad a): The implementation of segmentation concepts in order to analyze the final consumers of olives and olive oil often lack a consistent description of target groups by age, sex, disposable income etc. However, it is possible to select information of different marketing analysis resources, that draw quite a clear impression of the target groups in question. First of all, a general trend towards consumption of products of western and specifically European origin can be observed.<sup>81</sup> Among those consumers who possess a growing buying power, especially the group of urban professionals, aged 30 to 45 years and having achieved a higher professional education try to adapt the Western lifestyle and show a greater willingness to pay for these products.<sup>82</sup> According to the segmentation of Chinese consumer groups (see chapter 7 of this report) this target group would belong to the first class, with highest income and highest professional education and the most advanced openness for foreign products. From further research concerning segmentation of target groups it is clear, that these segments of high income classes, high education and open-mindedness generally function as opinion leaders fostering the diffusion of new products and consumption trends.<sup>83</sup> Furthermore, the consumption of table olives and olive oil seem likely to fit the premium consumption of this target group well. Thus, it is recommended to concentrate on this target group and to adjust marketing activities to their needs and consumption patterns.

Ad b): Besides private/final consumers the segment of professional consumers/buyers should be an interesting focus for marketing activities. Based on the concept of opinion leadership it is often reasonable to address those institutions

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<sup>81</sup> Theis, B. : Im Osten viel Neues – Vom Wandel des Konsumverhaltens, Cologne 2009, p. 1

<sup>82</sup> Theis, B. : Im Osten viel Neues – Vom Wandel des Konsumverhaltens, Cologne 2009, p. 4

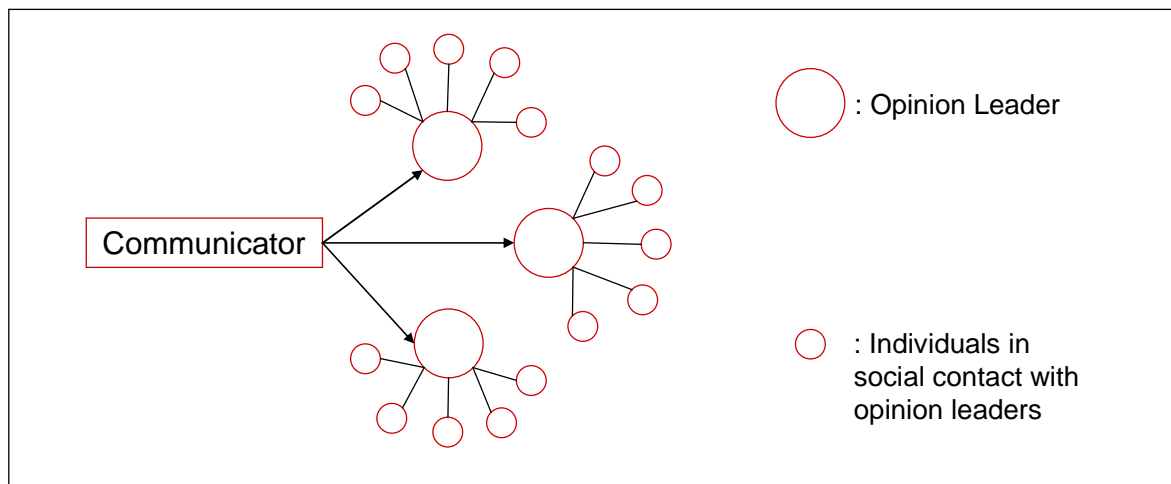
<sup>83</sup> Groeger, L. : Soziale Epidemien, Cologne 2008

and persons who have a great influence on the preferences and consumption patterns of many other consumers. This strategy of addressing opinion leaders is often useful in order to open a new market and to develop and stimulate consumption. Persons and institutions that belong to the group of opinion leaders are f.e. the following:

- Restaurants and reputed local chefs
- Journalists
- Celebrities

Especially Journalists and Celebrities can have a multiplying effect for the achievement of the aspired marketing targets, since they are able to reach a multitude of potential consumers. Besides it can be fruitful to address restaurants and well-known local chefs as multipliers.

**Chart 104: Two Step Flow of Communication**



To address opinion leaders can foster communication efficiency through a multiplying effect. By addressing opinion leaders, many individuals in contact with them can be reached as well. Furthermore, the efficiency can be advanced through the greater credibility many of the individuals to be addressed see in opinion leaders.

For the planned marketing campaign it can be assessed that it would be fruitful to concentrate on the segment of opinion leaders and multipliers (b) in the first place. Besides the aforementioned possibility of addressing a multitude of potential final consumers, addressing this segment shows the following advantages, as well:

- Higher Impact of influence through opinion leaders, compared to conventional advertising due to higher credibility of opinion leaders and experts
- Cost effectiveness of the two step flow compared to conventional advertising

However the selection of groups that need to be addressed in this segment shall be adjusted to preferences of the most important final consumers (a) anyway.

## **12.2 Themes and messages to be conveyed**

Regarding the aforementioned consumer groups, the following messages and themes should be stressed, in order to address to the consumers' central preferences and needs:

- Culinary Aspects of olive oil and olives consumption
- Health Benefits of Olives and Olive Oil
- Origin of the two commodities and history of consumption
- Premium Quality of Olives and Olive Oil
- Variation and different qualities available

As it was mentioned before, the target groups in question appreciate the benefits of foreign products and according to their growing disposable income are willing to participate in benefits of the western world. A strong trend in Cina towards the consumption of foreign premium quality products can be observed and it seems likely that this will apply to olives and olive oil consumption as well. The predicted strong growth in demand shown in this report can be seen as an indicator for this development.<sup>84</sup>

According to the development of adaption of western consumption in China, it seems recommendable to include information about the origin of olives and olive oil consumption in the campaign as well. Information about the countries of origin may be applicable as well as historical aspects like f.e. the sacredness of olive oil in ancient Greece, being used as the 'eternal flame' of the original Olympic Games, just to mention an example. Reserch concerning consumption habits show, that many Chinese consumers appreciate new consumption patterns but simultaneously are eager for knowledge.<sup>85</sup>

While Chinese people show the mentioned orientation towards western consumption patterns, an adequate adaption to the Chinese culture must be taken into account. While many modern Chinese consumers adapt western consumption patterns, the reflection of Chinese culture and origin is generally also kept in mind.<sup>86</sup> Thus, it seems recommendable to present the opportunities of traditional Chinese cuisine becoming even more sophisticated through the application of olive oil and table olives in the preparation of dishes. Different actions of the marketing campaign may account for this aspect, f.e. cooking events.

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<sup>84</sup> Theis, B. : Im Osten viel Neues – Vom Wandel des Konsumverhaltens, Cologne 2009, p. 1ff.

<sup>85</sup> Karle, R. : Zwischen Tradition und Konsum, in: HORIZONT - Ztg. für Marketing, Werbung und Medien, H. 26, 2007

<sup>86</sup> Karle, R. : Zwischen Tradition und Konsum, in: HORIZONT - Ztg. für Marketing, Werbung und Medien, H. 26, 2007

One central unique feature of olive oil – compared to different other oils – is its health benefit, f.e. preventing cardiovascular diseases or diabetes. Stressing of this aspect may be seen as helpful to create a strong unique selling proposition for olive oil in China, compared to the use of other oils. Research data show, that many Chinese consumers appeal to health aspects of consumption. The strong growth in development of green food technology can be seen as a hint for this development as well as the trend for increasing consumer sophistication in China. While consumers around the world seek pleasure in many food products, Chinese consumers amongst others start to seek for special health benefits in food – f.e. chocolate with added calcium.<sup>87</sup> This consumption trend accounts for consumers aged between 25 years and 44 years as well as for consumers aged between 45 years and 65 years.

The communication of health benefits of olives and olive oil can go hand in hand with emphasis of the general premium quality of the products. It seems likely that the aforementioned consumer target group appreciates the premium quality of the products and shows a higher willingness to pay for it. The preference for consumption of high premium products by relatively young Chinese consumers in their thirties or forties was already stressed in chapter 10.3 of this report.<sup>88</sup> Besides, it may be applicable to communicate the variation and different qualities available, too.

In summary the messages to be communicated through the campaigns activities shall focus on quality aspects of the products, showing a diversity of arguments. The stressing of quality aspects may be helpful to justify higher prices for olives and olive oil as well. Thus, the quality of promotional messages may be highly informational in the first place in order to increase consumption. On the other hand, especially the communication of origin and history of the products combined with the production and use of olives and olive oil may be helpful to add emotional aspects to the communication and make the products become even more interesting. It can be argued that especially more sophisticated target groups will find a product more interesting, the more associations are combined with it.<sup>89</sup> Furthermore a communication strategy including some kind of ‘storytelling’ might be fruitful in order to draw consumers’ attention towards the products and thus to foster communication efficiency. The following chart shows a potential, hypothetical semantic network that a sophisticated consumer might have in mind, when thinking about olive oil.

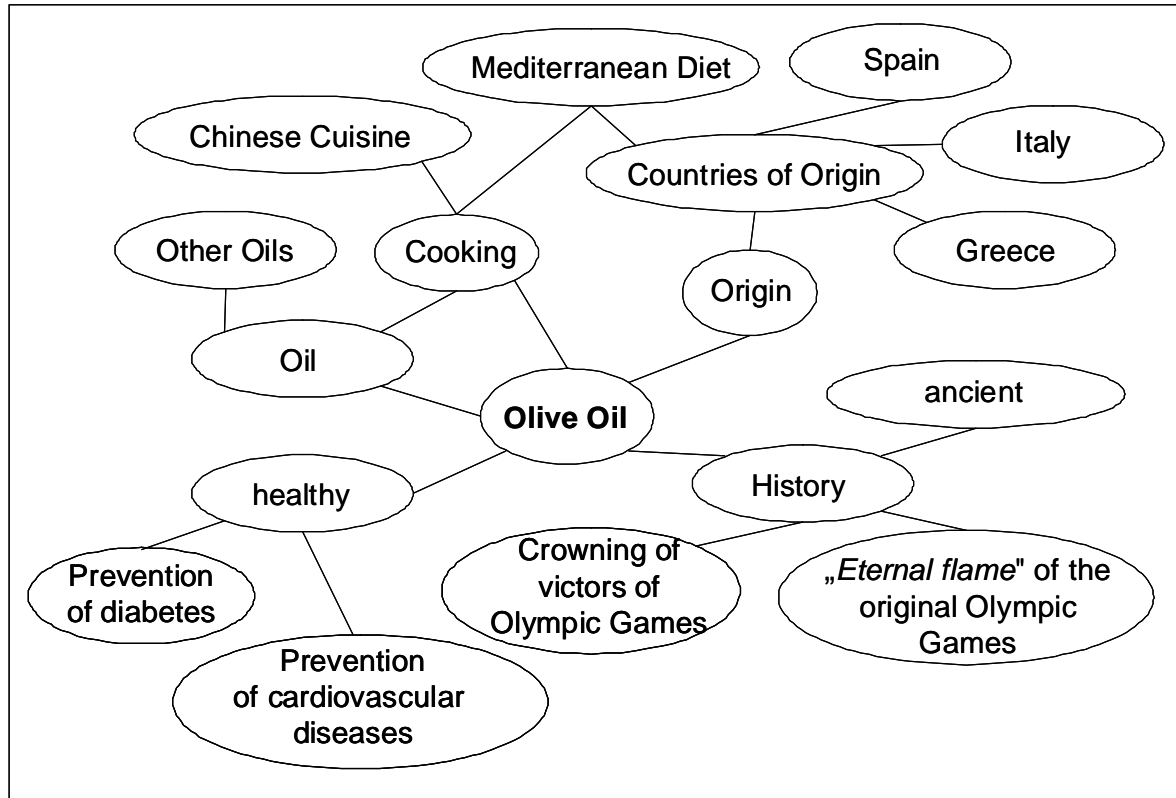
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<sup>87</sup> Ding, J. et al. : 2009 Annual Chinese Consumer Study, published by McKinsey Asia and Consumer Retail, July 2009, p. 12

<sup>88</sup> Annual Chinese Consumer Survey 2008, McKinsey&Company and [www.eoliveoil.com](http://www.eoliveoil.com), Report: Chinese people consumption habit, 2009

<sup>89</sup> Winston, A. S. / Cupchick, G. C.: The Evaluation of High Art and Popular Art by Naive and Experienced Viewers, in: Visual Arts Research, Nr. 18, 1992, S. 1-14; Mandler, G.: The Structure of Value: Accounting for Taste, in: Affect and cognition, hrsg. v. S. M. Clark / S. T. Fiske, Hillsdale 1982, S. 3-36

Chart 105: Hypothetical Consumer's Semantic Network concerning Olive Oil



The created hypothetical part of a semantic network shows a multitude of associations. Moreover, the associations are highly consistent to each other and could guarantee a good integration in the all-over communication policy, stressing the quality aspects of the products.

According to the general messages the campaign should be generic and not targeted at specific producers or countries of origin.

### 12.3 Programme of Activities

Concentrating on the target groups of final consumers as well as on the target group of opinion leaders, the following activities will be recommended.

#### 12.3.1 Trade Events

**Trader expert seminars and information events** may be recommendable in order to care for the contact to traders and trading agencies. The main objective is to ensure distribution of the products as well as to gain influence in traders as being opinion leaders and multipliers for the campaign's messages. The establishment of a network of contacts with the trade sector – f.e. importers, exporters, retailers – seems crucial in order to ensure support for the expansion of distribution in China.

A selection of importer profiles can be found in chapter 12.6 of this report. In order to first choose traders which could be adequate partners, at least the following criteria may be applied for prioritization:

- Size, Turnover and Market share of Traders
- Distribution Regions of Traders
- Supplying countries, in order to get a balance of IOC member states

More information that can be used for the final assessment of the importers/traders – f.e. detailed assortment, activity of the traders etc. – could be collected during the planned trade events as well.

The Trade Events would include the following activities in detail:

#### ***Regular Luncheons and Expert Seminars***

- Monthly luncheon invitations of traders / trading agencies and experts of local chefs, bar managers, restaurant managers and F&B managers who are responsible for the purchase of olives for their organisations
- 4 x meetings in Beijing, 4 x in Shanghai and 4 x in Guangzhou
- Planning of 12 luncheons with max. 12 participants of each seminar
- Selection of related traders and/or representatives (see above criteria for selection)
- Layout, print and distribution/mailing of luncheon invitations
- Follow-up by phone and clarification with participants
- Presentation of selected olive and olive oil products
- Duration approx. 2 h



- Splitting up the participants in English and Chinese speaking target groups
- Trainings about European olives and olive oil products

***Participation in major trade exhibitions in China featuring olives and olive oil sections***

For the development of a network within the trade sector it seems essential to participate in different trade exhibitions. The following chart shows a selection of major exhibitions for the food sector.

**Chart 106: Exhibitions in China in 2010**

<b>Name</b>	<b>Location</b>	<b>Date</b>	<b>Focus</b>
<b>6<sup>th</sup> International Exhibition of Olive Oil &amp; Edible Oil</b>	Shanghai Exhibition Center, Shanghai	24-26/04/2010	Olive oils and other specific types of edible oils
<b>BioFach China 2010</b>	INTEX Shanghai, Shanghai	27-29/05/2010	Organic food products and beverages, natural cosmetics and organic cotton, textile products
<b>11<sup>th</sup> SIAL China</b>	Shanghai New International Expo Center, Shanghai	19-21/05/2010	All kinds of food & beverages
<b>FHC China</b>	Shanghai New International Expo Center, Shanghai	11-13/11/2010	Food, drink, hospitality, foodservice, bakery and retail IT exhibition
<b>Oiltech China 2010</b>	Shanghai Exhibition Center, Shanghai	24-26/04/2010	For equipment and technology of edible oil in China
<b>EXPO China 2010</b>	Shanghai	May 1 to October 31, 2010	World Exhibition

*China International Exhibition of Olive Oil & Edible Oil* was founded in 2005. Since then, it has been successfully hosted for four times. Its scale is enlarging, the number of the professional audience is increasing gradually and the number of the exhibitors is increasing year by year. The domestic and foreign edible enterprises

are always paying attention to this exhibition. And it has become the largest international edible oil exhibition. The fourth exhibition held in Shanghai attracted 5,800 persons from 32 countries and regions to visit. Among those, 90% of them are the Chinese people from 30 provinces and cities. The purpose of 50% of the audience is to look for the cooperation and agent. And the purpose of 40% of audience is to understand the market and get the information.

Besides, there are some local exhibitions, like China Yangling Agricultural Hi-TechFair and Longnan Olive Products Exhibition as well the *China Agricultural Trade Fair* approved by the State Council of the People's Republic of China every year.

Participation in at least two of the aforementioned exhibitions.

- Complete preparation, realisation and follow-up of above mentioned exhibitions
- Clarification and coordination with exhibition corporation
- Preparation and distribution of advertising material in Chinese

### **12.3.2 Gastronomy**

#### ***Care of contacts and regular newsletters about olive and olive oil producers from IOC member states to gastronomy***

- Based on information for journalists a regular email newsletter will be sent about olive and olive oil producers from IOC member countries to related gastronomy representatives
- Expansion of already existing network with F&B-Manager and gastronomy representatives
- Planning and organization of regular F&B Meetings (offering lunch invitations)
- Regular information about olive and olive oil producers from IOC member states
- Suggestions of and coordination about marketing activities (Table olives and olive oil contests, promoting special kind of olive dishes through cooking courses, seminars with popular chefs from IOC member countries etc.)

#### ***Olive and olive oil weeks***

- Organisation and realization of olive weeks in selected restaurants and hotels in China
- Regular luncheon meetings with gastronomy representatives in Beijing, Shanghai and Guangzhou
- Planning of 9 luncheons with 9 representatives of each selected gastronomy
- Selection of F&B managers

- Layout, print and distribution of invitations to luncheon meetings
- Follow-up's by phone and clarification of participants
- Presentation of selected olive and olive oil products
- Duration max. 1.5 h
- Starting with Shanghai first
- Splitting up the participants in Chinese and English speaking target groups

***Regular luncheon meetings with gastronomy representatives in Beijing, Shanghai and Guangzhou***

- Planning of 9 luncheons with 9 representatives of each selected gastronomy
- Selection of F&B managers
- Layout, print and distribution of invitations to luncheon meetings
- Follow-up's by phone and clarification of participants
- Presentation of selected olive and olive oil products
- Duration max. 1.5 h
- Starting with Shanghai first
- Splitting up the participants in Chinese and English speaking target groups

**12.3.3 Media**

According to the model of two-step-flow communication, media relations will be a predominant part of the activities to be accomplished. Journalists may function as opinion leaders as well and can guarantee a wide spread diffusion of communication. Besides regular contacts to journalists and media, the following mix of communication activities seems recommendable. Herein especially health and nutrition issues regarding olives and olive oil consumption could be stressed.

### ***Tour organization of Chinese journalists to IOC member countries***

A tour with selected journalists to IOC member countries could help to communicate the themes concerning origin and history associated with the use of olives and olive oil. This would result in effective storytelling related to olives and olive oil.

- Identification and suggestion of suitable participating journalists and opinion leaders
- Coordination with participating journalists to publish editorial reports
- Accompanied tour for journalists, including travel organisation and set up of itinerary. The tour shall at least cover three main producing countries of olives and olive oil – f.e. Spain, Italy, Greece
- Intensive post-processing after the tour and matching further contacts to other journalists, including regular contacts, sending of newsletters etc.

### ***Television: Promotion at cooking shows at the Chinese television***

TV cookery shows can be a good suggestion in order to reach consumers of the aspired target groups and to create a greater awareness for the benefits of use of table olives and olive oil to enrich traditional Chinese food. In preparation of these TV programmes, famous Chinese local chefs should be identified who are willing to communicate the benefits in TV shows by cooking Chinese meals with olives and olive oil. Besides the culinary aspect, it seems recommendable to stress the health aspect of olive oil as a better alternative compared to other edible oils.

A selection of TV cookery programmes including region and airing time is as follows:

#### *Beijing*

- 1) “Perfect Kitchen” (食全食美) at BTV, at 6:12 p.m. and “One click to a happy life” (快乐生活一点通) 19:59 p.m., Monday – Saturday

#### *Shanghai*

- 2) “You are the Chef” (洋厨房) from star chef Alex Fu from Le Royal Meridien Shanghai, ICS Channel at 6.30 p.m. from Monday to Friday
- 3) “Favorite & delicious food” (人气美食) at SMG Channel Young at 6:00 a.m., 7.00 p.m., 0.00 a.m., Monday - Friday
- 4) “New food” (新食尚) at SMG Channel Young at 5:00 p.m., 5:45 a.m., 1:15 p.m., Monday – Friday

*Nationwide*

- 5) “Daily Food“ (天天饮食) at CCTV1, at 9:07 a.m., 8:55 p.m., Monday - Friday
- 6) “Happy Housewife“ (快乐主妇) at CCTV2, at 5:25 p.m. Sunday, 6:00 a.m. Monday, 5:00 p.m., Wednesday
- 7) “Become acquainted with Chinese Food“ (学做中国菜) at CCTV Spain, at 7.15 a.m., 1:15 p.m., 7:15 p.m., 1.15 a.m. Monday - Friday
- 8) “Belle Gourmet“ (太太乐美女私房菜) at Phoenixtv China, at 5.35 p.m., Saturday
- 9) “Good old kitchen“ (好吃佬) at HBTU Hubei, at 7.05 p.m., Saturday

*Guangzhou*

- 10) “Waves of delicious food“ (美食潮) at STTV, at 12.00 a.m., Monday - Friday
- 11) “Healthy food“ (健康食府) at GDTV, at 12:15 a.m., Monday - Friday
- 12) “Happy kitchen – new cooking style“ (嘉豪乐厨新煮意) at TVS-3, at 10:50 p.m., Sunday
- 13) “Kitchen for food“ (为食厨房) at TVS-2, at 9.20 a.m., Monday - Friday

***Television: Editorial Documentary and Product Placement***

Instead of hard advertising it can be recommended to place editorial short films within the TV programme of two or three TV channels. A film crew would produce several versions of editorial short films concerning table olives and olive oil in IOC member countries, which would be broadcasted several times. The great advantage of this kind of communication is, that it seems to be neutral and does not appear to be driven by commercial interests. It could be considered even to produce TV series of such short films with different focus on the central messages to be conveyed, such as “Olive Oil and Health Benefits” or “Olive Oil – Local Chef’s valuable assistant”.

In addition, it should be possible to find arrangements concerning product placement of table olives and olive oil in Chinese TV programmes.

***Television: Generic Advertisements***

In addition to the aforementioned editorial documentary, generic advertisements might be recommendable on television – featuring a catchy claim – in order to get an impact in mass communication as well.

***Edition of a (Cookery) Book in Chinese***

In order to make the health and culinary message work within different communication channels a cookery book could be edited accompanying the aforementioned cookery programmes on TV. It would be desirable if the local chefs who are willing to promote the use of olive oil and table olives in the TV shows also would agree to write articles in this book accompanied by recipes that are also featured within the TV cookery programmes. Thus, the message would be communicated through different channels.

As an alternative to a cookery book, an olive and olive oil book featuring IOC member countries could be edited, featuring rich graphic material from IOC member countries of origin and articles by experts, together with a scientific publisher in order to stress the health aspects of consumption.

### Advertising in Magazines

Besides the communication through opinion leaders, final consumers could be reached best through classic advertising in widespread magazines. As already mentioned, the focus of communication should mainly be informative, stressing the benefits of consumption. Emotional aspects of the adverts' design could focus on the communication of origin and history of the products.

A possible selection of food related magazines is as follows:

Chart 107: Food related magazines in China

Name	Photo	Quantity of issue (Monthly)	Area of issue	Price (rmb)	Note
中国食品 Chinese Food		100,000	China, Hong kong, Macao, USA	15	Restaurant and Food magazine  Audience: all the people, restaurant, food industry
天下美食 Delicacies under the sky		150,000	China	28	Food magazine  Audience: Senior manager, government official, advanced consumer
中国烹饪 Chinese Cuisine		180,000	China	15	Cuisine magazine  Audience: all the people, cuisine fans
橄榄餐厅 评论 Magazine for restaurant using olives		260,000	Shanghai, Beijing, Guangzhou	8	Food magazine  Audience: Senior manager, government official, white collar

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<p>贝太厨房 Betty's kitchen</p>		<p>395,000</p>	<p>China</p>	<p>8</p>	<p>Food and Cuisine magazine Audience: housewives between 25-40 years old, high income</p>
<p>快速消费品 FMCG China</p>		<p>30,000</p>	<p>Shanghai and neighbouring cities</p>	<p>40</p>	<p>Professional journal (fastfood information and analyze) Audience: manufacture, industry, distributor, supermarket, government, guild, exhibition, foreign embassy, consultant company, cuisine company, media company</p>
<p>好主妇 Good homemaker</p>		<p>606,000</p>	<p>China</p>	<p>20</p>	<p>Life magazine Audience: 25-35 years old white collar</p>
<p>都市主妇 Urban homemaker</p>		<p>628,000</p>	<p>China</p>	<p>20</p>	<p>Life magazine Audience: 25-35 years old white collar</p>
<p>Elle</p>		<p>615,200</p>	<p>China</p>	<p>20</p>	<p>Fashion magazine Brand "LA" has made ads on magazine "Elle à Table" </p>



### ***Articles in Magazines***

Besides classic advertising it should be a main aim to get the support of journalists to write articles in journals and magazines regarding olives and olive oil consumption. The great advantage of this kind of communication is, that it seems to be neutral and does not appear to be driven by commercial interests. Therefore these messages communicated by neutral journalists often have a better chance to draw consumers' attention.

### ***General PR activities***

As mentioned before, contacts to journalists need to be established and cared for. Besides regular contact to the press and newsletters to journalists, press conferences and releases might be helpful.

#### **12.3.4 Consumers**

Besides the mentioned advertising in order to reach final consumers, the following activity may be recommendable as well:

##### ***Image development, image cultivation and trainings***

Recommendation to work together with seminar providers due to broad seminar offers for food.

- Preparation, layout and translation of expert lectures about olives and olive oil
- Supply of graphical material
- Consulting about training material and lecture presentation
- Contribution at advertising tactics for seminars about Mediterranean olives and olive oil products
- Supply of advertising material
- Consulting about topics and kind of presentation
- Consulting at selection of olives and olive oil products
- Integration into lectures

### 12.3.5 Promotion Material

#### *Image brochure in Chinese*

- A5 transverse, 24 pages, edition 1,000 pieces
- 157 g, glossy paper for cover, 140 g for inside pages, bounded

#### *Flyer in Chinese*

- A4 lengthwise, 2 x folded, 6 folded pages, edition 20,000 pieces

### 12.3.6 Website and Newsletter

Three-year maintainance and updating of the web site and a monthly newsletter.

#### ***Cooperation with different internet provider focused on olives and olive oil, linkage to IOC and olive / olive oil producers***

Recommendation to establish a Chinese the internet presentation of related Mediterranean olive and olive oil producers from IOC member states (with "CN"-ending). The internet presentation should be created interactive.

- Linkage wit 3-4 of following web pages:

1) [www.oliveoilife.com/en](http://www.oliveoilife.com/en)

2) [www.eoliveoil.com](http://www.eoliveoil.com)

3) [www.oliveoil.com](http://www.oliveoil.com)

4) [www.olives101.com](http://www.olives101.com)

5) [www.ganlanwang.com](http://www.ganlanwang.com) (China Olive Web)

6) [www.globalgourmet.com](http://www.globalgourmet.com)

7) [www.foodonline.gov.cn](http://www.foodonline.gov.cn)

8) [www.ccas.com.cn](http://www.ccas.com.cn)

- Handling of e-mail inquiries
- Suggestions about further cooperation

### **12.3.7 Other Activities**

#### ***Political support***

To boost consumption through political support and educational advertising from the Ministry of Agriculture, National Development and Reform Commission and other related food associations and organizations about the advantages of consumption of olive oil in China. For example, Officials from National Development and Reform Commission are supporting domestic demand as it responds to the global credit crisis and will set macroeconomic policy steps should aim to expand domestic demand.<sup>90</sup>

Other possible activities that could furthermore be added to the campaign might include additional workshops, road shows, public lectures, cookery courses or activities in schools.

### **12.3.8 Marketing Controlling**

To measure the success of implemented activities it seems recommendable to collect useful data at several events. Information gathered f.e. through questionnaires will be helpful to assess the campaign's impact and to adjust activities if necessary.

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<sup>90</sup> [www.eoliveoil.com](http://www.eoliveoil.com), Report: China officials urge domestic demand boost, 2009

#### **12.4 Calculation of a budget for planned activities**

The activities for the promotion campaign are calculated for a three-year duration, from 2010 to 2012. A budget for the recommended advertising and product placement on TV and in magazines is calculated to be 200.000 Euro for each year. However, this budget can be switched between the three years, because it seems likely that costs for the production of advertisements and editorial short films will mainly be incurred during the first year of the campaign's accomplishment.

Target group/ Expenditures	Services (January till December 2010)	Remuneration		Other Expenses		Total cost 2010	Total cost 2011	Total cost 2012
		Description	EUR	Description	EUR	EUR	EUR	EUR
Market presence of IOOC in China (regular information activities)	<ul style="list-style-type: none"> <li>- Communication, Public Relations in China</li> <li>- 4 offices in China</li> <li>- Central office in China in Shanghai</li> <li>- Further offices in Beijing, Guangzhou and Xiamen</li> <li>- Providing additional phone numbers in all offices. Recommendation: Only one phone number should be published which is centralized at one of our offices in China (preferable in Shanghai).</li> <li>- Usage of all office addresses and contact data in China</li> <li>- Separate phone, fax and mobile phone access</li> <li>- Web access and own Chinese email accounts</li> <li>- Storage and distribution of advertising material</li> <li>- Intensive development of personal contacts to the press, gastronomy and traders (using past contacts for re-establishment too)</li> <li>- Handling of incoming inquiries of Chinese target groups in Chinese, German and English</li> <li>- Handling of incoming inquiries of foreign olive and olive oil producers</li> <li>- Coordination with IOC regarding further marketing activities in China</li> <li>- Preparation of monthly newsletter</li> </ul>	Remuneration lump-sum for regular activities (5.000 x 12)	60.000,00 €	Portion of rent and storage costs (1000,- EUR x 12)	12.000,00 €			
				Communication costs (500,- EUR x 12)	6.000,00 €			
				Postage and delivery costs (500,- EUR x 12)	6.000,00 €			
<b>Total "Market presence of IOC in China"</b>			<b>60.000,00 €</b>		<b>24.000,00 €</b>	<b>84.000,00 €</b>	<b>84.000,00 €</b>	<b>84.000,00 €</b>

Target group/ Expenditures	Services (January till December 2010)	Remuneration		Other Expenses		Total cost 2010	Total cost 2011	Total cost 2012
		Description	EUR	Description	EUR	EUR	EUR	EUR
Media	<p><b>Regular contacts to journalists and media</b></p> <ul style="list-style-type: none"> <li>- Adjustment, establishment, care of already existing journalist address overviews, classification into TV, radio and print advertisement</li> <li>- Tight coordination with IOOC to translate important information and advertising slogans into Chinese</li> <li>- Preparation and adjustment of newspaper articles according Chinese promotion requirements</li> <li>- Issue Email newsletter for representatives of the press in Chinese (fortnightly)</li> <li>- Contacts to specialized journalists and if necessary conclusion of contracts for the publishing of editorial reports</li> </ul> <p><b>Tour organization of Chinese journalists to IOC member states</b></p> <p><i>Services</i></p> <ul style="list-style-type: none"> <li>- Identification and suggestions of suitable participating journalists and opinion former</li> <li>- Coordination with participating journalists to publish editorial reports</li> <li>- Travel organisation and set up of itinerary</li> <li>- Accompany the journalists during the tour through IOC member states</li> <li>- Intensive post-processing after the tour and matching further contacts to other journalists</li> </ul> <p><b>Television: Promotion at cooking shows at the Chinese television</b></p> <p><i>Beijing</i></p> <ol style="list-style-type: none"> <li>1) "Perfect Kitchen" (食全食美) at BTV, at 6:12 p.m. and "One click to a happy life" (快乐生活一点通) 19:59 p.m., Monday – Saturday</li> <li>2) "You are the Chef" (洋厨秀) from star chef Alex Fu from Le Royal Meridien Shanghai, ICS Channel at 6:30 p.m. from Monday to Friday</li> <li>3) "Favorite &amp; delicious food" (人气美食) at SMG Channel Young at 6:00 a.m., 7:00 p.m., 0:00 a.m., Monday - Friday</li> <li>4) "New food" (新食尚) at SMG Channel Young at 5:00 p.m., 5:45 a.m., 1:15 p.m., Monday – Friday</li> </ol> <p><i>Nationwide</i></p> <ol style="list-style-type: none"> <li>5) "Daily Food" (天天饮食) at CCTV1, at 9:07 a.m., 8:55 p.m., Monday - Friday</li> <li>6) "Happy Housewife" (快乐主妇) at CCTV2, at 5:25 p.m. Sunday, 6:00 a.m. Monday, 5:00 p.m., Wednesday</li> <li>7) "Become acquainted with Chinese Food" (学做中国菜) at CCTV Spain, at 7:15 a.m., 1:15 p.m., 7:15 p.m., 1:15 a.m. Monday - Friday</li> <li>8) "Belle Gourme" (太太亲王府厨房) at Phoenixiv China, at 5:35 p.m., Saturday</li> <li>9) "Good old kitchen" (好吃佬) at HBTU Hubei, at 7:05 p.m., Saturday</li> <li>10) "waves of delicious food" (美食潮) at STTV, at 12:00 a.m., Monday - Friday</li> <li>11) "Healthy food" (健康厨房) at GDTV, at 12:15 a.m., Monday - Friday</li> <li>12) "Happy kitchen – new cooking style" (综艺乐厨新派) at TVS-3, at 10:50 p.m., 13) "Kitchen for food" (为食厨房) at TVS-2, at 9:20 a.m., Monday - Friday</li> </ol> <p><b>Budget for Advertisements (TV):</b> Journals and Magazines; Possibly Domestic Flights); Generic Advertisements recommended</p>	<p>Monthly/lump-sum 12 month x 2000 EUR</p> <p>Tour organisation (2 days x 1500 EUR)</p> <p>Preparation in China (3 days x 2 employees x 1000 EUR)</p> <p>Realisation und translation activity during journalist tour (8 days x 1000,- EUR)</p>	<p>24.000,00 €</p> <p>3.000,00 €</p> <p>6.000,00 €</p> <p>8.000,00 €</p>	<p>Journalist remuneration, delivery costs, dinner invitations, press conferences</p> <p>Intercontinental flights (7 persons á 1.000 EUR)</p> <p>Accommodation costs (7 journalists + 1 IOC-Representative x 200,- EUR x 7 days)</p> <p>Transfers Bus with driver (7 days x 300,- EUR)</p> <p>Catering (9 persons x 7 days x 80,- EUR)</p> <p>Others (Fuel, tips, etc.)</p>	<p>15.000,00 €</p> <p>7.000,00 €</p> <p>11.200,00 €</p> <p>2.100,00 €</p> <p>5.000,00 €</p> <p>1.000,00 €</p>	295.300,00 €	295.300,00 €	295.300,00 €
		<b>Total "Media"</b>		150.000,00 €	145.300,00 €	295.300,00 €	295.300,00 €	295.300,00 €

Target group/ Expenditures	Services (January till December 2010)	Remuneration		Other Expenses		Total cost 2010	Total cost 2011	Total cost 2012	
		Description	EUR	Description	EUR	EUR	EUR	EUR	
Gastronomy	Care of contacts and regular newsletters about mediterranean olive and olive oil producers to gastronomy - Based on above mentioned information for journalists regular email newsletter will be sent about IOC member countries olive and olive oil producers to related gastronomy representatives - Expansion of already existing network with F&B-Manager and gastronomy representatives - Planning and organization of regular F&B Meetings (offering lunch invitations) - Regular information about European olive and olive oil producers - Suggestions of and coordination about marketing activities (Table olives and olive oil contests, promoting special kind of olive dishes through cooking courses, seminars with popular chefs from IOC member countries etc.)  Olive and olive oil weeks - Organisation and realization of olive weeks in selected restaurants and hotels in China  Regular luncheon meetings with gastronomy representatives in Beijing, Shanghai and Guangzhou - Planning of 9 luncheons with 9 representatives of each selected gastronomy - Selection of F&B managers - Layout, print and distribution of invitations to luncheon meetings - Follow-up's by phone and clarification of participants - Presentation of selected olive and olive oil products - Duration max. 1,5 h - Starting with Shanghai first - Splitting up the participants in Chinese and English speaking target groups	10 days á 1000,- EUR	10.000,00 €	Communication costs, Taxi etc. estimated (accounting by invoices later on)	2.500,00 €				
		Performance of local staff (10 days)	5.000,00 €	Additional display material, travel expenses etc.	1.000,00 €				
		Organisation of 5 luncheons	3.000,00 €	5 luncheons x 10 persons	2.500,00 €				
		Organisation of 4 luncheons	2.400,00 €	4 luncheons x 10 persons	2.000,00 €				
		<b>Total "Gastronomy"</b>		<b>20.400,00 €</b>		<b>8.000,00 €</b>		<b>28.400,00 €</b>	<b>28.400,00 €</b>



Target group/ Expenditures	Services (January till December 2010)	Remuneration		Other Expenses		Total cost 2010		Total cost 2011		Total cost 2012		
		Description	EUR	Description	EUR	EUR	EUR	EUR	EUR			
Traders / Trading agencies of olives and olive oil	<p>Care of existing and establishment of new contacts Exhibitions (calculation for two exhibitions only)</p> <ul style="list-style-type: none"> <li>- Participation in following fairs:                             <ol style="list-style-type: none"> <li>1) 6th International Exhibition of Olive oil &amp; Edible Oil,</li> <li>2) 11th SIAL China</li> <li>3) BioFach China 2010,</li> <li>4) FHC and</li> <li>5) Cilltech China in Shanghai</li> <li>6) Expo</li> </ol> </li> <li>(please see the exhibition durations under point 7.6.)</li> <li>- Complete preparation, realisation and follow-up of above mentioned exhibitions</li> <li>- Clarification and coordination with exhibition corporation</li> <li>- Preparation and distribution of advertising material in Chinese</li> </ul> <p>Subtotal "Exhibitions"                      Trader expert seminars and information events                      Regular luncheons and expert seminars                      • Monthly luncheon invitations of traders / trading agencies and experts of local chefs, bar managers, restaurant managers and F&amp;B managers who are responsible for the purchase of olives for their organisations                      • 4 x meetings in Beijing, 4 x in Shanghai and 4 x in Guangzhou                      • Planning of 12 luncheons with max. 12 participants of each seminar                      • Selection of related traders and/or representatives (see above criteria for selection)                      • Layout, print and distribution/ mailing of luncheon invitations                      • Follow-up by phone and clarification with participants                      • Presentation of selected olive and olive oil products                      • Duration approx. 2 h                      • Splitting up the participants in English and Chinese speaking target groups                      • Trainings about European olives and olive oil products</p> <p>Subtotal "Trader seminars and information events"</p> <p>Print of image brochure and flyers in Chinese                      Image brochure                      - A5 transverse, 24 pages, edition 500 pieces                      - 157 g, glossy paper for cover, 140 g for inside pages, bounded                      Flyer                      - A4 lengthwise, 2 x folded, 6 folded pages, edition 20,000 pieces</p> <p>Subtotal "Advertising material"                      Total "Trader of olives and olive oil"</p>	Build up exhibition stand through other staff (5 days)	2.500,00 €	Exhibition booth "SIAL" and "International Olive oil" (2 Fairs x 27 sqm x 300,- EUR)	16.200,00 €							
		Exhibition organisation und postprocessing (15 days)	7.500,00 €	Booth construction, decoration	25.000,00 €							
		Realisation 15 days	7.500,00 €	Flight costs	5.000,00 €							
					Accommodations	4.000,00 €						
				17.500,00 €		50.200,00 €			67.700,00 €			67.700,00 €
			Presentation of 12 luncheons / seminars (4 luncheons x 3 places)	7.500,00 €	12 luncheons x 12 persons x 50,- EUR	7.200,00 €						
					Room rent, hospitality and travel expenses	2.800,00 €						
				7.500,00 €		10.000,00 €			17.500,00 €			17.500,00 €
			Text finding, translations, layout matching and amendments (12 days)	12.000,00 €	Printing costs image brochure	15.000,00 €						
					Printing costs flyer	5.000,00 €						
		12.000,00 €		20.000,00 €			32.000,00 €			32.000,00 €		
		37.000,00 €		80.200,00 €			117.200,00 €			117.200,00 €		

Target group/ Expenditures	Services (January till December 2010)	Remuneration		Other Expenses		Total cost 2010 EUR	Total cost 2011 EUR	Total cost 2012 EUR	
		Description	EUR	Description	EUR				
Consumers	Image development, image cultivation and trainings Recommendation to work together with seminar providers due to broad seminar offers for food. Services - Preparation, layout and translation of expert lectures about olives and olive oil - Supply of graphical material - Consulting about training material and lecture presentation - Contribution at advertising tactics for seminars about Mediterranean olives and olive oil products - Supply of advertising material - Consulting about topics and kind of presentation - Consulting at selection of olives and olive oil products - Integration into lectures	Coordination with training facilities and seminar suppliers, Consulting to lecture topics and lecture presentation 6 days	6.000,00 €	Training material, Taxi, hospitality, olive and olive oil tasting	2.500,00 €				
		Involvement in related seminars and lectures, 2 days a 1000,- EUR	2.000,00 €						
	Creation of expert book about Mediterranean olives and olive oil in Chinese - Publication of the Mediterranean olive and olive oil book together with a scientific publisher - Printing costs will be carried by the publisher - Topic determination, text creation, selection of graphical material and layout will be issued together with IOC - Translation and composing of all texts in Chinese	lump sum	20.000,00 €	Budget for printing costs	30.000,00 €				
			28.000,00 €		32.500,00 €	60.500,00 €	30.500,00 €	30.500,00 €	30.500,00 €
Website / Internet	Cooperation with different internet provider focused on olives and olive oil, linkage to IOC and olive / olive oil producers Recommendation to establish a Chinese the internet presentation of related mediterranean olive and olive oil producers (with "CN"-ending). The internet presentation should be created interactive. - Linkage wit 3-4 of following web pages: 1) www.oliveoilife.com/en 2) www.eoliveoil.com 3) www.oliveoil.com 4) www.olives101.com 5) www.ganlanwang.com (China Olive Web) 6) www.globalgourmet.com 7) www.foodonline.gov.cn 8) www.ccoas.com.cn - Handling of email inquiries - Suggestions about further cooperation	6 days	10.000,00 €	Linkage costs, hospitality, taxi, presents, estimated (accounting by invoices later on)	20.000,00 €				
			10.000,00 €		20.000,00 €	30.000,00 €	30.000,00 €	30.000,00 €	30.000,00 €
Marketing Controlling	Collection of useful data at several events. Information gathered f.e. through questionnaires will be helpful to assess the campaign's impact and to adjust activities if necessary.	lump sum	15.000,00 €	-	-				
			15.000,00 €		- €				
Total	Total budget 2010-2012		310.400,00 €		290.000,00 €	600.400,00 €	570.400,00 €	570.400,00 €	570.400,00 €

## **12.5 Timetable of Activities**

The duration of the campaign will be three years. The following timetable includes all activities to be planned for the year 2010. To guarantee a high level of impact it is suggested to plan comparable time slots for the years 2011 and 2012. With the exception of the expert book and changes in the time table of exhibitions it seems recommendable to plan the same set of activities for all three years.

In order to foster the diffusion of the campaign's messages it is suggested to plan many of the activities with a shift to each other, in order to reach a massive spreading of communication.

Time slot are defined in the following time table, in which the concrete dates for the planned activities will have to be further specified.

Timetable of Activities		2010																																																			
		January			February			March			April			May			June			July			August			September			October			November			December																		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52
Market Presence / Project Management	Marketing Campaign for China	[Grey]																																																			
	Market Presence of IOC in China (Regular Information activities and Project Management) Communication and PR	[Grey]																																																			
	Regular Contact to Journalists and Media	[Grey]																																																			
Media	Tour Organisation of Chinese Journalists to IOC member states	[Grey]																																																			
	Television: Promotion at Cooking Shows	[Grey]																																																			
	Television: Editorial Documentary and Product Placement	[Grey]																																																			
	Television: Generic Advertising	[Grey]																																																			
Gastronomy	Advertising and Articles in Magazines	[Grey]																																																			
	Care of Contacts and regular newsletter about Mediterranean olive and olive oil producers to gastronomy	[Grey]																																																			
	Olive and Olive Oil Weeks	[Grey]																																																			
Trade	Regular luncheon meetings with gastronomy representatives in Beijing, Shanghai and Guangzhou	[Grey]																																																			
	Exhibitions	[Grey]																																																			
	Trader Expert Seminars and Information Events	[Grey]																																																			
Consumers	Print of Image Brochure and Flyers in Chinese	[Grey]																																																			
	Image Development, Image Cultivation and Trainings	[Grey]																																																			
	Edition of an Expert Book in Chinese	[Grey]																																																			
Website/Internet	Cooperation with different Internet Providers focussing on olives and olive oil	[Grey]																																																			
Marketing	Collection and processing of data at several events to assess the impact of activities.	[Grey]																																																			

## 12.6 Importers Profiles

Company	Importer	Address & comments	Contact person
Shanghai Goodwell Trading Co., Ltd.	Importer for <i>MONINI</i> olive oil from Italy	Mingshen Center Apartment No. 20, Room 2003, Kaixuan Road No. 3131, Shanghai, Xu Hui District Tel: +86-21-54071788 Fax: +86-21-64876159 Email: <a href="mailto:goodwell_sh@goodwellchina.com">goodwell_sh@goodwellchina.com</a> Turnover. 50-100 mio. RMB	Ms. Lucy Liu, Manager of Marketing Dept.
Sinodis Food (Shanghai) Co., Ltd.	Importer for <i>CARPELLI</i> olive oil from Italy	Donghua Science Park, Building 4, Jinzhong Road 658, Shanghai 200335, China <a href="http://www.sinodis.com/cn">www.sinodis.com/cn</a> Tel: +86-21-61281820 / 1828 Fax: +86-21-33600070 / 0071 Email: <a href="mailto:jyan@sinodis.com.cn">jyan@sinodis.com.cn</a> Turnover 2008: 154 mio. RMB	Mr. Duccio, Business Development Manager
Shanghai Pai Rui Sheng Trading Co., Ltd.	Importer for <i>Taris</i> olive oil from Turkey	Rm. 7114, No. 1288, YangGao Nan Rd., Shanghai Web: <a href="http://www.biz72.com/index.php?act=com/company&amp;cid=119667">www.biz72.com/index.php?act=com/company&amp;cid=119667</a> Tel: +86-21-58407253 Fax: +86-21-58798922 Turnover: 7-10Million RMB	Mr. Zhang Jie, Manager
Shanghai Kerry Oils & Grains Industrial Co., Ltd.	Importer for <i>Olivoila</i> olive oil from Italy	No 168 DongTang Rd., Pudong District, Shanghai Web: <a href="http://www.shkog.com">www.shkog.com</a> Tel: +86-28-50694305, 68462277 Fax: +86-28-68467008 Email: <a href="mailto:luqy@shkog.com">luqy@shkog.com</a> Turnover: 100 mio. RMB	Ms. Han Xia, Manager
Shanghai ZiYuan Trading Co., Ltd.	Importer for <i>OLEAURUM</i> olive oil from Spain	Rm. 2106, No.760, XiZang Nan Rd., Shanghai Web: <a href="http://detail.china.alibaba.com/company/detail/danielluksh.html">http://detail.china.alibaba.com/company/detail/danielluksh.html</a> Tel: +86-21-51019199, 51572771, 510192 Fax: +86-21- 51572770 Email: <a href="mailto:646491887@qq.com">646491887@qq.com</a> Turnover: 50 -100 mio. RMB	Mr. Lu Jia, Manager of Marketing Dept.
Shanghai MoLi Food Co., Ltd.	Importer for <i>MOLI</i> olive oil from Italy	A14, Building, 1255, LianHua Rd., Shanghai Web: <a href="http://www.molifood.com">www.molifood.com</a> Email: <a href="mailto:chen@molifood.com">chen@molifood.com</a> Tel: +86-21-34135522 Fax: +86-21-34130522 Turnover: 7 - 10 mio. RMB	Mr. Chen Rong, Manager

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Shanghai King Food's Condiment Co., Ltd.	Importer for <i>Aodi</i> Green Olives from Spain and Olive oils from Italy	Rm.2404, Unit A, No.185, Zhonghua Rd., Shanghai Web <a href="http://www.kingfoods.com.cn">www.kingfoods.com.cn</a> Tel: +86-21-63301867 Fax: +86-21-63301869 Email: <a href="mailto:kingfoods@kingfoods.com.cn">kingfoods@kingfoods.com.cn</a> Turnover 2008: 50 mio. RMB	Ms. Wang Ping, Import Dept.
Gourmedis (China) Trading Co., Ltd	Importer for <i>Natura Verdo</i> black olives from Italy as well as <i>Rioba</i> Green olives from Italy	10F, New Long March Plaza, No. 1263, Zhenbei Road, 200333 Shanghai, China Tel : +86-21-5283-7900 Fax: +86-21-5283-7901 Email: <a href="mailto:info@gourmedis.com">info@gourmedis.com</a> Turnover 2008: 94 mio. RMB	Ms. Jacqueline Alex, Head of Sales
Guangzhou Youlip Trading Co.,Ltd.	Importer / Food dealer for Grecian olive oil	International Bank Tower, Dong Feng Xi Road, Guangzhou Mobile: +86-13112292402 Web: <a href="http://www.ebankon.com/business/3682151.html">www.ebankon.com/business/3682151.html</a> Mobile: +86-13112292402 Tel: +86-20-38844292 Fax: +86-20-8844234 Email: <a href="mailto:yxx280@tom.com">yxx280@tom.com</a> Turnover: 50 -100 mio. RMB	Ms. Zhou
Guangzhou Junle Trading Co., Ltd.	Importer / Food dealer for Spanish and Grecian olive oils	Huajing North Road No. 261, Guangzhou Web: <a href="http://www.o-home.cn">www.o-home.cn</a> Tel: +86-20-32784990/ 61023443/88367448 Fax: +86-20-61023443 Email: <a href="mailto:gz@o-home.cn">gz@o-home.cn</a> Turnover: 5 -7 mio. RMB	Mr. Wei Jian
Anyang Jingsen Natural Products Co., Ltd.	Manufacturer / Importer of different kind of oils and plant extractives	Laozhuang Market, Long'an Anyang, Henan, 455000 China Tel: +86-372-2905589 Fax: +86-372-2905589 Business Start: January 2005 Turnover: 3 - 5 mio. RMB Employees: 100	Ms. Hu Shihui, Manager of Sales Department
Unistone Olive Oil Developing Co., Ltd.	Importer / Distributor for olive oil from Greece (Nutria), Spain (Aceites Albert), Turkey (Marbil) and Italy (Raffaele Rocehi)	D, 15/F, Qiaoxiong Business Centre, 118, Yangqiao Donglu Fuzhou Web: <a href="http://www.ganlanyou.cn/company.asp">www.ganlanyou.cn/company.asp</a> Tel: +86-591-87504231 Fax: +86-591-28085391 Business Start: 2005 Turnover: 7 - 10 mio. RMB	Manager of Sales Department

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Qingdao Aegean Sea Commercial and Trade Co., Ltd.	Importer of different kinds of olive oils	Room 20D, Haili Building, Binhai Garden, 10 Hong Kong, Zhong Road, Qingdao Web: <a href="http://www.aegean-trade.cn/eng/intro.asp">www.aegean-trade.cn/eng/intro.asp</a> Email: <a href="mailto:sdcyjjob@126.com">sdcyjjob@126.com</a> Tel: +86-532-66777381 Fax : +86-532-66777380 Business Start: 2000 Turnover: 5 - 10 mio. RMB	Manager of Sales Department
Dalian Jinyu Foods Co., Ltd-	Importer / Exporter of pine nuts, pine nuts oil, different seeds, fresh and dehydrated foods (is looking for olive oil suppliers)	Room 1116, Chem Mansion, No. 61, Renmin Road, Zhongshan District, 116001 Dalian Web: <a href="http://www.jinyufood.com">www.jinyufood.com</a> Email: <a href="mailto:info@jinyufood.com">info@jinyufood.com</a> Tel: +86-41182803789 Fax: +86-41182644863 Business Start: 1994 Turnover: 10 - 50 mio. RMB Employees: 11 - 50	Trade Department
Beijing Olive Branch Trading Co., Ltd.	Importer / Exporter of high quality olive oil and its releveant products. Suppliers from Spain (Crismona, Oleoestepa) and Italy (Olitalia, Xicili S.R.L.).	Room 804, Building 1, East Downtown, No. 1, Ciyunsi Street, Chaoyang District, Beijing 100025 Web: <a href="http://www.oliveoil.net.cn">www.oliveoil.net.cn</a> Tel: +86-1085912388 Fax. +86-1085912378 Business Start: n.s. Turnover: 7 - 10 mio. RMB	Trade Department
Laiwu Hanhai Foodstuff Co., Ltd.	Manufacturer / Importer of Extra Virgin Olive Oil, tomatoes, jam, sauces, different kind of garlic, ginger.	No. 22, North Daqiao Road, 2771100 Laiwu Web: <a href="http://hanhai.win.mofcom.gov.cn">http://hanhai.win.mofcom.gov.cn</a> Email: <a href="mailto:windsor77@yahoo.cn">windsor77@yahoo.cn</a> Tel: +86-6345603866 Fax: +86-6345603867 Business Start: 2000 Turnover: 10 - 20 mio. RMB Employees: 150 - 200	Ms. Windsor
Beijing Pinli Food Co., Ltd.	Manufacturer / Importer of Olive Oil, different kind of chocolate and	No. 1 Building, Room 1909, Time International No. A-6, Shuguang Xili, Chaoyang District, 100020 Beijing Web: <a href="http://www.pinli.com.cn">www.pinli.com.cn</a> Email: <a href="mailto:pinli@pinli.com.cn">pinli@pinli.com.cn</a> Tel: +86-10-58678391 Fax: +86-10-58678395	Mr. Wang, Manager, Ms. Zhao, Manager

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	canned fish	Business Start: 1996 Turnover: 30 - 50 mio. RMB Employees: 40	
Shanghai King Foods Condiment Co., Ltd.	Trader / Importer for La Espanola Extra Virgin Olive Oil, rice, breakfast oatmeal, wine, leisure food	185 Zhonghua Road, 200010 Shanghai Web: <a href="http://www.kingfoods.com.cn">www.kingfoods.com.cn</a> E-Mail: <a href="mailto:kingfoods@kingfoods.com.cn">kingfoods@kingfoods.com.cn</a> Tel: +86-21-63301868 Fax: +86-21-63301869 Business start: 1999 Turnover 2008: 50 mio. RMB	Mr. Wang Ping, Manager
Jiujiang Jirui Import & Export Trade Co., Ltd.	Manufacturer / Importer of dehydrated and fresh vegetable, fresh salty and spicy foods, grain, mushrooms and truffles. Searching for Olive Oil supplier right now.	No. 90 – 92, Gan Tang, North Road, Jiu Jiang, 332000 Jiangxi Web: <a href="http://j-rui.007swz.com">http://j-rui.007swz.com</a> Tel: +86-792-8565296 Fax: +86-792-2193013 Business Start: 2008 Turnover: 5 - 7 mio. .RMB Employees: 51 - 100	Trade Department
Shanghai Kuichun Industry Co., Ltd.	Trader / Importer for Spanish olive oils YBARRA, Carbonell, Mueloliva as well as sliced black olives from YBARRA and Eureka. Provide products to Metro, Walmart, Auchan, Lotus etc	Room 318, No. 100, Ye Jia Zhai Road, Putuo, 200060 Shanghai Web: <a href="http://www.kuichu.com">www.kuichu.com</a> Email: <a href="mailto:kuichun@kuichun.com">kuichun@kuichun.com</a> Tel: +86-21-6299 0425 Fax: +86-21-51012046 Business Start: 1996 Turnover: 20 - 50 mio. RMB	Mr. Wu Baigeng, Manager



## 12.7 Marketing/PR Agencies located in China

1) Name:	<b>Beijing Dongyuan Europe-Asia Co., Ltd.</b>
Address:	TopLand, Building B, Shu Guang XiLi Jia 1, Chao Yang District, Beijing, 100028
Contact person:	Mr. Jianzhong <b>LIU</b> , General Manager
Contact:	Tel.: +86-10-5822-1041 Fax: +86-10-5822-1049
Website:	<a href="http://www.beijing-dongyuan.com">www.beijing-dongyuan.com</a>
Email:	<a href="mailto:info@beijing-dongyuan.com">info@beijing-dongyuan.com</a>
Focus:	Beijing Dongyuan Europe-Asia Co., Ltd. is a marketing company specialized on advertising and marketing activities for foreign food and wine in China. The company has offices in <b>Beijing, Shanghai and Guangzhou</b> and they offer their clients a comprehensive range of public relations and food and wine marketing services that go above and beyond what most agencies can offer.

2) Name:	<b>Synergy Public Relations Ltd.</b>
Address:	Jia Run Garden, Building B, Rm. 2902, 19 Guangshun South St., Chaoyang District, Beijing 100102 China
Contact person:	Mr. Tom Minogue, President Ms. Angel Zhong, Managing Director
Contact:	Tel.: +86-10-64775678, 6477-6492 Fax: +86-10-64776492
Website:	<a href="http://www.synergy-pr.com.cn">www.synergy-pr.com.cn</a>
Email:	<a href="mailto:tom@synergy-pr.com.cn">tom@synergy-pr.com.cn</a> <a href="mailto:angel@synergy-pr.com.cn">angel@synergy-pr.com.cn</a>
Focus:	A marketing communications agency specialized in food marketing across mainland China. They offer their clients a comprehensive range of public relations and food marketing services that go above and beyond what most agencies can offer.
Business Start:	2006
Employees:	n.s.

3) Name: **Beijing Regalland Convention & Exhibition Co., Ltd.**  
Address: Room No. 438 Jin Ou Building, Chao Yang District, Beijing 100029 China  
Contact person: Sales Department  
Contact: Tel.: +86-10-64416542, 6441-4996  
Fax: +86-10-64412631  
Website: [http:// www.regalland.com](http://www.regalland.com)  
Email: [regalland@regalland.com](mailto:regalland@regalland.com), [regalland@163.com](mailto:regalland@163.com)  
Focus: According to food enterprises' demand and the industries' needs, act as the agent of domestic and overseas exhibitions, conferences, medium for advertising and products in order to excite and enlarge the market demands. According the clients demand designing the product and enterprise image, advertisement plan, market investigations and more.  
Business Start: 1999  
Employees: n.s.

4) Name: **Shanghai Miracle Public Relation and Event Co.,Ltd**  
Address: Building 3/D, F/8, Xinghai Plaza, No.1251 Jiangning Road, Shanghai, 200060,China  
Contact person: Mr. Gary, Project Manager  
Contact: Tel.: +86--21 62276440  
Fax: +86--21 62273401  
Website: [www.miraclepr.com.cn](http://www.miraclepr.com.cn)  
Email: [china@miraclepr.com.cn](mailto:china@miraclepr.com.cn)  
Focus: "Quintessence of a Master, with Acute Enterprising Will" - just as their persistent managing principle of Miracle, a professional PR company committed to reliable service and creative development. With rich experience in planning and public relations, they provide the most considerate professional service, the most comprehensive planning program, and the most individualized creative concept to meet requirements of different customers. Based on direct effect from the on-site activities & media, they manage to further enhance the awareness of targeted customers, and finally promote brand image and sales, thus, to help the customers gaining competitive advantages and commercial success gradually.  
Business Start: 2005  
Employees: n.a.

5) Name: **Hill & Knowlton Co., Ltd.**  
Address: Suite 1901, SciTech Tower, 22 Jianguomenwai Avenue, Beijing 100004  
Contact person: Mr. John L. Holden, Managing Director  
Contact: Tel.: +86-10-5861-7560  
Fax: +86-10-6512-4381  
Website: [www.hillandknowlton.com.cn](http://www.hillandknowlton.com.cn)  
Email: [john.holden@hillandknowlton.com.cn](mailto:john.holden@hillandknowlton.com.cn)  
Focus: Hill & Knowlton has been appointed Shanghai World Expo 2010's PR agency and will provide communications services to promote a positive image of Shanghai World Expo 2010. They supported food companies in providing marketing services in China. Hill & Knowlton has been appointed as the official public relations agency for the Beijing Olympics 2008 and helped to promote a positive image of Beijing 2008. First agency appointed by the State Council Information Office for Spokesperson and Crisis and Issues Management Training. In 2005, Hill & Knowlton equipped over 400 spokespersons from central and provincial governments with the skills necessary to handle future crises.  
Business Start: 1984  
Employees: Around 200 employees at Beijing Office

6) Name: **PRAP China Public Relations Consultants**  
Address: Rm. 902, 1/B, New Oriental Plaza, Dongcheng District, Beijing, 100738, China  
Contact person: Mr. Wang Hao, Project Manager,  
Contact: Tel.: +86-10-8518-5208  
Fax: +86-10-8518-5206  
Website: [www.prap.com.cn](http://www.prap.com.cn)  
Email: [wanghao@prap.com.cn](mailto:wanghao@prap.com.cn)  
Focus: PRAP is Japan's largest international public relations based in China, providing a full range of communication services to international corporations, Chinese joint ventures, local enterprises as well as government institutions. In the past they supported companies from food industry to promote their products on the Chinese market, f.e. for an Italian Olive Oil manufacturer "Mighty (DUO Li)".  
Business Start: 1970  
Employees: 230 employees

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# ANNEXES

## **ANNEX I: Brand Names of Olive Oil and Table Olives, distributed in China**

### **I) Table Olives**

#### **1) In Beijing**

- 1) Shuang Xiong Olives, in Chinese: 双雄香港橄榄菜 (*Translation: Magnificent and powerful*)
- 2) De Sheng Olives, in Chinese: 德生橄榄菜 (*Translation: Development with the real quality and morality*)
- 3) Baiweilin Yanjin (Savory) Olives, in Chinese: 百味林盐津橄榄 (*Translation: Natural products with hundreds of tastes, in this case: savory*)
- 4) Baiweilin Baked Olives, in Chinese: 百味林拷扁橄榄 (*Translation: Natural products with hundreds of tastes, in this case: baked*)
- 5) Hangzhou Yuhan Yimin Liquorice Olives, in Chinese: 杭州余杭益民甘草橄榄 (*Translation: Hangzhou is a city, Yimin means something can be beneficial health*)
- 6) Peng Sheng Olives, in Chinese: 蓬盛橄榄菜 (*Translation: Flourish and vigorous*)
- 7) San Jing Olives, in Chinese: 三井牌橄榄菜 (*Phonetic translation, but it sounds like Japanese food*)  
Pu Xiang Olives, in Chinese: 普香橄榄菜 (*Translation: Pu means common, which can be interpreted as something is easily accepted by people; Xiang expresses savory and fragrance*)
- 8) Chaoshan Olives, in Chinese: 潮汕橄榄菜 (*Translation: Chaoshan is a city, located at the junction of Guangdong and Fujian, which is a good distribution center.*)
- 9) YBARRA Olives, in Chinese: 亿芭利 (YI BA LI) (*Phonetic translation*)
- 10) Fuhua Savory Olives, in Chinese: 富华盐津橄榄 (*Translation: Fu = richness, wealthy, Hua = China*)
- 11) Jiamei Olives, in Chinese: 佳梅橄榄 (*Translation: Jia = good & superior, Mei*)



= kind of fruit, such as a plum, prune and olives etc.)

## 2) In Shanghai

- 1) A Ji Ichiban, in Chinese: 优之良品 (YOU ZHI LIANG PIN ) (*Transliteration: best quality in the world*)
- 2) Tramier, in Chinese: *no translation*
- 3) Natura Verdo, in Chinese: *no translation*
- 4) Rioba, in Chinese: 里奥巴 (LI AO BA) (*Phonetic translation*)
- 5) Eureka, in Chinese: 尤里卡 (YOU LI KA) (*Phonetic translation*)
- 6) YBARRA, in Chinese: 亿芭利 (YI BA LI) (*Phonetic translation*)
- 7) Bai Wei Lin, in Chinese: 百味林 (*Translation: Natural products with hundreds of tastes*)
- 8) Tian Wo, in Chinese: 天喔 (*Chinese trademark, no meaning*)
- 9) Fragata, in Chinese: 帆船 (FAN CHUAN) (*Translation: sail boat*)
- 10) Metro, in Chinese: 麦德龙 (MAI DE LONG) (*Mai = cereals, De = Germany, Long = dragon*)

## 3) In Guangzhou

- 1) Jiabao Jiuzhi Olive (Canton Fruits), in Chinese: 佳宝九制橄榄 (*Chinese trademark, translation: excellent treasure*)
- 2) Zhenqiwei Jiuzhi Olive (Canton Fruits), in Chinese: 珍奇味九制橄榄 (*Chinese trademark, translation: precious, special and tasty*)
- 3) New Too Salty Olive, in Chinese: 牛厨咸草榄 (*Chinese trademark, transliteration: outstanding, culinary skill*)
- 4) Yimin Liquorice Olive, in Chinese: 益民金果园甘草榄 (*Chinese trademark, translation: Yimin means something can be beneficial health*)
- 5) Yimin Healthy Olive, in Chinese: 益民卫生榄 (*Chinese trademark, translation: Yimin means something can be beneficial health*)
- 6) Meiyuan Liquorice Olive, in Chinese: 梅园甘草榄 (*Chinese trademark, Meiyuan is a place name*)
- 7) Guo Wei Ping Sheng Olive, in Chinese: 果味平生橄榄 (*Chinese trademark,*

*translation: floral-fruity is very special)*

8) Jiuzhi Olive (Canton Fruits), in Chinese: 九制甘草榄 (*Chinese trademark, no meaning*)

9) Huaweiheng Healthy Olive, in Chinese: 华味亨卫生榄 (*Chinese trademark, translation: big shot of Chinese flavour*)

10)Huaweiheng Salty Olive, in Chinese: 华味亨盐津橄榄(*Chinese trademark, translation: big shot of Chinese flavour, in this case: salty*)

**Chart 108: Most famous olive brands**

Beijing	Shanghai	Guangzhou
• Baiweilin Yanjin (Savory) Olives	• A Ji Ichiban	• Jiabao Jiuzhi Olive
• Baiweilin Baked Olives	• Bai Wei Lin	• Zhenqiwei Jiuzhi Olive
• Hangzhou Yuhan Yimin Licorice Olives	• Tian Wo	• New Too Salty Olive
• Jiamei Olives		• Yimin Licorice Olive
		• Huaweiheng Healthy Olive
		• Huaweiheng Salty Olive

Source: 2009 FMCG Guide, 08/2009 and own researches

Above mentioned brands are very famous and already exist since many years on the Chinese market. Thereof “Jiabao”, “Hangzhou Yuhan Yimin” and “A Ji Ichiban” enjoying the best reputation with very good meanings.

## II) Olive Oil

### 1) Brands in Beijing

- Olivoila (Italy), in Chinese: 欧丽薇兰 (OU LI WEI LAN) (*Phonetic translation, sounds very beautiful*)
- Hojiblanca (Spain), in Chinese: 白叶 (BAI YE) (*Translation: White Leaf*)
- Mighty (Italy), in Chinese: 多力 (DUO LI) (*Translation: More power*)
- Argosy (Italy), in Chinese: 阿戈森 (A GEN SEN) (*Phonetic translation*)
- Lu Hua (Spain), in Chinese: 鲁花 (*Transliteration, LU = abbreviation of a Chinese province, Hua = flower*)
- YBARRA (Spain), in Chinese: 亿芭利 (YI BA LI) (*Phonetic translation*)
- Betis (Spain), in Chinese: 贝蒂斯 (BEI TI SI) (*Phonetic translation*)
- Carbonell (Spain), in Chinese: 卡波纳特 (KA BO NA TE) (*Phonetic translation*)
- Iminos (Greece), in Chinese: 米诺斯特 (MI NUO SI TE) (*Phonetic translation*)
- Minawa (Greece), in Chinese: 米纳娃 (MI NA WA) (*Phonetic translation*)
- Hua Yuan Life (China), in Chinese: 华源生命 (*Translation: Hua = China, Yuan = source of life*)
- Muel (Spain), in Chinese: 品利 (PIN LI) (*Translation: Pin = Quality, Li = refer to benefits to people, health etc.*)
- Carapelli (Italy), in Chinese: 卡拉佩利 (KA LA PEI LI) (*Phonetic translation*)
- Cordoliva (Spain), in Chinese: 果尔 (GUO ER) (*Translation: Cor = GUO ER = fruits*)
- Agric (Greece), in Chinese: 阿格利司 (A GE LI SI) (*Phonetic translation*)
- Fragata (Spain), in Chinese: 帆船 (FAN CHUAN) (*Translation: Sail boat*)
- Echioliva (Spain), in Chinese: 艾琪利 (AI QI LI) (*Phonetic translation*)
- Carbonelli (Italy), in Chinese: 波尾利 (BO WEI LI) (*Phonetic translation*)

- Pietro Coricelli (Italy), in Chinese: 金城堡 (JIN CHENG BAO) (*Translation: Golden Castle*)
- Sitia (Spain), in Chinese: 西堤亚 (SI TI YA) (*Phonetic translation*)
- Luglio (Greece), in Chinese: 维莉奥 (WEI LI AO) (*Phonetic translation*)
- Grifo (Italy), in Chinese: 格列佛 (GE LIE FO) (*Phonetic translation*)
- Spartacold (Greece), in Chinese: 金斯巴达 (JIN SI BA DA) (*Translation: SI BA DA refers to "Sparta", an ancient city in southern Greece. Jin means gold, because greek olive oil has the best quality in the world.*)
- Opinion (Spain), in Chinese: 欧品 (OU PIN) (*Translation: OU = Europe, PIN = product, character, quality*)
- Musa (Spain), in Chinese: 慕氏 (MU SHI) (*Translation: MUSA is Spanish. In English it is called muse, which is one of the nine goddesses, who encouraged poetry, music and other branches of art and literature. In Chinese it is phonetic translated, which implies the name. Shi is usually called as a surname in Chinese too.*)

## 2) Brands in Shanghai

- Borges (Spain), in Chinese: 伯爵 (BO JUE) (*Translation: Earl*)
- Monini (Italy), in Chinese: 莫尼尼 (MO NI NI) (*Phonetic translation*)
- DUC (Spain), in Chinese: 杜克 (DU KE) (*Phonetic translation*)
- Terra Delyssa (Tunis), in Chinese: 德丽莎 (DE LI SHA) (*Phonetic translation*)
- Oillio (Spain), in Chinese: 奥利友 (AO LI YOU) (*Phonetic translation*)
- Muel (Spain), in Chinese: 品利 (PIN LI) (*Translation: Pin = Quality, Li = refer to benefits to people, health etc.*)
- Oleaurum (Spain), in Chinese: 奥利佛 (AO LI FU) (*Phonetic translation*)
- Taris (Turkey), in Chinese: 达利 (DA LI) (*Translation: achieve goals, li = advantageous*)
- Amarilla de Ronda LA (Spain), in Chinese: No translation
- Carbonell (Spain), in Chinese: 卡波纳特 (KA BO NA TE) (*Phonetic translation*)
- Costa d'or (Italy), in Chinese: 甘达 (GAN DA) (*Phonetic translation*)
- YBARRA (Spain), in Chinese: 亿芭利 (YI BA LI) (*Phonetic translation*)
- Arbolon (Spain), in Chinese: 大树 (DA SHU) (*Translation: big tree*)
- Olivoila (Italy), in Chinese: 欧丽薇兰 (OU LI WEI LAN) (*Phonetic translation, sounds very beautiful*)
- Villa Antica (Italy), in Chinese: 橄榄世家 (GAN LAN SHI JIA) (*Translation: since generations olives will be produced*)
- Agric (Greece), in Chinese: 阿格利司 (A GE LI SI) (*Phonetic translation*)
- Carapelli (Italy), in Chinese: 卡拉佩利 (KA LA PEI LI) (*Phonetic translation*)
- Mighty (Italy), in Chinese: 多力 (DUO LI) (*Translation: More power*)
- Lu Hua (Spain), in Chinese: 鲁花 (*Transliteration, LU = abbreviation of a Chinese province, Hua = flower*)

- Jin Hai Shi (Spain), in Chinese: 金海狮 (*Chinese trademark, translation: Golden sea lion*)
- Jin Long Yu (China), in Chinese: 金龙鱼 (*Chinese trademark, translation: Golden Fish*)
- Zhu ZhuLe (China), in Chinese: 煮煮乐 (*Translation: Happy of cooking*)
- Berio (Italy), in Chinese: 百一 (BAI YI) (*Translation: 101*)
- Natura verdo, in Chinese: No translation
- Basso (Italy), in Chinese: 巴硕 (BA SHUO) (*Phonetic translation*)
- La Espanola (Spain), in Chinese: 莱瑞 (LAI RUI) (*Transliteration: Lai = field, Rui = lucky*)
- Pietro Coricelli (Italy), in Chinese: 金城堡 (JIN CHENG BAO) (*Translation: Golden Castle*)
- Betis (Spain), in Chinese: 贝蒂斯 (BEI TI SI) (*Phonetic translation*)
- Fragata (Spain), in Chinese: 帆船 (FAN CHUAN) (*Translation: Sail boat*)
- Agir Bio (France, produced by Carrefour): in Chinese: 家乐福 (JIA LE FU) (*Translation: Jia = family, Le = amused, Fu = happy*)
- Huang Pin (China), in Chinese: 皇品 (*Chinese trademark, translation: Huang = emperor, Pin = product, quality, character*)

### 3) Brands in Guangzhou

- Olivoila (Italy), in Chinese: 欧丽薇兰 (OU LI WEI LAN) (*Phonetic translation, sounds very beautiful*)
- Mighty (Italy), in Chinese: 多力 (DUO LI) (*Translation: More powerful*)
- San Guiliano Alghero (Italy), No translation
- Knife Brand (Spain), in Chinese: 刀唛 (*Cantonese transliteration. The name sounds very cute.*)
- Hojiblanca (Spain), in Chinese: 白叶 (BAI YE) (*Translation: White leaf*)
- Lu Hua (Spain), in Chinese: 鲁花 (*Transliteration, LU = abbreviation of a Chinese province, Hua = flower*)
- Olive - Cooking Olive Oil (Greece), in Chinese: 欧里娅烹调橄榄油 (OU LI

YA) (*Chinese trademark, phonetic translation*)

- Uni-President Golden Age (Taiwan, ROC), in Chinese: 统一金色年华 (TONG YI JIN SI NIAN HUA) (*Translation: Golden age*)
- Changqingshu (Spain), in Chinese: 长青树 (*Translation: evergreen tree*)
- Arbolon (Spain), in Chinese: 大树 (DA SHU) (*Translation: big tree*)
- Jipuyuan (Taiwan, ROC), in Chinese: 吉葡园 (JIE PU YUAN) (*Translation: Jie = happy, pu = grapes, yuan = garden*)

**Chart 109: Most famous Olive Oil brands**

Beijing	Shanghai	Guangzhou
• Muel	• Olivoila	• Mighty
• Olivoila	• Mighty	• Olivoila
• Mighty	• Muel	• YBARRA
• Lu Hua	• Lu Hua	• Lu Hua
	• YBARRA	• Oleaurum
	• Carapelli	
	• Agric	
	• La Espanola	
	• Basso	

Source: 2009 FMCG Guide, 08/2009

Above mentioned brands are very famous and already exist since many years on the Chinese market. The most famous brands are Olivoila, Mighty, Muel, Lu Hua and YBARRA enjoying the best reputation for high quality with many advertisement in food magazines.

## ANNEX II: Packaging and packing sizes

### I) Olive Oil

#### 1) In Beijing

In the supermarkets Carrefour, Marmymart, WFJ Yokado and Lotus following packagings and packing sizes of olive oil are available:

##### a) Packaging

The olive oil will be mainly presented glass bottles in different sizes. Rectangular Tin Cans will be used for bigger sizes:

- Glass bottles (250 ml, 500 ml, 700 ml, 750 ml, 1 l)
- Plastic bottles (500 ml, 1 l)
- Carton Box, Giftbox (200 ml, 500 ml and 750 ml incl. 2 bottles)
- Rectangular Tin Cans (1 l, 3 l, 4 l)

The typical colour of the glass bottles and labels are from light till dark green and sometimes yellow/white. Green and dark Olives will and olive trees be showed on nearly each label too, for a better product recognition and to convince the customer, that is a product made of real & pure olives. The tin cans protecting the olive oil against heat and light and are easier to carry.

##### b) Packing Sizes

Chart 110: Olive Oil packing sizes in Beijing

Extra Virgin Olive Oil	Extra Virgin & Pure Olive Oil	Extra Virgin + Pomace Olive Oil
250 ml	250 ml	-
500 ml	500 ml	-
700 ml	750 ml	-
750 ml	1 l	1 l
1 l	3 l	-
-	4 l	-

#### 2) In Shanghai

In the supermarkets Cityshop, TESCO, Metro and Carrefour following packagings and packing sizes of olive oil are available:

##### a) Packaging

The olive oil will be mainly presented glass bottles in different sizes. Plastic and metal bottles will be used for bigger sizes.



- Glass bottles (250 ml, 500 ml, 750 ml, 1 l)
- Plastic bottles (1,8 l, 2 l, 2,5 l, 5 l)
- Metal Box (250 ml, 500 ml, 2 l, 3 l, 3,785 l, 4 l, 5 l)
- Carton Box, Giftbox (500 ml, 750 ml, 1 l \* 2 or 3 bottles)
- Rectangular Tin Cans (1 l)

The typical colour of the glass bottles and labels are from light till dark green and sometimes yellow/white. Green and dark Olives will be showed on nearly each label too, for a better product recognition and to convince the customer, that is a product made of real & pure olives. The tin cans protecting the olive oil against heat and light and are easier to carry.

## b) Packing Sizes

Chart 111: Olive Oil packing sizes in Shanghai

Extra Virgin Olive Oil	Pure Olive Oil	Pomace Olive Oil	Extra Light Olive Oil	Sunflower & Extra Virgin Olive blended Oil
250 ml	250 ml	-	-	-
500 ml	500 ml	-	-	500 ml
750 ml	750 ml	-	750 ml	-
1 l	1 l	1 l	1 l	1,8 l
2 l	3 l	3 l	-	2 l
3 l	4 l	-	-	2,5 l
5 l	5 l	-	5 l	5 l

## 3) In Guangzhou

In the supermarkets Parkn Shop, Carrefour, Trust Mart and Vanguard following packagings and packing sizes of olive oil are available:

### a) Packaging

The olive oil will be mainly presented in glass bottles in different sizes. Plastic bottles and rectangular tin cans will be used for bigger sizes.

- Glass bottles (250 ml, 500 ml, 700 ml, 750 ml, 1 l)
- Plastic bottle (1,5 l, 2 l)
- Rectangular Tin Cans (3 l)

The typical colour of the glass bottles and labels are from light till dark green and sometimes yellow/white, like the Hojiblanca-Olive oil shows. Green and dark Olives will be showed on nearly each label too, for a better product recognition and to convince the customer, that is a product made of real & pure olives. The tin cans protecting the olive oil against heat and light.

## b) Packing sizes

Chart 112: Olive Oil packing sizes in Guangzhou

Extra Virgin Olive Oil	Pure Olive Oil	Virgin Olive Oil	Olive oil for cooking	Sunflower & Extra Virgin Olive blended Oil
250 ml	-	-	-	-
500 ml	500 ml	-	-	500 ml
700 ml	-	-	-	-
750 ml	750 ml	750 ml	-	-
1 l	1,5 l	-	2 l	-
3 l	3 l	-	-	-

### Packing and offering trends

The Chinese customers prefer foreign style's packaging based on our investigations. According the results of the store checks the promotion of olive oil is still too less. Only a few offering their products with special billboards, like the Italian brand Olivoila. At the supermarkets is no possibility for Chinese customer to test olive oil, when walking through the shelves.

The principle of packing, transportation (ship, truck and railroad) and storage is to keep the olive oil liquid and yellow-coloured.

#### 1. Quality / Duration of storage:

The acid value of an oil may be used as a measure of quality. However, the acid value of the oil must not be too high, as this denotes an excessively high content of free fatty acids, which causes the oil to turn sour. Discoloration may also occur. Olive oil should have an acid value of at most 2.0%. Oils and fats spoil by readily becoming rancid. Rancidity is promoted by light, atmospheric oxygen and moisture and leads to changes in odor and taste. Thus, the tanks and barrels must be filled as full as possible, taking into consideration the coefficient of cubic expansion, so that as little ullage space as possible is left above the cargo.

- Do not load rancid oil, since it does not meet quality requirements.
- Do not accept for loading olive oil contaminated by ferrous and rust particles or by seawater.

Chart 113: Maximum duration of storage

Temperature	Maximum duration of storage
15°C (optimum)	4 months
not too cool	2-3 years

#### 2. Transportation (ship, truck, railroad):

During sea transport the olive oil is mainly transported in tanks, and only rarely in

barrels. The olive oil should be transported in time in order to keep them in good quality.

*a) Temperature*

The solidification temperature is of considerable significance in the transport of fatty oils and fats. They must remain liquid during loading, during the voyage and during unloading. At 10 degree Celsius, the oil separates. If the temperature falls to 6 degree Celsius, olive oil assumes a semiliquid consistency, with 50% of the oil precipitating out. At 0 degree Celsius, olive oil is buttery in consistency.

Favorable travel temperature is 15 degree Celsius and favorable pumping temperature is 20 degree Celsius.

*b) Insolation*

To avoid getting rancid the olive oil must be transported and stored in opaque packaging to avoid insolation. Due to light influence even in supermarkets the quality of olive oil can be lost. Nowadays, high quality olive oils are wrapped in cardboxes or in opaque bottles or cans already.

*c) Humidity / Moisture*

Fats and fatty oils are insoluble in water. However, contact with water may give rise to soluble lower fatty acids and glycerol, which cause rancidity together with changes in color (yellow to brown), odor and taste as well as gelling and thickening. For this reason, the tanks must be absolutely dry after cleaning.<sup>91</sup>

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<sup>91</sup> [www.tis-gdv.de/tis\\_e/ware/oele/oliven/oliven.htm#container](http://www.tis-gdv.de/tis_e/ware/oele/oliven/oliven.htm#container), Transport Information Service

## II) Table Olives

### 1) Beijing

In 4 supermarkets in Shanghai, like Carrefour, Marrymart, WFJ Yokado and Lotus, following packaging and packing sizes of olives are available:

#### a) Packaging

The olives are presented in following kinds of packaging:

- Plastic bottle
- Glass bottle
- Small plastic box

#### b) Packing Sizes

Chart 114: Packing sizes in Beijing

Plastic bottle	Glass bottle	Plastic box
60 g	115 g	80 g
108 g	160 g	
120 g	180 g	
138 g	240 g	
160 g	450 g	
180 g		
220 g		
235 g		
250 g		
380 g		
450 g		

### 2) Shanghai

In 3 supermarkets in Shanghai, like Cityshop, Metro and Carrefour, following packaging and packing sizes of olives are available:

#### a) Packaging

The olives are presented in following kinds of packaging:

- Plastic bag
- Plastic bottle
- Glass bottle
- Metal bottle
- Cans

## b) Packing Sizes

Chart 115: Packing sizes in Shanghai

Plastic bag	Plastic bottle	Glass bottle	Metal Bottle	Can
120 g	60 g *6 bottles	140 g	2,9 kg	150 g
350 g	210 g	160 g	3 kg	
	235 g	235 g		
		240 g		
		350 g		
		370 g		
		780 g		
		1 kg		

## 3) Guangzhou

In 3 supermarkets in Guangzhou, like Parkn Shop, Carrefour and Vanguard, following packaging and packing sizes of olives are available:

### a) Packaging

The green olives are presented in small plastic bags, plastic bottles and some are available through loose packaging:

- Plastic bag
- Plastic bottle
- Loose packaging, sold by weight

The packaging is Chinese style, only Chinese characters and without photos of olives. The presentation is general in green according the content.

### b) Packing sizes

Chart 116: Packing sizes in Guangzhou

Plastic bag	Plastic bottle	Loose packaging (sold by weight)
95 g	110 g	0,3 -0,35 kg / 27,80 RMB/Kg
108 g	160 g	
138 g	200 g	
150 g		
300 g		

## **Packing and offering trends**

The principle of packing, transportation and storage is to keep the olives stay good.

1. *Packing*: First all of, pick up the impurity mixing in the fresh fruit. And then put the fruits in the ventilate containers like large woven baskets and plastic boxes where the fruits won't be damaged.

2. *Transportation*: The fruits should be transported in time in order to keep them from mildew and rot.

3. *Storage*: The places used to store the fresh fruits should be clean and far away from the goods with unusual odor in order to prevent them from mildew and rot.

a) The fresh olives can be spread on the land and cement floor or bamboo curtain and reed curtain which are ventilate, shady and dry. The advisable thickness of the fruit is 10 cm. The fruits should be regularly flipped in order to prevent the fruits from going bad.

b) The fresh olives for olive oil can be dipped in the solution containing 3% salt and 0.03% citric acid. And the preservation period is less than 1 month.

c) The fresh olives for olive oil can be put in the cool water pool with the circulating water equipment. The water temperature should maintain at 20 degree Celsius and the storage time should be less than 1 month.

## ANNEX III: Price Ranges of Table Olives and Olive Oil distributed in China

### I) Table Olives

#### 1) Price range of olives in Beijing

In following supermarkets in Beijing Store Checks were accomplished:

Chart 117: Stores presenting olive products in Beijing

Name of store	Address of store outlet
<p><b>1. Carrefour</b> Carrefour is the biggest foreign-funded supermarket in Beijing.</p> <ul style="list-style-type: none"> <li>• No. 2 of world wide operating supermarket groups</li> <li>• First store opening in China 1995</li> <li>• Sales incl. tax in million of Euros 3,464</li> <li>• Expansion 10.1 %</li> <li>• Network of stores 410</li> <li>• Sales in 2008 rose by 6.9 % (3.3 % like-for-like basis)</li> <li>• Local origin products 95 %</li> </ul>	<p>No.15 Fangchengyuan, Beijing</p>
<p><b>2. Marrymart</b> Marrymart is a Chinese--owned enterprises, founded in 1996. It's a certain large-scale comprehensive supermarket in Beijing.</p> <ul style="list-style-type: none"> <li>• Best regional market in Beijing</li> <li>• 36 supermarkets in China</li> <li>• First store opening in China 1999</li> </ul>	<p>Zone C, Bairong Shopping mall, South 3rd Ring Road, Chongwen District, Beijing</p>
<p><b>3. WFJ Yokado</b> WFJ YOKADO is a Chinese-Japanese Joint Venture company, founded in 2004. It's a well-known supermarket in relatively large scale and rigorous management system.</p> <ul style="list-style-type: none"> <li>• First store opening in 2004</li> <li>• At the moment only one store in Beijing</li> <li>• Wide range of local and foreign products</li> </ul>	<p>No.1, Jinsongnan Road, Chaoyang District, Beijing</p>
<p><b>4. Lotus</b> Lotus is a large scale Joint Venture shopping mall in Beijing which is the subsidiary of Chia Tai group, set up in 1997. Chia Tai is a multinational</p>	<p>No.10, West 3rd Ring Road, Fengtai District, Beijing</p>

corporation founded by a Tai. <ul style="list-style-type: none"> <li>• Sales incl. tax 135 million</li> <li>• 20,000 employees</li> <li>• First store opening in 1997</li> <li>• 76 supermarkets</li> <li>• About 30,000 customers/day</li> <li>• Local origin products 95 %</li> </ul>	
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All the presented olives in above mentioned supermarkets are mainly from China, just only one offer is from Spain (Ybarra). The offered olives are green and black pickled olives in different packaging sizes.

**Chart 118: Prices for some olive products in Beijing**

Green/Black Olives	Price range	Product brands	Distributor (D)/ Importer (I)
<b>Green Pickled</b> Olives			
138 g	10.00 RMB	Fuhua Yanjin (=Savory) Olives (China)	Fuhua Food Co., Ltd. (D)
160 g	10.80 RMB	HZ Yuhan Yimin Liquorice Olive (China)	Yimin Food Co., Ltd. (D)
240 g	26.30 RMB	YBARRA Olives (Spain)	Beijing Pinli Food Co., Ltd. (I)
250 g	11.50 RMB (Carrefour)	Baiweilin Yanjin Olives (China)	Shanghai Baiweilin Food Co., Ltd. (D) / Xinghua Food Co., Ltd. (D)
250 g	9.20 RMB (Lotus)	Baiweilin Yanjin Olives (China)	Shanghai Baiweilin Food Co., Ltd. (D) / Xinghua Food Co., Ltd. (D)
<b>Black Pickled</b> Olives			
60 g	1.90 RMB	Puxiang Olives (China)	China Shantou Pu Xiang (D)
80 g	9.60 RMB	Jiamei Zhenzhi Olives (China)	Jiaye Food Co., Ltd. (D)
108 g	3.00 RMB	Shuang Xiong Olives(China)	HK Double Heroes Int. Industrial Ltd. (D)
120 g	2.90 RMB	Chaoshan Olives (China)	Guangdong Chaoshan Food (D)
160 g	4.99 RMB	San Jing Olives (China)	Sanjing Food Co., Ltd. (D)
180 g	5.90 RMB	Peng Sheng Olives (China)	Guangdong Peng Sheng Co., Ltd. (D)
220 g	4.99 RMB (Marrymart)	Shuang Xiong Olives (China)	HK Double Heroes Int. Industrial Ltd. (D)
220 g	8.60 RMB (WFJ Yokado)	Shuang Xiong Olives (China)	HK Double Heroes Int. Industrial Ltd. (D)
220 g	8.20 RMB (Lotus)	Shuang Xiong Olives (China)	HK Double Heroes Int. Industrial Ltd. (D)
235 g	13.00 RMB	Baiweilin Baked Olives (China)	Xinghua Food Co., Ltd. (D)
235 g	10.05 RMB	Baiweilin Baked Olives (China)	Xinghua Food Co., Ltd. (D)
240 g	7.20 RMB	Peng Sheng Olives (China)	Guangdong Peng Sheng Co., Ltd. (D)
380 g	9.90 RMB (Carrefour)	De Sheng Olives (China)	Guangdong Shantou De Sheng Food Co., Ltd. (D)
380 g	9.20 RMB (Lotus)	De Sheng Olives (China)	Guangdong Shantou De Sheng Food Co., Ltd. (D)
450 g	12.80 RMB	De Sheng Olives (China)	Guangdong Shantou De Sheng Food Co., Ltd. (D)



The prices for green and black pickled olives at Carrefour and WFJ Yokado are a little higher than at the supermarkets Marrymart and Lotus, f.e. Shuang Xiong Olives will be offered with 3 different prices in 3 different supermarkets.

## 2) Price range of olives in Shanghai

In following supermarkets in Shanghai Store Checks were accomplished:

**Chart 119: Stores presenting olive products in Shanghai**

Name of store	Address of store outlet
<p><b>1. Cityshop</b>                      Not very large stores, but very popular for foreigners and high incoming people, almost above 95% products are imported products</p> <ul style="list-style-type: none"> <li>• 2,000 employees</li> <li>• City Mart is the most dynamic and fashionable supermarket dealing with imported food</li> <li>• First store opening 1995</li> <li>• 10 supermarkets in Beijing &amp; Shanghai</li> <li>• 80 % foreign products</li> </ul>	No.160, XinHua Rd, Shanghai
<p><b>2. Metro</b>                      The unique German style supermarket in Shanghai. Very popular for group buying.</p> <ul style="list-style-type: none"> <li>• Sales incl. tax 1,052,000,000 €</li> <li>• 8300 employees</li> <li>• First store opening 1996</li> <li>• 38 supermarkets</li> <li>• Totally 3 million customers per day</li> </ul>	No.1425 Zhen Bei Road, Shanghai
<p><b>3. TESCO</b>                      TESCO and Carrefour are the biggest foreign supermarkets in Shanghai. In Shanghai there are 16 TESCO supermarkets.</p> <ul style="list-style-type: none"> <li>• Sales incl. tax 90,000,000,000 RMB</li> <li>• 17,600 employees</li> <li>• Main market of the TESCO group is UK</li> <li>• First store opening 2004</li> <li>• 58 supermarkets</li> <li>• 30,000 customers per week</li> <li>• More than 1,000 local suppliers</li> <li>• 60 % local origin products</li> </ul>	No.777 Wu Yi Road, Shanghai  No.1688 Tong Chuan Road, Shanghai
<p><b>4. Carrefour</b>                      Carrefour and TESCO are the biggest foreign supermarkets in Shanghai. In Shanghai there are 11 Carrefour hypermarkets.</p> <ul style="list-style-type: none"> <li>• No. 2 of world wide operating supermarket groups</li> <li>• First store opening in China 1995</li> <li>• Sales incl. tax in million of Euros 3,464</li> </ul>	No. 268 North Shuicheng Road, Shanghai  No.1500 Xin Cun Road, Shanghai

<ul style="list-style-type: none"> <li>• Expansion 10.1 %</li> <li>• Network of stores 410</li> <li>• Sales in 2008 rose by 6.9 % (3.3 % like-for-like basis)</li> <li>• Local origin products 95 %</li> </ul>	
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All the presented olives in above mentioned supermarkets are from Spain, Italy, France and China. The offered olives are all kinds of green and black olives in different packaging sizes.

**Chart 120: Prices for some olive products in Shanghai**

Green/Black Olives	Price range	Product brands	Distributor (D)/ Importer (I)
Green Liquorice Olive 120 g	9.8 RMB	A Ji Ichiban (China)	Aji Ichiban Co., Ltd. (D)
Green Olives 350 g	15.99 RMB	Metro (China)	Shanghai FuQiHua Industrial Co., Ltd. (D)
370 g	23.99 RMB	Tramier (France)	Gourmedis (China) Trading Co., Ltd. (I)
Green Non-Stone Olive 240 g	14.99 RMB	Rioba (Italy)	Gourmedis (China) Trading Co., Ltd. (I)
780 g	36.99 RMB	YBARRA (Spain)	Beijing PinLi Food Co., Ltd. (I) / Shanghai KuiChun Industrial Co., Ltd. (I)
1 kg	79.99 RMB	YBARRA (Spain)	Beijing PinLi Food Co., Ltd. (I) / Shanghai KuiChun Industrial Co., Ltd. (I)
Green with filling 350 g	16.99 RMB	YBARRA (Spain)	Beijing PinLi Food Co., Ltd. (I) / Shanghai KuiChun Industrial Co., Ltd. (I)
780 g	38.99 RMB	YBARRA (Spain)	Beijing PinLi Food Co., Ltd. (I) / Shanghai KuiChun Industrial Co., Ltd. (I)
Green Acid Olive 235 g	16.99 RMB	Fragata (Spain)	Shanghai SanChang Development Co., Ltd. (I)
Green Plain Manzanilla 240 g	12.30 RMB	YBARRA (Spain)	Beijing PinLi Food Co., Ltd. (I) / Shanghai KuiChun Industrial Co., Ltd. (I)
Green Olive with Pepper 240 g	20.10 RMB	YBARRA (Spain)	Beijing PinLi Food Co., Ltd. (I) / Shanghai KuiChun Industrial Co., Ltd. (I)
Black Non-Stone Olive 140 g	11.50 RMB	Fragata (Spain)	Shanghai SanChang Development Co., Ltd. (I)
160 g	27.99 RMB	Natura Verdo (Italy)	Gourmedis (China) Trading Co., Ltd. (I)
240 g	14.99 RMB	Fragata (Spain)	Shanghai SanChang Development Co., Ltd. (I)

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3 kg	86.99 RMB	YBARRA (Spain)	Beijing PinLi Food Co., Ltd. (I) / Shanghai KuiChun Industrial Co., Ltd. (I)
Black Sliced Olives 2,9 kg	69.99 RMB	Eureka (Spain)	Gourmedis (China) Trading Co., Ltd. (I)
Black Yanjin (= Savory) Olive 235 g 350 g	9.75 RMB 10.99 RMB	Bai Wei Lin (China) Bai Wei Lin (China)	Shanghai BaiWeiLin Industrial Co., Ltd. (D) Shanghai BaiWeiLin Industrial Co., Ltd. (D)
Black Olives 210 g 235 g	9.99 RMB 11.70 RMB	Tian Wo (China) Bai Wei Lin (China)	Shanghai TianWo Food Co., Ltd. (D) Shanghai BaiWeiLin Industrial Co., Ltd. (D)

### 3) Price range of olives in Guangzhou

In following supermarkets in Guangzhou Store Checks were accomplished. Only at the Trust Mart supermarket there were no any olives presented for sale:

**Chart 121: Stores presenting olive products in Guangzhou**

Name of store	Address of store outlet
<p><b>1. Parknshop</b> Parknshop and Carrefour are the biggest foreign-funded supermarkets in Guangzhou. It is located in a shopping centre in the city.</p> <ul style="list-style-type: none"> <li>• 9,000 employees</li> <li>• Parknshop is the leading supermarket chain in Hong Kong</li> <li>• First store opening 1973</li> <li>• 50 supermarkets</li> </ul>	<p>No.228, Grandview Mall, Tianhe Road, Guangzhou</p>
<p><b>2. Carrefour</b> Carrefour and Parknshop are the biggest foreign-funded supermarkets in Guangzhou. It is located in residential area.</p> <ul style="list-style-type: none"> <li>• No. 2 of world wide operating supermarket groups</li> <li>• First store opening in China 1995</li> <li>• Sales incl. tax in million of Euros 3,464</li> <li>• Expansion 10.1 %</li> <li>• Network of stores 410</li> <li>• Sales in 2008 rose by 6.9 % (3.3 % like-for-like basis)</li> <li>• Local origin products 95 %</li> </ul>	<p>No.3, Yuan Cun Heng Long Road, Guangzhou  No.40, Wanguo Plaza, Qian Jin Road, Guangzhou</p>
<p><b>3. Trust Mart</b> Trust Mart and Vanguard are the biggest local supermarkets in Guangzhou. It is located in residential area.</p> <ul style="list-style-type: none"> <li>• 200 employees</li> <li>• Trust Mart is a foreign-invested enterprise approved by the Ministry of Commerce</li> <li>• First store opening 1997</li> <li>• 32 supermarkets</li> </ul>	<p>No.1, Long Kou Xi Road, Guangzhou  No.188, Tang Xia Zhongshan Da Dao, Guangzhou</p>
<p><b>4. Vanguard</b> Vanguard and Trust market are the biggest local supermarkets in Guangzhou. Vanguard is located in a shopping centre in the city.</p> <ul style="list-style-type: none"> <li>• Sales incl. tax 63,800,000,000 RMB</li> <li>• 150,000 employees</li> </ul>	<p>No.33, Tianhe Nan Er Road, Guangzhou</p>

<ul style="list-style-type: none"> <li>• Vanguard is a state-holding enterprise</li> <li>• First store opening 1984</li> <li>• 2698 supermarkets</li> </ul>	
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All olives are originated from China. There are no foreign olives in offer. The only Chinese offered olives are green, dried, not pickled and pre-packaged in different sizes (95 – 300 g). Black olives in Southern China are very seldom and the Chinese are not used to it. Chinese from southern regions prefer to consume green olives.

*General Ingredients:* Olive, Sugar, Salt, Liquorice, Food additives (Molasses pigment, Saccharin Sodium, Stivia sugar, citric acid, Sodium benzene, Potassium sorbate, Lemon yellow)

**Chart 122: Prices for some olive products in Guangzhou**

Green dried Olives	Price range	Product brands	Distributor (D)/ Importer (I)
95 g	2.90 – 3.59 RMB (Average price level: 3.20 RMB)	Jiabao Jiuzi Olive (Canton Fruits), (China)	Guangdong Jiabao Group Co., Ltd. (D)
108 g	3.50 RMB	Huaweiheng Healthy Olive (China)	Hangzhou Huaweiheng Food Co., Ltd. (D)
110 g	7.10 RMB	Guo Wei Ping Sheng Olive (China)	
138 g	4.90 RMB	Zhenqiwei Jiuzhi Olive (Canton Fruits) (China)	Guangzhou Treasure Flavour Foods Ltd. (D)
150 g	5 – 5.7 RMB (Average price level: 5.35 RMB)	Yimin Liquorice Olive, (China)  Huaweiheng Salty Olive (China)	Hangzhou Yuhang Yimin Food Co., Ltd. (D)  Hangzhou Huaweiheng Food Co., Ltd. (D)
160 g	7.8 RMB	Meiyuan Liquorice Olive (China)	Hangzhou Meiyuan Food Co., Ltd. (D)
200 g	10.5 RMB	Yimin Healthy Olive (China)	Hangzhou Yuhang Yimin Food Co., Ltd. (D)
300 g	9.5 RMB	New Too Salty Olive (China)	Shenzhen New Too Co., Ltd. (D)
0,3 – 0,35 kg	9.4 – 9.8 RMB (27.60 RMB/kg)	Jiuzhi Olive (Canton Fruits) (China)	Guangdong Jiabao Group Co., Ltd. (D)

## Conclusion

Only in Shanghai there is a huge selection of European olives in the above mentioned supermarkets. In Beijing and Shanghai the main choice of olive snacks is coming from China, just one olive supplier in Beijing was from Spain. We noticed different prices in different supermarkets (f.e. in Beijing) from the same olive supplier, offering the same capacity and grade. Especially Carrefour is offering higher prices than in other supermarkets.

While in Guangzhou mainly green dried olives are available for sale, in Beijing there are mainly pickled. In Shanghai you can find all kinds of olives, like in Europe. The prices of foreign suppliers are higher than the Chinese olives too. Consuming pickled olive snacks is becoming more and more popular.

Summing up all the 3 store check regions (Beijing, Shanghai, Guangzhou) we believe that Shanghai is the most attracting market to sell European olives, due to the high number of foreigners living in Shanghai as well as the foreign influence to Chinese in Shanghai. Even if there is still a lack of foreign offers in Beijing and Guangzhou we believe, that those two cities are attractive for selling olives too.

## II) Olive Oil

### Price ranges from different representative products in RMB

Foreign & Chinese olive oil will be mainly sold in developed areas, such as Beijing, Shanghai and Guangdong, where Chinese have higher purchasing power, are influenced by foreign products and where foreigners are settled.

Olive oil is a relatively expensive oil compared to other kinds of oil since it needs a special production treatment: olive crop is a long process (olives are produced only after the maturity of the tree; that means after five years). Harvest is still made by hand in most of the regions. Finally, processing needs an advanced technology, particularly in large producing areas. Prices paid to producers are quite unstable, mainly due to the change in the quantities produced from one year to another and the level of stocks. However, it is difficult to assess the price formation mechanism. Refined olive oils are generally less expensive than virgin oils. A possible explanation would be an insufficient amount of lampante oil to meet demand of refining industry given the good quality of produced virgin oil and as a result an increase in lampante oil prices.<sup>92</sup>

#### 1) Price range of olive oil in Beijing

In following supermarkets in Beijing Store Checks has been leaded through:

**Chart 123: Stores for olive oil products in Beijing**

Name of store	Address of store outlet
<b>1. Carrefour</b> (please have a look at 5.1.9.1. for further information about the company group)	No.15 Fangchengyuan, Beijing
<b>2. Marrymart</b> (please have a look at 5.1.9.1. for further information about the company group)	Zone C, Bairong Shopping mall, South 3rd Ring Road, Chongwen District, Beijing
<b>3. WFJ Yokado</b> (please have a look at 5.1.9.1. for further information about the company group)	No.1, Jinsongnan Road, Chaoyang District, Beijing
<b>4. Lotus</b> (please have a look at 5.1.9.1. for further information about the company group)	No.10, West 3rd Ring Road, Fengtai District, Beijing

<sup>92</sup> www.oliveoilquotation.com, Report: Production cost and market prices, 2009



Most of the olive oils are coming from Spain, Italy, Greece. Simply one olive oil is from China. The prices vary between 10-50 RMB per bottle, packaging and grade. The only Chinese supplier offers a blended oil: Extra Virgin + Olive Pomace Oil and not pur olive oil. All foreign olive oils are offered in different grades, sizes and charges.

**Chart 124: Price for some olives products in Beijing**

Extra Virgin Olive Oil	Price range	Product brands / Importer (I) / Distributor (D)
250 ml	23.80 – 56.70 RMB (Average price level: 33,72 RMB)	<ul style="list-style-type: none"> <li>• Carbonell (Spain) (Shanghai Kuichun) (I)</li> <li>• Iminos (Greece) (Beijing Huayuan Life) (I)</li> <li>• YBARRA (Spain) (Beijing Pinli Food Co., Ltd.) (I)</li> <li>• Muel (Spain) (Beijing Pinli Food Co., Ltd.) (I)</li> </ul>
500 ml	49.20 – 84 RMB (Average price level: 68,60 RMB)	<ul style="list-style-type: none"> <li>• Hojiblanca (Spain) (Laiyang Luhua) (I)</li> <li>• Carapelli (Italy) (Sinodis Shanghai Co., Ltd.) (I)</li> <li>• Betis (Spain) (Qingdao King Oliva Co., Ltd.) (I)</li> <li>• Echioliva (Spain) (Tianjin Guangshi International Trade Co., Ltd.) (I)</li> <li>• Carbonelli (Italy) (Tianjin Guangshi International Trade Co., Ltd.) (I)</li> <li>• Pietro Coricelli (Italy) (Beijing Shengli Food Co., Ltd.) (I)</li> <li>• Sitia (Spain) (Beijing Shengli Food Co., Ltd.) (I)</li> <li>• Grifo (Italy) (Tianjin Guangshi International Trade Co., Ltd.) (I)</li> <li>• Olivoila (Italy) (Shanghai, Jiali Grain and Oil Industrial Co., Ltd.) (I)</li> <li>• Spartacold (Greece) (Beijing Jindongfang Trade Co., Ltd.) (I)</li> <li>• Opinion (Spain) (Beijing Jindongfang Trade Co., Ltd.) (I)</li> </ul>
700 ml	88 RMB	<ul style="list-style-type: none"> <li>• Lu Hua (Spain) (Laiyang Luhua) (I)</li> </ul>
1 l	75.60 – 146 RMB (Average price level: 104,25 RMB)  ➤ Betis is offering very exclusive	<ul style="list-style-type: none"> <li>• YBARRA (Spain) (Beijing Pinli Food Co., Ltd.) (I)</li> <li>• Betis (Spain) (Qingdao King Oliva Co., Ltd.) (I)</li> </ul>

	Extra Virgin Olive oil for 220 RMB.	<ul style="list-style-type: none"> <li>• Carbonell (Spain) (Shanghai Kuichun) (I)</li> <li>• Muel (Spain) (Beijing Pinli Food Co., Ltd.) (I)</li> <li>• Cordoliva (Spain) (Beijing Shiji Kangxin Trade Ltd.) (I)</li> <li>• Fragata (Spain) (Beijing Yuan He Heng Tai Trade Co., Ltd.)</li> <li>• Echioliva (Spain) (Tianjin Guangshi International Trade Co., Ltd.) (I)</li> <li>• Pietra Coricelli (Italy) (Beijing Shengli Food Co., Ltd.) (I)</li> <li>• Sitia (Spain) ) (Beijing Shengli Food Co., Ltd.) (I)</li> <li>• Luglio (Greece) (Foodgears Industrial Int. Ltd.) (I)</li> <li>• Spartacold (Greece) (Beijing Jindongfang Trade Co., Ltd.) (I)</li> <li>• Opinion (Spain) (Beijing Jindongfang Trade Co., Ltd.) (I)</li> </ul>
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Pure Olive Oil	Price range	Product brands
1 l	68 RMB	<ul style="list-style-type: none"> <li>• Argosy (Italy) (Beijing Guchuan Grain and Oil Co., Ltd.) (I)</li> </ul>

Extra Virgin + Pure Olive Oil	Price range	Product brands
250 ml	29 – 37.90 RMB (Average price level: 32, 75 RMB)	<ul style="list-style-type: none"> <li>• Olivoila (Italy) (Shanghai Jiali Grain and Oil Industrial Co., Ltd.) (I)</li> <li>• Mighty (Italy) (Shanghai Jiage Food Co., Ltd.) (I)</li> <li>• Agric (Greece) (Beijing Shiji Kangxin Trade Ltd.) (I)</li> <li>• Musa (Spain) (Tianjin Kouweike Int. Trade Co., Ltd.) (I)</li> </ul>
500 ml	49 – 62 RMB (Average price level: 52,40 RMB)	<ul style="list-style-type: none"> <li>• Olivoila (Italy) (Shanghai Jiali Grain and Oil Industrial Co., Ltd.) (I)</li> <li>• Agric (Greece) (Beijing Shiji Kangxin Trade Ltd.) (I)</li> <li>• Musa (Spain) (Tianjin Kouweike Int. Trade Co., Ltd.) (I)</li> </ul>
750 ml	79.90 – 89 RMB (Average price level: 84,20 RMB)	<ul style="list-style-type: none"> <li>• Olivoila (Italy) (Shanghai Jiali Grain and Oil Industrial Co., Ltd.) (I)</li> <li>• Mighty (Italy) (Shanghai Jiage Food Co., Ltd.) (I)</li> </ul>
1 l	89.90 – 99 RMB	<ul style="list-style-type: none"> <li>• Agric (Greece) (Beijing Shiji Kangxin</li> </ul>

	(Average price level: 95,60 RMB)	Trade Ltd.) (I) • Musa (Spain) (Tianjin Kouweike Int. Trade Co., Ltd.) (I)
2 l	149 RMB	• Agric (Greece) (Beijing Shiji Kangxin Trade Ltd.) (I)
3 l	220 RMB	• Olivoila (Italy) (Shanghai Jiali Grain and Oil Industrial Co., Ltd.) (I)

Extra Virgin and Olive pomace Oil	Price range	Product brands
1 l	88.90 RMB	• Hua Yuan Life (China) (Beijing Huayuan Life) (D)

## 2) Price range of olive oil in Shanghai

In following supermarkets in Shanghai Store Checks were accomplished:

Chart 125: Stores for olive oil products in Shanghai

Name of store	Address of store outlet
<b>1. Cityshop</b> (please have a look at 5.1.9.2. for further information about the company group)	No.160, XinHua Rd, Shanghai
<b>2. TESCO</b> (please have a look at 5.1.9.2. for further information about the company group)	No.777 Wu Yi Road, Shanghai No.1688 Tong Chuan Road, Shanghai
<b>3. Metro</b> (please have a look at 5.1.9.2. for further information about the company group)	No.1425 Zhen Bei Road, Shanghai
<b>4. Carrefour</b> (please have a look at 5.1.9.2. for further information about the company group)	No. 268 North Shuicheng Road, Shanghai No.1500 Xin Cun Road, Shanghai

Most of the olive oils are coming from Spain, Italy, Tunis, Greece and Turkey. Only a few are from France and PR China. The prices vary a lot per bottle, packaging and grade. Chinese supplier offering only olive blended edible oils and not pure olive oils. These blended olive oils will be offered in bigger charges (2, 2,5, 3 and 5 l). All other foreign olive oils are offered in different grades, sizes and charges.

Chart 126: Price for some olives products in Shanghai

Extra Virgin Olive Oil	Price range	Product brands / Importer (I) / Distributor (D)
250 ml	23.80 – 45 RMB (Average price level: 32.70 RMB) a) 195 RMB for very exclusive Extra Virgin Olive Oil Organic from Amarilla de Ronda LA b) 118 RMB exclusive Extra Virgin Olive Oil from Oleaurum	<ul style="list-style-type: none"> <li>• Borges (Spain) (Beijing Dingcheng Century Food Co., Ltd. (I))</li> <li>• Terra Delyssa (Tunis) (Shanghai Jiucheng Trading Co., Ltd.) (I)</li> <li>• Amarilla de Ronda LA, Organic (Spain) (Shanghai Ziyuan Trading Co., Ltd.) (I)</li> <li>• Oleaurum, very exclusive olive oil (Spain) (Shanghai Ziyuan Trading Co., Ltd.) (I)</li> <li>• Carbonell (Spain) (Shanghai Kuichun Industrial Co., Ltd.) (I)</li> <li>• YBARRA (Spain) (Shanghai Sanchang Development Co., Ltd.) (I)</li> <li>• Olivoila (Italy) (Shanghai Jiali Food and Industry Co., Ltd.) (I)</li> <li>• Villa Antica (Italy) (Beijing Defaxing Trading Co., Ltd.) (I)</li> <li>• Muel (Spain) (Beijing Pinli Food Co., Ltd.) (I) / (Shanghai Kuichun Industrial Co., Ltd.) (I)</li> <li>• Carapelli (Italy) (Beijing Century Kanxing Trading Co., Ltd.) (I)</li> </ul>
500 ml	44.90 – 99.00 RMB, (Average price level: 63.30RMB) ➤ 208 RMB for very exclusive GPTosceno Extra Virgin Oil from Monini ➤ 98 RMB for Extra Virgin Olive Oil Organic from Amarilla de Ronda LA	<ul style="list-style-type: none"> <li>• Borges (Spain) (Beijing Dingcheng Century Food Co., Ltd. (I))</li> <li>• Monini, very exclusive olive oil (Italy) (Shanghai Sanchang Development Co., Ltd.) (I)</li> <li>• Terra Delyssa (Tunis) (Shanghai Jiucheng Trading Co., Ltd.) (I)</li> <li>• Oillio (Spain) (Shanghai Riqing Oil Co., Ltd.) (I)</li> <li>• Muel (Spain) (Beijing Pinli Food Co., Ltd.) (I) / (Shanghai Kuichun Industrial Co., Ltd.) (I)</li> <li>• Taris (Turkey) Shanghai Sinodis Food Co., Ltd.) (I)</li> <li>• Carbonell (Spain) (Shanghai Kuichun Industrial Co., Ltd.) (I)</li> <li>• Jin Hai Shi (Spain) (Shanghai Liang Jou Hai Shi Oil Industry Ltd.) (I)</li> <li>• Olivoila (Italy) (Shanghai Jiali Food</li> </ul>

		<p>and Industry Co., Ltd.) (I)</p> <ul style="list-style-type: none"> <li>• Villa Antica (Italy) (Beijing Defaxing Trading Co., Ltd.) (I)</li> <li>• Berio (Italy) (Gourmedis China Trading Co., Ltd.) (I)</li> <li>• YBARRA (Spain) (Shanghai Sanchang Development Co., Ltd.) (I)</li> <li>• Betis (Spain) (Qingdao Jinouli Marketing Co., Ltd.) (I)</li> <li>• Carapelli (Italy) (Beijing Century Kanxing Trading Co., Ltd.) (I)</li> <li>• Fragata (Spain) (Shanghai Sanchang Development Co., Ltd.) (I)</li> <li>• Amarilla de Ronda LA, Organic (Spain) (Shanghai Ziyuan Trading Co., Ltd.) (I)</li> </ul>
750 ml	65 – 113 RMB (Average price level: 83.80 RMB)	<ul style="list-style-type: none"> <li>• DUC (Spain) (Shanghai Ziyuan Trading Co., Ltd.) (I)</li> <li>• Terra Delyssa (Tunis) (Shanghai Jiucheng Trading Co., Ltd.) (I)</li> <li>• Carbonell (Spain) (Shanghai Kuichun Industrial Co., Ltd.) (I)</li> <li>• Monini (Italy) (Laiyang Luhua Groundnuts Co., Ltd.)</li> <li>• Olivoila (Italy) (Shanghai Jiali Food and Industry Co., Ltd.) (I)</li> <li>• Villa Antica (Italy) (Beijing Defaxing Trading Co., Ltd.) (I)</li> <li>• Mighty (Italy) (Shanghai Jiage Food Co., Ltd.) (I) / (Shanghai Pairuisheng Inter'l Trading Co., Ltd. (I))</li> <li>• Berio (Italy) (Gourmedis China Trading Co., Ltd.) (I)</li> <li>• Carbonell (Spain) (Shanghai Kuichun Industrial Co., Ltd.) (I)</li> <li>• Muel (Spain) (Beijing Pinli Food Co., Ltd.) (I) / (Shanghai Kuichun Industrial Co., Ltd.) (I)</li> <li>• Agir Bio (France) (Shanghai ChangQiLuZhong Inter'l Trading Co., Ltd) (I)</li> </ul>
1 l	55 – 149 RMB (Average price level: 88.30 RMB)	<ul style="list-style-type: none"> <li>• Terra Delyssa (Tunis) (Shanghai Jiucheng Trading Co., Ltd.) (I)</li> <li>• Taris (Turkey) Shanghai Sinodis Food Co., Ltd.) (I)</li> <li>• Arbolon (Spain) (Beijing Pinli Food</li> </ul>

		<ul style="list-style-type: none"> <li>Co., Ltd.) (I) / (Shanghai Kuichun Industrial Co., Ltd.) (I)</li> <li>• Villa Antica (Italy) (Beijing Defaxing Trading Co., Ltd.) (I)</li> <li>• Agric (Greece) (Beijing Century Kanxin Trading Co., Ltd.)</li> <li>• Berio (Italy) (Gourmedis China Trading Co., Ltd.) (I)</li> <li>• Natura verdo (Italy) (Gourmedis China Trading Co., Ltd.) (I)</li> <li>• La Espanola (Spain) (Shanghai King Foods Condiment Co., Ltd.) (I)</li> <li>• Pietro Coricelli (Italy) (Shanghai Food Stuffs Import Export Co., Ltd.) (I)</li> <li>• Carbonell (Spain) (Shanghai Kuichun Industrial Co., Ltd.) (I)</li> <li>• YBARRA (Spain) (Shanghai Sanchang Development Co., Ltd.) (I)</li> <li>• Muel (Spain) (Beijing Pinli Food Co., Ltd.) (I) / (Shanghai Kuichun Industrial Co., Ltd.) (I)</li> <li>• Villa Antica (Italy) (Beijing Defaxing Trading Co., Ltd.) (I)</li> <li>• Betis (Spain) (Qingdao Jinouli Marketing Co., Ltd.) (I)</li> <li>• Carapelli (Italy) (Beijing Century Kanxing Trading Co., Ltd.) (I)</li> <li>• Fragata (Spain) (Shanghai Sanchang Development Co., Ltd.) (I)</li> </ul>
3 l	228 – 318.80 RMB (Average price level: 271.60 RMB)	<ul style="list-style-type: none"> <li>• Olivoila (Italy) (Shanghai Jiali Food and Industry Co., Ltd.) (I)</li> <li>• YBARRA (Spain) (Shanghai Sanchang Development Co., Ltd.) (I)</li> </ul>
5 l	368.90 – 399.90 RMB Average price level: 384.40 RMB	<ul style="list-style-type: none"> <li>• Carapelli (Italy) (Beijing Century Kanxing Trading Co., Ltd.) (I)</li> <li>• YBARRA (Spain) (Shanghai Sanchang Development Co., Ltd.) (I)</li> </ul>

Pure Olive Oil	Price range	Product brands / Importer (I) / Distributor (D)
500 ml	45.99 - 72 RMB (Average price level: 59.10 RMB)	<ul style="list-style-type: none"> <li>• Borges (Spain) (Beijing Dingcheng Century Food Co., Ltd. (I)</li> <li>• Oillio (Spain) (Shanghai Riqing Co., Ltd.) (I)</li> <li>• Villa Antica (Italy) (Beijing Defaxing Trading Co., Ltd.) (I)</li> </ul>

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		<ul style="list-style-type: none"> <li>• Berio (Italy) (Gourmedis China Trading Co., Ltd.) (I)</li> </ul>
750 ml	62.90 – 105.20 RMB (Average price level: 76.80 RMB)	<ul style="list-style-type: none"> <li>• Olivoila (Italy) (Shanghai Jiali Food and Industry Co., Ltd.) (I)</li> <li>• Villa Antica (Italy) (Beijing Defaxing Trading Co., Ltd.) (I)</li> <li>• Olivoila (Italy) (Shanghai Jiali Food and Industry Co., Ltd.) (I)</li> <li>• Muel (Spain) (Beijing Pinli Food Co., Ltd.) (I) / (Shanghai Kuichun Industrial Co., Ltd.) (I)</li> </ul>
1 l	69.90 - 98 RMB (Average price level: 80.20 RMB)	<ul style="list-style-type: none"> <li>• Costa, d'or (Italy) (Hong Kong Sanchang Haohaobanguan Co., Ltd.) (I)</li> <li>• Taris (Turkey) Shanghai Sinodis Food Co., Ltd.) (I)</li> <li>• Berio (Italy) (Gourmedis China Trading Co., Ltd.) (I)</li> <li>• Natura verdo (Italy) (Gourmedis China Trading Co., Ltd.) (I)</li> <li>• La Espanola (Spain) (Shanghai King Foods Condiment Co., Ltd.) (I)</li> </ul>

Pomace Olive Oil	Price range	Product brands
1 l	66 – 69.99 RMB (Average price level: 68 RMB)	<ul style="list-style-type: none"> <li>• Costa, d'or (Italy) (Hong Kong Sanchang Haohaobanguan Co., Ltd.) (I)</li> <li>• Basso (Italy) (Shanghai Kedi Food Co., Ltd.)</li> </ul>
3 l	159.90 RMB	<ul style="list-style-type: none"> <li>• Basso (Italy) (Shanghai Kedi Food Co., Ltd.)</li> </ul>

Olive blended Oils	Price range	Product brands
5 l	99.90 – 123.20 RMB (Average price level: 89.80 RMB)	<ul style="list-style-type: none"> <li>• Jin Long Yu (China) (Shanghai Jiali Food and Industry Co., Ltd.) (D)</li> <li>• Mighty (China/Italy) (Shanghai Jiage Food Co., Ltd.) (I) / (Shanghai Pairuisheng Inter'l Trading Co.,Ltd )</li> </ul>

### 3) Price range of olive oil in Guangzhou

In following supermarkets in Guangzhou Store Checks were accomplished:

**Chart 127: Stores for olive oil products in Guangzhou**

Name of store	Address of store outlet
<b>1. Parknshop</b> (please have a look at 5.1.9.3. for further information about the company group)	No.228, Grandview Mall, Tianhe Road, Guangzhou
<b>2. Carrefour</b> (please have a look at 5.1.9.3. for further information about the company group)	No.3, Yuan Cun Heng Long Road, Guangzhou No.40, Wanguo Plaza, Qian Jin Road, Guangzhou
<b>3. Trust Mart</b> (please have a look at 5.1.9.3. for further information about the company group)	No.1, Long Kou Xi Road, Guangzhou No.188, Tang Xia Zhongshan Da Dao, Guangzhou
<b>4. Vanguard</b> (please have a look at 5.1.9.3. for further information about the company group)	No.33, Tianhe Nan Er Road, Guangzhou

Most of the olive oils are coming from Spain and Italy. Only a few are from Greece and Taiwan. There are no Chinese olive oil in offer. The prices vary in general 10 – 30 RMB per bottle, packaging and grade. The processed oil in China (bottled in China f.e.) is much cheaper than the imported bottles of olive oil: Changqingshu Extra virgin oil, 1 l, 88.80 RMB (processed in China), San Guiliano Alghero Extra virgin oil, 1 l, 141 RMB (imported bottle).

**Chart 128: Price for some olives products in Guangzhou**

Extra Virgin Olive Oil	Price range	Product brands / Importer (I) / Distributor (D)
250 ml	18.90 – 52.30 RMB (Average price level: 35.70 RMB)	<ul style="list-style-type: none"> <li>• Olivoila (Italy) (Shanghai Kerry Food Industries Co., Ltd.) (I)</li> <li>• Hojiblanca (Spain) (Laiyang Luhua Peanut Oil Co. Ltd.) (I)</li> <li>• Mighty (Italy) (Shanghai Standard Food Co., Ltd.) (I)</li> <li>• Lu Hua (Spain) (Laiyang Luhua Peanut Oil Co. Ltd.) (I)</li> <li>• San Guiliano Alghero (Italy) (Jipuyuan Trading Co., Ltd.) (I)</li> </ul>
500 ml	62.00 – 88.90 RMB (Average price level: 69.10 RMB)	<ul style="list-style-type: none"> <li>• Olivoila (Italy) (Shanghai Kerry Food Industries Co., Ltd.) (I)</li> </ul>



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		<ul style="list-style-type: none"> <li>• Lu Hua (Spain) (Laiyang Luhua Peanut Oil Co. Ltd.) (I)</li> <li>• Hojiblanca (Spain) (Laiyang Luhua Peanut Oil Co. Ltd.) (I)</li> <li>• Changqingshu (Portugal) (CQS Foods Co., Ltd.) (I)</li> <li>• Arbolon (Spain) (Beijing Dongfang Wanhua Int. Trading Co., Ltd.) (I)</li> <li>• San Guiliano Alghero (Italy) (Jipuyuan Trading Co., Ltd.) (I)</li> </ul>
700 ml	118 RMB	<ul style="list-style-type: none"> <li>• Lu Hua (Spain) (Laiyang Luhua Peanut Oil Co. Ltd.) (I)</li> </ul>
750 ml	85 – 105 RMB (Average price level: 85.60 RMB)	<ul style="list-style-type: none"> <li>• Olivoila (Italy) (Shanghai Kerry Food Industries Co., Ltd.) (I)</li> <li>• Mighty (Italy) (Shanghai Standard Food Co., Ltd.) (I)</li> <li>• Knife Brand (Spain)</li> </ul>
1 l	88.80 – 141 RMB (Average price level: 119.50 RMB)	<ul style="list-style-type: none"> <li>• San Guiliano Alghero (Italy) (Jipuyuan Trading Co., Ltd.) (I)</li> <li>• Changqingshu (Portugal) (CQS Foods Co., Ltd.) (I)</li> <li>• Arbolon (Spain) (Beijing Dongfang Wanhua Int. Trading Co., Ltd.) (I)</li> <li>• Jipuyuan (Taiwan) (Jipuyuan Trading Co., Ltd.) (I)</li> </ul>
3 l	288 RMB	<ul style="list-style-type: none"> <li>• Olivoila (Italy) (Shanghai Kerry Food Industries Co., Ltd.) (I)</li> </ul>

Virgin Olive Oil	Price	Product brands / Importer (I) / Distributor (D)
750 ml	96 RMB	<ul style="list-style-type: none"> <li>• Knife Brand (Spain) (Shenzhen Lamsoon Oil Co., Ltd.) (I)</li> </ul>

Pure Olive Oil	Price range	Product brands / Importer (I) / Distributor (D)
500 ml	55 RMB	<ul style="list-style-type: none"> <li>• Olivoila (Italy) (Shanghai Kerry Food Industries Co., Ltd.) (I)</li> </ul>
750 ml	68 – 78.90 RMB (Average price level: 71.20 RMB)	<ul style="list-style-type: none"> <li>• Olivoila (Italy) (Shanghai Kerry Food Industries Co., Ltd.) (I)</li> <li>• Mighty (Italy) (Shanghai Standard Food Co., Ltd.) (I)</li> </ul>
1,5 l	155 RMB	<ul style="list-style-type: none"> <li>• Uni-President Golden Age (Taiwan, ROC) (Dongguan Guanhe Trading Co., Ltd.) (I)</li> </ul>
3 l	208 – 218.80 RMB (Average price level: 213.40 RMB)	<ul style="list-style-type: none"> <li>• Olivoila (Italy) (Shanghai Kerry Food Industries Co., Ltd.) (I)</li> </ul>

Olive Oil for Cooking	Price	Product brands / Importer (I) / Distributor (D)
2 l	55.80 RMB	<ul style="list-style-type: none"> <li>• Olive cooking Olive oil (Greece) (Guangzhou Jiajia Oil Co., Ltd.) (I)</li> </ul>

Sunflower & Extra Virgin Olive blended Oil g	Price	Product brands / Importer (I) / Distributor (D)
500 ml	55.80 RMB	<ul style="list-style-type: none"> <li>• Olive cooking Olive oil (Greece) (Guangzhou Jiajia Oil Co., Ltd.) (I)</li> </ul>

## Conclusion

The store checks in Beijing, Shanghai and Guangzhou shows a huge variety and selection of all kinds of olive oil grades. Most of the olive oils are supplied from Spain, Italy, Greece, Turkey, Tunis, France and a few from Taiwan and China. The Chinese suppliers offering only olive blended oils (f.e. with sunflower oil etc.). Solely the foreign suppliers are offering high qualified Extra Virgin, Virgin and Pure Olive oil. Organic olive oil will be offered only in Shanghai (from Amarilla de Ronda LA, Spain). Very exclusive and expensive olive oils will be offered from Betis (Spain) and Monini (Italy).

The price ranges in all the three cities are nearly the same, based on grades and packing sizes. The foreign brands differs mainly in all 3 cities. Only a few brands are offering the same olive oil in all 3 cities:

- a) Olivoila (Italy)
- b) Mighty (Italy)

c) Carbonell (Spain)

d) Hojiblanca (Spain)

The most promoted olive oil brand is Olivoila from Italy. Only a few brands are using only one distributor for all three Chinese cities. The majority of olive oil brands will be distributed about different regional food distributors in Beijing, Shanghai and Guangzhou.

All three cities are very much qualified to sell olive oil in related supermarkets.

## **ANNEX IV: Distribution Structures**

### **I) Logistics**

Over 90% of imported olive oil will be sold in middle and larger scaled cities, f.e., Beijing, Shanghai, Guangzhou, Shenzhen. Olive oil will not be sold in over 95% of small scaled cities, so the huge market of China is waiting for these products.<sup>93</sup>

#### **Import flow**

Sign contract – D/O Fee – Pre-recorded single declaration - Seized three charges (lawfully designated inspection) - Commodity Inspection – Spot check/Sample delivery – Customs permit release – Pay tax – Customs inspection (one kind of spotcheck, not lawfully designated inspection ) - Customs clearance (electronic) – Take out goods

There are several documents need to be prepared before customs clearance, the most proper customs commodity code and import tax rate for reference in advance.

#### **Materials for applying food labeling of import and export<sup>94</sup>:**

1. Hygiene License of export enterprise
2. Business License of production manufacture or distributor
3. Production's official certificate of selling permit in product country/district, or production's certificate of origin
4. Trade mark authorization or manufacture authorization
5. Material explanation about the content which is noted on the note
6. Five sets of food label samples, if it's impossible to offer samples, valid picture , print sample or scan sample is also available
7. Ingredient is pure natural, the production is "High-", "Low-", or it is demand to claim with certificate of ages or reputation, all these characteristic labels need the explanation of original certificate.

#### **Implementation of New Standard Olive Oil in October 1<sup>st</sup>, 2009**

Since October 1<sup>st</sup>, 2009, <The national standard of Olive oil and Olive-pomace oil> (GB 23347-2009) will put into execution. This new standard will hold back mess labeling circumstance of olive oil and will secure customers when they buy olive oil. This standard includes nine parts, it stipulates the legal name, definition, classification, technology quality requirement, inspection method, inspection regulation as well as the demand of label, package, storage and transportation of olive oil and olive-pomace oil. Further more, it also makes clearer rules about olive oil's definition, characteristic term, quality term, hygiene term, facticity requirement, food additive, etc.

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<sup>93</sup> [www.oliveoilife.com/en](http://www.oliveoilife.com/en), The distribution of olive oil in China's market

<sup>94</sup> [www.customs.gov.cn](http://www.customs.gov.cn), China Customs

Therefore, production labels are very different from their past. Apart from keeping with <Regular rules for package of food label> (GB 7718), there are still five demands being questioned:

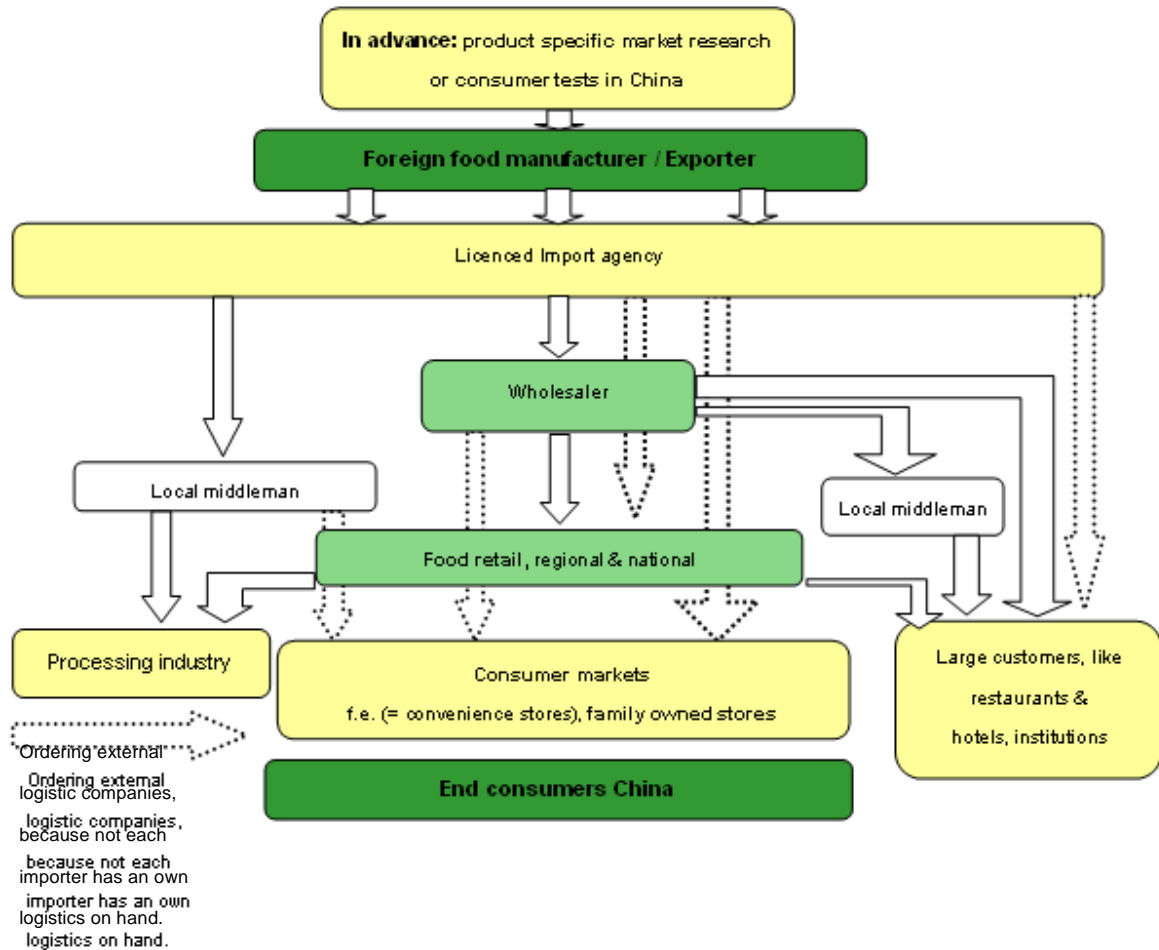
1. Firstly, the label must measure up to the grade which the product belongs to, which instead of enterprises announcing their products as “Extra virgin”, “Extra” or “Pure” at random. Olive-pomace oil can’t be announced as “olive oil” at any time.
2. Secondly, it is necessary to label products’ original country.
3. Thirdly, it is necessary to label trans fatty acid contents.
4. Fourthly, it is necessary to label the manufacturing date of olive nuts.
5. Fifthly, manufacturing date is accorded with the package date in original country. If it is individual packing which is imported from abroad, it will label the package date in original country and the repack date at the same time. As for the originate date of shelf life, it’s based on production date in original country, repacking date can’t be assumed as originate date.<sup>95</sup>

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<sup>95</sup> China Entry-Exit Inspection and Quarantine Bureau, [www.ciqi.gov.cn/art/2009/9/9/art\\_14726\\_332402.html](http://www.ciqi.gov.cn/art/2009/9/9/art_14726_332402.html)

## II) Detailed presentation of distribution structures

Chart 129: Detailed presentation of distribution structures



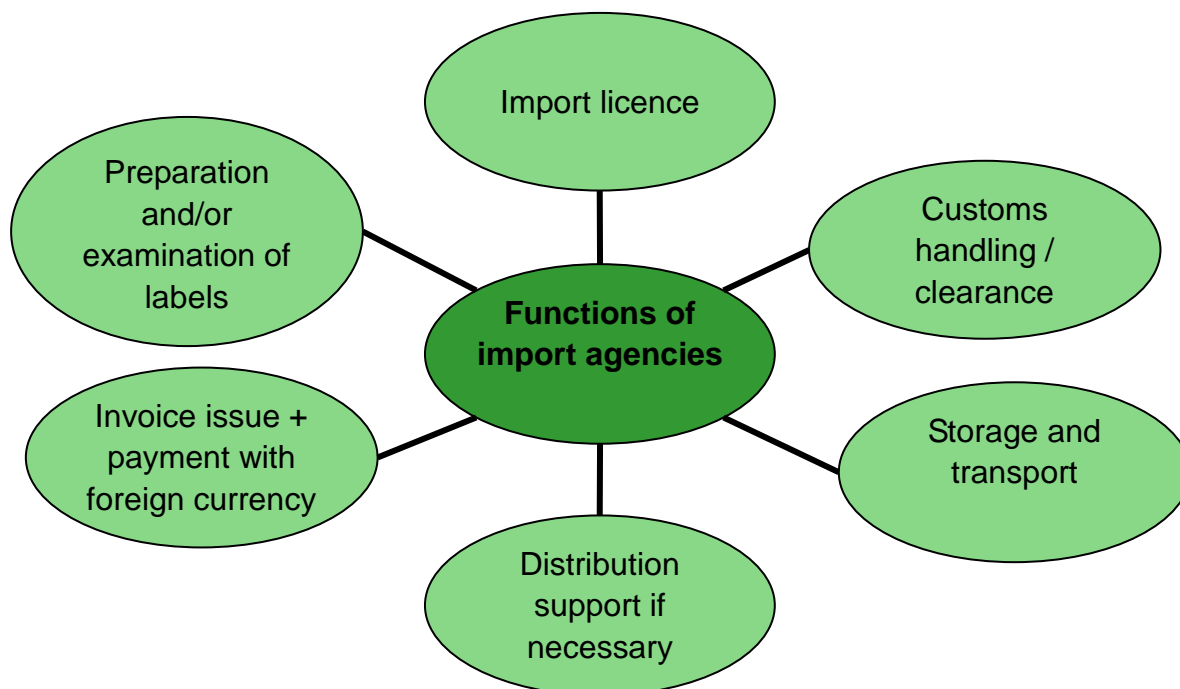
Source: Own illustration

### III) Relevance of Chinese import agencies

Advantages working together with importing agencies:

- a) Efficiency
- b) No extra charges through additional labour costs
- c) Existing contacts can be used; regulations & rules are not necessary to study

Chart 130: Function of import agencies



Source: Own illustration

Advantages working without an import agency:

- a) Cost control, cost transparency
- b) Possible price adjustments with food retail

Chart 131: Advantages working without import agency



Source: Own illustration

#### **IV) Restrictions at food import, import controls**

China's Ministry of Health published two draft regulations that implement new pre-importation licensing requirements for imports of food and food-related products such as packaging under China's new Food Safety Law (FSL). The FSL is the long-anticipated Chinese food safety law that went into effect on June 1, 2009, as already described before.

The final import licensing regulations will impose additional registration and data reporting requirements on importers and distributors of imported food products and new food-related products and materials.

##### *Unregistered Imported Foods will Require an advance License*

The first draft regulation, "Provisional Administrative Regulations on the Administrative Licensing of the Importation of Food Without National Food Safety Standards" (Imported Food Regulations) covers imported food products that are manufactured and distributed abroad as food and for which China does not have relevant national food safety standards. These products must be licensed by the Ministry of Health prior to importation.

License applicants would be required to submit to the Ministry of Health a completed standard form (in Chinese) with detailed supporting information and documentation (most of which must also be translated into Chinese). Within 60 days after filing of the application, the Ministry of Health will initiate an investigation and approval process. The investigation process may rely on assistance from experts in a variety of fields, such as food safety, toxins, nutrition, microbiology, craftsmanship, and chemistry, to assess the application. If the assessment demonstrates that the product is subjected to similar industrial standards from relevant international organizations, other countries or China, the Minister of Health will refer to those standards for execution. The Ministry of Health will determine whether to grant the license based upon recommendations from its experts and taking into account applicable national laws and regulations.

##### *New Food-Related Packaging and Other Materials will need to be licensed*

The second draft regulation, "Provisional Administrative Measures of Administrative Licensing of New Food Related Product Varieties" (Food-Related Products Regulations) covers a broad range of articles not currently subject to national standards or relevant agency listings. These articles include domestically produced and imported food packaging materials, food containers, food production and management tools (e.g., resins, ceramics, etc.), and food detergents and disinfectants.

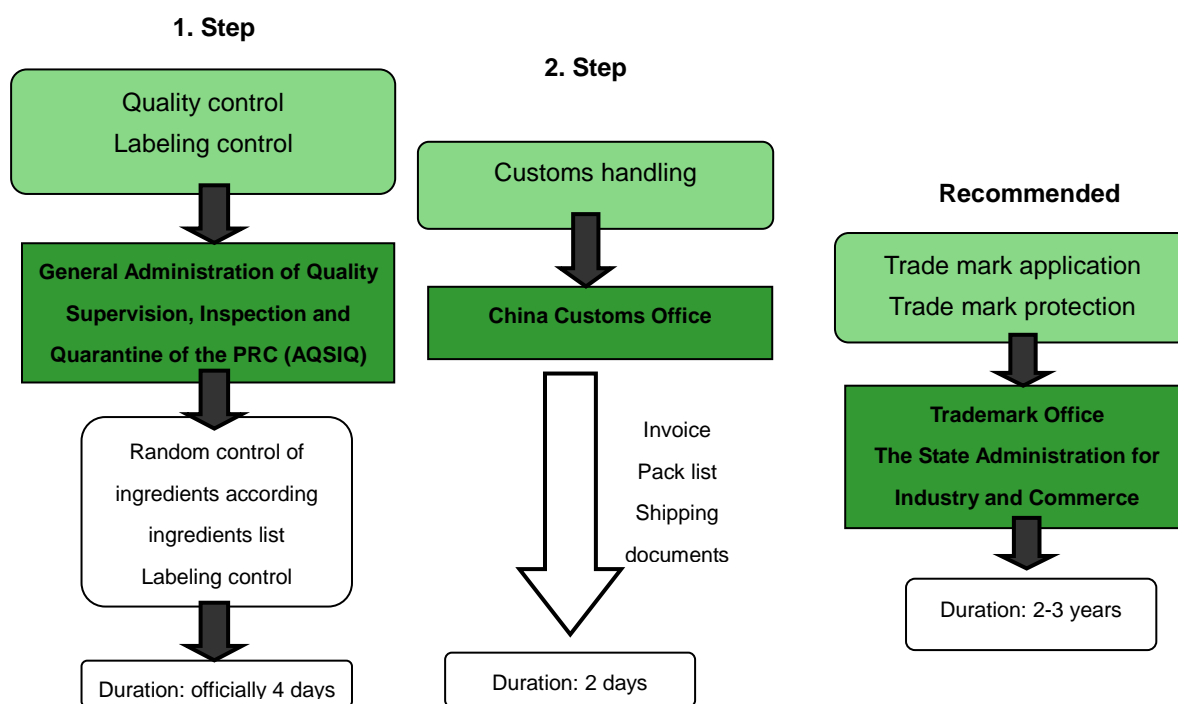


Specifically identified for coverage are<sup>96</sup>:

- Materials or molding products used in food packaging materials, containers and food production and management tools, and equipment that directly contact food that are not currently subject to national food safety standards;
- Additives not listed in hygienic standards for uses of additives in food containers and packaging materials;
- Materials or molding products of food packaging materials, containers and food production and management tools, and equipment that directly contact the food not listed in the List of Notice of the Ministry of Health;
- The additives listed in the Hygienic standards for uses of additives in food container and packaging materials, or in the List of Notice of the Ministry of Health, but requiring expansion of the use scope or increase of the use frequency; and
- Certain new detergent and disinfectant materials used for food or for tools and equipment used in food production.

### Steps to import of food to China

Chart 132: Steps to import food to China



Source: Own illustration

In 2008 the Chinese government moved to reduce import taxes on 26 commodities to help to reduce inflationary pressure. Among others the tariffs on olive oil has

<sup>96</sup> Food and agriculture alert, Hogan & Hartson LLP, 24<sup>th</sup> of June, 2009

been lowered from 10 % to 5 % too, effective on June 1<sup>st</sup> to the end of September 2008.<sup>97</sup>

## IV) Labeling

The new food safety law touches on labeling issues for food products specifying that health food products must not be labeled for “disease prevention” and “treatment functions” in their tags. Labels will now be required to be more detailed in providing information like who can use their product and the product’s main ingredients. China’s food department will be required to conduct audits on food samples for manufacturers for free.<sup>98</sup>

- a) Labeling should meet the requirements set out in GB 7718.
- b) Product name: indicated according to the classification requirements specified in Clause 4 of the mentioned Standard. Under no circumstances shall “olive-pomace oil” products, as specified in Subsection 4.2, be referred to as “olive oil”.
- c) Indication of production date: the date on which fats and oils are extracted from the fresh olive fruit by any type of processing technology is the production date.  
  
With regard to the split packaging of imported products, when indicating the production date in the country of origin, the packaging date should also be indicated.
- d) The production date in the country of origin is the starting date of the quality preservation period.
- e) The country of origin of the product should be indicated.
- f) The trans fatty acid content should be indicated.<sup>99</sup>

Olive oil vendors choose the wording on their labels very carefully.

- "100% Pure Olive Oil" is often the lowest quality available in a retail store: better grades would have "virgin" on the label.
- "Made from refined olive oils" suggests that the essence was captured, but in fact means that the taste and acidity were chemically produced.

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<sup>97</sup> “Import tax cuts to relieve pressure on price rises”, China Daily by Xin Zhiming, 30.05.2008

<sup>98</sup> China Briefing, www.china-briefing.com, New food safety law, 9<sup>th</sup> of June, 2009

<sup>99</sup> National Standard of PRC, issued by AQSIQ, 05/2007

- "Light olive oil" actually means refined olive oil, not a lower fat content. All olive oil has 120 calories per tablespoon (34 J/ml).
- "From hand-picked olives" may indicate that the oil is of better quality, since producers harvesting olives by mechanical methods are inclined to leave olives to over-ripen in order to increase yield.
- "First cold press" means that the oil in bottles with this label is the first oil that came from the first press of the olives. The word cold is important because if heat is used, the olive oil's chemistry is changed. It should be noted that extra-virgin olive oil is cold pressed, but not necessarily the first oils.
- "Bottled in Italy" or "Packed in Italy" does not necessarily mean that the olive oil originated in Italy. Back or side labels indicate the origin of the olive oil which is often a mixture of oils from several nations.<sup>100</sup>

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<sup>100</sup> <http://www.oliveoilife.com/en/oliveoil/html/65.html>

**ANNEX V: Food related associations & federations in China****Chart 133: Food related associations & federations in China**

<b>Company name</b>	<b>Description</b>	<b>Address</b>	<b>Contact Person</b>
China Health Care and Nutrition Council	Founded by the People's Republic of China Ministry of Health in 1991, members mainly work with National Health Industry Business Management Council.	No. 13, Xincheng Building, Banbuqiao Street, Xuanwu, Beijing, China	Mr. Guo Zengqi, Deputy Secretary General
China National Vegetable Oil Association	China National Vegetable Oil Association was approved by the state Ministry of civil affairs in Nov. 1993.	No.45, Fuxingmennei Street, Beijing, China	Mr. Gao Public Relations
Chinese Cereals and Oils Association	Chinese Cereals and Oils Association Oil Branch has been established in 1985, belonging to the Chinese cereals and oils association. It consists of a working committee, the technical advisory committee, the committee on scholarly communication, science education committees, editing and publishing committee and the 39-member group of experts.	P.O. 83 No.1, Beishatan Street, Deshengmen, Beijing, China	Ms. Zhou Lifeng
China Health Care Association	China Health Care Science and Technology Institute officially changed its name to China Health Care Association approved by the State Council, Ministry of Health and Ministry of Civil Affairs on 4th November, 2003.	Rm. 1811, No.28, Hangyi Building, Fucheng Road, Haidian District, Beijing, China	Ms. Guo Wenyan, Association Leader
China Cuisine Association	China Cuisine Association (CCA) is established in Apr. of the year of 1987 with the approval by the state departments. CCA is registered in the ministry of civil affairs as a national food industry association.	No.45, Fuxingmen Street, Beijing, China	Mr. Su Qiucheng Association President
China Olive Oil Trade	A website providing olive oil trading, information in China	Rm. 1916, No.1958, HuaYuan Plaza, Zhongshan Bei Rd., Shanghai	Mr. Yang Wei, Manager

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Shanghai Cereals & Oils Management Association	Established in 1992	Rm. 253, No.1455, Nan Suzhou Road, Shanghai	Mr. He Tao, Director
Guangdong Food Industry Associations	Established in 2003	Rm. 1404, Jinhe Building, No.183, Xiao Bei Road, Guangzhou	Mr. Liu Yihong Vice Chairman

## ANNEX VI: Interview Partners

### 1. Telephone Interviews: Selection of Interview Partners

BEIJIN			
I) Domestic operating Olive Producers			
Company name	Description	Address	Contact Person
去核甘草橄榄(宋橄榄)条 core-free olive snacks 杭州华味亨食品有限公司 Hangzhou Huawei Food Co.,Ltd	杭州华味亨食品有限公司 Hangzhou Huawei Food Co.,Ltd	杭州余杭区星桥经济开发区 Economic Development Zone, Xingqiao, Yuhang, Hangzhou,China	陈小姐 Ms.Chen
橄榄蜜饯 Olive Snacks 福安新味食品有限公司 FUAN XINWEI FOOD CO.,LTD.	FUAN XINWEI FOOD CO.,LTD.Limited was founded in 1995. Located in Fu'an in Fujian. Plant more than 10,000 square meters, has good production facilities. Use of advanced detection equipment, a centralized product development, design, production, Sales; one of the leading agricultural enterprises.	福建省福安市岩湖坂开发区 68 号 NO.68 Yanhu Development Zone Fuan city Fujian province, China	王经理 销售部经理 Mr.Wang Sales Manager
诏安荣华食品有限公司 Zhaoan Ronghua Food Co.,Ltd	Located at Fujian Zhangzhou, Shaoan which attached with a convenient transportation system. It was founded in 1993 with capital amount of RMB 8,680,000.	中国福建诏安县太平工业园区 Taiping industrial park, shaoan, Fujian, China	田雄平 Mr. Tian Xiongping
厦门凤新食品有限公司 Xiamen Fengxin Food Co.,Ltd	Placed at Xiamen with more than 3000 square meters modern factory. The company produces reserved fruits, dried aquatic products, roasted seeds and nuts and biscuits, egg products and	中国福建厦门市海沧区刘山 25 号 No.25 Liushan, Haicang, Xiamen, Fujian, China	林峰 Mr.Lin Feng

	other snack foods.		
常熟市蔡老大食品有限责 任公司 Cailaoda Food Co.,Ltd	The company located at Changshu, Jiangsu with superior geographical location and advanced production equipment, strict management and high standards of clean workshop, which drives a rapid development of the company and has been playing a leading role in the same industry. It has passed ISO 9001 international quality management system certification and the national industrial products production license certification.	中国江苏常熟市支塘镇枫贺大 桥东堍 Dongtu,zhitangfenghe,Changshu, Jiangsu, China	蔡惠新 Mr.Cai Huixin

**BEIJIN**

**II) Domestic operating Olive Oil Producers**

<b>Company name</b>	<b>Description</b>	<b>Address</b>	<b>Contact Person</b>
陇南世博林油橄榄有限公 司 Longnan Shibolin Olive Oil Co.,Ltd	The company has built up in 1997, located at Longnan, Gansu Province. Business scope include Olive Oil, Olive Tea and Olive Alcohol, etc.	上海市桃浦路 243 号 1801 室 (Shanghai Office) Rm1801,No.243,Yaopu Road, Shanghai, China(Shanghai Office)	Li Haodong President
陇南市丰海橄榄油科技有 限公司 Longnan Feng Hai Olive Oil Technology Co,Ltd	Feng Hai Olive Oil Co., Ltd. is mainly focused on olive oil production, search and sales integrated enterprises. Standardized olive garden for 2.500 acres.	甘肃省陇南市武都区城郊渭子沟 Wudu, Longnan City,Gansu,China	Mr.Lin General Manager
北京神州油橄榄技术开 发公司	Shenzhou Olive Development Corporation(SODC)has been set up for more than 20 years. It is sponsored by Research	中国北京市海淀区香山路中国 林科院分析楼 229 室	吴亚娜 销售部主管

Shenzhou Olive Development Corporation	Institute of Oil Industry, Chinese Academy of Forestry.	Rm229, Chinese Academy of Forestry, Xiangshan Road, Haidian District, Beijing, China	Ms. Wu Yana Sales Director
广元市荣生源食品有限责任公司 Municipal Rongshengyuan Food Co., Ltd	As a plants resources comprehensive development and utilization hi-tech enterprise, Municipal Rongshengyuan Food Co., Ltd is mainly engaged in growing olives. The company is one of 18 grain and edible oil deepening processing bases for the agricultural products and side products project and a pillar enterprise of Sichuan agricultural operating industrialization as well as a key enterprise of Guangyuan agricultural operating industrialization.	中国四川广元市东坝 Dongba, Guangyuan City, Sichuan, China I	Mr. He Sales Manager
江苏美格尔橄榄油业(苏州)有限公司 Jiangsu Magnate Olive Oil Industry Co., Ltd	Jiangsu Megate Olive Oil Industry Co., Ltd is an Olive Oil producing, developing, and investing company which cooperate with HEALTHNE of the United States and THEALTHNET HONGKONG FINANCIAL INC.	江苏苏州枫桥路 888 号 No.888, Fengqiao Road, Suzhou, Jiangsu, China	张敏 销售经理 Ms. Zhang Min Sales Manager

**BEIJIN**

**III) Federations, trade magazines**

<b>Company name</b>	<b>Description</b>	<b>Address</b>	<b>Contact Person</b>
中国营养保健理事会 China Health Care and Nutrition Council	Founded by the People's Republic of China Ministry of Health in 1991, members mainly work with National Health Industry Business Management Council.	北京宣武区半步桥街甲 13 号鑫城大厦 No.13 Xincheng Building, Banbuqiao Street, Xuanwu, Beijing, China	郭增旗 理事会 副秘书长 Mr. Guo Zengqi Deputy Secretary-General
中国植物油行业协会 China National Vegetable	CHINA NATIONAL VEGETABLE OIL ASSOCIATION was approved	北京市复兴门内大街 45 号 No.45, Fuxingmennei Street,	高女士 对外联



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Oil Association	by the state ministry of civil affairs in Nov. 1993.	Beijing ,China	络部 Mr.Gao Public Relations
中国粮油协会---油脂分会 Chinese Cereals and Oils Association--Oil Branch	Chinese Cereals and Oils Association--Oil Branch was established in 1985, belonging to the chinese cereals and oils association. It consists of a working committee, the technical advisory committee, the committee on scholarly communication, science education committees, editing and publishing committee and the 39-member group of experts.	北京市德胜门外北沙滩 1 号 83 号信箱 P.O.83 No.1, Beishatan Street, Deshengmen,Beijing,China	周丽凤 Ms.Zhou Lifeng
中国保健协会 China Health Care Association	China Health Care Science and Technology Institute officially changed its name to China Health Care Association approved by the State Council, Ministry of Health and Ministry of Civil Affairs on 4th November, 2003.	Rm,1811,No.28,Hangyi Building, Fucheng Road, Haidian District, Beijing,China	Ms.Guo Wenyan Association Leader
中国烹饪协会 China Cuisine Association	China Cuisine Association (CCA) is established in Apr. of the year of 1987 with the approval by the state departments. CCA is registered in the ministry of civil affairs as a national food industry association.	北京市复兴门内大街 45 号 NO.45,Fuxingmen Street, Beijing, China	苏秋成 会长 Mr.Su Qiucheng Association President

<b>SHANGHAI</b>			
<b>I) Domestic operating Olive Producers</b>			
<b>Company name</b>	<b>Description</b>	<b>Address</b>	<b>Contact Person</b>
上海天喔食品有限公司 Shanghai TianWo Food Co., Ltd.	Belongs to Shanghai Bright Food Group, engaged in producing different kinds of dried fruit, incl. dried olives	上海华山路 263 弄 7 号 No.7, Lane 263, HuaShan Rd., Shanghai	曾小姐 采购 Ms. Zeng, Purchaser
上海百味林实业有限公司 Shanghai BWL Industrial Co. Ltd.	A domestic manufacture which produce dried fruits, incl. dried olives	上海市河南南路 33 号新上海城市广场 11 楼 Floor 11, No.33, HeNan Nan Rd., Shanghai	蔡新 经理 Mr. Cai Xin, Manager
上海富麒华实业有限公司 Shanghai FuQiHua Industrial Co., Ltd.	A local manufacture which produce dried fruits, and produced dried olives for Metro specifically	上海市浦东新区博文路 1458 号 No.1458, BoWen Rd., Shanghai	瞿国刚 经理 Mr. Qu Guogang, Manager

<b>SHANGHAI</b>			
<b>II) Domestic operating Olive Oil Producers</b>			
<b>Company name</b>	<b>Description</b>	<b>Address</b>	<b>Contact Person</b>
上海雅希那食品有限公司 Shanghai Athina & Olympia Foods Co., Ltd.	A JV factory which invested by Canada Krinos International, specialized in producing and trading imported foods etc. olive oil, cheese, cookies	上海青浦工业园区天盈路 475 号 NO. 475, TianYing Rd., Qingpu Industrial Park, Shanghai	高洁 贸易部经理 Ms. Gao Jie, Manager of Trading Dept.
上海煮煮乐调味食品有限	A local manufacture which produce olive oil, with the	上海市南汇区六灶镇新吉村新	沈武杰 总经

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公司 Shanghai Manman Kitchen Co., Ltd.	product brand of 'Xian Nuo'	华 719 号 No.719, XinJi, Liu Zao, Nanhui district, Pudong, Shanghai	理 Mr. Shen Wujie, General Manager
上海凯岭食品有限公司 Shanghai Kailink Foods Co., Ltd.	A WFOE manufacture invested by Philippine Limketkai Sons, Inc., engaged in the manufacture of edible oils.	上海南汇工业园区宣桥行隶 186 No. 186, Xuanqiao, Nanhui Industrial Park, Pudong, Shanghai	朱喜 销售主管 Mr. Zhu Xi, Sales Manager
上海良友海狮油脂实业有 限公司 Shanghai LiangYou HaiShi Oils&Fats Industry Co., Ltd.	A state owned manufacture engaged in producing soybean oil, rape oil, sunflower seeds oil, corn oil, tea seeds oil, and olive oil	上海徐汇区龙吴路 2080 号 No.2080, LongWu Rd., XuHui District, Shanghai	孙新生 团购经 理 Mr. Sun Xinsheng, Purchase Manager
上海佳格食品有限公司 Shanghai Standard Food Co., Ltd.	A local manufacture engaged in producing sunflower seeds oil, olive oil, and with the famous product brand of 'Duo Li'	上海市吴中路 1128 号西 2 号楼 2 building, West, 1128, Wuzhong Rd., Shanghai	张爱玲 团购 主管 Ms. Zhang Ailing, Purchase Manager

**SHANGHAI**

**III) Federations, trade magazines**

<b>Company name</b>	<b>Description</b>	<b>Address</b>	<b>Contact Person</b>
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<p>中国橄榄油交易网 China Olive Oil Trade</p>	<p>A website providing olive oil trading, information in China</p>	<p>上海市中山北路 1958 号华源世界广场 Rm.1916, No.1958, HuaYuan Plaza, Zhongshan Bei Rd., Shanghai</p>	<p>杨威, 经理 Mr. Yang Wei, Manager</p>
<p>上海粮油行业协会 Shanghai Cereals &amp; Oils Management Association</p>	<p>Established in 1992</p>	<p>上海市南苏州路 1455 号 253 室 Rm.253, No.1455, Nan Suzhou Rd., Shanghai</p>	<p>贺涛 会长 Mr. He Tao, Director</p>

G U A N G Z H O U			
I) Domestic operating Olive Producers			
Company name	Description	Address	Contact Person
Xinxing Xianxianle Fruits Co.,Ltd. 新兴县鲜仙乐凉果实业有限公司	A local manufacture which is located in Guangdong and produces dried fruits, and produces dried olives.	Fenghuang Village, Xincheng Town, Xinxing, Yunfu, Guangdong 广东省云浮市新兴县新城镇凤凰村	梁健慧 Miss Liang Jianhui
Haifeng Zhenglong Food Industrial Co., Ltd. 海丰正隆食品工业有限公司	A local manufacture which is found in 1994 and located in Shanwei city. It produces dried fruits, and produces dried olives.	Jinyuan Industrial Zone, Chengdong Town, Haifeng, Shanwei, Guangdong 广东省汕尾市海丰县城东镇工业园工业区	陈学琛 经理 Mr. Chen Xuechen
Guangzhou Treasure Flavour Foods Ltd. 广州市珍奇味食品有限公司	A local manufacture which is located in Guangzhou city and produces dried fruits including dried olives.	No.15, Fu Cong Road, Conghua Economic and Development Zone, Guangzhou	
Guangdong Jiabao Group Co.,Ltd. 广东佳宝集团有限公司	A local manufacture which produces dried fruits including dried olives. The trademark "Jiabao" has won the award "China Famous Brand".	North side, East Duan, Chao'an da dao, Chao'an county, Guangdong	

G U A N G Z H O U			
II) Domestic operating Olive Oil Producers			
Company name	Description	Address	Contact Person
Guangzhou Jiajia Oil Co.,Ltd. 广州市嘉佳食用油有限公司	A JV factory which invested by Malaysia North Holding Group and Jiajia Group, specialized in producing olive oil, groundnuts oil, sunflower oil and corn oil.	No.1, Luo Ji Road, Ji Shan Qi Shan Xia, Tianhe District, Guangzhou 广州市天河区吉山歧山下罗基路1号	

Zhuhai Donghong Food Co.,Ltd. 珠海市东鸿食品有限公司	A local famous manufacture which is located in Zhuhai city and specialized in producing olive oil, groundnuts oil, sunflower oil and corn oil.	3F, No.9 Building, Dong Keng No.2 Industrial District, Xiangzhou District, Zhuhai, Guangdong 广东省珠海市香洲区东坑第二工业区第9幢3楼	黄文平 Mr. Huang Wenping Mobile: 13326615816
Shenzhen Lamsoon Oil Co.,Ltd. 深圳市顺油脂有限公司	A manufacture which is located in Shenzhen city and belongs to Lam Soon Hong Kong Group. Lam Soon has the famous trademark "Knife Brand".	Nan Kang Road, Shekou Gang Wan Da Dao, Nanshan District, Shenzhen	
CQS Foods Company Ltd. 珠海长青树食品有限公司	A local famous manufacture which is located in Zhuhai city and specialized in producing olive oil, groundnuts oil and sunflower oil. The trademark "CQS" belongs to this company.	5F, Wealth Business Incubator, No.417, Shishan Road, Zhuhai, China 珠海香洲狮山路417号伟尔奇5楼	

**G U A N G Z H O U**

**III) Federations, trade magazines**

<b>Company name</b>	<b>Description</b>	<b>Address</b>	<b>Contact Person</b>
Guangdong Food Industry Associations 广东省粮食行业协会	Established in 2003	Rm.1404, Jinhe Building, No.183, Xiao Bei Road, Guangzhou 广州市小北路183号金和大厦1404	刘益宏 副会长 Mr. Liu Yihong Vice-Chairman

## 2. Personal Interviews: Selection of Interview Partners

BEIJIN			
I) Food Import & Export Companies/Food Dealers			
Company name	Description	Address	Contact Person
北京古船油脂有限责任公司 Beijing Guchuan Edible Oil Co.,Ltd		北京市丰台区南苑槐房南里300号 No.300,Nanyuanhuaifangxi Road, Fengtai District, Beijing, China	徐先生 Mr.Xu
北京品利食品有限公司 Beijing PinLi Food Co.,Ltd		北京市朝阳区曙光西里甲6号 时间国际1-1909室 Rm1909 No6, Time Inter', Shuguangxili, Chaoyang District, Beijing, China	赵女士 Ms.Zhao
北京华源生命科贸发展有限公司 Beijing Huayuan Life Tech-Trading Development Co., Ltd		北京市朝阳区东三环北路辛2号 迪阳大厦17层 Add: 17F. Diyang Tower H2 Dongsanhuan North Road Beijing China	邓艳艳 市场部 Ms.Deng Yanyan (Marketing Division)
北京世纪康鑫商贸有限责任公司 Beijing Shiji Xinkang Trade Co., Ltd		北京市海淀区紫竹院路116号 嘉豪国际商务中心A座111室 Room 111, No.116 Building A Jiahao Inter' Business Center Zizhuyuan Road, Haidian District,Beijing, China	王女士 市场部 Ms.Wang((Marketing Division)
北京元和恒泰贸易有限公司 Yuanhe Hengtai Trade Co.,Ltd	Started business in 2001, YUANHE HENGTAI being both importer and wholesaler for the foreign foodstuffs in China, which has more experiences & abilities to serve & satisfy customer's requests.	北京市北苑村6号 No. 6, Beiyuancun, Chaoyang District, Beijing 100012, CHINA	杜小姐 市场部 Ms.Du (Marketing Division)

北京生力食品经销公司 Beijing Shengli Food Co.,Ltd	Beijing Shingli-Just food trade Co. Ltd. is a famous enterprise of trade in this line, for many years, we are devoted to various high-quality import and domestic food market development and popularization.	Rm,104,Building 3, Renji Villa, Zizhuyuan Road, Haidian District, Beijing, China	张女士 Ms.Zhang Marketing Division(Beijing)
北京金东方商贸有限公司 Beijing JinDongFang Trade Co.,Ltd	Beijing JinDongFang Trade Co., Ltd is a private international trading company, major in international food imports and sales.	中国北京市海淀区 北京市海淀区北沙沟 108 号 No.108,Beishagou,Haidian District, Beijing, China	王献伟先生 Wang Xianwei GM

BEIJIN			
II) Purchaser from Supermarkets / Restaurants / Catering			
Company name	Description	Address	Contact Person
劲松洋华堂 ITO YOKADO	Japanese Supermarket	朝阳区劲松南路 1 号 No.1,Jinsongnan Road, Chaoyang District, Beijing	Liu Jun Purchase Manager
超市发 Chaoshifa Supermarket		北京海淀区双榆树东里 15 号 No.15 Shuangyushu Dongli,Haidian District, Beijing, China	Zhou Jie/Yangbo Purchase Manager
Bleu Marine (French Restaurants)	French Restaurant	北京市朝阳区光华西里 5 号 No.5,Guanghuaxili,Chaoyang District, Beijing China	Mr.Jia Haijie F&B Manager 贾海杰 餐饮部经理
雅典娜希腊餐厅	Grecian Restaurant	北京朝阳区三里屯西五街 1 号 No.1 Siwu	常丽女士



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Athena		Street, Sanlitun, Chaoyang District, Beijing, China	餐饮部总经理 Ms.Changli F&B Manager
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意大利威尼斯餐厅 Italian Venice Restaurants	Italian Restaurants	朝阳区亮马桥路 50 号凯宾斯基 饭店 No. 50 Beijing Kempinski Hotel,Liangma Road, Chaoyang District Beijing China	Friedwajner Gjgerhard
北京兰特伯爵 Der Landgraf--Beijing	German Restaurants	北京丰台区方庄蒲方路家乐福 对面 Pufang Road, Fangzhuang, Fengtai District, Beijing, China	Mr.Guan Feng F&B Manager 关峰 餐饮部经理
Peninsula Beijing	Having opened in 1989, The Peninsula Beijing has an imposing, traditional Chinese architectural-style exterior, integrated with the ultimate in luxurious, modern hotel amenities and facilities	北京王府井金鱼胡同 8 号 No.8,Goldfish Lane, Wangfujing,Beijing, China	Patrick Bahrens
Beijing Swissôtel	Swissôtel Hotels & Resorts is a distinctive group of deluxe hotels for today's discerning modern business and leisure travellers, combining the renowned Swiss touch with a fresh, modern and contemporary design.	中国北京朝阳门北大街 2 号 No.2,Chaoyangmenbeijie, Beijing, China	Gianmaria Azzoni
Beijing Shangri-la Hotel	Shangri-La Hotels and Resorts began in 1971 with our first deluxe hotel in Singapore. Our name, Shangri-La, was inspired by James Hilton's legendary novel Lost Horizon. A tranquil haven in the mountains of Tibet, Shangri-La cast a spell on all who resided there.	中国北京紫竹院路 29 号 No.29,Zizhuyuan Road, Beijing, China	Cedric Befler
Beijing Hotel	Since its opening in 1900, the Beijing Hotel played host to numerous political and corporate events and welcomed heads of states, industry leaders, academics	中国北京东城区东长安街 33 号 No.33,Dongchangan Street, Dongcheng District, Beijing, China	Tian Zhenwen

	and travelers from all walks of life.		
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Beijing International Hotel	Open in 1987, Beijing International Hotel(BIH) is a 5-star hotel located on Chang'an Street, the central area of foreign affairs and business, forming one of the most potential business area of Beijing with COFCO Plaza, Herderson Center and Bright China Chang'an Mansion. Only 28 kilometer from the airport, and also very close to the Forbidden city (the Imperial Palace).	中国北京建国门内大街 9 号 No9, Jianguomen Street, Beijing, China	Tan Jie
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SHANGHAI			
I) Food Import & Export Companies/Food Dealers			
Company name	Description	Address	Contact Person
上海飞极商贸有限公司 FeiJi Business Trade Co., Ltd.	Importer for Spanish olive oil	上海徐汇区康健路 58 弄 6 号 802 室 Rm.802, No.6, Lane.58, KangJian Rd., Xuhui District, Shanghai	蔡韵 市场部经 理 Ms. Cai Yun, Manager of Maketing Dept.
上海鑫赢进出口有限公司 Shanghai XinYing Import&Export Co., Ltd.	Importer for Australian olive oil	上海市黄浦区浙江中路 400 号 704 室 Rm.704, No.400, Zhejiang Zhong Rd., Huangpu District, Shanghai	景瑾 ,进出口部 经理 Ms. Jing Jin, Manager of Import Dept.
上海零立贸易有限公司 Shanghai Linli Trading Co., Ltd.	Importer for Spanish olive oil (Valencian Region)	上海浦东锦绣路 3088 弄 72 号 101 室 Rm.101, No.72, Lane.3088, JinXiu Rd. Pudong district, Shanghai	张瑞英 经理 Ms. Zhang Ruiying, Manager
上海津丰食品有限公司 Shanghai King Food's Condiment Co., Ltd	Importer for La Espanola extra virgin olive oil	上海中华路 185 号 185 Zhonghua Rd., 200010 Shanghai, China	王萍 , 经理 Mr. Wang Ping, Manager

上海魁春实业有限公司 Shanghai KuiChun Industrial Co., Ltd.	Importer for 'YBARRA', 'Carbonell', 'Mueloliva' olive oil from Spain 'YBARRA' sliced black olives from Spain 'Eureka' sliced black olives from Spain	上海叶家宅路 100 号 318 室 Rm.318, No.100, YeJiaZhai Rd., Shanghai	吴白根, 经理 Mr. BaiGeng WU, Manager
上海三昶发展有限公司 Shanghai Goodwell Trading Co., Ltd.	Importer for 'MONINI' olive oil from Italy	上海徐汇区凯旋路 3131 号明申中心大厦 20 层 2003 室	刘昱漫, 市场推广经理 Lucy, Ms. Liu, Manager of Marketing Dept.
西诺迪斯食品上海有限公司 Sinodis Food (Shanghai) Co., Ltd.	Importer for 'CARAPELLI' olive oil from Italy	上海金钟路 658 号 4 号楼 1, 2 层 Floor 1/2, Building 4, No.658, JinZhong Rd., Shanghai	Mr. Duccio Business Develop Manager
上海派睿盛国际贸易有限公司 Shanghai PaiRuiSheng Trading Co., Ltd.	Importer for 'Taris' olive oil from Turkey	上海杨高南路 1288 弄 7114 室 Rm.7114, No.1288, YangGao Nan Rd., Shanghai	张杰, 经理 Mr. Zhang Jie, Manager
上海嘉里粮油工业有限公司 Shanghai Kerry Oils&Grains Industrial Co., Ltd.	Importer for 'Olivoila' olive oil from Italy	上海浦东新区东塘路 168 号 168, DongTang Rd., Pudong District, Shanghai	韩夏, 经理 Ms, Han Xia, Manager
上海紫元国际贸易有限公司 Shanghai ZiYuan Trading Co., Ltd.	Importer for 'OLEAURUM' olive oil from Spain	上海市西藏南路 760 号 2106 室 Rm.2106, No.760, XiZang Nan Rd., Shanghai	陆佳 市场部经理 Mr. Lu Jia, Manager of

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			Marketing Dept.
上海莫利食品有限公司 Shanghai MoLi Food Co., Ltd.	Importer for 'MOLI' olive oil from Italy	上海市莲花路 1255 号东 A14 号 A14 Building, 1255, LianHua Rd., Shanghai	陈榕, 经理 Mr. Chen Rong, Manager
上海帝志贸易有限公司 Shanghai DiZhi Trading Co., Ltd.	Importer for 'Aodi' Green Olives from Spain Olive oils from Italy	上海市中华路 185 号 A 幢 501 室 Rm.501, UnitA, No.185, ZhongHua Rd., Shanghai	方丹虹 进口部 Ms. Fang Danhong, Import Dept.

上海古美达贸易有限公司 Gourmedis (China) Trading Co., Ltd	Importer for 'Nature Verde' black olives from Italy 'Rioba' Green olives from Italy	上海普陀区真北路 1263 号新长 征商务大楼 10 层  10F , New Long March Plaza,  No. 1263, Zhenbei Road,  200333 Shanghai, China	Ms. Jocelyne  Alix  Head of Sales
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SHANGHAI			
II) Purchaser from Supermarkets / Restaurants / Catering			
Company name	Description	Address	Contact Person
上海巴黎春天大酒店 New World Mayfair Hotel	5 stars hotel	上海市长宁区定西路 1555 号  No.1555,Ding Xi Rd.,  Changning District, Shanghai	赵晓青 采购主 任  Mr. Edison  Zhao,  Purchasing  Officer
马龙美式酒吧 Malone's American Café / Bar	A famous American style bar/restaurant in Shanghai, there's 3 branches in shanghai city	上海市铜仁路 255 号  No.255, TongRen Rd.,  Shanghai	晏庆 ,采购经理  Mr. Johnny  Yan,  Purchasing  Manager
上海扬子江万丽酒店 Renaissance Yangtze Shanghai Hotel	5 stars hotel	上海市延安西路 2099 号  No.2099, YanAn Xi Rd.,  Shanghai	许纓 , 采购经 理  Mr. Xu Yin,

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			Purchasing, Manger
大马克意大利餐厅 Da Marco	A famous Italian style restaurant which has two branches in Shanghai city	上海徐汇区虹桥路 1 号港汇广场 165A  Unit.165A, GuangHui Plaza,  No.1, Hongqiao Rd., Xuhui  District Shanghai	Mr. Ley, Purchasing Manager
希腊餐厅 Greek Taverna	A greek style restaurant which has three branches in Shanghai city	上海闵行区虹梅路 3911 号 1 幢 别墅  1 Building, No.3911, HongMei  Rd., Shanghai	Mr. Grigory, Purchasing Manager



<b>GUANGZHOU</b>			
<b>I) Food Import &amp; Export Companies/Food Dealers</b>			
<b>Company name</b>	<b>Description</b>	<b>Address</b>	<b>Contact Person</b>
Guangzhou Youlip Trading Co.,Ltd. 广州优力普贸易有限公司	Importer / Food dealer for Grecian olive oil	International Bank Tower, Dong Feng Xi Road, Guangzhou 广州市东风西路国际银行中心	周小姐 Miss Zhou Mobile: 13112292402
Guangzhou Zongsheng Cases Trading Co.,Ltd. 广州市宗圣贸易有限公司	Importer / Food dealer for food additives, household chemicals, bio-pharmaceutical raw materials, fine chemicals, intensive spices, and food coloring.	Guangzhou Zhongshan Road 38 Kaetsu Housing Building 1643 广州市中山大道中 38 号加悦大厦 1643 房	罗刚经理 Mr Luo Gang mobile: 13352827373
Futurza 广州富爵贸易有限公司	Importer / Food dealer for Spanish olive oil (ACEITES DEL SUR)	广州市黄埔大道西 76 号富力盈隆广场 2009 室	
Guangzhou Junle Trading Co.,Ltd. 广州市君乐商贸有限公司	Importer / Food dealer for Spanish and Grecian olive oil	广州市华景北路 261 号,昌岗东路 264 号之 31	
Guangzhou Xizhong Trading Co.,Ltd. 广州喜众贸易有限公司	Importer / Food dealer for Spanish olive oil	Rm.7A, No.128, Shuiyin Road, Guangzhou 广州市水荫路 128 号之一 7A	杜小姐 Miss Du Tel. 020-37391880
Guangdong Boying Co.,Ltd. 广东博盈贸易有限公司	Importer / Food dealer for Grecian olive oil	Rm.1006, No.461, Sun Plaza Yangguang Ge, Tian Run Road, Tianhe District, Guangzhou 广州市天河区天润路 461 号太阳广场阳光阁 1006 室	
珠峰贸易(广州)分公司 Zhufeng Trading (Guangzhou) Co.,Ltd.	Importer / Food dealer for Spanish olive oil	Rm.A12-20, Xiamao Shengshi Exhibition Center, Baiyun District, Guangzhou 广州市白云区夏茅世盛展览中心 A12-20	朱雷先生 Mr. Zhu Lei Tel. 13710919695

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<p>Guangzhou Junxing International Trading Co.,Ltd. 广州市俊星国际贸易有限 公司</p>	<p>Importer / Food dealer</p>	<p>9F, Yinhua Building, No.1-3, Xin Gang Xi Road, Haizhu District, Guangzhou 海珠区新港西路 1-3 号银华大厦 9 楼</p>	<p>陈振兴 先生 Mr. Chen Zhenxing Mobile: 13560226505</p>
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G U A N G Z H O U			
II) Purchaser from Supermarkets / Restaurants / Catering			
Company name	Description	Address	Contact Person
Asia International Hotel 亚洲国际大酒店	5 stars hotel	No.326, Huan Shi Dong Road, Guangzhou 广东省广州市环市东路 326 号	郭经理 Mr. Guo
Nanguo Supermarket 南国超市	A famous supermarket which is located in high class residential zone of Guangzhou city.		许经理 Mr. Xu
Milano 迷恋意大利餐厅	An Italian style restaurant which is located in the Guangzhou city centre.	1F, World Trade Center East Plaza, No.371-375, Huan Shi Dong Road, Guangzhou 广州市越秀区环市东路 371-375 号世贸大厦东广场 1 楼	
Normandy 诺曼底西餐厅	An Italian style restaurant which is located in the high class residential zone of Guangzhou city.	Hua Cheng Da Dao, Zhu Jiang New City, Tianhe District, Guangzhou 广州市天河区珠江新城花城大道(珠江公园南门)	
Buongiorno	An Italian style restaurant which is located in the Guangzhou city centre.	Rm.304-310, 3F, Yian Plaza, Jian She Liu Ma Road, Yuexiu District, Guangzhou 广州市越秀区建设六马路宜安广场 3 楼 304-310 号	

In addition to primary research information achieved through interviews several store checks in Beijing are being carried out as well.

### 3. Store Checks (Beijin)

- Carrefour(家乐福)
- Lotus (易初莲花)

- WFJ YOKADO (王府井洋华堂)
- Marrymart (美廉美)