

Ouzo's future is overseas

OUZO, one of the icons of the Greek food and beverage market, has seen its market in Greece shrink in recent years, partly due to lifestyle changes. However, this year, the market looks set to dive by another 30 percent as the result of punitive tax measures, the general secretary of the Federation of Greek Distillates and Spirits (SEAOP), Haris Mavrakis, told the *Athens News*.

"The government's tax increases have impacted the whole of the alcoholic drinks market," he said. "We anticipate a 25 percent drop in the whole of the alcoholic beverages sector by the end of the year. However, preliminary figures indicate that ouzo sales will be harder hit - with a fall of 30 percent - by the end of 2010," he said.

VAT hikes and shrinking wages and pensions have resulted in Greeks cutting back on alcohol consumption, according to analysts.

Companies are also experiencing cash flow problems, Mavrakis added. Profit taxes imposed as part of Greek austerity measures stand at 40 percent, while the annual so-called one-off tax of 10 percent on profits has already taken its toll.

Whilst higher taxes must be paid to the state within 30 days, cheques from distributors can take up to six months to clear. Banks are not well placed to offer bridging loans, given the general lack of liquidity in Greece, which could force some players to close, SEAOP said.

Exports growing

On the other hand, the survival of the industry depends upon exports. Whilst the home market is shrinking, exports are growing, said Mavrakis.

"Germany, Belgium, Holland, the Middle East and the US are all expanding markets for ouzo. Exports have grown 100 percent annually since 2003. The product, with its unique flavour and aroma, is a pure, high-quality drink that is increasingly popular in those markets."

Ouzo sales represent 68 percent of Greek drinks exported, with the main



destination being Germany, which has doubled imports of Greek ouzo in the last six years.

"In total we export over 15 million litres abroad, whilst Greek consumers account for just 12m litres. Over the last 15 years, domestic ouzo consumption has shrunk 10 percent amid changing lifestyles," Mavrakis noted.

Jobs could be on the line if the loss at home cannot be compensated by further export growth, he added.

Some 2,000 people are directly employed in the sector, and another 100,000 employees indirectly involved in the ouzo business - such as in transport and the production of raw materials.

Asked what producers plan to do in terms of expanding exports to offset losses at home, Mavrakis said that SEAOP has applied to the agriculture ministry for support in holding a promotion programme in major cities of the US. "This market has huge growth potential - but we are still waiting to see if we will get the green light so that we can run the campaign this year," he said.

Strong tradition

OUZO is considered the national drink of Greece and belongs in the category of liqueurs. It also falls under the anis group, namely the alcohol drinks with the aroma of aniseed. The basic

difference between ouzo and other drinks with the aniseed aroma is the traditional distillation process.

The drink's production in Greece began in the mid-19th century and it became very popular after Greek independence. The richness of regional raw materials, such as the great variety of grapes, local spring waters and aromatic plants including fennel, cinnamon, nutmeg, as well as mastic from Chios, has contributed to the high quality of the product.

The Greek cities of Tirnavos and Kalamata are reported as ancient points of production, but at the end of the 19th century ouzo production concentrated on the island of Lesbos, where over 30 percent of the liqueur is still made - making the island heavily dependent upon the industry.

According to European Union regulations (1576/1989), a product is named 'ouzo' when it comprises at least 20 percent distillation product and the rest is flavoured alcohol. In 1989 the brand 'ouzo' was guaranteed as Greek and the exclusive of production was recognised as belonging to Greece.

Among the leading brands of the distinctive tippie are Ouzo Plomari, produced by Ouzo of Plomari Isidoros Arvanitis; Ouzo Mini, a subsidiary of France's Ricard; and Ouzo 12, owned by Amvyx.

ATHENS NEWS

IMF expert says Greek reforms on right track

The head of the International Monetary Fund's mission to Greece said he expects the economy to shrink 4 per cent this year, but that growth will resume in 2012.

"In three years' time... the climate for investment will be greatly improved and public finances will have a much stronger foundation.

As a result, the economy will start growing again, creating jobs and raising incomes," Poul Thomsen, deputy director and mission chief at the IMF's European Department, said in an interview to newspaper *To Vima*.

Thomsen said the government's austerity program is on the right track.

"We already have positive developments: the deficit is shrinking, public finances are better managed, the banking system is stable and vital structural reforms are under way," he is quoted as saying.

This week, the Greek government will introduce a vital piece of legislation reforming the country's pension system. Unions have reacted furiously to provisions increasing the retirement age and cutting back on pensions. A general strike has been called for on Tuesday.

Thomsen denies that the reform measures are unfair.

"Costs in the Greek economy are very high and average wages in the public sector are higher than in the private sector, a very unusual situation compared to other countries.

Moreover, given that two-thirds of the budget are spent on salaries and pensions, the country doesn't have many choices," he said.

AP

Eye patients may go blind

Thirteen people who suffered eye infections after undergoing cataract surgery are in danger of losing some of their vision or going blind, doctors said yesterday.

The 13 originally underwent surgery at a private clinic in Serres, northern Greece, on June 22 and 23 but complained of complications soon afterward. They were diagnosed as having contracted endophthalmitis, an inflammation of the internal tissues of the eye. All the patients were taken to the AHEPA Hospital in Thessaloniki where they were operated on for a second time.

"The patients underwent a second operation in an effort to combat the bacteria but all of them will suffer some loss of vision to a lesser or greater degree," the hospital's deputy director, Katerina Karatasou, told *Kathimerini*, adding that five of the 13 are in serious condition.

The Health Ministry has ordered the clinic to stop all surgery pending the completion of an investigation into how the patients were infected.

KATHIMERINI

Name game continues after pizza victory

The owner of the giant GPO food venue, Peter Petroulas, was furious with the operators of a new pizza joint at Gordon (Short Black, April 27) when they called it GPO Pizza Cafe.

After much huffing and puffing, Petroulas has got his way: GPO Pizza has been re-minted as Gordon Pizza Bar.

It doesn't end there for Petroulas, who is progressing with legal action against two interstate restaurants over their use of the name "Prime" (the name of his GPO steakhouse).

"We don't mind the proliferation of steak restaurants that has been occurring over recent years - however, it would be nice if some of them showed some creativity," he says.

Petroulas has found time between legal meetings to focus on GPO's food, rejigging the old GPO Table area to focus on Mediterranean-style grilled items with plenty of Greek dishes.

SMH (22/6/2010)



Legal action... Peter Petroulas wants more creativity in restaurant names (Photo: Angela Brkic)