

Eastern Expansion

THE 30TH CONGRESS OF AIBI, HELD IN BRUGES AT THE BEGINNING OF JUNE INCLUDED THE ADMISSION OF RUSSIA TO THE FEDERATION

+ The International Federation of Plant Bakeries (AIBI) is positioning itself, on the one hand, as an organization representing the interests of large European bakery companies on an international level and on the other hand as a platform for international sharing of industry-related information. One of the more remarkable events of this information sharing process are the AIBI Congresses which are held every two years and are traditionally opened by the active Vice President of the Federation. Guido Vanherpe and the Belgian Union chose Bruges, in Belgium to hold the Congress, where over 100 member companies took part represented by their top managers, owners and chairmen of the board.

This year, the Congress's information program included reports on raw material markets, consumer behavior, target market trends in Western and Eastern Europe, as well as new engineering developments, important to the industry over a medium-term period. The Congress program also provided a meeting for AIBI members in which the issue of the re-election of the Chairman was considered. Migel Liado, the Chief Executive Officer of Bimbo Group (Spain), left the

presidency on the grounds of termination of his appointment. Guido Vanherpe, the owner of la Lorraine Group was elected as his successor. Omer Bilgiseven, from Turkey, was approved as his deputy, and Georg Heberer from the German company with the same name was elected as a new Council member.

The Congress took a resolution to admit the Russian Bakers' Union as the 17th member of AIBI. Russia was represented in Bruges by Anatoliy Kosovan, who made a presentation of the Russian bakery industry. He reported that there are 1,250 bakery plants and several thousand small and mini companies in Russia employing 280,000 people. The share of bakery plants' is 80% of the consumed bread, which constitutes 75 kg per person per year.

Helmut Martell, the General Secretary, informed the Congress on innovations introduced by Brussels regarding nutritional labeling requirements, influence of end products on human health, as well as additives like enzymes and flavors. Representatives of member Unions presented their comments on situations in their own countries. +++

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Current facts and figures

BELGIUM

- Plant Bakeries +/- 100
- Craft Bakeries +/- 3800
- Bread consumption per capita +/- 59 kg p.a., decreasing
- Market share of supermarkets +/- 45% increasing
- Rapid development of outlets such as petrol stations etc.
- Growing consumer interest in new specialty breads, out-of-home-consumption

BULGARIA

- Per capita consumption 97 kg p.a.
- Plant Bakeries 34, market share 65%
- Craft Bakeries 1,980
- Very small craft bakeries +/- 2000
- Increasing demand for rye bread
- Increasing demand for frozen raw and pre-baked bread articles of small weight
- Increasing market share of the supermarkets

DENMARK

- Bread consumption per capita 70 kg p.a.
- Plant bakeries 6
- Craft Bakeries 1000
- Market share for plant bakeries:
- Fresh and frozen pre-packed: 50%
- Fresh, frozen and bake-off: 73%
- Increasing prices due to increasing prices of ingredients
- Rye bread is the most important kind of bread
- Slightly increasing consumption of white bread
- Increasing demand for healthy, convenience and ecological products

FINLAND

- Bread consumption per capita 51 kg p.a.
- Plant bakeries: 2 big groups and 20 medium-sized bakeries, market share 80%
- Craft bakeries: ca. 780 bakeries, Market share 16%
- Most important breads:
- Dark bread: rye portion bread, loaves
- White bread: mixed wheat loaves, buns and toast
- Consumer trends: healthy, tasty, "easy to use"
- Strong price pressure from trade to bakeries

FRANCE

- Bread consumption per capita 58 kg p.a.
- Market shares:
- Artisan 65.5%
- Industry 25.4%
- Hypermarches 9%
- Service public: 0.1%
- 70% of the bread market is baguettes of 200 or 250 gram
- 41% of the Viennoiserie market is croissants
- 24% of the Viennoiserie market is pain chocolat

GERMANY

- Bread consumption per capita 80 kg p.a.
- Market shares:
- 40 companies with 90 plants (line production) 40%
- 200 company plants (batch production) 40%
- 14,000 small craft bakeries 20%
- Problems with the new EC rest periods for drivers
- Growing bake-off-sector in supermarkets
- 800 self-service bakeries at lower prices

GREECE

- 25 plant bakeries – market share 5%
- 8,000 craft bakeries – market share 95%
- Most popular bread: Greek loaf 350 gram “peasants bread”, mixed flour type 700 and durum wheat flour
- Increasing demand for specialty breads
- Increasing raw material prices
- New legislation applying restrictions to the sale and distribution of plant bakeries’ products

ITALY

- Bread consumption per capita 55 kg p.a.
- 150 plant bakeries, market share 25%
- 25,000 craft bakeries, market share 63%
- 1000 in-store bakeries, market share 12%
- Type of bread: Michetta/Rosetta 50 g, Ciabatta 250 g, Pugliese/Toscana 500 – 1000 gram
- Bread consumption is stable
- Trend towards bread with various ingredients and special breads
- Traditional bread is decreasing in favor of pan bauletto/ pancarré
- Consumption of crackers, sticks etc. is decreasing

NETHERLANDS

- Bread consumption per capita 61.5 kg p.a.
- 58 plant bakeries, market share 80%
- Craft bakeries 2,400, market share 20%
- Trends:
- More individual consumption
- Growing out of home sector
- Concern about obesity/health
- Lower bread consumption of youngsters
- Pressure on low-salt food
- No room for price increases within the industry

SPAIN

- Bread consumption per capita 55 kg p.a.
- Volume of the bread market: sales have increased by 9.8% from 2005 to 2006
- Value of the market has increased by 12.5% from 2005 to 2006
- Market share for frozen dough is 16% of total bread consumption
- Trends:
- Decrease in retail, particularly artisan bakeries
- Increasing share of supermarkets
- Increasing share of commercial catering
- Implication of strong discount in fresh bakery
- Rapid development of retail outlets such as petrol-stations, c-stores etc.
- Increasing prices in raw materials, energy, transport and wages

TURKEY

- Bread consumption per capita 168 kg p.a.
- 70 plant bakeries, market share 2%
- 20,000 craft bakeries, market share 98%
- Artisan/unpacked bread dominates sales of baked goods
- White bread is dominant, while whole meal bread sales are growing
- Fortified bread is a new concept, but growing

UNITED KINGDOM

- Bread consumption per capita 27.09 kg p.a.
- 44 plant bakeries, market share 80%
- Consumer trends: premium and health orientated
- Retail trend: reduction in own label brands, but increase in premium own label brands
- Important points of interest: prescribed quantities, salt reduction, mandatory fortification with folic acid +++

Members of the Association Internationale de la Boulangerie Industrielle (AIBI) are the Associations of Industrial Bakeries of the following countries:

 Austria	 Italy
 Belgium	 Netherlands
 Bulgaria	 Norway
 Czech Republic	 Russia
 Denmark	 Slovenia
 Finland	 Spain
 France	 Turkey
 Germany	 United Kingdom
 Greece	