

Structural changes, but stable market shares

THE GERMAN FEDERATION OF BAKERS HAS ISSUED ITS STATEMENT ON THE MARKET SITUATION AT THE ANNUAL PRESS CONFERENCE IN BERLIN, IN LINE WITH THE VAT STATISTICS FROM THE GERMAN FEDERAL STATISTICS OFFICE

++ table 1: Structural data for the German artisan baking industry

year	companies	employees	total sales (in billion EUR without VAT)	average number of employees (per company)	average sales (per company in 1,000 EUR)
2005	16,741	274,000	11.89	16.4	710
2006	16,280	275,700	11.88	16.9	730
2007	15,781	283,900	12.34	18.0	782
2008	15,337	287,800	12.88	18.8	840
2009	14,993	292,500	12.87	19.5	858
2010	14,594	293,300	12.93	20.1	886
2011	14,170	292,400	13.35	20.6	942
2012	13,666	290,000	13.14	21.2	962

Situation on 31st December in each case (Register of Artisans)

source: Zentralverband des Deutschen Bäckerhandwerks

+ Federation President Peter Becker did not join in the currently prevailing funeral march for the German artisan baking industry. Instead, on the basis of the Federation's own figures, he demonstrated that it is much more a case of a structural change in which, although some businesses do become victims, the artisans' shares of the total market do not. The casualties have been mainly in the group of companies with an annual turnover of up to EUR 500,000, and although these still represent 70% of businesses, their combined market share is only 11.6%. Becker identified the lack of economic attractiveness of the businesses to successors as an important reason for the slimming down.

According to the President, structural changes are also apparent in the product range. He said that today 60–65% of the bread business is in the hands of the industry. However, according to his estimate the artisan companies have been able to use out-of-home business to a large extent to make up for this loss. According to Becker, the newly arrived competition from bake-off stations in the retail, and especially among discounters, is "impacting on us". He said it will lead to a reduction in the number of branch locations, especially since it comes in parallel with marked changes in the structures of households, e.g. more single households, rising out-of-home consumption etc.

Becker said the fact that they meet consumers' needs for proximity, native country and regionality was an advantage for the artisans. On the other hand he said the development of costs, both of materials and in energy use, caused problems for artisans. Based on an actual firm with approx. 200 employees and an annual electricity consumption of 1.3m kWh, he showed that the total additional costs burden in the energy area (EEC Levy, Offshore Liability Surcharge, Combined Heat and Power Surcharge, Electricity Grid Charge) had increased enormously between 2003 and 2013.

Furthermore, Federation Managing Director Amin Werner had three new topics to offer in connection with public relations work for the artisan bakery trade. The application for recognition as an Intangible World Cultural Heritage is currently being prepared at www.brotregister.de. It is expected that the official application will be submitted end of November 2013. In addition, the results of the quality tests by the guilds will be listed at www.brot-test.de (the businesses that have performed well in the past three years) and will be linked to Google Maps so consumers can use Smartphones to find them. However, the bakers must add the locations of their branches themselves. Finally, a "German Bread Day", at which prominent bread ambassadors were also presented, was held for the first time on 12th June 2013. +++