

India, a market with great growth potential for olive oil

India has a growth projection in consumption of olive oil in the coming years due to lack of local production that can't supply the demand as the growing middle class is increasingly concerned about a healthy diet, starting to introduce this product in the kitchen.

This follows from the report "The olive oil market in India" by Javier Oliván, under the supervision of the Economic and Commercial Office of the Embassy of Spain in New Delhi.

According to this study, in recent years, the size of the olive oil market in India has grown from 1,700 tons sold in 2008 to 6,500 tons in 2013 and expects this trend to continue and keep rising an average of 25% in the next five years.

Specifically, the increase in imports is attributed to a "strong" increasing consumption of olive oil in major Indian cities. This way, the North is considered a key market, being the area of greatest consumption of this product, followed by the South, where Hyderabad is the main consumer.

Regarding the perception of the Indian consumer on Spanish olive oil, the study shows that it is positive in relation to Italy, its main competitor, due to the major competitiveness in price and quality, while "Italian oil still leads the fame".

However, according to the Indian Olive Oil Association, the Indian population assimilated Italy with olive oil, but thanks to the promotional efforts of the Spanish government this idea has changed and today the majority of the population relates this product with Spain, being aware that it is the main producer. ICEX also highlights the campaigns launched in the country by Spanish firms, national and regional governments, and associations and organizations such as the Spanish Olive Oil Interprofessional.

According to this report, the production of olive oil in India is very limited and recent and consumption is covered almost entirely by imports mainly from Spain and Italy. Given the growth of this sector and its potential, the country undertook experimental crops in the area of Rajasthan in November 2006 and during the last year the first results were observed.

Indeed the results on farms in Rajasthan are "encouraging" and the Indian government is promoting the cultivation of olive trees also in other areas in the state of Punjab, which, in the opinion of ICEX, "could be a good business opportunity for Spanish companies to establish through joint ventures in the country and sell their know-how to local companies".

"India is now entering an actual production of olive oil and now is the best time to invest in plantations, especially for new brands who want to gain prominence", says the study, which concludes that the challenge presented in this market is to achieve a widespread use of olive oil in the kitchen making it a consumption habit.

Source: <http://en.mercacei.com/noticia/910/News/India-a-market-with-great-growth-potential-for-olive-oil.html/>
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