

Positive Trend in the Olive Oil Market in Paraguay

The growth trend of Paraguayan olive oil imports is positive with an increase rate in value of 41% between 2012 and 2016 (from US \$ 1.5 million to US \$ 2.2 million) and in volume of 21% (from 359,000 liters to 436,000 liters), according to the last study of ICEX España Exportación e Inversiones.

This report highlights that, since there is no local production or registered exports, the market for olive oil in Paraguay is measured by imports, although the University of Bari (Italy) and the National Forest Institute (INFONA) are developing a project that would enable the production of olive oil in the long term, starting in 2024.

According to the data collected in this report, although Spain maintains the leadership in total imports of olive oil, it has lost 10% of the total quota, to concentrate 40% of the market in terms of value; while Argentina, in second place, with a share of 30% on the total imported has managed in recent years to approach the Spanish figures, due to the reduced price of Argentinian oils.

In terms of total imports of olive oil, Spain and Argentina account for 70% of the total market share, followed by Italy (8%), Chile (6%) and Brazil (3%).

The report points out that, according to the distributors of the sector consulted, the decisive factors of purchase of this product are, first, the quality, and after the price, which explains that Spain continues being leader. However, there is a greater growth in Argentinian oils, with a lower price, due to lower logistical costs and tariffs incurred by holding Mercosur.

ICEX points out that the change in the consumption trend towards cheaper olive oils is due to the sociological change experienced in Paraguay in recent years: the rise of the middle class. Traditionally, the best-selling olive oils were the Premium ones, as a result of the high purchasing power of consumers and demand for high-end products. In contrast, at present, given the purchasing power of the emerging middle class, the cheapest olive oils are gaining market share.

Finally, experts point out that the increase in the middle or upper-middle class, healthy consumption habits and the opening of new Horeca establishments, is leading to an increase in the total demand for olive oil. Despite the market, it could be resented by the imminent increase of the prices of olive oil at world-wide level..

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