

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Food Service - Hotel Restaurant Institutional 2022

**Country:** Honduras

**Post:** Tegucigalpa

**Report Category:** Food Service - Hotel Restaurant Institutional

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**Report Highlights:**

This report gives an overview of the food service – hotel, restaurant, and institutional sectors in Honduras and outlines current market trends, including best product prospects. In general, Hondurans like to dine out, both for convenience (mainly people working outside of the home) and on the weekends with family. When choosing a restaurant, Honduran families increasingly turn to international and local fast-food franchises. Honduras registered significant growth in the volume of inbound overnight tourism in 2021, totaling nearly 460 thousand arrivals.

## MARKET FACT SHEET: HONDURAS

The gross domestic product of Honduras in 2021 has grown by 12.5 percent compared to 2020. This shows strong recovery from the rate of -9 percent in 2020 the 2021 Honduran economic growth was led by an all-time high remittance (funds sent from abroad), of US\$ 7.37 billion, accounting for more than 20 percent of GDP. These remittances supported increased private consumption and robust external demand. Despite slight inflation seen in many sectors, the resilience of the market is reflected in the forecasted growth rates that the IMF and the World Bank (WB) see for Honduras, which are 3.9 percent for 2022 and 3.6 percent for 2023.

## EXECUTIVE SUMMARY

Honduras imported consumer goods worth US\$1.51 billion from all over the world in 2021. The value of Honduras' imports from the United States was close to \$475 million. Consumer-oriented product exports from the United States to Honduras climbed by 19.6% in 2021 over the previous year (YOY), maintaining a 31% market share. The country ranks twenty sixth as an export destination for consumer-oriented products from the United States.

Hotels and Restaurants present an interannual growth of 45.8% for 2021, spurred by widespread vaccinations against Covid-19 that helped the tourism industry recover; however, this sector still has not seen occupancy levels observed prior to the pandemic. Hotels register more influx of visitors, given the investments in biosafety protocols generating trust for visitors, to which more tour packages are added. Restaurants report an increase, in part due to the use of delivery services and delivery apps, a modality that has seen a significant boom since mid-2020.

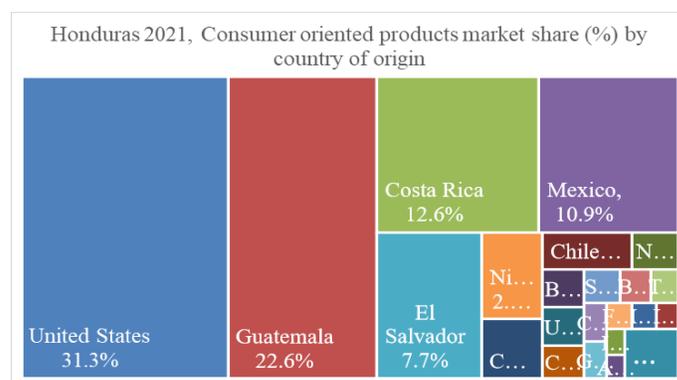
## FOOD SERVICE INDUSTRY

The top three food retailers in Honduras are Walmart, Supermercados La Colonia, and

PriceSmart with a market share of 10.8, 7.0 and 4.0 percent, respectively.

## 2021 HONDURAS: DISTRIBUTION CONSUMER-ORIENTED PRODUCTS FROM WORLD

Honduras' top six U.S. consumer-oriented food and beverage imports for FY 2021, by sales value in descending order were: soups & other food preparations; followed by bakery goods, cereals & pasta; dairy products; pork & pork products; and non-alcoholic beverages & beer.



Source: Trade Data Monitor

## HONDURAS' TOP 5 CONSUMER ORIENTED PRODUCTS CY PRODUCT MARKET SHARE (%)

Product	Percentage
Soup & other food preparations	19.68
Bakery goods, cereals, & pasta	11.32
Dairy products	10.03
Pork & pork products	8.05
Nonalcoholic Bev	7.92

Source: Global Agricultural Trade System (BICO)

## QUICK FACTS

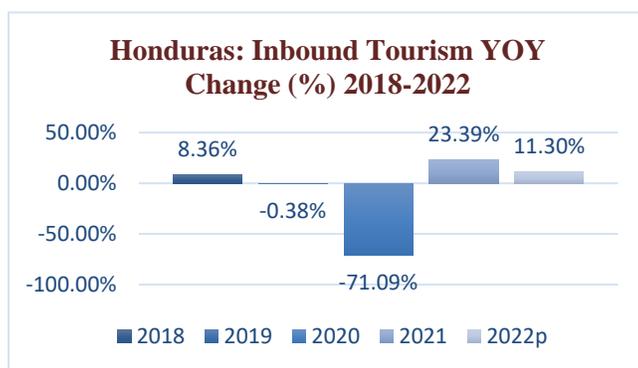
Total **Ag. Sector** imports from the world: USD 2.57 Bn. Total **Consumer Oriented Products** Imports from World: USD 1.51 Bn  
Population (millions): 10.294  
GDP (billion USD): 28.5

## SECTION I: MARKET SUMMARY

### HOTEL, RESTAURANT, AND INSTITUTIONAL (HRI) SECTOR OVERVIEW:

The Caribbean region suffered disproportionately more with Travel & Tourism GDP dropping by 58% due to its strong reliance on international tourism which decreased significantly during 2020. Tourism is an emerging industry in Honduras. It is the country's fourth-largest source of foreign exchange and employs around 6 percent of the workforce. However, the sector has been waning in importance since the global pandemic and its share in total goods and services exports fell as much as 50% in 2020.

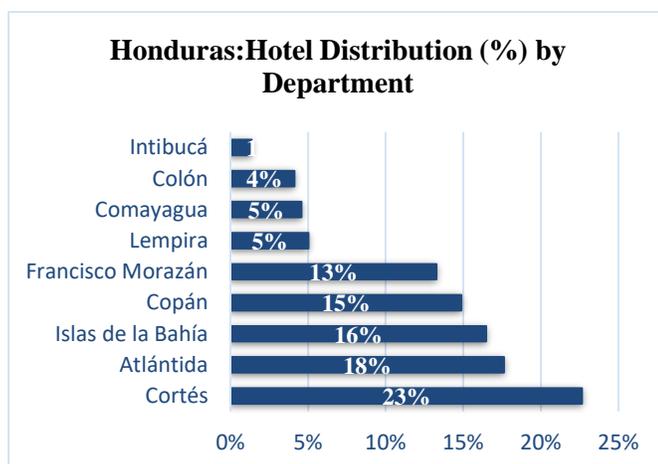
### TOURISM



International traveler visits increased by 23.4% from 2020 to 2021, according to the National Institute of Statistics and the Honduran Institute of Tourism (825 vs. 669 million). International visitor numbers in 2021 were 180% lower than in 2019 and are predicted to continue improving somewhat through 2022. The number of overnight visitors arriving in Honduras increased significantly (by almost 50%) in 2021, reaching close to 460 thousand.

According to the Honduran Institute of Tourism (IHT), Honduras received 919,098 visitors during the first half of 2022. Fifty percent of the tourists were cruise passengers, forty four percent were overnight guests, and six percent were same-day visitors. In 2021 ninety nine percent of same-day visitors arrived by land, and they represented the visitor category that is expected to expand the most in 2022. The main point of entry for tourists remains Ramon Villeda Morales Airport in San Pedro Sula, followed by the new Palmerola Airport in Comayagua and Juan Manuel Galvez Airport in Roatan. The United States is the main source of tourist, followed by El Salvador and Nicaragua

### HOTELS



Hotels continue the path of recovery, reaching a growth index of 30.9% for 2021. A 2021 IMPAQ International did a survey of 437 hotels in Honduras, and classified 62% as low-end, 25% as mid-range, and 14% as high-end. Hondurans own the majority of the hotels, irrespective of classification type. This is particularly true for low-cost hotels (94.4%) and mid-cost hotels (77.8%). Hotels that are categorized as premium have the highest amount of mixed or foreign capital (44.1%). The results disaggregated by department shows most hotels are concentrated in Cortes, followed by Atlantida and the Bay Islands.

## FOOD SERVICE HONDURAS

The growing popularity of pizza and burger restaurants nationwide and the firm foothold of fried chicken have created solid demand for U.S. shredded pizza cheese, french fries, chicken nuggets, chicken wings, chicken thighs, dairy product alternatives, and condiments. Consumers have not returned to their pre-pandemic habits of dining in restaurants so far in 2022. In part due to the convenience and boom in food delivery services providers such as HUGO, Glovo, PedidosYa, Sompopo, UBER Eats, RYTE and Speedy.

Honduras has more than 140 franchises, surpassing El Salvador, which was the country that led the number of franchises in the region. **INTUR** (Burger King, Little Caesars, Church's Chicken, Popeye's, Dunkin', Baskin Robins, Chili's, Pollo Campero, It's Just Wings and Circle K) and **Grupo de Comidas** (Pizza Hut, Kentucky Fried Chicken and Denny's) manage 13 fast food brands and are the leaders in the fast-food industry in Honduras. INTUR with 226 stores in Honduras and 19 in Guatemala has registered 12% sales growth the past two years.

Fast food in the period of 2020 and 2021 reflected a stronger position than that of the restaurant sector as a whole. In general, all types of fast-food establishments showed improvements in 2021 compared to the year before. Convenient off-premises dining or food delivery has emerged as a permanent fixture in the restaurant experience, with most families using these services at least once per week in urban areas. Demand for frictionless digital experiences continues to see strong growth. Outside of the urban areas, the food service sector is still dominated by small, family-owned restaurants that serve regional dishes, mostly using locally sourced ingredients.

### Top Foodservice Restaurant Chains, Hotel Chains and Distributors in Honduras

Restaurant Chains	Hotel Chains	Importers/Distributors
Burger King	Choice Hotels	<a href="#">Belca de Honduras</a>
Mc Donald's	Plaza San Martin	<a href="#">Compañía Distribuidora (CODIS)</a>
Kentucky Fried Chicken	Copantl Hotel & Convention Center	<a href="#">DIHEGO</a>
Little Caesars	Best Western International	<a href="#">Grupo FARINTER</a>
Pizza Hut	Hotel Santa Maria	<a href="#">COIMPORT</a>
Domino's Pizza	Clarion	<a href="#">Distribuidora BOGA</a>
Burger King	Hyatt Place	<a href="#">Distribuidora Solis</a>
Wendy's	Hilton Princess	<a href="#">Surtidora Internacional</a>
Popeye's	Holiday Inn Express	<a href="#">Istmania</a>
Church's Chicken	Hotel Honduras Maya	<a href="#">Corporación DINANT</a>
Subway	Quinta Real	<a href="#">Grupo Alza</a>
Matambritas	Telamar	<a href="#">Distribuidora DIMAR</a>
Bigos	Hotel y Villas Palma Real	<a href="#">Distribuidora San Rafael</a>
Coco Baleadas	Indura Beach & Gulf Resort	<a href="#">Walmart</a>
Friday's	La Ensenada Beach Resort	<a href="#">Supermercado La Colonia</a>
Espresso americano	Infinity Bay Spa Resort	<a href="#">Pricesmart</a>
Denny's	Mayan Princess	<a href="#">Supermercado Colonial</a>
Pollo Campero	Henry Morgan	<a href="#">Comisariato Los Andes</a>

The rate of internet access and online food services and home-delivery of prepared food increased continuously across all generations during and has remained almost unchanged post pandemic. Most of the customers of e-commerce belonged to the age group of Gen Y and Gen Z. The market for Gen X is not as big and along with Baby Boomers, they are considered secondary targets.

## ADVANTAGES AND CHALLENGES FACING U.S. PRODUCTS IN HONDURAS

ADVANTAGES	CHALLENGES
Major retailers have expanded the number of stores and floor space during the last few years, with plans to continue this expansion.	The market is highly price-sensitive, and lower quality products are often more competitive due to pricing.
Food industry technology innovations allow business owners to understand customers better and provide them with a more than they expect.	Only 2% of the population uses e-commerce to acquire their groceries.
Tourism has started to recover, and thus new venues are open to sell/promote U.S. consumer-oriented food products.	The Honduran economy remains very susceptible to events in the world economy. Especially the United States, where negative financial events can disrupt remittance flows, tourism, and investment in Honduras.
Honduras has 13 preferential trade agreements in force.	Honduras bureaucracy can slow the importation process of food products and various non-tariff barriers remain onerous.

## SECTION II. ROAD MAP FOR MARKET ENTRY

When choosing a partner in Honduras (local importer agent or legal representation), exporters should exercise caution. Before committing to a long-term contractual arrangement, exporters should undertake background checks on potential partners and schedule in-person discussions and visits. Small-to-medium sized potential exporters can collaborate with the relevant U.S. State Regional Trade Group (SRTG) to utilize the SRTG's resources for Honduras marketing and promotion help. Find the SRTG for your area in the list below, then go to their website to learn more about the services they offer.

- National Association of State Departments of Agriculture ([NASDA](#))
- Southern U.S. Trade Association ([SUSTA](#))
- Food Export-Midwest & Food Export-Northeast ([Food Export](#))

Companies based in the United States will value collaborating with a seasoned and qualified importers or distributors as a local partner. Regulatory, procedural, labeling, and customs clearance difficulties can be handled by experienced distributors or importers. The major grocery store chains each have their own divisions for purchasing and importing.

## MARKET STRUCTURE

Distributors and representatives frequently carry a wide range of products on a non-exclusive basis. There are not many local wholesalers or food service companies that maintain substantial inventories.

Local buyers frequently have face-to-face interactions with American suppliers at the plant or warehouse level. Store owners frequently purchase goods in modest quantities through export brokers or from American wholesalers, particularly in Miami, New Orleans, Los Angeles, and Houston.

Most products are transported by truck and larger distributors generally have warehouses in the north of the country near the industrial capital San Pedro Sula and the capital city Tegucigalpa. Delays at ports for imported products are common, however, due to poor port management and underdeveloped facilities.

### III. COMPETITION

Five products represent 57% of total imports by value for the consumer-oriented food product category. Honduras imported over US\$ 273.4 million in soup & other food preparations, US\$ 157.28 million in bakery goods, cereals & pasta, US\$ 139.36 million in dairy products, US\$ 111.92 million pork & pork products, and US\$ 109.99 million in non-alcoholic beverages.

#### FASTEST GROWING IMPORTS BY CATEGORIES

##### EGGS & ASSOCIATED PRODUCTS

Honduras per capita consumption is 5.72 kg (130 eggs) per year. In 2021 Honduras imported US\$ 5 million eggs & products from the United States. The growth rate of Eggs & Products is due to the Honduran imports of the category eggs of chickens (fowls of the species *Gallus Domesticus*), fertilized for incubation. In 2021 the United States had a 60.2 percent market share and Costa Rica 39.8 percent.

Partner Country	January - December (Value: USD)			Market Share(%)			Change 2021/2020	
	2019	2020	2021	2019	2020	2021	Amount	Percent
United States	1,235,738.00	846,712.00	5,095,212.00	60.48	27.62	60.31	4,248,499.00	501.76

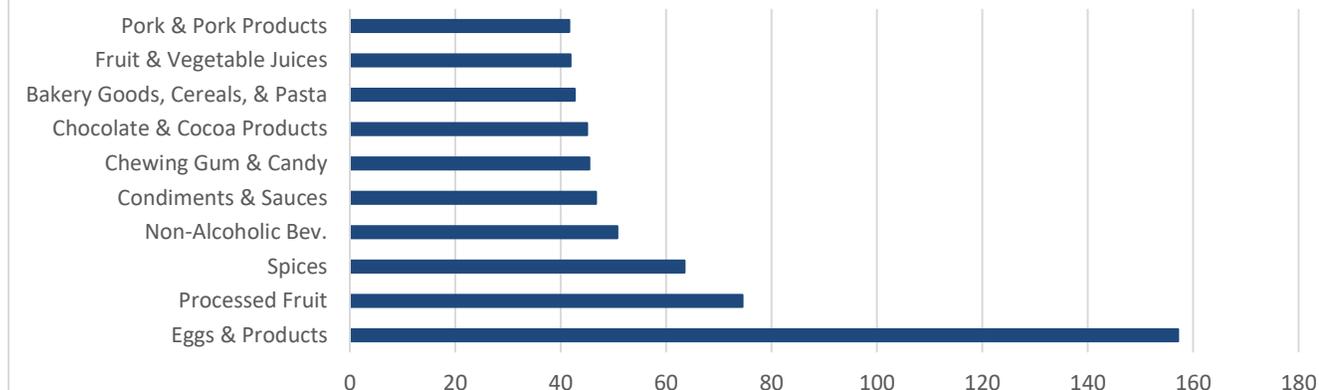
##### FRUIT

Processed fruit imports from the United States totaled US\$ 34.5 million, growing 50 percent in value from the previous years, and the main imported fruits were frozen strawberries, cultured blueberries, jams, and jellies. Imports of fresh fruit decreased 13.8 percent to US\$ 442.8 million, and the main fresh fruit imports were apples & grapes.

##### SPICES

Honduras imported US\$ 7.3 million in spices from the world. Almost three fourth of the Honduras' imported spices come from Sri-Lanka (US\$ 2.2 million), India (US\$ 1.7 million) and the United States (US\$1.4 million) U.S. exports, YOY change 2021/202 was 72.3 percent.

### Fastest Growing Imports of Consumer-Oriented Products-Growth Rate (%) FY 2021/2020



### SNACKS

The market for snack foods in Honduras is very competitive and dominated by international brands. Mondelez, Oreos and Chips Ahoy compete in the sweet cookies, confectionery, and savory snacks categories. Based on consumer preference, effective market strategies and distribution channels, brands such as Mars Inc's, Wrigley's and PepsiCo, Lay's and Doritos have a firm hold of the local market.

### CHEWING GUM

The United States is the fifth largest chewing gum supplier for Honduras behind El Salvador, Guatemala, Mexico, and Costa Rica. In the first three months of 2022, three countries saw the largest increase in gum export value to Honduras: Brazil 3,736 percent, Taiwan 286 percent and Spain 110 percent.

Chewing Gum	Calendar Year (Value: Million USD)				
	2017	2018	2019	2020	2021
El Salvador	8.27	9.46	8.16	6.75	9.42
Guatemala	7.97	8.73	9.11	8.80	11.99
México	6.77	7.43	6.95	4.96	8.34
Costa Rica	1.80	2.09	2.30	2.40	4.13
United States	4.13	5.01	3.95	2.13	3.91
Others	5.06	5.80	5.64	5.11	6.77
World	34.02	38.52	36.11	30.16	44.56

### CATEGORIES OF INTEREST ARE:

- ✓ Whey and modified whey
- ✓ Casein
- ✓ Cereals other than corn
- ✓ Mixes and doughs for the preparation of bread

- ✓ Whole wheat bread and/or seeds-base products: granola bars, flaxseed products
- ✓ Milk and cream, concentrated, whether or not Sweetened, in powder, granules or other solid Forms, of a fat, content by weight not exceeding 1.5%
- ✓ Meat and edible offal of chickens, not cut in pieces, frozen
- ✓ Sugar-free and gluten-free cookies, candy, baking mixes, etc.

## V. KEY CONTACT AND FURTHER INFORMATION

### **CANATUR**

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### **Office of Agricultural Affairs**

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For more information on exporting U.S. agricultural products, please visit the Foreign Agricultural Service home page: <http://www.fas.usda.gov>

### **Attachments:**

No Attachments.