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Report Highlights:

Reaching pre-pandemic levels in 2025, FAS Manila sees continued food service sales growth at 12 percent with the expansion of stores and customer queues in restaurants. As more consumers dine out, restaurant chains open new restaurants, cafes, kiosks, and bars, as well as franchise international restaurants in the Philippines. With international tourists surpassing government targets, a strengthened tourism industry with more than five million international visitors in 2023 boosts sales as events resume in hotels and event venues. Since 2021, U.S. consumer-oriented agricultural exports to the Philippines are the largest among Southeast Asia countries, providing opportunities for chicken, pork, and beef cuts, potato products, frozen vegetables, mozzarella, cheddar, Colby, and curd cheese, butter, bakery products, sauces and syrups, seasonings, nuts, non-alcoholic beverages, and wine.

MARKET FACT SHEET: PHILIPPINES MARKET OUTLOOK

The Philippines is one of the largest consumer markets and the fastest-growing economy in Southeast Asia, with an expected 6 percent growth in 2024, due to a rebound in hospitality and food service and higher employment rates.

AG EXPORTS TO THE PHILIPPINES

The Philippines ranked as the ninth-largest market for U.S. agricultural and related products in 2023, reaching [\\$3.6 billion](#). The United States remains the largest single-country exporter of agricultural products to the Philippines.



Source: Trade Data Monitor

FOOD PROCESSING SECTOR

FAS Manila estimates continued expansion in the food manufacturing sector with moderate growth of 5 percent in 2024. Local companies continue to face increasing input costs like higher costs of raw materials. Some manufacturers have increased prices due to higher production costs.

RETAIL FOOD SECTOR

FAS Manila expects slower retail sales growth at 5 percent in 2024 due to thriftier spending and less home cooking. Modern retail store expansion in key cities and provinces generates additional retail sales. Stores continue exploring new imported food and beverage products to offer novel options to consumers.

FOOD SERVICE SECTOR

The food service sector sales are estimated to grow 12 percent compared to last year, surpassing pre-pandemic levels as dining out and events

resume and tourism picks up. New stores, restaurant concepts, kiosks, and pop-up stores open as more consumers dine out and travel.

Philippines: Quick Facts C.Y. 2024

Demographics

118 million population
1.6% population annual growth
80% speak English & 96% literacy rate

Gross Domestic Product (GDP)

GDP: \$470 billion (est) GDP per capita: \$4,150 (est)
GDP growth rate: 6% (est) GDP PPP: \$1.350 trillion (est)

Agricultural & Related Trade (2023)

Exports to PH: \$20.07 billion PH Exports: \$6.40 billion

Imports of Consumer-oriented Agricultural Products (\$1,198 million):

- Dairy products
- Fruits and vegetables
- Pork, beef, poultry
- Bakery, Cereals, and Pasta
- Food preparations
- Dog and Cat Food

Top Fast-Food Chains

[Jollibee](#), [Mc Donald's](#), [Chowking](#), [Shakey's](#), and [KFC](#)

Top Supermarkets

[SM](#), [Robinson's](#), [Puregold Price Club](#), [Metro](#), [Gaisano](#), and [Landmark](#)

Top Convenience Stores

[7-Eleven](#), [Alfamart](#), [Uncle John's](#), [Familymart](#), [All Day](#), and [Lawson](#)

Top Warehouse Clubs

[S&R](#) and [Landers](#)

Sources: [Euromonitor](#), [Global Agricultural Trade System](#), [International Monetary Fund](#), [The World Factbook](#), [Trade Data Monitor](#), [The Economist](#), [World Bank](#), [Philippine Statistics Office](#), [Department of Trade and Industry](#), [National Economic and Development Authority](#), [S&P Global-IHS Markit](#), and FAS Manila research

Strengths	Weaknesses
Strong preference for U.S. ingredients and perceived higher standard and quality.	Less competitive shipping costs and tariffs than ASEAN, People's Republic of China, and AU-NZ competitors.
Opportunities	Threats
A young, growing working-age population that has a strong affinity to American brands.	Logistical challenges and high costs in distributing products across an archipelagic country.

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SECTION I. MARKET SUMMARY

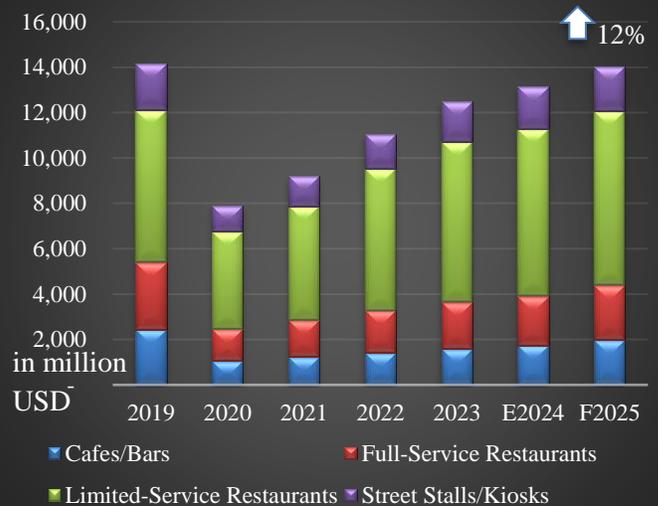
FAS Manila sees food service sales increasing in hotels, restaurants, and institutions in 2025. As food service chains open more outlets and generate higher sales, the food service industry flourishes amidst back-to-normal consumer spending and lower inflation.

Due to their affordability and convenience, most of the population regularly eats at quick service restaurants (QSRs), providing opportunities for direct shipment of U.S. food ingredients, including chicken, beef, potato fries, and cheeses. With most consumers dining out, event bookings resuming, and the influx of tourists in hotels, FAS Manila estimates the food service industry will reach pre-pandemic levels by 2025. Restaurant chains expand to new locations in rural areas, while many hotels and restaurants feature imported and premium ingredients. Key stores open new branches, franchise international restaurants, and offer promotions to generate higher sales than last year.

MARKET DYNAMICS AND TRENDS

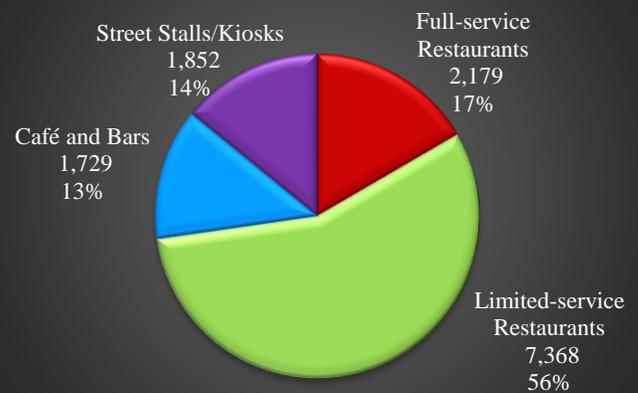
- Higher consumer mobility and an increase in number of commuters led to the opening of new stores.
- The resumption of daily face-to-face classes and work boosts food service sector sales.
- Improved employment rates and wages led to higher disposable income for food consumption, which led to growth in food service sales.
- Easing food inflation helps boost consumer spending, as headline inflation reached a four-year low of 1.9 percent in September.
- Frequent typhoons caused an uptick in food prices of rice, fruit, and vegetables and decreased agricultural production in the fourth quarter of 2024.
- Food service providers improve operational efficiencies and inventory management.
- With most Filipinos' increasing mobility, more consumers belonging to the work-age population dine out or drive through for convenience due to traffic and longer hours spent at work.

Figure 1. CONSUMER FOOD SERVICE SALES



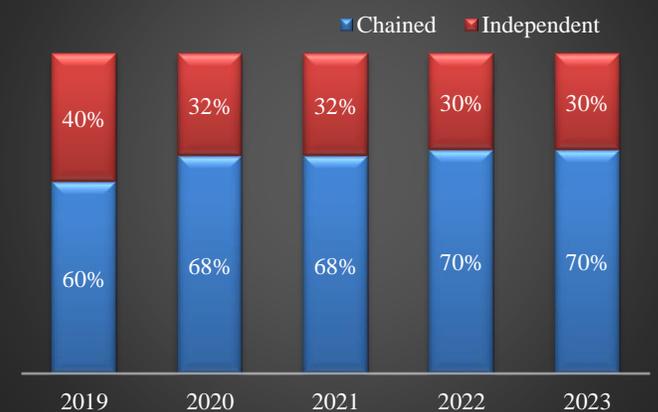
Source: [Euromonitor International](#) and FAS Manila

Figure 2. 2024 CONSUMER FOOD SERVICE



Source: [Euromonitor International](#)

Figure 3. CHAINED AND INDEPENDENT FOOD SERVICE (in percentage share)



Source: [Euromonitor International](#)

- The upper and middle-class consumers continue to dine out for the experience and explore new dishes or restaurants.
- Customer queues in some restaurants during peak hours are reaching pre-pandemic level seating capacity.
- Continued use of online food deliveries through websites and mobile applications (i.e., Grab and Food Panda).
- Food retail stores like convenience stores, supermarkets, and warehouse clubs increased menu options to capture its consumers.
- Clothing retailers started venturing into food service by opening cafes on their premises.
- With the Philippines as the world's vlog and social media capital, hotels and restaurants feature menus and ingredients through vlogs and social media platforms.
- Philippine culinary professionals and food and beverage hotel managers rely on U.S. ingredients for quality, consistency, reliability, and availability in the market.
- [Asia's 50 Best Restaurants](#) and [Tatler Asia](#) recognizes the excellence of Philippine restaurants.
- Five million international visitors in 2023 surpassing the government's target by 13 percent gave rise to higher hotel occupancies and average daily rates (ADR). The government expects a six percent increase in ADRs in 2024, resulting in continued growth in hotel food sales in buffets and restaurants.
- Integrated resorts drive local tourism growth and provide opportunities for premium imported ingredients used in high-end restaurants.
- World Travel Awards recognized the Philippines as [Asia's leading dive destination](#) for the fifth time, adding further to tourism growth.
- The government recently launched the Philippine Hotel Industry Strategic Action Plan to improve infrastructure, update hotel sector standard systems, and provide 456,000 rooms by 2028. The rehabilitation, expansion, and privatization of airports across the country further boost tourism.

ADVANTAGES AND CHALLENGES

ADVANTAGES

- American restaurant brands operating in the Philippines prefer sourcing U.S. ingredients to maintain quality and food sanitation standards. These chains form more than 30 percent of the top food service establishments.
- With the faster recovery of the tourism industry, hotels and restaurants using U.S. ingredients attract local and international tourists, including these top tourist demographics: South Korea constituted the largest number of tourists (26 percent), followed by United States (16 percent), and Japan (6 percent).
- Retailers venturing more into the food service sector signifies industry growth and offers U.S. agricultural export opportunities.
- Support from USDA-FAS Manila-based office, U.S. trade associations, state and regional trade groups, and the State Departments of Agriculture.

CHALLENGES

- Neighboring countries such as People's Republic of China, New Zealand, Australia, and ASEAN provide less expensive products than the United States due to lower shipping costs and favorable tariff rates due to bilateral agreements with the Philippines.
- Some restaurants resort to purchasing smaller volumes or substituting cheaper alternatives due to higher food costs and market demand.

SECTION II. ROAD MAP FOR MARKET ENTRY

ENTRY STRATEGY AND MARKET STRUCTURE

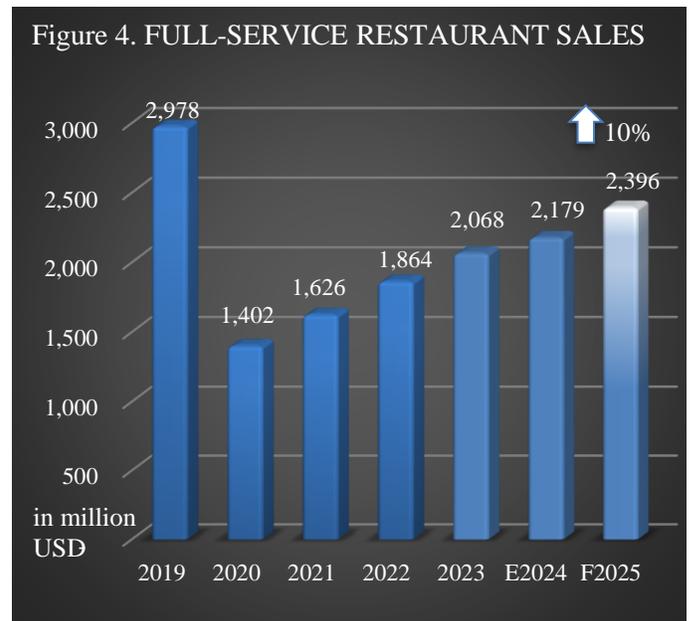
While most restaurant groups and hotels order from Philippine importers, other stores with smaller quantities purchase from retailers for convenience. Purchasing directors and food and beverage managers choose the ingredients, beverages, and suppliers. The growing number of international brands of hotels and restaurants opening in the Philippines presents an opportunity for U.S. ingredients. Post recommends U.S. exporters should coordinate with USDA-FAS Manila and U.S. trade associations to participate in activities to meet buyers and avail of support for menu promotions and product sampling with hotel and restaurant trade contacts.

FULL-SERVICE RESTAURANTS

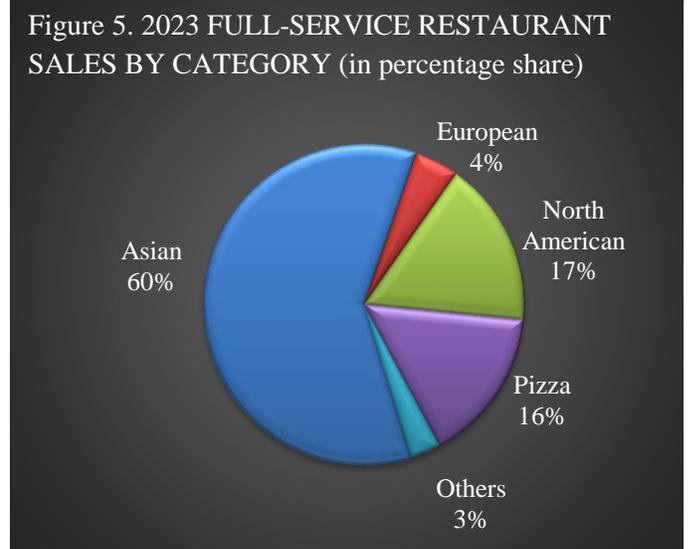
FAS Manila estimates that full-service restaurant sales are continuing growth in 2024. Asian restaurants, mostly Filipino restaurants, form the majority of full-service restaurants. [Max's Restaurant](#), a Filipino restaurant chain, contributed the most significant sales increase at 18 percent in 2023, followed by Kenny Rogers (15 percent), and Shakey's (12 percent).

Restaurants frequently serve fried chicken and pizzas, providing opportunities for U.S. chicken cuts and mozzarella cheese. American restaurant brands prioritize sourcing U.S. ingredients to meet franchise quality standards.

As restaurant chains expand, new stores will open in other cities and rural areas through company expansion and investments from franchisors. The restaurants listed below form one third of total full-service restaurant sales.



Source: [Euromonitor International](#) and FAS Research



Source: [Euromonitor International](#)

	2022 Mil \$ Sales*	2023 Mil \$ Sales*	2023 Store No.
1 Shakey's - Shakey's Pizza Asia Ventures Inc.	492	552	307
2 Max's Restaurant - Max's Group Inc.	388	459	180
3 Kenny Rogers - Berjaya Corp Bhd.	181	209	80
4 Pizza Hut - Yum! Brands Inc.	177	186	200
5 Pancake House - Max's Group Inc.	110	116	94

*Annual sales are based on percentage share in the industry and may differ from reported annual sales.

LIMITED-SERVICE RESTAURANTS

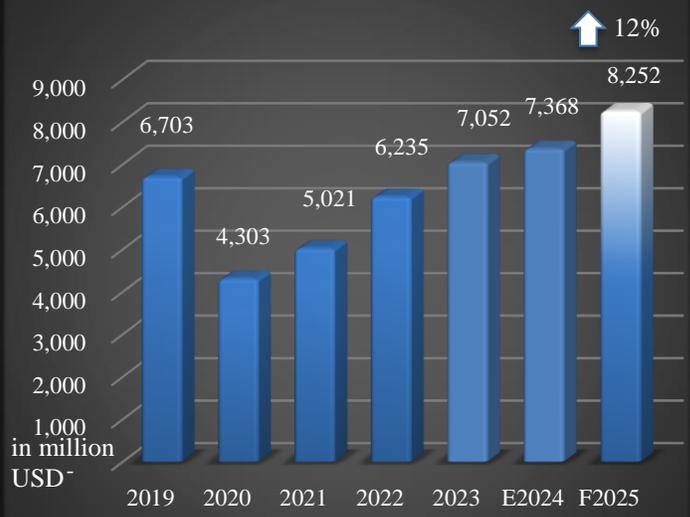
As restaurant chains expand, FAS Manila forecasts sales growth at 12 percent in 2025 of limited-service restaurants, the largest food service category. As consumers normalize spending this year based on interviews and market observation, FAS estimates a slower growth in 2024. Like full-service restaurants, limited-service restaurants present volume opportunities for U.S. chicken and pork cuts and frozen potatoes.

Kitchen commissaries of limited-service restaurants order most of the ingredients for these formats. Centralized purchasing allows large volumes of orders, including directly shipped U.S. ingredients. Although the quality and availability of ingredients remain a priority, pricing affects the purchasing decisions of companies that are buying large quantities of products.

Most limited-service restaurants offer franchising to expand their footprint, especially in rural areas. Although limited-service grew its number of stores by 4 percent, convenience stores venturing into food service, such as 7-Eleven, grew by 61 percent in store numbers in 2023. QSRs and convenience stores have increased the variety of meals and beverages, including coffee offered.

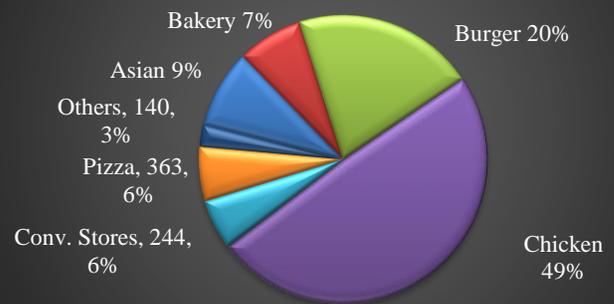
The top five limited-service restaurants, including [McDonald's](#), accounted for one third of total limited-service restaurant sales in 2023. [Jollibee Foods Corporation, Inc.](#) remains the largest company managing local and international U.S. brands, including Burger King, Smashburger, and Panda Express. The company has 1,500 Jollibee stores across 17 countries, including 95 branches in the United States. Three out of five of the top limited-service restaurants belong to Jollibee Food Corporation.

Figure 6. LIMITED-SERVICE RESTAURANT SALES



Source: [Euromonitor International](#) and FAS Research

Figure 7. 2023 LIMITED-SERVICE RESTAURANT BY CATEGORY (in percentage share)



Source: [Euromonitor International](#)

Table 2. Top Limited-Service Restaurants in 2023	2022 Mil \$ Sales*	2023 Mil \$ Sales*	2023 Store No.
1 Jollibee -Jollibee Foods Corp.	2,033	2,362	1,234
2 Mc Donald's -Mc Donald's Corp	1,141	1,283	754
3 Mang Inasal -Jollibee Foods Corp.	586	649	594
4 Chowking -Jollibee Foods Corp.	468	543	570
5 7-Eleven -Seven & i Holdings Co. Ltd.	306	346	3,683

*Annual sales are based on percentage share in the industry and may differ from reported annual sales.

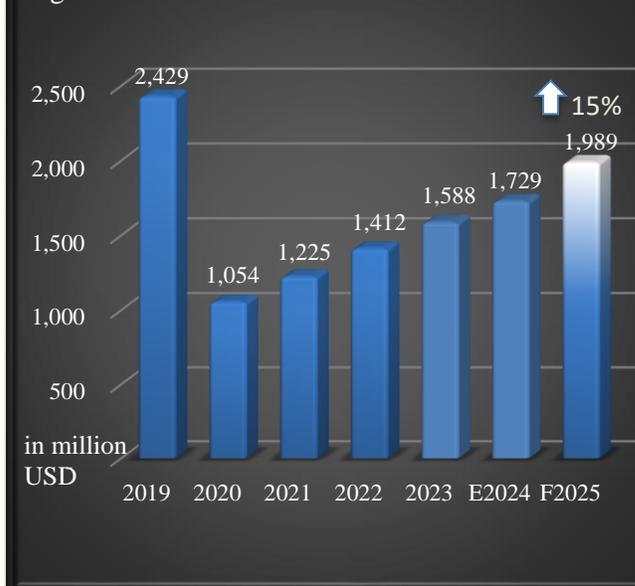
CAFES AND BARS

Cafes had the highest sales growth compared to bars and tea shops as more local and international coffee shop brands open. Cafe and bar sales reached a 9 percent growth in 2023. FAS Manila sees further sales growth as new cafes and bars open.

[Starbucks](#) accounted for 54 percent of total café and bar sales in 2023. Aside from fruit flavors, syrups, and coffee beans, Starbucks and other coffee shops offer all-day breakfast options, providing opportunities for U.S. food ingredients. Dunkin Donuts, Seattle’s Best, and Bo’s Coffee opened larger stores to accommodate a higher sitting capacity and offer a more extensive menu. International brands such as [Common Man Coffee Roasters](#) and Malaysia’s [Zus Coffee](#) recently opened stores, providing opportunities for imported ingredients to meet the required standards of the brand. Convenience stores added coffee options to their menu. Retail grocery stores such as [Mitsukoshi Fresh](#) and clothing stores such as [Uniqlo](#) and [Muji](#) started opening coffee shops to provide convenience. Even dermatology clinics such as [Aivee Cafe](#) offering vegan dishes have started opening coffee shops.

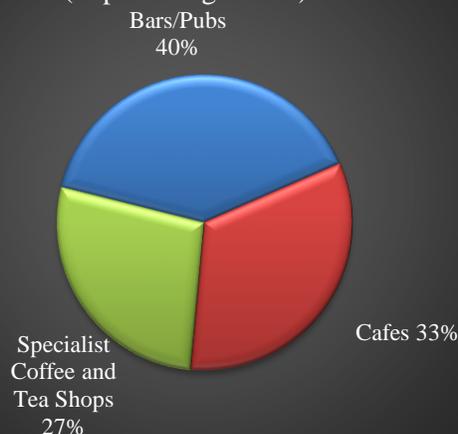
Although most bars serve local beer, some bars offer opportunities for U.S. [wines](#) and [distilled spirits](#). While some high-end restaurants and bars pair wines with cheeses, others serve U.S. beef, and popular local dishes using U.S. pork.

Figure 8. CAFES and BAR SALES



Source: [Euromonitor International](#) and FAS Research

Figure 9. 2023 CAFES AND BAR SALES BY CATEGORY (in percentage share)



Source: [Euromonitor International](#)

Table 3. Top Cafés in 2023	2022 Mil \$ Sales*	2023 Mil \$ Sales*	2023 Store No.
1 Starbucks -Rustan’s Coffee Corp.	764	857	447
2 Dunkin’ Donuts -Inspire Brands Inc.	145	175	850
3 McCafé - McDonald’s Corp	83	94	49
4 Mary Grace - Mary Grace Foods Inc	75	84	68
5 The Coffee Bean & Tea Leaf - Jollibee Corporation	73	81	201

*Annual sales are based on percentage share in the industry and may differ from reported annual sales.

Table 4. Top Bars in 2023	2022 Mil \$ Sales*	2023 Mil \$ Sales*	2023 Store No.
1 Barcino Wine Resto Bar -Tarraco Group Inc.	14	16	12
2 Padi’s Point - Padi’s Philippines Corp.	13	14	18
3 Cowboy Grill -Golden Pizza Inc	4	5	9

*Annual sales are based on percentage share in the industry and may differ from reported annual sales.

STREET STALLS/KIOSKS

With increased consumer mobility in 2024, FAS Manila sees further sales growth in 2025 (figure 10) due to the convenience provided by street stalls and kiosks to commuters amidst increased traffic.

Manufacturing plants or commissaries use beef, pork, and other ingredients to produce burger patties and hotdogs for street stalls and kiosks. With the popularity of flavored fries increasing, especially among students, [Potato Corner](#) continues to open kiosks, providing opportunities for U.S. frozen potatoes and powdered flavors. Outdoor coffee kiosks, such as [Pickup Coffee](#), use soy, oat, and almond milk and have expanded their footprint with 221 kiosks across key cities. In addition, other street stalls and kiosks selling milk teas and fruit shakes use fruit products, syrups, tea, and tapioca.

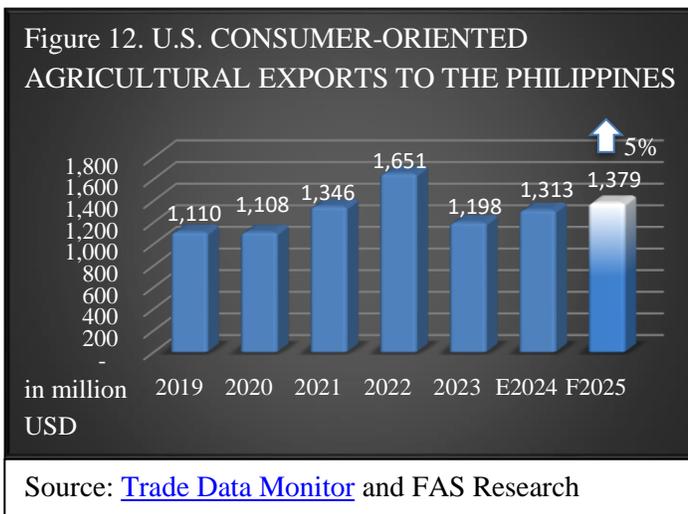
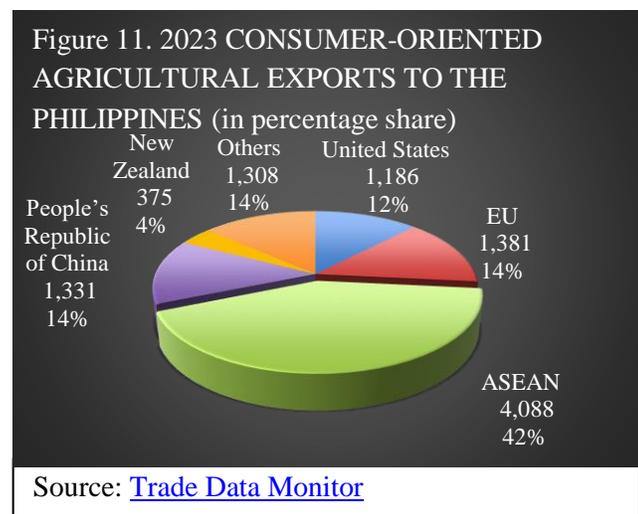
	2022 Mil \$ Sales*	2023 Mil \$ Sales*	2023 Store No.
1 Angel's Burger - Angel's Burger Group	142	161	1,130
2 Potato Corner - Shakey's Pizza Asia Ventures Inc.	129	151	1,251
3 Tender Juicy Hotdog - San Miguel Food and Beverage, Inc.	101	114	473
4 Turks - Zenarosa Food Corporation	85	99	602
5 Infinita - First Origin LLP	79	96	400

*Annual sales are based on percentage share in the industry and may differ from reported annual sales.



SECTION III. COMPETITION

The food service sector continuously depends on U.S. food products to provide quality and healthier options. The Philippines was ranked the highest U.S. consumer-oriented market in Southeast Asia and the [eleventh-largest market](#) globally in 2023. The United States, however, faces challenges with higher shipping costs, tariffs, and market access vis-à-vis ASEAN countries, People's Republic of China, New Zealand, and Australia. For details on U.S. agricultural export products, access the [U.S. Exports of Agricultural & Related Products to the Philippines YTD January-October](#).



SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

TABLE 6. BEST PRODUCTS PROSPECTS CATEGORIES

<p>Top Consumer-oriented products imported from the World</p> 	<p>Pork, beef, and chicken cuts, potato fries, coffee extracts, seasoning, soy sauce, ketchup, chocolate, apple, cheddar, Colby and curd cheese, butter, oil, and ice cream.</p>
<p>Top Consumer-oriented products imported from the United States</p> 	<p>Apple, grape, cranberry and orange juices, cheddar, Colby and curd cheese, ice cream, butter, chicken leg quarters, pork, and beef cuts, potato fries, fresh apples, oranges, grapes, almonds, walnuts, raisins, and wine.</p>
<p>Products present in the market with good sales potential</p> 	<p>Chicken, pork, and beef cuts, potato fries, dehydrated potato, fresh apples, oranges, grapes, cherries, strawberries, soups and broths, chocolate, sauces and preparations, seasonings, tomato ketchup, tomato sauces, cheddar, Colby and curd cheese, sausages, turkey, and lamb.</p>
<p>Products with supply gap despite market viability/good sales potential</p> 	<p>Yogurt, condensed milk, egg products, pasta, waffles, grapefruit, nectarines, peaches, plums, apricots, and prunes.</p>
<p>Products lacking in the market due to trade barriers</p> 	<p>Seafood, whole chicken birds, onions, fresh chilled tomatoes, and beer.</p>

Source: [Trade Data Monitor](#), [Global Agricultural Trade System](#), and [USDA-FAS Research](#)

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

<p>USDA Manila E-mail: AgManila@usda.gov Tel: +63 2 5301 2000 Facebook: Galing USA</p>	<p>U.S. Embassy in the Philippines Facebook: usembassyph Twitter: usembassyph</p>	<p>Department of Agriculture</p>
<p>Food and Drug Administration</p>	<p>Department of Tourism</p>	<p>Philippine Hotel Owners Association, Inc.</p>
<p>Hotel and Restaurant Association of the Philippines</p>	<p>Association of Purchasing Managers of Hotels and Restaurants of the Philippines</p>	<p>Food Caterers Association of the Philippines (FCAP)</p>
<p>Philippine Chamber of Commerce and Industry (PCCI)</p>	<p>American Chamber of Commerce of the Philippines (AMCHAM)</p>	<p>Philippine Franchise Association</p>

Attachments:

No Attachments