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Report Name: Food Service - Hotel Restaurant Institutional

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Prepared By: Maria Herrera

Approved By: Bret Tate

Report Highlights:

In 2022, Chile's foodservice industry is significantly different from that of 2019. The pandemic prompted many changes, with the advancement of online ordering and home delivery. For restaurants, online ordering developed from being almost insignificant in 2019 to representing 23 percent of value in 2022. Successful restaurants now need to be able to develop an attractive online presence. Similarly, the hotel industry had to adjust to evolving customer demands, prioritize health and safety measures, and provide more flexibility in cancellation policies. Finally, institutional food service underwent major transformations, with greater emphasis placed on sustainability, food quality, and transparency in the supply chain.

Market Fact Sheet: Chile

Executive Summary

Chile is a South American country that borders the Pacific Ocean, Argentina, Bolivia, and Peru. Chile is divided into 16 administrative regions. In 2022, Chile had a population of 19.8 million, with 8.3 million living in the Santiago Metropolitan region.

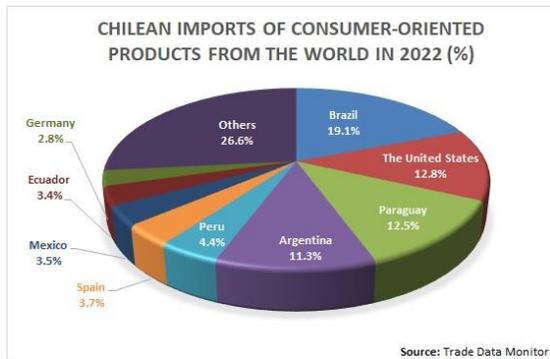
In 2022, Chile's Gross Domestic Product (GDP) in current prices totaled \$324 billion, a 2.4 percent increase over 2021. The Chilean Central Bank projects a 0.0 percent in GDP growth in 2023 and 1.5 percent growth in 2024.

GDP per capita reached \$30,209 PPP in 2022 (World Bank), leaving Chile as one of the highest per capita GDPs in Latin America.

Chile's economy is driven by exports, concentrated primarily in the mining and agricultural sectors - fishery products, forestry, and fresh fruit. In 2022, Chilean agriculture represented 8.5 percent of the country's GDP (\$27.5 billion), 26.9 percent of exports (\$26.9 billion), and employed around 10 percent of Chile's labor force.

Imports of Consumer-Oriented Products

Chile is the third largest market in South America for U.S. agricultural products, after Colombia and Peru, and the second largest market in South America for U.S. consumer-oriented agricultural products with \$690 million of exports in 2022, a 14 percent market share. The top U.S. consumer-oriented products exports to Chile are beer, dairy, beef, condiments and sauces, poultry, pork, food preparations, distilled spirits, pet food, and tree nuts.



Food Processing Industry

Food and beverage processing represents 15 percent of Chile's exports, at \$15 billion in 2022. The food processing industry is the second largest economic export sector after mining. According to the Chilean Export Promotion Agency (*ProChile*), the food processing sector employs over 368,316 workers.

Food Retail Industry

In 2022, the Chilean retail food industry witnessed a robust recovery, with a total sale reaching approximately \$29.5 billion, a 20.9 percent over 2021. The Chilean retail is made up of large supermarkets, mid-sized grocery stores,

convenience stores, and thousands of smaller independent mom-and-pop shops. Supermarkets and grocery stores remained the primary retail channels for food products, accounting for around 55.5 percent of the market share.

Quick Facts

Imports of U.S. Consumer-Oriented Products 2022:
\$690 million

Leading Consumer Foodservice Chains in Chile:

- | | |
|---------------|----------------|
| 1) Mc Donalds | 2) Papa John's |
| 3) Doggis | 4) Niu Sushi |
| 5) Starbucks | 6) Burger King |

Leading Hotel Chains:

- 1) Starwood Hotels & Resorts
- 2) Four Seasons Holdings, Inc.
- 3) InterContinental Hotels Group S.A.
- 4) NH Hotel Group S.A.
- 5) Hilton Worldwide, Inc.

Leading Institutional Foodservice Companies:

- 1) Sodexo
- 2) Aramark
- 3) DeliBest
- 4) Compass Catering S.A.
- 5) Aliservice

Food Industry by Channels (U.S. billion) 2022:

Retail Food Sales	\$29.5
Chile Food & Ag Exports	\$26.9
Chile Food & Ag Imports	\$11.8
Supermarket Food Sales	\$16.4
Retail (total retail sales)	\$63.6

GDP/Population:

Population (millions): 19.8
GDP (billions USD): \$324
GDP per capita (USD PP): \$30,209 PPP

Sources: Trade Data Monitor (TDM), Euromonitor, World Bank, Chilean Central Bank and trade interviews

Strengths/Weaknesses/Opportunities/Challenges

Strengths	Weaknesses
The U.S.-Chile Free Trade Agreement resulted in zero percent duties for all U.S. agricultural products.	Relatively small-size market compared to neighboring countries.
Opportunities	Threats
Chile has one of the highest income per capita in Latin America.	Economic uncertainty due to inflation.

For more information, contact:

USDA FAS Office of Agricultural Affairs
U.S. Embassy Santiago
Tel.: +56 22330 3704
agsantiago@usda.gov
www.usdachile.cl

SECTION I. MARKET SUMMARY

In 2022, the hotel, restaurant, and institutional food industry showed signs of gradual recovery after being significantly affected by COVID-19 in previous years. With the expansion of vaccination and the relaxation of restrictions, there was a rise in the demand for hospitality and dining services outside the home.

During 2022, the hotel industry in Chile experienced a remarkable reactivation, although still below pre-pandemic levels, according to restaurant consultants. In 2022, the stock of total rooms in operation was 78,390, representing an increase of 47 percent nationally compared to 2021. Meanwhile, in the capital city, growth was 6 percent. The hotel sector expects full recovery at the end of 2024, reaching pre-pandemic levels. Despite the significant improvement in 2022, the recovery has been gradual due to the slow economic recovery. Records show a 54 percent increase in passenger arrivals at tourist establishments nationwide compared to 2021, reaching 8.6 million, and a 60 percent increase in the Metropolitan Region, totaling 2.4 million passengers.

Despite persistent challenges related to the pandemic, the restaurant industry in Chile showed resilience and adaptability, and many companies seized the opportunity to innovate and improve their operations. In 2022, Chile was a leading player in Latin America's restaurant industry, boasting over 15,500 restaurants, generating approximately \$4 billion in sales according to restaurant consultants. While uncertainty was a significant factor in 2022, the sector found creative ways to meet the changing needs of consumers in a post-pandemic environment. One of the standout aspects in the Chilean landscape is the fact that the country boasts the best average sales per restaurant in the region, with approximately \$270,000 per store per year. This figure reflects the strength and appeal of the Chilean market for entrepreneurs and companies in the gastronomic sector. Furthermore, Chile sets itself apart from other Latin American countries in the sense that it is not an oversaturated market. While nations like Mexico and Peru have over 70 restaurants per 10,000 inhabitants, Chile has only 8 per 10,000 inhabitants, indicating ample room for the growth and expansion of new restaurants.

The average spending of Chilean consumers in restaurants is approximately \$8.96, showing a significant inclination to enjoy dining out. This has led to intense competition in the market, with many restaurants competing through the offering of family packages and attractive promotions to lure customers. The restaurant sector in Chile stands out as the region's leader in chain establishments. This organized structure has contributed to the sustained growth of the sector and the consolidation of local and international brands in the Chilean market.

In 2022, Chile's travel and tourism sector contributed \$28.4 billion to the GDP, representing 9.2 percent of the economy, a growth of 35.4 percent from the previous year and just 1.7 percent below 2019 figures.

Table 1: Advantages and Challenges to Enter the HRI Foodservice Market

Advantages	Challenges
Clear rules and transparent regulations offered by the government allow fair competition.	There are strict regulations for fresh products to avoid the spread of diseases that may affect local agricultural production.
Strong demand for food ingredients in the HRI sector.	Chile is a competitive market, which has 31 free trade agreements that cover 65 markets including the European Union (EU), China, Central America, and South American countries.
The U.S.-Chile Free Trade Agreement resulted in zero percent duties for all U.S. agricultural products as of January 1, 2015.	Economic and political uncertainty increased because of the writing of a new constitution and inflation.
Chile is a high-income country and could be a gateway to South American markets.	Strong competition from other suppliers such as Brazil, Argentina, and Paraguay.
American brands are regarded as high quality. Many U.S. brands are well-known and present in the market.	
Equal playing field for imported and local products.	

SECTION II: ROAD MAP FOR MARKET ENTRY

A. Entry Strategy

Potential exporters should work closely with Chilean importers or agents to confirm that their products comply with Chilean regulation. FAS Santiago maintains listings of potential importers and develops sector-specific information to help introduce U.S. agricultural products in Chile. Further details on both import regulation and market opportunities are available at the following links: [Chile: Exporter Guide](#), [Chile: FAIRS Export Certificate Report](#) and [Chile: FAIRS Country Report](#).

FAS Santiago recommends that U.S. exporters exhibit or attend Chilean trade shows, particularly the U.S. Pavilion at the [Espacio Food & Service](#) show (September 10-12, 2024). The show is recognized as the most important annual gathering in the Chilean food industry and provides the opportunity to connect with over 28,000 Chilean and international buyers.

Critical considerations for market entry include the following:

- Hotels, restaurants, and foodservice companies most often purchase through intermediaries such as distributors, importers, or wholesalers. Many of these firms are based in Santiago. Chain restaurants, that often manage larger volumes, may import directly.
- U.S. exporters seeking to access the Chilean HRI market should identify an importer that specializes in distributing to the sector and be prepared to offer small quantities of

products or mixed containers, as individual HRI firms may not be able to manage entire container volumes.

- U.S. products are presumed consistent and high quality.
- The business culture and customs in Chile are conservative and characterized by the importance of personal contact and face-to-face interaction. Contact initiated via e-mail will be less effective than in-person interactions. Business meetings and practices in general are like those of the United States.
- Overseas suppliers are encouraged to maintain a Chilean representative or agent that understands the market, has access to a network of contacts and can provide support.

B. Market Structure and Distribution

The most common distribution channels for the HRI sector are local importers and distributors. These distributors may also distribute products to supermarkets, wholesalers, and institutional foodservice companies. In general, hotel operators and restaurants do not import directly, though there are a few exceptions. Hotels usually purchase from distributors to gain access to a larger variety of products without managing complex import procedures. Hotel operators may also prefer as few distributors as possible to reduce complexity (see Figure 1).

Chain restaurants deal with higher volumes, which increase their purchasing and negotiation power with distributors. In contrast, independent restaurants are more dependent on the range and quality of products already managed by distributors. Both rely on food products from local wholesalers as well as imported products from importers/distributors.

The institutional foodservice sector buys most products from local distributors. Companies purchasing large quantities may also import directly when price, quality or other selection criteria are more favorable than domestic suppliers.

Recently, big box stores and traditional wholesalers have gained appeal to the HRI sector. Big box stores, like [*Central Mayorista*](#), [*Mayorista 10*](#), [*Alvi*](#) and [*Superbodega Acuenta*](#), are the Chilean equivalents to *Sam's Club* or *Costco* and have become important suppliers to small HRI firms.

Because of the COVID-19 lockdown, many wholesalers opened to the end consumers and to smaller HRI firms either directly or via online platforms. Wholesale suppliers such as [*Bidfood S.A.*](#), [*Agrosuper Food Service*](#), [*Alimentos Vida Estable*](#), [*Buena Carne*](#), [*Frio Food*](#), [*Socosur*](#), [*ICB Foodservice*](#), [*Carozzi Food Service*](#), [*Food & Beverage Supply*](#), [*Macro Foods*](#), and [*Comercial Alisur*](#) are actively targeting individuals and small businesses.

Supply of hotel rooms in the market remains relatively tight. Industry reports that as many as 21 new luxury hotels will be developed in the next five years. Similarly, niche markets, like enotourism and eco-friendly hotels offer prospects.

Restaurants – Chile is home to many international and domestic restaurants. Both fast-food and full-service restaurants are commonplace. Use of e-commerce platforms like [Uber Eats](#), [Rappi](#) and [PedidosYa](#) for food have grown dramatically. Delivery services and take out remain more popular than pre-pandemic; in 2022 they represented 40 percent of food service sales value.

Full-service restaurant sales in 2022 reached \$1.1 billion, with 3,634 outlets. Nui Sushi is the leading player with a full-service chain restaurant value share of 7 percent, doubling its sales between 2019 and 2022. To achieve this, Nui Sushi leveraged delivery apps and online ordering, with home delivery accounting for 65 percent of its sales. The brand developed its own online ordering channel and delivery fleet, resulting in 80 percent of delivery sales.

Home delivery and online ordering are expected to grow in the coming years, accounting for 25 percent and 30 percent of fast-food chains' total sales, respectively. Consumers are already accustomed to using delivery applications, and restaurants highlight online sales as the most important area to develop.

Table 2: Chilean Full-service Chain Restaurants

Restaurants	Percent Market Share
Niu Sushi (<i>Distribuidora y Comercializadora de Alimentos Oji Ltda.</i>)	32.2
Johnny Rockets (<i>Johnny Rockets Group, Inc.</i>)	21.4
Domino Fuente de Soda (<i>Comercial Central Alimentos Ltda.</i>)	12.8
Mamut Restaurants (<i>Gastronomía y Negocios S.A.</i>)	9.2
Emporio La Rosa (<i>Emporio La Rosa S.A.</i>)	5.4
Sakura Express (<i>Comercial Gastronómica Fisol Ltda.</i>)	4.2
Tip & Tap (<i>Tip & Tap S.A.</i>)	3.3
Chili's Grill & Bar (<i>Brinker International, Inc.</i>)	2.7
Santa Brasa (<i>Civitano S.A.C.</i>)	2.6
PF Chang's China Bistro (<i>PF Chang's China Bistro, Inc.</i>)	2.3
Others	3.9

Source: Euromonitor

Table 3: Largest Fast-Food Chains

Restaurants	Percent Market Share
McDonald's (<i>Inversiones Arcos Dorados Chile Spa.</i>)	21.5
Papa John's (<i>Papa John's Int'l, Inc.</i>)	13.3
Doggis (<i>Gastronomía y Negocios S.A.</i>)	6.2
Burger King (<i>Restaurant Brands International, Inc.</i>)	5.9
Subway (<i>Doctor's Associates, Inc.</i>)	4.8
Juan Maestro (<i>Gastronomia y Negocios S.A.</i>)	4.4
Pollos Tarragona (<i>Distribuidora Montserrat S.A.</i>)	4.4
KFC (<i>Yum! Brands, Inc.</i>)	4.1

<u>TelePizza</u> (<i>Tasty Bidco SL</i>)	4.0
Others	31.4

Source: Euromonitor

Table 4: Largest Cafés and Bars

Cafés/Bars	Percent Market Share
<u>Starbucks</u> (<i>Starbucks Corp.</i>)	50.6
<u>Dunkin'</u> (<i>Inspire Brands, Inc.</i>)	23.2
<u>Tavelli</u> (<i>Tavelli S.A.</i>)	5.0
<u>Juan Valdez</u> (<i>Federación Nacional de Cafeteros de Colombia</i>)	4.1
<u>Cory</u> (<i>Pastelería Austriaca Cory Ltda.</i>)	3.9
<u>Coppelia</u> (<i>Coppelia S.A.</i>)	3.8
<u>Café Mokka</u> (<i>Comercial Café Mokka Ltda.</i>)	2.6
Others	6.8

Source: Euromonitor

Cafés/Bars – In 2022, cafes and bars saw a 15 percent increase in sales, reaching \$745 million. There are now 2,930 outlets, with cafes experiencing the highest growth rate at 20 percent and reaching \$304 million in sales. *Starbucks Coffee Chile S.A.* held the largest market share at 50.6 percent.

Institutional Food Service – The Chilean institutional sector includes health care providers, educational facilities, large companies, airlines, and the military. Mining and education are the two largest institutions in the Chilean paradigm. These institutions are generally served by large catering firms. The five largest are: [Sodexo Chile, S.A.](#), [Central de Restaurantes Aramark](#), [DeliBest](#), [Compass Catering S.A.](#), [Aliservice](#), and [Genova Ausolan](#). At the time of writing, *Aramark* was the largest holding close to 60 percent of the Chilean market.

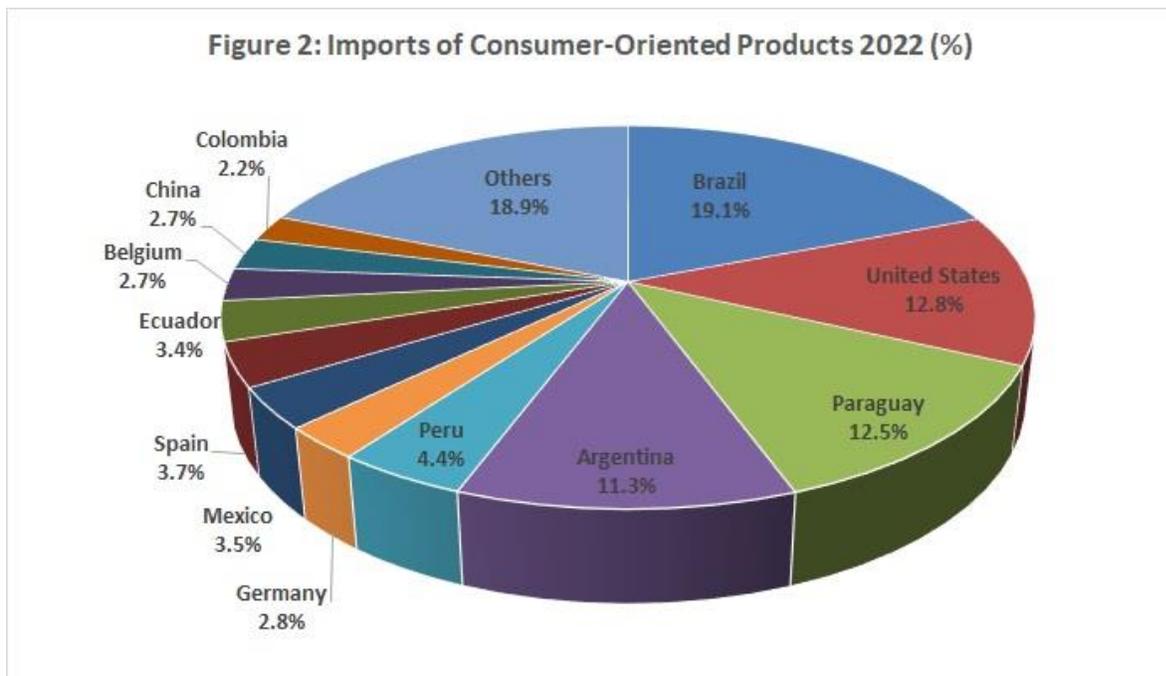
SECTION III: COMPETITION

The United States and Chile have long been strategic trading partners, though the relationship has grown rapidly since the signing of the US-Chile Free Trade Agreement. In 2022, U.S. agricultural exports to Chile totaled \$1.1 billion, representing a 9.2 percent decrease from 2021. The United States is the third largest supplier of agricultural and related products to Chile, after Argentina and Brazil, holding an 11 percent market share.

Chile is the third largest market in South America for U.S. agricultural products, after Colombia and Peru, and the second largest market in South America for consumer-oriented agricultural products, with \$690 million of exports in 2022. Competition from MERCOSUR and regional suppliers remains fierce for consumer-oriented products, grains, soybean products, and pet food.

In 2022, the top suppliers of consumer-oriented agricultural products to Chile were Brazil, the United States, Paraguay, and Argentina (See Figure 2).

- Brazil was the top supplier of consumer-oriented products with a market share of 19.1 percent. Top Brazilian exports to Chile are beef, poultry, pork, chocolate (cocoa products), and pet food.
- The United States was the second largest supplier of consumer-oriented products to Chile with a market share of 12.8 percent after Brazil. The main U.S. exports are dairy products, beer, soup and other food preparations, condiments and sauces, beef, poultry, pet food, and pork. In 2022, the U.S. exported \$64 million in beef, \$55 million in poultry, and \$48 million in pork. U.S. exports of condiments and sauces have nearly doubled since 2015, increasing from \$30 million to \$57 million in 2022, with about half of value derived from mayonnaise.
- Paraguay is the third largest consumer-oriented products supplier to Chile, with 12.5 percent market share. Paraguay’s main export to Chile is beef. Which is very price-competitive within Mercosur suppliers.
- Argentina was the fourth largest supplier of consumer-oriented products to Chile with a market share of 11.3 percent. Argentina’s main exports to Chile include beef, dairy products, pet food, bakery goods and pasta, and poultry.



SECTION IV: BEST PRODUCT PROSPECTS CATEGORIES

The best product prospects are divided into three categories listed below:

1. Products Present in the Market, which have Good Sales Potential

- Bakery goods, cereals, and pasta
- Dairy products (cheeses and ice cream)
- Pulses
- Beef and beef products
- Tree nuts
- Pork and pork products
- Poultry and poultry products
- Craft beer

2. Products Not Present in Significant Quantities, but which have Good Sales Potential

(Products consumed in Chile in small quantities that have none or few U.S. suppliers)

- Distilled spirits
- Eggs and products
- Flours and starches
- Processed fruit and vegetables
- Chocolate and cocoa products
- Soup and other food preparations
- Sauces, dressings, and condiments
- Edible oils
- Snack foods
- Sauces, condiments, and seasonings

3. Product Not Present Because They Face Significant Barriers

Products do not face significant trade barriers to enter the Chilean market. On the contrary, Chile's 31 trade agreements with 65 markets it one of the most open economies in the world. Products from many global suppliers are available in the Chilean market.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Chilean Restaurant Association Nueva Tajamar 481 Of. 704, Torre Norte – Las Condes Tel: +56 2 2203 6363 www.achiga.cl	Chilean Hotels Association Nueva Tajamar 481 Of. 806, Torre Norte – Las Condes Tel: +56 2 2203 6344 secretaria@hoteleros.cl Error! Hyperlink reference not valid. www.hoteleros.cl
National Chamber of Commerce (CNC) Address: Merced 230, Santiago Tel.: +56 2 2365 4000 cnc@cnc.cl www.cnc.cl	SEREMI de Salud (Health Ministry) Pedro Miguel de Olivares 129, Santiago Tel: +56 2 2576 4989 www.asrm.cl
Agriculture and Livestock Service Av. Pdte. Bulnes 140 - Santiago Tel: +56 2 2345 1100 www.sag.cl	

Attachments:

No Attachments