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Report Category: Food Service - Hotel Restaurant Institutional

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Report Highlights:

This is an overview of the food service industry in Honduras, encompassing the hotel, restaurant, and institutional sectors. It also discusses current market trends and the most promising product opportunities. In general, Hondurans enjoy eating out, both as a matter of convenience (mostly for those who work outside the home) and as a family trip on the weekends. Honduran families are increasingly selecting local and foreign fast-food franchises when selecting a restaurant. Inbound tourism has nearly entirely recovered to pre-pandemic levels, with 840 thousand overnight visitors arriving in Honduras in 2022, representing a 16.6 percent rise over 2019. All these sectors continue to adapt to labor shortages, changes in consumer behavior, and high food prices.

MARKET FACT SHEET: HONDURAS

Honduras' GDP for 2022 was \$31.72B, a 11.33 percent increase from 2021. Honduras' trade balance for 2022 was \$-7.51B, a 12.45% increase from 2021. Remittances increased 19 percent reaching an all-time high of US\$ 9.11 billion, accounting for 26.8 percent of GDP, 6.8 points higher than the previous year. These remittances supported increased private consumption and robust external demand. Despite slight inflation seen in many sectors, the resilience of the Honduran economy expanded by 4% in 2022.

EXECUTIVE SUMMARY

Honduras is the twenty-sixth most important export destination for agricultural products from the United States. Honduras' total agricultural imports for calendar year 2022 was \$1.3 billion. In CY 2022, the value of U.S. consumer goods exports was \$496.9 million climbed 10.8 percent by value and 4.6 percent by volume in comparison to 2021.

Honduras imported a total of \$1.7 billion in consumer goods from around the world.

The gross value added by hotels and restaurants to GDP was close to \$548.9 million, with a year over year growth rate of 22.5 percent for 2022¹. These figures are mainly attributed to an increase in business travel and cruise line tourism, as well as other entertainment events (concerts) that prompted people to travel to the country's major cities; occupancy levels observed at Hotels are nearly at par with those prior to the pandemic.

FOOD SERVICE INDUSTRY

In CY 2022, Honduras increased the total value of bulk product imports from the U.S. by 34.3 percent to \$540 million, consumer goods imports increased 16.2 percent to \$496.9 million, and intermediate agricultural commodities increased 15 percent to \$299.5 million.

IMPORTS OF CONSUMER-ORIENTED FOODS

Honduras' top six U.S. consumer-oriented food and beverage imports for CY 2022, 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

MARKET SHARE (%) OF CONSUMER ORIENTED FOOD PRODUCTS U.S. BY VALUE

Product	Percent
Pork & pork products	93.6
Dairy products	45.5
Bakery goods, cereal, & pasta	17.3
Non-alcoholic Bev. (ex. juices, coffee, tea)	14.8
Soup & other food preparations	13.9

Source: Global Agricultural Trade System (BICO)

HONDURAS DEMOGRAPHICS

Population, total (millions)	10.5
Population growth (annual)	1.6
Life expectancy	71.0
GDP (current US \$ Billion)	32.3
GDP growth (annual percent)	3.5
Inflation, GDP deflator (annual percent)	8.5
GNI per capita PPP (current international \$)	2.3 k

Source: [World Bank](#)

SECTION I: MARKET SUMMARY

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

Macroeconomic conditions improved in 2021 and 2022, and real GDP grew 12.5 and 4.0 percent, respectively. One of the areas that saw the highest growth rates were hotels and restaurants (+22.5%)¹. Foreign direct investment flows also increased in 2022 for Commerce, restaurants, and hotels to \$393.5 million (+166%).

The Institute of Property registered to date, 5,491 tourist establishments, of which 2,885 (53%) correspond to food and beverage and 1,827 correspond to lodging (33%) establishments. Most of the food and beverage establishments are in Tegucigalpa, San Pedro Sula, Roatán and La Ceiba. Lodging establishments are located mostly in San Pedro Sula, Roatán and Tegucigalpa.

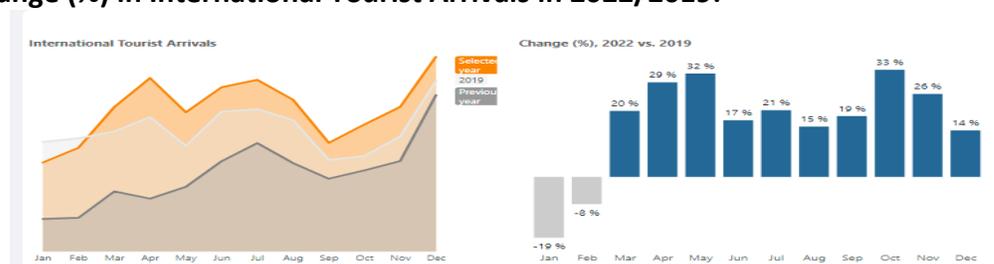
The National Chamber of Tourism of Honduras (CANATURH), stated that more than 90% of tourism enterprises in the country are micro, small, and medium-sized, 87.8% are national capital, and more than 50% have up to ten employees. During the year 2022 it is estimated that approximately 243,983 people were employed by activities characteristic of tourism.

According to the World Tourism Organization's (UNWTO)² barometer, new data point to a full recovery of tourism in 2023, international tourism is advancing at a good pace, returning to pre-pandemic levels, with twice as many people traveling in the first quarter of 2023 as in the same period in 2022. The figures for the first quarter of 2023 are consistent with UNWTO projections for that year, which predict that international arrivals will recover between 80.0% and 95.0% of pre-pandemic levels.

TOURISM

Honduras attracted more than 1.9 million tourists in 2022, 131.4% higher than in 2021 (825,796), according to the Honduran Tourism Institute (IHT)³. IHT established 49.4% of people (943,246) arrived in Honduras by sea (cruise ship), while 487,676 (25.7%) entered by land and 480,166 people (25.3%) by air. According to official data, the United States was the first issuer of tourists with 43.4% of the total number of visitors, followed by El Salvador (17.4%) and Nicaragua (13.9%). The Ramón Villeda Morales airport in San Pedro Sula had the highest number of arrivals. Guasaule was the principal land point of entry for day visitors.

Monthly Change (%) in International Tourist Arrivals in 2022/2019:



Source: www.unwto.org

According to the IHT, international tourist receipts were USD 548.9 million, which is 80% more than the \$304.9 million obtained in 2021. According to the authorities, the tourist sector accounts for approximately 6.0% of the gross domestic product (GDP). In the third quarter of 2022, foreign exchange income from tourism ranked sixth among the sources of foreign exchange, after family remittances, the maquila and the export of coffee, palm oil and bananas.

HOTELS

According to the National Tourism Registry, the country has 120 hotels with a total capacity of 4,246 rooms, or 6,807 beds. According to the Central Bank of Honduras, hotel and restaurant activity increased by 22.5% between January and December 2022 as a result of an increase in tourism and entertainment events (concerts), which prompted people to travel to the country's major cities, and primarily as a result of the facilities provided by electronic platforms, which have promoted the demand for consumer-oriented foods.

FOOD SERVICE HONDURAS

Shopping centers and malls are becoming increasingly popular. Consumers have replaced recreational activities with visits to malls and shopping complexes not only for convenience of the one-stop (multi-brand stores, food, entertainment, banking, etc.), but also because a sense of confidence that they can go about their business safely within the enclosed guarded areas that are typical of these shopping venues in Honduras.

According to Fortune Business Insight, most of the millennial population prefers fast food, and their spending on quick-service restaurants is expanding. [Li et al](#)⁴ reported that 46.7 percent of Honduran teenager (ages 12-15) eat fast food at least once a week, with the country average being two days per week. In general, all types of fast-food outlets improved in 2022 compared to the previous year. Resulting in 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.

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.

Top Foodservice Restaurant Chains, Hotel Chains and Distributors in Honduras

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

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. Diners are heading back to their favorite restaurants, but the importance of third-party delivery services like HUGO, Glovo, PedidosYa, Sompopo, Ocho, Yuuju, UBER Eats, RYTE and Speedy appears to be remaining steady.

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. 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.

INSTITUTIONAL

Hospitals, residential care institutions, schools, and jails dining facilities comprise Honduras' institutional foodservice sector. Many of these facilities, particularly those run by the government obtain food supplies through tenders in which price, quality, consistency, and consistent supply are important considerations. Food acquired for governmental institutions is sourced locally and comprised of the basic food basket, which includes only 30 products such as pork, chicken, eggs, onions, tomatoes, red beans, coffee, rice, maize, corn flour, milk, sugar, salt, coffee, fresh cheese, butter, palm oil, fruit juice, and vegetable juice. School lunches also benefit from donations of ingredients which are monetized to acquire funds for school meals.

ADVANTAGES AND CHALLENGES FACING U.S. PRODUCTS IN HONDURAS

ADVANTAGES	CHALLENGES
U.S. products are known to be high quality, healthier and consistently available.	Imported/U.S. products are generally more expensive.
Growing popularity of convenience stores and fast foods. U.S. fast foods - favors sourcing food ingredients from the U.S..	Competition remains strong, especially from "regional" food supplying countries of Guatemala, El Salvador y Nicaragua. They are also generally cheaper than U.S. products.
Tourism has started to recover, and thus new venues are open to sell/promote U.S. consumer-oriented food products.	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.	Honduras bureaucracy can slow the importation process of food products and various non-tariff barriers remain onerous.
Honduras has 12 preferential trade agreements in force and currently negotiating a FTA with China.	Limited purchasing power and uncertain economic outlook.

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.

The following points are critical to successfully accessing the Honduran market:

1. Exporters should discuss INCOTERMS with importers to clarify the tasks, costs and risks for buyers and sellers in the commercial transactions.
2. Exporters should make sure their legal representatives and/or importers are registered as taxpayers in Honduras.
3. Ensure importers obtain official import permits required by the Honduran Food Safety Authorities *before* shipping products from the United States.
4. Provide importers with (a) the commercial invoice;¹⁸ (b) the transport document (bill of lading, air waybill or waybill for land transport, depending on the means of transport); (c) the customs value declaration (DVA);¹⁹ (d) the certificate of origin, f) packing list (to determine applicability of CAFTA-DR and other benefits) for every shipment.
5. Check that the labels are proper; slight errors might result in large fines. Avoid putting labels such as Gold Label, Gold Standard, Prime Product, and others on carton boxes or any other packaging material to attract buyers' attention; this may result in importers paying a value-added tax (VAT).
6. Merchandise exported must exactly match the product / quantity listed on the commercial invoice; discrepancies can create major delays at port of entry and result in fines to the importer.
7. Be prepared to provide additional information regarding the values of the commercial invoice and the origin of the product to support importers' engagement with customs officials.
8. For customs clearance, the importer must appoint a customs broker, who must be a national of a State party to the Central American Common Market (CACM). However, use of a customs broker is optional if the goods fall under the temporary admission for inward processing regime or the Free Zones (ZOLI) regime.
9. Make sure shipping companies send merchandise in clean containers to avoid multiple inspections at the border. Also, wood packaging material shall be appropriately treated and marked under an official program and when loading the cargo on the container make sure the quality/treatment marks are facing the doors.
10. All goods are subject to a risk analysis, based on which the Customs Administration of Honduras (AAH) authorizes immediate clearance (green channel), inspects the documents (yellow channel) or carries out a physical inspection of the goods in addition to the document inspection (red channel).

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.

Imported U.S. products generally rely on Honduras's network of distributors to drive sales through wholesale, modern retail (supermarkets and convenience stores), and 'mom & pop' retail (pulperías and informal vendors) channels. 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.

Distributors have two main channels: retail and convenience stores, known as the "modern channel," and direct sales to HRI. Distributors also have the capacity to provide logistics needed to supply smaller 'mom & pop' stores, which are an important component of the retail sector.

III. COMPETITION

Five products represent 57.5% of total imports by value from the world for the consumer-oriented food product category. Honduras imported over \$320.7 million in soup & other food preparations, US\$ 208.8 million in bakery goods, cereals & pasta, \$201.1 million in dairy products, \$136.3 million in non-alcoholic beverages, and \$120 million pork & pork products.

FASTEST GROWING IMPORTS BY CATEGORIES

Value growth across the market in 2022 is due to rising prices while the volume sales contracted by 5 percent or more for poultry meat & prods. (ex. eggs), distilled spirits, meat products nesoi, eggs & products, pork & pork products, processed fruit, fruit & vegetable juices, coffee, roasted and extracts, beef & beef products. Recession, rising unemployment and inflation and a narrowing middle class led to a trading down in consumer buying habits.

Honduras: Top 10 Consumer-Oriented Food Products - Imports Growth by Volume from All Countries.
(Calendar Year: 2021, 2022)

Product	Un.	2021	2022	%Δ Volume 2022/2021
non-alcoholic bev. (ex. juices, coffee, tea)	T	258,840	252,306	-3%
fresh fruit	T	211,361	213,193	1%
beer	T	99,250	102,143	3%
fresh vegetables	T	97,886	108,539	11%
bakery goods, cereals, & pasta	T	92,130	91,928	0%
processed vegetables	T	57,106	58,019	2%
pork & pork products	T	51,201	46,565	-9%
dairy products	T	50,825	54,845	8%
condiments & sauces	T	43,360	43,750	1%
dog & cat food	T	40,767	50,918	25%

Source: Trade Data Monitor

Honduras: Top 10 Growth Consumer-Oriented Food Products – Imports Growth by Value from All Countries.
(Calendar Year: 2021, 2022)

Product	Un.	2021	2022	%Δ Value 2022/2021
soup & other food preparations	USD	\$292,234,039	\$320,766,822	10%
bakery goods, cereals, & pasta	USD	\$168,568,898	\$208,789,745	24%
dairy products	USD	\$151,920,407	\$201,094,458	32%
pork & pork products	USD	\$127,217,897	\$119,957,133	-6%
non-alcoholic bev. (ex. juices, coffee, tea)	USD	\$124,263,984	\$136,273,851	10%
beer	USD	\$84,476,242	\$91,304,721	8%
fresh fruit	USD	\$82,220,729	\$78,746,161	-4%
condiments & sauces	USD	\$79,712,703	\$93,528,235	17%
processed vegetables	USD	\$61,679,156	\$81,540,125	32%
poultry meat & prods. (ex. eggs)	USD	\$47,803,230	\$41,604,895	-13%

Source: Trade Data Monitor

The categories of these products that have shown greater Y-O-Y growth are:

NON-ALCOHOLIC BEV. (EX. JUICES, COFFEE, TEA)

Non-alcoholic beer (+34.78%) and waters other than mineral or aerated, Not Sweetened or Flavored Nesoi (+30.8%).

FRESH FRUIT

Grapes (+118.29%), plums and prunes (+53.59%), mandarins (+41.95%), strawberries (+13.8%), peaches (+12.07%), melons (except for watermelon) (+11.97%), and bananas fresh or dried other than plantains (+9.79%).

FRESH VEGETABLES

Potatoes (22.75%), cauliflower and broccoli (20.82%) celery (17.4%), onions (13.67%), Carrots (3.04%), fresh lettuce (2.67%).

PROCESSED VEGETABLES

Preserved or prepared sweet corn (+30.92%), prepared or preserved beans (+4.26%) and french fries (+6.71%)

BAKERY GOODS, CEREALS & PASTA

The market for snack foods in Honduras is very competitive and dominated by international brands. Cereals (+33.73%), mixes and doughs for the preparation of bread, pastry, cakes, biscuits and other (+10.14%), Cookies (+9.42%), pasta uncooked not stuffed (+4.04%)

DAIRY PRODUCTS

NFDM, <1.5% FAT (+166%) in value from the previous year USD15.5 to USD 41.4 million. Reduced fat or lactose free powder milk (+77.24%), Milk and cream, concentrated (+76.68%), (77.24%)

DISTILLED SPIRITS

Gin (+399) presented the most growth followed by the categories Spirits>80% vol (+157) and Liqueurs & Cordials (+149) and vodka (+60). In 2023, January to July distilled spirits reported a 26% growth over the previous year.

U.S. Top 10 Imports of Consumer-Oriented Food Products and Competition

Product Category	2022 Value	%Δ Value	Market share (%) by Value
	(USD)	2022/2021	
Bakery Goods, Cereals, & Pasta	\$208,789,745	23.9%	Guatemala 39.3, El Salvador 18.6, USA 17.3
Dairy Products	\$201,094,458	32.4%	USA 45.5, Guatemala 18.5, Mexico 12
Non-Alcoholic Bev. (ex. juices, coffee, tea)	\$136,273,851	9.7%	Guatemala 46.5, El Salvador 23.7, USA 14.8
Pork & Pork Products	\$119,957,133	-5.7%	USA 92.8, Canada 4, Guatemala 2
Condiments & Sauces	\$ 93,528,235	17.3%	Guatemala 38.1, USA 23.7, Costa Rica 22.31
Beer	\$ 91,304,721	8.1%	USA 50.1, Mexico 20.3, Nicaragua 12.3
Fresh Fruit	\$ 78,749,161	-4.2%	Mexico 19.6, USA 18.2, Nicaragua 17.2
Dog & Cat Food	\$ 51,921,904	42.2%	Guatemala 41.5, USA 21.8, Mexico 18.3
Fresh Vegetables	\$ 33,397,668	26.1%	USA 37.9, Guatemala 25.2, Netherlands 21.4
Processed Vegetables	\$ 27,365,783	32.2%	USA 25.7, Belgium 24.2, Costa Rica 11.3

Source: Global Agricultural Trade System (BICO)

V. KEY CONTACT AND FURTHER INFORMATION

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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>

¹ [Índice Mensual de Actividad Económica, Banco Central de Honduras](#)

² [Barometer, World Tourism Organization](#)

³ [Honduran Institute of Tourism](#)

⁴ [PubMed, National Library of Medicine](#)

Attachments:

No Attachments.