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**Report Highlights:**

This report explores India's Hotel, Restaurant, and Institutional (HRI) sector with an overview of the industry's growth, key players, and market trends. Key factors driving expansion include urbanization, rising incomes, and an increasingly consumer base drawn to diverse culinary experiences and luxury travel. The report outlines competitive challenges for U.S. exporters, such as cost sensitivity, regulatory hurdles, and strong regional competition, yet identifies promising opportunities for U.S. food products like tree nuts, fresh fruits, wines, and processed foods. While demand for premium and health-focused products is high, long-term success will depend on strategic positioning and aligning with local preferences.

## Executive Summary

India has the world’s fifth-largest economy, with a [GDP of \\$3.5 trillion in 2023](#), and a projected growth rate of 6.8 percent for 2024/25. The food and grocery segment dominates India’s retail sector, contributing approximately 10 percent to GDP.

## Consumer-Oriented Agricultural Imports

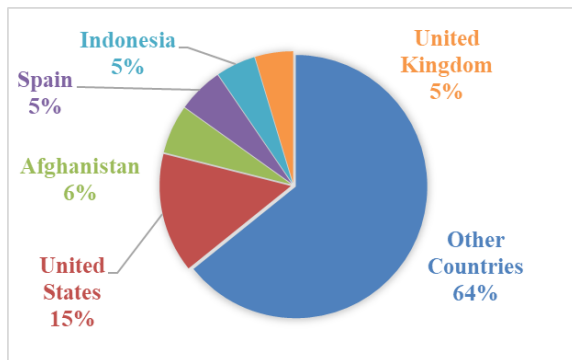


Chart 1: Top Exporting Countries to India.

## Food Retail Industry

The food and grocery segment dominates India's retail sector with [65 percent](#) market share, and is projected to grow at a compound annual growth rate (CAGR) of 10 percent.

## Food Processing Industry

India's food processing industry, valued at \$334 billion in 2023, is projected to grow to \$547.3 billion by 2028, with a CAGR of nine percent.

## Food Service Industry

India’s food service sector is projected to grow at a CAGR of eight percent, reaching [\\$65.5 billion](#) by 2028 and nearly doubling to \$107 billion by 2030. The sector is a significant economic driver, accounting for nearly two percent of GDP.

## Quick Facts CY 2023

### Imports of Consumer-Oriented Products:

U.S. \$7.7 billion

### List of Top 10 Growth Products in India

1. Animal or vegetable, oils, & fat products
2. Pulses
3. Tree nuts
4. Forest products
5. Sugar and confectionery
6. Fresh fruits
7. Cotton
8. Processed fruits
9. Distilled spirits
10. Wine and related products

### Food Industry by Channel

Retail Food Industry -\$719 billion

Food Service-HRI -\$324 billion

Food Processing -\$400 billion

Food and Agriculture Exports -\$56 billion

### GDP/Population

Population: 1.4 billion

GDP: \$3.5 trillion

GDP per capita: \$2,484

Strengths	Weaknesses
Strong growth in food delivery services expanding consumer access.	Price-sensitive market leading to challenges in selling premium imported goods.  Varying levels of cold chain and transportation infrastructure throughout the country.
Opportunities	Threats
Growing demand for western-style fast food and café culture.	Volatile economic conditions that may impact consumer spending.

## Section I: Market Summary

### Overview of India's Hotel, Restaurant, Institutional Sector

India's HRI sector is experiencing rapid growth, driven by urbanization, rising incomes, and an expanding middle class opting for meals at restaurants and interest in exploring new cuisines. The expansion of international hotel chains and a thriving restaurant industry is creating significant demand for diverse and high-quality food products, and imported ingredients are increasingly in demand in luxury hotels and premium restaurants that aim to provide international standards and varied culinary experiences.

India's foodservice market includes cafes, cloud kitchens, and quick service restaurants and is estimated at \$77.5 billion for 2024 and is projected to reach [\\$125 billion](#) by 2029. Similarly, the hospitality industry is projected to grow significantly from \$247 billion in 2024 to [\\$475 billion by 2029](#). The branded and organized hotel sector recorded a [nationwide occupancy of 67.5 percent](#) in 2023-2024, the highest level in a decade. Hotel companies have accelerated expansion plans, resulting in more than 35 percent increase in agreements to open new hotels or expand existing ones. Foreign tourist arrivals account for 37 percent for leisure and recreation, followed by visits from India's diaspora at 21 percent, business and professional travel at 10 percent, and other purposes comprising 17 percent.

### Market Trends and Dynamics

The growth of the HRI sector is driven by a young and tech-savvy population. Digital transformation, including the rise of food delivery services through platforms like [Swiggy](#) and [Zomato](#), has reshaped consumer habits and fueled market expansion aimed towards convenience. Health-conscious dining and sustainability are also priorities, with an increased demand for organic and eco-friendly options. Growth in tourism, including domestic and international travel, contributes to hotel and restaurant expansion. Unconventional destinations, especially in Tier II and Tier III cities, are becoming popular for leisure and events like weddings, presenting new business opportunities.

### Way Ahead

India's HRI sector expects approximately 481 new hotel projects and 57,879 rooms by 2029. Major hotel chains like [IHCL](#), [Marriott](#), and [Radisson](#) are strengthening their presence, especially in emerging leisure destinations. Thematic luxury travel focused on relaxation, wellness, and spirituality is becoming popular among Indian travelers, while boutique and ultra-luxury hotels are gaining appeal. This presents significant opportunities for U.S. exporters, particularly in premium and specialty food products. However, challenges such as high import tariffs, supply chain issues, and competition from Australia and southeast Asia suppliers persist. To succeed, U.S. exporters should strategically align their offerings to meet evolving demands for quality, sustainability, and unique culinary experiences.

ADVANTAGES	CHALLENGES
Expanding tourism industry boosting demand for international ingredients in hotels and restaurants.	Imported U.S. products are generally more expensive.
Growth in health and wellness trends, supporting demand for organic and specialty U.S. products.	A focus on purchasing fresh local food by many restaurants and cafés.
Collaboration opportunities with high-end restaurants and international hotel chains.	Many U.S. exporters are unfamiliar with the market and are sometimes unable to meet specific requirements and order sizes.
Increasing consumer interest in global cuisines, creating demand for diverse imported ingredients.	Time commitment for brand building can be significant.
Participation in trade shows and educational seminars can bridge the gap for importers not yet familiar with U.S. food products.	Competitors are investing more resources in marketing of their products.
Highlight sustainable farming methods to attract luxury hotels aiming to meet their corporate social responsibility (CSR) goals.	Luxury hotels are increasingly prioritizing to reduce their carbon footprint as a part of their CSR which influences purchasing decisions.

## Section II: Roadmap for Market Entry

### A. Entry Strategy

#### 1. Can your product enter India and comply with local laws?

- Conduct due diligence and determine if your product has market access by studying regulations pertaining to foods and beverages.
- Review FAS policy and market reports; specific custom duties, and sanitary requirements.
- Consider engaging a market research firm to assist with market entry, to better understand trade challenges and opportunities, and navigate the regulatory environment.

#### 2. Find the Right Partner

- Find a reliable importer/distributor for retail, food service, or food processing sector.
- Consider whether participating in a domestic trade show would be an effective means to identify key importers/distributors/partners.
- Consider partnering with U.S. Cooperators for promotional; activities such as cooking demonstrations, health –focused talks and culinary seminars at colleges to increase market awareness and penetration.

#### 3. Secure Payment Terms

- U.S. suppliers or exporters may wish to consider vehicles such as an irrevocable letter of credit, advance payment, and/or payment at sight.
- FAS India does not have the authority to mediate contractual disputes or serve as a collection agent when differences over payment or other commercial issues arise. For information about local legal services, refer to [GAIN Report IN6155](#).

## Market Structure

**Hotels:** India's hotel market growth is driven by rising tourism, domestic travel, and business expansion in Tier I and Tier II cities. As of 2023, India has approximately [709 luxury hotels](#), reflecting a growing importance for premium offerings. Major global brands like [Marriott](#), [Hyatt](#) and [Radisson](#) are well-represented and cater to both business and leisure travelers by offering corporate services, event spaces, and luxury experiences. The market is divided into large hospitality chains and standalone brands operating domestically or regionally. Heritage-themed hotels such as [ITC Hotels](#) and [The Lalit](#) showcasing regional art and cuisine, are expected to see strong growth compared to modern and contemporary themes. Chain-affiliated hotels lead in market share, and resort-style accommodations are the most popular. Fine dining in India is often housed within five-star hotels, and U.S. exporters would be well placed to develop strong relationships with large domestic hotel groups such as the [Oberoi](#), [Taj](#), and [the Leela Palace](#). Top domestic hotel chains often support their own hospitality training programs which could serve as entrees for early education on U.S. products. Mini bars in hotel rooms often feature U.S. nuts as snacks, either under private labels with the hotel's name or in partnership with well-known brands. Guests are increasingly willing to pay premiums for unique, high-quality food and beverage experiences that combine craftsmanship, ambiance, and exclusivity.

**Restaurants and Fast Foods:** The sector is divided into unorganized (56 percent) and organized (44 percent) segments. Unorganized establishments include food trucks, street stalls, and roadside eateries, while the organized sector includes casual dining quick-service restaurants and fine dining. Fast food restaurants are a rapidly growing segment, estimated at \$25 billion in 2024, and projected to reach \$39 billion by 2029. Leading brands such as [McDonald's](#), [Domino's](#) and [Pizza Hut](#) dominate urban areas by tailoring menus to local preferences, while the food delivery sector, led by [Swiggy](#) and [Zomato](#), has further driven industry growth by meeting the demand for convenience. Cloud kitchens represent one of the fastest-growing segments, with a projected CAGR of 17 percent from 2024 to 2029, driven by a surge in online food delivery and changing consumer preferences for convenience. Many high-end restaurants frequently change their menus to attract regular customers. U.S. exporters can collaborate with top chefs who offers training and recipe support to incorporate American ingredients into the restaurant's menu. Additionally, the growing trend of food delivery services can help expand the reach of U.S. products to a broader customer base.

**Institutional:** India's institutional food service sector includes catering for event organizers, the armed forces, railways such as [Indian Railway Catering and Tourism Corporation](#), hospitals, schools' mid-day programs like the [Akshaya Patra Foundation](#), prisons, and corporate office and cafe companies like [Sodexo](#) and [Compass Group](#). Government-operated facilities typically procure supplies through tenders, focusing on price, quality, consistency, and stable supply. U.S. exporters can target premium opportunities by collaborating with luxury railways like the [Palace on Wheels](#) and [Maharajas' Express](#), offering high-quality food and beverages. The demand for international and gourmet cuisines at private events and corporate functions also provides room for U.S. products to grow. Airline catering presents another significant opportunity, with major players like [Taj Sats](#), [Oberoi Flight Services](#), and [SkyGourmet](#), are leading the segment. Duty-free liquor offers opportunities which require partnerships with airport or border retailers and following Indian import and labeling regulations. However, U.S. exporters must handle challenges like price sensitivity and competition from local and international suppliers to succeed in this sector. Post conducted training sessions for hotel management students'

young chefs, and culinary professionals where they are raising awareness about the versatility and quality of U.S. ingredients to encourage their integration into food services industry.

## **Distribution**

In India, the distribution of imported food products is complex and follows a structure involving importers, distributors, wholesalers, and retailers. Large importers purchase in bulk and supply products to major retailers, who then distribute to smaller outlets. Luxury hotels often rely on centralized purchasing departments, while others use individual procurement systems as their requirements. Many hotels and restaurants source unique ingredients from specialty food distributors, some of which import directly. Smaller food service operators, including individual restaurants, frequently rely on local supermarkets, fresh markets, or wholesale club like [Metro](#) for their supplies. However, most imported products pass through trading houses that handle customs clearance, quality testing, warehousing, and inventory financing. There are opportunities for U.S. exporters to establish partnership with food service wholesalers and distributors, but U.S. exporters face challenges due to the underdeveloped supply chain which have limited the product adoption to major cities.

## **Section III: Competition**

India's HRI sector is driven by strong domestic suppliers and international competition. The government initiative "Make in India" encourages prioritization of local products. Additionally, Australia, Spain, and France, have a strong foothold in premium food categories such as wines and specialty foods. While U.S. products are valued for their consistency, safety, and specialty range, they face high tariffs, complex import regulations, and long shipping routes that impact cost and freshness. Price sensitivity favors regional and Middle Eastern suppliers offering competitive quality.

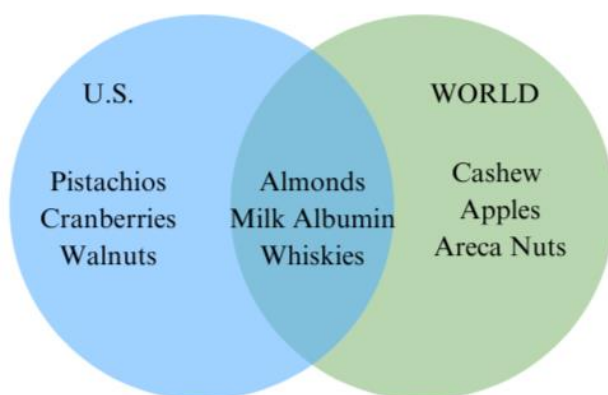
### **Competition in Major Product Categories 2023**

U.S. products face strong competition in India across several categories. Fresh fruits account for \$664 million in imports, representing 9 percent of the market where Turkey has 27 percent, Iran 15 percent, and Italy 10 percent of the market and they are dominate due to competitive pricing and favorable trade agreements. In pears, South Africa leads with 78 percent, followed by the UAE at 12 percent and Chile at 6 percent. Distilled spirits imports stand at \$572 million, comprising 7 percent of the market which is led by the United Kingdom with 63 percent of the market, leveraging its quality and pricing advantage, while Singapore and the UAE follow with 12 percent and 11 percent, respectively. Indian-made whiskey still controls 96 percent of the overall spirit's market. Wine import amount to \$433 million, capturing 5 percent of the market, Spain holds a commanding 93 percent of the market by exporting low-priced bulk wine followed by Australia and France. However, overall national wine consumption remains low, and domestic wines are preferred due to affordability and availability. Despite the challenges, there are opportunities in premium HRI channels. To succeed, U.S. exporters could build strong relationships with local importers, engage in food and hospitality expos to increase brand visibility, and customize pack size as per market needs.

## **Section IV: Best Product Prospects**

India offers opportunities for U.S. exporters, especially after reduced tariff rates on pecans, and the removal of retaliatory tariffs on almonds, apples, chickpeas, lentils, and walnuts. Reductions to India's most-favored-nation rates for blueberries, cranberries, frozen turkey, and frozen duck were also reduced/removed in 2024. Consumers here are increasingly opting for high-quality proteins, a variety of fresh fruits and vegetables, and superfoods such as berries and nuts. Please see FAS report [Opportunities for U.S. Agricultural Products in India](#).

### Top Consumer-Oriented Products Imported 2023



### U.S. Products Present in the Market with Good Sales Potential 2023

U.S. tree nuts remain a top export to India as there is an increased consumer interest in healthy lifestyles and nutritional benefits. Nuts and seeds have seen a robust growth of 2567 percent and pecans are growing by 393 percent from 2022 to 2023. Bakery goods are getting popular due to café culture rise and demand for western-style pastries and breads, have also seen a boom, with pastries growing by 1088 percent and bread and biscuits by 113 percent. These trends draw opportunities for U.S. products in India's HRI sector with strong sales potential across diverse categories.

### U.S. Products Not Present in Significant Quantities but Good Sales Potential 2023

Dual-income families in India that are influenced by global cuisines, are increasingly turning to convenience foods like sauces, which grew by 34 percent, and mixed seasonings, up by 43 percent which are used as flavor enhancements. These products are also in demand in the Hotel, Restaurant, and Café/Catering (HoReCa) sector. Health-conscious consumers are shifting from fruit jams to peanut butter, which saw a remarkable 295 percent growth. There has been a shift from industry bakers to rise of home bakers starting small ventures which has fueled a growth to 141 percent increase in demand for chocolate and cocoa products, including beans, powder, and butter. U.S. producers have an opportunity to collaborate with leading food suppliers and HoReCa partners to tap into these growing markets.

### U.S. Products Not Present Due to Significant Barriers 2023

Strict regulations are there in India for import of pork and beef which requirements a halal certification. Beef imports are outright banned due to religious sensitivities as a significant Hindu portion of the population considers cows sacred. Similarly, pork demand remains low due to large share of Muslim population avoiding it. These factors make India a challenging market for U.S. exporters of these products.

## Section V: Key Contacts and Further Information

### Government Regulatory Agency Contacts and Data Sources

<b>Agency</b>
<a href="#">Ministry of Agriculture and Farmers' Welfare</a>
<a href="#">Food Safety and Standards Authority of India</a>
<a href="#">Department of Consumer Affairs</a>
<a href="#">Ministry of Consumer Affairs, Food and Public Distribution</a>
<a href="#">Plant Protection and Quarantine</a>
<a href="#">Ministry of Agriculture and Farmers' Welfare</a>
<a href="#">Department of Animal Husbandry and Dairying</a> <a href="#">Ministry of Agriculture and Farmers' Welfare</a>
<a href="#">Directorate General of Foreign Trade</a>
<a href="#">Ministry of Commerce and Industries</a>

### Trade Associations

<a href="#">Federation of Indian Chambers of Commerce and Industry</a> E-mail: <a href="mailto:ficci@ficci.com">ficci@ficci.com</a>	<a href="#">Confederation of Indian Industry</a> Email: <a href="mailto:info@cii.in">info@cii.in</a>
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### Foreign Agricultural Service

<b>Embassy of the United States of America</b> Chanakyapuri, New Delhi - 110 021 Phone: +91-11 - 2419 8000 Email: <a href="mailto:agnewdelhi@usda.gov">agnewdelhi@usda.gov</a> Web: <a href="#">U.S. Embassy, New Delhi</a> Twitter: <a href="#">@USDAIndia</a> Instagram: <a href="#">@tasteofamericain</a>	<b>U.S. Consulate General Mumbai</b> C-49, G-Block, Bandra Kurla Complex Bandra E, Mumbai - 400 051 Phone: +91-22 - 2672 4000 Email: <a href="mailto:Agmumbai@usda.gov">Agmumbai@usda.gov</a> Web: <a href="#">U.S. Consulate General Mumbai</a>
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### Attachments:

No Attachments