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HRI Food Service Sector

Annual

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Report Highlights:

India's food import market for the hotels, restaurant and institutional (HRI) service sector is small but growing. The HRI sector continues to rely heavily on local goods, with less than 2 percent of HRI sector food demand met through imports. The recent strong growth in tourism and international business travel, coupled with growing domestic demand for world class food and beverage services offer opportunities for exporters of U.S. food and beverage products in this potentially large, but virtually untapped market.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
New Delhi [IN1]
[IN]

SECTION I: MARKET SUMMARY**General Economy**

- ❑ India's economy has been growing strong over the past five years averaging 6.8 percent annually.
- ❑ India's economy will be the third largest in the world behind the U.S. and China by 2050 (Goldman Sachs)
- ❑ India is the fourth largest economy in the world in terms of purchasing power parity (PPP), next only to USA, China and Japan.
- ❑ India has a population of over 1.1 billion, with the middle class of about 250 million consumers.

The government's Planning Commission has set an average gross domestic product (GDP) growth rate target of nine percent for the ongoing eleventh five-year plan (2007 to 2012). The current Congress party-led United Progressive Alliance (UPA) government has adopted 'economic reforms with a human face' as a guiding principal. The Government of India's 'Incredible India campaign'¹ to promote tourism in India has been very successful as reflected in the increase in the number of foreign tourists in recent years.

Status of HRI Service Sector

The Indian hotel, restaurant, and institutional (HRI) food service sector is highly fragmented. Consequently, limited published information is available about the sector. From the estimated 20,000 hotels in India, only 2,100 hotels are in the organized sector. There are approximately 700,000 restaurants in the organized sector². In the unorganized sector, there are innumerable roadside eateries and tea/snack shops. The institutional food service sector consists of food service facilities for railways, government offices, corporate offices, education institutions, hospitals, prisons, armed services, and airlines.

The Indian hotel industry has been on an upswing since 2003, largely due to the turnaround of the global tourism industry, the successful 'Incredible India' tourism promotion campaign, and the world's increasing interest in India's rapidly growing economy. India has emerged as a leading international travel destination driven by a surge in business travelers and a soaring interest in the country. Foreign tourist arrivals and consequent foreign exchange earnings have continued to increase, growing at about 15 percent in 2006 over the previous year.

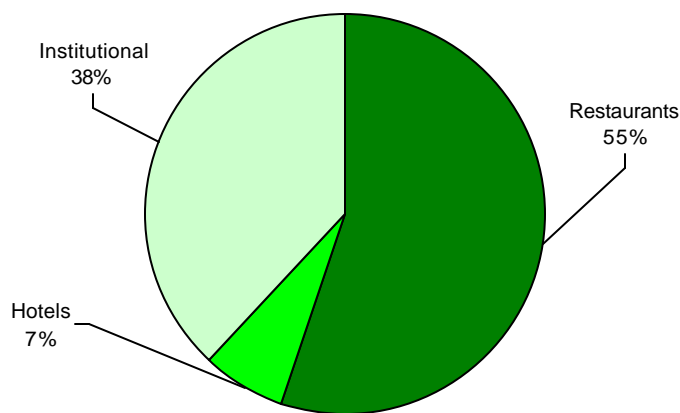
¹ <http://www.incredibleindia.org/>

² Restaurants with more than 20 seats, menu cards and waiter service.



Indian consumers spend only about 2.5 to 3.0 percent of their food expenditures in hotels and restaurants. Most Indians still prefer Indian-style food, as various regional cuisines offer many choices. Vegetarianism is still a widely popular culinary tradition in India. However, the younger urban population is increasingly shifting to western-style fast food items. HRI sector sales of food and beverages in India are estimated at \$13.5 billion in Indian fiscal year (IFY) 2006/07 (April/ March), and are expected to grow by 12-15 percent over the next few years.

**Indian Food Service Sector Sales
(IFY 2006/07 - \$13.5 Billion)**



SOURCE: Literature survey and industry sources.

Growth Boosters of the HRI Food Service

In recent years the hospitality industry has benefited from a steadily growing economy and booming tourism. The following factors will drive increased food service sales in India in the near future:

- Tourism and foreign business traveler traffic has been growing at double digits for the last four years in a row, and this rate is expected to continue over next few years. The Indian hotel industry has to gear up to cater to the food needs of the international visitor.
- Apart from international tourists, there has been strong growth in domestic tourist travel³ due to the impressive growth in the economy, the increasing trend of corporate business travel, and emergence of a dynamic urban middle class. These new upwardly mobile and well travelled young professionals prefer international food and beverages.
- On the back of the massive growth in demand for hotels by travelers, hospitality majors (or groups) from India and abroad are investing heavily in new projects and expansions in the luxury hotel (3-Star and above) sector. According to industry estimates, an additional 150,000 new rooms will have to be added to the existing 120,000 rooms by 2010⁴
- The expanding young population, more women in the workforce, and increasing urbanization will continue to support HRI food sales. Today, close to 30 percent of the population lives in urban areas, and this share will grow to 40 percent by 2025. Sixty-five million people are expected to enter the 20-34 year age group from 2001 to 2010⁵. The number of dual income households, with both husband and wife working, has been expanding rapidly in urban areas.
- The “dining out” is evolving fast in India, as more consumers seek variety in their food choices. Urban Indians are aware of international cuisines, and an increasing number are willing to try new foods. About 4.5 percent of urban consumers eat outside of their home at least once a week, and about 12 percent eat out once a month (HRAI Survey).
- There has been double-digit growth in the Western-style fast-food outlets and coffee shops, both multi-national chains (McDonald, Pizza Hut, Dominos, etc.) and Indian chains (Nirula's, Pizza Corner, Barista, and Café Coffee Day). Industry sources believe that the multinational and domestic multi-unit franchise restaurant segment will drive future expansion of the Indian restaurant industry

Import Market

The opportunities for U.S. food companies in India's food service market are presently small but growing. The current boom in luxury- and business-tourism, and the rapidly expanding Western-style fast food restaurant chains, offer new opportunities for U.S. food and beverage products in the potentially large, but virtually untapped, market.

Presently, consumption of imported food and beverage products⁶ is restricted to budget (3-4 star), premium (5 star and above), Heritage hotels⁷, Western-style multi-unit fast food restaurants, and non-ethnic cuisine restaurants. Most of other hotels, restaurants and institutional service operators procure their entire food and beverage requirements domestically from local food processors and/or distributor/wholesalers.

The imported food and beverages procured by hotels and restaurants are mainly branded products and products that are not available domestically, or if available, they are of inferior quality. This includes wine and alcoholic beverages, cheese and dairy products; meat and seafood; exotic and tropical fruits and vegetables; frozen French fries and other potato

³ Estimate for domestic tourist not available.

⁴ Delhi is to host Commonwealth Games in 2010.

⁵ National Council of Applied Economic Research

⁶ Excludes bulk agricultural commodities like vegetable oil, pulses, and dried fruit and nuts, as those imports are for bulk consumption and not specifically targeted at the HRI sector.

⁷ A hotel operating from a fort, palace or historical building constructed before 1950.

products; exotic and/or branded sauces, seasonings and condiments; fruit purees/jam/jellies; olives and olive oil; tinned food items; bar syrups (drink mixes); and ingredients of exotic cuisines like Thai, Japanese, Chinese, Mexican, Spanish, and Continental. Appendix 1 provides the Harmonized Tariff Schedule listing of food and beverage products purchased by hotels and restaurants in India⁸.

Typically, most imported consumer food products, including U.S. products, are transshipped through regional trading hubs such as Dubai and Singapore, due to their liberal trade policies and efficient handling capabilities. Major importers are located in Delhi, Mumbai, Chennai, Kolkata, Cochin and Goa. A significant quantity (25-30 percent) of imported food enters India through illegal channels (smuggling and leakages from duty-free outlets and ships at dock, etc.). Legitimate importers, who pay high import duties, face stiff competition from this illegal 'gray market.' With the 2001 trade liberalization and declining tariffs, however, smuggling is gradually diminishing.

Trade Policy

Non-tariff barriers include onerous labeling requirements for packaged goods and compulsory laboratory testing of samples of all food items which have increased costs and caused hotels to shy away from direct imports. Consequently, hotels and restaurants prefer to source most of their food requirements from local importers (and their distributors), who have the ability to handle import clearance procedures efficiently. Import tariffs are still quite high (31 to 59 percent) for most consumer food products. Some sensitive items like alcoholic beverages (including wine) attract much higher duties.

In May 2003, the Government of India allowed hotels and restaurants duty-free imports of liquor and wine up to five percent of their foreign exchange earnings over the preceding three years (see GAIN [IN3062](#)). The entitlement to duty-free imports offers a significant cost savings to the foreign exchange earning hotels and restaurants and has supported increased imports of alcoholic beverages in the recent years.

Advantages and Challenges of Exporting to the Indian HRI Sector

Advantage	Challenges
Accelerated growth in the Indian HRI sector fueled by the increasing purchasing power of Indians and expanding tourism.	High tariffs and increasing non-tariff barriers.
Increasing urbanization and a growing number of working women.	Complicated and non-science based food laws, difficult custom clearance system, and restrictive domestic marketing/distribution policy.
Expanding young population fueling growth of fast food chains and quick service restaurants.	Poor infrastructure (cold storage, roads, etc.) and a long, fragmented supply chain.
Growing popularity of American culture and foods. Most US fast food franchises are present in the market.	Increasing competition from local players, including multinational food companies, producing cheaper substitutes in India.

⁸ The appendix provides the total value of imports of the selected food and beverage products for the Indian Fiscal Year 2006/07 (April/March), off take share of hotels and restaurants and the major suppliers.

Upper and middle class Indians are eating out more frequently, and are willing to try non-ethnic cuisines.	Competition from countries with closer geographical proximity to the market.
U.S. products have a good quality image among consumers.	U.S. exporters' unwillingness to consolidate the varied requirements of the Indian importer.
Improving Indo-U.S. political and economic relations.	Consumers' preference for traditional/ethnic cuisines.

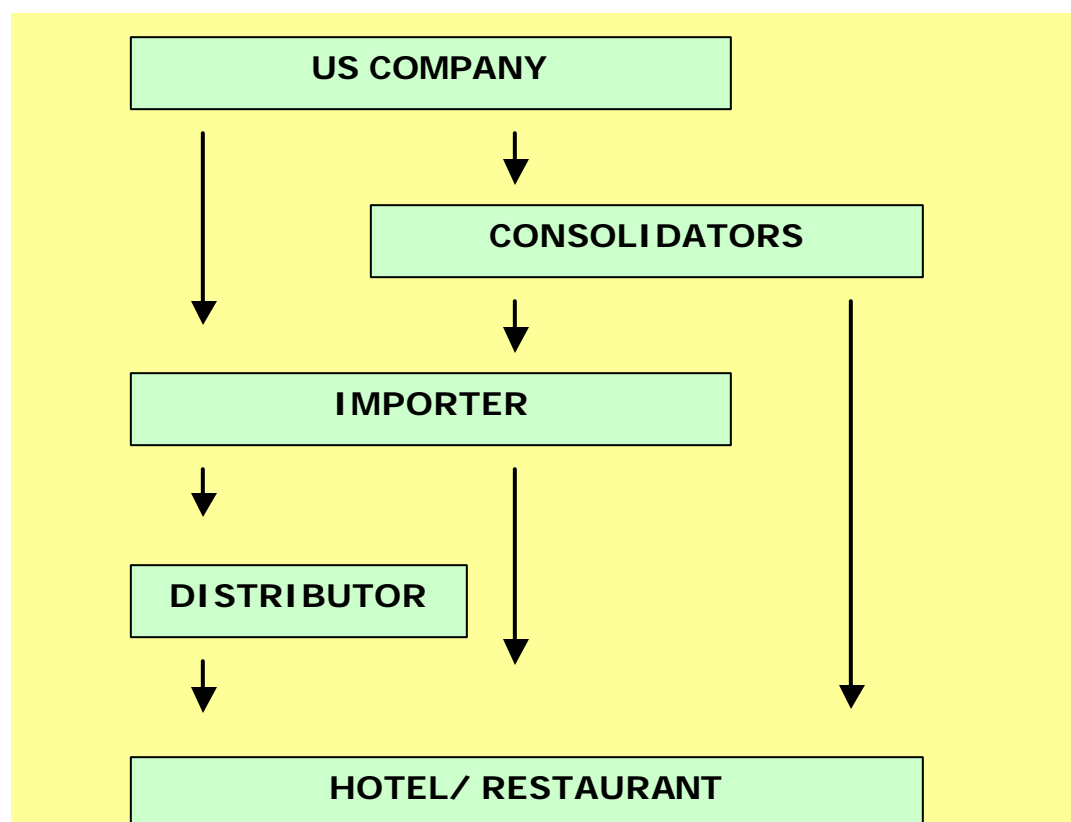
SECTION II: ROAD MAP FOR MARKET ENTRY

A: Entry Strategy

- Survey existing and potential opportunities for the target product(s) in the market. The Office of Agricultural Affairs, New Delhi, and market research firms in India can assist new exporters with their surveys.
- If the U.S. Company has product(s) of promising sales potential, they should develop an appropriate marketing strategy for targeting the HRI sector on the basis of better quality, and/or competitive prices, and/or efficient service. After-sales service and customer support are decisive purchasing factors for hotels and restaurants in India.
- As the majority of Indian hotels and restaurants require individual products in smaller quantities, it may be difficult for the U.S. exporter to make direct sales and service. Consequently, U.S. exporters may want to appoint an in-country agent importer or distributor.
- The U.S. exporter should consider the following to select an agent/distributor:
 - ✓ Examine all prospective candidates, and thoroughly research the more promising ones. Check the potential agent's reputation through local industry, potential clients, bankers, and from other sources.
 - ✓ Recognize that agents with fewer principals and a smaller set-up may be more adaptable and committed.
 - ✓ Avoid conflicts of interest where a potential agent handles similar product lines from competing suppliers.
- For products with a potentially longer shelf life and/or larger order volumes (e.g., from large hotel chains), U.S. exporters may identify and explore supplying through consolidators based in Dubai, Singapore, and Europe.
- The U.S. exporter should initially meet potential buyers and strive to establish direct contacts with hotel and restaurant executives, and then advise their agent to follow-up on a regular basis.
- The U.S. exporters should also be aware of India's varied food laws, particularly those pertaining to use of additives, labeling requirements, shelf life, and sanitary and phytosanitary regulations. Details on Indian food laws are available in our 'Food and Agricultural Import Regulations and Standards Country Report' (IN7068), which can be accessed from the USDA/FAS website at www.fas.usda.gov.
- Placing advertisements about new-to-market products in hotel trade magazines and journals is highly recommended. The U.S. exporter should also participate in Indian food shows like AAHAR or IFE and other smaller regional food shows to showcase their products to potential clients.

B: Market Structure

The following chart gives an overview of the distribution network for imported food for hotel and restaurant sector buyers.



Hotels and restaurants, depending on their procurement systems, buy imported food and beverage products from alternate distribution chains based on the products' unique nature (volume requirement, shelf life, etc.).

- Fresh produce is generally bought from wholesalers and distributors.
- Imported meats, fish, seafood, and dairy products are obtained from dedicated importers and their exclusive distributors who have the cold chain infrastructure to handle such products.
- Most establishments procure non-perishable items through distributors or, in a few cases, from importers.
- A few larger hotel and restaurant chains import through consolidators based in Dubai, Singapore, Bangkok (Thai and Eastern cuisines), and Europe (continental cuisines), specially for the specialty restaurants.
- Wines and liquors are generally procured through importers, mainly private bonded warehouse operators, as most hotels and restaurants import liquor duty-free against their foreign exchange earning license.
- Many Indian food importers, who supply hotels and restaurants, source their products from consolidators based in Dubai, Singapore, Europe, Bangkok and the United States. Most wine and liquor importers source directly from manufacturers.

The hotels and restaurants normally procure domestic food and beverages from a wholesaler/distributor network.

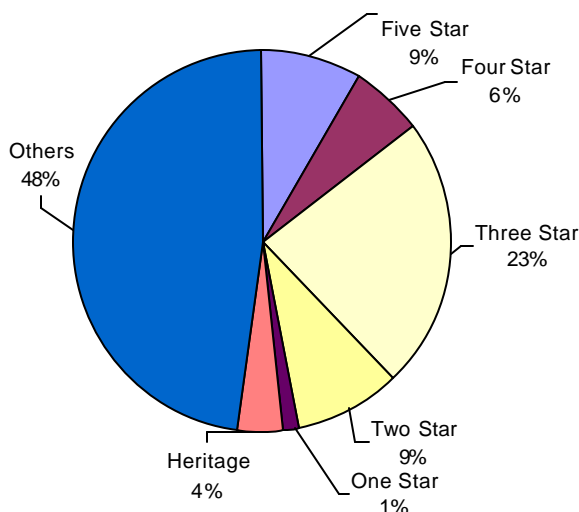
C: Sub-sector Profiles

Hotels

Of the estimated 20,000 hotels and resorts in the country, about 2,100 constitute the organized sector (see below) accounting for about 120,000 rooms. Most of these hotels are

in the larger cities and major tourist destinations. India has several world class domestic hotel chains (see Table 1) and several international chains (Table 2) have also established a presence through franchising. These branded hotels are mostly in the premium segment (5 star and above) and mid-range segments (3-4 star), which cater to high-end business and leisure travelers. With the tourism sector showing immense potential in recent years, several international players are exploring plans for entering or expanding in India, which include Starwood, Accor, Carlson, Best Western, Hilton, Four Seasons, Wyndham, Mandarin Oriental, Ritz-Carlton, to name a few.

The Organized Hotel Sector by Category (Year 2007)



SOURCE: FHRAI, New Delhi

Imported food and alcoholic beverage products destined for the HRI sector are primarily sold to the luxury hotel segment (3 Star and above). The share of imported food products can vary from 5-20 percent of the total food budget, and the imported alcoholic beverages' share can vary from 40-60 percent of the total liquor budget of any individual luxury hotel. Most hotels purchase imported food and beverages from importers and/or distributors. However, some of the larger chains, and those hotels with specialty foreign cuisine restaurants, prefer to import directly through consolidators based in Dubai, Singapore, Europe, and Bangkok.

Consolidators typically offer a wide range of products (20-30 items per 20 foot container) in smaller quantities. Presently, no hotel or hotel chain sources products directly from the United States. While the leading hotels appreciate the excellent reputation of U.S. food and beverage products, the higher transportation costs and lack of contact with U.S. based consolidators are the major constraints. However, most hotels are sourcing U.S. products through the Dubai and Singapore based consolidators and local importers/distributors.

Table 1: Profile of Domestic Hotel Chains in India

Name of the Chain	No. of Units	Revenue (Million \$)	Owner	Purchasing Agent
Taj Hotels, Resorts and Palaces www.tajhotels.com	77	360 (FY06)	The Indian Hotel Company	Consolidators, Importers, and Distributors
ITC-Welcomgroup www.welcomgroup.com	70	218 (FY06)	The ITC Hotels Limited	Importers and Distributors

			(Ltd)	
The Oberoi Group www.oberoihotels.com	32	N/A)	East India Hotel Ltd.	Consolidators, Importers, and Distributors
The Grand Hotels, Palaces & Resorts www.thegrandhotels.net	14	83 (FY06)	Bharat Hotels Ltd.	Importers and Distributors
The Leela Palaces & Resorts www.theleela.com	4	91 (FY06)	Hotel Leelaventures Ltd.	Consolidators, Importers, and Distributors
The Ashok Group Hotels www.theashokgroup.com	16	N/A	Indian Tourism Development Corporation	Consolidators and Distributors
The Park Hotels www.theparkhotels.com	6	N/A	Apeejay Surrendra Park Hotels Ltd.	Importers and Distributors
The Pride Hotels www.pridehotel.com/	4	N/A	The Pride Group	Importers and Distributors
Tulip Star Hotels http://www.tulipstarhotel.com/tulip/	9	N/A	The Tulip Star Hotel Limited	Importers and Distributors
Clarks Hotels www.hotelclarks.com	6	N/A	Clarks Group of Hotels	Importers and Distributors

N/A- Not available

Table 2: Profile of International Hotel Chains in India

Name of the Chain	No. of Units	Purchasing Agent
Comfort Inn	10	Importers and Distributors
Quality Inn	8	Importers and Distributors
Holiday Inn	7	Importers and Distributors
Radisson	7	Importers and Distributors
Country Inn	7	Importers and Distributors
Best Western	6	Importers and Distributors
Marriot	5	Direct Import, Importers & Distributors
Hyatt	5	Importers and Distributors
Ramada	5	Importers and Distributors
Days Inn	2	Importers and Distributors
Nikko	1	Direct Import, Importers & Distributors
See: http://www.fhrai.com/newfhrai/dFHrai/hotelsrch.asp		

Restaurants

It is difficult to assess the number of restaurants in India as the sector is largely unorganized. There are approximately 700,000 restaurants in the organized sector⁹ (restaurants with more than twenty seats and a restaurant menu), mostly serving ethnic cuisines; this number is expected to grow at about 7-8 percent annually for next few years because of increasing urbanization and increasing disposable incomes. International fast food and local multi-unit restaurant groups are driving the expansion in the restaurant industry. South India is emerging as a key region for growth of multi-unit chains that supply reasonably-priced ethnic food with a quick-service concept.

⁹ Based on the Indian Restaurant Industry Survey 2003-04 (FHRAI) and Industry Sources

After a slow start, Western-style fast food restaurants have grown impressively at 12-15 percent annually in recent years. Most foreign chains (McDonald's, Dominos, Pizza Hut, Subway, KFC, TGIF and Ruby Tuesday) and local chains (Café Coffee Day, barista Coffee, Nirulas and Pizza Corner) are doing well in major cities, and are expanding into smaller cities. Most of these fast food chains have developed a range of Indian-styled products to suit local preferences (e.g., Maharaja chicken burger, veggie burger, etc.). Although these chains procure most of their products locally, several products such as french fries, specialty cheese, some meats/seafood, flavors, condiments, and other ingredients are often imported. Over the past few years, the 'coffee shop' culture has spread via chains like Barista and Café Coffee Day in major cities, and seems poised for further growth. These chains are currently sourcing syrups, specialty coffee beans, and some bakery ingredients from foreign origins. Industry sources report several international fast food chains like Wendy's, Burger King, Taco Bells, and Starbucks are actively exploring opportunities of entering into India.

Table 3: Profile of Organized Restaurant Chains (including Coffee Shops) in India

Name of the Chain	Current No. of Units	Type	Ownership Type	Purchasing Agent
McDonalds www.mcdonaldsindia.com	128	Fast food	Two regional franchisees	Direct Imports and Importers
Pizza Hut www.pizzahut.co.in	139	Fast food	A master franchisee operating outlets through sub-franchisees	Consolidators, and Importers
Pizza Corner www.pizzacorner.com	47	Fast food	Indian company operating through sub-franchisees	Importers and Distributors
Dominos Pizza http://www.dominos.co.in/	173	Fast food	A master franchisee operating outlets through sub-franchisees	Information not available
Subway www.subway.com	110	Fast food	Franchisee operating outlets through sub-franchisees	Importers and Distributors
KFC www.kfc.com	9	Fast food	Franchisee operating outlets through sub-franchisees	Consolidators and Importers
Ruby Tuesday http://www.rubytuesday.com/	17	Casual Dining	Franchisee	Importers and Distributors
TGI Friday's www.tgifindia.com	7	Casual Dining	Franchisee	Consolidators and Importers
Nirulas www.nirula.com	37	Fast food/Casual Dining	Indian company with few franchisees	Importers and Distributors
Barista Coffee www.barista.co.in	130	Coffee Shop (serves	Indian company owned	Importers and Distributors

		baked goods and sandwiches, too)		
Café Coffee Day www.cafecoffeeday.com	483	Coffee Shop	Indian company owned	Importers and Distributors
Kwality Restaurants	14	Quick service/casual Dining	Family owned	Mostly distributors
Copper Chimney	5	Casual dining	Indian company owned	Mostly distributors

Institutional

The institutional food service sector includes catering services for the armed services, railways, ships, hospitals, schools, government meal schemes, prisons, and government and corporate offices. These customers almost exclusively procure their food and beverage requirements from domestic sources. The leading hotel chains cater to the airlines and for higher-end corporate and private events. Consequently, there are very limited marketing opportunities for U.S. food products to exclusively market to this segment.

SECTION III: COMPETITION

The biggest competition for U.S. food and beverage products in India's HRI market is from the local food industry. India's diverse agro-industrial base offers many products at competitive prices. Leading multinational food companies and global brands have food processing operations in India, which offer a range of western-style products at reasonable prices. However, the quality of these domestically produced products may be inferior to imported ones due to the poor quality of the raw materials. Most local products are priced lower than comparable imported ones due to high import duties and marketing costs. While many high-end hotel and restaurant buyers are aware of quality differences and insist on world class standards, most are very price conscious.

There is no reliable data on imports of food and beverage products for the HRI sector in India for several reasons¹⁰. Based on a qualitative assessment of the market and information obtained from market sources, products from Australia, New Zealand, the European Union (EU), the Middle East, and other Asian countries directly compete with items from the United States. In addition to the freight cost advantages, suppliers from these competing regions are willing to supply mixed consignments of a wider range of smaller individual product lots, and willing to modify product specifications to meet Indian food laws. Please refer to

¹⁰- Official Indian statistics do not provide a detailed break-up, and include food products imported for retail sales, HRI, and further processing.

- Most consumer food products are imported as mixed consignments from transshipment points like Dubai or Singapore, and are not appropriately identified by their country of origin.

- Most of the transshipped mixed consignments are under-invoiced or falsely declared.

- Over 30 percent of imported food products are not accounted for in the official statistics as they enter the market through illegal channels.

Appendix 1 for information on the major competing suppliers for various product categories procured by hotel and restaurant buyers in India.

SECTION IV: BEST PRODUCT PROSPECTS FOR HRI SERVICE SECTOR

India's HRI sector food import market is quite small. The sections below are based on the relative importance and growth prospects of various products in the existing market.

A: Products Present in the Market That Have Good Sales Potential/1

Product Category	HS code	Projected Annual Import Growth over Next Five Years	Total Import Duty /2	Key Constraints	Market Attractiveness for USA
Alcoholic beverages	2203, 2204, 2205, 2206, 2208	15-20%	109 to 162 percent (Zero-duty scheme hotels and restaurants; see Trade Policy section)	Exorbitantly high duties, competition from the EU (Preference for French wines and Scotch)	Indian consumers are willing to try US wines and other US spirits
Fresh fruits & vegetables	0702, 0709, 0805, 0806, 0808, 0809, 0810	12-15%	30.9 to 51.5 percent	Growing competition from Australia, China, New Zealand, etc.	Growing demand for fruits in domestic offseason and increasing interest in high quality fruits and exotic vegetables among the Indian consuming class
Sauces, spreads, salad dressings, condiments, soups, broths etc	2103, 2104	8-10%	36.2 percent	Competition from domestic suppliers and suppliers from South Asian countries and the EU	Growing fast food sector, increasing popularity of imported brands
Frozen French fries, vegetables	200410, 2005	10-15%	36.2 percent	Competition from the EU, Australia, and New Zealand	Rapidly growing western style fast food sector, lack of domestic availability
/1: Post analysis based on information from market sources.					
/2: Total import duty includes basic duty, countervailing duty, and education cess.					

B: Products Not Present in Significant Quantities But Have Good Sales Potential/1

Product Category	HS code	Projected Annual Import Growth in Next Five Years	Total Import Duty /2	Key Constraint	Market Attractiveness for USA
Fish and marine products	0302, 0303, 0304, 0305, 0307, 1605	5 to 8 percent	30.9 to 36.2 percent	Competition from domestic suppliers and South Asia	Increasing tourist inflow to create demand for exotic fish and marine products
Chocolates, chocolate syrups & other cocoa products	1806	5 to 10 percent	59.08 percent	Competition from domestic suppliers, the EU and South Asian countries	Increasing popularity of imported brands and shortage of quality domestic products
Jams, jellies, fruit juices, etc	2007, 2008, 2009	5-10 percent	36.2 percent	Competition from domestic suppliers, the EU and South Asian countries	Increasing popularity of imported brands, and shortage of quality domestic products
Pasta	1902	10-15 percent	36.2 to 59.1 percent	Competition from domestic suppliers, the EU and South Asian countries	Growing fast food sector and shortage of quality domestic products.
Preserved, dried vegetables	0710, 0711, 0712	5 to 10 percent	30.9 percent	Competition from domestic suppliers, the EU and South Asian countries	Growing fast food sector and shortage of quality domestic products.
Olive oil	1509	10 to 15 percent	46.4 percent	Competition from the EU	Growing Western style restaurants and fast food sector, shortage of quality domestic products

/1: Post analysis based on information from market sources.

/2: Total import duty includes basic duty, countervailing duty, and education cess.

C: Products Not Present Because They Face Significant Barriers

Beef imports are banned due to religious reasons. Pork and poultry products (including pet food) and also imports of cheese and dairy products and most meat products (including pork and poultry products) from the United States are effectively banned due to sanitary import requirements (see [IN7094](#) and [IN7100](#)) and However, USG is actively engaged with Indian authorities to remove these restrictions.

V. POST CONTACTS AND FURTHER INFORMATION

If you have any additional queries regarding this report or need assistance exporting to India, please contact the Office of Agricultural Affairs, New Delhi, at the following address:

Agricultural Counselor
Foreign Agricultural Service
Embassy of the United States of America
Chanakyapuri, New Delhi - 110 021
Ph: (91-11) 2419-8000, Fax: (91-11) 2419-8530
E-Mail: agnewdelhi@usda.gov

- The following reports may be of interest to US exporters. These, and related reports prepared by this office, can be accessed via the FAS Home Page, (www.fas.usda.gov) by clicking on "Attaché Reports," and typing the report number.

Report Number	Report Title
IN7095	Exporter Guide
IN7068	FAIRS Annual
IN6111	India: Retail Food Sector Annual
IN5031	India: Food Processing Ingredient Sector Annual

- The Country Commercial Guide prepared by the Commercial Section of the US Embassy will also be of interest to exporters. This can be accessed through www.stat-usa.gov
- For information on the Indian hotel and restaurant industry, you may refer to various reports by the Federation of Hotels and Restaurants in India (FHRAI). These reports can be accessed from their website at www.fhrai.com

Appendix 1: India's Imports of Food and Beverage Products Sourced by the HRI Service Sector in Indian Fiscal Year 2006/07 (April/March).

Item Description	HTS Codes	Total Value (Mil U.S. \$)	HRI Sector Share (%)	Major Suppliers
Meat & Products	02	0.33	50-60	New Zealand, Singapore
Fish & Crustaceans	03	24.10	5-7	Bangladesh, U.S.A, Norway
Cheese	0406	2.92	25-30	Denmark, Netherland, Italy
Natural Honey	0409	1.30	10-15	China, Germany, Kuwait
Fresh/Chilled Vegetables	0702; 0709	0.22	40-50	China, Spain, Italy
Olives	07112	0.32	30-40	Spain, Italy
Semi-processed Vegetables	0710; 0711; 0712	3.24	20-25	China, Malaysia, Spain
Fresh Fruits	0805; 080610; 0808; 0809; 0810	42.52	10-12	U.S.A., China, Australia
Olive Oil	1509	5.43	10-15	Spain, Italy, Turkey
Processed Meat, Fish or Crustacean	16	1.35	15-20	Sri Lanka, Korea, Netherland
Sugar Confectionary	1704	5.99	5-7	China, Malaysia, UAE
Chocolate & Products	1806	13.54	8-10	Malaysia, Singapore, Netherland
Pasta	1902	2.55	10-15	Italy, Nepal
Bread/Bakerwares	1905	7.46	5-7	Malaysia, China
Mushrooms/Truffles	2003	0.17	50-60	U.S.A
Frozen Potato Products	220410	5.83	75-80	U.S.A., Netherland, New Zealand, Canada
Other Processed Vegetables	2005	2.51	20-25	China, Spain, U.S.A
Jam/Jellies/etc	2007	1.40	15-20	U.S.A., France
Other Processed Fruit Products	2008	2.55	20-25	France, Thailand, U.S.A.
Fruit Juices	2009	15.22	8-10	China, Brazil, U.S.A.
Sauces/Soups etc	2103, 2104	6.15	8-10	China, U.S.A, U.K., Singapore
Beer	2203	1.63	50-60	Singapore, Netherland, Mexico
Vinegar	2209	3.65	20-25	Belgium, France, Netherland
Wine	2204; 2205; 2206	10.67	50-60	France, Italy, Australia, U.S.A
Liquor & Spirits	2208	46.68	50-60	U.K., Netherlands, France

Source: DGCIS, Ministry of Commerce, GOI

Note:

1. The listed products are used by the HRI service sector, retail sector, diplomatic community and foreigners, and processing sector. However, sector wise break-up of the use of these products is not available. The HRI service sector share in the table is estimated based on information from market sources
2. About 25- 30 percent of the imported food and beverage products are not accounted for in the official trade statistics reported in the appendix table.
3. India's commodity-wise import details can be accessed from the Ministry of Commerce website <http://commerce.nic.in/> by (i) selecting the icon 'Export Import Data Bank' in the Trade Statistics Section; (ii) selecting the icon 'Commodity-wise all Countries' in the Import Section on the RHS; (iii) typing in the ITC HS Code in the 'Commodity' Menu option; and then (iv) clicking the 'Submit' icon.

OTHER RELEVANT REPORTS:

[IN3062](#) - India Allows Partial Duty-Free Imports of Liquor by

[IN7094](#) – Livestock and Products, Annual

[IN7095](#) – Exporter Guide, Annual

[IN7068](#) – FAIRS Country Report, Annual

[IN7100](#) – Dairy and Products, Annual

[IN6111](#) – Retail Food Sector Report

[IN5031](#) – Food Processing Ingredients Sector, Annual