

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Costa Rica

Post: San Jose

Fast Food Restaurants with Lean Option Grow Fat in Costa Rica

Report Categories:

Food Service - Hotel Restaurant Institutional

Approved By:

Kelly Stange, Ag. Attaché

Prepared By:

Illeana Ramírez, Ag. Marketing Spec.

Report Highlights:

More fast food franchises are coming to Costa Rica, while the established chains, such as Quiznos and Papa John's, are making major investments towards opening new stores.

General Information:

In the last two years the sector for fast food restaurants focused on sandwiches grew approximately 30%, becoming one of the more dynamic food businesses. The food options in this type of fast-casual restaurant are primarily sandwiches, wraps, and salads with less caloric content. Frequently, the consumer is looking for more natural, fresh and healthy options in the market. Restaurants that offer healthier food options with fewer calories make this type of fast food sandwich restaurant very attractive.

The number of sandwich-focused stores is growing in the fast food restaurant sector, especially in areas of high density car and foot traffic, which make it a great option for a quick meal. Subway and Quiznos are the leaders in this market niche and their expansion is meeting the high demand. Subway opened 20 restaurants within the last 24 months and from January to March in 2013, four new restaurants opened. Last year, sales increased more than 20 percent. In 2012, Quiznos increased operations by nearly 600 percent in comparison to 2011; it closed the year with 26 restaurants. This tremendous growth created 270 new jobs. This also reflects the worldwide increase of this type of restaurant. Subway is considered the restaurant of this sector with the highest number of stores in the world and, in Central America, Costa Rica is the country with the most restaurants of this type.

Another franchise on the fast-casual segment that opened recently in Costa Rica is COSI, and it is ready to open another store this year.

Although these franchises do not typically import the majority of their ingredients directly, they do use food service companies. There are usually some menu items that are imported directly as they are specific to the franchises' menus. There is always a niche to offer new U.S. food products with this segment of the market and these restaurants are mainly interested in cheeses. Processed deli meats are one ingredient where they purchase locally, but could also represent an opportunity for higher-quality U.S. meat products to enter the menu.