

Required Report: Required - Public Distribution

Date: December 09, 2024

Report Number: FR2024-0006

Report Name: Food Service - Hotel Restaurant Institutional Annual

Country: France

Post: Paris

Report Category: Food Service - Hotel Restaurant Institutional

Prepared By: Laurent J. Journo

Approved By: Dwight Wilder

Report Highlights:

France is the world's leading tourist destination. Revenues are exceeding pre-covid standards since France earned 126 billion in 2023 due to foreign tourism. Commercial catering remains the dominant sector in the HRI industry, holding a 58 percent market share and generating a turnover of \$73.3 billion, reflecting a 9-percent increase from 2022. Institutional catering, which holds the position of the second largest segment in the industry with a 20 percent market share, experienced significant growth of 16 percent, resulting in nearly \$25 billion in revenue. While many restaurateurs express optimism regarding their revenue in 2023, fewer than one-third feel confident about the future profitability of their business. Fast-food proves to be the most resilient segment as many customers turned to "click and collect" and home delivery formats. These formats are continuing to expand in many restaurants, especially in urban areas. Within specific market niches there are many opportunities for U.S. products.

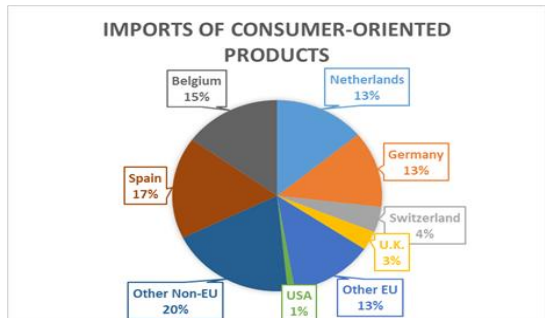
Market Fact Sheet: France

Executive Summary

In 2023, Gross domestic product (GDP) is estimated at \$2.809 trillion. France is the world's seventh largest economy and the second largest in the EU. Endowed with substantial agricultural resources.

Imports of Consumer-Oriented Products

Primary imports from outside the EU include oilseeds, fruit, and distilled spirits. Imports from the EU are primarily meat, dairy, and vegetables. France has a positive trade balance in agricultural and food products, reaching \$16.6 billion in 2023. French imports from the United States reached \$1 billion in 2023, led by tree nuts, alcoholic beverages, and seafood.



Food Processing Industry

France's food processing sector encompasses approximately 17,300 companies with total annual sales exceeding \$211 billion. Small and medium sized enterprises (SMEs) account for almost 98 percent of the industry. It is the leading sector of the French economy with a strong reputation for quality and innovation.

Food Retail Industry

In 2023, approximately 65 percent of all retail food sales in France were in the hyper-supermarket and discount store format. E-commerce food sales increased by more than 15 percent compared to 2021, and now represent around 14 percent of total retail food sales.

Food Service Industry

France's HRI sector recorded \$126 billion in sales revenue in 2023. Hotels and restaurants account for approximately 58 percent of sales while institutional food service represents 20 percent.

Quick Facts CY 2023

Imports of Consumer-Oriented Products (USD billion) 53. This figure does not include U.S. products exported to France transshipped through other EU countries.

List of Top 10 Growth Products in Host Country

Seafood, almonds, peanuts, pistachios, grapefruit, sauces, pet food, food preparations, beer, wine, and whiskey.

Food Industry by Channels (USD billion)

Food Industry Output	211
Food and Ag. Exports	88.9
Food and Ag. Imports	72.3
Retail	394
Food Service	126

Top 10 Host Country Retailers

1. Carrefour	6. Systeme U
2. Auchan	7. Lidl
3. E. Leclerc	8. Cora
4. ITM Entreprises	9. Aldi
5. Casino	10. Schiever

GDP/Population

Population (millions): 65.83

GDP (trillions USD): 2.8

GDP per capita (USD): 46,315

Sources: TDM, ANIA

Strengths	Weaknesses
France is one of the largest consumer markets in Europe.	U.S. exporters face competition from EU FTA partners who benefit from tariff-free market access.
Opportunities	Challenges
A large food-processing industry seeking a wide range of ingredients.	Non-tariff barriers can complicate the process for exporting to France.

Contact: FAS Paris, France AgParis@fas.usda.gov

I. MARKET SUMMARY

A recent study published by Gira Conseils indicates that 2022 saw a significant recovery; however, the food service sector has shown a more mixed performance in 2023. With a revenue of \$126 billion, there has been a notable increase of 6.8 percent compared to the previous year. However, in terms of volume, the sector saw a decline, serving 11.5 billion meals, which is a 2-percent drop, equating to 235 million fewer meals than in 2022. Inflation has been a significant factor influencing this activity, with the average transaction value rising by 8.9 percent to \$11.03, excluding VAT. Inflation accounts for nearly 50 percent of the increase in total out-of-home food consumption. Restaurant operators had limited options but to modify their prices in response to the 16 percent average rise in raw material expenses, with only 65 percent of them fully transferring these costs to consumers.

Restaurant owners are now tasked with adapting to evolving consumer preferences while also addressing challenges such as escalating raw material prices, energy inflation, staff shortages, and recruitment difficulties. Furthermore, embracing digitalization and maintaining a strong social media presence have become crucial for attracting and retaining customers. France boasts 179,000 restaurants, including 115 Michelin-starred establishments in Paris and its surrounding areas, 20 in Lyon, and 8 in Bordeaux.

While many restaurateurs express optimism regarding their revenue in 2023, fewer than one-third feel confident about the future profitability of their businesses. The rising costs of energy and raw materials may soon outpace revenue growth, potentially undermining their profitability.

Commercial catering remains the dominant sector in the industry, holding a 58 percent market share and generating a turnover of \$73.3 billion, reflecting a 9 percent increase from 2022. The robust performance of independent catering, which constitutes 60 percent of the commercial catering market, amounting to \$44 billion, experienced a significant growth of 12.8 percent compared to the previous year. This growth was primarily driven by an increase in meal volumes, which rose by 11 percent to 2.35 billion meals, while the average transaction value increased by 1.7 percent to \$18.82. In contrast, the performance of chained catering presents a more varied picture, with a growth of 5.7 percent attributed to an 8.7-percent rise in the average ticket price to \$12.09, despite a decline in meal volumes by 2.8 percent.

Institutional catering, which holds the position of the second largest segment in the industry with a 20 percent market share, experienced significant growth of 16 percent, resulting in nearly \$25 billion in revenue. This segment benefited from its competitive pricing amid challenges related to purchasing power. Meanwhile, the alternative channel segment saw a 5-percent increase, reaching \$23 billion, driven by the robust performance of chain bakeries.

France's HRI sector is comprised of:

●Hotels and Restaurants:

This includes traditional restaurants (privately-owned individual restaurants or restaurant chains), hotels and resorts with restaurants, leisure parks, cafeterias, cafes, brasseries, fast food outlets including street vendors, and delivered catering.

●*Institutions:*

Institutional catering includes eating establishments in educational institutions, healthcare, business catering, factory restaurants, as well as catering for air and sea travel. The HRI sector is highly developed in France, with diverse establishments that offer a wide range of choices. Most large restaurants, including restaurant chains, offer local foods, but they also use imported products when local options are not available or are too expensive. Restaurants that serve international cuisine are generally more likely to use imported food products. In this sector, there are many niche opportunities for U.S. products including fish/seafood, meat, sauces, salad dressings, rice, wine, fruit juices and frozen foods. Ethnic and/or regionally focused foods also have wide appeal especially in large urban areas. In commercial catering, there is a growing focus on healthy foods, ease in preparation, and the use of technology for ordering and delivering. Sandwich and bakery products remain very popular and there is increasing demand for breakfast catering.

In 2020 and 2021, traditional restaurants were significantly affected by the COVID-19 pandemic. Conservative estimates suggest a 50 percent loss in sales and foot-traffic. Compared to other countries like the UK, restaurant delivery mechanisms in France were relatively underdeveloped. Fast food outlets were an exception as they quickly expanded takeaway and home delivery sales. In 2022, the home delivery segment continued to grow, many restaurateurs have adapted, also offering take-out service which compensates for the drop in attendance in restaurants. Take-out sales have, in fact, minimized the loss for restaurateurs. Takeaway saw a 35 percent increase in the number of orders and delivery recorded an impressive 25 percent growth. The adoption of click and collect has grown dramatically, jumping by 50 percent in two years to 13 percent in 2021.

Strengths/Weaknesses/Opportunities/Challenges

Strengths/Weaknesses	Opportunities/Challenges
The HRI sector is growing. France is the number one tourist destination worldwide.	Domestic and intra-EU products have significant home market advantages in the French HRI sector.
Growing demand for fast food mainly during lunchtime. Suppliers may find a niche such as soups, fruit juices, and sodas.	Working with fast food sector requires efficient delivery mechanisms and often long-term strategic relationships through centralized procurement.
Despite weakening purchasing power, French households continue to prioritize food purchases.	Price-conscious consumers are very focused on value.
Weakening Euro exchange rate against the U.S. dollar disadvantages U.S. products.	Price competition is fierce among suppliers.
Decreasing European and French seafood supplies offer opportunities for U.S. products. France is Europe's leading beef consumer, primarily for high quality hormone-free lean cuts.	U.S. suppliers must comply with European and French regulations on food safety, labelling regulations, and the ban on hormone treated beef.
American type fast foods and American style meals dinners, as well as regional cuisine, like BBQ and Cajun are increasingly popular in France.	U.S. food products are often subject to many negative stereotypes. U.S. suppliers need to invest in educating consumers.

II. ROAD MAP FOR MARKET STRATEGY

1. The Distribution Channel

U.S. products can enter the French market through a number of different channels. Selection of the most appropriate distribution channel will ultimately depend on the type of product and target market. In general terms, companies will employ one of the following options:

- **Option 1: Cash & Carry.** Companies that specialize in cash & carry wholesale distribution build a catalogue or an inventory of imported food and non-food products. These wholesale companies sell to retailers, food service institutions and restaurant. The cash & carry option offers variety, competitive prices, immediate product availability and extended operating hours. France’s largest cash & carry companies are [Metro](#) (the French subsidiary of the German Metro AG) and [Promocash](#) (a subsidiary of Carrefour). Together, these two companies represent more than 75 percent of sales in the French wholesale sector.
- **Option 2: Specialized Distributors/Wholesale.** Specialized companies dedicated to distribution in the food sector typically have dry and/or cold storage facilities with a specialized trucking fleet for deliveries. These companies buy from local importers or directly from foreign suppliers. They typically serve clients in the catering sector.
- **Option 3: Direct-Sales:** Direct sales to end-users is very rare and is generally limited to high volume customers such as fast-food or hotel chains. While non-EU exporters can engage in direct end-user sales, it is generally advisable to work with a local agent as paperwork and licensing can be very complicated and could require periodic troubleshooting.

French distributors should handle customs, quarantine, and licensing procedures for imported foods. Some distributors will employ the services of an import agent, which others will complete the necessary paperwork themselves. U.S. exporters are advised to work closely with reputable and experienced local partners to ensure full adherence to EU and French regulations, including the preparation of all the necessary documentation. For more information, please refer to the [FAIRS](#) Report.

Table 1: Major Specialized Distributors/Wholesalers for the Food Service Sector

Name of Wholesaler/Distributor	Specialization
Groupe Pomona (Privately Owned)	Fresh and frozen foods including fresh fruits and vegetables
Metro Cash & Carry France	Fresh and frozen foods
Transgourmet (French subsidiary of Transgourmet Holding: Group Coop, Swiss group)	Fresh and frozen foods, including seafood and meat as well as frozen food (Prodirect)
France Frais	Fresh produce, frozen/dry and organic foods
C10	Beverages including wines
Distri boissons	Beverages including wines
Sysco France (merge of Davigel and Brake France)	Frozen food and seafood
Martin Brower France	All foods including frozen specialized fast foods
Demarne Freres (privately owned)	Fresh/chilled and frozen fish and seafood
Francap Distribution (group of independents)	Buying office and wholesaler for small supermarkets and restaurants

Source: Néo-Restaurations Magazine

2. Tailoring to the Market

Education is a critical component of the market entry strategy, especially when the product and/or the producer are unknown. Education can include seminars and product demonstrations. Collaboration with local partners in HRI promotions (i.e., with chef demonstrations, menu promotions, kitchen or in-store promotions) can help develop product awareness. As general guidance, U.S. exporters are encouraged to:

- | |
|--|
| ● Take time to study the market. It is critical to understand the target audience and the prospective users before you enter the market. |
| ● Evaluate the price and quality competitiveness of the product vis-à-vis local and other imported products |
| ● Verify that the product is fully compliant with EU and French regulatory requirements, including customs and clearance requirements. Additional import charges may be required based on sugar, milk, fat, and starch content. |
| ● Product launch and positioning in the market is very context dependent. Consider geography and seasonality, including opportunities to promote during specific holidays or festivals. |
| ● Be prepared to tell the story of your product. Consumers in France tend to be very focused on product authenticity, placing significant value on quality and reputation. Natural and organic products continue to be very popular. |

3. Trade Shows in France

The U.S. Department of Agriculture endorses the U.S. Pavilion at the [Salon International de l'Alimentation \(SIAL Paris\)](#). SIAL Paris takes place every two years in Paris and the next edition will be held again October 17-21, 2026. For HRI, the leading international event is [SIRHA](#) (Salon International de la Restauration, de l'Hotellerie et de l'Alimentation) which takes place in Lyon every two years. The next edition will be January 23-27, 2025.

4. Distribution and Sector Profiles

Hotels and Resorts:

According to the French National Institute of Statistics and Economic Studies (INSEE), France is the world's number one destination for tourism. While the number of foreign visitors dropped significantly in 2020, the French tourism sector has recovered to pre-crisis levels. The crowds in hotels and campsites even exceeded its level before the health crisis. 2023 was a record year for international tourism receipts in France with 67 billion USD, a 12 percent increase compared to 2022. The results of the year 2024 are more mixed depending on the region, but the year 2025 should benefit from the notoriety brought by the Olympic Games as well as the major international shows. In 2024 with 89.4 million of visitors, France was the most popular destination.

On average, food service operations in hotels and resorts account for more than 25 percent of hotel revenue. While most French consumer do not frequent hotels for their restaurants, except when travelling, luxury hotels with well-known restaurants do attract a wide clientele. Famous rating guides such as "Michelin" or "Gault & Millau" are an important resource for referring clients. Most hotel restaurants purchase their food through trusted local distributors as well as cash & carry channels or

specialized wholesalers. International hotels that cater to international travellers are more likely to import specialized imported products.

Table 2: Top Four Hotel & Resort Chains in France & Europe with Restaurant and Catering Services

Group Name	Nationality	Hotel Resort Name	Purchasing Sources
Accor	French	(Etap Hotel, Formule 1, Ibis, Mercure, Novotel, Sofitel, All Seasons, Pullman, Thalassa Sea & Spa, Adagio, The Sebel, MGallery)	Importers/wholesalers/direct or cash & carry
Groupe Louvre Hotels	French	(Premiere Classe, Campanile, Kyriad, Tulip In, Golden Tulip, Royal Tulip)	Importers/wholesalers/direct or cash & carry
The Intercontinental Hotels Group	Multinational (Headquarters in the U.K.)	(IHG Intercontinental, Crowne Plaza, Holiday Inn, Hua Luxe, Hotel Indigo, Even Hotels, Staybridge, Candlewood Suites)	Importers/wholesalers/direct or cash & carry

Restaurants:

With geographically large and regionally distinct markets, France has a wide range of local and regional food preferences. While restaurants that serve local cuisine continue to dominate the market, ethnic restaurants are increasingly popular, especially in large cities. There is increasing number of eating establishments that specialize in world cuisine from other parts of Europe, Asia, Africa and even the Americas. Generally, small independent restaurants source their products from local retailers and markets.

Important facts:

<ul style="list-style-type: none"> ● As a result of the COVID-19 pandemic, economic activity in France, measured by GDP, declined by 7.9 percent in 2020. Restaurants were profoundly affected by lock downs and restrictions on in-restaurant dining. However, the economy has rebounded, the French food service sector has started to recover in 2022. Restaurateurs are worried about rising inflation and the loss of purchasing power of consumers who are starting to eat out less.
<ul style="list-style-type: none"> ● Restaurants are increasingly highlighting production methods and product origin for marketing purposes.
<ul style="list-style-type: none"> ● The “click and collect” and home delivery services will continue to expand even as fears of COVID-19 recede.
<ul style="list-style-type: none"> ● Bakery shops continue to be very popular both in large and medium cities, and they are contributing to a new dynamism in the food service sector. New concept stores offer hybrid options between fast food and healthy formats, including purely vegetarian or vegan restaurants.
<ul style="list-style-type: none"> ● Fast-food formats continue to dominate in the food service market, particularly in urban centers. New concept restaurants dedicated to world cuisine currently account for almost 15 percent of the food service sector. Opportunities abound for Asian, African, and American cuisine.

Institutional Food Service:

French institutional food service traditionally comprises hospitals, nursing homes, the armed forces, prisons, schools, factory and office cafeterias and catering for rail, air, and sea transportation. Most institutional food service providers are small scale and represent a relatively small share of the food market. Market experts, estimate that institutional food services accounted for approximately \$25 billion in revenue in 2023. Strongly impacted by the health crisis of 2019 and then by the economic crisis that followed. The sector has regained its vitality before covid and even marked a rebound in activity despite strong tensions within the market. Institutional catering is working to readapt to new administrative, technical, and logistical challenges such as an increase in teleworking and home-based care. Institutional catering operators generally purchase food through centralized offices to ensure traceability and full adherence to sanitary and health regulations. Central offices negotiate with suppliers to meet specific requirements. Very often, suppliers are selected based on price competitiveness rather than quality.

III. BEST PRODUCT PROSPECTS CATEGORIES

U.S. food exporters are generally advised to focus on top quality products for the French market. Despite some persistent negative stereotypes (i.e., with GMOs, high fructose corn syrup, hormones, pathogen reduction treatments etc...) U.S. foods are generally attractive. However, price is often a limiting factor. With this in mind, U.S. exporters can target niche market opportunities, where U.S. products, especially regional products, are distinctly unique.

Food Trends: Fast-Good/Fast-Casual

Consumers looking for street food options are increasing, especially in urban centers. In addition to traditional hamburgers, pizzas and fries, there is an expanding range of options with salads, sushi, sandwiches, wraps and buddha bowls. Many consumers are looking for healthy fast-food options; organic, local, and seasonal options are especially attractive. These are called fast-casual. Food trucks are also popular with increasingly diverse food choices like veggie, vegan, gluten-free, lactose-free, etc... For new creative and healthy options, consumers are often willing to pay a premium.

In both traditional restaurant and fast-food segments, there are opportunities for U.S. super foods with strong nutritional values. Tree nuts, cranberries, gluten-free and organic products are generally in high demand. According to some estimates, over the last 3 years, nearly half of all French consumers have reduced meat consumption. When purchasing meat, French consumers are showing a clear preference for quality. Transparency is also very important to the French consumer. Buyers want to know the origin of products; they are keen to know how the products are produced and processed. This offers tremendous opportunities to introduce regional U.S. cuisines. "TexMex" food is already quite popular with restaurants like "Pepperico" and "Paris Texas", with Cajun restaurants, and with Texas-style BBQ as presented in the restaurant chain "Melt". In February 2023, Popeyes Louisiana Kitchen, has opened its first restaurant and plan to open 300 restaurants by 2030 in France as a part of its expansion plan.

Best Opportunities:

1. Fish and seafood
2. Beef and bison meat
3. Fruits and vegetables
4. Frozen desserts (such as cakes and ice creams)

5. Ready-to-eat meals and ethnic/regional sides or meals
6. Fruit juices and soft drinks (including flavoured spring waters)
7. Dried fruits and nuts
8. Fresh fruits including grapefruits and exotic fruits, and vegetables
9. Snack foods
10. Soups
11. Breakfast cereals
12. Pulses
13. Salad dressings and tomato sauce
14. Spices

IV. COMPETITION

Domestic food and beverage products dominate the French HRI sector. Seventy-five percent of imports originate from EU member countries.

The table below shows the sources of imported food and beverages:

Table 3: Competition Chart, Calendar Year 2023

Product Category and Imports from the United States	Main Suppliers in Percentage	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
HS08. Fruit and Nuts, 29,174 tons \$ 174.5 million	Spain (31%) Morocco (7%) Italy (6%) USA -- (3% share)	Spain, Netherlands, and Belgium are EU countries and price competitive as well as geographically close. Italy mainly supplies grapes, while Spain has a wider range of fruits to offer including citrus. Turkey and Israel also supply citrus to France. U.S. exports to France increased 21 percent over last year.	There is marginal local production of nuts and citrus and no tropical fruits. France does produce walnut primarily for domestic production. France is an attractive market for U.S. dried fruits and nuts, but the competition is tough for citrus products.
HS03. Fish and Seafood 40,732 tons \$210.6 million	UK (18 %) Norway (16%) Spain. (6%) USA – (3% share)	UK and Norway dominate the market. U.S. exports increased by 5% in value over previous year. France is the first destination of U.S. exports in Europe.	Local resources for fish and seafood do not satisfy increasing demand. The United States is a major supplier to France, especially for frozen pollock, cod and salmon, live lobsters, frozen rays, dogfish, and scallops.
HS20. Preparations of fruits, vegetables, nuts, including jams, fruit purees and fruit juices. 3,180 tons \$17 million	Belgium (18%) Netherlands (18%) Spain (14%) USA – (0.4%) market share	Belgium & Netherlands dominates the market with preparation of vegetables and other than tomatoes. Spain supplies France with prepared fruits, fruit juices, and nuts. Spain and Brazil also export fruit juices to France.	There are approximately 1,100 local companies in the sector of canned fruits and vegetables, including a few major groups and regional canners. France is not a producer of fruit juices except for a few home- products.
HS21. Prepared foods 214,335 L \$31.7 million	UK (39%) Switzerland (17%) Thailand (11%) USA – (5.6% share)	UK, Switzerland, and Thailand dominate the market with sauces/condiments/seasonings and mustards. Most of the imports from the United States are food preparations, sauces, dressings, and ice cream.	Demand for interesting natural or exotic flavors as well as health and wellness products should provide opportunities for U.S. suppliers of sauces/condiments/seasonings.

HS10. Cereals 3,023 tons \$10.3 million	Cambodia (28%) Thailand (42%) Pakistan (13%) USA – (5% share)	Cambodia dominates the market with rice, followed by Thailand and Pakistan. The United States ranks five among cereal suppliers to France, mainly for corn and rice.	U.S. exports are mainly corn and rice.
HS22. Beverages, including wines, spirits and alcohols 39.4 PFL \$145.5 million	U.K. (52%) Switzerland (12%) USA – 9.4% share)	The UK, Switzerland and the USA dominate the market with beer, branded spirits, and wine respectively. U.S. sales of bourbon and wine dropped, impacted by the retaliatory tariffs.	France is world's largest whiskey consumer and wine producer with Italy. However, a niche market exists in France for third country wines.
HS07. Edible vegetables, Pulses 5,374 tons \$13.61 million	Morocco (69%) China (6%) UK (4%) USA - (1.4% share)	Morocco supplies vegetables, while China supplies with all varieties of pulses. The United States supplies mainly beans and lentils.	France's production of pulses represents 25% of total domestic need.
HS12. Oilseeds and Oleaginous Fruits 12,182 Tons \$70.3 million	Australia (50%) Canada (14%) Ukraine (8%) USA – (5% share)	Australia sales in value increased by 195% over a year while US soybeans and seeds sales decreased by 13% in volume.	France is a net soybean importer. The United States has traditionally been one of its major suppliers but CETA, the new EU/Canada trade agreement is challenging for US sales.

Source: Trade Sources and Trade Data Monitor/French Customs

V. POST CONTACT AND FURTHER INFORMATION

For further information contact:

Office of Agricultural Affairs

American Embassy

2, avenue Gabriel - 75382 Paris Cedex 08

Tel: (33-1) 43 12 2245

Fax: (33-1) 43 12 2662

Email: agparis@fas.usda.gov

Homepage: <http://www.usda-france.fr>

Attachments:

No Attachments