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Report Highlights:

This report provides an overview of Italy's food service – hotel, restaurant, and institutional (HRI) sectors and outlines current market trends for food products. In 2023, Italy's consumer food service sales were nearly $86 billion, up roughly nine percent from 2022. Italy's HRI growth is likely to continue through 2024 and 2025 and offers excellent opportunities for U.S. consumer-oriented product exporters.

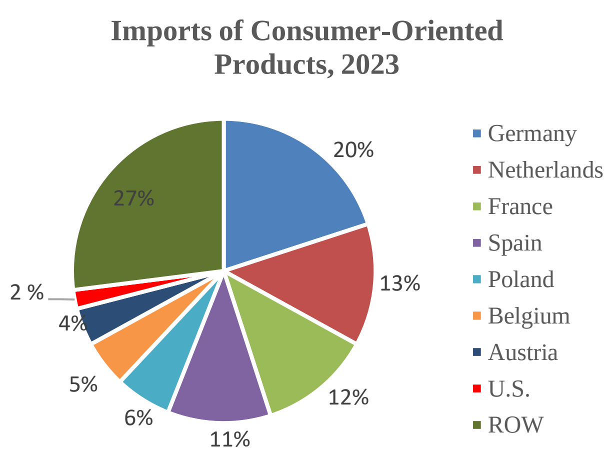
Market Fact Sheet: Italy

Executive Summary

Italy's economy is the ninth largest in the world and the third largest in the euro-zone, with a GDP estimated at $2.2 trillion and a per capita GDP of $38,221 in 2023. Being a net agricultural importer, most raw materials and ingredients are imported, as Italy's economic strength is in the processing and the manufacturing of goods. Italy exports mainly consumer-oriented products to the United States, while the United States exports mostly bulk commodities to Italy. In 2023, U.S. agricultural exports to Italy were $1.5 billion, while U.S. imports from Italy were $7.4 billion.

Imports of Consumer-Oriented Products

In 2023, Italy's imports of consumer-oriented products were $35.7 billion, of which 85 percent originated from other EU-27 member states. Imports from the EU-27 were primarily dairy products, meat, and fruits and vegetables.



Food Processing Industry

The Italian food-processing industry continues to be highly fragmented, even with the consolidation of smaller companies. Progress in food technology, marketing innovations, "Made in Italy" products, and exports of finished food products are a mainstay contributing to Italy's increasing demand for food ingredients. Italian consumers have not diverged from their favor for baked goods, processed meat, seafood, and dairy products.

Food Retail Industry

The Italian food retail industry continues to be highly diversified. Hypermarkets, supermarkets, convenience stores, major discount stores, and specialized stores coexist with traditional corner grocery stores and open-air markets. Italy's food retail sales reached $173.6 billion in 2023, a 3.8 percent increase compared to the previous year.

Food Service Industry

In 2023, Italy's consumer food service value sales registered an increase of 8.8 percent compared to 2022, strengthened by tourism which has reached pre-pandemic levels.

Quick Facts CY 2023

Imports of Consumer-Oriented Products: $35.7 billion

List of Top 10 Growth Products in Italy

1) Dairy Products
2) Processed Meat and Seafood
3) Processed Vegetables
4) Baked Goods
5) Pasta and Rice
6) Chocolate Confectionary
7) Tree Nuts
8) Sauces, Dressings, and Condiments
9) Savory Snacks
10) Ready Meals

Food Industry by Channels ($ billion)

Retail Food Industry	$173.6
Food Service-HRI	$88.6
Food Processing	$154.1
Food and Agriculture Exports	$69.5

Top 10 Italian Retailers

1) Conad
2) Esselunga SpA
3) Coop Italia
4) Selex Gruppo Commerciale SpA
5) Crai Secom SpA
6) Gruppo VéGé
7) Consorzio C3
8) DIT
9) Carrefour SA
10) Despar Italia

GDP/Population

Population: 59 million
GDP: 2.2 trillion (2023 data)
GDP per capita: $38,221 (2023 data)

Strengths/Weaknesses/Opportunities/Threats	
Strengths	**Weaknesses**
Italy's food consumption levels are among the highest in the world.	Competition from EU countries that export to Italy tariff-free.
Opportunities	**Threats**
Italy is dependent on raw imports for its processed food industry. Italian food products have a reputation for being of high quality.	Non-tariff barriers, including traceability requirements, can hinder U.S. exports.

Data and Information Sources:
Trade Data Monitor (TDM), LLC; Euromonitor; industry contacts

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SECTION I. MARKET SUMMARY

For the last three years, Italy's consumer food service sales rose with 2023 totals nearing pre-pandemic record levels. Italy's tourism sector was at an all-time high in 2023 (133.6 million visitors) which significantly contributed to the expanding consumer food service industry.

Inflation was a key factor in Italian consumer spending in 2022 and 2023, with the cost of living rising sharply. Large price gaps between premium and value consumer goods forced many Italians to reduce their discretionary spending and focus on primary need expenditures. In this context, Italy's food service industry adopted strategies to operate in a tight economy by offering attractive promotions, improving their menu options and dining experience, and catering to consumers with specific health and dietary needs (e.g. celiac, vegan, and vegetarian). Furthermore, restaurant and hotel dining are centerpiece activities among Italian consumers and tourists alike who utilize the experience as a form of entertainment and way to socialize. Finally, the switch to hybrid work models throughout the country has resulted in reduced spending on breakfasts and lunches but has caused a strong rise in evening outings for aperitifs and dinner at full-service restaurants, bars, and pubs.

Table 1. Units, Transactions, and Value Sales in Italian Consumer Food service 2018-2023

	2018	**2019**	**2020**	**2021**	**2022**	**2023**
Units	294,017	291,568	277,094	266,767	264,466	262,561
Transactions (mn)	8,916	8,960	6,198	7,261	8,086	8,364
EUR millions (current prices)	78,249	78,664	50,335	60,869	75,145	81,789

Source: Euromonitor

Table 2. Consumer Food Service, Independent vs. Chain: Units/Outlets 2023

Outlets	**Independent**	**Chained**	**Total**
Cafés/Bars	118,149	1,712	119,861
Full-Service Restaurants	89,783	1,130	90,913
Limited-Service Restaurants	38,106	4,034	42,140
Self-Service Cafeterias	520	495	1,015
Street Stalls/Kiosks	8,235	397	8,632
Consumer Food Service	**254,793**	**7,768**	**262,561**

Source: Euromonitor

Advantages	**Challenges**
Italians are becoming more aware of international cuisines.	Strong competition in the Italian food market and many consumers prefer traditional Italian products.
Italy is a member of the Euro zone, which eases market entry.	The Italian retail sector is extremely fragmented, and the mandatory customs duties, sanitary inspections, and labeling requirements can be onerous.
The tourism industry increases demand for hotel, restaurant, and institutional products.	Competition from similar food products produced in EU countries enter tariff-free.

American food and food products are popular in Italy.	A strong U.S. dollar makes competitive pricing challenging, particularly in specialty foods.
Italian consumers demand quality, innovative, and healthy products.	Adapting products to Italian consumers' tastes and expectations.

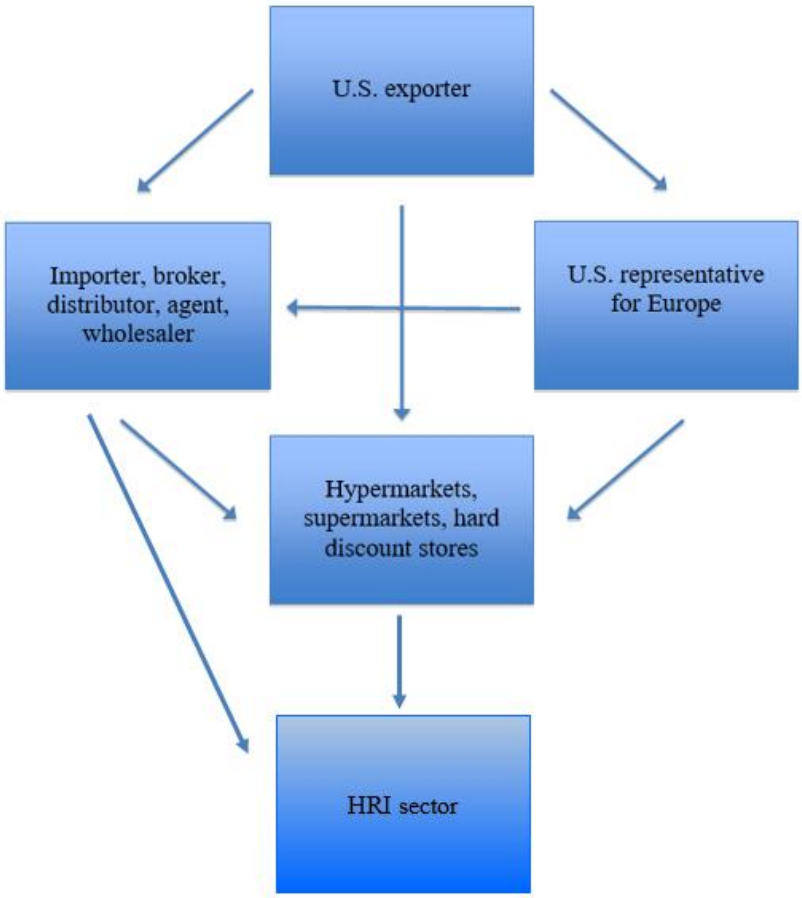
SECTION II. ROAD MAP FOR MARKET ENTRY

- **Entry Strategy**

  - Survey existing and potential opportunities by reviewing FAS GAIN reports and consider engaging a market research firm to assist in analyzing market opportunities and challenges.
  - Identify a key importer, broker, distributor, agent, or wholesaler, as they know how to best navigate the import and distribution process. They are key to doing business in Italy. Food importing is a specialized business, and an importer plays a pivotal role in navigating the hurdles of Italian and EU food law.
  - Price is important, although quality and novelty can move some imported products.
  - Be prepared to start small- shipping a few pallets or cases of a product and recognize it could take several months or years before an importer is ready to order full containers.
  - Be willing to meet special EU labeling requirements and consider working through a consolidator or participating in mixed container shipments.
  - Participation in some of the larger European international food trade shows (ANUGA, SIAL, and TUTTOFOOD) offers a good opportunity to meet potential Italian buyers and discuss the market.

- **Market Structure**

  Most imported food products enter the Italian market through brokers or specialized traders. Italian importers are usually small to medium-sized companies, with only a few large-scale operators like those found in northern Europe. Consequently, these companies import on a reduced scale, but often seek a broader range of products. Imported products from North America often enter Italy indirectly from the Netherlands' Port of Rotterdam or directly via air freight.



Purchasing by hotels, restaurants, and institutions (HRI) remains fragmented and competitive in Italy. Restaurants, hotels, and catering companies rely on importers, wholesalers, and food manufacturers, while trattorias and pizzerias purchase directly from large retail food outlets. Most of the processed food and raw material sourcing decisions are made directly by the restaurant chef and/or hotel food purchasing director. Wholesalers are the main customers for fish and seafood products, as they purchase and distribute to numerous small restaurants and hotels.

U.S. exporters work closely with importers and distributors who are best positioned to promote U.S. products within the Italian HRI sector. These groups often have an in-depth knowledge of importing requirements, such as product certification, labeling, and packaging. Also, they typically handle shipping, customs clearance, warehousing, and distribution of products within the country. American exporters who can assist in consolidating shipments from other U.S. sources or who have a wide range of products for export have the greatest chance of success in the Italian market.

- **Leading International Chain Hotels and Resorts in Italy**

  - BWH Hotel Group
  - AccorHotels Group
  - Marriott International
  - B&B Hotels
  - Minor Hotels
  - Gruppo Una
  - Hilton Hotels
  - TH Resorts
  - Iti Hotels
  - IHG Hotels

- **Leading Restaurants/Fast Foods in Italy**

  - McDonald's Corporation
  - Autogrill SpA
  - Gruppo Cremonini
  - Cigierre SpA
  - Restaurant Brands International
  - BMV Srl
  - Sebeto SpA
  - AccorHotels Group
  - CAMST Group
  - Gruppo La Piadineria

SECTION III. COMPETITION

The EU is the main competitor for the United States in consumer-oriented foods destined for Italy. Proximity and price often make European goods more attractive and competitive. American-style fast food chains and fruit and salad bars are gaining popularity in the Italian market. The move towards more convenient dining has led Italian importers to seek out U.S. food products suited for self-service eateries. Italian consumers continue to favor bakery products, dairy products, processed meat and seafood, and snacks. Italian youth are especially interested in lifestyle foods such as American craft beers and salted snacks.

Competition within Italy's HRI sector will expand with various consumer food service outlets seeking to grow their market footprint. Companies are in a constant state of providing innovative offers, based primarily on quality ingredients, and open to specialize to Italians and visitors seeking gluten-free, vegetarian, and vegan alternatives. Moreover, there is a rising trend towards having butchers and fishmongers integrated into restaurant establishments, serving consumers who want fresh, visually appealing cuisine made from local ingredients. At the same time, restaurants with open kitchens and chef interactions are expected to gain in popularity, as some clients desire more involvement in the preparation and presentation of the meal and seek a complete 360-degree dining experience.

SECTION IV. BEST PRODUCT PROSPECTS

- **Top consumer-oriented products imported from the world**
  - Dairy products (especially cheese, and milk and cream)
  - Pork and pork products
  - Beef and beef products
  - Fresh fruits
  - Processed vegetables

- **Top consumer-oriented products imported from the United States**
  - Tree nuts
  - Distilled spirits
  - Beef and beef products
  - Processed vegetables
  - Processed fruit

- **Products present in the market which have good sales potential**
  - Tree nuts
  - Distilled spirits
  - Food preparations
  - Beer
  - Sauces, dressings, and condiments

- **Products not present in significant quantities, but which have good sales potential**
  - Functional and health food
  - Free-from products (lactose-free, gluten-free, sugar-free)
  - Specialty foods

- **Products not present in the market because they face significant barriers**
  - Beef, other than that sold through the High Quality Beef Quota
  - Poultry (sanitary procedures – chlorine wash)
  - Processed food products containing genetically engineered (GE) ingredients

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

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For more information on Italian regulatory agency and Ministry contacts, please see the latest *Italy Food and Agricultural Import Regulations and Standards (FAIRS)* and *Italy FAIRS Certificate* reports at: https://gain.fas.usda.gov/#/.

Attachments:

No Attachments