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**Report Highlights:**

As 2022 marked a return to normality after the COVID-19 pandemic, the Mexican foodservice industry began its recovery and, in many respects, exceeded pre-COVID levels of activity in the hospitality and foodservice. Initially hampered by travel restrictions, limitations on gatherings and a hesitant population, many hotels and restaurants still strove to maintain a level of operations through the pandemic.

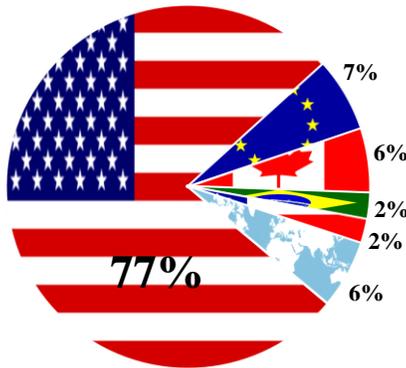
Thankfully, both Mexican consumers and foreign tourists, anxious to “finally get out”, responded in the form of record vacation purchases and flight bookings, translating into record occupation levels. As the dust settles from the initial euphoria, the Mexican foodservice industry faces the near future with more adaptability, creating additional opportunities for U.S. food and agricultural products.

## Market Fact Sheet Mexico

### Executive Summary

Mexico is currently the world’s 14<sup>th</sup> largest economy, a developing country with relative macroeconomic stability, multiple trade agreements, and a diversified manufacturing base. Real GDP growth is projected at 2.6 percent for 2023, after a 3.1 percent growth in 2022. Mexico is the 3<sup>rd</sup> largest export market for U.S. agricultural and related products (\$29.6 billion in 2022). The United States buys approximately 80 percent of all Mexican agricultural exports and provides Mexico with 70 percent of its imports ([USDA ERS](#)).

### Origin of Mexico’s Imports of Consumer-Oriented products (2022)



### Food Processing Industry

According to the National Institute of Geography and Statistics ([INEGI](#)), there are 217,477 economic units registered under the “Food, Beverage & Tobacco Manufacturing” classification, which includes offices, manufacturing plants, and distribution centers. By 2023’s 2Q, 2.05 million people were employed in this sector, of which 51.1 percent were women. For additional information, see our latest [GAIN Food Processing Ingredients Report](#).

### Food Retail Industry

According to the Mexican Association of National Retailers ([ANTAD](#)), in 2022 there were 24 supermarket chains, with 3,333 stores. Supermarkets represent 15.2 percent of retail sales, while 57.3 percent is covered by traditional trade (mom & pop stores, public and open-air markets) and the rest by specialized and convenience stores. ANTAD reported that retail sales in supermarkets grew 12.5 percent in 2022. For additional information, see our latest [GAIN Retail Foods Report](#).

### Quick Facts CY 2022

#### **Mexican Imports of Consumer-Oriented Products:**

\$ 14,81 billion - World  
\$ 11.43 billion – United States

Source: Trade Data Monitor

#### **Top 10 Imported Consumer-Oriented Products:**

- |                       |                         |
|-----------------------|-------------------------|
| 1. Pork products      | 6. Fresh fruit          |
| 2. Dairy products     | 7. Processed vegetables |
| 3. Poultry (ex. eggs) | 8. Bakery goods/cereals |
| 4. Beef products      | 9. Condiments/sauces    |
| 5. Food preparations  | 10. Wine                |

Source: Trade Data Monitor

#### **Top 10 Hotels in Mexico 2022**

- |                                 |                  |
|---------------------------------|------------------|
| 1. Riu Hotels                   | 6. Hilton        |
| 2. Inclusive Collection (Hyatt) | 7. Grupo Posadas |
| 3. Marriott                     | 8. Barcelo       |
| 4. Palace Resorts               | 9. Karisma       |
| 5. Xcaret                       | 10. Iberostar    |

Source: Pasillo Turistico Magazine

#### **Top Ten Restaurant Chains 2022:**

- |                            |                          |
|----------------------------|--------------------------|
| 1. Alsea (VIPs)            | 6. Bisquets Obregon      |
| 2. Gigante (Toks)          | 7. CMR (Sushi Itto)      |
| 3. Brinker (Chili’s)       | 8. Remigio (Italianni’s) |
| 4. Carso (Sanborns)        | 9. Wing’s Army           |
| 5. DineEquity (Applebee’s) | 10. Liverpool            |

Source: Euromonitor

#### **GDP/ Population:**

Population: 127.8 million (2021, estimated)

Median age ([INEGI](#)): 29

GDP 2021 (USD): \$1.7 trillion ([INEGI](#))

GDP Real Growth 2021: 5.02% ([INEGI](#))

Food Industry GDP USD (2020): 39.4 billion

#### **Contact Information:**

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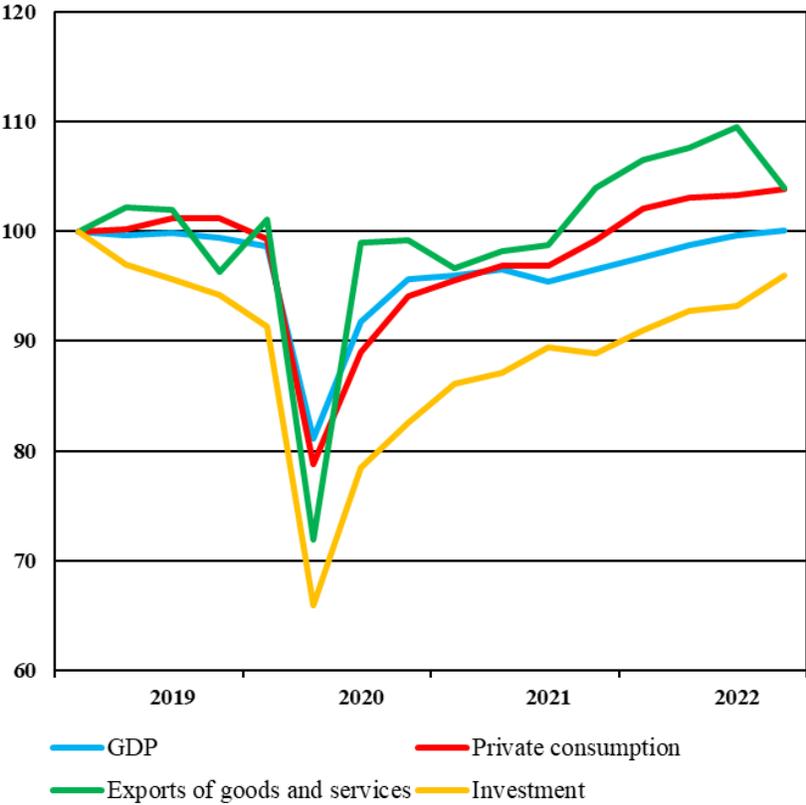
**SECTION I. MARKET OVERVIEW**

*Economy Overview*

In 2022, Mexico ranked as the 14<sup>th</sup> largest economy (in nominal GDP terms). Its population is almost 130 million inhabitants, with abundant natural resources, a rich cultural heritage, and diverse geographical conditions. It is a developing economy with relative macroeconomic stability, with many trade agreements, and a diversified manufacturing base, currently benefitting from elevated levels of economic activity related to the near-shoring trends in numerous supply chains.

In 2023, Mexico continues its return to a still-delicate economic stability, after being severely impacted by the COVID-19 pandemic. Mexico’s economy grew 3.1 percent in 2022, below the 4.8 percent growth of 2021, and still rebounding from the 8.2 percent contraction suffered in 2020. However, many social and economic challenges remain. Poverty rates and inequality remain high; inflation seems to be under control, but still at high levels (5.9% is the OECD forecast for 2023) and informality, corruption, abrupt changes in regulations and insecurity in some regions undermines economic growth. Consumption remains resilient, thanks to remittances and consumer credit recovering, low unemployment and higher real wages.

**Graph 1. Behavior of Key Economic Indicators, Mexico, 2019-2022**

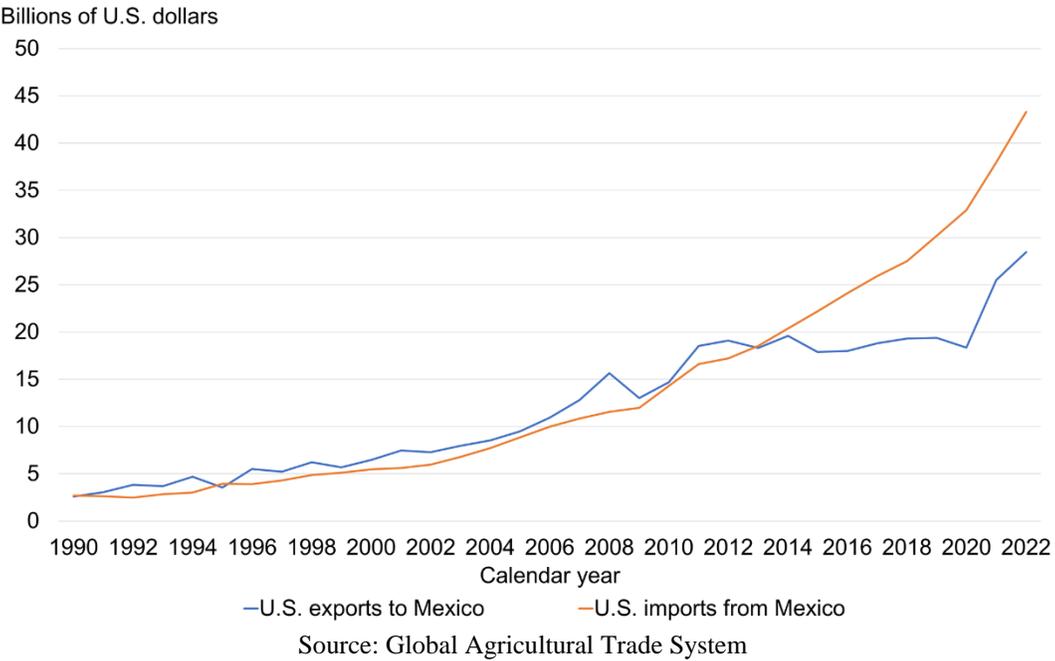


Index 2019 Q1 = 100  
 Source: OECD Economic Outlook Database

In terms of overall trade, Mexico is the United States’ second largest trading partner (after Canada), with U.S.-Mexico trade totaling almost \$780 billion in 2022, a 17 percent growth compared to 2021. Mexico’s top trading partner by far is the United States, which imports 80 percent of all Mexican exports and provides Mexico with 70 percent of its total imports.

In agriculture, Mexico produces and exports a large variety of high-value products (e.g., avocados, beer, tomatoes, beef, berries), and is a net importer of bulk commodities, like corn, rice, oilseeds, and wheat. Since the North American Free Trade Agreement (NAFTA) was implemented in 1994, and replaced by the United States, Canada, Mexico Trade Agreement (USMCA) in 2020, total agricultural exports to Mexico increased from \$4.67 billion to \$29.63 billion in 2022.

**Graph 2. U.S.-Mexico Agricultural Trade, 1990-2022**



Mexico is the third largest export market for U.S. agricultural and related products, behind Canada and China. Meanwhile, it is the second largest market for U.S. consumer-oriented products. In 2022, the United States exported almost \$12 billion in consumer-oriented products to Mexico. The top five exports were dairy, pork, poultry meat, beef and food preparations.

In 2022, Mexican agricultural output grew by 2.7 percent; industrial output grew by 3.3 percent; and the service industry grew by 2.8 percent. Mexico’s hospitality sector is included in the service industry, and registered a 26.3 percent growth, primarily driven by the elimination of travel restrictions, the relaxation of health-related measures and the overall population “euphoria” to dine out and travel after almost two years of reduced social activity.

*HRI Sectors in Mexico*

The Mexican Secretariat of Tourism ([SECTUR](#)) estimated that tourism accounted for 8.5 percent of gross domestic product (GDP) in 2022, as Mexico continued to benefit from the high demand

from both domestic and foreign tourists. SECTUR reported 38.3 million international tourists in 2022, up 20 percent from 2021, but still 15 percent below pre-pandemic numbers. The economic revenue was \$26.35 billion, 43 percent higher than 2021, and 18 percent above pre-pandemic levels. According to SECTUR, the average expenditure was \$687 per tourist, with an average stay of 7.5 days.

According to INEGI, which bundles into one category the available statistical information for both “temporary accommodation services” (hotels) and “food and beverage preparation” (restaurants), reports that for the 2Q of 2023, foodservice GDP (in current prices) was around \$45.73 billion, a 12.25 percent increase from the same period in 2021.

### *Hotels*

According to INEGI, in 2021 Mexico had 25,200 hotels and 867,328 hotel rooms. The main leisure tourism destinations are the Cancun-Riviera Maya corridor, followed by Mexico City, Puerto Vallarta, and Riviera Nayarit. In terms of business tourism, which grew 7 percent in 2022, Mexico City, Guadalajara and Monterrey are the top destinations. Mexico ranks 7<sup>th</sup> in the world in terms of hotel supply. According to SECTUR, the Mexican hotel industry accounts for 28.7 percent of tourism GDP and generates nine percent of tourism jobs, with each room generating 1.5 direct and three indirect jobs.

Every year, hospitality magazine *Pasillo Turístico* publishes a Top-10 Hotel Chains list based on feedback from travel agencies and tour operators based on operations, promotions, products, and services. For 2022, the selected chains were:

- |                                 |                  |
|---------------------------------|------------------|
| 1. Riu Hotels                   | 6. Hilton        |
| 2. Inclusive Collection (Hyatt) | 7. Grupo Posadas |
| 3. Marriott                     | 8. Barcelo       |
| 4. Palace Resorts               | 9. Karisma       |
| 5. Xcaret                       | 10. Iberostar    |

In addition to traditional hotel accommodations, vacation rentals are very popular in Mexico. The versatility of places to stay and the flexibility of reservations has made Mexico one of the top 10 vacation rentals destinations. Remote work has attracted more foreigners to live in Mexico as the cost of living is relatively low. The features most sought when searching for a vacation rental are high speed internet and pet friendliness.

### *Restaurants*

According to INEGI, there are almost 675,000 establishments registered under the food and beverage preparation category. This includes different categories like cafes & bars, full-service restaurants, quick service restaurants (fast food), cloud (or dark) kitchens, and catering services. Fast food restaurants are considered the most affordable within the sector and are preferred by Mexican consumers (particularly families) when dining outside. This segment has reacted to consumer habit changes by including plant-based products in their menus.

Full-service restaurants are preferred by consumers with higher income, and offer a wider variety of cuisines, with Asian, Middle Eastern, Mediterranean and Fusion being the most popular

categories. The top ten full-service restaurant chains in Mexico in 2022 in terms of market share were:

1. Alsea (VIPS, Starbucks, Domino’s Pizza, Burger King, P.F. Chang’s, TGI Fridays)
2. Gigante (Toks, Panda Express, Shake Shack, El Farolito, Beer Factory)
3. Brinker (Chili’s)
4. Carso (Sanborns)
5. DineEquity (Applebee’s, IHOP)
6. Bisquets Obregon
7. CMR (Sushi Itto, Wings, Olive Garden, Red Lobster, Nube 7, Los Almendros)
8. Remigio (Italianni’s)
9. Wing’s Army
10. El Puerto de Liverpool

Another important component of Mexican foodservice is street vendors, that serve a wide assortment of food and represent a vital part of Mexico’s many regional cuisines and overall culinary heritage. Street food has gained popularity due in part to popular streaming service television shows and social media that highlight the genre’s authenticity and flair. This segment of foodservice is independent and is supplied by public markets, wholesale markets, and cash & carry outlets, and sources primarily domestic, local products, very seldom using imported goods. However, due to its popularity, these business units have inspired chefs from full-service restaurants to create their own versions of street food and offer them to their customers, thus “adapting” them with imported products, creating a gourmet-version of the original food product.

*Key Drivers and Consumer Trends*

Mexico remains as a price-sensitive market even while there are consumers willing to pay for premium quality products. The Mexican market is divided in two big segments:

- High and middle socioeconomic levels which demand quality and functional products (often imported).
- Middle and lower socioeconomic levels which are much more price sensitive. (According to World Bank, 53 percent of Mexico’s population lives on less than USD \$100/month).

**Table 1. Advantages and Challenges for U.S. Exporters**

<u>Advantages</u>	<u>Challenges</u>
Consistent supply chain investments ensure reliable and timely deliveries of perishables, preserving product quality and strengthening the U.S.-Mexico supply chain network.	Imported specialty products have higher prices than domestic food products.
Foodservice distributors increased their flexibility (during the pandemic) to abrupt changes in consumption, offering a better, more integrated distribution channel.	Issues like illegal migration and insecurity sometimes affect the distribution network, causing trade disruptions and traffic bottlenecks.

The shared border between the United States and Mexico gives U.S. exporters a competitive logistical advantage over other countries' suppliers.	With Mexico's food distribution network continuing to improve, Mexico's market becomes attractive for additional competition from other countries.
Mexican foodservice distributors and consumers are very familiar with U.S. food products, market trends and industry practices.	Mexican restaurants are adapting its menus due to inflation by reducing portions or using lower-priced alternatives.

## **SECTION II. ROAD MAP FOR MARKET ENTRY**

Many U.S. companies seeking to export to Mexico should first attend trade shows such as Abastur and ExpHotel (see Section V for additional details and shows) to gain insight on the Mexican market, establish new contacts, and get to know buyers, potential business partners, importers, and distributors. It is important to recognize the differences between Mexican and U.S. [business culture](#), and to consider regional purchasing patterns. Mexico is a big country with different consumer patterns and economic conditions depending on the region; some products might fit perfectly in certain regions, but not in the whole country.

It is important for U.S. companies to find an experienced and professional importer or distributor as local partner. A good customs broker will also help with issues related to regulations, procedures, labeling, and customs clearance. Some retailers that the foodservice sector uses for its supplies have their own purchasing and importing departments. Companies attempting to approach large chains should have enough production capacity to meet the volumes required.

Please be sure to check our latest [Exporter Guide](#) and our latest [Food and Agricultural Import Regulations and Standards Country Report](#) for additional information.

## **SECTION III. COMPETITION**

Mexico's foodservice sector is a highly developed market, with multiple players on the national and regional level. U.S. food and agricultural exports enjoy a favorable reputation in Mexico due to consistent product quality, stable supplies, and proximity. Additionally, preferential market access under NAFTA/USMCA further enhances bilateral trade. Other major exporters to Mexico are Canada, the European Union, New Zealand, and Brazil.

**Table 2. Top Mexican Imports of Consumer-Oriented Products, CY 2022**

<b>Commodity</b>	<b>Partner Country</b>	<b>Value in \$ Million</b>
Pork & Pork Products	<b>World</b>	<b>\$ 3,007.85</b>
	United States	\$ 2,519.15
	Canada	\$ 451.08
	European Union	\$ 37.63
Dairy Products	<b>World</b>	<b>\$ 2,439.34</b>
	United States	\$ 2,023.60
	European Union	\$ 216.40
	New Zealand	\$ 164.96

Poultry & Poultry Products (excl. eggs)	<b>World</b>	<b>\$ 1,360.07</b>
	United States	\$ 1,082.44
	Brazil	\$ 269.07
	Chile	\$ 8.39
Beef and Beef Products	<b>World</b>	<b>\$ 965.00</b>
	United States	\$ 829.88
	Canada	\$ 128.20
	Nicaragua	\$ 5.10
Soup & Other Food Preparations	<b>World</b>	<b>\$ 828.11</b>
	United States	\$ 739.97
	Guatemala	\$ 13.57
	China	\$ 9.49
Fresh Fruit	<b>World</b>	<b>\$ 722.77</b>
	United States	\$ 601.74
	Peru	\$ 56.97
	Chile	\$ 40.15
Processed Vegetables	<b>World</b>	<b>\$ 664.95</b>
	United States	\$ 455.36
	European Union	\$ 91.69
	Canada	\$ 72.07
Bakery Goods, Cereals & Pasta	<b>World</b>	<b>\$ 659.64</b>
	United States	\$ 468.05
	Canada	\$ 96.35
	European Union	\$ 61.95

Source: Trade Data Monitor

#### **SECTION IV. BEST PRODUCT PROSPECTS**

Many foodservice trends in Mexico correspond with global trends. Middle and upper-class Mexican consumers follow new trends in dieting, traceability/sustainability, and ingredient information, thus becoming more knowledgeable and selective. As a response to increased competition, hotels and restaurants across the price spectrum seek to provide not just a mere product or service, but a whole consumer experience. Hotels include visits or tours to agricultural production areas like distilleries, vineyards, craft beer facilities, and traditional agricultural farms, or host local farmer's markets so guests can enjoy some of the local/regional products. Similarly, restaurants have their own kitchen gardens or partner with local producers for fresh supplies. High-end businesses offer casual options with quality foods at affordable prices. Renowned Mexican chefs frequently collaborate with restaurant chains, cafes, bakeries, breweries and even cinemas. Niche opportunities continue to appear as Mexico's domestic processing sector diversifies and consumers shift to demand healthy, convenient, and high-quality foods.

Given that there are over 40 categories of consumer-oriented products of which the United States exports more than \$50 million annually to Mexico, it is difficult to single out high-potential items for such a diversified and vibrant marketplace. With Mexico being a very mature market,

heavily influenced by the United States due to its geographic proximity, there are market opportunities everywhere, particularly for new, innovative food products with growth potential, such as:

- Natural/organic products, produced through sustainable methods.
- Plant-based alternative products (soy and almond beverages, plant-based proteins)
- Food perceived as healthful (superfoods, vegan, and gluten-free products).
- Specialized or differentiated dairy products.
- Sugar-free and alcohol-free beverages (smoothies, juice blends, vitamin-added water).
- Ethnic foods (spices, food bases, cereals, and condiments).
- Wines, spirits, and craft beer.

## **SECTION V. KEY CONTACTS AND FURTHER INFORMATION**

Please contact the Agricultural Trade Offices (ATOs) in Mexico if you have any questions or comments regarding this report or need assistance exporting U.S. food and beverage products to Mexico.

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## **MAIN TRADE SHOWS IN MEXICO**

<b>Trade Show</b>	<b>Description / Industry</b>	<b>Frequency</b>	<b>Location</b>
<a href="#">Abastur</a>	Hotel, restaurant and catering industries.	Annual (August)	Mexico City
<a href="#">ExpHotel</a>	Regional hospitality industry.	Annual (June)	Cancun
<a href="#">Expo ANTAD</a>	Organized by the Mexican Association of National Retailers.	Annual (March)	Guadalajara
<a href="#">Gourmet Show &amp; Expo Café</a>	Joint shows; one showcasing high-end, gourmet products, the other specialized for coffee-shop's suppliers.	Annual (September)	Mexico City
<a href="#">Mexipan</a>	Bakery industry.	Annual (July)	Mexico City
<a href="#">Confitexpo</a>	Confectionary industry.	Annual (July)	Guadalajara
<a href="#">Cerveza Mexico</a>	Craft brewing industry. Two editions.	Annual (May) Annual (October)	Guadalajara Mexico City
<a href="#">Expo Carnes y Lacteos</a>	Beef, pork, poultry and dairy industries.	Every two years (February)	Monterrey

## **ADDITIONAL INFORMATION**

**FAS Mexico Web Site:** We are available at our [website](#) or visit [FAS Headquarters website](#) for a complete selection of FAS worldwide agricultural reporting.

**Useful Mexican Web Sites:** Mexico's equivalent to the U.S. Department of Agriculture is the [Secretariat of Rural Development \(SADER\)](#); also, the equivalent to the U.S. Department of Commerce is the [Secretariat of the Economy \(SE\)](#). These websites are mentioned for the readers' convenience, but USDA does not endorse, guarantee the accuracy of, or necessarily concur with the information contained on the mentioned sites.

**Attachments:**

No Attachments