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Report Highlights:

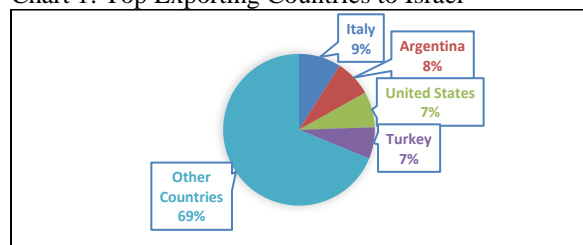
Since October 7, 2023, the hotel, restaurant, and institutional industry has faced severe challenges as a result of the regional conflict. A significant decrease in tourism caused many hotels and restaurants to suffer, and some to completely shut down (especially along the Israeli borders). However, some hotel revenue was maintained from domestic tourism and government payments for evacuees. While the restaurant market was significantly impacted due to an increase in food prices, the institutional market (particularly in the military) increased.

Executive Summary:

Israel is a technologically advanced, market-oriented economy. In 2023, Israel’s annual GDP reached \$462 billion. According to Israel’s Central Bank, Israel’s GDP grew by 2 percent in 2023 but is expected to have a slower growth at 1.5 percent in 2024, rebounding to 4.2 percent in 2025, if the Israel-Hamas conflict subsides. The inflation rate in September 2024 was 2.8 percent, but is expected to grow to 3.2 percent in 2024, partly due to taxation measures. In 2025, the inflation rate is expected to settle at 2.8 percent, if the conflict subsides.

Consumer-Oriented Agricultural Imports

Chart 1: Top Exporting Countries to Israel



Food Retail Industry:

Israeli food retail sales reached \$20.7 billion in 2023, with 2 percent growth anticipated in 2024. The food retail market consists of supermarket chains, convenience stores, local grocery stores, and wet markets. The leading retail supermarkets in Israel are: Shufersal, Rami Levi and Merav-Mazon Kol/Osher Ad., which collectively have a revenue of \$7.7 billion and represent 55 percent of Israel’s top 24 food retail companies and annual revenues of \$7.7 billion.

Food Processing Industry:

With more than 2,500 food processing facilities, the Israeli food processing sector is an important player in the domestic economy. Five groups dominate the local food processing industry: Tnuva, Osem-Nestlé, Strauss, Central Company for Beverages Distribution (Coca-Cola) and Soda Stream. In 2023, Israel imported \$9.2 billion of food products, a large percentage of which were for its food processing industry. Almost all ingredients from horticultural sources are imported. In 2023, the annual revenue for Israel’s largest food processors was \$13.62 billion.

Food Service Industry:

Israeli food service sales reached \$8.1 billion in 2023. However, after October 7, 2023, the food service industry suffered a severe drop in sales; with no growth

Quick Facts CY 2023

Imports of Consumer-Oriented Products*

\$4.96 million (U.S. billion)

List of Top 10 Growth Products in Israel*

- 1) Dairy Products
- 2) Bakery Goods, Cereals & Pasta
- 3) Chewing Gum & Candy
- 4) Beer
- 5) Non-Alcoholic Bev.
- 6) Chocolate & Cocoa Products
- 7) Eggs & Products
- 8) Dogs and Cat Food
- 9) Condiments & Sauces
- 10) Poultry Meat & Products

Food Industry by Channels (U.S. billion)

Retail Food Industry	\$20.7
Food Service-HRI	\$8.1
Food Processing	\$13.62
Food and Agriculture Exports**	\$8.6

Top 10 Host Country Retailers

Shufersal Ltd; Rami Levy Shivuk Hashikma Ltd; Merav-Mazon Kol/ Osher Ad; Yohananov M and Sons (1988) Ltd; Victory Supermarket Chain Ltd; Hazi Hinam; Cohen Machsanei Hashuk Ltd; Freshmarket Ltd (PAZ Oil Co Ltd); Tiv Taam Holdings; Keshet Tastes Ltd.
*2023 Carrefour entered Israel.

GDP/Population

Population (millions): 9.921 (as of June 2024)
GDP (billions USD): 462 (2023)
GDP per capita (USD): 48,300 (2023)

***BICO HS6 2021 – Consumer Oriented Agricultural Total**

****Ag Sector Total**

Sources: Euromonitor, Bank of Israel, The World Factbook, TDM, Duns 100, Israeli Centras Bureau of Statistic (CBS), FAS Tel Aviv office research.

1. <https://www.boi.org.il/roles/statistics/real-economic-activity/national-accounts/>
2. <https://www.boi.org.il/media/bixo1v0q/full-annual2023.pdf>
- 3.; 4. [Duns100](#) (Hebrew Only)
5. [Euromonitor](#)

forecasted for 2024. The expansion of sales is dependent upon the cessation of hostilities between Israel and Hamas.

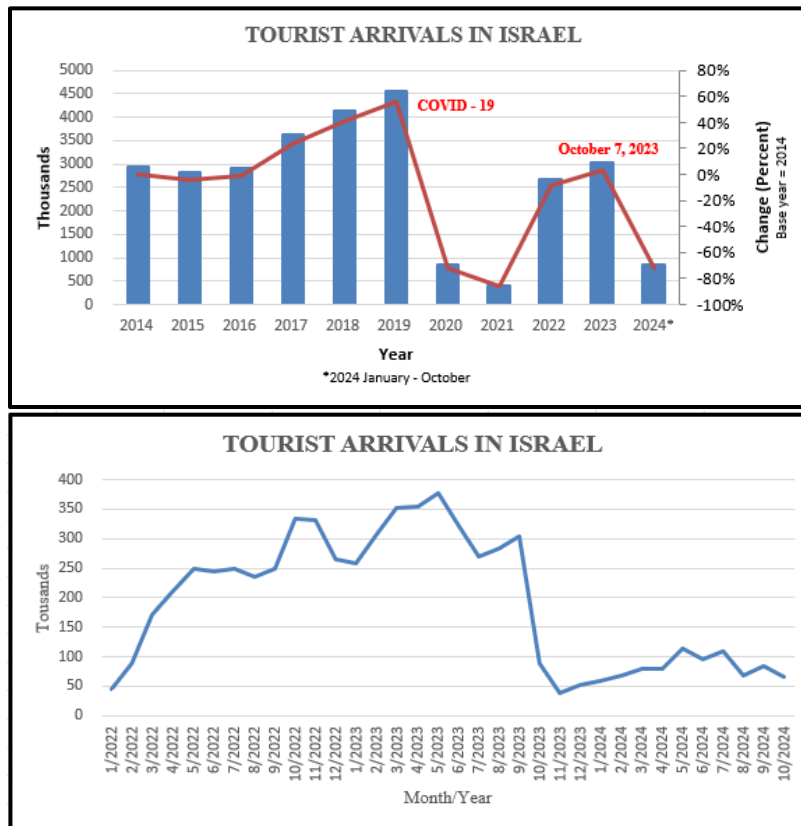
Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
- Many markets are well-known - U.S.-Israel Free Trade Agreement	- Different regulations from the United States - Geographical distance from the United States is considerable
Opportunities	Threats
- High consumer demand - Availability of kosher products	- Adoption of EU regulations - A lot of competition in a highly branded market

Section I: Market Summary

Prior to the Covid-19 outbreak, the Israeli hotel, restaurant, and institutional (HRI) sector was generally stable and growing. The economy’s growth over the past decade led to an increase in spending on outside dining. Sales in hotels and resorts grew. Incoming tourism was increasing annually. The restaurant sector evolved and shifted from full-service restaurants towards fast food outlets as restaurateurs sought to minimize their risk in the face of financial strains due to high fixed costs. In addition, the rapid construction of shopping centers encouraged growth in food service in retail centers. Institutional sales were strong and steady as a few large firms vied for the control of a limited market. The domestic tourism in 2022 was at its peak and was higher by 16 percent from its last peak of 2019. Since October 7, 2023, the HRI industry suffered a severe drop in sales, and in some parts of the country (mostly along the borders), a complete shutdown with no estimated growth forecasted for 2025. Since October 7, 2023, most of the hotel revenue has come from domestic and family related tourism and government payments for evacuee housing. The restaurant market was impacted even stronger due to a high increase in food prices. In the institutional market, the effects from the conflict were opposite—food consumption (particularly in the military), increased.

Chart 2: Tourist Arrivals in Israel



Source: Israel Central Bureau of Statistic

Although the main reasons that affected the HRI sectors are mostly the same, their influence on each sector is different and is addressed in this report.

Advantages and Challenges

Table 1: U.S. Supplier’s Advantages and Challenges in the Israeli HRI Sector

ADVANTAGES	CHALLENGES
U.S. commodities and products are known as high-quality.	High shipping costs from the United States to Israel can be challenging.
Many Israelis have lived in the United States and are familiar and receptive to new and emerging products from the United States.	Consumers demand high-level kosher certification.
Israel is a major importer of food products. 70-80% of food is imported from 120 countries (includes meat, cereals, fish, fresh fruits and vegetables).	Centralized market with strong competition, especially from Europe and Asia. These sources are also generally cheaper than U.S. products and conform with the recent food reform.
U.S. fast food brand names are widely known and popular with the Israeli population, especially families.	Unemployment rates are low, and labor force is difficult/expensive to hire. Regional conflict deepened this issue.
Free trade agreement between the United States and Israel.	Israel has adopted 40 new EU standards, as part of its food reform, many of which are more restrictive than the United States.
Kosher commodities and products have a high market share in Israel - over 10,000 American companies produce kosher products.	Israeli buyers are less familiar with U.S. suppliers and producers.
The Israeli market is high-end oriented, with high benchmark prices.	U.S. exporters may lack knowledge of the Israeli market and are unaware of new opportunities
	The regional conflict impacts the HRI sector and market stability, adding increased risk for exporters.

Section II: Roadmap for Market Entry

Entry Strategy

U.S. exporters should review [FAS Tel Aviv policy and market reports](#) and private sector analyses.

Find a Local Partner

After identifying a market opportunity, exporters should establish business relationships with reliable, experienced, and professional importers or agent who will offer guidance on issues related to consumer preferences, local regulation, and custom clearance procedures. Additionally, the local partner will have knowledge of tariff rates and will be able to apply for quotas for the relevant products if necessary. Face-to-face meetings also help build relationships and create opportunities to explore business opportunities firsthand. Before traveling, it is advised to check with the U.S. Department of State’s travel advisory for any relevant instructions.¹

¹ <https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories/israel-west-bank-and-gaza-travel-advisory.html>

Most Israeli food distributors acquire imported products through an importer or an agent. Specialized importers and agents are often also distributors who have warehouse and transportation operations. However, some large HRI chains have their own purchasing or importing division to handle food imports directly. Suppliers from the United States should initially contact the purchasing or importing divisions of these large hotel and restaurants chains. FAS/Tel Aviv can help assist on identifying the correct point of contact.

Local players are increasingly opting for the franchise model to expand firm presence, profits, and bargaining power. Franchising is widely used in the Israeli consumer food service by both foreign and local players. Most franchisees of major international brands are corporate entities that often carry other name brand outlets as well. Franchisees of Israeli brands tend to be smaller individual franchise holders. Foreign consumer food service operators normally enter the Israeli market through franchise agreements. Major global brand owners such as Domino's Pizza Inc., McDonald's Corp., Burger King Holdings Inc., and KFC Israel operate in Israel through local franchisees.

Israel does not have specific regulations applicable exclusively to foreign companies. Nevertheless, there are important cultural and religious factors which foreign firms must consider, including kosher and Sabbath regulations. Sources indicate that Starbucks and Dunkin' Donuts and 7 Eleven have not been very successful in Israel due to differences in consumer tastes and pricing issues, as local ambiance is extremely important. The tailoring of an establishment's management and product variety is necessary to blend in with the local environment and consumer preferences.

Additional Means of Entry:

- Franchising and manufacturing under licensing agreements
- Social media and internet marketing is widely popular in Israel and gaining greater acceptance by local importers and HRI buyers.
- Israfood is Israel's biggest food and HRI show.² The event takes place in Tel Aviv each year at the end of November or early December.
- Direct marketing (phone, video calls, emails, and meetings) - brochures and corporate press kits
- Social networking- Israeli food companies often attend the main European food shows and other industry specialized events (i.e., ANUGA, SIAL)

Market Structure

Hotels

Large hotel chains have central purchased offices which purchase from Israeli importers or local wholesalers. Exporters interested in gaining market share with large chains are encouraged to approach hotel purchasing offices with their Israeli partner. Smaller hotel chains and independent hotels purchase directly from the local market or from local wholesalers. Identifying and integrating in the supply chain for these cases will require additional marketing resources.

² <https://israfood.com/>

Restaurants

Large restaurant chains may also have centralized purchasing offices. Exporters interested in gaining market share with large restaurants are encouraged to approach restaurant purchasing offices with their Israeli partners. Smaller restaurants, bars and cafes will likely purchase goods directly from wholesalers or on the local market. Most restaurants purchase beverages through distributors. Smaller restaurants accounts for more than 70 percent of total food service.³

Institutional

The Israeli Defense Forces, police, and prison service have their own purchasing sections, as well as other government-owned facilities and offices. Israeli law gives priority to Israeli firms in awarding tenders. Exporters interested in participating in public tenders should seek further information from the tendering agency.

Sub-Sector Profiles

Hotels and Resorts

After October 7, 2023, the hotel sector needed to rapidly adjust to the significant changes in the tourist landscape and the almost complete shutdown of incoming tourism. Hotels in evacuated areas and in the vicinity of these areas closed while other hotels accommodated the evacuees in accordance with the government plan, and adjusted their services to cater to the local domestic tourism. More than 130 thousand citizens were evacuated and initially housed by the government in various hotels. The statistical numbers for the end of year 2023 and year 2024 of occupancy in hotels include the rooms that were allocated to the evacuated population and a distinction between local occupancy by evacuees, inside domestic Israeli tourism and incoming tourism is described in chart 3 and 4 to better understand the hotel sector current occupancy profile.

From January to September 2024 there has a decrease compared to the same time period in 2023. The loss of total income from incoming tourism during 2024 is estimated at more than \$5 billion.⁴ According to Israel Hotel Association 90 has closed since October 7, accounting for 20 percent of the country hotel industry. Major cities like Haifa (down 51%), Tiberias (45%), and Nazareth (80%) were particularly hard hit.⁵

The total revenue for January-June 2024 amounted to \$1.81 billion, with approximately 90% of the revenue coming from Israelis and 10% from tourists. (In January-June 2023, the total revenue was \$1.86 billion, with 41% of the revenue coming from tourists).

The hotel sector in Israel is becoming more centralized. The financial situation of the hospitality sector is divided into two opposing ends. Hotels with financial strength were able to adapt to changes in 2024 and maintained growth (e.g. Isrotel LTD, Fattal Holdings (1998) Ltd), while others struggled due to financial difficulties. This led to the closure of hotels especially tourist hotels in the periphery of Israel and hotels catering to backpackers and younger ages (of which most were drafted to the reserve forces), sometimes resulting in the sale of the hotel chain (e.g. Brown Hotels, Selina Israel Hotels).

- Isrotel LTD - during 2024, Isrotel's revenue cycle saw a mixed performance. In the third

³ <https://www.portal.euromonitor.com/?gGoCaeYQ6aEdbKuSUCX%2be%2bpXhYEqGdQwu0oLZBx3byDtHjDnvzV14w%3d%3d>

⁴ <https://www.jpost.com/israel-hamas-war/article-822401>

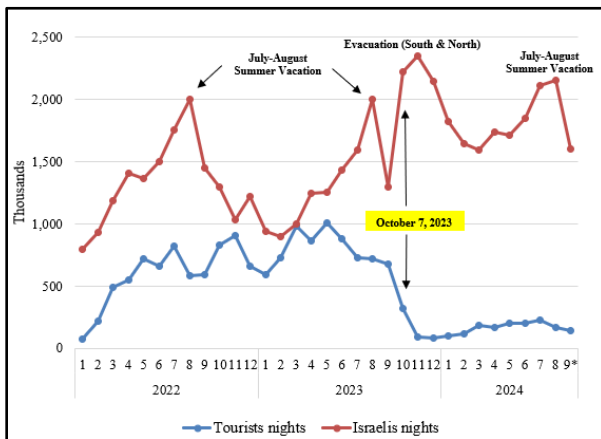
⁵ <https://www.ynetnews.com/travel/article/sjqzzybmyl>

quarter, revenue grew by 5% to 600 million shekels, and operating profit rose by 25% to 172 million shekels. However, for the first nine months, total revenue slightly declined by 1.4% to 1.44 billion shekels, despite a 25% increase in operating profit to 332 million shekels. This improvement was supported by a significant reduction in costs and strategic expansion into international markets.^{6,7}

- Fattal Holdings (1998) Ltd - In 2024, Fattal Hotels achieved record revenues for the third quarter, increasing by approximately 9% to around 2.2 billion shekels compared to 2 billion shekels in the same period in 2023. This growth was driven by the opening of new hotels, higher occupancy rates, and increased average room prices. Additionally, the earnings before interest, taxes, depreciation, amortization, and restructuring (EBITDAR) for the third quarter of 2024 soared by 11% to 882.8 million shekels. Over the first nine months of 2024, the company continued to perform strongly, with revenue up by 8.3% to 5.59 billion shekels and EBITDAR growing by 15.5% to 2.08 billion shekels. These improvements were attributed to strategic expansions and efficient cost management, leading to a significant boost in profitability.^{8,9}
- Brown Hotels – This chain is in financial hardship, with debts amounting to 100 million shekels and is currently in the process of being sold to Israel Canada Hotels.¹⁰
- Selina Israel – The collapse of the International Selina chain and the concept to cater to young travelers (low prices and high occupancy) during the current conflict affected Selina Israel to the point of complete shutdown of all its 14 locations.¹¹

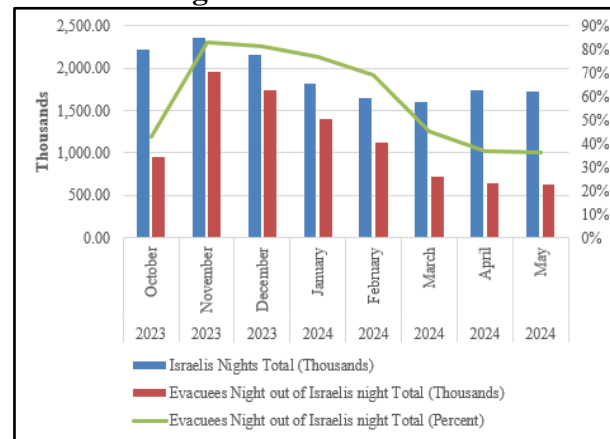
The total average workforce decreased from 42 thousand during 2023 to 35 thousand during the first half of 2024.¹² Most of the incoming tourism came from five countries—United States, France, United Kingdom, Russia, and Germany (See Chart 6).

Chart 3: Person-nights in Tourist Hotels



Source: Israel Central Bureau of Statistic

Chart 4: Estimated Israelis Breakdown Night in Tourist Hotels



Source: Israel Central Bureau of Statistics

⁶ <https://passportnews.co.il/article/193601> (Hebrew Only)

⁷ <https://www.bizportal.co.il/capitalmarket/news/article/837594> (Hebrew Only)

⁸ <https://www.ice.co.il/financial-gossip/news/article/1040629> (Hebrew Only)

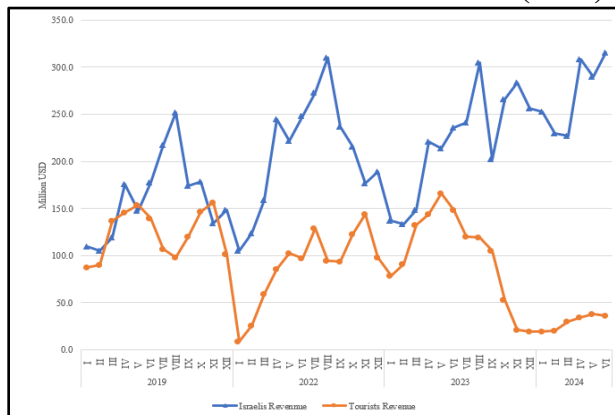
⁹ <https://www.calcalist.co.il/market/article/uwuimmv3t> (Hebrew Only)

¹⁰ <https://www.hotelinvestmenttoday.com/Deals/Mergers-and-Acquisitions/Israels-Brown-Hotels-to-merge-with-Israel-Canada-Hotels>

¹¹ <https://www.ynetnews.com/business/article/sj2xhd4pr>

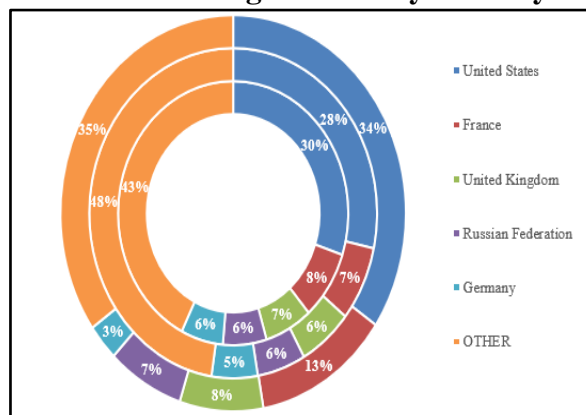
¹² https://www.cbs.gov.il/he/mediarelease/DocLib/2024/309/28_24_309b.pdf (Hebrew Only)

Chart 5: Israelis & Tourists Revenue (USD)



Source: Israel Central Bureau of Statistics

Chart 6: Incoming Tourists by Country



Source: Israel Central Bureau of Statistics

*From Outer rim in (2024 I-VI, 2023 I- XII, 2022 I- XII)

Most of the tourist hotels are located in the center of Israel at the greater Tel-Aviv district (120 hotels) followed by Jerusalem District and Judea & Samaria Area (91 hotels) and Northern District (86 hotels). Although Eilat city (which is located along the Red Sea with ideal weather year-round) has fewer hotels (52 hotels), it has the largest number of rooms among three different districts (10,703 rooms).

Hotels Chains and Resorts in Israel:¹³

- Isrotel Ltd. (<https://www.isrotel.com/>) – Operating 23 Hotels in Israel and another three hotels under the brand name “ALUMA” (<https://www.alumahotels.com/>) in Greece.
- Fattal Holdings (1998) Ltd (<https://www.leonardo-hotels.com/israel>) – Leonardo Hotels operates 36 hotels in Israel under the brand name “Fattal”.
- Prima Hotels (<https://www.prima-hotels-israel.com/>) - Operating 16 hotels in Israel.
- Dan Hotels (<https://www.danhotels.co.il/>) - Operating 16 hotels in Israel.
- Afi Hotels ([AFI Hotels in Israel](https://www.afi-hotels.com/)) – Manages different brands: VERT, Poli, CRONE PLAZA, INDIGO, Bayview. In total 11 hotels.
- Dan Hotels (<https://www.danhotels.com/>) – Operating 16 hotels in Israel and one hotel in Bengaluru.
- JORDACHE Israel (<https://jordacheenterprises.com/>) – Holding company that manages three brands: THE SETAI, HERBERT SAMUEL, ORCHID, In total 13 hotels. The company also owns other six hotels and resorts in Israel, 12 hotels in Europe, and eight hotels in the United States.
- Israel Canada Hotels (<https://english.ichotels.co.il/>) – Operating 12 hotels in Israel and another three hotels in Greece.
- Brown Hotels (<https://brownhotels.com/>) – Operating 10 hotels in Israel (Seven hotels closed during 2024) and 11 hotels in Europe. Currently under acquisition negotiation by Canada Israel.

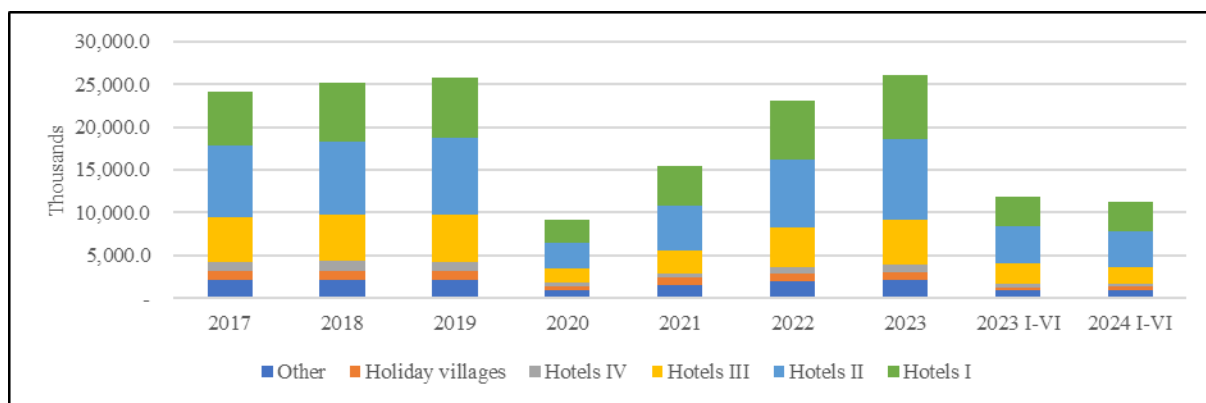
¹³ Latest Data available according to hotel chains website and Current news. Hotels might be closed due to the current conflict.

- Hilton (<https://www.hilton.com/>) – Operating three hotels in Israel, in addition to 7,530 properties across the globe.
- Atlas Hotels (<https://www.atlas.co.il/en/>) – Operating three hotels in Israel.
- Ramada Hotels (<https://www.wyndhamhotels.com/ramada>) – Operating four hotels in Israel.
- The Leading Hotels of The World (<https://www.lhw.com/>) - Operating three hotels in Israel.
- MGallery Collection (<https://mgallery.accor.com/en.html>) - Operating three hotels in Israel.
- Selina Hotels – Closed all it’s 14 locations in September 2024. Some locations will continue to operate under the property owners.

In addition to hotel chains there are also other vacationing sites such as Youth Hostels chains, Kibbutz Hotels and private abins or villas referred to in Israel as “Zimmer” that are very popular:

- Israel Youth Hostels Association I.Y.H.A (<https://www.iyha.org.il/>) – Operating 17 youth hostels.
- The Society for the Protection of Nature in Israel field school (<https://www.teva.org.il/field-school>) - Operating nine field schools hostels (which operate as a hostel with an academic component).
- ABRAHAM (<https://www.abraham.travel/>) – Operating two hostels in Israel and another two in the Philippines.
- Kibbutz Hotels – Most of the hotels operates as a single site hotel. There are 45 kibbutzim that operate resorts (hotels) within the kibbutz. Each site has its own website, a complete list can be found at <https://www.booking-kibbutz.com/>
- Zimmer (Privet Cabins or villas) – Most Zimmers operate as a single site Zimmer. Each site usually has its own website. A comprehensive list of Zimmers can be found at <https://www.zimmeril.com/>

Chart 7: Persons per Night in Tourist Hotels by Level and Type



Source: Israel Central Bureau of Statistic

Restaurants/Fast Foods

Prior to the war, Israeli food tourism was booming across the country and especially in Tel Aviv—the hub of restaurant and culinary trends in Israel. According to the Knesset research and information center in 2023, there were approximately 12,130 consumer foodservice businesses; this includes restaurants, cafés, bars, and street vendors in Israel. Most of these businesses are

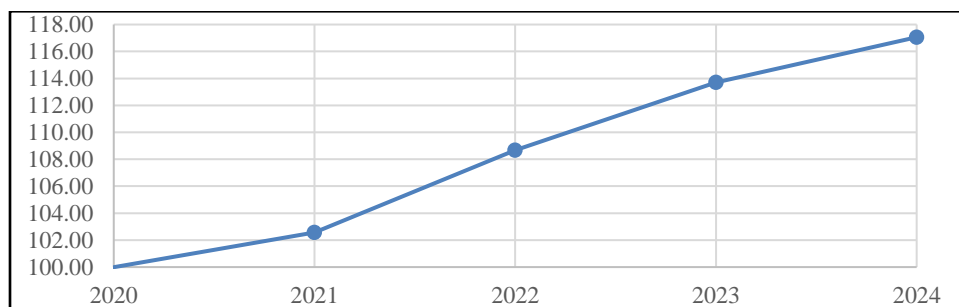
classified as small, self-employed without employees, or up to four employees. Since October 7, 2023, there has been a dramatic change in dining habits due to the current conflict affects, dining preference changes such as increase in food deliveries instead of dining out and a shift to more affordable dishes due to increase in the cost of living. The cost of food has increased and has resulted in an average decrease of fifteen percent per guest in restaurant dining. It is estimated that in the north of Israel, 50 percent of the restaurants are closed (some of them permanently closed). Around 100 restaurants in Tel-Aviv area permanently closed, and in the south of Israel, the recovery of restaurants, cafés, bars, and street vendors is slow.¹⁴

According to the Israeli Restaurant and Café Association, businesses that are closed won't be able to re-open due to current debts to suppliers and a change of payment terms by suppliers to cash only. To re-open the restaurants, they will need to have financial aid. Financial aid plans offered by the government to businesses in affected areas did not fully cover all the sector's specific needs.¹⁵ Restaurants that are planning to re-open will shorten their menu selection to reduce food losses and to preserve adequate service due to the shortage of an available workforce.

Restaurant operators hiked up prices in response to raising costs of raw materials, delivery costs and overhead expenses. Despite the Shiva system (automated banking system) showing growth revenue in bars and restaurants, the actual breakdown of the revenue shows a decrease in profit to bar and restaurant owners due to changing dinning trends and a shift to food deliveries, which have created additional costs to the restaurant.

Israeli restaurants face high fixed costs with tight margins. This is especially true of high-end, standalone restaurants with high local rent costs. Many consider the restaurant business risky, with high expenses such as rent, labor wages, and food costs. Furthermore, many operators struggle to remain profitable in the long term, with 65 percent of restaurants in Israel closing within their first five years of opening, according to the Israeli Central Bureau of Statistics. On January 1, 2025, there is expected to be another increase in overhead expense - electricity by 3.8 percent, municipal taxes by 5.3 percent, water by 3.4 percent, VAT by 1 percent, social security by 1.2 percent and public transportation by additional 2 NIS per ticket for in city ride. Overall price increases are expected to affect all products and services by at least another 3 to 4 percent.

Chart 8: Restaurant and Cafe Consumer Price Index (Base period 2020 = 100.0)



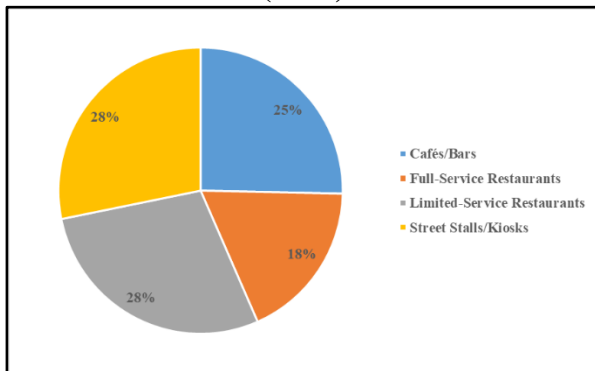
Source: Israel Central Bureau of Statistic. 2024 data include January-October

¹⁴ FAS/Tel-Aviv research

¹⁵ <https://finance.walla.co.il/item/3686466> (Hebrew Only)

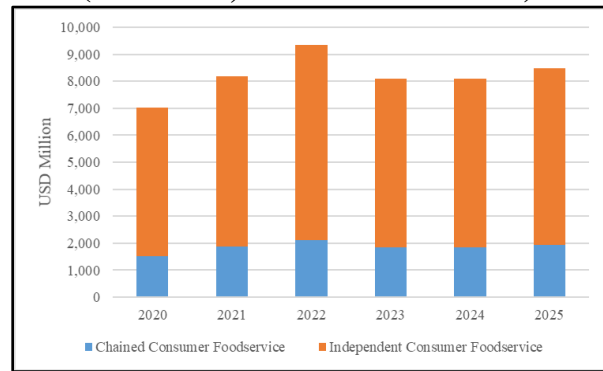
One of the biggest challenges to local restaurants is the workforce. Prior to October 7, 2023, the government policy for employing non-Israeli workers was in favor of Palestinian workers over foreign workers. Consequently, following October 7, 2023, Palestinian workers are not permitted to enter Israel. The foreign workers that are now approved lack certain skills. The industry is currently in lack of workforce. In September 2024, the Israeli unemployment rate was 2.7 percent.

Chart 9: Consumer Foodservice by Type (2023)



source: Euromonitor ©

Chart 10: Consumer Foodservice by Value (2020-2023, 2024-2025 estimated)



source: Euromonitor ©

The trend of home delivery services continued to grow throughout 2023 and 2024. Many Israelis (especially at the early months on the conflict) preferred home deliveries to avoid going out. Some restaurants changed their operations and menus to deliveries only. However, delivery services have faced challenges such as delays and increased costs due to shortages in workforce, which has impacted efficiency.

Table 2: Top Ten Consumer Food Service Chains (Brand share)

Brand Name	2019	2020	2021	2022	2023
McDonald's	12.8	11.8	11.2	12.4	12.4
Aroma Espresso Bar (Israel)	6.0	5.7	6.4	6.7	7.1
Golda	2.1	4.8	6.6	6.9	6.8
Landwer	4.6	4.6	4.4	4.2	4.3
Pizza Hut	3.3	3.8	3.7	3.5	3.8
Cafe Cafe	5.7	5.3	4.7	4.0	3.7
Greg Cafe	4.4	4.3	3.8	3.6	3.2
Roladin	2.8	2.7	2.8	2.8	3.1
Arcafe	2.2	2.1	2.3	2.6	2.8
Burger Ranch	3.3	2.9	2.7	2.8	2.8
Others	52.6	51.9	51.4	50.3	50.1

source: Euromonitor ©

In 2024, the top five leading brands for restaurants and cafes are:¹⁶

1. Aroma: Ranked 25th in the metrics for all brands, improving from 99th place in 2022. This improvement can be attributed to the merge with Aroma Tel-Aviv, re-branding all branches, and providing evacuees and army personnel sandwiches.

¹⁶ <https://www.globes.co.il/news/sparticle.aspx?did=1001482468> (Hebrew Only)

2. Golda: Ranked 62nd in the metrics for all brands. During 2024, Golda launched marketing campaigns to enhance consumer engagement by asking consumers to create new flavors using artificial intelligence, creating affiliation with the Barbie movie, creating a new flavor, and branding for and giving free ice-cream to army personal.
3. ROLADIN: Ranked 68th in the metrics for all brands.
4. Pizza Hut: Ranked 78th in the metrics for all brands.
5. Landwer Café: Ranked 132nd in the general brand metrics.
- 6.

McDonald's holds the biggest brand share in Israel is showing a constant decline in the brand metrics - 2021 ranked at 33; 2022 ranked at 112; 2023 ranked at 129; 2024 ranked at 156. During 2024, McDonald's Israel was sold to the McDonald's global chain.

Restaurant Trends:

- Wine Bars and Casual Dining – Consumers are seeking a low-cost alternative; value for money.
- Food stands with delivery.
- Food trucks – located mostly in peripheral areas with an added value of natural landscape. Inside urban areas they can be found mostly in gardens and open areas (not on the street).
- Customer specification – offering alternative dishes using plant-based protein, vegetarian, vegan and gluten free options.
- Third party delivery – restaurants increasingly rely on third party delivery despite increased costs.
- Social media engagement – effect of social media on visibility of the dishes and the branding (short videoclips, photos), innovation and customers recommendation. Influencers are looking for the “next dish” or the “new place” promoting it through social media, resulting in a large exposure for the business and more traffic.
- Farm to table and healthy eating – seasonal menu using fresh seasonal ingredients. Some restaurants are growing their own products next to the dining area.
- Pop-up restaurants and stands – Utilizing vacant location or unconventional places chefs and other food handlers are opening pop-ups.

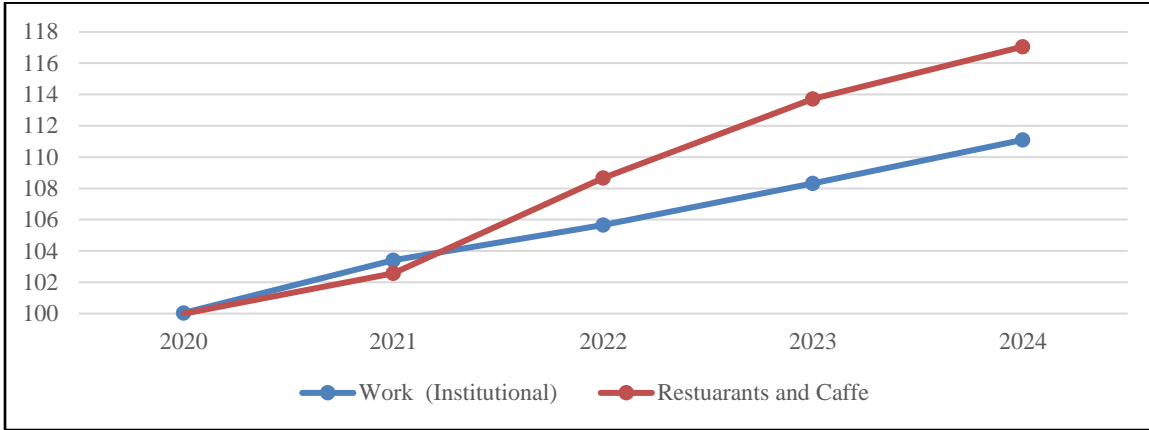
Institutions

Institutional catering services are used by public institutions, government agencies, high-tech industry, the Israel Defense Forces, and the insurance and financial sectors among others. The industry is characterized by fierce competition, which is reflected by low pricing and tight margins. The industry consists mainly of medium and large companies that have been operating in this sector for many years. In recent years, some schools started to supply hot meals to the students through catering companies.

The largest institutional catering companies in terms of sales for 2023 are Sodexo, C.I.P Mevo Horon (Mevushelet), L. Eshel Food Services, T.M.M Plane Food Services, Home Made Food Nir Ezion, Z.R. Delicacies & Events and Shir-Ben Catering.¹⁷

¹⁷ https://www.bdicode.co.il/en/category/eng_services/eng_services_restaurants/

Chart 11: Work (Institutions) vs. Restaurants and Cafe Consumer Price Index
(Base period 2020 = 100.0)



Source: Israel Central Bureau of Statistic. 2024 data include January-October

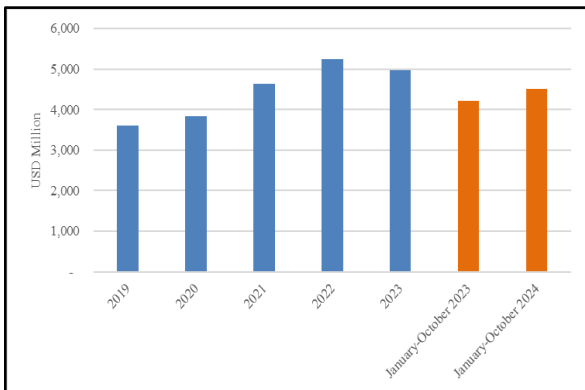
Section III: Competition

Local and European Union (EU) suppliers remain U.S. exporters’ main competitors. The U.S. industry’s main advantage is supplying reliability, product quality, and the recognition of its high food safety standards. On the other hand, high shipping costs, the adoption of EU standards, import duties, and import licensing requirements remain major market barriers for U.S.-origin products. Exporters need to be competitive in their pricing or present products which conform to new regulations.

Section IV: Best Product Prospects

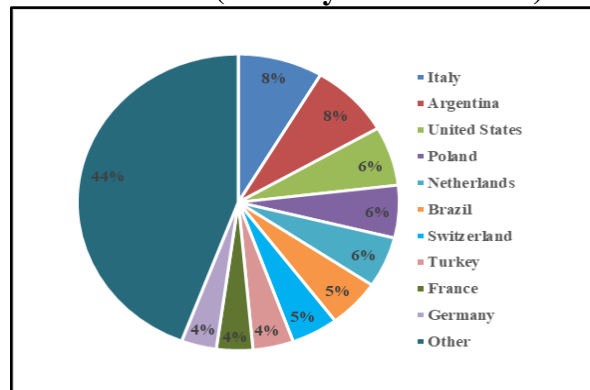
Top Consumer-Oriented Products Imported from the World

Chart 12: Consumer-Oriented Products Imported from the World (2019 – 2024)



Source: Trade Data Monitor, BICO-HS6 Consumer Oriented Agriculture, Annual & YTD

Chart 13: Consumer-Oriented Products Imported from the World vs. Top Ten Countries (January-October 2024)



Source: Trade Data Monitor, BICO-HS6 Consumer Oriented Agriculture, Annual & YTD

**Table 3: Top Ten Consumer-Oriented Products Imported
(January-October 2024)**

Product	Total Imports (\$, millions)	Percent out of Total Imported Consumer Oriented Products	Top 3 Competitors Market Share (Percent)	U.S. Market Share (Percent)
020230 - Meat Of Bovine Animals, Boneless, Frozen	495.31	10.97%	Argentina 39.79% Brazil 28.60% Paraguay 15.15%	0%
020130 - Meat Of Bovine Animals, Boneless, Fresh Or Chilled	271.98	6.02%	Argentina 49.17% Poland 15.78% Uruguay 13.32%	2.79%
210690 - Food Preparations Nesoi	218.31	4.83%	Ireland 19.05% Netherlands 11.52% Poland 8.82%	12.91%
230910 - Dog And Cat Food, Put Up For Retail Sale	153.41	3.40%	Italy 14.76% France 12.80% Spain 8.55%	11.94%
071290 - Vegetables, Nesoi, Dried And Vegetable Mixtures, Dried (Whole, Cut, Sliced, Etc.), But Not Further Prepared	119.67	2.65%	Ukraine 69.98% Brazil 19.42% China 5.09%	0.74%
190590 - Bread, Pastry, Cakes, Biscuits And Similar Baked Products, Nesoi, And Puddings, Whether Or Not Containing Chocolate, Fruit, Nuts Or Confectionary	115.95	2.57%	Italy 27.55% Spain 10.70% Turkey 7.60%	20.66%
180690 - Cocoa Preparations, Not In Bulk Form, Nesoi	93.38	2.07%	Italy 41.88% Germany 10.55% Belgium 9%	2.63%
220300 - Beer Made From Malt	92.95	2.06%	Mexico 24.15% Belgium 16.90% Germany 14.02%	0.03%
220830 - Whiskies	91.50	2.03%	United Kingdom 89.09% Ireland 5.99% Japan 0.73%	3.27%
090121 - Coffee, Roasted, Not Decaffeinated	88.26	1.95%	Switzerland 49.12% Italy 43.63% France 3.82%	0.12%

Source: Trade Data Monitor, BICO-HS6 Consumer Oriented Agriculture, Annual & YTD

**Table 4: Israel's Top Ten Imported Consumer-Oriented Products from the U.S.
(January-October 2024)**

Product	U.S		World		
	Total Imports (\$, millions)	Market Share (percent)	Total Imports (\$, millions)	Top 3 Competitors Market Share (percent)	Market Share from Total Imports (percent)
080251 – Pistachios, In shell, Fresh or Dried	29.05	94.41%	30.77	Turkey 3.93% Greece 1.02% Georgia 0.63%	0.68%
210690 - Food preparation nesoi	34.18	12.91%	218.31	Ireland 19.04% Netherlands 11.52% Poland 8.83%	4.84%
080299 - Nuts, fresh or dried, whether or not shelled or peeled (excl. coconuts, Brazil nuts, cashew nuts, almonds, hazelnuts, filberts, walnuts, chestnuts, pistachios, macadamia nuts, kola nuts, areca nuts and pine nuts)	27.38	99.99%	27.38	Georgia 0.01%	0.61%
190590 - Bread, Pastry, Cakes, Biscuits And Similar Baked Products, Nesoi, And Puddings, Whether Or Not Containing Chocolate, Fruit, Nuts Or Confectionary	31.95	27.55%	115.95	Italy 27.55% Spain 10.70% Turkey 7.61%	2.57%
080232 - Walnuts, Fresh Or Dried, Shelled	21.10	93.36%	22.60	Chile 4% Turkey 2.02% Vietnam 0.53%	0.50%
080810 - Apples, Fresh	19.68	27.17%	72.43	Italy 49.30% France 8.71% Greece 5.90%	1.60%
230910 - Dog And Cat Food, Put Up For Retail Sale	19.32	11.24%	153.41	Italy 14.76% France 12.8% Spain 8.56%	3.40%
080212 - Almonds, Fresh Or Dried, Shelled	11.86	94.65%	12.53	Spain 4.99% France 0.25% Uzbekistan 0.11%	0.26%
210390 - Sauces And Preparations Therefor, Nesoi; Mixed Condiments And Mixed Seasonings	10.53	17.95%	58.67	Thailand 21.25% Netherlands 11.66% Canada 6.39%	1.22%
020130 - Meat Of Bovine Animals, Boneless, Fresh Or Chilled	7.59	2.79%	271.98	Argentina 49.18% Poland 15.78% Uruguay 13.32%	6.02%

Source: Trade Data Monitor, BICO-HS6 Consumer Oriented Agriculture, Annual & YTD

Products Present in Market with Good Sales Potential

- All products that are marketed in the EU or comply with EU regulations.
- Products dominated by the United States
 - Tree Nuts
- Products with Good Sales Potential – the U.S. has presence in the market and can increase its market share
 - Kosher beef
 - Food preparation & soups
 - Pet food
 - Processed fruit and vegetables
 - Non-alcoholic beverages
 - Apples and pears
 - Dairy products
 - Alcoholic beverages including wine
 - Food preparations & sauces
 - Bread and pastries

Products Not Present in Market with Good Sales Potential

- Frozen Fruits and Vegetables – There is market demand for frozen vegetables and fruits, especially berries. Prices for these products are high, and local production does not meet demand.
- Fish And Crustaceans, Molluscs and Other Aquatic Invertebrates (frozen or chilled) – Israel imports the majority of these from Norway and Chile. It is a growing category in which U.S. exporters hold a very small market share. Products present in the Israeli market without U.S. presence include seabream, seabass, Pacific salmon, and fish fillets.
- Orange Juice (frozen, whether or not sweetened) - Israel imports the majority of these from Brazil. It is a growing market in which the United States has no market share.
- Feeder Cattle – Israel imports most of its feeder cattle, of which the United States has no market share.

Product Not Present in Market due to Significant Barriers

- Kosher Restrictions - Non-kosher meats are not permitted for importation.
- Phytosanitary Restrictions - Bananas, strawberries, cherries, and citrus are not allowed for importation due to phytosanitary restrictions.
- Standard – All goods imported into Israel must meet Israeli standards.

Section V: Key Contacts and Further Information

Links to Government Sources

- [Israel Tax Authority - Customs Tariff Book](#)
- [Israel Central Bureau of Statistics \(CBS\)](#)
- [Ministry of Interior - Business licensing information](#)
- [Ministry of Economy and Industry - Foreign Trade Administration \(FTA\)](#)
- [Ministry of Agricultural and Food Security](#)
 - [Veterinary Services and Animal Health](#)
 - [Plant Protection and Inspection Services](#)
- [Ministry of Health](#)
 - [National Food Services - List of approved Food manufacturers or food handlers with food manufacturing license](#)

Trade Associations

- [Israel - America Chamber of Commerce \(AmCham Israel\)](#)
- [Federation of Israeli Chamber of Commerce \(FICC\)](#)
- [Manufacturers Association of Israel \(MAI\)](#)
- [LAHAV - Israel Restaurant Association](#)
- [Melonaim – Israel Hotel Association](#)

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Foreign Agriculture Service – Tel Aviv 71 Hayarkon Street Tel Aviv, Israel 63903	Phone: 03-519667/671 Email: agtelaviv@usda.gov http://www.fas.usda.gov
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Attachments:

No Attachments.