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Italy

HRI Food Service Sector Report 2003

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Report Highlights: The Italian Hotel, Restaurant and Institution (HRI) sector is a lucrative and growing sector, which generated 22 billion Euros in 2002. The Italian Hotel sector is the second largest in the world after the United States, with 33,000 establishments throughout Italy. Italians are changing their eating habits, and in the past ten years have increased their consumption of food eaten outside of the home by 141 %.

Includes PSD changes: No
Includes Trade Matrix: No
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**Hotel, Restaurant and Institutional (HRI)
Food Service Sector Report - Italy**

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Market Summary

Italy ranks as the world's sixth largest economy, and despite recent strains on the economy and the conversion to the EURO, GDP is $1.1 trillion, and per capita income is $18,600.00. Italy's 58 million population represents an affluent consumer market, and its membership in the European Union offers a valid entry point into the entire Western European market. The services sector is the largest sector in the economy, accounting for 63.7% of total GDP, followed by the manufacturing sector 33%, while agriculture accounts for 3.3% of total GDP.

According to the 2002 statistics released by the Italian Hotel Association, Federalberghi, the Italian hotel restaurant industry generated 22 billion Euros, 2% of GDP. According to the latest industry trade figures issued by ISTAT in collaboration with Federalimentare, the food and beverage sector in 2002 generated 92 billion Euros, a 2.3 percent increase from 2001.

Even despite the fear of terrorism, the latest industry figures from Confturismo show that in 2002, over 38 million people traveled to Italy, and more than 40 million people are expected in 2003.

Italy has a well developed transportation and communication system, supported by high capacity cable, microwave radio relays and satellites. The railroad system is nationalized and operated by the Italian State Railways. Most of the product distribution is handled by the rail system versus the Italian highway or expressway system. Italy also has a developed airport network, with 19 international, 17 domestic and 59 general aviation airports. Italy's five major seaports are in Genoa, Livorno, Naples, Palermo and Trieste.

According to a study commissioned by the Italian Hotel Association, Federalberghi, 31 percent of the Italian population use Internet, (21 percent use a PC at home, 11 percent surf the web from work, 5 percent at the homes of friends and relatives, 4 percent from school, and 1 percent from Internet Café's.) The study also notes that in 1999, 68,7 percent of all Italian hotels had computers, and 37,3 percent had an e-mail address.

Italy's closest trade ties are with the other 14 European Union members, accounting for 55% of total Italian exports and 61% of it's imports. Italy's leading export markets are Germany, France and the United States, which in 2001 accounted for 1,7 billion dollars in $ 1.7 billion exports. During the same year, the United States exports to Italy only accounted for 779 million dollars .

The Italian peninsula varies climatically, geographically, culturally, and economically between north and south. For example, per capita income in the north approaches $23,000, whereas the $12,000 per capita income in the south (below Naples) is almost one-half of that of the north. Also contrary to trends across Europe, the majority of Italians continue to live in small cities and towns. The combined population of Italy's three largest cities-- Rome, Milan, and Naples-- accounts for 10 million or 5.8 percent of the Italian population. Markets are therefore diffuse and relatively small scale, but often lucrative.

Northern Italy:
Population: 25.8 million
Per Capita Income: $ 22,900
Major Cities: Turin, Aosta, Genoa, Milan, Trieste, Trento, Venice, Bologna

C **Central Italy:**
Population: 11.1 million
Per Capita Income: $20,000
Major Cities: Rome, Florence, Perugia, Ancona

C **Southern Italy:**
Population: 20.8 million
Per Capita Income: $ 12,400
Major Cities: Naples, Aquila, Campobasso, Bari, Cantanzaro, Palermo, Cagliari, Potenza

The Italian Government has committed itself to increase tourism development and understands that tourism is a fundamental objective in Italy's future for the HRI sector. In order to promote travel to Italy, the Government Tourist Board has submitted a proposal to the Italian Government of a three year plan (2003-2005) for an investment of 90 million $ dollars in promotional and marketing initiatives in the foreign markets.

Advantages and Challenges Facing U.S. Products in Italy

Advantages	**Challenges**
Theme and ethnic food restaurants are becoming popular, especially Sushi Bars and Tex Mex	Italian consumers are demanding of quality, and prefer food made from fresh ingredients.
U.S. producers offer a wide range of products, and packaging options for the HRI sector	There continues to be a lack of awareness among the HRI sector of the variety and availability of U.S. products
Italy's booming tourist industry further stimulates demand for HRI products.	The HRI sector still need to be educated on how to incorporate American food products and ingredients into their menus.
Italy is a member of the Euro zone which eases market entry and participation.	U.S. exporters have to conform to often difficult Italian/European standards and regulations.
Strong interest towards new and innovative products, especially in the health, specialty and ethnic food categories.	Recent food scares have made some Italian consumers wary of the unfamiliar. American products remain quite popular with Italians.

Road Map for Market Entry

Entry Strategy & Market Structure

The Italian Hotel and Restaurant Industry sector is as diverse and fragmented as the Retail Sector. For instance, in the Hotel industry there are many small establishments dispersed throughout Italy, and only 2 percent of the over 33,000 establishments belong to International Hotel chains. Therefore, before even considering the Italian HRI market it would be best that a U.S. company interested in exporting to Italy and the EU find a reputable importer, agent or wholesaler who already operates in the market and can facilitate product entry and distribution.

Italy is a member of the European Union (EU), and therefore, the agricultural sector is governed by the Common Agricultural Policy (CAP). Italy employs the same tariffs and levies as the rest of the EU. Where food standards and regulations have been harmonized within the EU, these same requirements are applicable in Italy. EU law covers most matters relating to labeling, packaging, food additives, pesticides and other contaminants, as well as plant and animal health restrictions.

(For further information concerning Italian Import Regulations, please refer to FAS Italy's GAIN Report - IT 2022 Annual Exporter Guide 2002.)

American-style fast food chains, buffets, and salad bars are gaining popularity in the Italian market. This move towards more convenient dining has led Italian importers to seek out U.S. food products adapted to self-service eateries. Many bars, restaurants and food service companies also are seeking foods that microwave easily. While home use of microwaves is still low, microwave sales are increasing. Families with two working parents rely more and more on microwaves to reheat food and prepare frozen foods. Microwaves are present in most small food shops to reheat baked goods such as pizza or roasted chicken.

Italians are consuming increasing quantities of breakfast cereals, organic foods and snack foods. The Italian youth market is especially interested in lifestyle foods such as American beer and salted snacks. American type packaging is perceived as being trendy and consumer friendly.
American food does well in the Italian market, including in the increasingly popular sushi bars. U.S. exports of bulk and packaged dried fruits and nuts have consistently sold well in Italy.

When it comes to grocery shopping, the Italian consumer is becoming more price and quality conscious, preferring retail outlets which are able to offer more services, selection and cheaper private labels. Italy however, cannot be compared to the French or U.S. retail sector, but instead offers its own unique retail model.

The north/south fragmentation within the Italian retail sector is very evident. The north of Italy continues to have the largest number of hypermarkets, shopping malls and large supermarkets, which cater to the more prosperous regions of the country. The south lags behind with fewer large retail outlets and an underdeveloped distribution network. The Italian retail sector is relatively underdeveloped and expanding at a slower pace compared to northern European countries. Italians maintain a strong preference for their traditional grocer, with local mom and pop establishments still accounting for an important segment of the retail sector. The Italian consumer is also extremely discerning, contributing to a strong quality-gourmet food sector.

(For further information concerning Italian Retail Sector, please refer to FAS Italy's GAIN Report - IT 2026.)

The HRI sector in Italy has grown significantly during the last 20 years, and has been positively influenced by the following:

- Smaller Households
- More Women in the Workforce
- Older Population
- Increase in Italian and Foreign Tourism

Italian eating habits have evolved radically, and while the Mediterranean diet remains king, during the last ten years some things have changed.

Food Consumption Trends (Comparison 1993-2002)
Source: Federalberghi-Confturismo

Food Consumption Trends	**1993**	**2002**
Vegetables consumed at least once a day	52.1 %	46.7 %
Fruit consumed at least once a day	85.4 %	76.8 %
Fish consumed at least once a week	56.9 %	55.5 %

Sector Profile

Hotels and Resorts

According to the Italian Commerce Association, Confcommercio, the Italian Hotel sector is the second largest in the world after the United States in terms of establishments and rooms. There are presently over 33,000 hotels located throughout the Italian peninsula, with 900,000 rooms, and 1.7 million beds. Most of the Italian hotels are individually owned businesses, while only 2% belong to international chains. Every year more than 80 million tourists visit Italy, of which 45 million are Italian and 35 million are foreigners.

Federalberghi reports that in 2002 the Italian Hotel industry had a bad year, due to a reduction in spending by Italian families, the economic recession in Germany and the fear of terrorism that kept away Americans, Japanese and English tourists. From January-September 2002, overnight stays in hotels dropped by 0.4% (with a loss of 203 million stays). An average overnight stay in a hotel is 3.4 nights.

Hotel Distribution in Italy, 2002.
Source: Federalberghi-Confturismo

Location	**Market %**	**Millions of Guests**
Hotels by the Sea/Beach Resorts	34.6	80
Hotels located in Historical/Art Cities	22.3	55
Hotels located in the Mountains	14.2	34
Hotels located in Thermal Spa/Beauty Farms	6.1	15
Hotels located in the Hill Regions	2.8	9
Hotels located by a Lake	2.2	13
Hotels located in Other areas	17.8	6

Hotel Occupancy in Italy, 2002.
Source: Federalberghi-Confturismo

Region	Millions of Guests
Emilia Romagna	30.6
Veneto	27.5
Lazio	25.9
Tuscany	21.9
Bolzano	19.8
Lombardy	19.3
Campania	15
Sicily	12
Liguria	11.4

Italy offers a wide variety of hotels, from luxury, to 1 Star bed and breakfast Following is a breakdown:

Italian Hotels, 2002
Source: Federalberghi

Category	Number	Rooms	Beds
5 Star	121	11,452	21,713
4 Star	2,597	181,992	351,914
3 Star	11,838	424,228	797,640
2 Star	9,791	194,693	345,682
1 Star	7,470	97,201	172,399
Total	31,817	909,566	1,689,348

As previously mentioned, only 2 percent of Italian hotels belong to large international hotel chains. Following is a brief breakdown of the international hotel chain presence in the Italian market. (Source: Federalberghi, 2000.)

- **Accor**

French owned Hotel chain that is present in Italy with four brands: Ibis, Mercure, Novotel and Sofitel, with 60 hotels.

- **Bass Hotels and Resorts**

American owned hotel chain, is now considered the number two company in Italy in regards to number of hotels and available rooms with 70 establishments.

- **Best Western International**

Best Western International entered the Italian market since 1982. There are 119 hotels mainly located in historical cities, sea and mountain locations.

- **Choice Hotels International**

Choice Hotels first entered the Italian market in 1993, adopting the franchise approach in conjunction with the American owned Eco Hotels with 20 hotels.

- **Forte Hotels**

Forte is a British Family owned hotel chain present in Italy with 41 establishments.

- **Four Seasons Hotel Inc.**

Four Seasons is a Canadian owned company with 1 hotel in Milan.

- **Ladbroke Plc**

Ladbroke Plc owns Hilton Hotel Corp and Hilton International with 6 hotels in Italy.

- **Marriott International**

American owned company that owns the brands Marriott and Ramada and has 4 hotels in Italy.

- **Orient Express**

British owned company mainly present in the Italian market with 3-4 star hotels.

- **Societe du Louvre**

French company owned by Taittinger, who also owns the brand Clarine and has 4 hotels in Italy.

- **Sol Melia**

Spanish owned company present in Italy with two hotels.

- **Starwood Hotels and Resorts**

American owned company mainly in the 5 star luxury category, with 56 hotels in Italy.

The Italian hotel sector is predominantly represented by privately owned, family run businesses. Following is a brief breakdown of the Italian owned hotel chains. (Source: Federalberghi, 2000.)

- **Ata**

Italian hotel chain owned by the Ligresti family, born from the 1991 merge of Atahotels and Interhotel and present in the Italian market with 10 hotels.

- **Baglioni**

Italian owned hotel chain recently sold by Cogeta Palacehotels Spa to the Facchini family and present in the Italian market with 9 hotels.

- **Bettoja**

Italian owned hotels belonging to the Bettoja family present in Italy with 6 hotels.

- **Bonaparte**

In July 2000 Finpart sold the Bonaparte company assets to Fusi Finanziaria Costruzioni Immobiliari, and now has 8 hotels in Italy.

- **Boscolo**

Italian hotel chain owned by the Boscolo family and present in Italy with 8 hotels.

- **Framon Hotels**

Italian hotel chain owned by two families from Sicily, Franz and Mondello. They presently own 15 hotels in Italy.

- **Jolly Hotels**

Italian hotel chain owned by two families, the Marzotto and Benetton, with 78 hotels.

- **Monrif**

Italian hotel chain owned by the Monti Riffeser family, and present in the Italian market with 6 hotels.

- **Sina**

Italian hotel chain owned by Count Bernabo' Bocca, President of the Italian Hotel Association, with 6 hotels.

- **Space**

Space is an Italian joint venture between a group of entrepreneurs, mainly focusing in the 3-4 star hotel category. They presently have 90 hotels in Italy.

- **Starhotels**

Starhotels was born in 1980, and is owned by the Fabri family. They have 19 hotels.

- **Turin Hotels International**

Italian hotel chain owned by the Ramondetti family, present in Italy with 10 hotels.

Main Hotel Groups in Italy, 2000. Source: Federalberghi

		1999		2000	
Hotel Groups	**Brands**	**Hotels**	**Rooms**	**Hotel**	**Rooms**
Accor		27	3.993	30	4.585
- Mercure	- Mercure	8	887	10	1.209
- Sifalberghi	- Ibis, Mercure, Novotel, Sofitel	16	2.604	17	2.874
- Sagar	- Sofitel	3	502	3	502
Ata	Ata	10	3.430	10	3.430
Baglioni	Baglioni Hotels	9	866	9	866
Bass Hotels & Resorts		38	5.442	35	5.184
- Alliance	- Holiday Inn	22	2.900	16	2.300
- Holiday Inn	- Holiday Inn	15	2.350	18	2.692
- Inter-Continental	- Inter-Continental	1	192	1	192
Best Western	Best Western	119	8.022	119	8.022
Bettoja	Bettoja	6	952	6	952
Bonaparte	Bonaparte	8	790	8	900
Boscolo	Boscolo	8	n.d.	8	n.d.
Choice	Choice	17	1.300	20	1.550
Forte		10	1.524	11	1.622
- Eden	- Eden	1	112	1	112
- Excelsior Gallia	- Excelsior Gallia	1	237	1	237
- Forte Village	- Forte Village	6	782	6	782
- Meridién	- Meridién	1	240	1	240
- Palazzo della Fonte	- Palazzo della Fonte	1	153	1	153
- Savoia	- Savoia	-	-	1	98
Four Seasons	Four Seasons	1	98	1	98
Framon	Framon Hotels	13	908	15	1.453
Jolly		32	5.264	39	6.304
- Jolly	- Jolly	31	5.204	35	5.619
- Jolly	- Jolly (franchising)	1	60	4	685
Ladbroke		3	1.208	3	1.208
- Hilton Italiana	- Hilton Roma	1	371	1	371
- Hilton International	- Hilton Milano	1	320	1	320
- Hilton Airport	- Hilton Rome Airport	1	517	1	517
Marriott	Marriott, Ramada	4	1.276	4	1276
Monrif	Monrif	6	1.006	6	1.006
Sina	Sina	6	543	6	543

Hotel Groups	Brands	Hotels	Rooms	1999 Hotel	2000 Rooms
Société du Louvre	Clarine	1	77	4	337
Sol Melià	Sol Melià	-	-	1	281
Space	Space	85	6.822	90	7.627
Starhotels	Starhotels	19	2.817	19	2.817
Starwood		28	5.268	28	5.268
- Ciga	- Luxury Collection, Sheraton	18	2.778	18	2.778
- Sheraton	- Luxury Collection, Sheraton	10	2.490	10	2.490
Turin	Turin	8	885	10	1.110
Villa d'Este	Villa d'Este	3	295	3	295

Ownership of Major Hotels in Italy, 2000.
Source: Federalberghi

Hotel Group	Brands	Ownership
Accor		Accor (FR)
- Mercure	- Mercure	Franchise
- Sifalberghi	- Ibis, Mercure, Novotel, Sofitel	Accor (75%), Ifil (25%)
- Sagar	- Sofitel	Gruppo Accor
Ata	Ata	Finhotel (gr. Ligresti)
Baglioni	Baglioni Hotels	Family Business
Bass Hotels & Resorts	Holiday Inn	Bass Hotels & Resorts (USA)
Best Western	Best Western	Best Western Internatinal (USA)
Bettoja	Bettoja	Family Business
Bonaparte	Bonaparte	Gruppo Fusi
Boscolo	Boscolo	Family Business
Choice	Choice	Choice Hotels International (USA)
Forte	Forte & Le Meridien, Exclusive	Granada (UK)
Four Seasons	Four Seasons	Four Seasons Hotels Inc. (CAN)
Framon	Framon Hotels	Privately Owned
Jolly	Jolly Hotels	Family Business- Marzotto, Zanuso e Benetton
Ladbroke	Hilton	Ladbroke PLC (UK)
Marriott	Marriott, Ramada	Marriott Int. Corp. (USA)
Monrif	Monrif	Family Business - Monti Riffeser
Sina	Sina	Privately Owned
Société du Louvre	Clarine	Société du Louvre (F)
Sol Melià	Sol Melià	Sol Melià (E)
Space	Space	Privately Owned (Consortium)
Starhotels	Starhotels	Family Business - Fabri
Starwood	Luxury Collection, Sheraton, Westin	Starwood Htls & Resorts (USA)
Turin	Turin	Family Business -Ramondetti

Villa d'Este	Villa d'Este	Finanziaria Regina (L)

Italian Hotel Industry Projection, 2010. Billions of Euro.
Source: Federalberghi

Indicators	**2000**	**2010**	**%**
Tourism	8.63	140.94	+ 44,1
Business Travel	18.17	28.96	+ 9,1

In-Home Food Consumption

According to the FIPE Studies Center (Italian Federation of Public Shops) during the last thirty years the global consumption of the Italian Families has grown 128 percent in monetary terms. By considering in specific the food shops, an evident gap can be seen between in-home food consumption food eaten out. In-home consumption has increased by 34 percent, while food eaten out has increased by 141 percent, (3 percent per year.)

According to ISTAT, in 1990, 24.5 percent of all meals were consumed outside of the home, while in 2000 the percentage grew to more than 30 percent, and it is forecast that by the year 2020 the percentage is forecast to reach 40-45 percent.

One of the determining factors which have influenced a change in Italian eating habits, is the fact that lunch is no longer viewed as the main meal of the day to be consumed at home. FIPE notes that from 1993 to 2000, the percentage of Italians with the habit of lunching at home has decreased from 84.5 to 75 percent. In contrast to an evolving lunch scenario, the importance of dinner is increasing. In 1993 only 22 percent of the Italians reported that dinner was their main meal, while in 2000 the percentage grew to 30 percent.

The Italian Statistics Bureau, ISTAT, reports that in 2001 an average Italian family spent 410 Euros a month on food and beverages consumed within the home, for a total of 4,930.00 Euros a year.

Food and Beverages Expenditures for at-home, Euros, 2001.
Source: ISTAT

Monthly	**Expense**		
North	**Center**	**South**	**Islands**
40380	41410	41670	41261
Yearly	**Expense**		
4845	4968	5000	4951

ISTAT also reports that in 2001 an average Italian family spent 200 Euros a month on food and beverages consumed outside of the home, for a total of 2,405.00 Euros a year.

Monthly Food and Beverages Expenditures Outside of the Home, Euros, 2001.
Source: ISTAT

Establishment	North	Center	South	Islands
Bar, Pastry shops	4400	3514	2767	3314
Restaurants	13190	12340	10352	10305
Institutional	4130	3567	3733	2869
Yearly Expense	2606.4	2330.52	2022.24	1978.56

Italian eating habits have changed the types of food sold by retail establishments and the variety of products consumed. Traditional bars and restaurants are evolving, becoming "risto-bars", wine bars and trendy restaurants offering ethnic and international cuisine. Italian bars mainly serve non-alcoholic beverages, coffee and offer light snacks and sandwiches to be consumed standing up at the counter.

The latest data available from FIPE and Confcommercio show that the away from home meals in Italy is a 36 billion Euro market. Following is a breakdown for 2001:

- 12.9 billion Euros were spent on Second Courses
- 5.6 billion Euros were spent on Snacks
- 4.7 billion Euros were spent on Beverages
- 3.1 billion Euros were spent on Breakfast
- 2.4 billion Euros were spent on Sauces and Seasonings
- 2.1 billion Euros were spent on Main Courses

Restaurants and Bars

The main characteristic of Italian cuisine is its healthy balance, the excellent basic ingredients being simply cooked and retaining their original goodness and freshness.

In Italy there are 71,000 eating establishments, 47 percent in the North, 31 percent in the South and 22 percent in the Center. More than 70,000 of them are restaurants, 18,000 are pizzerias and 15,000 are inns (trattoria).

In Italy there are 138,000 Bars, 56 percent in the North, followed by 26 percent in the South and 18 percent in the Center. According to FIPE, coffee is the leading product (30 percent), followed by beverages (26 percent) and alcoholic drinks (16 percent).

Following is a definition for the various types of dining establishments:

- **Ristoranti**

The most formal type of place to eat - restaurant. They serve lunch starting at 12:30 am and dinner from 8 until midnight, and are closed one day a week. They usually serve a la carte.

- **Trattoria or Hosteria**

Less formal than a restaurant, usually family run. Serves local specialties. They serve lunch starting at 12:30 am and dinner from 8 until midnight, and are closed one day a week.

- **Panineria**

A sandwich bar, where a quick meal can be had from 8 am to about 8 pm.

- **Pizzeria**

They only serve pizza. They serve lunch starting at 12:30 am and dinner from 8 until midnight, and are closed one day a week.

Institutional Food Service and Catering Companies

The Italian Institutional sector in Italy is valued at about 6 billion Euros and serves 4 million meals a day. (An 8 percent increase from last year.) This means that 7.5 percent of the Italian population over the age of 3 has lunch in one of the thousands of Institutional cafeterias, including hospitals, military mess halls and jails. In Italy there are presently 19 major Companies that operate in this sector.

Following is a listing, and the areas in which they operate:

Italian Institutional/Catering Companies, 2002.
Source: Ristorando

Codes pertaining to Areas of Operation:

1 Hospitals
2 Schools
3 Industry
4 Meal Tickets
5 Commercial Establishment
6 In Flight Catering
7 Other

Rank	Name	1	2	3	4	5	6	7
1	**Accor**	X	X	X	X		X	X
2	**Autogrill**					X	X	
3	**Sodexho**	X	X	X	X	X	X	
4	**McDonalds**					X		
5	**Camst**	X	X	X	X	X		
6	**Onama**	X	X	X	X	X		
7	**Chef Italia**	X	X	X	X	X	X	
8	**Pellegrini**	X	X	X	X			X
9	**CIR**	X	X	X	X	X		
10	**La Cascina**	X	X	X	X	X		X
11	**Cremonini**				X	X		X
12	**Abela**	X	X	X			X	
13	**Qui Ticket Service**			X				
14	**Ligabue**						X	
15	**LSG Sky Chef**						X	X

16	**Pedus**	X	X	X				X
Rank	**Name**	**1**	**2**	**3**	**4**	**5**	**6**	**7**
17	**Compass Group**	X	X	X		X		
18	**Serist**	X	X	X		X		
19	**Ristop**					X		

Institutional/Catering Company Profits, 2001, Billion Euros
Source: Ristorando

Name	**2001**	**2000**	**Other Companies**
Accor	91	78	Gemeaz, Eurocatering, Tirrenia, Serial
Autogrill	57	54	Autogrill
Sodexho	54	47	Sodexho Italia, Sodexho Pass, Cusina Sud, Sodecaer
McDonalds	44	42	McDonalds
Camst	44	40	Camst, Gerist, Lugo Catering, Orma, Party, Promorest, Ristoservice, Sideris, Summertrade, Ritomagno, Serimi
Onama	36	35	Onama, Ristomat, Sipast, Sorico, Lunch Time
Chef Italia	25	23	Chef Italia, Ristochef, My Chef, Servair Air Chef
Pellegrini	23	22	Pellegrini
CIR	17	16	CIR
La Cascina	15	14	La Cascina
Cremonini	13	12	Cremonini, Alisea
Abela	10	7	Gama, Abela Italia
Qui Ticket Service	10	10	Qui Ticket Service, Risto Qui
Ligabue	9	13	Ligabue Catering, Ligabue GG Milano, Linea Sole
LSG Sky Chef	7	7	LSG Sky Chef
Pedus	8	8	Pedus Service, Full Facilities
Compass Group	6	5	Compass Group, Full Rest, La Ristorazione, SSP

Name	2001	2000	Other Companies
Serist	6	6	Serist
Ristop	6	6	Ristop

The Italian Military catering sector is still a relatively untapped market segment for U.S. exporters. Industry figures show that the sector is worth more than 400 million Euros yearly.
Presently the Italian military force consists of 373,867 servicemen and women belonging to the Army, Navy, Air Force and Carabinieri. There are 300 military barracks, mess halls and Officer Clubs located throughout Italy that serve meals daily. Presently, the main Institutional Catering companies operating in this sector are; Ristochef, Gama, Gemeaz, Onama, La Cascina and Sodexho.

Competition

Italian and EU suppliers are the main competitors to U.S. products in Italy. Italy has a highly developed agricultural sector, and is a leading exporter of agricultural and processed foods. Therefore, Italians have access to a broad range of fresh foods due to their national wealth of horticultural production. This contributes to their fairly traditional food habits. Italians generally are health conscious, modern consumers willing to pay a premium for quality food products. Being very "quality" conscious when it comes to food, Italians value the following when purchasing and selecting their food: safety and traceability, healthy, artisanal, regional cuisine, flavorful and tasty, visually pleasing presentation and packaging.

Food service companies usually select their products directly from the importers and distributors. Therefore, U.S. exporters need to work closely with the industry, focusing on the importers and distributors who can best promote U.S. products to the Italian HRI sector.

Best Product Prospects

American-style fast food chains, buffets, and salad bars are gaining popularity in the Italian market. This move towards more convenient dining has led Italian importers to seek out U.S. food products adapted to self-service eateries. Many bars, restaurants and food service companies also are seeking foods that microwave easily. While home use of microwaves is still low, microwave sales are increasing. Families with two working parents rely more and more on microwaves to reheat food and prepare frozen foods. Microwaves are present in most small food shops to reheat baked goods such as pizza or roasted chicken.

Italians are consuming increasing quantities of breakfast cereals, organic foods and snack foods. The Italian youth market is especially interested in lifestyle foods such as American beer and salted snacks. American type packaging is perceived as being trendy and consumer friendly.

American food does well in the Italian market, including in the increasingly popular sushi bars. U.S. exports of bulk and packaged dried fruits and nuts have consistently sold well in Italy.

Leading U.S. Agricultural Exports to Italy in 2002:
(Source U.S. Bureau of the Census)

Wheat	$ 170 million
Soybeans	$ 87 million
Tree nuts	$ 59 million
Fish and Seafood	$ 47 million

Leading Italian Agricultural Exports to the United States in 2002:
(Source U.S. Bureau of the Census)

Wine and Beer	$ 786 million
Vegetable oils (including olive oil)	$ 331 million
Cheese	$ 165 million

Products in the Italian Market which have good sales potential

- **Seafood & Fish**

Italy is a major of importer of seafood. The Mediterranean diet relies heavily on seafood, and the Mediterranean no longer can supply the ever growing domestic demand. Italys' total seafood imports in 2001 were valued at $ 2.7 million dollars. Italys' main supplies are Spain, Denmark, Netherlands, France and Argentina. The U.S. ranks 15 as leading country supplier to Italy, with $ 47 million dollars in Seafood and Fish exports. Among the seafood and fish products, fish fillets and ready to eat products are in demand. Ready prepared and single portion packaged foods are in demand by HRI buyers. Lobster, scallops, and crab meat are also growing in demand.

Sushi and Sashimi restaurants are starting to become rather popular in Italy. U.S. exports to Italy of surimi, roe and urchin and crabmeat have increased favorably during the last few years.

- **Tree Nuts**

Italy imports a significant amount of tree nuts from the world. In 2001 Italy imported $ 235 million dollars worth of tree nuts. Italy's main suppliers are Turkey and the U.S. The U.S. ranks second as leading country supplier to Italy, with $ 59 million dollars in tree nuts exports.

- **Wheat**

Italy is a net importer of wheat, because Italy's export oriented pasta industry is a major consumer of durham wheat. Italy does not grow sufficient wheat to supply the large pasta manufacturing industry. In 2001 Italy imported $ 1.1 million dollars worth of wheat. Italy's main suppliers are France and the U.S. The U.S. ranks second as leading country supplier to Italy, with $ 170 million dollars in wheat exports.

Products not present in significant quantities but that have good sales potential

- Specialty/artisinal Beer
- TexMex and other ethnic foods
- Cake mixes
- Dressings and sauces/condiments
- Chocolate
- Snack foods

- **Products not present because they face significant trade barriers:**

- **Beef**

Italy, as part of the EU, adheres to the non-hormone treated beef ban.

- **Poultry**

Italy, as part of the EU, adheres to the non-chlorination treated poultry ban.

- **Dairy Products**

U.S. dairy exporters are subject to high EU customs tariffs, however, there are few niche opportunities for American cheeses, such as EU-certified cheddar cheese.

Calendar of Italian Holidays

Italian holidays must be taken into account when planning a business itinerary. July and August are poor months for conducting business in Italy since most businesses close for summer vacation. The same is true during the Christmas and New Year period. Italian commercial and local city holidays are listed below. Italian and American holidays are observed by the U.S.
Embassy in Rome and Consulates in Milan, Florence and Naples. When an Italian holiday falls on a Saturday, offices and stores are closed.

Listed below are fixed public Italian holidays:

January 1	New Years Day
January 6	Epiphany
April 1	Easter Monday
April 25	Anniversary of the Liberation
May 1	Labor Day
August 15	Assumption Day - Ferragosto
November 1	All Saints' Day
December 8	Feast of the Immaculate Conception
December 25	Christmas Day
December 26	St. Stephen's Day

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