

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Chile

Post: Santiago

Retail Foods Industry Growth

Report Categories:

Agriculture in the News

Approved By:

Rachel Bickford, Agricultural Attaché

Prepared By:

Richard Hartley

Report Highlights:

Supermarket sales are expected to grow 7 percent in 2011 and generate 10,000 new jobs by the end of the year.

General Information:

Chile's economic stability and the strengthening of its foreign relations are factors that have allowed the disposable income of its population to increase in recent years. The retail food industry is a primary beneficiary, as consumers are buying more higher-end and imported goods. As rising incomes allow for increased spending, the increased consumption of non-food products, convenience foods, frozen foods and foods marked as "healthy" is evident.

Hot dogs, soft drinks, chicken, cheese, beer and yoghurt are the top six selling items in Chile's 1,157 supermarkets. The top three products have maintained their positions since 2006. Beer jumped from tenth place in 2006 to fifth in 2011, likely as a result of the recent introduction of new brands and artisan beers in local supermarkets.

Supermarket sales have increased 6.6 percent in the first half of 2011, and are expected to have a total increase of 7 percent by the end of the year. This represents earnings of US\$ 13.5 billion. The categories that have seen most growth this year have been pots and pans, baby formulas, gummy candies, energy drinks and yoghurt.

Along with sales, employment figures are rising notably. By the end of 2011, the supermarket industry foresees 10,000 new jobs being generated to satisfy its growing demand. This represents nearly a 9 percent growth in jobs since 2010. The increase has taken place thanks to the support of the Chilean Supermarket Union, which has put major emphasis on generating new jobs and developing a certification program that recognizes workers for their experience as well as their abilities.

The retail sector in Chile has generated US\$ 45 billion in annual sales in 2011, of which supermarkets lead this industry with 26.2 percent of the sales. These are good signs for the food industry and an indicator of where the Chilean economy is heading. For U.S. exporters, it reveals a market with increased demands as it further develops its retail foods industry.