



THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary - Public

Date: 8/31/2018

GAIN Report Number:

Senegal

Post: Dakar

HRI Sector in Dakar - Exploring the Senegalese Palate

Report Categories:

Market Development Reports

Promotion Opportunities

Food Service - Hotel Restaurant Institutional

SP1 - Expand International Marketing Opportunities

Approved By:

Joshua Emmanuel Lagos

Prepared By:

Jasmine Osinski and Fana Sylla

Report Highlights:

Approximately five to 10 years ago, mid- and upscale restaurants in Dakar primarily catered to expatriates and tourists. Today, according to contacts, the growing Senegalese middle and upper class constitute the bulk of patrons at these establishments, representing 50 to 70 percent of regular clientele. These consumers are willing to pay a premium for higher quality, more expensive foods. Although the United States has approximately one percent of total global agricultural export market share in Senegal, market opportunities may exist for U.S. exporters and agribusinesses interested in supplying foods and ingredients not currently available in the market to mid-scale or upscale establishments in the Hotel, Restaurant, and Institution (HRI) sector in Dakar.

General Information: Market Overview

Approximately five to 10 years ago, mid- and upscale restaurants in Dakar primarily catered to expatriates and tourists. Today, according to contacts, the growing Senegalese middle and upper class constitute the bulk of patrons at these establishments, representing 50 to 70 percent of regular clientele. These consumers are willing to pay a premium for higher quality, more expensive foods. Senegalese middle and upper class consumers are travelling more frequently for business, study, and leisure; when these consumers return to Senegal they want to have the same international dishes that they experienced abroad. Post sources believe that Senegalese consumers in Dakar prefer international cuisine while dining outside the home, and enjoy trying new foods.

Hotel, Restaurant, and Institution (HRI) sector contacts expressed interest in new foods and ingredients not currently available (or very difficult to find) in Senegal that they believe could have market potential in Dakar. For example, this could include foods and ingredients to prepare authentic Tex-Mex food, California-style fish tacos, and Louisiana fare such as gumbo; American BBQ sauces and rubs could become popular for grilled meat and fish. Senegalese consumers are also reportedly becoming more health conscientious, and there may be market opportunities for nuts such as pecans or almonds.

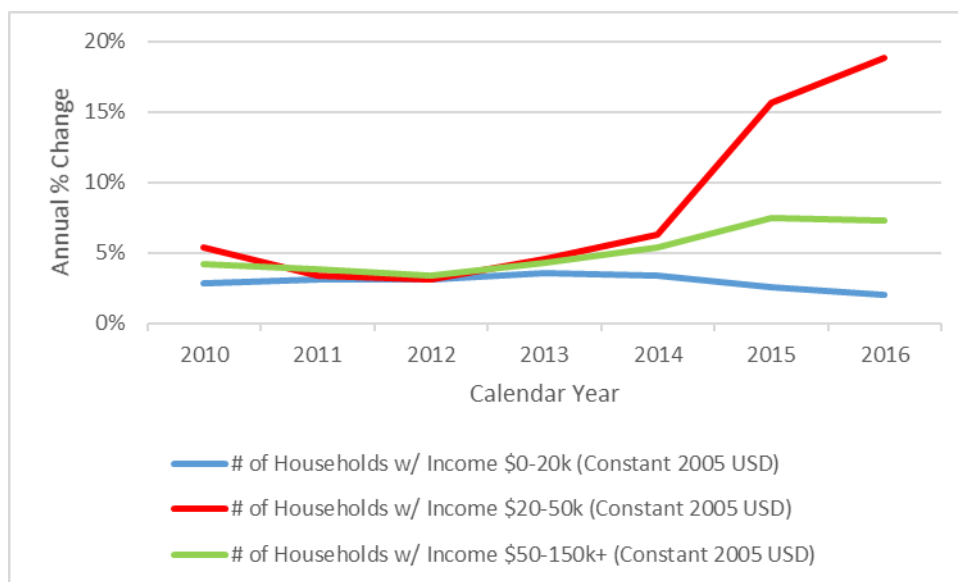
SECTION I. MARKET SUMMARY

According to the World Bank, Senegal is considered one of the gateways into West Africa due to its location, political stability, and relatively stronger economy. It is also one of West Africa's key economic hubs, as some landlocked countries in the interior use its port to import food and other goods. With a population of about 14.7 million people, 42.2 percent live in urban areas; the urban population is growing by about 3.7 percent per year. A quarter of the population resides in Dakar, the capital of Senegal. International Labor Organization statistics note that unemployment is around 10 percent. In 2015, real GDP per capita (2010 PPP\$) was approximately \$1,950, the highest in the region of western Africa covered by FAS Dakar. Senegal is one of the strongest economies in West Africa, with an annual gross domestic product (GDP) growth rate of over six percent over the last three years.

Senegalese Consumer Trends and Preferences

Senegal's middle class is growing. According to Global Insight data (please see Figure 1), in 2016 the number of households that earned between \$30,000 to \$40,000 (constant 2005 USD) rose by around 45 percent, constituting approximately 62 percent of total households earning between \$20,000 to \$50,000 (constant 2005 USD). That same year, the number of households earning between \$20,000 to \$50,000 (constant 2005 USD) represented about 9.8 percent of total Senegalese households, and grew by approximately 19 percent. In 2016, the number of households earning between \$50,000 and \$150,000+ (constant 2005 USD) constituted less than 0.5 percent of total Senegalese households, and increased by about seven percent. A National Statistic and Demographic Agency (ANSD) report noted that in 2015, on average Dakar residents spent three times more on food than rural residents, and 1.7 times more than urban residents in other Senegalese cities. Senegalese consumers spend on average 58 percent of their disposable income on food and beverages.

Figure 1. Senegal: More Households Earning Higher Income



Source: Global Insight

Approximately five to 10 years ago, mid- and upscale restaurants in Dakar primarily catered to expatriates and tourists. Today, according to contacts, Senegalese consumers constitute the bulk of patrons at these restaurants, representing 50 to 70 percent of regular clientele. Sources believe that many of these consumers are younger professionals working in downtown Dakar in areas such as finance and telecommunication. These professionals are increasingly interacting and working with other expatriates from around the world who live in Senegal, and through those relationships are being exposed to new international cuisine. Senegalese middle and upper class consumers are also reportedly travelling more frequently for business, study, and leisure; after these consumers return to Senegal they want to have the same international dishes that they experienced abroad. Likewise, contacts note that West African residents from neighboring countries also visit Dakar for pleasure, business, or to see extended family; those visitors with higher incomes enjoy eating out and exploring new food trends.

Post sources believe that the growing Senegalese middle and upper class are willing to pay a premium for higher quality, more expensive food. HRI sector contacts noted that Senegalese consumers prefer ordering international cuisine while dining out in Dakar, and are interested in discovering new, innovative foods. Many have a preference for red meat as well as international food that is spicy and well-seasoned. In general, many Senegalese consumers enjoy fried food, such as French fries, grilled meat and fish, and have a sweet tooth for a good dessert. European cuisine as well as pastries are common in many establishments, while fast food such as pizza, hamburgers, and fried chicken have only recently become more main stream.

Contacts expressed interest in new foods and ingredients not currently available (or very difficult to find) in Senegal that they believe could have market potential in Dakar. For example, this could include ingredients to prepare authentic Tex-Mex food, California-style fish tacos, American southern food which could include fried okra or chicken fried steak and pastries such as cherry cobbler, or Louisiana fare such as gumbo. Sauces such as American BBQ sauce (could include a variety of styles from

different southern states) and rubs may also become popular. Sources also think that Senegalese consumers are becoming more health conscientious, and noted there may be market opportunities for nuts such as pecans and almonds. Others believe that Senegalese consumers would enjoy innovative coffee drinks that use flavoring syrups.

The Variety and Scale of Restaurants in Dakar

In 2017, the ANSD estimated the number of hotels, restaurants, and bars in the formal and informal sector at 21,210; ninety-four percent of these establishments are in the informal sector. Approximately 8,500 establishments, or 40 percent of the total, are located in the Dakar region; thirty-nine and 21 percent are located in other urban cities and rural areas. Two hundred seventy-five establishments in Senegal earn an annual revenue between \$178,500 to over \$3.6 million; of these 63 are considered mid to upscale establishments earning an annual revenue between \$892,800 to \$3.6 million, and 21 constitute primarily high-end hotels earning an annual revenue of more than \$3.6 million.

The vast majority of mid-scale to upscale hotels and restaurants are located in Dakar, either downtown or in Les Almadies. Upscale restaurants, which are fewer in number and generally located in hotels, offer sushi, seafood, steaks, and French cuisine. Mid-scale restaurants often serve varied seafood dishes, grilled beef and chicken, or other French or European cuisine, although you can find ethnic restaurants that specifically focus on Italian, Lebanese, Indian, Chinese, Korean, Thai, and American food. Some luxury hotels promote large buffets that offer a wide variety of high quality, international food during the weekend.

Sources believe that some upscale restaurants, mainly located in hotels, purchase approximately two billion CFA francs (\$3.6 million) of food and beverages per year. Imported foods include milk and dairy products, sauces, baking ingredients, alcoholic beverages, and seasonings, many of which originate from Europe. Although Indian [carabeef](#) is demanded by more price sensitive buyers, more expensive, higher quality imported beef (approximately three times more expensive than local beef) is demanded by middle- to upper-income consumers. This higher quality beef is currently supplied by countries such as Brazil and Argentina. Some establishments noted that in general Senegalese consumers like their beef cooked well done, and do not have much experience in trying beef at different cooking temperatures such as medium or medium rare. Contacts have expressed interest in buying U.S. beef but noted they cannot find reliable, consistent supplies.

Delivery services available through online or smart phone applications connect some local restaurants to consumers all around Dakar. These restaurants deliver burgers and pizza as well as various ethnic cuisines such as Italian, Indian, Spanish, Asian, and Lebanese food. Quick service restaurants have also emerged, including international franchises focusing on fried chicken.

French Citizens Constitute 17 percent of Tourists

Although the tourism industry is still emerging in Senegal, and has competition from other neighboring countries such as The Gambia and Cape Verde, tourists choose Senegal to escape to the beaches, as well as to visit national parks, traditional villages, and remote beach locations such as the delta area.

According to Government of Senegal statistics, in 2015 the hotel sector accounted for 5.3 percent of Senegal's GDP. In 2015, the Ministry of Tourism estimated the number of hotels, motels, hostels, and camping grounds at 744. Most are located in the region of Dakar (174), followed by Thies (199), Ziguinchor (139), and Saint Louis (80). Senegal hotels range from zero to five-stars, many of which cater to business professionals and tourists. A comprehensive list of hotels by region can be found [here](#).

Ministry of Tourism data notes that in 2015 approximately one million tourists visited Senegal, up by 4.5 percent. France represented 17 percent of total visitors followed by the United States at 2.7 percent, Benelux countries (Belgium, Netherlands, and Luxembourg) at 1.9 percent, Spain at 1.7 percent, and Italy at 1.5 percent. 35 percent were other African visitors (not Senegalese nationals), but it is unclear how many may have visited for tourism, to see extended family, or possibly to conduct business.

According to the 2017 hospitality report published by Jumia travel, 41 percent of visitors stay in Dakar, which has the most expensive hotel rooms with an average daily rate of 42,000 CFA francs (\$84), although rooms can be found for \$200 to \$300 per night or more. In other areas, rooms ranged from 18,000 to 41,000 CFA francs (\$32 to \$74) per night, but can be as high as \$200 per night, especially around the delta area and a beach town called Saly.

HRI Sector Challenges

Very few restaurants or hotels in Dakar have import licenses, and largely depend on local importers/wholesalers. According to contacts, many restaurants do not set-up formal contracts with local importers, and often make purchases based on verbal requests. Larger operations work directly with suppliers or consolidators based in Europe. Contacts noted that many local importers do not have sufficient liquidity to buy new products outside of what they believe to be currently demanded by the market. Reportedly, European suppliers accept a letter of credit or offer other methods of payment that help to address credit challenges, which help facilitate the trade of European foods into the Senegalese and West African market. There is also no reliable cold chain; therefore, it is difficult to transport highly perishable products outside of Dakar.

Hotels and restaurants source certain ingredients from the local market such as fresh fruits and vegetables, seafood, and chicken meat. Local products supplied by intermediaries are usually ordered around three days in advance. Contracts are not usually used by restaurants and local suppliers/intermediaries, which can create challenges in terms of product quality and safety, as well as ensuring reliable and consistent supplies. Some horticulture products are difficult to find for about three to four months during the hot and rainy season (around July to September), and are flown in from Europe. Contacts also noted that local chicken meat is not consistently available year-round, and is also harder to source during the hot and rainy season.

Sources stated that finding and retaining well-qualified staff in the HRI sector is a challenge. Although Senegal has some culinary and hospitality schools in Dakar, the training may not be sufficient to effectively operate at mid- and upscale establishments. As a result, these restaurants and hotels may conduct their own training in a variety of areas such as customer service, food safety, and chef training. Head chefs are almost always expatriates.

Institution Sector

Senegal's institution sector in Dakar primarily includes hospitals, schools, and government facilities. Most of these institutions buy their food products through importers or local wholesalers and retailers. Some institutions contract out to caterers or food service companies.

SECTION II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

“Does my product have market access?” is the most important question U.S. suppliers should ask as they research the Senegalese market. A visit to Senegal to gain a first-hand feel of the HRI sector will be important to determine if your product has market potential. Keep in mind that the supply of imported goods in Senegal is erratic, which may make it difficult to understand market trends. Be cognizant that good market data may not exist. It is recommended to meet with potential buyers face-to-face in order to help build a relationship. Good French language skills may be needed to conduct and establish strong business relationships, although some businesses do have employees who can speak English.

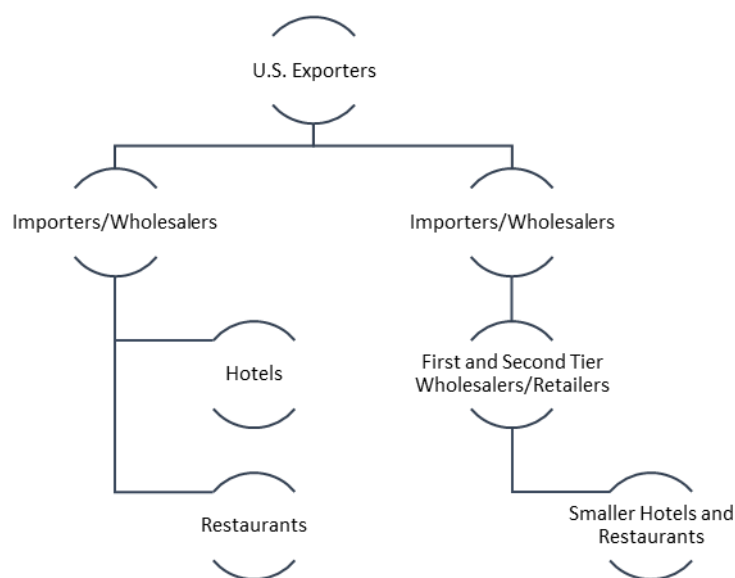
If a U.S. supplier is still interested in the Senegalese market, the next step is to locate a reliable importer/distributor. In order to import agricultural products into Senegal, all importers must have an import/export license issued by the Ministry of Commerce. Agents should have extensive knowledge of government regulations and institutions involved in trade, as several government bodies may have a role in regulating certain foods or agricultural products.

For more information on the overall Senegalese market or what to consider when selecting an importer, please see the latest [Exporter Guide](#) for Senegal. For information on food import requirements and certificates, please see these two FAIRS reports, which are available here: [FAIRS certificate report](#) and [FAIRS report](#).

Market Structure

Most mid- and upscale restaurants and hotels in Dakar do not have an import license and purchase foods, beverages, and ingredients through importers. Small-scale establishments purchase imported food through local first or second tier wholesalers or supermarkets. Major importer/wholesalers have well-established distribution networks, and handle customs clearance and warehousing.

Figure 2. Senegal: HRI Distribution Channel



Source: FAS Dakar

SECTION III. COMPETITION

Senegal imports 70 to 80 percent of its food. Europe is generally the top supplier of high value food products and ingredients to Senegal. Russia, India, Thailand, Indonesia, Malaysia, and Brazil ship bulk commodities such as rice, sugar cane, or palm oil. India exports around \$9 to \$10 million of carabeef to Senegal each year.

The United States has approximately one percent of total global agricultural export market share in Senegal. Information on the U.S. agricultural exports to Senegal for all categories, including bulk, intermediate, and consumer oriented products, may be found [here](#). Information on the processed food exports from the U.S. to Senegal may be found [here](#).

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

Table 1. Senegal: Consumer-oriented Exports from the United States with Growth Potential

Product/Category	CY 2017 U.S. Market share	CY 2017 Total Export Market Size, USD	CY 2013-2017 Compound Annual Rate of Growth	Import tariff Rate (custom duties)	Key Constraints Over market Development	Market Attractiveness for USA
Beef-boneless, frozen – HS 020230	0%	\$12.7 million	1%	35%	CY 2017 Main competitors: India (81%), Brazil (6%), France (2%), United Kingdom (2%), Spain (2%), Uruguay (1%), Argentina (1%), Ireland (1%)	Senegalese enjoy bovine meat. It is the second source of protein after fish for urban and rural consumers. Although high quality U.S. beef is generally more expensive than beef from other origins, some restaurants and hotels that cater to middle and upper income consumers have expressed interest in sourcing U.S. beef.
Sauces And Preparations Therefore, Mixed Condiments and Seasonings – HS 210390	3%	\$6.1 million	2%	20 %	CY 2017 Main competitors: China (45%) and France (30%).	Senegal is a foodie culture, or are “gourmands” in French. Although the U.S. does not export many sauces or condiments to Senegal, there may be an export sales opportunity with mid- and upscale restaurants that focus on introducing new cuisine to the market.

Source: *Global Trade Atlas System and FAS Dakar research*

SECTION V: POST CONTACT AND FURTHER INFORMATION

For further information about the hotel, restaurant, and institution sector in Senegal or other markets in West Africa such as Mali, Niger, Burkina Faso, Guinea, and The Gambia, please contact the following USDA office in Dakar, Senegal:

Office of Agricultural Affairs
Embassy of the United States of America
Route des Almadies
Dakar, Senegal
Phone: +221 33 879 40 00
E-Mail: agdakar@fas.usda.gov
Web: www.fas.usda.gov

For more reporting on the West African market, please visit the Foreign Agricultural Service's website at: <https://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>.