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Report Name: Food Service - Hotel Restaurant Institutional Annual

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Report Highlights:

India's Hotel, Restaurant, and Institutional (HRI) sector is set for strong growth driven by better infrastructure, rising tourism, digital innovation, and changing consumer tastes. With more people seeking quality, convenience, and global flavors, hotels and restaurants are adopting new technologies and expanding into smaller cities. Demand for premium, ready-to-use, and imported food products continues to rise, making India an increasingly attractive market for international suppliers.

Executive Summary:

India's Gross Domestic Product (GDP) reached \$3.7 trillion in 2025, making it the fifth-largest economy in the world and one of the fastest-growing major markets.

Consumer-Oriented Agricultural Imports

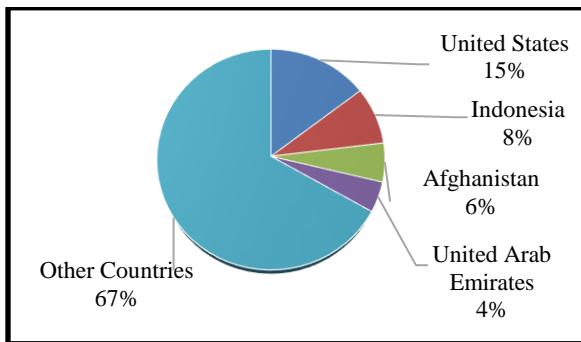


Chart 1: Top Exporting Countries to India

Food Retail:

The market is worth over \$869 billion, led by traditional kirana (small neighborhood) stores, though modern trade and e-commerce channels are expanding quickly.

Food Processing Industry:

The food processing industry includes more than 40,000 registered units, with around 75 percent being small and medium-sized enterprises. The sector contributes nearly 12 percent of India's manufacturing GDP. Local processors are interested in imported raw materials such as nuts, dried fruits, and flavorings to improve quality and variety.

Food Service Industry:

The size of the food service industry is estimated at \$85 billion in 2025 and is expected to reach \$140 billion by 2030, growing at a compound annual growth rate (CAGR) of 10.4 percent during the forecast period (2025-2030).

Quick Facts Calendar Year (CY) 2024

India's Imports of Consumer-Oriented Products: \$8.4 billion

Top Growth Products in India

1. Tree nuts (almonds, pistachios, pecans and walnuts)
2. Fresh fruits
3. Animal or vegetable, oils, & fat products
4. Pulses
5. Sugar and Sweeteners

Food Industry by Channels (U.S. billion)

Retail Food Industry	\$869 billion
Food Service-HRI	\$324 billion
Food Processing	\$389 billion
Food and Agriculture Exports	\$54 billion

GDP/Population

Population: 1.44 billion
GDP: 4.2 trillion
GDP per capita: \$2,940

Source: Trade Data Monitor, International Monetary Fund, Census India.

Strengths	Weaknesses
- Rapid growth in business, leisure, and domestic travel fueling the sector expansion.	- HRI businesses rely on importers' stock, limiting direct access to specific or new products and causing gaps in supply.
Opportunities	Threats
- Emerging of luxury hotels, global restaurant chains, and quick service concepts.	- Many restaurants prefer sourcing local/fresh ingredients over imported products.

Section I: Market Summary

Overview of India's Hotel, Restaurant, Institutional Sector (HRI)

India's HRI sector is expanding rapidly, with the hospitality market valued at about \$24.2 billion in 2025 and projected to reach \$45.4 billion by 2030, growing at 13.3 percent annually. This growth is driven by a rising middle class, improving travel infrastructure, and easy-to-use digital booking systems. Government initiatives like "Heal in India," e-visas, and investments in wellness and pilgrimage tourism are boosting both domestic and international travel. Major hotel chains are expanding into smaller cities as upgrading airports and highways make travel more accessible and affordable, with destinations like Ayodhya, a city famous for its temples and religious history, recording over 110 million visitors in early 2024.

The restaurant industry is also evolving at a fast pace, with over 500,000 outlets ranging from luxury to quick service and an increased focus on delivery. Digital delivery platforms like [Swiggy](#) and [Zomato](#) have changed dining habits, while cloud kitchens, healthy menus, and energy-efficient operations are on the rise. Restaurants are hiring more skilled professionals, using AI-based kitchens, and adopting smart ordering systems. As consumer tastes shift toward healthier and international cuisines, demand for high-quality imported food products is increasing across hotels, restaurants, and institutions.

Market Trends and Dynamics

Online food delivery services are changing how people eat by making dining more convenient and tech-driven. Restaurants are shifting toward delivery, cloud kitchens, and curated dining experiences. The hospitality sector needs more skilled staff, especially chefs, due to growing culinary tourism and wellness-focused travel. Hotels and restaurants are expanding into smaller cities as urbanization and consumer demand increase. Gen Z is driving demand for non-alcoholic and "clean energy" drinks like coffee. Health-conscious dining, vegan menus, alternative proteins, and kombucha are becoming more popular. Staycations, wellness travel, and pet-friendly stays are pushing hotels and restaurants to offer more experiential dining through themed outlets, live kitchens, and food festivals that attract young and adventurous diners.

Way Ahead

Looking forward, the HRI sector will continue to benefit from government initiatives promoting tourism, streamlined visa policies, and new infrastructure. Technology will be key in shaping dining and travel, enabling smarter kitchens, personalized menus, and improved customer service. The industry is seeking new concepts, imported ingredients, and ready-to-use products to meet evolving consumer tastes. The recent Goods and Services Tax (GST) reduction from 12 percent to 5 percent has eased input costs across food, packaging, and supplies, lowering operational expenses and improving competitiveness. These gains are likely to stimulate demand, sales volumes, and sector-wide investment, making the sector attractive for both domestic and international business.

ADVANTAGES	CHALLENGES
Expanding hotel and restaurant investments nationwide.	Local importers prefer doing business in small orders, making it harder for U.S. exporters that prefer bulk.
Consumers are more interested in cooking global cuisines which is driven by social media trends.	Food retailers and wholesalers typically do not buy directly from U.S. suppliers.
Tourism, air travel, and corporate catering are growing rapidly.	High food inflation and rupee depreciation may affect imported food demand.
Rising demand for premium and international products.	The domestic food industry is a major competitor that offers similar items at lower prices.

Section II: Roadmap for Market Entry

Entry Strategy

➤ Can your product enter India and comply with local laws?

- ✓ Conduct due diligence before exporting and determine if your product has market access.
- ✓ Review [FAS GAIN](#) policy and market reports, specific custom duties, and sanitary requirements.
- ✓ Consider engaging with State and Regional Trade Groups to identify opportunities while crafting effective market entry and development strategies. This will help to better understand trade challenges and navigate the regulatory environment.

➤ Find the Right Partner

- ✓ Find a reliable importer/distributor for retail, food service, or food processing sector.
- ✓ Consider participating in an in-country trade show to identify key importers/distributors/partners.
- ✓ Consider partnering with U.S. Cooperators for promotional activities, such as cooking demonstrations, health-focused talks, and culinary seminars at colleges to increase market awareness and penetration.

➤ Secure Payment Terms

- ✓ U.S. suppliers or exporters may wish to consider vehicles such as an irrevocable Letter of Credit (L/C), advance payment, and or payment at sight.
- ✓ FAS India offices do not have the authority to mediate contractual disputes or serve

Market Structure:

Hotels

India's hotel industry includes international chains, domestic brands, boutique properties, and alternative stays such as homestays and serviced apartments. Independent hotels held 58 percent of the market share in 2024, while chain hotels are growing fastest at a 11 percent CAGR. Branded

hotels are expected to record 66 - 68 percent occupancy in early 2025, with 7 - 9 percent revenue growth for FY2025. Chain expansion is strongest in Tier-2 cities, where organized supply was previously limited. Independent hotels focus on local experiences, regional cuisine, and heritage stays. Geographically, west India led the market with 30 percent share in 2024, and the north-east is emerging as a growth region with 13 percent CAGR projected through 2030. Key players include [Indian Hotels Company \(Taj\)](#), [ITC](#), [Oberoi](#), [Lemon Tree](#), [Marriott](#), [Hilton](#), [Radisson](#), [Hyatt](#), and [Accor](#), many expanding into leisure and pilgrimage destinations. The segment benefits from the rebound of corporate travel and conferences as well as medical and wellness tourism. Hotels increasingly use imported U.S. nuts, sauces, poultry, premium beverages, wines and spirits to meet international menu standards and cater to rising demand for quality and variety. U.S. exporters should focus on specialty ingredients and high-margin niches that justify import costs.

Restaurants and Fast Foods

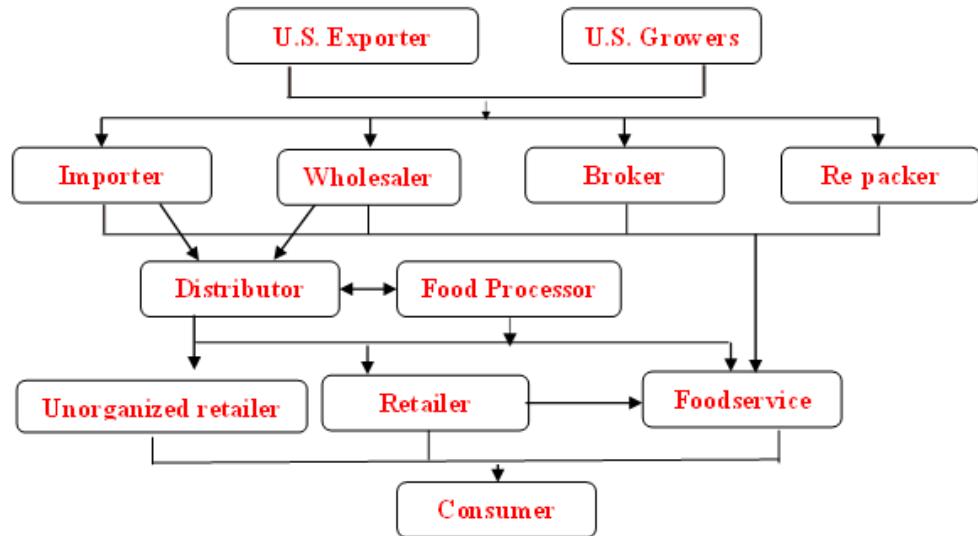
The sector contributes two percent to India's GDP and is a major job generator, growing at 15 percent CAGR (2023–2026). Full-service restaurants hold a 32 percent share, expected to reach \$65 billion by 2030. Quick-service restaurants (QSRs) are driven by global chains like [McDonald's](#), [Domino's](#), [KFC](#) and Indian brands like [Haldiram's](#) and [Wow! Momo](#) are expanding into smaller cities and are expected to reach \$43.5 billion by 2030. Cloud kitchens are growing at 13 percent CAGR, relying on delivery platforms like [Swiggy](#) and [Zomato](#), while cafés and bars are projected to reach \$30 billion by 2030. Key trends include experiential dining, social cafés, and bars offering mocktails and low-alcohol drinks. Rising incomes, youth-driven tastes, and menu innovation are fueling imports of U.S. sauces, nuts, and beverages to meet growing consumer demand.

Institutions

The institutional segment covers airlines, railways, hospitals, schools, defense, catering companies, and corporate cafeterias. Major organized players include [Compass India](#), [Sodexo](#), [Elior](#), and [TajSATS](#), collectively serving millions of meals daily. These operators source both imported and domestic ingredients mainly staples, dairy, bakery products, beverages, and frozen foods through distributors that ensure steady supply and compliance. Growth is driven by rising demand for pre-portioned, frozen, and shelf-stable foods. The post-pandemic recovery of in-flight and institutional catering has further boosted volumes. Institutions value suppliers who offer cost efficiency, reliable bulk supply, and high food safety standards. Opportunities for U.S. exporters lie in ready-to-use sauces, frozen vegetables, bakery mixes, institutional-grade food products, semi-prepared, or bulk packaging formats that reduce kitchen time.

Distribution:

Imported food products in India move through a layered distribution system. Importers and distributors handle customs clearance and regulatory approvals, then supply products to wholesalers, food service distributors, and institutional buyers. Large hotel and restaurant chains often source directly from importers for bulk and specialty ingredients, while smaller outlets depend on local distributors and cash-and-carry stores.



Section III: Competition

Major U.S. food exports to India's HRI sector include tree nuts (almonds and walnuts), specialty sauces and dressings, premium meats such as turkey, and fresh fruits. These products are valued for their high quality, consistency, and suitability for international cuisines served in luxury hotels, fine-dining restaurants, and institutional kitchens. U.S. ingredients are often used in premium menus and mini bars, where reliability and safety standards are key.

The U.S. faces strong competition from Australia, Canada, Southeast Asian countries like Thailand, and the EU, which supply similar products at lower prices due to favorable tariffs and shorter supply chains. India's domestic producers are also improving, especially in fresh fruits and basic ingredients, supported by the growing local sourcing trend for sustainability and cost reasons. However, imported U.S. products still lead in quality and innovation. Price sensitivity, high import duties, and complex regulations remain the main challenges for U.S. exporters competing in this fast-growing market.

Section IV: Best Product Prospects

Top Consumer-Oriented Products Imported from the World

Description	Import Value (\$ Million)
Cashew Nuts, Fresh or Dried, In Shell	1,618
Almonds, Fresh or Dried, In Shell	1,017
Apples fresh	424
Distilled spirits -Whiskies	406
Dates fresh or dried	289

Top Consumer-Oriented Products Imported from the United States

Description	Import Value (\$ Million)
Almonds, Fresh or Dried, In Shell	938
Pistachios, Fresh or Dried, In Shell	102
Milk Albumin, Including Concentrates of Two Or More Whey Proteins	37
Food Preparations Nesoi	12
Distilled spirits -Whiskies	9

Products Present in Market with Good Sales Potential

- Walnuts, pistachios, pecans.
- Blueberries and cranberries (frozen or dried).
- Gourmet sauces, seasonings, salad dressings.
- Wines and spirits.

Products Not Present in Market with Good Sales Potential

- Plant-based proteins.
- Chocolate, cocoa products, other and baking pre-mixes.
- Ready-to-cook / Ready-to-eat packs.
- Breakfast cereals.
- Non-alcoholic drinks, coffee, cold brews, health beverages, and mixers.

Product Not Present in Market due to Significant Barriers

- Fresh meat and dairy.
- Certain poultry and egg products.
- Genetically modified food items.

Section V: Key Contacts and Further Information

Government Data Sources

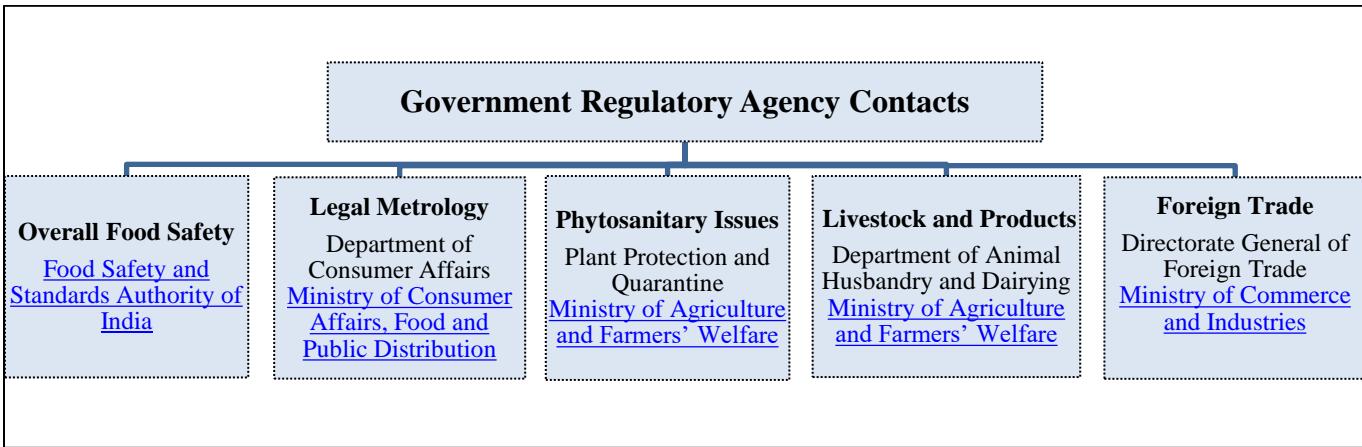
[Ministry of Food Processing Industries](#)

[Legal Metrology \(Weights and Measures\)](#)

[The Food Safety and Standards Authority of India \(Food Regulations\)](#)

[Ministry of Commerce and Industry \(Trade\)](#)

Ministry and Regulatory Agency Contacts for Food Import Policies



Trade Associations

[Federation of Indian Chambers of Commerce and Industry](#)
[Confederation of Indian Industry](#)

U.S. exporters who desire information about consultants conducting market research and handling inquiries into Indian agriculture, agribusiness, food retail, food/agricultural economics, and rural affairs may refer to [FAS India - Agricultural and Agribusiness Consultants in India](#).

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For additional information please visit:

- [FAS Homepage](#)
- [FAS India - Exporter Guide](#)
- [FAS India - Retail Foods](#)
- [FAS India - Food Service-Hotel Restaurant Institutional](#)

Attachments:

No Attachments