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Report Highlights:

By the end of 2023, El Salvador's hotel and restaurant sectors showed strong growth, reflecting the full recovery of its tourism industry. According to the latest Euromonitor data, Salvadorans spent \$2.6 billion in the hotels and catering sector in 2023. Additionally, the United Nations World Tourism Barometer, which tracks tourism recovery by continent, ranked El Salvador third globally for its post-pandemic tourism performance. Recent figures from the Minister of Tourism reveal that between January and September 2024, El Salvador welcomed over 2.9 million international tourists, generating more than \$2.6 billion in revenue. With continued growth, the country is expected to exceed \$3.8 billion in tourism income by the end of 2024.

Executive Summary

El Salvador, the smallest country in Central America, has a population of just over \$6 million, according to [census results](#) released by the Government of El Salvador on October 29, 2024. The United States is El Salvador's largest trading partner, accounting for \$4 billion, or 29 percent of the country's total imports. In return, the U.S. imports over \$2 billion in Salvadoran products, making up 36 percent of El Salvador's total exports worldwide.

Consumer-Oriented Agricultural Imports

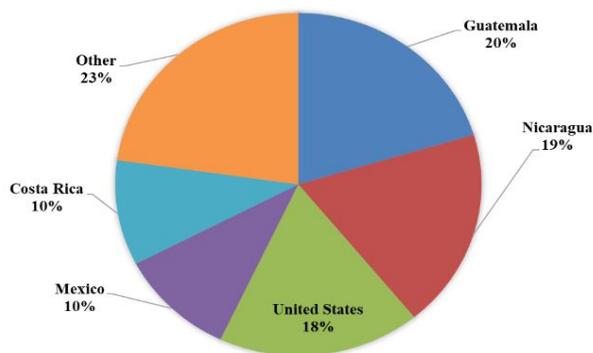


Chart 1: Top Exporting Countries to El Salvador

Food Retail Industry

Two leading supermarket chains in El Salvador are Walmart (Mexico and Centroamerica) and local chain Super Selectos. Most consumers prefer to shop at supermarkets because they are perceived to provide a better and more comfortable shopping experience as well as better offers than traditional open-air markets.

Food Processing Industry

El Salvador's global imports of agricultural intermediate products reached \$641 million in 2023, a 10 percent drop from 2022. The snack industry has helped El Salvador to keep its regional leadership status, as well as the production of juices and carbonated beverages. The manufacturing of sweet bread targeted to Salvadorans living abroad has positively impacted the growth of imports for baking inputs.

Food Service Industry

According to Euromonitor, in 2023 El Salvador registered sales of \$2.6 billion in the hotel/catering category, which represents a 7.5 percent increase from 2022. This growth is expected to continue as El Salvador's tourism sector has recovered to pre-pandemic levels and more hotels and restaurants are being established.

Quick Facts CY 2023

Imports of Consumer-Oriented Products:

USD 2 billion

List of Top 10 Growth Products in El Salvador

- | | |
|----------------------------------|-----------------------------|
| 1) Corn | 2) Food preparations |
| 3) Soybean oilcake | 4) Meat of bovine animals |
| 5) Cheese | 6) Cotton |
| 7) Palm oil | 8) Durum wheat |
| 9) Other non-alcoholic beverages | 10) Sauces and preparations |

Top 5 Retailers in El Salvador

- | | |
|-------------------|-------------------------|
| 1) Super Selectos | 2) Walmart Supercenter |
| 3) Pricemart | 4) Despensa de Don Juan |
| 5) Maxi Despensa | |

Trade

El Salvador Ag. Imports from World: \$3.3 billion

El Salvador Ag. Imports from the U.S.: \$860 million

GDP/Population

Population (millions): 6

GDP (billions USD): \$59.537 (2022 est.)

GDP per capita (USD): \$9,400 (2022 est.)

Source: The CIA Factbook/ Trade Data Monitor / Banco Central de Reserva de El Salvador

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
<ul style="list-style-type: none"> * A growing tourism sector contributes to a higher demand of imported foods/beverages. * Modern supermarket outlets and high-end shopping malls allow for an increased exposure of U.S. brands. 	<ul style="list-style-type: none"> * High risk of natural disasters directly impacts economic growth and food security. * Bureaucratic and slow process to register new food/beverage products does not facilitate trade.
Opportunities	Threats
<ul style="list-style-type: none"> * El Salvador is not self-sufficient in food production; therefore, it highly depends on grain commodities and fruit and vegetable imports. 	<ul style="list-style-type: none"> * Strong competition from neighboring countries exporting most agricultural products at lower prices.

SECTION I: MARKET SUMMARY

El Salvador is the smallest country in Central America, with a little more than 6 million inhabitants. Approximately 62 percent of the country's citizens live in urban areas, with about 1.5 million living in San Salvador's capital. El Salvador has experienced modest economic growth in recent decades, with annual GDP growth oscillating between 2 percent and 3 percent for the last two decades, with 3.5 percent in 2023. Remittances remain a key driver of the Salvadoran economy, with total remittances in 2023 exceeding \$8.2 billion, a 4.6 percent increase compared to 2022.

Tourism is another key pillar of El Salvador's economy. According to the latest [United Nations Tourism Barometer of World Tourism](#), El Salvador ranks third globally for the strongest recovery in post-pandemic tourism, with a growth of 81 percent between January and July 2024. Only Qatar (increasing 147 percent) and Albania (increasing 93 percent) outperformed El Salvador. Official data from the Ministry of Tourism (MITUR) shows that between January and September 2024, the country welcomed over 2.9 million international tourists, generating more than \$2.6 billion in revenue. MITUR expects that by the end of 2024, El Salvador will surpass 4 million visitors, with hotel occupancy rates expected to reach between 80 percent and 100 percent, based on confirmed reservations ([news article](#) in Spanish). Additionally, the tourism sector's contribution to GDP has grown significantly, from 6.4 percent in 2019 to an estimated 14 percent by the end of 2024.

Since El Salvador's reopening on August 24, 2020, the restaurant industry has been gradually recovering, with additional momentum coming from the recent launch of new shopping malls and commercial developments. A notable example is the opening of the first Jimmy John's restaurant outside the United States, which took place on September 12, 2024, at the Plaza Luceiro Shopping Center in San Salvador. This expansion marks a key milestone in the brand's global growth strategy, with plans for future openings in Canada and South Korea. The Salvadoran franchisee also intends to open more Jimmy John's locations across the country by the end of 2024.

Hotels have also experienced increased demand for room bookings and in-person events, driving new construction projects across the country. This includes developments not only in coastal areas but also in the capital city. In San Salvador's Historic Downtown, several hotels are undergoing renovations, while Real Hotel & Resorts recently announced plans to build a luxury JW Marriott hotel in the Multiplaza Mall area. Construction is set to begin in the second quarter of 2025, with the hotel expected to open by 2028 ([news article](#) in Spanish).

Many hotels in El Salvador have re-designed their premises and benefitted from hosting prestigious international events, such as the Miss Universe pageant held in November 2023.

According to the Ministry of Tourism, the event generated \$177 million in revenue, attracting 65,000 international visitors who stayed for an average of two weeks. Additionally, from October 18-24, 2024, El Salvador hosted the prestigious [ISA World Masters Surfing Championship](#), organized by the International Surfing Association (ISA). This event, making its return after more than a decade, further solidified El Salvador’s position as a global surfing destination.

Although teleworking has become common for many employers, several companies and educational institutions have returned to in-person schedules, leading to a resurgence in traffic that has now reached pre-pandemic levels. As a result, daily commutes in El Salvador often stretch to a couple of hours, prompting people to leave home earlier in the morning. This has led to an increase in dining out. According to Euromonitor, in 2023, the average Salvadoran worker across various economic sectors spent approximately \$1,700 annually on dining out, or about \$142 per month.

Table 1.

Salvadoran Annual Expenditure on Hotels and Catering (USD\$ per household)	
Categorization Type	2023
Employee	\$ 1,700.70
Employer and Self-Employed	\$ 2,074.60
Unemployed	\$ 991.90
Other	\$ 1,210.10

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Resources: Consumer Expenditure on Hotels and Catering: Euromonitor International from national statistics/Eurostat/UN/OECD. Note: The data is at current prices and converted using year-on-year exchanges rates.

Market Trends

- **Healthy and allergen-free:** As a result of the pandemic, many consumers have become more mindful of the foods and snacks they consume, driving a growing demand for healthier meal options. Restaurants are responding by incorporating these choices into their menus. This trend also extends to allergen-free foods, such as gluten-free, dairy-free, and vegan options, although only a few restaurants currently offer these alternatives. As consumers continue to become more educated about healthy eating habits, this demand is expected to rise further in the coming years.
- **International cuisine:** With the tourism boom and a more well-traveled population, there is a growing interest in exploring global cuisines. Consumers are dining out more frequently, particularly on weekends, and some of the most popular choices include Japanese, Korean, Italian, and steakhouse dishes. This shift reflects an increasing desire for diverse culinary experiences as people seek to broaden their tastes and enjoy international flavors.

Advantages and Challenges

ADVANTAGES	CHALLENGES
Currently there are 784 registered restaurants in El Salvador, and thousands of small/informal cafeterias that are channels of distribution of American food brands. From large hotel chains to small/boutique guest houses, the lodging capacity of 10,000 rooms is expected to expand.	Foodservice suppliers from Mexico and other Central American countries offer lower prices due to lower shipping costs and have a greater understanding of local cultural needs.
Corporate/Convention/Medical tourism attracts travelers from all over the world who usually look for high-end eating and lodging experiences. The “Surf City” concept is contributing to a better image of El Salvador abroad.	Current product registration procedures that can delay the importation of more U.S. consumer-ready foods and beverages.
Salvadorans are frequent travelers, are familiar with U.S. brands, and have a perception of higher quality and value for U.S. products.	Additional costs incurred by importers/distributors (i.e. warehousing, cold storage ground transportation from Guatemala, etc.) increase final price of all food products, which impacts imported foods competitiveness.
A fast-paced living style and longer commuting times are driving consumers to look for convenient, ready-to-eat meal options, as well as eating out almost daily.	Overall, the Salvadoran economy remains very susceptible to the world economy and outside events that can disrupt investment.

SECTION II: ROADMAP FOR MARKET ENTRY

Entry Strategy

El Salvador has a dynamic import sector that is well attuned to consumer trends, regularly attends trade shows, and remains open to introducing new products to meet the needs of the hotel, restaurant, and institutional (HRI) sector. In 2016, the government signed the World Trade Organization's Trade Facilitation Agreement, which included a protocol to amend laws aimed at simplifying trade. However, it wasn't until July 2019 that the government reactivated the National Committee for Trade Facilitation. This committee has since become a key platform for public-private dialogue, supporting initiatives to streamline trade processes.

Most hotels and restaurants in El Salvador source their supplies through a variety of distribution channels, with some importing food products directly. The country is highly reliant on food imports, importing \$3.3 billion in agricultural products in 2023. Despite its tropical climate, El Salvador cannot fully meet its demand for fruits and vegetables, which it imports primarily from neighboring countries such as Guatemala and Honduras.

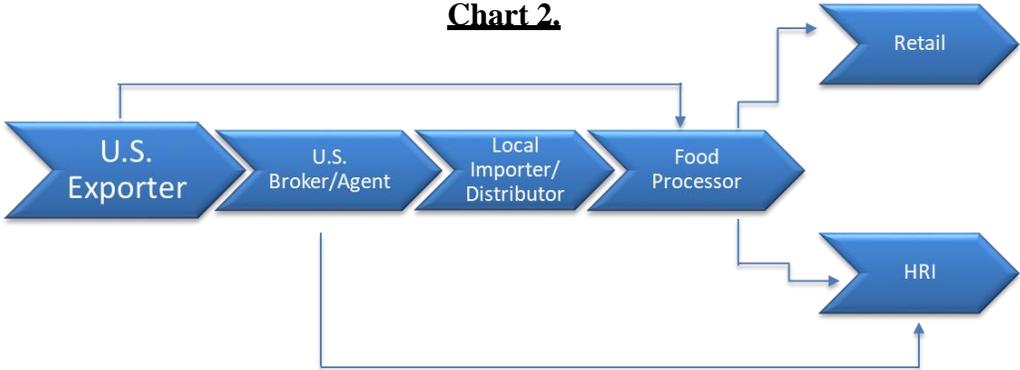
For U.S. exporters looking to enter the Salvadoran market, partnering with a local entity is highly recommended. Effective partners are often importers, agents, or distributors who offer valuable insight into local consumer trends and business practices. The U.S. Foreign Agricultural Service (FAS) in San Salvador can provide a list of companies currently importing various products, with direct access to buyers in the HRI sector.

Market Structure

The HRI sector in El Salvador, like in many other regions, prioritizes fast service, high quality, and competitive pricing. Local food manufacturers are adapting by offering package sizes and flavor profiles that cater to the specific needs of the sector, competing with established suppliers from Mexico and other Central American countries. Additionally, many businesses within the HRI sector are working to increase their direct imports of raw materials as a strategy to reduce costs and improve efficiency.

Distribution

The diagram below shows the basic distribution flow for imported foods/beverages for the HRI sector in El Salvador:



Sub-Sector Profiles

- Hotels**

Historically, the HRI sector in El Salvador has experienced modest growth. However, recent years have seen significant investments from both local and foreign firms, particularly in coastal regions and exclusive areas of San Salvador. According to the Salvadoran Hotel Association, there are approximately 500 registered hotels nationwide, with plans to expand room availability to over 1,000 in the San Salvador area to attract more business travelers. In addition, many small hotels in rural areas, particularly in the coffee-producing regions, are drawing both foreign visitors and locals, contributing to the growth of internal tourism.

In El Salvador, most hotels source their food products through local importers, distributors, wholesalers, and large open-air markets. Chefs play a crucial role in purchasing decisions, so it is advisable to introduce new products to them first, before approaching purchase managers, whenever possible. To support this process, the FAS office regularly organizes promotional events, such as our Sabor USA activities. These events, in collaboration with USDA cooperators and local importers, provide a platform for showcasing U.S. foods and ingredients, offering tastings for the HRI sector, and testing the market with new products. For more information on the hotel industry in El Salvador, you can visit the Salvadoran Hotel Association's [Facebook page](#), as their website is currently under construction.

- **Restaurants**

The most recent statistical data on El Salvador's restaurant sector comes from a 2019 study, the first of its kind sponsored by the Salvadoran Restaurant Association. According to the study, there were 784 formally registered restaurants generating \$709 million in revenue, which accounts for 2.86 percent of the country's GDP. In addition to these formal establishments, there is a range of unofficial dining options, including small cafeterias, traditional food stands, and more recently, food trucks. The food truck trend began in 2015 and now boasts over 25 brands offering high-quality gourmet food at more affordable prices.

Most restaurants, depending on their format (specialty or franchise), purchase fresh produce from local suppliers and open-air markets. Franchises and international restaurants typically import directly or source products from local importers, distributors, or wholesalers such as PriceSmart, which offers products in large-sized packages. Home and office delivery services have become widely available, including for gourmet and international cuisines, through apps like Pedidos Ya (which acquired the Salvadoran brand HUGO) and Uber Eats. Additionally, local entrepreneur One Kitchen Company has leveraged these platforms to create the "virtual restaurant" niche in El Salvador, currently offering four different restaurant options that compete with traditional brick-and-mortar establishments.

For a detailed list of the main registered restaurants in El Salvador, visit the Salvadoran Restaurant Association website: <http://ares.sv/>.

- **Institutional**

In El Salvador, there are significant opportunities for selling imported food products to various institutions, particularly in the healthcare and public sectors. Key markets include both public and private hospitals, penitentiaries, and public schools participating in the "Healthy School" program, all of which are responsible for their own food purchases.

It is important to note that the Salvadoran government does not have an electronic contracting platform. Instead, it utilizes an electronic notification system for companies

registered as providers on COMPRASAL (www.comprasal.gob.sv). This registry is open to U.S. companies, even if they do not have a local representative. Public procurement announcements are made through print media and posted on the government procurement website. The institutional sectors with the best opportunities for imported food products include:

- Public and private hospitals
- Penitentiaries
- Public schools under the Healthy School Program

SECTION III: COMPETITION

Although the food industry in El Salvador is not as developed as in some other Central American countries, it has become a regional leader in the production and export of snacks, juices, and carbonated beverages. As a result, Salvadoran food manufacturers rely heavily on imports of food ingredients. El Salvador is a signatory to [10 free trade agreements](#), and its main competitors for U.S. consumer-oriented and food ingredient exports include neighboring Central American countries, as well as Mexico and Chile.

Proven food safety standards and excellent quality, as well as technical support and assistance in the development of new products, give U.S. food ingredients a competitive advantage.

Table 2

El Salvador's Top 5 Global Consumer-Oriented Imports and main Suppliers: 2023			
Product Category	Ranking	Country	USD\$
Dairy products	1	Nicaragua	\$ 184,093,629.00
	2	United States	\$ 47,868,617.00
	3	New Zealand	\$ 35,627,581.00
Soup & other food preparations	1	Costa Rica	\$ 62,854,763.00
	2	United States	\$ 56,138,757.00
	3	Uruguay	\$ 37,038,717.00
Beef & beef products	1	Nicaragua	\$ 172,116,996.00
	2	Costa Rica	\$ 20,419,658.00
	3	United States	\$ 11,344,428.00
Bakery goods, cereals & pasta	1	Guatemala	\$ 70,625,998.00
	2	Costa Rica	\$ 22,894,350.00
	3	United States	\$ 22,222,001.00
Fresh fruit	1	Mexico	\$ 22,447,395.00
	2	Guatemala	\$ 21,319,832.00
	3	Chile	\$ 19,340,983.00

Source: Trade Data Monitor

SECTION IV: BEST PRODUCT PROSPECTS

Top Consumer-Oriented Food Imports from World (by value USD)

Table 3

PRODUCT	2022	2023	PERCENTAGE CHANGE
Dairy products	\$ 423,552,277	\$ 402,435,502	-4.99
Soup & other food preparations	\$ 237,551,656	\$ 251,873,223	6.03
Beef & beef products	\$ 208,225,665	\$ 221,429,964	6.34
Bakery goods, cereals, & pasta	\$ 159,711,033	\$ 166,639,166	4.34
Fresh fruit	\$ 112,655,012	\$ 116,984,165	3.84
Non-alcoholic bev. (ex. juices, coffee, tea)	\$ 105,481,722	\$ 98,300,938	-6.81
Condiments & sauces	\$ 80,837,988	\$ 89,162,650	10.3
Fresh vegetables	\$ 83,548,376	\$ 82,772,387	-0.93
Processed vegetables	\$ 69,044,216	\$ 73,189,164	6
Poultry meat & prods. (ex. eggs)	\$ 56,958,820	\$ 60,988,828	7.08
Other	\$ 471,666,786	\$ 471,342,893	1.00
Total:	\$ 2,009,233,551	\$ 2,035,118,880	1.013

Source: Trade Data Monitor

Top Consumer-Oriented Food Imports from the United States (by value USD)

Table 4

PRODUCT	2022	2023	PERCENTAGE CHANGE
Soup & other food preparations	\$ 48,332,559	\$ 56,138,757	16.15
Pork & pork products	\$ 45,287,304	\$ 52,790,036	16.57
Dairy products	\$ 46,460,081	\$ 47,868,617	3.03
Poultry meat & prods. (ex. eggs)	\$ 25,617,800	\$ 30,505,477	19.08
Processed vegetables	\$ 31,047,019	\$ 30,481,737	-1.82
Condiments & sauces	\$ 24,401,902	\$ 29,136,706	19.4
Bakery goods, cereals, & pasta	\$ 22,222,001	\$ 21,646,671	-2.59
Non-alcoholic bev. (ex. juices, coffee, tea)	\$ 16,081,711	\$ 15,903,534	-1.11
Chocolate & cocoa products	\$ 12,316,926	\$ 12,732,193	3.37
Fresh fruit	\$ 12,742,581	\$ 11,940,743	-6.29
Other	\$ 64,078,667	\$ 54,877,499	-0.14
Total:	\$ 348,588,551	\$ 364,021,970	1.04

Source: Trade Data Monitor

Products present in the market, which have good sales potential

El Salvador is a significant consumer of baked goods, presenting ongoing opportunities for both baked items and related ingredients. Other products in high demand include dairy, fruit and vegetable juices, premium beef cuts, and deli meats.

There is also growing interest in allergen-friendly products, such as gluten-free and lactose-free options. While these products are available, a wider variety of brands and options would likely be well received by consumers, reflecting the increasing demand for healthier and more inclusive food choices.

Products not present in market but which have good sales potential:

- **Lamb Meat:** Many restaurant owners have shown interest in offering U.S. lamb, as there is minimal competition in this market. Currently, New Zealand is the dominant exporter of lamb to El Salvador, creating an opportunity for U.S. exporters to fill this gap.
- **Specialty Fresh Fruit:** Bakeries are the primary customers for specialty fruits like kiwi and large-variety strawberries, often used in cakes. Hotels and restaurants with baking operations also contribute to the demand for these fruits.
- **Health-Conscious Products:** With increasing consumer awareness around health, Salvadorans are actively seeking natural, reduced-sugar, and fat-free products. Potential product categories that could meet this demand include natural sweeteners, assorted juices, and fruit extracts.
- **U.S. Seafood:** The U.S. seafood sector presents a promising opportunity, with foodservice suppliers continually looking for better options to offer their clients.
- **Table Eggs:** There is consistent demand for table eggs in El Salvador, representing another potential area for U.S. exporters.

Products not present because they face significant barriers:

There are currently no significant barriers for prospective U.S. products entering the Salvadoran market.

SECTION V: KEY CONTACTS AND FURTHER INFORMATION

Government Regulatory Agency Contacts
<p>Superintendencia de Regulación Sanitaria (Sanitary Regulations Superintendency) Contact: Mr. Josue Daniel Lopez-Chief of Food/Beverage Registration Address: Blv. Merliot y Av. Jayaque, Edif. SRS, Urb. Jardines del Volcán, Santa Tecla, La Libertad Sur, La Libertad E-mail: consultas@srs.gob.sv Phone: +503 2522-5000</p>
<p>Ministerio de Agricultura y Ganadería (Ministry of Agriculture) Contact: Mr. Teodoro Gonzalez- Chief of Quarantine Division Address: Final 1ª. Ave. Norte, Santa Tecla, La Libertad, El Salvador Email: teodoro.gonzalez@mag.gob.sv Phone: +503 2210-1775</p>
Private Sector Association Contacts
<p>Asociación de Restaurantes de El Salvador ARES (El Salvador's Restaurant Association) Contact: Leonardo Guzman, President Address: Alameda Roosevelt y 35 Avenida Sur #1909, Colonia Flor Blanca San Salvador, El Salvador Email: dondeleoguzman@gmail.com Phone: +503 2279-3610 / +503 2298-3357</p>
<p>Asociación de Hoteles de El Salvador (El Salvador's Hotels Association) Contact: Morena Torres, Executive Director Address: Colonia Campestre, Av. Victor Mejia Lara, Pasaje 3 #17 Email: directora@hotelesdeelsalvador.com Phone: +503 2260-6699 / +503 2260-5511</p>
FAS Agricultural Affairs Office
<p>U.S. Embassy San Salvador Address: Blvd. Santa Elena, Antiguo Cuscatlán La Libertad, El Salvador Email: AgSanSalvador@usda.gov FAS Website: http://www.fas.usda.gov</p>

Attachments:

No Attachments