

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Casual Dining and QSR Sector Grows in Sri Lanka

Report Categories:

Food Service - Hotel Restaurant Institutional

Exporter Guide

Beverages

Food Processing Ingredients

Fresh Fruit

Tree Nuts

Snack Foods

Wine

Coffee

Livestock and Products

Poultry and Products

Promotion Opportunities

Market Promotion/Competition

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Report Highlights:

The number of casual dining restaurants (CDR), fine dining, and quick service restaurant (QSR) outlets have significantly increased in the number in Sri Lanka during recent years. International and domestic restaurants are expanding their operations. Various new-to-market restaurant companies continue to explore opportunities and make investments. The growth in the restaurant industry is driven by growing tourism, increased exposure to international cuisine, and a willingness to experiment with cuisine, particularly among Sri Lanka's young population. U.S. suppliers with an interest in Sri Lanka have increasing options to introduce U.S. products to the growing culinary and hospitality sectors.

General Information:

Market Overview:

Following the end of a decades-long civil war in 2009, Sri Lanka is beginning to emerge as a more important market for international business and tourism. A variety of upscale international and local hotels, resorts, and restaurants have opened in Colombo and around major tourist sites. The Government of Sri Lanka (GSL) has identified tourism and hospitality as priority sectors and has initiated a number of policies to support their development, to include the reduction of certain trade barriers for some food products. The GDP value reported for the third quarter of 2015 (July-September) has shown growth rate of 4.8 percent in comparison to last year.

Consumer Demographics and Food Purchasing Behavior:

In 2012, Sri Lanka's national census reported a population of 20.30 million, which is estimated to reach 21 million by the end of 2016. The Sinhalese, Sri Lanka's majority ethnic group, constitutes 75 percent of the population, followed by Sri Lankan Tamils at 12 percent, Moors at four percent, and Indian Tamils at four percent. 42.6 percent of Sri Lanka's population is between the ages of 25 and 54 years, a demographic segment which constitutes the majority of the work force and is the primary driver of economic growth.

According to the GSL's Department of Census and Statistics, in 2012/13 the average Sri Lankan household spent 15,651 Sri Lankan rupees (\$120.20) or 37.8 percent of its monthly income on food. This figure reflects a 4.5 percent decline from 2009/10, when Sri Lankans spent 42.3 percent of their monthly income on food. Trends indicate that consumers are improving the quality of their families' nutrition and are consuming more proteins, fruits, and vegetables.

Changing Lifestyle Trends and Changing Menu Offerings and Flavors

Dining out, which was previously a less common practice, has grown considerably, particularly in bigger cities and major tourism destinations. The popularity of dining out is driven by tourism and Sri Lanka's relatively young population.

Consumer preferences and tastes are also broadening, with more Sri Lankans experimenting with international cuisines and flavors. Despite a growing interest in international cuisine (mostly Western, Indian and East Asian), consumers are still price sensitive. The increasing market penetration of

international brands is also helping to drive growth in Sri Lanka’s domestic food processing industry, which looks at international trends.

Sector Challenges

According to industry contacts, launching CDRs or QSRs involves sizeable investments in logistics and cold-chain infrastructure. Many establishments also face high rental and commercial energy costs. Additionally, many brands report recruiting and retaining talent is an industry-wide challenge.

With the growing presence of international and domestic products, consumers are increasingly demanding safer, more consistent, and higher-value products. Also, many consumers are more informed about various global cuisines, which lead to evolving menu choices.

Disclaimer: This report attempts to catalogue some of the current restaurant chains operating in Sri Lanka which offer various types of international cuisine. The intent is to give readers a general sense of scale and breadth of the expansion in the QSR, fine dining, and CDR sectors and this list is by no means exhaustive.

List of Quick Serving Restaurants, Fine Dining, and Casual Dining Restaurants in Sri Lanka:

S #	Name of the Restaurant	Webpage
1	Amal Restaurant	http://www.amal-villa.com/en/hotel-sri-lanka.html
2	Arabian Knights	http://www.arabianknights.lk/
3	Baker in Heels	
4	Barefoot Garden Cafe	http://barefootceylon.com/cafe/
5	Barista Lavazza	http://www.barista.lk/
6	Bars Cafe	http://www.thebarscafe.com/
7	BreadTalk	http://www.breadtalksri.lanka.com/
8	Burger King	http://www.bk.com/
9	Cafe Francais by Pourcel	http://www.cafefrancaisbypourcel.com/# =
10	Café Japan	http://cafejapanlanka.blogspot.com/
11	Cafe Pascucci	
12	Café Shaze	
13	Calorie Counter	http://www.caloriecounter.lk/# =
14	Carnival Ice Cream Parlour	
15	Cheers Pub	http://www.cinnamonhotels.com/GrandCheersPub.htm
16	China Doll	http://www.chinadoll.lk/
17	Chinese Dragon Cafe	http://www.chinesedragoncafe.com/
18	Choco Luv, Cinnamon Gardens	http://www.chocoluv.com/
19	Chutneys	http://www.cinnamonhotels.com/cinnamongrandcolombo
20	Cioconat Lounge	http://www.cioconatlounge.com/
21	Clique	http://www.cliquecolombo.com/
22	Coco Veranda, Cinnamon Gardens	http://www.cocoveranda.com/
23	Coffee Bean and Tea Leaf, Cinnamon Gardens	http://www.coffeebean.lk/

24	Coffee Stop	http://www.cinnamonhotels.com/GrandCoffeeStop.htm
25	Colombo Fort Café	http://www.colombofortcafe.com/
26	Cricket Club Cafe	http://thecricketclubcafeceylon.com/
27	Crusty's	-
28	Cup Cafe	http://www.anmcupcakes.com/
29	Delifrance - ODEL	
30	DineMore	http://www.dinemore.lk/
31	Dolce Italia	-
32	Dominos	http://www.dominos.lk/
33	Elite Restaurant	
34	Fabienne	
35	Flamingo House	http://www.flamingohouse.lk/# =
36	Flower Drum	http://www.flowerdrumrestaurant.com/
37	Gallery Cafe	
38	Green Cabin	
39	Heladiv Tea Club	https://www.heladiv.com/
40	In on the Green	
41	J.L.H. Beach Restaurant	
42	Jack Tree	http://www.jacktree.com/home.html
43	Java Lounge, Havelock Town	http://www.javalounge.lk/index.php?/home/
44	Kamasutra	
45	Kandoori	
46	KFC	http://www.cargillsceylon.com/OurBusinesses/KFC.aspx
47	King Coconut	http://www.kingcoconutnegombo.com/en/
48	Kingfisher	http://www.kingfisherunawatuna.com/
49	Leesh Sandwich Bar	
50	Light House Galley	http://lighthousegalley.navy.lk/
51	McDonald's	https://www.mcdelivery.lk/lk/jsp-desktop/index.jsp
52	Ministry of Crab	http://www.ministryofcrab.com/
53	Mitsi's Delicacies	-
54	Mlensa Tea Centre	http://www.mlesnateas.com/
55	Nuga Gama at Cinnamon Grand Colombo	http://www.cinnamonhotels.com/cinnamongrandcolombo
56	O! - Old Colombo Dutch Hospital	http://www.thebrewerybyo.com/
57	Oro 1889	http://pizzeriaoro1889.com/# =
58	Panino - Cotton Collection	
59	Park Street Mews	http://www.parkstreetmewsrestaurantcolombo.com/
60	Peppers	
61	Pizza Hut	https://www.pizzahut.lk
62	Queen's Cafe & Pool Lounge	
63	Rama's Tea House	http://www.ramastea.com/

64	Redberry's	http://www.redberrys.com/
65	Restaurant Refresh	http://www.refreshsrilanka.com/
66	Rio Ice Cream	
67	Rocco's	http://www.roccos.lk/
68	Roots	http://www.rootslk.com/contact.php
69	Royal Bakery	http://theroyalbakery.com/
70	Santore' Bistro Italiano	-
71	Sea Fish Restaurant	http://www.seafishcolombo.com/# = _
72	Semondu (Fully own subsidiary of Sri Lankan Airlines)	http://semondu.com/index.php/gallery/category/1
73	Sen-saal	http://www.sensaal.com/
74	Shanghai Terrace	http://www.shanghai-terrace.com/
75	Shanmugas	http://www.shanmugas.com/# = _
76	Siam House	http://www.siamhouse.lk/
77	Simply Strawberries	http://jagrofresh.com/
78	Sky Lounge - The Kingsbury	http://thekingsbury.lk/dining/sky-lounge
79	Sponge	http://www.sponge.lk/
80	Sri Vihar, Divine Indian Cuisine	
81	Steam Boat Restaurant	http://www.steamboat.lk/
82	Subway	http://www.subway.com/subwayroot/default.aspx
83	Sugar Bistro & Wine Bar	http://sugarcolombo.com/
84	Taphouse	
85	Taprobane	http://www.cinnamonhotels.com/cinnamongrandcolombo
86	Tea Breeze	http://www.teabreeze.com/Beiralake.aspx
87	TGI Fridays	
88	The Barnesbury	http://thebarnsbury.com/index.html
89	The Bavarian	http://bavarian.emagine.lk/
90	The Bayleaf	http://harposonline.com/
91	The Boardwalk	http://www.watersedge.lk/boardwalk.php
92	The Cafe On The 5th	
93	The Commons Coffee House	http://www.thecommonscolombo.com/
94	The Cricket Club Cafe	http://thecricketclubcafeceylon.com/
95	The English Cake Company	http://www.tecclk.com/
96	The Fab	http://www.thefab.lk/
97	The Floor By O!	
98	The Mango Tree	http://www.themangotree.net/
99	The Manhattan Fish Market	http://www.manhattanfishmarket.com/
100	The Pudding Shop	http://www.yamu.lk/place/the-pudding-stop/
101	The Sandwich Factory	http://www.thesandwichfactory.lk/
102	The Shore By O!	
103	The Sizzle	http://www.thesizzle.lk/index.html

104	Tintagel - Colombo/Paradise Road	http://www.paradiseroadhotels.com/tintagel/dining.php#_ =
105	Toby's Estate	http://www.tobysestatecolombo.com/
106	Tuna and Crab	http://www.yamu.lk/place/the-tuna-the-crab/
107	Upali's	http://www.upalis.com/#_ =
108	Upali's by Nawaloka	http://www.upalis.com/
109	Urban Kitchen	http://www.urbankitchen.lk/

Annexure 1: Pictures of few restaurants in Sri Lanka



