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Dominican Republic

Exporter Guide

Annual

2004

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Revised Exporter Guide for the Dominican Republic.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Santo Domingo [DR1]
[DR]

**EXPORTER GUIDE TO THE CONSUMER FOOD MARKET
IN THE DOMINICAN REPUBLIC**

I. MARKET OVERVIEW

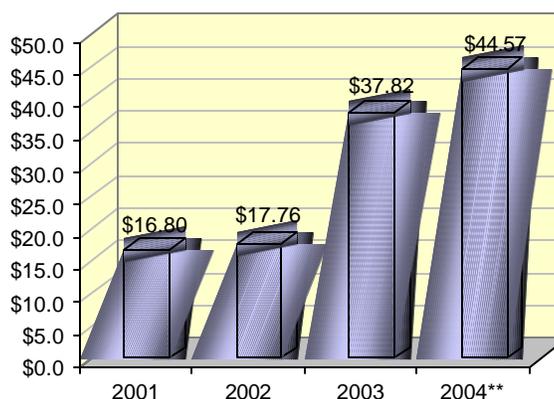
1.a Current Economic Situation

The Dominican Republic was, until recently, seen as a bright spot in the Latin American economic picture, with highest sustained economic growth in the hemisphere for the five-year period through 2002, averaging 7.6 percent. However, building economic problems in 2003 were exacerbated by a spectacular bank collapse and default, with allegations of corruption, which resulted in negative 1.3 percent GDP growth in 2003.

Inflation that was 10.5 percent in 2002 soared to over 40 percent, and Dominican peso, which averaged 17.76 the U.S. dollar during 2002, lost more than half its value and is now trading around 45 pesos to the dollar. Despite the crisis, U.S. trade data show that between January and June of 2004 Dominican imports of U.S. agricultural, forestry, and fishery products were up 3.7 percent. Imports of consumer oriented products during the same period of time also off by 16.7 percent, a slight improvement considering that imports of these products were reduced 28 percent in 2003.

Although the crisis is severe, specialists believe the Dominican economy to be fundamentally sound and will eventually recover from this setback. The tourism sector is booming and there are significant dollar earnings from other exports. However, the effects of this financial crisis have been significant during 2003. Projections are for GDP growth of negative one percent, with inflation around 10 percent. Approximately 45 percent of the national budget for 2004 will go to servicing debt.

EXCHANGE RATE*

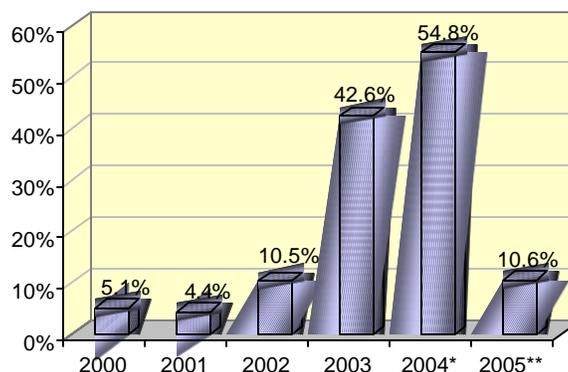


* Dominican pesos per one dollar.

** Until August 2004.

Source: Central Bank of the Dominican Republic.

INFLATION



* Until August 2004.

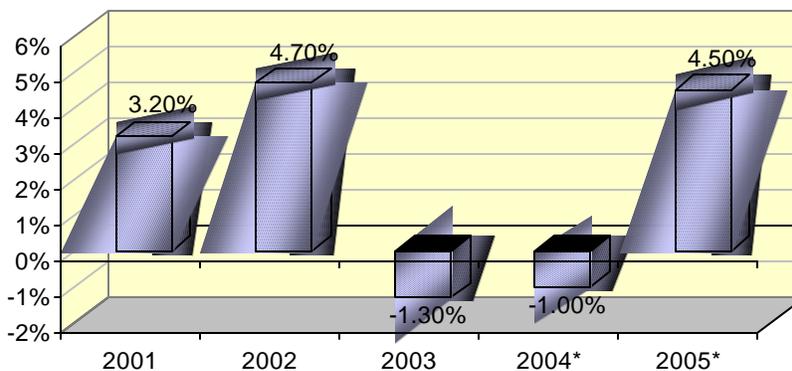
** Estimated value.

Source: Central Bank of the Dominican Republic

Presidential elections were held on May 16, 2004 and a new president was elected. Leonel Fernández, who was president from 1996 until 2000, won the elections with 57 percent of the vote. The new government was sworn in on August 16, 2004.

A tax reform bill is currently being discussed in Congress in order to meet the requirements of the International Monetary Fund (IMF) to renew lending. It is believed that tax reform and agreement with the IMF will help stabilize the economy, at least in the near term. The GDP is expected to grow 4.5 percent during 2005.

GDP ANNUAL PERCENT CHANGE



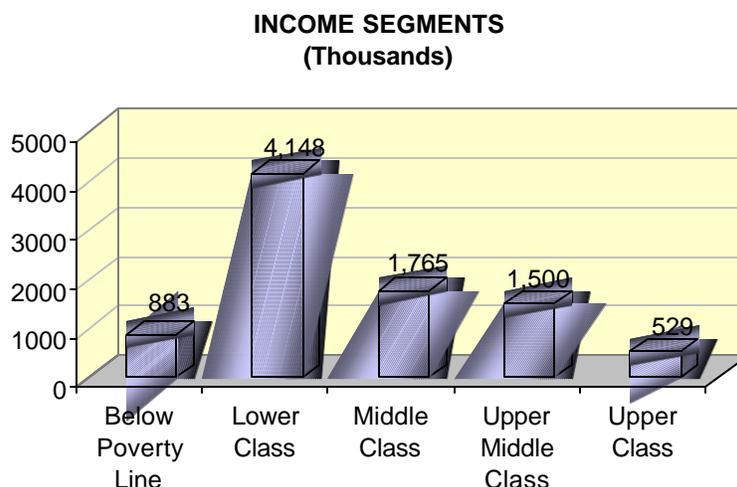
*Estimated values.

Source: Central Bank of the Dominican Republic.

1.b Demographics

Based on the 2002 census, the Dominican population is estimated at 8.8 million in 2004, with 63 percent of the population (5.5 million) living in urban areas. It is estimated that the population of the Dominican Republic grows at a rate of 1.3 percent per year. Income distribution is heavily skewed toward the upper class and upper middle class, which means that a significant portion of the population does not have an income level that allows it to purchase relatively expensive imported food products. However, consumers in or above the middle class, a total of 3.8 million people, do regularly shop at supermarkets; eat in restaurants, and vacation in resorts, making them potential customers for U.S. exporters. Luxury goods can only be targeted at the upper class and upper middle class consumers, with a total population of about 2 million.

- Upper Class: around 6 percent of the population. These families and individuals are conspicuous consumers and have an income level that makes almost any product or service accessible.
- Upper Middle Class: this segment is about 17 percent of the population. They have an income level that makes expenditures on food products relatively insignificant, as a portion of their overall income.
- Middle Class: about 20 percent of the population. This class can afford most imported food products, but must watch budget overall expenditures on food.
- Lower Class: about 47 percent of the population. They live at a subsistence level and consume mostly basic foodstuffs.
- Below Poverty Level: around 10 percent of the population.



Source: National Statistics Office.

Internal migration toward the city of Santo Domingo has been constant over the past decade. With approximately 31 percent (2.7 million) of the total population, the city of Santo Domingo and its surrounding suburbs offer the biggest concentrated market in the country with an accessible infrastructure. Santiago is the second largest market with 908,250 inhabitants. Other important cities are San Pedro de Macorís, La Romana, La Vega, Bonao, San Francisco de Macorís and Higuey. The construction of new highways in recent years and the well-developed communications infrastructure allow smooth distribution of products throughout the country.

1.c Market Size

The Dominican Republic is the third largest market for U.S. products in the Western Hemisphere, behind Mexico and Canada, with calendar 2003 imports of approximately 487 million. Most of the growth in U.S. exports to the region in recent years has been in consumer-oriented products. Although imports of U.S. food and beverage products were off sharply in 2003, due to the domestic financial crisis mentioned before, but they will recover as the economy pulls out of its slump during 2005.

The total demand for food and drinks was estimated at \$1.5 billion, with an average growth rate of 6 percent per year. It is estimated that about 45 percent of the all food and beverages consumed in the country are imported. About 50 to 55 percent of these imported products come from the United States. This ratio is expected to remain fairly stable both in terms of food imports and in U.S. participation.

1.d Advantages and Challenges in the Market

Advantages	Challenges
<ol style="list-style-type: none"> 1. The tourism sector is large and growing, increasing the demand for high quality food products. 2. Dominicans are greatly influenced by American culture and have a positive perception of U.S. products. 3. The Dominican Custom Service uses the WTO approved method of customs valuation, which requires that duties be applied to actual invoice prices of imported goods, rather than average or calculated price for imported goods. 4. Food distribution channels are becoming more efficient, facilitating the introduction of new products. 5. A free trade agreement between the D.R. and the United States has been negotiated, which is likely to improve access for meat and dairy products. 	<ol style="list-style-type: none"> 1. The current economic crisis has reduced the demand for imported food products. 2. Globalization has allowed other regions, such as Europe, South American and Asia to expand sales into what has traditionally been a U.S. dominated market. 3. Tariff rate quotas to protect local producers restrict imports of some products, including milk, beans, rice and poultry. 4. The local Dominican food industry is becoming more efficient and more competitive, as it integrates new technologies into its production processes. 5. Sanitary and phytosanitary import permits are used as a non-tariff barrier to limit imports of meat and dairy products.

II. EXPORTER'S BUSINESS TIPS

2.a Business Customs

Most business conducted in the Dominican Republic is based on personal relationships. Business executives place great importance on personal contacts with suppliers. Many will not want to do business with someone considered rude or disrespectful. A warm handshake combined with conversation about the person's well being, family, etc. prior to starting the conversation related to business is considered a common courtesy.

Dominicans are extremely friendly and tend to prefer to first develop a certain level of personal relationship, which allows developing trustworthiness before compromising themselves.

U.S. suppliers should be prepared to have a local representative or distributor and personally travel to the DR. Even though it might not appear to be so, the DR business community is one of the most aggressive in the region.

There are several methods for U.S. exporters to enter the Dominican market. One can use locally appointed distributors, a wholly owned subsidiary, joint venture partners, or Dominican importers and wholesalers who also own retail outlets. Quality and responsiveness in after-sales service are becoming increasingly important ingredients in effective marketing strategies.

2.b Consumer Taste

Dominicans have adopted much of the U.S. culture, such as music, sports, fashion and fast food. It is also very important to point out, that Dominicans are becoming more health-conscious and aware of food safety issues. People are demanding healthier food, with less saturated fat, cholesterol and sugar (carbohydrate) content.

There is the notion that products made in industrialized nations, such as the United States are more reliable in terms of quality. There is also a tendency, mainly among the middle and high-income classes which are the main users of imported products, to consume natural and healthy products.

2.c Food Standards and Regulations

Import Procedures & Product Registration

U.S. food and beverage products have good access to the Dominican market, except for meat and dairy products. Import permits for pork and chicken are simply not issued in most cases. The Dominican Ministry of Agriculture tightly controls imports of beef through a restrictive licensing system and pressure on end-users. As a result, U.S. beef is served in up-scale steak houses but is rarely found at the retail level in supermarkets or butcher shops.

The situation for dairy products is similar. Imports are strictly controlled by the issuance, or not, of sanitary import permits (no objection), which makes imports of cheeses, yogurts, and other retail dairy products, difficult, unpredictable, and expensive. Significant market potential exists for these products, which serve a very distinct market segment from domestic dairy products, which tend to be of lower quality and consumed by lower income consumers.

Consumer foods must be registered with the Ministry of Public Health, which issues a certificate (Sanitation Registration) that must be printed on the label of the product. It is necessary to present samples of the product and other documents for this process. It takes approximately nine months to process the Sanitation Registration. The cost may range between US\$600 and US\$700 per product.

The trademark must also be registered through the National Office of Intellectual Property of the Ministry of Trade and Commerce. It takes approximately three months to register the trademark. It will be necessary to engage a local legal firm to handle these processes. The cost of the registration may range between US\$500 and US\$600 per product, depending on the legal fees.

All shipments to the Dominican Republic that exceed the value of US\$100 must be supported by the following documentation:

- Bill of Lading (English or Spanish)
- Consular Invoice (Spanish)
- Commercial Invoice (Spanish)
- Insurance Certificate (issued by a local insurance company)
- A certificate from the Central Bank (Import permit)

A Dominican consular representative in the country of origin must certify the first three

documents. Depending of the type of product, some other documents are required, such as:

- Phyto or Zoo Sanitary Certificate: for importing agricultural and animal products, such as fresh dried fruits, vegetables, plants and animals.
- Import Permit issued by the Department of Internal Taxes for alcoholic beverages.

The Phyto Sanitary Law (Law 4990 enacted on September 3, 1958) regulates the imports of plants, fruits, seeds, flowers and vegetables. Considering the sanitary situation of the country of origin, the Ministry of Agriculture may grant import permits when it deems that the import of said products is not harmful to plants and agricultural exploits in the country. The Ministry also has the power to establish quarantines. Cattle imports, for example, are subject to rigorous quarantine measures; being the importer responsible for the cost.

Clearing Customs

The customs clearance process takes approximately seven days, if all the required documentation has been submitted. This requires a Customs Agent who must be knowledgeable and in some cases who knows the officials involved with the processes for appraising, verifying and clearing of the merchandise.

The appraisal of the imported merchandise, which used to be based on minimum prices or a customs appraisal list (Lista de Valuación Aduanera, LVA), is now based on the invoice price. If inspectors find out that the actual invoice price was changed, the importer will be penalized.

All imported merchandise is subject to payment of tariffs and other taxes. Tariffs are estimated based on the C.I.F. value (cost, insurance and freight) in Dominican Pesos at the current exchange rate. Tariffs range from 0 to 40 percent for most products, depending on the level of processing and the national interest on the product. The World Trade Organization (WTO) approved a technical rectification to allow the country to impose tariff rate quotas on eight agricultural products, i.e., beans, chicken, corn, garlic, milk, onions, rice and sugar. Imports exceeding the limits are subject to tariffs ranging from 74 percent and 162 percent.

Other taxes include:

- Exchange Commission (Import Permit): currently, it is 4.75 percent of the C.I.F. value of the imported products.
- Consular Invoice and the legal taxes (between US\$100 and US\$200 dollars): paid in the country of origin.
- A value-added tax (Impuesto de Transferencia de Bienes Industrializados y Servicios, ITBIS): 12 percent on the added value. This tax also applies to local production, however, local products considered to be staples are exempt. This represents, in some cases, represents an advantage for local products.
- Luxury Tax (Impuesto Selectivo al Consumo, ISC): ranges from 5 to 80 percent of the C.I.F. value of imports. It is applied to products that are considered luxury goods, such as alcoholic beverages, tobacco and caviar. This applies on the retail price and, to calculate it, the C.I.F. value is multiplied by a factor, which is determined by the Customs Department in an administrative manner.

Labeling Regulations

According to the Department of Norms and Standards (DIGENOR), all products must be

properly labeled. Products packaged in the presence of the final consumer or packaged in the stores for sale on the same day are exempted from this requirement.

Labeling regulations require that all labels must provide the following information:

- All labels must be written in Spanish or in Spanish and another language. A complementary label or counter-label may be used when the original label is not written in Spanish.
- Company brand.
- Product name.
- Product description.
- Net weight/volume.
- List of ingredients and additives indicating the amounts used.
- The name and address of the producer and importer.
- Product batch code.
- Sanitation registration number (from the Department of Health).
- The expiration date.
- Instructions for product use.

III. MARKET SECTOR STRUCTURE

3.a Retail Food Sector

The major trend of the Dominican Republic's distribution industry is consolidation, which is affecting all points on the traditional importer, wholesaler, retail supply chain. A notable result of the Dominican Republic's extended period of economic growth has been the evolution of the supermarket industry in urban and high-income areas. This has created pressure along the supply chain to provide value-added service and reduce intermediary costs.

Many of the large retail companies have vertically integrated import and distribution activities through their parent company. Importer-distributors add value to their service by supplying a wide range of products. These distributors also supply other chains, and the converse happens as well, with supermarkets frequently purchasing goods from other distributors outside the parent group. Large importer-distributors frequently serve as exclusive agents for international brands.

The food distribution systems have experienced substantial changes in recent years. Supermarkets are becoming more important at the expense of the traditional system of warehouses and mom n' pop grocery stores. Foreign supermarket chains, such as PriceSmart from the United States and Carrefour from France, have retail outlets in Santo Domingo and Santiago. Local supermarket chains made extraordinary expansion efforts and adjustments to compete with foreign chains. They adopted modern technology for managing their operations and aggressive marketing strategies to attract new clients. Small local supermarkets are also designing strategies to compete with giants. At the end of 2001, the owners of a group of small supermarkets created an association to try to procure their products directly from suppliers and avoid going through local importers, assuring lower prices and gaining a competitive edge over large supermarkets.

The traditional retail food sector of the country is comprised of supermarkets (that targets middle and high income customers and also function as importers), warehouse owners (who supply the small grocery stores and also function as retailers) and the mom n' pop stores, known as *Colmados*. The *Colmados* are scattered all over the country. Their customer base

is mainly middle and low income customers, however, they also function as convenience stores in almost all neighborhood in urban areas. Although they distribute about 70 percent of food products, they carry a vary narrow selection of products and are not generally a target for new products from U.S. suppliers.

The supermarket industry has advanced a lot in the country during the last ten to twelve years, to the extent that these are comparable to those of industrialized nations in various aspects, such as space, the variety of products they offer, operation technology, and aggressive marketing strategies to attract customers. The number of supermarkets and other stores selling consumer products in the mass segments of Santo Domingo and other cities of the country is also increasing.

The following table shows the major supermarket chains in the Dominican Republic:

Name of Retailer	Ownership (local/foreign)	Outlets	Location	Purchasing Agent
Supermercados Nacional	Dominican/Spain	18	Santo Domingo Santiago and La Romana	Direct importers, distributors and retailers
Supermercados Pola	Dominican/Spain	8	Santo Domingo and Santiago	Direct importers, distributors and retailers
Supermercados La Cadena	Dominican/Spain	6	Santo Domingo	Direct importers, distributors and retailers
Supermercados Plaza Lama	Dominican/Spain	3	Santo Domingo	Direct importers, distributors and retailers
Supermercados Bravo	Dominican/Spain	3	Santo Domingo	Direct importers, distributors and retailers
PriceSmart Warehouse	US	2	Santo Domingo and Santiago	Direct importers, distributors and retailers
Carrefour	French	1	Santo Domingo	Direct importers, distributors and retailers
Hipermercados Ole	Dominican / Spain	5	Santo Domingo and San Cristobal	Direct importers, distributors and retailers

3.b Hotel, Restaurants and Institutions

The Dominican hotel, restaurant and institutional sector, which is one of the largest in the Caribbean, is comprised of a diverse tourism sector, business hotels, upscale and more informal restaurants, and fast food franchises. Consumption of food and beverages in the Dominican Republic's (DR) non-tourist sector was estimated at US\$700 million in 2003. Consumption at all-inclusive resorts is estimated at US\$443.3 million, for a total of over US\$1 billion for the two sectors. Use of imported products in the institutional sector is limited, reducing the attractiveness of this segment to U.S. exporters.

As mentioned before, around 45 percent of the total food and beverage consumption in the country is imported and 50 to 55 percent comes from the United States. The percentage is higher in the HRI sector, where there is a preference for imported food products, due to higher and more consistent quality. However, it is important to note that the country's food processing industry is improving its efficiency and competitiveness. This means competition from domestic products will likely grow. The recently negotiated free trade agreement

between the United States and the DR will provide significant new openings for a wide range of products, as tariffs are lowered and non-tariff barriers on meat and dairy products are removed.

There are several trends in the HRI sector that bode well for future demand for imported food products. Over 40 percent of women have now joined the workforce and the percentage will continue to grow. This results in higher demand for meals outside the home and more convenience in retail food products. An increase in the number of Dominicans taking vacations in country is pushing up food consumption in the HRI sector. Increasing menu diversification, as Dominicans internationalize their consumption habits, is also increasing demand for imported products in the sector. Fast food is well established in the market, and there is an increase in the consumption of pizzas, hamburgers and other types of fast food. An increase in tourism promotion, internationally and domestically, by the Dominican Government is helping to support a steady recovery from the dramatic decline in tourism after the terrorist attacks on September 11, 2001.

SUB-SECTOR PROFILES

Resorts

The resort/hotel sector is the largest market segment in this area, with approximately 100 hotels and around 35,000 rooms. The Dominican Republic is receiving increasing worldwide recognition as a premier vacation destination, which has made it an attractive venue for fairs, conferences, conventions and international events. These factors contribute to an increasing flow of business people to the country.

Almost all the hotels located outside the city of Santo Domingo are all inclusive hotels. Most of them are located in the north and east side of the country. Some of the chains that have a few hotels in the country import part of the food used.

COMPANY PROFILES

Name of Resort	Locations	Number of Hotels	Total Rooms	Purchasing Agent
Barceló Hotels	Santo Domingo/ Juan Dolio/ Punta Cana/Bávaro, Barahona,	16	4,323	Importer / Direct
RIU	Punta Cana/Arena Gorda/ Bávaro/Puerto Plata	8	3,490	Importer / Direct
Occidental Hotels/Allegro	Santo Domingo/ Las Pascualas/Sosua / Las Terrenas/Punta Cana/ Bavaro/Puerto Plata/Samana	9	3,486	Importer / Direct
Iberostar	Arena Gorda/ Puerto Plata/ Bayahibe/Punta Cana / Bávaro	5	2,401	Importer / Direct
Fiesta Hotels	Santo Domingo/Bávaro	2	880	Importer / Direct
AMHSA HOTELS	Playa Dorada/Sosua/ Cabarete/Samana/ LasTerrenas/ Bávaro / Punta Cana/Juan Dolio	8	2,431	Importer / Direct
LTI	Punta Cana/Sosua/ Bávaro	3	1,680	Importer
Coral by Hilton	Bayahibe/Juan Dolio/ Boca Chica/Puerto Plata	4	2,002	Importer
Hotetur	Boca Chica/Puerto Plata	3	847	Importer
Princess Hotels	Punta Cana/ Bávaro	3	1,415	Importer
Sol Melia	Punta Cana/Bavaro/ Santo Domingo	3	1,789	Importer
Super Clubs	Sosua/Punta Cana/Bavaro	2	1,169	Importer
Premier Hotels Casa de Campo	La Romana	1	300	Importer

Business Hotels

Most of the hotels listed below are in the capital city, Santo Domingo. They are basically business hotels but are used by tourists interested in the Colonial City and other tourist attractions in Santo Domingo. Most are part of large worldwide hotel chains.

There are several large hotel projects also in planning in the Santo Domingo area, with the most important being the Malecón Center complex on the waterfront, which is nearing completion. The landmark 194,000 square meter residential, commercial and high-rise hotel complex has three 30-story towers and an ocean view terrace. The Malecón Center features five movie theatres, 175 store locations, office space, and restaurants. Hilton will be operating a 22-floor, 228 room hotel in the complex, with gymnasium, casino, and meeting rooms with capacity for 1,300 persons.

DOMINICAN BUSINESS HOTELS

Name of Hotel	Locations	Number of Hotels	Total Rooms	Purchasing Agent
Renaissance Jaragua	Santo Domingo	1	293	Importer / Direct
V Centenario Intercontinental	Santo Domingo	1		Importer / Direct
Melia Santo Domingo	Santo Domingo	1	245	Importer / Direct
Hotel Embajador	Santo Domingo	1	286	Importer / Direct
Hotel Santo Domingo /Hispaniola	Santo Domingo	2	215/165	Importer / Direct
Dominican Fiesta	Santo Domingo	1	331	Importer / Direct
Hotel Naco	Santo Domingo	1	106	Importer / Direct
Hotel Plaza Naco (Clarion)	Santo Domingo	1	213	Importer
Barcelo Gran Hotel Lina	Santo Domingo	1	217	Importer
Hotel Courtyard (Marriot)	Santo Domingo	1	146	New
Hotel El Gran Almirante	Santiago	1	156	Importer/Distributor

Restaurants

Santo Domingo has an extensive up-scale restaurant sector, which caters to the wealthier classes, businesses and tourists. The economic crisis that began in 2003 has hurt many of these establishments, however, not to the point of forcing them out of business. All of them have international menus and individual specialties. Ethnic restaurants include German, Arabic, Argentine, Spanish, French, Italian, Mediterranean, Mexican and Chinese.

Restaurants offer good opportunities for exporters from the United States. To meet the needs for international dishes, they import beef, fish and seafood, pasta, and hams. Since these restaurants do not function as chains and purchases are small, they buy almost all products needed through importer/distributors.

The general trend towards eating out has led to the opening of many small restaurants focusing on the lunch crowd, independent cafeterias, cafeterias located inside businesses, and cafeterias in supermarkets. These establishments provide local food, sandwiches, and snacks at affordable prices to working-class Dominicans.

DOMINICAN UPSCALE RESTAURANTS

Name of Restaurant	Locations	Type of Cuisine	Purchasing Agent
La Bricciola	Santo Domingo	International	Importer/Direct
Davy Crockett	Santo Domingo	Steak House	Importer/Direct
Fellini	Santo Domingo	Italian	Importer/Direct
Outback Steakhouse	Santo Domingo	Australian	Importer/Direct
Scherezade	Santo Domingo	Mediterranean	Importer/Direct
Taboo Bamboo	Santo Domingo	Asian	Local Purchasing
Bella Cristal	Santo Domingo	Cantonese	Importer/Direct
Juan Carlos	Santo Domingo	Spanish/French	Importer/Direct
Toscana	Santo Domingo	Italian	Importer/Direct
Mytos	Santo Domingo	Steak House	Importer/Direct
Tony Romas	Santo Domingo	Steak House	Importer/Direct
Samurai	Santo Domingo	Japanese	Local Purchasing
Pepperoni	Santo Domingo	Pastas	Local Purchasing
Seasons	Santo Domingo	Creative Foods	Local Purchasing
Vesuvio I & II	Santo Domingo	Italian	Local Purchasing

Fast Food

Fast food restaurants are the fastest growing sector in the food service industry. Foreign fast food chains, mostly from the United States, started in the Dominican Republic in 1994 and have been very well received by Dominicans. Over 48 of these establishments have been opened, mostly in Santo Domingo and Santiago. The entry of foreign fast food chains has spurred the development of local businesses, although they tend to specialize in local popular foods. Many of them import their own products, primarily in the case of hamburger, meats, chickens, potatoes, sauces and ice cream. Fresh vegetables and bread are procured domestically.

FAST FOOD RESTAURANT PROFILES

Name of Restaurant	Locations	Number of Outlets	Purchasing Agent
Burger King	Santo Domingo, Santiago, San Francisco, La Vega, Puerto Plata, Boca Chica, La Romana, Punta Cana	27	Direct
Kentucky Fried Chicken	Santo Domingo	4	Direct
Domino's Pizza	Santo Domingo, Santiago	6	Direct
Pizza Hut	Santo Domingo, Santiago	6	Direct
Taco Bell	Santo Domingo, Santiago	8	Direct
McDonalds	Santo Domingo, Santiago	3	Direct

Institutions

Many large businesses have set up cafeterias in order to offer food to their employees. These are independently run. Some free trade zones and industrial parks have also begun to install cafeterias, with the objective of offering inexpensive food of an acceptable quality. These cafeterias are more oriented to serving traditional dishes, with over 90 percent of ingredients being produced domestically. In this category there is limited opportunity for U.S. exporters, except for basic items and condiments offered at cut-rate prices. The handling of food in prisons and public hospitals has not been privatized and most inputs are sourced domestically.

IV. BEST PRODUCTS PROSPECTS

The following products are the ones, which have shown the highest average growth during the last five years (1999-2003) and they are ordered based on that growth.

PRODUCT	2002	AVERAGE VALUE (US\$1,000)	AVERAGE GROWTH (1998-2003)
1. Wine and Beer	11,267	4,325	77.11
2. Nursery Products and Cut Flowers	388	259	76.20
3. Tree Nuts	1,432	846	34.17
4. Red Meats, Prepared/Preserved	2,825	2,168	31.86
5. Fresh Fruit	9,675	7,754	19.72
6. Pet Foods (Dog and Cat Food)	3,366	2,885	12.40
7. Red Meats, Fresh/Chilled/Frozen	5,220	7,189	7.12
8. Snack Foods (Excl. Nuts)	12,617	12,868	6.65
9. Processed Fruit and Vegetables	11,765	10,452	2.98
10. Fruit and Vegetable Juices	6,081	7,061	2.86
11. Breakfast Cereals and Pancake Mix	4,360	3,993	2.68
Source: Prepared based on data from FAS/USDA BICO Report			

Other high-value products imported from the United States, which show good sales potential, are dairy products (although the import permit problem is a constraint), breakfast cereals, and processed fruits and vegetables. There are few products from the United States, which have not yet been introduced into the Dominican market. The Dominican Republic usually follows the same trend as the United States. Diet/healthy products. Although not present in large quantities, these products are present and have a separate shelf location. There are also health food mini-stores, which are also being opened in response to public demand.

V. KEY CONTACTS AND FURTHER INFORMATION**FOREIGN AGRICULTURAL SERVICE**

Ave. Pedro H. Ureña #133, La Esperilla
Santo Domingo, Dominican Republic
Phone: (809) 227-0112
Fax: (809) 732-9454
Email: AgSantoDomingo@usda.gov
Home page: <http://www.usemb.gov.do/fas.htm>

NATIONAL HOTEL AND RESTAURANT ASSOCIATION (ASONAHORES)

Johnny Bernal, President
Arturo Villanueva, Executive Vice-President
Calle Presidente González, esquina Avenida Tiradentes
Edificio La Cumbre, 8th Floor, Plaza Naco
Santo Domingo, D.R.
Tel: (809) 540-4676
Fax: (809) 540-4727
Email: asonahores@codetel.net.do

GENERAL LIVESTOCK DIRECTORATE

(Dirección General de Ganadería)
Ministry of Agriculture
Kilometro 6 1/2, Autopista Duarte
Jardines del Norte, Santo Domingo
Tel: (809) 547-3888, ext. 3786
Fax: (809) 227-1268

GENERAL CUSTOMS OFFICE

Avenida México
Santo Domingo
Tel: (809) 688-7070
Fax: (809) 686-4119

**APPENDIX 1:
KEY TRADE & DEMOGRAPHIC INFORMATION**

Agricultural Imports From All Countries (\$Millions) / U.S. Market Share (%) for CY 2002	634 / (85%)
Consumer Food Imports From All Countries (\$Millions) / U.S. Market Share (%) for CY 2002	204 / (62%)
Edible Fishery Imports From All Countries (\$Millions) / U.S. Market Share (%) for CY 2002	53 / (16%)
Total Population (Millions) / Annual Growth Rate (%)	8.8 / (1.3 %)
Urban Population (Millions)	5.5
Number of Major Metropolitan Areas ¹	2
Size of the Middle Class (Millions) / Growth Rate (%)	3.3
Per Capita Gross Domestic Product (U.S. Dollars) for CY 2002	2,386
Unemployment Rate (%) / 2002	16.1
Per Capita Food Expenditures (U.S. Dollars)	357,3
Percent of Female Population Employed	23.8
Official Exchange Rate (US\$1 = RD\$)-at April 2003	45.00

Footnotes and Sources

1/Santo Domingo and Santiago

-U.N. Trade Database

-Central Bank of the Dominican Republic

**APPENDIX 2:
CONSUMER FOODS AND EDIBLE FISHERY PRODUCT IMPORTS**

Products	World Total (US\$000)	US (US\$000)	US Share	Other Main Suppliers
02 Meat (fresh/frozen/dried)	96320	7723	52.07	Italy, Puerto Rico,
0201 Beef (fresh)	1350	378	28	Brazil
0202 Beef (frozen)	23500	1645	.071	
0203 Swine (fresh/frozen)	35480	1774	5	
0204 Lamb/Goat (fresh/frozen)	1100	88	8	
0207 Chicken fresh/frozen	34890	3838	11	
03 Fish & Seafood (fresh/frozen/dried)	28209	4558	111.4	Norway, Canada,
0302 Fresh Fish (excl. fish fillets)	3100	31	1	Germany, Spain,
0303 Frozen Fish (excl. fillets)	2322	1235	54	Holland
0304 Fish Fillets (fresh/frozen)	5270	1212	23	
0305 Fish dried/salted/in brined/smoked	100	40	0.4	
0306 Crustaceans, even peeled, alive, fresh, refrigerated	16290	1792	11	
0307 Mollusks, alive, fresh, refrigerated	1127	248	22	
04 Dairy & Eggs	15920	6264	211	Holland,
0401 Milk/Cream (not concentrated, unsweetened)	1500	3	0.2	Switzerland,
0402 Milk/Cream (concentrated or sweetened)	2465	1479	60	Ireland, United
0403 Yogurt	3300	297	9	Kingdom, Germany,
0405 Butter & Other Milk Fats	3,159.09	436	22.0	Canada, New
0406 Cheese	5562	3393	61	Zealand, Denmark,
0407 Eggs	1112	656	59	Belgium, Australia
07 Vegetables (fresh/frozen/dried)	234991	7948	96	Canada, China,
0701 Potatoes (fresh)	21150	423	2	Spain, Colombia
0703 Onion/Garlic (fresh)	116667	35	0.03	
0708 Leguminous Veg (shelled/unshelled, fresh)	30000	3	0.01	
0712 Dried Vegetables	60000	600	1	
0713 Leguminous shelled & dried	7174	6887	96	
08 Fruit & Nuts (fresh/frozen/dried)	897307	12387	8.31	Chile, Argentina
0802 Fresh or dry shell fruits, even without shell	65125	521	0.8	
0806 Grapes (fresh/dried)	293494	4872	1.66	
0808 Apples/Pears (fresh)	427444	5685	1.33	
0809 Stone Fruit (fresh)	85600	214	0.25	
0813 Dried Fruit	25644	1095	4.27	
09 Coffee, Tea, Mate & Spices	472	264	55.92	Indonesia,
0901-0910 Spices	472	264	55.92	Singapore
10 Cereals	9919780	150271	3.07	Chile, Canada,
1001 Wheat	4589300	45893	1	Argentina, Spain,
1005 Corn (includes to sow)	5137980	104301	2.03	Mexico
1006 Rice	192500	77	0.04	
11 Milled products	139386	2579	27.07	Canada, Belgium,
1101 Wheat flour	111364	490	0.44	Puerto Rico,
1102 Cereal flour, except wheat	12850	257	2	Argentina, Spain,
1103 Semolas	7796	283	3.63	Mexico
1107 Malt (of barley or other cereals), even toast	7376	1549	21	
15 Fat and oils	803039	27313	16.29	Taiwan, Argentina,
1502 Animals fat	311500	6230	2	Germany, Spain,
1507 Soybean oils	340951	17934	5.26	Colombia
1515 Corn oils	N/A	1257	0	
1517 Margarine	20588	1853	9	
1518 Others fats and oils	130000	39	0.03	
16 Preparations of Meat and Fish	287456	7702	29.4	Spain, Thailand,
1601 Sausages	199381	1934	0.97	Canada, Venezuela,
1602 Other Processed Meat Products (not frozen)	15749	2060	13.08	Mexico, Taiwan
1604 Processed Fish (not frozen)	19081	2494	13.07	

1605 Processed Crabs/Lobsters/Shrimp not frozen	53245	1214	2.28	
17 Sugars & Sugar Confectionery	104127	1013	3.63	Cuba, Mexico,
1701 Cane of Beet Sugar	24000	84	0.35	Guatemala,
1702 Lactose, glucose and other syrups	26970	828	3.09	Colombia
1704 Sugar Confectionery w/o cocoa	53157	101	0.19	
18 Cocoa & Cocoa Preparations	131117	4930	3.76	Mexico, Chile, Italy
1806 Chocolate & Other Food Pre s w/ Cocoa	131117	4930	3.76	
19 Preparations of Cereals	2995447	14125	9.09	Holland, Mexico,
1901 Baking Mixes/Other Flour Preparations	138060	6903	5	Denmark,
1902 Pastas	55600	556	1	Venezuela, Italy,
1904 Prepared Cereals (e.g. breakfast cereals)	153235	2084	1.36	Venezuela,
1905 Biscuits, Wafers, and Similar Baked Products	2648552	4582	1.73	Colombia, Puerto Rico
20 Preparations of Vegetables & Fruits	290072	11098	25.25	Venezuela, Costa Rica, Puerto Rico,
2002 Tomatoes, prepared/preserved	92129	995	1.08	Mexico
2004 Potatoes and vegetables, frozen	83303	933	1.12	
2005 Canned Vegetables & Mixed Vegetable	55058	1404	2.55	
2007 Jams, Jellies, Marmalades, Purees	18380	919	5	
2008 Canned Fruits	20601	1131	5.49	
2009 Fruit and Vegetable Juices	20601	5716	10.01	
21 Miscellaneous Edible Preparations	1400895	38519	12.56	Mexico, Colombia,
2103 Condiments (Mustard/Ketchup/Other Sauces)	201828	3754	1.86	Brazil, UK,
2104 Soups and Broth	21856	1589	7.27	Holland, , Chile,
2105 Ice Cream	79318	349	0.44	Spain, Germany
2106 Misc. Food Preparations not elsewhere specified	1097893	32827	2.99	
22 Beverages, Spirits & Vinegar	751070	20048	17.67	Scotia, Chile, Spain,
2201 Bottled Water	16666	95	0.57	Germany, UK,
2202 Soft Drinks and other Non-Alcohol. Beverages (ex. Juices)	134093	2588	1.93	Panama, Trinidad & Tobago
2203 Beer	174383	10463	6	
2204 Wine	10629	777	7.31	
2208 Gin, Vodka, Whisk , Rum, Liqueurs	406133	6092	1.5	
2209 Vinegar	9166	33	0.36	
TOTAL	18095608	316742	682.49	

Source: Official import data of the Dominican Republic and U.S. Census data.

**APPENDIX 3:
TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS**

COUNTRIES		2000	2001	2002	MAIN PRODUCTS
		US\$000	US\$000	US\$000	
1	United States	117,076	154,051	133,712	Snack foods, Dairy products, Processed fruit and vegetables, Fruit and vegetable juices, Fresh fruits, Poultry meat, Red meats, Fresh Vegetables
2	Denmark	49,740	50,827	45,255	Powder milk & cream, modified milk
3	Norway	21,056	21,637	26,467	Cod
4	Netherlands	24,432	25,785	NA	Milk
5	Canada	10,791	14,167	20,321	Dairy Products, Fresh Vegetables, Processed Fruit & Vegetables, Fresh Fruit, Ground fish & Flatfish, Salmon, Breakfast Cereals & Pancake Mix, Red Meats, Snack Foods
6	New Zealand	12,416	21,919	NA	Milk
7	Spain	16,879		NA	Wine, whisky, olive
8	Colombia	12,931	12094	NA	Chewing gum, candies, cookies
9	Chile	13,114	12931	NA	Apples, grapes, wines
10	Mexico	10,266	11,966	NA	Sugar, alcoholic beverages, modified, milk, orange juice
11	Italy	5,146	4,479	5,164	Pasta, Tomato sauce, wine, canned fruit, cocoa drinks, meat
12	Venezuela	6,355	7,891	NA	Sardine, preserve, bakery products, tuna fish
13	France	5,142	4,046	4,387	Wine, Snack foods
14	Costa Rica	5,856	6,678	NA	Canned tuna, canned vegetables
15	Ireland	6,506	3,273	NA	Milk and Dairy products
Others countries		49,384	60,032	21,499	
Total Consumer - Oriented, Fish and Seafood Products		367,090	411,776	256,805	
Source: UN Trade Database, 2003					