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Caribbean Basin

Market Development Reports

British Virgin Islands Yacht Provision

2004

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Report Highlights:

The nearly forty islands, rocks, and cays of the British Virgin Islands, along with easily navigable waters, white sandy beaches, warm trade winds, and laid back culture, have encouraged the growth of sailing in the BVI. The country is world renowned for its yachting industry, and has been dubbed the "Sailing Capital of the Caribbean." Since 1997, visitors arriving in the BVI by boat, not including cruise ship passengers, have outnumbered those arriving by air. As the number of yacht vacationers continues to increase yearly, the market for yacht provisioning also grows.

Includes PSD Changes: No
Includes Trade Matrix: No
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Miami [C11]
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Section I. Market Summary

Country Snapshot

The British Virgin Islands (BVI), part of the Leeward Island chain, are located in the Caribbean Sea about 50 miles east of Puerto Rico. Known as "Nature's Little Secret," 16 inhabited and more than 20 uninhabited islands consist largely of rolling green hills and white sandy beaches and have a total area of 59 square miles. The total population is around 21,730 (2003 est.). The capital of BVI, Road Town, is located on the island of Tortola, which lies just 8 miles east of St. Thomas in the U.S. Virgin Islands. Tortola is the largest island at 21 square miles, and serves as the center for commerce and government. Apart from Tortola, the main inhabited islands of the BVI are Virgin Gorda at 8 square miles, Anegada at 15 square miles and Jost Van Dyke with 3.4 square miles. BVI also consists of a number of privately owned islands, several of which serve as vacation resorts.

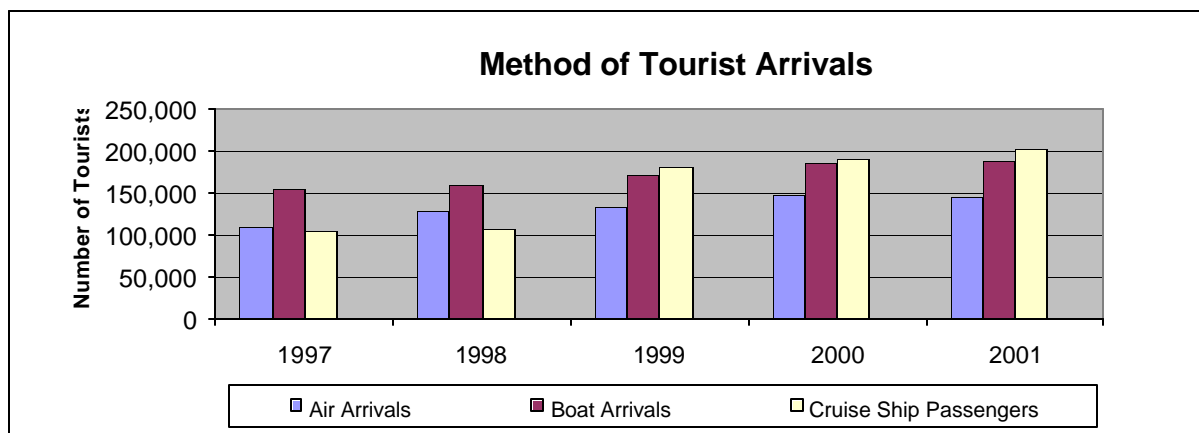
Each of the islands can be easily accessed from one another, and from the U.S. Virgin Islands, by inter-island flights, small boats, and regular ferry service. The islands have several ports, including Port Purcell and West End in Tortola, St. Thomas Bay in Virgin Gorda and Great Harbor in Jost Van Dyke. No direct flights are available to the islands from the mainland United States, Europe, or South America, yet inter-island flights are accessible from the three airports located on the islands. The largest airport, the Terrence B. Lettsome Airport, is located on Beef Island, situated on the east end of Tortola. At this airport, several airlines offer flights to San Juan, Puerto Rico, St. Thomas, U.S. Virgin Islands, and a number of other Caribbean destinations. Two smaller airports, located on Virgin Gorda and Anegada, offer flights to the Beef Island airport as well as charter flights to other points throughout the Caribbean.

The BVI has long been a British Dependent Territory, and remains so today. The United Kingdom governs over a significant portion of the islands, including the territory's external affairs, defense, internal security, and the administration of the courts. A governor, appointed by the British crown, controls these areas of responsibility. The territory does have some autonomy, as it is responsible for its own internal self-government and is governed by a democratically elected Parliament and Cabinet. BVI is an associate member of both the Organization of Eastern Caribbean States (OECS) and the Caribbean Community and Common Market (CARICOM). Membership in these organizations ease trade between member Caribbean nations by offering duty-free access, facilitating bilateral and multilateral co-operation, and allowing goods, services, people and capital to move throughout the Caribbean nation members without tariffs and restrictions.

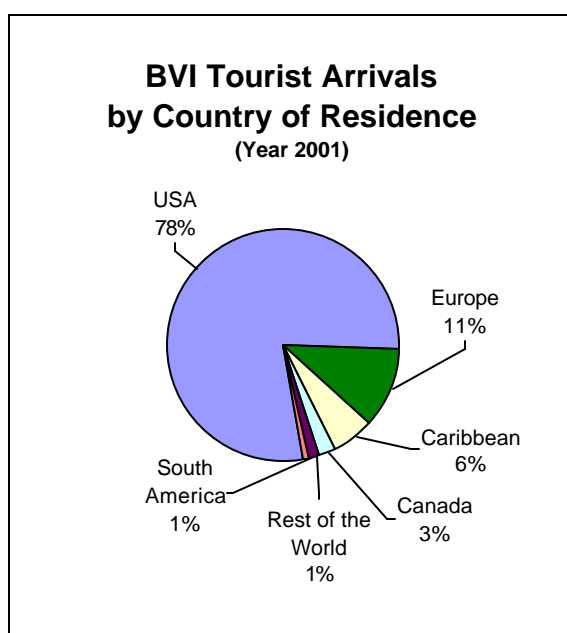
Despite its political ties to the United Kingdom, the BVI has been closely related to the U.S. economy for many years. Proximity has also resulted in the creation of very close economic and cultural ties to both Puerto Rico and the U.S. Virgin Islands. The U.S. dollar serves as the currency in BVI.

The BVI Yacht Industry

Like most Caribbean islands, tourism is a large part of the BVI economy. The tourism industry plays a key role in the BVI, accounting for 45% of the local economy in 2002 and employing roughly one quarter of all BVI residents. Yet BVI tourism is unique compared to other Caribbean destinations because of the number of tourists that arrive and vacation on yachts. From 1997-2001, visitors arriving in the BVI by boat, not including cruise ship passengers, outnumbered those arriving by air. This trend has continued, and the number of yacht vacationers to the BVI increases yearly. The nearly forty islands, rocks, and cays of the BVI, along with easily navigable waters, white sandy beaches, warm trade winds, and laid back culture, have encouraged the growth of sailing in the BVI. The country is world renowned for its yachting industry, and has been dubbed the "Sailing Capital of the Caribbean."



Source: Caribbean Cellars 2004 Product Expo



Yacht vacationers arrive in the BVI from almost every corner of the world, yet U.S. tourists overwhelmingly represent the majority of visitors to the islands. Because of the close economic ties to the U.S., the number of overall tourists decreased with the 2002 U.S. economic slump caused after the events of 9/11, but has since been increasing steadily. A strong market exists among tourists for U.S. food products, as most American tourists prefer U.S. food products. Besides the U.S., visitors to the BVI also come from Europe and other Caribbean nations, including the U.S. Virgin Islands and Puerto Rico.

Source: Caribbean Cellars 2004 Product Expo

The high season for the yachting industry is the same as for the tourism high season, November-March. Yacht vacationers and other tourists are lower in number during the hurricane season, which lasts from June-November.

Overall tourist arrivals in the BVI are not evenly distributed among the islands. Tortola has three areas of entry for visitors, Beef Island Airport, Road Town, and West End, and this island receives a clear majority of visitor arrivals, 436,433 in 2001. Virgin Gorda and Jost Van Dyke also attract a number of visitors, 59,706 and 38,580 in 2001, respectively. Tourism to the smaller islands differs by island; for example, Anegada received 492 visitors in 2001. Visitors that arrive by boat also vary from island to island, and with the exception of the three largest islands, which each have airports, almost all of the islands of the BVI are accessible only via boat.

The typical yachting group may consist of family and/or non-family members, and can vary in number of individuals from two to twenty depending on the size of the yacht. While the U.S. Virgin Islands tend to attract more of the “mega yachts” that house larger groups, the BVI yachting industry is made up of and attracts the smaller yachts. The typical yacht vacation is estimated to last between seven and ten days, and most trips will stay within the waters of the BVI rather than traveling to nearby islands.

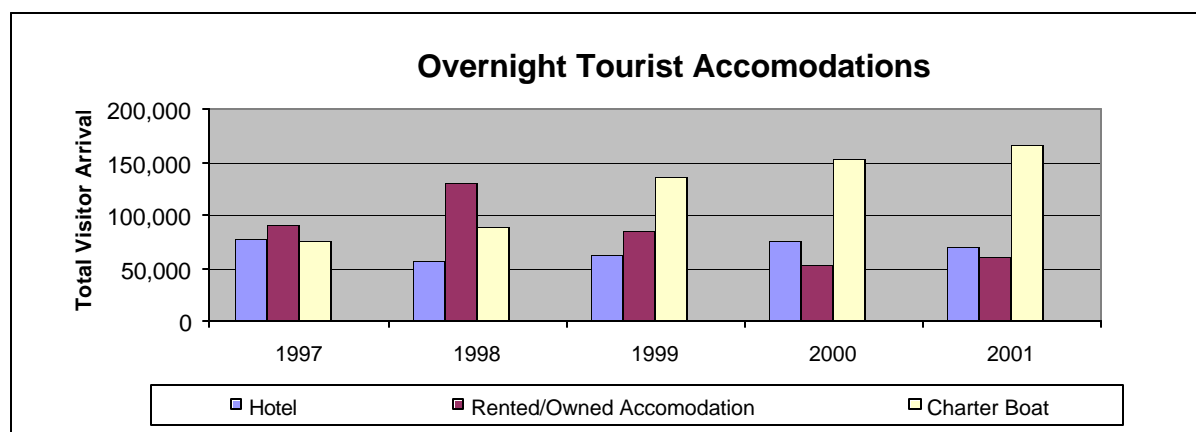
Many boat owners store their yachts year round in the BVI, while others keep their yachts in the islands only during the peak yachting season. During the low season, these boats may be brought to the Mediterranean to be used, or many are used along the U.S. East coast, mainly in the north out of the main hurricane belt. If the boats are stored year round in the BVI, the owner has several choices of marinas at which to store the yacht.

BVI Marinas

Name	Location	No. of Ships
Village Cay Marina	Tortola	105
The Moorings Marina	Tortola	130
Soper's Hole Marina	Tortola	60
Nanny Cay Marina & Resort	Tortola	200
The Bitter End Yacht Club	Virgin Gorda	25
Virgin Gorda Yacht Harbor	Virgin Gorda	110
Leverick Bay Marina & Resort	Virgin Gorda	30
Peter Island Yacht Harbor & Resort	Peter Island	10

Yachting vacationers in the BVI have many islands and cays available to visit. Listed above are the largest marinas in the islands, which are located in the largest islands. Smaller ports, docks, and marinas are located throughout the smaller islands as well.

Upon arrival in the BVI, tourists have a number of accommodation options available. Most of the large marinas have a hotel or resort close by for visitors who would like to spend a night ashore, although most visitors arriving on the island via yachts tend to rely solely on the yachts as their source of accommodations during their vacations rather than spending nights off the boat. In 2001, the number of visitors staying on chartered boats outnumbered the amount of visitors staying in hotels and visitors staying in rented/owned accommodations combined.



Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

As charter vacationers are relying solely on the boats for accommodations, this means that many meals are also prepared on board. The amount of meals eaten on board usually depends on the type of crew aboard the yacht. Some boaters own their yacht and sail it themselves, without hiring a crew. These tourists either prepare food themselves aboard the boat or dine at restaurants in the BVI, many of which are also located at or near the marinas. Others visitors may charter a boat, yet still not hire a crew and instead elect to sail on their own. This type of charter is called a “bareboat” charter, because the person is renting the “bare” boat without a crew. Still others may charter a crewed yacht, which includes a captain to sail the boat. Crewed yachts may also include hiring a chef who sails with the boat and prepares all meals for the guests on board. Regardless of whether the yacht is crewed or bare, there is always a need for some amount of food upon the boat.

Market Overview

Food and beverage companies have recognized the growth of the yachting industry and have geared their efforts towards provisioning for these chartered boats. Companies whose sole business is provisioning are beginning to pop up on the island, and retailers and wholesalers are now also marketing their services to the yacht vacationer. These provisioning-specific companies are mainly located on the larger islands. Many of the marinas also have small retail shops or delis where yachtees can stop by and pick up provisions.

Provisioners generally attract new customers by advertising via their company website, which enables them to reach customers throughout the world. Some provisioners advertise in U.S. and other publications, such as marine guides, in order to reach the major tourist audience. Customers chartering boats through a BVI company usually receive a provisioning form along with their charter contract, and this is another method for provisioning advertisements. Many retail outlets are advertised through the specific provisioning company or yacht chartering company that use their services. Provisioners may also provide brochures or posters at the marina to attract yachting customers. Most provisioning companies will deliver the orders to the customer, although some may charge a small fee for this service. Customers can order in advance or in person at most locations, and can pay via cash or credit card.

Due to the increasing importance of yacht customers, wholesalers and importers purchase food products not only for distribution to the food service sector, but increasing amounts for their retail customers and yacht provisioning shops. As the U.S. supplies the majority of the BVI food and beverage industry, the same is true for the foodstuffs used for provisioning purposes on the island.

Advantages	Challenges
U.S. tourists represent 78 percent of total tourists visiting the BVI.	Importers usually purchase food products in small volumes.
BVI has been importing most of its food needs due to the small local agricultural sector.	Significant changes exist between high and low tourist seasons.
The United States leads the food and beverage market.	Foodstuffs used for provisioning must fit within available storage facilities on boat.
U.S. tourists often desire U.S. food products.	

Section II. Road Map for Market Entry

A. Entry Strategy

The yacht provisioning sector in the BVI obtains the majority of its food and beverages from local wholesalers-importers and retailers. The main wholesale companies in the BVI are located in Tortola, and several of these companies have offices and retail outlets in Virgin Gorda. The smaller islands get their food products, usually by ferry, from one of the two larger islands. Because of small volumes, the best way for the yacht provisioning sector to obtain imported food products is through a local importer, as these companies usually wholesale and also distribute. The wholesalers and importers supply the yacht provisioning retail shops, including supermarkets, grocery stores, and specialty stores.

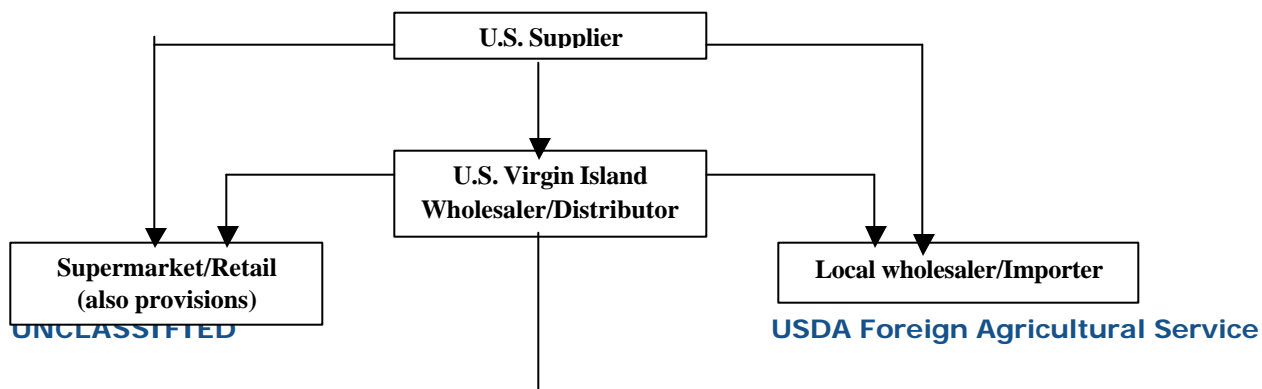
It is common for local importers and retailers to run out of certain food products. For this reason, a small but increasing number of retailers, including specialty provisioning shops, are importing from wholesalers in the U.S. Virgin Islands, which are becoming a key supplier of the BVI market. These wholesalers are able to provide the high quality U.S. products desired, with low cost shipping methods, and can often provide the smaller quantities required in the BVI.

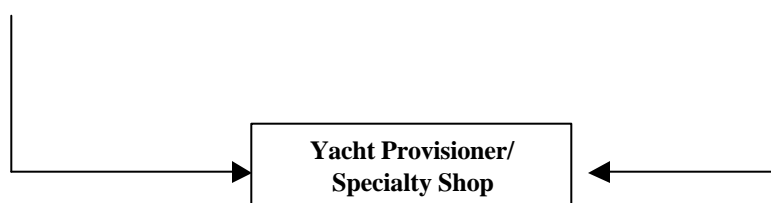
To successfully enter the BVI provisioning sector, U.S. exporters should contact the company directly. Usually, if the provisioning company is interested in the product, they will request product literature and samples. Afterwards, they will likely ask the supplier to work through their food importer or distributor, whether local or through the U.S.V.I., as quantities desired are often too low to permit direct importation.

B. Market Structure

Local importers, who import the majority of the sector’s food needs from the U.S., represent a large portion of the food distribution to the BVI yacht provisioning sector. Supermarkets and smaller retail outlets are also receiving product from these importers and supplying yacht provisioners, as well as provisioning themselves. Wholesalers in the U.S. Virgin Islands are becoming more frequently used and are significant competition for the local wholesalers.

Product Flows for Imported Products:





C. Sub-Sector Profiles: Provisioning Companies in the BVI

Name	Location	Type	Purchasing Agent
Bobby's Supermarkets	Tortola	Supermarket	Local Wholesaler & Direct Importer
Rite Way	Tortola	Supermarket	Local Wholesaler & Direct Importer
K-Mark's	Tortola	Supermarket	Local Wholesaler & Direct Importer
Gourmet Chandler	Tortola	Grocery Store	Local Wholesaler & Direct Importer
Tico's	Tortola	Specialty Store (Beverages)	Local/U.S.V.I. Wholesaler, & Direct Importer
Ms. Penguins	Tortola	Specialty Store (Individual Frozen Meals)	Local Retail Outlets/ U.S.V.I. Wholesaler
Caribbean Cellars	Tortola	Specialty Store (Beverages)	Local, U.S.V.I Wholesaler & Direct Importer
BVI Yacht Charters	Tortola	Charter Company	Local Retail
The Moorings	Tortola	Charter Company	Local Retail

The above list constitutes a sample of the main provisioners in Tortola. Many of the provisioners listed are large retail outlets or specialty stores, which have begun to recently focus more towards the yacht provisioning market. It should be noted that the majority of all foodstuffs used in provisioning are U.S. products, whether directly imported, received through a local wholesaler/distributor or a wholesaler/distributor in the U.S.V.I., or bought via a retail outlet in the BVI.

Section III. Competition

Competition for food and beverage products in the yacht provisioning industry is identical to the competition for the main food and beverage market in the BVI. Competition is led by the United States who supplies most of the nation's total needs. The high quality and competitive prices of U.S. food products, along with the United States proximity to the BVI, the nation's close ties to the neighboring U.S. Virgin Islands and Puerto Rico, and the longstanding economic ties to the United States all contribute to the success of U.S. products.

The following products and countries compete with U.S. products:

- **Beef:** Argentina, France (via St. Martin)
- **Pork:** Brazil

- **Fresh Produce:** St. Vincent & The Grenadines
- **Seafood:** Local producers
- **Dairy Products:** France (via St. Martin)
- **Alcoholic Beverages:** France, Australia, Chile
- **Non-Alcoholic Beverages:** Canada, Trinidad and Tobago, Dominica
- **Bottled Water:** Scotland, UK, local producers
- **Bakery Ingredients:** Canada, UK

The product competition with other nations varies among categories. The United States dominates the market in the categories shown in the following table. U.S. food products comprise more than eighty percent of the market share for fresh/chilled/frozen red meats, poultry meats, sugars/sweeteners/beverage bases, fresh vegetables, fruit & vegetable juices, and vegetable oils.

Top 10 U.S. Food Products in BVI Import Market for 2003			
U.S. High Value Food Product	Market Share	U.S. High Value Food Product	Market Share
Red Meats (Fresh/Chilled/Frozen)	100%	Vegetable Oils	80%
Poultry Meats	100%	Wine and Beer	46%
Sugars, Sweeteners, & Beverage Bases	100%	Rice	37%
Fresh Vegetables	99%	Red Meats (Prepared/Preserved)	21%
Fruit & Vegetable Juices	92%	Snack Foods (Excl. Nuts)	15%

Source: UN Trade Data

Section IV. Best Prospects

Products used for provisioning must be small in size, as they must fit within storage facilities available on the boats. Another factor that must be taken into consideration is that most yachting trips last several days, and customers usually seek products that will not spoil during the trip. With the wide availability of retail shops at marinas, however, customers are able to shop daily or as needed. Products that have good sales potential within the provisioning sector are alcoholic beverages and snack foods, although all food products are used for provisioning and have good sales potential on the islands.

Section V. Contact Information

A. For more information on the British Virgin Islands and a list of importers for your U.S. product, please contact:

**Caribbean Basin Agricultural Trade Office
Foreign Agricultural Service
United States Department of Agriculture**

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Phone: (305) 536-5300
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Please visit our website for more reports and information on the British Virgin Islands and other Caribbean Islands:

<http://www.cbato.fas.usda.gov>, click on "U.S. Exporters"

D. Other Sources of Information on The British Virgin Islands:

BVI Chamber of Commerce and Hotel Association

PO Box 376, Road Town

James Frett Building

Tortola, British Virgin Islands

Tel: (284) 494-3514

Fax: (284) 494-6179

BVI Customs Department

Tel: (284) 494-3475

BVI Ports Authority

Port Purcell

P.O. Box 4, Road Town

Tortola, British Virgin Islands

Tel: (284) 494-3435

Fax: (284) 494-2642

BVI Tourist Board

Caribbean Office

P.O. Box 134

Road Town, Tortola, BVI

Tel: 284-494-3134

Fax: 284-494-3866

Email: bvitor@bvitouristboard.com

Department of Agriculture

Paraquita Bay

Road Town, Tortola

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