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Trinidad and Tobago

HRI Food Service Sector

Country Report

2005

Approved by:

Omar Gonzalez, Acting Director
Caribbean Basin ATO

Prepared by:

Kay Logan, Agricultural Marketing Specialist

Report Highlights:

This report is intended to aid U.S. exporters of food and beverages products in profitably entering Trinidad and Tobago's US\$216 million hotel, restaurant, and institutional (HRI) food service sector. This report summarizes important market developments, presents a road map for market entry, provides sub-sector profiles, describes the overall competitive situation facing U.S. suppliers, and highlights the best product prospects for this country's food service market.

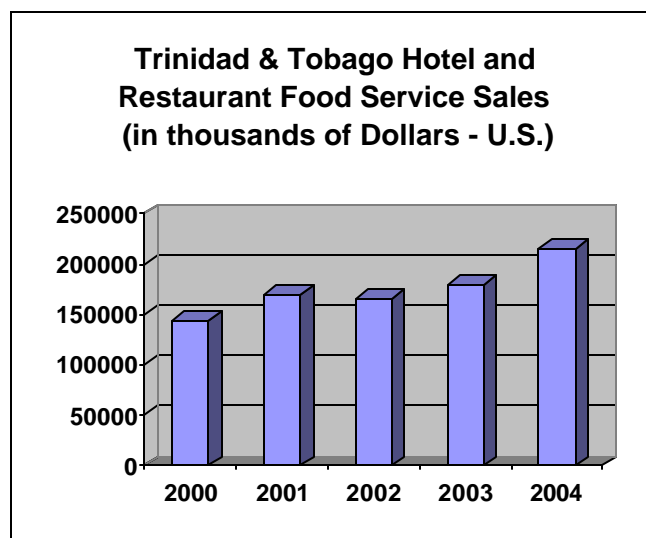
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SECTION I. MARKET SUMMARY

The two-island republic of Trinidad and Tobago is the southernmost country in the Caribbean archipelago, approximately seven miles off the Venezuelan coast. Trinidad and Tobago has a total area of 1,980 square miles, slightly smaller than that of Delaware. Trinidad and Tobago's 1.3 million people share a common culture, but trace their ancestry back to Africa, India, Europe, China, the Middle East and the Mediterranean. The majority of Trinidad and Tobago's population lives on the island of Trinidad, a mixture of metropolis, tropical forests, and mountains. On the contrary, the island of Tobago is a small tourist spot known for its beautiful beaches.

Trinidad and Tobago experienced its tenth straight year of economic growth in 2004. Gross domestic product (GDP) for Trinidad and Tobago was US\$11.48 billion in 2004 – a 5.7 percent increase from 2003. Unlike most of its Caribbean neighbors, Trinidad has a large industrial sector, which is primarily based on petroleum and natural gas production and processing. The agricultural sector remains a small but vital part of the national economy. Tourism, mainly concentrated in Tobago, is a growing sector, although not proportionately as in many other Caribbean islands.

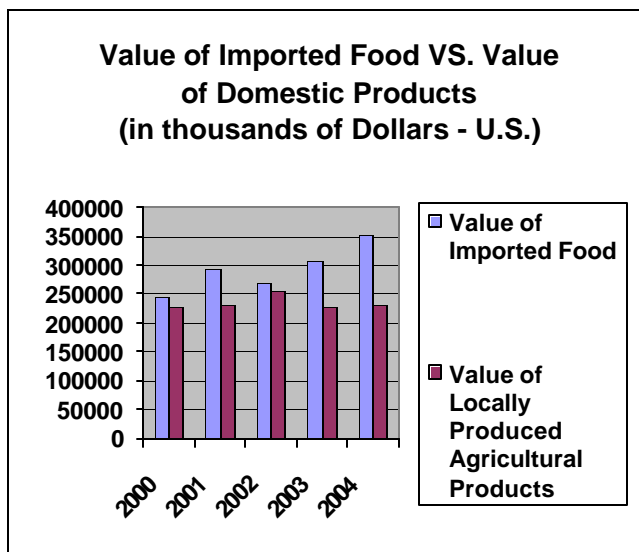
The hotel, restaurant, and institutional (HRI) food service sector is a vibrant area of commerce in the two-island republic driven by a rising economy, a growing population and middle class, and an increasing number of women in the workforce. There are 117 hotels with 3,732 rooms and over 600 restaurants and 185 fast food eateries. Approximately 95 percent of hotels and restaurants are locally owned. In 2004, Trinidad and Tobago's hotel and restaurant food service sales were valued at US\$216 million. High-end and family-style restaurants accounted for 75 percent of the total food service sales, followed by fast-food outlets at 15 percent, and institutions at 10 percent.



Source: Trinidad and Tobago Central Statistical Office

In an effort to meet consumer desires and obtain the ingredients needed by a thriving food processing industry, Trinidad and Tobago is heavily dependent on agricultural imports. In 2004, Trinidad and Tobago's agricultural imports totaled US\$352 million. Consumer-oriented agricultural products and edible fish and seafood products comprised roughly 57 percent of

all agricultural exports to Trinidad and Tobago. The United States is the country's main trading partner in terms of food and beverage products. Over 40 percent of food imports are from the U.S. In 2004, the U.S. exported US\$163 million in agricultural fish, and forestry products to Trinidad and Tobago, of which US\$51 million were consumer-oriented agricultural products, and US\$1 million were edible fish and seafood products. Approximately 30 percent of all imported consumer foods are destined for the HRI food service sector and the remainder for the retail sector.



Source: Trinidad and Tobago Central Statistical Office

The following table illustrates the market advantages (strengths and opportunities) and market challenges (weaknesses and threats) facing U.S. exporters:

Advantages	Challenges
Strong political, economic, and cultural ties with the United States gives U.S. food and beverage products a competitive advantage.	The Caribbean Community and Common Market (CARICOM) trade agreement offers duty-free access to Trinidad and Tobago food market for other Caribbean member nations.
The frequent advertisement of U.S. food and beverage products on cable television maintains the popularity of U.S. products among Trinidad and Tobago consumers.	Local wholesalers already carry many major U.S. and international brands. It may be difficult for new products to compete with these brands and it may be hard to find a local importer who does not carry competing brands.
The two-island republic benefits from one of the highest per capita incomes in the Caribbean region (estimated at US\$10,500 in 2004). The islands' flourishing middle class and the growing number of women in the workforce increase the demand for consumer-ready and convenience foods.	With the strong cultural influence of East Indians, Africans, and Europeans, the "Trini" palate is unique. The U.S. food industry needs to be able to cater to their distinct tastes.

<p>Trinidad and Tobago has relatively liberalized import policies which encourage trade.</p>	<p>Due to older legislative laws imposed to protect the domestic producers, trade barriers restrict selected goods (i.e. citrus and honey).</p>
<p>Trinidad and Tobago has excellent trade and communication infrastructure and a fairly modern and efficient distribution system.</p>	<p>Although Trinidad and Tobago is one of the largest markets in the Caribbean, as in most other island nations, individual orders tend to be small and favor mixed rather than full container loads.</p>

SECTION II. ROAD MAP FOR MARKET ENTRY

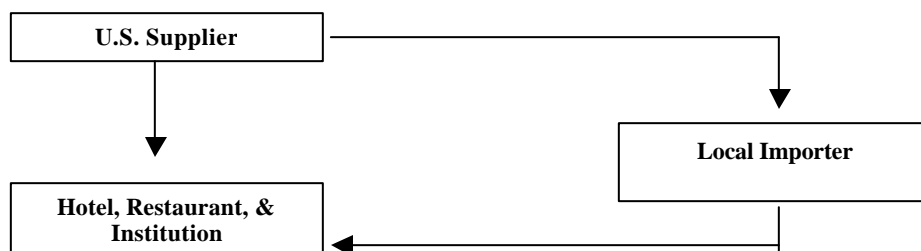
A. ENTRY STRATEGY

The best method for U.S. suppliers to enter the HRI food service market in Trinidad and Tobago is via local importers. Local importers have a wide access to the food and beverage markets, possess large warehouse facilities, and carry a large inventory of products. Thus, U.S. suppliers will be able to achieve maximum sales volume by working with local importers. Food service companies buy 80 percent of their food and beverage products from local importers, while local manufacturers supply 15 percent of their food and beverage needs, and 5 percent of food import directly from U.S. suppliers. In cases where restaurants need specific ethnic foods or certain brands that local importers do not carry, they will import those items directly. Even products that are not of U.S. origin are usually shipped from U.S. suppliers since the United States is the largest supplier and offers the most variety of many ethnic foods.

While importers prefer to respond to chefs’ and food and beverage managers’ requests, the first step for new product introductions is to have product samples to be tested in the hotel or restaurants. However, importers are always interested in learning about high quality and good value products and take the responsibility to introduce products to their customers, given promotional incentives from the supplier. Moreover, local importers and food service representatives also travel to trade shows such as the National Restaurant Association (NRA) and America’s Food and Beverage (AFB) trade shows in an effort to meet face-to-face with product representatives.

B. MARKET STRUCTURE

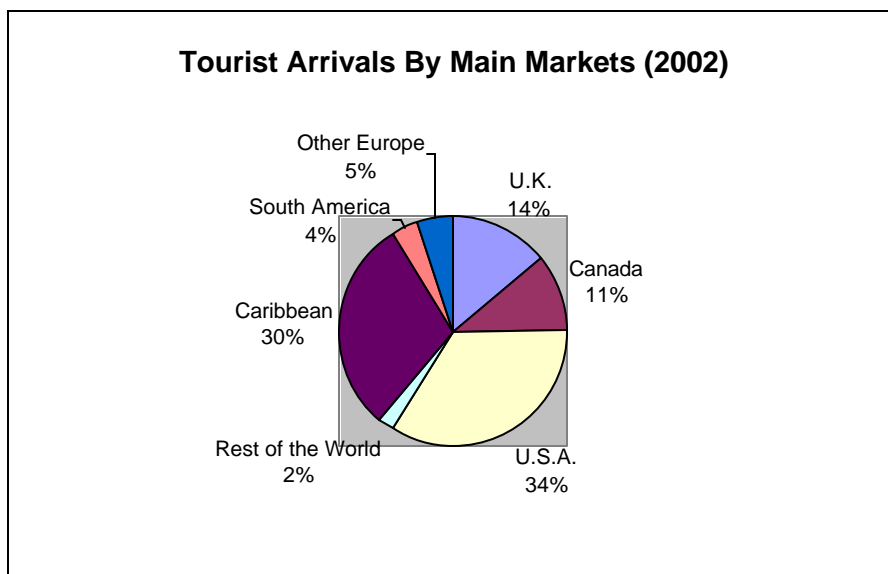
The following chart illustrates how products are passed from U.S. suppliers to the various food service sub-markets:



C. SUB-SECTOR PROFILES

1. Hotels and Guest Houses

While Trinidad’s HRI sector relies primarily on local and foreign business customers, Tobago’s HRI sector is completely dependent on tourists. A large share of Trinidad’s tourists arrives for Carnival, the biggest Mardi Gras celebration in the Caribbean. In addition, Trinidad is a choice location for business and regional political organization conferences with many regional businesses headquartered there. Tobago’s tourism season, like that of other Caribbean islands, is from Thanksgiving to Easter with a small increase for the Tobago Heritage Festival in July. Hotels rely on local importers for 75 percent of their food and beverage needs, while 5 percent are obtained by direct importation, and the remaining 20 percent from local manufacturers.



Source: Tourism and Industrial Development Company of Trinidad and Tobago (TIDCO)

Company Profiles of Trinidad and Tobago’s Largest Hotels and Guest Houses:

Name	Location	Number of Rooms	Purchasing Agent
Hilton	Trinidad	380	Local Importers
Crowne Plaza	Trinidad	235	Local Importers
Hilton	Tobago	200	Local Importers
Coco Reef Resort and Spa	Tobago	135	Local Importers
Long Beach	Tobago	125	Local Importers
Courtyard Marriott	Trinidad	119	Local Importers
Grafton Beach	Tobago	108	Local Importers
Mt. Irvine Beach	Tobago	105	Local Importers
Kapok Hotel	Trinidad	94	Local Importers
Le Grand Couton	Tobago	78	Local Importers
The Royal Palm Suite Hotel	Trinidad	72	Local Importers

Royal Hotel	Trinidad	60	Local Importers
Crew's Inn Hotel and Yachting Center	Trinidad	46	Local Importers

	2000	2001	2002	2003	2004
Total Number of Hotels	113	118	106	119	117
Total Number of Hotel Rooms	3331	3288	3260	3732	n/a

Source: Trinidad and Tobago Central Statistical Office

2. Restaurants

Most fine dining is found in the capital city of Port of Spain, Trinidad, and on the island of Tobago. The La Ronde Restaurant, located at the Crowne Plaza Hotel, the Marquis Restaurant, located at the Hilton Hotel, and Battimamzelle Restaurant, located at Coblentz Inn, are three of the most elegant restaurants in the Port of Spain. The Coral Reef restaurant, located at the Hilton Hotel, is one of the most elegant restaurants located on the island of Tobago. Within the fine dining establishments, most chefs are international, while in the casual eateries most chefs tend to be local. Kentucky Fried Chicken is the largest restaurant chain followed by the locally owned Royal Castle. The majority of restaurants do not import their food and beverage products directly, while buying 90 percent of their goods from local importers and the remaining 10 percent from local manufacturers or producers. Popular cuisines include the following: Chinese (currently the most trendy), Caribbean and Creole, Indian, French, Italian, Thai, and American.

Trinidad Restaurant Company Profiles:

Name	Location	Type of Cuisine	Purchasing Agent
La Ronde	Port of Spain	Caribbean/Continental	Local Wholesaler
Battimamzelle Restaurant	Cascade	Gourmet Caribbean	Local Importer
Botticelli's Restaurant	City of Grand Bazaar	International	Local Wholesaler/Importer
Woodford Café	Port of Spain	Caribbean	Local Wholesaler
Touch & Taste Restaurant and Lounge	California	Caribbean/International	Local Wholesaler
Veni Mange	Woodbrook	Creole/ International	Local Wholesaler
Marquis	St. James	Caribbean/Continental	Local Wholesaler/Importer
Soong's Great Wall	San Fernando	Chinese	Local Wholesaler
T.G.I. Friday's	Port of Spain	American	Importer/Local Wholesaler

Tony Roma's	Port of Spain	American	Local Importer
Ruby Tuesday	Port of Spain	American	Local Importer
Solimar	St. Ann's	International	Local Wholesaler/Importer
Trotters	Port of Spain	International	Local Wholesaler/importer
Kam Wah Chinese Restaurant	Maraval	Chinese	Local Wholesaler
Plantations	Woodbrook	Creole/Cajun	Import/Local Wholesaler
A La Bastille	Port of Spain	French	Import/Local Wholesaler
Roxans	Woodbrook	Arabic/Mediterranean/Local	Import/Local Wholesaler
Crews Inn	Chaguaramas Bay	Continental	Local Importer
Jenny's on the Boulevard	Port of Spain	Chinese and American	Import/Local Wholesaler
Skippers	Bayshore	International	Import/Local Wholesaler
Tamnak Thai	Port of Spain	Thai	Import/Local Wholesaler
Apsara	Valsayn	North Indian Cuisine	Import/Local Wholesaler

Tobago Restaurant Company Profiles:

Arnos Vale Estate	Plymouth	New World/Creole	Local Wholesaler/Importer
Amadeus	Plymouth	Italian	Local Wholesaler/Importer
La Tartaruga	Plymouth	Italian	Local Wholesaler/Importer
Café Iguana	Crown Point	International/Caribbean	Local Wholesaler/Importer
Café Coco	Crown Point	International/Caribbean	Local Wholesaler/Importer
Coral Reef	Scarborough	Seafood/International	Local Wholesaler/Importer
Diver's Den Grill	Bon Accord	Local and International	Local Wholesaler/Importer
Kariwak Village	Crown Point	Caribbean/Creole/International	Local Wholesaler/Importer
La Terrazza	Buccoo	Italian	Local

			Wholesaler/Importer
The Pavilion	Bon Accord	International/Caribbean	Local Wholesaler/Importer
Pelican Reef	Scarborough	Seafood/Steaks	Local Wholesaler/Importer
Shirvan Watermill	Mount Pleasant	Creole/International/Seafood	Local Wholesaler/Importer

Trinidad and Tobago Fast Food Eatery Company Profiles:

Kentucky Fried Chicken	Trinidad/Tobago	Fast Food	Local Wholesaler
Royal Castle	Trinidad/Tobago	Fast Food	Local Wholesaler/Importer
Pizza Hut	Trinidad	Fast Food	Local Wholesaler
Mario's Pizzeria Limited	Trinidad	Fast Food	Local Wholesaler
Pizza Boys	Trinidad Tobago	Fast Food	Local Wholesaler
Subway	Trinidad	Fast Food	Local Wholesaler/Importer

3. Institutional Sales

In addition to the hotel and restaurant market, institutional catering is an attractive market niche in Trinidad and Tobago. The Trinidad and Tobago institutional food services industry includes oil and natural gas, airline, and yacht catering, hospitals, schools and prisons.

Oil and Natural Gas: Oil and natural gas operations demand a steady supply of a variety of food products. Local catering businesses in Trinidad provide a full range of services for both land based and offshore oil and natural gas operations, which include buying food products and cooking and preparing meals. The majority of the catering companies purchase their products, including imported products, from local importers. However, Classic Caterers, the largest offshore catering service in Trinidad, recently acquired its own warehouse facility and has begun importing food and beverage products directly from U.S. suppliers. The best method to enter this market is via direct contact with the catering companies (sending product literature and samples, and traveling to Trinidad to do product presentations) and close contact with retailers servicing this market niche. If interested in a particular product, caterers will contact the particular local importer/distributors from which they purchase imported food and beverage products. For more information on this market niche, see GAIN Report TD2002.

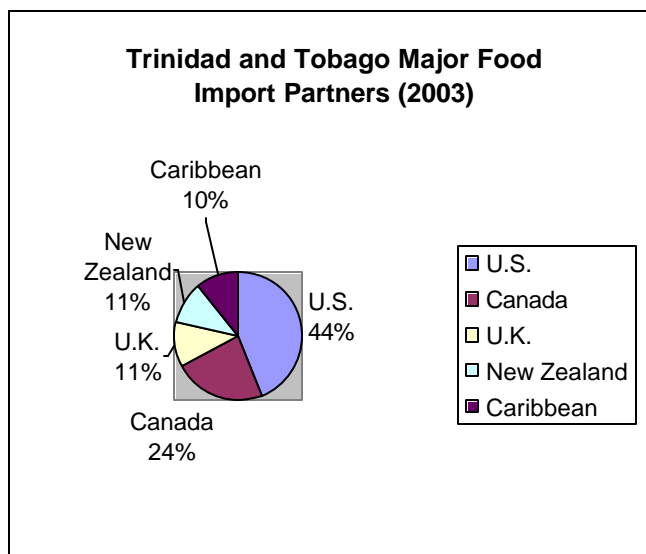
Airline: Trinidad is home to British West Indies Airways (BWIA), one of the largest airlines in the Caribbean. Thus, airline catering is another lucrative market niche within the institutional sub-sector. Allied Caterers serve as the sole airline caterer in Trinidad and Tobago. Its ownership is 55 percent local and 45 percent foreign (U.S. & Barbadian). British West Indies Airways (BWIA), American Airlines (AA), Aeropostal, and American TransAir (ATA) outsource the preparation of in-flight meals to Allied Caterers. The company enjoys using U.S. products because of their consistency and quality. While Allied Caterers uses local

importers and wholesalers for international as well as domestic product needs, the company prefers working directly with U.S. suppliers.

Yacht: Trinidad and Tobago is just south of the hurricane belt, making the two-island republic a popular spot for yachters. There are seven marinas and ten ports of entry in the two-island nation. The Chaguaramas Peninsula in Trinidad, and the Ports of Scarborough and Charlotteville on the island of Tobago, are the main areas of yacht development in the two-island nation. The Trinidad and Tobago yacht community, representing people from all over the world (45 percent U.S.), tend to prefer imported brand name products. Yachters obtain their food provisions in several ways. Some radio ahead and order from a supplier specializing in yacht provisioning, while the majority of yachters rely on purchasing food provisions from local retail outlets. Hi-Lo Food Stores, the largest chain of supermarkets in Trinidad and Tobago, has a small store located at Crews Inn, Chaguaramas' largest marina. There is also a Dockside Foodmart, a small single retail store outlet at the Powerboats Marina. For more information on this market niche, see GAIN Report TD2002.

Hospitals, Schools, and Prisons: The Regional Health Authority (RHA), a government of Trinidad and Tobago (GOTT) organization, is the single purchasing agent for the various district hospitals throughout the country. The RHA primarily depends on local wholesalers to fill their product needs, however, they occasionally import directly. The RHA makes product decisions based on price, brand, delivery, and service. They strive to procure the least expensive product that meets their food requirements. The School Nutrition Program and the Prisons Division purchase food for the schools and prisons respectively and are part of the GOTT as well. Their purchases are primarily focused on buying locally while using local importers/wholesalers for all imported food.

SECTION III: COMPETITION



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

Market share competition for the exportation of food and beverage products to Trinidad and Tobago is led by the United States. In general, U.S. prices are competitive with local and international products. The biggest competition U.S. exporters face is from domestic producers. Trinidad boasts one of the largest food processing industries in the Caribbean. Its major strength is in poultry production, being the fourth largest Caribbean producer after

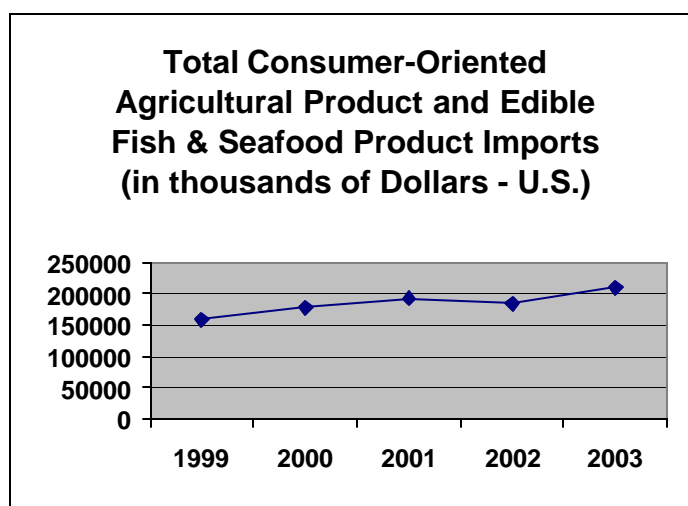
the Dominican Republic, Jamaica and Cuba. Trinidad and Tobago is also a large supplier of seafood.

The government of Trinidad and Tobago imposes high tariffs on selected items, such as ice cream and certain poultry products, which may be produced locally or regionally within the Caribbean. Aside from local competition, U.S. products also face competition from other foreign suppliers. Given Trinidad and Tobago's many ties with the U.K. and Canada, products and brands from these countries are prevalent in the market and may hold a certain sentimental edge among consumers in some cases. The following table illustrates the respective country market shares in different product categories:

Product Category	Import Value 2003	Major Supply Sources and Rank	Share of Import Market 2003
Meat Products	US\$22 million	1. U.S.A. 2. New Zealand 3. Canada (Brazil is also a major supplier - market share percentage is not available)	29% 23% 21%
Fish and Seafood Products	US\$8 million	1. Canada 2. South Africa 3. Brazil (U.S.A. is a minor supplier - 2%)	41% 11% 10%
Processed Meat, Fish, and Seafood Products	US\$9.3 million	1. Canada 2. U.S.A. 3. Brazil	25% 24% 21%
Dairy Products **Trinidad & Tobago imports bulk milk powder to repack and sale under local brand names.	US\$45 million	1. Ireland 2. U.S.A. 3. New Zealand (The E.U. is a major supplier - 36%)	24% 17% 16%
Fresh Vegetables	US\$21.7 million	1. Canada 2. Netherlands 3. U.S.A.	29% 26% 21%
Fresh Fruit and Tree Nuts	US\$10.3 million	1. U.S.A. 2. India 3. St. Vincent and the Grenadines	55% 18% 10%
Processed Vegetable, Fruit, and Tree Nut Products	US\$28.5 million	1. U.S.A. 2. Canada 3. Belize	27% 19% 16%
Other Processed	US\$29.5 million	1. U.S.A.	46%

Foods		2. Costa Rica 3. United Kingdom	12% 7%
Non-Alcoholic Beverages, Wine, and Beer	US\$30.6 million	1. United Kingdom 2. Brazil 3. St. Lucia (U.S.A. is a minor supplier - 8%) (The E.U. is a major supplier - 42%)	28% 15% 12%
Coffee, Tea, and Spices	US\$4.4 million	1. Chile 2. India 3. Canada (U.S.A. is a minor supplier - 7%)	38% 10% 9%

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



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

SECTION IV: BEST PRODUCT PROSPECTS

A. Products Present in the Market Which Have Good Sales Potential:

- Fruit Juices
- Beef
- Turkey (especially around the Christmas holiday)
- Pork
- Fresh Produce (e.g., apples, grapes, citrus, broccoli)
- Cheeses

B. Products Not Present in Significant Quantities but Have Good Sales Potential:

- Snack Foods
- Herbal products (e.g.; tea)
- Non-Caribbean produce (e.g., raspberries, strawberries, broccoli, black mushrooms)
- Ethnic food ingredients, sauces, and other condiments for Indian, Thai, Japanese and

Italian Cuisines (in strong demand)

The products listed below have good sales potential. Their access is restricted by high tariffs yet they all have niche markets to fill:

- Ice cream
- Beer and wine
- Specialty fresh produce (e.g., brussels sprouts, asparagus, artichokes)
- Processed fruits and vegetables
- Wheat Flour

C. Products Not Present Because They Face Significant Barriers:

- Citrus
- Honey
- Margarine
- Avocados
- Further processed chicken and beef

SECTION V: MARKET ENTRY CONSIDERATIONS

All food and beverage imports are subject to the CARICOM Common External Tariff (CET). Since 1999, CET levels for most products have been reduced to a targeted range of 0 percent to 20 percent. However, for certain products the CET rates are as high as 40 percent. In addition to the import duties, a 15 percent value-added tax (VAT) is collected on retail sales of the majority of imported, as well as locally produced goods.

Following high and rising food prices (food prices increased by 21 percent in December 2004), there have been renewed calls by the Supermarkets' Association of Trinidad and Tobago (SATT) for the removal of duty and VAT on food items. Higher food prices may have resulted from several factors including bad weather conditions, the changing demand for goods, and the prolonged and short-term stoppages at the port of Port of Spain, the country's main port.

The following documents are required for the importation of goods to Trinidad and Tobago:

- CARICOM Invoice
- Supplier Invoice
- Bill of Lading or Airway Bill
- Certificate of Origin
- Shipping Documents
- Declaration of Value
- Certificate of Health/Sanitary Certificate (if required)
- Import License (for negative list items only)

For more on food and agricultural import regulations and standards, please refer to GAIN Report TD4001.

SECTION VI. CONTACT INFORMATION

A. For more information on Trinidad and Tobago 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

909 SE 1st Ave., Suite 720
Miami, FL 33131
Phone: (305) 536-5300
Fax: (305) 536-7577
E-mail: cbato@cbato.net

Paul Hoffman, Director
E-mail: paul@cbato.net
Omar González, Deputy Director
E-mail: omar@cbato.net
Graciella Juelle, Marketing Assistant
E-mail: grace@cbato.net

Please visit our website for more reports and information on Trinidad and Tobago and other Caribbean Islands: <http://www.cbato.fas.usda.gov>

B. Other Sources of Information on Trinidad and Tobago:**Tourism and Industrial Development Company of Trinidad and Tobago (TIDCO)**

Trade & Investment Unit
Natalie Paul-Harry
Level 1 Maritime Centre
#29 Tenth Avenue
Barataria
Tel: 1-868-675-7034 Ext 276
Fax: 1-868-675-7338
Email: npaulharry@tidco.co.tt
Website: www.tidco.co.tt

Central Statistical Office

Mr. Clifford Lewis
Officer in Charge, National Accounts
National Statistics Building
80 Independence Square
Port of Spain
Tel: 1-868-623-4493 Ext 4400
Fax: 1-868-625-3802
Email: bizinfo@wow.net

National Agricultural Marketing and Development Company (NAMDEVCO)

Mr. Samaroo Dowlath
Chief Executive Officer
Cor S S Erin Rd
M2 Ring Rd
DEBE
Tel: 1-868-647-3218, 1-868-647-3467
Fax: 1-868-647-6087
E-Mail: mktnamdevco@rave-tt.net, ceonamdevco@tstt.net.tt

Trinidad Hotels, Restaurants and Tourism Association (THRTA)

Bernadette Nathaniel
Executive Director

PO Box 243, Port of Spain
c/o Trinidad and Tobago Hospitality and Tourism Institute
Airway Road, Chaguaramas
Tel: 1-868-634-1174/5
Fax: 1-868-634-1176
Email: info@tnthotels.com

Supermarket Association of Trinidad and Tobago (SATT)
Mr. Heeranand Maharaj, President
Mr. Robin Persad, Educational Research
Macoya Rd, Tunapuna
Telefax: 1-868-663-2622
Email: tsatt@tsstt.net.tt
Website: www.supermarkettt.org

Food and Drug Administration

Mr. Deoraj Ramcharan
Chief Food and Drug Inspector
92 Fredrick St.
Port of Spain
Tel: 1-868-623-2834
Fax: 1-868-623-2477
Email: cfdd@carib-link.net

Ministry of Agriculture

Land and Marine Resources
Head Office, St. Clair
Port of Spain
Tel: 1-868-622-1221

Ministry of Consumer Affairs

Consumer Affairs Division
Agostini Compound
3 Duncan Street
Port of Spain
Tel: 1-868-623-7741

School Nutrition Program

Dr. Deepak Mahabir
Tel: 1-868-625-2296

School Feeding Program

Ms. Ramona Berkley
Food Demonstrator
Tel: 1-868-637-3284

North West Regional Health Authority

Ms. Yvette Ayers
Purchasing Officer
Tel: 1-868-683-0344