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Dominican Republic

Exporter Guide

Exporter Guide to the Consumer Food Market

2000

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Report Highlights:

The consumption of imported consumer foods in the Dominican Republic has increased by nearly 25% per year during the last eight years and this tendency is expected to continue in the near future. 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 grocery stores. The market structure for food distribution has changed in recent years, with greater participation of the local and international supermarket chains, which are more prone to sell imported products.

Includes PSD changes: No

Includes Trade Matrix: No

Annual Report

EXPORTER GUIDE TO THE CONSUMER FOOD MARKET IN THE DOMINICAN REPUBLIC

1. MARKET OVERVIEW

The sustained economic growth of the Dominican Republic has brought about a substantial growth in food demand in recent years, resulting in greater opportunities for US suppliers. Imports from the United States represented 50% to 56% of food imports recorded in 1997 and 1998. The consumption of imported consumer foods has increased by nearly 25% per year during the last eight years and this tendency is expected to continue in the near future. North American culture has significantly influenced the Dominican consumer habits both because more than one million Dominicans live in New York City and other locations, and the influence from cable TV, music, movies and other American traditions that have been incorporated, such as Thanksgiving and Halloween.

The Dominican Republic, which has traditionally relied on its agricultural products, has become the major and most attractive tourist focal on the Caribbean with 47,000 hotel rooms to September of 1999, and an estimated growth of 3,500 rooms per year.

The Dominican economy is considered to have achieved one of the best growth rates in Latin America and the world. According to the Central Bank, it has maintained an annual growth above 7% for the past four years and the inflation rate has been kept under double digits. In 1999, the Gross Domestic Product increased by 8.3%, and in 1998 grew by 7.3%. The sectors with greater growth in 1998 and 1999 were communication (20.6% and 15.6%) and construction (19.6% and 18.2%). Tourism (Hotel, Bar and Restaurant activities) only grew by 4.7% in 1998, which is a slower growth rate compared to the 15% average rate for the decade. However, in 1999 it grew by 10.2%

According to a National Household Survey of Expenditures and Income (ENIGH) conducted by the Central Bank from October 1977 to September 1998, the current household annual income is US\$15,787.65 millions, which implies an annual per capita income of US\$1,925.32. It also reported that the current annual expenses in Dominican households were US\$2,702.5 million per year, which are classified as follows: 21.76% meats, 17.02% cereals, 10.90 fruits, 7.44% milk and its by-products and 5.85% vegetables.

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 grocery stores. Foreign supermarket chains, such as Pali from Central America, PriceSmart from the United States and Carrefour from France have opened retail outlets in Santo Domingo and Santiago. Also, the local supermarket chains are making extraordinary expansion efforts, opening new retail outlets in Santo Domingo and other cities, adopting modern technology for managing their operations and aggressive marketing strategies to attract new clients to their stores.

The following table illustrates some of the Advantages and Challenges for U.S. suppliers of consumer foods and edible fishery products:

<u>Advantages (strengths and opportunities)</u>	<u>Challenges (weaknesses and threats)</u>
<ul style="list-style-type: none"> • The market structure for food distribution has changed in recent years, with greater participation of the local and international supermarket chains, which are more prone to sell imported products. • The economic growth of the country, based on the development of the tourist sector creates a greater demand of high-quality products, where the consumer perceives a higher quality in imported products. • Migration from rural areas to the cities is still continuing at a pace greater than the population growth rate. • There is great influence from US culture (Cable TV, music, and fashion). • The country's food distribution systems are becoming more efficient with a tendency to get as close to the consumer as possible. • As the country gets involved in trade agreement to liberalize the domestic market, there is an opening for a greater market access for U.S. product. 	<ul style="list-style-type: none"> • The globalization process and the economic stability of the country attract new foreign supermarket chains. Some of these come from Europe and Central America, which could result in imports from those countries. • Dominican industry becomes more and more competitive, integrating better technology and machinery to its production process. • Most people, who migrate to the cities, usually come from low-income areas and concentrate in slums. • Globalization has increased the influence from other cultures (Europe, Asia, Central and South America), that influence consumer habits. • The entry of new brands into the market is becoming increasingly difficult because distributors are saturated with new products. High marketing investment has to be made on promotion and advertisement to create brand awareness. • There are tariff and non-tariff barriers that affect imports to the Dominican Republic. Also, on average, air and sea transportation fees remain high.

2. EXPORTER BUSINESS TIPS

To do business in the Dominican Republic it is always wise to know the business climate before starting directly or establishing a business partnership with a local company or representative.

It is recommended to comply with local laws and regulations. A common practice is to undervalue imported merchandise declared to the customs for tax evasion. To counteract this situation, customs authorities have taken measures to impose fines of at least double the amount of unpaid taxes, making this a very risky activity.

Government authorities are making a great effort to comply with the intellectual property right issues, mainly due to pressure received from countries such as the United States. There are specific patent laws (Law 4994 – Invention Patents), trademarks (Law 1450 enacted in 1937 and the copyright law (Law 32-86). Recently, the President submitted to Congress a Law Proposal to regulate anti-dumping practices and to prohibit monopolistic and collusive behavior. Likewise, this proposal establishes the framework for copyright and intellectual property rights.

The traditional Dominican diet includes three meals a day, where the midday meal is always the largest. Among the middle class, breakfast includes bread, eggs, ham, fresh fruit, salami and vegetables in some cases. The low-income class prefers vegetables with eggs, milk, salami and coffee. Lunch usually consists of rice, beans, meat (chicken, beef or pork) or pasta and some salad. However, in most of the urban areas, Dominicans are changing both the number of daily meals and the types of foods. Workers, especially those in offices and the younger ones cannot go home for lunch and they prefer to eat lighter meals with snacks or eat at fast food restaurants. Some employers subsidize their employees' lunch so they don't have to leave the work area. In Santo Domingo (the capital), because of the distance and traffic, very few workers have lunch at home.

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. Therefore, there is a tendency, mainly among the middle and high-income classes, to consume natural and healthy products. Hence, some supermarkets have diet food departments, so that they are more accessible to consumers who buy them.

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. 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. It must specify the brand name, the specific name of the product, the list of ingredients, and the net weight of the final product. It must also specify the name and address of the producer and importer, the country of origin, the identification of the production batch code, the expiration date and instructions for

using the product.

Consumer foods must be registered with the Department of 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.

The trademark must also be registered with the Ministry of Trade and Commerce. It takes two to four months to process the Sanitation Registration and to register the trademark. It is recommended that an expert in these matters (legal firm) handle these processes. The cost may range between US\$300 and US\$500 per product, depending on the legal firm fees.

All shipments to the Dominican Republic valued in excess of US\$100 must be supported by the following documentation: (1) Bill of Lading (English or Spanish), (2) Consular Invoice (Spanish), (3) Commercial Invoice (Spanish), insurance certificate (issued by a local insurance company) and a certificate from the Central Bank (Import permit). A Dominican consular representative in the country of origin must certify the first three documents. Some other documents are required depending on the type of product, such as:

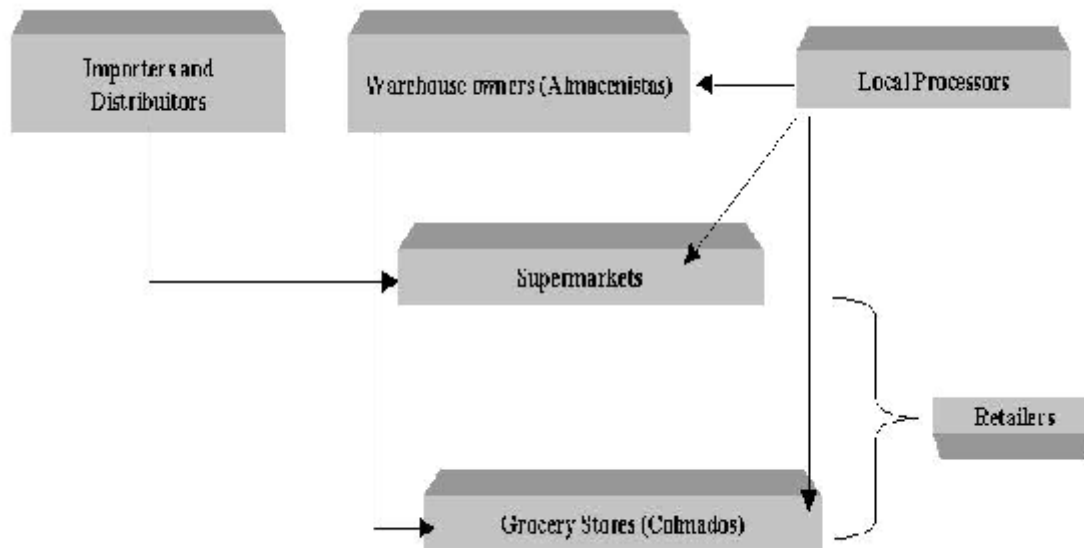
- Phyto or Zoo Sanitary Certificate: for importing agricultural and animal products, such as fresh dried fruits, vegetables, plants and cattle.
- Import Permit issued by the Department of Internal Taxes for alcoholic beverages.

The Vegetal Sanitation Law (Law 4990 enacted on September 3, 1958) regulates the imports of plants, fruits, seeds, flowers and vegetable parts. 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, considering the sanitary situation of the country of origin. The Ministry also has the power to establish quarantines. Cattle imports, for example, are subject to rigorous quarantine measures and the importer must cover the cost.

The customs clearing process takes approximately three 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 related with the processes for appraising, verifying and clearing of the merchandise.

The appraisal of the imported merchandise is based on a list of minimum prices or customs appraisal list (Lista de Valuación Aduanera, LVA). The values are established by consensus at the Office of the Appraisal Committee (Comisión de Valoración, CV), whose members are government and private sector representatives. If there are any differences between the price presented by the importer and the price list, Customs takes the highest value. The LVA is reviewed every six months and apparently there still are many differences between the values reported by the importers. The CV handles all claims resulting from this procedure.

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 35%, 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 a tariff rate quota on eight agricultural products: beans, chicken, corn, garlic, milk, onions, rice and sugar. Imports exceeding the limits are subject to tariffs ranging from 74 and 162%.



Other taxes include:

- Exchange Commission (Import Permit): currently, it is 5% of the C.I.F. value of the imported products.
- Consular Invoice and the legal taxes (between 100 and 200 US dollars): paid in the country of origin.
- A value-added tax (Impuesto de Transferencia de Bienes Industrializados y Servicios, ITBIS): 8% on the added value. This tax also applies to local production, however local products considered staple are exempt, which in some cases represents an advantage for local products.
- Luxury Tax (Impuesto selectivo al consumo, ISC): ranges from 5 to 80% 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, therefore, to calculate it, the C.I.F. value is multiplied by a factor (determined by the Customs Department in an administrative manner) to reflect this price.

3. MARKET FOOD SECTOR STRUCTURE AND TRENDS

The food distribution system has changed significantly during recent years. While a few years ago, there were only a few food importers, who simply imported and sold to wholesalers, now there are hundreds of companies involved in this type of business directed more towards distribution. In most cases, the owners of major supermarkets own import companies or holding groups that in addition to importing goods for their supermarkets, also have a distribution center to manage imported and locally produced foods to supply smaller distributors (warehouse owners) and retailers.

There are also some independent companies that work as importers and wholesale distributors for well-established brands. However, the tendency is for importers and local producers to have more control over their products at the retail level. They have developed direct distribution systems that have reduced the importance of the wholesaler in the food distribution chain.

A. THE RETAIL FOOD SECTOR

The traditional retail food sector of the country is comprised of supermarkets that focus on middle and high income customers, warehouse owners who supply the grocery stores, but in many cases, they also function as retailers. The grocery stores (colmados) are scattered all over the country, but their focus is on middle and low income customers.

There are approximately 80,000 grocery stores (colmados) in the country. Traditionally, the warehouse (almacenistas) has supplied them. The grocery store sells staple foods (rice, beans, sugar, salt, condiments, milk, water, salami, eggs, ham and cheese), alcoholic and non-alcoholic beverages, and cigarettes. In some cases they sell fruits, vegetables and meats and have cooling systems for drinks and beverages (beer, beverages, milk, etc.) and meat products. Usually, the products sold in this type of business are consumed on the same day and in many cases credit is available to customers. Many of these "colmados", especially in Santo Domingo, have evolved into self-service stores or mini-markets and "Colmadones", which are similar to grocery stores, but larger. They provide entertainment with music and serve alcoholic beverages during evening hours and weekends.

Important companies such as INDUVECA (sausage producer), "Cervecería Nacional Dominicana" (Presidente Beer with about 90% of beer market share), E. León Jiménez (cigarettes, cigars), "La Tabacalera" (cigarettes) CODAL (local Nestle's company), "Productos Checo" (sausages), Pepsi, Coca-Cola and many others have their distribution network. They supply retailer up to twice a week, depending on the product turnover. These companies, with their own distribution systems, seem to be the most appropriate way for introducing new brands or products into the domestic food market.

Furthermore, there are some small and medium-size warehouses (almacenistas) that are also retailers, mainly to middle and low-income clients who usually do their grocery weekly or every other week. These type of consumers have been shifting to supermarkets to take advantage of the variety and freshness of products, the shopping facilities and especially the use of credit cards.

The supermarket industry has advanced a lot in the country during the last decade, 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 the 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.

Among the most important supermarkets chains are the following: "Centro Cuesta Nacional" (CCN) that operates the "Nacional" supermarkets (7 stores; 6 in Santo Domingo and 1 in Santiago) and "La Despensa" (4 stores in different sectors of Santo Domingo). The Ramos Group (Grupo Ramos) operates

the Pola Supermarkets (5 stores – 4 in Santo Domingo and 1 in Santiago). Other important supermarkets chains are Plaza Lama (2 in Santo Domingo, including appliances), Asturias (2 in Santo Domingo), Hiper Olé (3 in different sectors of Santo Domingo) and the Bravo Supermarkets (2 in Santo Domingo). There are also some foreign supermarket chains such as Pali (Costa Rican) with 12 retail outlets located in the mass segments of Santo Domingo. Important chains such as PriceSmart (North American) recently opened two retail outlets (one in Santo Domingo and the other in Santiago). Carrefour (French) opened a store in a large mall of Santo Domingo on March 2000.

Large supermarkets such as Nacional, Pola, Bravo and Asturias are located in urban zones with areas ranging from 40,000 to 50,000 square feet, with 15 to 30 cashiers and maintain the latest retail business technology, such as UPCs, scanners and computer systems for controlling inventory. The smaller ones located in the mass segments, such as “La Despensa” and Pali also use modern technology, but their stores are smaller (10,000 to 30,00 square feet), and there is a more limited product variety. These supermarket chains target medium to low income customers who were not previously used to going to supermarkets.

The most important marketing strategies have been oriented towards product quality, personnel quality, customer service, and specially discount sales. The “Nacional” supermarkets have what they call the “Quincenazo” (biweekly sales specials) and the 2 x 1 special on vegetables once a week. Pola uses the 2 x 1 (buy one, get two) on vegetables and other products. Usually, although the clients are not aware of this, suppliers must bear the costs of these specials. Pali chain has been successful in Costa Rica to convey the feeling that their prices are lower. In this case customers had to take their own grocery bags. However, this approach does not work in this country and they have had to start advertising that they are providing the bags.

There are also other medium-size supermarkets that have been in business during several years and have a good flow of customers. Among these are “Casa Perez” (Santo Domingo), INDUVECA (La Vega), La Fuente (Santiago) and Central (Santiago). They differ in the level of technology they use. Their sizes range from 10,000 to 30,000 square feet and they have 5 to 15 cashiers. Radio advertisement and price specials are the main marketing strategies to attract customers to these supermarkets.

Moreover, in the supermarket segment there are smaller supermarkets located in residential areas, which are known as mini-markets and self-service food stores. They carry limited quantities of products and have only two to five cashiers. Customers usually live within a walking distance. Furthermore, it should be noted that there is a boom of self-service (convenience) stores at gas stations. These are of easy access to gas-station clients and sell snacks, ice cream, sandwiches and beverages. Those convenience stores display a sizable amount of imported food items on shelves, especially chocolates, juices, ice cream, and snacks.

It is also important to point out that supermarkets and grocery stores have widely expanded the time open to customers. Some of them are opened 24 hours.

The Internet sales market is not widely used, especially in the food business. Currently, there are only a few fast food stores such as Pizza Hut, Kentucky Fried Chicken and Domino's Pizza offering services through the internet to some urban areas of the capital.

B. THE FOOD SERVICE SECTOR

The tourism sector (hotels, bars and restaurants) grew by 10.2% in 1999, mainly as a result of an increase of more than 4,700 hotel rooms, an improvement compared to the growth achieved in 1998 that was only 4.3%, when the country was hit by Hurricane George on September of that year. Previously, the sector experienced a growth rate of approximately 15% per annum, during the last five years.

Up to September 1999, there were 46,411 hotel rooms, which are concentrated mainly in tourist regions such as Puerto Plata (15,300), La Altagracia (13,500), Samaná (1,760) and La Romana (1,050) and in Santo Domingo (5,400). With these figures, the Dominican Republic is the largest tourist destination in the Caribbean. In 1998, this sector generated US\$2,200 million, 57,140 direct jobs and contributed 6.97% to the GDP.

In 1998, 1.88 million foreigners visited the country (departing from airports), coming from Europe, (56.7%), North America (23.3%), Canada (9.1%), South America (8.3%) and others (2.6%). The average stay was 10 nights and the average daily expenditures were US\$97.3. Tourists prefer the all-inclusive packages because they are more affordable and convenient, and they do not have to make any decisions as to what to eat or drink. Hotels and restaurants are pushed to be very efficient in handling low-cost foods and beverages and prefer local products.

The location of restaurants responds to hotel location, tourist areas and the urban zones. There is a wide range of restaurants, both of high quality and specialized in different type of cuisins (native, seafood, pastas, meats, Italian, Cantonese, Spanish, Argentine and fast foods).

According to a study carried out in 1998 by the Hotel and Restaurant Association (ASONAHORES), 58.3% of these establishments have English-speaking employees, 50% have live music and 99% accept major credit cards (Visa, Master Card and American Express).

Fast-food restaurants, which are mainly North American franchises, are growing in the country and have been widely accepted. For example, McDonalds has 6 restaurants (4 in Santo Domingo and 2 in Santiago), Burger King has 8 (5 in Santo Domingo and 3 in Santiago), Wendy's has 3 (Santo Domingo), Pizza Hut has 6 (4 in Santo Domingo and 2 in Santiago). Taco Bell has 3 (2 in Santo Domingo and 1 in Santiago) and Kentucky Fried Chicken has 4 in Santo Domingo. There are others native and Cantonese food restaurants. Over 50% of these opened during the last two years, which reflects the growth of this sector.

Foreign and local high income oriented restaurants use a great deal of imported foods and ingredients, such as meats, fish, seafood, wines, liquors, etc.

The high tourist activities and the increasing amount of important international fast-food restaurant chains coming into the country are two significant factors contributing to the increase in the demand of imported food products.

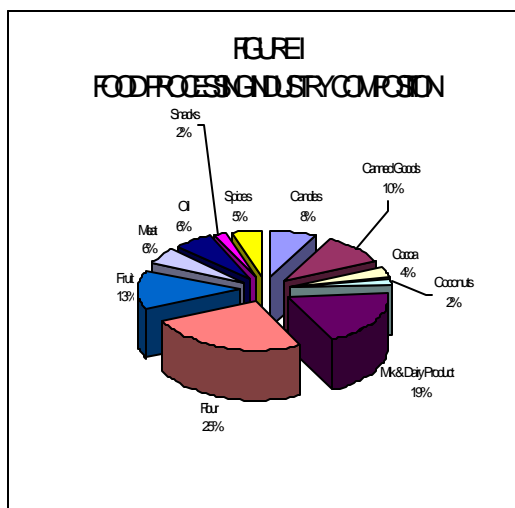
C. DOMESTIC FOOD PROCESSING SECTOR

The outlook for the Dominican food-processing sector is very promising. During the last few years there has been a significant growth in different areas of this segment. For example, for 1997 and 1998 the flour industry and its by-products grew by 13.8%; soy oil, 20.5%; pasteurized milk, 17%; pastas, 15.5%; and ground coffee, 7.4%. There has also been an increase in the area of canned products (tomatoes, beans), meat processing (ham, salami, sausages, hot dogs), fruit processing (citrus and pineapple) and snacks (plantains and potatoes).

Currently, there are approximately 105 major food processing companies, of which 25% process flour (pasta, pastries, crackers, etc.); 19%, milk and its by-products; 13%, fruits; and 10%, vegetables.

The meat-processing industry is vertically integrated. Usually it has its own farm (livestock and poultry), slaughterhouse and processing plants for meat products (ham, salami, sausages, hot dogs, etc.). Some of these facilities complied with USDA requirements for exporting to the United States and have incorporated sufficient technologies to obtain good quality products. They have now all be decertified. Aside from their own production centers, these companies procure animals from other producers and import meat, lard and other necessary ingredients to manufacture their products.

In relation to fresh products there are certain weaknesses on handling and storage resulting in significant post-harvest losses, which in some cases surpass 25%. This, in turn, has created deficiencies in the fruits and vegetables processing companies, both in terms of quality and the costs of their products.



Source: Prepared by Megavision with data provided by the USDA, 2000

The presence of imported products with higher quality standards has increased the demands of this type of consumer food products.

4. BEST HIGH-VALUE PRODUCTS PROSPECTS

The following is a list showing the most promising high-value product with a good potential to increase their participation in the domestic food market:

1. Breakfast Cereals: middle and low-income people are switching from staples to more ready to eat foods.
2. Alcoholic beverages: Wine and whisky consumption has increased more than a 25% this year.
3. Meat and Poultry: specials cut for up-scale restaurants, special steakhouses and some hotel restaurants, hamburger patties for fast-foods restaurants, turkey.
4. Seafood products: fish, shrimp, squid, lobster, crabs and octopus, canned fish
5. Snack Foods
6. Frozen Vegetables: potatoes, mix vegetables
7. Fresh fruit: apples, grapes and pears
8. Dried fruits and nuts
9. Dairy products: ice creams, yogurt, non-fat dried milk, butter, cheese.
10. Chocolate and derived
11. Instant coffee and tea
12. Fruit juice and refreshment
13. Pet foods

5. KEY CONTACTS AND FURTHER INFORMATION

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(Comision Nacional para la Produccion Pecuaria)
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Contact: Osmar Benitez, Executive Vice-president

EXPORTER GUIDE APPENDIX I: STATISTICS

A. KEY TRADE & DEMOGRAPHIC INFORMATION

KEY TRADE	All Counties	U.S. Market	U.S. Market
	US\$ Mil	US\$ Mil	%
Agricultural Imports (1998) - exc. Forest Product	773.38	416.65	53.87%
Consumer Food Imports (1998)	289.90	104.08	35.90%
Edible Fishery Imports (1998)	51.17	8.02	15.68%
DEMOGRAPHIC INFORMATION			
Total Population (Millions)			82
Population Annual Growth Rate (%)			23
Urban Population (Millions)			492
Number of Major Metropolitan Areas 1/			2
Size of the Middle Class (Millions) 2/			3.13
Per Capita Gross Domestic Product (U.S. Dollars) 3/			3,758.96
Unemployment Rate (%) 4/			14.55%
Per Capita Gross Food Expenditure (U.S. Dollars) 3/			36531
Percentage of Female Population Employed 5/			23.80%
Exchange Rate 6/			1593
1/ Santo Domingo and Santiago 2/ Based on the ENIGH, quintile 3 & 4. Average annual revenue for home from US\$6,068.00 to US\$8,670.9 3/ Based on the ENIGH 1997/1998 4/ Based on the ENIGH 1997/1998 (15 year old and above) 5/ Based on the ENIGH 1997/1998 (15 year old and above)			

EXPORTER GUIDE

APPENDIX 1: STATISTICS

B. CONSUMER FOODS IMPORTED FROM TOTAL WORLD & EE.UU, US\$000, 1998

Products	World Total	US	US Share	Other Main Suppliers
02 Meat (fresh/frozen/dried)	51,182	22,717	44.4%	Italy, Puerto Rico, Brazil
0201 Beef (fresh)	1,655	741	44.8%	
0202 Beef (frozen)	606	338	55.8%	
0203 Swine (fresh/frozen)	3,286	3,167	96.4%	
0204 Lamb/Goat (fresh/frozen)	538	487	90.4%	
0206 Edible Offal	2,427	2,143	88.3%	
0207 Chicken fresh/frozen	42,670	15,841	37.1%	
03 Fish & Seafood (fresh/frozen/dried)	43,324	5,940	13.7%	Norway, Canada, Germany, Spain, Holland
0302 Fresh Fish (excl. fish fillets)	579	407	70.3%	
0303 Frozen Fish (excl. fillets)	2,035	1,375	67.6%	
0304 Fish Fillets (fresh/frozen)	1,407	622	44.2%	
0305 Fish dried/salted/in brined/smoked	37,858	2,331	6.2%	
0306 Crustaceans, even peeled, alive, fresh, refrigerated	825	744	90.3%	
0307 Mollusks, alive, fresh, refrigerated	621	461	74.2%	
04 Dairy & Eggs	102,357	20,663	20.2%	Holland, Switzerland, Ireland, United Kingdom, Germany, Canada, New Zealand, Denmark, Belgium, Australia
0401 Milk/Cream (not concentrated, unsweetened)	2,516	2,332	92.7%	
0402 Milk/Cream (concentrated or sweetened)	84,168	12,781	15.2%	
0403 Yogurt	456	234	51.3%	
0405 Butter & Other Milk Fats	6,499	1,429	22.0%	
0406 Cheese	7,990	3,251	40.7%	
0407 Eggs	3,245	2,968	91.5%	
07 Vegetables (fresh/frozen/dried)	46,787	27,637	59.1%	Canada, China, Spain, Colombia
0701 Potatoes (fresh)	7,571	1,113	14.7%	
0703 Onion/Garlic (fresh)	13,290	4,221	31.8%	
0704 Cabbages, cauliflower, curly cabbages, turnips	144	100	69.5%	
0705 Lettuces (Lactuca sativa) and chicory	221	203	92.2%	
0706 Carrots, turnips, apionabos, radishes	153	132	86.3%	
0708 Leguminous Veg (shelled/unshelled, fresh)	483	424	87.8%	
0710 Frozen Vegetables	523	218	41.7%	
0711 Vegetables provisionally conserved	790	85	10.8%	
0712 Dried Vegetables	1,913	1,056	55.2%	
0713 Leguminous shelled & dried	21,698	20,084	92.6%	
08 Fruit & Nuts (fresh/frozen/dried)	13,573	11,521	84.9%	Chile, Argentina
0802 Fresh or dry shell fruits, even without shell	493	484	98.2%	
0806 Grapes (fresh/dried)	4,670	3,666	78.5%	
0808 Apples/Pears (fresh)	8,499	7,514	88.4%	
0809 Stone Fruit (fresh)	119	98	82.2%	

0813 Dried Fruit	285	244	85.5%	
09 Coffee, Tea, Mate & Spices	2,605	678	26.0%	Indonesia, Singapore
0901-0910 Spices	2,605	678	26.0%	
10 Cereals	135,868	130,814	96.3%	Chile, Canada, Argentina, Spain, Mexico
1001 Wheat	36,841	36,829	100.0%	
1004 Oats	3,251	419	12.9%	
1005 Corn (includes to sow)	68,785	66,669	96.9%	
1006 Rice	26,990	26,897	99.7%	
11 Milled products	24,503	18,733	76.5%	Canada, Belgium, Puerto Rico, Argentina, Spain, Mexico
1101 Wheat flour	2,870	1,255	43.7%	
1102 Cereal flour, except wheat	354	151	42.5%	
1103 Semolas	7,810	6,763	86.6%	
1107 Malt (of barley or other cereals), even toast	10,936	10,143	92.7%	
1108 Starch	2,532	422	16.7%	
15 Fat and oils	73,050	24,905	34.1%	Taiwan, Argentina, Germany, Spain, Colombia
1502 Animals fat	6,063	6,063	100.0%	
1507 Soybean oils	53,175	8,091	15.2%	
1515 Corn oils	3,429	2,593	75.6%	
1517 Margarine	1,615	994	61.5%	
1518 Others fats and oils	8,768	7,164	81.7%	
16 Preparations of Meat and Fish	20,634	5,865	28.4%	Spain, Thailand, Canada, Venezuela, Mexico, Taiwan
1601 Sausages	421	408	96.8%	
1602 Other Processed Meat Products (not frozen)	2,130	1,772	83.2%	
1604 Processed Fish (not frozen)	18,015	3,640	20.2%	
1605 Processed Crabs/Lobsters/Shrimp not frozen	67	46	69.3%	
17 Sugars & Sugar Confectionery	27,049	11,078	41.0%	Cuba, Mexico, Guatemala, Colombia
1701 Cane of Beet Sugar	14,538	8,128	55.9%	
1702 Lactose, glucose and other syrups	1,678	855	51.0%	
1704 Sugar Confectionery w/o cocoa	10,833	2,095	19.3%	
18 Cocoa & Cocoa Preparations	1,695	1,262	74.5%	Mexico, Chile, Italy
1806 Chocolate & Other Food Pre s w/ Cocoa	1,695	1,262	74.5%	
19 Preparations of Cereals	23,426	8,875	37.9%	Holland, Mexico, Denmark, Venezuela, Italy, Venezuela, Colombia, Puerto Rico
1901 Baking Mixes/Other Flour Preparations/Infant Food	7,616	2,097	27.5%	
1902 Pastas	2,331	506	21.7%	
1904 Prepared Cereals (e.g. breakfast cereals)	5,278	2,685	50.9%	
1905 Biscuits, Wafers, and Similar Baked Products	8,202	3,587	43.7%	
20 Preparations of Vegetables & Fruits	18,449	10,473	56.8%	Venezuela, Costa Rica, Puerto Rico, Mexico
2001 Cucumbers, pickles, onions, olives, capers	886	165	18.6%	
2002 Tomatoes, prepared/preserved	297	77	25.9%	
2004 Potatoes and vegetables, frozen	1,892	1,372	72.5%	
2005 Canned Vegetables & Mixed Vegetable	2,377	1,985	83.5%	
2007 Jams, Jellies, Marmalades, Purees	3,437	752	21.9%	
2008 Canned Fruits	1,297	989	76.3%	
2009 Fruit and Vegetable Juices	8,262	5,133	62.1%	

21 Miscellaneous Edible Preparations	25,227	13,649	54.1%	Mexico, Colombia, Brazil, UK, Holland, , Chile, Spain, Germany
2103 Condiments (Mustard/Soy Ketchup/Other Sauces)	8,542	7,553	88.4%	
2104 Soups and Broth	1,920	644	33.6%	
2105 Ice Cream	1,342	467	34.8%	
2106 Misc. Food Preparations not elsewhere specified	13,423	4,985	37.1%	
22 Beverages, Spirits & Vinegar	32,980	7,983	24.2%	Scotia, Chile, Spain, Germany, UK, Panama, Trinidad & Tobago
2201 Bottled Water	278	88	31.5%	
2202 Soft Drinks and other Non-Alcoh. Beverages (ex. Juices)	4,143	2,367	57.1%	
2203 Beer	622	298	47.9%	
2204 Wine	5,633	1,185	21.0%	
2208 Gin, Vodka, Whisk , Rum, Liqueurs	21,956	3,727	17.0%	
2209 Vinegar	348	319	91.7%	
TOTAL	642,707	322,793	50.2%	
Source: Official import data of the Dominican Republic				

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APPENDIX 1: STATISTICS

C. TOP SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS								
#	COUNTRIES	1997		1998		Total (1997 +1998)		Main Products
		US\$000	%	US\$000	%	US\$000	%	
1	United States	112,610	40.6%	150,590	36.6%	263,201	38.2%	Bean, sugar, chicken, milk & milky products, onions, tomato paste, season, etc.
2	Denmark	34,146	12.3%	40,328	9.8%	74,474	10.8%	Powder milk & cream, modified milk
3	Canada	19,303	7.0%	26,772	6.5%	46,075	6.7%	Herring, cod, potatoes, sardines, milk
4	México	12,085	4.4%	18,283	4.4%	30,368	4.4%	Sugar, alcoholic beverages, modified milk, orange juice
5	Norway	9,513	3.4%	20,676	5.0%	30,189	4.4%	Cod
6	Brazil	652	0.2%	27,746	6.8%	28,398	4.1%	Chicken
7	Holland	10,633	3.8%	15,424	3.8%	26,057	3.8%	Milk
8	Scotland	10,032	3.6%	11,528	2.8%	21,560	3.1%	Whisky
9	New Zealand	6,966	2.5%	8,155	2.0%	15,121	2.2%	Milk
10	United Kingdom	5,277	1.9%	8,294	2.0%	13,571	2.0%	Alcoholic beverages, milky products
11	Spain	5,603	2.0%	7,673	1.9%	13,276	1.9%	Wine, whisky, olive
12	Puerto Rico	5,220	1.9%	6,546	1.6%	11,766	1.7%	Water, cookie, cereal
13	Colombia	3,358	1.2%	7,639	1.9%	10,998	1.6%	Chewing gum, candies, cookies
14	Chile	4,151	1.5%	6,846	1.7%	10,997	1.6%	Apples, grapes, wines
15	Venezuela	3,203	1.2%	6,796	1.7%	9,999	1.5%	Sardine, preserve, bakery products, tuna fish
16	Western Germany	4,246	1.5%	2,676	0.7%	6,922	1.0%	Cod, onions
17	China (Continental)	4,445	1.6%	1,757	0.4%	6,203	0.9%	Garlic
18	Thailand	2,185	0.8%	3,968	1.0%	6,153	0.9%	Sardines, tuna fish
19	Italy	2,024	0.7%	4,066	1.0%	6,090	0.9%	Pasta, meat, wine
20	Ireland (Eire)	2,621	0.9%	3,011	0.7%	5,632	0.8%	Milk
21	China Taiwan (Formosa)	452	0.2%	5,138	1.3%	5,590	0.8%	Garlic, tuna fish, sardines
22	Dutch Antilles	2,351	0.8%	404	0.1%	2,755	0.4%	Milk (evaporated)
	Total major countries	261,078	94.2%	384,315	93.5%	645,394	93.8%	
	Others	16,071	5.8%	26,649	6.5%	42,720	6.2%	
	Total food imports	277,150	100.0%	410,964	100.0%	688,114	100.0%	

Source: National Office of Statistic

Note: Values are CIF, Santo Domingo

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APPENDIX 2: PRODUCTS IN SUPERMARKETS
(A Representative List)

PRODUCT	BRAND	COUNTRY OF ORIGIN
Meat, fresh		United States
strip, ribbed tenderloin, t- Bone, porterhouse		Dominican Republic
Fish, fresh		United States
		Dominican Republic
		Spain
		Chile
Seafood -		United States
Squid, shrimp, octopus,		Dominican Republic
Crabs, misc.		Spain
		Chile
Milk and cream, fresh and		Dominican Republic
Powdered		New Zealand
		Holland
		United States
Yogurt	Elite, Consuelo, JJ, Frigor, Sabaneta, Yoka	Dominican Republic
	Breyer's, Ligh and Lively, Yoplait	United States
Ice Cream	Baskin Robbins, Walls , Blue Bunny,	United States
	Dairy Queen, TCBY	United States
	Bon, Nestle	Dominican Republic
Cheese	Rica, Sosua, Induveca, Michel, Checo, Don Juan	Dominican Republic
	Kraft, American Heritage	United States
	Gouda, Eden	Holland
	El Caserio	Spain
Vegetables, fresh -		Dominican Republic
Beans, onions, potatoes,		United States
celery, radish, misc.		

Vegetables, frozen	La Famosa	Dominican Republic
	Green Giant	United States
Vegetables, canned	Del Monte, Green Giant, Healthy Choice	United States
	Goya (US product), La Famosa	Dominican Republic
	ReVerde	Italy
	La Norenense	Spain
Fruit, fresh -	Del Monte, Dole	United States
apples, grapes,		Chile
pears, kiwi,		
strawberries, plums		Brazil
Fruit, canned	Jaja, La Famosa, Del Valle	Dominican Republic
	Libby's, del Monte, Roland, Dole, Hyde Park	United States
Coffee, instant	Induban, Recafe	Dominican Republic
	Recafe	Dominican Republic
	Maxwell House, Nescafe, Hershey's	United States
	Maxin, Taster's Choice, Folger	United States
	Alessi	Italy
Cocoa and drinking	Munne, Cortes, Embajador, Diplomatico	Dominican Republic
chocolate	Cortes, Sobrino	Dominican Republic
	Nutri, Hersey's, Quaker	United States
	Chocomilk (US product)	Mexico
	Nestle (Swiss product)	Mexico
Spices	Ranchero, Canario, El Cocinero, Ellas, Maggi	Dominican Republic
oregano, pepper,	Victoria, Roland. Goya, Bohio, Badia	United States
anise,		
nanzanilla	Carmencita	Spain
Pasta , raw	Milano, Ricos, Princesa, Milanese, Reina	Dominican Republic
spaghetti, macaroni,	Muellers, Ronzoni, Hyde Park, Kraft	United States
	Catelli	Canada
	Buitoni, Vigo/Barela	Italy
Ketchup	Jaja, Linda, Victorina, Famosa	Dominican Republic
	Heinz, Hunt's, Del Monte	United States
	Maggi (Swiss product)	Panama
	Molinera	Spain
Tomato, paste	Jaja, Bella, Victorina, Famosa, Linda, Selecta	Dominican Republic
Tomato, ready to	Ragu, Hyde Park, Arturo, Prego	United States
use sauce		
	Pomi	Italy
Fruit and	Jaja, Linda, Victorina, La Famosa, Selecta	Dominican Republic

Vegetables, juices		
and drinks	Mama, Bon, Don Juan, Barcelo	Dominican Republic
	Hyde Park, Mott's, Lbby's, Snapple	United States
	Ocean Spray, Welch's, Gatorade, Del Monte	United States
Fruit Juices, concentrated	Bon, Don Juan, Barcelo, La Famosa	Dominican Republic
Mayonnaise	Baldom, Manicera, Maggi	Dominican Republic
	Heinz, Fraft, Helmann's, Hyde Park	United States
Fish, canned tuna	Bumble Bee	United States
	Roland	United States
	Hyde Park	United States
	Quaker (US product)	Brazil
	Cherry Star	Thailand
	Consul	Indonesia
Fish, canned sardines	Beachcliff, Roland, Quaker	United States
	Brunswick	Canada
	Albo, Paco Fish, Vigo	Spain
Seafood, canned	Bumble Bee, Roland	United States
	Brunswick	Canada
Prepared meats -	Checo, Chef, Sosoua, Stfanutti, Induveca	Dominican Republic
salami, ham, sausages	Checo, Don Pedro, Nueva Era	Dominican Republic
Jams and Jellies	Bon, D'Kalidad, Del Valle, Jaja, Mama	Dominican Republic
	Hyde Park, Hyde Park, Welch's, Fraft, Smukers	United States
Breakfast Cereals	Kellogg's, Hyde Park, Post, Quaker	United States
	Ralston Foods, Nabisco, General Mills	United States
	Nestle	Switzerland
	Maizoro	Mexico
Snack Foods	Toasty	Dominican Republic
	La Estrella	Dominican Republic
	Frito-Lay (US product)	Dominican Republic
	Snacks	Dominican Republic
	General Mills	United States
	Tom's Food	United States
	Nabisco	United States
	Proctor & Gamble	United States
Beer, alcohol	Presidente	Dominican Republic
	Bohemia	Dominican Republic
	Quisqueya	Dominican Republic

	Miller	United States
	Beck's	Germany
	Heineken (Dutch product)	Dominican Republic
	Lowenbrau (German product)	Dominican Republic
	Holsten	Germany
	Corona	Mexico
Wine	Ernest & Julio Gallo	United States
	Carlos Rossi	United States
	Boone's	United States
	Turning Leaf	United States
	Pinot Goigio	Italy
	Riunite	Italy
	Barolo	Italy
	Campari	Italy
	Valdadigi	Italy
	Cecchi	Italy
	Conde de los Andes	Spain
	Santiago Ruiz	Spain
	Ibemoble	Spain
	Cristobal Colon	Spain
	Luis Olarra Bordan	Spain
	Castillo Lagomar	Spain
	La Fiole du Pape	France
	Rafael	France
	Joseph Drouhin	France
	Monton Gadet	France
	Dubonnet	France
	Vino Ibero	Chile
	Concha y Toro	Chile
	Sta. Rita	Chile
	Cousino-Macul	Chile
	Sta. Catalina	Chile
	Santa Carolina	Chile
	Parpaka	Chile
	Tokaji Orenus	Hungary
	Chateau	Argentina
Pet Foods	Ralston Purina, Puppy Chau, Azcan, Pedigree	United States

Source: Prepared by Megavision, 2000

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APPENDIX 3: TARIFF RATES
(A Representative List)

HS CODE	PRODUCT	DUTY RATE
201	Beef, fresh	25%
202	Beef, frozen	25%
2.07	Chicken, frozen	25%
4.01	Milk, whole	20%
4.05	Butter	30%
4.06	Cheese	35%
7.01	Potatoes, fresh	25%
705	Lettuce	25%
7.1	Vegetables, mixed frozen	30%
805	Oranges, fresh	25%
8.08	Apples, fresh	35%
16.02	Beef, canned	35%
16.04	Tuna, canned	35%
19.04	Breakfast Cereals	30%
20.05	Peas, canned	35%
2009	Apple Juice concentrated or ready to drink	35%

21.03	Tomato Ketchup	35%
21.03	Mayonnaise	35%
21.06	Corn Chips	30%
22.03 *	Beer, malt	30%
22.04 *	Wine	30%

Source: Dominican Republic Customs Department

Note: In addition, Alcoholic beverages are charged with the ISC