

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Required Report - public distribution

Date: 12/30/2009

Dominican Republic

EXPORTER GUIDE ANNUAL

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Report Highlights:

The Dominican Republic is the third largest market for high value products in the Western Hemisphere, right after Canada and Mexico. The CAFTA-DR agreement has strengthened the competitive position of the United States in the Dominican market. In addition, the agreement has contributed to improving the legal framework that regulates the relationship between U.S. suppliers and Dominican importers.

Post: Santo Domingo

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DISCLAIMER: The Office of Agricultural Affairs of the United States Department of Agriculture in Santo Domingo, Dominican Republic, prepared this report for U.S. exporters of food and agricultural products. While the AgOffice took every possible care in preparing this report, the information provided may not be completely accurate either because policies have changed since its preparation, or because clear and consistent information about these policies was not available. It is highly recommended that U.S. exporters verify the full set of import requirements with their foreign customers, who are normally best equipped to research such matters with local authorities, before shipping any product.

FINAL IMPORT APPROVAL OF ANY PRODUCT IS SUBJECT TO THE IMPORTING COUNTRY’S RULES AND REGULATIONS AS INTERPRETED BY BORDER OFFICIALS AT THE TIME OF PRODUCT ENTRY.

I. MARKET OVERVIEW

In spite of the current global financial crisis and its effects on the Dominican economy, the food sector continues with its dynamic growth. Dominican food importers continue to look for new U.S. products. Major supermarket chains are increasing their number of stores to cover other regions of the country or other sectors of major cities.

The Dominican Republic continues to be the third largest market for high value products from the United States in the Western Hemisphere. Because of the implementation of the CAFTA-DR, the competitive position of the country is strengthening.

A. Current Economic Situation

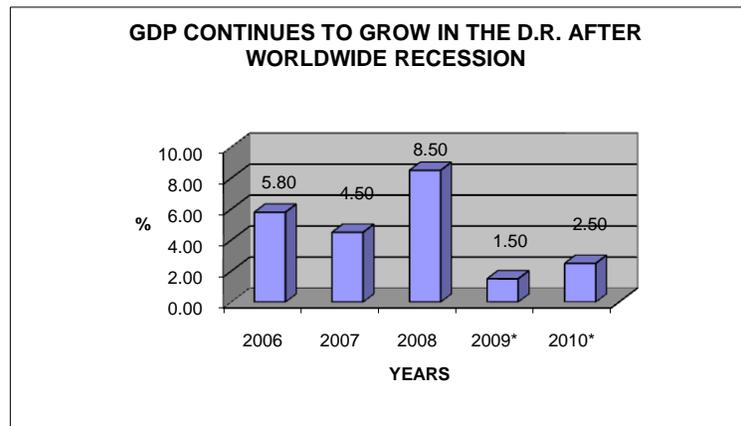
In spite of the global economic crisis, the DR's GDP continues to grow, although slower than in 2008. The main drivers of growth in the D.R. are investment, agriculture, tourism, communications, construction, and remittances. Of course, a stronger performance will lift GDP growth. United States is maintaining its strong competitive position in the market for high value products. In addition, business people in the sector are showing their optimism investing in building new stores and warehouses.

Growth of GDP in January to June 1.4%. The Economist Intelligence (EIU) forecasts that this will continue to rise in the second half the year to 1.5% and reach 2.5% in 2010.

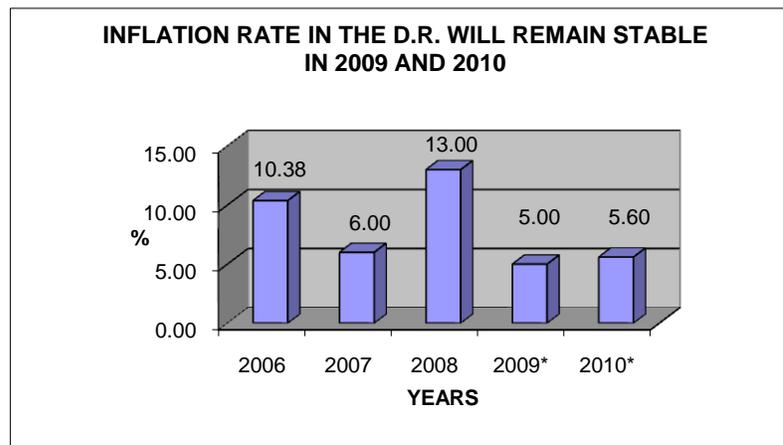
According to the EIU, although the annual inflation was negative in the first part of 2009, it will end the year at 5% because of higher oil prices. It is expected to average 5.6% in 2010.

The Dominican peso is expected to depreciate 2.5% compared to the U.S. dollar in 2009, declining from its mid-August level of DR\$36 to US\$1 to just under DR\$37 to US\$1 by the end of 2009 and DR\$38.6 to US\$1 by the end of 2010.

B. Demographics



Source: Central Bank of the Dominican Republic and the Economist Intelligence Unit.
* Data for 2009 and 2010 is a forecast made by the Economist Intelligence Unit.



Source: Central Bank of the Dominican Republic and the Economist Intelligence Unit.
* Data for 2008 and 2009 is a forecast made by the Economist Intelligence Unit.

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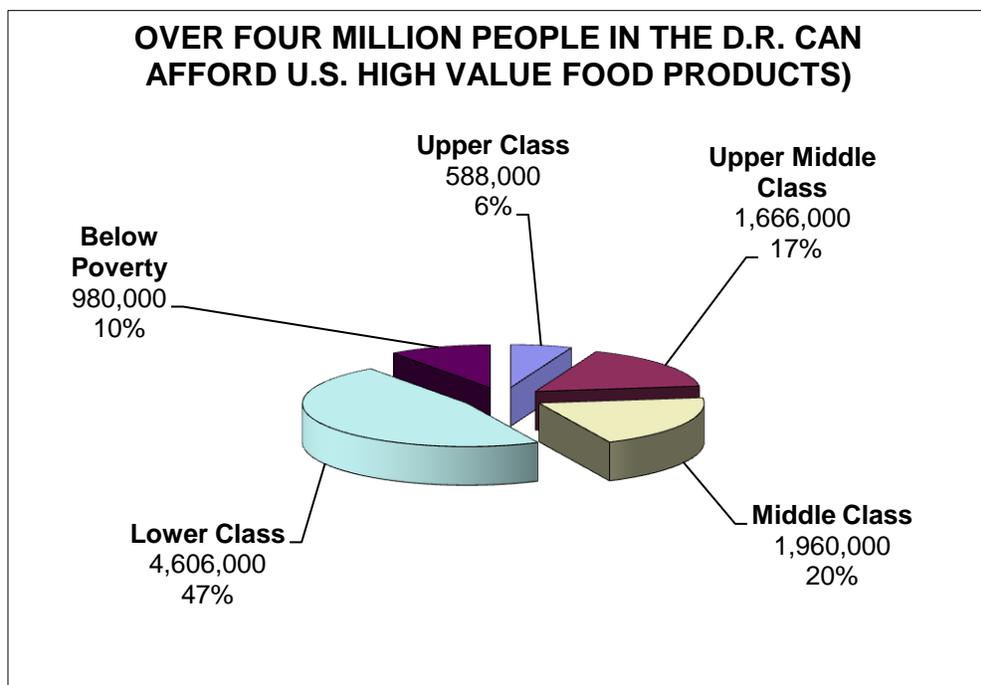
Income Distribution

The target for U.S. high value products are middle and upper income consumers. Middle and upper income consumers, a total of 4.2 million people, shop regularly at supermarkets, eat in restaurants, and vacation in resorts. Luxury goods are purchased by the upper and upper middle income classes, with a total population of about 2.2 million people. The lower income class can afford to buy basic U.S. food products, such as beans, poultry, oats, and bread.

With the opening of the economy and the implementation of the CAFTA-DR, U.S. products are more affordable by the lower income class. In addition, promotion strategies developed by major supermarket chains are increasing the number of lower income consumers who shop at supermarkets.

The Dominican National Statistics Office estimates the 2009 Dominican population at 9.8 million people. About 6.2 million people or 63% of the population live in urban areas and 3.6 million people or 37% of the population live in rural areas. With an estimated population growth of about 1.8% per year, the Dominican Republic will have 10 million people by 2011 (Dominican National Statistics Office, 2009).

With approximately 3.0 million people or 31% of the total population, the city of Santo Domingo (the National District, the Santo Domingo province and its surrounding suburbs) is the biggest market in the country. Santiago is the second largest market with one million people. Other important cities are San Pedro de Macorís, La Romana, La Vega, Bonao, San Francisco de Macorís, and Higüey. The construction of new highways, seaports, and airports in recent years, including the road from Santo Domingo to Samana, and the well-developed telecommunications infrastructure allow smooth distribution of products throughout the country.



Source: Built by FAS/Post with data from the Dominican National Statistics Office, 2009.

C. Market Size

The demand for food products in the Dominican is estimated at over \$1.6 billion. It is also estimated that about 40% or \$640 million of all food products consumed in the country are imported. The U.S. market share is estimated at 34% or \$218 million of total imports in 2008. With the tariff advantage of the CAFTA-DR agreement, we estimate that our share will increase to 40% or \$256 million in 2009.

Although data are not available to quantify the amount of imported products that go to the different sectors in the Dominican Republic, we estimate that about 80% is distributed through supermarkets and mom 'n pop stores. About 20% goes to the tourism industry; all-inclusive resorts tend to source local food products to lower their costs.

In addition to the demand for high value food products from the United States, the food processing sector has good potential for food and beverage ingredients and intermediate products for further processing. The AgOffice estimates that the DR food-processing sector imports over US\$400 million. The United States has about 50% market share.

D. Advantages and Challenges in the Market

Advantages	Challenges
<ol style="list-style-type: none">1. The implementation of the CAFTA-DR has lowered or eliminated duties for some U.S. food products.2. Because of the CAFTA-DR agreement, U.S. products are more competitive in the market.3. The tourism sector is large and growing, increasing the demand for high value food products.4. Consumers are demanding higher quality and healthier products, and they perceive U.S. products meet their requirements.5. Food distribution channels are becoming more efficient, which facilitates the flow of imported food products.6. Dominicans are greatly influenced by U.S. culture and have a positive perception of U.S. products.	<ol style="list-style-type: none">1. The Dominican Republic signed an Economic Partnership Agreement with the EU and it is negotiating free trade agreements with other countries, such as Canada and Taiwan.2. Tariff rate quotas of sensitive products continue to protect local producers of products, such as meat, dairy products, beans, rice, and poultry.3. The local Dominican food industry is becoming more efficient and more competitive, as it integrates new technologies into its production processes.4. Perceived sanitary and phytosanitary issues continue to limit U.S. exports.5. The Dominican Government requires Spanish labeling on all pre-packaged food products.6. Globalization has allowed other regions, such as Europe and South America, to expand sales into the Dominican Republic, what has traditionally been a U.S. dominated market.

II. EXPORTER'S BUSINESS TIPS

A. Business Customs

Personal relationships are a key factor for doing business in the Dominican Republic. A common courtesy is to give a warm handshake combined with conversation about the person's well-being and his family prior to starting the business-related conversation. Dominicans are extremely friendly and prefer to develop a personal relationship before going into a business relationship. This relationship helps Dominican business people develop more confidence before making business commitments. However, as genuinely warm and friendly as Dominicans are, it is important that both parties have all aspects of the transaction in writing.

U.S. exporters may enter the Dominican market through locally appointed distributors, their wholly owned subsidiary, joint ventures, or Dominican importers and wholesalers who also own retail outlets. If market branding is important, we advise that U.S. suppliers have a local representative or distributor in the Dominican Republic. Before signing an agreement with a distributor, please read it carefully to avoid misunderstandings.

It is important to note that the D.R. Law 173 requires U.S. suppliers to pay the distributor compensation when a distributor agreement is broken. Even if the amount of compensation was specified in the agreement, importers could claim greater compensation under Law 173. With the implementation of the CAFTA-DR agreement, the supplier and the distributor must abide by the amount of compensation in their agreement.

B. Consumer Tastes and Preferences

Dominicans have adopted a lot of U.S. culture, such as music, sports, and fashion. The food consumption trend in the Dominican Republic is similar to trends in the United States, although trends may lag by ten to fifteen years.

Dominican consumers perceive that products made in more developed countries, such as the United States, are more reliable in terms of quality and safety. Middle and high income classes tend to consume more natural and healthy products. These consumers are demanding food with less saturated fat, cholesterol, and sugar.

C. Food Standards and Regulations

Please refer to the Dominican Food and Agriculture Import Regulations and Standards (FAIRS) Report for more detailed information, which can be found at [http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative Santo%20Domingo Dominican%20Republic 7-22-2009.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative%20Santo%20Domingo%20Dominican%20Republic%207-22-2009.pdf)

According to the Dominican food labeling regulation for retail products, NORDOM 53, food products must provide the following information in Spanish:

- Company brand
- Product name
- Product description
- Net & dry weights (in international units, such as: kg, ml, etc.)
- 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
- Country of origin
- Instructions for product use

This information may be on a sticker made by the manufacturer, the importer, or the retailer.

NORDOM 53 is based on CODEX Alimentarius Standards. It requires labeling in Spanish and a sanitary registration number. Although NORDOM 53 is not strictly enforced, the Norms and Standards Directorate (DIGENOR) of the Ministry of Industry and Commerce and the Ministry of Public Health (SESPAS) may remove improperly labeled products from the shelves. Multilingual labels and stick labels are accepted.

D. General Import and Inspection Procedures

1. Product Registration

In principle, the first step in importing new food products into the Dominican Republic is product registration. Importers register new high value food products with the Ministry of Public Health (SESPAS). SESPAS issues a certificate to the importer or the local legal representative with a Sanitation Registration Number, which must be printed on the label of the product or as an additional sticker.

The local representative will bring SESPAS the following required documents:

- U.S. certificate of free sale
- Certificate of origin
- Label indicating the qualitative and quantitative formulation
- Copy of the letter of assignment or contract with a local agent (if one exists for the product)
- Registration fees and product samples

The trademark must also be registered through the National Office of Intellectual Property of the Ministry of Industry and Commerce. This is not a legal requirement, but it is a protection for the owner. U.S. companies concerned with copyright issues should contract the services of a local legal firm to handle this procedure.

2. Customs Clearance

The Dominican Customs Office requires the importer to present the following documents to release all shipments valued over \$100:

- Bill of Lading (in English or Spanish)
- Commercial Invoice
- Insurance Certificate (issued by a local insurance company)
- Non-objection Certificate issued by the Ministry of Agriculture
- Import Permit issued by the Department of Internal Taxes for alcoholic beverages only

When importers have all the required documents and no sanitary issues arise, the customs clearance procedure is smooth and can be done in twenty-four hours. They typically hire a knowledgeable customs agent who expedites the process as they know the officials involved in the processes for appraising, verifying, and clearing the merchandise. Larger importers will have a

customs agent within their company. After ten days in port, shipping lines assess a daily charge for the use of their containers. Port authorities also charge for the use of their space.

After the invoice is reviewed, customs officials determine the duty. If it is determined that the invoice does not reflect what customs believes is an accurate price, customs officials will review the duty based on their own appraisal list (Lista de Valuación Aduanera, LVA). The actual product value may be lower than the one in the list, so importers sometimes need to dispute their findings.

3. Tariffs

Tariffs are based on the C.I.F. value (Cost, Insurance, and Freight) in Dominican pesos at the current exchange rate. Tariffs range from 0 to 25 percent for most products.

Tariffs for many products have been or will be reduced in the CAFTA-DR agreement. A number of products are now duty free and are listed in Basket A of Appendix II and in the link below. Items in Basket B will move to duty free status on January 1, 2010. Items in other baskets are receiving various reductions overtime.

A complete list of the base tariff schedule, in Spanish only, under the CAFTA-DR agreement can be found at the following link:

http://www.ustr.gov/sites/default/files/uploads/agreements/cafta/asset_upload_file732_5848.pdf

Please note that tariff codes are the same in all languages. Therefore, the code for ice cream is the same in both Spanish and English. For more information on the text of the agreement, please go to <http://www.ustr.gov/trade-agreements/free-trade-agreements/cafta-dr-dominican-republic-central-america-fta/final-text>.

Exporters also need to be aware of other internal taxes applied to imported luxury products, such as wine, during the clearance process. Although the duty may be low and even zero, luxury taxes may be as much as 300%. These taxes, charged at customs, increase the price for the end consumer significantly. For more information on these taxes and a specific example with wine, please refer to our GAIN FAIRS Subject Report #DR8015, which can be found at <http://www.fas.usda.gov/gainfiles/200806/146294973.pdf>

E. Opportunities and Challenges after the Implementation of the CAFTA-DR

Opportunities for U.S. high value food products are expanding as a result of the CAFTA-DR. However, as with any change, kinks in the process are being ironed out. The AgOffice is closely monitoring implementation and appreciates feedback from the trade. One of the major challenges in the monitoring process is the allocation of the Tariff Rate Quotas (TRQs) for rice and beans.

The CAFTA-DR agreement establishes more transparent processes for trade. It has also opened the market for new U.S. high value food products which had faced tariff and non-tariff barriers.

One of the major challenges is the DR's allocation of the Tariff Rate Quotas (TRQs) for prime and choice beef, beef trimmings, pork cuts, bacon, pig fat, chicken leg quarters, chicken breasts, mechanically de-boned chicken meat, turkey meat, liquid milk, milk powder, butter, cheese, ice cream, yogurt, rice, beans, and glucose. The Dominican government allocates a certain quantity to importers to bring in these products duty free each year. Products imported outside of the quota are charged the listed duty, according to the CAFTA-DR's tariff schedule.

III. MARKET SECTOR STRUCTURE AND TRENDS

A. Retail Food Sector

The sector with the most opportunities for U.S. products in the Dominican Republic is the retail sector. We estimate that about 80% of imported high value food products are distributed through the retail sector. Considering that total imports of retail products in 2008 were \$640, the demand for imported products in this sector is over \$500 million. Over \$170 million of high value food products from the United States are distributed through this sector.

In the Dominican Republic seven major supermarket chains import products directly from the United States and also buy from other local importers. Supermarkets are increasing their number of product lines. They are also developing the market for their own private brands and are the exclusive representatives of some name brand products.

Even with the current economic crisis, major supermarket chains continue to expand. They are increasing the number of stores in Santo Domingo, the capital city, and opening new ones in major cities. For example, Centro Cuesta Nacional, the parent company for Supermercados Nacional and JUMBO, recently opened a new JUMBO store, which is the largest store in the country. Grupo Ramos, the second largest supermarket chain, opened three new stores: one in Santo Domingo, one in Puerto Plata, and one in La Vega. Following these openings, Plaza Lama also opened a new store. Other supermarket chains are also planning to build new stores.

U.S. exporters may enter this sector through importers or the major chains. Major chains prefer to do business directly with the foreign supplier, but for some products, it is easier to buy them from a specialized importer.

Over thirty small and medium-sized supermarkets are members of the Small Supermarket Association (UNASE), which has developed a purchasing structure and has built a warehouse to supply its members. Other independent supermarkets buy from local importers, which are also distributors and wholesalers.

The following table presents a profile of the major supermarkets in the Dominican Republic.

Name	Ownership	Outlets	Location	Purchasing Agent
Supermercados Nacional (Including 3 Jumbo)	Dominican	23	Santo Domingo, Santiago, and	Direct importers Wholesalers/Distributors It is also a member of the Topco Associates in the

Hypermarkets)			La Romana	United States.
Supermercados Pola	Dominican	18	Santo Domingo Santiago San Francisco de Macoris, La Vega, and Puerto Plata	Direct importers Wholesalers/Distributors
Supermercados La Cadena	Dominican	9	Santo Domingo	Direct importers and distributors
Supermercados Plaza Lama	Dominican	6	Santo Domingo	Direct importers and distributors
Supermercados Bravo	Dominican	4	Santo Domingo	Direct importers and distributors
Price Smart Warehouse	US/Dominican	2	Santo Domingo Santiago	Direct importers and distributors
Carrefour	French	1	Santo Domingo	Direct importers and distributors
National Association of Small Supermarkets (UNASE)	Dominican	34	Major Cities	Direct importers and distributors

Source: Various, 2009.

For more detailed information on this sector, please refer to the Retail Food Sector Report (DR7024) at <http://www.fas.usda.gov/gainfiles/200711/146292982.pdf>, which provides more details on the development of the sector in the Dominican Republic. An update of this sector report will be available after November 15, 2009.

B. Hotel, Restaurants, and Institutions (HRI)

Accounting for roughly 20% or \$43 million of U.S. imports of high value food products, the HRI sector provides opportunities for U.S. exporters. In spite of the negative effects of the global economic crisis, the sector continues to grow, and the Dominican Republic continues to be one of the major tourist destinations in the Caribbean.

The implementation of the CAFTA-DR agreement has helped import of some products, such as meat, poultry, and cheese that were facing some restrictions. In addition to lower tariffs, importers are taking advantage of the Tariff Rate Quotas under the CAFTA-DR to supply the HRI sector.

All-inclusive resorts, which usually focus on sourcing local products to lower their costs, have good potential for U.S. select beef, which compete in price with the best local beef. U.S. choice grade also have some potential for the most exclusive resorts and high end restaurants.

Although major restaurants and all-inclusive resorts import some products directly and have developed a purchasing structure, most of them source their products from local importers. Therefore, the best way to enter the sector is to work with local importers. Providing training to this sector on food safety and how to use specific imported products, such as beef, poultry meat, and dairy products has been an effective tool used by some suppliers and trade groups.

For more detailed information on the Hotels, Restaurants, and Institutions (HRI) sector, please refer to our report DR7024) at <http://www.fas.usda.gov/gainfiles/200802/146293744.pdf>

C. The Food Processing Sector

The United States has always been one of the most reliable suppliers of food ingredients for the Dominican food processing sector. After the implementation of the CAFTA-DR the potential of the sector has increased, as food processors have focused on increasing their quality to compete in the international market. Although the United States faces strong competition from Central and South America, food processors in the Dominican Republic see U.S. suppliers as a reliable source, in terms of volume, standards, and quality. The pasta, meat and dairy products, edible oil, beer, juice, and soft drink sectors continue to show strong potential.

Dominican food processors import food ingredients either individually or through their specialized associations. The best way to enter the market is to contact the food processor directly, instead of going through a local importer.

For more detailed information on the food processing sector, please refer to our GAIN Report DR6016, which can be found at <http://www.fas.usda.gov/gainfiles/200701/146280055.pdf>

IV. BEST HIGH-VALUE PRODUCT PROSPECTS

Product Category	Market Size in 2008 (\$1,000,000)	Imports in 2008 (\$1,000,000)	3-Yr. Avg. Annual Import Growth	Import Tariff Rate	Key Constraints Over Market Development	Market Attractiveness for USA
1. Trimming (Beef, Pork, and Turkey)	34	31	75%	Beef: 16.67% It is included in basket D in the tariff schedule of the CAFTA-	Meat imports outside of the TRQs require a permit, the government is very restrictive in issuing permits, and the process for allocating TRQs is not	Meat processors are enjoying the availability and lower price of U.S. beef pork, and turkey trimming. The CAFTA-DR tariff rate quotas allowed for 280 MT for beef trimming in 2009, and

				DR. Pork: 25% until 2012. Turkey: 11.67% It is included in basket N in the tariff schedule of the CAFTA- DR.	transparent.	the quota is increasing 20 MT per year.
2. Yogurt	N/A	1.7	65%	20% until 2016	Strong local competition, restrictive import permits outside the quotas, and Spanish labeling requirement.	There is a high potential in the retail sector and the most exclusive all-inclusive resorts. The CAFTA- DR tariff rate quotas allowed for 140 MT in 2009, and the quota is increasing 10 MT per year.
3. Process ed Cheese	N/A	1.6	32%	10%	Restrictive import permits outside the quotas and Spanish labeling requirement.	The highest potential is for shelf stable cheese mixes for food service. Gradual reduction of duty by 10% per year. This category is included in other cheeses in the tariff rate quotas, which allowed for 175 MT in 2009. This quantity will increase by 12 MT or by 13 MT in alternating years until 2015.

BEST HIGH-VALUE PRODUCT PROSPECTS (CONT.)

4. Ice Cream	N/A	1.7	43%	11.67%	Restrictive import permits outside the quotas, Spanish labeling requirement, and poor cold chain infrastructure and management. Suppliers need to provide their own refrigeration to introduce the product to supermarkets although some chains are improving	Although there is a strong local industry, medium to upper class consumers prefer imported ice cream. These consumers are willing to pay a higher price for high quality ice cream if the product is available in the market. There is also a high potential in the most exclusive all- inclusive resorts, which offer their customers importer ice cream instead of the local product. Duty will be removed in twelve annual
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					their refrigeration infrastructure to import and sell ice cream directly.	stages from year one to twelve and the duty free quota is increasing by 15 MT per year.
5. Tree Nuts	3	3	18%	0%	None	The United States has about 90% of the market share, and its duty free status gives it a competitive advantage over Spain, which is its major competitor. Duty for Spain is still 20%.
6. Fresh Fruit (Apples, Grapes and Pears)	19	19	20%	0%	Poor cold chain infrastructure on handling of perishable products.	The demand is increasing and major importers are investing in promotion with the support from U.S. suppliers and trade groups.
7. Raisins	2.3	2.3	19%	0%	None	There is a high potential for retail, food processing, and food service sectors. Raisins are used for sweet and salty dishes. The United States holds over 55% market share, and its duty free status gives it a competitive advantage over Chile and Argentina, which are the major competitors. Duty for those countries is still 20%.

BEST HIGH-VALUE PRODUCT PROSPECTS (CONT.)

8. Frozen Potatoes	6.3	6.3	23%	0%	Lower price from major competing countries, such as Holland, Belgium, and Canada.	About 80% of frozen potatoes go to the food service sector and only 20% to the retail sector. Of the 80% that goes to the food service sector, over 90% goes to all-inclusive resorts. The U.S. Potato Board is investing in promotion in the local market to demonstrate the higher quality and cost effectiveness of U.S. potatoes. They will be duty free starting January 1, 2010, while other countries will continue to pay 20%.
9. Chocolate	N/A	3.6	15%	13.33%	None	About 68% of imports go for the food processing and the food service sector, and 32% go to the retail sector. The United States has a tariff advantage over competing countries, about 70% market share of imports, and its average annual growth rate over the last three years is 48% compared to only 15% for all other countries.
10. Mixes, Doughs	6	6	49%	Pancake mix: 0% Other mixes: 7%	None	The United States holds practically 100% of the market and it has also tariff advantage. Most imports go to all-inclusive resorts, although there is good potential in the retail and the food processing sectors.

BEST HIGH-VALUE PRODUCT PROSPECTS (CONT.)

11. Dog and Cat Food	6.3	6	30%	Dry products and others: 10% It is included in basket D in the tariff schedule of the CAFTA-DR. Wet products: 0%	Strong competition from Central American countries at lower prices and duty free under the CAFTA-DR agreement. The United States used to dominate the market, but it lost its market share because of a temporary ban based on BSE issues. Premium products from the United States are sold at pet shops and veterinary clinics. Most people who buy at supermarkets are looking for low price products.	Importers prefer premium products from the United States even if they are more expensive, consumers are willing to pay higher prices for higher quality products, and it is easier to consolidate shipments from the United States.
12. Salmon	2.4	2.4	38%	0%	None	The United States holds 63% market share and a competitive advantage due to its duty free status under the CAFTA-DR. Import duty for competing countries is 20%.

Source: Prepared by FAS/Post with data from the Dominican Customs Department, FAS BICO Reports, and estimates from the trade.

V. KEY CONTACTS AND FURTHER INFORMATION

FOREIGN AGRICULTURAL SERVICE
Ave. Pedro H. Ureña #133, La Esperilla
Santo Domingo, Dominican Republic
Phone: (809) 227-0112 Ext. 275
Fax: (809) 732-9454

Contact: Wagner Méndez, Marketing Specialist
Email: agsantodomingo@fas.usda.gov
Home page: <http://www.fas.usda.gov>

Please contact our office for more detailed information about the Dominican food market, lists of importers, major players in the sector, and any additional question you may have.

NATIONAL HOTEL AND RESTAURANT ASSOCIATION (ASONAHORES)

Calle Presidente González, Esquina Tiradentes
Edif. La Cumbre, 8th Floor, Plaza Naco
Santo Domingo, D.R.
Tel: (809) 368-4676
Fax: (809) 368-5566
Contacts: Haydeé Kuret de Rainieri,, President
Ventura Serra, Executive Vice-President
Email: asonahores@codetel.net.do

This is the leading organization of hotels and restaurants in the Dominican Republic. The organization collects statistics on the sector, keeps an updated lists of major hotels and restaurants in the country, and is one of the best channels to send information to their individual members.

MINISTRY OF INDUSTRY AND COMMERCE, INDUSTRIAL PROPERTY OFFICE (ONAPI)

Ave. Los Proceres #11
Santo Domingo, Dominican Republic
Tel: (809) 567-7474
Fax. (809) 732-7758
Contact: Lic. Juan José Báez Carvajal, Director
E-mail: jbaez@onapi.gov.do, m.alba@onapi.gov.do

This is the government organization that processes product registration, trade marks, and property rights.

INVESTMENT AND PROMOTION CENTER [CENTRO DE PROMOCIÓN E INVERSIÓN DE LA REPUBLICA DOMINICANA (CEI-RD)]

Ave. 27 de febrero, Plaza Independencia.
Santo Domingo, D. R.
Tel: (809) 530-5505
Fax: (809) 530-8208
Contact: Lic. Eddy Martínez, Director

E-mail: mildred.santos@cei-rd.gov.do
Web page: www.cei-rd.gov.do

This government organization provides support to foreign companies that want to invest in the Dominican Republic. It is a source of information if an exporter would like to establish its own distribution company in the Dominican Republic.

MINISTRY OF AGRICULTURE, LIVESTOCK DEPARTMENT

Ave. George Washington, Ciudad Ganadera
Santo Domingo, Dominican Republic
Tel: (809) 535-9689, ext. 223,
Fax: (809) 533-5863
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 Dr. Ramón Quiñones, Animal Health Director
E-mail: digege@ganaderia.gob.do
Web page: www.ganaderia.gob.do

This department of the Ministry of Agriculture issues the non-objection sanitary certificates, which are required to import animal products.

MINISTRY OF AGRICULTURE, PLANT HEALTH DIVISION (SANIDAD VEGETAL)

Autopista Duarte Km. 6 ½, Jardines del Norte
Santo Domingo, Dominican Republic
Tel: (809) 547-3888, Ext. 3786
Fax: (809) 227-1268
Contact: Ing. Luis Garrido, Director
E-mail: luisgaridojansen@yahoo.com
Web page: www.agricultura.gob.do/

This division of the Ministry of Agriculture issues the non-objection sanitary certificates, which are required to import vegetable products.

MINISTRY OF PUBLIC HEALTH, QUALITY CONTROL AND RISKS FOR FOOD AND BEVERAGES DEPARTMENT (CONTROL DE ALIMENTOS)

Ave. San Cristobal, Esquina Ave. Tiradentes
Santo Domingo, Dominican Republic
Tel: (809) 541-3121, ext. 2204
Fax: (809) 544-2083
Contact: Dr. Salvador Hiciano

E-mail: salvadorhiciano@yahoo.es
Web page: www.sespas.gov.do

This department issues the sanitary registration number that is required to sell pre-packed food products in the country. The department is also in charge of food inspection.

NORMS AND STANDARDS BUREAU (DIGENOR)

Ave. Mexico. Edif. Oficinas Gubernamentales, 11th Floor
Santo Domingo, Dominican Republic
Tel: (809) 686-2205/06/07
Fax: (809) 688-3843
Contact: Dr. Julio Santana, Executive Director
E-mail: digenor@digenor.gob.do
Web page: www.digenor.gob.do/

This bureau is part of the Ministry of Industry and Commerce and issues and enforces the application of NORDOM 53, which requires Spanish labeling and the sanitary registration number on all pre-packed retail food products.

APPENDIX I. STATISTICS

TABLE A. KEY TRADE AND DEMOGRAPHIC INFORMATION

Agricultural Imports From All Countries (\$Millions) / U.S. Market Share (%) ¹	\$1,964 / 53%
Consumer Food Imports From All Countries (\$Millions) / U.S. Market Share (%) ²	\$740 / 34%
Edible Fishery Imports From All Countries (\$Millions) / U.S. Market Share (%) ²	\$47 / 12%
Total Population (Millions) / Annual Growth Rate (%) ³	9.8 / 1.8%
Urban Population (Millions) / Annual Growth Rate (%) ³	6.2 / About 1.9%
Number of Major Metropolitan Areas	9
Size of the Middle Class (Millions) / Growth Rate (%) ³	1.9 / About 1%
Per Capita Gross Domestic Product (U.S. Dollars) ⁴	\$4,798
Unemployment Rate (%) ⁴	14.00
Per Capita Food Expenditures (U.S. Dollars) ⁵	\$1,928
Percent of Female Population Employed ⁶	33.50
Exchange Rate (US\$1 = X.X local currency) ⁶	DR\$36.00

Sources and Notes

1. FAS BICO Report. CY 2009
2. Estimated based on Dominican Customs Data and FAS BICO Report, CY 2009.
3. Dominican National Statistics Office. 2002 Census and its forecasts.
4. Central Bank of the Dominican Republic, 2009.
5. Based on Central Bank estimate of 40.19% of income on food.
6. Central Bank of the Dominican Republic. Online Database, 2009.

TABLE B. D.R. CONSUMER FOOD & EDIBLE FISHERY PRODUCT IMPORTS (\$1000)

	Imports from the World			Imports from the U.S.			U.S. Market Share		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
CONSUMER-ORIENTED AG. TOTAL	378,326	526,004	640,372	108,255	151,750	217,662	28.61	28.85	33.99
Selected products									
Red Meats (Beef and Pork)	18,616	53,216	55,920	16,754	27,400	46,503	90.95	51.45	83.16
Dairy Products	91,100	114,570	162,175	17,316	25,807	45,261	19.01	14.26	27.91
Poultry Meat	8,464	13,588	27,996	7,807	12,229	25,142	92.24	90.00	89.81
Eggs & Products	4,126	832	450	4,126	832	450	100.00	100.00	100.00
Fresh Vegetables	5,776	5,216	5,626	1,066	2,656	1,902	18.46	18.78	33.81
Tree Nuts	2,508	3,658	3,270	2,007	3,036	2,943	80.02	83.00	90.00
Fresh Fruit	12,896	17,581	22,041	9,371	14,542	18,704	72.67	63.33	84.86
Processed Fruits & Vegetables	16,217	27,871	27,120	7,242	9,988	15,654	44.66	40.25	57.72
Fruit & Vegetable Juices	11,941	26,814	31,365	4,528	5,740	6,491	37.92	62.46	20.70
Wine & Beer	16,498	17,084	26,956	4,080	3,631	3,795	24.73	38.15	14.08
FISH & SEAFOOD PRODUCTS	50,149	35,172	40,398	4,842	4,125	4,738	9.66	11.73	11.73
Selected Products									
Salmon	3,954	2,286	2,254	1,028	1,166	1,510	26.00	51.01	66.99
Crustaceans	5,583	7,340	9,215	902	944	895	16.16	5.64	9.71
Molluscs	2,049	2,333	3,553	128	211	302	6.25	3.73	8.50

Source: Dominican Customs Department and FAS BICO Report, and Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics.

TABLE C. The DR's TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS (\$1,000)

CONSUMER-ORIENTED AGRICULTURAL TOTAL

FISH & SEAFOOD PRODUCTS

	2006	2007	2008
United States	108,255	151,750	217,662
Denmark	56,369	79,348	91,340
Netherlands	38,829	36,533	42,278
Canada	20,514	31,159	34,587
Mexico	13,136	22,229	31,522
Argentina	17,898	21,592	22,967
Guatemala	13,700	19,399	26,496
Spain	16,188	19,318	21,494
New Zealand	13,030	18,299	19,914
Chile	13,936	15,429	19,184
Colombia	12,045	12,489	13,436
Brazil	9,333	9,730	10,022
Costa Rica	4,895	9,110	9,951
Belgium	3,726	7,098	7,400
Italy	3,807	4,276	5,982
Total*	378,326	526,004	640,372

Source: Dominican Customs Department and FAS BICO Report, 2009.

* This total also includes other countries

	2006	2007	2008
Norway	23,299	26,561	36,138
Canada	11,766	11,111	15,193
Thailand	8,102	7,041	11,386
United States	4,710	4,632	5,520
China (Peoples Republic of)	3,517	4,848	3,379
Vietnam	1,894	3,705	4,238
India	1,292	3,312	3,064
Ecuador	2,162	1,826	2,328
Panama	1,227	1,100	2,378
Spain	1,358	1,450	1,445
Peru	902	1,078	1,557
Argentina	886	787	1,688
Chile	1,096	1,250	769
Morocco	1,518	1,249	138
Costa Rica	508	445	477
New Zealand	125	115	217
Total	80,332	89,374	115,207

Source: Dominican Customs Department and FAS BICO Report, 2009.

* This total also includes other countries

APPENDIX II

Baskets of Products According to Tariff Schedule and Examples of Some Products in Each Category

Basket	Tariff Schedule Reduction
A	All products in Basket A were placed at zero tariffs on March 1, 2006. Chicken wings, de-boned turkey breast, rabbit meat, some fish, some vegetables and salads, cold weather fruits, such as apples, grapes, pears, dry fruits, tea, species, olive oil, breakfast cereals, olives, capers, some fruit juices, sparkling wine.
B	20% annual reduction of current tariff, duty free by January 1, 2010 (reduction over 5 years). Chicken breasts (5), red salmon (4), lobsters (4), cauliflower, broccoli and Brussels sprouts (4), beets (20), water melon (20), preparations from turkey meat (4), preparations of caviar, crabs and shrimp (4), preparations of salads and fruits (4), wine (4), cigars (4).

C	10% annual reduction, duty free by January 1, 2015 (reduction over 10 years). Bacon (24), liquid milk (12), butter (12), other cheeses (12), lamb and mutton (12), turkey breast with bone (12), potatoes (12), chick peas (12), dry coconuts (12), cashew nuts (12), tropical fruits (12), sweets of orange, lemons and papaya (12), tomato or papaya juice (12), mustard (12), mayonnaise (12), compound seasonings (12), whisky, gin, liquors (12).
D	6.66% annual reduction, duty free by January 1, 2020 (reduction over 15 years) Prime and choice beef (29.33) beef trimmings (18.33), onions (71.16), garlic (72.63), vegetable oil (14.67), margarine (14.67), cheddar cheese (14.67), beans (65.29).
F	No reduction until January 1, 2016. 10% annual reduction from January 1, 2016-25. Milk powder (56), Yogurt (20).
G	Free trade even before the CAFTA-DR 902 tariff codes that were already duty free: 161 agricultural Live fish for reproduction, live plants, potato seeds.

APPENDIX II

Baskets of Products According to Tariff Schedule and Examples of Some Products in Each Category (Cont.)

M	2% reduction in 2006. 2% additional reduction in 2007. 8% additional annual reduction from 2008-2012. 16% additional annual reduction from 2012-15. Wooden furniture (16).
N	8.3% annual reduction from 2006 to 2017. Potatoes (13.33), turkey meat (26.67), ice cream (13.33), glucose and glucose syrup (9.33), pig fat (26.67).
O	No reduction until January 1, 2012. 10% annual reduction from January 2012 to January 2016. 12% annual reduction from 2016- 2020. Pork cuts (25).

V	No reduction until January 2016. 8% annual reduction from January 2016-21. 12% annual reduction from January 2021-25. Rice (99), Chicken leg quarters (99), mozzarella cheese (20).
W	25% annual reduction from 2006 to 2009. Turkeys not cut in pieces (0).
X	No reduction in 2006. 25% annual reduction from January 1, 2007 to January 1, 2010.
Y	15% annual reduction from 2006-11.5% annual reduction from 2011-15. Chicken, not cut in pieces (39.6).

Source: Adapted from Nuñez, Ruben, and De Paula, Danilo. CAFTA-DR: The Day After A Layman's Guide of What the Trade Agreement Means for the Dominican Republic A report Written for Chemonics International and the USAID., February, 2007. Values in parenthesis indicate the current tariffs as of 2009, which is the fourth year of the CAFTA-DR implementation.