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Report Highlights:

The Dominican Republic (DR) is ranked among the top three destination markets in the Western Hemisphere and within the top 15 markets globally for U.S. consumer-oriented products. In 2022, U.S. exports of consumer-oriented products to DR topped \$1 billion, 19 percent higher year-on-year primarily due to strong demand from foreign tourism and the retail sector. During the first 10 months of 2023, U.S. consumer-oriented exports reached over \$900 million, up three percent relative to the same period last year. While trade in the consumer-oriented category continues to expand, the United States is on pace to once again consolidate its position as the top supplier of consumer-oriented agricultural products to the Dominican Republic, capturing nearly a 50 percent share of the import market.

Market Fact Sheet: Dominican Republic

The Dominican Republic (DR) is an upper middle-income country characterized by low and stable inflation. In 2022, the country experienced year-on-year inflation of 8.8 percent. As of November 2023, the inflation rate fell to 4.8 percent. DR is ranked as one of the largest economies in the Caribbean, and the third-largest country in terms of population (behind Cuba and Haiti). DR's major export growth has shifted away from its traditional products like raw sugar, green coffee, and cacao. Instead, there has been an increase in exports of gold, tobacco, medical instruments, circuit breakers for voltage, jewelry items, and ferronickel. Notably, the country's major agricultural imports are comprised of consumer-oriented products and livestock feed, with the United States as the primary supplier.

Imports of Consumer-Oriented Products



Figure 1. United States is the primary supplier of consumer-oriented agricultural products to the DR, capturing 47 percent market share in 2022.

Source: Trade Data Monitor (TDM)

Food Processing Industry

The food processing industry in the DR reached a total of US\$4.9 billion in activities classified under the category “food industry” for calendar year 2022, constituting 4.5 percent of the gross domestic product (GDP). The United States remains a significant supplier of various goods, including meats, edible oils, fats, dairy products, wheat, and other essential ingredients. The United States is strategically positioned to expand exports of these U.S. ingredients, especially as the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) progresses towards full implementation by 2025.

Food Retail Industry

The Dominican modern retail sector offers a wide variety of U.S. products. The sector is dominated by locally owned companies and is growing rapidly. However, despite the increase in the number of supermarkets, supermarket sales only account for 20-25 percent of total retail transactions. Most sales are carried out in the traditional channels, which include neighborhood stores (i.e.,

colmados) and warehouses that mostly offer a selection of locally produced products.

Quick Facts Calendar Year 2022

List of Top 10 Growth Products

- | | |
|-------------------------|--------------------------------|
| 1) Dog & Cat Food | 6) Tree Nuts |
| 2) Distilled Spirits | 7) Beer |
| 3) Pork & Pork Products | 8) Beef & Beef Products |
| 4) Dairy Products | 9) Fresh Vegetables |
| 5) Meat Products NESOI | 10) Chocolate & Cocoa Products |

Consumer-Oriented Trade (U.S. billion)

DR Imports (all sources)	\$2.02
DR Imports (from U.S.)	\$0.85
DR Exports (all destinations)	\$2.06
DR Exports (to U.S.)	\$1.24

Top DR Retailers*

- | | |
|--------------------------|-------------------|
| 1) Aprezio | 6) Bravo |
| 2) Sirena | 7) Jumbo |
| 3) Plaza Lama | 8) La Cadena |
| 4) Nacional Supermarkets | 9) PriceSmart |
| 5) Hypermercados Olé | 10) Sirena Market |

GDP/Population

Population:	11.12 million
GDP:	US\$114 billion
GDP per capita:	US\$10,700
Median yearly income per capita:	US\$3,600

Source: Table 1. Source: Global Agricultural Trade System (GATS), TDM; World Bank; IMF. *Ordered by quantity of establishments.

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
Implementation of CAFTA-DR, which has lowered or eliminated duties on nearly 100 percent of products.	Higher cost of some U.S. products compared to competitors.
Proximity to the United States and strong demand for U.S. products.	Import sensitivity of several products.
Opportunities	Threats
Additional trade liberalization through the full implementation of CAFTA-DR by 2025.	Competition from other CAFTA-DR signatory and the DR's other free trade agreement partners.
Growth potential for U.S. consumer-oriented products, livestock feed, and ingredients for the food processing industry.	Limited cold chain capacity.

Figure 2. CAFTA-DR SWOT Analysis for U.S. exports.

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SECTION I. MARKET OVERVIEW

The Dominican Republic (DR) is recognized as one of the most dynamic and resilient economies in the Western Hemisphere. In 2022, gross domestic product (GDP) reached US\$113 billion, according to the Dominican Central Bank (BCD in Spanish), representing a 5 percent increase relative to 2021. From January through September 2023, the country's GDP grew a modest three percent compared to the first nine months in 2022. The BCD forecasts economic output to grow by 4.5 percent by the end of 2024.

The hotel, restaurant, and institutional sector (HRI) has been one of the largest contributors to economic growth. In 2022, HRI registered 24 percent year-on-year growth, which was driven by strong foreign tourism, according to the Ministry of Tourism. For additional information on the Hotel, Restaurant, and Institutional (HRI) sector, please see October 2023 [HRI](#) report for the Dominican Republic.

Since the Dominican Republic joined CAFTA-DR in 2007, U.S. agricultural exports have experienced robust expansion in the Dominican market. From 2007 through 2022, U.S. agricultural exports totaled more than \$20 billion. In 2022 alone, U.S. agricultural and related products to the Dominican Republic reached a record \$2.1 billion, up 17 percent over 2021.

In 2022, the DR ranked as the third-largest market in the Western Hemisphere for U.S. consumer-oriented products. As a signatory of CAFTA-DR, the United States stands out as the primary supplier of consumer-oriented products to the DR, seizing 47 percent market share, which was valued at approximately \$1 billion in 2022. The top U.S. exports in this category included pork, dairy, poultry, prepared foods, and beef.

In 2022, local demand for U.S. consumer-oriented products rose 19 percent compared to last year. Most notably, pork and pork products emerged as the leading consumer food by value, surging 55 percent over the previous year. As of October 2023, pork and pork products continued higher, climbing 27 percent compared to the same time last year. Strong import growth in pork and pork products is attributed to the ongoing challenges faced by the Dominican Republic (DR) as the country combats an outbreak of African swine fever (ASF); robust demand from the service industry is also a key driver. Similar to the growth in pork and pork products, dairy products marked a 36 percent increase, while beef and beef products rose 24 percent.

Key Market Drivers and Consumption Trends

Advantages	Challenges
The implementation of CAFTA-DR, which has lowered or eliminated duties on nearly 100 percent of products	The ongoing and incoming negative impact of the COVID-19 pandemic over the HRI sector and the overall purchasing power of Dominican consumers
A large and growing tourist population demands high-value food products	Competition from other CAFTA-DR signees and DR's other free trade agreement partners
A growing number of consumers demanding higher quality and healthier products - they generally perceive that U.S. products meet their requirements - as well as an increasingly modern HRI sector which also seeks new, high-quality products	Delays for import permits and sanitary registration, which can affect the availability of imported products
Efficient food distribution channels (new highways, modernized seaports/airports)	Requirement that imported products must have a label in Spanish that must be placed at origin or in the DR
Consumers greatly influenced by U.S. culture, with a positive perception of U.S. products	Remaining cold chain challenges and limitations, which have been reduced through USDA technical and financial support
The proximity of the DR to the United States and a strong bilateral relationship throughout the public and private sectors, which facilitates trade	18 percent value-added tax (VAT) and high internal logistical costs
Growing population in urban centers and increased rate of employment	Corruption and lack of transparency, which continue to earn the DR relatively low scores in international comparison tables. (DR was 115 th out of 190 countries in the World Bank's 2020 "Ease of Doing Business" ranking)
A Dominican diaspora in the United States of more than one million people, clustered primarily in the northeastern states and Florida, whose remittances help support the Dominican economy, as of September they totaled US\$8billion.	A lack of institutional continuity across changes in government administrations

SECTION II. EXPORTER BUSINESS TIPS

The DR has a few but persistent market access issues, which are best navigated in consultation with Dominican importers. A common market entry option is to appoint an agent or distributor in the DR; licensing agreements and franchises can also be successful. Because of the proximity of DR to the United States and low air travel costs, the optimal market entry method is through a coordinated strategy that includes personally visiting potential partners or distributors. U.S. exporters should also be prepared to provide all promotional materials in the Spanish language. Good after-sales service is a prerequisite of doing business successfully in the country. It is recommended that a U.S. exporter who would like to enter the Dominican market perform in-depth market research to identify potential niches and develop an effective marketing plan. The U.S. Embassy's Office of Agricultural Affairs in Santo Domingo can provide contact information on the major importers, retailers, and distributors in DR. The Office also provides information on tariff rates, import duties, and other customs charges.

Local Business Customs and Trends

Establishing personal connections are essential to cultivating business relationships in the Dominican Republic. Generally, Dominicans place great significance on courtesy in all business endeavors. A friendly handshake, combined with conversations about an individual's well-being, family, or other similar topic prior to delving into any conversation related to business is considered a common courtesy. This form of communication helps to develop trust and confidence among Dominican buyers prior to any business commitment. When scheduling meetings, it is important to be mindful of local holidays, particularly during Christmas and New Year's. Dominicans are open to meeting foreigners and are known for their warm and friendly nature. However, it's advisable to ensure that every aspect of the business transaction is clearly documented in writing between the parties.

General Consumer Tastes and Trends

Dominicans share many aspects of U.S. culture, such as sports, entertainment, and fashion. Similarly, consumption trends in Dominican culinary preferences mirror those in the United States. Whereas in the past, it may have taken a few years for U.S. trends to gain traction in the DR, CAFTA-DR has accelerated this transfer. For instance, middle-class consumers and above routinely visit U.S. fast food chains and restaurants established in the DR. Dominican consumers perceive products from the United States and other developed countries as more reliable in terms of quality and safety. Also, higher-income consumers are increasingly seeking natural and healthy products, including those with lower levels of saturated fat, cholesterol, and sugar, thus creating a rising demand for specialized diet products, presenting numerous opportunities for a variety of U.S. products.

SECTION III. IMPORT FOOD STANDARDS & REGULATIONS AND IMPORT PROCEDURES

Several import requirements are mentioned below. For additional information, review Post's most recent Food and Agricultural Import Regulations and Standards ([FAIRS](#)) report.

Customs Clearance

The General Directorate of Customs (DGA) requires the importer to present the following documents to release all shipments valued over US\$100:

- Bill of lading (English or Spanish)
- Commercial invoice
- Insurance certificate issued by a local insurance company.
- Export certificate issued by the country of origin.
- For products of animal (including dairy), plant, or fish origin only: Sanitary No-objection Certificate (import permit) issued by the Ministry of Agriculture (MoA)
- For alcoholic beverages only: Import permit issued by the General Directorate of Internal Taxes (DGII).

When importers secure all the required documents, including a sanitary certificate, the DGA clearance procedure can be completed in 24 hours. The process has been streamlined since September 2017 when the electronic customs systems (One Stop-shop of External Trade or VUCE in Spanish) began to be implemented. This system digitizes the agricultural import authorization process and allows the importer to request import permits and process other transactions online. Since January 31, 2019, the system has been used for all commodities. This system increases transparency for traders who can view the status of their approvals and reasons for any rejections. However, importers usually hire a knowledgeable customs agent who expedites the process. Larger importers will have a customs agent within their company. It is also important to note that 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, DGA officials determine the duty. If it is determined that the invoice does not reflect what DGA believes is an accurate price, DGA officials will review the duty based on its own appraisal list (Lista de Valoración Aduanera, LVA). The actual product value may be lower than the one in the list, so importers sometimes may need to appeal their findings.

Country Language Labeling Requirements

Imported products must have a label in Spanish. This can be a sticker applied to the packaging, which can be applied at origin or in country as a Complementary Label (sticker).

Tariffs and Free Trade Agreements (FTAs)

Tariffs follow commitments under CAFTA-DR, which will be fully implemented in 2025. Tariffs range from zero to 20 percent for most products, and up to 99 percent in some cases. Several products are duty free and are listed in Baskets A, B, G, W and X of the agreement. The tariffs for products in other baskets are being reduced over time. A complete list of the base tariff schedule, in Spanish only, is available at the [Tariff](#) Schedule of the Dominican Republic.

Exporters also should be aware of internal taxes applied to imported luxury products, such as wine, during the clearance process. Although the duty may be as low as zero, luxury taxes may be as much as

300 percent. These taxes, charged at customs, increase the price for the end consumer significantly. Copyrights and trademarks are handled by the DR's National Office of Industrial Property (ONAPI).

SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

The DR market is price sensitive, with limited consumer buying power in the lower classes. However, a wide range of opportunities exists for U.S. agricultural products in the Dominican market, specifically in the following categories:

Consumer-Oriented Products: In 2022, the DR imported \$2.3 billion of consumer-oriented products from all trade partners. The United States was the primary supplier, capturing 47 percent (\$1 billion) of total imports. Competitors include the European Union (24 percent), United Kingdom (5 percent), Costa Rica (3 percent) and Brazil (3 percent). Top U.S. products in this category include pork, dairy products, poultry, prepared food, and beef. The first ten months of 2023 showed a three percent increase compared to the same period in 2022.

Hotel Restaurant Institutional (HRI) Sector: The leading U.S. products for distribution in the growing HRI sector include premium beef cuts, pork, poultry parts, seafood, cheeses, frozen potatoes and vegetables, fresh fruit, wine, and craft beer. U.S. beef (including special meat cuts) is growing in popularity at high-end restaurants, especially in Santo Domingo. While the DR has substantial domestic poultry and pork sectors, the growing food service sector creates additional demand for specific cuts. The DR's food service sector largely depends on imported seafood products, which creates opportunities for U.S. lobster, salmon, and other seafood products in this price-sensitive market. Cheeses, whether served individually or as ingredients (especially cheddar, mozzarella, and provolone), are widely used in the food service sector. In addition, frozen potato products continue to be very popular. U.S. wines, mainly from California, are gaining market share despite fierce competition from the European Union. There is also increasing demand for U.S. craft beer. U.S. turkey has high potential during peak holiday periods and duck can be found on occasion as a specialty product in some upscale hotels and restaurants throughout the year.

Retail Foods: The Dominican retail sector can be divided into two distinct segments or channels: the modern and the traditional. The modern retail distribution channel is comprised of three main components: supermarket chains, independent supermarkets, and convenience stores. Supermarket chains dominate this segment and offer a wide variety of U.S. products. However, despite their prominence and growth, only 20-25 percent of retail sales are via the modern retail channel. The traditional retail channel is subdivided into two main components: neighborhood stores known as "*colmados*" and walk-in food warehouses known as "*almacenes*," located mainly in traditional street markets. In addition to direct sales to the public, *almacenes* also serve as suppliers to *colmados*. It is estimated that 70-80 percent of retail food sales are recorded by the traditional retail channel.

Supermarket Chains: The number of Dominican supermarkets has doubled over the last 20 years. Supermarkets are concentrated in the greater Santo Domingo area and other large urban areas. There are currently approximately 150 supermarkets nationwide.

Independent Supermarkets: With more than 40 points of sale, most independent supermarkets are based in Santo Domingo and Santiago, the two largest cities. Most of these independent supermarkets

have joined forces under an umbrella group known as the National Union of Low-Cost Supermarkets (UNASE).

Convenience Stores: Most convenience stores are in gas stations and focus on pre-packaged and ready-to-eat foods and beverages. They offer a high selection of U.S. brands (some produced outside the United States), including snacks, sodas, other non-alcoholic beverages, rum, wine, and beer. Customers generally only purchase food and beverages to consume in this inexpensive and social environment. There are no regional or national chains in this sub segment. For additional information, please refer to Post’s most recent [Retail Foods report](#).

Food Processing Ingredients: As of June 2023, the Dominican Republic’s food processing industry totaled \$2.4 billion. Meat processing, wheat milling, bakery products, and dairy processing continue to lead the domestic food processing sector.

The United States has a strong history of supplying wheat, meat, edible meat offal, and animal and vegetable fats (e.g., soybean oil) to the Dominican meat processing industry, which is expected to continue. There is also potential for increased exports of U.S. ingredients to the Dominican milling, dairy, and confectionary industries, especially since CAFTA-DR will be fully implemented by 2025. For additional information, please refer to Post’s most recent Food Processing Ingredients report ([FPI](#)).

SECTION V. AGRICULTURAL AND FOOD IMPORTS FROM THE UNITED STATES

Consumer-Oriented Products (US\$ Thousands)

PRODUCTS	2018	2019	2020	2021	2022
Dairy Products	80,553	88,699	92,263	116,016	158,326
Pork & Pork Products	92,635	77,700	90,459	150,748	234,097
Other Consumer Oriented	76,412	83,452	89,328	101,601	98,396
Poultry Meat & Prods. (ex. eggs)	73,700	77,776	81,023	95,855	81,388
Beef and Beef Products	58,549	65,698	33,717	78,580	97,603
OTHERS	259,991	302,461	285,862	355,991	398,415
TOTAL	641,840	695,786	672,652	898,791	1,068,225

Source: GATS/USDA

Consumer-Oriented Products: As noted above, U.S. consumer-oriented exports during 2022 increased 19 percent compared to 2021. During the first 10 months of 2023, overall demand for those products increased by three percent due to booming tourism and the retail sector. The United States is the primary supplier in this sector to the DR, representing a 47 percent market share. Competitors include the European Union, United Kingdom, Brazil, and Costa Rica.

Intermediate Products (US\$ Thousands)

PRODUCTS	2018	2019	2020	2021	2022
Soybean Meal	187,595	184,376	165,847	220,995	246,067
Soybean Oil	107,011	90,558	121,969	62,749	58,872
Vegetable Oils (ex. Soybean)	21,343	15,353	13,427	21,076	23,228
OTHERS	67,675	69,403	67,070	75,167	90,355
TOTAL	383,624	359,690	368,313	379,987	418,522

Source: GATS/USDA

Intermediate Products: Approximately 100 percent of soy products originate from the United States. U.S. soybean meal exports, valued at \$246 million in 2022, increased 11 percent from 2021. The DR imported 108 percent more soybean oil in 2022 compared to 2021. In 2022, the DR imported 68 percent of its soybean oil from Argentina and 30 percent from the United States. U.S. soybean oil is widely used in the HRI and retail sectors.

Bulk Products (US\$ Thousands)

PRODUCTS	2018	2019	2020	2021	2022
Corn	165,419	64,058	92,881	116,211	155,036
Wheat	66,454	68,524	43,683	98,563	126,061
Pulses	19,913	24,300	43,110	33,966	37,808
OTHERS	117,388	275,504	207,414	230,690	257,892
TOTAL	369,174	432,386	387,088	479,430	576,797

Source: GATS/USDA

Bulk Products: U.S. bulk products saw a general increase of 20 percent in 2022. U.S. corn exhibited the largest increase with a total export value of \$155 million, 33 percent higher year-on-year. However, as of October 2023, total U.S. corn shipments to DR dropped 43 percent relative to October 2022 as Brazil overtakes the United States as the top corn supplier to the Dominican Republic.

Finally, largely due to trade liberalization under CAFTA-DR, the DR is the largest market in the world for U.S. pinto beans. However, local sensitivities restrict trade, especially during the local harvest.

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

Foreign Agricultural Service (FAS/USDA)

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Comment: Contact our office for more detailed information about the Dominican food market, lists of importers, major players in the sector, questions, etc.

***Note:** With the release of the January 2021 monthly trade data on March 5, USDA, in coordination with the U.S. Census Bureau, adopted the World Trade Organization's internationally recognized definition of "Agricultural Products" as its standard definition for the purposes of reporting U.S. agricultural trade. For that reason, trade data from previous reports might differ.*

Attachments:

No Attachments