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Report Highlights:

In 2023, U.S. agricultural exports to the Dominican Republic (DR) are on pace to reach an all-time high, powered by strong demand from the food service sector for consumer-oriented products. Meanwhile, tourism, primarily from the United States, is forecast to break another record in 2023, following a banner year in 2022 with more than 8.5 million visitors. As the DR continues to list as one of the fastest growing and most dynamic economies in Latin America and the Caribbean, it continues to rank in the top three as a consistent and top destination market for U.S. consumer-oriented products in the Western Hemisphere and number two in Latin America, trailing Mexico.

Market Fact Sheet: Dominican Republic

The Dominican Republic (DR) is an upper middle-income country. In 2022, the inflation rate for the DR reached a record 9.6 percent before falling to 4.4 percent in May 2023, according to the International Monetary Fund (IMF). DR is the second-largest economy in the Caribbean, just behind Cuba, and the third-largest country in terms of population (behind Cuba and Haiti). In 2022, the Central Bank of the Dominican Republic recorded DR's gross domestic product (GDP) at \$114 billion and the IMF projected the GDP of DR to rise by 4.2 percent in 2023. DR's major export growth has shifted away from its traditional products (e.g., raw sugar, green coffee, and cacao) to gold, ferro-nickel, free-trade zone products, and fruits. In recent years, medical instruments and apparatuses have become one of the most dynamic exportable supplies. Major imports include consumer-oriented products and livestock feed, with the United States as a top partner.

Imports of Consumer-Oriented Products

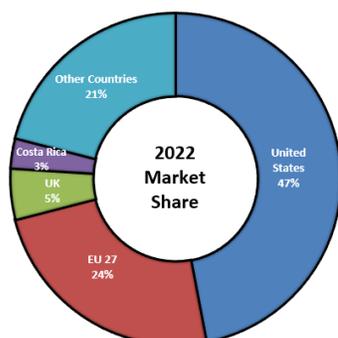


Figure 1. The United States is the top supplier of consumer-oriented agricultural products to the DR, capturing 47 percent market share in 2022. Source: Trade Data Monitor (TDM).

Food Processing Industry

The Central Bank of DR valued the food processing industry at \$4.3 billion for calendar year (CY) 2022 in activities categorized as “food industry” with an additional \$1.1 billion for processed beverages and other products over the same period. For more information, please refer to Post’s 2023 [Food Processing Ingredients](#) report.

Food Retail Industry

The Dominican modern retail sector offers a wide variety of U.S. products. The sector, which is growing rapidly, is dominated by locally-owned companies. However, despite fast growth, supermarkets only

account for 20-25 percent of retail sales. Most sales stem from traditional channels, which include neighborhood stores (i.e., *colmados*) and warehouses, which offer largely local products. Refer to [Retail Foods](#) report 2023.

Quick Facts CY 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)	2.29
DR Imports (from U.S.)	1.07
DR Exports (all destinations)	2.13
DR Exports (to U.S.)	1.36
Top DR Retailers*	
1) Aprezio	6) Supermercados Bravo
2) Sirena	7) Jumbo
3) Plaza Lama	8) PriceSmart
4) Supermercados Nacional	9) Sirena Market
5) Hipermercados Olé	10) La Cadena
GDP/Population	
Population:	11.12 million
GDP:	US\$114 billion
GDP per capita:	US\$10,700
Median income per capita:	US\$3,600

Source: Global Agricultural Trade System (GATS), Trade Data Monitor (TDM), Word Bank, and DR Central Bank. *Ordered by quantity of establishments

Strengths/Weaknesses/Opportunities/Challenges

Strengths	Weaknesses
Implementation of CAFTA-DR, which has lowered or eliminated duties on nearly 98 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	Challenges
Additional trade liberalization through the full implementation of CAFTA-DR by 2025.	Delays for import permits and sanitary registration, which can affect the availability of imported ingredients.
Growth potential for U.S. consumer-oriented products, livestock feed, and ingredients for the food processing industry.	Competition from other CAFTA-DR signees and other free trade agreement partners.

Figure 2. CAFTA-DR SWOC for U.S. export to DR.

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SECTION I. MARKET SUMMARY

In the Dominican Republic (DR), the hotel, restaurant, and institutional (HRI) sector remains resilient. Over 20 percent of foreign direct investment (FDI), which topped more than US\$3.8 billion in 2022 and 23 percent higher year over year, is dedicated to the tourism industry. The United States is the largest direct investor to the Dominican Republic.

According to the World Travel & Tourism Council (WTTC), in 2022, the tourism industry contributed more than US\$16.7 billion – or nearly 15 percent – to the Dominican economy, up 26 percent compared to the previous year and 3.8 percent higher than 2019, the year before the start of COVID-19 closures.

In his latest State of the Union address, President Luis Abinader highlighted that the DR witnessed a banner year in tourism for 2022, welcoming more than seven million passengers by air and 1.3 million by cruise ships.

President Abinader further stressed that hotel occupancy rates reached historic levels, averaging close to 75 percent in 2022, and that short-term rentals (e.g., Airbnb) rose to 35 percent, 40 percent higher than 2021. He also underscored that the HRI sector accounts for nearly 30 percent of the GDP growth.

In addition to the normal demand from the tourism sector, DR’s economic growth fueled local consumer purchasing power, which has led to a growing gastronomy sector. Greater consumer purchasing power has led to expansion and interest in premium red meat cuts, such as beef and pork, poultry, seafood, cheeses, frozen potatoes and vegetables, and craft beer.

ADVANTAGES AND CHALLENGES

Advantages	Challenges
<ul style="list-style-type: none">• The implementation of CAFTA-DR, which has lowered or eliminated duties on nearly 80 percent of products• A historically large tourist population, which demands high value food products.• An increasingly modern HRI sector, which seeks new, high quality products• A growing number of consumers demanding higher quality and healthier products• Proximity between the DR and United States, and strong commercial and cultural ties• Efficient food distribution channels	<ul style="list-style-type: none">• Competition from other CAFTA-DR signees and the DR’s other free trade agreement partners• Spanish language labeling requirements• Delays for import permits and sanitary registration, which can affect the availability of imported products• Cold chain limitations• 18 percent VAT and high logistical costs

SECTION II. ROAD MAP FOR MARKET ENTRY

A. Market Entry Strategy

The first step to importing new food products into the Dominican Republic is to register the product. Importers register new food products with the Ministry of Public Health. The Ministry 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. For more information, please refer to Post’s 2023 Food and Agriculture Import Regulations and Standards ([FAIRS](#)), and the 2022 [Exporter Guide](#) reports.

The DR Customs Authority’s electronic system, One Stop Shop for External Trade (or VUCE in Spanish) increases transparency for traders who are able to view the status of their applications for approval and reasons for any rejections. Post can assist with guidance and connecting with the proper authorities when necessary.

After stakeholders complete market research, Post can support connecting them with retailers and importers. In addition, many U.S. agriculture-related trade associations have in-country representatives to promote products in the DR and can assist with information on market trends and opportunities. Finally, Post recommends conducting either an in-country visit, participate in a trade mission (i.e., coming from the United States), or attend a trade show, such as the Americas Food and Beverage in Miami, which invites Dominican buyers. It is critical to develop personal connections to conduct business in the Dominican market.

B. Marketing Channels

In the DR, most food service importers prefer to purchase directly from U.S. manufacturers. However, for smaller volumes, and to capitalize on logistical and transportation advantages, many importers purchase consolidated shipments from distribution centers in Miami or other east coast locations. For meat, buyers also frequently purchase combined product shipments, including mixing meat and seafood products in the same container. Also, local providers, working as distributors, are found in the meat and seafood supply chains. They usually focus on a smaller number of end users (hotels and restaurants) and buy from larger importers.

Typical Distribution Channel:



Fruit, especially apples and pears, has a simpler distribution channel, with a few major importers directly supplying outlets.

Fruit Distribution Channel:



The attendance at U.S. trade shows has been increasing in recent years. HRI establishments’ representatives, i.e., chefs, restauranteurs, hotel managers, and purchase or commercial representatives attending trade shows purchase directly from a U.S. manufacturer or distributor. However, their attendance is not making a big impact in how hotels and restaurants are getting their products.



Some of the best opportunities for U.S. products are with the large hotels (including U.S. franchises such as Hyatt, Hard Rock Café, JW Marriott, Hilton, and Holiday Inn) and the all-inclusive resorts in the eastern DR. However, these resorts are highly price sensitive. Similarly, hundreds of restaurants include U.S. imported products in their menus, creating additional opportunities for U.S. agricultural products. Post has put together a list of these potential clients that can be provided upon request.

Local products predominantly supply the institutional portion of the HRI sector. Nevertheless, catering is a growing niche that is creating additional opportunities for U.S. products. In addition, U.S. products are increasingly being purchased to supply school feeding programs.

C. Market Composition

There are nearly 2,000 HRI establishments i.e., hotels, restaurants, and cafeterias open in the DR. Cafeterias and restaurants represented about 88 percent of this total, although they do not account for the same percentage of total business volume. Restaurants focus more on new foods and promotions, while hotels are more interested in the volume of sales. As a result, while only consisting of 12 percent in terms of the number of establishments, hotels have higher sale volumes than independent restaurants.

In 2022, the Ministry of Tourism reported a total of more than 83,000 hotel rooms and investments for an additional 16,000 rooms. In DR, there is an increase in real estate tourism e.g., Airbnb and aparta-hotels, with more than 27,300 rooms, representing approximately 32 percent of rooms available for lodging. Seven new hotels opened in 2023, adding over 1,000 hotel rooms.

There are more than 22 fast food restaurant chains registered, with an estimated 129 outlets in the DR. Most of them are U.S. franchises. There are also over 333 medium and large restaurants in the country, with 167 of them located in Santo Domingo (of which approximately 50 are considered high-end restaurants), 61 in Santiago, 60 in Bávaro, 23 in La Romana, and 22 in Puerto Plata. The most important U.S. products for these outlets include meat cuts, seafood, cheese, fruits, and frozen potatoes. In addition, some of the key retail establishments distribute wines, craft beer, and other products to these restaurants.

SECTION III. COMPETITION AND MARKET SHARE

Overall, the United States is the top supplier to the DR for consumer-oriented products, seizing 47 percent market share in 2022. The European Union is the largest competitor, with an approximate 24 percent market share in this category. Major product categories are described further below:

Pork & Pork Products: U.S. pork and pork product exports to DR totaled \$233.6 million, a 55 percent spike year-over-year. U.S. pork enjoys nearly 90 percent of the Dominican import market.

Beef: Valued at \$97.6 million in 2022, U.S. beef and beef products to the DR captured 96 percent market share in 2022 due to geographic proximity, high-quality cuts, and a preference for Certified Angus Beef in both food service and retail sectors. The DR introduced domestic Brangus cattle into the market, but it has offered limited competition over the last few years.

Cheese: For dairy products, domestically produced cheese is not currently comparable to imported cheese due to differences in variety, quality, and sanitary factors. For DR imports, U.S. cheese secured 34 percent market share in 2022, while the European Union seized 57 percent of the market. Nevertheless, it is important to note that U.S. dairy exports to the DR rose 35 percent over the same period in 2021.

Wine and beer: The DR wine market holds great potential for the U.S. wine industry. In 2022, the United States exported US\$20.4 million of wine to the DR, representing 27-percent market share of total wine imports. The dominant competitor remains the European Union (specifically Spain), which has a 64 percent share of total wine imports. DR's strong demand for U.S. craft beer is important, with U.S. export sales to DR totaling US\$14.2 million. In addition, the local craft beer industry sources U.S. grains and hops for production.

Potatoes and fresh vegetables: In 2022, the United States was the dominant foreign supplier for potatoes and fresh vegetables (61 percent and 36 percent respectively) but faces headwinds due to local seasonal competition.

Fruits: In 2022, U.S. apples captured 98 percent market share, and continue to enjoy a strong presence in the local market; U.S. pears to DR enjoyed 53 percent market share; and U.S. grapes secured 38 percent of the import market. Chilean pears and Peruvian grapes, both well positioned in the local market, achieved 47 and 40 percent market share respectively in 2022. U.S. fresh fruit achieved a 13 percent increase from the same period in 2021, representing 71 percent of the Dominican import market.

SECTION IV. BEST PRODUCTS PROSPECTS CATEGORIES

2.1. Products Present in the Market which have Good Sales Potential

Leading U.S. products for distribution in hotels and restaurants include premium red meat cuts, pork, poultry parts, seafood, cheeses, frozen potatoes and vegetables, fresh fruit, wine, and craft beer. U.S. beef (including specialty meat cuts) is growing in popularity at high-end restaurants, especially in Santo Domingo. While the DR has substantial domestic poultry and moderate pork supplies, the growing food service sector creates additional demand for specific cuts. The DR's food service sector is largely dependent on imported seafood products, which creates opportunities for U.S. lobster, salmon, shrimp, crabmeat, 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. While fruits were previously available on a seasonal basis, pears, grapes, and several varieties of apples are always present throughout the year, which creates additional opportunities. There is now interest for other deciduous fruits, such as nectarines, peaches, and apricots, to enter the market. U.S. wines, mainly from California, are still a top product in the market, despite historical competition from the European Union. There is also a demand for U.S. craft beer, especially among young Dominican consumers. U.S. turkey has high potential during peak holiday periods, especially from November to December, but sliced turkey is increasingly popular for brunch sandwiches during anytime of the year.

2.2. Top Consumer-Oriented Products Imported from the United States

January - December U.S. Exports to the DR (in millions of dollars)			
Product	2020	2021	2022
Consumer Oriented Agricultural Total	672.7	898.8	1,067.7*
Beef & Beef Products	33.7	78.6	97.6*
Pork & Pork Products	90.5	150.7	233.6*
Poultry Meat & Prods. (ex. eggs)	81.0	95.9*	80.9
Meat Products NESOI	4.1	5.9	7.8*
Eggs & Products	0.4	3.0	0.2
Dairy Products	92.3	116.0	156.8*
Fresh Fruit	35.3	39.4	44.7*
Processed Fruit	7.9	9.8*	9.5
Fresh Vegetables	12.2	13.7	16.5*
Processed Vegetables	21.3	26.8*	21.2
Fruit & Vegetable Juices	34.8	48.7	50.5*
Tree Nuts	8.5	9.6	12.5*
Confectionery	4.0	5.1	5.1
Chocolate & Cocoa Products	10.9	13.8	16.5*
Bakery Goods, Cereals, & Pasta	33.6	36.6	42.1
Food Preparations	34.9	33.4	37.3
Condiments & Sauces	21.4	26.5	31.2*
Non-Alcoholic Bev. (ex. juices)	14.7	14.0	10.8
Beer	7.0	10.9	14.2*
Wine & Related Products	12.7	20.1	20.4*
Distilled Spirits	16.2	30.6	48.0*
Nursery Products & Cut Flowers	1.5	1.7	2.0
Dog & Cat Food	4.4	6.3	10.0*
Other Consumer Oriented	89.3	101.6*	98.4

*Denote highest export levels since at least CY 1970. Data Source: U.S. Census Bureau Trade Data

2.3. Products Not Present in Significant Quantities but have Good Sales Potential

Some poultry and egg category products might find a good opportunity in the Dominican market. For instance, duck can be found on occasion as a specialty product in some upscale restaurants, hotels, and resorts throughout the year. Meanwhile, growing procurement efforts for liquid and powdered eggs are among the top ingredients sought by local bakeries.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Foreign Agricultural Service (FAS/USDA)

United States Embassy in the Dominican Republic

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Please do not hesitate to contact this office for more detailed information about the Dominican food market, lists of importers, major players in the sector, and any other related questions.

Ministry of Tourism

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ASONAHORES (National Hotel & Tourism Association)

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Santo Domingo, Dominican Republic

Telephone: 809-368-4676

E-mail: mercadeo@asonahores.com Website: www.asonahores.com

CDCT (Dominican Consortium for Touristic Competitiveness)

C/ Porfirio Herrera # 23, Piazza Dei Fiori, Ens. Piantini

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Commercial Enterprises National Organization (ONEC)

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Importers and Warehouses Association (ASODAI)

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Notes to the Reader: In Consumer-Oriented Trade, and in Section III on Competition and Market Share, calculations are made using global exports i.e., derived imports to the DR. Source: TDM.

Attachments:

No Attachments