DOING BUSINESS IN THE DOMINICAN REPUBLIC

VIRTUAL DISSEMINATION WEBINAR

July 15th, 2021

exporTT

TRINIDAD AND TOBAGO

CONTENT

1. WHY EXPORT TO THE DOMINICAN REPUBLIC?

1. WHY EXPORT TO THE DOMINICAN REPUBLIC?

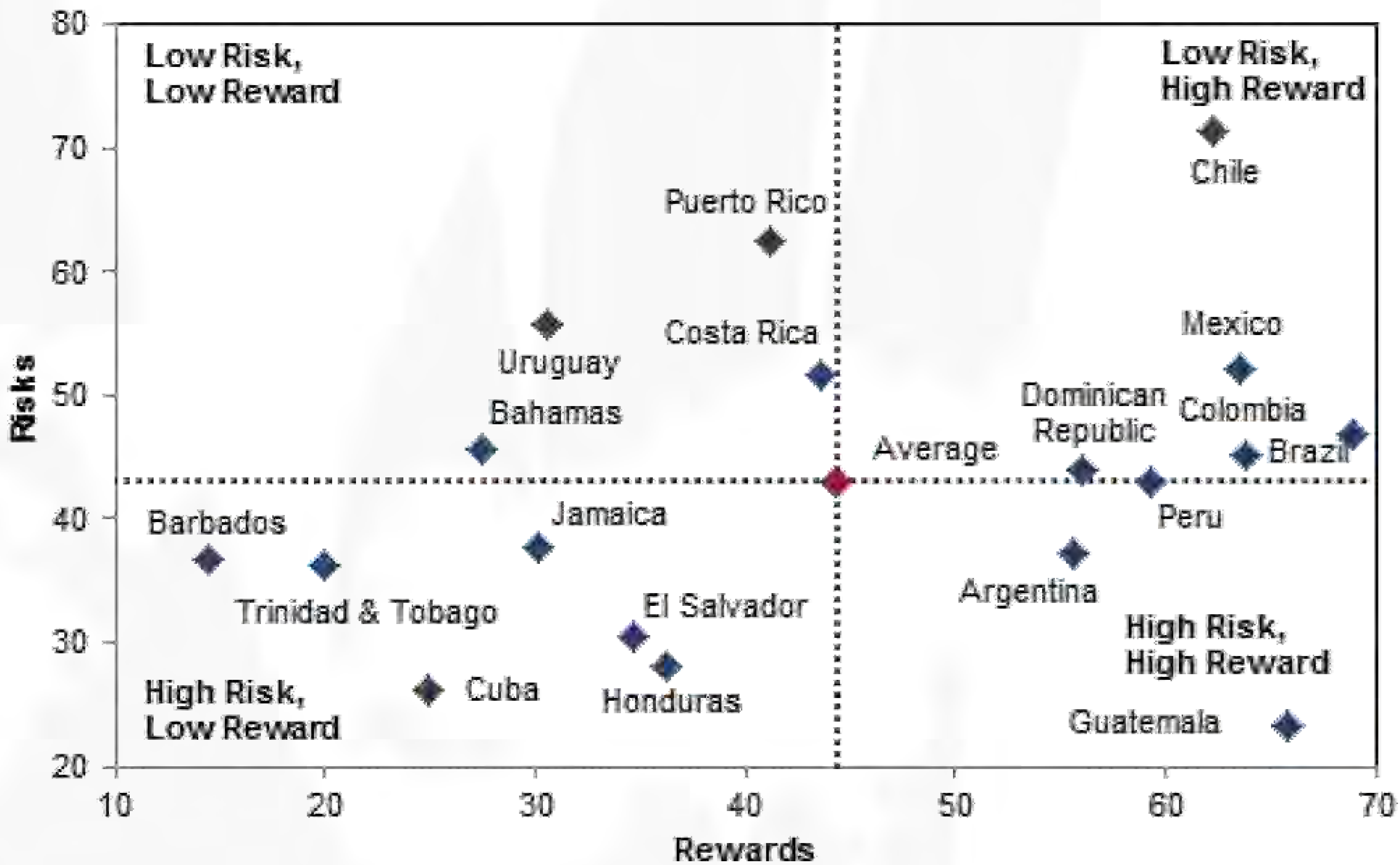
COUNTRY PROFILE

Capital	Santo Domingo
Official language	Spanish
Market size	10.5 million
WB Radar	7th top growth for 2021 -5.5% Above Mexico and below Chile.
PPA	
Area	2ND LARGEST AFTER CUBA
Currency	Dominican Peso (DOP) $1 TTD = $8.40 DOP $1 USD = 57.03
PROFIT TAX	29.1%
Calling code	+1 809

Sources: GLOCAL-HUB with data from Market line, WB BMI, STATISTA, FITCH, and others

1. WHY EXPORT TO THE DOMINICAN REPUBLIC?

COUNTRY PROFILE



Dominican Republic is an outlier with low risk and high reward in the Caribbean region

1. WHY EXPORT TO THE DOMINICAN REPUBLIC?

MARKET FACTS

- **+5% REAL GDP** p.a. (2019 to 2024)
- **-$6.7 BN** trade balance
- $15.5 BN imports in 2020
- **-14% imports** from 2019
- **3%** imports growth 2016-2020
- **+3.6% inflation rate** (2021-2023)
- **0.5%** fiscal deficit (2020-2021)
- **5.6%** Unemployment rate (2025)

- 16.5 days to start a business
- Operational risk is relatively high.
- Rule of Law is low and control of corruption is rated as rather weak.
- Regulatory quality is on a medium level
- Moderate risks of violence and/or terrorism due to political instability

- 78th place in competitiveness
- Higher export trade flow than the regional average
- 81st highest CO2 emissions, a rather low exposure to particulates.
- High level of human development

- Santo Domingo with 3.3 million (30% of the population) as the largest urban area
- An upper middle-income country with a population growth of 1.0% in 2020.
- Santiago is the second largest city in the Dominican Republic and the fourth largest in the Caribbean, with a population of approximately 590,000 people

- Higher service-exports flow than the regional average
- Services accounted for 59.2% of GDP, followed by Industry with 27.8% and agriculture for 7.2%.
- 71.7% employees in services by 2024

Sources: GLOCAL-HUB with data from Market line, BMI, STATISTA, FITCH, and others

1. WHY EXPORT TO THE DOMINICAN REPUBLIC?

COVID-19 OUTBREAK

The unprecedented nature of the current situation has taken most of the countries in the region by surprise and delayed financial and social countermeasures. Consequently, the ratings as S&P has reduced the credit outlook for the Dominican Republic to negative.

The Dominican Republic had enjoyed one of the highest growth rates in the surrounding region over the past few years, a trend that was largely attributed to its robust tourism and construction sectors. On a typical day, the Caribbean countries accommodated between three and six cruise ships, which amounted to approximately 12,000-20,000 new tourists, but the COVID-19 pandemic has since brought this robust business activity to a complete halt and created a recessionary economy.

In response to the pandemic, the government has pledged approximately US$576 million in aid, which amounts to ¾ percent of the GDP. These funds include increased subsidies for at-risk households, supplementary funds for healthcare (i.e., supplies, equipment, private laboratory testing), and allowances for essential workers. Additionally, the World Bank has released US$150 million as a credit line to support businesses and individuals in the Dominican Republic.

1. WHY EXPORT TO THE DOMINICAN REPUBLIC?

BUSINESS PROTOCOL AND CULTURE

- Business communication is characterized by a mix of both direct and indirect communication. Dominicans usually prefer to get to know a person through small talk before getting into formal business deals.
- Dominicans consider eye contact and a firm handshake two important aspects of non-verbal communication.
- Spanish is prevalent as the common business language in the country. Although many in business circles speak English, language interpreters may be necessary.

- Hierarchy is rather important in the context of doing business. However, immediate bosses are usually friendly towards their subordinates.
- Bargaining, focusing on both project terms and prices, is common.
- Formal business meetings are usually scheduled at least 2-3 weeks in advance. Emergency meetings may however be arranged on short notice.

Sources: GLOCAL-HUB with data from STATISTA, GLOBE PROJECT , TROMPERANS..

1. WHY EXPORT TO THE DOMINICAN REPUBLIC?

BUSINESS PROTOCOL AND CULTURE

- Business meetings are well-structured and punctuality is highly appreciated.
- Time management is considered important and proceedings should go over as scheduled.
- Business conflicts are generally resolved through discussion aiming for a mutually acceptable solution.

- If talks fail, conflicts are resolved with the help of a mediator.
- Maintaining a strong business network is considered rather important to succeed in business.
- Keep your meetings prepared, be ready with samples and ask specific questions for a successful discovery meeting whether is virtual or in person, you will succeed!

Sources: GLOCAL-HUB with data from STATISTA, GLOBE PROJECT , TROMPERANS..

2. BUSINESS OPPORTUNITIES

2. BUSINESS OPPORTUNITIES

RETAIL AND CONSUMER PROFILE

- Population projected to reach a potential market size of 12.4 million by 2040
- Household consumption expenditure was lower than regional average
- Consumers in the Dominican Republic spend the most in the area of "Food, non-alcoholic beverages"
- Real GDP per capita at US$8,389.3 was higher than average in 2019 and 63rd highest worldwide 3 places behind Mexico and six from Brazil.

- 14th Global Retail Development Index
- The retail market is maturing
- 14.9% modern retail channel for household consumption
- 61% traditional (Colmados) for household consumption.

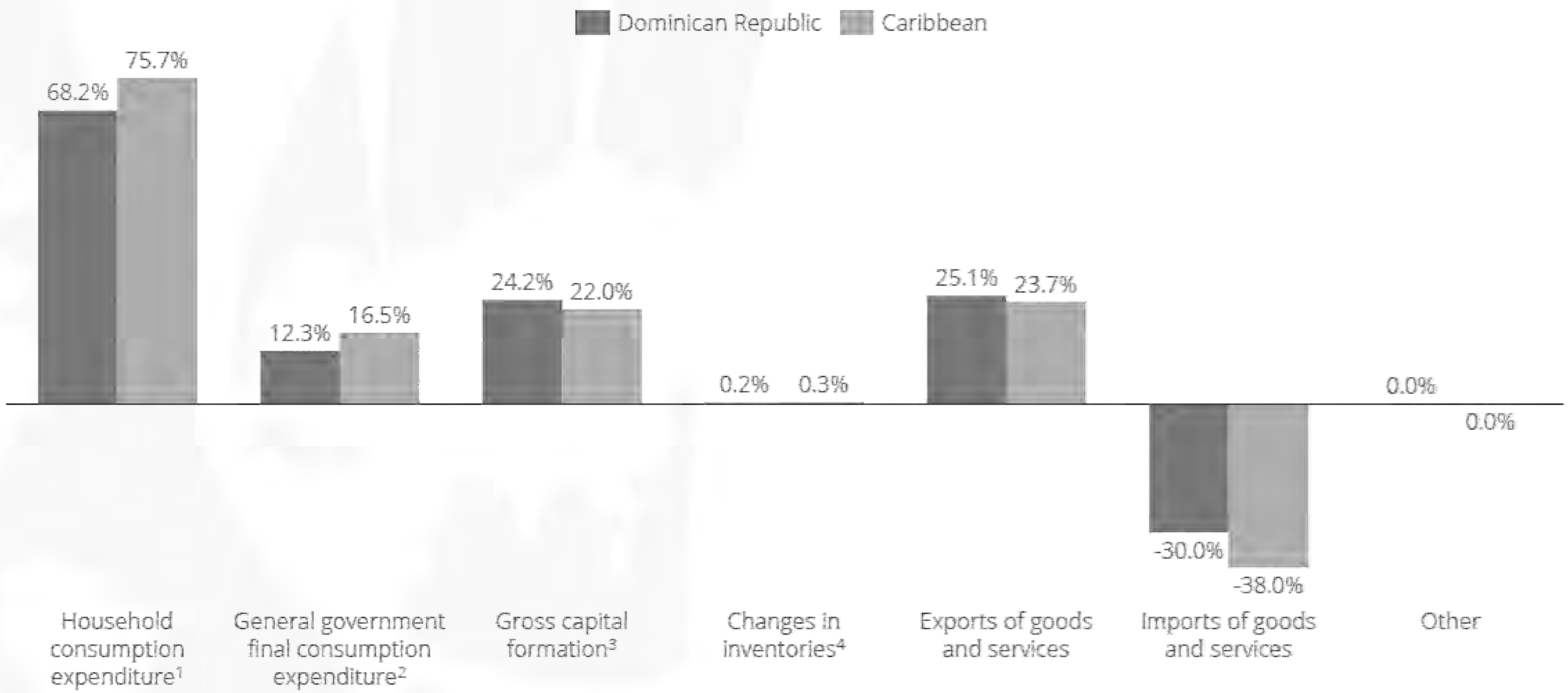
- Dominicans recognize themselves as avid, brand-conscious consumers, regardless of their income level.
- They often buy the best that they can afford, paying attention to branding and value.
- Dominican consumer is traditionally sensitive to Price, guided by utility before quality, design or appearance.Nevertheless, thi has changed with higher quality standards.

Sources: GLOCAL-HUB with data from Market line, BMI, STATISTA, FITCH, and others

1. Why export to the Dominican Republic?

RETAIL AND CONSUMER PROFILE

Household consumption expenditure in the Dominican Republic was lower than regional average



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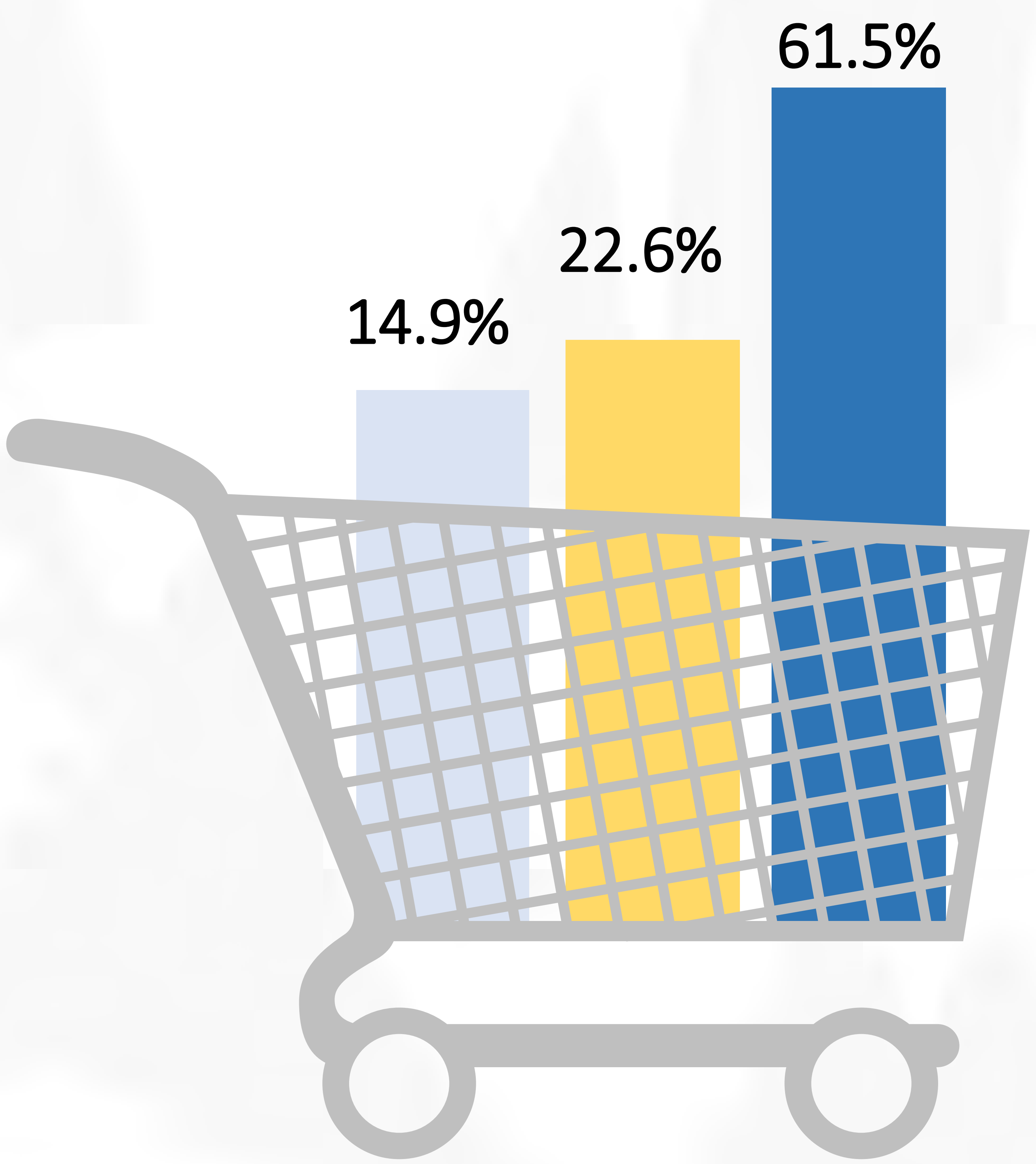
2. BUSINESS OPPORTUNITIES

GROCERIES RETAIL DISTRIBUTION



Traditional RETAIL (independent / low-cost supermarkets & colmados)

61.5% total household consumption

- Est. 40 independent supermarkets
- **53.7%** total household consumption in more than 28,000 colmados
- UNESA network (National Union of Economic Supermerkats)

HORECA (Hotels, Restaurants & coffee shops)

22.6% total household consumption

MODERN RETAIL (supermarkets, Hypermarkets)

14.9% total household consumption

- More than 150 units majorly concentrated in Santo Domingo and Santiago.
- Highly concentrated between 6 groups two as the top players with more tan 16,000 employees.

Wholesaler

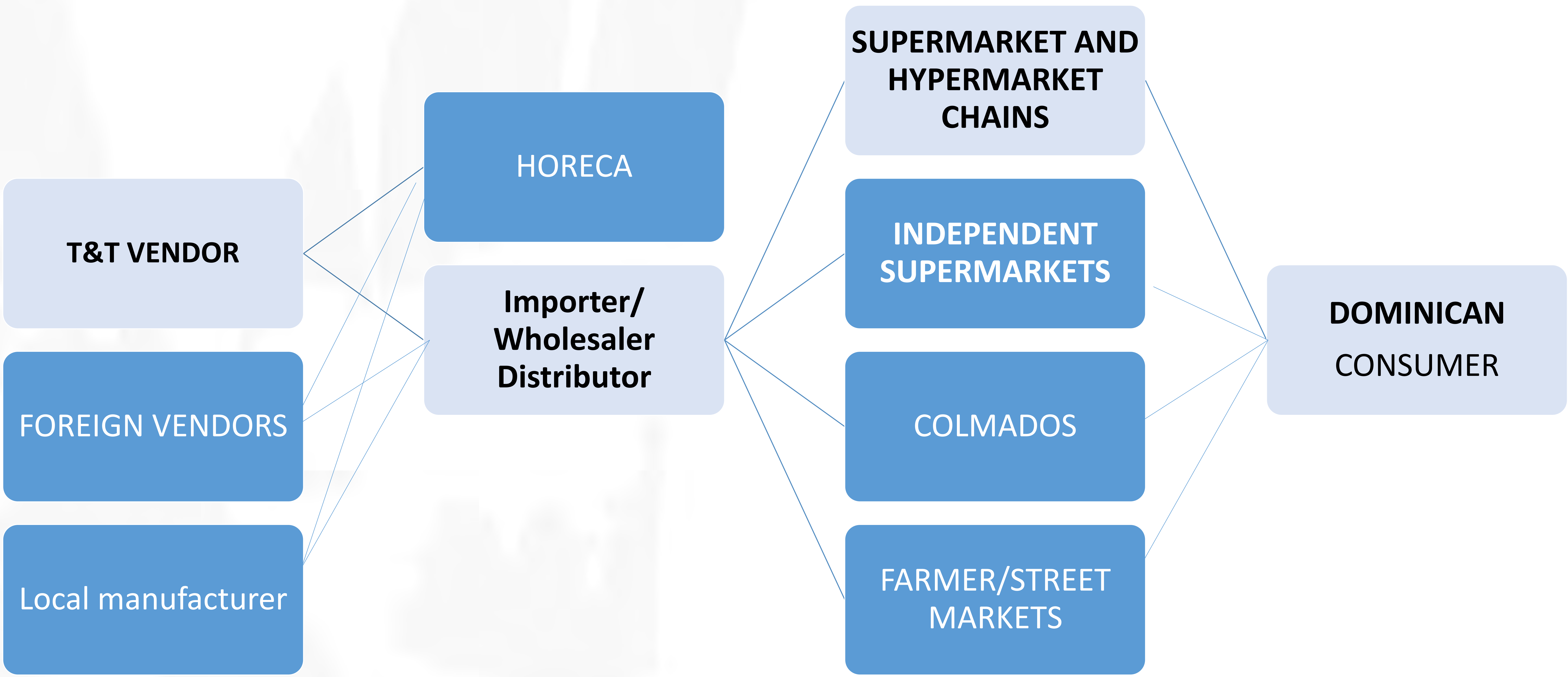
1.6% total household consumption

- Non concentrated groups, also distributors for traditional retail.

Sources: GLOCAL-HUB with data from Market line, BMI, STATISTA, FITCH, and others

2. BUSINESS OPPORTUNITIES

GROCERIES RETAIL DISTRIBUTION



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2. BUSINESS OPPORTUNITIES

FOOD AND BEVERAGE : SALES AND GROWTH EST.

2. BUSINESS OPPORTUNITIES

MODERN RETAIL CHANNEL

GRUPO RAMOS

HIGH- MIDDLE INCOME — HYPERMARKETS

MIDDLE-LOW INCOME — SUPERMARKETS

- 42 units + acquisition 5 units from Ole
- > 10,000 employees
- Top 1 in sales
- Imports & local purchases

CNC (CENTRO NACIONAL CUESTA)

HIGH- MIDDLE INCOME — SPECIALTY IMPORTS

MIDDLE-LOW INCOME — HYPERMARKETS — LOCAL

- 35 units
- > 7,000 employees
- Top 2 in sales
- Mostly imports

HIGH- MIDDLE INCOME

Carrefour
- 2 units
- > 20 years in market
- 75% local suppliers

PriceSmart
- 5 units/membership
- Mostly imports
- Centralized Miami

bravo
- 18 units
- > 17 years in market
- Hard Discounts

MIDDLE-LOW INCOME

La Cadena
- 8 units
- > 22 years

Olé
- 13 units
- Hard discounts

Plaza Lama
- 4 units
- Hypermarkets

Sources: GLOCAL-HUB with data from Market line, BMI, STATISTA, FITCH, UMAMI and others

2. BUSINESS OPPORTUNITIES

ONLINE RETAIL CHANNEL

BRICK-O-CLICK

GRUPO RAMOS

GO

- Minimum $35 usd per purchase
- For pickup or delivery service (cost $2.6)

CNC (CENTRO NACIONAL CUESTA)

Nacional

- Online store in website
- Pickup services
- Delivery just for specific products.

Colmapp

- Extensive line-up of first need products from Colmados
- App developed by Cerveceria Nacional Dominicana
- Discounts in Beers
- Free delivery

Todo Fresco

- Online store for groceries
- Min. $15 usd
- Cardboards for delivery

100% online

almacendo

- Young and family company located
- 100% online for groceries, clothes, electrodomestics
- Super Delivery in less tan 30 min alimentos, ofrecen otros

DELIVERY

PedidosYa

- Bravo, Ole ,Lama and Carrefour
- Leader in Latam

- Spanish app
- Largest competitor

hugo

- Centro-american app
- HORECA

Sources: GLOCAL-HUB with data from Market line, BMI, STATISTA, FITCH, UMAMI and others

2. BUSINESS OPPORTUNITIES

MARKET HIGHLIGHTS

- Grocery chains are offering an increasing number of products under their own brand
- Strong growth potential in the nascent discount segment.
- Inflation has impacted in 42% raise of prices in groceries in the last months.

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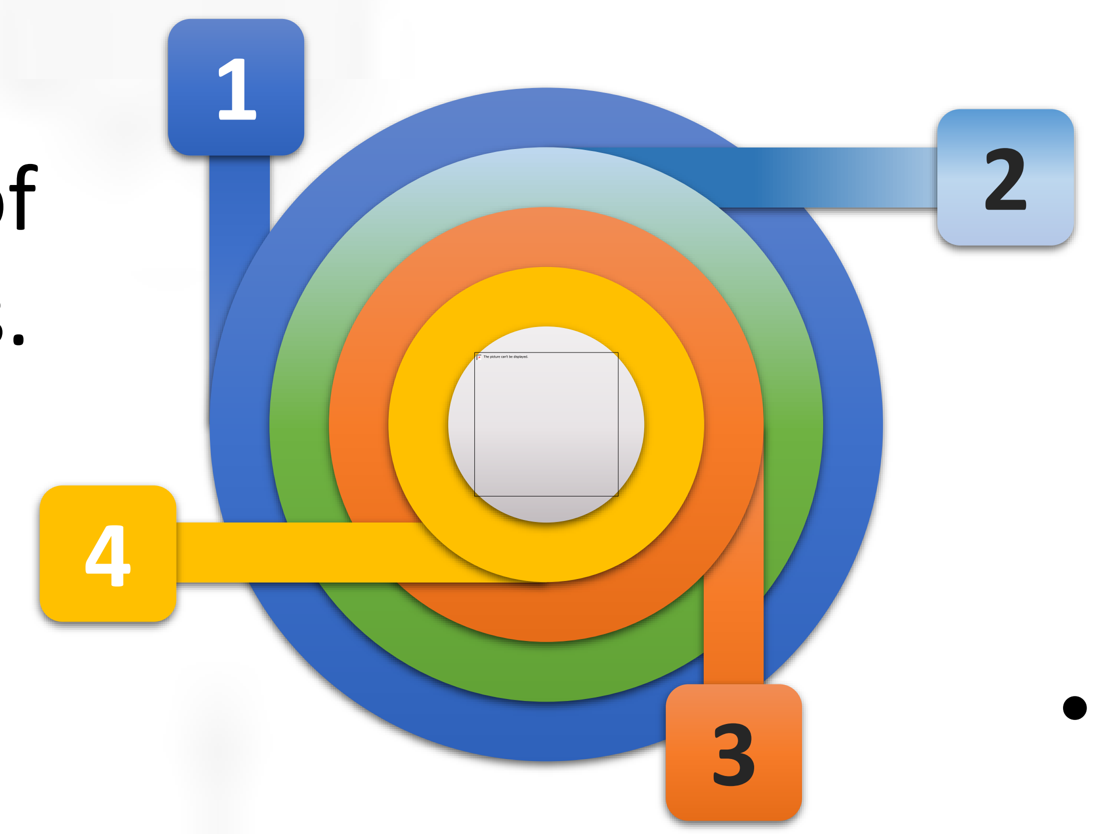


- Given the prevalence of low purchase volumes, specialization among importers and the prominent role played by freight consolidators, it is more common that multiple intermediaries are involved in product importation and placement.

- Even though most of the time it's not enforced in local supermarkets and retailers, the Dominican government requires Spanish labeling on all pre-packaged food products.

- Fiscal reform with recent increases in the Value Added Tax (ITBS in Spanish) from 16 to 18%, which will also include products such as coffee, sugar, chocolate, yogurt, oils, butter, and others; will affect the purchasing power of the Dominican consumer.

Sources: GLOCAL-HUB with data from Market line, BMI, STATISTA, FITCH, UMAMI and others

2. BUSINESS OPPORTUNITIES

MARKET TRENDS IN RETAIL

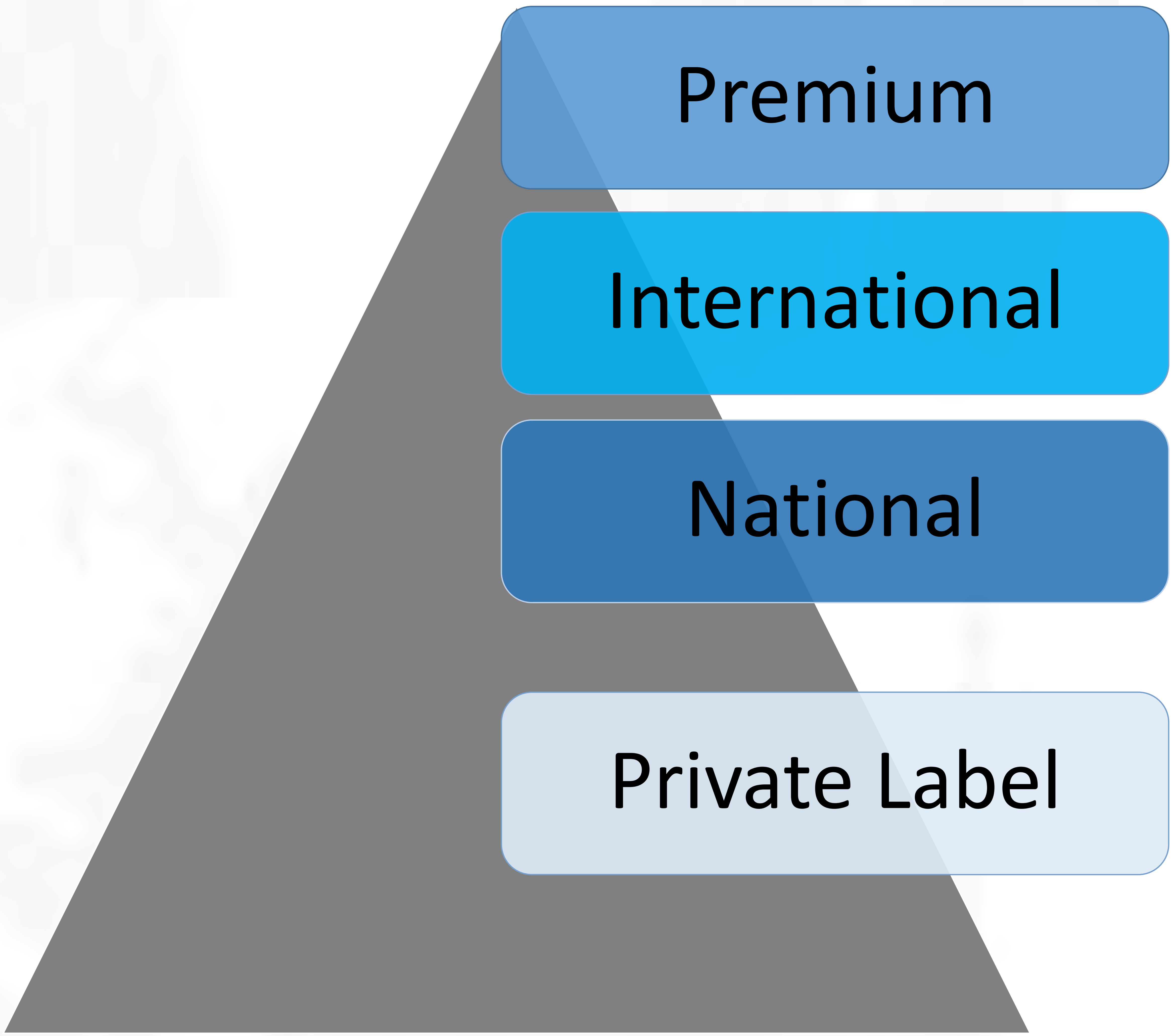
- Grocery chains are offering an increasing number of products under their own brand, reflecting trends seen in North America and Europe.
- Consumers have benefited from special promotions and lower prices as stores seek to attract customers for these products. While there has been a negative impact on some local product manufacturers, who have seen their revenue decrease by up to 15%, this development also offers opportunities for private label manufacturers
- Larger chains import directly from US suppliers, cutting out the cost of third party distributors and reducing retail prices.
- Also offering private-label goods local or from leading US retailers, which appeal to a growing interest in quality and value among the expanding middle class.
- Improved product ranges and lower prices have helped to attract typical independent store shoppers to outlets.
- Growth acceleration in the coming will see middle-class consumers forego traditional shopping habits in favour of shopping at modern retail outlets.

- A significant amount of shelf space is devoted to US imports (higher-value, branded, processed foods).
- Most supermarkets, even those belonging to a larger chain, lack the space to accommodate their own warehousing and storage facilities and are thus dependent on third party distributors or the wholesale sector.
- The independent retail sector has traditionally been very robust, primarily owing to its strong price competitiveness. Such stores have typically stocked only local goods and lacked refrigeration facilities, for example, but have been a perfectly adequate source of supplies for most shoppers. However, in the past five- to six years, a rapid process of change has been underway
- Strong growth potential in the nascent discount segment
- The overall value of the sector is consequently expanding

Sources: GLOCAL-HUB with data from Market line, BMI, STATISTA, FITCH, and others

2. BUSINESS OPPORTUNITIES

POSITIONING OF BRANDS



- GOURMET FOODS AND SPECIALTY FOOD FOR EXAMPLE BRAVO AND NACIONAL ARE FAMOUS FOR PROMOTING SPECIAL AREAS.

- Mostly US brands , also European or others may be from transnationals

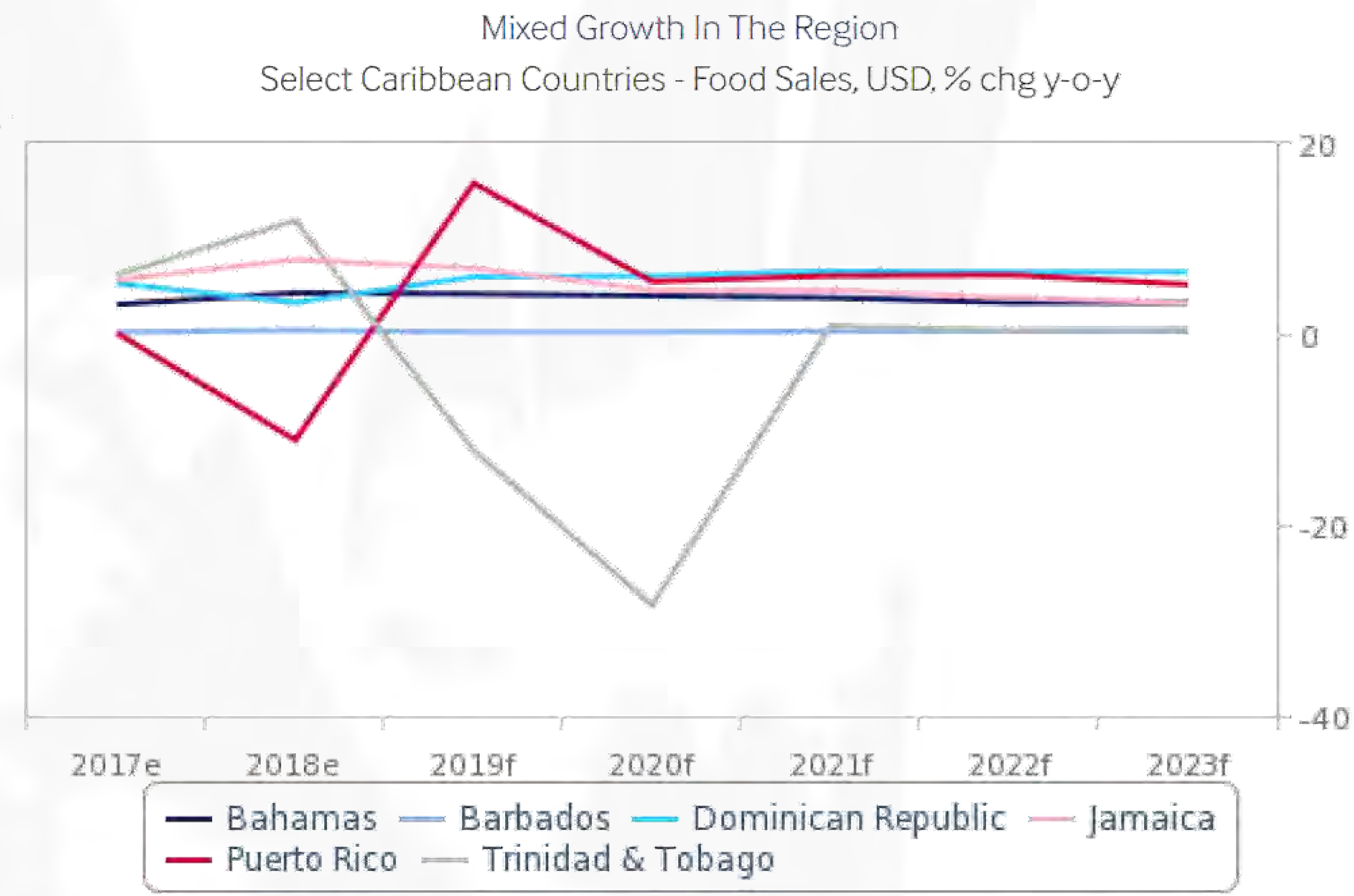
- Local brands that manufacture in DR, for example Mexican sauces from Santo Domingo.

- Each modern retailer has a large range of products with their private label for offering best prices (less than 25%)

CARREFOUR (376 products)
NACIONAL: LIDER (250) Y FOOD CLUB (900)
BRAVO (140)
CADENA : LIXTO (90)
SIRENA : FIRST CLASS (79)
PLAZA LAMA : GOLD (70)

2. BUSINESS OPPORTUNITIES

FOOD AND BEVERAGE : SALES AND GROWTH EST.



In terms of total food spending, the Dominican Republic is the largest market with food spending forecast at USD14.1bn in 2019, rising to USD15.1bn in 2021.

2. BUSINESS OPPORTUNITIES

PRIVATE LABELS IN TOP CHAINS

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PRIVATE LABELS IN TOP CHAINS

La Sirena

bravo

Nacional

uleadinternational.com

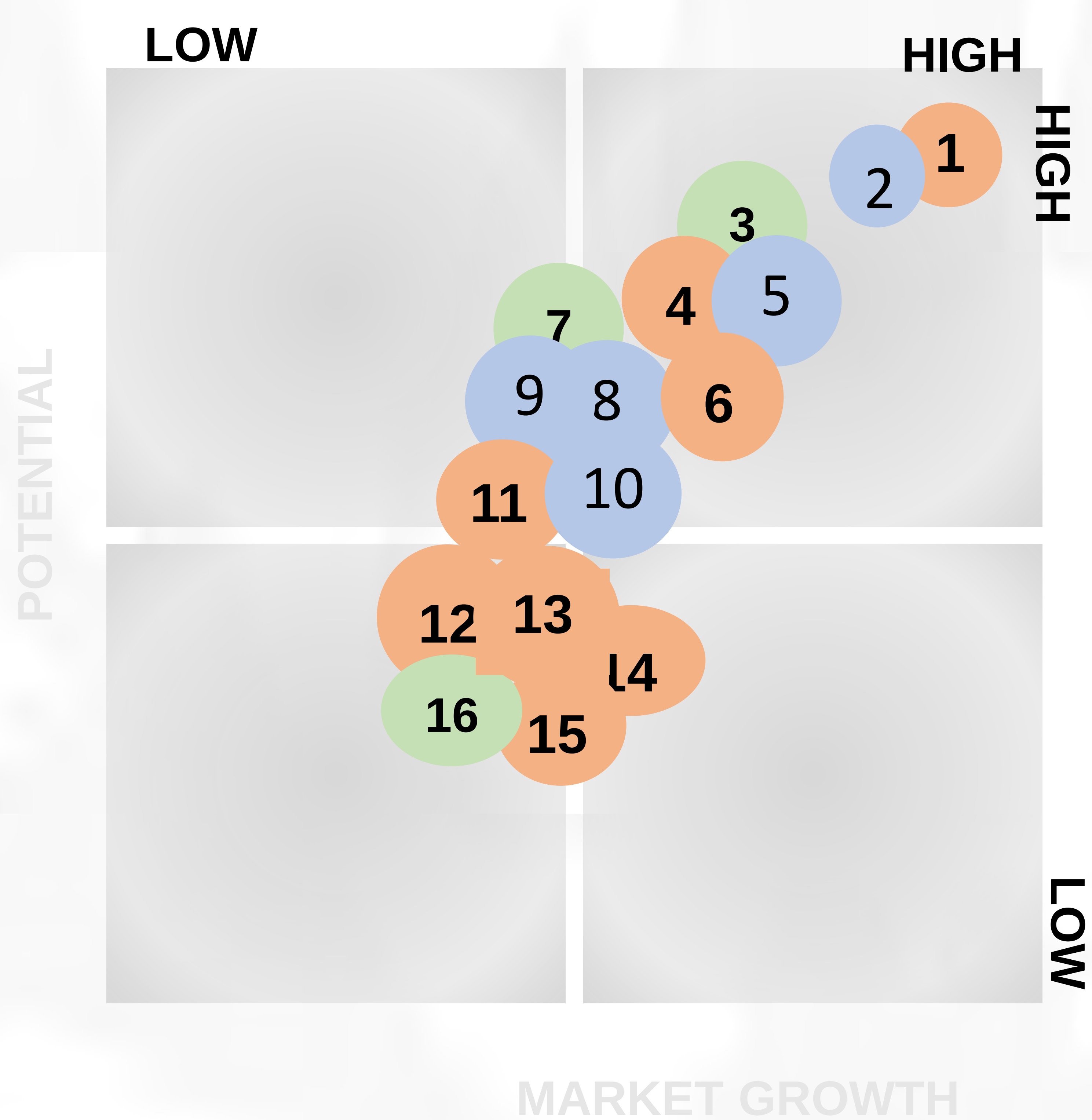
2. BUSINESS OPPORTUNITIES

PRIVATE LABELS IN TOP CHAINS

2. BUSINESS OPPORTUNITIES

TOP OPPORTUNITIES

Food / Beverages **Chemicals** **Paper & Packaging** **Construction**



1	4818.1	Toilet paper
2	2106.9	Food preparations
3	9401.61	Upholstered seats
4	7010.9	Glass containers
5	1905.9	Bread, pastry, cakes, biscuits
6	3923.21	Carboys, bottles, flasks
7	7326.9	Articles of iron or steel
8	1905.31	Sweet biscuits
9	1704.9	Sugar confectionery
10	2008.19	Nuts and other seeds
11	4818.2	Handkerchiefs, cleansing tissues and towels
12	4821.1	Paper or paperboard
13	3923.29	Sacks and bags of polymers of ethylene
14	2923.9	Plastic packaging articles
15	4819.1	Corrugated Cartons, boxes
16	8544.49	Electric conductors <= 1.000 V

2. BUSINESS OPPORTUNITIES

PRODUCTS IN TOP CHAINS

La Sirena

bravo

Nacional

PlazaLama La Supertienda

Olé EL ROMPEPRECIOS!

Carrefour

uleadinternational.com

2. BUSINESS OPPORTUNITIES

PRICING - TOILET PAPER

12 UNITS STANDARD

RETAILER	BRAND	PRICE
NACIONAL	SCOTT	$6.75
BRAVO		$5.06
SIRENA		$4.47
LAMA		$6.64
BRAVO		$5.06
NACIONAL	LIDER	$4.75
LAMA	GOLD	$3.31
OLE		$2.94
CARREFOUR		$3.68
NACIONAL	FAMILIA	$5.24
SIRENA	FAMILIA	$5.24
BRAVO	FAMILIA	$6.72

- SIRENA lead discount activations for most of the brands, but they do not promote private label.
- Bravo has more line-up for private label and add new versions of the product, but prices could be higher
- NACIONAL and CARREFOUR with its private label LIDER has also higher prices.
- Ole and Lama with cheapest prices for private label – GOLD/ OLE.
- OLE and Lama shrank their line-up from other brands to promote their private label.

2. BUSINESS OPPORTUNITIES

PRIVATE LABELS IN TOP CHAINS

La Sirena

bravo

Nacional

2. BUSINESS OPPORTUNITIES

PRODUCTS IN TOP CHAINS

La Sirena

bravo

Nacional

2. BUSINESS OPPORTUNITIES

PRICING - TOILET PAPER

PANCAKES 2LB

RETAILER	BRAND	PRICE
BRAVO	BRAVO	$2.78
SIRENA	FIRST CLASS	$3.48
NACIONAL	FOOD CLUB	$3.15
NACIONAL	AUNT JEMIMA	$3.57
SIRENA		$2.82
BRAVO		$3.31

- BRAVO with best price, but more generic packaging.
- SIRENA and NACIONAL with their private labels almost perceived as a US product.
- Other supermarkets as OLE Or LAMA only offer wheat or corn flour and not from private label.

2. BUSINESS OPPORTUNITIES

IMPORTER INSIGHTS FOR FOOD & BEVERAGE

- Companies are confident that there is profitable demand and now there are more channels and also positive with tourism reactivated.
- They do not have a specific process, if they evaluate the product and verify the need in the market and both coincide, then most of the time they negotiate exclusivity.
- Currently they have imported services from countries such as Colombia, Venezuela, Mexico, Ecuador, China, United States, Chile and Argentina.
-
- The certifications that they look for in a new supplier are Healthcare certificate, sanitary certificate.
- Payment terms: Most of them provide between 30-60 days.
- None of the companies interviewed is aware of any incentive or public or private sector support program.

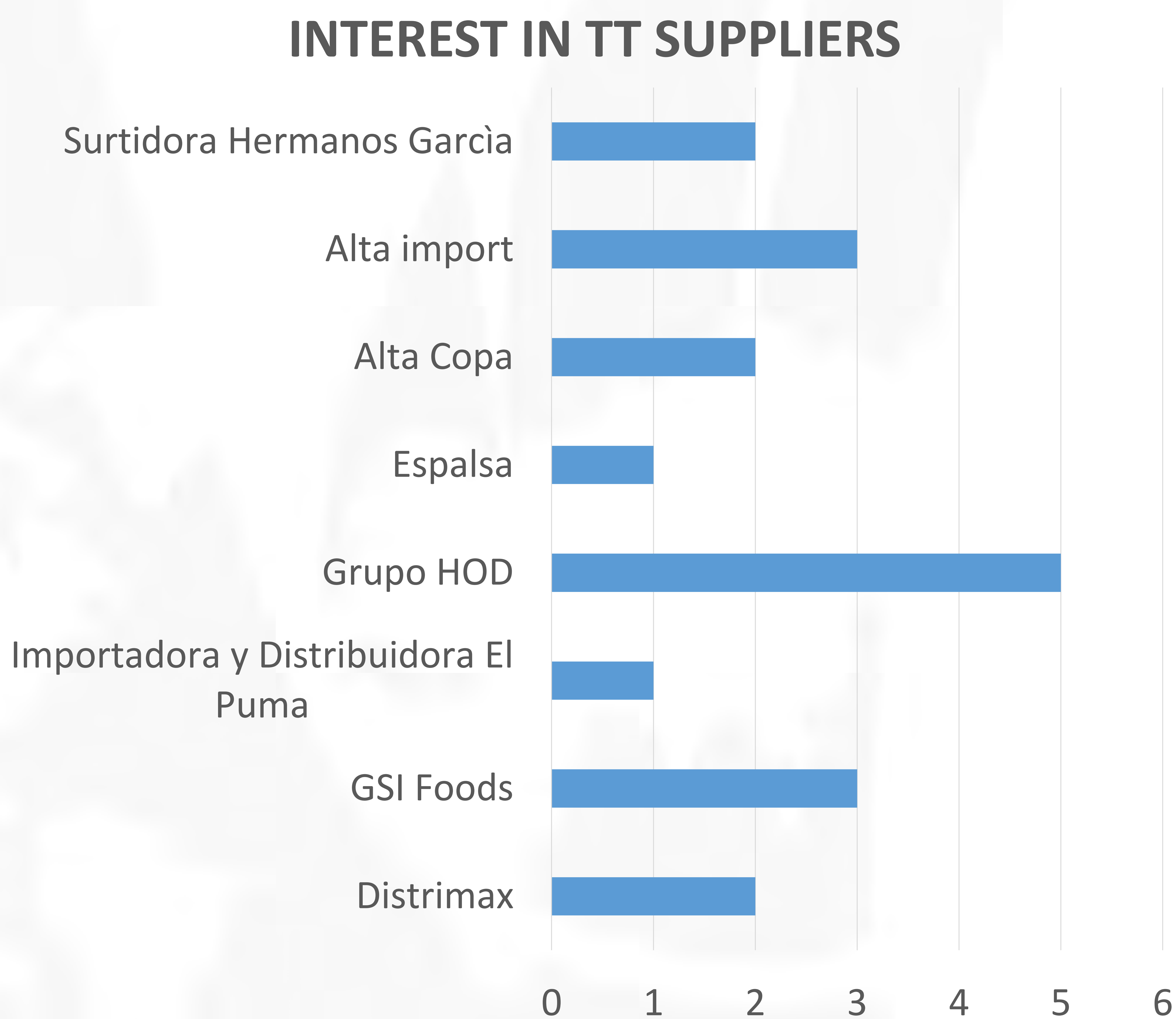
Their top interest for the group of importers surveyed includes:

- Food preparations as -Snacks , canned food.
- Sweet and Salad cookies
- Candies (lollipop)
- Sauces and dressings
- Cereal and products.

- Alcoholic and non-alcoholic drinks/ ready to drink.

2. BUSINESS OPPORTUNITIES

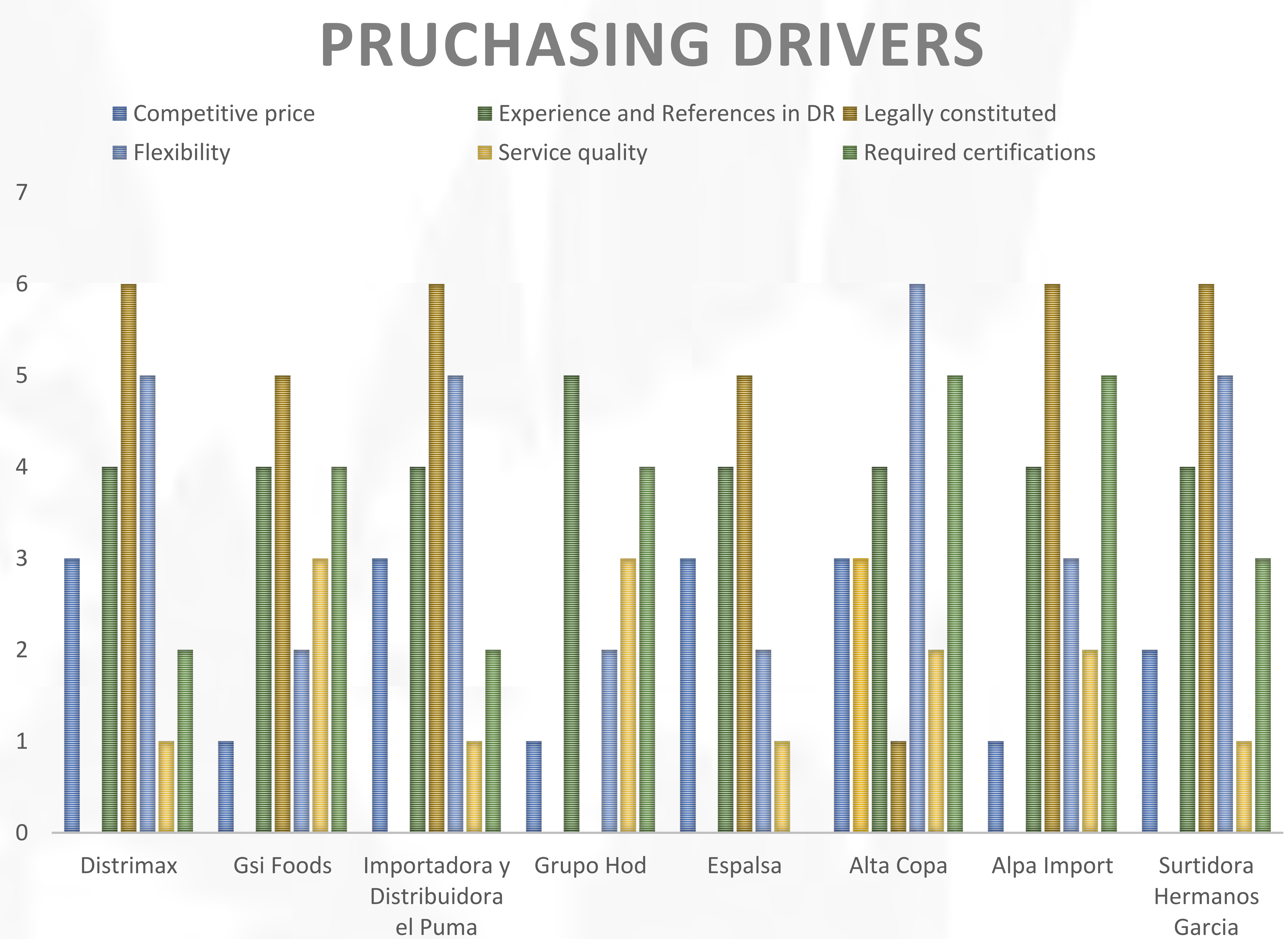
IMPORTER INSIGHTS FOR FOOD & BEVERAGE



- Most of the importers do not have previous experience with vendors from T&T.
- Their perception is influenced by lack of knowledge from the competitiveness
- They are willing to explore opportunities for comparing and evaluating potential deals in the near future.

2. BUSINESS OPPORTUNITIES

IMPORTER INSIGHTS FOR FOOD & BEVERAGE



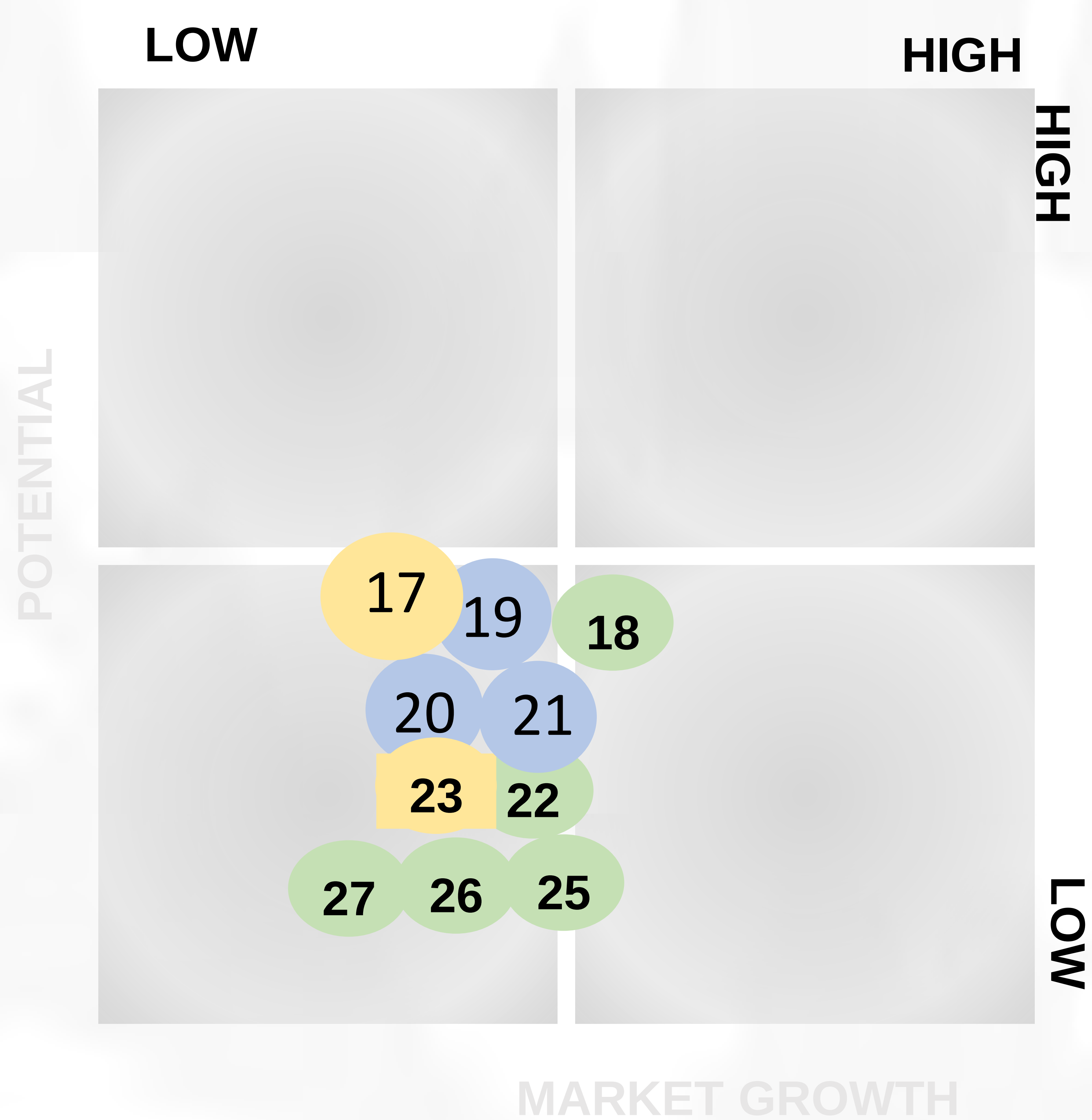
Purchasing drivers highlighted by priority:

1. Legally constituted in T&T
2. Flexibility
3. Experience and references in DR
4. Service Quality
5. Competitive Price
6. Required certification

2. BUSINESS OPPORTUNITIES

TOP OPPORTUNITIES

Food / Beverages **Chemicals** **Paper & Packaging** **Construction**



17	3808.91	Insecticides
18	2103.2	Tomato Ketchup
19	3208.1	Paints and vanishes polyesters
20	1601	Sausages
21	2201.9	Ordinary water
22	1701.99	Sugar
23	3210	Paints and vanishes
24	3824.91	Chemical products
25	2523.29	Portland cement
26	8431.43	Parts for boring
27	7308.9	Structures of iron or steel

2. BUSINESS OPPORTUNITIES

PRIVATE LABELS IN TOP CHAINS

bravo

2. BUSINESS OPPORTUNITIES

uLead®

PRIVATE LABELS IN TOP CHAINS

La Sirena
más de una emoción

Carrefour

bravo

2. BUSINESS OPPORTUNITIES

PRICING - KETCHUP

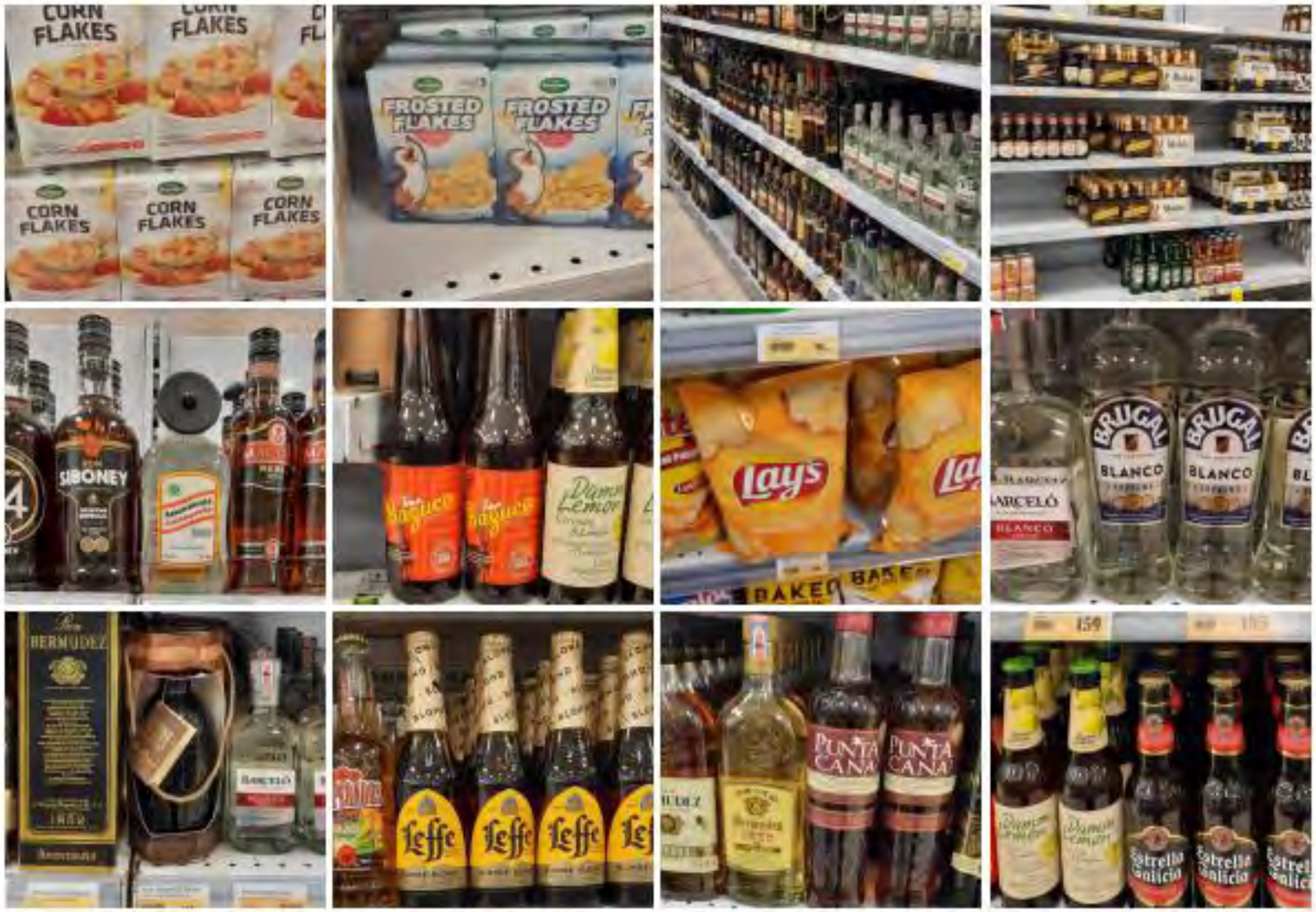
20 oz

RETAILER	BRAND	PRICE
BRAVO	BRAVO	$1.38
SIRENA	FIRST CLASS	$1.23
LAMA	GOLD	$1.38
CARREFOUR		$1.75

- SIRENA with best price
- BRAVO AND LAMA with similar prices and packaging for their private labels
- Carrefour perceived more gourment and more expensive as well.
- The others promote HEINZ or locals as VICTORINA and FAMOSA.

2. BUSINESS OPPORTUNITIES

SNACKS , CEREALS and ALCOHOL



2. BUSINESS OPPORTUNITIES

PRICING - SNACKS AND CEREALS

Prices are concentrated on small packages for this category:

- SNACKS: All snacks cost $0.439USD to $0.615USD and beverage soda costs from $0.26USD to 2lts $1.93USD. CEREALS: Cereal sales from $0.87USD for large sizes, or private repack at $1.75USD - Usually bought per pound block at PriceSmart from Trinidad and Tobago ABIL.

- Products found in Sirena Churchill, Bartolome Colon Santiago, Bravo Churchill and Nunez de Caceres, also at Nacional 27 de Febrero, Nunez de Caceres and Jumbo Luperon. In this case and category, no CARICOM products were found in DR.

- This Category has evolved into a large admittance of new experience and new brand distributors, that willingly bring and represent brands with a solid action plan and investments in the market.

2. BUSINESS OPPORTUNITIES

PRICING - ALCOHOL AND BEER

- ALCOHOL: Rum dominates this niche, locally produced by Brugal; and Cerveceria Nacional, with Presidente beer, from new owners Latin America AMBEV. Ironically, AMBEV also opened the market for a very interesting segment of imported

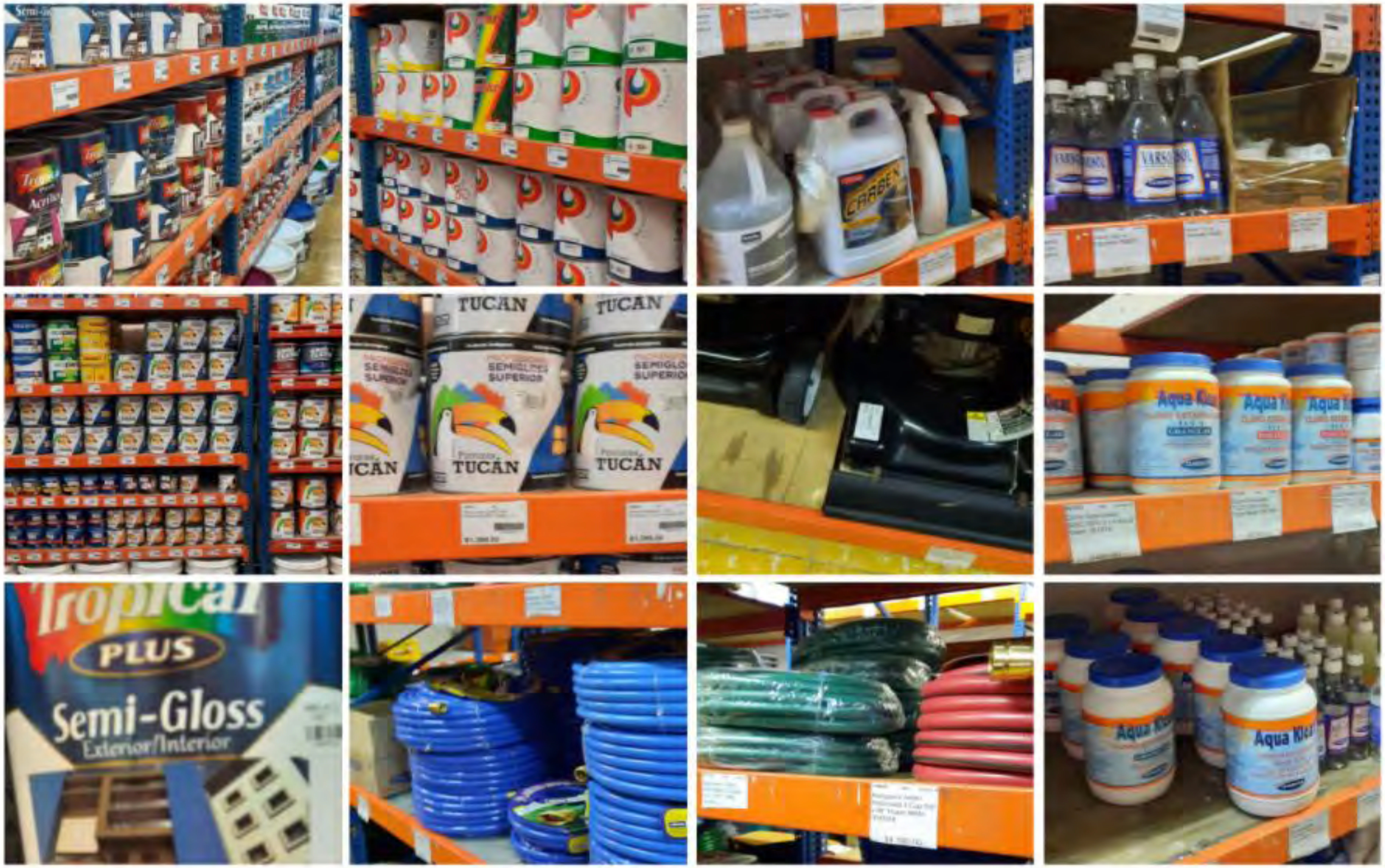
- Beer, therefore creating opportunities for Carib Brewery And Fernandez This trade (down the trade) accounts for almost fifty thousand rum shops or colmados, and three thousand independents SM all over the country. Each province has their own brand for independent SM and none of them has grown to invest in outside areas, with some exceptions in the east part of the island.

2. BUSINESS OPPORTUNITIES

IMPORTER INSIGHTS FOR CONSTRUCTION, CHEMICALS AND PACKAGING

2. BUSINESS OPPORTUNITIES

IMPORTER INSIGHTS FOR CONSTRUCTION, CHEMICALS AND PACKAGING



2. BUSINESS OPPORTUNITIES

IMPORTER INSIGHTS FOR CONSTRUCTION, CHEMICALS AND PACKAGING

2. BUSINESS OPPORTUNITIES

PRICING - PAINTS AND VARNISHES

1 GLS

RETAILER	BRAND	PRICE
OCHOA	TROPICAL	$24.45
OZAMA	TROPICAL	$24.25
BELLON	TUCAN	$23.73

This industry is one of the fastest growing due to government policy, in combination with private sector, of supplying low cost apartments for the general population, with a goal of 500 thousand to 1 million apartments in a 4 year period.

- Local paints are $23.73USD manufactured in Santiago TUCAN Paint
- ll hardware stores in the country import mainly from Mexico Brazil and USA.
- Very few, actually just Ochoa imports from Trinidad & Tobago in the back wall, construction section and for household maintenance.

2. BUSINESS OPPORTUNITIES

IMPORTERS INSIGHTS FOR PAPER AND PACKAGING

2. BUSINESS OPPORTUNITIES

IMPORTER INSIGHTS FOR CONSTRUCTION, CHEMICALS AND PACKAGING

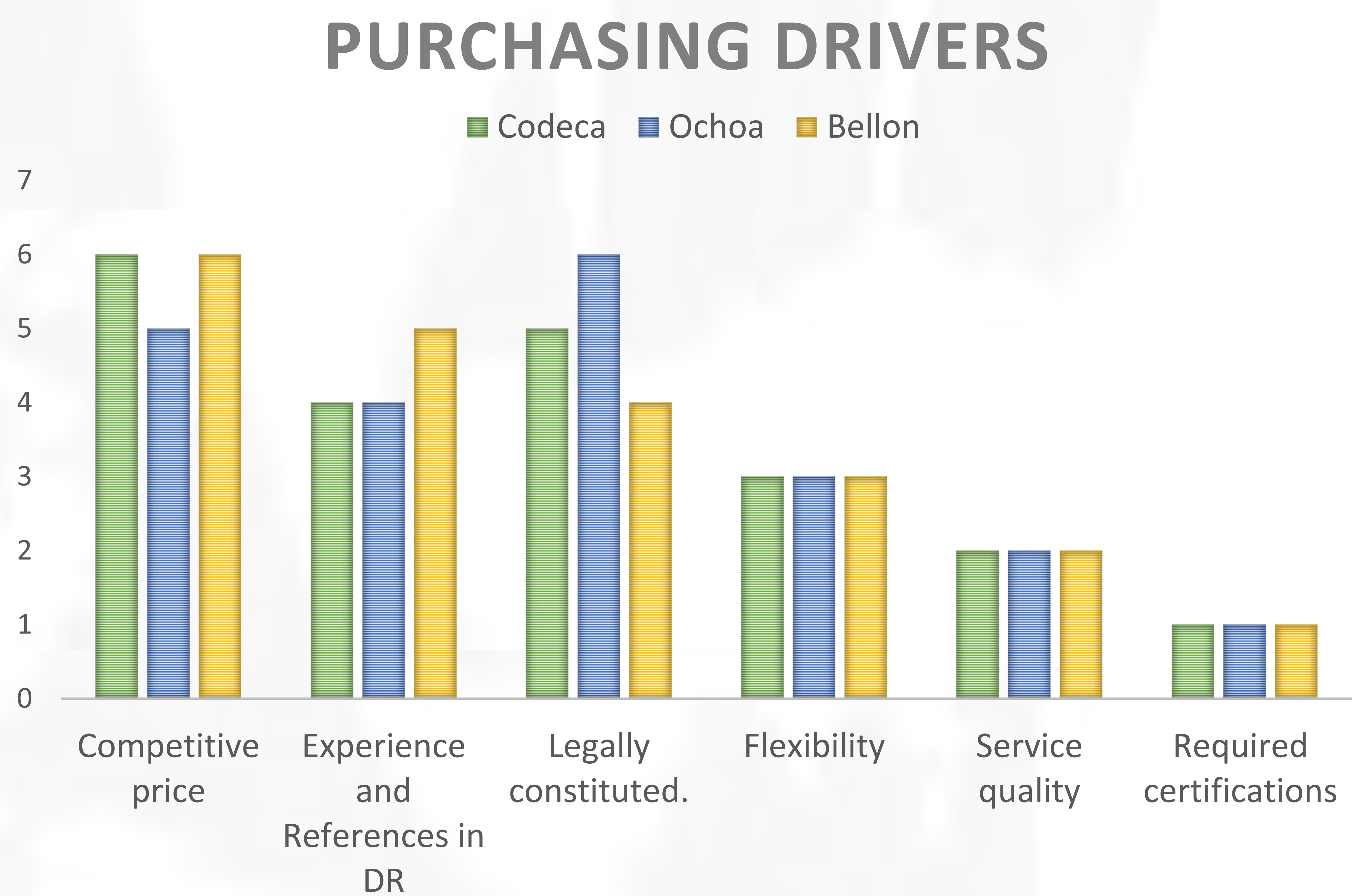
- Regularly their purchasing process is, first to evaluate the products of new suppliers, by their price, if it is a price equal to or higher than the one they already have, they would not consider it.
- Their new suppliers usually give them samples to verify the quality, then they place the orders, they do the transaction, they must deliver in a timely manner.
- Logistics can be high mainly due to taxes paid in advance on merchandise, transport and others.
- The country where they most import is China. Others are Mexico, Brazil and the United States.
- Payment terms: 60, 90 or 120 days depending on the product.
- Ferreteria Ochoa expressed that they are already doing business with some TT companies and that the experience has been grateful and successful due to time, quality, cost and the respectful relationship with suppliers. The others do not do business with TT yet but are open to exploring opportunities.-

Their top interest for the group of importers surveyed includes:

- Electric conductors
- Iron and steel structures
- Bars for grating
- Packaging
- Displays and POP furniture
- Varnishes

2. BUSINESS OPPORTUNITIES

IMPORTER INSIGHTS FOR CONSTRUCTION, CHEMICALS AND PACKAGING



Contracting drivers highlighted by priority:

1. Competitive Price
2. Legally constituted in T&T
3. Experience and references in DR
4. Flexibility
5. Service Quality
6. Required certification

2. BUSINESS OPPORTUNITIES

MARKET TRENDS AND FACTS FOR SERVICES/ ICT

- Total imports of services where $3.1 BN.
- The top services imported by Dominican Republic were Sea transport ($980M), Air transport ($595M), Travel ($549M), Other business services ($372M), and Insurance services ($236M). Royalties and license fees ($159 M). Telecom ($65M). FINANCIAL SERVICES ($50.3M).
- Leading services imports from Dominican Republic were in the travel, transport, and telecommunications, computer, and information services sectors.
- The Dominican Republic had the 70th highest internet penetration in the world.

- The Ministry of Industry, Commerce and MSMBs (MICM) delivered in May 2021 the first National Strategy for ExportingModern Services for propelling the creative economy, audiovisual industry, telecom, IT and others. It was developeed with CELAC and more tan 150 representatives including the NATIONAL COMMITTE OF COMMERCE AND COALITION OF SERVICES.
- Contact Centers (CC) and (BPOs represent powerful sector for the Development of Dominican Republic with more tan 50,000 Jobs and a moderate concentrated indstry for serving mainly US companies but also Canada with SCOTIABANK recenlty opening their new Service Center with millions of dollars invested.

Sources: GLOCAL-HUB with data from Market line, BMI, STATISTA, FITCH, and others

2. BUSINESS OPPORTUNITIES

TELECOMUNICATIONS AND DIGITAL STRATEGY

In the Dominican Republic, one of the largest economies in the region, upgrading the country's telecommunications industry has been a central goal for President Abinader's administration.

- In February 2021, President Abinader publicly stated that by 2022, the GoDR will have invested over 30 million dollars of public funds into the telecommunications sector, including in key investments like 5G and the transition from analogue to digital television.
- The government also announced plans to build 5,000 free Wi-Fi spots in public parks, squares, and hospitals. This means industries and companies throughout the country will be looking to upgrade their ICT processes and platforms in all aspects of their operations. This will present opportunities for software companies, fintechs, cybersecurity firms, and a wide variety of upstream and downstream ICT-related firms that can facilitate the country's digital transformation.
- President Abinader, shortly after his inauguration, also announced that Chinese investments will not be allowed in strategic sectors, specifically mentioning ports, airports, and telecommunications, which could lead to new opportunities for U.S. companies to provide 5G-related equipment, like core network and radio access components such as base stations and antenna arrays, among other downstream products.
- The recently published 5G tender (005-2021) for spectrum auction (with a winner announced in Q4 2021) will also provide insight into future telecom opportunities and developments in the DR for US companies.

2. BUSINESS OPPORTUNITIES

BUYER INSIGHTS FOR SERVICES / ICT

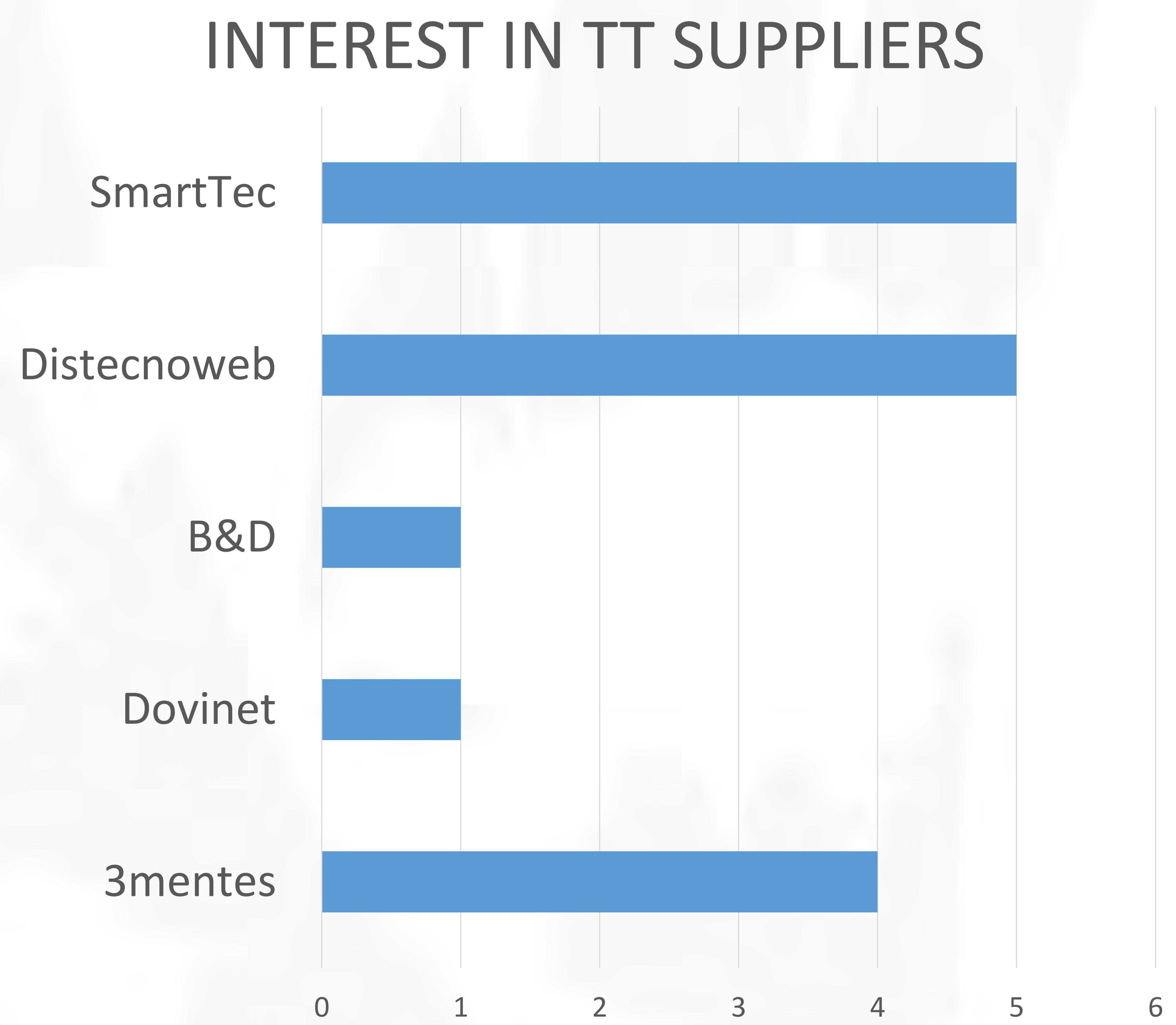
- Last year's performance was slow due to the pandemic at first but then did reactivate and inflow of new projects was boosted. There were opportunities for supplying new services during the pandemic like digital marketing, software development, and others and due to capacity, they are looking for strategic partners or suppliers to outsource their projects.
- Companies are confident that the demand for their services will continue to increase because most of the market is digitizing and emerged into e-commerce.
- Currently they have imported services from countries such as the United States, Puerto Rico, Argentina and Mexico.
- The certifications that they look for in a new supplier are not specific, but competitive advantages as google analytics or Microsoft, or others depending business.
- Payment terms: Weekly payment to subcontracting and if it is hired only for a specific project they pay when they deliver the final work.

Their top interest for the group of importers surveyed includes:

- Digital Marketing
- Promotion
- Advertising
- social media management
- Mkt campaigns
- Software custom made
- Call Centers companies
- Software Development (solutions and apps in general.)
- IT experts or technology infrastructure builders.

2. BUSINESS OPPORTUNITIES

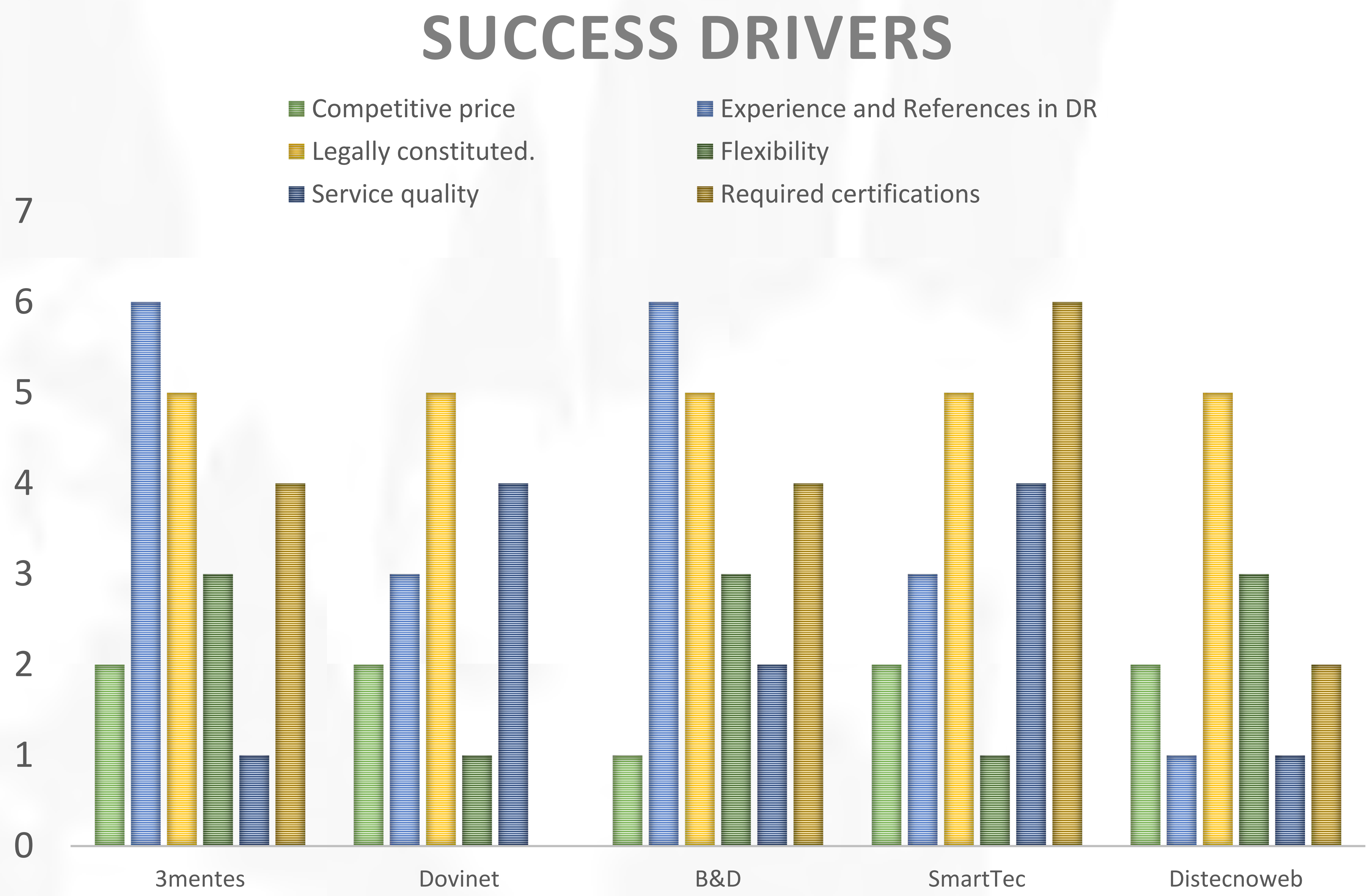
BUYER INSIGHTS FOR SERVICES / ICT



60% of the companies commented, having a high interest in the services offered by Trinidad and Tobago They are willing to explore opportunities.

2. BUSINESS OPPORTUNITIES

BUYER INSIGHTS FOR SERVICES / ICT



Success drivers for strategic partnership or other contracts highlighted by priority:

1. Legally constituted in T&T
2. Experience and references in DR
3. Required certifications
4. Flexibility
5. Service Quality
6. Competitive Price

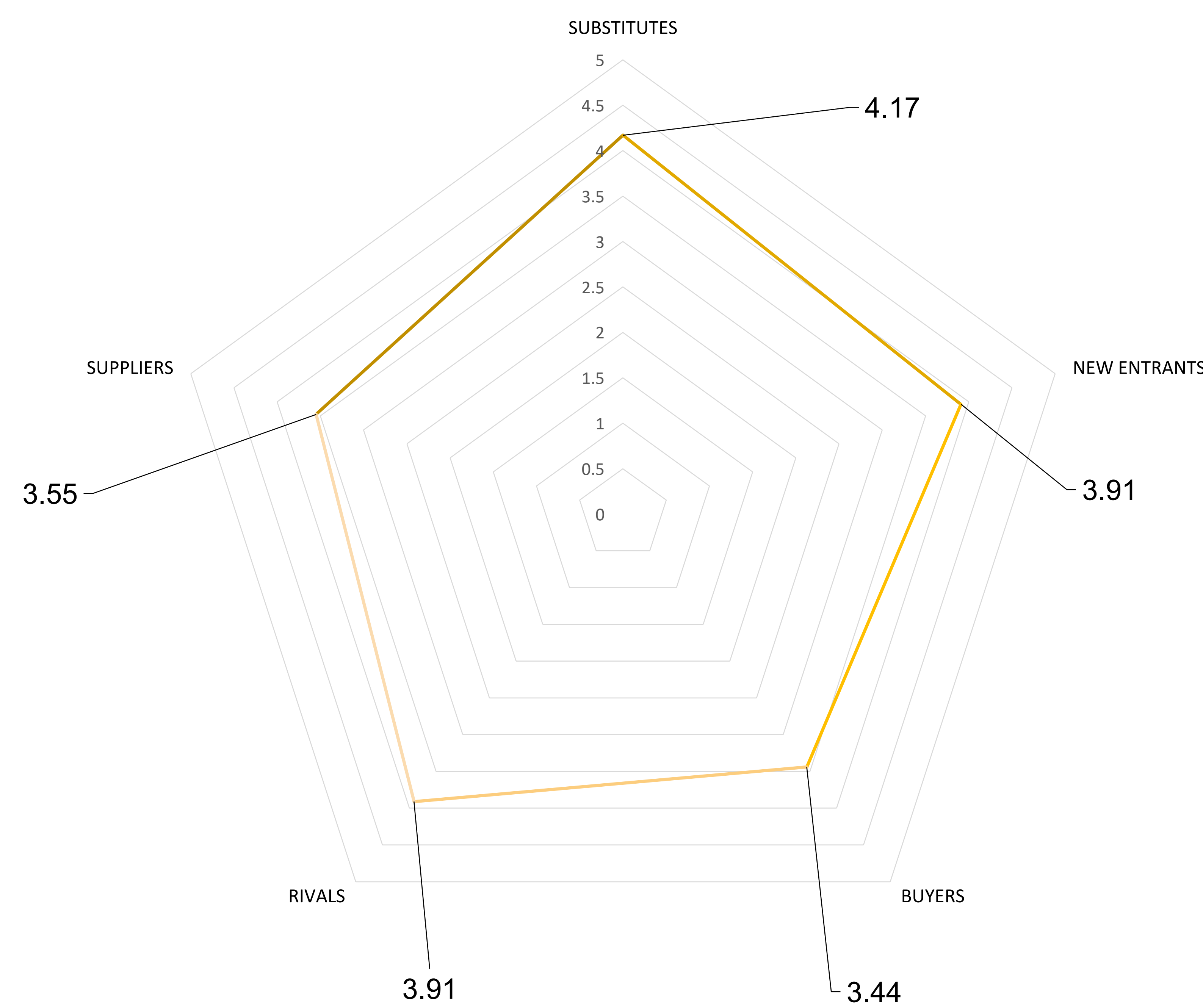
3. Market Entry Recommendations

3. MARKET ENTRY RECOMMENDATIONS

BARRIERS TO ENTRY FOR RETAIL

Substitutes exist in terms of traditional brick-and-mortar retail outlets a developed and sophisticated retail market. Nevertheless, as there has been a shift towards large retailers becoming increasingly multichannel, brick-and-mortar retail is not considered a direct substitution threat. As a matter of fact, the substitution threat applies only for retailers that operate exclusively online.

Suppliers of differentiated products tend to experience stronger power than those supplying commodities. Most suppliers may sell their products to several different retailers, but the loss of revenue from a very large player could significantly affect a supplier's revenue, while the reliance of retailers on any supplier is reduced. However, the likelihood of suppliers forward integrating into the online retail sector is increased, placing significant pressure on online retailers. Notably, suppliers of delivery services have strong bargaining power, as third-party logistics services are indispensable for smaller companies; only large retailers have their own in-house delivery service.



Entry to the online retail sector may be achieved by a brand-new company or by an existing brick-and mortar retailer diversifying its operations to include internet retail. New entrants are enticed to the sector by rapid growth and low fixed costs. Barriers to entry, especially in regard to capital investment, are small and online retail can be a good way for an already established brick-and-mortar retailer to boost sales and gain a presence in other markets. In many countries, trade regulations have been adjusted accordingly to incorporate online retail sales, including the execution of e-transactions, consumer protection, privacy protection, and anti-cybercrime laws.

Rising consumer awareness over prices and different products based on search facilities and price comparison websites means that the power of buyers in this sector is increased. The penetration of ecommerce continues to increase in accordance with internet penetration and digital literacy, with a shift in consumers' habits as online shopping is comparatively easier, convenient, and price competitive.

Sources: GLOCAL-HUB with data from STATISTA, BMI, FITCH, OTHERS..

3. MARKET ENTRY RECOMMENDATIONS

IMPORT BARRIERS

		DR	LAC	OCDE
Border Compliance	Time to import	24 hr	55.6 h	8.5 h
	Cost to import	$579	$628.4	$98.1
Documentary compliance	Time to import	14 hrs	43.2 hrs	3.4 h
	Cost to import	$40	$107.3	$23.5

Sources: GLOCAL-HUB with data from Market line, WB BMI, STATISTA, FITCH, and others

3. MARKET ENTRY RECOMMENDATIONS

MARKET ENTRY STRATEGY

Modern retail channel (supermarkets):

1. Define the real size of the market.
2. Identify competitors, strengths and weaknesses.
3. Sales plan (projections and expenses)
4. Evaluate the likely participation of intermediaries (wholesalers, distributors, or importers), and determine the most effective/promising avenue of entry for your product.
5. Define a clear and effective strategy. Be aware that some retail chains ask for a fixed investment in order to guarantee product placement. In some cases those investments amount to between 10% - 15% of anticipated sales.
6. Consider an estimate of between 10% - 15% as percentage margin of profit for the retail partner.
7. Clearly define the pricing policies for the product portfolio.

1. Presentation of the product´s organoleptic characteristics.
2. Profile, samples, and samplings of the brand.
3. A marketing plan for the brand.
4. Approval by the retailer's New Products Committee.
5. Payment for the introduction of new products.
6. Definition of a commission for logistical expenses (usually 3-5%).
7. Fixed discount for visibility of brand (may be as high as 20%).
8. Policy of support for activities such as: a. Seasonal promotions b. Thematic promotions c. Sponsorship of internal activities d. Support for opening of new points of sale e. Payment for presence of promoters
9. Policies on returns
10. Policies on 90-day payments.

Sources: GLOCAL-HUB with data from Market line, BMI, STATISTA, FITCH, and others

3. MARKET ENTRY RECOMMENDATIONS

MARKET ENTRY STRATEGY

TRADITIONAL RETAIL

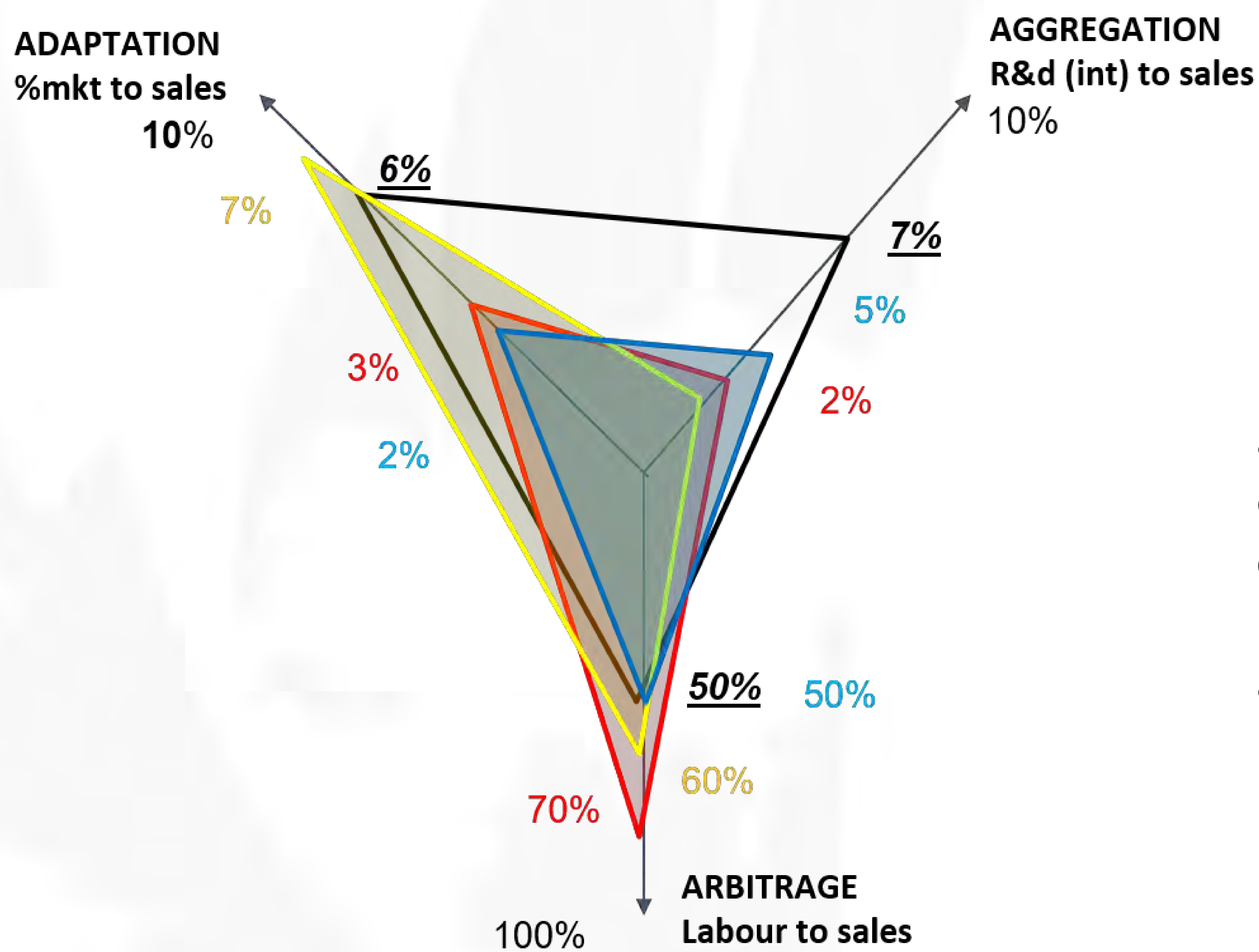
1. Define the sales strategy to be used.
2. Always use more than one ally in distribution and sales activities. Even so, don’t expect to be able to reach all colmados.
3. Diversify your sales, taking into consideration the 20 main warehouses in the country, each of which has strong influence over their clients thanks to preferential pricing, credit facilities, and ease of delivery.
4. Identify competitors, strengths and weaknesses.
5. Develop a defined sales plan (projections and expenses).
6. Consider establishing an incentives model.
7. Design a support model targeted to the independent owners of colmados.
8. Limit credit policies.
9. Protect yourself from losses due to theft, improper use of promotions, returns, sponsorships, or other promotional activities.

With any of the requirements above, responsibility for supporting any/all of those activities should be clearly outlined iforn the contract with your intermediary/importer. Frequently, the producer assumes responsibility for: samples; marketing plan; promotions and exhibitions, while the intermediary assumes responsibility sales; trade marketing; and handling of low stock levels (out-of date and losses).

Sources: GLOCAL-HUB with data from Market line, BMI, STATISTA, FITCH, and others

3. MARKET ENTRY RECOMMENDATIONS

RETAIL ENTRY: AAA ANALYSIS



New entrants as champions need high adaptation levels and aggregation should be part of their essence before scale-up as the current business model could not be exactly replicated unless going after medium vendors.

Sources: GLOCAL-HUB with data from Market line, BMI, STATISTA, FITCH, UMAMI and others

3. MARKET ENTRY RECOMMENDATIONS

MARKET ENTRY STRATEGY

SERVICES/ ICT

1. The quality and level of customer support and service is evolving and improving at a rapid rate.

2. In many sectors, low-cost local labor allows for a level of service that would be prohibitive in more developed overseas markets.

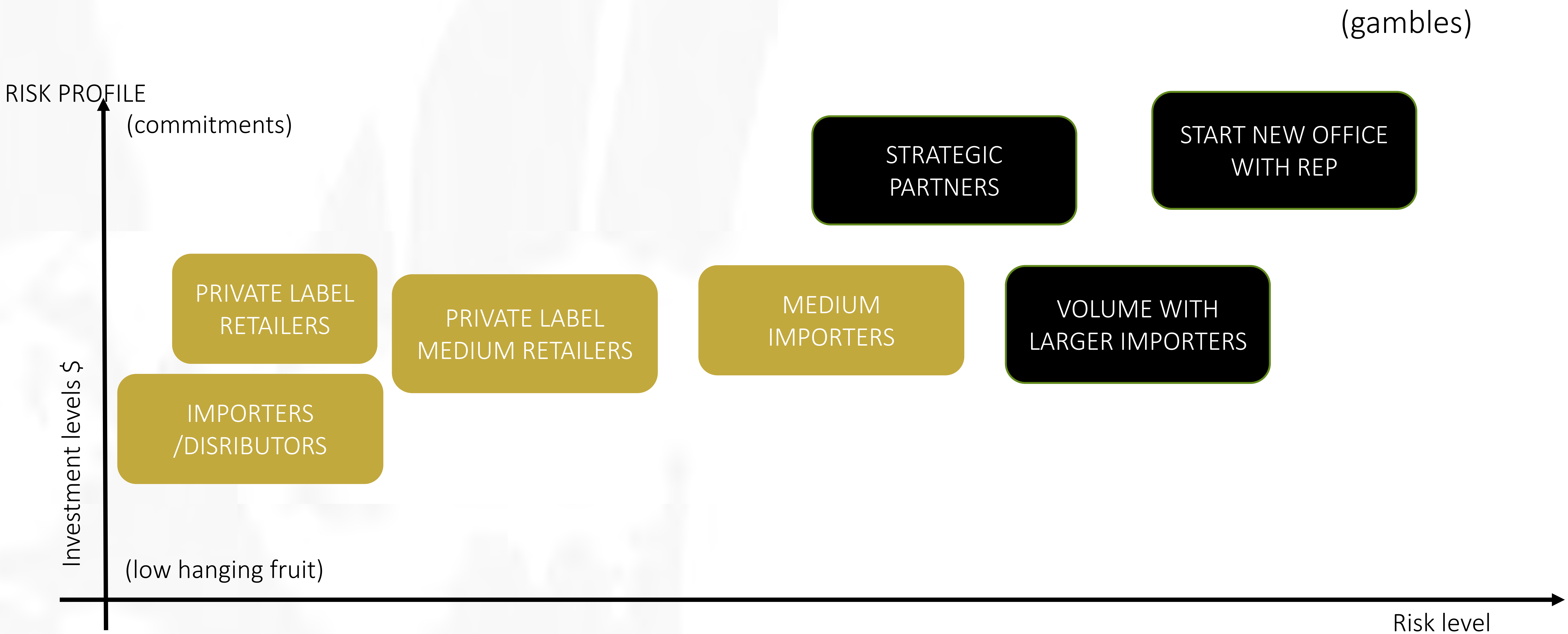
3. This is especially true in the urban centers and tourist areas of the east and north coasts.

4. While T&T exporters should be prepared to provide customer and after-sales support, there may be an opportunity to apply the advanced customer support techniques developed in their home markets.

5. Dominican workers are well disposed towards and enjoy a good reputation for customer service, which in part explains the country's success in tourism and, more recently, in operating international call centers..

3. MARKET ENTRY RECOMMENDATIONS

RISK PROFILE



For categories like food and beverages, or snacks and cereal, this is the trade to focus on rather than volume/ big key accounts. Distribution choices most be concentrated on distributor to succeed in this area.

Sources: GLOCAL-HUB

3. MARKET ENTRY RECOMMENDATIONS

INFORMATION REQUIRED BY BUYERS

- Prices
- Volumes
- Technical spec sheet including the nutritional facts and ingredients.
- Incoterms for importation – FOB or CIF
- Credit Periods and Letters of Credit
- Logistics costs and lead times.
- Shelf life of product
- Sugar added content
- Free Sale certificate
- Sanitary certificates if required
- How products are packaged – in pallets? How many cases per pallet etc.
- Need samples for a visual inspection by the company to see the nutritional content and packaging meets requirements.

Sources: GLOCAL-HUB with data from Market line, BMI, STATISTA, FITCH, and others

3. MARKET ENTRY RECOMMENDATIONS

HOW DO BUYERS FIND SUPPLIERS?

- Mainly through Business Chambers and matchmaking services
- Also in Trade Shows – organized by Chambers of Commerce (EXPO CIBAO), FERIA AGROALIMENTARIA , TASTE, in Miami , among others.
- Travelling to Markets to meet Suppliers
- Suppliers reach out to them directly

Sources: GLOCAL-HUB with data from Market line, BMI, STATISTA, FITCH, and others

3. MARKET ENTRY RECOMMENDATIONS

CONCLUSIONS

GROCERIES RETAIL represent one of the highest growing sectors with most of the potential, mainly for the demographics and reactivation of tourism.

Private labels represent an opportunity as a growing amount of Dominican household depend on this products from modern retail channels with positive perception from recent T&t suppliers, that could mean an opportunity for new vendors.

Increasing potential for alcoholic beverages others than beer, which is now a saturated market, but artisanal beer and other beverages for HORECA or modern retail.

Online retail is becoming a new opportunity and packaging design and others could represent and opportunity.

For construction, chemicals or packaging even there are imports from China , US , Mexico and Brazil, there is interest to explore reducing risks from distances and have closer suppliers optimizing logistics after the COVID-19 challenge.

Dominican Republic is becoming a service supplier and the National Strategy for exporting modern services will support the development of local vendors. Nevertheless, the capacity could be an opportunity for outsource projects and build strategic partnerships for T&T companies.