LOGISTICS GUIDE FOR THE DOMINICAN REPUBLIC

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ACRONYMS

AMCHAM	American Chamber of Commerce in the Dominican Republic
CAFTA-DR	Free Trade Agreement between the United States, Central America and the Dominican Republic
CIA	United States Central Intelligence Agency
CNC	National Competitiveness Council
EMC	Export Management Companies (Compañías de Manejo de Exportaciones)
ETC	Export Trading Companies
U.S.	United States
FENATRADO	Dominican National Transportation Federation (Federación Nacional de Transporte Dominicano)
FEU	Forty -Feet equivalent unit (unit used to measure the capacity of ships based on 40-foot containers)
INCOTERMS	International Commercial Terms (Términos de Comercio Internacional)
KG	Kilogram
KM	Kilometers
MAX	Maximum
MIN	Minimum
PART	Participation
DR	Dominican Republic
Ro-Ro	Roll on Roll off: Cargo on wheels
SEGIR	Project to Support Economic Growth and Institutional Reform
TEUs	Twenty equivalent unit. Unit of measure equivalent to one 20-foot long container (6.10 m)
USD	United States Dollar
USAID	United States Agency for International Development (USAID)
USITC	United States International Trade Commission

Executive Summary

Executive Summary

This report is part of a group of studies financed by the U.S. Agency for International Development (USAID) though the Support for Economic Growth and Institutional Reform Project (SEGIR), which are intended to support the National Competitiveness Council and the American Chamber of Commerce of the Dominican Republic (AMCHAM) in the preparation, identification and development of a strategy to take advantage of commerce and investment opportunities presented by CAFTA-DR for the Dominican Republic (DR).

The set of studies consists of the following five modules.

Module 1: Bilateral Trade between the Dominican Republic and the United States.
Module 2: Dominican Republic Exports and Investment Guide.
Module 3: Logistics Guide for the Dominican Republic.
Module 4: Analysis of imports and exports with the corresponding selling prices.
Module 5: Identification of 200 Dominican Republic products with greater potential in the United States (U.S.A.) analyzed to 10 customs tariff digits. Design of computer software for this purpose.

The purpose of this Module is to design and develop a logistics guide for the Dominican Republic and the United States, in order to provide updated information that will serve business owners as a guide for the development of their activities in both countries.

Each of the subjects covered in this Module is summarized below.

The **Logistics Guide of the Dominican Republic** analyzes the transportation infrastructure of the Dominican Republic, access to the market of that country, and it presents a grid of competitors for the products selected for the study.

In relation to the existing infrastructure, the Dominican Republic has eight primary ports located at: Santo Domingo, Barahona, Haina, Las Calderas, Boca Chica, Caucedo, San Pedro de Macorís and Puerto Plata, as well as 17 minor ports. There are 6 maritime lines operating in the country transporting goods to Europe and 18 transporting goods to the United States.

The road network comprises 5,000 km. of highways and 14,000 km. of rural roads; this guide specifies the distances from the primary cities to the ports, as well as the rates for transporting containers from the primary ports to the capital.

The Dominican Republic has 7 international airports. The main ones are the “Aeropuerto Internacional de las Américas” which is 20 minutes from Santo Domingo and “Gregorio Luperón” airport in Puerto Plata, 15 minutes from the port.

In regards to imports from the Dominican Republic coming from the United States, Miami and Puerto Rico are the point of departure for 68% of the goods.

The Logistics Grid of Competitors is one of the most valuable components of this Module. Three hundred ninety-one products were selected for the preparation of the grid of competitors (using an analytical match based on the following factors: interviews conducted in the Dominican Republic and surveys conducted with various members of the American Chamber of Commerce in the Dominican Republic; those Dominican products that represented the greatest exports to the United States in 2004 were considered, as well as the analysis of the products with the greatest potential in the United States market, taking into consideration their dynamic nature, market size, tariff levels and potential supply).

This **Logistics Grid of Competitors** is very useful for Dominican business owners, to the extent that it presents, in very specific form, the logistics structure and costs for exports from the Dominican Republic to the United States, for 391 products to 10 digits of the U.S. customs tariff code, taking into consideration the various means of transportation: air, maritime and multi-mode/ground.

The grid contains detailed information, taking into consideration the identification of the following for each product:

- The five primary suppliers of the United States (2000 through 2004).
- The variation in the share of the five countries that have experienced the greatest increase in market share during the past five years, in relative terms.
- The effective duty paid by each of the five primary countries that supply the United States, and each of the countries that has increased its market share the most, by comparing the tariff conditions for access with the tariff paid by the Dominican Republic.
- The average maritime or air freight (implied based on import statistics) paid by the Dominican Republic compared to the average freight for these means of transportation paid by the five primary suppliers of the United States and the five countries that have increased their market share the most during the past 5 years.
- The prices of the largest 10 competitors (5 countries with the greatest current share and 5 with the greatest increase in their share). Analysis of the average price (implied based on import statistics) per kilogram for each means of transportation, for products exported by the Dominican Republic compared to the products exported by the same countries.

This **Logistics Grid of Competitors** will serve as a basis for business owners to have a flexible tool to identify opportunities and threats in the face of competition on the American market.

The second major subject analyzed in this document is the **Logistics Guide to the United States,** which contains the following: Transportation infrastructure in the United States, Access to the United States market and the various forms of distribution and sale in the United States.

The transportation infrastructure in the Unites States comprises: the rail system (with a total of 227,736 Km of trunk lines (private) with a gauge of 1.435 m), the system of roads (with a total of 6,393,603 Km, of which 4,180,053 Km are paved), the inland waterway system (with a total of 41,009 Km of navigable waterways, excluding the Great Lakes, of which 19,312 Km are for commercial use), the port system (with more than 400 ports) and a significant system of airports, with a total of 14,857 runways, of which 5,128 are paved and 9,729 are unpaved.

In relation to access to the United States, 49.3% of imports took place by ocean, 22.4% by air, and 28.3% by ground or multi-mode transportation. The guide details the average freight and average price of U.S. imports, according to the means of transportation used; it also shows the distance in miles from Santo Domingo to the various cities in the United States.

In relation to imports from the Dominican Republic, it is noteworthy that for 2004, 80% of the imports took place by ocean, 17% by air and 3% by multi-mode transportation.

The average maritime freight paid by the Dominican Republic is USD 0.07/kg (for exports to the United States), and by air it is USD 1.26/kg; the primary ports of entry are Miami; San Juan, Puerto Rico and New York.

The guide provides details of the trade agreements signed by the United States that are in force, as well as those which have been signed by are not yet in force, and those currently being negotiated. It also describes the various systems of trade preferences in which the United States participates.

Lastly, the Logistics Guide describes the various forms of sale and distribution that are most commonly used in the United States.

SECTION I

INTRODUCTION

SECTION I

INTRODUCTION

This report is part of a group of studies financed by the U.S. Agency for International Development (USAID) though the Support for Economic Growth and Institutional Reform Project (SEGIR, by its English acronym), which are intended to support the National Competitiveness Council and the American Chamber of Commerce of the Dominican Republic (AMCHAM) in the preparation, identification and development of a strategy to take advantage of commerce and investment opportunities presented by CAFTA-DR for the Dominican Republic (DR).

The set of studies consists of the following five modules.

Module 1: Bilateral Trade between the Dominican Republic and the United States.
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Module 5: Identification of 200 Dominican Republic products with greater potential in the United States (U.S.A.) analyzed to 10 customs tariff digits. Design of computer software for this purpose.

The purpose of this Module is to give a general overview of the foreign trade logistics of the United States and the Dominican Republic. First, a summary is presented of the transportation infrastructure of each of these countries, emphasizing ports, ground transportation and air transportation. Then we will analyze the conditions for access to the United States market as well as the Dominican Republic market, with special focus on the conditions of access for Dominican Republic exports to the North American market.

Appendix A presents a study of the various means of sale and distribution in order to give the business owner sufficient tools to choose the mechanism most suited to his needs.

Appendix B includes a very useful tool that we have called the **Grid of Competitors,** which for 391 products, analyzes in detail the duties, freight and average prices of the 5 primary competitors of the Dominican Republic in the United States and the 5 countries that have shown the greatest increase in their share of that market for 2000 through 2004.

SECTION II

LOGISTICS GUIDE FOR THE DOMINICAN REPUBLIC

SECTION II

LOGISTICS GUIDE FOR THE DOMINICAN REPUBLIC

A. Transportation Infrastructure in the Dominican Republic

The Dominican Republic accounts for approximately two-thirds of the island of Santo Domingo or “Hispaniola,” which it shares with the Republic of Haiti. It is located between 68º19’ and 72º31' West longitude and 17º36' and 19º56' North latitude.

The Dominican Republic is bordered on the East by the La Mona Canal, which separates it from the Island of Puerto Rico and on the West by the Republic of Haiti. It is bordered on the North by the Atlantic Ocean and on the South by the Las Antilles Sea, also called the Caribbean Ocean.

Source: http://www.lib.utexas.edu/maps/americas/latin_america.gif

The primary cities of the Dominican Republic are Santo Domingo, located on the Southern coast of the island. Fifty percent of the population lives there, and it accounts for 60% of the domestic consumption of imports. Its industrial parks account for 50% of the country’s total exports. The other city is Santiago, located in the Northeast of the island. It accounts for 25% of the domestic consumption of imports and its industrial parks account for 40% of the country’s exports.

A1. Ports. The port system of the Dominican Republic consists of eight primary ports located at Santo Domingo, Barahona, Haina, Las Calderas, Boca Chica, Caucedo, San Pedro de Macoris and Puerto Plata, and 17 other, smaller ports.

According to a recent World Bank report[1], through 2003, two-thirds of the cargo volume moved through the port of Haina Oriental and Occidental. Since 2004, a considerable share of the container cargo has traveled through the port of Caucedo[2] .

The first phase of the Port of Caucedo has a 600 m dock and 14 m depth, and it is able to receive ships from the Panama Canal. The Terminal has 50 hectares of operational area, and already has 5 gantry cranes and 10 Strader Carriers. The storage capacity in the lot is 19,000 TEUs (unit of measure equivalent to one 20-foot container) and it has 390 reefer connections, with a 16-barrel gate, and a 4-lane access road. The logistics

[1] World Bank. The Dominican Republic “Audit of the facilitation of transportation and trade” June 29, 2004.
[2] It is estimated that two-thirds of the container volume travels to this port.

zone and the primary access route are in development. Direct access was planned from the terminal and from Airport of the Americas. The Port of Haina, located on the river of the same name, 20 Km from Santo Domingo, has 12 docks, 10 of which are located on the Eastern shore, and 6 on the Western shore [sic], the maximum depth is 11 meters.

The Port of Santo Domingo is located on the Ozama River, in the city of Santo Domingo; it has 12 docks and a maximum depth of 8.5 meters. Puerto Plata, located in the North of the country 20 Km from the Union International Airport, has 6 docks and a maximum depth of 10 meters.

The following table presents the characteristics of the primary ports of the Dominican Republic.

CHARACTERISTICS OF SOME DOMINICAN REPUBLIC PORTS						
PORT	**No. of DOCKS**	**LENGTH - meters**		**DEPTH - meters**		**TYPE OF CARGO**
		MAX	**MIN**	**MAX**	**MIN**	
CAUCEDO	1	600		14		Containers
AZUA	2	183		8	7	Oil, gas and multi-purpose
CABO ROJO	1	97.5		10.67		Limestone, aggregates and material for roads
PUERTO PLATA	6 plus 1 CBM	243	145	10	6.1	Multi-purpose, fuel oil, gasoline and passengers
SAMANA	2	230		9.15		Multi-purpose
BARAHONA	5	188	183	10.3	8	Lime, soda, coal and multi-purpose
LA ROMANA	1	220		8.5		Sugar, molasses, fuel oil, containers
PALENQUE	1 SBM			13.72		Crude oil
SAN PEDRO DE MACORIS	5 (2 CBM)	260	183	12.5	7	Cement, clinker, sugar, molasses, fertilizers, oil, gas and diesel fuel
BOCA CHICA	3	140		7.6		Multi-purpose
MANZANILLO	2	226		10.5		Multi-purpose
HAINA	16 (10 on the East and 10 on the West)	53.2	522.8	11	6	Grains, sugar, fertilizers, chemicals, fuel oil, ferro-nickel, asphalt, LO/Lo containers, multi-purpose
SANTO DOMINGO	12 (5 on the East and 7 on the West)	400	192	8.5	5	Fuels, grains, multi-purpose and passengers)
Source: Dominican Republic Port						

There are 6 maritime lines operating in the country transporting goods to Europe and 18 transporting goods to the United States.

A2. Ground transportation. The road network of the Dominican Republic comprises 5,000 Km of highways and 14,000 Km of rural roads. Domestic transportation is accomplished by road, since no rail service exists

In regards to container cargo, whether imported or exported, trailers are used, provided at no cost (for up to 5 days) by the shipping companies. This specific method like that used in the United States and in ports in Central America and the Caribbean, also requires that the ocean lines have trailers for these services; it is estimated that there are some 3,500 trailers in the country[3].

According to the referenced World Bank study, the inventory of trailers is one of the factors that affect the higher cost of freight in the Dominican Republic.

A high percentage of trucking service is provided by transportation companies, the majority of which are small companies, whose owners have from one to five trucks. A smaller percentage of the fleet is owned by the users.

Current rates from Haina and Caucedo to Santo Domingo for the transportation of an import container (including returning the shipping container and trailer to the shipping company) are indicated below:

FENATRADO GROUND TRANSPORTATION RATES	
Route	Freight Charge
Caucedo-Santo Domingo	USD 150
Haina-Santo Domingo	USD 60
Source: World Bank, “La República Dominicana auditoria de la facilitación del transporte y el comercio,” June 29, 2004.	

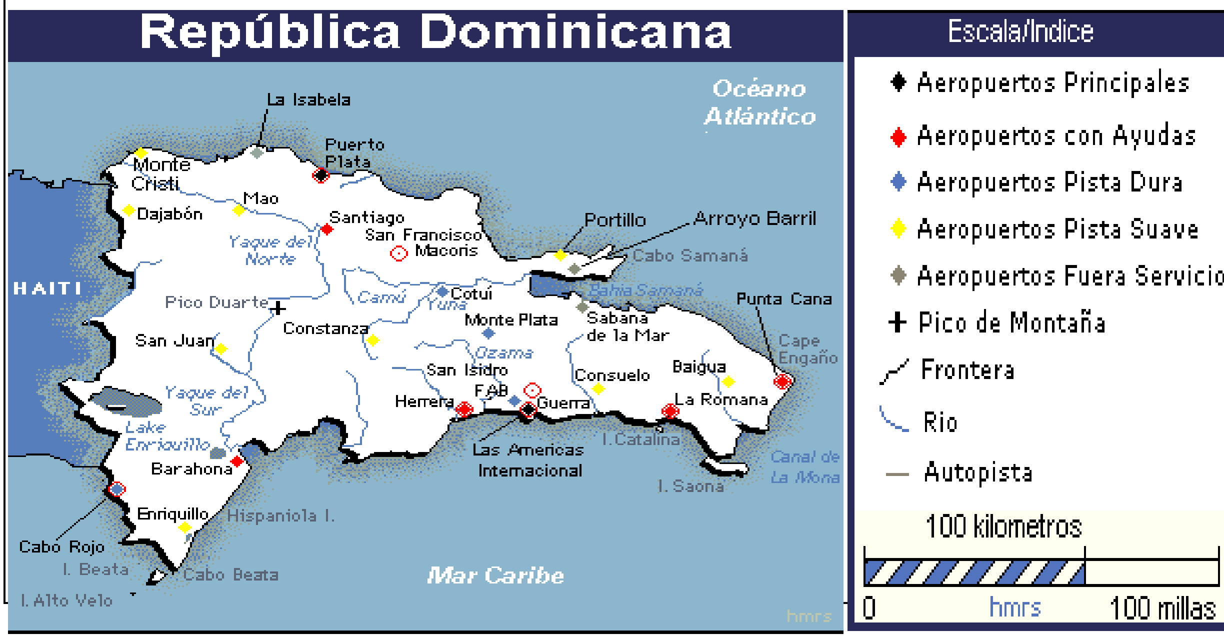
Distances from the major cities to ports are indicated below:

CITY / PORT DISTANCES	
Route	**Distance - Km**
Caucedo-Santo Domingo	30
Haina-Santo Domingo	20
Puerto Plata – Santo Domingo	215
Caucedo-Santiago	180
Haina- Santiago	170
Puerto Plata – Santiago	40
Source: World Bank, “La República Dominicana auditoria de la facilitación del transporte y el comercio,” June 29, 2004.	

A3. Air Transportation The Dominican Republic has 7 international airports. The primary airports are: International Airport of the Americas, 20 minutes from Santo Domingo, and Gregorio Luperón Airport in Puerto Plata, 15 minutes from the port.

[3] World Bank. The Dominican Republic “Audit of the facilitation of transportation and trade” June 29, 2004.

LOCATION OF DOMINICAN REPUBLIC AIRPORTS



Source: http://www.coturisca.com

AIRPORTS IN THE DOMINICAN REPUBLIC		
Name	**Location**	**Runway Length in Feet**
Las Américas	Santo Domingo	11,000
Herrera	Santo Domingo	4,199
La Romana	La Romana	6,299
San Isidro	Santo Domingo	7,000
Cibao	Santiago	5,249
María Montez	Barahona	6,500
Puerto Plata or Gregorio Luperón	Puerto Plata	9,121
Cabo Rojo	Cabo Rojo	5,000
Constanza	Constanza, La Vega	5,348
Punta Cana	Punta Cana	9,121
Source: http://www.coturisca.com		

B. Access to the Dominican Republic Market

Ninety-three percent of United States exports to the Dominican Republic are exported from the ports indicated in the following table.

PRIMARY POINTS OF EXIT OF U.S. EXPORTS TO THE DOMINICAN REPUBLIC			
PORT OF EXIT	**% Share**	**% by Ocean**	**% by Air**
MIAMI	48%	84%	16%
PUERTO RICO	20%	77%	23%
NEW ORLEANS	7%	93%	7%
NEW YORK CITY	6%	77%	23%
HOUSTON	6%	100%	0%
MOBILE	3%	100%	0%
PHILADELPHIA	3%	98%	2%
Source: Calculations by Araujo Ibarra & Asociados with figures from the U.S. International Trade Commission			

To date, the United States has not enjoyed any preferential treatment for entry to the Dominican Republic market, nevertheless, when CAFTA-DR enters into force, the vast majority of products exported by the United States to this country will enter duty free, and the rest will begin with a tariff reduction period that will end in 10 years.

C. Grid of Competitors from the Dominican Republic in the United States

This **Logistics Grid of Competitors** is very useful for Dominican business owners, to the extent that it presents, in very specific form, the logistics structure and costs for exports from the Dominican Republic to the United States, for 391 products to 10 digits of the U.S. customs tariff code, taking into consideration the various means of transportation: air, maritime and multi-mode/ground.

C1. Methodology for selecting products analyzed in the "COMPETITIVENESS LOGISTICS GRID." In order to have a soli basis for the products of interest to Dominican business owners to be analyzed in this guide, a survey form was designed and sent to members of the American Chamber of Commerce in the Dominican Republic, so that they may indicate the five (5) products of greatest interest, for export from the Dominican Republic to the United States and for import to the Dominican Republic from the United States, with the corresponding tariff sub-classification.

A total of 68 surveys were received and tabulated with the corresponding 10-digit customs tariff code.

Then, the information on Dominican Republic exports in 2004 was cross-referenced with the products from the visits to various organizations (members of the Board of Directors of the American Chamber of Commerce in the Dominican Republic, the Dominican Agro-business Board, Dominican Exporters Association, ADOEXPO, etc.).

Once the data from the various sources had been compiled, a total of 4,825 products were reported, from which 391 Dominican Republic export products to the United States were selected, based on the following criteria:

- The products were selected based on qualitative as well as quantitative criteria. The qualitative criteria included current or potential supply from the Dominican Republic. The quantitative factors included the following:
  - Products that have an import market in the United States in excess of USD 15 million, for 2004.
  - Products with a positive growth dynamic on the market between 2000 and 2004 in excess of 7.5%.
  - Products that have a U.S. import customs tariff in excess of 4%.

The 391 products selected were analyzed in detail, and for each one a "**COMPETITIVENESS LOGISTICS GRID"** was prepared, which appears in Appendix B.

This grid presents a complete analysis of the United States import market, identifying the primary supplying countries by product, its market share, the customs tariff duty paid, the average price (CIF) per kilogram, freight and the share of freight in the product price, (both by ocean and by air).

This information is very useful for the Dominican business owner when export products to the United States, since it may identify the countries that compete with the Dominican product, the applicable customs tariff classification and the average price of each.

The grid contains detailed information, taking into consideration the identification of the following for each product:

- The five primary suppliers of the United States (2000 through 2004).
- The variation in the share of the five countries that have experienced the greatest increase in market share during the past five years, in relative terms.
- The effective duty paid by each of the five primary countries that supply the United States, and each of the countries that has increased its market share the most, by comparing the tariff conditions for access with the tariff paid by the Dominican Republic.
- The average maritime or air freight (implied based on import statistics) paid by the Dominican Republic compared to the average freight for these means of transportation paid by the five primary suppliers of the United States and the five countries that have increased their market share the most during the past 5 years.
- The prices of the largest 10 competitors (5 countries with the greatest current share and 5 with the greatest increase in their share). Analysis of the average price (implied based on import statistics) per kilogram for each means of transportation, for products exported by the Dominican Republic compared to the products exported by the same countries.

The **Logistics Grid of Competitors** for each of the 391 products covered by this document is presented in Appendix B.

SECTION III

UNITED STATES LOGISTICS GUIDE

UNITED STATES LOGISTICS GUIDE

A. Transportation Infrastructure in the United States

According to statistics from the CIA *"World Fact Book,"* the transportation infrastructure of the United States comprises:

- The rail system of the United States is the largest in the world, with a total of 227,736 Km of trunk lines (private).
- The road system of the United States is also the largest in the world, with a total of 6,393,603 Km, of which 4,180,053 Km are paved.
  (Including 74,091 Km of high-speed roads) and 637,003 Km. of unpaved roads.
- The waterway system of the United States ranks 5th in the world, after China, Russia, the European Union and Brazil. It has a total of 41,009 Km. of navigable waterways, excluding the Great Lakes, of which 19,312 Km. are for commercial use.
- Port system. The United States has more than 400 ports; the primary ones are indicated below, taking into consideration traffic in terms of volume and value. Corpus Christi, Duluth, Hampton Roads, Houston, Long Beach, Los Angeles, New Orleans, New York, Philadelphia, Tampa and Texas City.
- In terms of airports, the United States ranks first in the world with a total of 14,857 runways, of which 5,128 are paved and 9,729 are unpaved.

B. Access to the United States Market

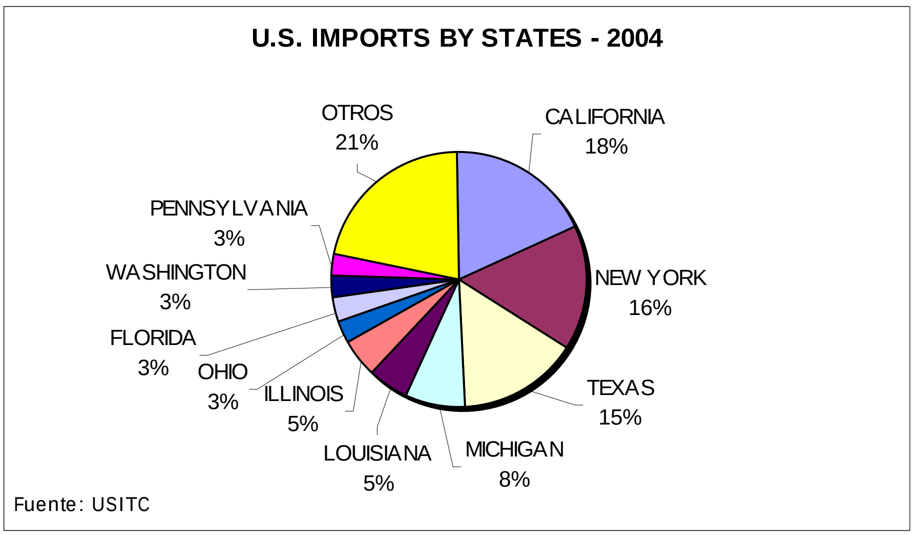
B1. Means of transportation. Forty-nine point three percent of imports into the U.S. took place by ocean, 22.4% by air, and 28.3% by ground or multi-mode transportation.

U.S. IMPORTS BY AIR AND OCEAN (Millions of USD and percentages)						
MEANS OF TRANSPORTATION	**1992**		**1995**		**2004**	
AIR	105.000	20%	174.000	23%	329.000	22.4%
OCEAN	293.000	56%	357.000	48%	725.000	49.3%
Source: United States International Trade Commission						

Average freight per kilogram for maritime imports is USD 0.043; products transported by ocean have an average price per kilogram of USD 0.76. Average freight by air per kilogram is USD 2.41 and the average price per kilogram is USD 82.90.

AVERAGE FREIGHT AND AVERAGE PRICE OF IMPORTS, ACCORDING TO THE MEANS OF TRANSPORTATION USED BY THE U.S. FOR IMPORTS - 2004		
	AIR	**OCEAN**
AVERAGE FREIGHT USD/KG	2.41	0.043
AVERAGE PRICE USD/KG	82.9	0.76
Source: Calculations by Araujo Ibarra & Asociados S.A., based on data from the U.S. International Trade Commission		

Seventy-eight percent of U.S. imports enter through 10 states; California, New York and Texas represent the largest shares.



The Dominican Republic is very close to the United States. Its nearest points are Puerto Rico (only 206 nautical miles) and Miami (733 nautical miles). Honolulu in Hawaii and Anchorage, Alaska are the most distant points, at 4,915 nautical miles and 4,140 nautical miles, respectively. The following table shows the distance in miles from Santo Domingo to various United States cities.

DISTANCE IN NAUTICAL MILES FROM SANTO DOMINGO (DR) TO VARIOUS U.S. CITIES.			
FROM / TO	**SANTO DOMINGO**	**FROM / TO**	**SANTO DOMINGO**
Honolulu	4,915	St Albans, Vermont	1,589
Anchorage, ALASKA	4,140	Houston, Texas	1,561
Seattle, Washington	3,100	Buffalo, New York	1,537
San Francisco, California	2,990	Cleveland, Ohio	1,511
Los Angeles, California	2,762	Portland, Maine	1,511
San Diego, California	2,689	Boston, Massachusetts	1,432
Great Falls	2,677	New York City	1,349
Nogales	2,364	Philadelphia	1,322
Pembina, North Dakota	2,265	New Orleans	1,307
El Paso, Texas	2,144	Baltimore, Maryland	1,300
Duluth, Minnesota	2,028	Washington, District of Colombia	1,284
Minneapolis, Minnesota	1,980	Mobile, Alabama	1,242
Milwaukee, Wisconsin	1,743	Norfolk	1,160
Laredo, Texas	1,733	Wilmington, North Carolina	1,042
Chicago, Illinois	1,678	Charleston, South Carolina	1,023
St Louis, Missouri	1,618	Savannah, Georgia	1,023
Ogdensburg, New York	1,600	Tampa, Florida	908
Detroit	1,589	Miami, Florida	733
		San Juan, Puerto Rico	206
Source: http://www.indo.com/distance/index.html			

In the United States, there are more than 226 airports and 400 ports, however those with the greatest frequency of maritime and air transportation coming from the Dominican Republic are: Miami, San Juan de Puerto Rico, New York and Philadelphia. The following ports are the focus of exports from the Dominican Republic to the United States.

PRIMARY PORTS OF ENTRY FOR EXPORTS FROM THE DOMINICAN REPUBLIC TO THE UNITED STATES	
Ports of Entry	**Share**
'Miami FL'	44%
'San Juan PR'	15%
'New York City NY'	8%
'Philadelphia PA'	6%
'Wilmington NC'	5%
'Tampa FL'	4%
'Cleveland OH'	4%
'Houston TX'	3%
'New Orleans LA'	3%
Other points	8%
Source: Calculations by Araujo Ibarra & Asociados S.A., based on data from the U.S. International Trade Commission	

Eighty percent of exports from the Dominican Republic to the United States are transported by ocean, 17% by Air and 3% by multimodal means (2004). Average maritime freight paid by the Dominican Republic is USD 0.07/Kg and by air it is USD 1.26/Kg.

The following table shows the average maritime and air freight paid for exports from the Dominican Republic to the United States, for the primary points of entry.

PERCENTAGE AND FREIGHT PAID ON DOMINICAN REPUBLIC EXPORTS TO THE UNITED STATES				
	OCEAN		AIR	
Port of Entry	%	FREIGHT USD/KG	%	FREIGHT USD/KG
'Miami FL'	87%	0.10	10%	1.16
'San Juan PR'	86%	0.04	14%	0.60
'New York City NY'	49%	0.08	39%	0.99
'Philadelphia PA'	99%	0.12	1%	1.24
'Wilmington NC'	83%	0.33	17%	1.35
'Tampa FL'	99%	0.05	1%	1.09
'Cleveland OH'	1%	0.18	99%	5.07
'Houston TX'	100%	0.13	0%	2.94
'New Orleans LA'	80%	0.14	20%	1.82
Other points	72%	0.04	20%	1.23
Source: US International Trade Commission				

B2. Taxes on imports Of the USD 1.460 billion imported by the United States in 2004, 30.6% paid taxes equivalent to USD 21.506 million, with an effective average duty of 4.8%. The countries that paid the highest U.S. import duties are listed below.

U.S. IMPORT DUTIES PAID - 2004 (Millions of USD and percentages)			
Country	Amount of Duties Paid	% of U.S. Import Amount Taxed	Effective Duty Paid
Total	**21,506**	**30.6%**	**4.8%**
China	5,592	43.3%	6.6%
Japan	2,236	58.1%	3.0%
Germany	1,262	58.5%	2.9%
South Korea	1,009	45.9%	4.9%
Italy	905	57.4%	5.6%
Source: US International Trade Commission			

Clothing, leather and leather goods and footwear are the products with the highest effective average duty in the United States, as noted from the following table:

UNITED STATES IMPORTS – SECTORS WITH THE HIGHEST EFFECTIVE AVERAGE DUTY - 2004 (Millions of USD)			
SECTOR	AMOUNT OF DUTIES PAID	% of Imported Value Taxed	Average Effective Duty
TOTAL	**21,506**	**30.6%**	**4.8%**
CLOTHING	7,941	73%	14.6%
LEATHER AND LEATHER GOODS	873	86%	10.8%
FOOTWEAR	1,643	95%	10.5%
TEXTILES	556	55%	8.4%
NON-METALLIC ORES	510	51%	6.9%
JEWELRY AND WATCHES	438	19%	6.3%
FURNITURE AND LIGHT FIXTURES	333	16%	6.2%
LIVESTOCK	215	21%	5.9%
MISCELLANEOUS MANUFACTURED GOODS	475	24%	5.7%
WOOD AND WOOD GOODS	157	13%	5.3%
Source: US International Trade Commission			

B3. Free Trade Agreement and Customs Preferences Granted by the United States During the past few years, the United States has signed several free trade agreements; the first was with Israel in 1985 and then with Canada in 1989. The tables below shows the agreements signed by the United States that are in force, those signed but not yet in force, and those which are in negotiation.

FREE TRADE AGREEMENTS IN FORCE		
AGREEMENTS	ENTERED INTO FORCE ON	TARIFF REDUCTION PERIOD
MEXICAN NAFTA	JANUARY 1, 1994	15 YEARS
NAFTA - CANADA	JANUARY 1, 1989	15 YEARS
AUSTRALIA	JANUARY 1, 2005	10 YEARS
CHILE	JANUARY 1, 2004	12 YEARS
SINGAPORE	JANUARY 1, 2004	10 YEARS
ISRAEL	SEPTEMBER 1, 1985	10 YEARS
JORDAN	DEC. 17, 2001	10 YEARS
Source: Harmonized Tariff Schedule of the United States		

FREE TRADE AGREEMENTS NOT YET IN FORCE		
AGREEMENTS	**SIGNED ON**	**STATUS**
MOROCCO	MARCH 2, 2004	ALREADY APPROVED BY THE U.S. CONGRESS. NOT YET APPROVED BY THE MOROCCAN PARLIAMENT
DR-CAFTA	CAFTA – MAY 2004 DR – AUGUST 2004	APPROVED BY THE U.S. CONGRESS ON AUGUST 2, 2005 – AWAITING RATIFICATION BY COSTA RICA
BAHRAIN	SEPTEMBER 14, 2004	NOT YET APPROVED BY THE U.S. CONGRESS OR THE BAHRAIN PARLIAMENT
Source: Harmonized Tariff Schedule of the United States		

FREE TRADE AGREEMENTS IN NEGOTIATION		
AGREEMENTS	**COUNTRIES IN QUESTION**	**NEGOTIATIONS STARTED ON**
South African Customs Union (SACU) FTA	BOTSWANA, LESOTHO, NAMIBIA, SOUTH AFRICA, SWAZILANDIA	JUNE 2003
Andean FTA	COLOMBIA, ECUADOR, PERU, (BOLIVIA INCLUDED AS AN OBSERVER)	MAY 18, 2004
THAILAND FTA	THAILAND	FEB. 12, 2004
PANAMA FTA	PANAMA	APRIL 26, 2005
Source: Harmonized Tariff Schedule of the United States		

The United States offers unilateral preferential customs treatment to several developing countries, i.e.[4]:

B3a. Generalized System of Tariff Preferences Beneficiary Countries: Afghanistan, Albania, Algeria, Angola, Anguilla, Antigua & Barbuda, Argentina, Armenia, Azerbaijan Bahrain, Bangladesh, Barbados, Belgium, Belize, Benin, Bhutan, Bolivia, Bosnia-Herzegovina, Botswana, Virgin Islands, Brazil, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Central African Countries, Chad, Christmas Island, Chile, Coco Islands, Colombia, Comoros Islands, Congo (DROC), Congo (ROC), Cook Island, Costa Rica, Republic of Côte d'Ivoire, Croatia, Cyprus, Czech Republic, Czechoslovakia, Denmark, Djibouti, Dominica Island, Dominican Rep, Ecuador, Egypt, El Salvador, Equatorial Guinea, Eritrea, Ethiopia, Falkland Islands, France, French Guiana, Gabon, Gambia, Gaza Strip, Georgia, Ghana, Gibraltar, Greenland, Grenada Island, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hungary, India, Indonesia, Iraq, Ireland, Italy, Jamaica, Jordan, Kazakhstan, Kenya, Kiribati, Kuwait,

[4] Source: Harmonized Tariff Schedule of the United States

Kyrgyzstan, Lebanon, Lesotho, Libya, Luxembourg, Macedonia, Madagascar, Malawi, Mali, Marshall Islands, Mauritania, Mauritius, Moldova, Mongolia, Montserrat Island, Morocco, Mozambique, Namibia, Nepal, Netherlands Antilles, New Caledonia, New Zealand, Nigeria, Nigeria, Niue, Norfolk Is, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Pitcairn Island, Puerto Rico, Qatar, Romania, Russia, Rwanda, Samoa, Sao Tome & Principe, Senegal, Seychelles, Sierra Leone, Slovak Republic, Slovenia, Salomon Islands, Somalia, South Africa, Spain, Sri Lanka, St Helena, St Kitts- Nevis, St Lucia, St Vince & Grenada, Surinam, Swaziland, Switzerland, Syria, Tajikistan, Tanzania, Thailand, Togo, Tokelau Island, Tonga, Trinidad & Tobago, Tunisia, Turkey, Turks & Caicos, Tuvalu, Uganda, United Arab Emirates, United Kingdom, Unspecified, Uruguay, Uzbekistan, Vanuatu, Venezuela, Wallis & Futuna, Western Sahara, Yemen, Yugoslavia, Zambia, Zimbabwe.

B3b. Generalized System of Tariff Preferences for countries of lesser relative development

B3b1. Countries of the Caribbean basin benefiting from the "CBERA CARIBBEAN BASIN ECONOMIC RECOVERY ACT." Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Costa Rica, Dominica, la Republica Dominicana, El Salvador, Grenada, Guatemala, Guyana, Haití, Honduras, Jamaica, Montserrat, Antillas Holandesas, Nicaragua, Panamá, St Kitts and Nevis, Saint Lucia, San Vicente y las Granadinas, Trinidad y Tobago, British Virgin Islands.

B3b2. Countries of the Caribbean basin benefiting from the "CBTPA CARIBBEAN BASIN TRADE PARTNERSHIP ACT." Barbados, Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Panama, Saint Lucia, Trinidad and Tobago.

B3b3. African Countries benefiting from the "AGOA – AFRICAN GROWTH AND OPPORTUNITY ACT." Angola, Benin, Botswana, Burkina Faso, Cape Verde, Cameroon, Chad, Congo RD, Republic of Congo, Djibouti, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauricio, Mozambique, Namibia, Nigeria, Rwanda, Sao Tome and Príncipe, Senegal, Seychelles, Sierra Leone, South Africa, Swaziland, Tanzania, Uganda, Zambia.

B3b4. Andean Countries benefiting from the "ATPA ANDEAN TRADE PREFERENCES" and "ATPDEA ANDEAN TRADE PROMOTION AND DRUG ERADICATION ACT." Bolivia, Colombia, Ecuador and Peru.

The Dominican Republic currently benefits from entering the U.S. market for the following unilateral preferential treatment: Generalized System of Tariff Preferences, "CBERA – Caribbean Basin Economic Recovery Act" and "CBTPA – Caribbean Basin Trade Partnership Act." Soon, the Dominican Republic will benefit from the DR FTA + CAFTA, which has been signed and ratified by the U.S. Congress, with only ratification by Costa Rica pending.

B4. Profile of Dominican Republic Exports to the United States Duties paid. In 2004, the Dominican Republic, of the total exported to the United States (USD 4,529,040,523), paid USD 51,740,424 in duties on USD 467,447,478, i.e. an effective duty of 11%.

The following table shows those products exported by the Dominican Republic to the United States that paid the most taxes, which will benefit from the entry into force of the DR – CAFTA.

PRODUCTS EXPORTED BY THE DOMINICAN REPUBLIC TO THE UNITED STATES, THAT PAID THE HIGHEST DUTIES IN 2004			
SECTOR	***TAXED VALUE - USD***	***AMOUNT PAID - USD***	***EFFECTIVE DUTY***
MILK PRODUCTS, EGGS, HONEY	374,741	176,498	47%
WOOL AND FINE FUR AND YARNS	222,711	55,680	25%
SYNTHETIC COTTON THREADS	231,850	35,553	15%
WOVEN UNDERGARMENTS	237,335,604	33,914,595	14%
DISCONTINUOUS SYNTHETIC FIBERS	193,578	27,035	14%
LEATHER GOODS	5,866,881	771,613	13%
MISCELLANEOUS MANUFACTURED GOODS	2,936	382	13%
ALCOHOLIC DRINKS	24,489	3,151	13%
STITCHED UNDERGARMENTS	107,195,902	13,447,608	13%
STITCHED FABRICS	71,703	8,705	12%
Source: Calculations by Araujo Ibarra & Asociados S.A., based on data from the U.S. International Trade Commission			

C. Distribution and Sale in the United States

Once the decision has been made to export to the United States, as well as the means used to bring the goods in (maritime, air or multi-modal), the Dominican business owner must decide how to sell and distribute the product or service in the United States.

The primary means of sale and distribution used in international trade are described below.

Distribution Channels Companies may bring their products in to the United States market using various options, such as: contracting with a representative, agent, distributor, wholesaler, retail sales agent, selling to the end user, forming joint ventures, consortiums, etc.

The primary distribution channels used in international trade are described below.

C1. Wholesaler. The wholesaler is characterized by its mastery of the product and its storage in its facilities. In general, wholesale distributors may specialize in a certain type of products or a specific region. Ninety percent of wholesalers are commercial agents who purchase products to package them and place their own brand or names on them, and resell them to retail sales agents and commercial consumers. They have their own capacity to store, assemble, package and label the products.

Benefits:

- Requires a reduced investment by the manufacturer.
- Wholesalers purchase immediately.
- They have sales representatives that have their own wonderful sales organization.
- The wholesaler saves the manufacturer work for distribution and sales.
- The wholesaler has excellent market knowledge.

Disadvantages:

- Difficulty finding the right person.
- The manufacturer has to sell at a lower price than in other forms of distribution.
- Wholesalers often request exclusive status for the entire country.
- Any loss is charged back to the supplier.
- Generally empty space in containers is deducted from invoices.
- Relationships are always with the wholesale company, which prevents knowledge of the end user.

In such cases, it is easiest for the business owner to sell directly from his country, and for the wholesaler to assume all responsibilities related to export, import, and distribution of the product in the United States.

In any event, when this is not possible, the business owner must be prepared to export and negotiate an INCOTERM, and to negotiate an international purchase/sales agreement.

If the exporter wishes to introduce or maintain the product with his own brand, he must use agents or brokers who work with wholesalers or retail distribution centers, establish a subsidiary or directly enter the retail sales distribution channels.

C2. Retail Sales Agents. In the United States there are different types of retail sales agents, and the types have increased over time. Previously, this group basically included department stores, such as Sears; subsequently, specialized chain stores (specialty retailers) were created, such as Pottery Barn, self-service chains such as Wal-Mart, discount stores like T&G, and the most recent addition, outlet stores.

The exporter directly contacts the purchasing officials of those chains. This type of sale may be supported through sending catalogs, brochures, etc.

New computer-based methods are available that facilitate reaching a broader audience, while reducing, to a certain extent, the expenses involved in travel and payment of commissions to intermediaries. Nevertheless, one must keep in mind that personal contact with potential customers is still the most effective tool.

Direct marketing, infomercials, and telephone purchases are other channels that are very successful in the United States. Many retail merchants and major department store chains establish alliances with television networks, such as the Home Shopping Network, cable television operators, telephone sales services and catalog sales companies. Consumers who use this channel are for the most part persons with high buying power and professionals accustomed to using credit cards as a means of payment. Los Angeles, New York and Chicago have traditionally been the primary retail markets in the United States.

C2a. Retail Distribution of Food and other mass consumption products. In the specific case of the foods sector, the primary sales channels are conventional supermarkets, convenience stores and express stores.

Foods may also be distributed via wholesale clubs and supercenters, where they are generally combined with various categories and sales may be either retail, by case lots and/or wholesale.

In the health cosmetology and toiletries sector, the most common channels for distribution are conventional drug stores, many of them structured like supermarkets. Other alternative channels are conventional supermarkets, sales clubs and supercenters.

Advantages:

- Retail sales agents purchase at a better price in comparison to wholesalers.
- Payment methods are the fastest and most appropriate.
- Their degree of commercial specialization is broader; therefore they require much larger product lines.
- This allows the opportunity to get to know the end user.
- Direct information is obtained from the buyers regarding market trends.

Disadvantages:

- Many of these retail outlets are chains that do not remain on the market or are absorbed by larger outlets.
- There is a constant rotation of buyers.
- Purchasing budgets at times are uncertain, since they are based on total sales and inventory requirements.
- In spite of having a concept that offers various items, in practice it is difficult to sell them because it involves various buyers of differing categories.

C3. Direct Company Retailing The third option is to sell directly to the North American market through the installation of one's own retailers (Direct Company Retailing). This option requires the greatest investment of capital, with establishment, lease, inventory, working capital and advertising, etc. expenses, and for this reason, it is only advisable for producers with a broader financing capacity, and it is also necessary to consider the legal effects of establishing a company in the North American market.

C4. Franchises Franchising, as such, is the fourth option, and one of the most interesting, since it can not only involve a new form of income, but the possibility of sharing risks and attracting the most qualified and creative personnel, since the shared risk assumed by both parties may be a guarantee between company owners. Nevertheless, it is important to take into consideration not only the structure of the business in order to maintain product and company identity, but also the corresponding United States regulations. So when setting up a franchise agreement, it is important to define a strategy for sales and product expansion that does not restrict the manufacturer in its strategy for entering the North American market with a single collaborator.

C5. Sales Agents Sales Agents are another distribution option. Under U.S. common law, and as established by law in the various states of the United States, an agent is a party representing another in negotiations with third parties. The agency necessarily is created by means of an agreement and includes compensation for the agent, generally by means of payment of a sales commission for the efforts and resources of the agent used to sell the product.

So agents or representatives are independent businessmen who work in exchange for a sales commission, in a specified geographic area.

They must be well acquainted with the area in which they work and have close contact with customers, in addition to being qualified t sell the products that they represent (based on their in-depth knowledge of the market and the products).

C5a. Selection of the agent. When selecting a representative, there are several factors to be taken into consideration.

- As a first measure, the agent must be contracted by a high-level official of the company, since an error in contracting would entail a significant loss of time, money and business opportunities.
- The agent or representative must be a partner in the business. The agent shall not be on the payroll of the company, but shall become a business partner of the company.
- In order to be able to find the correct person, it is necessary to define the position and profile before looking for a candidate, and to define the product to be distributed, since it is not the same to sell a complex product compared to a simple one, an innovative product versus one already on the market.

The agent to be hired must in turn prove:

- Experience and credibility demonstrated in sales of the product to be distributed.
- Technical training, as well as experience on the market as an agent.

- Contacts with persons who make decisions in regional or local companies.
- Stable commercial relationships for at least 5 years with companies in the region.
- The ability to provide information regarding the market to sales and marketing managers of the company.
- References with significant customers in the region.
- The agent must commit to making efforts for the promotion and sale of products.
- He must have a permanent office in the area, with suitable technical personnel.

The representatives or agents generally have difficulty introducing a new product, since this requires a great investment of time and energy, and the benefits derived from such efforts may expand over time. This initial effort is considerably greater when the company attempting to enter the market is a small company that perhaps is not able to support sales with sufficient marketing effort to facilitate the capture of customers, and therefore, sales.

C5b. Where to look for an agent:

- Recommendations from other agents. One source to search is other agents that the business owner already knows. Also, other manufacturers of non-competing products can provide valuable information.
- Contacting organizations. Local, state or national associations may help in the search for an agent. There are directories that may be very useful, such as www.manaonline.org.
- By advertisements. There are magazines and associations that publish companies or persons looking for products or companies to represent, such as, "Agency Sales Magazine."
- Through fairs. Trade fairs present lists of agents and distribution companies.
- Through a specialized agency. There are agencies that specialize in finding agents or representatives for a fee, although this is a costly option, it may be very useful.

C5c. Agency Agreement. Once you find an agent, you must prepare an agreement that is acceptable to both parties, which specifies the format of this new relationship.

A few basic points that must be included in the contract are specified below:

- The product must be described in specific and exclusive detail.
- The intellectual property related to the product must be protected in the contract.
- A geographic area must be established where the agent has a series of rights, specifying whether the agent has certain rights outside of that area.
- The subject of exclusivity must be covered, and it must be determined whether the manufacturer may sell directly to a customer, and whether agents may sell outside of their specified territory.
- Obligations of the agent in regards to the product market and promotional material must be indicated.
- The person responsible for processing the permits and registrations necessary to sell the product must be specified.

- Identify information regarding the market that the agent must provide.
- Determine whether there is a minimum sales level.
- The term of the contract and any extensions.
- Determine whether the agent is responsible for service and post-sales repairs.
- Determine whether the manufacturer will provide any type of technical support.
- Specify the person who will determine selling prices and any discounts.
- Determine the manner in which sales commissions will be paid.
- Specify whether the agent may transfer its rights to a third party, without the express consent of the manufacturer.
- Specify the various procedures for terminating the agreement.
- Determine the procedures for resolving conflicts.

C6. Distributors. The option of a distributor with good post-sales service and that is acquainted with the needs of customers in the region may be a more appropriate channel than sales agents or representatives. The distributor must be able to carry out import processing and have its own agents to allow it to cover various areas of the United States market, although all this would be subject to negotiations between the manufacturer and the American distributor.

The main problem with this distribution channel may be its cost (margins) and the difficulty in finding a suitable distributor. In addition, it will be necessary to establish a contractual agreement that entails consulting fees (attorneys), and therefore, rights and obligations for both parties.

One disadvantage to be evaluated is that the use of distributors does not permit direct access to the market, and this will provide the company with limited knowledge of its customers. At the same time, the control that the company would exercise over distribution channels and promotional or marketing activities carried out by the distributor is very limited, unless other conditions are negotiated.

C7. Assembly. The company may opt to fabricate [products] under the brand of a North American distributor or manufacturer. Not all products lend themselves to this type of distribution, but those that do may benefit in various aspects.

First, the American customer will be most interested in the product being of a quality that is in line with the image they want to promote on the market, and therefore it will have to convey all the necessary specifications to the company, such as: Standards, certifications, approvals, distribution, logistics, functions, accessories; this involves a transfer of market and product data that otherwise would be difficult to compile in a short period of time. This information will be of great value to the company.

Some of the negative aspects to this mechanism are:

- Generally little is known regarding end customers, or even the channels used for final distribution of goods, once they are delivered to the North American partner.

- Strong dependence on the North American partner. On the one hand, if orders are not placed in a specified time frame, investments made to adapt the product may not be very useful.
- On certain occasions, this type of agreement limits access to the United States market by other means.

C8. Strategic Alliances: Another means of distribution is through an alliance with a person or company in the United States in order to undertake marketing and distribution work, for example through a joint venture or shared risk agreement.

The form of a joint venture in the United States, for many reasons, including income tax issues or contractual and extra contractual liability, falls under company regulations governing "partnerships."

C9. Licensing. Another possibility for distributing the product is licensing the know-how or another form of intellectual property to third parties, allowing them to produce and/or market those products on the North American market.

C10. Sales over the Internet. The most novel form of distribution consists of sales over the Internet, by creating a web page. This mechanism does not involve the establishment of a local presence or personnel in the United States; it may be an interesting option for some companies, provided that they are clear as to the form of structuring their payment methods, logistics for distributing their product, and relationships with potential customers.

SECTION IV

BIBLIOGRAPHY

SECTION IV

BIBLIOGRAPHY

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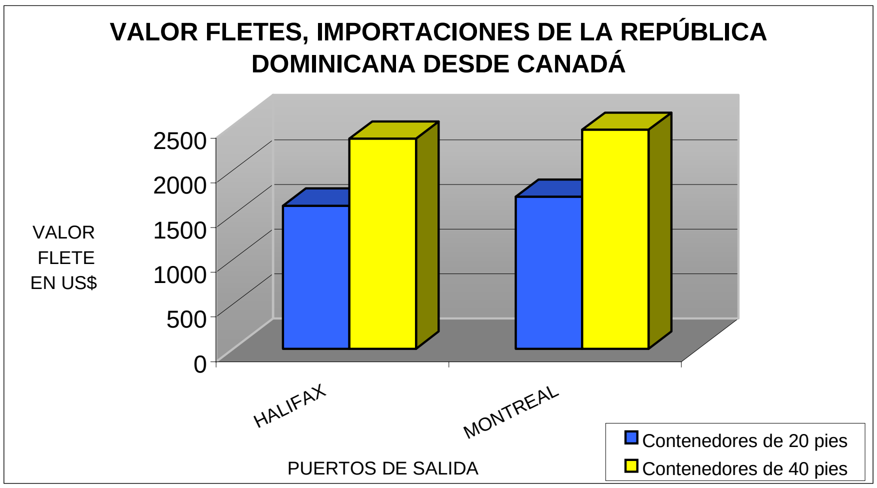
APPENDIX A

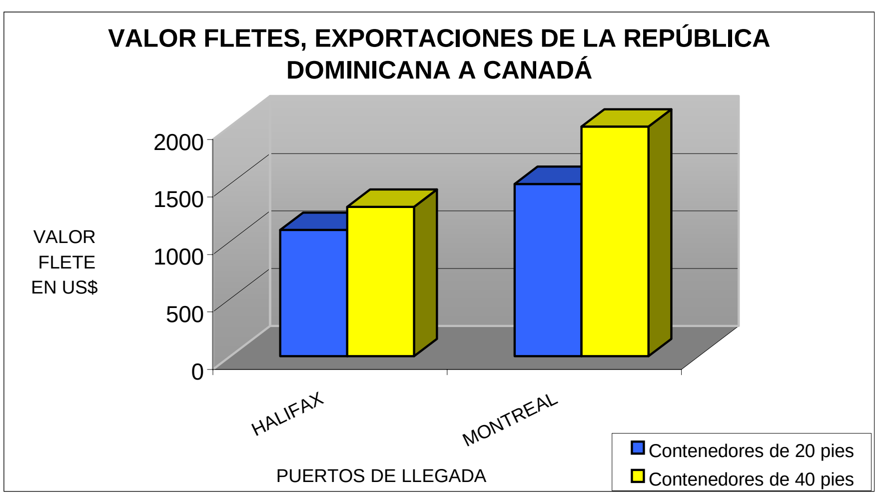
INFORMATIONAL GUIDE TO LOGISTICS COSTS

MODULE 3 – LOGISTICS GUIDE FOR THE DOMINICAN REPUBLIC
Table of Maritime Freight
Dominican Republic – Canada - 2005

	IMPORTACION	
CANADA	**20**	**40**
HALIFAX	1600	2350
MONTREAL	1700	2450



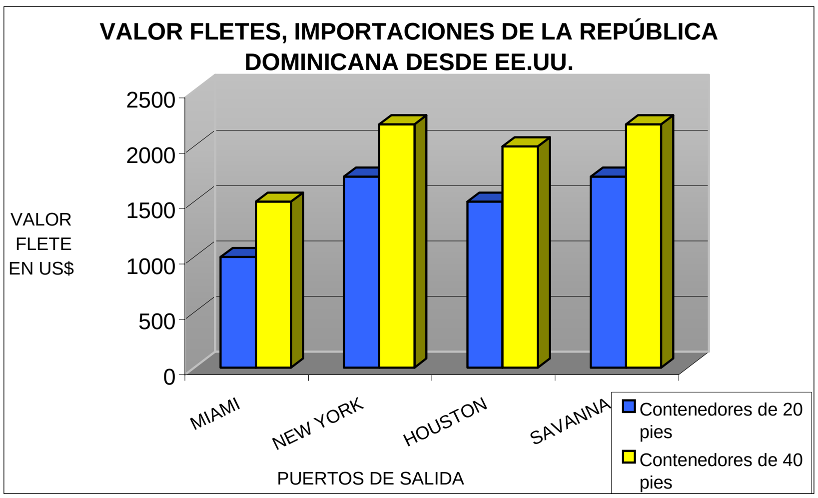
	EXPORTACION	
CANADA	**20**	**40**
HALIFAX	1100	1300
MONTREAL	1500	2000



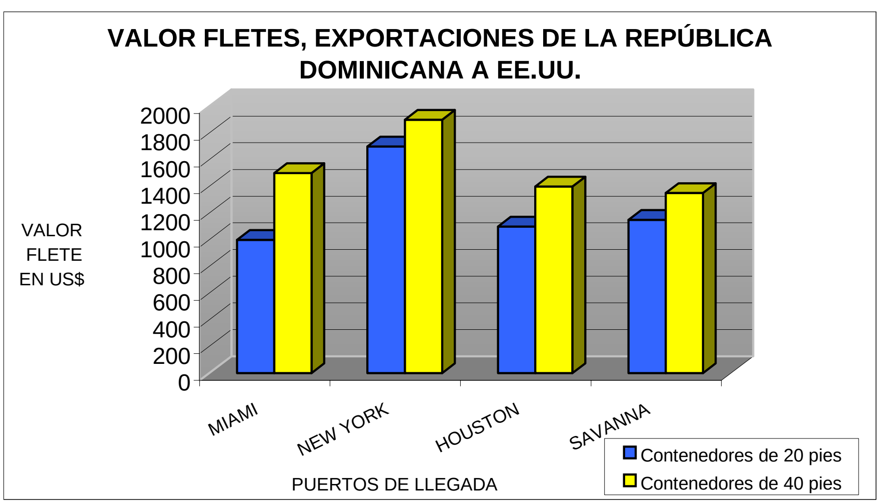
Estas Tarifas no incluyen: Banker Surcharges o Security Surcharges
Fuente: AGENCIAS NAVIERAS B & R

MODULE 3 – LOGISTICS GUIDE FOR THE DOMINICAN REPUBLIC
Table of Maritime Freight
Dominican Republic – Canada - 2005

	IMPORTACION	
USA	**20**	**40**
MIAMI	1000	1500
NEW YORK	1725	2200
HOUSTON	1500	2000
SAVANNA	1725	2200



	EXPORTACION	
USA	**20**	**40**
MIAMI	1000	1500
NEW YORK	1700	1900
HOUSTON	1100	1400
SAVANNA	1150	1350



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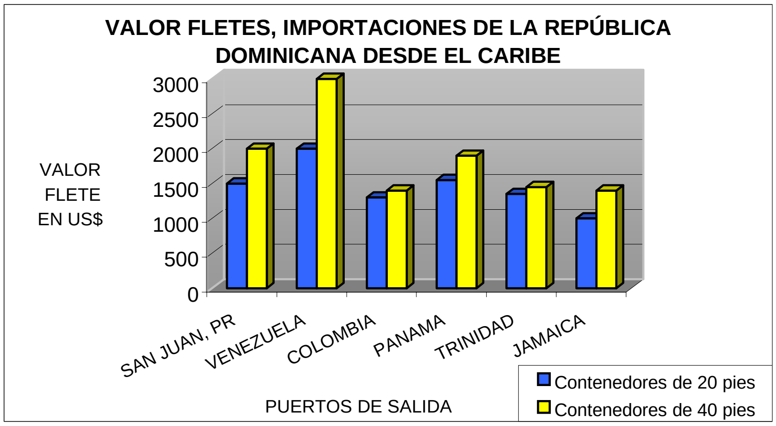
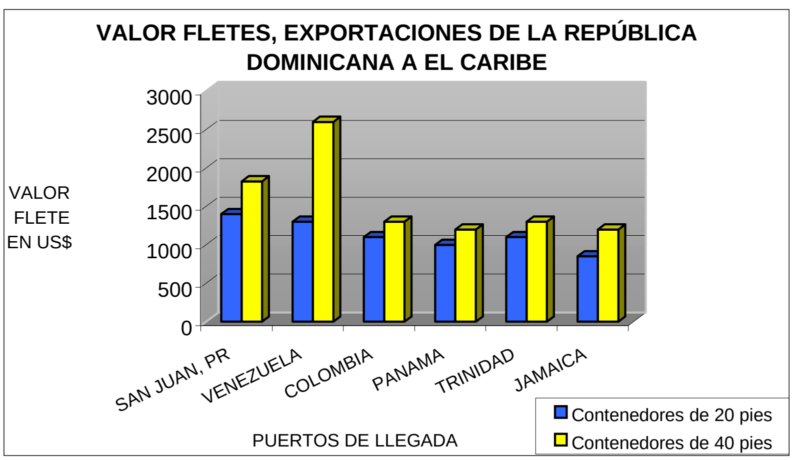
Fuente: AGENCIAS NAVIERAS B & R

MODULE 3 – LOGISTICS GUIDE FOR THE DOMINICAN REPUBLIC
Table of Maritime Freight
Dominican Republic – Caribbean - 2005

	IMPORTACION	
CARIBE	**20**	**40**
SAN JUAN, PR	1500	2000
VENEZUELA	2000	3000
COLOMBIA	1300	1400
PANAMA	1550	1900
TRINIDAD	1350	1450
JAMAICA	1000	1400



	EXPORTACION	
CARIBE	**20**	**40**
SAN JUAN, PR	1400	1825
VENEZUELA	1300	2600
COLOMBIA	1100	1300
PANAMA	1000	1200
TRINIDAD	1100	1300
JAMAICA	850	1200



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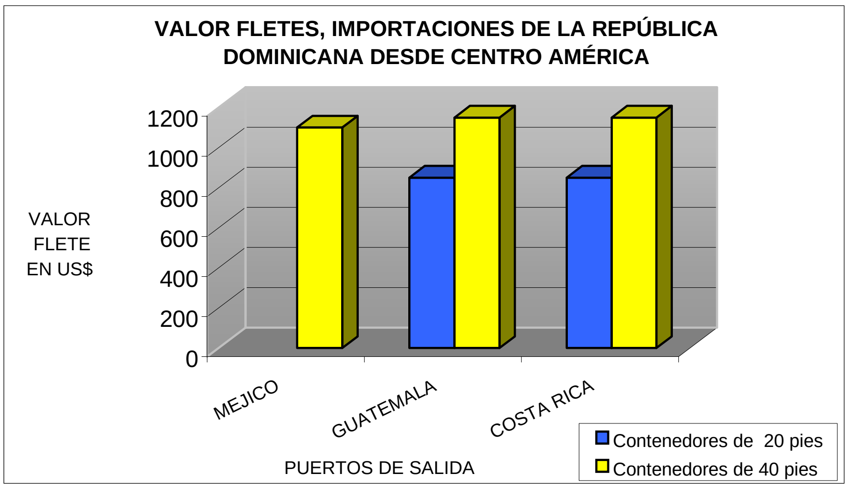
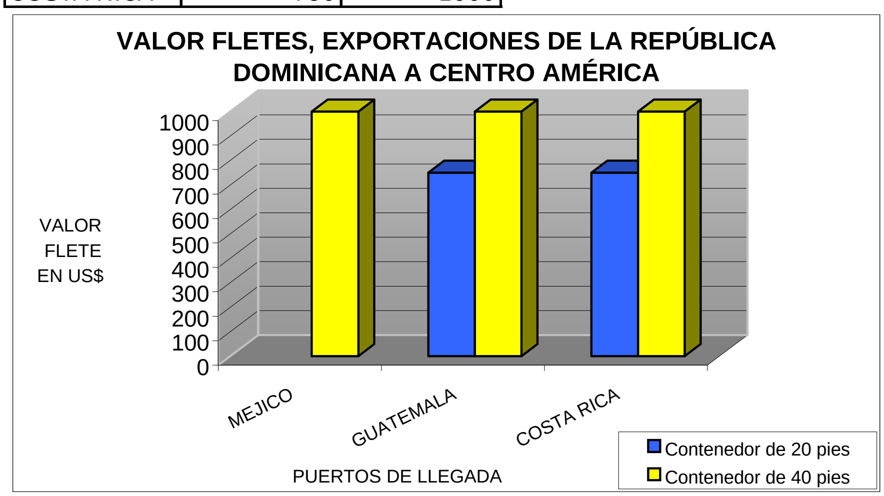
Fuente: AGENCIAS NAVIERAS B & R

MODULE 3 – LOGISTICS GUIDE FOR THE DOMINICAN REPUBLIC
Table of Maritime Freight
Dominican Republic – Central America - 2005

	IMPORTACION	
CENTRO AMERICA	**20**	**40**
MEJICO		1100
GUATEMALA	850	1150
COSTA RICA	850	1150



	EXPORTACION	
CENTRO AMERICA	**20**	**40**
MEJICO		1000
GUATEMALA	750	1000
COSTA RICA	750	1000



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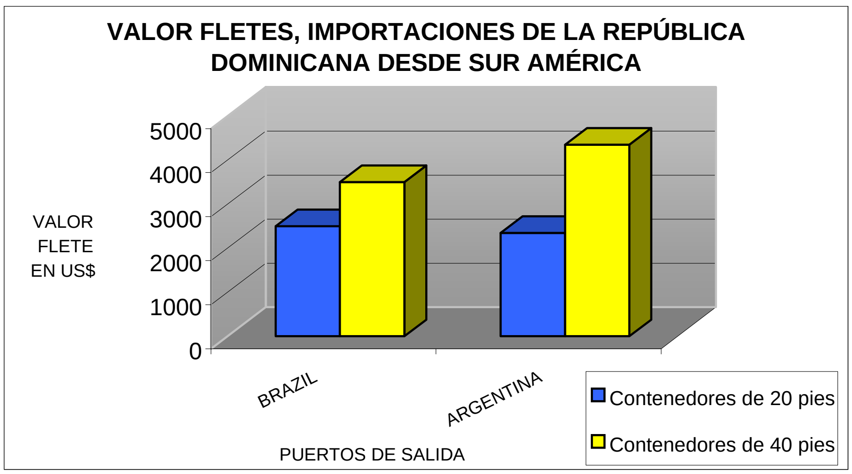
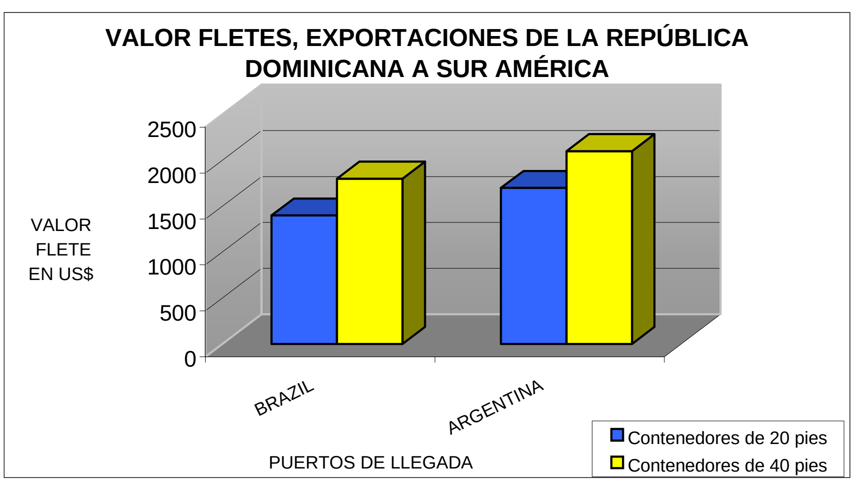
Fuente: AGENCIAS NAVIERAS B & R

MODULE 3 – LOGISTICS GUIDE FOR THE DOMINICAN REPUBLIC
Table of Maritime Freight
Dominican Republic – South America - 2005

	IMPORTACION	
SUR AMERICA	**20**	**40**
BRAZIL	2500	3500
ARGENTINA	2350	4350



	EXPORTACION	
SUR AMERICA	**20**	**40**
BRAZIL	1400	1800
ARGENTINA	1700	2100

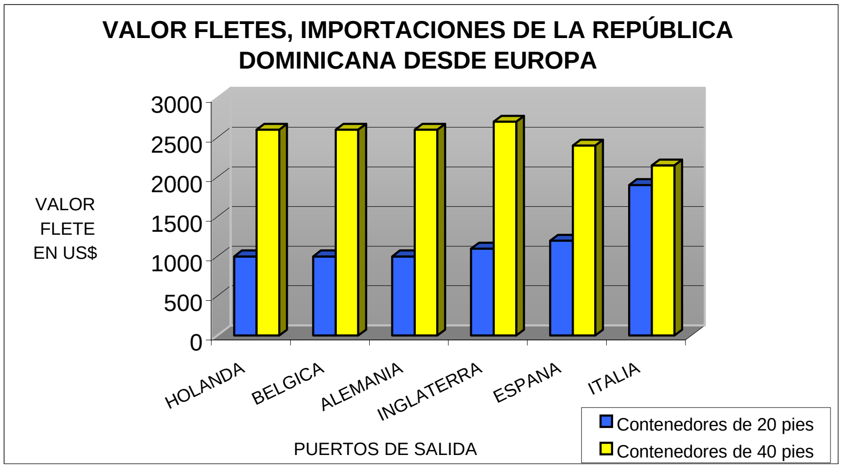


Estas Tarifas no incluyen: Banker Surcharges o Security Surcharges

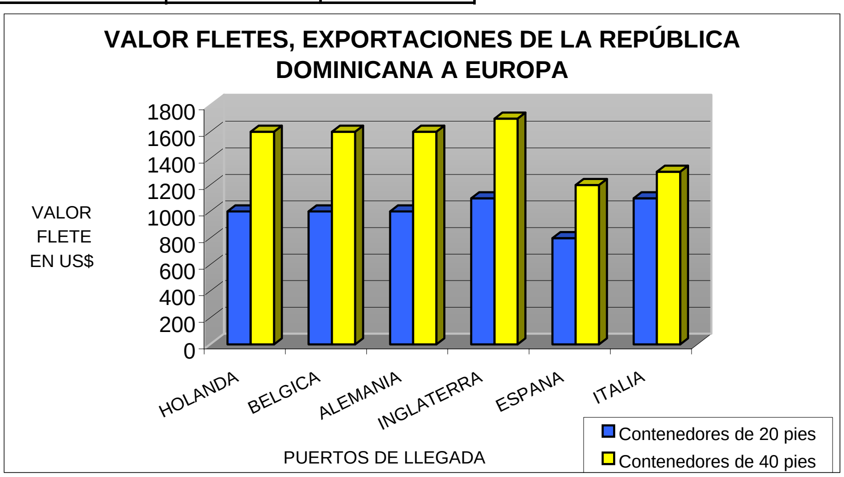
Fuente: AGENCIAS NAVIERAS B & R

MODULE 3 – LOGISTICS GUIDE FOR THE DOMINICAN REPUBLIC
Table of Maritime Freight
Dominican Republic – Europe - 2005

	IMPORTACION	
EUROPA	**20**	**40**
HOLANDA	1000	2600
BELGICA	1000	2600
ALEMANIA	1000	2600
INGLATERRA	1100	2700
ESPAÑA	1200	2400
ITALIA	1900	2150



	EXPORTACION	
EUROPA	**20**	**40**
HOLANDA	1000	1600
BELGICA	1000	1600
ALEMANIA	1000	1600
INGLATERRA	1100	1700
ESPAÑA	800	1200
ITALIA	1100	1300



Estas Tarifas no incluyen: Banker Surcharges o Security Surcharges
Fuente: AGENCIAS NAVIERAS B & R

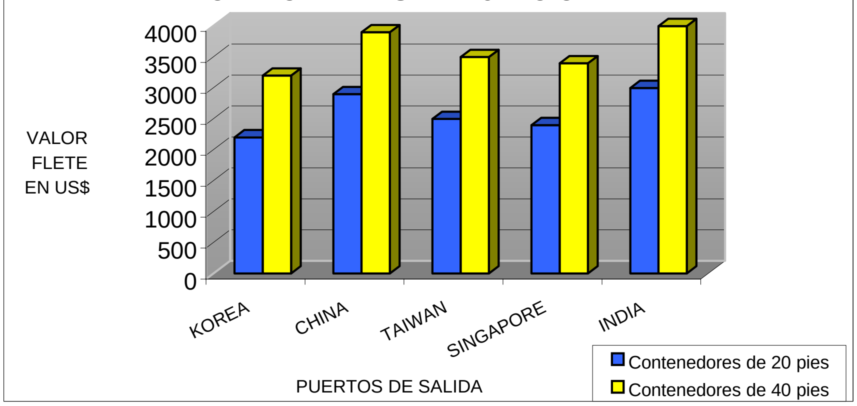
USAID DEL PUEBLO DE LOS ESTADOS UNIDOS DE AMÉRICA

Consejo Nacional de Competitividad

MODULE 3 – LOGISTICS GUIDE FOR THE DOMINICAN REPUBLIC
Table of Maritime Freight
Dominican Republic – Far East - 2005

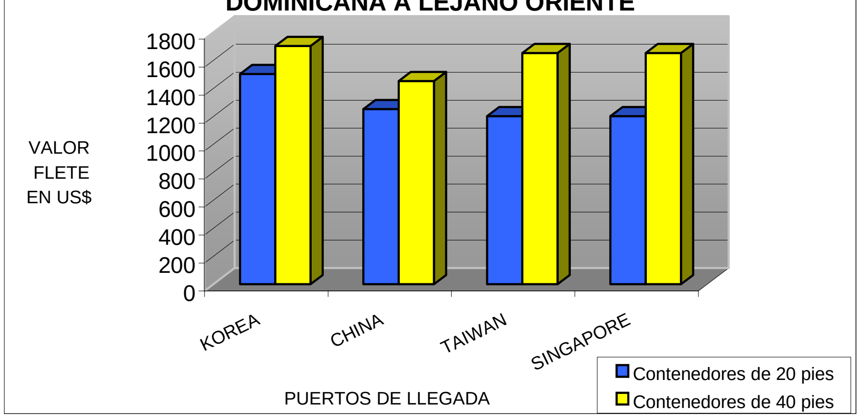
	IMPORTACION	
LEJANO ORIE	**20**	**40**
KOREA	2200	3200
CHINA	2900	3900
TAIWAN	2500	3500
SINGAPORE	2400	3400
INDIA	3000	4000

VALOR FLETES, IMPORTACIONES DE LA REPÚBLICA DOMINICANA DESDE LEJANO ORIENTE



	EXPORTACION	
LEJANO ORIE	**20**	**40**
KOREA	1500	1700
CHINA	1250	1450
TAIWAN	1200	1650
SINGAPORE	1200	1650

VALOR FLETES, EXPORTACIONES DE LA REPÚBLICA DOMINICANA A LEJANO ORIENTE



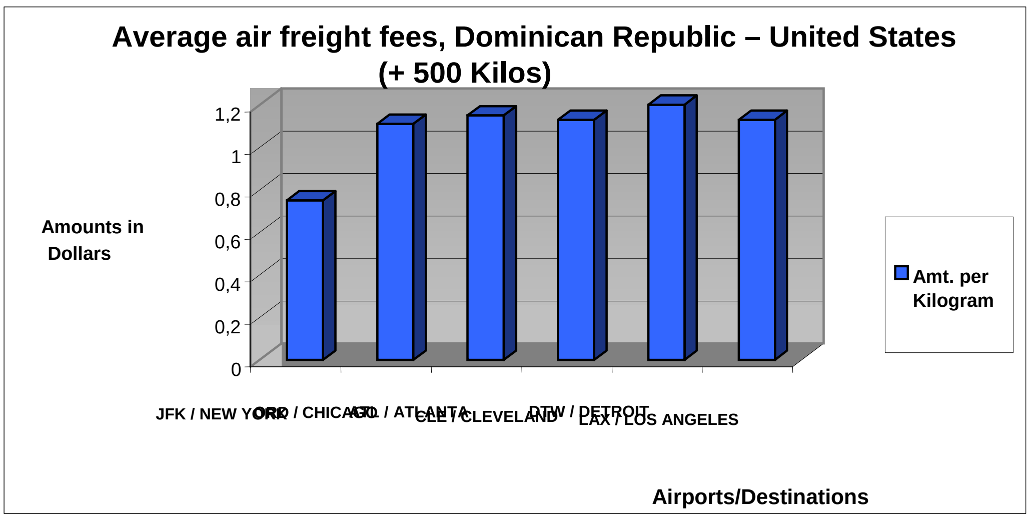
Estas Tarifas no incluyen: Banker Surcharges o Security Surcharges

Fuente: AGENCIAS NAVIERAS B & R

MODULE 3 – LOGISTICS GUIDE FOR THE DOM. REPUBLIC
Table of Average Air Freight Fees – Dom. Republic – United States
2005

Destinations	+100K	+300K	+500K	+1000K	FSC + TAX
MIAMI	0.78 / K				0.55 / K
JFK / NEW YORK	0.80 / K	0.80 / K	0.75 / K	0.75 / K	0.55 / K
ORD / CHICAGO	1.20 / K	1.20 / K	1.11 / K	1.11 / K	0.55 / K
ATL / ATLANTA	1.31 / K	1.31 / K	1.15 / K	1.15 / K	0.55 / K
CLE / CLEVELAND	1.18 / K	1.18 / K	1.13 / K	1.13 / K	0.55 / K
DTW / DETROIT	1.23 / K	1.23 / K	1.20 / K	1.20 / K	0.55 / K
LAX / LOS ANGELES	1.36 / K	1.36 / K	1.13 / K	1.13 / K	0.55 / K

Destinations	+500K
MIAMI	
JFK / NEW YORK	$0,75
ORD / CHICAGO	$1,11
ATL / ATLANTA	$1,15
CLE / CLEVELAND	$1,13
DTW / DETROIT	$1,20
LAX / LOS ANGELES	$1,13



Abbreviations	
K:	Kilogram
FSC + TAX:	Surcharge for gasoline and taxes

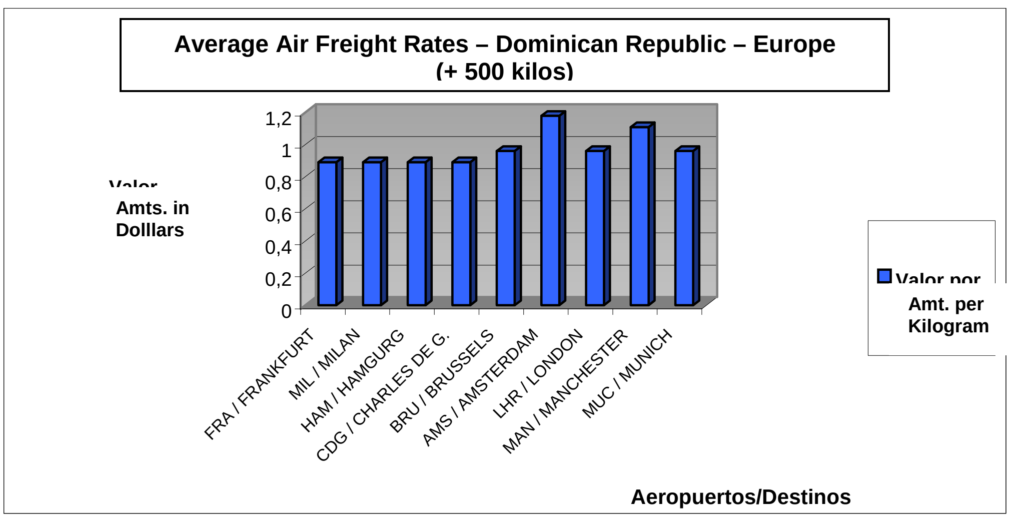
Note: Does not include 0.02 airport tax or gasoline surcharge

Source: AGENCIAS NAVIERAS B & R

MODULE 3 – LOGISTICS GUIDE FOR THE DOMINICAN REPUBLIC
Table of Average Air Freight Fees – Dominican Republic – Europe
2005

Destinations	+100K	+300K	+500K	+1000K	FSC + TAX
FRA / FRANKFURT	0.96 / K	0.93 / K	0.89 / K	0.86 / K	0.42 / K
MIL / MILAN	0.96 / K	0.93 / K	0.89 / K	0.86 / K	0.42 / K
HAM / HAMGURG	0.96 / K	0.93 / K	0.89 / K	0.86 / K	0.42 / K
CDG / CHARLES DE G.	0.96 / K	0.93 / K	0.89 / K	0.86 / K	0.42 / K
BRU / BRUSSELS	0.96 / K	0.96 / K	0.96 / K	0.96 / K	0.42 / K
AMS / AMSTERDAM	1.18 / K	1.18 / K	1.18 / K	1.18 / K	0.30 / K
LHR / LONDON	0.96 / K	0.96 / K	0.96 / K	0.96 / K	0.42 / K
MAN / MANCHESTER	1.11 / K	1.11 / K	1.11 / K	1.11 / K	0.42 / K
MUC / MUNICH	0.96 / K	0.96 / K	0.96 / K	0.96 / K	0.42 / K

Destinos	+500K
FRA / FRANKFURT	$0,89
MIL / MILAN	$0,89
HAM / HAMGURG	$0,89
CDG / CHARLES DE G.	$0,89
BRU / BRUSSELS	$0,96
AMS / AMSTERDAM	$1,18
LHR / LONDON	$0,96
MAN / MANCHESTER	$1,11
MUC / MUNICH	$0,96



Siglas	
K:	Kilogramo
FSC + TAX:	Sobretasa por gasolina e impuesto

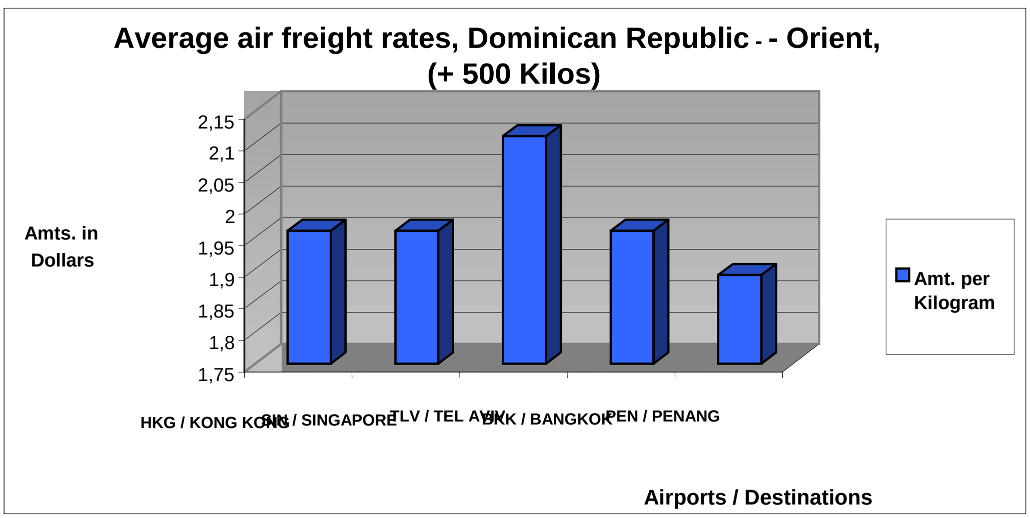
Nota: No incluye los 0.02 del impuesto del aeropuerto ni sobretasa por gasolina

Fuente: AGENCIAS NAVIERAS B & R

MODULE 3 – LOGISTICS GUIDE FOR THE DOM. REPUBLIC
Table of Average Air Freight Fees – Dom. Rep. - Orient
2005

Destinations	+100K	+300K	+500K	+1000K	FSC + TAX
HKG / KONG KONG	2.14 / K	2.14 / K	1.96 / K	1.96 / K	0.42 / K
SIN / SINGAPORE	2.14 / K	2.14 / K	1.96 / K	1.96 / K	0.42 / K
TLV / TEL AVIV	2.29 / K	2.29 / K	2.11 / K	2.11 / K	0.42 / K
BKK / BANGKOK	2.14 / K	2.14 / K	1.96 / K	1.96 / K	0.42 / K
PEN / PENANG	1.89 / K	1.89 / K	1.89 / K	1.89 / K	0.49 / K

Destinations	+500K
HKG / KONG KONG	$1,96
SIN / SINGAPORE	$1,96
TLV / TEL AVIV	$2,11
BKK / BANGKOK	$1,96
PEN / PENANG	$1,89



Abbreviations	
K:	Kilogram
FSC + TAX:	Surcharge for gasoline and taxes

Note: Does not include 0.02 airport tax or gasoline surcharge

Source: AGENCIAS NAVIERAS B & R

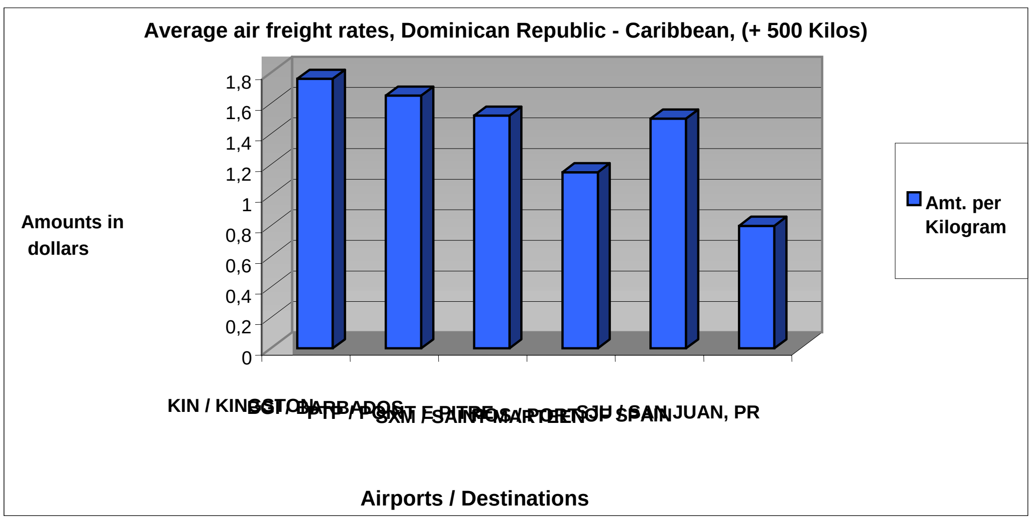
MODULE 3 LOGISTICS GUIDE FOR THE DOM. REPUBLIC

Table of Average Air Freight Fees – Dom. Republic - Caribbean

2005

Destinations	+100K	+300K	+500K	+1000K	FSC + TAX
KIN / KINGSTON, JAMAICA	1.80 / K	1.80 / K	1.76 / K	1.76 / K	0.30 / K
BGI / BARBADOS	1.90 / K	1.90 / K	1.65 / K	1.65 / K	0.30 / K
PTP / POINT E PITRE	1.75 / K	1.75 / K	1.52 / K	1.52 / K	0.30 / K
SXM / SAINT MARTEEN	1.43 / K	1.43 / K	1.15 / K	1.15 / K	0.30 / K
POS / PORT OF SPAIN	1.80 / K	1.80 / K	1.50 / K	1.50 / K	0.30 / K
SJU / SAN JUAN, PR	0.98 / K	0.98 / K	0.80 / K	0.75 / K	0.28 / K

Destinations	+500K
KIN / KINGSTON	$1,76
BGI / BARBADOS	$1,65
PTP / POINT E PITRE	$1,52
SXM / SAINT MARTEEN	$1,15
POS / PORT OF SPAIN	$1,50
SJU / SAN JUAN, PR	$0,80



Abbreviations	
K:	Kilogram
FSC + TAX:	Surcharge for gasoline and taxes

Note: Does not include 0.02 airport tax or gasoline surcharge

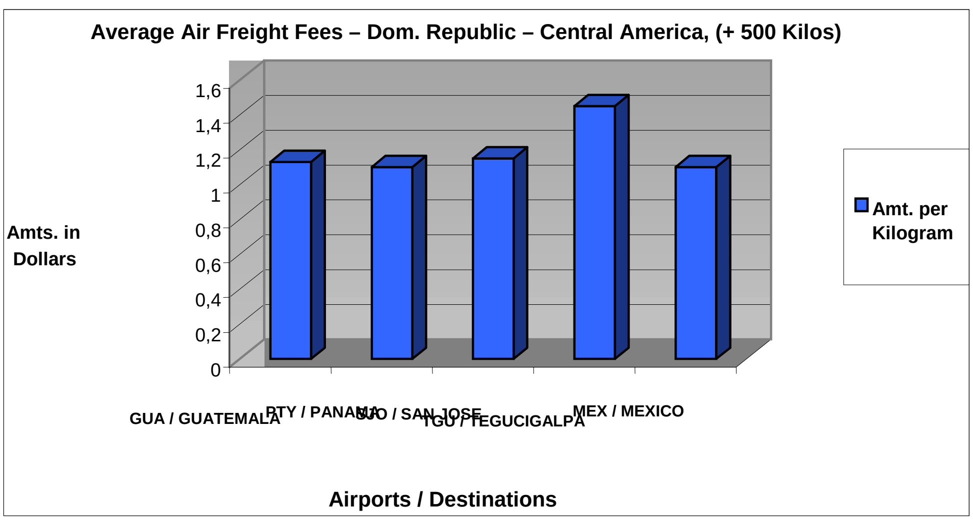
Source: AGENCIAS NAVIERAS B & R

MODULE 3 – LOGISTICS GUIDE FOR THE DOM. REPUBLIC

Table of Average Air Freight Fees Dom. Republic – Central America 2005

Destinations	+100K	+300K	+500K	+1000K	FSC + TAX
GUA / GUATEMALA	1.39 / K	1.20 / K	1.13 / K	1.13/ K	0.22 / K
PTY / PANAMA	1.55 / K	1.25 / K	1.10 / K	1.10 / K	0.22 / K
SJO / SAN JOSE	1.55 / K	1.25 / K	1.15 / K	1.15 / K	0.22 / K
TGU / TEGUCIGALPA	1.65 / K	1.50 / K	1.45 / K	1.45 / K	0.22 / K
MEX / MEXICO	1.50 / K	1.30 / K	1.10 / K	1.05 / K	0.22 / K

Destinations	+500K
GUA / GUATEMALA	$1,13
PTY / PANAMA	$1,10
SJO / SAN JOSE	$1,15
TGU / TEGUCIGALPA	$1,45
MEX / MEXICO	$1,10



Abbreviations	
K:	Kilogram
FSC + TAX:	Surcharge for gasoline and taxes

Note: Does not include 0.02 airport tax or gasoline surcharge

Source: AGENCIAS NAVIERAS B & R

APPENDIX B

LOGISTICS GRID OF COMPETITORS