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EXPORT MARKET OPPORTUNITIES

MARKET PROFILE:

ST. MAARTEN

A RAPID RECONNAISSANCE SURVEY



EXPORT MARKET SERIES: BULLETIN NO. 10

February 2003

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Ministry of Fisheries, Crops and Livestock
Guyana Office for Investment
New Guyana Marketing Corporation

Export Market Series Bulletin No. 10

February 2003



With the assistance of the United States Agency for International Development

PREFACE

This publication marks the beginning of a series of market bulletins which seek to provide relevant and timely information about markets and product potential for producers and exporters of non-traditional commodities. Although Guyana depends largely on its traditional exports of rice and sugar; minerals such as gold, bauxite and diamonds; and timber, most small and medium firms focus on sectors such as fresh produce, agro-processing, fish and seafood, and value added wood products, among others. The first bulletins in this series are not market studies in the true sense, but instead they are rapid reconnaissance surveys of the export potential for various Guyanese non-traditional exports in the various markets. The purpose is first, to identify the level of demand for non-traditional export products currently produced in Guyana and ascertain whether these products are produced locally or are imported. A second objective is to determine what, if any, is the level of market penetration of Guyanese products. Thirdly, the surveys attempt to capture the preferred characteristics of the different products in each market, and at the same time, to assess the success or failure of Guyanese exporters in meeting this market demand. Where available, prices for the different commodities are provided, if only for a specific point in time. Finally, useful contacts are provided where exporters may obtain additional information on the various commodities, market prices, import and custom requirements, etc. in the importing country. Producers and exporters who are interested in obtaining additional information about the demand for their products in overseas markets are urged to contact either the Ministry, Go-Invest or NGMC. In many instances these agencies may be able to put exporters in direct contact with potential buyers, wholesalers and retailers in the importing countries. Mention of importers, wholesalers or distributors and firms in this Export Market Bulletin Series in no way constitutes a recommendation for that individual or company. A background check of that individual or company is always prudent. At a minimum, inquiries can be made through the local Chamber of Commerce.

The undertaking of these market surveys also serves to reaffirm the collaboration among the Ministry of Fisheries, Crops and Livestock; Go-Invest and the New Guyana Marketing Corporation (NGMC) in improving quality, increasing production and promoting exports. As a team, the three agencies are working on the problems, limitations, and constraints identified in the surveys, from production and post harvest handling problems, to packaging and transportation, to final market access.

Go-Invest and NGMC maintain a list for many countries of importers, wholesalers and distributors of fresh and processed fruits and vegetables, lumber and wood products and fish and seafood. For more information, contact us at:

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SAINT MAARTEN

BACKGROUND NOTES

Saint Maarten is one of the Netherlands Antilles (NA), which is part of the Kingdom of the Netherlands, which consists of the Netherlands, Aruba and Netherlands Antilles. Aruba was part of the NA until 1986. The NA consists of two groups of islands, one set in the Leeward Islands (Saba, St. Eustatius and St. Maarten) and the other in the Windward Islands (Curaçao, and Bonaire). St. Maarten is located about 100 mi. east of Puerto Rico (Netherlands Antilles in Figures, 1998).

The island was discovered on St. Martin's day in 1493 by Christopher Columbus, who claimed it in the name of Spain and named it in honor of Saint Martin. However, the island was never colonized by the Spanish but by the Dutch and French, who fought over the island until they, very sensibly, divided the island in half in 1648. St. Maarten now shares the 92 sq. km. island with Saint Martin, an arrondissement of the French Outre Mer department of Guadeloupe. Saint Martin, the French side, is 56 sq. km. in size and located at the north end of the island and St. Maarten, 36 sq. km. in size, is located at the south end. Today there is no barrier to movement between the two halves of the island and Marigot, the capital of St. Martin, is a very quick 15-minute ride by bus from Philipsburg, the capital city of St. Maarten.

The last census of 1996 estimated the population to be 36,231 on the Dutch side (Central Bank, 2001). On the French side of the island the population underwent an explosion in the 1980s through the 1990s, when it tripled in size. The 1999 census on the French side estimated the population there to be 29,112 (EDOM, 2001). Currently the total population of the entire island is an estimated 76,000 (AgExporter, 2002). The population of St. Maarten speaks English and Dutch and that of St. Martin speaks primarily French and English. The lingua franca of the island is English. Spanish is frequently heard as there are a number of laborers who have immigrated to St. Maarten from Spanish-speaking countries nearby.

Although the official currency of St. Maarten is the Netherlands Antilles guilder (NAFs), US dollars, Francs and Euros are also widely accepted. NAFs are the required currency of transaction with government agencies, however.

The Dutch side of the island is mountainous. Tree cover on the mountainsides of the Simpson Bay-Philipsburg area is mostly limited to open, low shrub.

Ports

Airport

The Juliana airport was an airstrip built and used by the US as a military base during World War II. It is the larger of the two airports on the island, the smaller being the Grand' Case, located in St. Martin. Most of the tourists arriving by air to the island do so

through the Juliana. Between 400,000-450,000 people pass through the Juliana annually, although between 100,000-135,000 passengers arrive in Grand'Case every year as well (EDOM, 2001).

Seaports

There is a cargo port at Philipsburg, but no information was readily available about the capacity of that port. On the French side, the port at Galisbay, a department-run port, does handle cargo. It has the capacity to move 18-20 containers hourly. In 2000, the number of containers that were moved through the port dropped to 88,000 from a four-year high in 1999 of 98,591 containers. Improvements were being made to the port in 2001 (EDOM, 2001).

On neither the Dutch nor the French side of the island is there a special wharf for cruise ship landings (EDOM, 2001). Shuttle boats are used to move the passengers from the cruise ship to land. During the field trip, on one day in St. Maarten, three cruise ships were at anchor in Philipsburg and the passengers disembarking the small ferry boats filled the streets and businesses with much needed shoppers.

Marinas for pleasure yachters and cruisers are numerous on the island. As of 2001 there were nearly 500 slips in four major marinas on the French side and 400 in six marinas on the Dutch side (EDOM, 2001).

ECONOMIC OUTLOOK

Determining the economic performance of St. Maarten for 2001 and 2002 is difficult as its performance is combined with that of the other NA islands in government reports. The most recent official figures for the NA are the 2001 annual results provided by the Central Bank, the Bank Van de Nederlandse Antilles. The Central Bank's report described the economic situation in 2001 for St. Maarten as "somewhat gloomy".

In its 2001 Annual Report, the Central Bank reported that the trend in the Antillean economy had paralleled that of the rest of the world in 2001. The economy has experienced a continuous contraction over the five-year period preceding 2002. However, the rate of contraction of the GDP slowed in 2001 to just 0.6%, and the report expressed the hope that this might be an indication that the recession had hit bottom, despite the negative effects of the 2001 attack on the World Trade Center in the U.S. The sectors that buoyed the economy in 2001 were oil, ship repairs, free zone activity and financial sectors. Air transportation, tourism (on which St. Maarten is so dependent), agriculture, industry and trade all declined in 2001.

Of the three most economically important islands of the NA, St. Maarten is the only one whose inflation rate increased for 2001, by 1.0%. Much of this increase was due to an increase in the cost of food items, which are mostly imported.

Although absolute numbers were not available, unemployment is generally commented on as increasing. There are reports of serious concerns over the negative impact to the

island's budget and tourism of increases in drug trafficking activities, the crime rate and the smuggling of illegal aliens from nearby Spanish-speaking islands onto St. Maarten. These themes surface daily in the local newspapers.

St. Maarten has been the leading tourism destination of the NA and its economy relies greatly on the hotel and restaurant industry (HRI), entertainment (casinos) and retail trade. St. Maarten is a duty free port and an important tourist destination for cruise ships and yachters. The Simpson Bay area and southern tip of the island have been developed heavily in recent years with commercial property, resorts, casinos and condominiums. Despite the reported economic situation of the island, there seems to be a great deal of construction underway, with the development of more commercial properties (supermarkets, hotels, restaurants, condominiums) around the Philipsburg and Simpson Bay-Juliana airport area.

2000 AND 2001 TRENDS FOR SELECTED ECONOMIC INDICATORS FOR SINT MAARTEN AND THE NETHERLANDS ANTILLES.

| | ST. MAARTEN 2001 | THE NETHERLANDS ANTILLES | |
|--------------------|-----------------------------|---------------------------------|-------------|
| | | 2000 | 2001 |
| Real GDP trend | | -5.9% | -0.6% |
| Inflation rate | +1.0% (trend) | 5.0% | 1.7% |
| Unemployment rate | | 12.9% | 14.0% |
| Tourism trends | | | |
| Stay-over visitors | -6.9% | -4.2% | -2.5% |
| Cruise arrivals | -6.8% | | |
| Cruise visitors | | +43.4% | -1.0% |

Source: Annual Report 2001, Bank Van de Nederlandse Antillen.

For various reasons, the tourism sector for the NA, and for St. Maarten in particular, has been in a steady state of decline over the last few years, which has had a serious negative impact on the economy as a whole. In 2001, the number of cruise ship arrivals to St. Maarten dropped overall by 6.8% and the number of stay-over tourists dropped by 6.9%.

Results of comparisons of the 2000, 2001 and 2002 Semester I (SI) figures for air travel and cruise ship arrivals provided by the St. Maarten Tourist Bureau indicate that in the first three months of 2001 that there had been a slight recovery in the number of air arrivals in comparison to the previous year. However, in April the numbers began to drop again and the downslide picked up speed in the later part of 2001. This continued until March and may have begun to stabilize by June, 2002 (See Table 1).

TABLE 1. A PERCENT COMPARISON OF THE NUMBER OF AIRPORT ARRIVALS TO SINT MAARTEN BETWEEN YEARS, BY MONTH, FOR 2000-2001, 2001- JUNE 2002.

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----------|------|------|-----|-----|------|-----|------|-----|------|------|------|------|
| 2000/2001 | 6% | 2% | 6% | -2% | -3% | -5% | -11% | -5% | -22% | -12% | -17% | -30% |
| 2001/2002 | -20% | -21% | -9% | NA | -14% | 1% | | | | | | |

NA: the number of airport arrivals for April 2002 were not available.

Comparison of the number of cruise ship arrivals between the months of January and June for 2001 and 2002 show that the number dropped from 323 in 2001 to 304 in 2002. This is a period during which 56-64% of the cruise ships arrive during the year. The number of cruise visitors dropped slightly from 539,902 for SI 2001 to 539,495 in the same period for 2002, a negligible drop in cruise visitors between the two periods despite fewer ship arrivals.

The foreword to the 2001/2002 Annual Report of the St. Maarten Hospitality Trade & Association (SHTA) provides some insight as to the effect of that this continuous slide in tourism has had on the HRI of St. Maarten. They reported that QIV timeshare and hotel occupancy dropped from 65% in 2000 to 41% in the same quarter in 2001, a 37% decline. Year around occupancies declined from 67% in 2000 to 52% in 2001, which they state is the largest annual drop ever recorded for St. Maarten.

Although figures for the QIII for 2002 are not yet available, it is unlikely that the general negative trend in tourist arrivals, and spending, have improved.

The importance of the decline in tourism in St. Maarten is the affect that it has on the overall size of the market and types of products in demand. Also, as tourism is a driving force of the economy and an important source of employment, its poor performance affects both employment and salary levels and so affects the ability of the islanders to purchase imported products.

THE DISTRIBUTION CHANNEL FOR FRUITS AND VEGETABLES; RED MEATS, FISH AND SEAFOOD; AND SELECTED SAUCES, SEASONINGS AND PRESERVES

DOMESTIC SUPPLY

Fruit and Vegetable

The island of St. Maarten is basically unsuited to agriculture and 90-95% of its food needs are filled by imports. This is because over the years logging, pasturing of animals and hurricanes have degraded the soil and left much of the island very dry. The island is small and much of the Dutch coastal area has been taken up in developing real estate for tourism. Also, much of it is hillside or shoreline, neither of which is suited for agriculture. Agriculture is restricted to small plots on the Dutch side because of these limitations. Agriculture, animal production and fisheries also have a negligible impact on the economy of St. Martin, which, like its Dutch neighbor, is focused on tourism.

Fish and Seafood

The domestic fishing industry provides much of the local population's needs. Although at the present time the local fish processors do not export to the US or Europe, the local industry and government are working towards acquiring permission for export to the European Union.

At the time of the field trip there was an investigation being undertaken of the current situation of fish exports by the European Union Inspector for the Netherlands Antilles. The Inspector was at that time trying to gather samples of fish processed for export to be tested at the national laboratory in Curaçao ("Saba not eager to test fish at national lab," The Daily Herald, September 19, 2002, p. 5). As the title of the article from which this information is taken indicates, not all of the Netherlands Antilles islands are pleased with the requirement of periodic sampling which is necessary to establish food safety baselines, feeling that it will result in more red tape (and expense).

Mr. Boyrard of the Department of Health's Division of Hygiene, warned that if permission were granted to St. Maarten to export fish and seafood to the EU, then imports of fish products would be expected to meet the same standards as the St. Maarten export product (i.e., the EU standards for processed fish and seafood products). As Guyanese product does not currently have this capability, its fish and seafood products would effectively be banned from export to St. Maarten until meeting these standards and being EU certified.

Red Meat

Several sources stated that there was no significant production of meat of any kind on the island. Nevertheless, there is some small-scale cattle production between Marigot and Simpson Bay.

THE WHOLESALE SECTOR

The only open-air market found in St. Maarten is a small block building in Simpson Bay on the airport side of the causeway bridge. In October there were a half dozen ladies there in the mornings selling fresh f&v and roots and tubers. It is so small as to be easily overlooked. There is also a small open-air market in Marigot (AgExporter, 2002).

The majority of imports are controlled by a limited number of importer/wholesalers; however, the supermarkets are now beginning to do their own importing. Cost U Less, Rams Wholesale and Afoos import many products that they stock in their retail stores and wholesale to other retailers as well. Also, some of the smaller retailers are consolidating shipments and ordering products directly from the US as a group. This is cutting into the local wholesaler's market share considerably. Most of the product imported comes through Miami as the Dutch shipments are routed through Miami.

Wholesalers contacted were all interested in receiving a price list. When the question of the volumes of products that they were looking for was put to them, they deflected the question with an insistence on receiving the price list before being able to answer. One wholesaler did state that orders had been so off over the last year or two that he felt that he could not predict a volume that he would need but that he would like to look at the price list in any case. It would appear that the bargain-hunting nature of the consumers of St. Maarten is not being overlooked by links further up the food chain.

THE RETAIL SECTOR

Consumer Trends

Of the islands comprising the Netherlands Antilles, St. Maarten and Curaçao are the largest. St. Maarten imports 70-75% of their products from the US. Because their tourist industry is based mainly on US tourists and for historical reasons, St. Maarten is considerably more Americanized than the other Netherlands Antilles islands. This is due to its long experience with American military personnel at the WWII US Air Force Base that is now Juliana Airport. Advertising on US television, which is widely received in St. Maarten, has influenced the purchasing habits of the people of St. Maarten as well.

Nevertheless, the new trends for healthy food and organic foods have not caught on very quickly nor has the trend for pre-prepared and ready-to-cook food products. Consumers still prefer hearty home-cooked meals prepared from fresh fruits and vegetables and canned products (FAS/USDA Gain Report #NA0001, Netherlands Antilles Retail Food Sector Report, 2000, pp. 7). Canned goods appear to be quite popular in the superettes and supermarkets (judging from the very large and varied stock of canned goods found in these retail outlets).

Although there is some brand loyalty, the people of St. Maarten are very price-conscious and will drive over to the French side of the island to shop for lower prices when exchange rate differences between the guilder and franc occur. The use of the euro, which has not entirely caught on in these islands as yet, will put an end, theoretically, to these opportunities but not to the price-conscious buying behavior of the thrifty St. Maartens.

Supermarket Retailers

Despite the gloomy news about the state of the economy, the food retail sector on St. Maarten/St. Martin purchases around \$68 million of the \$105 million food imports annually (AgExporter, 2002) and therefore represents an interesting market for Guyana.

TABLE 2. LARGE FOOD RETAILERS WITH A PRODUCE SECTION ON ST. MAARTEN, 2002.

| Retailer | Ownership | Type of purchasing agent |
|-----------------|------------------|---------------------------------|
| Afoos Extra | Local | Direct, wholesaler |
| Rams Food World | Local | Direct, wholesaler |
| Cost U Less | US | Direct, wholesaler |
| Food Fair | Local | Direct, wholesaler |
| Daily Extra | Local | Direct, wholesaler |

Afoos Extra is one of the older supermarket chains in St. Maarten. The old store in Philipsburg has a long, narrow layout with sections for fresh produce and frozen meats in the back of the store. All of the beef is imported from the US. The fish selection consists basically of marlin and king fish steaks and fillets and whole grey and red snapper.

The fresh produce section offered a selection of roots and tubers, some oriental vegetables such as long bean (bora), Chinese eggplant and Chinese bitter melon and some horticultural products such as christophine (also known as chayote, *Sechium edule* Swartz), okra, pineapple (Del Monte) and limes. Products that could be identified as imported were the Dutch yellow onions and christophine (possibly Costa Rica or Guadeloupe) and waxed white cassava from Costa Rica. Condition of most of the more perishable items was fair, much of it looked “old” as if the turnover rate was low. Considering that September is still well outside of the tourist season, probably low turnover would account for the tired look of the more perishable items.

The jellies, jams and preserves section was not large and consisted mostly of US brands and Goya and Matouk brand products such as: chutney, achar and pineapple and orange marmalade. The hot sauce section had more variety and included more of the Caribbean brand’s products. See Annex II for a list of the processed products and their retail prices.

The Food Center NV, a large, old supermarket chain with stores in Philipsburg, Cole Bay and Bush Road, was closed in April 22 of this year due to bankruptcy. The stores in Cole Bay and Bush Road had been sold at the time of the field trip and the store in Philipsburg has a very large banner announcing that it would be opening again under new management (in February 2000 the store had been acquired by Consales, which is the local “Cash and Carry” chain, from former owner Jan Bruinsma NV), although the managing director never changed. I was assured that this sign had been up for some time and that it was unlikely that the store would re-open until a problem with non-payment of severance pay of employees of the Food Center was resolved, which did not seem to be imminent.

Barely a city block from the closed Food Center is Rams Food World, which appears to be quite healthy. The store is new and modern. It has a large, professionally managed produce section with a wide selection of f&v, including the largest selection of oriental vegetables to be found during this survey on the islands. Not only did this selection include many of the products being exported from Guyana but it also included tindora (*Citrullus vulgaris*), several oriental eggplant varieties (Thai, Chinese, Indian), Chinese okra (*Luffa* spp.) and both the Chinese and Indian bitter melons (different cultivars of *Momordica charantia*). One surprise was to find bags of rambutan (*Nephelium lappaceum*), although in a very poor condition, for sale at 49.95 NAFs/kg (\$22.52/kg). This is the only sales point found in the entire survey where rambutan was offered. Both seedless and ice box watermelon, the latter identified as from Guadeloupe, were offered. Mangos, papaya, passion fruit, limes, avocados and plantains were also found in the fruit section of the produce area. The pineapples were the Sweet Cayenne or Champaka type of commercial pineapple favored by the large transnational fruit producers (Del Monte, Dole).

Rams Food World has a large ethnic food section with condiments and preserves for Oriental, Indian, West Indian, Mexican, Caribbean and European and American foods. Barons green seasoning was available. Several brands of hot sauce were on the shelves: Bello Classic hot sauce, Bohio (Costa Rica), Goya, Matouk and Green Isle's Classic Red Cayenne. One local hot sauce produced by Guavaberry Company NV (which also produces a guavaberry-flavored rum) was prominently displayed and promoted in a stand-alone display shelf in front of the dairy section in the back of the store, well away from the ethnic food section.

All of the meats appeared to be imported and included beef, lamb, goat and pork. The origin of these products was not provided but there is some beef production on the island and beef is imported from Brazil, Argentina and the US, according to a CBATO report. A variety of fish were offered in the frozen section along with seafood.

Cost U Less is a large, warehouse-like food store that offers mainly dry goods in bulk pack and targets the cost-conscious food shopper. This is the only foreign-investment supermarket in St. Maarten.

There are a number of smaller food marts that offer a limited selection of roots and tubers, tomatoes, onions, garlic, apples, oranges, pears, and other basic kitchen items. However, the majority of the food products offered in these stores are canned (peas, corn, tomatoes, etc).

LUMBER AND WOOD PRODUCTS

There is no logging on St. Maarten for commercial purposes, as there are no forests on the island, nor are there any sawmills to further process logs or squares, probably due to a scarcity of reasonably priced raw materials. As a result, most of the wood and wood products found on St. Maarten are dressed lumber, building material grade and finished products and are all imported.

According to the wholesalers of wood products, most of the building construction on St. Maarten is with concrete block. The only place that wood might be used in the building would be in the roofing as rafters, exposed ceiling and plywood panels under shingle roofing materials. Greenheart and purpleheart are sold on St. Maarten but the comments regarding those revolved around the cost to buy them and to use them as they are very hard and require pre-drilling before nailing and dull saw blades more quickly than other woods.

There are no furniture manufacturers on the island although there are carpenters and joiners. Some of the wood products and furniture found on St. Maarten is being imported from Martinique, according to information from that island.

A large amount of wood products are being shipped to the Netherlands Antilles from the US but as the export statistics report the NA as a lump sum, it is not possible to determine what portion or which products are going to St. Maarten.

IMPORT REGULATION AND REQUIREMENTS

St. Maarten follows the regulations of the Netherlands, while St. Martin follows those of France (and Guadeloupe). However, they are not enforced in the same manner as within the European countries. Nevertheless, one should be aware of the standards that might be applied to imports. For general quality standards one should consult the Codex Alimentarius (www.codexalimentarius.net/standards) and the common quality standards for EU members, which are regulated by EEC No. 234/68 of the Council of 27 February 1968 and may be found on the European Union's official website <http://www.europa.eu.int/eur-lex> or www.marketag.com/markets/eu/standards. Regulation (EEC) No. 234/68 of the Council of 27 February 1968 provides guidelines for packaging and transport of fresh produce.

Since the island is so dependent on imports for food and agriculture is relatively unimportant to the economy as a whole, the governments of the island, very sensibly, do not have a tariff on f&v imports. According to government contacts and discussions with some of the f&v importers in St. Maarten, there are no phytosanitary restrictions because there is virtually no domestic agriculture to protect. However, food must be pesticide-free and safe for human consumption.

All imports of fruits and vegetables into EU member countries must meet the minimum allowable pesticide residue requirements of the. Information concerning the minimum pesticide residue tolerances for the EU can be found at www.coleacp.com.

EU Directive 79/112 of the Council of 18 December 1978 and later amendments to that directive govern labeling requirements for imports into members of the EU. This regulation requires that labels be in the language of the nation where it is to be sold and that the label provides information on the ingredients (in descending order of % content), net quantity of product (in metric units), the expiration date, usage and care instructions, name of the producer, manufacturer and/or distributor, country of origin and lot number.

EU Standards for fresh meats can be found at the United Nations Economic Commission for Europe: <http://www.unece.org/trade/agr/standard/meat/meat.html>.

CUSTOMS DOCUMENTARY REQUIREMENTS

Required documents for imports include:

- Commercial invoice
- Airway bill or Bill of lading
- Manifest or packing list
- Certificate of Origin

Always check with the importer to confirm both the documents required for imports and regulations.

Customs inspections of import shipments, according to a St. Maarten Customs inspector, are mainly focused on preventing smuggling, particularly of illegal drugs.

CHALLENGES TO IMPORTING TO ST. MAARTEN

Fresh Fruit and Vegetables

First, is there direct or timely refrigerated maritime transportation from Guyana to St. Maarten and is it reasonably priced?

St. Maarten, despite its heavy reliance on US and European imports, receives a lot of the foods that the islanders prefer, roots and tubers and some vegetables and fruits from nearby islands, particularly Martinique, Dominica, Trinidad and Guadeloupe. There is substantial production of Indian and oriental vegetables on the Dominican Republic, as well. These national suppliers are closer and have more direct and, presumably, faster delivery service than Guyana would have. Transportation costs should also be lower for these than for Guyana. On the other hand, these islands generally have higher labor cost than Guyana.

Considering the high standard of competition created by the high quality and low cost of f&v from the US, it would be very difficult to compete head on with those products coming from the US. The same would hold true for the high quality products coming from the EU. In addition to the advantages of consistently high quality products, these suppliers have a wider product line to offer and more frequent and faster sea transport service to St. Maarten than Guyana can offer. Additionally, US exporters can offer almost all of the items in their product line all year around and in as large or small a volume as desired by the importer, which allows more flexibility in managing cold storage inventory for the importers who must adjust to the seasonal changes in demand caused by the tourism-based economy.

As emphasized previously, information from the Central Bank, HRI and at least one broker indicates that the economy in St. Maarten is undergoing a contraction, principally due to a fall-off in tourist visitors, which is affecting demand for food products. Because St. Maarten is already well-supplied and there seems to be some consolidation of retailers and retailers are beginning to vertically integrate backwards to be more involved in the wholesale sector, level of competition among food suppliers can be expected to increase, requiring better performance (i.e., lower costs, faster and consistent delivery of products, wide range of products).

Despite the section for Indian vegetables in the Rams Food World and oriental vegetables in Afoos, probably most of the demand from the HRI will be for f&v better known to the US and European tourists. One should consult with the importers as to not only the f&v that they feel that they need but which varieties of those products are needed. For example, in the case of pineapple, US and European consumers prefer sweet, gold-fleshed varieties, such as the Sweet Cayenne, particularly the new Gold and Golden Sweet cultivars. White-fleshed varieties, particularly if they are not sweet, will not sell well to those consumers.

Concerning pineapple, Martinique is producing the type of pineapple described above and shipping to St. Maarten. Martinique would be expected to have an advantage in lower transportation costs, links with French importers in St. Martin and better transportation linkages, both by air and sea, than has Guyana. This underscores the need for studies of the transportation linkages between Guyana and St. Maarten, the marketability of specific produce items from Guyana and the cost-returns to determine the sustainability of f&v shipments to St. Maarten by Guyanese producers.

In summary, the challenges to exports of f&v by Guyana are producing and supplying low cost, high quality fresh produce on a consistent basis in volumes large enough to reduce transportation costs (full containers) all year around. These require mastering the production, packing and shipping of a number of products, as well as identifying a steady, reliable means of mass transportation (not small lots on regional passenger airplanes) that is cheap, fast, as direct as possible and refrigerated.

Red Meats

The obvious challenge for red meats are the lack of certification and permission to import these products and high level of competition posed by suppliers from the US, Argentina and Brazil.

Fish and Seafood

For fish and seafood, it would appear that at present, Guyanese processors should get in touch with the importers in St. Maarten and inquire as to the interest in buying their products. However, they should stay abreast of the developments in the efforts by the St. Maarten fisheries industry in securing EU certification of their processors as this will cut them out of the market altogether should it come to pass. In the meantime, the Guyanese processors should be working towards EU certification, as should the meat packers.

Lumber and Wood Products

St. Maarten does not seem to be a likely market for squares and logs due to the high cost to send these raw materials to the island, the dearth of sawmills and furniture manufacturers to process them and the low interest shown, in general, for these products by importers. The market will be for dressed lumber and wood products such as veneer, plywood, paneling and molding and value-added products such as windows, doors and cabinets. The US and Europe have been providing these products, including tropical hardwood products. Guyana will have to compete with these suppliers on the basis of cost, quality and fast response to orders.

Go-Invest and NGMC maintain a list for many countries of importers, wholesalers and distributors of fresh and processed fruits and vegetables, lumber and wood products and fish and seafood. For more information, contact us at:

Go-Invest
190 Camp Street
Georgetown
Guyana
Tel: 592 225 0658
592 227 0653
Fax: 592 225 0655

NGMC
87 Robb and Alexander Streets
Georgetown
Guyana
Tel: 592 226 8255
592 227 1630
592 226 2219
Fax: 592 227 4114

ANNEX I

CONTACTS

Health Department, Hygiene and Veterinary Department

Address: W. G. Buncamper Rd. 33, Philipsburg
Contact: Mr. Julio Boyrard
Position: Head
Tel: 542-2078

Handles the phytosanitary, veterinary and health issues of imported products.

Department of Inspection and Control

Tel: 542-4519/3160

Unable to answer questions concerning admissibility and tariffs. They simply do inspections of shipments and the Health Department was in control of the regulatory issues concerning food imports.

Inspectorate of Excise Duties & Controls

Address: C. Richardson St No. 11, Philipsburg
Contact: Mr. Nico
Tel: 542-1000/8/9; 522-8435
Fax: 542-1001
Email:

Mr. Nico was not aware of any restrictions on f&v imports from Guyana. He indicated that as St. Maarten was duty free zone that there were no tariffs on f&v. He said that they mainly inspect to make sure that the shipment conforms with the packing list and that there are no drugs secreted in the container.

Central Bank of the Netherlands Antilles

Address: Nisbeth Rd, No. 25, Philipsburg
Tel: 542-3520
Fax: 542-4307
Email: <http://centralbank.an>

Central Statistics Bureau

Address: Vineyard Bldg., Buncamper Rd. No. 33
Tel: 542-2355/3022/0381
Fax: 542-2355/3022

Tourist Office

Address: Vineyard Bldg., Buncamper Rd
Contact: Betty
Position: Receptionist
Tel: 542-2337
Fax: 542-2734

Chamber of Commerce

Address: Cannegieter St., #11, P.O. Box 454, Philipsburg
Tel: 542-3590
Fax: 542-3512
Email: coci@St.maarten.net

The Chamber of Commerce is undergoing a change in management and strategy at the time of this report.

ANNEX II

RETAIL PRICES FOR FRUITS AND VEGETABLES, FISH AND SEAFOOD AND RED MEATS

Table 1. Retail Prices for Fruits and Vegetables on Sint Maarten, October 2002.
Prices in US\$.

| Commodity | Variety | Unit | Supermarket | | | Average (US\$) |
|--------------------|------------|------|-------------|------------|-----------|-------------------|
| | | | Rams | Afoo Extra | Food Fair | |
| Passion fruit | | each | \$ 0.14 | | | \$ 0.14 |
| Limes | Persian | each | \$ 0.17 | \$ 0.20 | | \$ 0.18 |
| Avocado | | kg | \$ 2.02 | | | \$ 2.02 |
| Papaya | | kg | \$ 3.91 | | | \$ 3.91 |
| Mango | | kg | \$ 5.00 | | | \$ 5.00 |
| Watermelon | | | | | | |
| | seedless | kg | \$ 1.54 | | | \$ 1.54 |
| | ice box | kg | \$ 2.23 | | | \$ 2.23 |
| Rambutan | | kg | \$ 27.96 | | | \$ 27.96 |
| Plantains | | kg | \$ 1.40 | | | \$ 1.40 |
| Pineapple | | each | | \$ 6.42 | | \$ 6.42 |
| | | kg | | | \$ 2.72 | \$ 2.72 |
| Onions | | kg | \$ 1.57 | \$ 0.88 | \$ 0.67 | \$ 1.04 |
| Potatoes | | kg | \$ 0.55 | | \$ 0.85 | \$ 0.70 |
| Tomatoes | | kg | | \$ 2.17 | | \$ 2.17 |
| Christophine* | | kg | \$ 1.67 | \$ 1.72 | | \$ 1.70 |
| Cucumber | | kg | \$ 1.65 | | | \$ 1.65 |
| Bora | | kg | \$ 7.00 | | | \$ 7.00 |
| Eggplants | | | | | | |
| | Italian | kg | \$ 1.54 | | | \$ 1.54 |
| | Chinese | kg | \$ 3.53 | \$ 3.76 | | \$ 3.64 |
| Butternut squash | | kg | \$ 3.33 | | | \$ 3.33 |
| Pumpkin | | kg | | \$ 1.30 | | \$ 1.30 |
| Bittermelon | | | | | | |
| | Chinese | kg | \$ 3.89 | \$ 4.82 | | \$ 4.35 |
| | Indian | kg | \$ 7.81 | | | \$ 7.81 |
| Tindora | | kg | \$ 5.57 | | | \$ 5.57 |
| Long squash | | kg | \$ 2.77 | | | \$ 2.77 |
| Okra | | kg | \$ 7.25 | \$ 3.87 | | \$ 5.56 |
| Ginger | | kg | \$ 3.91 | | | \$ 3.91 |
| Cassava | | kg | \$ 1.65 | \$ 1.89 | | \$ 1.77 |
| Dasheen | | kg | | \$ 2.13 | | \$ 2.13 |
| Yams | | | | | | |
| | US-type | kg | \$ 3.02 | | | \$ 3.02 |
| | Portuguese | kg | | \$ 1.91 | | \$ 1.91 |
| Sweet potatoes | | kg | \$ 2.77 | \$ 1.69 | | \$ 2.23 |
| Tannier | | kg | \$ 2.77 | \$ 2.84 | | \$ 2.80 |

TABLE 2. RETAIL PRICES OF MEATS, FISH AND SEAFOOD IN ST. MAARTEN, OCTOBER 2002. PRICES IN US\$.

| Meat | Cut | Unit | Supermarket | |
|-----------------|------------------|------|-------------|------------|
| | | | Rams | Afoo Extra |
| Beef | roast, fresh | kg | 3.72 | 5.05 |
| | ground, fresh | kg | 2.25 | 2.40 |
| | top round, fresh | kg | - | 4.10 |
| | liver, frozen | kg | 1.49 | 1.25 |
| | mock tenderloin | kg | 4.17 | - |
| Goat | chop | kg | 5.45 | - |
| | unspecified | kg | - | 2.40 |
| Pork | chop | kg | 2.51 | - |
| Lamb | chop | kg | 3.65 | - |
| Fish | | | - | - |
| Marlin | steak | kg | - | 1.61 |
| King fish | steak | kg | 2.26 | 1.88 |
| Grey snapper | whl | kg | - | 3.03 |
| Red snapper | filet | kg | 6.04 | 6.81 |
| | whl | kg | 4.03 | - |
| Mackerel | whl | kg | 2.76 | - |

TABLE 3. RETAIL PRICES FOR CONDIMENTS AND JELLIES IN TWO SUPERMARKETS IN ST. MAARTEN, OCTOBER, 2002.

| Sauce | Brand | Unit | Bottle Size | Supermarket | |
|------------------------|---------------|------|-------------|-------------|------------|
| | | | | Rams | Afoo Extra |
| Hot sauce | Bello Classic | ml | 147.9 | 0.011 | |
| | Bohio | ml | 354.9 | 0.003 | |
| | Goya | ml | 177.4 | 0.005 | 0.004 |
| | Matouk | ml | 750.0 | 0.002 | 0.004 |
| | Green Isle | ml | 85.0 | 0.012 | |
| Green seasoning | Barons | ml | 414.0 | 0.011 | |
| Achar | Matouk | g | 375.0 | | 0.005 |
| Jellies | | | | | |
| pineapple | Matouk | g | 307.0 | | 0.004 |
| orange marmalade | Matouk | g | 307.0 | | 0.005 |

ANNEX III

PUBLICATIONS IN THE EXPORT MARKET SERIES

- BULLETIN No. 1: RAPID RECONNAISSANCE SURVEY OF THE NEW YORK CITY MARKET FOR GUYANESE PRODUCTS, NOVEMBER 2002.
- BULLETIN No. 2: RAPID RECONNAISSANCE SURVEY OF THE TORONTO MARKET FOR GUYANESE PRODUCTS, NOVEMBER 2002.
- BULLETIN No. 3: THE LONDON MARKET FOR GUYANESE PRODUCTS, A RAPID APPRAISAL, AUGUST 2002.
- BULLETIN No. 4: MARKET PROFILE: BARBADOS – A RAPID RECONNAISSANCE SURVEY, FEBRUARY 2003.
- BULLETIN No. 5: MARKET PROFILE: TRINIDAD – A RAPID RECONNAISSANCE SURVEY, FEBRUARY 2003.
- BULLETIN No. 6: MARKET PROFILE: ST. LUCIA – A RAPID RECONNAISSANCE SURVEY, FEBRUARY 2003.
- BULLETIN No. 7: MARKET PROFILE: ANTIGUA – A RAPID RECONNAISSANCE SURVEY, FEBRUARY 2003.
- BULLETIN No. 8: MARKET PROFILE: MARTINIQUE – A RAPID RECONNAISSANCE SURVEY, FEBRUARY 2003.
- BULLETIN No. 9: MARKET PROFILE: GUADELOUPE – A RAPID RECONNAISSANCE SURVEY, FEBRUARY 2003.
- BULLETIN No. 10: MARKET PROFILE: ST. MAARTEN – A RAPID RECONNAISSANCE Survey, February 2003.
- BULLETIN No. 11: THE CARIBBEAN MARKET FOR LUMBER AND WOOD PRODUCTS – A RAPID RECONNAISSANCE SURVEY. (A COMPENDIUM VOLUME DUE THE 2ND QUARTER 2003).
- BULLETIN No. 12: THE CARIBBEAN MARKET FOR FISH AND SEAFOOD – A RAPID RECONNAISSANCE SURVEY. (A COMPENDIUM VOLUME DUE THE 2ND QUARTER 2003).
- BULLETIN No. 13: THE CARIBBEAN MARKET FOR FRESH FRUITS AND VEGETABLES – A RAPID RECONNAISSANCE SURVEY. (A COMPENDIUM VOLUME DUE THE 2ND QUARTER 2003).

BULLETIN No. 14: THE CARIBBEAN MARKET FOR LUMBER AND WOOD PRODUCTS – A RAPID RECONNAISSANCE SURVEY. (A COMPENDIUM VOLUME DUE THE 2ND QUARTER 2003).

BULLETIN No. 15: MARKET PROFILE: NORTHERN BRAZIL – A RAPID RECONNAISSANCE SURVEY (EXPECTED IN JULY 2003).

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