

The Netherlands Antilles like other of island nations of the Caribbean are primarily tourism oriented and must import most food products. Most food is imported to the Netherlands Antilles without import restrictions.

In 1993, the Caribbean region imported U.S.\$ 3.9 billion in foodstuffs, the bulk of which originated in United States. Aruba (8 minutes by plane from Venezuelan coasts and 25 minutes from Caracas) exemplifies an ideal Caribbean market for high value food products. Located off the coast of Venezuela, this island nation remains an autonomous part of the Kingdom of the Netherlands. Aruba actively promotes tourism and is expected to significantly expand its accommodation capacity by the end of 1993. With a small population (61,000) and a large influx of visitors (nearly 9,000 rooms), the resort and restaurant industries as well as the supermarket trade in Aruba and Curaçao have tremendous growth potential. Currently over ninety percent of all manufactured grocery items are imported from U.S. based brokers, fresh goods are imported from Venezuela.

Venezuela, too, is a very attractive market for high-value food products due to its emergence as a popular tourist and business destination (Margarita Island, Canaima Forest, The Andes and Caracas), its oil-rich economy, and its stable currency and democratic political tradition. The United States is Venezuela's most important partner, representing 60 percent of its international food trade, followed by Canada with 15 percent. However, Canadian processed food imports to Venezuela increased more than 70 percent during 1992/1993. In recent years, the Venezuelan Government has opened the economy to foreign investment and is in the process of rapidly reducing trade barriers and duties as well as privatizing many public services. Duties have been reduced on a majority of food products from 50 percent to 20 percent, since Venezuela's accession to GATT at the end of 1990, increasing market potential for Canadian exporters.

The Venezuelan economy is dominated by the petroleum industry, which represents 80 percent of its exports and 84 percent of the Government revenue. (Agriculture, however, accounts for only 6 percent of the GDP, and historically has been heavily subsidized. Manufacturing makes up 17 percent of the GDP and is highly inefficient). Thus, in the Government's attempt to diversify the economy, tourism has become a top priority. This move will capitalize on Venezuela's crossroads location, gorgeous natural scenery, and its well-developed hotel industry (nearly 66,000 rooms). Canada continues to represent 26.2 percent of