

Environment for Foreign Direct Investment in Dominican Republic



**Foreign Direct Investment is
recognized by the state for the
contribution of economic
growth and social
development...**



- **What are the needs of the country in this stage of its development?**
- **What can we offer to attract you as a potential investor?**
- **How easy is it to start doing business in Dominican Republic?**



General Statistics at a Glance

2008

- **Population:** 9.5 million
- **Extension:** 48,442 km²
- **Capital:** Santo Domingo
- **Government:** Representative
Democracy



General Statistics at a Glance

2008 in US\$

- **GDP:** 45,000 Millions
- **GDP per Capita:** 4,797
- **GDP Growth Rate:** 5.3%
- **Inflation rate:** 4.52%
- **Fiscal deficit:** 3.7%



General Statistics at a Glance

2008 in Million US\$

Foreign Currency Sources

- **FDI: 2,884**
- **Remittances: 3,432**
- **Free Trade Zones: 4,000**
- **Tourism: 4,200**



Needs of the country

President Fernández said on his State of the Nation Speech on February the 27th, 2009

“.. regardless of the Global financial turbulences the country could maintain a climate of social freedom, democratic governance and macroeconomic stability”

“..Only the success of the farming sector guarantees the right of the Dominican people to food supply and adequate nutrition”...Shall it become a national priority”

“..For the government the solution of the electricity problem is one of its highest priorities”



Needs of the country

Investment in

- Food industry and agriculture
- Energy (production, transmission, management)
- New technologies
- Infrastructure (roads and railways, housing)
- Tourism Infrastructure
- Fresh water supply
- Services

Needs of the country

Food industry and agriculture

- **Implementation of Greenhouse Farming projects**
- **Promoting investment to increase Milk production**



Needs of the country

Energy

“For the government the solution of the electricity problem is one of its highest priorities”

- Investment in renewable electricity production
- 2,000 MW of installed Extra capacity needed
- Transmission lines must be enhanced
- 2 x 600 MW Coal Power Plants in planning

Needs of the country

New Technologies

“For the government the solution of the electricity problem is one of its highest priorities”

- **50 MW Biomass power plant projected**
- **2 x 50 MW eolic energy parks projected**



Needs of the country

Infrastructure

- **A second line for the Santo Domingo Metro**
- **Railway track Santo Domingo - Santiago**
- **Highway La Romana - Punta Cana**



Needs of the country

Tourism Infrastructure

- Tourism Real Estate Investments in the south
- Projects worth 5 billion approved in 2009

Needs of the country

Fresh water supply

- **Modernisation of the Santo Domingo Aqueduct**
- **aqueduct construction in 10 provinces**

Needs of the country

Services

- Promoting investment in Call Contact Center and Business Process Outsourcing industry
- First Call Center Academy at Parque Cibernetico in Santo Domingo
- Promoting investment in financial Services
- Buy **FIXED-TERM INVESTMENT CERTIFICATES** from the Dominican Central Bank



Advantages of Foreign Direct Investment in Dominican Republic

- **Stable economic and political environment**
- **Legal framework for foreign investment up to international standards**
- **Preferential market access to the USA, Europe, Central America and the Caribbean**
- **Nearshore location**



INVESTMENT INCENTIVES

- Equal Treatment for local and foreign investors
- 100% repatriation of capital and profits
- Free currency conversion at stable rates
- Investment Protection through:

Multilateral Investment Guarantee Agency (MIGA)

Overseas Private Investment Corporation (OPIC)

Founding Member of the World Trade Organization (WTO)



Investors Residence Program

- **Objective:**
Provide benefits to foreign investors by granting them with special residency status.
- **Beneficiaries:**
Foreign Investors, family members, and project technicians.
- **Main Requirements:**
Foreign investment registered at CEI-RD
Minimum investment of US\$200,000



DR-CAFTA

Implemented on March 1st, 2007

- **Increases and Guarantees permanent preferential access for dominican goods and services to the U.S.A.**



(EPA) - Economic Partnership Agreement with the European Union since 15 October 2008

- **The CARIFORUM-EC EPA** removes all tariffs and quotas on Caribbean exports to the EU immediately ...

..and opens up new markets for Caribbean companies and professionals to offer services in the EU



Free Trade Zones

- **62 Industrial Free Zones Parks**
- **600 Companies**
- **125,000 Employees**
- **Products: Clothing, Shoes, Jewelry, Tobacco, Electronic Products, Services**



Free Trade Zones Incentives

Law 8-90

100% Tax exemption

No Income taxes

No Sales taxes

No Export taxes

No Import duties on raw materials and
equipment



Main Investors

Company

- Codetel (Mexico)
- Central Romana (US)
- Shell Company
- Citibank (US)
- Bank of Nova Scotia (Canada)
- France Telecom
- Colgate Palmolive
- Tricom

Main Investors

Country

- USA
- Mexico
- Spain
- Canada
- Holland
- France
- Great Britain
- Switzerland

Thank you
....and be right, come to invest in
Dominican Republic

CCPDE

John Castro De La Cruz

March 2009

