

U.S. Country Commercial Guides



Dominican Republic 2020

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Doing Business in the Dominican Republic

Market Overview

With a population of 10.8 million consumers and a GDP of \$88.94 billion in 2019, the Dominican Republic (DR) is the tenth largest economy in Latin America and the largest in the Caribbean region. A middle income country, the economy is based on tourism, agriculture, Free Trade Zone manufacturing, mining, real estate, and service industries.

GDP growth in 2019 was 5.1-percent, but the World Bank forecasts that the economy will contract by .8 percent in 2020 due to the COVID-19 pandemic. Key economic sectors included construction, agriculture, financial services, healthcare, hospitality, transportation and local manufacturing. Looking forward, major declines in tourism will lead to a contraction in most economic sectors. U.S. companies may still find opportunities, however, in areas related to healthcare, IT, disaster preparedness, and Free Trade Zone manufacturing.

The U.S. share of the DR consumer goods market is estimated at approximately 70 percent. There is very high receptivity to U.S. goods and services, and U.S. product standards are generally accepted. Bi-lateral trade between the United States and the DR amounted to US\$14.8 billion in 2019, with U.S. exports to the DR totaling US\$9.2 billion.

The Central American and DR Free Trade Agreement (CAFTA-DR), was implemented in March 2007. Under CAFTA-DR, duties on imports of U.S. products have been mostly eliminated on manufactured goods, with the remainder scheduled for elimination over the next two to three years.

The strength of the trade relationship stems from close geographic proximity and the historic cultural and personal ties that many Dominicans have with the United States. This is reinforced by a Dominican diaspora in the U.S. of almost two million people, clustered primarily in the northeastern states and Florida, whose remittance payments help support the home-country economy. Dominican businesspersons are frequent visitors to United States and are very familiar with U.S. business practices.

The opposition Modern Revolutionary Party (PRM) won a resounding victory in the July 5, 2020 Dominican general election, ending 16 years of dominance by the Dominican Liberation Party (PLD). PRM presidential candidate Luis Abinader defeated PLD nominee Gonzalo Castillo 52 percent to 37 percent. Castillo and former President Leonel Fernández, waging a third-party bid, offered quick and gracious concessions once voting trends indicated Abinader was on track to secure the 50 percent needed to avoid a runoff. Civil society and international observers praised the Dominican people and electoral authorities for a voting process that was orderly and peaceful, in spite of COVID-19 challenges. The PRM also secured a majority in the Senate and strong representation in the Chamber of Deputies. Abinader will need that legislative support as he takes on a worsening COVID-19 health situation, a deepening economic crisis, and an ideologically diffuse coalition with potentially conflicting policy priorities.

Market Challenges

While the DR's economic growth is expected to exceed that of other Caribbean countries, systemic challenges exist that were present even before COVID-19. Rising food costs are making it increasingly difficult for the poor to afford the basic food basket. The impacts of environmental degradation, such as mangrove, beach and coral reef erosion, threaten long term critical resources for tourism, a major economic driver.

Before COVID-19, the Dominican Republic was the number one tourist destination in the Caribbean with over 6 million tourists. The United States accounted for well over half of those tourists, with nearly 3 million

Americans visiting the DR annually. With such a heavy dependence on tourism, and especially American tourism, the DR will find it very challenging to decrease unemployment and regain economic growth given the hit that tourism has taken. It will likely take several years for this important sector to rebound.

The DR's per capita GDP of \$8,341 masks a very uneven distribution of wealth heavily in favor of the upper classes. Around 36 percent of the population lives below the poverty line. Education outcomes have been well below other countries in Latin America. Public spending had been disproportionately funneled into public works and the electricity sector at the expense of other social programs, such as education and healthcare. The DR's poor performance in these global rankings, in terms of both the quality of its public education and time spent in school, prompted the education reforms under the previous Medina administration; however, progress has been elusive.

The DR is a net importer of oil, and low oil prices have significantly benefitted the country. Nonetheless, electricity subsidies continue to burden fiscal accounts, making this sector a drag on the economy. Compounding the problem is the inability of the state-owned electric power distribution companies to collect payment on roughly 35 percent of the electricity they supply – either through technical losses or non-payment of bills and/or theft by individuals and companies. The accumulation of debts owed to the power generators results in lack of working capital, disruptions in fuel supplies, and frequent blackouts across the country.

International indicators of the DR's competitiveness and transparency continue to erode. Foreign investors cite a lack of clear, standardized rules by which to compete and a lack of enforcement of existing rules. Complaints include allegations of widespread corruption, requests for bribes, delays in government payments, weak intellectual property rights enforcement, bureaucratic hurdles, slow and sometimes biased judicial processes, non-standard procedures in customs valuation of imported goods, as well as product misclassification as a means of negating CAFTA-DR benefits and increasing customs revenues. Weak land tenure laws and government expropriations continue to be a problem.

The lack of transparency and corruption continue to earn the DR low scores in international comparison tables. The country slipped to 115th place out of 190 countries in the World Bank's "Ease of Doing Business" 2020 Index, and in Transparency International's 2019 Global Corruption Perception Index, the DR ranked also slipped to 137th place out of 180 countries. Procurement by government agencies and parastatal organizations is often conducted by private direct negotiation with preferred suppliers and lack transparency, which discourages competition and facilitates corrupt practices. However, the situation has improved since the implementation in 2007 of CAFTA-DR, which includes requirements for government procurement of goods and services by public tender. There is a lack of institutional continuity across changes in government administrations. The wholesale turnover in government personnel that typically occurs with changes in administrations can result in loss of records, which in turn can result in payment disputes and rejection of bills for goods and services purchased by preceding administrations.

Market Opportunities

U.S. products and services enjoy a strong reputation for quality and, due in part to CAFTA-DR, are highly competitive. Consumer attitudes and brand preferences are similar to those in the United States and many major U.S. franchises are present in the country. Television shows from the United States and other media are widely available and popular. Dominicans travel frequently to the United States for business, vacation, medical treatment, study, or to visit family.

As a signatory of the CAFTA-DR free trade agreement, the DR stands to benefit from the issuance of licenses to import U.S. shale gas in liquefied (LNG) or compressed form. Access to this energy continues to help diversify its energy matrix. The private sector in the DR is leading the transition to greater use of natural gas in power generation.

Whether in traditional or renewable energy, there are opportunities for U.S. operators and suppliers in the construction or conversion of power generating facilities. The DR government's efforts to encourage the generation of clean and renewable energy includes generous tax incentives for investors in the sector, but do not include commitments to purchase the electricity produced. While the new fiscal reforms reduced tax incentives for producers of renewable energy, the medium to long-term prospects for renewable energy products and services are promising.

According to some projections, the DR's access to relatively inexpensive U.S. natural gas and the opening of the expanded Panama Canal has the potential to trigger a renaissance of offshore/near-shore manufacturing in the DR's numerous free trade zones and allow the country to compete more effectively against products from China and Asia. The Dominican Republic's strategic geographic location, competitive labor costs, modern shipping and port infrastructure, and free trade zones, all bode well for continued growth, particularly as China and other countries' labor and transportation costs increase.

The Dominican Republic is the number one tourist destination in the Caribbean, and with 6.6 million tourists in 2018, with the United States accounting for 39.8 percent of the tourists, represents a critical part of the economy. This dynamic and growing segment of the economy creates opportunities for U.S. exporters in a range of industries (construction, hotel & restaurant equipment, agricultural products, etc.) that are necessary to support and grow the DR's tourism sector.

Since 2016, over 97 percent of the goods entering the country from CAFTA-DR countries enter with no tariff. In all industry sectors, CAFTA-DR gives significant advantages to U.S. exporters over non-CAFTA competitors.

Leading industry sectors for U.S. exports include the following: air conditioning and refrigeration equipment; automobile parts and services; building products; hotel and restaurant equipment; medical equipment; printing and graphic art equipment and supplies; renewable energy; safety and security equipment and supplies; and telecommunication equipment. In addition, the DR is a key buyer of U.S. agricultural products, with \$1.3 billion on average (2014-2018) in annual agricultural imports.

Market Entry Strategy

The DR has few market access issues. A common market entry option is to appoint an agent or distributor in the DR, with the assistance of local legal counsel to ensure that representation agreements can be terminated for non-performance and that the necessary protections are included. Licensing agreements and franchises can also be successful. Because of the DR's proximity to the United States and low air travel costs, the optimal market entry method is through a coordinated strategy that includes personally visiting potential partners or distributors in the DR. However, given that traveling to the DR is not advisable at this juncture given that the country has been particularly hard hit by COVID-19, virtual communication is the most appropriate method.

Forging relationships with well-connected, reputable, and established players is key to finding a good partner. U.S. exporters should also be prepared to provide all promotional materials in Spanish. Good after-sales service is a pre-requisite to successfully conduct business in the country.

The Commercial Service of the U.S. Embassy in Santo Domingo offers a range of business matchmaking services, including virtual business meetings and introductions, to help U.S. exporters connect with suitable and qualified representatives, distributors and partners in the DR and the wider Caribbean region.

To learn more about how the U.S. Embassy can assist you in doing business in the DR and Caribbean region, please visit our website <http://export.gov/caribbean> or contact us through e-mail at Office.SantoDomingo@trade.gov.

Leading Sectors for U.S. Exports and Investment

Automobile Parts

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

In the Dominican Republic, the demand for automotive spare parts is linked to the aging car population (59.7 percent of the automobiles were manufactured in 2000 or before), growth in total vehicle population (6.2 percent annual growth in 2018), and the deterioration of Dominican streets and roads.

	2019	2020 (estimated)
Total Market Size	111	110
Total Local Production	5	5
Total Exports	3	3
Total Imports	109	108
Imports from the U.S.	71	70

Unit: (Millions of U.S. Dollars)

Exchange rate: RD\$58.20 – US\$1

Sources: U.S. Census Bureau, Economic Indicators Division (USTRadeOnline)

Statistics from the Department of Economic Studies of the Internal Revenue Directorate of the Dominican Republic show that as of December 2018 there are 4.35 million vehicles circulating in the Dominican Republic, reflecting a 6.2 percent increase from 2017.

Out of this total vehicle population:

55.1 percent are motorcycles (2.4 Million)

20.9 percent are automobiles (909,420)

10.3 percent are SUV's (449,918)

9.9 percent are trucks and pick-up trucks (431,109)

2.3 percent are buses (101,149)

1.5 percent are others [ambulances, heavy equipment, etc.] (60,777)

There is a significant car population imported from Asia, 65.2 percent of vehicles in the Dominican roads are made in Japan and 11 percent are from South Korea. Nevertheless, 65 percent of all automotive spare parts (including Asian products) are imported from the U.S. because of proximity and logistics considerations. Although there is local production of batteries and radiators, it only accounts for a small percentage of the total market, while imports supply the rest of the market.

Imported Vehicles	
Country of Origin	Leading Brands
Japan	Toyota, Honda, Nissan, Mazda
South Korea	Hyundai, Kia
Europe	Volkswagen, Mercedes Benz
U.S.	Chevrolet, Ford

Leading Sub-Sectors

Automotive Tires and Tubes

Batteries

Electrical components

Motorcycle spare parts

Body parts and accessories

Brakes and parts

Drive-train parts (suspension shock absorbers, steering wheels)

Engines and electrical parts for motor engines

Used parts

Diagnostic equipment

Opportunities

Because of the prevalence of Asian made vehicles in the Dominican vehicle population, importation of spare parts for those vehicles represents opportunities for American exporters. Likewise, the large number of motorcycles in the Dominican cities provides a constant demand for motorcycle spare parts.

Web Resources

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Report on the Dominican Vehicle Population (Parque Vehicular):

<https://dgii.gov.do/estadisticas/parqueVehicular/Paginas/default.aspx>

Medical Equipment, Devices, and Supplies (MED)

Overview

The Dominican market for medical equipment and devices is mainly supplied by imports, about 63 percent of which originate from the United States. A large number of medical supplies are produced locally for export. The import market is expected to continue growing for the next two years and U.S. suppliers will continue playing a large role. The expected growth over the next years will be mainly driven by increased Dominican Social Security law requirements and continued hospital growth — to cover the demand of the local population as well as of international visitors. The construction and remodeling of public hospitals, which since 2015 is part of the General Health Plan developed by the present administration, will support the demand for medical equipment and other related products.

Medical Equipment, Devices, and Supplies (MED)	
Total Market Size (US\$ MM)	\$545.62
Total Imports from World in 2019 (US\$ MM)	\$517.09
Total Imports from the US in 2019 (US\$ MM)	\$345.22
Total Exports to World (Most Recent, 2018 or 2019)	\$1,933.00

Table: Market Composition for Medical Equipment, Devices, and Supplies (MED)

Unit: Millions of U.S. Dollars

Sources: Department of Commerce and International Trade Centre Statistics

Most medical equipment, supplies and hospital furniture obtained by public and private hospitals and clinics are originating from the United States. The Dominican market prefers U.S. sources if the prices are competitive. Among the factors that maintain and support American exports of medical equipment and supplies to the Dominican Republic is the reputation as manufacturers of good quality equipment, quick delivery time, proximity with the U.S. that reduces shipping charges, and small order accommodations. In addition, many Dominican physicians are trained in the U.S. and are more comfortable and confident with U.S. products.

The Dominican Republic has become a destination for preventive medicine, orthopedics, cosmetic surgical procedures, weight loss surgery, cardiology, organ transplant, oncology, eye surgery, and dental procedures. The medical community has begun to take advantage of the tourist flow, developing attractive packages for medical tourism.

To succeed in the Dominican medical equipment market, it is advisable to have a local distributor that provides after-sales and leasing services, supports guarantees, and maintains inventories for parts and supplies. Exporting directly to private hospitals is extremely difficult and procurement practices in public hospitals indicate that all purchases, mainly via public tender, can only be awarded to locally based companies. Local importers and distributors of equipment have sales agents who distribute the products to small retailers throughout the country. Local distributors also conduct promotional activities to encourage physicians and nurses to use and recommend their products.

In the Dominican Republic, there is extensive production of surgical instruments and supplies and medical devices. However, the majority of this production is exported through the free trade zone (FTZ) program. Import statistics reflect large importations of parts for medical equipment, which are then reassembled in the FTZs for re-export.

Leading Sub-Sectors

Electro-medical equipment: electro-surgical instruments, electro-diagnostic apparatus

Home-care equipment (for respiratory and sleep related illnesses)

Surgical Instruments and Disposable supplies

Orthopedic Devices

Diagnostic Imaging equipment

Ultrasonic Scanning Apparatus

Patient monitoring systems

Daily living aids

Mobility products, and

Hospital furniture

Opportunities

The implementation of Social Security Law No. 87-01 will continue to influence changes in the structure and cost of the Dominican Republic's health care system. The increased demand for pandemic related supplies represents important short-term opportunities for American exporters. In the mid-term, medical tourism will remain an area of interest for suppliers of all types of medical equipment and hospital furniture.

Web Resources

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[Dominican Ministry of Public Health](#)

[Superintendence for Healthcare and Labor Risks](#)

Telemedicine and Healthcare Services

Overview

Telemedicine is the use of virtual technology to provide health care, education, and other health-related services from a distance. Rather than a separate clinical service, telemedicine is used as a tool to strengthen care delivery, medical practice support, and educational and preventative measures to patient care (Source: CCHPCA.org). The telemedicine sector in the Dominican Republic is in its nascent stages. There is a great potential to develop this field for suppliers that have a proven track record and are able to ensure high levels of security and privacy. The main barrier will be to achieve adequate contracts with local insurance companies, to ensure fair reimbursements for consultations. The market for telemedicine can be estimated at 81 MM US\$ per year. This includes expenses reported by Sisalril for the primary Administradoras de Riesgos de Salud.

Opportunities

Since the density of medical doctors per 10,000 individuals (WHO, 2020) is approximately half of the ratio in the United States, there is an ample opportunity to provide high quality training for local physicians.

Web Resources

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[Dominican Ministry of Public Health](#)

[Superintendence for Healthcare and Labor Risks](#)

Financial Services

The following market overview is the best prospect industry sector for this country.

Overview

The current banking regulation permits the utilization of the following entities within the financial system: Multiple Banks, Credit Entities, Savings and Loan Associations, and Savings and Credit Cooperatives. In the early 2000s, legislative changes relaxed banking services, granted equal treatment to foreign financial intermediation entities, and established parameters to regulate admission into the Dominican Republic.

For regulation standards, Dominican regulation considers modern international trends. To promote the stability and security of the system, Dominican legislation follows the principles established in Basel Agreement I and II and adheres to strict compliance and a system closely monitored and operated by the financial and monetary authorities. The Monetary Board recently approved the regulation of banking subagents, which allows entities to provide certain banking operations and services, such as receiving payments, sending or receiving transfers within the Dominican territory, and the processing of specific requests for products and services. Among the main advantages of banking subagents is the possibility that people living in rural areas may have access to banking services and thus access the Dominican financial market.

Leading Sub-Sectors

The most promising sub-sectors within this sector are:

Contactless transactions

Online Banking

Fintech

Cryptocurrencies

Opportunities

The Dominican Republic's banking sector is one of the largest contributors to the country's GDP development: the industry fosters the production and export of products and services through traditional financing and capital market structures. Digitalization offers banks numerous opportunities to increase financial inclusion by providing customers with better access to financial services. Digital innovations can facilitate broader financial education in the community and help provide formal credit to a greater number of people. This can have a significant impact on the economy and the productive development of the country.

The Covid-19 crisis will only increase this trend, since contactless transactions, digital signatures, and online banking will probably be the new normal, and not just a temporary trend.

Web Resources

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DR Central Bank: <https://www.bancentral.gov.do/>

Superintendency of Banks: <https://www.sib.gob.do/>

Superintendency of the Stock Market: <https://simv.gob.do/>

PH Law – Law Firm: <http://phlaw.com/>

Information and Communication Technology

The following market overview is the best prospect industry sector for this country.

Overview

The Dominican market for computers and peripherals and IT services, has experienced continuous growth over the past years. It is anticipated that the market will continue to increase due to a combination of price reduction, availability of attractive financing packages, and technology changes that characterize this sector.

Although US has most of the market, the recent increase in DR – Chinese negotiations could steer a bigger market share towards China.

The Medina administration has announced an ambitious initiative, “Republica Digital,” intending to overhaul the country’s education sector nation-wide through technology. There are plans to provide a computer for every student in the public school system, create a national digital library, reduce internet access costs, as well as educate teachers and students on many different technology areas (multimedia, web development, software, social media, e-commerce, etc.). This project offers an opportunity for US companies in the areas of hardware, software, cloud computing, infrastructure, communications, etc. to enter the Dominican market.

The continuation of this initiative is yet to be confirmed since it is likely that the governing party changes, after the 2020 presidential elections.

Leading Sub-Sectors

The most promising sub-sectors within this sector are:

Cloud storage

Dominican companies and the government are in the early stages of adopting this technology, creating numerous opportunities for US companies. The biggest challenge to market entry is convincing IT executives and company owners that the cloud is just as safe (if not more) as having physical storage on their premises. Local businesses are wary of placing sensitive information on the cloud, so it is essential to inform them of security measures offered so they can become familiar with the advantages.

Peripherals (power supplies, keyboards, card key, and magnetic media entry devices):

The Dominican market for computers and peripherals has experienced continuous growth over the last three years and the market will continue to increase due to a combination of price reductions, attractive financing packages, and technology changes that characterize the sector. American brands dominate the market, and this trend will likely continue due to the free trade agreement (CAFTA-DR) that allows for duty-free imports of computers and peripherals. There is also a market for used/refurbished equipment in the market.

Other Sub Sectors

Software

Enterprise Software (payroll management, IT Service Management, etc.)

Middleware

Opportunities

The key to sustained sales is a partnership with a local distribution company that is familiar with the market and has access to contacts in the industry. A local distributor is invaluable for after-sales services and maintenance.

Specific to cloud services, it is important to show potential customers that their data is safe, confidential, and encrypted. Some companies may still want to have a physical means of storage at their premises and only use the cloud for non-sensitive data.

The three most important factors in selling computer hardware and peripherals in the Dominican Republic are price, service support, and timely supply of spare parts.

U.S. manufacturers of computers and peripherals interested in the Dominican market need a competent local agent, distributor, or representative unless they plan to open their own branch office or subsidiary. A good agent should be able to provide technical assistance and local servicing, and be well acquainted with local political dynamics and business customs.

Due to the Covid-19 crisis, many companies and schools implemented teleworking, virtual conferences, and virtual classrooms. For most, this was a new experience, and although most activities returned to normal after the crisis, some companies and schools may keep using these alternatives. Programs like Zoom, GoToMeetings, Microsoft Teams were widely used in the country.

Connectivity

Mobile phone connections: 8.61 Million (80% of the population)

Fixed lines in operation: 773,000

Internet users: 8.08 Million (75% of the population)

Active mobile social media users: 6.40 Million (59% of the population)

Top mobile vendors: Samsung (37%), Apple (25%), LG (12%)

Web Resources

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Official Government website of the Republica Digital Project:

<https://www.presidencia.gob.do/plan-de-gobierno/republica-digital>

Website of the Dominican ICT Chamber: <http://www.camaratic.org.do>

Website of the Government (Presidency) ICT office: <http://www.optic.gob.do>

ICT Expert: www.mitenishio.com

Technology Drugs and Pharmaceutical Products (DRG)

Overview

The Dominican market for drugs and pharmaceutical products is estimated to be around 980 MM US\$ per year. Around 73 MM US\$ is imported from the United States. Refer to the following table:

Drugs and Pharmaceutical Products (DRG)	
Total Market Size (US\$ MM)	\$983.73
Total Imports from World in 2019 (US\$ MM)	\$944.69
Total Imports from the US in 2019 (US\$ MM)	\$72.92
Total Exports to World (Most Recent, 2018 or 2019)	\$116.70

Table: Market Composition for Drugs and Pharmaceutical Products (DRG)

Unit: Millions of U.S. Dollars

Sources: Department of Commerce and International Trade Centre Statistics

The country presents an epidemiological profile in which communicable diseases, coexist with chronic non-communicable diseases — hypertension being the most prevalent (WHO, 2020). In 2011, the number of individuals suffering from hypertensive heart disease was estimated at 34.7%. Noncommunicable diseases cause approximately 72% of deaths in the country; communicable, maternal, perinatal and nutritional conditions around 16%; and injuries about 12%. Refer to the following table:

	Population (thousands of individuals)	Life Expectancy (years)	Probability of dying from any of CVD, cancer, diabetes, CRD between age 30 and exact age 70(%)	Adolescent birth rate (per 1000 women aged 15–19 years)	Under-five mortality rate (per 1000 live births)
	2018	2016	2016	2010–2018	2018
Dominican Republic	10 627	73.5	19.0	51.0	29
Netherlands	17 060	81.6	11.2	2.9	4

Spain	46 693	83.0	9.9	7.1	3
USA	327 096	78.6	14.6	18.8	7

	Neonatal mortality rate (per 1000 live births)	Tuberculosis incidence (per 100 000 population)	Reported number of people requiring interventions against Neglected Tropical Diseases (NTD's)	Age-standardized mortality rate attributed to household and ambient air pollution (per 100 000 population)	Road traffic mortality rate (per 100 000 population)
	2018	2018	2018	2016	2016
Dominican Republic	19	45	2 700 201	43.0	34.6
Netherlands	2	5.3	2	13.7	3.8
Spain	2	9.4	7	9.9	4.1
USA	4	3.0	516	13.3	12.4

Table: DR Health Statistics Compared to Benchmark Countries

Source: Compiled from WHO World Health Statistics 2020

Opportunities

The implementation of Social Security Law No. 87-01 has provided citizens with increased access to vaccines. However, there are areas where immunization efforts can improve. For instance, immunization coverage estimates for measles, pneumococcus, and HPV are well below chosen international benchmarks. Refer to the following table:

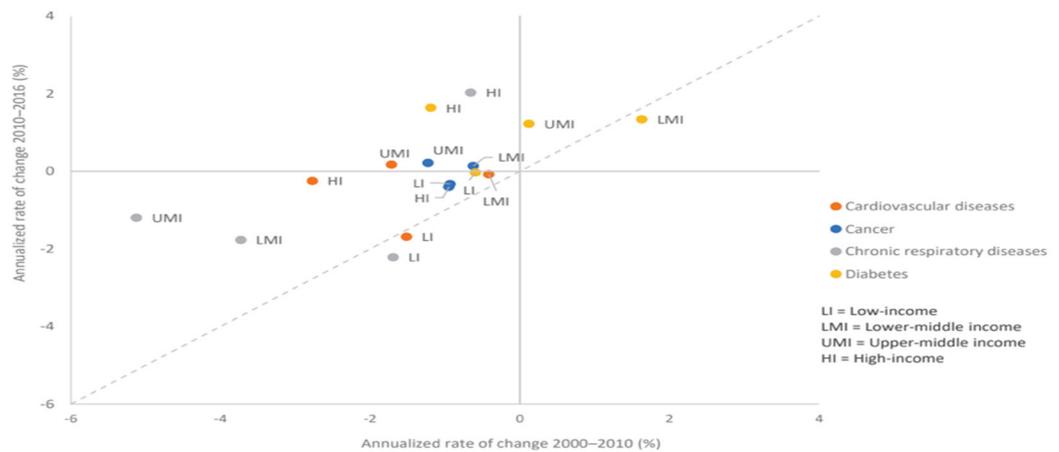
	Measles-containing-vaccine second-dose (MCV2) immunization coverage by the nationally recommended age (%)	Pneumococcal conjugate 3rd dose (PCV3) immunization coverage among 1-year olds (%)	Human papillomavirus (HPV) immunization coverage estimates among 15 year-old girls (%)

	2018	2018	2018
Dominican Republic	31	70	6
Netherlands	89	93	46
Spain	94	93	69
USA	94	92	46

Table: Immunization Coverage Estimates for Representative Diseases

Source: Compiled from WHO World Health Statistics 2020

As the country transitions from an upper-middle to high income stratification, it is expected that the number of cases of diabetes and chronic respiratory disease will increase. The percentage of overweight adults has increased from 29.2% in 2000, to approximately 31.7% in 2010 (WHO, 2017). Refer to the following figure for global non-communicable disease trends:



Source: Global Health Estimates 2016: Deaths by cause, age, sex, by country and by region, 2000–2016. Geneva, World Health Organization; 2018 (1).

Figure: Annualized Rates of Change of Non-Communicable Diseases

Source: WHO Global Health Estimates 2016: Deaths by cause, age, sex, country, and region.

There is a high demand for over-the-counter hair, skin, and oral hygiene products. Even though local producers have a high output, US products are perceived as being high quality and fairly priced. Around 32% of imports originate from the United States (ITC, 2020).

High quality dietary supplements present a good opportunity for US suppliers. The prevalence of anemia in women of reproductive age is 29.7% compared to 13.3% in the United States. Due to the elevated levels of cardiovascular disease in the adult population, omega-3 supplements with low levels of contaminants, can be valued greatly by these segments. Even though the country has vast access to water bodies, fish consumption

is relatively low. Multi-vitamins and dietary supplements are expected to remain highly demanded by the health conscious.

Import Regulations

There are no significant trade barriers between impeding exports of drugs and pharmaceutical products and other related products in the Dominican Republic.

It is mandated by law that all drugs and pharmaceutical products, vitamins, organic products, food supplements and other related products have to be registered at the Ministry of Health and Social Welfare, through the General Directorate of Drugs, Foods and Sanitary Products (Dirección General de Medicamentos, Alimentos y Productos Sanitarios - DIGEMAPS). DIGEMAPS is the government office responsible for issuing the Sanitary Register Certificate that allows the commercialization of drugs and pharmaceuticals in DR.

Due to the complexity of the process to get the Sanitary Registry, as a general practice, US exporters do not contact the DIGEMAPS office by themselves, unless you have a branch office of your company in the D.R., this process should be conducted by your local distributor or agent aware of the rules and requirements to apply for the registration. The first step that you should do is to select a distributor in the D.R. you can proceed with the registration of the product with a company incorporated under the law of the Dominican Republic.

Web Resources

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Dominican Ministry of Public Health

Superintendence for Healthcare and Labor Risks

Renewable Energy

Overview

The electric power generation and distribution sector is perhaps the most challenging part of the Dominican Republic's economy. The country continues experiencing frequent electrical outages that can last from several minutes to several hours, nevertheless, the DR is poised for an energy transformation. Proposed electric sector reform known as the Electric Pact (Pacto Eléctrico) is intended to increase the nation's competitiveness and improve the Dominicans' standard of living. The Electric Pact that should have been approved in December 2017 by the DR President, so far has not been approved yet.

The electric power generation and distribution sector is perhaps the most challenging part of the Dominican Republic's economy. The country continues experiencing frequent electrical outages that can last from several minutes to several hours, nevertheless, the DR is poised for an energy transformation. Proposed electric sector reform known as the Electric Pact (Pacto Eléctrico) is intended to increase the nation's competitiveness and improve the Dominicans' standard of living. The Electric Pact that should have been approved in December 2017 by the DR President, so far has not been approved yet.

The DR's installed generation capacity is over 3,700 MW and the average peak demand is around 2000 MW, thus the supply shortfalls and blackouts appear to be due to systemic problems rather than a lack of generation capacity. Technical and non-technical losses average 28 to 30 percent. The historically high costs of fossil fuel imports have made the development of renewable energy projects a priority for the government.

The Dominican Republic has committed to reducing its greenhouse gas emissions by one-third by 2030 compared with existing levels in 2010. The Dominican Republic passed legislation on renewable energy in 2007 as part of its endeavors to achieve these targets. The main objective of this law is to increase the contribution of renewable energy sources in electricity generation to 25 percent by 2025.

The DR government's efforts to encourage clean and renewable energy generation include generous tax incentives for investors in the sector but, stop short of commitments to purchase the electricity produced. While the new fiscal reforms plan to reduce these incentives somewhat, the medium- to long-term prospects for renewable energy products and services are promising.

Ethanol production and import

Under the Renewable Energy Law 57-07, the Dominican Republic provides incentives to the imports of ethanol production equipment. Due to the great potential and the abundance of sources to produce ethanol in the DR, the Law 57-07 does not contemplate to provide incentives to the import of this fuel.

For ethanol imports, DR Customs regime does not make difference between the alcohol for human consumption and the alcohol as a fuel (E85 - 85% ethanol and 15% gasoline). The DR taxes imports of alcohol is based on the percentage of alcohol. This creates an economic disincentive towards ethanol.

Legal Framework for Renewable Energy

Several laws comprise the legal framework for renewable energy projects in the Dominican Republic. These include the following:

General Electricity Law 125-01

<https://mem.gob.do/wp-content/uploads/2019/01/Ley-No.-125-01-General-de-Electricidad.pdf>

Renewable Energy Incentives Law 57-07

<https://www.cne.gob.do/wp-content/uploads/2015/05/REGLAMENTO-LEY-57-07.pdf>

General Law on Environment and Resources Law 64-00

<https://ambiente.gob.do/wp-content/uploads/2016/09/Ley-No-64-00.pdf>

Net Metering legislation

In July 2011, net metering legislation was developed for residential wind or solar installations smaller than 25 kW and commercial facilities under 1 MW, making them eligible to receive credits for excess power exported to the grid. Under this program, a significant number of customers have connected renewable sources to the grid. Besides using the Net Metering system customers can reduce their monthly bills.

Opportunities

The Renewable Energy Incentives Law (57-07) provides several incentives to businesses developing renewable energy technologies. This law was passed as part of the Dominican government's efforts to invigorate local energy generation from renewable sources, as well as to promote the production of high-value renewable energy products. The incentives include a 100 percent tariff exemption on imported inputs (equipment and materials) and a 10-year exemption from all taxation on profits up to, but not beyond, the year 2020. In 2012, the law was modified as part of President Medina's fiscal reform measures, reducing the tax incentive for small-scale, self-producers of renewable energy and eliminating the 10-year tax exemption on profits derived from the sale of electricity generated from renewable sources.

In 2018, the Dominican Corporation of State Electric Companies (CDEEE) announced the start of eight energy generation projects from renewable sources. These projects will provide 361.2 MW of new generation capacity to the national grid. The eight projects are supported by private investments for a total of US\$780 million.

The CDEEE stated that these projects, in the short term will increase the availability of clean energy in the Interconnected National Electricity System (SENI) to 556.21 megawatts. He also assures that the Dominican government is committed to supporting projects for energy generation based on non-petroleum-based fuels, such as wind, sun, water, and other renewable sources.

In 2018, the Minister of Energy and Mines, the Executive Director of the National Energy Commission and the Executive Vice President of the Dominican Corporation of States Electric Companies made the decision of granting the concessions for renewable energy generation projects through tenders, leaving behind the "sole source" method of energy purchase contracts (PPAs).

As part of the support plan for renewable energy projects, promoted by the DR's government through the Dominican Corporation of State Electrical Companies – CDEEE, has attracted several investments to this sector, resulting in several projects already completed, and others that are in a very advanced construction phase.

Principal Renewable Energy Projects in the Dominican Republic

Eolic Park Los Cocos – Quilvio Cabrera: installed capacity of 77 MW

Larimar Eolic Park: installed capacity of 49.5 MW.

Monte Plata Solar (First phase): installed capacity of 30 MW

Montecristi Solar Farm: installed capacity of 57.96 MW

Canoa Solar park (under construction): will have a capacity of 25 megawatts in its first phase

San Pedro Bio-Energy Power plant: installed capacity of 30 MW

WCG Solar Park: installed capacity of 50 MW

Eolic Park Guanillo (PECASA): installed capacity of 50 MW

Eolic Park Agua Clara (under construction): installed capacity of 50 MW

Eolic Park Matafongo: installed capacity of 50 MW

Eolic Park Guzmancito : installed capacity of 50 MW

The National Energy Commission (CNE) revealed that as of 2019, the investment in large-scale renewable energy sources projects amounted to \$530 million approximately, and the energy generation from non-conventional renewable primary sources had a growth of 257.3 MW in installed capacity, going from 301 MW installed in 2018 to 558.3 MW in 2019, for an increase of 85%.

Web Resources

Yira Roa, Commercial Specialist: yira.roa@trade.gov

Comision Nacional de Energia: <https://www.cne.gob.do>

Ministry of Energy and Mines: <https://mem.gob.do/>

Superintendence of Electricity: <http://www.sie.gob.do>

Dominican Corporation of State Electric Companies (CDEEE) <https://cdeee.gob.do>

Angel Cano, Executive Director of the National Energy Commission (CNE for its Spanish acronym) stated that the expansion of the DR's energy matrix based on renewable sources and environmental friendliness, which guarantees a reliable supply of electricity at competitive prices and sustains the financial sustainability of the sector.

Building Products

Overview

In the last two decades, construction activity showed remarkable growth in the Dominican Republic, reflecting the substantial investment by the Dominican Government and the private sector. According to information provided by the Dominican Republic Central Bank, the construction sector has been very active and dynamic, with a growth rate of 10.4 percent in 2019 and representing 10 percent of GDP.

This result is associated with the execution of public and private investment projects corresponding to low and medium cost housing, the development of works in the tourist, commercial, and energy sectors, as well as the construction and remodeling of infrastructures for land transport and access roads in rural areas.

Similarly, the performance of the sector is reflected in the sales volume of inputs such as metal structures (11.4%), cement (7.2%), and other materials (19.5%). However, paint production contracted by 3.5% at the end of 2019. Monetary easing measures, adopted in mid-2019, positively impacted the dynamism exhibited by the sector, registering an increase in Dominican loans for the construction and acquisition of homes, which were 14.4% higher in 2019 than the previous year.

	2018	2019	2020 (estimated)
Total Market Size	648.7	686.8	615.5
Total Local Production	52.2	56.0	40.7
Total Exports	28.8	30.4	20.2
Total Imports	625.3	661.2	595.0
Imports from the U.S.	159.2	163.7	110.2

Unit: (Millions of U.S. Dollars)

Exchange rate: RD\$55.30 – US\$1

Sources: U.S. Census Bureau, Economic Indicators Division

Dominican Government investment in public works increased by 13 percent in 2019 over 2018 to over \$900 million. The factors contributing to this growth are investments made by the Dominican Government in construction related to several mega-projects; however, it's very clear that the COVID-19 pandemic will have a significant negative impact on the sector.

U.S. products enjoy an import market share of approximately 20 percent. We expect this share to maintain steady through 2020. Best sales prospects, at least for the short term, include products used in the construction of low-to-medium cost housing, shopping malls, and commercial buildings. Public works projects, such as highways, bridges and marine ports also present short-term opportunities.

There is strong competition in this sector as companies from the United States, Asia, Europe, and various Central and South American countries attempt to develop business opportunities. In order of importance, the main selling points for building products are: price, quality, and time to delivery.

The local building industry is open to foreign companies interested in selling their products in the Dominican market. The best way to enter the market is by finding a distributor who is familiar with the Dominican technical requirements and who can be as competitive and aggressive as the ones already working with other foreign companies.

Since the Dominican Republic is a member of CAFTA-DR, most U.S. manufactured goods enter the country duty free. CAFTA-DR gives U.S. companies a significant trading advantage over non-CAFTA-DR competitors. However, the openness of the market has not been fully favorable for the US companies, and other countries have been aggressively entering the Dominican market, resulting in a significant increase in competition.

Leading Sub-Sectors

Located in a tropical climate, the Dominican Republic's construction industry is not subject to seasonal fluctuations. With lower labor costs, the Dominican Republic's home building techniques and materials can differ somewhat from those used in United States as Dominican houses in the cities are primarily made of cement. Metal and pre-fabricated structures are starting to be more widely used. In rural areas, where incomes can be very low, houses are commonly made of wood and corrugated galvanized zinc sheeting. It is interesting to note that in the past two years Dominican builders are incorporating green building techniques.

In major cities, interior finishing represents a significant market opportunity for U.S. building products. Most houses have ceramic tile floors; some may use parquet or even marble floors for upscale building apartments that are popular among the upper-class in Santo Domingo.

Best prospect products include

- Heavy Construction Equipment (including used)

- High-end aluminum/ wood doors and windows

- Bathroom and kitchen fixtures

- Wood lumber and wood products

- Electrical fixtures

- Lighting products

- Plumbing (metal) and welding products

- Roof products (sealers)

- Asphalt mixtures

- Steel products

- Prefabricated structures

- Hand tools

Opportunities

The local building industry is open to foreign companies interested in selling their products in the Dominican market. American products in general enjoy a very good reputation for quality and receptivity is high among those able to afford them.

Domestic Production

Local industry produces cement, cement block, concrete, concrete mixes, tiling, mosaics, paint, and steel rebar. In addition, there are locally manufactured PVC pipes and connectors, sanitary ware, tanks, wood doors and windows, metal windows and frames, fiber glass products, sanitary and gas installations, and some electrical accessories.

Construction firms targeting the middle- to upper- classes generally prefer imported building products because of the high quality.

Third - Country Imports

According to experts, building products from other countries, especially those from China, Taiwan and Central/South America, may not meet the same quality standards as American or European countries. Nevertheless, imported products from China and South America have the most presence in the market. Asian building products often have a price advantage for extremely cost-sensitive projects and are consequently widely used in government-funded projects such as hospitals, schools, and low cost housing projects.

U.S. Market Position Share

U.S. companies have maintained a good position in the Dominican market, but they have not been significantly increasing market share over the past few years. However, the market still offers significant advantages to U.S. exporters. Many local end-users/importers have expressed that numerous U.S. companies have failed to follow up with potential buyers. Meanwhile, suppliers from other countries are quite aggressive when applying their selling techniques.

Web Resources

Sheila Diaz de Andujar, Senior Commercial Specialist; sheila.diaz@trade.gov

Ministerio de Obras Publicas y Comunicaciones – MOPC – (Ministry of Public Works and Communications: <http://www.mopc.gob.do>

Colegio Dominicano de Ingenieros, Arquitectos y Agrimensores – CODIA – (Dominican Association of Engineers and Architects) <http://www.codia.org.do>

Safety and Security Equipment and Supplies

Overview

The safety and security industry as a regulated sector in the Dominican Republic had its beginning in the early 1970s. Today, there are over 250 companies providing security services, including guards, alarms monitoring, protection (bodyguards), cyber security, and other services.

	2018	2019	2020 (estimated)
Total Market Size	43.5	50.3	46.3
Total Local Production	1.5	1.9	0.7
Total Exports	0	0	0
Total Imports	42.0	48.4	45.6
Imports from the U.S.	24.1	29.2	25.3

Unit: (Millions of U.S. Dollars)

Exchange rate: RD\$55.30 – US\$1

Sources: U.S. Census Bureau, Economic Indicators Division

In the last fifteen years, the Dominican Republic has experienced a significant increase in crime. As a result, there has been a growth in the Dominican private security services industry affecting the composition of the sector. The National Police are seen as not being able to adequately protect property and human lives. With the current COVID-19 situation and increasing unemployment, criminality is also expected to increase, from petty theft to online scams.

Physical security companies have significantly increased in the last 10 years by 40 percent. New strategies to better secure personal property, sensitive areas and installations, and personal safety are continuously being developed. There is a significant demand for security training and security management, due to sub-standard training and skills of the several local private security companies. The private sector is the major end-user of safety and security systems, equipment and services.

On May 30, 2014 the Dominican Government launched the 911 Emergency System for the country's capital, Santo Domingo. This system includes electronic surveillance cameras, radios, and other related equipment. Expansion to Santiago, the second largest city in the country, and other northern cities was completed by fall 2017. The Government is currently working on expanding the services to the southern and northern locations of the country.

Leading Sub-Sectors

The U.S. market share of the alarm systems and parts market has been approximately 45 percent for the last three years. Industry contacts expressed a preference for U.S. products due to quality and after-sales service.

At the same time, advancement in technology is restructuring the industry's approach to security, particularly the replacement of guard services with electronic surveillance, alarms, and closed-circuit televisions. This is evident in the retail industry, in which a variety of high tech, cost effective and stealth electronic security devices are being used. Cyber security has also become a very important component of the sector. Banking and credit card related security software and training are also best prospects.

There is also a strong demand for identification and access control equipment and services, monitoring and control devices, video monitors, camera warning and signaling devices, personal protection devices, emergency response vehicles, and investigative equipment and services.

There are over 50 providers of alarm monitoring services country-wide, serving over 80,000 accounts. Around 20 percent of the alarm-monitoring providers operate their own armed guard patrol response; the other 80 percent subcontract those services and/or receive support from local police. The alarm companies are not regulated, but they are overseen by the Dominican Republic Armed Forces' Private Security Superintendence.

End-user receptivity to U.S. products/services in Dominican Republic is high; however, the Dominican market is extremely price sensitive, and price continues to be the principal factor in selection.

Web Resources

Sheila Diaz de Andujar, Senior Commercial Specialist; sheila.diaz@trade.gov

Sistema Nacional de Atención a Emergencias (911 System)

<http://www.911.gob.do>

Superintendencia de Vigilancia Privada – Ministerio de Defensa de la Republica Dominicana (Private Security Superintendence – DR Defense Ministry)

<http://www.ssp.mil.do>

Asociacion Dominicana de Empresas de Segurida – ADESINC (Association of Private Security Companies)

<https://www.adessinc.org.do>

Agricultural Sector

For individuals or firms interested in exporting agricultural or food products to the Dominican Republic, please be aware that there is an office of USDA's Foreign Agricultural Service (FAS) located in the U.S. Embassy, Santo Domingo. Contact information for the FAS Office of Agricultural Affairs (OAA) is as follows:

USDA-Office of Agricultural Affairs

U.S. Embassy

Santo Domingo, Dominican Republic

Phone: (809) 368-7741

E-mail: AgsantoDomingo@fas.usda.gov

Website: <https://www.fas.usda.gov/>

In addition, the OAA publishes an annual Exporter Guide providing more detailed information on the structure and dynamics of the Dominican food and agricultural market. The 2019 Exporter Guide Report is available at: <https://www.fas.usda.gov/data/dominican-republic-exporter-guide-3>.

Wheat

Wheat is a best prospect industry sector for this country. Following is a market overview and trade data:

Overview

Wheat*	2016	2017	2018	2019
Total Local Production	0	0	0	0
Total Exports	26	25	28	61
Total Imports	118	128	126	153
Imports from the US	85	85	70	72
Total Market Size	92	103	98	92
Exchange Rates	RD\$52.90 = US\$1			

Unit: Millions of U.S. dollars

Sources: Unofficial estimate by FAS based on industry and U.S. Census Bureau, Economic Indicators Division; DR Customs; Trade Data Monitor.

The amount of imported wheat into the Dominican Republic remains above 540,000 metric tons (MT) annually. However, it is estimated the Dominican Republic will import 540,000 MT of wheat during Marketing Year 2019/20 (July 2019/ June 2020), a decrease from the 545,000 MT imported during MY 2018/19, due to expected reduced consumption, especially from the tourism sector, as a result of the COVID-19 pandemic. Exports of wheat flour and products manufactured in the Dominican Republic to Haiti and other Caribbean markets remain strong. While the U.S. market share is stable, the United States faces increased competition from Canada in the local market. Historically, Canada has provided wheat to the Dominican market in years of overproduction. However, during recent marketing years, Canada has been regularly supplying Dominican

millers. Under the right price conditions, local millers cite a preference for Canadian wheat due to prices and higher protein content.

Opportunities

Product quality, geographic proximity, and price, in addition to market support and technical assistance efforts, such as the ones provided by the U.S. Wheat Associates, will assure continued U.S. presence in the Dominican market. As a basic food item utilized for bread and pasta production, wheat is exempted from import taxes. However, given the increase in international wheat prices and competition from Canada, wheat imports from the United States may **continue to decrease slightly in the short term**.

Web Resources

The U.S. Foreign Agricultural Service Santo Domingo agricultural specialist covering the grain sector is Virgilio Mayol, virgilio.mayol@usda.gov.

Soybean Meal

This is a best prospect industry sector for this country. Following is a market overview and trade data:

Overview

Soybean meal	2016	2017	2018	2019
Total Local Production	0	0	0	0
Total Exports	0	0	0	0
Total Imports	221	159	181	181
Imports from the US	221	159	175	180
Total Market Size	221	159	181	181
Exchange Rates	RD\$52.90 = US\$1			

Unit: Millions of U.S. dollars

Sources: Unofficial estimate by FAS based on industry and U.S. Census Bureau, Economic Indicators Division; Trade Data Monitor.

The United States continues to be the Dominican Republic's main supplier of soybean meal (SBM). During Calendar Year 2019 (CY 2019), the Dominican Republic imported 535,786 MT of soybean meal. The United States supplied 99 percent of that total, with Brazil supplying the rest. SBM is used mainly in feed formulation for poultry and swine. The market is dependent on the poultry sector, which consumes about 70 percent of all feed ingredient imports. The swine and cattle sector consume 20 percent and 10 percent, respectively. During CY 2020, SBM imports are expected to decrease, due to expected reduced domestic production of poultry and pork products as a result of the COVID-19 pandemic.

Opportunities

Product quality, geographic proximity, and price, in addition to market support and technical assistance from the U.S. Soybean Export Council (USSEC), will assure continued presence of U.S. SBM in the Dominican market. In addition, as a basic feed item for the poultry, swine, and dairy sectors, soybean meal is exempted from import

taxes. However, as a result of expected reduced demand for SBM due to decreased livestock production, imports from the United States are expected to decrease.

Web Resources

The U.S. Foreign Agricultural Service Santo Domingo agricultural specialist covering the oilseeds sector is Virgilio Mayol, virgilio.mayol@usda.gov.

Corn

This is a best prospect industry sector for this country. Following is a market overview and trade data.

Overview

Corn	2016	2017	2018	2019
Total Local Production	13	15	17	21
Total Exports	1	1	1	1
Total Imports	219	221	249	256
Imports from the US	88	95	160	65
Total Market Size	231	235	265	276
Exchange Rates	RD\$52.90 = US\$1			

Unit: Millions of U.S. dollars

Sources: Unofficial estimate by FAS based on industry and U.S. Census Bureau, Economic Indicators Division; DR Customs; Trade Data Monitor.

Historically, the United States has dominated the corn market in the Dominican Republic, enjoying close to 100 percent market share until 2009. Since that year, persistent complaints concerning dust levels, presence of mycotoxins, grain cracking, availability, shipping challenges, and relatively higher prices have led many importers to source South American supplies, specifically from Brazil and Argentina. As a result, the United States is now exporting considerably less corn to the DR. During CY 2019, the Dominican Republic imported a total of 1,502,509 MT of corn. Brazil supplied 64 percent of that total, followed by the United States with 25 percent. Demand for corn, a prime ingredient for animal feed, is expected to decline during 2020 due to adverse effects of the COVID-19 Pandemic.

Opportunities

Product quality, geographic proximity and price, in addition to U.S. industry support and technical assistance will assure U.S. presence in the Dominican market. Coarse grain quality is expected to improve and, as corn is a basic feed item for the poultry, swine, and dairy sectors, it remains exempt from import taxes.

Web Resources

The U.S. Foreign Agricultural Service Santo Domingo agricultural specialist covering the grain sector is Virgilio Mayol, virgilio.mayol@usda.gov.

Consumer-Oriented Products Agricultural Products

This is a best prospect industry sector for this country. Following is a market overview and trade data:

Overview

Consumer-Oriented Products	2016	2017	2018	2019
Total Exports	686	642	691	693
Total Imports	1,060	1,136	1,268	1,321
Imports from the US	486	494	569	605
Exchange Rates	RD\$52.90 = US\$1			

Unit: Millions of U.S. dollars - Sources: Trade Data Monitor

Imported consumer-oriented food products, mainly those from the United States, are seen as high-quality products. The demand for these products is high and the U.S. market share for these items is approximately 46 percent. Currently, the major competitor in this group of products is the European Union. The hotel, restaurant and institutional (HRI) sector continues to grow strongly, increasingly serving Dominicans as well as tourists. Leading U.S. products for distribution in hotels and restaurants include premium red meat cuts, poultry parts, cheeses, wine, frozen potatoes and vegetables, fresh fruit, and seafood. However, the majority of the all-inclusive resorts are owned by Spanish companies, which leads to heavy sourcing of Spanish and other European food and beverage items.

The Dominican modern retail sector offers a wide variety of U.S. products, is dominated by locally owned companies, and is growing rapidly. However, despite the prominence and growth of local supermarket chains, they only account for 20-25 percent of retail sales. The majority of sales are still in the traditional channel, which includes neighborhood stores (colmados) and warehouses, which offers largely local products. Also, the rapid increase of new and modern gas stations is important, since many food shops are becoming a place for purchasing various U.S. imported snacks, beverages and fast food throughout the country. This is especially true in the East, where tourism levels have reached record levels.

As we enter the fifteenth year of the CAFTA-DR implementation, consumer-oriented product imports from the United States have increased more than 300 percent, placing the Dominican Republic in the top 20 most important trading partners. Within the Western Hemisphere, recent data indicates that the DR continues to be the fifth largest import market for consumer-oriented items.

During 2020, demand for consumer oriented products is expected to decrease due to the impact of the COVID-19 pandemic on the hotel and restaurant sectors in the Dominican Republic.

Opportunities

The Dominican Republic is reportedly the fastest-growing economy in Latin America. Demand for consumer-oriented products is expected to increase in the medium-term due to the continued liberalization of the Dominican market under CAFTA-DR; growth in the tourism, hotel, and restaurant institutional (HRI) sectors; and economic growth.

Web Resources

The U.S. Foreign Agricultural Service Santo Domingo specialist covering the consumer-oriented products sector is Mayra Carvajal, mayra.carvajal@usda.gov.

Dairy Products

Overview

Dairy products	2016	2017	2018	2019
Total Local Production	245	269	288	298
Total Exports	0.68	0.68	0.70	0.74
Total Imports	252	271	317	322
Imports from the US	72	73	83	90
Total Market Size	496	539	604	619
Exchange Rates	RD\$52.90 = US\$1			

Unit: Millions of U.S. dollars

Sources: Unofficial estimate by FAS based on industry and U.S. Census Bureau, Economic Indicators Division; DR Customs; Trade Data Monitor.

While the DR's dairy sector is a very important source of local employment, it is not able to supply the full range of dairy products consumed domestically, especially in the growing hotel, restaurant, and institutional (HRI) sector. From 2016 to 2019, the DR's overall imports of dairy products increased approximately 28 percent to \$322 million. During this period, the United States had an average market share of 27 percent, while the EU dominated the market with an average market share of 47 percent. However, U.S. exports of dairy products to the DR has increased by 25 percent from 2016 (\$72 million) to 2019 (\$90 million). This is a result of the CAFTA-DR trade agreement improving the competitiveness of U.S. dairy products in the Dominican market.

The DR's large and growing tourist population demands high value food products, including cheese. In addition, there is a growing number of consumers demanding higher quality and healthier products, and they generally perceive that U.S. products meet these requirements.

During 2020, the growth of the sector, both related to local production and imports, will be negatively affected by the COVID-19 pandemic.

Opportunities

The duties on U.S. dairy products exported to the Dominican Republic are being phased out under the CAFTA-DR agreement. Tariffs and quotas for fluid milk, butter, fresh cheese, cottage cheese, curd and soft cheese were eliminated beginning in 2015 and for ice cream in 2016. Tariffs and quotas for cheddar cheese were eliminated in 2020, and both tariffs and quotas for mozzarella cheese, powdered milk, and yogurt will be eliminated in 2025.

Web Resources

The U.S. Foreign Agricultural Service Santo Domingo specialist covering the dairy sector is Virgilio Mayol, virgilio.mayol@usda.gov.

Rice

This is a best prospect industry sector for this country. Following is a market overview and trade data:

Overview

Rice	2016	2017	2018	2019
Total Local Production	315	333	353	356
Total Exports	4	5	6	5
Total Imports	10	20	11	14
Imports from the US	10	20	11	13
Total Market Size	321	348	358	365
Exchange Rates	RD\$52.90 = US\$1			

Unit: Millions of U.S. dollars

Sources: Central Bank; ONE Export Database; Unofficial estimate by FAS on industry; U.S. Census Bureau, Economic Indicators Division; Trade Data Monitor.

Rice is one of the most important agricultural products in the country due to its political, economic and social impact on Dominican society. The country is self-sufficient in rice production, although this self-sufficiency is based on governmental support through: 1) programs such as the Pledge Program (Programa de Pignoración); and 2) measures that limit rice imports such as the discretionary management of import permits.

These measures continue to limit the volume of U.S. rice that could potentially compete in the local market. Under the CAFTA-DR, tariff rates for rice started to decrease during 2016 and will be phased out by 2025. The current import tariff rate for U.S. rice is 59.4 percent.

Opportunities

Rice is a basic food item in the Dominican diet. As CAFTA-DR is in full effect, the tariff rate quotas (TRQs) for rice will assure a small U.S. presence in the Dominican market with an increasing amount every year until the phase out period ends in 2025.

Web Resources

The U.S. Foreign Agricultural Service Santo Domingo agricultural specialist covering the grains sector is Virgilio Mayol, virgilio.mayol@usda.gov.

Pulses and Dried Beans

This is a best prospect industry sector for this country. Following is a market overview and trade data:

Overview

Pulses and Dried Beans	2016	2017	2018	2019
Total Local Production	56	57	59	68

Total Exports	0	0	0	0
Total Imports	42	31	32	34
Imports from the US	39	28	27	30
Total Market Size	98	88	91	102
Exchange Rates	RD\$52.90= US\$1			

Unit: Millions of U.S. dollars

Sources: Central Bank; ONE Export Database; Unofficial estimate by FAS on industry; U.S. Census Bureau, Economic Indicators Division; Trade Data Monitor.

Pinto beans are a basic staple in the Dominican diet and the Dominican Republic was self-sufficient in red pinto bean production for many years. Nonetheless, production can no longer meet domestic demand. In recent years, worldwide dried bean imports to the DR have averaged more than 37,000 metric tons per year, reaching an estimated value of \$34 million in 2019, due to production shortfalls. Most dried bean imports into the DR come from U.S. ports located in the Gulf of Mexico, and some are transhipped from the midwest United States through Canada.

The Dominican market prefers North American pinto beans to the South American variety due to quality, phytosanitary standards, geographic proximity, and price. Continued U.S. presence in this market is assured with CAFTA-DR providing a free trade market, and the current domestic production shortfall.

Web Resources

The U.S. Foreign Agricultural Service Santo Domingo agricultural specialist covering the dry beans sector is Virgilio Mayol, virgilio.mayol@usda.gov.

Customs, Regulations & Standards

Trade Barriers

While CAFTA-DR eliminates most of trade barriers to imports from the U.S., the treaty's implementation, since its signing in March 2007, has not been without problems, and certain technical barriers and issues of interpretation can arise from time to time. For example, most U.S. agricultural goods that do not compete with local industries have zero or no duty.

Goods that compete with local industries are restricted strongly than the others. Nevertheless, importers must obtain special import permits for all agricultural products (via the Agriculture and Livestock Promotion Directorate (DIGEGA) of the Ministry of Agriculture and, in the case of dairy products, from the Ministry of Health/DIGEMAPS). Even though the procedures to obtain an import permit have been improved lately, these import permits are not always easy to obtain in a timely manner and sometimes, are not available at all. In addition to the import permit, some agricultural products such as milk, cheese, rice, beans, onions, garlic, poultry, pork and sugar and certain consumer goods carry higher duty rates. Under the CAFTA-DR, the higher duties for sensitive agricultural goods will continue to be phased out over the next six years. Very small amounts of these products are also allowed in duty free each year under a Tariff Rate Quota (TRQ) regime.

For more information and help with trade barriers please contact:

International Trade Administration
Enforcement and Compliance
(202) 482-0063
ECCommunications@trade.gov
<https://www.trade.gov/enforcement/>

For Agriculture
USDA Office of Agricultural Affairs (USDA/FAS)
U.S. Embassy
Santo Domingo, Dominican Republic
Phone: (809) 368-7741
E-mail: agsantodomingo@fas.usda.gov
Website: <https://www.fas.usda.gov>

Import Tariff

The Dominican Republic's membership in CAFTA-DR provides U.S. exporters with significant advantages regarding tariff treatment.

Taxes and duties for imported goods (agricultural and non-agricultural) are calculated on the "ad-valorem price," i.e., CIF (Cost+Insurance+Freight) price in U.S. dollars multiplied by the unified foreign exchange rate. All duties and taxes are collected in Dominican pesos. There are generally two taxes on imports except for those subject to exemptions provided by law. These taxes are the following:

Tariff (Arancel, in Spanish): This is the basic import tax which can be as low as 0 percent and as high as 99 percent. However, after CAFTA-DR entered into effect, most of the U.S. exports to the Dominican Republic are entering duty free, while others are going through a phase-out process of up to 20 years (ending in 2025). For more information on CAFTA-DR Tariff Elimination Schedule, visit the U.S. Government Export Portal:

https://ustr.gov/sites/default/files/uploads/agreements/cafta/asset_upload_file750_5847.pdf

Luxury or Excise Tax (Impuesto Selectivo al Consumo, in Spanish): This is a consumption tax for luxury imports or "non-essential" goods that ranges between 15 and 60 percent. This tax is calculated on the CIF price. Luxury

goods include, among others, vehicles, perfumes, alcoholic beverages, jewelry, and tobacco. Please note that the Luxury Tax is not a tax affected by CAFTA-DR.

Import Requirements & Documentation

(A) Commerce/Industry:

For U.S. exports to the Dominican Republic to receive the preferential tariff treatment provided by CAFTA-DR, the Dominican importer should present to the Dominican General Customs Directorate (Dirección General de Aduanas) certification in support of the claim of preference. The Dominican importer should work with the U.S. exporter to ensure that a U.S. good meets the relevant rule of origin prior to making a claim. For additional information, please visit <https://www.export.gov/article?id=Rules-of-Origin-for-Free-Trade-Agreements>

A certification should include the following information:

The name of the certifying person, including, as necessary, contact or other identifying information;

Tariff classification under the Harmonized System and a description of the good;

Information demonstrating where the good originates;

Date of the certification; and

In the case of blanket period certification, the time period over which the certification is applicable.

It is important to note that the ultimate responsibility for claiming preferential treatment lies with the Dominican importer; however, the U.S. supplier should be ready to provide to the Dominican importer assistance and cooperation in producing accurate and well-documented claims for preferential treatment. The exporter, importer, or producer of the goods may produce the certification where the goods are originating.

To see a sample certification for the Dominican Republic, go to: <https://aduanas.gob.do/descargas/archivos.html>

To see an unofficial English translation of the accompanying instructions, go to:

http://www.ustr.gov/sites/default/files/uploads/agreements/cafta/asset_upload_file240_3921.pdf

Import licenses are not required for most products, except pharmaceutical products (drugs, cosmetics and skin care products, cleaning products), all agricultural products, and agro-chemicals. For pharmaceutical products a Sanitary Register must be obtained at the Ministry of Public Health for each trademark/product imported by the company.

The Sanitary Register is valid for a period of five years. For more information on the registration of pharmaceutical products, please visit the website of the General Directorate of Pharmaceutical, Food and Sanitary Products (Dirección General de Medicamentos, Alimentos y Productos Sanitarios – DIGEMAPS) at the Ministry of Public Health at: <https://www.msp.gob.do>

(B) Agriculture

A phytosanitary and animal health product certificate issued by recognized authorities in the country of origin must accompany live plants and agricultural material used in planting products. Imports of animals normally require certificates of origin and other veterinarian documentation to assure disease-free status. Testing is done at the port of entry to reconfirm pest-free status. For the most part, the sanitary and phyto-sanitary process is transparent and fairly applied.

The CAFTA-DR further opened the market to agricultural product imports. Many products already enter with a zero percent tariff. Duties for sensitive products will be phased out over the next six years: rice, beans, chicken and parts, pork, onions, powder milk, sugar and garlic.

At the same time, small amounts of sensitive agricultural products are allowed into the DR duty-free through a tariff rate quotas (TRQ) system and the amounts increase gradually while their duties are phased out.

The most restrictive trade practice, however, is the requirement that import permits be obtained from the Minister of Agriculture/Agriculture General Directorate of Livestock (DIGEGA) for each shipment of agriculture and related products, including agro-chemicals and fertilizers. In addition, the lobbies for local meat and dairy products are strong and routinely try to block or restrict imports by influencing import licensing decisions. Additionally, the Ministry of Health/DIGEMAPS requires that all food products be registered in the Sanitary Registry and that all consumer-ready food imports have a Spanish label attached at origin.

Labeling/Marking Requirements

INDOCAL is the Dominican governmental body overseeing the formulation, and implementation of national quality norms, which are enforced by the Ministry of Public Health through the General Directorate of Medicines, Food and Health Products (DIGEMAPS).

Currently, there are two standards on labeling: NORDOM 53 (also known as RTD 53) for retail food packaging and NORDOM 407 for medication. Before the product is sent to supermarkets, it is required now that all consumer-ready food imports have a Spanish label attached at origin with the following information:

Name of the food product

Ingredient list

Net and drained weight using the Metric system (grams, kg, etc.)

The Dominican Industrial and Sanitary registration number or its equivalent

Usage instructions

Name and address of manufacturer and/or distributor

In addition to NORDOM 53 and 407, Article 112 of the General Law of Health Law (42-01) indicates that the following products must be labeled in Spanish: cosmetics, medical equipment, tobacco products, agricultural chemicals, dairy products, and any other substance that may represent a risk to human health.

Special registration and license import rules govern foods not packaged for retail sale and other pharmaceutical products. <https://www.indocal.gob.do>

U.S. Export Controls

There are no U.S. controls or restrictions on the vast majority of products sent to the Dominican Republic.

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming

the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, and compiled "Know Your Customer" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the e-CFR (Electronic Code of Federal Regulations) and is updated as needed.

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

Temporary Entry

Temporary entry of goods was adopted by Customs as a business facilitation service. Temporary entry is permitted for exhibition or demonstration purposes, as well as for other temporary work purposes in the Dominican Republic. The Dominican Customs does not assess duties on temporary goods, but they must be tracked and returned.

A bond or other suitable security for all or a portion of the value of the goods must be posted at the time of temporary entry. The security will be refunded upon meeting all the terms of temporary entry and proof of shipment out of the country. If the company wishes to sell the products or machinery after making temporary entry, valuation and all relevant duties are determined in accordance with previously noted customs procedures. Temporary entry admittance is granted for a period of ninety (90) days. If more time is needed, a renewal is required at the end of the ninety days.

Prohibited & Restricted Imports

There are few prohibitions on imports, although discretionary import licenses are required from the Ministry of Agriculture (and Ministry of Public Health/DIGEMAPS for dairy products) for all agricultural products. Such discretionary import licenses limit imports of many items that the government perceives as competing with domestic production.

Importation of automobiles that are more than five years old and vehicles for the transportation of goods (pick-up trucks, light trucks, etc.) that are more than fifteen years old are prohibited, as well as the importation of used clothing. However, the provision regarding used clothing is frequently overlooked.

Customs Regulations

There are over 24 existing Customs offices in the Dominican Republic: eleven at ports, seven in airport zones, and six on the border with Haiti. The principal offices handling the majority of the cargo are: Port of Haina Oriental, Port of Haina Occidental, Caucedo Multimodal Port, Las Américas International Airport, and the Port of San Pedro de Macorís.

Dominican Customs officials indicate that the average clearance takes three days from submission of complete documentation. Clearances can be made in hours if importers make use of the “On-Line Customs Clearance”, which allows for pre-arrival clearance. The on-line service provided at the website of the Customs Office allows importers to register the importation, submit the documentation, verify and pay (before arrival) the amount of taxes to be paid. Anecdotal evidence confirms that importers are using this process successfully.

Dominican Customs (Dirección General de Aduanas, or DGA) contact information is as follows:

General Customs Directorate
Av. Abraham Lincoln No. 1101
Santo Domingo, Dominican Republic
Phone: (809) 547-7070 ext. 220
Fax: (809) 687-3486
General Customs Directorate Website

Standards for Trade

Overview

The Dominican Standardization System follows international guidelines and it is compatible with the General Agreement on Tariffs and Trade (GATT) Code of Standards.

INDOCAL (Instituto Dominicano para la Calidad-Quality Dominican Institute) is the Dominican governmental body overseeing the formulation, and implementation of quality norms in the Dominican Republic. INDOCAL was created to replace the former DIGENOR. In June 2012 the Dominican standards system experienced a significant change with the promulgation of a new Law that created the SIDOCAL (Sistema Dominicano para la Calidad); which oversees quality control development, the development of norms/standards, metrology, monitoring, certification, and accreditation. Where formerly there was only one institution overseeing standards issues, the new law created several institutions: CODOCA (Consejo Dominicano para la Calidad); INDOCAL (Instituto Dominicano para la Calidad); CEDIRET (Centro Dominicano de Información sobre Reglamentación Técnica); and ODAC (Organismo Dominicano para la Acreditación), all of them working together under SIDOCAL and with a wider range of functions and responsibilities. CODOCA will fall under the Ministry of Commerce and Industry.

However, the new law did not affect the Dominican Standardization System in place (NORDOM, or Normas Dominicanas in Spanish); which consists of 619 mandatory and voluntary standards.

Standards

Under the new law that created SIDOCAL the following are the new standards organizations:

INDOCAL serves as the National Notification Authority under the WTO agreement on Technical Barriers to Trade and the Local Agent for the International Organization for Standardization (ISO). INDOCAL also has membership in the Pan-American Standards Commission (COPANT)

The National Inquiry Point under the WTO is the General Directorate of International Trade (DICOEX- Dirección de Comercio Exterior) under the Ministry of Industry and Commerce.

CEDIRET (Centro Dominicano de Información sobre Reglamentación Técnicas) is the institution in charge of the compilation and publication of standards in the Dominican Republic.

The Ministry of Agriculture is the National Contact Point for Codex Alimentarius Commission (international standard-setting body for food standards).

Testing, inspection and certification

INDOCAL is the institution authorized to provide product certification in the Dominican Republic. The INDOCAL Seal of Compliance (Sello de Calidad INDOCAL, in Spanish) is the certification that INDOCAL provides to those locally manufactured products that meet Dominican standards. Any company interested in obtaining this certification for its product should present documentation indicating that an internationally accredited laboratory (including the two local laboratories currently accredited) has tested and approved the product. In the case of pharmaceuticals, cosmetics, processed foods and dairy products, the products must also receive a certification of approval ("Registro Sanitario," in Spanish) from the Ministry of Public Health. Without this "Registro Sanitario", pharmaceutical, cosmetics, processed foods and dairy products are not allowed to enter the Dominican Republic.

For more information on the "Registro Sanitario" please visit the website of the Ministry of Public Health and Social Assistance: <https://www.msp.gob.do>

There are two accreditation laboratories in the Dominican Republic. One is for electrical equipment, which is mainly used by the electricity utilities to test customers' energy meters suspected of having been altered for fraudulent purposes. There is another laboratory with the required accreditation for performing tests on food products, the Instituto de Innovación en Biotecnología e Industria (IIBI). However, SIDOCAL provides that documents and assessments prepared by internationally accredited bodies or testing laboratories shall be accepted in the Dominican Republic.

Publication of technical regulations

In the Dominican Republic, the most up-to-date regulations are published and available to the general public for a small fee. The new law that created the SIDOCAL mandates that the development of new standards should follow the TBT guidelines that encourage the adoption of international standards as the Dominican technical requirements whenever possible.

SIDOCAL provides the creation of a Technical Committee under the supervision of INDOCAL, which will oversee developing and studying any proposed new standard before it is approved by the CODOCA (the Council for Dominican Quality that oversees INDOCAL). The law also provides for public discussions of any new technical regulations planned to be introduced as a NORDOM.

SIDOCAL also created CEDIRET as the center for the promotion, data base, and publication of quality standards.

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. (www.nist.gov/notifyus) is a free, web-based e-mail registration

service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country(ies) and industry sector(s) of interest, and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Contact Information

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(Quality Dominican Institute)
Calle Olof Palme, Los Prados
Santo Domingo, Dominican Republic

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U.S. Department of Agriculture (USDA)
Foreign Agricultural Service (FAS)
Phone: (809) 368-7741
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Trade Agreements

CAFTA-DR On September 6, 2005, the Dominican Congress ratified the United States-Dominican Republic-Central America Free Trade Agreement (CAFTA-DR). Entry into force occurred on March 1, 2007. More information on CAFTA-DR is found in earlier chapters of this document.

Other trade agreements in force:

The Dominican Republic has Multilateral Agreements with WTO members; free trade agreements with CARICOM, CARIFORUM - European Community, and Central America; a Preferential Trade Agreement with Panama; and Bilateral Investment Treaties with Chile, Finland, France, Italy, Korea, Morocco, Netherlands, Panama, Taiwan, Spain, Switzerland, and. However, these do not provide the level of protection to investors generally offered by U.S. bilateral investment treaties.

Licensing Requirements for Professional Services

Licensing requirements for professional services in the Dominican Republic may vary depending on the type of service to be provided. However, the duty for services rendered by a foreign provider is 25 percent and that it is the responsibility of the local company to withhold at the moment of payment and then pay to the local DGII (IRS).

Web Resources

U.S. and Foreign Commercial Service: <https://export.gov/caribbean>

U.S. Foreign Agricultural Service: <https://www.fas.usda.gov/regions/dominican-republic>

Instituto Dominicano para la Calidad: <https://www.indocal.gob.do>

Dominican Directorate of Customs: <https://www.aduanas.gob.do>

Selling US Products & Services

Distribution & Sales Channels

There are several methods for U.S. exporters to enter the Dominican market. One can use a locally-appointed distributor, a wholly owned subsidiary, a joint venture partner, or Dominican importers and wholesalers who also own retail outlets. The subsidiary and joint venture mechanisms have been enhanced through Foreign Investment Law (No. 16-95).

The fundamental purpose of this law is to place foreign investors on an equal footing with local businesspeople, thus guaranteeing equal protection under the law in terms of their respective rights and obligations. A distribution agreement is not required for any of the above.

Using an Agent to Sell US Products and Services

Generally, the most efficient and effective means through which U.S. exporters conduct business in the DR is through the appointment of an agent or distributor. However, this is not an absolute requirement. The Commercial Service of the U.S. Embassy in Santo Domingo offers several cost-effective programs to help identify an appropriate trading partner in the country.

U.S. exporters should be aware of a provision in DR Law, the Dominican Agent/Distributor Law (Law 173, implemented in April 1966), which was designed to protect Dominican citizens who work as agents or distributors for foreign companies.

Under Law 173, agents and distributors are able to claim the right to compensation based on a multiple of annual sales if the U.S. exporter decides to terminate the relationship. With the DR's entry into CAFTA-DR, U.S. exporters are able to avoid being subject to Law 173. However, the process can be complicated and U.S. firms are advised to seek legal counsel before appointing an agent or distributor in the Dominican Republic. Foreign Investment Law No. 16-95 allows foreign firms to assume direct representation of their products manufactured abroad or in the Dominican Republic without Law 173's lengthy residency requirements and without the requirement of two-thirds Dominican ownership of distribution companies.

For agency/distributorship contracts signed after the entry into effect of CAFTA-DR on March 1, 2007, Law 173 applies unless there is a clause clearly stating that it does not apply.

The most significant changes to Law 173 post CAFTA-DR include the following:

- Apply principles of general contract law to the covered contract.
- Treat the covered contract in a manner consistent with the obligations of the Agreement and principle of freedom of contract.
- A contract may terminate on its termination date, earlier for just cause by the supplier of the goods or services or be allowed to expire without renewal.
- If the covered contract has no termination date, it can be terminated by any of the parties with six months advance termination notice.
- Allow disputes arising from the contract to be resolved through binding arbitration; and,
- Allow the parties to establish in the contract the mechanisms and forums that will be available in the case of disputes.

Establishing an Office

The strengthening and formalization of micro and small companies has been a priority for the Medina Administration. After several pilots and years of testing, at the beginning of 2015, the web site <http://www.formalizate.gob.do> was released that allows companies to establish their operations under the modality that better suits their business.

Through the FORMALIZATE website, local entrepreneurs have access to a simplified procedure for business formalization. FORMALIZATE brings together in one site the main institutions of the formation of companies.

Franchising

Franchising is a familiar and highly successful concept in the Dominican Republic and enjoys a long history. However, early ventures into the DR market in the 1970s by Kentucky Fried Chicken and Howard Johnson's Ice Cream were initially unsuccessful, and the concept took several years to gain traction. By the late 1980s, the franchise phenomenon was flourishing, although confined principally to the fast food sector.

From 1995 until recently more franchises have been established in a wide variety of industry sectors. As the DR economy began to rebound from a period of crisis in 2003-2004, investors perceived the possibility of an increase in demand and started to explore new business opportunities. Franchising was viewed as a quick and simple way to develop these opportunities.

The implementation of CAFTA-DR in 2007 presented new prospects for franchising in the DR, as it allowed franchisors to avoid the application of Dominican Law 173 on the Protection of Agents and Distributors.

Overview

The franchising sector has matured and consolidated in the past several years, constituting a thriving sector in the Dominican economy. Large Dominican business groups are key players in the franchising industry and the profile of the business has improved and has more credibility.

Franchises have increased their presence throughout the nation. Though the bulk are in the Santo Domingo area (44%), they also have a noteworthy presence in other areas of the country, including: Santiago and the North (21%); the South (16%); and the East (19%). Franchises have a considerable impact on the economy, with over 8,000 points of sales and over 76,000 jobs created.

U.S. franchises have a dominant position accounting for 45 percent in the Dominican market. Local, Dominican franchises account for another 40 percent of the market, and the remaining 15 percent is comprised somewhat evenly among the following three groups: Spain & Europe, Venezuela & South America, and Canada & others.

As a mature market, a variety of franchises are already present in the Dominican market from the following industry sectors: restaurants (35%); retail sales (25%); services (20%); education (7%); personal care (5%); entertainment (3%); and others (5%). A marked slowdown in the introduction of new food franchise concepts indicates the maturation and potential slowdown in this particular segment of the franchise market. The consumables used by the franchises are 60 percent locally sourced and 40 percent imported.

Dominicans feel more comfortable doing business with a franchisor today than years ago. The success stories of reputable franchise companies already in operation add to the confidence of entrepreneurs.

Some of the many franchise concepts present in the market include:

- Food: KFC, Taco Bell, Burger King, McDonald's, Domino's Pizza, TGI Friday's, Pizza Hut, Tony Roma's, Baskin Robbins, Quizno's, Krispy Kreme, Hooters, Papa John's, Little Caesar's, Sweet Frog, Chili's, Wendy's, P.F. Chang's, Applebee's, and very recently the first Starbucks shop started in Santo Domingo.
- Furniture: Baker, Ethan Allen, Sealy Mattress, Serta, Simmons, Thomasville, and Ashley Furniture.
- Physical Fitness: Gold's Gym and Planet Fitness
- Real Estate: Century 21, Coldwell Banker, Re/Max.
- Apparel: Forever 21, Nautica, Tommy Hilfiger, Guess, Polo Ralph Lauren, VS, Perry Ellis, Nike, among others.
- Other Services: Dry Clean USA and Heel Quick.

Direct Marketing

The lack of an efficient and reliable mail system in the DR has constrained the development of mail order and catalog sales. Dominican retailing businesses have been compelled to create other ways of transmitting their message to customers to achieve sales growth. Some local firms have used direct mailings (via delivery services) of promotional materials, social media and telephone marketing, while others, especially footwear retailers, have established catalog sales subscribing agent/sellers to reach end users. Local credit card companies sometimes target cardholders with direct marketing of goods and services.

Avon, Jafra, and Amway have established successful direct marketing organizations.

Joint Ventures/Licensing

There is considerable joint venture/licensing activity in the Dominican Republic, including both manufacturing and services. The Foreign Investment Law (16-95) provides opportunities in this area. Before negotiating a joint venture or licensing partnership, legal counsel should be consulted to minimize potential conflicts, unexpected taxes, withholding expenses on royalties, contributions to capital and related aspects of these ventures.

For steps to establish an office through incorporation of a local subsidiary (other than free-zone investments governed by Law 8-90), please contact the U.S. Commercial Service in Santo Domingo for a list of local lawyers knowledgeable of such legislation.

Express Delivery

Reliable courier services are available in certain areas of the country through international and local express delivery companies. The most popular U.S. couriers include FedEx, and UPS. The average delivery time from the U.S. to the Dominican Republic and vice-versa is 1 to 3 days, with a few days delay for packages that require customs clearance. DR Customs may apply taxes on packages with a value of over \$200 US dollars.

Due Diligence

U.S. companies may find it necessary to obtain more information on a Dominican company with whom they plan to do business. For a nominal fee, the U.S. Commercial Service can provide an International Company Profile (ICP), due-diligence background check on the local company, which includes a report and trade references.

The foreign company must be a prospective, or current, business partner and these reports are typically not compiled on individuals.

eCommerce

Overview

The Dominican regulatory environment for electronic commerce is very supportive; Law 126-02, enacted in 2002, regulates electronic commerce, digital documents and signatures.

The general principles of Law 126-02 are oriented toward the facilitation of electronic commerce between and within nations; the validation of transactions between parties (which have been performed by means of the new information technologies); and the promotion and support of the implementation of new technologies. This modern law allows for the admissibility and legal force of digital documents and electronic signatures, providing the same legally-binding effect granted to acts under private signature.

For the English versions of Law 126-02, please go to: <http://www.indotel.gob.do/documentos/leyes>

Under CAFTA-DR, the Dominican Republic has agreed to provisions on electronic commerce that reflect the issue's importance in global trade and the importance of supplying services by electronic means as a key part of a vibrant electronic commerce environment. The agreement provides for transparency and cooperation and specifies the following:

The parties have agreed not to apply customs duties, fees or charges on digital products delivered electronically and to apply customs duties on the basis of value of the carrier medium for digital products delivered physically.

Parties may not give less favorable treatment to some digital products than they accord to other similar digital products on the basis of the nationality of the author, performer, producer, developer or distributor of the products.

There is no differential treatment among digitally delivered products.

Current Market Trends

The Dominican Telecommunications Institute (INDOTEL) reported that the Dominican Republic recorded a cumulative growth of 11.5% in its active internet accounts in the last twelve years. The Dominican Republic moved from 134,545 accounts in December 2005 to 8.5 million active accounts as of December 2019.

Domestic eCommerce (B2C)

Even under a favorable legal framework, Dominican businesses was somewhat slow to integrate electronic commerce transactions into their operations.

One of the positives outcomes of the Covid 19 crisis, is the incredible development and increase of the e-commerce in the Dominican Republic. Promptly, major supermarkets and department stores developed on line shopping, allowing the customers to virtually shop and have their goods delivered directly to their door.

Also, remarkable is the role played by the delivery applications, that increased their operations by triple digit percent.

The sales of all kind of products, including PPE via social media also have been escalating meteorically. Instagram sales are very popular the country. The new normal, has modify, the formerly conservative, online/virtual shopping in the Dominican Republic.

Within the B2C segment, the banking and telecommunications sectors is where e-commerce has shown the most growth and impact; the hospitality industry has also steadily increased its B2C e-commerce activity. A majority of hotels have web-based room-booking capability and several fast food restaurants offer on-line ordering. Because there are more than one million Dominicans living overseas and sending goods and money (remittances) with regularity, several businesses offer on-line ordering of their products and services. These products can be ordered and paid for overseas but delivered in the DR.

Cross-Border eCommerce

The majority of cross-border eCommerce in the Dominican Republic is with the United States. However, the country of origin of many of the products is from China and other Asian markets. Local couriers have indicated that most international e-commerce transactions are with Amazon and eBay.

B2B eCommerce

There is a growing business to business (B2B) e-commerce market in the Dominican Republic. Main sectors include banking, telecommunications, government transactions and consumer goods.

eCommerce Services

The payment of services using eCommerce platforms have shown a remarkable growth within the last three years, allowing customers to pay all utilities services, official government transactions, such as taxes, certifications, business permits, among other services.

eCommerce Intellectual Property Rights

The GoDR, through Law 126-02 that creates the National Office of Intellectual Property Rights (ONAPI) and its National Strategic Plan, creates a legal framework to protect intellectual property rights in eCommerce. However, ONAPI has identified weaknesses in prosecuting violations of eCommerce IPR, mainly because of a lack of trained and knowledgeable human resources. This represents an opportunity for U.S. businesses to provide products and services to the Dominican government to increase their capabilities and awareness about violations in eCommerce IPR.

Popular eCommerce Sites

There are a number of consumers trading sites such as: <http://www.corotos.com.do> and <http://www.emarket.do>, which are very popular and widely used by all economic strata. Major news media publish their papers on-line, including their classified ads sections, to facilitate the flow of information. The payment of services using eCommerce platforms have shown remarkable growth within the last three years, allowing customers to pay online all utility services, official government transactions, such as taxes, certifications, business permits, among other services.

Since 2004, the Dominican Government has initiated the formulation of an Electronic Government strategy with the creation of the Presidential Office of Information and Communication Technologies (OPTIC), through which important initiatives have been implemented with the objective of incorporating ICT in modernizing public administration in the Dominican Republic. Popular government sites include: <http://www.dgii.gov.do> and <http://www.dga.gov.do>.

Online Payment

The Dominican Republic has three platforms (Cardnet, Visanet and Azul) for the processing of payments by credit card and a platform for payments through mobile broadband (Tpago, MoniPay).

The majority of commercial banks and most financial service institutions in the Dominican Republic have websites to assist clients with paying utility bills, monitoring account status, and transferring funds, among others.

Many entrepreneurs and companies with Dominican online businesses use widely known payments methods such as PayPal, 2Checkout, Authorize.Net, Stripe, Amazon Payments, among many others. However, among these PayPal is the most used for its ease of opening, integration and comfortable rates.

Mobile eCommerce

Mobiles are the most used platform for business purposes among SME's with a 45 percent penetration, followed by the use of computers with 10 percent, Internet and e-mail with 11 percent and 7 percent respectively and web page with only 4 percent.

Digital Marketing

The Dominican Republic has shown strong progress in the digital marketing industry with the presence of a wide range of local companies that provide digital services, for the local industry and in partnership with international firms. In the last few years, the Dominican Republic has hosted some of the the most important events on digital marketing in the region. Businesses and brands continue to grapple with the determining the

right design of digital marketing plans capable of drawing the attention of its audiences and generate income through the different digital channels.

Major Buying Holidays

Major buying holidays are similar to the United States: Valentine's Day; Easter, Mother's Day, Father's Day, Back To School, Black Friday, Cyber Monday, and Christmas.

Social Media

The Dominican Republic has a regulation that governs the use of social networks by public institutions; the NORTIC E1: 2014 Standard for the Management of Social Networks in Governmental Organizations published by the Presidential Office of Information and Communication Technologies (OPTIC) together with the Directorate General of Communication (DICOM). The Norm A2 obliges institutions to include links to their social network accounts in visible places. Any institution certified by this standard complies with this requirement.

The General Directorate of Communication (DICOM) is the body created by Decree No. 490-12, which assigns to this agency the functions of designing, coordinating and directing the entire communication governmental policy that must be observed by Dominican society.

The Dominican Republic has approximately 6 million active users on Facebook growing by 1,000,000 users since last year 2019. The DR is the one of the most active country in this social platform for Central America and the Caribbean, according to iLifebelt, an independent organization that conducts studies and technical analysis on the use of the Internet and Social Networks in Central America (iLifebelt Studies). Instagram is significantly growing into the younger population and has played an important role even in political/social protests.

Selling Factors & Techniques

At the retail sales level, Dominicans prefer seeing the product, and also expect reliable after-sales service. Quality and responsiveness in after-sales service are becoming increasingly important ingredients in effective marketing strategies. In sales of services and manufactured goods, Dominicans often rely on networking, as well as on close family and personal relationships. These characteristics in turn create the need for local agents and distributors or direct, in-country operations to make and sustain these contacts.

Trade Promotion & Advertising

Most businesses in the Dominican Republic use major newspapers, television channels and radio stations to advertise their products. When marketing products to all social classes, television and radio are the media most used.

The following are web links to some of the major newspapers and publications in the Dominican Republic:

Diario Libre - Daily newspaper: <http://www.diariolibre.com.do>

Listin Diario - Daily newspaper: <http://www.listindiario.com>

Periódico Hoy - Daily newspaper: <http://www.hoy.com.do>

Periódico El Caribe and Cadena de Noticias - daily newspaper and news network: <http://www.elcaribecdn.com.do>

El Nacional - Daily newspaper: <https://elnacional.com.do>

Peridico El Dia - Daily newspaper: <https://eldia.com.do>

DR 1 Daily news - excerpts of Dominican news in English: <http://www.dr1.com>

Companies already in the Dominican Republic are well aware of the benefits of participating in local trade promotion events. There are many industry-specific expositions in the Dominican Republic.

Pricing

As would be expected of a country where income distribution is very uneven and personal income levels for the large majority of consumers are extremely moderate, the DR market is particularly price-sensitive. Price is typically the critical factor in most purchase decisions. Products of U.S. origin enjoy a strong reputation for quality and Dominicans are familiar with U.S. pricing practices; CAFTA-DR can provide pricing advantages for U.S. origin products. As Dominican consumers become more affluent and sophisticated, many successful new retail outlets, are concentrating on quality goods and service support.

Sales Service/Customer Support

The quality and level of customer support and service is evolving and improving at a rapid rate. In many sectors, low cost local labor allows for a level of service that would be prohibitive in more developed overseas markets. This is especially true in the urban centers and tourist areas of the east and north coasts. While U.S. exporters should be prepared to provide customer and after-sales support, there may be an opportunity to apply the advanced customer support techniques developed in their home markets.

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

Local Professional Services

A local attorney is an important partner in establishing operations and advising on doing business in the Dominican Republic. It is advisable to engage an attorney experienced in agency law to review any agency/distributorship contract to avoid issues with Law 173. Accounting firms may also be of assistance with financial issues. It is advisable to retain professional advice at an early stage of a business venture to ensure smooth start up and compliance with local laws. Lists of lawyers and accounting firms with experience assisting U.S. businesses are available at the U.S. Commercial Service in Santo Domingo.

Principal Business Associations

Cámara Americana de la República Dominicana (AMCHAM-DR)

(American Chamber of Commerce of the Dominican Republic)

Av. Sarasota No. 20, Torre Empresarial AIRD, 6to. FL

Santo Domingo, Dominican Republic

Contact: Mr. William Malamud, Executive Vice President

Phone: (809) 381-0777

Fax: (809) 381-0303

E-mail: amcham@claro.net.do

Website: <http://www.amcham.org.do>

Camara de Comercio y Produccion de Santo Domingo

(Santo Domingo Chamber of Commerce)

Ave. 27 de Febrero No. 228, Torre Friusa, La Esperilla

Contact: Mr. Antonio Ramos, Executive Vice President

Phone: (809) 682-2688

Fax: (809) 685-2228

Santo Domingo, Dominican Republic

E-mail: ccpsd@camarasantodomingo.org.do

Website: <http://www.camarasantodomingo.org.do>

Camara de Comercio y Producción de Santiago, Inc.

(Santiago Chamber of Commerce)

Av. Las Carreras No. 7, Edif. Empresarial 1er. Piso, Centro Ciudad

Santiago, Dominican Republic

Contact: Mr. Fernando Puig, Executive Director

Phone: (809) 582-2856

Fax: (809) 241-4546

E-mail: director@camarasantiago.com

Website: <http://www.camarasantiago.com>

Consejo Nacional de la Empresa Privada, Inc. (CONEP)

(National Council of Enterprises)

Av. Sarasota No. 20

Torre Empresarial piso 12, Ens. La Julia

Santo Domingo, Dominican Republic

Contact: Mr. Cesar Dargam, Executive Vice President

Phone: (809) 472-7531

Fax: (809) 472-7850

E-mail: conep@conep.org.do

Website: <http://www.conep.org.do>

unta Agroempresarial Dominicana (JAD)
(Dominican Agribusiness Council)
Euclides Morillo No. 51, Arroyo Hondo
Santo Domingo, Dominican Republic

Contact: Ms. Ivonne Garcia, Deputy Executive Director
Phone: (809) 563-6178
Fax: (809) 563-6181
E-mail: jad@claro.net.do
Website: <http://www.jad.org.do>

Asociación Nacional de Importadores
(Dominican Importers' Association)
Av. Roberto Pastoriza No. 16
Edif. Diandi XIII, 4to. Piso
Ensanche Naco
Santo Domingo, Dominican Republic

Contact: Mr. Wilfredo Ubrí, President
Phone: (809) 381-2655
Fax: (809) 381-2652
E-mail: asoc.impor@claro.net.do

Asociacion Dominicana de Exportadores (ADOEXPO)
(Dominican Exporters Association)
Av. Winston Churchill No. 5 (entre Av. Sarasota y Av. Bolivar)

Apartamento C, Ens. Bella Vista
Santo Domingo, Dominican Republic
Contact: Luis Concepcion, President
Phone: (809) 567-6779
Fax: (809) 532-1926
E-mail: info@adoexpo.org

Website: <http://www.adoexpo.org>

Asociacion de Industrias de la Republica Dominicana (AIRD)

(Association of Manufacturers of the Dominican Republic)

Av. Sarasota No. 20 casi esq. Av. Abraham Lincoln

Edif. Torre Empresarial, piso 12, Ens. La Julia

Santo Domingo, Dominican Republic

Contact: Mr. Celso Marranzini, President

Phone: (809) 472-0000

Fax: (809) 472-0303

E-mail: aird@claro.net.do

Website: <http://www.aird.org.do>

Limitations on Selling US Products and Services

U.S. standards are currently accepted and respected by the purchasing entities. Marketing strategies used by successful companies include mass advertisement in television, social media, magazines, newspapers, and radio.

There are few trade barriers impeding exports to the Dominican Republic. The Central Bank controls the dollar exchange rate.

Web Resources

U.S. Commercial Service Caribbean: <http://export.gov/caribbean>

American Chamber of Commerce of the Dominican Republic: <http://www.amcham.org.do>

Santo Domingo Chamber of Commerce and Production (Cámara de Comercio y Producción de Santo Domingo): <http://www.camarasantodomingo.org.do>

Santiago Chamber of Commerce and Production (Cámara de Comercio y Producción de Santiago): <http://www.camarasantiago.org>

Center of Export and Investment of the Dominican Republic (Centro de Exportación e Inversion de la República Dominicana - CEI-RD): <http://www.CEI-RD.gov.do>

Central Bank of the Dominican Republic: <http://www.bancentral.gov.do>

Protecting Intellectual Property

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, please link to our article on Protecting Intellectual Property and Stopfakes.gov or contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov.

for more resources.

IP Attaché Contact for the Dominican Republic

Claudia Rojas
U.S. Trade Center
Liverpool No. 31, Col Juárez
México, D.F. 06600
claudia.rojas@trade.gov
Office Phone: +52 55-5080-2000 ext. 5222

Trade Financing

Methods of Payment

The following methods of payment are the most common:

- Cash (since most Dominican companies maintain dollar accounts abroad) by electronic/wire transfers.
- Supplier credit (once a trading relationship has been established).
- Documentary letters of credit including stand-by letters of credit.
- Documentary collections through the banking system.

Commercial credit cards, however, it is recommended that U.S. firms accept these credit cards with caution because of the possibility of fraud.

The following local firm performs credit checks on Dominican companies:

TRANSUNION
Address: Ave. Abraham Lincoln No. 1019
3rd Floor, Ens. Piantini
Santo Domingo, Dom. Rep.
Tel: 809/ 227-1888
Fax: 809/ 549-7227
Website: <http://www.transunion.com.do>
E-mail: consumidor@tucredito.com.do

Banking Systems

The Central Bank of the Dominican Republic implements monetary policy and issues the national currency (Dominican pesos, commonly abbreviated as "RD\$"). The Central Bank also manages external payments.

Commercial banks represent one of the principal sources for private sector financing. Most requested loans are short and medium term, ranging from 30 to 90 days for working capital or trade financing and from 1, 3 to 5 years at the most for capital expenses. Working capital fixed-term loans require that the borrower make either periodic payments of principal and interest or a single principal balloon payment of the entire outstanding balance at maturity. These loans are reviewed on a case-by-case basis. Financing for construction or tourism projects may have longer terms typically from 7 to 10 years or more in a few cases.

Indicative current interest rates for loans in local currency are as follows:

- In RD\$ the preferential rates range between 9 and 19 percent.
- Non-preferential rates can go as high as 23-26 percent for loans denominated in RD\$.
- Interest rates for the commercial/corporate sector are revised usually every 6 or 12 months.
- Local commercial banks offer almost the same services that a U.S. bank offers to its clients, with the exception that there are no local checking accounts in U.S. dollars, and instead, local banks offer savings accounts in U.S. dollars.

Foreign Exchange Controls

The Monetary Board sets monetary policy and oversees Central Bank operations. It also sets banking and financial norms through resolutions.

All foreign exchange transactions operate in the private market where all sectors of the Dominican economy are free to buy and sell foreign exchange through commercial banks and exchange houses (casas de cambio). The currency has a floating exchange rate, which is currently around RD\$58.00 per US\$1.00.

US Banks & Local Correspondent Banks

The only full-service U.S. commercial bank in the Dominican Republic is Citibank, N.A.

Address: Ave. Winston Churchill Esq. Ave. Andres Jose Aybar

Torre Citibank, Acropolis Center – 24th Floor, Ens. Piantini

Santo Domingo, Dominican Republic

Tel: 809/ 473-2404

Fax: 809/ 955-2657

Website: <http://www.citigroup.com/citi/about/countrypresence/dominican-republic.html>

Most local banks have correspondent banking relationships in the U.S.

Selling to the Public Sector

Dominican Law No. 340 of 2006 states that foreign individuals or firms must be associated with Dominican or "mixed capital" enterprises to bid on or execute Dominican government-funded projects. There are exceptions, and variations on levels of participation required for complex projects, and many direct opportunities for foreign bidders exist when project financing are from multilateral banks or foreign government aid sources. In those cases, the bidding process is generally open and transparent, and payment is guaranteed by outside sources.

The Medina Administration has tried to establish a more favorable credit reputation and resolve some of the systemic problems affecting irregularities in public contracting in the Dominican Republic. However, several unresolved payment disputes from former Administrations remain.

For more information and criteria to participate in GODR tenders you may visit the Directorate for Public Purchases and Contracts (Direccion General de Compras y Contrataciones Publicas - DGCP): <http://www.dgcp.gob.do>.

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "Project Financing" Section in "Trade and Project Financing" for more information.

Financing of Projects

The United States Export-Import Bank (Ex-Im Bank) is the official export credit agency of the United States. Ex-Im Bank's mission is to help finance the export of U.S. goods and services to international markets. The Ex-Im Bank is open in the Dominican Republic, financing U.S. exports for both the public and private sectors.

For more information, please refer to <http://www.exim.gov> under Country Limitation Schedule.

The Development Finance Corporation (DFC, previously known as OPIC) facilitates financing and insurance for private sector projects generally and, under limited circumstances, public sector projects. DFC windows are currently open for the Dominican Republic.

The U.S. Trade & Development Agency (TDA) promotes American private sector participation in developing and middle-income countries, with special emphasis on economic sectors that represent significant U.S. export

potential. This is done through the funding of feasibility studies, orientation visits, specialized training grants, business workshops, and various technical assistance forms. TDA programs are available for the Dominican Republic.

The Inter-American Development Bank provides funding primarily to public sector entities for the design and execution of projects. IDB projects provide U.S. suppliers of goods and services significant export opportunities, including the transportation, environmental, health, education, urban development, tourism, agriculture and energy sectors. Approved projects in the Dominican Republic can be found at:

<https://www.iadb.org/en/projects>

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (Inter-American Development Bank, World Bank)

Web Resources

- [Advocacy Liaison Website for Inter-American Development Bank \(IDB\)](#)
- [Advocacy Liaison Website for World Bank](#)

Deal Team

Deal Teams are working groups of interagency officers and staff at our overseas posts focused on helping U.S. companies do business in their markets. The purpose of the Deal Team Initiative is to support U.S. companies already pursuing deals abroad and to identify new deal prospects for interested U.S. companies. Deal Teams are essential tools in implementing commercial diplomacy, and they already exist in many posts.

Deal Teams are a powerful tool because they bring together the collective programs, resources, and expertise of the U.S. government. The U.S. government agencies represented in the Deal Teams include the Departments of Agriculture, Commerce, Defense, Energy, State, Transportation, and Treasury; the United States Agency for International Development (USAID), the U.S. Trade and Development Agency (USTDA), the Export-Import Bank of the United States (EXIM), the U.S. International Development Finance Corporation (DFC), and the Millennium Challenge Corporation (MCC).

U.S. government agencies have dozens of programs to support U.S. commercial interests overseas. Embassy Deal Teams raise awareness of these programs and coordinate their utilization. Deal Teams tap into the programs, resources, and expertise of U.S. government agencies to help U.S. companies do business and advance U.S. strategic goals. Deal teams will provide preferred package solutions that include feasibility studies, technical assistance, financing, and training to support the most strategic and significant bids by U.S. companies.

To get more information about the Deal Team of the Caribbean Region, please contact Maria Portorreal (maria.portorreal@trade.gov).

Financing Web Resources

Trade Finance Guide available at <https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters>

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

DFC: <http://www.dfc.gov>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

U.S. Agency for International Development: <http://www.usaid.gov>

Inter-American Development Bank: <http://www.iadb.org/en/inter-american-development-bank,2837.html>

Business Travel

Business Customs

Appropriate business attire is expected. Despite the warm weather, men should wear conservative dark-colored suits. Women should wear suits or dresses. Dominicans are fashion conscious and businesspersons take great pride in their appearance.

Lunch meetings are common. Breakfast meetings are becoming more common, particularly among companies doing business internationally. Business appointments are generally required, but strict punctuality is not a consistent part of Dominican business practices. Many Dominican businesspersons speak English, but communication in Spanish is far more prevalent. Business cards are exchanged.

Travel Advisory

Smart Traveler Enrollment Program (STEP)

Visitors to the Dominican Republic are encouraged to register their trip with the U.S. Embassy in Santo Domingo through the Smart Traveler Enrollment Program (STEP). By registering through STEP, you will ensure that you receive important information from the Embassy about safety conditions in the Dominican Republic, helping you make informed decisions about your travel. Also, registering with STEP will help the Embassy contact you in an emergency, whether natural disaster, civil unrest, or family emergency.

The U.S. Department of State has produced a Country Specific Information Sheet on the Dominican Republic, as it does for all countries. This document provides basic information about passport and visa requirements, the safety and security situation, crime concerns and other topics that may be of use to U.S. citizen travelers, including those traveling for business.

The Consular Information Sheet, which may be found at:

<https://travel.state.gov/content/passports/en/country/dominican-republic.html> also includes further links to Dominican government web sites, the U.S. Centers for Disease Control and Prevention (CDC) and other offices and agencies that travelers may wish to consult in advance of travel to the Dominican Republic. Consular Information Sheets are updated at least twice per year, so travelers should check the above link shortly before their planned trip to obtain the latest information.

Visa Requirements

Since April 2018, the US\$10 tourist card fee is included in all tickets purchased outside of the Dominican Republic. Tourist cards may also be purchased at the Dominican Embassy in Washington or Dominican Consulates prior to arrival, as well as at Dominican airports at the time of entry. Tourist cards normally permit a legal stay of up to 30 days. Visitors who would like to extend their time in the Dominican Republic should visit the Migration Department in Santo Domingo and request an extension. Failure to request an extension will subject the visitor to a surcharge at the airport upon departure.

U.S. visitors for business purposes should apply for a business visa at the Dominican Embassy in Washington or Consulate prior to arrival.

For more information on visa requirements and fees: <http://drembassyusa.org/visas/>

U.S. companies that require travel of Dominican businesspersons to the United States should be advised that visa application services will be provided to visa applicants by an authorized partner.

U.S. companies that require travel of foreign businesspersons to the United States are advised that security evaluations are handled via an interagency process. Visa applicants should go to the following link(s): [State Department Visa Website](#)

To learn more about the visa application process, pay the visa application fee online, schedule an appointment, and follow up on the status of your application please visit: <http://www.ustraveldocs.com/do>

Currency

The Dominican Peso is the official currency of the Dominican Republic. It is fully convertible for commercial and capital transactions. The locations where currency can be exchanged most easily include hotels, wire transfer offices, and banks. Many local companies accept U.S. dollar and major credit cards (visa and master card) as a method of payment.

These include restaurants, supermarkets, hotels, cell phone and electronic stores, and travel companies. The use of ATM machines is available in urban areas including hotels, shopping malls, and international airports.

Telecommunications/Electronics

The telecommunications industry in the Dominican Republic has grown over the last five years and has been characterized by greater competition, price reductions, and the introduction of new technologies, which allows the industry to offer the latest products and services. The highly-competitive cellular sub-sector has experienced significant growth in the last few years. The country enjoys a modern telecommunication law, which facilitates investment in the sector by providing equal treatment for local and foreign investors; allows price rates to be set freely by the industry players; and guarantees interconnection rights. Although there are four providers of telephone services; the local, long distance, cellular, and ISP markets are dominated by Claro. Other providers of telecommunication services are Altice, Viva and Wind Telecom.

Transportation

The Dominican Republic has eight international airports:

Aeropuerto Internacional Las Américas Jose Francisco Peña Gomez (SDQ) – Santo Domingo

Aeropuerto Internacional de Punta Cana (PUJ) – Provincia la Altagracia

Aeropuerto Internacional Gregorio Luperón (POP) – Puerto Plata

Aeropuerto Internacional del Cibao (STI) – Santiago de los Caballeros

Aeropuerto Internacional La Isabela Dr. Joaquin Blaguer (JBQ) – Santo Domingo

Aeropuerto Internacional Presidente Juan Bosch (AZS) – Samana

Aeropuerto Internacional de La Romana (LRM) – La Romana

Aeropuerto Internacional María Montez (BRX) – Barahona

Las Americas International Airport in Santo Domingo is the largest of the international airports in the Dominican Republic, however, the airport in Punta Cana processes more travelers primarily visiting this popular tourist destination.

Ground transportation is available through taxis, car rental, and public transportation; extra time should be built in to allow for possible delays arising from traffic congestion.

Language

Spanish is the official language of the Dominican Republic.

Health

Travelers can check the latest health information with the U.S. Centers for Disease Control and Prevention in Atlanta, Georgia. A hotline at 800-CDC-INFO (800-232-4636) and a web site at: <https://wwwnc.cdc.gov/travel/page/yellowbook-home> give the most recent health advisories, immunization recommendations or requirements, and advice on food and drinking water safety for regions and countries. The Dominican Republic is one of the countries most impacted by the Zika virus so special attention to the CDC advisories and publications is strongly advised. The CDC publication "Health Information for International Travel" can be found at <http://wwwnc.cdc.gov/travel>.

There is a growing trend in the Dominican Republic to travel to the United States for medical treatment, especially among executives and upper-class families. Dominicans regard the United States as the best source for health care services and modern medical technology. Favorite destinations for medical treatment are Florida, New York, Ohio, Texas, and Puerto Rico. Some major private hospitals have patient referral contracts with U.S. hospitals.

Local Time, Business Hours and Holidays

The Dominican Republic is on Atlantic Standard Time (AST) year-round and does not observe daylight savings time. AST is the same time as Eastern Standard Time (EST) from April to November, but the DR is one hour ahead during daylight savings time (DST).

Business hours are generally from 8:00 a.m. to 6:00 p.m., Monday through Friday. Government offices work from 8:00 a.m. to 4:00 p.m. Monday through Friday. Some companies work on Saturday mornings. The lunch hour is from 12:00 p.m. to 1:00 p.m. or 1:00 p.m. to 2:00 p.m.

Dominican Holidays 2020

January 1 st	New Year's Day
January 6 th	Day of the Epiphany
January 21 st	The Virgin of Altagracia
January 26 th	Duarte's Birthday
February 27 th	Dominican Independence
April 10 th	Good Friday
May 4 th (In observance of Dominican Labor Day, May 1 st)	Dominican Labor Day
June 11 th	Corpus Christi
August 16 th	Dominican Restoration Day
September 24 th	The Virgin of Mercedes
November 9 th (In observance of Dominican Constitution, November 6 th)	Constitution Day
December 25 th	Christmas Day

Source: Dominican Ministry of Labor, <https://www.mt.gob.do/>

Temporary Entry of Materials or Personal Belongings

Those who wish to bring in items temporarily such as software, exhibit material, etc., are required to identify the items at Customs, and fill out a form of temporary admission (Formulario de Admision Temporal); no tax payment is required. On departure from the country, the Customs authorities will require the traveler to fill out another form to verify the previous form filled out upon arrival. Laptop computers can be brought in duty free.

Travel Related Web Resources

U.S. Embassy in Santo Domingo:

<https://do.usembassy.gov/u-s-citizen-services/>

U.S. State Department – Bureau of Consular Affairs:

<https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/DominicanRepublic.html>

Investment Climate Statement (ICS)

The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State's [Investment Climate Statement](#) website.

Political Environment

For background information on the political and economic environment of the country, please click on the link to the U.S. Department of State [Countries & Areas](#) website.