

Foreign investment in Dominican Republic to rise again in 2008

Published on Friday, January 18, 2008

SANTO DOMINGO, Dominican Republic: The Dominican Republic will continue to experience an increase in foreign investment in 2008 due to the country's improved business climate, a rise in exports, regulations favorable to foreign companies and the free-trade agreement (DR-CAFTA) with the United States, the director of the Dominican Republic's Export and Investment Center (CEI-RD), Eddy Martinez, said.



Eddy Martinez
Bloomberg Photo

“All the trends indicate that our country (is poised) in 2008 to receive a larger amount of foreign investment, primarily due to foreign trade measures that have been adopted and to (the opportunities) with respect to the U.S. market,” Martinez said, adding that 2008 will be the year for the launching of the Marca-pais (Country Brand) international campaign.

According to the most recent statistics from the Economic Commission for Latin America and the Caribbean (ECLAC), foreign direct investment in the Dominican Republic has increased steadily. Over the past three years, it rose from \$1.023 billion in 2005 to \$1.183 billion in 2006 and to \$1.393 billion in 2007, according to preliminary figures for 2007 released by that

international organization.

Among other factors conducive to foreign investment, Martinez mentioned a reduction in administrative barriers to the creation and operation of companies. He also called attention to the increase in the number of exporting firms – from 2,307 in 2006 to about 2,800 last year.

“Exporters are selling more and more national products in other countries because they now have greater awareness of the importance of expanding the sale of their products to other markets,” Martinez said.

According to Martinez, the final tally for Dominican exports in 2007 is to exceed \$2.1 billion and that figure climbs to \$6.5 billion if the duty-free zones are included. It is estimated that exports grew more than 42.3 percent last year.

Roughly 77 percent of Dominican exports were shipped to the United States, 12.41 percent to Europe, 4.8 percent to Asia, 0.62 percent to Central America and the Caribbean and 0.24 percent to the English-speaking Caribbean, Martinez said.

Iron-nickel ore, steel rods, construction materials and cacao continued to be the country's main export products. But textiles, cigars, footwear, raw sugar and fresh bananas were also sold abroad.

According to Martinez, the Dominican Republic generated close to \$8 billion in 2007 from exports and foreign direct investment.