

Building on our strengths

INTERVIEW WITH DR JEAN ALAIN RODRÍGUEZ

SECRETARY OF STATE AND EXECUTIVE DIRECTOR, EXPORT AND INVESTMENT CENTRE OF THE DOMINICAN REPUBLIC (CEI-RD)



JEAN ALAIN
RODRÍGUEZ

studied law at the Pontificia Universidad Católica Madre y Maestra in the Dominican Republic and obtained a Master's and a doctorate from La Sapienza University of Rome, and a Master's from Rome's School of Public Administration. He also completed the Management Program for Lawyers at Yale University and holds a Master's in Business Law from La Sorbonne in Paris. In addition to his career in the legal profession, Dr Rodríguez is a member of the Central Committee of the Dominican Liberation Party and Secretary of State and Executive Director of the Centre for Export and Investment of the Dominican Republic (CEI-RD).

What is your assessment of the investment climate in the Dominican Republic today?

The Dominican Republic offers a great diversity of business opportunities, through which investors can maximise and secure their returns on investments, as a result of effective government measures that have enhanced our investment climate. Those measures, and the evident political will to develop the country sustainably have been the main reasons for the Dominican Republic remaining as the leading economy in attracting Foreign Direct Investment (FDI) in the Caribbean, and one of the top 10 in all Latin America.

How would you rate the country's recent performance in attracting FDI, relative to its neighbours in the region? What steps are you taking to improve its ranking?

In the last three years, FDI has surpassed US\$7,300 million with 53,380 direct jobs generated. Throughout the region, the average foreign investment has declined. In our country, however it has increased significantly, with high growth expectations due to the important investment projects and expansions already announced. Many of those projects are being processed through our One-Stop-Shop for Investment, a service provided by Investment Centre of the Dominican Republic (CEI-RD) and created to expedite and make the process more efficient for investors. Through this service, we have received over US\$2,000 million in projects to be developed in the short to medium term future, generating 14,500 additional direct job opportunities nationwide.

In order to promote our country, strengthen the investment climate and increase FDI flows, CEI-RD is implementing several initiatives, including:

- The aforementioned One-Stop Shop for Investment: A service provided by CEI-RD that seeks to encourage and make more efficient the process of investing in the country's productive sectors. This innovative tool allows the investor to get all information the need from a single point, with the main goal of improving our business climate and investment flows, and working with the various institutions to provide an efficient and transparent service.
- Hub of the Caribbean: This project greatly supports the development of our infrastructure, a keystone for

attracting FDI. Our convenient location represents an opportunity that provides the country the potential to become a trading hub in the Caribbean, enhancing the benefits of our advanced logistics and transportation infrastructure.

- Promotion in local and international events: Through a scheduled programme, we are participating in many local and international events such as fairs, business forums, exhibitions, and other activities that aim to promote our country.
- The "Invest in the DR 2014" Summit: Last September we hosted the largest investment event ever held in the Dominican Republic and the Caribbean, presenting our numerous investment opportunities to foreign investors from over 40 countries and focusing on our main sectors such as tourism, energy, infrastructure, agribusiness, manufacturing and services.

How have the country's exports held up in the face of the economic slowdown and stagnation witnessed recently in many of its traditional markets? Which countries are you particularly targeting as potential drivers of future growth?

From 2010 until last year, we experienced significant growth of our total exports year on year, reaching US\$9,919 million in 2014. This year, we are focusing on expanding our exports to different markets, such as Russia, the Caribbean and Canada; as well as expanding our position in traditional markets such as the USA and Europe. To achieve this, we are implementing a strategy oriented at improving training programmes for producers and exporters with export potential in order to create a better-integrated national export culture.

What is the government's strategy for moving the DR further up the value chain?

We have been able to successfully achieve an important reduction in the country's trade deficit, accompanied by an increase in national production and the promotion of exports. In line with this strategy, we aim to promote the connections of our producers with better technologies, training, exposure and connections with more sophisticated markets, implementing capacity-building programmes, and creating added value that enables the value chain to rise from within the companies themselves. We are also working with groups of producers so they can better understand the advantages of a value chain core.

The DR remains the leading economy in attracting FDI in the Caribbean, and one of the top ten in all Latin America

How would you describe the economic relationship between the UK and the DR? Where do you see the greatest opportunities for its expansion?

The Dominican Republic and the United Kingdom share a strong commercial relationship. Our trade has grown year on year since 2011; the United Kingdom imports Dominican agricultural products, specifically fruits and organic fruits, and our world-class rum and cigars.

Regarding investments, over the last decade, and according to our Central Bank statistics, the registered investment from the United Kingdom in the Dominican Republic amounted US\$861.5 million, representing 4.5 per cent of the total FDI received in the country during this period. This was distributed in the film industry, financial, commercial, services, energy, pharmaceutical, infrastructure and manufacturing sectors, among others. This includes more than 20 British companies that are currently investing and doing business in the Dominican Republic.

We truly believe there is a great potential for trade and investment between the Dominican Republic and the United Kingdom, and we are currently dedicating our best efforts, supported by the Dominican Embassy, to promote the opportunities that our country has to offer.

You are due to chair a panel on Doing Business in the Dominican Republic as part of Dominican Week in the UK. Which sectors and thematic areas will you be focusing on?

Broadly speaking, we will be focusing on the following:

- **Tourism:** This is an important source of income in the Dominican Republic. Last year, visitors from abroad spent US\$5,090 million in our country. The Dominican Republic has a strong and growing global market with visitors predominantly from USA (33.8 per cent), Canada (14.6 per cent), Europe (24.1 per cent) and other markets (27.5 per cent). Last year, the tourists received in the Dominican Republic represented 26 per cent of the total number of tourists in the Caribbean, with more than 5.1 million visitors during 2014. The tourism industry also remains one of the main job-generating sectors of the Dominican economy, creating more than 57,000 direct jobs.
- **Renewable Energy:** Energy production is one of the most profitable businesses in the Dominican Republic, combined with the legal incentives for the development of diverse projects of renewable energy. With the approval of Law 57-07, on Incentives for Development of Renewable Energy Sources, the Dominican Republic has laid the foundations to make the country self-sufficient in a short timeframe, in the field of electric power generation without causing serious damage to the environment.

- **Transport & Logistics:** The Dominican Republic has the second-best transportation infrastructure in the whole of Latin America, and one of the best-quality paved roads and air transport. Its air transport infrastructure and ports include 8 international airports, 12 ports and 4 cruise ports that connect quickly and safely across the country, reducing the time spent on logistics operations. Also, the Dominican government has recently inaugurated a second metro line, contributing to the modernisation and improvement of the public transport system.

- **Telecommunications:** The Dominican Republic has the most advanced and modern telecommunications infrastructure in the Caribbean region, and one of the best in Latin America. Holding the 4th position in all Latin America and the Caribbean, with the largest index of broad-band development, number one in the liberalisation of telecommunications, and is the country with the greatest development of internet use in the region.

- **Contact Centres & BPO:** The contact centres industry represents a dynamic activity in the Dominican Republic, with 102 contact centres, generating about 35,000 direct jobs at national level.

This sector also offers increasing opportunities to the young people of our country, impacting significantly on the competitiveness of the sector and making the Dominican Republic the leading country in the Caribbean in the contact centres and BPO industry. The most recent publication of the English Proficiency Index (EF EPI), an annual report made by Education First, positions the Dominican Republic as the second country in Latin America and the Caribbean with the best English as a second language.

In addition, the Dominican government has promulgated the Law 172-13, for Personal Data Protection, providing the contact centres and BPO industry with a valuable platform to promote the Dominican Republic as a reliable destination for managing and processing data.

- **Film:** The country offers great business opportunities in this sector. With strategic joint ventures, the Dominican Republic has become one of the main destinations for film production and one of the most cost-efficient destinations for filming in the Caribbean. The Dominican legal framework provides, through Law 108-10, a set of incentives that give investors access to the high-quality production services required to fulfill all aspects of the production needs and contributes to invigorating the film industry in the country. The incentives provided in this law allow a fiscal credit of up to 25 per cent of all expenditures undertaken within the Dominican Republic, while also granting income tax exemptions for investors and temporary admission of filming equipment.