



**ADOZONA**

# **Dominican** Republic is recognized as a World Class Tourist destination



*Cayo Levantado, Samaná*



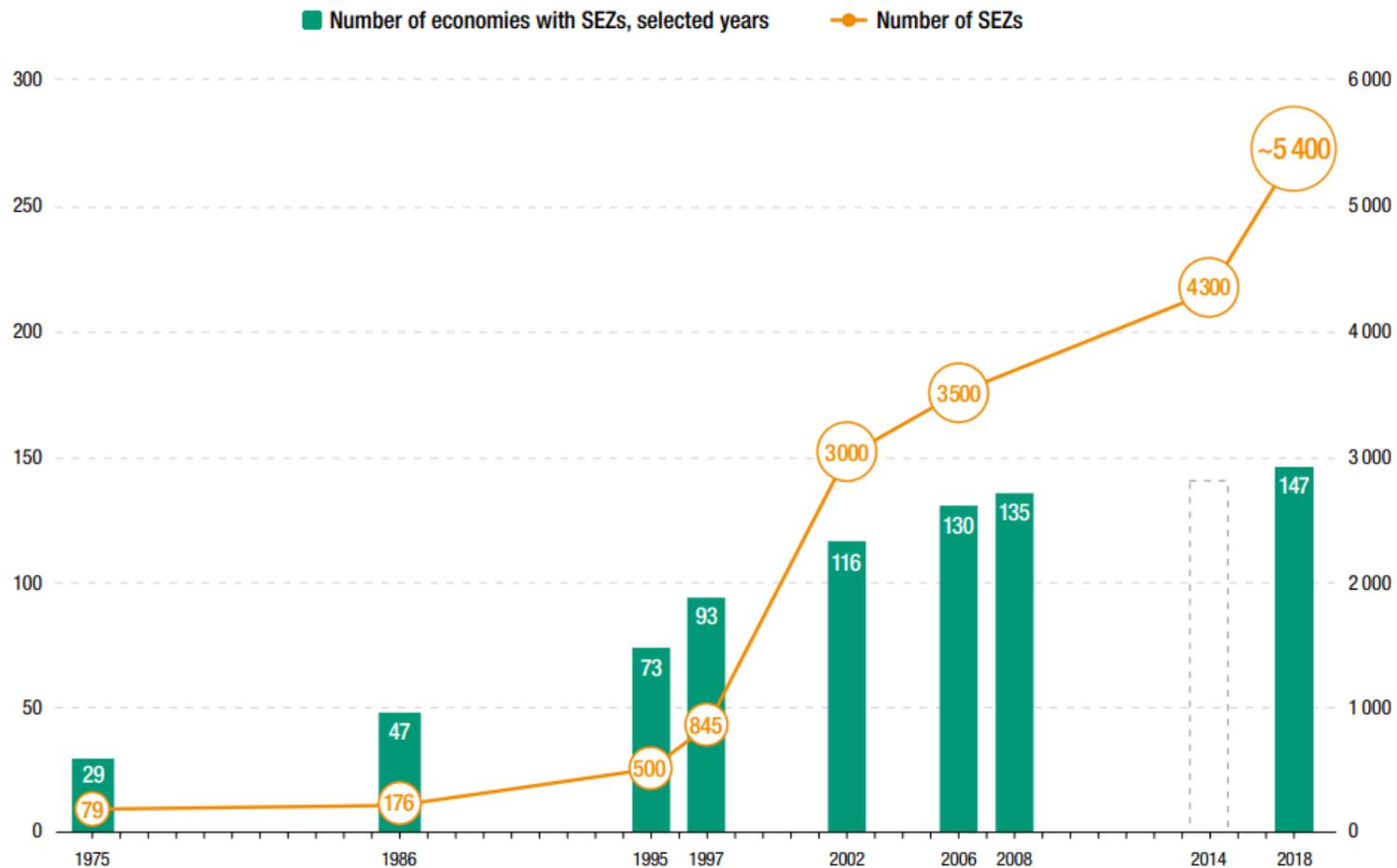
But it is also a **regional hub** for manufacturing, logistics and services



# Historical Trends in Free Trade Zones

## Number of Countries and FTZs

Figure IV.1. | Historical trend in SEZs (Numbers of countries and SEZs)

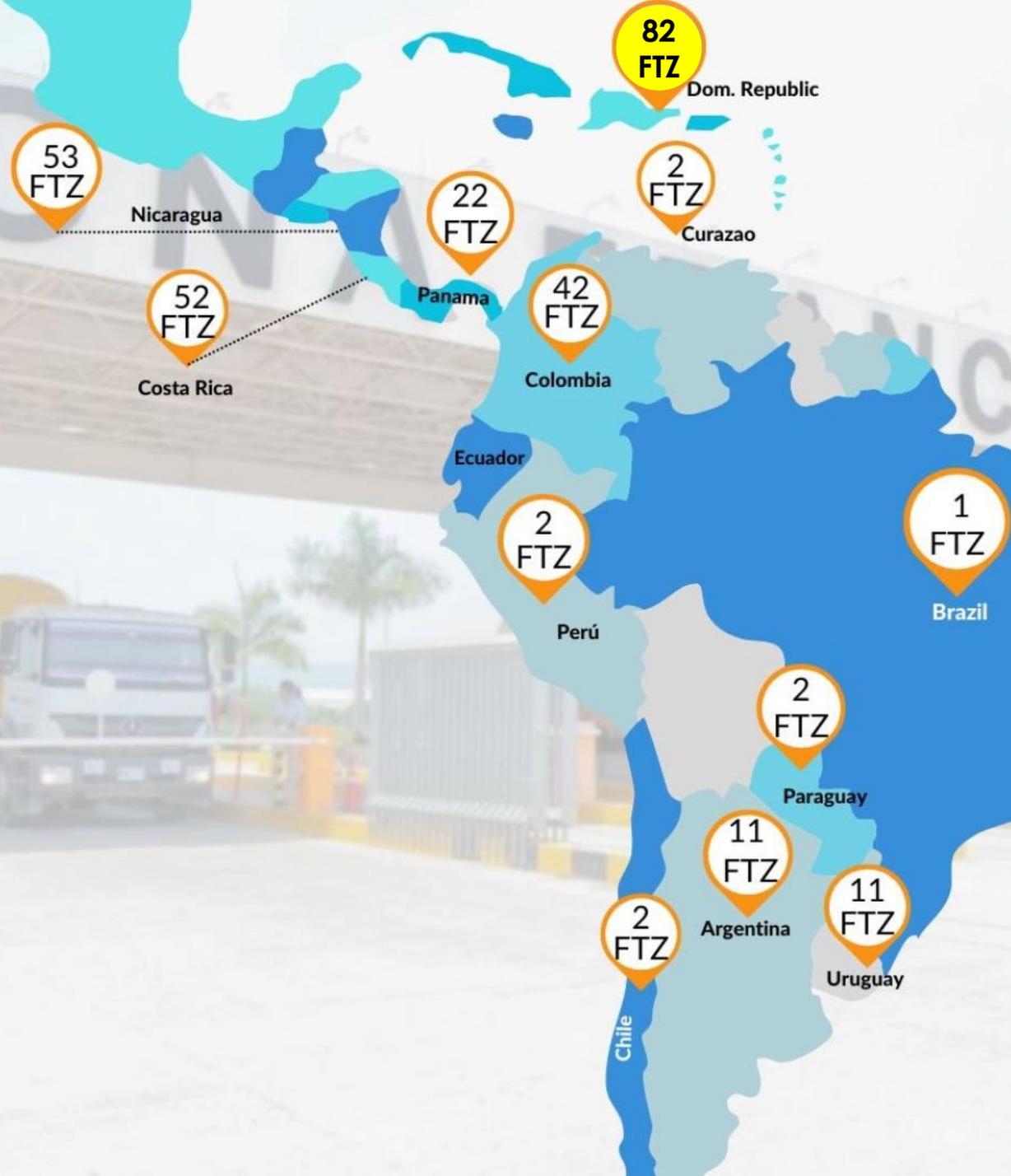


Source: UNCTAD.

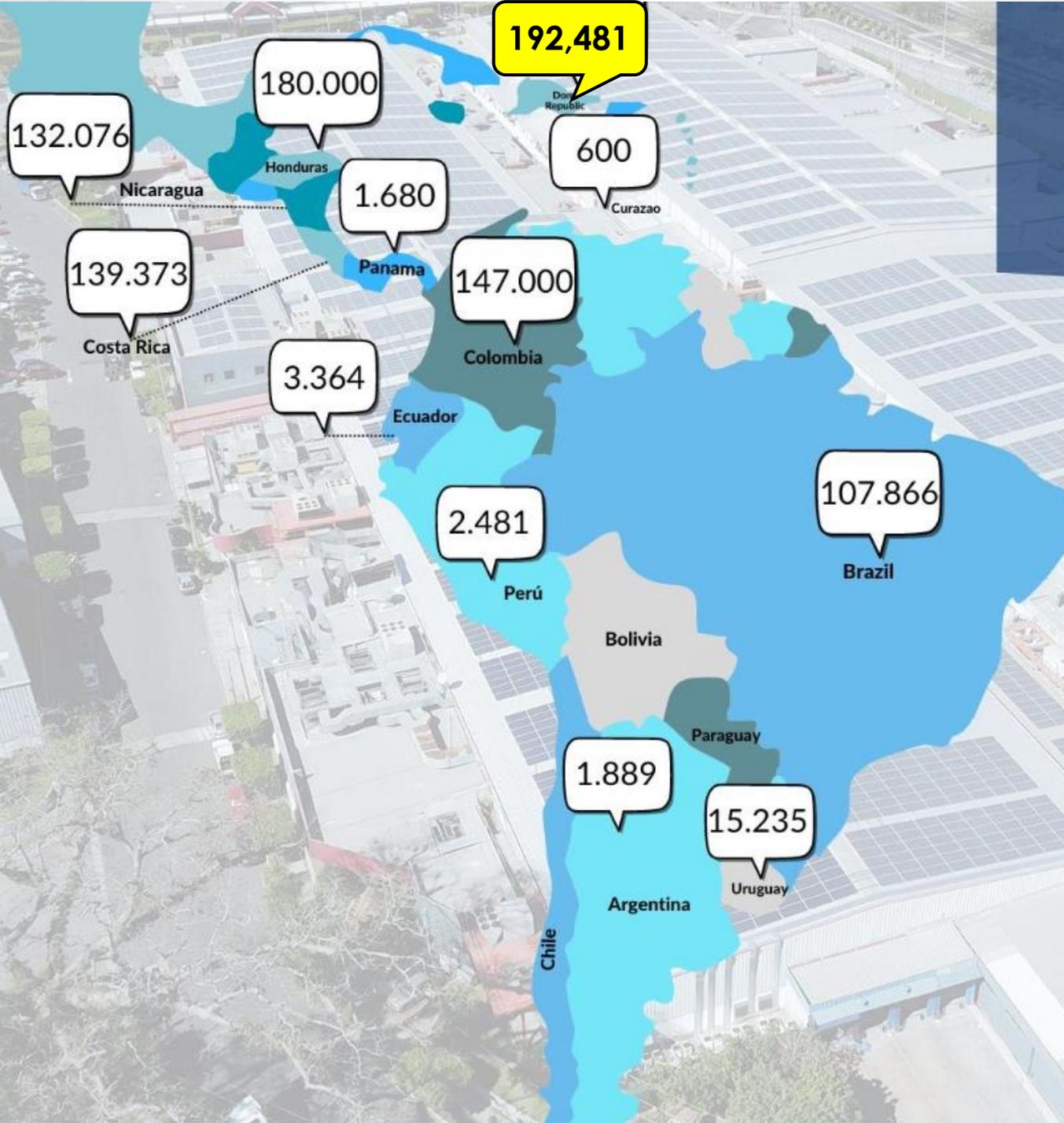
Note: The trend is indicative only. Historical estimates are based on ILO (2014) for 1975, 1986, 1995, 1997, 2002 and 2006; FIAS (2008) for 2008; *The Economist* (2015) for 2014; and UNCTAD for 2018. Scope and definitions of the various estimates across years may differ.



# 705 FTZs LATAM



# 1.180.000 Direct Jobs



# WHY DOMINICAN REPUBLIC?



## ECONOMIC & POLITICAL STABILITY

The DR is one of the fastest growing economies in the Latin America, recognized for its political and social stability.



## CONNECTIVITY

The country has one of the best logistics infrastructures in Latin America, including 9 international airports and 13 seaports, with access to the main destinations in the world.



## HUMAN CAPITAL

Great source of talent in the technical and professional areas, undergraduate and graduate, focused on STEM and administrative careers.



## TRADE AGREEMENTS

Free trade agreements with more than 40 countries, allowing access to more than 1,000 million consumers around the world, including the United States, the European Union, America Central and Caribbean.



## LICENSES & PERMITS

The process of application, approval and installation of free zone companies in the Dominican Republic is characterized by being agile and expeditious.



## FISCAL REGIME

100% exemption from municipal and national taxes.



# 100%

Exemption from national and municipal taxes

- Income Tax
- Value added tax (ITBIS)
- Import taxes
- Selective tax on insurance, fuel and others
- Tax on patents, assets and wealth

Exemptions applicable during the entire period of operation of the company, renewable every 15 years.

# Dessert Economy



Cacao



Coffee



Sugar

TRANSITION

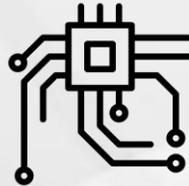
# Manufacturing & Services Economy



Medical Devices & Pharmaceuticals



Textile & Apparel



Electric & Electronic Devices



Jewelry



Cigars



Agroindustrial Products



Logistics



Contact Centers & BPOs



# 2022

## Free Zone Indicators

**US\$7,767.7 MM\*** ▲ 9%  
Free Zone Exports  
(2021)

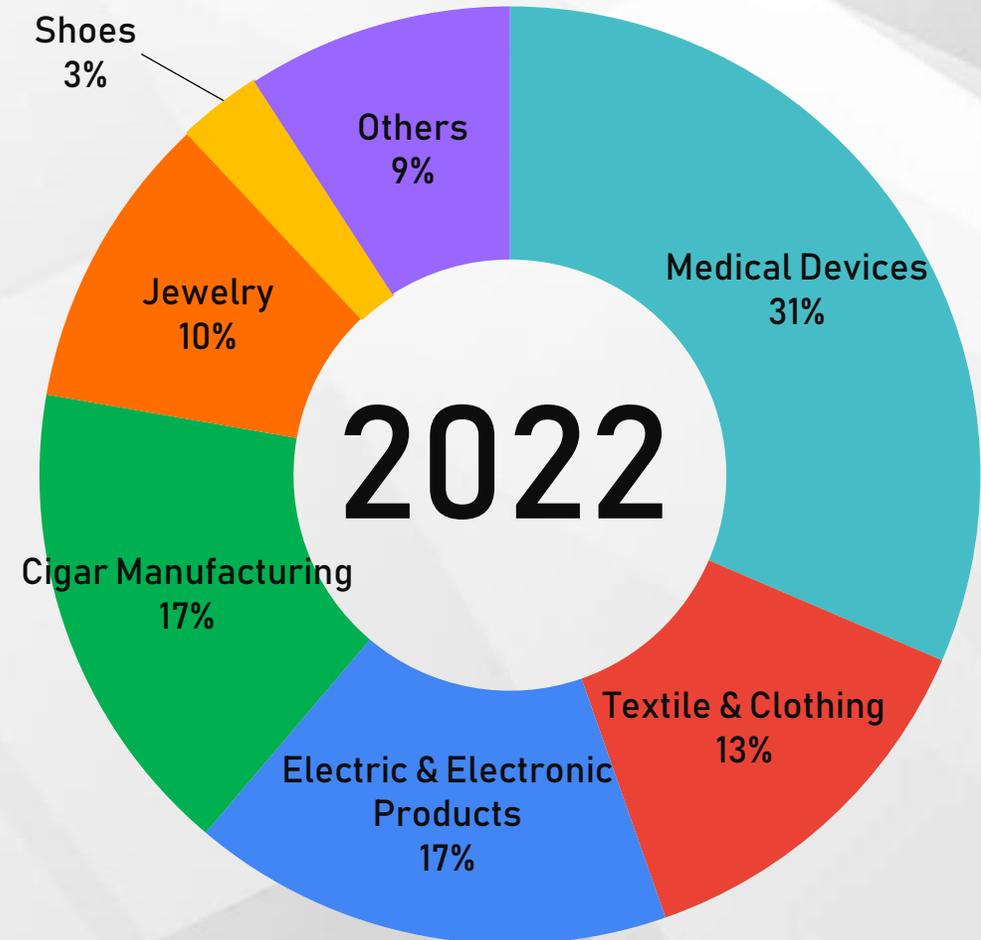
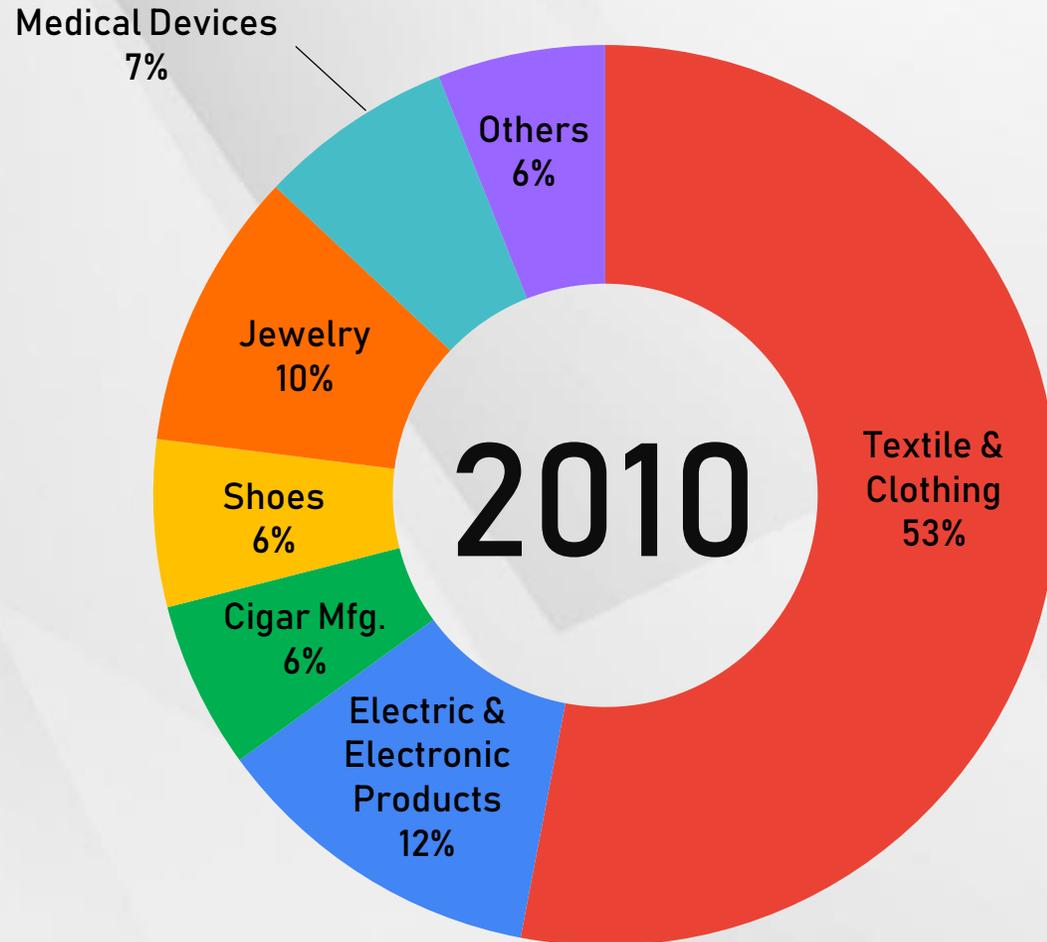
**192,481** ▲ 5%  
Jobs  
(2021)

**784\***  
Companies

**82\***  
Industrial Parks

*\*Historic Record  
Source: CNZFE (2022)*

# DR Free Zones Exports Manufactured Products Diversification



# FREE ZONE EXPORTS IN 2022

(In US\$ MM)

| Activities                                  | 2021           | 2022           | Growth %    |
|---|----------------|----------------|-------------|
| MEDICAL DEVICES MANUFACTURING               | 1,934.4        | 2,276.5        | 17.68       |
| CIGAR MANUFACTURING                         | 1,200.0        | 1,198.3        | -0.15       |
| ELECTRIC & ELECTRONIC DEVICES MANUFACTURING | 1,153.9        | 1,197.6        | 3.78        |
| TEXTILE MANUFACTURING                       | 778.9          | 952.8          | 22.33       |
| JEWELRY                                     | 778.5          | 743.1          | -4.54       |
| AGROINDUSTRIAL PRODUCTS                     | 294.6          | 317.6          | 7.79        |
| PLASTICS                                    | 134.5          | 215.6          | 60.23       |
| SHOES & THEIR COMPONENTS                    | 201.7          | 205.0          | 1.64        |
| OTHER ACTIVITIES                            | 656.1          | 661.4          | 0.80        |
| <b>TOTAL</b>                                | <b>7,132.7</b> | <b>7,767.8</b> | <b>8.90</b> |

Source: CNZFE (2022)



# Global Leadership



In Global Cigar  
Manufacturing Exports



In Electric &  
Electronic Devices  
Exports



In Medical Devices  
Exports to the US in  
Latin America



In Footwear Exports of  
Latin America



In Wool Coats Exports  
to the US



In Aromatic Candles  
Exports in Latin  
America

Source: CNZFE (2021)

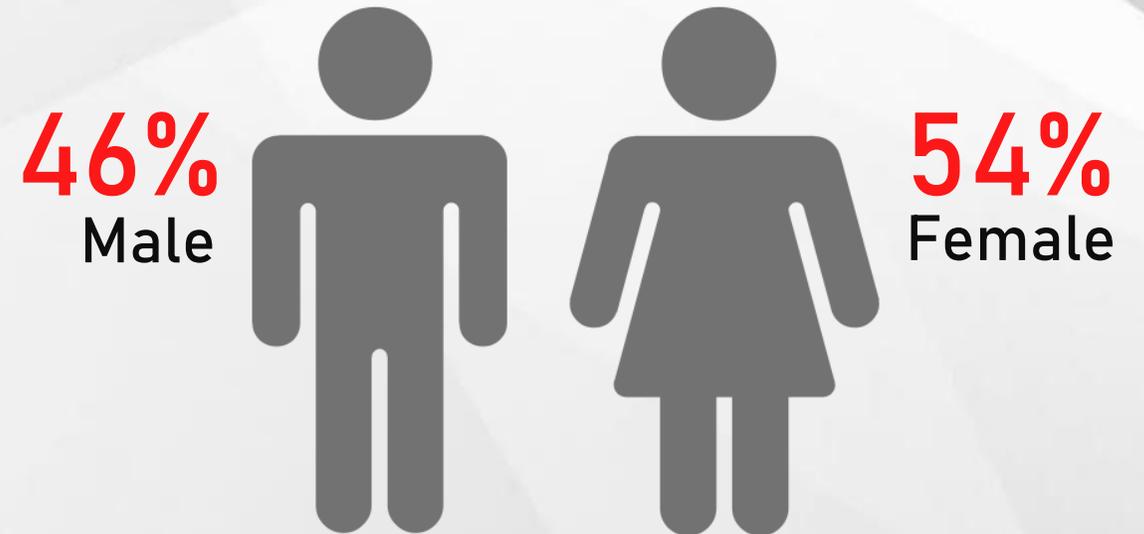


# DR Free Zones Workforce Distribution

## Main Activities

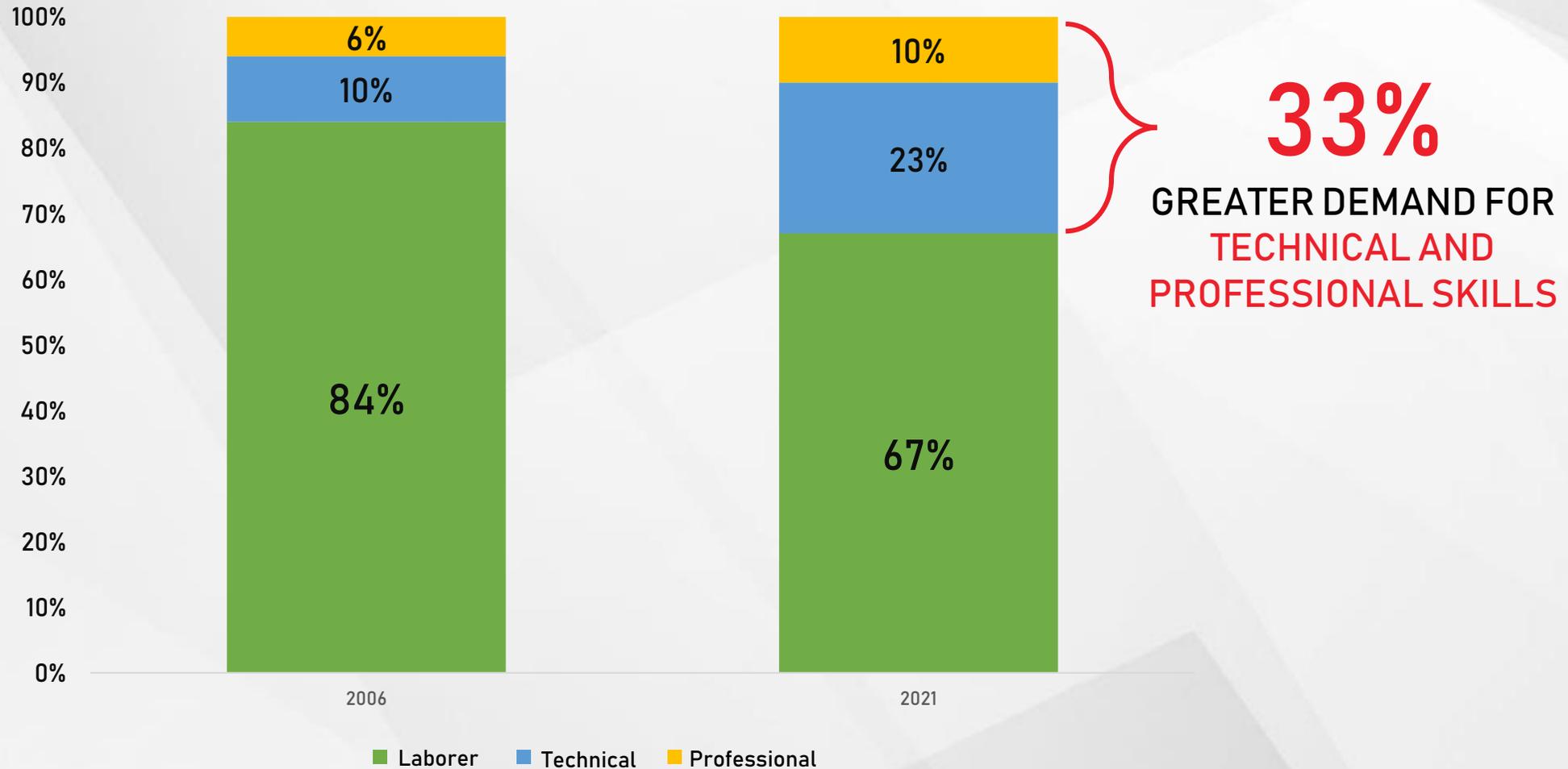
| ACTIVITY                          | JOBS           |
|-----------------------------------|----------------|
| Cigar Manufacturing               | 38,877         |
| Textile Manufacturing             | 35,583         |
| Medical Devices & Pharmaceuticals | 30,404         |
| Contact Centers                   | 30,312         |
| Electric & Electronic Devices     | 11,617         |
| Footwear                          | 7,251          |
| Services                          | 4,857          |
| Agroindustrial Products           | 4,595          |
| Plastics Manufacturing            | 4,335          |
| Cardboard & Paperstock            | 2,623          |
| Recycling                         | 2,390          |
| Jewelry                           | 2,284          |
| Chemical Products                 | 2,180          |
| Logistics                         | 881            |
| Free Zone Operators               | 4,440          |
| Others                            | 9,852          |
| <b>TOTAL</b>                      | <b>192,481</b> |

## Gender



# FREE ZONE EMPLOYMENT DISTRIBUTION

BY OCCUPATION- 2021



Source: CNZFE (2021)



# 2022 Free Zones Sector Textile

**US\$800 MM**  
Projected Total Investment

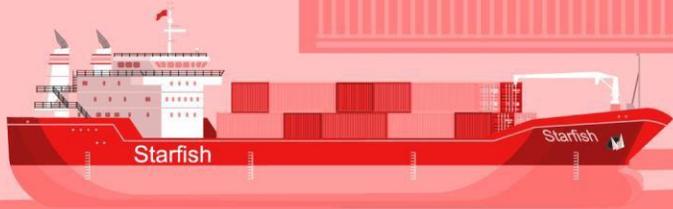
**US\$952.8 MM** ▲ 11%  
(2021)  
Exports

**35,583** ▲ 10.5%  
(2021)  
Jobs

**94**  
Companies

# FREE TRADE ZONES

Opportunities for All



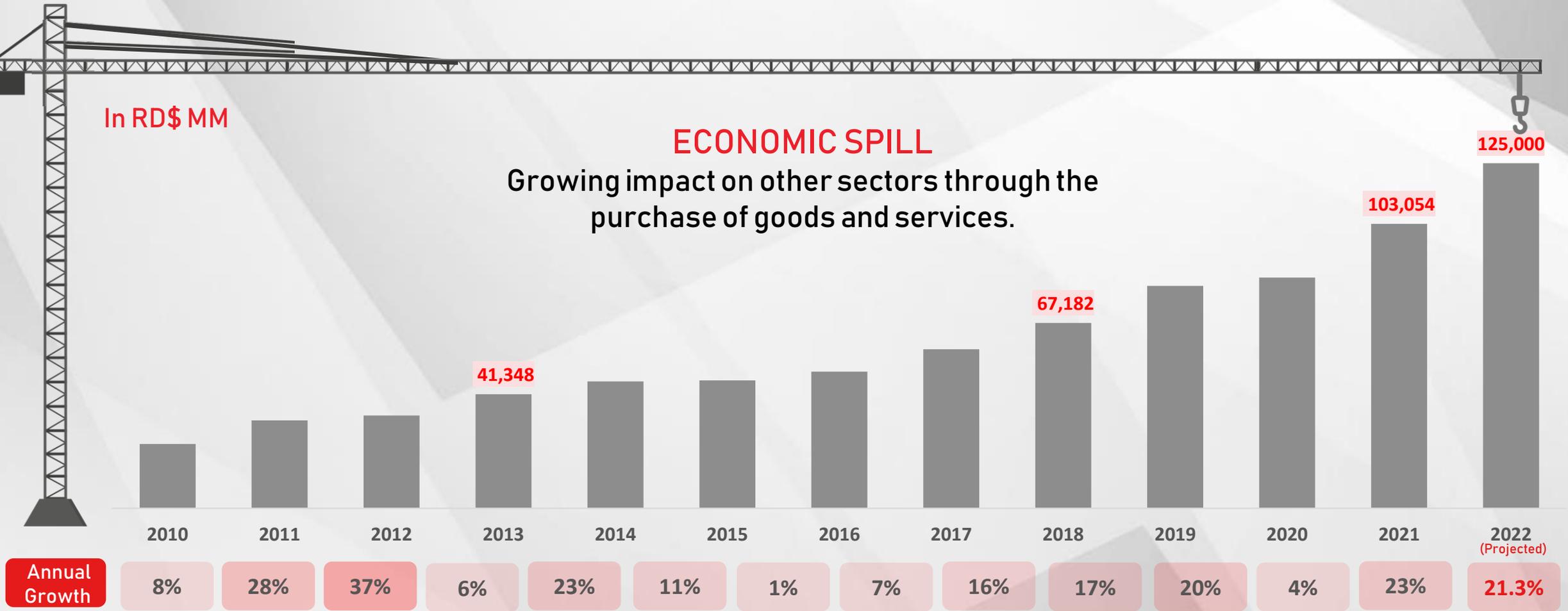
**ANALYTICA**  
INTELIGENCIA ECONÓMICA - ESTRATEGIAS DE NEGOCIO

# LOCAL PURCHASES

In RD\$ MM

## ECONOMIC SPILL

Growing impact on other sectors through the purchase of goods and services.

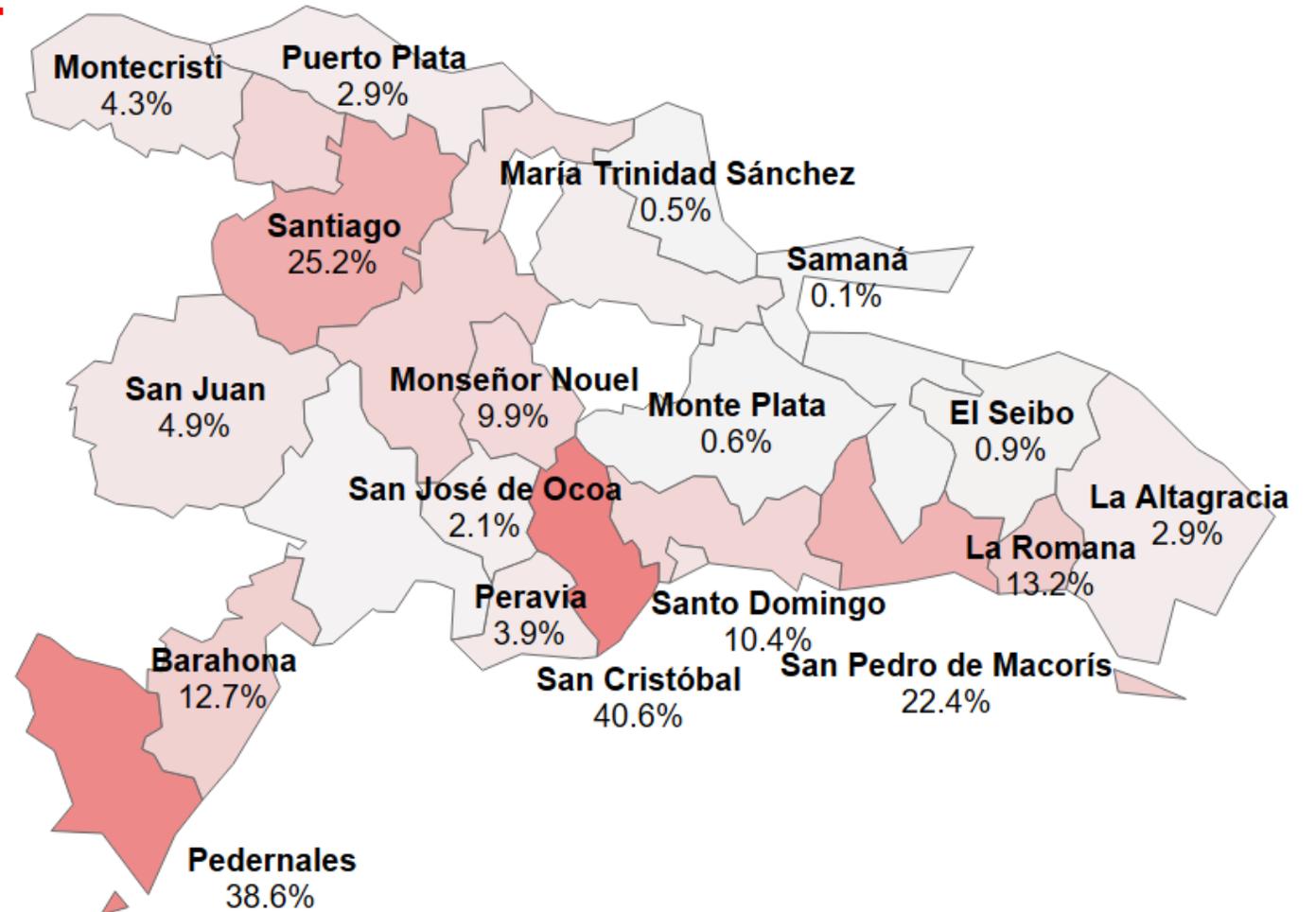


# FREE ZONES EMPLOYMENT

## *% OF FORMAL PRIVATE EMPLOYMENT*

Free Trade Zones concentrate up to **40%** of formal private employment in provinces such as San Cristóbal and Pedernales.

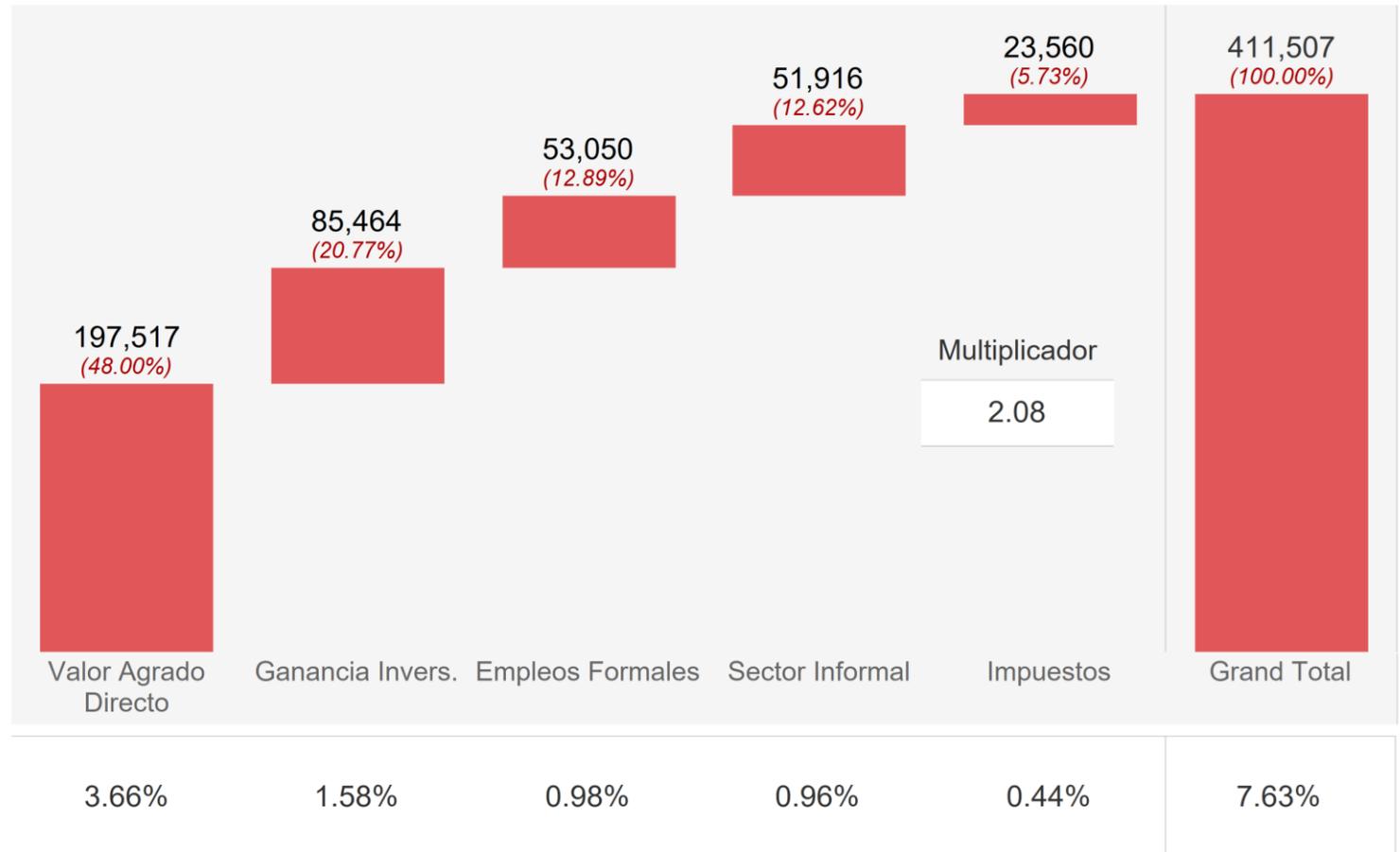
In Santiago and San Pedro de Macorís, free zones represent **25.2%** and **22.4%** of total formal employment.



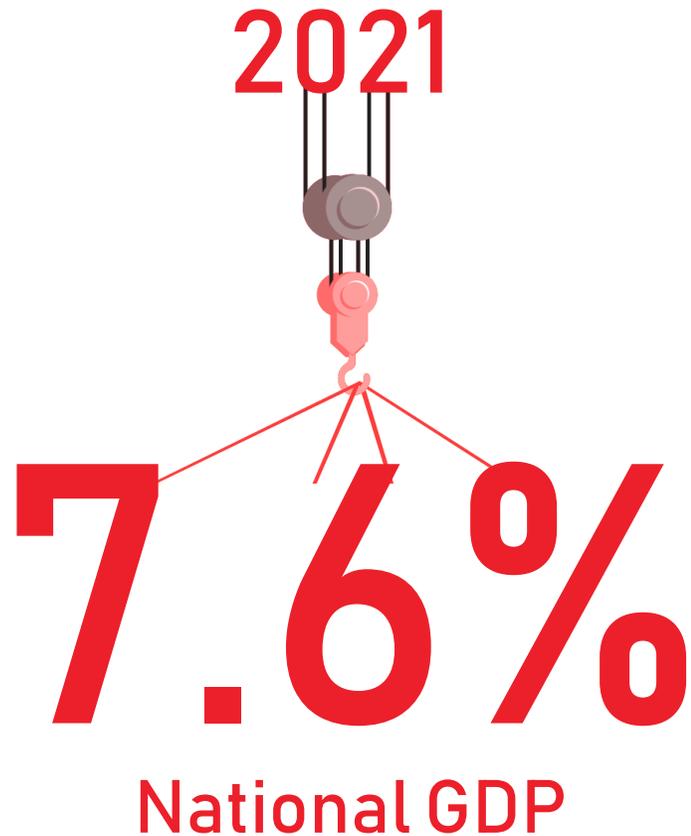
# TOTAL GDP IMPACT

(To Impact Receivers, in RD\$ MM - 2021)

- The spillover effect of Free Zones is distributed throughout the value chain and the purchasing power of employees throughout the chain
- While 48% impacted investors and employees of the sector, 20.7% was received by investors from other sectors, 6% was received directly and indirectly by the treasury and the rest impacted the homes of other formal and informal workers



# DIRECT & INDIRECT ECONOMIC IMPACT



The total impact of Free Zones in the GDP is as follows:

**14x** Estimated Tax Expenditure

Contributing **3%** of household consumption and **8%** of all investments

Additionally, there were **3,822** training actions (5 on average per company) with almost 60,000 graduates



High Value  
Added  
Investments

Attractive  
incentives for  
the IED

*Nearshore*  
Opportunities

Transform the Dominican  
Republic into the  
Logistics Hub of the  
Americas



Fuel Farm

MRO  
(Maintenance, Repair  
& Operations)

Free Zone Park

Logistics Center

## Punta Cana Free Trade Zone

568,000 m<sup>2</sup>

200,000 m<sup>2</sup> of construction

- New pioneering business model, combining the industrial park infrastructure with transportation and air cargo

LOOKING FORWARD...



# Thank you!



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**ADOZONA**