

# **Investment Opportunities**

## **Dominican Republic**

### **Biopharmaceutical Lab**

#### **Overview**

- The Dominican Republic has one of the most solid pharmaceutical industries in the Caribbean and Central America Region, reporting benefits close to US \$440 million a year (2011).
  - Pharmaceutical companies either import drugs or manufacture generics. R&D is not yet established in the country.
  - The project consists in establishing a Biopharmaceutical facility at the Cyber Park of Santo Domingo (Dominican Republic) that will involve production, research, as well as Capacity building/education.
  - Creating a biopharmaceutical R&D facility will result in obtaining new patents for drugs that considerably increase profits in this sector.
  - Developing new pharmaceuticals from this facility in the Dominican Republic will result in great economical benefits for the country derived from local sales and exports; as well as the creation of several jobs and social wealth.
- 
- Total Investment required for this project is around US\$25 million.

#### **Detailed Description of Project**

The Biopharmaceutical facility will consist of two separate institutions that will cooperate together. The first one will be a private pharmaceutical company acting as a co-manufacturer of several Cuban brands of biopharmaceutical and nutritional supplements (already registered in The Dominican Republic); belonging to the companies Heber Biotec, Labiofam, and Biocen.

These products will be sold locally, but also will be exported to other markets. It will generate benefits to cover the R&D expenses.

The second will be a public institution that will function as a research center and university for careers in Biotech. It will have three different functions:

- 1) Provide services to certify the products quality from the client companies in the shortest time with the maximum quality, at the lowest cost.
- 2) Provide technical and scientific education.
- 3) Investigate, develop, and patent new chemical entities and products in the pharmaceutical and personal care areas.

### **Competitive Advantages**

The Dominican Republic offers a sound financial structure with competitive compensation and regulatory cost; a business environment with favorable economic and political stability; sound legal framework; easy culture adaptation and security of intellectual property; and talented human resources with business process skills and low attrition rate.

Among the competitiveness for this project we can mention:

- An increasing pharmaceutical industry.
- A strategic geographical location that can boost the exports to main markets like North, Central and South America as well as the European Union.
- Strong Incentives and special agreements with partner countries.

### **Incentives**

<b>Name of Incentive</b>	<b>Sector</b>	<b>Brief of incentive</b>
<b>Cyber Park of Santo Domingo</b>	<b>ALL</b> The sectors that need to realize activities in the Cyber Park, are exempt from the payment of taxes	The Cyber Park operates under law 8-90, which regulates the activities of Free Trade Zones. This law exonerates all the taxes of exports, imports, re-exports, of all the goods and services necessary to perform different types of activities.

<p><u>LAW 8-90</u></p> <p>Promotion of the Free Trade Zones</p>	<p>Manufacturers of goods and services for exports.</p>	<p>Special regime of customs control.</p> <p>Fiscal Exemptions of up to 100 % in the following sections:</p> <ul style="list-style-type: none"> <li>- Payment of the ISR (revenue tax)</li> <li>- Payment of the tax on the incorporation of companies or of the capital increase</li> </ul>
<p><b>DECREE 950-01,</b> Residence permit thru Investment</p>	<p><b>ALL</b> To grant in a minimal term, the definitive residence to foreigners who make a considerable investment in RD</p>	<p>Conceived with the objective of benefiting foreigners who make a considerable investment in The Dominican Republic, by granting of a special residence.</p>

**Type of Investment Required/Desired Participation**

The project could be constructed with a Joint venture or a Green field investment; it will depend on the capacity and the interest of the investors.

**Contact Information**

Manager, FDI Market Intelligence and Aftercare

Mildred Santos

Manager, New Business / Invest in the DR.

Franklin Lithgow

**Telephone Number:**

809-530-5505

**Fax Number:**

809-534-4447

**Email Address:**

[Mildred.santos@cei-rd.gov.do](mailto:Mildred.santos@cei-rd.gov.do)

[Franklin.lithgow@cei-rd.gov.do](mailto:Franklin.lithgow@cei-rd.gov.do)

**Web site:** [www.investinthedr.com](http://www.investinthedr.com)

## **Ship Cruisers Terminal**

### **Overview**

- The Dominican Republic Tourism sector is No. 1 destination in the Caribbean, with more than 560 hotel projects, 65,000 quality rooms and 18,000 under construction. We received more than 5 Million visitors during 2011.
- The construction of a modern cruises terminal, will occupy 50,000 square meters, the construction will last two years, generating around US\$30 million dollars in its first year in operation.
- The Ship Cruisers Terminal will be located at Maimon Bay, Puerto Plata, Dominican Republic
- The tourism sector, as main source of foreign exchange, make a significant impact to the development of the Dominican economy, in this sense, all investment in this industry is well accepted by the government.
- Total Investment required for this project is around US\$65 million.

## **Detailed Description of Project**

The terminal will positively impact the tourism industry and can simultaneously berth two boats totaling at least 4,000 passengers. This project could generate more than 800 direct jobs and is expected to receive around 250,000 tourists the first years, and more than 650,000 since the second year of operation.

Carnival Cruisers Line signed a Memorandum Of Understanding with a Dominican joint venture partner, Baez y Rannik Corporation, to build the cruise facility. The project will also include an adjacent retail, dining and recreation complex and transportation hub. Pending finalization of all necessary plans and permits, the facility is expected to be completed by fall 2013.

## **Competitive Advantages**

The Dominican Republic offers a sound financial structure with competitive compensation and regulatory cost; a business environment with favorable economic and political climate; easy culture adaptation and security of intellectual property; and talented human resources with business process skills and low attrition rate.

The Dominican Republic Tourism sector offers a large range of advantage for better investment opportunities:

- 65 thousand hotel rooms

- 9 International Airports

*2 in Santo Domingo, Santiago, 2 Samaná, La Romana, Puerto Plata, Punta Cana, Barahona*

- 4 Cruise Ports

*2 in Santo Domingo, La Romana, Samaná*

And others emerging opportunities:

Adventure and Sports, Ecological, Health and Medical, Historical, Film and Media.

## Incentives

Name of Incentive	Sector	Brief of incentive
<p><u>LAW 158-01</u></p> <p>Promotion of the Touristic Development for the Poles of Scarce Development and New Poles in Provinces of Great Potentiality</p>	<p><b>TOURISM</b> Grants special exemptions to companies that are established in the zones specified by the Law.</p>	<p>The companies domiciled in the country that benefit from the incentives of this law, are one hundred per cent (100 %), exempted of applicable taxes.</p>
<p><b>DECREE 950-01,</b> Residence permit thru Investment</p>	<p><b>ALL</b> To grant in a minimal term, the definitive residence to foreigners who make a considerable investment in RD</p>	<p>Conceived with the objective of benefiting foreigners who make a considerable investment in The Dominican Republic, by granting of a special residence.</p>

## Type of Investment Required/Desired Participation

Until now, the project its planned to be constructed with a Joint venture between Carnival Cruise Corporation and Baez & Rannik Corporation, but still we are looking for more partners with interest to invest in this project.

## Contact Information

CEI-RD

Manager, FDI Market Intelligence and Aftercare

Mildred Santos

Manager, New Business / Invest in the DR.

Franklin Lithgow

**Telephone Number:** 809-530-5505

**Fax Number:** 809-534-4447

**Email Address:**

[Mildred.santos@cei-rd.gov.do](mailto:Mildred.santos@cei-rd.gov.do)

[Franklin.lithgow@cei-rd.gov.do](mailto:Franklin.lithgow@cei-rd.gov.do)

**Web site:** [www.investinthedr.com](http://www.investinthedr.com)

## **East Coast Sanitation Infrastructure**

### **Overview**

- The current scheme to supply water and to collect and dispose of waste water from the Hotels and Resorts area is on an individual privately owned and operated facility basis. Outside the resort compounds private citizens rely on on-site storage of bulk purchased water or collected rain water for domestic purposes other than drinking
- The system concept is to provide an adequate flow volume of water at a minimum pressure to the resort or customer property boundary. Potable Water will be supplied from a remote well field located inland. Well field facilities will include cased wells with withdrawal pumps, coarse filtration, disinfection and ground based storage tanks equipped with transfer pumps.
- Treated water will be transported to potential customers via a pressure aqueduct. Storage facilities and pressure pumps will be located as necessary along the aqueduct route to maintain desirable hydraulic parameters.

- The proposed project is located on the Eastern Coast of the Dominican Republic in the Punta Cana, Bavaro and Cap Cana area.
- Total Investment required for this project is around US\$200 to 250 million.

### **Detailed Description of Project**

The following estimates of water demand and wastewater generation are presented as Phase 1 Area and Phase 2 Area.

Phase 1 Area: Phase 1 in concept will supply approximately 22,000 hotel rooms, and an associated surrounding community population of approximately 100,000 persons. Total 5,887,500 Gallons per day of *Potable Water*

Phase 2 Area: Phase 2 in concept will supply approximately 10,000 hotel rooms, and an associated surrounding community population of approximately 25,000 persons.

**Waste Water Generation**: 1,650,000 gallons per day.

The system will be equipped with a simple communication network that will allow operators to monitored system performance and respond to system failures in a timely manner.

Waste Water will be collected at the resort or property boundary and conveyed to a regional treatment facility.

The fee charged to customers for waste water collection, treatment, and disposal will be based on water usage. The fee for treated effluent will be based on the metered volume of product consumed.

It is recommend that a letter of interest from Parsons to prepare a feasibility study for the East Coast Sanitation Infrastructure Program be prepared and forwarded to the Hotel Association through its' President.

### **Competitive Advantages**

The Punta Cana, Bavaro and Cap Cana area has exhibited unprecedented growth of the tourism industry in the past decade. The development of the area as a world class tourist destination, easily accessible to North America and Europe has resulted in the construction of approximately 40,000 hotel rooms along the east coast beaches. An additional 18,000 hotel rooms are currently permitted with local authorities for future construction.



## Incentives

Name of Incentive	Sector	Brief of incentive
<p><u>LAW 16-95</u> Foreign Investment Law</p>	<p><b>All</b> the sectors that planned to invest in the Dominican Republic</p>	<ul style="list-style-type: none"> <li>» Equal Treatment for local and foreign investments</li> <li>» Minimum investment restrictions</li> <li>» Free access to foreign exchange through local banks and the Central Bank of the Dominican Republic</li> <li>» 100% repatriation of benefits</li> <li>» Technology transfer recognized as investment</li> <li>» Free currency conversion</li> <li>» Investment Protection through the Multilateral Investment Guarantee Agency (MIGA) and the Overseas Private Investment Corporation (OPIC)</li> <li>» Founding Member of the World Trade Organization (WTO).</li> </ul>
<p><b>DECREE 950-01,</b> Residence permit thru Investment</p>	<p><b>ALL</b> To grant in a minimal term, the definitive residence to foreigners who make a considerable investment in RD</p>	<p>Conceived with the objective of benefiting foreigners who make a considerable investment in The Dominican Republic, by granting of a special residence.</p>

### **Type of Investment Required/Desired Participation**

The project can be constructed with a joint venture with the resorts on the Punta Cana, Cap Cana and Bavaro area, or a green field investment.

### **Contact Information**

CEI-RD

Manager, FDI Market Intelligence and Aftercare

Mildred Santos

Manager, New Business/ Invest in the DR.

Franklin Lithgow

**Telephone Number:** 809-530-5505

**Fax Number:** 809-534-4447

**Email Address:**

[Mildred.santos@cei-rd.gov.do](mailto:Mildred.santos@cei-rd.gov.do)

[Franklin.lithgow@cei-rd.gov.do](mailto:Franklin.lithgow@cei-rd.gov.do)

**Web site:** [www.investinthedr.com](http://www.investinthedr.com)