Dominican Republic

A Caribbean economic success story

On May 16th President Leonel Fernández was re-elected to office with 53.8% of the vote. His third term runs from August 16th until 2012, and he will continue pushing forward the economic projects that have helped pull the Caribbean nation's economy out of crisis.

According to Jose Fanjul, vice chairman of Central Romana Corporation, one of the island's leading economic entities, "President Fernández's leadership and reassurance has brought a sense of calm. He has been able to instill confidence and goodwill both locally and internationally, which is most important for the sustained growth of tourism and investment in the Dominican Republic."

The third-largest GDP growth in Latin America in 2007 saw international credit ratings improve and FDI and exports reach their highest-ever level, making the DR one of the fastest-growing economies in the region. Tourism is still the flagship of the economy and is expected to generate $17 billion by 2017. The nation is shifting towards luxury and residential tourism, while the telecommunication sector accounts for 14% of GDP.

Closing the digital divide is one of the government's goals, and the Office of the First Lady Margarita Cedeño is in charge of coordinating and executing social programs to empower families. Her achievements were recognized by the International Telecommunications Union (ITU) with the Global Information Society Award 2007 for her contribution to providing technological services to inhabitants of the DR's poorest zones through 135 information technology centres.

Despite the damaging effects of tropical storms Olga and Noel last autumn on infrastructure and agriculture, Eddy Martínez, secretary of state and director of CEI-RD, says "exports in 2007 grew by 47%, exceeding $2.5 billion, which generated $15,000 million in foreign exchange." Developing niche markets in agriculture, with organic bananas, coffee, gourmet and organic cacao, speciality products, premium cigars and rum, is helping to foster the high-quality perception of Dominican branding.

FDI Magazine's "Caribbean Countries for the Future 2007-08" report ranked the Dominican Republic most cost effective country in which to invest in the Caribbean as well as top in terms of the number of FDI deals. The DR attracted $1.4 million in FDI in 2007, twice the amount achieved in 2003.

2007 has proven to be a year of undeniable change and milestone achievements in the Dominican government's external affairs policies. These include the DR-CAFTA with the US and the European Partnership Agreement (EPA) with the European Union. The Dominican Republic aims to become the first industrialized nation in the Caribbean and a new regional power through the rational use of its human and economic resources.

Leonel Fernández
President of the Dominican Republic

The implementation of an aggressive investment promotion strategy and strategic alliances with the main worldwide tourism and production markets, international free trade agreements and commercial treaties in the Americas, Asia and Europe have had a multiplication effect on the economy. The nation has emerged as an important transshipment hub with maritime links to US ports and 9 international airports. Taking advantage of its geographic position at a central point between the US and Central America, the DR's free trade zones offer access to the world's largest markets - the EU and the US.

The government joined the Caribbean Community (CARICOM) in order to form the Caribbean Forum (CARIFORUM) to negotiate closer relations with the EU. The EPA was ratified after three years of negotiations and will boost the nation's exports and attract European investors and tourists. The EU is the Dominican Republic's second-largest trade partner.

The EU receives 28% of the DR's exports, particularly metals and agricultural products. With the EPA agreement in place, 98.5% of Dominican products will be exported tax-free to the EU. Dominican refined sugar will be exported for the first time in history to the EU, although quantity restrictions limit export to 30,000 tons in 2008 and 2009. "From 2015 all DR products will have an unlimited quota to enter the EU market," states Minister of Foreign Affairs Carlos Morales Troncoso. "The EPA is the most modern instrument ever negotiated. Its entire content is a novelty, covering trade, services and investments, including themes related to commerce and problem-solving solutions. It is an important step for the future economic development of the Dominican Republic and her neighbours."

The CARIFORUM – EU Agreement will facilitate a TLC with Haiti within five years. Bilateral relations are strong although the Dominican Republic has recently been the subject of a campaign aiming to undermine government attempts to strengthen bilateral agreements in respect to labour rights issues. There are various social implications in the illegal employment of Haitian migrants living in the Dominican Republic.

According to Mr Fanjul, "It is estimated that there are nearly 1,000,000 Haitians living in the DR. The sugar industry only employs about 1% of these.The campaign against the sugar industry is not coincidental; it is a planned smear campaign. The issues raised are not sugar industry issues, they are immigration issues, which are no different than those that many countries face. Rather than building a wall or fence on the border, the Dominicans have tried to be supportive of their neighbours seeking a better life."

Minister of Foreign Affairs Mr Morales Troncoso comments that, "the aid that the Dominican Republic gives to Haiti is proportional to the territorial area and the GDP of the Dominican Republic, and it is more than the total international aid our neighbouring country receives."

FOR MORE INFORMATION CONTACT:
PRESS TRIBUNE, 405 Kings Road, Chelsea, London, SW10 0BB.
Tel: +44 (0) 207 493 5599,
Fax: +44 (0) 207 629 5825

This report can also be read online:
www.press-tribune.com

TOURISM

The Dominican Republic, your second home

Thousands have already discovered the Dominican Republic's attraction as a destination for their second residence. Now new projects are widening the options available to investors and home-buyers

This year the Dominican Republic is the official country partner at the ITB in Berlin, the world's leading travel trade show, providing the Dominican tourism authority with an unprecedented opportunity to champion the striking and multifarious tourism the country offers. In the last few years, the Dominican Republic has become the number one destination in the Caribbean for tourism - and one of the most popular for buying real estate. The island's beauty, its multiple attractions and the quality of its financial institutions have drawn a number of residents from around the world, especially retirees.

Félix Jiménez
Secretary of State on Tourism

Since Christopher Columbus first landed on her shores in 1492, the Dominican Republic has been welcoming visitors. Today, it is a diverse and luxurious destination offering a medley of Dominican and European experiences. Featuring some of the best golf courses and beaches in the world, the Dominican Republic is the getaway of choice for celebrities, couples and families. Investment in tourism infrastructure on the part of the Dominican government, along with a strong promotional campaign abroad, led to a sharp rise in visitors in 2007. According to a recent report issued by the ministry of tourism, the number of people who last year chose the Dominican Republic as their holiday destination grew to more than 4.4 million. This represented close to $4 billion of revenue bound directly for the national economy - representing close to 20% of GDP. Meanwhile, new real estate projects have boosted the image of the island as the ideal destination for a second home or a holiday retreat.

Last year more than $1.5 billion was invested in new projects, and it is anticipated that this number will increase twofold during 2008. Nearly 4,000 villas and apartments have already been built, with another 2,000 more under construction in locations such as Juan Dolio, which is situated just 45 minutes from the capital Santo Domingo, and only 20 minutes from Las Americas International Airport.

In Punta Cana-Bavaro, high-end projects are underway. Cap Cana, which will include three Jack Nicklaus Signature Golf Courses as well as the largest marina in the Caribbean with over 1,000 slips accommodating yachts of up to 250 feet, is one of the most ambitious. Prestigious international firms such as The Trump Organization, Ritz Carlton and Four Seasons have already made a commitment to invest in the project. Samana, on the north east coast, is also being heralded as one of the island's up-and-coming new destinations.

Samana's beauty lies in its simplicity. Here, unspoiled beaches serve as a threshold to vibrant coral reefs, while mountain waterfalls intersect lush rain forests. Traditional tourist destinations like Puerto Plata, La Romana, Jarabacoa and Constanza continue to boast a wide range of opportunities for investors who have developed an attachment to these long-established but still beautiful tourist havens.

The Dominican Republic's political stability, enhanced by the present government, and its economic stability, coupled with one of the highest growth levels in Latin America, are the main drivers behind the diverse development now taking place in the country.

INTERNAL REVENUE ADMINISTRATOR (DGII)

Internal revenue now funds the country

DGII has gone from being an institution with a rudimentary management of domestic taxes to becoming one of the public sector's most credible divisions, competing in terms of technology with the largest companies in the country

In just four years, the Dominican Republic has gone from being dependent on import revenue to being self-sufficient on the income generated by its internal market alone. Between 2004 and 2007, the drop from trade tax revenue went from 30% to 11%. The decision of the government to further open trade through free trade treaties will continue to propel administrative and tax reforms that substitute import taxes for domestic taxes, and strengthen the agencies in charge of internal taxes.

Consequently, the Internal Revenue Administrator (DGII), a division of the tax administration system responsible for the management of domestic tax, is now being reorganised. The modernisation process revolves around four basic pillars that reflect the agency's strategic objectives, and is aimed at ensuring a steady increase in tax collections while providing the government with the resources it needs to maintain the economic stability it has enjoyed in recent years.

These pillars include reducing tax evasion by improving compliance monitoring processes and elevating the perception of risks; creating efficient mechanisms of information for taxpayers and society in general; providing quality service that encourages voluntary compliance and reduces compliance costs; and strengthening internal processes to support tributary functions, such as budgetary administration and the management of human resources.

By curbing tax evasion, DGII is promoting healthy competition based on the principle of equal treatment for all taxpayers. This in turn contributes to the creation of an environment of legal certainty for those doing business in the Dominican Republic. DGII has employed a number of measures to this end such as improving monitoring compliance processes, using computer systems to support control measures and implementing rules on the control of receipts and on the withholding of value added tax, among others.

Juan Hernández Batista
General Manager of Internal Revenue Administrator

Significant progress has been made. Most noteworthy, evasion of Value Added Tax (referred to as ITBIS Dominican Republic) fell from 43% in 2003 to 28% in 2006. The knock-on effect in the rise of ITBIS revenue has been remarkable - it grew faster than the national GDP last year.

To enable efficient mechanisms of information, DGII has included a tax education section on its website (www.dgii.gov.do) that contains all the pertinent information for taxpayers and future taxpayers.

The agency's Virtual Office, which allows citizens to pay their taxes online in a relatively simple and quick operation, is an important part of its drive to increase compliance while reducing compliance costs. In addition, payments may now be made at local bank branches or through Internet banking.

Another initiative aimed at simplifying procedures has been the creation of an online service on the DGII site where citizens may obtain their Fiscal Verification Number, identification that is essential for doing business in the Dominican Republic.

As a result of these measures, electronic transactions at DGII have soared from zero in 2004 to represent nearly 60% of the all tax returns filed monthly today. Finally, in the belief that ethical, unbiased and professional human resources assure taxpayers the law will be applied correctly, DGII has ensured that its staff is technically-qualified.

"In the last three years, DGII has intensified training activities and promoted specialised studies including Master's programs in Tributary Administration and Treasury," confirms General Manager Juan Hernández Batista.

ENVIRONMENT & TOURISM

Roco Ki, the new tropical luxury destination

The eagerly awaited Westin Roco Ki - Starwood Hotels & Resorts' first hotel in the Dominican Republic - will soon open its doors

Roco Ki, the multi-billion-dollar luxury resort and residential development underway in the Punta Cana area of the Dominican Republic, is poised to set a new standard of luxury on the historic Caribbean island of Hispaniola.

"We believe that Roco Ki will not only be a huge success but will pave the way for other upscale tourism projects in the Dominican Republic," says Nick Tawil, president and CEO of Macao Beach Resort, Inc., the lead developer at Roco Ki.

Roco Ki is the only private community in the Caribbean with 3.2 miles (5.4 kilometers) of dedicated coastline where guests and residents enjoy a seemingly endless beach that is just a short stroll or bike ride from every residence. UNESCO (United Nations Educational, Scientific and Cultural Organization) has proclaimed this stretch "one of the best beaches in the world." From surf-sculpted cliffs to tranquil coves to its endlessly shimmering mother-of-pearl beach, Roco Ki is 2,500 acres of indulgent resort seamlessly blended with the natural exotic beauty that is the Dominican Republic.

Roko Ki is set on 2,500 acres on the Dominican Republic's eastern shore, a UNESCO-endorsed site

The Westin Resort Residences at Roco Ki blend tropically inspired architecture with the up-to-the-minute luxury and services for which the Westin brand is recognised worldwide. From beachfront residences overlooking tropical gardens to elegant Cliffside Villas that overlook the Faldo Legacy Course, these Westin residences are designed to appeal to the truly discerning. The Heavenly Spa by Westin℠, set to open at the end of this year, will provide 15 treatment rooms of pampering that are the signature of the Westin brand's premier services.

Conveniently located amid the luxuries of Roco Ki, the Cacique Residences and Golf Villas showcase spectacular views of verdant fairways, the ocean and distant mountains. Spacious terraces take full advantage of gentle breezes and afford the perfect spot for nightly stargazing. Golfers will appreciate the easy access to the fairways and greens, within a few steps of these luxurious island residences.

The Eco Dream Villas have been designed to take full advantage of their astonishing setting within a lush natural environment of natural mangroves. Generously proportioned Brazilian hardwood wrap-around porches increase the living space of these homes. The indigenous Taino culture is reflected in the architecture of these unique tropical residences. Thatched roofs add island charm, and rooftop gardens offer astonishing views. At Eco Dreams Villas, owners will awaken each morning to the soothing and peaceful sounds of rustling palms and vibrantly coloured birds in an environment of mesmerising natural beauty.

An impressive multi-slip deepwater marina and adjacent waterway is currently in the last stages of its approval process. When completed, the full-service marina will showcase an innovative central waterway providing water access between the residential, recreational and shopping areas of the resort. Sheltered and secured from offshore winds, the marina at Roco Ki promises to be a yachtsman's delight.

Just 20 miles from Roco Ki, Punta Cana International Airport receives 260 direct flights each week from the United States, Europe, Canada and South America. This newly renovated and air-conditioned facility has expanded runways to accommodate all types of aircraft, including wide-body jets and charters from around the world.

For more information, visit www.rocoki.com

GOLF

Roco Ki unveils the Faldo Legacy Course, bringing an unprecedented level of golfing excellence to the Caribbean

It is the domain of the nature lover, destined to be the most beautiful course in the Caribbean. The ideal course for avid golfers and beginners alike, with 18 championship holes seamlessly interwoven with the indigenous natural beauty of the land, this is Nick Faldo's masterpiece. the Faldo Legacy Course at Roco Ki takes the Caribbean golf experience to an entirely new level.

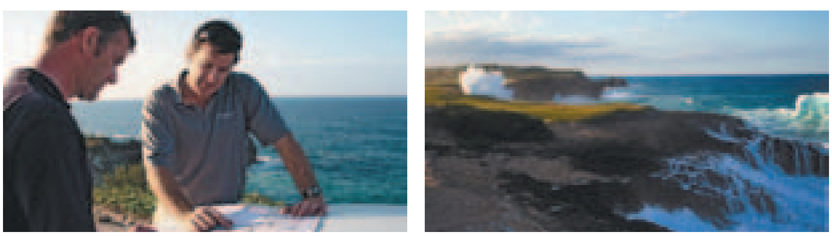
With projects in every corner of the globe, it says a lot that the Ryder Cup European Team Captain and CBS sports commentator chose Roco Ki as his private getaway, as well as the location for the Faldo Legacy Course. "I don't think there are many better places on the planet," he said. "The first thing I noticed, really, was the fabulous coastline. With the colors of the ocean and the sky, it really struck me as a beautiful botanical garden." Arguably the greatest British golfer of the modern era, Nick Faldo's impressive design reflects the adaptability and passion by which he made his name on the golf course. Roco Ki is no exception. According to Sergio Poo, director of golf operations, the course will offer some of the most challenging holes in the Caribbean. "From dunes to mangroves to dramatic cliffs, the course offers three unique environments for golfers to enjoy."

For nearly four years, Roco Ki's Golf Superintendent Damon Di Giorgio has been working full-time to see the course come to life. "After six years in the making, this is the most exquisite course I have ever worked on," he says. "We've planted the course with three different types of grass. Plus, everything here is natural, with nothing that isn't indigenous to the location."

The dramatic 17th tee at the Faldo Legacy Course just happens to be one of the best spots in the world for whale watching. From January to March humpback whales perform an incredible water ballet just a few hundred yards offshore as they make their annual migration through the Mona Passage on their way to the African Coast. With Holes 17 and 18 enjoying comparisons to Pebble Beach and St. Andrews, this masterfully designed course is expected to rank among the Caribbean's greatest championship golf courses, if not the world's.

"Hole 18 is called 'Dos Rezos' or 'Two Prayers' because it goes over the ocean twice," says Nick Tawil, president and CEO of Macao Beach Resort, Inc., the lead developer at Roco Ki. "It is one of six holes that runs the cliffs. In addition, there are six holes in the mangroves, which is a totally different experience, and then six holes that run the four lakes. We believe this will be recognized as one of the best courses in the world."

According to Mr Faldo, "If you don't enjoy playing the magnificent last four holes of this course, you don't enjoy golf. These were designed to offer the golfer everything that's special about this course – breathtaking location, superb golf landscaping, world-class technology and a design that utilizes three different grasses for maximum performance. If your golf game isn't the best, bring your camera – because you'll get a great picture!"



Nick Faldo and design architect Andy Haggard mull over plans for the course - one of the world's finest

FINANCE

The most highly acclaimed economic policy in DR's history

The economic rebound of the country during President Fernández's leadership has been praised as a miracle by the BID

The rebound of the Dominican economy following a paralysing crisis in 2002-2004 has been described as miraculous by the World Bank and the Inter-American Development Bank. From negative growth in 2004, when the Dominican peso fell to an unprecedented low, the country was registering double digit growth by 2006. This year, figures are expected to round out at roughly 8%.

This is startling when one contrasts it with the economic situation in the country just four years ago, and marks the ultimate achievement of President Fernandez and his administration. In January of this year, the eighth and last revision of the country's standby loan with the International Monetary Fund (IMF) took place. The international organisation had the following to say: "The economic recovery of the Dominican Republic has been impressive. The authorities have to be praised for their prudent macroeconomic and financial policies, which have helped to restore and promote economic growth, single digit inflation, debt reduction, a strengthened external position and a stronger financial sector."

President Fernández observes, "In 2007, the Dominican economy reached 8.5% growth, which placed us among the top five nations with the greatest economic growth in Latin America and the Caribbean. With this result, we have accumulated three consecutive years of rapid and sustained growth, which has determined that, between 2005 and 2007, the Dominican economy presented an average growth rate of 9.5%, positioning it among the most dynamic economies in the world."

To fully understand the magnitude of what has been accomplished in macroeconomic terms in the Dominican Republic over the past four years, one must look back to 2003. Undermined by a debilitating crisis in its financial sector, set off by major bank frauds in which billions of dollars were lost as well as lower US demand for Dominican manufacturers, the country teetered on the edge of economic collapse. By July 2004, inflation had increased by 55%, interests rates had climbed to 34%, unemployment levels soared to 20%, and not surprisingly, the Dominican Republic's country risk reached an all time low: CCC. The former Mejía administration was unable to meet the targets for an emergency IMF loan.

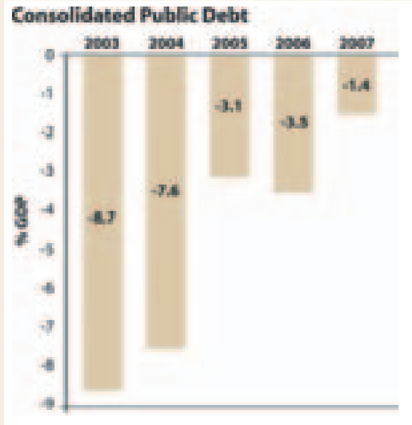
In 2004, President Fernández was elected for a second time, following his first term from 1996-2000. Making short work of a Herculean task, he managed to stabilise the country's financial situation, applying strict fiscal policies that sliced inflation rates down to 6% within a year. The IMF granted approval for the standby loan in January of 2005.

Fernández continued, successfully renegotiating the country's bilateral debt with Paris Club member governments, commercial bank debt with London Club members, and its sovereign debt with a consortium of lenders. By 2006, the Dominican economy was registering 10.7% growth. Inflation was at 5%. By 2007, active interest rates averaged 15.7%, less than half 2004 rates and the lowest in the previous two decades, and the country's net international reserves had reached historic and unprecedented levels, $2.3 billion as compared to $352 million in 2004, leading to the Domincan Republic's international risk classification being upgraded from CCC to B+.

Temístocles Montás
Secretary of State of Economy

Temístocles Montás, secretary of state for the economy, comments, "On the fiscal level, this highlights the responsibility with which fiscal accounts have been managed. For the first time, possibly in the past 20 years, the Dominican Republic has as of 2005 a primary surplus. And the point is not just staying with that primary surplus, but to also create a budgetary surplus, which we hope to achieve between this year and next.

"The clearest evidence of the transparency with which fiscal policy has been handled is the drastic debt drop in relation to GDP growth. When we assumed the country's governance in 2004, the total public debt of the Dominican Republic represented about 53% of GDP. This year, we expect it will go down to about 40%. External public debt, which represented roughly 34% of GDP in 2004, should end up at about 22% of GDP this year. This shows the radical change that has occurred."



While macroeconomic stability now seems assured and growth is back on course, there are challenges ahead. As President Fernández points out, meeting fiscal targets and achieving positive macroeconomic indicators is not the same as putting food on the tables of Dominicans. "We are aware that macroeconomic stability is a necessary but insufficient condition to upgrade the standard of living of the Dominican society. We know that the goal of any economic development plan is precisely to upgrade the living conditions of the citizenship, reduce poverty levels and social inequality and create opportunities for all human beings to have dignified and fair living conditions."

It is true that the financial crisis hit the Dominican population hard. More than one million Dominicans were hurled across the poverty line as a result of the crisis, and those that were already poor were pushed into extreme poverty. In October of 2004, over 40% of Dominicans were living in poverty - nearly four million people - while those living in extreme poverty numbered nearly one and half million. This, according to President Fernández, has been the highest, cruellest and most inhuman cost of the banking crisis. And although this increase had been

SOCIAL POLICY

Higher literacy, lower infant mortality since 2004

"The Dominican Republic is being directed today by a group of men and women who are committed to making sure the country becomes a cohesive society," states Secretary of State for the Economy Temístocles Montás. "That's why we are concerned not only about the economy but also education, health, social security and institutions. We want to build strong institutions that allow this country to be fair, prosperous and governable."

While the Fernández administration was dealing with an economic situation over the past four years so precarious it would have daunted most governments, it did not lose sight of the fact that creating a better life for Dominicans was, ultimately, its motivating factor, and there has been significant progress made in the areas of education, health and social policies.

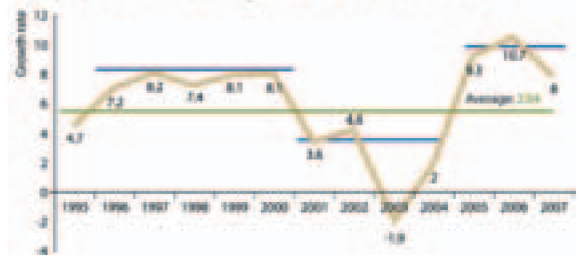
Illiteracy in 2004, for example, was 13%. By 2007, it had been reduced to 10.8%. Preschool education is up nearly 25% over 2004, which means that nearly every preschooler in the country is now enrolled – a figure far above the Latin American average. During the current government, 415 new educational centres with 3,730 classrooms were opened; 4,123 centres with 29,400 classrooms underwent repairs; and teacher training received its highest investment ever.

Likewise, public funding for health services rose by almost 100%, which has resulted in significant decreases in infant and maternal mortality rates, while the number of Dominicans receiving free healthcare has risen from 45,000 in 2004 to more than a million today.

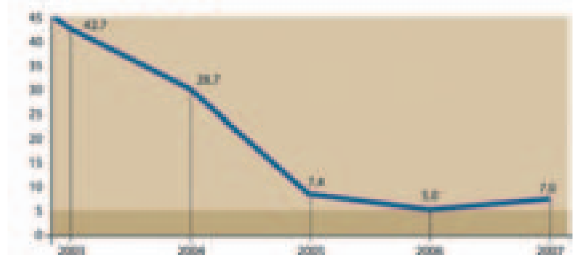
halved by 2006, and more than 400,000 new jobs have been created during the Fernandez administration, the need for positive economic growth to continue is pressing.

There are obstacles to overcome. President Fernández lists the main challenges ahead as the results of the termination of the Multiple Fibre Arrangement in 2005, which eliminated import quotas of textile products to the US; the rise in international oil prices; an increase in food prices due to lower agricultural production in favour of bio-energy production; the frequent and high occurrence of natural disasters in the country, such as Hurricanes Noel and Olga last year, from which the country is still recovering; and the threat of recession in the US economy.

Analysis of annual GDP growth rate (1995-2007)



Rate of Inflation (%)



The Dominican economy has historically been heavily dependent upon the US, its largest trading partner and source of 75% of its export revenues. A second important sector of the economy is the Free Trade Zone (FTZ) industry, which accounted for 70% of exports in 2006. As such, the end of the multiple fabric agreement with the US represented a challenge to the competitiveness of Dominican FTZs, with the country's textile sector experiencing a 17% drop in exports in 2006 in the face of rising Asian competition in the US market. This was offset somewhat by increases in the country's tobacco, jewellery, medical and pharmaceutical exports, and when the Central American Free Trade Agreement – Dominican Republic (CAFTA-DR) with the US goes into effect, it should begin to fuel FTZ growth once again, strengthening the country's position as a regional manufacturing and trade hub.

'The DR should by a developed country by 2032. Our goal is to make it a prosperous, fair and governable country'

"In recent years we have been working intensively with the FTZs in order to recuperate, strengthen and expand them," comments President Fernández. "Looking towards the future, the consolidation and expansion of the FTZ regime will be determined by our capacity to take advantage of the DR-CAFTA and EPA free trade agreements, the application of the national competitiveness plan towards the sector, human resources training, the growth of added value, and the innovation and the integration of local production and services sectors."

Still, service sectors (including tourism and the call centre business) have recently surpassed the country's traditional economic leader, agriculture, as the top source of employment in the country. Furthermore, growth in telecommunications, commerce and the financial sector have all been registering double digit growth (the financial sector grew a remarkable 48% last year).

Today, the private sector produces 90% of Dominican GDP, and as a result of President Fernández's market-driven policies and openness to foreign investment, the country's large FTZ business, its free trade agreements with the US and Europe and its tourism industry, the Dominican Republic is now one of the most highly globalised nations in Latin America. Indeed, as President Fernández has pointed out, the country's growth in 2007 was 50% higher than the regional average, and second only to Panama in Latin America. The Dominican economy is currently Latin America's tenth largest, and this is an impressive feat for a country of just under 10 million people.

FDI levels in the country continue to rise, especially in the energy and tourism sectors. Canada's Barrick Gold Corporation recently announced that it will invest \$2.6 billion in the country, which represents the largest single investment ever made in the Dominican Republic. According to Temístocles Montás, FDI was \$1.3 billion last year, a figure the government is expecting to increase this year.

He adds, "One of the great efforts made by this government has been the removal of obstacles to international trade. We are looking to create the conditions that allow foreign companies to set up in the Dominican Republic. The government is making an effort to create an environment conducive to business. When we took over the administration, starting a business took 78 days, now it only takes 22."

President Fernández says that the country now has enough currency reserves to guarantee its economic stability but to deepen its participation in the global economy, it must diversify its production while developing new markets. "It is very important to diversify trade because until now our main partner has been the US," explains Mr Montás. "We have done well in our relations with the US, and the fact that the Dominican Republic has been the most dynamic economy in Latin America since 1950 has a lot to do with the privileged access that we have had to the US market. However, in order to consolidate the process of economic growth we have had over the last 56 years, we need to diversify our exports."

CNC

DR sharpens its competitiveness

The World Economic Forum, held in Davos Switzerland in February, saw for the first time the participation of the Dominican Republic, represented by Andres Van der Horst, founder and executive director of the National Council for Competitiveness (CNC), where he announced the nation's commitment to achieving higher levels of competitiveness.

The country's target for 2015, as confirmed by Mr Van Der Horst, is that "the Dominican Republic become the third most competitive country in the region," with a sustainable and equitable development platform. Initially conceived in 1998, the plan to place the Dominican Republic at the forefront of regional competitiveness began with the First National Competitiveness Plan, which was later fortified and formally set in motion with the creation of the National Council for Competitiveness (CNC) in 2001, and made a priority in 2004 when President Leonal Fernandez declared that CNC "is a national priority and state policy".

Andres Van der Horst
Founder and Executive Director of the National Council for Competitiveness

CNC's dedication to the task at hand is evidenced by the sheer number of public and private initiatives that have emerged since the country strengthened its competitiveness policy in 2007. Just twenty days after the free trade agreement DR-CAFTA was signed last year between the US, Central America and the Dominican Republic, the National Plan for Systematic Competitiveness (NPSC) was created. Considered by President Fernández to be an "instrument for the nation's development", the national strategy redefines the Dominican Republic's commercial integration.

"This government is aware of the role it must play in the promotion of the NPSC as part of its national agenda," said the President. "With a shift in mentality we can develop a systematic national strategy that can be used as a platform to overcome the challenges of globalization."

Mr Van der Horst adds, "The NPSC is the most complete and realistic plan of action that any Latin American country has created to face the challenges of country openness." He explains that in order to take full advantage of the DR-CAFTA and similar agreements, the government felt that it was necessary to have an 'attack plan', a tactic that will allow Dominican producers to fully exploit the benefits of internationalization.

ENERGY LAW

Eolic energy, solar, biodiesel and ethanol draw more than $2m in investment requests

During the First International Energy Week in Santo Domingo last February, and in line with the government's priority goals of greater energy security and independence, Mr Fernández Zucco announced attractive fiscal incentives for renewable energy ranging from the complete elimination of custom's tax to a corporate tax exemption of 75% to 100%, and 10 years of investment tax exemption.

As happened in tourism in the early 80s, Spanish companies are ahead of the game. Taking advantage of what is known as Dominican oil – the sun, tides, and the wind – the Spanish energy giant Acciona has already expressed interest in investing $475 million in solar and wind energy projects whilst bringing in Brazilian know-how to help with electricity payment collection.

Meanwhile, Fluitecnik Solar has set up base in Santo Domingo's Cyber Park with an investment of $45 million. Its solar panel assembly plant currently produces 12 MGW per year, and this is expected increase to 20 MGW annually by the end of this year. Cyber Park will also feature a solar energy field, built by Rensa at an estimated cost of $47.6 million. Solar heaters are being produced by Isofotón, who has invested approximately $4 million.

Biodiesel production will also play a pivotal role in the nation's development. HISPAROS plans to produce biodiesel (with up to 33% oil content) on 200,000 hectares in its Jatrofha plant. Globasol, a subsidiary of Globalia, a Spanish air travel and tourism leader, will invest $79 million to increase annual production to 60,000 tons.

According to Fernández-Zucco, "These projects will incorporate new, unproductive soils to the production chain, and will increase the labour force in the agricultural industries of the most depressed parts of the country because both sowing and harvest are done by hand." It is estimated that Jatropha and biodiesel-related industries will substantially reduce unemployment levels. Globasol alone will employ 12,000 direct employees.

Elsewhere, J. Zapata will invest $238 million in a solid waste management plant to produce energy and ethanol, while local leaders in the sugar industry, Vicini Group and Central Romana Corporation, have announced a $500 million joint venture for ethanol production.

ENERGY

Renewable energy solutions to help realise the economy's full potential

Ensuring a reliable supply of energy for economic growth and diversifying its oil dependence are major challenges for the sector

Mr Fernández Zucco with President Fernández at the opening of the 1st International Energy Week

Positioned among the top five fastest growing economies in Latin America and the Caribbean, the Dominican Republic is well on its way to becoming a regional powerhouse. Ironically, one of its largest obstacles on this path is, in fact, power. The country's electricity sector has long been plagued by crisis. Regular blackouts, high operating costs for distribution companies, low bill collection and large losses due to illegal connections are par for the course in the struggle to supply the nation with adequate electricity. The government has been burdened with heavy subsidy costs, which reached $700 million last year, and the World Bank has said it plainly – the complete revitalization of the economy depends greatly upon a sound reform of the sector.

Arístides Fernández Zucco
Secretary of State

In 2006, sector authorities, lead by Arístides Fernández Zucco, president of the National Energy Commission (NEC), designed a comprehensive plan for 2006-2012 aimed at reducing tariffs, increasing efficiency and boosting financial sustainability. The plan calls for the construction of new coal plants, the addition of new hydroelectric capacity, and the promotion of renewable energy sources.

"We will resolve one of the largest illnesses of Dominican society of the past 30 years by 2012 – blackouts," the President said in his state of the nation address this year. Since his administration came to power in 2004, distribution, which is at the heart of the electricity crisis, has been increased from 8.1 million KW per hour in 2004 to 9.8 million KW in 2007, and losses have been reduced by 34%. Red Eléctrica Española is helping to put an end to energy losses, shielding the network by measuring consumption and immediately cutting supply if manipulated. Energy thieving is penalized, and distribution companies sanctioned if they charge for electricity that is not consumed, either in quality or quantity.

More than $70 million has been invested to reinforce the country's overloaded transmission lines and in new sub-stations while an 'electric highway' is now under construction between Santiago and Santo Domingo. Mr Fernández Zucco says, "As a net oil importer, the Dominican Republic relies on oil supplier nations for 80% of its needs. The cheapest barrel the Dominican Republic can buy is the one that is not consumed."

To reduce oil dependence, seven new hydroelectric plants, which are expected to boost capacity by 50%, are now being built, and two new 600MW coal plants are in the pipeline. "It is imperative that the Dominican Republic revises its energy matrix, 80% of which is composed of oil derivatives, which makes our energy bill unaffordable and unsustainable. One out of three US dollars exported by the Dominican Republic is now being assigned to the oil bill," says the NEC president. He believes that Law 57-07, drawn up in collaboration with the National Renewable Energy Center of Spain, which works as advisors to NEC, to offer incentives for renewable energy exploitation, "will lead the country to change its energy matrix to 25% of renewable energy in 15 years time. "

INCREASING ITS INTERNATIONAL PRESENCE

Energy and sustainable development

In February, the Dominican Republic became a member of the World Energy Council, reflecting the country's focus on energy supply, its quest for alternative energy sources and President Fernandez's efforts to secure a more prominent position for the country on international forums such as the International Energy Council, the Energy Mesoamerican Integration Program, and the Latin American Energy Organization.

Arístides Fernández Zucco, as president of the country's National Energy Commission, has keenly assumed his role as 'energy ambassador', encouraging the advance of new technologies in the international energy sector and emphasising the importance of energy in developing countries.

Presenting a proposal before UNESCO that prioritises energy as an indispensable factor in human development, Mr Fernández Zucco urged the global community to give more weight to energy in development policies. He comments, "We have suggested that the agro-energy industry or bio energy production be given the same level of importance that education or health are given because it is impossible to have adequate education or health systems without energy. Renewable energy can positively contribute to development."

ENERGY

National energy leader explores new power sources to boost electricity sector

Coal, natural gas and renewable energy generation projects are shuffling the nation's generation capacity

Tito Sanjurjo, member of the executive team of Basic Energy Group, which has assets that include Consorcio Energético Punta Cana-Macao (CEPM), Compañía de Electricidad de Bayahibe (CEB), Compañía de Electricidad San Pedro de Macorís (CESPM) and Empresa Generadora de Electricidad Haina (EGE Haina), believes the salvation of the DR is renewable energy: "Due to the lack of large sources of water, oil or gas, the costs end up being extremely high. The Dominican Republic is one of the places where renewable energy has a financial feasibility unthinkable for other countries where energy is cheap. It would be a real oxygen infusion to the system, and bring life back to this country through a very low budget structure," he states.

Basic Energy has taken the lead and already started its first wind energy project on the southwestern coast of the DR. Juancho Los Cocos will provide 120 MW with 55 planned towers, and will save 400,000 CO2 tons per year. Sanjurjo comments how wind energy is a clean solution to the country's energy problem, with no side effects.

"Although ethanol is a source of renewable energy, it requires a whole process of growing sugar cane and a process of turning it into ethanol; ultimately, it is fuel to be burnt. The advantage that wind power has over ethanol is that it can be produced constantly as long as there is wind. Wind energy has no environmental impact, a very low maintenance cost and it doesn't cause erosion like monoculture does. The disadvantage is that when there is no wind, power can't be produced. One source of energy is a counterpoise to the other," he says.

"Basic is the most important energy group in the DR, and we want to become the largest in the region. The interest to diversify has made us more innovative, helping us to become pioneers in production of charcoal energy and wind energy."

Basic Energy wind turbines are unloaded at Caucedo Port

In an attempt to use more efficient and cheaper fuels, EGE Haina has ratified an MOU with the world's 5th largest energy producer, the Korea Electric Power Corporation (KEPCO) to build and operate a $500 million coal plant, which is expected to be fully operational in 2011. The new plant will add 240 MW to EGE Haina's 600 MW of installed capacity. The Group's energy matrix will be supplemented with the 300 MW conversion to natural gas from CESPM.

With investments in Jamaica and Panama, more than $550 million in revenues per year, Basic is also the first energy supplier for the hotel industry on the country's eastern shoreline. "Basic Energy's strategy is to become a regional leader in the Caribbean and Central America," says Sanjurjo, adding that the group has planned a joint venture in Haiti to build a generation plant that will supply 20% of the neighboring country's needs.

"Basic Energy has already demonstrated its know-how in the region. We are also demonstrating our leading technical capacity in the industry. All of the technical indicators in our plants are at international levels. We have prepared ourselves and our people to compete in a global market. This is what we can offer a foreign investor looking for a local partner." ●

METRO

Santo Domingo subway, the Caribbean's first island underground

The Dominican Republic made headlines and history earlier this year when Santo Domingo inaugurated the Caribbean's second subway system (the only other underground system is in San Juan, Puerto Rico) and its first island underground. On February 27, Dominican President Leonel Fernandez officially opened the first phase of a 16-station line that will be fully operational by the end of this year, and which forms part of a National Master Plan to improve transportation in the country.

The $700 million project, first announced in 2004, includes nine miles of tracks and 16 stops, ten of which will be underground, and will run from the north of the capital city across Isabela River to its central downtown area along the seafront. The electric trains are operated on elevated, hidden tracks, and the new system includes its own independent generator to avoid electricity cuts.

The new subway operates with electric trains

The Santo Domingo Metro System, which will eventually have three lines and carry some 75 million passengers per year, is a signature project of the President, who spent a great deal of his early life in New York and who understands the importance of a modern urban transport system. The new metro will significantly cut down on traffic congestion, a critical problem in the growing city of nearly three million. ●

VICINI GROUP

148 years of commitment to the Dominican Republic's development

Vicini Group is synonymous with both DR's history and its development

Legacy and change constitute the defining aspects of the leading group in the Dominican Republic and the Caribbean. An increasingly competitive environment and the challenges of operating in a global economy have converted the family empire into one of the most diversified groups in the region.

The group's legacy can be traced back to 1859, when twelve-year old Juan Bautista Vicini first arrived in the country. A Genovese, he was invited to travel to the Dominican Republic as an apprentice with fellow countryman Nicole Genevaro – an exporter of coffee and sugar – and a few years later, he purchased Mr Genevaro's operations.

Juan Bautista Vicini laid the foundations of the company by acquiring cane fields and sugar mills. His sons further developed the business, buying what is today the company's linchpin operation, the Christopher Columbus mill, in 1921. Forced to deal with the hardships of the Trujillo dictatorship, including having their lands repossessed, the third generation of Vicinis struggled to keep the business alive while in exile, returning to the island to rebuild and diversify in the 1960s.

"The challenge of this current generation is to adapt to change," comments Felipe, who along with his brother Juan, represent the family's fourth generation. Looking to the future and preparing to meet the demands of global trade while leading the group into a new period of expansion and modernization, Vicini Group is determined to stay ahead of market trends.

In this pursuit, the brothers are continuing a process of diversification that flows through the historical artery of the group. "Our group has invested in the Dominican Republic for more than a century," says Juan Vicini. "Our vision now is to do as much as we can to strengthen and further diversify the Dominican economy as it faces up to a new reality. The country is now expanding its markets to create greater economic growth through multilateral agreements."

Vicini Group's participation was key in the creation of many of the country's private banks, universities, companies and non-profit organizations after the Trujillo dictatorship. Today, the group has activities in the sugar industry, finance, tourism, construction, the food industry and the automotive industry. Felipe Vicini concludes, "Our companies have always been the desired partner for both Dominicans and foreigners. We are responsible, innovative and reliable so we are a guarantee of business survival. We also are a source of employment for thousands of workers who are developing the Dominican Republic." ●

INDUSTRY AND ENERGY

Vicini Group explores renewable energy investments

Metaldom is the largest metallurgical company in the Dominican Republic

As with its participation in the sugar industry, Vicini Group's involvement in DR's industrial sector has focused on modernization, making it an innovative force geared towards the development of the industries in which it operates. "We have been involved in heavy industry for the past 35 years," says Felipe Vicini, pointing out that the group manages Metaldom, a leading national steel manufacturer that is currently looking to further expand in the Caribbean basin, as well as Corvi Plastics and PVC and Domincen, a cement and construction materials company.

Rafael Velez, responsible for the group's energy and industry portfolio, explains, "The energy and industry portfolio nowadays represents around 30-40% of the group's turnover, and we have more than $500 million of investment projects in the pipeline." Vicini's sugar mills currently produce approximately three megawatts of power, a figure that the group hopes to raise to a minimum of 30 within three years.

"We are interested in learning new ways in which ethanol is produced and efficient ways of generating energy from biomass," Velez adds.

Vicini Group is planning a $500 million joint venture with Central Romana Corporation in which the companies plan to mill 15,000 tons of cane daily and produce 50 million gallons of ethanol per year. The venture will also generate 30,000 direct jobs on the country's eastern shore.

Vicini also is looking to invest $200 million in a wind energy project, and is exploring different hydrogen and solar energy projects, according to Mr Velez, who says that the expansion of the energy sector represents a great opportunity for Europeans looking for a new base for their industries where energy costs are low. "Our main goal is to establish sustainable economic growth for the Dominican Republic, and in order to do that, it is essential that we provide cheap energy to the population and to industry."●

AGROINDUSTRY

Sustaining development in agriculture

Vicini Group produces 90,000 tons of sugar per year, making it the second largest private sugar producer in the country. Although the group has diversified significantly since the 1960s, sugar remains its main business.

"It is our cornerstone," explains Felipe Vicini. "The question is how we can become more efficient. The sugar industry has become very competitive, and we need to introduce further technological advances in order to compete with the challenges we are facing with DR-CAFTA and the EPA agreement."

This includes further mechanization. Targeting an increase to 150,000 annual tons, Vicini Group has planned to fully mechanize production within five years, meaning an investment of $60 million. Currently, only 35% of the group's sugar is harvested mechanically.

Initiatives such as these have placed Vicini at the forefront of innovation in the sector. In the sugar industry, the group was the first to plant cane fields in economically neglected areas, the first to use fertilizer in its cultivation, the first to introduce harvesting machinery and the first to digitalize manufacturing operations. Vicini was also the first to diversify its crops.

"We were pioneers of diversification in the sugar industry," states Felipe Vicini. "We are a major producer of fruits and tropical fruit seeds for both the national market and for export. We will continue to be pioneers, not only in business but also in corporate social responsibility in the agricultural industry."

Agroindustry products fall under the responsibility of Vicini's Industry and Energy portfolio. The group's Food and Beverage portfolio operates two iconic Dominican companies, Bon Ice Cream and Planeta Azul Water. Vicini's retail business is carried out in association with leading global companies, Hertz and Fiat. Managed by Guillermo Capeans, it was created to mitigate the volatility of other economic sectors at the regional level, and has contributed to a more balanced overall portfolio. ●

The Vicini Group is a leading sugar manufacturer and mass market alimentary producer

Felipe Vicini cuts the ceremonial ribbon at the launching of Cayacoa community masterplan

CORPORATE SOCIAL RESPONSIBILITY

$10 million investment assures the welfare of Vicini's agricultural employees

Vicini is streamlining its CSR approach, setting new CSR standards in an industry that has often been accused of generating poor worker conditions

"We are called to establish a benchmark in the social history of our country. Just as in the past, we were signs of innovation and modernity; in the present, we feel the call to be a paradigm of social development in the region of the Caribbean," Felipe Vicini observed on the occasion of the inauguration of Cayacoa, part of a master development of new residential areas for the Group's sugar industry workers. The plan aims to significantly upgrade living standards for workers, converting the 'sugar communities' into model communities.

In cooperation with the Dominican Institute of Integral Development (IDDI), which has more than 30 years of experience in social development programs, Vicini Group is planning to reorganise its 34 sugar plantations into three main communities for plantation workers and their families. At a cost of $5.3 million, Cayacoa includes a housing complex of 127 residential buildings that will accommodate more than 1,000 people. The community will include all the necessary utility services, as well as recreation facilities, schools, and universal healthcare.

In addition to its sugar community projects, Vicini Group has created a foundation, Inicia, in order to better manage the various social and philanthropic initiatives it has developed over the past 148 years. This more streamlined approach is also apparent in the creation of the group's Intelligence Unit, which is charged with developing a corporate strategy for the main issues affecting the country, which it hopes to be able to implement over the next 15 years with the help of other major private and public players in the national arena.

As Juan Vicini states, 65% of the Dominican population is now between the ages of 18 and 35, and the needs of this youthful population must be met if the country is to move forward. "We must provide all the opportunities that this growing population will demand," he explains.

FINANCIAL SECTOR

Vicini Group leads the way in economic diversification and social commitment

In 2003, Juan Vicini led a $415 million investment in Banco del Progreso in an attempt to save the bank from dissolving as a result of an embezzlement scandal by the bank's president, a situation that was compounded by the collapse of Baninter Group (whose losses totalled $2 billion—equivalent to 80% of the Dominican government's 2003 budget) and the 2003 Dominican financial crisis. One of the largest privately funded bank rescues in global history, the investment represented a loss for Vicini Group, but Juan Vicini says that he saw no other way to proceed, given the urgency of the crisis.

A $450 million investment in Banco del Progreso saved DR's financial sector from collapse

"We felt that it would cost us more not to invest in Banco del Progreso, than to do it," he explains. "Due to the sensitivity of the financial market, an event like that in Banco del Progreso would have probably caused a domino effect, collapsing the financial system. A collapsed financial system and its collateral damage in the economy would have cost all our businesses much more than it cost us to save the bank. In financial terms it made no sense, so we had to look at it as an investment in the country."

The move, however, deepened Vicini Group's participation in the financial sector. Although the group had been pivotal in getting a number of Dominican banks off the ground, its participation in Banco del Progeso was its largest to date. Today, other Vicini-operated companies in the financial sector include Proseguros, its insurance arm, and CAFF, a financial audit firm. Vicini Group is also behind a number of innovative projects such as the Independent Financial Centre of the Americas (IFCA), which will house private and commercial financial institutions as well as the LAIFEX e-exchange, a technological platform for cheaper and more rapid transactions that will facilitate primary and secondary debt exchange at a regional and global level. When operational, IFCA will serve as a capital markets hub for the Americas.

TOURISM AND REAL ESTATE

Ambitious infrastructure and real estate projects boost luxury tourism

Through a series of new projects, Vicini Group plans to launch between 7,000 and 8,000 new residential units spread over 10 million square meters in the next few years. In addition to its participation in Roco Ki, the first branded resort in the country, and Don Juan Beach Resort, both of which promise to add significantly to the Dominican Republic's tourism offer, Vicini is also behind the much anticipated Sans Souci project in the capital, Santo Domingo, and the Vicini family's hometown for more than a century.

The Sans Souci Project will transform the historic port and city of Santo Domingo

A cruise terminal development with marina, seafront residential areas, hotels and a convention centre in the heart of Santo Domingo's old city, Sans Souci will renovate the city's port area, eliminating the river management problems that historically plagued its cruise industry. This will open up a myriad of new tourism opportunities for the city to develop as a unique Caribbean destination for cruise and yachting tourism.

Expected to be completed by 2010, Sans Souci aims to preserve the historical value of Santo Domingo's old quarters, the first city in the Americas. "We are changing the face of Santo Domingo," comments Johnny Acevedo, who is in charge of Vicini Group's tourism arm. "By the end of 2008, construction will begin, and we are open to any investor who wants to talk with us."

Juan Vicini adds that tourism is a sector in the Dominican economy that still has a great deal of untapped potential. "When you look around, tourism here flashes like a lighthouse," he states. "The Dominican Republic is special. One of our attractive differences is the Dominican people themselves, and that is very hard to copy. The nature of the product, the country, complies with all the conditions of having a competitive advantage. It is the perfect spearhead for our national economic strategy."

BRUGAL & CO.

Authentic Dominican rum

The town of Puerto Plata lies on the north coast of the country. Brightly coloured houses form a vivid contrast with the green peaks of Mount Isabel de Torres that forms the town's backdrop, and this beauty along with Puerto Plata's beaches began drawing a contingency of Spanish tourists a while back.

While on holiday there, the Spanish discovered a local indulgence – Brugal rum. A Dominican secret that dominated more than 80% of the market at home, Brugal & Co. had its ageing plant in town, and the family-run company had been making high-quality rum for nearly 120 years on the island. In short, it wasn't long before Brugal was being exported to Spain.

That was ten years ago. Today, 40% of the five million cases the company produces annually is destined for export. Not surprisingly, its top market is Spain, followed by the US. After a $100 million investment to expand production capacity over the past five years, Brugal registered 30% growth in 2006, and another 47% jump was expected for 2007. This means an annual turnover of $530 million, and from 2008, the company is planning to double production yet again.

The only 100% authentic Dominican rum, both distilled and aged on the island, Brugal's success has been closely related to its premium brand. Its European consumers understood 'rum culture', recognizing Brugal's quality and quickly positioned the rum as a favourite for all palates. This is in line with the company's goal to make rum a connoisseur's beverage of choice.

"Consumption of whisky is falling around the world, what is rising is the consumption of premium rum and vodka," asserts Exe. President Franklin Baez Brugal. "We are interested in the selling of a brand."

Back in Puerto Plata, Brugal is still ageing its own premium rum in 250,000 American white oak barrels. Its plant there draws so many annual visitors that Brugal plans to build a rum museum.

Brugal carries out rum tastings around the world where Brugal Rum is tried along with the best Dominican cigars

INDUBAN

Coffee for connoisseurs

The unique topography and climate of the DR create perfect conditions for the growing of some of the finest coffee in the world. The highest peaks in the Greater Antilles tower over sloping, verdant hills where the nutrient-rich soil is conducive to the cultivation of the Arabica beans. This is the origin of 'Café Santo Domingo', the signature blend of Induban, a family-owned business whose 63 years of experience and know-how producing top grade coffee have earned it a 90% share of the domestic market. "Our coffee is unique in Latin America. It has an intense, chocolate-like and fruity aroma that fascinates coffee lovers," says Rafael Perelló Abreu, president of Industrias Banilejas (Induban). "How it is produced is what makes it special."

Among the most modern facilities in the Americas, this family business has been able to cope with the challenges of globalisation by "constantly investing in technology. We have seven factories, state-of-the-art equipment and laboratories that give our product the best possible quality."

Rafael Perelló
President of Induban

Contributing more than 40% to the DR's total coffee exports, mostly destined for Puerto Rico and the US, Induban is now targeting the gourmet European and Japanese market under the name Induban Green Coffee. By exporting the finest non-roasted green coffee beans, Induban hopes to win over a new generation of demanding consumers.

"This project is very special," explains Mr Perelló. "At our farm, we are preparing ecological facilities with the highest standards. We will have a state-of-the-art laboratory and our team there will personally clean the coffee and select the best grains. We aim to reach a production of 4,000 quintals a day, to be sold in 60 kilogram bags."

The process of providing coffee of exceptional quality starts at Induban's greenhouse, where the firm produces 3 million hybrid coffee plants, which Mr Perelló then sells at subsidised rates to growers at a quarter of cost.

"It is a multi-million dollar investment to improve quality and to give something back to our growers," he observes.

Further evidence of the social commitment of the Perelló family is its $6 million Manuel de Jesús Perelló Foundation for community development. Named after the founder of the company, the foundation is located in Baní, and includes a library and conference centre.

RIZEK CACAO

First class cocoa

Rizek Cacao is a pioneer in the international cocoa industry, and the largest grower of organic cocoa in the world. Héctor José Rizek, vice-president of Nazario Rizek, wants to produce the best and finest cocoa in the world, inspiring other Dominican producers to do the same. His grandfather, Nazario Rizek, immigrated from Nazareth in 1944 and started the business, trading in coffee and cocoa. Thanks to constant research and development and stringent standards, Dominican cocoa was officially upgraded to 'fine' by the International Cacao Organization, in line with Mr Rizek's goal of increasing the sector's added value. "Exports mattered to us more in the past; today what matters is the level of improvement in our product."

Cacao has evolved from a mass market commodity to a gourmet product and Mr Rizek is "focused on offering exceptional quality in Dominican cacao." With its own high-end farms, research laboratories and state-of-the-art facilities, Rizek Cacao has also provided service and technical assistance to suppliers, significantly improving crops, yield and the fulfillment of BIO production norms. Disciplined registries of each stage of production are kept in order to have a tracking system with the highest standards in the industry.

Héctor José Rizek
Executive VP, Rizek Cacao

"There are different ways to add value to Dominican cocoa. In the past, people talked about greater industrialisation but the present trend is towards artisan chocolate. We want to sell a tailor-made recipe where each stage of the production process is customised."

The company annually exports 14,000 tons of high quality cacao and its clients include fine chocolatiers from around the world. "Our strategy is to continue investing in research and development to hold our position of leadership, while creating unique, tailor-made products. Our main goal is to continue innovating and investing in quality, looking for greatness in the processing of cacao."

There is growing endorsement of the healthy qualities of cocoa, leading the Dominican Republic to lean towards the production of speciality beans for dark, high content cocoa as well as organic chocolate. Granted the prestigious environmental and social certification issued by the Rainforest Alliance Inc, through its social responsibilty arm, Fuparoca, Mr Rizek concludes: "One of the reasons cacao was chosen as the flagship of the Dominican Republic's country branding is that it is an environmentally friendly and socially responsible product that helps sustainable development in farming regions."

CENTRAL ROMANA CORPORATION

95 years contributing to the Dominican Republic, and creating its first luxury resort

Synonymous with sugar in the DR, CRC has also had a decisive presence in the nation's development, innovating and reinventing its economy

When the opportunity arose for the Fanjul family to acquire Gulf and Western's sugar holdings in the Dominican Republic in the mid-1980s, they did not hesitate. Jose "Pepe" Fanjul, now vice chairman and president of the Executive Committee of the DR sugar producer, Central Romana Corporation (CRC), says that they immediately recognized that the company represented tremendous opportunities for the family to grow its business and to reestablish a Caribbean platform. Over the last twenty years, it has proved to be both.

"In Latin America and the Caribbean, foreign investors look for countries that provide economic stability in their markets. In the Dominican Republic, the current administration has fostered a sense of calm and confidence that provides investors the economic environment they are seeking. We have a sense of order, continuity, and security. In a country where tourism has become such an important component of the economy, a sense of security is paramount to growth," observes Mr Fanjul.

Consequently, today the Fanjul family is not only the name behind the DR's largest producer and exporter of sugar, but is also a growing presence in Dominican tourism.

"We purchased CRC during tough times; sugar was at a low; tourism was in its infancy. La Romana, where CRC is based, was a little enclave. And now, with the growth of the company, we've established an international airport in La Romana, a deep sea port that accommodates the largest cruise ships in the world, a full-service marina, and two duty free zones," says Mr Fanjul. "We have also continued to expand and provide more services to our employees, including a hospital, free medical and dental care, schools and other educational opportunities."

CRC has also been a pioneer in the development of the Dominican luxury tourism market. Its Casa de Campo is the most complete resort in the Caribbean boasting 21 world-class restaurants (including one of NY's finest, Le Cirque), five Pete Dye Championship golf courses and a range of accommodation from five-star hotels (including an upcoming Four Seasons) to exclusive villas.

At the Hispano-American Summit, CRC was lauded as a model Latin American company in Corporate Social Responsibility (CSR). "I believe CSR is fundamental to any company. It is something we take very seriously, and we are proud of what we are doing," concludes Mr Fanjul.

CRC AT A GLANCE

Building an economy: Central Romana's input adds up

- 250,000 acres of land
- Sugar industry: 50% of Dominican production and its leading exporter
- Agriculture and cattle
- Transportation: first railway system in the sugarcane industry
- La Romana Free Trade Zone: first in the nation
- Direct employees number over 25,000, making CRC the leading private employer in the Dominican Republic
- La Romana International Airport
- Major cruise ship port
- Real Estate: Costa Sur Dominicana
- Hotels and Resorts
- Casa de Campo
- 81 holes of golf
- World class marina and village
- More than 700-room beach resort & spa
- More than 1,500 luxury villas
- Heavy industry: Furfural and Hierro Dominicano
- Altos de Chavón Art School / Parson's School for Design in DR