

THE WAVERLEY SERIES

DOMINICAN REPUBLIC

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

LORD WAVERLEY

office@lordwaverley.com • www.lordwaverley.com

DOMINICAN REPUBLIC — AT A GLANCE

Capital	Santo Domingo
Real GDP growth	President Abinader stated on 22 September 2026 that 2026 growth will be no less than 4.5%
Foreign direct investment	A record \$5.0323 billion in 2025, up 11.3% from 2024; \$3.2765 billion in the first half of 2026 alone, up 7.7% year-on-year, with tourism and energy together accounting for just over half of inflows and roughly two-thirds of the total coming from new capital contributions
Free trade zones	Exports exceeded \$8.6 billion in 2025, approximately 67% of total exports, generating more than 200,000 direct jobs across over 850 companies in more than 90 industrial parks, with growth increasingly driven by medical devices, pharmaceuticals, electronics and nearshoring activity
Tourism	Over 11 million annual visitors
Middle East conflict fiscal impact	The Central Bank estimated in May 2026 that the Iran war and resulting rise in gas prices would cost the country at least \$900 million more than budgeted, complicating a revised budget due to Congress in late June 2026
Structural concerns	The tax-to-GDP ratio remains low despite steady growth, and the IMF has called for bolstering the electricity sector specifically
National targets	President Abinader has stated an expectation of reaching investment grade by 2028, alongside longer-term goals to double GDP, create 1.7 million new jobs, and eliminate extreme poverty by 2036
Security and migration policy	A new penal code took effect in August 2026, classifying new crimes and increasing prison sentences; the administration has deported thousands of Haitians and designated Haitian gangs as terrorist organisations
Governing framework	President Luis Abinader, re-elected in 2024, promoting the Dominican Republic internationally on a platform of macroeconomic stability, legal certainty, institutional strength and transparency

The Dominican Republic continues to affirm its position as one of the Caribbean's largest and most dynamic economies, with a record \$5 billion in foreign direct investment in 2025 and growth President Abinader projects at no less than 4.5% for 2026. Free trade zones, now attracting technology-sector validation from Google and Nvidia, exported over \$8.6 billion in 2025, while tourism continues drawing more than 11 million visitors annually. This genuine momentum faces two concrete, current headwinds: the Middle East conflict has already added an estimated \$900 million to the country's fiscal burden this year, and the IMF continues pressing for electricity-sector strengthening and improved tax collection. Investors should read the Dominican Republic as a genuinely strong, actively self-promoting regional leader whose ambitious 2028 and 2036 national targets remain credible but not yet secured.

1. INVESTMENT & FDI

A record FDI year, now diversifying meaningfully beyond tourism into energy, technology and manufacturing, anchors President Abinader's direct, high-profile international investment promotion this year.

President Abinader inaugurated the Americas Investment Forum (AIF) 2026 before more than 2,000 delegates from 52 countries, highlighting more than \$5 billion in 2025 foreign direct investment, over 11 million annual visitors, and more than 200,000 jobs generated by free zones, describing trust as the foundation of economic growth and urging the Americas to become known as a region of results rather than potential. The Central Bank confirmed FDI reached \$5.0323 billion in 2025, up 11.3% from 2024, with tourism accounting for 26.3% and energy for 23.8% of inflows, just over half the total; first-half 2026 FDI reached \$3.2765 billion, up 7.7% year-on-year, with roughly two-thirds coming from new capital contributions specifically, and the broader sector mix now spanning energy, tourism, real estate, mining, manufacturing and free zones. On 22 September 2026, Abinader met international business leaders through the Consejo Empresarial Alianza por Iberoamérica and the Adam Smith Center for Economic Freedom, promoting semiconductor and free-zone investment specifically and noting the Dominican Republic now exports more than \$2.7 billion in medical devices and over \$3 billion in electrical devices, which he described as reflecting a transition away from traditional manufacturing; he stated that private-sector investment is doubling in 2026 and that 'bureaucratic ease and agility are key to capturing investment.'

- **A genuinely broadening, diversified FDI base beyond tourism alone:** the sector mix spanning energy, real estate, mining, manufacturing and free zones, alongside tourism, represents real, quantified diversification rather than continued single-sector dependence.
- **A specific, high-profile technology-sector validation signal:** President Abinader's direct citation of Google and Nvidia projects, and the government's specific promotion of semiconductor investment, represents a notable, sourced indicator of the country's ambition to move up the value chain beyond traditional assembly manufacturing.
- **A direct presidential emphasis on bureaucratic efficiency as an investment-competitiveness lever:** Abinader's explicit statement linking bureaucratic ease to investment capture reflects a stated policy priority investors can expect to see reflected in continued regulatory-simplification efforts.

2. TRADE & BUSINESS

The free trade zone sector's export performance and evolving industrial mix represent the Dominican Republic's clearest current trade-sector success story.

Free trade zone exports exceeded \$8.6 billion in 2025, approximately 67% of the republic's total exports, generating more than 200,000 direct jobs across more than 850 companies in over 90 industrial parks; growth has been driven by high-value-added activities including medical devices, pharmaceuticals, electronics manufacturing, service centers and nearshoring. Speaking at the World Free Zones Congress in May, President Abinader said projects by technology companies such as Google and Nvidia 'not only validate our model but also project it into the future,' describing the republic's vision as expanding beyond exporting into becoming a distribution, assembly, warehousing and re-export center serving the Americas, Europe and the Caribbean.

- **A dominant, quantified free-zone export performance:** free zones' 67% share of total exports represents a structurally central, rather than marginal, component of the Dominican Republic's overall trade position.
- **A stated ambition extending beyond export manufacturing alone:** Abinader's explicit vision of becoming a regional distribution, assembly and re-export hub represents a broader strategic positioning than simple export-processing-zone growth, with direct relevance to logistics and supply-chain investors specifically.

3. MAJOR ECONOMIC DEVELOPMENTS

Genuinely ambitious national economic targets coincide with a concrete, quantified fiscal shock from the Middle East conflict and continued IMF pressure on structural reform.

President Abinader has stated an expectation of reaching investment grade by 2028, alongside longer-term ambitions to double GDP, create 1.7 million new jobs, and eliminate extreme poverty by 2036. On 22 September 2026, he affirmed that economic growth this year would be no less than 4.5%. However, the Central Bank of the Dominican Republic estimated in May 2026 that the Iran war and the resulting rise in gas prices would cost the country at least \$900 million more than previously budgeted, complicating a revised budget that was due to be presented to Congress in late June 2026. Despite steady growth, the tax-to-GDP ratio remains low, and the IMF has specifically called for bolstering the electricity sector. Separately, a new penal code took effect in August 2026, classifying new crimes and increasing prison sentences as part of Abinader's broader reform agenda, while the administration has deported thousands of Haitians and designated Haitian gangs as terrorist organisations.

- **Genuinely ambitious, specifically dated national economic targets:** the 2028 investment-grade goal and the 2036 GDP-doubling and poverty-elimination targets provide concrete, measurable benchmarks against which the government's own performance can be tracked over the coming decade.
- **A specific, quantified external fiscal shock directly complicating budget planning:** the \$900 million Middle East-linked cost overrun represents a concrete, sourced near-term fiscal pressure investors should weigh directly against the country's otherwise strong growth trajectory.
- **Persistent structural fiscal and infrastructure concerns despite strong headline growth:** the IMF's continued, specific calls for electricity-sector strengthening and improved tax collection indicate that genuine structural work remains incomplete even amid record investment inflows.
- **A significant domestic security and migration policy shift:** the new penal code and the classification of Haitian gangs as terrorist organisations represent substantial, concrete governance changes with direct implications for the country's broader security and regional-relations posture.

4. MAJOR PROJECTS & INFRASTRUCTURE

Continued free-zone industrial park expansion and electricity-sector reform, directly flagged by the IMF, define the Dominican Republic's most significant current infrastructure priorities.

- **Free-zone industrial park network:** spanning more than 90 parks and over 850 companies, this network's continued expansion remains central to the country's manufacturing and nearshoring growth strategy.
- **Electricity-sector strengthening:** specifically identified by the IMF as a priority reform area, this sector's development remains essential to supporting continued industrial and investment growth.
- **Technology and semiconductor-linked infrastructure:** the government's active promotion of semiconductor investment, described in Section 1, points toward continued infrastructure development specifically supporting this higher-value manufacturing segment.

5. CONFERENCES, FORUMS & EXHIBITIONS

The Americas Investment Forum 2026 and the World Free Zones Congress together provided President Abinader his most significant international platforms for investment promotion this year.

- **Americas Investment Forum (AIF) 2026, Santo Domingo:** inaugurated by Abinader before more than 2,000 delegates from 52 countries, this forum represented the Dominican Republic's largest and most significant recent investment-promotion gathering.
- **World Free Zones Congress, May 2026:** Abinader's direct remarks citing Google and Nvidia projects, described in Section 2, were delivered at this international industry gathering specifically.
- **CEAPI and Adam Smith Center for Economic Freedom meeting, 22 September 2026:** this recent engagement with international business leaders specifically promoted semiconductor and free-zone investment opportunities.

6. BUSINESS & INVESTMENT EVENTS

President Abinader's direct, repeated public investment pitches this year reflect a sustained, high-level government communication strategy toward both domestic and international business audiences.

- **Direct presidential investment promotion:** spanning the AIF, the World Free Zones Congress, and the CEAPI meeting, Abinader's consistent, direct engagement with investors represents a sustained rather than one-off promotional effort throughout 2026.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

Continued IMF policy engagement and deepening technology-sector relationships with major US companies define the Dominican Republic's most consequential current international relationships.

- **IMF:** continued policy dialogue, including specific recommendations on electricity-sector strengthening and tax collection, remains central to the country's macroeconomic reform agenda.
- **Google and Nvidia:** these companies' free-zone projects, directly cited by President Abinader as validating the country's investment model, represent significant, named technology-sector relationships with global implications for the Dominican Republic's broader investment reputation.
- **CEAPI and the Adam Smith Center for Economic Freedom:** this September 2026 engagement represents a specific, recent channel connecting the Dominican Republic to international business leadership networks.
- **Haiti:** the administration's deportation policy and designation of Haitian gangs as terrorist organisations represent a significant, evolving dimension of the bilateral relationship with direct security and migration implications.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

President Abinader's direct commitment to public-private collaboration and bureaucratic simplification defines the government's current private-sector development approach.

Abinader stated directly that 'the government is committed to collaboration between the public and private sectors,' noting that private-sector investment is doubling in 2026, while emphasising that 'bureaucratic ease

and agility are key to capturing investment.' He also stressed the importance of respecting free-market economics while remaining attentive to prevailing economic conditions.

- **A directly stated, quantified private-sector investment surge:** the president's own characterisation of private investment doubling in 2026 represents a notable, if not yet independently verified, claim worth monitoring against forthcoming official statistics.
- **An explicit policy commitment to regulatory simplification:** the direct linkage between bureaucratic ease and investment capture reflects a stated government priority relevant to SMEs and larger investors alike seeking to establish or expand operations in the country.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Semiconductor manufacturing, continued free-zone expansion, and electricity-sector reform define the Dominican Republic's most concretely promoted new investment channels.

- **Semiconductor investment:** specifically promoted by President Abinader at the September 2026 CEAPI meeting, this represents the country's most recently highlighted new high-value manufacturing investment channel.
- **Continued free-zone and nearshoring expansion:** building on the sector's \$8.6 billion 2025 export performance, continued growth in medical devices, pharmaceuticals and electronics manufacturing remains open for further investment.
- **Electricity-sector reform projects:** aligned directly with the IMF's specific recommendations, investment in this sector represents both a structural necessity and a concrete opportunity for energy-sector investors.

SUMMARY ASSESSMENT

The Dominican Republic continues to affirm its position as one of the Caribbean's largest and most dynamic economies, with a record \$5 billion in foreign direct investment in 2025 and growth President Abinader projects at no less than 4.5% for 2026. Free trade zones, now attracting technology-sector validation from Google and Nvidia, exported over \$8.6 billion in 2025, while tourism continues drawing more than 11 million visitors annually, and the government's active, sustained international investment promotion this year spanned the Americas Investment Forum, the World Free Zones Congress, and direct engagement with international business networks.

This genuine momentum faces two concrete, current headwinds: the Middle East conflict has already added an estimated \$900 million to the country's fiscal burden this year, complicating budget planning, and the IMF continues pressing for electricity-sector strengthening and improved tax collection despite the country's otherwise strong growth trajectory.

Investors should read the Dominican Republic as a genuinely strong, actively self-promoting regional leader whose ambitious 2028 investment-grade and 2036 national development targets remain credible given the country's track record, but not yet secured, given the specific fiscal and structural pressures still actively being managed.