

THE DOMINICAN REPUBLIC: REGIONAL LEADER IN TOURISM

Tourism, one of the main drivers of the Dominican economy, is the second-largest generator of foreign currency, surpassed only by exports. According to the World Tourism Organization (UNWTO) global ranking, the Dominican Republic tourism was in 2019 a booming sector, and the country continues to be a regional leader in tourism not only in the Caribbean but also in Central America.

Out of 220 destinations, the UNWTO world ranking places the Dominican Republic in fourth place overall, adding up all the indices, with the 50th position in terms of tourist arrivals and the 41st in terms of income generated by these visitors. Similarly, in the Central American region with 37 destinations evaluated, UNWTO indicates that the Republic ranks first in terms of arrivals, foreign exchange earnings and world-class hotel supply.

Between 2012 and 2020, more than 46.9 million tourists visited the country. In 2012, the local tourism authority had set the goal of welcoming "10 million tourists a year" to the Dominican Republic. In fact, the Dominican Republic has grown from 4.6 million visitors in 2012 to 7.5 million in 2019. Of these 7.5 million tourists, 6.4 million arrived by plane and 1.1 million by cruise ship.

The Dominican Association of Hotels and Tourism (ASONAHORES) estimates that in 2018, the Dominican Republic attracted 25% of all tourists who visited the Caribbean and 17% of the tourism of the Latin American and Caribbean region, surpassed only by Mexico.

Data from the Dominican Central Bank establish the average daily expenditure of non-resident foreigners in the Dominican Republic in 2019 at USD 136.2 with an average stay of 8.5 nights.

By capturing 23.4% of the region's international tourists, the Dominican Republic, according to a 2017 report by the Economic Commission for Latin America and the Caribbean (ECLAC), was able to count on 21.6% of the international tourism income generated in the region.

According to CEPAL, tourism contributed 7.8% of Dominican GDP in 2015, surpassed by industry (10.9%), trade (9%), construction (8.9%), transport and storage (8.8%), real estate and rental activities (8.6%) and other service activities (8%).

The country has secured US\$50 billion from the tourism sector since 2012. Thus, the tourism revenues became, one of the main sources of foreign exchange for the country, have risen from \$4.5 billion in 2012 to \$7.46 billion in 2019. Currently, only exports exceed the generation of foreign exchange from tourism.

For the Ministry of Tourism, the added value of tourism to the economy, represented by the "Hotels, Bars

and Restaurants" account in the Dominican system of national accounts, contributes 8% of the gross domestic product (GDP). Foreign direct investments increased from 162 million USD in 2012 to 854 million USD in 2018 and to 667.4 million USD in 2019.

In the first two months of 2020, 18 tourism projects were approved for an apparent investment of 1076.9 billion USD that should provide 2,818 new rooms. Twelve (12) of these projects were classified as "final" with an investment of \$242.1 million and six (6) were classified as "provisional" with an investment of \$834.8 million, according to information provided by the Presidency.

However, 2014 remains the year in which the Dominican Republic was the largest recipient of foreign direct investment in the Caribbean, according to the ECLAC report on Foreign Direct Investment in Latin America and the Caribbean 2015, with 23% of the foreign investment redirected to tourism.

Thanks to the investments, tourism has so far generated more than 340,000 direct and indirect jobs, accounting for about 7% of jobs in the Dominican economy as a whole. When the Central Bank took office in 2012, the sector had just over 200,000 direct and indirect jobs, according to the Central Bank.

Regarding the hotel offer, the Dominican Republic has increased, according to statistics of the Dominican Central Bank, from 68,082 to 83,041 hotel rooms in more than 800 hotels. **Adding the tourist apartments available for rent, the Dominican Republic has reached 95,000 rooms.** Just 40 years ago, in 1980, according to the Dominican Central Bank, the offer barely reached 5,394 hotel rooms. More than 18,000 new hotel rooms have been put into service since 2012 and more than 13,000 are under construction.

According to the World Economic Forum's Travel and Tourism Competitiveness Index, which establishes indicators based on the regulatory framework, business environment, infrastructure and resources of the travel and tourism industry, the Dominican Republic's scores have remained relatively stable since the implementation of the index in 2007.

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