



# Telecommunications Equipment

## A Top Export Prospect for Dominican Republic

September 2014

### Overview

Unit: (Millions of U.S. Dollars)

	2012	2013	2014 (estimated)
Total Market Size	15	16	17
Total Local Production	7	7	7
Total Exports	7	7	7
Total Imports	15	16	17
Imports from the U.S.	12	13	14

Exchange rate: RD\$43.5 – U.S.\$1

Sources: - U.S. Census Bureau Statistics

- INDOTEL (Dominican Institute for Telecommunications)

The telecommunication industry in the Dominican Republic has been slowly but steadily growing over the last five years and has been characterized by greater competition, price reductions, and the introduction of new technologies, which allows the industry to offer modern products and services. The telecommunication sector is one of the most dynamic sectors in the Dominican economy, representing 19 percent of the country GDP, and 10.1 percent of all direct foreign investment (a total of US\$209.1 million in 2013). During the last two years the sector has also experienced important transformation with the addition of new international players, acquisitions, and consolidations in practically each sub-sector (telephony, internet, cable TV services).

The cellular sub-sector is the most competitive and enjoys the largest growth rate. The country enjoys a modern telecommunication law that facilitates investment in the sector by providing equal treatment for local and foreign investors; allows price rates to be set freely by the industry players; and guarantees interconnection rights.

Radio and TV broadcasting are also enjoying steady growth and are experiencing changes that increase the need for purchasing transmission and production equipment. In the D.R. there are a total of 146 AM radio stations, 233 FM stations, 8 VHF channels, 36 UHF channels, and 90 cable TV providers. In 2010 the D.R. adopted the ATSC standard for digital TV and the analogue switch off is scheduled for September 2015, which will require that all TV broadcasters purchase ATSC Standard transmission equipment, digital cameras and video production equipment.

The Dominican market for telecommunication equipment is almost 100 percent import-dependent and the United States is the preferred source due to the CAFTA-DR that allows for duty free imports and the good reputation that American products enjoy in this market.

Eighty percent of telecommunication equipment is coming from the United States. There is some local production of conventional telephone sets, but it is located in the Free Trade Zone sector and does not stay in the Dominican market.

### Sub-Sector Best Prospects

- Transmission equipment for digital television
- Transmission equipment for data transmission
- Set-up boxes (to allow analogue TV sets to receive digital IV signal)
- Telephone sets.

### Opportunities

In addition to the switch-off from analogue to digital TV, radio broadcasting is also expected to be switched from analogue to digital in the near future, thus increasing opportunities for American exporters of radio transmission equipment.

INDOTEL frequently invites local and foreign firms to participate in tenders for their projects. For information on INDOTEL future projects please visit:

<http://www.indotel.gob.do/index.php/transparencia/proyectos>

### Web Resources

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