

## Beyond the Beaches: The Dominican Republic's Rise in Medical Devices

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*The Dominican Republic is sometimes referred to as “the Island of Medical Devices” due to the rapid increase and diversity of medical devices manufactured and exported from the island. The industry for medical devices has seen substantial growth in the past 10 years due to a myriad of factors such as increased exports to the United States, foreign and domestic policies, and competitive advantages.*

### Industry Overview

The Dominican Republic has experienced widespread growth in its medical devices industry due to a variety of foreign and domestic policies. Utilizing tax and infrastructure incentives provided by the Dominican government, the Dominican Republic was able to quickly grow their medical devices industry from assembly and packaging to the production of a diverse range of products.<sup>1</sup>

Government efforts to expand the medical devices industry in the Dominican Republic were essential to the country’s success in attracting a range of medical device manufacturers including Medtronic, Johnson and Johnson, and Beckton Dickinson (BD).<sup>2</sup> In 2023, the Dominican Republic was the seventh largest exporter of instruments and appliances used in medical, surgical, dental, or veterinary sciences to the United States at \$1.4 billion (or nearly 4 percent of U.S. imports). The United States was the Dominican Republic’s main export destination for medical devices – with more than 68.6 percent of products bound for U.S. shores in 2022.<sup>3</sup> From 2013 to 2023, the Dominican Republic increased medical device exports to the United States by more than \$730.0 million (102 percent).

### Recent Developments

Government efforts to expand free trade zones (FTZs) in the Dominican Republic were essential to the country’s success in attracting a range of medical device manufacturers.<sup>4</sup> As of 2023, the island country boasted 87 industrial parks and 820 companies operating in FTZs.<sup>5</sup> During that time, 53 percent of products exported from the Dominican Republic’s FTZs were classified as pharmaceutical products and medical instruments and equipment.<sup>6</sup> The Dominican Republic is in a strategic geographic location for exporting to the United States. Rising transportation costs have led to manufacturers rethinking Asian production, giving the geographically closer country of the Dominican Republic an advantage in the U.S.

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<sup>1</sup> Prior to joining CAFTA-DR, the Dominican Republic received preferential treatment through the U.S. Generalized System of Preferences and the Caribbean Basin Economic Recovery Act. U.S. International Trade Commission, [“Medical Devices and Equipment: Competitive Conditions Affecting U.S. Trade in Japan and Other Principal Foreign Markets,”](#) March 2007. Caribbean Equipment Medical, [“Products and Services,”](#) accessed February 8, 2024.

<sup>2</sup> Holguin Garcia, Mauricio, [“Dominican Republic: A Hidden Manufacturing Gem,”](#) May 27, 2021.

<sup>3</sup> Observatory of Economic Complexity World, [“Medical Instruments in the Dominican Republic,”](#) accessed March 2024; World Bank, Free-Trade Zones in the Dominican Republic, an Engine for Competitiveness and Jobs, February 22, 2017.

<sup>4</sup> Free trade zones in the Dominican Republic are similar in nature to foreign trade zones in the United States (which are also often called FTZs).

<sup>5</sup> Dominican, [“Dominican Republic’s Free Trade Zones see record growth,”](#) January 20, 2024.

<sup>6</sup> Dominican, [“Dominican Republic’s Free Trade Zones see record growth,”](#) January 20, 2024.

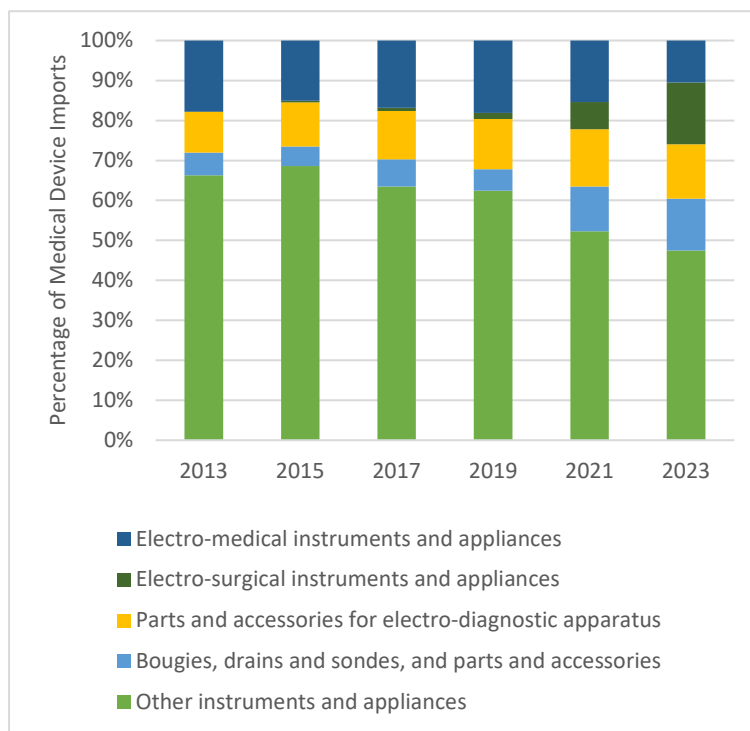
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market.<sup>7</sup> Additionally, the Dominican Republic has an increasing population of university graduates and skilled workers offering companies the advantage of a skilled labor force closer to the United States.<sup>8</sup>

### U.S. Imports of Medical Devices

U.S. imports of medical devices from the Dominican Republic have seen steady growth in the past decade. Figure 1 shows the growth of the top import categories under five different HTS statistical reporting numbers which make up nearly 85 percent of U.S. medical device imports from the Dominican Republic.<sup>9</sup> From 2013 to 2023, U.S. imports of electro-surgical instruments and appliances saw the largest overall increase in value – with imports increasing \$200.8 million (up from \$15.8 thousand). Electro-surgical instruments and appliances can include medical devices such as defibrillators, ventilators, and oximeters – showing the Dominican Republic’s growth in higher-tech medical devices. Other instruments and appliances used in medical, surgical, dental or veterinary sciences continuously makes up the largest share of medical device imports from the Dominican Republic, rising by \$171.4 million or 38.5 percent between 2013 and 2023.<sup>10</sup> Additionally, each of the top import categories saw an increase between 2013 and 2023 – with bougies, drains and sondes, and parts and accessories increasing by 340.6 percent (or \$129.7 million), parts and accessories for electro-diagnostic apparatus, for use in medical, surgical, dental or veterinary science increasing by 154.4 percent (or \$107 million), and electro-medical instruments and appliances and parts and accessories increasing by 14.4 percent (or \$17.3 million).

**Figure 1: U.S. Imports of Medical Devices from the Dominican Republic, 2013-2023**



Source: [USITC/Census DataWeb](#), accessed March 2024

<sup>7</sup> DOC, “[Dominican Republic - Country Commercial Guide](#),” January 1, 2024.

<sup>8</sup> Wright, David, “[Nearshoring in the Dominican Republic: What are the benefits](#),” August 30, 2023.

<sup>9</sup> The five HTS statistical reporting numbers used in figure 1 are 9018.90.8000 (other instruments and appliances used in medical, surgical, dental or veterinary sciences), 9018.39.0040 (bougies, drains and sondes, and parts and accessories), 9018.19.9560 (parts and accessories for electro-diagnostic apparatus, for use in medical, surgical, dental or veterinary science), 9018.90.6000 (electro-surgical instruments and appliances and parts and accessories), and 9018.90.7580 (electro-medical instruments and appliances and parts and accessories).

<sup>10</sup> “Other instruments and appliances used in medical, surgical, dental or veterinary sciences” is a basket category that includes everything from cotton balls to surgical tools.

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