

## Preface

Evidence of Chinese influence in the Dominican Republic is quite prevalent, visible not only in the popular Chinatown section of the capital city of Santo Domingo but also in the adoption of the “pica pollo” culinary tradition, one in which classical Dominican food items such as plantains and rice are prepared using Chinese techniques and deemed “creole.” Many tourists are also often surprised at the number of Chinese descendants living in the country and the prevalence of Chinese-owned businesses. This study performed by Yuan Li as part of her Master’s research at Johns Hopkins School of Advanced International Studies helps fill an important information gap in the area of Chinese influence in the Caribbean. In recent years as China has catapulted to international economic prominence, very little research has been done on its influence and impact in lesser developed countries, particularly in the Caribbean. In this way, this research makes an important contribution to the Global Foundation for Democracy and Development’s (GFDD) vision to bring new perspectives and innovative research topics that reflect contemporary realities in the Dominican Republic and the Americas.

It is for this reason that GFDD established the Fellows Program in 2009. The initiative provides opportunities for Master’s and doctoral candidates, professors and other scholars to conduct high-level research in the Dominican Republic on issues related to development and democracy. For the duration of their studies, researchers work in close coordination with GFDD officials and national academic advisors to guide their search for information and data. In this study, Ms. Li worked closely with two experts in Dominican-Chinese relations: Ms. Rosa Ng, the representative of the Commercial Development Office of the Dominican Republic in Beijing; and Dr. Miguel Sang Ben, economist and professor at the Pontificia Universidad Madre y Maestra (PUCMM) in Santo Domingo. Other contacts from the Chinese-Dominican Chamber of Commerce and Investment

(CHIDOMCHAM) and the Center of Exports and Investments of the Dominican Republic (CEI-RD) also played a large role in this project.

Ms. Li's research was conducted during a 3-month span between September and December 2013. Dr. Sang Ben and Ms. Ng immediately facilitated both written resources, as well as important contacts in the trade, tourism and economic development branches of the Dominican government. Ms. Li attended dozens of meetings with academics, small business owners, government officials, and Chinese community representatives collecting data and other information. She also participated in cultural excursions and activities to learn more about the history and culture of the Dominican Republic in order to better understand its relationships with foreigners. In addition, Ms. Li took an intense schedule of Spanish courses to improve both her conversational and research capacity in the language.

A critical part of the mission of GFDD and its sister organization in the Dominican Republic, la Fundación Global Democracia y Desarrollo, is to produce research and implement initiatives which contribute to sustainable social, democratic, economic, and cultural development in the Dominican Republic and the Western Hemisphere. Ms. Li's innovative study sheds light on a relationship that is not often discussed or researched, but which will have a large impact on the development of the country and the region as a whole. It is our hope that this study will be widely read and distributed throughout the Dominican Republic and Latin America so that measures can be taken to enhance and regulate the relationship with this economic superpower to contribute to economic and cultural development throughout the region.

**Mandy Sciacchitano**

Programs Manager

InterRDom, Fellows and GDAE

## 2. Chinese Presence in the Dominican Economy

China's emergence as a global economic power has linked the country with every corner of the world—products labeled, “made in China”, are seen in almost every town and every family regardless of the location. Although the Dominican Republic and China have not established diplomatic ties, Chinese manufactured goods, from clothes to vehicles, have already penetrated people's daily lives in the Dominican Republic. In fact, China is one of the major trade partners for the Dominican Republic. In 2012, China was the second largest source of import (US\$1.93 billion, accounting for 10.04% of total import), and the third largest destination of export (US\$356 million, accounting for 5.4% of total export) for the Dominican Republic.<sup>7</sup> Trade with China accounted for 65.8% of the total trade between the Dominican Republic and Asia. The main products that the Dominican Republic imports from China are motorcycles, vehicles, electronic devices, footwear, textiles, machinery, and equipment, while the main products that the Dominican Republic exports to China are minerals (ferronickel, raw copper, bauxite, shellfish, brass scrap, waste from iron and steel, etc.), waste paper and cardboard, and animal skin.

At the same time, the increase of trade between the two countries has made remarkable record. Trade with China kept growing despite the global economic crisis. On the other hand, similar to the general reality of Dominican trade, its commercial exchange with China is largely in favor of the Chinese. Despite that Dominican export to China in 2011 sharply increased more than three-fold from the previous year, the country still holds a trade deficit with China for about US\$1.4 billion.

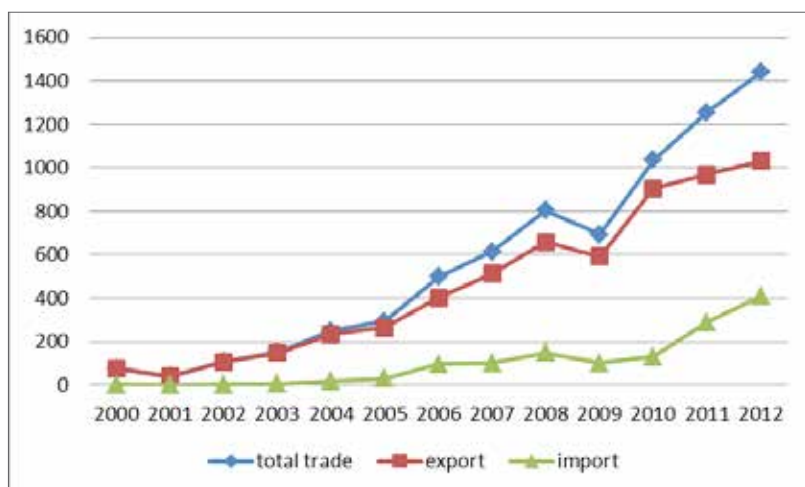
In addition to trade, investment from China has also left its footprint in the Dominican Republic, despite the lack of diplomatic relations. Two of the largest Chinese telecommunication companies

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7 Banco Central's statistics, 2012

in the world, Huawei and ZTE, have opened their offices in the Dominican Republic and have been enjoying satisfying performance and growth. A few Chinese vehicle producers have also established Dominican representative offices in the country to help facilitate the growing business. Some Chinese trading companies have entered the Dominican Republic in recent years, in hope of expanding their operations in the Caribbean. With China's global ambition in acquiring assets in resources and minerals, the Dominican Republic has also received some investment from China in the mining sector. Interestingly enough, China's strong hand in foreign investment in infrastructure has not yet found its way to the Dominican Republic. There have been cases where Chinese construction companies were involved in construction projects in the Dominican Republic; however, their role was of contractors by other foreign investors, as opposed to direct investment activities from China.

**Figure 3**  
**China-Dominican Republic Bilateral Trade According**  
**to the Chinese Ministry of Commerce**  
 2000-2012 (US\$ mil)



**Source:** Chinese Ministry of Commerce



Yuan Li

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Yuan Li is a young professional in international development. Her work focuses on the areas of development finance, governance, and South-South cooperation, with regional expertise in Latin America and the Caribbean (LAC), and Africa. She has conducted research projects in various countries in Africa and LAC, analyzing the economic and political engagement of China in these regions. She has also worked at the Inter-American Development Bank on institutional capacity strengthening and promoting good governance in LAC. She holds a Master's degree in International Development and International Economics from Johns Hopkins School of Advanced International Studies. She received her Bachelor's degree in Public Policy and Administration from Renmin University of China.