



## Automobile Parts and Services

# A Top Export Prospect for Dominican Republic

September 2014

### Overview

Unit: (Millions of U.S. Dollars)

	2012	2013	2014 (estimated)
Total Market Size	174	178	183
Total Local Production	5	6	8
Total Exports	4	4	5
Total Imports	173	176	180
Imports from the U.S.	112	115	117

Exchange rate: RD\$43.5 – U.S.\$1

Sources: - U.S. Census Bureau Statistics

- Department of Economic Studies of the Internal Revenue Directorate

In the Dominican Republic the demand for automotive spare parts is linked to the aging car population (vehicles older than five years represent 91 percent of the total Dominican vehicle population), the growth in total vehicle population (an annual increase rate of 5 percent), and the deterioration of Dominican streets and roads. Statistics from the Department of Economic Studies of the Internal Revenue Directorate indicate that as of December 2013 there are 3.2 million vehicles circulating in the Dominican Republic. Out of this total vehicle population, 52.2 percent are motorcycles, 22.3 percent are automobiles, 9.7 percent are SUV's, 12.8 percent are trucks and pick-up trucks, and the rest accounts for buses.

Imports of Japanese and other Asian automotive spare parts account for 60 percent of total imports due to the significant car population imported from Asia (75 percent of vehicles in the Dominican roads are Asian brands). However, 65 percent of all automotive spare parts (including Asian products) are imported from the U.S. because of proximity and logistics issues. Although there is local production of batteries and radiators, it only covers a small percent of the total market, while the rest of the market is supplied from imports.

The market for automotive spare parts it is expected to experience a steady growth of 5 percent annually over the next three years.

### Sub-Sector Best Prospects

- Motorcycle spare parts
- Body parts and accessories
- Brakes and parts

- Drive-train parts (suspension shock absorbers, steering wheels)
- Batteries
- Engines and electrical parts for motor engines
- Tires
- Used parts

### Opportunities

Because of the prevalence of Asian made vehicles in the Dominican vehicle population, importation of spare parts for those vehicles represents opportunities for American exporters. Likewise, the large number of motorcycles in the Dominican cities provides a constant demand of spare parts for motorcycles.

### Web Resources

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Report on the Dominican Vehicle Population (Parque Vehicular):

<http://www.dgii.gov.do/estadisticas/parqueVehicular/Documents/ParqueVehicular2013.pdf>

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