

# THE MINERAL INDUSTRY OF THE DOMINICAN REPUBLIC

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During 1998, the Dominican Republic's real gross domestic product (GDP) increased by 7.3% (Banco Central de la República Dominicana [no date], Executive summary, Dominican economy report, accessed September 1, 1999, at URL <http://www.bancentral.gov.do/Ingles1.htm>). The mineral industry of the Dominican Republic continued to be small, representing 2% of the GDP, a decrease from that of 1997 when it was 2.5% of the GDP (Banco Central de la República Dominicana [no date], Producto interno bruto 1993-1998 [Gross domestic product 1993-1998], accessed December 16, 1999, at URL <http://www.bancentral.gov.do/pib9812.html>). The country produced cement, coal, gold, gypsum, ferronickel, marble, petroleum refinery products, salt, sand and gravel, silver, and steel. Production of construction minerals partially met the Dominican Republic's domestic demand. (See table 1.) The Dominican Republic did not produce petroleum in 1998. Domestic production of petroleum refinery products was not enough to meet the requirements for domestic consumption.

Mining in the Dominican Republic is regulated by Mining law 146, which was promulgated and published in the Official Gazette No. 9231 in June 1971. The tax section of the mining law was modified by law 11-92 in 1992. Income tax was reduced from 40% to 25%. The Government agency responsible for administering the mining law is the Dirección General de Minería, part of the Secretaría de Estado y Comercio.

In 1995, the foreign investment law was revised with law 16-95. The law gave similar rights to foreign and domestic investors. Under the law, foreign investment must be registered with the Central Bank within 90 days from the date of investment. Foreign investment is prohibited in the disposal of dangerous or radioactive and toxic waste not produced in the country, areas affecting public health and the balance of the environment, and manufacturing of equipment and materials directly related to national defense and security. Regulation No. 360 provides definitions and details to administer law 16-95.

Mineral production in the Dominican Republic was by the Government and the private sector. (See table 2.) Gold was produced exclusively by the Government through the Rosario Dominicana S.A., a company owned by the Central Bank of the Dominican Republic. The Corporación Dominicana de Empresas Estatales held minority interest in the production of gypsum, marble, nickel, and salt. The Government also held 50% interest in the only petroleum refinery, Refinería Dominicana de Petróleo S.A.

In 1998, nickel continued to be the most important mineral to the Dominican economy and the major source of foreign

earnings from the mining sector. According to U.S. Geological Survey data, the country ranked 8<sup>th</sup> in world nickel mine production and 13<sup>th</sup> in plant production. The only nickel producer was Falconbridge Dominicana C. por A., a subsidiary of Falconbridge Ltd. of Canada with minority equity held by the Government of the Dominican Republic. Production of nickel decreased more than 22% during the year. The company closed the plant at the end of October, in part due to the effects of Hurricane Georges, and for unscheduled repair at the powerplant (Falconbridge Dominicana C. por A., 1999). The company had curtailed operations in September because of weak market conditions. All nickel production was exported through Falconbridge to Europe (49%), the United States (23%), the Republic of Korea (19%), and Japan (9%).

Production of gold and silver, in doré, once of great importance to the Dominican economy, continued to decrease. Production of gold and silver in 1998 was 1,424 kilograms (kg) and 7,409 kg, respectively. Although in 1997 Rosario Dominicana announced that it was seeking an operator for the Pueblo Viejo Mine, low gold prices and other factors resulted in a decision to postpone the search for an operator.

## Reference Cited

Falconbridge Dominicana C. por A., 1999, 1998 annual report: Falconbridge Dominicana C. por A., 17 p.

## Major Sources of Information

Banco Central de la República Dominicana  
Santo Domingo, D.N., República Dominicana  
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TABLE 1  
DOMINICAN REPUBLIC: PRODUCTION OF MINERAL COMMODITIES 1/

(Metric tons unless otherwise specified)

Commodity 2/	1994	1995	1996	1997	1998 e/
Cement, hydraulic thousand tons	1,276 r/	1,453 r/	1,642 r/	1,835 r/	1,885 3/
Coal, subbituminous e/	600	600	600	600	600
Ferrous alloys, ferronickel	80,193	80,711	78,488	84,897 r/	65,763
Gold kilograms	1,538	3,281	3,659	2,349	1,424 3/
Gypsum thousand tons	93	95	86	113	81 3/
Iron and steel, steel, crude	--	--	6,246	64,313	35,874 3/
Marble cubic meters	1,825	1,333	2,117	2,107 r/	2,739 3/
Nickel:					
Mine output, Ni content	50,146	46,523 r/	45,168 r/	49,152 r/	38,200
Metal:					
Smelter, Ni content of ferronickel	30,757	30,897	30,376	32,558	25,220 3/
Shipments, Ni content of ferronickel	31,387	30,659	29,463 r/	32,581 3/	26,554 3/
Petroleum refinery products: e/					
Liquefied petroleum gas thousand 42-gallon barrels	320	350 3/	300	300	300
Gasoline, motor do.	2,350	2,099 3/	2,100	2,100	2,100
Kerosene and jet fuel do.	1,150	1,865 3/	1,900	1,900	1,900
Distillate fuel oil do.	2,850	2,682 3/	2,700	2,700	2,700
Residual fuel oil do.	3,850	4,664 3/	4,600	4,600	4,600
Total do.	10,520	11,660 3/	11,600	11,600	11,600
Salt:					
Marine	47,319	41,822	49,719	50,000	50,000
Rock	10,296	10,806	11,330	11,000	11,000
Sand and gravel thousand cubic meters	10,000 e/	10,000 e/	9,602	11,231	12,605 3/
Silver kilograms	9,208	21,066	17,017	12,406	7,409 3/

e/ Estimated. r/ Revised.

1/ Table includes data available through December 17, 1999.

2/ In addition to commodities listed, other crude construction materials may also be produced, but data on such production are not available, and information is inadequate to make reliable estimates of output levels.

3/ Reported figure.

TABLE 2  
DOMINICAN REPUBLIC: STRUCTURE OF THE MINERAL INDUSTRY IN 1998

(Thousand metric tons unless otherwise specified)

Commodity	Major operating companies and major equity owners	Location of main facilities	Annual capacity
Cement	Fábrica Dominicana de Cemento C. por A. (Government, 78%; private, 22%)	Santo Domingo, Distrito Nacional	700
Do.	Cementos Cibao C. por A. (private, 100%)	Palo Amarillo, Santiago Province	400
Do.	Cementos Nacionales S.A. (private, 100%) (private, 100%)	San Pedro de Macorís, San Pedro de Macorís Province	1,200
Doré (gold and silver) kilograms	Rosario Dominicana S.A. (Government, 100%)	Pueblo Viejo Mine, Cotui, Sánchez Ramírez Province	56,700
Gypsum	Loma de Sal y Yeso C. por A. (Government, 100%)	Barahona Province	200
Nickel	Falconbridge Dominicana C. por A. (Government, 10%; Falconbridge Ltd., 86%; Redstone Resources, Ltd., 4%)	Mine and plant at Bonao, La Vega Province	35
Petroleum products	Refinería Dominicana de Petróleo S.A. (Government, 50%; Shell Oil Co., 50%)	Haina, Distrito Nacional	12,000 1/
Do.	Falconbridge Dominicana C. por A. (Government, 10%; Falconbridge Ltd., 86%; Redstone Resources, Ltd., 4%)	La Peguera, La Vega Province	1,000 1/
Salt	Loma de Sal y Yeso C. por A. (Government, 100%)	Barahona Province	20
Steel	Complejo Metalúrgico Dominicano C. por A. (private, 100%)	Santo Domingo, Distrito Nacional	100

1/ Thousand 42-gallon barrels.