

Dominican Republic Political Risk Key View

Core Views

- The Dominican Republic has recently ramped up its hardline immigration policy by deporting Haitians back to their country, sometimes sidestepping humanitarian norms. While this has sparked condemnation among international and local advocacy organisations, the move is broadly popular with the Dominican populace.
- The recent tariff announcements could threaten the market's economic outlook which could start to weigh on the incumbent government's political capital.
- **Political Risk:** The political risk outlook for the Dominican Republic is generally positive and stable, scoring 42.0 in August 2025 (from 41.8 in May 2025), with President Luis Abinader and his Partido Revolucionario Moderno (PRM) party holding supermajorities in both chambers of Congress. They are likely to remain successful in driving strong economic growth, preventing the spillover of crime and violence in neighbouring Haiti and improving public sector efficiency and accountability. However, potential economic downturns, particularly linked to the US economy, corruption scandals, or an uptick in crime and violence could undermine the government's popularity.
- **Governance:** Abinader's government has shown dedication to promoting investment and tackling corruption, boding well for institutional strengthening and the rule of law. Underpinning a stable score of 38.3 in August 2025, slightly

higher from 37.8 in May 2025, the administration has overseen a robust post-pandemic economic recovery and has pursued corruption cases, exemplified by Operation Squid, which saw former government officials arrested.

Supermajorities for the governing party and its allies will give the government additional latitude to enact reforms and set a fiscally conservative budget.

- **Society:** Social risks are relatively contained, with the Dominican Republic scoring 30.0 in August 2025, fairly stable from 29.1 in May 2025. Abinader's progress on government accountability and economic performance has broadly resonated with the public, demonstrated in positive polling data. The government's proactive approach to corruption may help mitigate social polarisation. However, a significant economic downturn affecting household purchasing power could exacerbate social tensions and influence public sentiment. Additionally, any spillover of violence or refugee flows from neighbouring Haiti could pose risks to social stability.
- **Security:** Security challenges related to organised crime and its potential diversification into theft and extortion pose a significant threat, underlining a 44.21 in August 2025, from a 44.17 score in May 2025. While the market has seen muted murder rates in recent years, the adaptability of criminal organisations to law enforcement strategies has led to a slight reversal of this trend in recent months. Internal security risks are being addressed through legislative efforts, such as the recently passed security bill aimed at creating a Directorate of National Intelligence and to enhance the capacity and efficiencies of the national police force.
- **Election Watch:** In the May 19 2024 election, incumbent President Luis Abinader and his PRM party won the presidency and supermajorities in both chambers of Congress in the first round of the elections, garnering more than the required 50% of valid votes to avoid a run-off. The main opposition parties, as expected, lacked the momentum to pose a serious challenge to Abinader's candidacy. Municipal elections held earlier in February 2024 also yielded a dominant performance for the PRM, which will create synergy between policy formation at the national level and implementation at the local level. The next

election will be held in 2028.

Disclaimer: This information is sourced from BMI Country Risk & Industry Research, a product of Fitch Solutions Group Ltd, UK

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