DOMINICAN REPUBLIC

Session-3
Towards best-fit trade policy frameworks:
Experiences & lessons learnt
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Director of Foreign Trade and Administration of Trade Agreements (DICOEX)

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Geneva, Switzerland
October, 2015
Current population is about **10 million**. It is projected that by 2030 the population will reach 11 million inhabitants by mid-century the **12.2 million people**.
GDP Growth

- 2008: 3.1%
- 2009: 0.9%
- 2010: 8.3%
- 2011: 2.8%
- 2012: 2.6%
- 2013: 4.8%
- 2014: 7.3%
- Jan-Mar 2015: 6.5%

Source: Prepared by MIC / DICOEX. Data from the Central Bank of the Dominican Republic.
Economy of the Dominican Republic

GDP by Sector of Origin

- Agriculture: 6.5%
- Industry: 23.8%
- Services: 62.1%

Source: Prepared by MIC / DICOEX. Data from the Central Bank of the Dominican Republic.
Economy of the Dominican Republic

Composition of Exports
(Primary Vs. Manufactured Products)

Source: Prepared by MIC / DICOEX. Data from the Central Bank of the Dominican Republic.
Value of Commodity Exports by Product Type
(In Millions of US $)

Source: Prepared by MIC / DICOEX. Data from the Central Bank of the Dominican Republic.
Composition of Manufacturing Exports by Technological Level

Source: Prepared by MIC / DICOEX. Data from the Central Bank of the Dominican Republic.
# Economy of the Dominican Republic

## EXPORTS (In millions of US $)

<table>
<thead>
<tr>
<th>FTA</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>VAR%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treaty Area</td>
<td>2,894.2</td>
<td>3,154.6</td>
<td>3,384.2</td>
<td>3,290.2</td>
<td>-2.8%</td>
</tr>
<tr>
<td>CAFTA-DR</td>
<td>1,976.4</td>
<td>2,159.4</td>
<td>2,420.9</td>
<td>2,323.0</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Central America</td>
<td>66.4</td>
<td>52.4</td>
<td>50.2</td>
<td>55.5</td>
<td>10.5%</td>
</tr>
<tr>
<td>United States</td>
<td>1,910.0</td>
<td>2,107.0</td>
<td>2,370.7</td>
<td>2,267.5</td>
<td>-4.4%</td>
</tr>
<tr>
<td>EPA</td>
<td>900.1</td>
<td>968.3</td>
<td>951.9</td>
<td>954.0</td>
<td>0.2%</td>
</tr>
<tr>
<td>CARIFORUM</td>
<td>595.4</td>
<td>608.4</td>
<td>588.5</td>
<td>601.8</td>
<td>2.3%</td>
</tr>
<tr>
<td>Haiti*</td>
<td>519.5</td>
<td>535.0</td>
<td>510.1</td>
<td>527.4</td>
<td>3.4%</td>
</tr>
<tr>
<td>European Union (UE28)</td>
<td>304.8</td>
<td>359.9</td>
<td>363.5</td>
<td>352.2</td>
<td>-3.1%</td>
</tr>
<tr>
<td>CARICOM</td>
<td>74.16</td>
<td>71.8</td>
<td>73.1</td>
<td>69.9</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Panama</td>
<td>17.7</td>
<td>26.9</td>
<td>11.4</td>
<td>13.2</td>
<td>16.3%</td>
</tr>
<tr>
<td>Outside Treaty Area</td>
<td>1,465.0</td>
<td>1,574.9</td>
<td>1,544.6</td>
<td>1,475.3</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Total</td>
<td>4,359.2</td>
<td>4,729.5</td>
<td>4,928.8</td>
<td>4,765.5</td>
<td>-3.3%</td>
</tr>
</tbody>
</table>
Economy of the Dominican Republic

Exports January - June (In Millions of US $)

- CAFTA-DR: 2013 - 2150.4, 2014 - 2420.9, 2015 - 2323.0
- EPA: 2013 - 968.3, 2014 - 951.0, 2015 - 954.0
- Outside Treaty Area: 2013 - 1574.9, 2014 - 1444.9, 2015 - 475.3
- Total: 2013 - 4729.5, 2014 - 4765.5, 2015 - 4928.8
## Economy of the Dominican Republic

### IMPORTS (In millions of US $)

<table>
<thead>
<tr>
<th>FTA</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>VAR%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treaty Area</td>
<td>3,898.7</td>
<td>3,668.5</td>
<td>3,913.5</td>
<td>4,389.9</td>
<td>12.2%</td>
</tr>
<tr>
<td>CAFTA-DR</td>
<td>2,978.8</td>
<td>2,921.0</td>
<td>3,123.8</td>
<td>3,427.1</td>
<td>9.7%</td>
</tr>
<tr>
<td>Central America</td>
<td>229.0</td>
<td>232.0</td>
<td>258.7</td>
<td>336.3</td>
<td>30.0%</td>
</tr>
<tr>
<td>United States</td>
<td>2,749.8</td>
<td>2,689.0</td>
<td>2,865.2</td>
<td>3,090.9</td>
<td>7.9%</td>
</tr>
<tr>
<td>EPA</td>
<td>899.7</td>
<td>719.2</td>
<td>741.2</td>
<td>925.4</td>
<td>24.9%</td>
</tr>
<tr>
<td>CARIFORUM</td>
<td>73.9</td>
<td>46.2</td>
<td>48.4</td>
<td>56.2</td>
<td>15.9%</td>
</tr>
<tr>
<td>Haiti*</td>
<td>0.4</td>
<td>1.6</td>
<td>2.2</td>
<td>12.5</td>
<td>465.1%</td>
</tr>
<tr>
<td>European Union (UE28)</td>
<td>825.3</td>
<td>673.0</td>
<td>692.7</td>
<td>869.2</td>
<td>25.5%</td>
</tr>
<tr>
<td>CARICOM</td>
<td>73.47</td>
<td>44.5</td>
<td>46.2</td>
<td>43.6</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Panama</td>
<td>20.2</td>
<td>28.3</td>
<td>48.5</td>
<td>37.3</td>
<td>-23.1%</td>
</tr>
<tr>
<td>Outside Treaty Area</td>
<td>2,312.3</td>
<td>2,288.5</td>
<td>2,534.7</td>
<td>2,346.4</td>
<td>-7.4%</td>
</tr>
<tr>
<td>Total</td>
<td>6,211.0</td>
<td>5,957.0</td>
<td>6,448.2</td>
<td>6,736.3</td>
<td>4.5%</td>
</tr>
</tbody>
</table>
Economy of the Dominican Republic

Imports January – June (In Millions of US $)

- CAFTA-DR: 2013 - 2,921.0, 2014 - 3,123.8, 2015 - 3,427.1
- Total: 2013 - 6,448.2, 2014 - 6,736.3, 2015 - 6,736.3
# Economy of the Dominican Republic

## Balance of Trade * (In millions of US $)

<table>
<thead>
<tr>
<th>FTA</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>VAR%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treaty Area</td>
<td>(1,004.4)</td>
<td>(513.9)</td>
<td>(529.4)</td>
<td>(1,099.7)</td>
<td>107.7%</td>
</tr>
<tr>
<td>CAFTA-DR</td>
<td>(1,002.4)</td>
<td>(761.6)</td>
<td>(703.0)</td>
<td>(1,104.2)</td>
<td>57.1%</td>
</tr>
<tr>
<td>Central America</td>
<td>(162.6)</td>
<td>(179.6)</td>
<td>(208.5)</td>
<td>(280.8)</td>
<td>34.7%</td>
</tr>
<tr>
<td>United States</td>
<td>(839.8)</td>
<td>(582.0)</td>
<td>(494.5)</td>
<td>(823.4)</td>
<td>66.5%</td>
</tr>
<tr>
<td>EPA</td>
<td>0.5</td>
<td>249.1</td>
<td>210.8</td>
<td>28.6</td>
<td>-86.4%</td>
</tr>
<tr>
<td>CARIFORUM</td>
<td>521.5</td>
<td>562.2</td>
<td>540.0</td>
<td>545.6</td>
<td>1.0%</td>
</tr>
<tr>
<td>Haiti*</td>
<td>519.0</td>
<td>533.4</td>
<td>507.9</td>
<td>514.9</td>
<td>1.4%</td>
</tr>
<tr>
<td>European Union (UE28)</td>
<td>(520.6)</td>
<td>(313.1)</td>
<td>(329.2)</td>
<td>(517.0)</td>
<td>57.0%</td>
</tr>
<tr>
<td>CARICOM</td>
<td>0.7</td>
<td>27.3</td>
<td>26.9</td>
<td>26.3</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Panama</td>
<td>(2.5)</td>
<td>(1.4)</td>
<td>(37.2)</td>
<td>(24.1)</td>
<td>-35.2%</td>
</tr>
<tr>
<td>Outside Treaty Area</td>
<td>(847.4)</td>
<td>(713.6)</td>
<td>(990.0)</td>
<td>(871.1)</td>
<td>-12.0%</td>
</tr>
<tr>
<td>Total</td>
<td>(1,851.8)</td>
<td>(1,227.5)</td>
<td>(1,519.4)</td>
<td>(1,970.8)</td>
<td>29.7%</td>
</tr>
</tbody>
</table>
Economy of the Dominican Republic

Balance of Trade January – June (In Millions of US $)

- Treaty Area: 2013 - (513.3) 2014 - (1,099.7) 2015 - (1,099.7)
- CAFTA-DR: 2013 - 259.4 2014 - 703.0 2015 - 1,104.2
- Panama: 2013 - (1.4) 2014 - (37.2) 2015 - (24.1)
- Outside Treaty Area: 2013 - (713.6) 2014 - (871.1) 2015 - (980.0)
- Total: 2013 - (1,227.1) 2014 - (1,519.4) 2015 - (1,970.8)
The **NDS 2030** covers the exercise of regulatory functions by the national and local public sector, *promotion and production of goods and services.*
“An integrated sectoral and territorial economy, innovative, diversified, pluralistic, quality-oriented and environmentally sustainable, that creates and disrupts wealth, generating high and sustained growth and decent employment, takes advantage and reinforces local market opportunities and is competitive in the global economy.”

1. Boost development banks and long term financing instruments.

2. Develop an endowment of infrastructure and logistics services integrating the country.

3. Encourage the establishment of an efficient multimodal transport network and logistics services.

4. Consolidate and monitor the network of trade agreements signed by the country.
Dominican Structure

- **CNNC**: Negotiation
- **DICOEX**: Administration
- **CEI-RD**: Promotion
Trade Policy in the Dominican Republic

The main objectives of the trade policy of the Dominican Republic remain to increase foreign investment.

These objectives are enrolled in the 2030 National Development Strategy (END) made in 2013.
Trade Policy in the Dominican Republic

The main institutions involved in the development of Dominican trade policy are the Ministries of Industry and Commerce (MIC) and Foreign Affairs (MIREX).

The MIC is responsible for formulating and ensuring the implementation of foreign trade policies, except in the case of sugar, as well as promoting foreign trade.
Scope of the Ministry of Industry & Trade
Trade Policy in the Dominican Republic

Organic Law No. 290-66 - Article 2 (c)

Formulation and implementation of foreign trade policy and strategy

Administration and Implementation of Free Trade Agreements
About the Directorate of Foreign Trade and Administration of Trade Agreements

The Directorate of Foreign Trade and Administration of International Trade Agreements (DICOEX), of the Ministry of Trade and Commerce (MIC) is responsible for implementing and administering trade treaties and agreements signed by the Dominican Republic.
At the request of the Government of the Dominican Republic, UNCTAD is carrying out a study on trade policy framework.

It is hoped that the UNCTAD study (currently being developed in collaboration with three local experts)
Contact with UNCTAD

- Analyze trade policy

- Trade performance and impact

- Improve export opportunities

- Developing productive capacities in economic sectors, reduce poverty, promote decent employment and other national development goals
Challenges in implementing Trade Policy

- Institutional dispersion
- Relevant institutions at the national level in the formulation and implementation of strategies

- Better use of trade agreements with clear objectives
- Strengthen public and private capacities

- Definition of an institutional hierarchy
- Strengthening coherence / improve operational synergies
Trade Performance

Exports show four major trends

- Re-export primarization
- Export more technology-intensive manufactures
- A greater weight of “non-traditional” exports of services
- A lower weight of exports derived from EPZs in total exports and a growing weight of the “domestic exports”.
Regulatory framework for the production and competitiveness

Trade agreements have not led to an increase in exports

Various products (manufactured) have achieved a stellar performance in key markets

Positive trade balance with Cariforum countries and Haiti
Strategies, policy objectives and institutional framework related to trade policy decisions

- In Dominican Republic there are policies that seek to influence in generating a competitive export environment.
- Complaints from the private sector who state that states need support to export are evident.
- Trade policy instruments and productive development have not affected definitively to improve trade performance.
- Contrasts with the lack of operational coordination.
Opportunities for the country

Definition of (who made, who coordinates and carries out)

Political will to eliminate divergence-operative

Formulation of an effective system of monitoring and evaluation of goals

Awareness about the importance of considering giving the responsibility of that system to an independent entity

Availability of reliable statistical data and information
Thank You

For more information contact us at
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consultas@mic.gob.do