

Dominican Republic

Sector	Sector selection factors	Economic Findings	Environmental Impacts	Social Impacts	Legal-Regulatory Effects
Textiles	<p>Economic/Trade Factors:</p> <ul style="list-style-type: none"> • Important export activity. • Extension of the U.S. textiles industry. • Limited production for domestic market. • By 2006 there were 226 industries in the textiles sector in foreign trade zones (40.23% of export value). <p>Social factors:</p> <ul style="list-style-type: none"> • Between 2004-2005 there was a decrease of more than 30,000 jobs in this sector (in the foreign trade zones). • By 2006, there were more than 90,000 jobs in the textiles industry. • Represents 70% of employment in foreign trade zones. <p>Environmental Factors:</p> <ul style="list-style-type: none"> • Potential environmental impacts derived from changes in production patterns and nature of the production process. 	<ul style="list-style-type: none"> • Potential increase in exports of apparel of 5.2% and textile accessories of 5.7%. • The sector also includes a net change in production of 5.7% with DR-CAFTA. • The economic impact on textiles and apparel was considered to be moderate. • DR-CAFTA will improve access to market in the U.S. due to tariff exemption/reduction and rules of origin. 	<ul style="list-style-type: none"> • The projected growth implies a vertical integration of the sector. • The highest impacts identified were related to management of chemical substances, water and solid waste. • Low impacts were identified due to land use change and in air quality. • All the environmental impacts can be mitigated at the project level. 	<ul style="list-style-type: none"> • Generation of employment 	<ul style="list-style-type: none"> • Solid institutions with authority on environmental issues, but weak capacity to enforce. • Institutions with the responsibility for policy-making also have in their portfolio monitoring and enforcement. • Each regulation from the legal system in Dominican Republic establishes instruments, requirements, controls, and procedures for the efficient management of environmental impacts resulting from activities and policies at the national level. • Strengthening/new procedures of environmental enforcement. • Improvement in access of information and justice. • Promotion of voluntary mechanisms. • Enforcement will not

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					depend exclusively on the Government and institutions, but also on all the citizens; with the DR-CAFTA the concept of legal legitimacy is being reinforced.
Rice	<p>Economic/Trade Factors:</p> <ul style="list-style-type: none"> • Most important agricultural product. • Represents close to 1% GDP • Relatively high productivity and cost. • National production supplies 100% of the domestic market. • Not an export item. • Sustained increase in production during recent years. • High trade barriers: import quotas. <p>Environmental Factors:</p> <ul style="list-style-type: none"> • 35% of irrigated land (150,000 HA) • 38,000 production units and 130 processing plants. 	<ul style="list-style-type: none"> • The main economic impact for the rice sector is a net change in production (0%) and a projected 5% increase in imports with DR-CAFTA. • Net changes in production including the elimination of import quotas: -6% 	<ul style="list-style-type: none"> • High impacts include changes in land use. • Positive impacts identified include a decrease in agrochemical discharge, and a decrease in water use. 	<ul style="list-style-type: none"> • Increase in poverty and associated risks. 	<ul style="list-style-type: none"> • More informed citizens. • Harmonization of international commitment vs international agenda. • Public policies focusing on change and mitigation of impacts.

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Coffee	<p>Economic/Trade Factors:</p> <ul style="list-style-type: none"> • Traditionally an export crop. • Production aimed for domestic market. • Relativamente baja importancia en agregados macroeconómicos. • Protected only by custom tariffs (20% for processed coffee). <p>Environmental Factors:</p> <ul style="list-style-type: none"> • High environmental importance and in survival systems of rural zones. 	<ul style="list-style-type: none"> • A net change in production patterns (-2%) is projected due to an increase in imports to DR of 6% with DR CAFTA. 	<ul style="list-style-type: none"> • High negative impacts were identified in the area of land use change leading to loss of forest coverage in mountainous regions. • Greater use of agrochemicals. 	<ul style="list-style-type: none"> • Low negative impacts include a decrease in income in the mountainous regions. • Opportunities for organic productions and organic tourism. 	

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Fruit and Vegetable	<p>Economic/Trade Factors:</p> <ul style="list-style-type: none"> • Production represents 2% GDP • Export: 10% (US\$ 94 million). • Import: 63,000 Tons (3.8% of production). <p>Social factors:</p> <ul style="list-style-type: none"> • Low employment rate <p>Environmental Factors:</p> <ul style="list-style-type: none"> • Environmental impacts derived from nature of the production process. 	<ul style="list-style-type: none"> • Overall there's not a projected increase in exports but there's in specific items, including organics. • The economic impact on agriculture was considered to be low. Net change in production: -1.5% • DR-CAFTA: increase in imports: 13% 	<ul style="list-style-type: none"> • High-level negative impacts include the use of agrochemicals and the production of solid waste. • Medium negative impacts include the use of water and changes in land use. 	<ul style="list-style-type: none"> • Positive impacts include improved socio-economic conditions in rural areas. • Opportunities for organic production 	