

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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**Date:** 2/19/2013

**GAIN Report Number:**

## **Dominican Republic**

**Post:** Santo Domingo

### **Improvements made by the GoDR in CAFTA-DR TRQ Allocations for 2013**

**Report Categories:**

Trade Policy Monitoring

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**Report Highlights:**

On January 10, 2013, the Office of Agricultural Trade Agreements (OTCA) of the Ministry of Agriculture of the Dominican Republic, published the 2013 allocations for the tariff-rate quotas (TRQs) under the CAFTA-DR. This year's publication marks a new and positive way of implementing the TRQs by the new Minister of Agriculture that follows the CAFTA-DR's language and intent on TRQ administration.

### **General Information:**

On January 10, 2013, the Office of Agricultural Trade Agreements (OTCA is the Spanish acronym) of the Ministry of Agriculture, published the 2013 allocations for the tariff-rate quotas (TRQs) under the CAFTA-DR. This year's publication marks a new and positive way of implementing the TRQs by the new Minister of Agriculture that follows the CAFTA-DR's language and intent on TRQ administration. Most notably:

- **Timing.** This is the first year that the allocations were announced only 10 days after the January 1<sup>st</sup> delivery date. Since the Dominican Republic's (DR) implementation of the CAFTA-DR in March of 2007, the United States has encountered a number of problems with the administration of its TRQs, including the timely delivery of import certificates to the corresponding parties. Most recently, in 2011 and 2012, the rice and beans TRQs were not opened until March and import certificates were not distributed until May;
- **Elimination of physical certificates.** Beginning this calendar year (CY 2013), the Ministry of Agriculture has eliminated the use of physical certificates for import TRQs, opting instead for a more efficient and transparent electronic documentation system managed by the OTCA and Customs Administration (DGA is the Spanish acronym). Specifically, the newly implemented procedure will require that the importer present his/her identity card (Dominican cédula for natural or physical persons; RNC for legal ones) in Customs, along with the corresponding no-objection permit (this refers to the phytosanitary and animal health no-objection certificates, which are separate from the previously used CAFTA-DR TRQ import certificates). In this sense, the OTCA has eliminated the use of physical certificates that had been duplicated in past years and used in a fraudulent manner;
- **Availability of TRQs for all products.** For the first time since the agreement entered into force for the DR, all products subject to the import TRQs were made available within the first half of January, including rice and beans; and,
- **Allocations made in commercially viable amounts.** This year's publication saw the unprecedented allocation of virtually all products in commercially viable amounts. For the few exceptions listed, Post confirmed with the Ministry of Agriculture that the shares were assigned in accordance with requests received by the local importers (for more details, see attached copy of the 2013 allocations).

At the present time, Post is aware of some complaints on behalf of importers, specifically in respect of the allocation amounts, the entities receiving shares of the TRQs and the overall criteria used by the Dominican authorities for the 2013 allocations. To date, Post understands that the new procedures have been implemented, the system is operational and the current authorities maintain their position that this year's allocation is in line with both the text of the CAFTA-DR (specifically, see Articles 3.8 and 3.13 of the final text of the agreement, along with the Annex 3.3, paragraph No. 7 and Appendix I to the General Notes of the Tariff Schedule of the Dominican Republic; Appendices II and III refer to TRQs with Costa Rica and Nicaragua, respectively:

[http://www.ustr.gov/sites/default/files/uploads/agreements/cafta/asset\\_upload\\_file721\\_3920.pdf](http://www.ustr.gov/sites/default/files/uploads/agreements/cafta/asset_upload_file721_3920.pdf); [http://www.ustr.gov/sites/default/files/uploads/agreements/cafta/asset\\_upload\\_file750\\_5847.pdf](http://www.ustr.gov/sites/default/files/uploads/agreements/cafta/asset_upload_file750_5847.pdf)), as well as the

DR's domestic regulation governing the TRQ administration (i.e., No. 705-10; see attached).

In addition, Post has learned that the GoDR is working on a new regulation to ensure that at a future date (yet to be determined), the TRQs negotiated under the CAFTA-DR will be administered via an auction-type mechanism, similar to that one instated last year for products of the WTO Technical Rectification (see Decree No. 569-12 for more details; a copy is attached).

Lastly, given the novelty of this system for TRQ administration, Post will continue to monitor the situation in the coming weeks and report back accordingly.