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Dominican Republic and Cuba Begin Talks on Trade Agreement

by Crosby Girón

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The Dominican Republic and Cuba have begun formal negotiations designed to broaden bilateral relations in terms of trade.

Dominican Foreign Minister Miguel Vargas and Cuban Deputy Foreign Minister Ileana Núñez signed a document in April establishing a framework for the talks. During the signing ceremony, Vargas told the press that exports to Cuba from 2010 to 2015 totaled US\$53 million, while Cuban exports to the Dominican Republic during the same period increased by 38%, totaling US\$38 million.

Vargas said the talks would enable the two countries to explore new financial instruments that boost and strengthen trade. The aim, said Vargas, is to give exporters security. Vargas described the initiative as a “milestone” in the bilateral relationship with Cuba. He said it would “pave the way for two countries with strong historical and cultural ties to build an even stronger relationship that will benefit both parties.”

The agreement establishes a timeframe for negotiations that aim to phase out restrictions on bilateral trade other than tariffs. This should increase trade relations and cooperation between the two parties and encourage the participation of various economic actors, Vargas said.

Núñez said that a final document resulting from the talks could be signed in 2018, if everything goes well.

“The agreement will be a legal instrument at a government level and it is subject to revision and to government approval,” she said.

Expanding ties in the Caribbean

Núñez said the agreement reflects Cuba’s interest in fostering regional integration, especially among Caribbean countries, and urged the political leaders of Caribbean nations to work toward that integration.

“The Caribbean nations are united by historical ties, geographical location, and excellent diplomatic relations, but the economic potential of this relationship hasn’t been sufficiently exploited,” she said.

In an interview with the Cuban press, Núñez said that the aim of her visit to the Dominican Republic—and of the agreement—was to strengthen the relationship between the two countries. Cuba and the Dominican Republic will analyze different aspects of foreign trade, including tariff preferences, based on a list of products that both countries currently exchange, she said.

Even though the agreement highlights the importance of trade, Núñez noted that “it will never be a free trade agreement, and it will never damage the interests of any of the two countries.”

High expectations

Cuba has high expectations regarding the trade talks. In fact, during an event organized earlier this year by the Federación Dominicana de Comerciantes (Dominican Business Federation, FDC), the Cuban ambassador to the Dominican Republic, Carlos de la Nuez López, said the first phase of the partial trade agreement aimed to reduce tariffs, adding that the Dominican Republic “has the potential to become an important supplier for Cuba.”

FDC president Iván García also said he was in favor of the agreement and complained that Dominican exporters have to pay a tariff of over 200% in order to export their products to Cuba.

The framework document was signed after a drawn-out seven-year process. The two countries began discussing a partial agreement in 2010 based on the exchange of pharmaceutical goods, which is a strong industry in Cuba.

The Dominican Republic has had a trade agreement with the Caribbean Community (CARICOM) since 2001. In 2007, it ratified the Dominican Republic-Central American Free Trade Agreement (CAFTA-DR) ([NotiCen, Jan. 22, 2004](#), and [April 24, 2008](#)). It also has a trade agreement with Panama, signed in 2003, and it is part of the EU-CARIFORUM Economic Partnership Agreement, which includes the Caribbean and the European Union and was signed in 2008.

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