



DOMINICAN ECONOMY PERFORMANCE POST-CRISIS RECOVERY

January, 2011



PRESENTATION OUTLINE

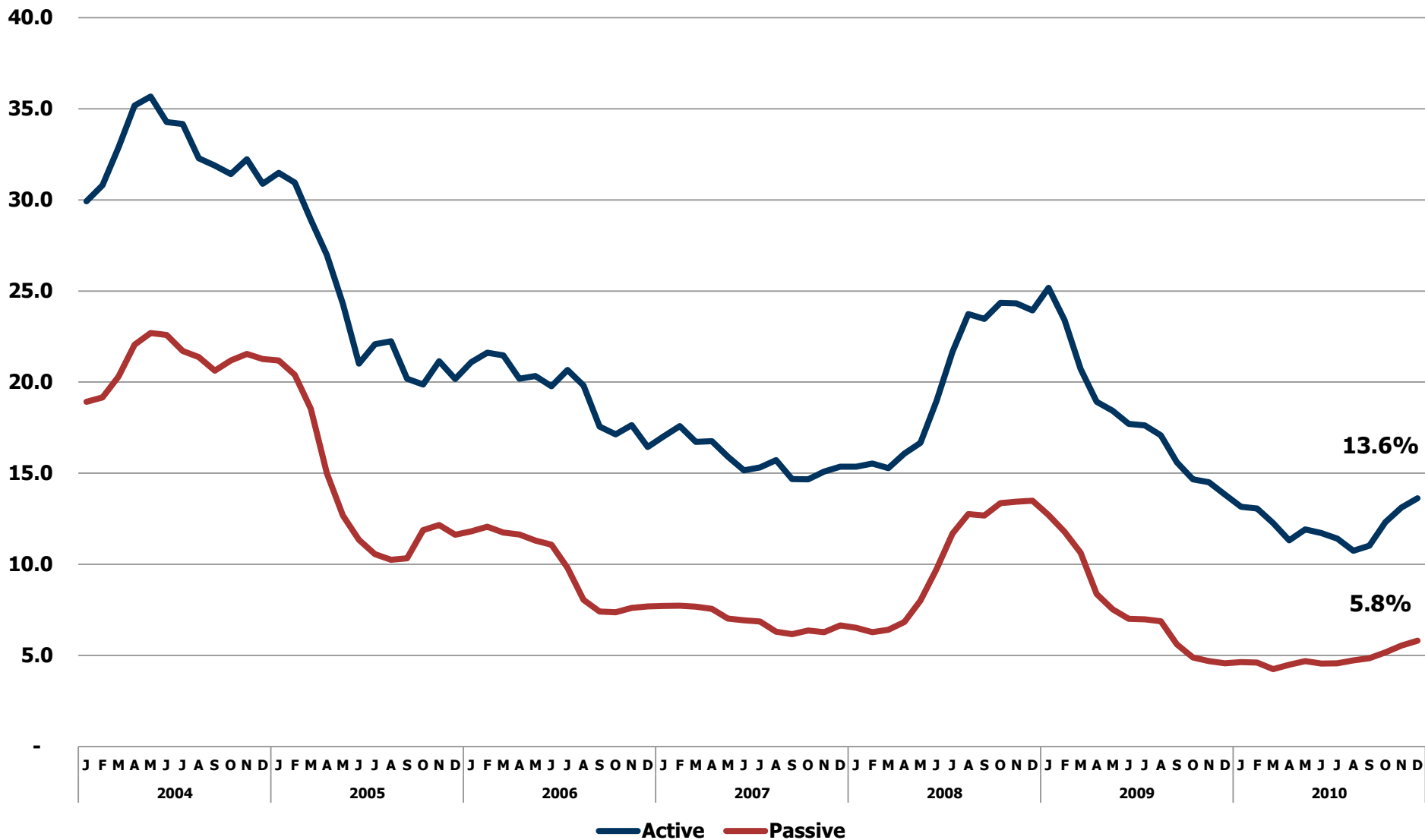
- DOMINICAN ECONOMY GROWTH CHARACTERISTICS
- GLOBAL CRISIS EFFECT IN THE DOMINICAN ECONOMY
- FACTORS THAT HAVE DRIVEN THE ECONOMIC GROWTH 2009-2010
- ACTUAL SITUATION: ECONOMIC RECOVERY POST-CRISIS

GROWTH CHARACTERISTICS:

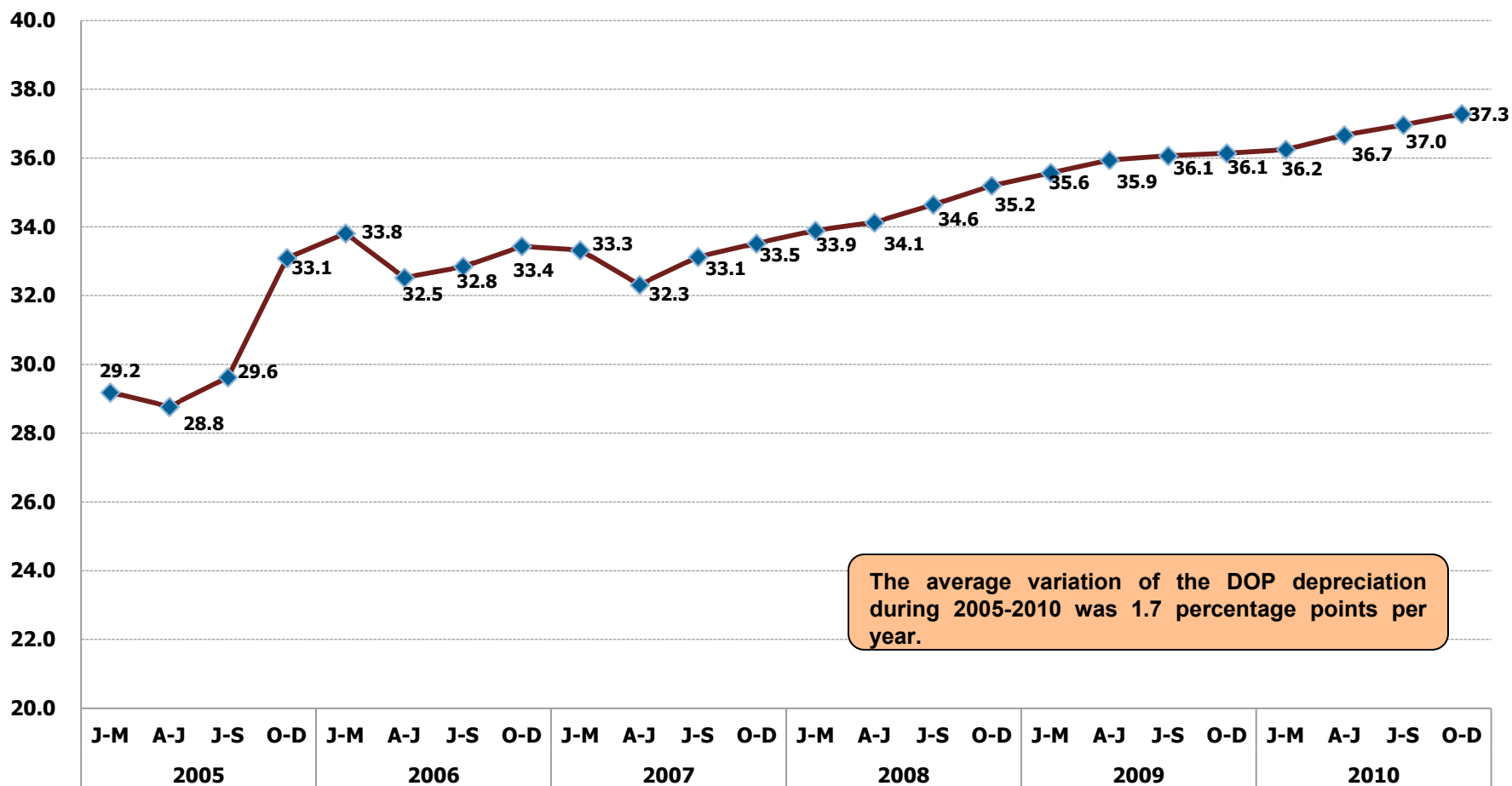
After the economic and financial crisis in Dominican Republic (2003-2004), follows a process of Economic recovery :

- Macroeconomic stability with sustainable economic growth:
Average economic growth 2005-2007: 9.5%
- Local prices stability: One digit inflation
Average Inflation 2005-2010: 6.3%.
- Exchange Rate:
Average variation of the DOP depreciation: 1.7%.
- Relatively Low Interest Rates.
- Close coordination between Monetary and Fiscal policies.
- The Private sector as the primary economic growth sponsor.

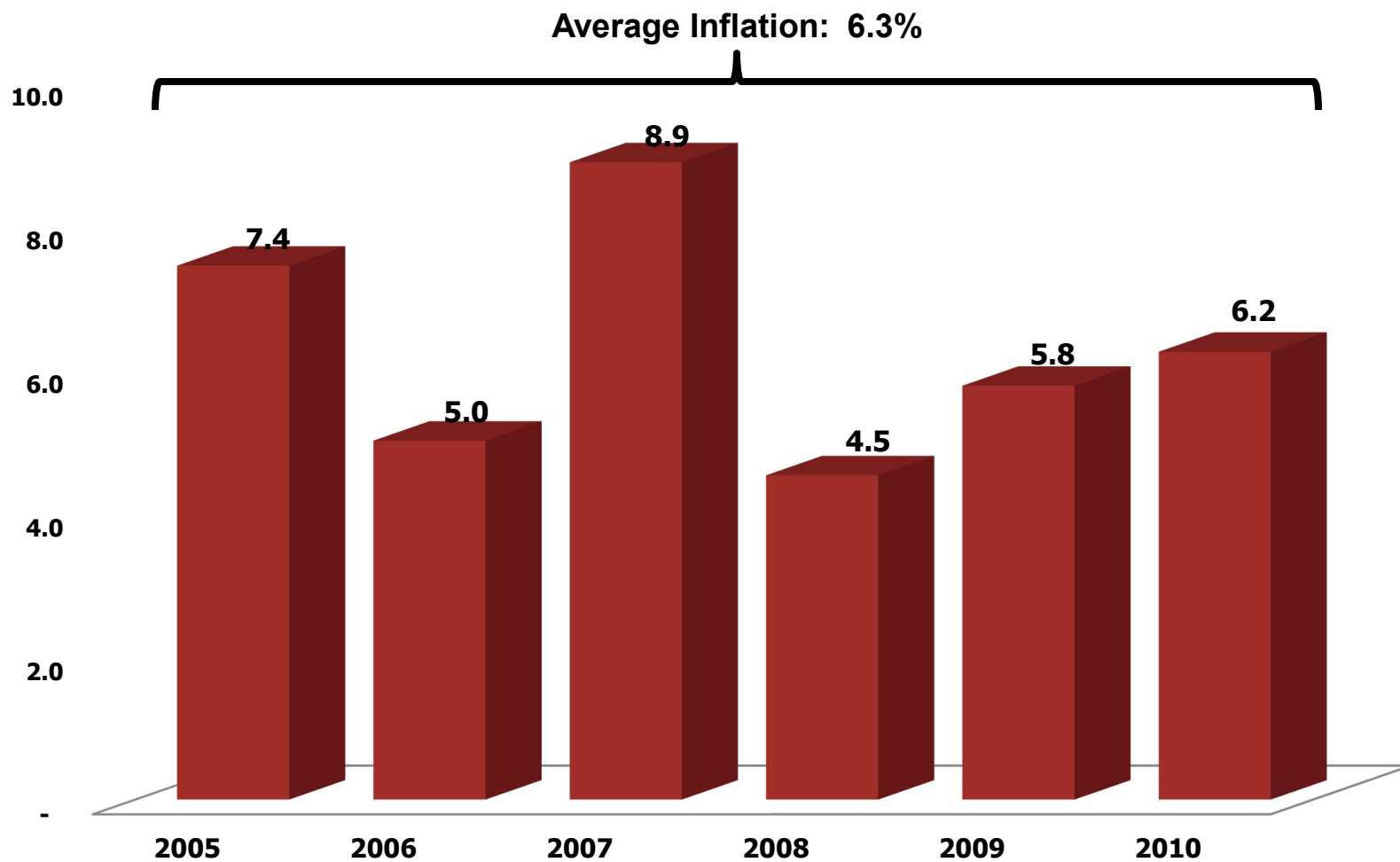
Active and Passive Interest Rates (%) Weighted Average (2004-2010)



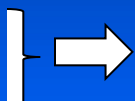
Exchange Rate DOP/USD 2005-2010



Dominican Republic Inflation (%) 2005-2010



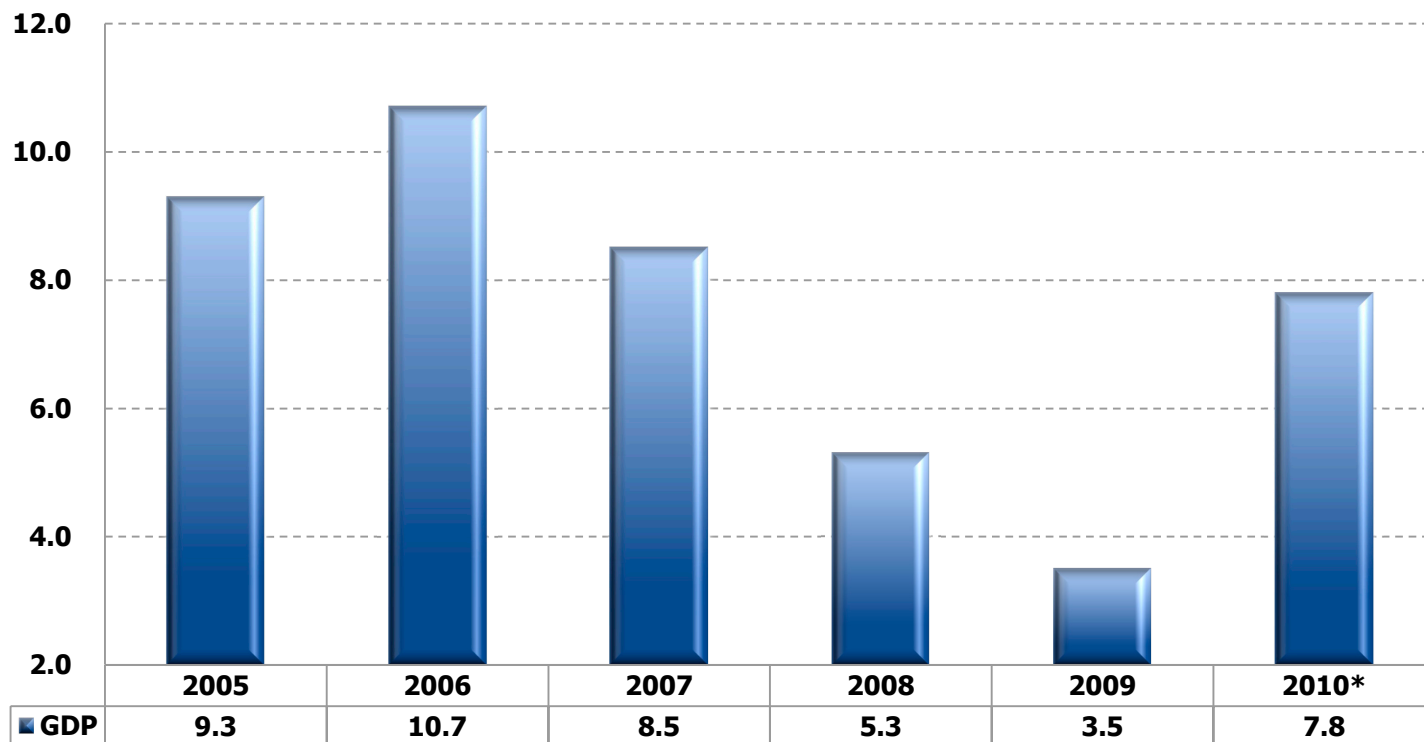
FUNDAMENTALS OF THE DOMINICAN REPUBLIC ECONOMIC RECOVERY 2009-2010

1. Monetary Policies: Expansive policies
 - Interest rates reduction
 - Legal Reserve requirements dismount
 - Direct Window closure

Bank financing to private sector increase:
April 09 - Dic. 2010: 19.6%
2. Stand-by arrangement with IMF:
 - Greater Foreign Financing
 - Inversion Environment Development
3. Countercyclical Fiscal Policy :
 - Greater fiscal impulse: Inversion y social expenditure.
4. Economic growth focused on Local Demand, with Construction, Commerce, Communications, Financial Intermediation, Local Manufacturing and Hotels as the main activities sustaining economic growth.
5. Gradual recovery of the principal activities that generates currencies directed to foreign demand: National goods exports, Free Zones, Tourism.
6. Goods and Services Foreign Demand Increase: Haiti catastrophe.

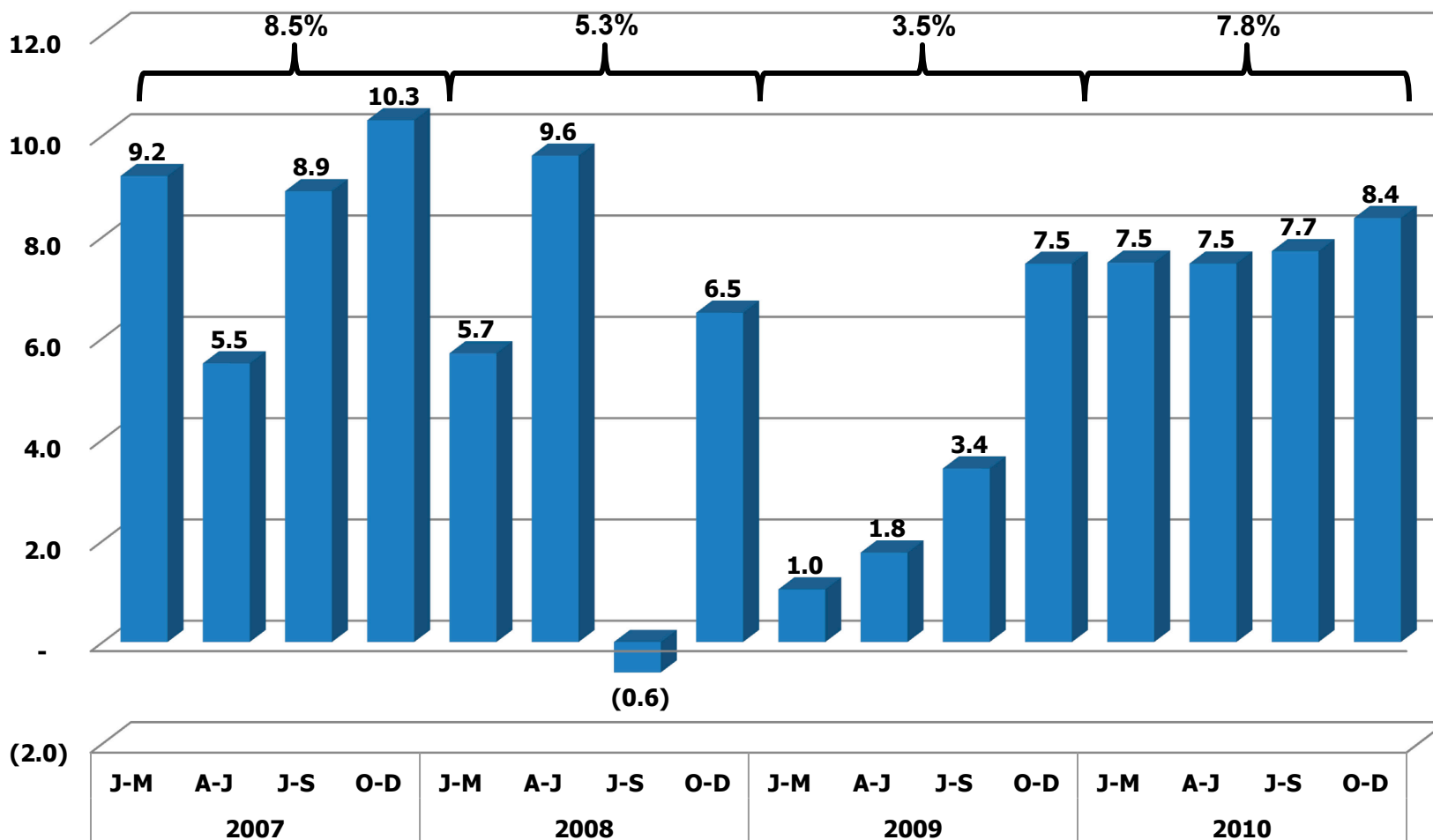
Gross Domestic Product 2005-2010*

Constant Growth Rates (%)



*Preliminary data.

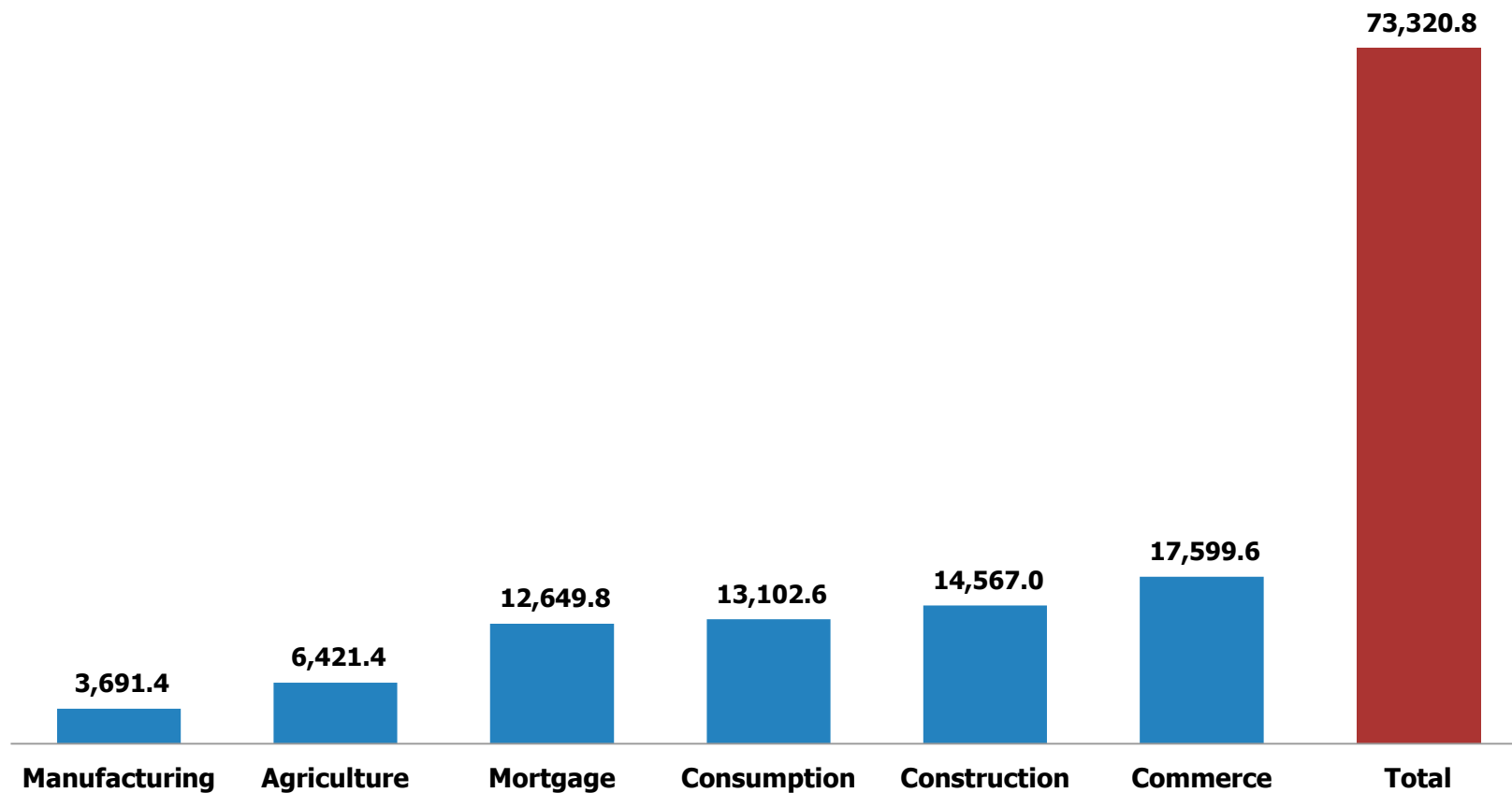
Quarterly Gross Domestic Product Constant Growth Rates (%) 2007-2010



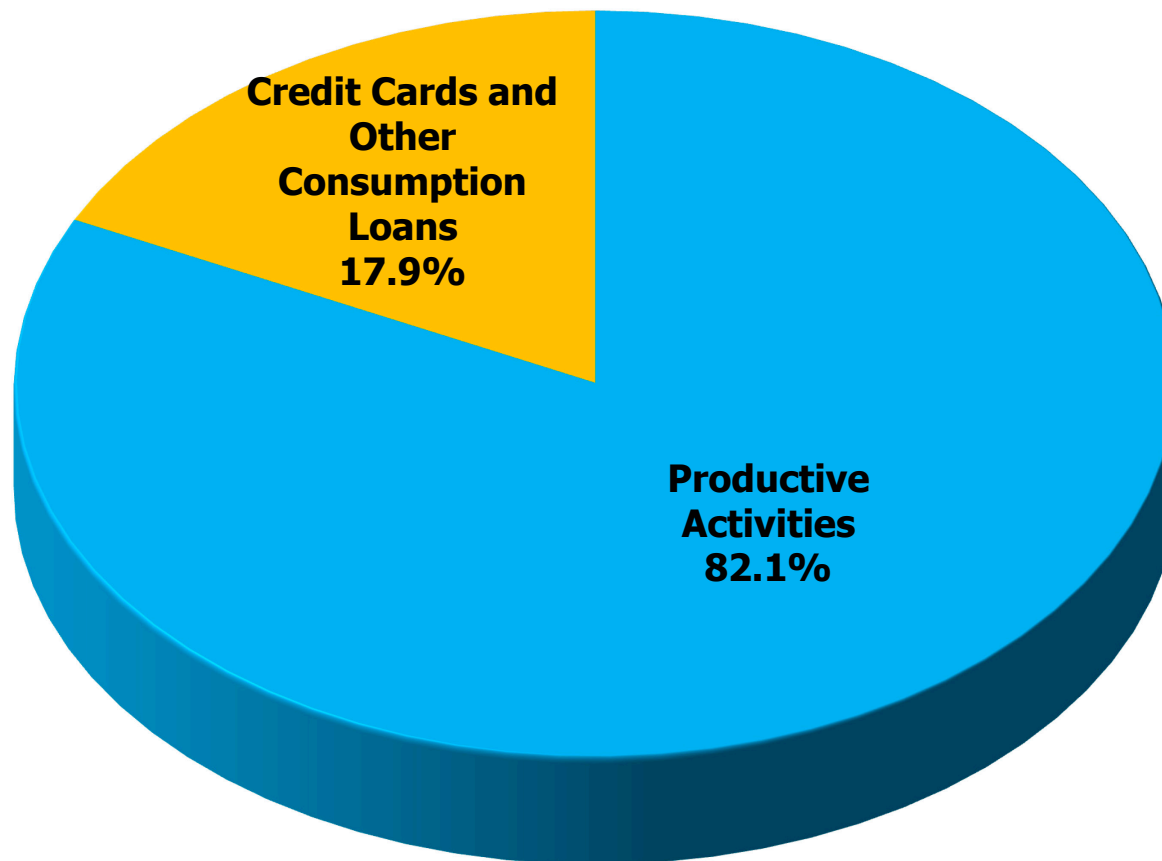
Economic Activities Performance Growth Rates 2005-2010 (%) (Reference Year = 1991)

Detail	Growth Rates (%)						
	05/04	06/05	07/06	08/07	09/08	10/09	Average 2005-2010
Agricultural	5.9	8.6	1.2	(3.4)	12.5	5.6	5.1
Mining	(0.1)	11.0	(1.4)	(30.3)	(51.9)	3.2	(11.6)
Local Manufacture	7.6	5.7	4.8	3.2	1.0	8.6	5.1
Manufacture of Grain Mill Products	9.3	10.8	4.6	3.4	5.1	22.3	9.3
Manufacture of Sugar	(9.9)	2.2	(0.4)	0.7	4.5	(2.5)	(0.9)
Manufacture of Beverages and Tobacco	11.5	0.6	(6.5)	4.3	(8.9)	22.3	3.9
Manufacture of coke, Refined Petroleum Products	(4.9)	1.7	(16.5)	9.1	(6.9)	7.4	(1.7)
Other Manufacturing Industries	7.8	6.8	7.2	3.1	2.4	6.9	5.7
Free Trade Zone Manufacture	0.9	(8.0)	(10.0)	(1.1)	(14.6)	0.4	(5.4)
Construction	9.2	24.6	3.2	(0.4)	(3.9)	10.1	7.1
Services	8.7	10.7	9.3	8.2	4.9	7.5	8.2
Electricity and Water	4.8	6.3	9.7	10.3	3.0	6.4	6.8
Commerce	15.8	11.3	13.9	5.0	(2.8)	12.1	9.2
Hotels, Bars and Restaurants	9.0	4.9	3.7	3.4	(3.5)	7.0	4.1
Transport and Storage	8.7	4.0	6.8	4.2	0.5	6.7	5.1
Communication	24.8	24.8	14.9	19.9	14.0	8.4	17.8
Financial Intermediation, Insurance	(0.7)	23.6	25.6	13.7	8.3	11.3	13.6
House Renting	3.2	2.8	3.5	3.3	3.1	3.1	3.2
Public Administration and Defense; Social Security	(0.1)	4.7	1.9	0.7	2.6	1.2	1.8
Education	2.7	3.2	5.7	2.6	4.5	5.9	4.1
Health	(1.1)	1.6	2.8	1.3	4.3	4.6	2.3
Other Services	(2.2)	7.7	5.2	4.8	6.9	4.3	4.4
Financial Intermediation Services Indirectly Measured	33.5	16.9	22.1	20.1	5.0	10.2	18.0
Value Added	7.7	9.1	6.2	4.9	3.2	7.5	6.4
Taxes less Subsidies on Products	28.6	27.3	28.3	7.6	5.4	10.1	17.9
Gross Domestic Product	9.3	10.7	8.5	5.3	3.5	7.8	7.5

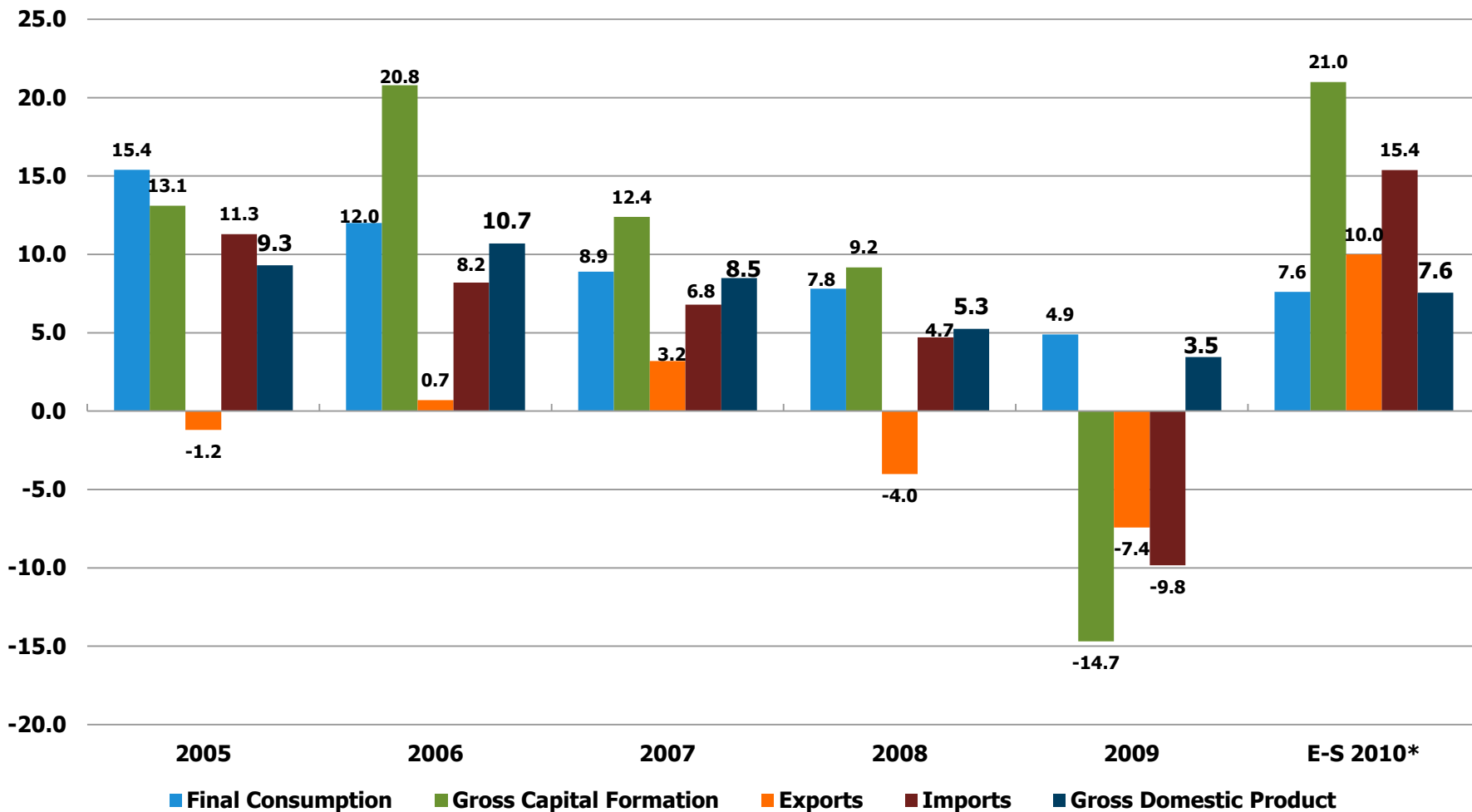
Loans to Private Sector Millions of DOPs (2009-2010)



Loans to Private Sector Percentage Distribution Millions of DOPs (2009-2010)



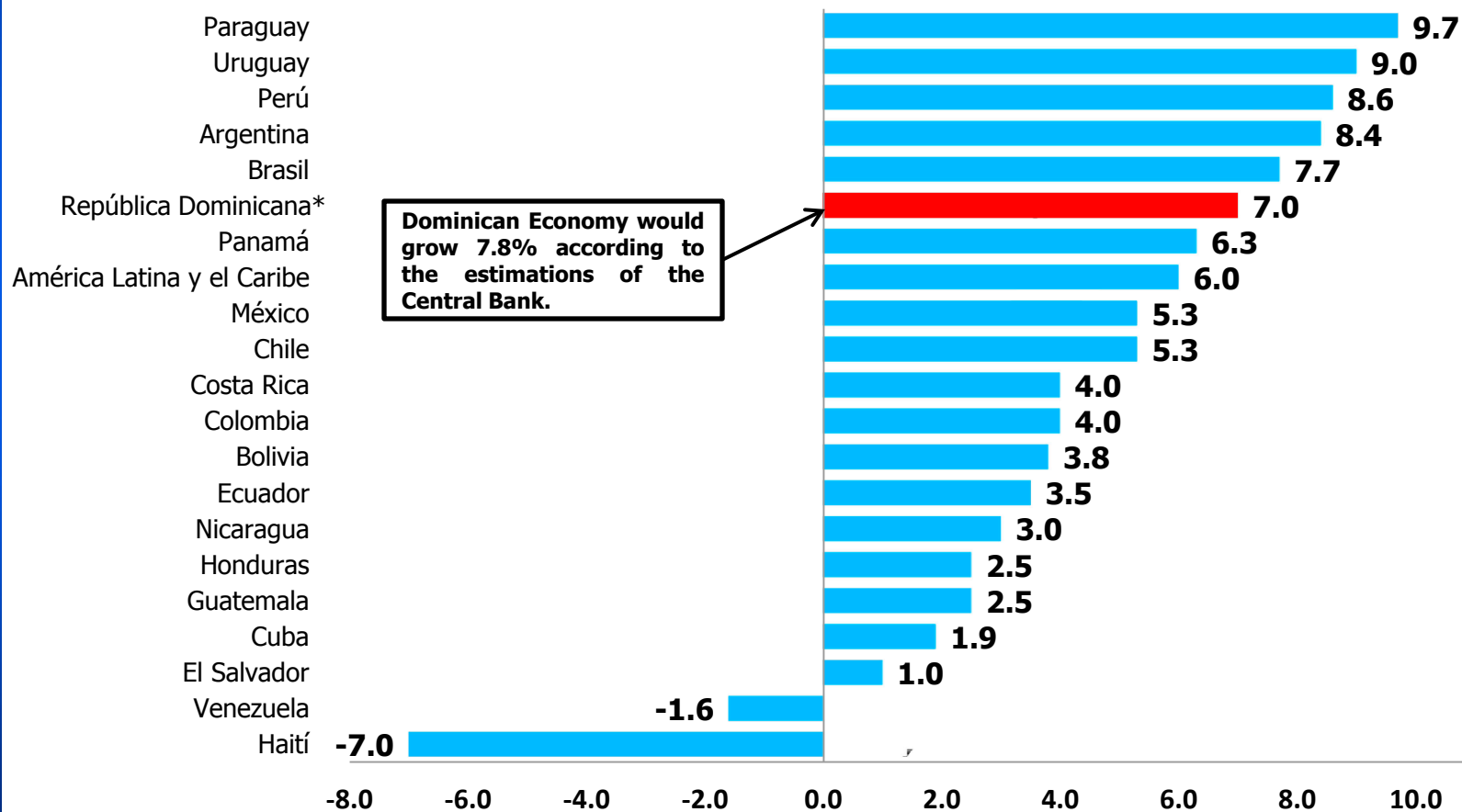
GDP Expenditure Based Constant Growth Rates (%) 2005-2010*



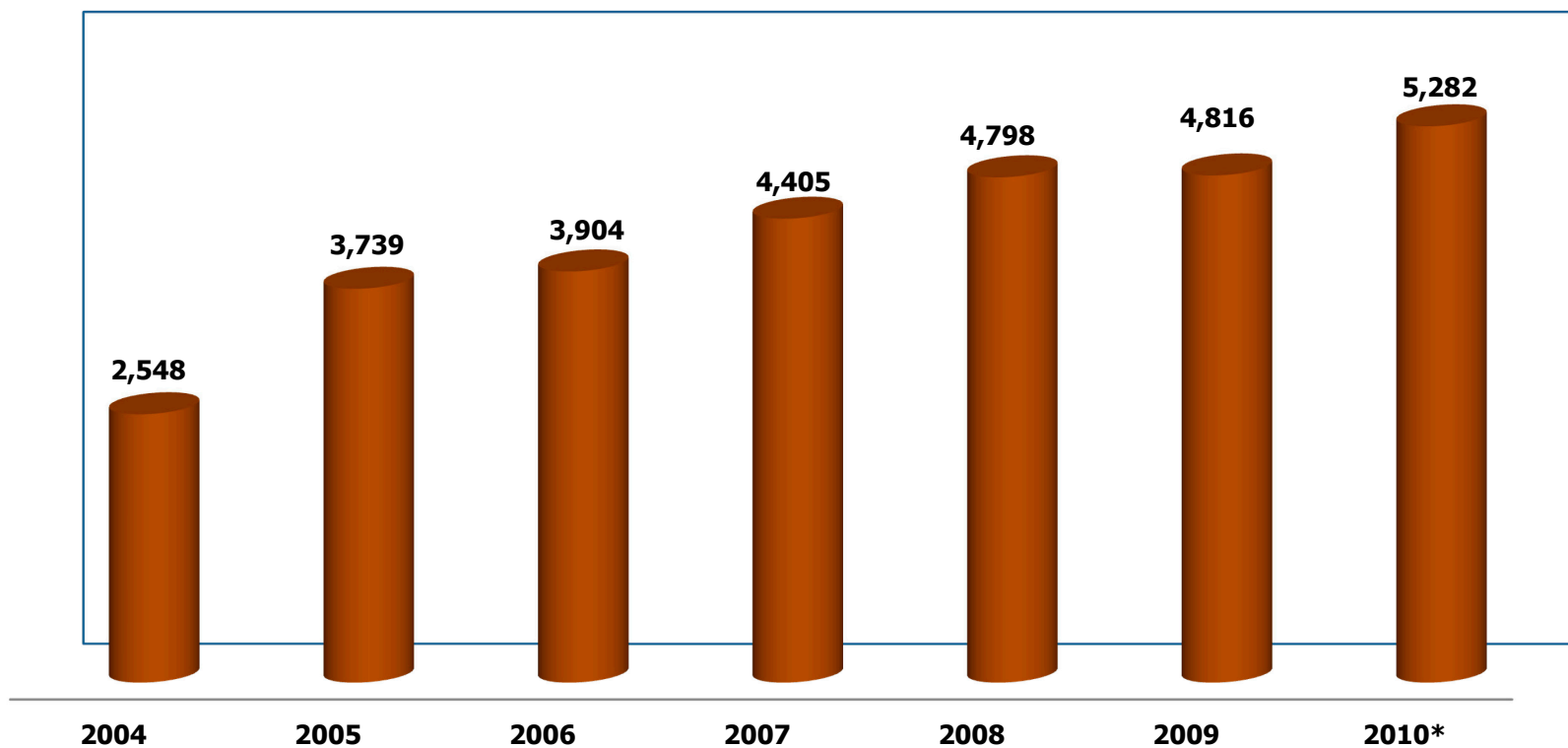
*2010: January-September.

Latin America and The Caribbean

Estimated Growth 2010 (%)

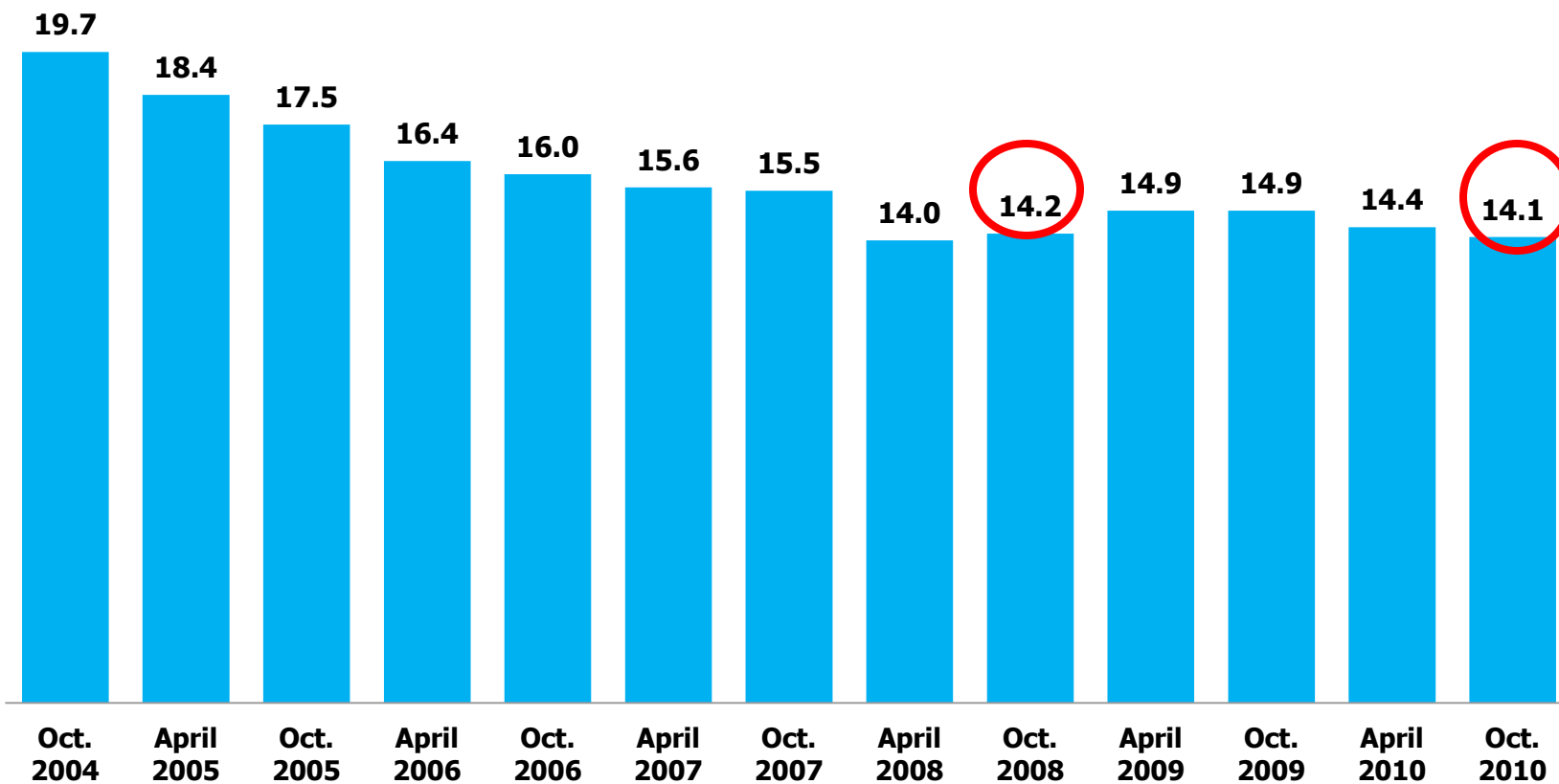


Dominican Republic GDP per Cápita (US\$) 2004-2010*

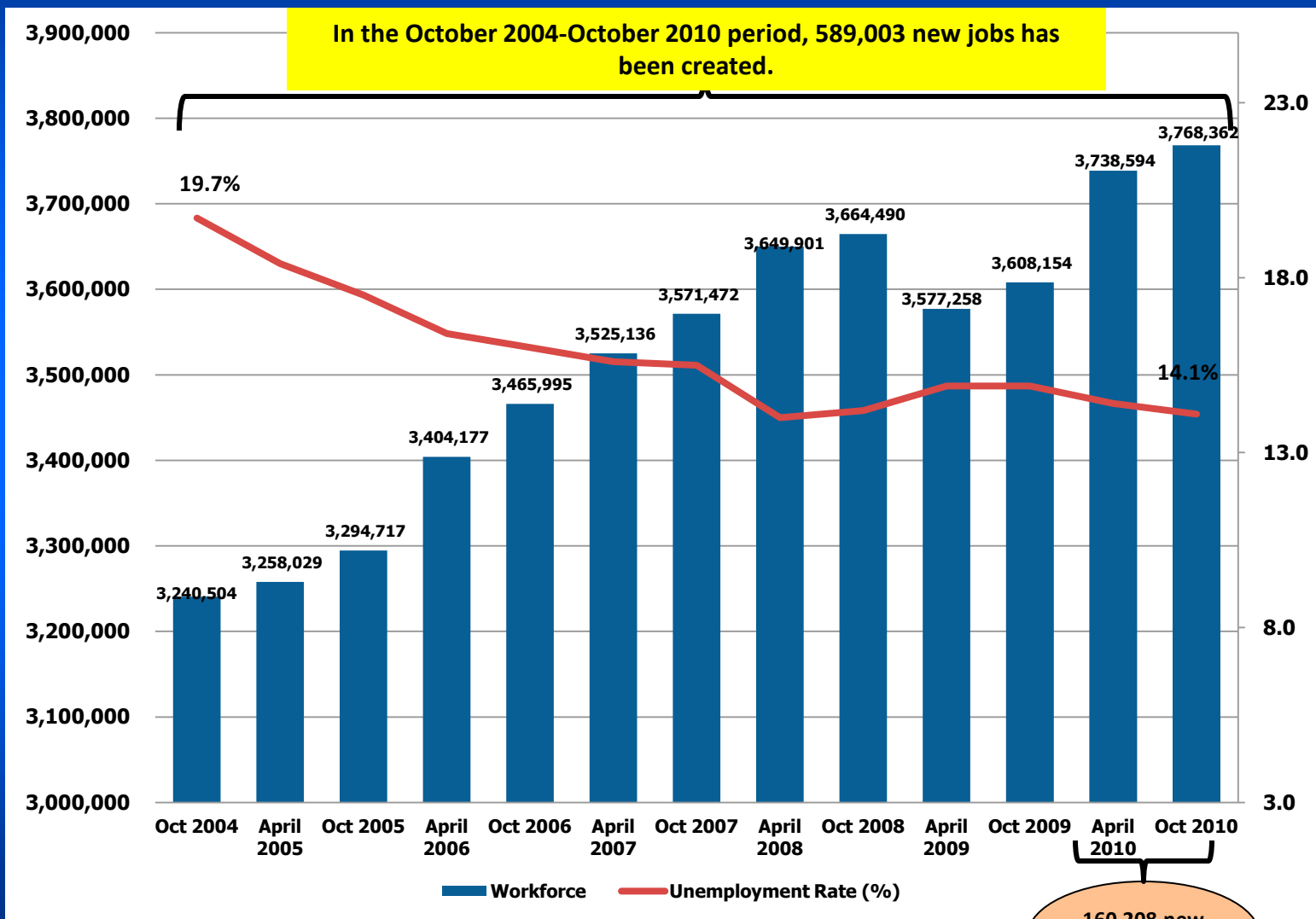


* 2010 Projected.

Extended Unemployment Rate 2004-2010 (%)

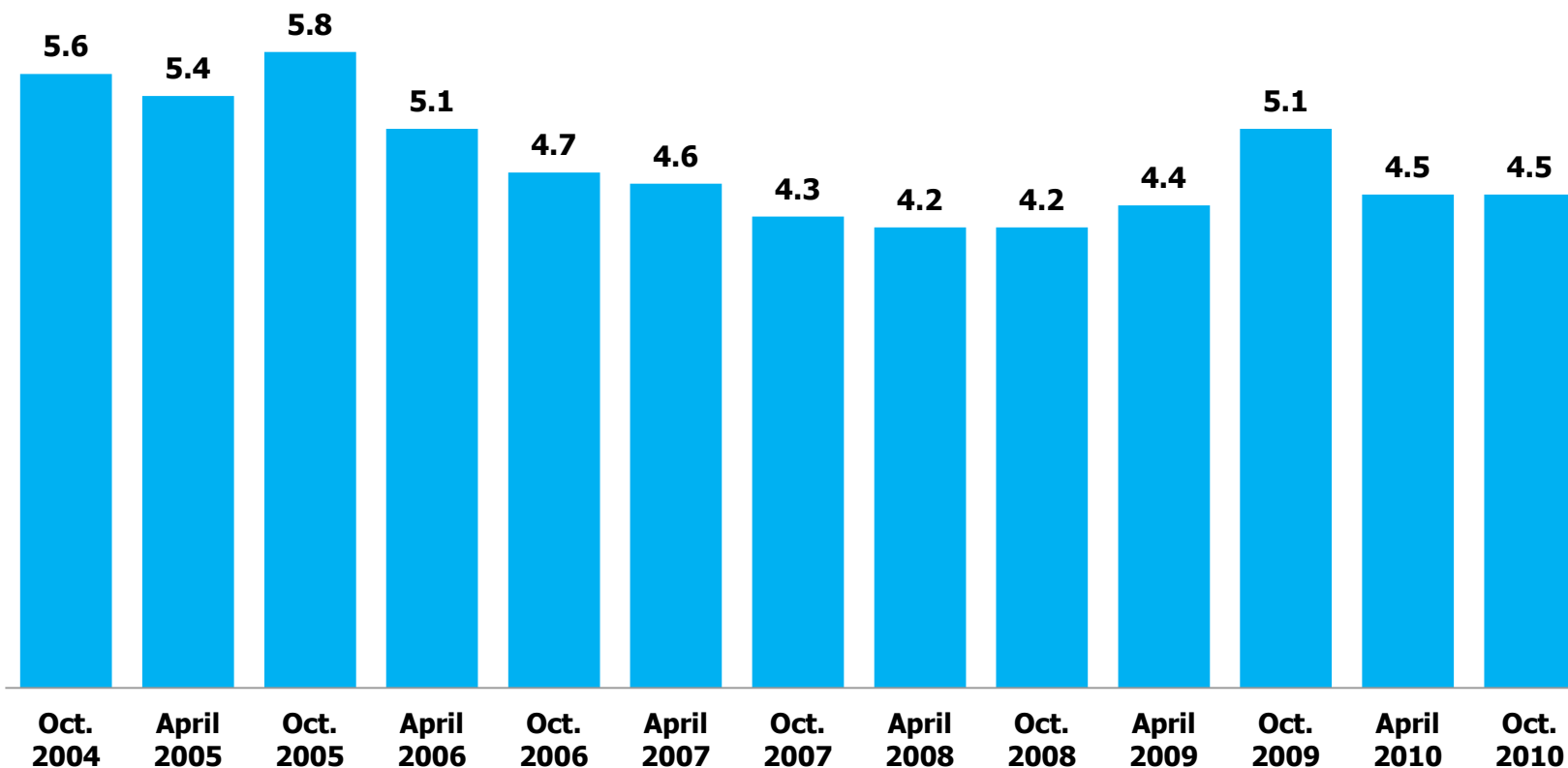


Workforce vs Extended Unemployment Rate 2004-2010

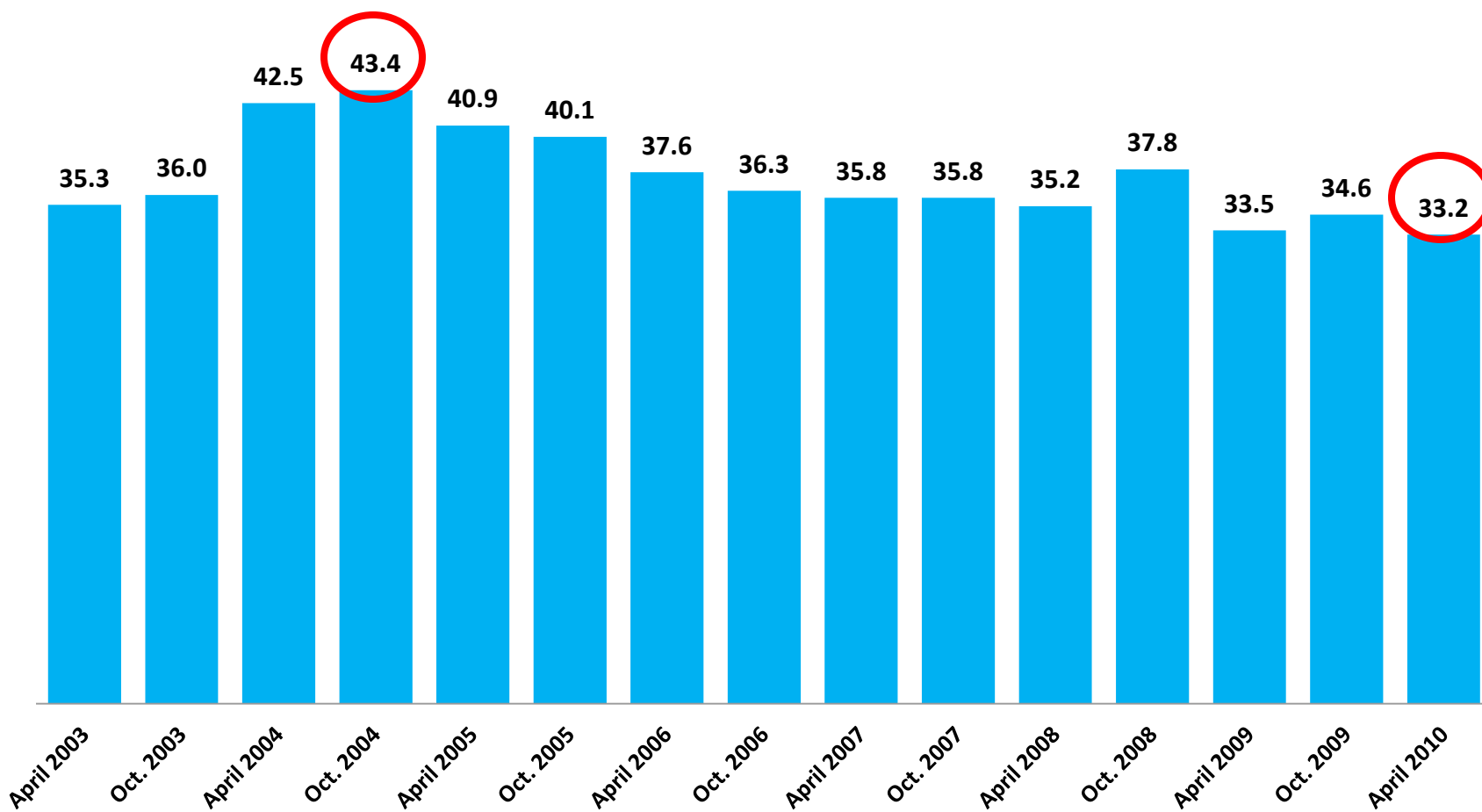


160,208 new jobs in 2010

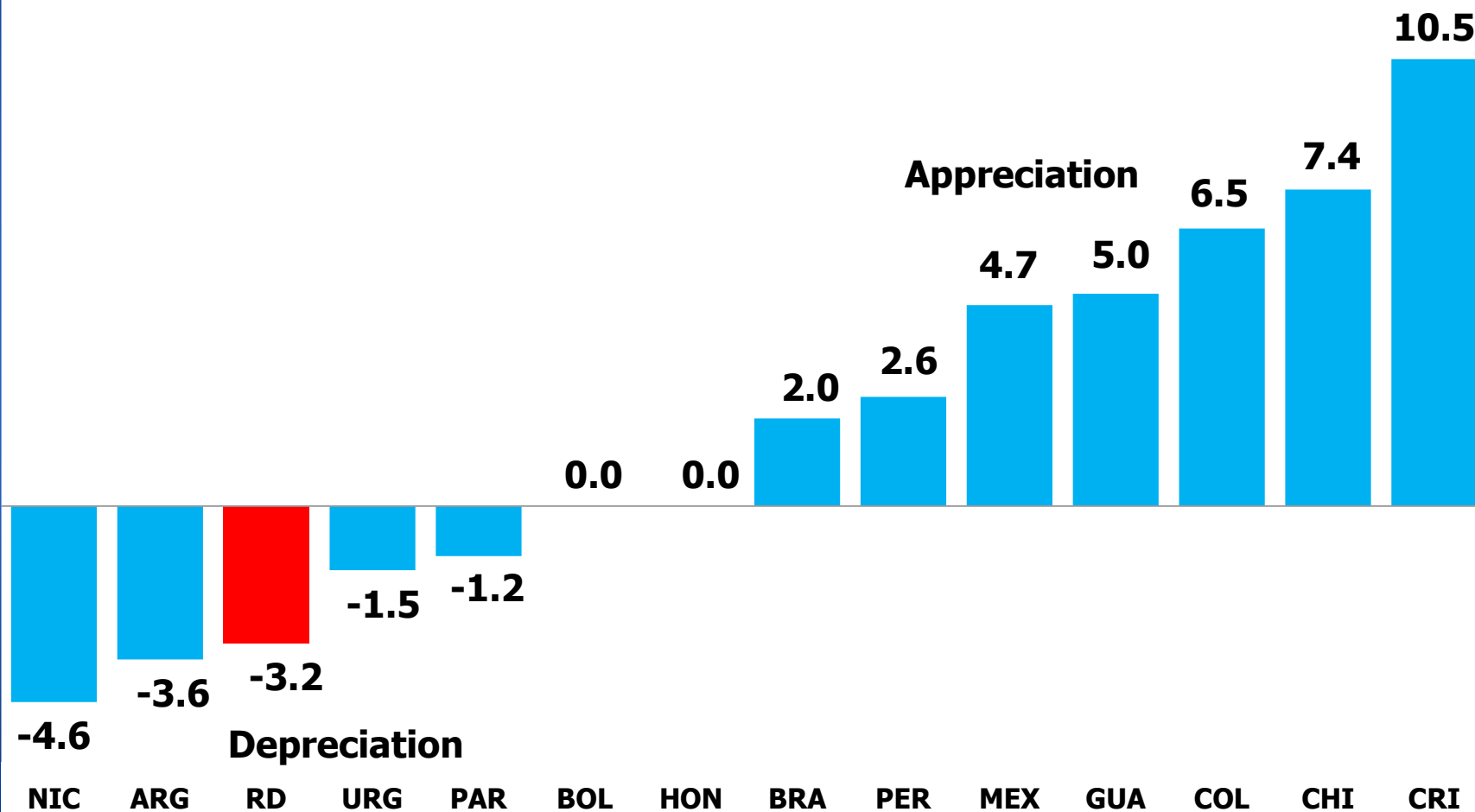
Open Unemployment Rate 2004-2010 (%)



Dominican Republic Poverty Rate(%) 2003-2010



Exchange Rate Performance in Latin America 2010 (%)



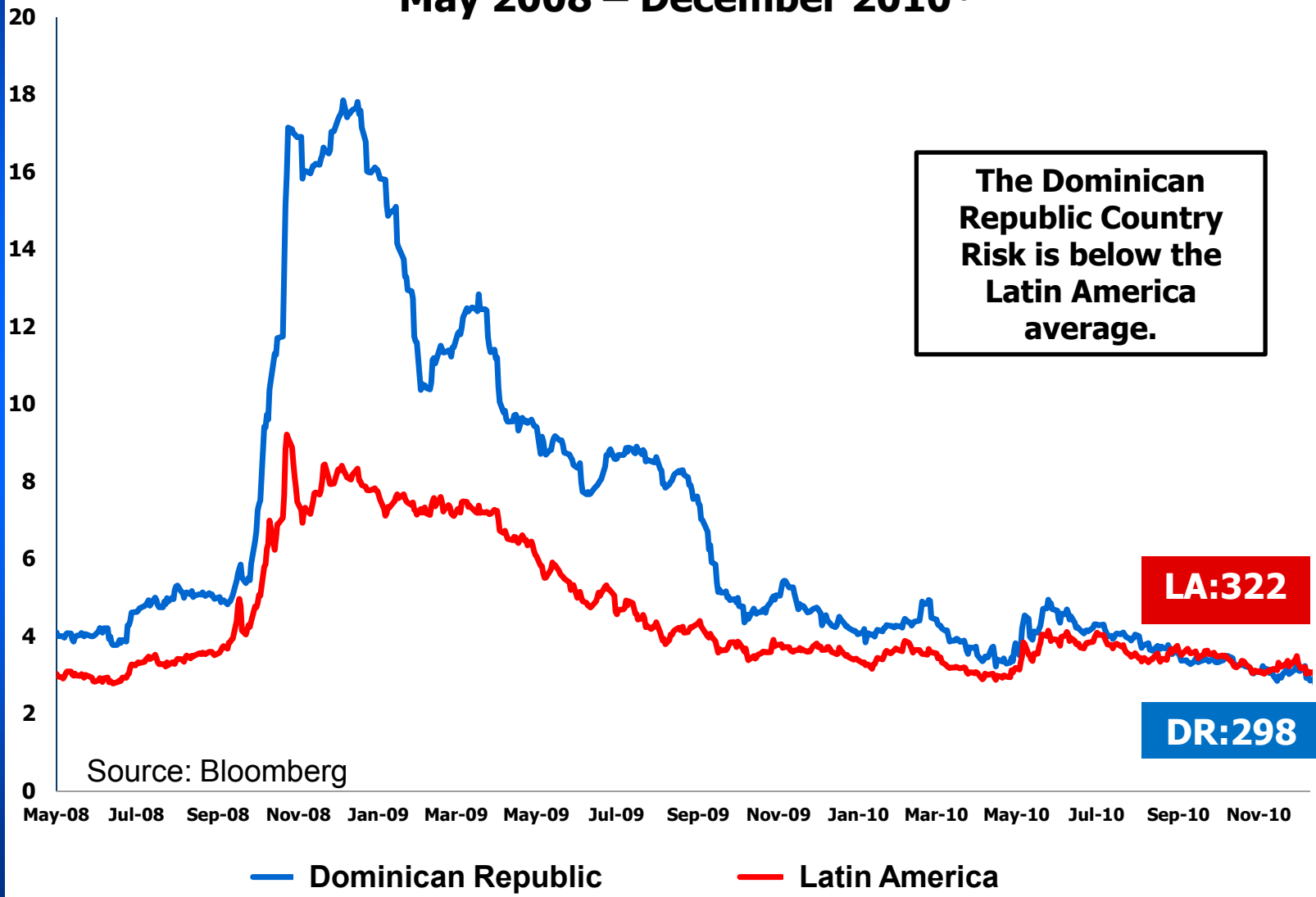
↑ Appreciation (raise of value respect to USD)

↓ Depreciation (loss of value respect to USD)

Source: Latin America Central Banks.

Country Risk (Spread)

May 2008 – December 2010*



*Data until December 20, 2010.

Total Exports

2009-2010 (Millions of USD)

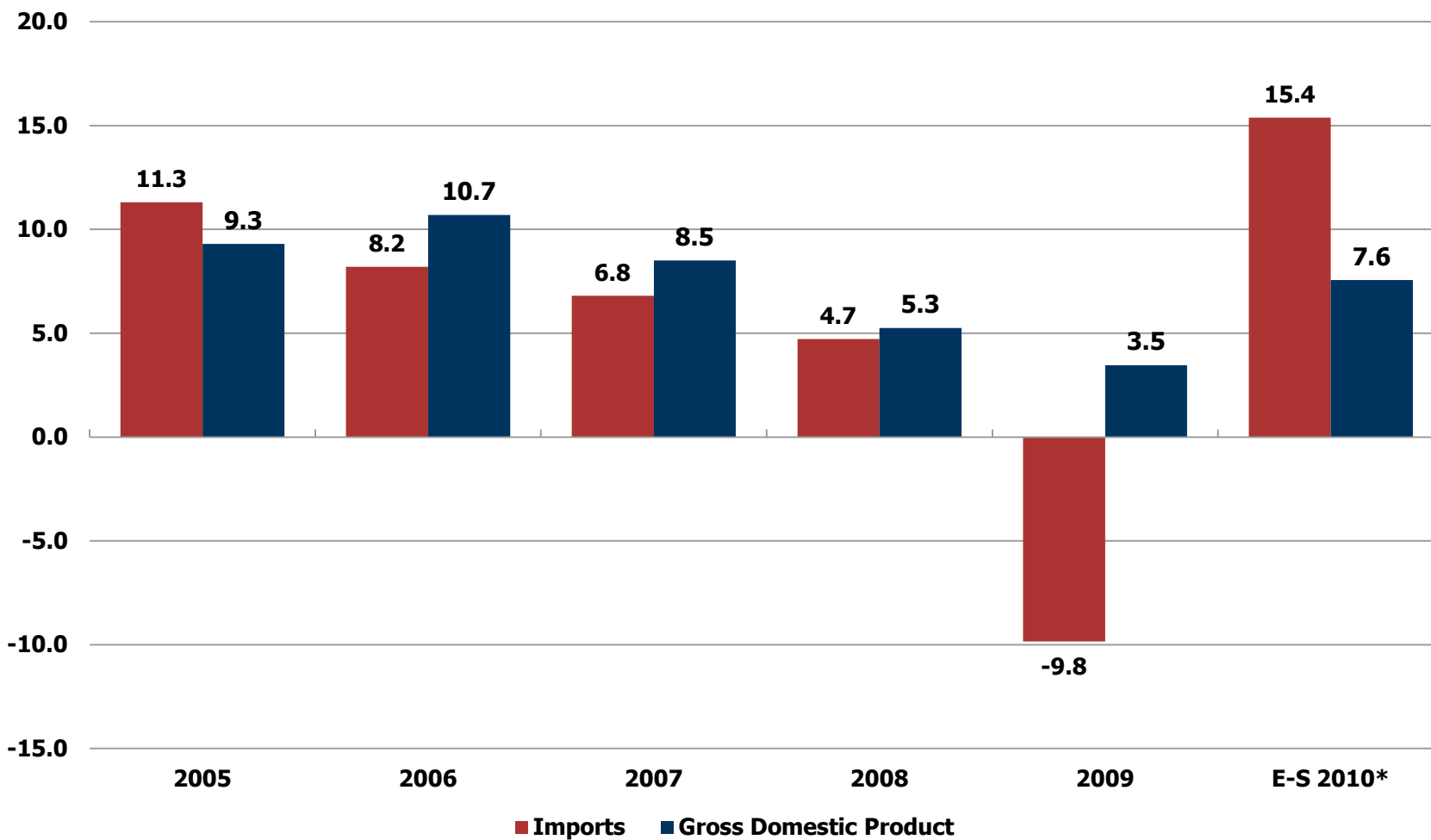
Concept	January - December		Variation (2010/2009)	
	2009	2010	Absolute	Relative
Total Exports (goods)	5,519.0	6,546.5	1,027.5	18.6
I. National Exports	1,685.6	2,570.3	884.7	52.5
1. Commodities	1,352.8	2,155.1	802.3	59.3
-Sugar and Other Sugar Cane derivatives	121.1	181.9	60.8	50.2
-Coffee and Other Manufactures	19.6	8.6	-11.0	-56.1
-Cocoa and Other Manufactures	165.7	181.4	15.7	9.5
-Tobacco and Other Manufactures	11.8	11.7	-0.1	-0.8
-Ferronickel	4.1		-4.1	-100.0
-Silver				
-Minor Products	1,030.5	1,771.5	741.0	71.9
2. Non-Monetary Gold			0.0	
3. Port-Acquired Goods	332.8	415.2	82.4	24.8
-Fuel	313.2	394.8	81.6	26.1
-Food	19.6	20.4	0.8	4.1
II. Free Zones	3,833.4	3,976.2	142.8	3.7

Tourist Arrival by Air

2007-2010

Detail	2007	2008	2009	2010*	Absolute Variation			G.R. (%)		
					08/07	09/08	10/09	08/07	09/08	10/09
Total	4,428,005	4,398,743	4,414,756	4,586,264	-29,262	16,013	171,508	-0.66	0.36	3.88
Residents	448,423	419,071	422,453	461,721	-29,352	3,382	39,268	-6.55	0.81	9.30
Dominicans	401,974	373,339	375,873	410,913	-28,635	2,534	35,040	-7.12	0.68	9.32
Foreigners	46,449	45,732	46,580	50,808	-717	848	4,228	-1.54	1.85	9.08
Non Residents	3,979,582	3,979,672	3,992,303	4,124,543	90	12,631	132,240	0.00	0.32	3.31
Dominicans	581,208	531,942	576,687	603,433	-49,266	44,745	26,746	-8.48	8.41	4.64
Foreigners	3,398,374	3,447,730	3,415,616	3,521,110	49,356	-32,114	105,494	1.45	-0.93	3.09

Imports and GDP Constant Growth Rates (%) 2005-2010*



*2010: January-September.

Total Imports

2009-2010 (Millions of USD)

Concept	January-December		Variation (2010/2009)	
	2009	2010	Absolute	Relative
F.O.B. Imports (goods)	12,259.8	14,737.9	2,478.1	20.2
Merchandise (Local)	9,943.2	12,378.1	2,434.9	24.5
Petroleum and derivatives	2,641.0	3,464.6	823.6	31.2
Mineral coal	84.8	85.2	0.4	0.5
Wheat	113.7	126.2	12.5	11.0
Sugar	4.6	25.9	21.3	463.0
Capital goods for free zones	46.8	35.5	-11.3	-24.1
Free zone commercial goods	41.1	46.8	5.7	13.9
Tax-free goods	1,855.2	1,763.5	-91.7	-4.9
Tax-free vehicles	47.8	33.3	-14.5	-30.3
Other products	5,108.2	6,797.1	1,688.9	33.1
Free Zones	2,316.6	2,359.8	43.2	1.9
Non petroleum Imports	7,302.2	8,913.5	1,611.3	22.1



Macroeconomics Assumptions

Central Bank Monetary Program

Variables	2011
Constant GDP (Millions of DOP referenced to 1991) Growth Rate	384,896.5 5.5%
Current GDP (Millions of DOP) Growth Rate	2,115,307.9 11.20%
Current GDP (Millions of USD) Growth Rate	54,238.7 4.92%
Inflation to December	5.88%
Average Inflation	6.37%
GDP Deflator	5.40%
Petroleum Price (USD/Barrel)	85.87
USA Constant GDP Growth (%)	2.3%



**THANKS FOR YOUR
ATTENTION!**