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Statement by the Hon. **HÉCTOR VALDEZ ALBIZU,**
Governor of the Fund for the **DOMINICAN REPUBLIC**

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I take advantage of the scenario of the 2017 International Monetary Fund and World Bank Annual Meetings, to make some remarks in my capacity as Governor to the IMF on behalf of the Dominican Republic, on the challenges of the region in international trade and climate change. The nations of Central America and the Caribbean have managed to maintain their growth rate, despite the sharp slowdown that has affected Latin America as a whole since 2015. However, this higher performance is threatened by the global protectionist tendency, as well as by the atmospheric phenomena resulting from our geographical location.

There is broad consensus on the importance of trade integration for development and economic growth in both advanced and emerging markets. However, discussions and policies implemented within the new global geopolitical and economic context raise uncertainty with significant potential effects for small and open economies.

In this regard, in a low-growth environment for Latin America as the current one, regional integration must be seen as an alternative to revive economic growth. This is confirmed by a recent World Bank study which suggests that this mechanism can contribute to more inclusive growth by harnessing synergies among the economies of the region.

Another important challenge for the region is climate change. Latin America and the Caribbean are highly vulnerable to climate change because of its geography, climate, socio-economic conditions and demographic factors, and even the great sensitivity of its natural assets and more recently the major earthquakes that have affected it. In the particular case of the Caribbean economies, storms and hurricanes are risks that must be faced each year. Several studies indicate that global warming emissions can increase the intensity of storms, raising the level of damages and its costs. According to a recent IMF study, the Caribbean has experienced damages in excess of $52 billion over the period 1950-2014 due to the impact of various natural disasters, mostly hurricanes.

The challenge is even greater for these economies since a significant proportion of their population and economic activities are located in coastal areas. Economies, such as the Dominican Republic, depend to a large extent on activities such as tourism and, to a lesser extent, agriculture, which are particularly sensitive to climatic conditions.
As policymakers, we share the determination and commitment of the Dominican Government to strengthen the mechanisms of resilience and adaptation of the national productive system so that the country has ready contingency plans to afford these risks and to sustain the path of economic development and social progress.

It should be noted that the Dominican Republic has been committed to addressing these challenges, benefiting from our comparative advantages, and achieving sustained growth, being the fastest growing economy in Latin America in the last 3 years. In effect, the impact of the monetary easing measures implemented since August by the monetary authorities, is expected to boost private credit and boost economic activity. This will allow the Dominican economy to achieve a GDP growth around its potential capacity of about 5.0% at the end of this year, placing the country again among the region's highest growing economies.