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FRENADEZ MOVES TO RE-ELECTION

President Leonel Fernandez easily defeated Danilo Medina in the Dominican Liberation Party (PLD) presidential primary on 6 May. President Fernandez - who secured 71.5% support against 28.5% for Mr Medina - will face construction magnate Miguel Vargas Maldonado, of the opposition Dominican Revolutionary Party (PRD) in the May 2008 General Election. The Social Christian Reformist Party (PRSC) has yet to select a candidate. A recent poll by Gallup shows that popular support for President Fernández remains under the 50% mark. But some 43% of respondents rate the President's performance as good or very good, up three points since November. In the May 2004 Presidential Election, President Fernández received 57.11% of the vote, defeating incumbent Hipólito Mejía of the Dominican Revolutionary Party (PRD) and Eduardo Estrella of the Social Christian Reformist Party (PRSC). President Fernández had previously served as the Dominican Republic's head of state from 1996 to 2000.

IN BRIEF

- The Dominican Republic has opened its first natural gas compression plant, allowing increased imports of the fuel from nearby countries like Trinidad and Tobago. The plant will be the first to distribute liquefied natural gas directly to local consumers. LineaClave International, owned by shareholders from the Dominican Republic and Uruguay, hopes to compress enough fuel to service 50,000 vehicles a year. Most of the natural gas processed at the plant will come from BP PLC's facilities in Trinidad and Tobago.
- US firm Hanesbrands plans to shut down three sewing and assembly facilities in Itabo, Dominican Republic. Production at the three plants will cease by September, resulting in the loss of approximately 1,400 jobs. The company also operates six additional sewing and intimate apparel assembly facilities, as well as the new Dos Rios textile manufacturing plant, in the Dominican Republic.
- Tourism Minister Felix Jimenez has announced that the newly created airline Air Dominicana will begin charter flights to Central America and the US in 2008. The government will have a 40% stake in the company. But officials say this could eventually fall to 25% if more private investment is secured.
- Some 60% of the funds for 11 Ministry of Environment projects scheduled for this year will come from foreign donors. The projects have a total cost of RD\$435.3m. The Yaque del Norte river basin project will receive the bulk of funds, with an investment of RD\$214m.
- At the end of 31 March 2007, the foreign debt stood at US\$8,417m - US\$38.7m more than the debt in 2006 and equivalent to 25.6% of GDP. From January to March, the government received US\$242.7m in loans, of which US\$138.5m were used for public works and US\$104.2m financed the National Budget and balance of payments. In the first quarter of the year, the government paid US\$245.2m in principal payments and US\$120.3 for interest and commissions.
- The government paid out US\$154.7m in subsidies to the energy sector in the first four months of the year. The subsidies are part of the US\$400m that the government has budgeted for the energy sector. State-run power company CDEEE points out that US\$104.6m was used to cover the energy sector's deficit, US\$32.3m to subsidise the Programme to Reduce Blackouts (PRA) in poorer neighbourhoods, and US\$17.7m for investments by energy distributors EdeEste, EdeSur, and EdeNorte.

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