

**RATING RELEASE**

July 04, 2017

**CariCRIS reaffirms “below average creditworthiness” ratings for  
The Government of the Commonwealth of Dominica**

*CariBB+*                    **(Regional Scale Local Currency)**  
*CariBB+*                    **(Regional Scale Foreign Currency)**

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the ratings of *CariBB+* (Foreign and Local Currency Ratings) on its regional rating scale for the debt issue of USD 25 million of the Government of the Commonwealth of Dominica (GOCD) with a **stable** outlook. These ratings indicate that the level of creditworthiness of this obligation, adjudged in relation to other obligations in the Caribbean is **below average**. The stable outlook is based on our expectation that the GOCD will likely realise a positive fiscal balance and GDP growth in 2017, in line with the 2016 outturn, assuming a continuation of the Citizenship by Investment (CBI) Programme, and in the absence of any natural disasters. The construction industry, primarily from the continued rehabilitation works from tropical storm Erika, is expected to remain the main driver of the economy.

GOCD’s ratings reflect the country’s severe capacity constraints which limit economic diversification and stability as well as its weakened financial sector which may hinder economic growth. The factors supporting the ratings include the sovereign’s continued current account surplus, low interest expense and its modest debt levels. Also supporting the ratings is the country’s stable political environment however recently, political discord has occurred over the transparency of the CBI Programme.

## **ABOUT THE SOVEREIGN**

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Dominica is an island located in the Eastern Caribbean with a total population estimated at 73,000 persons. The official language is English but French patois is also spoken. The primary economic sectors are agriculture, government services and wholesale and retail trade. Dominica is mountainous and volcanic with tropical rainforest covering two thirds of the island. On August 27, 2015, Dominica was hit by Tropical Storm Erika which caused significant loss and infrastructural damage, estimated by the World Bank and the Government of Dominica at US \$483 million or 96% of GDP.

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*For more information on the ratings of the Government of the Commonwealth of Dominica, please visit [www.caricris.com](http://www.caricris.com) or contact:*

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