



**Caribbean Information &
Credit Rating Services Limited**

MEDIA RELEASE

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CariCRIS assigns “adequate creditworthiness” ratings for The Government of the Commonwealth of Dominica

Issue Ratings (For notional debt size of USD 25 million or equivalent)

CariBBB- (Regional Scale Foreign Currency)

CariBBB- (Regional Scale Local Currency)

Caribbean Information and Credit Rating Services Limited (CariCRIS), the Caribbean regional credit rating agency, has assigned ratings of **CariBBB-** (Foreign Currency Rating) and **CariBBB-** (Local Currency Rating) on its Caribbean regional rating scale to the USD 25 million debt issue (notional) of the Government of the Commonwealth of Dominica (GOCD). These ratings indicate that the level of creditworthiness of this obligation, adjudged in relation to other obligations in the Caribbean¹ is **adequate**.

The ratings reflect Dominica’s favourable economic performance in the last 3 years relative to its regional peers in key areas such as economic growth and fiscal performance. Dominica also has the third highest 3-year average real gross domestic product (GDP) growth rate of 2.5%. Additionally, the GOCD has maintained one of the lowest public sector debt/GDP ratios of 60.2% in the last 3 years. Monetary indicators have been relatively stable and in line with its OECS peers. The external sector has generally performed creditably with a 3-year average balance of payments surplus of 1.3% of GDP. Gross international reserves are also sufficiently healthy to cover 8 months of imports.

The ratings of the GOCD reflect its prudent fiscal policy, relatively low indebtedness, stable, moderate monetary indicators, relatively healthy external sector performance and consistency in economic policies in a stable political environment. These rating strengths

¹ The term Caribbean as used here covers the following countries: The Bahamas, Barbados, Belize, The Dominican Republic, Jamaica, Trinidad and Tobago and the following countries in the OECS: Anguilla, Antigua & Barbuda, Dominica, Grenada, Montserrat, St. Kitts & Nevis, Saint Lucia and St. Vincent & the Grenadines. Refer www.caricris.com for a more detailed explanation on CariCRIS ratings and rating definitions.



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are tempered by the small, open economy with a narrow economic structure, which renders it highly vulnerable to external shocks; severe capacity constraints particularly in its human resources and the high dependence on grant funding to support the fiscal position and balance of payments.

ABOUT THE SOVEREIGN

Dominica is a small island of two hundred and ninety square miles (290 square miles) located in the Eastern Caribbean, between the French islands of Guadeloupe to the north and Martinique to the south. The island has a tropical climate with a relatively high humidity averaging 70%. The dry season is between January and June and the wettest months are between August and October. Dominica is a mountainous volcanic island with tropical rainforest covering two thirds of the island and is home to the largest boiling lake. Total population is estimated at around 70,624 persons, with the majority of the population living around the capital, Roseau. The official language is English but French patois is also spoken.

While government is the largest employer, the main sectors fuelling growth in 2011 were construction (8.4%), mining and quarrying (5%) and agriculture (4%). Many initiatives in these industries are driven by public policy.

Please contact CariCRIS for a detailed rating rationale on the Government of the Commonwealth of Dominica

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