GOVERNMENT OF THE COMMONWEALTH OF DOMINICA

PROSPECTUS

For
EC$60 Million, 91 day Treasury bills
(Series A: ECD 20M; Series B: ECD 20M; Series C: ECD 20M)

Ministry of Finance
Financial Centre
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DOMINICA

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PROSPECTUS DATE: APRIL 2018

The Prospectus has been drawn up in accordance with the rules of the Regional Government Securities Market. The Regional Debt Coordinating Committee and Eastern Caribbean Central Bank accept no responsibility for the content of this Prospectus, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss whatsoever arising from or reliance upon the whole or any part of the contents of this Prospectus. This prospectus is issued for the purpose of giving information to the public. If you are in doubt about the contents of this document or need financial or investment advice you should consult a person licensed under the Securities Act or any other duly qualified person who specializes in advising on the acquisition of government instruments or other securities.

Dominica
Capucin
Pte. Jaco
830
Vieille Case
Douglas B.
Hampstead
Crompton Pt.
Portsmouth
Pr. Rupert Bay
ST. JOHN
Wesley
Picard
Marigot
Pt. Ronde
ST. ANDREW
Pagua Bay
Dublanc
Morne Diablotin
1419
Dublanc
ST. PETER
Salibia
Colihaut
Jenny Pt.
Coulibistri
Morne Raquette
ST. JOSEPH
692
Castle Bruce
Salisbury
Belles
704
St. Joseph
Layou
Grand Marigot Bay
ST. DAVID
Petit Soufrière Bay
Rosalie
Rosalie
ST. PAUL
1423
Mahaut
Massacre
Springfield
1220
Canefield
Laudat
La Plaine
Woodbridge B.
1225
Watt Mountain
ST. GEORGE
Roseau
Roseau
Délices
Pte. Mulâtre
ST. PATRICK
Petit Savane
Pointe Michel
ST. LUKE
Soufrière
ST. MARK
Berekua
Grande Bay
Soufrière Bay
Scotts Head
Scotts Hd. Village
Pte. de Fous

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Notice to Investors

This prospectus is issued for the purposes of giving information to the public. The Government of the Commonwealth of Dominica (GOCD) affirms the accuracy of the information contained herein and accepts full responsibility for the same. The GOCD confirms that, having made all reasonable inquiries, this prospectus contains all information material in the context of the securities being issued, and to the best of its knowledge there are no other facts, the omission of which would cause the information in this prospectus to be misleading.

This prospectus and its content are issued for the specific securities described herein. Should you need advice, you should consult a person licensed under the Securities Act or any other duly qualified person who specializes on advising on the acquisition of Governments instruments or other securities.

The ultimate decision and responsibility to proceed with any transaction with respect to this offering rests solely with you. Therefore, prior to entering into the proposed investment, you should determine the economic risks and merits, as well as the legal, tax and accounting characteristics and consequences of this Bill offering, and that you are able to assume those risks. This Prospectus and its content are issued for the specific securities described.

Abstract

The Government of the Commonwealth of Dominica (thereafter referred to as GOCD) proposes to raise a total of EC$60 Million on the Regional Government Securities Market (RGSM) through the issue of the following securities:

- Three 91 day Treasury bills:
  - EC$20 Million, with a maximum bid price of 6%
  - EC$20 Million, with a maximum bid price of 6%
  - EC$20 Million, with a maximum bid price of 6%

The securities will be issued under the authority of the Treasury Bills Act No. 5 of 2010 of the Commonwealth of Dominica.

The securities will be issued on the Regional Government Securities Market (RGSM) in the months of May 2018, August 2018, and November 2018, and traded on the Secondary Market trading platform of the Eastern Caribbean Securities Exchange (ECSE) as follows:

Issue amount: EC$60 Million

Auction Date	Tenor/Type	Amount	Trading Symbol	Settlement Date	Maturity Date
8th May 2018	91 Day T-bill	EC$20.0 Million	DMB080818	9th May 2018	8th August 2018
9th August 2018	91 day T-bill	EC$20.0 Million	DMB091118	10th August 2018	9th November 2018
12th November 2018	91 day T-bill	EC$20.0 Million	DMB120219	13th November 2018	12th February 2019

Bidding will commence at 9:00 a.m. and will be closed at 12:00 noon on the auction day.

I. General Information

Issuer:	Government of the Commonwealth of Dominica (GOCD)
Address:	Ministry of Finance Financial Centre Roseau Commonwealth of Dominica
Email:	finsec@cwdom.dm
Telephone No.:	(767) 266-3221
Facsimile No.:	(767) 448-0054
Contact Persons:	Hon. Mr. Roosevelt Skerrit, Prime Minister and Minister for Finance Mrs. Rosamund Edwards, Financial Secretary Mrs. Beverly Pinard, Accountant General
Arranger:	First Citizens Investment Services Ltd
Address:	P.O. Box 1294 John Compton Highway Sans Souci Castries, St. Lucia W.I.
Telephone No.:	(758) 458 6375
Facsimile No.:	(758) 451 7894
Contact Persons:	Arletta Huntley Wells
Issue Dates:	8th May 2018; 9th August 2018; 12th November 2018
Types of Securities:	Three 91 day Treasury bills
Amount of Issue:	EC$20 million 91 day Treasury bill with a maximum bid price of 6%

	EC$20 million 91 day Treasury bill with a maximum bid price of 6%
	EC$20 million 91 day Treasury bill with a maximum bid price of 6%
Use of Proceeds:	The proceeds of this issue will be used to finance part of the GOCD operational budget and to refinance existing GOCD debt.
Legislative Authority:	The Treasury Bills Act No. 5 of 2010 of the Commonwealth of Dominica.

II. Information about the Issues

Method of Issue:	The price of the issue will be determined by a competitive uniform price auction with open bidding
Listing:	The securities will be issued on the RGSM and traded on the Eastern Caribbean Securities Exchange (ECSE), the secondary market trading platform.
Minimum Bid Amount:	The minimum bid quantity is EC $5,000.
Bid Multiplier:	The bid multiplier will be EC $1,000.
Bidding Period:	**The bidding period will start at 9:00 a.m. and end at 12:00 noon on the auction day.**
Bid Limitation:	Each investor is limited to one (1) bid with the option of increasing the amount being tendered or reducing the interest rate offered until the close of the bidding period.
Taxation:	Yields on these securities will not be subject to any tax, duty or levy by Eastern Caribbean Currency Union (ECCU) participating Governments.

Participation:	Investors may participate in the auction through licensed financial intermediaries on the Eastern Caribbean Securities Exchange (ECSE).

<u>$20 Million 91-day Treasury bill</u>

Amount of Issue:	EC $20 Million
Maximum Bid Price:	6.0%
Tenor:	91 days
Trading Symbol:	DMB080818
Auction Date:	8th May 2018
Settlement Date:	9th May 2018
Maturity Date:	8th August 2018

<u>$20 Million 91-day Treasury bill</u>

Amount of Issue:	EC $20 Million
Maximum Bid Price:	6.0%
Tenor:	91 days
Trading Symbol:	DMB091118
Auction Date:	9th August 2018
Settlement Date:	10th August 2018
Maturity Date:	9th November 2018

$20 Million 91-day Treasury bill

Amount of Issue:	EC $20 Million
Maximum Bid Price:	6.0%
Tenor:	91 days
Trading Symbol:	DMB120219
Auction Date:	12th November 2018
Settlement Date:	13th November 2018
Maturity Date:	12th February 2019
List of Intermediaries:	The Bank of Nevis Limited
	St. Kitts-Nevis-Anguilla National Bank Ltd
	Bank of St. Lucia Limited
	First Citizens Investment Services Limited
	Bank of St Vincent and the Grenadines Limited
	Grenada Co-operative Bank Limited
Currency of Issue:	All currency references are to Eastern Caribbean Dollars unless otherwise specified.

III. History

Nicknamed the "Nature Island of the Caribbean", Dominica is reputed as an unspoiled nature haven and the quintessential eco-tourism destination in the Caribbean. The country's early inhabitants, the Kalinago (Island Caribs), named the island Wai'tukubuli, meaning 'Tall is her body'; a fitting description of the country's mountainous interior.

Largely due to Dominica's position between Martinique and Guadeloupe, France eventually became predominant, and a French settlement was established and grew. The island became a British possession following the 1763 Treaty of Paris which ended the Seven Years' War between Britain and France. The French successfully invaded in 1778 with the active cooperation of the population. The island was subsequently returned to British rule by the1783 Treaty of Paris. French invasions in 1795 and 1805 ended in failure.

Britain established a legislative assembly, representing only the white population in 1763. With the liberalization of racial attitudes around 1831 came the Brown Privilege Bill which conferred political and social rights on free nonwhites. Three Blacks were elected to the legislative assembly the following year. Slavery was abolished in 1838 and Dominica became the first and only British Caribbean colony with a Black-controlled legislature in the 19th century.

Dominica became part of the Leeward Island Federation in 1871 and the Crown Colony government was re-established in 1896. Political rights for the vast majority of the population were curtailed.

Heightened political consciousness post World War I led to a Representative Government Association. The group successfully captured one-third of the popularly elected seats of the legislative assembly in 1924 and one-half in 1936. Dominica subsequently was transferred from the Leeward Island Administration and was governed as part of the Windward's until 1958, when it joined the short-lived West Indies Federation.

After the federation was dissolved, Dominica became an associated state of the United Kingdom in 1967 and formally took responsibility for its internal affairs. On November 3, 1978, the Commonwealth of Dominica was granted independence by the United Kingdom. (State, 2010)

IV. Demographics

As of 2011 Dominica's population was estimated at 71,293 with an annual growth rate of -0.6% and density of 96.5 per square kilometer. Males account for 51.1% of the total population while females account for 48.9%. GDP per capita was estimated at $ 19,997. Life expectancy at birth is

74.1 years while infant mortality per thousand live births is 13. Adult literacy is 88%. According to the most recent Country Poverty Assessment (2010), the unemployment rate has declined from 25 to 14 percent.

Table 1 - Age distribution of the Dominican population

Age Group	Males	Females	Total	% of Total Population
0-4	3,328	3,140	6,468	8.9
5-9	4,046	3,689	7,735	10.6
10-14	3,643	3,631	7,274	10.0
15-19	3,534	3,447	6,981	9.6
20-24	2,496	2,191	4,687	6.4
25-29	2,663	2,580	5,243	7.2
30-34	2,955	2,844	5,799	8.0
35-39	2,908	2,513	5,421	7.4
40-44	2,474	2,108	4,582	6.3
45-49	1,993	1,652	3,645	5.0
50-54	1,502	1,385	2,887	4.0
55-59	1,238	1,210	2,448	3.4
60-64	1,046	1,262	2,308	3.2
65-69	1,117	1,262	2,379	3.3
70-74	891	996	1,887	2.6
75-79	610	754	1,364	1.9
80-84	372	576	948	1.3
85+	304	567	871	1.2
Total	**37,120**	**35,807**	**72,927**	

Ability to influence future growth and demand for services

Education

During the review period the education policy of Government was geared towards improving the quality and relevance of the education system. Government was primarily focused on changing the nature, form and content of primary and secondary education, while strengthening and expanding welfare and support services and developing a quality system for Technical Vocational Education and Training (TVET). Government's commitment to educating the populace continued to be reflected in the distribution of its financial resources. During the fiscal year 2015/16, Government will be investing $74.9 million in education or 5.4 percent of GDP, with the view of investing significantly more in the coming fiscal years.

Social Infrastructure

Public Sector expenditure on social infrastructure has been steady over the past four (4) fiscal years averaging 12.4 percent of total capital spending. In an effort to minimize the impact of the global recession on vulnerable groups, the government sought to contain unemployment and poverty by providing a fiscal stimulus. This was done through the Public Sector Investment Programme which created many jobs as the portfolio of projects was increased. The extent of the stimulus is reflected in the total PSIP expenditure which is at $245.1 million or 17.3 percent of GDP.

V. Political

National elections were held in December 2014 and Dominica scores well on a number of governance indicators**.** The increase in the Dominica Labor Party's majority suggests a strong mandate to continue with the government's economic and political agenda. Dominica has strong ratings for voice and accountability, political stability, government effectiveness, control of corruption, regulatory quality, and the rule of law.

VI. Management and Administration of Public Finance

Debt management functions are coordinated among the Ministry of Finance (MOF) Debt Unit, the Accountant General's Office, and the Attorney General's chambers. The Debt Unit (DU), which operates under the control of the Budget Comptroller in the MOF, leads debt management strategy and implementation. The Public Debt and Cash Management Committee in the MOF oversee the debt management operations. The Public Debt and Cash Management Committee is comprised of the Financial Secretary, the Budget Comptroller, the Accountant General and the Debt Economist.

1. Debt Management Objectives

The GOCD's high-level debt management objective is "to ensure that the GOCD's financing needs and obligations are met on a timely basis. To do so in a way that minimizes cost over the medium to long term, while taking account of risks, and subject to that, to develop over time a range of financing options." Guided by the foregoing the MOF seeks to ensure that the GOCD's debt management policies over the medium to long term support fiscal and monetary policy and help build a robust and resilient economy, able to withstand economic shocks

2. Debt management Strategy

The overall debt management strategy hinges on the objectives of minimizing borrowing costs. The GOCD recognizes the need to factor the impact of fluctuations in exchange rates on debt servicing costs and takes this into account in formulating its debt management strategy. The underlying elements guiding the strategy are:

- Limiting variable interest rate funding to no more than 15% of the public debt portfolio;

- Limiting non-US dollar external financing to a maximum of 20% of the public debt portfolio;
- Maintaining an Average Time to Maturity (ATM) of 9 years to minimize refinancing risk'
- Maintaining government guaranteed debt at 17% of total debt stock.

The overall debt management strategy also includes the provision of legal borrowing limits. The issuance of Treasury Bills, for example, is limited to EC$60.0 million. Additionally, the authorities have capped the overdraft facility at $31.5 million in totality. There are no borrowing limits for loans and bonds.

3. ***Transparency and Accountability***

The GOCD is continuously seeking ways of improving its systems of accountability and transparency. As the authorities continue to adopt more prudent and transparent fiscal management practices, they intend to continue to utilize the Regional Government Securities Market (RGSM). As a consequence, disclosure of information on the cash flow and debt stock will be made available bi-annually to all investors, consistent with the rules of the Regional Debt Coordinating Committee (RDCC).

4. ***Institutional Framework***

The Debt Unit (DU) of the Ministry of Finance (MOF) of the GOCD is charged with the responsibility of administering the Government's debt portfolio on a day-to-day basis and implementing the Government's borrowing strategy. The unit is directly accountable to the Budget Comptroller.

5. ***Risk Management Framework***

The establishment of an effective and efficient debt management system as a major element of economic management is of paramount importance to the government of the Commonwealth of Dominica. Accordingly, attempts have been made to strengthen the capacity of the debt unit (DU). Consequently, the DU's functions have been broadened to include:

- Assisting in the formulation of debt management strategies and policies
- Managing the debt portfolio to minimize cost with an acceptable risk profile
- Conducting risk analysis and developing risk management policies; and
- In collaboration with the Macro-policy Unit, conduct debt sustainability analysis to assess optimal borrowing levels.

CariCRIS Credit rating

As of June 30 2017 the Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed its ratings of *Cari***BB+** (Foreign Currency and Local Currency Ratings) on its regional scale for the Government of the Commonwealth of Dominica (GOCD) debt issue of USD 25.0 million with a stable outlook. The ratings indicate that the level of creditworthiness of this obligation, adjudged in relation to other obligations in the Caribbean is below average. On September 29 2017, following the passage of hurricane Maria, CariCRIS placed the GOCD on Rating Watch –Developing. A rating placed under Rating Watch does not imply that the rating will necessarily change but indicates that events have occurred that may affect the credit quality of the issuer/issue, the impact of which cannot be accurately assessed at that point in time.

V11. Public Debt Overview

As at December 2017 the total disbursed outstanding debt of the public sector[1] stood at approximately EC$1042.6 million (table 2). At the end of fiscal year 2016/17 the nominal value of the debt stock stood at EC$1038.4 million or 67.0 percent of GDP[2]. Although there were steady increases in the Public debt from 2012/13 to 2015/16 averaging about 4.0 percent, there was a decrease of about 4.8 percent in 2016/17 over the previous year, mainly due to repayment of debt; and minimal disbursements on committed debt. The increase in the public debt stock over the period is primarily due to the issuance of securities on the Regional Government Securities Market and the movement in the overdraft facility.

Most of the debt is held by external creditors with 69.8 percent and 30.2 percent being held by domestic creditors. The total public debt maintained an upward trajectory from 2013/14 until 2015/16 with a decrease in 2016/17 from the previous year by over EC$52.0 million. However, the external portion of the public debt maintained the opposite trend from 2014/15 until the end of the review period; this is mainly due to repayment and minimal disbursements on committed debt due to slow implementation of projects. Domestic debt on the other hand, increased steadily from 2013/14 to 2015/16 by an average 7.78 percent but declined in 2016/17 by 7.80 percent.

For the same period, the public debt-to GDP ratio has averaged about 72.7 percent (see Appendix III), consistently breaching the 60.0 percent debt to GDP target established by the Monetary Council of the ECCU and also the IMF debt burden threshold of 74.0 percent[3] for emerging economies. The impact of hurricane Maria is likely to cause a significant increase in the stock of debt in the years ahead due to large drawdowns on committed debt which may be diverted to other priority areas; all in an effort to build a more resilient nation.

Total Government guaranteed disbursed outstanding debt increased by about 0.8 percent over fiscal year 2015/16; with an increase of $13.0 million in domestic debt and a decrease of $11.6 million in external debt (see Table 2). The threshold for guaranteed debt of 17.0 percent as a

[1] *Includes both central government and central government guaranteed debt*
[2] *Based on nominal GDP of $1550 million*
[3] *Threshold utilized in the IMF Public Debt Sustainability Analysis (DSA) framework for Low Income Countries*

percentage of total debt, being stipulated in the debt strategy has not been breached, over the review period.

Appendix IV shows the debt service for central government over the period of review with a two year forecast. It also shows the proportion of revenue that is attributed to the debt service payment in addition to the exports.

Cost/Risk Characteristics of Public Debt

In an effort to minimize cost and risk in the debt portfolio government continues to borrow on highly concessional terms and borrow on the domestic market in local currency. All this is done in an attempt to operate within the parameters of the Government's Debt Management Strategy and the underlying debt management objective.

Table 2: **Total Public Sector Debt (EC$ m) as at December 2017**

Public Sector debt	2012/13	2013/14	2014/15	2015/16	2016/17	Jul-Dec 2017
External Debt	704.12	771.50	763.37	757.79	731.69	727.42
Central government	595.22	648.62	641.97	643.19	628.71	627.39
Guaranteed debt	108.90	122.88	121.40	114.60	102.98	100.03
Domestic Debt	267.30	273.97	322.38	332.66	306.70	315.13
Central government	219.64	226.50	273.23	276.15	237.22	246.18
Guaranteed debt	47.66	47.47	49.15	56.51	69.48	68.95
Total Debt	**971.42**	**1045.47**	**1085.75**	**1090.45**	**1038.39**	**1042.55**
Central government	814.86	875.12	915.20	919.34	865.93	873.57
Guaranteed debt	156.56	170.35	170.55	171.11	172.46	168.98
Percentage of Debt						
Central government	83.88	83.71	84.29	84.31	83.39	83.79
Guaranteed debt	16.12	16.29	15.71	15.69	16.61	16.21

Source: Debt Unit, Ministry of Finance

Size of Public and Publicly Guaranteed External Debt

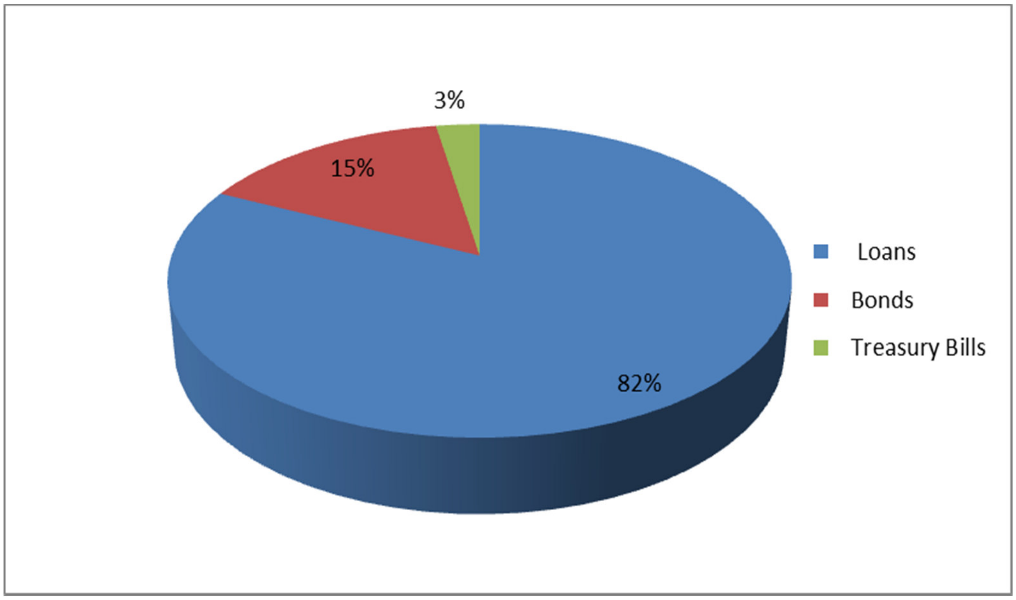
Table 3 shows the comparative figures for public and publicly guaranteed external debt over financial year ending June 2016 and June 2017 with the inclusion of the debt position as at December 2017. There was a sharp decline in the debt stock as at June 2017 from the previous year with a further decline as at December 2017. This reflects principal repayment on loans and bonds with low disbursements on committed debt. Loans account for the largest share of the central government external debt with 82.0 percent followed by debenture bonds.

Table 3: External debt (by instrument) in EC$

	Jun-16	Jun-17	Dec-17
Central Government			
Loans	530,175,115.6	506,000,388.3	515,422,707.4
Bonds	102,034,620.5	96,742,510.3	95,459,519.3
Treasury Bills	10,970,000	25,970,000.0	16,536,000.0
	643,179,736	**628,712,899**	**627,418,226.7**
Guarantees	114,612,786	102,980,202	100,028,763
Total	**757,792,522**	**731,693,101**	**727,446,990**

Source: Debt Unit

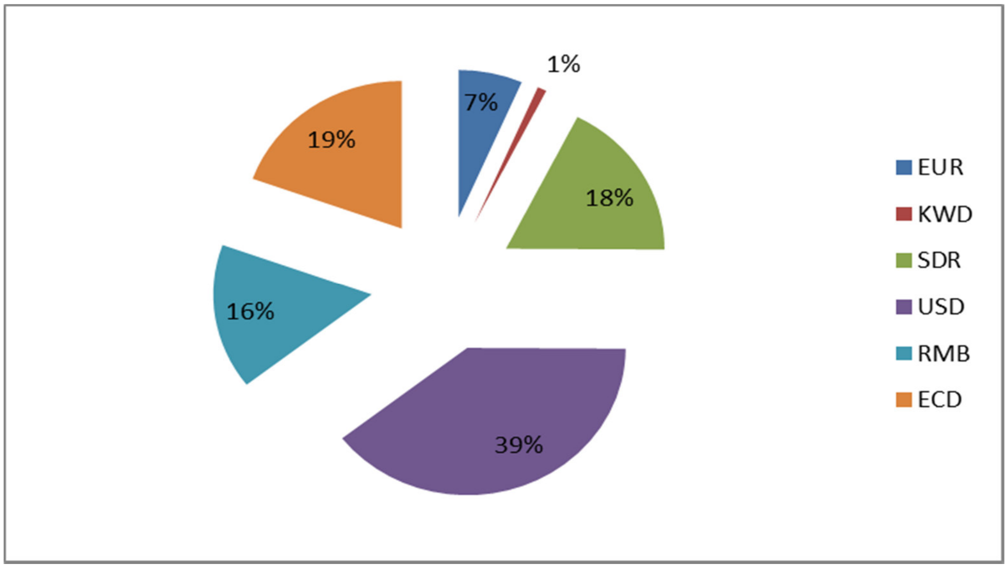
Figure 1: Components of Central Government External Debt – December 2017



Source: Debt Unit

Figure 2 shows the currency composition of external debt. The US dollar forms the largest share of the external debt portfolio with 39.0 percent followed by the Special Drawing Rights with 18.0 percent. The Non-USD and SDR debt exposure was 32.0 percent, out of this amount 16.0 percent is RMB. Notwithstanding, there are no significant foreign exchange risks to the debt portfolio since majority of the debt denominated in USD (ECD pegged to the USD) and the RMB has been relatively stable over the years.

Figure 2: Currency Composition of External Debt at the end of June 2017



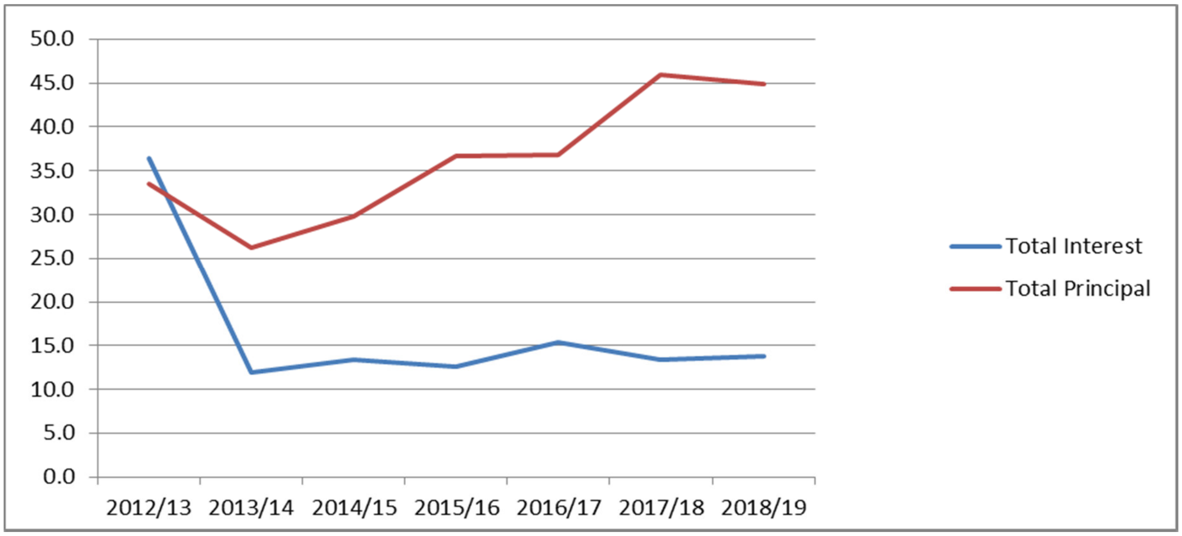
Source: Debt Unit, Ministry of Finance

DEBT SERVICE

One of the government's objectives is to ensure that debt service payment is done in a timely manner. Government maintains a Sinking Fund at the Eastern Caribbean Bank for debt serving in the event of cash flow constraints. An amount of EC$0.5 million is deposited into the account annually; the balance to date is EC$10.4 million.

Figure 3 below gives a synopsis of the trend of debt service with regards to central government external debt. The spike in the first year of review reflects the settlement of securities after the completion of negotiations with holdout during the debt restructuring era. The interest payments have been relatively low and smooth over the years and there is an indication that this trend will continue. However, in response to the impact of hurricane Maria, the trend is likely to change in an unfavourable way. The principal repayment moves on an upward trajectory as more of the outstanding loans become due and debt securities mature.

Figure 3: Debt Service of External Debt



Source: Debt Unit, Ministry of Finance

Domestic Debt

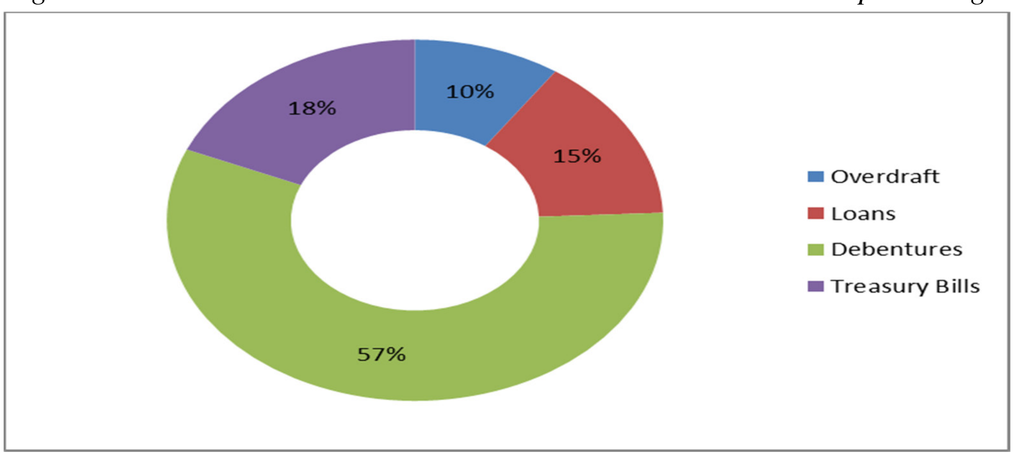
At the end of December 2017 the total domestic debt stood at EC$315.1 million or 30.2 percent of the total debt. At the end of financial year 2016/17 there was a net reduction in total domestic debt by 7.8 percent or about $26.0 million; this is as a result of the reduction in short-term debt in the case of the overdraft facility and the reclassification of treasury bills based on residency, in addition to repayment of loans. Debenture bonds continued to hold the largest proportion of the central government domestic debt amounting to $140.7 million or 57.2 percent as shown in Table 4 and Figure 4. Government guaranteed domestic debt, increased by about EC$13.0 million over financial year ending June 2017 from June 2016. This is as a result of new disbursements.

Table 4: Domestic Debt by Instrument in EC$

Domestic Debt	Jun-16	Jun-17	Dec-17
Central government			
Overdraft	46,861,174.0	25,163,962.9	23,572,878.0
Loans	37,823,269.4	36,308,788.9	36,241,514.6
Debentures	140,187,558.5	139,433,961.8	140,663,962.3
Treasury Bills	51,273,000.0	36,273,000.0	45,707,000.0
	276,145,001.9	237,179,713.6	246,185,354.9
Government Guarantees			
Loans	56,516,923.1	69,484,209.0	68,949,374.8
Total	332,661,925.0	306,663,922.6	315,134,729.7

Source: Debt Unit, Ministry of Finance

Figure 4: Central Government Domestic Debt- December 2017 in percentage



Source: Debt Unit, Ministry of Finance

Developments on the Regional Government Securities Market (RGSM)

There continues to be strong appetite for Government of Dominica short term security issues on the Regional Government Securities Market (RGSM). This is evident by the over-subscription of the four securities auctioned during the financial year 2016/17. The Government of Dominica continues to rollover a ninety-one day $20.0 million treasury bills at an average rate of 1.95 percent during financial year 2016/17. However, the rate was negatively impacted after the passage of the hurricane with the last one being issued at the cap of 6.0 percent. This in addition to the three (3) five year bond issues totaling $65.1 million at the rate of 7.0 percent which mature in 2019, 2020 and 2022. Incidentally one of the bonds of $25.0 million matured just two months after hurricane Maria and was reissued, being fully subscribed.

Table 5: Summary of Outstanding Issues

Instrument	Term	Date of Issue	Date of Maturity	Issue Amount	Allotted Amount	Subscriptions	No. of Bids	Yield
T-bill	91 days	2/1/2018	4/5/2018	20,000,000	20,000,000	21,024,000	9	6
Bond	5 years	11/15/2017	5/11/2022	25,000,000	25,000,000	25,000,000	4	7
Bond	5 years	2/26/2015	5/2/2020	25,000,000	25,000,000	25,232,000	18	7
Bond	5 years	7/28/2014	5/7/2019	15,000,000	15,065,000	15,065,000	6	7

VIII. Macro-Economic Performance

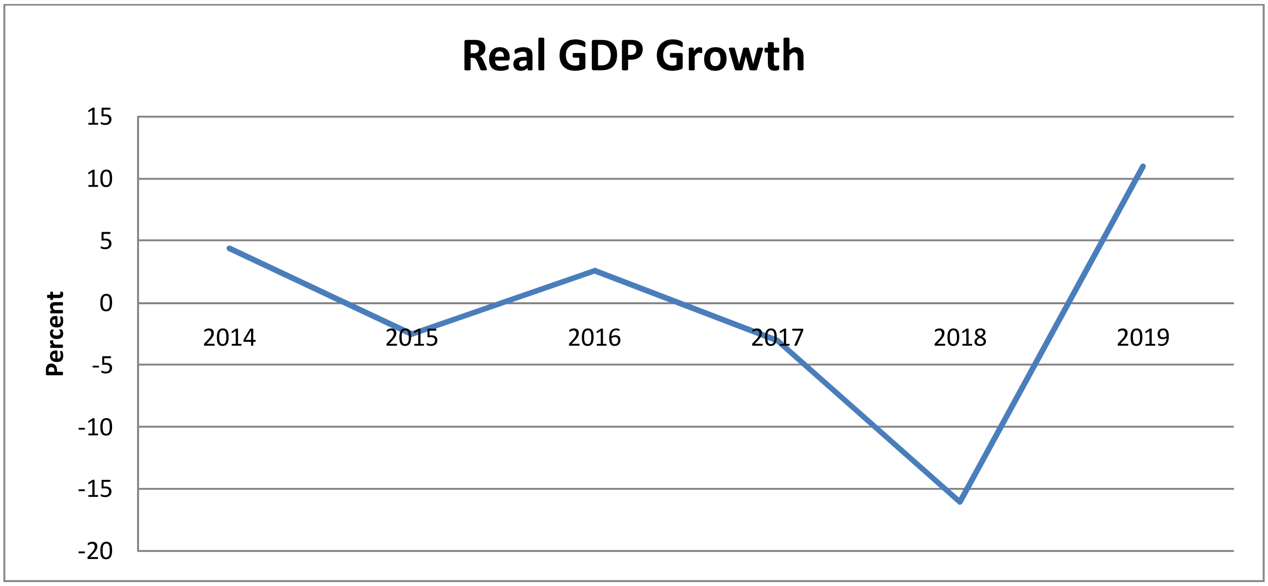
On September 18, 2017, Dominica was hit by Hurricane Maria, which resulted in loss of life as well as widespread damage to agricultural crops, physical infrastructure, and significantly altered the natural landscape of the island which is the major highlight of the country's tourism product. The passage of the hurricane resulted in an estimated damage and loss of about EC$3.54 billion, equivalent to 224.0 percent of GDP.

Prior to Hurricane Maria, real GDP is estimated to have grown by 2.6 percent during 2016. The major contributors to this growth were the construction sector, 31.8 percent; the fishing sector, 23.0 percent; the manufacturing sector, 21.0 percent; and the mining and quarrying sector, 17.6 percent.

Preliminary estimates point to a turnaround in this performance with estimates indicating a sharp decline in output in the last quarter of 2017, resulting in a 3.0 percent contraction for the year, and by as much as 16.0 percent in 2018. With the exception of the construction sector, which is estimated to have grown by 20.5 percent during 2017, all other major sectors saw a decline in activity. The hotels and restaurants (tourism) sector recorded the largest decline in activity; 17.3 percent. This was followed by the agriculture and fishing sectors which both contracted by 10.0

percent. The decline in tourism would affect transport and wholesale and retail trade services, albeit with a relatively smaller decline as domestic demand is expected to show some resilience underpinned by government spending, insurance claims, and a drawdown in bank savings. Manufacturing is estimated to have declined by 7.0 percent during 2017, and is projected to contract by a further 30.0 percent during 2018, as the need to rehabilitate and/or rebuild existing facilities might take months before productive capacity is restored to pre-Maria levels. Some services, on the other hand, are expected to show relatively smaller declines or to hold their level of activity, including public administration, and financial activities. Figure 5 below shows Real GDP Growth for the period 2014 to 2019.

Figure 5: Real GDP growth rate



Source: IMF Economic Outlook for Dominica after Hurricane Maria

Balance of Payments

The current account deficit for 2017 is estimated to be 16.0 percent of GDP in 2017. This follows a current account surplus of 0.8 percent of GDP in 2016. The 2016 surplus was largely as a result of the improvement on the capital account owing to inflows associated with the Citizenship by Investment Programme. Going forward, large construction related imports associated with reconstruction efforts, coupled with a decline in exports from reduced agricultural and manufacturing output, are projected to cause a further deterioration of the current account to approximately 34.0 percent of GDP in 2018.

IX. Fiscal performance

Revenue

The fiscal outturn for 2016/17 was very strong with total revenue inclusive of grants being approximately 52.0 percent more than anticipated, as well as surpassing collections of the previous fiscal year by about the same percentage. Strong performances were recorded in both tax and non-tax revenue. The collections for the first half of the 2017/18 period fell below expectations owing to the passage of Hurricane Maria which resulted in a decline of government revenues. Revenue collections for this period, July to December 2017, were 62.0 percent lower than the corresponding period of the previous financial year.

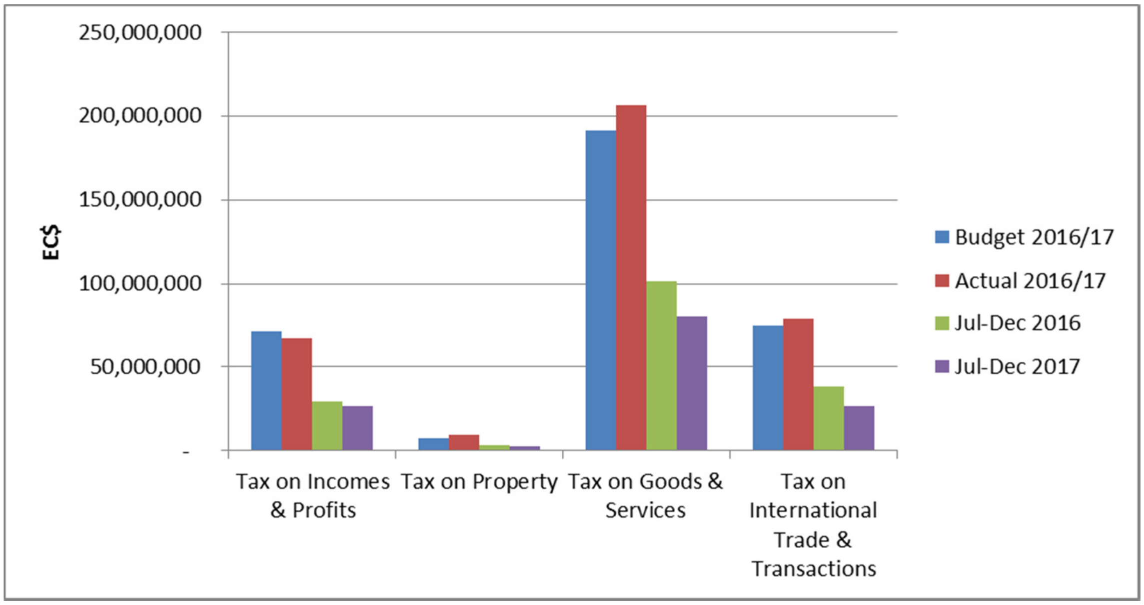
Tax revenue

Tax revenue for the 2016/17 period surpassed the previous year's performance by 6.0 percent, as well as exceeding budget expectations by 5.0 percent. With the exception of the taxes on income and profits category, collections in all tax categories were higher than that of the previous fiscal year as the Inland Revenue Division continued to reap the benefits of improvements in tax administration. The decline in income taxes was as a result of lower corporation income taxes stemming from a reduction in the corporate income tax rate from 30.0 percent to 25.0 percent over a two year period and which came into effect for the 2015 income year with a 2.0 percent adjustment in the first year and 3.0 percent in the subsequent year. Collections of taxes on domestic goods and services were up by 6.0 percent over that of the previous year while taxes on international trade were 13.0 percent higher.

Collections of tax revenue for the first six months of the 2017/18 fiscal year have not performed as well with collections falling below that of the first half of the 2016/17 period. This underperformance was anticipated based on the concessions provided to citizens as a relief measure following Hurricane Maria. Going forward, during 2018, tax revenue is expected to pick up slightly as the temporary relief measures are phased out and businesses resume operations.

Figure 6 below shows a comparison between the budget for 2016/17, actual for 2016/17, and actuals for July to December 2016 and 2017 for the major tax categories.

Figure 6: Major tax categories



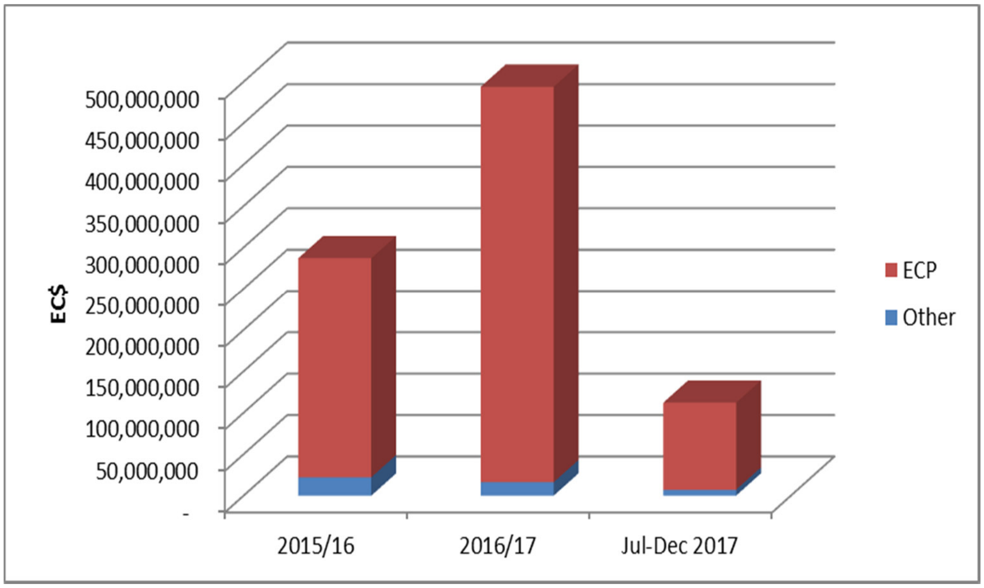
Source: Macroeconomic Policy Unit, Ministry of Finance

Non-Tax Revenue

Supported largely by revenues from the Economic Citizenship Programme (ECP), non-tax revenues continued to be a major contributor to government's fiscal operations during the 2016/17 period. ECP collections for the 2016/17 period surpassed budget expectations as well as receipts for the previous financial year. The July to December 2017 period however saw a slight shortfall over the corresponding period of the previous financial year, with ECP receipts accounting for the greatest proportion of non-tax revenues.

Figure 7 below shows the composition of total non-tax revenue for fiscal year 2015/16, 2016/17 and July to Dec 2017.

Figure 7: Composition of Non-tax revenue



Source: Macroeconomic Policy Unit, Ministry of Finance

Expenditure

Total expenditure for fiscal year 2016/17 was on par with the budgeted amount, this was as a result of lower than budgeted capital expenditure coupled with higher than budgeted recurrent expenditure.

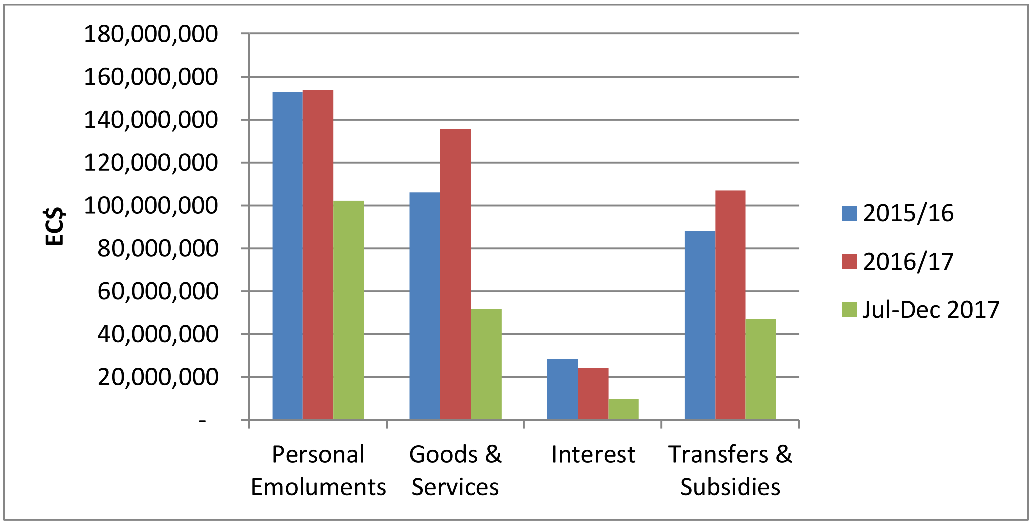
Current expenditure

The largest contributor to current expenditure during the 2015/16 period was that of personal emoluments. This expenditure item was only 1.0 percent higher than the previous year. Expenditure on goods and services were above budget estimates as well as that of the previous corresponding period by 29.0 percent and 28.0 percent respectively. Transfers and subsidies were up by 21.0 percent period over period reflecting higher outlays for contributions to institutions; expenditure associated with retiring benefits and public assistance were on par with the corresponding previous period. Interest payments were 4 percent lower than budgeted and 15.0 percent lower than that of the previous year.

The first half of the 2017/18 period saw a significant increase in personal emoluments, being 33.0 percent higher than the same period of the previous financial year. This was as a result of the one off double salary payments as well as retroactive payments associated with the recent salary increase. At the end of that period, transfers and subsidies, and interest payments were $1.1 million and $2.2 million, respectively lower than the corresponding period of the previous year.

Figure 8 shows the components of current expenditure for the period under review.

Figure 8: Components of Current expenditure



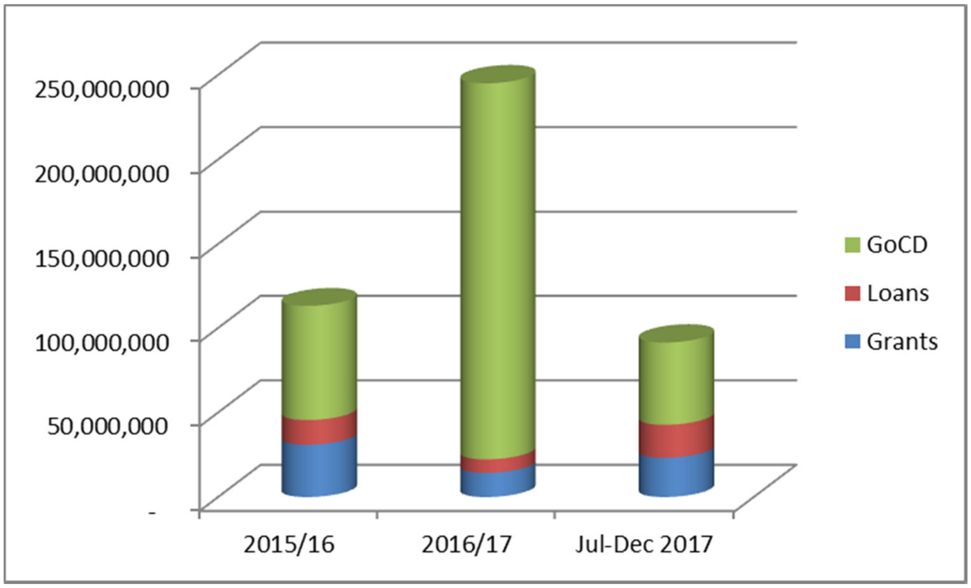
Source: Macroeconomic Policy Unit, Ministry of Finance

Capital Expenditure

Expenditure for fiscal year 2016/17 as reported by the PSIP Unit was $244.7 million with $14.3 million being grant financed. This compares to $113.0 million and $30.9 million for the previous financial year. While the 2016/17 capital expenditure was 22.0 percent lower than budgeted, the performance was good given historical performance and implementation capacity. The first half of the 2017/18 period has seen capital expenditure of $91.3 million which was 16.0 percent higher than what was expensed during the corresponding period of the previous year. The damage caused by the passage of Hurricane Maria necessitated a revision of the PSIP with expenditure at the end of the 2017/18 period anticipated to fall short of what was originally budgeted. GoCD funds continue to be the major source of funding for capital projects.

Figure 9 shows the financing breakdown for fiscal year 2015/16, 2016/17 and July to December of 2017 (first half of the 2017/18 fiscal year).

Figure 9: PSIP financing for 2015/16, 2016/17 and July-Dec 2017



Source: Macroeconomic Policy Unit, Ministry of Finance

Fiscal operations of central government for the period July 2016 to June 2017 has resulted in a current account surplus of $448.0 million or 28.9 percent of GDP. This compares to a projected surplus of $174.1 million. During the same period of the previous year a surplus of $61.5 million was realized. The overall balance inclusive of grants is in surplus of $217.8 million or 14.0 percent of GDP. The primary balance, the main fiscal indicator, is in surplus of $242.0 million or 15.6 percent of GDP. For the corresponding period of the previous fiscal year, the outturn reflected a primary surplus of 0.6 percent of GDP. It is anticipated that at the end of the 2017/18 period there will be a surplus on the current account, while the overall and primary balances will be in deficit.

Financial Sector Analysis

Monetary liabilities (M2) expanded by 5.1 percent to $1,445.8 million during the first half of 2017, compared with growth of 4.1 percent in the corresponding period of 2016. Growth in M2 reflected increases in both quasi money, the larger component of M2, and narrow money. Quasi money rose by 4.2 percent to $1,118.4 million, attributable to growth in private sector savings deposits (5.9 percent) and private sector foreign currency deposits (2.3 percent). This upsurge was however moderated by a decline in private sector time deposits (2.1 percent). An 8.3 percent increase in narrow money to $327.5 million also supported the overall expansion in monetary liabilities. This outturn was associated with a more than doubling of EC$ Cheques and Drafts and upticks in private sector demand deposits (7.2 percent) and currency with the public (6.5 percent).

Meanwhile, domestic credit rose marginally by 0.2 percent to $403.0 million during the period under review, partly attributable to an 8.4 percent fall in the net deposit position of government as the decline in its deposits more than offset the fall in credit. The growth in domestic credit was however tempered by a 2.2 percent decline in private sector credit which constitutes the largest proportion of credit in the economy. This development was influenced by a reduction in credit to businesses, non-bank financial institutions and households. The rise in domestic credit was also moderated by a 7.2 percent increase in the net deposit position of non-financial public enterprises.

An analysis of the distribution of commercial bank credit by economic activity indicated that total outstanding loans and advances decreased by 3.5 percent to $926.3 million during the period under review. Declines were recorded in lending to all major sectors. More specifically, contractions in credit were observed for agriculture and fisheries (25.5 percent); manufacturing and mining and quarrying (11.4 percent); tourism (6.4 percent); distributive trades (2.3 percent); construction (1.0 percent) and for personal use (0.5 percent). Downturns in credit were also recorded for other services including transport and storage (19.6 percent); professional and other services (13.7 percent); public administration (10.9 percent); utilities, electricity and water (6.7 percent); entertainment and catering (6.1 percent); and financial institutions (3.5 percent).

The commercial banking system remained highly liquid in the first half of 2017. The ratio of liquid assets to total deposits plus liquid liabilities rose by 3.5 percentage points to 60.9 percent at the end of June 2017. However, the loans and advances to total deposits ratio fell by 2.2 percentage points to 45.6 percent, still considerably below the ECCB's benchmark of 75.0 to 85.0 percent.

At the end of June 2017, the net foreign assets position of the banking system stood at $1,185.7 million, registering an increase of 8.8 percent from the corresponding period of the previous year. This development was mainly the result of 28.9 percent expansion in the net foreign assets position of commercial banks, associated with growth in their net assets position with institutions outside of the ECCU territories but partially offset by a decline in their net position in other ECCU territories. The overall upsurge in net foreign assets was however moderated by a 7.9 percent decline in Dominica's imputed share of the Central Bank's reserves.

The weighted average total deposits rate fell by 0.03 percent at the end of June 2017 from 1.70 percent at the end of December 2016. Concomitantly, the weighted average lending rate declined to 8.06 percent from 8.12 percent in the period under review. Consequently, the weighted average interest rate spread narrowed to 6.39 percentage points at the end of June 2017 from 6.42 percentage points at the end of December 2016.

X. Prospects

The overall level of economic activity is expected to be subdued in the remainder of the 2017/18 period. This assessment is based on the devastation of the productive sectors by Hurricane Maria. While interventions are being made to aid in the recovery of the agricultural sector, this recovery is expected to be slow owing to the significant damage to farming infrastructure, crop and livestock production. Similarly, activity in the tourism industry will take some time to recover as many hotel plants were largely affected by the passage of the hurricane. Additionally, the number of cruise ship passengers will be lower than projections made prior to the hurricane, on account of cancellation of cruise calls following the devastation caused by the hurricane. In the construction sector, activity is expected to expand as the government, private sector, and individuals undertake reconstruction activities. Manufacturing output is expected to remain subdued for the remainder of the year.

The overall fiscal balance is anticipated to deteriorate in 2018, mainly as a consequence of increased expenditure on the clean-up, relief and recovery effort; coupled with lower tax revenue, influenced by a decline in economic activity. This deterioration is expected to be partially mitigated by an increase in grants. In the external sector, the merchandise trade deficit is expected to widen, reflecting increased imports of construction materials in addition to depressed exports. Risks to this outlook are skewed to the downside.

A deceleration in Citizenship by Investment programme inflows; the receipt of fewer grants than expected and/or delays in the disbursement of loan or grant funds, at this critical time, could slow down the implementation of the impending recovery and reconstruction effort. This process could be additionally affected by administrative and implementation capacity constraints. In addition, Dominica remains vulnerable to external shocks such as adverse weather which would compound the unfavourable economic outlook.

XI. Security Issuance Procedures, Clearance and Settlement

The series of Securities will be listed on the ECSE. This market operates on the ECSE trading platform for both primary issuance and secondary trading. The pricing methodology to be used for selling the securities will be a Competitive Uniform Price Auction. The ECSE is responsible for disseminating market information, providing intermediaries with market access, administering the auction process and monitoring the auctions.

The ECSE, through the Eastern Caribbean Central Securities Depository (ECCSD), will be responsible for facilitating clearance and settlement for the securities allotted. The ECCSD will ensure that funds are deposited to the account of the Government of the Commonwealth of Dominica.

The ECSE, through the Eastern Caribbean Central Securities Registry (ECCSR), will record and maintain ownership of the government securities in electronic book-entry form. The ECCSR will mail confirmation of proof of ownership letters to all investors who were successful in the auction. The ECCSR will also process corporate action on behalf of issuing governments.

Intermediaries will be responsible for interfacing with prospective investors, collecting applications for subscription and processing the same for bidding on the ECSE platform. Investors must provide the intermediaries with funds to cover the cost of the transaction. For this particular offering, investors will pay the applicable brokerage fees to the intermediaries. A list of licensed intermediaries who are members of the ECSE is provided (Appendix 1).

Successful clients will be informed of their payment obligations and the funds provided to the intermediary will be used to purchase the allotted amount.

As an issuer on the RGSM, the Government of the Commonwealth of Dominica will be subject to the rules, guidelines and procedures developed by the Regional Debt Coordinating Committee (RDCC) for the operation of the market, including ongoing reporting and disclosure requirements.

XII. Appendices

i. Listing of Licensed intermediaries
ii. Summary of Government Fiscal Operations (EC$ Millions)
iii. Total Public Sector Outstanding Debt As at December 2015 (EC$ millions)
iv. Debt Service

v. Balance of Payments (millions EC$

APPENDIX I **Listing of Licensed ECSE Member Broker Dealers**

INSTITUTION	CONTACT INFORMATION	ASSOCIATED PERSONS
Grenada		
Grenada Co-operative Bank Limited	No. 8 Church Street St. George's ***Tel: 473 440 2111*** Fax: 473 440 6600 Email: info@grenadaco-opbank.com	**Principal** Aaron Logie Allana Joseph **Representatives** Carla Sylvester Keisha Greenidge Kishel Francis
St Kitts and Nevis		
St Kitts Nevis Anguilla National Bank Ltd	P O Box 343 Central Street Basseterre ***Tel: 869 465 2204*** Fax: 869 465 1050 Email: national_bank@sknanb.com	**Principals** Anthony Galloway **Representatives** Petronella Edmeade-Crooke Angelica Lewis Marlene Nisbett
The Bank of Nevis Ltd	P O Box 450 Main Street Charlestown ***Tel: 869 469 5564 / 5796*** Fax: 869 469 5798 E mail: info@thebankofnevis.com	**Principals** Brian Carey Monique Williams **Representatives** Judy Claxton Denicia Small
St Lucia		

INSTITUTION	CONTACT INFORMATION	ASSOCIATED PERSONS
Bank of Saint Lucia	5th Floor, Financial Centre Building 1 Bridge Street Castries ***Tel: 758 456 6826 / 457 7233*** Fax: 758 456 6733	**Principals** Medford Francis Lawrence Jean **Representatives** Deesha Lewis Cedric Charles
First Citizens Investment Services Limited	P.O. Box 1294 John Compton Highway Sans Souci Castries **Tel: 758 450 2662** Fax: 758 451 7984 Website: www.firstcitizenstt.com/fcis E-mail : invest@firstcitizensslu.com	**Principals** Arletta Huntley-Wells Omar Burch-Smith Temelia Providence ***Representative*** Samuel Agiste Shaka St Ange
St Vincent and the Grenadines		
Bank of St Vincent and the Grenadines Ltd	P O Box 880 Cnr. Bedford and Grenville Streets Kingstown **Tel: 784 457 1844** Fax: 784 456 2612/ 451 2589 Email: info@bosvg.com	**Principal** Monifa Latham Laurent Hadley **Representatives** Patricia John Chez Quow

APPENDIX II **Summary of Government Fiscal Operations (EC$ Millions)**

	2014/15	2015/16	2016/17	2017/18	2018/19
Total Revenue + Grants	397.3	467.9	883.6	575.2	535.7
Total Revenue	361.5	437.0	869.3	507.5	463.7
Current Revenue	361.3	436.9	869.2	507.4	463.6
Tax Revenue	317.0	342.0	362.1	292.4	295.9
Taxes on Income & Profits	60.0	72.3	67.4	48.1	47.1
Property Tax	7.7	6.8	9.7	5.2	5.2
Tax on Domestic Goods & Services	184.7	193.2	206.3	179.2	185.0
Tax on International Trade & Transactions	64.6	69.7	78.7	59.9	58.6
Non Tax	44.3	94.9	507.1	215.0	167.7
CBI			491.2	197.3	150.0
Other			15.9	17.7	17.7
Capital Revenue	0.2	0.1	0.1	0.1	0.1
Grants	35.8	30.9	14.3	67.7	72.0
Total Expenditure	468.2	488.4	665.8	668.4	644.0
Recurrent Expenditure	357.1	375.5	421.2	423.1	404.0
Personal Emoluments	159.5	152.9	154.0	181.3	160.1
Goods & Services	100.2	105.9	135.8	126.6	127.9
Interest	22.8	28.4	24.2	24.2	24.2
Transfers & Subsidies	74.6	88.3	107.2	91.0	91.9
Capital Expenditure + Net Lending	111.1	112.9	244.7	245.3	240.0
Current Acc Bal	4.2	61.4	448.0	84.3	59.6
Overall Bal	-70.9	-20.5	217.8	(93.2)	(108.3)
Primary Bal	-48.1	7.9	242.0	(69.0)	(84.1)
Nominal GDP	**1,429.0**	**1,507.0**	**1,550.0**	**1,417.0**	**1,387.0**
Current Account Balance as % of GDP	0.3	4.1	28.9	5.9	4.3
Overall Balance as % of GDP	-5.0	-1.4	14.0	-6.6	-7.8
Primary Balance as % of GDP	-3.4	0.5	15.6	-4.9	-6.1

Source: Ministry of Finance

APPENDIX III **Total Public Sector Outstanding Debt As at December 2017 (EC$ millions)**

	2012/13	2013/2014	2014/2015	2015/2016	2016/2017	Dec.2017	% change
1. TOTAL OUTSTANDING	971.4	1,045.5	1,085.8	1,090.5	1,038.4	1,042.6	-5.0
LIABILITIES							
GDP Figures	1334	1385	1429.0	1507.0	1550.0		
2. OFFICAL DEBT	971.4	1045.5	1085.8	1090.5	1038.4	1042.6	-5.0
% GDB at market prices	72.8	75.5	76.0	72.4	67.0		
A. **Central Government**							
Outstanding Debt	814.9	875.1	915.2	919.4	865.9	873.6	-6.2
- Domestic	219.6	226.5	273.2	276.2	237.2	246.2	-16.4
- External	595.2	648.6	642.0	643.2	628.7	627.4	-2.3
- Treasury Bills/Note	11.0	11.0	11.0	11.0	26.0	16.5	57.8
- Bonds	92.8	87.1	107.3	102.0	96.6	95.5	-5.6
- Loans	491.5	550.6	523.8	530.3	506.2	515.4	-4.8
- Bilateral	166.4	225.8	216.1	205.9	188.4	184.5	-9.3
- Multilateral	318.3	318.0	300.9	317.6	311.0	324.2	-2.1
- Other	6.8	6.8	6.8	6.8	6.8	6.8	0.0
B. Government Guaranteed							
Outstanding Debt	156.6	170.4	170.6	171.1	172.5	169.0	0.8
- Domestic	47.7	47.5	49.2	56.5	69.5	69.0	18.7
- External	108.9	122.9	121.4	114.6	103.0	100.0	-11.3
TOTAL (Domestic)	267.3	274.0	322.4	332.7	306.7	315.1	-8.5
TOTAL (External)	704.1	771.5	763.4	757.8	731.7	727.4	-3.6

Source: Debt Unit Ministry of Finance

APPENDIX IV **<u>Central Government Debt Service</u>**

EXTERNAL	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
BILATERAL	8.00	*13.30*	*14.93*	*18.77*	22.66	24.93	24.89
Principal	3.10	3.80	4.93	3.50	6.45	4.83	4.45
Interest	4.90	9.50	10.01	15.27	16.21	20.10	20.43
MULTILATERAL	21.00	16.40	19.98	21.45	20.56	22.72	25.34
Principal	5.50	5.50	5.42	5.27	5.23	5.14	6.13
Interest	15.50	10.90	14.56	16.17	15.33	17.58	19.21
OTHER	2.57	5.20	5.02	5.77	5.72	5.51	5.32
Principal	1.12	1.60	1.58	2.33	2.28	2.06	1.88
Interest	1.45	3.60	3.44	3.44	3.44	3.45	3.44
PRIVATE	0.35	0.30	0.02	0.07	0.07	0.07	0.07
Principal	0.01	0.00	0.00	0.06	0.06	0.06	0.06
Interest	0.34	0.30	0.01	0.01	0.01	0.01	0.01
COMMERCIAL	38.00	2.90	3.24	3.28	3.14	6.15	3.09
Principal	26.70	1.00	1.42	1.45	1.32	1.32	1.26
Interest	11.30	1.90	1.83	1.83	1.83	4.83	1.83
TOTAL	69.92	38.10	43.20	49.34	52.16	59.38	58.71
Principal	36.43	11.90	13.35	12.61	15.33	13.40	13.78
Interest	33.49	26.20	29.85	36.73	36.83	45.98	44.93
DOMESTIC							
COMMERCIAL	12.04	11.54	7.61	10.02	7.79	13.89	3.85
Principal	7.75	7.85	2.81	4.38	2.08	10.69	0.69
Interest	4.28	3.69	4.80	5.64	5.71	3.20	3.16
Pension Fund	4.02	4.44	3.97	4.99	4.90	14.67	5.06
Principal	0.70	0.70	0.00	0.06	0.13	9.83	0.14
Interest	3.31	3.74	3.97	4.92	4.77	4.84	4.91
FINANCIAL INSTITUTION	0.02	0.04	0.04	0.04	0.04	0.42	0.01
Principal	0.01	0.01	0.01	0.01	0.01	0.41	0.01
Interest	0.02	0.03	0.03	0.03	0.03	0.02	0.00
INSURANCE FUND	0.08	0.08	0.08	0.57	0.57	0.57	0.57
Principal	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Interest	0.06	0.06	0.06	0.55	0.55	0.55	0.55
PRIVATE	0.05	0.10	0.09	0.09	0.09	0.76	0.02
Principal	0.03	0.05	0.05	0.05	0.05	0.03	0.01
Interest	0.03	0.05	0.05	0.05	0.05	0.73	0.01
OTHER	4.77	5.44	6.39	2.78	2.78	2.78	2.78
Principal	1.89	2.57	3.53	0.02	0.02	0.02	0.02
Interest	2.88	2.87	2.86	2.76	2.76	2.76	2.76
TOTAL	20.98	21.64	18.18	18.48	16.17	33.09	12.29
Principal	10.40	11.20	6.41	4.53	2.30	20.99	0.89
Interest	10.58	10.44	11.77	13.95	13.88	12.10	11.40
DEBT RATIOS							
Total Debt service/Revenue %	24.36	15.89	16.99	15.45	7.86	N/A	N/A
Ext Debt Service /Revenue %	18.74	10.13	11.96	11.24	6.00	N/A	N/A
Dom Debt Service/Revenue %	5.62	5.76	5.03	4.21	1.86	N/A	N/A
Ext.Debt service/Exports %	64.04	34.52	38.34	59.38	87.89	N/A	N/A

Source: Debt Unit/Dominica Authorities

APPENDIX V <u>Dominica Balance of Payments</u>

	2013	20014	2015	2016	2017
	Net	Net	Net	Net	Net
1. CURRENT ACCOUNT	**(133.38)**	**(155.02)**	**(116.87)**	**(161.84)**	**(191.79)**
A. GOODS AND SERVICES	**(135.53)**	**(164.55)**	**(144.35)**	**(189.99)**	**(218.03)**
1. Goods	(378.75)	(443.15)	(430.15)	(479.76)	(512.70)
a. Merchandise	(386.48)	(449.93)	(435.84)	(485.59)	(518.68)
b. Repair on goods	0.00	0.00	0.00	0.00	0.00
c. Goods procured in ports by carriers	7.73	6.78	5.69	5.82	5.98
2. Services	243.22	278.59	285.80	289.77	294.67
a. Transportation	(73.78)	(85.90)	(79.33)	(86.12)	(91.41)
b. Travel	244.71	309.88	309.63	320.64	332.71
c. Insurance Services	(9.91)	(11.36)	(9.90)	(10.84)	(11.57)
d. Other Business Services	33.55	16.85	15.68	15.98	14.48
e. Government Services	48.65	49.13	49.72	50.11	50.46
B. INCOME	**(52.67)**	**(46.30)**	**(47.06)**	**(46.90)**	**(48.83)**
1. Compensation of Employees	3.17	3.23	3.29	3.36	3.43
2. Investment Income	(55.84)	(49.53)	(50.35)	(50.26)	(52.26)
a. Direct Investment	(40.88)	(37.35)	(36.62)	(38.36)	(40.75)
b. Portfolio Investment	(1.31)	(1.89)	(0.12)	(1.09)	(1.09)
c. Other Investment	(13.65)	(10.29)	(13.61)	(10.82)	(10.42)
C. CURRENT TRANSFERS	**54.82**	**55.84**	**74.54**	**75.06**	**75.07**
1. General Government	14.61	14.88	15.30	15.53	15.71
2. Other Sectors	40.21	40.96	59.24	59.52	59.36
2. CAPITAL AND FINANCIAL ACCOUNT	**132.09**	**233.77**	**125.89**	**161.84**	**191.79**
A. CAPITAL ACCOUNT	**21.07**	**85.45**	**79.81**	**70.99**	**65.38**
1. Capital Transfers	21.07	85.45	79.81	70.99	65.38
a. General Government	11.92	76.14	70.30	61.30	55.50
b. Other Sectors	9.15	9.31	9.51	9.69	9.88
2. Acquisition & Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
B. FINANCIAL ACCOUNT	**111.02**	**148.32**	**46.09**	**90.84**	**126.41**
1. Direct Investment	63.04	90.09	91.68	84.69	92.57
a. Abroad (outward)	-	-	-	-	-
b. In Reporting Economy (inward)	63.04	90.09	91.68	84.69	92.57
2. Portfolio Investment	(40.08)	(58.62)	2.35	(0.61)	(0.59)
a. Assets	(40.49)	(42.76)	(6.75)	(1.77)	(1.88)
b. Liabilities 2/	0.41	(15.86)	9.10	1.16	1.29
3. Other Investment	88.06	116.85	(47.94)	6.77	34.43
a. Public Sector Long Term Loans	44.67	99.09	14.25	32.51	(22.06)
b. Other Public Sector Capital	-	-	-	-	-
c. Commercial Banks	(0.37)	(44.74)	(74.70)	-	-
d. Other Assets	27.81	46.26	(14.04)	(26.11)	14.81
e. Other Liabilities	15.95	16.23	26.54	0.37	41.68
3. NET ERRORS AND OMISSIONS	**(16.16)**	**(30.47)**	**48.46**	**(0.00)**	**0.00**
4. OVERALL BALANCE	**(17.45)**	**48.28**	**57.49**	**-**	**-**
5. FINANCING	**17.45**	**(48.28)**	**(57.49)**	**-**	**-**
Change in SDR Holdings	-	-	-	-	-
Change in Reserve Position with the IMF	-	-	-	-	-
Change in Government Foreign Assets	(0.03)	(8.98)	11.38	-	-
Change in Imputed Reserves	17.48	(39.30)	(68.87)	-	-

Source: ECCB