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
Kennedy Avenue
Roseau
DOMINICA

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PROSPECTUS DATE: MARCH 2016

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
Coulibistri
Jenny Pt.
Morne Raquette
ST. JOSEPH
692
Castle Bruce
Salisbury
Belles
St. Joseph
704
Layou
Grand Marigot Bay
ST. DAVID
Petit Soufrière Bay
Rosalie
Rosalie
ST. PAUL
1423
Mahaut
Massacre
Springfield
1220
Canefield
La Plaine
Laudat
Woodbridge B.
ST. GEORGE
1225
Watt Mountain
Roseau
Roseau
Délices
Pte. Mulâtre
ST. PATRICK
Pointe Michel
ST. LUKE
Petit Savane
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 April 2016, July 2016 and October 2016, and traded on the Eastern Caribbean Securities Exchange (ECSE) as follows:

Issue amount: EC$60 Million

Auction Date	Tenor/Type	Amount	Trading Symbol	Settlement Date	Maturity Date
6th April 2016	91 Day T-bill	EC$20.0 Million	DMB070716	7th April 2016	7th July 2016
11th July 2016	91 Day T-bill	EC$20.0 Million	DMB111016	12th July 2016	11th October 2016
12th October 2016	91 day T-bill	EC$20.0 Million	DMB120117	13th October 2016	12th January 2017

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:	ECFH Global Investment Solutions Limited
Address:	5th Floor Financial Centre Building 1 Bridge Street Castries, St. Lucia W.I.
Telephone No.:	(758) 457 7231
Facsimile No.:	(758) 456 6740
Contact Persons:	Medford Francis
Issue Dates:	7th April 2016; 12th July 2016; 13th October 2016
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 6.0%
	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

$20 Million 91-day Treasury bill

Amount of Issue:	EC $20 Million
Maximum Bid Price:	6.0%
Tenor:	91 days
Trading Symbol:	DMB070716
Auction Date:	6th April 2016
Settlement Date:	7th April 2016
Maturity Date:	7th July 2016
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).

$20 Million 91-day Treasury bill

Amount of Issue:	EC $20 Million
Maximum Bid Price:	6.0%
Tenor:	91 days
Trading Symbol:	DMB111016
Auction Date:	11th July 2016
Settlement Date:	12th July 2016
Maturity Date:	11th October 2016

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).

$20 Million 91-day Treasury bill

Amount of Issue:	EC $20 Million
Maximum Bid Price:	6.0%
Tenor:	91 days
Trading Symbol:	DMB120117
Auction Date:	12th October 2016
Settlement Date:	13th October 2016
Maturity Date:	12th January 2017
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).
List of Intermediaries:	The Bank of Nevis Limited St. Kitts-Nevis-Anguilla National Bank Ltd ECFH Global Investment Solutions 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 $184.2 million or 13.3 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. As such, the GOCD purports to lower public debt as a percentage of GDP to 60% by Financial Year (FY) 2030, the revised time frame.

2. ***Debt management Strategy***

The overall debt management strategy hinges on the objectives of lowering the debt to GDP ratio to 60% by FY 2030 and 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 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.

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.

Debt restructuring programme: an experience to learn from

In the financial year 2004/2005 the Government of Dominica undertook a debt restructuring programme which took the form of debt forgiveness, debt conversion, and extension in maturity period, reduction in interest rates, and debt consolidation. As part of the debt restructuring, bondholders were offered three categories of bonds at 3.5 percent interest as follows:

- Short bond - 30 percent haircut[1] and 10 years amortized maturity
- Intermediate bond – 20 percent haircut and 20 years amortized maturity
- Long bond – no haircut and 30 years amortized maturity.

The restructuring programme was successful with 99.9% of the eligible debt being restructured. The Government of Dominica is committed to the pledges made to its creditors, in the Offer Circular dated April 06, 2004. In this regard an Escrow account was established for debt service payments on restructured terms, to be paid to non-participating creditors upon completion of negotiations. To date all outstanding payments have been paid. Additionally, Government continues to make payments on the intermediate bonds while the short bonds have been fully paid. The payments on the long bonds will commence when they become due.

CariCRIS Credit rating

On December 18th 2015, CariCRIS removed the Government of Dominica from Rating Watch – Negative and lowered its ratings by 1 notch to *Cari***BB+** (Foreign and Local Currency Rating) from *Cari***BBB-.** The ratings indicate that the level of creditworthiness of this obligor, adjudged in relation to other obligors in the Caribbean is **below average**.

The downgrade of GOCD's ratings is driven by our expectation that the cost of the extensive damage caused by Tropical Storm Erika, estimated at 90% of GDP1, may negatively impact the country's economic and fiscal performances, and lessen the country's ability to service its short term debts. However, there is no evidence of fiscal stress caused by the impact of Tropical Storm Erika. In fact the fiscal data to date indicate that fiscal position of the country has not been compromised and has remained very strong.

[1] Hair Cut: A reduction in the principal amount of the bond.

Notwithstanding the impact of Tropical storm Erika, the Government of Dominica continues to place a high priority on meeting all its debt obligations on schedule.

V11. Public Debt Overview

At the end of December 2015, total disbursed outstanding debt of the public sector[2] stood at $1.077 billion or 79.2 percent of GDP[3]. This is, approximately 1.1 percent above the outstanding amount at the end of December 2014 which was $1.065 billion. There was a reduction in public corporation debt by 3.8 percent from the previous year 2014. Similarly, gross external debt decreased by $16.5 million to stand at $741.9 million, while there was a moderate increase in domestic debt by $28.8 million and stands at $335.1 million at the end of December 2015 (see Table 2). The structure of public and publicly guaranteed debt shows that 31.0 percent of the total debt is domestic while 69.0 percent is external as shown in figure 1.

Table 2: Size of Public Debt, end December 2015 (in EC $) with 2014 comparative

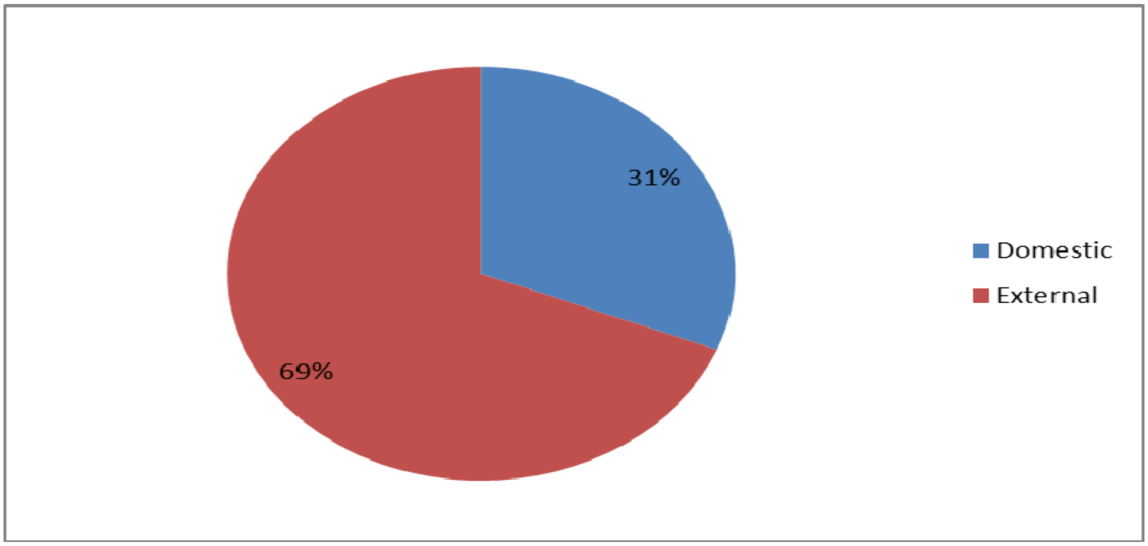
	Domestic		External		TOTAL	
	Dec.2015	**Dec.2014**	**Dec.2015**	**Dec.2014**	**Dec.2015**	**Dec.2014**
Central Government	284,764,767	260,300,551	626,154,091	631,717,344	910,918,858	892,017,895
Guarantees	50,313,479	45,990,230	115,777,565	126,703,950	166,091,044	172,694,180
TOTAL	**335,078,247**	**306,290,781**	**741,931,655**	**758,421,294**	1,077,009,902	1,064,712,075
Total Guarantees/Total Public Debt					15.40%	16.20%
Percentage of Total Public Debt	31.00%	29.00%	69.00%	71.00%		

Source: Debt Unit, Ministry of Finance

The increase in the debt stock, predominantly domestic, was the result of an increase in loans and in the amounts issued on the RGSM, in an effort to diversify the debt portfolio and to help build the domestic/regional market .

[2] *Includes both central government and central government guaranteed debt*
[3] *Based on nominal GDP of $1.4 billion*

Figure 1: Composition of Public Debt as at December 2015



Source: Debt Unit

Cost/Risk Characteristics of Public Debt

The Government external debt strategy is one of contracting or guaranteeing external loans with highly concessional terms to minimize interest rate cost. In addition, the Government seeks to lengthen the maturity structure of total public sector debt to minimize refinancing risk in line with the Medium Term Debt Strategy.

Size of Public and Publicly Guaranteed External Debt

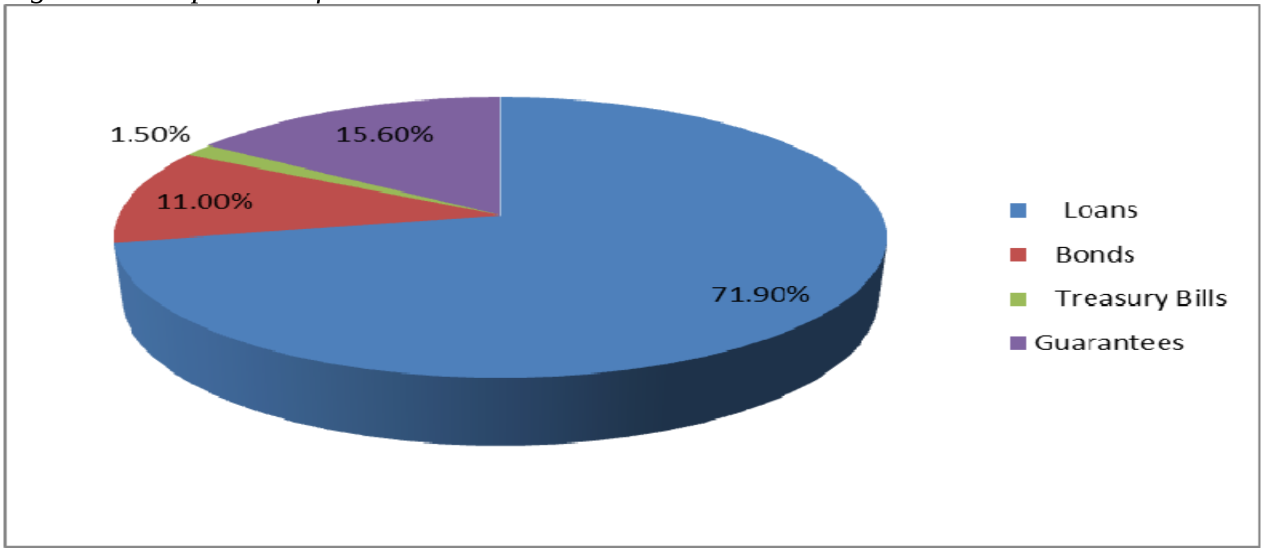
Overall, public and publicly guaranteed external debt decreased on debt repayment with minimal disbursement on committed or new debt. Also the movement of the exchange rates for the currencies in which the debt is denominated affects the debt stock.

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

	Dec-14	Dec-15
Central Government		
Loans	533,611,306	533,333,164
Bonds	87,136,038	81,850,927
Treasury Bills	10,970,000	10,970,000
	631,717,344	**626,154,091**
Guarantees	126,703,950	115,777,565
Total	**758,421,294**	**741,931,655**

Source: Debt Unit. Differences due to rounding

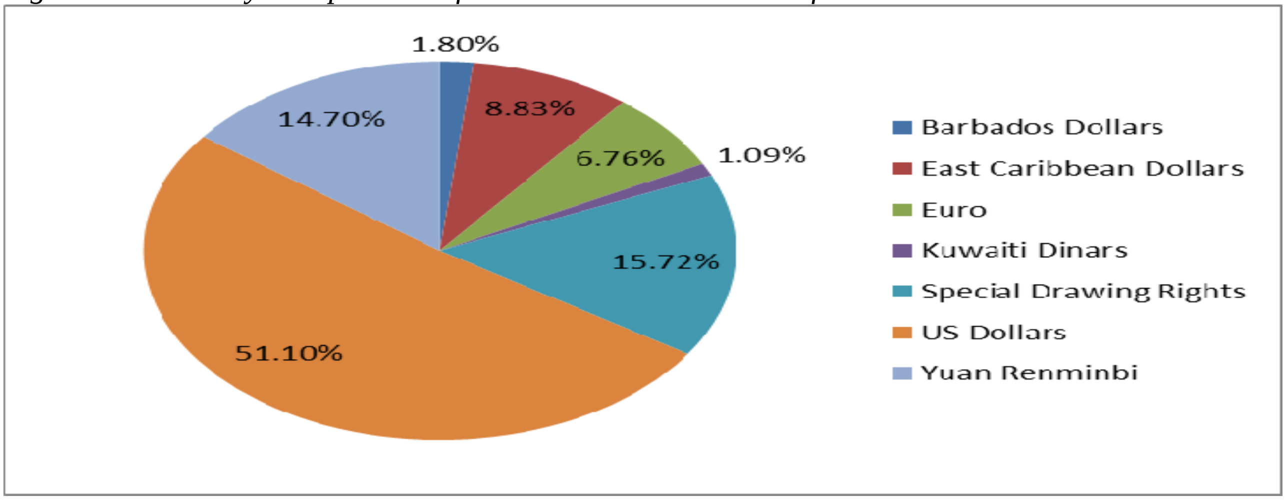
Figure 2: Components of Total External Debt – December 2015



Source: Debt Unit

Figure 3 demonstrate the currency composition of external debt. It indicates that the US dollar forms the largest share of the external debt portfolio of 51.1 percent followed by the Special Drawing Rights at 15.72 percent which is 200 basis points above that of 2014. Consequently the Non-USD and SDR debt exposure now stands at 24.35 percent and is in breach of the debt target by 4.35 percent. However, this does not pose a major threat because the leading contributor to the breach is the RMB which is on relatively concessional terms.

Figure 3: Currency Composition of External Debt at the end of December 2015



Source: Debt Unit, Ministry of Finance

Domestic Debt

At the end of December 2015, debentures continued to hold the largest proportion of the domestic debt amounting to $166.4 million or 49.7 percent as shown in Table 4 and Figure 4.

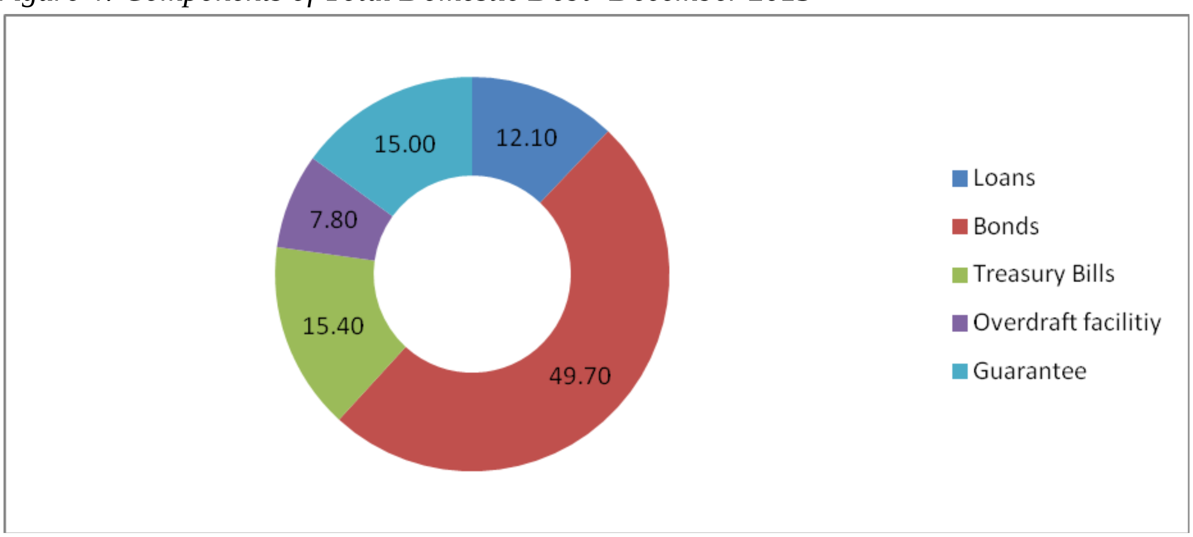
Table 4: Domestic Debt by Instrument – December 2015

Instrument	Opening Balance	Closing Balance
	$	$
Overdraft	20,227,763	26,350,727
Loans	42,448,036	40,552,884
Debentures	142,121,753	166,388,156
Treasury Bills	55,503,000	51,503,000
Central Government	***260,300,551***	***284,764,767***
Government Guarantees	***45,990,230***	***50,313,480***
TOTAL	**306,290,781**	**335,078,247**

Source: Debt Unit, Ministry of Finance

The structure of the outstanding debt as at December 2015 is consistent with the debt strategy to consist more domestic debt instruments with longer maturity to minimize refinancing risk and promote development of domestic markets for Government securities.

Figure 4: Components of Total Domestic Debt- December 2015



Source: Debt Unit, Ministry of Finance

Developments on the Regional Government Securities Market (RGSM)

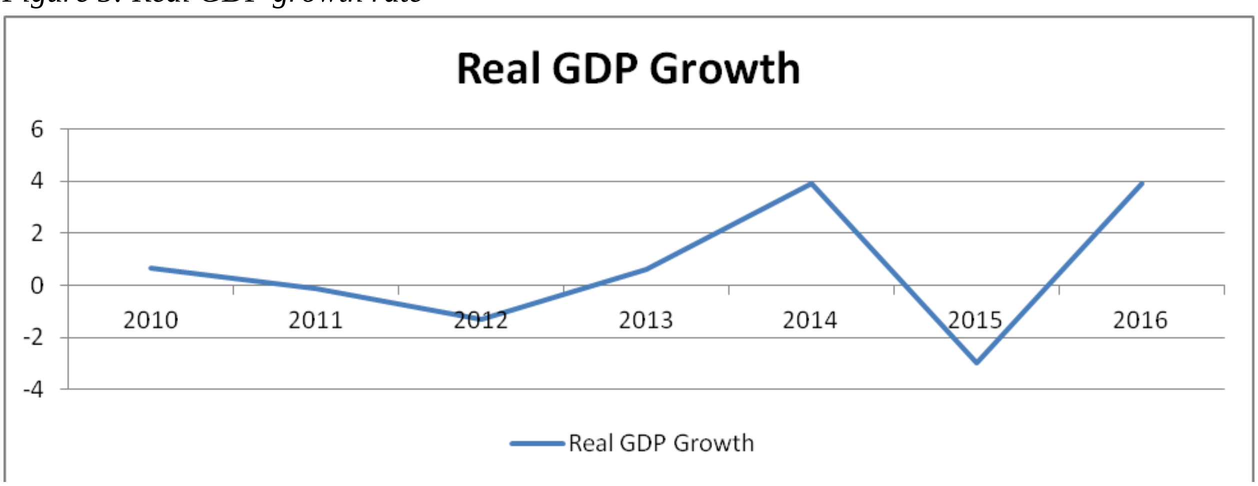
There continues to be a strong appetite for Government of Dominica security issues on the Regional Government Securities Market (RGSM). This is evidenced by the over-subscription of the four securities auctioned during the year 2015. The Government of Dominica was able to raise a total of $85.0 million using one five year $25.0 million bond and three ninety one day $20.0 million treasury bills. The average rate received on the 91-day Treasury Bills was 2.99 percent while the bond was auctioned at a rate of 7.0 percent. On January 5th 2016 the Government of Dominica issued another ninety one day $20.0 million treasury bill which attracted a rate of 6.0 percent.

VIII. Macro-Economic Performance

On August 27, 2015, Dominica was hit by Tropical Storm Erika, resulting in loss of life and substantial damage to crops and physical infrastructure. Flooding and landslides have resulted in the need to resettle communities, severely damaged transport infrastructure, and substantially diminished near-term prospects for agriculture and tourism. The main airport was badly damaged, but full operation has since been restored. Several roads and bridges remain compromised, rendering some communities and key farmlands almost inaccessible. The Rapid Damage and Impact Assessment Report by the World Bank and Government of Dominica estimates total damage and loss at US$483 million or 96 percent of GDP.

Prior to the storm, momentum in the Dominican economy appeared to be slowing, after reports of strong 2014 performance which saw growth of 3.9 percent. However, monthly indicators for 2015 suggested that performance in key export sectors including agriculture and manufacturing were weakening, with mixed tourism sector performance. As a result, real GDP is expected to contract by 3.0 percent in 2015.

Figure 5: Real GDP growth rate



Indications are the inflation had weakened further to -0.9 percent in June 2015, largely reflecting the full-year impact of the drop in world petroleum prices. Economic activity is projected to rebound in 2016, propelled by construction and normalizing conditions in other sectors. Post-storm reconstruction is expected to be the main engine of growth, which is projected at 3.9 percent in 2016. As operations at the airport and hotels normalize, the tourism sector is expected to rebound rapidly. Agriculture activities may take some time to recover fully while replanting activities take hold, implying that production levels are not likely to begin rising until later in 2016. The government investments in the livestock and fishing sectors will partially offset the lower crops.

Manufacturing and key private-sector services are also expected to grow overall, but output levels in these industries will likely remain below pre-storm levels as these sectors recover to their full capacity.

Balance of Payments

The current account deficit is projected to be 15 percent of GDP in 2015, a worsening of about 2 percent relative to the previous year. Demands for imported reconstruction materials along with expected decreases in exports and tourism receipts have given rise to an urgent balance of payments need. An expected rise in remittances is projected to provide only a partial offset. Similarly, grants and official financing will assist the post-storm recovery effort going forward; however, the disbursement of official financial assistance will take some time. Thus, an external financing gap persists.

Large construction-related imports would contribute to a further deterioration of the current account deficit to 16¾ percent in 2016. Over the medium term, growth is projected to settle to its potential level of around 2 percent per year and the external current account deficit to narrow to below its pre-storm level, reflecting the winding-up of reconstruction activities and fiscal adjustment.

Fiscal performance

First half fiscal year 2015/2016 (July to December)

Revenue

Fiscal performance to date (July to December 2015) remains strong in the wake of tropical storm Erika which severely impacted the island. Total revenue inclusive of grants is 2.7 percent less than anticipated collections based on the initial budget numbers and 9.7 percent higher than that of the same period of 2014. Strong performances were recorded in both tax and non tax revenue which exceeded collections of the previous fiscal year.

Tax revenue

Collections of tax revenue have exceeded budget expectations as well as last year's collections by 8.4 percent and 7.1 percent respectively. All of the major tax categories have performed very well with taxes on domestic goods and services being the main contributor. Figure 6 below shows a comparison between the budget, actual for 2015, and actual for 2014 for the major tax categories.

Figure 6: Major tax categories

Collections in all categories are consistently higher than that of the previous fiscal year. The authorities have made deliberate efforts aimed at maintaining the integrity of the tax system. Policy decisions such as a reduction in discretionary concessions aimed at reducing revenue losses were implemented which have yielded positive results. The implementation of forensic audits at the Inland Revenue Division has strengthened the divisions' ability to collect on revenues due to the state. Collections of withholding tax and corporate income tax for December 2015 are proof of the efficacy of these new initiatives. According to the IRD, during that month $6.9 million was collected in arrears; a direct result of the forensic audits that are now being done.

Collections of taxes on domestic goods and services were up by 3.3 percent over that of the first half of the previous year. Import VAT revenues showed signs of weakness with collections falling short of last year's total by $3.5 million. The largest variance was noticed in the month of October 2015 for which collections were down by roughly $2.0 million. This reflects the impact of the concessions granted post Erika as well as the cancellation of the World Creole Music Festival.

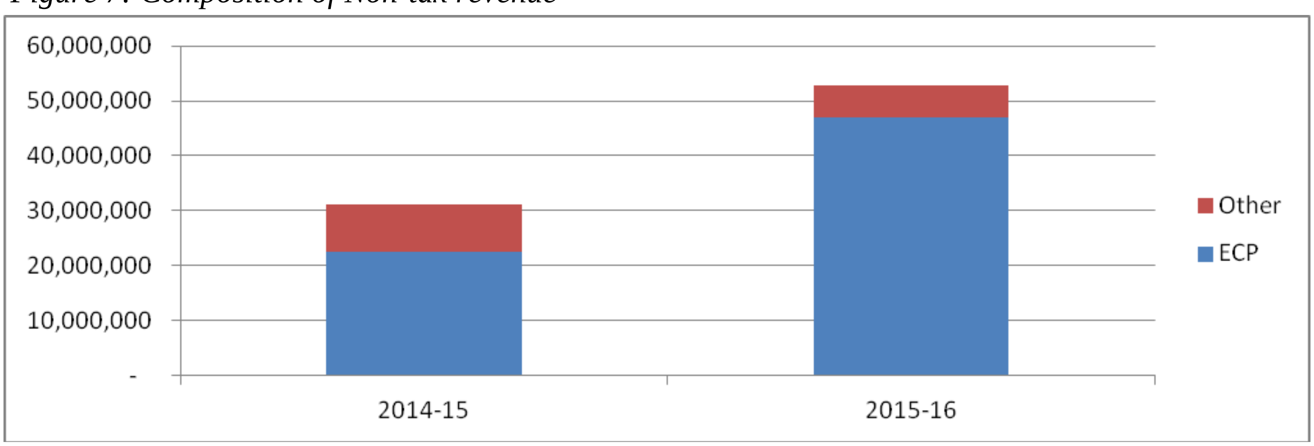
Indications from the authorities at the IRD are that domestic consumptions remained at pre-erika levels, reflected through revenues from domestic VAT. Collections for the first half of the fiscal year are up by $0.7 million when compared to that of the previous year. Consumption was more than likely supported by the influx of remittances evidenced by the long lines at the money transfer agencies.

Taxes on international trade and transactions have exceeded both budget expectations as well as last year's collections in spite of recent policies implemented at customs to ease the burden of importing relief supplies in the wake of tropical storm Erika. The authorities at Customs have indicated that the ports remained very active in the wake of Erika not only receiving large amounts of relief supplies, which in some cases attracted concessions, but also to accommodate the usual paid transactions.   As a result import duties are higher this year by $0.5 million compared to last year.

Non-Tax Revenue

Revenue from this source remains a major contributor to fiscal operations of central government supported mainly by inflows from the economic citizenship program (ECP). Collections for the period are 11.5 percent higher than budget estimates and 52.0 percent higher than collections for the corresponding period of 2014. Additionally, collections to date have already exceeded total collections for the entire fiscal year 2014/15. Figure 7 below shows the composition of total non tax revenue for the period July to December 2015 and 2014.

Figure 7: Composition of Non-tax revenue



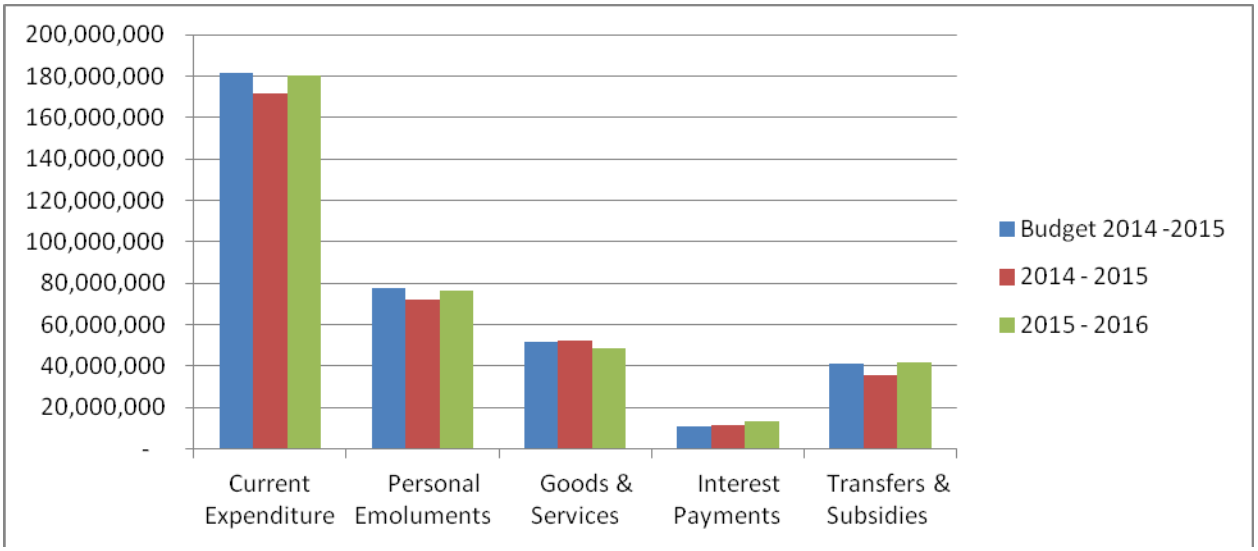
Expenditure

Total expenditure for the period July to December 2015 was lower than budgeted by 10.9 percent resulting from lower than anticipated outlays for both current and capital expenditure. Current expenditure for the period was $178.7 million compared to a budgeted $181.4 million. However, expenditure for 2015 is 4.0 percent higher than that of 2014. Capital expenditure is 47.0 percent lower than anticipated for the period. Actual expenditure on projects was $24.9 million compared an anticipated $46.9 million. This is also lower than expenditure for the corresponding period of the previous fiscal year by 41.0 percent.

Current expenditure

The largest contributor to current expenditure is that of personal emoluments. This expenditure item has grown by 5.8 percent over 2014 with the most notable increase in salaries reflecting the recent salary adjustments. Expenditure to date on goods and services were below budget estimates as well as that of the previous corresponding period by 8.8 percent and 10.5 percent respectively. Expenditure on transfers and subsidies is up by 17.0 percent period over period reflecting higher outlays for retirement benefits and contributions to regional institutions. Pensions and gratuity payments increase by $2.5 million whilst the cost of contributions to regional institutions increased from $1.1 million to $2.9 million. Expenditure associated with public assistance and casual relief remained relatively stable at roughly $3.5 million. Interest payments to date are 21.1 percent higher than budgeted and 18.5 percent higher than that of the previous year. This was due to higher outlays for external interest payments on bonds which moved from $1.4 million to $5.3 million. Figure 8 shows a comparison of the components of current expenditure for the period under review.

Figure 8: Components of Current expenditure



Capital Expenditure

The government remains committed to the mission of rebuilding Dominica with an emphasis on building resilience. Tropical storm Erika has provided a glimpse into some of the physical vulnerabilities within the economic infrastructure and undoubtedly indicates the need to rebuild and replace with resilience being a key factor. This has led to a complete review of the existing public sector Investment programme (PSIP) aimed at prioritizing in the face of very scarce resources. As a first step, projects which are deemed to not be a priority at this point in time have been pushed back to outward fiscal years. There are however some projects which will continue due to the nature of the project and the financing modality. The clean-up and restoration works after the storm will also be accounted for in the revised PSIP. So too will the construction of temporary bypasses and bailey bridges. The reinstatement of night landing facilities at the main airport is also mentionable. Additionally, a contract has since been signed for the reconstruction works at the airport. The complete relocation of two communities, which is heavily grant financed, will require local resources as well. However, reports on this project are still pending. The list of projects to be undertaken is long and requires a significant amount of resources to complete. With the need now to build smart, the design of these project may take some time as critical studies are undertaken. Hence a completely revised PSIP is still in the making.

Expenditure to date as reported by the PSIP unit is $24.9 million with $11.4 million being grant financed. This compares to $42.3 million for the corresponding period of the previous year. Given the level activity related to Erika and the perceived associated expenditures, it appears that these numbers do not reflect the true cost of the works down to date as reports take time to come in from the various ministries.

Fiscal operations of central government for the period July to December 2015 has resulted in a current account surplus of $42.1 million or 3.0 percent of GDP. This compares to a projected surplus of $16.1 million. During the same period of the previous year a surplus of $16.2 million was realized. The overall balance inclusive of grants is in surplus of $28.7 million or 2.1 percent of GDP. This compares to a projection of 0.3 percent of GDP. The primary balance, the main fiscal indicator, is in surplus of $42.0 million or 3.0 percent of GDP. For the corresponding period of the previous fiscal year, the outturn reflected a primary surplus of only 0.3 percent of GDP.

Outturn for fiscal year 2015/2016

Projections for fiscal year 2015/2016 suggest an improvement in the fiscal position over the previous year. Total revenues inclusive of grants are projected to grow by 13.7 percent supported mainly by an expansion in current revenue. This expansion is due to growth in non tax revenue; specifically revenue from the economic citizenship program. Revenue collected from taxes is expected to be more than that of the previous fiscal year; with growth of 3.2 percent. Slow project implementation will lead to grant expenditure for this fiscal year of $32.0 million; 10.6 percent less than that of the previous year.

On the expenditure side, total expenditure is projected to decline by 2.9 percent, restrained by reportedly limited outlays for capital expenditure. All of the components of current expenditure are expected to be more than that of the previous year with the exception of personal emoluments which is projected to be 2.1 percent less. Expenditure for the previous fiscal year would have included a one-off amount for the retroactive pay ($8.6 million). The cost of goods and services procured by central government is expected to increase to by 5.8 percent to accommodate extra budgetary expenditure related to Erika. Despite tight expenditure controls, the costs associated with post Erika operations, road maintenance, and utilities continue to manifest themselves. Transfers and subsidies are projected to grow by 11.4 percent to $79.9 million as the authorities continue to ensure that obligations are met. Interest payments are expected to grow by 36.4 percent reflecting mainly the servicing of external debt.

Projections for capital expenditure outturn for 2015/16 suggest a downward revision of expenditure from the initial budget estimate of $184.2 million to roughly $80.0 million. The rebuilding process will require some time as the process of prioritization continues within the context of limited resources. The most urgent needs are being attended to. Restoration of access to some isolated areas is ongoing as well as the relocation of two displaced communities. Rehabilitation works at the main airport is set to commence soon. As projects come on stream it is expected that a revised PSIP will be formulated. Projections for 2015/16 are based on what is feasible under present circumstances.

Based on projections, the outturn for fiscal year 2015/2016 suggests a much improved fiscal position than that of 2014/15. A significantly larger current account surplus is projected at $48.3 million or 3.5 percent of GDP; up from $8.6 million for the previous year. An overall surplus of $1.1 million or 0.1 percent of GDP is projected to the end of the fiscal year. This compares to an overall deficit of $66.6 million for the previous year. The primary balance is in surplus of $29.2 million or 2.1 percent of GDP. Whilst this result deviates from the targeted 2.4 percent of GDP primary surplus it represents a much improved fiscal position.

Financial Sector Analysis

Monetary liabilities (M2) expanded by 3.0 per cent to $1,286.4m during the first three quarters of 2015, compared with growth of 5.8 per cent in the corresponding period of 2014. Growth in M2 reflected increases in both quasi money and narrow money (M1). Quasi money, the larger component of M2 rose by 2.6 per cent to $1,040.3m as private sector savings deposits grew by 4.8 per cent but was partially offset by contractions in private sector foreign currency deposits (17.4 per cent) and private sector time deposits (2.1 per cent). An increase of 4.9 per cent in narrow money (M1) resulted from growth in private sector demand deposits (7.3 per cent) and EC$ cheques and drafts issued (88.0 per cent); this was tempered by a decline in currency with the public (8.9 per cent).

Domestic credit fell by 5.2 per cent to $699.0m during the review period, mainly attributable to a 54.7 per cent reduction in net credit to the government as its deposits grew by 29.8 per cent. Credit to the government however fell by 10.4 per cent as central bank loans and advances and commercial bank treasury bill holdings declined. The overall contraction in domestic credit was also driven by a 0.4 per cent reduction in private sector credit which constitutes the largest share of credit in the economy. This contraction was largely associated with a reduction in business credit (3.9 per cent) which was moderated by an increase in credit to non-bank financial institutions (13.1 per cent) and households (1.5 per cent). The reduction in domestic credit was further supported by a 3.2 per cent increase in the net deposit position of non-financial public enterprises as their deposits increased by a larger amount than credit.

Consistent with the deceleration of economic activity observed during 2015, credit declined to the major productive sectors. Decreases were recorded in outstanding credit to agriculture and fisheries (20.6 per cent), manufacturing and mining and quarrying (9.0 per cent) and tourism (1.3 per cent). Contractions in credit extended to distributive trades (7.7 per cent), transport and storage (3.1 per cent) and construction (0.3 per cent) were also observed. However, credit for personal use, the largest sub-category, improved by 2.9 per cent. Loans and advances to public administration also expanded by 6.6 per cent during the review period.

Amid relatively weak credit conditions, liquidity in the commercial banking system improved in the first three quarters of 2015. The ratio of liquid assets to total deposits plus liquid liabilities rose by 3.6 percentage points to 47.4 per cent at the end of September 2015. Accordingly, the ratio of loans and advances to total deposits fell by 2.0 percentage points to 57.2 per cent which is considerably below the ECCB's benchmark of 75.0 to 85.0 per cent.

At the end of September 2015, the net foreign assets position of the banking system stood at $665.2m, registering an increase of 8.7 per cent relative to the corresponding period of 2014. This expansion was mainly the result of a 15.0 per cent rise in Dominica's imputed share of the Central Bank's reserves coupled with a 3.7 per cent increase in the net foreign assets position of commercial banks. The latter development was attributable to growth in the net foreign assets position with institutions outside of the ECCU territories.

IX. Prospects

The Eastern Caribbean Central Bank forecasts that the regional economy will grow by 2.8 percent in 2016 with all member countries expected to record positive growth. Economic activity in Dominica is projected to expand in 2016 propelled by construction and normalizing conditions in other sectors. Post-storm reconstruction is expected to be the main engine of growth, which is projected at 3.9 percent. The planned intensified public sector activity will favourably impact developments in the Transport, Storage and Communications and Wholesale and Retail Trade sectors.

Growth in the Agriculture sector will be slow but steady as the replanting of fields take time. A number of farms have been inundated with silt and sediments from flooding and landslides which will require clearing prior to planting. There is also the issue of farm access as some feeder roads are still in a state of disrepair. This is being rectified through the implementation of the BAM project. Efforts aimed at dealing with black sigatoka are bearing fruit as the Ministry of Agriculture intensifies its fight against this disease. According to the ministry, 60,000 tissue culture plantlets will be brought in to the island from France some of which have already arrived and have been distributed to farmers. The ministry has also reported that the new plants are doing very well and have already started bunching; producing a very good bunch size. The results are very promising and there is the desire to continue this pilot project for the next two years. This will be supplemented by an increase in other agricultural activity as the horticulture programs, abattoir, coffee plant and pack houses yield results over the next few years. Predicated on these phenomena, the agriculture, livestock and forestry sector is forecasted to record positive growth over the medium term.

The tourism sector is projected to grow as growth continues and unemployment abates in key tourism markets, additional room capacity becomes available for example following the completion of the Range hotel project. Additionally, the authorities have just indicated that in coming weeks, Government will soon sign agreements for three additional hotel projects in the north of the island. The cruise sector remains strong with an expected increase in the number of cruise passengers expected for the ongoing cruise season. A number of new cruise ships have made calls to the island and had have included Dominica as part of their future itinerary.

The current account deficit of the balance of payments is estimated to widen as large construction-related imports would contribute to a further deterioration of the current account deficit to 16¾ percent in 2016. Over the medium term, the external current account deficit is expected to narrow to below its pre-storm level, reflecting the winding-up of reconstruction activities and fiscal adjustment. However, the surplus on the capital and financial account is projected to increase based on increases in capital grants related to the post Erika rehabilitation and the Range project.

On the fiscal front, it is expected that the fiscal position will rebound after a slight weakening in fiscal year 2016/17 to accommodate the post Erika rehab. Ongoing efforts in revenue administration are expected to continue to yield gains and improve revenue inflows. This is expected to be supported by growth in economic activity as well. Going forward it is expected that the growth to be realized from the fiscal stimulus of the public investments will translate into steady revenue growth.

XI1. 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.

XIII. 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. Balance of Payments (millions EC$

APPENDIX I <u>Listing of Licensed ECSE Member Broker Dealers</u>

Territory	Institution	Name of Licencee	Type of Licence
ST KITTS AND NEVIS	St Kitts-Nevis-Anguilla National Bank Ltd	Winston Hutchinson	Principal
		Anthony Galloway	Principal
		Angelica Lewis	Representative
		Marlene Nisbett	Representative
		Petronella Crooke	Representative
	The Bank of Nevis Ltd	Kelva Merchant	Principal
		Brian Carey	Principal
		Lisa Jones-Herbert	Representative
		Judy Claxton	Representative
SAINT LUCIA	ECFH Global Investment Solutions Ltd	Medford Francis	Principal
		Lawrence Jean	Principal
		Deesha Lewis	Representative
	First Citizens Investment Services Ltd	Carole Eleuthere-JnMarie	Principal
		Samuel Agiste	Representative
		Shaka St Ange	Representative
ST VINCENT AND THE GRENADINES	Bank of St Vincent and the Grenadines Ltd	Monifa Latham	Principal
		Patricia John	Representative
		Laurent Hadley	Representative
		Chez Quow	Representative
GRENADA	Grenada Co-operative Bank	Mr. Aron Logie	Principal
		Mr. Carla Sylvester	Representative

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

	FY13/14	FY14/15	Est. FY15/16	Proj. FY16/17	Proj. FY17/18	Proj. 2018/19
Total Revenue + Grants	414.7	396.3	450.8	503.7	518.5	534.4
Total Revenue	369.7	360.5	418.8	431.6	443.8	456.7
Current Revenue	369.4	360.4	418.3	430.6	442.8	455.7
Tax Revenue	303.9	316.1	326.2	334.9	343.5	352.5
Taxes on Incomes and Profits	57.8	60.0	63.7	66.2	68.6	71.3
Taxes on Property	7.7	7.7	7.8	8.0	8.2	8.4
Taxes on Domestic Goods and Services	179.1	183.8	187.9	191.9	195.9	199.9
Taxes on International Trade & Transactions	59.3	64.6	66.8	68.8	70.8	72.8
Non Tax Revenue	65.5	44.3	92.1	95.7	99.2	103.2
Capital Revenue	0.3	0.2	0.5	1.0	1.0	1.0
Grants	45.0	35.8	32.0	72.1	74.8	77.8
Total Expenditure	460.9	462.9	449.6	520.3	531.5	541.4
Current Expenditure	331.5	351.8	370.0	376.5	382.4	386.3
Personal Emoluments	144.1	159.5	156.2	157.5	158.2	159.4
Goods & Services	92.4	100.0	105.8	106.9	107.9	109.0
Interest Payments	26.4	20.6	28.1	30.6	33.1	33.1
Transfers & Subsidies	68.6	71.7	79.9	81.5	83.1	84.8
Capital Expenditure + Net Lending	129.4	111.1	79.6	143.8	149.1	155.1
Current Account Balance	37.9	8.6	48.3	54.1	60.4	69.4
Overall Balance (+ Grants)	-46.2	-66.6	1.1	-16.6	-12.9	-6.9
Primary Balance (PB)	**-19.8**	**-46.0**	**29.2**	**14.0**	**20.2**	**26.2**
PB as a % of GDP (*CSO*)	**-1.4**	**-3.3**	**2.1**	**1.0**	**1.4**	**1.7**
Nominal GDP (*CSO*)	**1,392.0**	**1387.0**	**1388.0**	**1442.0**	**1495.0**	**1555.0**

Source: Ministry of Finance

APPENDIX III **Total Public Sector Outstanding Debt As at December 2015 (EC$ millions)**

	2010/11	2011/12	2012/13	2013/2014	2014/2015	As at Dec 2015
TOTAL OUTSTANDING LIABILITIES	866.3	934.0	971.4	1049.8	1087.5	1077.0
GDP Figures	1305.0	1333.0	1341.0	1365.0	1432.0	1359.0
OFFICAL DEBT	866.3	934.0	971.4	1049.8	1087.5	1077.0
% GDB at market prices	66.4	70.1	72.4	76.9	75.9	79.2
Central Government						
Outstanding Debt	703.1	773.2	814.9	878.7	915.6	910.8
- Domestic	180.2	209.5	219.6	230.0	299.2	284.8
- External	522.9	563.7	595.3	648.7	616.4	626.0
- Treasury Bills/Notes	11.0	11.0	11.0	11.0	11.0	11.0
- Bonds	109.5	108.2	92.8	87.0	81.6	81.6
- Loans	402.4	444.5	491.5	550.7	523.8	533.4
- Bilateral	83.9	118.7	166.4	225.9	216.1	204.6
- Multilateral	311.7	319.0	318.3	318.0	300.9	322.0
- Other	6.8	6.8	6.8	6.8	6.8	6.8
Government Guaranteed						
Outstanding Debt	163.2	160.8	156.5	171.1	171.9	166.2
- Domestic	44.6	45.5	47.6	47.4	49.1	50.3
- External	118.6	115.3	108.9	123.7	122.8	115.9
TOTAL (Domestic)	224.8	255.0	267.2	277.4	348.8	335.1
TOTAL (External)	641.5	679.0	704.2	772.4	739.2	741.9

Source: Debt Unit/Dominica Authorities

APPENDIX IV Dominica Balance of Payments

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
					Projected					
	(millions of U.S. dollars)									
Current account balance	**-67.9**	**-91.1**	**-67.5**	**-68.4**	**-74.9**	**-87.5**	**-92.0**	**-80.4**	**-74.5**	**-66.6**
Exports of goods and services	191.0	160.3	175.4	178.7	153.8	170.3	177.8	185.7	194.8	204.6
Goods	36.2	38.6	40.9	41.5	31.3	32.7	34.3	35.6	37.0	38.5
Tourism	105.9	76.1	82.0	83.7	70.7	79.1	83.6	88.6	94.0	99.7
Other services	48.9	45.5	52.5	53.4	51.9	58.5	59.9	61.4	63.8	66.4
Imports of goods and services	264.8	249.9	243.7	248.6	230.4	258.5	271.1	267.7	270.3	271.4
Fuel	41.5	41.3	40.4	42.1	27.7	29.5	32.9	36.2	37.6	39.2
Food	34.1	35.3	34.2	41.5	38.5	39.8	38.0	39.0	40.6	42.2
Other goods 1/	123.3	106.7	104.1	97.2	98.0	115.9	123.2	115.1	112.7	108.6
Services	65.9	66.6	65.0	67.8	66.2	73.2	77.0	77.4	79.4	81.4
Net income, o/w:	-10.5	-18.3	-19.5	-19.2	-17.4	-19.0	-19.9	-21.0	-22.0	-23.1
Interest payments (public sector)	-7.4	-6.2	-6.9	-5.9	-5.2	-6.0	-6.2	-6.4	-6.5	-6.5
Net current transfers	16.5	16.8	20.3	20.7	19.1	19.7	21.3	22.6	23.0	23.4
Capital and financial account	**87.9**	**91.4**	**53.6**	**80.6**	**59.7**	**79.7**	**93.4**	**81.9**	**76.0**	**68.1**
Grants 2/	19.0	16.2	7.8	19.5	25.3	44.5	55.3	48.5	34.9	26.9
Public sector flows	9.5	28.5	18.8	22.7	3.6	9.0	8.8	7.6	7.5	4.5
PetroCaribe financing flows	6.6	7.5	7.0	5.5	2.8	2.8	3.1	3.5	3.5	3.5
Foreign direct investment	14.2	28.9	24.2	33.5	23.5	24.9	26.6	26.9	27.9	29.0
Commercial banks	37.5	-15.3	-0.1	-16.6	3.8	-2.8	-1.8	-2.3	0.0	0.0
Other private flows 3/	1.1	25.7	-3.9	16.0	3.6	1.3	1.4	-2.4	2.3	4.2
Errors and omissions	-13.7	6.4	7.4	5.7	2.9	0.0	0.0	0.0	0.0	0.0
Overall balance	**6.4**	**6.8**	**-6.5**	**17.9**	**-6.5**	**-7.8**	**1.4**	**1.5**	**1.5**	**1.5**
Overall financing	**-6.4**	**-6.8**	**6.5**	**-17.9**	**6.5**	**7.8**	**-1.4**	**-1.5**	**-1.5**	**-1.5**
Change in ECCB NFA, o/w:	-7.9	-17.4	6.5	-14.6	3.6	7.8	-1.4	-1.5	-1.5	-1.5
IMF reserve liabilities	-2.9	-0.8	-2.7	-1.6	-2.1	-1.6	-1.2	-1.5	-1.5	-0.6
Change in foreign reserve assets	1.5	10.6	0.0	-3.3	0.0	0.0	0.0	0.0	0.0	0.0
External financing gap	…	…	…	…	-8.7	0.0	0.0	0.0	0.0	0.0
of which: Possible Rapid Credit Facility	…	…	…	…	8.7	0.0	0.0	0.0	0.0	0.0
	(in percent of GDP)									
Current account balance	**-13.5**	**-18.8**	**-13.3**	**-13.1**	**-14.9**	**-16.7**	**-17.0**	**-14.3**	**-12.7**	**-10.9**
Exports of goods and services	38.1	33.0	34.6	34.1	30.6	32.5	32.8	33.0	33.3	33.6
Goods	7.2	8.0	8.1	7.9	6.2	6.2	6.3	6.3	6.3	6.3
Tourism	21.1	15.7	16.2	16.0	14.0	15.1	15.4	15.8	16.1	16.4
Other services	9.7	9.4	10.4	10.2	10.3	11.2	11.0	10.9	10.9	10.9
Imports of goods and services	52.8	51.5	48.1	47.4	45.8	49.3	50.0	47.6	46.2	44.6
Fuel	8.3	8.5	8.0	8.0	5.5	5.6	6.1	6.4	6.4	6.4
Food	6.8	7.3	6.7	7.9	7.6	7.6	7.0	6.9	6.9	6.9
Other goods 1/	24.6	22.0	20.6	18.5	19.5	22.1	22.7	20.5	19.3	17.8
Services	13.1	13.7	12.8	12.9	13.1	14.0	14.2	13.7	13.6	13.4
Net income, o/w:	-2.1	-3.8	-3.9	-3.7	-3.5	-3.6	-3.7	-3.7	-3.8	-3.8
Interest payments (public sector)	-1.5	-1.3	-1.4	-1.1	-1.0	-1.1	-1.1	-1.1	-1.1	-1.1
Net current transfers	3.3	3.5	4.0	4.0	3.8	3.8	3.9	4.0	3.9	3.8
Capital and financial account	**17.5**	**18.9**	**10.6**	**15.4**	**11.9**	**15.2**	**17.2**	**14.5**	**13.0**	**11.2**
Grants 2/	3.8	3.3	1.5	3.7	5.0	8.5	10.2	8.6	6.0	4.4
Public sector flows	1.9	5.9	3.7	4.3	0.7	1.7	1.6	1.4	1.3	0.7
PetroCaribe financing flows	1.3	1.5	1.4	1.1	0.6	0.5	0.6	0.6	0.6	0.6
Foreign direct investment	2.8	6.0	4.8	6.4	4.7	4.8	4.9	4.8	4.8	4.8
Commercial banks	7.5	-3.2	0.0	-3.2	0.8	-0.5	-0.3	-0.4	0.0	0.0
Other private flows 3/	0.2	5.3	-0.8	3.1	0.7	0.2	0.3	-0.4	0.4	0.7
Errors and omissions	**-2.7**	**1.3**	**1.5**	**1.1**	**0.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Overall balance	**1.3**	**1.4**	**-1.3**	**3.4**	**-1.3**	**-1.5**	**0.3**	**0.3**	**0.3**	**0.3**
External financing gap	…	…	…	…	**-1.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
of which: Rapid Credit Facility	…	…	…	…	1.7	0.0	0.0	0.0	0.0	0.0
Memorandum items:										
Trade balance (percent of GDP)	-32.5	-29.8	-27.2	-26.6	-26.4	-29.1	-29.4	-27.5	-26.3	-24.9
Services balance (percent of GDP)	17.7	11.4	13.7	13.2	11.2	12.3	12.2	12.9	13.4	13.9
Net imputed international reserves:										
Millions of U.S. dollars	74.5	91.8	85.4	99.9	96.4	88.6	90.0	91.5	93.2	94.9
Months of imports of goods and services	3.4	4.4	4.2	4.8	5.0	4.1	4.0	4.1	4.1	4.2
Gross external debt 4/	73.6	83.1	84.6	93.5	96.0	95.7	95.2	93.8	92.4	90.4
Public sector	49.6	52.6	54.8	58.2	59.7	59.4	58.7	57.9	56.9	54.9
Private sector	24.0	30.5	29.8	35.3	36.3	36.3	36.5	35.9	35.5	35.4
GDP (in US$ millions)	501.4	485.1	506.6	524.2	503.3	524.6	542.4	562.8	585.0	608.7

Sources: Dominican authorities; Eastern Caribbean Central Bank (ECCB); donor organizations; and Fund staff estimates and projections.
1/ Includes public capital expenditure induced imports from 2019 onwards, to account for possible mitigation of natural disasters.
2/ Differs from grants reported on the Statement of Central Government Operations (tables 2a and 2b) based on timing, as this table reports transactions on a calendar-year basis, and the inclusion of private sector capital grants in the totals reported on this table.
3/ Assumed to cover the residual financing needs over the projection period.
4/ Comprises external public sector debt, gross liabilities of commercial banks, and other private debt that covers the projected financing needs.