



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)

EC\$25 Million 5 year Bond

Ministry of Finance
Financial Centre
Kennedy Avenue
Roseau
DOMINICA

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DATE OF PROSPECTUS: JANUARY 2015

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.



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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 (hereafter referred to as GOCD) proposes to raise a total of EC\$85 Million on the Regional Government Securities Market (RGSM) through the issue of the following securities:

- One 5 year EC\$25 Million Bond with maximum bid price of 7.0%
- Three 91 day Treasury bills:
 - EC\$20 Million, with a maximum bid price of 6.0%
 - EC\$20 Million, with a maximum bid price of 6.0%
 - EC\$20 Million, with a maximum bid price of 6.0%

The securities will be issued under the authority of the Bonds and Securities Act and 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 February 2015, March 2015, June 2015 and September 2015, and listed on the Eastern Caribbean Securities Exchange (ECSE) as follows:

Issue amount: EC\$85 Million

Auction Date	Tenor/Type	Amount	Trading Symbol	Settlement Date	Maturity Date
25 th February 2015	5 year Bond	EC\$25.0 Million	DMG050220	26 th February 2015	26 th February 2020
26 th March 2015	91 Day T-bill	EC\$20.0 Million	DMB260615	27 th March 2015	26 th June 2015
29 th June 2015	91 Day T-bill	EC\$20.0 Million	DMB290915	30 th June 2015	29 th September 2015
30 th September 2015	91 day T-bill	EC\$20.0 Million	DMB311215	1 st October 2015	31 st December 2015

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 7233

Facsimile No.: (758) 456 6740

Contact Persons: Dianne Augustin

Issue Dates: 26th February 2015; 27th March 2015; 30th June 2015; 1st October 2015

Types of Securities: One 5 year Bond, three 91 day Treasury bills

Amount of Issue: EC\$25 Million 5 year Bond with a maximum bid price of 7.0%

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 6.0%

EC\$20 million 91 day Treasury bill with a maximum bid price of 6.0%

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 Bonds and Securities Act and the Treasury Bills Act No. 5 of 2010 of the Commonwealth of Dominica.

II. Information about the Issues

EC\$25 Million 5-year Bond Issue

Amount of Issue: EC \$25 Million

Maximum Bid Price: 7.0%

Tenor: 5 year Bond

Trading Symbol: DMG050220

Auction Date: 25th February 2015

Settlement Date: 26th February 2015

Maturity Date: 26th February 2020

Method of Issue: The price of the issue will be determined by a competitive uniform price auction with open bidding

Repayment: The bond will be paid by bullet payment.

Interest Payment: The interest payments will be made semiannually on August 26th and February 26th of each year beginning August 26th 2015 and ending February 26th 2020.

Listing: The securities will be issued on the RGSM and listed 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 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: DMB260615

Auction Date: 26th March 2015

Settlement Date:	27 th March 2015
Maturity Date:	26 th June 2015
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 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:	DMB290915
Auction Date:	29 th June 2015
Settlement Date:	30 th June 2015
Maturity Date:	29 th September 2015
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 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: DMB311215

Auction Date: 30th September 2015

Settlement Date: 1st October 2015

Maturity Date: 31st December 2015

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 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
- ECFH Global Investment Solutions Limited
- First Citizens Investment Services Limited
- Bank of St Vincent and the Grenadines Limited
- St. Kitts-Nevis-Anguilla National 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 the 1783 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 Windwards 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.

IV. Demographics

As of 2010 Dominica’s population was estimated at 72,729 with an annual growth rate of 0.6% and density of 96.5 per square kilometer. Males account for 50.9% of the total population while females account for 49.1%. GDP per capita was estimated at \$ 17,961. Life expectancy at birth is 74.1 years while infant mortality per thousand live births is 13. Adult literacy is 88.0%.

According to the most recent Country Poverty Assessment (2010), the unemployment rate has declined from 25.0% to 14.0%.

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 2014/15, Government will be investing \$70.1 million in education or 4.9% 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% 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 \$173.8 million or 12.7% 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 GOCD 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 60.0% by Financial Year (FY) 2020.

2. Debt management Strategy

The overall debt management strategy hinges on the objectives of lowering the debt to GDP ratio to 60.0% by FY 2020 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 15.0% of the public debt portfolio;
- Limiting non-US dollar external financing to a maximum of 20.0% of the public debt portfolio;
- Maintaining an Average Time to Maturity (ATM) of 9 years to minimize refinancing risk’
- Maintaining government guaranteed debt at 17.0% 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% interest as follows:

- Short bond – 30.0% haircut¹ and 10 years amortized maturity
- Intermediate bond – 20.0% haircut and 20 years amortized maturity
- Long bond – no haircut and 30 years amortized maturity.

The debt restructuring programme has been very successful with 99.9% being restructured. The Government of Dominica is committed to the pledges made to 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 and all outstanding payments have been paid. Additionally, Government continues to make payments on the intermediate bonds while the short bonds have been fully paid.

CariCRIS Credit rating

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

The ratings reflect Dominica's favourable performance in the last 3 years relative to its regional peers in key areas such as economic growth and fiscal performance. The ratings of the GOCD reflect its prudent fiscal policy, relatively low indebtedness, moderate monetary indicators, relatively healthy external sector performance and consistency in economic policies in a stable political environment.

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

V11. Public Debt Overview

At the end of June 2014, total disbursed outstanding debt of the public sector² stood at \$ 1.03 billion or 75.5% of GDP³. This is, approximately 5.7% above the outstanding amount at the end of July 2013 on account of a 6.3% increase in central government debt to \$867.54 million. The public corporations outstanding debt increased by 2.9% (\$159.26 million). Alternatively, gross external debt increased by \$46.12 million to stand at \$749.27 million while domestic debt increased by \$9.39 million to stand at \$277.58 million at the end of June 2014 (see Table 2). The structure of public and publicly guaranteed debt shows that 27.0% of the total debt is domestic while 73.0% is external as shown in Figure 1.

Table 2: Size of Public Debt, end June 2014 (in EC \$) with July 2013 comparative

	Domestic		External		TOTAL	
	Jun-14	Jul-13	Jun-14	Jul-13	Jun-14	Jul-13
<i>Central Government</i>	230,150,319	220,556,723	637,393,490	595,940,486	867,543,809	816,497,209
<i>Guarantees</i>	47,426,873	47,626,221	111,833,367	107,165,826	159,260,240	154,792,047
TOTAL	277,577,192	268,182,944	749,226,857	703,106,312	1,026,804,049	971,289,256
Total Guarantees/Total Public Debt					15.5%	15.9%
Percentage of Total Public Debt	27.0%	27.6%	73.0%	72.4%		

Source: Debt Unit and Macro Policy Unit

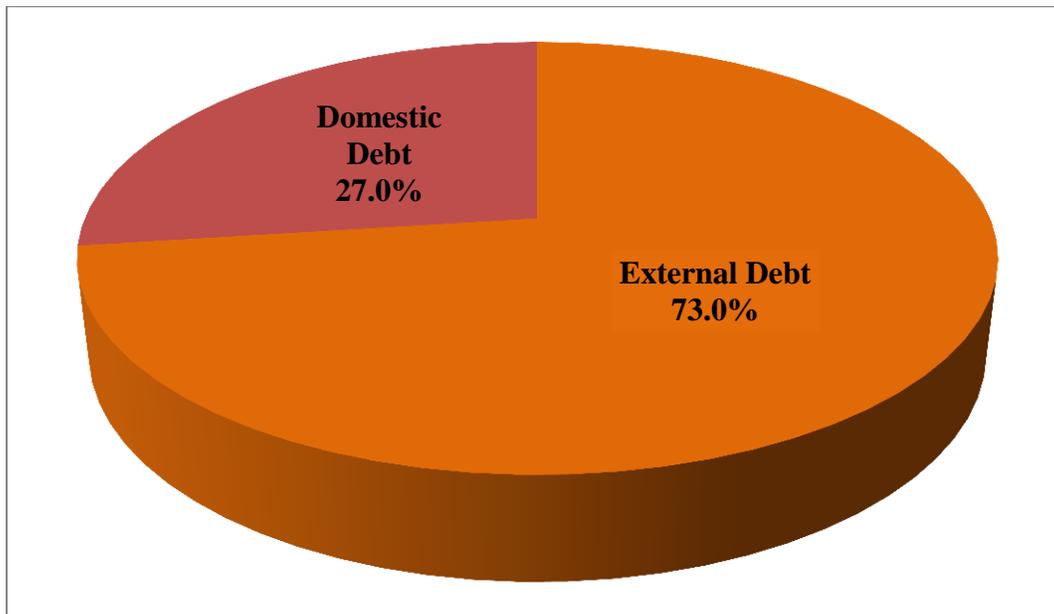
The increase in the debt stock was the result of an increased reliance on public external borrowing, as capital grants- a traditional source of financing- fell short of target and foreign direct investment remained subdued.

The increase in the domestic debt stock largely reflected increases in the obligations of central government associated with an increase in loans and advances.

² Includes both central government and central government guaranteed debt

³ Based on nominal GDP of \$1.365 billion

Figure 1: Composition of Public Debt



Source: Debt Unit and Macro Policy 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

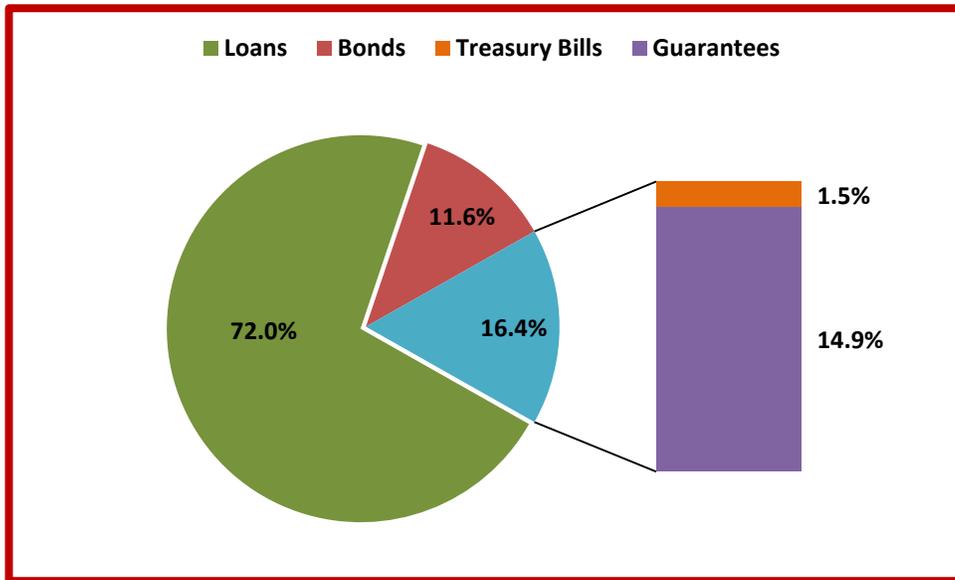
Overall, public and publicly guaranteed external debt increased on an account of an increase in loans.

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

	Jul-13	June-14
Central Government		
<i>Loans</i>	491,981,845	539,287,453
<i>Bonds</i>	92,988,641	87,136,038
<i>Treasury Bills</i>	10,970,000	10,970,000
	595,940,486	637,393,491
Guarantees	107,165,826	111,833,367
Total	703,106,312	749,226,857

Source: Debt Unit. Differences due to rounding

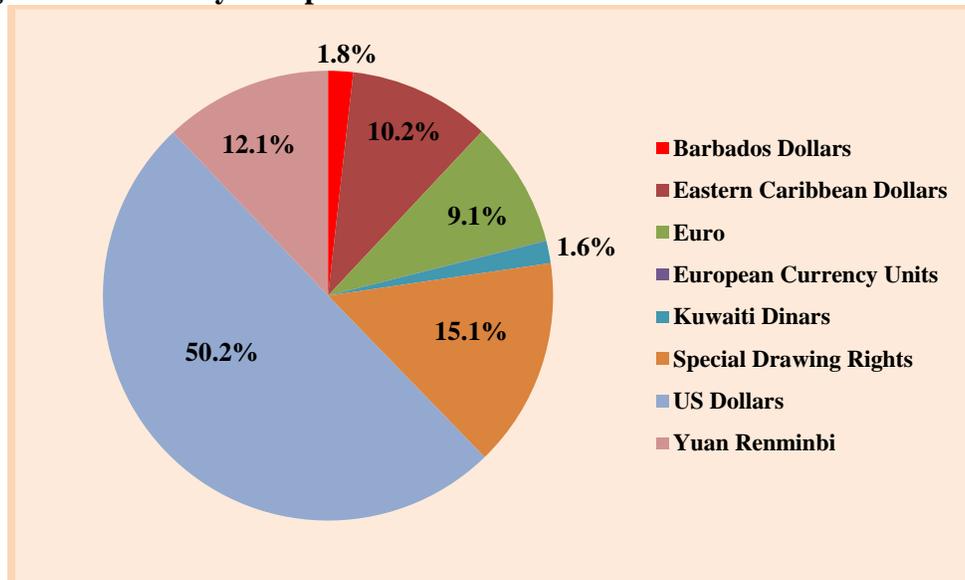
Figure 2: Components of Total External Debt – June 2014



Source: Debt Unit

Figure 3 indicates the currency composition of external debt. It shows that US dollars form the largest share of the external debt portfolio at 50.2% followed by the Special Drawing Rights 15.1%.

Figure 3: Currency Composition of External Debt at the end of June 2014



Source: Debt Unit, Ministry of Finance

Domestic Debt

At the end of June 2014, debentures continued to hold the largest proportion of the domestic debt amounting to \$116.63 million or 42.01% as shown in Table 4 and Figure 4.

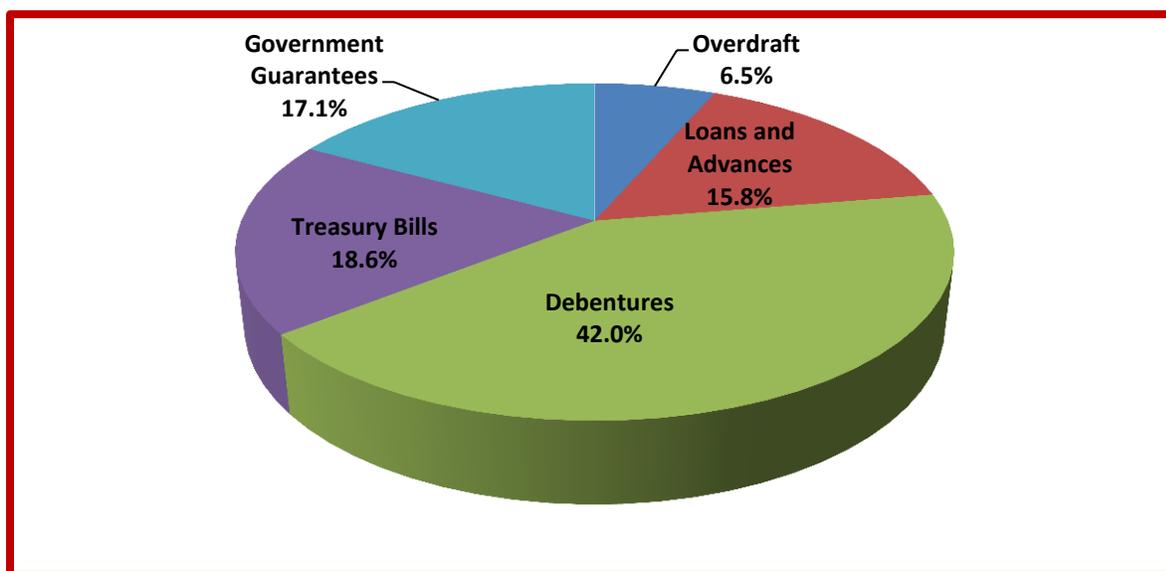
Table 4: Domestic Debt by Instrument – June 2014

Instrument	\$
<i>Overdraft</i>	18,068,920
<i>Loans</i>	43,953,518
<i>Debentures</i>	116,624,881
<i>Treasury Bills</i>	51,503,000
<i>Government Guarantees</i>	47,426,873
Total	277,577,192

Source: Debt Unit, Ministry of Finance

The structure of the holding is consistent with the debt strategy of holding more domestic debt on longer dated instruments to minimize refinancing risk and promote development of domestic markets for Government securities.

Figure 4: Components of Total Domestic Debt- June 2014



Source: Debt Unit, Ministry of Finance

Debt service payment for the fiscal year 2013/2014 is estimated at \$53.31 million, an increase of 18.1% above the total recorded during the previous fiscal year. Of total debt service payments, principal repayments comprised of \$26.94 million or 50.5% and interest payments accounted \$26.37 million for 49.5% of total debt servicing.

Developments on the Regional Government Securities Market (RGSM)

Dominica performance on the Regional Government Securities Market (RGSM) has been reasonably good since its first issuance of securities on February 24th 2012. During the period July 2013 to June 2014, Dominica's gross issuance on the RGSM totaled \$80.0 million.

Table 5: Dominica's RGSM Auction Results during the period July 2013 - June 2014

	Auction date	Issue Amount (EC\$ million)	Value of Bids (EC\$ million)	Amount Accepted (EC\$ million)	Over Subscription (EC\$ million)	Interest Rate %	Tenor
	10 Sep. 2013	20.0	25.110	20.0	5.110	2.500	91 days
	12 Dec. 2013	20.0	25.911	20.0	5.911	2.499	91 days
	18 Mar 2014	20.0	49.437	20.0	29.437	1.999	91 days
	19 Jun 2014	20.0	25.500	20.0	5.500	1.99	91 days
Total		80.0	125.958	80.0	45.958		

Source: ECCB

VIII. Macro-Economic Performance

Overview

Economic activity in Dominica is estimated to have grown marginally during fiscal year 2013/2014 following a contraction in the previous fiscal year. However, sectoral data reveal mixed performance in the more traditional contributors to gross domestic product (GDP) including Agriculture, Livestock & Forestry, Construction and Tourism. Consumer prices decelerated influenced by a moderate decrease in the heavy weighted index category of Housing, Water, Electricity, Gas and Other Fuels. However the Food Only Index registered an increase. For the fiscal year under review, both the current account balance and capital and financial account balance of the balance of payments is projected to have improved (as a percentage of gross domestic product). According to a preliminary outturn, the fiscal operation of central government recorded a lower overall fiscal deficit for the fiscal year 2013/2014 relative to the outturn in the previous fiscal year 2012/2013 largely influenced by a decline in capital expenditure. Notwithstanding the smaller overall deficit, outstanding public sector debt rose mainly through an increase in external debt.

Over the next few years, the Dominican economy is expected to continue on a growth path with contribution from all the major sectors. Inflation is projected at the usual two (2) percent rate. The Central Government's overall balance is projected to improve, although expected to remain in deficit on account of less than favourable expectations primarily regarding current spending,

non-tax revenues and grant financing. However, this outlook is likely to be better if fiscal consolidation is undertaken complemented by appropriate structural measures to engender a growth-centric environment. Downside risks to this outlook are diverse and include vulnerability to natural disasters and global downside risks which could reduce concessional external financing, particularly grants from donors, exports and remittances.

Gross Domestic Product/Output

Against the economic backdrop of a challenging external environment, Dominica's GDP (at market prices) is estimated to have grown by 0.8% in fiscal year 2013/2014 in contrast to a contraction of 1.1% in 2012/2013, albeit, the economic picture was mixed.

According to preliminary data, the performance of the Agriculture, Livestock and Forestry sector, a major sector of the Dominican economy, improved compared to 2012/2013. Indications are that banana production has begun to stabilize since the onset of Black Sigatoka disease in 2012 following action to contain the contamination. Recovery in this sector was further assisted by an increase in the output of other crops and livestock. The rise in the livestock subsector reflected an increase in egg and poultry production.

During the 2013/2014 fiscal year, Construction activity, a major contributor to growth, was mixed. The bulk of construction activity was supported by public sector projects, predominantly road improvement works, while private-sector construction activity weakened as evidenced by fewer construction starts and reduced cement sales. Notwithstanding, public sector construction was still subdued relative to previous fiscal years as indicated by a reduction in expenditure under the public sector investment programme as a result of fewer grant receipts to finance the programme. Output in the mining and quarrying sector which is closely related to construction activity is estimated to have expanded as suggested from increased cargo loadings.

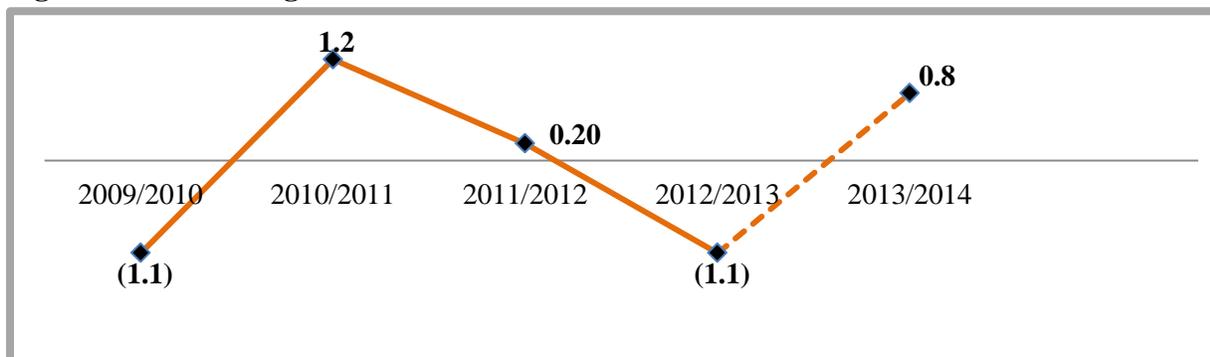
The expansion in GDP during the fiscal year under review was further supported by the on-going recovery in the manufacturing sector led by an increase in the production of soaps, beverages and paint.

Utility production was also mixed, with electrical generation slightly down and water consumption slightly up. Mixed activity was also experienced in service sectors. Rebounding cargo landings suggest firmer household consumption with a consequent improvement in wholesale and retail activity. In contrast, tourism indicators pointed to weaknesses in both the stay-over and cruise ship segments of the sector as cruise ship calls remained low and tourism receipts in the more lucrative stay-over market fell with reduced expenditure per tourist.

Financial intermediation was estimated to have grown very little on account of weaknesses in the financial sector. Business services was estimated to have been restrained while education was estimated to have grown slightly as the ceiling on medical students is not expected to be raised

until additional capacity is added at the major offshore medical school. The graph below shows real GDP growth from fiscal year 2009/2010 to 2013/2014.

Figure 5: Real GDP growth 2009/2010 – 2013/2014



Source: Ministry of Finance

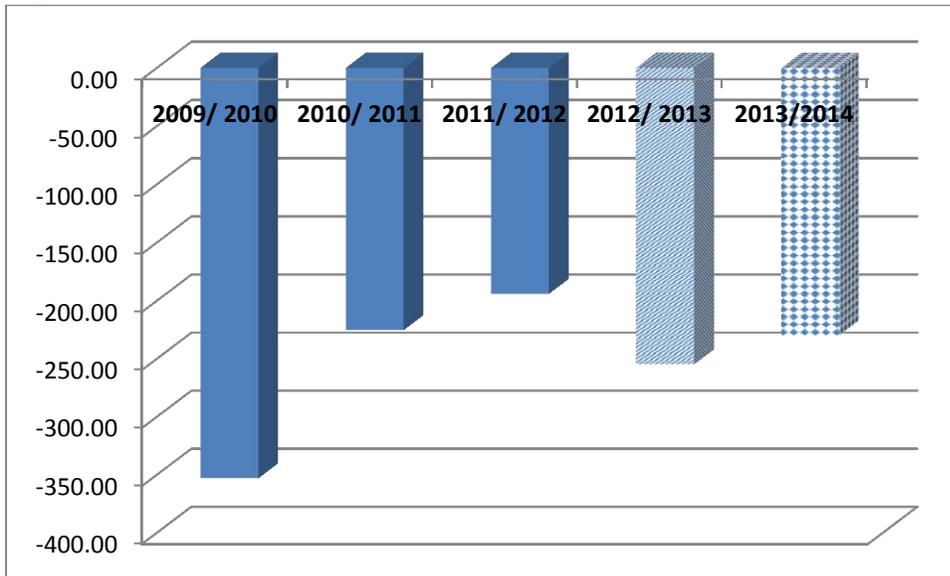
Prices

For the fiscal year under review, it is estimated that consumer prices (end-of-period) declined by 0.1% in contrast to inflation of 1.4% for the fiscal year 2012/2013. The downward movement in prices emanated primarily from a decline in prices for the heaviest weighted sub-index of Housing, Water, Electricity, Gas and Other Fuels largely driven by the lower price of electricity. The decrease in the CPI was further assisted by a decline in the second heaviest sub-index of Transport. The declines in the two said sub categories constrained the increase in the subcategory of Food and Non-alcoholic beverages.

Balance of Payments

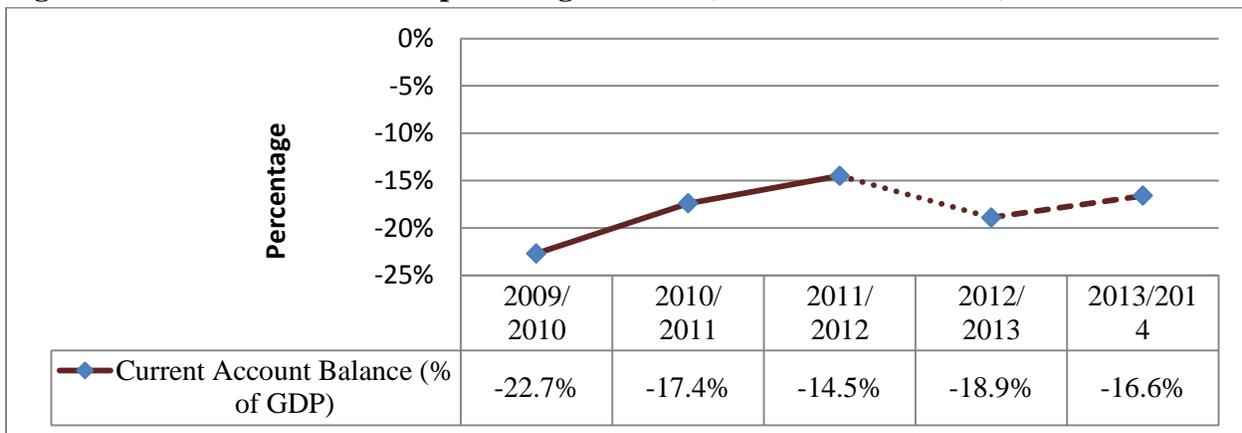
During fiscal year 2013/2014, Dominica's external position improved in contrast to deterioration in fiscal year 2012/2013. It is projected that the current account deficit will narrow from \$254.85 million or (-18.9%) of GDP in 2012/2013 to \$229.85 million or (-16.6%) of GDP in fiscal year 2013/2014. The surplus on the capital and financial account is projected to increase from \$197.25 million or 14.6% in fiscal year 2012/2013 to \$211.10 million or 15.2% in fiscal year 2013/2014.

Figure 6: Current Account in millions of EC\$ (2009/2010 - 2013/2014)



Source: Ministry of Finance
 2012/2013 is preliminary
 2013/2014 is projected

Figure 7: Current Account as a percentage of GDP (2009/2010-2013/2014)

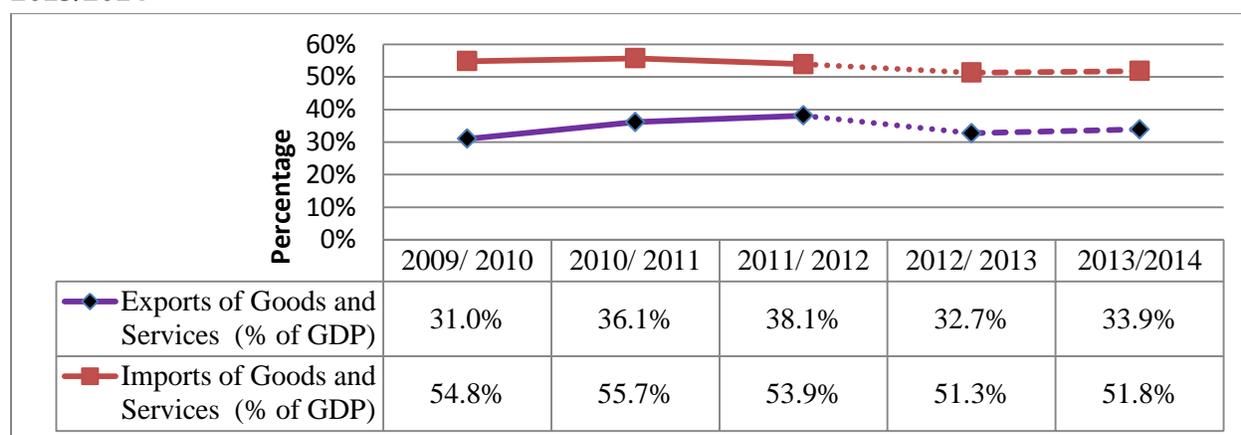


Source: Ministry of Finance
 denotes preliminary for 2012/2013
 ----- denotes projected for 2013/2014

The main contributory factors of the improvement in the current account was (i) a narrowing of the merchandise trade deficit, (ii) an increase in the services balance and (iii) an increase in the current transfers surplus.

In respect of the *merchandise trade deficit*, the value of exports of goods and services is estimated to have increased by 1.2% of GDP, outpacing the increase in the value of imports and services of 0.5% of GDP (see figure 8).

Figure 8: Exports and Imports of Goods and Services (as a percentage of GDP) 2009/2010-2013/2014



Source: Ministry of Finance

..... denotes that 2012/2013 is preliminary

-----denotes that 2013/2014 is projected

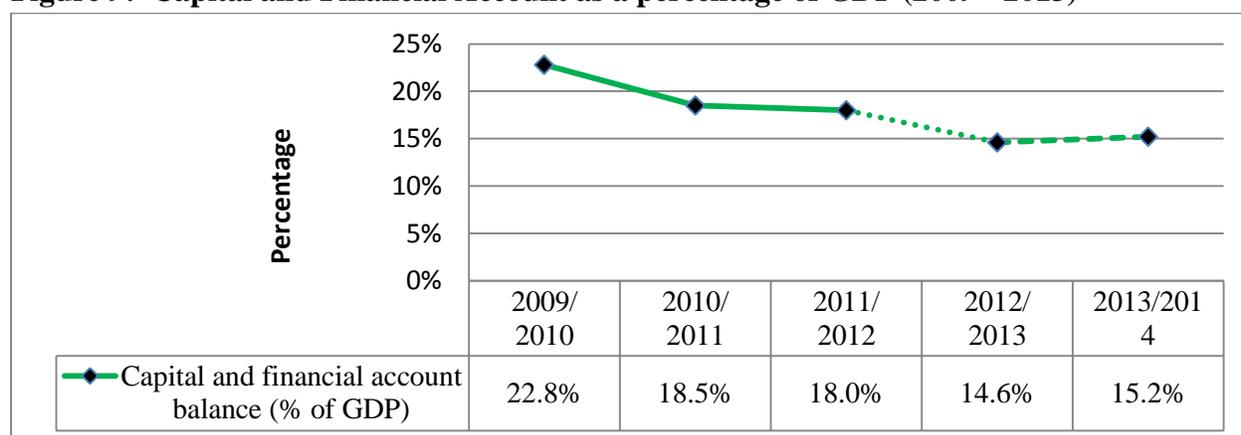
In respect of exports, manufacturing exports picked up a bit, particularly in the soap, beverage and paint industries which more than compensated for the loss of revenue from banana exports. In respect of imports, food and fuel import bills remained hefty, as international prices remained elevated. Tourism revenue is expected to exhibit very slight improvement despite a estimated decline in revenue from the stay-over sector. However, the actual decrease of receipts from the Economic Citizenship programme (ECP) constrained the improvement in the services balance. On initial assessment the surplus on the Capital and Financial Account was projected to increase from 14.6% of GDP to 15.2% of GDP on account of higher capital grant receipts while net receipts from foreign direct investments remained flat. However, it is unlikely that the surplus on the Capital and Financial Account would have improved during the fiscal year under review given:

- i. lower capital grant receipts,
- ii. flat net receipts from foreign direct investments,
- iii. lower disbursements of loan funds
- iv. Dominicans being very active in the Regional Government Securities Market instruments of other countries in the Eastern Caribbean Currency due to higher interest rates obtained⁴.

The estimate for the capital and financial account, in addition to the current account will be confirmed on validation of the National Accounts Survey.

⁴ Active participation in external instruments is an outflow.

Figure 9: Capital and Financial Account as a percentage of GDP (2009 - 2013)



Source: Ministry of Finance

..... denotes that 2012/2013 is preliminary

-----denotes that 2013/2014 is projected

Financial Sector Analysis

The financial system in Dominica is relatively small among its peers in the ECCU, with about 17.0% of GDP in assets. Banks (one domestic and three foreign) dominate the financial sector, however, credit unions play a much more significant and dynamic role in Dominica given its agriculture dependent economy. Credit unions account for a third of total financial system assets and their membership covers 83.0% of the population, the highest penetration in the world.

Financial soundness indicators suggest that domestic banks coped relatively well with the recent weak macroeconomic environment. Modest credit expansion prior to the crisis limited the accumulation of nonperforming assets. This, together with weaker provisioning against loan losses, explains the resilience of banks' capital ratios, which strengthened to 10.3% by end-2010, above the 8.0% minimum regulatory requirement.

Increased efforts in the nonbanking system, such as the passage of the legal framework for the regulation and supervision of nonbanks, and the supplementary credit union legislation and drafting of the insurance legislation, as well as strengthening of the Financial Services Unit, are all efforts aimed at ensuring financial stability. The authorities have also endeavored to become more proactive in monitoring and tackling of existing vulnerabilities to ensure that they do not pose any risks to macro stability.

IX. Fiscal Performance

The consolidated fiscal operations of central government resulted in an estimated smaller overall deficit of \$46.33 million for the fiscal year 2013/2014 compared with one of \$71.84 million in the previous fiscal year. This outturn was associated with an estimated decline in capital expenditure coupled with an estimated contraction in grant receipts. The primary deficit is estimated to have improved slightly to \$19.96 million from \$46.49 million in fiscal year 2012/2013 despite a slight increase in interest payments.

Table 6: Revenue and Expenditure Comparisons for Fiscal Year 2013/2014

Indicator	Actual Outturn	Original Budget Estimate	Actual as a percentage of original estimate	Variance Actual vs Budget
REVENUE and GRANTS	414.7	491.51	84.34	(76.96)
REVENUE	369.7	407.00	90.80	(37.45)
Current Revenue	369.4	401.45	91.98	(32.18)
Capital Revenue	0.3	5.55	5.05	(5.27)
GRANTS	45.00	84.51	53.25	(39.51)
Current Grants	0	7.00	0.00	(7.00)
Capital Grants	45.00	77.51	58.06	(32.51)
EXPENDITURE	460.88	491.22	93.82	(30.34)
Current Expenditure	331.47	329.03	100.74	2.44
Capital Expenditure	130.00	163.59	79.47	(33.59)
Net lending	(0.59)	(1.40)	42.14	0.81
Overall Balance (including grants and net lending)	(46.33)	0.29		(46.62)
Primary Balance (including grants and net lending)	-19.96	22.19	(89.95)	(42.15)
Primary Balance (% of GDP)	-1.5%	1.6%	(92.26)	(0.030)

Source: Macro Policy Unit, Ministry of Finance

Table 7: Revenue and Expenditure Comparisons for Fiscal Years 2009/2010 to 2012/2013

	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013
TOTAL REVENUE AND GRANTS	475.94	476.79	406.48	408.94
TOTAL REVENUE	361.80	349.94	345.41	372.33
Current Revenue	360.74	348.11	343.60	370.93
<i>Tax Revenue</i>	<i>326.84</i>	<i>308.24</i>	<i>300.24</i>	<i>299.04</i>
<i>Taxes on Income & Profits</i>	60.78	57.05	55.53	58.11
<i>Taxes on Property</i>	8.87	7.81	7.45	6.73
<i>Taxes on Domestic Goods & Services</i>	185.24	176.10	173.11	176.75
<i>Taxes on International Trade & Transactions</i>	71.95	67.27	64.15	57.44
<i>Non Tax Revenue</i>	<i>33.89</i>	<i>39.87</i>	<i>43.36</i>	<i>71.90</i>
Capital Revenue	1.06	1.82	1.81	1.40
Total Grants	114.14	126.86	61.08	36.61
TOTAL EXPENDITURE	475.08	529.52	466.08	480.78
<i>Current Expenditure</i>	<i>293.29</i>	<i>311.15</i>	<i>309.24</i>	<i>336.75</i>
<i>Personal Emoluments</i>	126.23	134.96	135.51	146.47
<i>Goods & Services</i>	82.68	86.07	87.90	96.67
<i>Interest Payments</i>	17.80	20.61	18.13	25.35
<i>Transfers & Subsidies</i>	66.59	69.52	67.70	68.27
<i>Capital Expenditure</i>	<i>183.28</i>	<i>220.24</i>	<i>156.99</i>	<i>144.03</i>
<i>Net lending</i>	<i>-1.49</i>	<i>-1.87</i>	<i>-0.15</i>	<i>0</i>
Overall Balance (after grants)	0.85	-52.73	-59.60	-71.84
Primary Balance (after grants)	18.65	-32.12	-41.47	-46.49
Primary Balance (after grants) as percent of GDP	1.44%	-2.46%	-3.11%	-3.47%
Nominal GDP at Market Prices	1,293.00	1,305.00	1,333.00	1,341.00

Current Revenue

It is estimated that current revenue fell by 0.5% (\$1.66 million) to \$369.27 million, constrained by a reduction in non-tax revenue receipts, especially from the Economic Citizenship Programme. The other component of current revenue, tax revenues, is estimated to have risen by 1.6% (\$4.75 million) to \$303.79 million. The preliminary outturn for the entire fiscal year will be 8.1% (\$32.18 million) short of the targeted amount of \$ 401.45 million.

Table 8: Current Revenue (in \$millions)

Indicator	Year to Date: July 2013 to June 2014	Original Budget Estimate	Actual as a percentage of budget estimate	Variance Actual vs Budget (absolute)
Current Revenue	369.27	401.45	91.98	(32.18)
Tax Revenue	303.79	311.07	97.66	(7.28)
Non-tax Revenue	65.48	90.38	72.45	(24.90)

Brackets denote a shortfall in revenue collection.

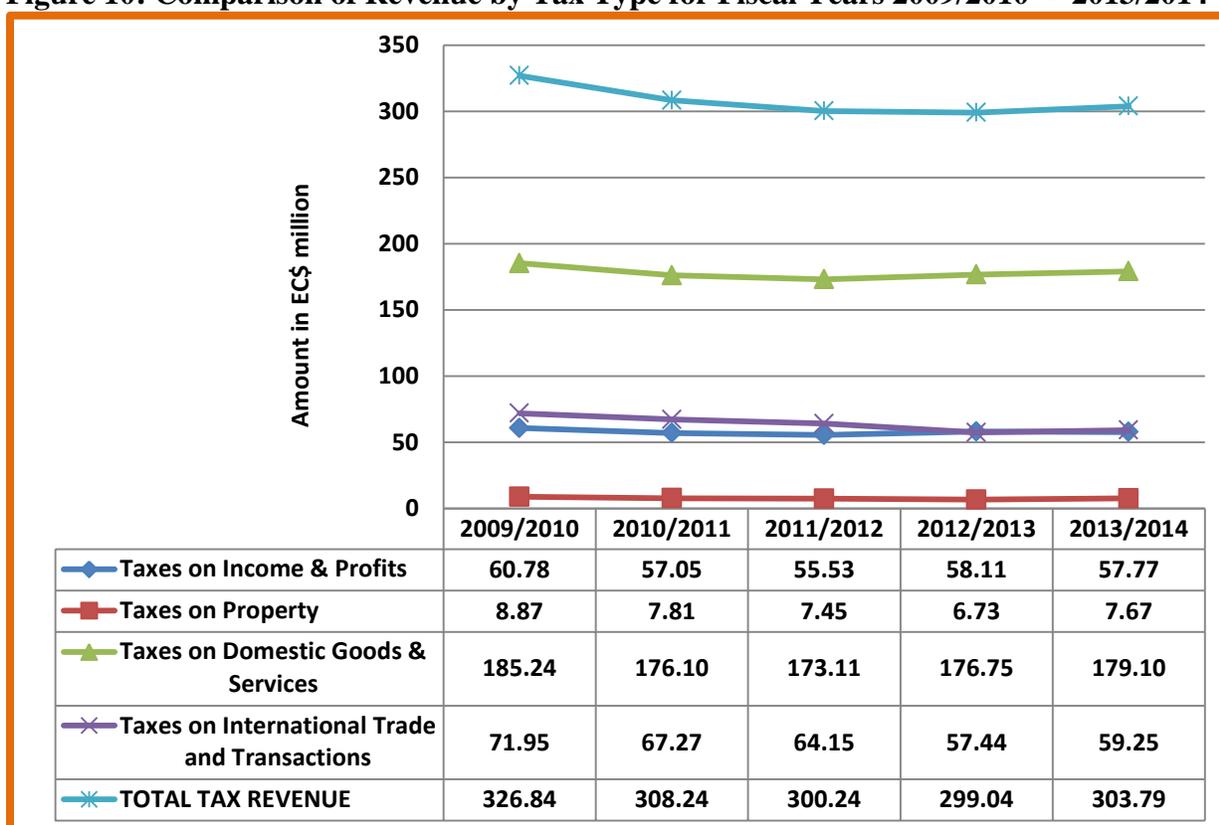
Table 9: Non Tax Revenue (in \$millions) for the fiscal year 2013/2014

Indicator	Year to Date July 2013 to June 2014	Original Budget Estimate	Actual as a percentage of budget estimate	Variance Actual vs Budget
TOTAL	65.48	90.38	72.45	(24.90)
ECCB Profits	0	1.50	0.00	(1.50)
Rents & Interest	1.87	4.50	41.56	(2.63)
Fees, Fines and Sales	13.19	11.95	110.38	1.24
Financial Services	0.09	3.07	2.93	(2.98)
Economic Citizenship Programme	46.69	61.60	75.80	(14.91)
Other Non - Tax Revenue	3.65	7.76	47.04	(4.11)

Table 10: Tax Revenue (in \$millions) for the fiscal year 2013/2014 (Actual vs Budget)

Indicator	Year to Date July 2013 to June 2014	Original Budget Estimate	Actual as a percentage of budget estimate	Variance Actual vs Budget (absolute)
Taxes in Income , Profits and Capital Gains	57.77	55.10	104.85	2.67
<i>Personal Income Tax</i>	33.66	33.60	100.18	0.06
<i>Corporate Income Tax</i>	18.41	20.00	92.05	-1.59
<i>Withholding Tax</i>	7.67	3.50	219.14	4.17
<i>Stabilization Levy</i>	0.03	0		0.03
<i>Income Tax Refunds</i>	(2.00)	(2.00)	100.00	0.00
Taxes on Property	7.68	6.63	115.84	1.05
Taxes on Domestic Goods and Services	179.10	186.60	95.98	-7.50
<i>Value Added Tax (Net)</i>	126.14	129.70	97.26	-3.56
<i>Excise Tax (Petroleum)</i>	22.44	26.00	86.31	-3.56
<i>Excise Tax (Other)</i>	12.46	12.00	103.83	0.46
<i>Sales Tax</i>	0.27	0		0.27
<i>Hotel Occupancy Tax</i>	0	0		0.00
<i>Stamp Duty</i>	0.40	0.35	114.29	0.05
<i>Travel Tax</i>	1.39	1.75	79.43	-0.36
<i>Licenses</i>	16.00	16.80	95.24	-0.80
Taxes on International Transactions	59.25	60.74	97.54	-1.49
<i>Import Duty</i>	34.18	34.30	99.65	-0.12
<i>Customs Service Charge</i>	13.54	13.60	99.56	-0.06
<i>Environmental Surcharge</i>	7.99	7.60	105.13	0.39
<i>Stamp Duty on Imports</i>	0.06	0.04	150.00	0.02
<i>Embarkation Tax</i>	0	1.00	0	-1.00
<i>Exit Certificate</i>	0.01	0.01	76.92	0.00
<i>Cruise Environmental Tax</i>	3.25	4.00	81.25	-0.75
<i>Export Royalties</i>	0.22	0.19	115.79	0.03

Figure 10: Comparison of Revenue by Tax Type for Fiscal Years 2009/2010 - 2013/2014



Source: Macro Policy Unit, Ministry of Finance

----- denotes the actual outcome for 2013/2014

Higher tax revenues were associated with increases in the collection of taxes on property (14.0%), taxes on international trade and transactions (3.2%) and taxes on domestic goods and services (1.3%), partially offset by a decline in taxes on income and profits (0.6%). The decline in taxes on income and profits was largely influenced by the shortfall in corporate income tax. However, overall the amount of taxes on income and profits exceeded the budget estimate of \$55.10 million. Higher than estimated receipts from **taxes on international trade and transactions** for the fiscal year 2013/2014 was largely influenced by increases across the main categories including import duty (5.1%), environmental surcharge (3.9%) and customs service charge (1.4%). Receipts from **taxes on domestic goods and services** for the year under review were higher than the previous fiscal year on account of improved performance of the value added tax which outpaced the declines in receipts from excise tax and licenses. An increase in gross VAT was recorded coupled with fall in the amount paid out as refunds due to cash management issues.

Current Expenditure

The table below shows that all expenditure sub-categories of current expenditure, with the exception of personal emoluments, exceeded the budgetary allocation for the fiscal year 2013/2014.

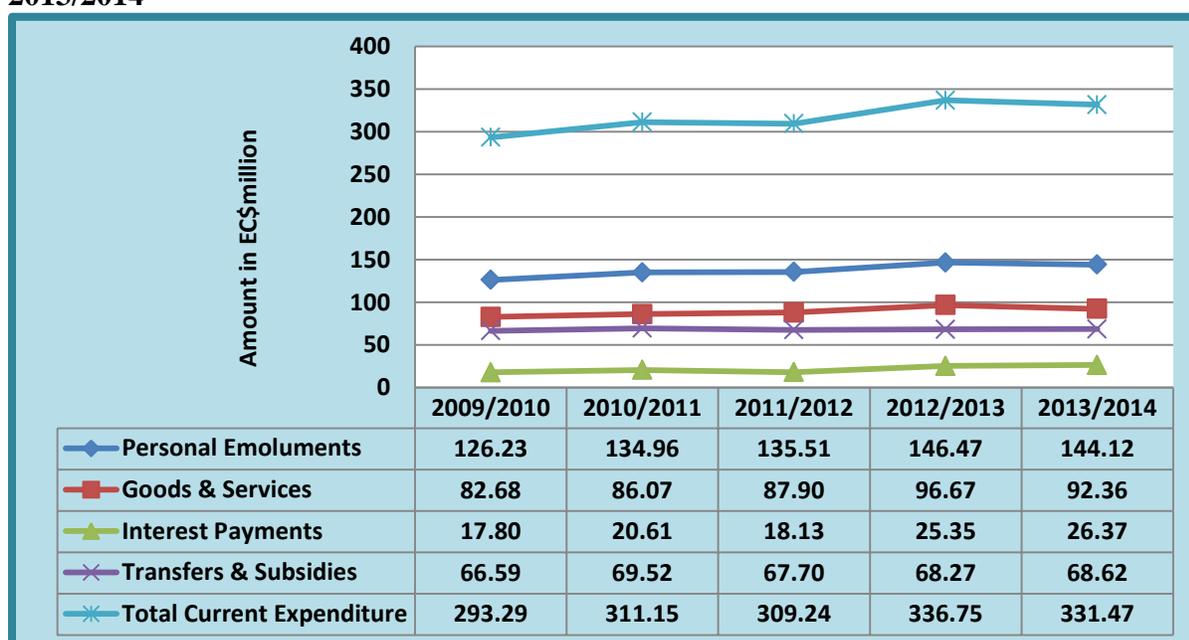
Table 11: Expenditure (in \$millions) for the fiscal year 2013/2014 (Actual vs Budget)

Indicator	Year to Date	Original Budget Estimate	Actual as a percentage of budget estimate	Variance Actual vs Budget (absolute)
Total Expenditure = a + b + c	460.88	491.21	93.82	(30.33)
Current Expenditure (a) = (i) + (ii) + (iii) + (iv) + (v)	331.47	329.03	100.74	2.44
<i>Personal Emoluments (i)</i>	144.12	148.82	96.84	(4.70)
<i>Salaries (including salaried allowances)</i>	124.68	132.93	93.79	(8.25)
<i>Wages</i>	4.93	5.94	82.99	(1.01)
<i>Other Allowances</i>	14.51	9.95	145.82	4.56
<i>Good and Services (ii)</i>	92.36	88.78	104.03	3.58
<i>Interest Payments (iii)</i>	26.37	21.94	120.17	4.43
<i>Domestic</i>	11.45	9.10	125.83	2.35
<i>Foreign</i>	14.92	12.84	116.16	2.08
<i>Transfers and Subsidies (iv)</i>	68.62	67.48	101.69	1.14
<i>Gratuities and Pension</i>	23.47	22.50	104.31	0.97
<i>Grants and Contribution to Local, Regional and International Institutions</i>	38.25	37.69	101.49	0.56
<i>Public Assistance and Casual Relief</i>	6.90	7.29	94.59	(0.39)
Refunds (v)	0	2.00	0	(2.00)
Capital Expenditure (b) ⁵	130.00	163.59	79.47	(33.59)
<i>Grant</i>	45.00	77.51	58.05	(32.51)
<i>Other</i>	85.00	86.08	98.75	(1.08)
Net lending (c)	(0.59)	(1.40)	42.14	0.81
<i>On-lending</i>	0	0		
<i>Loan repayment</i>	(0.59)	(1.40)	42.14	0.81

⁵ The amount of \$130 million is projected to account for project expenses which have not been journalized.

Overall current expenditure is estimated to have decreased by 4.1% (\$19.90 million) from \$480.78 million in fiscal year 2012/2013 to \$460.88 million for the fiscal year under review. This contrasts with a 8.9% increase in 2012/2013. The outturn for 2013/2014 largely reflected a decrease in outlays on goods and services by 4.44 percent in contrast to an expansion of 10.0% in fiscal year 2012/2013. Higher interest payments (4.0%) were also recorded particularly domestic interest payments while external interest payments are estimated to be lower than the previous fiscal year. Outlays on personal emoluments decreased by 1.6% (\$2.35 million) influenced by a decrease in salaries, salaried allowances and wages which surpassed the slight increase in other allowances.

Figure 11: Comparison of Current Expenditure Categories for Fiscal Years 2009/2010 - 2013/2014



Source: Macro Policy Unit, Ministry of Finance
 - - - - denotes the preliminary outturn for 2013/2014

The wage bill which totaled 10.6% of GDP was below the target of 12.3% of GDP. Expenditure on transfers and subsidies increased marginally by 0.5% or \$0.34 million during the period under review.

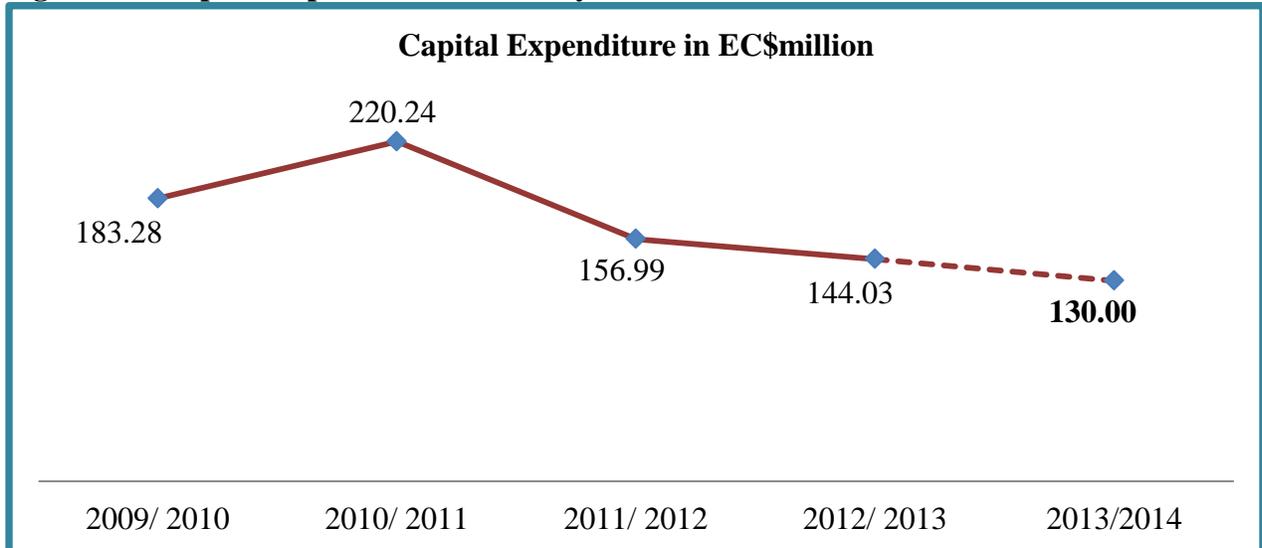
Capital Expenditure

Outlays on capital expenditure registered a decline for the third consecutive fiscal year largely as a result of lower than expected grant receipts for the financing of the overall capital investment programme which is often more than 60.0% financed with grant resources⁶. Overall, the

⁶ Lower disbursement of grant resources was partly influenced by the pace of project implementation

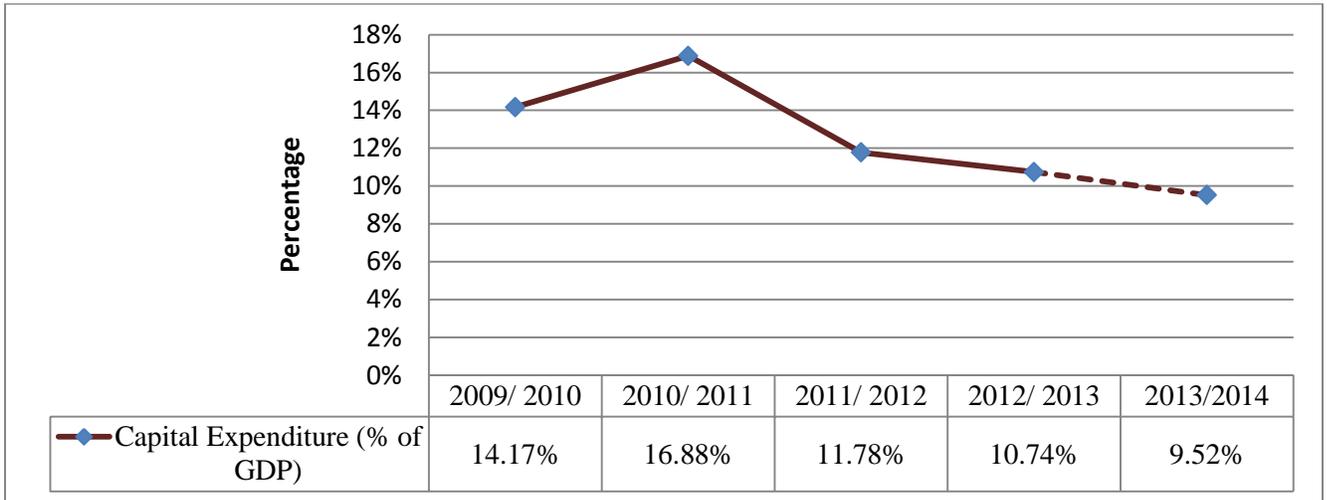
predicted amount of capital expenditure for the fiscal year 2013/2014 will be 20.5% lower than the budget estimate.

Figure 12: Capital Expenditure for fiscal years 2009/2010 to 2013/2014



Source: Public Sector Investment Programme Unit, Ministry of Finance
 - - - - denotes the preliminary outturn for 2013/2014

Figure 13: Capital Expenditure as a percentage of Nominal GDP for fiscal years 2009/2010 to 2013/2014



X. Prospects

In April's World Economic Outlook (WEO) report, the International Monetary Fund reiterated that high debt and lack of competitiveness continue to restrict growth in the Caribbean, which is expected to average 3.3% in 2014 and 2015, up from 2.8% in 2013. The Eastern Caribbean Central Bank forecasts that the regional economy will strengthen to a 1.9% increase in 2014 "with all member countries expected to record positive growth. Economic activity in Dominica is projected to expand in 2014 and 2015 reflecting an uptick in all sectors, in particular Construction, Wholesale and Retail Trade and Transport, Storage and Communications. Recovery is projected for the construction sector based on planned intensified public sector activity. Consequently, development in this sector will favourably impact developments in the Transport, Storage and Communications and Wholesale and Retail Trade sectors.

In respect of the real sector, recovery is projected for the banana sub-sector as effects to mitigate Black Sigatoka and as other efforts begin to take hold. This will be supplemented by an increase in other agricultural activity as the horticulture program, 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 in fiscal year 2014/2015.

The geothermal energy power plant development coupled with the stabilization of private sector construction is expected to increase the performance of the construction sector.

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 Portsmouth Hotel.

The current account deficit of the balance of payments is estimated to widen in 2014/2015 to -17.7% of GDP compared to -17.0% in 2013 premised on the following assumptions:

- i. A wider deficit on the goods and services account as the anticipated increase in imports of goods and services will outpace the increase in exports of goods and services.
- ii. The Income account deficit is improve marginally
- iii. The surplus on the current transfers account is also expected to improve marginally.

However, the surplus on the capital and financial account is projected to increase based on increases in capital grants related to the renovation and expansion of the state hospital and foreign direct investment related to Ross University expansion project.

On the fiscal front, a widening of the overall fiscal deficit is projected in 2014/2015 based on an anticipated increase current expenditure and capital spending which is expected to outpace the anticipated increase in total revenue and grants.

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.

Outstanding debt section is missing:

Debt outstanding on the RGSM as at 26 January 2015:

1. 91-day T-bill

Trading Symbol - DMB250315

Issue Date: 24 December 2014
Maturity Date: 25 March 2015
Authorised Amount: \$20,000,000.00
Outstanding Amount: \$20,000,000.00

2. 5-year bonds

Trading Symbol: DMG050719
Issue Date: 28 July 2014
Maturity Date: 28 July 2019
Authorised Amount: \$15,065,000.00
Outstanding Amount: \$15,065,000.00

Trading Symbol: DMG051117
Issue Date: 15 November 2012
Maturity Date: 15 November 2017
Authorised Amount: \$25,000,000.00
Outstanding Amount: \$25,000,000.00

3. 20-year Restructured Bond

Trading Symbol: DMG200624
Issue Date: 11 June 2004
Maturity Date: 10 June 2024
Authorised Amount: \$75,233,726.00
Outstanding Amount: \$75,233,726.00

4. 30-year Restructured Bond

Trading Symbol: DMG300634
Issue Date: 11 June 2004
Maturity Date: 10 June 2034
Authorised Amount: \$11,287,315.00
Outstanding Amount: \$11,287,315.00

XII. Appendices

- i. Listing of Licensed intermediaries
- ii. Dominica selected Economic and Social Indicators
- iii. Summary of Government Fiscal Operations (EC\$ Millions)
- iv. Total Public Sector Outstanding Debt As at June 2014 (EC\$ millions)
- v. Balance of Payments (millions EC\$)

APPENDIX I Listing of Licensed ECSE Member Broker Dealers

LIST OF LICENSED ECSE MEMBER BROKER DEALERS

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
		Vernesia Walters	Representative
		Judy Claxton	Representative
SAINT LUCIA	ECFH Global Investment Solutions Ltd	Beverly Ann Henry	Principal
		Dianne Augustin	Principal
		Deesha Lewis	Representative
		Lawrence Jean	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

APPENDIX II

I. Social and Demographic Indicators													
Area (sq. km.)	754.0							Adult literacy rate (percent, 2004)				88	
Population (2011)								Unemployment rate (2011)				11.0	
Total	71,293												
Annual rate of growth (percent)	0.2												
Density (per sq. km.)	94.6												
Population characteristics								Gross Domestic Product (2012)					
Life expectancy at birth (years, 2006)	74.1							(millions of E.C. dollars)				1,339	
Infant mortality (per thousand live births, 2006)	13.0							(millions of U.S. dollars)				496	
								(US dollars per capita)				6,957	
II. Economic Indicators													
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14		2014/15		2015/16	2016/17	2017/18	2018/19
						Prel.	Budget	Proj.			Proj.		
(Annual percentage change, unless otherwise specified)													
Output and prices													
Real GDP 1/	7.8	-1.1	1.2	0.2	-1.1	1.6	0.8	1.7	1.7	2.0	2.2	2.4	
Nominal GDP	9.6	6.7	-1.5	3.4	0.9	...	0.3	3.5	3.5	3.9	4.3	4.4	
Consumer prices (end of period)	2.0	3.2	0.0	2.0	2.0	...	-0.9	2.3	1.7	1.7	2.1	2.1	
Consumer prices (period average)	6.4	0.0	2.8	1.3	1.5	...	-0.4	1.8	1.8	1.9	2.0	2.0	
Output gap (percent of potential GDP)	7.0	3.6	3.0	1.5	-1.2	...	-1.9	-1.7	-1.5	-1.1	-0.6	0.0	
Real effective exchange rate (period average, depreciation -)	0.9	5.0	-2.8	-5.3	0.3	
(In percent of GDP, unless otherwise specified)													
Central government balances 2/													
Revenue	35.9	36.5	37.0	30.6	30.3	34.5	33.2	32.6	32.5	32.3	32.3	32.1	
Taxes	24.9	25.0	24.2	22.6	22.2	22.0	22.1	22.2	22.3	22.3	22.5	22.5	
Non-tax revenue	2.0	2.6	3.1	3.3	5.4	6.4	6.1	5.9	5.7	5.5	5.3	5.1	
Grants 3/	9.0	8.8	9.7	4.8	2.7	6.0	5.0	4.5	4.5	4.5	4.5	4.5	
Expenditure	35.2	36.8	40.4	35.0	35.7	34.9	36.0	35.7	35.4	35.4	35.4	35.4	
Current primary expenditure	20.9	21.1	22.0	21.8	23.1	21.7	22.7	22.7	22.6	22.7	22.7	22.7	
Interest payments	1.7	1.4	1.6	1.5	2.0	1.6	1.6	1.6	1.7	1.7	1.7	1.7	
Capital expenditure	12.5	14.3	16.9	11.7	10.6	11.7	11.6	11.3	11.1	11.0	11.0	10.9	
Primary balance	2.4	1.1	-1.9	-2.9	-3.4	1.2	-1.1	-1.4	-1.2	-1.4	-1.4	-1.5	
excl. Economic Citizenship Program	2.0	0.4	-3.2	-4.8	-7.2	...	-5.3	-5.4	-5.0	-5.0	-4.8	-4.8	
Overall balance	0.7	-0.3	-3.5	-4.4	-5.4	-0.4	-2.7	-3.1	-2.9	-3.1	-3.1	-3.3	
excl. Economic Citizenship Program	0.3	-1.0	-4.8	-6.4	-9.1	...	-6.9	-7.1	-6.7	-6.7	-6.5	-6.5	
Central government debt (incl. guaranteed) 4/													
External	65.2	64.2	68.8	69.7	73.3	...	75.2	76.2	76.8	77.4	77.7	78.5	
Domestic	45.8	44.9	50.4	50.7	52.7	...	53.9	54.1	54.3	54.5	54.6	54.9	
	19.4	19.2	18.3	19.0	20.6	...	21.2	22.1	22.6	22.9	23.1	23.5	
Money and credit (annual percent change)													
Broad money (M2)	4.3	10.0	6.1	0.3	9.7	...	0.6	3.1	3.6	3.7	4.2	4.5	
Real credit to the private sector	6.1	3.6	9.4	4.5	2.3	...	0.8	1.7	1.7	2.0	2.2	2.4	
Balance of payments													
Current account balance, <i>o/w</i> :	-28.7	-22.7	-17.4	-14.5	-18.9	...	-17.0	-17.7	-16.7	-16.0	-15.6	-15.4	
Exports of goods and services 5/	34.7	31.0	36.1	38.1	32.7	...	34.2	34.7	35.1	35.3	35.5	35.6	
Imports of goods and services	63.5	54.8	55.7	53.9	51.3	...	52.7	54.1	53.3	52.7	52.5	52.4	
Capital and financial account balance	24.2	22.8	18.5	18.0	14.6	...	15.6	17.9	16.9	16.2	15.8	15.6	
FDI	12.5	8.8	5.1	2.9	3.1	...	4.0	5.7	5.8	5.9	5.9	6.0	
Capital grants	12.0	8.5	6.4	3.2	1.8	...	3.6	4.5	4.5	4.5	4.5	4.5	
Other (incl. errors and omissions)	-0.3	5.5	7.0	11.9	9.7	...	8.0	7.8	6.7	5.9	5.4	5.1	
External debt (gross) 6/	65.8	66.1	70.5	75.1	81.3	...	88.1	92.8	96.4	98.8	100.4	100.4	
Savings-Investment Balance													
Savings	-28.7	-22.7	-17.4	-14.5	-18.9	...	-17.0	-17.7	-16.7	-16.0	-15.6	-15.4	
Savings	-7.3	-3.0	3.9	7.0	5.0	...	-0.1	-0.3	0.9	1.8	2.5	3.0	
Investment	21.4	19.6	21.4	21.5	20.8	...	16.9	17.5	17.6	17.8	18.1	18.4	
Public	12.9	14.0	16.7	15.0	12.0	...	12.1	12.3	12.1	11.9	11.9	11.8	
Private	8.4	5.6	4.7	6.5	8.8	...	4.8	5.2	5.5	5.9	6.2	6.6	
Memorandum items:													
Nominal GDP (EC\$ millions)	1,221	1,303	1,283	1,327	1,339	...	1,343	1,391	1,439	1,495	1,559	1,629	
Nominal GDP, fiscal year (EC\$ millions)	1,262	1,293	1,305	1,333	1,341	1,402	1,367	1,415	1,467	1,527	1,594	1,659	
Net imputed international reserves:													
End year (millions of US dollars)	55.1	64.5	66.4	74.5	91.8	...	84.9	85.8	86.9	88.1	89.5	91.0	
Months of imports of goods and services	2.3	2.9	3.0	3.4	4.3	...	3.9	3.7	3.7	3.6	3.5	3.5	
Sources: Dominican authorities.													
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APPENDIX III Summary of Government Fiscal Operations (EC\$ Millions)

	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14	Est. 2014/15	Proj. 2015/16
Total Revenue + Grants	477.5	481.2	410.1	417.2	414.7	502.1	573.1
Total Revenue	363.4	354.3	349.0	380.6	369.7	422.1	428.2
Current Revenue	362.3	351.6	346.7	378.2	369.4	417.0	423.2
Tax Revenue	327	311.9	302.5	304.5	303.9	312.5	318.3
of which							
Taxes on Incomes and Profits	60.9	57.1	55.6	57.3	57.8	59.5	61.3
Taxes on Property	8.9	7.8	7.5	6.7	7.7	8.0	8.3
Taxes on Domestic Goods and Services	185.2	179.7	175.2	183.2	179.1	181.6	183.5
Taxes on International Trade & Transactions	72.0	67.3	64.2	57.3	59.3	63.3	65.2
Non Tax Revenue	35.3	39.7	44.2	73.7	65.5	104.5	104.9
Capital Revenue	1.1	2.7	2.4	2.4	0.3	5.1	5.1
Grants	114.1	126.9	61.1	36.6	45.0	80.0	144.8
Total Expenditure	478.8	530.0	470.7	483.2	460.9	513.6	580.7
Current Expenditure	294.1	312.0	313.9	339.2	331.5	339.8	336.1
Personal Emoluments	126.5	135.2	135.7	146.8	144.1	148.3	149.3
Goods & Services	83.1	86.7	88.6	97.0	92.4	96.5	93.3
Interest Payments	17.9	20.6	20.5	26.6	26.4	23.2	23.9
Transfers & Subsidies	66.6	69.5	69.1	68.8	68.6	71.8	69.6
Capital Expenditure + Net Lending	184.7	218.0	156.8	144.0	129.4	173.8	244.6
Principle repayments	29.5	26.1	36.7	20.3	26.9	38.8	43.4
Current Account Balance	68.2	39.6	32.8	39.0	37.9	77.2	87.1
Overall Balance (- Grants)	-115.4	-175.7	-121.7	-102.6	-91.2	-91.5	-152.5
Overall Balance (+ Grants)	-1.3	-48.8	-60.6	-66.0	-46.2	-11.5	-7.6
Primary Balance (PB)	16.6	-28.2	-40.1	-39.4	-19.8	11.7	16.3
PB as a % of GDP (CSO)	1.3	-2.2	-3.0	-2.9	-1.4	0.8	1.1
Nominal GDP (CSO)	1,293.0	1,305.0	1,333.0	1,341.0	1,367.0	1415.0	1467.0

Source: Ministry of Finance

APPENDIX IV Total Public Sector Outstanding Debt As at June 2014 (EC\$ millions)

TOTAL PUBLIC SECTOR OUTSTANDING DEBT

As at September 2014

(In EC\$ millions)

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/2014	% Change	Sep 2014
1. TOTAL OUTSTANDING LIABILITIES	783.7	799.6	866.3	934.0	971.4	1,040.0	7.1	1,045.4
GDP Figures	1,262.0	1,293.0	1,305.0	1,333.0	1,341.0	1,365.0	1.8	1,365.0
2. OFFICAL DEBT	783.7	799.6	866.3	934.0	971.4	1,040.0	7.1	1,045.4
% GDP at market prices	62.1	61.8	66.4	70.1	72.4	76.2	5.2	76.5
A. Central Government								
Outstanding Debt	648.0	657.7	703.1	773.2	814.9	880.7	8.1	886.5
- Domestic	188.1	185.8	180.2	209.5	219.6	230.0	4.7	247.6
- External	459.9	471.9	522.9	563.7	595.3	650.7	9.3	638.9
- Treasury Bills/Notes	15.1	11.0	11.0	11.0	11.0	11.0	-	11.0
- Bonds	111.2	110.6	109.5	108.2	92.8	87.0	-6.3	87.0
- Loans	333.6	350.3	402.4	444.5	491.5	552.7	12.5	540.9
- Bilateral	44.3	46.0	83.9	118.7	166.4	225.8	35.7	220.2
- Multilateral	282.5	297.5	311.7	319.0	318.3	320.1	0.6	313.9
- Other	6.8	6.8	6.8	6.8	6.8	6.8	-	6.8
B. Government Guaranteed								
Outstanding Debt	135.7	141.9	163.2	160.8	156.5	159.3	1.8	158.9
- Domestic	29.4	38.5	44.6	45.5	47.6	47.4	-0.4	47.0
- External	106.3	103.4	118.6	115.3	108.9	111.9	2.8	111.9
TOTAL (Domestic)	217.5	224.3	224.8	255.0	267.2	277.4	3.8	294.6
TOTAL (External)	566.2	575.3	641.5	679.0	704.2	762.6	8.3	750.8

Source: Dominica Authority

APPENDIX V Balance of Payments (millions EC\$)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
					Prel.	Proj.			Proj.		
	(In millions of USD)										
Current account balance	-129.9	-109.3	-82.9	-71.4	-93.8	-84.6	-91.4	-89.1	-88.7	-89.9	-92.6
Exports of goods and services	156.7	149.7	171.3	187.4	162.3	170.4	178.8	186.9	195.4	204.9	214.9
Goods	43.9	36.8	34.5	32.6	38.2	36.7	38.3	40.0	41.5	43.3	45.2
Tourism	76.2	79.0	93.6	105.9	78.6	81.6	85.3	90.7	96.7	103.2	109.9
Other services	36.7	33.9	43.2	48.9	45.5	52.2	55.2	56.1	57.2	58.4	59.8
Imports of goods and services	287.3	264.5	264.5	264.8	254.6	262.1	278.4	284.1	292.0	303.2	315.8
Fuel	43.4	32.4	32.1	41.5	41.9	42.5	43.6	43.9	44.8	46.4	48.4
Food	32.6	32.3	32.9	34.1	35.3	36.0	36.3	37.0	38.0	39.1	40.3
Other goods	141.3	133.5	131.9	123.3	109.7	115.0	126.7	129.3	132.8	138.2	144.1
Services	69.9	66.2	67.6	65.9	67.6	68.6	71.8	73.9	76.4	79.5	82.9
Net income, o.w.:	-18.3	-13.7	-9.4	-10.5	-18.3	-9.6	-9.4	-10.1	-11.0	-11.9	-12.8
Interest payments (public sector)	-8.9	-3.4	-5.7	-7.4	-6.2	-5.4	-4.7	-4.9	-5.0	-5.2	-5.5
Net current transfers	19.0	19.1	19.7	16.5	16.8	16.7	17.6	18.3	19.0	20.2	21.1
Capital and financial account	109.5	109.8	87.8	88.3	72.6	77.7	92.3	90.2	89.9	91.1	93.8
Grants	57.6	44.0	33.5	19.0	12.3	21.9	27.2	28.1	29.2	30.5	31.8
Public sector flows, o.w.: 2/	-3.4	8.0	22.3	10.0	32.9	7.6	10.9	10.9	12.4	13.8	14.7
PetroCaribe	8.6	4.9	5.7	6.6	7.6	7.4	7.2	5.5	5.2	5.2	5.2
Foreign direct investment	56.5	42.4	24.3	14.2	15.6	20.1	29.2	30.8	32.5	34.3	36.1
Commercial banks	-17.6	-10.5	10.0	37.5	-15.3	0.5	-1.7	-1.7	-2.1	-2.6	-2.9
Other private flows 3/	16.3	25.9	-2.3	7.7	27.2	27.6	26.7	22.0	17.8	15.1	14.1
Errors and omissions	17.1	20.3	-3.7	-10.5	25.6	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-3.4	20.8	1.2	6.4	4.5	-7.0	0.9	1.1	1.2	1.2	1.2
Overall financing	3.4	-20.8	-1.2	-6.4	-4.5	7.0	-0.9	-1.1	-1.2	-1.2	-1.2
Change in ECCB NFA, o.w.: 4/	5.3	-21.7	-1.9	-7.9	-17.4	7.0	-0.9	-1.1	-1.2	-1.2	-1.2
IMF reserve liabilities	3.2	4.3	-1.1	-2.9	-0.8	-2.7	-1.6	-2.3	-1.7	-1.3	-1.7
Change in Government Foreign Assets	-2.0	0.9	0.7	1.5	12.9	0.0	0.0	0.0	0.0	0.0	0.0
	(In percent of GDP)										
Current account balance	-28.7	-22.7	-17.4	-14.5	-18.9	-17.0	-17.7	-16.7	-16.0	-15.6	-15.4
Exports of goods and services	34.7	31.0	36.1	38.1	32.7	34.2	34.7	35.1	35.3	35.5	35.6
Goods	9.7	7.6	7.3	6.6	7.7	7.4	7.4	7.5	7.5	7.5	7.5
Tourism	16.8	16.4	19.7	21.6	15.8	16.4	16.6	17.0	17.5	17.9	18.2
Other services	8.1	7.0	9.1	9.9	9.2	10.5	10.7	10.5	10.3	10.1	9.9
Imports of goods and services	63.5	54.8	55.7	53.9	51.3	52.7	54.1	53.3	52.7	52.5	52.4
Fuel	9.6	6.7	6.8	8.4	8.5	8.5	8.5	8.2	8.1	8.0	8.0
Food	7.2	6.7	6.9	6.9	7.1	7.2	7.1	6.9	6.9	6.8	6.7
Other goods	31.3	27.7	27.8	25.1	22.1	23.1	24.6	24.3	24.0	23.9	23.9
Services	15.5	13.7	14.2	13.4	13.6	13.8	13.9	13.9	13.8	13.8	13.7
Net income	-4.1	-2.8	-2.0	-2.1	-3.7	-1.9	-1.8	-1.9	-2.0	-2.1	-2.1
Interest payments (public sector)	-2.0	-0.7	-1.2	-1.5	-1.3	-1.1	-0.9	-0.9	-0.9	-0.9	-0.9
Net current transfers	4.2	4.0	4.1	3.4	3.4	3.4	3.4	3.4	3.4	3.5	3.5
Capital and financial account	24.2	22.8	18.5	18.0	14.6	15.6	17.9	16.9	16.2	15.8	15.6
Capital transfers	12.7	9.1	7.0	3.9	2.5	4.4	5.3	5.3	5.3	5.3	5.3
Public sector flows, o.w.: 2/	-0.7	1.7	4.7	2.0	6.6	1.5	2.1	2.1	2.2	2.4	2.4
Petrocaribe	1.9	1.0	1.2	1.3	1.5	1.5	1.4	1.0	0.9	0.9	0.9
Foreign direct investment	12.5	8.8	5.1	2.9	3.1	4.0	5.7	5.8	5.9	5.9	6.0
Commercial banks	-3.9	-2.2	2.1	7.6	-3.1	0.1	-0.3	-0.3	-0.4	-0.5	-0.5
Other private flows 3/	3.6	5.4	-0.5	1.6	5.5	5.5	5.2	4.1	3.2	2.6	2.3
Overall balance	-0.7	4.3	0.3	1.3	0.9	-1.4	0.2	0.2	0.2	0.2	0.2
Memorandum items:											
Trade balance (percent of GDP)	-38.4	-33.5	-34.2	-33.9	-30.0	-31.5	-32.7	-31.9	-31.5	-31.2	-31.1
Services balance (percent of GDP)	9.5	9.7	14.6	18.1	11.4	13.1	13.3	13.7	14.0	14.2	14.4
Net imputed international reserves:											
Millions of US dollars	55.1	64.5	66.4	74.5	91.8	84.9	85.8	86.9	88.1	89.5	91.0
Months of imports of goods and services	2.3	2.9	3.0	3.4	4.3	3.9	3.7	3.7	3.6	3.5	3.5
Gross external debt 5/	65.8	66.1	70.5	75.1	81.3	88.1	92.8	96.4	98.8	100.4	101.8
Public sector	45.8	44.9	50.4	50.7	52.7	53.9	54.1	54.3	54.5	54.6	54.9
Private sector	20.0	21.2	20.0	24.5	28.6	34.2	38.8	42.1	44.3	45.8	46.9
GDP (in US\$ millions)	452.2	482.4	475.1	491.3	496.0	497.6	515.0	533.1	553.8	577.6	603.2
Sources: Dominican authorities											