



**Caribbean Information &  
Credit Rating Services Limited**

## **MEDIA RELEASE**

June 23, 2016

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

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the ratings of *CariBB+* (Foreign and Local Currency Ratings) on its regional rating scale for the debt issue of USD 25 million of the Government of the Commonwealth of Dominica (GOCD) with a **positive outlook**. These ratings indicate that the level of creditworthiness of this obligation, adjudged in relation to other obligations in the Caribbean is **below average**.

The ratings of the GOCD reflect the country’s limited economic diversification and capacity constraints with increased vulnerabilities to domestic and external shocks as well as the GOCD’s weakening financial system illustrated by the low loan growth, possible deterioration of the loan portfolio quality and risk of losing correspondent banking relations. These rating weaknesses are tempered by Dominica’s improving fiscal performance, though its high reliance on external sources of funding and growing debt burden is a cause for concern. The ratings are further supported by the improving external sector performance and also the country’s stable political environment with good implementation of broad based social policies.

#### **ABOUT THE SOVEREIGN**

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



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

Andre Joseph

Senior Manager, Ratings

Tel: 1-868-627-8879 Ext. 227

E-mail: [ajoseph@caricris.com](mailto:ajoseph@caricris.com)

OR

Sheena Regis

Senior Rating Analyst

Tel: 1-868-627-8879 Ext. 229

E-mail: [sregis@caricris.com](mailto:sregis@caricris.com)

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