RATING RELEASE

July 24, 2026

CariCRIS reaffirms the credit ratings of the Government of the Commonwealth of Dominica; Outlook Stable

*Cari***BB**	**(Regional Scale Foreign Currency)**
*Cari***BB**	**(Regional Scale Local Currency)**

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the ratings currently assigned to a notional US $25 million debt issue of the Government of the Commonwealth of Dominica (GOCD) on its regional rating scale of *Cari***BB** (Foreign and Local Currency Ratings). These ratings indicate that the level of creditworthiness of this debt obligation, adjudged in relation to other debt obligations in the Caribbean, is **below average**.

CariCRIS has also maintained a **stable** outlook on the ratings. The stable outlook is premised on: (1) a low- to medium-growth path projected for the medium-term, (2) imminent fiscal rules that could gradually reduce stubbornly high debt-to-GDP toward the Caribbean Central Bank's (ECCB's) 60% sustainability limit in the long-term, (3) external sector earnings expected to be comfortable as airport construction related imports winddown, geothermal production reduces fuel imports, and tourism strengthens; however, balanced against anticipated CBI inflow challenges, and (4) continuation of adequate financial sector metrics.

The ratings are supported by the following key strengths: (1) The external sector position remains comfortable, (2) GDP is supported by continued Citizenship by Investment (CBI) inflows, tourism sector's growth, continued post-hurricane/resilience rebuilding and geothermal energy production, and (3) despite high debt to GDP, debt service coverage is strong. The sovereign's rating strengths are tempered by the following key risks: (1) Dominica is a small developing country with significant capacity constraints, (2) weaknesses remain in the financial sector, particularly the non-bank financial institutions, and (3) current high debt to GDP persists, notwithstanding fiscal recovery.

Rating Sensitivity Factors:

Factors that could, individually, or collectively, lead to an improvement in the ratings and/or Outlook include:

- Growth in real economic activity of 6% or more, sustained for at least 2 years
- A primary surplus of more than 5% of GDP recorded for 2 consecutive fiscal periods
- Debt-to-GDP falling below 75%

Factors that could, individually, or collectively, lead to a lowering of the ratings and/or Outlook include:

- Debt/GDP ratio exceeding 100% for 2 consecutive years
- Economic and social disruption caused by natural disasters
- Material reduction in grants and multilateral funding

About the Country:

Dominica is an island-nation located in the Eastern Caribbean with an estimated population of around 76,000 persons[1]. The official language is English, but French Patois is also spoken. The main economic sectors are tourism, agriculture, government services and wholesale & retail trade. Dominica is mountainous and volcanic, with tropical rainforest covering two-thirds of the island.

Dominica has been impacted by two major natural disasters in the last decade: Tropical Storm Erika (2015) and Hurricane Maria (2017). Hurricane Maria delivered a devastating blow while the country was still in the midst of rehabilitation efforts from Tropical Storm Erika. The destruction caused by these two natural disasters[2], though severely removing productive capacity at the time, has spurred construction activity and continues to give Dominica the opportunity to put in place greater climate-resilient infrastructure.

[1] *IMF World Economic Outlook (WEO) Database, April 2026.*

[2] *Tropical Storm Erika (90% of GDP) and Hurricane Maria (298% of GDP).*

For more information on GOCD's ratings, please visit www.caricris.com or contact:

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