



Investing in Dominica:

Unlocking Opportunities in the Nature Island of the Caribbean



INTRODUCTION

Dominica, often referred to as the "Nature Island of the Caribbean," is a jewel nestled in the Eastern Caribbean archipelago. Renowned for its unspoiled natural beauty, lush rainforests, warm and welcoming culture, and stable political environment, Dominica offers a wealth of opportunities for global investors. With a progressive economy, strategic location, investor-friendly policies, and a commitment to sustainable development, Dominica stands as an attractive destination for investment. This comprehensive report explores the benefits and opportunities of investing in Dominica, highlighting key statistics, relevant agencies, incentives for investors, and sectors poised for growth.

STATISTICS

- **Gross Domestic Product (GDP):** Approximately \$0.58 billion USD (2021 estimate).
- **GDP Growth Rate:** Estimated growth of 3.7% in 2021.
- **Population:** Approximately 72,000 people.
- **Official Language:** English.
- **Currency:** Eastern Caribbean Dollar (XCD), pegged to the US Dollar at a fixed rate of 1 USD = 2.70 XCD.
- **Foreign Direct Investment (FDI):** Steadily increasing due to proactive investment policies.
- **Memberships:**
 - Caribbean Community (CARICOM)
 - Organisation of Eastern Caribbean States (OECS)
 - Eastern Caribbean Currency Union (ECCU)
 - World Trade Organization (WTO)
- **Time Zone:** Atlantic Standard Time (AST), UTC-4.
- **Literacy Rate:** Over 95%, reflecting a strong emphasis on education.
- **Natural Assets:**
 - Over 365 rivers, thermal springs, and the world's second-largest boiling lake.
 - Rich biodiversity and potential for geothermal energy development.
- **Political Stability:** Parliamentary democracy with a stable government committed to economic growth.

BACKGROUND

Since gaining independence from the United Kingdom in 1978, Dominica has cultivated a peaceful and democratic society. The country's economy has traditionally been based on agriculture, particularly banana production. However, in recent years, Dominica has embarked on a path of economic diversification, focusing on sectors such as tourism, renewable energy, financial services, and construction.

Dominica's strategic location between the French territories of Guadeloupe and Martinique positions it as an ideal hub for trade and commerce within the Eastern Caribbean. The government's proactive approach to attracting foreign investment is evident through various incentives, a strong legal framework, and initiatives like the Citizenship by Investment Program. Additionally, Dominica's commitment to sustainability and resilience has led to significant investments in green energy and eco-tourism, aligning with global trends towards environmental responsibility.

Disclaimer:

This article is an independent thought piece published by the International Trade Council. It does not represent the official position of all International Trade Council members, nor that of its Board of Directors. The views expressed are those of the author and are intended for informational purposes only. This article contains forward-looking statements based on current assumptions, projections, and available information, which may be subject to change. These statements should not be relied upon as specific advice or a guarantee of future performance. Readers are encouraged to consult professional advisors for tailored guidance based on their individual circumstances.

BENEFITS OF INVESTING IN DOMINICA

Strategic Geographic Location

- » **Gateway to the Caribbean:**
 - » Centrally located in the Eastern Caribbean, providing access to a market of over 44 million people in the wider Caribbean region.
 - » Proximity to major markets in North America, South America, and Europe, facilitating international trade.
- » **Excellent Connectivity:**
 - » Modern ports like Roseau and Portsmouth facilitating maritime trade.
 - » Two airports, including Douglas-Charles Airport, with regional connections.

Stable Political and Economic Environment

- » **Political Stability:**
 - » Democratic government committed to maintaining a stable and secure environment for investors.
- » **Strong Legal Framework:**
 - » Adherence to the rule of law and protection of property rights.
 - » Investment laws aligned with international best practices.

Investor-Friendly Policies

- » **Citizenship by Investment Program (CIP):**
 - » One of the world's most reputable programs, offering investors the opportunity to obtain citizenship through investment.
- » **Ease of Doing Business:**
 - » Government initiatives aimed at simplifying business registration and licensing processes.
- » **Tax Incentives:**
 - » Competitive tax regime with various incentives for foreign investors.

Economic Diversification and Growth Potential

- » **Emerging Sectors:**
 - » Focus on developing sectors such as tourism, renewable energy, agriculture, and financial services.
- » **Sustainable Development:**
 - » Commitment to becoming the world's first climate-resilient nation.
 - » Investments in geothermal energy and eco-tourism.
- » **Highly Educated Workforce**
- » **Education Excellence:**
 - » Literacy rate over 95%.
 - » Strong emphasis on education and training, providing a skilled labor force.
- » **Multilingual Capabilities:**
 - » English-speaking population, with many residents also fluent in French due to proximity to French territories.

Membership in Regional and International Organizations

- » **CARICOM Membership:**
 - » Access to a market of over 18 million people within the Caribbean Community.
 - » Benefits from regional integration and trade agreements.
- » **OECS and ECCU Membership:**
 - » Participation in the Eastern Caribbean Currency Union ensures monetary stability.
 - » Harmonization of economic and financial policies within the region.

Natural Beauty and Tourism Appeal

- » **Eco-Tourism Destination:**
 - » Pristine rainforests, waterfalls, and hot springs attract visitors worldwide.
 - » Opportunities for investments in sustainable tourism infrastructure.
- » **Adventure and Wellness Tourism:**
 - » Hiking, diving, whale watching, and wellness retreats offer diverse tourism products.

RELEVANT AGENCIES

Invest Dominica Authority (IDA)

- » **Role:** The principal government agency responsible for promoting and facilitating investment in Dominica.
- » **Services:**
- » Provides information on investment opportunities and regulatory requirements.
- » Offers guidance through the investment process.
- » Assists with site selection and business establishment.
- » **Website:** www.investdominica.com
- » **Contact:**
- » **Email:** info@investdominica.dm
- » **Phone:** +1 (767) 448-2045

Dominica Export Import Agency (DEXIA)

- » **Role:** Facilitates trade and export development.
- » **Services:**
- » Supports exporters and traders in accessing regional and international markets.
- » Provides market intelligence and trade facilitation services.
- » **Website:** www.dexiaexport.com
- » **Contact:**
- » **Email:** info@dexiaexport.com
- » **Phone:** +1 (767) 448-2780

Citizenship by Investment Unit (CBIU)

- » **Role:** Administers the Citizenship by Investment Program.
- » **Services:**
- » Processes applications for citizenship through investment.
- » Provides information on investment options and compliance requirements.
- » **Website:** www.cbiu.gov.dm
- » **Contact:**
- » **Email:** info@cbiu.gov.dm
- » **Phone:** +1 (767) 266-3919

Discover Dominica Authority (DDA)

- » **Role:** Promotes tourism and enhances the island's tourism product.
- » **Services:**
- » Provides information on tourism investment opportunities.
- » Supports marketing and development of the tourism sector.
- » **Website:** www.discoverdominica.com
- » **Contact:**
- » **Email:** tourism@dominica.dm
- » **Phone:** +1 (767) 448-2045

Dominica Association of Industry and Commerce (DAIC)

- » **Role:** Represents the private sector and advocates for business interests.
- » **Services:**
- » Offers networking opportunities and business support services.
- » Provides advocacy and policy recommendations.
- » **Website:** www.daic.dm
- » **Contact:**
- » **Email:** chamber.daic@gmail.com
- » **Phone:** +1 (767) 440-3430

INCENTIVES FOR INVESTORS

Tax Incentives

- » **Corporate Income Tax Exemptions:**
- » Tax holidays up to 20 years for qualifying investments.
- » **Import Duty Exemptions:**
- » Exemptions on import duties for machinery, equipment, and raw materials.
- » **Value Added Tax (VAT) Exemptions:**
- » VAT exemptions for goods and services related to approved projects.
- » **Withholding Tax Exemptions:**
- » Exemptions on withholding taxes on dividends, interest, and royalties.

Citizenship by Investment Program (CIP)

- » **Investment Options:**
- » **Economic Diversification Fund (EDF):** Non-refundable contribution

starting from \$100,000 USD.

- » **Real Estate Investment:** Minimum investment of \$200,000 USD in approved real estate projects.
- » **Advantages:**
- » Full citizenship for investor and qualifying family members.
- » Visa-free or visa-on-arrival access to over 140 countries.
- » No residency requirements.

Investment Guarantees

- » **Legal Protection:**
- » Guarantees against expropriation without fair compensation.
- » Legal framework ensures investor rights and contract enforcement.
- » **Repatriation of Funds:**
- » Freedom to repatriate profits, dividends, and capital.

Special Economic Zones

- » **Free Zones:**
- » Areas designated for manufacturing and export-oriented businesses.
- » Offer additional incentives such as tax benefits and simplified customs procedures.

Sector-Specific Incentives

- » **Tourism Sector:**
- » Additional tax allowances and accelerated depreciation for tourism-related investments.
- » **Agriculture and Agro-Processing:**
- » Support for investments in modern farming techniques and processing facilities.
- » **Renewable Energy Projects:**
- » Incentives for investments in geothermal, solar, and wind energy projects.

Support Services

- » **One-Stop Shop:**
- » The Invest Dominica Authority provides comprehensive support to streamline the investment process.
- » **Facilitation Services:**
- » Assistance with obtaining permits, licenses, and approvals.

OPPORTUNITIES FOR INVESTORS

Tourism and Hospitality

- » **Eco-Tourism Development:**
- » Establishment of eco-friendly hotels, resorts, and lodges.
- » Development of wellness retreats and spa facilities.
- » **Adventure Tourism:**
- » Investment in tour operations offering hiking, diving, and adventure activities.
- » **Cultural and Heritage Tourism:**
- » Promotion of Dominica's rich cultural heritage through festivals and historical sites.

Renewable Energy

- » **Geothermal Energy Projects:**
- » Development of geothermal plants tapping into abundant geothermal resources.
- » **Solar and Wind Energy:**
- » Installation of renewable energy systems for domestic use and export.
- » **Hydro-Power Development:**
- » Opportunities in small-scale hydro-power generation.

Agriculture and Agro-Processing

- » **Organic Farming:**
- » Production of organic fruits, vegetables, and spices for export markets.
- » **Agro-Processing Facilities:**
- » Establishment of processing plants for value-added products like essential oils, teas, and packaged goods.
- » **Fisheries and Aquaculture:**
- » Sustainable fishing operations and development of aquaculture farms.

Information and Communication Technology (ICT)

- » **IT Services and BPO:**

- » Establishment of call centers, software development, and IT support services.
- » **E-commerce and Fintech:**
- » Opportunities in digital payment systems and online businesses.
- » **Data Centers:**
- » Development of secure data storage facilities leveraging stable climate and infrastructure.

Financial Services

- » **Offshore Banking:**
- » Establishment of international banking units and financial institutions.
- » **International Business Companies (IBCs):**
- » Formation of IBCs benefiting from favorable tax regimes.
- » **Insurance and Reinsurance:**
- » Opportunities in captive insurance and reinsurance markets.

Real Estate and Construction

- » **Residential Developments:**
- » Construction of luxury villas, apartments, and gated communities.
- » **Commercial Real Estate:**
- » Development of office spaces, shopping centers, and mixed-use properties.
- » **Infrastructure Projects:**
- » Participation in public-private partnerships for infrastructure development.

Manufacturing and Light Industry

- » **Export-Oriented Manufacturing:**
- » Opportunities in producing goods for regional and international markets.
- » **Value Addition:**
- » Processing of local raw materials into finished products.

Education and Healthcare Services

- » **Educational Institutions:**
- » Establishment of international schools, colleges, and specialized training centers.
- » **Healthcare Facilities:**
- » Development of clinics, wellness centers, and medical tourism services.

CONCLUSION

Dominica stands as a beacon of opportunity in the Caribbean, offering a unique blend of natural beauty, political stability, and investor-friendly policies. The country's commitment to sustainable development, economic diversification, and resilience positions it as an ideal destination for global investors seeking new horizons. With opportunities across sectors such as tourism, renewable energy, agriculture, ICT, and financial services, investors can achieve significant returns while contributing to Dominica's growth and prosperity.

The supportive government policies, incentives, and dedicated agencies underscore Dominica's commitment to fostering a welcoming and dynamic business environment. By choosing to invest in Dominica, businesses become part of a vibrant community and a nation on the path to sustainable and inclusive development.

REFERENCES

- » Invest Dominica Authority (IDA)
- » **Website:** www.investdominica.com
- » **Email:** info@investdominica.dm
- » **Phone:** +1 (767) 448-2045
- » Dominica Export Import Agency (DEXIA)
- » **Website:** www.dexiaexport.com
- » **Email:** info@dexiaexport.com
- » **Phone:** +1 (767) 448-2780
- » Citizenship by Investment Unit (CBIU)
- » **Website:** www.cbiu.gov.dm
- » **Email:** info@cbiu.gov.dm
- » **Phone:** +1 (767) 266-3919
- » Discover Dominica Authority (DDA)
- » **Website:** www.discoverdominica.com
- » **Email:** tourism@dominica.dm
- » **Phone:** +1 (767) 448-2045
- » Dominica Association of Industry and Commerce (DAIC)
- » **Website:** www.daic.dm
- » **Email:** chamber.daic@gmail.com
- » **Phone:** +1 (767) 440-3430
- » Ministry of Finance
- » **Website:** www.finance.gov.dm
- » Dominica Central Statistics Office
- » **Website:** www.statistics.gov.dm
- » World Bank – Dominica Overview
- » **Website:** www.worldbank.org/en/country/dominica
- » International Monetary Fund (IMF) – Dominica
- » **Website:** www.imf.org/en/Countries/DMA
- » Caribbean Community (CARICOM)
- » **Website:** www.caricom.org
- » Organisation of Eastern Caribbean States (OECS)
- » **Website:** www.oecs.org
- » Dominica Geothermal Development Company
- » **Website:** www.geodominica.dm