

ANNEX 2 – DOMINICA

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1 ECONOMIC ENVIRONMENT

1.1 Recent macroeconomic developments

1.1.1 Real economy

1.1. Dominica is an upper middle-income country with a population estimated at 73,370 inhabitants in 2020, and a per capita GDP of USD 6,872.¹ During the review period, real GDP growth fluctuated significantly, with three episodes of economic contraction in eight years, and an economic growth that never lasted more than two consecutive years. Growth rates fluctuated between -16.6% and 6.7%, and in general, negative growth tended to be larger than the subsequent positive growth, which points out rather slow recoveries from each of these episodes.

1.2. Dominica's recent economic performance is a story of resilience after natural disasters and economic shocks: Tropical Storm Erika and Hurricane Maria hit the island in 2015 and 2017, respectively. These natural phenomena generated losses estimated to almost be, respectively, one and three times the value of GDP. Dwellings, basic services' supply, and agriculture production were particularly affected. In 2020, Dominica's travel sector, the main economy activity of its trade balance, was hit by the COVID-19 pandemic, which also negatively impacted the economic activity of related sectors, such as transportation.

1.3. Agriculture (including livestock and forestry) remains the main economic sector, and its contribution to GDP increased from 13.0% in 2014 to 16.5% in 2021 (Table 1.1). Despite its vulnerability to natural disasters and crop conditions, the sector remains the main source of exported goods. Bananas is the main crop for the agriculture sector and, although its production was severely affected by the Hurricane Maria, the crop contributed around a quarter of the agricultural production in 2021.

1.4. Other major sectors in the economy are transport, storage and communication, public administration, wholesale and retail trade, and financial intermediation, with contributions to GDP ranging between 11.1% and 9.4% in 2021. Among them, financial intermediation is the one showing the fastest growth, with its contribution to GDP doubling over the review period (+4.6%). Almost all of this change is related to the performance of Dominica's banking sector. Public administration has also increased (+2.8%) its contribution to GDP during the review period; however, Dominica's manufacturing sector is relatively small, its contribution to GDP is on decline from its peak at 4% in 2015, and its share in 2021 was only 2.5%. Dominica's tourism sector remains smaller than that of other OECS countries, although it is the main source for foreign exchange and a major source for employment.

1.5. The negative performance of the private education subsector was a salient factor during the review period. Its contribution to GDP was 6.6% in 2014 while it was almost unnoticed (1%) in 2021. This is due to the relocation of a private international medical school after 40 years in the country.

1.6. At the time of the preparation of this Review, there were no data available on GDP by expenditure and employment.

Table 1.1 Selected economic indicators, 2014-21

	2014	2015	2016	2017	2018	2019 ^a	2020 ^a	2021 ^b
GDP (current XCD million)	1,405	1,460	1,556	1,408	1,498	1,651	1,361	1,496
GDP (current USD million)	520	541	576	522	555	612	504	554
Real GDP growth (% change)	4.8	-2.7	2.8	-6.6	3.5	5.5	-16.6	6.7
GDP per capita (USD)	7,389	7,596	8,089	7,507	7,981	8,466	6,872	n.a.
GDP by economic activity (% of current GDP)								
Agriculture, livestock and forestry	13.0	13.6	15.8	13.0	10.6	11.6	14.7	16.5
Crops	12.0	12.3	14.3	11.5	9.4	10.5	13.4	15.3
Bananas	1.1	1.3	1.4	0.7	0.3	1.2	1.5	3.8

¹ Eastern Caribbean Central Bank and International Monetary Fund.

	2014	2015	2016	2017	2018	2019 ^a	2020 ^a	2021 ^b
Other crops	10.9	10.9	12.9	10.8	9.2	9.3	11.9	11.4
Livestock	0.8	1.1	1.3	1.4	1.1	0.9	1.2	1.1
Fishing	0.4	0.5	0.5	0.4	0.4	0.4	0.5	0.5
Mining & quarrying	1.1	1.1	1.0	1.1	1.3	1.1	0.6	0.6
Manufacturing	3.0	4.0	2.6	1.9	2.5	2.3	2.9	2.5
Electricity & water	4.2	4.1	4.3	3.7	2.4	3.3	4.2	4.0
Electricity	3.4	3.1	3.2	2.5	1.8	2.6	3.3	3.2
Water	0.8	1.0	1.1	1.2	0.6	0.7	1.0	0.9
Construction	4.2	3.3	4.1	4.4	10.0	8.5	4.5	5.0
Wholesale & retail trade	10.8	9.8	9.2	8.8	11.2	10.6	9.3	9.5
Hotels & restaurants	1.8	1.6	1.4	1.4	1.1	1.3	0.6	0.5
Hotels	0.9	0.8	0.6	0.6	0.4	0.5	0.2	0.2
Restaurants	0.9	0.8	0.8	0.8	0.7	0.7	0.4	0.3
Transport, storage and communications	12.4	13.3	13.6	13.4	14.1	14.3	11.4	11.1
Transport and storage	7.6	8.0	8.4	9.1	9.5	9.5	5.7	5.8
Road transport	5.1	5.8	6.3	6.5	6.2	6.6	3.5	3.4
Sea transport	0.8	0.7	0.5	0.6	0.6	0.6	0.5	0.5
Air transport	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Supporting and auxiliary transport activities	1.6	1.5	1.5	1.9	2.5	2.2	1.7	1.8
Communications	4.7	5.3	5.2	4.3	4.6	4.7	5.7	5.3
Financial intermediation	4.8	4.7	4.6	6.0	4.8	7.3	9.7	9.4
Banks	3.9	3.9	4.2	4.3	4.2	6.3	8.5	8.3
Insurance	0.7	0.6	0.2	1.5	0.4	0.8	0.9	0.9
Activities auxiliary to financial intermediation	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.3
Real estate, renting and business activities	7.6	7.2	6.8	5.8	5.5	5.5	6.6	6.2
Owner occupied dwellings	5.1	4.8	4.6	3.7	3.6	3.5	4.3	4.1
Real estate activities	1.4	1.3	1.2	1.0	0.8	1.1	1.3	1.2
Renting of machinery and equipment	0.2	0.2	0.2	0.2	0.3	0.2	0.1	0.1
Computer and related activities	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Business services	0.8	0.8	0.7	0.8	0.9	0.6	0.8	0.7
Public administration, defence & compulsory social security	7.9	8.1	7.6	11.3	9.1	8.9	11.1	10.7
Education	9.5	9.8	9.6	9.3	3.7	3.6	4.5	4.2
Public	2.8	2.9	2.8	3.0	2.8	2.8	3.4	3.3
Private	6.6	6.8	6.8	6.3	0.9	0.8	1.0	1.0
Health and social work	3.1	3.1	3.1	3.4	3.2	3.0	3.8	3.6
Public	2.6	2.7	2.7	2.9	2.8	2.6	3.3	3.2
Private	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4
Other community, social & personal service	0.8	0.8	0.7	0.8	0.6	0.7	0.8	0.8
Activities of private households as employers	0.3	0.3	0.2	0.3	0.2	0.1	0.2	0.1
Less: FISIM	1.1	1.1	1.2	1.3	2.0	1.8	2.1	2.1
GVA in basic prices	83.8	84.2	84.0	83.7	78.6	80.7	83.1	83.2
Plus: Product taxes	16.6	16.2	16.4	16.7	21.8	19.8	17.5	17.4
Less: Subsidies	0.4	0.3	0.4	0.4	0.4	0.4	0.6	0.6
Prices and interest rates								
Inflation (% , end of period)	0.5	-0.7	0.7	-1.5	4.0	0.1	-0.7	3.8
Inflation (% , period average)	0.8	-0.9	0.1	0.3	1.0	1.5	-0.7	1.5
Money supply (M1) (% growth)	10.3	11.1	16.0	44.9	2.0	-16.8
Monetary liabilities (M2) (% growth)	7.8	4.0	6.0	18.3	1.4	-6.3

	2014	2015	2016	2017	2018	2019 ^a	2020 ^a	2021 ^b
Deposit interest rate (%)	2.8	2.1	1.7	1.6	1.7	1.8	1.8	1.6
Lending interest rate (%)	8.8	8.4	8.1	8.0	7.6	7.5	6.5	5.9
<i>Memorandum:</i>								
Population (persons)	70,437	71,185	71,234	69,472	69,511	72,231	73,370	..
Exports of goods and services (% of GDP, current prices)	53.9	49.6	46.8	41.7	28.2	34.5	18.8	18.9
Imports of goods and services (% of GDP, current prices)	65.1	60.4	57.2	61.3	75.7	67.8	55.3	54.5
Exchange rate (domestic currency per USD)	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Real effective exchange rate based on CPI (Index)	94.2	98.3	99.4	98.3	96.3	98.0	96.0	91.3
Real effective exchange rate based on CPI (% change)	-0.3	4.3	1.1	-1.0	-2.1	1.8	-2.0	-4.9

.. Not available.

a Preliminary data.

b Estimates.

Source: Eastern Caribbean Central Bank (ECCB) (as of October 2022); Annual Economic and Financial Review (as of December 2021), and International Monetary Fund (IMF).

1.1.2 Fiscal policy

1.7. As a member of the Eastern Caribbean Currency Union (ECCU), fiscal policy is the only macroeconomic tool available for policymakers in Dominica. The Ministry of Finance and Investment is responsible for fiscal policy.

1.8. Regarding current revenues and expenditures, Dominica managed to keep a surplus over the entire period, except for 2020. Until 2015, current revenue, which amounted to approximately 27% of GDP, was mainly driven by tax revenue² while non-tax revenue generated less than one fifth of the whole revenue. Afterwards, non-tax revenue surged and became a key component of the current revenue accounting, in average since 2016, for close to half (46%) of it. The Citizenship by Investment (CBI) programme is the main element behind the changes observed in non-tax revenue with marked surges in 2016 and 2021. For instance, in 2021, the non-tax revenue represented 30.9% of GDP, which corresponds to 57.6% of the collected revenue, following a doubling of the revenue collected by the CBI programme when compared to its value in 2020.³ As regards tax revenue, 60% of it is related to taxes on goods and services, mainly the VAT. Taxes on international trade and transactions, including customs service charge and import duties, accounted for 22% of tax revenue while taxes on income and profits were the source of 17% of tax revenue, on average (Table 1.2).

Table 1.2 Central government fiscal accounts, 2014-21

(% of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021
Current revenue	26.9	27.6	49.5	44.1	48.0	39.3	40.2	53.6
Tax revenue	22.5	22.6	22.5	23.3	26.9	26.4	23.6	22.7
Taxes on goods and services	13.3	13.0	13.0	13.4	16.8	14.8	13.7	13.6
<i>Of which: Licences</i>	1.3	1.4	1.3	1.5	1.4	1.3	1.4	1.4
VAT	9.2	8.7	8.7	8.7	11.7	10.0	9.2	9.6
Taxes on income and profits	4.1	4.5	4.4	4.5	3.2	4.6	4.2	3.4
<i>Of which: Personal income tax</i>	2.4	2.2	2.1	2.4	1.9	1.7	2.1	1.9
Taxes on property	0.5	0.5	0.5	0.6	0.5	0.7	0.5	0.7
Taxes on international trade and transactions	4.5	4.5	4.7	4.9	6.4	6.3	5.2	5.1
<i>Of which: CSC</i>	1.0	1.0	1.2	1.4	2.3	1.8	1.4	1.5
Import duty	2.5	2.6	2.5	2.3	3.1	3.1	2.8	2.8
Non-tax revenue	4.5	5.1	26.9	20.8	21.1	12.9	16.7	30.9

² Tax revenue remained stable around 23.9% of GDP during the review period.

³ A continued risk to current revenues is revenue variability related to the CBI programme.

	2014	2015	2016	2017	2018	2019	2020	2021
<i>Of which: Citizenship by Investment</i>	3.2	3.9	25.5	19.8	18.5	11.0	15.4	28.9
Capital revenue	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
Grants	3.7	2.5	1.4	7.7	2.8	1.6	12.9	4.0
Current expenditure	25.1	25.8	25.4	31.6	32.3	37.7	44.2	36.4
Goods and services	8.0	7.3	7.8	9.3	11.5	16.1	21.8	15.5
Interest payments	1.9	1.7	1.7	1.8	2.2	2.1	2.6	2.1
Domestic interest payments	0.8	0.5	0.5	0.6	0.9	1.1	1.3	1.6
External interest payments	1.0	1.3	1.3	1.2	1.2	1.0	1.2	0.5
Personal emoluments	10.3	11.2	9.8	13.0	10.7	9.6	11.9	11.4
Transfers and subsidies	5.0	5.6	6.0	7.5	8.0	10.0	7.9	7.3
Capital expenditure	8.7	6.6	10.8	19.8	25.6	18.4	12.7	28.3
Capital expenditure and net lending	8.7	6.5	10.7	19.7	25.6	18.3	12.6	28.3
Current account balance	1.8	1.8	24.0	12.5	15.6	1.6	-4.0	17.2
Primary balance (after grants)	-1.3	-0.5	16.4	2.3	-5.0	-13.0	-1.0	-4.9
Overall balance (after grants)	-3.2	-2.2	14.7	0.5	-7.1	-15.1	-3.6	-7.0
Total financing	3.2	2.2	-14.7	-0.5	7.1	15.1	3.6	7.0
Domestic financing	1.3	-1.9	-10.7	0.4	9.5	12.0	-3.6	-0.7
Commercial banks	1.0	-7.2	-14.8	0.7	19.8	8.0	0.6	4.1
ECCB	-0.6	-0.4	-1.1	-2.3	-1.5	1.8	-0.9	2.0
Other	0.9	5.7	5.2	2.0	-8.8	2.2	-3.3	-6.8
External financing	2.3	3.7	-3.5	-0.8	-2.4	-0.2	7.8	6.1
Arrears	-0.4	0.5	-0.5	0.0	0.0	3.3	-0.7	1.6
Domestic arrears	-0.4	0.5	-0.5	0.0	0.0	3.3	-0.7	1.6
External arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Eastern Caribbean Central Bank (ECCB).

1.9. Regarding current expenditure, there was an increase in their level since 2017 when expenditures surpassed the USD 150 million threshold and, subsequently, USD 200 million in 2019. The reconstruction efforts and the pandemic crisis generated a need for additional expenditures for goods and services. Besides 2017, authorities managed to keep personal emoluments below USD 60 million during the review period, which also contributed to the positive results in the current account balance.

1.10. Indeed, the economic consequences of the COVID-19 pandemic increased the pressure on the authorities to provide rapid policy responses to enterprises and citizens in need. Box 1.1 summarizes policy responses adopted by the authorities that included extended delays in tax filings, waiving of penalties, tax reductions conditional on keeping employment at a certain level, customs duties relief on supplies, increased expenditure in health, and other income support measures. According to the IMF, the authorities tapped into its Rapid Credit Facility in 2020, to deal with the effects of the COVID-19 pandemic, using up to 89.4% of the country quota of borrowing under emergency programmes.⁴

Box 1.1 Key (fiscal) policy responses to the COVID-19 pandemic

Policy responses (fiscal)	Financial assistance (debt relief)
<ul style="list-style-type: none"> • Extension of the deadline for filing of personal and corporate income tax returns; • Extension of three months for payment of corporate income tax; • Waiving penalties for businesses that enter into payment plans within six months of the new payment deadline; 	IMF Rapid Credit Facility USD 14 million (SDR 10.28 million) (28 April 2020) to cover its balance of payment needs stemming from the outbreak of the COVID-19 pandemic (89.4% of quota).

⁴ IMF, *Policy Response to COVID-19*. Viewed at: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#E>.

- | | |
|--|--|
| <ul style="list-style-type: none"> • Reduction in the corporate income tax rate (from 25% to 17%) to companies that commit to continue to employ at least 80% of their staffing as of 1 January 2020, for a period of 12 months; • Reduction to zero percent in the import duty and VAT charged on disinfectants, cleaning supplies, protective gear, and face masks; • Increased budgetary funding to the Ministries of Health and Agriculture; • Cash grants to approximately 2,500 individual crop farmers, based on the size of the farmer's holding; • Implementation of multiple infrastructure projects; • Pay to small contractors and merchants with amounts owed by the Government of XCD 100,000 and less; and • Income support for heads of families and single persons who are currently unemployed, extended through June 2021. | <p>Support for essential health-related expenditures and income support.</p> |
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Source: IMF, *Policy Response to COVID-19*. Viewed at: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#E>.

1.11. Over the review period, Dominica had a cumulated capital expenditure of USD 722 million, which represents 130% of Dominica's GDP in 2021. Dominica also received cumulated grants for nearly USD 200 million during the same period; grants were particularly high in 2017 and 2020 with the aim of countering the negative impacts of Hurricane Maria and the COVID-19 pandemic. Taking into consideration grants and capital expenditure, the primary and overall balances often showed a deficit.

1.12. Financing needs were covered using different sources. While reimbursements to commercial banks were done until 2016, these domestic agents became again a large source of funding in 2018-21. Financing through external donors also increased in last two years. Up to 2019, arrears remained largely unchanged, but they have increased since then. In 2019, there was an increase of USD 20.2 million in domestic arrears; in 2021, they increased by USD 8.8 million. According to the IMF, public debt has peaked at an estimated rate of 106% of GDP in 2020, well above previous regional target set at 60%.⁵ Under the Fiscal Responsibility Act 2021, authorities expect to support the reduction of public debt and to achieve the regional debt target.

1.13. Regarding its financial sector, Dominica has some long-standing vulnerabilities such as high non-performing loans and capital adequacy gaps. According to the IMF, risks to financial stability remain prominent in the non-banking sector, particularly in large, undercapitalized credit unions.⁶

1.1.3 Balance of payments, monetary and exchange rate policy

1.14. As a member of the ECCU, Dominica's monetary policy is managed by the Eastern Caribbean Central Bank (ECCB). The ECCB keeps the EC dollar pegged to the US dollar at a rate of XCD 2.70 per USD. Changes in the real effective exchange rate for the regional currency are largely related to changes in the value of the USD *vis-à-vis* other major currencies.

1.15. During the review period, inflation rates fluctuated between -0.9% and 1.5%, which points out sustained price stability. At the end of 2021, the inflation rate peaked at 3.8%, reflecting the higher world energy and food prices in international markets.

1.16. Dominica's external current account significantly deteriorated during the review period. Until 2017, the annual deficit was limited to less than USD 50 million. However, the decline of the services surplus after the passage of Hurricane Maria deteriorated this position for the second half of review period. The annual deficit widened to USD 242 million in 2018 (Table 1.3) and, although it narrowed to USD 180 million in 2021, the deficit was equivalent to 30% of GDP (or higher) in the last four years. The increase in public investment also contributed to this result. The rationalization of

⁵ IMF (2022), "IMF Executive Board Concludes 2021 Article IV Consultation with Dominica", 14 February, Press Release No. 22/35. Viewed at: <https://www.imf.org/en/News/Articles/2022/02/14/pr2235-imf-executive-board-concludes-2021-article-iv-consultation-with-dominica>.

⁶ IMF (2022), "IMF Executive Board Concludes 2021 Article IV Consultation with Dominica", 14 February, Press Release No. 22/35. Viewed at: <https://www.imf.org/en/News/Articles/2022/02/14/pr2235-imf-executive-board-concludes-2021-article-iv-consultation-with-dominica>.

government expenditure and the recovery of tourism exports are expected to gradually reduce the current account deficit.

Table 1.3 Balance of payments, 2014-21

(USD million)

	2014	2015	2016	2017	2018	2019 ^a	2020 ^a	2021 ^b
1. Current account	-28.2	-25.2	-44.2	-46.2	-242.2	-210.1	-147.5	-178.8
1.A Goods and services	-58.3	-58.3	-59.8	-102.4	-263.6	-203.4	-183.9	-196.8
1.A.a Goods	-164.1	-160.5	-162.6	-161.3	-272.9	-259.8	-172.2	-184.7
Exports	38.5	34.9	25.4	13.0	11.6	21.2	15.5	18.5
Imports	202.6	195.4	188.0	174.3	284.5	280.9	187.6	203.2
1.A.b Services	105.8	102.2	102.8	58.9	9.3	56.4	-11.7	-12.1
Exports	241.6	233.3	244.2	204.5	145.0	190.0	79.3	86.4
Imports	135.8	131.1	141.4	145.7	135.7	133.6	91.1	98.6
1.B Primary income	-16.6	-18.9	-21.1	1.8	0.8	-9.5	6.9	1.6
1.B.1 Compensation of employees	-10.4	-7.9	-6.6	-8.4	2.1	2.9	2.3	2.5
1.B.2 Investment income	-6.2	-10.9	-14.5	10.3	-1.3	-12.4	4.6	-0.9
1.B.2.1 Direct investment	-6.2	-9.8	-12.9	10.0	-0.6	-14.2	4.0	-1.7
1.B.2.2 Portfolio investment	4.2	3.6	1.6	4.9	1.2	1.7	1.5	1.8
1.B.2.3 Other investment	-4.1	-4.7	-3.2	-4.6	-1.9	0.1	-0.9	-1.0
1.B.3 Other primary income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.C Secondary income	46.8	52.0	36.7	54.3	20.6	2.7	29.5	16.4
1.C.1 General government	12.5	16.5	10.3	27.5	2.2	-4.0	-3.3	-3.5
1.C.2 Financial corporations, nonfinancial corporations, households, and NPISHs	34.9	35.8	26.7	27.1	18.7	6.9	32.9	20.1
1.C.3 Adjustment for change in pension entitlements	-0.6	-0.3	-0.3	-0.3	-0.3	-0.2	-0.1	-0.1
2. Capital account	40.0	55.2	147.0	366.4	147.2	59.3	102.0	109.7
2.2 Capital transfers	40.0	55.2	147.0	366.4	147.2	59.3	102.0	109.7
2.2.1 General government	39.3	55.0	146.8	135.9	129.4	53.3	101.7	109.4
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	0.7	0.2	0.2	230.5	17.8	6.0	0.3	0.3
Net lending (+) / net borrowing (-) (balance from current and capital account)	11.8	30.0	102.8	320.1	-95.0	-150.8	-45.5	-69.1
3. Financial account	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net lending (+) / net borrowing (-) (balance from financial account)	14.1	27.7	98.1	291.7	-128.2	-227.8	-22.1	-87.7
3.1 Direct investment	-14.1	-18.7	-41.4	-23.7	-78.2	-63.0	-22.4	-44.0
3.2 Portfolio investment	27.6	-29.5	-12.7	5.8	2.1	5.7	2.4	2.9
3.3 Financial derivatives (other than reserves) and employee stock options	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.4 Other investment	-13.9	49.7	56.4	319.4	-31.2	-134.3	-12.8	-61.5
3.4.2 Currency and deposits	-0.4	50.9	20.6	111.5	82.8	-83.7	34.0	-13.3
3.4.3 Loans	-16.4	-5.7	38.4	25.9	7.8	3.7	-49.4	-41.0
3.4.4 Insurance, pension, and standardized guarantee schemes	0.2	4.3	1.0	178.6	-123.7	-53.7	-0.6	-0.1
3.4.5 Trade credit and advances	0.1	-0.8	0.3	-0.5	-0.4	-0.2	-0.1	-0.1
3.4.6 Other accounts receivable/payable	2.6	0.9	-4.0	3.9	2.3	-0.4	3.3	8.5
3.4.7 Special drawing rights (Net incurrence of liabilities)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.4
3.5 Reserve assets	14.5	26.2	95.7	-9.7	-20.9	-36.2	10.6	14.8
3.5.2 Special drawing rights	-0.1	0.7	0.2	0.3	0.8	-1.6	-0.3	15.2
3.5.3 Reserve position in the IMF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.5.4 Other reserve assets	14.6	25.5	95.5	-10.0	-21.7	-34.6	10.9	-0.4
Net errors and omissions	2.3	-2.4	-4.7	-28.4	-33.2	-76.9	23.4	-18.7

	2014	2015	2016	2017	2018	2019 ^a	2020 ^a	2021 ^b
<i>Memorandum:</i>								
Current account as a share of GDP (%)	-5.4	-4.7	-7.7	-8.9	-43.7	-34.4	-29.3	-32.8

a Preliminary data.

b Estimates.

Source: Eastern Caribbean Central Bank (ECCB).

1.2 Trends and patterns in merchandise and services trade

1.17. Dominica carried a negative trade balance during the review period and this deficit has more than doubled between 2014 and 2021. Until 2016, the deficit amounted to about USD 100 million, it rapidly increased to approximately USD 300 million in 2018 and 2019, and it stabilized around USD 200 million in last two years. This performance is closely related to the different shocks affecting Dominica's economy during the review period. The need for reconstruction after the passage of Hurricane Maria in 2017 implied a surge in imports of goods that increased by more than 50% on a year-to-year basis. Merchandise imports only reverted to their previous level in 2020 when the rise of the COVID-19 pandemic implied a contraction of almost 50% of trade in services. As a consequence of these major shifts, the share of merchandise in Dominica's overall trade passed from 39% in 2014-17 to 55% in 2018-21.

1.18. Regarding merchandise trade, imports are the main determinant flow as they concern more than 90% of the value of exchanged goods. Besides 2017 and 2018, imports remained relatively stable during the review period and, on average, they were valued at USD 220 million (Table A1.1). Their structure also remained largely unchanged. Accounting for nearly 20% of imports, mineral fuels are the main imported SITC product category, followed closely by machinery and transport equipment, manufactured goods, and food and live animals. During the review period, manufactured goods and chemical products increased their import shares by 4.0% and by 3.7%, respectively, while the import shares of food and live animals, machinery and transport equipment, and miscellaneous manufacturing decreased by 2.5%, 1.9%, and 1.9%, respectively (Chart 1.1).

1.19. Merchandise exports decreased from USD 34 million in 2014 to USD 17 million in 2021. Excluding re-exports for these totals depicts a more worrying pattern for Dominica's domestic exports as the decrease in overall merchandise exports is mostly related to a decrease in domestic exports (Table A1.1). This underperformance is mainly due to the cessation of activities by Dominica Coconut Products (DCP) Colgate Palmolive, a soap producer, in 2015. With an export value of USD 8.5 million in 2021, food and live animals account for almost half of Dominica's exports. This is a significant recovery for the sector after recording a low of USD 3.6 million in 2018.

Chart 1.1 Merchandise trade by main SITC sections, 2014 and 2021



Source: WTO Secretariat calculations, based on ECCB statistics.

1.20. Dominica's trade in services was in surplus from 2014 to 2019, before turning into a deficit (Table 1.4). The surplus was above USD 100 million in 2014-16, which contributed to the overall trade surplus. The surplus in services trade started to decline in 2017 after the passage of Hurricane Maria, when exports of services slowed substantially, reflecting a temporary contraction of travel exports. Dominica's exports of travel services, which is the main services sector on the export side, were recovering from the natural disaster when the COVID-19 pandemic hit the sector internationally. As a mirror effect to exports of travel services, the services trade balance showed a deficit in last two years. Exports of other business sectors showed a very positive development; their

export value has almost increased sixfold during the review period, totalling USD 47.3 million in 2021.

Table 1.4 Trade in services, 2014-21

(USD million)

	2014	2015	2016	2017	2018	2019 ^a	2020 ^a	2021 ^b
Services trade balance	105.8	102.2	102.8	58.9	9.3	56.4	-11.7	-12.1
Exports of services	241.6	233.3	244.2	204.5	145.0	190.0	79.3	86.4
Maintenance and repair services, n.i.e.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transportation	1.0	0.7	0.8	0.8	1.5	1.7	0.8	0.8
Travel	215.7	201.8	197.5	160.9	88.4	135.3	30.0	19.0
Construction services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance services	2.9	2.6	3.5	3.0	3.4	3.4	4.5	4.5
Auxiliary insurance services	2.8	2.6	3.2	2.6	3.0	3.4	4.5	4.5
Financial services	1.4	1.1	0.5	1.6	2.3	1.0	0.5	0.5
Charges for use of intellectual property	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Telecommunications, computer and information services (Combined)	11.3	11.4	11.9	11.7	11.4	11.5	10.9	11.1
Other business services	8.4	14.7	28.0	24.6	34.9	35.4	29.8	47.3
Personal, cultural, and recreational services	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0
Government services, n.i.e.	0.0	0.0	1.1	1.0	2.0	0.6	2.0	2.2
Imports of services	135.8	131.1	141.4	145.7	135.7	133.6	91.1	98.6
Maintenance and repair services, n.i.e.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transportation	35.6	34.1	31.4	28.7	39.3	42.9	23.8	24.9
Sea transport	24.2	23.6	22.6	21.4	32.4	34.3	21.7	23.5
Passenger	1.2	1.3	1.2	1.6	2.1	2.4	0.4	0.4
Freight	23.0	22.2	21.4	19.8	30.2	31.9	21.3	23.1
Air transport	11.4	10.4	8.8	7.3	6.9	8.6	2.1	1.3
Passenger	11.3	10.4	8.7	7.2	6.9	8.6	2.1	1.3
Travel	26.2	22.2	23.4	19.5	20.4	20.2	6.2	6.7
Construction services	2.1	2.3	1.6	4.2	5.6	4.6	3.7	4.4
Construction in the compiling economy	2.1	2.3	1.6	4.2	5.6	4.6	3.7	4.4
Insurance services	11.7	11.5	9.1	15.0	15.6	17.5	15.1	15.7
Direct insurance	10.3	10.3	7.6	13.5	13.5	15.6	13.8	14.3
Financial services	5.1	5.1	4.4	4.4	4.9	4.3	4.3	4.6
Charges for use of intellectual property	0.6	0.7	0.7	0.7	1.1	1.1	1.0	1.1
Telecommunications, computer and information services (Combined)	5.3	5.5	6.2	6.1	4.3	4.0	3.7	4.0
Other business services	48.5	49.6	62.7	65.8	43.9	38.2	32.6	36.5
Personal, cultural, and recreational services	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Government services, n.i.e.	0.6	0.3	0.3	0.3	0.2	0.0	0.0	0.0

a Preliminary data.

b Estimates.

Source: Eastern Caribbean Central Bank (ECCB).

1.21. Services imports remained almost unaffected by the consequences of natural disasters on the island until 2019 and reached a peak in 2017 of USD 145.7 million. In 2020, imports of services shrank by almost a third in 2020 compared to 2019 after the emergence of the COVID-19 pandemic.

Imports of services decreased to USD 98.6 million in 2021. Other business, transportation⁷, insurance, and travel services are the main importing sectors. Out of them, travel services and transportation are those behind a decrease of USD 30 million in services' imports observed in 2021.

1.22. At the time of the preparation of this Review, there were no data available regarding the investment flows to and from Dominica.

⁷ Sea transportation is essentially used for freight, while air transportation for passengers.

2 TRADE AND INVESTMENT REGIMES

2.1 General framework

2.1. The Commonwealth of Dominica (Dominica) became an independent nation on 3 November 1978. Established by Chapter III of the Constitution of Dominica, the House of Assembly (the House) is a unicameral parliament and constitutes the legislative branch in Dominica. Currently, it has 32 members comprising 1 elected representative from each of the 21 constituencies and 9 Senators (5 appointed on the advice of the Prime Minister, and 4 on the advice of the leader of the opposition). Additionally, the Attorney General as an *ex officio* member and the Speaker⁸ of the House are also members of the House. The most recent legislative elections in Dominica took place on 6 December 2019, 8 of the 21 elected members of the House are women, and the term of office is 5 years for all members.

2.2. The Prime Minister and its Cabinet of Ministers exercise the executive authority in Dominica. An elected member of the House who seems to benefit from the support of the majority of the House members is appointed as Prime Minister by the President. The Prime Minister determines the scope of ministerial responsibilities and Ministers of the Cabinet are appointed by the President on the advice of the Prime Minister from either elected or appointed members of the House.⁹ The Prime Minister and Cabinet have exclusive authority for signing and concluding treaties and international agreements. The incumbent Prime Minister took the oath on 8 August 2004.

2.3. Whenever required, the Prime Minister and the parliamentary leader of the opposition appoint the President. In case a consensus is not reached, members of the House elect the President by simple majority of a secret ballot. The presidential term is five years and can be renewed once. The current President took office in October 2013.

2.4. Dominica's legal system is based on English common law and the administration of justice is vested in an independent judicial branch. The courts of first instance are the Magistrate's courts, which deal with minor civil and criminal cases, and the second instance is the Court of Summary Jurisdiction. The High Court handles cases related to constitutional matters and administrative law cases. Appeals are handled, in the first instance, by the Eastern Caribbean Court of Appeal and following an amendment to the Constitution¹⁰, the Caribbean Court of Justice (CCJ) has acted as the final court of appeal for Dominica since 27 February 2015. By adopting this change, Dominica became the fourth Caribbean country adopting the CCJ as the final appellate court for municipal appeals. Besides these duties, the CCJ also has an exclusive jurisdiction in interpreting provisions of the Revised Treaty of Chaguaramas.

2.5. Regarding domestic legislation, the Constitution is the supreme law in Dominica and all other laws must conform to it, or are void to the extent of any inconsistencies. International agreements must be incorporated into domestic law to be invoked before domestic courts; otherwise, they have no direct effect, except if the relevant legislation expressly states it. Only lawmakers, namely members of the House and appointed Ministers, have the right to introduce bills to the House, which are reviewed in several steps: presented and published in a first reading, debated in a second reading, examined and amended by a committee, presented by the Speaker of the House, and accepted or rejected in a third reading. As stated in Section 49 of the Constitution, bills become law only after receiving the assent of the President and after publication in the official Government Gazette. This procedure applies to all laws.¹¹ Statutory Rules and Orders (SROs) are issued by Ministers and relevant agencies, affirmed by the House, and gazetted.

⁸ The Speaker of the House might be elected among the elected and appointed members of the House, in which case, the House only has 31 members.

⁹ No more than three Senators can be appointed as Ministers.

¹⁰ The Constitution of Dominica (Amendment) Act 2014, Act No. 4 of 2014, and the Constitution of Dominica (Amendment) (Commencement) Order 2015, SRO No. 4 of 2015.

¹¹ Laws in Dominica are named Acts.

2.2 Trade policy formulation and objectives

2.2.1 Main trade laws

2.6. Since its previous Review, Dominica has changed or amended some legislation affecting its trade policy environment, notably promoting the adoption of renewable energy, modernizing the banking sector, and making changes to the investment regime. The main laws related to customs, intellectual property rights, government procurement, and other trade-related aspects are listed in Table 2.1.

Table 2.1 Major trade-related laws and regulations, 2022

Description	Legislation
Foreign trade	Customs Act 2010, Act No. 20 of 2010 Customs Import and Export Tariffs Ordinance, Cap. 265 Caribbean Free Trade Association Act, Chapter 80:01 Order of the Caribbean Community 1992, Act No. 17 of 1992 Dominica Export and Import Agency Act, Chapter 82:01 Tariff and Wharfage Dues Act, Chapter 69:05 Customs Environmental Charge Imposition Order, SRO No. 45 of 1995 Supply Control (Restricted Imports and Exports) Act 2003, Act No. 14 of 2003
Quality control	Standards Act 1999, Act No. 4 of 1999 Standards Regulation 2020, SRO 7 of 2020 National Metrology Act 2009, Act No. 5 of 2009 National Metrology Act 2009, SRO 27 of 2016 Fresh Produce Export Quality Control Act 2009, Act No. 2 of 2009 Fresh Produce Export Quality Control Regulations, SRO 30 of 2012 Plant Protection and Quarantine Act, Chapter 58:40 Fruit Trade Regulation Act, Chapter 82:03 Pesticides Control Act, Chapter 40:10
Investment/business environment	Fiscal Incentives Act, Chapter 84:51 Hotels Aid Act, Chapter 85:04 Invest Dominica Authority Act 2007, Act No. 9 of 2007 Supplies Control Act, Chapter 20:01 Excise Tax Act 2005, Act No. 3 of 2005 Value Added Tax Act 2005, Act No. 7 of 2005 Income Tax Act, Chapter 67:01 Mines and Minerals Act 1996, Act No. 5 of 1996 Aliens Landholding Regulation Act 1995, Act No. 17 of 1995 Aid to Development Enterprises Act, Chapter 84:52
Government procurement	Finance and Audit Act, Chapter 63:01 Procurement and Contract Administration Act 2012, Act No. 11 of 2012 Public Procurement and Disposal of Public Property Regulations, SRO No. 14 of 2022
Intellectual property rights	Copyright Act 2003, Act No. 5 of 2003 Marks, Collective Marks and Trade Names Act 1999, Act No. 12 of 1999 Trade Unions Act, Chapter 89:03 Patents Act 1999, Act No. 8 of 1999 Protection of New Plant Varieties Act 1999, Act No. 14 of 1999 Protection of Layout-Designs (Topographies) of Integrated Circuits 1999, Act No. 11 of 1999 Protection of Geographical Indications Act 1999, Act No. 13 of 1999 Industrial Designs Act 1998, Act No. 2 of 1998
Services	Electricity Supply Act 2006, Act No. 10 of 2006 Eastern Caribbean Central Banking Act, Chapter 74:01 Banking Act 2015, Act No. 4 of 2015 Banking (Licences) Regulations 2019, SRO No. 21 of 2019 Credit Reporting Act, 2020 Insurance Act 2012, Act No. 4 of 2012 Financial Intelligence Unit Act 2011, Act No. 7 of 2011 Exempt Insurance Act 1997, Act. No. 14 of 1997 Financial Services Unit Act 2008, Act No. 18 of 2008 Automatic Exchange of Financial Account Information (Common Reporting Standard) Act, Act No. 6 of 2019

Description	Legislation
	Co-operatives Societies Act 2011, Act No. 2 of 2011 Telecommunications Act 2000, Act No. 8 of 2000 Dominica Air and Sea Ports Authority Act 2006, Act No. 8 of 2006 International Maritime Act 2000, Act No. 9 of 2000 Discover Dominica Authority Act 2007, Act No. 8 of 2007 Civil Aviation Act 2005, Act No. 21 of 2005

Note: Laws and regulations listed above might have been amended after the initial enactment and those amendments are not listed here.

Source: Information provided by the authorities.

2.3 Trade policy objectives

2.7. Following the passage of Tropical Storm Erika and Hurricane Maria, Dominica adopted a National Resilience Development Strategy (NRDS) in 2018. The NRDS outlines the national roadmap to achieve higher resiliency by 2030 by considering the unique challenges faced by Dominica¹² and aims at making Dominica the first climate-resilient country in the world. In this sense, the Government promotes climate-resilient economic growth, aims to create a vibrant business climate, and encourages foreign investment while strengthening its fiscal and macroeconomic stability.

2.8. Within this general framework, recently Dominica adopted a new National Trade Policy (NTP)¹³ for the period 2022-35, which deploys the vision, mission, goals, and objectives related to trade for the country. Dominica aims at exporting competitively to global markets through the establishment of a market-driven, development-led, and sustainable trade sector. Trade is considered as a catalyst for socio-economic development by expanding economic growth, increasing employment and job creation, reducing poverty, and improving living standards. To achieve these results, Dominica seeks to improve its trade balance by enhancing competitiveness, broadening product diversification and geographical orientation of exports, increasing the utilization of existing trade agreements, contributing to the evolution of regional and multilateral trade governance, and providing the business environment of its domestic market (competition, consumer satisfaction, and ease of doing business).

2.9. Dominica recognizes that trade agreements at the regional and multilateral levels are important tools of trade policy to achieve development goals through increased market access and development cooperation. In that sense, Dominica considers the implementation of the WTO Agreement on Trade Facilitation (TFA) as a priority and sees the modernization of its trade policy and regulatory framework in all domains. The establishment of an effective competition framework at the regional level is acknowledged as a concrete possibility to enhance the domestic trading environment. The country is committed to open trade particularly in the areas of clean energy and energy-efficient technologies, and it endeavours to collaborate with OECS and Caribbean Community (CARICOM) partners in this regard.

2.10. Through cooperation with other OECS-WTO Members, Dominica seeks to overcome constraints in financial and human resources for its participation to trade policy formulation and implementation at the multilateral level. Dominica ratified the TFA and accepted the 2005 protocol amending the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) during the review period. The country continues its efforts to deepen trade integration at the regional level, with other OECS and CARICOM countries. The recently adopted NTP highlights that Dominica aims at demonstrating predictability through compliance to its binding commitments and transparency through the notifications under the various agreements.

2.11. The Ministry of Trade, Commerce, Entrepreneurship, Innovation, Business and Export Development is in charge of trade policy in coordination with other Ministries and agencies relevant for specific trade-related topics and issues (Table 2.2). The Customs and Excise Division of the Ministry of Finance and Investment is responsible for tariff issues and the Ministry of Planning,

¹² The country also prepared a Dominica Climate Resilience and Recovery Plan (CRRP) 2020-2030, which serves as an accompanying document to the NRDS.

¹³ The development of the NTP benefited from the participation of the private sector, which is also part of the National Trade Facilitation Committee.

Economic Development, Climate Resilience, Sustainable Development, and Renewable Energy plays an important role in the NRDS 2030.

Table 2.2 Ministries and agencies dealing with trade

Government ministry/agency	Area of responsibility
Ministry of Trade, Commerce, Entrepreneurship, Innovation, Business and Export Development	All trade issues, WTO coordination, OECS, CARICOM affairs, and price controls
Ministry of Finance and Investment	Regulation of the financial sector, fiscal policy and incentives, debt management, trade facilitation, tariffs and other customs duties, import controls, and customs valuation
Ministry of Planning, Economic Development, Climate Resilience, Sustainable Development and Renewable Energy	Economic planning and monitoring, policy formulation and implementation for the telecommunications sector
Ministry of Tourism, International Transport and Maritime Initiatives	Policy formulation and implementation for tourism and transport services
Customs and Excise Division	Trade facilitation, and implementation of border taxes and measures
Bureau of Standards	Promotion, development and adoption of standards
Ministry of Health, Wellness, and New Health Investment	Food safety issues
Ministry of Blue and Green Economy, Agriculture and National Food Security	Agricultural policy formulation and implementation and research; implementation of the SPS Agreement

Source: Information provided by the authorities.

2.4 Trade agreements and arrangements

2.4.1 WTO

2.12. Dominica is a founding Member of the WTO. The country applies MFN treatment to all its trading partners. On trade in services, Dominica undertook commitments on tourism, recreational, telecommunications, and financial services (Section 4.4).

2.13. In 2016, Dominica ratified the TFA and communicated the definitive dates for the implementation of all its commitments, spanning until 2022. Dominica has requested assistance and support for capacity-building for nine measures.

2.14. During the period under review, Dominica made notifications to the WTO, covering, *inter alia*, the regional trade agreement between CARIFORUM and the United Kingdom, its commitments under the TFA, some technical regulations, and its fiscal incentives programme. There was no notification in other areas, such as agriculture, and sanitary and phytosanitary measures.

2.15. Dominica was not involved as a complainant or a defendant in any case before the Dispute Settlement Body during the review period.

2.4.2 Regional and preferential agreements

2.16. Dominica is a founding member of CARICOM and the OECS (Common Report). Within the OECS, member States cooperate on trade policy formulation and negotiations, and other areas, such as agriculture, telecommunications, competition policy, international relations, and resilience to natural disasters. Dominica ratified the revised Treaty of Basseterre establishing the OECS Economic Union in 2010, and the free circulation of people within the seven OECS Protocol Member States is now possible. Functional cooperation in several domains is seen as a major success within CARICOM¹⁴, nonetheless initiatives for deeper integration such as the CARICOM Single Market and Economy (CSME) have not yet been fully deployed. Moreover, Dominica is able to rationalize its human and technical resources, to benefit from greater political influence in a number of fora, and to ensure a consistent participation in a range of international negotiations through its participation in these regional trade arrangements.

¹⁴ CARICOM Today (2021), "CARICOM's Integration Journey: Not All Gloom and Doom", 4 July. Viewed at: <https://today.caricom.org/2021/07/04/caricoms-integration-journey-not-all-gloom-and-doom/>.

2.17. Jointly with other CARICOM members and the Dominican Republic, Dominica enjoys preferential access to the EU market under the CARIFORUM-EC Economic Partnership Agreement (EPA) signed in 2008 (Common Report). Dominica ratified the EPA in November 2009 and the agreement has been provisionally implemented since December 2008. Slightly more than half of Dominica's tariff lines have a phase-out period ending in 2018, although Dominica reports some delays in the implementation of its commitments for 2013 and 2018.¹⁵ By 2033, 12.5% of tariff lines are expected to remain subject to a tariff duty. Dominica took commitments in 10 services sectors, which implies an extension of sector coverage with respect to its General Agreement on Trade and Services (GATS) commitments.¹⁶

2.18. The United Kingdom–CARIFORUM States agreement was signed on 22 March 2019 and notified to the WTO on 31 December 2020. Covering goods and services, the agreement entered into force on 1 January 2021 in Dominica, although not in all signatory countries (Common Report). The provisions of the agreement and the negotiated schedule closely follow commitments of the already existing EU-CARIFORUM States agreement. In 2019, main products exported by Dominica under this agreement are dasheen, essential oils, scraps of copper, and medical appliances amounting to USD 1.5 million.

2.19. Canada provides duty-free access to Dominica's exports through CARIBCAN, mainly for processed foods and fresh vegetables, and the waiver to this preferential treatment applied by Canada has been extended until 31 December 2023.¹⁷ Dominica's exports to Canada amount to nearly USD 250,000 and 82% of these exports are not subject to custom duties.¹⁸ Some of Dominica's exports also benefit from preferences granted under the Caribbean Basin Initiative; however, the utilization of this preferential framework seems marginal, and exports accounted for less than USD 30,000 in 2019.¹⁹

2.20. Products from Dominica are eligible for the Generalized System of Preferences (GSP) schemes of Armenia, Australia, Japan, Kazakhstan, the Kyrgyz Republic, New Zealand, Norway, the Russian Federation, Switzerland, and the United States. The GSP schemes of Armenia, Kazakhstan, the Kyrgyz Republic, and the Russian Federation were initiated on 10 October 2016.²⁰ The range of eligible products varies according to each country's scheme. Dominica is no longer eligible for GSP schemes offered by Canada and the European Union.

2.5 Investment regime

2.21. Foreign investment policy is under the responsibility of the Ministry of Finance and Investment and the Invest Dominica Authority (IDA). The Government aims at attracting foreign investors by offering various incentive schemes. During the review period, changes to the Dominica's investment regime mainly consisted of an update to the programme granting citizenship to foreign investors and the alignment of incentives' schemes to WTO commitments. The Government welcomes investment in any sector of the economy, and the IDA acts as one-stop shop for all investors. IDA's National Investment Promotion Strategy 2021 identifies four targeted sectors for promotion: tourism; organic agriculture, aquaculture, and sustainable fishing; knowledge services; and renewable energy.²¹

2.22. Besides the restriction on land acquisition for individuals and companies not from an OECS country, foreign investments in Dominica are not subject to any other restriction. The Aliens Landholding Regulation Act 1995²² requires foreign investors and companies to obtain a landholding

¹⁵ European Commission (2021) *Ex-post Evaluation of the EPA between the EU and its Member States and the CARIFORUM Member States*, Final Report, Executive Summary.

¹⁶ A partial implementation of services' commitments was also reported in the *ex-post* evaluation published by the European Commission in 2021.

¹⁷ WTO document WT/L/958, 30 July 2015.

¹⁸ WTO document WT/L/1112, 13 July 2021.

¹⁹ WTO document WT/L/1096, 21 September 2020.

²⁰ The Russian Federation updated its GSP scheme in 2016; its previous scheme ran between 1 January 2010 and 10 October 2016. WTO, *Preferential Trade Arrangements*. Viewed at: <http://ptadb.wto.org/Country.aspx?code=212>.

²¹ There are no established criteria or methodology for the identification of targeted sectors.

²² During the review period, the Aliens Landholding Regulation Act 1995, Act No. 17 of 1995, was amended by the Aliens Landholding Regulation (Amendment) Act 2015, Act No. 17 of 2015 and the Aliens Landholding Regulation (Amendment) Act 2018, Act No. 7 of 2018. Note that land registration is considered as

licence for residential purposes (of one acre or more)²³ or commercial purposes (three acres and more). For all land acquisitions including those not subject to a licence, aliens must pay a fee equivalent to 10% of the market value of the land to the Government. However, recent amendments to the Aliens Landholding Regulation Act replaced the 10% fee by a fixed fee of XCD 6,000 to be paid for land purchases below three acres related to approved real estate development projects. Foreign investors are subject to bona fide checks and verification by the IDA of the validity of their project funding.

2.23. No limitation or cap on foreign participation applies and foreign investors are allowed to repatriate dividends to the extent of the foreign participation in the company, although some sectors request to establish prudential reserves. A 25% tax rate on profits applies; however, exemptions and tax holidays up to 20 years might be granted under the Fiscal Incentives Act, and the Income Tax Act for development of all accommodation.

2.24. The Fiscal Incentives Act, Chapter 84:51, and the Hotels Aid Act, Chapter 85:04, provide the regulatory framework for investment incentives. In January 2019, the Fiscal Incentives Act was amended²⁴ to remove any element of export subsidy and to ensure that this regulation is in line with commitments in the SCM Agreement. There is currently no beneficiary to the Fiscal Incentives Act after the cessation of activities of the single beneficiary, Colgate Palmolive, in August 2015. A tax holiday of up to 15 years might be granted under this Act. Qualifying companies for incentives are those operating in sectors listed in Section 2 of the Act, e.g. manufacturing, industry, retail services, real estate activities, call centres, medical services, and tourism.

2.25. As regards the Income Tax Act, Chapter 67:01, the tax holiday might last for up to 20 years for approved hotel and resort developments. Moreover, the Income Tax Act, Chapter 67:01, provides for exemptions from the payment of withholding taxes for projects while the Value Added Tax Act 2005 provides for activities and services exempt from VAT.

2.26. Following the passage of Hurricane Maria, the Citizenship by Investment (CBI) programme has gained importance as a source of government revenue (38.3% in 2020 instead of 16.6% in 2013) after a peak at 45.3% between 2016-18. The Programme, which provides foreign investors with the possibility to acquire citizenship through a donation to the Government or the acquisition of real estate in CBI-approved projects, was revamped in 2014.²⁵ Currently, applicants obtaining the citizenship through a donation to the Government will disburse at least USD 100,000 and the specific amount of donation varies according to the number of dependent adults and children included in the application. As for applicants purchasing real estate in the CBI-approved projects²⁶, they must purchase a property of a minimum value of USD 200,000 and are subject to approval fees on their applications, which start at USD 25,000 and vary according to the family configuration.²⁷ The authorities indicate that government revenues under this programme during the review period totalled XCD 2,009.0 million (USD 744.1 million).

2.27. The bilateral investment treaties with Germany and the United Kingdom remain in force. The United Kingdom-CARIFORUM agreement and the Trade and Investment Framework Agreement between the United States and CARICOM, signed in May 2013, also contain investment provisions relevant for investors from signatory countries.²⁸ To avoid double taxation of income earned in Dominica, a tax treaty with CARICOM countries is in place. Dominica has signed agreements on

the less performing area by the World Bank's Doing Business Indicators 2020, which ranks Dominica in 179th position among 190 economies. Viewed at:

<https://www.doingbusiness.org/content/dam/doingBusiness/country/d/dominica/DMA.pdf>.

²³ Since 2015, Dominica applies an annual residential levy tax of XCD 2,000 on villas constructed within an approved villa development project following the Residential Levy Act 2015, Act No. 15 of 2015.

²⁴ Fiscal Incentives (Amendment) Act 2019, Act No. 3 of 2019.

²⁵ Commonwealth of Dominica Citizenship by Investment Regulations 2014, SRO No. 37 of 2014 as amended by Commonwealth of Dominica Citizenship by Investment (Amendment) Regulations 2016, SRO No. 38 of 2016, Commonwealth of Dominica Citizenship by Investment Regulations 2017, SRO No. 23 of 2017, Commonwealth of Dominica Citizenship by Investment Regulations 2018, SRO No. 42 of 2018, and Commonwealth of Dominica Citizenship by Investment Regulations 2020, SRO No. 33 of 2020.

²⁶ Properties under the CBI programme must be kept for at least three years and cannot be used for another CBI application in the next five years.

²⁷ Other related fees under both schemes include an application fee and a review fee.

²⁸ UNCTAD Investment Policy Hub. Viewed at: <https://investmentpolicy.unctad.org/international-investment-agreements/countries/59/dominica>.

tax-related exchange of information with Australia, Belgium, Canada, Denmark, Faroe Islands, Finland, France, Germany, Greenland, Iceland, Ireland, Netherland, Norway, New Zealand, Poland, Portugal, Sweden, South Africa, the United Kingdom, and the United States.²⁹ In 2018, Dominica started implementing an agreement with the United States on Foreign Account Tax Compliance.³⁰ On 25 April 2019, the Government signed the Convention on Mutual Administrative Assistance in Tax Matters whose text was incorporated in Dominica's legislation.³¹

²⁹ The recent amendments to the Tax Information Exchange Act (Chap. 67:02) of 1988 include the Tax Information Exchange (Amendment) Order 2015, SRO of 2015; the Tax Information Exchange (Amendment) Act 2015, Act No. 6 of 2015; and the Tax Information Exchange (Amendment) Act 2018, Act No. 17 of 2018. The 2015 Act included extended the application of the Act to electronic records, and prescribes the production of information, notifications, enforcement, and protection of persons disclosing confidential information.

³⁰ Foreign Account Tax Compliance (United States of America) Act 2018, Act No. 14 of 2018.

³¹ Automatic Exchange of Financial Account Information (Common Reporting Standard) Act 2019, Act No. 6 of 2019 as amended by Automatic Exchange of Financial Account Information (Common Reporting Standard) (Amendment) Act 2021, Act No. 5 of 2021.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures directly affecting imports

3.1.1 Customs procedures, valuation, and requirements

3.1. Import procedures continue to be regulated by the Customs Act 2010.³² Twelve years after the issuance of the Customs Act, the implementing regulations have not yet been enacted and, therefore, the authorities indicate that they plan to implement the Customs Act 2010 using implementing regulations approved for the previous regime. Besides the requirement to obtain a VAT identification number, no other registration requirements apply to importers of commercial goods.

3.2. The declaration and clearance of commercial imports must be handled by an external customs broker or by an employee licensed and registered as a tariff clerk by Comptroller of Customs. The list of licensed brokers is published annually in the Gazette.³³

3.3. Together with other relevant documents (bill of lading and supporting invoice – not necessarily the original one), the authorized agent submits the customs declaration using the Single Administrative Document (SAD), which is completed electronically through the ASYCUDA World system. Depending on the nature of the imported good and in some specific situations, other required documents might include a certificate of origin; an FT1 101 form to obtain duty-free exemptions; an FT1 104 form to obtain duty-free exemptions for the vehicles of returning residents; an import licence or permit; a health permit; a delivery note; a packing list; an insurance certificate; a contract of sale; proof of payment; proof of exportation of goods reimported; and proof of warranty and exportation (for goods under warranty that are imported). Supporting documents must be scanned and uploaded as part of the declaration.

3.4. The Customs and Excise Division of the Ministry of Finance is responsible for the control and the management of the customs clearance of goods. After the submission of the customs declaration, products qualifying for fiscal incentives are reviewed and approved by the Fiscal Incentive Unit. Once the declaration is entered into ASYCUDA by the broker³⁴, the importer is notified of fees to be paid; these fees can be paid either online or at any authorized Customs office. Importers with a pre-payment account by Customs have their imported goods immediately moved to the next stage of the customs clearance procedure following an automatic payment. ASYCUDA automatically assigns the goods to one of the selectivity lanes. Goods assigned to the Blue/Green Lane can be released without further check. Green may subject post-entry verification (post-audit) while Blue will be checked as a post-clearance. Goods in the Yellow Lane are subject only to a documentary examination. In the Red Lane, a physical examination is executed in addition to the documentary check. When required, the inspection by the Ministry of Agriculture intervenes at this stage. The importer is notified via email when goods are ready for release, or if any further documents are required. The customs clearance procedures take, on average, 15 minutes for goods assigned to the Blue and Green Lanes.

3.5. When concerns about the declared value of an imported product arise, goods are detained until the matter is solved; however, in some circumstances (depending on the type of goods, importer's profile, etc.) the goods may be released pending completion of the investigation. The authorities indicate that the valuation methods contained in the WTO Customs Valuation Agreement (CVA) are used by customs officers in Dominica.³⁵ Schedule II of the Customs Act 2010 forbids the use of minimum prices for valuation purposes. However, reference prices based on international lists,

³² The Customs Act 2010 was amended twice during the review period. The amendment enacted by the Customs (Amendment) Act 2014, Act No. 9 of 2014, facilitates the release of information to the Internal Revenue Division. The amendment introduced by the Customs (Amendment) Act 2018, Act No. 11 of 2018, implements the Advance Cargo Information System as defined by Schedule 6 of the 2006 CARICOM Agreement establishing the CARICOM Implementing Agency for Crime and Security.

³³ Customs, Customs Brokers Contact List. Viewed at: <http://www.customs.gov.dm/images/documents/brokers.pdf>.

³⁴ Note that the Valuation Unit within the Customs and Excise Division may request further documentation to corroborate submitted values, such as purchase orders, sale contracts, freight invoices, royalty agreements, and price lists.

³⁵ Note that Dominica has not responded to the WTO checklist of issues on customs valuation and that the country did not invoke any special and differential treatment as contained in Article 20 of the CVA.

catalogues, or previous import values can be used. Importers have the right to request a review of valuation procedures and any difference in their favour is refunded by Customs.

3.6. Appeals may be brought to the Customs Appeal Commission by serving a notice of appeal within 30 days of the notification of a decision by the Comptroller of Customs. The Commission can request witnesses to attend hearings and to provide evidence, take evidence on oath, and receive other evidence assisting to effectively deal with the matter at stake. At appeal, the commissioners may increase, decrease, or confirm the amount of duty due. If unsatisfied by the decision of the commissioners, the importer may appeal to the High Court or the Eastern Caribbean Court of Appeal. The authorities indicate that the percentage of people appealing is minimal and those who were infringing the Customs Act tend to opt for an administrative settlement.

3.7. Dominica does not apply any regulation on pre-shipment inspection.³⁶

3.8. The Agreement on Trade Facilitation (TFA) was ratified on 28 November 2016 by Dominica. The initial notification for Category A commitments was submitted in 2015³⁷ while final commitments for all categories were notified in February 2019.³⁸ The authorities indicate that through the implementation of the Importers' Enhanced Facilitation Program on 1 January 2019 Dominica fulfilled its only commitment in Category B. The Enhanced Facilitation Program aims at expediting the release of bona fide consignments through customs controls and is expected to evolve into an Authorized Economic Operator Program. Definitive dates for the implementation of Category C commitments were notified in August 2019³⁹ and, except for test procedures and the single window, all commitments were expected to be implemented by 1 June 2021.⁴⁰ There is no legislation on procedures on disposal of rejected goods, but Customs indicated that procedures are guided by the provisions in the TFA. A procedure via email on advance rulings has been established by Customs; it takes 30 days to obtain a response, which is legally binding for a year. The authorities note that the enactment of the Advanced Passenger Information System (APIS) Act 2018⁴¹ and the amendment to the Customs Act implementing the Advance Cargo Information System (ACIS)⁴² are regional efforts for enhanced information sharing and customs cooperation. In 2020, Dominica notified information related to the publication and availability of information, formalities related to the use of customs brokers, and contact point for exchange of information and customs cooperation.⁴³

3.9. Dominica is not a member of the World Customs Organization (WCO), nor of the recently established Caribbean Customs Organization.⁴⁴ It is a member of the Caribbean Customs Law Enforcement Council (CCLEC), from which it receives technical assistance. The Small Island Economies initiative of the WCO also provided technical assistance to the country.

3.1.2 Rules of origin

3.10. Dominica does not have any non-preferential rules of origin. Preferential rules of origin are applied in line with Schedule I of the Revised Treaty of Chaguaramas Establishing the Caribbean Community (CARICOM), including the CARICOM Single Market and Economy.⁴⁵ Duty-free treatment is granted only if the goods satisfy the origin criteria, and are shipped from another member State (Common Report, Section 3.1.2). A general review of the CET and the rules of origin is currently being undertaken by the CARICOM Secretariat.

3.11. Dominica also applies the rules of origin included in the CARIFORUM-EC EPA and those in the recently signed United Kingdom-CARIFORUM States Agreement (Common Report).

³⁶ WTO document G/PSI/N/1/Add.10, 19 July 2004.

³⁷ WTO document WT/PCTF/N/DMA/1, 29 April 2015.

³⁸ WTO document G/TFA/N/DMA/1, 26 February 2019.

³⁹ WTO document G/TFA/N/DMA/1/Add.1, 23 August 2019.

⁴⁰ The definitive date for the implementation of the two remaining commitments is 31 December 2022.

The authorities indicate that an exploratory consultation and assessment for the establishment of a single window was conducted through the Climate Reform Facility.

⁴¹ Advance Passenger Information Systems Act 2018, Act 10 of 2018.

⁴² Customs (Amendment) Act 2018, Act 11 of 2018.

⁴³ WTO document G/TFA/N/DMA/2, 16 November 2020.

⁴⁴ The Treaty for the Caribbean Customs Organization was signed by 14 Caribbean countries on 22 May 2019 at Havana, Cuba.

⁴⁵ This agreement was signed by Dominica on 16 August 2002 and ratified on 8 November 2005.

3.1.3 Tariffs

3.12. Dominica grants at least MFN treatment to all of its trading partners. The CARICOM's Common External Tariff (Common Report), with exceptions included in Lists of Exceptions A and C of the CET, has been applied since February 1991 and it is levied on the basis of the cost, insurance, and freight (CIF) value. Goods in List A may be imported at rates below the CET, and goods in List C, at rates higher than the CET. Goods in List D concerns trade flows with Belize as well as trade in medicaments with other OECS members.⁴⁶ The Government still retains authority to change tariffs within the limits of the CET upon approval of a request to the COTED.

3.13. During the review period, Dominica introduced several tariff changes by the means of Statutory Rules and Orders (SROs).⁴⁷ Until 2018, all changes applied consisted of reductions of tariff rates to specific products such as aerated beverages, LED lamps, baby wipes, adult napkin liners, potato seeds, footwear, and security accessories. Changes introduced in 2019 implied a rise in tariff rates for 30 products imported from third countries and from More Developed Countries within the region. Tariff rates for the latter group have phasing-out periods ranging between 5 and 10 years.

3.14. Dominica's 2021 tariff is based on the 2017 Harmonized System. All tariff rates are *ad valorem*. The 2021 tariff comprised 6,779 tariff lines at the eight-digit level (Table 3.1).⁴⁸ The simple average tariff rate increased from 12.3% in 2013 to 12.8% in 2021 and non-agricultural products are those mainly concerned by tariff increases (+0.5%). Applied tariffs on agricultural products reduced by 0.2 percentage points during the same time.

Table 3.1 Structure of the tariff schedule in Dominica, 2013 and 2021

Description	2013	2021
Total number of tariff lines	6,359	6,779
Non- <i>ad valorem</i> tariffs (% of all tariff lines)	0.0	0.0
Non- <i>ad valorem</i> with no AVEs (% of all tariff lines)	0.0	0.0
Lines subject to tariff quotas (% of all tariff lines)	0.0	0.0
Duty-free tariff lines (% of all tariff lines)	22.4	22.6
Dutiable lines tariff average rate (%)	15.9	16.6
Simple average tariff (%)	12.3	12.8
WTO agriculture	26.9	26.7
WTO non-agriculture (including petroleum)	9.5	10.0
Domestic tariff "peaks" (% of all tariff lines) ^a	8.3	10.2
International tariff "peaks" (% of all tariff lines) ^b	27.8	29.4
Overall standard deviation	19.8	12.2
Bound tariff lines (% of all tariff lines)	92.7	91.2

a Domestic tariff peaks are defined as those exceeding three times the overall average applied rate.

b International tariff peaks are defined as those exceeding 15%.

Source: WTO Secretariat calculations, based on data provided by the authorities.

3.15. Tariff rates applied by Dominica range from 0 to 165% (Table 3.2). The highest rate applied on agricultural products are still 150% and applies to three products (frozen and not frozen orange juice, and potatoes). While tariff reductions were observed for beverages, spirits, and tobacco (-2.5%) and for oil seeds, fats, and oils (-1.5%), other categories such as sugars and confectionery (+6.4%) witnessed the most significant increase. For industrial products, the duty reductions in chemicals and photographic supplies (-1.1%) balance out the duty increases on fish and fishery products (+2.4%).

⁴⁶ The authorities indicate that a review of these lists was ongoing at the time of the preparation of this Report.

⁴⁷ The relevant regulations include SRO No. 39 of 2014, SRO No. 5 of 2014, SRO No. 30 of 2014, SRO No. 8 of 2016, SRO No. 6 of 2017, SRO No. 25 of 2018, and SRO No. 6 of 2019.

⁴⁸ Five tariff lines with no specified rate are excluded from the average calculations.

Table 3.2 Summary analysis of the MFN tariff, 2021

Description	No. of lines	Average (%)	Range (%)	Coefficient of variation (CV)	Bound rate range ^a (%)
Total	6,779	12.8	0-165	1.5	50-150
HS 01-24	1,388	28.8	0-150	1.1	100-150
HS 25-97	5,391	8.7	0-165	1.4	50-150
By WTO category					
WTO Agriculture	1,133	26.7	0-150	1.2	50-150
- Animals and products thereof	180	21.0	0-40	0.7	100-150
- Dairy products	25	6.0	0-20	1.1	100
- Fruit, vegetables and plants	333	29.3	0-150	1.0	100-150
- Coffee and tea	29	30.2	0-135	1.3	100-150
- Cereals and preparations	138	18.3	0-135	1.1	100-150
- Oil seeds, fats and oils and their products	109	15.6	0-40	1.2	100-150
- Sugars and confectionery	24	28.3	5-135	0.9	100-150
- Beverages, spirits and tobacco	125	75.4	0-150	0.7	100-150
- Cotton	6	0.0	0	n.a.	100
- Other agricultural products n.e.s.	164	8.7	0-40	1.5	50-150
WTO Non-agriculture (including petroleum)	5,646	10.0	0-165	1.4	50-100
- WTO Non-agriculture (excluding petroleum)	5,613	10.1	0-165	1.4	50-100
- - Fish and fishery products	333	29.8	0-40	0.5	100
- - Minerals and metals	1,110	7.4	0-35	1.0	50
- - Chemicals and photographic supplies	1,109	9.0	0-165	2.4	50-100
- - Wood, pulp, paper and furniture	367	9.6	0-40	0.8	50
- - Textiles	642	6.3	0-30	1.0	50
- - Clothing	285	19.3	0-20	0.2	50
- - Leather, rubber, footwear and travel goods	177	9.0	0-25	0.9	50
- - Non-electric machinery	604	3.8	0-60	1.9	50
- - Electric machinery	274	9.4	0-30	0.8	50
- - Transport equipment	234	11.0	0-40	1.1	50
- - Non-agriculture articles n.e.s.	478	13.3	0-50	0.8	50
- Petroleum	33	6.5	0-25	1.3	50
By ISIC sector^b					
Agriculture and fisheries	557	25.1	0-150	0.9	50-150
Mining	106	6.2	0-35	1.2	50
Manufacturing	6,115	11.8	0-165	1.6	50-150
By HS section					
01 Live animals & products	510	26.8	0-90	0.7	100-150
02 Vegetable products	439	23.2	0-150	1.1	100-150
03 Fats & oils	54	27.7	0-40	0.7	100-150
04 Prepared food, etc.	385	37.9	0-150	1.2	100-150
05 Minerals	192	5.9	0-25	0.9	50
06 Chemical & products	1,023	9.1	0-165	2.5	50-150
07 Plastics & rubber	260	7.3	0-25	1.0	50
08 Hides & skins	84	7.9	0-20	1.1	50-100
09 Wood & articles	156	10.8	0-20	0.6	50
10 Pulp, paper, etc.	174	6.6	0-20	1.1	50
11 Textile & articles	911	9.8	0-20	0.8	50-100
12 Footwear, headgear	59	15.9	0-20	0.4	50
13 Articles of stone	181	9.8	0-25	0.7	50
14 Precious stones, etc.	62	20.2	0-35	0.8	50
15 Base metals & products	713	6.5	0-20	0.9	50
16 Machinery	893	5.7	0-60	1.4	50
17 Transport equipment	245	10.8	0-40	1.1	50
18 Precision equipment	226	10.6	0-30	0.9	50
19 Arms and ammunition	23	30.2	0-50	0.6	50
20 Miscellaneous manufactures	181	15.2	0-40	0.5	50
21 Works of art, etc.	8	20.0	20-20	0.0	50
By stage of processing					
First stage of processing	972	19.0	0-50	1.0	50-150
Semi-processed products	1,972	5.4	0-40	1.1	50-150
Fully-processed products	3,752	12.1	0-165	0.9	50-150

n.a. Not applicable.

a Bound rates are provided in HS12 classification and applied rates in HS17; therefore, there may be a difference between the number of lines included in the calculation.

b ISIC (Rev.2) classification, excluding electricity (1 line).

Source: WTO Secretariat calculations, based on data provided by the authorities.

3.16. Duty-free treatment applies to 22.6% of tariff lines (Chart 3.1). Some 38.7% of tariff lines are subject to low tariff duties (below 5%) while much higher duties (above 25%) are applied to 11.7% of tariff lines. Duties on the remaining 27.0% of tariff lines range between 5% and 20%. Domestic peaks are observed in 10.2% of tariff lines, while 29.4% of tariff lines are subject to

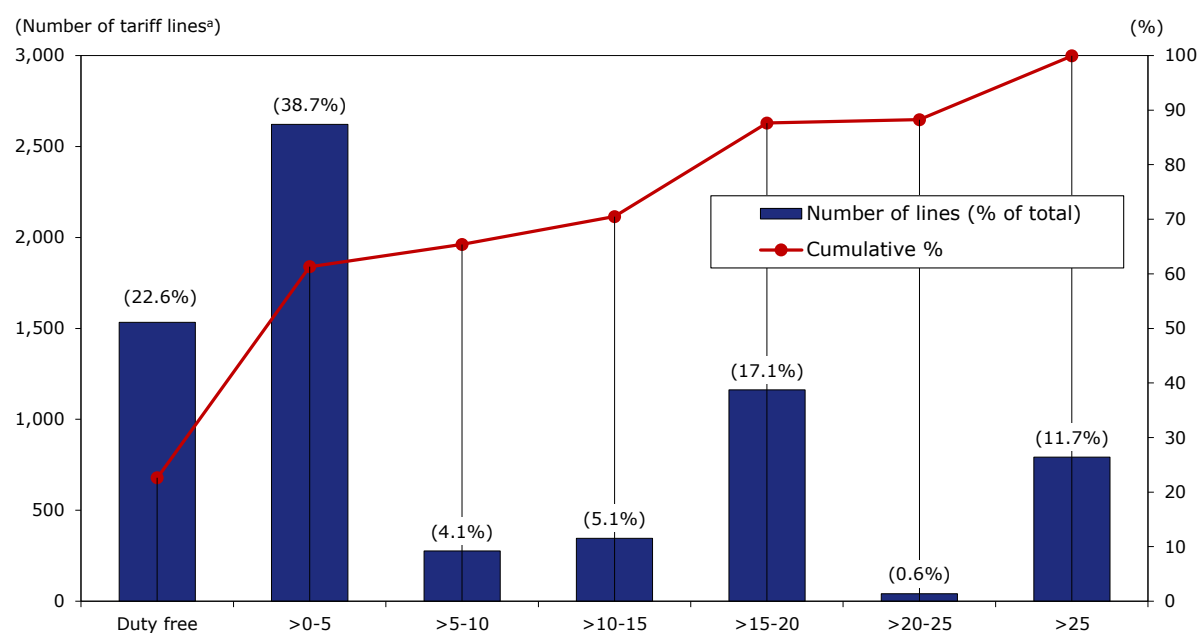
international peaks. The incidence on international and domestic peaks increased during the review period.

3.17. The share of unbound tariff lines increased during the review period (+1.5%) and currently 596 tariff lines remain unbound. The increase in unbound lines is due to nomenclature changes and to further disaggregation of some tariff lines. Imported goods are subject to (non-CET) rates between 0% and 165%, although the highest rate only applies to nine tariff lines in HS Heading 32 (enamels and other vanishes based on polyesters, acrylic or vinyl polymers, and other paints). Rates on all other unbounded products are capped at 65%.

3.18. Within the comparable tariff lines (about 94% of all tariff lines), the applied MFN duty (135%) is greater than the bound duty (100%) for one tariff line (Guava cheese, HS 17049010).

3.19. Dominica does not use tariff quotas. Seasonal tariffs are only used for white potatoes.

Chart 3.1 Frequency distribution of MFN tariff rates, 2021



a The total number of lines is 6,779. This number includes five tariff lines with no rate, excluded from the average calculations.

Source: WTO Secretariat calculations, based on data provided by the authorities.

3.1.4 Other charges affecting imports

3.20. In addition to customs duties, the Government levies a customs service charge (CSC), a VAT, an excise tax, and an environmental surcharge.

3.21. Since 2016, the CSC is applied at a rate of 4% (instead of 3% previously) on the c.i.f. value of all imports.⁴⁹ Goods imported by the Government (including those temporarily imported into the State under international conventions); by passengers as personal baggage; by charitable institutions as unconditional gifts; by the Country Assistance Programme of the CARICOM Development Fund; via courier up to a value of XCD 150; belonging to tariff heading HS 8471; diplomatic missions, international organizations, and their personnel; and petroleum products are exempted from the CSC. The CSC was temporarily relieved to allow the imports of aid, relief, and

⁴⁹ Customs Service Charge Imposition (Amendment) Order 2016, SRO No. 7 of 2016.

rehabilitation goods after natural disasters hit the island in 2015 and 2017; these exonerations only applied for small amounts of non-commercial imports for each household.⁵⁰

3.22. The VAT applies to most items at the rate of 15%. The tax base comprises the c.i.f. value of goods and all other duties and charges. Basic food products (rice, flour, sugar, milk, and infant formula); fuel; and electric buses, cars, and motorbikes under tariff subheadings 8702.40, 8703.80, and 8711.60⁵¹ are zero-rated. New enterprises benefiting from incentives under the Fiscal Incentives Act and the Hotels Aid Act may obtain a VAT exemption on initial capital goods. There is not an approved list of the capital goods eligible for exemption, and they are specific to each approved project. Since 2015, capital goods imported for extensions to existing resorts, and relief or rehabilitation imports within six months of the occurrence of a natural disaster are eligible for a VAT exemption.⁵² Other exemptions include some approved goods imported by churches; vehicles purchased by diplomats; bona fide unsolicited goods not exceeding XCD 75 in value; goods imported by Dominicans returning home for permanent residence; and goods imported by diplomatic missions and international organizations.⁵³ In response to the COVID-19 pandemic, the interest due on tax and penalties for periods before 2019 was waived in case of full payment of due taxes until 31 January 2021.⁵⁴ Between May and November 2020, a VAT exemption on personal protective material was also applied.⁵⁵ In 2021, fertilized eggs for incubation, and machinery and equipment for the construction of the new airport and to be used in geothermal development projects were also granted a VAT exemption.⁵⁶

3.23. The excise tax is levied on some sugar confectionery, chocolate and other food preparations containing cocoa, waters (including mineral and aerated waters), alcoholic beverages and tobacco, fuels, and motor vehicles (Table 3.3).⁵⁷ Depending on the product, the tax is either *ad valorem* or specific and applies to imported and locally manufactured goods. Its base comprises the c.i.f. value of goods and any other payable duty (excluding the VAT). In November 2015, additional products were listed as subject to the excise tax and the rates charged on alcoholic beverages were increased.⁵⁸ Motor vehicles imported for the use in tourism taxi operations and tour services with capacity between 21 and 29 passengers were temporarily exonerated between 1 October 2019 and 20 September 2020.⁵⁹ Later, the exoneration was made permanent. Registered and licensed taxi and tour operators are allowed to import two units every five years and used motor vehicles no older than five years can be imported through this scheme.⁶⁰ In response to the COVID-19 pandemic, the

⁵⁰ Customs Service Charge Imposition (Amendment) (No. 2) Order 2016; Customs Service Charge Imposition (Amendment) (No. 3) Order 2016, SRO No. 15 of 2016; SRO No. 50 of 2016; and Customs Service Charge Imposition (Amendment) Order 2017, SRO No. 33 of 2017.

⁵¹ Value Added Tax (Schedules) (Amendment) Order 2020, SRO No. 5 of 2020.

⁵² Value Added Tax (Amendment) Act 2015, Act No. 12 of 2015. Note that imports via courier of a c.i.f. value up to XCD 150 are also exempt of VAT (Value Added Tax (Amendment) Act 2014, Act No. 8 of 2014).

⁵³ Goods exempted from the VAT include gifts of goods to an approved charitable organization, other than for purposes of re-sale; unconditional gifts of goods (other than for re-sale) consigned to the State; goods referred to in paragraph X in the List of Conditional Duty Exemptions specified in the Second Schedule of the Customs Import and Export Tariffs (Amendment) Order 2001 (SRO 18 of 2001); imported goods or goods produced or manufactured in Dominica, that were exported and thereafter reimported, without having been subjected to any process of manufacture or adaptation and without a permanent change of ownership; unsolicited gifts that do not exceed XCD 150, excluding goods contained in passengers' baggage, wine, spirits, and manufactured tobacco; goods shipped or conveyed to Dominica for transshipment or conveyance to any other country; goods imported by Dominicans returning home for permanent residence, or upon return from studies abroad; goods imported by diplomatic missions and international organizations (inclusive of vehicles); building materials and equipment for social housing projects and some education institutions; diapers and hygienic material for babies and adults; pleasure crafts and excursion boats (and their engines) certified by the Maritime Administrator; and packaging and labelling material used by manufacturers.

⁵⁴ Value Added Tax (Amendment) Act 2020, Act No. 18 of 2020.

⁵⁵ Value Added Tax (Amendment) Order 2020, SRO No. 43 of 2020.

⁵⁶ Value Added Tax (Schedule) (Amendment) Order 2021, SRO No. 47 of 2021.

⁵⁷ The application of the excise tax is regulated by the First Schedule of Excise Tax Act, Act No. 8 of 2005; the Excise Tax (Amendment) Order 2008, SRO No. 36 of 2008; and the Excise Tax (Amendment) Order 2015, SRO No. 28 of 2015.

⁵⁸ The authorities indicate that the increase in excise tax for these products was due to health-related concerns following a report by the Pan-American Health Organization. Additional revenues will fund national health campaigns.

⁵⁹ Excise Tax (Second Schedule) (Amendment) Order 2020, SRO No. 4 of 2020.

⁶⁰ Excise Tax (Amendment) (No. 2) Order 2020, SRO No. 42 of 2020.

interest due on tax and penalties for periods before 2019 was waived in case of full payment of due taxes by 31 January 2021.⁶¹

3.24. The environmental surcharge, enacted in 2002, remains in force and applies to most imported goods at a specific or an *ad valorem* rate, depending on the item (Table 3.3).⁶² Raw materials and packaging materials are exempted if imported for one of the following purposes: manufacture of goods by locally registered manufacturers; manufacture of goods for export; and goods for use in the agriculture sector. Other exempted products include milk, sugar, flour, rice, and pharmaceuticals. The surcharge does not apply to domestically produced goods. In 2017, equipment imported for use in Multipurpose Pack Houses purchased by the Country Assistance Programme of the CARICOM Development Fund was released of the obligation to pay the environmental surcharge.⁶³

Table 3.3 Rates of the excise tax and the environmental surcharge

Charge and item	Rates
Excise tax	
Sugar confectionery not containing cocoa, and chocolate	10% on HS 1704.10.00 (chewing gum), on HS 1704.90.00 (sugar confectionery not containing cocoa), on HS 1806.30.00, HS 1806.31.00, HS 1806.32.00, and HS 1806.90.00 (chocolate and other food preparations containing cocoa).
Aerated beverages	10% on HS 2202.10.00 (waters, including mineral and aerated for direct consumption as a beverage) and on HS 2202.90 (beverages containing cocoa and other beverages); XCD 0.20 per litre on HS 2202.10.00.12 (soft drinks, sodas); XCD 0.63 per litre on HS 2202.90.10 (malt beverages).
Alcoholic beverages	XCD 1.38 per litre on HS 2203.00.10-2203.00.90 (beer, stout, other); XCD 1.32 per litre on HS 2204 and 2205 (wine and vermouth); XCD 0.31 per litre on HS 2206.00.10, 2206.00.90 (shandy, other); XCD 9.35 per litre on HS 2208.20.00, 2208.50.00, 2208.60.00 (brandy, gin & Geneva, vodka); XCD 13.75 per litre on HS 2208.30.00 (whiskey); XCD 2.86 per litre on HS 2208.40.00, 2208.70.00, 2208.90.90 (rum & taffia, liqueurs & cordials, other).
Tobacco products	XCD 22 per kg.
Fuels	XCD 0.45 per kg on petroleum gases (LPG) and other gaseous hydrocarbons.
Motor vehicles	15% on HS 8702 (motor vehicles for the transport of 10 or more persons including the driver); 15% on HS 8711 (motorcycles); 28% on HS 8703 and 8704 (motor cars and motor vehicles for transport of goods).
Environmental surcharge	
Motor vehicles	Less than 5 years old: 1% of the c.i.f. value + duties and charges. Over 5 years old: XCD 3,000.00 per unit.
Other goods	XCD 10 per unit on used tyres; XCD 20 per unit on used refrigerators; XCD 20 per unit on used freezers; XCD 10 per unit on electric accumulators (batteries); 1.5% on goods in containers made of plastic, glass, metal, paperboard or wood; 1% on all other goods.

Source: Dominica Customs and Excise Division (undated), *Excise Tax Rates by Customs Tariff Heading Effective 1st September 2015*. Viewed at: <http://customs.gov.dm/images/documents/excise-tax-new-rates.pdf>; and information provided by the authorities.

3.1.5 Import prohibitions, restrictions, and licensing

3.25. Goods subject to import prohibition or restriction are listed in Schedule 3 of the Customs Act 2010 (Table 3.4). These prohibitions or restrictions are generally for health and safety reasons, to safeguard the Dominican public, or to curb the illegal use and import of certain products. Goods originating from Iraq are prohibited.

⁶¹ Excise Tax (Amendment) Act 2020, Act No. 19 of 2020.

⁶² Solid Waste Management Act 2002, Act No. 1 of 2002, as amended by Solid Waste Management (Amendment) Act 2008, Act No. 3 of 2008; and Solid Waste Management (Amendment) Act 2021, Act No. 3 of 2021.

⁶³ Solid Waste Management (Schedule 7) (Amendment) Order 2017, SRO No. 12 of 2017.

3.26. The Supplies Control (Restricted Imports and Exports) Order 2003 regulates the regime for import licensing in Dominica. The Ministry of Trade, Commerce, Entrepreneurship, Innovation, Business and Export Development administers this regime. Dominica's regime was notified to the WTO in 2001⁶⁴; however, the authorities indicate that slight amendments were introduced in 2017. The country responded to the WTO questionnaire on import licensing procedures in 2006.⁶⁵ Licences are requested upon import and generally they expire after customs clearance. Regular importers, domestic or foreign, may obtain an extended licence.

3.27. In general, licences are automatic (on cement, white potatoes, tobacco paper); white flour is subject to a non-automatic licence. The authorities indicate that licences for footwear and candles of paraffin wax are not currently implemented, nor is the licence for spirits and wine, although this latter product group is subject to the tariffication under List C of the CET. Licences for petroleum products require a verification of capabilities. Table 3.4 provides a complete list of products subject to licensing requirements. In 2019, imports of cement (other hydraulic) became subject to import licences or permits before being released from customs for sale.

Table 3.4 Goods subject to prohibitions, licensing, or other restrictions or import requirements, 2021

Category	Products	Legal authority
Prohibited goods	All gold and silver articles of foreign manufacture bearing imitations of British assay marks, or bearing British assay marks not complying with the standard indicated by the mark Substandard coins of legal tender in Dominica Food declared by the authorities as unfit for human consumption Indecent or obscene articles Infected animals, or their carcasses, hides, and skins Pistols in the form of stylographic pens or pencils Any goods bearing the coat of arms of Dominica Fictitious stamps Any other goods prohibited by law	Customs Act 2010, Schedule 3, Part I
Restricted imports	Arms and ammunition (written permission of the Commissioner of Police is required) Cannabis (sativa or indica), indica, choras, ganja (and any preparation or mixture of) Gunpowder, blasting powder, detonators and high explosives: except for the use of the Government Imitation banknotes Kerosene and petroleum products (with a flash point below 73°F) Spirits and wines (unless packed in containers of one gallon or more) Tobacco, cigars, cigarillos or cigarettes (unless imported by parcel post, in packages of no less than 20 lbs of tobacco) Cigarette-making appliances All other goods the importation of which is restricted by any other enactment	Customs Act 2010, Schedule 3, Part II
Goods that may be imported only under licence from the Ministry in charge of trade	Liquefied petroleum gas (butane and propane) except for domestic use Diesel, petroleum spirits, kerosene, aviation fuel, acetylene Oxygen Carbon dioxide Sulphuric acid Kerosene oil and other petroleum products with a flash point below 73 degrees F	Noxious and Dangerous Substances Control Act Chap. 40:09;
Import licence required	Potatoes, fresh or chilled Footwear with upper straps of thongs assembled to the sole by means of plugs of rubber or plastic Spirits and wine Tobacco, cigarette, cigarillos or cigars Candles of paraffin wax Cement (Portland, other hydraulic)	Supplies Control (Restricted Imports and Exports) Order 2003

⁶⁴ WTO documents G/LIC/N/1/DMA/1 and G/LIC/N/3/DMA/1, 23 February 2001.

⁶⁵ WTO document G/LIC/N/3/DMA/2, 6 December 2006.

Category	Products	Legal authority
Import licence if imported from any country other than a CARICOM LDC (OECS and Belize)	Wheat flour	Supplies Control (Restricted Imports and Exports) Order 2003
Licence from the Commissioner of Police	Arms and ammunition Gunpowder, blasting powder, detonators, high explosives of any description Fireworks	Firearms Act 1973
Imported by the Government of Dominica only	Tear gas	Customs Control and Management Act Chap. 69:01
Permission of the Minister of Finance	Cigarette-making appliance, whether machine or paper	Customs Control and Management Act Chap. 69:01
Health certificate and a sanitary certificate	Live animals Meat of animals, poultry or bird carcasses and parts thereof	Animals Diseases Act Chap. 61:02
Import permit and a phytosanitary certificate	Plants, vegetables, fruit and plant products	Plant Protection and Quarantine Act Chap. 58:40
Import permit and a registration with Pesticide Control Board	Pesticides	Plant Protection and Quarantine Act Chap. 58:40

Source: Information provided by the authorities.

3.1.6 Anti-dumping, countervailing, and safeguard measures

3.28. The Customs Duties (Dumping and Subsidies) Act 1959 remains the main legislation on the use of anti-dumping and countervailing measures, and it was notified to the WTO in 1999.⁶⁶ In addition to custom duties, the imposition of additional duties on goods imported and considered dumped or subsidized is authorized whenever it is in the interest of Dominica to impose such duties. In accordance with the Act, the application of these duties must be consistent with the GATT 1947.

3.29. Currently, there is no authority competent to initiate and conduct investigations, and this situation has remained unchanged since 2010.⁶⁷

3.30. Dominica did not avail itself of the special safeguard provisions of the WTO Agreement on Agriculture. Dominica has notified the WTO that it does not have any legislation with respect to safeguards.⁶⁸ However, the authorities note that, at the multilateral level, Dominica follows WTO safeguard rules.

3.31. The rules governing the use of safeguards are set at CARICOM level. As a less developed CARICOM country, Dominica may invoke the special provisions in Chapter 7 of the Revised Treaty of Chaguaramas, in particular Article 150, when necessary, to impose safeguard measures. According to these provisions, a disadvantaged country is entitled to limit imports of goods from other member States for up to three years, and to take such other measures as COTED may authorize.

3.32. Dominica did not make use of any safeguard measures during the period covered by this Review.

3.1.7 Other measures affecting imports

3.33. Dominica does not apply any regulation related to local content requirements.

⁶⁶ WTO documents G/ADP/N/1/DMA/1 and G/SCM/N/1/DMA/1, 8 June 1999.

⁶⁷ WTO document G/ADP/N/193/DMA, 30 June 2010.

⁶⁸ WTO document G/SG/N/1/DMA/1, 12 November 1998.

3.2 Measures directly affecting exports

3.2.1 Customs procedures and requirements

3.34. No registration is required for exporters; however, exporters wishing to be subject to a zero VAT rate for their exports or to request a drawback of duty must be registered. Similarly, as for imports, the export declaration must be completed through the ASYCUDA World platform (Section 3.1.1). The relevant supporting documentation (commercial invoice, certificate of origin, health certificate or permit, and a bill of lading or airway bill) must be uploaded electronically. At the port of exit, customs officials examine the shipment documents to prevent smuggling and ensure that restricted goods are accompanied by the appropriate certificate.

3.2.2 Taxes, charges, and levies

3.35. Export fees are applied on sand (XCD 0.50 export royalty per tonne), stone (XCD 0.45 export royalty per tonne), and re-exports (XCD 1.50 stamp duty). Goods re-exported from a government warehouse, private warehouse, and other premises under fiscal control as well as goods re-exported from transit are subject to a 4% CSC.

3.2.3 Export prohibitions, restrictions, and licensing

3.36. Dominica does not require an export licence for any product. The exportation of goods in Schedule 3 of the Customs Act 2010 is also restricted or prohibited. In accordance with the Forestry and Wildlife Act, the export of any wildlife or its parts is restricted.⁶⁹ Dominica has been a party to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) since 1995, and restricts the export of related products.

3.37. The Fresh Produce Export Quality Control Act 2009 and related regulations⁷⁰ stipulate the conditions for the exportation of dasheen, tania, sweet peppers, pineapples, mangoes, cabbage, oranges, plantain, sweet potatoes, hot peppers, pumpkin, tomatoes, bananas, and grapefruits. Only licensed exporters are allowed to export these products. Products must be packed in a certified packing house⁷¹, and labelled properly. Exporters and produce must conform to standards established by the Dominica Bureau of Standards (DBOS). Exporters must notify at least one day in advance their intention to export indicating the destination for the inspection to be organized by the DBOS and the Quarantine Division of the Ministry of Agriculture.

3.38. Licences for exporters and certificates of registration for packing houses are valid up to 12 months. Lists of licences and certificates issued, suspended, or revoked are published annually in the Official Gazette. The licences for exporters carry application and licence fees of XCD 25 each, while application and registration fees for packing houses are, respectively, XCD 50 and XCD 100. There is an XCD 50 inspection fee.

3.2.4 Export support and promotion

3.39. The Dominica Export and Import Agency (DEXIA) provides financial and technical assistance for export development by farmers, agro-processors, cultural industries, and professional business sectors. Areas for technical assistance include market research and market entry requirements; product identification and development; quality assurance; participation in trade fairs, exhibitions, and promotions; organization of trade missions; organizational development; financial risk development; and training.

3.40. Since 2016, DEXIA operates two multi-purpose packing houses and it aims at having both houses internationally certified, which implies certifying the whole production chain up to farmers.

⁶⁹ Section 32 of the Act Chapter 60:02 of 1976, as amended.

⁷⁰ Act No. 2 of 2009, and the Fresh Produce Export Quality Control Regulations 2012, SRO No. 30 of 2012.

⁷¹ There are four packing houses in Dominica, all in the process of obtaining an international certification. Two of the houses are owned and run by the Dominica Export and Import Agency while the two others are privately owned.

3.41. There are no export processing zones or legislation allowing for their establishment in Dominica.

3.2.5 Export finance, insurance, and guarantees

3.42. Dominica's exporters can benefit from the pre-shipment export credit guarantees to commercial banks in respect to advances made to exporters through the ECCB's Export Credit Guarantee Fund.

3.3 Measures affecting production and trade

3.43. Investors wishing to establish a business in Dominica can choose between various business structures: sole proprietorships; partnerships; corporations; joint ventures; and international business companies. Since the previous Review, the regulatory framework⁷² providing for the establishment of a business has remained unchanged.

3.44. The steps required to establish a business in Dominica may include application for the work permit; incorporation of the business; registration with the Inland Revenue Division (IRD), and application for a VAT registration number if annual gross sales exceed XCD 250,000; and registration with the Dominica Social Security (DSS) if the hiring of employees is foreseen. Permission may be required from specific government agencies depending on the activity or sector, such as a licence from the Fisheries Division.

3.45. In Dominica, the establishment of a business does not necessarily imply its incorporation, and the Companies Act 1994 provides for the mandatory company incorporation of private or public limited liability companies and non-profit companies. An Online Business Registry managed by the Companies and Intellectual Property Office (CIPO) allows companies to fill their registration online.⁷³ CIPO automatically shares the information with the IRD for the registration as taxpayer⁷⁴ and with the DSS for companies in case the company intends to employ workers.⁷⁵ Despite the electronic submissions on the platform, companies are still requested to physically send completed forms and signed articles of incorporation to CIPO and pay the one-off registration fees of XCD 750. An annual fee for the registration renewal that varies according to the share capital also applies.

3.46. Foreign companies intended to carry on business in Dominica are required to register as external companies. These companies can also submit their application through an online platform; their submissions consist of additional documents such a memorandum, a power of attorney, and a statutory declaration, and require the involvement of an attorney. The registration fees are XCD 3,000.

3.47. Until 2021⁷⁶, companies seeking to incorporate in Dominica without carrying on business in the country were subject to the International Business Company (IBC) Act 1996 and their incorporation required additional documents than the procedure for local companies. This framework was repealed starting on 1 January 2022 and the authorities indicate that there was no longer any IBCs operating in Dominica.

3.48. Other related legislation includes the Registration of Business Names Act (Chapter 78:46). Companies seeking to own real estate in Dominica and to conduct construction works must obtain an Alien Land Holding Licence⁷⁷ and a permission for construction of building from the Physical Planning Division.

⁷² The Companies Act 1994 (Act No. 21 of 1995 as amended), the International Business Companies Act 1996 (Act No. 10 of 1996 as amended), and the Registration of Business Names Act (Chapter 78:46 of 1958 as amended).

⁷³ Government of the Commonwealth of Dominica, *Online Business Registry*. Viewed at: <https://efiling.cipo.gov.dm/#/>.

⁷⁴ As of September 2016, only businesses generating annual gross sales higher than XCD 250,000 qualify for registration with the IRD. Inland Revenue Division, *Starting a Business*. Viewed at: <https://ird.gov.dm/starting-a-business>.

⁷⁵ There are no registration fees at IRD and DSS.

⁷⁶ International Business Companies (IBC)(Repeal) Act 2021, Act No. 6 of 2021.

⁷⁷ Aliens Landholding Act 1995, Act No. 17 of 1995, as amended.

3.49. Since 1 January 2016, taxes on corporate gains and profits significantly have fallen from 30% to 25% following the Income Tax (Amendment) Act 2014⁷⁸ (Table 3.5). The income tax rate for individuals, incorporated body of persons, or trustees has remained unchanged since 2010 at 15% on the first XCD 20,000 of taxable income, 25% on the next XCD 30,000, and 35% for every dollar above XCD 50,000.⁷⁹

3.50. Some businesses, in particular professional services, require an annual trade or professional licence issued by the Comptroller of Inland Revenue to operate. The licence fees for professional services are XCD 1,000.⁸⁰

Table 3.5 Main taxes in Dominica, 2022

Tax	Payee/tax base	Tax rate (%)
Personal income tax	Income of individual (employment or businesses); incremental rates for different thresholds of income	0, 15, 25, and 35
Corporate tax	Non-individual persons or enterprises	25 of gains or profit
Land transfer tax and other fees	Buyer and seller, based on the value of the land	6.5 for buyer 2.5 (stamp duty for seller)
Customs duties	C.i.f. value of imports, and some exports	0-165
Customs service charge	C.i.f. value of imports, or exports	4
Travel tax	Operators of international passenger transportation services (air and sea)	7.5 of the travel ticket
Excise Tax Act	Locally manufactured or imported items (alcohol, cigarettes, vehicles, and petrol)	0-28
VAT	Value of goods and services	0 (exemptions), 10 (hotel accommodation) or 15 (all other goods and services)
Withholding tax	Payment to non-residents (dividends, interest, income from properties, royalties, management charges, annuities and other periodic payment)	15
Aliens landholding licence fee	Licensee based on property value	10
Environmental levy	Imports based on their c.i.f. value, or specific levy	XCD 3,000 per unit for motor vehicles of five or more years 1 on c.i.f. value for motor vehicles of less than five years XCD 10 per unit on used tyres XCD 20 per unit on used refrigerators XCD 20 per unit on used freezers XCD 10 per unit on electric accumulators (batteries) 1.5 on goods in containers made of plastic, glass, metal, paperboard or wood. 1 on all other goods
Social security contributions	Employer and employee	7-7.25 (employer) 6 (employee)

Source: Information provided by the authorities.

3.3.1 Incentives

3.51. Since its establishment in 2007, the Invest Dominica Authority (IDA) has been in charge of the administration of incentives schemes granted to investors by Dominica.⁸¹ The intent of granting fiscal incentives is to contribute to national development, and improve the quality of life for the Dominica's citizenry. Incentives currently available are mainly related to the Fiscal Incentives

⁷⁸ Act No. 7 of 2014.

⁷⁹ Income Tax (Amendment) Act 2010, Act No. 9 of 2010. Note that personal allowance to individuals and the deduction allowable for mortgage interest on owner-occupied property increased to XCD 30,000 in 2014.

⁸⁰ Trade and Professional Licence (Schedule) (Amendment) Order 1996, SRO No. 66 of 1996.

⁸¹ Invest Dominica Authority Act 2007, Act No. 9 of 2007.

Act 1973 (as amended)⁸², the Hotels Aid Act 1958 (as amended)⁸³, and the Income Tax Act 1982 (as amended).⁸⁴ Other pieces of legislation provide some tax reliefs to investors, such as the reduction of stamp duties for land acquisition.

3.52. Regarding the Fiscal Incentives Act 1973 and its subsequent amendments, investors are requested to submit applications for incentive benefits to IDA.⁸⁵ Within 10 working days (conditional on complete applications), IDA reviews the application and presents a draft Cabinet Paper and recommendations on the level and types of concessions to be granted, which are submitted to different instances for review and approval. These instances are the Fiscal Incentives Review Committee⁸⁶, the Minister in charge of Trade, and the Approval Committee of the Cabinet. Following a Cabinet Decision in 2008⁸⁷, the Cabinet makes the ultimate decision for investments exceeding XCD 2 million while a Sub-Committee of Cabinet⁸⁸ acts as Approval Committee for smaller investments. During the review period, 145 companies were granted concessions by IDA; more than half of beneficiaries were services providers (restaurants, commerce, and health and body care services), while the remaining 60 beneficiaries were balanced between manufacturing and guest accommodation services.

3.53. The Fiscal Incentives Act was amended in 2019⁸⁹ and incentives currently available for investors under this Act are: (i) tax holidays up to 15 years; and (ii) waivers of import duties on plant, machinery, equipment, spare parts, building material, raw and packaging, and others as appropriate for approved enterprises in the manufacture, assembling, agro-processing, and services sectors. This amendment brings Dominica's regulation into accordance with WTO rules by removing any export subsidy component from this legislation and by unlinking waivers on import duties from local content or value-added. In 2012, the sole beneficiary of the export subsidy component, Dominica Coconut Products (DCP) Colgate Palmolive, was granted a 40% tax relief on total profits for five years between 2012 and 2017.⁹⁰ The authorities indicate that currently no company benefited from previous tax relief on export profits. Subsidies granted until 2014 to the sole beneficiary under the Act in recent years, as notified to the WTO, are presented in Table 3.6.

Table 3.6 Subsidies granted under the Fiscal Incentives Act, 2012-14

Year	Tax credits on exports (XCD '000)	Production (XCD '000)	Export of subsidized products (XCD '000)	Imports of subsidized products (XCD '000)	Total exports (XCD '000)	Total imports (XCD '000)
2012	1,789	36,515	37,205	1,228	78,707	525,982
2013	1,141	35,224	30,063	2,265	81,183	618,287
2014	n.a.	33,503	33,860	2,510	77,305	645,499

Note: No explanation available for n.a.

Source: WTO documents G/SCM/N/299/DMA, G/SCM/N/315/DMA, 24 April 2018.

3.54. The Hotels Aid Act 1958 allows for a tax holiday on generated profits up to 20 years for approved hotel and resort developments, and a waiver of import duties on hotel furniture, fixtures, and building materials. An application form for fiscal incentives under this Act is available online.

⁸² Fiscal Incentives Act Chapter 84:51 of 1973 and subsequent amendments.

⁸³ Hotels Aid Act Chapter 85:04 of 1958 as amended by Hotels Aid (Amendment) Act 1991, Act No. 21 of 1991.

⁸⁴ Income Tax Act Chapter 67:01 of 1982 and subsequent amendments.

⁸⁵ All forms and procedures are available on IDA's website. Invest Dominica, *Forms & Applications*. Viewed at: <https://www.investdominica.com/doing-business/forms-and-applications>.

⁸⁶ The Fiscal Incentives Review Committee comprises three members from IDA, one representative of Ministries in charge of Trade and Finance, and a representative from the VAT Unit.

⁸⁷ Cabinet Decision No. 1003, 15 October 2008.

⁸⁸ In this case, the Approval Committee consists of the Prime Minister, the Minister of Trade, the Permanent Secretary of the Ministry of Trade, and the Chairperson and the Executive Director of the IDA.

⁸⁹ Fiscal Incentives (Amendment) Act 2019, Act No. 3 of 2019.

⁹⁰ WTO documents G/SCM/N/299/DMA, G/SCM/N/315/DMA, 24 April 2018. Furthermore, the company stopped its operations in November 2015 after being affected by the passage of Hurricane Erika. Dominica News Online (2015), "UPDATE: DCP Shuts Down Operations; 94 Jobs Lost", 19 November. Viewed at: <https://dominicanewsonline.com/news/homepage/news/business/update-dcp-shuts-down-operations-94-jobs-lost/>.

3.55. Foreign investors are allowed to repatriate 100% of their profits. Section 109 of the Income Tax Act 1982 allows the Cabinet to remit wholly or partially any tax payable, including those on dividends, interest payments, and other relevant external payments. Similarly, the Customs Control and Management Act grants the Cabinet the power to confer a customs duty relief (complete or partial) on goods and classes or descriptions of goods, and may be made subject to certain conditions, including post-import conditions.

3.56. Until recent amendments to the International Business Companies (IBC) Act 1996⁹¹, IBCs could benefit from an exemption from the payment of taxes, duties, and similar charges for a period of 20 years; however, these benefits ceased on 30 June 2021. More recently, the framework for IBCs was repealed⁹² and ceased to exist on 1 January 2022.

3.57. At the time of the preparation of this report, there was no information on the beneficiaries, nor the incentives granted during the review period under the Hotels Aid Act, the IBC Act, and other tax relief schemes.

3.3.2 Standards and other technical requirements

3.58. The Standards Act 1999 establishes the DBOS as the National Standards Body. Its responsibilities include the development, the application, and the monitoring of (voluntary) standards and technical regulations⁹³ and it is the national enquiry point for the TBT Agreement.⁹⁴ The Bureau is under the responsibility of the Ministry of Trade, Commerce, Entrepreneurship, Innovation, Business and Export Development and its general administration is guided by a 14-member National Standards Council (NSC) appointed by the Minister. The DBOS promotes the general adoption and implementation of technical regulations and (voluntary) standards, establishes or designates testing facilities or laboratories, and provides for the examination and testing of goods. The authorities indicate that a new DBOS website was to be launched by end-October 2022.

3.59. Standards are prepared under the guidelines of Articles 2 and 4 of the TBT Agreement, and the Code of Good Practice for the Preparation, Adoption, and Application of Standards in Annex 3 of the TBT Agreement is also implemented.⁹⁵ Recently, Dominica enacted the Standards Regulation 2020⁹⁶, which prescribes the publication in three consecutive issues of the Gazette and at least two notices in national newspapers of specifications proposed to become a national standard. A (final) date for the submission of comments must be included in these publications. The technical committees⁹⁷ in charge of the development of a (voluntary) standard address comments received, including recommendations for modifications and amendments.

3.60. In principle, (voluntary) standards should be reviewed every five years and revised or withdrawn where necessary. There is a physical repository of national standards that can be consulted by foreign partners at the cost of a fee based on number of pages. The forthcoming website of the DBOS is expected to include an online catalogue of standards. Every revocation or change of a standard must be published in the Gazette. No standard was withdrawn during the review period and around 10 standards related to phytosanitary measures are currently under development.

3.61. Following recommendations of the DBOS, the Minister in charge may enact an Order to declare a standard as compulsory. Only standards aimed at (i) protecting the consumer or user against danger to health or safety; (ii) preventing fraud or deception arising from misleading advertising or labelling; (iii) ensuring quality of goods produced for exports; (iv) requiring adequate information to be given to the consumer or user; (v) ensuring the quality when the source of supply is restricted; and (vi) generally ensuring the quality of goods and services can be declared as compulsory. As for voluntary standards, technical committees within DBOS are in charge of the adoption or adaptation of technical regulations; however, the responsibility for declaring the compulsory standards lies with

⁹¹ International Business Companies (Amendment) Act 2019, Act No. 2 of 2019, as amended by International Business Companies (Amendment) (No. 2) Act 2019, Act No. 5 of 2019.

⁹² International Business Companies (IBC) (Repeal) Act 2021, Act No. 6 of 2021.

⁹³ Technical regulation and compulsory standard are used interchangeably.

⁹⁴ WTO document G/TBT/2/Add.62, 28 February 2001.

⁹⁵ WTO document G/TBT/CS/N/130, 16 February 2021.

⁹⁶ The first version of the Standards Regulation 2020, SRO No. 7 of 2020, was issued 21 years later after the issuance of the relevant Act. The lack of implementing regulations was a bottleneck for the development of standards in Dominica.

⁹⁷ There are close to 10 technical committees.

the Minister issuing the Order. The Ministry must announce its intention to declare a compulsory standard and provide a comment period of at least of 30 days.⁹⁸ Public notices for comments shall indicate the date from which a proposed standard will have become effective. Consultations on technical regulations are also done through the WTO notification process. The authorities indicate that no compulsory standard (technical regulation) was declared during the review period and that less than 20 compulsory standards exist in Dominica, mainly related to labelling requirements.⁹⁹

3.62. Since the last Review, Dominica has made 17 notifications regarding technical regulations to the TBT Committee covering several aspects such as specifications on import and export requirements, sampling methodologies, phytosanitary procedures, and pest risk management and assessment, and specifications for a variety of products including tyres, biodegradable products, concrete derivatives, seeds, fruit, and vegetables (Table A2.1). Recent notifications include a 60-day period for comments and indicate tentative dates for adoption and a delay of six months for the entry into force of technical regulations.¹⁰⁰ Dominica was not involved in any Specific Trade Concern raised during the review period.¹⁰¹

3.63. The DBOS is also in charge of conformity assessment for goods, services, processes, and practices with national, regional, or international technical regulations and standards. The DBOS' Monitoring System is the main instrument for conformity assessment at the port of entry and the authorities indicate that they also implement market surveillance.

3.64. For goods subject to a technical regulation, the DBOS may request their testing for conformity.¹⁰² Imports that do not comply with technical regulations are not admitted. A testing facility was established in 2018 and it is available for importers and local producers. Dominica recognizes laboratories and testing facilities abroad if they are recognized in their own jurisdictions.

3.65. The Standards Regulation 2020 prescribes requirements for the use of the Dominica Standard Mark on goods subject to compliance with technical regulations and makes DBOS responsible for approving advertisements, labelling, and packaging of such goods. Finally, the Bureau also provides advice and technical training to manufacturers on quality control.

3.66. The National Metrology Act 2009 prescribes the use of the International System of Units as the legal units of measurement in any contract, bargain or sale, and packaging, including operations of international trade. The authorities indicate that this Act is not yet fully implemented.

3.3.3 Sanitary and phytosanitary measures

3.67. The import of plants and planting material remains regulated by the Plant Protection and Quarantine Act, Chapter 58:40, and its related regulations¹⁰³, and the regulatory framework has not changed since last Review. Three additional documents are required for imports of goods subject to sanitary and phytosanitary (SPS) measures: an import licence for pesticides, a permit for plant and animal products, and a phytosanitary certificate. The import permit is issued by the Plant Protection and Quarantine Unit (PPQU) of the Ministry of Agriculture and Forestry (MoAF) and importers must request it at least a week prior to the arrival of goods.¹⁰⁴ Importers do not need to be present at PPQU to request this permit and the procedure can be done via electronic means; however, the permit must be collected in person. Applications for permits go through a risk-based assessment process that requires the submission of an invoice and other relevant information (origin, quantity) for the consignment. Permits are subject to a fee of XCD 10 and are valid for one consignment. A permit for a longer duration is not considered as useful given the variability (size and origin) of consignments.

⁹⁸ Consultations among interested parties are also encouraged in the process of adoption/adaptation of technical regulations.

⁹⁹ No technical regulations were amended or revoked during the review period.

¹⁰⁰ Ten notifications were submitted in June 2020.

¹⁰¹ TBT Information Management System. Viewed at: <http://tbttims.wto.org/>.

¹⁰² Upon application by the Minister in charge of trade, a High Court may order the producer to cease the production of a good failing to comply with a technical regulation.

¹⁰³ Plant Protection (Importation) Regulations, and Plant Protection (Import Prohibition) Regulations.

¹⁰⁴ The application for the import permit can be found at the following weblink: https://agriculture.gov.dm/images/documents/forms/application_for_import_permit.pdf.

3.68. All imported plants, plant parts, and fresh produce must be free from pests and diseases, free from soil, and accompanied by a phytosanitary certificate from the respective government agency in the exporting country.¹⁰⁵ To ensure compliance with WTO requirements, the authorities indicate to use International Standards for Phytosanitary Measures (ISPMs) for SPS matters and thus ensure that equivalence is observed this way. Based on risk assessment, agricultural goods may be subject to examination by the PPQU staff; this requirement is indicated in the import permit, and, for instance, it concerns all live plants and seeds that are to be tested and certified. Goods must be imported through a designated port of entry¹⁰⁶ and this requirement is also indicated on the import permit. Only visual examinations are conducted in Dominica, but they may lead to additional requirements such quarantine and testing.

3.69. Canned or frozen products are exempted from phytosanitary inspections. Other goods exempted from inspection include dry hulled rice; nuts; dried, candied, canned, or other processed fruit and vegetables; roasted coffee; commercial yeast; and cooked plant products.

3.70. Phytosanitary certificates for exported goods are issued by Quarantine Officers at export ports after examination and they cost XCD 5. They are generally granted after a visual inspection unless the importing country requires additional procedures. They are valid for five days from the date of issue.

3.71. The Animals Diseases Act Chapter 61:02 regulates the importation of live animals, meat, milk, and related products. All imports require an import permit and a health certificate. The import permit must be requested prior to importation by the Livestock Development and Veterinary Unit at MoAF and its granting depends on the commodity, quantity of product, country of origin, and history of product; the import permit costs XCD 10. A risk assessment is conducted by the Division of Agriculture, which includes enquires to the importers themselves, the World Organisation for Animal Health website, and the CARICOM Secretariat, among others, regarding origin, animal type, and presence of diseases in source countries. In general, the assessment takes two to three days, has no cost, and is carried out using an automatized tool. Any imported live animal, with the exception of dogs and pets, is subject to quarantine requirements, which carry a cost for the importer. Health certificates of animals and animal products must be endorsed by the national authorities to be recognized in Dominica.

3.72. The Pesticide Control Act 1974, as amended¹⁰⁷, prescribes the conditions for manufacture, import, sale, storage, distribution, and use of pesticides. A licence from the Pesticide Control Board within the Division of Agriculture of the MoAF is required for all these activities¹⁰⁸; the import permit for pesticides is granted for one consignment only and remains valid for three months. Before import, pesticides must be registered for use and a repository of registered pesticides by product name, manufacturer, and classification is available on the website of the Division of Agriculture of the MoAF.¹⁰⁹ The Pesticides Control (Prohibition) Regulations 2020¹¹⁰ prohibits the import of pesticides with glyphosate as an active ingredient.

3.73. There is no legislation regarding GMOs; however, the authorities note that the different technologies used in GMOs are considered when running the risk assessment on imports.

3.74. Dominica has not submitted any notification on adopted SPS measures to the WTO.¹¹¹ Dominica was not involved in any Specific Trade Concern raised at the SPS Committee during the review period.

3.75. Some RTAs entered into by Dominica contain SPS provisions, for example, the Caribbean Community and Common Market (CARICOM), the EU-CARIFORUM EPA, and the UK-CARIFORUM Agreement. Dominica is a contracting party to the International Plant Protection Convention (IPPC),

¹⁰⁵ All government agencies that are contracting parties to the International Plant Protection Convention (IPPC) are recognized.

¹⁰⁶ Besides the two airports, Dominica has five maritime ports that are ports of entry.

¹⁰⁷ Act No. 15 of 1974, amended by Act No. 4 of 1987.

¹⁰⁸ Relevant forms can be found on the website of the MoAF's Division of Agriculture. Viewed at: <http://divisionofagriculture.gov.dm/forms>.

¹⁰⁹ Division of Agriculture, *Registered Pesticides*. Viewed at: <http://divisionofagriculture.gov.dm/registered-pesticides>.

¹¹⁰ Pesticides Control (Prohibition) Regulations 2020, SRO No. 1 of 2020.

¹¹¹ SPS Information Management System. Viewed at: <http://spsims.wto.org/>.

and a member of the Codex Alimentarius Commission. The country is not a member of the World Organisation for Animal Health (WOAH), although some of its bilateral commitments, e.g. the EU-CARIFORUM EPA, include obligations adopted within this body.

3.3.4 Competition policy and price controls

3.76. Dominica does not yet have antitrust legislation in place, and there is no national authority for competition policy. The CARICOM Competition Commission¹¹² is the regional entity in charge of competition issues and enforcement in the CSME; its jurisdiction applies to business transactions of a cross-border nature. Additionally, the OECS countries agreed to establish a supra-national competition agency to handle competition matters within its single market (Common Report).

3.77. Some utilities (Dominica Electricity Services Limited (DOMLEC)¹¹³ and Dominica Water and Sewerage Company Limited (DOWASCO)¹¹⁴) operate as monopolies in the country.

3.78. The Supplies Control Act 1979¹¹⁵ allows the Minister in charge of trade to fix maximum prices for any goods, at the wholesale and retail levels. The number of products subject to price control has remained stable since the last Review, and five products are concerned by this measure: gasoline, diesel, kerosene, liquefied petroleum gas (LPG), and cement. Prices of petroleum products are adjusted regularly – between 8 to 14 times per year – on the basis of international prices.¹¹⁶ Maximum retail prices for LPG also vary by geographical location.

3.3.5 State trading and state-owned enterprises

3.79. The DEXIA, a state-owned enterprise established in 1986, remains the sole importer of bulk rice and sugar in Dominica.¹¹⁷ It has the exclusive right to import sugar (brown and white sugar, except EEC No. 1 used by bottlers, and icing sugar), and bulk rice (white and parboiled). Rice in packages of 10 kg or less are allowed to be imported by other operators.

3.80. DEXIA purchases the commodities under competitive tender; long-term contracts are generally negotiated. Providers on an approved supplier lists will be contacted for tenders and requested to provide specific information. Suppliers are qualified based on experience, price, reliability indicators, and product specifications. The quantities imported are based on the previous year's consumption and/or estimated demand. A mark-up on import prices is applied to cover administrative and operating cost of DEXIA's operations. The last tender took place in 2021.

3.81. There was no privatization activity during the review period.

3.3.6 Government procurement

3.82. Dominica is not a party nor an observer to the WTO plurilateral Agreement on Government Procurement.

3.83. During the period under review, Dominica's government procurement legislation was modified. The Public Procurement and Disposal of Public Property Act No. 14 of 2021 came into effect on 1 April 2022.¹¹⁸ The Act was passed by the House of Assembly on 1 December 2021. The Act, drafted with assistance from the World Bank, modernizes public procurement in accordance with the principles of good governance and establishes a Public Procurement Board and the Procurement

¹¹² Established under Article 171 of the Revised Treaty of Chaguaramas, inaugurated in January 2008, and headquartered in Paramaribo, Suriname.

¹¹³ According to DOMLEC, its customer base covers about 98% of the island's population.

¹¹⁴ DOWASCO provides water to over 95% of Dominica.

¹¹⁵ Act No. 21 of 1979.

¹¹⁶ Adjusted prices are communicated by means of SROs amending the Supplies Control Petroleum Products (Prices) Order 1980, SRO No. 16 of 1980.

¹¹⁷ DEXIA indicated that sale prices for sugar and prices have not been adapted since 2011. Other responsibilities of DEXIA include the export promotion of agricultural produce, the delivery of capacity-building activities, the management of the Roseau Market, and the oversight of two multi-purpose pack houses.

¹¹⁸ The text of the Act may be viewed at:

http://dominica.gov.dm/images/documents/bills_for_review/JANUARY_5_2021_PUBLIC_PROCUREMENT_AND_DISPOSAL_OF_PROPERTY_BILL_2021.pdf.

Review Council. The Act also aims to maximize economy, efficiency, and value for money in public procurement; promote competition in public procurement; encourage broad participation of suppliers, contractors, and consultants in public procurement proceedings; provide for the fair and equitable treatment of all bidders participating in public procurement procedures; promote economically, environmentally, and socially sustainable public procurement; ensure transparency in the procedures relating to public procurement; promote integrity and fairness in public procurement and thus increase public confidence in public procurement; ensure accountability in the conduct of public procurement proceedings; and promote the long-term industrial development of Dominica. To give effect to the provisions of the Act, Cabinet approved the Public Procurement and Disposal of Public Property Regulations 2022.

3.84. Until 2022, the Procurement and Contract Administration Act 2012 governed procurement in Dominica.¹¹⁹ The Act integrated standard international procurement practices and provided a margin of preference of up to 20% for domestic suppliers or for products locally produced while participating in tenders. It applied to different levels of the Government, including local authorities, and statutory bodies. Procurement involving national defence or security, under a cooperative agreement, or funded by a donor was not covered by this Act. Some services, generally regulated by another Act, were also excluded from the scope of the 2012 Act.¹²⁰

3.85. Under the 2012 Act, a Central Procurement Board approved and reviewed procurement operations above a certain threshold. For procurement not exceeding the threshold and for procurement negotiated and directly contracted by some entities, departmental boards were also established to manage these procurement processes. A Central Procurement Unit within the Ministry of Finance and Investment, which included representatives from different ministries as well as from the private sector, monitored the operation of the public procurement process and compliance with the legislation by appointing the technical committee in charge of evaluating bids.

3.86. Under the 2012 law, open competitive bidding procedures are the main method of procurement in Dominica. Restricted bidding procedures could be used if there is a limited number of suppliers, and if an open competitive bidding was unlikely to be efficient or practical. In that case, at least five suppliers had to be solicited by the procuring entity. Subject to the Minister's approval, the procurement could be limited to domestic bidders if specified in the invitation to bid, or published in advance. The domestic or local preference margin to be granted must be mentioned in the bidding documents. Some of these features have been retained in a modified way in the new Act.

3.87. The Minister of Finance is responsible for formulating policy relating to public procurement, as well as for formulating and making regulations, directives, procedures, and guidance for the implementation of the Act. The Minister may also approve the award of a procurement contract without a standstill period on the basis of urgent public interest considerations.

3.88. Under the Public Procurement and Disposal of Public Property Act No. 14 of 2021, procurement is decentralized, but every procuring entity shall ensure that its procurement activities and decisions comply with the Act and Regulations. The new Act establishes that there shall be a Chief Procurement Compliance Officer with responsibilities in respect of procurement proceedings for contracts with an estimated cost, which falls within Thresholds B of the Act. Procurement up to XCD 4,999.99 (Threshold A) may be approved by the Head of the Procuring Entity, without approval from the Chief Officer, but procurement between XCD 5,000.00 and XCD 999,999.99 (Threshold B) requires Confirmation of Compliance of Recommendation for Award of Contract with Act and Regulations from the Procurement Compliance Officer.

3.89. The Act also established a Public Procurement Board, consisting of (i) a Chairperson, who shall be a person competent and knowledgeable in public procurement whether from within or outside of the public service; (ii) a legal officer from the Ministry responsible for legal affairs nominated by the Attorney General; (iii) a public officer from the Ministry of Finance; (iv) a public officer from the Ministry responsible for public works, nominated by the Permanent Secretary of the Ministry; and (v) no more than two public officers from other Ministries that undertake significant

¹¹⁹ Act No. 11 of 2013.

¹²⁰ For example, casual hospitality and catering services, supply of electricity, telecommunications, and water.

procurement activity. The Board must review for compliance with the Act also procurement of XCD 1 million and above.

3.90. A procuring entity may neither package nor divide its procurement requirements nor use a particular valuation method to limit competition among bidders. A procuring entity must, in estimating the value of procurement, include the estimated maximum total value of the procurement contract, or of all procurement contracts envisaged under a framework agreement over its entire duration, taking into account all forms of remuneration.

3.91. National treatment is generally granted. A procuring entity may not deny the participation of a bidder in the procurement proceedings on the basis of their nationality, except where the procuring entity decides to limit participation to domestic bidders within a certain threshold.

3.92. Procurement contracts are awarded considering the following: (i) where price is the only evaluation criterion applied in the evaluation of bids and the bid offers the lowest bid price and is materially responsive to all the terms, conditions, specifications, and requirements of the bidding documents; (ii) where price and other non-price evaluation criteria are applied in the evaluation of bids and the bid is the most advantageous bid ascertained on the basis of the criteria and procedure for bid evaluation as specified in the bidding documents; or (iii) where no price criteria are applied in the evaluation of bids the bid is the most advantageous bid ascertained on the basis of the non-price criteria and the procedure for bid evaluation as specified in the bidding documents.

3.93. The new Act contains a section on electronic government procurement. It stated that all public procurement may be undertaken using electronic means by use of an electronic government procurement system. A procuring entity may use electronic government procurement to conduct all stages of the procurement proceedings, including publication of invitations to participate in public procurement; distributing the prequalification or bidding documents to bidders by free-of-charge download; inviting bidders to submit their applications to prequalify, expressions of interest, bids, quotations or proposals electronically; opening of bids and proposals, evaluation of bids, quotations, and proposals; and awarding procurement contracts.

3.94. Under the new law, a procuring entity may conduct public procurement by one of the following procurement methods: (i) open competitive bidding; (ii) limited competitive bidding; (iii) request for quotations; (iv) request for proposals (only for consulting services); (v) electronic reverse auction; and (vi) single source procurement. When a procuring entity uses a procurement method other than open competitive bidding to conduct public procurement of goods, works, or services, the procuring entity shall (i) ensure that one or more of the conditions for use of the procurement method are met; and (ii) record the choice of the procurement method in writing in the annual procurement plan and in the record of procurement proceedings.

3.95. Open competitive bidding for the public procurement of goods, works, or services must be used, except in special cases. When a procuring entity uses open competitive bidding, the procuring entity invites bids by advertising and invitation for bids. When the estimated cost of procurement exceeds a prescribed threshold a procuring entity must advertise it internationally. A procuring entity may carry out open competitive bidding in one or two stages. A procuring entity may conduct open competitive bidding with or without prequalification of bidders.

3.96. A procuring entity may use the limited competitive bidding procurement method when (i) the goods, works, and services to be procured are, by reason of their highly complex or specialized nature, available from only a limited number of suppliers; or (ii) the time and cost involved in considering a large number of bids would be disproportionate to the estimated value of the procurement. A procuring entity may use the request for quotations procurement method for the public procurement of goods, works or services when (i) procuring readily available goods, works, or services that are not specially produced or provided to the particular description of the procuring entity and for which there is an established market; or (ii) the estimated value of the procurement contract is less than the prescribed threshold in the Regulations.

3.97. The request for proposals procurement method may be used only for the procurement of consulting services from consulting firms or individual consultants on the basis of (i) quality alone; (ii) quality and cost; (iii) quality within a fixed budget; or (iv) least cost with an acceptance level of

quality. A shortlist of no fewer than three and no more than eight fully qualified consulting firms from among those firms that expressed interest must be prepared.

3.98. Upon establishment of an appropriate electronic platform for the conduct of reverse auctions, a procuring entity may, in the procurement of goods, works, or services, conduct reverse auctions electronically in the prescribed manner if (i) it is feasible for the procuring entity to formulate a detailed description of the subject matter of the procurement; (ii) there is a competitive market of bidders anticipated to be qualified to participate in the electronic reverse auction, so that effective competition is ensured; and (iii) the criteria to be used by the procuring entity in determining the successful bid are quantifiable and can be expressed in monetary terms. A procuring entity may use the single source procurement method if (i) the goods, works, and services to be procured are available from a particular supplier only, or a particular supplier holds exclusive rights in respect of such goods, services, and works, such that no reasonable alternative or substitute exists and, as a result, the use of any other procurement method would not be possible; (ii) the procuring entity, having procured products from a supplier, determines that additional products must be procured from that supplier for reasons of standardization or a need for compatibility with previously procured products; (iii) the procuring entity determines that the use of any other method of procurement is not appropriate for the protection of the national security and defence interests of the State and its citizens; or (iv) a catastrophic event has occurred and the circumstance of the procurement is one of extreme urgency that has not been caused by the action or omission of the procuring entity, and engaging in any other method of procurement may be detrimental to the procuring entity or other beneficiaries of the procurement.

3.99. In general, a procuring entity must use single-stage bidding when the procurement requirements and technical specifications can be defined in sufficient detail to enable bidders to submit complete bids. However, a procuring entity may use two-stage bidding by means of the open competitive bidding procurement method or limited competitive bidding when it is not feasible for the procuring entity to formulate a detailed description of the subject matter of the procurement of (i) large complex facilities for which a turnkey procurement contract will be awarded for the design and build of a plant; (ii) works of a complex and specialized nature; or (iii) complex information and communication technology that is subject to rapid technological advances. A procuring entity may enter into a framework agreement where the procuring entity determines that (i) the need for the subject matter of the procurement is expected to arise on an indefinite or repeated basis during a given period of time; or (ii) by virtue of the nature of the subject matter of the procurement, the need for that subject matter may arise on an urgent basis during a given period of time.

3.100. A procuring entity may, in the procurement of goods, works, or services, prior to the invitation to bid, conduct prequalification of bidders to identify qualified bidders in the case of (i) large or complex procurement contracts; (ii) custom-designed equipment or plant; (iii) specialized services; (iv) complex information technology systems; (v) procurement under turnkey design and build procurement contracts; or (vi) management contracting. Section 28 applies to the prequalification of bidders. When the procuring entity undertakes prequalification of bidders, it shall cause an invitation to prequalify to be published. The Financial Secretary may establish and maintain a register of qualified bidders that qualify for different categories of procurement that may commonly be required by multiple procuring entities. A procuring entity must publish an invitation to prequalify or to bid under open competitive bidding, request for proposals, or electronic reverse auction on the public procurement website, in the Gazette, and in a national newspaper of wide circulation in Dominica, and in any other publications prescribed in the Regulations.

3.101. The Act mandates that procuring entities set a minimum time period for submission of bids, proposals, or quotations in order to allow sufficient time for bidders to prepare and submit their bids, proposals, or quotations so as to promote competition in public procurement. The minimum periods are (i) for applications to prequalify in advance of open competitive bidding: 21 days; (ii) for open competitive bidding and request for proposals limited to domestic bidders: 21 days; (iii) for open competitive bidding and request for proposals advertised internationally: 30 days; (iv) for limited competitive bidding: 21 days; and (v) for request for quotations: 14 days.

3.102. Where the procurement of goods, works, services, or consulting services is funded in whole or in part by a donor on the condition or on the understanding that Dominica uses or causes to be used the procurement procedures of the donor or the procurement procedures approved or agreed to by the donor, the procurement shall be conducted in accordance with the procurement procedures

of the donor or, as the case may be, the procurement procedures approved or agreed to by the donor.

3.103. The 2022 Regulations outline procurement criteria including the requirement to publish open, competitive procurement opportunities, content required in the bidding documents, and the required bid security. The Regulations include measures to promote the domestic industry and social and economic development through procurement by micro, small, and medium-sized enterprises; enterprises led by women, youth, the elderly, and persons with disability; and other groups identified by the Minister.

3.3.7 Intellectual property rights

3.104. The regulatory framework for intellectual property rights (IPRs) has remained unchanged since last Review. Dominica's legislation with respect to geographical indications, protection of layout-designs (topographies) of integrated circuits, protection of new plant varieties, and marks, collective marks, and trade names was notified in 2001, but only came into force in 2008.

3.105. Dominica is a member of the World Intellectual Property Organization (WIPO) and a signatory to a number of international agreements on IPRs.¹²¹ Intellectual property issues are currently reviewed by the CIPO in the Ministry of National Security and Home Affairs. CIPO is the national enquiry point with respect to international cooperation for the protection of IPRs. Dominica deposited its instrument of acceptance for the 2005 protocol amending the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) on 28 November 2016.¹²²

3.106. There were 33 patent applications during 2013-19; all were filled by local agents. During the same time, there were no utility model applications or registrations, and two industrial design applications were granted. According to WIPO statistics¹²³, more than 450 trademarks were registered in Dominica, mainly by non-residents during the same period. After a surge in 2013, registration of trademarks abroad has significantly reduced.

3.3.7.1 Copyright

3.107. The Copyright Act 2003¹²⁴ provides for the protection of literary and artistic works and for related matters. Works are protected by copyright provided that they are original, and they have been written down, recorded, or otherwise expressed in some material form. For literary, dramatic, musical, or artistic works, the term of protection is the author's life plus 70 years, while sound recordings and films are protected for 50 years from the end of the first year they are made available to the public (Table 3.7).

Table 3.7 Intellectual property rights legislation and terms of protection, 2022

Legislation/rights protected	Duration of protection
Copyright Act 2003	
- literary, dramatic, musical or artistic works	Life of the author plus 70 years
- sound recording and films	50 years from the end of the first year it is made available to the public
- broadcasts and cable programme	70 years from the end of the year of first broadcast
- typographical arrangements of published editions	25 years from first publication
Marks, Collective Marks and Trade Names Act 1999	10 years, renewable for 10 years
Patents Act 1999	20 years, renewable
Industrial Designs Act 1998, as amended	5 years, renewable twice for 5 years each
Protection of Layout-Designs (Topographies) of Integrated Circuits 1999	10 years

¹²¹ Dominica is a member of the Berne Convention (1999); the Nice Agreement (2000); the Paris Convention (1999); the Patent Cooperation Treaty (1999); the Rome Convention (1999); and the WIPO Convention (1998).

¹²² WTO document WT/LET/1219, 1 December 2016.

¹²³ WIPO (2021), *Statistical Country Profiles: Dominica*. Viewed at: https://www.wipo.int/ipstats/en/statistics/country_profile/profile.jsp?code=DM.

¹²⁴ Act No. 5 of 2003.

Legislation/rights protected	Duration of protection
Protection of New Plant Varieties Act 1999	20 years (25 years for vines, forest, ornamental, and fruit trees)

Source: Government of Dominica, *Laws*. Viewed at: <http://dominica.gov.dm/laws-of-dominica>; and CIPO, *International Property*. Viewed at: <https://cipo.gov.dm/legislation/international-property>.

3.3.7.2 Trademarks

3.108. The Marks, Collective Marks and Trade Names Act, Chapter 78:53, and the related regulations¹²⁵ specify the exclusive rights and protection of trademarks available in Dominica. Registration is handled by the Registrar of Marks in the CIPO.

3.109. Applicants outside Dominica must be represented by a legal practitioner residing and practicing in Dominica and application must be submitted using the form in Schedule II and in line with specifications in Schedule III of the Marks, Collective Marks and Trade Names Regulations 2009.¹²⁶ Fees for registration are XCD 450 for goods or services in a single class, and XCD 100 per class for a word mark. Additional class and figurative elements imply higher fees. Opposition to registration can be presented within two months of publication of trademarks. Trademarks are protected for 10 years from the filing date of the application for registration; renewals for consecutive similar periods can be requested 6 months before expiration. Regulations provide for a right of priority of an earlier national or regional application filed by the applicant in any state party to the Paris Convention or Member of the WTO. Currently, there is not a public or online registry of trademarks or trademark holders.

3.110. After registration, the owner of a registered mark may transfer or assign its rights and grant licences with respect to the registered mark. The owner of the registered mark must file a copy of each licence contract concerning the registered mark with the Registrar. The non-use of a trademark for three years may entail the loss of the right to the exclusive use of the trademark.¹²⁷ The Act specifies that the provisions of any international treaty in respect of marks and protection against unfair competition apply in Dominica and, in case of conflict with domestic legislation, prevail over it.

3.3.7.3 Patents and industrial designs

3.111. The Patents Act 1999 and related regulations¹²⁸ apply internationally accepted criteria for registration of universal novelty, inventive step, and industrial applicability, along with a full search and examination procedure for patent registration. Patents are protected for 20 years from the filing date of the application and fees for the application and grant of a patent amount to XCD 500 and XCD 375, respectively.¹²⁹ Annual maintenance fees also apply, and a patent shall lapse if the annual fee is not paid.

3.112. Under particular circumstances (public interest, national security, nutrition, health, or the development of a vital sector of the economy), the authorities may allow a government agency or a third person to exploit an invention through a compulsory licence. Such a licence may also be issued if the Government determines that the manner of exploitation of the patent is anti-competitive, and that authorizing another operator may remedy it. The exploitation through the compulsory licence must be limited to the purpose for which it was permitted, predominantly for the supply of the domestic market, and subject to the payment of "adequate remuneration" to the owner by taking into account the economic value of each situation. Such authorization must not prevent the owner from concluding a licence contract, continuing the exercise of his or her rights, or granting a non-voluntary licence. No such licence was issued during the review period.

¹²⁵ Act No. 12 of 1999, and the Marks, Collective Marks and Trade Names Regulations 2009, SRO No. 3 of 2009.

¹²⁶ This form is available on CIPO's website. Viewed at: http://www.cipo.gov.dm/images/forms/form1tm_application_for-registration_of_mark.pdf.

¹²⁷ No trademarks were revoked during the review period.

¹²⁸ Act No. 8 of 1999 entered into force on 25 August 2008 following the Patent (Commencement) Order 2008, SRO No. 27 of 2008, and Patents Regulations 2008, SRO No. 43 of 2008.

¹²⁹ Application forms are available on CIPO's website: <http://www.cipo.gov.dm/intellectual-property/patents>.

3.113. The protection of industrial designs is regulated by the Industrial Designs Act 1998, as amended, and related regulations.¹³⁰ Industrial designs may be registered if they are new prior to the date of filing, or the priority date of the application for registration. Protection is for five years from the filing date, renewable for two consecutive periods of five years.¹³¹ Note that Dominica is not part of the 1999 Hague Agreement on Industrial Design.

3.3.7.4 Geographical indications

3.114. The Protection of Geographical Indications Act 1999, as amended, stipulates the conditions for the protection of geographical indications.¹³² Protection of a geographical indication is available regardless of registration. However, registration of a geographical indication raises a presumption that such indication is a geographical indication within the meaning of the Act. There have been no applications for geographical indications presented in Dominica.

3.3.7.5 Protection of layout-designs of integrated circuits

3.115. The Protection of Layout-Designs (Topographies) of Integrated Circuits Act 1999 and related regulations have remained unchanged since the last Review.¹³³ Only original layout-designs can be protected and the right to registration belongs by law to the creator, and is transferable. The term of protection is 10 years from the date of the first commercial exploitation, anywhere in the world, or from the filing date of the application for registration.

3.3.7.6 Protection of new plant varieties

3.116. Breeder's rights in respect of plant varieties that are new, distinct, homogeneous, stable, and given an acceptable variety denomination are protected by the Protection of New Plant Varieties Act 1999 and related regulations.¹³⁴ Citizens of Dominica, of a contracting party to the International Convention for the Protection of New Varieties of Plants, or of any other State that grants reciprocal treatment to Dominica are entitled to file an application as breeders. Protection is for 25 years with respect to vines, forest, ornamental, and fruit trees, and 20 years for all other species. Varieties offered for sale or marketed in Dominica for more than a year before the filing date will have the duration of their protection reduced accordingly.

3.3.7.7 Enforcement

3.117. All of the above IP regulations include enforcement and in case of dispute, the High Court has jurisdiction relating to the application of IPRs. Appeals to decisions of the Registrar of Companies and Intellectual Property are also treated in front of the High Court.

3.118. The seizure of infringing goods by customs authorities while entering the country is only possible in the case of copyright infringement following the request of the right holder (Copyright Act 2003, Part 1X, Section 99).

¹³⁰ Act No. 2 of 1998, as amended by the Industrial Designs (Amendment) Act 2008, Act No. 15 of 2008, entered into force on 25 August 2008 following the Industrial Designs (Commencement) Order 2008, SRO No. 29 of 2008. Detailed regulations are provided by the Industrial Designs Regulations 2008, SRO No. 44 of 2008.

¹³¹ Relevant forms for industrial designs' protection are available on CIPO's website: <http://www.cipo.gov.dm/forms/industrial-designs>.

¹³² Act No. 13 of 2 December 1999 was amended by the Geographical Indications (Amendment) Act 2008, Act No. 13 of 2008, and entered into force on 25 August 2008 following the Geographical Indications (Commencement) Order 2008, SRO No. 28 of 2008.

¹³³ Act No. 11 of 1999 entered into force on 25 August 2008 following the Protection of Layout-Designs (Topographies) of Integrated Circuits (Commencement) Order 2008, SRO No. 28 of 2008, and the Protection of Layout-Designs (Topographies) of Integrated Circuits Regulations 2008, SRO No. 45 of 2008.

¹³⁴ Act No. 14 of 1999 entered into force on 25 August 2008 following the Protection of New Plant Varieties (Commencement) Order 2008, SRO No. 28 of 2008.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture, forestry, and fisheries

4.1. The agriculture, livestock, and forestry sector remains an important contributor to Dominica's GDP and, although the sector was severely hit by Hurricane Maria in 2017, it sustained an average contribution of 13.3% over the review period. The sector has slowly recovered since 2017 and its contribution was estimated at close to 15% in 2020. Main crops in Dominica include bananas, plantains, tree crops, root crops, and a wide range of vegetables, herbs, and spices. Dominica's vulnerability to weather-related hazards is well documented; however, the damage caused by Hurricane Maria in September 2017 was almost unprecedented and one third of these losses were associated with the agriculture subsector.¹³⁵ The majority of the agriculture base including bananas, tree crops, coconuts, vegetables, livestock and fishing facilities, and related infrastructure was damaged. Since then, efforts focused on supporting and reconstructing the farming community with a marked objective of increasing their climate resilience.

4.2. The main entity in charge of the sector is the Division of Agriculture (DoA) within the Ministry of Blue and Green Economy, Agriculture and National Food Security. The Division provides technical assistance, and regulatory and support services, and is responsible for establishing a conducive policy framework for development of the sector. It consists of several specialized units that work in close collaboration with agricultural and international agencies to provide technical, regulatory, and support services.¹³⁶

4.3. Some projects implemented by the DoA in recent years include the EU-funded Banana Accompanying Measures, which sought to improve productivity and exports of bananas; the fifth and sixth phases of the Agricultural Technical Cooperation Project supported by China, which introduced new crop varieties, distributed high-quality seedlings, and established a demonstration centre; the Cocoa and Coffee project, which aimed at extending cultivated surfaces and constructing processing facilities; the Horticulture project, which promoted crop diversification for improved food security; and the Black Sigatoka project, which was designed to reduce the spread and impact of this disease among banana producers. A coffee processing plant was completed in 2014 and a multi-purpose National Abattoir became operational in 2015. In September 2018, a testing facility named the Chemistry Laboratory, was inaugurated, and currently performs analysis under specific regulatory and quality guidelines on food safety.

4.4. Following Hurricane Maria, Dominica launched the Emergency Agriculture Livelihoods and Climate Resilience Project with the support of the World Bank in 2018. The project has a total cost of USD 29.5 million and is to be implemented over five years.¹³⁷ In line with the National Resilience Development Strategy (NRDS) 2030, the project aims at restoring the productive capacity of the agriculture sector including fisheries, building climate resilience and agri-business capabilities, restoring key infrastructure, and strengthening institutional capacity. In June 2020, the project was granted an additional funding of USD 3.6 million. As regards NRDS 2030, the diversification of production ensuring higher levels of self-sufficiency and food security and the development of products with high value and export potential, such as organic produce, are key objectives for the sector. The Government considers that the sector can be a vector for achieving inclusive growth in the medium and long terms.

4.5. Input support to farmers, valued at XCD 3 million in FY2018/19, distributes fertilizer, tension wire for horticulture, fungicides and insecticides, greenhouse plastics, irrigation lines, and fencing wire for livestock production. Valued at XCD 584,893 in the same year, the support in terms of seeds and planting materials mainly focuses on cocoa, vegetables, citrus, and Irish potato.

¹³⁵ Global Facility for Disaster Reduction and Recovery (GFDRR) and World Bank (2018), *Post-Disaster Needs Assessment Dominica: Hurricane Maria 2017*. Viewed at: <https://www.gfdrr.org/en/publication/post-disaster-needs-assessment-dominica>.

¹³⁶ Division of Agriculture, *Units*. Viewed at: <http://divisionofagriculture.gov.dm/units>.

¹³⁷ World Bank, *Project Map*. Viewed at: <https://projects.worldbank.org/en/projects-operations/project-detail/P166328>.

4.6. The Agricultural and Industrial Development Bank provides special loans to farmers, which in 2019 amounted to USD 4.9 million.¹³⁸ The repayment period of these loans goes up to 12 years, an initial grace period of 24 months on the capital (not the interest) may be requested, and the applied interest rate is lower than market rates for other loans.¹³⁹

4.7. Since last Review, Dominica's average tariff on agricultural goods (WTO definition) has remained stable during the review period (26.9% in 2013, 26.7% in 2020). The highest applied rate remains at 150% (Table 3.2). In fact, the final bound average tariff rate for the sector is 112.3%, which points out a large gap between applied and bound tariff rates. No import duties are applied to 21.5% of the agriculture products (WTO definition). Besides sanitary and phytosanitary requirements, no other import requirement, such as licensing, applies on imports of agricultural products. The only exceptions are white potatoes and wheat flour.

4.8. To promote investment in agriculture, the Government grants import-duty concessions on some agricultural equipment and inputs, such as seeds; agricultural tools; machinery and equipment; planting materials; fertilizers and agricultural chemicals (pesticides, herbicides, and other treatments approved for agricultural use); farm vehicles; meat-processing equipment; and animal health supplies and animal feeds.

4.9. Locally produced agricultural products are exempted from the VAT, and some imported inputs (seeds, fertilizer, and animal feeds) are zero-rated.

4.10. The fishing subsector is relatively small, largely informal, and mainly oriented to self-sufficiency. During the review period, its contribution to GDP remained below 0.5%. Most fishing activities take place on the east coast of the island despite a larger number of ports on the west coast. The Division of Fisheries within the Ministry in charge of Agriculture aimed at increasing the competitiveness and exports of the sector, notably through the improvement of facilities and technical assistance on packaging. In 2016, the catch was estimated at 1,143 tonnes, and approximately 100,000 pounds with a value of XCD 800,000 of fish were exported within the region.¹⁴⁰ Hurricane Maria had a sizeable impact on fisheries: up to 370 vessels were reported as damaged and key infrastructure also needed restoration.¹⁴¹ A fish depot is under construction at Fond Cole and several fish landing sites were renovated with the support of international partners. Recently, the introduction of fish aggregating devices and new fishing techniques and the modernization of vessels were key to the recovery of fish production to pre-hurricane levels. In 2019, the catch was estimated at nearly 900 tonnes.¹⁴²

4.2 Electricity

4.11. The Independent Regulatory Commission (IRC), established by the Electricity Supply Act 2006¹⁴³ and under the Ministry of Public Works and the Digital Economy, remains in charge of regulating all aspects of the electricity sector. Under the current regulatory framework, electricity generation (other than for domestic use), transmission, distribution, and supply are subject to licensing by the IRC. Section 45 of the 2006 Act applies an exemption from all duties and taxes on importation (including the VAT) on plant materials, equipment, and machinery imported by a licensee. Tariffs are subject to the approval of the Commission.

¹³⁸ In 2019, farm development accounted for 54% of granted loans, while poultry farms and fisheries represented 19% and 18%, respectively. More than 270 farmers benefited from these funds in 2019. Dominica Agricultural Industrial and Development (AID) Bank (Bank), *Annual Report 2019*. Viewed at: http://www.aidbank.com/sites/default/files/aidb_2019_annual_report.pdf.

¹³⁹ AID Bank, *Agriculture Loan*. Viewed at: <http://www.aidbank.com/?q=loans/agriculture>.

¹⁴⁰ Government of Dominica, *Economic and Social Review 2016-2017*.

¹⁴¹ Ministry of Blue and Green Economy, Agriculture and National Food Security, *Dominica Emergency Agriculture Livelihoods and Climate Resilience Project (DEALCRP)*. Viewed at: <http://agriculture.gov.dm/projects/36-present-projects/57-dominica-emergency-agriculture-livelihoods-and-climate-resilience-project-dealcrp>.

¹⁴² Ministry of Planning and Economic Development, *Economic and Social Review 2018-2019*. Viewed at: <http://planning.gov.dm/jdownloads/Economic%20&%20Social%20Reviews/Economic%20and%20Social%20Review%202018-2019.pdf>.

¹⁴³ Part III of the Electricity Supply Act 2006, No. 10 of 2006 as amended by the Law revision (Miscellaneous Amendments) Act 2020, Act No. 8 of 2020, describes powers, duties, and functions of the IRC, which started operations in June 2007. IRC, *Who We Are*. Viewed at: <https://www.ircdominica.org/about-us/>.

4.12. In 2021, the sources for electricity generation in Dominica are imported fossil fuels (80.2%) and hydro (19.7%). The Government aims for greater penetration of renewable energy and increased energy efficiency. In this regard, the Government stated an objective of 100% renewable energy by 2030, and the IRC launched a review of the regulatory framework to ensure its effectiveness towards these policy objectives. The Geothermal Resources Development Act 2016¹⁴⁴ provides for the regulatory framework for the development of geothermal electricity generation and notably defines conditions for reconnaissance, exploration, use, and export. In this regard, the Government launched the development of a geothermal electricity plant through the Dominica Geothermal Development Company Limited, a government-owned company, with the assistance of several development partners. Following a public tender for its construction in 2019, the plant is expected to become operational by 2024; however, its construction has not yet started.

4.13. Dominica Electricity Services Limited (DOMLEC)¹⁴⁵ remains the main electricity generator. In 2014, the company was granted a non-exclusive generation and supply licence for 25 years. After Hurricane Maria, the generation of solar energy, mainly for self-consumption, has been on the rise.¹⁴⁶ The numerous private producers of stand-by solar generation are paid based on a net billing mechanism which takes into account fuel costs and savings for solar generation.¹⁴⁷ Regarding transmission and distribution, DOMLEC's exclusive licence was renewed for the same period. The transmission and distribution network of DOMLEC extends over almost 1,200 kilometres.¹⁴⁸ Since Hurricane Maria hit Dominica in 2017, the recovery of essential infrastructure (e.g., electricity and water) has remained an important challenge for the authorities.¹⁴⁹ Although DOMLEC's customer base consisted of 34,557 clients in December 2020, the number of customers was still slightly lower than that of customers served at the end of 2016.

4.14. Because DOMLEC is the sole supplier of electricity, its electricity rates are subject to approval by the IRC. Currently, the IRC is conducting a review of tariffs with DOMLEC. Electricity rates vary by customer groups: domestic rates apply to all electricity supplied to premises used exclusively for private residential purposes; commercial rates apply to all electricity supplied to any premises not being used exclusively for private residential purposes and not being premises to which industrial or hotel rates are applicable; hotel rates apply to all electricity supplied to premises used as hotels and guest houses with a minimum number of 10 rooms; industrial rates apply to all electricity supplied to industrial premises having an aggregate maximum power rating of not less than 5 kVA; and rates for lighting and street lighting.¹⁵⁰ In addition to electricity rates, a fuel surcharge is applied to each unit consumed at a rate calculated and published monthly.¹⁵¹ In 2020, fuel surcharges represented 26.5% of operating revenues of DOMLEC. The launch of geothermal generation is expected to reduce the overall generation cost and, consequently, to reflect in rates charged to end users in Dominica.¹⁵²

¹⁴⁴ Geothermal Resources Development Act 2016, Act No. 12 of 2016.

¹⁴⁵ The main shareholders of DOMLEC are the Canadian-based Emera Incorporated (52% of the share capital) and the Dominica Social Security (21%). The company is listed on the Eastern Caribbean Stock Exchange.

¹⁴⁶ Equipment for solar energy generation are exempted of customs duties.

¹⁴⁷ There is limited private participation in electricity generation in Dominica.

¹⁴⁸ The distribution system consists of high voltage (HV) overhead 11kV lines and 400/230 VAC three-phase low voltage. The frequency of the supply is 50 Hz. Currently, an assessment to upgrade the system to 66/33 kV is ongoing.

¹⁴⁹ It was reported that 75% of the distribution network and some generation units were affected by Hurricane Maria.

¹⁵⁰ Domestic rates include a charge of XCD 0.58 per kilowatt-hour (KWh) for up to 50 KWh in any month and XCD 0.67 per KWh for each KWh in excess of 50 KWh in any month subject to a minimum monthly charge of XCD 2.50. In the case of commercial rates, a service charge of XCD 4.32 per month per kVA of installed capacity plus XCD 0.71 per KWh is applied. In the case of industrial rates, a service charge of XCD 4.32 per month per kVA of installed capacity is levied with an additional charge for electricity supplied between 6:00 a.m. and 10:00 p.m. A charge of XCD 0.63 per unit is applied, while for electricity supplied between 10:00 p.m. and 6:00 a.m. it is levied at XCD 0.58 per unit. For hotels, the service charge is of XCD 4.32 per month per kVA of installed capacity plus XCD 0.63 per unit. Lighting rates are XCD 0.71 per unit subject to a minimum monthly charge of XCD 20, while the rate of electricity for street lighting is XCD 0.71 per unit.

¹⁵¹ The fuel surcharge for the current month is calculated on the 97.5% of the fuel expenditure of the previous month and the electricity sold in the previous month. DOMLEC absorbs 2.5% of the cost of fuel.

¹⁵² Dominica's electricity costs are about twice the regional average, and two thirds of firms have identified electricity costs as a major constraint for business. IMF (2016), *Dominica: Staff Report for the Article IV Consultation*, IMF Country Report No. 16/244.

4.15. The IRC also acts as a resolution instance for complaints to electricity-related services, and it reported 16 complaints in 2021, and 7 in the first 9 months of 2022. Complaints mainly concern technical issues such as pole relocation and billing issues.

4.16. The authorities indicate that the DBOS has adopted standards on energy-efficient technologies.

4.3 Manufacturing

4.17. Severely impacted by the natural disasters that hit Dominica, the manufacturing sector has steadily recovered from an output low in 2017 (1.9% of GDP)¹⁵³ and contributed 2.5% of GDP in 2021, according to preliminary data (Table 1.1). Its current contribution to aggregate production is only 0.6 percentage points lower than in 2014.

4.18. Given substantial damages in their production facilities in 2015 and 2017, some major manufacturing activities temporarily ceased their operations and the related exports. Additional investment was also necessary for restarting some of these industries. For instance, a restructuration of ownership with local participation took place for the relaunch of former activities by the Dominica Coconut Products (DCP) Colgate Palmolive, a subsidiary of Procter and Gamble in Dominica. By end-2019, most major manufacturers had reinitiated their exports.

4.19. Following a request by Dominica seeking to ensure the regional competitiveness of its domestic production, the COTED decided to reinstate a CET of 40% on soaps in 2018. The Government continues to support manufacturing through financial support managed by the Dominica Agricultural, Industrial and Development (AID) Bank and technical assistance provided by the Dominica Export Import Agency (DEXIA). Producers of agro-processed goods, soaps, beverage and water bottling, and rum distillery, *inter alia*, can obtain a loan up to 70% of total project cost payable in 12 years with an optional deferment of payment on principal of 24 months at preferential rates from AID Bank.¹⁵⁴ Technical assistance mainly consists of market research and the development of business plans.

4.20. On average, the tariff levied on manufactured goods is 10.0% in 2020, up from 9.5% in 2013 (Table 3.2), the maximum tariff applied on a manufactured product is 165%, and 22.6% of manufactured products (including petroleum products) are imported duty-free. The private sector considers benefiting from low protection and that their preferential margins in regional markets is eroding or simply not implemented.

4.4 Services

4.21. Until 2016, Dominica consistently ran a services trade surplus of more than USD 100 million, mainly explained by a sustained export performance of travel services, which accounted for close to USD 200 million in every year. Dominica's imports mainly consisted of other business services, including technical trade-related activities, and transport services, which amounted to USD 53.6 million and USD 33.7 million on average, respectively. Tropical Storm Erika in 2015 and Hurricane Maria in 2017 severely disrupted the trends observed in services trade until then. The trade surplus in 2016 (USD 58.9 million) shrank by more than 40% in comparison to the previous years, and practically disappeared in 2017 (USD 9.7 million). This performance closely mirrored the performance of travel services. At the same time, imports of services in subsectors such as construction, insurance, and transport services were on the rise to satisfy reconstruction needs. Preliminary data show that a recovery of Dominica's performance in trade in services was under way with an estimated trade surplus of USD 31.9 million; however, the emergence of the COVID-19 pandemic brought travel services to a full stop again.

4.22. Under the General Agreement on Trade in Services, Dominica scheduled horizontal market access limitations on commercial presence and movement of natural persons.¹⁵⁵ Regarding commercial presence, foreign service providers are required to locally incorporate their business and are subject to specific taxes, such a withholding tax on foreign and non-resident investors. Some

¹⁵³ After Hurricane Maria, the manufacturing sector recorded the sharpest contraction (-30% of output) on a year-to-year basis across all the economy.

¹⁵⁴ AID Bank, *Industry Loan*. Viewed at: <http://www.aidbank.com/?q=loans/industry>.

¹⁵⁵ WTO document GATS/SC/27, 15 April 1994.

restrictions on land acquisition also apply. Moreover, a number of small business opportunities are reserved for nationals, and foreign suppliers are only permitted on the basis of an economic needs test in this regard. The employment of foreign natural persons is normally limited to people with managerial and technical skills in short supply or not available in Dominica. Additionally, a registration requirement with professional or governmental bodies may apply to some professionals. Dominica has not listed any Article II (MFN) exemptions.

4.23. Dominica undertook specific commitments covering 4 of the 12 main service areas: financial services (reinsurance); tourism and travel related (hotel development); recreational, cultural, and sporting services (entertainment and sporting services); and communications (courier and telecommunications services). Telecommunications has several limitations on market access, mainly related to exclusive rights granted to operators in cross-border supply and commercial presence of services.¹⁵⁶ For all other service areas, no market access or national treatment limitations were scheduled on cross-border supply and consumption abroad, except for hotel development and sporting services where the cross-border supply of the service was considered technically unfeasible. Regarding commercial presence, limitations were scheduled in committed services; however, most of these limitations refer to horizontal limitations mentioned before. For hotel development, market access is limited to the development of hotels with a capacity in excess of 50 rooms while hotels with smaller capacity are subject to an economic needs test.

4.4.1 Banking, finance, and insurance

4.4.1.1 Regulation

4.24. The Financial Services Unit (FSU), a department established in 2008 within the Ministry of Finance and Investment, remains the regulating authority for all financial activities (onshore and offshore), except for domestic commercial banks and securities.¹⁵⁷

4.4.1.2 Onshore financial services

4.4.1.2.1 Banking

4.25. Domestic commercial banks are under the supervision of the Eastern Caribbean Central Bank. The regulatory framework was updated during the review period and the Banking Act 2015, as amended¹⁵⁸, prescribes the current regulations for commercial banking services in eight ECCU members (Common Report). The regulatory update, *inter alia*, implied the rise of minimum capital requirements for commercial banks and other financial institutions, an enhanced bank resolution framework, and a stronger protection for small depositors.¹⁵⁹ Financial institutions are subject to a licence requirement and the payment of a non-refundable fee of XCD 20,000 is part of the application process. Annual licence fees vary between XCD 40,000 for a local financial holding company, and XCD 80,000 for a local licensed financial institution or bank. Annual fees for institutions and companies incorporated in a country outside the Eastern Caribbean Currency Union are 50% higher than for local ones. In 2019, Dominica issued detailed instructions for applicants seeking to obtain

¹⁵⁶ Regarding commercial presence, voice telephony (both fixed and mobile), packet-switched data transmission, circuit-switched data transmission, telex, telegraph, private-leased circuit, and facsimile services are reserved for the exclusive operator. The supply of electronic mail, voice mail, online information and database retrieval, electronic data interchange, Internet and Internet access services (except voice), enhanced value-added facsimile services, and some other services is open to other suppliers, provided they use the network of the exclusive operator to supply these services. Note that almost no limitation on national treatment was scheduled for telecommunication services.

¹⁵⁷ The FSU has a supervisory role in respect to the Building Societies Act, Chapter 31:60; the Co-operative Societies Act 1996; the Dominica Agriculture Industrial and Development Bank, Chapter 74:03; the Exempt Insurance Act 1997; the International Exempt Trust Act 1997; the Insurance Act 2012; the Money Laundering (Prevention) Act 2011; the Money Services Business Act 2010; and the Offshore Banking Act 1996.

¹⁵⁸ Banking Act 2015, Act No. 4 of 2015, as amended by the Banking (Amendment) Act 2020, Act No. 5 of 2020, and the Law revision (Miscellaneous Amendments) Act 2020, Act No. 8 of 2020. This amendment streamlines procedures prescribed by the 2015 Act.

¹⁵⁹ Minimum capital requirements are XCD 20 million instead of XCD 5 million previously for commercial banks, and XCD 5 million instead of XCD 1 million for other financial institutions. In case of voluntary liquidation, depositors must be returned their assets within three days according to the updated regulations.

a licence for financial institutions.¹⁶⁰ There has been no new entrant that completed the licensing procedures under the Act since 2015.

4.26. Currently, there are only three commercial banks in Dominica: two are branches of foreign-owned commercial banks, the Republic Bank (EC) Ltd¹⁶¹ and CIBC First Caribbean International Bank (Barbados) Ltd. The latter has announced its cessation of activities in Dominica for 31 January 2022. The locally owned National Bank of Dominica Ltd (NBD)¹⁶² is the dominant actor in the market. In April 2021, NBD acquired Dominican banking assets of another foreign-owned bank, i.e. the RBC Royal Bank of Canada, which operated in the region until then. Despite this consolidation of commercial banks, the high penetration of some large credit unions raises less concern regarding competition, according to the authorities.¹⁶³ The average spread reduced from 6% to close to 4% during the review period; both deposit and lending interest rates declined by 1.2 and 3.1 percentage points, respectively, during the same time.

4.27. In addition to commercial banks, the AID Bank acts at the national development bank and agency of Dominica.¹⁶⁴ Its main funding sources are loans from the Caribbean Development Bank and resources from the Citizen By Investment programme. It provides credit at lower interest rates (at least 1%) than those applied by the commercial activities to productive activities and its overall credit lines amount to 0.3% of GDP in 2018. Agriculture, tourism, manufacturing, services, transportation, housing/mortgage, and education are the sectors benefiting from this attractive funding.

4.28. Moreover, Dominica has six registered credit unions¹⁶⁵ and some consolidation of credit unions was also observed during the review period. Their registration, supervision, and operation are regulated by the FSU under the Co-operative Societies Act 2011. The authority can perform on-site inspections and advise the credit unions on future actions; however, it does not issue financial penalties in case of non-compliance of this Act. The National Co-operative Credit Union Ltd (NCCU), which accounts for 71% of all credit unions' assets, is the dominant actor in this segment. The rapid growth of credit unions¹⁶⁶ and their important participation in terms of deposits by commercial banks (close to one third in 2018) mean that both segments are becoming more intertwined.¹⁶⁷ Undercapitalization of some credit unions whose capital adequacy ratio is below the minimum remains a concern for the whole system.

4.29. The global tightening of the requirements for correspondent banking relationships (CBRs) and the risk associated with a limited ability to make international payments and transfers have shaped some recent policy changes in Dominica, in particular on anti-money laundering (AML) regulations. Amendments to the Money Laundering (Prevention) Act 2011 enacted in 2016 and 2020, as well as the Anti-Money Laundering and Suppression of Terrorist Financing Code of Practice¹⁶⁸ issued in 2014, aimed to strengthen Dominica's AML regulations by bringing them closer to international standards. Despite strict regulations on users of the banking sector, Dominica, like other countries in the region, is not able to keep the CBRs, which perceived little reward for serving the region.

¹⁶⁰ Banking (Licences) Regulations, SRO No. 21 of 2019.

¹⁶¹ In 2019, banking activities of the Bank of Nova Scotia in seven Caribbean countries were sold to a holding based in Trinidad and Tobago following the approval of the ECCB. Its activities in Antigua were sold to another domestic bank. The Republic Bank is the result of this acquisition, which did not impact the domestic competition of Dominica's banking market.

¹⁶² The Government is the single largest shareholder in NBD (48.93% of share capital). Considering other entities controlled by the State, the Government reaches up to 55.09% of the share capital. NBD, *Annual Report 2019*. Viewed at: <https://online.nbdominica.com/download/2019-annual-report/?wpdmdl=2733&refresh=60e1aa4a64e381625401930>.

¹⁶³ However, the private sector reports less flexibility and competition in financial services.

¹⁶⁴ Established in 1982 by the Dominica Agricultural, Industrial and Development Bank Act, Chapter 74:03.

¹⁶⁵ FSU, *Registered Entities: Credit Unions*. Viewed at: <https://fsu.gov.dm/registered-entities/credit-unions>.

¹⁶⁶ According to the NCCU's Annual Report 2019, its membership grew by 25% between 2013 and 2019 while total assets under its control increased to XCD 640 million by end-2019 (+30% since 2013). Viewed at: <http://www.nccudominica.com/About-Us/Reports-Publications.html>.

¹⁶⁷ Credit unions also propose some insurance products and mobile wallet products; the former were developed in collaboration with Climate Resilience Execution Agency for Dominica.

¹⁶⁸ Anti-Money Laundering and Suppression of Terrorist Financing Code of Practice 2014, SRO No. 10 of 2014.

4.30. The resolution of non-performing loans (NPLs) remains an outstanding issue in Dominica. For instance, the NPL ratio for banks peaked at 17% after Hurricane Maria in 2017. NPLs by credit unions and other financial institutions, such as the AID Bank, remain at even higher levels. The establishment of the Eastern Caribbean Asset Management Corporation (ECAMC) in 2015¹⁶⁹ is a regional attempt to address the high incidence of NPLs; however, no purchase of bad debts has yet taken place (Common Report). The purchases of loans are still waiting for funding and sovereign guarantees to effectively start these purchases. The Credit Reporting Act¹⁷⁰, which established a Credit Bureau, is also a regional effort to secure transactions and improve access to credit (Common Report).

4.31. The regulatory framework for money services businesses has remained unchanged since the last Review; they are under the supervision of the FSU and subject to licensing requirements, including an application fee of XCD 2,500 and other relevant documentation.¹⁷¹ An annual licence fee of XCD 5,000 applies and a statutory deposit of XCD 50,000 is required. Businesses must maintain a minimum capital requirement of XCD 50,000 or 10% of the value of the assets, whichever is higher.¹⁷² As at June 2021, seven businesses are licensed to operate in payday advances only, while three businesses were granted money transmission licences.¹⁷³

4.4.1.2.2 Insurance

4.32. The Insurance Act 2012 remains the main legislation governing insurance businesses and no changes into the regulatory framework have been introduced since the last Review.¹⁷⁴ Insurance businesses regulated by the 2012 Act include local insurance companies; branches of foreign insurance companies; associations of underwriters; intermediaries; privately administered pension fund plans; and reinsurance companies. All insurance businesses are subject to registration and are under the supervision of FSU, which acts as Registrar of Insurance.

4.33. Prior to registration in Dominica, foreign insurance companies must have been in business for at least five years and must be incorporated in their country of origin. A principal office in Dominica and the appointment of a resident as a representative are also required. Foreign companies must have a minimum share capital of XCD 5 million, instead of XCD 2 million for local ones.¹⁷⁵ Other requirements include deposit requirements, which vary according to each class of insurance business and premium collected during the year; the establishment of separate accounts with sufficient assets to cover each class of business separately; and the impossibility to repatriate profits of foreign-owned companies as long as the value of assets in insurance funds does not cover at least 110% of policyholders' liabilities (less the deposit). In special circumstances when insurance protection is not available by registered companies, FSU may authorize a person to conclude an insurance contract with a company not registered in Dominica; reinsurance contracts are not subject to this approval.

4.34. A consequence of Hurricane Maria on the domestic insurance market has been the increase of premiums following a risk-based readjustment by reinsurers.

4.35. The resolution of the insolvency of two insurance companies with regional coverage (Colonial Life Insurance Company (CLICO), based in Barbados, and British American Insurance Company (BAICO) based in the Bahamas) declared in 2009 required the establishment of a regional framework for the arrangement between the two companies and their creditors in all Eastern Caribbean

¹⁶⁹ Eastern Caribbean Asset Management Corporation Act 2015, Act No. 11 of 2015 implementing the regional agreement for the creation of the ECAMC signed at Basseterre on 24 February 2015.

¹⁷⁰ Credit Reporting Act 2020, Act No. 13 of 2020.

¹⁷¹ The Money Services Business Act 2010, Act No. 8 of 2010, regulates activities related to money transmission; issuance, sale, and redemption of payment instruments; cheque cashing; currency exchange; and payday advances only. Licences are granted to different combinations of those activities.

¹⁷² Money Services Business (Capital Adequacy) Order, SRO No. 32 of 2011.

¹⁷³ JN Money Transfer, Money Grant, and Western Union are the businesses licensed for money transmission. FSU, *Money Services Businesses*. Viewed at: <https://fsu.gov.dm/registered-entities/money-services-businesses>.

¹⁷⁴ Insurance Act 2012, Act No. 4 of 2012.

¹⁷⁵ Mutual companies are required to have uncommitted reserves of at least XCD 5 million.

countries. In Dominica, this was reflected by the enactment of the Plan of Arrangement (BAICO and CLICO) Act 2016.¹⁷⁶

4.36. As at June 2021, Dominica had 16 registered insurance companies and one underwriter¹⁷⁷; none is locally owned. Three of these companies provide long-term insurance (life, retirement), 10 provide general insurance (health, property, accident, motor, marine, aviation, and transit), and 3 companies are active in the two segments. No reinsurance company is registered by the FSU.

4.4.1.3 Offshore financial services

4.37. Offshore banking is regulated by the Offshore Banking Act 1996, as amended, and related regulations.¹⁷⁸ Licensees by the FSU are only allowed to conduct banking business in foreign currencies (other than the XCD) and must have a physical presence in Dominica as well as locally residing authorized agent and alternate agent. Among other conditions, an initial paid-up capital of least USD 1 million in cash; a minimum permanent capital of USD 1 million or 5% of deposit liabilities, whichever is greater; and liquidity with a major international bank of at least 12% of total assets are required.¹⁷⁹ Recent amendments¹⁸⁰ limit the tax exemptions to which offshore banks and their non-resident customers were eligible in the initial regulation. Exemptions on income tax, capital gains tax, withholding tax, or other direct tax on profits, assets, property values, and their transfers ceased in June 2021. Eight offshore banks had their licences revoked between 2016 and 2018¹⁸¹, and no new licence has been issued since 2017. As at June 2020, there were 17 registered offshore banks by FSU.¹⁸²

4.38. The Exempt Insurance Act 1997, as amended¹⁸³, prescribes the conditions for the operation of offshore insurance companies, and companies are only allowed to manage risks and premiums originating outside Dominica. Other requirements include the local incorporation of companies, the non-residence of shareholders, a minimum paid-up capital of at least USD 100,000, and at least one Dominican citizen in its Board of Directors. As at June 2021, there were no licensed offshore insurance companies in Dominica.

4.4.2 Telecommunications

4.39. The regulatory framework governing the telecommunication sector has only marginally changed since the last Review, and the Telecommunications Act 2000, which is substantially the same as in other OECS contracting parties of the Treaty Establishing the Eastern Caribbean Telecommunications Authority (ECTEL), remains in force.¹⁸⁴ Criteria for granting a licence, the existence of a National Telecommunications Regulatory Commission (NRTC) in each ECTEL member State, universal service conditions to be applied, and procedures for concluding interconnection agreements, *inter alia*, are covered by the 2000 Act). The sector is under the responsibility of the Ministry of Economic Affairs, Planning, Resilience and Sustainable Development, Telecommunications and Broadcasting, while the NRTC of Dominica acts as the regulator for the sector. At the regional level, the ECTEL has an important advisory and policy-coordinating role on any matter relating to telecommunications (Common Report).

4.40. Both entities, the NRTC and the ECTEL, intervene in the management of the electromagnetic spectrum in Dominica. Based on recommendations in ECTEL's Regional Spectrum Management Plan updated in 2012 and in line with ITU's specifications¹⁸⁵, the NRTC manages and controls the use of

¹⁷⁶ Plan of Arrangement (BAICO and CLICO) Act 2016, Act No. 1 of 2016.

¹⁷⁷ FSU, *Insurance Companies*. Viewed at: <https://fsu.gov.dm/registered-entities/insurance/insurance-companies>.

¹⁷⁸ Act No. 8 of 1996 as amended by eight amendments issued since then, and related regulations such as the Offshore Banking (Fees) Regulations, SRO No. 58 of 1996.

¹⁷⁹ Furthermore, an annual licence fee of USD 8,000 also applies, and companies are requested to provision a reserve fund where no less than 25% of their yearly profit is transferred.

¹⁸⁰ The most recent amendment in this regard is the Offshore Banking (Amendment) Act 2020, Act No. 4 of 2020.

¹⁸¹ These licence revocations were enacted by means of SROs by the Minister of Finance.

¹⁸² FSU, *Offshore Banks*. Viewed at: <https://fsu.gov.dm/registered-entities/offshore-banks>.

¹⁸³ Act No. 14 of 1998 as amended by the Exempt Insurance (Amendment) Act 2000, Act No. 12 of 2001, and the Exempt Insurance (Amendment) Act 2015, Act No. 7 of 2015.

¹⁸⁴ Act No. 8 of 2000 as amended by Act No. 17 of 2001.

¹⁸⁵ Telecommunications (Spectrum Management) Regulations, SRO No. 26 of 2011.

electromagnetic spectrum in Dominica. Operators of a telecommunications network and providers of telecommunications service are subject to licensing, whether individual for infrastructure-oriented services or class for value-added service providers and other services. All licences are granted by the Minister in charge of telecommunications and class licences are assessed by the NTRC; their relevant forms and related fees are available online.¹⁸⁶ Individual licences should not be granted unless ECTEL recommends accordingly. In 2016, the Ministry issued regulations specifying networks and services subject to each type of licensing as well as an update of their related fees.¹⁸⁷ Annual fees are fixed to minimum levels that vary depending on the services; however, annual fees may increase according to gross revenues of licensees (3% of gross revenue if that percentage is above the minimum fee of XCD 20,000 for individual licences). The NRTC in coordination with the ECTEL organizes public consultations before enacting new regulations.

4.41. By June 2021, there were seven active operators in Dominica: Flow Dominica (previously LIME) Ltd (fixed-line, mobile, and Internet services); SAT Telecommunications (fixed-line and Internet services); Iristel (Dominica) Inc. (fixed-line only); Digicel (Dominica) Ltd (mobile and subscriber television); Marpin 2K4 Ltd (fixed-line and Internet services); Middle Caribbean Network (submarine cable only); and Green Dot Dominica Ltd (Internet and subscriber television).¹⁸⁸ As part of damages registered after Hurricane Maria, telecommunications infrastructure, in particular fixed services, was severely hit. By 2019, the penetration of fixed-line services was only 4%, i.e. five times less than in 2015 (Table 4.1). On the other hand, mobile penetration fluctuated between 105% and 112% during the review period, after a peak at 143% in 2013. The 3G network coverage reaches 95% of the territory and more than 60% of the population has access to the Internet. On average, the communications sector accounts for 4.9% of GDP and in 2020 its contribution is expected to increase by one percentage point based on preliminary data (Table 1.1).

Table 4.1 Selected telecommunications indicators, 2013-21

	2013	2015	2017	2019	2021
Provider revenues (XCD million)	106	108	100	93	74
Investment (XCD million)	13	46	16	123	25
Employment (number)	213	163	141	169	196
Penetration rates (in %)					
Fixed-line	20	22	18	4	3
Mobile	143	112	105	105	93
Internet broadband	14.4	21.9	21.4	n.a.	65.0

n.a. Not applicable.

Source: ECTEL, *Selected Electronic Communications Sector Indicators 2013-2017*. Viewed at: <https://www.ectel.int/selected-electronic-communications-indicators-2009-2010>; *Annual Electronic Communication Sector Review 2018*. Viewed at: <https://www.ectel.int/wp-content/uploads/2019/09/Selected-electronic-communications-indicators-2017-2018.pdf>; and *Annual Electronic Communication Sector Review 2018*. Viewed at: <https://www.ectel.int/annual-electronic-communication-sector-review-2018/>; and data provided by the authorities.

4.42. The Telecommunications (Interconnection) Regulations¹⁸⁹ still regulate interconnection services and allow for interconnection agreements subject to the approval of the NTRC, after consultation with the ECTEL, to be negotiated between providers. A public network operator must provide interconnection to interconnecting operators under no less favourable terms and quality than similar services provided for itself or its affiliates. Currently, there are two approved interconnection agreements between services providers and the authorities reported that one of them is effectively implemented.¹⁹⁰

4.43. Operators are free to set their tariffs¹⁹¹, but the NTRC may intervene to ensure sufficient or fair competition, although its enforcement is limited. Mobile and Internet services prices are driven by competition. Tariffs of special services, such as emergency services and operator assistance, are regulated by the NRTC. The Commission also defines criteria and parameters for the quality of

¹⁸⁶ NTRC, *Fees*. Viewed at: <https://ntrcdominica.dm/fees/>.

¹⁸⁷ Telecommunications (Licence Classification) Notice 2016, SRO No. 32 of 2016.

¹⁸⁸ NTRC, *License & Authorization*. Viewed at: <https://ntrcdominica.dm/license-authorization/>.

¹⁸⁹ Telecommunications (Interconnection) Regulations 2009, SRO No. 17 of 2009.

¹⁹⁰ Indeed, the authorities note that the NRTC is not fully equipped with all the necessary mechanisms for regulatory enforcement.

¹⁹¹ Telecommunications (Retail Tariff) Regulations, SRO No. 40 of 2012.

fixed-line, mobile, and Internet services. Providers are required to submit quarterly reports on compliance to the NTRC, although this obligation is not fully implemented.¹⁹² No regulations on net neutrality are applied in the region.¹⁹³ Consumers can submit their complaints regarding service providers using the NRTC forms¹⁹⁴ and, in case of non-resolution within 30 days, the NRTC intervenes as a resolution instance at the request of one of the parties.¹⁹⁵ Procedures remain too costly for consumers.

4.44. Operators required to provide universal service are compensated by a nationally managed Universal Service Fund, which is managed by the NRTC, and promotes projects promoting universal service, with a special focus on rural, under-served, and maritime areas. Operators contribute 0.25% of gross annual revenue for the first year, 0.5% for the second year, and 1% for each year thereafter.¹⁹⁶ The amounts contributed to the USF by operators are approximately XCD 800,000 a year.

4.45. Based on ECTEL Numbering Plan¹⁹⁷, the NTRC manages the National Numbering Plan and applies fees for application, the initial allocation, and annual renewals as prescribed by regulations in force.¹⁹⁸ Currently, allocated short codes are published by the NRTC online.¹⁹⁹ On 3 June 2019, ECTEL launched the mobile number portability across all ECTEL member States.²⁰⁰ VoIP numbers cannot be ported.

4.4.3 Transport

4.4.3.1 Maritime transport

4.46. Given the limited air connectivity of the island (see below), maritime transport is a key element for Dominica's trade and, for instance, authorities estimate that 90% of its merchandise trade was shipped by sea. The Ministry of Tourism, International Transport and Maritime Initiatives is responsible for the formulation of maritime policies, and the management of relevant infrastructure. The International Maritime Act 2000²⁰¹ established the Commonwealth of Dominica Maritime Administration (MARAD), a unit within the Ministry, which oversees ships engaged in international trade. MARAD is also responsible for the registration of vessels²⁰², the welfare of the crew of vessels flying the flag of Dominica, the implementation of the International Ship and Port Facility Security (ISPS) Code, and the provision of other maritime services. The responsibility for port administration lies with the Dominica Air and Sea Ports Authority (DASPA), a statutory body under the Ministry established in 2006.²⁰³ DASPA's mandate includes providing a coordinated and integrated system of airports, seaports, and port services, and managing the assets, liabilities, resources, and functions of the ports.

4.47. International business companies and foreign maritime corporations whose vessels fly the Dominican flag are not subject to taxes on their income or assets. By 2022, there were 110 vessels registered in Dominica, of which 64 are domestic.²⁰⁴ The number of registered domestic vessels

¹⁹² Quality criteria and parameters are defined by the Telecommunications (Quality of Service) Regulations, SRO No. 13 of 2008.

¹⁹³ ECTEL, *Net Neutrality*. Viewed at: <https://www.ectel.int/consumers/net-neutrality-2/>.

¹⁹⁴ Complaint forms are available on the NRTC website. Viewed at: <https://ntrcdominica.dm/fileacomplaint/>.

¹⁹⁵ ECTEL, *Complaints*. Viewed at: <https://www.ectel.int/consumers/complaints/>.

¹⁹⁶ Telecommunications (Universal Service Fund Contribution), SRO No. 45 of 2009.

¹⁹⁷ ECTEL, *Numbering Plan*. Viewed at: <https://ectel.int/wp-content/uploads/2015/12/numbering-plan-2011.pdf>.

¹⁹⁸ Annual fees are XCD 410 for a block of 10,000 numbers, and XCD 1,060 for a block of 10 codes. Telecommunications (Numbering) Regulations, SRO No. 32 of 2008.

¹⁹⁹ NTRC, *Numbering*. Viewed at: <https://ntrcdominica.dm/numbering/>.

²⁰⁰ ECTEL, *Mobile Number Portability*. Viewed at: <https://www.ectel.int/mnp/>.

²⁰¹ International Maritime Act 2000, Act No. 9 of 2000.

²⁰² Dominica Maritime Registry registers all domestic vessels and those from CARICOM countries. Viewed at: <https://dominica-registry.com/vessels/>.

²⁰³ DASPA operates a public authority under the Ministry of Tourism, International Transport and Maritime Initiatives. Dominica Air and Sea Ports Authority Act 2006, Act No. 8 of 2006.

²⁰⁴ In 2019, the fleet flying the Dominican flag was able to transport 1.19 million DWT. The carrying capacity of the national fleet increased during the review period, particularly regarding oil tankers. UNCTAD Stat, *Maritime Profile: Dominica*. Viewed at: <https://unctadstat.unctad.org/CountryProfile/MaritimeProfile/en-GB/212/index.html>.

increased during the review period (42 registered in 2013), while the number of foreign vessels has decreased (123 in 2013).

4.48. Dominica has three ports owned and administered by the DASPA: the Port of Roseau (comprising Woodbridge Bay port, a ferry terminal, and a cruise ship berth); the Port of Portsmouth (Cabrits Cruise Ship Berth, the Longhouse jetty); and the Port of Anse de Mai. The Ports of Marigot and Colihaut, which are not owned by DASPA, are also ports of entry. Charges for pilotage, running lines, and port usage per movement or time, as well as other cargo and cruise services, are listed on DASPA's website.²⁰⁵ The charges have not changed since 2006.

4.49. Dominica levies a travel tax of 7.5% on passenger tickets purchased for vessels leaving Dominica²⁰⁶, an embarkation tax (also known as the departure tax) on passengers leaving Dominica of XCD 45 for nationals of Dominica or other CARICOM countries (XCD 59 for travellers of other nationalities)²⁰⁷, a passenger facility charge of XCD 27, and a port security charge of XCD 5.²⁰⁸ Non-national passengers of cruise ships are not subject to taxes.

4.50. Since 1979, Dominica has been a member of the International Maritime Organization (IMO) and is a party to a number of the IMO conventions, although some recent Protocols have not yet been ratified.²⁰⁹ The authorities indicate that the main ports and terminals are in compliance with the IMO's ISPS Code.

4.51. Following the COVID-19 pandemic, the private sector reports transport costs are picking up.

4.4.3.2 Air transport

4.52. In force since 2010, the Civil Aviation Act 2005²¹⁰ remains the regulatory framework for air transport in Dominica and the sector is under the responsibility of the Ministry of Tourism, International Transport and Maritime Initiatives. At the regional level, the Eastern Caribbean Civil Aviation Authority (ECCAA) oversees civil aviation safety and security, notably through Advisory Circulars on general, airworthiness, operational, and personnel licensing issues. In 2020, Dominica issued a series of regulations regarding flight safety, security, and aeronautical telecommunications.²¹¹

4.53. Within the Ministry, DASPA is in charge of airport administration and the provision of airport services as prescribed by the regulation in force.²¹² DASPA can contract out some of its activities with the approval of the Ministry and, in this regard, ground handling is currently provided by private local companies. Conditions or requirements applicable for these activities are stipulated in the DASPA Act. The construction of a new international airport was scheduled to start in November 2022. The project will be entirely funded by the CBI programme, and it is expected to be completed by 2026. The objective is to increase the attractiveness for tourists from the United States and European countries with direct flights. The total number of passengers handled by both airports reduced from approximately 135,000 in 2019 to less than 40,000 per year in 2020-21 as a consequence of travel restrictions related to the COVID-19 pandemic. Air cargo is exclusively handled through Douglas-Charles Airport; the tonnage in both directions lessened over the review period, and the total tonnage in 2019 was less than 50% of its value in 2014.

4.54. The authorities indicate that there is no limitation to foreign ownership or participation in domestic airlines. Currently, there is no domestically incorporated airline in Dominica, and the country is served by regional airliners (Air Antilles, Air Sunshine, InterCaribbean Airways, Silver Airways, and LIAT) with scheduled passenger flights to other Caribbean islands from

²⁰⁵ DASPA. Viewed at: <https://www.domports.daspa.dm/index.php/seaports/port-dues-payable/>.

²⁰⁶ Inland Revenue Division, *Travel Tax*. Viewed at: <https://ird.gov.dm/tax-laws/travel-tax>.

²⁰⁷ Embarkation Duty (Amendment) Act 2004, Act No. 5 of 2004.

²⁰⁸ The passenger facility and port security charges were fixed at their current value by the Dominica Air and Sea Ports Authority (Security and Passenger Facility Charges) Regulations 2014, SRO No. 23 of 2014.

²⁰⁹ IMO, *Status of IMO Treaties*. Viewed at: <https://wwwcdn.imo.org/localresources/en/About/Conventions/StatusOfConventions/Status%20-%202021.pdf>.

²¹⁰ Act No. 21 of 2006 entered in force on 1 July 2010.

²¹¹ These regulations are contained in SRO Nos. 8, 9, 10, and 29 of 2020.

²¹² Dominica Air and Sea Ports Authority Act 2006, Act No. 8 of 2006.

Douglas-Charles Airport.²¹³ Regular cargo flights are provided by Wiggins Airways, incorporated in the United States. Five kilometres north from Roseau, the Canefield Airport is a secondary airport and it does not have a scheduled service.

4.55. Dominica applies similar taxes on air passengers as on maritime passengers (see above), i.e. a travel tax of 7.5%, an embarkation tax varying according to the nationality of passengers²¹⁴, and a port security charge of XCD 5. Taxes are mainly collected by IATA and all taxes are included in the air tickets. Since July 2018, Dominica has deployed an Advance Passenger Information System, which requires air companies to submit extensive information on their passengers in advance for control by the competent authorities.²¹⁵

4.56. In April 2019, Dominica became a Member State of the ICAO following the notification of its adherence to the Chicago Convention.²¹⁶ As a signatory to the CARICOM Air Services Agreement, Dominica grants Fifth and Seventh Freedom rights to other members of the Agreement. Within the GATS, Dominica has no commitments on air transport services.

4.4.4 Tourism

4.57. In June 2013, the Government issued a National Tourism Policy accompanied by a Tourism Master Plan for the period 2012-22.²¹⁷ Its objective was to clarify the priorities for the tourism sector to achieve the desired growth, and to raise international awareness on the development of projects and programmes by the industry as well as by international partner. The Government aims at creating a higher standard of living and well-being for the people of Dominica through the development of tourism on a sustainable basis and aims for the tourism sector to contribute up to 23% of GDP by 2022. Limitations related to transport connectivity, hotel infrastructure, and international awareness of the destination were identified by the Master Plan, and therefore it was decided to follow an investment-driven strategy for the sector. Discover Dominica Authority (DDA) is a key agency for the implementation of recommended actions by the Tourism Master Plan.

4.58. According to the World Travel and Tourism Council, the tourism sector contributed between 11.6% and 12.4% of Dominica's GDP between 2014 and 2017²¹⁸, a contribution surpassed only by other tourism-oriented islands in the Caribbean and Asia. The arrivals of stay-over tourists to Dominica were close to 75,000 every year (more than its total population) until 2016 and, after a low in 2017-18, the number of arrivals showed a rapid recovery in 2019 almost surpassing the 90,000 arrivals. In 2020, the sector was severely hit by the COVID-19 pandemic; however, the slowdown was not as marked as in other OECS members (Table 4.2). The number of establishments offering service after Hurricane Maria has significantly reduced, and the number of operating hotels in 2019 is only half of that in 2016.

Table 4.2 Visitor arrivals, by main category, 2014-21

Category	2014	2015	2016	2017	2018	2019	2020	2021
Stay-over tourists ^a	76,885	70,115	73,754	68,685	62,568	89,264	21,615	..
Excursionists	2,195	1,494	1,023	898	1,139	2,467	167	..
Cruise visitors	286,573	281,544	277,131	157,040	134,469	229,747	117,979	..
Yacht visitors	11,909	12,938	12,708	11,905	7,909	13,388	6,116	..

²¹³ Located in the northeast of the island, the airport was previously named Melville Hall Airport and adopted its current name on 27 October 2014 in honour of former Prime Ministers Douglas and Charles.

²¹⁴ IATA, *Dominica Customs, Currency & Airport Tax Regulations Details*. Viewed at: <https://www.iatatravelcentre.com/DM-Dominica-customs-currency-airport-tax-regulations-details.htm#Airport%20Tax>.

²¹⁵ Schedule I of the Advance Passenger Information System Act 2018, Act No. 10 of 2018.

²¹⁶ ICAO (2019), "Dominica Becomes ICAO's 193rd Member State", 15 April. Viewed at: <https://www.icao.int/Newsroom/Pages/Dominica-becomes-ICAOs-193rd-member-state.aspx>.

²¹⁷ Both documents are available at the following link: <http://tourism.gov.dm/news-and-media/tourism-policies>.

²¹⁸ World Bank, *Travel and Tourism Direct Contribution to GDP*. Viewed at: https://tcddata360.worldbank.org/indicators/tot.direct.gdp?country=DMA&indicator=24648&viz=line_chart&years=2013,2021.

Category	2014	2015	2016	2017	2018	2019	2020	2021
Total	377,562	366,091	364,616	238,528	206,085	334,866	145,877	..

.. Not available.

a Includes Ross University students who accounted for some 5,000 visits annually until 2018.

Source: Eastern Caribbean Central Bank, *Real Sector Statistics - Selected Tourism Statistics*. Viewed at: <https://www.eccb-centralbank.org/statistics/tourisms/comparative-report>.

4.59. In line with the objective of enhancing the hotel infrastructure, the Government enlarged its Citizenship by Investment (CBI) programme in 2014²¹⁹ by making it possible for investors within the Programme to participate in Cabinet-approved real estate projects that mainly focus on the development of hotels and resorts. The CBI Unit keeps an updated list of approved real estate projects.²²⁰ The construction of the new airport is also expected to improve of air connectivity for the tourism sector.

4.60. As per GATS-specific commitments on hotel development, foreign investors can participate in the development of hotels with more than 50 rooms. The development of smaller facilities (capacity of fewer rooms) is subject to an economic needs test. All foreign-owned hotels are subject to withholding tax. The Hotels Aid Act, as amended²²¹, provides for investors constructing hotels (of not less than five bedrooms) to be granted exemptions of import duties on building materials and articles of hotel equipment, including those purchased within the country. A VAT exemption on imported capital goods before the commencement of the hotel's operations may also be granted.²²² The Fiscal Incentives Act, as amended, foresees income tax exemptions, up to 20 years, on the construction and extension of hotels.

4.61. In 2016, the amendment to the Tourism (Regulations and Standards) Act 2005²²³, which provides for quality assurance through standards and licensing requirements for the tourist industry, aimed at increasing the enforcement of standards by tourism services providers and established a fee schedule and durations for licences depending on the type of tourism services provided.

4.62. In addition to tourism-related taxes described before (embarkation tax, cruise passenger head tax, and travel tax on tickets for travel by air and sea), the sector also contributes to tax revenue through VAT at a reduced rate of 10% (instead of 15%) on accommodation services, such as hotels, guest houses, and similar establishments, as well as for diving activities. Accommodation businesses with an annual turnover above XCD 62,500 are required to register for VAT with the IRD. Table 4.3 provides details on the amounts collected on tourism activities between FY 2013-21.

Table 4.3 Revenue collected on tourism activities, FY2013/14-FY2020/21

(XCD '000)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Embarkation tax	0	720.0	2,001.6	2,758.4	531.6	1,243.5	3,622.3	43.2
Cruise environmental tax	3,145.3	2,808.1	3,253.7	4,268.3	406.8	3,619.6	2,394.9	678.4
Travel tax	1,415.2	1,802.3	1,493.8	1,447.2	2,310.6	4,662.0	3,343.9	456.3
Hotel Occupancy Tax (HOT)	0	0	0.3	0.2	0.4	0	0	0
Exit certificate	10.3	9.1	13.1	7.3	5.8	4.5	2.7	0.3
Total	4,570.7	5,339.5	6,762.6	8,479.6	3,255.1	9,529.5	9,363.8	1,178.2

Note: The Hotel Occupancy Tax was discontinued, and revenue collected above only concerns arrears.

Source: Information provided by the authorities.

²¹⁹ Properties must be valued at a minimum of USD 200,000. Commonwealth of Dominica Citizenship by Investment Regulations 2014, SRO No. 37 of 2014.

²²⁰ By July 2021, nine projects were listed on CBI Unit's website. CBIU, *Approved Real Estate Projects*. Viewed at: <https://www.cbiu.gov.dm/investment-options/approved-real-estate-projects/>.

²²¹ Hotels Aid Act Chapter 85:04, as amended by Act No. 21 of 1991.

²²² Eligible goods are described in the Schedule of the Hotels Aid Act.

²²³ Tourism (Regulation and Standards) Act 2005, Act No. 19 of 2005 as amended by Tourism (Regulation and Standards) (Amendment) Act 2008, Act No. 11 of 2008, and more recently by Tourism (Regulation and Standards) (Amendment) Act 2016, Act No. 13 of 2016.

4.63. The AID Bank provides loans at preferential rates with similar conditions to those described for the manufacturing sector to services operators in accommodation services, restaurant and bars, heritage sites and attractions, vehicle rental enterprises, local crafts, and other tourism-related services.²²⁴

4.64. During the review period, Dominica issued the Aliens (Visa Exemption) Regulations 2015, as amended²²⁵, which grants visa-free entry to tourists from several countries across Europe; North, Central, and South America; and Asia. It also allows the entry of persons holding a Schengen, American, British, or Canadian visa regardless of their nationality.

4.65. In response to the emergence of COVID-19 pandemic and associated lockdowns, the Government sought to mitigate the reduction of tourists' entries through different initiatives, promoting the island as a safe and convenient destination. In March 2021, it launched the Work In Nature (WIN) Extended Stay Visa, targeted people working remotely and their families, which enables applicants to relocate and stay in the country for up to 18 months.²²⁶ In February 2021, Dominica received a Safe Travels Stamp from the World Travel and Tourism Council and is using this recognition to reassure travellers regarding Dominica's health and safety protocols to combat and control the spread of the COVID-19 pandemic.²²⁷

4.66. In 2019, an exemption of the excise tax on motor vehicles was applied for operational vehicles used in tourism taxi and tour operation services.²²⁸

²²⁴ Dominica Agricultural Industrial & Development Bank, *Tourism Loan*. Viewed at: <http://www.aidbank.com/?q=loans/tourism>.

²²⁵ Aliens (Visa Exemption) Regulations 2015, SRO No. 7 of 2015 was amended in four occasions, mainly to extend the visa exemption to further destinations.

²²⁶ Government of the Commonwealth of Dominica, *Visa Details*. Viewed at: <https://windominica.gov.dm/details/eligibility>.

²²⁷ Discover Dominica Authority (2021), "Dominica Receives Safe Travels Stamp from the World Travel and Tourism Council", 9 February. Viewed at: <https://cdn.discoverdominica.com/production/20210210081712-press-release-dominica-receives-wttc-safe-travels-stamp.pdf>.

²²⁸ Excise Tax (Amendment) (No. 2) Order 2020, SRO No. 42 of 2020.

5 APPENDIX TABLES

Table A1.1 Merchandise visible exports and imports by SITC section, 2014-21

(USD million and %)

Description	2014	2015	2016	2017	2018	2019	2020	2021
	(USD million)							
Total exports	34.0	24.3	17.7	11.7	10.2	18.6	14.2	17.2
Domestic exports	29.5	21.8	15.5	9.3	6.1	13.8	9.8	13.7
Re-exports	4.5	2.6	2.2	2.4	4.1	4.7	4.4	3.5
	(% of total exports)							
0. Food and live animals	27.4	35.9	58.3	52.5	35.0	53.7	46.5	49.6
1. Beverages and tobacco	4.4	3.3	4.7	6.0	3.7	12.3	12.6	7.8
2. Crude materials, inedible, except fuels	13.5	17.1	12.2	8.3	6.7	7.6	9.2	18.9
3. Mineral fuels and related materials	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0
4. Animal and vegetable oils, fats and waxes	0.0	0.0	0.1	0.3	0.1	0.0	0.0	0.0
5. Chemicals and related products	42.2	35.5	15.2	16.1	19.1	3.3	3.6	5.5
6. Manufactured goods	1.1	1.0	0.5	0.7	4.8	1.0	0.6	0.6
7. Machinery and transport equipment	8.2	5.0	5.7	9.2	22.2	4.5	3.5	3.5
8. Miscellaneous manufactured articles	3.1	1.8	3.2	6.7	8.4	17.5	23.8	14.1
9. Commodities and transactions not classified elsewhere in SITC	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0
	(USD million)							
Total imports	239.8	222.0	213.9	197.9	302.3	319.3	213.2	231.0
	(% of total imports)							
0. Food and live animals	19.7	20.3	19.9	16.7	12.3	15.1	19.1	17.2
1. Beverages and tobacco	3.6	4.0	4.3	4.0	4.5	4.1	3.8	3.4
2. Crude materials, inedible, except fuels	1.9	1.7	1.8	2.1	3.5	2.2	0.7	0.5
3. Mineral fuels and related materials	19.9	15.3	12.7	14.6	11.2	9.3	15.3	19.7
4. Animal and vegetable oils, fats and waxes	0.6	1.6	0.6	0.4	0.6	0.4	1.0	1.0
5. Chemicals and related products	6.6	9.2	8.4	8.1	7.2	8.2	10.4	10.3
6. Manufactured goods	13.3	13.9	15.7	17.3	21.0	22.3	18.4	17.3
7. Machinery and transport equipment	21.4	22.3	23.7	25.9	27.7	25.1	19.9	19.5
8. Miscellaneous manufactured articles	13.0	11.7	12.9	10.8	11.9	13.2	11.6	11.1
9. Commodities and transactions not classified elsewhere in SITC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Eastern Caribbean Central Bank (ECCB), *Real Sector Statistics – Selected Visible Trade Statistics*.
Viewed at: <https://www.eccb-centralbank.org/statistics/trades/country-report>.

Table A2. 1 Notifications to the WTO, 2014-22 (September)

WTO Agreement	Description of the requirement	Periodicity	Latest notification/ date
General Agreement on Tariffs and Trade			
Article 24.7(a)	Free Trade Areas (CARIFORUM-UK EPA)	<i>Ad hoc</i>	S/C/N/1025/Add.1 WT/REG420/N/1/Add.1, 05/05/2021 S/C/N/1025 WT/REG420/N/1, 07/01/2021
Agreement on Subsidies and Countervailing Measures			
Articles 25.1 and 27.4	Notification and extension of the Fiscal Incentives Programme	Annual	G/SCM/N/299/DMA G/SCM/N/315/DMA, 24/04/2018
Articles 25.1 and 27.4	Notification and extension of the Fiscal Incentives Programme	Annual	G/SCM/N/284/DMA G/SCM/N/290/DMA, 15/10/2015
Articles 25.1 and 27.4	Extension of the Fiscal Incentives Programme	Annual	G/SCM/N/275/DMA, 07/07/2014
Agreement on Technical Barriers to Trade			
Article 10.6	Specifications for the establishment of phytosanitary import requirements on seeds, fruit, and spores (HS 1209)	<i>Ad hoc</i>	G/TBT/N/DMA/28, 15/06/2021
Article 10.6	Specifications for the determination of host status of fruit to fruit flies (Tephritidae)	<i>Ad hoc</i>	G/TBT/N/DMA/27, 15/06/2021
Article 10.6	Specifications for the export, shipment, import, and release of biological control agents and other beneficial organisms	<i>Ad hoc</i>	G/TBT/N/DMA/26, 15/06/2021
Article 10.6	Specifications for production, maintenance, and phytosanitary certification of pest free potato (HS 0701.90) intended for international trade	<i>Ad hoc</i>	G/TBT/N/DMA/25, 15/06/2021
Article 10.6	Specifications for the development, implementation, and verification of a system approach for pest risk management of fruit flies (Tephritidae)	<i>Ad hoc</i>	G/TBT/N/DMA/24, 15/06/2021
Article 10.6	Specifications for planting material for bulbs, tubers, and tuberous roots (HS 0601.20)	<i>Ad hoc</i>	G/TBT/N/DMA/23, 15/06/2021
Article 10.6	Specifications for categorize edible vegetables and certain roots and tubers (HS 07), and edible fruit and nuts (HS 08) according to their pest risk	<i>Ad hoc</i>	G/TBT/N/DMA/22, 15/06/2021
Article 10.6	Specifications of import and export requirements on seeds, fruit, and spores (HS 1209)	<i>Ad hoc</i>	G/TBT/N/DMA/21, 15/06/2021
Article 10.6	Specifications of sampling methodologies applied to edible vegetables and certain roots and tubers (HS 07), and edible fruit and nuts (HS 08)	<i>Ad hoc</i>	G/TBT/N/DMA/20, 14/06/2021
Article 10.6	Specification for used vehicles, machinery, and equipment applied to tractors (HS 8701); and tanks and other armoured fighting vehicles, motorised (HS 8710)	<i>Ad hoc</i>	G/TBT/N/DMA/19, 14/06/2021
Article 10.6	Specification for tyres primarily intended for trucks and buses (ICS 83.160.10)	<i>Ad hoc</i>	G/TBT/N/DMA/18, 08/09/2020
Article 10.6	Specification for tyres primarily intended for passenger cars (ICS 83.160.10)	<i>Ad hoc</i>	G/TBT/N/DMA/17, 08/09/2020
Article 10.6	Specification for biodegradable products used as single use bags or in food service (ICS 13.030.99 and ICS 55.020)	<i>Ad hoc</i>	G/TBT/N/DMA/16, 08/09/2020
Article 10.6	Specification for tyres intended for trucks and buses (ICS 83.160.10)	<i>Ad hoc</i>	G/TBT/N/DMA/15, 07/03/2017
Article 10.6	Specification for hollow concrete blocks (ICS 91.100.15)	<i>Ad hoc</i>	G/TBT/N/DMA/14, 07/03/2017
Article 10.6	Specification for tyres intended for passenger cars (ICS 83.160.10)	<i>Ad hoc</i>	G/TBT/N/DMA/13, 30/07/2015
Article 10.6	Specification for concrete aggregates (ICS 91.100.15)	<i>Ad hoc</i>	G/TBT/N/DMA/12, 30/07/2015
General Agreement on Trade and Services (GATS)			
Articles 3.4 and 4.2	Contacts and enquiry points notified	Annual	S/ENQ/78/Rev.18, 01/02/2019
Article 5.7(a)	Regional Trade Agreement (CARIFORUM-UK EPA)	<i>Ad hoc</i>	S/C/N/1025/Add.1 WT/REG420/N/1/Add.1, 05/05/2021

WTO Agreement	Description of the requirement	Periodicity	Latest notification/ date
			S/C/N/1025 WT/REG420/N/1, 07/01/2021
Agreement on Trade Facilitation			
Articles 1, 10, and 12	Notifications on publication and availability of information, formalities and use of customs brokers, and contact points for exchange of information	<i>Ad hoc</i>	G/TFA/N/DMA/2, 16/11/2020
Article 15	Notification of Category A commitments	<i>Ad hoc</i>	WT/PCTF/N/DMA/1, 29/04/2015
Articles 15 and 16	Notification of commitments for all Categories and indicative dates for Categories B and C commitments	<i>Ad hoc</i>	G/TFA/N/DMA/1, 27/02/2019
Article 16	Notifications of definitive dates for Category C commitments	<i>Ad hoc</i>	G/TFA/N/DMA/1/Add.1, 23/08/2019
Transparency Mechanism for Regional Trade Agreements			
	Notification of changes affecting the implementation of a Regional Trade Agreement (Colombia and CARICOM)	<i>Ad hoc</i>	WT/COMTD/RTA15/N/1/Add.148/Suppl.1, 14 February 2022
	Notification of changes affecting the implementation of a Regional Trade Agreement (CARICOM and Colombia)	<i>Ad hoc</i>	WT/COMTD/RTA15/N/1/Add.148, 20 March 2020
	Notification of changes affecting the implementation of a Regional Trade Agreement (Cuba and CARICOM)	<i>Ad hoc</i>	WT/COMTD/RTA15/N/1/Add.156, 20 March 2020
	Notification of changes affecting the implementation of a Regional Trade Agreement (CARICOM and the Bolivarian Republic of Venezuela)	<i>Ad hoc</i>	WT/COMTD/RTA15/N/1/Add.141, 20 March 2020

Source: Compiled by the WTO Secretariat, based on information from WTO notifications.