

Press Release

For immediate release

Dominica Will Spend a Quarter of Its Revenue on Hurricane-Proof Housing, with 450 More Homes Built Using Citizenship by Investment Funds

Dominica was 2019's fastest growing economy in the Latin America and Caribbean region. The country is already showing signs of economic recovery from COVID-19. With a nearly one billion EC\$ budget for 2020-2021, Dominica will invest EC\$427.2 million in the public sector. This includes five priority areas: housing (27.5%); digital economy (16.5%); environment, rural modernisation and indigenous Kalinago upliftment (14.5%); healthcare (10.1%); and blue and green economy, agriculture, and food security (8.7%). From October, Dominica will set aside half a million EC\$ every month for weather emergencies, from the Citizenship by Investment Programme and its development partners.

LONDON, July 29, 2020 /CS Global Partners/ --

On Tuesday, the Prime Minister of the Commonwealth of Dominica, Roosevelt Skerrit, presented the country's budget for the 2020/21 fiscal year. Themed "The Road to Dynamic Dominica – Fostering Economic Resilience", Dominica's budget for July 1, 2020, to June 30, 2021, is worth a total EC\$967.9 million, of which EC\$150 million are grants. PM Skerrit thanked Dominica's friends and development partners, noting that the economy is already showing signs of recovery post-COVID-19, as the island "had the third lowest incidence" worldwide.

The greatest public expenditure Dominica will incur in the next 12 months is for Housing and Urban Development, estimated at EC\$117.4 million. The government will build another 450 homes using funds from its successful [Citizenship by Investment](#) (CBI) Programme. This is part of the wider [Housing Revolution](#) project, entirely sponsored by CBI, which aims to build 5,000 hurricane-proof homes for displaced communities.

"Over 450 homes will also be built across the island, with proceeds from the Citizenship by Investment Programme," PM Skerrit said. "These significant investments, while providing homes to those in need, will not only contribute to changing the landscape of our housing sector, but also create many opportunities for jobs and the provision of other services. The Government for example, has taken a firm decision that all kitchen cabinets and closets, shall be manufactured by local furniture makers."

Besides funding from the CBI Programme for housing, Dominica secured EC\$25 million from the World Bank and an EC\$10.6-million grant from the European Union. "I would like to once again place on record the gratitude of the Government and people of Dominica to the European Union, for this grant," PM Skerrit added.

Geographically prone to hurricanes, the 72,000-population island had suffered a 310% blow to its GDP after 2015's Storm Erika and 2017's Hurricane Maria. However, Dominica made a remarkable recovery and, in 2019, became the [fastest growing economy](#) in Latin America and the Caribbean. It relied heavily on funding from its CBI Programme to "build back better", determined to become "the world's first climate-resilient nation".

As a financial safety net in the event of weather emergencies, PM Skerrit said in his budget address that Dominica created the Vulnerability, Risk and Resilience Fund. From October this year, the government will replenish the fund by EC\$500,000 every month with proceeds from its Citizenship by Investment Programme and other sources, such as its development partners.

The government projects its total recurrent revenue to amount to EC\$695.3 million, while recurrent expenditure is worth EC\$606.5 million. Dominica will invest EC\$427.2 million in the public sector, prioritising five major areas: housing (27.5%); digital economy (16.5%); environment, rural modernisation and indigenous Kalinago upliftment (14.5%); healthcare (10.1%); and blue and green economy, agriculture and food security (8.7%).

“I wish to thank the many countries, partners, agencies, friends, who have stood with us, particularly through our darkest hours, and who have continued to provide assistance to us, and who have agreed to walk with us on this journey to become resilient,” PM Skerrit said in his closing remarks.

Before COVID-19, the IMF had forecasted Dominica to grow by 5.5% in 2020 – 2.1% above the average in the Eastern Caribbean Currency Union. Now, Dominica expects an overall deficit of 7.9% of GDP for 2020/21, but predicts a recovery to a 1.7% surplus in 2022/23.

While COVID-19 inflicted a 33.4% decrease in projected total revenue in the final quarter, its tax revenue only fell by 1.5% compared to estimates, and experienced a rebound in June. “The Government is encouraged by the visible signs of economic recovery,” PM Skerrit noted.

Despite the global economic slowdown, the government expects total revenue to exceed last year’s by 27.7%, provided there are no more external shocks. “I am happy to report [...] that barring any further disasters, or external shocks, total revenue is expected to improve gradually during this fiscal year, and exceed the revenue for Fiscal Year 2019/20, by 27.7 percent.”

The Prime Minister expects CBI revenue to return to normal. Dominica remains the best country for citizenship by investment, according to the past three issues of the [CBI Index](#), published by the Financial Times’ PWM magazine. After passing a series of due diligence checks, foreign individuals and their families can obtain Dominica’s valuable citizenship in exchange for an investment into the country’s economy. This can be in the form of a contribution to the [Economic Diversification Fund](#) worth at least US\$100,000, or a minimum investment of US\$200,000 in [one of the seven luxury hotels approved for CBI](#). While the fund option sponsors virtually all aspects of life in Dominica, the real estate arm helps the Nature Isle of the Caribbean establish an emerging ecotourism sector, balancing nature preservation with luxury amenities.

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About CS Global Partners

CS Global Partners is a London-headquartered leading government advisory, mandated by the Government of the Commonwealth of Dominica to promote their Citizenship by Investment Programme.

Should you require further information, please contact CS Global Partners at pr@csglobalpartners.com.