

Dominica

Dominica is the largest and the poorest of the Leeward and Windward group. Agriculture plays a more significant role in the Dominican economy than in the East Caribbean states, with agricultural products forming the main exports: bananas normally provide about 50 to 60% of exports, coconut, up to 10% and citrus, i.e. limes, grapefruits and oranges, about 10%. The manufacturing sector is very small, contributing about 5% of GDP. Tourism is less developed than in most of the other islands but nevertheless ranks as the second source of foreign exchange.

Dominica has suffered from severe social and economic difficulties over the last few years. Hurricanes in 1979 and 1980 destroyed the banana crop and severely damaged infrastructure and facilities serving other sectors. (Agricultural output dropped almost 40% in 1979-80). In 1981 agricultural production regained 1978 levels but income was limited by lower world prices and by intervening displacement in traditional markets. However, GDP increased by 8% based on the agricultural recovery and on significant construction activity which formed part of the reconstruction efforts. Although improved over 1979 and 1980 rates, unemployment remained as high as 23% in 1981. Inflation hovers around 20%.

Dominica's prospects will depend partly on a continuation of stable government, as well as on improvements in the banana sector, diversification away from bananas and development of new industries such as perfumes, cosmetics, pharmaceuticals and foodstuffs derived from indigenous essential oils. Already production and exports of toilet and laundry soap have assumed importance. The Dominican government strongly supports the private sector, including foreign investment, in the development of export-oriented ventures. The Government itself is embarking on infrastructure rebuilding and improvement projects, road-building and factory shells for example, and is interested in further exploitation of Dominica's hydroelectric potential. The present Government has also reactivated the Industrial Development Corporation as the agency for identifying and promoting private manufacturing ventures.