

Finance minister projects continued growth in 2025

■ DOMINICA

THE Dominica economy is estimated to have grown by 3.5% last year and the projections are for the growth to continue in 2025 at a further 4.2% by the end of the calendar year, Finance Minister Dr Irving McIntyre has said.

He said the inflation is projected to stabilise at about two per cent and is broadly aligned with United States price trends.

Legislators will from today begin debating the EC\$1.3 billion (US\$481 million) budget that McIntyre presented to parliament last Friday, in which he said the economy last year was fuelled by robust wholesale and retail trade, a very ambitious public sector investment programme, increase in tourism activity, and growth in agricultural output. He told legislators the rate of inflation also declined slightly averaging 3.1% last year, down from 3.5% in the previous year, due to the easing of food and commodity prices. The finance minister said the current account deficit is estimated to have narrowed by two percentage points to 32.2% of gross domestic product (GDP) in 2024 but remains above its norm of 16.3% of GDP due to import-heavy infrastructure projects.

'Currently, our debt/GDP ratio hovers around 89%. There was a slight decline in government's fiscal position in fiscal year 2024/2025 moving from a primary surplus of 1.5% of GDP in the previous year, to a deficit of 0.6%. However, fiscal year 2024/25 has had the strongest tax revenue performance on record as well as the highest tax arrears collection, a clear sign of the impact of increasing economic activity and improvements in tax administration.'

McIntyre said there was growth in tax revenue collection with all the major tax categories surpassing collections of the previous year. He said value added tax (VAT) has performed exceptionally well, exceeding budget estimates by three per cent and surpassing collections for the previous year by nine million dollars.

'The VAT now accounts for 41% of total tax revenues. Taxes on incomes and profits also had a strong performance, surpassing budget expectations as well as last year's collections. Non-tax revenue, supported mainly by CBI inflows, grew by 3.1% over that of the previous year.'

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