

IDA NEWSBYTES

Your Business Voice

July 2010

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Hon. Dr. John Collin McIntyre Minister for Employment, Trade, Industry and Diaspora Affairs



In its continuing quest to improve and enhance the investment climate, the Government of Dominica has been focusing efforts on streamlining the various processes needed to do business in Dominica and to make it less time-consuming for investors interested in participating in the building of this new economy. As a consequence, much effort has gone into producing a broad range of institutional mechanisms and policy development that will make the overall climate more conducive for doing business.

The Invest Dominica Authority (IDA) which falls under my Ministry, the Ministry of Employment, Trade, Industry and Diaspora Affairs, has the overall mandate of attracting new investment and in making the business climate more conducive for investors to operate. However, the IDA is one of a number of key agencies in this Ministry working to stimulate greater levels of private sector investment and to help bring about the desired levels of growth in our country. IDA together with the Small Business Support Unit, the Bureau of Standards and the Dominica Export Import Agency (DEXIA) form the nucleus of what is the Ministry's center for growth.

Through the IDA, the Government has a direct pulse on the investment climate



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Government's continued support towards improving the business climate

and IDA is the direct link with investors both local and foreign. It is through this agency that the Government is now reviewing a **Residence/Residential Tourism Policy**, which will seek to position Dominica as a destination for second homes for Dominicans in the Diaspora as well as non nationals.

With the changing economic landscape brought about by the ongoing global economic recession, the agency has commenced a review of the various priority sectors of the economy. This will allow for new and emerging investment opportunities to benefit from a range of fiscal incentives. One of the key initiatives thus far, is the commencement of a process of review of the Hotels Aid Act, and through consultation with the stakeholders in the tourism sector, IDA has put together a draft Tourism Incentive Bill, which is currently under review.

The Agency has also established a proactive approach to attracting investment while at the same time seeking to address the various challenges and bottlenecks which are likely to impact on investor confidence

and success in this jurisdiction.

The Small Business Support Unit which has been functioning since its inception in 2008 came as a result of Government's recognition that the micro and small business sector needed capital and technical support. As part of a proactive approach to helping this segment of our business community, government has made a direct intervention by offering financial and technical support to the small business sector. In this regard, I am pleased to announce that we have received positive feedback from the clients and to date over five hundred businesses have been assisted. The Ministry will continue to make these timely interventions in order to help businesses create employment and increase the levels of investment in the economy.

Additionally, in recognition of the importance of improving competitiveness in key industries on the island, government has given its support to the creation and operations of the Bureau of Standards. The Bureau has been playing a key role in

developing standards and helping to monitor and assess compliance to those standards across various types of industries. The Bureau's efforts and its support for standards development is assisting not only in improving competitiveness of key products and services but has also led to the improvement in the quality of life of our people. My Ministry will therefore continue to provide the necessary resources to assist the Bureau of Standard in the execution of its mandate.

Another key agency which falls under my portfolio is the Dominica Export Import Agency (DEXIA). DEXIA has over the years been the pillar of export trade on the island. More recently through the Business Gateway Program, a number of initiatives have been undertaken by DEXIA to support small and medium sized businesses. Technical support has been provided to a number of businesses and this has made a turnaround in their operations. More importantly, we need to note DEXIA's contribution in the development of a National Export Strategy which is now the guide through which six main sectors will be given greater focus and attention in our quest to increase and improve our export trade potential.

The Government of Dominica looks forward to providing the necessary and direct support to attract and stimulate investment, ensure the productivity of its people and create the environment for businesses to grow and remain competitive, as we all seek to work together to build a more prosperous nation.



IDA staff visits Caribbean Agro Producers to support small manufacturers

FROM THE DESK OF THE INVESTOR

Hubert Winston: Dominica Marine Center

Dominica is ripe for investment and the rewards that follow. This island state of over seventy thousand souls and its neighboring islands are clamoring for quality products and services. Being in business and also being a consumer on the island, I experience both sides of the transaction. This awareness has made me a better and more responsive customer-oriented businessperson and investor.

Every opportunity has its challenges and Dominica is no exception. The three main challenges for doing business in Dominica are to overcome the obstacles in obtaining market information, deciding upon strategic positioning issues—including a firm's location, and understanding the importance of considering your local consumers as partners. These are all problems common to most businesses. It just happens that they occur in a beautiful, natural island setting and among the most gracious people in the Caribbean.

Even with challenges, it is incredibly gratifying when the successes occur. Many of these businesses need both financial and technical support which can assist them getting back on their feet. When the local businesses turn around, it will be a promising sign to foreign investors who are interested in investing in Dominica. With each gain, I know that while I am benefiting from the experience and growing profit, the consumer is benefiting as well in the improvement of their quality of their lives. Business in Dominica is definitely a win-win situation.



Hubert Winston with Dominica Yatch CLub participates in Regatta in Bequia

MINISTER'S SITE VISITS DEPEX & ROSALIE BAY RESORT

The Honourable Minister for Employment, Trade, Industry and Diaspora Affairs along with Invest Dominica Authority continue to make monthly visits to various business enterprises on the island. These companies have benefited from concessions approved by the Government, and we are always excited to share some of the investors' success stories.

On October 21 2009, the Honourable Minister visited the Depex Factory at Canefield. Depex

Manager of Depex, Mr. Emile Depooter, the visit by the Honourable Minister was very well appreciated and he expressed his commitment to continue utilising IDA to facilitate his business needs.

IDA also accompanied the Honourable Minister to the Rosalie Bay Resort on November 12, 2009. This new eco resort is due to be opened later this summer, and includes 28 rooms nestled between Rosalie Bay and the Rosalie River. A modern conference centre, a state



Manager, Emile DePooter shows new equipment to the Hon. Minister

has grown from a simple photo shop to one of the leaders in bill boards, advertising signs and print production. Depex now has advanced equipment which is used for the printing t-shirt logos and other branded items at a very high quality. Today the company can also recreate and allow customers to relive memories of damaged or very old photos using their new equipment. According to the

of the art gym, restaurant and swimming pool are some of the amenities to be found within the property. The honeymoon suite situated close to the private beach is an enticing addition. Ms. Beverley Deikel, the promoter explained that the resort received a lot of support from IDA and that she was pleased that the Minister took the time from his schedule to visit the property and get a first hand view of the product.



Rosalie Bay Resort

COMPANIES WHICH BENEFITED FROM FISCAL INCENTIVES FROM JULY – DECEMBER, 2009

Companies who benefited from Fiscal Incentives from July – December, 2009



Stewco Construction is located at One Mile in Portsmouth; this newly established Concrete Batching Plant is ideally located to serve builders and homeowners.



South Trading Ltd. is the newest tire operation in Fond Cole and is proposing to provide a unique type of tyres (triangle tyres) among other services.



Sure Life Sava is a small family run operation located in Roseau that produces a wide range of culinary

Creole seasonings for the local and regional markets.

Atlantis Resort & Spa Ltd. located on the north east of the island in the village of Anse De Mai. This is a locally owned property, now under construction, and will provide up market villas and rooms plus conference center, gym, spa and swimming pool when opened



Rejens Hotel is a newly established twenty-one (21) room hotel development nestled in the Petite Baie area.



Adaj Restaurant and Bar is situated in midtown Portsmouth, offers a warm ambiance, personal service and exquisite cuisine, a must to visit while in Portsmouth.

Heaven's Best Guest House is located in Savanne Paille, Portsmouth. This family run establishment which includes five (5) self contained single rooms, and two (2) double rooms all with kitchenette, swimming pool facilities and a restaurant. The



proprietor is a well known chef who was once employed with DIVI DIVI in St. Maarten, Heaven's Best is known for their fine cuisine.



Rainforest Shangri-La Nestled in the village of Wotten Waven is this cozy eco lodge. It is surrounded by nature with bubbling hot water pools, fresh cool springs and a variety of trees and birds. It is a perfect spot for a get-a-way.



The Fisherman's Cove is located in Rock-a-way approximately 10 minutes drive from the city. "The Cove" which is commonly called by the locals is one of the closest beaches to Roseau. This newly renovated facility offers a wide variety of leisure beach activities, night entertainment and dining facilities.

EFFECTS OF 2009/10 BUDGET ON IDA

The IDA uses the budget as one of its key platforms and ensures that the various activities and programmes which fall under the mandate of the Authority are executed and implemented.

We have highlighted some of the key areas of the 2008-2009 fiscal budget, which requires action by the IDA and has provided a synopsis of the action taken.

• **Facilitating Investments in Tourism: page 26 of the Budget Address**

We are optimistic that the tourism industry is in recovery mode, as we see signs of economic recovery in major tourism source markets and the new found confidence by investors as they move to modify their investments to satisfy the new realities of today's business and capital markets.

In the case of Woodfordhill project, the promoters are finalizing the feasibility study and we expect positive news by the last quarter of 2010.

Regarding the Cabrits Marina project, plans are afoot to conduct key tests such as a geotechnical survey which will provide conclusive information as to the type of development that the soil type can support. This is a critical stage in the process and should hopefully provide the investor with the requisite information and data needed to guide in their decision making.

We are also extremely pleased with the contribution and the level of involvement of the local investor community in spite of the global economic downturn and its impact on local economic activities. Our local investors have been central to efforts at sustaining the local economy and ensuring that we are able to maintain economic growth over the past year. This is evident by the level of investment and employment for the period July 2008 to June 2009. During the fiscal period, 54 enterprises applied for and received government concessions resulting in employment of 312 persons of which only 85 were for temporary employment. Total investment generated for the corresponding period was valued at EC\$73,691,361.

• **Measures to facilitate small and medium enterprises (SME): page 28 of the Budget Address**

Recognizing that the majority of its clients are SMEs which need the support of various types of agencies working in the field of development, IDA has served as a focal point to link the SMEs with relevant state and non-state agencies, as they seek to find ways of doing business in this jurisdiction.



The IDA has established working relationships with the Agribusiness Association and is also working with the manufacturers on island to assist in the establishment of a Manufacturers Association. This is of utmost priority, as we seek to maximize the opportunity this sector has for foreign exchange earnings and employment, and to minimize the factors which inhibit production. Similar working relationships have been established with the DHTA and other key economic sector groupings.

The IDA has instituted an Orientation Seminar for investors as part of its efforts to furnish investors with information on the process and procedures for doing business. Knowing that it is necessary for the investor to interface with numerous agencies, we have brought in the Ministry of Finance, Customs Division, Brokers Association, Inland Revenue Division and Dominica Social Security to explain the functioning of their various departments and how best they can continue to serve the large number of clients. To date, we have successfully held 4 such seminars.

IDA through its Memorandum of Understanding with the AID Bank signed in 2009 is pleased to announce that, to date, four (4) enterprises have benefitted through IDA's effort in liaising with the bank on their behalf. Another 5 clients of the IDA are actively being considered for financing by the Bank.

• **International Competitiveness: page 46 of the Budget Address**

IDA is pleased to announce the efficient working of its Investor Tracking System. This has facilitated an improvement in information gathering and has allowed the IDA to submit key information on investment and employment of the various sectors, to determine their contribution to the national economy.

Nurturing the Development of small eco lodges in Dominica

Dominica's abundant fauna, flora, intriguing geography and great views afforded by its many mountain ranges, ridges and hills, lend to development of small exquisite lodgings for visitors seeking a refuge from metropolitan congestion and an opportunity to re-connect with nature.

Changing tourist consumption patterns, brought in part by a heightened awareness of the fragility of the natural environment, therefore, presents a real



Ecolodge in Concord

economic opportunity for Dominica. However to make use of this opportunity requires a delicate balance of the provision of quality amenities while exerting minimal damage on the environment.

This balance can be achieved through the use of an architecture which does not necessarily impose on the landscape, but one which seeks harmony with it. There is plenty local historical architecture for inspiration to achieve the aforesaid; from tradition Kalinago construction, to the many French Kweyol influences, and the many surviving examples of good stone work. In addition, creative use of local materials in innovative ways can add to the architecture and thereby enhance experience.

Investment opportunity in small eco lodges is available to a significant

number of Dominicans for three (3) primary reasons: (1) These investments can be undertaken on relatively small plots of land (2) Through innovative use of materials, quality amenities can be provided at relatively low costs and (3) The incident of tenure of small plots in Dominica.

The success of recent entrants into the market has highlighted the importance of the following: (i) high quality of amenities, and product development (ii)

effective marketing (iii) appropriate management structure, (iv) staff development. Small eco lodges should employ highly motivated individuals who are able to multi task instead of specialized staff in every area, as this will significantly reduce overheads and increase profitability of operations. The amenities must be of high quality to ensure client satisfaction, the maximizing of revenue through higher rates, and the possibility of benefit from free marketing provided through satisfied clients. Sufficient marketing



Ecolodge in Wotten Waven

budgets must be made available to enable the employment of qualified marketing personnel, as inadequately market operations will fail. Staff is one of the most critical assets of such operations, therefore to ensure quality in the delivery of staff services and high levels of motivation, adequate compensation must be provided, and staff training must be continuously undertaken.

Finally for these investments to be realized financial institutions must be sensitized to the existence of the opportunity and be prepared to finance these developments, while implementing the aforementioned caveats.

However the implementation of all of the above in the development of small eco lodges in Dominica should not be left to chance. Without the collective input of all stakeholders, there is the risk of a proliferation of accommodations without the requisite quality and standards, being inadequately managed and poorly marketed, and hence a heightened possibility of failure, and an overall degradation of the tourism product.

Therefore to achieve success in this potentially lucrative area, a new proactive partnership should be forged to develop an approach that (i) sensitizes locals to the investment opportunity and (2) ensure the development of standards in the development of eco lodges. This partnership should involve local financial institutions, Invest Dominica Authority, Discover Dominica Authority, Physical Planning Authority and Environmental Health Unit etc. A collective approach should be developed and implemented by these entities to ensure that this sector is developed in such a manner that significantly improves our tourism plant and delivers economic success to investors and employees alike.

IDA advances with New Website and Investment Promotion Strategy and Action Plan

IDA has received support from the World Bank for two major projects: the development of a new investment website and an Investment Strategy and Action Plan. It is expected that these two projects will assist in IDA in its investment promotion efforts.



Home page of www.investdominica.com

Work began on the new website in February 2010. A local web designer was contracted by the IDA for this important task. IDA need for a new website came about after review of the existing website and the realisation that there was a need to have a more interactive and functional website. The design for this site includes more user friendly menus, more accessible information, social networks, use of videos and BLOGs and overall current information with Press Releases and other updates. The site will be extremely interactive to all users. This website will be one of the tools being used for investment promotion and we look forward to its launch.

The development of an Investment Strategy and Action Plan was identified as the tool required to lead the IDA in its investment promotion strategy. The key sectors highlighted in the Investment Strategy are Tourism – health & wellness, nature tourism and a flagship hotel, Services – ICT, cultural industries, medical schools and medical services and nursing schools, and Agro processing/Manufacturing. Retraining of staff in the area of investment promotion technique is a critical area, which will assist in the execution and implementation of the Investment Strategy

FAQs

Q – I wish to buy land in Dominica, are there any areas where I can or cannot purchase land?

A - Most lands are acquired through a real estate agent who will advise on availability. The Government is willing to enter Joint Ventures with investors. All land in the National Parks is excluded entirely from purchase by anyone. The Ministry of Lands and Housing can provide detailed information on land purchase restrictions.

Q - Where can I find a listing of doctors, lawyers, engineers and other professionals available in Dominica?

A - The website of IDA provides a directory of many professionals. Additionally some information can be found on line through the local yellow pages.

Q - I am thinking of relocating to Dominica to live permanently. What is the process?

A - In order to live in Dominica permanently, persons may apply for a residency permit. An Economic Citizenship Program is also available to apply for citizenship.



Land available for development

TESTIMONIALS



"It was a huge decision to decide to diversify our business, Titiwi Inn Guest House, by purchasing our small yacht Ma Honey. We are hoping to give our guests, other visitors and all Dominicans, added dimension in the leisure and tourism industry.

The help and support we have received from staff at Invest Dominica has been invaluable in making this decision a much easier one. With their advice we were able to apply successfully for our duty-free concession enabling us to pursue this venture. We have always been made welcome when dropping into their offices for some advice or just to chat and bounce ideas.

We have always found the staff at Invest Dominica to be very friendly, approachable and most important of all very professional and confidential. We would highly recommend their services."

*Janet Heath
Manager
Titiwi Marine*

"It has been a pleasure working with Michael Savarin and the others at the Invest Dominica Authority. They have taken the time to understand and appreciate the adversities that we are faced with and have made every effort to assist us with the appropriate solutions to ensure we are one step closer to success. Thanks much to all!"

*Nikima Royer
Administrative Manager
Rain Forest Aerial Tram – Dominica*



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