

2025 Q1 Business Performance Survey Report



Summary

The Dominica Association of Industry and Commerce (DAIC) conducted this latest edition of the Quarterly Business Performance Survey between April 27th and May 19th 2025. The primary objective was to gather up-to-date insights into business sentiment across various sectors in Dominica, with a specific focus on the Chamber's membership. The survey sought to assess optimism surrounding current and future business performance, understand prevailing challenges, and identify the key areas of concern and opportunity for the private sector.

A total of **42 businesses** participated in this edition of the survey, representing a broad cross-section of industries, including tourism, retail and wholesale distribution, Your paragraph textion technology, financial services, and professional services. Respondents ranged from micro and small enterprises to large-scale businesses, including long-established members and recent entrants to the Chamber's network.

This survey report provides a snapshot of current market trends, challenges, and opportunities within the private sector, as identified by the participating businesses. The findings highlight critical areas influencing business operations in Dominica, ranging from cost of doing business, labour recruitment and productivity and operational processes. The findings provide valuable data on confidence levels in the current business environment, expectations for the next quarter, and specific policy areas that members believe should be addressed to foster a more enabling environment for growth and investment within the private sector landscape. The insights gathered offer a basis for targeted policy support, capacity-building initiatives, and strategic interventions to strengthen private sector resilience and competitiveness.

Performance Analytics

Years of Operation

0-10

Most survey respondents represent relatively young businesses, with **60%** indicating that their organisations have been operating for **0-10 years**. This reflects a dynamic and emerging business landscape within the sample group.

No respondents reported business operations within the 31-40 or 52-60 year ranges. However the chamber recognise the contributions of long existing companies to the sector. The remaining 40% of survey respondents represent a mix of mature but not dominant businesses, with 13% operating more than 60 years and over 20% operating between 11-20 years. The absence of firms in the 31-50 year range raises questions about sustainability and succession planning in the local business landscape. Meanwhile, the presence of legacy businesses points to resilient institutions, possibly family-owned or larger entities with strong foundations.

These findings reflect a diverse business landscape, with a strong representation of newer businesses alongside a smaller, significant group of long-standing organizations that contribute historical depth and experience to the Dominican economic environment. A deepening of the understanding of business survival is necessary to understand the degree of correlation to the years of operation and business survival.

Participation by Sector

A diverse cross-section of the private sector, with the largest proportion operating in the **Distribution, Wholesale & Retail sector**, accounts for **42.85%** of responses.

The next most represented sectors included:

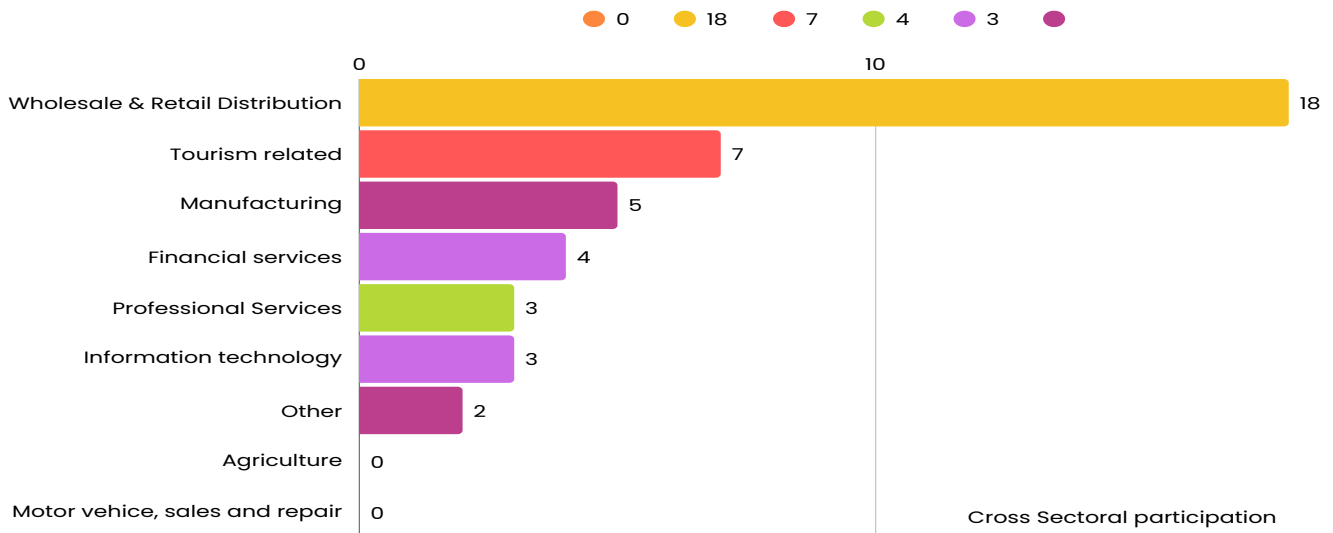
- Tourism-related businesses (16.7%), such as catering, restaurants, excursions, guesthouses and hotels,
- Manufacturing (11.9%).

Smaller representations were noted in:

- Financial Services;
- Professional Services;
- Information Technology;
- Other business activities, reflecting a range of enterprises outside the listed categories

No respondents identified Agriculture, Construction or Engineering, Motor Vehicle Sales and Repair, or Financial Services as their primary business activity.

These results reflect a business community concentrated in consumer-facing sectors such as retail, tourism, and manufacturing, with emerging representation in services and technology. Notably, no respondents from the agriculture or fishing sectors participated in this round of the survey, despite these industries being vital contributors to Dominica's GDP and national food security. This absence highlights a persistent challenge in engaging enterprises from these sectors, many of which may operate informally or outside traditional business networks such as the Chamber.



Gender Representation in Top Management

**Female-led organizations
65.6%**

The survey results show a significant majority of **female-led organizations**, with **65.6%** indicating that a **female** holds the top management position. This strong representation of women in leadership is a positive indication of the **growing dominance of women within formal labour participation and leadership**. It reflects a rising trend of female leadership across industries, highlighting the evolving dynamics of business ownership and management in Dominica.

These results not only showcase the increasing visibility of women in decision-making roles but also point to the importance of continuing to support and promote inclusive leadership development initiatives across all sectors.

Continued monitoring of gender trends in management can provide valuable insights into leadership equity and help inform policy and initiatives aimed at fostering inclusive growth and representation at all levels of business, especially as we continue to witness increasing entrepreneurial drive among younger women.

Recruitment Activity and Workforce Productivity

A substantial majority of businesses (66.7%) reported that they did not attempt to recruit staff during the quarter under review. This indicates relatively low recruitment activity, which may be attributed to stable workforce needs, cautious hiring strategies, or broader economic uncertainty. Notably, this trend may also reflect **uncertainty around cash flow performance**, with many businesses likely prioritizing financial stability over expansion. Concerns over inconsistent revenue streams, rising operational costs, or delayed payments could lead businesses to defer new hiring to avoid increasing fixed costs during a period of fiscal unpredictability.

**No
Recruitment
Activity
66.7%**

Among the remaining **33.3%** who did attempt recruitment, the most significant difficulty was reported in finding **skilled labour**, cited by **22.2%** of respondents. This suggests a continued gap between available skills in the labour market and the needs of employers, particularly in trades or sector-specific technical areas.

With no businesses reporting a **decrease** in workforce size, the data further supports that the first quarter was marked by **stability in employment levels**, with minimal expansion or contraction across the surveyed organizations.

No
Recruitment
Activity
66.7%

Just over half of the respondents **55.6%, indicated that they do measure productivity**, while 44.4% reported that they do not. This indicates a moderate level of adoption of productivity measurement practices within the surveyed organizations, suggesting room for improvement in performance monitoring and data-driven management across the private sector.

Among those who do measure productivity, several common themes emerged from the open-text responses.

- **Sales Performance:** Referenced in multiple responses, **sales metrics** are the most commonly cited measure of productivity. This includes overall sales volumes, order quantities, and types of clients served.
- **Key Performance Indicators (KPIs):** One respondent noted the use of KPIs and Net Promoter Scores (NPS) as structured tools for tracking individual and organizational performance.
- **Project Deadlines:** Some organizations assess productivity by monitoring timeliness in meeting project deadlines – a qualitative and task-focused metric.
- **Client Performance:** One response mentioned client performance as a benchmark, potentially reflecting productivity in service-based industries where client engagement or results may be a proxy for effectiveness.
- **Digital Engagement:** One organization also considers social media following as an indicator, highlighting the growing role of digital metrics in evaluating business reach and activity.

While a majority of businesses are actively measuring productivity, the methods suggests a strong focus on output-driven metrics. However, the relatively high percentage of businesses not measuring productivity (44.4%) points to an opportunity for broader adoption of performance management systems and training on practical measurement frameworks. Encouraging standardized productivity tracking—beyond sales—and integrating tools like KPIs, customer satisfaction metrics, and operational efficiency benchmarks could enhance overall performance and decision-making across sectors.

No
Productivity
Measured
44.4%

Overall Business Performance

Overall Business Performance

**Polarized
Business
Environment**

Sales Performance

The data points to a **challenging first quarter for many businesses**, with **sales declines** outpacing increases, and a substantial proportion of respondents expressing stagnant or worsened overall performance. Analysing the sales performance in the first quarter of 2025 (January–March) to the same period in 2024 indicate a mixed landscape, with a higher number of businesses reporting a decline in sales. **More than 40% of respondents cited a decrease in sales in Q1 2025 versus the same period in 2024.**

While some businesses experienced growth (28.6%), a significant number faced a decline in sales, signalling ongoing challenges in the market. The number of businesses with stable sales, points to a moderate level of resilience but also potential stagnation.

Cash Flow Performance

The cash flow data for Q1 2025 points to a highly varied financial landscape. While nearly one-third of businesses experienced improvement, a slightly larger group (over one-third) reported worsening cash flow conditions, a potential red flag for business sustainability if left unaddressed.

The largest group (**15 respondents**) reported that their **cash flow worsened** during the quarter. This reflects ongoing **financial pressures**, potentially linked to increased operational costs, slower sales cycles, or delayed receivables.

14 businesses reported **no change** in cash flow. While this suggests some level of **stability**, it may also indicate a stagnation in growth or difficulty in generating surplus liquidity.

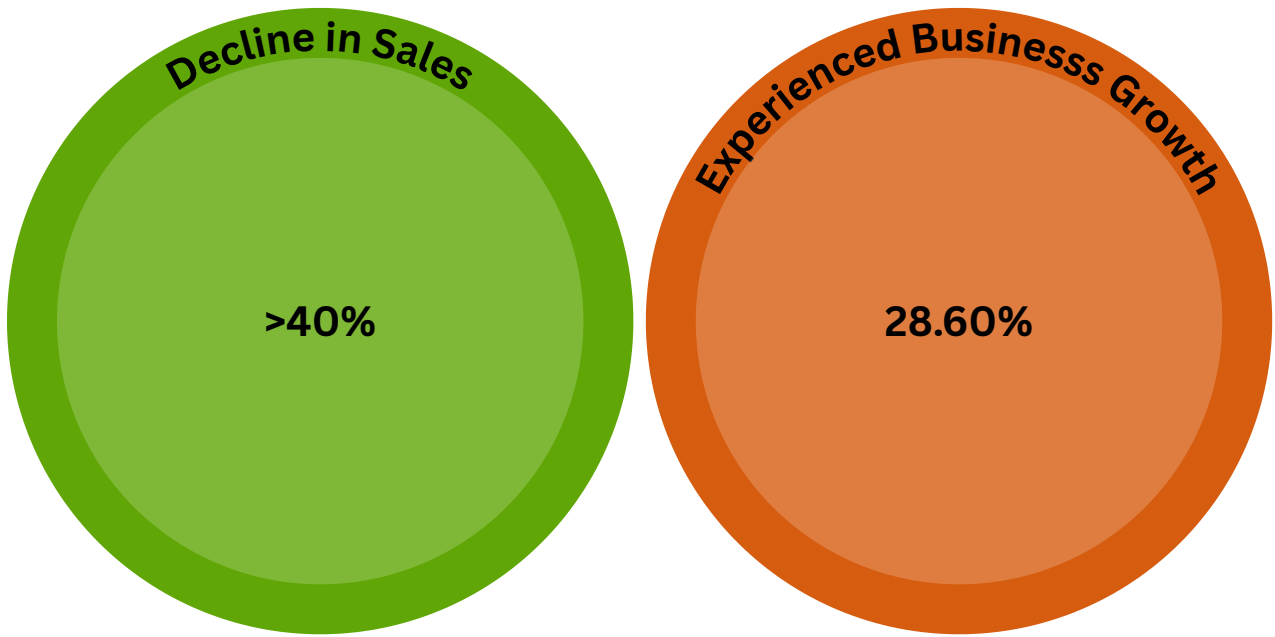
On a more positive note, **13 businesses** indicated that **cash flow improved**, demonstrating that **some segments of the private sector are experiencing financial recovery or resilience**, possibly through stronger revenue generation, better cost control, or improved collections.

Broader Business Performance

In a related question assessing broader business performance encompassing sales, operations, customer engagement, and profitability, respondents provided the following feedback.

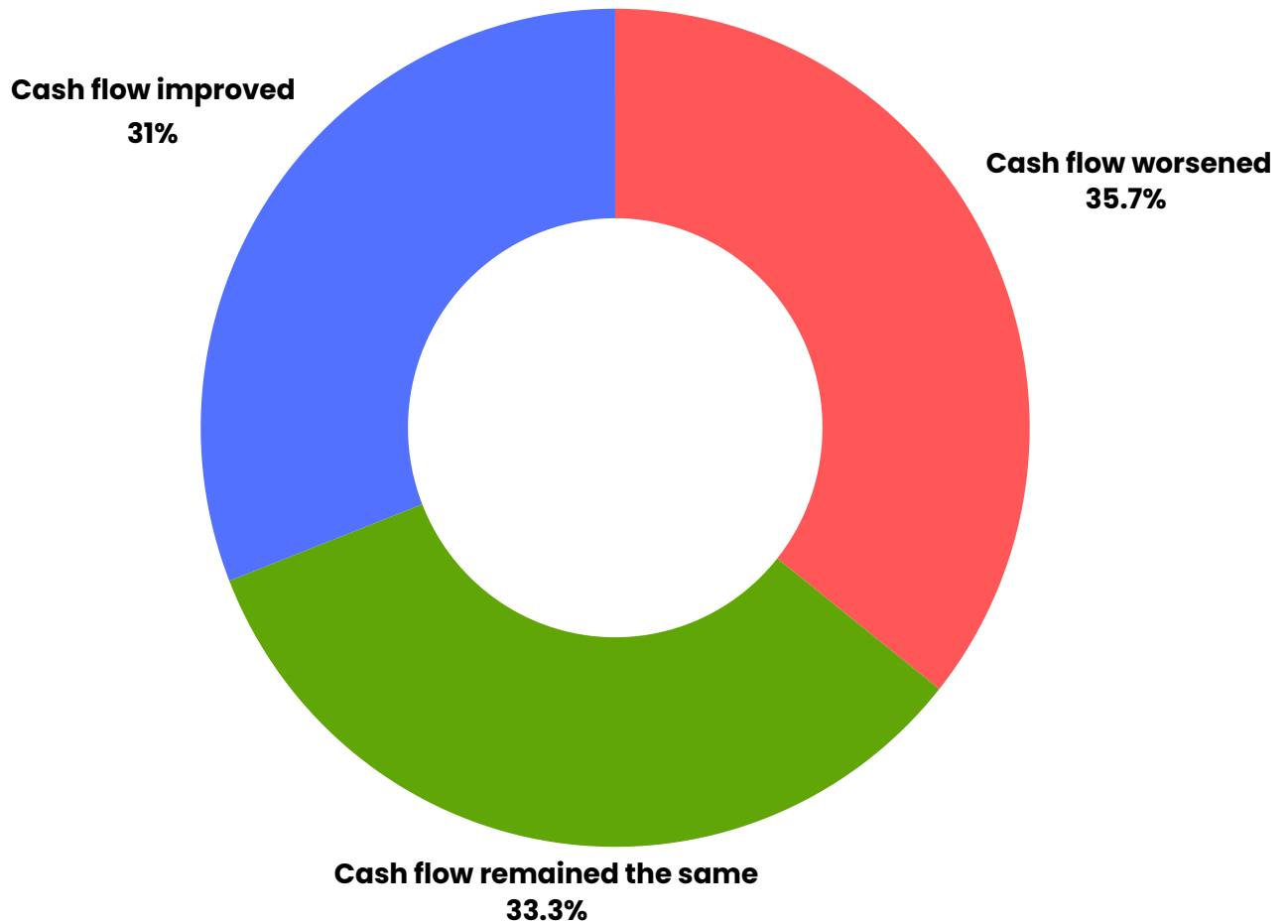
While 8 businesses reported overall improvement compared to Q1 2024, it is notable that 20 businesses indicated they did not perform as well, with another 14 reporting no significant change. This suggests a polarized business environment, where some firms are adapting or thriving while others are struggling to maintain performance levels.

Broader Business Performance



Cash Flow Performance

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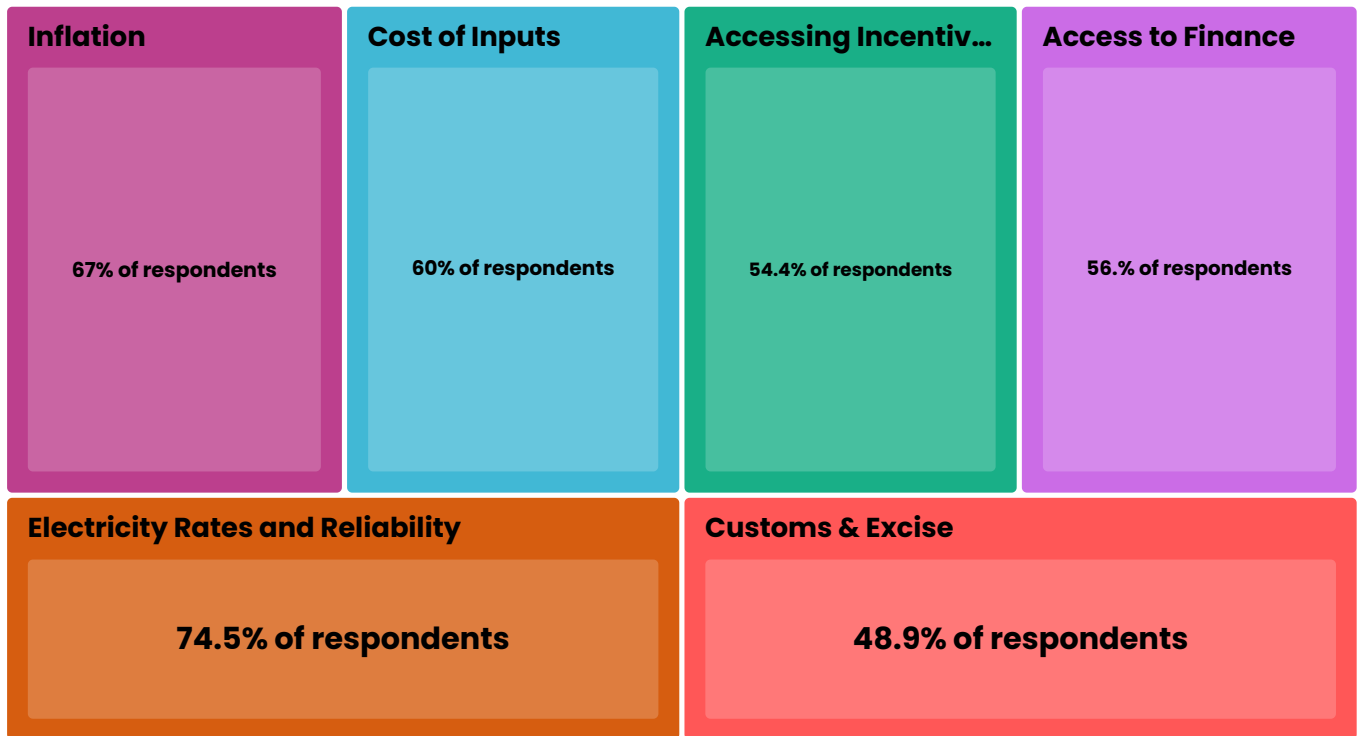
Business Challenges

Most Critical Business Challenges

Respondents were asked to identify and rank the five most pressing concerns affecting their businesses. The data reveals several recurring and significant challenges confronting the private sector in Dominica.

Top Concerns Identified

The highest-ranking concerns, based on the number of times they appeared among respondents' top five, included:



- **Inflation** – 67% of respondents have cited inflationary pressures as a top concern.

In addition to domestic pressures, external economic shocks, especially from tariffs and regional trade agreements, are significantly driving inflationary trends and increasing the cost of doing business in Dominica. Importantly, the application of Article 164 of the Revised Treaty of Chaguaramas which allows certain CARICOM member states to apply tariff protection measures to stimulate local manufacturing and industrial development. While Article 164 is intended to support regional producers in the less developed countries, its implementation will increase the cost of several imported goods that are not readily available or produced competitively within the LDCs in the OECS.

Compounding inflation will contribute to:

1. Higher input prices for raw materials and intermediate goods;
2. Increased costs of consumer goods, especially those not produced locally;
3. Greater volatility in supply chains; and
4. Cost-push inflation where businesses pass on higher input costs to consumers.

These trade-related shocks intersect with local challenges such as:

1. Limited domestic production capacity,
2. High energy and transportation costs,
3. Currency volatility in sourcing countries.

- **Cost of Inputs** – The cost of inputs continues to rank as one of the most pressing challenges for businesses in Dominica, with 60% of survey respondents citing it among their top concerns. This issue is deeply rooted in two interrelated factors: high electricity rates and a heavy reliance on imported goods.

Electricity Rates and Reliability

High electricity costs remain a major contributor to elevated input expenses for businesses across sectors, (noted by **74.5% of respondents**), indicating that energy costs are a substantial burden on businesses, affecting competitiveness, profit margins, and operational efficiency.. For many enterprises—especially those involved in manufacturing, retail, hospitality, and cold storage—electricity is a core operational cost. Dominica’s energy tariffs are among the highest in the region, and businesses are increasingly burdened by:

- Rising utility bills that cut into already narrow margins,
- The added costs of maintaining backup systems due to power reliability issues,
- Limited access to affordable, scalable, renewable energy options for small and medium-sized enterprises.

Electricity costs impact more than just operational efficiency—they directly affect business competitiveness, pricing strategies, and long-term sustainability. While power outages were not explicitly included as a survey response option, subsequent discussions and open-ended feedback reveal that frequent power interruptions remain a significant concern. Businesses reported frustration with the unpredictability of electricity supply, the high cost of backup systems, and the broader negative effects on productivity and customer satisfaction.

Looking ahead, a key consideration for the private sector is the financial implications of the geothermal energy project. Businesses are particularly interested in understanding the extent of cost reductions expected upon the project’s transmission, currently projected for January 2026.

Import Dependence

Dominica’s economy is highly dependent on imports for both raw materials and finished goods. This high marginal propensity to import (MPI) exposes many of our local businesses to:

- Price volatility in international markets,
- Fluctuations in shipping and freight costs,
- Tariffs and duties, including those applied through regional trade arrangements (e.g., Article 164),
- Extended lead times and supply chain disruptions.

As a result, even basic business inputs from construction materials to packaging supplies and retail inventory can become prohibitively expensive, driving up the cost of doing business in Dominica and contributing to inflationary pressures.

- **Accessing Incentives and Concessions** – Despite the existence of various fiscal concessions and incentive programs, particularly targeting micro and small enterprises, a significant portion of respondents, 54.4%, identified accessing incentives and concessions as one of the top five concerns affecting their business operations.

This signals a disconnect between policy availability and practical accessibility. While government-led support schemes are in place, especially for emerging and micro-level businesses, the Chamber has observed that information failure and formalization play a major role in limiting uptake and perceived benefit. Many businesses are either unaware of the programs available, unclear on eligibility criteria, or daunted by the complexity of the application processes.

To bridge this gap, there is a growing need for:

- 1.Improved outreach and education on available concessions;
- 2.Simplified, business-friendly application processes; and
- 3.Closer collaboration between the public and private sectors to ensure programs are responsive and efficiently administered.

The Chamber continues to advocate for greater transparency, streamlined access, and proactive dissemination of information to ensure that concessionary policies achieve their intended impact, especially in bolstering the resilience and competitiveness of micro and small businesses.

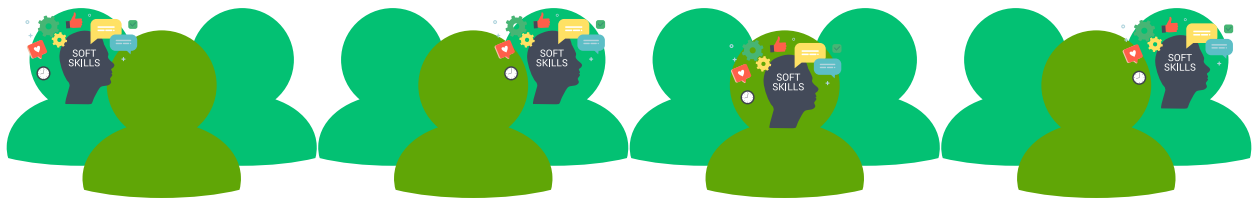
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- **Availability of Adequate (Trained) Human Resources** – A significant number of respondents **43% identified the lack of adequately trained human resources** as a major challenge in the current business environment. This concern cuts across various sectors, highlighting a growing skills and readiness gap in the labour market.

Many businesses have expressed low confidence in the capacity of new entrants into the workforce. First-time job seekers are often perceived as underprepared, with limited practical experience and insufficient soft skills such as communication, teamwork, adaptability, and problem-solving. Employers also reported that many applicants struggle to meet even the basic expectations for workplace readiness.

In addition to technical and soft skill deficiencies, respondents noted a noticeable decline in work ethic among younger individuals. This includes concerns about punctuality, consistency, accountability, and a perceived lack of long-term commitment to professional growth. Such attitudes make integration into structured, performance-driven work environments more difficult.



Most Critical Business Challenges

Most Critical Business Challenges

- **Access to Finance** – While over 80% of survey participants indicated intentions to expand their operations during the upcoming financial year, 56% simultaneously cited limited access to finance as a major barrier to growth. This highlights a critical disconnect between business ambition and financial support structures.

The banking sector in Dominica has repeatedly pointed to informality and lack of formal registration as key obstacles to lending. However, this survey revealed that most of the respondents are in fact registered businesses, which raises concerns about deeper, systemic challenges affecting financial inclusion.

Even with formal registration, several factors continue to constrain access to finance for small and medium-sized enterprises (SMEs):

- **Collateral Requirements:**
- Many financial institutions demand substantial collateral often land or fixed assets which small businesses may not possess or may not be willing to risk. This is a frequent deterrent even among compliant, registered entities.
- **Weak Financial Documentation:**
- Despite being registered, many SMEs struggle with maintaining accurate, up-to-date financial records. Without reliable financial statements, banks find it difficult to assess creditworthiness.
- **Interest Rates and Unfavorable Terms:**
- Even when financing is available, the cost of borrowing can be prohibitively high, discouraging small businesses from taking loans. Short repayment periods and complex application processes further deter participation.
- **Perceived Sector Risk:**
- Certain industries (e.g., agriculture, creative sectors, startups) are seen as inherently risky or seasonal, leading to more conservative lending behavior from banks.

Most Critical Business Challenges

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- **Capacity Gaps in Financial Literacy:**
- Some entrepreneurs may lack familiarity with the processes of loan applications, proposal writing, or cash flow forecasting, leading to weak applications or missed opportunities for financing.
- Dealing with the Customs & Excise Department – A significant portion of businesses in the survey 87.8% indicated that they are directly involved in importing and/or exporting goods, highlighting the vital role of customs and excise operations in their day-to-day business activities.

When asked to rank their most pressing concerns, **"Dealing with the Customs & Excise Department" emerged as the top issue for 48.9% of respondents**, making it the third most frequently cited challenge across all options. This indicates a pervasive frustration or inefficiency in customs processes that is negatively impacting business operations.

Despite these concerns, the reported average clearance times from customs suggest a moderate level of efficiency with 61.1% of respondents reporting clearance within 1–3 business days indicating that most businesses are clearing imports within a week, yet procedural or bureaucratic frustrations may be contributing to the negative perception of the department.

The average efficiency rating for customs clearance was 6.0 out of 10, suggesting that while the department is functional, it is far from optimal. The rating reflects room for improvement in transparency, predictability, communication, or service delivery during the import/export process. The customs process is perceived as a barrier to growth and efficiency, especially for businesses relying heavily on timely shipments. Delays or difficulties in dealing with customs may lead to increased operational costs, uncertainty in supply chains, and missed opportunities in regional or international trade.

These results suggest that businesses are under pressure from rising operational costs, particularly driven by inflation and input expenses, while struggling with bureaucratic hurdles and labour shortages. Additionally, several structural concerns such as access to financing and the high cost of electricity, remain at the top of my mind.

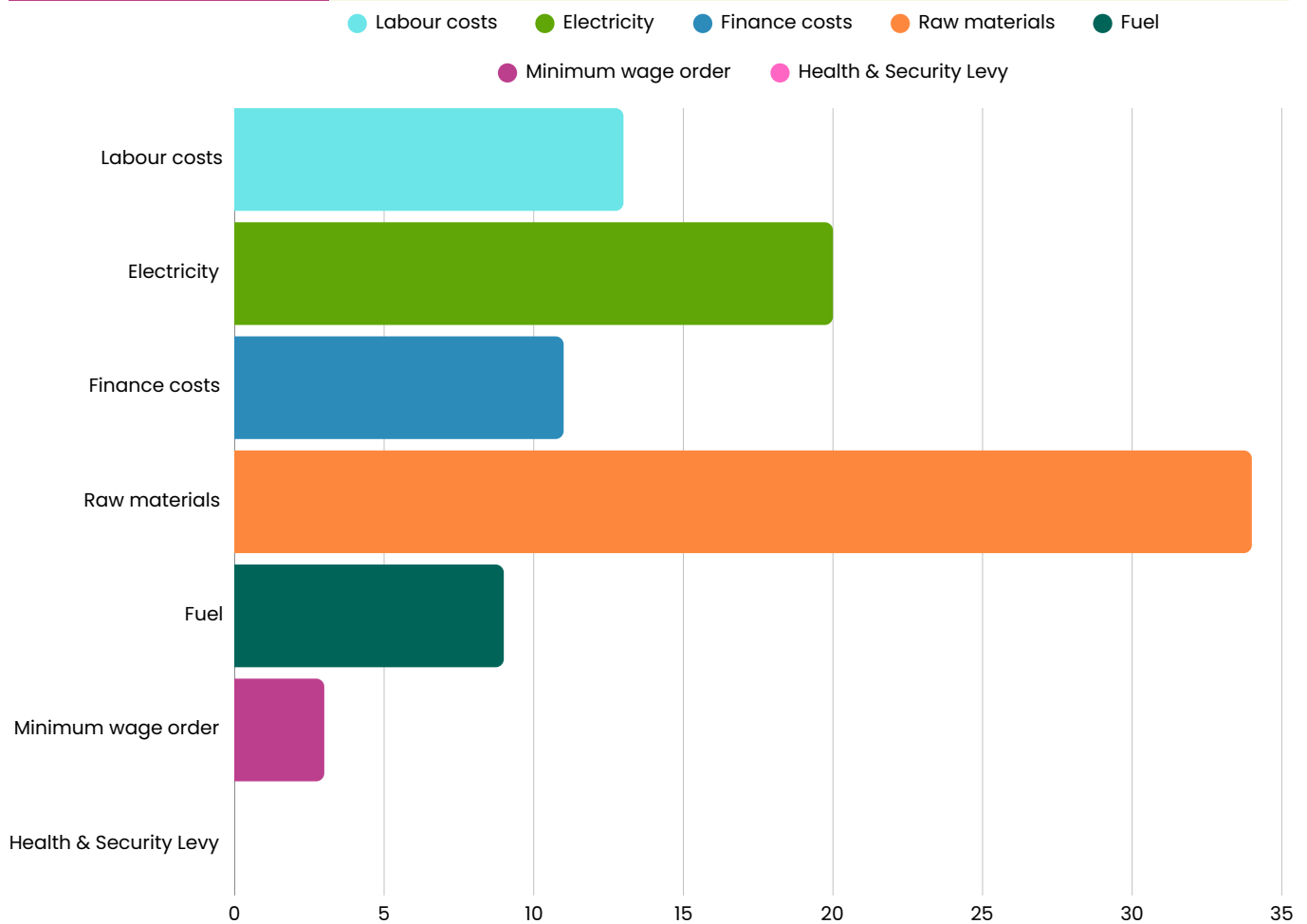
Business Forecasts

Is your business facing any pressure to raise prices?

The survey reveals a diverse but moderate spread of cost pressures contributing to upward pricing tendencies among businesses. The responses indicate that no single factor overwhelmingly dominates, but rather, several inputs are exerting cumulative pressure on pricing decisions.

Indirect input costs are the main contributors to pricing pressure and core operating costs (labour, electricity) follow closely behind. Dominica's minimum wage was last raised in September of 2021. Policy-related pressures including minimum wage legislation and levies, **currently** have minimal to no impact on price setting.

The data suggests that businesses are experiencing a broad-based cost squeeze, which could lead to incremental price increases rather than sharp jumps.





The President of the DAIC, Brenton Hilaire highlighted that the results of our Q1 Business Performance Survey reveal a private sector that is both resilient and under pressure. While some businesses are adapting and even thriving, many continue to face significant challenges, particularly with rising input costs, limited access to finance, and the ongoing skills gap in the labour force.

One of the more encouraging findings is the high level of female leadership across businesses and the stability in employment levels during the quarter. However, the data also reinforces that critical areas such as inflation, energy costs, and access to concessions remain real obstacles to growth and competitiveness.

As a Chamber, this survey reinforces the urgency for stronger public-private collaboration, especially around trade policy, labour readiness, and access to finance. It also emphasizes the value of data in shaping advocacy and driving results for our members.

This inaugural survey is just the beginning. We look forward to deepening our analysis in the quarters ahead and turning these insights into meaningful progress for Dominica's private sector.

Recommendations ahead of Q2 Survey

- **More widespread sectoral inclusivity and business participation** – Given their economic and social significance, future survey efforts must strive to better capture the experiences and performance of agricultural and fishing-based enterprises. A more targeted outreach approach, such as on-site visits to farms and fishing communities, or collaboration with agricultural extension officers and fisheries divisions, may be more effective in encouraging participation and ensuring that these sectors are accurately reflected in our data and policy advocacy.
- **Productivity** – Improving productivity measurement is not only a matter of tools but also of leadership commitment, staff engagement, and process integration. Consideration and adoption of such practices can lead to more informed decision-making, efficient operations, and ultimately, improved competitiveness in Dominica's private sector.
 - DAIC will embark on wide collaboration to explore and develop **standardized productivity benchmarks** that are relevant to their specific industries, helping to create more meaningful comparisons and improvement targets.
 - Many businesses, especially small and medium enterprises (SMEs), may not be aware of cost-effective tools or methods to track productivity. **Workshops and training programs** could help build capacity in this area, which DAIC will explore.
- **Cost of doing business** – The government needs to ensure that any decisions taken at the policy level do not lead to further inflation.
- Trade policy and tariff structures, both at the national and regional levels, are increasingly intertwined with inflation dynamics. To ensure that protective policies like Article 164 achieve their developmental goals without disproportionately burdening businesses and consumers, it is essential for governments to:
 - Conduct **impact assessments** before implementing new tariff regimes,
 - Maintain **dialogue with the private sector** to understand on-the-ground effects,
 - Invest in **local capacity-building** and competitive production to reduce dependency,
 - Consider **temporary relief measures** where inflationary pressures are severe.
- The mismatch between the supply of labour and the needs of employers poses a risk to business efficiency, talent retention, and overall productivity. Companies may face increased costs related to training, onboarding, and performance management, with some forced to lower hiring standards or extend probationary periods
 - Strengthening industry-academia partnerships to ensure graduates are better equipped with market-relevant skills.
 - Investing in soft skills training programs targeted at young professionals and first-time job seekers.
 - Introducing widespread formal mentorship and apprenticeship models to bridge the gap between education and employment.
 - Encouraging a culture of professionalism and responsibility among youth through community and institutional engagement.