



# Regional Forum on Building a Caribbean Pathway for Disaster Resilience in the CDEMA Participating States – Economic Diversification

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### Regional economic challenges



### Macroeconomic

Low economic growth

Trade concentration

Output volatility

High debt and declining reserves

Poor sovereign debt ratings

Financial sector vulnerabilities and instability



### Productivity & Competitiveness

Low rankings in the World Bank's Ease of Doing Business index

Large infrastructure gaps

Weak governance

Inefficient and costly transport links

High energy and electricity costs and nascent regulation



#### Human Development

High poverty and unemployment

Very high youth unemployment and poor education outcomes

High crime and citizen insecurity

Limited social data available for designing and measuring effective strategies



#### **Environmental**

High annual natural disaster costs

Low insurance payouts

Insufficient building codes

Poor climate change adaptation tools

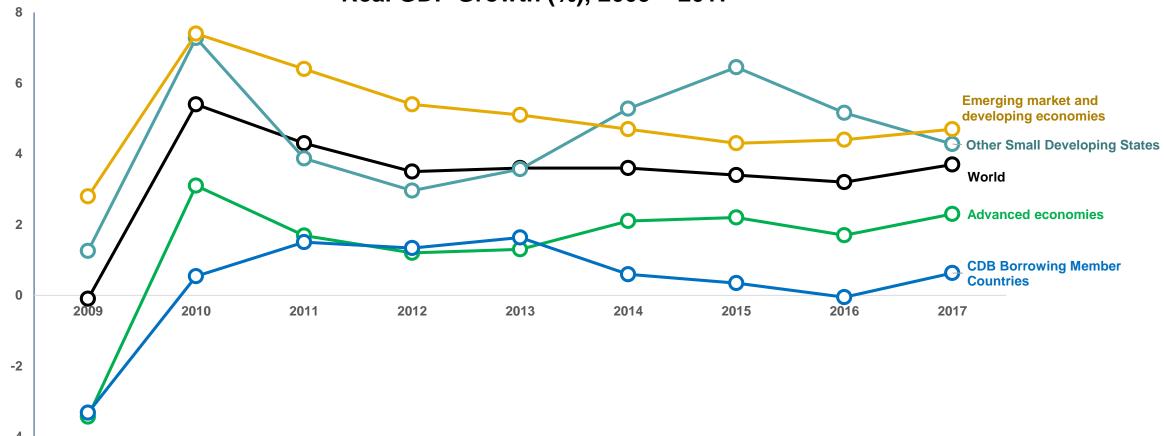
#### **Implementation Gap**

### **Regional Approach Gap**



## Average BMC growth is consistently lower than other small and developing states





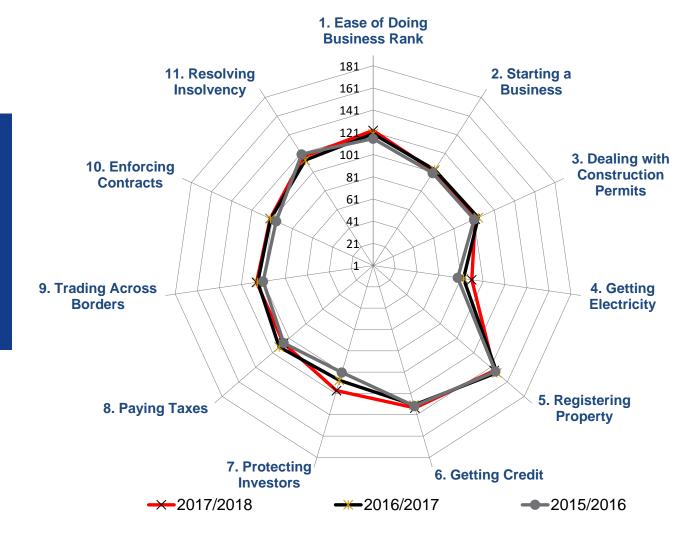
Source: IMF, WEO, CDB



## Regional rankings: World Bank Doing Business Reports 2016-2018

119 positive reforms (2016-2018)

11 negative reforms (2016-2018)



Best Performer: **Jamaica** (70<sup>th</sup>)

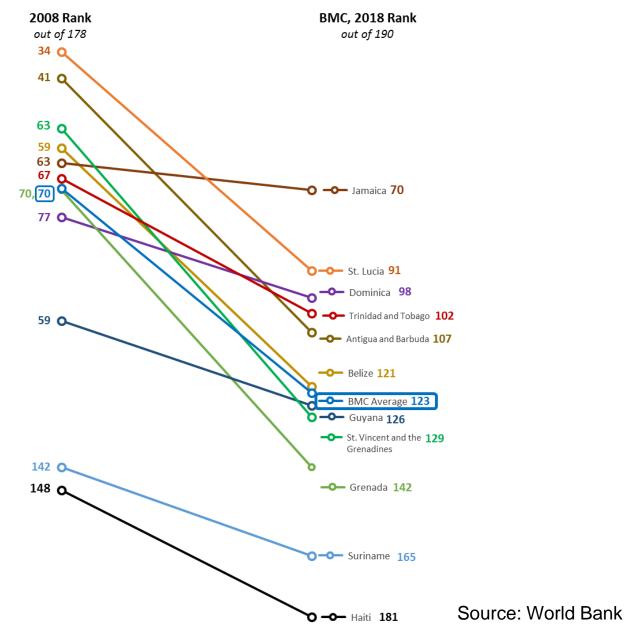
Most Reforms: **Jamaica** (11)

Source: World Bank



### Doing Business Ranking of Selected BMCs, 2008 vs. 2018

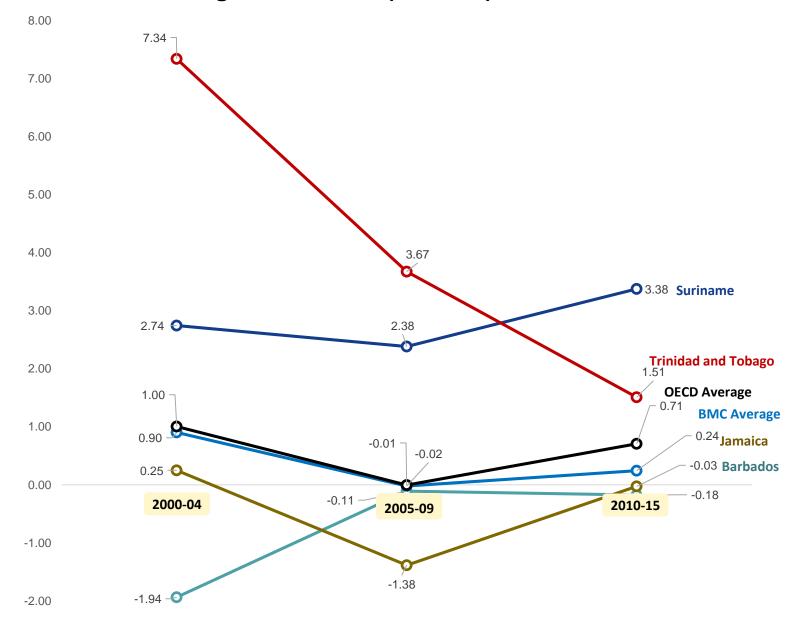
Over the last decade, relative positions in the rankings have deteriorated for all BMCs





## Measuring productivity – total factor productivity

### Average annual TFP (residual), 2000-2015





### 2017 ICT Development Index, Ranking and Inputs

Over half of the BMCs surveyed do not have a single internet service offer for speeds 100 M and higher

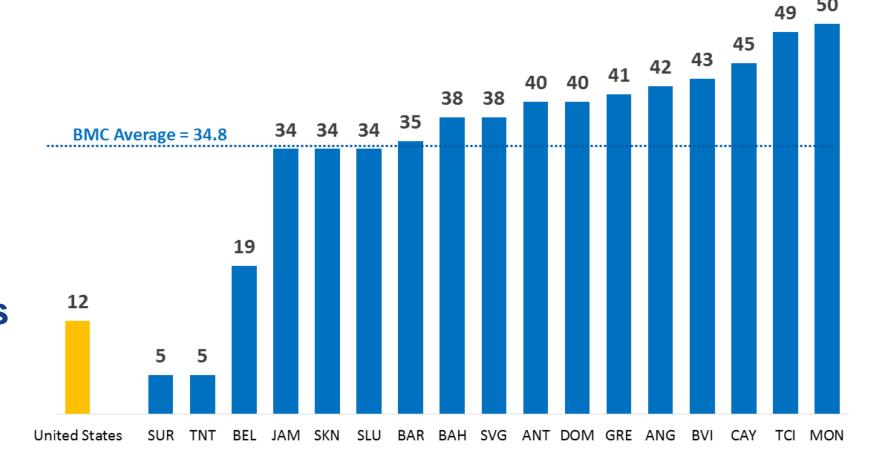
		IDI Rank out of 175	Access	Use	Skill	Highest Speed/bps	d/l speed Price (USD)
*	ANT	75	6.3	4.0	6.2	2 M	\$62.20
	BAH	64	6.8	4.5	7.5	300 M	\$229.99
Ψ	BAR	35	8.2	5.9	7.7	1 G	\$297.50
8	BZE	119	3.7	2.6	5.8	16 M	\$199.52
<b>-</b>	DOM	69	6.4	4.8	6.1	50 M	\$76.93
	GRE	74	6.3	3.8	7.0	100 M	\$128.46
	GUY	121	4.3	1.7	5.7	10 M	\$46.37
$\times$	JAM	99	4.8	3.6	5.8	200 M	\$116.43
1	SKN	34	7.7	6.5	7.6	48 M	\$128.09
<u> </u>	SLU	94	5.7	3.7	5.5	100 M	\$124.22
*	SUR	84	5.9	4.5	4.7	6 M	\$39.74
w I	SVG	78	6.5	3.9	5.9	100 M	\$128.09
	TT	67	7.0	4.5	5.7	1 G	\$296.30

Source: ITU



### Local Electricity Tariffs (US¢/kWh), 2012

High electricity costs also contributes to low business competitiveness



Source: CARLEC, World Bank



# Progress has been slow in fully implementing the CSME

### Capita Trade in Goods Capital Regime Integr

Movement of Capital and Capital Market Integration







**Trade in Services** 



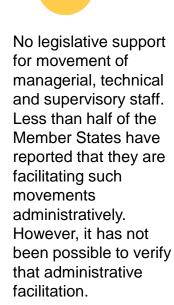
Twelve (of fourteen) countries have reported that they have implemented all of the phases of the CET. Certification of Goods of Community Origin appears to be working though the process for verification sometimes takes longer than the rules provide for.



exists.



Inclusion of the 'Newer' categories in the legislation varies but countries administratively facilitate the movement of skilled nationals.



At present, there are 13 signatories to the revised treaty. Much of the institutional arrangements have been put in place to facilitate regional entities (e.g. IMPACS,CROSQ, CDF etc.)

There is insufficient data to assess the extent to which this regime is being utilized, although there is information to indicate that services are being supplied through the four modes.

Source: CARICOM as at February 2017



Caribbean **Blueprint:** A strategy for our resilient economies, society & environment Published May 2018



### **Macroeconomic**

Economic growth and diversification

Strong/ resilient financial sector

Prudent fiscal management



Private sector-led growth

Opening new trade markets

Regional payments facility (Fintech)



First class and costeffective infrastructure



### Human Development

**Society** 

### **Environmental Preparedness** J

Good quality education for all

Workforce skills training based on employers' needs

Conditional cash transfers to the most vulnerable

**Regional Integration** 

**Gender Equality** 

Strict building code compliance

CCRIF, indemnity insurance, resiliency funds

Environmental tools

Climate change adaptation tools

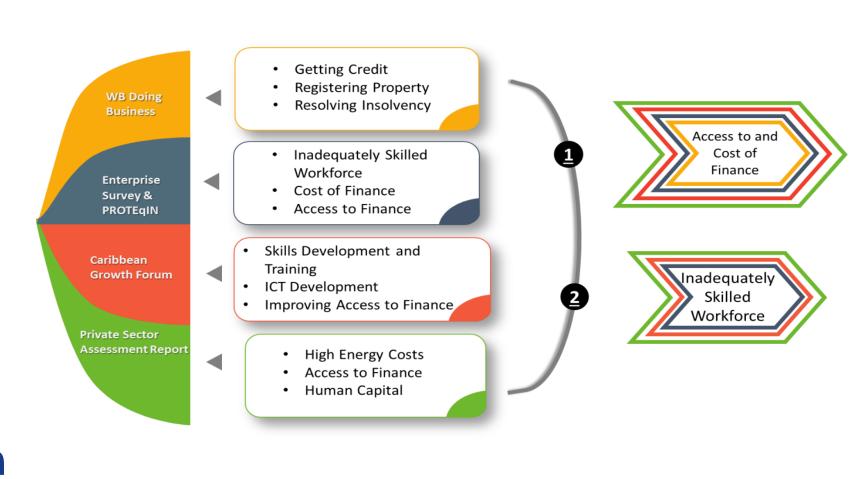
Microcredit for recovery lending

**Digitalisation** 

**Implementation** 



Priorities for business environment reforms to boost diversification





### Thank you

