



WELCOME/OPENING REMARKS

by

Dr. W^m. Warren Smith

President

Caribbean Development Bank

at the official Launch of

the Book

The Eastern Caribbean Economic and Currency Union

Macroeconomics and Financial Systems

Monday, June 17, 2013

Conference Centre

Wilkey, Barbados

DR. W^m. WARREN SMITH
PRESIDENT

Dr. Arnold McIntyre, Caribbean Regional Technical Assistance Centre (CARTAC);

Representatives of the other Development Agencies in Barbados;

Distinguished Colleagues and Friends

Good afternoon and welcome to the Caribbean Development Bank's (CDB) Headquarters and to the Caribbean launch of the book, *"The Eastern Caribbean Economic and Currency Union - Macroeconomics and Financial Systems"*.

The book was first launched just over a month ago in Washington DC, at the headquarters of the International Monetary Fund (IMF).

It is a collection of essays that:

- covers a range of key macro-economic and financial sector issues in the Organisation of Eastern Caribbean States (OECS) sub-region;
- provides an in-depth analysis of the institutional set-up governing the Union; and
- offers policy recommendations for fostering economic growth.

When CDB was approached to collaborate with CARTAC on the launch of this book in the Caribbean, we agreed without hesitation.

The significance of the occasion was not lost on us.

This publication could not have been more timely.

We are at a critical juncture in our history as the sub-region continues to experience the backlash from the 2008 global economic crisis.

The global recession has been much deeper and much longer than anyone could have anticipated. The impact on our economies has been severe, once again underscoring the extreme vulnerability of our small open economies.

Low and, in some cases, negative growth; unsustainable fiscal deficits and sovereign debt; and a fragile financial system head the list of daunting challenges facing our economies.

And the medium-term prospects for the sub-region are being undermined by the still fragile and uncertain recovery in our major trading partners.

This book does not provide us with an excuse to wallow in self-pity.

Rather, it offers us a unique opportunity to re-examine our individual and collective responsibilities and to recommit to fundamental change in our economies.

At the national level, our policy makers must remain steadfast in their commitment to implement critical reforms geared towards:

- improving economic diversification and international competitiveness;
- achieving fiscal consolidation and debt reduction; and
- promoting financial sector stability, consistent with building resilience to internal and external economic shocks.

I am encouraged that a number of countries have begun to adopt appropriate measures and are already beginning to show positive results.

While pursuing national objectives, OECS countries must simultaneously be prepared to deepen their commitment to the sub-region.

There have been clear benefits associated with maintaining a common currency; pooling foreign exchange reserves; and having a central monetary authority.

But these benefits should not be taken for granted.

They can only be enduring if every OECS member country lives up to its obligation to maintain sound macro-economic policies and to pursue an economic strategy geared towards earning foreign exchange.

The book draws heavily on a range of experience, skills and expertise both within **and** outside the IMF.

That alone speaks volumes to its comprehensive and balanced assessment of the macro-economic and financial sector issues affecting the OECS sub-region.

We are fortunate and privileged to have one of the Contributors to this book present here with us for this afternoon's launch.

Dr. Arnold McIntyre is no stranger to us.

He is a son of the soil, who is both a student and practitioner of development economics.

Arnold honed his skills right here in the Region, having worked at

- the Secretariat of the OECS;
- the Caribbean Export Development Agency;
- the Caribbean Regional Negotiating Machinery (now known as the Office of Trade Negotiations); and of course,
- here at the Caribbean Development Bank.

He joined the staff of the IMF in 2001 where he has worked as

- Senior Economist in the Policy Development and Review Department;
- Senior Economist on the Fund's Kenya team;
- IMF Resident Representative in Ghana;
- Deputy Division Chief, Caribbean Division, Western Hemisphere Department; and
- Programme Co-ordinator at CARTAC, here in Barbados.

Arnold has also written extensively on

- macro-economic policy in small, open economies;
- fiscal policy and debt management; and
- multilateral trade liberalisation.

In 1995, he published the book entitled *“Trade and Economic Development in Small, Open Economies: The Case of the Caribbean Countries”*.

With that record, it is fitting that we ask Arnold to share with us his insights and analysis into some of the key elements of the Book.

May I present, Dr. McIntyre.