



CARIBBEAN ECONOMIC REVIEW AND OUTLOOK

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Caribbean Development Bank / Barbados

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AGENDA

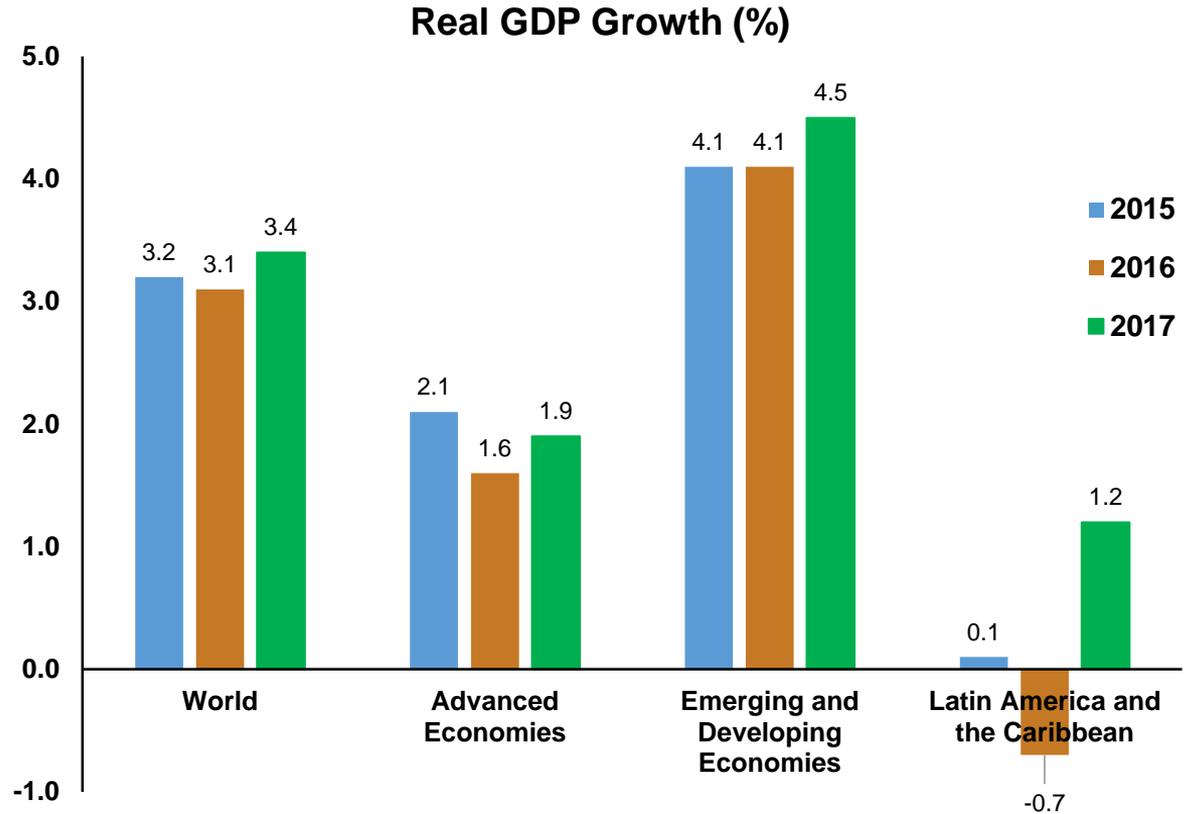
- 01 The Global Picture
- 02 The Regional Picture
- 03 Vision



THE GLOBAL PICTURE



MODEST ACCELERATION EXPECTED IN 2017



RISKS AND OPPORTUNITIES

RISKS

- Uncertainty in US Policy
- Geopolitical risks
- BREXIT
- China rebalancing
- Global tightening
- Non-inclusive growth
- Low US productivity

OPPORTUNITIES

- Rising commodity prices
- US fiscal stimulus
- Continued China stimulus
- Rapid advancement of A.I.

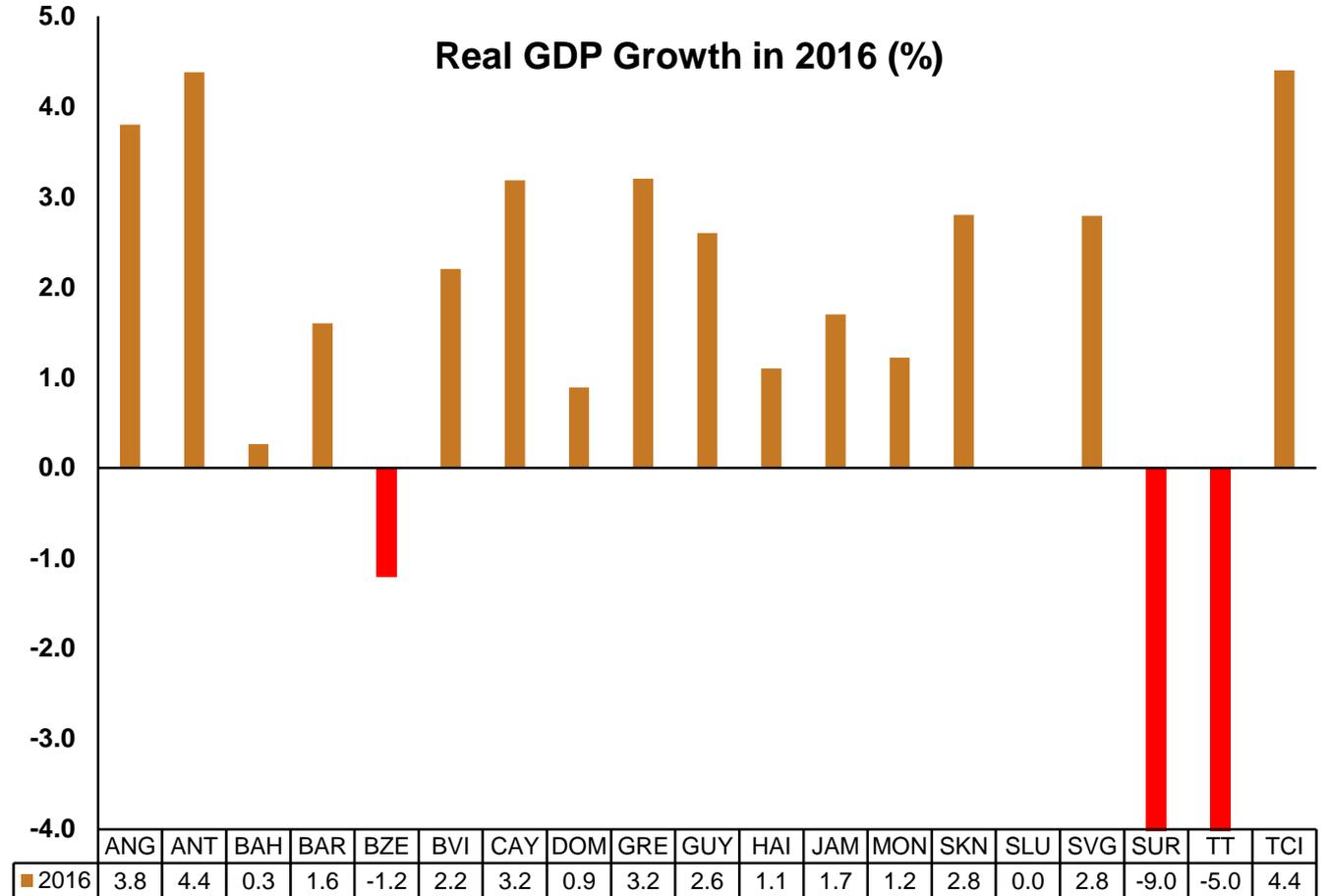


THE REGIONAL PICTURE – WHERE ARE WE AND WHERE ARE WE GOING?



Caribbean

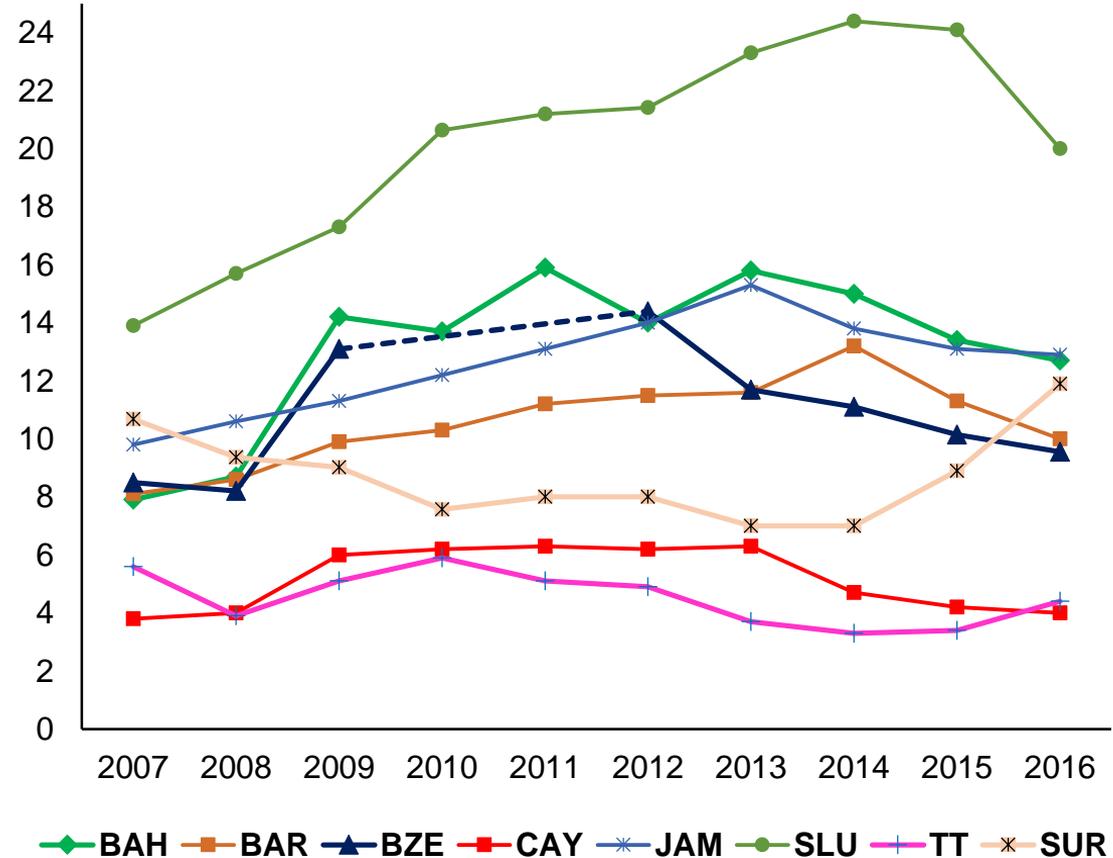
2016 ECONOMIC GROWTH



Source: Statistics Offices, ECCB, CDB estimates

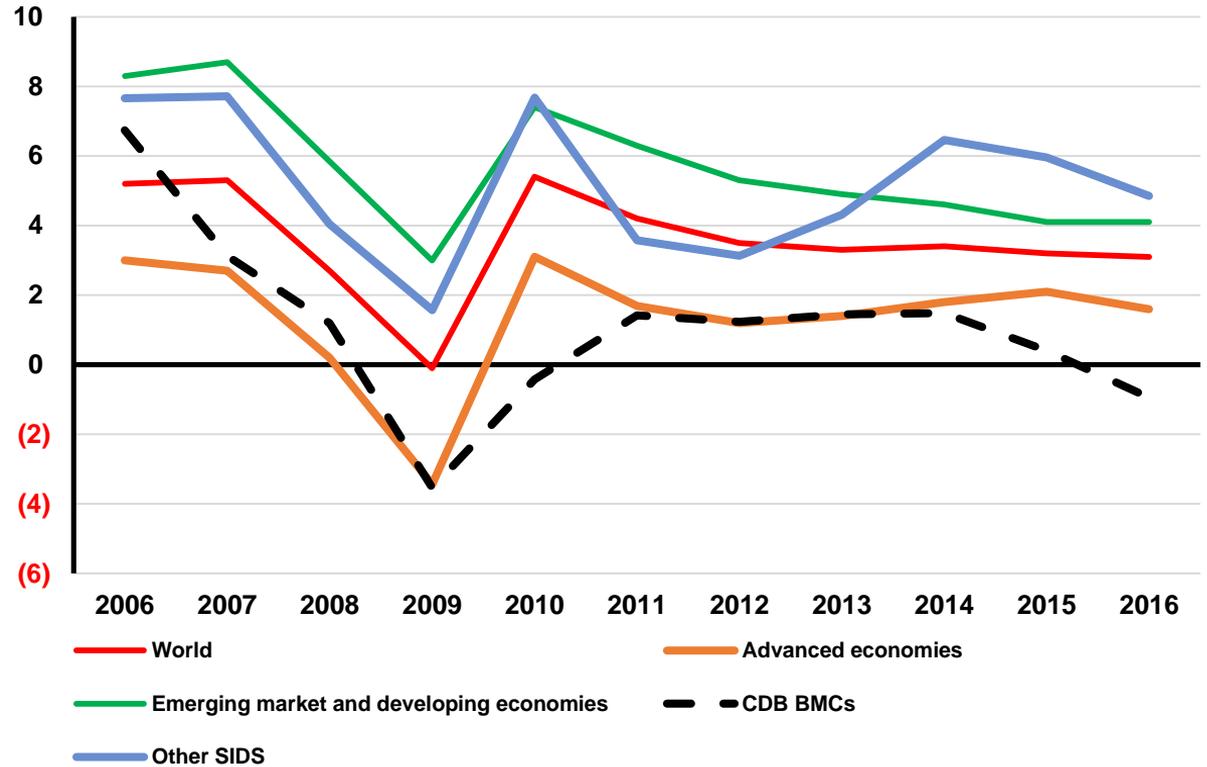
UNEMPLOYMENT REMAINS HIGH IN MOST COUNTRIES

Unemployment Rate (%)

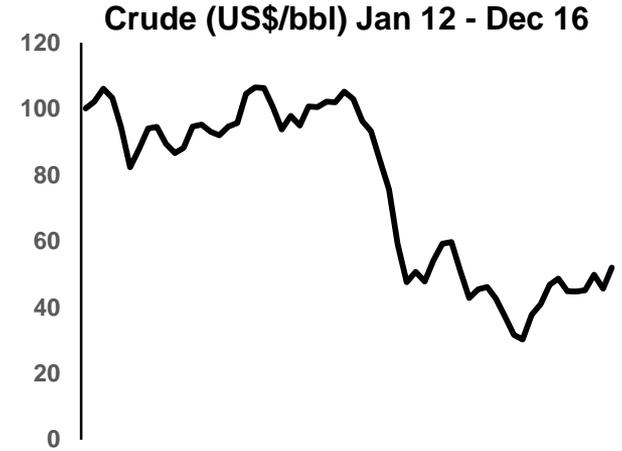
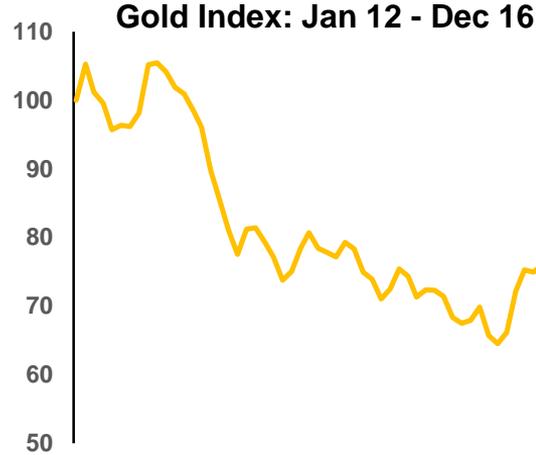


**GROWTH STILL
CONSISTENTLY
LOWER THAN
OTHER SIDS**

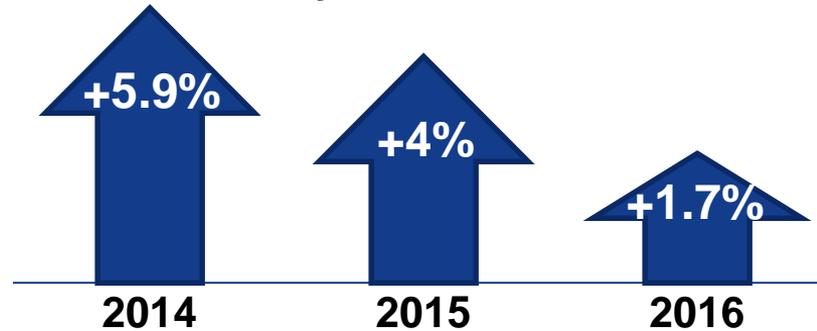
Real GDP growth (%) 2006 to 2016



**COMMODITY
PRICES STILL
RELATIVELY LOW
&
RATE OF
VISITORS
ARRIVALS HAS
DECLINED**



Stayover Arrivals



DOING BUSINESS DETERIORATED IN MOST BMCS



Country	2017	2016	Difference 2016-2017
NZ	1	1	0
SIN	2	3	1
MAU	49	42	-7
JAM	67	65	-2
SLU	86	78	-8
TT	96	92	-4
DOM	101	95	-6
BZE	112	110	-2
ANT	113	107	-6
BAR	117	115	-2
BAH	121	120	-1
GUY	124	140	16
SVG	125	123	-2
SKN	134	127	-7
GRE	138	131	-7
SUR	158	155	-3
HAI	181	180	-1
Regional Average	120	117	-3

Source: World Bank Group

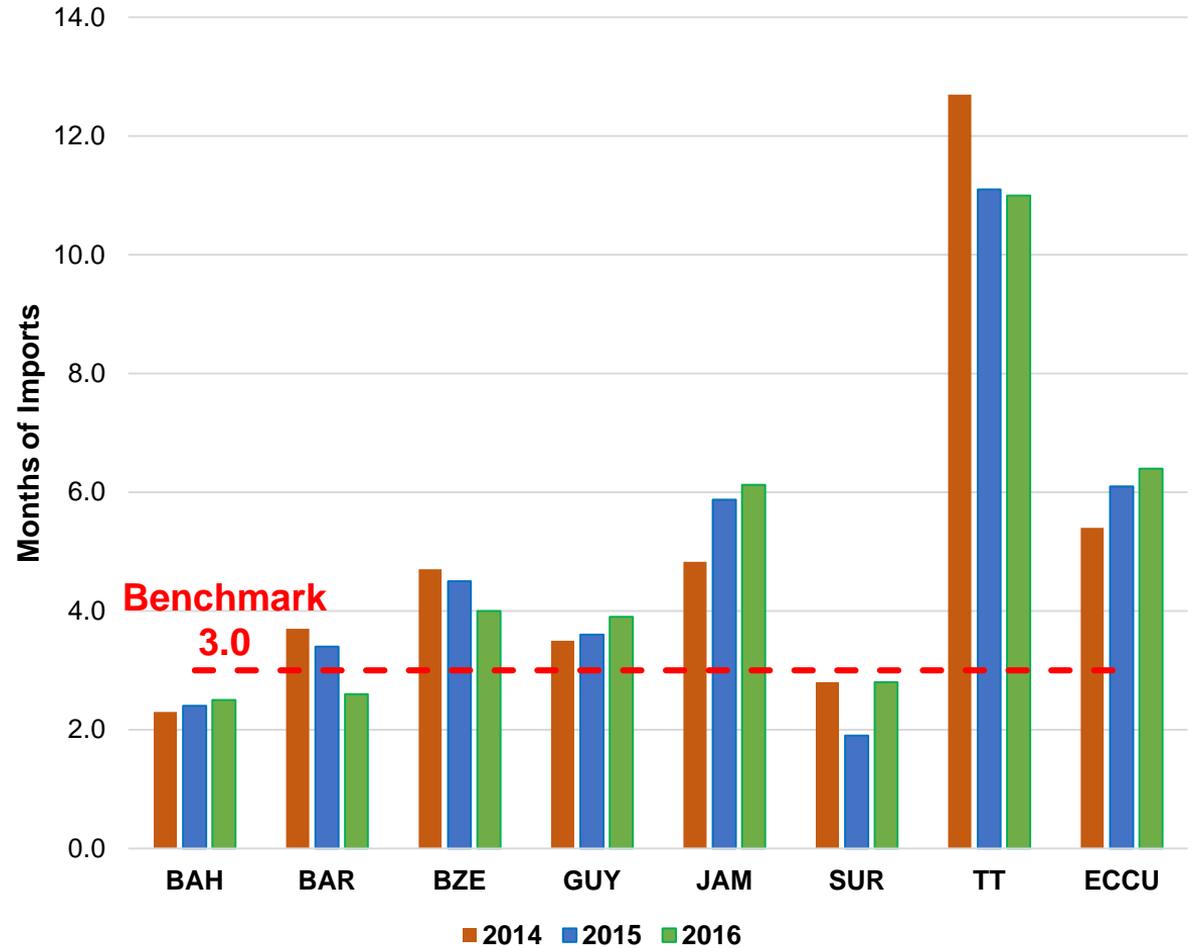
HIGH DEBT ACROSS BMCS

Debt as a % of GDP

	2015	2016	Change in %	Primary Balance (% of GDP)	Real GDP growth
BAR	140.4	145.3	4.9	0.1	1.6
JAM	124.8	120.3	-4.5	7.0	1.7
ANT	99.1	93.6	-5.5	7.0	4.4
BZE	81.9	90.0	8.1	-1.2	-1.2
GRE	94.3	89.2	-5.1	3.5	3.2
DOM	85.5	87.7	2.2	0.0	0.9
SVG	79.3	85.0	5.7	0.1	2.8
SLU	77.0	81.1	4.1	2.8	0.0
SKN	70.7	67.2	-3.5	1.9	2.8
BAH	64.4	65.9	1.5	-0.2	0.3
TT	52.1	56.6	4.5	-9.4	-5.0
SUR	43.5	52.0	8.5	-5.3	-9.0
GUY	48.6	46.4	-2.2	-2.9	2.6
ANG	24.6	44.3	19.7	3.3	3.8
HAI	30.1	33.6	3.5	-1.0	1.1

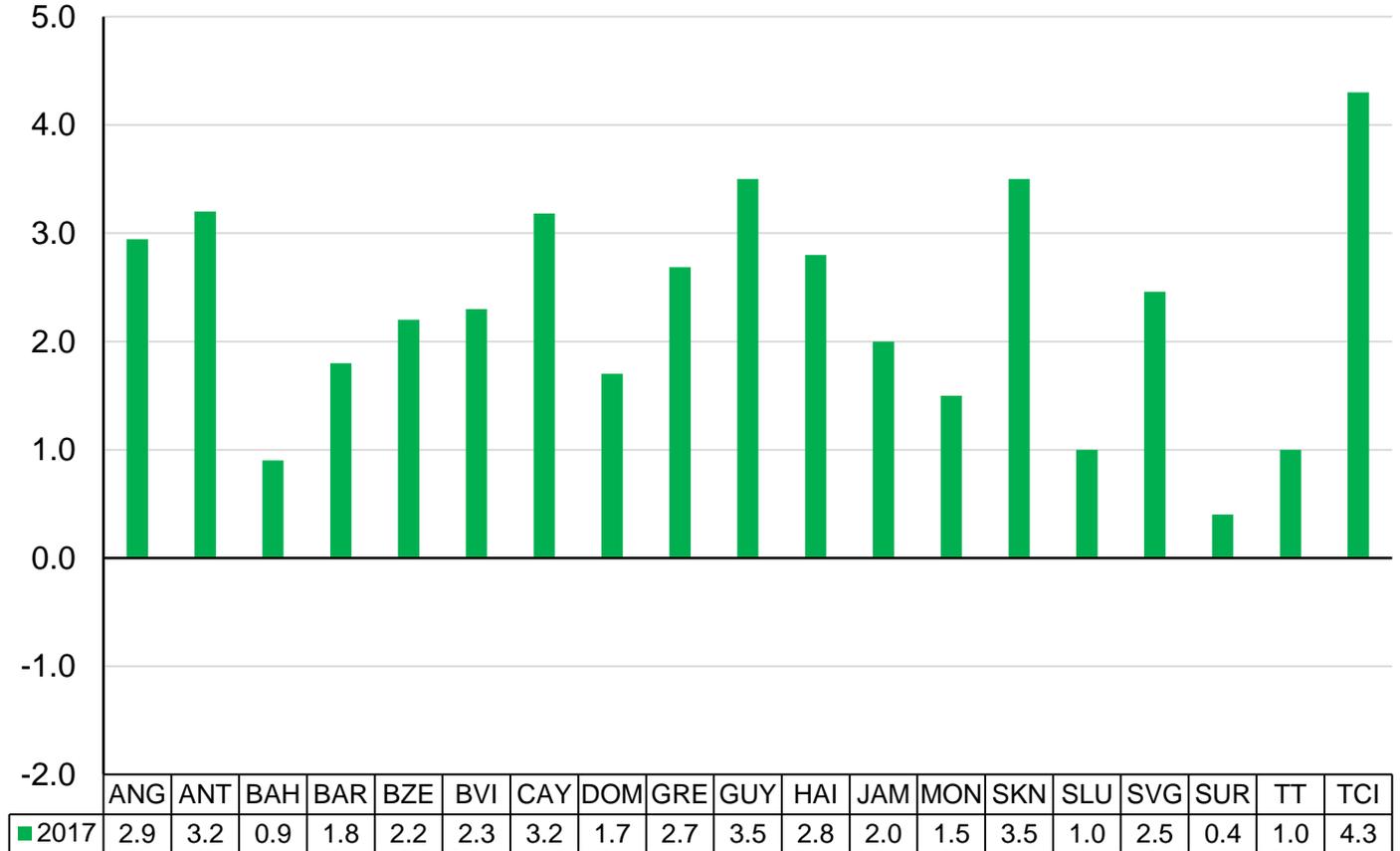


FOREIGN CURRENCY RESERVES BELOW BENCHMARK LEVEL



REGION EXPECTED TO GROW IN 2017

Real GDP Growth in 2017 (%)



VISION – WHERE DO WE NEED TO BE, AND HOW?

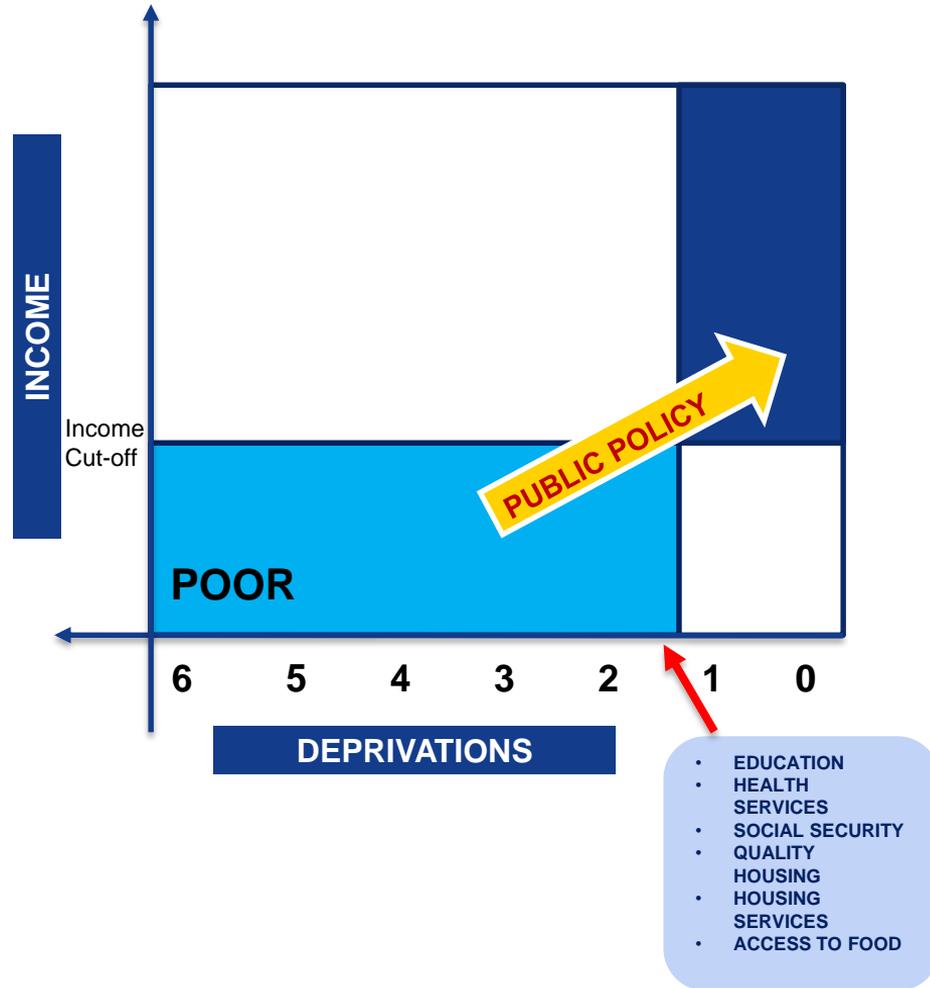


WE NEED TO ACT NOW

- Strong targeted Social Development programmes
- Stabilise the economies through fiscal and debt consolidation
- Tackle the obstacles to growth
- Reform governance and institutions



**ENSURE
THAT
EVERYONE
CAN
CONTRIBUTE
TO AND
SHARE THE
BENEFITS OF
GROWTH**



Target the SDGs through:

- Education
- Healthcare
- Social Security
- Housing
- Dedicated Ministries and targeted programmes (e.g. CONEVAL in Mexico)



ECONOMIC STABILITY

Expenditure Reforms

- Implement effective fiscal rules
- Modernise public sector activities
- Reduce transfers to SOEs and parastatals through the streamlining of operations
- Improve procurement and modernise technological infrastructure
- Strengthen institutions
- Better targeting to reduce subsidies

Revenue reforms

- Comprehensive assessment of the tax system
- Enhance audit and control
- Use technology to simplify tax payments (e-Government)
- Trade facilitation and customs reform



ECONOMIC STABILITY

Debt Management

Reduce the
cost of
financing with
a debt
management
strategy

Maximise use
of
concessional
finance
thereby
reducing cost
of borrowing

Seek to
climate proof
infrastructure

Improve the
framework for
debt
management



SIMPLE REFORMS TO ENHANCE INCLUSIVE GROWTH



- Improve the environment for doing business
 - Reduce barriers to trade
 - Use PPPs to close infrastructure and service gaps
 - Strengthen the banking sector
 - Engage the diaspora
- Facilitate and promote green energy production
 - Liberalise monetary policy
 - Provide incentives for raising capital, e.g. junior stock markets
 - Divest state assets to help unlock value
 - Foster access to global supply chains

TOWARDS BETTER GOVERNANCE

Accountability

- Clearly articulated vision to which governments hold themselves, and the people hold them accountable.

Transparency

- Greater engagement of stakeholders (civil society, labour unions, private sector) on issues on national importance.
- Hiring, appointments, awarding of contracts, granting of incentives/concessions.

Fiscal discipline

- Focus needs to be on ensuring value for money.



THANK YOU

