

Clearing the Hurdles: key issues affecting Caribbean private sector competitiveness

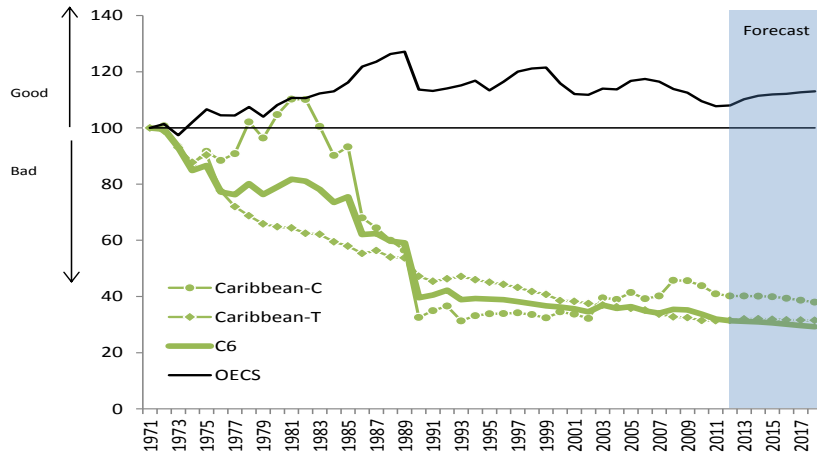
Dr. Sylvia Dohnert

Caribbean Exporters Colloquium



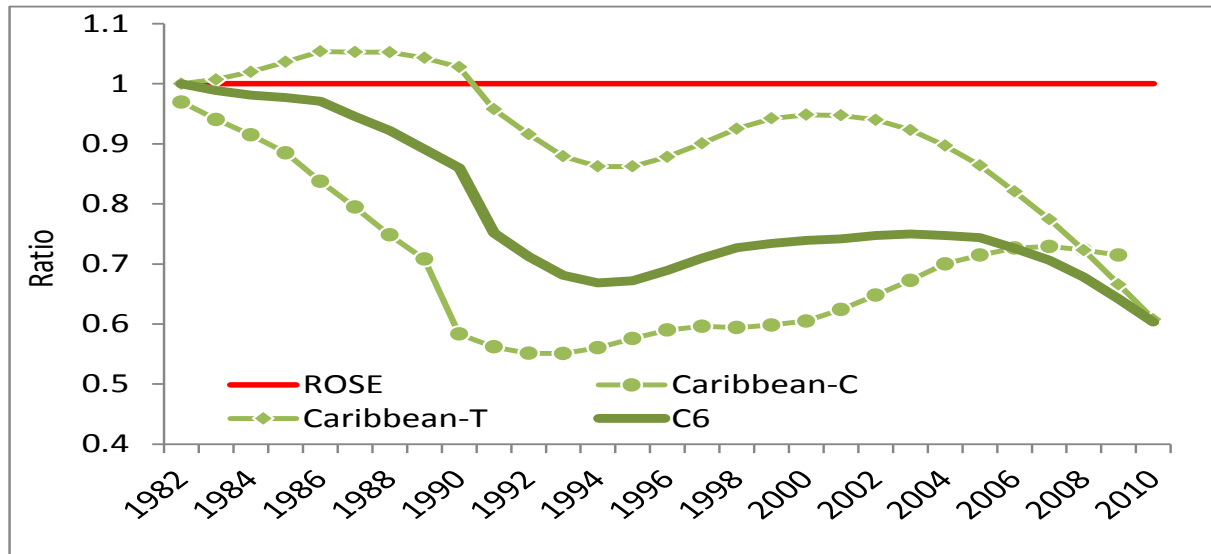
What's happening in the Caribbean? Lower Real GDP Growth

Real GDP per capita relative to ROSE



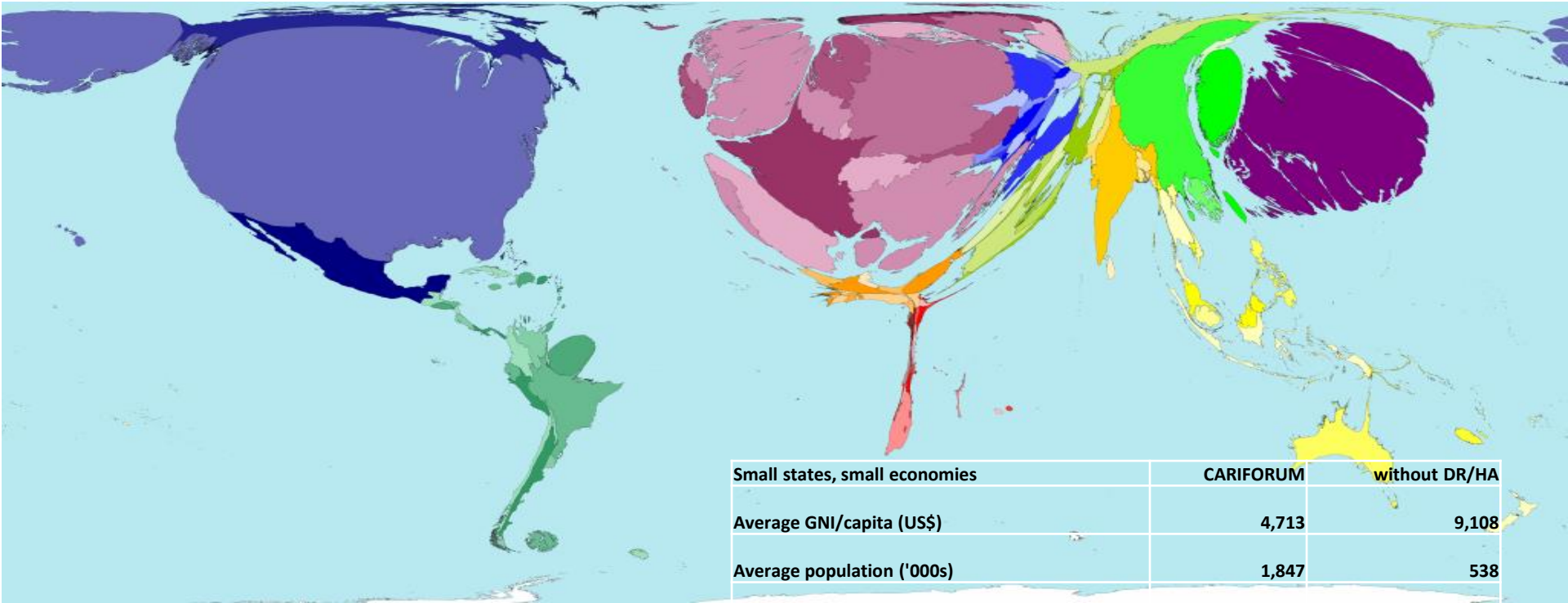
- In the early seventies real GDP per capita was four times higher than rest of small economies (ROSE). Today it is less, i.e. 0.9, and forecasted to fall further. (Ruprah and Sierra 2014)

What's happening in the Caribbean? Lower Total Factor Productivity Growth



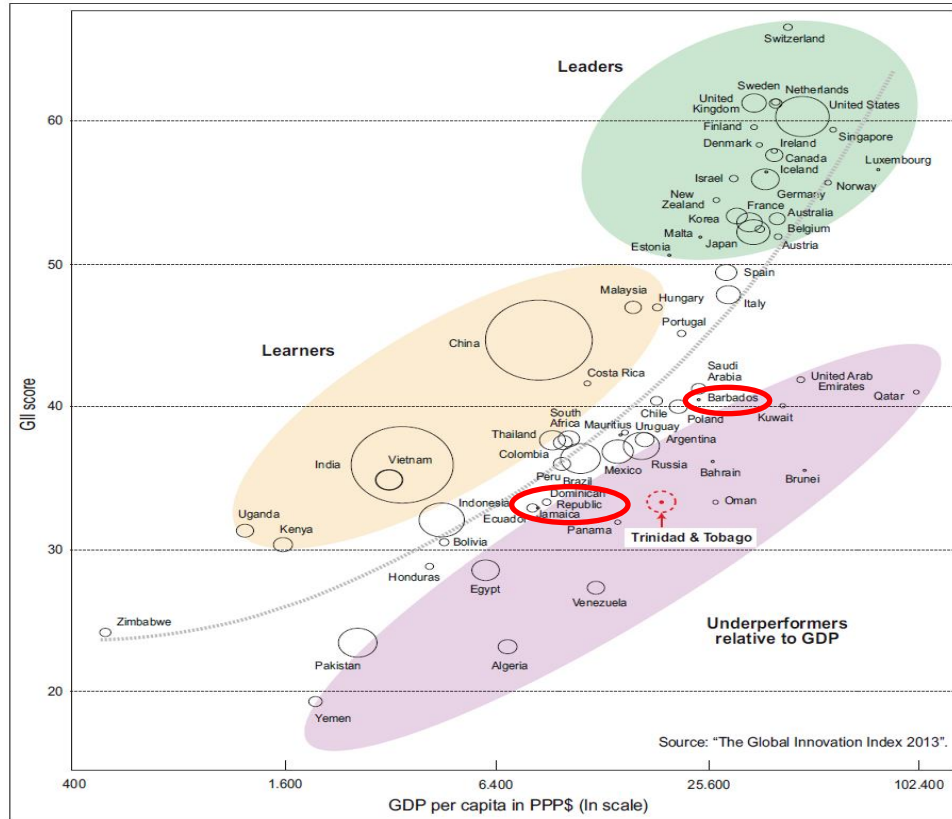
Underlying the relative decline is the relatively worse performance of total factor productivity. Ruprah and Sierra 2014

The Productivity Challenge



Small states, small economies	CARIFORUM	without DR/HA
Average GNI/capita (US\$)	4,713	9,108
Average population ('000s)	1,847	538
Average economy size (US\$ billion)	8,7	4,9

The Productivity Challenge



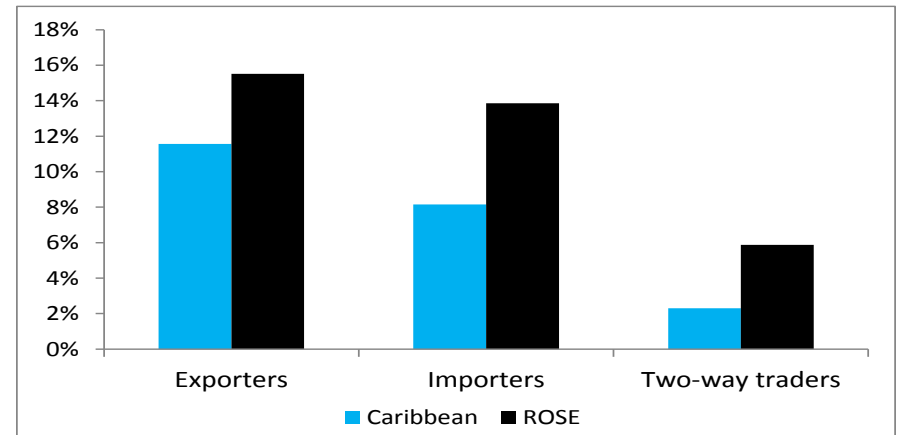
Low innovation and entrepreneurship

Countries underperforming relative to GDP in innovation outputs and creative outputs

- ISO 9001 certificates
- High tech exports
- New business density
- S&T publications
- ICTs and new business & orgs models
- Creative goods and services

Private sector firms in the Caribbean vs. ROSE:

- smaller, older, less involved in trade, more difficulty in accessing finance

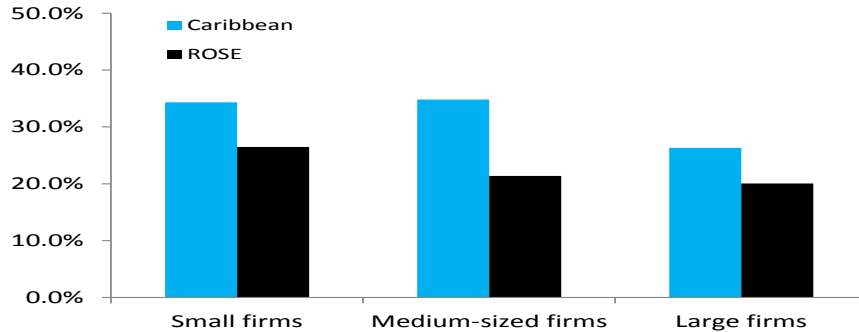


Firms involved in trade

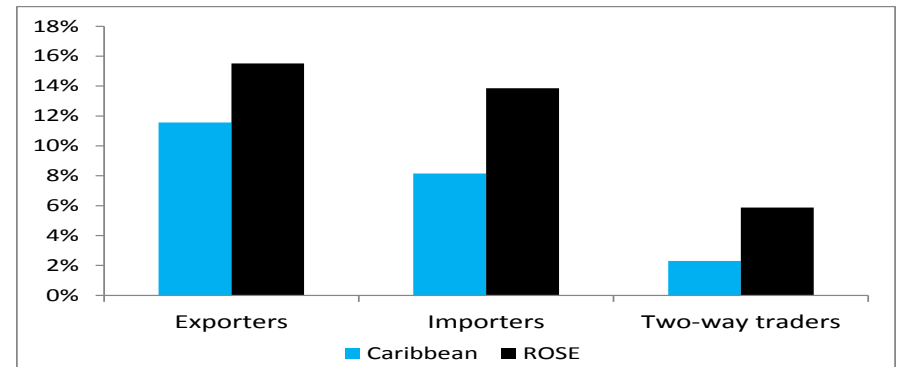
The Productivity Challenge

Private sector firms in the Caribbean vs. ROSE:

- smaller, older, less involved in trade, more difficulty in accessing finance



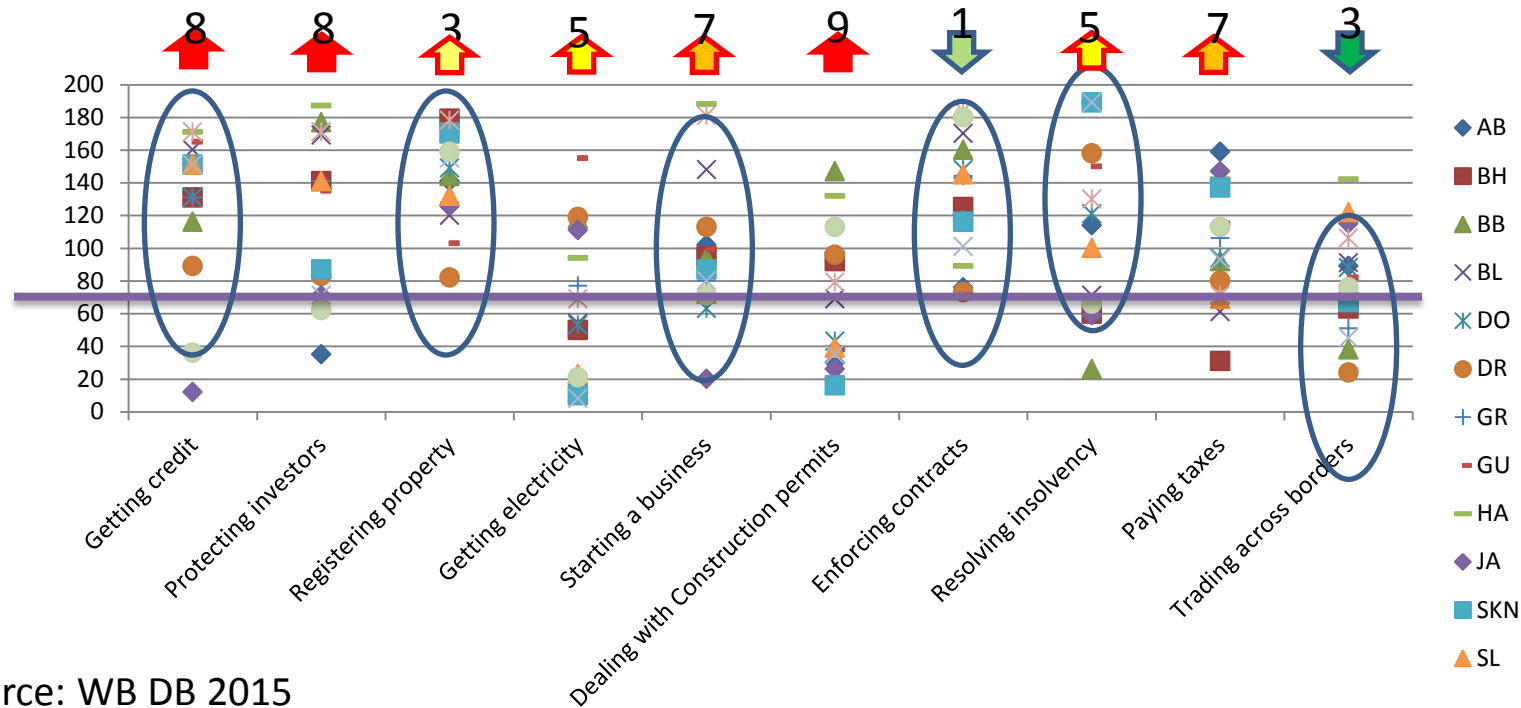
Firms citing access to finance as major obstacle in business



Firms involved in trade

The Productivity Challenge

Difficult macro, business climate



Source: WB DB 2015

Labor markets not providing required skills

TABLE 4.1. Migration and Remittances

	Percent of labor force that has migrated to OECD member countries, by education level		Emigration loss plus estimated education expenditure (percent of GDP)	Remittances (percent of GDP, average 1980–2012)
	Secondary	Tertiary		
The Bahamas	10	61	4.4	–
Barbados	28	63	18.5	2.3
Guyana	43	89	9.5	1.9
Jamaica	35	85	20.4	7.4
Suriname	74	48	7.8	0.5
Trinidad and Tobago	22	79	16.8	0.3
OECS	50	75	10	7
C6	35	71	13	2
Average	43	73	11	4

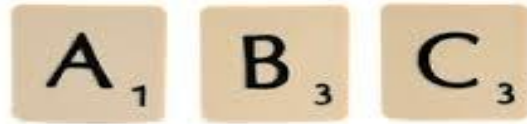
Source: Hausmann et al. (2011).

Note: C6 = The Bahamas, Barbados, Guyana, Jamaica, Suriname and Trinidad and Tobago; OECS = Organisation of Eastern Caribbean States.

The Productivity Challenge



Hausmann: Knowledge acquisition and scrabble



How many words can you make if you add an “R”?

1. Focus on “nearby” sectors



Sports- Tourism
and
preservation in
the Rupununi

The Productivity Challenge

1. Focus on “nearby” sectors



Environmental
certifications
helping tap
niche markets

1. Focus on “nearby” sectors



Fruit juice into
neutraceuticals

The Productivity Challenge

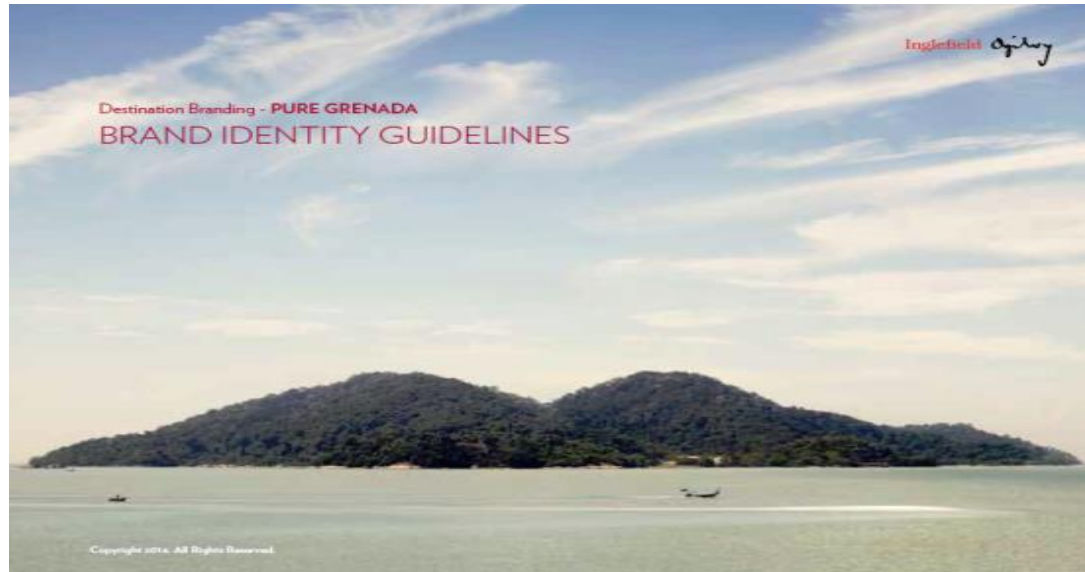
2. Partnerships to access specific skills/assets



2. Partnerships to access specific skills/assets



3. *Inter-firm cooperation to achieve scales, enhance knowledge*



3. Inter-firm cooperation to achieve scales, enhance knowledge



4. Technology to disrupt business models

Narayana clinic in Cayman Islands

HEALTH CITY 
Cayman Islands

 Narayana Health

 ASCENSION

2000 beds
USD 1400/surgery
Flat rates
Changing how health-care works!



The Productivity Challenge



A last thought... Brain circulation



TO TRANSFORM
CHILE INTO THE
INNOVATION AND
ENTREPRENEURIAL
HUB OF LATIN AMERICA



Thank you
and visit our revamped website....
www.competecaribbean.org



Canada

In partnership with:



'Hythe', Welches, Maxwell Main Road
Christ Church, Barbados BB17068
Tel: 1. 246. 627. 8536 • Fax: 1 .246. 629. 8869
Email: competecaribbean@iadb.org
www.competecaribbean.org