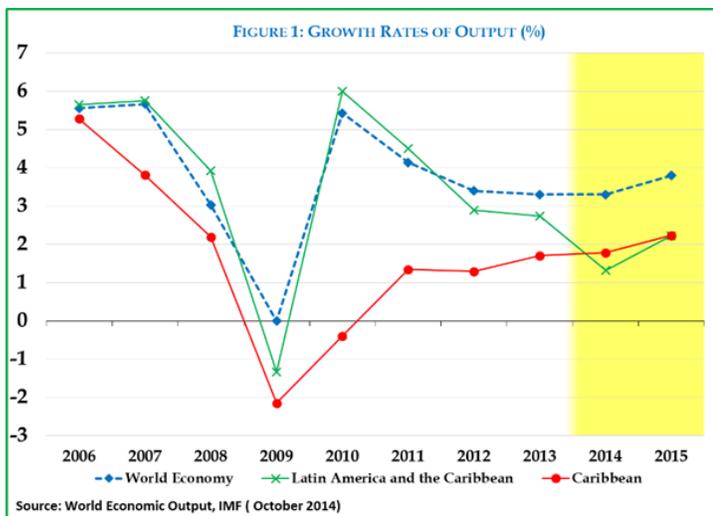




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## CARIBBEAN ECONOMIES GROWTH PROSPECTS 2014/2015

Caribbean economies have been waiting keenly for the global economy to recover, because their recovery hinges on it. The IMF publication *World Economic Outlook*, in April 2010 had hinted of a global economic recovery that was progressing better than expected. This turned out to be a false expectation (Figure 1) as since 2011 the world, including the Caribbean region, has been experiencing very low growth in its output levels. The persistently low levels of economic activity globally have caused Caribbean economies to reach a critical point. Many of them are faced with declining government revenues and high levels of debt. The outlook for 2014 and 2015 for the world and the Caribbean will be following the same low trend (Figure 1).



In the recent WEO (October 2014) it was reported that the world output would expand by 3.3 per cent in 2014, 0.3 percentage points less than the rate projected in April 2014. Similarly, the projected growth rate in output for some Caribbean economies was also lowered. Table 1 shows the forecast growth in output for 2014 and 2015 for the Caribbean economies from the IMF and The World Bank. It highlights the fact that both international institutions have changed their initial projections of the growth levels of Caribbean economies. Both the IMF and The World Bank estimates show that levels of economic output are declining and low in most of the economies; the few economies that did have a higher forecasted growth in output, the increases were not significant.

The year 2015, as the forecasts show, will be characterised by weak and sluggish growth rates in output for the Caribbean economies. The longer Caribbean economies stay in this dismal

state of economic inactivity the greater the effects and the more difficult it will be to achieve post-crisis economic growth rates. This persistently low and negative level of output has undermined macroeconomic and financial stability that some of these economies have worked hard to achieve over the years. This combination of high debt and low growth is a major challenge for the Caribbean policy makers, in addition to factors such as low economic diversification, high labour costs, vulnerability to natural disasters and the small size of many of the economies. Caribbean economies need to overcome these obstacles and achieve economic growth to avoid being drawn deeper into this economic slump.

Regional and international economists are of the view that Caribbean economies need to reinvent themselves and their policy makers need to make a concerted effort to restore their economies to a position of positive and strong economic growth in its economic activities. In order for Caribbean economies to survive this economic slump there need to be reforms that are aimed at social and economic stability that would assist in positioning the Caribbean economies to boost their productivity and attract investment once the global recovery strengthens.

Recently at the 2014 IMF High Level Caribbean Forum on "Unlocking Economic Growth"<sup>1</sup>, the Caribbean region policy makers came together to discuss how to overcome the current obstacles to growth facing the region. This is the third conference of this nature in the Caribbean region, which reiterates the point made that the Caribbean region needs to evolve with higher, more stable and consistently positive levels of output. Possible ways may be:

- Improving its tourism product: making travel to the Caribbean more affordable and focusing on the non-traditional markets (local and international). Tourism experts are of the view that the key to the economic problems of the Caribbean region is having sustainable tourism<sup>2</sup>.

<sup>1</sup>The 2014 High Level Caribbean Forum, Montego Bay, Jamaica (October 23-24, 2014) was the third in the series which was hosted by the International Monetary Fund and the Government of Jamaica, its aim is to bring together finance ministers, central bank governors and policy makers from across the Caribbean to address the issue of the low growth facing the Caribbean region.

<sup>2</sup>The "Possible" Key to CARICOM Countries Debt Recovery -Tourism" J. Jhinkoo. CCMF News Letter, Vol.7, No.3.

## CARIBBEAN ECONOMIES GROWTH PROSPECTS 2014/2015 CONT'D

**TABLE 1: COMPARISON OF PROJECTED GROWTH RATES IN OUTPUT OF CARIBBEAN ECONOMIES**

Country	IMF (April 2014)		IMF (October 2014)		Percentage Points difference from April 2014 to October 2014	World Bank (Jan 2014)		World Bank (June 2014)		Percentage Points difference from Jan 2014 to June 2014
	2014	2015	2014	2015		2014	2015	2014	2015	
Antigua and Barbuda	1.6	1.9	1.9	1.7	0.30					
The Bahamas	2.3	2.8	1.2	2.1	-1.10					
Barbados	-1.2	0.9	-0.6	0.5	0.60					
Belize	2.5	2.5	2.0	2.5	-0.50	2.7	3.3	2.5	3.7	-0.2
Dominica	1.7	1.7	1.4	1.2	-0.30	1.7	1.8	1.7	2.6	0
Grenada	1.1	1.2	1.1	1.2	0.00					
Guyana	4.3	4.0	3.3	3.8	-1.00	3.9	3.5	4.4	3.5	0.5
Haiti	4.0	4.0	3.8	3.7	-0.20	4.2	3.9	3.6	3.2	-0.6
Jamaica	1.3	1.7	1.1	1.8	-0.20	1.0	1.2	1.1	1.3	0.1
St. Kitts and Nevis	2.7	3.0	3.5	3.2	0.80					
St. Lucia	0.3	1.0	-1.1	1.4	-1.40	1.5	1.7	0.9	2.2	-0.6
St. Vincent and the Grenadines	2.3	2.9	1.7	2.6	-0.60	2.7	3.2	1.7	2.8	-1
Suriname	4.0	4.0	3.3	3.8	-0.70	4.1	3.5	4.1	3.5	0
Trinidad and Tobago	2.2	2.2	2.3	2.1	0.10			2.3	2.8	
Caribbean	2.08	2.41	1.78	2.26	-0.30			3.4	3.6	
Tourism Dependent Economies	1.4	1.9	1.1	1.7	-0.30					
Commodity Dependent Economies	3.2	3.2	2.7	3.0	-0.50					

**Source:** Western Hemisphere, Regional Economic Outlook , IMF( April 2014 and October 2014) ; Latin America and the Caribbean , Global Economic Prospects ,World Bank ( January 2014 and June 2014)

- Greater economic integration as a region will benefit the Caribbean economies more and the losses will be less. The Caribbean's best prospect for sustained macro-economic growth lies in deepening regional relations, both with higher levels of financial and trade integration "There are plenty of challenges in this part of the world and a lot needs to be done. A lot of the work will require co-ordination and co-operation (among) the countries in the region. At the end of the day, greater trade and economic integration have to be part of the solution" N. Roubini<sup>3</sup> ( October 2014)
- Increase its comparative advantage: Creating new economic sectors. "If you are a small island, the size of your market is limited by the size of your island and if you have a full integration – economic, trade, financial and otherwise – then you can see how individual parts of this system economies can specialise in a variety of different production and service activities in which they have comparative advantage. Therefore they would have a much larger market than they have right now." N. Roubini ( October 2014)
- Devaluation of Currency: The possible adjustments of exchange rates was proposed by IMF economist to some Caribbean economies in their recent Article IV Country Reports. This view was reiterated again, "The reality is that if your currency is overvalued, if your external imbalances are large, if that implies a significant increase in your foreign liabilities eventually and increases your foreign debt making it unsustainable, then devaluation is necessary." N. Roubini (October 2014).

Many conferences, meetings and seminars have been held since 2007 to now, with the aim of finding and proposing ways on how Caribbean economies can achieve higher levels of growth and how as a region they can be better prepared for an economic and financial crisis. How much of these proposed ideas are actually taken by policy makers is another question. It is imperative that Caribbean economies take this opportunity and tighten fiscal policy, improve their inter-regional relations and implement the appropriate structural reforms. Now is the time for them to take stock and to prepare for any future crisis, so that they will not be as greatly affected as they have been this time around.

<sup>3</sup>Professor Roubini was addressing the International Monetary Fund's High-Level Caribbean Forum at the Montego Bay Convention Centre in Rose Hall, St. James on Friday, October 24.

**By Julia Jhinkoo  
Junior Research Fellow  
Caribbean Centre for Money and Finance**

## REGIONAL NEWS SUMMARY

### CLICO

- In the past four years, collapsed conglomerate CL Financial has sold eight assets for \$5.5 billion, even though they were valued only at \$3.7 billion. (TE 5 Oct)
- With signatures on two share transfer forms, Clico and CL Financial officially sold their 56.53% stake in Methanol Holdings (Trinidad) to Consolidated Energy Ltd for US\$1.175 billion, bringing an end to an arbitration battle that began in 2012. (TG 12 Oct)
- MHTL is now 100% owned by its former minority partner, CEL—a local holding company that combines the interests of Switzerland-registered Proman, Man Ferrostaal and Helm which had a 43.47 per cent stake in MHTL. (TE 19 Oct)

### CARIBBEAN

- Sagicor Bank Jamaica nearly tripled its capital base with the acquisition of RBC Bank Jamaica. The commercial bank — now the third largest in the country by assets -- had \$13 billion in equity at the end of June, according to latest Bank of Jamaica data. (JO 1 Oct)
- Prime Minister Gaston Browne, in a meeting with president of Turkey, Tayyip Erdogan, in New York, secured over US\$2 million in grant aid for Antigua and Barbuda. (CNnow 1 Oct)
- The Petroleum Profit Tax levied on both oil and gas production was this country's biggest revenue contributor in 2012, when Government collected \$7.6 billion from upstream oil and gas companies. However, this represented a drop from the previous year, when PPT was \$9.1 billion. (Newsd 1 Oct)
- Regional credit rating agency Caribbean Information and Credit Rating Services Ltd has reaffirmed the ratings of CariBBB- (foreign currency rating) and CariBBB—(local currency rating) on its regional rating scale to the notional debt issue of the size of US\$25 million of the government of the Commonwealth of Dominica. (TG 2 Oct)
- First Citizens has won two World Finance 2014 Banking Awards for Best Retail Bank: T&T 2014 and Best Commercial Bank: T&T 2014. (TG 2 Oct)
- Newly-installed chairman of the T&T Energy Chamber Vincent Pereira said continual investments in the upstream are necessary to offset natural decline and avoid gas curtailments at Point Lisas. (TG 2 Oct)
- The US dollar on Wednesday, October 1, ended trading at J\$112.68 up one cent, according to the Bank of Jamaica's daily foreign exchange trading summary. (JO 2 Oct)
- Barbados said that it continues to suffer the devastating impacts of the global economic and financial crisis, and like other small island developing states has limited scope, capacity, fiscal flexibility or policy space to respond effectively. (Carib360 2 Oct)
- Canadian-owned, Guyana Goldfields Inc., which is being described as the biggest investment in the local gold mining industry, says it is spending up to US\$20M monthly to ready the facilities for full commercial operations in the latter half of next year. Currently, around 500 persons are employed by the company at the Aurora site in Region Seven. (KN 2 Oct)
- In the Caribbean in 2014, average public debt levels amounted to 80% of GDP – compared with 34% for developing countries as a whole. According to Helen Clark, Administrator of the UNDP, debt problems have forced many Small Island Developing Countries to restructure their finances. (BAAdv 3 Oct)
- The Antigua and Barbuda government is projecting a fiscal deficit of more than US\$100 million for this year. (Carib360 3 Oct)
- Economic growth in the Federation of St Kitts and Nevis is on the right path, having registered positive numbers in 2013 and is projected to average about 3 per cent and possibly over up to 2017. (CNnow 3 Oct)
- The T&T Securities and Exchange Commission has been re-elected to the board of the International Organization of Securities Commissions, until 2016. (TG 4 Oct)
- T&T's energy wealth allows the Government to delay the structural reforms—in particular in the public sector—that the country needs to continue developing, says Elie Canetti, the head of the last two IMF missions to Port-of-Spain. (TG 5 Oct)
- Colorado-based United Cannabis Corporation has partnered with a group of Jamaicans to establish a marijuana medical research lab in Jamaica. (JO 6 Oct)
- President Donald Ramotar has described Guyana's and indeed the Caribbean's largest trade fair and exposition as a fantastic event, which shows the industriousness and resourcefulness of local entrepreneurs. (GuyTim 6 Oct)
- Gold prices fell to a four-year low on the world market bringing fresh worries for local miners. The situation has the Government of Guyana worried about the impact of the falling prices on mining operations and the economy. (KN 6 Oct)
- Staatsolie (Suriname) is still searching for suitable partners for investment in the US\$ 300 million ethanol/sugar factory. 'If we can't find a partner, we'll start small in order to acquire knowledge. A partner is essential for the agricultural part of the plan and for additional financial injections'. (die Ware Tijd 6 Oct)
- Rice millers in Guyana have agreed to work in closer collaboration to ensure that a "Guyana price" for rice is maintained, according to Agriculture Minister, Dr. Leslie Ramsammy. Guyana has already shipped the first monthly export of 5,000 tonnes of white rice to Panama. (GCO 7 Oct)

## REGIONAL NEWS SUMMARY CONT'D

- Standard & Poor's credit rating agency has downgraded Trinidad Cement Ltd, after the company, based at Claxton Bay in Trinidad, failed to make debt payments on September 30. (TG 7 Oct)
- The Caribbean Association of Banks is calling on Guyana to urgently pass its Anti-Money Laundering and Combating the Financing of Terrorism Amendment Bill. (KN 7 Oct)
- The World Bank says remittances by international migrants from the Caribbean and other developing countries are on course for strong growth this year. (JO 7 Oct)
- As Bahamian businesses continue to express concern about what appears to be a "government default" towards employing Chinese funding, technical expertise and labour in large scale projects, many of those Chinese companies -- including companies doing business in The Bahamas -- have been barred by a major multinational financier for fraudulent practices. (CNnow 7 Oct)
- A "learning society", not tourism, is the future of the Barbados economy. A prominent American economics professor who has taught at the University of the West Indies thinks Barbados' tourism industry is past its best and will neither "revisit its halcyon days" nor "generate high growth rates in the future". (BN 8 Oct)
- While many investors and residents abroad delight in the possible benefits of offshore banking in Guyana, the absence of strong Anti-Money Laundering legislation, and other essential regulations, leaves many in the local banking system uneasy over this prospect. (KN 8 Oct)
- ConnectAmericas, the first online community of companies in Latin America and the Caribbean dedicated to international trade and investment, was formally launched in Trinidad and Tobago during the VIII Americas Competitiveness Forum at Hyatt Regency, Port-of-Spain. (Newsd 9 Oct)
- Jamaica's Minister of State in the Ministry of Industry, Investment and Commerce Sharon Ffolkes-Abrahams has called for increased co-operation and trade facilitation between T&T and Jamaica in order to boost innovation and competitiveness. (TE 9 Oct)
- The IMF expects Barbados to rebound from an economic slowdown this year to register growth of under one per cent in 2015. (BAdv 9 Oct)
- Rather than spending hard earned profits on fancy cars and big houses, local entrepreneurs have been advised to plough these profits back into their businesses, to allow them to grow. (BAdv 9 Oct)
- The Central Bank of T&T sold US\$50 million to the banking system to cater to demand as Christmas draws nearer. (TE 9 Oct)
- An LNG backlog in Argentina caused by that country's fiscal crisis and an unusually warm winter has had an unwelcome knock-on effect for its main LNG suppliers, Gas Natural and BP, who have been left short of tankers for their T&T cargoes, an online shipping news site reported. (TG 9 Oct)
- Less than five months after the signing of memorandum of understanding between Microsoft and the Caribbean Industrial Research Institute, a Microsoft Innovation Centre has been launched in T&T. (TG 9 Oct)
- A prominent rating agency's prediction of a drop in global oil prices could have serious implications for the T&T economy since the national budget is based on an oil price of US\$80 per barrel. (TG 9 Oct)
- Mining operations in Guyana have been asked to increase declarations as prices climbed again after sliding to a four-year low. (KN 10 Oct)
- Latin America and the Caribbean's foreign trade will experience its third year of stagnation in 2014, due to minimal growth in the region's exports and a slight decline in its imports, the Economic Commission for Latin America and the Caribbean reported. (JO 10 Oct)
- Salaries and employee benefits at T&T's eight commercial banks more than doubled in the ten years between 2004 and 2013—a period in which two traditional measures of bank profitability have more than halved, according to Business Guardian analysis of the Central Bank document titled "Operating Results of the Financial System" for the years 2013 and 2009. (TG 12 Oct)
- T&T is running out of natural gas and its shortage is pointing to a bigger problem. At the same time, the downstream sector is facing real challenges from Shale gas in the US, with companies already preparing to move some of their operations there (TG 12 Oct)
- Another green business in Barbados is reporting profits in 2014 over 2013, and projecting growth and expansion in the upcoming months. CEO of Caribbean LED Lighting Inc. Jim Reid recently told the Barbados Advocate, "We are about 70% ahead of 2013 in terms of revenue." (BAdv 13 Oct)
- The IDB and the EU are supporting the efforts of the government of Guyana to improve the quality and delivery of a reliable water supply and also to strengthen the reliability and efficiency of electricity service delivery. (CNnow 13 Oct)
- Climate change campaigner, former President Bharrat Jagdeo, said while being green is in no way easy, green growth is the way forward to build sustainable sectors and economies. (GuyTim 13 Oct)
- Jamaican brewing company Red Stripe plans to invest US\$10 million over the next five years to set up a cassa-

## REGIONAL NEWS SUMMARY CONT'D

- va supply chain that will help it offset barley imports for beer production. (JO 13 Oct)
- Guyana's Minister of Finance Dr Ashni Singh has signed two agreements with the World Bank that will support Guyana's education and agriculture sectors with funding totalling US\$21 million. (CNnow 13 Oct)
  - After quadrupling its investments in Suriname with the expansion project of university hospital, AZP, to US\$ 114 million, the Islamic Development Bank is now considering more plans (die Ware Tijd 14 Oct)
  - InvestTT was among investment promotion agencies from around the world recognised for outstanding performance in attracting foreign direct investment projects that support sustainable development. (TG 14 Oct)
  - Red Stripe plans to use reggae's influence in Africa to catapult the brand's entrance into Ethiopia and Ghana, said Cedric Blair. (JO 15 Oct)
  - A public-private partnership is underway in Guyana that will see the creation of 400 to 500 jobs and will take the country a step further on the green pathway. The Institute of Applied Science and Technology has secured a solid investment partnership with Pinnacle Green Resources, an Asian company, for the execution of three projects, a total investment of approximately US \$35M. (CNnow 15 Oct)
  - From a state of being internationally discredited, bankrupt and infrastructurally dilapidated just over two decades ago, Guyana today has been transformed with brighter prospects than ever before in its history. (GCO 16 Oct)
  - Hong Kong-based Noble Resources finalised a deal to buy out Alcoa's stake in the Jamalco alumina refinery for US\$140 million. (JO 17 Oct)
  - Two United Nations agencies say the unfavourable evolution of the economy in Latin America and the Caribbean during the second half of 2014 will not prevent regional urban unemployment from decreasing slightly this year. (JO 17 Oct)
  - Trinity Exploration and Production plc yesterday urged members of the Energy Chamber of T&T to form exploration and production companies of their own to benefit from the oil and gas wealth still underground. (TG 17 Oct)
  - The Central Bank on Thursday sold US\$50 million to the banking system. (TE 18 Oct)
  - As crude oil prices fall to lows not seen since 2011, dangerously close to the US\$80 per barrel on which the national budget is based, the government of T&T does not foresee a shortfall in revenue as higher-than-budgeted gas prices are offsetting the lower crude oil prices, Finance and Economy Minister Larry Howai has said. (TG 19 Oct)
  - The Commonwealth is developing a new public debt management system to further enhance its world-renowned software that has benefited more than 60 countries since 1985. (GuyTim 20 Oct)
  - The Government will not resort to borrowing money if the budgeted price of oil falls below US\$80, Finance Minister Larry Howai has said. (TE 20 Oct)
  - Jamaica's Minister of Transport, Works and Housing Dr Omar Davies says local contractors must be willing and prepared to collaborate with each other in order to capitalise on opportunities that will emerge in the construction sector and to compete effectively with foreign companies. (JO 20 Oct)
  - A preliminary report of a study on foreign direct investment and the impacts of it in the extractive sectors of the Guyanese economy has made the point that significant amounts of the money are spent outside of the country. (SN 20 Oct)
  - The Barbados Government is seeking Parliamentary approval to borrow \$35 million from the Republic Bank (Barbados) Limited. (BAdv 21 Oct)
  - A growing number of people in Suriname use data provided by the Bureau for Statistics (ABS). A very pleased director Iwan Sno ascribes the improvement to the fact that statistics are more easily accessible nowadays (die Ware Tijd 21 Oct)
  - The Central Bank of Barbados is signalling that more adjustment measures are required in the coming months if this country is to realise the targeted fiscal deficit of 6.6% by March next year. (BAdv 22 Oct)
  - The Caribbean Export Development Agency has partnered with Deutsche Gesellschaft für Internationale Zusammenarbeit to support development of the Services Go Global programme—an instructor-led, competency based export training programme for service providers managed by the Caribbean Network of Service Coalitions. (TG 22 Oct)
  - The Barbados Government still has to cut its deficit by a further \$174.6 million between now and the end of March if it is to reach its fiscal targets. Central Bank Governor Dr DeLisle Worrell, in the third quarter economic review released by the bank, said the deficit had been reduced by \$77 million between April and last month (BN 22 Oct)
  - The Central Bank yesterday sold US\$100 million to the banking system. "This sizeable intervention is the third for the month of October and was based on lower than expected US dollar conversions from energy companies

## REGIONAL NEWS SUMMARY CONT'D

- and increased seasonal demand from the business community for foreign exchange". (TE 23 Oct)
- Guyana has been able to avert being placed on a blacklist by the Financial Action Task Force, largely due to the high level commitment of the Government coupled with demonstrable actions taken in the country's attempts to comply with recommendations made to address the technical deficiencies identified in the country's AML/CFT regime. (GuyTim 24 Oct)
  - President of the CDB, Dr Warren Smith, has warned that high debt poses an inherent risk to the success of structural adjustment programmes being undertaken by some regional countries in their bid to turn around their ailing economies. (JO 24 Oct)
  - A new study by the IDB is urging Latin America and the Caribbean to do more to facilitate trade in order to boost exports. (Carib360 24 Oct)
  - The IMF's Deputy Managing Director Min Zhu says Jamaica's achievements so far under the Extended Fund Facility agreement can only be described as miraculous. (JO 24 Oct)
  - Jamaica and the Caribbean need to prepare stress tests that include the halt of the PetroCaribe oil arrangement with Venezuela, said the IMF. (JO 24 Oct)
  - Almost five years after Haiti's devastating earthquake, the country is trying to stabilise and expand its flagging economy. To get the country moving forward, Haiti's Minister of Agriculture, Natural Resources and Rural Development Thomas Jacques has been using the catch phrase "Haiti is open for business" to attract investments. (TG 26 Oct)
  - Secretary General of the OAS José Miguel Insulza says more than 70 million people have been lifted out of poverty in Latin America and the Caribbean in recent years. (TG 27 Oct)
  - Caribbean countries like Barbados should see medical tourism as "a regional force for economic growth". That consensus emerged among 3 000 participants attending the World Medical Tourism and Global Healthcare Congress held last month in Washington. (BN 27 Oct)
  - In Suriname, banks that have granted loans to rice farmers are tired of waiting for their money and have taken drastic measures. Farmers' assets, including farming equipment, land and paddy are auctioned off. The farmers' association, SPBA, denounces the situation as inhumane and has protested by letter to the chairman of the Bankers Association (die ware Tijd 27 Oct)
  - New York University professor Nouriel Roubini expects the US dollar to gradually strengthen into 2015 which would further pressure weak currencies in the Caribbean. He avoided naming countries but reasoned that countries should consider devaluing if it leads to more net exports. (JO 27 Oct)
  - Finance Minister Larry Howai is standing by his position that there is no reason for Government to take any action despite the price of oil briefly dropping below US\$80 per barrel. (TE 28 Oct)
  - Suriname politicians are not to be very interested in tourism, and they never seriously demanded the proper authorities to produce a tourism bill for debate in parliament. For over a decade the bill has been merely mentioned in parliament without a clear indication when the document will be submitted to the legislature. (die Ware Tijd 28 Oct)
  - Jamaica has achieved the Caribbean region's highest ranking on the ease of doing business, and has jumped 36 places to 58 among 189 economies worldwide, according to the just-released **Doing Business 2015** report. (JG 29 Oct)
  - The Barbados government said it would not seek assistance from the IMF to help turn around an ailing economy, insisting that the fiscal programme it has embarked upon is working, despite having laid off thousands of public workers. (Carib360 29 Oct)
  - The European Union has allocated close to 14 million Euros for further development of the farming sector in Suriname. Minister of Agriculture, Animal Husbandry and Fishery, Soeresh Algoe, has plans to invest the money in the production of canned vegetables and fruit. (die Ware Tijd 30 Oct)
  - The Bahamas has warned that the high costs associated with the US Foreign Account Tax Compliance Act are threatening to undermine the financial services industry within many member states of the Caribbean Community. (Carib360 30 Oct)
  - Trade Minister Vasant Bharath said regulatory reforms over the past year helped T&T advance 12 spots in the just released 2014/2015 Doing Business Report. (TG 31 Oct)
  - Jamaica's local medical marijuana company, Medicanja Limited, expects to generate approximately J\$4 billion in sales within four years. (JO 31 Oct)
  - Banks are making an 11% spread on money they lend to the public. John Robinson, deputy governor of the Bank of Jamaica, said in Parliament on Wednesday that "spreads now, and have been for a very long time, remain very high". (JG 31 Oct)
  - If the Caribbean tourism industry is not prepared to cater to visitors in this new digital age, they will lose business to destinations capable of doing so. (CNnow 31 Oct)

## SOME DIGITAL PUBLICATIONS OF INTEREST

**DOING BUSINESS 2015: GOING BEYOND EFFICIENCY** finds that entrepreneurs in 123 economies saw improvements in their local regulatory framework last year. Between June 2013 and June 2014, the report, which measures 189 economies worldwide, documented 230 business reforms, with 145 reforms aimed at reducing the complexity and cost of complying with business regulation, and 85 reforms aimed at strengthening legal institutions - with Sub-Saharan Africa accounting for the largest number of such reforms. [Tajikistan](#), [Benin](#), [Togo](#), [Côte d'Ivoire](#), [Senegal](#), [Trinidad and Tobago](#), the [Democratic Republic of Congo](#), [Azerbaijan](#), [Ireland](#) and the [United Arab Emirates](#) are among the economies that improved the most in 2013/2014 in areas tracked by *Doing Business*. Together, these 10 top improvers implemented 40 regulatory reforms making it easier to do business. Sub-Saharan Africa accounts for 5 of the 10 top improvers in 2013/14. The region also accounts for the largest number of regulatory reforms making it easier to do business in the past year – 75 of the 230 worldwide. More than 70% of its economies carried out at least one such reform.

Available at:

<http://www.doingbusiness.org/reports/global-reports/doing-business-2015>

### **IMPORTING GROWTH: THE CRITICAL ROLE OF IMPORTS IN A TRADE-LED GROWTH STRATEGY**

The purpose of this paper is to show that if a country intends to use trade as an engine for growth and development, then it should not overlook imports. The first section provides evidence that imports are an important determinant of export performance. Therefore, the success of an export-led growth strategy will be reduced if it only focuses on exports promotion and ignores barriers to imports. The second section surveys the abundant evidence that imports also foster productivity. Therefore, imports contribute to growth directly by stimulating productivity and indirectly by increasing export performance, making them a key component of a trade-led growth strategy. The third section elaborates on the channels through which imports affects growth. Finally, the fourth section investigates if the export and growth impact of imports is limited to imports of goods.

Available at:

<http://www10.iadb.org/intal/intalcdi/ExternoCarta.aspx?signatura=HM%2520GEM-TRADE.POL.%2520SEP.%2520%255B2014%255D>

## 46TH ANNUAL MONETARY STUDIES CONFERENCE

The 46th Annual Monetary Studies Conference will be hosted by the Central Bank of Trinidad and Tobago in Port-of-Spain, Trinidad and Tobago, 18 – 20 November , 2014. The theme of the conference is “Macro-Prudential Supervision, Financial Stability and Monetary Policy.”

### STAFF OF THE CARIBBEAN CENTRE FOR MONEY AND FINANCE

**Executive Director :**

*Prof. Compton Bourne*

(868) 662-2002 ext 82550

[Compton.Bourne2@sta.uwi.edu](mailto:Compton.Bourne2@sta.uwi.edu)

**Research Fellow :**

*Dr. Dave Seerattan*

(868) 662-2002 ext 82552

[Dave.Seerattan@sta.uwi.edu](mailto:Dave.Seerattan@sta.uwi.edu)

**Junior Research Fellow:**

*Ms. Julia Jhinkoo*

(868) 662-2002 ext 82546

[Julia.Jhinkoo@sta.uwi.edu](mailto:Julia.Jhinkoo@sta.uwi.edu)



## CARIBBEAN CENTRE FOR MONEY & FINANCE

The University of the West Indies  
St. Augustine, Trinidad and Tobago  
Phone: 868-645-1174, Fax: 868-645-6017

E-mail: [ccmf@sta.uwi.edu](mailto:ccmf@sta.uwi.edu)

Website : [www.ccmf-uwi.org](http://www.ccmf-uwi.org)