



## CARIBBEAN ECONOMIC PROSPECTS IN 2016

Major macroeconomic alignments have occurred and look set to continue in 2016 based in large part on rebalancing and more moderate growth in China, as well as further declines in commodity prices. These forces have generated a redistribution of growth amongst sectors and countries with the related movements in investment, trade and capital flows. Developing countries in particular have been badly affected and this negative dynamic has been accentuated by geopolitical challenges in the Middle East, North Africa and Europe. Overall global economic growth in 2015 was 3.1 per cent down from the 3.4 per cent recorded in 2014. This challenging global economic environment is expected to continue in 2016 with global growth expected to be 3.2 per cent, rising moderately to 3.5 per cent in 2017.

In this challenging international economic environment and in the context of the inherent differential structural macroeconomic vulnerabilities of these countries, the outlook for the Caribbean region is mixed. Continuing low commodity prices are expected to benefit the tourism-based economies of the region. This, together with strong tourism flows from the US, means that growth prospects will continue to be favourable over the next two years with growth in these economies projected at 2.3 per cent in 2016 and 2.6 percent in 2017. Lower energy costs have also helped to reduce external imbalances. Moreover, fiscal deficits in many countries are likely to improve based on increased revenues from stronger growth and adjustment efforts.

Commodity-based producers on the other hand are expected to face increased challenges as commodity prices

soften. This group of countries is expected to grow on average by only 0.1 per cent, improving to 2.6 per cent in 2017 as commodity prices begin to increase. Overall, the IMF estimates that the region will grow by approximately 1.5 per cent in 2016 improving to 2.5 per cent in 2017. The negative shocks have also had differential impact amongst commodity producers with Suriname and Trinidad and Tobago recording more significant fall-out from the commodity price shock. External imbalances have intensified in these countries with international reserves falling and increased pressure in foreign exchange markets.

It should also be noted that there have been significant differences in performance among service-based countries, reflecting pre-existing external, fiscal and financial vulnerabilities which restrain growth more intensely relative to their counterparts in the region. Business and consumer confidence in particular has been negatively affected by these vulnerabilities which have proven to be

**Table 1: CARIBBEAN GROWTH PROSPECTS**

| Country                          | Actual     |            | Projections |            |
|----------------------------------|------------|------------|-------------|------------|
|                                  | 2014       | 2015       | 2016        | 2017       |
| Bahamas                          | 1.0        | 0.5        | 1.5         | 1.5        |
| Barbados                         | 0.2        | 0.9        | 2.1         | 2.3        |
| Belize                           | 4.1        | 1.0        | 2.5         | 2.7        |
| ECCU                             | 2.9        | 2.6        | 3.0         | 2.7        |
| Guyana                           | 3.8        | 3.0        | 3.4         | 3.5        |
| Haiti                            | 2.7        | 1.7        | 2.3         | 3.3        |
| Jamaica                          | 0.5        | 0.8        | 2.2         | 2.5        |
| Suriname                         | 1.8        | 0.1        | -2.0        | 2.5        |
| Trinidad and Tobago              | -1.0       | 0.2        | -1.1        | 1.8        |
| <b>Service Based Economies</b>   | <b>1.9</b> | <b>1.2</b> | <b>2.3</b>  | <b>2.5</b> |
| <b>Commodity Based Economies</b> | <b>1.6</b> | <b>1.1</b> | <b>0.1</b>  | <b>2.6</b> |
| <b>Regional Average</b>          | <b>1.8</b> | <b>1.2</b> | <b>1.5</b>  | <b>2.5</b> |

Source: Regional Central banks and IMF, Global Economic Prospects, April 2016.

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significant headwinds hampering the robust recovery of private demand and growth in these jurisdictions.

It should also be noted that there are significant downside risks attached to this outlook. In particular, the potential for a Zika virus outbreak exists which could hamper tourism inflows and lead to the reversal of recent gains. The normalizing of the US relationship with Cuba is also likely to open up this relatively new market and intensify the level of competition within the Caribbean tourism market leading to CARICOM countries losing market share. Another important risk to the Caribbean is the issue of de-risking by international banks which could disrupt traditional correspondent banking relationships, leading to problems with international trade and investment. The impact of de-risking has been limited since banks have been able to maintain their correspondent banking relationships or find new ones, but the risk remains significant and requires close monitoring. Any unexpected slowdown in the US and related exchange rate developments could also lead to reversals in the tourism sector and slower growth. The slowdown in the US economy in the first quarter of 2016 should have alerted the region to this possibility. Additionally, long standing debt and fiscal sustainability issues, relatively low productivity and relatively high NPLs could also create headwinds for growth in the Caribbean.

In this context, the main objective for the region is to increase economic growth while steadily reducing macroeconomic and financial vulnerabilities. An important area for action is, therefore, to strengthen the fiscal accounts which is key to rebalancing the external accounts. Service-based economies should use lower commodity prices to accelerate the fiscal consolidation process with a view to improving debt sustainability. Higher levels of non-performing loans in service-based economies are also a major drag on growth and this

implies the need for stronger macro-prudential frameworks.

Moreover, although commodity producers may have lower debt burdens, lower commodity prices require a disciplined policy framework to shore up revenues and prevent similar sustainability issues from developing. The fiscal consolidation that this implies in some cases only requires increasing the efficacy of government expenditure programmes to weed out wastages without compromising the level of services provided to citizens and businesses. Where appropriate, commodity exporters could allow more exchange rate flexibility to help with the adjustment process. Nevertheless, it would be prudent to implement most of the adjustment through the fiscal account rather than letting the exchange rate absorb most of the adjustment since this is subject to all kinds of psychological influences and group irrationality. The authorities in these jurisdictions should therefore tread very carefully in this area.

These are, however, necessary but not sufficient conditions for the resumption of strong sustainable growth. It also requires an improvement in competitiveness which implies a range of actions in connected areas including the improvement of the business environment, increasing labour productivity and improving the quality of public infrastructure. The region also needs to strengthen the legal and regulatory frameworks for financial risk assessment and mitigation to deal with any financial vulnerabilities which can threaten the resumption of sustainable growth in the Caribbean.

By  
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## REGIONAL ECONOMIC NEWS

### Aruba

- Aruba and Cuba sign memorandum of understanding for tourism and transportation: The governments of Aruba and Cuba signed a cooperative agreement with a focus on tourism, minister of tourism, transportation, culture and the primary sector for Aruba, Otmar Oduber announced. During the visit, the delegation spoke with the government official overseeing tourism, the vice minister of transportation for Cuba, Naima Alfonso Acosta, on the potential to create a route for cruise ships specifically between these two countries, as well as other countries in the southernmost region of the Caribbean. (CNNNow, 10 May, 2016)
- Aruba reaches deal to lease and restart idled refinery: The Citgo Petroleum refining unit of Venezuela's state oil company Petroleos de Venezuela SA has reached a deal to lease and restart an idled 235,000-barrel-per-day refinery in Aruba, the government. The agreement involves a 25-year lease that would allow Citgo to operate the refinery after investing in an overhaul that Aruba said could cost at least \$1 billion. (CNNNow, 17 May, 2016)

### The Bahamas

- 'Frank and cordial' talks at CARICOM-UK Forum : Foreign ministers of the Caribbean Community and the British foreign secretary ended two sessions of talks in Freeport, The Bahamas at the Ninth Caribbean-UK Forum. Co-chairs Fred Mitchell, foreign minister of The Bahamas, and Phillip Hammond, UK foreign secretary, both expressed their satisfaction at the discussions during a press conference on Saturday at the end of the biennial Forum. Mitchell indicated that the range of issues that engaged the ministers included climate change, health, financial services, correspondent banking, security and border threats. (CNNNow, 2 May, 2016)
- Chinese agree to complete Bahamas megaresort: Bahamas Prime Minister Perry Christie announced during the 2016/2017 Budget Communication in the House of Assembly on Wednesday that an agreement to remobilize the construction and completion of the multi-billion dollar Baha Mar Resort has been reached and work is expected to resume soon. (CNNNow, 26 May, 2016)

### Barbados

- Barbados trade team heading to Cuba: Now that diplomatic ties have been formally re-established between Cuba and the United States, Barbados is looking to add its name to the list of Caribbean Community countries attempting to enter the Cuban market. From May 2 to 6, Industry Minister Donville Inniss, along with the chief executive officer of the Barbados

Investment and Development Corporation, Sonja Trotman, will lead a team comprising government and private sector officials on a political/commercial mission to Havana. (CNNNow, 2 May, 2016)

- Barbados blacklisting by EU last year unfair and unwarranted, says PM: Prime Minister Freundel Stuart has described as "unfair and unwarranted", the European Commission's 2015 blacklisting of a number of countries, including Barbados, as uncooperative tax jurisdictions. (CNNNow, 10 May, 2016)
- Barbados awards offshore exploration block to Repsol: Prime Minister Freundel Stuart says the award of the Black Belly offshore exploration block to Repsol SA represents "another bold step" in Barbados' journey towards realising its offshore petroleum potential. Speaking at a ceremony on Monday to present the award formally to the company based in Madrid, Spain, Stuart said the opportunity to partner with Repsol was both encouraging and timely, considering the severe and wide-reaching constraints that had been placed on the oil and gas industry due to prevailing low oil prices. (CNNNow, 11 May, 2016)
- T&T is Barbados' fastest growing tourist source: Trinidad and Tobago is Barbados' fastest growing source of tourists, a Central Bank of Barbados (CBB) release said last week. Tourist arrivals from Trinidad and Tobago increased 34.2 per cent in the first quarter (Q1) of 2016, followed by the United States which increased 13.1 per cent, and the UK 9.8 per cent, the CBB said. (TT Express, 17 May, 2016)
- IMF completes mission to Barbados: A team from the International Monetary Fund, led by Judith Gold, visited Barbados during May 9-19 to conduct discussions for the 2016 Article IV Consultation. (CNNNow, 21 May, 2016)

### Belize

- Belize banks named in US federal law suit: A Florida e-commerce payment processing company filed a law-suit in US federal court in Miami on Friday, alleging that credit card giant Visa allowed banks in Belize to process international transactions without proper licensing. The allegations include fraud, breach of contract, negligence, business defamation and conversion. (CNNNow, 16 May, 2016)
- CDB to fund US\$400,000 road project in Belize: To assist with ensuring uninterrupted access to the village of Crooked Tree, the board of directors of the Caribbean Development Bank has approved funding in the amount of US\$400,000. The funds will be used to partially finance a feasibility study and the preparation of designs to upgrade the Crooked Tree Road



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and Causeway. (CNNow, 26 May, 2016)

- IMF staff completes mission to Belize: An International Monetary Fund team led by Jacques Bouhga-Hagbe visited Belize during May 11–25 to hold discussions in the context of the country's 2016 Article IV Consultation. (CNNow, 27 May, 2016)

### ECCU

- Taiwan helps bring drought relief to water consumers in St Kitts-Nevis: The government of Taiwan has donated EC\$620,000 to the ministry of public infrastructure to help bring relief to consumers in St Kitts and Nevis impacted by the ongoing drought-like condition. (CNNow, 2 May, 2016)
- US-based Caribbean bank under consideration: The region is being urged to look into the feasibility of establishing a Caribbean bank in the United States to address the loss of correspondent banking services being experienced by banks in the Caribbean. Deputy Governor of the Eastern Caribbean Central Bank Trevor Brathwaite said that's an option that can't be ignored. (CNNow, 4 May, 2016)
- Italy to finance flood early warning system in St Lucia: The Italian government has agreed to provide financial support to the government of Saint Lucia for a state-of-the-art flood and hazard early warning system and information centre. The agreement between the two countries was formalised during the recently concluded signing ceremony for the Paris Agreement at UN Headquarters in New York by St. Lucia's sustainable development minister James Fletcher and his Italian counterpart, Gian Luca Galletti. (CNNow, 5 May, 2016)
- OECS collaborates with Singapore to host workshop for port managers: Participants have commended the Organisation of Eastern Caribbean States (OECS) and the Government of Singapore for a timely, relevant and instructive workshop, on port management and operations in the OECS, held from April 26-29, 2016. The workshop brought together OECS port managers and supervisors from all OECS member states including Martinique, its newest member. (CNNow, 6 May, 2016)
- Geothermal energy discussions kick off in St Kitts: The development of geothermal energy in the Organisation of Eastern Caribbean States and its prospects for economic and sustainable contributions is being reviewed at the Regional Geothermal Forum from May 10 - 12 in St Kitts. (CNNow, 11 May, 2016)
- St Vincent and the Grenadines signs air services agreement with Qatar: On Thursday, St Vincent and the Grenadines Prime Minister Dr Ralph Gonsalves signed an air services agreement with Mohammed Faleh Alhajri of the Qatar Civil Aviation Authority in a brief ceremony. (CNNow, 14 May, 2016)
- Region's offshore financial sector under threat, says ECCB governor: "We're concerned about the future of international financial centres, the offshore centres in the region... at the moment they are under a serious threat," governor of the Eastern Caribbean Central Bank Timothy Antoine said, referring to the possible undermining of the critical sector due to increased financial information reporting requirements and external scrutiny. (CNNow, 14 May, 2016)
- IMF warns St Kitts-Nevis to brace for potential drop in citizenship investment: The International Monetary Fund has once again warned St. Kitts and Nevis against relying on revenue from its citizenship by investment (CBI) programme. A team from the IMF, led by Inci Otker, visited St Kitts and Nevis during April 20 to May 3 to conduct the 2016 Article IV Consultation. Otker said the outlook for 2016 is positive, but remains dominated by developments in CBI inflows. (CNNow, 16 May, 2016)
- CDB announces new partnership strategy for Anguilla: The board of directors of the Caribbean Development Bank (CDB) has approved a country partnership strategy for Anguilla for the next four years. The partnership supports the government of Anguilla in confronting the pressing development challenges the country faces. CDB has proposed a resource envelope of approximately US\$35.3 million for the implementation of the strategy, which aims to achieve four key outcomes: improved banking system stability; a better environment for business and investment; upgrades to transport infrastructure; and increased renewable energy capacity. (CNNow, 18 May, 2016)
- St Lucia PM calls early election on June 6: In a recent address to the nation, Saint Lucia Prime Minister Dr Kenny Anthony said he had decided to call a general election on June 6 - several months ahead of its due date, to ensure peace, stability and certainty in the country and its affairs. (CNNow, 20 May, 2016)
- IMF approves US\$2.8 million disbursement to Grenada: On Wednesday, the executive board of the International Monetary Fund (IMF) concluded the Article IV consultation with Grenada and the fourth review of Grenada's performance under a programme supported by a three-year arrangement under the extended credit facility (ECF). The completion of the review enables the disbursement of the equivalent of SDR 2 million (about US\$2.8 million), bringing total resources made available to Grenada under the ECF

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arrangement to the equivalent of SDR 10.04 million (about US\$14.1 million). (CNNow, 21 May, 2016)

- Dominica recognises 20 years of diplomatic relations with Cuba: Dominica's Education Minister Peter St Jean has recognized Cuba's work as a partner in the development of his Caribbean nation for many years, diplomatic sources reported. (CNNow, 24 May, 2016)
- ECCB concerned at increase fees by commercial banks in the sub-region: The St. Kitts-based Eastern Caribbean Central Bank (ECCB) has expressed concern at the increase in commercial banks' fees and charges across the Eastern Caribbean Currency Union (ECCU) and the effects on depositors. (TT Express, 24 May, 2016)
- Expedia announces 35% increase in travel demand for Antigua-Barbuda in 2015: Expedia, one of the world's leading travel companies, has reported that travel demand to Antigua and Barbuda on all Expedia sites grew 35% in 2015 when compared to 2014. Package bookings, transactions that combine components like flights and hotel, also continue to increase in Antigua and Barbuda with nearly 30 per cent increase in 2015 year over year. (CNNow, 26 May, 2016)

### Haiti

- UN 'deeply disappointed' over missed election deadlines in Haiti: The United Nations Security Council has expressed its deep disappointment that Haitian officials have failed to meet the election and inauguration deadlines agreed upon in the February political accord, calling on all concerned to ensure the prompt return to constitutional order. (CNNow, 16 May, 2016)
- CDB approves US\$3.5 million grant to pay Haiti's catastrophe risk insurance: The Caribbean Development Bank's board of directors has approved a grant of US\$3.5 million to pay Haiti's catastrophe risk insurance premium for the coming year. (CNNow, 25 May, 2016)

### Guyana

- IMF concludes consultation with Guyana: The executive board of the International Monetary Fund concluded the Article IV consultation with Guyana. Real economic activity expanded by 3% in 2015. Lower export commodity prices and budget delays weighted down on activity, while the opening of two new large gold mines helped support growth. Consumer prices contracted by 1.8 % in the twelve months ending in December 2015, reflecting lower import prices and a one-off increase in VAT exemptions. (CNNow, 13 May, 2016)
- Guyana officially joins Islamic Development Bank: Guyana

has officially become the 57th member of the Islamic Development Bank (IsDB) during at the opening ceremony of the bank's annual governors meeting, which is being held in Indonesia. President of the IsDB, Ahmad Mohammed Ali, said "We congratulate Guyana for becoming the 57th member of the bank." (CNNow, 18 May, 2016)

- Insel Air becomes first airline to reconnect Guyana and Brazil: As of July 4, 2016, Insel Air of Curacao will connect Guyana and Brazil by air after a five-year void of no direct air services between the two countries that share a vast frontier. This long awaited service is welcomed by the public. (CNNow, 27 May, 2016)

### Jamaica

- Expedia reports increase in travel demand for Jamaica in 2015: Expedia group, one of the world's leading travel companies, has reported that travel demand to Jamaica on all Expedia sites grew nearly 20% in 2015 when compared to 2014. (CNNow, 4 May, 2016)
- Development of marijuana industry urgent, says Jamaican finance minister: Minister of finance and the public service, Audley Shaw, says Jamaica must move with urgency to develop a medical marijuana industry. He pointed out that exploiting the benefits of marijuana is "not about smoking a spliff" or "walking around with two ounces of the weed". "This is about building an industry of value-added products," the minister emphasised. (CNNow, 16 May, 2016)
- Jamaica takes lead in regional telecoms talks: A multibillion-dollar telecommunications deal, touted as a significant growth opportunity for the Caribbean information and communication technology sector, has come under the scrutiny of the Jamaican government. (CNNow, 23 May, 2016)
- Jamaica on course for IMF drawdown of US\$80 million: Jamaica is on course for a 12th drawdown, totalling US\$80 million, from the International Monetary Fund. The country has met all targets under the extended fund facility for the December 2015 and March 2016 quarters, which were reviewed by the IMF staff mission team to Jamaica over the past two weeks. (CNNow, 23 May, 2016)
- Jamaica to strengthen co-operation with Cuba: Jamaica is moving to strengthen co-operation with Cuba on key industries, such as agriculture and manufacturing, which can benefit both nations. (CNNow, 27 May, 2016)

### Curacao and Sint Maarten

- Curacao records 13% tourism growth in March: The Curacao

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Tourist Board has reported an additional 5,210 visitors in the third month of the year. Visitor arrivals in March 2016 recorded double digit growth of 13% compared to March 2015. Until now, it is the best performing month, where all regions recorded positive growth. Altogether a total of 44,736 visitors were registered against 39,526 in the same month last year. (CNNow, 10 May, 2016)

- Curacao and St Maarten conclude IMF consultation: The International Monetary Fund has issued a concluding statement of the preliminary findings of IMF staff at the end of an official staff visit to Curacao and St Maarten as part of regular consultations under Article IV of the IMF's Articles of Agreement. (CNNow, 27 May, 2016)

### Suriname

- Islamic Bank South South cooperation to improve rice production in Suriname: The Islamic Development Bank, through its "reverse linkage" initiative to enhance South/South cooperation among its 57 members, is matching the challenge of Suriname with the experience of Malaysia so that the two countries can collaborate to maintain self-sufficiency in rice production in Suriname, according to an Islamic Bank press release last week. (CNNow, 7 May, 2016)
- Thousands in Suriname protest against electricity price hike: Over 5,000 disgruntled citizens took to the streets in Suriname's capital Paramaribo to protest against a steep price hike for electricity. The move to increase the price came just days after the International Monetary Fund advised the Bouterse-administration to cut back on subsidizing electricity bills. (CNNow, 14 May, 2016)
- CDB approves US\$50 million loan to Suriname: The Caribbean Development Bank board of directors on Monday approved a US\$50 million policy-based loan to Suriname to urgently address the country's fiscal imbalances, through support for energy sector reforms. (CNNow, 18 May, 2016)
- Suriname Parliament approves Islamic Charter: After three rounds of debates, the Parliament of Suriname, with 28 votes in favour, ratified the revised Charter of the Organisation of Islamic Cooperation on Thursday amidst an abstention from the Hindustani Party. (CNNow, 21 May, 2016)
- Suriname seeks to expand Islamic banking and finance: The Surinamese delegation headed by minister of finance, Gillmore Hoefdraad, who just attended the 41st annual meeting of the Islamic Development Bank in Jakarta, Indonesia, last week, had a fruitful and robust engagement at the meeting, including the development of Islamic banking and finance in Suriname. (CNNow, 23 May, 2016)
- IMF approves US\$478 million stand-by credit for Suriname: The executive board of the International Monetary Fund (IMF) has approved a 24-month stand-by arrangement for Suriname, in an amount equivalent to SDR 342 million (about US\$478 million or 265% of quota), to support the government's economic reform programme. (CNNow, 30 May, 2016)

### Trinidad and Tobago

- Jamaica-owned bank rebrands: A Jamaican-owned bank unveiled new branding at its local headquarters in Chaguanas yesterday. The Intercommercial Bank Limited, bank has been officially re-branded as JMMB Bank, three years after it became 100 per cent owned by the Jamaica-based JMMB Group of Companies. (TT Guardian, 3 May, 2016)
- Banking On 2017 - Financial institutions forecast 1% growth for T&T economy next year: T&T's recession will end in 2017, according to an April survey of economists by Barcelona-based FocusEconomics, Standard & Poor's Ratings Services, Moody's Investors Service, Scotiabank and others. According to the Central Bank of Trinidad and Tobago Economic Bulletin, revised April 14, the economy will continue to contract in 2016 (-2.3 %), after same in 2015 (-2.1 %) and 2014 (-1 %). The International Monetary Fund's forecast of gross domestic product growth for Trinidad and Tobago in 2016 according to its March 17 statement is -1.0 %. (TT Express, 4 May, 2016)
- Central Bank: No wind-up of Clico: No application has been made to wind up Clico at this time and steps are being taken to treat with the company's liabilities under a resolution strategy, Central Bank has told the United Policyholders' Group. (TT Guardian, 7 May, 2016)
- T&T signs energy agreement with Ghana: As long as there is gas to be processed, T&T is interested in Ghana's oil and gas sector. Prime Minister Dr Keith Rowley, on ending an official visit to Ghana, said this country is ready to get involved in Ghana's energy sector. (TT Guardian, 14 May, 2016)
- Methanol exports shift to China amid better prices: Some methanol exports from Trinidad and Tobago are shifting to China, Methanex Chief Executive Officer John Floren said during a conference call with investors after the Canada-based chemical maker released its first quarter (Q1) 2016 results. In its Q1 2016 earnings statement posted May 3, the company also said methanol production out of Trinidad continues to slide amid unabated gas curtailments. (TT Express, 17 May, 2016)



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- 'Dialogue' on banks' fee hikes: The Central Bank of Trinidad and Tobago (CBTT) is "in dialogue" with the commercial banks over fee increases, Central Bank Governor Alvin Hilaire said at a CBTT launch of the Monetary Policy Report for May 2016 at the Central Bank tower in Port of Spain. (TT Express, 27 May, 2016)
  - Cuba vice minister visits T&T: Strengthening trade links between T&T and Cuba was the focus of an official visit to this country by Ileana Núñez Mordoche, Vice Minister of Foreign Trade and Investment, Cuba. (TT Guardian, 28 May, 2016)
  - Treat shock as permanent: Central Bank governor, Dr Alvin Hilaire, said that it would be prudent for T&T to treat its terms of trade shock as "long-lasting," in a presentation in which he revealed that the International Monetary Fund had this month revised downwards its estimate of the country's decline to 2.7 per cent for the 2016 calendar year from -1.0 % in March. (TT Guardian, 28 May, 2016)
  - Central Bank lowers 2016 economic forecast: The Trinidad and Tobago economy will contract even more than the -2.3% the Central Bank of Trinidad and Tobago forecast just over a month ago. The Central Bank of Trinidad and Tobago said in its May 27, 2016 Monetary Policy Report. (TT Express, 31 May, 2016)
- Caribbean Regional Developments**
- key economic and social trends and challenges for the region under the perspective of sustainable growth. (CNNow, 12 May, 2016)
  - ECLAC to enhance member states' ability to forecast public expenditure: Senior policy makers from the ministries of finance, education, health and agriculture in three Caribbean states recently received a comprehensive introduction to the ECLAC Development Account project, "Strengthening the technical capacity of public finance managers in select Caribbean Small Island Developing States (SIDS)", from which their countries will benefit. The project focuses on increasing the capacity of policy makers and finance managers to apply the methods and procedures for better monitoring and forecasting of public expenditure and revenue, and is expected to have a positive outcome on the efficiency of public finance management in the selected countries, ultimately helping them to improve their debt ratio and contribute to a more stable economic environment and to social development. (CNNow, 14 May, 2016)
  - Caribbean islands warned as Venezuela collapses: The IMF: Economic slowdown in the region continues: As the global recovery continues to struggle to gain its footing, the International Monetary Fund (IMF) says growth in Latin America and the Caribbean has been marked down further and is likely to contract for the second consecutive year in 2016. (TT Express, 4 May, 2016)
  - Threat to Caribbean banks Regional group agrees on action plan: The Caribbean Association of Banks Inc. has agreed on an action plan to address a major threat to economic activity across the region as a result of loss of correspondent banking relationships. (TT Guardian, 4 May, 2016)
  - MOU signed to support renewable energy and energy efficiency in the Caribbean: President Luis Alberto Moreno of the Inter-American Development Bank (IDB), President Warren Smith of the Caribbean Development Bank (CDB), Secretary Ernest Moniz of the United States Department of Energy (DOE), and Secretary General Irwin LaRocque of the Caribbean Community (CARICOM) on May 4 signed a memorandum of understanding (MOU) that creates a framework for cooperation to promote programmes and activities that foster the transformation of the energy sector in the Caribbean. The MOU seeks to increase energy security, reduce energy vulnerability, and promote renewable energy, energy efficiency, and low-carbon technologies in the region. The MOU signing ceremony was witnessed in Washington by the heads of government of numerous Caribbean countries, including The Bahamas, Guyana, Jamaica, St Kitts and Nevis, St Vincent and the Grenadines, and Trinidad and Tobago. (CNNow, 6 May, 2016)
  - Bahamas to host Caribbean civil society forum on sustainable growth: The IDB Group and civil society organizations' representatives from seven Caribbean countries (The Bahamas, Barbados, Guyana, Haiti, Jamaica, Suriname and Trinidad and Tobago) will meet on June 1 in Nassau, The Bahamas. The forum will be hosted by the vice president for countries, Alexandre Meira da Rosa with the special presence of high government authorities and leaders of civil society and other development actors to discuss ayor of Chacao in Venezuela's capital Caracas has warned that Caribbean islands and Colombia may suffer an influx of refugees from Venezuela if food shortages continue in the country. (CNNow, 17 May, 2016)
  - ECLAC convenes regional policy dialogue and training workshop in Trinidad: High level decision makers make ready to seize the many opportunities to be gained through initiatives in renewable energy technologies in the Caribbean, as ECLAC convenes a regional policy dialogue and training workshop, with the support of the German Federal Enterprise for International Cooperation. (CNNow, 17 May, 2016)

## CCMF Working Paper 01/2016 De-Risking and its Impact: The Caribbean Perspective

Prepared by the CARICOM Governors Technical Working Group on De-Risking, the Caribbean Project on De-Risking involves the compilation of information to document and analyze the impact of de-risking strategies on Caribbean financial systems, and to prepare a position that will inform a Caribbean perspective on this matter. The group efforts serve to complement reports by the World Bank (WB), International Monetary Fund (IMF) and the Financial Stability Board (FSB). So far they have compiled surveyed information from the jurisdictions of Barbados, Belize, the Cayman Islands, The Bahamas, Turks and Caicos, the Eastern Caribbean Currency Union, Guyana, Haiti, Jamaica and Trinidad and Tobago and complemented this information with insights gained from discussions with local regulators, central bankers and sector specialists.

The goal of their research is to facilitate discussions among all stakeholders, including global banks, their regulators and law enforcement representatives in globally systemic countries. Their research recognizes that de-risking decisions are taken by private banks, and that their decisions are based on a complex of factors, including the cost of compliance with laws and regulations, and is an unintended consequence of decisions taken by the official sector in globally systemic countries.

Available for download on the CCMF website.

This working paper was prepared by the CARICOM Governors Technical Working Group on De-Risking (Coordinator: Dr. Allan Wright, Central Bank of Barbados).

## Shifting the Frontiers , an action framework for the Future of the Caribbean

This book offers a comprehensive reservoir of knowledge presented at the forum by heads of governments and their ministers, industry professionals, representatives of international and regional organizations, academics, young professionals and, significantly, youth leaders. Its thirteen chapters, divided into four sections address issues of concern for the common citizen: air and sea transport to facilitate movement of people and goods throughout the region, energy to reduce high costs and provide incentives for the development of regional energy networks, finance to facilitate market – making mechanisms that connect financial markets in the region and food security to facilitate trading within countries of the region.

*Shifting the Frontiers, an action framework for the Future of the Caribbean*, is the outcome of the Caribbean Future Forum - Disruptive Thinking, Bold Action, Practical Outcomes, held by The UWI in May 2015, in partnership with the Ministry of Foreign Affairs, and the United Nations System in Trinidad and Tobago together with many other international development partners, including - CARICOM, the Commonwealth, the Association of Caribbean States, Corporacion Andinade Fomento , and the Organization of American States among others.

*Shifting the Frontiers, an action framework for the Future of the Caribbean* by Winston Dookeran & Carlos Elias was officially launched on 10th May, 2016 at Learning Resource Centre, The UWI St. Augustine.

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