

High Level

CARIBBEAN *Forum*



Restoring Export-Led Growth in the Caribbean

**Victor Bulmer-Thomas
Institute of the Americas, UCL**

Rethinking Policy

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Definition of the Caribbean

- **Independent Countries (16)**

- Hispaniola (2)

- Cuba (1)

- CARICOM – excluding Haiti and Montserrat (13)

- **Non-Independent Territories (12)**

- British (5)

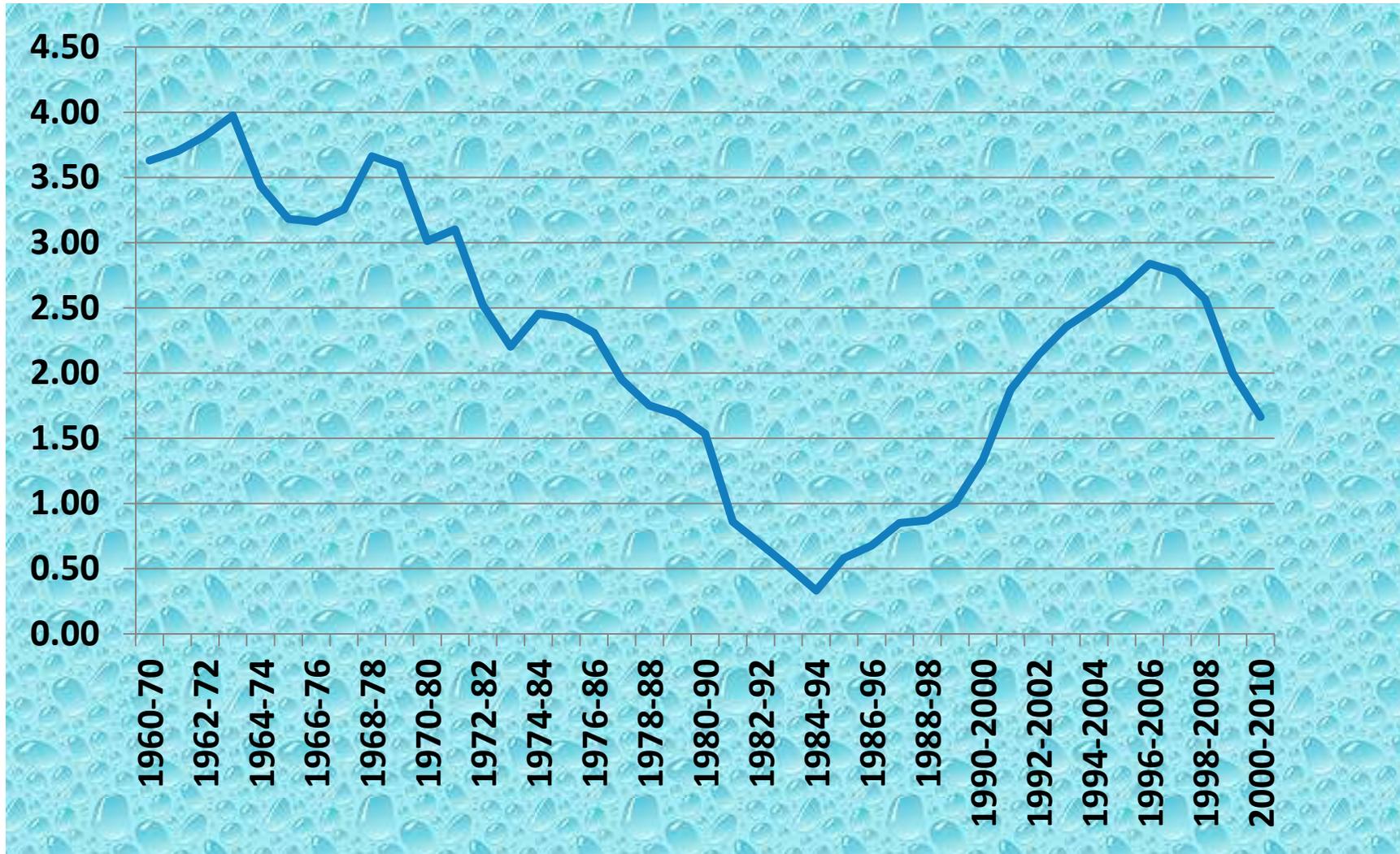
- French (3)

- Dutch (2)*

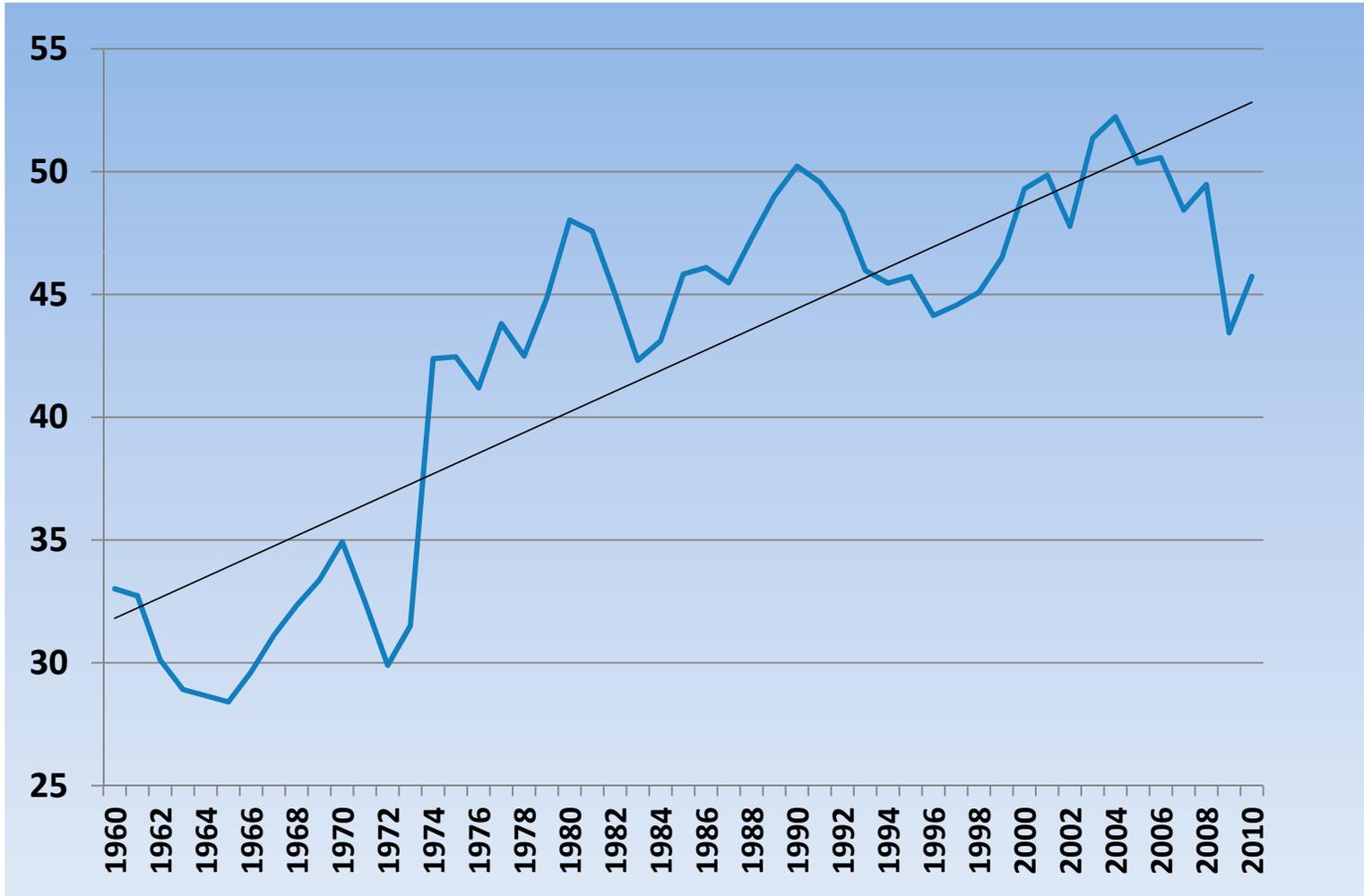
- US (2)

- *Aruba plus former Netherlands Antilles

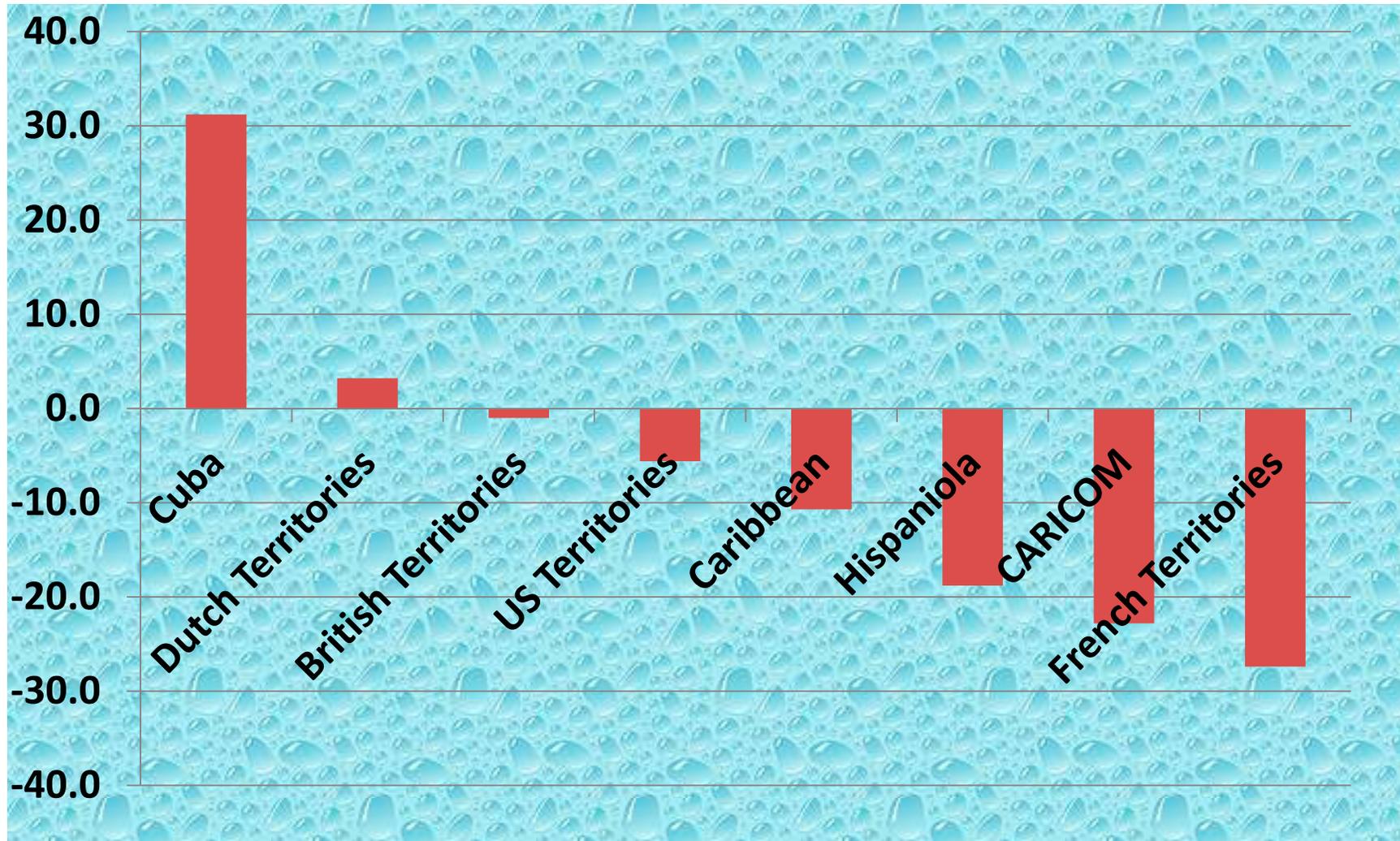
Caribbean GDP per head Decennial Growth Rate (%pa): 1960/70-2000/10



Ratio of Caribbean Total Exports to GDP, 1960-2010 (current US\$)



Change in Ratio of Total Exports to GDP (%): 2006-10



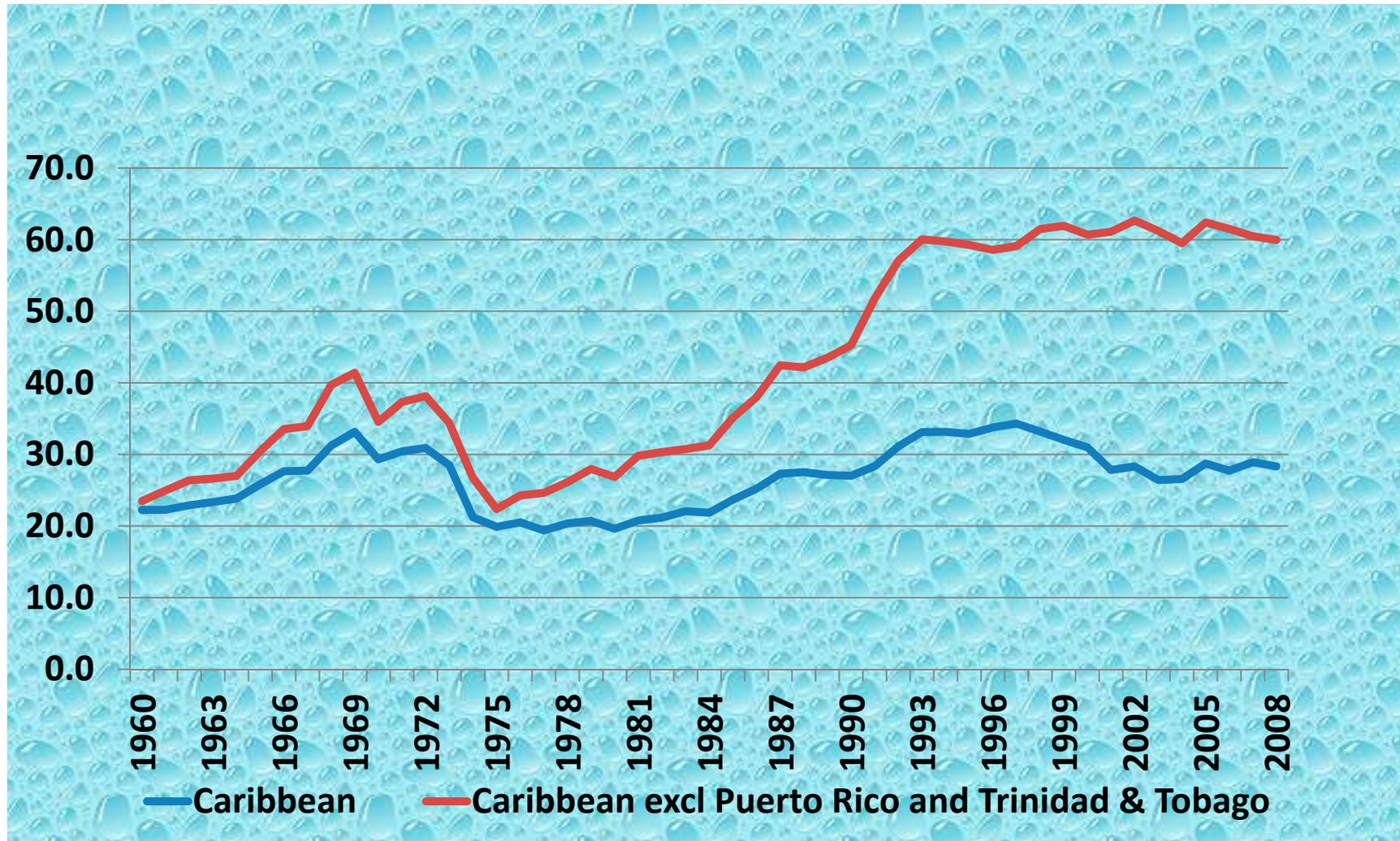
Growth Accounting

- Led by Private Consumption
- Led by Public Consumption
- Led by Private Investment
- Led by Public Investment
- Led by Total Exports
- Balanced Growth

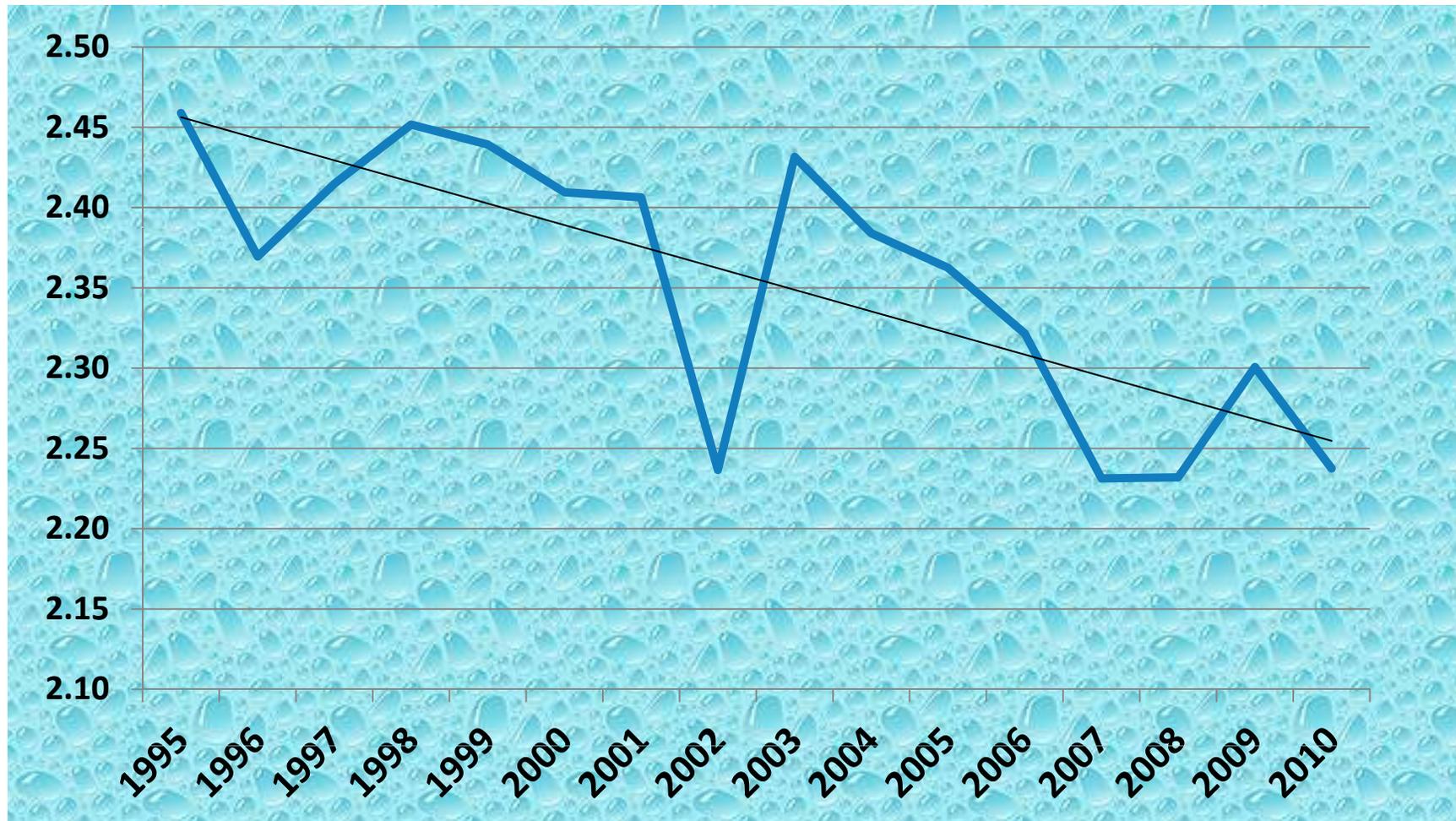
Export-led Growth

- Goods or Services
- Intra-regional or Extra-Regional
- Choice of Core Countries
- Competitiveness

Services as %age of Total Exports, 1960-2008



Tourist Arrivals: Caribbean Share of World (%), 1995-2010



Non-Tourist Service Exports

- Educational Services
- Medical Services
- Musical Services (including festivals)
- Sports Training and Facilities
- Film Festivals
- Financial Services
- Telecommunication Services
- Space Services
- Conference Facilities

CARICOM (excl. Haiti)

- 50 per cent of Caribbean countries
- 25 per cent of Caribbean trade
- 20 per cent of Caribbean GDP
- 15 per cent of Caribbean population
- Intra-regional exports 13.4 per cent of total
- Intra-regional imports 8.6 per cent of total
- Widening v. Deepening

Merchandise Imports, c.2010

	Merchandise Imports (US\$bn)	Merchandise Imports per head (US\$)
CARICOM	29.2	4,301
Hispaniola	18.3	930
Cuba	15.4	1,369
British Territories	2.7	20,202
French Territories	9.1	8,452
Dutch Territories	4.2	14,000
US Territories	59.8	14,707
CARIBBEAN	138.5	3,203

Share of Imports from Caribbean (%), 2002-11

	Brazil	China	Mexico	Russia
Hispaniola	0.01	0.01	0.04	0.00
Cuba	0.04	0.06	0.01	0.07
CARICOM	0.18	0.02	0.14	0.04
Dutch	0.19	0.00	0.06	0.00
Caribbean	0.42	0.10	0.25	0.11

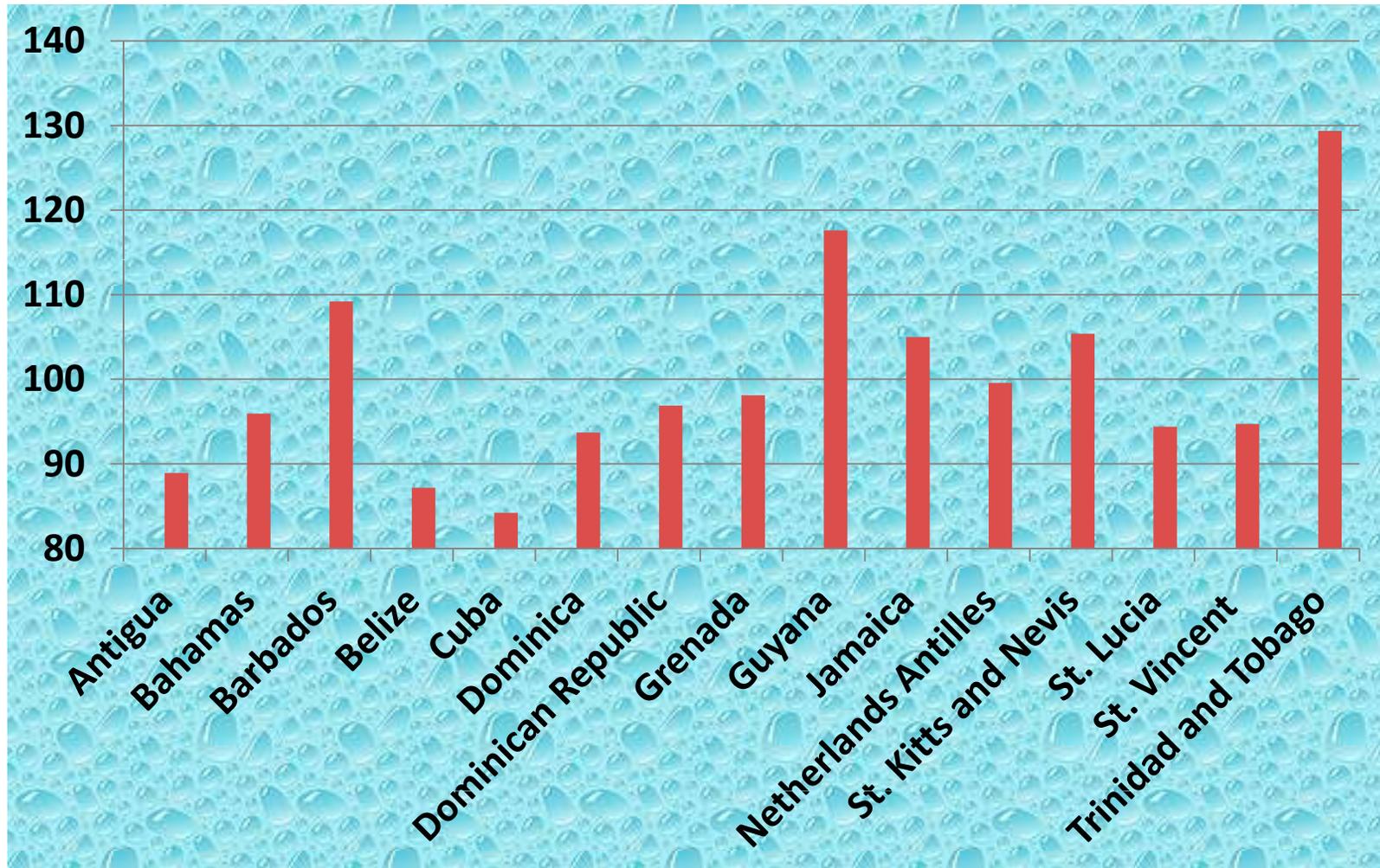
Merchandise Exports as %age of Total, 2002-11

	Brazil	China	Mexico	Russia	Sub-Total
CARICOM	1.1	1.0	1.9	0.2	4.2
Hispaniola	0.1	1.4	0.5	0.1	2.1
Cuba	2.1	20.3	1.0	4.0	27.4
Dutch Territories	2.1	0.0	4.0	0.0	6.1
Caribbean	1.0	2.5	1.8	0.5	5.8

Competitiveness

- Global Competitiveness Index
- Ease of Doing Business Index
- Corruption Index
- Economic Freedom Index
- Labour Productivity (GDP per hour worked)
- Real Effective Exchange Rate

Real Effective Exchange Rate, 2011 (2005 = 100)



Conclusions

- **Return to export-led growth imperative**
- **Need to emphasize non-traditional services**
- **Need to widen regional integration**
- **Need to expand list of 'core' countries**
- **Need to measure REER more accurately**