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### **CDB calls for improving competitiveness for strong, inclusive growth after COVID-19**

**June 17, 2021, BRIDGETOWN, Barbados** – Highlighting the importance of restructuring Caribbean economies, **the Director of Economics** at the **Caribbean Development Bank (CDB), Ian Durant** says increasing competitiveness has to be the top priority for inducing strong and inclusive growth and overcome the impact of the COVID-19 pandemic.

Speaking at the seminar “Reimagining Caribbean Economies in the Wake of the COVID-19 Pandemic”, held virtually this morning as part of CDB’s 51<sup>st</sup> Annual Meeting, **Durant** explained that the Region’s economies were small with no reserve currencies and were heavily reliant on imports to maintain standards of living. *“This means that increasing gross domestic product, increasing incomes and improving standards of living in a sustainable way requires export growth. But this export growth must be diverse to ensure that there are not major setbacks when one export industry is affected by a shock. In turn, diversification requires enhanced competitiveness,”* **Durant** said.

Highlighting the way forward for increasing competitiveness, **CDB Director of Economics** stated: *“First, at the center of our strategies must be digitalisation and physical resilience. We need to create digital citizens with access to the internet and services online.”*

Given the geographical location of Caribbean countries, it is equally important to improve physical resilience to natural hazards, and to upgrade infrastructure that makes it easy and quick to transit the country, **Durant** stressed. Improving governance to hold senior officials accountable and keep them focused on national development objectives, is also key, he noted.

In his presentation, he shared the deep impact which COVID-19 had on Caribbean countries: 13 of CDB’s 19 Borrowing Member Countries (BMCs) recorded double-digit declines in gross domestic product (GDP), with an average of downturn of 7.2% in 2020. Regional exports fell by 26% while imports decreased by 27% in 2020. BMCs that had debt-to-GDP ratios above 60% increased to 13 in 2020, compared to nine in 2019.

CDB projects a moderate, average growth of 3.4% in BMCs in 2021, and a slow return to debt sustainability in the Region, with only countries exporting services, reaching an average of 60% in 2026/27, while the debt-to GDP ratio of commodities exporting countries will stay at about 80% throughout this decade.

Discussing policy imperatives for a green recovery post-pandemic, debt sustainability challenges that have emerged and how to build economic resilience, panellists of CDB’s Annual Meeting seminar included Hon. **Gregory Bowen**, Minister of Finance, Economic Development, Physical Development and Energy, Grenada; Hon. **Marsha Caddle**, Minister, Economic Affairs and Investment in the Ministry of Finance, Economic Affairs and Investment, Barbados; Hon. **Nigel Clarke**, Minister of Finance and the Public Service, Jamaica; Hon. **James Thompson**, Minister of State for Finance, Bahamas; **Timothy Antoine**, Governor, Eastern Caribbean Central Bank; Senator **Don Wehby**, CEO, GraceKennedy Group, Jamaica; **Nigel Chalk**, Acting Director of the



Western Hemisphere Department, International Monetary Fund; and **Ali Mansoor**, Chairman, Board of Directors at Regional Multi-disciplinary Centre of Excellence, USA.

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**About the Caribbean Development Bank**

The Caribbean Development Bank is a regional financial institution established in 1970 for the purpose of contributing to the harmonious economic growth and development of its Borrowing Member Countries (BMCs). In addition to the 19 BMCs, CDB's membership includes four regional non-borrowing members – Brazil, Colombia, Mexico and Venezuela and five non-regional, non-borrowing members; i.e., Canada, China, Germany, Italy, and the United Kingdom. CDB's total assets as at December 31, 2018 stood at USD3.24 billion (bn). These include USD1.75 bn of Ordinary Capital Resources and USD1.49 bn of Special Funds Resources. The Bank is rated Aa1 Stable with Moody's, AA+ Stable with Standard & Poor's, and AA+ Negative with FitchRatings. Read more at [caribank.org](http://caribank.org).