

DeLisle Worrell: Improving international business and financial services in Barbados

Opening remarks by Dr DeLisle Worrell, Governor of the Central Bank of Barbados, at the International Business 101 Seminar, sponsored by the Central Bank of Barbados, the Barbados Bar Association and GWP Associates, Bridgetown, 17 November 2012.

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Barbados has always been a society and economy oriented to the outside world, from the beginning of its recorded history, but the terms of our engagement with the rest of the world have changed in fundamental ways in the 21st century. For all of our history, up to a generation ago, the essential driving forces of our economy were, to a greater or lesser extent, in the hands of the colonial power, our trading partners, or other persons and forces outside our control. In this new century, for the first time in all our history, we are fully in control. I do not mean to say that the rest of the world has no impact on us. Clearly we are as vulnerable, if not more so, to the vagaries of our trading partners as we have ever been. However, we, like Malta, Singapore and other successful small economies worldwide, have found ways to grow and prosper over the past 50 years or more, so that now we are ranked with the world's leading economies, in terms of average incomes, health and educational facilities. In these important dimensions, we are now a first world country.

That is a signal achievement, but it brings with it a great weight of responsibility. From now on, Barbadians have to chart our own path forward, to grow our economy and provide additional opportunities for our people. Our private sector will have to seek out profitable opportunities for investment, and take aggressive initiatives to promote and finance that investment. We can no longer depend on others to show us the way.

It is especially important that investors give priority to the sectors that earn us foreign exchange, principally tourism and other services. When the Barbadian economy grows, the demand for foreign exchange grows along with it, so growth can only be sustained if there are additional supplies of foreign exchange available.

Which brings us to the importance of this seminar. The IBFS sector is second in importance to tourism as an earner of foreign exchange for Barbados, and it is an essential complement to the tourism sector. Although the sector is much smaller than tourism, it has a distinct advantage in the quality of job on offer, and the level of skill required. The sector plays a vital role in providing job opportunities at the tertiary level, where Barbados has a growing pool of talent.

Barbados has outstanding competitive advantages in the provision of international business and financial services. Some are the gift of nature, like our climate, our beaches, the ocean around us. Others are an inheritance, like our native tongue, our diaspora, our democratic tradition, our infrastructure. And others, like health and educational facilities, are the fruit of Barbados' remarkable record of economic development in the post Second World War period. These things together make Barbados an attractive place to live and work.

However, these are especially challenging times for the IBFS industry because of the duration of the international recession, and the crusading temper of international financial reform and tax reform in the US and Europe. In order to rise to the challenge, we need to add to our competitive strengths in several dimensions, by addressing new markets, developing new products and refreshing old products, and by increasing the level of efficiency in the delivery of support services.

Furthermore, we need to develop additional expertise, which is why we are here today. We need a richer pool of talent from which prospective investors in our IBFS sector may draw, in the fields of law and finance. A few of your colleagues have pioneered in the provision of legal services in our international business centre, and they are with us today, to share some

of their expertise. As we go forward, and to the extent that our strategies for the IBFS sector are successful, we will face a burgeoning demand for legal and financial services. We are a small country, and a tiny slice of the new markets that are the targets of our diversified marketing strategy will be sufficient to exhaust all the available expertise, and much of the potential.

We at Central Bank are therefore enthusiastic about this early effort to widen the base of available legal expertise with respect to the provision of international business and financial services. We confidently expect that this will be the first in an intensified series of activities to deepen and broaden the supply of these and other skills needed by our IBFS providers. In addition, as demand increases and opportunities open up, I know that increasing numbers of you will wish to form your own networks abroad, so that you can complement our efforts here with what you may glean from other sources of expertise. Let us collectively see to it that a massive mahogany grows upward and outward from the small pod that we plant here today. The robust growth of the IBFS sector will be the true measure of our success.