



**SME CONFERENCE 2006**  
***“Supporting the Growth of SME’s in Developing Economies”***

**Crowne Plaza, Trinidad**  
**MARCH 16-17, 2006**

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**The economies of the 32 countries of the Caribbean archipelago (Anguilla, Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Bonaire, British Virgin Islands, Cayman Islands, Cuba, Curacao, Dominica, Dominican Republic, Grenada, Guadeloupe, Guyana, Haiti, Jamaica, Martinique, Montserrat, Puerto Rico, Saba, St. Barthelemy, St. Eustatius, St. Kitts and Nevis, St. Lucia, St. Martin, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos, and U.S. Virgin Islands) are "mostly small, very open, are typically limited in their export base and are very vulnerable to natural disasters". (World Bank, 2000: p.1)**

**A subset of 15 of these countries which are representative of the Caribbean economies experienced a revival of economic growth in the late 1990s. After a disappointing annual average growth rate of 1.0% during 1981 to 1990, the economies achieved an annual average rate of growth of about 3% during the period 1991 to 1999.**

**Much of the growth resulted from the expansion in the services sectors, particularly from tourism but also from off-shore financial services. The value of agricultural value added which amounted to about 17% of GDP in 1980 declined to 8% in 1998. During that period, tourism receipts increased from a little more than 7% of GDP to about 11% of GDP in 1994 to 1997. Construction activity contributed significantly to growth as The Bahamas, Barbados, and St. Kitts and Nevis modernized their tourism plants and as Guyana, Belize and Trinidad and Tobago upgraded their physical infrastructures.**

**From a SME perspective, the main driving force is the move toward increasing economic interdependence, open regionalism and the liberalization of flows of goods, services, resources and capital. The enormous potential for SME's to contribute to the Global economic development, will be underutilized if SME's are not able to take advantage of the opportunities created, or unable to adapt to the competitive pressures of Globalization.**

**There are many issues facing SMEs globally; technology transfer, human resource development, finance, regulatory red tape, access to markets, to name but a few. These issues**

**are not unique to SME's; they affect large firms as well, although to differing degrees.**

**Competition in an increasingly borderless world unlocks the door to unlimited opportunities for expansion and growth. While the SME's have been globally recognized as a priority sector for growth and development, however, there is still a lack of a clear Developmental agenda and program of action for SME's. This can primarily be attributed to the volatile role they play.**

**The key of success for a sustainable SME Sector is the creation of a CARICOM Platform similar to the European one. This platform will be effective through the different Implementing Units to be established in each CARICOM Country. The Platform will provide the necessary technical assistance to insure the monitoring and benchmarking and the evaluation of an effective implementation.**