



THE CARIBBEAN ASSOCIATION OF
INDUSTRY AND COMMERCE (INC.)
The Caribbean Private Sector Organization

The Caribbean SME Development

The overall economic development in the Caribbean has been widely influenced by the World economic trend of Globalization. While in the Developed Countries this trend was predictable and planned during the last decades, the rather small and fragile economies of the region have been confronted with the pressure of adapting themselves to this pressing trend, if they want to be part of this World of Globalization.

One thing everybody agrees on is that, regardless the size or the nature of any economy, no effective Globalization is possible without SME Development. In fact, gradually the SME Sector is becoming the major source of employment and tax generation. In the large economies, the SME development has covered almost all sectors and has shown several measured successes that has attracted the full attention and support of Governments and the Decision Makers. They became the measuring sign of economic growth and stability.

In the Caribbean, although there has been a long history of entrepreneurship spirit, the SME development was slow and limited to the few sectors that were available. It was only in the early eighties where some diversification took place with the start of the tourism development. Since then, Tourism has become the main economic activity of many countries and destinations in the region. Two decades later, all related SME developments in the hospitality, the light manufacturing, agro-processing and the service sectors seems to be insufficient to give us a competitive edge in keeping up with the world's economic and social developments.

What is happening today with the WTO rules and procedures, the EPA and the introduction of the CSME, the Caribbean is faced with additional pressure to act immediately and efficiently in sustaining and promoting the SME sector, both locally and regionally. Further attention, education and trainings needed to be offered to our local entrepreneurs while the Decision Makers and the Authorities need to review our existing laws and regulations and design new ones for greater promotion of SMEs. Regionally, the common effort in the recognition of the importance of the SME development should enter in its implementation phase and vigilant monitoring mechanisms should be encouraged to ensure a more coherent playing field for all countries in the region.

The CAIC has noticed this need for quite some time now, and in June 2005 with the official creation of a new Vice President portfolio in charge of SME Relations, the Board of Directors demonstrated the vision of what must be done for the betterment of our economic and social future taking in account the importance of the SME Sector.



Notwithstanding the multiple obstacles encountered due to certain mind set and lack of adequate legislations, CAIC has succeeded not only to bring more awareness on the vitality of the SME sector in the Caribbean, but also to directly assist in introducing and implementing several programs to the regional target groups. The following are some of the undertaken initiatives:

- The ICT/SME Trainings that took place in different Countries
- The promotion and participation in the Commonwealth/India SME Development Annual Seminars
- The promotion and education on the Corporate Social Responsibility among SMEs
- The promotion of SME development funds from EXIM Bank of India
- The active participation in the Joint Conference on the establishment of a Regional Platform for SME Intermediaries (*copy of the Joint Conference Communiqué is attached*)
- The participation in the subsequent Task Force established to monitor actively take part in the launching of the SME Platform. The process already started with the launching of the website: www.sme-platform.com (*copy of the Task Force Agreement of Cooperation is attached*)
- The introduction of the Regional SME Development to the CARICOM Secretariat (*copy of the presentation is attached*)
- The participation as Principal Discussant in SME Workshop during the last Miami Conference (*copy of the presentation is attached*)
- The multiple presentations made to Chambers of Commerce and Stakeholders during CAIC meetings in Jamaica, Trinidad, the Bahamas, Dominica and Sint Maarten
- The multiple related articles published www.caribbeannetnews.com (*type in search box: Ludwig Ouenniche*)
- Finally the review and design of an affordable annual fee for Small Business Organizations in the region to join the CAIC Membership

The above number of achieved activities might look big for such short period of time, but it is far from being enough to keep up with the regional and international pressures that dictate a much faster pace. More awareness is needed while we must increase the action. Nevertheless, the gained experience in the diversified activities the CAIC has undertaken dictates that the time has come to have a more structural approach in our role in the SME development in the region. In a common effort, we need to further utilize our advisory role to create more awareness and get the message across to all Regional Organizations, Governments and Private Sector Representatives.



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Additionally, our track record in the implementing SME supporting activities has gained us the recognition from our International Partners and will necessary require the increase of our role in the field. Indeed all the latest developments indicate that the European Union, the Commonwealth, the Inter American Development Bank and the Canadian Government are among others to recognize the importance of the SME Development in the Caribbean and the need for immediate action. The multiple projected resources set for the SME Development all require greater cooperation, interaction and capacity building between all the SME Intermediaries in the region.

As much as the challenges ahead of us in this task may seem multiple and complex, as much as this historic opportunity to play a constructive role in the building of the region economic future will be exciting and worth the effort. This will also confirm our position as “The Caribbean Private Sector Organization”.

A handwritten signature in blue ink, appearing to read 'Ludwig Ouenniche', is written over a light blue horizontal line.

Ludwig Ouenniche

Vice President SME Relations