Regional Organisations gather to discuss the development of Small and Medium Enterprises (SMEs) in the Greater Caribbean



Port of Spain (July 10, 2012) – On July 9th and 10th, the Secretariat of the Association of Caribbean States (ACS) hosted the Training Seminar on Small and Medium Enterprises (SMEs) Guarantees Support Systems. This seminar is a collaborative effort of the ACS through the Directorate of Trade Development and External Economic Relations, the Latin American and Caribbean Economic System (SELA), Ibero American Guarantee Network (REGAR), and the Trinidad and Tobago International Finance Centre.

In attendance were scores of participants from ACS Member Countries as well as regional institutions such as: Caribbean Community (CARICOM), Caribbean Association of Small and Medium Enterprises (CASME), Caribbean Development Bank (CDB), Ibero American Guarantee Network (REGAR), Foundation Guarantee Loan Fund for Small Enterprises (FOGAPI) of Peru, National Guarantees Fund (FNG) of Colombia, the Organisation of Eastern Caribbean States (OECS), the Ministry of Commerce and Industry of Jamaica and the Ministry of Finance of Suriname among others.

Mr. German Caires, Head of Project of SELA, in his opening statements underscored the importance of hosting seminars on SMEs to encourage the development of new institutional and instrumental initiatives for guarantees and financing SMEs in the Region. He emphasized that a collaborative alliance needs to be established between the agents involved (public administrations, financial institutions, micro and SMEs) to ensure that the guarantee granted will have a recognised value

within the financial system. He further informed that in order to forge such alliance, the Guarantee System needs a legislative and regulatory framework which should be established by the State authorities.

The ACS Director of Trade, Ms. Ariadna Perez, on behalf of the Association of Caribbean States, presented an overview of SMEs and SME Development in the Greater Caribbean. The presentation focused on identifying the limitations and the obstacles that SMEs encounter in their development, and avenues through which these challenges could be addressed. Director Perez also indicated that "the promotion of overall SME Development is important for the growth and sustainability of the Sector, and therefore that the relevant research and support should be given to properly harness and enhance the latent possibilities existing in SMEs throughout the Greater Caribbean, with a notion that this thrust will see the redounding of benefits to all partners.

Ms. Leela Ramoutar, Specialist, Private Sector Facilitation at the CARICOM Secretariat made a presentation on 'Finance, the major constraint to Competitiveness.' She made reference to the recently concluded National Micro Small and Medium Enterprises (MSME) Consultations in the twelve (12) CSME Member States of CARICOM, which clearly identified access to financing as the 'Achilles Heel' of MSME Development. She told participants that the Region has to now look at innovative financing mechanisms including Loan Guarantee Systems as a means to propel growth in the sector. She further stated that the Training Seminar was indeed very timely as Latin America has had thirty years experience in Loan Guarantee Systems, and the Caribbean Region can seek to emulate best practices and the success of that region.

Country representatives made presentations on their countries national experience on various features of SME Sector, such as the importance of SMEs to the economy and the importance of government support; the lack of SME development due to the large size of the informal sector, and the proposal to find solutions which will address the need for low cost financing and the access to the State's purchases through a guarantees system.

The session closed with a panel discussion to offer conclusions and propose recommendations and next steps for the further development of SMEs and Guarantee Systems. This panel included representatives from CARICOM, OECS, ACS, CASME, REGAR and the Government of Trinidad and Tobago.

The seminar was deemed highly successful and informative, and participants relayed that they gained practical knowledge in the area of SMEs.