



Central Bank of Barbados

Tom Adams Financial Centre, Spry Street, Bridgetown

P.O. Box 1016

Telephone: (246) 436-6870 : Fax. (246) 436-7836

E-Mail Address: info@centralbank.org.bb

Website: www.centralbank.org.bb

Remarks
by Dr. DeLisle Worrell
Governor, Central Bank of Barbados

Signing of Trust Deed for Enhanced Credit Facility
Government Headquarters
November 11, 2015

By most authoritative accounts, Barbados is a prosperous, competitive economy, and we have the tools and the capacity to face up to the formidable challenges our economy faces. Barbados has high human development, as reported by the United Nations *Human Development Report*, and we are first in the Caribbean in tourism, first in Latin America and the Caribbean in innovation, and second only to Panama in overall competitiveness in our region. These are Barbados' rankings in publications issued by the World Economic Forum, and by the World Intellectual Property Organisation. However, as by now you should all be aware, there are areas of weakness, and access to finance is one of them. The facility we sign off on today is one of several initiatives in our ongoing efforts to improve access to finance.

In the *Global Competitiveness Report*, 15 percent of respondents indicated that access to finance was a problematic factor for doing business in

Barbados. This means that the problem is not universal: of every seven respondents, six reported they had no problem. However, the firms experiencing problems are often those on the frontier in sectors that are priority for the growth and diversification of our economy. What is more, there is no shortage of loanable funds in the financial sector: banks have an excess of liquid funds, and are actively searching out viable business opportunities where they can lend with acceptable levels of risk. The problem, we know from experience, is that the available financial instruments often do not fit the needs of small and medium enterprises, firms involved in innovative activities, and other similar enterprises. In many instances, what is needed is additional insurance or other support, which reduces banks' credit risk, and Central Bank has a number of well established schemes to provide this support.

The Trust Deed between Government and the Central Bank which we are about to sign, signals a substantial increase in the Central Bank's resources in support of lending institutions, for advances to high priority activities. It makes an important contribution to our goal of full coverage of the financial needs of business, with appropriate instruments for every type and size of company.