

Closing remarks

delivered by

Mrs. Leila Matroos-Lasten

Acting president of the
Centrale Bank van Curaçao en Sint Maarten

On the occasion of the second CBCS Central Banking Conference
**Addressing challenges to achieve a higher growth path in small open
economies**

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Distinguished guests,

Ladies and gentlemen, good afternoon.

After two intensive and exciting days of presentations and discussions, it is my pleasure to conclude the second Central Banking Conference of the Centrale Bank van Curaçao en Sint Maarten.

Let me recall briefly the objectives of this conference. The first objective was to foster wider interest and provide more insights into the fields of macroeconomics, banking, and finance that are particularly relevant for central banks, governments, and the financial sector. The second objective was to make the role of the CBCS more visible and accessible to the general public.

The overarching theme of the second central banking conference was “Addressing challenges to achieve a higher growth path in small open economies”. Sessions were offered on four topics: “the macroeconomic implications of natural disasters on small open economies”, “financial education”, “the withdrawal of correspondent banking relations in the Caribbean”, and “labor productivity as a driver of economic growth”. Although at first glance these topics might have appeared unrelated, during these two days, we have seen their common thread—all are potential challenges to reaching higher growth. During the sessions on the macroeconomic implications of natural disasters and the withdrawal of correspondent banking relations, the vulnerabilities of small and open economies such as ours have been emphasized, thereby underscoring that increasing our resilience to shocks is crucial for reaching a higher growth level. Furthermore, during the other two sessions we learned about the critical role that financial education and labor productivity play in achieving higher and inclusive growth and development.

I would like to share some important lessons I took away from the interesting presentations and discussions during these two days.

Although a necessary precondition, macroeconomic stability alone will not lead to a higher growth path. In this context, low financial inclusion, high crime rates, high costs of doing business, and vulnerability to natural disasters are important areas to address as well.

The Caribbean region is very vulnerable to natural disasters, particularly hurricanes, because of its geographic location. These natural disasters have devastating socioeconomic effects through the destruction of physical infrastructure and the depression of economic activity. This conference highlighted that strengthening our resilience to these shocks of nature is crucial through, among other things, creating financial buffers, upgrading physical infrastructure, developing frameworks for crisis management and contingency plans, and developing new insurance and financial instruments to share the risk of natural disasters.

We also discussed the key role of financial education and inclusion policies in promoting economic growth and social equality. In our region, central banks are among the key players in the design and implementation of financial education and inclusion programs. Yesterday, we saw several best

practices from Latin America and the Caribbean. However, we learned also that integrating the existing policies in national strategies is necessary to achieve the common objectives in the areas of financial education and inclusion.

The withdrawal of correspondent banking relations in the Caribbean could undermine our long-run growth and financial inclusion prospects. Therefore, it was emphasized today that collective actions on the national and regional levels are crucial. These actions should involve all relevant stakeholders and they require us to take a more proactive role. Furthermore, to improve financial inclusion, we have to become more open-minded towards emerging payment technologies.

Finally, in our last session today, we discussed the importance of labor productivity as an engine of growth. We saw also that Curaçao's performance with respect to labor productivity has been disappointing, a fact that emphasizes the need and urgency to take the necessary actions to increase productivity.

The contributions of the past two days have surpassed my already high expectations and ensured that we have met the objectives of the conference. Allow me to sincerely thank all the speakers and our chairperson Dr. Seerattan for their contribution to the success of this event. Finally, I would like to thank each one of you for attending the conference and participating in the discussions. On behalf of the Bank, it was a pleasure to host this event. We hope that the conference will contribute to achieving a higher growth path in the Caribbean, including in Curaçao and Sint Maarten.

Thank you for your attention.