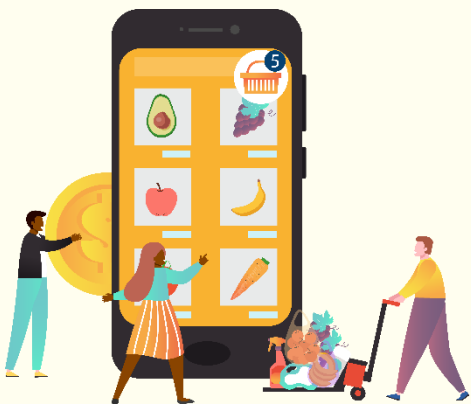


23 OCTOBER 2024



Session n°15:

How trade infrastructure can boost Caribbean entrepreneurship: Challenges and opportunities



Caribbean Agrifood Business Series ...



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How Trade Infrastructure Can Boost Caribbean Entrepreneurship

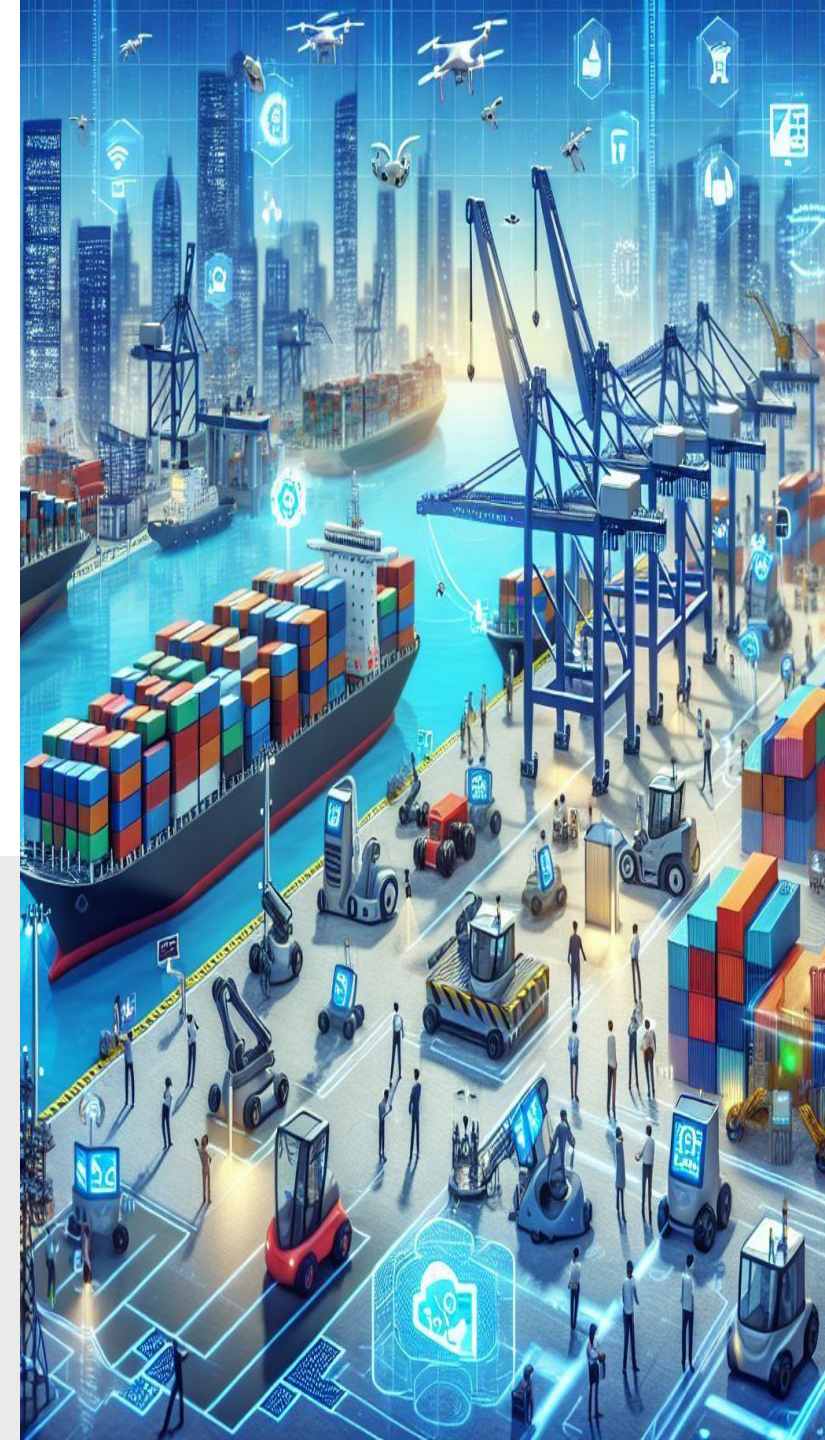
Krista Lucenti

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Trade and Investment Division,
Inter-American Development Bank



The Caribbean has made progress in developing its trade infrastructure

- ❖ Intra-CARICOM goods trade, though it only accounts for 15% of total trade, is largely free of tariffs.
- ❖ Efforts have been made to promote a common market in services and realize the free movement of people and skilled labor.
- ❖ Port operations have been enhanced, including increased berthing capacity, updated equipment and reduction of container loading times.
- ❖ Investments in digitalization of trade infrastructure (e.g. trade single windows, port community systems, maritime single windows) are underway, but remain behind other regions.
- ❖ Increased use of PPP vehicles for infrastructure has led to significant efficiency gains in cargo terminals.
- ❖ Dedicated internationalization programs for SMEs aim to close financing and information gaps.



Challenges to improving trade infrastructure in the Caribbean

- Natural disasters: Disrupt trade routes and damage infrastructure, creating long-term economic costs that hamper development.
- Limited Capital for Infrastructure: Budgetary constraints often restrict large-scale infrastructure investment and automation.
- Narrow Vision Beyond Cargo Handling: Lacking a holistic vision of their potential as critical nodes in global supply chains.
- Insufficient Trade Facilitation: Few countries have fully interoperable trade platforms for administrative, regulatory compliance, and logistics.
- Fragmented Institutional Collaboration: Weak cooperation, inconsistent governance and limited trust between key stakeholders has led to information silos and impedes efficient operations.
- Lagging Green Technology Adoption: Primarily basic energy efficiency measures like lighting upgrades.



How does inefficient and poor trade infrastructure hamper entrepreneurship and firm competitiveness?



Higher transportation and logistics costs: erode profit margins and make it challenging to compete on price.



Limits market access: prevents businesses from reaching new customers and/or expanding market share, or prevents access to global supply chains.



Supply chain disruptions: delays in receiving raw materials can disrupt production times and create inconsistency of supply.



Lost inventory: particularly for perishables, due to poor quality of storage and warehousing services



Stifled innovation and growth: lack of investment (foreign and domestic) due to higher risks and costs.



Lower Productivity: power outages and unreliable internet connectivity disrupt business operations.

An example: Smart Ports, catalysts for economic development



Enhancing Efficiency and Reducing Costs

Faster Throughput: Lowers costs through quicker customs clearance, cargo handling, and documentation

Improved Visibility: Allocates resources and allow for better planning through real-time data and tracking systems.

Reduced Paperwork: Eliminates manual data entry errors and frees up personnel for higher-value tasks.



Boosting Trade Competitiveness

Swifter Cargo Movement: Improves efficiency, making a country a more attractive trade and investment partner.

Lower Logistics Costs: Increases the competitiveness of exports, fostering economic growth.



Creating Jobs and Upskilling the Workforce

New value-added jobs: Creates new skilled jobs in data analysis, cybersecurity, and system maintenance.

Upskilling existing workforce: Increases adaptability of existing workforce through upskilling in digital literacy and advanced logistics technologies.



Promoting Sustainability and Environmental Benefits

Reduced Emissions: Lowers fuel consumption and reduces air pollution through shorter wait times.

Optimized Energy Usage: Reduces the environmental impact and helps in meeting development goals.

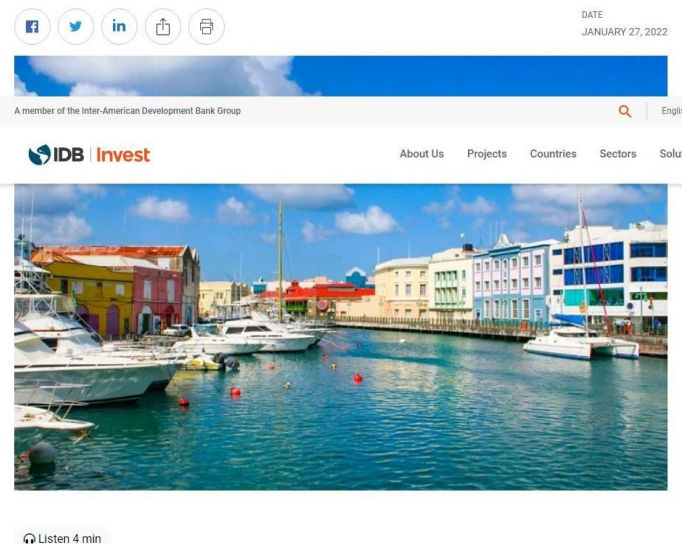
These benefits collectively contribute to a more vibrant and sustainable entrepreneurial ecosystem in the Caribbean

IDB RESPONSE: Responding to Client Demands

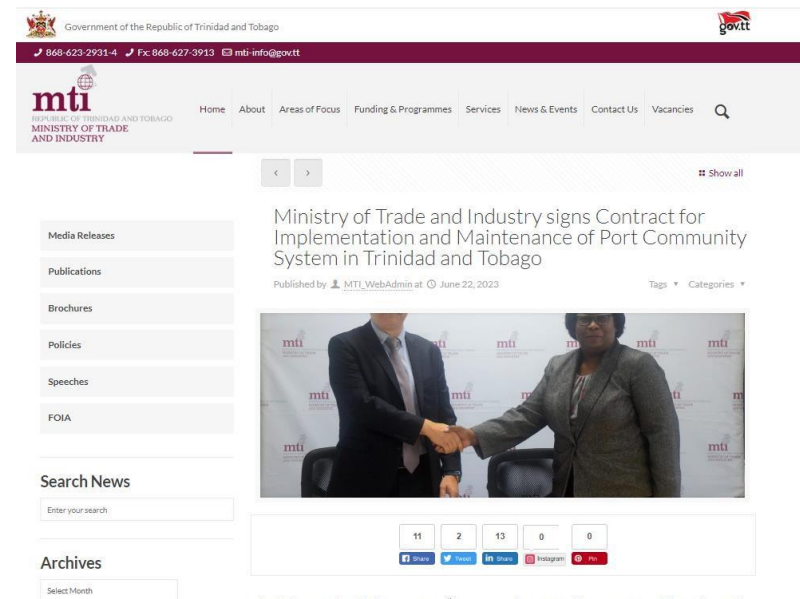
- Trade infrastructure
- Regulatory reforms
- Environmental and Social Considerations
- Digitalization and Innovation
- Policy Support and Coordination
- Internationalization programs (e.g. Connectamericas, O2LAC, LAC Flavors)

These policy measures can significantly enhance the efficiency, reliability, and sustainability of trade infrastructure, thereby boosting economic growth and entrepreneurship.

IDB Invest Closes First Infrastructure Deal in Barbados to Support Port Development



IDB Invest provided a \$50 million corporate loan to Barbados Port Inc. (BPI) to fund upcoming capital expenditures for the modernization of its operations. This deal represents the first IDB Invest financing for infrastructure in Barbados and supports the purchase and installation of a Waste to Energy (WTE) system consisting of a wet-dry incinerator and a steam rankine cycle turbine, the purchase and installation of up to 1.5 Megawatts of additional rooftop photovoltaic solar capacity and repairs and upgrades to the port's berth #4.



The Ministry of Trade and Industry on June 20th, 2023 executed a contract with SOGET, for Consulting Services for the Implementation, Maintenance and Support of a Port Community System for Trinidad and Tobago. SOGET is a leading Port Community System (PCS) operator in France and a global leader in the development of Port Community Systems.

Permanent Secretary, Ministry of Trade and Industry, Mrs. Ayleen Alleyne-Ovid signed the contract on behalf of the Government of Trinidad and Tobago and Mr. Hervé Cornille, Chief Executive Officer, on behalf of SOGET, in the amount of USD 9.8 Million. The PCS project is estimated to be implemented over the course of 24 months at the major air and sea ports and will enhance Trinidad and Tobago's trade efficiency and port logistics.

IDB signs US\$6M loan to Guyana

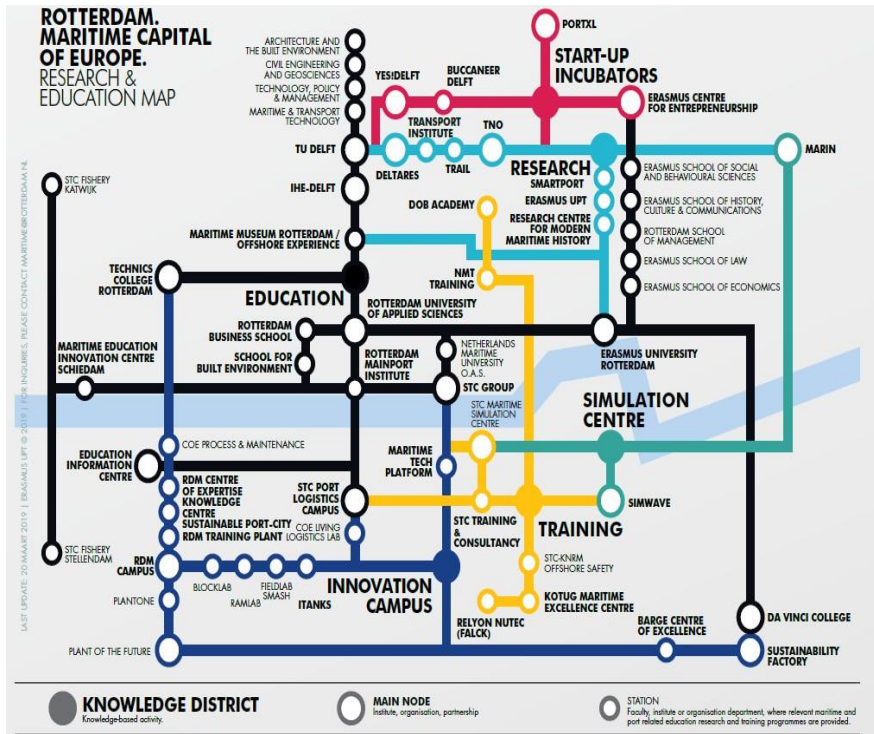
By Staff Reporter | February 12, 2019



...for establishment of Electronic Single Window for Trade
MINISTER of Finance, Winston Jordan, on Monday signed a loan agreement with the Inter-American Development Bank (IDB) for US\$6,000,000 for the establishment of an Electronic Single Window for Trade.

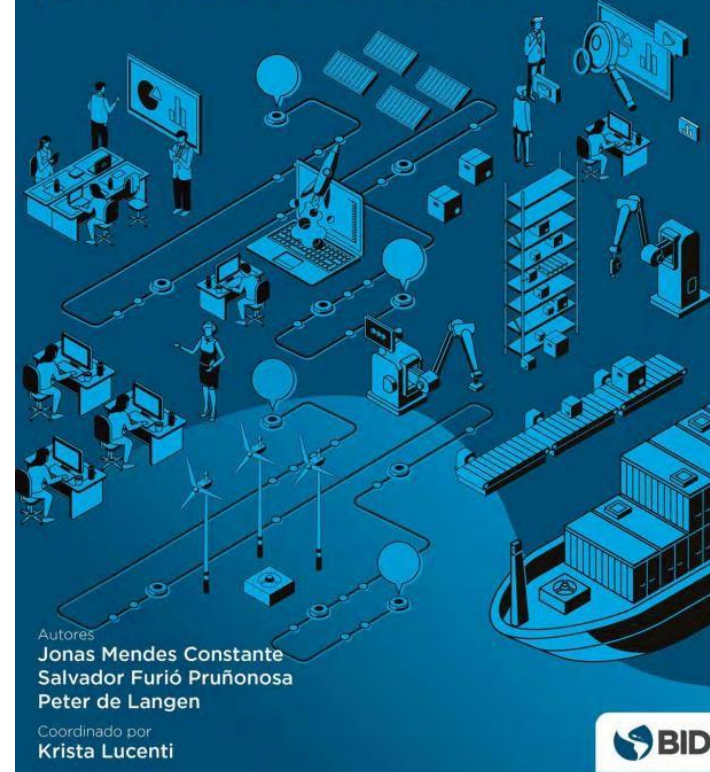
An example: Trade Innovation Ecosystems

- ❑ Innovation does not advance through isolated actions of individual companies but depends on a wide range of institutional policies and interrelated actors.
- ❑ These include firms, research institutes, incubators, government, industry associations.



Ecosistema de Innovación en Puertos

benchmarking internacional y recomendaciones para el desarrollo en América Latina



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NOSOTROS QUÉ BUSCAMOS DESAFÍOS 2021 PROCESO PUERTO



 NEWS!

The ConnectAmericas platform for the **agrifood industry.**

Thank you!

Contact: kristal@iadb.org

Thank you

