

Agreement with the Bahamian Government and the Private Sector will re-engineer public sector support for SME development

Nassau, The Bahamas - March 21, 2012 - Compete Caribbean, the private sector development program jointly funded by the Inter-American Development Bank (IDB), the Canadian International Development Agency (CIDA) and the United Kingdom Department of International Development (DFID), today signed an agreement with the Government of The Bahamas to develop a comprehensive program to support Bahamian Small- and Medium-Sized Enterprises (SMEs), including those in the Family Islands.

The agreement was signed at the Ministry of Finance in The Bahamas by the Hon. Zhivargo Laing, Minister of State for Finance and Public Service, Ms. Astrid Wynter, IDB Country Representative in the Bahamas, and Mr. Winston Rholle, CEO of The Bahamas Chamber of Commerce and Employers Confederation.

The program will reshape the approach to the provision of financial support to SMEs by the Government. It will facilitate greater access to finance and provide cutting edge training and capacity building for SMEs to innovate, create new products and increase exports.

In the Family Islands, the program will establish an institutional framework to improve the penetration of SMEs into the tourism market and will implement proven market access and networking processes intended to improve the business models of SMEs that provide tourism related services. The roll-on effect of this initiative is expected to increase supply opportunities for SMEs in other sectors.

Under the agreement, Compete Caribbean will contribute US\$435,000 to the program; the Government of the Bahamas, US\$125,000; the IDB's Multilateral Investment Fund, US\$50,000; and the Bahamas Chamber of Commerce and Employers Confederation, US\$52,000.

“Given the significant number of SMEs in The Bahamas and the critical economic and social role they play, it is crucial that they have the necessary financial and technical support to innovate and grow,” said Ms. Wynter. “We are therefore very happy to partner with the Government and the private sector on this very important initiative.”

An estimated 90% of registered businesses in The Bahamas are small- and medium-sized enterprises with fewer than twenty employees. An IDB-funded study in 2008 revealed that SMEs in The Bahamas face several obstacles in

the business environment that restrict their growth. Less than 50% of the well-established SME's surveyed for the study had access to commercial bank loans and very few made use of training and business development services. "We are grateful for this grant from Compete Caribbean. It comes at a time when the world is rebounding from one of the toughest economic times since the Great Depression," said Minister Laing. "Bahamian SMEs need to be ready to take advantage of the opportunities that present themselves as this transition occurs."

Mr. Rholle stressed that this support for SMEs will have a huge impact on the way businesses operate in The Bahamas. He expressed his satisfaction with the level of consultation that was held in the development stage of the project and said that "the seeds were already planted for this collaboration and consultation to continue into project implementation".

The implementation of the project will take place over a two year period and is set to begin immediately.

ABOUT COMPETE CARIBBEAN

Compete Caribbean is a US\$40 million private sector development program jointly funded by the Canadian International Development Agency (CIDA), the United Kingdom Department of International Development (DFID) and the Inter-American Development Bank (IDB), to provide technical assistance grants and investment funding to support productive development policies, business climate reforms, clustering initiatives and Small and Medium Size Enterprise (SME) development activities in 15 Caribbean countries, including Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominican Republic, Dominica, Grenada, Guyana, Haiti, Jamaica, St Lucia, St Kitts and Nevis, St Vincent and the Grenadines, Suriname and Trinidad and Tobago.

For more information about Compete Caribbean, please visit our website at www.competecaribbean.org

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