Fostering Economic Resilience in Aruba

Jeanette R. Semeleer
President
Centrale Bank van Aruba
“Stronger economic growth is the essential foundation for a more resilient Caribbean. It is also a foundation for building defenses. Unfortunately, economic growth in the Caribbean has been low for several decades. This has led to rising social and economic challenges, including poverty, inequality, unemployment, and crime. While many authorities in the Caribbean were successful in their efforts to create a stable macroeconomic environment, growth still remains elusive.”

Christine Lagarde (2017)
<table>
<thead>
<tr>
<th>Country</th>
<th>Total</th>
<th>Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caribbean</td>
<td>2.1</td>
<td>1.2</td>
</tr>
<tr>
<td>Tourism-Intensive Caribbean Economies</td>
<td>1.6</td>
<td>0.8</td>
</tr>
<tr>
<td>Antigua and Barbuda</td>
<td>1.6</td>
<td>0.8</td>
</tr>
<tr>
<td>The Bahamas</td>
<td>0.6</td>
<td>-0.4</td>
</tr>
<tr>
<td>Barbados</td>
<td>0.8</td>
<td>0.5</td>
</tr>
<tr>
<td>Dominica</td>
<td>1.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Grenada</td>
<td>2.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Jamaica</td>
<td>0.6</td>
<td>0.1</td>
</tr>
<tr>
<td>St. Kitts and Nevis</td>
<td>2.2</td>
<td>1.2</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>1.3</td>
<td>0.6</td>
</tr>
<tr>
<td>St. Vincent and the Grenadines</td>
<td>2.1</td>
<td>2.0</td>
</tr>
<tr>
<td>Commodity-Exporting Caribbean Economies</td>
<td>3.7</td>
<td>3.0</td>
</tr>
<tr>
<td>Belize</td>
<td>3.4</td>
<td>0.9</td>
</tr>
<tr>
<td>Guyana</td>
<td>3.1</td>
<td>2.9</td>
</tr>
<tr>
<td>Suriname</td>
<td>4.2</td>
<td>3.0</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>3.9</td>
<td>3.6</td>
</tr>
<tr>
<td>Memorandum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Caribbean EMDEEs</td>
<td>4.2</td>
<td>2.6</td>
</tr>
<tr>
<td>Non-Caribbean Small States</td>
<td>3.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Non-Caribbean Commodity Exporters</td>
<td>4.2</td>
<td>2.4</td>
</tr>
<tr>
<td>Advanced Economies</td>
<td>1.9</td>
<td>1.1</td>
</tr>
</tbody>
</table>
Fostering Economic Resilience: From Roots to Routes

Centrale Bank van Aruba 2019
“...more fundamentally, the per capita income figure conceals the lack of internal economic resilience in the face of adverse economic impacts of external origin. Thus, the Caribbean economies, in spite of the relatively high levels of per capita income, are riddled”

William Demas (1978)
What is the State and Future of Economic Resilience in Aruba?
Shocks

Economic recessions

International trade tensions

Socio-political turmoil

Climate Change
Hidden Threats
Slow Burn

Recovered from Aruba’s seabed in 2019
Economic Vulnerability of Caribbean Small States

Trade Openness Index

Tourism Concentration Index

- Trinidad and Tobago
- Jamaica
- Guyana
- St. Vincent and the Grenadines
- Pacific island small states
- Bahamas, The
- Barbados
- Caribbean Small States
- Grenada
- St. Lucia
- Dominica
- Antigua and Barbuda
- St. Kitts and Nevis
- Belize
- Aruba
Aruba
Antigua and Barbuda
Bahamas
Barbados
Dominica
Grenada
Guyana
Jamaica
Saint Kitts and Nevis
Saint Lucia
Saint Vincent and the Grenadines
Trinidad and Tobago

Economic Resilience Index
Economic Vulnerability Index
1. Fiscal Space
2. Monetary Stability
3. External Sector Flexibility
4. Labor market & Productivity
5. Technology & Innovation
Institutional capabilities

- Fiscal
- Labor
- Education
- Social

- Commerce & Enterprise
- Innovation & Entrepreneurship
"We are called to be architects of the future, not its victims".

R. Buckminster Fuller
Centrale Bank van Aruba
Economic Symposium, September 6, 2019

Masha Danki

Jeanette R. Semeleer
President