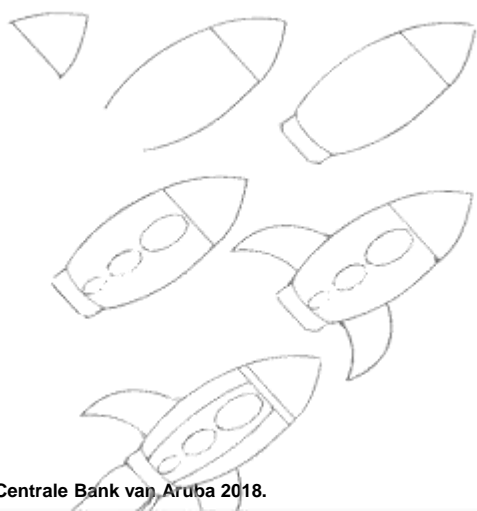


# Isla Innovativo

STATE OF INNOVATION SURVEY RESULTS 2018

Centrale Bank van Aruba



# Introduction

Innovation Spaces

Innovation  
Maturity

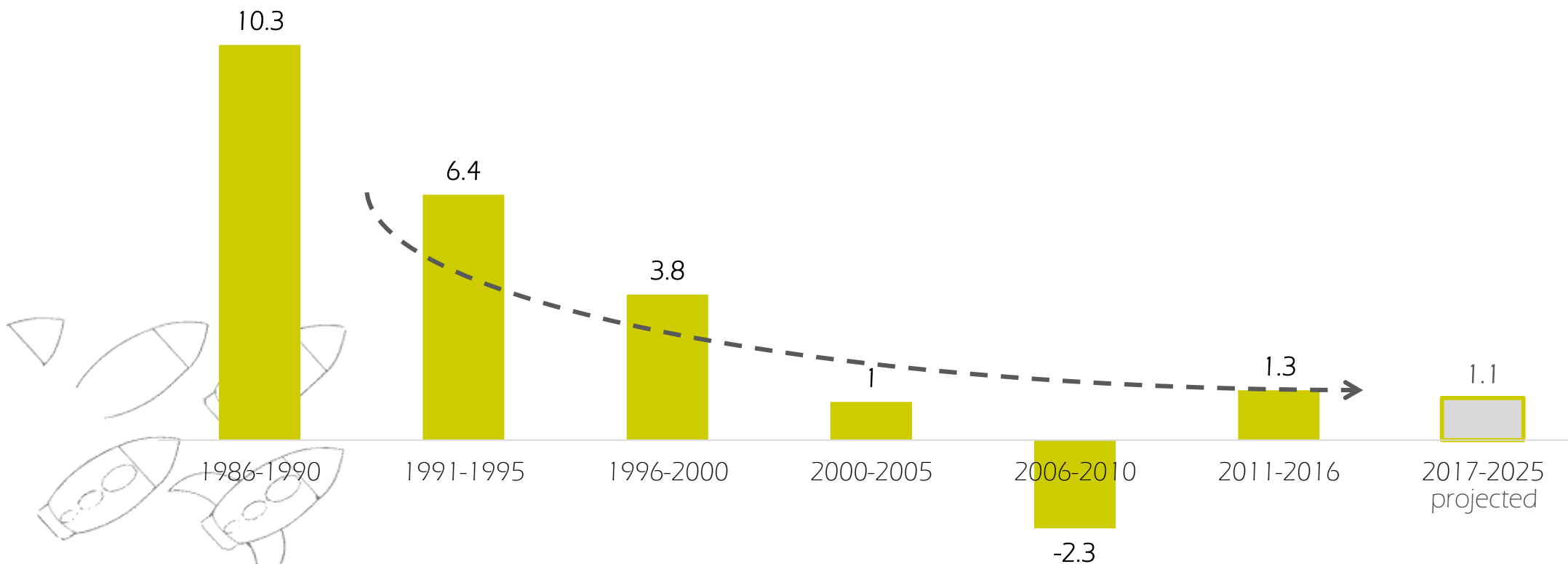
State of Innovation

Once upon a time...

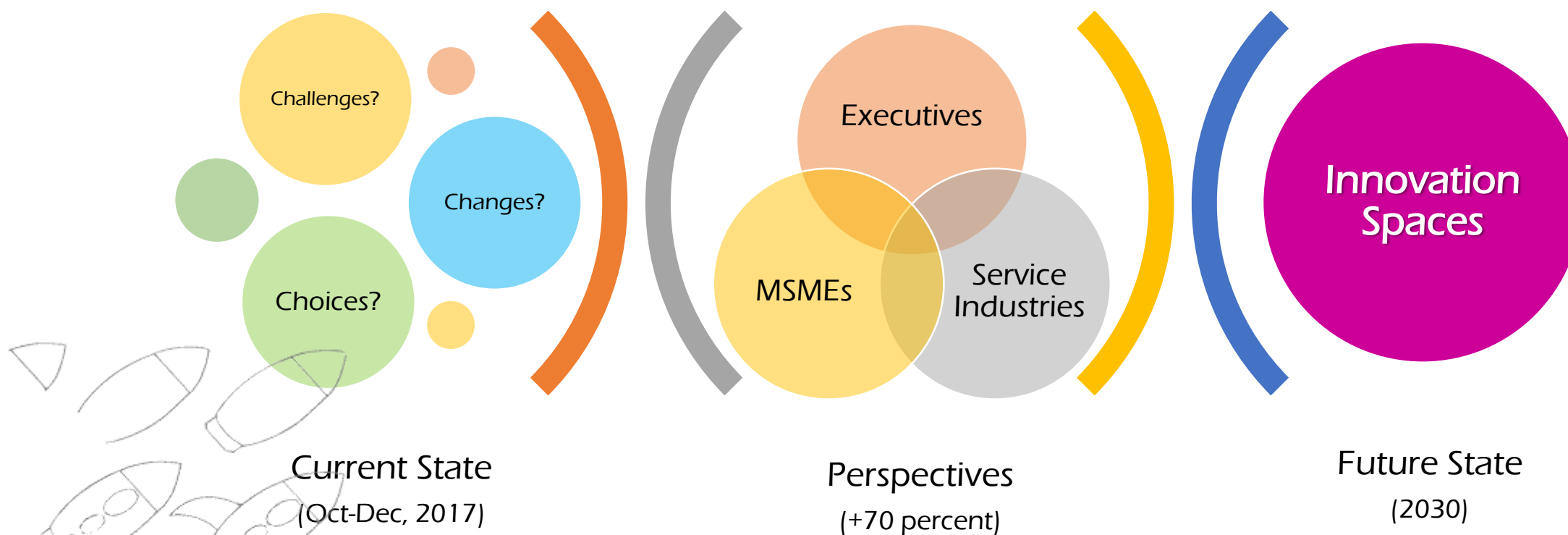


# Unwinding Growth

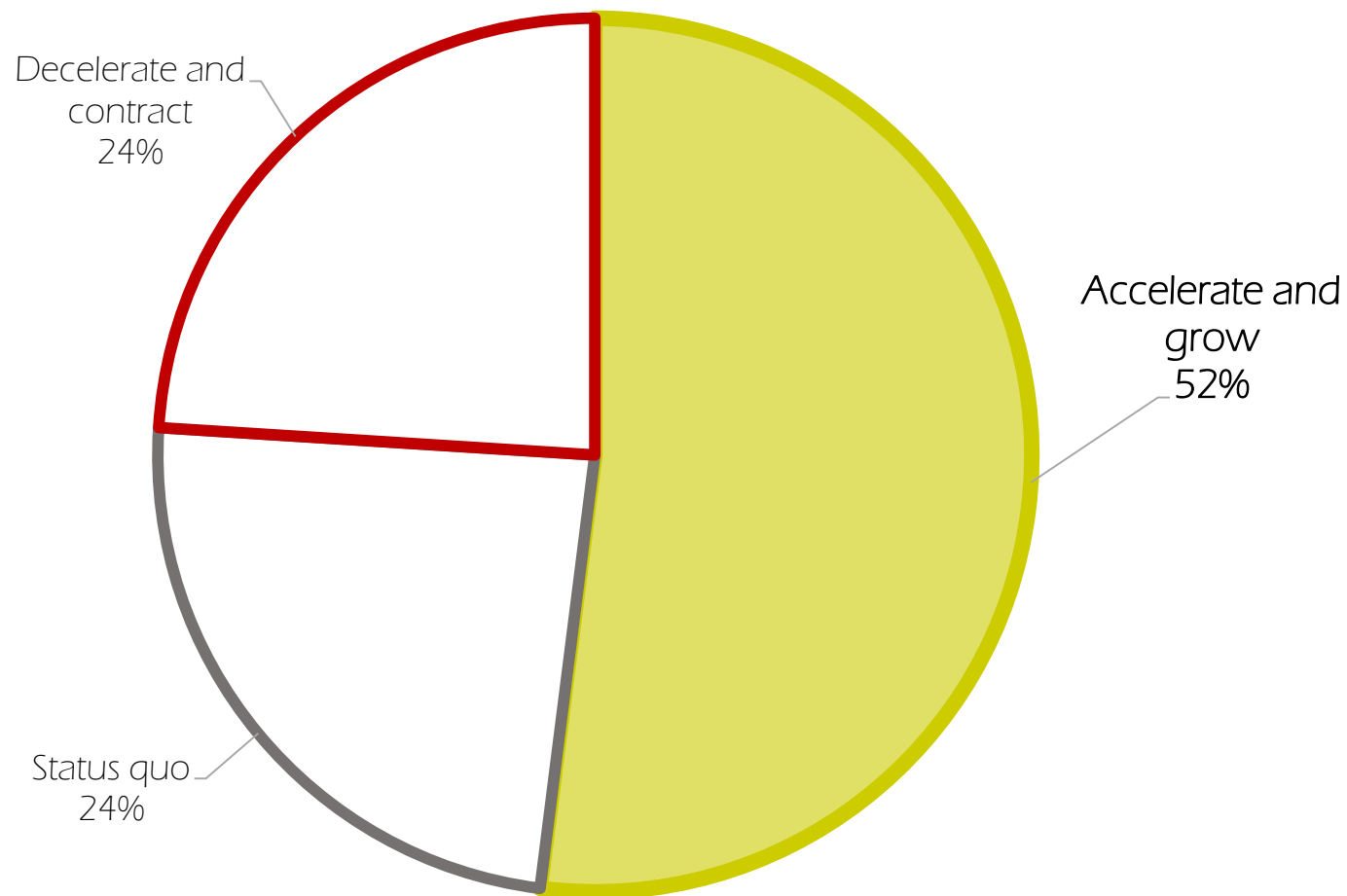
Real GDP Growth Aruba 1986-2016  
(5-year average percentage change)



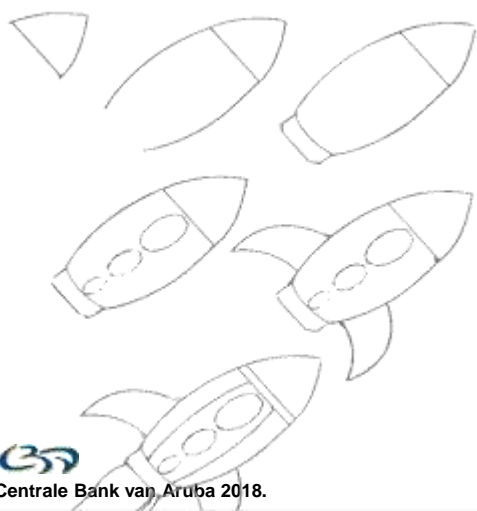
# State of Innovation Survey '17



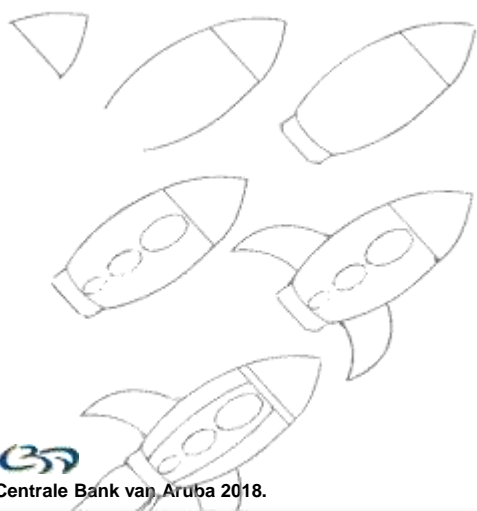
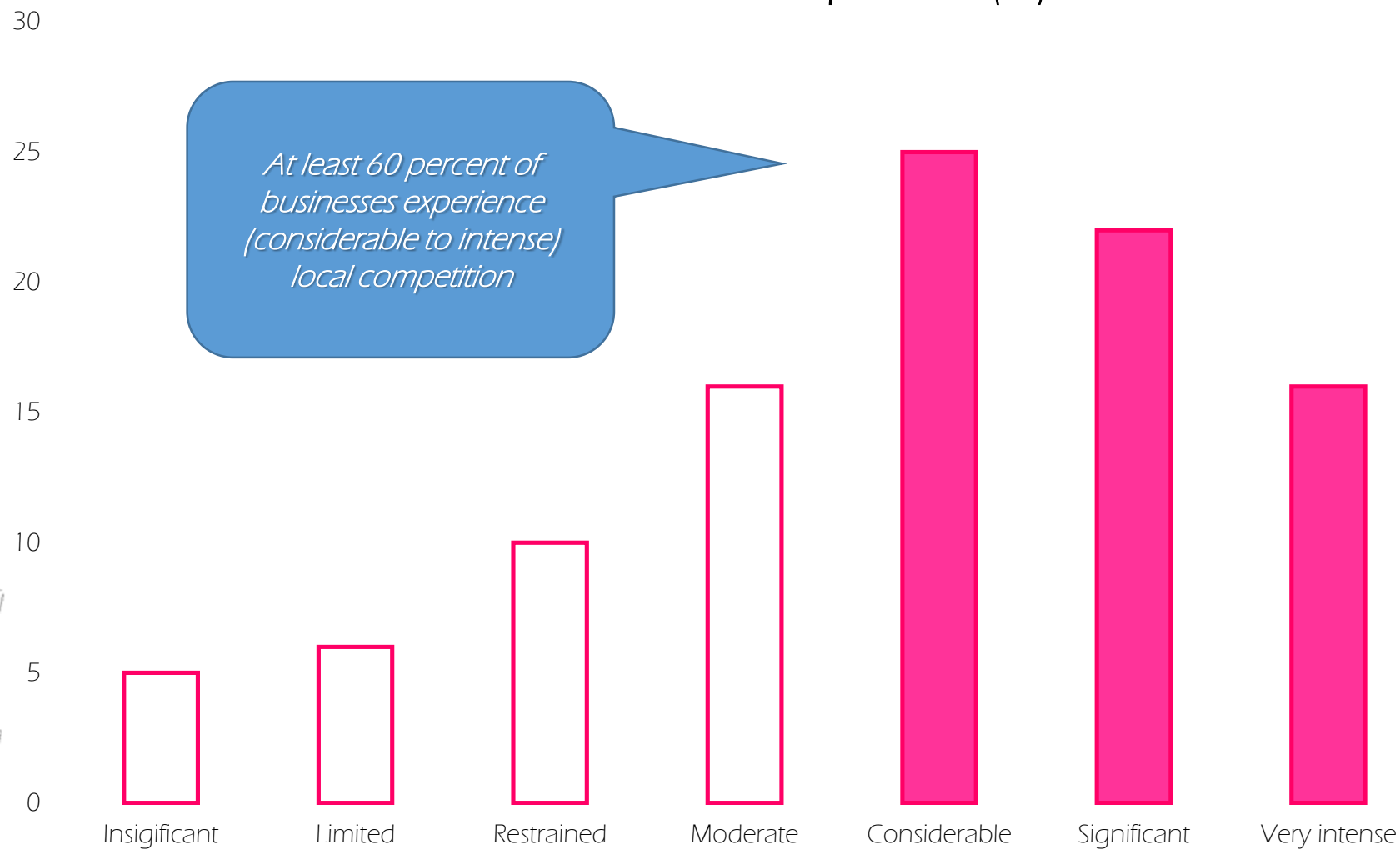
## Economic outlook for the next 12 months



*The economic outlook for the next twelve months remains cautiously optimistic, with at least 50 percent of executives expecting growth*

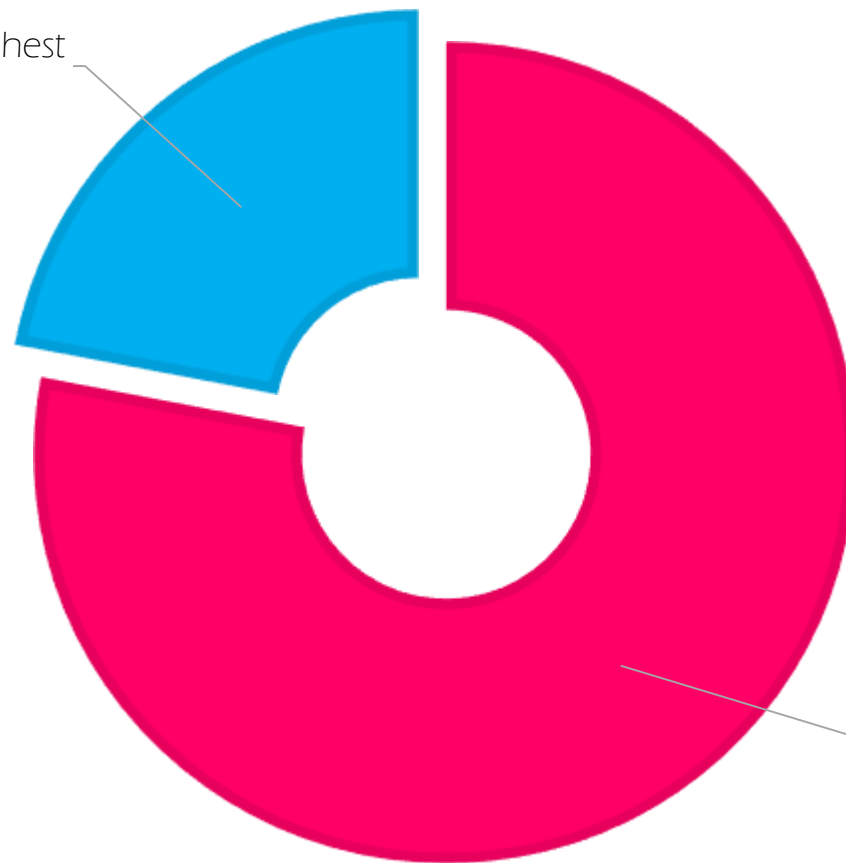


## How intense is local competition? (%)



## What is your dominant competitive strategy?

Compete on  
innovation & highest  
quality  
22%



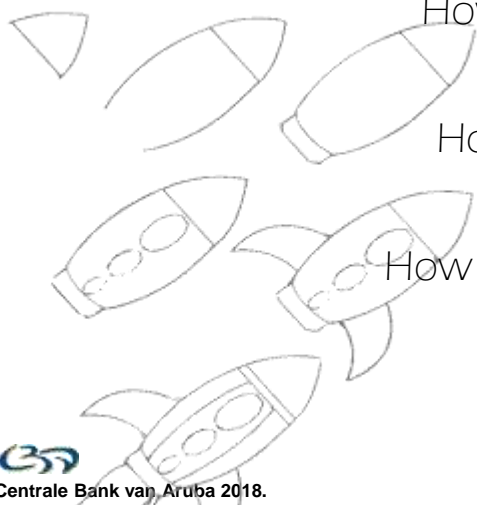
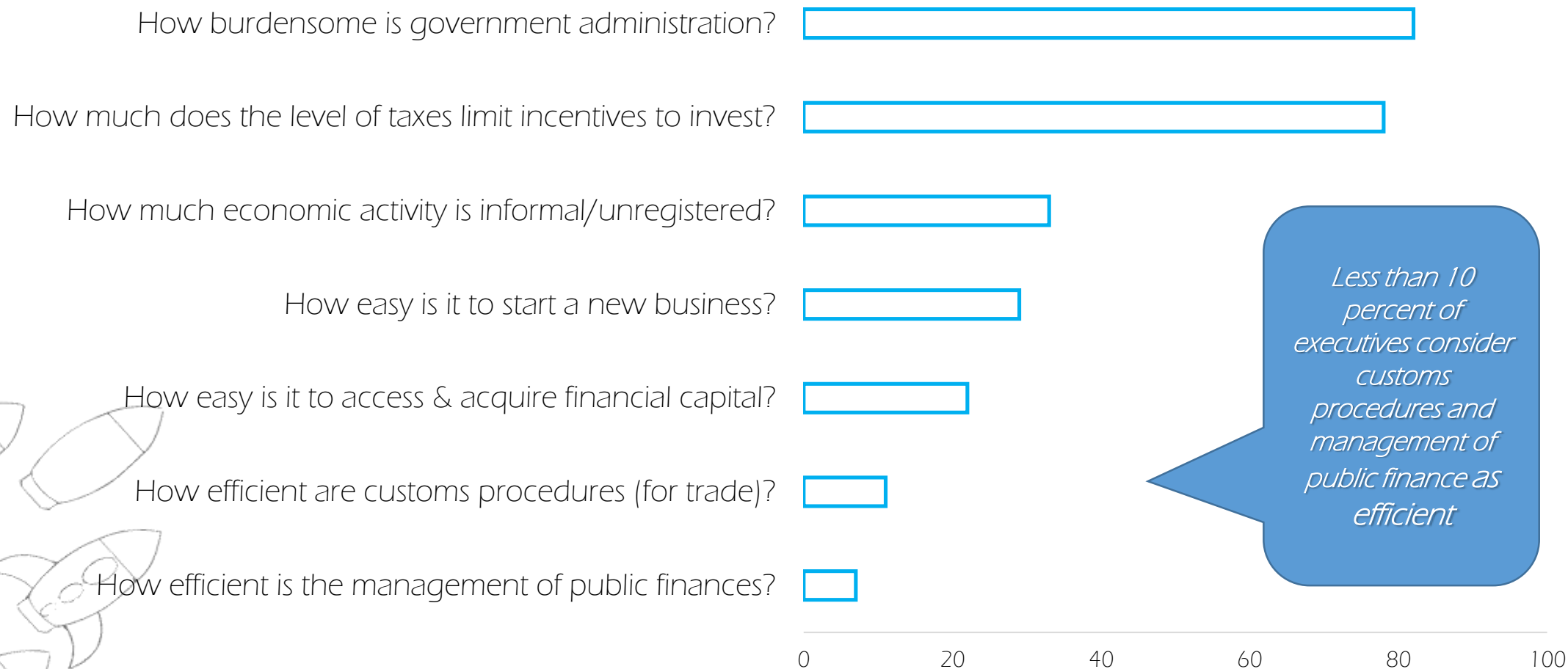
*The main strategy  
for competing is  
focused on  
efficiency and low-  
cost production*

Compete on  
efficiency & lowest  
costs  
78%



# What are the main challenges for doing business? (%)

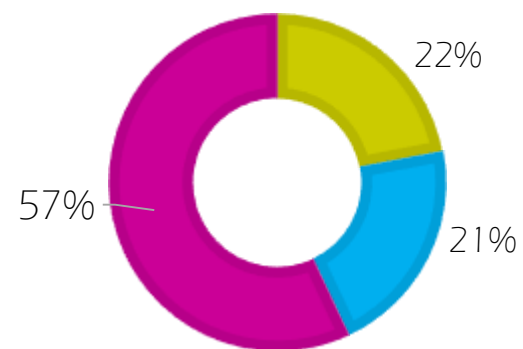
(affirmative response rates in percentage)





## How easy is it to access & acquire capital & financing?

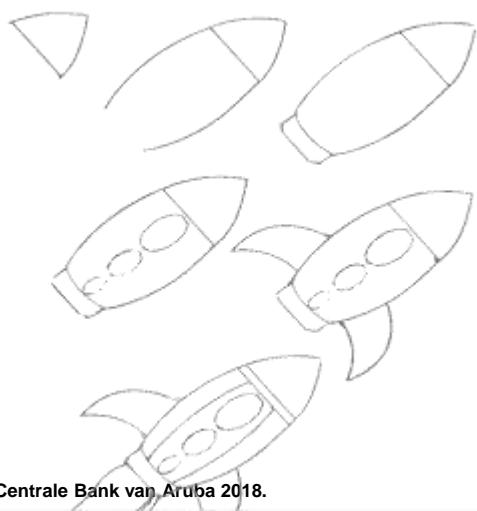
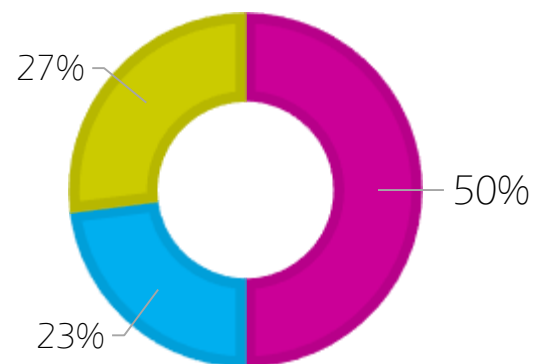
■ Very easy ■ Somewhat difficult ■ Very difficult



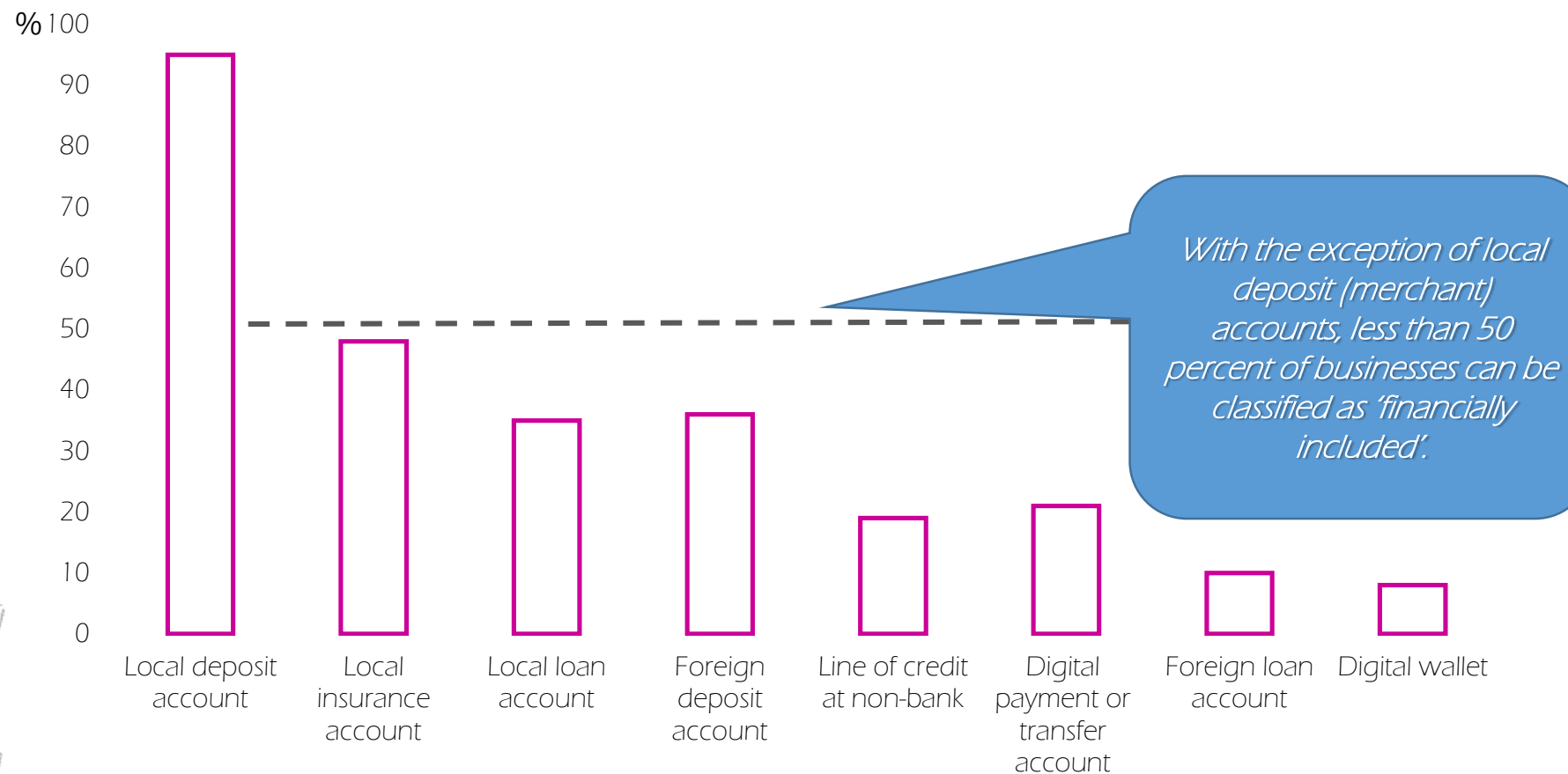
*The majority of businesses struggle with the accessibility to capital and financing*

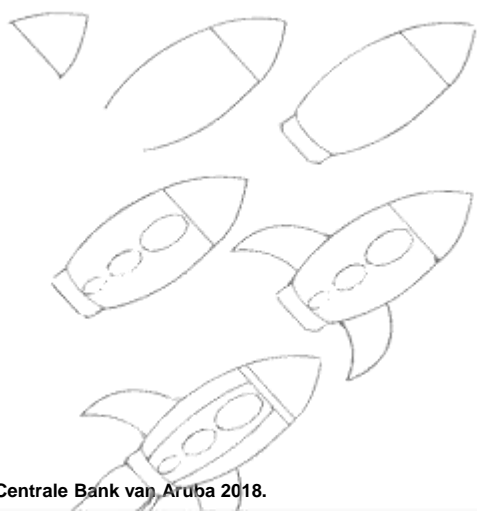
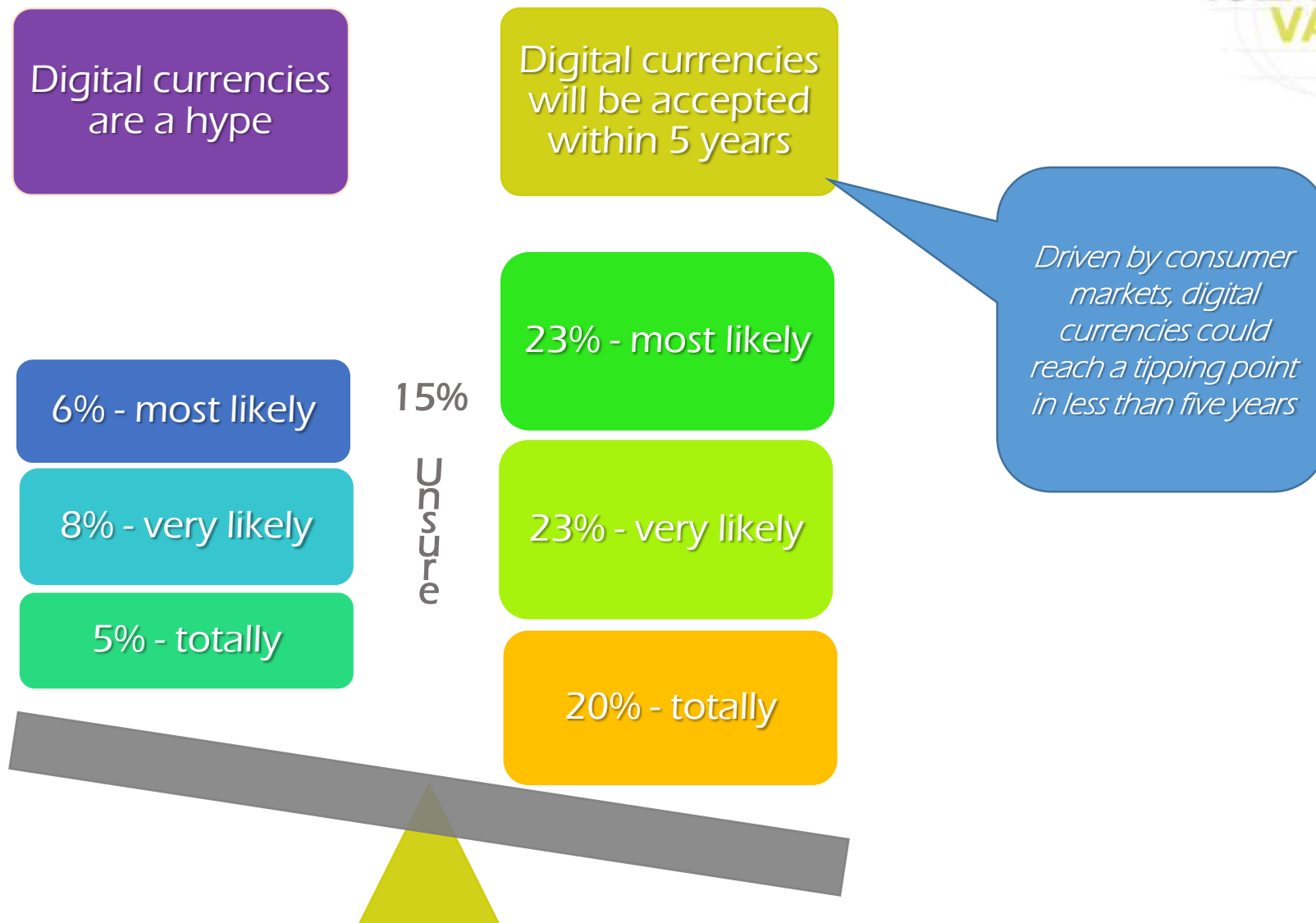
## How do customers usually pay?

■ Definitely card ■ Both ■ Definitely cash



## Enterprise financial inclusion (percentage of businesses holding accounts)





### Financial Inclusion

Limited to basic facilities. Unsophisticated financial services impede significant inclusion of (mostly) micro- and small enterprises

### Quality

< 30% opening/closing business account  
< 30% conduct online payments (purchase, taxes)

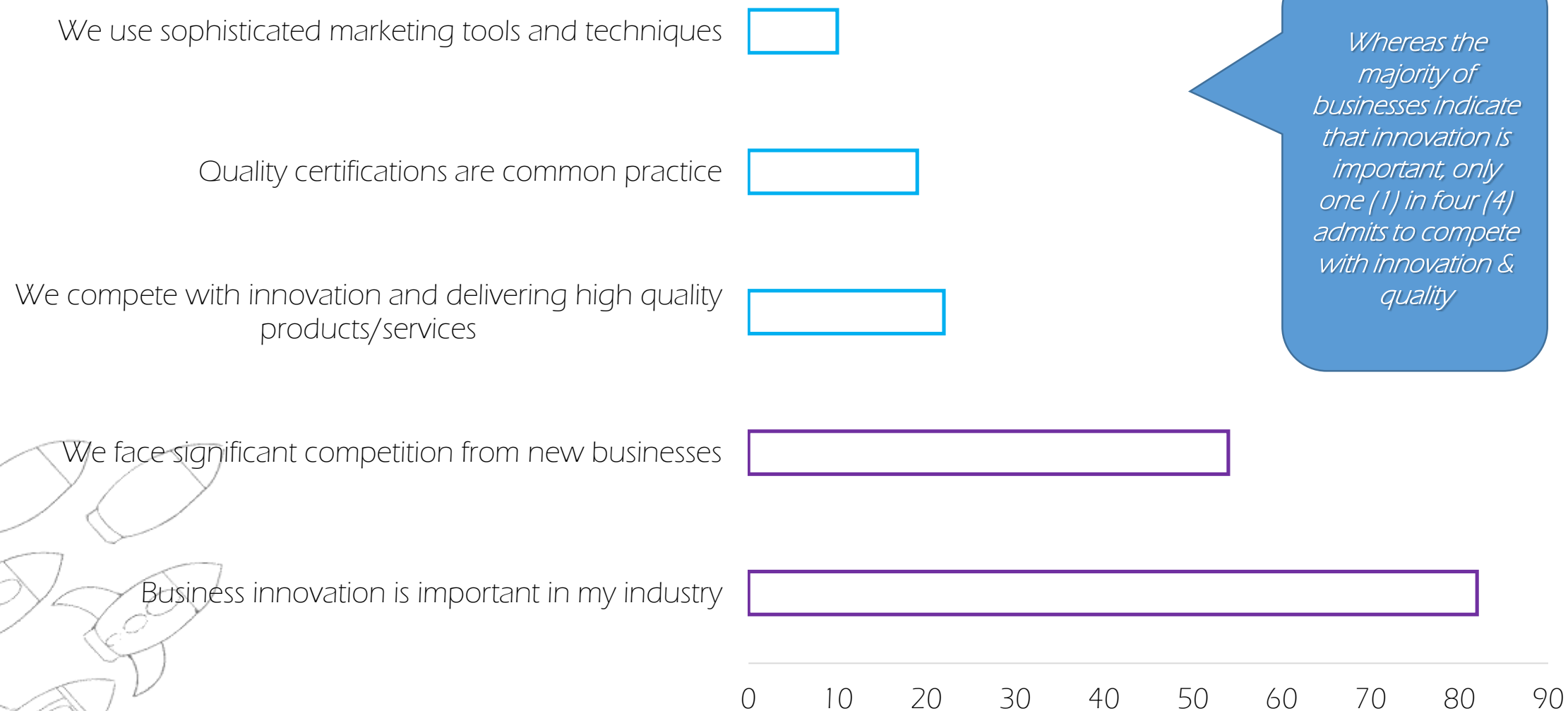
### Access

>90% basic deposit account  
< 30% alternative (insurance and/or loan) account

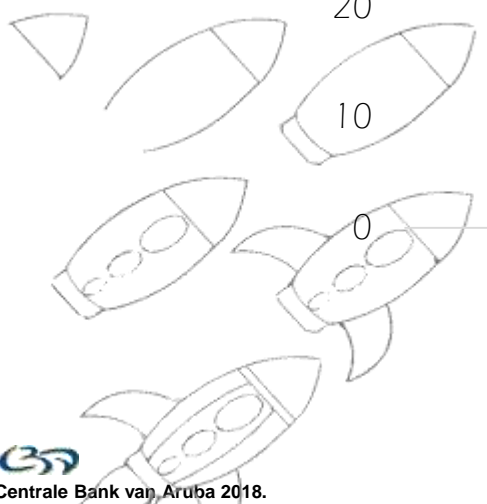
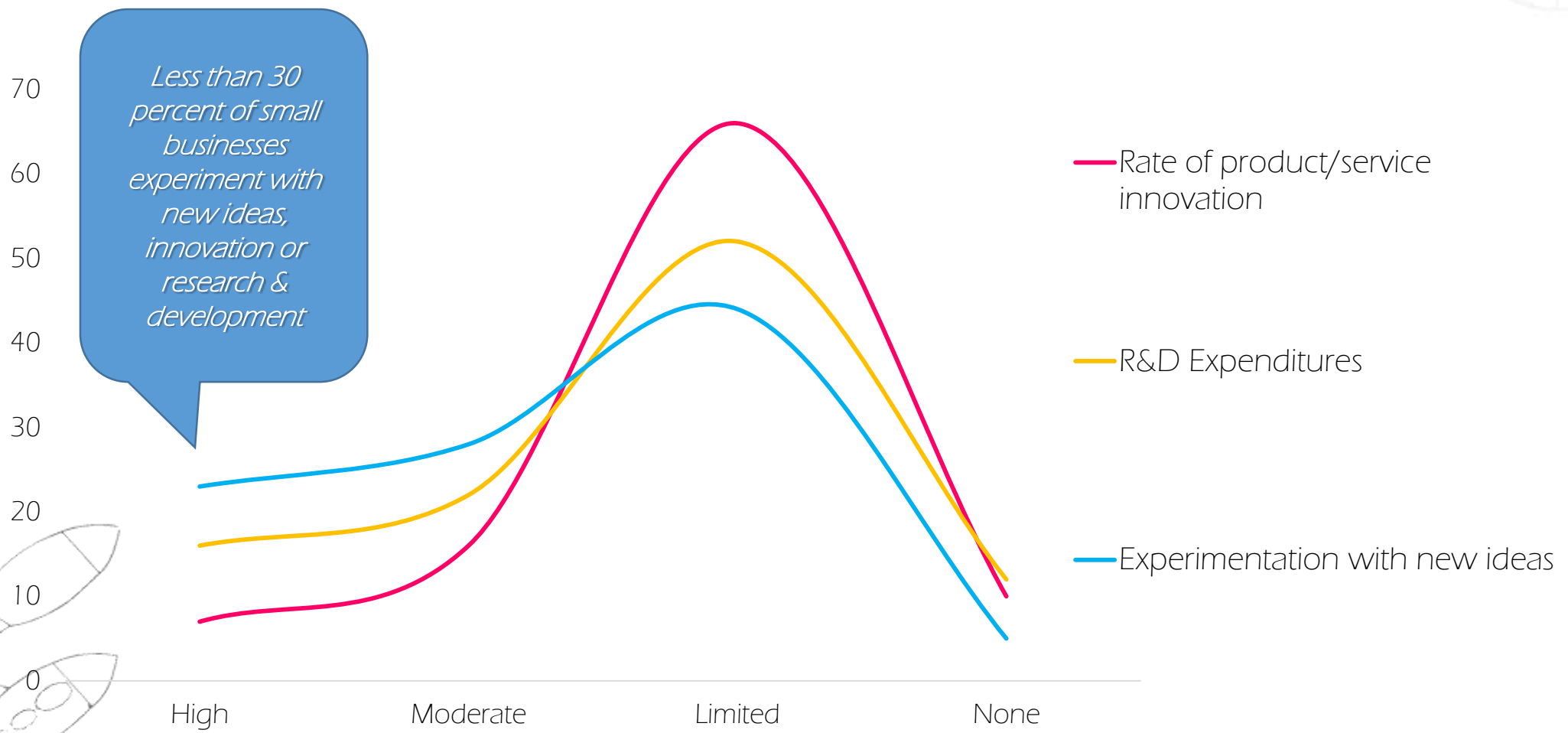


Future  
digital  
currency  
(>60%)

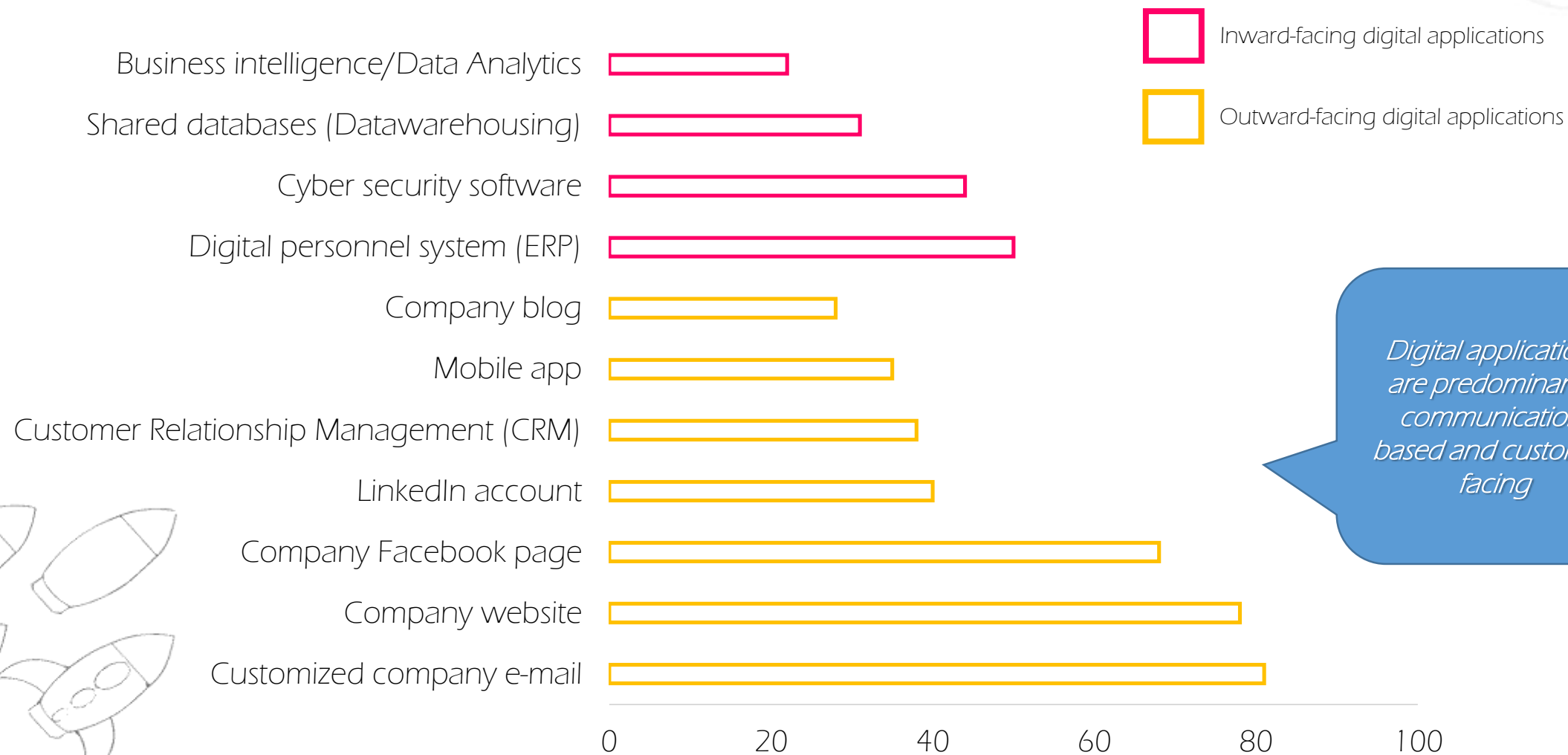
## How important is business innovation? (%)



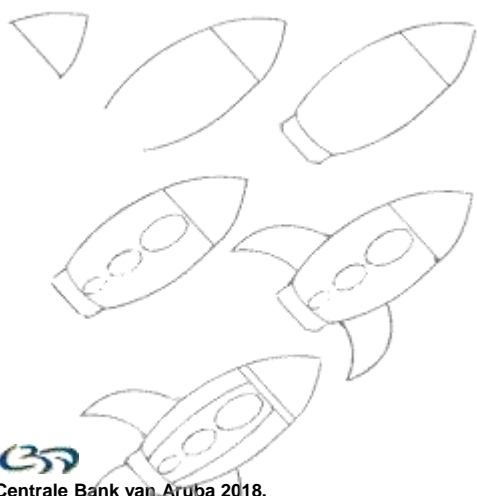
# Extent of experimentation, innovation & development (%)



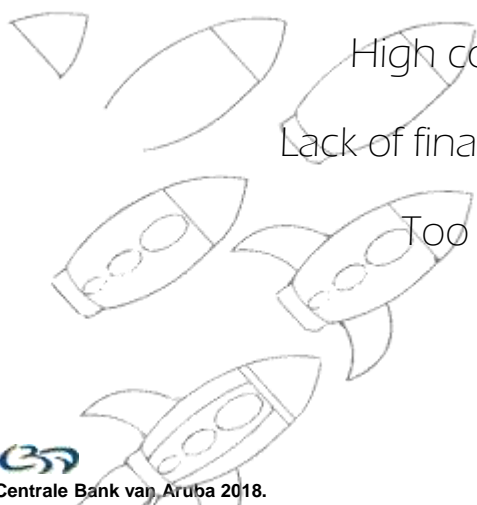
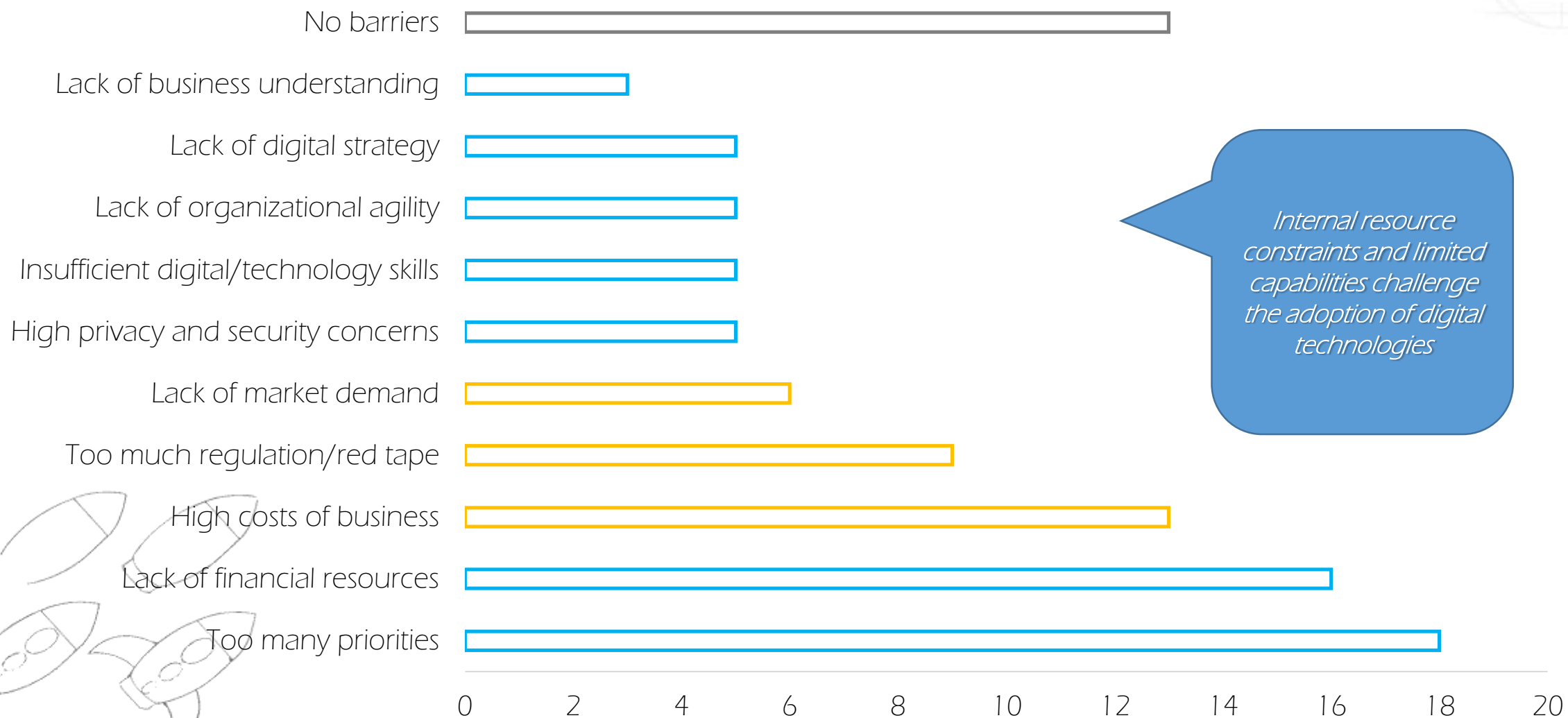
## Digital applications currently in use (%)



*Digital applications are predominantly communication-based and customer-facing*



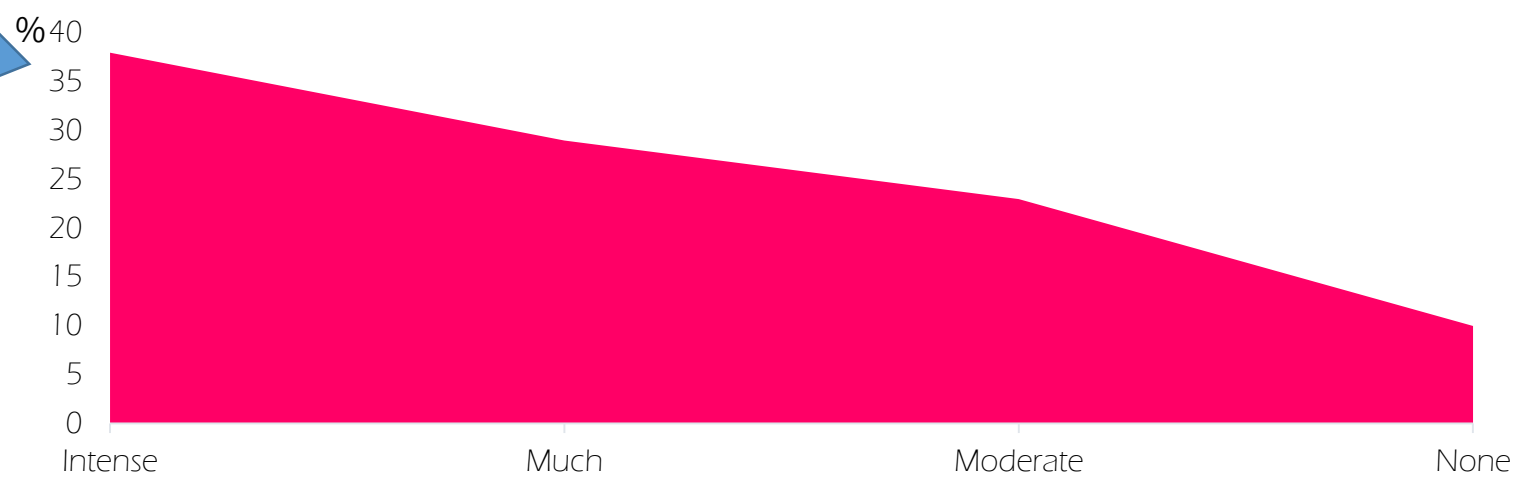
## Single most important barrier to adopting digital technologies (%)





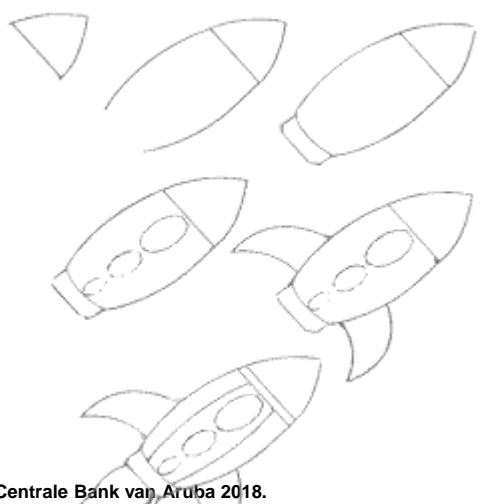
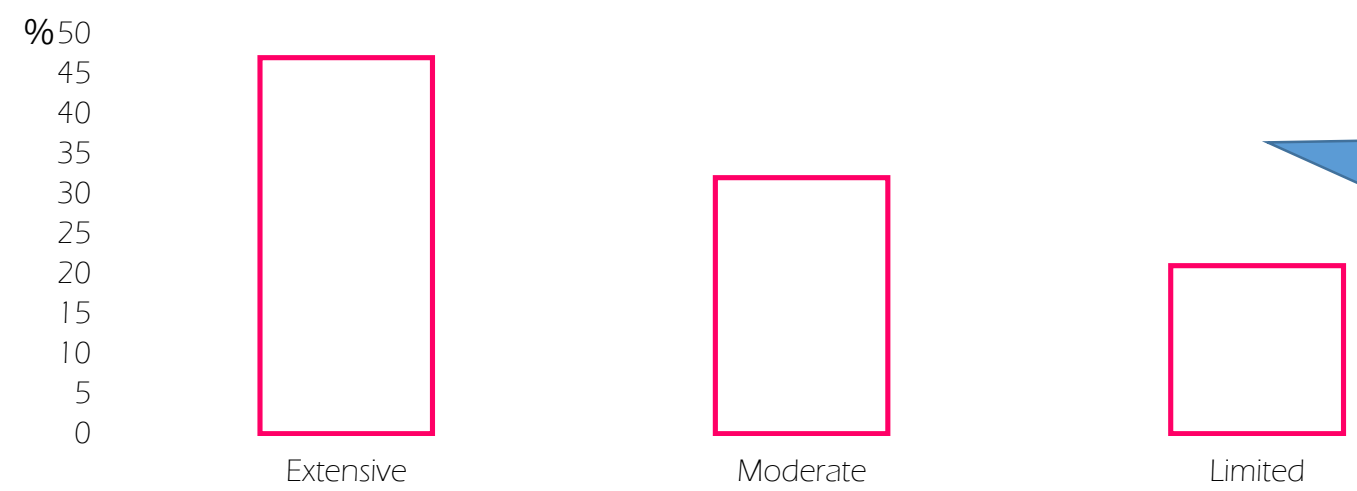
# Use of digital technologies in your industry?

*Almost 40 percent of executives perceive the use of digital technologies in their industry as intense*



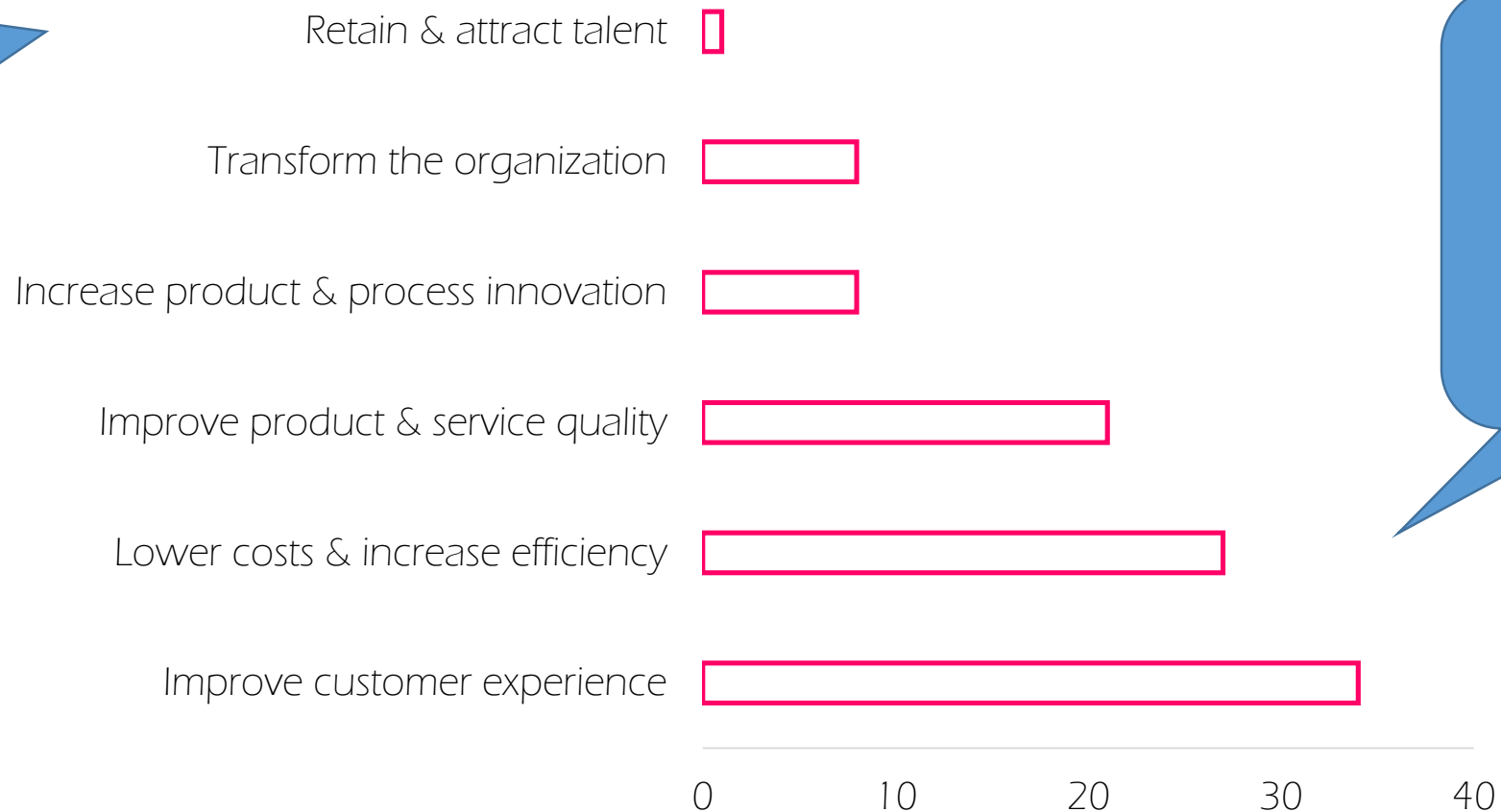
# Maturity of (national) digital infrastructure

*Almost 50 percent of businesses experience the digital (Telecom/IT) infrastructure as extensive and sophisticated*

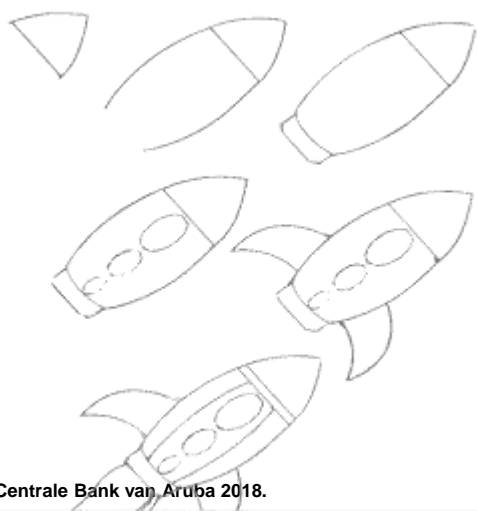


## Main objective for using digital technologies (%)

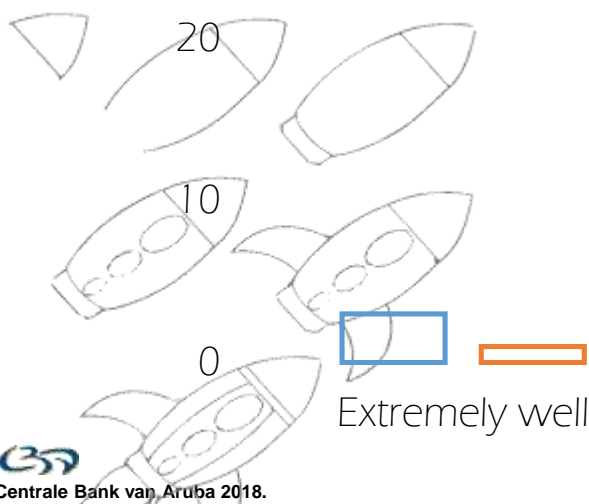
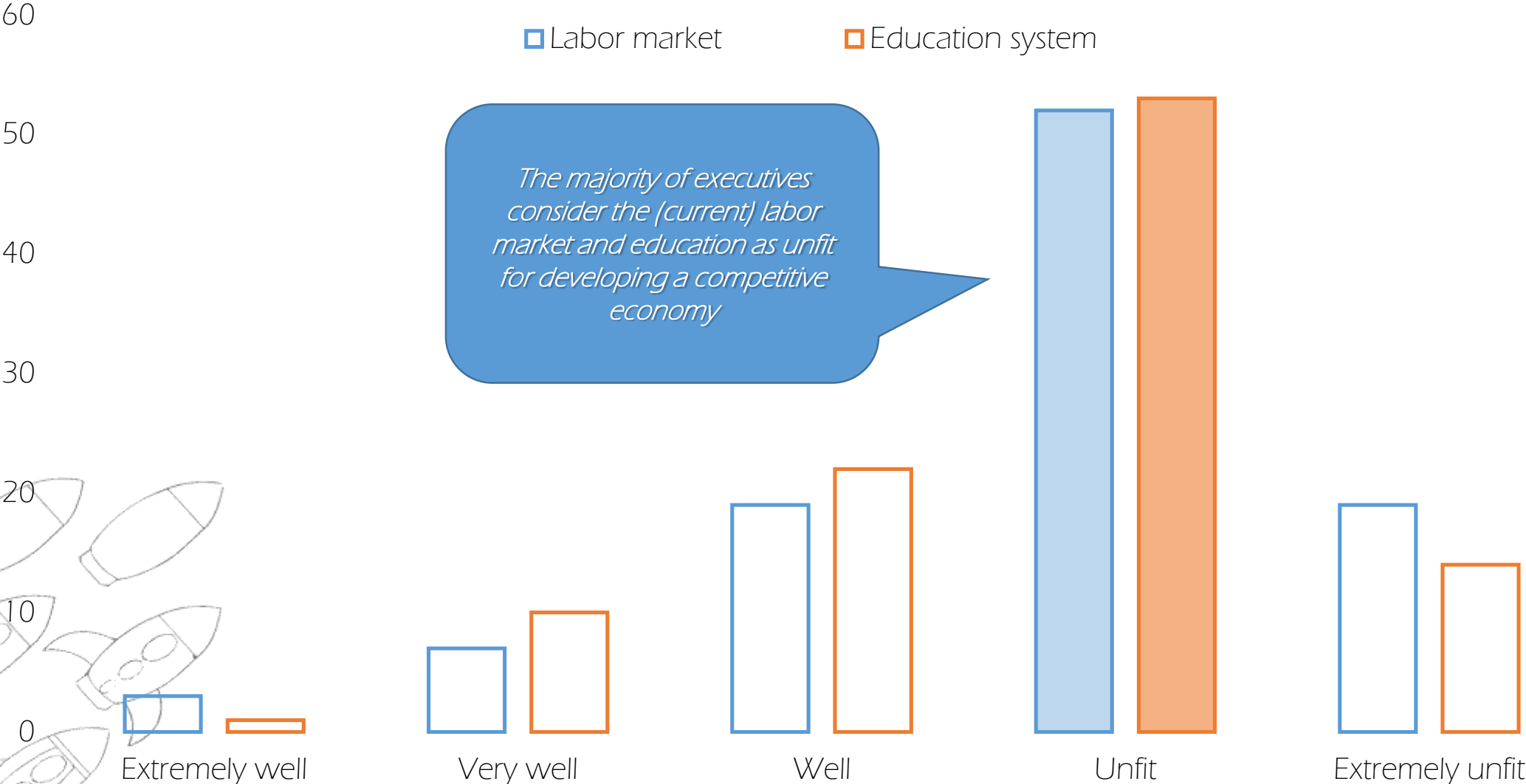
*Digital transformation and innovation are no top-of-mind issue for businesses*



*Digital technologies are mainly used for improving customer experience and increasing efficiency*



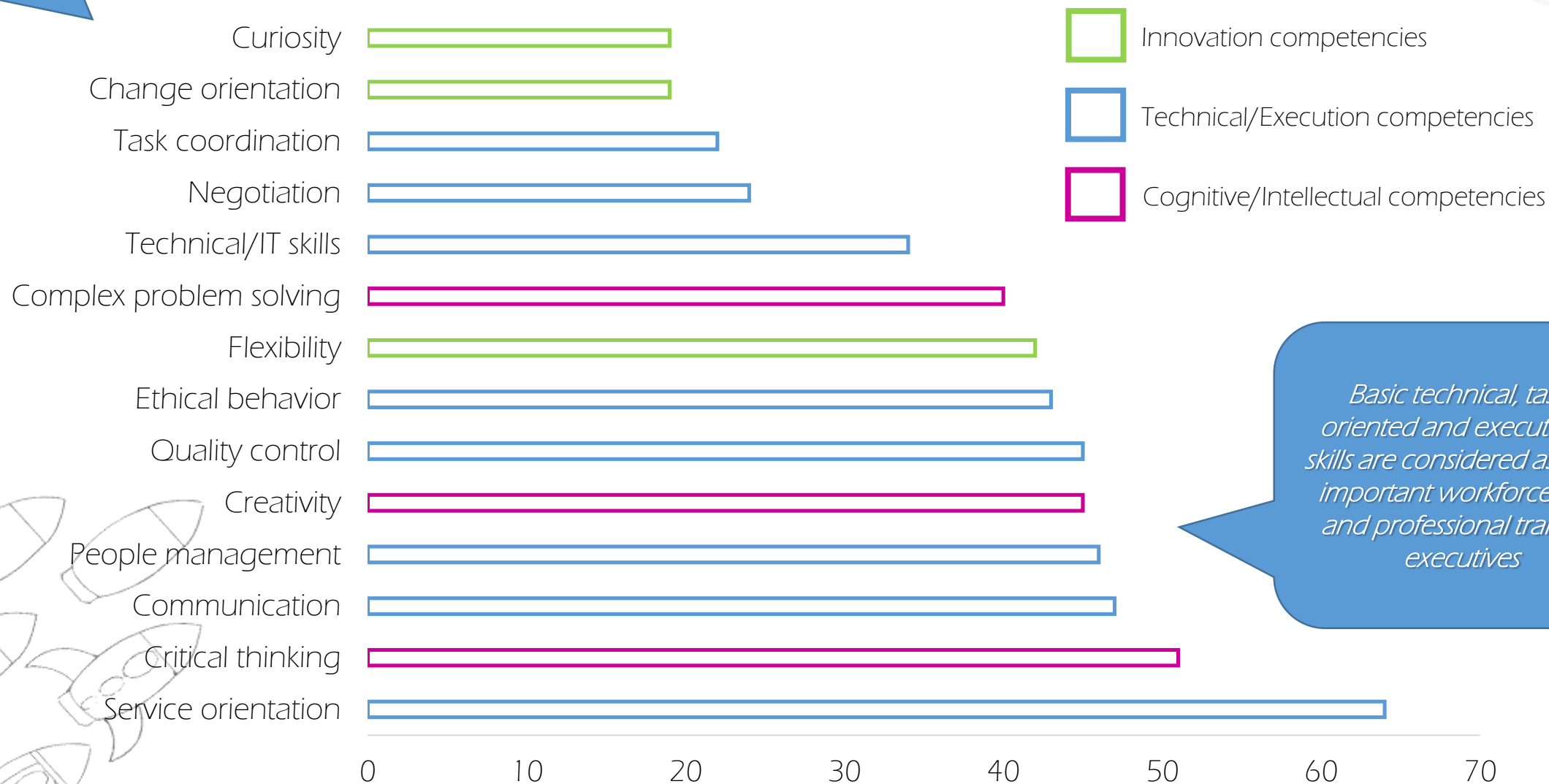
# How fit for a competitive economy?



*Innovation competencies, including curiosity, change orientation, and flexibility are considered less important*



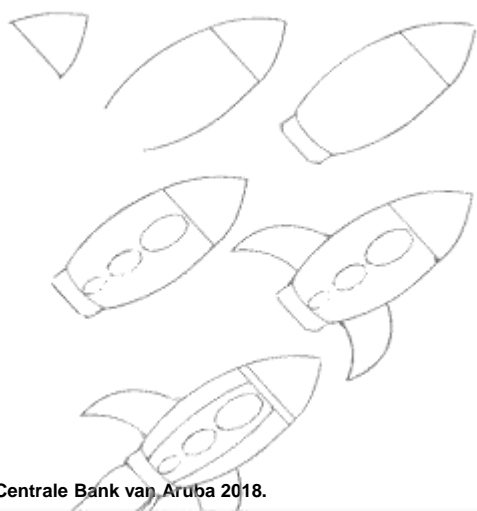
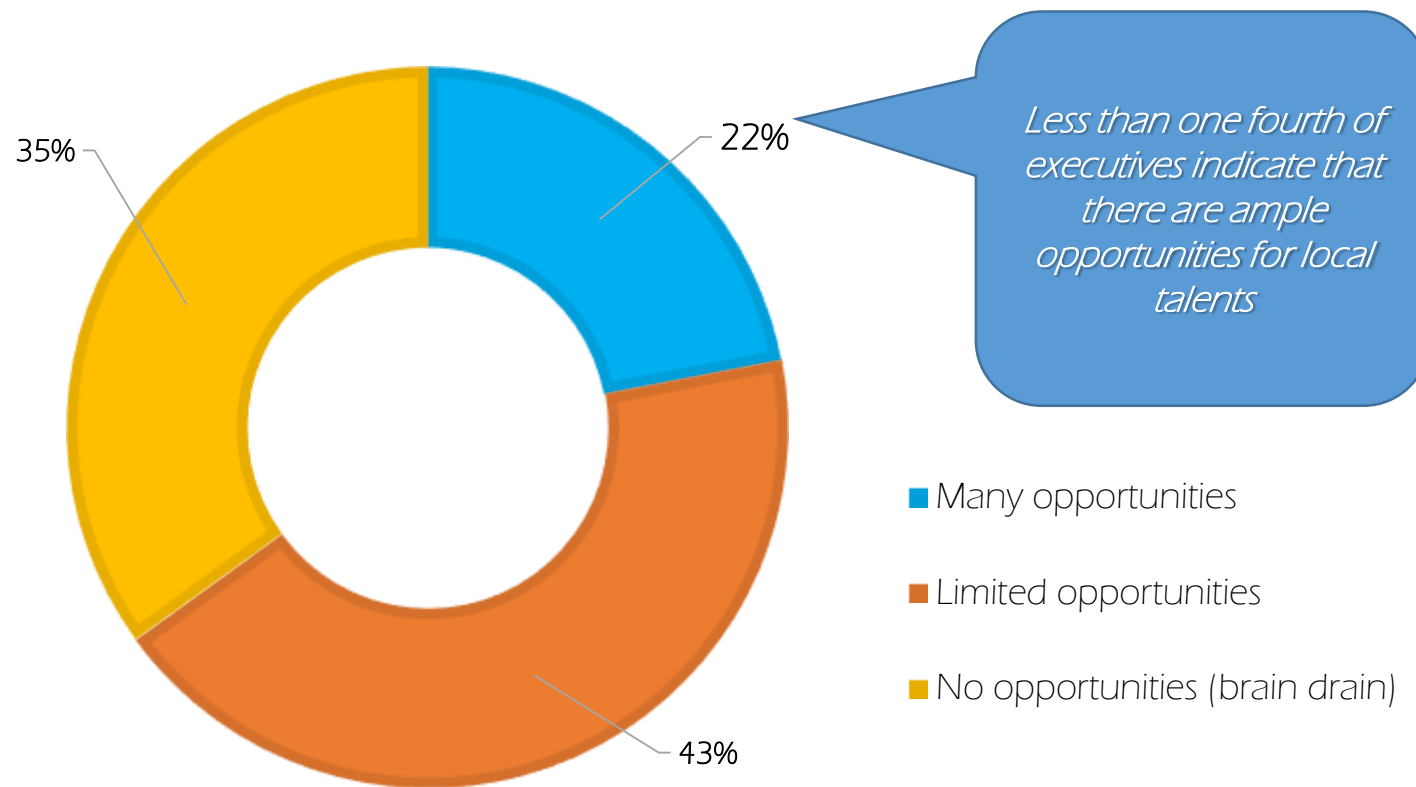
## Most important workforce skills? (%)



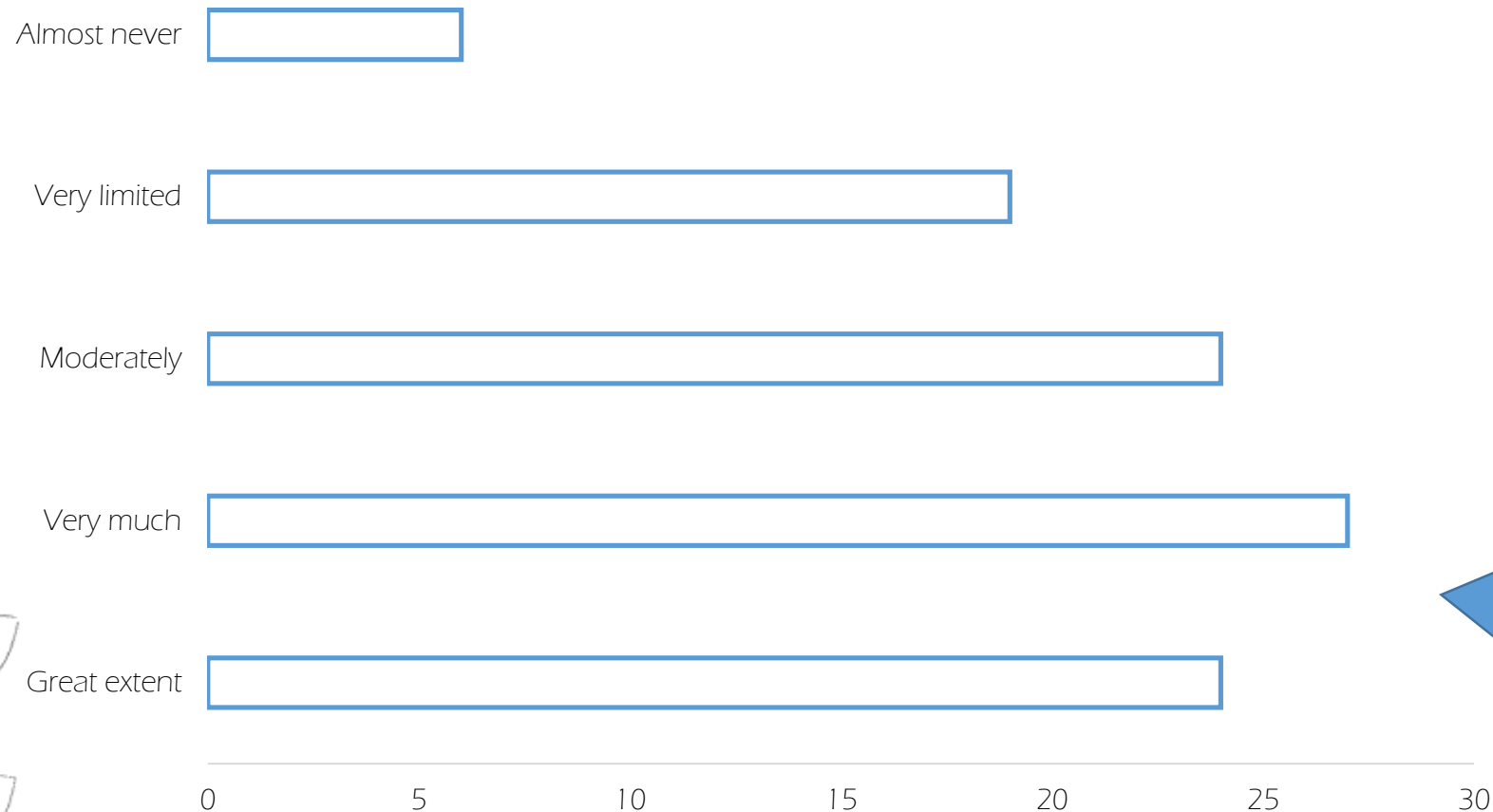
*Basic technical, task-oriented and executional skills are considered as most important workforce skills and professional traits by executives*



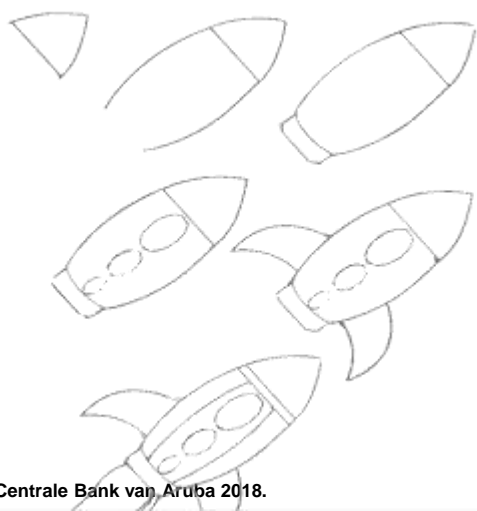
## Are there opportunities for local talents?



## Extent of investing in professional training and development (%)



*Less than 50 percent of business report investing significantly in professional training and development of their employees*



## World Economic Forum (2017)

### in 2020

1. Complex Problem Solving
2. Critical Thinking
3. Creativity
4. People Management
5. Coordinating with Others
6. Emotional Intelligence
7. Judgment and Decision Making
8. Service Orientation
9. Negotiation
10. Cognitive Flexibility

### in 2015

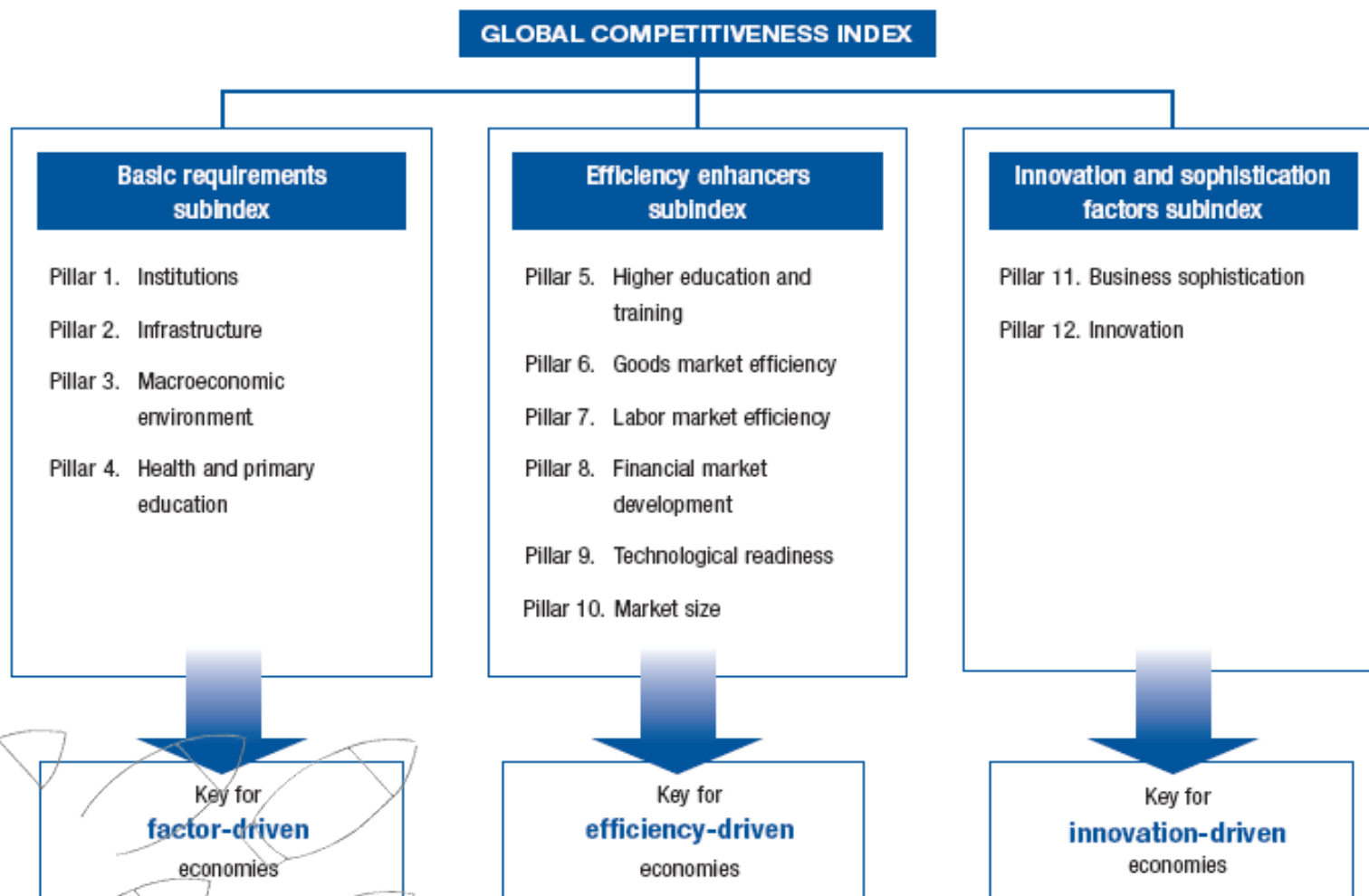
1. Complex Problem Solving
2. Coordinating with Others
3. People Management
4. Critical Thinking
5. Negotiation
6. Quality Control
7. Service Orientation
8. Judgment and Decision Making
9. Active Listening
10. Creativity

## Aruba (2017)

1. Service Orientation
2. Critical Thinking
3. Communication/Active Listening
4. People Management
5. Creativity
6. Quality control
7. Ethical behavior (Judgement & Decision Making)
8. Flexibility (Cognitive Flexibility)
9. **Complex Problem Solving**
10. Technical/IT Skills

11. Negotiation
12. Coordination
13. Change Orientation
14. Curiosity





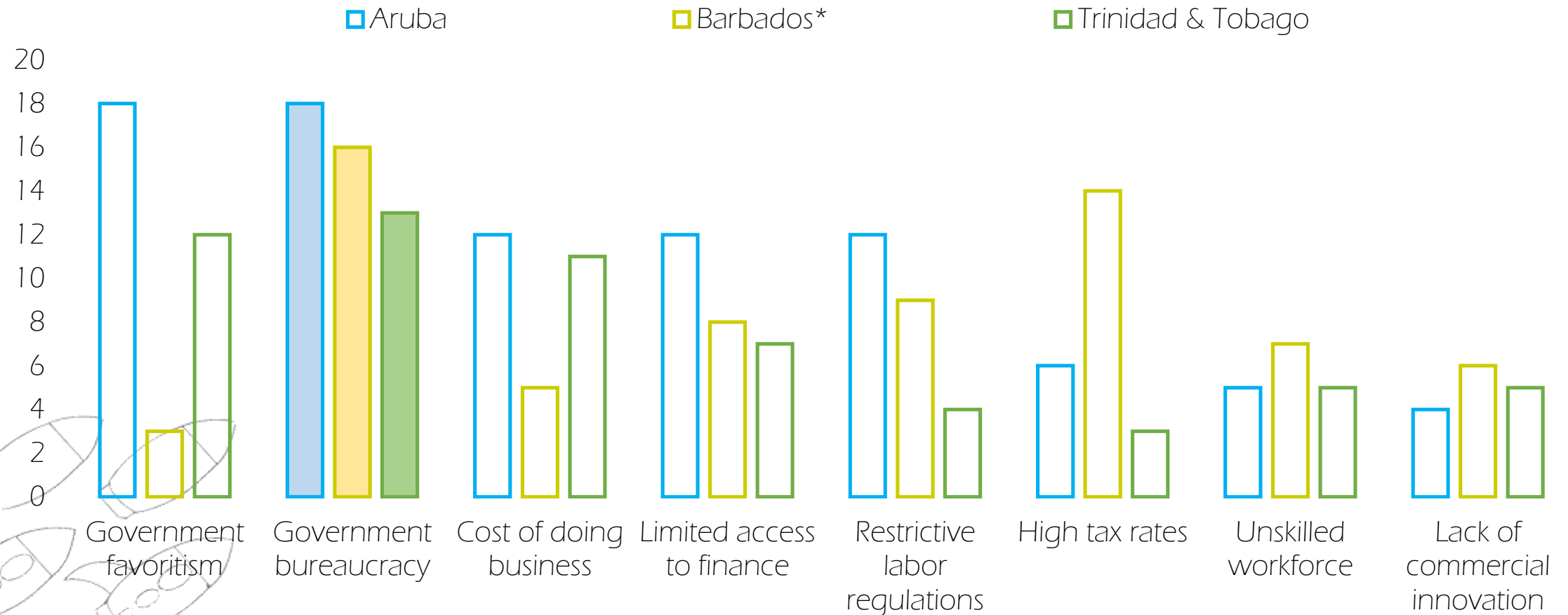
	Economy	Score <sup>1</sup>	Prev. <sup>2</sup>	Trend <sup>3</sup>
1	Switzerland	5.86	1	.....
2	United States	5.85	3	.....
3	Singapore	5.71	2	.....
4	Netherlands	5.66	4	.....
5	Germany	5.65	5	.....
6	Hong Kong SAR	5.53	9	.....
7	Sweden	5.52	6	.....
8	United Kingdom	5.51	7	.....
9	Japan	5.49	8	.....
10	Finland	5.49	10	.....
11	Norway	5.40	11	.....
12	Denmark	5.39	12	.....
13	New Zealand	5.37	13	.....
14	Canada	5.35	15	.....
15	Taiwan, China	5.33	14	.....
16	Israel	5.31	24	.....
17	United Arab Emirates	5.30	16	.....
18	Austria	5.25	19	.....
19	Luxembourg	5.23	20	.....
20	Belgium	5.23	17	.....

World Economic Forum

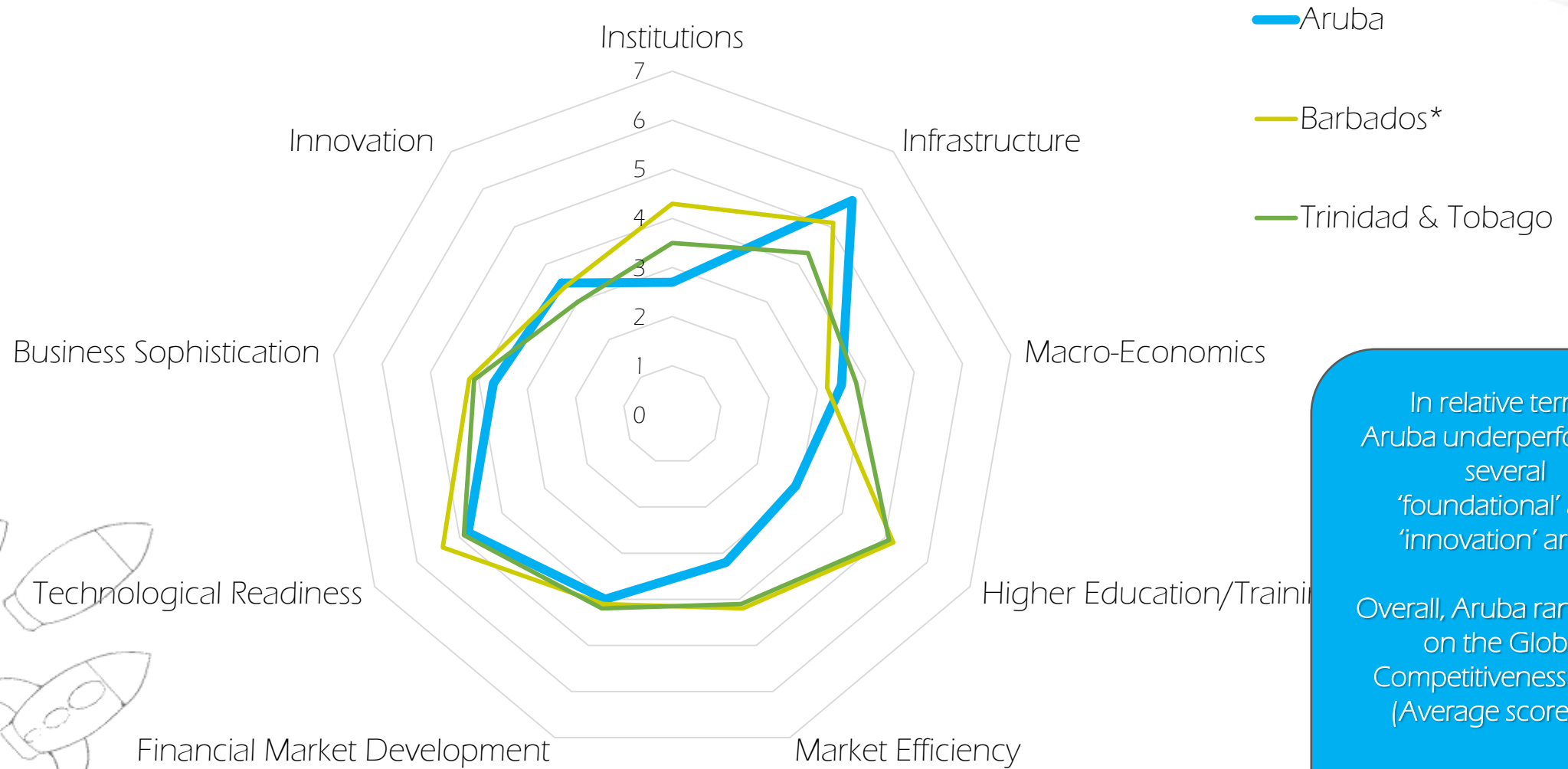


# Single most problematic factor for doing business in small island Caribbean states

(CBA, 2017; WEF, 2016\*, 2017)



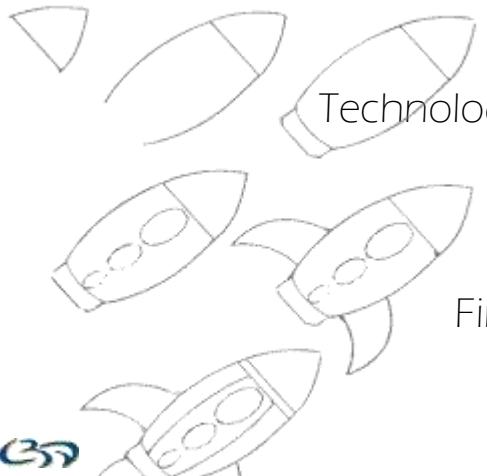
# Comparative analysis of main pillars of economic competitiveness (CBA, 2017; WEF, 2016\*, 2017)



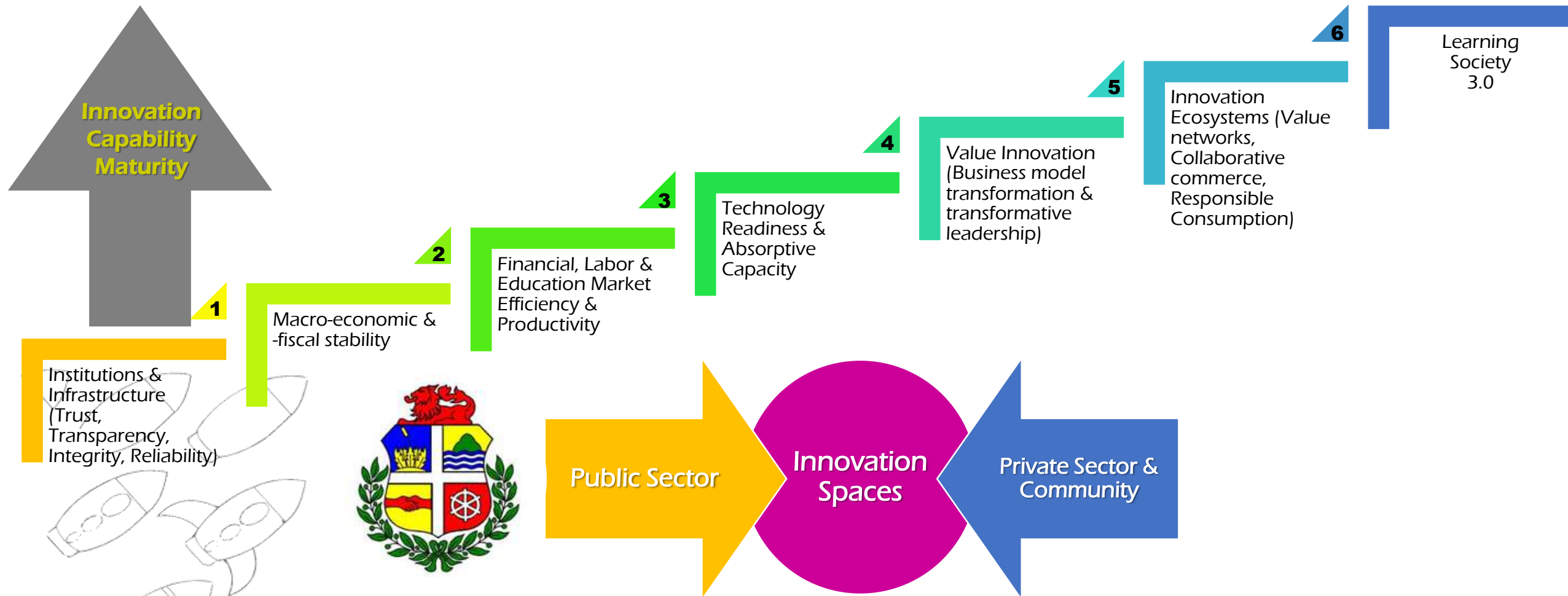
In relative terms, Aruba underperforms in several 'foundational' and 'innovation' areas.

Overall, Aruba ranks 72<sup>nd</sup> on the Global Competitiveness Index (Average score 3.8)

Note: Leading countries score > 5.5



# Building an Aruban Learning Society





eGovernment



Financial  
Ecosystem



Innovation  
Leadership



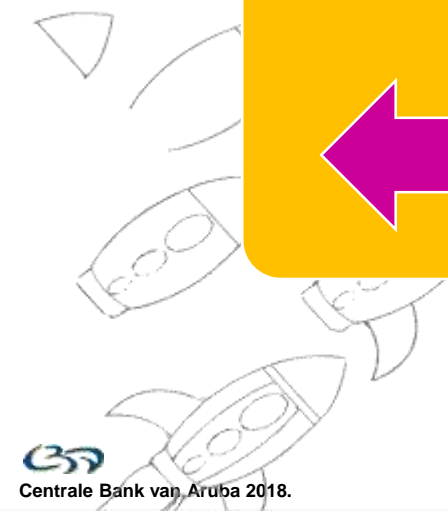
Digital  
Capabilities



Collaborative  
Platforms



Innovation Spaces – Interconnected ecosystem of trust, transactions, talent, technology & transformation



# Thank You



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