

# CHALLENGES TO FINANCIAL STABILITY IN THE CURRENT REGIONAL MACROECONOMIC ENVIRONMENT

Feature Address

by

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at the

CCMS Senior Level Policy Seminar

on

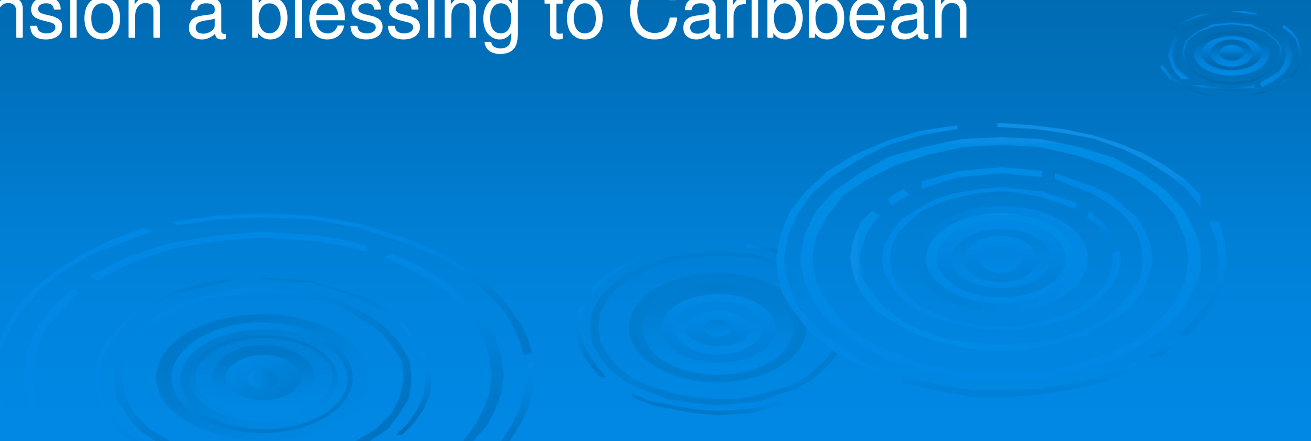
**Financial Stability in the CSME:  
Opportunities and Challenges**

Port of Spain

Trinidad & Tobago

The theme of this year's Seminar is  
***Financial Stability in the CSME:  
Opportunities and Challenges.***

A decorative graphic at the bottom of the slide consists of several sets of concentric circles, resembling ripples in water, rendered in a lighter shade of blue against the darker blue background.

- Financial Crises in emerging economies over the last decade.
  - Imperative to put measures in place for sound and well-managed financial systems
  - Global growth expected to be 4.9% in 2006
  - Global expansion a blessing to Caribbean countries
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➤ Three risk domains come immediately to mind

- Public Debt
- Fiscal Performance
- External Shocks

➤ Financial Services Sector Is a potential area of growth for regional economies

➤ Adopting the right mix of economic and financial reforms will generate sustainable growth and enhance the international competitiveness of the Sector.

➤ Regional Government need to focus on three areas

- Debt Management Strategies
- Risk Reduction - Financial Sector Assessment Programme (FSAP)
- Financial Reforms

## ➤ Benefits of the Caribbean Single Market and Economy

- Ease of entry to establish a commercial presence and indefinite stay to do so;
- Ease of administration for the registering and/or incorporation of companies;
- Access to capital in the receiving member state;
- Access to land, buildings and other property; and
- Freedom of entry for managerial, supervisory, and technical staff and spouses and immediate dependent family members.
- Access to a large base of potential investors

# IFC Publication of doing business

- Legal Rights for Borrowers
- Credit Bureau coverage



## ➤ Experience of Trinidad and Tobago

- Economic and Financial Reforms
- Elimination of all control on Current and Capital transactions
- Modernization and Diversification of the financial sector
- Establishment of a International Financial Centre in Trinidad and Tobago
- International Credit Ratings
- Port of Spain as a major commercial centre, business hub and gateway to Latin America



## ➤ Benefits of an IFC

- Investor confidence
- Development of a secondary capital market
- Employment
- Sustainable economic growth and development



Trinidad and Tobago participation in International Trade negotiations in the WTO, FTA and CSME for financial services.

