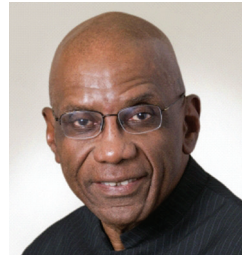




Celebrating our Independence



By Dr. DeLisle Worrell
Governor
Central Bank of Barbados



Barbadians approach the fiftieth anniversary of our country's anniversary at a very challenging time for our economy, and indeed for the Caribbean and the world in general. Our economy is slowly recovering from the global economic recession of 2008, which brought to an end the boom in purchases of second homes and villas in Barbados by visitors. The financing for a new hotel fell through, the largest hotel in the country failed, and Barbados was affected by the global decline in tourist travel. At the same time, a rise in oil and commodity prices inflated our import bill. Our important international business and financial services centre has been buffeted by regulatory changes and international misunderstandings, and Barbados' international borrowing strategy has been complicated by rapid fluctuations in international financial markets.

Barbados has coped well with the challenges posed by the uncertain economic environment which has characterized the world economy ever since the onset of the Great Recession. Government has avoided the kind of sustained fiscal expansion that would have eroded the country's foreign exchange reserves, and as a result Barbadian authorities have been able to pursue policies to strengthen the country's competitiveness and restore its long term growth prospects. Nonetheless, major challenges remain, among them the continuing volatility of international prices, the downgrade of Barbados Government bonds by international ratings agencies, the international assault on small international financial centres, and the general level of uncertainty on the global markets everywhere.

In spite of these challenges, we are in an era of seemingly limitless possibilities, thanks to technological breakthroughs and new global electronic communications that have truly made the world everyone's oyster. Exploiting the potential for Barbados to gain from the appropriate use of new technologies to address the global market may seem like a daunting task, but we should take courage in addressing this task when we reflect on our extraordinary achievements over the years since our independence.

Barbadians have every reason to celebrate our country's extraordinary achievements over the past fifty years and more, not out of a spirit of triumphalism, but because our past performance gives us the self-confidence, the energy and the enthusiasm to tackle today's unprecedented challenges with the steadfast determination to make for ourselves an even more successful future than what we, as a country, have so far achieved.

As we celebrate, we should bear in mind the lessons of our history. We have been as successful as we have been because we were prepared to address challenges that seemed well-nigh impossible with determined purpose, because we were prepared to make short term sacrifices in order to secure the foundation for long term prosperity, and because we have been willing at all times to live within the means that our foreign exchange inflows have permitted.