How can we spur private sector recovery in the Caribbean?

A new IDB Invest study shares insights on the impacts of the pandemic on Caribbean firms and their needs moving forward.

9 out of 10 firms have qualified the impact of the pandemic on their business as negative.

Sales and capacity utilization declined in 9 out of 10 companies, while a third of companies reduced their labor, particularly SMEs.

Women owned/led firms were 7 percentage points more likely to report reductions in capacity utilization.

Firms that implemented telework or supply chain strategies were more resilient and cut fewer jobs.

Firm priorities have shifted post-pandemic, with greater emphasis on access to digital payments and telecommunications.

- Inadequately educated workforce: Pre-COVID 22%, Post-COVID 18%
- Access to digital payments: Pre-COVID 0%, Post-COVID 14%
- Electricity: Pre-COVID 10%, Post-COVID 10%
- Telecommunications: Pre-COVID 2%, Post-COVID 9%
- Access to finance: Pre-COVID 10%, Post-COVID 5%

Technical assistance focused on digitalization and market and client diversification are among firms' top demands for recovery.

- Employee training programs on digitalization and online production and operation
- Networking programs to support market development and maintain access to financing
- Diversification of marketing and operations support programs
- Export promotion programs
- Technological and Innovation support programs
- Human resource support oriented towards organizational changes

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How can we improve resilience and spur economic recovery through the private sector?

- Strengthen telecommunications infrastructure and innovative digital business models.
- Support talent and skill development to better match the needs of both traditional sectors and industries in emerging technologies.
- Target post-pandemic recovery efforts on the most affected segments and those with largest market failures, such as women-owned/led firms and SMEs.

1. Share of firms identifying each obstacle both for the pre-pandemic and post-pandemic periods. 2. This figure shows the three most selected support needed by firms in each country.