

A new game plan
Curaçao Chamber of Commerce & Industry annual address
by Willem (Billy) Jonckheer, chairman

Prime Minister Asjes and Ministers Irene Dick of Education
Members of Parliament
Other authorities,
Fellow chairs of business organizations,
Representatives of the Labor Unions
Representatives of the news media,
Dear colleagues,
Ladies and gentlemen, Friends,

Last year we focused on getting everyone on the same page.

In fact 2013 turned out to be economically a very tough year, generally due to budgetary measures in the public sector and, slowing down of the growth in tourism and the low level of investments. This implies that 2013 is the fifth year in a row with a zero-growth.

Exploration of foreign markets opportunities

Worldwide the strength of the national economies is also measured by consumer spending and investments.

Basically in Curaçao we need to get our growth from foreign markets, which explains why we need to explore foreign market opportunities.

Why didn't we? There are several opinions about this.

The main reason for this is the low confidence of the private sector. Is this due to the lack of opportunities, the lack of creativity, or simply way too many risks?

We are of the opinion that cause is the high risks, which are tied to local circumstances, and that have been taking place since 10.10.10 and some started even before that time.

Let me just name a few:

- A crumbling public infrastructure
- An educational system that was and is not delivering
- Crime, safety and security
- A divided community where its important players such as Government, private sector and the unions were not talking to each other.

But what can be called remarkable is that we seem to have been dedicating our best efforts in debating non-issues, during which in a certain peculiar way we seem to have lost our respect for each other. This helped create a climate in which there was no room for advancement, nor room for solutions for the real challenges our community is facing and will be confronting in the coming years.

Enough said about 2013.

This year there is one central issue: it won't be business as usual!

We really need 2014 to be different and better, much better. It is time to re-focus and start doing the right things that will be beneficial to our community.

What really matters is the quality of life we need to have for all in Curaçao.

Quality of life is comprised out of a lot of elements.

For example: good infrastructure, good housing, good education, and jobs which provide us with the means we need to acquire our personal independence from, and build up and maintain our own perspective in our lives and of our loved ones.

Therefore our best efforts –and the same passionate way of debating- should be directed towards that which provides for our personal independence and development, being the economy, our jobs, our family and our country.

Ladies and gentlemen,

I want to leave you with three specific topics that we are debating and need to be agreed upon.

1. We need new and stronger pillars of the economy

Our economy is at the start of a major transition period, which period we need to steer cautiously to become successful at the end.

The economic significance of traditional industries, namely oil refining, international financial services and logistics have been declining in the last decennium.

This implies that the traditional pillars of our economy, on which the structures of our society have been built, does no longer have the same carrying capacity. One of the main aspects is that economic activities with high paying jobs and with a high level of added value have been replaced by economic activities with lower paying jobs, while productivity in those latter sectors is lagging behind international benchmarks.

A paradigm shift is necessary, an out of the box approach, so you will, together with strong organizational and reengineering skills, are required to build new economic pillars. We also need to enhance the other pillars we have in order to fortify and expand the carrying capacity our economy must provide in order to secure a decent standard of living for all of our citizens. It is not longer “business as usual”. Not for Government, not for entrepreneurs, and not for you, our citizens.

2. My second point is: if we want different and better results, we need to do things different and better

For once, we really have to get rid of red tape. The causes of red tape need to be removed by doing things differently and better.

The changes ahead require a new approach to topics that are of a general nature, for example, collective provisions and policy cannot be any longer a matter of “one size fits all”.

Doing things better also entail that we need to plan and execute. It will be about getting all players on board and alignment, public finance, education, training, and instruments to even-out negative influence of the limited economies of scale in all its aspects.

It will also be about the economy, economy and more economy, in which principles of good corporate citizenship play a central role.

Redefining the omnipresence of Government in our economy requires a new game plan. A game plan that first of all would include government backing off as an economic player and becoming a facilitator.

Our private sector should be stepping up to the plate and allocate their scarce resources in a more productive manner and compete effectively in this ever changing world. It would also require that we separating the planning of important topics, like social development from economy, as the one is a goal and the other a vehicle to obtain the goal. Off course we cannot achieve the right goals with our national labor productivity lagging behind the benchmarks of our competitors.

A pivotal role should be played by our youth and younger entrepreneurs, as they are the ones that will be confronted with the implications of what will be decided today. Our youngsters no longer have the luxury to be bystanders. Don't ask the older generation what they can do for you, but do it yourself, as we did. Be responsible for your own future.

Safety and Security plays a major role in any scenario. If we do not address this issue with the required urgency and effectiveness it requires, we will not succeed in doing anything else. Safety and security are preconditions for increased development.

3. What are we actually doing to get 2014 going the way it should?

Getting to the economic facts, the Chamber has been looking at the binding constraints preventing us from speeding along the growth path. We are actively engaged in communications with entrepreneurs, members of our parliament, ministers and other government representatives and came up with a list of existing constraints that are reducing our economic output.

The areas within which the relevant constraints were identified are:

Economy, Education, Labor Market, Social Security, Health Care and Safety & Security.

A binding constraint in itself has been until now the lack of institutionalized effective consultation, communication, planning and execution between government, institutions, private sector representatives, workers and entrepreneurs, and well organized NGO's.

Our Chamber welcomes all initiatives which bear the seed of prosperity and abundance. An approach based on scarcity is not an option.

For this reason we welcome the fact that recently all actors in our community have initiated talks in order to get our economy moving.

As a matter of fact, we expect to be able to co-organize an economic summit within short, while we are in the final stage of starting a national dialogue between the three social partners, being Government, and representative organizations of Employers and of Employees. We should not shy away from debating why the labor market needs to be more mobile and/or why there is so much risk adversity.

We firmly believe that these actions, combined with the approach of doing things differently and better, will have their positive effects on consumer and investor confidence, and getting us on a sustainable growth path.

This brings us to 2014: what can we expect?

With regards to investments: while government is looking at ways to facilitate economic growth by means of enhancing the business climate in consultation with the private sector, the following planned public sector investments seem to have found the track of execution:

- our main roads are actually being repaired and/or enhanced, preventing loss of productivity in the private sector.
- the project to build a new hospital has been started;
- housing projects are off the shelves and are in the process of being executed.

We trust to see some projects added to this list, namely: the second mega pier, the development of Caracasbaai and a new connection between Jan Thiel and Willemstad added to the list, besides development of the harbor and expansion of the airport within the airport city concept.

The Chamber will support any expeditious, transparent and systematic privatization of government-owned enterprises, not as a short-term cash generator but as a way to generate long-term economic spin-offs to the benefit of the Curaçao community. We would like to mention specifically the dry-dock operations; we should be outsourcing these activities to international players with networks in the industry, expertise, capital and clients as soon as possible.

The private sector is also finding the tracks, pending concerted efforts to fuel the demand of the product Curaçao, as our limited local market does not have the scale:

Building a new Hard Rock Hotel at Pietermaai;
Investing in the renovation of the Marriott hotel;
Building of sporting facilities;
Organizing and funding of another North Sea Jazz Festival;
bringing Santa Barbara Resort to its maturity;
finalizing the Sambil Shopping Mall;
building a new hotel at Rif.

At any rate, the private sector really needs to rise up to the occasion and fulfill its role as an important motor of our economic development. We expect a proactive role of financial institutions in fueling these investments and a facilitating role of government, through its development institutions, when and where our private sector reaches the limits of possibilities.

Dear entrepreneurs, the economy is our job, not the government's. And yes, we know it's not easy for entrepreneurs fighting 24/7 to make a decent living.

Staying at the positive side of things happening, in 2013 our Chamber has conducted a comparative study on the export of services, and has positively identified opportunities to organize growth in this sector of our economy. In 2014 this sector will be actively included in all our efforts to bring our entrepreneurs to new growth markets, and attract potential customers to Curaçao, and matching these with our local businesses.

Our game plan will also include Airlift and Destination Promotion as important topics in these efforts, besides, again:

- getting rid of red tape,
- creating a red carpet treatment for those from abroad that can contribute to our success, like second home and yacht owners, foreign students, retirees, winter visitors and investors in sectors of the economy where such is needed, fiscal restructuring and simplification, development finance;
- Educational system reform;
- Labor mobility and labor market planning;
- Youth unemployment, and last but not least, Safety and Security of our businesses and citizens.

We will be participating actively and in a constructive manner in the national dialogue process which will have to lead soon to a new game plan and specific actions resulting in a welcoming environment for economic and social development of Curaçao.

I would like to finalize this section by repeating a famous line that I believe we should embrace in Curacao. It was said by JFK in his inauguration speech in 1960; "Don't ask what your country can do for you, but ask what you can do for your country"

Presenting the 2014 board of directors:

The Chamber's board for this year features three new board members and a new deputy chairman.

Our new board members are:

- mrs. Jeanette Hooi-Bonet of the Kura Hulanda hotel, which re-started recently under the management of GHL hotels;
- Michael Marugg, entrepreneur and developer;
- Bryan Irausquin, tax partner at Ernst & Young

Our other board members are:

- Mrs. Sita Finessi; a tax adviser;
- Marcos Cova, executive director of Indel, and recently elected as the vice chair of the Chamber for 2014;
- Arthur Rosaria, entrepreneur and well known for his activities with ActionCoach;
- Rudolph Haseth, entrepreneur, whom is well-known in the world of soccer;
- Ivan (Vanky) Moreno, our past vice chair, active in a diversity of activities,

And myself Billy Jonckheer, your chairman for this year.

Recognition is also due to our professional staff.

Having said that, it is my pleasure to invite you to toast to a wonderful year, and invite you to be with us for the next hour or so and enjoy the drinks and snacks.

Cheers!

Brakkeput Mei Mei, January 23rd, 2014