

Gov't to Provide More Support for SMEs

MONTEGO BAY (JIS):

Saturday, September 12, 2009



Prime Minister, Hon. Bruce Golding, addresses a press conference held yesterday (Sept. 11) at the Half Moon Hotel in Montego Bay just before the staging of the Caribbean Pioneers of Prosperity awards ceremony. Looking on at right is co-founder of the United States-based Social Equity Venture Fund, which is one of the organisers of the award programme.

Prime Minister, Hon. Bruce Golding, has said that the government will be providing more support for small and medium-sized enterprises (SME), in light of the importance of these businesses to the Jamaican economy.

"I think we need to provide the enabling environment and the institutional support. I think (SMEs) hold the key for much of the hopes that Jamaica has for the future," he stated.

The Prime Minister was addressing a press conference held yesterday (Sept. 11) at the Half Moon Hotel in Montego Bay, which preceded the announcement of winners in the Caribbean Pioneers of Prosperity programme.

The Prime Minister said that while the government has implemented a number of initiatives to assist SMEs, more work needs to be done to create a sustainable environment that is supportive of these businesses.

He noted that the macro-economic challenges, which have led to high interest rates within the banking sector, are having a negative effect on SMEs.

"Small and medium-sized enterprises are very vulnerable to expensive money, because so many of them commence business heavily leveraged. The people, who normally start small businesses, are not people who can come in with significant amounts of equity; they depend on debt financing, and when that debt financing is expensive, it impairs the chances of success," he pointed out.

"That is why we have such a high rate of failure among SMEs and that is something that we have to address. We will not be able to do it in the short-term; it is over the medium to

longer term period, but we have to go in that direction," the Prime Minister stated.

He said that while the government is committed to providing support, the ideal is to get to the stage where persons can engage in business ventures that are profitable, and that will be successful, without having to reach out for special programmes.

In his address at the award ceremony, which followed, Prime Minister Golding commended the awardees for their innovativeness, competitiveness, strength of commitment, determination and leadership.

He said that they have demonstrated that "the risk of adventure can lead to the harvest of success, which is what entrepreneurship is all about".

In the meantime, Guyanese company, Bulkan Timber Works Inc., was declared winner of the Caribbean Pioneers of Prosperity Award, receiving the coveted US \$100,000 prize and a trophy. Jamaican company, Totally Male and Alternative Insurance Company from Haiti were the two regional winners, each receiving cheques for US\$75,000 and trophies.

An initiative of the Multilateral Investment Fund of the Inter-American Development Ban (IDB), the John Templeton Foundation and the Social Equity Venture Fund, Pioneers of Prosperity is an international programme, which seeks to inspire and mobilise a new generation of entrepreneurs in emerging economies, by identifying, rewarding and promoting outstanding SMEs, that can serve as role models to their peers.



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