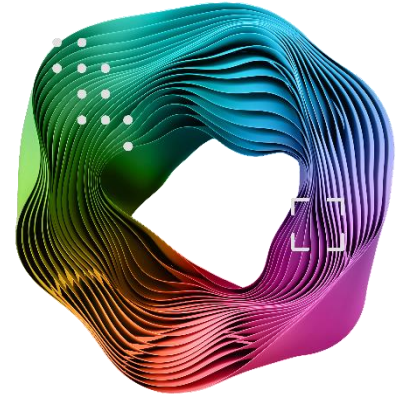


Barbados at the AI Crossroads: Opportunities and Challenges in the AI Era



Author: Pieta Brown, GenAI Lead, Deloitte Caribbean and Bermuda region

Original article published in the Barbados International Finance and Business 2025 magazine

As artificial intelligence (“AI”) and generative AI reshape the global business landscape, Barbados stands at an important juncture. The nation's robust international financial services sector and progressive digital policies position it well to adapt to this technological revolution, though challenges may lie ahead.

The banking sector is embracing Barbados' AI adoption, with examples such as CIBC Caribbean recently showcasing Tiffany, a conversational AI avatar designed to enhance customer service and financial literacy. Export Barbados has also demonstrated the use of AI and robotics, particularly in property management, through its Innovative Industrial Estates initiative, automating tasks like lease payments and contract issuance.

The nation's commitment to innovation is evident in its recent return to the Global Innovation Index, securing the ninth position in Latin America and the Caribbean and 77th in the 2024 ranking globally. This achievement places Barbados as a leading innovator among CARICOM members.

The 2024 Barbados International Business Association Global Business Week Conference highlighted critical factors for successful AI implementation. Data readiness emerged as fundamental, emphasising that organisations must establish robust data foundations before implementing AI technology. The conference also revealed AI's potential beyond productivity gains, particularly in driving innovation and product development.

However, challenges must also be addressed. The Honourable Mia Amor Mottley, Prime Minister of Barbados, has emphasised the need for robust regulatory frameworks to govern AI usage, particularly given concerns about misinformation and potential misuse.

This is especially crucial for Barbados' financial services sector, where AI applications must align with anti-money laundering (AML) requirements and cybersecurity considerations.

The intersection of AI with AML compliance presents both opportunities and risks. While AI can enhance transaction monitoring and suspicious activity detection, the technology's "black box" nature could complicate regulatory oversight; financial institutions must ensure their AI systems can be effectively governed. Cybersecurity presents another critical challenge. As financial institutions increasingly rely on AI systems, they also become more vulnerable to sophisticated cyber-attacks including the risk posed by AI-generated 'deepfakes'. Addressing these risks requires a comprehensive approach to security, including enhanced monitoring systems and a proactive approach to security given the rapidly evolving landscape.

Barbados' service-based economy faces potential disruption from AI advancement. Local experts warn that a heavy reliance on service-based and knowledge sectors could make Barbados vulnerable to AI-related impacts. While this presents risks of job displacement in some service roles, it also offers opportunities for economic diversification and innovation. Educational institutions are responding to these challenges. The University of the West Indies (UWI) Cave Hill Campus now offers a specialised AI marketing course, while private sector institutions provide training in AI-driven software development. Dr. Curtis Charles, Director of Academic Affairs at UWI's Five Islands Campus, emphasises that universities and governments have a significant opportunity to retrain and prepare citizens for the AI-driven economy. To position itself effectively in the AI era, Barbados could consider several key focus areas such as:

- Developing a national AI strategy and roadmap that addresses both opportunities and risks;
- Strengthening regulatory frameworks governing AI use, particularly in financial services;
- Enhancing digital infrastructure to support AI adoption;
- Expanding educational programmes to build local AI fluency and skills; and
- Fostering further partnerships between academia and industry to drive innovation.

Export Barbados' integration of AI into industrial operations provides a compelling example for how traditional sectors can leverage new technology. The path forward requires a balanced approach that embraces innovation and potentially disruptive technologies while addressing challenges in infrastructure, education and regulation. By taking decisive action now, Barbados can position itself as a regional leader in AI adoption and innovation, creating new opportunities for economic growth and development in the digital age.