

LEAD PRESENTATION



HON. G. ANTHONY HYLTON
MINISTER OF INDUSTRY, INVESTMENT
&
COMMERCE

JAMAICA DIASPORA CONFERENCE 2015
MONTEGO BAY CONFERENCE CENTRE

MONDAY, JUNE 15, 2014 at 8:30 AM

SALUTATIONS:

- Colleague Ministers
- Members of the Diplomatic Corp,
- Members of the Diaspora Community
- Heads of International Organizations
- His Worship the Mayor Cllr. Glendon Harris
- Hon. Ewen Corroodus, Custos of St. James
- Mr. Milton Samuda, Chairman, JAMPRO
- Panelists in this plenary:
 - Mr. Richard Lumsden, Deputy Director General, Economic Planning and policy Logistics, Planning Institute of Jamaica
 - Professor Alvin Wint, Member, Electricity Sector Enterprise Team
 - Mrs. Thalia Lyn, Founder & CEO, Island Grill Restaurants
 - Mr. John Robotham Esq, Attorney-at-Law, Cooke Robotham, LLC, USA
- International and Local Investors
- Permanent Secretaries
- Heads of Government Departments and Agencies
- Members of the Private Sector
- Specially Invited Guests,
- Members of the Media,
- Ladies and Gentlemen... good morning

It is always a great pleasure to be among members of the Diaspora, especially at homecoming events like this!! As a former member of the Diaspora community and the former Minister of Foreign Affairs, I understand and respect your role as part of the Jamaican economy and as a key driving force in the demonstration, promotion and popularization of the Jamaican culture abroad.

Ladies and gentlemen, it is truly the diaspora that takes Jamaica to the world and the world to Jamaica. On a recent trip to Costa Rica, this fact came into renewed focus. Whilst there, I met the President Luis Guillermo Solís who boasted to me of his Jamaican roots, as a major source of pride. I was also able to visit Puerto Limon, which is the second largest city in the country outside of San Jose, and I was pleasantly surprised at the rich Jamaican heritage and still vibrant culture. It was just like being at home eating rice and peas, plantain and breadfruit. I share this experience to highlight that the Jamaican diaspora is alive and kicking!

It is you, ladies and gentlemen, whether 1st, 2nd, or 3rd, generation Jamaicans that act as ambassadors of this great nation. The saying “**We little but we tallawah**” is constantly in the back of my

mind when I meet yet another Jamaican who has become a captain of industry, a political leader or a great scholar. It is you who allow our small island to have an expansive reach, something that could not have been achieved by only the 2.7 million living here on the rock.

Achievements

Already, it has been two years since we met in this forum to discuss the happenings in Jamaica's industry, investment and commerce portfolio. I am very pleased to share that a number of key transformational changes have already taken place in our business climate, which will NOT ONLY allow you the ease of doing business in Jamaica and to take advantage of the opportunities coming on stream, but has also significantly improved our country's competitiveness and attractiveness for foreign investments.

I am happy to share that we continue to place increased attention on the micro, small and medium sized enterprises (MSMEs) as one of the primary engines of growth in this country. This sector is responsible for approximately 90% of our jobs and is critical to facilitating inclusiveness in the economy and increasing our GDP.

In this vein, we created the MSME and Entrepreneurship Policy which provides a roadmap for the development of the sector. The Policy has guided our work in reducing the impediments faced by MSMEs through the development of new legislations and business development programmes. This is particularly evident in the areas of obtaining financing and the protection of their intellectual property.

In these last two years we have introduced three (3) pieces of legislations, these include:

- The Security Interest in Personal Property (SIPP) Act and the associated National Collateral Registry. Both elements seek to modernize the framework for lending and improving the availability of credit to the private sector, and more specifically to micro, small and medium sized enterprises (MSMEs). They liberate the small investor from real estate as the only form of collateral. Other forms of collateral now include moveable property, livestock and critically intellectual property.

- The Insolvency Act 2014 is another key piece of legislation. It is a modern framework for resolving matters of individual and business insolvency. The legislation provides for the rehabilitation of companies under court protection, which have either fallen into, or are on the brink of insolvency and so will help to remove some of the trauma associated with bankruptcy in Jamaica. The ultimate goal is that entrepreneurs will not be stigmatized for taking risks, nor left without remedies when a normal business failure occurs.
- The modernization of the Intellectual Property regime is another important frontier. Only last Tuesday, the amendment to the Copyright Act 2015 was passed in Parliament. The amendment has extended copyright from 50 years to 95 years to ensure continued income for the families of creators of works after their deaths. More significantly, the law frames the modern intellectual property regime for the protection of trademarks and patents as we seek to foster and build Jamaica as a business friendly country.

- One of our critical business development programmes is the introduction of a Mobile Business Clinic. The Clinic was developed to provide a one-stop-shop offering business development services, information to demystify new business legislation. The Clinic, which makes stops in a different parish each month, has already made its way across a third of the island.
- We will not stop there!! I have also appointed an MSME Financing Task Force that consists of representatives from the private sector, the public sector and academia. I charged the group to explore the various constraining factors surrounding the MSME's eligibility for financing and come up with innovative recommendations for addressing them. I expect far reaching proposals in a month or so time.

Ladies and gentlemen, The Logistics Hub Initiative is the main prong of the growth agenda and critical to our drive to becoming a logistics-centred economy. The projects surrounding the integrated logistics hub is geared to improving and expanding our port facilities as we look to the increased maritime traffic from the Panama Canal, as well as the increased business opportunities and employment for Jamaican people through the establishment

of Special Economic Zones for large companies and pioneering industries interested in setting up businesses in Jamaica.

We have taken the time to put in place the soft infrastructure for the development of the hub and we are seeing the attendant investments come to life.

- In fact, the development and modernization of the port facility is one of the first steps in this direction. To achieve this, a concession agreement has been signed between the Government and the world's third largest shipping line CMA CGM to the tune of USD 600 Million.

We are also continuing with the thrust to improve local logistics through completion of the North- South Link of Highway 2000 to facilitate the ease and speed in the movement of persons and goods across the island. Indeed, I am certain that some of you have already had the experience of getting from Kingston to Montego Bay via a portion of the Highway in under 2 ½ hours. When completed, the journey will be covered in even less time.

Indeed, the recent groundbreaking ceremony at Kingston Wharves Limited for the development of the Total Logistics Facility at a combined investment of USD 100 Million is testament to the vision and support of the local private sector in the build-out of the hub. The inclusion of at least two local companies in the final bids for the concession to operate the Norman Manley Airport is another testament to the interest of local companies in participating in the build-out and operation of the hub.

Performance Indicators

Ladies and Gentlemen, we are pleased to state that the changes that we have implemented since we last met have borne much fruit, and we have improved in the major global indices. The most significant movement was seen in the Logistics Performance Index, in which the country moved from 124th out of 155 countries, to 70th out of 160 countries in the space of two years, putting Jamaica at third in the Caribbean region and 7th in Latin America and the Caribbean, overall. The next reporting on the LPI due out next year should be even more exciting!!

In the World Bank Doing Business Report we moved from 94th to 58th which placed Jamaica as first in the Caribbean in respect of the ease of doing business, and sixth in Latin America and the Caribbean.

In the Global Competitiveness Report Jamaica moved up 8 spaces, jumping from 94th to 86th.

As has been said by the Prime Minister in her opening remarks yesterday, we have been named the Best Country for Business in the Caribbean by Forbes Magazine.

Ladies and gentlemen, these accolades illustrate that Jamaica has not remained static but has experienced positive movement since the Diaspora Conference in 2013. We have made significant strides to ensure that Jamaica is more business friendly for investors, whether local or foreign. Today, we are more competitive, we are more focused and with your investment push we can achieve even greater things!!

Work on the Horizon

But, there is still more to do. On the horizon, we are targeting investments in specific areas that will further transform Jamaica's economic landscape.

- The establishment of Jamaica as an International Financial Services Centre is imminent. With the passage of the requisite legislations, the Government will have in place much of the infrastructure required to establish the country as an international tax compliant and transparent IFS centre similar to some of the leading countries providing this service. Key pieces of legislation have already been drafted and we anticipate that the promotion of opportunities in this area will commence in the second half of this fiscal year.

Our role as an IFS Centre will be complementary to the Logistics Hub Initiative as in all of the three existing global logistic hubs, there exist an IFS centre to facilitate the development and expansion of businesses. This function becomes of increased importance with the development of SEZs. Indeed, the establishment of Jamaica as an IFS will not only provide favourable financial services but we anticipate that it will create over 10,000 jobs and generate

approximately USD 300 million in revenue annually for the country. I implore you to consider Jamaica when seeking your next location to conduct international financial services.

- Also on the agenda is the amendments to the Trade Marks Act as well as our accession to the Madrid Protocol which will allow international registration of trademarks registered in one country (such as Jamaica) to be protected in the territories of the up to 95 members of the World Intellectual Property Organization.

Yet, another area of importance is geographical indications. According to the World Intellectual Property Office (WIPO), “a geographical indication (GI) is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin.” Today, Blue Mountain Coffee, Jamaican Rum and Jamaican Jerk are three of the most recognized geographical indications in the country. On the horizon is also the protection of certain strains of ganja identifiable in Jamaica.

To this end, we have taken steps to amend the Protection of Geographical Indications Act to provide the higher level of

GI-protection to non-wines-and-spirits. This means that all goods for which GI protection exists would be protected against the use of phrases like “Jamaican-style”, “Jamaican type” and “Jamaican kind” by foreign producers who seek to ride on the goodwill of our authentic Jamaican products.

- The creation of an improved trade facilitation regime is also underway. This is in a bid to ensure greater ease, speed and predictability in trading, to the benefit of suppliers located in Jamaica and their consumers or international partners. You will be pleased to note that one outcome is a vastly improved customs operation at our ports of entry!!

Emerging Industries

Ladies and gentlemen, we have also been working to develop some emerging industries. These are current, exciting and highly profitable opportunities. These include:

- Medical Marijuana and Industrial Hemp. This has been made possible with the recent amendment to the Dangerous Drugs Act. The Cannabis Licensing Authority to facilitate investment in and development of the industry has recently been established. As part of

the development of this industry, permits have been granted for UWI and UTECH to speed up their plans to create a Ganja Research and Development mecca, placing Jamaica among world leaders in this emerging global industry.

- Bamboo presents another exciting prospect for economic growth. Only a few months ago a local factory in Pembroke Hall, St. Mary became certified to produce the only USDA certified Bamboo Charcoal Product in the world. The farm has since filled an order for bamboo charcoal valued at USD 10 Million. Notably, Jamaica also now heads the International Network for Bamboo and Rattan (INBAR), which has a 40-country membership with a combined population of over three billion people, China included of course.

Ladies and gentlemen, these emerging industries present viable opportunities for you, as the Diaspora, to invest and some of you have been doing just that! This is undergirded by the fact that Moody's and Standards and Poor have recently upgraded our Government bond rating and long term credit rating respectively. These ratings, supported by our improved business climate

provide fertile ground to ensure value for your dollar. Ladies and gentlemen, now is the time to invest!

Current Investment Opportunities

With this in mind, let me highlight our major areas for investment. They are as follows:

- **Logistics**

The Logistics Hub Initiative presents a myriad of opportunities for investment. It is critical to the achievement of our growth agenda and establishing Jamaica as a logistics-centred economy, in order to function as a major logistics hub in the Western Hemisphere.

I am, therefore, looking forward to discussing practical partnerships at this Conference with investors interested in the various elements of the Jamaica Logistics Hub, which is centered on the incorporation of the transportation of goods via multiple modalities, through the integration of world class seaports (handling containers, dry bulk and liquid bulk commodities), airports, special economic zones, logistics

parks, integrated intermodal transport capabilities and supporting infrastructure such as telecommunications.

- **Tourism**

Tourism remains one of Jamaica's fastest growing and most profitable sectors. Investment opportunities abound because of the sustained popularity of the Jamaican brand of tourism. Yet, our natural resources, our rich heritage and culture, music, entertainment, abundance of medicinal herbs, and the overflow of healing springs and fountains, are proof that Jamaica has far more to offer; particularly in health and wellness tourism where we can tap into the natural endowments of our country. As such, we are looking forward to the conversations at this Forum that will advance Jamaican Tourism to the next level of diversification and growth. My colleague Minister of Tourism and Entertainment will speak further on the opportunities in this sector later today.

- **Outsourcing**

Jamaica has established a track-record in customer service, telesales, Finance & Accounting Outsourcing (F&A), Human

Resource Outsourcing (HRO), debt collection and technical support.

As we look to the future of the outsourcing sector, a five year strategic plan and twelve (12) month action plan have been developed to strengthen our competitiveness and maintain strong relations with pre-existing outsourcing companies while ensuring that the country is poised to accept new opportunities. Once again, I invite you to discuss the opportunities with myself and the staff of JAMPRO present at the Conference, as we envision a surge in the demand for BPO's resulting from the Logistic Hub and SEZ's coming on stream.

- **Manufacturing**

I have always stated that Jamaica is an ideal location for manufacturers seeking near-shore markets, quick conversion cycles and low-cost customized delivery options to major markets, given the island's geographic positioning vis-à-vis the Panama Canal and major markets in the United States and Canada. The SEZs will offer a good tax environment that the sector can take advantage of to facilitate its next level of development. It is my hope that I will

be able to discuss this investment prospect with some of you throughout the conference.

- **Agri- Business**

For investors, there are also tremendous opportunities in our agricultural sector. Our value proposition as the ideal location for agricultural and/or agribusiness-related investment is predicated on an expansive local market, bolstered by three million visiting tourists annually, the increasing demand for high quality Jamaican produce overseas, and the country's proximity to key export markets. Opportunities in agriculture include aquaculture, contract farming joint-venture opportunities to produce crops all-year round, and expanding the production of fresh produce in large agro-parks. My colleague Minister of Agriculture and Fisheries will elaborate more on these opportunities.

- **Financial Services**

As previously stated, Financial Services is an area that we are seeking to develop and we look forward to your investments.

Members of the Diaspora community, brothers and sisters, your presence here today speaks to a strong sense of national pride and commitment to helping Jamaica become, not just a great nation but one with a growing and sustainable economy. Investing in Jamaica is, therefore, an opportunity to be at the forefront of our country's development.

The Jamaica Promotions Agency (JAMPRO) and the Logistics Hub Secretariat at my Ministry stands ready, willing and able to help you deepen your understanding of these investment opportunities, as we work to make Jamaica the place of choice to live, work, raise families and invest.

I thank you.