

KEYNOTE ADDRESS



HON. ANTHONY HYLTON
MINISTER OF INDUSTRY, INVESTMENT
&
COMMERCE

KEYNOTE ADDRESS FOR JAMAICA USED CAR DEALERS
ANNUAL GENERAL MEETING

JAMAICA PEGASUS HOTEL
NEGRIL SUITE

WEDNESDAY, March 18, 2015 at 6:00 PM

SALUTATIONS:

- Mr. Lynvalle Hamilton, President of the Jamaica Used Car Dealers Association
- Major (Rtr) Richard Reese, Commissioner of Customs
- Mr. Gladstone Whitelocke, Vice President, Scotia Building Society and Non-Branch Services, Bank of Nova Scotia
- Detective Sargent David Foster, Counter Terrorism and Organized Crime Investigation Branch, Jamaica Constabulary Force
- Mr. Gary Mckenzie, Deputy Superintendent of Police in charge of Administration, Jamaica Constabulary Force Traffic Division
- Heads of Government Agencies
- Members of the Jamaica Used Car Dealers Association
 - Specially invited Guests,
 - Members of the Media,
 - Ladies and Gentlemen... good evening

It is my pleasure to join you this evening for your annual general meeting. I am especially grateful for the cooperation demonstrated in the change of date for your planned annual general meeting to enable me to participate in this year's meeting.

I welcome the improved working relationship between the Used Car Dealers Association, The Ministry of Industry, Investment and Commerce and the Trade Board. Admittedly, we had some tensions in previous years regarding the age discrepancy of imported used vehicles. Much of which has subsided but, it served to highlight the importance of the consultative process. This process is not linear, it is iterative. This means we are always in a state of dialogue and consultation as new developments arise.

In all this, I am happy to continue to play the role of mediator. There will always exist some amount of tension between the regulated and the regulator but we continue to work towards respectful and greater understanding in our relations.

Ladies and gentlemen, the used car industry plays a critical role in making available the wide range of transportation services used in our economy, including both public and private transportation providers and businesses that service and maintain vehicles.

As owners of small businesses, we fully appreciate that aside from creating jobs you contribute to the general economic wellbeing of the country.

In addition, your industry is a significant consumer of goods and facilitates linkages with other sectors, including construction, machinery, legal, financial and advertising. Perhaps, this is an appropriate opportunity to focus briefly on your role as business persons, particularly in the context of what my Ministry has been doing to create a supportive business environment.

MIIC Business Environment Reforms

We have implemented a number of critical reforms, guided by the National Competitiveness Council (NCC) to improve the ease and speed of doing business in Jamaica. Our efforts have been marked by improved rankings on major global competitiveness and business indices, and along the way we have earned the title of the best country in the Caribbean for doing business.

Ladies and gentlemen, we have sought to reform Government processes for the payment of taxes, trade across borders, enforcement of contracts and the registration of property.

With regard to legislative changes, we have implemented a modern Insolvency law framework that:

- Avoids liquidation of potentially viable companies
- Encourages entrepreneurs to take risks
- Allows for the saving of jobs, where possible, and
- Eliminates the stigma of bankruptcy or failure.

Access to capital remains a major hindrance for our business owners. I am aware, however, that it is easier for used car dealers to access capital than it is business owners within the productive sector. Although comparatively better for your industry, access to capital remains of importance for all business owners. In this regard, we have sought to establish a secured transactions framework. This allows budding and existing entrepreneurs to secure loans with movable property such as vehicles, equipment, accounts receivables and inventory.

We have also sought to create capacity building programs through various agencies of the 'business' Ministry to ensure that our micro, small and medium sized enterprises (MSMEs) are able to move their business to the next level; from micro to small, or small to medium. This becomes of further importance as we work towards the build out of the Jamaica Logistics Hub in which there will be increased demand for services, particularly related to transportation. As we are on the issue of transportation, let us speak about the procurement of vehicles which is of importance to you all. I refer specifically to the Revised Motor Vehicle Import Policy.

Revised Motor Vehicle Import Policy

Let me state at the outset that I am aware of your concerns regarding this policy. Though often misunderstood, the policy seeks to address the importation of motor vehicles, within a regulatory framework, as we strive to enhance predictability, fairness, and transparency, via specific and selective policy guidelines that address:

- Road Safety
- Consumer Protection
- Consumer Choice
- Competition Law and Policy
- Revenue Protection and Collection and,
- Efficiency and effectiveness of the motor vehicle market in Jamaica

The regulation is critical to streamlining the industry, while safeguarding the rights of the consumer. These regulations are also critical to other linked industries such as the banking and insurance. In all this we have sought to ensure the continued survival and profitability of the used car industry as it is vital to economic development and trade.

We have taken on board your concerns regarding the age of vehicle at importation, which has several amendments to the different classes of motor vehicles both private and public, as well as the import licensing requirements. These include the age of motor cars, motorcycles, light commercial vehicles and industrial vehicles such as trucks used for the transportation of cargo.

In the recent past, the issue of age discrepancy where a consumer purchased a vehicle and upon attempting to insure the vehicle, it was found to be older than that which was stated upon purchase. The policy now specifies that the authority for determining the age of the vehicle, based on the guidance of the Attorney General's Department, is the Trade Board in collaboration with the Island Traffic Authority.

On the issue of warranty, you will all be aware based on previous dialogue that this section is under review. Let me categorically state that no policy is perfect and a review is always needed to correct deficiencies.

Prior to the policy being finalized I felt it was important to include the Appeals Tribunal. Any importer can appeal to the tribunal if they are aggrieved by the decision of the Trade Board to refuse granting permit or licence, the importation of motor vehicle or other related matter. This is to allow for fairness and the opportunity for review in the implementation of the policy.

Damaged Vehicle Import Policy

We have taken on board your reasonable concerns about the importation of vehicles damaged in transit and have amended the procedures to deal with these occurrences.

The Jamaica Customs Agency (JCA), the Island Traffic Authority (ITA) and the Trade Board Limited (TBL) will conduct assessments on a case-by-case basis of vehicles damaged in transit, with the ITA making the final recommendation about the extent of the damage and road worthiness. A recommendation paper is being jointly prepared by the Island Traffic Authority and the Trade Board Limited with input from the Jamaica Customs Agency, which is expected to be submitted to me shortly.

Re-opening of the Damaged Vehicle Industry

The need to re-examine the importation of damaged vehicles is another key area of discussion. We have heard of instances in which workers from developing countries, including Jamaicans are taken to Japan to fix vehicles, which are then exported to other countries including Jamaica.

We believe that the lifting of the ban will allow vehicles to be repaired in licensed Jamaican facilities, in accordance with international best practices, and with due regard to safety standards. This will contribute to international trade and introduce greater variety into the domestic transportation market after paying the appropriate levels of duty. It will also facilitate increased business activities within the entire industry and create jobs for repairers, dealers, transportation services providers, metal fabricators and the distributors of parts and materials.

It will potentially benefit both dealers and consumers. Indeed, consumers would be able to avoid the insurance and freight charges since the vehicle would have been transported in bulk to Jamaica. Additionally, more Jamaican people will be employed, to the benefit the local economy.

We have taken into consideration what re-opening this industry will mean, and we have been hard at work creating a framework for the responsible re-opening and development of this industry. Our policy considerations in this regard include:

- Ensuring the safety of the end product for the consumer
- Ensuring full disclosure of the history of the vehicle
- Considerations for the protection of the environment, especially through the disposal of hazardous materials associated with the industry
- Implementation of regulations/standards and requirements that will govern the importation, repair and domestic trade of damaged vehicles
- Developing the requisite skills/ capacity of repairers
- The creation of a clear standard in place to guide the determination of the degree of damage to a vehicle or the degree of damage to the vehicle which should be allowed.

Of course, your association and the wider stakeholder group will be consulted before finalization.

Let me be clear, the re-opening of the industry does not limit the existing participants in the used car industry from participating as long as they abide by the rules and standards. In this context, the re-opening of the damaged vehicle importation industry will bring new opportunities for stimulating the automotive sector.

In closing, I want to reiterate that the automotive industry is key to wealth creation through greater participation in the global value chain. The ability to optimize on the opportunities of the Global Logistics hub rests on the response of each of your firms and the wider private sector.

As I have always stated, The Logistics Hub is the big idea that has the potential to transform our economic fortunes and from which, present and succeeding generations will all benefit. That includes all of you here this evening, as used car dealers.

I wish for you and your businesses greater success in 2015 and the years ahead.

I thank you