

POST- MOU MONITORING REPORT

BACKGROUND

On Thursday, 10 February 2000, a Memorandum of Understanding (MOU) was signed between the Government and the Private Sector Organization of Jamaica (PSOJ) regarding the removal of obstacles affecting businesses in Jamaica. This MOU recognizes a commitment by both Parties to work towards the removal of a number of obstacles identified by the PSOJ which constrain the business sector, with a view to the creation of a more facilitatory environment for businesses. It is hoped that these efforts will assist Jamaican firms to become internationally competitive.



The Appendix to the MOU, the “timeframes” document **GOJ/PSOJ Consultations on Obstacles to Doing Business**, will serve as the working document on the basis of which implementation of the commitments made in the MOU will be monitored.

This report represents the first in a series of updates on the issues raised and is prepared by the Ministry of Industry, Commerce and Technology in accordance with the expectation of adherence to the timeframes indicated for the issues to be addressed. Reports will be submitted on a monthly basis.

UPDATE ON ISSUES

Free Zones: In collaboration with the Free Zone Council, the Ministry of Industry, Commerce and Technology has confirmed that applications for Free Zone approvals (applications accompanied by the requisite submissions) are processed within a period of five (5) weeks. In circumstances warranting earlier approval, the Free Zone Council accommodates by utilizing a round robin approach for speedy resolution.

The proposed Regulations to the Free Zone Export Act are being drafted with a view to providing the appropriate legal and administrative framework relating to the work of the Free Zone Council. The legislative process will involve *inter alia* provisions for applications to be processed within a shorter

period of time to move more in line with the situation of our main competitors for free zone facilities, namely in the Dominican Republic, Mexico and Malaysia. The target is for the processing of applications within a maximum of thirty (30) calendar days. Work on the Regulations is scheduled for completion by June 2000.

The Life Insurance Industry: The Office of the Superintendent of Insurance (OSI) has confirmed that the public awareness campaign has begun. This involves effective notification to the public of the drawbacks in purchasing insurance policies from "suitcase salesmen". A press release on the matter was issued on 2000 February 1, excerpts of which were published in the Gleaner of 5 February 2000. The Acting Superintendent of Insurance also did an interview with the Jamaica Information Service on the subject, which was aired on the programme "Update" on the night of Wednesday, 16 February 2000.

The OSI reports further that the office has been provided with the name of one of the overseas companies involved in the illegal sale of insurance in Jamaica and the OSI is in the process of writing to that company and the Commissioner of Insurance of the state in which the company is registered to bring the matter to the attention of the relevant authorities with a request that they ensure that these activities are terminated.

Efforts will continue to collaborate with the industry in this regard bearing in mind the public interest, and the OSI will continue to devise other means of giving publicity to this matter. This issue will be reviewed again in June 2000.

Transportation and Roads: The Ministry of Transport and Works provided the following update on developments regarding road repairs that are currently being carried out in the Newport West area:

- Newport Boulevard: The worst section of the roadway was reconstructed. The remainder of the road requires patching and this is expected to be undertaken in March 2000.
- First and Third Streets: Work on First and Third Streets is expected to commence in March 2000.
- Comprehensive Projects for the Newport West area: The project is at the per-design stage. The preliminary survey is in progress, although it is currently behind schedule. The Ministry of Transport and Works anticipates that a complete survey and design will be undertaken during the latter part of the 2000/2001 financial year. This issue will be reviewed again in June 2000.

Security of Goods and Personnel:

- With regard to the installation of surveillance cameras at ports, the Port Authority has advised that additional cameras have been installed, but there has been a delay in the implementation process.

This delay is due to the other projects at the port, namely drainage, paving and the laying of electrical and fibre optic cables which have caused a congestion in the system. The completion date has now been revised to the end of March 2000.

- With regard to the procurement of additional x-ray equipment, the Revenue Protection Department informs that on 2000 February 10 a presentation was made to the Prime Minister and the Security Council which included the Deputy Prime Minister and the Minister of National Security and Justice. Following this presentation, the National Security Minister approached the Ministry of Finance and Planning for technical assistance in respect of pricing and negotiation.

The proposals made regarding the x-ray equipment were very comprehensive and will require a change in the current system of importing and exporting. For this reason, the Minister of National Security and Justice, who is heading this project is taking appropriate measures to ensure that the proposals will indeed meet the needs of the country and can in fact achieve the objectives set. Once this further step has been taken, then a decision will be made on the basis of affordability and the technical advice received.

At this time it is envisaged that if the proposal is accepted, implementation of the appropriate changes can commence within three (3) months of the signing of any contract. The whole project, it is believed, will take at least eighteen (18) months to be fully implemented. This issue will be reviewed again in June 2000.

- A reminder has been sent to the Ministry of National Security and Justice indicating that a monthly review from the Directorate of Port and Tourism Security is expected by the end of March 2000.

Trade Policy – Cheap Imports: The Anti-Dumping and Subsidies Commission reports that the Customs Duties (Dumping and Subsidies) Act 1999 is currently undergoing a series of amendments aimed at making it more World Trade Organization (WTO) compliant. The proposed amendments have been drafted by the Commission and these are expected to be brought to the attention of the Minister of Industry, Commerce and Technology by the end of this week. The changes contemplated will be reviewed by the Minister in due course.

Updating the Pound Act: The Ministry of Local Government, Youth and Community Development reports that consultations with stakeholders such as the Local Authorities, the Ministry of Agriculture, the National Road Safety Council, the PSOJ and the Jamaica Automobile Association will commence shortly, after which Cabinet approval will be sought for drafting instructions to be issued to the Chief Parliamentary Counsel. In addition to the updating of the Pound Act, the Ministry has identified that the Keeping of Animals Act which deals with related matters is also in need of revision. It is anticipated that the legislative process should be completed by July of this year.

Ministry of Industry, Commerce and Technology
2000 March 2