

GOJ/PSOJ CONSULTATIONS ON OBSTACLES TO DOING BUSINESS

	ISSUE	CURRENT STATUS	ACTION/TIMEFRAME
1	<p><u>The Customs Department:</u> <u>Customs Clearance</u></p> <p>In the PSOJ paper, it is proposed that the threshold for importation without brokerage services should be raised to US\$10,000.</p>	<p>At present, the ceiling is US\$5,000. The threshold was raised from US\$1,000 in May 1997. The customs records show that persons find it more convenient to use the services of trained customs brokers. The Customs Department is of the view that the current low level of utilization of this facility by individuals does not suggest the need for a further increase in the threshold.</p> <p>During the consultations, a consensus was reached that the measure taken to increase the threshold to US\$5,000 was satisfactory.</p>	<p>Action: Review the operation of the system (at the current clearance threshold).</p> <p>Responsible Agency: Customs Department.</p> <p>Timeframe: Review and report by July 2000.</p>
	<p><u>Bonded Warehouses</u></p> <p>A concern was expressed in relation to the need to grant more approvals to persons wishing to establish bonded warehouses.</p>	<p>The Government side accepted that genuine applications that were submitted for approval would be considered by the Ministry of Finance and Planning and the Customs Department.</p> <p>The Customs Department reports that a document has been prepared which outlines the necessary procedures to accommodate the PSOJ request. However, the proposed policy is currently being reviewed by the Ministry of Finance and Planning.</p> <p>During the consultations, the Minister of Industry and Investment asked the Ministry of Finance and Planning to determine whether businesses would be allowed to operate private bonded warehouses and pay relevant duties upon the release of goods into the Customs Territory.</p>	<p>Action: The Ministry of Finance and Planning to determine whether businesses would be allowed to operate private bonded warehouses and pay relevant duties upon the release of goods into the Customs Territory.</p> <p>Responsible Agencies: Ministry of Finance and Planning/The Customs Department.</p> <p>Timeframe: 2000 June.</p>

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	<p><u>Joint Forum</u></p> <p>The PSOJ paper has proposed the establishment of a joint forum between the Jamaica Manufacturers' Association (JMA) and Customs to resolve outstanding issues.</p>	<p>The Customs Department has suggested that a joint JMA/Customs forum might not be required at this time. The Tariff and Port Users Committees are already in place. During the consultations, it was agreed that membership of the Jamaica Chamber of Commerce-led Customs Tariff and Port Users Committee should be expanded to include a representative from the PSOJ and one from the JMA.</p>	<p>Action: Arrangement between the JCC and the PSOJ is to be formalised.</p> <p>Responsible Agency: Ministry of Industry and Investment.</p> <p>Timeframe: A formal request was made to the JCC on 2000 January 14. The committee is now in place.</p>
2	<p><u>Urban Renewal Legislation</u></p> <p>It is proposed that the scope of existing legislation should be widened to apply to urban renewal island-wide.</p>	<p>The Urban Renewal Act currently allows for the provision of incentives for the regeneration of urban centres anywhere in the island.</p> <p>The PSOJ requested the time period for processing applications.</p>	<p>Action: To determine the timeframe for processing applications.</p> <p>Responsible Agency: Ministry of Finance and Planning.</p> <p>Timeframe: 2000 March.</p>
3	<p><u>New Product Registration</u></p> <p>The PSOJ contend that there is a cumbersome and lengthy approvals process for pharmaceuticals and pesticides, especially the registration of new products.</p>	<p>The Pesticides Control Authority and the Pharmaceutical Services Division of the Ministry of Health have developed guidelines for the registration of new (and existing) products. The maximum time for assessment of an application and arriving at a decision is 120 days.</p> <p>It was decided that both the relevant Government Agencies and the private sector should cooperate to ensure that approvals are issued in a speedy and efficient manner.</p>	<p>Action: Pharmaceutical Services Division to provide information on procedures and processing time.</p> <p>Responsible Agency: Pharmaceutical Services Division, Ministry of Health.</p> <p>Timeframe: 2000 March.</p>

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4	<p><u>Free Zones</u></p> <p>It is reported that obtaining some decisions from the Ministry of Industry and Investment is extremely time consuming, for example in matters relating to the establishment of Single Entity Free Zones.</p>	<p>Since the establishment of the Jamaica Free Zone Council, free zone applications are being processed without delay and no complaints have been received. MII records show that the average processing time for Single Entity Free Zones is within 4 to 5 weeks of submission of applications.</p> <p>The PSOJ was satisfied that measures taken in this area vis-à-vis the formation of the Free Zone Council were working sufficiently well in dealing with the problem that had been identified. The PSOJ, however, requested confirmation of the explicit processing period.</p>	<p>Action: To determine the processing time for Free Zone applications.</p> <p>Responsible Agencies: Free Zone Council/Ministry of Industry and Investment.</p> <p>Timeframe: 2000 February.</p>
5	<p><u>Productivity Incentive Schemes</u></p> <p>The PSOJ proposed the introduction of a legislative framework to allow for tax concessions as part of productivity incentive schemes for workers.</p>	<p>During the consultations, it was agreed that productivity schemes that were assessed and deemed to be genuine in nature would be accommodated. A request was made by the PSOJ for JAMPRO to provide information on the processing time for applications.</p> <p>JAMPRO responded that the Agency stands ready to apply the procedures developed for the bauxite sector to other sectors, but needs to receive the authority from the Productivity Incentive Task Force that was established by the Minister of Finance and Planning to examine this issue.</p>	<p>Action: JAMPRO is to state the timeframe for processing applications and assist the Productivity Council in reducing it.</p> <p>Responsible Agency: JAMPRO.</p> <p>Timeframe: JAMPRO has made written representation to the Chairman of the Task Force on this matter and expects to receive a response by March 2000.</p>

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6	<p><u>The Life Insurance Industry</u></p> <p>The PSOJ has requested that Stamp Duty on life insurance policies be abolished. The industry contends that this duty reduces the attractiveness of local policies vis-à-vis overseas policies.</p> <p>The industry is also concerned about the illegal marketing of life insurance policies by overseas companies.</p>	<p>The Stamp Duty has been removed and there is now a flat administrative fee of J\$200 applicable on new life insurance business. Note was made of the fact that the Insurance Act is currently being amended and that one area being addressed is an increase in the fines that will be levied on illegal overseas “suitcase salesmen”. The Office of the Superintendent of Insurance (OSI) has also given the assurance that it will seek to step up its campaign to raise public awareness with regard to the potential hazards of purchasing policies from overseas companies.</p> <p>During the consultations, it was agreed that the industry itself should also inform the public on the matter. It was agreed that measures already taken in this regard were a step in the right direction. There is also agreement on both sides on how to proceed with the public awareness campaign.</p>	<p>Government action on the Stamp Duty has been accepted.</p> <p>Action: The OSI has begun a public information campaign on this issue.</p> <p>Responsible Agency: Office of the Superintendent of Insurance.</p> <p>Timeframe: 2000 February.</p> <p>The OSI has been in consultation with LICA with regard to the public awareness campaign.</p>
7	<p><u>The General Consumption Tax:</u></p> <p><u>GCT on Capital Goods</u></p> <p>A proposal was made for the immediate recovery of GCT paid on productive capital goods, instead of after a 24-month period.</p>	<p>The General Consumption Tax Department reports that Regulation 10 of the existing GCT Regulations currently provides for all input tax to be claimed immediately under specified circumstances. The PSOJ nevertheless believes that very few companies will be able to benefit from this and proposed that the scope of the regulations should be broadened.</p> <p>The PSOJ called on the Government to designate a specially appointed High Level Committee to look into the GCT-related issues raised.</p>	<p>Action: A High Level Committee comprising representatives from the Ministry of Finance and Planning, the GCT Commissioner and the Director General (Tax ARP) etc. should be established to consider matters relating to GCT.</p> <p>Responsible Agency: Ministry of Finance and Planning.</p> <p>Timeframe: 2000 March.</p>
	<p><u>GCT on Coverings and Containers</u></p> <p>The PSOJ paper highlights a specific complaint by one of its members regarding the payment of duty and GCT when it has been observed that some of the company’s competitors do not. The example given is GCT on plastic bags and T-shirt bags.</p>	<p>The General Consumption Tax Act provides for the zero-rating of coverings and containers designed for the packaging of agricultural goods and those supplied to a manufacturer. Plastic bags and other coverings sold under other circumstances are subject to tax at the standard rate.</p> <p>The PSOJ requested that reports of ongoing audits carried out to ensure compliance with the GCT be reviewed by the proposed High Level GCT Committee.</p>	<p>Action: Review of audit reports by the High Level GCT Committee.</p> <p>Responsible Agency: General Consumption Tax Department.</p> <p>Timeframe: 2000 June.</p>

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8	<p><u>Trade Policy: Cheap Imports</u></p> <p>The concern was expressed that farmers and manufacturers are going out of business due to a proliferation of cheap imports into the Jamaican market. The example cited related to agricultural products such as refined sugar.</p>	<p>Cabinet's Decision of 1999 June 28 rescinded the benchmark regime on refined sugar and allows for the imposition of a Common External Tariff (CET) of 40%, plus an additional Stamp Duty of 63% with effect from 1999 July 01. These duties apply only to the sale of sugar intended for the retail trade. All bona fide manufacturers benefit from duty free imports of refined sugar.</p>	<p>Action: An update on the Anti-Dumping Act is to be provided.</p> <p>Responsible Agency: Ministry of Commerce and Technology.</p> <p>Timeframe: 2000 March.</p>
9	<p><u>Expired Products</u></p> <p>The PSOJ Paper documents a specific complaint by one of its members regarding expired soft drinks from the United States of America at prices which are reportedly sold on the Jamaican market below the cost of production.</p>	<p>The Customs Department and the Jamaica Bureau of Standards are aware of the situation and have stepped up vigilance to prevent the entry and distribution of expired goods.</p> <p>The PSOJ nevertheless requested to be informed of the specific measures that would be developed by the relevant authorities to deal with this problem and also, how and when these measures would be implemented.</p> <p>The Bureau of Standards submitted on 2000 January 17 a report entitled "Revised Standards Compliance Programme: An Overview and Update" which provides information on compliance activities at ports of entry, overseas recalls, as well as compliance activities in the local marketplace. The Bureau's report was forwarded to the PSOJ.</p>	<p>Action: The PSOJ is to review and comment on the report.</p> <p>Responsible Agency: PSOJ.</p> <p>Timeframe: February – April 2000.</p>

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10	<p><u>Procurement of Accounting Services</u></p> <p>There is a need for improved procedures and competitiveness in government procurement of accounting, auditing and consultancy services.</p>	<p>The National Contracts Commission (NCC) has been appointed to oversee the award and evaluation of government contracts, a move in which the NCC replaces the Government's Contract Commission.</p> <p>This initiative arose out of a long process of consultations which took into account both public and private sector views and represents another step forward in the area of public sector reform.</p>	<p>Action: Details of the NCC's contracting and procurement procedures are to be provided.</p> <p>Responsible Agency: Ministry of Finance and Planning.</p> <p>Timeframe: 2000 March.</p>
11	<p><u>Data Availability</u></p> <p>The PSOJ has pointed to the need to improve the scope and timeliness of data collection and dissemination.</p>	<p>During the consultations, it was generally agreed that the provision of data on a timely basis was central to the speedy and effective production of statistical reports.</p> <p>It was recognized that both the private and public sectors have a role to play by improving the desired degree of co-operation with the data collection agencies.</p>	<p>Consensus on both sides for cooperation.</p>
12	<p><u>Restriction of Meat Imports</u></p> <p>There is need for a review of restrictions on the importation of meat from "some of the most competitive producers in the world" so as to facilitate the tourist industry.</p>	<p>The Ministry of Agriculture reports that restrictions governing meat imports are based on internationally accepted public health and sanitary standards.</p> <p>The Veterinary Division also exercises a certain level of flexibility in dealing with the concerns of hotels, fast food restaurants and meat processors.</p> <p>The PSOJ requested that this item be removed from the agenda.</p>	<p>Government explanation accepted.</p> <p>No further action required.</p>
13	<p><u>Electricity Supply</u></p> <p>The PSOJ has expressed concern about the damage to equipment and appliances due to interruptions in the power supply.</p>	<p>During the consultations, the PSOJ requested that JPSCO should state its policy on damage to equipment.</p> <p>The JPSCo submitted on 1999 October 12 a report entitled "Policy Position: Damage to Equipment as a result of Interruption in the Power Supply" which was forwarded to the PSOJ.</p>	<p>Action: The PSOJ is to review and comment on the policy.</p> <p>Responsible Agency: PSOJ.</p> <p>Timeframe: 2000 March.</p>

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14	<p><u>The Customs Department:</u></p> <p><u>Legislative Reform</u></p> <p>The PSOJ cites a need for a general reform of customs legislation.</p>	<p>Modernized customs legislation is being prepared in the context of CARICOM. The objective is to modernize and harmonize regional legislation. The Customs Department is currently examining draft proposals contained in a CARICOM document and is inviting comments from stakeholders.</p> <p>On a general note, during the consultations, the PSOJ stressed the need for all interest groups – GOJ, the private sector and the unions – to collaborate on a public relations programme to introduce the Customs Modernization Programme. This, the PSOJ feels, would convey to the public that stakeholders fully endorse the programme.</p> <p>A Review Committee is currently examining the CARICOM draft in relation to our present legislation and the Kyoto Convention. It is estimated that the Customs Task Force will have completed its review of the draft CARICOM Harmonized Customs Legislation by the end of 2000 March.</p>	<p>Action: Reform of Customs Legislation.</p> <p>Responsible Agency: Customs Task Force/ The Customs Department.</p> <p>Timeframe: An update on developments with the proposed Harmonized CARICOM Legislation will be provided in 2000 May/June.</p> <p>It should be noted that the timeframe for completion must await the outcome of CARICOM deliberations.</p>
	<p><u>Operations</u></p> <p>A number of the concerns raised relate to the operation of Customs. Among the issues identified for consideration are inefficiencies at stripping stations, problems of under-invoicing, the lengthy turnaround time for the clearance of goods and the prevention of illicit imports.</p>	<p>The main areas of focus were in relation to the general operation of customs: enforcement procedures; customs valuation; electronic verification and limitations on examination via X-ray units; introduction of the C78 Electronic Entry Lodgement System; the RPD; Consent Form A; imposition of a new system and fee for sight examinations relating to the processing and stripping of containers; and delays at customs when input is required from other Government Entities such as the Ministry of Agriculture, the Ministry of Health and the Bureau of Standards.</p> <p>The Revenue Protection Department has responded that the relevant authorities should be urged to speed up the passing of appropriate legislation which would enhance the operations of that Department.</p> <p>Under the Customs Modernization Project, it is anticipated that a number of the shortcomings identified will be addressed.</p>	<p>Action: Implementation of the Customs Modernization Project.</p> <p>Responsible Agency: The Customs Department.</p> <p>Timeframe: Implementation of the Customs Reform and Modernization Project is scheduled to commence in 2000 March/April.</p> <p>Timeframe for Completion: June 2002.</p>

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	<p><u>Export Rebate Scheme</u></p> <p>There is need for more efficient operation of the Export Rebate Scheme.</p>	<p>The Customs Department has expressed the view that adjustment of this Scheme might not now be required in view of the fact that most of the relevant items already have duty free status. This however was not fully accepted by the PSOJ.</p> <p>The Jamaica Exporters' Association was subsequently requested to provide feedback on this issue.</p>	<p>The JEA responded that the Association is now satisfied with the government's explanation.</p> <p>Timeframe for Review: 2000 June.</p>
	<p><u>Fast Track Customs Clearance for Certified Manufacturers and Exporters</u></p> <p>It is believed that there is need for reform of customs procedures so that the process can operate more on an exception principle for goods entering the Island in respect of certified manufacturers and exporters.</p>	<p>During the consultations, the PSOJ endorsed the efforts of the Government in this area, but wished to see a widening of the certified manufacturer and exporter programmes so that more companies would be able to benefit from the programme.</p>	<p>This matter will be addressed under the Customs Modernization Project.</p> <p>Timeframe for Implementation: 2000 April.</p> <p>Timeframe for Completion: 2002 June.</p>
	<p><u>Customs Overtime</u></p> <p>Consideration should be given to the removal of overtime paid to Customs in Free Zone operations.</p>	<p>It is believed that Customs overtime charges are onerous on companies.</p>	<p>This matter will also be addressed under the Customs Modernization Project.</p> <p>Timeframe for Implementation: 2000 April.</p>
15	<p><u>Planning Approval</u></p> <p>The PSOJ paper refers to delays in obtaining approvals (or refusals) for development applications from Government Agencies.</p>	<p>Arising from the implementation of the Development Approval Programme, significant improvement has been made in the development approval process.</p> <p>The backlog of applications has now been reduced. A target of ninety (90) days has been set for approvals.</p> <p>A programme of business facilitation training workshops has been developed. The objective of this is to develop an investor-friendly approach throughout the system and reorient Ministries, Departments and Agencies to develop a more facilitatory mode in dealing with the business community.</p>	<p>Action: Conduct Business Facilitation Training.</p> <p>Responsible Agency: Ministry of Industry and Investment.</p> <p>Timeframe: The special Training Programme was launched on 2000 January 18.</p> <p>Timeframe for Review of Development Approval Process: 2000 July (6 months to note compliance with the 90-day approval period).</p>

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	<p>Another area of concern rests with delays in the various approval processes for Real Estate Developments, bearing in mind the fact that construction projects are very costly.</p>	<p>The focus will now be shifted to the establishment of a Development Approval Information Tracking System in order to monitor on an ongoing basis the processing time for development approvals.</p> <p>The Ministry of Industry and Investment in collaboration with the USAID will be undertaking a Business Roadmap Study aimed at addressing concerns regarding business approvals.</p> <p>The Ministry of Environment and Housing also indicated that a comprehensive monitoring report is to be made available by the end of February 2000.</p>	<p>Action: Implement an Information Tracking System.</p> <p>Responsible Agency: Ministry of Environment and Housing</p> <p>Timeframe: Implementation in progress and scheduled to be completed in 2000 March.</p> <p>Timeframe for Review: 2000 June.</p> <p>Action: Conduct a Business Roadmap Study.</p> <p>Responsible Agency: Ministry of Industry and Investment.</p> <p>Timeframe: 2000 March.</p>
16	<p><u>Acceleration of the Land Administration and Management Programme (LAMP)</u></p> <p>It is believed that delays in the titling, valuation, transfer and registration of lands are impeding development.</p>	<p>The Land Policy Unit of the Office of the Prime Minister has in place a schedule of activities relating to LAMP and land registration in general. Programmes have also been developed to issue land titles to persons in land settlements and housing schemes on a phased basis, with a proposed delivery rate of approximately 8,000 titles per annum.</p> <p>During the consultations, the PSOJ noted the ongoing work being undertaken by the government in this area.</p>	<p>It is estimated that this programme will be completed over a period of 3 – 5 years.</p> <p>Action: Provide an update on the schedule.</p> <p>Responsible Agencies: The Land Policy Unit (Office of the Prime Minister) in collaboration with the Ministry of Environment and Housing.</p> <p>Timeframe: 2000 March.</p>

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17	<p><u>Electricity Supply</u></p> <p>The PSOJ has expressed the view that more needs to be done to provide lower cost electricity to the productive sector.</p>	<p>The JPSCo reports that a number of initiatives are in place to lower electricity costs to the target sectors. The PSOJ maintains that electricity rates are still too high. Also companies are unable to take advantage of the lower rates by operating night shifts due to inadequate transportation for workers and the security threat to workers at nights.</p> <p>The JPSCo argues that unless a major shift is observed in customer demand patterns from peak to off-peak, then the company will not be in a position to adjust its rates downwards without compromising recovery costs.</p> <p>The PSOJ requested details regarding the planned development programme of the JPSCo.</p> <p>The JPSCo has since reported that it has received the approval of Cabinet to conclude a contract for the acquisition of additional generating capacity. It is expected that this new capacity will be in service by mid 2000. A rate review by March 2000 should see a fall in rates to the productive sector.</p>	<p>Action: Programmes are due to be implemented over the next 2 years. The details are to be provided. The JPSCo is to provide a progress report in this regard.</p> <p>Responsible Agency: The Jamaica Public Service Company Limited.</p> <p>Timeframe: 2000 June.</p>
18	<p><u>The General Consumption Tax</u></p> <p>A major concern relates to the need for urgent revision of the GCT Act. Particular reference was made to the enforcement of the Act and the collection of GCT revenue.</p> <p>It is argued that where non-compliance is discovered, the Act does not provide for retroactive punishment but rather supports immediate registration and the commencement of payment of GCT.</p>	<p>The PSOJ is urging immediate action in terms of legislative reform. It is proposed that the GCT Act should be amended to make non-compliance an offence for any company or person who should be registered for GCT, and has not been so registered, but has sold goods in Jamaica with or without the collection of GCT. Any amendment should also include provision for the Commissioner of GCT to be able to raise an assessment based on known facts and back charge the GCT due, whether collected or not, with the necessary penalties and interest applicable.</p> <p>The Planning Institute of Jamaica has also put forward proposals regarding appropriate amendment of the GCT Act to promote greater compliance.</p> <p>This matter will be addressed by the High Level GCT Committee to be established by the Ministry of Finance and Planning. (See related GCT issue on capital goods at Issue 7: page 4).</p>	<p>Action: Review of the GCT Act (Regulations).</p> <p>Responsible Agency: High Level GCT Committee.</p> <p>Timeframe: 2000 March (It is envisaged that the timeframe for the proposed amendments to the GCT Act will arise from the work of the High Level GCT Committee).</p>

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19	<p><u>Security and Justice:</u></p> <p><u>Security of Goods and Personnel</u></p> <p>The PSOJ has highlighted the high operating costs of doing business - to safeguard the security of personnel and goods (prevention of contamination of exports).</p> <p>The high crime level in some areas has had a direct impact on the reduction in productivity. Employers report that the fear of crime and violence creates resistance to working overtime, late at night and on shifts.</p>	<p>During the consultations, a major issue was crime and violence in general (against individuals and commercial enterprises). Particular concern was raised about the smuggling of contraband into the country via Black River (cigarette boats). Another concern raised relates to the inadequacy of the recently acquired x-ray equipment.</p> <p>The RPD also raised concerns regarding private sector participation in the change process, in terms of their role in the whole question of corruption in the public sector, as well as the need for electronic surveillance of both imports and exports.</p> <p>The Ministry of National Security and Justice has since reported the issue of smuggling via Black River was brought to the attention of the Commissioner of Police requesting that the matter be investigated and the relevant measures put in place to stem the flow of contraband.</p> <p>Notwithstanding the above, the PSOJ stated that this issue remains a major concern.</p>	<p>Action: Address security (crime and violence) issues.</p> <p>Responsible Agency: Ministry of National Security and Justice.</p> <p>Timeframes: 2000 February – April.</p> <p>With regard to the x-ray equipment, a presentation by suppliers is scheduled for 2000 February. It is estimated that appropriate equipment can be obtained within three (3) months.</p> <p>The Port Authority reports that close circuit cameras have been installed at 5 of the 11 cargo sheds. The other 6 will be in place by the end of February 2000.</p> <p>For the Terminal area, 7 cameras have been ordered and cables have been laid. Work on the North Terminal is to be completed by the end of 2000 February. The entire programme of work, which includes work on the South Terminal, is expected to be completed by April 2000.</p>

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	<p><u>Security Issues Affecting the Tourism Industry</u></p> <p>During the consultations, through the PSOJ, the JHTA expressed concern about the negative impact of crime and violence on tourism. Reference was made to: zero tolerance for tourist harassment and the activities of the Resort Patrol; community involvement in policing; the need for greater rehabilitation in correctional facilities; and closer scrutiny of deportees.</p>	<p>The Ministry of National Security and Justice reports that there is a portfolio responsibility within the Security and Narcotics Division – the Directorate of Port and Tourism Security – which has the explicit task of addressing harassment issues.</p> <p>There has also been renewed synergy between the Resort Patrol Service and the Police in monitoring activities in the resort areas.</p> <p>The high levels of crime in the wider society continues to create a perception of the country as being unsafe, thereby hindering growth in visitor arrivals and impact the industry's ability to attract economic rates.</p>	<p>Action: Constant review and updating of security measures to reduce crime and thereby reduce the negative international perception of the destination.</p> <p>Responsible Agency: Directorate of Port and Tourism Security.</p> <p>Timeframe: Monthly reviews of action plans beginning in 2000 March.</p>
	<p><u>The Judicial System</u></p> <p>The PSOJ is concerned about the lengthy and protracted process of litigation from commencement of civil/criminal action to resolution.</p>	<p>The Office of the Chief Justice reports that a number of measures to address delays in the judicial system are being considered or have been implemented. The PSOJ has expressed disappointment regarding the timetable for the introduction of the Commercial Court.</p> <p>The Office of the Chief Justice has since advised that the rules governing the operation of the Court have been submitted to the Minister of National Security and Justice. A meeting has been arranged to discuss the rules and to deal with matters such as the fees payable to access the Court.</p>	<p>Action: Establishment of the Commercial Court.</p> <p>Responsible Agencies: Ministry of National Security and Justice/Office of the Chief Justice.</p> <p>Timeframe: 2000 May.</p>
20	<p><u>The Shipping Industry:</u></p> <p><u>Registry of Ships</u></p> <p>The PSOJ looks forward to the acceleration of the necessary process to establish a ship's registry locally. This is seen as a necessary accompaniment to the establishment of the Maritime Authority.</p>	<p>The Maritime Authority proposes to put in place an international ships register.</p> <p>The PSOJ agreed that measures already taken by the government in this regard were satisfactory. It noted, however, the need for greater collaboration between the PSOJ and the Maritime Services Industry Advisory Council and undertook to foster such a relationship.</p> <p>The Maritime Authority is currently developing the legal framework, including incentives legislation to support the International Ships Registry.</p>	<p>Action: Establishment of an International Ships Registry.</p> <p>Responsible Agency: The Maritime Authority.</p> <p>Timeframe: The proposed date for the promulgation of the legislation is 2000 May. The launch of the International Ships Registry is scheduled for 2000 June.</p>

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	<p><u>Tax Incentives for the Ownership of Ships</u></p> <p>A proposal has been made for the establishment of a tax incentive regime for ship owners.</p>	<p>The development of new legislation or in the alternative the amendment of the Shipping Incentives Act could be contemplated to extend the incentives to individuals and other government organizations.</p> <p>This, however, is not being considered by the Maritime Authority at this time.</p>	<p>Action: Establish a Tax Incentive regime for the ownership of ships.</p> <p>Responsible Agencies: Ministry of Transport and Works/Ministry of Finance and Planning/The Maritime Authority.</p> <p>Timeframe for Review: This matter will be revisited in 2000 June.</p>
21	<p><u>Transportation and Road Conditions</u></p> <p>Road congestion is a major area of concern.</p> <p>Due consideration should be given to the fact that an efficient road system in the port environs is important for the survival of the shipping industry (Newport West).</p>	<p>During the consultations, the matter was discussed extensively. While explanations were provided in terms of the strategic direction forward, there appeared to be general dissatisfaction with the transportation system as it exists now. There was an acceptance of the work being done by the Ministry of Transport and Works although general frustration was expressed about the acute nature of the problem.</p> <p>It was acknowledged that roads in the Newport West area in the vicinity of the ports are due to be rehabilitated in phases. The PSOJ took note of the fact that work had finally begun in this important area.</p> <p>The PSOJ also noted that the organization needs to be apprised of the timeframes that will be attached to the various road projects to be undertaken and of the priorities set in this regard.</p> <p>The PSOJ also indicated that the general road traffic congestion and public transportation system must be dealt with. The PSOJ requested details of the proposed plan of action for these issues.</p>	<p>Action: Repairs to roads in the Newport West area.</p> <p>Responsible Agency: Ministry of Transport and Works.</p> <p>Timeframe: Work on Second Street is already completed.</p> <p>Patching and rehabilitation has commenced on First and Third Streets to be completed by March 2000.</p> <p>Work on Newport Boulevard should be completed by the end of February 2000.</p> <p>Other roadwork is scheduled to be completed by the latter part of the next financial year.</p> <p>Action: Provide an update on the plan of action for traffic congestion and public transportation.</p> <p>Responsible Agency: Ministry of Transport and Works.</p> <p>Timeframe for Plan of Action: 2000 June.</p>

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22	<p><u>Role of the Bureau of Standards</u></p> <p>The PSOJ has expressed the view that the emphasis by the Bureau should be on the development of standards and the certification of products and processes in keeping with national standards, and not on product testing, which should be done by the private sector. It is felt that the Bureau should be more accommodating with regard to laboratory accreditation. Every effort should be made to accelerate the process of accrediting private laboratories. It is also proposed that the Bureau of Standards should discontinue the application of standards that are not based on established Hazard and Critical Control Point (HACCP) requirements.</p>	<p>During the consultations, the PSOJ expressed major concern regarding the Bureau of Standards. The Bureau however maintains that a number of the recommendations proposed by the sub-committee have already been submitted to policy-makers and work is ongoing in the reform process.</p> <p>It was also noted that a consultant's report (SIDA/SWEDAC) has been prepared which indicates how the Bureau's services could be divested. The point was made therefore that the organizational structure of the Bureau would no longer need to be re-examined.</p> <p>It was also proposed that the work of the Scientific Research Council should be reviewed, with a view to seeing how the SRC can provide greater assistance to the manufacturing sector.</p>	<p>Action: Modernize the Bureau of Standards.</p> <p>Responsible Agency: Ministry of Commerce and Technology.</p> <p>Timeframe: Work is scheduled to commence in 2000 June.</p> <p>Action: Mechanism to be worked out for closer collaboration between the Scientific Research Council and the manufacturing sector.</p> <p>Responsible Agency: Ministry of Commerce and Technology.</p> <p>Timeframe: 2000 March.</p>
23	<p><u>Divestment</u></p> <p>It is recommended that the Government of Jamaica should pursue the divestment of public utility companies as a matter of urgency.</p>	<p>The PSOJ expressed disappointment at the slow progress of the divestment of the utility companies.</p> <p>As requested by the PSOJ, National Investment Bank of Jamaica (NIBJ) provided information on the divestment timeframes and conditions in respect of the utilities.</p> <p>It should be noted that while the divestment of the public utility companies remains a policy objective, no specific timeframe can be provided for divestment of the JPSCo and the water sector entities at this time.</p>	<p>Action: Divestment of the Sangster International Airport.</p> <p>Timeframe: June 2000.</p> <p>Action: Divestment of the Norman Manley International Airport.</p> <p>Timeframe for Norman Manley: Estimated to commence nine (9) months from initiation of the divestment process of the Sangster International Airport.</p> <p>Responsible Agency: Ministry of Transport and Works/NIBJ.</p> <p>Timeframe for Review/Update: 2000 June.</p>

	ISSUE	CURRENT STATUS	ACTION/TIMEFRAME
24	<p><u>Labour Market Reform:</u></p> <p><u>Individual Retirement Savings Schemes</u></p> <p>The PSOJ proposes that a Retirement Savings Scheme should be established to provide retirement income for self-employed and other persons and to supplement pension payments for persons in superannuation schemes.</p>	<p>During the consultations, it was noted that measures are underway to introduce a new Pensions Act. It was also agreed that a sub-committee should be established to examine labour issues.</p> <p>The Ministry of Labour, Social Security and Sport reports that this is a matter which would have to be examined by that Ministry, the Ministry of Finance and Planning and eventually, the National Planning Council.</p>	<p>Action: Review of Pension Provisions.</p> <p>Responsible Agency: Ministry of Labour, Social Security and Sport.</p> <p>Timeframe for Implementation: Efforts will be made to pursue this matter during the course of this year.</p>
	<p><u>Labour Reform</u></p> <p>The major areas of focus included Education and Training, Productivity, Labour Policy and Employment. One area of significant importance relates to Labour Policy:</p> <p>a) Working a flexible 40-hour week, as opposed to an 8-hour day with overtime as applicable.</p> <p>b) Declassification of Sunday as a Premium Day, and making this classification applicable to Rest Days.</p> <p>c) Speeding up of proposed legislation for a National Pension Scheme and a National Health Insurance Scheme based on tripartite consensus – Labour, Management and Unions.</p>	<p>The Ministry of Labour, Social Security and Sport has noted the concerns raised by the PSOJ. That Ministry reports that on the matter of labour reform, this has to be based on the tripartite Labour Advisory Committee and much has been accomplished, particularly regarding the proposed amendments to the Labour Relations and Industrial Disputes Act and the Trade Union Act. The Joint Select Committee of both Houses of Parliament has completed its deliberations and it is expected that both Bills will be debated in the House of Representatives and the Senate shortly.</p> <p>Agreement in principle has been reached, however, certain reservations raised by the Trade Unions require further discussions at the Labour Advisory Committee.</p> <p>With regard to the flexible 40-hour workweek and the declassification of Sunday as a Premium Day, this is now being discussed by the Labour Advisory Committee and requires tripartite consensus which has not yet been attained.</p> <p>The proposed National Pension Scheme and the National Health Scheme are also matters for tripartite consensus and are before the National Planning Council.</p>	<p>Action (Acts): Both Bills are to be debated and passed by both Houses of Parliament.</p> <p>Responsible Agency: Ministry of Labour, Social Security and Sport.</p> <p>Timeframe: These Bills should be debated either before the end of the current session or early in the next session.</p> <p>Action (Flexi-Hours): Once full agreement is reached, the amendment will be made to the existing legislation.</p> <p>Responsible Agency: Ministry of Labour, Social Security and Sport.</p> <p>Timeframe: It is expected that this will be achieved in the year 2000.</p> <p>The Ministry reports that a more precise timeframe regarding flexi-hours could not be stated at this time since this is dependent on negotiations and agreements with the Trade Unions.</p>

	ISSUE	CURRENT STATUS	ACTION/TIMEFRAME
25	<u>Sector Management – Tourism:</u>		
	<p><u>Growth in Tourism</u></p> <p>The PSOJ indicated that the fastest route to rapid growth in tourism is to increase average national occupancy and average room rates. It is believed that a target of a 10% increase from the current 60% - 70% over a 2-year period is achievable and would yield about US\$150 million in increased industry earnings.</p>	<p>The PSOJ proposes that the primary factor in achieving this growth will involve a strong, creative and sustained marketing programme directed in particular at North America and Europe.</p> <p>It is felt that environments that are safe, clean, friendly and aesthetically attractive (landscaping) provide a platform for strong growth in tourism. This is best achieved through the concept of resort marketing. This should involve the resort communities and the government coming together to develop the unique features of each area.</p> <p>It should also be noted that this proposal has resource implications for the government.</p>	<p>Action: The Jamaica Tourist Board (JTB), in consultation with the Jamaica Hotel and Tourist Association (JHTA), should develop the marketing programme and appropriate funding provided, subject to budgetary constraints.</p> <p>Responsible Agencies: JTB/ JHTA/Ministry of Finance and Planning.</p> <p>Timeframe: 2000 February – June.</p>
	<p><u>Incentives for Hotel Expansion</u></p> <p>It is believed that the trend in the regional tourism industry is towards larger hotels of 1,000 to 2,000+ rooms and that if Jamaica's tourism industry is to remain competitive with destinations such as the Bahamas and Mexico, then our existing properties should be expanded to a similar size.</p>	<p>The Office of the Prime Minister (Tourism) is working on a Master Plan for Sustainable Tourism Development in Jamaica. It is believed that large hotels in the region tend to be associated with convention centres and casinos. Tax incentives are in place to encourage large Convention-type hotels and the government's policy on casinos is well publicized.</p> <p>During the consultations, it was felt that expansion must be based on sound market research, considering that significant excess capacity currently exists within the industry.</p> <p>The PSOJ expressed the need for incentives for the smaller hotels ranging from 100 – 150 rooms to facilitate their expansion to 500 rooms.</p> <p>The Office of the Prime Minister (Tourism) responded that hotels that are undergoing substantial expansion and are not currently under incentives would qualify for benefits under the existing Hotel Incentives Act (HIA). Under the HIA, incentives are also available for new and existing properties and for those undertaking 'substantial structural alterations' and/or adding a minimum of ten (10) bedrooms.</p>	<p>Action: The Office of the Prime Minister (Tourism)'s Fact Sheet was brought to the attention of the PSOJ on 2000 January 19.</p> <p>Responsible Agencies: Ministry of Industry and Investment/Office of the Prime Minister (Tourism)/ Ministry of Finance and Planning.</p> <p>Timeframe for Review: 2000 June.</p>

	ISSUE	CURRENT STATUS	ACTION/TIMEFRAME
	<p><u>Cruise Shipping</u></p> <p>The PSOJ noted that the number of cruise berths is growing at three (3) times the rate of hotel rooms and we must therefore prepare ourselves to host ever-increasing numbers of cruise arrivals.</p> <p>The cruise shipping sector of the shipping industry anxiously awaits a vigorous drive to develop the necessary facilities and infrastructure that will encourage cruise lines to home port in Jamaica, particularly in Ocho Rios and Montego Bay.</p>	<p>The PSOJ indicated that the key issues to be addressed in this regard are the environment, safety, attractions, tours and shopping. Also as the liners become larger (3000+ passengers), the logistics involved in handling the passengers in a hospitable way must be carefully planned and executed. The resort communities will have a major role to play in creating the appropriate environment.</p> <p>The Port Authority is now considering a proposal for the development of the pier in Montego Bay for home porting. This proposal includes the extension of the berth, upgrading of the cruise ship terminal building and the addition of entertainment and shopping areas.</p> <p>With regard to Ocho Rios, it is believed that there are constraints to the addition of berthing facilities.</p>	<p>Action: Upgrading of cruise shipping facilities.</p> <p>Responsible Agency: Office of the Prime Minister (Tourism), in collaboration with the relevant private sector associations/The Port Authority.</p> <p>Timeframe: 2000 February – June.</p> <p>Timeframe for Cruise Ship Piers: The Port Authority is considering a proposal on the matter but is unable to give a timeframe for implementation at this time, as the matter is still at a very preliminary stage of consideration/ evaluation.</p>
26	<p><u>Updating of Pound Laws</u></p> <p>The PSOJ is urging the government to speedily address the matter of updating the laws in relation to the impounding of stray animals, especially cattle, to protect properties, crops and in particular the motoring public.</p>	<p>The Ministry of Local Government, Youth and Community Development reports that it is cognizant of the fact that most Parishes currently lack a fully operational and effective pound and is concerned about the potential for injury or damage to road users and property respectively. As a general policy, the Ministry will seek to have at least one pound operating in each Parish. In addition, Section 8 of the Pound Act is to be amended to protect the rights of road users and property owners in respect of injuries or damage caused by stray animals. The Ministry is to commence island-wide consultations aimed at amending the Pound Act.</p> <p>During the consultations, it was proposed that interested parties such as the Ministry of Agriculture and the Jamaica Automobile Association should have an input in the process. The Ministry of Industry and Investment is also interested in participating in the process. The Ministry of Local Government, Youth and Community Development has since reported that there are five (5) fully functioning animal pounds which are operated by Agencies which fall under the purview of that Ministry. Pound facilities exist in all parishes with the exception of Portland. The update on the Animal Pounds was communicated to the PSOJ.</p>	<p>Action: Comprehensive revision of the Pound Act.</p> <p>Responsible Agency: Ministry of Local Government, Youth and Community Development.</p> <p>Timeframes: 2000 – 2003.</p> <p>Legislation: 2000 April – July.</p> <p>It is estimated that the drafting of the amendments will take a maximum of three (3) months, following which public consultation will commence.</p> <p>Pounds Establishment/ Upgrading Programme: 2000/2001 fiscal year.</p> <p>Pound Facilities in Windsor in Portland: 2002/2003 financial year (to be operated by North Eastern Parks and Markets).</p>

	ISSUE	CURRENT STATUS	ACTION/TIMEFRAME
27	<p><u>Building Approvals (Building Code)</u></p> <p>Private professionals should be charged with the full responsibility of ensuring that buildings are erected in accordance with the Building Code.</p>	<p>There are several Acts and Regulations relating to building activities which have a bearing on the operations of the Works Division of the Ministry of Transport and Works. Under the Public Sector Modernization Project, the Ministry proposes to carry out a review of services and capabilities being provided in this area with a view to rationalization of responsibilities and reducing duplication and overlap where they occur in the public sector. A review of architectural and building services capability in the private sector will also be undertaken.</p> <p>During the consultations, the PSOJ noted the developments that are taking place in this area. The real issue is for private professionals to ensure construction in accordance with the plans. In addition, professionals should also ensure that buildings are put up in accordance with the Building Code and other regulations.</p>	<p>Action: Acts and Regulations to be amended that would require the private professionals to be charged with the responsibility of ensuring conformity to Building Codes and other regulations.</p> <p>Responsible Agency: Ministry of Transport and Works.</p> <p>Timeframe: This matter is said to be highly involved and a timeframe could not be provided at this time. However, the Ministry of Transport and Works has indicated that it will commence work in this area.</p>
28	<p><u>Trade Policy: International Negotiations</u></p> <p>It has been suggested that the government would benefit from the assistance of competent private sector experts during the negotiations of regulatory/technical trade issues, with particular reference to negotiations within the context of the World Trade Organization (WTO).</p>	<p>During the consultations, the government indicated that it would welcome in principle private sector technical assistance to the Ministry of Foreign Affairs and Foreign Trade and the Ministry of Agriculture in relation to trade negotiation issues. However, the private sector would be asked to cover foreign travel expenses.</p> <p>The Ministry of Foreign Affairs and Foreign Trade requested further clarification from the PSOJ on this matter. The PSOJ responded that the desire is to have on hand at the negotiating table, private sector representatives who can offer immediate feedback on issues which might arise during the negotiation of a particular agreement. The PSOJ proposal is intended to take existing dialogue between the Ministry and the private sector one step further so that the partnership, which has developed here in Jamaica, could be carried also into the international fora, where the actual international trade negotiations are taking place.</p>	<p>Action: Closer collaboration between the Ministry of Foreign Affairs and Foreign Trade and the PSOJ (private sector) in international trade negotiations. The PSOJ will encourage private sector participation in trade negotiations on a similar basis to that which has been in practice in the past.</p> <p>Responsible Agency: Ministry of Foreign Affairs and Foreign Trade/PSOJ.</p> <p>Timeframe for Review: 2000 June.</p>

	ISSUE	CURRENT STATUS	ACTION/TIMEFRAME
29	<p><u>Double Taxation</u></p> <p>The PSOJ is pressing for the removal of double taxation on dividends.</p>	<p>The PSOJ has indicated that it supports the removal of double taxation from all companies. It regards and rejects as discriminatory any proposal for concessions to be offered exclusively to a small group of companies as would be the case with those publicly listed on the Jamaica Stock Exchange. Any policy, which is currently under consideration, should take into account the situation of all companies. The Minister of Finance and Planning has advised the PSOJ that he would be willing to re-examine this issue at the end of the current budget cycle.</p>	<p>Action: The Government is to review the issue of double taxation.</p> <p>Responsible Agency: Ministry of Finance and Planning.</p> <p>Timeframe: March 2000.</p>
30	<p><u>Basic Industries</u></p> <p>It is proposed that the list of Basic Industries which benefit from investment allowances under the Income Tax Act should be extended to include breads, biscuits and other flour-based products.</p>	<p>During the consultations, the private sector reiterated concern that this facility has not been made available to such an important sector of the Jamaican economy. It was argued that the list of Basic Industries has not been amended since 1959. This indicates that it would be appropriate for the list to be reviewed at this time. There is also provision for such an amendment by way of Parliamentary approval in accordance with Section 2 Part IV of the Income Tax Schedule. The Ministry of Finance and Planning has indicated a willingness to examine this issue at the end of the current budget cycle, when information would have been received on the government's revenue flows.</p>	<p>Action: Include flour-based products on the List of Basic Industries.</p> <p>Responsible Agencies: Ministry of Industry and Investment/Ministry of Finance and Planning.</p> <p>Timeframe: This matter is to be reviewed at the end of March 2000.</p>
31	<p><u>Motor Vehicle Licensing and Examination</u></p> <p>Concern was raised regarding corruption in Government Agencies, with particular reference for example to motor vehicle licensing and examination.</p>	<p>The Ministry of Transport and Works reports that there have been many allegations of corruption in the Island Traffic Authority. However, experience has shown that when Examiners are arrested the cases very often end up being dismissed due to the non-appearance of witnesses. The Ministry notes that the Offices of the Services Commissions has also been asked to reinstate Examiners against whom charges were laid since they were not proven guilty. It is hoped that with the proposed modernization of the Island Traffic Authority that corruption and other critical issues will be eliminated from the system.</p> <p>The Ministry of Transport and Works also proposes to go ahead with the privatization of the Motor Vehicle Inspection Services and consultations continue with an investor group in this regard. There are currently no plans to privatize the licensing of motor vehicles. This matter could be explored further.</p>	<p>Action: Privatization of the Motor Vehicle Inspection Services.</p> <p>Responsible Agency: Ministry of Transport and Works.</p> <p>Timeframe: It is expected that negotiations for the Motor Vehicle Inspection Services will conclude by the end of 2000 February and that a signed contract will be in place by 2000 March. An 18-month construction period will follow.</p>

	ISSUE	CURRENT STATUS	ACTION/TIMEFRAME
32	<p><u>Accelerated Depreciation</u></p> <p>It is proposed that the accelerated depreciation provision should also apply to the purchase of second-hand equipment.</p>	<p>During the consultations, this matter was discussed at length. It was agreed that JAMPRO would consider the application of this provision to second-hand equipment on a case-by-case basis. However, the organization raised concerns regarding the expertise that this would require and the manpower and attendant cost implications for JAMPRO.</p> <p>Following the submission of the consultation report to the Development Council on 1999 October 13, it was noted that although there is no desire to encourage the importation of obsolete machinery and equipment, it is recognized that second-hand equipment would qualify.</p> <p>The operating details are to be worked out in collaboration with the Ministry of Industry and Investment and JAMPRO.</p>	<p>Action: The Ministry of Finance and Planning is to implement the decision to extend the benefits of the accelerated depreciation incentive to second-hand equipment.</p> <p>Responsible Agency: Ministry of Finance and Planning.</p> <p>Timeframe: 2000 April.</p>

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