



**Remarks by the Hon. Anthony Hylton, MP
Minister of Industry, Investment and Commerce
at the
Caribbean Export Development Agency
DIRECT ASSISTANCE GRANT SCHEME
PRESS CONFERENCE**

Friday, 8 August 2014 at 8:30am

Salutations and Preamble:

- Mrs. Pamela Coke-Hamilton, the Executive Director of the Caribbean Export Development Agency;
- Mr. Jesús Orús-Báguena – Chargé d' Affaires of the Delegation of the European Union to Jamaica, Belize, The Bahamas, Turks and Caicos Islands and Cayman Islands;
- Mr. Robert Scott – Vice President, Export and Market Development, Jamaica Promotions Corporation
- Members of the Jamaican productive and export sector and proud recipients of this EU-funded direct grant assistance through Caribbean Export;

- Members of the press;
- Ladies and gentlemen...

This morning's event is a fitting tribute to the industry and productive promise of the Jamaican micro, small and medium sized enterprise (MSME) sector, which remains the backbone of our economy and a source of over 80% of employment in the country.

I would therefore like to express the appreciation of the Government of Jamaica for the partnership and support that the European Union and the Caribbean Export Development Agency have extended to our local businesses to be more competitive through the Direct Assistance Grant Scheme (DAGS), funded under the 9th and 10th European Development Fund (EDF). This reimbursement grant funding facility is specifically designed to provide financial assistance to micro, small and medium sized enterprises (MSMEs) and Business Support Organisations (BSOs) with the potential to export their products and services.

In recognition of the vital importance of the MSME sector to the success of Jamaica's Growth Agenda and our drive to become a logistics-centred economy, the Ministry of Industry, Investment and Commerce is currently implementing its MSME and Entrepreneurship Policy.

This Policy is designed to unlock the barriers to the full participation of our MSMEs and is backed by progressive legislation like the Security Interests in Personal Property (SIPP) Act. Other business enabling policies include, the Collateral Registry to expand asset-based lending to the MSME sector and the Business Registration Super Form to enable the easy registration of businesses.

At the same time, we are pursuing Insolvency legislation in order to give MSMEs the opportunity to organize their business in the face of insolvency, with the protection of the Courts against their creditors.

I have taken the time to share these important policy actions for the MSME sector by the Government to make

the broader point that the Ministry's determination to implement the MSME and Entrepreneurship Policy are informed by the wider context and realities of global competitiveness in today's world.

Access to capital remains a major challenge for the MSME sector despite the reform efforts that have been carried out. Thus far, there has not been much traction within the financial community with the SIPP legislation and the Collateral Registry. MSMEs, especially creative industries, therefore remain unable to access funding from the financial sector, which often proves a major barrier to their development. This is true notwithstanding the significant profitability of our local and regional financial institutions. It remains the case that it is much easier to obtain a loan for consumptive items than for productive activity.

Notwithstanding, Jamaica is determined to become globally competitive in all of its industries, and the MSMEs lie at the heart of this endeavour.

In this regard, the Direct Assistant Grant Scheme is welcomed by the Ministry and the Government of Jamaica. Indeed, the fact that this scheme seeks to open new markets in order to capitalise on the benefits of the CARIFORUM-EU Economic Partnership Agreement (EPA), CARICOM Single Market and Economy (CSME), CARICOM-DR Free Trade Agreement (FTA) or any other bilateral or multilateral arrangements signed within the region or with ACP or EU partners, is a step in the right direction. It is for this reason that the Ministry will continue to agitate for more investment into the productive sector which can be accessed by MSMEs from our own Government of Jamaica (GOJ) resources.

In the meantime, the Caribbean Export Development Agency continues to provide practical assistance to MSMEs. Overall, 154 grants have been awarded to Jamaican firms totaling some 2.7 million euros, representing a 45% increase in grant funding for sectors such as agro-processing, creative industries, health and wellness, information and communication technologies,

manufacturing, professional services and tourism. All of which are key areas on which the growth agenda is relying for dynamic economic impact.

Importantly, the funding provided to beneficiaries under the scheme is often utilised to modernize equipment, upgrade facilities to meet international food and quality standards, enhance products and packaging, implement alternative energy systems, market and promote products and services, train staff, and develop collateral materials. Exactly the kind of activities that firms, large and small, must be engaged in if they are to participate in the increasingly competitive local and global economy.

Ladies and gentlemen, this will also help to integrate our MSMEs into the global value chain, particularly through the opportunities that the Jamaica Logistics Hub will provide. The development and adherence to international standards will allow them to better access foreign markets through the development of planned Special Economic Zones (SEZs).

The SEZs will support a broader-based growth path for our country. They, therefore, offer a potentially valuable strategy to overcome some of the existing constraints to developing our manufacturing capabilities with transnational corporations, attract more investments, and grow our exports.

Looking forward, Jamaica has strong export potential and growing export capacity. The unique taste of Jamaican foods presents a big opportunity for increasing our exports and improving our balance of trade. We also see this as an opportunity to produce innovative food products that will penetrate global markets. The funding support from Caribbean Export and the EU will no doubt be of great assistance to our companies as they seek to capitalize on the opportunities.

I know JAMPRO is already looking closely at the new product opportunities for aggressive promotions in the overseas markets within the short to medium term:

- Examples of products that present opportunities for production and overseas marketing include Honey and Ornamental fish.

There are also emerging opportunities based on anticipated changes in the policy, regulatory framework and trends such as in the areas of Tilapia, Industrial Hemp, and Rabbit meat.

- Export of trade in services also remains an area of special focus for policy leadership and direction by the Ministry, as we seek to encourage more of our professionals to engage in promoting and exporting their services to clients outside of the country.

In closing, I reserve my final words of commendation to the Jamaican producers gathered here today. The Ministry of Industry, Investment and Commerce congratulates all the grant recipients, and we wish to again express our

gratitude to the EU and the Caribbean Export Development Agency.

We at MIIC acknowledge this support to our local MSME sector as further and tangible evidence of support for our own efforts to secure greater funding from our own resources for the next stage development of MSMEs to contribute to expanded growth in the export sector.

I thank you!