

GREETINGS

HON. KARL SAMUDA

**MINISTER OF INDUSTRY, COMMERCE, AGRICULTURE &
FISHERIES**

**LAUNCH OF THE 2016 SCOTIABANK VISION ACHIEVER (SVA)
PROGRAMME**

WEDNESDAY, MAY 11, 2016

SCOTIABANK GROUP FINANCIAL CENTRE

132-132A CONSTANT SPRING ROAD, KINGSTON

Salutations, etc.:

1. The Ministry of Industry, Commerce, Agriculture & Fisheries fully endorses and supports the **Scotiabank Vision Achiever Programme**.
2. This programme is certainly in keeping with our policy objectives of creating an enhancing business and development support, and fostering a culture of entrepreneurship and innovation.

MSME Sector

3. The Government, in recognition of the importance of MSMEs to the economic growth and development of our country, is actively pushing for increased participation by local firms in our formal economy.

4. With an estimated 90% of employment coming from the MSME sector, this sector is indispensable to achieving not only growth, but also to achieving broad-based and inclusive growth.

5. Equally, the development of the MSME sector is critical to the transformational growth envisioned for other sectors of the economy, such as agriculture, agri-business, tourism, etc.

6. Like Scotiabank, the Government has been introducing a number of initiatives designed to bring business capacity and funding support to the MSME sector.

7. Along with loan support to the sector through a network of Approved Financial Institutions (AFIs), there are three flagship programmes aimed at helping the sector to overcome the obstacles to growth, as well as developing the larger business ecosystem:-

- The **Innovation Grant from New Ideas to Entrepreneurship (IGNITE)** programme involves funding new and innovative business ideas and is the newest option for start-ups in terms of supporting their development and the commercialization of their innovations.
- The **Credit Enhancement Facility (CEF)** offers partial guarantees to lenders so MSMEs can get financing. The CEF addresses the recurring challenge of inadequate collateral for many businesses in Jamaica.

- The **Voucher for Technical Assistance (VTA)** gives entrepreneurs access to technical services and helps MSMEs build their capacity, expand, and improve their access to financing.

8. In fostering a culture of entrepreneurship and Innovation, introduction of entrepreneurship in the curricula of all primary, secondary and tertiary institutions is being pursued, while plans are in place to increase incubator space for innovation.

9. We recognize that training and development are critical to the growth and viability of the MSME sector. In recent times, we have been targeting MSME deficiencies in areas such as business planning, cash flow projections, management, bookkeeping, marketing, customer service, and so forth.

10. In all of this, MSME business development support is critical. And, I must say that one of the best approaches to business development support that I have seen was in Canada.

Canadian approach to Small Business Development

- In May 2009, I was part of an observation tour to Canada that included an evaluation of the Canadian approach to small business facilitation.
- One of the key observations was that policy and strategies are designed and driven by data, otherwise called, 'metrics'.

- In Canada, small and medium sized enterprises (SMEs) are not an adjunct in the development of Government policy, but are central to the process. Some **55% of these businesses are what we would define as micro** (under 5 persons employed), while **32%% fit our employment definition of small, that is, employing** under 20 persons.
- **Canada uses a 'one-stop' model** for small business facilitation and development.
- Despite the complex jurisdictional systems in Canada, with three layers of governance, **there are structured cooperation agreements between the federal, provincial and municipal governments to allow 'one stop' centres** to operate efficiently. These **'one stop' centres are virtual (online)** not physical.
- The Government of Canada considers **direct lending to small and medium enterprises (SME's) as a critical part of its support programmes.**
- Financing is provided to Canada's entrepreneurs through the **Business Development Bank of Canada (BDC).**
- The Bank provides financial and non-financial (business consulting) services directly to SME's.

- At the time of the visit in 2009, BDC offered an award of mentorship to young entrepreneurs who would see a CEO providing coaching and mentoring to the awardee.
 - The mentorship programme has now been institutionalized in the BDC's Futurpreneur **Programme** that offers financing, mentoring and expertise.
 - The mentorship programme is called moMENTum, a six-month mentoring programme that pairs entrepreneurs aged 18-39 with an experienced mentor to support them through the early stages of starting their business.
11. Essentially, what I am leading to, ladies and gentlemen, is that it cannot be business as usual for us in Jamaica.
 12. We must set the stage for growth in this country like it has never been done before.
 13. We must build entrepreneurship, build new industries, facilitate new techniques and technologies, and get rid of the impediments to business in this country. Vital to all of this, is the necessary business development support for MSMEs.
 14. We, therefore, welcome and fully support this initiative by Scotiabank.

