

HON. KARL SAMUDA
MINISTER OF INDUSTRY, COMMERCE, AGRICULTURE & FISHERIES
CLOSING OF SECTORAL DEBATE
TUESDAY, JULY 12, 2016

1.Introductory Remarks

- Mr. Speaker, it is my task today to close the Sectoral Debate for the Fiscal Year 2016-2017, and the first for this new administration.
- I am, indeed, honoured to do so.
- On behalf of the Government, I applaud everyone who took the time and effort to make a meaningful contribution to the Debate.
- While we won't be able to highlight all, we certainly appreciate the quality of the presentations, and the sincerity and maturity with which they were delivered.

BREXIT

Mr. Speaker, there have been several developments internationally since we opened the Debates just over a month ago.

Most notably, the world has been shocked by the United Kingdom's decision to leave the European Union, which has had a tremendous impact, as uncertainty about the future crept into various trading markets.

Within a day of the announcement, the British pound fell to historic lows, wiping billions of pounds off global markets. It's no surprise that BREXIT has dominated discussions on the world stage.

As a government, we are watching the developments closely. Concerns have been raised by members of the private sector and the matter was also discussed at a

CARICOM Heads of Government meeting last week in Guyana.

Mr. Speaker, we remain in close contact with the British High Commissioner in Kingston on the matter and are monitoring the situation to determine the possible ramifications.

We are on the eve of the appointment of the new Prime Minister of England, Mrs. Theresa May.

Ease of Doing Business

Mr. Speaker, through collaborative efforts over the years, Jamaica has seen improvements in its ranking on the Ease-of-Doing-Business Index.

Word recently came that Jamaica has jumped seven places on the index for Latin America and the Caribbean this year. This is a commendable achievement, but more needs to be done to enable existing and potential investors to implement

their development projects in a timely manner, without bureaucratic hassle.

Mr. Speaker, I can assure you, significant steps are being taken to remove the structural barriers, which have delayed so many projects. This will be one of the major tasks of the Economic Growth Council, and my Ministry is working also to remove these impediments to growth.

Major Developments and Issues Raised During the Sectoral Debate

Growth

Mr. Speaker, perhaps the most common thread of all the presentations made during the Sectoral Debate were the need for growth and jobs, and in general, the concern about the future of our country and our people.

Mr. Speaker, as we have heard from the Minister without Portfolio with responsibility for Growth and Investment, with

careful management our economy can rebound and find a path to growth.

The Prime Minister has given this mandate to the Ministry of Economic Growth and Job Creation. However, if we are to have the kind of lasting growth that will truly move this country from poverty to prosperity, then every Member of this Honourable House and indeed, every single Jamaican must play a part.

Already, we can see that persons are getting on board, with members of the private sector, farmers and ordinary Jamaicans being committed to playing their part.

The Economic Growth Council, chaired by Mr. Michael Lee-Chin, has set plans to grow the country's Gross Domestic Product (GDP) by 5% annually in the next four years.

It's a tall task, Mr. Speaker, but we believe it can be done.

The Council will target major local and international players and once they meet all the requirements, the Ministry of Economic Growth and Job Creation will help fast-track the projects.

Czar

Mr. Speaker, the Opposition Spokesman on Industry, Investment and Commerce during his presentation argued:

“I feel compelled to warn against the increasing Czar mentality – as the historical experiences and performances of Czars should not be recommended in forward thinking 21st century management, as there is the tendency to concentrate power in the hands of individuals rather than institutions. Is this compatible with our democratic traditions and the direction of leaders preparing their economies and citizens for the 21st century?”

Mr. Speaker, it is instructive that while the Opposition Spokesman for Industry refers to Czars as a thing of the

past, the Opposition Spokesman on Housing and Rural Development is doing otherwise. He stated:

“I am further calling on the Prime Minister to not just name a growth Czar, but to also name a Czar for rural development. I am suggesting that this Czar focuses on completing all the development plans for the various parishes.”

Mr. Speaker, perhaps at this point, I think I should simply rest that case.

Infrastructure

Mr. Speaker, water, transport, energy, our ports, waste disposal networks and facilities, are all essential ingredients for the success of our economy. Hence, infrastructural investments have many long-term economic benefits, including increasing economic growth, productivity, and providing significant positive spillovers.

In this context, the Minister with responsibility for Infrastructure outlined a wide range of infrastructural projects across the island, too numerous to mention. We are:

- Developing near port lands for logistics
- Developing our cruise ship ports – Montego Bay, for example, is being improved to accommodate up to three cruise ships

Water

In terms of water, there are plans to improve supply right across the island, and to ensure consumers are drought resilient.

In the Kingston Metropolitan Area, some J\$7 billion will be spent, as we seek to make non-revenue water levels more acceptable.

In the rural areas, some 38 water supply projects are being targeted.

Energy - Diversifying Energy

Mr. Speaker, critical to the whole business of competitiveness and growth is the availability and cost of energy.

In this regard, we must commend the Minister of Science, Energy and Technology when he says that as a nation we need to change the way we look at energy, and reduce our reliance on fossil fuels.

Initiatives in this respect include, so far:

- The expanded line of credit for micro, small and medium sized enterprises (MSMEs) by the Development Bank of Jamaica (DBJ) for MSME's seeking to invest in renewable energy

- The Ministry's "30 in 30" plan, which aims to replace 30% of electricity generation to the national grid with renewable sources by 2030, is to be whole heartedly supported.

Mr. Speaker, through the increased use of renewable energy sources, we will reduce our carbon footprint and ensure that our children and their children will be able to enjoy a cleaner and healthier environment.

Based on the comments by the Opposition Spokesman on Energy we seem to have convergence on this strategy across the island.

Lowering Energy Costs

The Energy Ministry by setting the stage for sustained reductions in the cost of energy, will assist our big manufacturers who are competing on the international stage, and our micro, small and medium enterprises, which have to

work that much harder to put out their products in an efficient way.

Families will also benefit from reduced energy costs as well. They will no doubt be able to put these saving to better use.

Mr. Speaker, we on this side agree with the Opposition Spokesman for Energy and Mining about the importance of energy to the growth and development of our country. We need to properly engage our people in the process of achieving energy diversification, energy efficiency and conservation, and we are certainly expecting energy to remain high on the agenda of national development.

Transport & Mining

The Minister of Transport and Mining has been taking steps to see to the development of the following:

1. The **revitalization of the rail service**, for which public/private partnership is now underway, involving Herzog, which submitted an unsolicited proposal of interest in 2013.
2. The **Vernamfield Development Plan**, estimated to cost US\$2.5 billion over a 10-year phased development period.
3. Construction of the new **Portmore Transportation Hub**, expected to cost over 47 million pounds.
4. The proposed acquisition of 270 new buses by the JUTC
5. **National Transport Policy** – coming on stream, to guide the overall development of the transport sector
6. National Minerals Policy being finalized to develop the sector and protect its resources, and
7. The acquisition of Alpart by JISCO – to take place by August 2016.

Free Zone Importation

Mr. Speaker, during his Sectoral presentation, the Opposition Spokesman on Industry, Investment and Commerce raised concerns about the change of policy direction in relation to the importation of motor vehicles into our free zones and special economic zones.

Let me reiterate and clarify as much as possible:

- It is the duty of the customs department of any country to ensure that all goods entering a particular country, whether by air or by sea, do so in a particular manner and subject to scrutiny and to duties before such goods are released into the domestic market for their intended use.

We maintain,

- The movement of motor vehicles into free zones for the domestic market is an exception to this general principle in light of the fact that there is already a regime and legal

framework in place for the importation of motor vehicles into the domestic market.

- Free zones were not created to facilitate importation of motor vehicles and their subsequent release into the domestic market
- The Ministry exists to facilitate production and exports, and not wanton importation that enriches only a few.

Health

Mr. Speaker, the relationship between health and our economy must today be seen as one of the cornerstones of the growth agenda.

We understand the correlation that as the economy of a country improves, the health of its citizens also improves. However, the converse is also true - improving the health of our citizens can directly result in economic growth, because more people will be able to conduct effective activities in the workforce, start businesses, etc.

With respect to Health therefore, Mr. Speaker, we welcome initiatives such as the upcoming launch of the JAMAICA MOVES (#JaMoves) National campaign, which will call on Jamaicans to become more active.

Reducing Waiting Time

We also note the efforts of the Ministry to reduce the time it takes to see a doctor and get treated in our public health system, particularly through the **A&E pilot** study, which is expected to cost some \$350 million.

The public should also welcome,

- The move towards 24-hour pharmacy service in some hospitals, and extended hours in some health centres
- The training of 50% more critical care nurses as part of the efforts to increase supply in the system, and

- The efforts to reduce tobacco and alcohol use in our schools, or among under-aged children

Social Protection Programmes

Mr. Speaker, for social protection programmes, the government has allocated \$2B more in the budget this year. With these additional funds, \$29B will be spent this fiscal year for targeted programmes to assist those Jamaicans who are most in need.

We are ensuring that the most vulnerable in our society have a larger safety net and this increased allocation will go a far way in consolidating the gains we have made so far in tackling poverty and advancing prosperity through social protection.

PATH

The Labour and Social Security Ministry will also be providing a package of social services for approximately

2,500 families on the Programme for Advancement through Health and Education (PATH) this year. This package of social services will increase access to housing solutions in collaboration with Food for the Poor; tertiary education, continuing education and skills development; career counselling, job-readiness preparation and employment opportunities; business development training and appropriate financial assistance for viable ventures.

Community-Based Jobs

Mr. Speaker, The Social Development Commission (SDC) must be commended for all the work it has been doing over the years, thereby making a real difference in the lives of persons in the many communities it visits daily.

Under the Local Economic Development (LED) Support Programme, which is being implemented by the SDC, over 4,500 jobs are to be created at the community level.

Occupational Safety and Health

Mr. Speaker we are equally pleased that the National Occupational Safety and Health policy, as well as the Public Sector Occupational Safety and Health policy, will be completed this financial year.

As the Minister of labour and Social Security has noted, a safe and healthy workforce is critical to productivity and prosperity.

Jamaicans must be protected in the work place.

Education

Mr. Speaker, Education is no less critical to growth. Education not only increases the productivity and creativity of our people, but also promotes entrepreneurship and technological advances.

Increasing attainment levels in the population, better employment prospects and the increasing earnings that come through education, can all contribute to growth and prosperity.

Hence, we see the role being played by the Ministry of Education as critical to the whole growth process for example, in areas such as early childhood education, for which some \$30 million has been budgeted to reactivate the Early Childhood Stimulation Programme.

Youth Information Centres (YICs)

Initiatives, such as the restructuring and rebranding of the Youth Information Centres (YICs) as Youth Innovation Centres must not only be seen as part of the efforts to develop new skills and promote entrepreneurship, but also as part of the thrust towards youth empowerment and sustainable growth.

Justice

Mr. Speaker, with respect to Justice, the Minister remains firmly committed to achieving timely delivery of Justice in our courts, with the backlog reduction strategy being the primary focus of the Ministry over the next few years.

As the Minister of Justice stated in his presentation, this administration will be continuing:

1. The justice reform programme
2. The programme to remove and repeal outdated legislation
3. The backlog reduction efforts in the Courts
4. The modernization and expansion of the Courts, and
5. The thrust to protect vulnerable groups in our society

Security

Mr. Speaker, one of the major obstacles to us achieving the kind of growth that we have been discussing is crime.

I don't need to restate the impact that crime has on our families, our tourism product or on our ability to bring in new investors. This is something we all understand and, I am sure, there is consensus on both sides of the House on this matter.

We must take urgent action to tackle crime.

The Opposition Spokesman on Security, Peter Bunting, has said in this House that we don't need to reinvent the wheel to adequately address the crime problem and for the most part, I agree with him.

That's why we will continue the programmes and initiatives that have been working.

But, Mr. Speaker, I stand with the Attorney General, and I stand with the Security Minister on this extremely important matter. Immediate action is also required! It is not business

as usual. We will take decisive action to take back Jamaica, one community at a time.

Laws

We must amend our laws to put tougher penalties in place for persons convicted of violent crimes, and we must fix our justice system.

Mr. Speaker, the time has also come for proper rehabilitative programmes to be implemented in the nation's prisons. We have to educate our prisoners and give them skills, so that when they are released they don't have to go back to a life of crime to feed themselves and their children.

The Minister has outlined a number of other steps that will be taken by the Ministry of National Security to curb crime, including social intervention programmes, greater use of technology and greater use of community policing. I won't go back through them.

However Mr. Speaker, let me be clear. If we are to be successful, we will need the support of **every** single Jamaican. We cannot do it alone.

As the Minister of National Security has stated in his Sectoral presentation, and we concur:

“Crime accounts for 7% of Jamaican Gross Domestic Product (GDP). If we reduce crime we can grow the economy, without investing an extra dollar. Crime not only affects everybody, it's very costly to everyone”.

Mr. Speaker, similar to the Opposition Spokesman on National Security and Justice, the Government is very much in favour of a bipartisan approach to tackling crime.

It is now time for less talk, and more action.

Agriculture & Fisheries

Mr. Speaker, what we do in the Ministry of Industry, Commerce, Agriculture & Fisheries is absolutely crucial to the growth agenda. We therefore,

- Continue the efforts to improve access to finance for the productive micro sector, working closely with the Ministry of Finance, Development Bank of Jamaica (DBJ), Bank of Jamaica (BOJ) and private sector financial institutions, including banks, credit unions and micro financing institutions.

We continue,

- To foster a culture of entrepreneurship and innovation to unlock the creative potential of our people.

- We continue the push to harness and channel the expertise of our talented businessmen and women – here and abroad through a National Mentorship Programme, and
- We continue to facilitate innovation, business development, and the building of new industries.

Bamboo

Mr. Speaker, one of these relatively new industries is the bamboo industry, and the Ministry of Industry, Commerce, Agriculture and Fisheries has been spearheading the development of this industry.

Manufacturing

In manufacturing, we will continue our efforts to grow the sector by strengthening its linkage with agriculture and tourism. We are talking about creating higher value-added products for export and local consumption, using raw materials provided by the agricultural sector.

- Example: The use of cassava in Red Stripe beer
- New initiatives in milk production
- Production of French fries, using locally grown Irish potatoes
- Liquid sugar for the manufacturing sector to produce juices and beverages

Future of Sugar

Long Pond

Over 2000 tonnes of sugar have been produced to date. The reaping of all cane will be completed by the end of August.

Monymusk

Further to a cabinet approval, I can report that all arrangements have now been made by the government through SCJ holdings to operate that factory for the next crop.

In keeping with the provisions under the Sugar Transformation Programme, I can now announce that this year we will be spending just under 800 million dollars on 80 kilometres of cane roads.

These include the following:

1. Worthy Park Sugar Dependent Area (SDA) – St Catherine /Clarendon, Package 5: J\$63,765,545.00

- Brandon Hill- Cargill Road
- Crofts Hill – Race Course Road
- Brandon Hill – Wedge Hill
- Good Hope – Darkness – Shooter

2. Monymusk Sugar Dependent (SDA) – Clarendon, Package 6: J\$70,678,266.14

- Land Settlement (Rhymesbury) Road # 1
- Land Settlement (Rhymesbury) Road # 2

- Land Settlement (Rhymesbury) Road # 3
- Land Settlement (Rhymesbury) Road # 4
- Land Settlement (Rhymesbury) Road # 5
- Oscar Gordon – Garvey Maceo via Parnassus Boundary

3. Bernard Lodge Sugar Dependent Areas (SDA) – St. Catherine, Package 7: **J\$88,918,902.75**

- Race Course Lane
- Round Hood Lane
- Woodlands Road
- Hillrun (Phase II)
- Wilkens Lane

4. Bernard Lodge Sugar Dependent Areas (SDA) – St. Catherine, Package 8: **J\$92,928,277.00**

- Hillrun- Breadfruit Lane
- Bushy Park Road
- Amity Hall Road

Mr. Speaker, the challenges facing the sugar industry continue, but we are very clear in our minds – there is hope.

For the immediate future, we must,

- Maximize on the versatility of the sugar cane to produce multiple products
- Diversify our markets
- Invest more in field operations to attain higher levels of productivity and efficiency

CARICOM Market

Mr. Speaker, let me be clear, the sugar industry in Jamaica is not dying. It is changing, and we have to be cognizant of those changes and respond appropriately. Within CARICOM there is a substantial market for over 300,000 tonnes of sugar for direct consumption, and for use as raw material in manufacturing.

We are ready to lead the charge into the CARICOM market with products such as our packaged sugar, refined sugar, plantation white, and liquid sugar.

Sugar has a future – but it cannot be business as usual!

Young People

Mr. Speaker, I must revisit the presentation of the Opposition Spokesman on Agriculture, in which he articulated the need for Jamaica's best and brightest to embrace agriculture as a calling and career, and I quote:

“We must continue to support young people who choose agriculture, as done through the agro-investment cooperation in providing arable parcels of land to young persons and support them in establishing a career in agriculture.”

Since assuming office, we in the Ministry of Agriculture have been encouraging more young people to get involved in agriculture, and I want to endorse the call made by the Opposition Spokesman.

Renewed Focus on Livestock

The Opposition Spokesman on Agriculture also mentioned the need for us to reduce our food imports, including livestock.

Clearly, we cannot continue on a path where up to 50% of our food import bill is spent on imported products that we can grow and produce in Jamaica.

Hence, as I announced during my presentation, we will be,

- Developing our pastures
- Increasing the output of the livestock sector, and
- Restoring the dairy sector

Mr. Speaker, so far as livestock is concerned, I believe it is safe to say that we are on the same page as the Opposition Spokesman on Agriculture.

Indeed, we are moving well beyond livestock. As the Minister without Portfolio in the Ministry of Industry, Commerce, Agriculture and Fisheries indicated in his

presentation to this House, we have a wide range of initiatives to develop the agricultural sector. These include:

- 50 acres of lands dedicated to organic farming
- 186 school gardens
- The Posterity Tree Programme – to provide excellent quality fruits for the market and assist in climate change.
- Processing facilities for training and expansion of the value chain for fruits and vegetables, with seven incubators.
- Development of the agro-parks for agricultural production and operation of the fish ponds in Hill Run.

Conclusion

Mr. Speaker, without growth, there can be no prosperity. And so, stimulating growth has become job number one for this administration.

Crime, however, remains one of the biggest threats to growth and prosperity. It must be, and is being tackled at all levels. Government ... Opposition ... private sector – all of us as Jamaicans must work together to root out the threat of crime from our society. This must be a national effort.