



**Keynote Address by the Hon. Anthony Hylton MP,
Minister of Industry, Investment and Commerce
at
Launch of Micro Finance Jamaica,

Beer Garden
The Four Seasons Hotel
18 Ruthven Rd Kingston 10 Jamaica

Thursday, 20 August 2015 at 6:30pm**

Salutations and Preamble:

- Mr. Audley Shaw, Opposition Spokesman on Finance, Planning and the Public Service.
- Mr. Raymond Gabbidon, Executive Director, The Jamaica Micro Financing Association Ltd
- Representatives of the Micro Finance Industry
- Members of the press;
- Specially invited guests... good evening

Introduction

It gives me great pleasure to join you this evening for the launch of microFINANCE Jamaica.

As Minister, I received an advanced copy of the magazine and I found it an interesting and inspirational read. My favourite article was “The Martan Man” that spoke about Sheldon Whyte’s experience as an entrepreneur. This young man’s passion, drive and resourcefulness truly serves as an encouragement to us all.

Ladies and gentlemen, it is fitting that the publication is geared at keeping the public abreast of the developments and trends in the micro-finance sector, nationally and globally. For me, it is testament to the growing maturity of the local microfinance sector, even as Jamaica remains at the forefront in the Caribbean.

Let me, therefore, commend Raymond and his team at the Jamaica Micro Financing Association Ltd and all the contributors that worked to make this publication a must-read!

Ladies and gentlemen, it is widely acknowledged that the micro sector plays a critical role in driving growth, job creation and economic inclusiveness.

The MSME and Entrepreneurship Policy defines micro enterprises as entities with five (5) or fewer employees and an annual turnover of J\$ 10 million or less. I have often said that this definition embraces a range of entrepreneurs including the pan chicken man, the small farmer, the fruit vendor and the local hairdresser. The simple fact is that these are the creative and hardworking entrepreneurs that the Government's policy is designed to support, and also the target audience for microfinance organizations.

Let me, therefore, take a few moments to focus on key areas of the policy that are relevant to you.

First, creating an enabling environment

This element speaks to the targeted reforms, through the National Competitiveness Council, to make it easier to do business in Jamaica. Critical initiatives in the furtherance of this agenda include:

- The introduction of the Single Business Registration Form (Superform) to reduce complexity and time for registering businesses and incorporating business names. Today, this can all be done at the Companies Office of Jamaica, instead of having to visit several Government offices.

- The enactment of the Insolvency Act and the establishment of the Office of the Supervisor of Insolvency. These are critical to the implementation of a modern insolvency regime. They provide for the rehabilitation of companies, which have either fallen into or are on the brink of insolvency, under court protection, and so will help to remove some of the constraints associated with bankruptcy in Jamaica.

Second, increasing Access to Finance for MSMEs

Access to finance among MSMEs is a major issue that has stymied the growth and development of the MSME sector. As a result, the Government has implemented critical initiatives to support the sector. These include:

- The establishment of the Secured Transactions Regime, underpinned by the enactment of the Security Interests in Personal Property Act (SIPPA) and the implementation of the accompanying Collateral Registry, are designated towards assisting with the facilitation of micro-financing. This liberates companies from the use of real estate as the only form of collateral. Today, livestock, stocks and securities, crops and even intellectual property can be used to secure business loans under the existing laws.
- Another area of importance is the initiative that is being led by the Development Bank of Jamaica (DBJ) to establish a venture capital eco-system, through the Jamaica Venture Capital Programme. This programme reflects Government's commitment to facilitate access to equity financing, especially for start-ups and early-stage companies.
- Yet another initiative of significance is the DBJ Mobile Money Pilot designed to roll out mobile money solutions for financial inclusion and improving the ease and speed of conducting financial transactions.

Third, enhancing Business Development Support

Ladies and gentlemen, we believe that business development support must be provided over the lifecycle of the business- **from concept to market**. To achieve this, I have started work in my own Ministry with the consolidation of the Boards of the Jamaica Business Development Corporation, The Micro Investment Development Agency and the Self Start Fund into a single board.

Establishing a single board is part of a general move to repurpose and reposition the agencies to provide capacity building services for the MSME sector. It will also allow increased focus on improving access to capital to the micro sector, exclusively for productive purposes and at competitive rates.

Ladies and gentlemen, the implementation of the Small Business Development Centre (SBDC) Model and the Mobile Business Clinic are two critical initiatives geared towards enhancing business development support.

The SBDC model is a managerial and technical support system for small businesses, which started in the USA over 35 years ago to provide small business owners with business development services and technical assistance. The Jamaica Business Development Corporation (JBDC) is the pilot for the model, in keeping with its mandate of providing capacity building services to the MSME sector.

Another key initiative to enhance business development support is the Mobile Business Clinic. The programme works to make business development and capacity services available to entrepreneurs and MSMEs across Jamaica. However, its success is solely based on the collaboration with ministries, agencies and departments across Government.

Indeed, these initiatives are critical to ensuring that the average Jamaican sees entrepreneurship as an opportunity for wealth creation and a meaningful contribution to

the economy, instead of simply an alternative to finding a nine-to-five employment or even just to 'eat a food'.

Ladies and gentlemen, the value of collaboration among the private sector, public sector and academia cannot be overstated. It is only when all stakeholders come on board will we be able to truly effect a positive outcome for the micro sector.

Although we have had many successes in the removal of impediments faced by micro enterprises, we have not become complacent. We understand that the development of the micro sector is part of a journey to build an inclusive and sustainable economy.

We are, therefore, in full support of the planned Micro Credit Act.

When enacted, it will provide for the licensing and regulation of privately-owned micro financing companies.

The Micro Credit Act also proposes that a regulator be established with the authority to issue directions or standards on transparent lending practices, credit administration and other matters relating to operational issues. And, it will determine whether to accept, reject or revoke registrations. These measures, we believe, will support the development of the micro financing sector.

Ladies and gentlemen, it is also expected that the legislation will bring about a micro-lending environment that is more orderly and responsive to standards. Ultimately, this will prove beneficial to all micro enterprises.

Closing

In closing, let me commend the Jamaica Micro Financing Association for continuing to advocate for micro financing institutions across the country. Indeed, you have ensured that micro financing institutions see their role in serving the needs of the client, even as the Government seeks to support the development of micro enterprises through strong

commercial policies and reforms. Indeed, it is my belief that we share the same goal of job creation, wealth creation and sustained economic growth.

In this vein, I implore all micro finance institutions to think creatively about how you can extend your services to emerging industries, in particular the creative industries, through the acceptance of intellectual property rights as collateral.

Let me once more commend the Jamaica Micro Financing Association on this timely publication. I hereby declare the microFINANCE Jamaica magazine launched.

I thank you