



**Keynote Address by the Hon. Anthony Hylton MP,  
Minister of Industry, Investment and Commerce  
at  
Small Business Association of Jamaica Luncheon  
The Blue Mountain Suite,  
Knutsford Court Hotel  
Wednesday, 17 December 2014 at 12 noon**

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Salutations and Preamble:

- His Excellency Olatokunboh Kamson, Nigerian High Commissioner to Jamaica
- His Excellency Bernardo Guanche Hernandez, Cuban Ambassador to Jamaica
- Mrs. Theresa Noel-Belasco, Acting High Commissioner for the Republic of Trinidad & Tobago to Jamaica
- Mr. Hugh Johnson, President, Small Business Association of Jamaica

- Mr. Chris Zacca, outgoing President, Private Sector Organization of Jamaica
- Mr. Dennis Chung, Chief Executive Officer, Private Sector Organization of Jamaica
- Mr. Donovan Wignal, President, MSME Alliance
- Mr. Sezvin Hamilton, Managing Director, Self Start Fund
- Mr. Robert Scott, Vice President, JAMPRO Trade and Invest
- Mrs. Julie Forrest, Trade Commissioner, Canadian Embassy
- Ms. Angell Bryan, 2014 Jamaica Festival Queen
- Members of the press;
- Ladies and gentlemen... good afternoon

As the year draws to a close, it is customary to reflect on its successes and challenges. It is also an opportunity to plan next steps through a renewed sense of direction and clarity. It is, therefore, fitting that the Small Business Association of Jamaica (SBAJ's) theme for this year's

luncheon is “**challenges and opportunities for entrepreneurs**”.

The SBAJ, since its inception, has demonstrated an unwavering commitment to the promotion of entrepreneurship and the development of the micro, small and medium sized enterprise (MSME) sector. I am, therefore, pleased to congratulate Mr. Hugh Johnson for assuming the presidency of the SBAJ. Indeed, I listened intently to the organisation’s main areas of focus for the 2014/2015 year as outlined in the President’s welcome and I will be addressing a few of those strategic areas here today.

## **Entrepreneurship**

In a modern society, the simultaneous development of entrepreneurship and human skills have become two (2) catalysts for a country achieving economic and social advancement. In this regard, the MSME sector is a nursery for entrepreneurship, often driven by individual creativity and innovation.

Ladies and gentlemen, there exist many opportunities for the entrepreneurs and MSMEs to generate wealth and contribute in a greater way to the Jamaican economy. I speak of the opportunities that of the Global Logistics Hub specifically and the growth agenda more generally provides. Indeed, a key opportunity and imperative is export- led growth.

The linkage initiative involving the Ministry of Industry, Investment and Commerce, its agencies namely JAMPRO and the Jamaica Business Development Corporation, the ministries of Tourism and Entertainment and Agriculture provides an opportunity for MSMEs to supply products that earn foreign exchange. In this regard, the linkage programme provides a channel for our MSMEs to become integrated into the global supply chains. I am pleased with the fact that the Jamaica Business Development Corporation (JBDC) is playing a central role in this initiative and the New Year will bring major announcements in this area.

Another opportunity is integration into the global value chain through the provision of value added services which large corporations outsource. This is an opportunity that is made possible through Jamaica's thrust to become the fourth node in Global Logistics. As the build out of the hub continues, these opportunities will increase and must be taken up by our MSMEs. There also exist opportunities for MSMEs to focus on the creative industries sector through ICT, animation and digital technologies.

All these opportunities are available for our entrepreneurs and MSMEs to get involved, generate wealth and facilitate job creation. However, our MSMEs historically have been limited by impediments that make it difficult to move their ideas to reality or concepts to market.

The fact that the Jamaican MSME sector accounts for 90% of total employment is a testament to the fixity of purpose of our entrepreneurs. The challenges faced in accessing financing at affordable rates by an entrepreneur in the creative industries, accessing business

development services in rural areas and obtaining relevant information to demystify legislative changes are just a few of the hurdles that cause many MSMEs and start-ups to fail.

If entrepreneurs and the MSME sector are left unsupported the implications will be far-reaching. Jamaica will have diminished potential to achieve growth-something we cannot afford based on our current economic situation. Jamaican companies will also become increasingly uncompetitive as goods and services from different countries will be more readily available to Jamaican consumers, even as the European Partnership Agreement takes full effect in 2015. These changes in the business environment will reduce the commercial viability of MSMEs which will have a knock-on effect in reducing employment and wealth creation.

Additionally, it will severely curtail the extent of our ability to benefit locally from the transformative impact of the Logistics Hub Initiative. Indeed, it is for this reason I have

never spoken of the hub without highlighting the critical role of MSMEs and entrepreneurs.

**So you may ask, what is being done about alleviating these challenges?**

Ladies and gentlemen, the creation of a supportive environment for entrepreneurship and the development of MSME's are, critical to realising the benefits of the Global Logistics Hub initiative and achieve sustainable development. The MSME and Entrepreneurship Policy highlights five (5) critical areas where the MSME sector faces significant hurdles and a strategy to reduce the challenges of the sector and encourage development.

They are:

- Creating an enabling business environment:
- Increase finance to MSMEs
- Fostering a culture of entrepreneurship and innovation
- Enhancing Business development support

- Cross-cutting work across various ministries, agencies and departments in Government.

Through the joined-up government approach, ministries and agencies across Government of Jamaica (GOJ) have implemented various policies and legislations to deal specifically with the creation of an enabling environment for entrepreneurs, and a reduction of the impediments they face. Let me take a few minutes to highlight some of these legislations, policies and programmes:

- The Security Interest in Personal Property (SIPP) Act makes it possible for entrepreneurs to use moveable assets such as livestock to secure business loans. Discussions continue with our financial institutions to ensure that this legislation takes effect sooner than later.
- The Insolvency Act is another piece of legislation which provides for the rehabilitation of the insolvent debtor under court protection, and will help to remove



the stigma and constraints associated with bankruptcy in Jamaica.

- The establishment of Start Up Jamaica as part of a USD \$20 million loan facility to facilitate the development of start-ups in the tech industry. This is a good start, despite the fact that it is limited to technology start-ups. I will therefore continue to advocate on this issue as more needs to be done for MSMEs in industries beyond the tech sector.
- The Jamaica Business Development Corporation (JBDC) Mobile Business Clinic which travels across the island in a bid to decentralise the delivery of business development and capacity building services. The Mobile Business Clinic also generates awareness of the assistance available to entrepreneurs and demystifies recent business focused legislation.
- Another programme is the Business Partnership Programme, coordinated by the Bureau of Standards Jamaica, which works with businesses to become HACCP certified for entry into foreign markets, and

- JAMPRO's Export Max programme, which helps businesses that are export ready to access global markets; and
- The implementation of the business Super form which reduces the time taken to register a business.

In the president's address he mentioned the 2014/2015 strategic imperative to lobby Government to establish an implementation team to ensure the MSME sector benefits from the proposed 15% procurement reserve. Rest assured, I am committed to the implementation of this policy.

The Procurement Bill is currently undergoing a review by a Joint Select Committee of Parliament. The Ministry of Industry, Investment and Commerce is represented by the Minister of State, Minister Ffolkes-Abrahams. I have been keeping a keen eye on developments to ensure that the 15% procurement reserve is part of the Bill that ultimately becomes law.

Ladies and gentlemen, today's address is not a laundry list of items for the Government to pat itself on the back. I mentioned them to illustrate that the GOJ, and the Ministry of Industry, Investment and Commerce, in particular, understands that the MSME sector has been facing serious challenges and we are committed to working to change that, not just in the Houses of Parliament, but on the ground. Not just in Kingston but across the island.

I can proudly speak of industries that have flourished because of the changes that the Government has made in its bid to create an enabling business environment. Examples include the ornamental fish industry in which a commitment has been demonstrated to support the development of the industry. In my own constituency, ornamental fishers have a sense of independence and pride as entrepreneurs. The development of alternative uses for bamboo is another burgeoning industry. On Friday, I will travel to St. Mary for a tour of a Bamboo farm that will utilize the kiln to dry the bamboo to create high quality products for sale. These are just two examples of

industries that are benefitting from an improved business environment and the thrust to develop our MSMEs. Indeed, significant improvement in our Doing Business ranking from 97 to 58 has benefitted and will continue to benefit MSMEs the most.

**Let me be clear, 2015 will bring further improvements in the business environment for the MSME sector. I know this because I am committed to making it so.**

At this time, I am pleased to announce that the GOJ in association with the Organisation of American States (OAS) will be launching the Small Business development Centre (SBDC) Model during the period 21-23 January, 2015. Developed in the United States of America over 35 years ago the SBDC system is acknowledged as a major contributor to the success of that country's small business sector. The overarching objective of the system is to promote growth, innovation and productivity for improvements in small business administration. Because MSMEs play a major role in growth and employment in

Jamaica, the network of SBDCs throughout the Caribbean and the Americas, will leverage the talent and infrastructure that exists to help small Jamaican businesses grow and create jobs. JBDC will lead in adapting this model, supported by other key stakeholders including academia.

There is much to be done for the development of the sector and I welcome the contribution of the SBAJ as a partner in advocating for entrepreneurs and the MSME sector. I repeat my previous expression of interest to work with the MSME sector to ensure that lands become available to conduct administrative and incubation support services. My aim is to support the development of the sector but there needs to be a joint presentation on how the lands and office spaces to be developed are to be utilised. I challenge the SBAJ and the sector to work together to achieve consensus as I hope to move forward on this matter before the end of 2015.

Ladies and gentlemen, I believe that given the opportunity, Jamaicans have the ability to remain among the most entrepreneurial people in the world. Most just want the opportunity to become a success. As Minister of Industry, Investment and Commerce, I am committed to improving our business environment to and finding ways for this entrepreneurial spirit to be developed and flourish. I have laid down the gauntlet and I look forward to the emerging consensus within the New year from the MSME sector on the way forward.

I wish you all a very Merry Christmas and a prosperous New Year