

KEYNOTE ADDRESS



HON. ANTHONY HYLTON

MINISTER OF INDUSTRY, INVESTMENT

&

COMMERCE

JAMAICA EXPORTERS' ASSOCIATION AWARDS

BANQUET

MONA VISITORS' LODGE, UWI

WEDNESDAY, JUNE 25, 2014

SALUTATIONS:-

- Hon. Steadman Fuller, Custos of Kingston
- Mr. Andrew Collins, Acting President, JEA
- Mr. Lynden Nugent, Vice President, JEA
- Mr. Karl James, Honorary Director, JEA
- Professor Denzil Williams, Mona School of Business
- Mr. Cleveland Charles, Political & Economic Counsellor,
US Embassy
- Members of the Diplomatic Corp
- Awardees
- Members of the JEA
- Members of the Media
- Ladies and Gentlemen

In this audience this evening, are some of the most important people on whom the health of our economy depends and with it, the fortunes of every Jamaican – we are talking about our exporters. On behalf of the Government, I want to thank every single exporter of Jamaican goods and services, for the contribution you are making to our economy, and our country.

I would also like to thank the Jamaica Exporters' Association (JEA) for hosting this export awards function another year.

All of this must be seen in the context of our efforts to transform the Jamaican economy into one that is logistics centred. Already, we are seeing positive developments in this area, with Jamaica moving up 54 places in the 2014 Logistics Performance Index.

Coming from 124 out of 160 countries in 2012, we are now ranked at 70 out of 160 countries in 2014.

Ladies and gentlemen, that is progress. This is an indication that the work that we have been doing is paying dividends.

We believe that a modern logistics infrastructure is critical to driving exports. Our National Exports Strategy (NES), for example, is underpinned by the leverage that the Jamaica Global Logistics Hub will provide for exporters in getting products from home to other parts of the globe, as well as the ability to source the inputs for production from around the globe, for export production. This is critical in our efforts to move Jamaica up the global value and supply chains.

Special Economic Zones

In building a logistics-centred economy, development of the Caymanas Special Economic Zones, will bring Jamaica to a new stage of industrial development. This will involve the participation of new, innovative commercial ventures led by multinational corporations, and supported by a high concentration of Jamaican micro, small and medium-sized enterprises (MSMEs).

Within these Special Economic Zones, these large transnational corporations will be engaged in a variety of logistics activities, including warehousing and manufacturing, thereby adding value to semi-finished goods that are destined for global markets. These activities will facilitate new opportunities for Jamaican exporters, thereby opening up significant opportunities for job creation, and allowing for our exporters to link into global trading platforms.

Numerous opportunities for support services to companies and persons working in and around the SEZs will also be created at the seaports, airports, logistics parks, and industrial parks. For example:

- Technicians, tradesmen, workshops, professionals (accounting, legal, finance), catering, transportation
- Shops serving persons working on the ports, in factories and sailors from ships, and
- The supply of water, food and other supplies to ships calling at the ports

The creation of a logistics-centred economy is also important in terms of creating a more favourable environment for all businesses, which include:-

- An improved business environment: less bureaucracy; more efficient government processes;
- More opportunities: more businesses to supply goods and services to, and existing ones expanded;
- Export facilitation - more effective and efficient/transport links; greater opportunities for access and presence in overseas markets.

With the development of a logistics-centred economy, the opportunities for both exporters and non-exporters, will be all-embracing. For example:-

- Aerospace & Aviation: Maintenance Repair and Overhaul (MRO) for airplanes
- Biotech and Pharmaceutical
- Fashion and Apparel
- ICT
- Chemicals and Petrochemicals
- Entertainment and media
- Furniture and Furnishings

- Marine and offshore – dry-docking: ship and oil rig repair
- Logistics and Shipping
- Food, Beverage and Hospitality
- Retail and fast moving Consumer goods

And, of course, this list is by no means inexhaustible.

Reforms/Initiatives to Support Strengthening of the Export Sector

The Ministry, cognizant of the special needs of the export sector, continues to introduce initiatives which will yield the highest impact and growth for the export sector.

Standards Development

Crucial to this effort is the ability of our companies to operate at global standards. For example, the Bureau of Standards (BSJ) is now going through a process of restructuring to better serve the export sector. We see this as central to the building of a highly efficient, modern and sustainable economy, as we move towards a logistics-centred economy.

The work of the Bureau includes the implementation of initiatives to promote exports; foster entrepreneurship and innovation; facilitate trade and improved competitiveness; and build the organization's capacity to improve efficiency and customer responsiveness.

Under the proposed Jamaica Strategic Public Sector Transformation Project 2014-18, to be financed from a World Bank loan of about US\$35M, the Bureau of Standards at a cost of approximately US\$6.8 million, is to be transitioned from a regulatory and enforcement agency to a service provider organization that will assist Jamaican enterprises to meet the demands of the multilateral trading system. This change will

enhance the BSJ's roles in the areas of trade facilitation, industrial growth and the protection of the health and safety of the Jamaican people.

Other developments in this area include:

- Collaborative Partner status with the US Food and Drug Administration (USFDA), which allows all Jamaican processed food manufacturers to export to the United States and other countries, once accredited by the Bureau of Standards.
- Eight accreditation certificates awarded by the Jamaica National Agency for Accreditation (JANAAC) to local laboratories. This will increase the capacity of our MSMEs to access markets in North America, South America, Europe, and other parts of the world.

Increasingly, our entrepreneurs are recognizing the significance of standardization in maintaining competitiveness and removing technical barriers to trade, and this is a critical part of the whole process of integrating our MSMEs into the global supply chain.

Intellectual Property

The development of IP products is also of importance to the export sector, particularly in terms of in creating more IP products and services, and in building a more vibrant IP industry in Jamaica.

Developments in IP include:

- Promotion of the registration of geographical indications (GI). The Jamaica Jerk Producers' Association has already made an application for GI registration. I would like to encourage other commodity producer associations to register their GIs – for example, rum, coffee, pimento, hemp, to name some.

- Very importantly, we are also seeing increased trade mark registrations by entertainers, record producers and event promoters. This is very encouraging but we want to see this happening in other areas, as well as in terms of patents.

Under the second phase of the National Export Strategy, therefore, we are now focusing on a number of key areas:-

Priority Sectors

- Agriculture/Agribusiness
- Mining
- Film and Animation
- Information Technology Enabled Services (ITES)
- Light Manufacturing

Cross-Cutting Industries

- Logistics
- Supply Chain Management
- Market Access and Trade Information
- Export Financing
- Standards and Quality Management
- Capacity Building
- Packaging and Labeling

Medical Tourism

We are also looking at new areas, such as health and wellness tourism.

- Medical tourism was estimated at US\$50 billion (2011)
- Wellness tourism estimated at US\$106 billion (2011)
- Average estimated spend per medical tourist is US\$10,000

- Average estimated spend per family member accompanying the medical tourist - US\$3,000

Export Max II

In addition, through Export Max II launched in April 2014, we are targeting a group of twenty existing exporters and export-ready firms, five more than under the pilot programme. These companies will be provided with intensive capacity-building and market penetration support, to build their internal capacities so that they can be competitively positioned to take advantage of market opportunities and increase export sales that will come with the building of a logistics-centred economy.

In addition, the government, in supporting the export sector, has introduced a number of practical initiatives to assist our exporting companies meet international standards, and establish international markets for their products and services.

Small Business Development Centre

The Jamaica Business Development Corporation (JBDC) is also expected to gain Small Business Development Centre (SBDC) status by the end of the second quarter of this Financial Year. With the JBDC's assistance, MSMEs will be in a stronger position to tap into export market opportunities, to better manage their client portfolios, and to leverage the research capabilities of the Small Business Network of the Americas (SBNA).

Restructuring of MSME Finance

Indeed, we are now restructuring aspects of the MSME funding framework, as part of efforts to meet the needs of entrepreneurs. These include:

- Reforming and repositioning our three critical agencies that are engaged in lending and financial advisory services for the MSME sector, namely, MIDA, JBDC and the Self-Start Fund.

- MIDA, is being repositioned to play a critical role in risk and debt management, and to develop and effectively manage a micro-venture financing facility for the MSME sector.
- The Self-Start Fund will now be offering a new suite of loan products that is customized to meet the needs of the MSME sector.

In addition, we are seeking to provide some \$1 billion in loan financing to the MSME sector.

Ladies and gentlemen,

Value chains are widely considered to be one of the main engines for export growth in countries such as ours. They can provide our export enterprises with access to markets and technology, encourage business linkages, facilitate the upgrading of skills, and create links with international companies. By integrating their activities into international chains of production at various stages of added value, more and more of our exporters can reap the potential benefits of global trade. It is for reasons such as these why we continue our efforts to strengthen the platform for export development and growth.

As we seek to integrate Jamaica into the global supply and value chains, it will mean an even greater role for our exporters in taking Brand Jamaica further afield into parts of the world we haven't yet penetrated. The creation of a logistics-centred economy is all part of our vision – our grand plan – to take the country forward. We are building a new and better Jamaica, and everyone has a stake in that vision. I am convinced that our exporters are already on board. We know there are challenges, but for true entrepreneurs, now is the time to invest, to ride the wave of new opportunities.

In closing, I would like to congratulate our award winners here this evening. I challenge all companies thinking of exporting their products to emulate these winners. In so doing, you will be helping to ensure that our economic prosperity and security is maintained and enhanced.

Again, congratulations to all the winners this year.