

WELCOME REMARKS



HON. ANTHONY HYLTON  
MINISTER OF INDUSTRY, INVESTMENT  
&  
COMMERCE

Caribbean Capacity Building Workshop on Secured  
Transactions and Asset Based Lending

JAMAICA PEGASUS HOTEL

TUESDAY, FEBRUARY 10, 2014 at 9 AM

## Salutations

- His Excellency Robert Ready, High Commissioner of Canada to Jamaica
- Mrs. Jeanelle van GlaanenWeygel, Representative of the OAS General Secretariat in Jamaica
- Mr. Dante Negro, Director, Department of International Law (DIL), Secretariat for Legal Affairs (SLA), OAS
- Prof. Neil B. Cohen, Brooklyn Law School and Consultant, OAS Secured Transactions Project for Jamaica
- Mr. Harold Davis, Deputy CEO, Jamaica Business Development Corporation
- Mr. Joseph Cox, Executive Director, Growth Secretariat, Planning Institute of Jamaica
- Mr. Donovan Walker, President, Jamaican Bar Association
- Private sector representatives
- Members of the media
- Ladies and gentlemen

We are here this morning to give added life to a modern secured transaction regime which will promote and revitalize the business environment. This will be achieved by modernizing the framework for lending and improving the availability of credit to the private sector, and more specifically to micro, small and medium sized enterprises (MSMEs). Ladies and gentlemen, I speak of the Security Interest in Personal Property (SIPP) Act and the associated National Collateral Registry.

The Government of Jamaica has taken the steps to design and implement a legal framework that provides increased access to credit for our micro, small and medium sized enterprises (MSMEs) and entrepreneurs. However, the creation of a legislative framework to broaden access to credit is not enough and we never thought it would be enough!! Legislation must be supported by targeted sensitisation initiatives to ensure its implementation. Today's gathering is, therefore, part of an ongoing initiative by the Ministry of Industry, Investment and

Commerce (MIIC) to sensitise stakeholders and demystify business legislation such as the Security Interest in Personal Property (SIPP) Act.

With this in mind, it is my pleasure to welcome you to the Caribbean Capacity Building Workshop on Secured Transactions and Asset Based Lending.

This workshop is intended to increase awareness among all interested stakeholders, which is critical to ensuring the smooth implementation of the SIPP Act. It will follow on from SIPP training sessions held throughout 2014 that, in total, attracted approximately 500 participants.

Over the next three days, several internal stakeholders and entities will share their experiences, knowledge, expertise and best practices. The workshop discussions will be guided by the four (4) fundamental principles of the

Security Interest in Personal Property (SIPP) Act. They are as follows:

- a. Creation of security interests in any form of personal property (tangible or intangible, present or future);
- b. Clarification on priorities among the different claims, by creditors, on the secured property;
- c. Registration of security interests in personal property; and
- d. Enforcement, by creditors, of property rights in the secured property, in an efficient manner.

Ladies and gentlemen, the SIPP Act is essential to enhancing the business environment in which our MSMEs operate as we move towards building an inclusive and competitive economy. It will fuel broad based MSME growth and lead to innovation in developing competitive industries. To this end, we are committed to advancing secured transactions and asset based lending practices.

Let me take a few minutes to update you on the work that the 'business' ministry has been doing to create an enabling environment for growth and development particularly within the MSME sector. A few examples will suffice:

- The implementation of the MSME and Entrepreneurship Policy is making a difference for MSMEs across Jamaica. The policy seeks to remove impediments associated with facilitating entrepreneurship in Jamaica. This policy has had a knock-on-effect to allow for the development of capacity building initiatives such as the Mobile Business Clinic led by the Jamaica Business Development Corporation, JAMPRO's Export Max Program and the Business Partnership Program led by the Bureau of Standards Jamaica.
- On the horizon we are working towards passing legislation to protect intellectual property including patents and copyright. This will benefit our MSMEs in

the creative industries as they work to enter the global supply and value chains.

- The move to make Jamaica the fourth node in global logistics remains a major plank in our growth. We continue to experience significant investor interest both locally and overseas. It is noteworthy that I have never spoken about the Logistics Hub without mentioning the role of the MSME sector in facilitating employment, innovation and wealth creation.

In order for us to continue moving in the direction that will allow us to become a logistics centered economy and achieve the goals of Vision 2030, we have to address the obstacles facing our MSMEs, and the private sector in general. This is essential to unlocking critical investments and projects to drive the Logistics Hub and provide the benefits to Jamaicans.

## Access to Credit

It is therefore of some import that, access to credit remains the number one obstacle for business growth in Jamaica. I have travelled to the nooks and crannies of this country and on each occasion entrepreneurs have approached me bemoaning the lack of access to credit. This first-hand information from our entrepreneurs is supported by research, the most recent being an MSME Needs Assessment by the Jamaica Business Development Corporation (JBDC), which shows that our MSMEs face a real issue of accessing financing for their entrepreneurial activities.

Only two weeks ago while in Savanna-la-Mar, Westmoreland for the Mobile Business Clinic, I met Geeta, an entrepreneur that creates hammocks for a living but has never accessed funds to assist in the development of her business. She has dreams of moving beyond a micro operation but access to credit remains an issue that stems the growth of her business. How can I speak to her about



growing her business or taking advantage of global supply and value chains if she is unable to access financing to keep her business afloat?

The truth is that despite our wide variety of financial institutions, access to credit in Jamaica is limited to only well-established businesses and persons, who own real property. Accordingly, there is insufficient funding for investment and entrepreneurship to other key sectors or persons, which inevitably stifles the growth potential of the country. A secured transactions and asset based lending system is the most effective way to address this issue.

Today, the available evidence allows us to truly say that this Government and this Ministry, its agencies and partners are moving forward with micro, small and medium-sized enterprise development in this country.

We thank our partners and in particular the Organization of American States and the Government of Canada for their support and guidance as we embark on this, a new chapter in MSME growth and development in Jamaica.

I thank you