

Statement

Hon. Anthony Hylton

Minister of Industry, Investment and Commerce

Event : Press Conference on the Logistics Hub

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Check Against Delivery

Ladies and gentlemen ... good morning.

In my contribution to the sectoral debate on May 14, 2013, I indicated that Jamaica's Logistics Hub Initiative, administered by this Ministry in collaboration with other Ministries and Agencies, principally the Ministry of Transport, Works and Housing, plays a critical role in the country's growth and development strategy. The core components of this growth initiative were laid out in several Government presentations, as part of an effort to deepen the understanding of the strategy to achieve growth, and showcase the Government's plans to diversify the economy and stimulate wealth and job creation.

We have demonstrated to the many stakeholders, in both local and the wider international community, that the Logistics Hub Initiative is a comprehensive and multifaceted initiative, that organizes the economy around a logistics-centric model which represents the next stage in the country's industrial and commercial development. When completed, it will include clusters of global businesses operating from special economic zones, technology parks, logistics parks and industrial parks. These businesses will be served by global carriers (sea, air and digital) operating from world class facilities and serving a global

market. All the large businesses will be supported by MSMEs and a local workforce, allowing economic benefits to filter throughout the economy.

The Logistics Hub Initiative involves providing world class facilities, but more importantly, creating the conditions for attracting global businesses, as well as the conditions conducive to the operation of these businesses. This will allow the products and services they produce to seamlessly access global markets.

The role of the MIIC is pivotal to the implementation of this initiative. Notwithstanding, the full involvement of several Ministries, Departments and Agencies will be required, and hence the crucial coordinating role of the National Logistics Initiative Council, chaired by Professor Gordon Shirley which the Most Honourable Prime Minister announced in her Budget Presentation recently. This, is not, as has been noised elsewhere, an attempt by the MHPM to oust jurisdiction from the MIIC, or to vitiate the role of the Ministry in this Initiative. Professor Shirley's role is welcomed and necessary to provide high-level coordination of the several moving parts of this initiative.

What the Government has done since last year, is to define the framework for what is essentially a logistics-centered initiative, of the scale and scope that approaches the other three existing Global Logistics Hubs, namely, Singapore, Dubai and Rotterdam. As a result of the work of the Ministry under my leadership, we have clearly established the value proposition for developing a truly global asset that will enhance the global trading system.

In his contribution to the sectoral debate last Tuesday, the Opposition Spokesperson on Industry, Commerce and Energy, made mention of “...plans inherited from the previous administration..” As he describes it, “... *a template with investors at the table and development slated to begin in 2012*” was left in the Ministry. The fact is that, the ideas and projects left by the former administration only vaguely resemble the initiative that is currently being promoted by the Government.

The former administration left a set of ideas and projects that were highly fragmented and incoherent. On the one hand, we inherited the concept for a multimodal transportation system that the then Minister of Transport and Works, had elaborated. This is necessary for the logistics hub, but it is not the logistics hub as articulated by this administration; it is necessary but it is not

sufficient. The then Minister of Transport also negotiated several open-skies agreements that are critical to the development of the aviation component of the logistics hub. This effort is **also** commendable and we endorse it.

On the other hand, the former administration had promoted the idea of an industrial park on the Caymanas Estates lands, which was not coordinated or integrated with the other projects either in their articulation or the plans left behind. It simply lacked focus and could not therefore, be regarded as a logistics hub initiative. Additionally, the ideas that were left by the former administration could not support the robust value proposition for Jamaica being positioned as the fourth node of the global logistics and supply-chain system.

What the current administration has done since taking office is to rework the ideas and projects to include other critical projects such as the Dry Dock and Commodity Port facilities, conducted a pre-feasibility assessment, and articulated them as a seamless, coherent and comprehensive strategic initiative, centered on logistics. This initiative is an integral part of operationalizing the Prime Minister's mandate to achieve "enduring and sustainable solutions" for growth. Our imperative, is to integrate the Jamaican

economy into the global value and supply chain, by building a globally competitive platform.

Local investors (banks, manufacturers and distributors, etc.), and the international investment community, including logistics providers, utility providers, a global consortium of legal, engineering and finance firms, and other global entities, have been alert to our initiative and are seeking to take advantage of the opportunities under the Logistics Hub Initiative.

Ladies and gentlemen, the Caymanas Economic Zone could not have begun in 2012 as suggested, especially given that the previous administration was advanced in its planning to issue a bond for \$1.2 billion to finance the investments required. This would simply add **more** debt to the country's already oversized debt burden. To try and implement the 'so-called template' left by the previous administration, would have been nothing short of reckless.

But ladies and gentlemen, it is not my intention to get into a war of words on this issue, but rather to educate the opposition and the wider Jamaican society. So anyone who wishes to call into question the credibility of my leadership and the Global Logistics Hub Initiative, and to cast doubt on the capacity of the

Government to implement the project ... I will simply leave them to time.. the results will speak for themselves.

Ladies and gentlemen, the MSME and Entrepreneurship policy which outlines the interventions that Government will provide to enhance the contribution of this sector, also provides a platform for the MSME sector to be integrated into the global value and supply chain. As stated previously, specific policy measures will be implemented to ensure that the MSME entrepreneurs are included in the economic zones. In that way, the MSME sector will be organically linked into the mega projects. **No such concept or analysis was present in the disparate projects that were being advanced by the previous administration.**

The Logistics Hub will be complemented by the Global Financial Services Centre – a much better thought out initiative started by the previous administration and is being pushed forward by this Ministry. The synergy between the Logistics Hub and this initiative is clear as the experience in Panama demonstrates.

The former administration had previously earmarked the lands at Caymanas for industrial development and the siting of an industrial park. The current Minister of Agriculture had stated his

clear objection to the Caymanas Lands being used for these purposes, as against its current and potential use for agriculture, when **he** was opposition spokesman.

This Administration in exercise of the policy of joined up governance engaged the Ministry of Agriculture in a series of consultations which resolved the matter. This consensus was achieved based on the marshalling of available data, supported by compelling evidence done in the spirit of national development which characterizes this administration's efforts. I announced this consensus, as evidenced by the Cabinet decision to utilize the 200 acres previously earmarked for an industrial park.

I now make clear the position regarding the current users, Worthy Park Estate Ltd. The understandings reached between the UDC, Ministry of Agriculture and MIIC, is that the Worthy Park Estate will continue to occupy all the lands currently in its possession on terms to be agreed with the UDC. Regarding the 200 acres

designated for Phase 1 of the Logistics Park, Worthy Park would proceed to fertilize and to otherwise prepare the land at its own risk, considering that the announced plans call for infrastructure works to begin by latest September of **this** year, subject to Cabinet approval. In coming to this decision, the Administration was cognizant of the need to ensure that persons currently employed remain so and that worthy Park's business activities on the land be as little interrupted as is possible, pending final decision on the use of the total acreage in its possession.

This , we believe is as prudent a decision as the situation requires, and is a marked improvement on the decision of the previous administration, which was to serve notice that Worthy Park quit the lands by August 2011, after re-planting would have started.

In the final analysis I appeal to the members of the Opposition to join the Government in a spirit of National Unity on this

transformational initiative so that we may **ALL** benefit from this truly historic opportunity. History will judge us based on the legacy we leave for succeeding generations. I thank you