

OPENING REMARKS



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MINISTER OF INDUSTRY, INVESTMENT
&
COMMERCE

COUNCIL'S REPORT BY CHAIR OF NCC
AT

THE 5TH ANNUAL BUSINESS ENVIRONMENT ROUNDTABLE

JAMAICA CONFERENCE CENTRE

WEDNESDAY, FEBRUARY 26, 2015 at 8:30 AM

Salutations

- Diane Edwards, President, JAMPRO
- Mrs. Therese Turner-Jones, Country Representative, IDB
- Mr. Koenraad Burie, Project Manager – European Union
- Miss Asha Johnson, Operations Consultant, World Bank
- Representatives from across Government
- Private sector representatives
- Members of the media
- Ladies and gentlemen... Good morning

Our presence here today marks the 5th staging of the Annual Business Environment Reform Roundtable. I am pleased to note that the event has grown since its first staging, and has expanded in parallel with the work of the National Competitiveness Council (NCC), and through the support of each of you present here today.

The Council has in its five years of existence cemented itself as a credible mechanism through which business climate reforms are implemented and monitored. The Business Environment Reform Roundtable is viewed as the key forum for the updating of stakeholders on the reforms being implemented, which are aimed at improving the local business environment and the global perception of doing business in Jamaica.

Ladies and gentlemen, 2014 represented a challenging but greatly rewarding year for the Council and indeed, the implementing agencies across Government that work assiduously towards making it easier to do business in Jamaica. For our part, the Ministry of Industry, Investment and Commerce was instrumental in the implementation of the Security Interest in Personal Property (SIPP) Act, the creation of the Business Registration Superform and the passing of the Insolvency Act.

The first two reforms mentioned were instrumental to our positive ranking in the global indices last year. We expect that with the operationalization of the Insolvency Act – which is currently underway – there will also be significant movement upwards in the Doing Business Index, which includes Resolving Insolvency, one of its key pillars in the ease of doing business in a country. You will hear more about the expected impact of the Insolvency Act in the first discussion panel this morning.

Over the year, the Council also strengthened its collaboration with Ministries, Departments and Agencies that are playing a key role in the implementation of reforms across Government. This includes:

- The Ministry of Justice, which has expanded the physical space for the court system with the addition of seven new courtrooms.
- The Tax Administration of Jamaica (TAJ), has moved ahead with the installation of kiosks at the Constant Spring Filing Centre to facilitate e-filing. This is in addition to two new filing forms for self-employed persons last year. It is noteworthy that TAJ will speak on this morning's panel about some of the work that they are doing.
- The Jamaica Customs Agency, who you will also hear from in a bit, has made significant strides in the last 12 months in streamlining their automated

processes, and is currently rolling out the export module of the ASYCUDA system, which should be fully implemented by next year.

- Another key agency in the reform process is the Development Bank of Jamaica, which has been working on the development of Jamaica's venture capital community. This stands to revolutionise the way MSMEs are given opportunity to realise their potential through the creation of innovative and creative business enterprises.

The Council is also pleased to see that a number of reforms that have been discussed extensively over the past years, are now at implementation phase. These include:

- The Companies Office of Jamaica (COJ), which is now developing its online portal to accept electronic business registration applications. This will further enhance the significant benefits that were introduced with the business super-form last year. I expect that this will be deployed to the aspiring entrepreneurs by the end of this year.
- Late last year the Cabinet also approved a slew of reforms in respect of the development applications review process. The teams at the Ministry of Local Government and the National Environment and Planning Agency (NEPA) are working assiduously at aggressive timelines to have these initiatives implemented. The increased efficiency of the development approvals process will be further enhanced by the fact that the AMANDA tracking system is

expected to be fully operationalised across all planning authorities this year, into next year.

- Significant work is also underway with the integration of the Port Community System, with ASYCUDA and the group of Government e-facilitation portals for trade. This integration should allow for the deployment of the country's single electronic window, within the next 18-24 months.
- In addition, the Minister of Science, Technology, Energy and Mining will soon be announcing changes being made to the Electricity Act, and on the new ways of working at the Government Electrical Inspectorate. I don't wish to pre-empt my colleague Minister, but I can say that the business process changes being undertaken will revolutionise getting electricity in Jamaica.

Ladies and gentlemen, these improvements in the business environment in our country illustrates that the Council's focus on the implementation of business climate reforms has been unwavering. Today, right across Government, entities are responding to the call to facilitate greater and expanded private sector entrepreneurship in Jamaica.

Over the last year, the efforts of the country have not gone unnoticed. During 2014, Jamaica was recognised by several international bodies as the best place to do business or the most improved in the hemisphere. This kind of reinforcement is always appreciated as it helps to improve investors' perception of the country and positions the country positively in global markets. This coincided with my announcement at the last Roundtable that the Council would broaden its focus beyond the monitoring of the Doing

Business Index, developed by the World Bank. For the current agenda period, we took the decision to deliberately focus on other business environment areas highlighted by the Logistics Performance Index and the Global Competitiveness Index.

- In this regard, the most significant movement was seen in the Logistics Performance Index, where the country moved from 124th out of 155 countries, to 70th out of 160 countries in the space of two years, putting Jamaica at third in the Caribbean region and 7th in Latin America and the Caribbean – ahead of even Panama.
 - The most significant leap was made in our Customs handling – moving from 123rd to 54th. And to think that the implementation of the ASYCUDA system hadn't even started as yet, nor has the re-launched Authorized Economic Operator (AEO) been factored in.
 - Significant improvements were made in the country's infrastructure, which moved 58 places from 119th to 61st; and logistics competence, which moved from 134th to 84th.

- The country also made admirable improvements in the World Bank's flagship Doing Business Report – where we moved from 94th to 58th. I hear a lot of people crediting this to the change in methodology, but I hasten to remind them that it was noted by the World Bank, that the change of methodology only accounted for 9 points out of the 36 point jump – that credits a 27 point jump due to the efforts of the Council and the implementing partners.

- The move placed Jamaica as first in the Caribbean in respect of the ease of doing business, and sixth in Latin America and the Caribbean.
 - Chief among the reforms accounting for this was the operationalization of the country's two Credit Bureaus in mid-2013 and, of course, the implementation of the Secured Transaction framework, which saw the establishment of the National Collateral Registry and the passing of the Security Interest in Personal Property (SIPP) Act. All of this placed Jamaica 12th out of 189 countries in respect of Access to Credit.
 - It is also worth noting that the other reform that impacted this jump in our ranking was implemented by a private sector partner – the Jamaica Public Service Co. Ltd. This illustrates further the point that I have made before, which the second discussion panel this morning will further explore – that there is much that can be done by the private sector to significantly and positively impact the ease of doing business in this country.
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- Finally, in the Global Competitiveness Report, Jamaica moved up 8 spaces, jumping from 94th to 86th – and while it may not be as significant a movement as the others, it is worth noting that this is a move in the right direction, and one grounded in the strides that the country is also making in respect of its fiscal prudence and socio-economic programmes. This year we will be working much more closely with the Mona School of Business and Management, which will shortly be administering the survey for this Report among MSMEs, on behalf of the World Economic Forum.

Also, you should note that the work of the Council will be further strengthened by the inclusion of the Trade Facilitation Task Force to be chaired by Ms. Pat Francis with the Commissioner of Customs as her Deputy in order to speed up the trade related reforms in Government, including the speedy implementation of the Single Trade Electronic Window.

Ladies and gentlemen, while we see these achievements as a validation of our efforts and can even now claim the accolades from the international Forbes Magazine as the best country in the Caribbean to do business, we will not rest on our laurels, as there is much work still to be done!

Even within the context of limited fiscal resources, the Government is committed to implementing the necessary business reforms. Indeed, the implementing entities represented on the Competitiveness Council continue to perform at a high level and, I believe, that is to be commended.

The Council's work is supported by the NCC Secretariat at JAMPRO, which in addition to maintaining the Business Environment Reform Agenda is also responsible for providing timely reports and updates to the IMF, the Growth Agenda Steering Committee and other multilaterals as required.

Let me take this opportunity to reiterate that the success of the Reform Agenda through the work of the National Competitiveness Council is based on a cohesive and concerted effort across Government to improve the way we do business. We are here not just to

implement reforms, but to more importantly, integrate these reforms into our daily lives. We recognise that it will take time to see the on-the-ground impact of these reforms as some require a shift in the way we approach issues, and oblige us all to adopt and adapt rather than resist, in Government, as well as within the private sector. You would be surprised to know, for example, how many people still don't wish to pay their taxes online.

Similarly, the recent issue concerning the search engine under the Collateral Registry hosted by the Companies Office of Jamaica which framed the issue as one of an invasion of privacy, reminds us all that our traditional notions of privacy must be re-examined in the light of modern day realities which includes the need to have a better quality data in order to develop our financial markets and with it greater access to credit.

To this end, ladies and gentlemen, stakeholder engagement and information dissemination continues to be very important to the success of the reform process. The Council recognizes the importance of the private sector as key contributors to the national economy and as a part of the solution. We look forward to hearing their recommendations pertaining to additional reforms to consider in order to improve our business environment.

With this in mind, for those of you that have been with us throughout the years, you will note that the overall format of this event has been changed to include two panel discussions – one led by the private sector, and the other by the public sector. This is a

key part of the Council's strategic goal to increase communication, encourage public and private sector partnerships, and facilitate meaningful solutions-oriented dialogue.

In closing, I want to thank you for your continued support of the Council's initiatives and I trust that today's discussions and deliberations will lay the foundation for future interactions and collaborations.

I thank you.