

**STATEMENT BY THE
HON. ANTHONY HYLTON
MINISTER OF INVESTMENT, INDUSTRY AND COMMERCE
PRESS CONFERENCE
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11:30 A.M.**

Ladies & gentlemen of the media,

I welcome you to the Ministry of Industry, Investment and Commerce. It has been just over six weeks since the new administration has taken office. In addition to the announcements that I will make this morning, I thought that this is an appropriate juncture to call you together to update you on a number of issues.

- First, I want to share with you my thoughts on Jamaica's economic circumstances and the role of this Ministry given that context.
- I will then outline to you a ten point strategy that has been developed out of the work that the team here at the Ministry has been doing in the last six weeks.
- I will tell you of some of the new vision and activities that we have for this Ministry
- I will finally make some key announcements regarding the operations of the Ministry and its agencies.

Situation Analysis

Jamaica is perhaps at the most critical juncture in its modern development. The country must make uncharacteristically large economic strides in a very short period of time, and in a global economic environment defined by heightened competitiveness and increased financial and economic instability in our traditional markets. The challenges of driving economic growth to reach what might be considered to be of "hyper-growth" dimension are compounded by the fact that the government is facing conditions of limited fiscal capacity arising from its oversized public debt.

Nevertheless, the future of the country must be anchored on a solid economic platform that is capable of sustaining economic growth and generate jobs on a scale that is unprecedented in its history.

This Ministry's vision is informed by the larger Vision 2030 economic plan. Ultimately, Vision 2030 Jamaica articulates a comprehensive vision that would make Jamaica achieve economic prosperity and be "....the place of choice to live, work, raise families and do business..." The

challenge of getting the economy onto a path of sustainable long-term growth and accumulation of capital is the challenge that the MIIC must directly embrace.

It is true that the government lacks the fiscal capacity to undertake projects requiring significant investment outlays. In recognition of the critical importance of creating fiscal capacity in the public sector the Government remains committed to the implementation of a set of structural reforms (Public Sector Reform, Tax Reform, and Public Expenditure Management). These are designed to strengthen fiscal discipline and buttress transparency. These reforms will help to ensure that the gains achieved to date will be sustained and deepened over the medium-term.

The strategic focus of the Ministry of Industry, Investment and Commerce (MIIC) will be on restructuring and rationalizing its operations to modernize our industry, stimulate investment, and facilitate commerce. Making the business environment work for business is indispensable to the long-term viability of the country's economic programme.

This strategic thrust takes into account the impact on the domestic business environment by the ongoing process of economic globalization. Consequently, it becomes necessary to put in place policies that reflect the realities of the broader economic landscape, and the need to enhance the global competitiveness of our domestic industries.

My Ministry is committed to developing specific programmes to transform industry and make it competitive. As such, in the first six weeks of this administration we have examined those programmes that existed and developed new ones. Accordingly, we will be implementing an integrated **ten-point strategy** to take us towards the goals of Vision 2030.

Ten-Point Strategy

Our competitive **Ten-point strategy** consists of the following:

1. ECONOMIC GROWTH – WITH JOBS

- Our future as a country will be secured only by achieving sustained economic growth with jobs, and improvements in the living standards of the majority of the population.

2. MIIC AS THE BUSINESS MINISTRY – MEANING AND DOING BUSINESS

- The Ministry of Industry, Investment and Commerce under my watch is to truly become Jamaica's gateway for investments in the economy.
- We will focus on improving customer service within the Ministry and its agencies
- Improving the ease of business by making this Ministry the 'one-stop shop' to facilitate all business needs – from business registration to accessing business information and data.

- **ADJUSTING MINISTRY STRUCTURES - ONE-STOP FOR BUSINESS REGISTRATION**

- The Ministry will be putting in place a new structure that can support the seamless integration of various agencies under the MIIC (---- *namely JBDC, MIDA, JAMPRO, Bureau of Standards*)
- We will be focusing on new idea generation, strategic planning and startup of new ventures.
- The new structure will also include leveraging research and technical resources in the business schools and other University departments – UTECH science & engineering and computing faculties.

3. FOCUS ON INVESTMENT: DRIVING THE EXPANSION OF DOMESTIC PRODUCTION AND INTERNATIONAL INVESTMENT

- JAMPRO in its role as the premier promotions agency will be refocused on marketing export goods and services .
- JAMPRO and JBDC's role will be expanded to work with the Ministry of Foreign Affairs and Foreign Trade to establish markets in the Diaspora and beyond.
- We have started to create policies that enable the private sector to undertake the investment effort needed to expand the domestic economy. We will be removing the barriers to the development of industry and a sustained process of capital accumulation.
- JAMPRO will focus on investment packaging and a more focused strategy to target investors and secure investment commitments from the investor community – large and small, local and foreign. One example of this is the upcoming investor forum to be held in Montego Bay this week.
- Placing emphasis in public-private partnerships as a strategy for enabling investments and job creation.

4. CROSS-SECTOR INVESTMENTS AND JOINED-UP GOVERNMENT

- The Ministry's portfolio as the business Ministry requires that it work with other Ministries of government to facilitate cross-sector investments.
- Conditions today demand that we work in a different way, and in a disciplined way, to meet the challenges of a new era in the country's development
- The principle of joined-up government is one of the central principles enunciated in the Progressive Agenda.
- The practice of joined-up government is especially critical to the work of my Ministry, which is responsible for facilitating investments that span the entire economy and cuts across industry sectors. Now more than ever our work must

reflect collaboration and teamwork across the different ministries of government.

5. COLLABORATION WITH STEM ON ENERGY INVESTMENT EFFORT TO SUPPORT RENEWABLE ENERGY

- We will be collaborating with the Ministry of Science, Technology, Energy and Mining on energy investments and building an energy infrastructure for the country's long-term future.
- As you know, energy cost is a major factor in the cost of doing business. This serves as a disincentive to investment and industry expansion. We plan to develop the energy infrastructure as a necessary requirement to a programme of sustained economic growth and job creation.

6. ADDRESSING FRONTALLY THE 'DOING BUSINESS REPORT' AND 'THE GLOBAL COMPETITIVENESS REPORT 2011-2012'

- We will be taking bold steps to develop world-class enterprises that will drive the country's competitiveness in global markets.
- In recent years Jamaica has lost ground in its business and economic competitiveness as evidenced by the recent rankings by global business and economic reports.
- The MIIC is committed to working with other Ministries to address major impediments to business and investments. We take seriously the results of the ***Global Competitiveness Report 2011-2012***¹ and the ***Doing Business Report***². ***These reports are*** quite instructive, and they highlight critical areas of the economic and business environment that we will be improving.
- To this end I will be resuscitating and personally driving the work of the Competitiveness Council of the Ministry, housed in JAMPRO.

7. BUSINESS FACILITATION TO SPUR THE GROWTH OF STARTUPS AND EARLY-STAGE VENTURE

- Fostering start-ups and early-stage ventures is an important pillar in the country's business strategy. The agencies of the Ministries, working together, will provide the support required to assist new venture teams/entrepreneurs to get off the ground and successfully commercialize their business ideas using the widest range of models available.

¹ World Economic Forum <http://www.weforum.org/issues/global-competitiveness>

² International Finance Corporation – The World Bank, June 2011 Rankings

- Business persons with any size business or new idea will find that he or she is welcome at the MIIC and its agencies to discuss and access ideas about developing those business ideas.

8. ADDRESSING PRIORITY LEGISLATION

- We will place emphasis on the examination and re-examination of the following proposed legislative initiatives (***which are listed in your packages***):
 - **Individual and Corporate Insolvency Act** --to provide legal procedure to give breathing space to businesses that need time to restore their fiscal health.
 - **Fair Competition and Customs Duties Act** – promoting fair competition and market access in the domestic economy.
 - **Mergers & Acquisitions Act** – to ensure transparency and oversight
 - **Consumer Credit Act** – to replace the outdated Moneylending Act
 - **Unfair Contract Terms Act** – to provide protection to consumers from unreasonable clauses in contracts.
 - **Secured Obligations Act** - to enable full-disclosure to protect lenders
 - **Processed Food Act and Regulations** – to deter unlawful trends and practices in the industry
 - **Standards Act and Regulations** - to deter unlawful trends and practices in the industry
 - **Companies [Transitional Provisions] Bill** – to improve transitional arrangements for those companies registered under the 1965 Act and de-register companies that fail to file Articles of Continuation
 - **Copyright (Amendment) Bill** – to ensure Jamaica’s accession to the WIPO Copyright treaty and incorporate provisions of the WIPO copyright Treaty to protect authors, composers and creators of literature.
 - **Patents & Industrial Designs Bill** – to replace and repeal Patents Act and the Design Act in order to fulfill all provisions of the Trade-Related aspects of Intellectual Property Rights (TRIPS) Agreement and the USA/Jamaica Bilateral Treaty on Intellectual Property
 - **Food Storage and Prevention of Infestation Division** – to increase the powers of FSPID inspectors to include the right to seize equipment and the right to request documents; to allow FSPID inspectors to pass the cost of enforcement to offending party; while removing the powers of FSPID inspectors has for licensing pest control operations in food areas but retain certification powers.
 - **And others**

9. PRIORITIZING THE MSME & ENTREPRENEURSHIP POLICY

- The Micro, Small and Medium-Sized Enterprises (MSMEs) offer employment opportunities to a significant sector of the country's population.
- This sector also offers potential for innovation and must be supported. Initiatives such as **Mobile Money platform** will offer huge benefits to this sector.
- The MIIC is committed to crafting and implementing policies that foster the growth and development of this sector.
- We will be moving to have final consultations with stakeholders on the long awaited MSME draft policy. Our aim is to have a Green Paper tabled in the house of parliament by the end of March or early April.

10. DATA DRIVEN INITIATIVES FOR NEW VENTURE DEVELOPMENT & COMMERCIALIZATION

- We will be doing significant internal restructuring to systematically align the research and development resources of the country to the opportunities in the marketplace.
- This effort will be designed to bring new ideas to market and will focus on the integration of research and development, product development and commercialization.

These are our **ten** areas of focus that integrate into a dynamic strategy that will drive the growth and development of investment, industry and commerce in this country. But we are not just talking about it, we have started work on some new initiatives through which our objectives will be achieved.

Vision Projects

(1) FLAGSHIP PROJECT: GLOBAL SHIPPING & LOGISTICS HUB

OUR MAJOR ANNOUNCEMENT IS OUR EXPLORATION OF A COHERENT MIX OF PROJECTS; SOME NEW AND OTHERS REVISED.

- a. Major developments in the global shipping and logistics industry and the geography of global trade have created an enviable window of economic opportunity for Jamaica.
- b. Despite the challenges presented by the economic environment, Jamaica is poised to take advantage of the window of opportunity to establish itself as a major hub for shipping and logistics in the Western Hemisphere.

- c. This investment opportunity is considerable and includes the implementation of least five (5) different elements
 - i. The dredging of the Kingston Harbour and expansion of the port facilities
 - ii. Establishing a Dry Dock facility at Jackson Bay, Clarendon,
 - iii. Establishing a bunkering facility at Cow Bay in Yallahs, St Thomas,
 - iv. Construction of a cargo and maintenance, repair and operations (MRO) facility at Vernamfield, Clarendon
 - v. and the development of the Caymanas Economic Zone ---
- d. Altogether these projects represent a potential investment effort that will drive growth and employment for many years – positioning Jamaica as the logistic hub for trade in the Americas.
- e. The Ministry's role is to help in defining the investment opportunities and to work across ministries to implement this vision.

ANNOUNCEMENTS

BOARDS

- We have identified the human resources that we believe can best drive the strategic vision of this Ministry.
 - i. As such I am pleased to officially announce the new Chairman of JAMPRO, Mr. Milton Samuda.
 - ii. The new Chairman of the Factories Corporation is Mr. Clive Fagan.
 - iii. And the new Chairman of the Bureau of Standards, Professor Winston Davidson
 - iv. JBDC, board chairman is Ms. Doreen Frankson.
 - v. Other boards were approved by Cabinet yesterday, and will be announced in short order.

MAJOR ACTIVITIES AND PROGRAMMES TO BEGIN IN THE NEXT 6 MONTHS

- **INVESTMENT FORUM MARCH 2012**
- **EXPORTER FORUM –MONTEGO BAY – MARCH 15, 2012**
- **TRADE VISIT TO LONDON - MARCH 2012**
- **EXPO 2012 – APRIL 2012**
- **JAMPRO AND JBDC’S PARTICIPATION AT THE LONDON OLYMPICS**
- **JAMPRO AND JBDC’S INVOLVEMENT IN THE 50TH ANNIVERSARY CELEBRATIONS**
- **INVESTMENT PROMOTION EFFORT IN THE GULF REGION IN THE FIRST QUARTER OF 2012/2013**
- **TABLE GREEN PAPER ON MSME AND ENTREPRENEURSHIP POLICY AND MOVE TO IMPLEMENTATION WITHIN THE NEXT SIX MONTHS**
- **SCRAP METAL TRADE – DEVELOPING AN APPROPRIATE REGULATORY AND ENFORCEMENT ENVIRONMENT TO PERMIT THE REOPENING OF THE SCRAP METAL TRADE. CONSULTATIONS ARE ABOUT TO BEGIN WITH STAKEHOLDERS.**
- **STAKEHOLDER CONSULTATIONS WILL BE CARRIED OUT WITH THE DAMAGED VEHICLE INDUSTRY TO DETERMINE WHETHER A REGULATORY ENVIRONMENT; CAN BE DEVELOPED FOR THIS INDUSTRY. THIS IS WITH A VIEW TO STIMULATE THE ALLIED ACTIVITIES AND JOBS IN WELDING, BODY WORK AND OTHER MECHANICAL OPERATIONS TO CONTRIBUTE TO THE JEEP PROGRAMME ON A SUSTAINED BASIS.**