

Speech made by Mark Myers – President, Jamaica Chamber of Commerce

At PSOJ Job Creation Awards held Tuesday November 27 at the Terra Nova Hotel

Once again it seems that regional investors are more bullish on the business opportunities available in Jamaica than we are. The reported offer by Angostura for 49% of Lascelles shares at a price of US\$921 million dollars is just the latest in a series of investments by overseas businesses. I would like us to ask ourselves,, if we had that kind of money how many of us would have made that investment???

I think we can all agree that Jamaica must grow its way out of our economic quagmire. The government must craft and implement policies that create the environment for economic growth and development. It must formalize the incentive schemes within the informal sector, minimize public expenditure and upgrade the skill level of the work force.

We in the business community also have a responsibility. We claim that we, the private sector are the engine of growth. Well it's time to start the engine and get it out of neutral. We need to find new products for our existing markets and new markets for our existing products. We need to grow our businesses and employ our people.

At the National Summit held a few weeks ago we put forth four opportunities that we felt would provide the most attractive and immediate results.

1. Firstly we would like to Develop Kingston as a major distribution/logistics/freezone and light manufacturing hub for the Americas.

With a market of 770 million people to our South and West and over another 300 million to our North we are in the envious position of being in the right place. We need to make it the right time.

We need to leverage our investment in our world class port facilities by providing value added services and manufacturing in Jamaica. We already have experience with handling containerized cargo. We have a large English speaking trainable workforce. If we were to partner with the Chinese or the Brazilians for that matter we could rival the freezone activities in Panama. We could import finished goods and provide break bulk facilities for trade within the region and the hemisphere. Not to

mention the importation of raw materials for manufacturing in the freezone under the powerful brand Jamaica. In Panama the freezone employs 19000 people. I would estimate that if we were to fully utilize the Tinson Pen lands we could easily generate 2500 jobs. Imagine the freezone expanding to encompass all the available industrial lands along the Marcus Garvey Boulevard and Spanish Town Road corridors, what a great revitalization that would be.

2. Continuing West we have the opportunity of making Portmore a truly world class ICT hub. Portmore is strategically located close to Kingston and the Norman Manley international airport. Portmore has well established infrastructure with good roads, water, electricity and fiber optic cable all available. Portmore also has a population of nearly 300,000 persons many of whom are affluent, solid income earners, highly educated, youthful and own their own homes. In effect there is a built in labour pool that is easily trainable and accessible. The process has already begun with the construction of a 50000 square foot facility by the factories corporation in

Naggo head which is now fully occupied. This is an opportunity that is ripe for the picking. It is my understanding that there is ready demand for another 50000 square foot building to house immediate expansion in the ICT sector. It is estimated that with an additional 200000 square feet of space an additional 3000 jobs could be created.

3. Moving on to Montego Bay. It is envisaged that Montego Bay should become the business, shopping and entertainment centre for the Americas. Montego Bay already has many of the critical attributes to make this vision become a reality. It has a modern airport that can act as a hub for airlines out of South and Central America. It already has five star hotels and some of the most beautiful sun, sea and sand in the world. It has some shopping and tours and attractions. On the drawing board are plans for a convention centre, a recreational park and the completion of the road upgrades, all designed to tap into the lucrative convention market.

What is necessary is the development of a new town centre which includes a modern office complex incorporating freezone shopping (front office

operations for the Kingston commercial freezone), high end shopping, dining and entertainment venues. This complex will also provide another major opportunity that I will describe shortly.

Tourism on a whole needs to be expanded, not just geographically but also in its offering. Segments such as, health and medical tourism and sports and cultural tourism to name a few, need to be exploited. Many persons in the Diaspora return home for affordable medical care. Especially in dentistry. According to the world bank 2 jobs are created for every hotel room built. The challenge is to increase our absorptive capacity to maximize the benefits to our local economy. Not only must we build the hotels but we must develop the supply chain of goods and services to take advantage of the opportunities.

4. The forth and final recommendation was the development of Jamaica as an International Finance Centre. The leading IFC is London. Much of the business done in Cayman, Bahamas and the BVI is actually to facilitate London. The typical Caribbean off shore financial centre

benefits from the marriage of its offshore business through private banking and high end tourism. In the opinion of international consultant Sam Lohman, who was involved in the BVI's success in this area and who did a study on Jamaica's potential for what was then JAMPRO, Jamaica is one of the most ideal locations in the Caribbean for such an industry. The retail activity of the OFC would be ideally housed in Montego Bay and hence the need for additional office space. Back office mutual fund operations could be allocated to down town Kingston, close to the seat of power, the legal fraternity and the Bank OF Jamaica. This would also help to spur the revitalization of our most important commercial area while stemming the tide of emigration of our best and brightest minds.

The critical success factors to the development of an IFC are market driven product development, we have to visit our target market. Speak to the major players and find out what they need to come to Jamaica. The process has to be driven from the highest level. No less than the Prime Minister himself

has to be willing to see through the necessary legislative changes as identified by the private sector. There has to be a clear cost advantage to doing business in Jamaica to make this work. A conservative estimate would be the generation of 5000 new jobs in Jamaica.

As I said at the beginning we have to grow our way out of the desperate position that we are in. I have not had time this morning to even delve into the social implications that increased employment will have. The reduction in crime, the improvement in social services, and better family values to name a few.

In order to make this happen we all have a responsibility. The government, must provide an investor friendly environment for both local and foreign investors. We need to make the dream of a one stop shop giving approvals to projects within 90 days a reality. We must remove red tape and corruption. There must be a commitment from the highest level to aggressively target specific local and international investors to convince them of the benefits of investing in Jamaica.

And as businessmen and women we also have a responsibility. We must display confidence in our country by investing in it. I encourage you to expand your business or start new ones. We need to create jobs and make sure that all Jamaicans benefit if not we will all suffer the consequences.

As a last reminder let me just state this is not a time to be divisive but a time to work together. Be demanding yes; but be prepared to make concessions for the greater good of the country.

Thank you very much.