



**The Contribution to the
2014/2015 Sectoral Debate in
Gordon House**

by the

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Minister of Industry, Investment and Commerce

'Hub Ready for a Logistics-Centred Economy'

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at 2.00 p.m.

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Mr. Speaker,

Jamaica has jumped 54 places in the Logistics Performance Index, a benchmarking tool developed by the World Bank that measures logistics efficiency worldwide.

Like a bolt of lightning Mr. Speaker, Jamaica sprinted past many of its competitors, moving from near the bottom of the table at 124 out of 160 countries in 2012, to 70 out of 160 countries in 2014.

Mr. Speaker ... Jamaica's future is here.

I'll have more on that anon.

Greetings and Salutations

Mr. Speaker, Honourable Members, members of the Public Service (past and present), distinguished members of the Diplomatic and Consular Corps, members of the local and international business community, our partners from the multilateral institutions, Jamaicans at home and abroad.

It is with a deep sense of honour that I rise to address Parliament, and to give an account of the stewardship of the Ministry of Industry, Investment and Commerce in this important sectoral debate.

- I am grateful to the Almighty for His guiding hand on the work of the Ministry, its departments and agencies to achieve important outcomes for the economy and the People of Jamaica.
- I would like to thank my Minister of State, the Hon. Sharon Ffolkes-Abrahams, for the tremendous support she has given to the Ministry and to me over the past year.
- I pay tribute to the committed public servants, who lead and staff the Ministry and its agencies, and who continue to make their contributions, often times under challenging circumstances.

- To the Permanent Secretary, Mr. Vivian Brown and the hardworking staff of the Ministry, including the staff of the Logistics Hub Secretariat; I offer my thanks for their commitment to duty and to the nation.

Mr. Speaker,

- Today, I reflect on the life and times of my mother and father, who made their transitions during the course of last year.
- I pay homage to their sacrificial investments in my life, as well as in the lives of my siblings. I will always treasure the legacy of their values, which inspired my entry into public service.
- Mr. Speaker, the burden of public office and the sacred privilege to sit in this Honourable House should never be taken lightly by any of us. I am honoured to bear this burden with the loving support of my family- my dear wife *Yodit*- and the apple of my eye- my daughter *Nyle*. To them, and the other members of the family, I express my heartfelt appreciation for their love and encouragement.

Mr. Speaker,

I would also like to pay tribute to you, for your wise and steady hand in guiding the proceedings of this House through the turbulence that sometimes characterizes the business done here on behalf of the People.

- To the Most Honourable Prime Minister, for her inspired leadership of the country at such a time as this, and for her belief and support in my ability to make a meaningful contribution to her Cabinet and to our nation at this time;
- My colleague members of the Cabinet;
- The leadership, members and supporters of the People's National Party;
- My Councillors and Constituents;
- My personal support staff and close technical team of advisors; to them I say, your sincere belief in the productive promise and the global possibilities for Jamaica

remains the glue that cements our commitment to working and delivering for the People of Jamaica.

- Mr. Speaker, I also acknowledge the leaders of the Jamaican business community, who remain our active partners in many initiatives to advance the reform and development of business against the background of the national growth and development agenda.
- To them, I express the appreciation of the entire Ministry for their partnership in the process.

Introduction: Jamaica's Future is Here

Mr. Speaker ... the Ministry of Industry, Investment and Commerce is the 'business-focused' Ministry of the Government of Jamaica, and a driver in the delivery of the Growth Agenda.

Our mission is to catalyze growth and to facilitate the creation of jobs in the Jamaican economy in order to improve the lives and economic well-being of the People of Jamaica.

Mr. Speaker ...we are focused on creating a new paradigm for economic growth for Jamaica.

We are creating an enabling environment, where our businesses and budding entrepreneurs are beginning to see the opportunities and the tremendous promise of the Jamaica Logistics Hub Initiative.

Mr. Speaker ...we are making big strides in becoming a logistics-centred economy!

We have had the debate on the Jamaica Logistics Hub in the wider society.

We have passed the acid test.

We have 'proof of concept'.

We have the interest and the backing of the global investment community, and today, I will bring the evidence to this Honourable House!!!

Mr. Speaker ...over the past 18 months, we have engaged the biggest and most experienced players in global logistics. Today, we are on the radar of major global corporations looking for a location to increase their operational efficiencies and reduce time to market in this region of the world.

This is what we mean, Mr. Speaker, when we say the Logistics Hub Initiative is not simply about Jamaica, it is 'a global asset'. Jamaica, again matters to the world trading system.

Mr. Speaker ... let us not forget our history.

Over 500 years ago, Jamaica was one of the richest places on Earth as the city of Port Royal was then the centre of international trade and commerce.

The merchant ships of England and Spain, laden with goods would sail our waters via the Windward Passage with the aid of the north-east trade winds.

Back then, even in the face of the threat of the pirates and buccaneers of the Caribbean, business thrived, and Port Royal was a place synonymous with riches and wealth.

Mr. Speaker ... we can do it again!

Afterall ...A rising tide lifts all ships.

Jamaica can be rich and wealthy again.

Jamaica can re-claim its status as a global hub for business.

I submit Mr. Speaker ... Jamaica is the most viable option to be the next global logistics hub.

This Government, this Ministry, will not let this momentous opportunity slip from our grasp.

We will not fail the people of Jamaica.

Failure, Mr. Speaker, is simply not an option!!

I say to you, and to this Honorable House;

Jamaica's Future is here!!!

Mr. Speaker ... this mission for Jamaica's economic future goes beyond the work of the Ministry of Industry, Investment and Commerce.

- This Mission involves the Ministry of Transport, Works and Housing and its agencies such as the Port Authority of Jamaica, Airports Authority and the Caribbean Maritime Institute;
- It involves the Ministry of Finance and its agencies like Jamaica Customs and Tax Administration Jamaica;
- It involves the Ministry of Science, Technology, Energy and Mining and its relentless pursuit of affordable energy for this country;
- It involves the Ministry of Education and all its academic and training institutions;

Mr. Speaker,

- This mission for a logistics-centred economy involves the Ministry of National Security in its efforts to build a safe and secure environment for business to flourish;
- It involves the Ministry of Justice in the administration of social and economic justice;
- It involves the Ministry of Foreign Affairs and Foreign Trade and all its missions and embassies around the world;

- It involves the Office of the Prime Minister and its agencies like the UDC and the NHT.

Mr. Speaker ... this is a mission for the whole of Government. Through joined-up governance:-

- We are receiving high investor interest in projects to improve and expand our existing seaport, airport, industrial/commercial and ICT infrastructure.

Through joined-up governance:-

- We have started the process to develop the large-scale Hub projects such as the commodity ports, cargo airports, dry dock and special economic zones, and;
- We are implementing the manpower and training development programmes to prepare our people to find jobs and careers in this new logistics-centred economy;

Mr. Speaker ...this is what we are doing in the move to a logistics-centred economy:-

- We are building the national quality infrastructure to enable our firms to integrate and to compete in global markets;
- We are building a highly efficient cross-border trade facilitation platform to manage the inflow and outflow of goods and services in the economy, and;
- We are putting in place the policies, legislation and regulations to govern a logistics-centred economy that will be attractive and appealing to global and local investors alike.

Mr. Speaker,

We are doing this together, the evidence is clear.

Together, as a Government;

Together, as a Country;

Together, with our international partners;

Together Mr. Speaker, we are doing this!

I say to you, **Jamaica's future is here.**

Moving to the Logistics-centred Economy: Demonstrating the 'Hub Effect'

Mr. Speaker ... in my presentation today, I will demonstrate to this Honourable House why the Jamaica Logistics Hub Initiative is no pipe dream.

I will demonstrate why local businesses are now moving to capitalize on the Hub Initiative, and why more of our people are embracing this initiative as a game-changer for the economic fortunes of the nation.

Mr. Speaker ...What a difference a year makes!

In last year's sectoral debate, my presentation on the Jamaica Logistics Hub Initiative was denounced by some members of the Opposition as a 'pipe dream'.

I was also the subject of attacks in sections of the media.

Mr. Speaker ...I accept this as par for the course in a robust democracy, where all ideas are allowed to contend.

I have learnt from my twenty-five (25) years plus experience in public life, that big, game changing ideas require time and determination to be received and digested.

Mr. Speaker ... in all this, I take my cue from history :

- Copernicus told the world that the Sun was at the centre of the Universe and was branded a heretic; his theory revolutionized science and astronomy;
- Columbus defied the conventional wisdom of his time by asserting that the world was, indeed round and not flat; and he, Mr. Speaker, changed the course of human history.

Mr. Speaker,

One year later, and from the vantage point of the Ministry of Industry, Investment and Commerce I return to this Honourable House to say to the nation, that we are quickening our pace to build this logistics-centred economy.

Mr. Speaker,

My message to the nation is simply this:-

A logistics-centred economy that delivers a more efficient business environment characterised by the ease and speed of doing business, represents our best option to breathe new life into the Jamaican economy.

- A logistics-centred economy is our best option, to once and for all, reverse years of little or no growth.
- It is our best option to deliver more wealth-creating opportunities;
- To create jobs and inclusive growth;
- To reward entrepreneurship and spur innovation, and;
- To give us the platform to make our industries more globally competitive.

This is the message Mr. Speaker,

A logistics-centred economy is our best option, to finally implement an MSME and Entrepreneurship Policy that effectively includes the full participation of our Micro, Small and Medium-sized Enterprises; and that gives them a real chance to grow, to become profitable and to survive.

Mr. Speaker,

For years, succeeding governments have talked about developing the MSME sector.

This Government, through the MIIC is moving beyond lip service. Mr. Speaker, we are working!

Mr. Speaker,

May I remind this Honourable House that we adopted the MSME and Entrepreneurship Policy.

We did so in recognition of the fact that the MSME sector is the backbone of our economy, which provides upwards of 80 percent of the jobs in this country.

Mr. Speaker ... the Ministry started to implement this policy because we are determined to unleash the entrepreneurial energies of our people as we build this logistics-centred economy.

This is why we have passed the Security Interests in Personal Property (SIPP) legislation; and why we have passed and implemented the Business Registration Super Form to enable the easy start-up of businesses.

This is why we have established the Collateral Registry to expand asset-based lending to the MSME sector.

This is why Mr. Speaker, we are pursuing Insolvency Legislation in order to give MSMEs the opportunity to organize their business in the face of insolvency with the protection of the Courts against their creditors.

Mr. Speaker ... later in this presentation, I will speak more on some of the specific policy actions we are taking to better serve the needs of the MSME sector in this evolving logistics-centred economy.

Mr. Speaker,

With the widening of the Panama Canal and the expected influx of trading vessels in our waters, everyone in this Honourable House accepts that Jamaica must quickly position itself to profit from the supply and value chains for the production and distribution of goods and services around the world.

Everyone in this Honourable House recognises that the typical motorcar is no longer manufactured in any one country.

There is such a thing called a global value chain that allows for the design, production, and assembly of the components of that motorcar in different countries; and for the delivery of that vehicle to a customer in Europe, South America or in the United States, which is still the largest consumer market in the world.

Mr. Speaker ...some of us may know that the new Boeing 787 Dreamliner aircraft has some 2.3 million parts.

The fuselage is built by Boeing but the other components such as the landing gear and wings of the plane are made in 5,400 supplier factories in dozens of countries around the world.

Mr. Speaker ... some of us may know that the Asia Pacific region is the major driver of global aviation growth in the world.

100 million new airline passengers will pass through that region in the next 2-5 years, creating the need for some 12,820 new airplanes valued at US\$1.9 trillion over the next two decades according to the Boeing Corporation.

Mr. Speaker ... in light of this, what if Jamaica could convince the companies which make the wing tips for the 787 Dreamliner, to locate their operations here in Jamaica?

What if we could target and convince those transnational corporations managing all types of business value chains, to locate segments of their business operations right here in Jamaica?

Mr. Speaker ... we are changing the 'what ifs' to real possibilities.

We have moved from concept to action and we are aggressively going after investments for the Hub.

Mr. Speaker ...as I have said in this House;

As I have explained to hundreds of people throughout the length and breadth of this country, and;

As I have emphasized to prospective investors stretching from North America, Europe, the Middle East and South-east Asia;

Jamaica's competitive advantages to build a Logistics Hub are second to none in this region:

- We are 90 minutes by air from the United States, and lie within a 4-hour flight radius of half a billion of the world's upwardly mobile population.
- In this region, we are at the centre of the east-west and north-south sea and air corridors;
- We are blessed with world-class seaports, airports, telecoms and data connectivity, inter-connected highways, the real possibility of reviving cargo and passenger rail service, and we are the third largest English-speaking workforce in the Western Hemisphere.

Mr. Speaker .. it bears repeating. We are in the perfect geo-strategic location to be the major springboard for trade in this Hemisphere.

We can become a Logistics Hub of the likes of the giants in the global logistics business-Singapore, Dubai and Rotterdam.

Mr. Speaker ...I am heartened by the growing national consensus around this major opportunity for Jamaica.

I welcome the growing enthusiasm and acceptance by the Opposition for the Jamaica Logistics Hub Initiative as a bankable idea whose time has come.

Indeed Mr. Speaker, the Honourable Member for Clarendon Central has been an early and tireless advocate of a multi-modal project for Jamaica.

I say to him, that there is adequate space within the ambit of the Jamaica Logistics Hub Initiative to accommodate his visionary ideas, and again I thank him for his continuing support.

This is no pipe dream, Mr. Speaker.

When resources flow into any economy, opportunities are created for new entrepreneurial activities, businesses grow, people find jobs and life gets better socially and materially. These opportunities are now emerging in the Jamaican economy.

Mr. Speaker ... this is testament to the visionary outlook of this Government under the inspirational leadership of the Most Honourable Prime Minister;

It is testament to our national confidence - as Government and Private Sector- saying to the world that we are the next big thing in global logistics and an asset to the world trading system!

Mr. Speaker ... this is no pipe dream.

As a Government, we have embarked with purpose on this journey to create a dynamic logistics-centered economy.

- We are seeing openings in the economy that will allow forward and backward linkages between the MSME sector and the transnational corporations that will set up their business operations in Jamaica.
- We are seeing companies seizing first mover advantage to expand their operations for the explosion of international business to come;
- We are seeing entrepreneurs and would-be entrepreneurs flocking our Enterprise Jamaica and our JBDC workshops.
- We are seeing an outpouring of interest and participation in our logistics courses and symposiums by people drawn from the business community and civil society.

Mr. Speaker ...this is why the JBDC Expo for the MSME sector entitled: *Positioning MSMEs for the Global Supply Chain* starting tomorrow, May 22 in Kingston, is oversubscribed.

Mr. Speaker ...this is no pipe dream!

This is a powerful vision of Jamaica's future unfolding now before our very eyes in what I call the '*Hub Effect*'.

This Hub Effect demonstrates that things are indeed happening; and this Mr. Speaker, represents hope for our people.

It is an early blueprint that moves us out of the realm of concept to strategic thinking and pragmatic action.

It is a window through which we can look for the international partnerships and alliances to make our industries globally-competitive, to quickly convert our small businesses to big businesses, and to plan and mobilize the Jamaican human resources required to drive these industries.

Already Mr. Speaker ...we are seeing powerful manifestations of the ‘Hub Effect’ on the Jamaican Private Sector.

- **The Hub Effect on Telecoms**

One of the key pillars supporting the Hub, next to Aviation, Maritime and Financial Services is,

Mr. Speaker, the critical area of telecommunications and global connectivity.

Telecommunications firm LIME has adopted the phrase ‘Hub Ready’ to describe their multi-billion dollar investment in a modern, world-class fibre optic network to support the Jamaica Logistics Hub Initiative.

LIME is investing \$8.7 billion to deploy a cutting-edge 4G mobile network in anticipation of the intense commercial demand for business solutions that will come with the Hub.

Mr. Speaker,

We are experiencing the Hub Effect!

- Digicel Business, in support of the ICT needs of investors in the Hub, has invested \$6B over the past year in Jamaica's 4G network, and is rolling out a sophisticated underground fibre network.

Mr. Speaker ...**We are experiencing the Hub Effect**

- Columbus Communications, operators of Flow and Columbus Business Solutions, has the most advanced terrestrial and subsea fiber optic network in the Caribbean.

- FLOW's latest roll-out in broadband technology including cloud services, will enable rich communications solutions and seamless movement of information across industries

Mr. Speaker ... **We are experiencing the Hub Effect**

The Jamaica Internet Exchange Point (IXP)

Mr. Speaker ...related to the Hub Effect on our Telecoms, is the important development now taking place in the creation of the Jamaica Internet Exchange Point (IXP).

Mr. Speaker ... currently all Jamaican Internet traffic is routed through the United States. This comes at an extra cost to Jamaica its people and businesses.

It hinders effective local Internet development and stymies content development by our creators. The Jamaica IXP will be implemented by the end of July this year, saving the country more than US\$2 million a year.

The OUR, MIIC working with MSTEM and other stakeholders such as Internet Service Providers and content developers are actively engaged in making the Jamaica IXP a reality.

Mr. Speaker ...we need to shift from being net consumers to becoming major producers of local content via cheaper, faster Internet services with larger bandwidth serving our various Internet Service and content providers.

Hub Effect on the Wider Private Sector

Mr. Speaker ... in other areas of the Private Sector, we are seeing growing confidence in the Hub Initiative and more manifestations of the Hub Effect.

Kingston Wharves

As a part of its port infrastructure renewal programme, Kingston Wharves Limited will in the first phase, invest US\$20-million or J\$2.2-billion in the construction of a state-of-the-art Logistics Facility in Newport West.

This will involve the acquisition and refurbishing of an existing structure and the removal of existing structures on the Port to facilitate increased container handling and storage capability.

Construction of a warehouse is expected to commence within the next three months and is estimated to be completed in twelve months.

The warehouse will have an initial footprint of 150,000 square feet and will be of modular design so that additional space can be added as the logistics business grows.

Mr. Speaker ...in this initial construction phase of the project, 150 new jobs will be created.

The granting of Free Zone Status to Kingston Wharves, Mr. Speaker, is expected to significantly improve the company's ability to develop its logistics capability and to take advantage of the opportunities that will arise from the increased flow of cargo through the Caribbean, after the completion of the expanded Panama Canal.

As the necessary approvals are obtained, other phases of the Company's infrastructure renewal programme will be announced. The entire programme is expected to be completed in 5 years.

Mr. Speaker ...we are experiencing the Hub Effect!

Professional Development Unit Ltd

Mr. Speaker ... in March this year, a private education and training provider, Professional Development Unit Limited, launched a course to teach Mandarin to business professionals at the basic, intermediate and advanced levels.

In an interview with the Gleaner's Sunday Business on April 27, the CEO of the company, Shirlene Dennis was reported as saying: "With the advent of the Jamaica Logistics Hub along with frequent talks between Jamaica and China's government, our company has taken steps to equip the Jamaican workforce with new skills that will allow local companies to take advantage of the many opportunities being presented."

Mr. Speaker ...we are experiencing the Hub Effect!

First Union Express

Mr. Speaker ...I was pleased to learn of the story of First Union, a Jamaican micro-financing business that has diversified to start up a courier service, first to the United States and now between Jamaica and China.

First Union's Founder and Chairman, Lloyd Campbell, established Union One Express as a storefront operation in China to meet the demand for formal courier services among Jamaican businesses buying goods from China.

Mr. Speaker ...this is a remarkable example of Jamaican entrepreneurship at its best.

We are experiencing the hub effect!

Smart Taxi

Mr. Speaker ...we are inspired by this example of internal logistics.

Four (4) young Jamaican entrepreneurs frustrated with the traffic congestion in the Corporate Area have devised an ingenious solution to the problem called 'Smart Taxi'.

Smart Taxi is the brainchild of a young man by the name of Marc Byfield, who came up with the concept while studying computer science at the UWI three years ago.

Byfield and his fellow graduates have since set up a logistics software development company, and plan to launch their Smart Taxi app service at the end of summer, just in time for the new school year.

They are marketing their app under a licencing model with independent taxi drivers across the Corporate Area.

Mr. Speaker, the entrepreneurial spirit of our young people is alive and well in this country.

We are experiencing the Hub Effect!

Paradise Express Ferry

Mr. Speaker ...two weeks ago, I had the pleasure of announcing a US\$30 million investment in Jamaica by the New York-based Paradise Express Ferry, which is founded and run by Garry Johnson, a son of Jamaican parents.

By February 2015, Paradise Ferry is scheduled to run a ferry service connecting Ocho Rios, Montego Bay and Negril. This, Mr. Speaker, will be a unique attraction for our tourism industry, expected to generate 170 jobs.

Mr. Speaker, the Jamaican Diaspora is investing in an evolving logistics-centred economy.

We are experiencing the Hub Effect!

Mr. Speaker, there are many more examples that I could cite to demonstrate the influence of the Hub Effect on our business landscape.

In the interest of time, I will share just a few more:

MIIC Partnership with the Jamaica Chamber of Commerce

Mr. Speaker ...I wish to highlight in this Honourable House, the remarkable partnership between the Ministry of Industry, Investment and Commerce and the Jamaica Chamber of Commerce in the promotion of the Jamaica Logistics Hub Initiative to the business community.

In January, we jointly staged with the Chamber, a Symposium on the Hub for the local business community and to the world.

We are grateful to Mr. Francis 'Paco' Kennedy, who mobilised his chamber and chambers of commerce in the parish capitals, as well as the other major private sector umbrella organisations, namely, the PSOJ, the JEA, the JMA, the YEA, the MSME Alliance and AMCHAM, to stage the 2-day event that was oversubscribed and was a big success.

Early next year, we will take the Hub initiative to the wider global arena, when we invite the world to the staging of the Jamaica Investment Forum, which will present the investment opportunities that are linked to the Hub, throughout the country.

Mr. Speaker ... the Hub Effect is mobilizing our Private Sector to greater levels of innovation!

- **ARC Systems**

The remarkable example, Mr. Speaker, of ARC Systems Limited and its recently established \$400-million lumber treatment plant represents a first of its kind in the Caribbean.

This lumber plant is fully automated and has the capacity to treat about 500,000 board feet of lumber per 40 hour work week.

Arc Systems is substituting treated lumber imports with its own treated lumber, saving foreign exchange and providing job.

Mr. Speaker ... Arc Systems is currently investing \$300 million to construct a new roofing plant to manufacture roofing materials.

These are sterling examples of value added activities geared towards both the export and domestic markets.

These are the types of business innovations Jamaica needs as we move towards building a logistics-centred economy.

Mr. Speaker ... I commend CEO Norman Horne and his team for bringing innovation and global best practices to his business.

Tankweld Rio Bueno

Mr. Speaker ... there is growing confidence by the Jamaican Private Sector for a logistics-centred economy.

This is why the nation should be confident!

The pioneering investment, made by Tankweld, to build its own port at Rio Bueno has turned out to be a fore-runner for the Jamaica Logistics Hub Initiative.

Tankweld has expanded their investment into a logistics centre, equipped with a 10-acre, fully automated warehouse, operating its own vessel along with a fleet of over 90 trucks.

This is one of the single largest investments made by a Jamaican-owned company, in a non-tourism related project on Jamaica's North Coast.

Tankweld employs 300 people from the area in its logistics centre; and procures goods for distribution to the construction and hardware trade in Jamaica.

Tankweld is equally capable of accessing goods from any part of the world and Jamaica, consolidating them at Rio Bueno, and delivering the same goods to any part of the Caribbean, Central and South America.

I commend the Bicknell family for this major local investment that is helping to create this logistics-centred economy for Jamaica.

Mr. Speaker ...We are experiencing the Hub effect.

The Success of ISOCON-JLB

Mr. Speaker ...two years ago, I announced to this

Honourable House, the start-up of ISOCON-JLB, a small, ISO-certified tank cleaning and maintenance facility, that had set up business in the Kingston Freezone.

Today, I am updating the House on the Progress of this company, which is an exemplary case study of what is possible in a logistics-centred economy.

Mr. Speaker ...ISOCON-JLB has grown into a major player in the movement of bulk liquids in and out of Jamaica and the region, servicing ISO-tanks from Barbados, Trinidad, US Virgin Islands, Puerto Rico, Guyana,(just to name a few).

Before the facility was established, companies based in Jamaica and in these countries would have had to ship their tanks back to Europe for cleaning, certification and maintenance.

Mr. Speaker ...we now have ISO-tanks available to facilitate our rum exports, concentrates, purees, rum cream base and edible oils destined for global markets.

This has saved our importers and exporters of bulk liquids, significant time and money, while creating jobs.

Mr. Speaker ...ISOCON-JLB has been approached by ISO-tank owners operating in the Dominican Republic to set up a similar facility in that country, and one of its founders Beverly Johnson has been awarded the Compete Caribbean Grant for Diaspora Innovation and Vision.

Mr. Speaker ...there is strong confidence by the Jamaican Diaspora in the Logistics Hub, and the logistics-centred economy.

Building the Logistics-centred Economy through Special Economic Zones

Mr. Speaker ...having spent some time to explain the Hub Effect on our economy, let me now turn to the matter of Special Economic Zones, for which this Ministry has direct responsibility.

I would like to focus on the Caymanas Economic Zone, a project concept which the previous administration advanced and tried to implement.

We inherited plans for this Caymanas Economic Zone that lacked the level of concept development and due diligence, befitting a master plan to take Jamaica to the next stage of its industrial and commercial development.

In the context of a logistics centred economy, we want to implement Caymanas as **industrial development**, and not simply as a **real estate development**.

Let me explain.

The Caymanas Economic Zone (CEZ) will now be the Caymanas Special Economic Zone (CSEZ).

This is in keeping with the critical decision of the World Trade Organisation (WTO), which requires us to phase out free zones by 2015.

We have elected, Mr. Speaker, to transition from free zones to special economic zones in keeping with the direction in which the world is moving.

The Factories Corporation of Jamaica had issued a Request for Proposal (RFP), to develop the Caymanas Economic Zone, which resulted in considerable investor interest.

However, given the immense importance of this project and the decision to go the route of establishing SEZs that are in conformance with WTO and IMF requirements, the Cabinet has taken the decision to abandon the RFP process, and upon recommendation from the MIIC, has appointed two important teams to guide the process.

The first is a Policy Steering Committee to develop the policy framework to govern the development of Caymanas and other designated areas in Jamaica, as special economic zones;

and the second is an Enterprise Team to oversee the Caymanas *Special* Economic Zone development.

Mr. Speaker ... the Policy Steering Committee (PSC) is meeting twice a month and more often if necessary to complete its work in the next 3-4 months.

The PSC comprises experts and technocrats from the private and public sectors and is being led by Mrs. Patricia Francis, former Executive Director of the International Trade Centre in Geneva and former President of JAMPRO.

Mr. Speaker ...the Caymanas Enterprise Team, which was approved by the Cabinet **in January 2014**, to guide the implementation of the Caymanas Special Economic Zone (CSEZ) as a critical component of the Global Logistics Hub Initiative, commenced work in March.

It is chaired by Dr. Vin Lawrence and comprises expert representatives from a wide cross section of technical areas, within and outside of Government.

Both teams will report to the Cabinet through the Minister.

The Policy Steering Committee, Mr. Speaker, and the Enterprise Team are seized with the urgency of their important work for the nation and I commend them for their service.

The Caymanas SEZ is expected to attract large-scale investments in specific value added industries, as well as to facilitate the participation of the MSME sector through a clustered approach.

It is also expected, Mr. Speaker, that the Caymanas SEZ will serve as a model for the development of future special economic zones across the country, in keeping with the Government of Jamaica's growth and development agenda.

Mr. Speaker ... the next stage in Jamaica's industrial development in a logistics-centred economy, requires that we move quickly but also carefully, mindful that we operate in a global environment, that requires even greater levels of transparency.

Mr. Speaker ...the existing industrial, commercial and residential developments on lands closest to the Kingston Container Terminal, will put severe limitation on the scale and scope of the value added activities that can be conducted near to the Port of Kingston.

Given the scale of the activities, we envisage as a result of the Panama Canal expansion, it is of critical importance that we move **now**, to develop the Caymanas SEZ, in order to grow the Port's through-put by generating greater volumes of cargo.

Mr. Speaker ... the SEZs that we are facilitating are about creating new and innovative commercial ventures, led by large multinational corporations.

These SEZs will be centres for commercial and industrial activities, which could serve as a further basis for the rehabilitation, over time, of our now dormant railway services.

These SEZs, Mr. Speaker, will create jobs:

- Jobs for heavy equipment operators, forklift operators;
- Jobs for drivers and haulage contractors;
- Jobs for technicians in repair shops for logistics operations;
- Jobs as welders and electricians for highly trained graduates of our HEART institutions.

Mr. Speaker, these SEZs will create:-

- Jobs for engineers and technicians trained at CMI or in UTech's programmes in mechanical engineering and mechatronics;
- Jobs as ship chandlers for enterprising entrepreneurs who supply foodstuff, water and other necessities to the ships;
- Jobs in ICT support for our programmers, animators and graphic designers from institutions such as NCU, UTech, UWI, CARIMAC and the Edna Manley College for the Visual and Performing Arts;
- Jobs for middle and senior managers for graduates from our business schools;
- Jobs for accountants, lawyers;
- Jobs for security firms;
- Jobs in catering, hospitality and entertainment.
- Jobs in the healthcare delivery services.

Mr. Speaker ...this Government is determined to create the environment that will yield decent-paying jobs for our workers in the logistics-centred economy!

Building the Logistics-centred Economy: Actions by the MIIC and its Agencies

Mr. Speaker,

Becoming the 4th Node in the global value and supply chain network is by no means an easy feat.

It won't be achieved overnight.

This is no 'big bang' process. This is an evolutionary process, which I have indicated has already started and the hub effect will continue over the medium to long term.

The Government, Mr. Speaker, is establishing Jamaica's Logistics Hub in an era of globalization that is characterized by relentless innovation, creativity and competitiveness;

An era where increasingly, the world's products and services are bought and sold online, where there is a requirement for seamless interfaces between the placement of an order, through the phases of production and distribution, and to delivery at the customer's door anywhere and anytime around the globe.

The firms we are seeking to attract are facing increased expectations by their customers, who want quality products and services in a timely fashion.

These firms, Mr. Speaker, must move goods, components and services faster over great distances, across borders and time zones with greater cost efficiencies to meet the demands of their consumers.

Mr. Speaker ...as we seek to build this Logistics-centred Economy, let me highlight some of the enabling work of the Ministry and its Agencies.

Let me first focus on the area of the National Quality Infrastructure that is being built, through the work of the Bureau of Standards Jamaica, to make sure our businesses are operating at global standards.

Mr. Speaker ...a Logistics-centred Economy requires a highly integrated network of people, systems and organizations involved in the research, definition, development and promotion of quality goods, services and processes. This highly integrated network, utilizes four fundamental pillars in building the quality infrastructure. These are:

- Standards development;
- Conformity assessment which involves testing, inspection and certification;
- Metrology (measurements); and,
- Accreditation.

This highly integrated network and the four pillars constitute the National Quality Infrastructure (NQI), which is a fundamental part of the foundation on which every highly efficient, modern and sustainable national economy is built in today's globalised world.

Mr. Speaker ... the Bureau of Standards is the National Agency charged with the responsibility to build the *National Quality Infrastructure* and is, therefore, crucial to the implementation of the strategies of my Ministry in enabling the building of a Logistics Centred Economy.

In 2012, I charged the Bureau to begin the development of international service standards.

- Prior to 2012, the Bureau published at the rate of 7 standards per annum.
- In the last financial year alone, the Bureau published 56 standards with another 22 soon to be published. An overwhelming number of these standards are services standards. This, Mr. Speaker is the best performance of standards development in the history of the Bureau of Standards.
- The Bureau for the first time in its history, has secured the status of Collaborative Partner with the Food and Drug Administration of the United States of America. This means, that all Jamaican processed-food

manufacturers may export to the US, and by extension, many other countries of the world, if they conform to Bureau of Standards conditions.

No longer, will Jamaican ackee be rejected at ports of entry, because we **now** have an internationally accredited Chemistry laboratory, based at the Bureau of Standards.

Mr. Speaker ...this Ministry, is in a hurry to build out the national quality infrastructure necessary, to make Jamaica Globally competitive and to build a logistics-centred economy.

Attracting Investments and Growing Exports in an Enabling Business Environment.

Mr. Speaker,

As we look to the global investor community for investments in the Logistics Hub, I am proud to say that we continue to do well in the area of attracting foreign direct investments.

As evidence of this growing belief and confidence in the logistics-centred economy, the Kingston and Montego Bay Freezones are now operating at full capacity with a growing waiting list.

Mr. Speaker, I spoke earlier of the fact that the efforts towards the logistics-centred economy require partnerships across Government.

To this end, JAMPRO is currently working closely with the Tourism Enhancement Fund, the UDC and NEPA to develop a concept, whereby, specific projects can be

developed and packaged with most planning and development approvals in place before the investor – local or foreign – even makes his decision to invest.

Mr. Speaker...we are actively putting measures in place to make the country's investment process frustration free.

This, is critical, as we build the logistics-centred economy!

Mr. Speaker....JAMPRO is fully aligned with this drive to deliver a logistics-centred economy:

- Out of high-level and targeted investment missions undertaken over the last year and a half, to Europe, Kuwait, Dubai, Singapore, China, the USA, Canada, India and Panama; we are currently having discussions, with prospective investors around large-scale manufacturing investments in a range of sectors.
- These include energy, the extractive industries, as well as in ICT/Knowledge Services, medical devices, distribution and logistics.
- We are in active discussions with investors, originating primarily out of Asia, Europe, North America and Latin America.
- These investors, Mr. Speaker, are seeking to invest in our seaports, airports and value added industries for our special economic zones, third party logistics (3PL) providers, ship repair and recycling, bunkering and tug boat industries.
- JAMPRO has also established an investment promotions unit dedicated to Logistics, that will continue to engage these investors while seeking to attract new players to the table.
- The Agency also continues its work to attract investments in all the major growth areas of the economy.
- For the 2013/14 financial year, JAMPRO facilitated over \$18 billion in capital investments, exceeding the projected target of \$12.3 billion.

- These investments, primarily in tourism, agriculture, mining and knowledge services created over six thousand new permanent and temporary jobs.
- On the export and trade side, JAMPRO continues to be a reliable business partner to the nation's exporters. The Agency's export clients generated over US\$237 million in export sales during the last financial year, and the value of linkages contracts amounted to over J\$915 million for creative industries projects and other export-led activities.

Knowledge Services/Business Process Outsourcing

Mr. Speaker ...as we seek to integrate the country into global value chains, we experienced another extraordinary year in the Knowledge Services and Business Process Outsourcing (BPO) sector.

With increasing demand for ICT/BPO space in the Montego Bay Free Zone, the Factories Corporation of Jamaica recently spearheaded the retrofitting of a 24-thousand square foot factory building, for use in the ICT/BPO Sector.

This building is now leased to the Elephant Group, and has created employment for approximately 600 persons.

Mr. Speaker ...I wish to point out that the FCJ had to move expeditiously to create this space to save this investment for Jamaica.

Mr. Speaker,

- 2,500 new jobs were generated by the BPO sector last year;
- Local investors have also been stepping up to provide ICT-ready space for new and existing players in the sector.
- Several of these firms, significantly expanded their business operations last year. They include Xerox, Teleperformance, Sutherland Global, Accent Marketing, Team HGS, Island Outsourcers, ADS Global and Global Gateways.

Mr. Speaker ... the BPO sector has grown by 20% over the past two years, and is the fastest generator of jobs in the country. We are moving in the right direction with the BPO and Knowledge Services Sector.

We are well on track to double the over 14,000 jobs in the sector in the next 3-5 years, as we will shortly be hearing further exciting news concerning more job creation in this sector.

Mr. Speaker ... I wish to commend the Business Process Outsourcing Industry Association of Jamaica, the BPIAJ, for their partnership in positioning Jamaica as a blue-chip ICT investment destination, as we partner to build this logistics-centred economy.

International Financial Services Centre

Mr. Speaker ...we give credit where credit is due to the Opposition for their work while in office, to start the process of establishing Jamaica as an International Financial Services Centre.

But Mr. Speaker ...we are building on this idea, by positioning the International Financial Services Centre as one of the pillars of the Logistics Hub Initiative.

We are taking steps to ensure that we establish an IFSC that will be an important source of funding, and which will provide the mechanisms for the setting up of transnational corporations in the Special Economic Zones.

Mr. Speaker ...as we take the International Financial Services Centre from concept to implementation, I am pleased to advise this Honourable House, that seven modern pieces

of legislation have been drafted to facilitate the establishment of financial entities inside the IFSC.

All seven draft Bills, Mr. Speaker, are now with the Office of the Chief Parliamentary Counsel, where priority is being given to four of the Bills, which we expect to table in this Honourable House within the first half of this financial year.

Mr. Speaker,

- Setting up the International Financial Services Centre requires very little physical infrastructure, if any;
- Private Sector financial institutions, stand to benefit greatly, and direct employment prospects for the long term could be as high as 15,000 local professionals.
- Potential estimated revenues to the Government could be as high as US\$300-million per annum, according to a KPMG study.

When everything comes together, Mr. Speaker, Jamaica will be known far and wide as having one of the best financial services centres in the world.

This is our commitment and promise to the People of Jamaica.

New Industries:

Mr. Speaker,

The Ministry is also looking at developing new industries for the logistics-centred economy:

- **Industrial Hemp:** The legal cultivation of Industrial Hemp (as distinct from marijuana-*cannabis sativa*) has presented a major global opportunity for a

number of countries around the world, where legislation facilitates farmers to grow hemp.

- More than 25,000 uses can be derived from the hemp plant. On this point, a draft of the proposed regulatory framework is ready and will be submitted shortly to the Cabinet for its consideration.
 - This will pave the way for a viable value chain to be developed around the hemp industry in Jamaica.
 - Jamaica, Mr. Speaker, has an opportunity to carve out its niche in the Industrial Hemp global market, which will also support related efforts to develop other industries from '*cannabis sativa*' such as medical marijuana.
-
- In this regard, the Ministry has been facilitating collaboration between Jamaica and a consortium of leading international researchers from the US, Canada and Israel, to position Jamaica as a Centre for 'best in class' research for the commercialization of Industrial Hemp products.
 - An MOU has been signed between the UWI and '*Strains of Hope*', a US-based foundation in marijuana research with respect to the development and exploitation of medicinal products.
 - A Task Force led by the Minister of Justice has been established to examine other aspects of the Marijuana industry.

Mr. Speaker, in the area of:

- **Health and Wellness Tourism:** The National Health and Wellness Steering Committee, which was appointed by Cabinet, and which was tasked to facilitate the development and implementation of key activities to grow the Health and Wellness Tourism sector in Jamaica, has been meeting on a quarterly basis since September 2013. Mr. Speaker, JAMPRO will shortly sign a US\$249,000 grant agreement, with Compete Caribbean.
- The grant will be used to develop national accreditation standards for Medical Tourism, and to undertake gap analysis for local players in the sector.
- Mr. Speaker, the standards for the Wellness Health Tourism component, have now been completed, and will shortly be promulgated.

Mr. Speaker ... let me move to the **Business Environment and Reform Agenda and the Work of the National Competitiveness Council.**

Our Ministry understands the needs of the business and productive sector. Our Ministry is seized with the need to create that enabling environment for wealth creation that will make businesses thrive.

For the logistics-centred economy to take off, we will need to radically improve Jamaica's business environment.

In response to this, Mr. Speaker, we have been aggressively pursuing a business reform agenda to move Jamaica's rankings up the Doing Business and Global Competitiveness Indices.

This coordination work is primarily being done by the National Competitiveness Council that comprises private and public sector entities.

Cabinet has approved the expansion of the role of the NCC to identify and remove bottlenecks, faced by investors, in their interface with Government regulators and other entities.

World Bank Growth and Competitiveness Programme

Mr. Speaker ...as we pursue the Growth Agenda, and initiatives to improve the competitiveness of our firms, the Government of Jamaica is finalising with the World Bank, a four-year US\$50 million Growth and Competitiveness loan project.

JAMPRO, the DBJ and the PIOJ will be the lead coordinating agencies, for discrete components, supporting critical aspects of the Ministry's work.

JAMPRO, through the NCC, will be coordinating the execution of Component One of the project.

- This component will place specific focus on increasing Jamaica's competitiveness, through strengthening of the country's competition laws and the work of the Fair Trading Commission.
- Component Two, will provide for the development of the Master Plan for the Logistics Hub Initiative and the packaging of Hub investment projects.
- JAMPRO will also have access to funds, for project origination and investment promotion.
- Component Three of the Project, will support a lending facility as well as capacity building and linkages programmes for MSMEs.

Mr. Speaker ... on behalf of the Government, I would like to express appreciation to the World Bank for this signal support of Jamaica's Growth Agenda.

The MSME and Entrepreneurship Policy

Mr. Speaker,

I cannot emphasize enough the importance of the MSME sector to the creation of this logistics-centred economy.

A broad consensus across the political divide and among stakeholders within the private sector and civil society, has emerged in support of the MSME and Entrepreneurship Policy that was adopted in July last year by this Honourable House.

Mr. Speaker ... we will use this policy to effectively address the needs of the MSME Sector.

Mr. Speaker ... the Young Entrepreneurs Association of Jamaica, has written to me detailing their concerns about how difficult it is to access funding and financial advisory services. We will use this policy to effectively address the needs of our young entrepreneurs and to facilitate the targeted delivery of support to them.

Mr. Speaker ...there are still too many of our small business people who are not accessing the capital and capacity building support services provided by the Government.

There are still too many business people, for whom MIDA, JBDC or the Self Start Fund don't even appear in their frame of reference, for valuable services that they need to effectively participate in the logistics-centred economy.

Mr. Speaker ...we want to change that.

We want these agencies to be the first points of reference for our small businesspeople with good business ideas.

We must, in a logistics-centred economy, give our MSMEs more than a fighting chance to become the multinationals of the future.

- As a first policy action, the Ministry will be reforming and repositioning its three critical agencies that are engaged in lending and financial advisory services for the MSME sector, namely, MIDA, JBDC and the Self-Start Fund.
- MIDA, Mr. Speaker, will be repositioned to play a critical role in risk and debt management, and to develop and effectively manage a micro-venture financing facility for the MSME sector.
- The JBDC is no longer engaged in lending and will be focused on providing customized financial advisory services to its clients, and;
- The Self-Start Fund will now be offering a new suite of loan products that is customized to meet the needs of the MSME sector.
- This year, Mr. Speaker, we are targeting to provide \$1 billion in loan financing to the MSME sector.

Mr. Speaker ...we are closing the gaps for our small businesspeople. We are making sure they participate fully in the logistics-centred economy.

Mr. Speaker ...the second policy action for the MSME sector is to bench-mark the JBDC, with the growing Small Business Network of the Americas (SBNA) Initiative.

- We are doing this, Mr. Speaker, to build greater capacity in the JBDC, to promote and support job creation in MSMEs, and to encourage greater trade among these businesses.

- It is expected that JBDC will gain Small Business Development Centre-status by the end of the 2nd Quarter of this Financial Year.
- MSMEs, with the JBDC's assistance, will be in a stronger position to tap into export market opportunities, to better manage their client portfolios, and to leverage research capabilities of the Small Business Network of the Americas.

Small Business Mobile Clinics

Mr. Speaker ...the Member for NW St Ann, in his contribution to this Sectoral Debate, highlighted the need for mobile business clinics for small businesspeople in his constituency and across the country.

Mr. Speaker ... I am pleased to announce a comprehensive island-wide programme, for business advisory and development services.

Commencing in July, the JBDC will be rolling out across the country, a mobile unit to reach existing and prospective entrepreneurs and small businesspeople.

This mobile unit, will offer the full suite of JBDC services in addition to services offered by other Government Ministries, Departments and Agencies, such as, the Companies Office of Jamaica, Tax Administration, the Bureau of Standards and other public sector entities that support the MSME sector.

Mr. Speaker ... in an effort to formalize more of our MSMEs and to provide them with direct, customized consultation and business advisory services, the JBDC will carry out needs assessment surveys from region to region. The outcomes we want, to spring from this intervention are:

- More business clusters in our communities across the country;
- Training and capacity building programmes;

- Technical assistance programmes, ranging from product development and enhancement support, technical and business skills development, product branding and labeling support, design support services to marketing assistance.

Mr. Speaker ...we are empowering our small businesses with technical skills, knowledge and confidence.

Mr. Speaker ...we are closing the gaps for our small business people. We are making sure, they participate fully in the logistics-centred economy.

Mr. Speaker ... the third of our initiatives to implement the MSME and Entrepreneurship Policy, is geared at dealing with the issue of global standards and innovation for our business people.

Mr. Speaker ...we are doing this through the launch of Enterprise Jamaica, 'EJ', a key initiative of the Ministry, led by the Bureau of Standards.

- 'EJ', Mr. Speaker, is promoting innovation and fostering entrepreneurship, especially in the nascent technology-based sector and existing businesses.
- 'EJ' is immersing potential entrepreneurs and business owners in an environment characterized by state-of-the-art practices, preparing them for the logistics-centred economy.

Mr. Speaker ...We are closing the gaps for our small business people. We are making sure, they participate fully in the logistics centred economy.

Creative Industries Development

Mr. Speaker ...I now turn to the important subject matter of the Cultural and Creative Industries, and the development plans we have for this sector. The Ministry has charted a critical path forward, for how it intends to impact Jamaica's cultural and creative industries.

We are reforming the National Industrial Policy to broaden the focus from trade in goods, services and commodities, to place greater emphasis on high-tech and knowledge services, focusing on Design and Intellectual Property.

Mr. Speaker ...this is a critical policy shift in keeping with our move to create a logistics-centred economy.

The principal thrust of this new policy will be *weighted towards*:

- Research and Development, as well as financing for technology platforms and networks, to support the commercialization of innovative ideas, and;
- Systems to protect and develop intellectual property and to encourage commercialization.

To this end, working groups will be meeting to finalize a policy framework, for this reformed National Industrial Policy.

Mr. Speaker ... the Government, through the MIIC and the Jamaica Intellectual Property Office, is committed to ensuring the highest level of Intellectual Property protection for the Jamaican Creative and Cultural industries and to stimulate growth of the sector. With the easing of the process to pass benchmark legislations under the IMF programme, I expect that important legislations affecting this sector, will see movement this year.

It is against this background, Mr. Speaker, that I would like to **announce** that plans are well advanced to construct a film lot in Jamaica, with multiple stages, outputting at Hollywood standards.

A Hollywood studio has agreed to provide oversight on this project. The group, Real Vibez, is also in discussion with a leading music and film production school in the USA, to build a campus at the lot.

Mr. Speaker ...negotiations are far advanced for the lease of the 20-acre former Goodyear Factory and complex, near Morant Bay in St. Thomas, as the site for this film lot !!

A deal to produce five films has been signed with Steven Paul, the producer of the films Ghost Rider and Baby Geniuses.

Developing Industrial, Commercial and Office Space

Mr. Speaker ...as we look towards this logistics-centred economy, the mandate of the Factories Corporation is to plan and deliver industrial and commercial space solutions for new projects. One such project is the Garmex Freezone.

Mr. Speaker ...given its proximity to the Port, we are retrofitting the Garmex Freezone into a world class industrial complex to accommodate logistics and industrial clusters.

The FCJ will spend \$120-million this year to complete its renovation works, and I am looking forward to opening this new facility that will be a marquee site for the Jamaica Logistics Hub Initiative.

Mr. Speaker ...we are taking steps to build out the Logistics - centred economy.

Restoration of the Scrap Metal Trade

Mr. Speaker ...this Ministry is proud of the work it has done to restore and to regulate the Scrap Metal Industry. The regulatory framework we introduced, just over a year ago, has given new life to the trade.

We still have some challenges. There have been recent reports of a rash of theft of property from homes in the Washington Gardens area and elsewhere.

But Mr. Speaker, let me point out that not all stolen metal is destined for, or has entered the external trade being regulated by the FCJ. We are aware of a still thriving trade in domestically generated products from scrap metals, such as the pots and pans subsector.

Last year, we committed to the Jamaican People that we would be vigilant and swift in enforcing the regulations governing the scrap metal trade.

Mr. Speaker, four persons were incarcerated under the new regime for breaches of the regulations. Mr. Speaker, we have kept our promise. Last year we promised to restore confidence in the scrap metal trade. We were told it could not be done.

Mr. Speaker ... last year, the scrap metal trade exported over 67-thousand metric tonnes of metal, earning over US \$19.3 million. The trade in metal is beneficial to many sectors of society: financial institutions, shipping lines, trucking, logistics operations, and small scale operators.

It must be noted that the majority of export volumes going through the Kingston Container Terminal (KCT) is as a result of the trade in metals.

Employment in this sector is about 600 jobs directly and approximately 2,000 indirectly. This trade, Mr. Speaker, comprises 123 registered carriers, who transport the metal to the sites; 125 Dealers, 19 General Exporters and four (4) Industrial Exporters.

I commend the Factories Corporation and their stakeholders - Customs, the Trade Board and the Police- for transforming the scrap metal export business into one that supports a logistics-centred economy.

The Potential for a Trade in Damaged Vehicles

Mr. Speaker ...we have learnt valuable lessons from the scrap metal trade. We have learnt, that we can effectively regulate businesses in the recycling trade;

We have also learnt, that we can apply these lessons to create new business opportunities.

One of these opportunities, is in the trade and reconditioning of damaged vehicles as a part of the global motor-vehicle value chain.

Mr. Speaker ...we have heard the calls for a restoration of the damaged vehicle trade. We hold the position, that the trade and reconditioning of damaged vehicles is a *real opportunity* for the expansion of the local automotive industry.

It means, real opportunities for training and jobs for our mechanics, our tradesmen in auto body repairs, auto electricians, and other workers in the automotive sector.

Accordingly, I will shortly be recommending to Cabinet, the removal of the ban on the importation of damaged vehicles.

To date, we have established a multi-agency Task Force to review and make recommendations on the way forward.

This Task Force is charged to make recommendations with respect to regulations, standards, training, and certification. Paramount in their deliberations, Mr. Speaker, is the safety and protection of consumers. There will be full consultations with all stakeholders.

Mr. Speaker ... the Ministry has also been building national dialogue and narrative around global logistics and Jamaica's move to a logistics-centred economy.

- There is growing public interest in the Logistics 101 course organised by the Ministry and the Caribbean Maritime Institute (CMI) and delivered free of cost to over 16-thousand participants so far.
- The course has been streamed live on the Internet and made available on YouTube, and distributed to schools and libraries.

- There is stronger collaboration among our academic institutions, working in step with the Logistics Hub Education and Training Working Group to get the workforce Hub-ready.
- The Caribbean Examinations Council has now approved a CAPE curriculum on Logistics.
- To prepare our teachers, CMI is also offering a post-graduate diploma in Logistics and Supply Chain Management, commencing this summer.
- Professional bodies and practitioners, including doctors and other health professionals, are now taking steps to certify themselves in order to deliver cross-border services.

Mr. Speaker ...this is further evidence of the recognition, locally and internationally, of the value of Jamaica becoming a logistics-centred economy.

The Logistics Performance Index

Mr. Speaker ...now, we understand why Jamaica has jumped 54 places in the 2014 Logistics Performance Index.

Mr. Speaker ...we are no longer at the bottom of the table.

From 124 out of 160 countries in 2012, we are now ranked at 70 out of 160 countries in 2014.

Mr. Speaker ...this achievement, in a single reporting period, is unprecedented. This achievement validates Jamaica's ambition to become the next major global logistics hub.

Mr. Speaker,

- We are doing much better in the area of Customs clearance and efficiency at our ports of entry.

Mr. Speaker, We are getting Hub Ready!

- We are highly rated for our Logistics Infrastructure, in the quality of our trade and transport-related infrastructure (ports, roads, and information technology).

Mr. Speaker, We are getting Hub Ready!

- We are doing better at arranging and moving our shipments around the world. Our cargo transport operators and customs brokers are rated among the best.

Mr. Speaker, We are getting Hub Ready!

- We are doing better at Tracking and Tracing consignments; and we are getting better at the timeliness, with which shipments from our ports reach consignees within the expected delivery time.

Mr. Speaker, We are getting Hub Ready!

Our performance in the 2014 Logistics Performance Index is a major milestone for the country in our push to become a logistics-centred economy. The world recognizes that Jamaica is serious about becoming the 4th Node in the Global Logistics Network.

The world is prepared to back us, not just because Jamaica is one of the most admired places on earth, but because they see win-win value propositions.

Major International Hub Investment

Mr. Speaker ...I said at the beginning of this presentation that I would bring the evidence of significant global investor interest in the Logistics Hub Initiative.

In response to our promotion of the Initiative internationally over the past 18-months, a major consortium of US, European and Middle East investors has put forward a strong expression of interest in several components of the Logistics Hub Initiative.

Representatives of this Consortium are currently in the island, for meetings with a number of key agencies of the Government, as part of their due diligence and as preparatory work, ahead of submitting a formal proposal.

This Consortium is mobilising equity financing in excess of US\$4 billion to design, finance, build and operate integrated components for the Hub.

This investment, will be a massive contribution to the build-out of the Hub and the accelerated realisation of the logistics-centred economy.

Mr. Speaker ...I would like to pay special recognition to the presence of the representatives of the Consortium in this Honourable House, this afternoon.

Mr. Speaker ...I would like to thank them for their confidence in Jamaica and in the Hub Initiative.

Next steps:

The Consortium will complete its due diligence within six to nine (6-9) months. Thereafter, a definitive proposal will be presented to the Government for its consideration.

Closing

Mr. Speaker,

This is not a time for doubt or interminable debate.

The time for that is over; it is time for action.

This is Jamaica's time to step out of the shadows of decades of lethargic growth and dashed expectations.

This is Jamaica's time to reach for the glorious promise of this new logistics-centred economy.

Mr. Speaker ...we are moving forward. Jamaica is making progress.

This Government is taking the hard decisions, whilst making sure that we create a level playing field that allows for full and active participation by all the players in the business community.

I say to the entire Jamaican business community, comprising local and international players, stretching to our Diaspora business owners in cities around the world:

The efforts we now make to put our economy on a stronger footing are building a sure and sound foundation for a first-class logistics-centred economy.

These efforts will make us stronger.

They will give us multiple opportunities to create wealth for Jamaica, and to usher in a new era of unprecedented growth and prosperity.

Mr. Speaker ...in the Good Book, the readings of Ecclesiastes remind us of one of life's great lessons:

“There is a time for everything, and a season for every activity under the heavens”:

The Book of Proverbs also teaches us in the 29th chapter and the 18th verse that,

“Without a vision the people perish!”

We remind ourselves in the words of our National Anthem

‘Give Us Vision Lest We Perish!’

Mr. Speaker,

This is Jamaica's Time!

Time to grow and develop business in the country!

Time to build a logistics-centred economy that will deliver a superior quality of life for all our people!

Mr. Speaker

The future is here!

Let us seize that future!

Let us seize the day!

I thank you.