



Realizing Vision 2030: Towards a Policy Strategy- A Logistics Centred Economy



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REALIZING VISION 2030: TOWARDS A POLICY STRATEGY- A LOGISTICS CENTRED ECONOMY

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Salutations

Mr. Speaker,

All praises to the Almighty for continuing health and strength.

As usual, I have several persons to thank for their continuing support.

- My wife Yodit and daughter Nyle. They are not here today as they are traveling overseas.
- My immediate support staff, Roxanne Brown at my law firm, Grace Barrett, constituency secretary as well as my security and driver.
- Importantly, the great constituency of Western St. Andrew, who continue to support me and the People's National Party. They have never failed to support the PNP at the polls at every election and they are ready for the next one, whenever it is called.
- Members of my Task Force for assisting in my preparation. Some of whom are present here today.
- My three councillors, Hazel Anderson, Byron Clarke and Norman Perry for their support in good and bad times.
- My constituency Executive Members, some of whom are here today.
- Special recognition to Opposition Leader, Dr. Peter Phillips, for his wise leadership and commitment to the Party and Jamaican people in good and bad times.
- And to you Mr. Speaker, for your own dedication to duty and to the functions of this Honourable House. I wish for your continuing blessing and your own portion of wisdom as you guide the work of this chamber.

Introduction

Mr. Speaker, the National Development Plan outlined in Vision 2030 represents the Policy Framework for moving Jamaica to developed country status in the next eleven (11) years. Is this a “pie in the sky” or will we be able to achieve our stated objective in the given timeframe?

The answer to this question Mr. Speaker, lies primarily with the administration of the day, but from my vantage point as the shadow minister for National Development and Physical Planning with oversight responsibility of the UDC, Special Economic Zones (SEZ) and the National Housing Trust (NHT), I say that we are in the best position we have ever been to achieve or come close to achieving our target.

It is a fact that our economy is realizing its longest period of growth in decades and its highest growth rate in several years though still less than needed. We have achieved low levels of interest rates, inflation and unemployment not seen in several decades.

Government debt/GDP ratio is the lowest in decades with improved credit ratings for our country and institutions.

We have managed to achieve this “Holy Grail” through the hard work and sacrifices of our several stakeholders, including the mass of the Jamaican people, the private sector, Civil Society organisations, international partners and, last but not least, successive administrations formed by both the PNP and JLP.

Mr. Speaker, the role played by our international partners in the IMF, World Bank and IADB in enforcing fiscal discipline, while helping to design and implement the structural reforms, cannot and should not be underestimated. Indeed, I believe their role to be decisive, without any diminution of the leadership roles played by our various Prime Ministers, Finance Ministers and their Cabinet colleagues in driving the various policies, plans and programmes across administrations.

But are we in danger of squandering the hard won gains of this period, which represents our collective hopes of achieving Vision 2030?

Crime, Values and Attitudes

Mr. Speaker, all well thinking Jamaicans, across age, gender, religion or party affiliation must be concerned about the anti-social behaviour reflected in our crime statistics and in the several acts of corruption currently being investigated by law enforcement, the auditor general or the oversight role of the Parliamentary Committees.

This should serve as a reminder to all of us Mr. Speaker, that the maintenance of sound ethical values and enduring attitudes continue to elude our society, requiring visionary leadership at all levels of the political, social and economic spectrum. Keeping the focus on our opportunity to achieve Vision 2030, Mr. Speaker, I observe that this administration in anticipation of the ending of the Stand By Programme with the IMF, and wanting to engender continuing confidence in its economic policy of fiscal responsibility and independent oversight, has moved to enhance the independent monitoring capability with its proposal to replace the EPOC with a new Fiscal Council.

Mr. Speaker, the administration understands the risks to its fiscal and economic Plans and Programmes going forward and has taken prudent measures to mitigate those risks, especially in the absence of an IMF Programme with only its Article IV monitoring and oversight.

What of the similar risk on the physical or spatial planning side of the Economic Programme?

Mr. Speaker, the absence of an updated and functionally relevant National Spatial Plan represents a serious threat to Jamaica achieving its Vision 2030 goal.

Mr. Speaker, there is broad consensus in the planning community and among other professional grouping and the construction industry, that the spatial plans of both the Norman Manley and Edward Seaga era of the 1950's and the 70's are outdated and in urgent need of updating. This is so Mr. Speaker, even if the Manley Plan of the 1950's continues to drive the debate around the development of the National Heroes Park and the location of the proposed new Parliament building and the Government Campus currently being pursued by the administration.

The current efforts in the Ministry of Economic Growth and Job Creation to develop a National Spatial Plan, leaves much to be desired. Both in its design and development, the exercise is deficient and, if achieved, will be wholly ineffectual and irrelevant to the task at hand, i.e. realizing Vision 2030.

This is so for several reasons Mr. Speaker. **Firstly**, the exercise repeats the inherent weaknesses of the first two national plans, in that they both lack a clear national policy strategy to inform the national priorities in both the design and implementation of these plans. Therefore, the discernment of national priorities, different from sectional and private interests could not be easily determined and led, at least in part, to the less than optimal achievement of their stated objectives. Because, Mr. Speaker, depending on the wishes of the administration of the day, the national plan would be either ignored by the various planning authorities or interpreted to suit the administrations objectives in planning outcomes.

This, Mr. Speaker, has resulted in weak or no enforcement primarily at the local level, giving rise to a plethora of land use issues and conflicts leading to changed neighbourhoods and with it the undermining of property values. This characterises many communities in the corporate area and other urban areas and towns across Jamaica.

Secondly, the absence of an architecture to govern the National Physical or Spatial Planning process has resulted in sub-optimal plans and invited conflicts between the various authorities at different levels.

The efforts over the years to bring forward replacement legislation in place of the existing Town & Country Planning legislation evidences some of these conflicts.

Thirdly, the current effort at evolving a National Spatial Plan, through the development of seven academic papers, is not likely to overcome these challenges, where these plans rely explicitly on existing data sets and not on current primary data. Additionally, the lack of proper consultation with key stakeholders, including the Opposition is not likely to improve these major deficits identified herein.

What then are the Solutions to these deficits/ challenges to our National Physical Planning process?

Mr. Speaker, I believe the time for clear thinking and bold action is now!!

To the first of the three (3) deficits inherent in the current exercise at National Spatial Planning, I pointed out earlier in the presentation, I offer the following solutions:

(a) Architecture - My proposal Mr. Speaker, is that consideration be given to the role and function of the Urban Development Corporation (UDC) in the year of the passing of its chief architect, Rt. Hon. Edward Seaga, who envisaged a critical, if limited, role for the UDC in the implementation of the 1970 National Spatial Plan. Fifty years after its establishment Mr. Speaker, I believe the time has come to review and revise the role of UDC and to re-purpose it for its mission in changing times. Similarly, the role of the Factories Corporation of Jamaica (FCJ) should be reviewed, revised and re-purposed in light of current realities.

Mr. Speaker, specifically, I am proposing that both the UDC and FCJ be the subject of a thorough-going review with the objective of merging

aspects of these two agencies to form the National Physical Planning Authority which, along with the planning function currently being done by NEPA under the Town & Country Planning Act, be subsumed by this new Planning Authority. In furtherance of this objective, I am proposing that a Review Commission be established (similar to that which reviewed the NHT Act) to examine this proposal and the Opposition stands ready to assist in the drawing up of the necessary terms of reference.

My proposal, Mr. Speaker, is not fully aligned with the Hon. Prime Minister's own observation in his Budget Presentation just ended, that:

“We are able to do all of what we are doing and all of what we plan to do [regarding infrastructure development programme outlined] because we are under one Ministry. The Ministry of Economic Growth and Job Creation, where all agencies necessary to achieve the objective of physical and economic development reside”

Prime Minister, I only have to observe that in the same presentation you appropriately “apologise(d) to those who have been inconvenienced by these works. As I said earlier, there is much room for improvement... we ask for your continued support and understanding.”

We in the Opposition, of course, disagree that the debacle in the implementation of the major works in the corporate area is simply an



“inconvenience”. The truth is that significant damage has been done to several businesses in the affected areas. There has been tremendous loss of man-hours, reduction in production and productivity, and all this, ironically, at a time when we need to increase the country’s GDP and accelerate economic growth.

We believe Mr. Speaker, and it has been stated by the Leader of Opposition, that potential claims against the Government lie as a result of siloed planning and patently poor implementation.

Nor do we agree Mr. Speaker, that the serious congestion and other problems experienced by several communities and businesses caused by the simultaneous implementation of multiple projects in major corridors of the corporate area, results simply from previously signed contracts with China related institutions by the PNP Administration, as stated by the Prime Minister.

Prime Minister, it is simply not our experience as to how one friendly sovereign government deals with another cooperating sovereign nation, especially after a change of administration through the democratic process, that necessary adjustments to obligations undertaken by the previous administration in office could, or would not, be entertained or responded to upon request and negotiation.

(b) Policy Strategy - Mr. Speaker, the second solution to the deficits identified in the current National Spatial Planning effort is the clear need for a Policy Strategy to guide the new proposed Physical Planning Authority in order to achieve the goals of Vision 2030.

Where we do agree with the Prime Minister, Mr. Speaker is the continuing need for a third Infrastructure Development Programme as “successor to the soon concluded major Infrastructure Development Programme or MIDP II as the programme has come to be called. While there is not now alignment on the details of such a programme, we do note from the Prime Minister’s recent Budget presentation that the programme broadly outlined, carries forward the concept of the Logistics Centred Economy, articulated as part of the Global Logistics Hub Initiative launched by the previous PNP Administration and supported by the Logistics Hub Master Plan: Industry Analysis.

Mr. Speaker, the Master Plan was tabled in this Honourable House in 2017, though not debated here or elsewhere, and was subsequently declared a National Priority by the administration.

In this context, we take note of the Prime Minister's admission that "this second phase of major infrastructure development is based on technical recommendations, our economic development plan, and climate smart consideration such as our Master Drainage Plan." Further, Mr. Speaker there is broad alignment with the need to incorporate the "upgraded/restoration works to bring light railway solutions to passenger operations as an economical option to multi-modal transport within and between urban centres." Mr. Speaker, I would suggest that not only the passenger aspects of any light railway project be considered, but that the railway cargo as well as the aviation cargo infrastructure be considered as well.

Again, this approach speaks to the recognition of the logistics centred economy as a key policy strategy for the realisation of Vision 2030. So, Mr. Speaker, the focus on developing an integrated infrastructure programme addressing:

- Road development
- Water and waste management
- Drainage
- Bridges
- Transportation
- ICT and smart city infrastructure

is broadly supportable by the Opposition.

However, Mr. Speaker, in the interest of good governance and in the absence of the appropriate planning process and the established need for reform of our existing planning institutions and regulations, the Opposition strongly recommends an appropriate consultation process to underpin the development of the national priorities under the proposed next phase of MIDP II, to be called the Greater Infrastructure Development Programme being developed.

Mr. Speaker, there seems to be clear alignment of Government and the Opposition that the policy strategy best suited for achieving Vision 2030, is the logistics centred approach to planning.

This approach is further supported by the long and successful experience of Singapore and other major logistics hubs present in Dubai and Rotterdam, even in our neighbour Panama.

More recently, Mr. Speaker, is the 2019/20 Budget presented to the Indian Parliament by the new Minister of Finance in her maiden presentation, in which several informed commentators in reviewing the highlights of the budget stated:

“Good news was in store for the transport, logistics and shipping industries as the minister proposed a massive push to all forms of physical connectivity. Industrial corridors, dedicated freight corridors, state road networks to be developed in second phase of the project, were among the highlights that will benefit the industries.”

The commentary continued: *“The ambitious programme would help develop national road corridors and highways, while enhancing port connectivity, through modernisation. These initiatives will improve logistics tremendously, reducing the cost of transportation and increasing the competitiveness of domestically produced goods”.*

Mr. Speaker, like India, Singapore, Rotterdam and Dubai, our concept of a logistics centred economy is similarly aimed at increasing competitiveness, connectivity and productivity. Importantly, it also addressed the increased trade deficit currently being experienced by our country and which represents a threat to economic growth.

(c) The Imperative of Data - Mr. Speaker, the third area of weakness of the current National Spatial Planning process, is the chronic data problem which has dogged the proper planning of our economic development. The absence of appropriate data sets, has served to undermine medium to long term planning and effective decision making at all levels of government and the private sector regarding our economic, cultural, social and environmental developments.

Key to the solution to this problem, Mr. Speaker, are decisions regarding pending legislation on data privacy, as well as the creation of a digital economy

which will allow for the greater use of technology such as sensors, artificial intelligence (AI), Internet of Things (IOT), Big Data, block chain and Analytics. These key technologies will not only transform the supply chain and logistics industry, but will also have a positive impact on Jamaica's logistics and transportation industry both from a business and connectivity perspective.

Mr. Speaker, admittedly, the Fourth Industrial Revolution driven by the digital economy and the integration of new technologies, will yield the data necessary to support the reform of the planning process and the Logistics Centred Economy as a key policy strategy for achieving the desired outcomes of the National Development Plan, together with the Jamaica Logistics Hub Initiative: Market Analysis and Master Plan.

Mr. Speaker, it is worthy of note that the Logistics Hub Master Plan calls for some Twenty-Eight Billion United States Dollars (USD\$ 28 Billion) of investments in the various projects outlined in the Master Plan, and the employment of over 80,000 persons directly and more than 400,000.00 indirect jobs and utilizing some 4,000 hectares or 9884.22 acres of lands spread throughout the island. Many of these investments will be located in Special Economic Zones (SEZ) in response to the significant fiscal and operational incentives provided to developers and occupants of the zones, as defined in the SEZ legislation and regulations.

Achieving the Logistics Hub

Mr. Speaker, far from being a “pipe dream” or a “hoax perpetuated on the Jamaican people”, the number of cases evidencing success in the implementation of the hub so far, has been quite impressive:

1. Continuing modernisation of the KCT in accordance with the concession agreement with CMA/CGM;

2. Continuing expansion of near port logistics centres or warehouses by PAJ;

3. KWL Logistics Centre and auto logistics operations;

4. JISCO Alumina Industrial Commercial Park in St. Elizabeth;

5. Vernamfield Aerotropolis (Here, Mr. Speaker, I strongly believe that greater efforts must be made to develop this consensus project along with the supportive infrastructure such as a town centre. Indeed, Mr. Speaker, I believe that Vernamfield represents a greater priority than the misadventure at Bernard Lodge);

6. Nestle Distribution Centre at Ferry, in my constituency, with plans for further expansion in the local coffee industry and manufacturing sector;

7. Warehouse constructions/operations at the Ferry Pen Park, which will enhance domestic logistics and supply chains.

8. 876 Logistics Limited to implement an Eco-Industrial and Logistics Park Project in Seaview Gardens to attract major investments in an SEZ planned for

Seaview Gardens, on lands near to the existing Port of Kingston.

9. Kingston Dry Dock Facilities a joint venture operation between German and Jamaican business interest to provide ship repair operations in the Kingston Harbour.

10. Caymans SEZ- Is very advanced in its planning to develop a commercial residential and university campus and a logistics park on several hundred acres of lands adjoining the improved Mandela Highway and in proximity to the North South Highway. A dedicated access route to the Port of Kingston is recommended by the Logistics Hub Master Plan. An announcement by the Government as to its development partner is being awaited.

Mr. Speaker, there are other private developments at varying stages of development that seek to implement the logistics operations.

Other reforms of the bureaucracy aiding the Logistics centred economy are as follows:

The continuing implementation of a Port Community System to increase efficiency at the Port and to better coordinate stakeholder functioning at the Port, together with the Asycuda system being implemented by Customs, forms the backbone of a Single Electronic Window platform aimed at integrating the several ICT operations at the Port to enhance efficiency and productivity.

- Trade Information Portal (TIP)- will coordinate the disparate sources of information flow concerning Jamaica's trade Agreements and the steps needed to conduct effective trading with Jamaica. The portal was recently launched and is housed at the Trade Board, which has the responsibility of updating the system.
- Tabling of the new Customs Act in the Houses of Parliament last sitting, should have broad implications for facilitating the ease and speed of doing export and import business at the Port.
- (The Customs Bill is to be subjected to Joint Parliamentary hearings to help in the public participation in and knowledge of the operations of the proposed reform Bill)
- The announcement recently, of the signing of the draft trade agreement between the European Union (EU) and Mercosur trading blocs. Given Jamaica/CARICOM's current EPA Agreement with the EU should enhance frictionless trade between these two major trading blocs with Jamaica being able to play a key role in the supply chain and logistics operations between these two large trading blocs.

Mr. Speaker, these developments demonstrates that the conditions being created to bring about the development of Jamaica as a logistics hub or the Gateway to the Americas and beyond, is indeed not a "hoax" or "pipe dream" but a fast approaching reality that can be enhanced by

the adoption of the Logistics Centred Economy as the policy strategy for implementing and achieving Vision 2030.







SANDY GULLY

The Constituency of Western St. Andrew

Mr. Speaker, much of the constituency lie below sea level in normal times, but is under the constant threat of sea level rise due to the advancing climate change and its implications for the residents of Seaview Gardens, Riverton, Callaloo Mews and New Haven.

Mr. Speaker, the geographic location of these communities ensures that the gullies and drains located in these communities are constantly being blocked by debris moving largely from the upper reaches of St. Andrew and deposited in these communities. The failure of successive administrations to fund a proper maintenance/repair programme to clean/upgrade these drains and gullies has placed these communities at risk of businesses being flood, especially those along Spanish town Road in the vicinity of Six Miles moving eastward to Three Miles, homes and schools in these communities are not spared. Additionally, the heightened risk of water borne diseases together with mosquito borne outbreaks of viruses, present a constant danger to the population in these communities.

We are therefore, Mr. Speaker, quite pleased to hear the Budget announcement by the Most Honourable Prime Minister, that a Master Drainage Plan is being considered or developed. I use this opportunity

to urge the administration to fast track the planning and funding of this badly needed project to alleviate the risks faced on a daily basis by these community residents.

Of particular concern, Mr. Speaker, is the current state of the Sandy Gully, which has remained (as shown in this slide (pics) for some several years, depicting



the overgrowth of trees and the mountain of debris trapped between the trees, despite my efforts to have this and other gullies cleaned and repaired. There is a clear and present danger faced by the population in Seaview Gardens and Riverton. Mr. Speaker, I make this appeal to the Prime Minister through this medium, as other efforts to have these drains and gullies cleaned and repaired

has not been addressed. Most recently, the constituency was allocated One Million (\$ 1Million) to carry out mitigation works, the same amount as or less than the other constituencies in the corporate area with far less gullies and drains than exists in Western St. Andrew. This is iniquitous Mr. Minister.

Mr. Speaker, even as we await the implementation of the Master Drainage Plan, I request that additional funds be identified to mitigate the risks to these communities on a priority basis.

Additionally, Mr. Speaker the implications for the Port of Kingston and the Hunts Bay (currently being considered for a major industrial and logistics park) of these vast quantities of trees and garbage flowing from the Duhaney River and the Sandy Gully, plus other smaller gullies, into the Hunts Bay and eventually the Kingston Harbour, are additional reasons for urgent action.

Mr. Speaker, regarding the informal settlements of both Riverton and New Haven, a Local Area Development Plan (LADP) is about to get underway for the involvement of the Community Development Committee (CDC), the University of Technology, other planning professionals and overseas charity organisations, with the objective of establishing a Development Plan to

make these communities less vulnerable to the vagaries of man and nature. The stakeholders intend to engage the government in its current efforts to privatise the Riverton Dump, to ensure that their interests are taken into account and protected before a deal for the dump is finalised.

Ultimately, a LADP will address the matter of land tenure for most of the families residing in Riverton City and New Haven.

Mr. Speaker, these are some of the same communities in which a State of Public Emergency has recently been declared and while the residents in many, if not most, of these communities are relieved to see the strong show



of force by the police and military presence in countering the lawlessness they have experienced for extended periods of time in their communities. They

are as clear as I am, that if the opportunity is not taken to begin to address the conditions giving rise to this situation in the first place, then it's only a matter of time before we/they are at the mercy of the youth gangs again. It is for this reason, Mr. Speaker, that as Member of Parliament for some of the communities now under the State of Public Emergency, I declare that I have mixed feeling today.

Happy for those feeling the sense of respite from the shootings and murders in their communities, but anxious at the same time that more than the police and military presence, other actions necessary to support these measures need to be taken simultaneously and urgently.

I have spoken to a few of these today in this presentation, but time does not allow for a fuller briefing of more of the pressing issues. For these, I will be seeking audience with my neighbour and colleague, the Most Honourable Prime Minister.

Conclusion

Mr. Speaker, I end today's presentation where I began, with an acknowledgment of the clear progress that has been made on the economic front. But I quickly note that "success has many parents, while failure is an orphan"

To avoid the failure to which I have alluded Mr. Speaker, we collectively, must make the best use of these most favourable conditions for achieving the goals outlined in the National Development Plan or Vision 2030, together with the UN Sustainable Development Goals 2030.

While the Planning Institute of Jamaica (PIOJ) has built the capacity for sound economic planning and forecast, no similar institution exists on the physical planning side of the development equation. There is broad consensus among planning professionals that the architecture for physical planning is fractured and in need of urgent reform or replacement.

Beyond the institutional capacity for developing an integrated physical plan for Jamaica in this period, or to update/replace the previous two (2) National Physical or Spatial Plans of the 1950's and 70's, there is the urgent need for a clear policy strategy to inform the implementation of Vision 2030, if we are to even come close to achieving its goals within the eleven

(11) year period remain until 2030.

The Opposition puts forward for consideration a review of the role and function of the UDC and/or the FCJ by an appropriate high level body (not unlike the review of the NHT), with a view to creating a National Physical Planning Authority, comprised of the requisite professional representation with the necessary policy oversight and appropriate governance structure.

Additionally, Mr. Speaker, the Opposition puts forward for consideration the adoption of the Logistics Centred Economy as the policy strategy to inform the development of a new National Spatial Plan aimed at driving economic growth rates beyond the 2% average experienced over the last several decades.

The experience of Singapore and the other global logistic hubs in attaining sustained growth rates resulting in their transformation to achieve developed country status has been truly inspiring. More recently, India's 2019/20 Budget focusing on the development of its logistics infrastructure, including highways, ports, airports, bridges, warehouses and the adoption of smart technologies integrating ICT, is presented as further evidence of the credibility of this strategy.

More importantly, Mr. Speaker, are the results of the World Bank funded the Jamaica Logistics Hub Initiative: Market Analysis and Master Plan commissioned

in 2014 and presented in 2017. The Master Plan embraces the Logistics Centred Economy as a central strategy and recommends the implementation of the Logistics Hub Initiative over the short, medium and long term.

Mr. Speaker, fortunately there appears to be common ground, or at least a growing consensus on the central role of logistics in driving a proposed new The Greater Infrastructure Development Programme, by the Government.

Mr. Speaker, these developments together with the implementation of the Special Economic Zone Authority (SEZA) as the implementing agency for the SEZ Legislation and Regulation, is further evidence of a growing consensus towards a growth strategy built around logistics.

Mr. Speaker, I am confident that a real consensus between government and opposition on the role of the Logistics Centred Economy in driving economic growth, will see the acceleration of growth in the economy in the remaining eleven (11) years sufficient to get us to, or close enough to realising Vision 2030 with Jamaica, as the place of choice to live, work, do business and to raise families.

MAY GOD BLESS JAMAICA, LAND WE LOVE!!

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