



CREATING A SUSTAINABLE PATH FOR THE NEW JAMAICA

HON. DARYL VAZ | MINISTER WITHOUT PORTFOLIO IN THE MINISTRY
OF ECONOMIC GROWTH AND JOB CREATION







**MINISTRY OF ECONOMIC
GROWTH AND JOB CREATION**

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OPENING STATEMENT



Mr. Speaker, it is with a great sense of humility that I stand here in this hallowed House for the 12th consecutive year, on behalf of the constituency and people of Western Portland. For this, I wish to thank the Almighty Father whose guidance and answers to prayers have made it possible.

I wish to acknowledge and thank the Prime Minister, the Most Hon. Andrew Holness, for his continued confidence in me, and his great role in leading this Government.

I wish to thank my family including my five children who are here, for their sacrifice, understanding and support.

Mr. Speaker, this year in Parliament is of great significance, as I have now been joined by my beloved wife in Parliament who is representing Eastern Portland, after a historic by-election victory on April 4. As a result, I have gone from being Mr. Portland, to being the husband of Ann-Marie.

It would be remiss of me not to mention that the parish of Portland is now the only parish which does not have an Opposition Member of Parliament. To put it another way, it is represented in Parliament fully by the Jamaica Labour Party.

Mr. Speaker, this is the first time since 1980, 39-years ago, and we intend to keep it that way.

I therefore look forward to working with the new Member of Parliament in continuing the journey of making Portland prosperous for all.

I wish to thank my extended family, four (4) councillors in Western Portland, three (3) councillors in Eastern Portland, councillor caretakers, management team, delegates, workers and supporters, for their support and understanding, as I carry out my role as both Minister and Member of Parliament.

Based on speaking time constraints, **Mr. Speaker,** I will make my presentation on constituency and parish matters in the upcoming Constituency Sectoral Debate in September.

Mr. Speaker, I also wish to thank the dedicated team of professionals at the Ministry led by Permanent Secretary Audrey Sewell, Director General Dr. Sharon Crooks, as well as the Heads of Agencies and Branches at the Ministry.

My administrative professionals, both at the OPM and at the Ministry, Pat Reid, Diana Daly, Cheryl Leach, Sherell Atkinson, Gavin Powell and Locksley Smith, as well as my security detail Corp. Warren Chong and Corp. Phillip Hamilton, who carry out their duties with dedication and discipline.

Mr. Speaker, I wish to commend and thank you for your fairness and impartiality over the proceedings of this House. I also wish to thank my colleagues in the House, including those over the divide with whom I have shared many a robust discussion on behalf of the people of Jamaica.

Last, but certainly not least, I wish to thank our regional and international donor partners who have been very supportive of our plans and projects over the years, as well as the Non-Governmental Organizations and Community Based Organizations, who are essentially our foot soldiers in the trenches, especially in terms of environmental advocacy. We look forward to even greater partnerships going forward.

Mr. Speaker, in keeping with the theme of the budget presentation by the Most Honourable Prime Minister who spoke about **“Building the New Jamaica”**, I have chosen as my theme **“Creating a Sustainable Path for the New Jamaica”** and I will elaborate further on this theme during my presentation.

CLIMATE CHANGE

Mr. Speaker, I have deliberately chosen to begin my presentation with the Climate Change portfolio, as I consider it to be one of the most sensitive portfolio responsibilities, especially given recent occurrences.

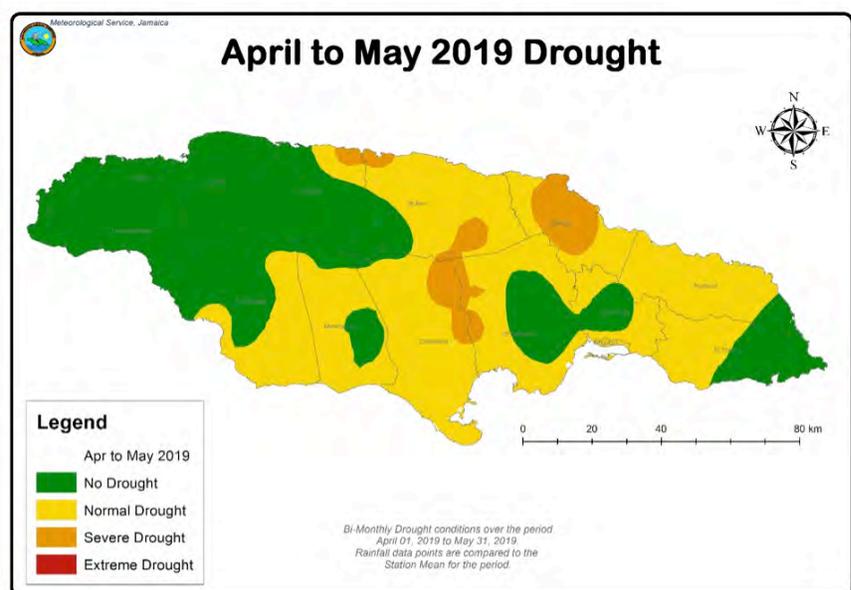
Mr. Speaker, Climate Change is one of the more serious issues affecting us as a country, as its impacts are capable of reversing all the economic and social gains we have made. We are currently feeling the effects in terms of the heat wave we are now experiencing.

A sample of data taken from weather stations in all fourteen parishes shows that all stations experienced higher extreme temperatures in June this year when compared to June 2018, with more than 50% of these recording increases of 1.5 degrees or more. In some cases, the increase was almost four degrees.

The report from the Copernicus Climate Change Service in the United Kingdom noted that **“the European-average temperature for June 2019 was higher than any other June on record...the hottest June ever recorded”**.

A few Saturdays ago, Jamaica experienced an unprecedented 102 degrees fahrenheit. Researchers say these record breaking temperatures are made five times more likely by the effects of climate change.

In addition to the extreme heat, we are also dealing with a drought for much of the island.



In a traditional year, by this time in July we would have encountered a Dry Season running from December to about April with just a few incidences of rainfall occurring mainly over Portland and sections of St. Mary, and then gradually impacting parishes in the West, before the Rainfall Season begins in May.

This year, has shown a distinct shift in pattern where north-eastern Jamaica, including Portland and parts of St. Mary, have generally been receiving less than half of their normal rainfall, while parishes in the west have, in most cases, been enjoying above-normal activity.

This has had dire consequences for the availability of water for the majority of consumers who reside in the Corporate Area of Kingston and St. Andrew.

A moderate to severe drought is affecting sections of St. Elizabeth, Manchester, Clarendon, St. Catherine, Kingston & St. Andrew (KSA), St. Thomas, Portland, St. Mary, and St. Ann; almost 70% of the country.



The most recent projections from the Meteorological Service's seasonal climate forecast model for the next few months through to September 2019, indicate that temperatures are likely to remain hotter than normal with near-normal to below-normal rainfall.

Note that temperatures in Jamaica are expected to be at their highest during July or August each year, and the next peak in the traditional rainfall profile for the country is not expected until October 2019.

Mr. Speaker, the Ministry is in the process of preparing a programme of drought alleviation for presentation to the Cabinet, and the House will hear more about this shortly.

Given all that is happening **Mr. Speaker**, the Climate Change Division of my Ministry has been proactive in ensuring that we take the necessary and concrete steps to make the island climate resilient. The CCD has, inter alia:

- Developed mechanisms to remove barriers and unlock financing for private sector engagement in climate action.

- Under the GCF Private Sector Readiness Grant, the Climate Change Division undertook a national scoping study to investigate the barriers faced by the private sector to climate investment.
- The first consultation with Micro, Small, and Medium Enterprises (MSMEs) was convened in February 2019 to validate the results of the study and share existing opportunities for climate financing.
- This national study was up-scaled to a regional scoping study, and the first regional Green Climate Fund (GCF)-Caribbean Private Sector Engagement Dialogue was convened from April 2-4, 2019, to share and discuss the results. This event brought together over 90 Private sector participants from across the Caribbean to strengthen the region's engagement with the GCF.
- A Draft Regional Action Plan was also developed to create an enabling environment for the private sector, support better business operation risk, and support the development of new business opportunities for climate resilience.
- The outlook is for an enabling framework for a green bond to be developed and floated on the Jamaica Stock Exchange.
- The CCD has also advanced efforts to raise our ambition to reduce emissions and set new targets in an enhanced Nationally Determined Contribution (NDC) to be completed by 2020.

Jamaica successfully became a member of the Nationally Determined Contribution (NDC) Partnership. Support is being provided by the partnership to assess and help in updating Jamaica's current NDC to reflect increased ambition; help design a NDC implementation plan in support of identified sectoral targets and policies; and build capacity based on a multi-sectoral coordinated approach.

Mr. Speaker, our efforts in raising ambition to reduce carbon emissions while incorporating climate risk and resiliency into national investment and planning has been recognized by the international community. Prime Minister, the Most Hon. Andrew Holness has been given the mandate to co-lead along with the President of France and the Emir of Qatar, the climate finance and carbon pricing track for the next UN Climate Summit to take place in New York City in September 2019.

The UN Climate Summit represents the ultimate global platform for Climate Action, and the year 2019 has been deemed critical in advancing the mobilization of urgent climate financing for vulnerable countries like Jamaica. Through this mandate for the Climate Summit, our Prime Minister has been given a responsibility that only Jamaica, a developing country striving for deep transformation in key sectors like energy and transport and fiscal discipline could possibly be able to manage successfully.

Our leadership is therefore actively participating at an international level in advancing the political advocacy towards the mobilization of climate financing; strengthening the commitments of international partners and multilaterals in securing more investment from both the public and the private sectors towards low carbon; and starting the transformation towards a greener domestic financial sector to ensure climate resilient development.

A US\$1.3 million Project proposal has been submitted and approved by the Global Environment Facility for supporting Capacity Building Initiative for Transparency (GEF – CBIT) under the Paris agreement.

The CCD has also completed a transportation Greenhouse Gas (GHG) Reduction Plan which highlighted the potential for interventions in the transport sector to reduce emissions from light duty and public passenger vehicles and enable the development of a pilot project for the introduction of Electric Vehicles.



It has also developed a draft Water Sector Nationally Appropriate Mitigation Action (NAMA) which aims to improve efficiencies in the water sub-sectors namely water supply, irrigation, and wastewater.

This strategy is perfectly aligned with the National Water Sector Policy and Implementation Plan and aims to reduce electricity consumption and introduce renewable energy which is a cleaner technology into the sector.

Mr. Speaker, we have accessed US\$613,000 through the Green Climate Fund (GCF) Readiness and Preparatory and Support Programme to develop a REDD+ strategy, that is (to reduce emissions from deforestation and forest degradation), and foster conservation, sustainable management of forests, and enhancement of forest carbon stocks.

This will set the foundation for the country to leverage the necessary financial resources and/or incentives for REDD+ in the future.

We are also moving to enhance the resilience of vulnerable communities and schools throughout Jamaica by improving access to water.

Approximately 65,800 gallons of increased water storage capacity has been provided for agricultural production through established water harvesting and irrigation systems at 70 locations across the island.

The equipment and infrastructure have been complemented, with training in Climate Smart agricultural practices including training in the installation and maintenance of irrigation systems for agricultural productivity.



In addition, 50 farmers have been provided with ‘on farm rain” water harvesting and storage systems coupled with training in Climate Smart Agricultural techniques and overall climate change adaptation and mitigation practices.

We are also building resilience on our coastlines **Mr. Speaker**. The GOJ and the National Environment and Planning Agency (NEPA) with support from the World Bank, are implementing a project on the Assessment and Economic Valuation of Coastal Protection Services Provided by Mangroves in Jamaica. This is part of a national adaptation and response strategy to support ongoing activities aimed at building the resilience of the country’s coastal ecosystems.

The Jamaica Disaster Vulnerability Reduction Project (DVRP), another World Bank Funded Project, will enhance the country’s resilience to disaster and climate risk. A specific component of the DVRP will result in improved risk identification and a reduction in vulnerability in eight coastal communities .

All of these efforts **Mr. Speaker**, will increase our resilience to climate change. We are **“Creating a Sustainable Path for the New Jamaica”**.

ENVIRONMENT

Mr. Speaker, this Government has an enviable record in protecting the environment and promoting sustainable development as it seeks to comply with Vision 2030, National Goal #4 **“Jamaica Has a Healthy Environment”**.

COCKPIT COUNTRY DESIGNATION

Following the Cabinet approval and the Most Hon. Prime Minister’s declaration of the Cockpit Country as a protected area in 2017, the Government of Jamaica has sought and obtained support through the United Nations Development Programme (UNDP) for a project entitled “Conserving biodiversity and reducing land degradation in the Cockpit Country” at US\$6 million.

A number of demonstration investment projects in sustainable land management, sustainable forest management and agricultural development practices will be undertaken in selected areas within the Cockpit Country. These include:

- o Small business enterprises that are economically viable and culturally acceptable
- o A grants facility to incentivize the uptake of best practices
- o Biodiversity and Climate Resilient Agriculture
- o Sustainable ecotourism initiatives
- o Sustainable forest management approaches for rehabilitation and restoration

The Prime Minister and I took the opportunity recently, to visit Tyre in the Cockpit Country forest reserve. The Prime Minister planted the first permanent monument on the boundary.



I would like to utilize this platform to reiterate the information in a press release issued by the Government recently, that there is no mining in the area to be protected as the Cockpit Country (Designated) Protected Area.

This was confirmed by the relevant regulatory and management agencies.

Mr. Speaker, the Forestry Department is currently focussed on the financing, implementation and monitoring of its National Forest Management and Conservation Plan (NFMCP) 2016-2026 which was tabled in February 2018.

The implementation currently is being supported by the four-year budget support programme titled: **“Addressing Environmental and Climate Change Challenges through Improved Forest Management for Jamaica” (IFMJ)**.

This programme is financed under the 11th European Development Fund (EDF). The overall objective of the programme is to assist the Government of Jamaica (GOJ) in implementing the Forest Policy of 2017 (and supporting the National Forest Management and Conservation Plan (NFMCP 2016-2026), to sustainably manage and utilize Jamaica’s forest resources to enhance social and economic development and contribute to building the country’s climate resilience.

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POLLUTION CONTROL

Mr. Speaker, it is our intention to place greater focus on pollution control, in the financial year.

On January 1, 2019, the Government instituted a ban on specific categories of single use plastics, namely:

- a) The importation, manufacture and use of plastic bags of dimensions 24”x24” and thickness of 1.2mils or less;
- b) The importation, manufacture and use of plastic drinking straws, except those straws attached to juice boxes and tetrapaks as well as straws utilized by the medical sector and the disabled community; and
- c) The importation of expanded polystyrene foam (commonly called Styrofoam) used in the food and beverage industry.

To effect the necessary behavior change, we have expended over J\$30 million in the implementation of a robust public education and awareness campaign.

For most Jamaicans, it has been a big leap of faith, but I think this policy has received overwhelming support from members of the public.

I wish to thank those members of the private sector who cooperated in the implementation of this much-needed environmental initiative.



The measures to regulate single use plastics will continue in earnest next year, with the ban on the local manufacture, distribution and use of expanded polystyrene foam products used in the food and beverage industry on January 1, 2020. Additional measures will be instituted in 2021 on single use plastic bags of a dimension 24"x24" and thickness of 2.5 mils or less.

Mr. Speaker, I had informed the Parliament in February 2019 of the private sector-led Deposit Refund Scheme (DRS) for PET bottles. It is anticipated that the DRS will be fully rolled out in February 2020.

The Government has charged the private sector to achieve a recovery rate of 85% within the first two years of implementation of the DRS. I have been advised by the private sector that the necessary logistical arrangements are presently being put in place to allow for the effective implementation of the DRS in 2020.

STOCKPILING OF TYRES

Mr. Speaker, this year, we will be embarking upon an initiative to address the over two million tyres currently stockpiled at the Riverton City Disposal site. This initiative is a joint collaboration between the Ministry of Economic Growth and Job Creation, the Ministry of Local Government and the National Solid Waste Management Authority.

These entities are in advanced discussions with a private sector company to implement a pilot project for the removal and transportation of tyres from the Riverton City Landfill, to be disposed of in an environmentally friendly and sustainable manner.

It should be noted that approximately 1000 tyres are disposed of at the site each day and pose a potential fire hazard as well as breeding grounds for mosquitoes and pests. Successful implementation will allow for the expansion of this initiative to those tyres stockpiled at the other disposal sites across the island.



Strict enforcement measures are being instituted by the relevant regulatory agencies with the support of the security forces to eliminate the illegal open burning of tyres by individuals within the environs of the Riverton City disposal site. These illegal activities contribute significantly to the poor air quality along the Three Miles corridor.

POLICIES, LEGISLATION AND PROGRAMMES

Mr. Speaker, during the first quarter of this financial year, Cabinet gave approval for Jamaica to sign the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean, commonly referred to as the '**Escazú Agreement**'.

The adoption of the Agreement in March 2018, was historic as it is the first regional multilateral environmental agreement, and it is one of two international agreements, that seek to address access rights. Local implementation of the Agreement will allow for greater public participation in matters related to the environment

and empowerment of local stakeholders as a result of improved access to environmental information and justice in environmental matters.

Additionally, the Cabinet approved the National Policy on Environmental Management Systems (EMS) as a White Paper. The approval of this policy will allow for environmental stewardship of Government operations as well as that of the private sector.

In the second quarter of the 2019/20FY, the Ministry will be undertaking public consultations on the National Hazardous Wastes Management Policy (Green Paper). I would like to invite the public to attend and actively participate in these consultations.

The Ministry will also be submitting the draft Beach Access and Management Policy which will address issues related to the public access and management of the island's public recreational beaches. This policy is long awaited and we hope to be able to consult the public on this important national document by the third quarter of the 2019/20FY.



Work will be undertaken this financial year, on the amendment of key pieces of environmental legislation, including the Forest Act, Natural Resources Conservation Authority Act, Endangered Species Act, and the Wild Life Protection Act. Public and stakeholder consultations will be conducted by the Ministry in the amendment of these legal instruments.

THE CONSTRUCTION INDUSTRY POLICY OF JAMAICA

Mr. Speaker, the recently developed Construction Industry Policy of Jamaica (CIPJ) also seeks to encourage good environmental management through the incorporation of a rewards system in the tendering of government contracts.

Some of the environmental protection measures outlined in the CIPJ include:

1. Encouraging the integration of environmental issues into the development, design and processes of construction projects.
2. The adoption of a nature-based approach through the use of resources that have limited impact on the environment and the adoption of green building techniques which include the use of resources that will have limited impact on the environment.

No one is more pleased than I am, that the idea of promoting sustainability and green building concepts have taken a frontline in the Real Estate industry.

RAINWATER HARVESTING POLICY

One of the basic principles of green building is the conservation of water. This is a measure that will become critical in coming years given the impacts of climate change.

A revised Rainwater Harvesting Planning Policy Guideline was completed and the Cabinet Submission is being prepared for approval. This Guideline will be issued to the Local Planning Authorities to be included as a condition of approval for all new residential and commercial buildings (where appropriate) to be constructed.

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LAND

Mr. Speaker, secure property rights are one of the pillars of a viable market economy. Jamaica is currently ranked at 131 out of 190 economies on the 2019 World Bank's Ease of Doing Business Index in the key indicator of **"Registration of Property"**.

One of the primary thrusts of the Government is to promote measures to strengthen land tenure rights not only to facilitate a higher ranking on the Ease of Doing Business Index, but more importantly to ensure security in land ownership.



SYSTEMIC LAND TITLING

Mr. Speaker, in 2018, the Most Hon. Prime Minister spoke to the merger of the National Land Agency (NLA) and the Land Administration and Management Programme (LAMP). The 12 month transitional period ended on March 31, 2019.

LAMP officially ceased to operate as of December 31, 2018 and during the year, two (2) new Divisions were established to take over the functions of the former entity namely, the Adjudication Services Division and the Land Administration and Management Division.

Two (2) systems will be in operation: the voluntary system of registration of lands, where persons can come into the office and request the service, and the systemic process, where areas will be designated and surveys carried out prior to titling.

Legislative amendments which are critical to the process are currently being worked on. Funding is in place to carry out the programme.

Mr. Speaker, we are working to issue four thousand (4,000) titles between April 1, 2019 and March 31, 2020, subject to the passing of legislative amendments to introduce systematic titling.

ELECTRONIC TITLING

The NLA has received funding under the World Bank's Foundations for Competitiveness and Growth Project, to introduce electronic titling to Jamaica.

Electronic titling will reduce processing times for documents, improve efficiencies and create important linkages with other Government agencies involved in the titling process.

The World Bank has already funded preliminary studies by Consultants in this regard to:

1. Prepare the business case as to the system to be implemented, and this has been completed;
2. Propose the required legislative amendments to implement electronic titling which has also been completed and
3. Provide legislative drafting instructions for the amendments to the relevant Acts.

The legislative drafting will be finalized during this year.

Electronic titling will decentralize the registration process by removing the requirement to conduct all registration business at one central location.

This ease of registering property is also expected to have an effect on timely and efficient access to credit for persons wishing to use land as collateral.

Mr. Speaker, the National Land Agency (NLA) has revised its process and since May 2018 no longer requires that applicants submit proof of being registered at the Companies Office of Jamaica (COJ).

This policy shift has consequently removed the need and cost to secure the documentation from the COJ. A project plan has been finalized for the development of the e-land titling platform and transformation of the business processes with the NLA.

In his Budget Presentation in March 2019, the Minister of Finance and the Public Service announced that, with effect from April 1, 2019, the transfer tax on real estate would be reduced from 5% to 2% as well as the removal of the 4 percent ad valorem tax to a flat rate of \$5,000 per document.

These reforms have directly and positively impacted the Registering Property indicator of the Doing Business Report.

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PLANNING

Mr. Speaker, land use planning and management are very important for the country to achieve its long term economic, environmental and social goals. They provide the blueprint for the management and decision making process related to the country's natural resources including land.

It is with this in mind that the Government is strengthening the National Spatial Planning framework.

Mr. Speaker, an important part of this framework is the preparation and eventual promulgation of the National Spatial Plan (NSP) comprising three phases which is to be completed by December 2019 at an estimated cost of US\$1,332,000.

The NSP will guide the spatial planning management of Jamaica, and projects the nation's sustainable development goals beyond 2030. We have noted the comments of the Opposition Spokesman for Development in regard to the National Spatial Plan and we hope that he in turn, takes note of the actions that are being taken by this Administration.

Mr. Speaker, this Government has been careful to ensure that our actions yield benefits and facilitate speedier implementation of projects.

A part of this process is the review and strengthening of the National Settlement Strategy through which we are seeking to address unplanned and unbalanced growth as well as the revitalization of the various urban and rural settlements within the country.

To this end we have begun the drafting, approval and implementation of several master plans which will see the development of several projects throughout the country to include; the Morant Bay Urban Centre (Good Year), Parliament Square, Vernamfield, Third City, Bernard Lodge and Negril.



Mr. Speaker, for the first time in Jamaica's history the entire island is now covered by Development Orders.

There is now a Development Order for every parish! This should vastly improve the development application management process.

Mr. Speaker, the Development Orders provide for increases in densities and heights the effects of which we are seeing throughout the country - as evidenced by the expanding construction activities in the residential, tourism, commercial and other sectors. It is the intention of the Government to further review the proposed densities for the major urban centers in Kingston and St. Andrew with a view to granting further increases in areas such as the Cross Roads, New Kingston and Half Way Tree Local Planning Areas.

The Development Orders contain an incentive programme for developers. The incentive supports waivers related to density, height, setback, and other planning requirements, provided the developer meets certain requirements related to lot size and the incorporation of green principles amongst other factors.

An important element of the Development Orders are the requirements for the provision and upgrade of infrastructure, for example, public parking, provision for the expansion of the central sewerage systems within the various urban centers, potable water and the provision of transportation infrastructure including pedestrian ways, parks, green and recreational spaces. The Government is committing to incrementally implementing these infrastructure needs in a coordinated way.

Mr. Speaker, we are currently reviewing the Local Improvement Act 1914 to ensure that the process for the subdivision of land is made more effective and efficient.

One of the main proposals in this review is that the Government use the Consent Application approach for the subdivision of lands five lots and under, which are in conformity with the zoning in the relevant Development Order. This would mean that the developer would apply directly to the titles offices for titles, provided specific conditions are met.

NEGRIL MASTER PLAN

Mr. Speaker, Cabinet has mandated the Ministry of Economic Growth and Job Creation and the National Environment and Planning Agency (NEPA) to prepare a Master Plan for a section of Negril – an area from the Negril/Westmoreland border towards Lucea.

The preparation of the Master Plan will, among other things, declare the feasibility of developing the area and determine (unlimited) building heights, all subjected to the carrying capacity of the area, geology and soil conditions, available infrastructure and services as well as other environmental factors.

This vision would enable Negril to compete with other tourist destinations in the region while better managing the natural resources of the area.

The Master Plan will benefit from wide stakeholder consultations, extensive research and data gathering. It will include environmental studies, infrastructure studies, socio-economic studies and a carrying capacity study.

Mr. Speaker, this Master Plan will serve as an important planning tool in assisting to solve several of the development challenges facing this particular section of the Island.

As part of this Master Plan, the NWC will also undertake four projects for the Negril Water Supply and Wastewater Service. They are the Negril/Savannah-la-Mar Water Supply Improvement; the Negril/Savannah-la-Mar Non Revenue Water; Negril Sewage Treatment and Non Pariel Water Supply Improvement.

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FACILITATING GROWTH

THE NATIONAL COMPETITIVENESS COUNCIL

Mr. Speaker, I turn now to our efforts to facilitate growth. The National Competitiveness Council, which I chair, continues to play a key role in creating the sustainable path for the Jamaica we all want to realize.

In terms of Trade Facilitation, the NCC has played an integral part in the Eradication of 16 Export Licences for 16 HS tariff and sub-tariff headings. These include, pimento, live animals, bauxite, alumina and gypsum ores, and petroleum products. The process, in terms of time and cost, of exporting these items has been significantly reduced.

ROLL-OUT OF THE PORT COMMUNITY SYSTEM (PCS)

Mr. Speaker, by the close of the 2018/19 fiscal year, all Commercial Maritime Vessels entering Jamaican waters were being reported in the Port Community System (PCS). The result is the real time transfer and processing of the port paperwork including the Jamaica Customs Agency (JCA), the shippers and truckers as well as other stakeholders involved in the movement of goods entering and leaving the country.



In addition, all manifests reporting all goods imported via the maritime community were done through the Portal managed by the Port Authority of Jamaica. The PCS positively impacted the experience of the trading community in that all transshipment entries were reported and processed through the PCS, as well as all containers leaving the Kingston Terminals which rely on the PCS Gate-Out Authorization.

By the end of this calendar year, we will implement the Port Community System's Truck Appointment System, Exports and Airport. The introduction of this facility will reduce the number of days required to move cargo and other items from the ports thus reinforcing the Government's move to firmly establish Jamaica as a serious logistics destination within this hemisphere.

ELECTRONIC BUSINESS REGISTRATION FORM

Mr. Speaker, the introduction of the Electronic Business Registration Form (EBRF) should come into effect this month. This will allow applicants to register both business and company names via the electronic platform.

This will effectively reduce the time that will be required to secure the name registered. Upon the revision of the Companies Act, The Companies Office will also have revised the archaic naming rules, so that only the use of identical names will be the basis for the rejection of a proposed company name.

ELECTRONIC SINGLE WINDOW

Mr. Speaker, a roll-out of the Single Electronic Window (ESW) has been undertaken on a phased basis, with the first phase aiming to integrate Nine (9) Border Regulatory Agencies (BRA) into the Single Window, and the remaining eleven (11) BRAs thereafter. The first such BRA is the Trade Board Limited. By the end of this month, the pilot Single Window platform would have been launched and made available to its clients.

Targeting the motor vehicle dealers in particular, companies will be able to submit their applications online, and use the web-based platform to track their progress.

JAMAICA DEVELOPMENT APPLICATIONS PORTAL (JDAP)

Building on the work already commenced in 2018/19, the programme to institutionalize the reforms within the pilot municipalities will have been significantly advanced in this new fiscal year. Having already secured the funding from the World Bank, the relevant entities, including the Municipal Corporations, referral entities and NEPA, will all benefit from change management exercises, strategic planning, as well as business process re-engineering interventions and legislative review.

Known as the Municipal **“Go Deep”** Transformation Programme, the NCC, and its partners would have driven a significant improvement of one component in the overarching Development Approvals Reform Programme (DARP). The tenders for the consultancies are already underway, and three of the projects are expected to start by the end of August 2019.

JAMAICA INTERNATIONAL FINANCIAL SERVICES AUTHORITY (JIFSA)

Following the passage of three (3) key pieces of legislation - (Partnerships (Limited), Partnerships (General) and International Corporate and Trust Services Providers Act - JIFSA continued to guide the development of two additional significant pieces of legislation: Limited Liability Companies (LLC) Bill and the Segregated Accounts Companies (SAC) Bill.

The LLC Bill will be submitted for approval to be tabled in Parliament in the 3rd quarter of the financial year. The SACs Bill will be taken in September to the Legislation Committee for its consideration.

In relation to the Partnerships legislation passed, the Partnership (General) Act 2017 and the Partnership (Limited) Act 2017 will govern the formation and operation of general partnerships and limited partnerships respectively. Both will facilitate a wide range of sophisticated international business transactions, including, but not limited to, formation of entities such as law, accounting and architecture firms, venture capitals and private equity deals.

I am pleased to announce that the Regulations for both these Acts are complete and will be tabled shortly.

The International Corporate & Trust Services Providers (ICTSP) Act 2017 established a regulatory regime for the licensing and conduct of international corporate and trust services providers, who will perform duties on behalf of international entities and trusts, setting up in Jamaica.

These services may include setting up international companies and trusts; providing registered office and corporate secretarial services; providing trustees for trusts and directors for international companies; and paying government fees on behalf of clients.



The regulations are being prepared by the Financial Services Commission, with input from various stakeholders, and it is expected that these will be completed soon.

Additionally the Trusts Act which was recently passed in the Senate, will govern the formation and operation of trust entities. This state-of-the-art legislation will formalize what has been the common law in these areas, thereby invoking certainty and modern jurisprudence.

Mr. Speaker, there has been significant interest in the suite of legislation which will modernize Jamaica's business infrastructure. The overall strategy is to leverage Jamaica's competitive advantages, including the availability of a large cadre of highly-trained and qualified professionals and capitalize on our modern and well-developed domestic infrastructure. Jamaica's objective is to be a jurisdiction that offers high-value business services to support local and international business.

Stakeholder engagement locally and overseas (Jamaica Diaspora), will also be a critical component of the strategy. JIFSA is already planning to roll out a series of seminars on the updated business legislation.

Mr. Speaker, JIFSA's mandate to establish and promote Jamaica as an international financial and business services jurisdiction however, has been affected by increasing pressure worldwide from the Organisation for Economic Co-operation and Development (OECD), Global Forum, and the European Union.

The international landscape has been changing due to a negative perception of low or no tax jurisdictions.

Jamaica continues to develop and promote an industry that is in agreement with international standards and guidelines, careful to avert any association with ring-fencing and any other seemingly harmful practice that would attract negative international attention by way of inclusion on a blacklist.

Globally, many jurisdictions which offer international financial services have made fundamental changes to their tax laws. As the rules remain unclear, the Government of Jamaica will not introduce specific tax legislation for this sector, i.e. there will be no specific tax benefits to any entities registered within the sector, **AT THIS TIME.**

STRATEGY GOING FORWARD

Going forward **Mr. Speaker**, we will be recalibrating and refining the efforts aimed at securing an environment conducive to the development of high value financial and business outsourcing services, by ensuring:

- Continued transparency and exchange of information; and
- Introduction of competitive business legislation

JIFSA will initially focus on engaging local practitioners who will benefit from utilizing the various pieces of legislation that will undoubtedly enhance the business structures available locally. It will continue to market and promote Jamaica as a place to do business which offers high value financial and business outsourcing services, allow for the organization of versatile business entities and the provision of business logistical support services – all aimed at diversifying the options for local and international investors to do business innovatively and efficiently.

JAMAICA SPECIAL ECONOMIC ZONE AUTHORITY

Mr. Speaker, with the passage of the Special Economic Zone Act, 2016 all existing free zones were given a four (4) year '**grandfathering**' period to transition to the new regime. As the December 31, 2019 deadline approaches the Authority has engaged with the stakeholders to facilitate the transition process.

Since the start of the project the Authority has:

- Conducted 21 workshop sessions with sixty-eight (68) transitioning entities.
- Conducted one-on-one meetings with transitioning entities to assist with any challenges they may be facing.
- Consulted with other Government agencies such as Tax Administration of Jamaica and Jamaica Customs Agency to discuss the implications of the transitioning.
- Created and implemented a transition Hotline team to answer questions or concerns related to transitioning.
- Reported to Cabinet on the progress.

The Authority is currently in the final phase of the project which includes:

- Receiving and reviewing transition applications.
- Validation and Indemnification legislation – this is specifically related to regularizing Free Zone entities.
- The Authority has received 14 transition applications to date.

CAYMANAS SPECIAL ECONOMIC ZONE (CSEZ)

Mr. Speaker, the Caymanas Special Economic Zone is one of the flagship projects under Jamaica's Global Logistics Hub Initiative (GLHI), which seeks to transform the country into a major regional and international hub for international trade and value added production.

The initiative is geared at encouraging global supply chain firms involved in light manufacturing, assembly, warehousing, and distribution to use Kingston as part of their global supply chain solution. This Greenfield project is an innovative Public Private Partnership (PPP) to create a Special Economic Zone on a 236 hectare Greenfield site, strategically located near to the Port of Kingston.

An expected investment of US\$221 million will create a fully serviced Special Economic Zone, with international standard transport, telecommunication, energy and water networks, and with environmentally sound management of wastewater and solid waste.

The CSEZ will benefit from special fiscal incentives under the Special Economic Zones Act, such as corporate income tax of 12.5% on the developer's chargeable income; exemption from customs duties; and exemption from income tax on profits derived from rentals of property in the CSEZ.

Once the bidding process is launched, the close of the transaction is expected within 15 months.

The estimated life of the project is 22 years.

VERNAMFIELD AEROTROPOLIS

Another of the flagship projects under the GLHI, which will also benefit from fiscal incentives under the Special Economic Zones Act is the Vernamfield Aerotropolis. This is a proposed 2000-hectare Greenfield development project representing a multimodal international, industrial and commercial airport that will form the core of the proposed Aerotropolis, and which will include:

- o Air Cargo Transshipment Centre;
- o Multimodal Air/Sea Cargo Link;
- o Maintenance, Repair and Overhaul (MRO) of Aircraft;
- o Logistics/Distribution Centre for Jamaica;
- o Renewable Energy; and
- o Aviation Training and Certification Centre.

The expected investment in this project is US\$1.7 billion with development projected to take place over 10 years.

JAMAICA SOLID WASTE MANAGEMENT PPP TRANSACTION

Mr. Speaker, the Government of Jamaica is seeking private investment through a Public Private Partnership (PPP) transaction in order to transform solid waste management in the country.

The project will involve renewable energy production; engineered landfills; low emissions garbage trucks and waste to energy plants that produce low net greenhouse gas emissions.

The expected investment for this venture is between US\$200 million and US\$400 million. The expected life of the project is 25 years.

Other Investments in PPP transactions expected for this financial year are:

- o Divestment of Government Shares in the Jamaica Public Service
- o Rio Cobre Water Treatment Plant Public-Private Partnership Transaction – an expected Investment of US\$60 million
- o Divestment of Jamaica Mortgage Bank on the Jamaica Stock Exchange
- o National Education Trust School Solar PV Public-Private Partnership Transaction- an expected investment of US\$5 million.

KINGSTON LOGISTICS PARK (KLP)

Another of the flagship projects under the Global Logistics Hub Initiative (GLHI) which will also benefit from fiscal incentives under the Special Economic Zones Act is the Kingston Logistics Park (KLP).

The KLP is to be a marine based industrial zone. Investors will be able to access space via a range of commercial arrangements aligned to their needs, such as:

- o Long term leases to develop own facilities
- o Lease of turn-key facilities designed according to client requirements
- o Joint venture arrangement with appropriate partners

The expected investment in this project is US\$14 million and the project has an expected life of 50 years.

NAGGO HEAD TECHNOLOGY PARK

Mr. Speaker, in regard to the Naggo Head Technology Park. The Factories Corporation of Jamaica (FCJ) will be leading the construction of this Technology Park on 34 acres of land in Portmore, within close proximity to all required infrastructure and amenities.

The development will have a focus on providing ready made space for Business Process Outsourcing, and for innovative small businesses. The development will also benefit from fiscal incentives under the Special Economic Zones Act.

The expected investment in this development is US\$75 million.

GOVERNMENT'S PUBLIC PRIVATE PARTNERSHIP AND PRIVATISATION (P4) PROGRAMME

Mr. Speaker, Jamaica's Public Private Partnership and Privatization (P4) programme maintained its 4th position in the INFRASCOPE Ranking in the Latin America and Caribbean countries published in May 2019. The INFRASCOPE Ranking is a survey that ranks 19 countries in Latin America and the Caribbean based on their capacity to mobilize private investment in infrastructure through PPPs.

It focuses on the following areas:

- Enabling laws and regulations
- The institutional framework
- Operational maturity
- Investment and business climate
- Financing facilities for infrastructure projects

The transactions supported by the P4 programme have resulted in US\$1.7 billion pumped into the local economy from 2009 to March 2019.

Recent successes include the Norman Manley International Airport (NMIA) PPP, and the Wigton Windfarm Privatization.

A preferred bidder for the NMIA divestment was selected in 2018, and a contract signed with Grupo Aeroportuario del Pacifico. Financial closure should take place in 2019, when the new operator will take over the operations of the NMIA.

As part of the Government's privatization strategy, Cabinet selected Wigton Windfarm as one of the companies to be privatized through an Initial Public Offering (IPO) via the Jamaica Stock Exchange.



The IPO, which closed on May 1, 2019, successfully raised J\$5.5 billion with the support of ordinary Jamaicans who were invited to subscribe. The listing took place on May 22, 2019, which saw some 31,200 Jamaicans owning 11 billion shares in the company.

INVESTMENTS

Mr. Speaker, as at March 2019, the Development Bank of Jamaica supported total investment of \$32,342.4 million which was \$4,847.4 million or 18% above the annual performance target.

For the same period, the total value of DBJ loans was \$7,746.4 million, which was \$2,746.4 million or 55% above the annual performance target.

For this financial year, the DBJ is projecting a total loan value of \$6.775 billion, with total investments projected to be \$13.481 billion.

We estimate that the Private Equity partners, in which the DBJ has invested, will in turn invest an additional US\$100 million at least over the next year.

CAPACITY BUILDING

Mr. Speaker, as at March this year, 1,584 Micro Small and Medium Enterprises (MSMEs) benefitted from capacity development, which is 184 MSMEs or 13% above the annual performance target.



In addition, recently there have been new initiatives launched by many financial institutions to give support to MSME's which should impact positively on growth.

Mr. Speaker, we are *“Creating a Sustainable Path for the New Jamaica”*.

CLOSING

As I close my presentation to this House **Mr. Speaker**, I am feeling confident that this Administration is steering the country in the right direction.

The evidence is there for all to see:

The Statistical Institute of Jamaica (STATIN) has confirmed a first quarter growth of 1.7 per cent and that the economy grew by 1.9 per cent for the fiscal year 2018/19.

This growth should not be considered outside of the context of the challenges which the administration has faced in seeking to establish a framework for continued stability, but with a new emphasis on growth given the conditions which have been created by a prudent mix of policies and initiatives.

Meanwhile, The Planning Institute of Jamaica (PIOJ) is of the view that the growth prospects for the economy are generally positive based on the anticipated strengthening of the performance of most industries.

According to the PIOJ, 2018 was a defining year for the country's macroeconomy where all the key performance targets were met. In its Economic and Social Survey Jamaica, the PIOJ also said the country achieved several all-time best performances during the year under review.

Some of the highlighted major achievements included:

- *A 1.9 per cent growth rate
- *The 6th consecutive year of growth;
- *The highest growth rate since 2006
- *A GDP level that surpassed the pre-crisis level of 2007 for the first time
- *The debt-to-GDP ratio reached 96.1 per cent, representing the lowest rate recorded since 2008
- *The weighted average interest rate of 14.09 per cent for 2018 was the lowest on record since 1996.

According to the PIOJ, the overall improvement in the macro-economy and the strengthening of the growth momentum was supported by the positive movement in the business and consumer confidence indices; increased private sector credit; and relatively low inflation.

In the latest summary outlook on the economy, the PIOJ has reported that in the near term, the outlook for the economy remains positive, with the main drivers of growth to come from the Logistics Hub Initiative, and the Special Economic Zone, Port and other major infrastructure developments including Port Royal Cruise Port, and Ocho Rios Cruise Port, as well as Business Process Outsourcing (BPO).

The World Bank's Doing Business 2019 report also indicated that ***"Jamaica remained one of the best-performing countries in the Latin America & the Caribbean region with an improvement in the ease of doing business"***.

In addition, to the achievements I just highlighted, the stock market continues on an upward trend.

Mr. Speaker, I am particularly pleased about the employment figures. The latest Labour Force Survey undertaken by STATIN for the month of January 2019, shows that the unemployment rate was 8.0%. This was 1.6 percentage points lower than the rate recorded in January 2018. This outturn represented the LOWEST unemployment rate on record.

Mr. Speaker, from what has been reported thus far, there is no doubt that we are moving in the right direction with respect to what has been targeted and articulated by the GOJ in terms of growth and employment. We are now being touted as a successful model for implementing economic adjustment by those who study this area.

Mr. Speaker, I firmly believe that whatever we have achieved so far as a Government, must be a call to greater action on behalf of Jamaica and her people who have entrusted us with the awesome responsibility of representing their interests in this House.

I for one, stand ready and am committed to working with all stakeholders to carry forward concrete and constructive policies that will ensure a level of sustainable development that will redound to the benefit of this, and future generations.

Mr. Speaker, we are ***“Creating a Sustainable Path for the New Jamaica”***.





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