

Presentation by

The Most Hon. Portia Simpson Miller

Prime Minister

LOGISTICS HUB SEMINAR

Jamaica Conference Centre

January 21, 2014

8:30 a.m.

Greetings and Salutations

- Mr. Francis Kennedy, President, Jamaica Chamber of Commerce
- The Hon. G. Anthony Hylton, Minister of Industry, Investment & Commerce
- Prof. the Hon. Gordon Shirley, Chairman & CEO of the Port Authority of Jamaica
- **Mr. Richard Byles, Chairman of the** Economic Programme Oversight Committee
- Mr. Dennis Morrison, **Chairman of the Incentives Working** Group
- Dr. Eric Deans, Chairman, MIIC Logistics Task Force
- Mr. Leroy Lindsay, Director General, Jamaica Civil Aviation Authority
- Mr. Eric Crawford, Chair, Jamaica International Financial Services Authority (JIFSA)
- Members of the Jamaica Chamber of Commerce
- Distinguished Ladies and Gentlemen
- Members of the Media

I must congratulate the JCC for joining with the MIIC and JAMPRO in hosting this important Seminar at this time. It is a pleasure to be addressing an audience such as this, comprised largely of private sector players. I wish to emphasize, that private sector entrepreneurs will have a special role to play in the successful implementation of the Logistics Hub Initiative.

This seminar is timely for several reasons. Mr. Chairman, we are all aware that we are implementing an IMF Agreement. We are committed to honouring our obligations because we believe that it is the right thing to do. This government views our engagement as a partnership which we are convinced will help and support us in implementing the necessary reforms which will see us moving forward on a growth path.

We are awaiting the conclusion of the third quarterly IMF review and the indications are that everything is on track. We have enacted several pieces of legislation to facilitate the implementation of a number of reforms – most notably those dealing with taxation and fiscal incentives as well as measures to facilitate the business environment.

I pay tribute to some of our private sector colleagues who have been working with us on some of these important committees. I note, in particular, the Economic Programme Oversight Committee chaired by Mr. Richard Byles and the Incentives Working Group chaired by Mr. Dennis Morrison.

We are beginning to see signs of a gradual recovery in the economy, evidenced by improved activity in the tourism, mining and agricultural sectors. We recognize that progress towards accelerated growth has been slow, but there is need for patience.

We all agree that while we are addressing the structural reforms we must now begin to turn our attention to the twin pillars of growth and job creation. My Administration has also placed special emphasis on those measures which will impact our most vulnerable. We are committed to the view that whatever we do, we must have people at the centre of our development process. We must always be aware of the impact which our actions will have on their lives.

Mr. Chairman, much has been said and written about the Logistics Hub Initiative - both positive and negative. Based on the responses to a recent survey which were carried in the press last Friday, it is clear that the Initiative is not fully understood by a large number of persons. It is my hope that the information which will be shared during these two days of deliberations will go a far way in addressing this concern.

My Administration is committed to the development of the Logistics Hub and the prospects which it offers for growth and employment. We have taken the decision to pursue this initiative for a number of reasons and we believe the timing is right so to do. Global trends are pointing to noticeable shifts in trading patterns and relationships.

Ports are evolving from being simply gateways to international trade, to becoming an integral element in global supply chain and logistics industries. The expansion and modernization of the Panama Canal will provide a re-ordering of maritime traffic in East-West trade between the Far East, Europe and the Americas. We intend to take maximum advantage of the opportunities which will be presented.

Jamaica already plays a significant role in the movement of international cargo by capitalizing on its central location at the intersection of one of the busiest international trade routes. We already possess a world-class facility – the Port of Kingston. We are aware, however, that an excellent location is no longer sufficient to allow us to effectively compete as a leading transshipment hub. Therefore, we need to move to the next stage.

The Logistics Hub Initiative, of which we speak, is aimed at clustering global logistics firms, along with their suppliers, in specially designated industrial complexes or special economic zones. The idea is that goods produced in these zones will be transported to global markets using Jamaica’s transportation infrastructure - in this case, our ports and airports. Studies show that our viability as a logistics hub is realistic, based on the following factors:

- The emerging patterns of global trade, with the growing importance of services to US East Coast markets and the expansion of the Panama Canal
- Our proximity to large markets such as North America
- Our natural assets, possessing the world’s seventh largest natural harbour and some of the deepest waters in this hemisphere
- Our extensive and growing telecommunications infrastructure...and
- our pool of skilled and semi-skilled workers.

The essence of the Logistics Hub Initiative is to stimulate growth through multiplier effects and linkages. As currently envisaged there is a role for everyone – the foreign investors, the local investors, the Small and Micro Enterprise Sector, professionals through the provision of services such as legal and accounting, and other skilled and semi-skilled workers.

My Administration will, as a policy, ensure that opportunities will be available for our local firms, in particular those in the Small and Micro Enterprise sector. It will be up to each and every one of you to explore such opportunities.

The opportunities which will be available to local businesses will be a function of our ability to provide on a consistent, reliable basis, goods and services of the requisite quality. Many questions have been raised about the opportunities which will be available for our Jamaican workers. Specifically, I am aware there is the fear that the majority of jobs will be filled by foreigners. Relevant skills training, whether it is in the area of logistics, auto mechanics, engineering, information technology, to name a few, must become our focus.

Where are we now in the process, you may ask?

- The privatization of the Kingston Container Terminal is moving ahead. We expect that a concessionaire will be in place by the end of this year.
- We are proceeding with the expansion of the Sangster International Airport and the expansion and privatization of the Norman Manley Airport.
- We are putting in place an extensive world class road network which will ring the island from North to South and East to West.

This is the Highway 2000 network, as well as the North South Highway, which is presently under construction. The North South Highway will significantly reduce travel time between Kingston and Ocho Rios. The entire project is scheduled for completion in the first quarter of 2016 but the critical middle section, linking Linstead and Moneague, and bypassing Mount Rosser, will be open by the middle of this year. Professor Shirley will be addressing you later in the programme and will provide further details on the development of infrastructure and the role which it will play.

A number of other projects are at advanced stages of discussion – These include the Portland Bight Economic Zone and the Caymanas Economic Zone, details of which I am sure will be provided during the course of your deliberations.

The implementation of this Global Logistics Hub is indeed a huge undertaking.

The Ministry of Industry Investment and Commerce has been working on a range of projects which will be included in the Initiative. Not everything will happen overnight! The implementation of this Initiative is a long term undertaking and not all the benefits will be realized immediately. The implementation of the Logistics Hub should be seen as a process which will be undertaken in stages. A special word to you in the private Sector who are here today - You have a special role to play.

You are our risk takers and wealth creators. Jamaica is depending on you to lead the way in capitalizing on the knowledge that will be shared, and the opportunities that will be discussed. We need your partnership. We need your best ideas. We need your input and most of all we need your participation!

Mr. Chairman, as you begin your deliberations it is my hope that at the close of the Seminar, you will all have a clearer understanding of the Logistics Hub Initiative and the implications for growth.

I take this opportunity to offer a special word of thanks to the Jamaica Chamber of Commerce and its membership, under the leadership of Mr. Paco Kennedy for partnering with the Ministry of Industry, Investment and Commerce and its Agencies in hosting this important and timely Seminar. Going forward, we will need the involvement and participation of all of us as we seek to place Jamaica on a sound and sustainable path, making it the “place of choice to live, work, raise families and do business”. Together, we can make this Initiative work.

Martin Luther King told us when he visited Jamaica in 1965:

“...whenever anything new comes into history it brings with it new challenges and great responsibilities.

The challenge facing us today...is to somehow stand before the opportunities of the moment and face the challenges of the hour with creativity with commitment and with determination”.

Let us pay close attention to these words as we move our nation forward, upward and onward.

I thank you and God bless you.