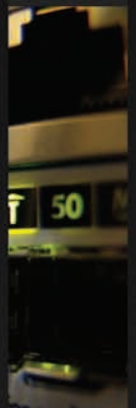




JAMPRO
TRADE & INVESTMENT JAMAICA

JAMAICA MEANS BUSINESS

2010 - 2011 | Annual Report



JAMAICA
MEANS 
BUSINESS

The purpose of this report is to provide the Houses of Parliament, partners, stakeholders and clients with information on the performance of Jamaica Promotions Corporation (JAMPRO) for the 2010/2011 Financial Year and the prospects for the 2011/2012 Financial Year.

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Board of Directors

Person	Position	Profession	Company/Position
Hon. Gordon 'Butch' Stewart O.J., C.D.	Chairman	Entrepreneur	Appliance Traders Ltd.
Phillip Gore	Deputy Chairman	Contractor/Developer	Gore Developments Ltd.
Rodney Davis	Chair (Finance)	Administrator	Cool Oasis Ltd.
Dave Lyn	Chair (MPSC)	Entrepreneur	Caribbean Broilers (JA) Ltd.
Raymond Miles, Jnr.	Member	Entrepreneur	Sun Island Jamaica Ltd.
Paul Lalor	Member	Insurer	Insurance Company of the West Indies Ltd.
Cleve Stewart	Member	Political Consultant	Ministry of Industry, Investment and Commerce
Mark Myers	Member	Restaurateur	Restaurants of Jamaica Ltd.
Thalia Lyn	Member	Restaurateur	Island Grill Jamaica Ltd.
Amb. Stewart Stephenson	Member	Attorney-at-Law	Legal Aid Clinic – Norman Manley Law School
Christopher Zacca	Member	Consultant to HPM	Office of the Prime Minister
Gassan Azan	Member	Entrepreneur	Bashco Ltd.
David Douglas	Member	Architect	Cornerstone Designs Ltd.
Sancia Bennett Templer	President		JAMPRO
As at April 1, 2011			

JAMPRO Executive Management Team

President:

Vice President – Investment Promotions:

Vice President – Trade & Business Development:

Vice President – Planning & Corporate Development:

Vice President – Finance, Administration & MIS:

Sancia Bennett-Templer

Claude Duncan

Delaine Morgan

Dana Morris Dixon

Wendy Lyttle

Chairman's Message

The last fiscal year covering the period April 2010 to March 2011 has been challenging for JAMPRO.

The organization continued to execute its mandate of promoting Jamaica for investments and exports within the context of a shrinking global economy, which meant reduced capital for new direct investment projects, and decreased consumer spending in some of the country's top export markets. Within this context, the organization seized the opportunity to take a step back and reassess its strategic approach with a view to refocusing and re-emphasizing the vital components of a winning promotional strategy.

To this end, the organization executed a number of signature promotional events in-market, led by the Hon. Minister Karl Samuda. JAMPRO made impressive forays into the New York and London market in September 2010 and March 2011 respectively, where in the case of the New York Forum, the keynote address was delivered by the Hon. Prime Minister Golding. These events were impressive not only because for the first time in years the organization went into a market armed with Investment Project Opportunities packaged for promotion and discussion with prospective investors, but also because the organization widened its scope to include for the first time the promotion of projects being executed by other public sector agencies such as the Urban Development Corporation (UDC) as well as privatisation projects being divested through the Development Bank of Jamaica (DBJ). This 'joined-up' government approach to the promotion of investment is key to the organisation's new refocused



Gordon "Butch" Stewart: Chairman

approach and will no doubt become a pillar in JAMPRO's promotional efforts going forward. Another key demonstration of this approach was the partnership among JAMPRO, the Jamaica Customs Dept., and the Trade Board Ltd., which has secured the establishment of a Fast Track Facility at JAMPRO that will see export clients being able to access information and services offered by all three entities under one umbrella at JAMPRO.

The organization also executed a number of new initiatives that cemented partnerships with the private sector. One such initiative worthy of note is the Meet Jamaica 2012 Programme, undertaken in conjunction with the Private Sector Organization of Jamaica to leverage the opportunities to emanate from the London 2012 Olympics by capitalizing on the prowess of our Jamaican athletes, as well as the appeal of our authentic Jamaican products in order to captivate the global audience which will be in attendance at the Games. In a series of events leading up to the staging of the Olympics, JAMPRO will promote Jamaican goods and services in the UK market through the Meet Jamaica Campaign.

With the aforementioned said, and in view of the performance against the targets set for the organization, on behalf of the Board of Directors, I wish to commend the management and staff of JAMPRO for their contributions during the reporting period. I further wish to remind us to be mindful that success is predicated on our firm commitment, dedication, vision and readiness to take advantage of the global opportunities in our journey for economic development.

President's Message

2011 is especially significant in JAMPRO's history as it marked twenty years of the organization's legal establishment.

Like many other countries across the world, Jamaica has been experiencing the scathing effects that the global recession has had on foreign investments. A number of major projects in the tourism and mining sectors have been stalled due to challenges in their financing, or based on the economic uncertainties in host countries. It is within this context that JAMPRO has forged ahead in achieving its investment and export promotion mandate during the last fiscal year.

Over the period the organisation executed a strong mix of promotional strategies through the forging and strengthening of key partnerships. To this end, a number of initiatives for investments, exports and linkages were implemented during the year. In addition, JAMPRO continued to offer high quality aftercare facilitation services to investment projects in the country, recording J\$11.02 bn in capital expenditure, and the creation of 7,034 jobs through projects being implemented by its clients. A significant portion of these investments were in the Tourism, and Information & Communication Technology (ICT) sectors, which recorded 39% and 31% of total capital expenditure (i.e. J\$4.2 bn and J\$3.3 bn) respectively. Capital expenditure across the Creative Industries was particularly impressive at J\$695 mn – an increase of 56% over its performance in the previous year. In respect of jobs created by JAMPRO clients, the organisation's achievement of 7,034 bettered projections by 9%. The ICT and Tourism sectors led the way with 36% and 30% respectively, while the Creative Industries contributed 28%.



Sancia Bennett Templer
President, JAMPRO

JAMPRO's performance is within the context of continued decline in foreign direct investment (FDI) inflows to Small Island Developing States (SIDS), where FDI to the Caribbean fell by 26% in 2010, as global FDI inflows declined by an estimated 37%. The World Investment Report 2011 predicts that FDI flows will rebound to the pre-crisis level of US\$1.9 trillion in 2007 over the next two years, provided that there are no further global economic shocks.

In the area of trade and business development, JAMPRO facilitated a total of J\$4.18 bn in sales among its export clients, far surpassing the target of J\$3.5bn. This showing reflects the high value-added service that JAMPRO continues to provide to its clients, particularly as it relates to market penetration and export development. The agency also achieved an impressive measure of success by facilitating contracts between investors and local suppliers amounting to just over half a billion Jamaican dollars.

As we move into a new fiscal year, JAMPRO remains committed to advantageously positioning the country to benefit from the new and existing opportunities expected to emerge during the global economic recovery. A number of enhanced promotional strategies have been developed for implementation, which we believe will increase our results in respect of investments and export sales.

I want to thank the Minister of Industry, Investment and Commerce, the Hon. Karl Samuda and the Board of Directors led by Chairman Gordon 'Butch' Stewart, for their ongoing support for the organization in the execution of its mandate. I must also thank the JAMPRO Team for their continued hard work and commitment in meeting



The 2010/2011 fiscal year under review was one in which Jamaica Promotions Corporation (JAMPRO) continued to fulfil its role as Jamaica's premier Investment and Export Promotion Agency – doing so within a global environment in which FDI flows were predicted to trend toward an uneven recovery in 2010.

However, FY 2010/2011 was also one in which the Jamaican economy signalled that it was beginning to emerge from the recessionary pressures which had challenged growth in the majority of world economies over the past three years. The accuracy of that forecast was demonstrated, inter alia, by the fact that, over the 12-month calendar period January to December 2010, Jamaica experienced a marginal 0.7% increase in its domestic export figures when compared with its performance in 2009. The increase was realized even after the country had discounted for total re-exports.

Corporate Overview

Nonetheless, the non-traditional exports segment recorded a 4.6% decline in 2010, primarily to the contraction in the export of chemicals, i.e. ethanol. It is worthy of note, however, that non-traditional exports recorded average growth of 5.3% during 2010. This is significant as the majority of JAMPRO's clients fall within the category of agro-processors – manufacturing primarily food and beverage products.

It was within these contexts that JAMPRO recorded J\$11.03bn in Capital Expenditure (CAPEX) from the investment projects it facilitated during the 2010/2011 fiscal year. Additionally, some 7,034 jobs were created, 49% of which represented permanent jobs and 51% constituted temporary employment. JAMPRO's clients also recorded J\$4.18bn in export sales, while J\$508mn of targeted linkage contracts was secured for the 2010/2011 fiscal period.

The Corporation implemented a number of strategies which served to position Jamaica as an investment destination of choice, as well as a sophisticated export market. JAMPRO leveraged key public/private sector partnerships and, as such, strengthened inter-ministerial and inter-agency collaboration, which resulted in the launch of one of the country's signature promotional activities – **Meet Jamaica at London 2012**. New markets were also identified, with the key location being China. JAMPRO's participation at the six-month **World Expo Shanghai 2010** marked the official start of the Corporation's foray into that Asian market.

Investment Promotion



FUND	PERFORMANCE	PERFORMANCE	PERFORMANCE	PERFORMANCE	PERFORMANCE
OCENNA	11.70	rk 24%	11.35	+3.00	9.6
OCEAN	3.55	rk 63%	3.52	+0.00	0.78
OKOCIM	1.40		1.36	+0.04	0.36
OLAWA	13.40		13.60	-0.20	0.59
OPTIMUS	13.10	rk 39%	13.10	0.00	0.75
ORBIS	160.00		162.00	-2.00	1.08
ORFE	23.20	rk 25%	23.50	-0.30	5.46
PAGED	18.80		18.20	0.60	1.03
PBK	4.65		4.65	0.00	1.10
PEKAO	89.50		89.50	0.00	0.45
PEKPOL	53.00		53.00	0.00	2.9%
PEPEES	18.00		18.00	0.00	18.4
PGF	31.80		31.80	0.00	1.81
PKOENLEN	34.50	rk 50%	34.50	0.00	1.24
POLAR	19.80		19.80	0.00	1.24
POLFAUTNO	10.15		10.15	0.00	1.24
POLFARBIC	7.30		7.30	0.00	1.24
PROCHEN	10.15		10.15	0.00	1.24

JAMPRO's investment promotion efforts served to attract wealth-creating ventures to Jamaica, thereby facilitating not only foreign direct investment, but also encouraging local investment and overall job creation.

In its role as an investment facilitator, the Corporation guides investors through the steps they must take to bring their projects to a successful conclusion – inclusive of walking the businesses through the various approval processes and providing ongoing support even after the ventures become fully operational.

Capital Expenditure (CAPEX)

JAMPRO's contribution to Jamaica's overall investment performance is reflected in the value of the projects facilitated by the Corporation and the jobs created by these projects. During the 2010/2011 fiscal year, the Corporation facilitated J\$11.03bn in CAPEX, which represented approximately 45% of the J\$24.4bn in investment flows anticipated for the period. While the Mining & Energy sector recorded improved CAPEX performance during the year under review, the overall CAPEX performance for FY10/11 was lower than anticipated – a development attributable to the non-implementation of several heavily capital intensive infrastructure projects which had informed the capital expenditure projections for the year. With the world economy recovering slower than anticipated, this impacted the ability of investors to access the capital required to initiate or continue their projects; it also saw investors and

financiers proceeding with greater caution before engaging in new projects or expanding their operations.

Despite the impediments, JAMPRO realised important gains from the focused attention its investment promotion efforts placed on six priority sectors: ICT, Tourism/Hospitality, the Creative Industries, Agriculture/Agri-Business, Manufacturing and Mining & Renewable Energy. During FY 2010/11, the Tourism/Hospitality and ICT sectors again emerged as the most significant contributors to CAPEX – contributing J\$4.2bn or 39% and J\$3.3bn (31%), respectively, to the year's capital expenditure (see Fig 1 below).

Job Creation

JAMPRO surpassed the job creation target of 6,471 and achieved 7,034 jobs, which represented an increase of approximately 109%. The ICT and Tourism sectors were the major contributors to this achievement, representing 36% and 30%, respectively. The Creative Industries sector accounted for 28%, while all other sectors accounted for the remaining 6% of the total and represented predominantly the manufacturing sector (see Fig 2).

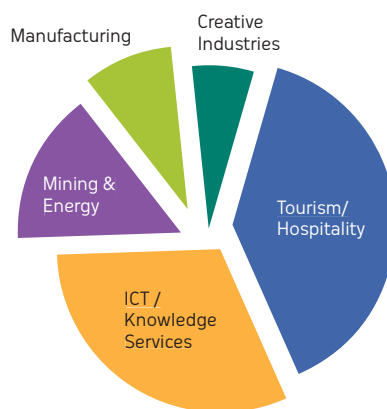


FIG 1: Sectoral Breakdown of CAPEX Facilitated by JAMPRO

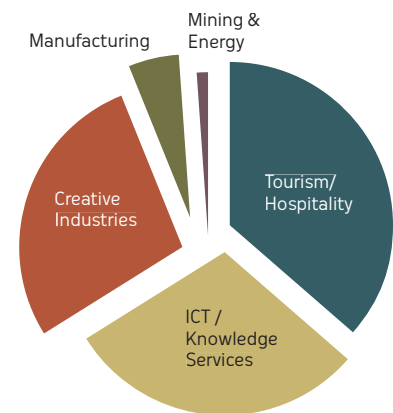


FIG 2: Sectoral Breakdown of Jobs Facilitated by JAMPRO

INVESTMENT

SECTOR BRIEFS

Tourism

JAMPRO's continued intervention in the Tourism sector was guided by the policy objectives of the Commonwealth Secretariat-developed Master Plan for Sustainable Tourism Development in Jamaica. Those objectives are designed to move the importance of the industry to Jamaica beyond the amount of GDP, foreign exchange and jobs it provides – taking it to the point where its success may also be measured by the extent to which the industry serves as a vehicle for providing economic and social opportunities for the Jamaican people. JAMPRO's treatment of Tourism as a priority sector has continued to pay dividends, as FY 2010/11 proved to be yet another year in which JAMPRO-landed investment led to the Tourism sector making the biggest contribution to CAPEX.

Inflows from the sector during the year under review were J\$4.2bn, which represented 39% of the total CAPEX that JAMPRO facilitated during the period. The primary investment projects responsible for these results included the expansion of two hotel resorts, as well as the development of a prime tourist attraction facility in Hanover.

A review of the projects anticipated for implementation in the upcoming financial year presents an encouraging forecast for the Tourism sector in the short to medium terms. During FY 2010/11, JAMPRO conducted research and detailed analysis of emerging opportunities in the sector, in an effort to position Jamaica to attract increased levels of FDI upon recovery of the global investment market.

Work also began toward capitalising on some of the opportunities identified, with strides being taken, for instance, toward development of a vibrant Health and Wellness Tourism sector in Jamaica. Through stakeholder consultations and research facilitated by funding support from the Commonwealth Secretariat, JAMPRO expects, in the next financial year, to have a more clearly defined mechanism to target opportunities in this segment of the sector and to advance their implementation.



PROMOTION

ICT/Knowledge Services

The way that business is evolving in today's fast-paced, knowledge-driven and inter-connected world requires that governments ensure their countries' readiness to take advantage of opportunities in the information and communication technologies (ICT) industries – a readiness which can result in an enhanced ability to attract businesses to their countries. That consideration, added to the fact that the ICT sector provides a lucrative avenue for quick job creation, encouraged the Government of Jamaica to launch a vital ICT development strategy in 2001. Over time, the Government has supported that strategic development thrust by enhancing the country's telecommunications, legislative, training, incentive and other relevant frameworks, so that Jamaica may be promoted successfully as a highly-attractive ICT service provider and, more specifically, a Business Process Outsourcing (BPO) destination. Those activities have led to Jamaica becoming widely regarded as a leading force within the BPO industry of the Caribbean and Latin American region, highly capable of offering services to countries such as the USA and beyond.

Another boon to Jamaica's positioning as an ICT and BPO powerhouse is the evidence of the growing sophistication of the country's ICT industry, as seen in the enactment of new legislation such as the Cyber Crime Act (2010) and the overhaul of the 2007 Telecommunications Policy. And despite having an already trained, English-speaking workforce, Jamaica is bolstering the quality of its human resource pool by having its national training agency, the HEART Trust/NTA, develop programmes tailored to provide support for the BPO industry.

Of the CAPEX which JAMPROM facilitated during the period, J\$3.2bn – or 31.3% – was attributed to the ICT/BPO sector. That sector also provided 75% or 2,583 of the permanent jobs generated during the period.



INVESTMENT

The progress recorded was a result of several major projects in FY 2010/11, including expansion of the operations of an existing investor, which resulted in a dramatic increase in employment from 40 to 600 jobs within the year, as well as implementation of a fibre optics and document storage and retrieval project.

In keeping with the Corporation's strategic interest in the Asian market, JAMPRO participated in the **NASSCOM India Leadership Forum**, held in Mumbai, India, in order to gain valuable insight into emerging opportunity areas and to also position Jamaica as the location for Indian firms seeking a near-shore option.

Mining and Energy

Jamaica's Mining and Energy sectors saw signs of recovery in 2010, with an increase in some infrastructural projects being largely responsible for this. During the year under review, the sector actually made the third highest input to CAPEX – contributing J\$1.67bn or 15% of JAMPRO-facilitated investment. There was also a nominal increase in jobs in that sector during the year.

JAMPRO anticipates that there will be further growth in Jamaica's energy sector, once key elements of the country's energy policy are finalised and investors feel more empowered to tap into the significant opportunities that exist in the sector. There has already been considerable investment interest in that industry segment and, with global projections that the trend is toward increases in sustainable FDI, JAMPRO expects major developments for Jamaica's energy projects in the medium to long term.



PROMOTION



Manufacturing

Jamaica's Manufacturing sector is both diverse and modern but it continues to be impacted by dual demand-side and supply-side challenges. Such factors, including the high cost of electricity, remain far-reaching obstacles in generating further investment in the sector. However, steps – including consultations with the relevant public and private sector groups – are being taken to address some of those concerns, in order to facilitate increased FDI in manufacturing.

With that goal in mind, JAMPRO reports that, during 2010/2011, the sector contributed 10% to JAMPRO-facilitated CAPEX. A total of J\$1.05bn was realised from three projects implemented during the year and is an indicator of the positive growth opportunities in the sector.



Creative Industries

The segments of the Creative Industries sector actively promoted by JAMPRO comprise film, music and fashion. The December 2010 UNCTAD/UNDP Report states that such industries are not only being recognized increasingly for their ability to drive economic growth and promoting development in a globalizing world, but are presenting developing countries with the potential to diversify their economies and participate in “one of the most dynamic sectors of world commerce.”

During 2010/2011, JAMPRO surpassed the annual CAPEX target of J\$232 million for the Creative Industries and facilitated J\$625.1 in investment flows and local business opportunities, generated from 95 short-term projects. This achievement meant that the industry segment achieved 5.8% of the total CAPEX facilitated. Employment figures also increased during FY 2010/11, registering 1,944 temporary jobs.

INVESTMENT

The CAPEX realized indicates that the sector was able to attract more high-end and heavy-spending projects during the year. One locally-produced feature film project, **Ghett'a Life**, generated CAPEX of J\$86 million (US\$1 million). The figure was similar to that generated by the 20th Century Fox feature **Knight and Day**, which had filmed on location in Jamaica for one week the previous year.

The year also saw several reviews and consultations regarding Jamaica's Film Policy. When finalized, the Policy is expected to foster further growth within this sector.



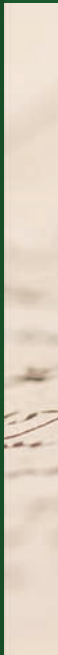
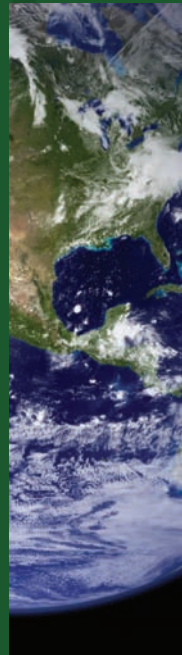
Agriculture/Agri-Business

Jamaica's Agricultural sector plays an essential role in the country's food security, as well as in the contribution that it makes to the nation's Gross Domestic Product in terms of employment and income generation for the rural population. Jamaica has, therefore, been making a concerted effort to take advantage of prospects for growth in that sector – resulting in an expansion beyond the traditional into the non-traditional market segment, as well as development of a thriving agro-processing industry.

So while JAMPRO did not facilitate agricultural investments during FY 2010/11, it was instrumental in developing 13 investment/opportunity profiles for the agricultural and agro-processing sectors. Partnerships with the Ministry of Agriculture and other key stakeholders were also strengthened during the period.



Trade & Business Development



TRADE

In an export marketing environment which was extremely competitive and which reflected the largely challenging business climate, JAMPRO strengthened its focus on both trade promotion and facilitation of exporters. This ensured that the Corporation was able to provide adequate support for existing and potential export clients, while intensifying its promotion of Brand Jamaica in order to secure lucrative markets for quality Jamaican products.

The end result was that JAMPRO delivered an outstanding performance during FY 2010/11 in undertaking its trade and business development mandate. A total of J\$4.18bn in export sales, representing 111% of its annual target of J\$3.5 bn, was facilitated on behalf of clients, while J\$508mn or 158% of the linkage contract value targeted, was realised.

Additionally, some 13,000 client interactions were undertaken by utilising a mix of client contact mechanisms, including the JAMPRO website, phone calls, emails and face-to-face meetings; just over 200 trade leads were engaged, representing 91% of the 220 leads targeted.

Furthermore, some 183 new exporters were registered, increasing the total number of



registered exporters to 673. The number of companies facilitated by JAMPRO in accessing the Modernisation of Industry (MOI) incentive also grew – moving by 33% to 377, as waivers amounting to J\$517.7 million were granted for capital expenditure of J\$2.96 billion.

During 2010/2011 the Corporation initiated a signature export development programme, dubbed **Export Max**, the Enterprise Development for Export Growth Programme. Additionally, through its strategic participation at the joint JMA/JEA Expo Jamaica, JAMPRO implemented its Buyer Recruitment Programme – successfully attracting 250 local and foreign buyers to the Expo.

The Corporation also executed three **Let's Talk Exports** Exporter Forums, which provided an open and interactive avenue for potential and existing exporters to share company and sector-specific challenges. In addition, JAMPRO launched its Fast Track Facility to provide timely, under-one-roof-at-JAMPRO access to services from various partner agencies.

BUSINESS



Participation in key trade missions, such as the **56th Summer International Fancy Food Show in New York and the International Food and Drink Event/Meet Jamaica - UK**, resulted in increased product visibility and awareness of Brand Jamaica, enabled companies to secure orders and distributorship, and facilitated further negotiations with new buyers. In the intensely competitive climate which has persisted globally, all efforts to increase export capacity, foster good client relations and facilitate business linkages can only augur well for the achievement of export sales targets and the contribution that these make to the economy as a whole.

FUNCTIONAL BRIEFS

Export Promotion

Fiscal year 2010/2011 also saw JAMPRO designing a series of innovative approaches to help counter the economic constraints which were so much a part of the global economic landscape that year and to, there-

by, increase Jamaica's exports. This resulted in the Corporation undertaking a deliberate, research-driven approach toward increased penetration of specially-targeted markets by non-traditional and value-added Jamaican products – taking care to also identify Jamaican producers who were export-ready and able to respond quickly to opportunities which materialised.

Components of the strategy included consultation with companies considered to be Brand Leaders within their industries and which had not only pioneered but made important strides in tapping into export markets regionally and internationally. There was also collaboration with stakeholders which had a vested interest in seeing Micro, Small and Medium Enterprises (MSMEs) penetrate markets overseas and who were, therefore, willing to provide sponsorship support to help make that a reality. Among the stakeholders who participated was the Jamaica Public Service Company, which sponsored 12 MSMEs to attend the International Food and Drink Event which was held in London in March 2011.

Additionally, JAMPRO facilitated exploration of new markets and participation at new trade events, including **Expo Shanghai**, the **Sial Food Show** in France, and the **Meet Jamaica London 2012** initiative. The Corporation also played a lead role in development of the **Brand Jamaica Basket of Goods**, which sought to highlight the best of Jamaican export products to buyers internationally.

Those efforts delivered the anticipated returns since, although exports from developed and developing countries declined by as much as 13.5% and 9.1%, respectively, during FY 2010/2011, Jamaica realised a US\$16.0mn increase in exports when compared to its showing in 2009/2010. The

TRADE

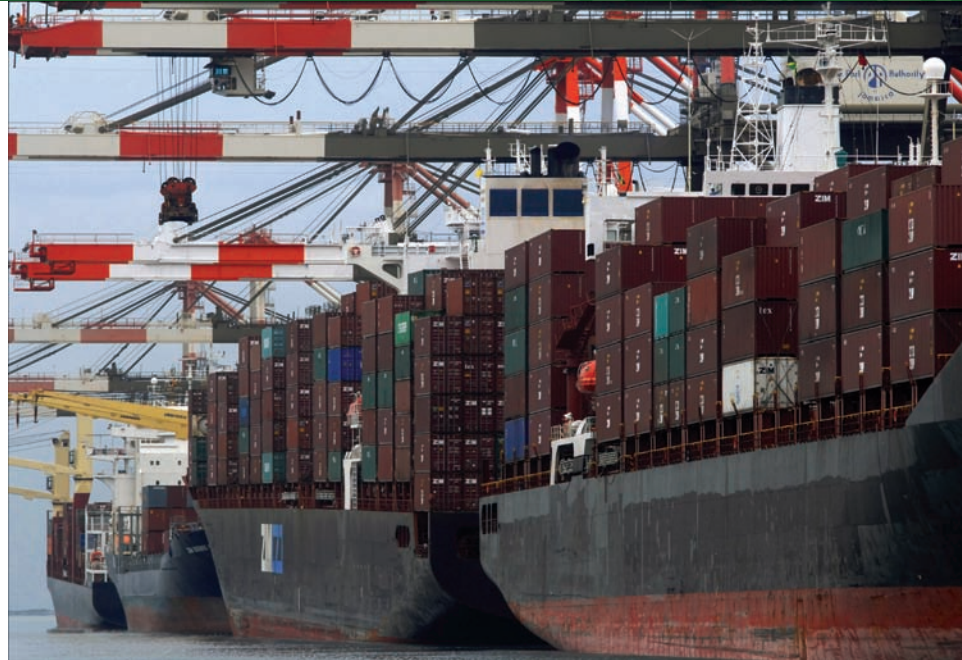
recorded 4.3% increase in non-traditional “Food & Beverage” exports validates the Corporation’s deliberate focus on baked products, sauces, alcoholic and non-alcoholic beverages. The Food & Beverage segment of Jamaica’s Agro-processing industry represents at least 80% of JAMPRO’s core client base for exports.

The Corporation continues its efforts to engage other priority sectors, e.g. coffee, that are covered within the National Export Strategy (NES) – the integrated, strategic initiative that seeks to maximize the direct contribution which Jamaica’s export sector makes to economic and social development.

Export Development

During FY 2010/11, JAMPRO concentrated on providing services which would enhance the competitiveness of existing and potential exporters, so as to better position them to take advantage of export market opportunities. The Corporation assisted 32 of 40 companies targeted, helping them, inter alia, with the development of business plans to guide and sustain their operations. A further 16 of these companies were facilitated in securing loans at a cumulative value of J\$105mn for expansion and retooling purposes.

Submissions were also made for technical assistance/grant funding of approximately J\$92.5mn on behalf of 20 organisations. Some of those companies were successful in receiving grant funding totalling J\$26.6mn. In addition, the year saw JAMPRO facilitating 12 capacity building workshops, facilitating over 300 clients.



A series of Exporter Forums, branded **Let’s Talk Exports**, was also mounted. Over 80% of the issues raised at those forums were resolved in a timely manner, with the outstanding issues being those which have to be addressed through policy interventions.

Linkage Facilitation

Also listed among JAMPRO’s corporate deliverables are the number and value of the linkage contracts with local suppliers, resulting from the agency’s facilitation of investment in Jamaica. Such confirmed business contracts between a local supplier of either goods or services and a third party – who may be an investor, manufacturer or exporter – are vital to increasing the absorptive capacity of the local economy.

While the number of linkage contracts signed during the year under review was almost evenly divided between those which resulted from initiatives involving Jamaica-based producers and those originating from JAMPRO’s overseas-investor-to-local-business efforts, a significant portion of the value of the business linkages is attributable to the ICT sector.



JAMPRO's Special Projects

JAMPRO provides secretariat and organisational support for a number of national initiatives which are aligned with the Corporation's mandate to lead Jamaica's investment and export promotion activities in a manner which will lead to sustainable development. Among the special projects to which JAMPRO lent such support during the year under review were the following:

National Competitiveness Council (NCC)

Working in collaboration with key stakeholders, the NCC coordinated development of an implementation plan which addresses administrative and other barriers to nurturing an enhanced business environment in Jamaica. A **Doing Business** Round Table, held at JAMPRO on February 15, 2011, facilitated discussion on the progress of reforms that are ranked in the **Doing Business** Report. JAMPRO, through the NCC, will continue to work toward addressing reforms in those key areas in which Jamaica underperforms consistently.

Jamaica Coalition of Service Industries (JCSI)

The JCSI has been included in both the Jamaica National Export Strategy (NES) and the Vision 2030 Development Plan, as a key stakeholder in the development of the country's services sector. The Coalition is the focal point for promoting the sector's development at the national level and so focuses on capacity building initiatives, market access promotion, public-private sector partnerships, trade facilitation, trade policy, institutional strengthening, sector development and trade cooperation.

The JCSI formed strategic relationships with other regional Coalitions of Service Industries (CSI) which seek, as a group, to negotiate for funding for CSIs which are a part of the network. Discussions are advanced toward finalising a Memorandum of Understanding with private sector organisations in Jamaica to develop a national services strategy for the country. A project proposal was submitted to the Caribbean Development Bank (CDB) and JAMPRO anticipates a favourable outcome from this in the next financial year.

In support of the JCSI's work, JAMPRO undertook its first services mission to the European Union (EU) and facilitated the participation of two Jamaican fashion designers in that effort. The Coalition also participated in the work to develop Mutual Recognition Agreements for Engineers and Architects to work in the EU.

SPECIAL PROJECTS

National Export Strategy (NES)

The NES Secretariat hosted its **National Export Strategy General Assembly** during FY 2010/11 to highlight the progress of the National Export Strategy and reinforce its importance to the country's economic development. Despite the country's limited resources, it was reported that just under 40% of the initiatives for the eight priority industries, as well as the action plans in respect of the 11 industry-cross-sector issues addressed in the NES, had either been implemented or were in progress. A plan for a more targeted focus on implementation of the Strategy's initiatives for the 2011/2012 financial year was also outlined at the General Assembly.



Below: Prime Minister Bruce Golding (right) is greeted by Prof. Alvin Wint (left), Pro-Vice Chancellor and Board Chair for Undergraduate Studies at the University of the West Indies (UWI) and moderator of the NES General Assembly, while Industry, Investment and Commerce Minister, the Hon. Karl Samuda (centre) looks on. **Right:** Prime Minister Golding addresses the gathering at the NES General Assembly, while President, Sancia Bennett Templer looks on.



International Financial Services Centre (IFSC)

An **International Financial Services Centre (IFSC)** Implementation Committee has been mandated to oversee activities toward establishing an IFS Centre in Jamaica. To this end, the Committee successfully lobbied, in early 2011, for the passage of a bill to create the **Jamaica International Financial Services Authority (JIFSA)**. This Authority has since been fully engaged in revising out-dated legislation in an effort to strengthen Jamaica's positioning as an IFSC. It is proposed that services the Jamaican IFSC will offer will include International Holding Companies, International Trust Services, LLC Legislation and Captive Insurance.





JAMPRO's Strategic/Signature Initiatives

During the year under review, JAMPRO's execution of several market-driven initiatives provided an important boon to Jamaica's investments and trade promotion thrust. While the Agency mounted several of those special events, this report highlights three:

Meet Jamaica at London 2012 Campaign (October 2010 – August 2012)

The **Meet Jamaica at London 2012** programme is a private / public sector collaboration between JAMPRO and the Private Sector Organisation of Jamaica (PSOJ). It is designed to increase the trade of Jamaica's goods and services in the UK and wider European markets by capitalizing on the global brand platform afforded by the 2012 London Olympics. The partners will leverage that opportunity by staging a series of trade and investment missions and by participating in a number of events in London, as well as in Birmingham – the host city for the Jamaican Olympic team.



Although JAMPRO and PSOJ are the principal partners in this ground-breaking initiative, it also involves several other key private sector companies, including Jamaica National Building Society, Grace Kennedy, Red Stripe, Jamaica Producers Group, Sun Island, Wray and Nephew, LIME and Wisynco, as well as the Shipping Association of Jamaica and Jamaica's Fashion Cluster.

The 18-month-long campaign commenced with official launches in Jamaica and Birmingham in

SIGNATURE INITIATIVES

October 2010 and March 2011, respectively, and will culminate in the summer of 2012 during the Olympic Games. The programme is designed to:

1. **Gain optimal, leveraged value from Jamaica's participation in the 2012 Olympic Games;**
2. **Increase visibility, awareness, trial and sale of quality export products & services;**
3. **Create 'cross-over' possibilities for Jamaica's products into mainstream UK markets.**

Essentially, the **Meet Jamaica 2012** initiative will be seeking to help Jamaica realise strong business outcomes from increased trade leads and new supply and distribution contracts for the island's many export brands, especially in the agro-processing industry. Critically, too, the country will be looking to promote foreign direct investments (FDI) in some of the key growth sectors of the economy.

It should be noted that two additional UK-based events were held almost simultaneously with the **Meet Jamaica 2012** Campaign Launch and were supported by JAMPRO under the banner of that Campaign. The events comprised the 4-day International Food and Drink Event (IFE) and the third annual Jamaica-UK Investment Forum, staged in London. Sixteen (16) companies participated in the IFE event within the **Meet Jamaica 2012** Pavilion – showcasing high-quality Jamaican brands. Funding valued at £20,000 or J\$2.6mn was provided by the Jamaica Public Service Company to facilitate the participation of 12 MSMEs. There was strong media coverage of those two activities.



TOP: JAMPRO's Booth at the IFE Show at ExCel in London reflected the **Meet Jamaica 2012** campaign theme.

ABOVE: Minister of Industry, Investment and Commerce, Hon. Karl Samuda, at the launch of the **Meet Jamaica 2012** initiative in London, UK on March 16, 2011.



World Expo Shanghai 2010

World Expo Shanghai 2010 was staged in Shanghai, China from May to October 2010. JAMPRO positioned itself, from early in FY2009/10, to participate in that Expo in a manner which would allow the Corporation to:

1. Promote Jamaica as a viable investment destination to Chinese and international investors, with the focus being on the Agro-industry, Manufacturing and ICT sectors;
2. Promote high-value, low-volume Jamaican exports within niche markets;
3. Position Jamaica as the services and trading gateway to the Caribbean and the Americas;
4. Showcase Jamaican culture and promote the vibrancy and viability of “Brand Jamaica” as a globally-relevant commodity;
5. Gain “best practice” insight into urban development to guide future investment promotion goals and activities.



This effort allowed the country to earn J\$17mn (US\$198,000.00) in sales from 30 products showcased and sold at the Expo. The country was also able to obtain 10 viable further-business leads. Additionally, different aspects of Jamaica’s culture were showcased through various presentations, as well as via visits to the booth from cultural icons such as Jamaica’s 100M Olympic Gold Medallist, Shelly-Ann Fraser.

TOP: The Hon. Karl Samuda, Minister of Industry, Investment and Commerce, addresses Chinese business delegates at the Trade and Investment Forum which was hosted by JAMPRO at the Grand Hyatt Hotel in Shanghai, China, on July 16, 2010.

ABOVE: World and Olympic 100m Champion, Shelly-Ann Fraser, signs autographs in the Brand Jamaica Booth at World Expo Shanghai 2010.

RIGHT: JAMPRO’s Jadesion Swiel teaches the latest Jamaican dance moves to these young visitors to the Jamaican booth at World Expo Shanghai 2010, held in China.



SIGNATURE INITIATIVES

JAMPRO Fast Track Facility

In February 2011, JAMPRO launched the first phase of its 3-phase **JAMPRO Fast Track Facility** – the one-stop resource through which potential and existing exporters will gain access to both export-related documentation and approvals from several key public sector trade facilitation entities.

In Phase 1 of its deployment, the **JAMPRO Fast Track Facility** will provide export clients with services from the Trade Board, Customs Department, Bureau of Standards Jamaica and the Jamaica Intellectual Property Office (JIPO). In Phase 2, other agencies – such as the Companies Office of Jamaica, the National Environment and Planning Agency (NEPA) and the Ministry of Health, as well as the Plant Quarantine Division and the Veterinary Services Division of the Ministry of Agriculture and Fisheries – will come on stream to complete the cadre of participants which will offer exporters support through the **JAMPRO Fast Track Facility**.

At the time of implementation of Phase 3, select agencies will assign an officer to provide one full-service day per week at the Facility to address queries and provide on-the-spot approvals, where relevant.

The Hon. Karl Samuda (right), Minister of Industry, Investment and Commerce, presents the banner for **JAMPRO Fast Track Facility**, which began offering a wide range of exporter services – in partnership with several other government agencies – on February 21 from JAMPRO's New Kingston and Montego Bay offices. The launch of the Facility took place at the Jamaica Conference Centre on February 16 during the Minister's interactive exporter forum. Also pictured here, left to right, are Orine Henry-Blair, Director of the Regulatory Division, Bureau of Standards Jamaica; Delaine Morgan, VP of Trade & Business Development at JAMPRO; Sancia Bennett Templer, President of JAMPRO; and Danville Walker, Commissioner of Customs.





JAMPRO's

Trade and Investment Missions FY 2010/2011

Mission	Date	Country	Purpose of Mission
Locations Expo	April 2010	USA	To attract feature film investment from the Film Commission's attendance at the event. This resulted in the acquisition of 25 leads for projects, ranging from short-term shoots to feature films with US\$20 million budget.
EXPO Shanghai	May to October 2010	China	To promote Jamaica as a viable investment and trade destination to Chinese and international investors and businesses.
Caribbean Hotel Tourism Investment Conference	May 4-6, 2010	Jamaica	To identify potential clients wishing to invest in hotels and tourism in the Caribbean region. Three leads were generated.
Taste of the Caribbean Montreal	May 30, 2010	Canada	To Showcase Jamaican Food products to over 2500 consumers – increasing awareness of the products and generating 5 leads.
China International Fair on Investment and Trade (CIFIT)	May 10th 2010	Jamaica	CIFIT visited Jamaica with a view to promoting the fair.
Caribbean Fashion Week (CFW)	June 2010	Jamaica	To attract international buyers by getting the fashion brand of Jamaica to the international fashion world.
56th Summer International Fancy Food Show, New York Fancy Food Show	June 27-29 2010	USA	To identify, profile and make contact with targeted buyers – seeking to arrange business-matching meetings in advance of the show.
Ministerial Mission to Canada	July 2010	Canada	Minister Samuda held several high-level meetings with business groups, key stakeholders and members of the Jamaican Diaspora.
Laboratory Corporation of America (LabCorp) Inward visit	August 2010	Jamaica	To establish working relationships with the local labs and hospitals in providing laboratory tests that are not currently offered in Jamaica.
Ministry of Tourism & NABHOOD President Andy Ingraham	August 19 – 20, 2010	Jamaica	Inward mission with Mr. Ingraham whose organization seeks to further the entrepreneurship of black hotel owners and operators.

Trade and Investment Mission FY 2010/2011

continued

Mission	Date	Country	Purpose of Mission
Toronto International Film Festival	September 9-18, 2010	Canada	To showcase Jamaica's film Industry.
Trinidad and Tobago Film Festival (TFFF)	September 30-October 3, 2010	Trinidad	To work, in collaboration with NARO to showcase Jamaica's film Industry.
Inward Mission of Shadrak Foods Inc.	September 6 -13, 2010.	Jamaica	The company, currently based in Canada, explored moving its operations to Jamaica.
Inward Mission of CACER Ltd	September 12 -16, 2010	Jamaica	The company visited Jamaica in an effort to firm up agreements with various partner entities.
Inward Mission of Chocolatier de Beussant Lachelle	September 27 - October 4, 2010.	Jamaica	The French boutique chocolate manufacturing company, with 15 stores across France, currently owns a cocoa farm in Ecuador and was interested in purchasing a cocoa farm in Jamaica.
Cheniere Energy	September 9, 2010	Jamaica	This United States-based company was exploring opportunities to supply Jamaica with one million tons of LNG under the LNG Energy Programme through a long term contract with the government.
Gartner Outsourcing & Vendor Management Summit 2010	September 14-16, 2010	USA	To further develop a positioning strategy for Jamaica as a BPO location and to engage with Gartner key decision makers.
New York Investment Forum	September 21-28, 2010	USA, New York	The Mission, which included Minister Karl Samuda, JAMPRO's President and other JAMPRO Executives sought to increase awareness of Jamaica as a viable investment location and trading partner.
Florida Caribbean Cruise Association Conference	October 24 - 29, 2010	USA	To identify potential investors / clients to invest in the attraction sector, while exploring new business opportunities with a view to expanding and diversifying the product offering in attractions.
In-market assessment by Kirk Laughlin, Editorial Director Nearshore Americas	October 25-27, 2010	Kingston & Montego Bay, Jamaica	Facilitated the hosting of an in-market assessment by outsourcing industry expert, journalist and site selection influencer, Mr. Kirk Laughlin, Editorial Director of Nearshore Americas - the first and only independent news blog dedicated to outsourcing in the Americas.
Buyer and Investors Mission to Jamaica from Europe	January 24-28, 2011	Jamaica	To explore investment and trade opportunities with UK-based enterprises.
CEMCORP/SINOMA Inward Mission	December 8-22, 2010	Jamaica	To facilitate further discussions on investment projects.



Mission	Date	Country	Purpose of Mission
Toon Boom Animation	January 17-21	Jamaica	This inward mission aimed at educating Jamaican animation artists.
The NASSCOM India Leadership Forum	February 2011	India	To facilitate a new thrust into the Indian ICT/ BPO Market, as well as commencement of early explorations for Indian in-market brokers for FY 2011/12.
Green Expo	March 16-17, 2011	USA	To facilitate investments in the Manufacturing/ Packaging sector in Jamaica. Five of ten leads have sought to pursue further talks with JAMPRO.
5 ICT/BPO Inward Missions <ul style="list-style-type: none"> · Maria Sullivan, Account Manager at Gartner · LexisNexis · Hinduja's Global · Teleperformance · RevenueMed 	March 2011	Jamaica	Missions ranged from assessment of Jamaica as a suitable destination for IT outsourcing and facilitating discussions on expansion of local operations, to sensitizing the Gartner representative to Jamaica's value proposition, and having Jamaica make Gartner's Top 30 list of outsourcing destinations.
CellMark Group	March 15-17, 2011.	USA	To undertake a fact-finding mission regarding their interest in establishing a recycling facility to produce paper, plastics and other materials from feedstock collected through the Riverton and Retirement Land Fills.
UK Launch of Meet Jamaica 2012	March 18, 2012	UK	To promote Jamaica as a destination for investment and trade.
Third Annual Jamaica-UK Investment Forum in London	March 2011	UK	To leverage investment opportunities at the forum which was being hosted under the banner of the 'Meet Jamaica in London 2012 Campaign'.
Ministerial Trade Mission to Trinidad and Tobago	March 27 – 30, 2011	Trinidad	At the invitation of the Trinidad and Tobago Manufacturers' Association (TTMA), the Honorable Min. Karl Samuda delivered the feature address at their Annual General Meeting (AGM) on the topic: "The state of intraregional trade and the Caribbean Community Single Market". Given its investment and trade promotion mandate, JAMPRO accompanied the Minister and gained further insight into the Trinidadian business environment.



Directors' Compensation for Period

Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling OR Value of Assignment of Motor Vehicle(\$)	Honoraria (\$)	All other compensation including Non-Cash Benefits as applicable	Total (\$)
Gordon Stewart Board Chairman	75,000.00	-	-	-	75,000.00
Raymond Miles	99,000.00	-	-	-	99,000.00
Audrey Marks	-	-	-	-	-
Cleve Stewart	15,000.00	-	-	-	15,000.00
Dave Lyn Chair, Marketing Subcommittee	86,000.00	-	-	-	86,000.00
Mark Myers	58,500.00	-	-	-	58,500.00
Patrick Casserly	-	-	-	-	-
Patrick Lynch	-	-	-	-	-
Phillip Gore	32,500.00	-	-	-	32,500.00
Rodney Davis Chair, Finance Subcommittee	89,500.00	-	-	-	89,500.00
Ambassador Stewart Stephenson Chair, Audit Subcommittee	115,000.00	-	-	-	115,000.00
Thalia Lyn	48,500.00	-	-	-	48,500.00
William Tavares - Finson	-	-	-	-	-
Paul Lalor	87,000.00	-	-	-	87,000.00
Gassan Azan	15,000.00	-	-	-	15,000.00
David Douglas	91,500.00	-	-	-	91,500.00
Christopher Zacca	67,000.00	-	-	-	67,000.00

N.B. Payment rates for Board Directors vary depending on whether or not they Chair Subcommittees of the Board. Meetings numbered include regular Board and Subcommittee meetings.

Notes

1. Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.

Senior Executives' Compensation for Period

Position of Senior Executive	Year	Salary (\$)	Gratuity &/or Performance Incentive (\$)	Travelling Allowance OR Value of Assignment of Motor Vehicle (\$)	Pension OR Other Retirement Benefits (\$)	Other Allowances (\$) *Uniform Allowance & Vacation leave	Non-Cash Benefits (\$)	Total (\$)
President	2010/2011	7,495,901.28	2,998,360.51	751,176.60	-	-	794,931.66	12,040,370.05
VP- Finance, Admin & MIS	2010/2011	4,679,183.21	1,067,533.11	754,291.98	-	104,146.88	404,876.54	7,010,031.72
VP - Planning & Corp. Development	2010/2011	4,631,470.50	1,852,588.20	780,108.75	-	155,883.30	426,936.06	7,846,986.81
VP- Investment Promotion	2010/2011	5,272,041.46	2,108,816.58	796,475.23	-	-	611,670.01	8,789,003.29
Acting VP- Trade & Business Development	2010/2011	5,415,637.56	812,345.63	812,921.94	54,156.38	609,602.42	634,298.83	8,338,962.76
TOTAL								44,025,354.63

Notes

1. Where contractual obligations and allowances are stated in a foreign currency, the sum in that stated currency must be clearly provided and not the Jamaican equivalent.
2. Other Allowances (including laundry, entertainment, housing, utility, etc.)
3. Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.





JAMPRO
TRADE & INVESTMENT JAMAICA

JAMAICA PROMOTIONS CORPORATION
Jamaica Trade & Invest

FINANCIAL STATEMENTS
Year ended March 31, 2011

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Independent Auditors' Report

To the Members of JAMAICA TRADE & INVEST -
Jamaica Promotions Corporation

Report on the Financial Statements

We have audited the financial statements of Jamaica Promotions Corporation ("the Corporation"), set out on pages 31 to 51 which comprise the statement of financial position as at March 31, 2011, the income statement, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG, a Jamaican partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Elizabeth A. Jones
Caryl A. Fenton
R. Tarun Handa
Patrick A. Chin
Patricia O. Dailey-Smith

Linroy J. Marshall
Cynthia L. Lawrence
Rajan Trehan
Norman O. Rainford
Nigel R. Chambers



To the Members of JAMAICA TRADE & INVEST -
Jamaica Promotions Corporation

Report on the Financial Statements, continued

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Corporation as at March 31, 2011, and of its financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

A handwritten signature of the KPMG firm, written in black ink. The letters are stylized and cursive, appearing as 'K P M G'.

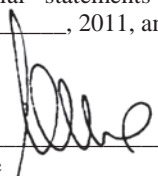
Chartered Accountants
Kingston, Jamaica


July 26, 2011

Statement of Financial Position - March 31, 2011

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
CURRENT ASSETS			
Cash and cash equivalents	3	11,950,199	41,818,765
Securities purchased under resale agreements	2(e)	141,280,714	150,638,300
Accounts receivable	4	<u>12,488,964</u>	<u>12,833,469</u>
		<u>165,719,877</u>	<u>205,290,534</u>
CURRENT LIABILITIES			
Accounts payable	5	152,958,447	135,202,645
Grants received in advance	6	<u>7,390,835</u>	<u>6,985,021</u>
		<u>160,349,282</u>	<u>142,187,666</u>
NET CURRENT ASSETS		5,370,595	63,102,868
NON-CURRENT ASSETS			
Property, plant & equipment	7	189,632,491	199,955,490
Employee benefit asset	8	<u>200,788,000</u>	<u>155,603,000</u>
		<u>\$395,791,086</u>	<u>418,661,358</u>
Financed by:			
ACCUMULATED SURPLUS		195,611,102	219,888,083
CAPITAL RESERVE	9	<u>197,629,686</u>	<u>197,629,686</u>
		393,240,788	417,517,769
NON-CURRENT LIABILITY			
Deferred income	10	<u>2,550,298</u>	<u>1,143,589</u>
		<u>\$395,791,086</u>	<u>418,661,358</u>

The financial statements on pages 31 to 51 were approved by the Board of Directors on July 26, 2011, and signed on its behalf by:


 _____ Director
 Phillip Gore


 _____ President
 Sancia Bennett-Templer

The accompanying notes form an integral part of the financial statements.

Statement of Comprehensive Income - Year ended March 31, 2011

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
Gross operating revenue	11	<u>424,454,186</u>	<u>439,597,927</u>
Operating expenses:			
Promotional		99,545,241	146,399,315
Staff-related		287,022,039	253,008,403
General and administrative		<u>73,788,379</u>	<u>75,358,850</u>
		<u>460,355,659</u>	<u>474,766,568</u>
Operating deficit for the year	12	(35,901,473)	(35,168,641)
Other income:			
Interest income		11,855,603	25,558,063
Gain on disposal of property, plant & equipment		4,000	484,345
Foreign exchange loss		<u>(235,111)</u>	<u>(1,225,912)</u>
Deficit for the year, being total comprehensive loss		\$(<u>24,276,981</u>)	(<u>10,352,145</u>)

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity - Year ended March 31, 2011

	<u>Accumulated surplus</u>	<u>Capital reserve</u> (note 9)	<u>Total</u>
Balance at March 31, 2009	230,240,228	197,629,686	427,869,914
Deficit, being total comprehensive loss	(<u>10,352,145</u>)	—	(<u>10,352,145</u>)
Balance at March 31, 2010	219,888,083	197,629,686	417,517,769
Deficit, being total comprehensive loss	(<u>24,276,981</u>)	—	(<u>24,276,981</u>)
Balance at March 31, 2011	<u>\$195,611,102</u>	<u>197,629,686</u>	<u>393,240,788</u>

The accompanying notes form an integral part of the financial statements.

Statement of Cash Flows - Year ended March 31, 2011

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit for the year	(24,276,981)	(10,352,145)
Adjustments for:		
Depreciation	14,247,896	15,571,630
Employee benefits	(45,185,000)	(32,060,000)
Amortisation of deferred income	(1,143,589)	(155,461)
Interest income	(11,855,603)	(25,558,063)
Gain on disposals and exchange of property, plant & equipment	-	(484,345)
Foreign exchange loss	<u>235,111</u>	<u>1,225,912</u>
	(67,978,166)	(51,812,472)
Decrease in accounts receivable	344,505	3,555,127
Increase in accounts payable	<u>18,161,616</u>	<u>17,839,710</u>
Net cash used by operating activities	<u>(49,472,045)</u>	<u>(30,417,635)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant & equipment	(1,374,599)	(6,865,202)
Interest received	11,855,603	25,558,063
Proceeds from disposal of property, plant & equipment	-	1,746,046
Securities purchased under resale agreements	<u>9,357,586</u>	<u>13,077,025</u>
Net cash provided by investing activities	<u>19,838,590</u>	<u>33,515,932</u>
Net (decrease)/increase in cash and cash equivalents	(29,633,455)	3,098,297
Cash and cash equivalents at beginning of year	41,818,765	39,946,380
Effect of exchange rate fluctuations on cash and cash equivalents	<u>(235,111)</u>	<u>(1,225,912)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$11,950,199</u>	<u>41,818,765</u>

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements - Year ended March 31, 2011

1. The Corporation

Jamaica Promotions Corporation was established on April 26, 1990 as a statutory Corporation under the Jamaica Promotions Corporation Act (the Act) with the objectives of stimulating, facilitating and promoting the development of trade and industry, export trade and investment activities in all sectors of the Jamaican economy.

Under the Act, the assets of the Jamaica Industrial Development Corporation (JIDC) and the Jamaica National Export Corporation (JNEC) were vested in the Corporation subject to liabilities and obligations relating thereto, as of April 26, 1990.

The assets and liabilities of JAMPRO Limited (a limited liability company owned by the Government of Jamaica) were transferred to, and vested in, the Corporation as of April 1, 1991, by the Jamaica Promotions Corporation (Vesting of Assets) Order 1991.

On October 4, 2002, the Corporation transferred its interest in the shares of its subsidiary, Jamaica Export Trading Company Limited, to a consortium of staff of that company.

2. Statement of compliance, basis of preparation and significant accounting policies

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board IASB.

(b) Basis of preparation:

The financial statements are presented in Jamaica dollars and are prepared on the historical cost basis.

New and revised standards and interpretations that became effective during the year

Certain new and revised standards and interpretations came into effect for the current financial year. Their adoption did not result in any change in accounting policies and did not have any significant effect on the Corporation's financial statements.

New and revised standards and interpretations that are not yet effective

At the date of authorisation of the financial statements, certain new and revised standards and interpretations have been issued but are not yet effective, and which the Corporation has not early-adopted. The Corporation has assessed the following standards as relevant but none will have a significant impact on its financial statements:

- IFRS 7, *Financial Instruments: Disclosures*, has been amended to add an explicit statement that the interaction between qualitative and quantitative disclosures better enables users to evaluate an entity's exposure to risks arising from financial instruments. Existing disclosures relating to maximum exposure to credit risk, financial effect of collateral held as security and other enhancements in respect of a financial instrument have been amended. Certain disclosures relating to carrying amount of financial assets that are not past due or are not impaired as a result of their terms having been renegotiated and description of collateral held as security for financial assets that are past due have been removed. The amendment is effective for annual reporting periods beginning on or after January 1, 2011.

Notes to the Financial Statements - Year ended March 31, 2011

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(b) Basis of preparation (cont'd):

- *IFRS 9, Financial Instruments* (effective for annual reporting periods beginning on or after January 1, 2013) introduces new requirements for classifying and measuring financial assets. The standard also amends some of the requirements of *IFRS 7 Financial Instruments: Disclosures*, including added disclosures about investments in equity instruments designated as fair value through other comprehensive income.
- *IAS 24, Related Party Disclosure, revised* (effective for annual reporting periods beginning on or after January 1, 2011) introduces changes to the related party disclosure requirements for *government*-related entities and amends the definition of a related party. The standard also expands the list of transactions that require disclosure.
- *IAS 1, Presentation of Financial Statements*, has been amended to state that for each component of equity a reconciliation from opening to closing balances is required to be presented in the statement of changes in equity, showing separately changes arising from items recognised in profit or loss, in other comprehensive income and from transactions with owners acting in their capacity as owners. The amendment is effective for annual reporting periods beginning on or after January 1, 2011.

The adoption of amendments to IFRS 7, IFRS 9, IAS 24 (Revised) and IAS 1 may result in adjustments and additional disclosures in future financial statements. Management has not completed its evaluation of the impact on the financial statements of adopting these standards.

(c) Estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Pension and other post retirement benefits:

The amounts recognised in the statement of financial position and profit or loss for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension.

Notes to the Financial Statements - Year ended March 31, 2011

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(c) Estimates and judgements (cont'd):

(i) Pension and other post retirement benefits (cont'd):

The expected return on plan assets assumed considers the long-term historical returns, asset allocation and future estimates of long-term investment returns. The discount rate is determined based on the estimate of yields on long-term government securities that have maturity dates approximating the terms of the Corporation's obligation, in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. Any changes in these assumptions will affect the amounts recorded in the financial statements for these obligations.

(ii) Allowance for impairment losses on receivables:

In determining amounts recorded for impairment losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from those assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

(d) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances including short term deposits maturing between one and three months from the reporting date.

(e) Securities purchased under resale agreements:

Securities purchased under resale agreements are short-term transactions in which the Corporation makes funds available to other parties and in turn receives securities which it agrees to resell on a specified date at a specified price. Resale agreements are accounted for as short-term collateralised lending.

(f) Accounts receivable:

Trade and other receivables are stated at cost, less impairment losses.

(g) Accounts payable and accrued charges:

Trade and other payables are stated at amortised cost.

Notes to the Financial Statements - Year ended March 31, 2011

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(h) Property, plant & equipment:

Property, plant & equipment are stated at cost or deemed cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of the day-to-day servicing of property, plant and equipment are recognised in profit or loss.

(i) Depreciation:

Property, plant & equipment, with the exception of land, on which no depreciation is charged, are depreciated on the straight-line basis at annual rates estimated to write off the assets over their expected useful lives. The depreciation rates are as follows:

Buildings	2½%
Leasehold improvements	over the life of the lease
Furniture and equipment	10%
Motor vehicles	20%
Computers	20%

The depreciation methods, useful lives and residual values are reassessed at the reporting date.

(j) Foreign currencies:

Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Jamaica dollars at the rates of exchange ruling on that date. Gains and losses arising from fluctuations in exchange rates are recognised in profit or loss.

(k) Employee benefits:

Employee benefits comprise all forms of consideration given by the Corporation in exchange for service rendered by employees. These include current or short-term benefits such as salaries, NIS contributions paid, annual vacation, and non-monetary benefits, such as medical care; post-employments benefits, such as pension; other long term employee benefits such as long service awards; and termination benefits.

(i) General benefits:

Employee benefits that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and are expensed as the related service is provided. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave. Post employment benefits are accounted for as described in paragraphs (ii) below. Other long-term benefits, including termination benefits, which arise when either: (1) the employer decides to terminate an employee's employment before the normal retirement date; or (2) an employee decides to accept voluntary redundancy in exchange for termination benefits, are accrued as they are earned and charged as an expense, unless not considered material, in which case they are charged when they fall due.

Notes to the Financial Statements - Year ended March 31, 2011

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(k) Employee benefits (cont'd):

(ii) Defined benefit pension scheme:

In respect of defined-benefit arrangements, employee benefits, comprising pensions and other post-employment assets, and obligations included in the financial statements are determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations are conducted in accordance with IAS 19, and the financial statements reflect the Corporation's post-employment benefit assets and obligations as computed by the actuary. In carrying out their audit, the auditors rely on the work of the actuary and the actuary's report.

The Corporation's net obligation in respect of the defined-benefit pension schemes is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and any unrecognised past service costs and the fair value of scheme assets are deducted. The discount rate is the yield at the reporting date on long-term government securities that have maturity dates approximating the terms of the Corporation's obligations. The calculation is performed by an independent qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Corporation, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

When the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are vested immediately, the expense is recognised immediately in profit or loss.

In calculating the Corporation's obligation in respect of the plan, actuarial gains and losses that arose subsequent to April 1, 2002, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent (10%) of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in profit or loss over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation results in a benefit to the Corporation, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Notes to the Financial Statements - Year ended March 31, 2011

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(l) Provisions:

A provision is recognised in the statement of financial position when the Corporation has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(m) Related parties:

A party is related to the Corporation, if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - (a) is controlled by, or is under common control with, the Corporation;
 - (b) has an interest in the Corporation that gives it significant influence over the Corporation; or
 - (c) has joint control over the Corporation;
- (ii) the party is an associate of the Corporation;
- (iii) the party is a joint venture in which the Corporation is a venturer;
- (iv) the party is a member of the key management personnel of the Corporation;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Notes to the Financial Statements - Year ended March 31, 2011

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(n) Impairment:

The carrying amounts of the Corporation's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(i) Calculation of recoverable amount:

The recoverable amount of the Corporation's receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment:

An impairment loss in respect of loans and receivables is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For all other assets, an impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Financial instruments:

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include cash and cash equivalents and accounts receivable. Similarly, financial liabilities include accounts payable and grants received in advance.

Notes to the Financial Statements - Year ended March 31, 2011

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(p) Deferred income:

Where property, plant & equipment are received as gifts from, or acquired out of funds granted by donors, the amount of the grant, determined by the cash received or, in the case of gifts in kind, the fair value of the asset received, is credited to deferred income. An amount equivalent to the depreciation charged on the property, plant & equipment for the financial year is transferred from deferred income to profit or loss.

(q) Revenue recognition:

Government grants are recognised on a cash basis.

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or material associated costs on the possible return of goods.

(r) Expenses:

(i) Net finance costs:

Net finance costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on surplus funds invested during the course of routine treasury management and foreign exchange gains and losses recognised in profit or loss.

Interest income is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

(ii) Operating lease payments:

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

(s) Determination of profit:

Profit is determined as the difference between the revenues from the goods and services rendered and the costs and other charges incurred during the year. Profits on transactions are taken in the period in which they are realised.

Notes to the Financial Statements - Year ended March 31, 2011

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(t) Fair value disclosures:

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Some financial instruments lack an available trading market. These instruments have been valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

3. Cash and cash equivalents

These include:

- (a) \$151,832 (2010: \$151,832) relating to grants received in advance to be disbursed to other persons for projects undertaken by the Corporation (see note 6).
- (b) \$6,262,519 (2010: \$5,856,704) placed on deposit in the name of the Corporation, which relates to amounts received from the Ministry of Industry, Commerce & Technology for aiding in the development of cultural art.
- (c) \$4,381,306 (2010: \$4,381,306) received for specified investment promotion activities.
- (d) \$5,825,939 (2010: \$7,352,211) received for specified investment promotion activities, for International Financial Services Centre Project.

4. Accounts receivable

	<u>2011</u>	<u>2010</u>
Prepaid expenses	3,316,945	940,905
Other accounts receivable	<u>9,172,019</u>	<u>11,892,564</u>
	<u>\$12,488,964</u>	<u>12,833,469</u>

5. Accounts payable

	<u>2011</u>	<u>2010</u>
International Financial Services Centre (i)	5,825,939	7,352,211
Trade payables	2,595,965	6,474,858
Accrued expenses and other liabilities	<u>144,536,543</u>	<u>121,375,576</u>
	<u>\$152,958,447</u>	<u>135,202,645</u>

- (i) This represents unspent amounts in respect of funds received from the Government of Jamaica and various sponsors to fund the International Financial Service Centre (IFSC) project for the year April 2011 to March 2012.

Notes to the Financial Statements - Year ended March 31, 2011

6. Grants received in advance

These are unspent balances in respect of funds received from overseas agencies to finance certain activities and projects.

7. Property, plant & equipment

	<u>Land, buildings & leasehold improvements</u>	<u>Furniture equipment and computers</u>	<u>Motor vehicles</u>	<u>Total</u>
At cost or deemed cost:				
March 31, 2009	199,581,834	82,559,873	17,129,159	299,270,866
Additions	1,770,461	2,347,671	2,747,070	6,865,202
Disposals	<u>-</u>	<u>-</u>	(4,621,846)	(4,621,846)
March 31, 2010	201,352,295	84,907,544	15,254,383	301,514,222
Additions	-	1,374,599	-	1,374,599
Transfers in*	<u>-</u>	<u>2,550,298</u>	<u>-</u>	<u>2,550,298</u>
March 31, 2011	<u>201,352,295</u>	<u>88,832,441</u>	<u>15,254,383</u>	<u>305,439,119</u>
Depreciation:				
March 31, 2009	36,750,394	45,047,543	7,549,310	89,347,247
Charge for the year	4,843,899	7,693,757	3,033,974	15,571,630
Eliminated on disposals	<u>-</u>	<u>-</u>	(3,360,145)	(3,360,145)
March 31, 2010	41,594,293	52,741,300	7,223,139	101,558,732
Charge for the year	<u>4,962,337</u>	<u>6,189,079</u>	<u>3,096,480</u>	<u>14,247,896</u>
March 31, 2011	<u>46,556,630</u>	<u>58,930,379</u>	<u>10,319,619</u>	<u>115,806,628</u>
Net book values:				
March 31, 2011	<u>\$154,795,665</u>	<u>29,902,062</u>	<u>4,934,764</u>	<u>189,632,491</u>
March 31, 2010	<u>\$159,758,002</u>	<u>32,166,244</u>	<u>8,031,244</u>	<u>199,955,490</u>
March 31, 2009	<u>\$162,831,440</u>	<u>37,512,330</u>	<u>9,579,849</u>	<u>209,923,619</u>

Surpluses arising on revaluations are included in capital reserve (note 9).

*These assets were transferred to the Corporation at fair value on March 31, 2011 from the Private Sector Development Programme (PSDP) which ended in December 2010.

Notes to the Financial Statements - Year ended March 31, 2011

8. Employee benefit asset

The Corporation operates a contributory pension scheme for all permanent employees. The scheme is funded by employee contributions of 5% of pensionable earnings, and employer contributions as recommended by independent actuaries. Annual pension at retirement is based on the average annual rate of pensionable earnings for the last three years prior to retirement.

Amounts recognised in the financial statements in respect of post-retirement employee benefits comprise the following:

	<u>2011</u>	<u>2010</u>
Pension asset:		
Present value of funded obligations	(234,315,000)	(153,491,000)
Fair value of plan assets	<u>873,897,000</u>	<u>728,409,000</u>
Net surplus	639,582,000	574,918,000
Unrecognised actuarial gains	(69,168,000)	(55,888,000)
Asset not recognised due to limitation in economic benefits	<u>(369,626,000)</u>	<u>(363,427,000)</u>
Asset recognised in the statement of financial position	<u>\$200,788,000</u>	<u>155,603,000</u>

Scheme assets consist of the following:

	<u>2011</u>	<u>2010</u>
Equity	180,493,000	175,855,000
Mortgage and real estate	28,879,000	6,281,000
Fixed income	<u>624,042,000</u>	<u>544,196,000</u>
	833,414,000	726,332,000
Ordinary shares	1,575,000	1,098,000
Purchased annuities	38,590,000	-
Late contributions	<u>318,000</u>	<u>979,000</u>
	<u>\$873,897,000</u>	<u>728,409,000</u>

(i) Movements in the net asset recognised in the statement of financial position:

	<u>2011</u>	<u>2010</u>
Balance at beginning of year	155,603,000	123,543,000
Contributions paid	786,000	881,000
Change recognised in profit or loss	<u>44,399,000</u>	<u>31,179,000</u>
Balance at end of year	<u>\$200,788,000</u>	<u>155,603,000</u>

Notes to the Financial Statements - Year ended March 31, 2011

8. Employee benefit asset (cont'd)

	<u>2011</u>	<u>2010</u>
(ii) Movement in scheme assets:		
Fair value of scheme assets as at April 1	728,409,000	533,386,000
Purchased annuities	38,590,000	-
Contributions paid into the plan	5,696,000	5,674,000
Benefits paid by the plan	(9,235,000)	(1,242,000)
Expected return on plan assets	76,329,000	77,651,000
Actuarial gain on plan assets	<u>34,108,000</u>	<u>112,940,000</u>
Fair value of scheme assets as at March 31	<u>\$873,897,000</u>	<u>728,409,000</u>

(iii) Change recognised in the statement of comprehensive income:	<u>2011</u>	<u>2010</u>
Current service costs	10,087,000	8,791,000
Interest on obligations	15,644,000	19,173,000
Expected return on plan assets	(76,329,000)	(77,651,000)
Recognised actuarial loss	-	406,000
Change in disallowed asset	<u>6,199,000</u>	<u>18,102,000</u>
	<u>\$(44,399,000)</u>	<u>(31,179,000)</u>
Actual return on plan assets	<u>15%</u>	<u>35%</u>

(iv) Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	<u>2011</u>	<u>2010</u>
Discount rate	10.5%	11.5%
Expected return on plan assets	8.0%	10.5%
Future salary increases	7.0%	7.5%
Future pension increases	<u>6.5%</u>	<u>7.5%</u>

Historical information:

Defined benefit pension plan:

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of the defined benefit	234,315	153,491	128,419	111,575	105,592
Fair value of plan assets	<u>(873,897)</u>	<u>(728,409)</u>	<u>(533,386)</u>	<u>(575,607)</u>	<u>(510,065)</u>
	<u>(639,582)</u>	<u>(574,918)</u>	<u>(404,967)</u>	<u>(464,032)</u>	<u>(404,473)</u>
Experience adjustments arising on plan liabilities	20,828	(6,443)	(1,373)	3,182	12,746
Experience adjustments arising on plan assets	<u>(34,108)</u>	<u>(112,940)</u>	<u>95,662</u>	<u>(3,383)</u>	<u>(14,533)</u>

Notes to the Financial Statements - Year ended March 31, 2011

9. Capital reserve

	<u>2011</u>	<u>2010</u>
Gain on disposal of land and building	16,420,395	16,420,395
Profit on disposal of real estate	80,215,145	80,215,145
Excess of the value of assets over liabilities vested in the Corporation (see note 1)	1,675,556	1,675,556
Realised surplus on disposal of buildings	86,002,348	86,002,348
Realised surplus on disposal of plant & equipment	591,000	591,000
Unrealised surplus on revaluation of furniture & fixtures	9,656,146	9,656,146
Unrealised surplus on revaluation of computers	<u>3,069,096</u>	<u>3,069,096</u>
	<u>\$197,629,686</u>	<u>197,629,686</u>

10. Deferred income

	<u>2011</u>	<u>2010</u>
Balance at beginning of the year	1,143,589	1,299,050
Additions during the year	2,550,298	-
Amortisation during the year	<u>(1,143,589)</u>	<u>(155,461)</u>
Balance at end of the year	<u>\$2,550,298</u>	<u>1,143,589</u>

11. Gross operating revenue

This represents gross income from government grants, certification fees and miscellaneous income.

12. Disclosure of expenses

Operating deficit for the year is stated after charging:

	<u>2011</u>	<u>2010</u>
	\$	\$
Depreciation	14,247,896	15,571,630
Directors' remuneration:		
Fees	879,500	1,360,000
Management remuneration	11,571,972	17,760,583
Other staff costs	288,896,082	253,008,403
Auditors' remuneration	1,100,000	1,400,000
Key management personnel:		
Compensation – short-term benefit (included in other staff costs)	<u>44,025,354</u>	<u>48,382,063</u>

Notes to the Financial Statements - Year ended March 31, 2011

13. Related party balances and transactions

- (i) The statement of financial position includes balances arising in the ordinary course of business with related parties as follows:

	<u>2011</u>	<u>2010</u>
	\$	\$
Accounts receivable:		
National Housing Trust	34,491	34,491
Government of Jamaica	<u>6,281,535</u>	<u>2,509,363</u>
Accounts payable:		
Government of Jamaica	<u>3,320,025</u>	<u>573,980</u>

- (ii) Transactions with related parties are disclosed in the relevant notes to the financial statements.

14. Financial risk management

The Corporation has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Corporation, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

- (i) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's other receivables, cash and cash equivalents and securities purchased under agreements to resell.

Cash and cash equivalents and securities purchased under agreements to resell:

These are placed with substantial financial institutions for short-term periods and management believes these institutions have minimal risk of default.

Notes to the Financial Statements - Year ended March 31, 2011

14. Financial risk management (cont'd)

(i) Credit risk (cont'd):

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. There is no off balance sheet exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	11,950,199	41,818,765
Securities purchased under resale agreements	141,280,714	150,638,300
Accounts receivable	<u>9,094,027</u>	<u>11,892,564</u>
	<u>\$162,324,940</u>	<u>204,349,629</u>

(ii) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

The Corporation manages this risk by maintaining an adequate level of liquid funds and relies on the Government of Jamaica for financial support, if needed.

The following table presents the undiscounted contractual cash flows of financial liabilities, including interest payments, on the basis of their earliest possible contractual maturity, compared to carrying amounts.

	<u>2011</u>		
	<u>Within 3 months</u>	<u>Contractual cash flows</u>	<u>Carrying amount</u>
<u>Financial liabilities</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Accounts payable	152,958,447	152,958,447	152,958,447
Grants received in advance	<u>7,390,835</u>	<u>7,390,835</u>	<u>7,390,835</u>
	<u>160,349,282</u>	<u>160,349,282</u>	<u>160,349,282</u>

Notes to the Financial Statements - Year ended March 31, 2011

14. Financial risk management (cont'd)

(ii) Liquidity risk: (cont'd)

	2010		
	Within 3 months	Contractual cash flows	Carrying amount
<u>Financial liabilities</u>	\$	\$	\$
Accounts payable	135,202,645	135,202,645	135,202,645
Grants received in advance	<u>6,985,021</u>	<u>6,985,021</u>	<u>6,985,021</u>
	<u>142,187,666</u>	<u>142,187,666</u>	<u>142,187,666</u>

(iii) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange and interest rates, will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage market risk exposures within acceptable parameters while optimising the return on risk.

(a) Foreign currency risk:

The Corporation's exposure to foreign currency risk which is in the Corporation's primary intervening currency is as follows:

	2011				2010			
	US\$	(£)	(€)	CAD\$	US\$	(£)	(€)	CAD\$
Cash and cash equivalents	2,381	8,239	2,150	3,634	60,351	11,272	40,157	1,000
Securities purchased under resale agreements	-	-	-	-	65,046	-	-	-
Accounts payable	(23,306)	(10,415)	-	-	(33,445)	(21,889)	-	(829)
Net exposure	<u>(20,925)</u>	<u>(2,176)</u>	<u>2,150</u>	<u>3,634</u>	<u>91,952</u>	<u>(10,617)</u>	<u>40,157</u>	<u>171</u>

Exchange rates, in terms of Jamaica dollars, were as follows:

	US\$	£	€	CAD\$
March 31, 2011:	<u>85.40</u>	<u>136.40</u>	<u>118.84</u>	<u>87.03</u>
March 31, 2010:	<u>89.23</u>	<u>134.19</u>	<u>119.81</u>	<u>87.06</u>

Sensitivity analysis

A 0.5% (2010:5%) strengthening of the United States dollar, Pound Sterling, Euro and Canadian dollar against the Jamaica dollar at March 31, would have increased/(decreased) profit/loss for the year by \$7,560 (2010: \$580,314).

A 1% (2010:10%) weakening of the United States dollar, Pound Sterling, Euro and Canadian dollar against the Jamaica dollar at March 31, would have (decreased)/increase profit/loss for the year by \$15,120 (2010: \$1,160,628). This analysis assumes that all other variables, in particular interest rates, remain constant.

Notes to the Financial Statements - Year ended March 31, 2011

14. Financial risk management (cont'd)

(iii) Market risk (cont'd):

(b) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Financial assets which are subject to fixed interest are as follows:

	<u>2011</u>	<u>2010</u>
Financial assets:		
Cash and cash equivalents	553,143	19,692,990
Securities purchased under resale agreements	<u>141,280,714</u>	<u>150,638,300</u>
	<u>\$141,833,857</u>	<u>170,331,290</u>

(iv) Fair values:

The fair values of financial assets and liabilities are broadly equivalent to the carrying amount shown in the statement of financial position.

15. Contingencies

The Corporation is contingently liable for income taxes amounting to \$5,274,150.51, on the salaries of non-resident employees for the period 1997 to October 2000.

The Corporation has applied to the Minister of Finance & Planning for a waiver of the amount, and anticipates a positive response.

JAMAICA PROMOTIONS CORPORATION
Jamaica Trade & Invest

SUPPLEMENTARY INFORMATION
TO THE FINANCIAL STATEMENTS
Year ended March 31, 2011

Detailed Statement of Comprehensive Income - Year ended March 31, 2011

	<u>2011</u>	<u>2010</u>
OPERATING INCOME		
Government grants	357,193,725	374,084,535
Certification fees	2,421,058	2,931,413
IFSC project	11,266,212	30,069,006
Other income	<u>53,573,191</u>	<u>32,512,973</u>
	<u>424,454,186</u>	<u>439,597,927</u>
OPERATING EXPENSES		
Promotional		
Advertising and promotion	41,587,771	47,479,052
Books, publications and subscription	3,738,905	2,536,540
Entertainment	3,696,005	2,847,598
Foreign and local travel and subsistence	23,372,449	18,109,224
Professional fees	15,883,899	45,357,895
IFSC project	<u>11,266,212</u>	<u>30,069,006</u>
	<u>99,545,241</u>	<u>146,399,315</u>
Staff		
Salaries, statutory payments and gratuities	281,225,775	233,013,793
Staff benefits	49,394,491	43,556,190
Pension benefit, net	(44,399,000)	(27,942,898)
Unused vacation leave	462,983	3,567,157
Staff training	<u>337,790</u>	<u>814,161</u>
	<u>287,022,039</u>	<u>253,008,403</u>
General and administrative		
Directors' fees	879,500	1,360,000
Office rental	1,068,750	1,303,573
Utilities	22,784,555	25,555,449
Repairs and maintenance	10,942,896	11,576,593
Office supplies and other operating expenses	6,902,960	5,190,158
Professional fees	4,634,911	1,319,920
Audit fees	1,283,333	1,400,000
Motor vehicle and travelling	1,980,647	2,235,124
Bank charges	942,442	696,137
Insurance	2,781,167	2,940,513
Stationery	3,613,092	3,341,564
Security	2,409,593	2,561,115
Bad debt	460,226	462,535
Depreciation, net of allocation to tenants	14,247,896	15,571,630
Amortisation of deferred income	<u>(1,143,589)</u>	<u>(155,461)</u>
	<u>73,788,379</u>	<u>75,358,850</u>
Total expenses	<u>460,355,659</u>	<u>474,766,568</u>
Operating deficit	\$(<u>35,901,473</u>)	(<u>35,168,641</u>)

Notes

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