

JAMPRO ANNUAL
REPORT 1992/93

During the year under review JAMPRO recorded a number of significant achievements. A total of 191 projects were implemented, (136% of target), 5,555 jobs were created and capital investment of J\$513.74 million (104% of target) was realised. That figure excludes the 81 film projects (full-length movies, documentaries and commercials), which were recorded during the period, generating temporary employment for 5,447 persons and involving expenditures of US\$17.6 million.

The apparel sector continued its dynamic performance as the most buoyant of the industrial subsectors during the 1992/93 period. The Apparel Division of JAMPRO facilitated the start-up and expansion of eleven apparel factories representing a capital investment of \$102.115 million and generating employment of 1,461 persons.

Apparel exports in 1992 reached US\$385 million, compared with \$301 million in 1991. This is an overall increase of 28%, with exports going to Europe jumping by as much as 69%, exports to Canada by 34.4% and exports to the US moving by 21.9%. JAMPRO has offered significant support for the growth and expansion of the apparel sector. Not only does the Corporation actively seek overseas investments in the industry but much promotion is done within Jamaica to highlight the lucrative opportunities which exist in apparel manufacturing here.

Also, JAMPRO has a technical assistance programme which has stood the industry in good stead and which has brought first-rate, state-of-the-art technology, engineering and production systems to the industry, thus facilitating its enormous expansion and productivity. Our Apparel Engineering Unit works closely with the sector to increase its international competitiveness.

The year 1992/93 was a very successful one for the Apparel Engineering Unit. There was a marked improvement in the quality of services provided and also an increase in the number of programmes developed and transferred to the industry. The main objective of the Apparel Engineering Unit is to increase productivity, profitability and efficiencies, which are designed to result in increased exports, employment, foreign exchange earnings and lower production costs.

During the period, the unit concentrated on five broad areas of assistance.

- i) Technical and Engineering Assistance
- ii) Training
- iii) Special Projects
- iv) Contract Procurement
- v) Consultancy Programmes

TECHNICAL AND ENGINEERING ASSISTANCE

Three Hundred and fifty (350) plants/clients benefitted from engineering and technical assistance under four programme categories. This represented a 184% increase over clients serviced in the 1991/92 period.

The four categories of assistance we have are:

In-Depth Assistance which range from diagnostics to System Implementation to follow-up. The programme spans six months to one year.

There is also the **Long Term** assistance which is implemented after the end of a short term programme. Here clients receive follow-up assistance to ensure maintenance of implemented programmes and also assistance with new programmes.

What we refer to as **Short Term** assistance usually lasts up to six months. Clients benefit from specific areas of the programme, eg. statistical quality control.

In the **Quick Response** programme clients receive immediate, on the spot service. For example in the area of garment costing.

<u>Categories</u>	<u>No. of Companies</u>
In-depth	106
Long Term	43
Short Term	92
Quick Response	109
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	350
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In the year under review the number of companies receiving In-depth assistance was 106, Long Term assistance 43, Short Term 92 and Quick Response 109.

The unit targetted prospective and small manufacturers during the period. This is in keeping with our commitment to encourage growth and expansion of small entrepreneurs into viable export-oriented concerns. A number of the programmes implemented were thus specially tailored to successfully achieve this mandate. Chief among these was the development and implementation of the Micro Enterprise workshop as well as the Five Module Garment Manufacturing workshop which provided direct assistance to 127 small manufacturers.

iii) Industry Information Services Programme (IISP)

This programme provides manufacturers with current, up-to-date information on apparel-related issues, industry trends, technological advancement, among other things. The programme is now servicing all 320 plants in the Apparel Manufacturers' Database, in addition to the general public.

SYSTEMS IMPLEMENTATION

Three hundred and fifty systems were implemented during the period. This represents a 16% increase above projections. Formal classroom and "hands on" training is a prerequisite for all systems implemented. Systems implemented by the division included:

plant/product analysis; cost and garment analysis; plant layout; production control; methods analysis; cutting room engineering; design and pattern-making; material handling & utilisation; piece rate derivation & installation; modular manufacturing; statistical quality control; payroll & incentive systems; budgetary control; stock & inventory control and training.

TRAINING

A total of 562 persons were trained in the industry. This represented a 183% increase over the target of 306 set for the period.

In-Plant Training

Thirty four courses were conducted in 14 plants and 267 persons were trained, in the following main areas:

- Elements of Standard Costing
- Garment Analysis and Sequencing
- Flexible Specialisation
- Cutting Room Engineering
- Production Flow & Layout
- Statistical Quality Control

Apparel Engineering Library

The unit has been very active in developing a library which functions as a "resource base" for the Apparel Sector. This library is currently used by a wide cross section of the industry and also by undergraduate students from the University of the West Indies and students from other institutions doing research papers.

The library consists of training manuals, attachments, fashion books, periodicals, magazines, brochures, fabric swatches, product samples and design equipment, among others.

These services and programmes have played a major part in the rapid growth of the sectors.

Aside from providing training, technical assistance and an information base for the sector, the Corporation acts as a lobbying force in international fora and through bilateral negotiations to ensure that the Jamaican apparel industry is protected. For example, JAMPRO played a critical role in the negotiations leading up to the decision on the part of the United States to roll-over for a year the US/Jamaica Bilateral Textile Agreement, which guarantees access levels to that market.

The strong institutional support given to the apparel sector, the subsector leader, has enabled the sector to move from being the 42nd supplier to the United States to the position of number 16 in just a few years.

Apparel now accounts for 23% of merchandise exports, moving from 0.8% in 1980. Apparel exports also represent 65% of non-traditional exports compared with 5% in 1980.

AGRICULTURE AND AGRIBUSINESS

The Agribusiness Division of JAMPRO was a beehive of activity during the period under review. The Division achieved 100% of its target, implementing 24 projects with projected capital investment of \$98.7 million.

Some 16 of the projects which JAMPRO helped to guide into production were in the area of papaya production. 172 hectares (or 432 acres) of papaya were established during the period under review. This brings the total acreage under production to 342.8 hectares (or 857 acres). This compares with 260 hectares (or 650 acres) at the beginning of the financial year.

In terms of yields, last year there was an estimated 13.6 million kilograms (or 30 million pounds) of papaya produced. During the 1992/93 period there were a number of significant projects which came on stream which JAMPRO had some input:

NCB Investments Limited - a 150 acre papaya project with projected capital investment of \$5.106 million; Advanced Farm Technologies, which produces winter vegetable (squash and Zucchini), papaya and mangoes. Projected capital investment is \$39.4m; Michael Jack Farms which involved an expansion of ten acres of anthurium; Spring Garden Farm Limited - a 32-acre papaya project; Western Citrus Project which involves the

development of 4,000 hectares (10,000 acres) of citrus, which, when fully operational, will be the single largest agro-industrial project in Jamaica - an integrated operation involving growing, packing and processing.

The project was conceptualised by JAMPRO and is a joint-venture between the Jamaica Orange Company, the National Commercial Bank and Sequoia Orange Company of California.

THE SERVICE SECTOR

In the service sector, JAMPRO also recorded significant achievements. The information services sector boasted exports of approximately US\$20 million, while the film sector recorded earnings of US\$17 million.

The Services Industries Division of JAMPRO reports a 462% increase in actual capital investment, a 413.3% increase in employment and a capital investment of J\$257.45 million. In the tourism sector we experienced a great deal of interest in villa construction and attractions.

The Service Industries Division received far more enquiries about investment possibilities than had been projected. In tourism while 200 enquiries were projected, 260 were actually received, reflecting a 30% increase. In film 180 were projected with actual enquiries turning out to be 293, 63% above target.

SMALL BUSINESS

Small business activities flourished during the period under review and JAMPRO is happy to report a major part in this dynamic growth.

Our Entrepreneurial Centre was instrumental in the implementation of 132 small businesses with capital investment of J\$11 million, resulting in the employment of 255 persons. Interestingly, 102 of these ventures are located in the rural areas. During the year also the five offices of the Entrepreneurial Centre processed 2,415 new enquiries, spanning all sectors with manufacturing and services being the most popular. The number of projects in the pipeline at the end of the year was 126.

The outreach of the Centre also increased. Some 108 seminars and workshops were held all over the island, equipping small business people and prospective business operators with the attitudes and skills required to run a successful small business. The Centre also participated in nine expositions.

Last year the Centre established a marketing services unit to identify and develop linkages for small and micro enterprises in the domestic and export markets.

During the year the services provided included:

- Marketing counselling
- Preparation of Marketing plans
- Initiating marketing contracts
- Generating orders
- Securing contracts/subcontracts

The Entrepreneurial Centre also collaborated with the Entrepreneurial Extension Centre at CAST in designing a training programme for business counsellors involved in the project. The Entrepreneurial Centre also deepened its links with various other business groups during the year.

In the Minerals, Chemicals and Cosmetics group, seven projects were guided into implementation by the Corporation. The total capital investment was J\$44 million. At the end of the year portfolio projects totalled twelve, with projected capital investment of \$517 million and a projected employment of 1,059.

Some of these projects include the bottling of spring water, the manufacture of pre-cast concrete products, the mining of marble to produce blocks and tiles, the manufacture of clay tiles, the recycling of rubber tyres, the assembly of buses and the refurbishing of auto parts, starters and generators.

JAMPRO AS FACILITATOR

Central to all the various activities of JAMPRO is its overarching role as facilitator and enabler. It is JAMPRO's mission to strengthen private initiative in Jamaica and to provide the most efficient institutional support for the expansion business.

Training is one of the key factors required for the successful conduct of business. JAMPRO has traditionally made a significant contribution to this area. The year under review was no exception.

During the year the Industrial Training Unit delivered some 2.2 million training man-hours through 49 scheduled courses and workshops in Kingston, Montego Bay, Mandeville and sixteen in-plant courses. The Unit, commendably, grossed \$1,530,855 representing 48.8% of its budgetary allocations.

Total training activities which included seminars totalled 65 and a total of 947 persons participated in these activities. JAMPRO offers training courses in a number of critical areas which include sales, supervising and general management, maintenance techniques, accounting and financial management, human relations and human resource management, and production and industrial management.

During the year the division introduced some new programmes: Customs procedures and trade documentation, job description and performance management, recruiting, interviewing and selecting employees and total quality management. The training Division's raison d'être is to keep up with the requirements and training needs of the private sector.

In addition to running courses, JAMPRO also provides well-needed technical assistance and consultancy to industry. Through its extensive network of international organisations, JAMPRO sources appropriate technical assistance for Jamaican businesses to ensure that they are fitted for the competitive business environment.

CMP Metal products now has a sophisticated cost-control system, which has revolutionised its production systems, and this was put in place with JAMPRO-coordinated assistance through the Commonwealth Fund for Technical Cooperation.

Apparel manufacturers were the beneficiaries of important technical assistance and strategic advice from Mr. Antonious Vouranis, an apparel expert, manufacturer and an advisor to the Prime Minister of Cyprus on industrial policy. Mr. Vouranis worked with the sector to develop flexible manufacturing systems which are designed to increase productivity.

In the furniture sector we continued our technical assistance to a sector whose foreign exchange earning potential is enormous. The food-processing sector benefitted from a number of total quality management programmes. During the year, 55 companies in the sector received duty relief for their equipment valued at J\$172.8 million. The Corporation was involved in seminars and workshops aimed at inculcating the ISO 9000 standards.

In the sector international assistance was requested and granted for the participation of Jamaican companies in a number of overseas trade shows, including the famed Fancy Food show, JAMFEST and SIAL.

International assistance was also given for in-plant technology as well as for market surveys of the US and Canadian markets.

In floriculture JAMPRO brought down three consultants who were specialists in orchids, horticultural production and marketing. VCG Holdings, manufacturers of cylinders benefitted enormously from JAMPRO-coordinated consultancy from the Industrial Development Unit (IDU) and the Commonwealth Fund for Technical Cooperation.

Kingston Heirlooms, furniture manufacturers and exporters, also received technical assistance through JAMPRO from the IDU. For Jamaica to gain the competitive edge in the international marketplace, our companies will have to be on the cutting edge of not only new technologies and production systems, but they will also have to have a total quality system which places a premium on productivity and efficiency.

Some of the other companies which received assistance were Caribbean Castings and Engineering Limited, McIntosh Furniture Company, Mussons Limited and Tricon Foods.

In the year under review the total value of the technical assistance and consultancy services which JAMPRO accessed from donor agencies were US\$11.173 million.

In addition to technical assistance, JAMPRO recognises that market development programmes are an integral part of its mission of preparing the private sector for greater competitiveness.

Last year JAMPRO initiated two major marketing initiatives, namely the Canexport Programme and the Target Europe Programme.

The Canexport Programme is a three-year project aimed at promoting Jamaican exports of non-traditional agricultural products in the Canadian market. The Programme, sponsored by the Canadian International Development Agency (CIDA), is being implemented by JAMPRO. The main objective of the programme is to enable Jamaican companies with the export potential to be able to maximise those opportunities on the Canadian market.

Under the Canexport Programme, Jamaican companies are given the technical assistance to help them develop their products for export. The companies also receive the market intelligence and the promotional support needed to tap into the Canadian market.

The three sub-sectors being targetted are fresh produce, processed foods and ornamental horticulture.

Companies under the programme also get assistance with labelling and packaging, product development, and the development of marketing plans. Also, joint-venture partners will be sought where necessary. This type of assistance is extremely valuable to the private sector, and consequently, to Jamaica.

Between September 1992 when the programme came on stream, and the end of the financial year, there were 6 trade missions, 14 seminars and 4 workshops related to the Programme. At the end of the year 8 of the 12 companies targetted for assistance were selected.

Then there is the Target Europe Programme, which is a two-year trade and investment development programme. The development of the single European market, with its over 340 million – strong market, opens up significant possibilities which Jamaica is intent on exploiting. The Target Europe Programme is coordinated by JAMPRO, in close association with the private sector.

Over J\$90 million has been made available to the country by the European development fund. Over the two-year period of the Programme, tailor-made assistance to each firm selected will be offered. Some of the features of the Target Europe Programme are a matching fund scheme which offers reimbursement of a portion of the costs of marketing in Europe; an export finance scheme which will make U.S. working capital loans available at an attractive interest rate; research and access to on-line European data bases, group promotional literature, as well as participation in outward and inward sales missions, and in-store promotion. Design assistance for packaging as well as prefeasibility studies will also be given.

OVERSEAS OFFICES

Even though we have consolidated our overseas operations, we have by no means diminished our interest in promoting Jamaica's industries and business abroad. Our overseas offices, in fact, played a vital role in providing the links for the Jamaican private sector overseas.

Having knowledgeable people with their "feet on the ground", in the marketplace overseas is invaluable, and JAMPRO, in the year under review, as in previous years, facilitated significant contacts between our own private sector and overseas business partners.

EUROPEAN OFFICE

Our European office was very busy in the year under review, what with the launching of the Target Europe Programme and the other activities of bringing together Jamaican and European business interests.

During the year a major tourism project in Port Antonio involved a German investor buying 50% of the share of the Jamaica Palace Hotel as well as the old Dellmar cinema in the city.

Also, the European office, based in Brussels, Belgium, rejoiced in the fact that Sunjuice Limited of Jamaica landed a contract with KLM of Holland to supply couplets of freshly squeezed orange juice. Sales are expected to be in the region of US\$280,000 this year.

Trout Hall Limited also reported increased European sales of uglifruit to the value of \$7,000 at the end of the year under review.

Jamaican Blue Mountain coffee made a breakthrough in the Italian market. The German restaurant chain, Eurest, took a decision during the year to feature Caribbean cuisine in its restaurants for 1993.

Interest in Jamaica's Information Processing Industry heightened in France after a presentation made by our Trade Commissioner for Europe, Miss Dianne Edwards. The Trade Commission in Europe has generated a significant increase in enquiries about doing business with Jamaica, as a result of our promotional events and the increased recognition in the marketplace that Jamaica offers good returns as a trading partner. There were 518 enquiries in the year under review, compared with 308 the previous year. There were also 23 visits from European business interests to Jamaica compared with 14 the previous year. In addition, the European office made 40 sales visit last year.

MIAMI OFFICE

Our Miami office reports that interest in tourism attractions is strong. Film was also another sector that generated much interest in the Miami area. Fifteen film and film-related projects came to Jamaica through the Miami office. The office there also reported strong interest in agribusiness. While the Miami office had projected that it would receive 1,800 business enquiries, they actually received 2,276 enquiries, 125% of target.

TRINIDAD/CARICOM OFFICE

In Trinidad, where some knotty problems had to be sorted out, the JAMPRO office in Port-of-Spain played a critical role. The office has provided considerable help to Jamaican business. The JMA/JEA Caribbean Expo '92 received much assistance from the office. The office also undertook arrangements for the Jamaica Exporters Association's trade mission to Trinidad.

The Port-of-Spain office, too, successfully lobbied, along with other Jamaican Government officials, to have Caricom member states agree to enlist sulphonic acid on the list of ineligibles in the Common External Tariff. This office has played a crucial role in strengthening relations with Caricom and has been an important trade link for the Jamaican private sector.

The office processed 1,656 enquiries in the year under review. There were 10 importer visits to Jamaica and 117 follow-up with trade and investment prospects, 37 representations on behalf of Jamaican exporters, importers and investors, as well as 62 market research projects undertaken.

CANADIAN OFFICE

In Canada there was much activity also. Assistance was given by the Toronto office in staging promotions for a number of Jamaican companies. The office also made arrangements for staging displays of Jamaican products at a number of trade shows and events in Canada, including Grocery Showcase '92, Canadian Produce Marketing Association Convention and Trade Show, the Canadian Fine Food Show and the national gift show. Assistance was also provided for Jamaican companies in organising investment promotion seminars and meetings.

The office also launched a Jamaicans Abroad programme which targetted the Jamaican community with information and motivation aimed at stimulating their development of business and trading links with Jamaica. Significant contact was also maintained with Canadian government departments and agencies.

Over the period under review the Toronto Office serviced no fewer than 106 Jamaican exporters. Our trade commissions provide a vital link to the marketplace and they also provide the market intelligence and know-how. The Trade Commissions are performing a vital service for the country and more particularly for the Jamaican private sector.

WASHINGTON OFFICE

The year under review represented JAMPRO's first in Washington DC. Needless to say the year was as challenging as it was interesting.

The office was involved in fairly sensitive negotiations concerning the North American Free Trade Agreement (NAFTA) and also lobbied for the retention of the perennially threatened 936 programme. In terms of investment promotion, the Washington Office made presentations on business opportunities in Jamaica to the following conferences/meetings:

- World Trade Week
- Puerto Rico Seminar - Chicago
- Minority Business Development Seminar - Newark
- Minority Business Alliance -Brooklyn
- Dow Jones Black Entrepreneur Conference -

Atlanta

- Medweek Minority Business Conference in Washington
- Dupont Middle Management Training Session - Delaware and
- Data Entry Management Association (DEMA) - Washington

The Washington office was also heavily involved in our Jamaicans Abroad Programme. In addition to a number of initiatives and responses involving Jamaicans in the United States, the Washington Office provided assistance in organising investment seminars and meetings for Eagle Merchant Bank, Mutual Life Assurance, Victoria Mutual and the Trade Board.

The Washington Office was also significantly involved in facilitating trade between the two countries. The office worked with the Office of International Business to target 250 gourmet stores with a view to enlisting their participation in the Summer Fancy Food show at which Jamaica exhibited.

Much work was also done in coordinating Jamfest 30 which exposed Jamaican cuisine, craft and culture to thousands who passed through the expo. Some 25 Jamaican companies participated.

INITIATIVES TAKEN

The Washington Office continued its work with Food Emporium, a New York chain to prepare for a week-long exhibition of Jamaica specialty foods in their 29 stores.

This is a significant breakthrough for JAMPRO in the tri-state area. The office in the year under review began to forge links with Caribbean Links, a New York company which is being used as a means of expanding our ethnic produce in the Brooklyn area where many Jamaicans reside.

Liaison is also being maintain with National Consulting Systems to provide leads in the in the information processing sector.

Overall, the office was busy, working diligently to harness business opportunities in a crucial world capital.

CONCLUSION

Indeed, the year under review saw JAMPRO management coming together to study and discuss at all levels our objectives and rationale; It was out of this process that our mission statement emerged.

Quality service, productivity and reliability are more than just buzz words around JAMPRO. They are a part of our commitment; and, indeed, reality. For Jamaica to achieve self-sustained development, quality has to permeate at all levels. If JAMPRO is to preach quality to Jamaican business and commerce, the corporation must internalise that quality and consistency. This is the commitment of the entire staff management and staff of JAMPRO.

PUBLIC RELATIONS DIVISION
OCTOBER 29, 1993

