



JAMPRO

JAMAICA PROMOTIONS CORPORATION

ANNUAL REPORT 1994-1995

Executive Summary

INTRODUCTION

JAMPRO continued to contribute to Jamaica's development in the year 1994/95 notwithstanding an apparent upsurge in crime and violence, negative international media coverage especially of crimes committed against tourists, challenges presented by NAFTA and other developments in the global arena.

During the year, JAMPRO's President and two Vice-Presidents resigned and JAMPRO underwent a restructuring exercise which is not yet completed. Consequent on the resignation of Mrs. I.V. Brown, President of JAMPRO, Mr. Lucien Rattray assumed duties as interim President with effect from July 4, 1994.

JAMPRO played an integral role in the formulation of the National Industrial Policy.

Of the 185 projects which JAMPRO projected for implementation for 1994 - 1995 with Capital Investment (CI) of J\$775M (US\$7.5M) and employment creation of 4,067, 117 projects were implemented with actual CI of J\$606.857M and actual employment of 1,562.

SERVICE INDUSTRIES DIVISION

The Service Industries Division implemented five (5) projects of a projected twelve (12) in the combined Tourism and Information Services Unit resulting in 41.6% of target met. Projects implemented represent a total C.I. of J\$270.412M and employment of 87 persons. The number of projects implemented decreased by 44.4% over the last fiscal year, however, reflecting an increase in C.I. with a decrease in employment. The Film Unit implemented 107 projects of a projected 120, thus achieving 89.1% of target. Film expenditure totalled \$62.7M and employment registered 783 persons. These fell in the categories of music videos, commercials, still shoots and documentaries. Implementation in Film rose 3.8% over last fiscal year.

The most significant occurrence for the sector was the announcement by the Prime Minister that single entity freezones would finally become a reality.

Film

During the period under review, the Jamaica Film and Entertainment Office was mandated to expand its portfolio to include the broad spectrum of entertainment industries. Jamaican culture, the local reggae music and the island's entertainment industry are garnering much interest internationally. The popularity of the dancehall genre of music has captured the attention of filmmakers who have developed film

projects with dancehall themes. Scripts were developed for three (3) features with a dancehall soundtrack but only one project "Klash" by Kingston Pictures has so far been made into a movie. Klash was produced locally with local investment capital of J\$51M.

The feature "The Legends of the Fall" segments of which were filmed in Jamaica, received critical acclaim and was awarded an Oscar for best cinematography.

INTERNATIONAL TRADE DIVISION

The Minister of Industry, Tourism and Commerce convened a high level meeting of Government officials and private sector representatives with the President of Hanes Knitwear Division. This was to review the recent ganja find in the U.S.A. in an export shipment of t-shirts from a Hanes sub-contractor, Jacon Industries.

An analysis of apparel exports certified by JAMPRO revealed that exports from the Customs Territory had a shortfall of US\$53 million for January to April 1994.

Total collection in Kingston, Montego Bay and Mandeville amounted to J\$32,384,327, achieving 112% of target, and representing an increase of J\$6,390,310 or 25% over FY 1993/94's total of J\$25,994,017 (105% of target).

In providing exporter registration services in Kingston and Montego Bay, revenues amounted to J\$879,385, achieving 108% of target, and representing a decrease of J\$93,722 (10%) over the total of J\$973,107 (125% of target) for FY 1993/94.

GENERAL AGRICULTURE

The Division achieved its target in terms of number of projects implemented. Fifteen (15) projects with projected capital investment of J\$105.532M were assisted into implementation. Together they have the potential to provide employment for 381 persons. Projects involving the production of papaya accounted for 46.7% of the projects implemented. This is an indication of the continuing interest in this crop and the effectiveness of the service JAMPRO offers.

The Papaya Industry Seminar was no doubt the highlight of the year. It was the result of a collaborative effort between the JADF, the Interamerican Institute for Cooperation on Agriculture, the JEA, the Jamaica Papaya Growers Association and JAMPRO. The three-day seminar featured technical presentations on pests, diseases and their control among other things. This seminar was held at a time when the industry was experiencing the throes of the deadly papaya ringspot disease. Approximately 300 acres of Papayas were destroyed as a result of the disease.

The general feeling among papaya growers at this time is that the anxiety caused by the outbreak of the Papaya Ringspot Disease (PRV) in 1994 has been relieved.

CANEXPORT

The CANEXPORT project which commenced on August 1992 officially ended on March 31, 1995 and has achieved all targets as set out in the Workplan. The project is geared towards the development of sustainable exports of non-traditional agricultural products to the Canadian market. It has been hailed as the "Flagship" project by JAMPRO due to its many successes with the Private Sector and the sustained increases in exports to Canada since its inception. From 1992-1994, Jamaican exports to Canada in the three categories of products included in the project, have had an accumulative total increase of almost Cdn \$4M.

As such, the project was recently granted a three month extension pending final approval of a two year extension by CIDA.

MANAGEMENT INFORMATION SYSTEMS

It is now possible for the overseas offices and indeed the entire public to access information on JAMPRO Information System by use of a telephone line, and a computer properly equipped. The levels of details given is restricted by the access code.

PRODUCTIVITY CENTRE

The year has seen the Department exceeding many of its expectations especially against the background of the ongoing process of the restructuring of the Corporation.

The launching of the **Three D** publication was a milestone which took months in the making. It is expected to be the mouthpiece and bridge between designers and manufacturers. This was a serious gap that needed mending. Interest has been significant and preparations are far advanced for the second edition. An aggressive marketing programme is being devised to make the journal a profitable venture in the medium-term.

Pret-a-Porter Feminin and IGEDO Womenswear

Following on two successful consecutive appearances of African and Indian Ocean designers at the Pret-a-Porter Feminin and IGEDO Womenswear summer shows in Paris and Dusseldorf respectively, the European Union, sponsors of the participation invited Caribbean designers to attend in 1994.

The response to the Jamaican collection was extremely positive and led to the designers receiving preliminary orders valued at approximately US\$70,000.

TEXTILE & SEWN PRODUCTS DIVISION

Nine (9) new companies started operations and contributed to the growth in employment. The industry provided employment for some 28,000 persons registering an increase of 8.5% over the 1993 employment figure of 35,000.

There are eighty (80) registered exporters of apparel. Exports of these products for the period January to December 1994 totalled approximately US\$505M representing an increase of 12% over the preceding year's figure of US\$450.73M. The United States market accounted for approximately 89.9% (US\$454M) of total exports.

The main products exported to the United States include men's shirts, underwear, t-shirts, gloves and hosiery.

There was an increase in the incidence of ganja finds in apparel shipments and the Division organized two (2) seminars on export security.

The Division implemented nine (9) projects with total capital investment of J\$142.05M and these created employment for 776 persons. The Division has provided assistance to eight (8) additional projects which are expected to provide employment for 2,411 persons. Capital investment has been estimated at J\$261.863M.

RESEARCH & DEVELOPMENT

The National Industrial Policy was tabled in Parliament in May 1994. Several decisions were taken and JAMPRO named as the implementing agency.

Work done by JAMPRO on this important national issue included the organizing a series of fora across the island. These fora were officially launched on August 16, 1994 by the Honourable Prime Minister, ending in January 1995.

ENTREPRENEURIAL CENTRE

In 1994 the Entrepreneurial Centre continued its efforts in providing customized non-credit technical support for the micro and small business sector.

These services were continued in earnest as officers sought to assist clients with preparation for self employment. The chief needs expressed were for business counselling and project plan preparation to access financing.

Faced with limited funds available through credit institutions and the stringent collateral requirements, some clients were encouraged to finance their business from other sources. These included equity; loans from family members and reduction in the scale of the business.

The Centre has been assisting the Special Advisor to the Honourable Minister with developing a programme to streamline the activities of the micro and small business sector.

MONTEGO BAY OFFICE

This sector has been a very active one, primarily in the export crop area. Clients were very interested in scotch bonnet peppers and dasheen. By way of permanent crops, the coffee expansion programme has been doing well, so too, was the interest in citrus as a result of the Jamaica Orange Company's project in Montpelier. It was viewed that with the envisaged magnitude of the citrus company's operation, market for citrus fruits will be guaranteed.

OVERSEAS OFFICES

JAMPRO's overseas offices provided the links for the Jamaican private sector overseas and thereby facilitated contacts between the local private sector and overseas businesses.

TORONTO OFFICE

For the year 1994 - 1995, JAMPRO's Toronto Office carried out its work programme in a country where the government made efforts to pull the economy out of a recession which had prevailed for almost three (3) years.

The Toronto Office assisted a number of companies in staging promotions in the Canadian market. These companies included J. Wray & Nephew and Busha Browne.

This Trade Commission worked with Air Canada Cargo, Canada Customs Interdiction and Registration Division at Headquarters to resolve problems relating to marijuana seizures in Jamaican export shipments.

The data have revealed that exports to Canada increased overall by 16.5% moving from C\$181,586,000 to C\$211,499,000. Non-traditional exports to Canada performed creditably, despite the effects of the protracted recession. Those exports grew from C\$33,315,000 to C\$36,854,000 - an increase of 10.6%.

The office delivered twenty (20) projects rather than the seventeen (17) projected.

TRINIDAD/CARICOM OFFICE

Jamaica's export trade with CARICOM countries for 1994 ended with a decline in of 3.14% over the end of year figure for 1993. According to preliminary figures the less than 1% decline in exports to CARICOM as shown at the end of 1993 coupled with the upturn in the latter part of 1994 was not sustained, resulting in a situation where

total exports fell from US\$59.8 million in 1993 to US\$58 million in 1994. Despite the overall decline however, significant growth was recorded in the categories Manufactured Goods and Miscellaneous Manufacturing. Exports under the category Manufactured Goods totalled US\$13.2 million up from US\$10.8 million for 1993, an increase of 22.5%. Similarly, the category Miscellaneous Manufacturing totalled US\$9.3 million up from US\$6.8 million.

With regards to Jamaica's imports from CARICOM this grew considerably resulting in the trade gap increasing from US\$4.5 million in 1991 to US\$83.3 million in 1994.

LONDON OFFICE

The promotions undertaken by staff resulted in very limited success in attracting new and/or increased investment but proved far more encouraging in the area of new markets for Jamaican produce.

The area of trade highlighted some new and additional products for which markets were available but which, unfortunately, due either to uncompetitive pricing or insufficient production, Jamaica was unable to take advantage of. Some of these products included banana puree, West Indian limes, avocados, mangoes and papayas.

There continues to be a negative image in the marketplace of Jamaica as an island with great problems caused by drugs and drug-related crimes. Although this image has not affected our trading relationships, it certainly indicates the reluctance of many companies/persons to invest in Jamaica at this time.

CONCLUSION

The year under review saw JAMPRO undergoing a restructuring exercise which is still ongoing. JAMPRO also embarked on a cost recovery programme which had limited success. Over time, JAMPRO is planning to become less dependent on Government in the funding of its budget. JAMPRO is endeavouring to improve its services in order to make them more valuable to its clients and to cause them to be more willing to pay for them.

The problem of crime appears to have had a significant and a negative effect on investments in Jamaica and will have to be dealt with.

As the global economy changes JAMPRO recognises that it too will have to change in order to provide optimal service to the investor.

ANNUAL REPORT 1994-1995

INTRODUCTION

- ❖ JAMPRO continued to contribute to Jamaica's development in the year 1994/95 notwithstanding an apparent upsurge in crime and violence, negative international media coverage especially of crimes committed against tourists, limited financial resources, limited staff and challenges presented by NAFTA and other developments in the global arena.
- ❖ During the year, JAMPRO's President and two Vice-presidents resigned and JAMPRO underwent a restructuring exercise which is not yet completed.
- ❖ JAMPRO played an integral role in the formulation of the National Industrial Policy.
- ❖ Of the 185 projects which JAMPRO projected for implementation for 1994 - 1995 with Capital Investment (CI) of J\$775M (US\$7.5M) and employment creation of 4,067 only 117 projects were implemented with actual CI of J\$606.857M and actual employment of 1,562. Kindly refer to table attached at Appendix 1.

ADMINISTRATION DIVISION

General Administration

New President

Consequent on the resignation of Mrs. I. V. Brown, President of JAMPRO, Mr. Lucien Rattray assumed duties as interim President with effect from July 4, 1994.

New Minister

In January, Dr. The Hon. Paul Robertson, Minister of Industry, Investment & Commerce assumed office as JAMPRO's new Minister. He succeeded the Hon. Carlyle Dunkley.

Restructuring of JAMPRO

At a general staff meeting held on January 9, 1995, the President informed staff of the restructuring of the Organization. The consulting firm commissioned to undertake the restructuring exercise was Management Options Limited.

Cost Recovery Programme

Over \$147,000 was collected under the Cost recovery Programme. This amount was realized from the sale of surplus office furniture, rental of office equipment, exhibition booths, among other things.

Lease Agreements

The office complex at Winchester Road and Rekadom Avenue was leased to four government departments. These lease agreements were terminated on December 31, 1994. Rental income for the period was \$1,501,494. Leases were renewed on a monthly tenancy arrangement at the beginning of the fourth quarter and included a 20% increase. Total rental income for the last quarter amounted to \$321,403.

Human Resource Development

Staff Matters

Twenty-two persons were employed and there were thirty-five resignations during the period.

At the senior management level, the President, two Vice-Presidents and three Group Directors resigned.

Mr. Ottmar Wilson, Manager - Port Authority of Jamaica, was seconded to JAMPRO for three months as Internal Auditor.

Staff Rotation

Miss Pauline Simmonds, former Director of the Montego Bay Office was transferred to the Jamaica High Commission in London. Mrs. Novelette Byfield was transferred to the Miami Office and Mrs. Suzanne Thomas of the Miami Office was relocated to the Head Office.

SERVICE INDUSTRIES DIVISION

Performance vs Targets

The Service Industries Division implemented five (5) projects of a projected twelve (12) in the combined Tourism and Information Services Unit resulting in 41.6% of target met. Projects implemented represent a total C.I. of J\$270.412M and employment of 87 persons. The number of projects implemented decreased by 44.4% over the last fiscal year, however, reflecting an increase in C.I. with a decrease in employment. The Film Unit implemented 107 projects of a projected 120, thus

achieving 89.1% of target. Film expenditure totalled \$62.7M and employment registered 783 persons. Implementation in Film rose 3.8% over last fiscal year.

Though the Information Services sector recorded no new project implementation, two previously implemented projects received assistance from the Unit in effecting their expansion. This reflected a total C.I. of \$8.2M and increased employment of 45.

The Division fared reasonably well in executing its mandate in light of the numerous constraints facing the three sectors. Major constraints included the following:-

- i) Jamaica's reputation for crime and violence in the overseas markets which impacted mainly in the areas of Tourism and Film.
- ii) The prevailing high interest rates which resulted in some tourism projects being put on hold.
- iii) The lack of Free Zone space in the Montego Bay and Fiscal Services Free Zones which impacted the Information Services sector.
- iv. The unavailability of proper ground transportation to facilitate workers impeded the realization of second and third shifts.

Tourism

The Tourism Unit maintained a high level of activity throughout the year in terms of the servicing of a substantive portfolio including several major projects; the processing of a significant amount of enquiries; and the receipt of nine (9) project proposals. Investments in Tourism rose slightly (18%) over last year's figure. The enquiries indicated a trend towards the attractions subsector, however, the interest in hotel and villa development was maintained.

The Unit assisted the Target Europe Office in identifying six (6) projects requiring foreign equity capital. These projects to be marketed in Europe are valued at US\$130M.

In keeping with the Government's attempt to diversify the Tourism product by promoting investments in heritage tourism, the Unit began working withPragma Consultants on a major restoration project, viz Greater Kingston and Port Royal Project. Consequently, the Unit hosted a seminar on "Marketing Kingston as a City Destination" to invite investors support and create public awareness for the project. Every effort will be made to revive Kingston as a tourism destination with cruise ships returning to this port of call.

McDonald's opened its first restaurant in Jamaica, soon to be followed by nine (9) additional stores. A number of local suppliers offering a wide variety of goods and services have been negotiating with this international chain. The total C.I. is US\$10 - 12 million with the C.I. for the first store representing US\$1.8 million. Initial employment will be 100. The selection process for Jamaican managers has been completed. Eight (8) persons were selected and are currently being trained in Miami, Florida. They will service the first outlet of McDonald's in Montego Bay.

The Government granted a significant number of incentives to projects in the tourism sector. Eight (8) hotels were beneficiaries under the Hotel Incentives Act and 14 villas under the Resort Cottages Act. The Unit facilitated the implementation of the Coyaba Beach Resort in Montego Bay which received incentives.

The Tourism Unit in collaboration with the Policy Division of JAMPRO and the PLOJ undertook preparations for the formulations of the Industrial Policy as it relates to the sector. The sector paper has been presented in draft and industry personnel held discussions with a view to finalizing the document.

Jamaica's overall tourism arrival was poor with the island reporting 1.6M visitors, a minus 2 - 5% decline against 1993 arrivals of 1.7M. The decline in arrivals was mainly attributed to the rise in the level of crime and violence. Our local carrier, Air Jamaica was divested to the private sector with the Government holding minority shares. New routes are being examined to increase airlift capacity out of Europe and the U.S.A.

Despite the lack of incentives which have stifled new investments in this sector, there has been significant expansions in the export freezones resulting in an estimated 18% increase in employment. Companies which expanded their operations include United and Sherwood Data, Computer Sciences Corporation and MRS Limited in Montego Bay, International Information Processing Inc. and JAMERICAN Associates.

Mona Informatix, a local company formerly assisted by JAMPRO undertook a fact-finding mission to Europe and was awarded a contract by the Boeing Corporation of Seattle to digitize a number of their engineering drawings. The contract worth US\$727,272.73 has already resulted in the employment of four (4) additional persons.

The most significant occurrence for the sector was the announcement by the Prime Minister that single entity freezones would finally become a reality. The Unit actively and successfully lobbied the Port Authority and the Ministry of Industry, Investment and Commerce to expedite this facility in order to accommodate a potential investor who could not be accommodated in either the Montego Bay or Fiscal Services Free Zones. The C.I. for the ISADRA project is US\$3M and is expected to generate employment for 76 persons. A number of other firms in the sector have indicated their interest in this facility. The procedural framework is now being drafted by the

Port Authority assisted by JAMPRO and a special council is being established to manage these free standing zones. This facility will hopefully allow for a "levelling" of the playing field and revitalize this potentially high growth sector. A number of companies are now preparing the necessary documentation to access this benefit.

Formulation of a national policy on information technology within the framework of an overall Industrial Policy was another area of focus for the Unit throughout the year. Review for the sector Consultant has now taken place. A final document on which policy will be based is now being awaited.

Work continued on the proposed Information Technology Park at Naggo Head. This project was dogged with problems between the Port Authority and Factories Corporation of Jamaica over the transferral of documents pertinent to the development of the high-tech park. All documentation have now been forwarded to the Port Authority who are managing the project which is expected to be completed in the 1995/96 financial year. JAMPRO is monitoring the development of this project and is offering assistance as needed.

For the 1994/95 fiscal year the Jamaican Information Services export sector was again faced with the challenges of conducting business in a highly competitive international market. The need for an optimal mix of enabling policies and responsible private sector participation is becoming increasingly urgent. The pressure of competition for the low-end of the data capture/conversion market from countries such as the Philippines, Dominican Republic and Mexico indicates that Jamaica must find a niche in the "higher value-added" end of the market. This has implications for the formulation of the proposed Industrial Policy.

The wider issues of inadequate transportation, high utility costs and the lack of proper housing in the commercial centres of the island, also need to be urgently addressed.

Film

During the period under review, the Jamaica Film and Entertainment Office was mandated to expand its portfolio to include the broad spectrum of entertainment industries. The JAMPRO Film and Entertainment Office now facilitates the development and growth of the Film and Video Industry in Jamaica, as well as spearheads the promotion and development of entertainment packages for export and local consumption. Jamaican culture, the local reggae music and the island's entertainment industry are garnering much interest internationally. The popularity of the dancehall genre of music has captured the attention of filmmakers who have developed film projects with dancehall themes. Scripts were developed for three (3) features with a dancehall soundtrack but only one project "Klash" by Kingston Pictures has so far been made into a movie.

"Klash" enjoyed international appeal and acclaim at the Sundance Film Festival in Utah. It was produced locally with local investment capital of J\$51M. The film is slated for international release this year.

Though a number of projects, mainly features, which should have gone into production last year did not materialize, there was still much investment activity in the Unit accounting for 107 implemented projects of a projected 120. These fell in the categories of music videos, commercials, still shoots and documentaries.

The Film Office has seen a great increase in the number of still shoot projects making Jamaica their film destination. Jamaica's scenic backgrounds have been chosen for several major catalogues and internationally famous designer lines such as "Victoria Secrets" and "Glamour".

Jamaica continues to enjoy immeasurable support at the Executive level at 20th Century Fox, Warner Brothers, Universal Studios and Columbia Pictures. However, the reputation of the island as a crime infested area has caused some concern among our supporters. The Office has to ensure maximum use of positive and sustaining testimonials from these industry personnel.

The feature "The Legends of the Fall" segments of which were filmed in Jamaica, received critical acclaim and was awarded an Oscar for best cinematography.

The Office continued to provide vital support for the local film industry in a number of areas. Three companies received Recognition Status during the period: Hawk's Nest Productions Limited, Cinecom Productions Limited and A + Video Limited. In addition, applications are being processed for three additional production companies. CVM Television assisted with the processing of incentives and the importation of equipment to facilitate the commencement of broadcasting.

Through the lobbying efforts of the Film Office, barriers relating to the importation of motor vehicles by Recognized Production Companies were removed. Meetings were held with the Attorney General's Office, the Customs Department, Ministry of Industry, Investment & Commerce, Ministry of Finance, Ministry of Transport and Water and the Chief Parliamentary Secretary Counsel's Office. The procedures for importation were streamlined and has now proven effective.

The Unit prepared and submitted recommendations for the development of the Film Industry to the Planning Institute of Jamaica, the agency responsible for preparing the Industrial Policy. These recommendations will now become part of Government's policy. Additionally, the Unit provided considerable support for the research activities of the consultant assigned to studying the development and trends of the Jamaican music industry for purposes of the Industrial Policy. The office continues to provide advice and resource material in developing the study.

INTERNATIONAL TRADE DIVISION

Trade Developments

Canada/Jamaica Bilateral Textile Agreement: The governments of Canada and Jamaica signed a bilateral textile agreement on April 22, 1994 in Ottawa, Canada after four (4) rounds of consultations extending over eleven months. The agreement is for two (2) years, 1994-1995 and covers the export restraint of one (1) product category, underwear. The 1994 quota is 4.5 million units with a sub-limit of 3.8 million units for women and girls' underwear, which Canada considers particularly sensitive for its market.

The agreed date for implementation of this arrangement was set at May 16, 1994. To meet this deadline, the necessary administrative arrangements had to be put in place, such as, advertisements in the newspapers, notifying exporters about the arrangements, and exchanging information with the Canadian authorities on the required documentation. In this regard also, a presentation on the arrangement was specifically held in Montego Bay since textile and manufacturers from this area were those affected.

CACTAC Meeting in Kingston: The Central America and Caribbean Textile and Apparel Council (CACTAC) held its annual meeting in Kingston, June 17, 1994. Representatives came from Costa Rica (2), Dominican Republic (3), El Salvador (1), Honduras (1), Panama (1). This meeting focussed on the following issues:

- CBI/NAFTA Parity for 807A products
- GATT Uruguay Round Update
- International Textiles and Clothing Bureau's (ITCB) Meeting in Peru
- Security Issues Relating to Narcotics, Circumvention and Collaboration with Shipping Interests
- Election of Officers

ITCB Meeting in Peru: The ITCB held its 19th Council meeting in Arequipa, Peru, June 27 - July 1, 1994. This meeting had been scheduled to be held in Jamaica in 1992, but had been postponed because Jamaica's position on the Uruguay Round negotiations differed from that of the influential member countries of the ITCB. Fifty-one (51) delegates from 17 member countries and 6 guest speakers attended the 19th Council meeting to discuss inter alia:

- Bilateral Negotiations with the European Union Consequent to its Enlargement;
- Tariff Reductions for the Textile Sector in the Uruguay Round Agreement.

GOJ Meeting with the President of Hanes: The Minister of Industry, Tourism and Commerce convened a high level meeting of Government officials and private sector representatives with the President of Hanes Knitwear Division. This was to review the recent ganja find in the U.S.A. in an export shipment of t-shirts from a Hanes subcontractor, Jacon Industries. Also in attendance were the Minister of National Security and Justice, Commissioner of Police, Chairman of the Port Authority of Jamaica. The President of Hanes advised that Jacon's operations would resume once the upgraded and expanded security measures prescribed by Hanes were implemented.

Export Statistics: An analysis of apparel exports certified by JAMPRO revealed that exports from the Customs Territory had a shortfall of US\$53 million for January to April 1994. This analysis was prompted by a JEA enquiry because the figures published by the Statistical Institute of Jamaica (STATIN) recorded a decline in non-traditional exports for the period when compared with the similar period of 1993. The shortfall contributed to a 10% increase in non-traditional exports, instead of a 10% decline. Working closely with STATIN, the problem was identified as the failure of a few exporters to submit the required Customs export forms within the given deadline after being allowed to make temporary export entries. In this regard, STATIN convened a meeting with officials of the Bank of Jamaica, Customs Department, Ministry of Finance, JEA and JAMPRO to resolve the problem and to streamline the timely collection of Customs documentation.

Garment Council Meeting: The 8th and 9th meetings of the Garment Council were convened by Minister Karl Samuda in July and September to discuss issues relating to:

- Police security at the Garmex Free Zone;
- Canada/Jamaica Bilateral Textile Agreement;
- Lobbying for CBI Parity and implications for NAFTA reciprocity, and the proposed new U.S. Rules of Origin for Apparel.

Quota Increase Requested: Up to the 29th week of the 1994 quota year, Jamaica had utilized 74% of its quota of 1,500,000 dozen in product category 338/339/638/639 (knitted shirts/blouses) under the Guaranteed Access Level. An urgent request of the U.S. Government was submitted on August 16 through the Jamaican embassy in Washington for an increase of 1,000,000 dozen. This was granted within 10 working days and came into effect September 8, 1994, by which time the quota utilization had reached over 90%.

Revenues: Total collection in Kingston, Montego Bay and Mandeville amounted to J\$32,384,327, achieving 112% of target, and representing an increase of J\$6,390,310 or 25% over FY 1993/94's total of J\$25,994,017 (105% of target).

Exporter Registration

Revenues: In providing exporter registration services in Kingston and Montego Bay, revenues amounted to J\$879,385, achieving 108% of target, and representing a decrease of J\$93,722 (10%) over the total of J\$973,107 (125% of target) for FY 1993/94.

Other activities for the period included:

888 exporters' applications were received for processing (252 new, 635 re-registering), achieving 135% of target as against 850 (118% of target) for FY 1993/94.

Origin Certification & Quota Management

Revenues: Revenues in Kingston, Montego Bay and Mandeville amounted to J\$31,504,942, achieving 112% of target, and representing an increase of J\$6,484,032 (26%) over the total of J\$25,020,910 (105% of target) for 1994.

GENERAL AGRICULTURE

Project Implementation

The Division achieved its target in terms of number of projects implemented. Fifteen (15) projects with projected capital investment of J\$105.532M were assisted into implementation. Together they have the potential to provide employment for 381 persons. Projects involving the production of papaya accounted for 46.7% of the projects implemented. This is an indication of the continuing interest in this crop and the effectiveness of the service JAMPRO offers. Of interest is the fact that six (6) (40%) of the papaya projects implemented represented expansions to projects which were already in operation.

Holland Farms (Trelawny) Limited - one of the earliest to become involved in commercial papaya production. The farm now has 80 acres in papaya and exports to Canada and the UK. Assistance is being provided under the CANEXPORT Project.

Rose Hill (Expansion) - The expansion of this project came about as a result of the downturn in the market for roses. Through the intervention of JAMPRO, the Company has diversified into the production of fresh culinary herbs (basil, sage, tarragon, chives). The products are now being exported to the USA and Canada. Capital investment will be J\$41 million and employment will be provided for 67 persons.

Valley Fruit Company (Expansion) - The expansion phase will see the establishment of 148 acres of papaya to make a total of 200 acres in this crop. The company is one of the major producers of papaya exports to USA, Canada and Europe. Capital investment is projected to be J\$20.72M at full implementation and 70 persons will be employed.

YS Papaya Project (Expansion) - This company is another of the major producers of papaya. Their expansion will involve establishment of an additional 110 acres, thus bringing the total to 150 acres. Capital investment will be J\$13.2M.

Local Promotional Events

The Division continued to play what has become a pivotal role in providing investors and exporters with up-to-date information on trade and investment opportunities, market trends and new technologies. In this regard, JAMPRO teamed up with the Jamaican Society for Agricultural Sciences to host a seminar on the problems of **Scotch Bonnet Pepper** production in Jamaica. This was held in recognition of the growing importance of Scotch Bonnet Pepper both for export as a fresh product and also for processing into the increasingly popular hot pepper sauces.

The Papaya Industry Seminar was no doubt the highlight of the year. It was the result of a collaborative effort between the JADF, the Interamerican Institute for Cooperation on Agriculture, the JEA, the Jamaica Papaya Growers Association and JAMPRO. The three-day seminar featured technical presentations on pests, diseases and their control, genetics, breeding, post harvest handling, agro-processing, and a visit to one of the largest papaya farms. This seminar was held at a time when the industry was experiencing the throes of the deadly papaya ringspot disease.

Special Projects

National Papaya Production and Export Programme

At present there are approximately 930 acres of papaya growing in Jamaica. This is concentrated in seven (7) parishes; namely, St. Thomas, St. Catherine, St. Mary, St. Ann, Clarendon, St. Elizabeth and Trelawny. There are about 28 active farmers involved in this production.

In August 1994, quarantine officers at the Norman Manley Airport identified symptoms of the dreaded Ringspot disease on papaya destined for export. Subsequent investigation revealed that the disease was present in farms in St. Mary, St. Thomas, St. Catherine, Manchester and Clarendon. Growers immediately embarked on a programme of roguing affected plants on farms where the level of infection was relatively low and destruction of all trees where there was severe infection. Through

the intervention of several agencies - JADF, Ministry of Agriculture, RADA, JAMPRO, the disease was brought under control by mid October.

JAMPRO played an active role on the ringspot monitoring Committee which was convened to ensure that appropriate measures were employed to control the outbreak, minimize spread of the disease and prevent recurrence.

Approximately 300 acres of Papayas were destroyed as a result of the disease. Unfortunately, three of our new clients' farms (15 acres) had to be destroyed shortly after implementation and before bearing had commenced. One of these replanted papaya.

The general feeling among papaya growers at this time is that the anxiety caused by the outbreak of the Papaya Ringspot Disease (PRV) in 1994 has been relieved and there is great optimism pervading. This is apparently so because there has not been any recent reports of discovery of diseased plants.

The Jamaica Papaya Growers Association which was formed in the latter part of 1994 now meets bi-monthly and has undertaken a programme of activities aimed at addressing the major problems affecting the industry. The main areas being addressed are developing quality standards, reducing freight problems through close liaison with the airlines and instituting a research and development programme.

Denbigh Show

Under the theme "Farmers and Processors - together for prosperity", the Division mounted a booth in which exhibits of fresh fruits, vegetables, spices and processed foods were displayed to portray the theme. The wind-operated pump which was designed by NTEC attracted considerable attention.

Prospects for 1995/96

At the end of the 1994/95 reporting period, there are only five (5) agricultural projects in the pipeline. Of these, one company has been experiencing great difficulty in obtaining the lease document for the government-owned land on which the project is to be located. This has delayed implementation of the project and there is no indication as to when the matter will be resolved.

In view of the aforementioned, the Division will have to step up its proactive approach to promoting investment. In this regard therefore, plans are being developed for a local targeting programme, and in 1995/96 a number of local investors will be targeted and encouraged to invest in viable areas of agricultural development.

Having fostered the establishment of the Papaya Growers Association, JAMPRO will continue to provide support to the group in implementing its strategic plan for development of a sustainable Papaya Industry in Jamaica. The overall programme will address such issues as detection and containment of Ringspot, marketing strategies, development and implementation of standards and development of training and research programmes.

AGRIBUSINESS

Agribusiness development in Jamaica is currently at a cross-roads. The finalization of the Uruguay Round of the G.A.T.T., the establishment of the World Trade Organisation (WTO), N.A.F.T.A and the implications of these Agreements for the elimination of trade barriers (including Preferential Agreements) force us to reassess our programmes and strategies for the development of the agribusiness sector in Jamaica.

As far as the Agribusiness Division is concerned fiscal 1994/95 can be regarded as satisfactory in terms of performance against targets given the factors which adversely affected performance over the period.

Among these factors were:-

1. high interest rates;
2. outbreak of the papaya ringspot disease which resulted in the loss of some 300 acres of papaya; the outbreak also inhibited new investments that were projected;
3. problems associated with the acquisition of Government-owned lands; at least three new projects scheduled for implementation over the period are "on hold" pending finalization of lease agreements after protracted negotiations;
4. inability to supply and sustain market demands eg. papaya, on account of low levels of production;
5. increasing competition (price, quality) from other Caribbean countries, Latin America for a number of our products eg. yams, pumpkins.

New Investments - assisted the implementation of significant projects in papaya, culinary herbs, ornamental horticulture for export.

Prospects for 1995/96

The Work Plan for the Agribusiness Division for 1995/96 takes cognisance of the need to increase production significantly both for the fresh markets overseas as well as to increase the supply of local raw material for the food processing industry. As such, the Plan is production oriented and will inter alia, focus on the development of new market-driven areas of production through the fostering of pilot projects viz:-

- Sea Island Cotton
- culinary herbs
- ornamental fish
- non-traditional cut flowers
- carambola
- organic foods
- fruit purees (small scale)
- canned soups
- pre-cut chilled fruits

The Division will of course continue to promote new investments/expansion and increased exports for established products that have export market potential viz:-

- papaya
- coffee
- fresh water fish (Tilapia)
- floriculture (tropicals)
- selected ethnic products
- gourmet/specialty products
- tobacco/cigar

PROCESSED FOODS SECTOR

Two (2) new projects were implemented over the period, viz VAP Limited expansion with capital expenditure of J\$0.83M and the JABLUM Coffee expansion of capital investment J\$9.75M.

VAP Limited, manufacturers of syrups, beverages and port wine, has installed new equipment designed to improve their productivity.

JABLUM is a processor of Blue Mountain Coffee from pulp to roast. This investment was towards the purchase of additional roasting equipment.

Agro Industry Symposium

The Agro Industry Division through the UNDP/UNIDO/GOJ Processed Food Project and in collaboration with the Management Studies Department of the University of the West Indies convened on Agro Industry Symposium as the main exercise in an end-of-project (three years) review.

It combined the efforts of the public and private sectors in looking at strategies for the twenty-first century. The symposium reviewed the present situation in the industry including the current market conditions.

Resulting from this Symposium which was attended by fifty-one (51) persons from the private and public sectors, the following was decided on as part of the action plan for the extension of the project:

1. commissioning of a regional study on packaging to determine an appropriate strategy for addressing the problem locally;
2. collaboration between food processors and RADA to exchange information on:-
 - raw material needs of processors; and
 - availability of raw material from farmers.

Thermal Processing in the Food Industry Course

The Thermal Processing in the Food Industry Course held in collaboration with the University of the West Indies and the Bureau of Standards was successfully completed. Twenty-six (26) persons from companies participated in the course which was held at the University of the West Indies from January 9 - 13, 1995.

Professor Robert Wiley of the University of Maryland was the UNIDO Consultant to the project, and he worked closely with Professor Ken Magnus and Dr. Donna Minott of U.W.I. Chemistry Department in supervising the course. Dr. Frank McKeith, Assistant to the Director of International Affairs Centre for Food Safety and Applied Nutrition, Food and Drug Administration, USA, was also in attendance. He presented two lectures on the food and drug regulations pertaining to low acid canned food and acidified low acid canned food.

This particular course was favourably rated by the FDA and students will receive University of Maryland Certificates. This certification fulfills FDA and local requirement that plants processing low acid canned foods and acidified low acid canned foods are supervised by someone with training in thermal processing and retort operation.

Market Development

Two companies being assisted by the Target Europe Project and the CANEXPORT Project have been able to break into the mainstream markets in the U.K. and Canada.

Target Europe

One (1) company was signed on to the Target Europe programme this year bringing the total to ten (10). Companies have been assisted with matching funds totalling 5,308.07 ECUs for the year to assist with advertising, attendance and participation in trade shows and for preparation of promotional material.

Two companies are now supplying the multiples in the U.K. with sauces and processed fresh water fish as a result of Target Europe assistance.

Overseas Shows/Exhibitions

In New York at the Fancy Food Show, there was the usual breakfast meeting with brokers, distributors and potential buyers where each exhibitor had an opportunity to make a brief presentation on their products and company. JAMPRO's Chairman and Jamaica's Consul General for New York visited the Pavilion and met exhibitors.

The response at the SIAL show indicates that there is increasing interest in exotic foods, including jerk seasoning. One company exhibiting coffee at the show tied up distribution contracts with companies in France, Spain and the U.K.

Prospects for 1995

The new year will see greater activity at company level in attacking the problems of packaging and quality.

There are only five projects presently in the pipeline, including a multi-million dollar fruit puree (mango, papaya) project. Emphasis will be placed on developing opportunity profiles for the sector.

CANEXPORT

The CANEXPORT project which commenced on August 1992 officially ended on March 31, 1995 and has achieved all targets as set out in the Workplan. The project is geared towards the development of sustainable exports of non-traditional agricultural products to the Canadian market. It has been hailed as the "Flagship" project by JAMPRO due to its many successes with the Private Sector and the sustained increases in exports to Canada since its inception. From 1992-1994,

Jamaican exports to Canada in the three categories of products included in the project, have had an accumulative total increase of almost Cdn \$4M.

As such, the project was recently granted a three month extension pending final approval of a two year extension by CIDA.

Programmes Pursued

A physical location for the Information Centre (IC) was established and reinforced with staff to deal with the public. The IC is incorporated into the Documentation Centre.

A comprehensive plan was produced to be used as a guide for JAMPRO in planning and implementing information systems.

Government Ministry/Agencies Liaison:

Collaborated with the JEA on tracking companies and financing their Export Manual.

Technical Assistance (TA)

TA included:-

1. Export market planning, business planning and operational reviews were completed with exporters.
2. Company visits completed in the areas of product development and export marketing.
3. Eight inward missions for overseas buyers to be exposed to many aspects of the local industry and to meet local players.
4. Assistance to companies in the development of small business accounting systems with the support of local cost/management accountant and accounting software distributor.
5. An extensive farm-based training programme on the safe handling of pesticides and other biocides was completed at the sites of core fresh produce/floriculture companies. The seminar was held to meet CIDA guidelines on environmental issues. A manual on the Safe Handling of Biocides was also prepared.

Canadian Market Development

Promotion Materials

The Busha Browne cookbook was translated in preparation for promotions in Montreal with the company's distributor.

Instore demonstrations and promotions were held for selected Jamaican products in Canada.

MANAGEMENT INFORMATION SYSTEMS

The achievements of the Management Information Systems Division must be accessed against the resources that were available to it, both human and financial, and the environment in which it operated.

By far, the most important objective that was set for the Division was the completion of the Integrated Information Systems. As it was progressed throughout the year however, it was presented with other important events such as the opportunity to be part of the Information Highway which it spent some energy in laying the foundation to take advantage of.

Some very important technological milestones were met in the information industry, where the Division saw very vast machines becoming common place, and in many cases affordable.

Important Installations

Over thirty (30) new workstations were installed at a cost of approximately \$1 million (JA). The main unit in the export certification and quota management unit was upgraded. The Division was unable to upgrade the main units at the head office as planned, or to improve the network cabling systems so as to significantly improve throughput. It has again budgetted for this upgrade in the 1995/96 year.

The Information Centre

The new structure of JAMPRO calls for a separation of the information technology facilitation process [the computer department from the information packaging process [the Information Center]. However, there will remain an important link between them.

During the year four computer systems were installed in the Center to facilitate the process.

Integrated Information Systems

The successful implementation of this system continues to be difficult.

The tools being used by the Division, though powerful are very expensive in every respect. The Division was not able to train its staff adequately to maximize their abilities, due to the tremendous costs involved. As such, it continues to move slowly. Its only hope is to attract some external funding [external to the budget] so that it will be able employ some short term contractors to assist. During the period, this was done to some extent, but a lot more is needed. The Division believes that it can package and present its proposal for completion, in such a way that the project will be properly funded and otherwise resourced during 1995/96.

Other Systems Development

Registry System

A computerized indexing system was developed for the registry which will enable easy location of files, and therefore greater efficiency. It is JAMPRO's intention to make the index available to all users on the computer network. Gradually JAMPRO will enhance the system by including the entire content of the files on line taking into consideration the security that is required.

Motor Vehicle Expenditure Tracking System

System Maintenance

A major achievement this period was the integration of our office system running on the Novell Operating System, with the Informix Database System running on Unix. The significance of this integration is that all the workstations now being used for everyday spreadsheets or Wordprocessing can also be used to access our database of profiles such as country, product, market among other things, running on a completely separate platform.

Access to Information

It is now possible for the overseas offices and indeed the entire public to access information on JAMPRO Information System by use of a telephone line, and a computer properly equipped. The levels of details given is restricted by the access code. This is possible through the establishment of our Electronic Bulletin Board, now fully functional.

PRODUCTIVITY CENTRE

The year has seen the Department exceeding many of its expectations especially against the background of the ongoing process of the restructuring of the Corporation.

A group of small manufacturers in Black River which were brought together through the efforts of the Unit is another key example of how collaboration can be beneficial for all concerned.

In the spirit of continuous improvement, the Unit agreed that the Diagnostic phase in assisting the client was critical and that there were areas for improvement. Through the UNDP/UNIDO project, Management Options Limited, a consulting firm, was contracted to train JAMPRO staff generally and to develop a manual which would not only be for reference but also as training material for new recruits. It is still in a testing phase, but to date has had very few hitches.

The launching of the **Three D** publication was a milestone which took months in the making. It is expected to be the mouthpiece and bridge between designers and manufacturers. This was a serious gap that needed mending. Interest has been significant and preparations are far advanced for the second edition.

DIAGNOSTIC & PRODUCTIVITY INCENTIVES UNIT

The operating year 1994/95 saw a significant contribution from the Diagnostic and Productivity Incentives Unit. A major function of the Unit is the administration of the Modernization of Industry Programme (MOI), which has an ultimate purpose of assisting Jamaican manufacturers to improve their production cost efficiency and competitiveness in the market place.

The Unit has conducted a number of audits of companies' operations to determine strengths and weaknesses of these entities and to guide the various programmes of assistance to these entities.

Performance Analysis

New Entrants Response to MOI Programme

Over the period under review, a total of forty-three (43) new companies with a projected equipment value of Three Hundred and Eighty-One Million Six Hundred and Sixty-two Thousand Two Hundred and Three Dollars (\$381,662,203) accessed the Programme for MOI benefits.

Overall Commentary on Programmes

Factory Visits

The Diagnostic and Productivity Incentives Team is in direct contact with companies that are clients of the Modernization of Industry Programme, as well as companies seeking assistance and certification under the Programme.

Visits were carried out with the purpose of assessing companies operations/systems, looking at plant layout, productive effectiveness, monitoring performance against stated projected targets or working clarification on submitted data.

Report/Productivity Incentives Schemes/Productivity Programme/Accelerated Depreciation Programme

Productivity Incentives Schemes

Productivity Incentives Schemes were received from the bauxite, banana and manufacturing companies requesting Government Tax exemption under Government Productivity Incentives Programme.

These schemes were analyzed to determine if they have met critical requirements for approval. Those meeting the requirements were referred to the Ministry of Finance for the final approval.

Resource and Development Centres

Two (2) Centres are at different stages of being established to meet the needs specific to the groups of manufacturers which will become their clientele:

- a. Black River Vocation Training Centre
H.E.A.R.T./N.T.A. - To provide services to the Black River Group including:-
 - Selling of machine time
 - Secretarial/Administrative Services
 - Hosting workshops presented for the group
 - Provide and sell services of a solar kiln (to be set up)
- b. McIntosh Furniture Company Centre - To provide services to a select satellite group including:
 - Design Engineering
 - Raw Material Purchasing
 - Hosting of training programmes, etc.

Promotion of Networking Activities

The Wood Cottage - Black River

Various forms of assistance have been afforded to a group of small furniture and wooden products manufacturers in the Black River area through the UNDP/UNIDO Programme mentioned earlier, of which they are a special project, and the Productivity Centre. Activities include:-

- Workshops on the benefits of networking and collaboration.
- Workshop in costing methods, basic construction techniques, product development/engineering principles.
- Participation in EXPO central, to provide some exposure.
- Guiding plans to establish the group as a Legal entity, perhaps a co-operative or an association.
- Providing links with other multilateral agencies who have become interested to provide various forms of assistance e.g. CESO.

DESIGN SERVICES UNIT

The year was disappointing in respect of revenue generation. A mere thirty-one per cent (31.25%) of the projected \$200,000 in revenue anticipated from the presentation of seminars was realized. However this sum (\$62,500) was collected from a single event - DESIGN 2000. (Due to the several initiatives undertaken in the period and the time-consuming planning which accompanied them, seminar presentations were given less priority). However, earnings were achieved from other sources - \$39,500 was collected from participating exhibitors in the Design Booth at EXPO '94.

The coming year however hold promise for stepping up revenue-generating activities. "Three D" which was launched at the end of the period has already received reasonable support by way of subscriptions and advertising. An aggressive marketing programme is being devised to make the journal a profitable venture in the medium-term.

Sector Development Programmes - Highlights

Pret-a-Porter Feminin and IGEDO Womenswear

Following on two successful consecutive appearances of African and Indian Ocean designers at the Pret-a-Porter Feminin and IGEDO Womenswear summer shows in

Paris and Dusseldorf respectively, the European Union, sponsors of the participation invited Caribbean designers to attend in 1994.

Despite a compressed lead time of under four (4) months, six (6) designers produced collections for the summer '95 season for presentation at the shows. The following were achieved in record time:-

- The identification of the theme "Cool Runnings Jamaica" and the creation of six (6) colour stores depicting the Jamaican culture and environment - Banana Trash, Sugar and Spice, Blue Mountain Mist, Jamaica Great River, I & I and Tease Me...Tease Me.
- The design and production of a 24-piece collection guided by the colour stories.
- A local pre-show fashion presentation to members of the apparel sector in July.
- The production of a 17-minute promotional fashion video.
- The design of the booth and the creation/production of all decorative features; the co-ordination of still photo shoots to produce poster-size photos for the booth.
- The preparation of product cards, presentation portfolios, price lists etc.

The support of the Target Europe Programme was integral to the success of this endeavour.

The response to the Jamaican collection was extremely positive and led to the designers receiving preliminary orders valued at approximately US\$70,000. Lessons from this exposure include:-

- the necessity for an early introduction of the collection to buyers in the marketplace as by the end of August purchasing budgets have been exhausted. Buyers will need information on the collection one year before the actual season i.e. in: June/July 1995 for the summer 1996 season;
- an agent/importer for the Jamaican collection is needed in the marketplace to be the contact point for boutiques, department stores;
- smaller more exclusive retailers need to be targeted to support the smaller volume production and slightly higher prices of the designer collections;
- a publicity programme is required as a lead up to the shows and could incorporate in-store promotions of the line and other Jamaican products.

These and other findings will guide the planning for the 1995 participation.

Three D

The long-planned for design journal became a reality at the start of 1995. After several months of meetings with the designer to iron out the concept, followed by the participation and collection of articles and visuals, the first issue was printed in February. "Three D", as the journal has been named, is intended to be an interactive tool for industrialists, designers, educators and policy-makers encouraging the closer integration of these groups through the provision of specialized information. The publication seeks to present international trends in design, case studies (local and foreign) illustrating the successful use of design, Jamaican designers and their work, the viewpoints of experts and readers concerning design, news about international regulations, conferences, trade fairs, etc. and information on resources (services & products) available locally. The first issue which had as its central theme "networking" was launched on March 15 at a reception for designers, manufacturers, educators and policymakers aimed at stimulating dialogue between these groups.

Those who attended expressed strong support for the initiative and indicated interest in future opportunities to meet for dialogue. The second issue is proposed to be introduced within the context of a DESIGN WEEK which will consist of workshops/presentations and an exhibition.

PROJECT DEVELOPMENT UNIT

Investment Opportunities

Developed ten (10) opportunity profiles in tourism and agriculture, eight (8) of which were contracted to external consultants.

Prepared eight (8) cost models for the Services Sector.

Prepared two (2) concept papers for the use of the Ariguanabo Company of Jamaica Ltd. and the Bellevue Lands.

Appraisal of Business Plans and Project Proposals

Nine (9) tourism business plans for the Target Europe Programme and nine (9) new project proposals for the Services, Manufacturing, Agriculture and Financial Sectors were appraised.

Investment Promotion

Identified Joint Venture opportunities and distributed executive summaries to ten (10) promotional entities.

Two (2) Investment Fora were convened by the Unit; the first targeted the financial sector and was staged in Kingston at our Head Office, while the second was staged in Mandeville and targeted Manufacturers.

Other promotional activities included the identification of Joint Venture Partners for locally sponsored projects and our collaboration with the National Investment Bank of Jamaica (NIBJ) in the packaging and promotion of entities up for divestment.

The Unit was also invited to participate in the St. Elizabeth Home-Coming Investment Fora.

Incentives

Thirty-eight (38) applications for incentives were processed. Of this amount twenty-four (24) were from the services sector and fourteen (14) from the manufacturing sector.

Investment Policy

A policy paper on incentives for the Mineral Industry was prepared and submitted to the Industrial Policy Secretariat, Planning Institute of Jamaica and the Ministry of Industry, Investment and Commerce for review.

Also, in response to a request from the Office of the Prime Minister (OPM) the policy paper to address the local manufacturing/assembling of motor vehicles was prepared. A decision is still pending.

Investment Opportunities

Concept Papers

Bellevue Lands - This paper proposes the use of 100 acres of Bellevue Lands owned by the Urban Development Corporation as a fully integrated Industrial park with an appropriate mix of factory space, staff housing, banking, health and recreational facilities.

Ariguanabo Company of Jamaica Ltd. - This examines the possible uses of the Plant which is being divested. Options being explored are:

- a total vertically integrated operation for processing lint cotton into woven fabric.
 - an industrial park for light assembly.
- All operating within a Special Economic Zone.

Investment Promotion

Distribution of Executive Summaries

During the period under review, Executive Summaries of Investment Opportunities including Joint Ventures have been disseminated to ten entities for promotion.

- Canadian Caribbean Business Corporation (CCBCO), a project of the Canadian Exporters' Association which has established a working relationship with JAMPRO for the promotion of business linkages between Jamaican and Canadian companies.
- Greencalm International Company Ltd., Seoul, Korea, a company interested in investment and trading with Jamaica.
- Adgrow Business Consultants, Singapore.
- Taipei International Fair, a trade, investment and tourism fair held in Taiwan.
- Denbigh Agricultural Show.
- Miami Conference
- Four (4) of JAMPRO's overseas offices.

Investment Fora

As an additional promotional strategy, the Unit decided to hold a series of investment fora. The objective of these meetings was to sensitize potential investors to investment opportunities identified and developed within JAMPRO.

At the first forum held in-house, ninety-eight (98) persons drawn predominantly from the banking sector were invited. Attendance was good and several Project Profiles were bought by two Banks. Follow-up calls revealed that presentations were well received.

Incentives

During the period under review, a total of thirty-eight (38) companies were granted benefits under the following Incentive Acts:

INCENTIVES	NO. OF COMPANIES AWARDED	SECTOR
Export Industry Encouragement Act (EIEA)	9	Manufacturing
Hotel Incentives Act (HIA)	8	Tourism
Resort Cottages Act (RCA)	14	Tourism
Jamaica Export Free Zone Act (JEFFZ)	5	Manufacturing
Motion Picture Industry Encouragement Act (MPIEA)	2	Services
TOTAL	38	

TEXTILE & SEWN PRODUCTS DIVISION

Nine (9) new companies started operations and contributed to the growth in employment.

Employment

The industry provided employment for some 28,000 persons registering an increase of 8.5% over the 1993 employment figure of 35,000.

Export Earnings

There are eighty (80) registered exporters of apparel. Exports of these products for the period January to December 1994 totalled approximately US\$505M representing an increase of 12% over the preceding year's figure of US\$450.73M. The United States market accounted for approximately 89.9% (US\$454M) of total exports.

The main products exported to the United States include men's shirts, underwear, t-shirts, gloves and hosiery.

Constraints

Power Outage

As a result of an explosion to one of the generators at the Jamaica Public Service (JPS) in June 1994, there were several power outages which affected the industry. The Division undertook a survey of the affected areas. The purpose of this was to seek the cooperation of the JPS in minimizing the effect of the power outages on production.

Contamination of Export Shipments

There was an increase in the incidence of ganja finds in apparel shipments and the Division organized two (2) seminars on export security.

Factory Space

The availability of factory space is being considered as a constraint in view of the limited number of vacant factory spaces in the entire country especially in view of the fact that more companies are likely to set up operations based on the number and type of enquiries the Division has been receiving. During the reporting period, at least two (2) overseas companies indicated that they were unable to locate here because of the lack of factory space in the areas in which they were interested. Smaller enterprises are finding it increasingly difficult to locate affordable units.

Review of the Performance of the Textile and Sewn Products Div.

Investment Promotion

Project Implementation

The Division implemented nine (9) projects with total capital investment of J\$142.05M and these created employment for 776 persons.

Update on Pipeline Projects

The Division has provided assistance to eight (8) additional projects which are expected to provide employment for 2,411 persons. Capital investment has been estimated at J\$261.863M.

Itineraries

The Division conducted 13 trade itineraries, six of which resulted in the award of contracts to Jamaican manufacturers.

Contract Implementation

The Division recorded the implementation of eight (8) contracts valued at J\$54.70M.

Factory/Site Visits

Divisional staff made 142 factory/site visits. There were made to monitor companies and to introduce overseas companies to local companies.

INFORMATION DESK - RESEARCH & DEVELOPMENT DIVISION

In the Agribusiness Sector, information was requested mostly for cost production profiles on herbs and spices, ornamental horticulture, poultry rearing and fish and shrimp farming.

The Apparel Sector was the main interest for Manufacturing enquiries with some interest being shown in the manufacturing/assembling of electronic items. An interesting enquiry for a recycling plant which would be based at the Free Zone was also dealt with.

There was a significant decrease in the number of enquiries received for the Services Sector, however a lot of the enquiries received were from persons interested in the Finance and Banking Sector for investment options in stocks, bonds, securities, etc. There is insufficient information available on the investment procedures/guidelines in this area.

Overall, enquiries were mostly from persons seeking distributors, agents in Jamaica and those looking at Jamaica as a possible market for their product/service.

Export opportunities and market information including export procedures and documentation continue to be a major area of interest.

INDUSTRIAL POLICY

The National Industrial Policy was tabled in Parliament in May 1994. Several decisions were taken and JAMPRO named as the implementing agency.

As part of the development of this Policy, extensive research was done on the economic development plans of other countries such as Singapore. These reports guided preliminary discussions held on this issue.

Other work done by JAMPRO on this important national issue were as follows:-

1. Arising from the Cabinet Decision on the Industrial Policy and based also on requests received from private sector interests, a series of meetings were held to consider the issue of establishing special economic zones and Single Entity zones in Jamaica. Based on consultations with a number of agencies, a framework was developed for Single Entity Free zones and applications are now being received by JAMPRO. The concept of the Special Economic Zones is still under review.

2. Organizing a series of fora across the island with the exception of St. Mary and Hanover. Main purpose of the fora was to give as wide as possible exposure to the Green Paper on Industrial Policy, as well as to invite the comments of the business community and the general public in each parish.

These fora were officially launched on August 16, 1994 by the Honourable Prime Minister, ending in January 1995.

RESEARCH

CARICOM/Venezuela Trade Agreement

A survey on the CARICOM/Venezuela Agreement was conducted to determine the reasons for the private sector's unresponsiveness to the Agreement.

Market Prices

Provided selected exporters with wholesale market prices via the on-line facility provided by the CANEXPORT facility. These prices are sent to the exporters on a weekly basis. The facility provides a situation and outlook for the week for each product along with terminal market prices for Miami, New York, Toronto, Montreal, and New Covent Garden (England).

Reports

Completed several reports on trade between Jamaica and other countries to inform visiting delegations, internal staff, as well as to be used in the Market Bulletin.

Market Information Centre

The Market Information Centre was installed in the Documentation Centre during November. It provides among other things, a weekly downloading of two overseas databases - PRONET and Agriculture Canada. These are then repackaged and faxed via modem to fifty-eight (58) fresh produce exporters within Jamaica. Fresh produce

prices, information from the National Trade Data Bank which is on compact disc, are all available, as well as economic information on twenty-one (21) Latin American and Caribbean, seven (7) Eastern European, twelve (12) Middle Eastern and twelve (12) Asian countries using the Business Monitor International database out of London.

ENTREPRENEURIAL CENTRE

In 1994 the Entrepreneurial Centre continued its efforts in providing customized non-credit technical support for the micro and small business sector.

The programmes centred around stimulating entrepreneurship and providing support services to facilitate the establishment of new ventures and expansion of existing operations.

Business Advisory and Development Services

These services were continued in earnest as officers sought to assist clients with preparation for self employment. The chief needs expressed were for business counselling and project plan preparation to access financing.

Faced with limited funds available through credit institutions and the stringent collateral requirements, some clients were encouraged to finance their business from other sources. These included equity; loans from family members and reduction in the scale of the business.

Project implementation was below target, recording a 59% achievement. This is not necessarily a true account of assistance in the area, as in some cases, and in particular existing business operators, the developmental assistance given, though not resulting in implementation by the Centre, enabled operators to introduce new systems and strategies which contributed to better management of the business.

During the reporting period, the Port Antonio office remained inactive and the Morant Bay office recorded reduced activity during the last half of the year because of illness and reassignment of personnel.

As a result, the development assistance projected for the period was also below target.

The Mandeville Office has performed very well, operating as a 'JAMPRO' Office servicing the clients of central and western Jamaica.

The Centre's operations was undertaken by one officer in the Montego Bay Office who performed creditably in servicing the parishes of Trelawny, St. James and Hanover.

Assistance to the Streamlining Exercise Being Pursued by the Honourable Minister of Industry, Investment and Commerce

The Centre has been assisting the Special Advisor to the Honourable Minister with developing a programme to streamline the activities of the micro and small business sector.

The major target areas are:-

1. Co-ordination among Service Providers;
2. Training;
3. Market Assistance;
4. Data Base.

Regional Strategy to Promote Enterprise Development in the Caribbean

The Organization of American States (OAS) and CARICOM propose to develop a Caribbean Enterprise Education and Development Project which will place emphasis on preparing young people in the region for entrepreneurship and employment. The preliminary project document was tabled for discussion and modification. A final draft is to be developed, and on approval by member states, submitted to the OAS and UNDP for funding consideration.

Sector Development

National Policy on Micro and Small Enterprise

A major accomplishment for the sector in general was the preparation of a National Policy on Micro and Small Enterprise Development. Due for early completion, the document will create the framework within which organized planning and development in the sector can be facilitated and supported.

Future

The Centre is now actively involved in reviewing and modifying its operational and managerial systems in keeping with the restructuring exercise now being undertaken by JAMPRO.

MONTEGO BAY OFFICE

Agribusiness

This sector has been a very active one, primarily in the export crop area. Clients were very interested in scotch bonnet peppers and dasheen. By way of permanent crops,

the coffee expansion programme has been doing well, so too, was the interest in citrus as a result of the Jamaica Orange Company's project in Montpellier. It was viewed that with the envisaged magnitude of the citrus company's operation, market for citrus fruits will be guaranteed.

Enquiries for horticultural production were also encouraging, unfortunately, a majority of those making enquiries had no access to a reliable source of water, which is vital for such an operation.

Sauce and juice manufacturers of the region had taken steps to expand their operations during the coming year. If these plans materialise, the implication could be significant for labour as well as agricultural output.

General Services

Throughout the year, a significant number of the enquiries related to Tourism and Food Services were received. Water Sports interest in particular has been high, however, potential investors were most dissatisfied with the lack of incentives for this area. A water slide park for Negril was put on hold pending the lift of a moratorium on building in that area.

Entrepreneurial Services

The Entrepreneurial Unit continued to provide a sustained level of service to the sector by business counselling, training, and project writing.

TORONTO OFFICE

For the year 1994 - 1995, JAMPRO's Toronto Office carried out its work programme in a country where the government made efforts to pull the economy out of a recession which had prevailed for almost three (3) years.

The Toronto Office assisted a number of companies in staging promotions in the Canadian market. These companies included J. Wray & nephew, Busha Browne, Grace Kennedy & Co. and Jamaica Biscuit Co. Ltd.

Visit of the Rt. Hon. P.J. Patterson, Prime Minister of Jamaica

The Rt. Hon. P.J. Patterson paid his first visit to Canada since he assumed duties as Prime Minister of Jamaica, from 13 - 16 July, 1994. The Prime Minister, who was accompanied by a delegation including the Minister of Foreign Affairs and Foreign Trade, the Minister of Industry, Tourism & Commerce.

JAMPRO Toronto worked with the Jamaican Consulate General to organize two major presentations by H.P.M. - one to the Canadian business community under the auspices of the Canadian Club of Toronto and the Canadian Council for the Americas and the other to the Jamaican community "Live and Direct".

The Prime Minister's visit was timely and was welcomed by the huge Jamaican community in Canada, particularly in view of the onslaught of negative reports in the news media relating to deportation to Jamaica of persons of Jamaican origin who had committed crimes in Canada as well as to the level of crime committed at home in Jamaica. The Prime Minister addressed this issue squarely, taking the position that whereas Jamaica would cooperate with the Canadian authorities on the matter of deportation of Jamaican citizens, the Canadian society should take some responsibility for individuals who had emigrated to Canada at an early age and were products of their society. He also included in his presentations information on steps being taken to address the crime situation at home.

One of the achievements of the visit was that it provided the Canadian Government and private sector with the opportunity to see through the Prime Minister's eyes a Jamaica that is purposeful and that is undertaking a number of programmes which are yielding social and economic results, a Jamaica that is a preferred location for doing business.

Working in close collaboration with the Project Director and Canadian Coordinator at the Canadian end, JAMPRO Toronto provided support for the project activities at the Jamaican end carrying out the following principal tasks:

- Worked with importers/brokers and exporters organising market itineraries, matching them with trading partners and providing them with market data
- Compiled market data
- Developed promotional materials
- Coordinated Jamaica's participation in three major trade shows
- Organized a number of food and floriculture promotions in Ontario and Quebec (ortaniques, papayas, jerk, tilapia)
- Worked on registration of trademark for jerk

Displays of Jamaican products were organized at the following shows/events:-

- Canadian Produce Marketing Show - Toronto
- Salon D'Alimentation - Montreal
- Canadian Fine Food Show - Toronto
- Good Food Festival - Toronto
- Black Business Expo - Markham
- International "Y" Fair - Ottawa (in collaboration with Jamaica's High Commissioner)

Presentations to the Community on the politico-economic environment in Jamaica included:

- Hon. P.J. Patterson
Live & Direct
- politico-economic environment in Jamaica
- Hon. Horace Clarke
situation regarding crime in Jamaica & Canada

Liaison with Canadian Government Departments/Agencies

Throughout the fiscal year this Trade Commission worked closely with the following Canadian government departments/agencies to monitor/improve access conditions for Jamaican exports:-

- Department of External Affairs (CARIBCAN, NAFTA, Garment entry requirements)
- Agriculture Canada (entry requirements for agricultural products, resolution of payment disputes, Agri-Food Pre-Clearance System)
- Health Protection Branch (requirements under Food & Drug Act, can integrity and other ackee canning problems)
- Canada Customs (narcotics interdiction programme, Customs entry requirements, resolution of problems related to customs clearance and stripping of containers)

Marijuana Seizures in Exports From Jamaica

This Trade Commission worked with Air Canada Cargo, Canada Customs Interdiction and Registration Division at Headquarters to resolve problems relating to marijuana seizures in Jamaican export shipments.

Assistance to Jamaican Exporters

An examination of our records reveals that we serviced 202 Jamaican exporters over the period under review, assisting them in a number of ways as summarized below:

- communication with buyers
- providing market information
- identifying buyers
- resolving trade problems

Assessment of Performance Against Targets

General Comments

Over the review period, the Trade Commission managed to achieve a fair measure of success in generating business for Jamaica in the Canadian marketplace. Despite our slender resources (human and financial) and the political and economic uncertainties in the marketplace, we managed to generate an increase of 10.6% in non-traditional exports (1994 over 1993) not only among the product groups included in the CANEXPORT Project (in particular fresh and processed foods) but also in other sectors such as alcoholic beverages and some categories of garments.

On the investment side we were able to develop a number of products in the pipeline and although the majority of these were small service industries, we have been working on the development of projects of some significance in tourism, information processing, manufacturing and agriculture. Set out below are more detailed analyses of our trade and investment performance.

Performance of Non-traditional Exports to Canada

The data have revealed that exports to Canada increased overall by 16.5% moving from C\$181,586,000 to C\$211,499,000. Alumina made the largest contribution to exports, increasing from C\$148,271,000 in 93 to C\$174,645,000 in 94 (17.8%)

Non-traditional exports to Canada performed creditably, despite the effects of the protracted recession. Those exports grew from C\$33,315,000 to C\$36,854,000 - an increase of 10.6%.

Specific mention should be made of t-shirts which grew 51.7% from C\$3,874,000 to C\$5,876,000. In light of garment consultations held in 1994 between Jamaica and Canada we at JAMPRO have been watching this category so as to avert any further problems with Canadian Import Control. It should therefore be emphasized that despite the significant increase in the value of t-shirts, in terms of volumes they only increased by 20% in 1994 over 1993, not an alarming quantity. Nevertheless, we should be careful to encourage new investors in apparel manufacturing to look at categories other than t-shirts.

Of particular interest are projects in the pipeline for garment manufacturing, a nature tourism operation centred around the construction of a health resort in Maroon territory in the mountains of Portland, the establishment of a 500 station information processing operation in the Montego Bay Free zone, projects for meat and vegetable processing and a number of mixed farming and livestock operations.

Specific mention should be made of Jamaica/Canadians who have been opening foreign exchange accounts, investing in the stock market and in real estate and implementing projects not only in the services sector but in the other sectors.

Ranking high among the constraints cited is the situation relating to crime in Jamaica.

Both mainstream and Jamaican/Caribbean media reports frequently highlight the high crime rate in Jamaica (over 800 murders in 1994). By way of contrast, when more than 40 murders are committed in Canada in any year, the population with one voice expresses shock and dismay at the "high crime rate". For Canadians (including Jamaicans) the effects of general media reports of crimes committed in Jamaica are exacerbated by specific reports of attacks against tourists (8 in 1994) and other business visitors (such as that of a filmmaker in 1994).

Given the problem of crime in Jamaica, the Toronto office is taking concrete steps to promote a positive image of Jamaica through participation in trade and investment presentations, shows and seminars. The office is working with the Jamaican Consulate General and with Caribbean and mainstream media to inform Canadians (including our nationals through our special Jamaicans Overseas Programme) about the positive accomplishments of Jamaica and Jamaicans and developments in our economy, and to showcase our rich cultural and artistic heritage.

Projects Delivered

We delivered twenty (20) projects rather than the seventeen (17) projected. Although the majority of these were relatively small film projects and service industries, our work facilitated some substantial information processing contracts as well as a tourism project, a farming project and a food processing plant of some significance.

Jamaicans Overseas Programme

This programme undertaken in close collaboration with the Jamaican Consulate General continued to be emphasized as an integral part of the Trade Commission's work programme. With about half of our enquiries and of our pipeline projects emanating from this group of clients, we made a concerted effort to work closely with community organizations in organizing and supporting numerous events which ranged from dances/teas/luncheons to cultural and sporting events, tributes honouring various outstanding community members, trade displays, seminars and presentations. We assisted in organising 19 such events and participated in various ways in 30 others.

TRINIDAD

The Trade Commission in Port of Spain is strategically located to serve countries in the Eastern Caribbean and South America. Activities carried out by this office are geared

towards stimulating, facilitating and promoting trade and investment between Jamaica and countries in this geographical area. Specific goals for the period April 1994 - March 1995 were as follows:-

- Maintaining and expanding existing markets in CARICOM as well as identifying new market opportunities.
- Identifying trade opportunities in Colombia and Venezuela and developing market entry strategies for these markets.
- Identifying appropriate investment projects and seeking to have these implemented.

Activities carried out by this office during the period under review were therefore geared towards fulfilling these goals.

Jamaica's Trade With CARICOM Countries

Jamaica's export trade with CARICOM countries during the latter part of 1994 had shown an upturn, realizing increases over the similar periods in 1993. This trend however did not continue through the month of December and 1994 ended with a decline of 3.14% over the end of year figure for 1993. According to preliminary figures the less than 1% decline in exports to CARICOM as shown at the end of 1993 coupled with the upturn in the latter part of 1994 was not sustained, resulting in a situation where total exports fell from US\$59.8 million in 1993 to US\$58 million in 1994 (Table 1). Despite the overall decline however, significant growth was recorded in the categories Manufactured Goods and Miscellaneous Manufacturing. Exports under the category Manufactured Goods totalled US\$13.2 million up from US\$10.8 million for 1993, an increase of 22.5%. Similarly, the category Miscellaneous Manufacturing totalled US\$9.3 million up from US\$6.8 million.

With regards to Jamaica's imports from CARICOM this has grown considerably resulting in the trade gap increasing from US\$4.5 million in 1991 to US\$83.3 million in 1994 (Table II).

Imports from CARICOM in 1994 constituted only 6.5% of Jamaica's total import trade while exports to CARICOM was a mere 4.7% of Jamaica's total exports.

Trinidad and Tobago

Trinidad remains Jamaica's largest CARICOM trading partner both in terms of volume of trade and market size. It is therefore not surprising that the decline in Jamaica's exports to CARICOM is largely due to the decline in exports to Trinidad. This decline

has resulted from a number of factors which have contributed to greater competitiveness of Trinidadian goods. They include:

- The flotation of the Trinidad dollar contributing to the increased competitiveness of Trinidadian goods.
- The lower cost of money. Trinidadian companies enjoy interest rates of less than 20% while their Jamaican counterparts were subject to rates in excess of 50%.
- More advanced manufacturing technology as a result of re-tooling.
- Lower electricity rates.

The removal of the stamp duty and surcharge as well as the lowering of duties under the CET by Trinidad and Tobago as of January 1, 1995, has resulted in duty reductions of up to 25% on some goods. This will further reduce the competitive edge which Jamaican products enjoyed over similar extra-regional goods.

Barbados

The Barbados market has shown the highest per capita consumption of Jamaican exports over the last four years and continues to be Jamaica's second largest CARICOM market in terms of value and volume of exports. Jamaica's hefty trade surplus with Barbados in 1991 and 1992 has been considerably reduced, resulting in a fairly healthy balance of trade through 1993 and 1994.

Guyana

Jamaica's exports to Guyana have shown a steady increase rising from US\$2.4 million in 1991 to US\$6.9 million in 1994, an increase of 193%. Despite this however, growth in this market which is second to Trinidad in terms of size and population, since 1991, it was felt that this would have contributed more substantially to boosting Jamaica's trade with CARICOM.

Companies like Grace Kennedy and WISYNCO established subsidiaries in Georgetown. ICD's Georgetown office was recently closed but they continue exports to this market and have recently assigned their representative in the OECS to oversee it. Jamaican companies however seem to have been much less successful in penetrating that market than their Trinidadian counterparts. As with other CARICOM markets, lack of price competitiveness has to a large extent stymied the further growth and development of this market.

The OECS

Over the years Jamaica's export trade with the OECS Member States has not been buoyant as is apparent from the attached trade statistics. The general feeling in these countries is that Jamaican businessmen are not really interested in these markets and therefore are not prepared to exert their energy in identifying new business opportunities or even to maintain previously existing business. While this might be true to a certain extent one has to examine the situation as it exists, and seek to identify the constraints.

Factors impeding meaningful growth of Jamaican exports to these markets have been identified as follows:-

- Delays in shipping arising from failure to effectively deal with the consolidation of break bulk cargo;
- High shipping rates;
- Uncompetitive prices of Jamaican products;
- Inadequate servicing of the market by Jamaican businessmen
- Restrictions by Central Banks against the payment for Jamaican goods in US dollars

The deadline of the year 2005 for the coming on stream of the Free Trade Area of the Americas (FTAA) which emerged from the December 1994 Summit of the Americas is another development with strong implications for CARICOM countries. These countries will need to accelerate the pace of economic integration while at the same time seek to ensure that the region is not marginalized in this massive undertaking towards hemispheric free trade.

Market Development Activities

There were three (3) prospective importers in Trinidad and Tobago identified by this office to handle sales for Patio Furniture and Household Appliances from Serv Wel, Jamaica. Following prolonged negotiations with the supplier and representatives of this office, an order was placed by one of these prospects - American Stores - for a container-load of cookers (stoves).

International Exposition '94 - Trinidad

This office co-ordinated participation by four (4) Jamaican companies in the in the International Exposition '94 Trade Show held in Trinidad from April 15 - 24, 1994.

Goodyear Product Launch

This office was associated with the Goodyear Corsair Tyre Launch in the Trinidad & Tobago market, which was organised by Goodyear Jamaica in collaboration with the Trinidad agents, Automotive Components Ltd.

AAJJP Annual Meeting

This office organised the Fourth Annual Meeting of the Trinidad & Tobago Chapter of the Association of Agents and Importers of Jamaican products (AAJJP), at the Holiday Inn Hotel in Port of Spain. the feature address on this occasion was delivered by Dr. the Hon. Paul Robertson, Minister of Industry, Investment & Commerce, Jamaica. This meeting was followed by a cocktail reception which was also organised by this office.

Visit of Minister Dr. Paul Robertson to Trinidad & Tobago

In addition to the AAJJP Meeting, this office also hosted a Luncheon in honour of Dr. the Hon. Paul Robertson and Permanent Secretary Ambassador Ellen Bogle. Luncheon guests included the Hon. Kenneth Valley, Minister of Trade & Industry - Trinidad, Mr. Frank Mouttet, President of the Trinidad & Tobago Chamber of Industry and Commerce and Mr. Wayne Yip Choy, President of the Trinidad & Tobago Manufacturers' Association.

O'Reilly's Promotions - Antigua & St. Kitts

A short list of Prospective buyers were identified by this office in providing support to Creamy Corner Limited in promoting sales for their Rum Cream Liqueur in these markets. As a result, Creamy Corner Limited secured orders from both these markets.

CARICOM Trade Mission to Venezuela

The CARICOM Export Development Project organised a CARICOM Trade Mission to Venezuela which included a Jamaican delegation comprising a representative of Grace Kennedy, a representative of the Jamaica Biscuit Company and a representative from this office. The highlight of the Mission was an exhibition held at the Euro-Building in Caracas which featured the various products for export from the participants. The Mission took place over the period, May 30 to June 3, 1994.

LONDON OFFICE

The promotions undertaken by staff, i.e. investment promotion and trade identification and marketing, resulted in very limited success in attracting new and/or increased investment but proved far more encouraging in the area of new markets for Jamaican produce.

INVESTMENTS: Under the Target Europe Programme, a direct mailing of the nine (9) tourism profiles was made to banks, other financial institutions, hotel chains and associations in some cases followed by personal meetings in an effort to attract potential joint venture partners. Unfortunately, perhaps due to the level of funding required, Jamaica's negative image problem in the U.K. and latterly the reported drop in tourism arrival figures from the U.K., this area of our promotional efforts has seen negative growth.

TRADE: This area of our activities has highlighted some new and additional products for which markets are available but which, unfortunately, due either to uncompetitive pricing or insufficient production, Jamaica was unable to take advantage of the opportunities. This refers particularly to the following which were identified and referred to Head Office:

Banana puree, pineapples, ginger, brown sugar, West Indian limes, avocados, mangoes, papayas, seafoods, ackees, bell peppers (sweet), scotch bonnet peppers, coir, honey, cashew nuts, poly/prop chairs, handicraft items, bitterwood chips and Sea Island cotton

Of the above items, the most consistent requests have been received for papayas (from some of the largest importers of fresh foods), mangoes, brown sugar and ackees.

Efforts are continuing to identify an importer for ginger, but due to the influx of a cheaper product from the Far East and Nigeria, little success is expected. However, following the recent receipt of samples of dried mango, pineapple, papaya and banana which were distributed to the trade, indications are that an order will shortly be received for some of the products.

This office participated in only one major food promotion during the year and that was our participation in the ANNUAL BESTWAY CASH & CARRY 14-store promotion on Jamaican drinks, i.e. Red Stripe Beer, Dragon Stout and other D & G products and J. Wray & Newphew rums.

IMAGE: There continues to be a negative image in the marketplace of Jamaica as an island with great problems caused by drugs and drug-related crimes. Although this

image has not affected our trading relationships, it certainly indicates the reluctance of many companies/persons to invest in Jamaica at this time.

Several meetings have been held by our High Commissioner with Agency Representatives to identify ways (limited though our budgets) to try to stem the tide. As part of our efforts, the office sends to known members of the press copies of positive press releases received from Head Office and in all our public/private presentations attention is drawn to the positives.

CONCLUSION

The year under review saw JAMPRO undergoing a restructuring exercise which is still ongoing. JAMPRO also embarked on a cost recovery programme which had limited success. Over time, JAMPRO is planning to become less dependent on Government in the funding of its budget. JAMPRO is endeavouring to improve its services in order to make them more valuable to its clients and to cause them to be more willing to pay for them.

The problem of crime appears to have had a significant and a negative effect on investments in Jamaica and will have to be dealt with.

As the global economy changes JAMPRO recognises that it too will have to change in order to provide optimal service to the investor.

JAMAICA PROMOTIONS CORPORATIONS

FINANCIAL STATEMENTS

MARCH 31, 1995

KPMG Peat Marwick

Chartered Accountants

The Victoria Mutual Building
P.O. Box 76, 6 Duke Street
Kingston
Jamaica, West Indies

Telephone (+1 809) 922 6640
Telefax (+1 809) 922 7198
(+1 809) 922 4500
Cables veritatem

To the Members of
JAMAICA PROMOTIONS CORPORATION

Auditors' Report

We have examined the financial statements set out on pages 2 to 9 and have obtained all the information and explanations which we required. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary.

In our opinion, proper accounting records have been maintained and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of the corporation at March 31, 1995 and of the results of operations and cash flows for the year then ended.

The comparative numbers were reported on by another firm of Chartered Accountants.

KPMG Peat Marwick

October 30, 1996

JAMAICA PROMOTIONS CORPORATION

Notes to the Financial Statements
Year ended March 31, 1995

1. The corporation

Jamaica Promotions Corporation (JAMPRO) 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. Assets and liabilities of JIDC which were not taken over by the company as of March 31, 1991 were transferred to Factories Corporation of Jamaica as at April 1, 1994, in accordance with a cabinet decision taken on November 5, 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.

These financial statements do not include:

- (1) The following assets and liabilities which are based on unaudited financial statements of the JIDC as of March 31, 1991:

Assets	
Bank balances	5,369,758
Land and buildings	119,664,137
Furniture and equipment	1,689,148
Motor vehicle	17,284
Accounts receivable	<u>4,771,431</u>
	<u>\$131,511,758</u>
Liabilities	
Owed to Government of Jamaica	64,784,223
Other loans	58,734,419
Interest and other payables	<u>48,313,915</u>
	<u>\$171,832,557</u>

- (2) transactions for the four years ended March 31, 1995 in respect of the above assets and liabilities.

These financial statements are expressed in Jamaican dollars.

JAMAICA PROMOTIONS CORPORATION

Profit and Loss Account
Year ended March 31, 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
Gross operating revenue	10	<u>\$205,807,044</u>	<u>163,576,755</u>
Operating deficit for year	11	(551,965)	(4,650,441)
Gain on disposal of fixed assets		<u>1,420,085</u>	<u>562,692</u>
Surplus/(deficit) for year		868,120	(4,087,749)
Accumulated surplus at beginning of year		<u>8,985,634</u>	<u>13,073,383</u>
Accumulated surplus at end of year		<u>\$ 9,853,754</u>	<u>8,985,634</u>

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

JAMAICA PROMOTIONS CORPORATION

Notes to the Financial Statements (cont'd)
Year ended March 31, 1995

5. Grants received in advance

These are unspent funds received from an overseas agency to finance certain activities and projects and comprise:

	<u>1995</u>	<u>1994</u>
Balance at beginning of year	534,275	415,573
Amounts received during the year	<u>6,320,661</u>	<u>4,152,108</u>
Expenditure during the year	6,854,936	4,567,681
	<u>5,318,941</u>	<u>4,033,406</u>
Balance at end of year	<u>\$1,535,995</u>	<u>534,275</u>

6. Investment

This represents funds advanced to National Tool and Engineering Company Limited, a company incorporated in Jamaica. The intention is that this amount will be converted to equity investment in National Tool and Engineering Company Limited. Finalisation of the shareholding is still pending.

7. Fixed assets

	Land, Buildings & Leasehold Improvements	Furniture and equipment	Motor Vehicles	Total
At cost or valuation:				
March 31, 1994	89,842,309	9,781,082	8,300,704	107,924,095
Additions	1,525,748	2,504,814	1,228,050	5,258,612
Disposals	(43,432)	(89,112)	(1,172,985)	(1,305,529)
March 31, 1995	<u>91,324,625</u>	<u>12,196,784</u>	<u>8,355,769</u>	<u>111,877,178</u>
Depreciation:				
March 31, 1994	1,053,517	4,071,116	3,665,342	8,789,975
Charge for the year	790,864	2,097,780	1,791,211	4,679,855
Eliminated on disposal	(41,942)	(89,112)	(692,842)	(823,896)
March 31, 1995	<u>1,802,439</u>	<u>6,079,784</u>	<u>4,763,711</u>	<u>12,645,934</u>
Net book values:				
March 31, 1995	<u>\$89,522,186</u>	<u>6,117,000</u>	<u>3,592,058</u>	<u>99,231,244</u>
March 31, 1994	<u>\$88,788,792</u>	<u>5,709,966</u>	<u>4,635,362</u>	<u>99,134,120</u>

JAMAICA PROMOTIONS CORPORATION

Notes to the Financial Statements (cont'd)
Year ended March 31, 1995

10. Gross operating revenue

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

11. Disclosure of expenses

Operating deficit for year is stated after charging:

	<u>1995</u>	<u>1994</u>
	\$	\$
Depreciation	4,679,855	3,762,483
Directors' remuneration	193,741	64,700
- fees	3,752,098	3,723,075
- management	500,000	500,000
Auditors' remuneration	354,720	122,822
Interest	<u>354,720</u>	<u>122,822</u>

12. Pension Scheme

The company operates a contributory pension scheme for all permanent employees. The Plan is funded by employee contributions of 5% of pensionable earnings, and Jampro's contribution of 10% of pensionable earnings. Annual pension at retirement is based on the average annual rate of pensionable earnings for the last three years prior to retirement. The corporations contributions for the year totalled \$4,145,006 (1994: \$2,779,890).

13. Commitments

Lease commitments

Aggregate lease rental commitments at March 31, 1995 for office premises amount to approximately \$2,639,587 (including BFF\$2,418,266). Of this amount \$748,350 (including BFF\$674,865) will be payable in 1995/6.