



JAMPRO

EXPORT AND INVESTMENT JAMAICA

An Agency of the Ministry of Industry, Investment and Commerce



Annual Report
2022 - 2023

DoBusiness
JAMAICA
INVEST • EXPORT • CONNECT

The purpose of this report is to provide the Houses of Parliament, partners, stakeholders and clients with information on the performance of the Jamaica Promotions Corporation (JAMPRO) for the 2022/2023 financial year and the prospects for the 2023/2024 financial year.



OUR VISION

To be a world class business enabler and promotions Corporation, making Jamaica the premier destination to do business.



OUR MISSION

Drive Jamaica's economic development through growth in investment and export.



OUR CORE VALUES

Integrity • Respect • Innovation • Excellence



JAMPRO
EXPORT AND INVESTMENT JAMAICA

About the Corporation



JAMPRO is the premier export and investment promotions agency of the Government of Jamaica.

Established as a statutory body under the JAMPRO Act, 1990, we promote business opportunities in export and investment to the local and international private sector. In addition to facilitating the implementation of investment and export projects, the organisation is a key policy advocate and advisor to the Government on matters pertaining to the improvement of Jamaica's business environment. Jamaica Promotions Corporation is currently operating under the Ministry of Industry, Investment and Commerce (MIIC). The impact of JAMPRO's work on economic development is measured by the:

- value of capital expenditure of clients facilitated by JAMPRO
- number of gross new jobs created by clients facilitated by JAMPRO
- value of export sales by clients facilitated by JAMPRO
- client satisfaction score
- number of unique clients receiving value-added services from JAMPRO
- number of policy advocacy positions submitted to MIIC
- percentage of Business Environment Reform Agenda (BERA) activities with milestones achieved

JAMPRO achieves its corporate objectives through the provision of the following investor, exporter or buyer services to its clients:



Site Selection Facilitation



Business Matchmaking



Buyer Recruitment



Outward Trade Missions



Product Sourcing



Business and Building/
Development Approvals
Facilitation



Market Intelligence
Sharing



Customized Market
Information



Targeted Business
Development Support



Buyer Events



Business Facilitation
Meetings



Business Advocacy



Inward Buyer Missions



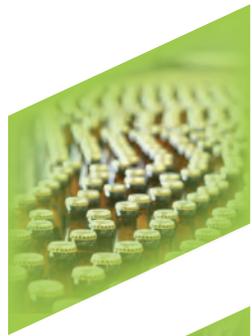
Exporter Directory



Facilitation of Export Lead Conversion



Our Corporate Imperatives



Actively promote and enable exports and investments

- Grow exports
- Grow investments
- Maximise linkage opportunities
- Conduct proactive research to guide decisions/strategies



Build and maintain effective business relationships

- Increase awareness of Jamaica as a business destination
- Increase engagement with key and strategic stakeholders
- Increase awareness of JAMPRO



Foster an enabling business environment

- Drive policy change and development
- Deliver effective services that add value to our customers
- Accelerate business facilitation



Build an engaged, high performing, collaborative team

- Create a caring and empowered environment that fosters a satisfied team
- Strengthen the technical competencies to improve productivity
- Nurture a culture that embeds the core values

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JAMAICA PROMOTIONS CORPORATION BUILDING



Minister's Message

Senator the Honourable Aubyn Hill,
Minister of Industry, Investment, & Commerce

At the beginning of 2023, I tasked the Jamaica Promotions Corporation (JAMPRO) to increase its efforts towards increasing Jamaica's exports exponentially in a bid to make swift and significant strides towards closing Jamaica's perennial negative trade gap. I started this initiative among the 20 agencies in the Ministry when I was appointed as Minister in early 2022. I am pleased to say that JAMPRO embraced this focus and started to lay the necessary foundation for us to see marked success in this area, in the medium term and in years to come.

During this fiscal year, the organisation supported the approach I brought to the ministry to take Jamaican business people on business missions to find new export markets and inward investments. These missions comprised mainly private sector participants mixed with a few public sector officials, all keen on fostering bilateral business relations with businesses in target countries. These delegations engaged in high-level discussions, facilitated business-to-business meetings, conducted site visits, and participated in conferences across various territories. Throughout the financial year, we were able to carry out four missions, two to Guyana, and the others to Trinidad and Tobago, and the Dominican Republic, all yielding notable success.

The Ministry recognises the importance of the business community in driving Jamaica's economic growth and believes strongly that exposing and releasing their untapped export potential will foster and support enhanced job creation, economic growth and national prosperity. I look to new but experienced JAMPRO President, Mrs. Shullette Cox, and the whole JAMPRO agency to create and support the Ministry's export and job creation, and broad productivity increases objectives in government and by the private sector. This involves mitigating challenges on one front while simultaneously broadening global access on the other, thereby facilitating the realization of potential opportunities.

**Senator the Honourable Aubyn Hill, Minister,
Ministry of Industry, Investment and Commerce**



Chairman
Melanie Subratie

Chairman's Message

It is with a sense of satisfaction that I contemplate the strides we have taken towards fulfilling our strategic objectives, as guided by JAMPRO's strategic direction for the financial year 2022/2023.

Our strategic direction for this fiscal year centred around three key pillars: increasing exports, securing sustainable local and foreign direct investments, and enabling the ease of doing business in Jamaica through the removal of impediments and updated legislation. I am proud to report that we have made significant strides in each of these areas, contributing to the overall growth and development of Jamaica's economy.

At the end of the financial year 2022/2023, the Jamaican economy recovered strongly, with an estimated growth in gross domestic production recorded at 4.3 percent. This achievement resulted in the country experiencing eight consecutive quarters of growth, beginning with the 2021/2022 fiscal year, which produced an earlier than projected recovery from the economic fallout from the COVID-19 pandemic. This was a remarkable performance by the country in navigating a difficult global environment that was only made more complex by the geopolitical tensions affecting Ukraine, which shocked global terms-of-trade, disrupted supply chains and gave rise to inflation in commodity goods. These issues were compounded by the ongoing tightening of global financial conditions which negatively contributed to the global decline in foreign direct investments.

4.3%
GDP Growth

8
**Consecutive
Growth
quarters**

Despite this, JAMPRO's efforts to attract investment yielded results. We have successfully marketed Jamaica's investment opportunities both locally and internationally through a more heightened use of our diplomatic missions and consular offices to position the country as an attractive destination for investments and to build business relationships. In line with our mission to facilitate exports, we have worked diligently to support Jamaican businesses in expanding their reach to international markets. Through market research, trade missions, and business matchmaking initiatives, we have connected local enterprises with potential buyers and partners globally. Overall, the export strategy resulted in Jamaican goods and services gaining recognition and are now being exported to new markets and contributing to the diversification and resilience of our economy.

JAMPRO's commitment to creating an enabling business environment extends beyond investment and exports. We have continued to streamline processes and reduce regulatory barriers, making it easier for businesses to start and operate in Jamaica. Our dedicated team has worked closely with government agencies to simplify procedures, provide necessary guidance, and enhance business support services. We believe that by eliminating obstacles, we can attract more investment, foster entrepreneurship, and spur innovation across sectors. Additionally, to ensure the long-term sustainability of Jamaica's business environment, JAMPRO has focused on skills development and sectoral strategies. Through the partnership with the IDB-funded Global Services Sector Project (GSSP), the Corporation sought to equip the workforce with the necessary skills and knowledge required to meet the Government of

Jamaica's mandate to further diversify the Global Digital Services (GDS) sector towards increased service offerings. By identifying priority sectors for which national strategies are developed to provide targeted support, JAMPRO will continue to work closely with public and private sector partners nurturing the advanced growth of these industries to attract further investment and creating sustainable employment opportunities for Jamaicans.

On behalf of the Board of Directors, I extend my deepest appreciation to the dedicated team at JAMPRO for their unwavering commitment and relentless pursuit of our strategic objectives throughout the FY 2022/23. With Senator the Honourable Aubyn Hill taking over the helm as the Minister with portfolio responsibility for the Ministry of Industry, Investment and Commerce in February 2022, we will continue to adapt and respond to the evolving needs of our stakeholders, leveraging partnerships and delivering tangible results that unleash the full potential of Jamaica's business sector.

As we move forward to FY 2023/2024, JAMPRO will remain steadfast in its mission to create an enabling business environment that attracts local and international investments, promotes exports, and fosters innovation and entrepreneurship through our MSME. The Board of Directors is encouraged by the opportunities on the horizon that will enable the Corporation to expand and diversify target markets, attract high-quality investments, and position Jamaica as a business destination.

Chairman, Melanie Subratie



**We have successfully marketed
Jamaica's investment opportunities
both locally and internationally**





JAMPRO
EXPORT AND INVESTMENT JAMAICA

Board of Directors



**Ms. Melanie Subratie, (Appointed February 2022;
Chairman, July 2022- Current)**

Deputy Chairman of Musson (Jamaica) Limited
CEO & Chairman of Stanley Motta Limited and Felton Property Management



**Senator Don Wehby, CD
(Chairman, resigned July 2022)**

Group Chief Executive Officer, Grace Kennedy Ltd.



**Hon. Ian K. Levy, OJ, CD
(Deputy Chairman)**

Chairman, Ian K. Agencies Limited



Ms. JoAnne Archibald

Principal Director,
Ministry of Culture, Gender, Entertainment and Sports



Board of Directors continued

Mr. Yoni Epstein
Founder, Chairman and CEO, itel



Mr. Zachary Harding
Founding Partner,
Delta Capital Partners



Ms. Laura Heron
Chairman – North-East Regional Health Authority and Audit/
Risk Committee and Product Development Committee;
General Manager – Guardsman Hospitality



Mrs. Rita Hilton
Chief Executive Officer, Carita Jamaica Limited



Mr. L. Robert Honeyghan (appointed July 2022)

General Manager,
Urban Development Corporation (UDC)



Mrs. Lisa Soares Lewis

Founder and Chief Executive Officer,
Great People Solutions



Ms. Deveta McLaren

Sales and Marketing Manager,
ACCESS Financial Services Limited (AFS)



Mr. Christopher McPherson

Senior Advisor to the Minister of
Industry, Investment & Commerce



Board of Directors continued

Mr. Delano Seiveright
Senior Advisor and Strategist to the
Minister of Tourism



Mrs. Jacqueline Stewart-Lechler, CD, JP
Director, Stewart Auto Sales



Ms. Opal Whyte
Entrepreneur, Post Consulting



Mr. Christopher Williams
(resigned November 2022)
President and CEO, PROVEN Management Limited

Executive Management Team

The President, supported by four Vice-Presidents, leads the Executive Team that governs the operations at JAMPRO. The structure and functions of the divisions are as follows:

- **President's Division** – Includes the President's Office, Corporate Planning, Corporate Initiatives, the Human Resources Department and the Legal and Audit functions with responsibility for guiding the overall strategic direction and operations of the organisation.
- **Sales and Promotions Division** – Led by the VP's office, the division focuses on promoting investment and export across sector teams, namely: Agribusiness; Global Digital Services (IT Enabled Services & Outsourcing); Tourism, Manufacturing and Mining; Logistics, Energy and Infrastructure; and Film, Animation and Music. The Sales and Promotions Support Unit completes the division.
- **Marketing Division** – With the VP's Office at the helm, this Division has responsibility for driving and developing key marketing channels including the Integrated Marketing Communications Department, Contact Management Centre, and four (4) Regional Offices focusing on Western Jamaica, Europe, North America (United States of America and Canada) and other New and Emerging Markets.
- **Research, Advocacy and Project Implementation Division** – Plays a critical role in conducting research, implementing JAMPRO-assisted projects, and advocating for reforms to the business environment led by the VP's Office, these functions are executed by the Policy and Business Advocacy, Research and Business Opportunities, and Project Implementation Department.
- **Finance and Corporate Services Division** – Under the leadership of the VP's Office, the division manages the financial resources of the organisation, including the development and implementation of a sustainable plan for revenue generation, cost containment and budget optimisation. The division comprises the Finance, Administration, Management Information Systems and Procurement Departments.



JAMPRO Headquarters,
Kingston, Jamaica



Executive Management Team continued

JAMPRO's divisions are each led by a member of the Executive Team, each of whom have had significant experience serving in their respective roles.

The team leading the organisation for FY 2022/2023 was:



Gabriel Heron
Vice President
Marketing



Wendy Lyttle Pryce
Vice President
Finance & Corporate
Services



Diane Edwards
Outgoing President



Shullette Cox
Vice President
Research, Advocacy and
Project Implementation
and Incoming President



Norman Naar
Vice President
Sales & Promotions

Notably, during the financial year, the Corporation underwent changes in its leadership composition. On December 31, 2022, President Diane Edwards demitted office and was succeeded on January 3, 2023, by former Vice President, Shullette Cox.



President
Diane Edwards

President's Message

I am pleased to present to you, key stakeholders of Jamaica Promotions Corporation (JAMPRO), the annual report for the fiscal year 2022/23. This report showcases the Corporation's achievements, progress, and impact in promoting Jamaica as an attractive export and investment destination.

Despite the challenges presented by the pandemic and other global crises, during this fiscal year, JAMPRO continued to drive economic growth and development through export and investment. We have remained steadfast in our commitment to creating an enabling business environment and facilitating business opportunities for both local and international investors.

The JAMPRO team demonstrated their commitment to nation building through the facilitation of clients to perform, once again, admirably to achieve targets approved by our Board of Directors. JAMPRO clients reported a total of US\$355.07M in Capital Expenditure (CAPEX) and created 31,040 gross new jobs associated with these investments, representing an achievement of 84.05% and 117.5% of targets, respectively. Our export clients generated US\$867.85M in revenue from export orders received during

US\$355M
CAPEX

31,040
NEW JOBS
(Gross)

the year, representing a 108.89% achievement against target. These achievements were supported by JAMPRO's ability to attract confidence in Jamaica as a place to do business across various sectors, through the execution of a robust portfolio of sales and promotions initiatives and strategic programmes, informed by the 2020-2024 Strategic Business Plan.

Investment and export business prospects were identified and cultivated from signature programmes such as the Economic Diplomacy Programme (EDP) and its related Honorary Investment Advisors (HIA) initiative, which utilises foreign service offices and influential businesspeople to generate business leads and provide guidance on how to navigate specific markets. HIAs were installed for USA (Florida and Georgia) and Japan.

The Prime Account Management Strategy (PAMS) continued to yield success with the focused and customised service engagement afforded to clients, enabling them to realise their investment projects. A total of 26 projects accounted for the reported CAPEX and jobs during the fiscal year, with the Tourism, Infrastructure, Energy and Outsourcing sectors showing the highest output. Notable achievements included JAMPRO's facilitation of the opening of ROK by Hilton, Downtown Kingston, adding 168 rooms to local hotel count. The construction of MJS Industrial Park bolstered the special economic zone landscape, providing a space for light manufacturing and logistics operations. In the team's facilitation of Soleco Energy, a partnership was forged between them and the CB Group to construct solar powered generation plants for improved business efficiency. The Outsourcing sector, through the various global and homegrown entities operating locally, provided significant employment opportunities for local talent.

JAMPRO has been at the forefront of promoting Jamaica's export capabilities, working diligently with local micro, small, and medium-sized enterprises (MSME) to expand their reach and enhance their competitiveness in international markets. We have championed the development and promotion of Jamaican products and services globally, further positioning our country as a leading exporter in sectors such as agribusiness, manufacturing, and creative industries. The Enterprise Development for Export Growth – Export Max – Programme was the main driver for supporting export clients. Having come to an end in



December 2022 for the third cohort of participating companies, 78% of the non-exporting companies, started to export and 100% of the already exporting companies accessed new markets; including the traditional USA, Canada and UK markets and non-traditional markets such as Sweden and Zimbabwe. Overall, the cohort attracted 190 new buyers, with initial orders amounting to a total of over J\$63.2M. (US\$0.41M). The development and growth of MSMEs will continue to be a priority for JAMPRO.

Creating a conducive business environment in Jamaica will always be a vital role that JAMPRO plays to ensure improvements are made to the ease of doing business by streamlining procedures and offering advocacy support to businesses. The National Competitiveness Council updated the National Business Environment Reform Agenda which outlines twelve strategic and transformational initiatives across government. Key among them is re-engineering and process automation, including the development of IT systems (Portals, Registries and Platforms). Aligned to this, is the National Business Portal, rebranded the Jamaica Business Gateway, launched in January 2023. Cabinet Approval was received for the implementation of phase 3, the transactional component of the portal. The first comprehensive investment policy was also tabled in Parliament in December 2022, making the National Investment Policy an official policy of the Government of Jamaica and ready for full implementation. JAMPRO's contribution toward the improvement of the business environment was measured, for the first time this year through the policy positions advanced and the percentage of business reform activities milestone met. This year formed a baseline year, with eight policy positions advanced and 73% of planned reform milestones met.

As a testament to our commitment to providing value for our clients, the Corporation collaborated with various stakeholders, including government agencies, industry associations, and international organisations, to create synergies to maximise our impact. This was demonstrable by our clients indicating a 90% satisfaction with the service received from us, thus fully achieving our target. Our Board of Directors charged us with increasing our client engagement by proving value-added services to 350 clients. Though the full target was not achieved, 310 clients were serviced, towards providing economy growth.

After nine years of success at the helm of JAMPRO, it is with great confidence that I hand over the baton of leadership to former Vice-President of our Research, Advocacy and Project Implementation Division, Shullette Cox who has supported me for many years while making her mark with remarkable reforms in the business environment.

I am sure that under her leadership, going into the fiscal year 2023/2024, JAMPRO will remain dedicated to building a resilient and diversified economy that can withstand both internal and external economic shocks. I would like to express my gratitude to our dedicated staff for their commitment and hard work. I also extend my appreciation to my team of nine years, our valued stakeholders, including investors, exporters, and the Jamaican public, for their continued trust and support. Together, JAMPRO will propel Jamaica towards greater economic prosperity and create a brighter and more sustainable future for all.

President, Diane Edwards



Creating a conducive business environment in Jamaica will always be a vital role that JAMPRO plays...



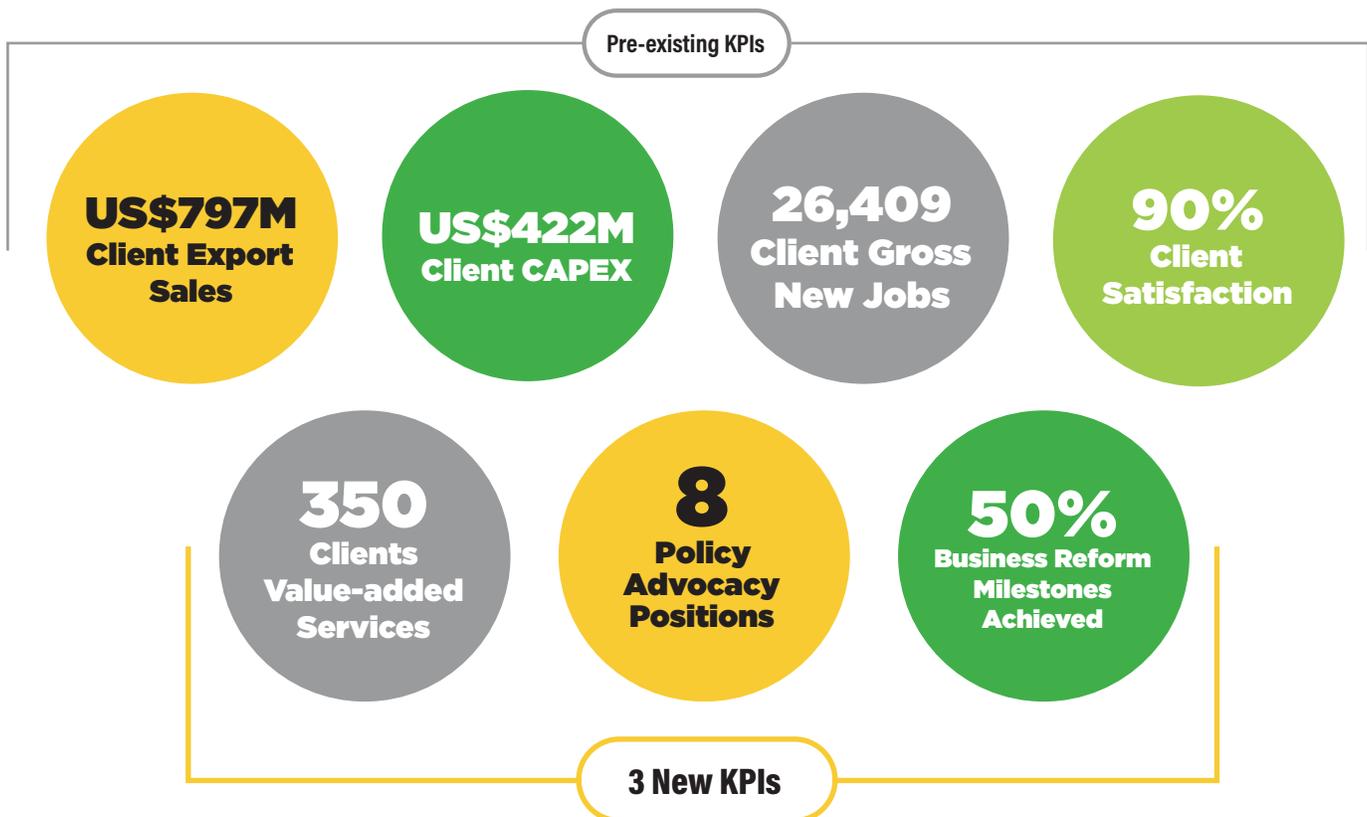
Corporate Performance & Achievement

Against Targets

At the end of the 2022/23 financial year, JAMPRO completed the penultimate year of its 2020-2024 Strategic Business Plan.

Under the direction of a new Minister of Industry, Investment and Commerce, Senator the Honourable Aubyn Hill, appointed January 2022, and a new Chairman, Mrs. Melanie Subratie, appointed July 2022, the Executive Management team introduced additional Corporate Key Performance Indicators (KPIs) and targets to better monitor the Corporation's performance and reflect the country's post-COVID economic rebound.

Targets are highlighted below:



As was the case in a number of years prior, the Local Perception Survey was not undertaken due to budgetary constraints, while the Global Perception Survey was delayed due to the absence of a Nation Brand. As such, JAMPRO was unable to conduct any performance assessment on its remaining Corporate Target- Brand Perception. This measure was then omitted from the Corporation’s performance review for the FY2023/24 and will no longer form a Corporate Target for future periods.

In FY 2022/23, the Corporation’s target for CAPEX was set 4% higher than the target for the FY 2021/22, gross new jobs was 87% higher and export sales slightly lower, at 96% of the target for FY 2021/22. JAMPRO’s rate of achievement of FY 2022/23 ranged from 84% for CAPEX to 146% for Business Reform Activities, with the Corporation achieving 118%, 109%

and 100% for the remaining traditional KPIs, gross new jobs, export sales and the Client Satisfaction Survey, respectively. A total of 26 projects out of 94 projects facilitated, accounted for the reported capital expenditure during FY2022/23.

Commendable performance was also recorded for the remaining newly introduced KPIs. In an effort to expand its reach and impact on the Jamaican populous, JAMPRO felt it important to monitor the number of unique clients receiving value-added services; of a target of 350 clients, the Corporation achieved 84%. All intended policy advocacy positions were submitted to the Ministry of Industry, Investment and Commerce (MIIC). The corporate KPIs, targets and achievements against each, are outlined in Table 1 below, and on Figure 1 (following page).

TABLE 1
2022/23 Corporate Targets and Achievement

Corporate KPI	Target	Actual Achievement	% Achievement
Client CAPEX	⊙ US\$422M	🔍 US\$355.1M	⬇️ 84%
Client Gross New Jobs	⊙ 26,409	🔍 31,040	⬆️ 118%
Client Export Sales	⊙ US\$797M	🔍 US\$868M	⬆️ 109%
Client Satisfaction Score	⊙ 90%	🔍 90%	↔️ 100%
Clients Receiving Value-Added Services	⊙ 350	🔍 310	⬇️ 89%
Policy Advocacy Positions	⊙ 8	🔍 8	↔️ 100%
Business Reform Activities	⊙ 50%	🔍 73%	⬆️ 146%



FIG. 1

JAMPRO’s Corporate Targets vs Achievements 2022/23



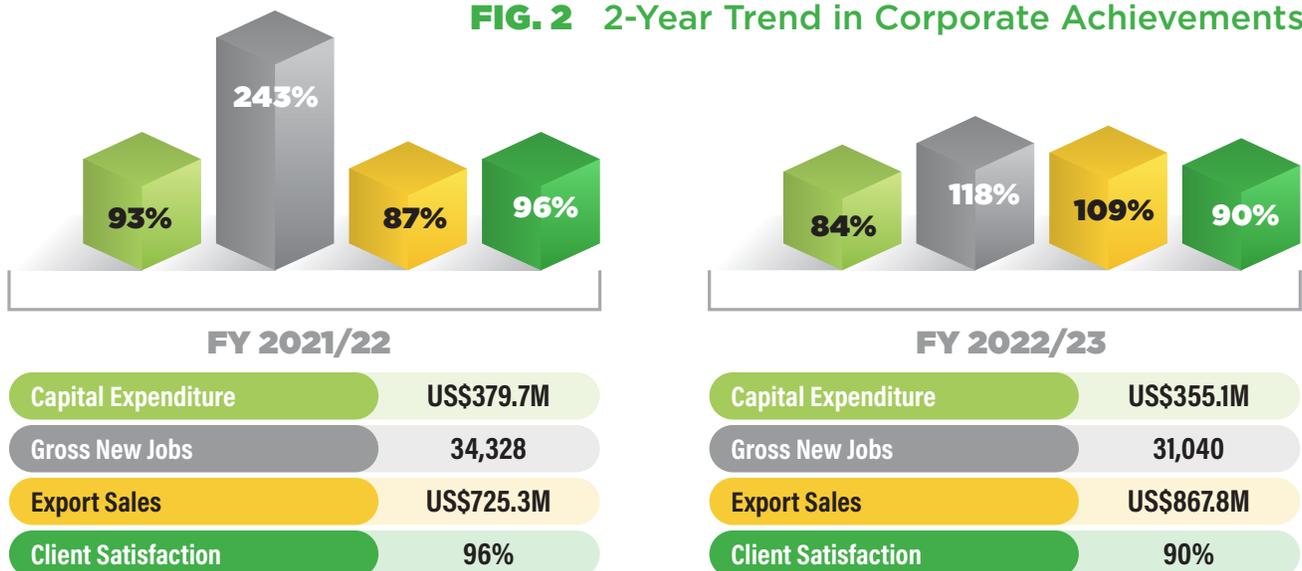
JAMPRO’s Two-Year Comparison of Corporate Targets

Typically, the Corporation conducts a three-year performance trend analysis. However, in this instance, a year-over-year analysis was better suited, to remove the outlier results presented during the heights of the COVID-19 pandemic.

During the year, JAMPRO clients reported 84% of the stated CAPEX target, representing approximately

94% of achievement reported in FY 2021/22. See Figure 2. Similarly, this year’s jobs and export sales achievements account for 90% and 120% of FY 2021/22’s achievement, respectively, indicative of improved overall performance, with the Corporation meeting three of four targets. These 31,040 gross new jobs represent JAMPRO’s second-highest jobs figure, second only to its FY 2021/22 achievement. Princess Resorts was the top contributor to CAPEX and Sutherland Global Services was the top contributor to employment.

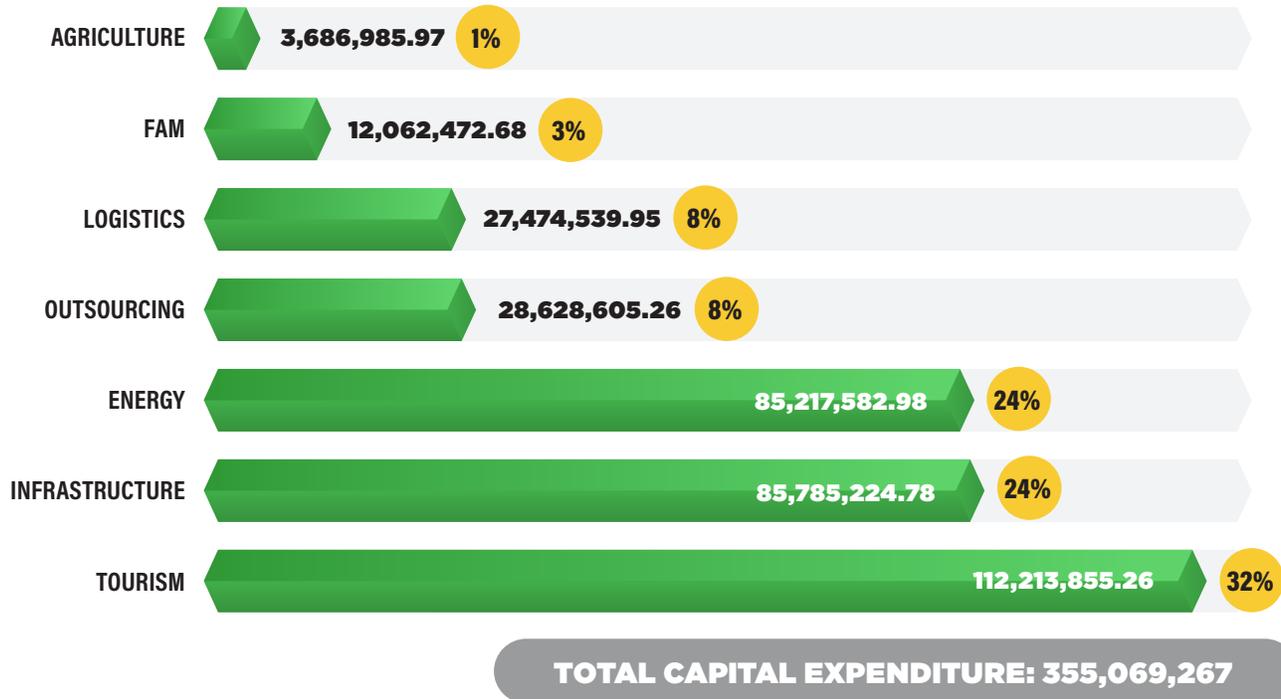
FIG. 2 2-Year Trend in Corporate Achievements



Capital Expenditure by Sector

During the period, and for the second consecutive year, the top three performing sectors for CAPEX were Tourism, Infrastructure and Energy, which reported 32%, 24%, and 24% of total capital expenditure recorded by JAMPRO clients, respectively.

FIG. 3 Capital Expenditure 2022/23 by Sector (US\$)



Tourism

The Tourism sector accounted for the largest portion of CAPEX, with 32% of the reported expenditure. This substantial contribution was primarily attributed to the ongoing construction of Princess Resorts Phase 1 project, which is scheduled to be completed by the first quarter of 2024. The investment made in this project highlights the continued importance of the tourism sector in driving economic growth and development.

Several priority and large-scale projects faced delays and had their start dates pushed back. For instance, the construction of the Karisma Sugar Cane Bay Resort, initially planned to commence in 2020, is now back on track and scheduled to begin construction in 2023. Similarly, the start date for the Amaterra Resort Development was pushed back, but progress is now being made as Hard Rock International has already started clearing lands and carrying out initial ground works for the project.

Infrastructure

The Infrastructure sector made the second largest contribution to CAPEX, with four projects accounting for 24%. This was primarily driven by the Telecoms infrastructure upgrades by FLOW and Cable & Wireless. Other non-telecoms infrastructure projects that contributed to CAPEX were Norman Manley International Airport (NMIA) Divestment project and MJS Industrial Park. The MJS Industrial Park is a 15-acre industrial park complex operating as a special economic zone and is primarily dedicated to light manufacturing and logistics operations. The majority of the property is already leased out, and JAMPRO's projects Transparent BPO and Sagility are occupants in the SEZ Industrial Park.



Energy

The Energy sector's five main investment project accounted for 24% of the CAPEX reported, attributable mainly to investments made by the maintenance and infrastructure work carried out by the JPSCo. In addition to the JPSCo's contributions, Soleco Energy made significant strides in the Energy sector. Soleco Energy entered an arrangement with the CB Group to construct solar power generation plants to facilitate the introduction of self-generation of electricity supply through the development of solar photovoltaic power plants across four locations owned by CB Group in Jamaica.



Outsourcing

Thirteen projects in the Outsourcing sector accounted for 8% of the reported CAPEX. This contribution was primarily driven by reinvestments made by key players in the industry. Companies such as itel, IBEX, Teleperformance, Sutherland Global Services (SGS), Hinduja Global Solutions (HGS), Sagility, and Iterum played a significant role in this sector's performance. itel International expanded and officially launched its 80,000 sq. ft. Chalmers Avenue location. Sagility



expanded into a new location at the MJS Industrial Park, while SGS expanded into a new facility at the 76RHR site. Notably, Intelcia, headquartered in Morocco, became the first BPO company from Northern Africa to establish operations in Jamaica and the wider Caribbean. These reinvestments and expansions by various outsourcing companies highlight the industry's growth and investment in Jamaica.

Agriculture

The agriculture sector contributed 1% to the reported CAPEX. This contribution can be attributed to the implementation of a newly built logistics center at Seprod, spanning an impressive 95,000 square feet. This addition has significantly expanded the logistics capabilities, bringing the total available space to 200,000 square feet.



Mining

Limecore Minerals expanded its operations by opening a state-of-the-art facility to manufacture value-added limestone products, including agricultural lime and water filtration materials.

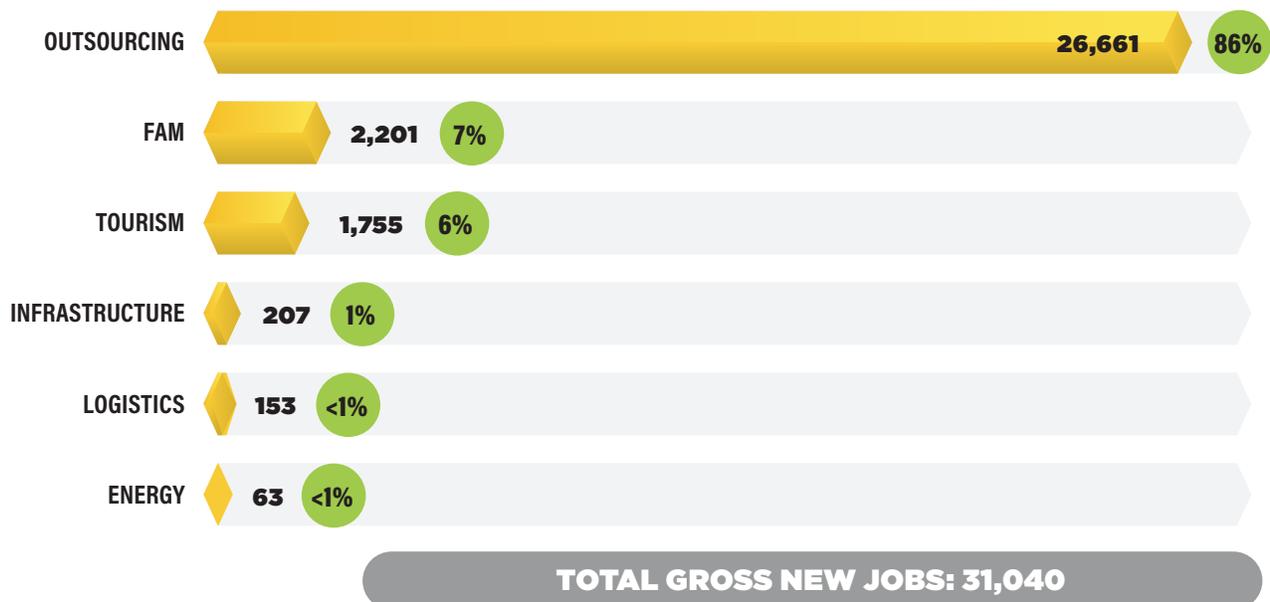
Logistics

The Logistics sector contributed 7% to the reported CAPEX. This was attributed to investments made by the MBJ Upgrade and Expansion Project. They officially opened the newly Expanded Departures, the redevelopment of the 4,000m² departures area, as well as the newly upgraded retail area which spans 68 outlets.

Gross New Jobs Created by Sector

Outsourcing, FAM and Tourism were the top three catalysts behind job creation during the period, and accounted for 86%, 7% and 6% of jobs recorded, respectively. See Figure 4.

FIG. 4 Gross New Jobs 2022/23 by Sector





Outsourcing

The Outsourcing sector was the most significant contributor to the job creation accounting for 101% (26,661) of the employment target and 85% of the CAPEX achievement for 2022/23. This level of achievement indicates the sector's prominence and its significant role in driving economic growth and job creation. JAMPRO maintained a critical role in business facilitation for employment, facilitating several work permits and immigration interventions and Requests for Information (RFIs) to aid in decision making.

Film, Animation and Music (FAM)

The film, animation and music sectors contributed 7% or 2,216 jobs of the overall jobs created. These were generated from 91 international productions and 31 local productions registered. This reflects a 16% reduction in sectoral employment numbers when compared to FY2021/22. This decrease represents slower rates of employment turnover due to the increase in larger productions spanning longer production schedules in Jamaica. Of the 91 registered international productions, the top client productions for hiring local professionals included CBS UK Productions (UK -300), Motive Pictures (UK - 200) and Paramount Pictures/August Street Films (USA - 200).

Infrastructure

The infrastructure sector accounted for the creation of 207 jobs, representing approximately 1% of the employment target. This was primarily from Columbus Communication's infrastructural upgrades.

Tourism

The Tourism sector accounted for the creation of 1,765 jobs, representing approximately 8% of the employment target. These jobs were primarily generated through the ongoing construction at Princess Resorts. The project will continue to generate additional jobs as it tends to completion.

Logistics

The logistics sector accounted for a marginal contribution to the employment target. This was from the ongoing work being done at the MBJ Upgrade and Expansion project.

Energy

The energy sector accounted for a marginal contribution to the employment target. This was attributed to the work being conducted on the Soleco projects and the ongoing work being done at the MBJ Upgrade and Expansion Project.

Export Sales by Sector

With the gradual reopening of the economy, associated with the easing of restrictions affiliated with the COVID-19 pandemic, JAMPRO clients reported significantly higher export sales of approximately USD 868M for FY 2022/23 when compared with its FY 2021/22 achievement of USD725M. This 20% increase exceeds pre-pandemic export sales, and far surpasses the Corporation's target of USD797M, signifying the return of a form of business normalcy. Figure 5 contains a sectoral breakout of this achievement.

As seen here, there were four primary sectors accounting for the export sales recorded for FY 2022/23: Mining, Agro-processing, Manufacturing and Fresh produce.

Manufacturing and Mining

Manufacturing and Mining recorded US\$526M in export sales, representing 60% of the full year's export sales. Sales for the 2022/23 period were driven by rapid growth in the limestone space. Jamaica's limestone sector experienced a significant increase in export and LDI interest particularly from the USA and Southern Caribbean, driven by disruptions in traditional supply chains. The USA particularly suffered from the loss of supplies out of the Yucatan region forcing limestone processors, traders and construction companies to seek new resource-rich locations such as Jamaica.

With respect to Bauxite and Alumina, the picture was different, as JAMALCO, the country's largest Alumina producer is still not back to full production after the 2021 fire at the plant. At the end of the period, news came that shareholder Noble Group had sold its 55% stake to US-based Century Aluminium. The impact of this ownership change remains to be seen. UC Rusal/Windalco continued to produce but was also challenged by environmental issues including river pollution linked to effluent from the refinery. JISCO remained largely out of production in the period but has indicated that activity will resume in the next year.

FIG. 5
Total Export Sales by Sector 2022/23 (US\$)



In spite of the difficulties outlined above, the team at JAMPRO secured 160 new export orders and 75 repeat export orders for these sectors.

Agro-processing and Fresh Produce

The Agro-processing and Fresh Produce sectors contributed 39% or US\$341.8M to export sales, with the largest players being J. Wray and Nephew, Red Stripe and Grace Foods. The team secured 122 new export orders and 165 export reorders for the Agribusiness sectors.

Client Satisfaction Survey and Clients Receiving Value-Added Services

JAMPRO conducted its client satisfaction survey between June and July 2023, assessing the FY2022/23 performance. The survey was administered using JAMPRO Salesforce CRM listing of 310 clients receiving one or more value-added services during FY 2022/23. After independent analysis was conducted, a client satisfaction rating of 90% was derived. Though the Corporation did not meet its target of 350 clients, an 89% rate of achievement is commendable and serves as an excellent baseline upon which to build.

JAMPRO continues to perform well as the Corporation remains focused on creating tailored experiences for clients while employing innovative strategies to increase the Corporation's impact and effectiveness.

Policy Advocacy and the Business Environment Reform Agenda

JAMPRO's contribution toward the improvement of the business environment was measured at the corporate level, for the first time this year through the policy positions advanced and the percentage of business reform activities milestone met, with eight policy positions advanced and 73% of planned reform milestones met. Policy positions advanced include the Global Services Sector Strategy, the Jamaica Business Gateway, formerly the National Business Portal and the National Investment Policy, while some of the reforms advanced include the Jamaica Single Window for Trade (JSWIFT), establishing an Enterprise Risk Management system for Border Regulatory Agencies (BRAS) and upgrade to the Jamaica Development Approvals Portal (JDAP).



JAMPRO continues to perform well as the Corporation remains focused on creating tailored experiences for clients



Sector Highlights

Agribusiness

The Agribusiness Sector has remained resilient despite continued challenges in the global economy, particularly, increased prices for food and raw materials associated with the geopolitical tension between Russia and Ukraine.

The financial year 2022/23 saw revenue generated from food exports, locally, recorded at J\$52B (USD\$341.8M) with the main export products consisting of Alcoholic Beverages (excluding rum), Rum, Yam, Sauces, Baked Goods, Ackee (canned), Fish & Fish Products, Coffee, and Herbs & Spices. Canada, CARICOM states, the United Kingdom and United States continue to be major export markets for Jamaican products.

As a key focus sector chosen to propel the growth of the economy, during the fiscal year, JAMPRO built and leveraged relationships with public and private sector entities and development partners towards greater innovation in the sector. The ensuing relationships have resulted in 10 investment projects generating USD\$45,238,000 in capital expenditure (CAPEX) handed over to the project implementing team and 236 projected permanent jobs over the 2022/2023 fiscal year. Key investment projects aiming to innovate the Agribusiness sector and expand exporter capacity are:

- **DFL Importers - Development Project.** Blue Sphere Development (BSD) rolled out phase 1 of a development project that encompasses the establishment of warehousing, cold storage, manufacturing, and green house facilities. These will be undertaken over 16 one-acre lots.
- **Evdron Private Limited – Drone Project.** EVDRON Private Limited invested in an innovative pay-per-use drone spraying service for the local agriculture sector. Over 100 drones are expected to be brought into the country to support the project over a 2-year period. The cutting-edge drones will be used in the application of fertilisers and pesticides in a safe, uniform, and timely manner.
- **Shavuot International Holdings Ltd – Factory Build-out.** Shavuot International secured a 15,000 sq. ft facility for the relocation of its manufacturing facility in St. Mary. This expansion will allow the company to meet additional demand and increase its market share.



(Agribusiness continued)

The local agribusiness sector has continued on an upward trajectory. Revenue generated from agricultural exports for FY2022/23 was US\$81.2M which represents a 1.1% increase when compared to the corresponding period in FY2021/22. Despite the marginal increase, the industry reported a 9.9% increase in domestic crop production at the highest level ever recorded at 846,508 tonnes, up from 770,456 tonnes in the previous financial year. Growth was recorded in all quarters during the year. This performance was influenced by higher investments in crop production, better weather conditions and several government programmes aimed at optimising the productivity and sustainability of the sector and at supporting farmers in marketing their output.

Prioritising the identification of investment and export opportunities for local SMSEs, JAMPRO continued to provide facilitation services to 21 agribusiness clients participating in Export Max Cohort III programme, while providing support in the management of the overall programme covering 49 companies. Several initiatives were undertaken throughout the year to support Export Max Cohort III clients, including business advisory services, advocacy support, linkages for the sourcing of input materials, sourcing of lands, business to business matchmaking meetings with local and overseas buyers, capacity building and other marketing support.



“

JAMPRO continued to provide facilitation services to 21 agribusiness clients... in Export Max Cohort III programme

”

Film, Animation & Music

FY2022/23 marks the resurgence of the Film, Animation and Music sectors post COVID-19 and was also an extraordinary period of growth.

Resulting from facilitating higher quality film projects and responsive infrastructure expansion, JAMPRO clients within the sectors provided a combined 2216 temporary jobs to the economy, generating J\$4,861,775,238 (US\$31.8M) in revenue from film production expenditure (FPE) and US\$12M in local capital expenditure.

In contrast to the previous financial year, the film sector experienced a resurgence of international productions being registered with JAMPRO and the Jamaica Film Commission. Of the total 122 registered film productions, 91 (75%) were international. As a testament to the high level of skill and service provided by Jamaica's local services providers, FY2022/23 witnessed the Jamaican film industry prove its increased capacity to facilitate multiple large-scale screen-based productions by successfully undertaking the year's three largest productions which together provided an estimated US\$24.6M in Film Production Expenditure (FPE). These three revenue-generating productions included the Paramount Pictures and August Street Films feature film, "Exodus - The Bob Marley Biopic"; HBO and Motive Pictures television series based on Jamaican author Marlon James' award-winning book, "Get Millie Black"; and the Oprah Winfrey Network (OWN) and CBS UK Productions television series, "Black Cake".

Outward missions to major international markets have unearthed an appetite for Jamaican content that is universally appealing and culturally specific from diverse and undiscovered talent. The launch of the Jamaica Screen Fund was announced by Minister Nigel Clarke of the Ministry of Finance and Public Service in March 2023 and represents a significant step forward for the development and financing of local content and co-production opportunities. \$1 billion JMD has been earmarked for expenditure for this initiative over the next two years, with a consultancy to develop the fund and official launch expected in 2023/24.

In complement with the Screen Fund, the Jamaica Film Commission launched the Film Capital Campaign to stimulate economic recovery and impact local film SMSE's through targeted access to financing. Focused on increasing the participation of local investors and



financiers, tax specialists, lawyers, and accountants in the creative economy, 16 prominent institutions were approached to undertake an education drive of investment opportunities in creative projects. This first phase of the initiative culminated in a report with recommendations to overcome the high level of risk aversion and scepticism due to a lack of institutional capacity and experience in the creative industries.

Stemming from the Caribbean Animation Business Model (CABM) project completed in FY2021/22, local animation company Liquid Light Digital won the "Island International Short Film Festival" prize for their short film, "Ego Sum", which was screened at Animae Caribe Festival. This animated short was developed via partnership between Liquid Light Digital (Jamaica), Bounce House (Barbados) and EyeScream (Trinidad) with funding from the Caribbean Development Bank Creative Industries Investment Fund, which was granted to JAMPRO to develop Caribbean Animation Business Model for remote regional collaboration.

There has been notable expansion in the Music space. Geejam Collections Ltd. And Geejam Studios, a luxury hotel and recording studio (respectively) in Portland are leaning into the concept of Jamaica as a business destination by combining music production and tourism. Led by CEOs Jon Baker and Steve Beaver, innovation is being pursued through the outfitting of hotel rooms with recording equipment to upscale its music recording offerings. Geejam primarily services high profile international clients such as Sam Smith, Koffee, Skillibeng and Kendrick Lamar.

Global Digital Services

The growth of Jamaica's Global Digital Services sector continues to build on the positive trend of recovery post COVID-19 as the industry exhibits signs of returning to its pre-pandemic peak.

JAMPRO has played a significant role in this positive trend by championing Jamaica as an ideal Global Services destination to capitalise on the growth and developing trends within the wider industry. Resulting from various projected investment projects identified in the 2022/23 fiscal year, capital expenditure for projects handed over was projected at US\$22.6M.

JAMPRO is dedicated to ensuring that Jamaica is the preferred Global Services destination of the English-speaking Caribbean by promoting investment readiness and viability in various markets. Through the undertaking of outward missions to international markets a number of investment leads were generated. One such lead which has come to fruition in FY2022/23 is the launch of Intelcia, the first Moroccan BPO operator which provides sales, and tech support services to various industries, opening a contact centre in Jamaica. While still underway, this opportunity will be adding a significant number of jobs for Jamaicans.

Additionally, growth within the sector is being fuelled by opportunities for reinvestments by global leaders via physical expansions and the diversification services. A major highlight of a successful expansion with JAMPRO's support is the expansion of Sutherland Global with its 6th location in Kingston. Sutherland Global is currently operating in Portmore, Kingston and Mandeville and has further expanded its operations in Kingston with a site on Red Hills Road. The second notable project is the addition of a new Knowledge Processing Outsourcing (KPO) operation, Grid Dynamics, to Jamaica's Global Digital Services sector. Grid Dynamics is a digital transformation company staffed by Data Scientists providing a range of services to Fortune 500 companies. Their core services include digital transformation, application development, Big Data, Data Science and AI. Grid Dynamics has expanded their operations to Jamaica.

As Jamaica continues to upskill its workforce to solidify itself in the Global Services arena, the lack of supervisory and managerial skillsets has been identified as a major

challenge. Whilst many operators prefer to promote internally, it has been found that many employees are without the necessary competencies required to earn promotions for supervisory levels and above. In response to this issue, the Global Services Sector protect team (GSS) has launched an Apprenticeship Programme which is aimed at resolving this issue.



Tourism

Consumers and investors showed renewed interest in Jamaica's tourism product during the financial year. On the consumer side, the country welcomed 3.3 million stopover arrivals from January to December 2022, generating USD 3.64 billion in revenue.

In terms of investment interest, 8,000 new hotel and resort rooms are being developed or in the planning stages, according to the Ministry of Tourism and estimated capital expenditure from projects handled by JAMPRO almost tripled from USD101.6 million in FY 21-22 to USD305.08M million in FY 22-23. Some notable projects in the development phase and handled by JAMPRO include:

- **Sygnus Mammee Bay:** a hotel development in St. Ann that includes 251 luxury suites and 23 residencies.
- **Living La Vida Surdeen Condo Development:** an 85-unit condominium development in Montego Bay.
- **Fun Factor Water Parks (x2):** inflatable water parks in Montego Bay and Ocho Rios, targeting mainly cruise passengers.

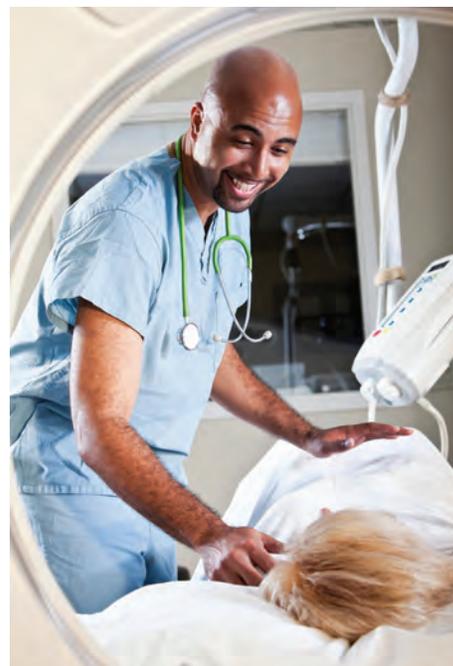
Additionally, two developments completed in 2022 included ROK by Hilton, Downtown Kingston, with 168 rooms and a Medical Tourism facility, Integrative Paediatric & Surgical Associates Limited, Fairview, Montego Bay, providing high quality services for children with a wide range of health conditions and needs.

The local investment community showed a growing appetite for tourism projects in Jamaica. Companies such as Barita, Proven Investments and Sygnus are investing in various projects in the sector. There is also increased investment interest from diaspora members who want to give back to their homeland while capitalising on Jamaica's lucrative tourism offerings.

Regarding promotions, JAMPRO continues to drive awareness around investment opportunities in leisure, health and wellness, eco-tourism, and services. To do this, the organisation participated in various conferences locally and abroad and partnered

with stakeholders to host a market sounding for the divestment of the Milk River Hotel and Spa and the Bath Fountain. While the abovementioned sub-sectors remain areas of focus, JAMPRO has noticed an increased interest in blue economy projects. Two key opportunities in this area that JAMPRO is facilitating include a large-scale outdoor aquarium called the Deep Blue See and a Port Royal Pirate experience being undertaken by a British investor.

JAMPRO continues to be a critical support for its clients by facilitating business matchmaking, finding investors for projects where possible and unearthing opportunities that increase the viability of projects being pursued.



Logistics, Infrastructure and Energy

The Logistics, Energy and Infrastructure sectors performed remarkably in the financial year under review.



JAMPRO progressed 18 projects to an advanced stage, prepared for implementation with a projected CAPEX of USD 252M and 2,950 projected jobs. The actual CAPEX generated by these sectors represents over half of the overall CAPEX target for the organisation. The main driver of CAPEX and jobs among the three sectors was infrastructure, as over 60% of these projects were building constructions mainly for commercial purposes. This shows that the infrastructure sector still contributes significantly to the country's economy.

Regarding logistics and energy, emphasis was placed on promoting strategic projects with significant economic impact for Jamaica. These include the Caymanas Special Economic Zone, Kingston Logistics Park, and the Integrated Resource Plan. JAMPRO partnered with its private and public stakeholders to host and participate in 11 critical engagements (missions, site visits, meetings) that attracted business interests from across the globe, such as Chile, China, Trinidad, Puerto Rico, and the United States. The main aim of these engagements was to promote and generate interest in the logistics and energy sectors.

While promoting Public-Private Partnerships for the energy sector, JAMPRO facilitated investments in private energy projects. It provided critical support to Soleco Energy which is building several energy plants to support Caribbean Broilers operations in Kingston, St. Catherine, and Clarendon.



Mission to Trinidad & Tobago

Manufacturing

The Manufacturing sector showed recovery in several areas, as the difficulties with importing raw material and travel limitations were greatly reduced.

The outlook for 2023–2024 is encouraging, with a brisk and diverse pipeline of business prospects, and the continued improvement of Jamaica’s business environment due to the focus on a logistics-centered economy and the promotion of Special Economic Zones (SEZs).

A number of key projects progressed during the year, including the five-year-old Bamboo Bioproducts investment project being put into action, Free Form Factory’s expansion of an extra 18,000 square feet of production space in order to enable the fabrication of cooler boxes and building panels, and Green Concepts Jamaica International who began the first-ever battery production in 2022 with plans to expand into

the production of solar panels in 2024, capitalising on the global shift towards renewable energy sources. Through JAMPRO’s intervention, Carib Cement was also able to increase its production capacity. For the pharmaceutical industries, Mac’s Pharmaceuticals produced and exported IV fluids for the first time to the Caribbean. Additionally, Pure Jamaica has aligned itself to a UK company to manufacture alginate film.

Through JAMPRO’s introduction, Morant Capital has recently agreed to take an 80% interest in Power Transformers Refurb. Plans are now being made for the investor to start paying for equipment with the expected success of this venture set to provide a crucial service to the Jamaica Public Service.

Mining

Due to disruptions in traditional supply networks, Jamaica’s limestone industry saw a major rise in export and LDI (Local Direct Investment) interest, mainly from the USA and Southern Caribbean.

The Yucatan region’s loss of resources, which forced limestone processors, traders, and construction enterprises to look for new resource-rich places, put Jamaica on their radar. As a result, JAMPRO handled numerous limestone inquiries, leads, and opportunities in FY2022/2023 (particularly from Trinidad who created an opportunity for Jamaica when they instilled a no-export order within their borders) and realised exports and investments targets.

Additionally, a Fortune 500 US corporation has decided to establish a sizable limestone operation in Jamaica, primarily for export to feed into their own

construction projects. Furthermore, ROHO Ventures has committed to investing in two investment opportunities, packaged by JAMPRO around cultured marble and Ground Calcium Carbonate.

Work also progressed on the Limecore value-added limestone manufacturing project for agricultural use, with plans to manufacture their own pallets and storage bags later on. JAMPRO facilitated an introduction to a potential US buyer as well as a courtesy visit from the Minister in charge.

Cannabis

This fiscal year saw the long-awaited publication of Jamaica's medical cannabis import and export regulations. The Cannabis Industry Development Taskforce also completed the draft Master Plan during this time and presented it to MIIC for review.



The Cannabis Licensing Authority (CLA) had granted a total of 106 licenses as of October 2022. Forty-six of these relate to cultivation, 13 to processing, 38 to retail, four to transportation, and five to research and development.

A social media event with the CLA as well as a roundtable discussion on methods for financing cannabis-related ideas in Jamaica are just two examples of innovative strategies utilised in this period to engage stakeholders in the cannabis sector. Pertaining to the latter, a financial institution drafted a solution with the intention of solidifying it in the following fiscal year.

Additionally, there have been infrastructural developments in the sector with plans advanced for a manufacturing plant for medical cannabis end products to be set up in Jamaica with the assistance of Swiss company Cloud 9 International Limited.

Improving Jamaica's Competitiveness



Sector Development Initiatives

National Agribusiness Strategy

The National Agribusiness Strategy, developed in JAMPRO in early 2019, remains a priority for the Government. During the FY2022/23, JAMPRO, who initially had Secretariat responsibility and had executed work on the Strategy in the previous fiscal year, relinquished such functions to MIIC, who thereafter handed it over to the Ministry of Agriculture and Fisheries (MOAF) given the very nature of the Strategy. It was decided that the MOAF ought to lead on its implementation with the relevant support from MIIC and JAMPRO.

Global Digital Services Sector Strategy

The 5-year Global Digital Services (GDS) Sector Strategy is designed to position Jamaica as a high value-added services destination with 70,383 employees, at a cost of US\$7.5 million largely financed through the Global Services Sector Project (GSSP). This Strategy was approved by Cabinet in February 2022 and later tabled in Parliament on May 24, 2022, thus effecting its implementation. A Taskforce, chaired by HM Aubyn Hill with secretariat support provided by JAMPRO, was established for driving the Strategy's implementation. Key achievements to date include:

- Supported establishment of work-from-home (WFH) arrangements for GDS companies. The Jamaica Special Economic Zone Authority (JSEZA) and the Ministry of Finance & Public Service (MOFPS) are now working towards establishing a more permanent WFH solution.
- Initiated and launched various skills development programmes under the GSS Project.
- Supported the implementation of key initiatives from the Industry Skills Upgrade Strategy.
- Boosted domestic companies' services exports via Export Max.



Business Environment Initiatives

The Government of Jamaica (GOJ) considers foreign direct investment (FDI) a key driver for economic growth and in recent years has undertaken several reforms that have improved the investment climate. However, the reform programme was stymied by measures implemented to contain the impact of the COVID-19 pandemic as well as the ripple effects of the geopolitical tension between Russia and Ukraine. Nevertheless, the GOJ, through MIIC and its agencies, strived to address as best as possible the challenges faced, and to improve the environment. Notable initiatives include:

National Investment Policy (NIP)

Following the July 2022 approval by the Cabinet, the National Investment Policy (NIP) was tabled in Parliament in December 2022, paving the way to effect its full implementation. The following are updates on the JAMPRO-led strategies included in the Policy:

- **Defining Priority Projects:** The definition and designation of a priority project is an expansion of one of the strategies of the National Investment Policy intended to increase the levels of investment, job creation and knowledge/technology transfer through increased investments. Priority project designation allows these projects to benefit from expedited Government services and the elimination of excessive bureaucratic procedures resulting in shorter timeframes to implementation, more accurate predictions for the investor and reduced overall cost for the investor. Two applications were received from the Agribusiness and Outsourcing sectors, respectively, during the fiscal year, however, having completed the evaluation process, neither qualified due either to insufficient financial support or inability to meet minimum qualifying jobs.

Status: Completed. ✓

- **National Sourcing Policy:** This Policy is expected to create an enabling framework to strengthen and sustain the nation's economic growth and development through strategic and focused

initiatives that encourage and incentivise the use of local inputs in key industries. With funding support from the Foundations for Competitiveness and Growth Project (FCGP), this Policy was rescoped as the National Linkages Strategy. The consultancy is expected to end in Q1 FY 2023/24 where the framework will be advanced to Cabinet prior to implementation.

Status: Ongoing →

- **Large Scale Work Permit Facilitation Programme:** Work was undertaken to develop a work permit processing system that allows the submission of large batches of work permits, up to fifty, from one company at one time. The reason for this is that companies, particularly those within the Global Digital Services sector usually hire in large batches, particularly during start-up or expansion, making this process onerous for the companies. During the period under review, a concept paper was developed and shared with the Ministry of Labour and Social Security as well as the HEART/NSTA. Stakeholder consultations will be executed to finalise the process.

Status: Ongoing →

- **Jamaica Business Gateway:** The development of the Jamaica Business Gateway (JBG), formerly the National Business Portal (NBP), continued apace with the onboarding of consultants to drive the varying sub-phases which are being executed to re-engineer more business-to-government (B2G) services. Approval was granted by Cabinet (Decision No. 17/22) for the entry of phase 3 into the Public Sector Investment Programme as well as for the full implementation of phase 3 by accessing funds under the FCGP and GSS projects. The soft launch of the Jamaica Business Gateway was successfully held on January 31, 2023, with an official launch schedule for Q1 FY2023/24.

Status: Ongoing. →

National Competitiveness Council (NCC)

This public-private partnership body was established in 2010 to advance policy advocacy, research and public awareness of reform initiatives that facilitate the creation of an enabling environment for businesses in Jamaica. Based on this mandate, the NCC updated the National Business Environment Reform Agenda (BERA), which outlines the strategic and transformational initiatives across government that are designed to address the issues affecting

the business climate. Currently, there are twelve investment climate reform areas on the Agenda, with each having defined reforms and activities. The areas are: Starting a Business, Getting Credit, Resolving Insolvency, Protecting Minority Investors, Paying Taxes, Investment Facilitation, Market Penetration, Enforcing Contracts, Registering Property, Dealing with Construction Permits, Getting Electricity, and Trading Across Borders.

The success of the NCC for FY2022/23 is summarised as follows:

Governance: Legislative, Policy, Strategy Development

Development and/or amendment of new laws, regulations, policies and strategies

(i) National Services Policy; (ii) National Spatial Plan; (iii) Customs Act; (iv) Credit Reporting Act; (v) Local Improvement Act; (vi) Repeal and Replace Trade Act; (vii) Amendments to the Companies Act; (viii) Insolvency Act; (ix) Review of BRA Fees and Charges Policy; (x) Consolidation of Taxes; (xi) Amendment to SIPPA; (xii) Amendments to JSE Rules; (xiii) Amendment to Building Act; (xiv) Develop and Implement Linkages Strategy; (xv) Promulgation of Development Orders; (xvi) Promulgation of Building Codes; (xviii) Create umbrella legislation for BRAs.

Digital Transformation: IT System Enhancement and/or Development

Re-engineering and process automation, including the development of IT systems (Portals, Registries and Platforms)

(i) JSWIFT - Phase I; (ii) JSWIFT - Phase II; (iii) JTIP Upgrade; (iv) National Business Portal; (v) Document Management System; (vi) E-Titling; (vii) Digitisation of Records; (viii) E-commerce Platform for Secondary Markets; (ix) Laws of Jamaica Portal; (x) NSPIT Platform; (xi) Upgrade AMANDA; (xii) Enterprise Risk Management for BRAs; (xiii) Online Platform for Mediation; (xiv) Establishment of GER; (xv) GoJ Land Bank - IT Platform; (xvi) Jamaica Development Approvals Portal - Review and Upgrade

Institutional Strengthening

Enhancing the capability of an entity such as through infrastructure enhancement, equipping, restructuring and capacity building of staff

(i) Coordinated Inspections, including training (ii) Change Management for Municipal Corporations; (iii) Change Management for JBG; (iv) Establishment of Building Practitioners Board; (v) Provide IT equipment to support GER

Business process re-engineering and improvement

Improve the functioning of an entity through improving business processes and procedures

(i) A Framework to implement ATA Carnet; (ii) GoJ Land Bank Phase I - Research; (iii) Coordination of Labs; (iv) Organisational Review of MIIC; (v) Establish Enterprise Risk Management Framework for BRAs; (vi) Implementation of Non-Intrusive Inspection Programme; (vii) Implementation of enhanced risk management solution; (viii) Implement new Inspection protocols; (ix) Module in ASYCUDA to facilitate Advance Rulings; (x) Implement Port Community System: Air Import & Export Modules

Status: Ongoing 



ATA Carnet

JAMPRO is proposing that Jamaica adopts the Istanbul Convention that would allow it to leverage the ATA Carnet system. The implementation will permit duty-free and tax-free temporary import of goods, thus eliminating value-added taxes and duties, which will ultimately reduce the cost for exporters and temporary importers.

Status: Ongoing →

Productivity

The evaluation for the Development of a Framework and Roadmap to drive Productivity in the Public and Private Sectors was successfully completed in November 2022, and negotiations with the preferred consultant taking place between Q3 and Q4. The consultant will begin work on the 2023/24 fiscal year.

Status: Ongoing →

“

The Government of Jamaica (GOJ) considers foreign direct investment (FDI) a key driver for economic growth

”

Signature PROGRAMMES

The signature programmes of the agency for the 2022/ 2023 financial year include the Economic Diplomacy Programme, Honorary Investment Advisor programme, Export Max and the Global Services Sector Project (GSSP).

50
MSMEs

70%
35 Micro-
Enterprise

20%
10 Small
Enterprise

10%
5 Medium
Enterprise

48%
Companies
Female-Led
(24)

EXPORT MAX

The Export Max programme which has been designed to address many of the challenges being faced by exporters and export-ready firms, particularly those internal challenges related to finance, management, technology, productivity, and general business processes, entered its third iteration. Cohort III consisted of a mix of 50 MSMEs from Food Manufacturing, Non-Food Manufacturing, Services, and the Creative sectors. Of the mix, 70% (35) were micro-enterprises, 20% (10) small enterprises and 10% (5) medium enterprises, with 24 (48%) of these companies being female led.

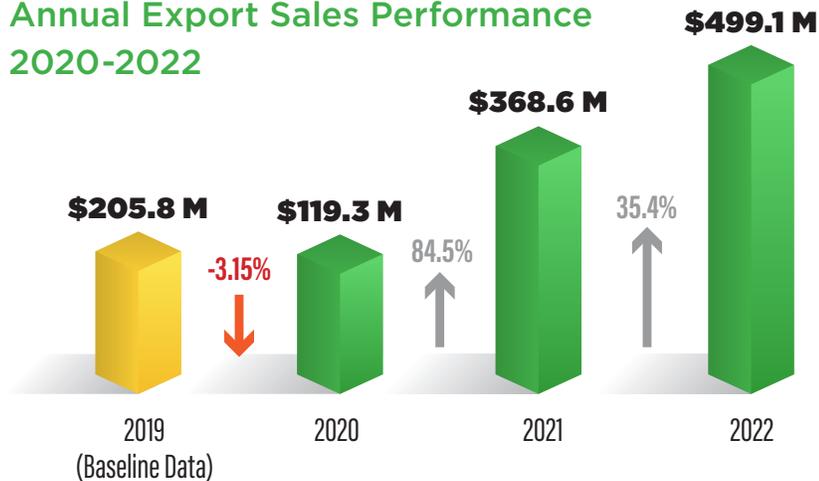
Of the 30 companies within the cohort that were already exporting, 100% of them were able to enter new international markets with the help of various market access activities provided by the Programme. Some of the markets accessed were: USA, Canada, UK, Trinidad and Tobago, Panama, Japan, Brazil, Grenada, Barbados, Bahamas, Antigua, St. Martin, Martinique, Cayman, China, Dominica Republic, Sweden, and Zimbabwe. In the USA, the Programme made deliberate attempts to ensure that different States were entered by the participants, these included California, New York, Florida, Texas, Illinois, and Philadelphia.

In the search for buyers, 190 new buyers were recruited, whose initial order to members of the cohort was over J\$63.2 million. At the end of the Programme 78% of the non-exporting companies within the Programme had started to export.

The performance of the Export Max Cohort III far exceeded established sales targets and expectations. The cohort's stellar performance is remarkable not only

(Export Max continued)

in terms of the numbers achieved, but also that these results were achieved during a period with great instability and uncertainty both locally and internationally. Over the period, the programme stood by the cohort and assisted them to pivot as they fought on multiple fronts, firstly to remain in business and secondly, to continue to export in the face of economic, social and market challenges brought on by the onslaught of the COVID-19 pandemic. The cohort's micro-enterprises were further challenged with meeting set targets in light of the developmental and capacity challenges impacting this cohort segment. As a result of this, the cohort's sales performance was largely driven by six companies (Small & Medium), which were responsible for 80% of the cohort's sales results achieved. The programme's progress can be tracked in Figure 6 below.

FIG. 6**Annual Export Sales Performance
2020-2022****Export Max III – Penn Relays**

A key initiative under the Export Max Programme was JAMPRO's activation for Penn Relays 2022, held on April 28-30, 2022. Five Export Max clients spanning the agro-processing and non-food manufacturing sectors showcased their products during the event and engaged in 21 B2B meetings with invited buyers. A total of 48 leads were generated from this activation.

The Programme has also gained international recognition winning the award for ‘best use of partnerships’ in support of MSMEs from the World Trade Promotion Organization (WTPO), underscoring the need for close collaboration between public and private sector organisations and through deliberate strategy on the part of the Jamaican government.

As JAMPRO seeks to continuously improve its offering, the fourth iteration of the Programme, to be launched in FY2023/24, will provide a fast and efficient route to exporting with differentiating features such as fast-tracked capacity development, tailor-made financing solutions, market penetration, mentorship and advocacy support, that delivers speed to market and sustainable export growth.



GLOBAL SERVICES SECTOR PROJECT

As the Executing Agency with direct oversight for the implementation of the GSS Project, JAMPRO is pleased with the Project’s accomplishments since its inception, as well as the final elements of the project now underway to support the growth and build-out of the Global Digital Services Sector. As the Project is slated to conclude in the 2023/24 financial year, the 2022/23 period was focused on ensuring plans were in place to support project completion.

Under Component 1 of the project, which has a primary focus on skills development, including upskilling local talent in preparation

for Supervisory Management and Leadership roles within the sector, over 1000 apprentices would have benefitted from this programme and are now prepared to offer higher-valued services. In order to secure sustainable growth of the sector, this initiative is twinned with the Enhanced Job Readiness Curriculum, which is supporting the wider aim to prepare 24,000 youths for entry-level work in the sector while maintaining a viable pool of labour for investors. Some of the other key initiatives now underway are the Apprenticeship programme, High School Immersion Programme and GSS Career Pathway Framework. These programmes have been instrumental in supporting the project’s impact. In this fiscal year, the GSS Career Pathway Framework website, inclusive of the career advisory portal, has been steadily gaining popularity and now boasts some 1,683 users.

Similarly, under Component 2, work continues on enhancing the Global Digital Services Sector ecosystem through the implementation of the GDSS Strategy. In the last year, the team has executed three successful trade missions as well as the inaugural Invest Jamaica Conference and is currently engaged in undertaking the necessary awareness campaigns aligned with sector development. In March 2023, the Technology Innovation District was launched in March 2023 supporting 16 tech companies with a range of market penetration and capacity building activities until December 2023.

The work done to date is remarkable and has proven to be a benchmark for local sector development and discussions are now underway with the IDB for GSS part 2.

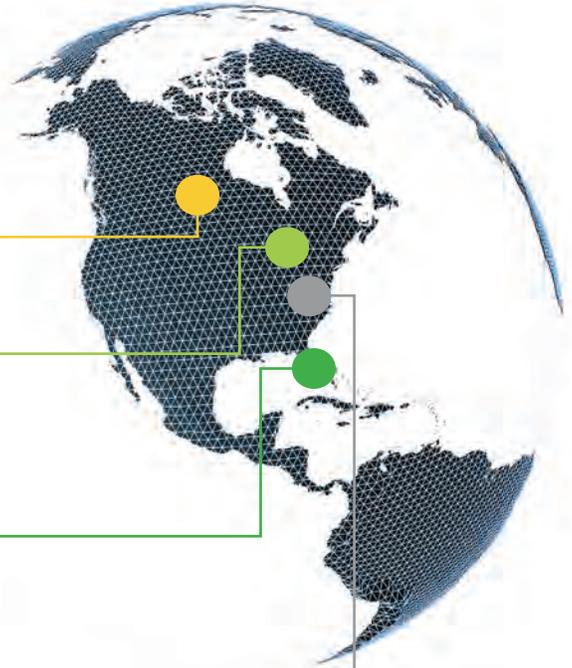
ECONOMIC DIPLOMACY PROGRAMME

The Economic Diplomacy Programme, crafted around interaction with Jamaica’s foreign embassies and honorary consuls, specifically through sector-specific webinars, regional group meetings as well as one-on-one sessions, entered its third year, generating new investment and trade opportunities.

(Economic Diplomacy Programme continued)

In the past financial year, integral connections were established in Canada (Toronto and Winnipeg) and the USA (Miami, Washington, and New York) with various key individuals, organisations, and institutions involved in economic activities. These collaborative efforts between the agency and the various Consuls of the different territories have made some significant progress for economic activities and business opportunities. Some of the key activations include:

- **Winnipeg -** a G2G roundtable with Manitoba's Provincial Ministers of Government
- **Toronto -** a meeting with City of Mississauga Officials in May 2022 in which potential areas for collaboration in the Food Manufacturing and Logistics sectors were identified
- **Miami -** newly appointed Honorary Investment Advisor (HIA) in Georgia, Bindley Sangster had leads generated in energy, GDS, and agriculture (cocoa)
- **Washington -** discussions were held with JAMPRO and Paramount Studios regarding incentives for the Bob Marley biopic that was being shot in Jamaica.

**HONORARY INVESTMENT ADVISORS**

JAMPRO expanded on the Honorary Investment Advisor (HIA) programme with the appointment of Mr. Anthony Barbar (Florida), Mr. Jerold Johnson (Florida), Mr. Bindley Sangster (Georgia) and Mr. Rodney Reid (Japan). Each advisor was chosen given their level of influence in the specific market being observed and their ability to provide guidance on how to navigate within that market. Notably, the HIA in Japan has been particularly active in driving interest for investment in logistics (Jamaica as a transshipment hub), infrastructure and trade opportunities. In relation to the Factories Corporation Boundbrook Industrial Park, the New Market Development team arranged a meeting between a representative of Jamaica's Honorary Consul in Chile and Mr. Tanny Shirley to discuss the potential Chilean investment in the project.

Major Events

As the world emerged from the pandemic, JAMPRO executed a number of high-quality events to reconnect with investors, exporters and to build on stakeholder relationships which may have waned during the period.

Some of the main activations throughout the 2022/2023 financial year were the Jamaica Blue Mountain Coffee Day, Invest Jamaica, Penn Relays Business Activation, World Freezone Organization's Conference (AICE) and Jamaica's Business Luncheon & Showcase at Penn Relays.



Jamaica Blue Mountain Coffee Day

Blue Mountain Coffee Day was celebrated on Monday, January 9, 2023, in Jamaica and Japan, along with various Jamaican embassies and Consulates globally, under the theme "Live the Luxury Lifestyle". The Jamaican flagship staging of the celebration was held at Café Blue in Kingston by Minister Aubyn Hill. The event was especially significant as for the past few years, JAMPRO has been working with the Jamaica Coffee Exporters' Association (JCEA) and the Jamaica Agricultural Commodities Regulatory Authority (JACRA) to promote this delicacy to local and foreign coffee drinkers.

Coffee has been one of Jamaica's largest agricultural export products and with a rejuvenated dedication to the industry, it is anticipated that there will be increased production and marketing efforts from the private sector.



L-R Gabriel Heron Vice President of Marketing JAMPRO, Jacqueline Sharp Director- Coffee Traders Limited, Mr. Ken Nakamura - Counsellor/Deputy Head of Mission on behalf of The Government of Japan, Shullette Cox President JAMPRO, Senator The Honourable Aubyn Hill Minister of Industry, Investment and Commerce, The Honourable Parnel Charles Jnr Minister of Agriculture and Fisheries, Norman Grant Chairman JCEA, Norman Naar Vice President Sales & Promotions JAMPRO, Peter Thompson Director General JACRA.

Invest Jamaica Business Conference



The Invest Jamaica Business Conference was held November 29-30, 2022, in Montego Bay, Jamaica, under the theme “Jamaica, the Nearshore Delivery Hub of the Caribbean”. It was a collaborative effort between the Inter-American Development Bank (IDB) and the Government of Jamaica (GOJ). This event facilitated discussions among specially invited investors, government officials and senior executives from across the globe with the purpose of securing local and foreign direct investments. Furthermore, attendees were informed about the recently approved National Investment Policy which will make it easier for both foreigners and locals to invest in Jamaica.

To date, of the 363 registrants, there was a 55% conversion from registration, producing 25 qualified leads (62.5% of target). A unique feature of the event was the Pitch Platform which featured presentations/pitches on the following nine

packaged investment projects spanning Special Economic Zones, Agribusiness, Manufacturing, Solid Waste to Energy:

1. **Avocado Orchard**
(Agro Investment Corporation - AIC)
2. **Mango Orchard**
(Agro Investment Corporation - AIC)
3. **JFVL Ltd**
4. **Cultured Marble (Limestone)**
5. **Bamboo BioProducts Ltd.**
(Not Pitched – fully vested)
6. **BoundBrook**
(Factories Corporation of Jamaica)
7. **Integrated Solid Waste to Energy (DBJ)**
8. **Kingston Logistics Park (PAJ)**
9. **Caymanas Special Economic Zones (PAJ)**

There was also widespread attention for the conference with the targeted digital campaign for the event yielding 1.3 million impressions and 12,400 unique views on Live Stream. In the next fiscal year, the team will continue to follow up on these leads to bring these projects to fruition.

The JAMPRO Corporate Website was revamped with assistance from the developer, WeUsThem, to establish a Chat Box Feature. Additionally, the site was revitalised to promote the Invest Jamaica Conference. Ultimately the goal of the website is to give users a smooth user experience, increase the site's loading time and the facilitation of critical leads generation for the agency. Notably, the number of users on the website increased to 63,124 (from 57,744), and the bounce rate was reduced to 32.37% compared to 46.15% in the previous year.

Penn Relays Business Activation

The Penn Relays held its 126th staging from April 28- 30, 2022 in Philadelphia, Pennsylvania and Brand Jamaica was heavily promoted. This trade mission was the result of collaboration across the Export Max III programme, the Jamaica Business Development Corporation (JBDC) and the Jamaica Manufacturers and Exporters Association (JMEA).

Five prominent Jamaican manufacturers attended the event, namely, Annilu Limited, Herboo, King's Jamaican Health and Wellness, Bresheh, and Shavuot International. The event afforded the manufacturers interactions with buyers, distributors, and retailers to promote their products with the aim of increasing Jamaica's export sales. This event was paramount for Jamaica's manufacturers in determining the latest export opportunities to aid them in becoming top quality suppliers not to mention increase international awareness of the island's exporters.

World Freezone Conference

The JAMPRO team collaborated with the Jamaica Special Economic Zone Authority (JSEZA) in the execution of the Annual International Conference and Exhibition (AICE) 2022, which was held from June 13-17, 2022. The Agency spearheaded monitoring and developing the B2B platform and facilitated B2B meetings. The conference successfully had 149 B2B meetings scheduled, 18 leads generated and 1.2 million impressions along with 7,262 engagements from the social media campaign.

Business Opportunity Forum

A WJRO Webinar was held on October 13, 2022, in partnership with the British High Commission (BHC) in Jamaica which had a presentation on its business opportunity forum. The theme of the virtual event was "Partnership for Investment & Job Creation", and it was designed to present JAMPRO's packaged projects to prospective investors primarily in the UK Market. This event focused its presentation on the sectors of: Global Services, Ag-Tech and Logistic SEZ projects.

Market Activations

Ministerial Trade and Investment Missions

Conceptualised and led by Senator the Honourable Aubyn Hill, Minister of Industry, Investment and Commerce (MIIC) and organised and executed by JAMPRO, a new approach to missions was adopted in FY2022/23. These Ministerial Business Missions saw MIIC's portfolio Minister leading delegations of private sector and government officials into various territories to meet with high level government officials and attend pre-arranged business-to-business (B2B) meetings, as well as participate in networking activities, site visits and various events. Four such missions were executed during the financial year – Guyana (twice), Trinidad and Tobago and the Dominican Republic.

Guyana I

The first of Ministerial Business Mission took place October 3 to 8, 2022 in Guyana, and had a total of 38 persons participating, seven of which were government representatives from MIIC, JAMPRO and Jamaica National Agency for Accreditation (JANAAC) and 23 Jamaican private sector entities spanning the construction, financial, retail, and other services sectors.

During the mission, Go-Invest (JAMPRO's counterpart in Guyana) and the Georgetown Chamber of Commerce presented a profile of the country and the emerging development plans and opportunities. Sixty B2B meetings were organised with a range of Guyanese entities, by JAMPRO in collaboration with the Georgetown Chamber of Commerce, the Guyanese Manufacturers and Services Association, the Private Sector Commission of Guyana and Go-Invest. Government-to-Government (G2G) meetings were also convened between Minister Hill and the Guyanese Prime Minister, Minister of Finance, Minister of Tourism, Industry and Commerce, and the Minister of Agriculture.

A key outcome of the mission was the signing of an MOU between JAMPRO and Go-Invest which lays out mutual collaboration in areas such as exchange of information to help businesspersons from both countries do business more effectively with their counterparts, collaboration in best practices and providing relevant data which will assist business and trade initiatives.

Guyana II

The second Ministerial Business Mission to Guyana built on the successes of the first and was executed January 23 to 28, 2023. The mission's delegation consisted of 54 private sector representatives and 11 GOJ representatives. Based on feedback from the participants, the mission was a success as the opportunities pursued in finance, construction, agriculture, and information technology had favourable outcomes.

Over the course of the mission 250 B2B meetings were held with over 40 Guyanese companies in the energy, logistics, communication and agro-processing sectors, among others. Some successes of the mission included an information and communication technologies (ICT) firm securing 5 clients with an estimated opportunity value of US\$65,000 for the year, JANAAC concretising two new applications from the Ministry of Health in Guyana, with two strong business leads to be confirmed and several interests to mature within the next fiscal year, and Jamaica Special Economic Zone Authority (JSEZA) advancing discussions to work with Go-Invest, the Ministry of Trade and the Georgetown Chamber of Commerce to establish a Special Economic Zone regime in that country. Additionally, at least two shipments of aggregates have been exported to Guyana and negotiations are underway for a US\$3M contract for future aggregate exports.

Trinidad and Tobago

For the next Ministerial Business Mission, Minister Hill led a delegation of 23 participants (15 private sector and eight government representatives) to Trinidad & Tobago from March 8 to 11, 2023. The delegation spanned the finance, ICT, construction sectors and public agencies such as MIIC, JSEZA and JANAAC. There were over 100 B2B meetings facilitated with representatives from Trinidad & Tobago's targeted sectors of energy, finance, manufacturing, and distribution. Relationships built during the mission to Trinidad and Tobago resulted in a Trinidadian company visiting Jamaica during Expo Jamaica 2023 (April 2023) and indicating an interest in opening several manufacturing and retail stores over the next five years. In the agribusiness space, one company received and shipped its first order with projected sales of US\$30,000 per quarter, while another is negotiating contracts for US\$940,000/annum.

Dominican Republic

The final Ministerial Business Mission for the fiscal year was executed from March 28 to April 1, 2023 to the Dominican Republic. The participants of this mission included representatives from MIIC, JSEZA and the Private Sector Organisation of Jamaica (PSOJ). In addition, there were 18 private sector representatives participating from industries such as finance, ICT, real estate, manufacturing and construction. During the mission, a Hotel Investment Forum was hosted with attendees from several companies which had an interest in Jamaica's incentives and land availability. An additional forum held focused on investment in the Global Digital Services (GDS) sector, revealed several companies were interested in Jamaica's infrastructural space and SEZ Incentives. Due to the special interest in Jamaican SEZs, a special session, titled "Investing in Jamaica's SEZs" was held focusing on targeting financial institutions that could potentially drive the development of a consortium to fund the Caymanas Special Economic Zone or fund the project themselves.

Summary

Overall, these missions were attended by participants from more than 60 companies and yielded over 400 B2B meetings, generated approximately 226 leads and at least US\$5.65M in contracts, all while building stronger relationships across the region.

Building on this success, these Ministerial missions will see the Corporation traversing to New York, Miami, Atlanta, Canada and the United Kingdom in the 2023/24 fiscal year.



A selection of photos from the 2022-2023 Ministerial Trade and Investment Missions to Trinidad and Tobago, Guyana and the Dominican Republic.



Organisational Development

The 2022/2023 financial year was one of rebuilding and increased effectiveness. This principle spanned JAMPRO's physical plant as well as its human resources.

The Corporation experienced leadership changes at the helm. President Diane Edwards demitted office on December 31, 2022, and VP Shullette Cox was asked to act in the post as of January 3, 2023, to facilitate the appropriate recruitment activities. During the period, December 2022 to February 2023, the Board of Directors, with support from the JAMPRO Human Resource Department, JAMPRO engaged in an extensive recruitment process to identify a new President, at the end of which, former VP Cox was appointed to the post of President on February 13, 2023.

With team members back in office, JAMPRO installed new audio-visual tools for the business auditorium to better facilitate in-person and hybrid meetings and increased the wireless network's coverage and strength. Additionally, the Ministry of Finance and the Public Service, granted the Agency a capital budgetary allotment of J\$32 million to install two new passenger elevators which have come to the end of its useful life. No additional capital projects were undertaken due to lack of available funds, but the Corporation aims to install the two new passenger elevators by September 2023 and an external fire escape staircase in subsequent periods.

Staff development was an area of high priority during the year with a number of initiatives in place to review and update staff policies, including the creation of the Flexible Work Arrangement Policy. Staff was also engaged in numerous team-building initiatives to foster in-office cohesion. Areas such as business process automation, knowledge management and the Intranet were also advanced to improve workplace efficiency.



Board of Directors' Report

The Corporation is governed by a Board of Directors who is appointed by the portfolio minister. The appointment of a new Minister of Industry, Investment and Commerce just prior to the beginning of the financial year and the appointment of a new Chairman in July 2022, resulted in a shift in strategic direction.



While the Corporation's operations continue to be rooted in its four-year Strategic Business Plan for the 2020/21-2023/24 period, plans were implemented to align the Corporation's operations to the new strategic direction as evidenced in the creation of a new Strategic Business Plan for the 2023/24 to 2026/27, approved in February 2023.

The Board of Directors also experienced adjustments in its composition with Chairman Don Wehby and Director Christopher Williams demitting office in July 2023 and November 2022, respectively. Chairman Wehby was succeeded by then Director, Melanie Subratie and the Boards' expertise was also expanded in July 2022 with the appointment of Robert Honeyghan.

As they executed their duties, the Board noted a need for an increased budgetary allocation and made the necessary representations for the Corporation. Succession planning and the development of the internal talent pool with the capacity and the readiness for succeeding in certain critical positions, primarily the Presidential post and the Vice-Presidential posts was a key activity for the Board during the year. These efforts were paired with the recruitment and appointment of a new President, Shullette Cox on February 13, 2023, following President Diane Edwards' decision not to renew her contract after a successful nine-year stint at JAMPRO.

The Board Sub-Committees were active throughout the year, endorsing the direction being taken with the GSS Global Awareness Marketing Campaign and the rebranding of the Global Services Sector of Jamaica as UPSOURCE JAMAICA to continue to promote Jamaica as a premier destination with the maturity to do more value-added global service business. The Board also guided the re-launch of the JAMPRO website which placed emphasis on the new direction of the Corporation in keeping with the vision of its parent Ministry, "Exports" and "Investment". A new Honorary Investment Advisor Sub-Committee was established primarily to evaluate the individuals to be appointed as Honorary Investment Advisor (HIA) in line with the Economic Diplomacy Programme developed by the Jamaica Promotions Corporation in collaboration with the Ministry of Foreign Affairs and Foreign Trade. Details of the composition of the Board Sub-Committees has been included in Table 2:

TABLE 2
Composition of Board Sub-committees FY 2022/23

Board Director	Sub-Committee Membership					
	Marketing & Projects	Finance and Procurement	Audit	Human Resource	Tourism Linkages	HIA
Ms. Melanie Subratie				✓		
Hon. Ian K. Levy, OJ, CD		✓				
Ms. JoAnne Archibald				✓		
Mr. Yoni Epstein			✓			
Mr. Zachary Harding	✓	✓				
Mrs. Rita Hilton	✓					
Mrs. Lisa Soares Lewis				✓		
Ms. Deveta McLaren	✓		✓			
Mr. Christopher McPherson		✓				✓
Mrs. Jacqueline Stewart-Lechler, CD, JP				✓		
Ms. Opal Whyte		✓				✓
Mr. Christopher Williams			✓			✓

Audit Sub-Committee

The Audit Sub-Committee ("ASC") of the Board of Directors gives direct oversight to the auditing functions of the Agency and assists the Board of Directors in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, achievement of corporate targets, the effectiveness of the risk management and internal control system, the Client Relationship Management System, financial governance, IT governance and compliance matters. The Sub-Committee also has the responsibility for making a recommendation to the Board on the appointment of the external auditor.

The Sub-Committee continued to monitor the developments with the Agency's initiatives, through the Internal Auditor's quarterly reports, focusing closely on the transfer of the exporter registration responsibilities from the Agency to the Jamaica Customs Agency and the updates to the JAMPRO website to maintain its currency. The Sub-Committee was advised of the progress with the newly established Procurement Unit in the Corporation and the issues that arose with assimilation of the Unit in the general ways of working.

Key priority areas for the ASC continued to be: (i) the critical review of the audited figures relating to the Agency's achievements of its Corporate Targets. The ASC assessed the actual achievements against the Board's established Corporate Targets for FY 2021-2022 in its four KPI categories, namely CAPEX, Export Sales, Jobs and Client Satisfaction and (ii) the detailed review and assessment of the Corporation's Financial Statements in June 2022 for the Financial Year ending 31st March 2022 as a part of the annual external audit exercise.

The Sub-Committee was also responsible for ensuring the Agency's compliance with the various Laws, Regulations and Internal Polices relating to the areas of Compliance, Procurement, Collections, Bank Reconciliations, Exporter Registration and Disbursements. The oversight also extended to the timely and efficient management of staff remuneration, incremental movements, seniority allowances and benefits. For the review period, JAMPRO was largely compliant with all statutory and regulatory requirements and ended the financial year with an achievement of all corporate targets. There were no audit issues which arose from the internal audit which reviewed the Corporation's compliance with its financial policies.

The membership for the Audit Sub-Committee for FY 2022-2023 were as follows:

- **Yoni Epstein (Chairperson)**
- **Deveta McLaren (Director)**
- **Christopher Williams (Director, resigned November 16th, 2022).**

Non-Voting Members included:

- **Diane Edwards (President, up to December 31st, 2022)**
- **Shullette Cox (President as of January 3, 2023)**
- **Wendy Lyttle Pryce (Vice President – Finance and Corporate Services Division)**
- **Audrey Mattis (Financial Controller)**
- **Wentworth McDonald (Accountant)**
- **Dianne Graveney (Internal Auditor) and**
- **Arlyn Gordon (Corporate Secretary)**



Finance and Procurement Sub-Committee

The Finance and Procurement Sub-Committee of the Board of Directors ("FPSC") supports the Board in the oversight of the Finance and Procurement functions of the Corporation. The FPSC monitors JAMPRO's Fiduciary and Treasury functions, Budgeting, Optimisation of Assets, Procurement, Cost Containment, Internal Control and Risk Management. The FPSC also ensures that the Corporation operates within established Government of Jamaica ("GOJ") financial regulations.

During FY 2022-2023, the FPSC continued to monitor JAMPRO's expenditure to ensure primarily that there was alignment with the Corporation's budgetary allocation granted by the GOJ. The FPSC noted that there was a need for an increased budgetary allocation and sought to ensure that the Board of Directors was advised expeditiously to make the necessary

representations. A critical area for the FPSC, was the timeliness of the GOJ Subvention receipts to ensure that that Corporation was adequately funded monthly, and that any shortfall was recovered.

Two significant procurements were approved by the FPSC, namely the procurement of the Safety and Security Services for the Corporation and the procurement of two new carriage elevators for the JAMPRO head offices. Another significant activity dealt with by the FPSC was the Export Max Programme. It was important for the FPSC that an assessment of the three cohorts be undertaken to determine those valuable activities which augment its performance and those which detracted.

As customary, the FPSC maintained its focus and ensured that during the FY 2022-2023:

- The Corporation's financial system was adequately monitored.
- The budget reports and any significant variances were thoroughly reviewed and analysed.
- The procurement processes were in line with GOJ Procurement Policy and Procedures.
- The Corporation's Budget with approved Estimates of Expenditure was optimised.
- The most strategic application of the Corporation's Treasury and Cash Management activities (especially funds held on Fixed Deposits) were undertaken.

The active voting members of the FPSC for FY 2022-2023 term comprised of:

- **Hon. Ian Levy (Deputy Chairman and Chairperson)**
- **Zachary Harding (Director)**
- **Christopher McPherson (Director) and**
- **Opal Whyte (Director).**

Non-Voting Members for FY 2022-2023 included:

- **Diane Edwards (President, up to December 31st, 2022)**

- **Shullette Cox (President as of January 3, 2023)**
- **Wendy Lyttle Pryce (Vice President - Finance and Corporate Services)**
- **Audrey Mattis (Financial Controller) and**
- **Arlyn Gordon (Corporate Secretary).**

Human Resource Sub-Committee

During the 2022-2023 fiscal year, the Human Resources Sub-Committee ("HRSC") of the Board of Directors of Jamaica Promotions Corporation (JAMPRO) continued its general oversight of the Human Resources function of the Corporation through its critical review of the reports provided to it by the Management of the Human Resources Department and the responsible JAMPRO Executive.

Critical for the HRSC was the Corporation's progress with the Succession Plan and the development of the internal talent pool with the capacity and the readiness for succeeding in certain critical positions, primarily the Presidential post and the Vice-Presidential posts.

For the third quarter, the HRSC members played a critical role in the recruitment exercise for the new President of JAMPRO. That exercise was concluded early February 2023 and the new President of the Corporation was appointed by the Board of Directors.

The active voting members of the Human Resources Sub-Committee for FY 2022-2023 were:

- **Lisa Soares Lewis (Chairperson)**
- **Jo-Anne Archibald (Director)**
- **Jacqueline Stewart Lechler (Director)**
- **Melanie Subratie (Director)**
- **Diane Edwards (President, up to December 31st, 2022) and**
- **Shullette Cox (President as of January 3, 2023)**

Non-Voting members were Jennifer Williams (Manager, Human Resources Department) and Arlyn Gordon (Corporate Secretary).

Marketing and Projects Sub-Committee

The Marketing and Projects Sub-Committee ("MPSC") of the Board of Directors is responsible for providing strategic oversight in the area of marketing, corporate communications, sales and promotions to support the Corporation's Strategic Plan. The committee's main activities were driven by these key strategic objectives:

- to build **global business relationships**
- to build **Jamaica's business brand** through a global nation branding strategy
- to create **greater awareness for the Corporation** both locally and internationally.

The MPSC continued to support the efforts of the Corporation as it built its corporate awareness both locally and globally. The MPSC endorsed the direction being taken with the GSS Global Awareness Marketing Campaign and the rebranding of the Global Services Sector of Jamaica as UPSOURCE JAMAICA to continue to promote Jamaica as a premier destination with the maturity to do more value-added global service business.

The Sub-Committee provided oversight to the Marketing Division as it prepared for the INVEST Jamaica 2022 Conference held in November 2022 which had approximately 500 registrants.

The MPSC, in keeping with its monitoring and evaluating role, continued to track the performance of the website <https://dobusinessjamaica.com/> and endorsed the 2023 upgrades and re-launch

of the JAMPRO website which placed emphasis on the new direction of the Corporation in keeping with the vision of its parent Ministry, "Exports" and "Investment". The MPSC endorsed the new logo for the Corporation and the direction to be taken with the launch of the Jamaica Business Gateway in the 1st Quarter of 2023.

In addition, the MPSC provided general guidance to the Marketing Division on its notable initiatives, namely:

- Nation Branding Initiative
- Digital Marketing Strategy
- Other Global Services Sector activations

The Marketing and Projects Sub-Committee consists of three (3) voting members:

- **Zachary Harding, (Chairperson)**
- **Rita Hilton (Director) and**
- **Deveta McLaren (Director).**

Non-Voting Members for FY 2022-2023 included:

- **Diane Edwards (President up to December 31st, 2022)**
- **Shullette Cox (President as of January 3, 2023)**
- **Gabriel Heron, (Vice President – Marketing Division)**
- **Norman Naar (Vice President, Sales and Promotions Division)**
- **Charlene Wong, (Manager – Integrated Marketing Communications Dept up to August 2022) and**
- **Arlyn Gordon (Corporate Secretary).**

“

The MPSC continued to support the efforts of the Corporation as it built its corporate awareness both locally and globally.

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Honorary Investment Advisor Sub-Committee

The Honorary Investment Advisor Sub-Committee was established primarily to evaluate the individuals to be appointed as Honorary Investment Advisors in line with the Economic Diplomacy Programme developed by the Jamaica Promotions Corporation in collaboration with the Ministry of Foreign Affairs and Foreign Trade.

The Sub-Committee focused on selecting and evaluating individuals for the role of Honorary Investment Advisor in line with the criteria established. Also, in determining which jurisdictions and global cities of interest, that JAMPRO should focus on to obtain more foreign direct investment and to drive exports and trade.

The Honorary Investment Advisor Sub-Committee consisted of four (4) voting members:

- **Christopher Williams, (Chairperson, resigned November 16th, 2022)**
- **Christopher McPherson (Director)**
- **Opal Whyte (Director) and**
- **Sheila Sealy Monteith, Permanent Secretary, Ministry of Foreign Affairs and Foreign Trade.**

Non-Voting members of the Committee were:

- **Diane Edwards (President up to December 31st, 2022)**
- **Gabriel Heron, (Vice President – Marketing Division)**
- **Nicholas Sutherland (Manager, New Markets Development) and**
- **Arlyn Gordon (Corporate Secretary).**



Board of Directors' Compensation Table

Director Name	Position	Type of Director	Length of Service	Area of Expertise	Board Meeting Attendance	Sub-Committee Attendance	Compensation (J\$)
Ms. Melanie Subratie, (Chairman, July 2022-Current) Director up to July 2022	Chairman, (appointed July 25th, 2022), Member of the Human Resources Sub-Committee up to July 25th, 2022.	Non-Executive	1 year and 2 months (resigned April 30th, 2023)	Manufacturing, Global Services Sector	7 of 7 meetings	1 of 1 meeting	J\$112,900
Senator Don Wehby, CD (Chairman, April -July 2022)	Chairman	Non-Executive	6 years and 3 months (resigned July 15th, 2023)	Corporate Governance, Finance, Financial Services, Manufacturing and Agri-Processing	2 of 7 meetings	-	J\$42,600
Mr. Ian K. Levy, OJ, OD, CD (Deputy Chairman)	Deputy Chairman (appointed February 6th, 2022) and Chairperson of the Finance and Procurement Sub-Committee	Non-Executive	6 years and 10 months	Entrepreneurship	5 of 7 meetings	2 of 2 meetings	\$69,400
Ms. JoAnne Archibald	Director, Member of the Human Resources Sub-Committee	Non-Executive	2 years and 4 months	Legal, Culture and Entertainment	3 of 7 meetings	0 of 1 meeting	J\$24,000
Mr. Yoni Epstein	Director, Chairperson of the Audit Sub-Committee	Non-Executive	6 years and 10 months	Global Services Sector	3 of 7 meetings	3 of 3 meetings	J\$70,500
Mr. Zachary Harding	Director, Chairperson of the Marketing and Projects Sub-Committee and Member of the Finance and Procurement Sub-Committee	Non-Executive	6 years and 10 months	Financial Services, Marketing, Entrepreneurship	3 of 7 meetings	4 of 4 meetings	J\$70,400
Ms. Laura Heron	Director	Non-Executive	2 years and 6 weeks	Tourism and Hospitality Services	4 of 7 meetings	-	J\$60,000
Mrs. Rita Hilton	Director, Member of the Marketing and Projects Sub-Committee	Non-Executive	2 years and 4 months	Agriculture	5 of 7 meetings	1 of 2 meetings	J\$54,500
Mr. L. Robert Honeyghan (appointed July 2022)	Director	Non-Executive	Appointed July 25th, 2022	Government and Hospitality Services	2 of 7 meetings	-	J\$12,000
Mrs. Lisa Soares Lewis	Director, Chairperson of the Human Resources Sub-Committee	Non-Executive	5 years and 10 months	Human Resources and Coaching	5 of 7 meetings	1 of 1 meeting	J\$70,700
Ms. Deveta McLaren	Director, Member of the Audit Sub-Committee and Marketing and Projects Sub-Committee	Non-Executive	1 year and 1 month	Financial Services and Marketing	5 of 7 meetings	5 of 5 meetings	J\$80,500

Director Name	Position	Type of Director	Length of Service	Area of Expertise	Board Meeting Attendance	Sub-Committee Attendance	Compensation (J\$)
Mr. Christopher McPherson	Director, Member of the Finance and Procurement Sub-Committee and Member of the Honorary Investment Advisor Sub-Committee	Non-Executive	1 year and 1 month	Investment	6 of 7 meetings	4 of 5 meetings	J\$99,000
Mr. Delano Seiveright	Director	Non-Executive	5 years	Tourism	5 of 7 meetings	-	J\$60,000
Mrs. Jacqueline Stewart-Lechler, CD, JP	Director, Member of the Human Resources Sub-Committee (resigned April 2023)	Non-Executive	2 years and 4 months	Global Services Sector	5 of 7 meetings	0 of 1 meeting	J\$48,000
Ms. Opal Whyte	Director	Non-Executive	1 year and 1 month	Management and Investment Advisory	7 of 7 meetings	5 of 5 meetings	J\$111,000
Mr. Christopher Williams	Director, Chairperson of the Honorary Investment Advisor Sub-Committee and Member of the Audit Sub-Committee,	Non-Executive	6 years and 8 months (resigned November 16th, 2022)	Financial Services	4 of 7 meetings	5 of 6 meetings	J\$114,500
TOTAL							J\$1,100,000

Executive Management Compensation Table (\$)

2022/2023

Position of Senior Executive	Basic Salary (J\$)	Gratuity & Performance Incentive (J\$)	Travelling Allowance/ Value of Assigned Motor Vehicle (J\$)	Pension or Other Retirement Benefits (J\$)	Other Allowances & Payments (J\$)	Non-cash benefit (J\$)	Total (J\$) *
President	9,720,386	3,402,135	180,649	112,500	2,393,107	277,048	16,085,825
President (Acting)	2,722,304	952,806	-	37,500	112,176	114,274	3,939,061
VP - Finance & Corporate Services	8,730,526	3,492,210	137,232	150,000	2,997,129	306,235	15,813,332
VP - Research Advocacy & Project Implementation	6,175,716	2,161,501	69,193	112,500	1,658,228	304,750	10,481,887
VP - Research Advocacy & Project Implementation (Acting)	2,077,460	727,111	-	37,500	259,785	64,801	3,166,657
VP - Sales and Promotion	8,517,586	2,981,155	69,193	150,000	1,906,849	419,02	14,043,808
VP - Marketing	7,858,566	2,036,083	69,193	150,000	1,075,108	410,232	11,599,182
TOTAL	45,802,544	15,753,001	525,459	750,000	10,402,382	1,896,365	75,129,751

*Due to rounding the figures presented may not add up precisely to the totals provided

Strategic Focus FY 2023-2024

As described in the review for the 2022/23 performance, the Corporation has undergone a number of leadership changes- strategically at the level of the Board of Directors, and operationally at the Presidential level.

It is expected that the full effect of these changes will be felt in the FY2023/24 through the execution of the new 2023/24 to 2026/27 Strategic Business Plan and an updated organisational structure.

In the upcoming financial year, there will be a stronger emphasis on various export-related functions, including the removal of the exporter registration function from JAMPRO, bolstered exporter readiness, enhanced export development support, and targeted assistance from dedicated teams for Agribusiness and Non-food manufacturing product exporters and Global Digital Services. There will also be a concerted effort to widen JAMPRO's client base by engaging with new exporters and buyers and offering even more value-added services to these clients to increase their export matches.

For its investment efforts, the team at JAMPRO will have a greater focus on actual attributable KPIs. This will result in a shift away from its traditional

KPIs of the Capital Expenditure and gross new jobs reported by its clients, to the number of new investment projects facilitated by JAMPRO and the number of linkage contracts generated from these and existing projects, since it is now agreed that linkages represent the true value of investment for the country.

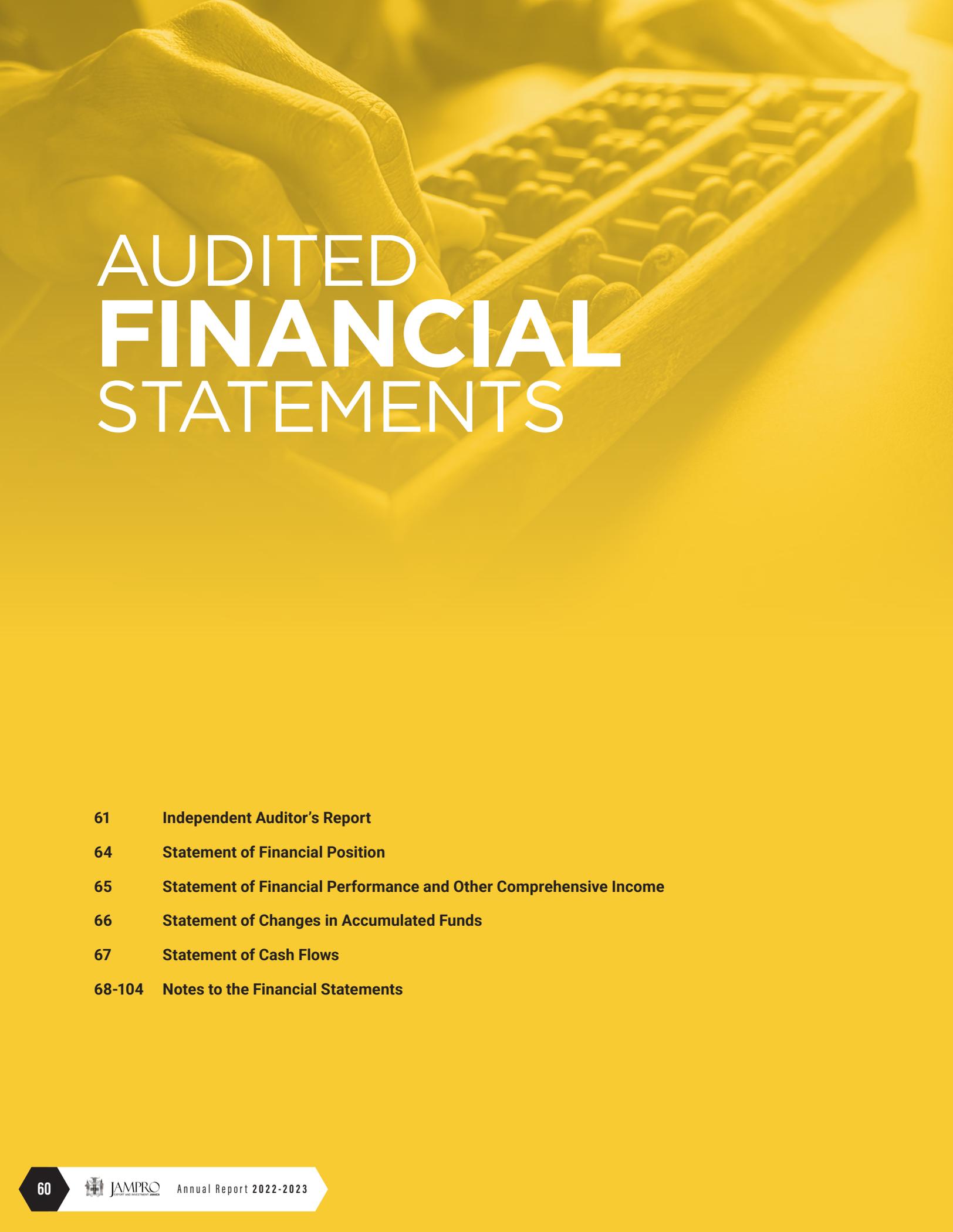
The team will also continue the newly introduced Ministerial missions in a bid to identify new buyers, investor, markets and to strengthen stakeholder relationships in untapped territories. Other new strategies to be executed include export-focused digital marketing campaigns, additional pre-packaged investment projects and export opportunities and the continued build out of the Jamaica Business Gateway.

Financial Performance

GOJ SUBVENTION AND INCOME GENERATED

For the FY 2022-2023 the Corporation received GoJ Subvention of J\$933.8 million, a figure comparable to pre-pandemic allocations- a first since the onset of the pandemic. The Corporation has also managed to generate internal income of J\$55.2 million, a 41%

reduction over the 2021/22 income of J\$92.9M. The main source of income is rental of office space at the corporate headquarters. Sponsorship income to the tune of J\$3.9M was used to fund Trade Missions and Investment Conferences.

A hand is shown using an abacus, symbolizing calculation and financial accuracy. The background is a warm, yellowish-gold color.

AUDITED FINANCIAL STATEMENTS

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Leary Mullings
FCA, CPA, MBA
Senior Partner

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INDEPENDENT AUDITOR'S REPORT

To the members of JAMAICA PROMOTIONS CORPORATION

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Jamaica Promotions Corporation (the "Corporation"), which comprise of the statement of financial position as at March 31, 2023 and the statements of financial performance and other comprehensive income, changes in accumulated funds and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at March 31, 2023, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards, International Financial Reporting Standards ("IFRS") and the Jamaica Promotions Corporation Act, the Public Bodies Management and Accountability Act, and the Financial Administration and Audit Act (the "Acts").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors

Management and the Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS, and for such internal control as Management and the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, Management and the Board of Directors is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and the Board of Directors either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the financial reporting process.



Independent Auditor's Report (cont'd)

To the members of

JAMAICA PROMOTIONS CORPORATION

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

Independent Auditor's Report (cont'd)

To the members of

JAMAICA PROMOTIONS CORPORATION

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on additional matters as required by the Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Acts, in the manner so required.

Crichton Mullings & Assoc.
CrichtonMullings & Associates
Chartered Accountants

Kingston, Jamaica
July 17, 2023

JAMAICA PROMOTIONS CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	82,199,129	84,469,607
Securities purchased under resale agreements	3	235,983,659	224,660,727
Trade and other receivables	4	22,472,476	15,087,112
		<u>340,655,264</u>	<u>324,217,446</u>
CURRENT LIABILITIES			
Trade and other payables	5	196,899,823	211,304,997 *
Restricted funds	6	55,279,440	74,026,379 *
Accruals	7	14,302,512	- *
Current portion of lease liability	10	1,105,030	-
		<u>267,586,805</u>	<u>285,331,376</u>
NET CURRENT ASSETS		<u>73,068,459</u>	<u>38,886,070</u>
NON-CURRENT ASSETS			
Property and equipment	8	159,942,643	165,890,755
Employee benefit asset	9	445,357,000	559,777,000
Right-of-use asset	10	12,218,604	-
		<u>617,518,247</u>	<u>725,667,755</u>
		<u>690,586,706</u>	<u>764,553,825</u>
FINANCED BY: ACCUMULATED FUND			
Accumulated surplus	11	478,983,252	566,924,139
Capital reserves	12	197,629,686	197,629,686
		<u>676,612,938</u>	<u>764,553,825</u>
NON-CURRENT LIABILITY			
Lease liability, being total non-current liability	10	13,973,768	-
		<u>690,586,706</u>	<u>764,553,825</u>

The financial statements were approved by the Board of Directors on July 17, 2023, and signed on its behalf by:

.....
Ian K. Levy, Deputy Chairman

.....
Deveta McLaren, Director

**Prior year balance restated to conform with current year presentation.*

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

JAMAICA PROMOTIONS CORPORATION

**STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2023
(Expressed in Jamaican dollars unless otherwise indicated)**

	Notes	2023 \$	2022 \$
Gross operating revenue	13	<u>986,082,298</u>	<u>823,285,097</u> *
Operating expenses:			
Promotional	14(i)	151,896,875	152,982,845
Staff-related	14(ii)	695,842,631	574,690,943
General and administrative	14(iii)	137,104,523	120,894,748
Lease financing costs	14(iv)	1,149,422	-
		<u>985,993,451</u>	<u>848,568,536</u>
Operating surplus/ (deficit) for the year		88,847	(25,283,439)
Other income:			
Interest income		6,517,904	6,393,290
Miscellaneous income		2,410,126	656,730
		<u>9,016,877</u>	<u>(18,233,419)</u>
Other comprehensive income			
Items that will never be reclassified to (deficit)/surplus:			
Re-measurement (loss)/gain on defined benefit plan	9(iv)	(124,764,000)	39,687,000
Reversal of accrued expenses		20,934,657	3,356,555
Other comprehensive (expense) / income		<u>(103,829,343)</u>	<u>43,043,555</u>
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR		<u>(94,812,466)</u>	<u>24,810,136</u>

*Prior year balance restated to conform with current year presentation.

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

JAMAICA PROMOTIONS CORPORATION

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
YEAR ENDED 31 MARCH 2023
(Expressed in Jamaica dollars unless otherwise indicated)**

	Accumulated surplus \$	Capital Reserve \$	Total \$
Balance at 31 March 2021	<u>542,114,003</u>	<u>197,629,686</u>	<u>739,743,689</u>
Deficit for the year	(14,876,864)	-	(14,876,864)
Other comprehensive income	<u>39,687,000</u>	<u>-</u>	<u>39,687,000</u>
Total comprehensive income for the year	<u>24,810,136</u>	<u>-</u>	<u>24,810,136</u>
Balance at 31 March 2022	566,924,139	197,629,686	764,553,825
Adjustment for the first-time adoption of IFRS 16	<u>(1,244,981)</u>	<u>-</u>	<u>(1,244,981)</u>
Balance at 1 April 2022	<u>565,679,158</u>	<u>-</u>	<u>763,308,844</u>
Surplus for the year	9,016,877	-	9,016,877
Other comprehensive expense	<u>(103,829,343)</u>	<u>-</u>	<u>(103,829,343)</u>
Total comprehensive expense for the year	<u>(94,812,466)</u>	<u>-</u>	<u>(94,812,466)</u>
Waiver granted	<u>8,116,560</u>	<u>-</u>	<u>8,116,560</u>
Balance at 31 March 2023	<u>478,983,252</u>	<u>197,629,686</u>	<u>676,612,938</u>

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

JAMAICA PROMOTIONS CORPORATION

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2023

(Expressed in Jamaica dollars unless otherwise indicated)

	Notes	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net surplus/ (deficit) for the year		9,016,877	(18,233,419) *
Adjustments for items not affecting cash resources:			
Depreciation on property and equipment	8,14(iii)	19,161,548	20,528,950
Depreciation on right-of-use-asset	10	2,327,353	-
Lease financing costs	14	1,149,422	-
Gain on disposal of property and equipment		(2,410,126)	(804,551)
Employee benefits	9(i)	(9,256,000)	(10,837,000)
Reversal of accrued expenses		20,934,657	3,356,555
Waiver granted		8,116,560	-
Interest income		(6,517,904)	(6,393,290)
Foreign exchange loss / (gains), (net)		5,514,383	(6,144,775)
		<u>48,036,770</u>	<u>(18,527,530)</u>
(Increase) / Decrease in operating assets:			
Employee benefit - contributions paid	9(i)	(1,088,000)	(800,000)
Trade and other receivables		(7,385,364)	3,805,621
(Decrease) / increase in operating liabilities:			
Restricted funds		(18,746,939)	15,899,544 *
Accruals		14,302,512	- *
Trade and other payables		(14,405,174)	9,063,776 *
Net cash provided by operating activities		<u>20,713,805</u>	<u>9,441,411</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property and equipment		3,324,555	4,454,551
Acquisition of plant and equipment	8	(14,127,865)	(15,887,219)
Interest received		6,517,904	6,224,119
Securities purchased under resale agreements (net)		(11,322,932)	7,743,049
Net cash (used in) / provided by investing activities		<u>(15,608,338)</u>	<u>2,534,500</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities payments, net		(1,861,562)	-
Net cash used in financing activities		<u>(1,861,562)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,243,905	11,975,911
CASH AND CASH EQUIVALENTS - Beginning of the year		84,469,607	66,348,921
Effects of foreign exchange rates changes		(5,514,383)	6,144,775
CASH AND CASH EQUIVALENTS - End of the year		<u>82,199,129</u>	<u>84,469,607</u>

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

**Prior year balance restated to conform with current year presentation.*

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

(Expressed in Jamaica dollars unless otherwise indicated)

1. IDENTIFICATION AND PRINCIPAL ACTIVITY

Jamaica Promotions Corporation (the “Corporation”) was established on 26 April 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. The Corporation is incorporated and domiciled in Jamaica with its registered office located at 18 Trafalgar Road, Kingston 10, Jamaica.

The Corporation is exempted from income tax, customs duty, stamp duties and transfer taxes under the provision of the Jamaica Promotions Corporation Act 1990.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The Corporation's financial statements have been prepared in accordance and comply with International Public Sector Accounting Standards (IPSAS) for the accrual basis accounting; International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board and the relevant requirements of the Acts.

(b) Basis of preparation

The financial statements are presented in Jamaican dollars and are prepared on the historical cost basis. Historical cost is generally based on fair value of the consideration given in exchange for assets.

New, revised and amended standards and interpretations that became effective during the year but are applicable to the Corporation

The Corporation applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2022. The Corporation has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these new standards, amendments and interpretations are applied for the first time in 2022/2023, they did not have a material impact on the financial statements of the Corporation. The nature and the impact of these new changes are described below:

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (continued)

New, revised and amended standards and interpretations that became effective during the year and are applicable to the Corporation (continued)

• *Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16*

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendment is not expected to have an impact on the financial statements of the Corporation.

• *Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37*

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Corporation will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (continued)

New, revised and amended standards and interpretations that became effective during the year and are applicable to the Corporation (continued)

• *Annual Improvements 2018-2020 Cycle (issued May 2020)*

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to:

- **IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Corporation will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to impact the financial statements of the Corporation.

- **IFRS 16 'Leases' - Lease incentives.** The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (continued)

Standards, interpretations and amendments to existing standards that are not yet effective and have not yet been early adopted by the Corporation (continued)

• *Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2*

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

In the absence of a definition of the term ‘significant’ in IFRS, the IASB decided to replace it with ‘material’ in the context of disclosing accounting policy information. ‘Material’ is a defined term in IFRS and is widely understood by the users of financial statements, according to the IASB. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them.

Although standardised information is less useful to users than entity-specific accounting policy information, the IASB agreed that, in some circumstances, standardised accounting policy information may be needed for users to understand other material information in the financial statements. In those situations, standardised accounting policy information is material, and should be disclosed.

The amendments to the Practice Statement also provide examples of situations when generic or standardised information summarising or duplicating the requirements of IFRS may be considered material accounting policy information.

The amendments may impact the accounting policy disclosures of entities. Determining whether accounting policies are material or not requires use of judgement. Therefore, entities are encouraged to revisit their accounting policy information disclosures to ensure consistency with the amended standard.

Entities should carefully consider whether ‘standardised information, or information that only duplicates or summarises the requirements of the IFRS’ is material information and, if not, whether it should be removed from the accounting policy disclosures to enhance the usefulness of the financial statements.

These amendments are effective for annual periods beginning on or after 1 January 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Corporation.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (continued)

Standards, interpretations and amendments to existing standards that are not yet effective and have not yet been early adopted by the Corporation (continued)

• ***Definition of Accounting Estimates - Amendments to IAS 8***

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of ‘accounting estimates.’

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB. The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities’ financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

These amendments are effective for annual periods beginning on or after 1 January 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Corporation.

• ***Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12***

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (continued)

Standards, interpretations and amendments to existing standards that are not yet effective and have not yet been early adopted by the Corporation (continued)

• ***Deferred Tax related to Assets and Liabilities arising from a Single Transaction- Amendments to IAS 12 (continued)***

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

These amendments are effective for annual periods beginning on or after 1 January 2023. These amendments are not applicable the financial statements of the Corporation.

• ***Amendments to IAS 1: Classification of Liabilities as Current or Non-current***

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. Management has not yet assessed the impact of these amendments on the Corporation's financial statements.

(c) Estimates and judgements

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

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

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

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

(Expressed in Jamaica dollars unless otherwise indicated)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Estimates and judgements (Continued)

Post-employment pension

As disclosed in Note 9, the Corporation operates a defined benefit pension plan. The asset shown in the statement of financial position of approximately \$445.357 million (2022: \$559.777 million) are subject to estimates in respect of periodic costs, which costs are dependent on future returns on assets, future discount rates, rates of salary increases and the inflation rate. External actuaries are contracted by the Corporation in this regard.

The estimated return on pension assets assumption is determined by considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The Corporation estimates the appropriate discount rate annually, which rate is used to determine the present value of estimated cash outflows expected to be required to settle the pension and post-retirement medical benefit obligation.

To determine the appropriate discount rate in the absence of high-quality corporate bonds, the interest rates on government bonds that have maturities approximating the related pension liabilities were considered.

Note 9(viii) details some sensitivity analyses in respect of this defined benefit pension plan.

(d) Current versus non-current classification

The Corporation presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Corporation classifies all other liabilities as non-current.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Fair value measurement

Fair values of financial instruments measured at amortised cost are disclosed in Note 16. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Corporation.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Corporation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Corporation determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Corporation becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities (other than financial assets and liabilities at fair value through profit or loss, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in operating surplus.

Financial assets

(i) *Classification and measurement*

Financial assets are classified, at initial recognition at fair value, and subsequently measured at amortised cost. This classification depends on the financial assets contractual cash flow characteristics and the Corporation's business model of managing them. Except for trade receivables that do not contain a significant financing component or for which the Corporation has applied the practical expedient, the Corporation initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

For a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This is referred to as the SPPI test and is performed at an instrument level.

The Corporation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace and are recognised on the trade date.

Financial assets are subsequently measured at amortised cost if both of the following conditions are met:

- The financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial assets (continued)

(i) *Classification and measurement* (continued)

Financial assets at amortised costs are subsequently measured using the effective interest method and are subject to impairment. Gains or losses are recognised in operating surplus when the asset is recognised or impaired.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees or points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial assets, or where appropriate, a shorter period to the net carrying amount on initial recognition. Interest income is recognised on an effective interest basis for debt instruments.

The Corporation's portfolio of financial assets at amortised cost comprise cash and cash equivalents, securities purchased under resale agreements and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and other highly liquid bank deposits with financial institutions with an original maturing of 3 months or less from date of acquisition and are held to meet cash requirement rather than for investment purposes.

Securities purchased under resale agreements (resale agreements)

Securities purchased under resale agreements are short-term transactions in which the Corporation makes funds available to other parties and in turn receives securities which it agrees to resell on a specified date at a specified price. Resale agreements are accounted for as short-term collateralised lending. The difference between the purchase and resale price is treated as interest and accrued over the lives of the agreements.

(ii) *Impairment of financial assets*

The Corporation recognises an allowance for expected credit losses (ECLs) for all its debt instruments held at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Corporation expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial assets (continued)

(ii) *Impairment of financial assets (continued)*

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Corporation applies a simplified approach in calculating ECLs. Therefore, the Corporation does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Corporation has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Corporation considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Corporation may also consider a financial asset to be in default when internal or external information indicates that the Corporation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Corporation. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(iii) *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Corporation's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or;
- The Corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Corporation has transferred substantially all the risks and rewards of the asset, or (b) the Corporation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Jamaica dollars unless otherwise indicated)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial assets (continued)

(iii) Derecognition (continued)

When the Corporation has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Corporation continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Corporation also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Corporation has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Corporation could be required to repay.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement, and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities are classified as other financial liabilities.

Effective interest rate method (EIR)

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(i) Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities and initially measured at fair value, net of transactions costs (where applicable). They are subsequently measured at amortised costs using the effective interest rate method, with interest expense recognised on an effective yield basis except for short term liabilities when the recognition of interest would be immaterial.

The Corporation's financial liabilities comprise trade and other payables.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial liabilities and equity instruments (continued)

(ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of (deficit)/surplus and other comprehensive loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(g) Related party transactions and balances

A party is related to the Corporation if:

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

Related party transactions and balances are recognised and disclosed in the financial statements. A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Transactions with related parties are accounted for in accordance with the normal policies of the Corporation.

(h) Deferred income

Deferred income is recognised when there is reasonable assurance that the amounts will be received, and all attached conditions will be met. When the amounts received relate to an asset, it is recognised in operating surplus in equal amounts over the expected useful life of the related asset.

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Property and equipment

All property held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at historical cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Land is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than land and works in progress) less their residual values, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in operating surplus.

(j) Impairment of intangible and tangible assets

At the end of each reporting period, the Corporation reviews the carrying amounts of its intangible and tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in operating surplus.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in operating surplus.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) **Employee benefits**

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

Defined benefit pension plan

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

The cost of providing benefits is determined using the Projected Unit Credit Method with external actuarial valuations being carried out at the end of each reporting period.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to (deficit)/surplus in subsequent periods.

Past service costs are recognised in (deficit)/surplus on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Corporation recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Corporation recognises the following changes in the net defined benefit obligation under employee benefit costs in the statement of income:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income.

General benefits

Employee benefits that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and are expensed as the related service is provided.

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits (continued)

General benefits (continued)

The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave other long-term benefits, including termination benefits, which arise when either: (1) the employer decides to terminate an employee's employment before the normal retirement date; or (2) an employee decides to accept voluntary redundancy in exchange for termination benefits, are accrued as they are earned and charged as an expense, unless not considered material, in which case they are charged when the payment is made.

(l) Provisions

Provisions are recognised when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Corporation will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(m) Revenue recognition

Government subventions and other grants (including sponsorship income)

These are recognised when there is reasonable assurance that the Corporation will comply with the conditions attached to the grants and that the grants will be received.

Grants are recognised in (deficit)/surplus on a systematic basis over the periods in which the Corporation recognises the related costs for which the grants are intended to compensate. Specifically, grants whose primary condition is that the Corporation should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to operating surplus on a systematic and rational basis over the useful lives of the related assets.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Corporation with no future related costs are recognised in operating surplus in the period in which they become receivable or on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expired.

Grants related to income are reported separately as income or deducted from related expenses.

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(Expressed in Jamaica dollars unless otherwise indicated)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue recognition (continued)

Certification fees

These are recognised on an accrual basis.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Corporation and the amount of the income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Rental income

The Corporation's policy for recognition of revenues from operating leases is described under "leases" below.

n) Restricted funds

Restricted funds are a reserve account that contains money that can be used only for specific purposes. They most often appear in the context of funds held by certain nonprofits, universities, or insurance companies.

o) Leases

The Corporation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Corporation as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Corporation as a lessee

The Corporation applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Corporation recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Leases (continued)

The Corporation recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying assets is available for use). The right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial lease liabilities recognized, initial direct costs incurred, and lease payments made on or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the Corporation recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Corporation uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(p) Foreign currencies

The financial statements are presented in Jamaican dollars, the currency of the primary economic environment in which the Corporation operates (its functional currency).

In preparing the financial statements of the Corporation, transactions in currencies other than the Corporation's functional currency, are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured in fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e. translation differences on items whose fair values gain is recognised in other comprehensive income or operating surplus are also recognised in other comprehensive income or operating surplus, respectively). Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. All other exchange differences are recognised in operating surplus in the period in which they arise.

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3. CASH AND CASH EQUIVALENTS AND SECURITIES PURCHASED UNDER RESALE AGREEMENTS

(a) Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank	81,786,708	83,777,732
Cash on hand	<u>412,421</u>	<u>691,875</u>
	<u>82,199,129</u>	<u>84,469,607</u>

Interest is earned on Euro dollar bank balances totaling €1.33 (2022: €1,250) at an interest rate of 0.05% (2022: 0.03%) per annum and on United States dollar bank balances totaling US\$119 (2022: US\$42,830) at an interest rate of 0.1% (2022: 0.004%) per annum.

Bank balances held in United States dollars, Pounds Sterling, Euros and Canadian dollars respectively as at 31 March 2023 are as follows: US\$72,203, £21,310, €5,297 and CAD1,970 (2022: US\$64,901, £34,542, €1,645 and CAD7,481).

(b) Securities purchased under resale agreements

	2023	2022
	\$	\$
Jamaican dollars	119,863,275	109,437,473
United States dollars	<u>116,120,384</u>	<u>115,223,254</u>
	<u>235,983,659</u>	<u>224,660,727</u>

Interest is earned on Jamaican dollar securities purchased under resale agreements at interest rates of 4.50% - 8.00% (2022: 2.50% - 4.00%) per annum and for United States dollar securities purchased under resale agreements at interest rates of 2.05% - 3.00% (2022: 1.90% - 3.00%) per annum, maturing one to three months (2022: one to two months) after year end.

Securities purchased under resale agreements held in United States dollars for the year ended 31 March 2023 amount to US\$773,756 (2022: US\$753,048).

Underlying securities such as US Treasury Bill, Bank of Jamaica 3.75 USD Indexed Bond, Government of Trinidad and Tobago Regs., National Road Operating and Government of Jamaica BMI are held as collateral for securities purchased under resale agreements as at 31 March 2023 amounting to US\$1,210,662 and J\$63,311,000 (2022: US\$333,938 and J\$177,969,000).

Interest receivable at 31 March 2023 amounted to \$664,579 (2022: \$424,857).

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3. CASH AND CASH EQUIVALENTS AND SECURITIES PURCHASED UNDER RESALE AGREEMENTS (CONTINUED)

(b) Securities purchased under resale agreements (continued)

Included in securities purchased under resale agreements are the following amounts that were received in respect of specific projects:

- (i) \$42,119,657 (2022: \$39,815,579) received for specified investment promotion activities, for The Jamaica International Financial Services Authority (JIFSA), formerly International Financial Services Centre Project (IFSC) (see Note 6 (i)). This amount is only to be used to carry out this project.
- (ii) \$4,381,306 (2022: \$4,381,306) received for specified investment promotion activities (see Note 5(ii)). This amount is only to be used to carry out this project.
- (iii) \$13,159,783 (2022: \$34,210,800) received from Sponsors (Export Max III Project) - with respect to providing capacity building and export promotion support to 50 participating companies (see Note 6(ii)). This amount is only to be used to carry out this project.

4. TRADE AND OTHER RECEIVABLES

	2023	2022
	\$	\$
Prepaid expenses	10,738,630	5,026,110
Global Services Sector Project (GSSP) (Note 4(i))	8,211,186	5,232,987
Other receivables (Note 4(ii))	3,522,660	4,828,015
	<u>22,472,476</u>	<u>15,087,112</u>

- (i) These represent amounts due from the Global Services Sector Project (GSSP), for advanced payments made on behalf of the project as the Executing Agency for the Skills Development for Global Services, funded by the IDB loan.
- (ii) This includes an amount of \$19,840 (2022: \$Nil) net recoverable from the Government of Jamaica relating to statutory deductions.

JAMAICA PROMOTIONS CORPORATION

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5. TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Trade Payables	60,004,812	43,807,831
Garth Solutions Inc.	-	15,378,010
Syncon Technologies	4,054,304	4,727,834
234 Media	3,227,772	-
Accrued Expenses	7,893,567	6,762,437
Software Solutions	-	1,328,070
OMG	650,800	4,173,922
Fitch Solution	-	3,044,846
Next Coast Media	-	1,307,131
The Consultancy Inc.	2,880,000	-
Jamaica High Commission London	2,788,479	2,332,651
Staff Costs Payable	51,591,017	56,384,334
Incentives and Gratuities	51,234,380	40,578,243
CART Fund (Note 5(i))	2,687,993	2,697,133
General Consumption Tax Payable	4,285,400	21,448,588
Other Payables (Note 5(ii))	<u>5,601,299</u>	<u>7,333,967</u>
	<u>196,899,823</u>	<u>211,304,997*</u>

- (i) The Corporation advanced funds on behalf of the CART Fund for specified investment promotion activities. This amount is reimbursed by the CART Fund for expenditure incurred on behalf of the project. Since March 2020 amounts reimbursed by the Caribbean Development Bank (CDB) was in excess of the amount owed.
- (ii) This includes \$4,381,306 (2022: \$4,381,306) received in advance for specific investment promotions activities (see Note 3(b)(ii)).

**Prior year balance restated to conform with current year presentation.*

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6. RESTRICTED FUNDS

	2023 \$	2022 \$
Jamaica International Financial Services Authority (i)	42,119,657	39,815,579
Export Max III Sponsorship (ii)	13,159,783	34,210,800
	<u>55,279,440</u>	<u>74,026,379</u>

(i) This represents unspent accumulated amounts in respect of funds received from the Government of Jamaica and various sponsors to fund the Jamaica International Financial Services Authority (JIFSA) project.

(ii) This represents the balance remaining from sponsorship funds received to date to provide capacity-building and export promotion support to 50 participating companies.

7. ACCRUALS

	2023 \$	2022 \$
Amount due to KPMG	<u>14,302,512</u>	<u>-</u>

This represents amount due to KPMG on behalf of Jamaica International Financial Services Authority (JIFSA).

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

(Expressed in Jamaica dollars unless otherwise indicated)

8. PROPERTY AND EQUIPMENT

	Land and Buildings \$	Furniture equipment And computers \$	Motor vehicles \$	Total \$
At cost or deemed cost:				
1 April 2021	218,573,401	165,075,520	44,553,177	428,202,098
Additions	11,047,309	4,839,910	-	15,887,219
Disposals	-	(56,642)	(10,950,000)	(11,006,642)
31 March 2022	229,620,710	169,858,788	33,603,177	433,082,675
Additions	2,176,452	11,951,413	-	14,127,865
Disposals	-	-	(9,144,282)	(9,144,282)
31 March 2023	231,797,162	181,810,201	24,458,895	438,066,258
Depreciation:				
1 April 2021	96,141,718	133,793,106	24,084,788	254,019,612
Charge for the year	5,239,985	8,842,084	6,446,881	20,528,950
Relieved on disposals	-	(56,642)	(7,300,000)	(7,356,642)
31 March 2022	101,381,703	142,578,548	23,231,669	267,191,920
Charge for the year	5,669,048	8,677,992	4,814,508	19,161,548
Relieved on disposals	-	-	(8,229,853)	(8,229,853)
31 March 2023	107,050,751	151,256,540	19,816,324	278,123,615
Net book values:				
31 March 2023	124,746,411	30,553,661	4,642,571	159,942,643
31 March 2022	128,239,007	27,280,240	10,371,508	165,890,755
31 March 2021	122,431,683	31,282,414	20,468,389	174,182,486

The depreciation rates are as follows:

Buildings	2½%
Furniture and equipment	10%
Computers	20%
Motor vehicles	20%

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

(Expressed in Jamaica dollars unless otherwise indicated)

9. EMPLOYEE BENEFIT ASSET

The Corporation operates a defined benefit pension plan for all permanent employees. The plan is funded by employee contributions of 5% of pensionable earnings, and employer contributions as recommended by independent actuaries. The plan allows all permanent employees to make voluntary contributions of up to 10% of annual 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 Board of Trustees of the pension fund is comprised of representatives selected by the employer and members of the plan. The Board of Trustees of the pension fund is required by law to act in the interest of the fund and all relevant stakeholders.

The plan's investment portfolio is managed by Sagicor Life Jamaica Limited and the fund administrator is Employee Benefits Administrator Limited. The valuation of the plan was conducted by Corrinne Bellamy, Fellow of the Society of Actuaries on 25 May 2023 (2022: 20 May 2022) using the Projected Unit Credit Method.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

(Expressed in Jamaica dollars unless otherwise indicated)

9. EMPLOYEE BENEFIT ASSET (CONTINUED)

Amounts recognized in the financial statements in respect of post-employment employee benefits comprise the following:

	2023	2022
	\$	\$
Pension asset:		
Fair value of plan assets	2,051,386,000	2,149,095,000
Present value of defined benefit obligation	<u>(553,430,000)</u>	<u>(646,434,000)</u>
Net assets	1,497,956,000	1,502,661,000
Asset not recognized due to limitation in economic benefits	<u>(1,052,599,000)</u>	<u>(942,884,000)</u>
Asset recognised in the statement of financial position	<u>445,357,000</u>	<u>559,777,000</u>

Plan assets consist of the following:

		2023		2022
	%	\$	%	\$
CPI Indexed Fund	18	360,076,000	10	223,791,000
Equities Fund	15	314,232,000	17	360,129,000
Fixed Income Fund	10	206,098,000	5	106,164,000
Foreign Currency Fund	6	122,371,000	6	128,545,000
Money Market Fund	14	279,964,000	-	-
Mortgage and Real Estate Fund	6	119,722,000	-	290,000
Diversified Investment Fund	27	563,623,000	57	1,225,831,000
Ordinary shares	0	5,089,000	-	7,626,000
Purchased annuities	4	74,901,000	5	102,444,000
Net benefit adjustments	-	5,310,000	-	(5,725,000)
	<u>100</u>	<u>2,051,386,000</u>	<u>100</u>	<u>2,149,095,000</u>

The expected contributions by the employer and members to the plan for the twelve months ending 31 March 2024 amount to \$19,023,000 (2023: twelve months ended 31 March 2023 - \$12,099,000).

Weighted average duration of obligation is approximately 32 years (2022: 32 years).

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

	2023	2022
	\$	\$
Balance at beginning of year	559,777,000	508,453,000
Employer's contributions	1,088,000	800,000
Change recognised in operating surplus	9,256,000	10,837,000
Remeasurements gain recognised in OCI	<u>(124,764,000)</u>	<u>39,687,000</u>
Balance at end of year	<u>445,357,000</u>	<u>559,777,000</u>

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

(Expressed in Jamaica dollars unless otherwise indicated)

9. EMPLOYEE BENEFIT ASSET (CONTINUED)

(ii) Movement in plan assets:

	2023	2022
	\$	\$
Fair value of plan assets as at beginning of year	2,149,095,000	2,083,738,000
Contributions paid into the plan	16,050,000	11,110,000
Benefits paid by the plan	(21,423,000)	(33,399,000)
Interest income on plan assets	171,717,000	176,444,000
Value of annuities purchased	-	6,105,000
Remeasurement - changes in financial Assumptions	(23,437,000)	2,925,000
Remeasurement - experience adjustments	<u>(240,616,000)</u>	<u>(97,828,000)</u>
Fair value of plan assets as at end of year	<u>2,051,386,000</u>	<u>2,149,095,000</u>
Actual return on plan assets	(4)%	4%

(iii) Change recognised in operating surplus:

	2023	2022
	\$	\$
Current service costs	36,156,000	32,844,000
Interest on obligations	50,874,000	50,651,000
Expected return on plan assets	(171,717,000)	(176,444,000)
Interest on effect of the asset ceiling	<u>75,431,000</u>	<u>82,112,000</u>
(Note 14(ii))	<u>(9,256,000)</u>	<u>(10,837,000)</u>

(iv) Items in other comprehensive income:

	2023	2022
	\$	\$
Change in financial assumptions	(311,383,000)	58,057,000
Experience adjustments	<u>436,147,000</u>	<u>(97,744,000)</u>
	<u>124,764,000</u>	<u>(39,687,000)</u>

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

(Expressed in Jamaica dollars unless otherwise indicated)

9. EMPLOYEE BENEFIT ASSET (CONTINUED)

v) Present value funded obligation:

	2023	2022
	\$	\$
Present value of funded obligation at beginning of year	646,434,000	609,257,000
Current service cost	36,156,000	32,844,000
Interest cost on defined benefit obligation	50,874,000	50,651,000
Members' contributions	14,962,000	10,310,000
Benefits paid	(21,423,000)	(33,399,000)
Value of annuities purchased	-	6,105,000
Remeasurement-changes in assumptions	(334,820,000)	60,982,000
Remeasurement-experience adjustments	<u>161,247,000</u>	<u>(90,316,000)</u>
Present value of defined benefit obligation at end of year	<u>553,430,000</u>	<u>646,434,000</u>

(vi) Movement in effect of asset ceiling:

	2023	2022
	\$	\$
Effect of asset ceiling at beginning of year	942,884,000	966,028,000
Interest on asset	75,431,000	82,112,000
Remeasurement effect	<u>34,284,000</u>	<u>(105,256,000)</u>
Effect of asset ceiling at end of year	<u>1,052,599,000</u>	<u>942,884,000</u>

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

	2023	2022
Discount rate	13.0%	8.0%
Pay growth	11.0%	6.0%
Pension increases	5.5%	5.0%
Administrative expenses (% of salary)	2.0%	2.0%
Inflation	5.5%	5.0%
Minimum funding rate	<u>0.25%</u>	<u>0.25%</u>

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

(Expressed in Jamaica dollars unless otherwise indicated)

9. EMPLOYEE BENEFIT ASSET (CONTINUED)

(viii) Sensitivity analysis:

The calculation of the projected obligation is sensitive to the assumptions used. The table below summaries how the defined benefit obligation measured at the end of the reporting period would have increased/(decreased) as a result of a change in the assumptions by one percentage point. In preparing the analysis for each assumption, all others were held constant.

	2023		2022	
	1% Increase \$	1% Decrease \$	1% Increase \$	1% Decrease \$
Discount rate	(70,400,000)	91,188,000	(97,761,000)	132,020,000
Salary growth	42,859,000	(36,170,000)	54,432,000	(45,397,000)
Pension increase	48,244,000	(42,085,000)	76,566,000	(64,886,000)
	1 year Increase	1 year Decrease	1 year Increase	1 year Decrease
Life expectancy	6,608,000	(6,784,000)	13,388,000	(13,401,000)

The five-year trend for the fair value of plan assets, the defined benefit obligation, the surplus in the plan and experience adjustments for the plan asset and liabilities is as follows:

	2023 \$	2022 \$	2021 \$	2020 \$	2019 \$
Fair value of plan assets	2,051,386,000	2,149,095,000	2,083,738,000	1,959,089,000	2,096,448,000
Assets not recognised due to limitation in economic benefits	(1,052,599,000)	(942,884,000)	(966,028,000)	(1,104,222,000)	(1,544,974,000)
Defined benefit obligations	(553,430,000)	(646,434,000)	(609,257,000)	(451,097,000)	(339,408,000)
Surplus	445,357,000	559,777,000	508,453,000	403,770,000	212,066,000
Experience adjustments:					
Fair value of plan assets	(240,616,000)	(97,828,000)	21,327,000	(266,389,000)	(149,579,000)
Defined benefit obligations	161,247,000	(90,316,000)	250,750,000	59,020,000	(120,052,000)

9. EMPLOYEE BENEFIT ASSET (CONTINUED)

Risks associated with pension plans and other employee benefit plans

Through its defined benefit pension plan, the Corporation is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields. If plan assets underperform this yield, this will create a deficit.

As the plan matures, the Corporation intends to reduce the level of investment risk by investing more in assets that better match the liabilities. This process includes monitoring and rebalancing the asset classes and the maturity profile of assets within these classes. The Government bonds largely represent investments in Government of Jamaica securities.

However, the Corporation believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Corporation's long-term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the Plan's bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities in the event that discretionary pension increases are granted. This risk is managed by the plan not having significant investment in fixed rate securities.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

(Expressed in Jamaica dollars unless otherwise indicated)

10. RIGHT-OF-USE ASSETS\ LEASE LIABILITY

The operating lease was recognised by the Corporation as a right-of-use asset with a corresponding lease liability. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's annual incremental borrowing rate of 7.69%.

	<u>Buildings</u>
At Valuation	\$
Balance at 1 April 2022	-
Additions	<u>16,291,472</u>
Balance at 31 March 2023	<u>16,291,472</u>
Depreciation charge of right-of use asset	
Balance at 1 April 2022	-
Adjustment for the first-time adoption of IFRS 16	1,745,515
Charge for period	<u>2,327,353</u>
Balance at 31 March 2023	<u>4,072,868</u>
Net Book Value	
Balance at 31 March 2023	<u><u>12,218,604</u></u>
Lease Liability:	2023
	\$
Non-current lease liability	<u>13,973,768</u>
Current lease liability	<u>1,105,030</u>
Balance at 31 March 2023	<u><u>15,078,798</u></u>

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2023****(Expressed in Jamaica dollars unless otherwise indicated)****11. ACCUMULATED SURPLUS**

	2023	2022
	\$	\$
Retained earnings	33,626,252	7,147,139
Pension plan obligations	<u>445,357,000</u>	<u>559,777,000</u>
	<u>478,983,252</u>	<u>566,924,139</u>

12. CAPITAL RESERVES

	2023	2022
	\$	\$
Realised gain on disposal of land and building	102,422,743	102,422,743
Realised surplus on disposal of real estate	80,215,145	80,215,145
Excess of the value of assets over liabilities vested in the Corporation	1,675,556	1,675,556
Realised surplus on revaluation of furniture and fixtures	9,656,146	9,656,146
Realised surplus on revaluation of computers and equipment	<u>3,660,096</u>	<u>3,660,096</u>
	<u>197,629,686</u>	<u>197,629,686</u>

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

(Expressed in Jamaica dollars unless otherwise indicated)

13. GROSS OPERATING REVENUE

	2023	2022
	\$	\$
Government grants	933,849,657	733,705,903
Certification fees	1,744,324	2,047,271
Rental income	35,381,428	32,020,996
Sponsorship income (Note 13(a))	3,913,410	48,204,470
Other income	11,193,479	7,306,457 *
	<u>986,082,298</u>	<u>823,285,097 *</u>

(a) Sponsorship income represents gross amounts received as contributions towards trade missions and investment conferences held throughout the financial year.

14. DISCLOSURE OF EXPENSES

(i) Promotional

	2023	2022
	\$	\$
Advertising and Promotion (Others)	16,281,437	18,367,693
Business Wire	-	3,937,500
DoBusiness Jamaica Virtual Investment Conference (Note 14(i)(a))	-	38,985,051
ECRM Virtual Trade Shows	-	4,988,121
Exhibitions & Fairs (Others)	28,957,519	10,652,220
Foreign and Local Travel and Subsistence (Note 14(i)(b))	30,381,083	13,470,598
Ministerial Missions (Note 14(i)(c))	18,262,123	-
Conway Data, Inc.	3,277,401	-
Professional Fees (Others)	6,030,023	12,051,280
Digital Marketing Services	1,957,500	1,417,500
National Business Portal	-	1,796,250
Export Max III Coordinator	6,066,667	6,066,667
Mailing and Shipping	-	329,560
Entertainment	5,072,966	2,719,738
Books, Subscription & Printed Materials	10,726,021	8,472,573
Fitch Solutions	-	3,082,254
Office 365 Licences	6,951,311	4,605,952
CRM Integration: eValue Prompter	-	3,032,226
CRM Software & Customization (Note 14(i)(d))	9,455,316	9,678,880
ZoomInfo	3,364,781	3,198,000
OrangeHRM Inc.	1,356,909	1,210,433
Cial Dun & Bradstreet Due Diligence Reports	1,755,818	1,166,100
A-Z Information Ltd	2,000,000	2,300,000
General Consumption Tax (Other)	-	1,454,249
	<u>151,896,875</u>	<u>152,982,845</u>

**Prior year balance restated to conform with current year presentation.*

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

(Expressed in Jamaica dollars unless otherwise indicated)

14. DISCLOSURE OF EXPENSES (CONTINUED)

(i) Promotional (continued)

- (a) The amounts spent on hosting virtual investment conferences and trade shows were reduced following the relaxation of the COVID-19 restrictions and the consequent resumption of international travel.
- (b) The restriction on international travel was relaxed in the last quarter of the financial year 2021/2022 and consequently various overseas missions resumed.
- (c) This represents expenses incurred on Ministerial Trade Missions to Guyana (Oct 2-7, 2022 & Jan 23-28, 2023), Trinidad (Mar 8-11, 2023) and Dominica Republic (Mar 28 – April 1, 2023) – a thrust to boost exports of Jamaican products.

(ii) Staff-related

	2023 \$	2022 \$
Salaries, statutory payments and gratuities	613,656,086	463,697,648
Staff benefits	51,743,521	116,646,416
Pension benefit, net (Note 9)	(9,256,000)	(10,837,000)
Unused vacation leave	38,639,844	2,939,011
Staff training	1,059,180	2,244,868
	<u>695,842,631</u>	<u>574,690,943</u>

The average number of persons employed by the Corporation during the year was 101 (2022: 100).

(iii) General and administrative

	2023 \$	2022 \$
Utilities	36,540,396	29,573,055
General consumption tax expense	-	14,592,846
Depreciation, net of allocation to tenants	19,161,548	20,528,950
Depreciation, right-of-use-asset	2,327,353	-
Repairs and maintenance	28,141,722	25,018,202
Office supplies and other operating expenses	11,156,751	4,058,207
Other expenses	2,774,430	2,557,373
Foreign exchange loss / (gain)	5,514,383	(5,243,317)
Insurance	5,175,870	6,010,010
Security	3,336,507	2,863,500
Motor vehicle and travelling	3,452,088	2,753,098
Office rental	7,066,769	8,790,990
Professional fees	4,041,795	2,621,274
Stationery	1,875,047	1,611,260
Audit fees	3,503,050	2,487,000
Bank charges	1,936,814	1,922,900
Directors' fees	1,100,000	749,400
	<u>137,104,523</u>	<u>120,894,748</u>
(iv) Lease financing costs	1,149,422	-
Total expenses	<u>985,993,451</u>	<u>848,568,536</u>

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Jamaica dollars unless otherwise indicated)

15. RELATED PARTY BALANCES AND TRANSACTIONS

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

	2023 \$	2022 \$
Trade and other payables: Government of Jamaica	15,856,118	21,805,534

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

	2023 \$	2022 \$
Compensation of key management personnel	75,124,185	62,782,615

16. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES

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

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

(i) **Credit risk**

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

The maximum exposure to credit risk at the reporting date is represented by the carrying value of its financial assets in the statement of financial position.

	2023 \$	2022 \$
Trade and other receivables	11,733,846	10,061,002
Cash and cash equivalents (excluding cash in hand)	81,786,708	83,777,732
Securities purchased under resale agreements	235,983,659	224,660,727
	<u>329,504,213</u>	<u>318,499,461</u>

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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16. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(i) Credit risk (Continued)

Trade and other receivables

Management establishes an allowance for impairment that represents its estimate of losses in respect of other receivables. Management's policy is to provide for balances based on past default experience, current economic conditions and expected recovery.

Cash and cash equivalents and securities purchased under resale agreements

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

The Corporation's financial assets subject to the expected credit loss model within IFRS 9 are cash and other receivables. Based on management's assessment the impact of the impairment was considered immaterial. There were no financial assets that are considered past due and impaired. There is no concentration of credit risk within these assets. None of these assets are considered impaired and no amounts have been written off in the period.

These financial assets are expected to be received in three months or less. An amount is considered to be in default if it has not been received 90 days after it is due.

(ii) Liquidity risk

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

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

The contractual outflows as at 31 March 2023 and 2022, for trade and other payables (excluding accruals and provisions) are represented by their statement of financial position carrying amount and require settlement within 12 months at the reporting date amounting to \$189,838,834 (2022: \$175,740,378).

(iii) Market risk

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

JAMAICA PROMOTIONS CORPORATION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023**

(Expressed in Jamaica dollars unless otherwise indicated)

16. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(iii) **Market risk (Continued)**

(a) Foreign currency risk:

The Corporation's exposure to foreign currency risk is as follows:

	2023				2022			
	US\$	£	€	CAD\$	US\$	£	€	CAD\$
Cash and cash equivalents	72,202	21,310	5,297	1,970	64,901	34,542	1,645	7,481
Securities purchases under	773,756				753,048	-	-	-
Trade and other receivables	16,132	-	-	-	-	-	-	-
Trade and other payables	(19,720)	(14,716)	-	-	(128,510)	(19,013)	-	-
Net exposure	842,370	6,594	5,297	1,970	684,664	15,529	1,645	7,481

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

	US\$	£	€	CAD\$
31 March 2023	150.08	184.35	165.62	110.47
31 March 2022	152.97	198.22	162.38	123.06

Sensitivity analysis

A 1% (2022: 2%) strengthening of the Jamaica dollar against the United States dollar, Pound Sterling, Euro and Canadian dollar against the Jamaica dollar at 31 March, would have increased the deficit for the year by \$1,290,658 (2022: increased the deficit for the year by \$2,192,656).

An 4% (2022: 8%) weakening of the Jamaica dollar against the United States dollar, Pound Sterling, Euro and Canadian dollar against the Jamaica dollar at March 31, would have decreased the deficit for the year by \$5,162,633 (2022: decreased the deficit for the year by \$8,770,623). This analysis assumes that all other variables, in particular interest rates, remain constant.

(b) Interest rate risk:

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

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

	2023 \$	2022 \$
Financial assets:		
Cash and cash equivalents	6,988,798	5,407,649
Securities purchased under resale		
Agreements	235,983,659	224,660,727
	242,972,457	230,068,376

16. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(iii) **Market risk (Continued)**

(b) Interest rate risk continued:

Generally, the Corporation's financial instruments are at fixed rates, therefore a change in interest rates would not affect its cash flows.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is done on the same basis as in 2022.

(iv) **Accumulated fund management**

For the purpose of the Corporation's accumulated fund management, accumulated fund includes accumulated surplus and capital reserves. The Corporation's objectives when managing accumulated fund are to safeguard the Corporation's ability to continue as a going concern to enable the Corporation to continue to carry out its mandate as defined by the Government of Jamaica of stimulating, facilitating and promoting the development of trade and industry, export trade and investment activities in all sectors of the Jamaican economy. No changes were made in the objectives, policies or processes for managing accumulated fund during the years ended 31 March 2023 and 2022.

(v) **Fair values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where quoted market prices are not available, the fair values of these instruments have been determined using a generally accepted alternative method.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate the value.

<u>Financial Instruments</u>	<u>Method</u>
Cash and cash equivalents, securities purchased under resale agreements, trade and other receivables and trade and other payables	Assumed to approximate their carrying values, due to their short-term nature

Fair value measurement recognised on the statement of financial position

There are no financial instruments included in the statement of financial position that are measured subsequent to initial recognition at fair value.



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