JAMPRO
TRADE & INVESTMENT **JAMAICA**

2009 | 2010
ANNUAL REPORT

The purpose of this report is to provide the Houses of Parliament, partners, stakeholders and clients with information on the performance of Jamaica Promotions Corporation (JAMPRO) for the 2009/2010 Financial Year and the prospects for the 2010/2011 Financial Year.

Contents

Board of Directors

April 2009- March 15, 2010

Raymond Miles- Acting Chairman

Thalia Lyn

William Tavares Finson

Rodney Davis

Dave Lyn

Patrick Lynch

Patrick Casserly

Paul Lalor

Cleve Stewart

Mark Myers

Audrey Marks

Ambassador Stewart Stephenson

Philip Gore

Robert Gregory- President, tenure ended

Raymond Miles Jnr.

Minister of Industry, Investment and Commerce, Hon. Karl Samuda, speaking with Ambassador of the People's Pepublic of China, His Excellency Chen Jinghua, during the Business Information Forum held on January 13, 2010. The forum was held to inform local exporters of the requirements for including their products in the Brand Jamaica Booth at Expo Shanghai 2010 in China.

L-R: Mrs. Sancia Bennett Templer, President (JAMPRO/JTI); Mrs. Patricia Francis, Executive Director, ITC; Michael Lumsden, immediate past President of the Jamaica Exporters' Association (JEA); Marlene Malahoo-Forte, State Minister in the Ministry of Foreign Affairs and Foreign Trade and Badrul Haque, the World Bank's Special Representative to Jamaica, at the NES Resource Mobilisation Meeting in Kingston, Jamaica on November 19, 2009.

Chairman's Message

The fiscal period under review has been a time of great challenge both locally and internationally. Foreign Direct Investment (FDI) flows have declined significantly and several countries have been forced to mount aggressive measures and stimulus packages to counter this economic recession. Additionally, there has been a continuing shift in investment focus to Asian markets. All these factors have resulted in a decline in Foreign Direct Investment to Jamaica and have impacted negatively on the targets set by JAMPRO.

It was against this background that JAMPRO generated J$18.7 billion from new investments in the economy and created 4,639 new jobs.

JAMPRO also aggressively sought new investment and job-creating prospects through the hosting of a number of international investment fora and missions in the UK, Sweden, US, Canada, China and India. In addition to this, the agency facilitated inward investment missions and contracted an international ICT broker firm to attract new companies to our emerging knowledge services industry. Focus was also placed on pre-packaging investment opportunities and taking them to the international marketplace. These efforts were sometimes thwarted by the increasingly competitive environment for investments and the fact that several of our competitors had more attractive investment incentives and offerings for prospective investors.

The bulk of the investment spend occurred in the Tourism and ICT sectors, as many of our investment clients completed new or expansion projects that had started in the previous year. Based on reports from the missions and feedback from one-on-one discussions with investors, the Board remains very optimistic that if the right incentives framework is established, we will have more success in generating new investments.

With regards to export promotion and development, JAMPRO continued to work with its export clients and surpassed its targets by facilitating J$3.82 billion of export sales. This was primarily achieved through the non-traditional export categories, even though the national export figures showed a decline that was mainly due to a fall in alumina and ethanol exports. The majority of the agency's promotional spend was concentrated in the food and beverage sector, with exporters benefitting from assistance to access key shows in North America and the UK. Careful research was done to select shows that targeted the market niches that would most likely yield the greatest return for our export clients.

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Chairman's Message cont'd

Initiatives like the National Export Strategy, in partnership with the Jamaica Exporters' Association, helped to define the implementation of key sector specific programmes aimed at strengthening export capacity, market information, product selection and export competitiveness. Work with the various stakeholders also sought to take advantage of the opportunities emanating from the Economic Partnership Agreement (EPA).

Our participation and involvement in the Shanghai World Exposition in China not only served to build on the strength of our national brand, but to also educate consumers in the fastest growing global market of Jamaica's rich and unique product offerings.

Through our enhanced client servicing initiative and the strengthening of our relationships with key local associations like the Jamaica Manufacturers' Association and the Jamaica Hotel and Tourist Association, the agency has been able to achieve significant results in the securing of linkage contracts valued at over J$608 million. Jamaican producers and suppliers were matched with key foreign and local investors to supply much needed products and services to their ventures resulting in favorable feedback from our clients.

A significant milestone achieved in the fiscal period was the opening of the North American office in Toronto, Canada, with the intent to strengthen our overseas representation. Other major milestones included the establishment of the International Financial Services Centre (IFSC) secretariat in collaboration with the Ministry of Finance; the rebranding of the agency to its original legal name of Jamaica Promotions Corporation (JAMPRO) based on its strength and equity in the public domain; and the restructuring of the agency's internal operations by creating a new Planning and Corporate Development Division and reverting to the original management structure cited by the original JAMPRO Act..

The five-year management and implementation of the European Union-sponsored Private Sector Development Program (PSDP) also came to an end during the period under review. This programme managed to complete and achieve most of its stated objectives by helping Jamaican firms to be more competitive and productive. On behalf of the Board of Directors and the team at JAMPRO, we would like to express our gratitude to the European Commission for the encouragement and confidence that it placed in our organisation to be a lead partner in this programme.

The Board of Directors would also like to express its gratitude to the staff for the effort displayed throughout the year to strengthen the agency's institutional capacity in the face of all the challenges and resulting changes. We are confident that a stable platform has been established to achieve a more efficient and rewarding performance.

To our partners and clients, it has indeed been a pleasure to have served and interacted with you throughout the year. We stand committed to working with you to achieve all your stated objectives, which will ultimately contribute to making Jamaica a better place to do business.

Raymond Miles Jnr.

Corporate **Overview**

Corporate **Planning**

In a year marked by falling investor and consumer confidence, when foreign direct investments (FDI) flows to developing countries contracted by as much as 44% and global trade fell by 12.2%, the worst since World War II according to the World Trade Organisation, JAMPRO delivered creditably on its key performance indicators (KPIs). These KPIs- the volume of capital expenditures (CAPEX) in investments, the related number of jobs created and the value of export sales and business linkage contracts- are all critical activities that redound to the benefit of the economy.

Specifically, the agency facilitated J$18.7 billion in investment CAPEX (84% of target) that led to the creation of 4,639 jobs (70% of target); while export sales amounted to J$3.82 billion, surpassing the annual target of J$3.5 billion, and the value of business linkage contracts surged to over J$600 million.

JAMPRO adopted a highly targeted approach to promoting and attracting investments during the year, employing a three-pronged strategy of encouraging re-investment, investment packaging and investor support. This was supported by the consolidation of the policy development, business analysis and research functions in a new Planning & Corporate Development Division.

Additionally, a new unit was created within the Investment Promotion Division to promote investments in the Mining, Energy and Manufacturing sectors; and an Export Development Department was established in the Trade and Business Development Division in keeping with the mandate to build the capacity of the Agency's growing export clientele.

Branding and communications are critically important to investment and export trade promotions, and so the organisation undertook a corporate rebranding exercise at the start of the operational year, which saw the discontinuation of the use of the name 'Jamaica Trade and Invest' in its messaging and promotional efforts both locally and overseas, in favour of the more recognized nomenclature 'JAMPRO' in which there is still significant brand equity and recognition.

The new JAMPRO logo and a suite of re-branded collateral materials, promotional booths and associated brand applications have been positively received in the market. Notwithstanding a tightening budget environment, and the conclusion of the 5-year Private Sector Development Programme, JAMPRO maintained a busy schedule of investment and export promotion missions in its traditional markets in North America and Europe, as well as in emerging markets like India and China, where planning and preparations commenced for the 6-month long JAMPRO-led mission to the Shanghai World Expo in early 2010.

In the wake of declining FDI into the Caribbean, where Jamaica experienced a 35% drop in FDI inflows, it still ranked highest among its regional neighbours attracting 33% more FDI than Trinidad & Tobago, the next best performer in the English speaking Caribbean.

Investment **Promotion**

Investment **Promotion**

The Agency's achievements in attracting FDI are measured against existing investment projects and prospects. J$18.7 billion in capital expenditure (CAPEX) was facilitated by JAMPRO, which represents 84% of the J$22 billion in investment flows anticipated for the period. This also represents a 42.1% decline in CAPEX relative to the preceding fiscal year, which is consistent with the worldwide decline of FDI inflows (37%) and the contraction of inflows to developed countries (44%).

However, the Tourism and Hospitality and Knowledge Services Sectors (ICT/BPO) continued to register commendable performances and accounted for 88% of the recorded CAPEX. The Tourism sector, after being outpaced by the ICT/Knowledge Services sector in the previous fiscal year, was the leading expenditure performer, accounting (70% of total CAPEX). This substantive performance was primarily attributable to the completion of two large hotel investment projects, Palmyra and Secrets Resort and Spa, and construction on other major projects such as Golden Eye. The ICT/BPO sector contributed 18% to the total CAPEX figures recorded by JAMPRO.

Jobs generated from projects facilitated by JAMPRO stood at 4,639. The majority of jobs were created within the ICT/Knowledge Services and the Tourism/Hospitality sectors.

Increased interest rates and tighter credit conditions precipitated by the global economic crisis inevitably affected the ability of investors to spend on expansion activities and acquisitions/investments in foreign markets. This was particularly evident in North America and Europe, which are major sources of FDI to the region. Consequently, many projects that were slated for implementation during the period were re-scoped or deferred pending anticipated recovery in the global economy in the 2010/11 financial year. The agency continues to work with these clients to ensure project execution once market conditions are favourable.

During the period under review, the Government of Jamaica (GoJ) introduced the Jamaica Debt Exchange (JDX) Programme - a debt exchange instrument designed to restructure the domestic debt and reduce interest rates, thus reducing capital costs to the productive sector. It is further anticipated that the JDX will facilitate increased capital investment by local firms that previously considered locally held securities and bonds as preferred investment options.

JAMPRO, therefore, sought to package investment opportunities to absorb potential diversification in investment portfolios.

FIGURE 1: CAPEX Facilitated by Sector) as a % of Total CAPEX: April 2009 - March 2010

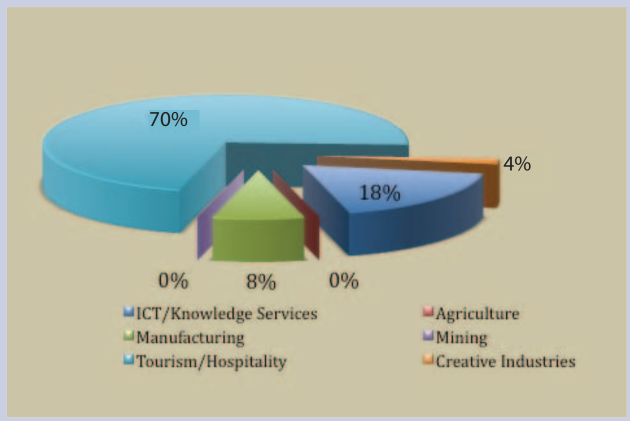
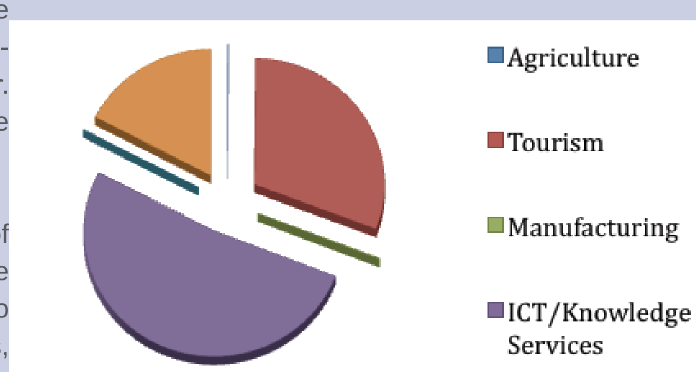


FIGURE 2: Jobs Created by Projects Facilitated by Sector April 2009 – March 2010



Investment **Promotion**

Sector **Briefs**

TOURISM/HOSPITALITY

Investments in the tourism sector remained resilient during the 2009/2010 period. Over J$13 billion was generated in capital investments, which in turn created 1,437 new jobs.

The agency engaged in targeted activities within the sector and facilitated the expansion of major investment projects such as the Secrets, Palmyra Resorts and the Golden Eye project by the Island Outpost Group.

The Spanish hotel projects comprise a significant portion of the overall JAMPRO investment portfolio, augmented by the entry of the Hospiten Project, which brings added diversity through the introduction of medical tourism services to the tourism product.

JAMPRO has succeeded in securing technical assistance from the Commonwealth Secretariat to undertake the development of a roadmap for the growth of health and wellness tourism in Jamaica, which will ultimately facilitate the country's foray into the multi-billion dollar global medical tourism industry. Under this project, the Commonwealth Secretariat will provide funding to engage the services of a consultant, who will work closely with JAMPRO to identify the critical prerequisites and success factors for the sustainable development of health and wellness tourism in Jamaica.

Investment **Promotion**

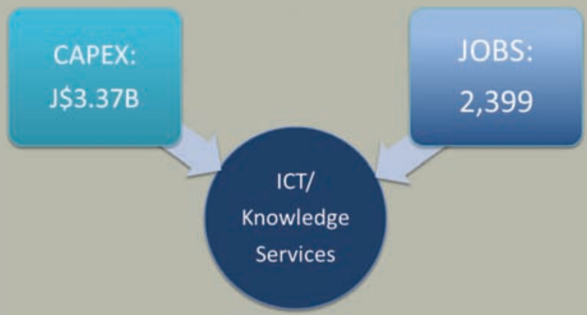
Sector **Briefs**

ICT SECTOR/ KNOWLEDGE SERVICES

As part of its strategic thrust for the ICT/Knowledge Services sector, the agency adopted the strategy of engaging in-market consultants targeting the mid-sized Business Process Outsourcing (BPO) firms. This, coupled with the continued facilitation of investment prospects already converted, led to capital expenditure within the sector of J$3.37 billion and the creation of 2,399 jobs.

The sector's strong contribution to job creation and its propensity to be labour intensive has led to its positioning as a critical component of the Agency's efforts to create sustainable employment opportunities in keeping with the Government's mandate.

The majority of CAPEX recorded for the sector was attributable to continued investments by telecommunications companies FLOW and CLARO. Other significant developments include the establishment of the only locally owned Knowledge Process Outsourcing (KPO) Company, Strobe, which is a legal processing outsourcing company.



With the introduction of this upwardly differentiated function, Jamaica has demonstrated its ability to progress along the BPO value chain and has improved the likelihood of attracting other sophisticated and high value projects. The period also saw the development of draft policy recommendations regarding the growth and development of the ICT/BPO sector, in light of the challenges that the Agency continued to face in its attempts to secure investment projects.

Investment **Promotion**

Sector **Briefs**

MANUFACTURING

During the period under review, the Manufacturing sector saw capital inflows of over J$1.5 billion, which was primarily driven by the completion of the Caribbean Cement Expansion project and other mid-sized investments in the block making and confectionary sub-sectors. The Caribbean Cement project was primarily capital intensive, with plant modernisation and environmental modifications attracting the most investment. Work also continued on the key policies, which seek to create the framework for the identification and exploitation of investment opportunities in the Manufacturing sector, such as the Energy Policy.

CREATIVE INDUSTRIES

The Creative Industries sector represents the tangible and intangible cultural assets of a nation and spans the film, music, fashion, publishing and performing arts industry. This sector recorded capital investments of J$608.7 million in 2009/10 FY generating 793 jobs. In February 2009, JAMPRO facilitated the filming of scenes from the Hollywood movie Knight and Day. This project resulted in a local spend of approximately J$135 million and employment for 88 Jamaicans. Jamaica's ability to attract overseas projects with significant local spend confirms its relevance as a recognized location for major film projects. This fact, along with the potential for further development of the local film sector, influenced the preparatory work involved in the drafting of policy recommendations for the sector. During the fiscal period in review, work advanced in the development of policy revisions for the Music sector as well.

Investment **Promotion**

Sector **Briefs**

AGRICULTURE

Agriculture represents great potential for much of Jamaica's future prosperity and prospective revenues. There are roughly 2.7 million acres of land in the country, of which 17% or 450,000 acres are considered arable.

As one of the key sectors identified by the Government to drive export performance and encourage local direct investment, the Agricultural sector was a key component of JAMPRO's strategic focus for the 2009/2010 financial year. Recorded capital expenditure (CAPEX) for the sector stood at $9.5 million at the end of the financial year, which was primarily attributable to investments by Mirador Farm Ltd. and Truly Jamaican Farm Ltd.

The Agro-processing (food & beverage) industry, which represents approximately 80% of JAMPRO's client profile, benefitted from consultancy work undertaken to develop investment opportunity profiles for both primary and processed foods.

MINING

The Mining & Minerals sector contributed J$51.09 million towards the CAPEX target. It is anticipated that this sector will see an increase in activity as the Government seeks to finalise its first Minerals Policy. Key investment in the sector included expansion of Lydford Mining Company's limestone mining operation to include large-scale quarrying of limestone aggregate for export and revamped port facilities at the former Reynolds Pier at Ocho Rios. The company is also exploring the possibility of producing cement.

Trade & Business **Development**

Trade & Business **Development**

Consistent with its mandate to facilitate sustainable growth of non-traditional and value-added exports to key target markets, JAMPRO continued to provide export promotion and business development services geared towards increasing export sales and international competitiveness of Jamaican products and services. This was underscored by the re-structuring of the operations of the Trade & Business Development Division to allow for greater efficiency and better alignment of the functional areas. This move saw the separation of functions between Export Promotion and Export Development to facilitate greater focus on demand side issues & market opportunities by the Export Promotion Department, supply side issues affecting exporters and a more hands-on client servicing programme by the newly established Export Development Department.

Despite an overall decline in export sales performance, a review of national trade statistics for the period indicated that clients receiving JAMPRO value-added services recorded export sales of J$3.82 billion, exceeding the corporate target of J$3.5 billion. The agency also generated 178 trade leads on behalf of local exporters, and with a significant increase in the number of exporter interactions (2272 interactions achieved against a target of 1200), the business community benefited from export information and became generally more informed of the business processes.

The Division's continued commendable performance may be attributed to a number of strategic interventions including:

Facilitated access and participation in promotional events and activities

Implementation support for the National Export Strategy (NES)

Business facilitation and market development services, with a special emphasis on potential and existing exporters

Facilitation of industry clusters and business linkages in order to improve the export sector's productive capacity and overall competitiveness

Trade & Business **Development**

Functional **Briefs**

EXPORT PROMOTION

During the period under review, JAMPRO's promotional activities focused primarily on the Agribusiness industry, as this was identified as a key value-added area with strong potential for export growth. This strategic thrust was evidenced by the fact that of the 15 trade missions executed in the 2009/10 fiscal period, 10 were focused on agro-processing (food and beverage). These engagements spanned a variety of promotional activities including targeted buyer recruitment, promotion of business opportunities and promotion of non-traditional exports to companies at different levels of the food & beverage value chain. North America, EU and CARICOM continued to be
the main target markets.

In a year of global recession and declining trade,
Jamaica's overall exports declined by 45% over the period January-December 2009 (STATIN) when compared to 2008. This decline was attributable primarily to a fall in the demand and export of crude materials – minerals, fuels and ethanol. It must be noted, however, that despite a 42.5% decline in the export of non-traditional goods (compared to the same period in 2008), Jamaica recorded marginal increase in this area.

Typical Brand Jamaica Booth Area Designs at International Trade Shows

Trade & Business **Development**

Functional **Briefs**

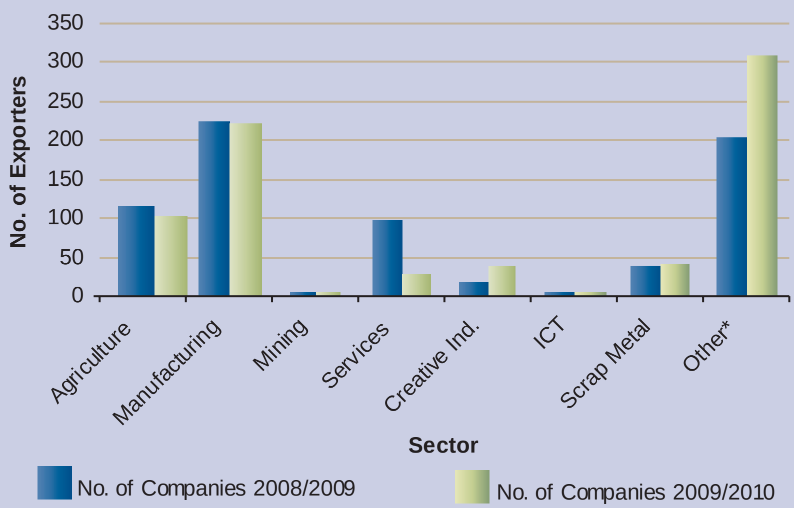
EXPORTER REGISTRATION

For the 2009/2010 fiscal year, 237 new exporters were registered, bringing the total number of registered exporters to 752. Of this number, 400 were involved in the productive sector while 352 functioned as third party entities, primarily customs brokers, freight forwarders, shipping and logistic entities and traders. In the productive sectors, the highest concentration of exporters continued to be in the Manufacturing and Agriculture sectors. The figure below show the sectoral breakdown of registered exporters for FY2009/2010 compared with FY2008/2009.

Most of the increase in the number of registered exporters in the 2009/2010 period stemmed from a rise in the number of persons operating as traders (included in the "Other" category) and may have been influenced by the increase in entrepreneurship arising from significant job cuts caused by the deepening of the global economic crisis.

During the review period, the number of clients accessing the Modernisation of Industry (MOI) incentive increased by 6%, as waivers amounting to J$318.6 million were granted for capital expenditure of J$1.907 billion. Notably, the number of companies in the 'Food and Agro Products' sector accessing MOI benefits increased by almost 80%. However, there was no similar increase in the value of the capital expenditure (as reflected in a mere 5.9% increase in General Consumption Tax (GCT) waivers). This essentially shows that it has not cost the Government a significant loss in GCT revenue compared to the increased usage of the incentive benefits under the MOI programme for the 2009/2010 fiscal year.

Figure 3: Registered Exporters by Sector: 2009/2010



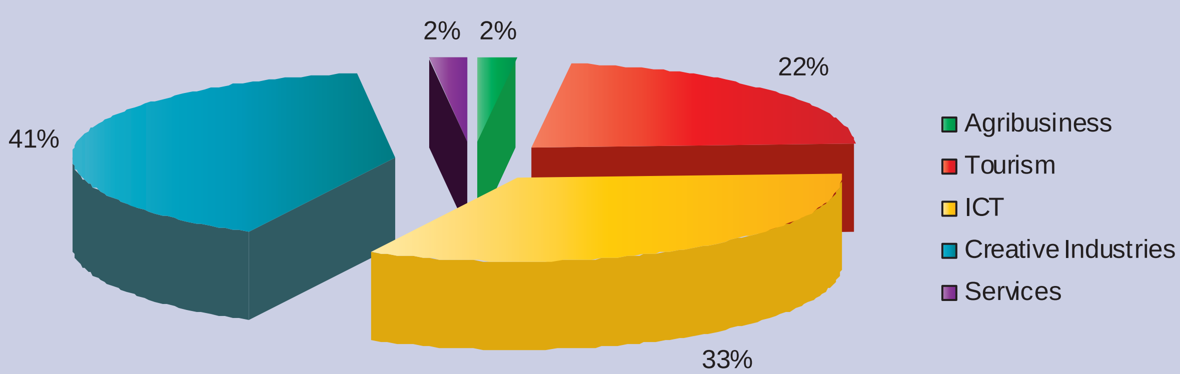
Trade & Business **Development**

CLUSTER AND LINKAGES FACILITATION

Increased linkage contracts represent an enhanced absorptive capacity of the local economy and have therefore been one of the Agency's strategic priorities. As a result of a collaborative effort, the Agency recorded 36 linkage contracts valued at J$608.0 million. The Agri-business, Tourism and ICT sectors accounted for the majority of these contracts.

A breakdown of the targets achieved by sector and value is presented in the figure below.

Figure 4: Sectoral Breakdown of the Linkage Contracts Facilitated



TECHNICAL ASSISTANCE FACILITATION

One key function of a trade promotion organisation is the identification and assistance provided to clients as it relates to technical and financial support for export and business ventures. In keeping with this objective, the Agency continued to facilitate requests for technical and financial assistance through the International Development Partners (IDPs) for the business community and submitted applications on behalf of exporters amounting to over J$300 million. To date, J$5.4 million in technical assistance has been approved/ mobilised for the business community.

Special **Projects**

EU/GoJ PRIVATE SECTOR DEVELOPMENT PROGRAMME (PSDP)

The five-year Private Sector Development Programme (PSDP) came to an end in December 2009 and culminated in a one-day showcase of its achievements. The event featured numerous workshops and discourses on the way in which the successes of the Programme would be continued by the various stakeholder organisations, including JAMPRO.

The PSDP was designed to enhance the competitiveness of the country's micro, small and medium sized enterprises and strengthen the effectiveness of their support institutions. With support from the European Union of €20M through the European Development Fund (EDF) and GoJ counterpart funding of €8.7M, the Programme, which commenced on March 12, 2004, had among its anticipated outcomes the following:

(i) Empowerment of private sector and/or public sector support organisations

(ii) Enhancement of the competitiveness of firms

(iii) Improved access to corporate finance by MSMEs

While it is difficult to verify the Programme's contribution to these variables, the specific services delivered and characteristics of the supported clients and beneficiaries indicate that the PSDP was an effective strategy. The following outcomes are also indicative of the success of the Programme:

- Non-traditional exports increased by 369.6% between the period 2003 to 2008
  (Source: STATIN External Trade Statistical Bulletins 2003-2008)

- Business Development Service (BDS) suppliers grew by 1346% between the period 2003 to 2009 (Source: Companies Office of Jamaica's company and business name data bases)

- Increase in the customer base for BDS suppliers – 61% growth in customer base
  (Based on a survey of 28 BDS suppliers)

- Repeat customers of BDS services account for 71% of clients
  (Based on survey of 28 BDS suppliers)

PSDP SUCCESS STORY

TOP CLUSTER
Managed by Jamaica Trade and Invest (JAMPRO)
Winner: Negril and Western Jamaica MSME Cluster
Mrs. Sancia Templer, President, JAMPRO presents award to Ryan Morrison – Cluster Facilitator

Top Cluster
Managed by Jamaica Business Development Corporation (JBDC)
Winner: Jamaica Fashion and Apparel Cluster
Ms. Valerie Veira, CEO, JBDC, presents award to Glenda Joseph Dennis – Cluster Facilitator

Top Workshop Private Sector Organisation
Winner: School of Computing Studies, University of Technology
Ms. Wynette Anderson, Former Programme Manager, Private Sector Development Programme (PSDP) presents award to Dr. Paul Golding - Project Leader - UTECH ICT MSME Project

Special **Projects**

Additionally, all targets had been met or surpassed, including the number of policy proposals submitted for acceptance by Cabinet. JAMPRO, via the Trade and Business Development Division (TBDD), was involved in the implementation of five components of the Programme, as well as the Cluster Sector Initiative Programme, all of which exceeded their programme targets as follows:

Achievement of JAMPRO's PSDP Components

COMPONENT	PERFORMANCE MEASURE	PROGRAMME TARGET	ACTUAL
Corporate Finance Broker (CFB)	- Firms assisted - Workshops conducted - Loans approved	400 48 100	712 73 100
Enterprise Rating & Upgrading (ERU)	- Workshops - Firms benefiting from assessments	50 400	67 456
Export Centre (EC)	- EC interventions - Firms accessing EC services	2000 630	5888 2979
Business Information Points (BIP)	- BIP interventions - Firms accessing BIPs	5000 1575	5487 4114
Back Office Services	- Back offices established - SMEs accessing BOS	5 250	8 1332
Cluster Sector Initiative Programme	- No. of Clusters supported - No. of participating firms in development activities - No. of new projects developed	10 100 15	5 671 11

*The actual results are those achieved by JAMPRO. The overall achievements of the CSIP are 10 clusters, 3,315 firms and 31 new projects.

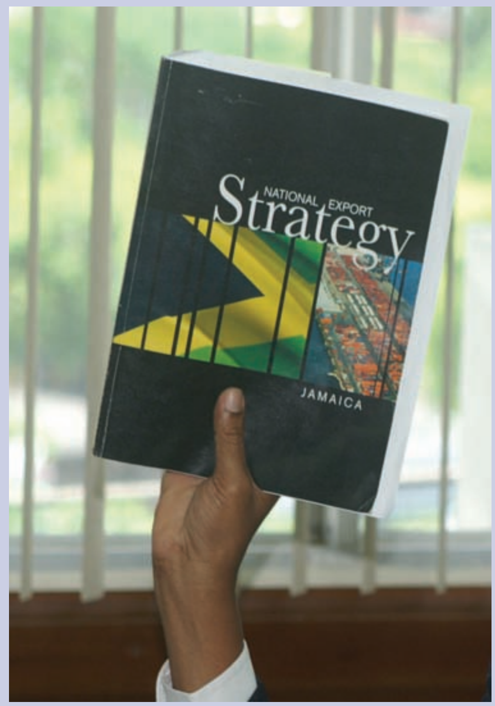
Special **Projects**

NATIONAL EXPORT STRATEGY (NES) IMPLEMENTATION

The implementation of the National Export Strategy (NES) represented an important milestone in Jamaica's drive to position exports as a principal lever in achieving economic development, within the context of the National Development Plan. One major achievement of the NES was the establishment of the NES Secretariat within JAMPRO and, additionally, some NES strategies were incorporated in the operational plan of the Trade & Business Development Division. During the review period, the following outcomes were achieved:

NES Export. Live. Prosper.
JAMAICA'S NATIONAL EXPORT STRATEGY

- Conducted Client Officer training, including cross-training across institutions
- Strengthened and promoted the Export Centre (EC) and Business Information Points (BIPs) network
- Developed targeted industry and country-specific market penetration programmes
- Provided handholding services to firms to access the range of technical assistance and grant funds available for export promotion
- Advanced work on the formalisation of the Export Council through legislation



INTERNATIONAL FINANCIAL SERVICES CENTRE (IFSC)

During the year under review, the IFSC Secretariat sought to advance the establishment of the Jamaica International Financial Services Authority (JIFSA), which would have regulatory responsibilities for the new industry. The draft legislation was completed and referred to the Attorney General's Chambers for finalisation. International consultants were also engaged to assist in finalising the structure and scope of the proposed International Financial Services Center (IFSC). To this end, high level meetings were also held to identify the possibility of enabling Jamaica to become a regional shipping hub.

INVESTMENT & EXPORT PROMOTION MISSIONS

Mission	Dates	Country	Purpose of Mission
Denbigh Agricultural Show	July 31-Aug 2, 2009	Jamaica	Export and Agro-investment promotional opportunity . Four (4) leads generated
Encouraging Investments in Cocoa Industry	Sept 17, 2009	Jamaica	Inward mission from Belgium
Brokered Real Estate Inward Mission # 1	September 23-26, 2009	Jamaica	Promote investment opportunities to 5 mid-tier ICT/BPO companies who had indicated an interest in setting up operations in Jamaica or acquiring an existing company.
Toronto Film Festival	Sept 2009	Canada	Participated as Industry delegates while coordinating a Trade Reception to promote business opportunities. Thirty (30) leads generated
SIAL Montréal Trade Show	April 1-3, 2009	Canada	Promotion of Jamaican goods and services to top Canadian and International Buyers.
The Jamaican Business Expo	September 3-4, 2009	USA	JAMPRO in collaboration with the JMA and JEA participated in the Jamaican Business Expo organized by Jamaica USA Chamber of Commerce (JAUSACC). Sectors of focus were Food, Beverage, Chemicals, Welding products, Packaging, Printing & Publishing.
Natural Products Expo East, Boston	September 23-26, 2009	USA	To commence promotional efforts in this emerging export market. Ten companies were represented by JAMPRO.
The 12th Americas Food & Beverage Show	November 9-10, 2009	USA	Promote Jamaican products to buyers in North American and Latin America markets.
Grocery Innovations Canada 2009	October 26 - 27, 2009	Canada	Showcase a variety of Jamaican products to Canada's top retailers, whether corporate, franchise or independent. 15 trade leads were generated.
The 22nd Annual Fiery Foods Show	March 5 – 7, 2010	USA	Promote Jamaica's authentic Jerk, pepper and spicy sauces and condiments.
The Food and Drink Expo	March 21 – 24, 2010	UK	JAMPRO coordinated Jamaica's participation in the Expo, which is the largest UK food and drink trade exhibition bringing together all sectors of the food and drink market - retail, foodservice, wholesale and manufacturing.
China International Fair on Investment and Trade (CIFIT) Commodities and Investment Fair for Latin America and Caribbean Countries (CIFLACC)	September 9-11, 2009	China	On invitation by the PRC, JAMPRO co-ordinated Jamaica's participation in CIFIT, which is China's only trade & investment fair. JAMPRO presented trade and investment opportunities in Jamaica.
FIHAV	Nov. 1-7, 2009	Cuba	Leverage past successes and explore new business options and avenues as well as strategically plan for increased export activity to Latin America. The mission yielded 8 trade leads
Taste Jamaica Celebrity Chef Cook-Off	Nov. 1, 2009	Jamaica	Held in conjunction with the organizers of Restaurant Week, this event was a B2B matchmaking event.

Board of Directors' Fees & Executive Management Emoluments

DIRECTORS' FEES (2009/2010)

Position of Directors	Fees	Motor Vehicle Upkeep/ Travelling or Value of Assigned Motor Vehicle	Honoria	All Other Compensation including Non-Cash Benefits as applicable	Total
Gordon Stewart (Chairman)	-				-
Raymond Miles (Acting Chairman)	243,500.00				243,500.00
Audrey Marks	52,500.00				52,500.00
Cleve Stewart	-				-
Dave Lyn	146,500.00				146,500.00
Mark Myers	104,500.00				104,500.00
Patrick Casserly	-				-
Patrick Lynch	33,500.00				33,500.00
Paul Lalor	135,500.00				135,500.00
Phillip Gore	75,000.00				75,000.00
Rodney Davis	156,500.00				156,500.00
Stewart Stephenson	197,000.00				197,000.00
Thalia Lyn	93,500.00				93,500.00
William Tavares-Finson	107,000.00				107,000.00
Gassan Azan	-				-
David Douglas	7,500.00				7,500.00
Christopher Zacca	7,500.00				7,500.00
TOTAL	1,360,000				$1,360,000

CURRENT SALARY PACKAGE (2009/2010)

Position	Salary	Gratuity/ Performance Incentive	Travelling/M/Vehicle or Value of Assignment of Motor Vehicle	Other Allowances	Total
President*	4,997,267.01	2,357,410.53		886,534.51	8,241,212.05
Actg. Deputy President	6,389,400.00	2,727,782.31	702,390.56	784,030.09	10,603,602.96
Actg. Executive Director – Services	5,415,637.56	785,267.51	136,929.84	88,868.00	6,426,702.91
Executive Director. – Finance, Admin & MIS	5,267,855.46	3,255,356.55	503,547.52	158,592.28	9,185,351.81
Deputy President*	7,153,154.19	2,366,217.00			9,519,371.19
Executive Director – Markets*	1,805,212.52	1,348,536.84		1,145,615.73	4,299,365.09
Grand Total					$48,275,606.01

Notes:

1. Where contractual obligations and allowances are stated in a foreign currency, the sum in that stated currency must be clearly provided and not the Jamaican equivalent.

2. 'Other Allowances' (including laundry, entertainment, housing, utility, etc)

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

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of
JAMAICA TRADE AND INVEST
Jamaica Promotions Corporation

Report on the Financial Statements

We have audited the financial statements of Jamaica Promotions Corporation (the Corporation), set out on pages 25 to 45, which comprise the statement of financial position as at March 31, 2010, the statements of comprehensive income, changes in equity and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and consistently applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

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

To the Members of
JAMAICA TRADE AND INVEST
Jamaica Promotions Corporation

Report on the Financial Statements, cont'd

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Corporation as at March 31, 2010, and of its financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG

Chartered Accountants
Kingston Jamaica

October 26, 2010

JAMAICA TRADE AND INVEST
Jamaica Promotions Corporation

Statement of Financial Position
March 31, 2010

	Notes	2010	2009
CURRENT ASSETS			
Cash and cash equivalents	3	41,818,765	39,946,380
Securities purchased under resale agreements	2(e)	150,638,300	163,715,325
Accounts receivable	4	12,833,469	16,388,596
		205,290,534	220,050,301
CURRENT LIABILITIES			
Accounts payable	5	135,202,645	107,280,394
Grants received in advance	6	6,985,021	17,067,562
		142,187,666	124,347,956
NET CURRENT ASSETS		63,102,868	95,702,345
NON-CURRENT ASSETS			
Property, plant & equipment	7	199,955,490	209,923,619
Employee benefit asset	8	155,603,000	123,543,000
		$418,661,358	429,168,964
Financed by:			
ACCUMULATED SURPLUS		219,888,083	230,240,228
CAPITAL RESERVE	9	197,629,686	197,629,686
		417,517,769	427,869,914
NON-CURRENT LIABILITY			
Deferred income	10	1,143,589	1,299,050
		$418,661,358	429,168,964

The financial statements on pages 25 to 45 were approved by the Board of Directors on October 26, 2010, and signed on its behalf by:

_________________ Director
Raymond Miles

_________________ President
Sancia Bennett-Templer

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

JAMAICA TRADE AND INVEST
Jamaica Promotions Corporation

Statement of Comprehensive Income
Year ended March 31, 2010

	Notes	2010	2009
Gross operating revenue	11	439,597,927	473,489,684
Operating expenses:			
Promotional		146,399,315	110,220,708
Staff-related		253,008,403	292,386,305
General and administrative		75,358,850	72,050,954
		474,766,568	474,657,967
Operating deficit for the year	12	(35,168,641)	(1,168,283)
Other income:			
Interest income		25,558,063	23,222,881
Gain on disposal of property, plant & equipment		484,345	1,460,050
Foreign exchange (loss)/gain		(1,225,912)	3,525,518
(Deficit)/surplus for the year, being total comprehensive income		$(10,352,145)	27,040,166

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

Statement of Changes in Equity
Year ended March 31, 2010

	Accumulated surplus	Capital reserve (note 9)	Total
Balance at March 31, 2007	194,490,589	197,629,686	392,120,275
Surplus for the year	8,709,473	-	8,709,473
Balance at March 31, 2008	203,200,062	197,629,686	400,829,748
Surplus for the year	27,040,166	-	27,040,166
Balance at March 31, 2009	230,240,228	197,629,686	427,869,914
Deficit for the year	(10,352,145)	-	(10,352,145)
Balance at March 31, 2010	$219,888,083	197,629,686	417,517,769

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

Statement of Cash Flows
Year ended March 31, 2010

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/surplus for the year	(10,352,145)	27,040,166
Adjustments for:		
Depreciation	15,571,630	14,725,613
Employee benefits	(32,060,000)	5,751,000
Amortisation of deferred income	(155,461)	(155,461)
Interest income	(25,558,063)	(23,222,881)
Gain on disposals and exchange of property, plant & equipment	(484,345)	(1,460,050)
Foreign exchange loss/(gain)	1,225,912	(3,525,518)
	(51,812,472)	19,152,869
Decrease/(increase) in accounts receivable	3,555,127	(2,481,289)
Increase/(decrease) in accounts payable	17,839,710	(2,908,849)
Net cash provided by operating activities	(30,417,635)	13,762,731
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant & equipment	(6,865,202)	(11,081,990)
Interest received	25,558,063	23,222,881
Proceeds from disposal of property, plant & equipment	1,746,046	1,460,050
Securities purchased under resale agreements	13,077,025	(19,465,015)
Net cash used by investing activities	33,515,932	(5,864,074)
Net increase in cash and cash equivalents	3,098,297	7,898,657
Cash and cash equivalents at beginning of year	39,946,380	28,522,205
Effect of exchange rate fluctuations on cash and cash equivalents	(1,225,912)	3,525,518
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 41,818,765	39,946,380

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

1. The Corporation

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

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

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

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

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

(a) Statement of compliance:

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

(b) Basis of preparation:

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

In preparing these financial statements, the Corporation has adopted *Revised IAS 1 – Presentation of Financial Statements*, Amendments to *IAS 32 Financial instruments: Presentation* and Amendments to *IFRS 7 Financial Instruments: Disclosure.* The adoption of Revised IAS 1, IAS 32 and IFRS 7 impacted the disclosures made in these financial statements, but had no impact on the reported profits or financial position of the Corporation. In accordance with the transitional requirements of the standards, the comparative information has been presented to comply with the amended standards.

At the date of authorisation of the financial statements certain new standards, amendments to standards and interpretations were in issue but not yet effective. Those which management considers relevant to the Corporation are as follows:

- *IFRS 9, Financial Instruments* (effective for annual reporting periods beginning on or after January 1, 2013) introduces new requirements for classifying and measuring financial assets. The standard also amends some of the requirements of *IFRS 7 Financial Instruments: Disclosures*, including added disclosures about investments in equity instruments designated as fair value through other comprehensive income.

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

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

- *IAS 24, Related Party Disclosure, revised* (effective for annual reporting periods beginning on or after January 1, 2011) introduces changes to the related party disclosure requirements for *government*-related entities and amends the definition of a related party. The standard also expands the list of transactions that require disclosure.

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

(c) Estimates and judgements:

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

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

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

(i) Pension and other post retirement benefits:

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

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

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

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

(ii) Allowance for impairment losses on receivables:

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

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

(d) Cash and cash equivalents:

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

(e) Securities purchased under resale agreements:

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

(f) Accounts receivable:

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

(g) Accounts payable and accrued charges:

Trade and other payables are stated at amortised cost.

(h) Property, plant & equipment:

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

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

(i) Depreciation:

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

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

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

(j) Foreign currencies:

Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Jamaica dollars at the rates of exchange ruling on that date. Gains and losses arising from fluctuations in exchange rates are recognised in the statement of comprehensive income.

(k) Employee benefits:

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

(i) General benefits:

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

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

(k) Employee benefits (cont'd):

(ii) Defined benefit pension scheme:

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

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

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

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

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

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

(l) Provisions:

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

(m) Related parties:

A party is related to the Corporation, if:

(i) directly, or indirectly through one or more intermediaries, the party:

(a) is controlled by, or is under common control with, the Corporation;

(b) has an interest in the Corporation that gives it significant influence over the Corporation; or

(c) has joint control over the Corporation;

(ii) the party is an associate of the Corporation;

(iii) the party is a joint venture in which the Corporation is a venturer;

(iv) the party is a member of the key management personnel of the Corporation;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

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

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

(n) Impairment:

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

(i) Calculation of recoverable amount:

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

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

(ii) Reversals of impairment:

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

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

(o) Financial instruments:

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

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

(p) Deferred income:

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

(q) Revenue recognition:

Government grants are recognised on a cash basis.

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

(r) Expenses:

(i) Net finance costs:

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

Interest income is recognised in the statement of comprehensive income as it accrues, taking into account the effective yield on the asset.

(ii) Operating lease payments:

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

(s) Determination of profit:

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

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

(t) Fair value disclosures:

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

3. Cash and cash equivalents

These include:

(a) $151,832 (2009: $151,832) relating to grants received in advance to be disbursed to other persons for projects undertaken by the Corporation (see note 6).

(b) $5,856,704 (2009: $5,174,838) placed on deposit in the name of the Corporation, which relates to amounts received from the Ministry of Industry, Commerce & Technology for aiding in the development of cultural art.

(c) $4,381,306 (2009: $4,381,306) received for specified investment promotion activities.

(d) $7,352,211 (2009: $8,971,217) received for specified investment promotion activities, for International Financial Services Centre Project.

4. Accounts receivable

	2010	2009
Prepaid expenses	940,905	1,074,889
Other accounts receivable	11,892,564	15,313,707
	$12,833,469	16,388,596

5. Accounts payable

	2010	2009
International Financial Services Centre (i)	7,352,211	8,971,217
Trade accounts payable	6,474,858	7,639,730
Accrued expenses and other liabilities	121,375,576	90,669,447
	$135,202,645	107,280,394

(i) This represents unspent balances in respect of funds received from the Government of Jamaica and various sponsors to fund the International Financial Service Centre (IFSC) project for the year April 2010 to March 2011.

6. Grants received in advance

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

7. Property, plant & equipment

	Land, buildings & leasehold improvements	Furniture equipment and computers	Motor vehicles	Total
At cost or deemed cost:				
March 31, 2008	199,581,834	74,888,089	16,012,737	290,482,660
Additions	-	7,671,784	3,410,206	11,081,990
Disposals	-	-	(2,293,784)	(2,293,784)
March 31, 2009	199,581,834	82,559,873	17,129,159	299,270,866
Additions	1,770,461	2,347,671	2,747,070	6,865,202
Disposals	-	-	(4,621,846)	(4,621,846)
Adjustment	-	-	-	-
March 31, 2010	201,352,295	84,907,544	15,254,383	301,514,222
Depreciation:				
March 31, 2008	31,906,495	37,782,647	7,226,276	76,915,418
Charge for the year	4,843,899	7,264,896	2,616,818	14,725,613
Eliminated on disposals	-	-	(2,293,784)	(2,293,784)
March 31, 2009	36,750,394	45,047,543	7,549,310	89,347,247
Charge for the year	4,843,899	7,693,757	3,033,974	15,571,630
Eliminated on disposals	-	-	(3,360,145)	(3,360,145)
March 31, 2010	41,594,293	52,741,300	7,223,139	101,558,732
Net book values:				
March 31, 2010	$159,758,002	32,166,244	8,031,244	199,955,490
March 31, 2009	$162,831,440	37,512,330	9,579,849	209,923,619
March 31, 2008	$167,675,339	37,105,442	8,786,461	213,567,242

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

Notes to the Financial Statements (Cont'd)
Year ended March 31, 2010

8. Employee benefit asset

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

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

	2010	2009
Pension asset:		
Present value of funded obligations	(153,491,000)	(128,419,000)
Fair value of plan assets	728,409,000	533,386,000
Net surplus	574,918,000	404,967,000
Unrecognised actuarial gains	(55,888,000)	63,901,000
Asset not recognised due to limitation in economic benefits	(363,427,000)	(345,325,000)
Asset recognised in statement of financial position	$155,603,000	123,543,000

Scheme assets consist of the following:

	2010	2009
Equity	175,855,000	102,336,000
Mortgage and real estate	6,281,000	8,899,000
Fixed income	544,196,000	420,429,000
	726,332,000	531,664,000
Ordinary shares	1,098,000	812,000
Late contributions	979,000	910,000
	$728,409,000	533,386,000

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

	2010	2009
Balance at beginning of year	123,543,000	129,294,000
Contributions paid	881,000	862,000
Change recognised in the statement of comprehensive income	31,179,000	(6,613,000)
Balance at end of year	$155,603,000	123,543,000

8. Employee benefit asset (cont'd)

(ii) Movement in scheme assets:

	2010	2009
Fair value of scheme assets as at April 1	533,386,000	557,607,000
Contributions paid into the plan	5,674,000	5,486,000
Benefits paid by the plan	(1,242,000)	(9,087,000)
Expected return on plan assets	77,651,000	75,042,000
Actuarial gain/(loss) on plan assets	112,940,000	(95,662,000)
Fair value of scheme assets as at March 31	$728,409,000	533,386,000

(iii) Change recognised in the statement of comprehensive income:

	2010	2009
Current service costs	8,791,000	9,821,000
Interest on obligations	19,173,000	12,859,000
Expected return on plan assets	(77,651,000)	(75,042,000)
Recognised actuarial loss/(gain)	406,000	-
Change in disallowed asset	18,102,000	58,975,000
	$ 31,179,000	6,613,000
Actual return on plan assets	(35%)	4%

(iv) Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2010	2009
Discount rate	11.5%	16%
Expected return on plan assets	8.5%	14.5%
Future salary increases	7.5%	12%
Future pension increases	7.5%	10%

Historical information:

Defined benefit pension plan:

	2010 $'000	2009 $'000	2008 $'000	2007 $'000	2006 $'000
Present value of the defined benefit	153,491	128,419	111,575	105,592	76,961
Fair value of plan assets	(728,409)	(533,386)	(575,607)	(510,065)	(440,621)
	(574,918)	(404,967)	(464,032)	(404,473)	(363,660)
Experience adjustments arising on plan liabilities	(6,443)	(1,373)	3,182	12,746	20,736
Experience adjustments arising on plan assets	(112,940)	95,662	(3,383)	(14,533)	34,853

Notes to the Financial Statements (Cont'd)
Year ended March 31, 2010

9. Capital reserve

	2010	2009
Gain on disposal of land and building	16,420,395	16,420,395
Profit on disposal of real estate	80,215,145	80,215,145
Excess of the value of assets over liabilities vested in the Corporation (see note 1)	1,675,556	1,675,556
Realised surplus on disposal of buildings	86,002,348	86,002,348
Realised surplus on disposal of plant & equipment	591,000	591,000
Unrealised surplus on revaluation of furniture & fixtures	9,656,146	9,656,146
Unrealised surplus on revaluation of computers	3,069,096	3,069,096
	$197,629,686	197,629,686

10. Deferred income

	2010	2009
Balance at beginning of the year	1,299,050	1,454,511
Amortisation during the year	(155,461)	(155,461)
Balance at end of the year	$1,143,589	1,299,050

11. Gross operating revenue

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

12. Disclosure of expenses

Operating deficit for the year is stated after charging:

	2010 $	2009 $
Depreciation	15,571,630	14,725,613
Directors' remuneration:		
Fees	1,360,000	1,198,600
Management remuneration	17,760,583	10,774,351
Other staff costs	253,008,403	292,386,305
Auditors' remuneration	1,400,000	1,298,000
Key management personnel		
Compensation – short-term benefit (included in other staff costs)	48,275,606	41,131,963

13. Related party balances and transactions

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

	2010 $	2009 $
Accounts receivable:		
National Housing Trust	34,491	34,491
Government of Jamaica	2,509,363	3,935,066
Accounts payable:		
Government of Jamaica	573,980	834,529

14. Financial risk management

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

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

(i) Credit risk:

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

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

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

14. Financial risk management (cont'd)

(i) Credit risk (cont'd):

Exposure to credit risk:

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

	2010	2009
Cash and cash equivalents	41,818,765	39,946,380
Securities purchased under resale agreements	150,638,300	163,715,325
Accounts receivable	11,892,564	15,313,708
	$204,349,629	218,975,413

(ii) Liquidity risk:

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

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

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

	2010				
	Within 3 months	Three to 12 months	Over 12 months	Contractual cash flows	Carrying amount
Financial liabilities					
Accounts payable	135,202,645	-	-	135,202,645	135,202,645
Grants received in advance	6,985,021	-	-	6,985,021	6,985,021
	$142,187,666	-	-	142,187,666	142,187,666

14. Financial risk management (cont'd)

(ii) Liquidity risk: (cont'd)

	2009				
	Within 3 months	Three to 12 months	Over 12 months	Contractual cash flows	Carrying amount
Financial liabilities					
Accounts payable	(107,280,394)	-	-	(107,280,394)	107,280,394
Grants received in advance	(17,067,562)	-	-	(17,067,562)	17,067,562
	$(124,347,956)	-	-	(124,347,956)	124,347,956

(iii) Market risk:

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

(a) Foreign currency risk:

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

	2010				2009		
	US$	(£)'	(€)	CAD$	US$	(£)	(€)
Cash and cash equivalents	60,351	11,272	40,157	1,000	45,150	11,617	3,708
Securities purchased under resale agreements	65,046	-	-	-	158,713	-	-
Accounts payable	(33,445)	(21,889)	-	(829)	(48,163)	(53,053)	(4,950)
Net exposure	91,952	(10,617)	40,157	171	155,700	(41,436)	(1,242)

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

	US$	£	€	CAD$
March 31, 2009:	88.92	129.02	116.84	70.82
March 31, 2010:	89.23	134.19	119.81	87.06

Sensitivity analysis

A 5% strengthening of the United States dollar, pound sterling, Euro and Canadian dollar against the Jamaica dollar would have increased profit for the year by $580,314 (2009: $417,683). This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of the United States dollar, Pound Sterling, and Euro against the Jamaica dollar at March 31, 2010, would have decreased profit for the year by $1,160,628 (2009: 835,366).

14. Financial risk management (cont'd)

(iii) Market risk (cont'd):

(b) Interest rate risk:

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

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

	2010	2009
Financial assets:		
Cash and cash equivalents	19,692,990	26,750,250
Securities purchased under resale agreements	150,638,300	163,715,325
	$170,331,290	190,465,575

(iv) Fair values:

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

15. Contingencies

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

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

16. Subsequent event

In May 2010, the Corporation was renamed Jamaica Promotions Corporation (JAMPRO).

JAMAICA TRADE AND INVEST
Jamaica Promotions Corporation

SUPPLEMENTARY INFORMATION
TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2010

JAMAICA TRADE AND INVEST
Jamaica Promotions Corporation

Detailed Statement of comprehensive income
Year ended March 31, 2010

	2010	2009
OPERATING INCOME		
Government grants	374,084,535	434,640,528
Certification fees	2,931,413	2,905,189
IFSC project	30,069,006	13,145,003
Other income	32,512,973	22,798,964
	439,597,927	473,489,684
OPERATING EXPENSES		
Promotional		
Advertising and promotion	47,479,052	54,000,985
Books, publications and subscription	2,536,540	3,472,536
Entertainment	2,847,598	996,959
Foreign and local travel and subsistence	18,109,224	28,157,531
Professional fees	45,357,895	10,447,694
IFSC project	30,069,006	13,145,003
	146,399,315	110,220,708
Staff		
Salaries, statutory payments and gratuities	233,013,793	232,886,756
Staff benefits	43,556,190	41,929,730
Pension benefit, net	(27,942,898)	7,071,443
Unused vacation leave	3,567,157	7,369,498
Staff training	814,161	3,128,878
	253,008,403	292,386,305
General and administrative		
Directors' fees	1,360,000	1,198,600
Office rental	1,303,573	1,718,517
Utilities	25,555,449	24,374,495
Repairs and maintenance	11,576,593	10,824,963
Office supplies and other operating expenses	5,190,158	3,477,757
Professional fees	1,319,920	1,952,876
Audit fees	1,400,000	1,298,000
Motor vehicle and travelling	2,235,124	3,005,620
Bank charges	696,137	606,084
Insurance	2,940,513	3,840,497
Stationery	3,341,564	3,255,288
Security	2,561,115	1,928,105
Bad debt	462,535	-
Depreciation, net of allocation to tenants	15,571,630	14,725,613
Amortisation of deferred income	(155,461)	(155,461)
	75,358,850	72,050,954
Total expenses	474,766,568	474,657,967
Operating deficit	$(35,168,641)	(1,168,283)

Notes

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