



JAMPRO
TRADE & INVESTMENT JAMAICA

Accelerating Reforms to the Business Environment

Presentation to the National Competitiveness Council

Diane Edwards | President, JAMPRO

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Outline of Presentation

National Competitiveness Council

Jamaica's Competitiveness Performance

Getting to Top 10 DBR

Success Factors and Next Steps

Why do we need Reform?



- A conducive business environment is integral to a country's attractiveness as an investment destination as well as investor confidence
- Lower costs (time and money) have a positive impact on productivity and growth
- Less bureaucracy and effective regulation encourage businesses to enter the formal economy
- Greater transparency and access to information are synonymous with lower levels of corruption
- **Doing Business Report (Findings from the World Bank)**
 - Moving 1 percentage point closer to the frontier regulatory environment is associated with \$250–500 million more in annual FDI inflows
 - Economies with less streamlined business regulation have higher levels of unemployment on average

The National Competitiveness Council



- The Council is a private-public sector body established to drive and monitor implementation of business reforms in Government
- It was established in 2010 as a legacy project of the Private Sector Development Programme
- The Council works closely with implementing agencies to identify reforms, secure funding, ensure implementation, report progress and communicate changes
- Over the last eight years the Council has overseen reform in a number of areas across Government.
- Managed in JAMPRO by a Secretariat

Some Key Reforms Implemented since 2010

- **Starting a Business**
 - Single business registration form (2013)
- **Getting Credit**
 - Creation of legislation and operationalisation of credit bureaus (2014 & 2015)
 - Coverage to utility companies (2019)
 - Security Interest in Personal Property Act (2015)
 - National Collateral Registry (2015)
- **Resolving Insolvency**
 - Insolvency Legislation (2016)
- **Dealing with Construction Permits**
 - Statutory time limit for the issuance of building permits (2009)
- **Trading Across Borders:**
 - Introduction of ASYCUDA (2018)
 - Night lodgement of declarations (2013)
- **Paying Taxes:**
 - Increasing depreciation rates (2017)
 - Online payment of key taxes, including CIT and VAT (2015)
 - Exemption of MBT for companies < 2 years
 - Reduction in CIT to 25% (2014)
- **Registering Property:**
 - Lowering of transfer tax/stamp duty (2010 & 2011)*
 - Expedited registration services (2011)
 - Online access to Companies Office (2011)

Jamaica's Competitiveness: Historical Performance

DOING BUSINESS REPORT (DBR)	2013	2014	2015	2016	2017	2018	2019
DBR Ranking (rank/# of countries)	91/185	94/189	58/189	64/189	67/190	70/190	75/190
DBR Score (Highest = 100)	64.89	65.03	67.79	67.27	66.70	66.92*	67.47

GLOBAL COMPETITIVENESS REPORT (GCR)	2012-13	2013-14	2014-15	2015-16	2016-17	2017/18	2018
GCR Ranking (rank/# of countries)	97/144	94/148	86/148	86/140	75/138	70 [78]/137	79/140
GCR Index Score (Highest = 7)	3.8	3.9	4.0	4.0	4.1	4.25 [57.4]	57.9

Jamaica's Competitiveness: Doing Business Report 2019

Indicator	DBR 2018	DBR 2019	Rank Change	Score Change
Overall	70	75 [67.47]	- 5	+ 0.55
Starting a Business	5	6 [97.35]	- 1	+ 0.05
Getting Credit	20	12 [85.00]	+ 8	+5.00
Resolving Insolvency	35	33 [69.83]	+ 2	+0.52
Dealing with Construction Permits	98	76 [70.71]	+ 22	+0.16
Protecting Investors	81	89 [55.00]	- 7	-
Getting Electricity	91	115 [64.96]	- 24	+0.05
Paying Taxes	122	123 [64.79]	- 1	-0.31
Enforcing Contracts	127	127 [51.87]	-	-
Registering Property	128	131 [53.61]	- 3	+0.04
Trading Across Borders	130	134 [61.54]	- 4	-

- Jamaica fell 5 spots in the ranking while gaining 0.55 in its score
- Jamaica slipped in Protecting Investors and Trading across Borders with no change in the score.
- It means that other countries are improving at a faster rate
- Jamaica improved in the ranking of 3 indicator areas
- Jamaica's score improved in 6 indicator areas

Getting to Top 10 DBR



- Getting to Top 10 DBR is an initiative designed to identify and implement impactful reforms for Jamaica with a view to ranking in the DBR Top 10
- JAMPRO engaged the World Bank/IFC Global Regulatory Team to assess which reforms are needed in the country
- 69 reforms were identified and presented to Cabinet in July 2018
- Numerous discussions have been had with implementing agencies and target reforms have been identified.

Business Environment Reform Agenda

Indicator	Reform
Starting a Business	<ul style="list-style-type: none"> ▪ Electronic Business Registration Form (COJ) ▪ Revision of the Companies Act (COJ)
Getting Electricity	<ul style="list-style-type: none"> ▪ Operationalisation of the Government Electrical Regulator (OPM/MSET) ▪ Online availability of GER processes (OPM/MSET) ▪ Lowering the cost of connecting electricity (JPSCo)
Registering a Property	<ul style="list-style-type: none"> ▪ Introduce a system for Electronic Land Titling (NLA) ▪ Integration of NLA and NLA Systems for land transactions (NLA/TAJ)
Getting Credit	<ul style="list-style-type: none"> ▪ <i>Mandatory filing with Credit Bureaus for banks and other entities (MoFPS)</i> ▪ <i>Operationalisation of the Secured Transactions Framework (Banks)</i>
Protecting Minority Investors	<ul style="list-style-type: none"> ▪ <i>Creation of Regulations on Ethics under the Companies Act (COJ)</i>
Paying Taxes	<ul style="list-style-type: none"> ▪ <i>TBD</i>

Business Environment Reform Agenda [2]

Indicator	
Trading across Borders	<ul style="list-style-type: none"> ▪ Single Electronic Window (MICA/MOH/JCA) ▪ Port Community System (PAJ) ▪ Re-organisation of Border Agencies and Rationalisation of Business Processes and Fees (MICA/MOH/JCA)
Dealing with Construction Permits	<ul style="list-style-type: none"> ▪ Jamaica Development Applications Portal (MCs/NEPA/Referral Agencies) ▪ National Spatial Plan (MEGJC) ▪ Promulgation of Development Orders (NEPA) ▪ <i>Transformational Programme for MCs, NEPA and Referral Agencies to include:</i> <ul style="list-style-type: none"> ▪ <i>Change Management</i> ▪ <i>Strategic Planning</i> ▪ <i>Business Process Re-engineering (incl. HR Review)</i> ▪ <i>Legislative Review</i>
Enforcing Contracts	<ul style="list-style-type: none"> ▪ <i>TBD</i>
Resolving Insolvency	-

Dealing with Construction Permits

Implementing Agencies: MCs, NEPA and Referral Agencies (e.g. NWA, NWC, WRA, MOH, JFB, JBI, ODPEM, MICAF, etc.)
Also Involved: MEGJC, MLGCD, Cabinet Office and JAMPRO

REFORMS IN PROGRESS

- Implement a pilot of the Jamaica Development Applications Portal (JDAP a.k.a. AMANDA Public Portal II)
 - Public interface
 - Tracking system
 - Issues management
 - Online payment
- Implement Broadband and UPS installations (UPS in pilot areas only)
- Finalise the updating of Development Orders
- Develop a National Spatial Plan
- Harmonisation of Fees Policy

REFORMS NOT YET STARTED

- Develop and enact Regulations to support the National Building Act, 2018
- MC Transformational Programme:
 - Change Management Programme
 - Business Process Re-engineering
 - Strategic Business Planning
 - Management Analysis
 - Legislative & Regulatory Review
- Full Roll-out of JDAP (incl. infrastructure support)
- Modernise *inter alia* LIA and TCPA
- Marketing and PR Programme

Way Forward for Reforms



- Finalise Reform Agenda with remaining implementing entities
- Finalise funding for reforms through discussions with HMoFPS
- Develop and execute comprehensive communications programme, including
 - General public education
 - Update of DBR Survey Respondents list
 - Roundtable on implemented reforms – February 2019
- Submit quarterly reports to Cabinet on progress of implementation

Thank You!!

