



Jamaica: IT - BPO and Digital



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Country Profile

Total Population	2.7 M	Entry-level BPM Salary (in US\$/month)	\$500-\$650	Inflation Rate (2016)	1.60%
Labor Force	1.2 M	FDI Inflow (2014)	US\$550 M	GDP	US\$1.63 B
GDP Growth	0.8%	Tourism FDI	US\$104 M		

Jamaica GDP Composition by Sector (2010-2014, as percentage of GDP)

Sector	2009	2010	2011	2012	2013	2014	CAGR
Agriculture	6.3	6.1	6.6	6.8	7.1	7	3%
Industry	18.6	18.9	18.8	18.8	18.9	19.2	1%
Services	73	72.9	72.2	72.2	71.7	71.5	-1%
Mining & Quarrying	2.1	2.1	2.4	2.2	2.3	2.3	2%

Tholons Competitive Location Assessment Framework

Scale & Quality

- Labor Pool
- Skills Availability
- Graduate Output
- Complexity



Skills and Scalability

Cost

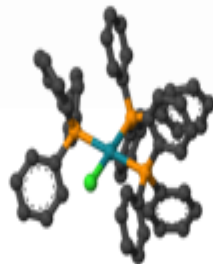
- Cost of Operations
- Cost of Training
- Cost of Real Estate
- Cost of Bandwidth
- Cost of Living
- Cost of other Infrastructure



Savings

Business Catalyst

- Government Benefits/Incentives
- Competitive Landscape
- Untapped Labor Pool
- Employment Profile



Business Environment

Infrastructure

- Connectivity
- Bandwidth Availability
- Transportation



Operational Environment

Risk Profile

- Commercial Risk
- Political Risk
- Natural Risk
- Social Risk



Business Risk

Quality of Life

- Social Infrastructure (Hospitals, Educational Institutions, etc.)
- Non-work Culture
- Availability of Recreation/Leisure facilities



Non-Business Environment

Comparison of Delivery Service Locations

Country	Entry-level Non Voice BPM Salary (in US\$/month)	Class A Office Space Rent (US \$/sq. ft./yr.)	Electricity (US\$/kWh)	GDP per capita 2014 (US\$)
Jamaica	500-650	11-16*	0.28	5,104
The Bahamas	950-1,200	22-35	0.39	22,217
Barbados	850-950	21-26*	0.22	15,366
Ecuador	350-450	19-21	0.10	6,345
Nicaragua	250-400	11-17*	0.35	1,963
Costa Rica	700-800	14-22	0.25	10,415
Philippines	310-420	19-26	0.19	2,872
India	200-300	17-19	0.24	1,581

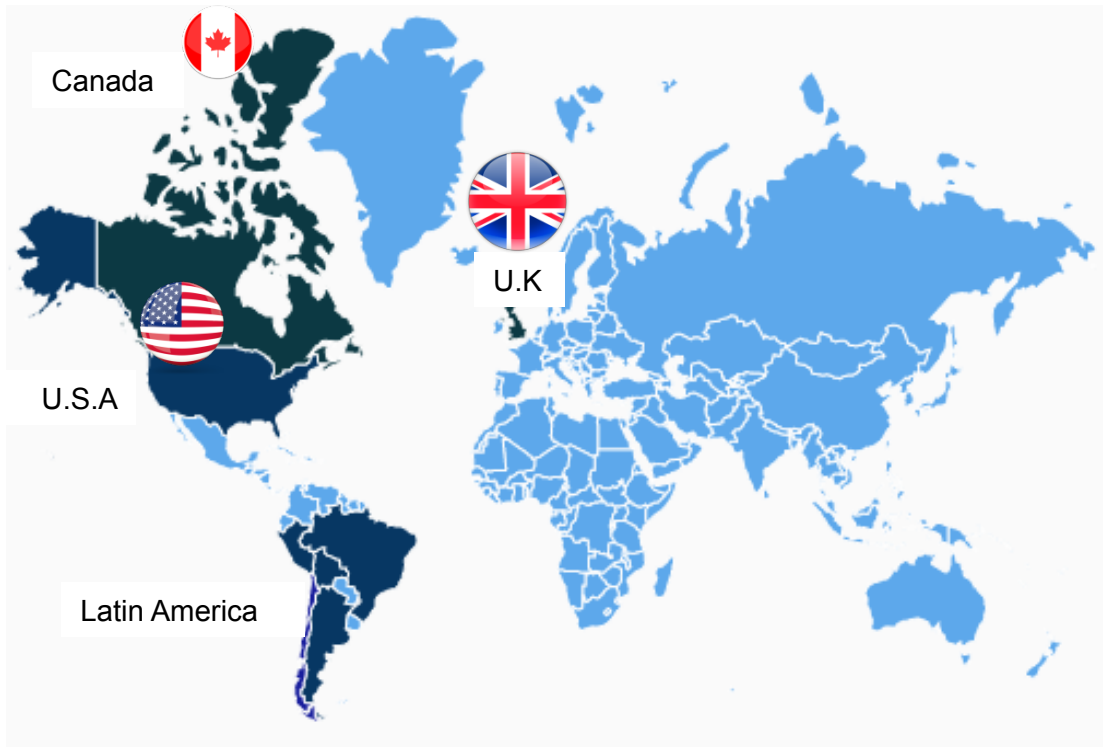
Strengths

- Already established IT-BPM ecosystem, and identified by GoJ as a high performing, priority sector.
- The most scalable IT-BPM location in the Caribbean – 2M population and 47.9% labor force participation rate - larger than combined total of competitors - Barbados, Bahamas, Trinidad and Tobago.
- Ongoing initiative by GoJ to provide office spaces for IT-BPM locators. BPO Incubators were also set up by the GoJ, with the help of IADB to encourage start-up services outsourcing companies.
- Jamaica witnessed positive FDI inflows in 2015 – shows renewed investor confidence.
- Available fiscal incentives and tax exemptions for investors with numerous dedicated industrial parks for IT-BPM operations and more upcoming SEZs considered as special ICT zones. Jamaica has more FTZs than competitors in the region.

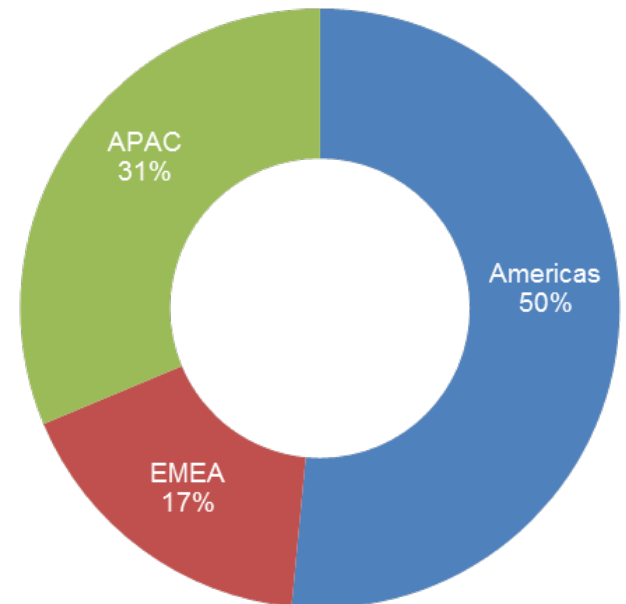
Opportunities

- High adult and youth unemployment rates present a readily-available talent source that can be tapped for IT-BPM industry.
- Improvements in the Telco landscape can help the expand IT-BPM across alternative destinations in the country.
- Five-Pillar Crime Strategy if implemented properly can lower crime rates in Jamaica, and further enhance country image.
- Potential to expand and create IT-BPM hubs across already existing Tech Zones in the country – across Kingston and Montego Bay.
- Dispersion of Jamaicans mainly in the UK and North America increases affinity and present potential market opportunities – similar to Indian Diaspora in the IT and BFSI spaces.

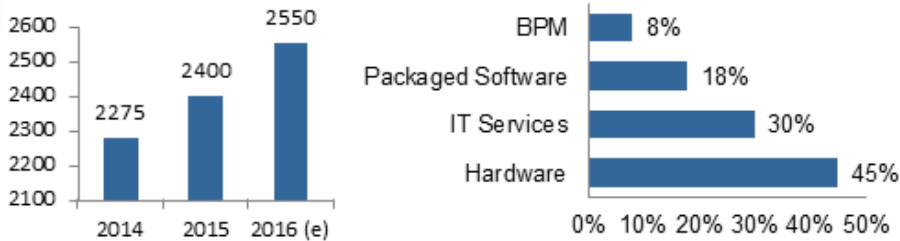
Primary Target Market for Jamaica



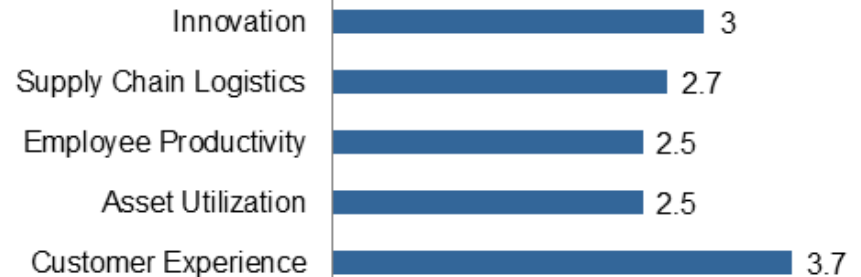
Global IT Spend by Region



**Global IT-BPM Spend (US\$ B)
& Sector Share**



**Industries will be disrupted to the
amount of US\$14.4 Trillion (2013 - 2022)**



This is the combination of increased revenues and lower costs that is created or will migrate among companies and industries from 2013 to 2022, due to Digital Technologies

- Social Media, Interactive, Design, Big Data, Analytics, Mobility, Apps, Cloud
- Digital Marketing and Digital Content Management
- Internet of Things is playing a significant role in manufacturing including automotive. Germany and US are the most attractive target market for IoT
- FinTech is transforming how the unbanked can access banking and other financial services. FinTech target markets are primarily UK, US and Singapore
- Digital Trust between applications is imperative and underscores the significance of cyber security. Israel is leading the development and consumption of talent and innovative ideas in cyber security

Focus Niches

Product / Business Opportunities/Niches

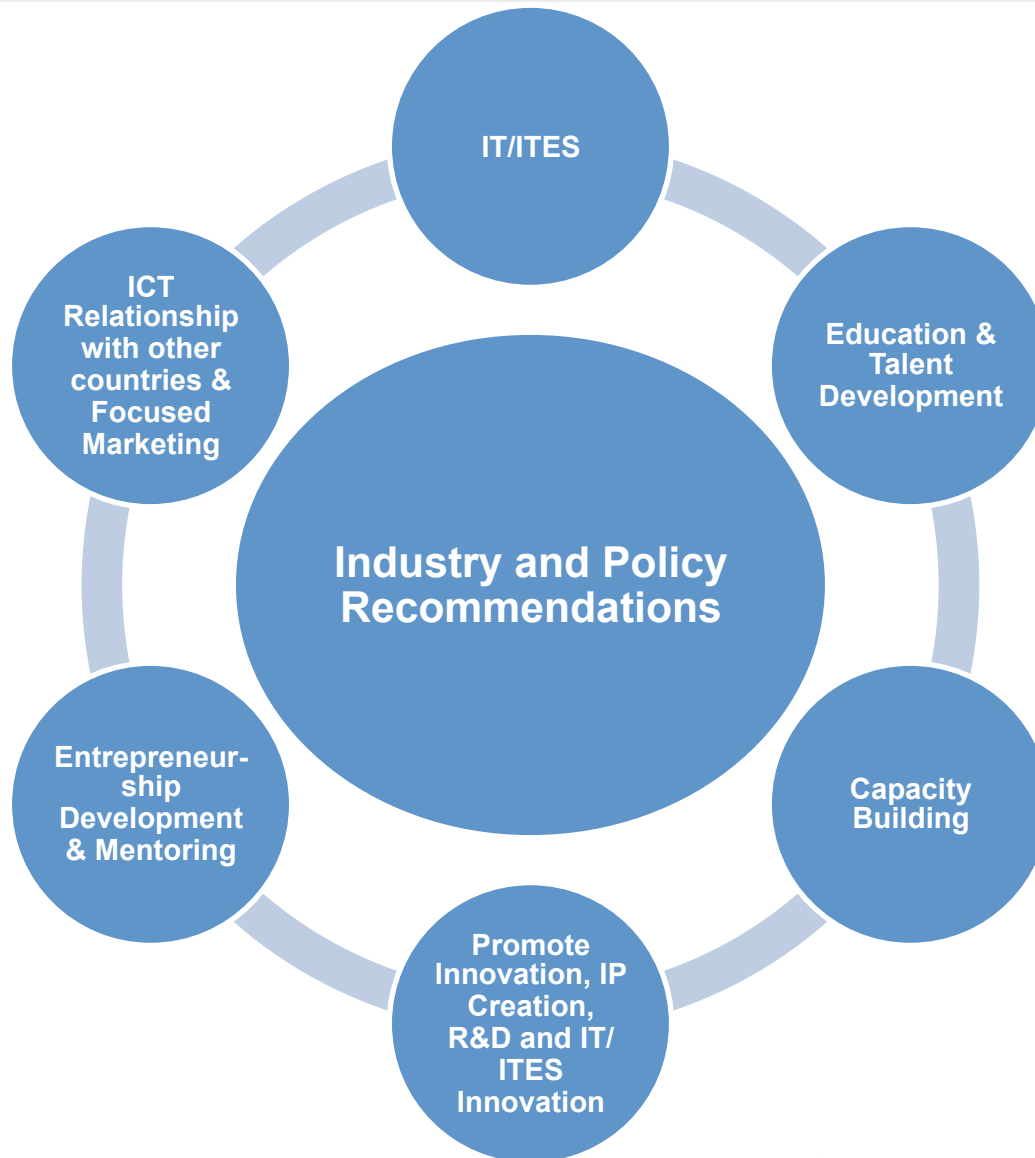
- Tourism
- “Y2K” of Digital: Social Media, Mobility and Mobile Apps, Big Data and Analytics and Cloud

IT Opportunities/Niches

- Infrastructure Management Services
- Startup Led Digital Transformation
- Applications Support & Maintenance
- Testing Services
- Telecom IT

ITeS/BPO Opportunities/Niches

- Medical Transcription
- Health Information Management
- Contact Support Services
- Engineering Services
- Market Research &
- Finance and Accounting Services
- HR Education & Training
- Creative Services Outsourcing



Tax Incentives for International Business & Finance Sector Companies

	IBC	IFSC	ISRL	QIC	EIC
Tax Rate	2.5% to 1%, depending on levels of profits earned	2.5% to 1%, depending on levels of profits earned	2.5% to 1%, depending on levels of profits earned	1.75% (general insurance) / 0.35% (life insurance)	0% for the first 14 financial years with an annual license fee. 2% on the first US \$125,000 of taxable income and 0% on excess
Withholding Tax: Dividends	No	No	No	No	No
Withholding Tax: Interest	No	No	No	No	No

Corporate Tax Rates of Select LAC Nations

Country	Corporate Tax Rates
	25%
Jamaica	33.3%
Trinidad and Tobago	25%
Costa Rica	30%
Ecuador	22%



Annual / Quarterly Metrics

IT / ITES

IT / ITES Exports

- IT - BPO and Digital Revenues
- Number of employees in IT/BPO/Digital

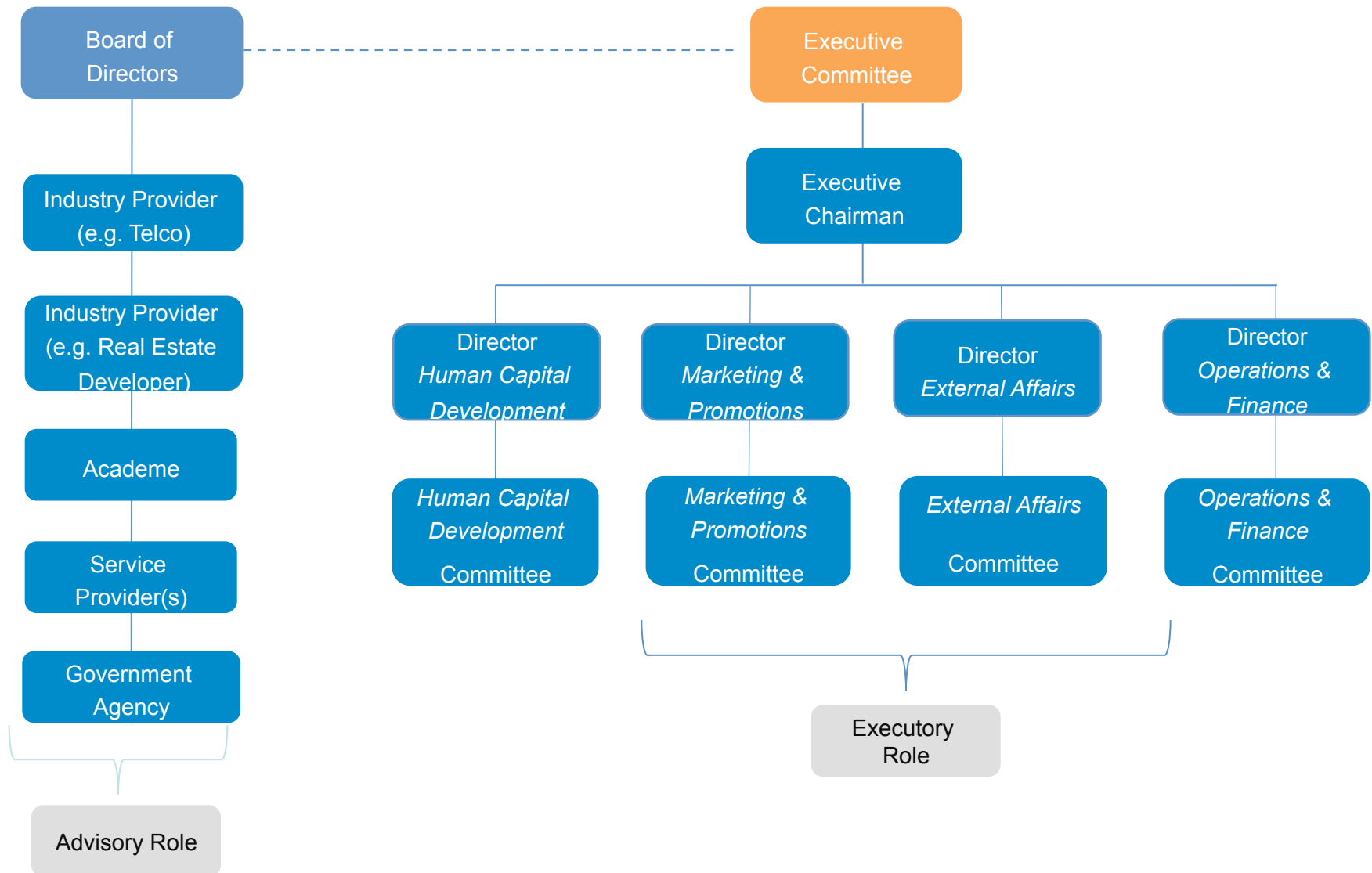
Higher Education Institution Metrics

- Total HEI Enrollees & Graduates
- Graduates Segmented by Course

Industry Metrics

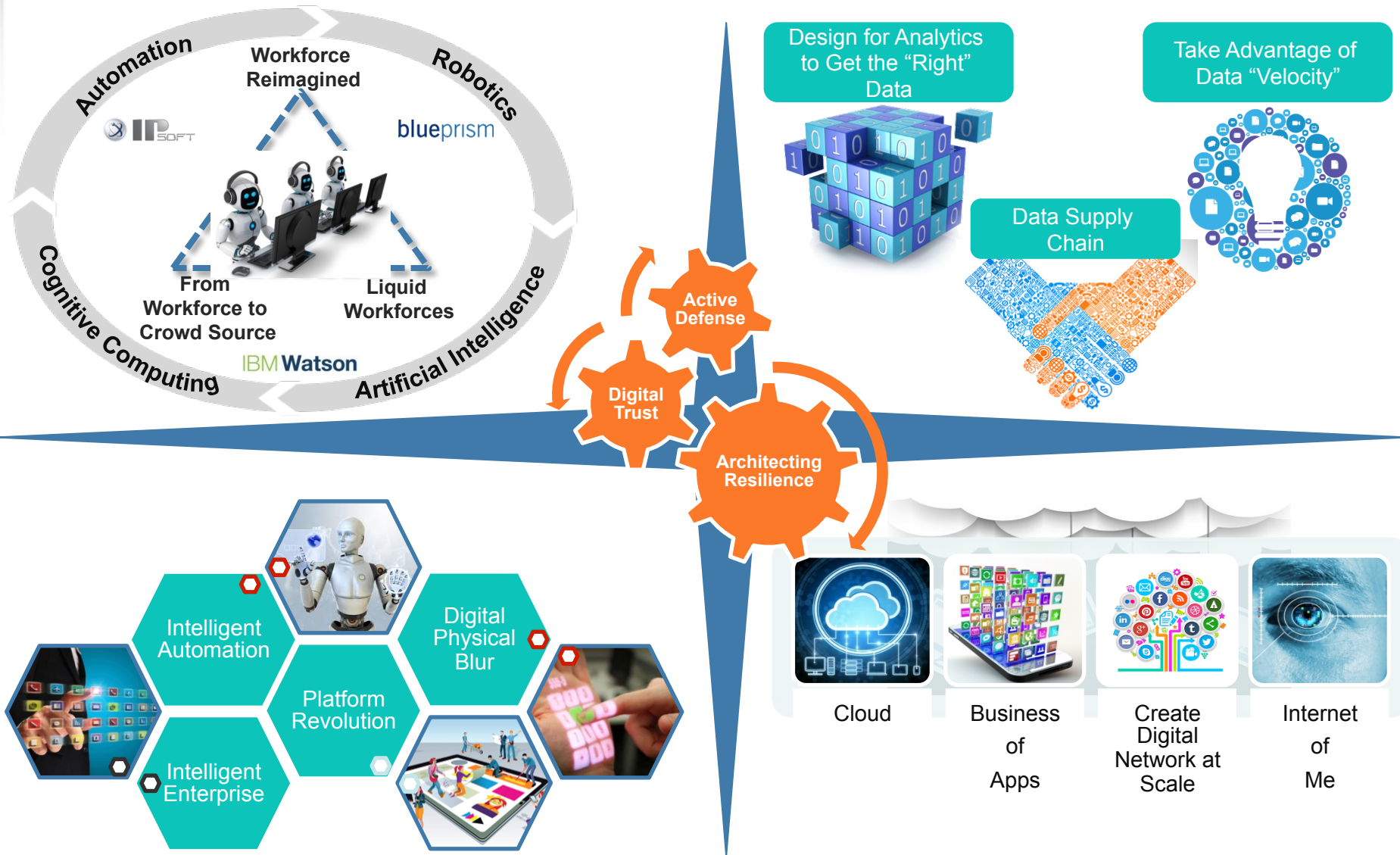
- Number of IT/BPO/Digital Companies
- Market and Industry Presence
- Open Innovation Ecosystem, Start-ups and Diversity
- High Tech Parks

Governance Structure...



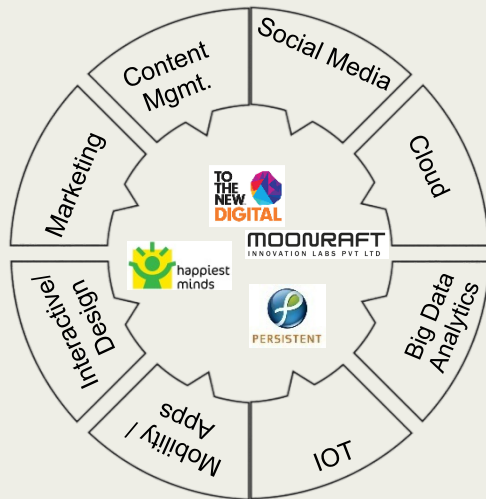
- Broad goals that the Executive Committee will be tasked to fulfill among others:
 - Develop and mandate industry development policies and bylaws
 - Execute industry developmental plans and initiatives
 - Advice and propose industry specific incentives and fiscal benefits (for service providers)
 - Advice and propose industry specific incentives and bylaws for the protection of IT/ITeS workers
- Advice and execute human capital development initiatives intended to uplift the local IT/ITeS workforce
- The Board of Directors (BOD) acts in an advisory capacity, working in the background, and parallel to the Executive Committee. While the EC is tasked the execution, the BOD will ensure that the executed agendas are relevant, substantial and directly benefit the industry.

Key Technology and Business Trends 2016 – 2020 (Workforce & Disruptors)

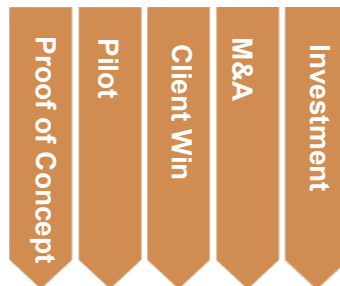


Digital Transformation and Open Innovation Platform

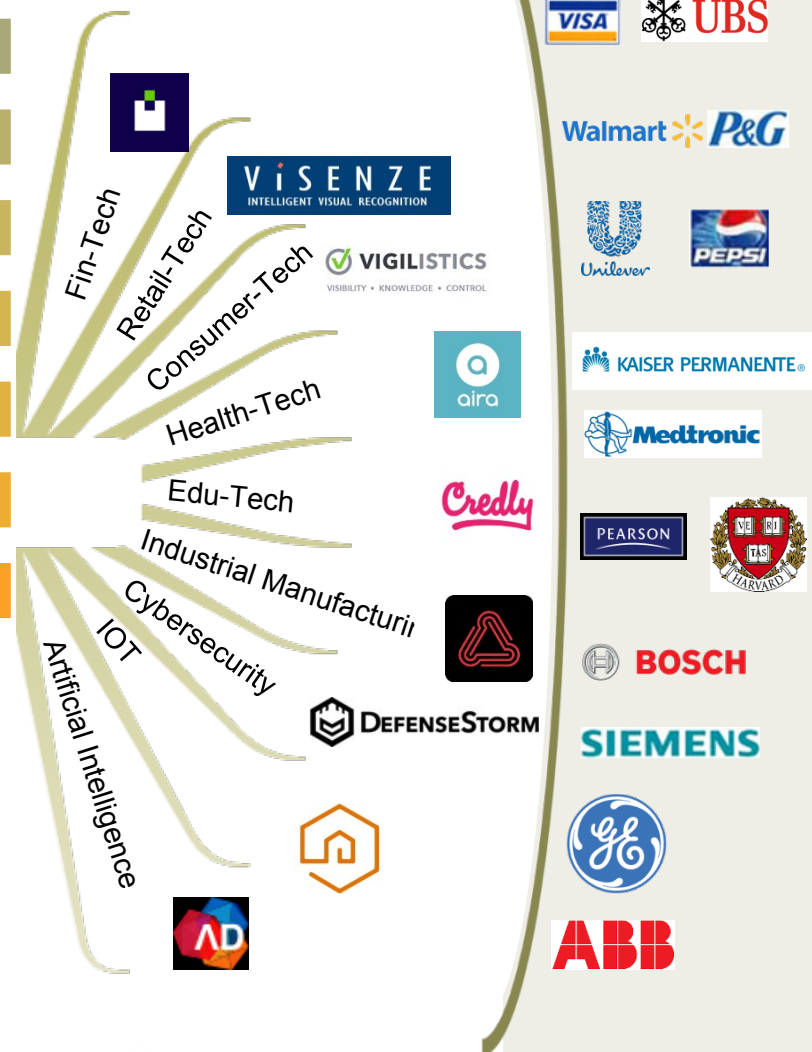
Digital Services Platform



Industry Innovation Platform



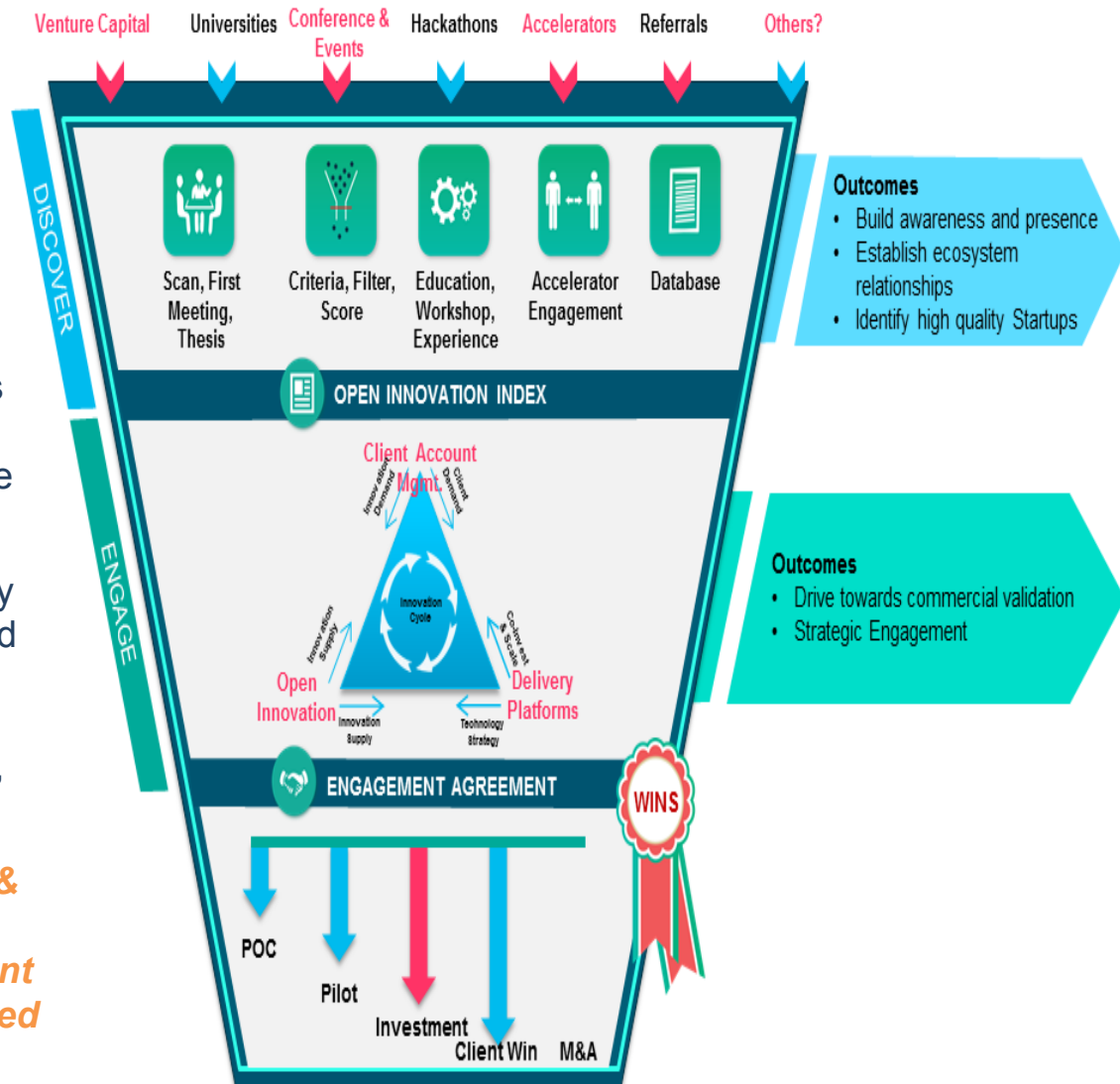
Clients



Implementation of a Startup / Innovation Platform for Jamaica:

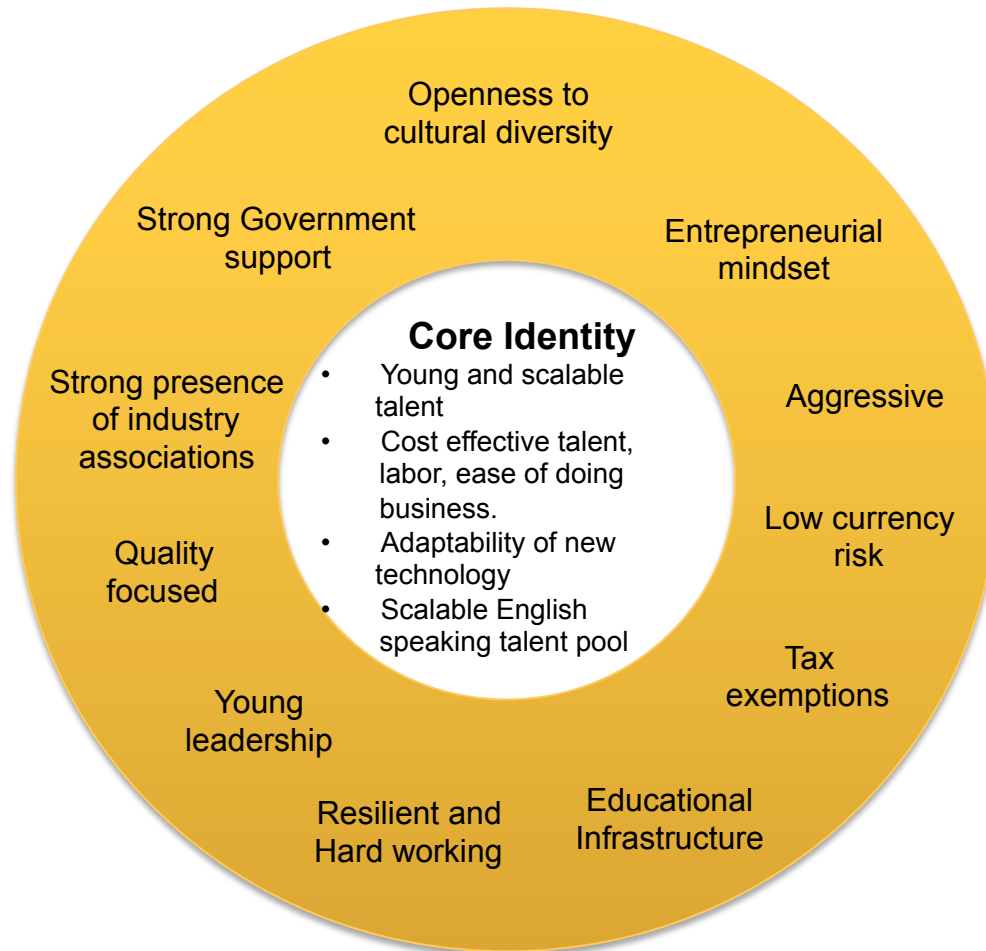
- Jamaica should orient the connecting startup program for open innovation, where Venture Capital (VC), Angels, Accelerators, Industry, Startups and Universities come together
- Run a competition to select 5 start-ups which are focused on biggest opportunities and key challenges of the industry (B2B)
- These 5 start-up go to the silicon valley for three months and they will be based out of one of the technology plug and play accelerators where there are already other countries, other startups, other corporates in that ecosystem

In our recent discussion with industry & government stakeholders, there seems to be a significant interest and alignment to implement such a program. Estimated Cost: \$200,000 to \$250,000



Near-Term	Mid-Term	Long-Term
<ul style="list-style-type: none"> • Refined Mission & Vision. • Strengthen BPIAJ mandates and executory role. • Jamaica IT-BPM Industry Profile. • Alignment of industry-aligned investment policies. • Industry-academe alignment. • Development & Implementation of Skills Assessment Platform. • Identification of value proposition for external investors/locators. • Develop 'Jamaica IT-BPM' brand. 	<ul style="list-style-type: none"> • Development & Implementation of Skills Development Platform. • Assess infrastructure needs for IT-BPM industry growth. • Assess investment and fiscal regime to improve industry. • Enhance and maintain IT-BPM industry visibility to existing and new client markets. 	<ul style="list-style-type: none"> • Identify specific process areas for long-term specialization. • Identification of new niche/ focus markets. • Develop & implement growth sustainability, and expansion strategies. • Improvements on service delivery capabilities. • Sustain and reinvent 'Jamaica IT-BPM' brand. • Assess long-term talent pipeline.

Brand Identity Donut



Rationale

- Aspiration
- Competitive
- Driven
- Headstrong

Brand Guide

- Essence
- Goal
- Personality
- Tone and Manner

Reasons to Believe

- A Cause That Everyone Can Get Behind
- New Age
- Headstrong

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