

INVESTMENT OPPORTUNITIES

Manufacturing

Overview

The manufacturing sector is a key component of the national economy, accounting for 8.5% of Gross Domestic Product (GDP) and generating export earnings of US\$486 million in 2016. Many of Jamaica's manufactured brands are well recognised internationally and have become synonymous with excellence.

There are currently over 300 companies in the sector engaged in a diverse array of manufacturing activities. The sector is divided into two main categories - traditional and non-traditional. Traditional manufactured goods include food, beverages and tobacco, while non-traditional goods include electronics, building materials, pharmaceuticals, among others.

With Jamaica being located at the hub of air and sea routes in the northern Caribbean, the country is ideally placed for export-oriented, high value niche manufacturing and assembly operations, which represent a clear competitive advantage in today's global marketplace. Under the Jamaica Logistics Hub initiative, which seeks to position the country as the next major global transshipment and logistics hub, there will be significant opportunities for business interests to be integrated into the global supply chain.

The Government of Jamaica in an effort to meet international obligations and develop local industry, enacted Special Economic Zone (SEZ) legislation to replace the Jamaica Export Free Zone Act. The introduction of



Key Indicators (2016)

Industry Size
Estimated Earnings

US\$1.1 billion

Exports

US\$486 million

Manufacturing

an SEZ regime offers great potential for investment in manufacturing.

Jamaica's competitiveness as a destination for the production of high valued products is supported by improvements in the business environment and keen competitor analysis for establishment of manufacturing plants:

- Property rights
- Quality of port infrastructure
- Cost of labour

The emerging presence of electronics assembly and fabrication enterprises in Jamaica's manufacturing sector reflects the viability of the country in this regard. Jamaica provides a strong platform for companies seeking a cost-effective manufacturing hub to supply the Caribbean, Latin American

or North American markets. The country is increasingly being recognised as a destination of choice for manufacturers looking to move facilities and sources of supply closer to end-markets to better manage costs and localize their product offerings appropriately with greater speed, agility, and accuracy.

DEMAND DRIVERS

- **Strategic location and market access:** The country's proximity to the United States, Latin American and Caribbean markets provide convenient air and maritime access in moving goods and services to these markets. Along with numerous multilateral trade agreements within the Caribbean, Europe, Canada and Latin American countries.
- **Infrastructure:** The Port of Kingston has been expanded to accommodate large post-Panamax vessels. The island has a sophisticated road network, three international airports and modern transportation systems. There is also available commercial space to major ports in Kingston and Montego Bay.
- **Skilled and available labour pool:** Jamaica's large English-speaking and skilled workforce is competitively priced and well supported by an impressive mix of public and private sector training institutions.
- **Supportive business climate:** Jamaica offers attractive business incentives and access to key markets through strategic trade agreements. Local industry is also well supported by strong public and private sector stakeholders.

Manufacturing

KEY TRENDS

- The prominent use of the “made in” slogan is key tagline for many countries with recognition for high quality and unique identifiers. Manufacturing jobs account for 21% of the global labour force and have remained stable over the last five years, despite the perceived threats of automation and robotics. Jobs have experienced displacements and creation in other areas of the industry.
- For developing countries, the manufacturing sector offers the opportunity to re-balance the economy towards higher value-added sectors.
- Manufacturers are moving even closer to the customer via supply chain reorganization and value-added services.

Opportunities

- **Pharmaceuticals:** With an established chemical industry, ease of positioning along trade routes and access to key inputs, Jamaica provides an excellent platform for the manufacturing of pharmaceutical products, both ethical and OTC.
- **Cannabis:** The opening of the medical cannabis industry further incentivises companies to research, and process types of cannabis for the estimated US\$7.7 billion global cannabis market.
- **Electronics:** Manufacturing electronics in Jamaica is made easy through availability of a low-cost labour pool trained in engineering, electrical installation, computer science and other support skills. Whether production is done under the Special Economic Zone regime or external, incentives exist for the large-scale manufacturer through capital allowances, tax credits and inputs of raw materials.
- **Assembly/Fabrication:** Jamaica's Logistics Hub Initiative is primarily geared at light manufacturing and distribution of goods throughout the transport channels of the Americas. The fitting and remanufacturing of parts and machinery to meet just in time delivery needs of a growing consumer market of one billion persons can be facilitated in Jamaica's port warehousing facilities or near port plants for storage, assembly and distribution.

INVESTMENT OPPORTUNITIES

Manufacturing



- **Cosmetics:** Jamaica offers great opportunities for the manufacturing of cosmetics, especially given the abundance of natural ingredients for such products. Raw materials such as castor oil, lemon grass, cerassee, aloe vera, sorrel, honey, coconut oil and pimento oil are readily available for use in the manufacture of high quality hair care, body care, face and makeup products. Investors are also invited to set up manufacturing facilities for the world-famous Jamaican Black Castor Oil and a wide range of derivatives. A 2016 study conducted by JAMPRO indicates that by 2020 global sales in castor oil are forecast to reach US\$3.4 Billion.

INVESTMENT OPPORTUNITIES

Manufacturing - *Jamaican Marble Dimension Stones*



Investment Modality

The project owner is seeking debt financing or equity investment to increase capacity and output with an expected implementation period of six months to one year.

Location: St. Catherine

Overview

Colbeck Minerals is a local company operating in the mining and quarrying industry since 2015, seeking to leverage the value-added production capabilities of its natural deposits. The company's marble deposits cover a 13-acre lot with an estimated 20 million cubic yards of marble of the white limestone variety. The current product line includes: marble, river shingle, sand, river stones and top soil. The expansion in the domestic construction industry for residential and commercial structures is increasing the demand for material inputs which Colbeck is targeting. With the available equipment the company hopes to manufacture more decorative stones, furniture, countertops and wall cladding for indoor and outdoor purposes to meet local demand and export in the Caribbean and North America.

Project Highlights

Colbeck Minerals aims to be the hub for cut dimension stones in Jamaica and the Caribbean through:

- Access to high quality marble with unique colours
- Facilitating transport of products locally and internationally (Caribbean and USA initially) from its Old Harbour location in proximity to Port Esquivel
- Leveraging existing equipment (40 blade Faritilia) for shaping of blocks, up to four tonnes at a time