

Q&A: ANTHONY HYLTON

A pillar of progress

JAMAICA HAS SET ITSELF THE TARGET OF BECOMING THE NUMBER ONE GLOBAL TRADE HUB IN THE AMERICAS, EXPLOITING ITS POSITION NEAR THE PANAMA CANAL AND PLAYING TO ITS STRENGTHS AS A SERVICE-BASED ECONOMY. THE COUNTRY'S MINISTER OF INDUSTRY, INVESTMENT AND COMMERCE, ANTHONY HYLTON, TELLS **COURTNEY FINGAR** HOW THIS AMBITIOUS PLAN IS PROGRESSING

CURRICULUM VITAE

ANTHONY HYLTON

2007

Jamaica

Minister of industry, investment and commerce

Previous

Parliamentary secretary, minister of state, minister of foreign trade, minister of mining and energy and executive director of legal and foreign affairs

Q What do you see as Jamaica's strengths as an investment destination, and what do you think it could offer investors?

A The strengths have to start with Jamaica's people. [We have] an educated, literate, trainable workforce. Jamaicans are hospitable people, creating a social environment that is liveable. So, we'll start with our people and move on to our institutional and constitutional arrangements. It is a tried-and-tested parliamentary democracy, with the rule of law and the stability that this ensures and which we have experienced for more than 50 years.

With our location in the middle of the Americas, between North America, South America and Central America, and easy access to Europe, more links, communication and connectivity to the rest of the world is assured. Infrastructure is developing, and there is room for growth and attraction of foreign investment.

Q As you mentioned infrastructure, tell us about the plan you have to make Jamaica a logistics hub.

A Jamaica is aiming to become the fourth node, the fourth pillar of the global trading system, recognising that the other three are Singapore for the Far East, Dubai for the Middle East and parts of Africa, and Rotterdam for much of Europe. Nothing of this sort exists in [the Americas]. With the change of transportation, particularly the expansion of the Panama Canal, there will be a need for a node or a pillar in this part of the world.

We are on the doorstep of the Panama Canal. Our attributes – deep-water ports, a sheltered harbour and strong telecommunications infrastructure – link Jamaica to the rest of the region and the rest of the world. There are also our airports: two international airports at the moment and a planned third international airport to be focused on passenger and cargo traffic. And, with the development of special economic zones and a major commodity port, we can create an integrated facility to move goods, which currently come into the trans-shipment port, into facilities beyond these ports for industrial activity, where we can add value and the goods can then be exported to the rest of the region, hemisphere or the world.

It is an ambitious project, but I believe this approach is well suited to not only our location



but also our position in the tourism sector: the movement of people over the years has oriented us to a service-based economy. Logistics is essentially a service-based economy and our people are being trained now in various institutions, universities and tertiary institutions to enable them to perform those additional activities that are required.

There is a need therefore for significant foreign investment, to the tune of anywhere between \$8bn and \$10bn. And the level of interest that we have encourages us that this will happen.

Q What do you see as the biggest challenges to meeting these ambitious goals?

A Well, it is a timeline. It is [important that] we move as quickly as we need to move, given the opening of the [expanded] Panama Canal, which is sort of a benchmark of the timeline. And [it is important that we] get all of this done in a way that does not introduce the kinds of inflationary expansion that sometimes happens [when countries undergo rapid development].

We will have to respond [by undertaking] significant training of personnel, but we are encouraged by the fact that Jamaica has a large diaspora that can and will play an important role in these activities. And we are also part of the Caricom [Caribbean Community] region, through which additional labour and capital can flow, to ensure that this will happen on a timely basis. ■



Image vs reality: Jamaica is striving to prove it is much more than a tourist destination (left). Vistaprint (right) in Montego Bay, for example, employs some 800 people

Professional services in paradise

RENOWNED AS A HOLIDAY DESTINATION, JAMAICA IS KEEN TO POSITION ITSELF AS A HUB FOR PROFESSIONAL SERVICES AND BUSINESS PROCESS OUTSOURCING IN A BID TO ATTRACT MORE FDI AND CREATE MUCH-NEEDED JOBS. COURTNEY FINGAR PAYS A VISIT

Millions of tourists flock to Jamaica every year to forget about the worries of their working lives back home, but the country itself cannot afford to take it easy. With an unemployment rate stuck stubbornly in the double digits and youth unemployment at twice the national rate, Jamaica needs more and better jobs than the tourism industry alone can provide.

One answer the government thinks it has found is building on the base of the service-focused tourism industry and up-skilling into other service sectors. Jamaica as a result is making a big play for business process outsourcing (BPO) and back-office operations, as well as financial and professional services.

As the largest English-speaking country in the Caribbean, with geographical proximity to North America and cultural links with the UK, Jamaica makes sense as an outsourced location serving Anglophone markets. At the end of 2014, Hinduja Global Solutions, a BPO company and a subsidiary of India-based Hinduja Group, opened its second delivery centre in the capital Kingston after the firm landed a contract with a North American healthcare company to provide customer care services. Hinduja Global Solutions says its will employ a further 200 people as a result and by the end of 2015 expects to double its total number of employees in the country to 600.

Telecoms quest

Jamaica is seeking to pitch for more advanced IT export services as well, and has sought to upgrade its telecoms infrastructure to compete for these projects. It boasts the highest tele density rate (the number of phone lines per 100 people) in the Latin America and Caribbean region at more than 109%. Mobile penetration exceeds the rest of the Caribbean and rivals many developed countries. There are more than 30 ICT services or BPO companies operating in Jamaica, according to Jamaica Promotions Corporation (Jampro), the government's investment promotion agency.

The 2014 AT Kearney Global Services Location Index, which ranks countries for their attractiveness for BPO activities, places Jamaica at number 45 globally. It is the only Caribbean country to make it into the top 50.

"We have a near-shore advantage vis-à-vis the US – we are on a similar time zone to the east coast of the US – and we also have the talent pool. We have unfortunately a high rate of unemployment but a lot of tertiary graduates that are really well equipped for this industry," says Diane Edwards, president of Jampro. "So far we have 14,000 people in this industry employed in [BPO], primarily in finance and accounting, and we think we have a very strong value proposition [for this industry]." ▶

Copy that

US multinational Xerox appears to agree. The company opened its first facility in Jamaica in April 2000 and quickly expanded. In March 2008 it built a facility in Montego Bay and in March 2009 acquired E-Services to further expand its footprint. Xerox now has nearly 6500 employees in five facilities in Montego Bay and another three facilities in Kingston.

Jamaica plays a key role in Xerox’s global operations, according to a company spokesman, and hosts the company’s second largest non-US presence “because of its close affinity/location with the US, where we can support our clients from 6am to 11.30pm (Eastern Standard Time), and where our clients can easily view our facilities with direct flights from the US”.

“We are utilising Jamaica’s technology-savvy workforce that has access to six universities,” adds the spokesman. While most employees work in one of Xerox’s customer care/call centres, many also work in such functions as finance and accounting; human resource processing; IT procurement; software development; and transaction processing.

Work ethic

Meanwhile, Vistaprint, a Belgium-based online supplier of marketing products and services, has set up base in Montego Bay, where it employs some 800 people and handles 4.5 million customer contacts a year. General manager Serena Godfrey, a Canadian expatriate, says the work ethic of the local population defies Jamaica’s holiday-happy image.

“I think a lot of people have this perception, because it is a holiday destination, that everybody here is walking around having cocktails and is laid back,” she says. “It is actually not the case. Employees here are always on time, they’re dedicated, they’re constantly wanting to get their skills sets [up to] higher levels. They’re looking for advancement and growth within an organisation, and in many places in

Jamaica people work six to seven days a week.”

Valerie Blandin, project manager at DHL Jamaica, a subsidiary of Germany-based Deutsche Post, was quoted in a company announcement about the decision to locate a \$30m call centre in Jamaica. “We had the option to set up in another country, but we chose Jamaica because of the skilled workforce, good education, potential of the country... and work ethic,” she said.

Such endorsements are music to the ears of Jampro’s Ms Edwards, who has to battle against others’ misperceptions in order to market Jamaica for non-tourism investment. “In FDI, one of the big challenges for us is that we’re so successful in tourism that people think we don’t really work,” she says. “People don’t realise that there’s really a very strong work ethic in Jamaica, and behind the tourism face that people see there’s actually a lot of production. We have a huge pool of talent here and a very well-trained workforce. So, we sell the attributes of our talent pool.”

A few years ago, Jampro was given a mandate to double the size of Jamaica’s BPO sector by 2016. It is chipping away at this goal but work continues – there is little time to rest in ensuring that Jamaica’s BPO boom can keep ahead of the unemployment curve. ■

VIDEO

fdi WATCH fdi on Location: Jamaica. The Caribbean island is building its reputation as a hub for outsourcing. www.fdiintelligence.com

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