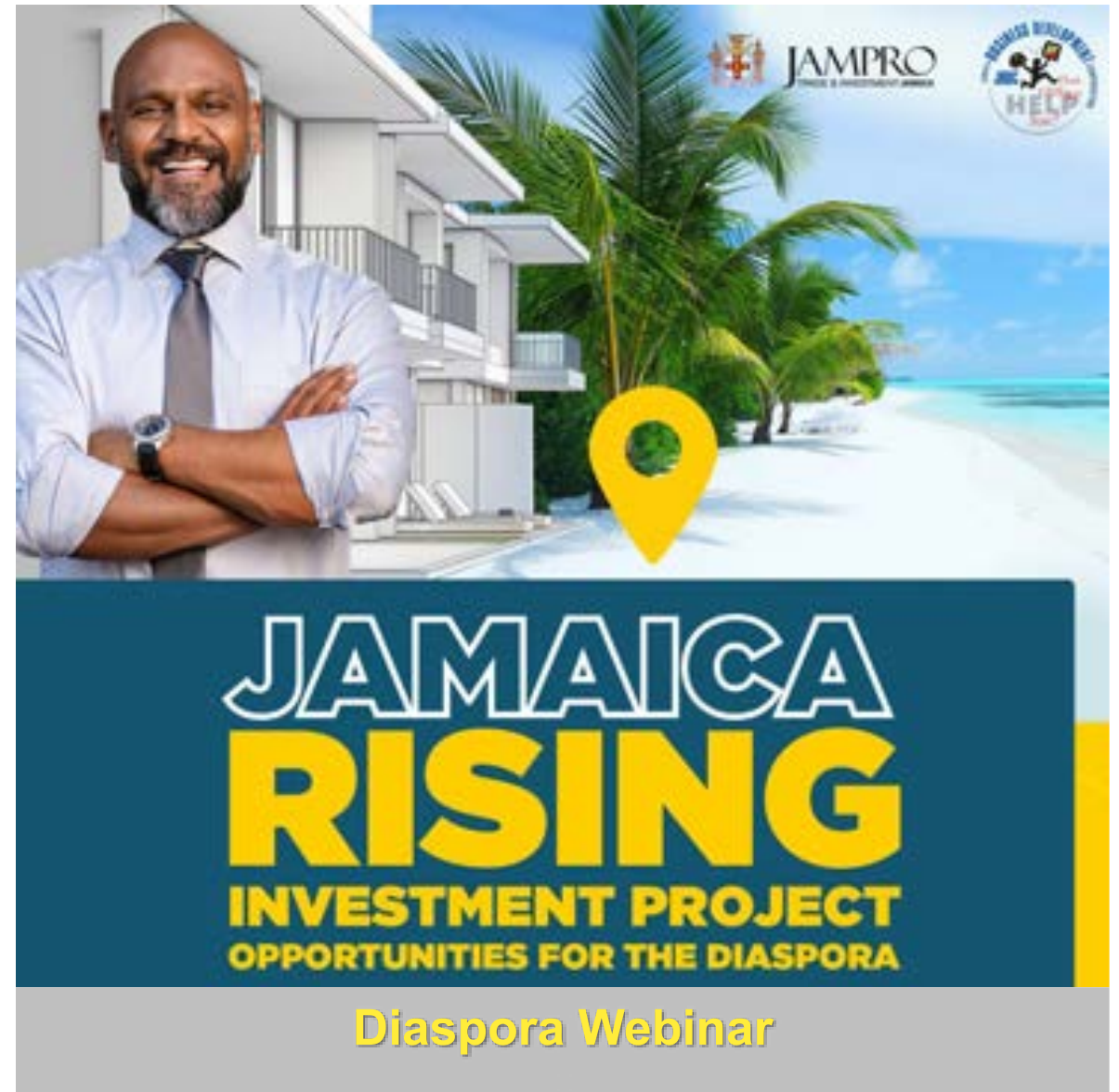


Investment Project Opportunities for the Diaspora

Sep. 17th, 2020, Gabriel Heron

Vice President

Jamaica Promotions Corporation (JAMPRO)



JAMAICA
RISING
INVESTMENT PROJECT
OPPORTUNITIES FOR THE DIASPORA

Diaspora Webinar

The Objectives

1. Inform Diaspora members on Jamaica's investment & export climate
2. Encourage business partnerships between Diaspora and persons residing in Jamaica
3. Highlight opportunities to drive investment & export for the Diaspora



The Journey



JAMPRO
TRADE & INVESTMENT JAMAICA

DoBusiness
JAMAICA
INVEST • TRADE • CONNECT

JAMPRO

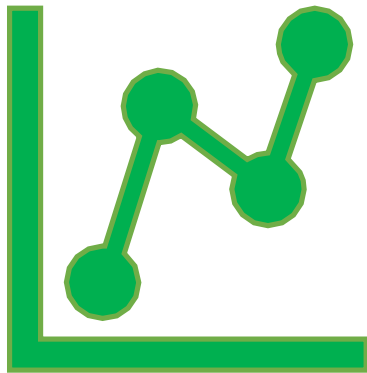
Agency of the Government that promotes business opportunities in export and investment to the local and international private sector.



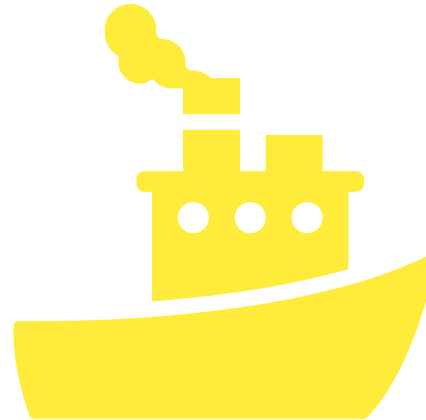
WHAT WE DO – Promote & Serve



**Investments
(Project Oriented)**



Export & Trade



Business Advocacy



Investment Services



Business Matching & Meetings



Specialised Market Info & Research



Site Selection Facilitation



Film Registration



Business Approval Facilitation

Export Services



**Exporter
Registration**



**Business Matching &
Meetings**



**Specialised Market Info &
Research**



**Business Development
Support**



**Market Penetration
Support**

Business Advocacy & Business Environment Reforms

- To facilitate an increase in **business opportunities, ease of doing business and the competitiveness** of Jamaica as an investment destination.
- Public & Private Sector consultations
- Also plays role along with MDAs to drive the strategies/policies

Business Advocacy & Business Environment Reforms

- 01 National Outsourcing Strategy (2015)**
- 02 National Investment Policy**
- 03 Nation Brand Initiative**
- 04 5yr National Agribusiness Strategy**
- 05 5yr Manufacturing Growth Strategy**
- 06 Global Digital Strategy (Outsourcing)**

Jamaica

- Population: 2.83 million
- Labor Force: 1.3M
- Minimum Wage ~ USD \$50.00 per week (based on exchange rate)
- Area: **10,992 km² (4,244 sq mi)**



Jamaica: Pre-COVID

Debt-to GDP Ratio

Debt-to-GDP ratio **down to 96%** from a high of 140%.

Doing Business Report

Jamaica moved up four spots in the World Bank Doing Business Report 2020 **from 75th to 71st** of 190 countries.

Stock Market

The performance of the Jamaica Stock Exchange (JSE) was ranked as the **number 1 performing stock market globally** in the year 2015 and 2018 and is on track to do so again in 2019.



Inflation

Inflation rate as at September 2019 was at a low of **3.4%**.

Unemployment Rate

Unemployment rate as at January 2019 was at an all-time historic low of **7.8%**.

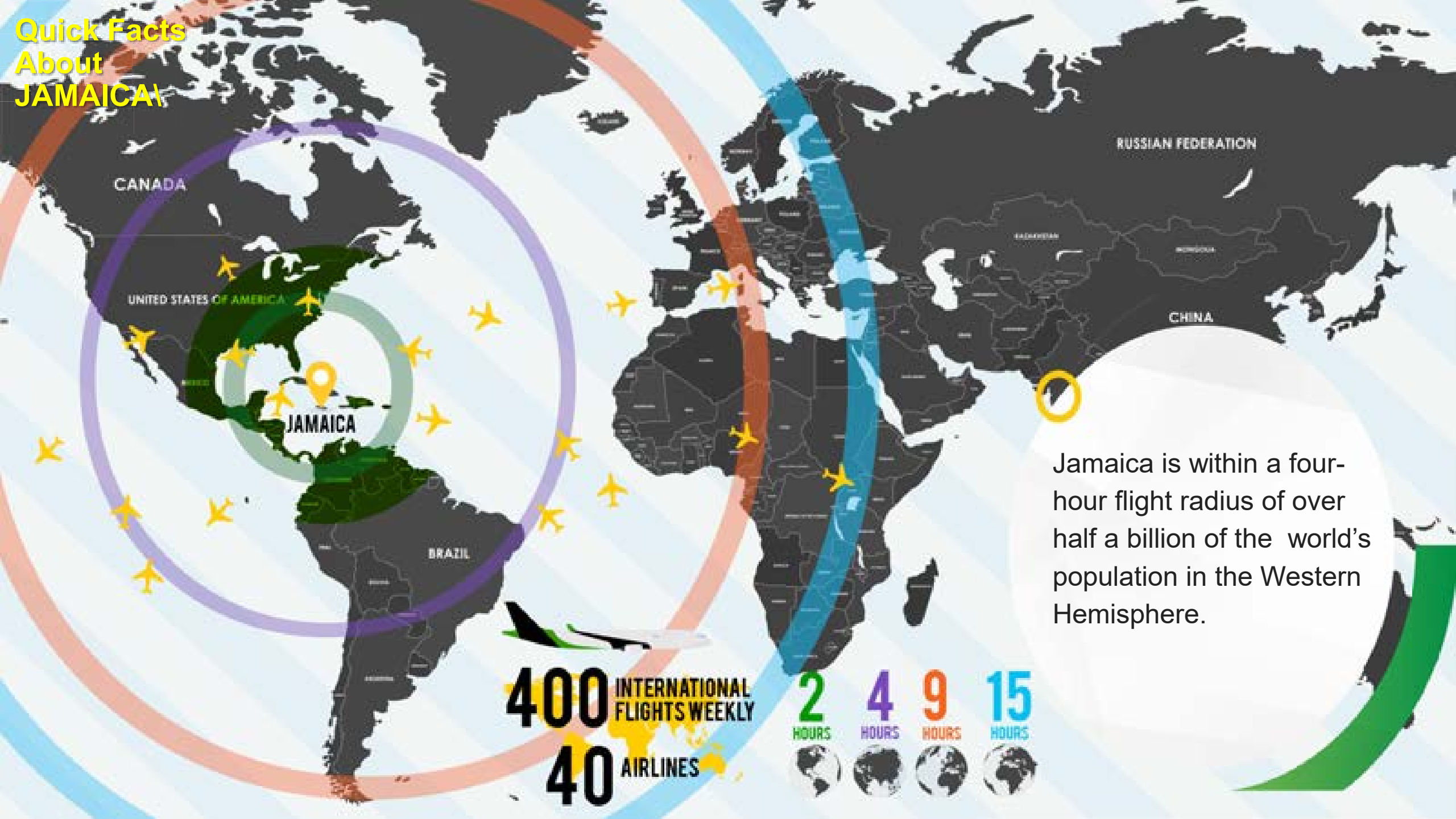
Starting a business

Jamaica is ranked **6th globally** by the World Bank's Doing Business Report 2020.

**Quick Facts
About
JAMAICA**

STRONG AIR CONNECTIVITY

Quick Facts About JAMAICA



Jamaica is within a four-hour flight radius of over half a billion of the world's population in the Western Hemisphere.

400 INTERNATIONAL FLIGHTS WEEKLY
40 AIRLINES

- 2** HOURS
- 4** HOURS
- 9** HOURS
- 15** HOURS



STRONG SEA CONNECTIVITY

Jamaica has the #1 transshipment port in the region

Home to the 7th largest natural harbour in the world - The Kingston Harbour

Cruise and commercial ports

Quick Facts About JAMAICA



1. Open and transparent investment regime
2. Stable and supportive democratic government
3. Educated & trained workforce of 1.3 m people (2018)
4. Largest English-speaking country in the Caribbean
5. Robust telecommunications infrastructure with built-in redundancy
6. Strong road infrastructure across the island
7. 20 Consecutive quarters of economic growth since 2013 (Pre-COVID)
8. No restrictions on repatriation of profit

Achievements – Pre-COVID

Inflation: Inflation rate is at a low of 3.4% (2019)

Credit rating: Jamaica's credit rating has been consistently improving over the last 5 years.

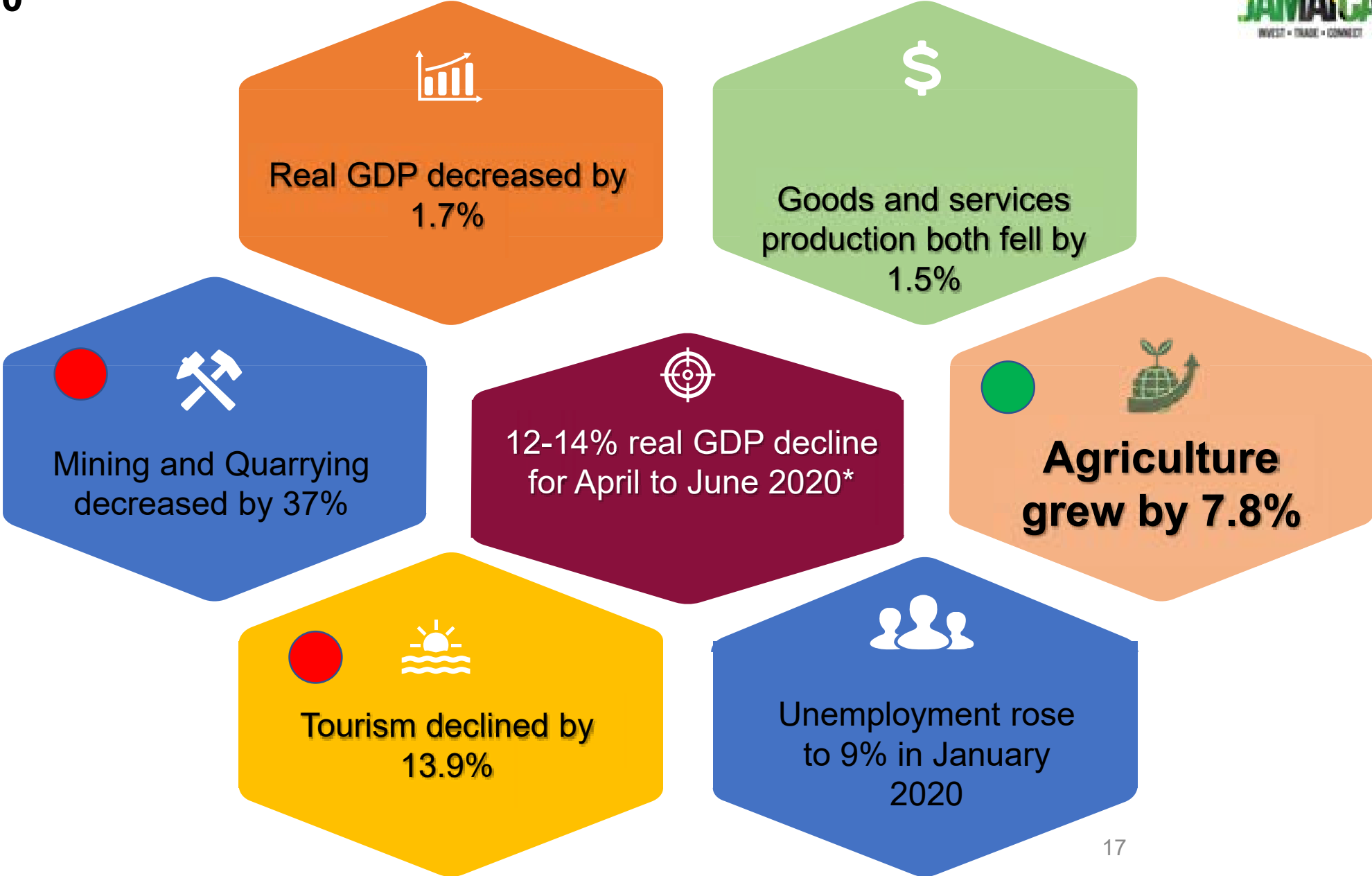
Currently:

Pre-COVID

- S&P – B+ | Outlook: Stable
- Fitch – B+ | Outlook: Positive

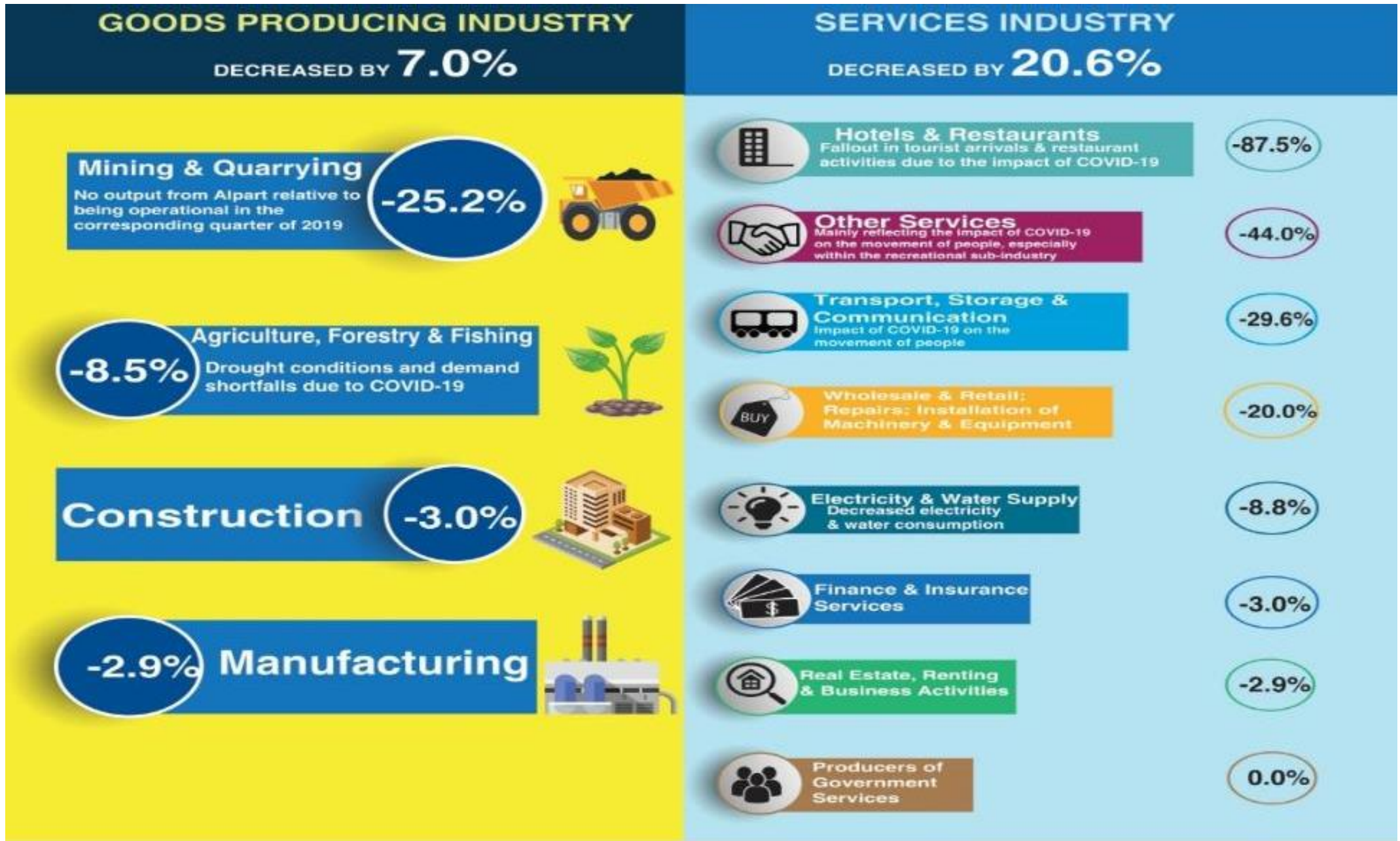


Economic Performance Jan. to Mar. 2020



*April – June 2020

Economic Performance - April to June 2020



Investment
& Export
Sectors

-

Pre-COVID-19



Agri-business & Agri-processing

Jamaica's **value proposition** as the ideal location for agricultural and agribusiness related investment is predicated on:

- An expansive local market bolstered by over four million visiting tourists annually.
- The increasing demand for high quality Jamaican produce overseas.
- The country's proximity to key export markets in the Americas.

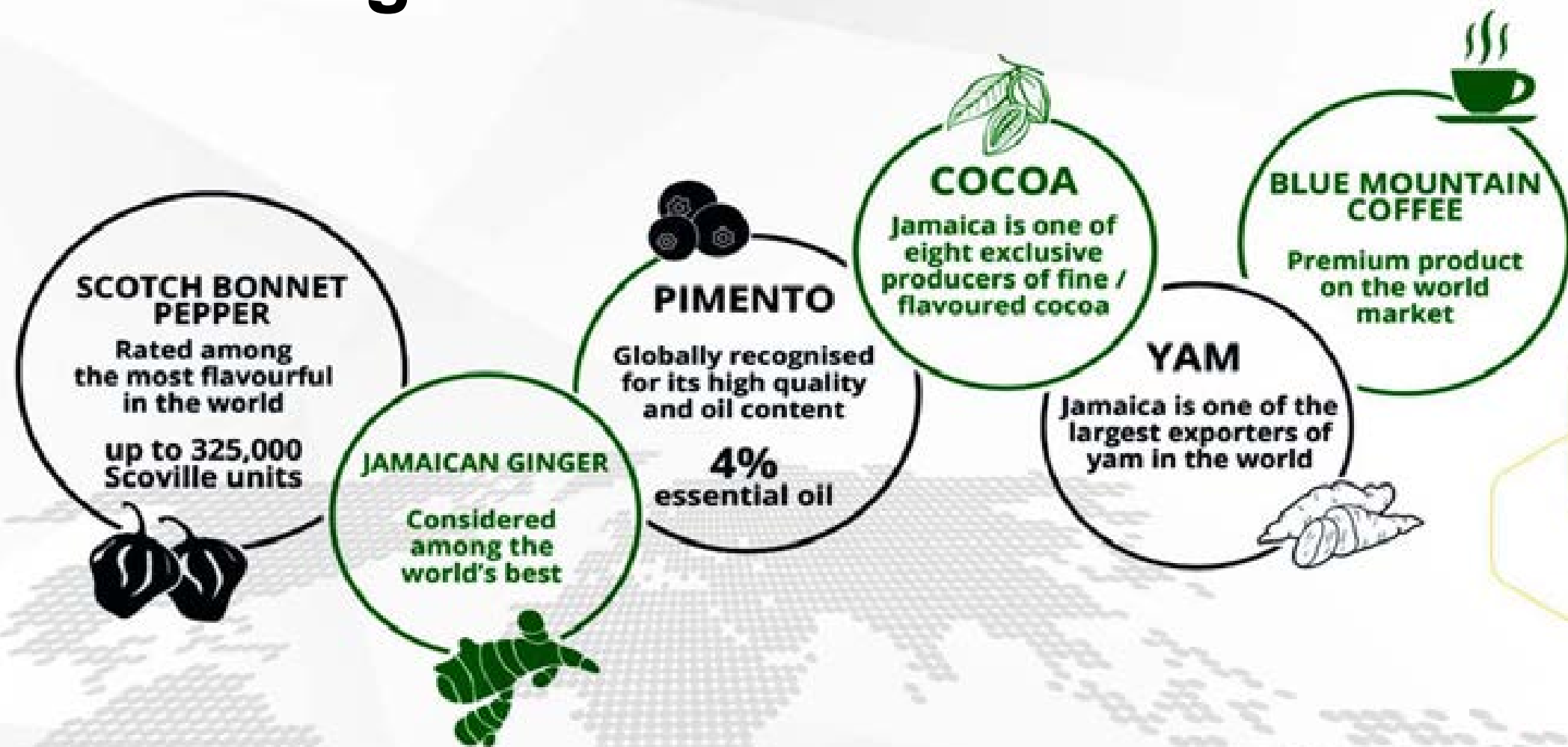
Industry size: US\$ 1.7 billion (2018)

Exports: US\$ 329.9 million (2018)

Crop Production: 678, 449 tonnes (2018)

Contribution to GDP: \$US 1 billion

High Demand Products



Outsourcing

Jamaica's value proposition as the ideal location for outsourcing related investment is predicated on:

- Cost competitive labour pool
- Third largest English-speaking population in the Americas
- An expansive local market with strong cultural affinity with North America
- Proximity to key export markets in the Americas

Industry size

US\$ 400 billion

Industry size

Over 60 companies
(80% international)

Space

1.3 million sq. ft

Jamaica is in **Demand**

Jamaica is the leading outsourcing destination in the English-speaking Caribbean (2018)

Kingston was the nearshore city of the year (2018)

Industry heavyweights continue to invest in Jamaica's Outsourcing sector



Proven Track Record With Providers

Doing a range of activities.....

- Finance & Accounting
- Customer Service
- Debt Collection
- Tech Support
- Graphic Design
- Claims and Payroll processing





Tourism

- **Tourist arrivals:** 4.3 million (2019)
- **Visitor expenditure:** US\$ 3.2 billion (2018)
- **Industry size:** US\$ 1.2 billion (2018)

THE OPPORTUNITIES

- **Health and Wellness Tourism**
- **Hospital hotels**
- **Lifestyle/ retirement villages**
- **Boutique wellness spas**
- **Eco-tourism**
- **Hotel Properties**
- **Attractions**



Film & Animation

Jamaica's value proposition as the ideal location for Film related investment is predicated on:

- The country's highly-skilled talent pool in areas of acting, cinematography, script writing etc.
- The cultural affinity Jamaica shares with US, Canada and the UK
- Comparatively low cost of labour

GDP Contribution:
JM\$ 2 billion (2018)

International Film
Production
150 (2019)

Jobs Created
2,667



Logistics & Infrastructure

- Kingston terminal expanded to handle Post Panamax vessels
- The country to be positioned as the fourth node in international logistics chain along with Rotterdam, Dubai and Singapore



Contribution to GDP
US\$728 MILLION

Cargo Handled
29.5 million TONNES

Vessel Visits
3,561
(2018)

Logistics

Currently Ranked **75TH**
of 190 Countries - World Bank 2019

Implementation of the Automated System
for Customs Data (ASYCUDA)

Port Computer System Implemented

Transformed Business Environment

Implementation of SEZ Authority

Dredging the Port of Kingston

Completion of Feasibility Studies

Connectivity Capabilities

12

**major shipping
lines** serving
Jamaica

400

**international
flights weekly**
from over 40 airlines

100

**Weekly port
connections**
for Cargo movement

2.8M

TEU capacity
at Kingston Terminal

12K

**TEU's Ship handling
capability**
expanded to handle Post Panamax

Energy

Jamaica has a vibrant and open energy sector

The 20 million Barrel of Oil Equivalent (BOE) produced in 2018 is used largely by the transportation sector, manufacturing and households.

Electricity and petroleum generation account for 2.7% of GDP.

Recent investments include:

- New Fortress Energy LNG terminals
- Eight Rivers 37MW utility solar PV plant

Industry Size
US\$ 383 million (2018)

Energy Consumption
20 million BOE (2018)

Electrical Capacity
1020.8 MW (2018)

COVID-19 Re-focus

01 Food security & reduction of Food Import Bill (~US\$1billion)

02 Focus on improving Agribusiness & Manufacturing to drive exports

03 Drive service expansion of Global Digital Services (Outsourcing)

04 Digitisation

05 Increase clean energy generating capacity and distribution cost

Opportunities

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Tourism Opportunities

- Tourism Enhancement Fund Loan
 - Established for Small and Medium Sized Tourism Enterprise (SMSTE)
- Borrow up to \$25million via EXIM bank at 4.5% pa



JAMAICA[®]
HEARTBEAT OF THE
WORLD

Opportunities in Clean Energy

Government recently released the Integrated Resource Plan (IRP)

Estimated for the RFP to be released Q1 2021

- Objective to achieve 50% renewables by 2037.
- Renewables are currently at 12%
- Cabinet has approved procurement of generation capacity for 2020-2025 (514MW)
 - 320MW: Wind & Solar
 - 120MW: LNG
 - 74MW: hydro, biomass or waste to energy

DBJ Venture Capital

- Jamaica Venture Capital Programme
 - Ecosystem Development
 - Creates pool of funds that offers non-traditional financing options.
 - Fund managers raise capital from investors which is provided to entrepreneurs based on investment strategy

DBJ Voucher Programme

- Targeting MSME
- Receive business grants to access business support services
- Covers up to 70% of support services cost up to \$200,000

Digitisation & Innovation

BIGEE

Boosting Innovation,
Growth and
Entrepreneurship
Ecosystem

Development Bank of Jamaica's
Innovation Grant Fund, aimed at
providing greater revenue streams for
medium-size enterprises.

Provides grants of up to \$14 million

Apply through www.thinkbigee.com/

Agribusiness Opportunities

Support in identification of lands

- JAMPRO has information on sites available for production
- Recent “Call for Lands”

Support through the process of submitting lands owned by Diasporans

- Farming Projects
- Development of Agro-parks
- Green Houses Projects <> PIR

Diaspora identify importers of local products

- JAMPRO can help Diaspora members link with distribution networks overseas

Agriculture Linkages

REDI II
Rural Economic
Development Initiative 2
(REDI II).

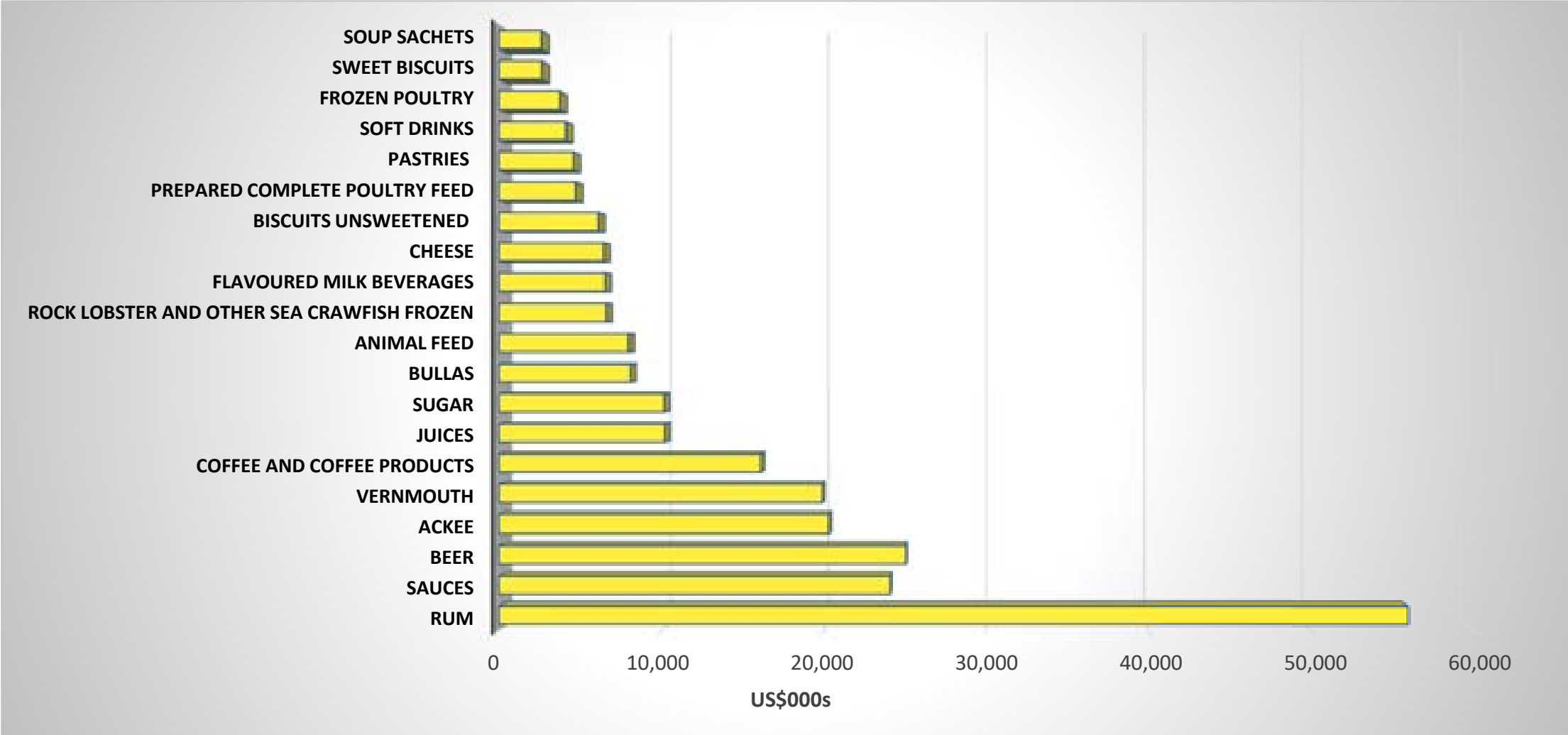
US\$40-million loan agreement

Micro and small farmers can access grants of up to \$400,000

Jamaican Social Investment Fund (JSIF) will implement REDI II

Apply through www.jsif.org.

Jamaica's Leading Processed Food and Beverage Exports



Source: STATIN 2019

These processed foods and beverages go primarily to the USA, Canada, UK and Cayman Islands, except for lobster which primarily goes to France and China.

Export Opportunities: Euromonitor Market Assessment



Roots & Tubers

Yams
Sweet Potatoes
Cassava

US\$12+ mn

2018 combined untapped potential for Root & Tuber exports to US, Canada, and UK



Crustaceans

Rock Lobster Tails
Frozen Whole Lobster

4%

2015-2018 CAGR for global lobster demand



Fresh Fruits

Papayas & Mangoes
Oranges & Avocados

US\$4.5 mn

2018 combined papaya exports to US, Canada, and UK

Export Opportunities: Euromonitor Market Assessment



Global Takeaways

- US\$61.2 mn in untapped export potential for focus categories
- Leverage success with traditional food categories to meet demand for mainstream commodities in key export markets
- Invest in infrastructure to grow key agriculture and export sectors
- Build Jamaican brands in export markets using Jamaica's prestige



Top Priority Categories

- Grow Jamaican seafood industry with focus on crustaceans
- Roots and tubers categories are largest growth opportunity to capitalize on, with potential to pivot to sweet potatoes



Geographic Priorities

- US market is largest and most immediate opportunity for new exports
- Canada represents largest untapped market for existing exports
- UK market faces uncertain future with high risk but high potential

Fiscal Incentive Opportunities

Fiscal incentives exist by virtue of several pieces of legislation related to:

Omnibus Fiscal
Incentives

Special Economic
Zones

Large Projects &
Pioneer Industries

Junior Stock
Exchange

Urban Renewal

OMNIBUS FISCAL INCENTIVES

Varying levels of **RELIEF**
FROM:



Customs Import Duties



Additional Stamp Duties
applied on certain
agricultural products



Corporate Income Tax

OMNIBUS FISCAL INCENTIVES

The Customs Tariff Resolution

50% Discount

Registered manufacturers may receive up to 50% discount **on Customs Administration fees** and a deferment on GCT.



Tax Relief

Manufacturing or agricultural companies may receive Value Added Tax (VAT) or General Consumption Tax (GCT) relief.

PIR Benefits

Avoid import costs and stamp duties on specific items through the Productive Inputs Relief (PIR).

Productive Input Relief (PIR)

Allows companies to
Importation select items
without having to pay the
duty and additional stamp
duty (where applicable),
namely:

Raw materials, intermediate goods, consumables or packaging materials and equipment (including parts) for the manufacturers.

Machinery & capital equipment, **equipment for Green Houses**.

A set list of goods for hotels & resort, cottages and attractions.

A set list of goods for the healthcare sector.

Tools of trade for the Creative Industries, including the film and music

INCOME TAX ACT - Junior Stock Exchange

Exempted from:

100% of Corporate Income Tax in the first 5 years from the date of admission to the Junior Market.

50% of the Corporate Income Tax in the following five (5) years.

No application is required, once the company is listed on the Junior Stock Exchange.

Thank you!

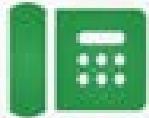
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