



JAMPRO
TRADE & INVESTMENT JAMAICA

ANNUAL REPORT

FY 2019-2020

DoBusiness
JAMAICA
INVEST • TRADE • CONNECT

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The purpose of this report is to provide the Houses of Parliament, partners, stakeholders and clients with information on the performance of the Jamaica Promotions Corporation (JAMPRO) for the 2019/2020 financial year and the prospects for the 2020/2021 financial year.

OUR VISION

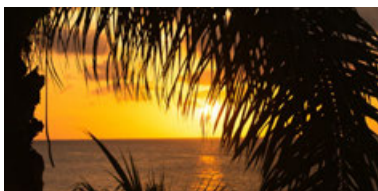
To be a world class business enabler and promotions agency, making Jamaica the premier destination to do business.

OUR MISSION

Drive Jamaica's economic development through growth in investment and export.

OUR CORE VALUES

Integrity • **R**espect • **I**nnovation • **E**xcellence



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ABOUT US

The Corporation and Who We Are

We are the premier trade and investment promotions corporation representing the Government of Jamaica. Established as a statutory body under the JAMPRO Act, 1990, we promote business opportunities in export and investment to the local and international private sector. In addition to facilitating the implementation of investment and export projects, the organization is a key policy advocate and advisor to the Government in matters pertaining to the improvements of Jamaica's business environment. Jamaica Promotions Corporation is currently operating under the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAFA).

The impact of JAMPRO's work on economic development is measured by the:

- value of capital expenditure (of clients facilitated by JAMPRO)
- number of jobs created (by clients facilitated by JAMPRO)
- value of export sales (by clients facilitated by JAMPRO)
- client satisfaction score; and
- Brand Perception Score.¹

¹ This is a measure of the perception of Jamaica's business brand locally and globally which, is scored in alternating years.

Our Corporate Imperatives



Actively promote and enable exports and investments

- Grow exports
- Grow investments
- Maximize linkage opportunities
- Conduct proactive research to guide decisions/strategies



Foster an enabling business environment

- Drive policy change and development
- Deliver effective services that add value to our customers
- Accelerate business facilitation



Build and maintain effective business relationships

- Increase awareness of Jamaica as a business destination
- Increase engagement with key and strategic stakeholders
- Increase awareness of JAMPRO



Build an engaged, high performing, collaborative team

- Create a caring and empowered environment that fosters a satisfied team
- Strengthen the technical competencies to improve productivity
- Nurture a culture that embeds the core values

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A portrait of Senator Don G. Wehby, C.D., a middle-aged man with a receding hairline, smiling. He is wearing a dark blue suit jacket, a light blue dress shirt, and a gold patterned tie. The background is a light, textured grey. A yellow and white pixelated graphic is on the left side of the image.

CHAIRMAN'S MESSAGE

Senator Don G. Wehby, C.D.

JAMPRO's mission to drive economic development through growth in investment and export gained heightened meaning and importance during the final quarter of the financial year. The official recording of the coronavirus in early March 2020 and the imminent economic fallout, propelled the country

and the Corporation into an economic recovery response mode.

The Corporation's response involved the provision of guidance on the state of international trade and development of a short-term strategy to minimize

the negative economic repercussions, focused on exploring the resilience of our core sectors and identifying mitigation measures to be considered in the future. Agriculture was identified as the priority sector to ensure food security and the sustainability of the agribusiness industry.

Financial year 2019-2020 was the final year of JAMPRO's Three-Year Strategic Business Plan (2017-2020), which was developed and implemented under my first tenure as Chairman. The various initiatives implemented over the three-year period have been impactful, as the Corporation strengthened its capacity to drive investments and exports, and facilitated a number of investment projects, while also assisted our exporters in accessing new markets. One key capacity-building initiative was the completion of the restructuring exercise to position the organisation for growth, including the merger of the export and investment divisions into a sector-focused Sales and Promotion Division; the creation of a new Marketing Division with responsibility for driving and developing key marketing channels, with a focus on digital marketing; and the re-opening of the New York Regional Office. One investment promotion highlight was the successful hosting of the 2018 Jamaica Investment Forum, showcasing the best of business brand Jamaica under the theme 'Connect for Business'; while on the export side, the organization successfully completed the Export Max II programme, which saw 84% of the participating companies accessing at

least one new market and collective export sales growth of 213% among the 19 participants.

In addition, over the three-year period the organisation's efforts facilitated the creation of over 51,885 gross new jobs, US\$1.9 billion in capital expenditure and US\$2.09 billion in export sales. Additionally, the Corporation achieved a staggering 94% level of satisfaction from its clients with the services received during the 2018/2019 fiscal year; the most outstanding satisfaction score for the organisation in its history.

With the end of one strategic plan, the organisation embarked on an exercise to develop a new plan to guide the organisation over the next four years. The process saw the development of a strategy anchored in targeted marketing, improving Jamaica's competitiveness and forging strategic partnerships to increase investments and exports.

Improving the business environment remained at the top of the strategic agenda with advancements made to various reform initiatives to propel the country towards top 10 in the World Bank's Doing Business Report. The Secretariat, housed at JAMPRO, was successful in lobbying for the extension and funding of the Foundation for Competitiveness & growth Project; specifically, towards Component 1 focused on the Business Environment.

Phase I of the National Business Portal (NBP) is now live at www.dobusiness.gov.jm while work is ongoing for the completion of Phases II and III. JAMPRO worked closely with other government agencies towards the finalization of the Draft Green Paper for the National Investment Policy (NIP) and will continue to play a leading role as the Paper is tabled in Parliament and the various recommendations explored, while national consultations are pursued. Both the NIP and NBP are expected to significantly improve the facilitation of local and foreign investments.

Despite a forecasted challenging upcoming fiscal year, JAMPRO remains resolute in charting the way forward in executing its mandate. On behalf of the Board of Directors, thanks for the support from our clients and stakeholders. We look forward to the continued partnerships in FY 2020/2021 to secure meaningful business opportunities for Jamaica.

**“Improving
the business
environment
remained at
the top of
the strategic
agenda...”**

BOARD OF DIRECTORS



Senator Don G. Wehby, C.D.,
Chairman



Metry Seaga
Deputy Chairman



Ian K. Levy, O.D., C.D.



Gary Sadler, O.D.



Lisa Soares Lewis



Gillian Wilkinson McDaniel



Delano Seiveright



Christopher Williams



Dr. André Gordon



Zachary Harding



Yoni Epstein



Christian Tavares-Finson

EXECUTIVE MANAGEMENT TEAM

JAMPRO's day-to-day operations are governed by an Executive Management Team, led by a President. The Corporation's mandate is executed through five (5) Divisions with responsibilities as follows:

- **President's Division**, includes the President's Office, Corporate Planning, Corporate Initiatives and the Legal and Audit functions;
- **Sales and Promotions Division**, focused on promoting investment and export across sectors of focus;
- **Marketing Division**, responsible for driving and developing key marketing channels including the Integrated Marketing Communications Department, Contact Management Centre and four (4) Regional Offices focusing on Western Jamaica, Europe, North America (United States of America and Canada) and other New and Emerging Markets
- **Research Advocacy and Project Implementation Division**, plays a critical role in conducting research, implementing JAMPRO assisted projects and advocating for reforms to

the business environment; and the

- **Finance and Corporate Services Division**, comprises the Human Resources, Finance, Administration and Management Information Systems Departments.

Each Division is led by a member of the Executive Team which welcomed a new member, Norman Naar, on November 11, 2019. Mr. Naar replaced outgoing Vice President for Sales and Promotion, Claude Duncan; who resigned from the post and departed the organisation March 2019. In the interim, Mr. Ricardo Durrant served as Acting Vice President, Sales and Promotions. The team leading the organization for FY 2019-20 was as follows:



Diane Edwards
President



Norman Naar
Vice President
Sales & Promotions



Gabriel Heron
Vice President
Marketing



Wendy Lyttle Pryce
Vice President
Finance & Corporate
Services



Shullette Cox
Vice President
Research, Advocacy and
Project Implementation

A portrait of Diane Edwards, the President of JAMPRO. She is a woman with voluminous, wavy brown hair, wearing a blue blazer over a dark top. She has her hand resting under her chin, looking directly at the camera with a slight smile. She is wearing gold hoop earrings, a ring, and several bracelets on her left wrist. The background is a plain, light-colored wall.

PRESIDENT'S MESSAGE

Diane Edwards

The commitment and dedication of the JAMPRO team to economic development was put to the test and was certainly displayed during this year of a global crisis. The organisation was able to achieve its targets except for export sales; which was mainly due to the suspension of operations at the Jiuquan Iron and Steel Company (JISCO)/Alpart alumina

refinery. Clients facilitated by the JAMPRO team recorded US\$659.23 million in capital expenditure (CAPEX), achieving 100% of target; 21,774 jobs, achieving 128% of target and US\$797.48 million in export sales, achieving 88% of target.

A total of 29 (10 new and 14 expansion projects as well as five ongoing maintenance projects) companies and 71 film productions contributed the achievement in CAPEX and jobs, and 91 local companies generated the export sales recorded. Initiatives that complemented these achievements included the development and roll-out of the Prime Account Management Strategy (PAMS). PAMS envisages the more efficient utilization of sales resources to increase the rate of conversion of investor and buyer leads to generate impactful business opportunities. There was also deliberate effort to embed the Value Selling Sales Methodology and continued development and training of staff.

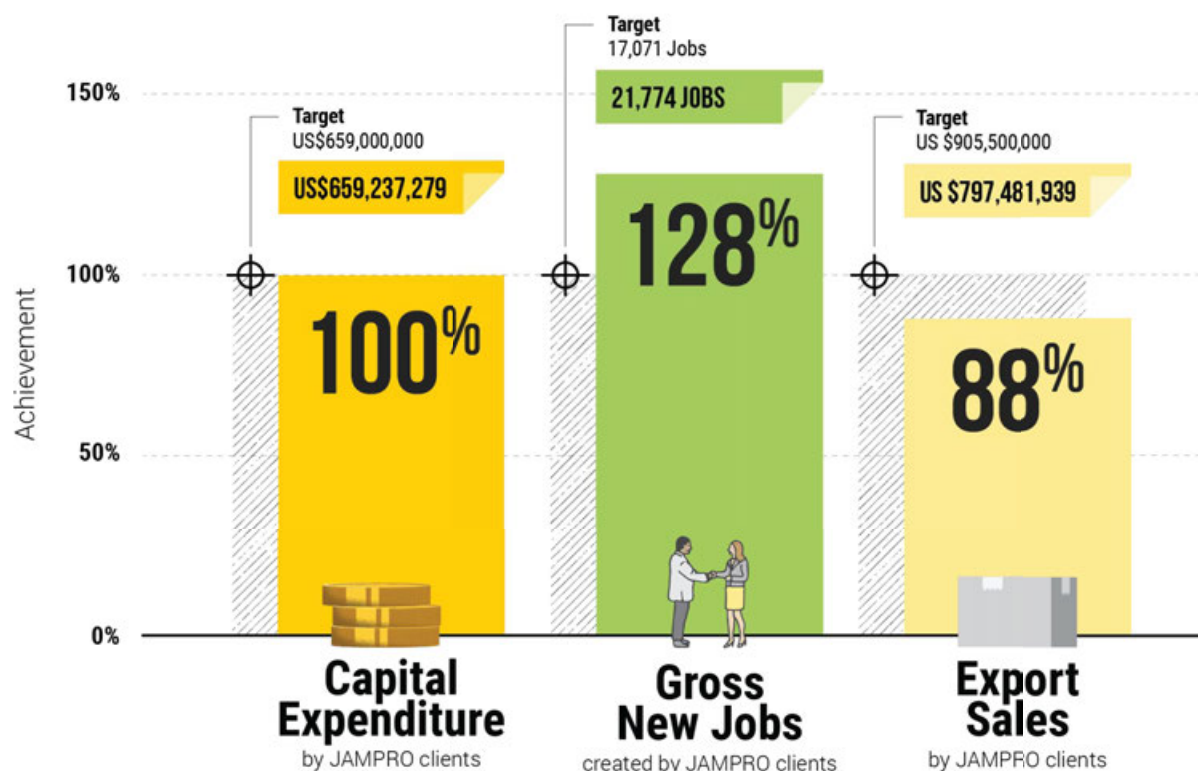
The Corporation responded by providing support to one of our most critical sectors, the agricultural sector, to ensure national food security and sustainability of farmers amidst the immediate contraction of the tourism sector; one of the main consumers of our local produce. Having completed the development of the National Agribusiness Strategy, for which work commenced the previous fiscal year, it provided the roadmap to enable an adequate response to these challenges with the support of key MDAs. JAMPRO was able to successfully facilitate business matchmaking engagements to secure contracts for our local fresh produce in target markets.

“I am thankful to each team member for their hard work and dedication to the execution of our mandate,....”

Other successes were realised by the Corporation as the Office of the Prime Minister and Cabinet commissioned JAMPRO to lead the development of a Nation Brand Strategy for Jamaica in a bid to evolve the perception of Jamaica into a holistic brand and send a synchronised message to the world about Jamaica's goals and aspirations in all facets, but particularly in business. In fiscal year 2019/20 the Cabinet approved the necessary activations to secure buy-in from varying stakeholders and initiate the development process.

The onset of the COVID-19 pandemic brought out the agility and creativity of the JAMPRO team. I am thankful to each team member for their hard work and dedication to the execution of our mandate, which is also possible through the support of our clients and stakeholders. I remain optimistic about the future and JAMPRO will continue to play its part in national economic development.

CORPORATE PERFORMANCE AND ACHIEVEMENT OF TARGETS



At the end of the financial year, clients facilitated by JAMPRO invested US\$659.2 M and created 21,774 jobs representing 100% and 128% achievement against targets, respectively. The value of exports generated by clients, US\$797.4 M, represented 88% of the year's target. Apart from export sales,

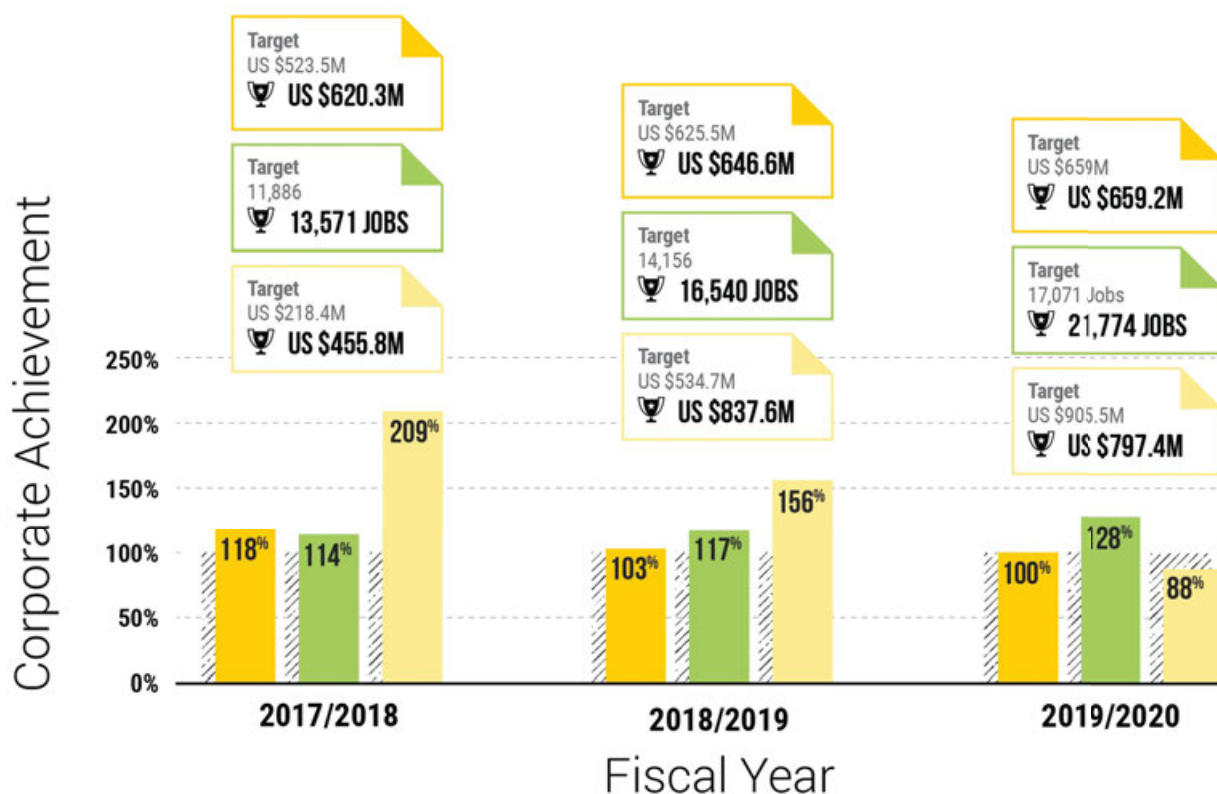
these achievements are comparable to the previous year in which JAMPRO's clients generated business opportunities that resulted in the Corporation achieving 117%, 103% and 156% of targets for CAPEX, jobs and export sales, respectively.

JAMPRO's Three Year Comparison

of CAPEX, Jobs & Export Sales

The Corporation, decided to forego the administration of the Client Satisfaction and local Brand Awareness Surveys, for FY2019/20. It was felt that with the challenges brought on to the local business community, which comprises our clients, there would be an insufficient response

rate as the business community was being inundated with surveys and preoccupied with making their own assessment of how to stay afloat. JAMPRO values its clients and preferred to focus on continuing to provide support during this time of uncertainty.



KEY

Target

Capital Expenditure

Gross New Jobs

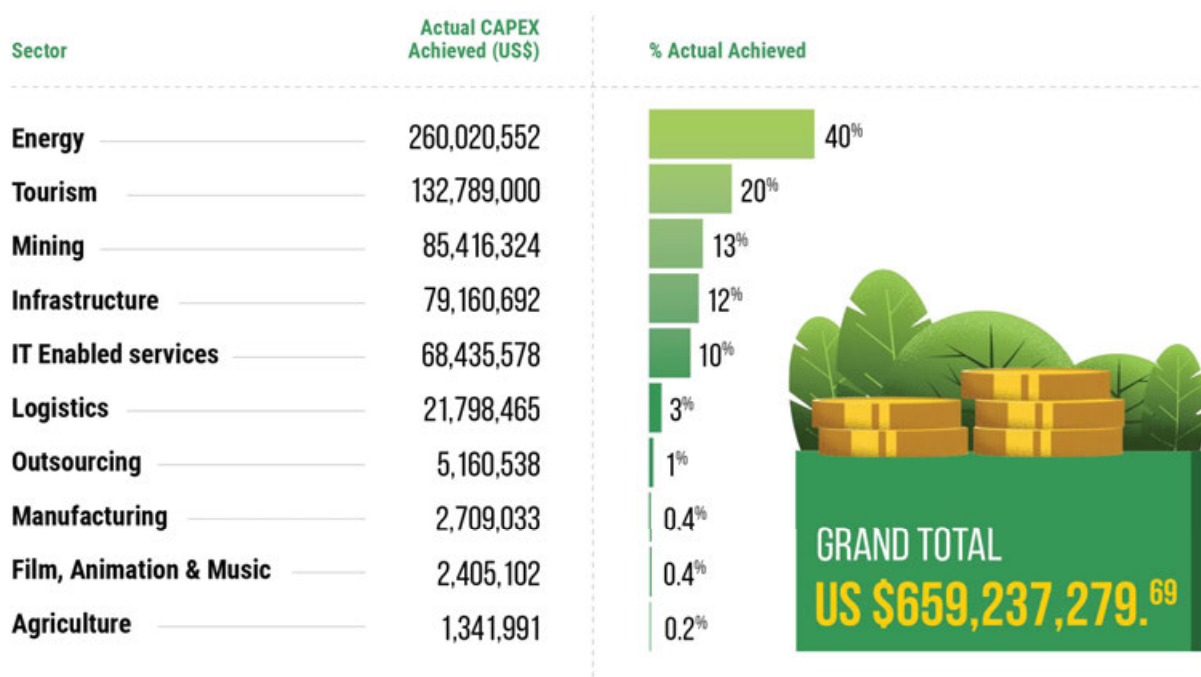
Export Sales

VALUE OF CAPEX (LOCAL & FOREIGN DIRECT INVESTMENTS) BY CLIENTS

“The **clients that made the largest investments** during the year are New Fortress Energy, H10 Hotel, JPSCo, JISCO/Alpart and Digicel...”

The leveraging of the Corporation's client and stakeholder relationships was the strongest contributory factor to the notable performance in facilitating and capturing capital expenditure data during the reporting period. The clients that made the largest investments during the year are New Fortress Energy, H10 Hotel, JPSCo, JISCO/Alpart and Digicel; which falls within the Energy, Tourism, Mining and IT Enabled Services sectors. These sectors made substantial investments in their development, contributing 40%, 20% and 13%, respectively, to the US\$659.2 million achievement in CAPEX for the 2019/20 fiscal year. Combined, they represented US\$478.2 million of the CAPEX generated.

Value of Local & Foreign Direct Investments (LDI & FDI) by Sector



Energy

The Energy sector made the biggest contribution of 40% to total CAPEX. The strong performance of the sector can be attributed to investments made by:

- New Fortress Energy (NFE) JAMALCO power plant project
- Eight Rivers Energy Co. (EREC) solar power plant 37 MW
- Jamaica Public Service Co. (JPSCo.) Old Harbour LNG 190MW plant; and
- The maintenance of infrastructure work carried out by JPSCo during the year.

EREC, the cheapest producer of energy in the island and the largest solar plant in the English-speaking Caribbean, was commissioned in October 2019; while both JAMALCO and the JPS Old Harbour station started operations in March 2020.

Tourism Sector

The Tourism sector followed the energy sector with a 20% contribution to total CAPEX. New entrant, Ocean Coral Spring H10 Hotel, was the top investor. Grupo Excellence made substantial investments this year to complete five one-bedroom villas, adding to property upgrades completed during the 2018-19 fiscal year. The third biggest contributor was Oceana Hotel which commenced upgrades near the end of the fiscal year. Other hotels under construction include Blue Skies Resort (Negril, Westmoreland) and Palm Beach Villas

(Runaway Bay, St. Ann). Significant projects such as Princess Resorts, Amaterra and Karisma Sugar Cane Bay made announcements to begin construction within the upcoming fiscal year.

Mining Sector

The modernization project being implemented by JISCO/Alpart strengthened the Mining sector, which accounted for 13% of total CAPEX. The plant closed in October 2019 to facilitate the modernization and expansion programme. The consequent reduction in exports had a negative impact on JAMPRO's Export Sales targets, CAPEX as well as national economic figures.

Infrastructure Sector

Almost J\$80m in investment, 12% of the CAPEX, was generated by the Infrastructure sector. Digicel's extensive work on its fibre-optic network during the period, was the largest contributor to the total. The project is ongoing and will enable the company to increase efficiency and reliability across all platforms. The performance of this sector was further enhanced by new entrant, Wheelersfield/Stewart's

Auto, who opened a 77,895 square feet multi-use facility.

IT Enabled Services

The Telecommunications sector comprising LIME and Flow continued to make significant expenditure on the maintenance and upgrades of their telecommunications system, accounting for 10% of the CAPEX reported.

Other Sectors

Projects in the Agribusiness, Logistics, Outsourcing, Manufacturing, Film, Animation and Music sectors rounded out the total capital expenditure recorded for the fiscal year, representing 5% of the total CAPEX.



NUMBER OF JOBS CREATED BY CLIENTS

H10 Hotel, IBEX Global Jamaica Ltd., JISCO/Alpart, Alorica (58 HWT) and Conduent of the Outsourcing, Tourism and Mining sectors, produced the most jobs during this financial year.

The Outsourcing, Tourism and Mining sectors produced 49%, 29% and 14% of the total (20,009) number of jobs created (21,774), respectively.

Number of Jobs Created by Sector



GRAND TOTAL 21,774 JOBS

Outsourcing

The Outsourcing sector continued to produce the most jobs in the economy, totalling 10,722. The companies that created the most jobs are IBEX Global Jamaica Ltd, Alorica (58 HWT), Conduent, Team HGS and Itel BPO.

Tourism

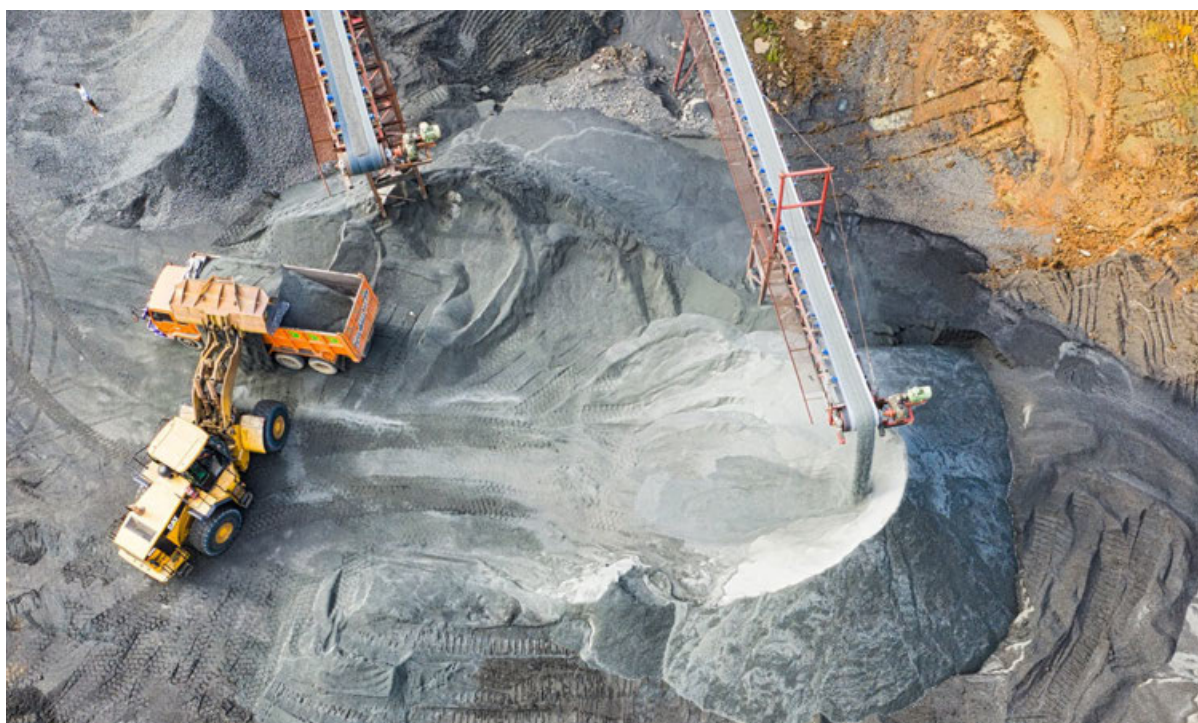
The Tourism sector generated 6,236 jobs, that is twenty-nine percent (29%) of the total jobs created. Ocean Coral Spring H10 Hotel Group was the top contributor, providing temporary employment to more than 5,000 persons. Other contributors included Grupo Excellence Villas, Oceana Hotel and Trident Undersea Trekking.

Mining

The Mining sector generated 14% (3,051) of the total jobs. This is entirely attributable to the modernization work conducted at the JISCO/Alpart refinery.

Film, Animation and Music (FAM)

These industries created a total of 1,381 temporary jobs. They resulted from various productions such as, documentaries, short films, television productions, commercials and music videos. Most developments originated from North America and Kingston was the most demanded location for productions.



VALUE OF EXPORT SALES BY CLIENTS



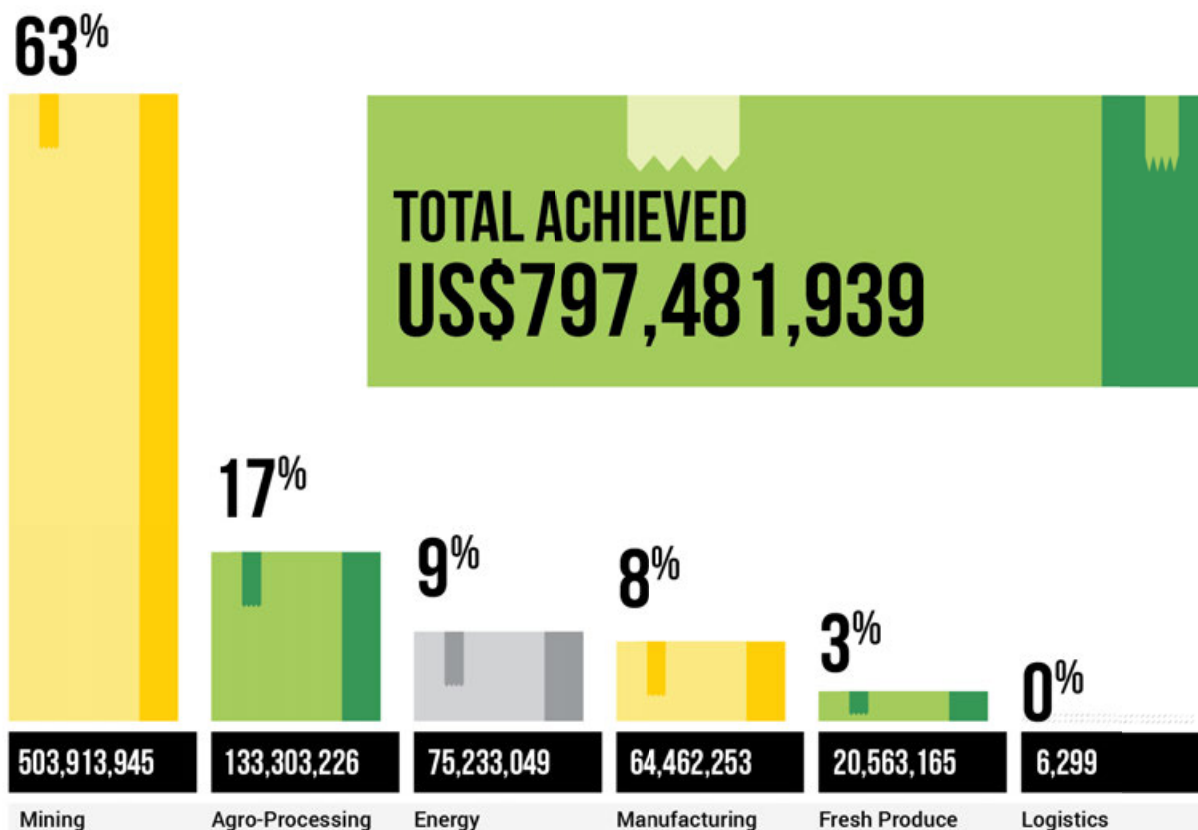
During the fiscal year, ninety (90) export clients generated sales totalling US\$797.4 million. The top five exporters, representing the Mining, Agro-processing and Energy sectors, were Petrojam Limited, JAMALCO, JISCO/Alpart Jamaica, Noranda Jamaica Bauxite Partners and Windalco.

The value of their exports was US\$712.5 million, eighty-nine percent (89%) of the total export sales by clients

recorded. Mining, Agro-processing, and Energy accounted for 63%, 17% and 9%, respectively of the total export sales generated.

Clients from the manufacturing, fresh produce and logistics sectors accounted for 11% of total exports. The export target of US\$905,500,000.00 was not achieved. The unexpected closure of the JISCO/Alpart plant resulted in decreases in exports that created a shortfall against targets.

Value of Export Sales by Sector



FINANCIAL PERFORMANCE

(GOJ SUBVENTION AND INCOME GENERATED)

For the FY 2019-2020 the Corporation received **GoJ Subvention of J\$855.3 million and generated internal income of J\$58.6 million.**

The main source of internal income is rental of office space at the corporate headquarters.



SECTOR HIGHLIGHTS



JAMPRO provides support to investors and exporters across varying sectors. The main sectors are Agribusiness, Outsourcing/IT Enabled Services, Tourism, Logistics, Infrastructure, Cannabis, Manufacturing, Mining, Energy and Creative Industries (Film, Animation & Music). Each sector made notable achievements and created memorable moments.

Agriculture

Agriculture was the best performing sector with growth of 7.8% within the local economy. This resulted from favourable weather conditions, which allowed for increased coffee production and other crops. JAMPRO worked with farmers, food-processors and exporters to grow the agriculture sector. One notable success is the Lakes Pen Agri Ventures initiative.





JAMPRO provided support towards the establishment of a state-of-the-art agricultural development, in Lakes Pen, valued at J\$11 billion. The initiative will support small farmers through contract farming arrangements and provide them with access to technology to help them to improve their output and standards of production.

JAMPRO, in collaboration with Jamaica Agricultural Commodities Regulatory Authority (JACRA) and the Jamaica Coffee Exporters Association (JCEA), executed various activities under the coffee development programme, aimed at market diversification. The objective was to strategically reposition Jamaican Coffee brands – Jamaica Blue Mountain and Jamaica High Mountain Coffee. This initiative facilitated the participation of nine (9) local coffee processors in the Boston Specialty Coffee Show.

Sixty-five (65) trading opportunities were created, contributing to the repositioning of the Jamaica Blue Mountain Coffee brand to international buyers and retailers. Several brand-building activities were also undertaken including the erection of billboards in strategic locations across the island and celebrations around Jamaica Blue Mountain Coffee day on January 9th.

Three (3) inward missions from the USA, Canada and Japan were also facilitated, exposing members of the delegation to local coffee farmers, roasters and other stakeholders to increase awareness of the farming, production and regulatory processes, and to secure orders for the product. JAMPRO also executed a series of agricultural information sessions in Kingston, St. James and Clarendon to increase awareness of business opportunities. The upcoming fiscal year will see the crafting of a five-year coffee marketing strategy to guide the development of the sector.

JAMPRO provided support towards the establishment of a state-of-the-art agricultural development, in Lakes Pen, **valued at J\$11 billion.**





President, Diane Edwards with Kojiro Hagihara (left), Chairman of the All Japan Coffee Roasters Association, and Norman Grant, Chairman of the Jamaica Coffee Exporters Association at a welcome dinner for the visiting Japanese delegation at the Knutsford Court Hotel.

JAMPRO hosted an inward mission with the All Japan Coffee Roasters Association (AJCRA) to strengthen the relationship between Jamaica and Japan. The main objectives of the mission were to familiarize the Japanese roasters with the Jamaica Blue Mountain Coffee farming, production and

regulatory processes as well as to explore opportunities for expanding business with local players. Currently, Japan purchases 70% Jamaica's (Blue and High Mountain) coffee. Mr. Kojiro Hagihara, Chairman of AJCRA, led the Japanese delegation.

Outsourcing

JAMPRO focused on positioning Jamaica as the ideal nearshore location to capitalize on the growth and developing trends within the sector. The major promotional efforts included hosting inward missions to secure leads and promoting Jamaica as an ideal global services location; participating in international trade shows; partnering with key influencers and stakeholders to upskill the labour pool and; increasing available real estate.

The Outsourcing sector continues to be the main generator of jobs within the economy with JAMPRO facilitating the launch of IBEX Global and Itel BPO New Kingston expansion projects. Team HGS, Conduent, Alorica, and Collective Solutions International also expanded their facilities. According to Grand View Research, this is demonstrative of the unyielding nature of the Business Process Outsourcing industry, attracting demand from markets such as banking, financial services and insurance, healthcare, manufacturing, IT & telecommunications. New entrants, Ekdahl Capital

and Applied Financial Analytics established financial analysis centres in Kingston. These establishments represent the desire to increase the growth in moving up the value chain.

Outsource to the Caribbean, Customer Contact Week (CCW) and Shared Services & Outsourcing Week (SSOW) Conferences were a few of the events participated in that allowed an international platform to showcase the country's capabilities and generate 15 leads. Approximately four (4) inward missions were conducted, including a partnership with Nearshore Americas, to carry out site selection exercises; generating interest around Kingston, St. Catherine and St. James as ideal locations.



Local Outsourcing Firm Cops Top Awards

Jamaica was triumphant at the 2019 staging of the Outsource to the Caribbean Conference (OCC) with a local outsourcing company, Itelbpo, being declared winner of the Regional BPO of the Year award and the Caribbean BPO Employer of the year

Work commenced in quarter four to develop a Global Services Sector Strategy, with consultant Avasant, a global ICT consultancy firm, to analyse the current global sector and develop

a strategy to guide the growth of Jamaica's sector to compete effectively in the global services sector. At the end of the year, the consultant delivered the draft survey instrument for gathering data on the current status of the industry; which will be deployed in FY2020/21 to inform the 'gap' in Jamaica's position and capabilities, vis-à-vis where we ought to be in the global sphere of the global services sector.

Tourism

The local Tourism industry performed well at the end of 2019, with Jamaica welcoming 4.2 million tourists to the island and generating gross earnings of US\$3.3 billion. This was achieved despite the collapse of Thomas Cook Airlines in quarter two, which led to the country losing a significant portion of its seating capacity. Thomas Cook was expected to fly 16 charters to Jamaica between September 2019 and March 2020. Those charters represent 7,300 visitors to Jamaica and a potential loss of US\$10 million in tourism spend. All the seats were quickly restored, and Jamaica became the first country to fully conclude arrangements to recover the loss airlift due to the collapse.

Major developments took place towards adding to the local room count and attractions development. Ocean Coral Spring H10 Hotel added approximately 900 rooms and Grupo Excellence added five one-bedroom villas. Trident Undersea Trekking also did some work to improve their helmet diving underwater exploration experience.

The Amaterra Jamaica Group entered a hotel management/operator agreement with global chain, Marriott International, which will see Marriott

bringing its first all-inclusive property to the island. The project will initially comprise 800 rooms with construction expected to begin in 2020 and completed in 2022.

Karisma Hotels & Resorts Group broke ground on February 28, 2020 to build a hotel in Sugarcane Bay, St. Ann. The Sugarcane Bay Project is the first investment under the Shovel Ready Programme and is the largest single hotel development in the country's history which will add 4,800 rooms to the industry. The project will be divided into three phases and will include the construction of a gated residential complex and a commercial complex as well as a BPO project. Phase 1 is estimated to be completed within 48 months of commencing and is expected to begin construction during the 2020 – 2021 fiscal year; with the first resort to open in 2023. The company is currently monitoring the economic impact of COVID-19 to see how it will impact their timelines. The Karisma Hotels & Resort Group is a fast-growing Florida based operator of theme and high-end boutique properties. They currently have two resort brands located on a single property in Negril; Azul and Sensatori.



Marriott International Announced Development of First All-inclusive Property

Marriott International announced that it entered a hotel management/operator agreement with the Amatterra Jamaica Group, which will see Marriott bringing its first all-inclusive property to the island. The project will initially comprise 800 rooms with construction expected to begin in 2020.

Ground Broken For Sugarcane Bay Hotel Development

JAMPRO celebrates as ground is broken for massive tourism investment project in St. Ann, the Sugarcane Bay Hotel. Karisma Hotels & Resorts Group broke ground for the development of its Sugarcane Bay multi-resort development in Llandoverly, St Ann. The development is poised to add 4,800 new rooms to the Tourism sector over 10 years.



Additionally, infrastructural developments such as the opening of major roadways as well as work being undertaken in the eastern end of the island will assist the government's thrust to position Portland and St. Thomas as major tourism destinations. The expansion of the Donald Sangster's International Airport terminal, which saw a 56% increase of its current space, also added to the global appeal of the island as a business and tourism destination.

Logistics and Infrastructure



The official handover ceremony of the Norman Manley International Airport (NMIA) to Grupo Aeroportuario del Pacífico (GAP) was held on October 16, 2019 under a 25-year concession agreement. During this period, GAP will be responsible for improving the airport's land and air operational efficiency, and financing and completing a modernisation programme at an estimated cost of over US\$110 million.

During 2019/2020, Jamaica experienced major developments within the Logistics and Infrastructure sectors. The most impactful projects included the divestment of the Norman Manley International Airport (NMIA) and opening of the new multi-phased Port Royal Cruise Pier. The Old Coal Wharf is now home to the new Port Royal Cruise Pier Development; officially opened January 20, 2020 with a call from Marella Cruises' Marella Discovery 2. The Pier, managed by the Port Authority of Jamaica, will significantly add to the attractiveness of Jamaica as a cruise destination.

Other major logistics and infrastructure projects facilitated by JAMPRO included the Sangster International Airport (Montego Bay Jamaica Ltd.)

runway and terminal expansions; Digicel's state-of-the-art network infrastructure system upgrade; and Stewarts Automotive Group's Wheelersfield development to build two state-of-the-art showrooms for its Jaguar and Land Rover luxury brands.

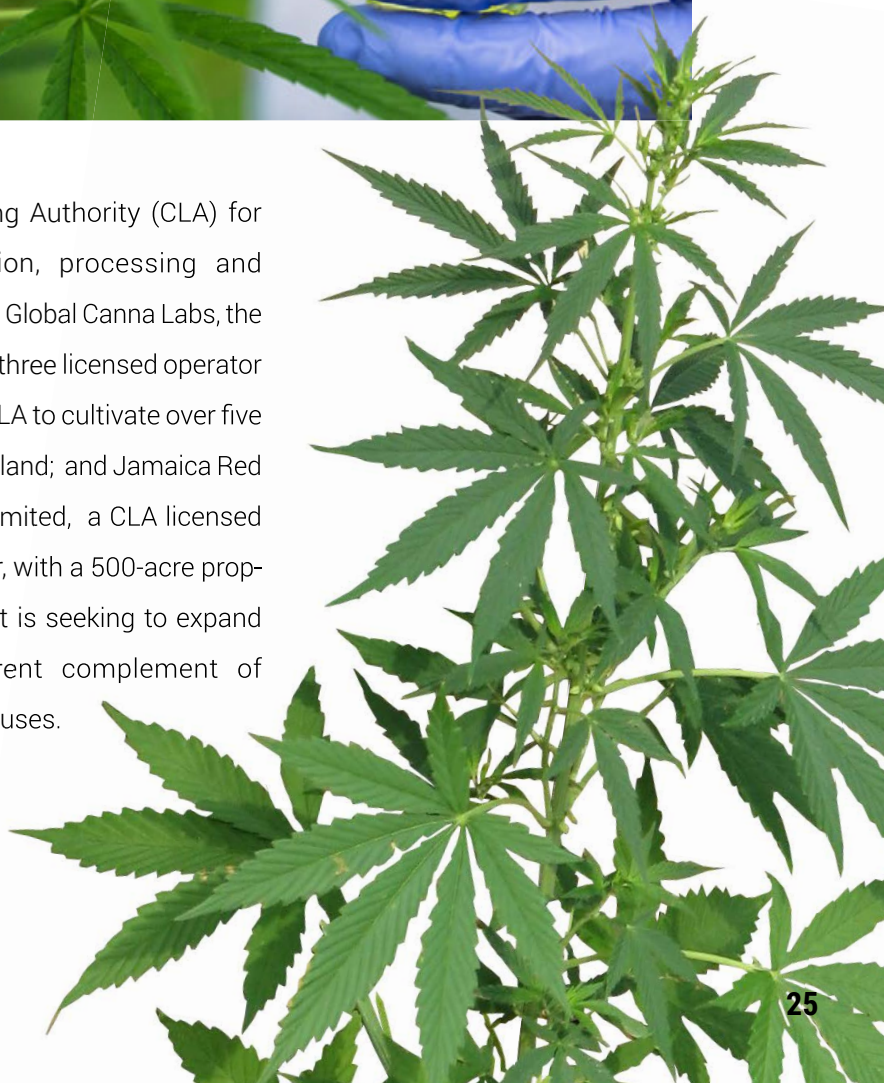
For the upcoming fiscal year, JAMPRO along with key stakeholders will continue to drive the implementation of the Caymanas Special Economic Zone by refining the project concept to enable a public-private partnership to develop the zone; marketing of the Kingston Logistics Park; Port Royal and Downtown Kingston development initiatives; as well as working with the Airports Authority of Jamaica to develop strategies for general aviation to improve the industry.

Cannabis



JAMPRO facilitated the establishment and entry of Starbuds, Medz Up and High Grades Farm within the cannabis industry, generating a total of US\$847,802 in CAPEX. Other projects engaged during the fiscal year were Organic Growth Holdings Incorporated, farmers of medicinal hemp used in the manufacturing of several organic wellness products; Drew Gray Farms Ltd, a Toronto-based company that has secured conditional licences from the Cannabis

Licensing Authority (CLA) for cultivation, processing and retailing; Global Canna Labs, the first tier three licensed operator by the CLA to cultivate over five acres of land; and Jamaica Red Moon Limited, a CLA licensed operator, with a 500-acre property, that is seeking to expand its current complement of greenhouses.





“Macs
Pharmaceuticals
& Cosmetics Ltd
state-of-the-art
manufacturing
facility commenced
operations
producing **IV fluid,
nasal drops, and
eye drops.**”

Manufacturing

This year, players within the sector were most focused on accessing new markets. Some notable companies that JAMPRO was instrumental in facilitating the growth of their business were:

- **HoneyVera** - The company acquired its own manufacturing facility in Trelawny and expanded their product line to include a men's hair and skincare line. The company is in active dialogue with Walmart to get its products into stores. They have also acquired a distributor in the USA. HoneyVera is currently part of the Export Max III programme.
- **Macs Pharmaceuticals & Cosmetics Ltd** - Macs Pharmaceuticals state-of-the-art manufacturing facility commenced operations producing IV fluid, nasal drops, and eye drops. It is the first of its kind in the Caribbean. JAMPRO provided support to the building of the manufacturing facility.
- **Free Form Factory** - Free Form Factory is currently supplying the Cuban market with aluminum hydroxide for water purification. This evolved from a contract secured via the participation in Feria Internacional de Habana (FIHAV) in Havana, Cuba as part of a JAMPRO delegation.

In the fourth quarter of the fiscal year, with the onset of the COVID-19 pandemic, manufacturers in the chemicals and cosmetics industries gained new opportunities for increased production and sale of products such as hand sanitizers, rubbing alcohol, hydrogen peroxide, pharmaceuticals and household cleaning items. There was a marked increase in enquiries to JAMPRO originating both locally and overseas for personal protective equipment (PPE) - primarily masks and gowns.



One of JAMPRO's strategic responses to the pandemic was to increase facilitation and business matchmaking services. This contributed to the sector's capacity to take advantage of the opportunities that arose from the pandemic.

Mining

Despite setbacks throughout the year, Mining continued to be a substantial contributor to economic growth. During the fiscal year, mining companies prioritized the upgrading of facilities and reducing environmental degradation resulting from operations. Jiuquan Iron and Steel Company (JISCO)/ Alpart alumina refinery is currently implementing upgrades valued at US\$85.4 million.

Phibion, an Australian company, established operations in Jamaica to manage the bauxite waste from the production of alumina and is currently providing this service at the JAMALCO Refinery. The company manufactures the state-of-the-art MudMaster (Twin Archimedes Screw Tractors). These machines remove water from tailings (red mud) that can be recycled to the refineries. Use of the MudMaster allows for reduced environmental impact including dust issues.

The Limestone Value Chain Analysis (Feasibility Study & Roadmap) was advanced. Funded by the World Bank under the Foundation for Competitiveness for Growth Project (FCGP), the analysis aimed to determine the readiness level of Jamaican companies to manufacture value-added products from limestone, following the exploratory study that was conducted in 2013. PricewaterhouseCoopers (PwC), Jamaica was awarded the contract and was tasked to producing a number of assessments including a business case for producing value-added limestone products in Jamaica, and a feasibility study, which identified up to six (6) viable limestone value-added products for investment promotion packaging.

To support the development of the feasibility study, a 'Limestone Opportunities Networking Forum' was conducted during National Minerals Week on November 19, 2019. The sensitization sessions, as required under the Limestone Value Chain Analysis

contract, provided an opportunity for sharing the findings on the global limestone industry, which indicated that there is a high and growing demand for limestone globally. The presentation also highlighted Jamaica's position on the global limestone platform as a major potential supplier of the product.





Energy

The fiscal year comprised a mix of companies investing in the diversification of energy sources and the development of some interesting projects. One such project was the Paradise Park Solar Farm operated by Eight Rivers Energy Company. The US\$65 million project, executed a 20-year power purchase agreement with the Jamaica Public Service Company (JPSCo.) for the purchase of renewable energy, allowing more power from renewable energy to be available for distribution via the national grid.

This was a landmark event in Jamaica's bid to diversify its energy source and enhance the energy mix of the country. JAMPRO was instrumental in the facilitation of this project by intervening with their productive input relief application with the Jamaica Customs Agency to ensure they were granted the appropriate tax treatment afforded to other renewable energy plants.

Other projects included New Fortress Energy (NFE), that commissioned its US\$120 million LNG-powered 150MW plant developed at JAMALCO in October 2019 and the JPSCo. US\$27 million hybrid energy storage facility at the Hunts Bay Power Plant Substation commissioned in November 2019. The project involved the construction of a 24.5MW facility.

During the 2020 - 2021 fiscal year, focus will be placed on driving critical energy investments upon the promulgation of the Integrated Resource Plan (IRP), focusing on renewable energy and developing strategies to attract investment opportunities to achieve the GOJ's renewable energy target by 2037.

Film, Animation and Music



Jamaica's creative economy showed signs of the growth potential long projected for the film, animation, and music sectors, based on our competitive advantage. Despite the unexpected industry contraction following the completion of the Bond 25 film in the previous financial year, the industry has shown resilience through the animation sector. This was demonstrated through the successes of the recently completed Business of Sustainability for Studios (BOSS) programme, and the Jamaica Film and Television Association (JAFTA) Propella programme, that rebounded after a year-long hiatus with a sponsorship injection from new private and public sector partners. Together, these developments position the screen-based economy for more significant growth in the upcoming year.

Limited audience consumption opportunities locally required that distribution markets be sought abroad. In order to enable the local film industry to create

export-worthy projects that will find these markets outside of Jamaica, as well as prepare the local industry for providing international services, there is need for a focus on the universalisation of content, upskilling at the basic screenwriting stages, and understanding international business models. These needs are being addressed through the delivery of our signature programmes – JAF TA Propella and Film Lab, with the impact becoming evident in the recently concluded BOSS programme.

The BOSS programme contributed to the development of established production studios and nurtured creative entrepreneurs to grow their businesses into sustainable and profitable production and animation entities. Recent successes of programme participants such as Liquid Light Digital and Listen Mi Caribbean, have established a growing interest in animation as a career. Training of animators in the numerous aspects of 2D and 3D

animation has been actively pursued in Jamaica over the past several years and has been bolstered by the World Bank-funded Youth Employment in Digital and Animation Industries (YEDAI) Project. Additionally, the cadre of creative entrepreneurs is rapidly increasing due to greater access to an entrepreneurship lifestyle and digital resources. The growth of existing local animation studios is critical to achieving the objective of building the industry and creating new employment opportunities for youth.

Notable achievements within the sector during the fiscal year include:

- JAMPRO led a national delegation of five (5) filmmakers to the Cannes International Film Festival. The short film 'Flight', whose production was financed through the JAFTA Propella programme, was featured in the Short Film Corner and won best short film at the Diversity in Cannes event. The Film Commission partnered with the Pavilion Afrique to deliver three (3) speaking engagements on the growth, value and opportunities in the Jamaica film industry.
- Through the Export Max programme, Liquid Light digital secured contracts with Toonz and Xentrix Toons to collaborate on outsourcing projects and has recently secured two investors through the Branson Centre Accelerator Programme.
- ListenMi Caribbean, an animation studio was selected as MipTV 2020 Producers to Watch

and featured in the 'What's in the pipeline' section of the Kidscreen Magazine October Edition. Much of this success has been attributed to the support provided to ListenMi through the BOSS programme – specifically in terms of Intellectual Property (IP) development training and market attendance.

- JAMPRO hosted high-profile productions, including Gold Cup 2019, The Real Housewives of New Jersey, Growing Up Hip- Hop, the Steppa music video by Jamaican artiste Buju Banton, and the Royalty music video by XXXTENTACION, Ky-Mani Marley, Stefflon Don & Vybz Kartel.
- The top transactional productions included the Reggae Sumfest (J\$205,500,000) production, a Paypal/Xoom commercial (J\$53,053,704) and the CONCACAF Gold Cup 2019 Live Broadcast (J\$27,720,000).



ListenMi Caribbean Animation Studio Secures Deal with HBO

Local Animation Studio, ListenMi Caribbean secured a deal with Sesame Street to produce an animated short film 'D is for dress up' for the 50th anniversary series.

IMPROVING JAMAICA'S COMPETITIVENESS

Sector Development Initiatives



Agribusiness Strategy

In early 2019 JAMPRO initiated the development of a National Five-Year Agribusiness Strategy. The strategy comprises programmes and activities designed to address the challenges inhibiting the expansion of the agribusiness industry. It was included in the development of a ten-year sector plan being led by the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAFA), and provides a framework for action for the Food Security and Agribusiness Council's (FSAC) response to the COVID-19 pandemic. The Ministry established the FSAC to drive the application of the policy. It will be led by Minister Floyd Green and JAMPRO will act as Secretariat.

Manufacturing Strategy

Further to work undertaken in the previous fiscal year in the development of a draft Manufacturing Strategy, advancements were made with receiving comments from select stakeholders, such as the Ministry of Foreign Affairs and Foreign Trade, Planning Institute of Jamaica, and Ministry of Finance and Public Sector. Subsequent submission was made to MICAFA, that will prepare the Cabinet Submission to accompany the strategy. It is expected that submission will be made to the Cabinet in the upcoming fiscal year.

Medical Tourism Policy

During the first half of the FY 2019-20, the draft Medical Tourism Green Paper was again validated based on comments received by MICAFA, the Ministry of Health & Wellness (MoHW), the Ministry of Tourism (MOT), Jamaica Tourist Board (JTB), Tourism Product Development Company (TPDCO), Bureau of Standards Jamaica (BSJ) and the Medical Council of Jamaica. This was in a bid to update the draft Green Paper and Cabinet Submission to finalise requirements for handover to the MoHW, that is now the responsible entity for the advancement and subsequent implementation of the policy.

Jamaica Screen Fund Initiative

Following submission to the Public Investment Management Committee (PIMC), the chair, the Honourable Nigel Clarke, agreed to the initiative, noting however, that its structure and operation would require revision of funding from the Consolidated Fund rather than operating independently. The concept was redesigned and presented to key stakeholders (Development Bank of Jamaica and Jamaica Business Development Corporation) to secure no objection to the revision. The initiative was also renamed from the Film Fund to the Jamaica Screen Fund Initiative. Work will continue in FY2020/21 to advance the initiative.

Global Services Sector Project (GSSP)

During the fiscal year, a series of stakeholder consultations were executed to create awareness around the GSSP to secure stakeholder buy-in and generate a clear understanding of its scope. As the main executing agency for Component Two of the

project, key milestones were met to advance the project, including:

- Hosting of the project's first promotional event in October 2019 dubbed "*The Future of Work: The Outsourcing Industry 4.0.*" The event created awareness of the GSSP and the opportunities available to the Jamaican workforce;
- Participation in the World Bank's supervisory mission in quarter two;
- Training in the scrum project management approach in quarter four to assist JAMPRO and the other GSSP partners to better manage the project; and
- Revision of the concept for an Accelerator, as well as Outsourcing & Innovation Incubators to create a Technology Innovation District that will revolutionize the way in which support is provided to the industry.



(L-R) Dr. the Hon Nigel Clarke, Minister of Finance and the Public Service, and Adriana La Valley, Chief of Operations at the Inter-American Development Bank, IDB, listen to Diane Edwards, President of JAMPRO after the official signing ceremony for the Global Services Skills agreement. The ceremony was hosted today, January 24, 2019 at the Ministry of Finance and the Public Service in Kingston.

The contract for the **National Outsourcing Coordinator (NOC)** ended in December 2019 and was extended to the end of the fiscal year to facilitate the continued work within the outsourcing industry – focusing primarily on training and real estate needs. In the case of training, the NOC served as JAMPRO's representative on the Global Services Sector Board (GSSB) responsible for addressing the training needs of the industry and continued to work with various developers to advance and remove the bottlenecks affecting the build out of office space.

An analysis of the **digital global services sector** was also commissioned, which will segue into the development of a strategy to guide the growth of Jamaica's sector to compete effectively in the global services sector. The gap analysis report will explore global trends and assess the gap in Jamaica's position and capabilities, vis-à-vis where the country ought to be in the global sphere of the global services sector.

Special Economic Zone (SEZ)- Business Process Outsourcing Industries Regulatory Reform

Based on the challenges faced by the Business Process Outsourcing Industry in relation to accessing incentives provided by the Special Economic Zone regime, it was determined that the creation of a carve-out for the BPO sector within SEZ could be an important step towards encouraging growth within the industry. To this extent, a consultancy was undertaken to explore the need for a carve-out within the SEZ regime for the sector within the context of the wider Global Services Sector

Project. Following consultations with several key industry players, including the Special Economic Zone Authority, recommendations for changes to the SEZ legislation and administrative processes were developed and accepted by major private sector stakeholders. The finalisation of an implementation plan by the Authority to enact the practical incentive regime for the BPO sector will be closely monitored by JAMPRO.

Other Policy Interventions:

As part of its role in driving Jamaica's economic development, JAMPRO undertook several policy interventions to enhance the business environment for investors and exporters. This included policy interventions in relation to fiscal incentives, trade facilitation, trade policy, visa policy (recommending the introduction a new category of visas specifically for the investors), amendments to the Casino Gaming (Integrated Resort Development) Act, issuance of bond waivers and ascension to the Istanbul Convention (ATA Carnet).

"JAMPRO undertook several policy interventions to enhance the business environment for investors and exporters."

BUSINESS ENVIRONMENT INITIATIVES



National Investment Policy

The draft Green Paper for the National Investment Policy (NIP) made significant progress during the fiscal year. Key among these was the development of a budget, implementation timelines, the insertion of section for environmental considerations as well as feedback from various government stakeholders prior to its advancement to the Office of the Cabinet.

Additionally, steps were taken to advance three (3) recommendations of the NIP, namely: (i) defining priority projects, (ii) Divestment Policy including the divestment of crown lands, and (iii) addressing the gaps in Public-Private Partnership (PPP). While the first two were advanced, unfortunately, the latter matter was not addressed and will be taken up in the upcoming new fiscal year.

National Business Portal

The National Business Portal (NBP) complements the NIP. Significant achievements were recorded in both Phases One and Two of the Project with some work also undertaken towards Phase Three.

Phase One:

- The content of the Portal was finalized and submitted to eGov to facilitate uploading to the live portal environment. The hosting contract with eGov is expected to be finalised within the first quarter of FY 2020/2021 and will see eGov hosting the site and providing technical support for two years, gratis.
- A total of 16 MoUs were signed with business facilitation partners/MDAs, including the participants in Phase Two of the project.
- In January 2020, a Cabinet Note was prepared and submitted to MICAF for comments.

Phase Two:

- Eight business processes were re-engineered, namely the Productive Input Relief for Health, Tourism, Manufacturing, Agribusiness and Creative Industries along with Cannabis Licensing, Divestment of Crown Lands and Registering a Pharmaceutical Products. The As-Is Reports and To Be reports were finalised during the period with each entity providing sign-off on the documents presented. This phase was financed by the World Bank under the Foundations for Competitiveness and Growth Project (FCGP).

Phase Three:

- Given the responses from potential Phase 3 bidders to the initial request for Expression of Interest, it was determined that a more robust set of documents were needed to ensure a successful procurement process. This will see the creation of revised Functional, Non-Functional, and Technical Requirements as well as a Terms of Reference. Phase three has been put on hold until the completion of Phase two of the project.

“A total of 16 MoUs were signed with business facilitation partners/MDAs, including the participants in Phase Two of the project.”

National Export Strategy (NES) II

Work continued with the consultancy to assess the impact of the NES. It was highlighted that many government entities were not aware of their implementing responsibility under the Strategy. The ITES stakeholders were included in the survey to ensure that the lessons learnt from that sector would be captured in the report. It is anticipated that, when completed, the report will inform the work of the Export Working Group of the Ministry of Industry, Commerce, Agriculture & Fisheries (MICAF) and chaired by Min. Floyd Green.

National Competitiveness Council (NCC)

The 'Ease of Doing Business' in Jamaica is an integral condition for the competitiveness of industries and Jamaica as an investment destination. The effort to improve the processes and resources related to this also contribute to Jamaica's continued rise in the Doing Business Report (DBR) rankings.

In the DBR 2020 report, published in October 2019, Jamaica's ranking rose slightly to 71st from 75th. Reforms in respect of the reduction in the transfer tax and stamp duty for land transactions, as well as provision of statistics on the Supreme Court's website were particularly valuable to the gains made.

Other enhancements to the business environment include:

- The launch of the Electronic Business Registration Form (eBRF) in October 2019;
- Finalisation of the National Spatial Plan based on comments from stakeholder consultations in March 2020;
- Launch of the pilot for the Jamaica Development Applications Portal (JDAP) in February 2020;
- Advancement of the drafting instructions to revise the land titling legislative framework to support electronic land titling; and
- Advancement of the Port Community System to facilitate the pilot of the Trucker Appointment Systems, and training took place for the submission of the export manifest in the fourth quarter.



The Most Honourable Prime Minister, Andrew Holness ON, MP (right) speaks to JAMPRO President, Diane Edwards at the NCC annual general meeting.



(L-R) The Honourable Daryl Vaz, MP, Minister without Portfolio in the Ministry of Economic Growth and Job Creation; Silvia Carolina Lopez Rocha, Development Economics Vice Presidency, World Bank Group; Dr. the Honourable Nigel Clarke, MP, Minister of Finance and the Public Service; Julie Ryan, Global Indicators Group, Development Economics, World Bank Group; The Honourable Floyd Green, MP, Minister of State in the Ministry of Industry, Commerce and Agriculture, and Diane Edwards, President of JAMPRO, speak after the 8th staging of the Business Environment Reform Roundtable, which was hosted by the National Competitiveness Council (NCC) at the Jamaica Pegasus Hotel in Kingston on May 9, 2019.

Additional advancements made throughout the year included:

- Technical working groups were created for six (6) indicators geared towards propelling the country to top ten ranking in the DBR.
- Two sub-committees of the Council were established. The Communications Sub-Committee was created to develop and manage the execution of communication campaigns to publicise the work of the Council and its implementing agencies; and the Productivity Sub-Committee

was established at the request of JAMPRO Board of Directors to identify factors of productivity, which is to inform reforms beyond the business environment.

- The Secretariat, housed within JAMPRO, was instrumental in lobbying for the approval of an extension and additional financing of the Foundations for Competitiveness & Growth Project (FCGP); specifically, to Component One, which focuses on the Business Environment.

Foundations for Competitiveness & Growth Project (FCGP)

During the year in review, the primary focus was on expediting the implementation of the various projects within Component One's (enhancing competition in the business environment) portfolio of the project. The project was scheduled to come to an end in June 2020, however, approval was received for an extension of twenty-four (24) additional months. A Cabinet Submission was prepared for the approval for additional financing amounting to US\$15 million. The World Bank is expected to provide US\$10 million with the remainder coming from the Consolidated Fund. The additional financing will be used to expand the reforms that had commenced under the first execution of FCGP, as well as tackle new areas that require funding and/or technical assistance.

By the end of the fiscal year, Component One was able to significantly advance its projects and so improve its performance vis-à-vis its results matrix. Key achievements include:

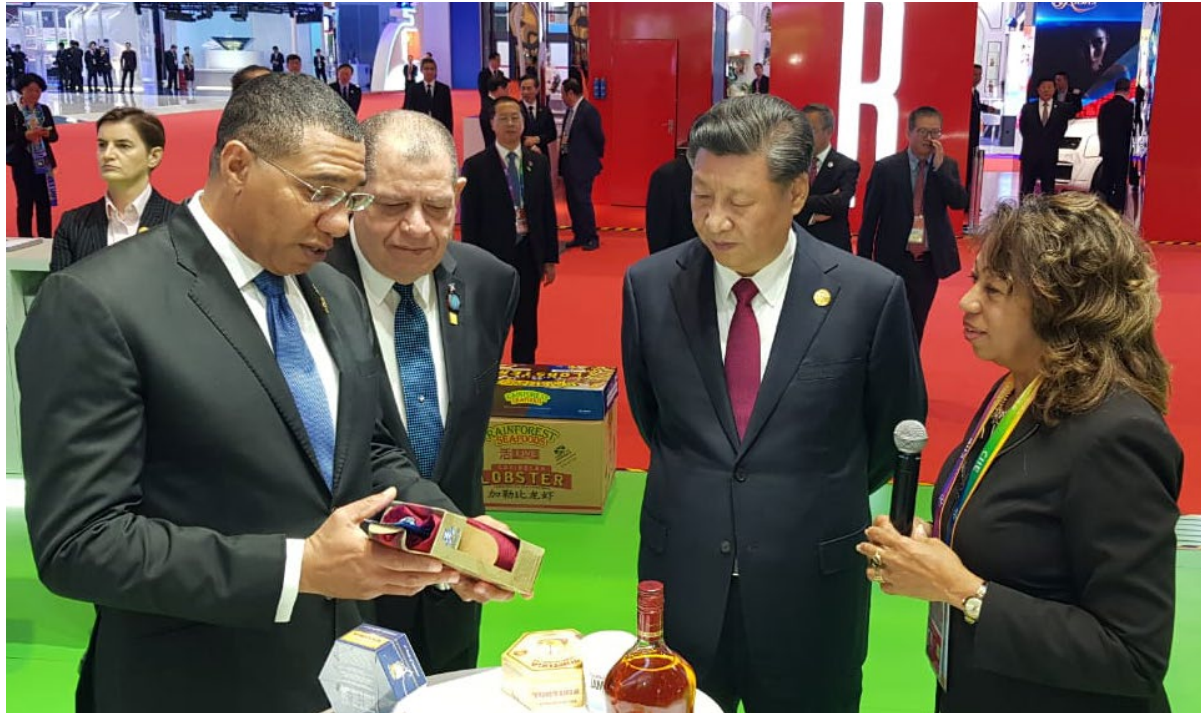
- Successful launch of the pilot for Jamaica Development Applications Portal (JDAP) that will allow developers to electronically submit, pay and monitor their building applications and environmental permits. At the end of the fiscal year seven (7) applications were processed by the system.
- Secured US\$300,000 for Export Max III that will allow the project to support exporters to secure new markets. As at March 2020, some twenty-eight (28) exporters had exported products with the support of the project.
- Re-engineered eight processes under the National Business Portal Phase Two consultancy that will result in more streamlined experience when applying for fiscal incentives and cannabis licences.
- Advancement of the development of the National Spatial Plan IT platform to create the tool to be used improve the way in which development decisions are made.
- Facilitated the preparation of the drafting instructions to give effect to eland titling in Jamaica. The project also supported consultancies designed to improve the capacity of the National Land Agency (NLA) to introduce the new paperless regime.
- Contracts were awarded for the Business Process Review and Re-Engineering for the Kingston & St. Andrew, St. Ann & St. James pilot Municipal Corporations and related agencies. The output of these consultancies is critical to the full roll-out of the programme to the other eleven (11) MCs.

MAJOR EVENTS AND SIGNATURE PROGRAMMES



Events

China International Import Expo



Jamaica Selected as Guest Country of Honour at the 2019 Staging of CIIE

A delegation led by the Most Honourable Andrew Holness participated in the annual China International Import Expo (CIIE), where Jamaica was selected as a guest country of honour at the 2019 staging. The Expo enabled JAMPRO to promote trade and local investment opportunities across various sectors to China's public and private sectors.

The CIIE was held from November 5-10, 2019 in Shanghai, China. It is one of the world's only import-themed national-level expos. The event was hosted by the Ministry of Commerce of China and the Shanghai Municipal Government. Jamaica was named one of the five (5) countries of honour participating in the Expo. Jamaica's delegation was led by the Most Honourable Andrew Holness and comprised the Hon. Audley Shaw – Minister of Industry,

Commerce, Agriculture and Fisheries (MICAFA), the Hon. Kamina Johnson-Smith - Minister of Foreign Affairs and Foreign Trade (MFAFT), and JAMPRO representatives, Diane Edwards - President, and Gabriel Heron - Vice President of Marketing.

The theme of Jamaica's Pavilion was "Experience Jamaica...Do Business Jamaica", which allowed JAMPRO to promote Jamaica's key business/

investment opportunities as well as display key Jamaican products available for export.

JAMPRO generated one investment lead, three export leads for Jamaican Green Bean Coffee as well as three qualified export leads for Jamaican Rum, coming out of Jamaica's participation in the CIIE.

Caribbean Hotel Investment Conference and Operations Summit (CHICOS)



Jamaica Successfully Hosted Record Breaking CHICOS Attendance!

JAMPRO in partnership with the Apple Leisure Group and HVS hosted the 9th edition of the Caribbean Hotel Investment Conference and Operations Summit (CHICOS) in November 2019. CHICOS is one of the primary fora in the region for the discussion of relevant and timely hospitality development issues. The conference for the first time had a record-breaking attendance of 325 participants.

Two major announcements were made at the conference from the Karisma Hotels and Resorts and the Amatererra Group. Karisma Hotels and Resorts broke ground for its Sugarcane Bay multi-resort development and the Amatererra Jamaica Group partnered with Marriott International to develop Marriott's first all-inclusive property on the island.

Events

The 8th Biennial Jamaica Diaspora Conference

JAMPRO capitalized on the 8th staging of the Jamaica Diaspora Conference by hosting a programme dubbed “Discover Business Jamaica”. Both events were held from June 16-20, 2019. The Discover Business Jamaica programme targeted influential members of the Jamaican Diaspora, while the main Diaspora Conference targeted Diaspora members in general.

Members of the Jamaican Diaspora in the USA were invited to learn more about the business opportunities available in Jamaica. Several meetings were prearranged for the clients, based on their areas of interest. The purpose of this initiative was two-fold; it provided JAMPRO the opportunity to message potential investors and buyers while encouraging them to share the message with persons within their professional circles.

International Ministerial Roadshow

JAMPRO participated in a Ministerial Mission lead by the Honourable Minister Audley Shaw to Pennsylvania April 25-27, 2019. The mission, co-sponsored by the Jamaica Tourist Board, was centered on the 124th staging of Penn Relay games in Philadelphia. A Doing Business with Jamaica luncheon was executed with potential investors targeted for the Tourism, Logistics, BPO, Agro-Industries, Film and Animation sectors. Twelve leads were generated which have potential for further development in Jamaica.



Programmes

Export Max III

Export Max III Programme takes Flight!

An MoU signing ceremony was held for the third cohort (Export Max III) in December 2019 with 48 companies coming on board for the journey to grow their businesses. The programme is being executed in collaboration with JBDC and JMEA and main sponsors PIOJ/FCGP, BSJ and Scotia Group. Over the three years of the programme, it is expected that there will be a 50% average growth in export sales for the participating companies.



Honourable Floyd Green, Minister of State in the Ministry of Industry, Commerce, Agriculture and Fisheries (centre), is flanked by representatives from the selected companies for the Export Max III export development programme. The announcement was made on December 10, 2019, at the Jamaica Pegasus Hotel. The program aims to help the companies achieve at least 50% average growth in export sales over 3 years.

Export Max III seeks to build on the achievements of Export Max I and II and was expanded to target 50 Jamaican exporters and export-ready companies with capacity building and market penetration supports. Export Max III for the first time, includes companies in the creative economy. The purpose of the programme is to enable the companies to be competitively positioned to take advantage of market opportunities and ultimately make a greater contribution to the overall performance of the Jamaican economy. Key features of Export

Max include capacity building, export promotion, mentorship and business advocacy. Since the programme's commencement in November 2018, seventy (70) training events, seminars, missions and webinars have been completed and 131 new export orders contracts were generated by participating companies by end of March 2020.

Of note, was the execution of an inward buyer mission with PriceSmart International, where ten (10)

of the thirty-five (35) participating companies received orders from PriceSmart. This channel is potentially very lucrative for the participants and the JAMPRO will push to do further missions with this entity as the programme goes forward.



Cuba Market Development Programme

JAMPRO completed the execution of the third and final year of the 3-year Cuba Market Development Programme. This programme was geared towards building Jamaica's export presence in the Cuban market. Key to the success of this programme has been the engagement of strategically important stakeholders such as the EXIM Bank, the Cuban Chamber of Commerce, the Embassy of Jamaica in Cuba, the Cuban Embassy in Jamaica, the Ministry of Foreign Affairs and Foreign Trade (MFAFT) and local commercial interests.

“The program now has a waiting list of unfilled orders worth CA\$30 million up to the end of March 2020 when the programme ended.”

The programme's strategic focus was to continue to nurture the strong relationships built in the market over the past two years and support local companies in gaining approvals as suppliers to the market and securing orders from the Cuban buyers. The appointment of the Cuba in-market Broker was a success in driving new exports sales and saw the full utilization of the available line of credit which had to be increased twice during the period. Prior to this, the fund was underutilized. The program now has a waiting list of unfilled orders worth CA\$30 million up to the end of March 2020 when the programme ended.

As part of the programme, JAMPRO participated in the 37th staging of Feria Internacional de Habana (FIHAV) in Havana, Cuba in November 2019. The Jamaica delegation comprised seven manufacturing companies; three of which were new participants – Macs Pharmaceuticals, Orion

Manufacturing and Carita Jamaica. Strong interest was conveyed by the Cuban buyers and several opportunities emerged for joint venture partnerships in Agribusiness, Cosmetics, Pharmaceutical and Construction sectors.

A key success from this year's participation was the Cuban Government's approval of Free Form Factory as a supplier of construction materials, the first company in the Caribbean to secure this status. Other companies including GK Foods and Continental Baking Company received orders but have not been able to fulfil them as the line of credit arrangement for that market was exhausted. JAMPRO made several representatives, independently and in collaboration with the EXIM Bank, to MICAF and the Ministry of Finance and Public Service (MOFPS), for an expansion of the line. A final decision has not yet been made on this matter, which impacts any further continuation of the programme.

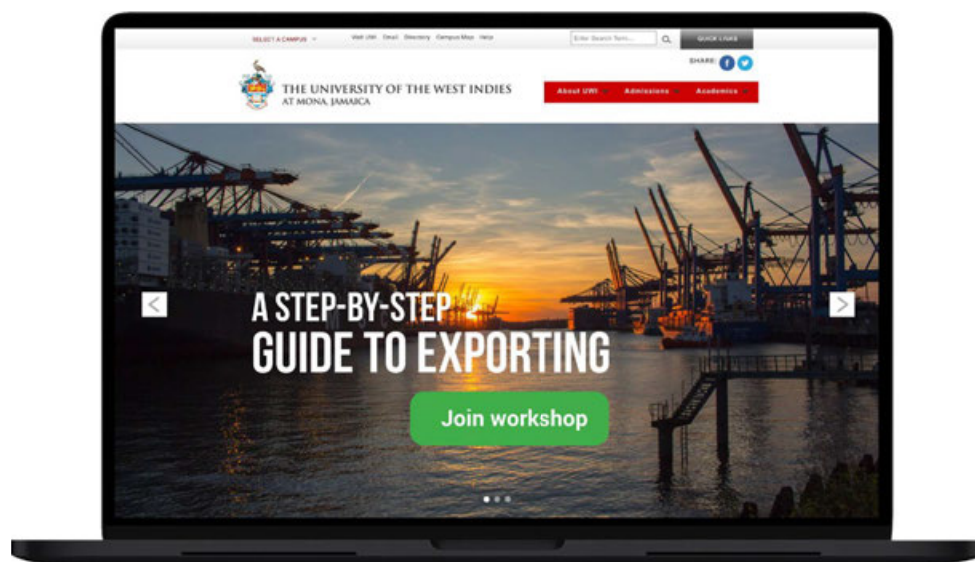
The Economic Diplomacy Programme

The Economic Diplomacy Programme (EDP) is a collaborative initiative between JAMPRO and MFAFT. The programme comprises a range of structured, scheduled activities, with the aim of enhancing communication, improving the sharing of market specific information as well as enabling a framework to facilitate engagement on activities implemented by all parties. An important aspect of Economic Diplomacy Programme will see the Diplomatic Missions and Consular Posts (DMCPs) equipped with "EDP Tools", which are a suite of current promotional material, such as PowerPoint Presentations, Videos, FAQs, brochures, artwork, and sector briefs.

The programme details have been finalised and the DMCPs have been briefed jointly by JAMPRO and MFAFT through five (5) sensitization sessions. The EDP initiative was slated to officially launch in the latter part of the fiscal year, however, the launch event was postponed due to the COVID-19 pandemic. JAMPRO will continue to work closely with MFAFT to engage the DMCPs and begin to execute the planned initiatives under the programme.

Programmes

JAMPRO/UWI Online Workshop: A Step-by-Step Guide to Exporting



A concept that was crafted in 2016 in partnership with the University of the West Indies Open Campus (UWIOC) finally bore fruit in the 2019-2020 fiscal year. The Step-by-Step Guide to Exporting Workshop forms part of JAMPRO's effort to boost the export readiness of local exporters. The workshop informed and empowered participants on how to navigate the export process, with the aim to increase the number of companies/individuals exporting. The online edition of A

Step-by-Step Guide to Exporting Workshop began on October 13, 2019 for a period of 8 weeks (but was extended to January 31, 2020); with a high level of interest from the public, 226 Expressions of Interest received at the launch of the workshop.

The first cohort consisted of ninety-one (91) active participants, with fifty-nine (59) persons, (65%) receiving certificates of participation having fulfilled the requirements for completing the

workshop. Thirty-seven (37) of the persons successfully completing the programme were Export Max III participants. Participants indicated that the content was relevant to their training needs and rated their overall programme experience as either excellent or good. Other persons are now eagerly waiting to participate in the next Cohort in the upcoming fiscal year.

MARKETING INITIATIVES



Country Brand Strategy

The Office of the Prime Minister (OPM), MFAFT and JAMPRO, have started the process to build out Jamaica's national brand to capitalize on both a local and broader global recognition than what currently exists. The initiative is led by the OPM with JAMPRO appointed as Technical Secretariat.

The following activities were implemented during the reporting period:

- Cabinet approved the submission for the Project;
- Technical Working Group (TWG) formed with key government agencies;
- JAMPRO appointed Technical Secretariat and chairs the TWG; and
- Request for Proposal prepared and reviewed for issuing in the upcoming fiscal year.

Corporate Awareness Campaign

During the second half of the year, JAMPRO launched a short Awareness Campaign for JAMPRO's investment and export services. The campaign ran for approximately six weeks on multiple digital platforms including Google, LinkedIn, Instagram, Twitter and Facebook and had great success with 860K impressions in total.

Airport Advertising

The organisation continued its thrust to actively promote the JAMPRO brand and Jamaica, as a business destination to audiences globally. This channel was identified for large format and digital advertising, to support the Do Business Jamaica campaign. Key locations in our local airports were identified to promote the overall campaign. The campaigns which were launched in the Norman Manley International Airport continued throughout the financial year; however, the Donald Sangster International Airport promotions were discontinued.

Corporate Website Redevelopment

DoBusinessJamaica.com

Through the services of an international web developer, WeUsThem, an updated online corporate identity was created, along with updated messaging and design, to clearly communicate JAMPRO's mission, story, various services, resources, and key business sectors. The website provides a seamless, easily navigated user experience. The website was designed with the main objective of being a lead generation tool for the Corporation.

The infographic below shows the key search engine optimization (SEO) indicators post website launch, that is, the bounce rate, pages per session and the time spent on each page.



KEY SEO INDICATORS POST WEBSITE LAUNCH

(Jan 2020 - March 2020 vs. Jan 2019 - March 2019)



46.9%

PAGES/SESSION

More pages are being viewed! The average number of pages viewed during a session increased by 46.9%.

-49.1%

BOUNCE RATE

More visitors are staying! The percentage of visitors that exit the website after viewing one page decreased by 49.17%.

2:22

TIME ON PAGE

Visitors are staying longer! Time spent on the website by an average user increased from 1:46 to 2:22. This is an important indicator of the fact that users are finding more relevant and engaging content on the website.

Sector Promotional Campaigns



The organisation shifted its mandate to a more sales-focused approach and initiatives were taken to equip and support the sales team for generating leads and closing investment and export projects with local and international stakeholders.

Key activities included:

- Updated sector presentations covering key highlights of each sector and available opportunities;
- Shortened sector videos to be used in paid digital campaigns;
- Reviewed and updated FAQs for each sector;
- Updated sector-related information – including articles and press releases; and
- Designed image library per sector.

International PR Initiatives

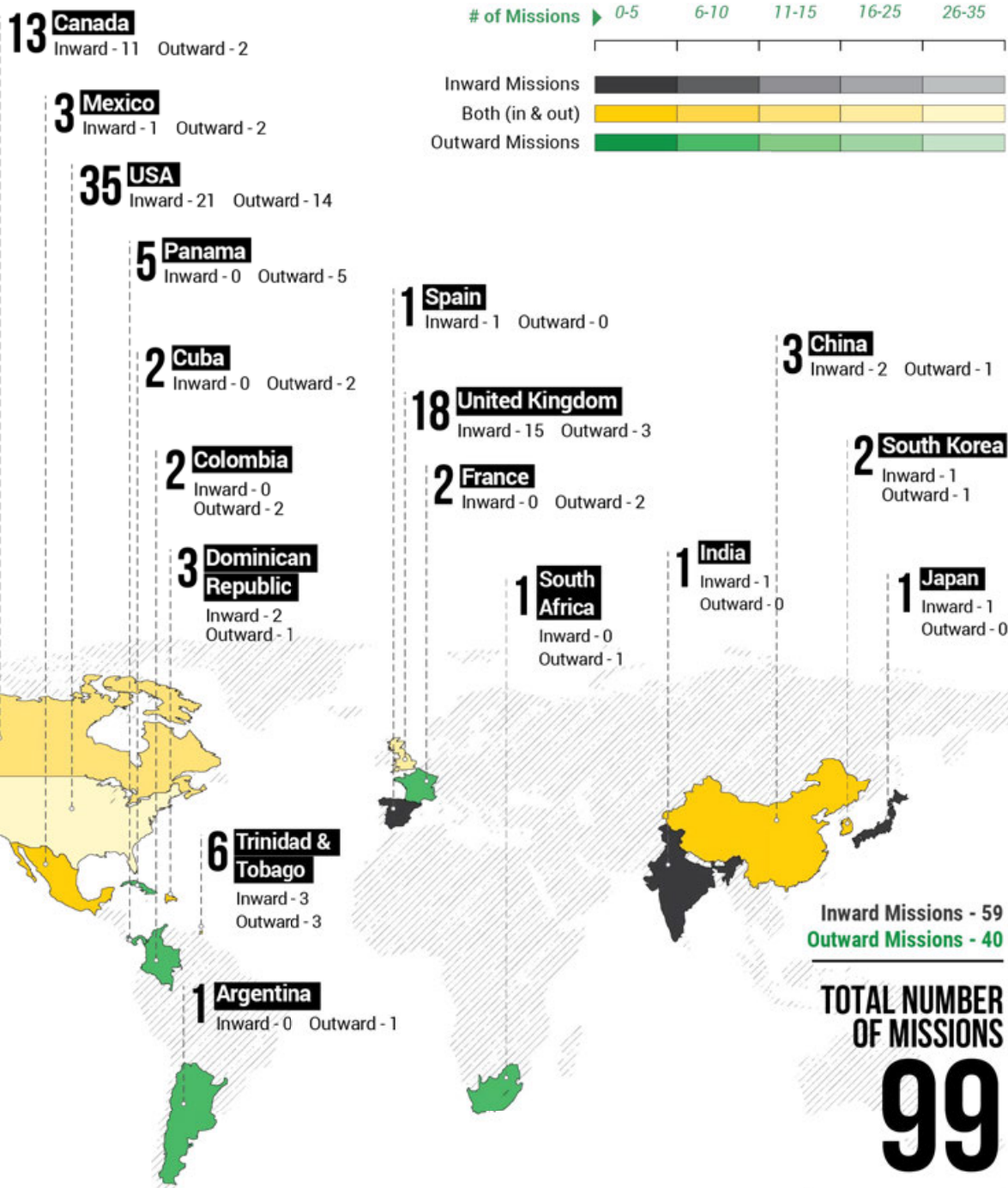
To advance Jamaica's business profile, the Corporation identified the following publications for placement of ads to support the Do Business Jamaica marketing programme:

- Japan Times
- FDI Intelligence
- Hotel Management (online ad)
- Site Selection Investment Profile
- China Central Television (for CIIE in November)
- Seatrade Maritime Review

MARKET ACTIVATIONS

Overall, the organisation engaged in 99 missions across 17 countries.

Inward Missions – 59 | Outward Missions – 40



ORGANISATIONAL DEVELOPMENT

JAMPRO's focus for the review period was increasing efficiency. Several initiatives in this regard were implemented and realised notable results. However, it was when the Corporation was forced to close in March due to the COVID-19 pandemic that the extent of the value of the new tools and systems became clear. Key initiatives include the:

- Development of a work from home policy and workplace safety protocols;
- Movement of key JAMPRO services and data stores online, with remote access, such as client relationship management system, purchase requisition system (implemented in FY2018/2019 but improved upon in FY2019/2020);
- Provision of approximately 60% of employees with smartphones that have sufficient memory and processing power to access the Microsoft Office suite on the go and enable remote work where persons did not have a JAMPRO issued laptop;
- Introduction of fortiAP and virtual private network (VPN). FortiAP devices, when plugged into home internet connections, provide network ports that connect staff directly to the JAMPRO network in the Head Office and allow staff members to access all the corporate network services that they would have access to within the office. Similarly, the VPN allows staff to connect to the corporate network remotely whenever necessary;
- New service desk application that allows departments to submit service request among themselves according to service agreements and track same;
- Implementation of PBX queuing management software in our Contact Management Center (CMC) which offers 'call center' type services to the Corporation; and
- Increased water storage capacity to serve the building.



Human Resource Development

This year staff development initiatives were aimed at improving the work environment and the reward systems. Some of the main initiatives were:

- Introduced Value Selling Methodology to the Sales and Promotion and Marketing teams.
- Enhanced the Change Management programme in the areas of onboarding.
- Redesigned the Performance Management instrument to encourage culture change as part of the Change Management exercise.
- Initiated a succession planning system.
- Continued the work of the Culture Ambassadors, who focus on areas of values integration, on-boarding and the buddy system.

The Corporation will continue the drive to facilitate remote working, improvement of knowledge management, work productivity and staff satisfaction levels.

BOARD OF DIRECTORS' REPORT

Overview

The Corporation is governed by a Board of Directors appointed by the Portfolio Minister. The Board of Directors continues to support the GOJ Ten Dimensions of Good Board Performance and to drive excellence in corporate governance for the Corporation. The Board remained on course in its strategic direction of the Corporation with its approval of the Corporation's four (4)- year Strategic Business Plan for the FY 2020/2021 - FY 2023/2024. With the onset of the COVID-19 pandemic, it was imperative for the Board of Directors, that the Corporation play a leadership role and increase its efforts in attracting investment to Jamaica and local direct investment in keeping with its mandate to drive Jamaica's economic growth. Under the direction of the Board of Directors, the Corporation rearranged its priority sectors with key focus now being on the Agricultural Sector and the Global Services Sector.

The Board of Directors through its Marketing and Projects Sub-Committee oversaw the Corporation's website redesign and development and was pleased with the unveiling of the new website <https://dobusinessjamaica.com> geared towards greater client and investor engagement and lead generation.

The Board of Directors is keen on achieving a Top 10 ranking in the World Bank Doing Business Report and has supported the Corporation's initiatives to achieve Jamaica's upward movement in ranking.

In FY 2019/2020, there was a new appointment to the Board of Directors. Mr. Christian Tavares Finson joined the Board of Directors in July 2019 bringing to the Board his legal expertise in commercial and conveyancing law. Ms. Deborah Newland resigned from the Board of Directors in June 2019.

The Board of Directors provides strategic guidance on key areas through four Sub-Committees. The Sub-Committees include at least two Board members and with the option, through the Board of Directors, for additional non-Board members, to serve as members on the Committee. Compensation for the additional Sub-Committee members totalled J\$77,800.

Marketing and Projects

The Marketing and Projects Sub-Committee (MPSC) of the Board of Directors is responsible for providing strategic oversight in the area of marketing, corporate communications, sales and promotions to support the Corporation's Strategic Plan. The committee's main activities were driven by these key strategic objectives:

- to build global business relationships
- to build Jamaica's business brand through a global nation branding strategy
- to create greater awareness for the Corporation both locally and internationally.

A key project, that the MPSC oversaw was the redesign and development of the Corporation's new website, <https://dobusinessjamaica.com>. Given JAMPRO's mandate, it was necessary for the Corporation to have a website that was interactive with both local and international investors, geared to drive and generate leads for exports and investment. The MPSC is committed to monitoring and evaluating the performance of the website as the Corporation seeks to penetrate new markets.

In addition, the MPSC provided general guidance to the Marketing Division on its notable initiatives, namely:

- Corporate Awareness Campaign
- Jamaica Blue Mountain Campaign being undertaken with the Jamaica Coffee Exporters Association and the Jamaica Commodities Regulatory Authority
- China Import International Expo (CIIE) - Penetration of the Chinese market to drive exports and the establishment of the China Task Force.

- Nation Branding Initiative
- Digital Marketing Strategy
- Global Services Sector activations
- Export Max III
- Amatterra Group Ground-breaking Event and Investor meeting
- Outsource to the Caribbean
- Europe Engagement – Marketing Mission
- Jamaica International Expo
- Caribbean Hotel Investment Conference & Operational Summit (CHICOS)

The Marketing and Projects Sub-Committee consists of four (4) voting members Zachary Harding (Chairperson), Yoni Epstein (Director), Gillian Wilkinson McDaniel (Director) and Delano Seiveright (Director). Non-Voting members of the Committee are Diane Edwards (President), Gabriel Heron, (Vice President – Marketing Division), Norman Naar (Vice President, Sales and Promotions Division), Keneshia Nooks, (Manager – Integrated Marketing Communications Dept - resigned September 2019) and Arlyn Gordon (Corporate Secretary).

Audit

The Audit Sub-Committee of the Board gives direct oversight to the auditing functions of the Corporation and assists the Board in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, the effectiveness of the risk management and internal control system and related governance and compliance matters. The Sub-Committee also has responsibility for making a recommendation to the Board on the appointment of the external auditor.

During the Fiscal Year 2019-2020, the Audit Sub-Committee reviewed several initiatives including the automation of the Corporation's Purchase Requisition and Purchase Order system to ensure its integrity and functionality, the improvements to the Orange HR automated system to generate timely information and the improvement to the submission process for motor vehicle allowances payable to relevant officers. A key priority area for the Audit Sub-Committee was the critical review of the audited figures relating to the Corporation's achievements of its Corporate and Divisional targets. The Audit Sub-Committee assesses the actual achievements against the Board's established Corporate and Divisional targets. The Sub-Committee was also responsible for ensuring the Corporation's compliance with the various Laws, Regulations and Internal Policies relating to the areas of Compliance, Procurement, Collections and Disbursements. The oversight also extended to

the timely and efficient management of staff remuneration and benefits. For the review period, JAMPRO was compliant with all statutory and regulatory requirements and ended the financial year with an achievement of all corporate targets.

The membership for the Audit Sub-Committee for FY 2019-2020 included: Yoni Epstein (Chairman), Ian K. Levy (Director), Dr. Andre Gordon, (Director) and Douglas Robinson, (Sub-Committee Member). Non-Voting Members included Diane Edwards (President), Wendy Lyttle Pryce (Vice President – Finance and Corporate Services), Errol Barnaby (Financial Controller resigned June 2019), Audrey Mattis (newly appointed Financial Controller), Dianne Graveney (Internal Auditor) and Arlyn Gordon (Corporate Secretary).

Finance and Procurement



The Finance and Procurement Sub-Committee of the Board (FPSC) supports the Board of Directors in the oversight of the Finance and Procurement functions of the Corporation. The FPSC monitors JAMPRO's Fiduciary and Treasury functions, Budgeting, Optimization of Assets, Procurement, Cost Containment, Internal Control and Risk Management. The FPSC also ensures that the Corporation operates within established financial regulations.

During FY 2019-2020, the FPSC continued to monitor JAMPRO's expenditure to ensure that there was alignment with the Corporation's mandate of the promotion of investment, exports and other facilitations to achieve economic growth. The FPSC ensured that:

- i. The Corporation's financial system was adequately monitored.
- ii. The budget reports and any significant variances were thoroughly reviewed and analysed.
- iii. The procurement processes were in line with GOJ Procurement Policy and Procedures.

- iv. The Corporation's Budget with approved Estimates of Expenditure was optimized.
- v. The most strategic application of the Corporation's Treasury and Cash Management activities (especially funds held on Fixed Deposits) were undertaken.

One of the key areas of focus for the FPSC in 2019-2020 was the monitoring of the Agency's transition to energy efficient lighting and cooling systems. The FPSC's oversight of the procurement for this endeavour helped the Agency achieve cost savings and ensure value for money from acquisitions. The Committee also continued its drive to lead the Agency to increase the use of locally produced goods and services.

The active membership of the FPSC for FY 2019-2020 was Metry Seaga (Chair), Lennox Channer (Sub-Committee Member), Heather Lee (Sub-Committee Member) and Diane Edwards (President). Non-Voting Members included Wendy Lyttle Pryce (Vice President - Finance and Corporate Services) and Arlyn Gordon (Corporate Secretary).

Human Resources

During the 2019-2020 fiscal year, the HR Sub-Committee (HRSC) of the Board provided valuable direction in the review of the succession process and enabled the Agency to confidently pursue its human resources medium and long-term development goals.

The review of the Succession Plan focused on executive and managerial positions and allowed the HRSC to assess the readiness of each candidate in the talent pool to provide guidance on the most appropriate approach for their development. The Committee encouraged a more aggressive approach to the development of candidates that will more effectively strengthen areas identified for improvement. The main recommendations from the HRSC were mentorship by the Board of Directors, rotation in Divisions and, secondment to Private Sector companies.

These measures will enhance the candidates' skill sets and provide an opportunity for exposure to the post identified for succession. The Committee also led the interview panel for the selection of the Vice President for the Sales and Promotions Division, the renewal of the President's contract and two (2) Executive Managers. JAMPRO made requests to the Ministry of Finance and the Public Service for an upgrade of several posts. The HRSC continues to monitor the Ministry's response.



The active voting members of the Human Resources Sub-Committee for FY 2019-2020 were Lisa Soares Lewis (Chairperson), Christopher Williams (Director) and Gary Sadler (Director). Deborah Newland (Director) resigned in June 2019. Non-Voting members were Diane Edwards (President), Wendy Lyttle Pryce (Vice President – Finance and Corporate Services), Jennifer Williams (Manager, Human Resources Department) and Arlyn Gordon (Corporate Secretary).

BOARD OF DIRECTORS' COMPENSATION TABLE

Name	Position	Type of Director	Length of Service	Area of Expertise	FY Board Meeting Attendance	FY Sub-Committee Attendance	Compensation (J\$)
Senator Don G. Wehby, C.D.	Chairman	Independent Non-Executive	3 years, 11 months	Manufacturing, Financial Services and Agribusiness	7 of 8 meetings	-	148,000
Metry Seaga	Deputy Chairman Chairperson, Finance & Procurement Sub-Committee	Independent Non-Executive	3 years, 11 months	Manufacturing	7 of 8 meetings	4 of 4 meetings	121,500
Yoni Epstein	Director Chairperson, Audit Sub-Committee, Member Marketing and Projects Sub-Committee	Independent Non-Executive	3 years, 11 months	Business Process Outsourcing	7 of 8 meetings	3 of 5 (MPSC) meetings 5 of 5 (ASC Meetings)	168,100
Zachary Harding	Director Chairperson, Marketing and Projects Sub-Committee	Independent Non-Executive	3 years, 11 months	Marketing and Finance	8 of 8 meetings	5 of 5 meetings	154,500
Lisa Soares Lewis	Director Chairperson, Human Resources Sub-Committee	Independent Non-Executive	3 years, 11 months	Human Resources	7 of 8 meetings	1 of 1 meeting	97,250
Christopher Williams	Director Member, Human Resources Sub-Committee	Independent Non-Executive	3 years, 11 months	Financial Services and Real Estate	6 of 8 meetings	1 of 1 meeting	60,550

Name	Position	Type of Director	Length of Service	Area of Expertise	FY Board Meeting Attendance	FY Sub-Committee Attendance	Compensation (J\$)
Gary Sadler, O.D.	Director Member, Human Resources Sub-Committee	Independent Non-Executive	3 years, 11 months	Tourism	4 of 8 meetings	1 of 1 meeting	49,550
Ian K. Levy, O.D., C.D.	Director Member, Audit Sub-Committee	Independent Non-Executive	3 years, 11 months	Construction, Real Estate and Gaming	5 of 8 meetings	4 of 5 meetings	81,000
Delano Seiveright	Director Member, Marketing and Projects Sub-Committee	Independent Non-Executive Director	1 year, 11 months	Tourism	4 of 8 meetings	2 of 5 meetings	77,100
Gillian Wilkinson McDaniel	Director Member, Marketing and Projects Sub-Committee	Independent Non-Executive Director	1 year, 11 months	Culture and Investment	7 of 8 meetings	5 of 5 meetings	110,300
Dr. Andre Gordon	Director, Member, Audit Sub-Committee.	Independent Non-Executive Director	1 year, 11 months	Agriculture	3 of 8 meetings	3 of 5 meetings	92,000
Christian Tavares-Finson	Director	Independent Non-Executive Director	9 months	Legal	2 of 4 meetings		22,000

EXECUTIVE MANAGEMENT TEAM COMPENSATION TABLE

Position of Senior Executive	Year	Basic Salary (\$)	Gratuity & Performance Incentive (\$)	Traveling Allowance/ Assigned Motor Vehicle (\$)	Retirement Benefits (\$)	Other Allowances & Payments (\$)	Health & Group Life Insurance (\$)	Total (\$)
President	2019/2020	9,569,760	3,349,416	1,806,492	41,250	-	340,341	15,107,259
VP - Finance & Corporate Services	2019/2020	6,913,959	2,765,584	1,019,177	41,250	1,380,677	276,845	12,397,492
VP - Research Advocacy & Project Implementation	2019/2020	6,913,959	2,419,886	918,251	41,250	531,843	381,505	11,206,694
VP - Sales and Promotion (Acting)	Apr.1, 2019 - Nov 8, 2019	3,589,938	1,256,478	1,027,717	24,063	136,450	292,114	6,326,761
VP - Sales and Promotion	Nov 11, 2019 - Mar 31, 2020	2,716,198	950,669	538,165	17,188	-	97,980	4,320,200
VP – Marketing	2019/2020	6,246,546	2,186,291	1,011,712	41,250	-	369,949	9,855,748
TOTAL		35,950,360	12,928,324	6,321,514	206,250	2,048,971	1,758,735	59,214,153

STRATEGIC FOCUS FY 2020/2021

Though the Corporation embarked on the development of a new four-year strategic business plan (FY2020/2021-2023/2024); the advent of the COVID-19 pandemic, will see the organisation pivoting and adjusting its strategy, especially for year one FY2020-2021. With foreign direct investment projected to decline by 30%-40% based on analysis from the United Nations Conference on Trade and Development, UNCTAD, the Corporation will have to be more focused and deliberate in making out business connections; while also being nimble and agile enough to take advantage of emerging opportunities.

Over the course of the FY 2020/2021 the Corporation will seek to:

- Engage in direct targeting of investors and buyers
- Increase web-based engagements: executing sector-based webinars, participating in and hosting online investment/export conferences
- Advance the Business Reform Agenda towards achieving top ten placement in the Doing Business Report
- Advance the National Investment Policy and National Business Portal

- Drive the implementation of strategic projects
- Implement the Prime Account Management Strategy
- Advance work to develop the Nation Brand Strategy
- Execute SME and sector development programmes
- Execute the Economic Diplomacy Programme
- Continue the execution of the Global Services Sector Project
- Implement the National Agriculture and Manufacturing strategies;
- Enhance corporate efficiency, client servicing and staff development

JAMPRO will continue its thrust towards driving investments and exports while working with other agencies to improve trade and investment structures. The intensification of efforts in the areas of marketing, forming strategic partnerships and improving business competitiveness will see the organisation positively contributing to national development.

AUDITED FINANCIAL STATEMENTS

Commentary on Financial Statements

For the fiscal year ended March 31, 2020, JAMPRO received Gross Operating Revenue of J\$913.9 million compared to the fiscal year ended March 31, 2019 in which J\$914.2 million was received. This reflected a decrease of 0.03% over the previous year. During the fiscal year, JAMPRO received J\$855.3 million in Government Grants which represents 93.6% of Gross Operating Revenue.

Operating Expenses totalled J\$876.6 million comprising Promotional of J\$224.9 million, Staff Related J\$532.4 million and General & Administrative of J\$119.3 million. Total Operating Surplus for the year was J\$40.3 million. When adjusted to reflect the Defined Benefit Pension Plan of J\$191.3 million, the Total Comprehensive Income for the year was J\$231.6 million.

“For the fiscal year ended March 31, 2020, JAMPRO received **Gross Operating Revenue of J\$913.9 million...**”

INDEPENDENT AUDITOR'S REPORT

To the Members of Jamaica Promotions Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jamaica Promotions Corporation (the "Corporation"), which comprise the statement of financial position as at 31 March 2020 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 March 2020, and of the Corporation's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the Jamaica Promotions Corporation Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management and the Board of Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS, and for such internal control as Management and the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management and the Board of Directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and the Board of Directors either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

The Corporation's Board of Directors are responsible for overseeing the financial reporting process.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of Jamaica Promotions Corporation (Continued)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Corporation's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of Jamaica Promotions Corporation (Continued)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Additional Matters as required by the Jamaica Promotions Corporation Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaica Promotions Corporation Act in the manner so required.

Ernst & Young
Ernst & Young
Chartered Accountants
Kingston, Jamaica

14 July 2020

JAMAICA PROMOTIONS CORPORATION

STATEMENT OF FINANCIAL POSITION


AS AT 31 MARCH 2020


(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	3	112,732,734	20,134,997
Securities purchased under resale agreements	3	141,173,359	130,870,221
Trade and other receivables	4	23,440,607	45,896,799
		<u>277,346,700</u>	<u>196,902,017</u>
CURRENT LIABILITIES			
Trade and other payables	5	256,688,918	218,549,799
Grant received in advance	6	9,203,019	9,024,863
Deferred income	10	-	2,087,199
		<u>265,891,937</u>	<u>229,661,861</u>
NET CURRENT ASSETS/(LIABILITIES)		11,454,763	(32,759,844)
NON- CURRENT ASSETS			
Property & equipment	7	176,423,632	180,754,447
Employee benefit asset	8	403,770,000	212,066,000
		<u>580,193,632</u>	<u>392,820,447</u>
		<u>591,648,395</u>	<u>360,060,603</u>
FINANCED BY:			
ACCUMULATED SURPLUS		394,018,709	162,430,917
CAPITAL RESERVES	9	197,629,686	197,629,686
		<u>591,648,395</u>	<u>360,060,603</u>

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 14 July 2020 and signed on its behalf by:


 Don Wehby - Chairman


 Diane Edwards - President

JAMAICA PROMOTIONS CORPORATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 \$	2019 \$
Gross operating revenue	11	913,943,184	914,218,535
Operating expenses:			
Promotional	12(i)	224,898,524	273,651,982
Staff-related	12(ii)	532,378,703	505,202,411
General and administrative	12(iii)	119,278,448	125,651,528
		876,555,675	904,505,921
Operating surplus for the year		37,387,509	9,712,614
Other income:			
Interest income		1,168,833	1,660,052
Miscellaneous income		1,698,450	37,000
Surplus for the year		40,254,792	11,409,666
Other comprehensive income/(loss):			
Items that will never be reclassified to profit or loss			
Re-measurement gain/(loss) on defined benefit plan	8(iv)	191,333,000	(90,763,000)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		231,587,792	(79,353,334)

The accompanying notes form an integral part of these financial statements.

JAMAICA PROMOTIONS CORPORATION

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2020

(Expressed in Jamaica dollars unless otherwise indicated)

	Accumulated surplus	Capital reserve	Total
	\$	\$	\$
Balances at 1 April 2018	241,784,251	197,629,686	439,413,937
Surplus for the year	11,409,666	-	11,409,666
Other comprehensive loss: Remeasurement loss on defined benefit plan	(90,763,000)	-	(90,763,000)
Total comprehensive loss for the year	(79,353,334)	-	(79,353,334)
Balances at 31 March 2019	162,430,917	197,629,686	360,060,603
Surplus for the year	40,254,792	-	40,254,792
Other comprehensive income: Remeasurement gain on defined benefit plan	191,333,000	-	191,333,000
Total comprehensive income for the year	231,587,792	-	231,587,792
Balances at 31 March 2020	394,018,709	197,629,686	591,648,395

The accompanying notes form an integral part of these financial statements.

JAMAICA PROMOTIONS CORPORATION

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2020

(Expressed in Jamaica dollars unless otherwise indicated)

	Notes	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		40,254,792	11,409,666
Adjustments for:			
Depreciation	7, 12(iii)	18,857,819	19,763,702
Loss on disposal of fixed assets	12(iii)	2,227,511	-
Employee benefits	8(i)	339,000	(2,548,000)
Amortisation of deferred income	10, 11(iii)	(2,087,199)	(12,607,880)
Interest income		(1,168,833)	(1,660,052)
		58,423,090	14,357,436
Decrease/(Increase) in a trade and other receivables		22,456,192	(24,528,836)
Increase/(Decrease) in trade and other payables and grants received in advance		38,317,275	(2,552,664)
Employer portion- contributions paid	8 (i)	(710,000)	(670,000)
Net cash provided by/(used in) operating activities		118,486,557	(13,394,064)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property & equipment	7	(16,754,515)	(27,984,433)
Interest received		1,168,833	1,660,052
Securities purchased under resale Agreements (net)		(10,303,138)	3,743,398
Net cash used in investing activities		(25,888,820)	(22,580,983)
Net increase/(decrease) in cash and cash equivalents		92,597,737	(35,975,047)
Cash and cash equivalents at beginning of year		20,134,997	56,110,044
CASH AND CASH EQUIVLENTS AT END OF YEAR	3	112,732,734	20,134,997

The accompanying notes form an integral part of these financial statements.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

(Expressed in Jamaican dollars unless otherwise stated)

1. IDENTIFICATION AND PRINCIPAL ACTIVITY

Jamaica Promotions Corporation (the "Corporation") was established on 26 April 1990 as a Statutory Corporation under the Jamaica Promotions Corporation Act ("the Act") with the objectives of stimulating, facilitating and promoting the development of trade and industry, export trade and investment activities in all sectors of the Jamaican economy. The Corporation is incorporated and domiciled in Jamaica with its registered office located at 18 Trafalgar Road, Kingston 10, Jamaica.

The Corporation is exempted from income tax, customs duty, stamp duties and transfer taxes under the provision of the Jamaica Promotions Corporation Act 1990.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

(b) Basis of preparation:

The financial statements are presented in Jamaica dollars and are prepared on the historical cost basis.

New, revised and amended standards and interpretations that became effective during the year

Certain new, revised and amended standards and interpretations which were in issue came into effect for the current year. Although these new standards and amendments were applied for the first time in 2020, except for the extent of additional disclosures, they did not have a material impact on the annual financial statements of the Corporation. The pronouncements were effective from 1 April 2019, unless otherwise indicated.

The following new, revised and amended standards and interpretations are mandatory for the Corporation's accounting period beginning on or after 1 April 2019:

New, revised and amended standards and interpretations that became effective during the year but are not applicable to the Corporation***IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28***

The amendments address the conflict between IFRS 10 *Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3 *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. This amendment did not have any impact on the financial statements of the Corporation. This amendment is effective for annual periods beginning on or after 1 January 2019.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New, revised and amended standards and interpretations that became effective during the year but are not applicable to the Corporation (continued)

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have any significant impact for leases where the Corporation is the lessor. The Corporation did not have any contracts in which they are the lessee.

This standard is effective for annual periods beginning on or after 1 January 2019. This standard is not applicable to the financial statements of the Corporation.

Amendments to IFRS 9 Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The basis for conclusions to the amendments clarified that the early termination can result from a contractual term or from an event outside the control of the parties to the contract, such as a change in law or regulation leading to the early termination of the contract.

The amendments must be applied retrospectively; earlier application is permitted. The amendment provides specific transition provisions if it is only applied in 2019 rather than in 2018 with the remainder of IFRS 9. The amendments are effective for annual periods beginning on or after 1 January 2019. These amendments did not have any impact on the Corporation's financial statements.

Amendments to IAS 28 Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

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(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New, revised and amended standards and interpretations that became effective during the year but are not applicable to the Corporation (continued)

Amendments to IAS 28 Long-term interests in associates and joint ventures (continued)

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 "Investments in Associates and Joint Ventures".

The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted. Since the Corporation does not have such long-term interests in its associate and joint venture, this amendment did not have any impact on the Corporation's financial statements.

Amendments to IAS 19 Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted. These amendments did not have any impact on the financial statements.

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New, revised and amended standards and interpretations that became effective during the year but are not applicable to the Corporation (continued)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The interpretation did not have any impact on the Corporation's financial statements.

Annual Improvements 2015-2017 Cycle

The amendments from the 2015-2017 annual improvements cycle are as follows:

- IFRS 3 Business Combinations (Previously held Interests in a joint operation) - (effective 1 January 2019)
- IFRS 11 Joint Arrangements (Previously held Interests in a joint operation) - (effective 1 January 2019)
- IAS 12 Income Taxes (Income tax consequences of payments on financial instruments classified as equity) - (effective 1 January 2019)
- IAS 23 Borrowing Costs (Borrowing costs eligible for capitalization) - (effective 1 January 2019)

These amendments did not have any impact on the financial statements of the Corporation.

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New standards, revised or amended standards that are not yet effective and have not been early adopted by the Corporation

IFRS 3 Business Combination - Definition of a Business - Amendments to IFRS 3

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 with earlier application permitted. The amendments are not expected to have any impact on the financial statements of the Corporation.

IFRS 17 Insurance Contracts

The standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of the financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity.

IFRS 17 is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. This standard is not applicable to the Corporation.

IAS 1 and IAS 8 - Definition of Material - Amendments to IAS 1 and IAS 8

The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The amendments are effective for annual periods beginning on or after 1 January 2020 and the impact of the adoption of this amendment on the financial statements of the Corporation is being assessed.

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New standards, revised or amended standards that are not yet effective and have not been early adopted by the Corporation (continued)

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard. Its purpose is to assist the IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020. The amendments are not expected to have any impact on the financial statements of the Corporation.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

Right to defer settlement

The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date.

Existence at the end of the reporting period

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

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(Expressed in Jamaican dollars unless otherwise stated)

2 STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New standards, revised or amended standards that are not yet effective and have not been early adopted by the Corporation (continued)

Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (continued)

Management expectations

IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance.

Meaning of the term 'settlement'

The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.

Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.

In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current. Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent 'settlement'. The Corporation will assess the impact of this amendment for adoption at the effective date.

(c) Estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. A revision to accounting estimate is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2020****(Expressed in Jamaican dollars unless otherwise stated)****2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(c) Estimates and judgements (Continued):**

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimate with a significant risk of material adjustment in the next financial year are discussed below:

Pension and other post-employment benefits:

The amounts recognised in the statement of financial position, profit or loss and other comprehensive income for pension and other post-employment benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets and the discount rate used to determine the present value of estimated future cash flows required to settle the pension.

The expected return on net plan assets considers the long-term historical returns, asset allocation and future estimates of long-term investment returns. The discount rate is determined based on the estimate of yields on long-term government securities that have maturity dates approximating the terms of the Corporation's obligation, in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. Any changes in these assumptions will affect the amounts recorded in the financial statements for these obligations. (Note 8).

(d) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances including short term deposits that have an original maturity of between one and three months.

(e) Securities purchased under resale agreements (resale agreements):

Securities purchased under resale agreements are short-term transactions in which the Corporation makes funds available to other parties and in turn receives securities which it agrees to resell on a specified date at a specified price. Resale agreements are accounted for as short-term collateralised lending. The difference between the purchase and resale price is treated as interest and accrued over the lives of the agreements.

(f) Trade and other receivables:

Trade and other receivables are measured at amortised cost, less impairment losses. Interest is not recognized on these amounts as it is immaterial in amount.

(g) Trade and other payables and accrued charges:

Trade and other payables and accrued charges are measured at amortised cost. No interest is charged on outstanding balances as these are settled within a twelve-month period.

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NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Jamaican dollars unless otherwise stated)

2 STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property & equipment:

Property & equipment are measured at cost or deemed cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of the day-to-day servicing of property & equipment is recognised in profit or loss.

(i) Depreciation:

Property & equipment, with the exception of land, on which no depreciation is charged, are depreciated on the straight-line basis at annual rates estimated to write off the cost of the assets net of their residual values over their expected useful lives. The depreciation rates are as follows:

Buildings	2½%
Furniture and equipment	10%
Computers	20%
Motor vehicles	20%

The depreciation methods, useful lives and residual values are reassessed at the reporting date.

(j) Foreign currencies:

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Corporation operates ('the functional currency'). The financial statements are presented in Jamaican dollars which is the Corporation's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Jamaica dollars at the rates of exchange ruling on that date. Gains and losses arising from fluctuations in exchange rates are recognised in profit or loss.

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2020****(Expressed in Jamaican dollars unless otherwise stated)****2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(k) Employee benefits:**

Employee benefits comprise all forms of consideration given by the Corporation in exchange for service rendered by employees. These include current or short-term benefits such as salaries, National Insurance Scheme contributions paid, annual unused vacation, and non-monetary benefits, such as medical care; post-employment benefits, such as pension; other long-term employee benefits such as long service awards; and termination benefits.

(i) General benefits:

Employee benefits that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and are expensed as the related service is provided.

The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave. Post-employment benefits are accounted for as described in paragraph (ii) below. Other long-term benefits, including termination benefits, which arise when either: (1) the employer decides to terminate an employee's employment before the normal retirement date; or (2) an employee decides to accept voluntary redundancy in exchange for termination benefits, are accrued as they are earned and charged as an expense, unless not considered material, in which case they are charged when the payment is made.

(ii) Defined benefit pension plan:

In respect of defined-benefit arrangements, employee benefits, comprising pensions and other post-employment assets, and obligations included in the financial statements are determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations are conducted in accordance with IAS 19, and the financial statements reflect the Corporation's post-employment benefit assets and obligations as computed by the actuary. In carrying out their audit, the auditors rely on the work of the actuary and the actuary's report.

The Corporation's net obligation in respect of the defined-benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and any unrecognised past service costs and the fair value of plan assets are deducted. The discount rate is the yield at the reporting date on long-term government securities that have maturity dates approximating the terms of the Corporation's obligations. The calculation is performed by an independent qualified actuary using the Projected Unit Credit Method. When the calculation results in a benefit to the Corporation, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2020****(Expressed in Jamaican dollars unless otherwise stated)****2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(k) Employee benefits (Continued):****(ii) Defined benefit pension plan (continued):**

Remeasurements of the net defined benefit liability/(asset), which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI).

The Corporation determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expense related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when the plan is curtailed, the resulting change in benefit that relates to the past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Corporation recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(l) Provisions:

A provision is recognised in the statement of financial position when the Corporation has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(m) Related parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements.

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) Has control or joint control over the reporting entity;
- (ii) Has significant influence over the reporting entity; or
- (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2020****(Expressed in Jamaican dollars unless otherwise stated)****2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(m) Related parties (Continued):****(b) An entity is related to a reporting entity if any of the following conditions applies:**

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity or any member of a group of which it is a part, provides key management services to the Corporation.
- (ix) A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(n) Financial instruments:

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include cash and cash equivalents, securities purchased under resale agreements and accounts receivable. Similarly, financial liabilities include accounts payable.

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2020****(Expressed in Jamaican dollars unless otherwise stated)****2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(n) Financial instruments (Continued):****Financial assets**

Financial assets are classified, at initial recognition at fair value, and subsequently measured at amortized cost. This classification depends on the financial assets contractual cash flow characteristics and the Corporation's business model of managing them. For a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This is referred to as the SPPI test and is performed at an instrument level.

The Corporation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace and are recognized on the trade date.

Financial assets are subsequently measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized costs are subsequently measured using the effective interest rate method and are subject to impairment. Gains or losses are recognized in profit or loss when the asset is recognized or impaired.

(a) *Impairment of financial assets*

The Corporation assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Corporation expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Financial instruments (Continued):

Financial assets (continued)

(a) *Impairment of financial assets (continued)*

For trade receivables, the Corporation applies a simplified approach in calculating ECLs. Therefore, the Corporation does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Corporation has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(b) *Derecognition of financial assets*

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognize the financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities of the Corporation are classified as other financial liabilities.

Other financial liabilities are initially measured at fair values net of transaction costs and subsequently measured at amortised cost using the effective interest rate method.

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Financial liabilities and equity instruments (continued)

Income is recognised on an effective interest rate basis for debt instruments.

Derecognition of financial liabilities

The Corporation derecognises financial liability when the Corporation's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in surplus.

(o) Deferred income:

Where property & equipment are received as gifts from, or acquired out of funds granted by donors, the amount of the grant, determined by the cash received or, in the case of gifts in kind, the fair value of the asset received, is credited to deferred income.

An amount equivalent to the depreciation charged on the property & equipment in the financial year is transferred from deferred income to profit or loss.

(p) Revenue recognition:

Government subventions are accounted for when received as revenue, in the profit and loss in the period that matches the related expense.

Government and other grants received are deferred where the grant is represented by property & equipment. Annual transfers, equivalent to depreciation charged on property & equipment funded by a grant, are made from the deferred income account to the statement of profit or loss and other comprehensive income [see Note 2(o)].

For grants received and ear-marked for use to carry out a particular project, these funds are recorded as deferred income when received and are recognized as income in the profit or loss, when the expenditure is incurred in the profit or loss for the same project.

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2020****(Expressed in Jamaican dollars unless otherwise stated)****2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(p) Revenue recognition (Continued):**

Finance income comprises interest receivable on surplus funds invested during the course of routine treasury management and foreign exchange gains and losses recognised in profit or loss. Interest income is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

Rental income earned from the property owned by the Corporation, is recognised as revenue in the profit or loss on a straight-line basis over the lease term.

(q) Determination of surplus:

Surplus is determined as the difference between the revenues from the services rendered and the costs and other charges incurred during the year.

(r) Current versus non-current classification:

The Corporation presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is either:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when either:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

(s) Fair value disclosures:

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Some financial instruments lack an available trading market. These instruments have been valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

(Expressed in Jamaican dollars unless otherwise stated)

3. CASH AND CASH EQUIVALENTS AND SECURITIES PURCHASED UNDER RESALE AGREEMENTS

(a)

	2020 \$	2019 \$
Cash at bank	112,245,033	19,529,414
Cash on hand	<u>487,701</u>	<u>605,583</u>
	<u>112,732,734</u>	<u>20,134,997</u>

Interest is earned on Euro dollar bank balances at an average rate of 0.004% per annum (2019: 0.004%) and for United States dollar bank balances at an average rate of 0.01% per annum (2019: 0.01%).

Bank balances held in United States dollars, Pound Sterling, Euro and Canadian dollars respectively as at 31 March 2020 are as follows: US\$98,310, £5,043, €2,765 and CAD\$6,600 (2019: US\$56,242, £11,844, €2,449 and CAD\$15,555).

(b)

	2020 \$	2019 \$
Securities purchased under resale agreements – JMD	45,136,537	47,372,945
Securities purchased under resale agreements – USD	<u>96,036,822</u>	<u>83,497,276</u>
	<u>141,173,359</u>	<u>130,870,221</u>

Interest is earned on Jamaica dollar deposit balances at an average rate of 3.50% per annum (2019: 1.83%) and for United States dollar deposit balances at an average rate of 1.65% per annum (2019: 1.22%).

Deposit balances held in United States dollars for the year ended 31 March 2020 amount to US\$724,656 (2019: US\$675,689). These deposits will mature within one month after the year end.

Underlying securities such as Government of Jamaica Bonds, Government of Bermuda Bonds, Government of Aruba Bonds and certain Corporate Bonds are held as collateral for securities purchased under resale agreement as at 31 March 2020 amounting to US\$634,553 and JM\$57,563,689 (2019: US\$675,689 and JM\$47,373,130).

(c) Included in securities purchased under resale agreements are the following amounts that were received in respect of specific projects:

- (i) JM\$27,346,867 (2019: JM\$20,166,345) received for specified investment promotion activities, for The Jamaica International Financial Services Authority (JIFSA), formerly International Financial Services Centre Project (IFSC) [see Note 5 (i)]. This amount is only to be used to carry out this project and is included as a part of the securities purchased under resale agreements figure above.
- (ii) JM\$4,381,306 (2019: JM\$4,381,306) received for specified investment promotion activities [see Note 5(iii)]. This amount is only to be used to carry out this project and is included as a part of the securities purchased under resale agreements figure above.

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2020****(Expressed in Jamaican dollars unless otherwise stated)****3. CASH AND CASH EQUIVALENTS AND SECURITIES PURCHASED UNDER RESALE AGREEMENTS (CONTINUED)**

- (c) Included in securities purchased under resale agreements are the following amounts that were received in respect of specific projects (continued):
- (iii) JM\$9,203,019 (2019: JM\$9,024,863) placed on deposit in the name of the Corporation, which relates to amounts received which now sits under the Ministry of Industry, Commerce Agriculture and Fisheries (MICAF) for aiding in the development of cultural art (see Note 6). Movement in balance represents interest earned during the year. This amount is only to be used to carry out this project and is included as a part of the securities purchased under resale agreements figure above.
 - (iv) Nil (2019: JM\$2,087,199) received from Sponsors (JACRA & JCEA) - with respect to Sponsorship of the Coffee Specialty Trade Show during 11th - 14th April 2019 in the USA. (see Note 10). For the financial year ended 31 March 2019, this amount is only to be used to carry out this project and was included as a part of the cash at bank figure above.

4. TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
Prepaid expenses	6,706,000	3,725,536
CART Fund (i) (transferred to Trade & Other Payables)	-	15,032,189
Global Services Sector Project (GSSP) (ii)	5,890,375	20,100,102
Other receivables (iii)	10,844,232	7,038,972
	<u>23,440,607</u>	<u>45,896,799</u>

- (i) The Corporation advanced funds on behalf of the CART Fund for specified investment promotion activities. This amount is reimbursed by the CART Fund for expenditure incurred on behalf of the project. The balance for current year has now been transferred to Trade and Other Payables as amount received from the Caribbean Development Bank (CDB) in excess of the amount owed in the prior year by \$1,195,374.
- (ii) These represent amounts due from the Global Services Sector Project (GSSP), for advanced payments made on behalf of the project as the Executing Agency for the Skills Development for Global Services, funded by the IDB loan.
- (iii) Included in Other Receivables is an amount of \$667,225 (2019: \$178,471) due from the Government of Jamaica relating to Statutory deductions recoverable (Accountant General).

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2020****(Expressed in Jamaican dollars unless otherwise stated)****5. TRADE AND OTHER PAYABLES**

	2020	2019
	\$	\$
Jamaica International Financial Services Authority (i)	27,346,867	20,166,345
Trade Payables	41,347,524	35,090,315
Export Max III Sponsorship (ii)	21,629,605	-
Garth Solutions Inc.	13,803,092	12,646,660
Clear Channel Airports	2,636,330	2,267,165
Business Environment Advisory Services	-	819,000
Accrued Expenses (Others)	9,862,040	22,324,325
Advertising Services	812,345	-
Online-database Development & Deployment	1,523,147	-
Caribbean Infrastructure Forum	947,736	-
Maintenance amount Owing to Tenants	1,012,923	-
Process Mapping Services	-	1,050,000
Staff Costs Payable	31,005,559	31,472,175
Incentives and Gratuities	70,488,323	61,502,872
CART Fund (see Note 4(i))	1,195,374	-
General Consumption Tax Payable	27,017,437	25,355,209
Other Payables (iii)	6,060,616	5,855,733
	<u>256,688,918</u>	<u>218,549,799</u>

- (i) This represents unspent accumulated amounts in respect of funds received from the Government of Jamaica and various sponsors to fund the Jamaica International Financial Services Authority (JIFSA) project.
- (ii) This represents balance remaining from sponsorship funds received to date to provide capacity building and export promotion support to 50 participating companies.
- (iii) Included in other payables is \$4,381,306 (2019: \$4,381,306) received in advance for specific investment promotions activities [see Note 3(c)(ii)].

6. GRANTS RECEIVED IN ADVANCE

These are unspent balances in respect of funds received from the Ministry of Industry, Commerce & Technology for aiding in the development of cultural art [see Note 3(c) (iii)].

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Jamaican dollars unless otherwise stated)

7. PROPERTY & EQUIPMENT

	Land and Buildings \$	Furniture Equipment and Computers \$	Motor Vehicles \$	Total \$
At cost or deemed cost:				
1 April 2018	203,693,292	134,063,240	32,245,137	370,001,669
Additions	8,764,922	15,380,367	3,839,144	27,984,433
31 March 2019	212,458,214	149,443,607	36,084,281	397,986,102
Additions	-	16,754,515	-	16,754,515
Disposals	-	(4,057,408)	(2,299,000)	(6,356,408)
31 March 2020	212,458,214	162,140,714	33,785,281	408,384,209
Depreciation:				
1 April 2018	80,640,886	111,521,703	5,305,364	197,467,953
Charge for the year	5,020,862	8,605,134	6,137,706	19,763,702
31 March 2019	85,661,748	120,126,837	11,443,070	217,231,655
Charge for the year	5,239,985	7,134,532	6,483,302	18,857,819
Disposals	-	(1,829,897)	(2,299,000)	(4,128,897)
31 March 2020	90,901,733	125,431,472	15,627,372	231,960,577
Net book values:				
31 March 2020	121,556,481	36,709,242	18,157,909	176,423,632
31 March 2019	126,796,466	29,316,770	24,641,211	180,754,447

8 EMPLOYEE BENEFIT ASSET

The Corporation operates a defined benefit pension plan for all permanent employees. The plan is funded by employee contributions of 5% of pensionable earnings, and employer contributions as recommended by independent actuaries. The plan allows all permanent employees to make voluntary contributions of up to 10% of annual pensionable earnings. Annual pension at retirement is based on the average annual rate of pensionable earnings for the last three years prior to retirement.

The Board of Trustees of the pension fund is comprised of representatives selected by the employer and members of the plan. The Board of Trustees of the pension fund is required by law to act in the interest of the fund and all relevant stakeholders.

The Plan's investment portfolio is managed by Sagicor Life Jamaica Limited and the fund administrator is Employee Benefits Administrator Limited.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

(Expressed in Jamaican dollars unless otherwise stated)

8 EMPLOYEE BENEFIT ASSET (CONTINUED)

Amounts recognised in the financial statements in respect of post-employment employee benefits comprise the following:

	2020 \$	2019 \$
Pension asset:		
Fair value of plan assets	1,959,089,000	2,096,448,000
Present value of defined benefit obligation	<u>(451,097,000)</u>	<u>(339,408,000)</u>
Net assets	1,507,992,000	1,757,040,000
Asset not recognised due to limitation in economic benefits	<u>(1,104,222,000)</u>	<u>(1,544,974,000)</u>
Asset recognized in the statement of financial position	<u>403,770,000</u>	<u>212,066,000</u>

Plan assets consist of the following:

	%	2020	%	2019
Pooled Equity Fund	18	365,224,000	19	384,627,000
Pooled Fixed Income Fund	6	112,931,000	5	105,608,000
Pooled Foreign Currency Fund	5	<u>102,085,000</u>	5	<u>99,881,000</u>
		580,240,000		590,116,000
Diversified Investment Fund	68	1,322,844,000	69	1,452,356,000
Ordinary shares	1	9,922,000	-	6,581,000
Purchased annuities	3	61,047,000	3	62,392,000
Net benefit adjustments	<u>(1)</u>	<u>(14,964,000)</u>	<u>(1)</u>	<u>(14,997,000)</u>
	<u>100</u>	<u>1,959,089,000</u>	<u>100</u>	<u>2,096,448,000</u>

The expected contributions to the plan for the twelve months ending 31 March 2021 amount to \$10,650,000.

Weighted average duration of obligation is approximately 33 years in 2020 and 32 years in 2019.

(i) Movements in the net asset recognised in the statement of financial position:

	2020 \$	2019 \$
Balance at beginning of year	212,066,000	299,611,000
Employer's contributions	710,000	670,000
Change recognised in profit or loss	(339,000)	2,548,000
Remeasurements gain/(loss) recognised in OCI	<u>191,333,000</u>	<u>(90,763,000)</u>
Balance at end of year	<u>403,770,000</u>	<u>212,066,000</u>

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

(Expressed in Jamaican dollars unless otherwise stated)

8. EMPLOYEE BENEFIT ASSET (CONTINUED)

(ii) Movement in plan assets:

	2020 \$	2019 \$
Fair value of plan assets as at 1 April	2,096,448,000	2,093,369,000
Contributions paid into the plan	9,928,000	9,217,000
Benefits paid by the plan	(29,461,000)	(16,663,000)
Interest income on plan assets	146,528,000	156,777,000
Value of annuities purchased	-	1,315,000
Remeasurement - changes in financial assumptions	2,035,000	2,012,000
Remeasurement - experience adjustments	(266,389,000)	(149,579,000)
Fair value of plan assets as at 31 March	<u>1,959,089,000</u>	<u>2,096,448,000</u>
Actual return on plan assets	-6%	0%

(iii) Change recognised in profit or loss:

	2020 \$	2019 \$
Current service costs	15,526,000	20,262,000
Interest on obligations	23,193,000	27,817,000
Expected return on plan assets	(146,528,000)	(156,777,000)
Interest on effect of the asset ceiling	108,148,000	106,150,000
	<u>339,000</u>	<u>(2,548,000)</u>

(iv) Items in other comprehensive income:

	2020 \$	2019 \$
Change in financial assumptions	32,158,000	37,745,000
Experience adjustments	(223,491,000)	53,018,000
	<u>(191,333,000)</u>	<u>90,763,000</u>

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Jamaican dollars unless otherwise stated)

8. EMPLOYEE BENEFIT ASSET (CONTINUED)

v) Present value funded obligation:

	2020	2019
	\$	\$
Present value of funded obligation at 1 April	339,408,000	378,425,000
Current service cost	15,526,000	20,262,000
Interest cost on defined benefit obligation	23,193,000	27,817,000
Members' contributions	9,218,000	8,547,000
Benefits paid	(29,461,000)	(16,663,000)
Value of annuities purchased	-	1,315,000
Remeasurement-changes in assumptions	34,193,000	39,757,000
Remeasurement-experience adjustments	59,020,000	(120,052,000)
Present value of defined benefit obligation at 31 March	<u>451,097,000</u>	<u>339,408,000</u>

(vi) Movement in effect of asset ceiling:

	2020	2019
	\$	\$
Effect of asset ceiling at 1 April	1,544,974,000	1,415,333,000
Interest on asset	108,148,000	106,150,000
Remeasurement effect	(548,900,000)	23,491,000
Effect of asset ceiling at 31 March	<u>1,104,222,000</u>	<u>1,544,974,000</u>

(vii) Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2020	2019
Discount rate	6.50%	7.00%
Pay growth	4.00%	3.00%
Pension increases	3.00%	3.00%
Administrative expenses (% of Salary)	2.00%	2.00%
Inflation	3.00%	3.00%
Minimum funding rate	<u>0.25%</u>	<u>0.25%</u>

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

(Expressed in Jamaican dollars unless otherwise stated)

8. EMPLOYEE BENEFIT ASSET (CONTINUED)

(viii) Sensitivity analysis:

The calculation of the projected obligation is sensitive to the assumptions used. The table below summaries how the defined benefit obligation measured at the end of the reporting period would have increased/decreased) as a result of a change in the assumptions by one percentage point. In preparing the analysis for each assumption, all other were held constant.

	2020		2019	
	1% Increase	1% Decrease	1% Increase	1% Decrease
	\$	\$	\$	\$
Discount rate	(71,555,000)	97,674,000	(50,730,000)	65,240,000
Salary growth	43,317,000	(36,383,000)	27,938,000	(23,772,000)
Pension increase	51,453,000	(43,575,000)	36,024,000	(30,666,000)
Life expectancy	8,128,000	(8,196,000)	5,543,000	(5,589,000)

The five-year trend for the fair value of plan assets, the defined benefit obligation, the surplus in the plan and experience adjustments for the plan asset and liabilities is as follows:

	2020	2019	2018	2017	2016
	\$	\$	\$	\$	\$
Fair value of plan assets	1,959,089,000	2,096,448,000	2,093,369,000	1,712,367,000	1,589,116,000
Assets not recognised due to limitation in economic benefits	(1,104,222,000)	(1,544,974,000)	(1,415,333,000)	(1,180,271,000)	(1,086,410,000)
Defined benefit obligations	(451,097,000)	(339,408,000)	(378,425,000)	(307,252,000)	(297,395,000)
Surplus	403,770,000	212,066,000	299,611,000	224,844,000	205,311,000
Experience adjustments - Fair value of plan assets	(266,389,000)	(149,579,000)	217,145,000	1,912,000	237,827,000
Defined benefit obligations	59,020,000	(120,052,000)	(108,465,000)	16,589,000	(18,083,000)

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

(Expressed in Jamaican dollars unless otherwise stated)

8. EMPLOYEE BENEFIT ASSET (CONTINUED)

Risks associated with pension plans and other employee benefit plans

Through its defined benefit pension plan, the Corporation is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will create a deficit.

As the plan matures, the Corporation intends to reduce the level of investment risk by investing more in assets that better match the liabilities. This process includes monitoring and rebalancing the asset classes and the maturity profile of assets within these classes. The Government bonds largely represent investments in Government of Jamaica securities.

However, the Corporation believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Corporation's long-term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities in the event that discretionary pension increases are granted. This risk is managed by the plan not having significant investment in fixed rate securities.

9. CAPITAL RESERVES

	2020 \$	2019 \$
Gain on disposal of land and building	16,420,395	16,420,395
Surplus on disposal of real estate	80,215,145	80,215,145
Excess of the value of assets over liabilities vested in the Corporation	1,675,556	1,675,556
Realised surplus on disposal of buildings	86,002,348	86,002,348
Realised surplus on disposal of equipment	591,000	591,000
Realised surplus on revaluation of furniture & fixtures	9,656,146	9,656,146
Realised surplus on revaluation of computers	3,069,096	3,069,096
	<u>197,629,686</u>	<u>197,629,686</u>

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2020****(Expressed in Jamaican dollars unless otherwise stated)****10. DEFERRED INCOME**

	2020	2019
	\$	\$
Balance at beginning of the year	2,087,199	12,607,880
Addition	-	2,087,199
Amortisation during the year	<u>(2,087,199)</u>	<u>(12,607,880)</u>
Balance at end of the year	<u>-</u>	<u>2,087,199</u>

\$2,087,199 was received by the Corporation in the previous year as Sponsorship towards the Coffee Specialty Trade Show in Boston, Massachusetts USA held 11th - 14th April 2019, the amount was recognised in the current financial year as revenue in the profit or loss.

11. GROSS OPERATING REVENUE

	2020	2019
	\$	\$
Government grants	855,314,841	819,169,119
Certification fees	2,156,114	2,384,169
Rental income	23,940,057	19,147,842
Sponsorship income	5,398,487	54,080,915
Other income	<u>27,133,685</u>	<u>19,436,490</u>
	<u>913,943,184</u>	<u>914,218,535</u>

This represents gross income from government grants, certification fees and miscellaneous income. During the financial year ended 31 March 2019, Sponsorship Income included gross amounts received as contribution towards the Jamaica Investment Forum (JIF) 2018 held June 12 - 14, 2018 amounting to \$52 million.

\$2,087,199 was recognized as Deferred Income for the year ended 31 March 2019 (see Note 10) and was recognized as Sponsorship Income in 2020. \$12,607,880 was recognized as Deferred Income in the year ended March 2018 (see Note 10) and was recognized as sponsorship income in 2019.

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2020****(Expressed in Jamaican dollars unless otherwise stated)****12. DISCLOSURE OF EXPENSES**

	2020	2019
	\$	\$
(i) Promotional		
Advertising and Promotion (Others) (a)	99,051,961	36,197,235
Foreign and Local Travel and Subsistence	46,561,251	57,913,453
Professional Fees (Others)	13,622,141	24,133,162
In-Market Brokers Services	1,910,414	2,339,646
Euro In-market Study-Non-traditional Export (b)	9,297,456	-
ICT/BPO Industry Coordinator (c)	10,837,545	2,723,998
Website Design and Development	-	4,791,575
Sales Training Programme - Value Selling Associates Inc.	5,593,622	-
National Export Strategy Coordinator	1,500,000	2,000,000
Agri-Industry 5-year Strategic Plan Development	-	1,616,912
National Business Portal	1,400,608	800,000
Export Max III	3,803,223	7,831,323
Film Lab Jamaica	2,990,000	1,372,156
JIFF 2018 Activities and Project Management **	-	60,391,087
Entertainment	10,352,631	10,252,066
Books, Publications and Subscription	7,898,150	14,955,485
Sponsorship (Tourism, Outsource, IQPC, Bauxite)	-	19,606,063
Change Management Programme	-	1,820,000
Booth Design & Décor Services	-	11,686,260
Office 365 Licences	3,986,522	3,549,201
Euro Online Database Development & Deployment	6,093,000	-
Digital Marketing Services	-	1,771,321
Film Fund Consultancy	-	324,069
Montego Bay BPO Fair	-	1,591,509
Country Perception Survey Services	-	3,391,246
Process Mapping Services	-	2,594,215
	<u>224,898,524</u>	<u>273,651,982</u>

**In prior year expenses were incurred to host the JIF 2018 which was held on June 12-14, 2018.

(a) Advertising and Promotion (Others) – this is inclusive of Exhibitions and Fairs held locally and overseas with a total cost of \$52,407,031.

(b) Euro In-market Study – Non-traditional Export consultancy to conduct a market study on the current situation in the Food & Beverage Industry, identify market opportunities in Canada, UK and USA and provide customized market and analysis research services and underlying data.

(c) ICT/BPO Industry Coordinator – consultancy to promote the BPO industry in Jamaica, provide a policy and incentive framework to expand the industry, facilitate the provision of infrastructure development and enhance the labour market.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

(Expressed in Jamaican dollars unless otherwise stated)

12. DISCLOSURE OF EXPENSES (CONTINUED)

	2020 \$	2019 \$
(ii) Staff-related		
Salaries, statutory payments and gratuities	494,137,428	476,320,677
Staff benefits	22,463,244	20,402,103
Pension benefit, net (Note 8)	339,000	(2,548,000)
Unused vacation leave	12,399,514	7,696,270
Staff training	3,039,517	3,331,361
	<u>532,378,703</u>	<u>505,202,411</u>

The average number of persons employed by the Corporation during the year was 94 (2019: 101).

	2020 \$	2019 \$
(iii) General and administrative		
Utilities	26,102,794	27,250,241
General Consumption Tax expense	15,427,748	16,460,877
Depreciation, net of allocation to tenants	18,857,819	19,763,702
Repairs and maintenance (a)	19,370,107	14,617,707
Office supplies and other operating expenses	10,883,641	10,035,254
Other expenses	1,921,554	3,957,422
Foreign exchange (gains)/losses	(3,503,057)	4,075,743
Insurance	4,815,587	4,174,031
Security	2,846,190	2,897,837
Motor vehicle and travelling	3,371,725	3,053,399
Office rental	6,006,893	5,844,985
Professional fees	3,541,195	1,617,522
Stationery	1,959,905	2,134,877
Audit fees	2,249,000	1,952,000
Bank charges	1,940,186	2,085,124
Directors' fees	1,259,650	934,400
General consumption tax recoverable		
Written-off	-	4,796,407
Loss on fixed assets disposal	2,227,511	-
	<u>119,278,448</u>	<u>125,651,528</u>
Total expenses	<u>876,555,675</u>	<u>904,505,921</u>

(a) Repairs and maintenance of \$19,370,107 (2019: \$14,617,707) – increase over previous year is due to unscheduled repairs and maintenance to central air conditioning unit costing \$6,107,637. The defective parts (a/c coils) were replaced at year end.

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2020****(Expressed in Jamaican dollars unless otherwise stated)****13. RELATED PARTY BALANCES AND TRANSACTIONS**

- (i) The statement of financial position includes balances arising in the ordinary course of business with related parties as follows:

	2020	2019
	\$	\$
Trade and other receivables:		
Government of Jamaica	667,225	178,471
	<u>667,225</u>	<u>178,471</u>
Trade and other payables:		
Government of Jamaica	27,017,437	25,355,209
	<u>27,017,437</u>	<u>25,355,209</u>

- (ii) Transactions with related parties are disclosed in the relevant notes to the financial statements.

	2020	2019
	\$	\$
Compensation of key management		
Personnel	55,620,792	51,655,769
	<u>55,620,792</u>	<u>51,655,769</u>

14. FINANCIAL RISK MANAGEMENT

The Corporation has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Corporation, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

- (i) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's other receivables, cash and cash equivalents and securities purchased under agreements to resell.

The maximum exposure to credit risk at the reporting date is represented by the carrying value of its financial assets in the statement of financial position.

	2020	2019
	\$	\$
Trade and other receivables	16,734,607	42,171,263
Cash and cash equivalents	112,245,033	19,529,414
Securities purchased under resale agreements	141,173,359	130,870,221
	<u>270,152,999</u>	<u>192,570,898</u>

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2020****(Expressed in Jamaican dollars unless otherwise stated)****14. FINANCIAL RISK MANAGEMENT (CONTINUED)****(i) Credit risk (Continued):***Trade and other receivables*

Management establishes an allowance for impairment that represents its estimate of losses in respect of other receivables. Management's policy is to provide for balances based on past default experience, current economic conditions and expected recovery.

Cash and cash equivalents and securities purchased under agreements to resell

These are placed with substantial financial institutions for short-term periods and management believes these institutions have minimal risk of default.

There were no financial assets that are considered past due but not impaired. There was no impairment of financial assets for the current or the prior year.

The Corporation's financial assets subject to the expected credit loss model within IFRS 9 are cash and other receivables. Based on Management's assessment the impact of the impairment was considered immaterial. There is no concentration of credit risk within these assets. None of these assets are considered impaired and no amounts have been written off in the period.

These financial assets are expected to be received in three months or less. An amount is considered to be in default if it has not been received 30 days after it is due.

(ii) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

The Corporation manages this risk by maintaining an adequate level of liquid funds and relies on the Government of Jamaica for financial support, if needed.

The contractual outflows as at 31 March 2020 and 2019, for trade payable, JIFSA, staff costs payable and gratuity (excluding amounts received in advance) are represented by their statement of financial position carrying amount and require settlement within 12 months at the reporting date amounting to \$126,061,051 (2019: \$116,379,283).

(iii) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange and interest rates, will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage market risk exposures within acceptable parameters while optimising the return on risk.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

(Expressed in Jamaican dollars unless otherwise stated)

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Market risk (Continued):

(a) Foreign currency risk:

The Corporation's exposure to foreign currency risk is as follows:

	2020				2019			
	US\$	£	€	CAD\$	US\$	£	€	CAD\$
Cash and cash equivalents	98,310	5,043	2,765	6,600	56,242	11,844	2,449	15,555
Securities purchases under resale agreements	724,656	-	-	-	675,689	-	-	-
Trade and other receivables	15,701	-	-	-	63,000	-	-	-
Trade and other payables	(147,850)	(13,449)	-	(438)	(170,274)	(39,928)	-	(5,768)
Net exposure	690,817	(8,406)	2,765	6,162	624,657	(28,084)	2,449	9,787

Exchange rates, in terms of Jamaica dollars, were as follows:

	US\$	£	€	CAD\$
31 March 2020	132.53	161.86	141.60	92.22
31 March 2019	123.57	163.58	134.41	90.08

Sensitivity analysis

A 3% (2019: 6%) strengthening of the Jamaica dollar against the United States dollar, Pound Sterling, Euro and Canadian dollar against the Jamaica dollar at 31 March, would have decrease surplus for the year by \$2,734,595 (2019: \$4,428,340).

A 7% (2019: 10%) weakening of the Jamaica dollar against the United States dollar, Pound Sterling, Euro and Canadian dollar against the Jamaica dollar at March 31, would have increased surplus for the year by \$6,380,722 (2019: \$7,380,567). This analysis assumes that all other variables, in particular interest rates, remain constant.

(b) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Financial assets which are subject to fixed interest are as follows:

	2020 \$	2019 \$
Financial assets:		
Cash and cash equivalents	9,701,058	4,119,046
Securities purchased under resale agreements	141,173,359	130,870,221
	150,874,417	134,989,267

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2020****(Expressed in Jamaican dollars unless otherwise stated)****14. FINANCIAL RISK MANAGEMENT (CONTINUED)**

(iii) Market risk (Continued):

(b) Interest rate risk continued:

The Corporation does not account for any financial instruments at fair value due to their short-term nature, therefore a change in interest rates, at the reporting date, would not affect the carrying value of the Corporation's financial instruments. Likewise, all the Corporation's financial instruments are at fixed rates, therefore a change in interest rates would not affect its cash flows.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is done on the same basis as in 2019.

(iv) Capital management:

For the purpose of the Corporation's capital management, capital includes accumulated surplus and capital reserves. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern to enable the Corporation to continue to carry out its mandate as defined by the Government of Jamaica of stimulating, facilitating and promoting the development of trade and industry, export trade and investment activities in all sectors of the Jamaican economy. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 2019.

(v) Fair values:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where quoted market prices are not available, the fair values of these instruments have been determined using a generally accepted alternative method.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate the value.

<u>Financial Instruments</u>	<u>Method</u>
Cash equivalents, resale agreements, trade and other receivables and accounts payables	Assumed to approximate their carrying values, due to their short-term nature

There are no financial instruments that are carried to fair value in the financial statements.

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2020****(Expressed in Jamaican dollars unless otherwise stated)**

15. SUBSEQUENT EVENTS

On 30 January 2020, the World Health Organization declared the outbreak of a novel strain of Coronavirus (COVID 19), which constituted a 'Public Health Emergency of International Concern'. This global outbreak, and the response of governments worldwide to it, has disrupted supply chains and activities across a range of industries. The extent of the impact of COVID 19 on the Corporation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the local economy and the Government's fiscal results, customers, employees and vendors/suppliers, all of which are uncertain.

The related financial impact and duration of this matter cannot be reasonably estimated at this time.

JAMPRO ANNUAL REPORT FY 2019-2020



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